

**MINUTES OF THE MEETING
OF THE OIL CONSERVATION COMMISSION
HELD ON FEBRUARY 14, 2013**

The Oil Conservation Commission met at 9 o'clock a.m. on February 14, 2013, in Porter Hall, Wendell Chino Building, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

PRESENT: **TERRY WARNELL, Member**
 ROBERT BALCH, Member
 JAMI BAILEY, Chair

Bill Brancard served as the Commission counsel.

The meeting was called to order by Chair Bailey. Case 13589, the application of DCP Midstream, LP to re-open Case No. 13589 to amend Order No. R-12546 for the limited purpose of authorizing a second acid gas injection well, Lea County, New Mexico, was called for final action. Commissioner Balch made a motion to adopt the order in this case, and Commissioner Warnell seconded the motion. The Commission voted unanimously to adopt the order, and Order No. R-12546-K was adopted and signed by the Commission.

Case 14664, Frontier Field Services, LLC's motion to amend Order No. R-13443, was called. Appearances were made by Gary Larson for Frontier Field Services, LLC (Frontier) and Gabrielle Gerholt and Jesse Allen for the Oil Conservation Division (OCD).

Mr. Larson made an opening statement explaining the function of Frontier and the reason for the motion. His witness was Alberto Gutierrez, President of Geolex, Inc. in Albuquerque, New Mexico. He explained how his company became involved in the operation of the Maljamar Gas Plant. He spoke of conditions added to the examiner hearing order regarding wells that do not belong to Frontier. He said that after drilling the subject well, it was found that the lower injection zone was better than originally thought and that the upper zone was no longer needed. He discussed notice that was provided to operators and the Bureau of Land Management (BLM). He described the acid gas injection system design. He said Frontier has placed warning signs on all of the wells in the area. He presented completion data and discussed the actual injection interval for the subject well. He offered the results of sampling from the eight wells identified in the examiner order. He said there is no probability that acid gas injected into the subject well could migrate to the other wells. He said that since the eight wells are operated by other companies, Frontier is requesting that the requirement to plug the wells be removed. Ms. Gerholt, Commissioner Warnell, Commissioner Balch, and Chair Bailey cross-examined the witness, and he was excused.

Ms. Gerholt said that the Division had prefiled the testimony of Will Jones with the Commission, and she did not call a witness.

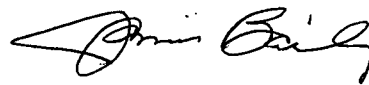
Mr. Larson made a closing statement.

After a motion by Commissioner Balch and a second to the motion by Commissioner Warnell, the Commission voted unanimously to close the meeting pursuant to NMSA 1978, Section 10-15-1-H to deliberate on the case. After a motion by Commissioner Balch and a second by Commissioner Warnell, the Commission voted unanimously to return the meeting back into open session. Chair Bailey announced that Case 14664 was

the only matter discussed during the closed session. Counsel Brancard explained the unanimous decision the Commission had reached on each of the motions proposed by Frontier. Chair Bailey requested Mr. Larson to prepare a draft order reflecting the Commission's decision to be presented to Counsel Brancard within 20 days.

After a motion by Commissioner Balch and a second to the motion by Commissioner Warnell, the Commission voted unanimously to adjourn the meeting at 10:55 a.m.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY, Chair