

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

APPLICATION OF DCP MIDSTREAM, LP Case No. 15073  
FOR AUTHORITY TO INJECT TREATED  
ACID GAS INTO THE LOWER CHERRY  
CANYON AND UPPER BRUSHY CANYON  
FORMATIONS THROUGH ITS PROPOSED  
ZIA AGI #1 AND ZIA AGI #2,  
LEA COUNTY, NEW MEXICO

ORIGINAL

TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

BEFORE: CHAIRWOMAN JAMI BAILEY

March 13, 2014  
Santa Fe, New Mexico

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This matter came on for hearing before the New  
Mexico Oil Conservation Division, JAMI BAILEY,  
Chairwoman; TERRY WARNELL, Designee of the  
Commissioner of Public Lands; and ROBERT S. BALCH,  
Designee of the Secretary of Energy, Minerals, and  
Natural Resources Department, on Thursday, March 13,  
2014, in Porter Hall, Santa Fe, New Mexico.

REPORTED BY: PAUL BACA, CCR #112  
PAUL BACA COURT REPORTERS  
500 4th Street, NW, Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

For the Oil Conservation Division:

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1           MADAM CHAIR BAILEY: We have before us a  
2     draft order of the commission in Case 15073, which  
3     was the application of DCP Midstream, LP, for  
4     authority to inject treated acid gas into the Lower  
5     Cherry Canyon and Upper Brushy Canyon formations  
6     through its proposed Zia AGI Number 1 and Zia AGI  
7     Number 2, in Lea County, New Mexico.

8           Counsel, would you please explain the  
9     order?

10          MR. BRANCARD: Thank you, Madam Chair.

11          Counsel for the applicant provided a draft  
12     order, which I made some changes to, to try to  
13     coincide the order with the commission's decision,  
14     recommended decision, at the last meeting.

15          And so the most important part, obviously,  
16     is the last two pages, pages 6 and 7, which is the  
17     ordering paragraphs.

18          And the commissioners have reviewed this  
19     by e-mail and have sent individually to me some  
20     comments which I have incorporated into the order.

21          Specifically in the first paragraph we  
22     have added the word "only" into the last sentence,  
23     so that injection can only go into these formations  
24     at those depths, and that coincides with our  
25     previous decision to limit the injection interval

1 order.

2 In addition, I've made sure in paragraph 4  
3 that the operator must notify the district office  
4 prior to the MIT tests, so that the operations can  
5 be witnessed or inspected by the division.

6 We ensured -- Commissioner Balch ensured  
7 that in paragraph 2 the AGI wells shall be  
8 constructed in accordance with the description in  
9 the Form C-108.

10 And finally, on paragraph 11 we have the  
11 provision for the ten-year review of the commission  
12 required at the last meeting, which basically we  
13 require them to provide a report every ten years  
14 providing certain information. And we wanted an  
15 updated model, current and projected plume  
16 migration.

17 The last sentence is one that I drafted  
18 with help from Commissioner Balch, to try to ensure  
19 the concept, which I think that you all wanted, was  
20 that as modeling technology evolves, so will the  
21 modeling technology that they use in the reports  
22 every ten years.

23 And I hope I captured what the  
24 commissioners intended there.

25 MADAM CHAIR BAILEY: Okay. Commissioners,

1     you've had a chance to review the draft order.

2                     Do I hear a motion to adopt this order?

3                     COMMISSIONER WARNELL: I make that motion.

4                     COMMISSIONER BALCH: And I will second the  
5     motion.

6                     MADAM CHAIR BAILEY: All those in favor?

7                     COMMISSIONER WARNELL: Aye.

8                     COMMISSIONER BALCH: Aye.

9                     MADAM CHAIR BAILEY: Aye.

10                    And we will sign and transmit it to the  
11     commission secretary, Florene Davidson.

12                    (Proceedings concluded.)

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## CERTIFICATE

I, Paul Baca, RPR, CCR in and for the  
State of New Mexico, do hereby certify that the  
above and foregoing contains a true and correct  
record, produced to the best of my ability via  
machine shorthand and computer-aided transcription,  
of the proceedings had in this matter.



PAUL BACA, RPR, CCR  
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