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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

ADOPTION OF AGENDA AND ADOPTION OF APRIL 25, 2017 MEETING MINUTES AND CONTINUATION OF CASE NUMBER 15519

May 18, 2017

Santa Fe, New Mexico

BEFORE: DAVID R. CATANACH, CHAIRPERSON EDWARD MARTIN, COMMISSIONER DR. ROBERT S. BALCH, COMMISSIONER GABRIEL WADE, ESQ.

This matter came on for hearing before the New Mexico Oil Conservation Commission on Thursday, May 18, 2017, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 (9:01 a.m.) 1 2 CHAIRMAN CATANACH: Call the hearing to 3 order. Good morning. This is the meeting of the 4 5 New Mexico Oil Conservation Commission. My name is б David Catanach, Chairman of the Commission. The time is 7 9:00 a.m. Today's date is May 18th, 2017. This meeting 8 is being held in Porter Hall in the Wendell Chino State 9 Building. 10 At this time I will take roll. 11 Will the Commissions please introduce themselves for the record? 12 13 COMMISSIONER BALCH: Dr. Robert Balch, designee for the Secretary of Energy, Minerals and 14 Natural Resources. 15 16 COMMISSIONER MARTIN: Ed Martin representing the Commissioner of Public Lands. 17 18 CHAIRMAN CATANACH: Thank you, 19 Commissioners. 20 And we do welcome Mr. Martin to the Commission. He will be sitting in on the Commission 21 22 meetings from now on, for the time being anyway. 23 Also present today is Mr. Gabe Wade who 24 will be sitting in for just a few minutes, and then 25 we'll switch over to Bill Brancard.

Page 3 So, Commissioners, in your packet today is 1 the agenda for today's meeting. Do I hear a motion to 2 adopt the agenda? 3 4 COMMISSIONER BALCH: Move to adopt the 5 agenda. COMMISSIONER MARTIN: 6 Second. 7 CHAIRMAN CATANACH: All in favor? 8 (Ayes are unanimous.) 9 CHAIRMAN CATANACH: Motion to adopt today's 10 agenda is passed. 11 Also in the packet are the draft minutes 12 from the April 25th, 2017 Special Commission Meeting. 13 Commissioners, have you reviewed the minutes, and do you have any changes? And if not, is 14 there a motion and second to adopt the minutes? 15 16 COMMISSIONER MARTIN: I move they be adopted. 17 18 COMMISSIONER BALCH: I've reviewed them and 19 second the motion. 20 CHAIRMAN CATANACH: All in favor? 21 (Ayes are unanimous.) 22 CHAIRMAN CATANACH: Motion to adopt the 23 meetings minutes from the April 25th, 2017 meeting is 24 passed. 25 So let me just announce at this time, with

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1	regards to today's agenda, that Case Number 15519, which
2	is the application of Mewbourne Oil Company to revoke
3	the injection authority granted under SWD-744 for the
4	Willow Lake Well Number 1, operated by Pyote Well
5	Service, LLC, Eddy County, New Mexico, has been
6	continued from today's docket to July 13th the
7	Commission docket on July 13th, 2017.
8	(Case Number 15519 concludes, 9:05 a.m.)
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Page 5 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court б Reporter, New Mexico Certified Court Reporter No. 20, 7 and Registered Professional Reporter, do hereby certify 8 that I reported the foregoing proceedings in 9 stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that 10 11 were reduced to printed form by me to the best of my 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither 17 employed by nor related to any of the parties or 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 21 MARY C. HANKINS, CCR, RPR 22 Certified Court Reporter New Mexico CCR No. 20 23 Date of CCR Expiration: 12/31/2017 Paul Baca Professional Court Reporters 24 25