

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

CASE NOS. 12,734, 12,897, 12,792 and 12,828
CONTINUED CASES

CASE NO. 12,935
FINAL COMMISSION ACTION
NO EVIDENCE OR TESTIMONY TAKEN

TRANSCRIPT OF PROCEEDINGS

BEFORE: LORI WROTENBERY, CHAIRMAN
JAMI BAILEY, COMMISSIONER
ROBERT LEE, COMMISSIONER

ORIGINAL

December 13th, 2002
Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Friday, December 13th, 2002, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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STEVEN T. BRENNER, CCF
(505) 989-9317

Application of Richardson Operating
Co.
Record on Appeal, 19.

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OIL CONSERVATION COM.

I N D E X

December 13th, 2002
Commission Hearing

CASE NOS. 12,734, 12,897, 12,792 and 12,828 (Continued)

CASE NO. 12,935 (Final Commission Action, No Evidence or
Testimony Taken)

PAGE

ADOPTION OF MINUTES FOR HEARINGS OF
OCTOBER 21st-22nd, 2002,
OCTOBER 25th, 2002,
OCTOBER 29th-31st, 2002,
and NOVEMBER 22nd, 2002

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CONTINUANCE OF CASE 12,734

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CONTINUANCE OF CASE 12,897

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CONTINUANCE OF CASE 12,792

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CONTINUANCE OF CASE 12,828

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REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

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* * *

STEVEN T. BRENNER, CCI
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*Application of Richardson Operating
Co.
Record on Appeal, 20.*

1 WHEREUPON, the following proceedings were had at
2 9:00 a.m.:

3 CHAIRMAN WROTENBERY: Okay, we'll call this
4 meeting to order. This is an Oil Conservation Commission
5 hearing. It's Friday, December 13th, 2002, shortly after
6 9:00 a.m. We're in Porter Hall in Santa Fe, New Mexico,
7 and all three Commissioners are present this morning.

8 We have some catch-up work to do on minutes of
9 the last several meetings. We had so many in October and
10 November that we got behind on adoption of the minutes, but
11 we do have four sets of minutes to review and approve.

12 The first is for the Commission Hearing held on
13 October 21st and 22nd, 2002. We also have the minutes of
14 the hearing held on October 25th, 2002, the minutes of the
15 hearing held on October 29th through the 31st, 2002, and
16 the minutes of the hearing held by the Commission on
17 November 22nd, 2002.

18 And Commissioners, have you had a chance to
19 review these minutes?

20 COMMISSIONER BAILEY: Yes, I've had a chance, and
21 I move that we adopt them.

22 COMMISSIONER LEE: Second.

23 CHAIRMAN WROTENBERY: All in favor say aye.

24 COMMISSIONER BAILEY: Aye.

25 COMMISSIONER LEE: Aye.

1 CHAIRMAN WROTENBERY: Aye. And I will sign those
2 on behalf of the Commission.

3 So a couple of announcements I need to make for
4 the record.

5 We have a couple of cases that we do to plan to
6 take action in this year, but it will not be today. We
7 will continue these cases to a special Commission meeting
8 that will be held at 9:00 a.m. on Thursday, December 19th.

9 And those cases are Case 12,734 -- this is the
10 Application of Richardson Operating Company to establish a
11 special "infill well" area within the Basin-Fruitland Coal
12 Gas Pool as an exception from Rule 4 of the special rules
13 for this pool in San Juan County, New Mexico -- and also
14 Case 12,897 -- this is the Application of the New Mexico
15 Oil Conservation Division through the Environmental Bureau
16 Chief for the adoption of amendments to Division Rule 118
17 -- we need to consider a couple of clerical corrections to
18 the text of the Rule that was adopted on November 22nd.
19 But as I said, we'll do both of those cases next Thursday.

20 And then we also had a couple of cases on the
21 agenda that will be continued to the Commission's hearing
22 in January, and those are Cases 12,792 -- it's the
23 Application of the New Mexico Oil Conservation Division for
24 an order requiring Kelly H. Baxter to properly plug seven
25 wells in Lea County, New Mexico -- and Case 12,828, the

1 Application of David H. Arrington Oil and Gas, Inc., for
2 compulsory pooling in Lea County, New Mexico. Both of
3 those will be heard in January.

4 * * *

5
6 CHAIRMAN WROTENBERY: And that leaves us with one
7 item of business today, and that is Case 12,935, the
8 Application of the New Mexico Oil Conservation Division to
9 amend Rules 303.B, 309.B, Rule 309.C, and to make
10 conforming amendments to Rule 303.A and 309.A.

11 And we took testimony in this matter at the
12 Commission Hearing on November 22nd. We left the record
13 open for additional comments until -- I'm drawing a blank
14 on the date. It was the --

15 COMMISSIONER BAILEY: --13th.

16 CHAIRMAN WROTENBERY: -- the 13th of December. I
17 believe we got one additional comment, then, from Marathon
18 during that time period. They sent an e-mail note in
19 support of the Rule. And we did also, I believe, have the
20 staff talk with the staff of the Land Office in the
21 meantime, to make sure that the Land Office staff was
22 comfortable with the changes that the Commission requested
23 at the November 22nd hearing.

24 So there is a draft order in front of you,
25 Commissioners. Have you had a chance to review that draft?

1 COMMISSIONER BAILEY: Yes, I have, and I move
2 that we adopt it.

3 COMMISSIONER LEE: Second.

4 CHAIRMAN WROTENBERY: All in favor say aye.

5 COMMISSIONER BAILEY: Aye.

6 COMMISSIONER LEE: Aye.

7 CHAIRMAN WROTENBERY: So that's a pretty simple
8 matter there.

9 I would like to say -- and the Order reflects
10 what I'm about to say -- we do appreciate the work of the
11 work group that was convened to review the surface
12 commingling Rules and suggest changes, and in particular
13 I'd like to thank Mr. Ezeanyim and Mr. Brooks for their
14 work on getting this proposal in order and ready for
15 adoption by the Commission. Thank you very much.

16 Where is that version of the -- Oh, it's this
17 one. I was thinking that was the draft. We just need to
18 sign it at this point.

19 Okay, so that work is complete, and we'll ask the
20 staff to have this Rule published in the *Register*.

21 I believe that's everything that we had for
22 today. Florene, is that right?

23 MS. DAVIDSON: Right.

24 CHAIRMAN WROTENBERY: So entertain a motion to
25 adjourn.

1 COMMISSIONER BAILEY: I move we adjourn.
2 CHAIRMAN WROTENBERY: Do you second?
3 COMMISSIONER LEE: Second.
4 CHAIRMAN WROTENBERY: All in favor say aye.
5 COMMISSIONER BAILEY: Aye.
6 COMMISSIONER LEE: Aye.
7 CHAIRMAN WROTENBERY: Aye. Thanks.
8 (Thereupon, these proceedings were concluded at
9 9:12 a.m.)

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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL December 13th, 2002.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006