

**MINUTES OF THE MEETING
OF THE OIL CONSERVATION COMMISSION
HELD ON JANUARY 23, 2012**

The Oil Conservation Commission met at 9 o'clock a.m. on January 23, 2012, in Porter Hall, Wendell Chino Building, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

PRESENT: **SCOTT DAWSON, Member**
 ROBERT BALCH, Member
 JAMI BAILEY, Chair

Cheryl Bada served as the Commission counsel.

The meeting was called to order by Chairman Bailey. The minutes of the December 8-9, 2011 Commission meeting were approved and adopted.

Chairman Bailey explained that the Commission's Open Meetings Resolution for 2012 is the same as the one for 2011 except for the meeting dates and the year. A motion was made by Commissioner Balch and seconded by Commissioner Dawson to adopt the Commission's Open Meetings Resolution for 2012, and it was adopted unanimously. The resolution is attached to these minutes.

Case 14744, the application of the New Mexico Oil Conservation Division for notice of rulemaking concerning the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, was called for final action. Chairman Bailey explained that rulemaking orders will be mailed or e-mailed to any person or persons who gave non-technical testimony or submitted a pre-hearing statement. She said that the orders will be published in the New Mexico Register on February 15, 2012, which will be the effective date of the rules. A motion was made by Commissioner Dawson and seconded by Commissioner Balch to adopt Order No. R-13499 in Case 14744, and the Commission unanimously agreed to adopt and sign the order.

Case 14753, the application of the New Mexico Oil and Gas Association for amendment of certain provisions of Title 19, Chapter 15, Part 16 of the New Mexico Administrative Code concerning log, completion, hydraulic fracturing, and workover reports, was called for final action. A motion was made by Commissioner Dawson and seconded by Commissioner Balch to adopt Order No. R-13470-A in Case 14753, and the Commission unanimously agreed to adopt and sign the order.

De Novo Case 14497, the application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, Lea County, New Mexico, and De Novo Case 14538, the application of Marshall & Winston, Inc. to cancel an operator's authority and terminate a spacing unit, and approve a change of operator, Lea County, New Mexico, were called for final action. A motion was made by Commissioner Dawson and seconded by Commissioner Balch to adopt Order No. R-13372-D in De Novo Cases 14497 and 14538, and the Commission unanimously agreed to adopt and sign the order.

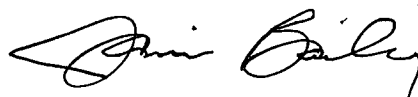
Case 14720, the application of Agave Energy Company for authority to inject, Lea County, New Mexico, was called for final action. A motion was made by Commissioner Dawson and seconded by Commissioner Balch to adopt Order No. R-13507 in Case 14720, and the Commission unanimously agreed to adopt and sign the order.

Case 14784, the application of the New Mexico Oil and Gas Association for amendment of certain provisions of Title 19, Chapter 15 of the New Mexico Administrative Code concerning pits, closed-loop systems, below grade tanks, sumps, and other alternative methods related to the foregoing and amending other rules to conforming changes, was called. At the joint request of the New Mexico Oil and Gas Association, the Independent Petroleum Association of New Mexico, and Earthworks' Oil and Gas Accountability Project, the case was continued to the Commission meeting scheduled to begin on April 16 through 20, 2012.

Case 14785, the application of the Independent Petroleum Association of New Mexico for amendment of certain provisions of Title 19, Chapter 15 of the New Mexico Administrative Code concerning pits, closed-loop systems, below grade tanks, sumps and other alternative methods related to the foregoing and amending other rules to conforming changes, and amendment of Title 19, Chapter 15, Part 39.8(B) of the New Mexico Administrative Code concerning pits and Sierra and Otero Counties, was called. At the joint request of the Independent Petroleum Association of New Mexico, the New Mexico Oil and Gas Association, and Earthworks' Oil and Gas Accountability Project, the case was continued to the Commission meeting scheduled to begin on April 16 through 20, 2012.

The meeting was adjourned at 9:25 a.m.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

A handwritten signature in cursive script, appearing to read "Jami Bailey", is written over the printed name.

JAMI BAILEY, Chair

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**A RESOLUTION
ESTABLISHING PROCEDURES FOR GIVING NOTICE OF MEETINGS
OF THE NEW MEXICO OIL CONSERVATION COMMISSION**

WHEREAS, the New Mexico Open Meetings Act, NMSA 1978, § 10-15-1 *et seq.* (as amended), declares each meeting of a quorum of members of any board, council, commission, administrative adjudicatory body or other policy-making body of any state or local public agency which is held for the purpose of formulating public policy, discussing public business or taking any action within the authority of or the delegated authority of such body to be a public meeting, except as otherwise provided in the New Mexico Constitution or the Open Meetings Act;

WHEREAS, the Open Meetings Act requires that each public body determine, at least annually, in a public meeting, what notice is reasonable when applied to public meetings of the public body; and

WHEREAS, the New Mexico Oil Conservation Commission, a policy-making and administrative adjudicatory body of the State of New Mexico with delegated authority under the New Mexico Oil and Gas Act, NMSA 1978, §§ 70-2-1 *et seq.* (as amended), desires to establish herein an open meetings policy consistent with the Open Meetings Act and specify herein what notice is reasonable when applied to its activities throughout the year.

NOW, THEREFORE, BE IT RESOLVED that the New Mexico Oil Conservation Commission does formally adopt the following open meetings policy for calendar year 2012, as follows:

1. Unless specified otherwise in the notice, each public meeting of the New Mexico Oil Conservation Commission (hereinafter referred to as "the Commission") shall be held in Porter Hall, 1st Floor, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.
2. Unless specified otherwise in the notice, a regular meeting of the Commission shall be held on January 23, February 23, March 27, April 16, May 17, June 28, July 19, August 16, September 13, October 25, November 8 and December 6, 2012. Each regular meeting shall commence at 9 a.m. Mountain Time. Any meeting not concluded at the end of the specified day may be continued to the next business day or as otherwise provided by the Commission.
3. A special meeting of the Commission may be called by the Chair or a majority of members of the Commission as needed, and forty-eight (48) hours advance notice of such a meeting shall be given.

4. An emergency meeting of the Commission may be called by the Chair or a majority of members of the Commission as needed, with as much advance notice as the emergency permits.

5. A closed meeting may be held in the following manner:

(a) If the Commission is in an open meeting when a closed meeting is desired and authorized by the Open Meetings Act, a motion to close the meeting shall be approved by a majority of the members, and the authority for the closure shall be stated in the motion. The votes of the members on the motion shall be recorded in the minutes.

(b) If the Commission is not in a public meeting and a closed meeting is desired and authorized, the meeting shall be publicly advertised in the same manner as special or emergency meetings, with a statement in the notice that the meeting will be closed, and the authority for closure.

(c) Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state that the matters discussed in the closed meeting were limited to those specified in the motion for closure or in the notice of the separate closed meeting.

(d) Only those matters specified in the motion to close the meeting may be discussed during a meeting closed in this manner.

(e) Except as provided in Section 10-15-1(H) of the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by vote of the Commission in an open public meeting.

6. Notice of each meeting shall be posted on the door of Porter Hall, 1st Floor, 1220 S. St. Francis Drive, Santa Fe, New Mexico. Notice of each meeting shall be published in a newspaper of general circulation in the counties that are affected by the applications before the Commission, except that when an application affects the entire state, notice may be published in one newspaper of general circulation in the state. Where a written request has been received, notice shall also be provided to broadcast stations licensed by the federal communications commission and newspapers of general circulation. Notice shall be delivered by ordinary first class United States mail or electronic mail to each person who has requested in writing to be notified of such meetings. Notice shall also be posted on the Internet web site of the Oil Conservation Division, <http://www.emnrd.state.nm.us/ocd>.

7. The notice shall include an agenda for the meeting or information on how members of the public may obtain a copy of the agenda.

8. A preliminary agenda for each regular meeting shall be prepared, posted and distributed (if applicable) no later than two weeks prior to the meeting. A final agenda for

2011 Open Meetings Resolution

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each regular and special meeting shall be prepared, posted and distributed (if applicable) no later than twenty-four (24) hours preceding the meeting. A final agenda for each emergency meeting shall be prepared, posted and distributed (if applicable) as much in advance of the meeting as the emergency permits.

9. Each notice shall include the following statement:

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the New Mexico Oil Conservation Division at 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505, telephone number 476-3460 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the New Mexico Oil Conservation Division if a summary or other type of accessible format is needed.

10. Once approved by the Commission, minutes produced as a result of an open meeting shall be available for public inspection. Preliminary minutes produced by staff following a public meeting may also be available for public inspection, but shall be marked as preliminary and unofficial.

11. A stenographic transcript of each meeting may be prepared. If a transcript is prepared, members of the public may inspect a copy of the transcript or obtain a copy through the Oil Conservation Division. Copies will be subject to a reasonable charge. If a transcript has not been prepared, members of the public may obtain a transcript through the Oil Conservation Division upon payment of a reasonable transcription charge.

12. Each meeting shall be conducted in accordance with accepted parliamentary procedures, the Rules of the Oil Conservation Division and, as applicable, the New Mexico Rules of Evidence.

13. Members of the Commission may participate in a meeting by means of conference telephone or other similar communications equipment which allows the member or members so participating to hear the proceedings and to be heard by one another and by persons attending the meeting. A member participating by telephone shall be included in ascertaining the presence of a quorum.

PASSED, APPROVED AND ADOPTED THIS 23rd DAY OF JANUARY, 2012.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**



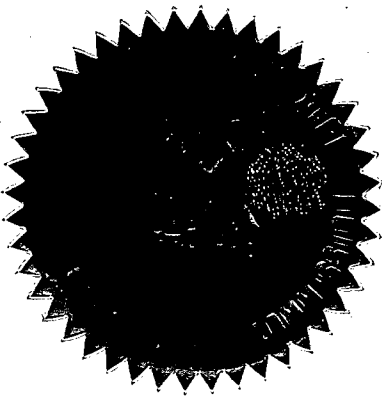
SCOTT DAWSON, MEMBER



ROBERT BALCH, MEMBER



JAMI BAILEY, CHAIR



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