

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Notice of Violation issued to Case No. 21900
Bar V. Barb, LLC

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

WEDNESDAY, JUNE 2, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, before
Hearing Examiner William Brancard on Wednesday,
June 2, 2021, via the Webex virtual Conferencing
platform

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
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A P P E A R A N C E S

FOR THE OCD: Eric Ames, Esq.
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1 (Time noted 10:37 a.m.)

2 HEARING EXAMINER BRANCARD: I now call Case
3 No. 4 on today's agenda. It is OCD Case No. 21900, notice
4 of Violation issued to Bar V. Barb, LLC.

5 For the Division?

6 MR. AMES: Mr. Hearing Examiner, Eric Ames for
7 OCD.

8 HEARING EXAMINER BRANCARD: Thank you. Is there
9 anyone here on behalf of the Respondent or otherwise
10 wishing to make comment on this case? (Note: No
11 response.)

12 Hearing none, you may proceed, Mr. Ames.

13 MR. AMES: Thank you, Mr. Hearing Examiner.

14 OCD proposes to proceed in the same manner
15 that we have proceeded in all the previous cases for which
16 parties have not appeared.

17 OCD begins by calling Mr. Daniel Sanchez.

18 HEARING EXAMINER BRANCARD: Thank you.

19 JOSE DANIEL SANCHEZ,

20 having been duly sworn, testified as follows:

21 EXAMINATION

22 BY MR. AMES:

23 Q. Daniel, please state your name for the record.

24 A. Jose Daniel Sanchez.

25 Q. And Daniel, where do you work, how long have you

1 **worked there, and what do you do?**

2 A. I work for the Oil Conservation Division, a
3 Division of the energy, minerals and Natural Resources
4 Department. I have been in that position for over 16
5 years, and that position being Administration and
6 Compliance Bureau Chief.

7 **Q. Thank you. Did you prepare testimony for this**
8 **hearing?**

9 A. Yes.

10 **Q. Is that testimony presented in Section 2, Direct**
11 **Testimony of the OCD's Prehearing Statement?**

12 A. Yes, it is, let's review the violations and
13 sanctions in your Direct Testimony

14 What is the first violation alleged in the
15 NOV?

16 A. The first violation is or Rule 19.15.5.9
17 (A)(4)(a), which is a violation of the inactive well rule.
18 Bar V Barb has more inactive wells than required by the
19 rule.

20 **Q. What sanction does OCD propose for this**
21 **violation?**

22 A. We are requesting an Order requiring Bar V Barb
23 to plug and abandon 13 of the inactive wells identified in
24 Table 1, and, if not, allow the OCD to do so.

25 And we're also asking for a civil penalty

1 of \$3900.

2 **Q. Thank you. Is there a second violation here?**

3 A. Yes. That is of Rule 19.15.8.9(D) and that's
4 deficient or insufficient financial assurance for the
5 wells.

6 **Q. Does OCD propose a sanction for this violation?**

7 A. Yes. We are asking for an Order requiring Bar V
8 Barb to either submit a T.A. Blanket Bond in the amount of
9 \$150,000 to cover three wells, or to increase the current
10 amounts for those three wells to the proper amounts.

11 We are also asking or a civil penalty in
12 the amount of \$900.

13 **Q. Thank you. Let's move on to Section 3 in the**
14 **Prehearing Statement, which is a list of the exhibits**
15 **offered by OCD in this case. Could you review those**
16 **exhibits for the record.**

17 A. Exhibit 1 is my Curriculum.

18 Exhibit 2 is the Notice of Violation.

19 Exhibit 3 and 4 the civil penalty
20 calculations.

21 Exhibit 5 is the Return Certified Mail sent
22 out for the NOV.

23 Exhibit 6 is the electronic mail return for
24 the NOV.

25 MR. AMES: Thank you, Daniel.

1 Move admission of Exhibits 1 through 6.

2 HEARING EXAMINER BRANCARD: Are there any
3 objections to these exhibits? (Note: Pause.)

4 Hearing none, they are admitted.

5 Any further testimony today, Mr. Ames?

6 MR. AMES: No, your Honor.

7 HEARING EXAMINER BRANCARD: Thank you.

8 Are there any other persons here interested
9 in Case 21900, Bar V Barb, LLC?

10 Hearing none, Mr. Ames are you prepared to
11 do Findings and Conclusion also in this case?

12 MR. AMES: I will, Mr. Hearing Examiner on the
13 same schedule as previously agreed to for Slayton and
14 Flare Oil.

15 HEARING EXAMINER BRANCARD: Thank you.

16 And so with that, this Case 21900 will be
17 taken under advisement, with the submittal of Findings and
18 Conclusions proposed by the Division within two weeks.

19 And is there any other matters coming
20 before the Division today?

21 MR. AMES: No, your Honor.

22 HEARING EXAMINER BRANCARD: Thank you.

23 With that, I think we are done for
24 today. Thank you everyone. Appreciate it.

25 (Time noted 10:39 a.m.)

1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Wednesday, June 2,
8 2021, the proceedings in the above-captioned matter were
9 taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18 /s/ Mary Macfarlane
19 _____

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
License Expires: 12/31/2021

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