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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONER HEARING

ADOPTION OF AGENDA,

ADOPTION OF AUGUST 20 - 21, 2018 COMMISSIONER MEETING MINUTES,

AND

CONTINUATION OF CASE NUMBERS 15758, 15759 and 15844

September 13, 2018

Santa Fe, New Mexico

BEFORE: HEATHER RILEY, CHAIRWOMAN ED MARTIN, COMMISSIONER DR. ROBERT S. BALCH, COMMISSIONER BILL BRANCARD, ESQ.

This matter came on for hearing before the New Mexico Oil Conservation Commission on Thursday, September 13, 2018, 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

Page 2 (9:26 a.m.) 1 2 CHAIRWOMAN RILEY: Good morning. It's 9:26. This is the Oil Conservation Commission hearing 3 for September 13. I'm your Chair, Heather Riley. 4 5 Can I have introductions? б COMMISSIONER BALCH: Dr. Robert Balch, 7 designee of the Secretary of Energy, Minerals and 8 Natural Resources. 9 COMMISSIONER MARTIN: Ed Martin, designee of the State Land Office. 10 11 CHAIRWOMAN RILEY: Who else do I have up 12 here? 13 Mr. Brancard? 14 MR. BRANCARD: Bill Brancard, counsel for the Commission. 15 16 MS. DAVIDSON: Florene Davidson, Commission 17 clerk. 18 CHAIRWOMAN RILEY: Thank you. 19 Next item on the agenda is to approve the 20 agenda. Have you-all had a chance to review what we're going to do today? 21 22 COMMISSIONER BALCH: I've reviewed the agenda, and I move to adopt it. 23 24 COMMISSIONER MARTIN: I second it, so I 25 have reviewed it.

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Page 3 CHAIRWOMAN RILEY: So moved. 1 2 We have minutes in here from our previous meeting, August 20 through 21st. Have you-all had a 3 chance to review the minutes? 4 5 COMMISSIONER MARTIN: I have reviewed those 6 and move to accept them. 7 COMMISSIONER BALCH: I have also reviewed 8 them, and I second the motion. 9 (The preliminary proceedings conclude, 9:27 10 a.m.) 11 (10:46 a.m.) 12 CHAIRWOMAN RILEY: Continuing on, Case Number 15758, de novo, was continued from the August 13 20th Commission hearing, application of OneEnergy 14 Partners Operating, LLC for a nonstandard spacing and 15 16 proration unit and compulsory pooling in Lea County. 17 And I believe we have a motion for continuance on that one, Florene; is that correct? 18 19 MS. DAVIDSON: Yes. 20 CHAIRWOMAN RILEY: So that one is continued 21 to the next --22 MS. DAVIDSON: October 11th. 23 CHAIRWOMAN RILEY: -- to the October 11th 24 date. 25 So similarly, Case Number 15759, also a

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1	OneEnergy application, that's going to be continued to
2	the October 11th hearing date.
3	And Case Number 15844, amended application
4	of XTO Energy for approval of expansion of the James
5	Ranch Unit, Eddy County. There has also been a motion
6	for continuance that has been submitted, so that'll be
7	heard on October the 11th.
8	(The proceedings conclude, 10:46 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 Reporter, New Mexico Certified Court Reporter No. 20, 6 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 were reduced to printed form by me to the best of my 11 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 employed by nor related to any of the parties or 17 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED THIS 17th day of October 2018. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2018 24 Paul Baca Professional Court Reporters 25