

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

COMMISSION MEETING

**COPY**

Docket Number 22-12

July 18, 2012

9:00 AM

1220 South Street Francis Drive

Santa Fe, New Mexico 87505

BEFORE: JAMI BAILEY, Division Director  
ROBERT BALCH, Commissioner, Appearing  
Telephonically  
SCOTT DAWSON, Commissioner  
MARK SMITH, General Counsel  
FLORINE DAVISON, Secretary

Also Present: Ocean Munds-Dry

REPORTED BY: Lisa Reinicke  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102

1                   MADAME CHAIR: We have one person in the  
2 audience today, Ocean is here with us. It is 9 o'clock.  
3 This is a meeting of the Oil Conservation Commission on  
4 Wednesday, July 18th in Porter Hall in Santa Fe,  
5 New Mexico. I am Jami Bailey, Chairman of the  
6 Commission. To my right is Scott Dawson, who is the  
7 designee of the Commission of Public Lands. And  
8 participating by telephone is Dr. Robert Balch.

9 Commissioner Balch is the designee of the Secretary of  
10 the Energy, Minerals, and Natural Resources Department.

11                   We are here today on the docket. We have case  
12 14763, which is the application of the Mack Energy  
13 Corporation for compulsory pooling in Lea County,  
14 New Mexico. That case has been continued until the  
15 September 13th, 2012 Commission meeting.

16                   We also have case 14764, which is the application  
17 of Cimarex Energy Company of Colorado for approval of a  
18 non-standard oil spacing and proration unit, an  
19 unorthodox location and compulsory pooling in Lea  
20 County, New Mexico. That case has been continued until  
21 the August 16th, 2012 commission meeting.

22                   We have minutes of the previous meeting that was  
23 held June 20th through the 22nd. Have the Commissioners  
24 had a chance to look over the draft minutes of that  
25 meeting?

1 COMMISSIONER DAWSON: I have.

2 MADAME CHAIR: Do I hear a motion and a  
3 second to approve the minutes of that meeting?

4 COMMISSIONER DAWSON: I will motion.

5 COMMISSIONER BALCH: And I will second.

6 MADAME CHAIR: All those in favor? Aye.

7 COMMISSIONER DAWSON: Aye.

8 COMMISSIONER BALCH: Aye.

9 MADAME CHAIR: Then I will sign the minutes  
10 of that meeting on behalf of the Commission. We also  
11 have minutes of the meeting of the Commission that was  
12 held on June 27th, 2012. Commissioners, have you had a  
13 chance to look over this draft of the minutes?

14 COMMISSIONER BALCH: I have.

15 COMMISSIONER DAWSON: I have.

16 MADAME CHAIR: Do I hear a motion and a  
17 second to adopt these minutes?

18 COMMISSIONER DAWSON: I will motion.

19 COMMISSIONER BALCH: And I will second.

20 MADAME CHAIR: All those in favor? Aye.

21 COMMISSIONER DAWSON: Aye.

22 COMMISSIONER BALCH: Aye.

23 MADAME CHAIR: I will sign these minutes on  
24 behalf of the Commission.

25 We also have minutes of the meeting held on

1 June 28th, 2012. Commissioners, have you had a chance  
2 to review this draft?

3 COMMISSIONER DAWSON: I have.

4 COMMISSIONER BALCH: And I have.

5 MADAME CHAIR: Do I hear a motion and a  
6 second to adopt the minutes of the June 28th meeting?

7 COMMISSIONER DAWSON: I will motion.

8 COMMISSIONER BALCH: And I will second.

9 MADAME CHAIR: All those in favor say aye.  
10 Aye.

11 COMMISSIONER DAWSON: Aye.

12 COMMISSIONER BALCH: Aye.

13 MADAME CHAIR: And I will sign these on  
14 behalf of the Commission.

15 And, finally, we have an order for reopened case  
16 number 14720, which was the application of Agave Energy  
17 Company for authority to inject in Lea County,  
18 New Mexico. Commissioners, have you had a chance to  
19 review the draft order of that case?

20 COMMISSIONER DAWSON: I have.

21 COMMISSIONER BALCH: And I have as well.

22 MADAME CHAIR: Do I hear a motion for  
23 adoption of the order Number R13507A for case number  
24 14720?

25 COMMISSIONER DAWSON: I will motion.

1 COMMISSIONER BALCH: And I will second.

2 MADAME CHAIR: All those in favor of  
3 adopting this order signify by saying aye. Aye.

4 COMMISSIONER DAWSON: Aye.

5 COMMISSIONER BALCH: Aye.

6 MADAME CHAIR: Commissioner Dawson and I  
7 will sign this order in person and mail it to  
8 Commissioner Balch for his signature. And all documents  
9 are being transferred to the Commission secretary.

10 Do we have any other business before the  
11 Commission today? Then do I hear a motion to adjourn  
12 this meeting?

13 COMMISSIONER DAWSON: I will motion.

14 COMMISSIONER BALCH: And I will second.

15 MADAME CHAIR: All those in favor say aye.  
16 Aye.

17 COMMISSIONER DAWSON: Aye.

18 COMMISSIONER BALCH: Aye.

19 MADAME CHAIR: Thank you, Commissioner  
20 Balch, for participating by phone. I hope to see you  
21 next month.

22 [Meeting adjourned at 9:07 AM.]

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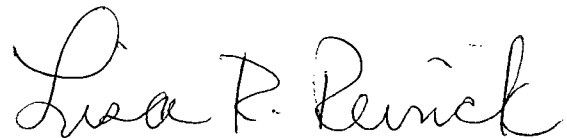
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## REPORTER'S CERTIFICATE

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I, Lisa Reinicke, New Mexico Provisional Reporter, License #P-405, working under the direction and direct supervision of Paul Baca, New Mexico CCR License #112, Official Court Reporter for the US District Court, District of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest whatsoever in the final disposition of this case in any court.



Lisa R. Reinicke,  
Provisional License P-405  
License expires: 8/21/2012

Ex count: