

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**Meeting Minutes
Regular Meeting
April 4, 2017
Porter Hall
Wendell Chino Building
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505**

MEMBERS PRESENT:

David R. Catanach	Chair, Oil Conservation Division
Robert Balch	Designee, Energy, Minerals and Natural Resources Department
Patrick Padilla	Designee, New Mexico State Land Commissioner

OTHERS PRESENT:

Bill Brancard, Counsel for the Commission

The meeting was called to order by Chair Catanach at 9:05 a.m.

Item 1. Roll Call

Roll was taken; a quorum was present.

Item 2. Approval of Agenda.

Action: Commissioner Padilla moved to adopt the agenda. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 3. Approval of minutes of February 28-March 1, 2017 meeting.

Action: Commissioner Balch moved to approve the minutes. Commissioner Padilla seconded the motion. The motion passed unanimously.

Approval of minutes of March 8, 2017 meeting.

Action: Commissioner Padilla moved to approve the minutes. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 4. Final action may be taken in Case 15617: Application of CK Disposal, LLC for a Commercial Surface Waste Management Facility Permit in Lea County, New Mexico.

Action: Chair Catanach announced that all Commissioners received the draft order in this case. Commissioner Balch moved to approve and adopt the order. Commissioner Padilla seconded the motion. The motion passed unanimously. Order No. R-14254-B was signed by all Commissioners.

**Item 5. There will not be an evidentiary hearing in:
Case No. 15487: Joint Application for Rehearing of Order No. R-14164-D, Application of the New Mexico Oil Conservation Division**

Through the Supervisor of District II for an Emergency Order Suspending Certain Approved Applications for Permits to Drill, and for Adoption of Special Rules for Drilling in Certain Areas for the Protection of Fresh Water, Chaves and Eddy Counties, New Mexico. The Commission will discuss the application for rehearing and the options available.

Action: Chair Catanach explained that Case 15487 was heard by the Commission on December 5 through 7, 2016, and Order No. R-14164-D was entered in that case on February 8, 2017. On February 28, 2017, a joint application for rehearing was filed, and Chair Catanach, pursuant to Section 70-2-25 NMSA 1978, granted the application and scheduled it for hearing on April 4, 2017. After discussion, Commissioner Balch made a motion to ratify the Chair's actions. Commissioner Padilla seconded the motion. The motion passed unanimously.

Chair Catanach stated that the application for rehearing addresses two issues – the extent of the designated area and the language concerning where surface casing is to be set. Commissioner Padilla moved to limit the rehearing to the two issues. Commissioner Padilla seconded the motion. The motion passed unanimously. An order will be issued addressing this decision and scheduling the rehearing for May 18, 2017.

Item 6. Status Report by representatives of the Division and Geolex, Inc. on events concerning acid gas injection well replacements at Targa Midstream's Monument Gas Processing Facility.

Action: Phillip Goetze with the Oil Conservation Division Engineering Bureau and Alberto Gutierrez, President of Geolex, presented a status report summarizing the problems encountered after initiation of injection into the Monument AGI D No. 2 well and the remediation performed on the well. An administrative process for future acid gas well applications was discussed.

Item 7. Other business, including discussion of pending litigation.

Action: Chair Catanach stated that a De Novo application has been received in Case 15519, Application of Mewbourne Oil Company to revoke the injection authority granted under SWD-744 for the Willow Lake Well No. 1 operated by Pyote Well Service, LLC. He said that Order No. R-14300 was issued in this case after the examiner hearing requiring the operator to cease injection into this well prior to April 1, 2017. Pyote requested a stay of the order and filed the De Novo application. Commissioners Balch and Padilla agreed to allow Chair Catanach to make the decision on the stay, and the De Novo hearing was scheduled for May 18, 2017.

The Commissioners agreed that the deliberations scheduled for April 25, 2017 on De Novo Cases 15441, 15481, and 15482, which were heard on February 28-March 1, 2017, will be closed. The meeting will be opened at the end of deliberations to announce the Commission's decision.

Counsel Brancard presented an update on the pending litigation regarding the Lightning Dock Geothermal HI-01, LLC geothermal cases and the Matador Production Company and Jalapeno Corporation De Novo case.

He discussed bills and memorials passed during the past legislative session.

Item 8. Next meeting – April 25, 2017

Item 9. Adjournment

The Chair adjourned the meeting at 10:30 a.m.

A handwritten signature in black ink, appearing to read "David R. Catanach". The signature is fluid and cursive, with a large initial "D" and "C".

DAVID R. CATANACH, Chair