Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 2 OIL CONSERVATION COMMISSION 3 IN THE MATTER OF THE HEARING CALLED ORIGINAL BY THE OIL CONSERVATION COMMISSION FOR 4 THE PURPOSE OF CONSIDERING: 5 NOTICE OF RULEMAKING 6 Case 14805 MOTION OF TARGA MIDSTREAM SERVICES, LLC, Case 14575 7 TO REOPEN CASE TO OFFER PROOF OF COMPLETION AND RESULTS OF PRESSURE TESTING 8 APPLICATION OF C&D MANAGEMENT COMPANY 9 Case 14055 TO REOPEN CASE NO. 14055, EDDY COUNTY, NEW MEXICO 10 NOTICE OF ABATEMENT PLAN FILING PURSUANT 11 TO 19.15.30.15.D NMAC 12 13 REPORTER'S TRANSCRIPT OF PROCEEDINGS COMMISSIONER HEARING 14 Π. 15 (γ) JAMI BAILEY, Chairman BEFORE: no. ROBERT BALCH, Commissioner 16 SCOTT DAWSON, Commissioner 17 March 27, 2012 18 Santa Fe, New Mexico 19 This matter came on for hearing before the New 20 Mexico Oil Conservation Commission, JAMI BAILEY, Chairman, on Tuesday, March 27, 2012, at the New Mexico 21 Energy, Minerals and Natural Resources Department, 1220 22 South St. Francis Drive, Room 102, Santa Fe, New Mexico. 23 REPORTED BY: Jacqueline R. Lujan, CCR #91 24 Paul Baca Professional Court Reporters 25 500 Fourth Street, N.W., Suite 105

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APPEARANCES 1 2 FOR THE OIL CONSERVATION COMMISSION: 3 Bill Brancard, Esq. General Counsel 4 1220 S. St. Francis Drive Santa Fe, New Mexico 87504 5 6 FOR THE OIL CONSERVATION DIVISION: 7 Gabrielle A. Gerholt, Esq. 1220 S. St. Francis Drive 8 Santa Fe, New Mexico 87504 9 FOR THE NEW MEXICO OIL & GAS ASSOCIATION: 10 11 Michael Feldewert, Esq. Holland & Hart 110 North Guadalupe, Suite 1 12 Santa Fe, New Mexico 87501 13 ALSO PRESENT: 14 15 Florene Davidson Ms. Duran-Saenz 16 WITNESSES: PAGE 17 18 DAVID BROOKS: 19 Direct examination by Ms. Gerholt 8 Examination by Commissioner Dawson 20 13 21 22 EXHIBITS INDEX PAGE OCD EXHIBITS 1-A AND 1-C WERE SUBSTITUTED 23 . 6 24REPORTER'S CERTIFICATE 27 25

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Page 19 upstairs and get the actual schedule. 1 CHAIRMAN BAILEY: It would be close to the 2 3 end of April, early May, then? 4 MS. DURAN-SAENZ: Yes, ma'am. 5 MR. BRANCARD: It's effective upon 6 publication; correct? 7 MS. GERHOLT: And it will be published in 8 the Register --9 MS. DURAN-SAENZ: We have to get it in usually by the 15th, and it's published by the end of the 10 month. That's why I say 30 days. 11 CHAIRMAN BAILEY: So the end of April, 12 early May? 13 MS. DURAN-SAENZ: Without having a 14 schedule in front of me, I don't have the exact date. 15 CHAIRMAN BAILEY: Okay. Then we can go 16 back to the business that we delayed. Have the 17 Commissioners had a chance to read the minutes of the 18 previous hearing on February 23rd? 19 20 COMMISSIONER DAWSON: I have. COMMISSIONER BALCH: I have, as well. 21 CHAIRMAN BAILEY: Did you have any 22 23 comments, or is there a motion to adopt the minutes as 24 written? COMMISSIONER DAWSON: I will motion to 25

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Page 20 1 - adopt. COMMISSIONER BALCH: Second. 2 CHAIRMAN BAILEY: All those in favor? 3 Ι will sign on behalf of the Commission. 4 Have the Commissioners had a chance to read 5 the draft for Case 14575, which was the application of 6 7 Targa Midstream Services, LLC, to reopen the case to offer proof of well completion, well test results and 8. extent of injection radius? 9 COMMISSIONER DAWSON: I have. 10 COMMISSIONER BALCH: And I have. 11 CHAIRMAN BAILEY: Do I hear a motion to 12 adopt this order as presented? 13 COMMISSIONER BALCH: I'll make that 14 15 motion. COMMISSIONER DAWSON: Second. 16 CHAIRMAN BAILEY: All those in favor? And 17 we will each sign. 18 Have the Commissioners had a chance to read 19 the draft order in Case 14055, which was the application 20 of C&D Management Company to reopen Case 14055 in Eddy 21 County, New Mexico? 22 COMMISSIONER DAWSON: I have. 23 COMMISSIONER BALCH: I have. 24 CHAIRMAN BAILEY: Do I hear a motion to 25

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Page 21 1 adopt this order as presented? COMMISSIONER DAWSON: I will motion. 2 COMMISSIONER BALCH: I'll second. 3 CHAIRMAN BAILEY: All those in favor? And 4 we will each sign the order. We will give the signed 5 documents to the Commission secretary. 6 Also on the docket we have a Notice of 7 Abatement Plan Filing pursuant to 19.15.30.15.D NMAC. 8 That particular rule reads, "The Division shall 9 distribute notice of an abatement plan's filing with the 10 next Division and Commission hearing docket following the 11 plan's receipt." 12 We are not reviewing it at this time. We are 13 simply giving notice that an abatement plan has been 14 filed with the Division. And that abatement plan is 15 Stage 2 Abatement Plan AP-51 for the Former Caribou 16 Refinery located in Section 17, Township 29 North, Range 17 14 West, NMPM, near Kirtland, New Mexico, in San Juan 18 19 County. It was filed with the Division by Maverick 20 Country Stores of North Salt Lake, Utah, on March 9th. 21 The purpose of the plan is to provide an evaluation of 22 remediation alternatives and a design of the recommended 23 alternative for the abatement of contaminated soil and 24 groundwater resulting from unauthorized releases from the 25

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1	REPORTER'S CERTIFICATE
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4	I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
5	HEREBY CERTIFY that on March 27, 2012, proceedings in the
6	above captioned case were taken before me and that I did
7	report in stenographic shorthand the proceedings set
8	forth herein, and the foregoing pages are a true and
9	correct transcription to the best of my ability.
10	I FURTHER CERTIFY that I am neither employed by
11	nor related to nor contracted with any of the parties or
12	attorneys in this case and that I have no interest
13	whatsoever in the final disposition of this case in any
14	court.
15	WITNESS MY HAND this 9th day of April, 2012.
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20	Tacquelle Mg
21	Expires: 12/31/2012
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