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

ORIGINAL

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

CASE NO. 14190

APPLICATION OF DENNIS LANGLITZ FOR  
AUTHORIZATION TO INJECT, EDDY COUNTY,  
NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

RECEIVED  
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BEFORE: DAVID K. BROOKS, Legal Examiner  
TERRY G. WARNELL, Technical Examiner  
RICHARD EZEANYIM, Technical Examiner

October 30, 2008

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico  
Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,  
TERRY G. WARNELL, Technical Examiner, and RICHARD EZEANYIM,  
Technical Examiner, on Thursday, October 30, 2008, at the  
New Mexico Energy, Minerals and Natural Resources Department,  
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

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FOR THE APPLICANT:

Gary W. Larson, Esq.

HINKLE, HENSLEY, SHANOR &amp; MARTIN, LLP

218 Montezuma

Santa Fe, New Mexico 87504

1 MR. WARNELL: So we'd like to call Case 14190,  
2 Application of Dennis Langlitz for Authority to Inject, Eddy  
3 County, New Mexico.

4 Call for appearances.

5 MR. LARSEN: Gary Larson for Dennis Langlitz, the  
6 applicant. I have two witnesses with me.

7 MR. WARNELL: Will the witnesses please stand  
8 and be sworn?

9 [Witnesses sworn.]

10 MR. WARNELL: Any other appearances?

11 Mr. Larson, please proceed.

12 DENNIS LANGLITZ

13 after having been first duly sworn under oath,  
14 was questioned and testified as follows:

15 DIRECT EXAMINATION

16 BY MR. LARSON:

17 Q. Mr. Langlitz, would you state your full name for  
18 the record again, please?

19 A. Dennis Langlitz.

20 Q. And since the initial hearing in this matter,  
21 have you taken samples of the produced water that you proposed  
22 to inject?

23 A. Yes, I did.

24 Q. And did you take those samples to the laboratory  
25 for analysis?

1 A. Yes, I did.

2 Q. And what laboratory did you take those?

3 A. Cardinal Laboratory in Hobbs.

4 Q. Now, I'll direct your attention to  
5 Exhibit No. 12. We've just consecutively marked the exhibits  
6 ending with the last exhibit of the previous hearing. Can you  
7 identify that document, please?

8 A. Yes, this is the lab analysis that they returned  
9 to me.

10 Q. And did you also obtain an analysis of the Double  
11 Eagle water that you purchased from the City of Carlsbad for  
12 makeup water?

13 A. Yes, I did.

14 Q. And were analytical data of that Double Eagle  
15 water obtained from the City of Carlsbad website?

16 A. Yes, they were.

17 Q. And if you'll direct your attention to  
18 Exhibit 13. Is that the Double Eagle water data?

19 A. Yes, it is.

20 Q. And also, since the initial hearing, have you  
21 made arrangements for a step rate test to be conducted?

22 A. Yes, I have.

23 Q. And did you make those arrangements or did your  
24 petroleum engineer?

25 A. My petroleum engineer, Mike Kincaid, took care of

1 that.

2 Q. So he'll be able to testify about the step rate  
3 tests?

4 A. Yes, sir, he will.

5 MR. LARSON: Mr. Hearing Examiner, I would request we  
6 supplement the record with the results of the step rate test  
7 which we hope to be conducted next week.

8 MR. WARNELL: So you would like to come back the next  
9 docket?

10 MR. LARSON: I'd like to just submit the test results  
11 as a supplement to the record, if that's agreeable.

12 MR. WARNELL: Okay. And that's exhibits --

13 MR. LARSON: It's not a marked exhibit yet. What I  
14 anticipated doing was filing a notice of supplementation in the  
15 record. It's not one of the exhibits in front of you.

16 MR. WARNELL: Okay. We can accept that.

17 MR. LARSON: Okay.

18 Q. (By Mr. Larson): And at the initial hearing in  
19 this matter, Daniel Sanchez testified about several outstanding  
20 Rule 40 compliance issues. Have you since met with  
21 Ms. MacQuesten and Mr. Sanchez about these matters?

22 A. Yes, I did.

23 Q. And were all the Rule 40 matters resolved?

24 A. Yes, they were.

25 Q. Including the penalty assessment under ACO #225?

1 A. Yes, sir.

2 MR. LARSON: At this time, I move the admission of  
3 Exhibits 12 and 13, and I have no further questions for  
4 Mr. Langlitz.

5 MR. WARNELL: Okay. We'll admit Exhibits 12 and 13.

6 [Applicant's Exhibits 12 and 13 admitted into  
7 evidence.]

8 MR. WARNELL: Mr. Brooks, any questions?

9 MR. BROOKS: No questions.

10 MR. WARNELL: Do you have another witness,  
11 Mr. Larson?

12 MR. LARSON: Yes, I do.

13 MR. WARNELL: Call your next witness, please.

14 WILLIAM MICHAEL KINCAID

15 after having been first duly sworn under oath,

16 was questioned and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. LARSON:

19 Q. Mr. Kincaid, can you also restate your name for  
20 the record, please?

21 A. William Michael Kincaid.

22 Q. And you heard Mr. Langlitz testify that you made  
23 arrangements for a step rate test to be conducted. Who did you  
24 contact to perform this test?

25 A. Cardinal Surveys out of Midland, Texas.

1 Q. And when do you anticipate the step rate will be  
2 completed?

3 A. They hope to get to that step rate test as soon  
4 as next week.

5 Q. Okay. And in your opinion, will one step rate  
6 test be sufficient for determining appropriate injection  
7 pressures for Mr. Langlitz' wells?

8 A. I believe it will. This reservoir is relatively  
9 small and uniform, and enough water has been injected into each  
10 of the wells. And I expect the frac pressure at each of the  
11 injection wells -- I expect there to be very little difference  
12 between all the injection wells.

13 Q. I'll direct your attention to Exhibit No. 14.  
14 And did you prepare this exhibit?

15 A. Yes, I did.

16 Q. And what does it depict?

17 A. This is the map showing the Saladar unit area, a  
18 distance of approximately two miles in all directions showing  
19 all of the wells in that area, both inactive and active wells.

20 And it also shows the area of review for all of the  
21 injection wells on the Saladar unit, and it shows all the wells  
22 inside that area of review, both active and inactive wells.

23 Q. And did you prepare this in response to a request  
24 from the Hearing Examiner at the previous hearing?

25 A. Yes, I did.

1 Q. And I next direct your attention to  
2 Exhibit No. 15. And did you also prepare this exhibit?

3 A. Yes, I did.

4 Q. And what is depicted on Exhibit No. 15?

5 A. This is this a tabulation of the area of review  
6 that's shown on the map Exhibit 14. It's showing -- it lists  
7 all of the wells inside the area of review. It shows the  
8 operators, the lease names -- it shows the operators, the lease  
9 names and well numbers, the location of each well and status,  
10 and its general construction.

11 Q. And did you prepare this in response to another  
12 request from the Hearing Examiner at the previous hearing?

13 A. Yes, I did.

14 Q. And you previously testified that all the plugged  
15 and abandoned wells in the area of review have been properly  
16 plugged. Do you recall that testimony?

17 A. Yes, I do.

18 Q. And subsequently did you identify another plugged  
19 and abandoned well in the area of review?

20 A. Yes, I did.

21 Q. And could you point to that on Exhibit 14 for us?

22 A. This well is in the northeast part of the area of  
23 review. The operator is shown as GD Riggs, and it's the  
24 Mayfield Well No. 1 shown as a plugged well.

25 Q. And have you analyzed any data about the Mayfield

1 No. 1 well?

2 A. The only data that was available on that well was  
3 just the operator and the lease name and well number and the  
4 fact that it was a plugged well. There were no records  
5 available at the OCD website. In generating Exhibit 14, the  
6 map, I went to the GOTECH website, which is linked with the OCD  
7 website. And they have a database there that shows all the  
8 wells and their locations, and we were able the download that  
9 information and generate a map from it.

10 But beyond showing the operator and the lease and  
11 well name and the fact that it's a plugged well, there is no  
12 other information available on that well.

13 MR. WARNELL: So Mayfield No. 1 didn't make your  
14 spreadsheet, Exhibit 13?

15 THE WITNESS: It's on the spreadsheet on the very  
16 first group of wells in Section 33.

17 MR. WARNELL: I see it.

18 THE WITNESS: It's the second well from the bottom  
19 there. And like I said earlier, it has an API number and just  
20 the operator and lease and well name. That's all that's  
21 available.

22 Q. (Mr. Larson): And did you contact anybody in the  
23 Division office in Santa Fe to see if there were records  
24 available for the Mayfield 1 Well?

25 A. Yes. I contacted Lawrence Romero in the records

1 division, and he did a search himself on this well, and he was  
2 unable to find any information on it. In fact, he kind of  
3 doubted whether the well actually existed or not.

4 But as I said before, it does have an API number, and  
5 if you input that API number into the OCD website, it comes up  
6 "no records available."

7 Q. And in your expert opinion, would injection at  
8 the pressures proposed by Mr. Langlitz potentially result in  
9 produced water entering the well if it wasn't properly plugged?

10 A. I don't believe so. This reservoir under the  
11 Yates reservoir under the Saladar unit does not extend to that  
12 location; therefore, a well drilled at that location would not  
13 have penetrated the reservoir.

14 So initially as you injected water into those  
15 injection wells, the water would travel outward radially until  
16 that hit the reservoir boundary. And at that point, all of the  
17 flow of the water would be back toward the producing wells  
18 since they are creating a pressure sink in that reservoir. So  
19 as long as you're producing the producing wells, the water  
20 would not travel any further beyond that reservoir limit toward  
21 that well.

22 Q. I'll direct your attention to Exhibit No. 15, and  
23 you have a column there that shows well status. And you have  
24 several wells, Mr. Langlitz' wells, indicated as TA. Do you  
25 mean that those wells are in Division-approved temporary

1 abandonment status?

2 A. No. As far as that goes, the TA means that it's  
3 just an inactive well.

4 Q. Okay.

5 MR. LARSON: And that's all I have for Mr. Kincaid,  
6 and I would move the admission of Exhibits 14 and 15.

7 MR. WARNELL: We'll accept Exhibits 14 and 15.

8 [Applicant's Exhibits 14 and 15 admitted into  
9 evidence.]

10 MR. WARNELL: Any questions, Mr. Brooks?

11 MR. BROOKS: No questions.

12 MR. WARNELL: I have no questions. You may step  
13 down, if you're finished.

14 MR. LARSON: Thank you, Mr. Hearing Examiner.

15 MR. WARNELL: Thank you. We'll take Case No. 14190  
16 under advisement; however, we reserve the right to reopen the  
17 case if needed.

18 MR. LARSON: I understand.

19 \* \* \*

20 I do hereby certify that the foregoing is  
21 a complete record of the proceedings in  
22 the above hearing of Case No. \_\_\_\_\_  
23 heard by me on \_\_\_\_\_.

24 \_\_\_\_\_, Examiner  
25 Oil Conservation Division

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**REPORTER'S CERTIFICATE**

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this proceeding.

DATED this 30th of October, 2008.

  
\_\_\_\_\_  
JOYCE D. CALVERT  
New Mexico P-03  
License Expires: 7/31/09

1 STATE OF NEW MEXICO )  
 )  
2 COUNTY OF BERNALILLO )

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4 I, JOYCE D. CALVERT, a New Mexico Provisional  
5 Reporter, working under the direction and direct supervision of  
6 Paul Baca, New Mexico CCR License Number 112, hereby certify  
7 that I reported the attached proceedings; that pages numbered  
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9 stenographic notes. On the date I reported these proceedings, I  
10 was the holder of Provisional License Number P-03.

11 Dated at Albuquerque, New Mexico, 30th day of  
12 October, 2008.

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                      500 Fourth Street, NW, Suite 105  
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