

3 IN THE MATTER OF THE HEARING CALLED
4 BY THE OIL CONSERVATION COMMISSION FOR
5 THE PURPOSE OF CONSIDERING:

6 APPLICATION OF OCCIDENTAL PERMIAN
7 LIMITED TO AMEND ORDER R-6199-B TO
8 EXPAND THE NORTH HOBBS GRAYBURG-SAN
9 ANDRES UNIT PHASE I TERTIARY RECOVERY
10 PROJECT, TO MODIFY CERTAIN OPERATING
11 REQUIREMENTS, AND TO CERTIFY THIS
12 EXPANSION FOR THE RECOVERED OIL TAX
13 RATE PURSUANT TO THE NEW MEXICO
14 ENHANCED OIL RECOVERY ACT, LEA COUNTY,
15 NEW MEXICO.

CASE NO. 15103

ORIGINAL

11 REPORTER'S TRANSCRIPT OF PROCEEDINGS

12 COMMISSION HEARING

13 May 22, 2014
14 Santa Fe, New Mexico

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15 BEFORE: JAMI BAILEY, CHAIRPERSON
16 TERRY WARNELL, COMMISSIONER
17 ROBERT S. BALCH, COMMISSIONER
18 BILL BRANCARD, ESQ.

18 This matter came on for hearing before the
19 New Mexico Oil Conservation Commission on Thursday,
20 May 22, 2014, at the New Mexico Energy, Minerals and
21 Natural Resources Department, Wendell Chino Building,
22 1220 South St. Francis Drive, Porter Hall, Room 102,
23 Santa Fe, New Mexico.

24 REPORTED BY: Mary C. Hankins, CCR, RPR
25 New Mexico CCR #20
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APPEARANCES

FOR APPLICANT OCCIDENTAL PERMIAN LIMITED:

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EXHIBITS OFFERED AND ADMITTED

Occidental Permian, LTD Exhibit Number 16	5
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1 (9:03 a.m.)

2 CHAIRPERSON BAILEY: Commissioners, have
3 you had a chance to look at the draft order presented in
4 the case of 15103, which is the application of
5 Occidental Permian, Limited to amend Order Number
6 R-6199-B to expand the North Hobbs Grayburg-San Andres
7 Unit Phase I Tertiary Recovery Project, to modify
8 certain operating requirements, and to certify this
9 expansion for the recovered oil tax rate pursuant to the
10 New Mexico Enhanced Oil Recovery Act in Lea County,
11 New Mexico?

12 COMMISSIONER WARNELL: Yes, I have.

13 COMMISSIONER BALCH: And I have.

14 MR. BRANCARD: Madam Chair --

15 CHAIRPERSON BAILEY: Yes.

16 MR. BRANCARD: -- at the conclusion of the
17 hearing two months ago, I believe, the Commission
18 directed the Applicant to do some additional public
19 notice to deal with what may have been sort of a gap in
20 the public notice for the prior application, and I think
21 Mr. Feldewert may have some information about the
22 notice.

23 MR. FELDEWERT: Yeah. Madam Chair, perhaps
24 if you want to call the case, I do have another exhibit
25 to present on behalf of the Applicant.

1 CHAIRPERSON BAILEY: Okay. Then I do call
2 Case Number 15103 for additional information on the
3 notice.

4 MR. FELDEWERT: Madam Chair, Michaël
5 Feldewert, of the Santa Fe office of Holland & Hart,
6 appearing on behalf of the Applicant, Occidental
7 Permian, LTD. And if I may approach, I have an
8 additional exhibit I'd like to offer for the record.

9 CHAIRPERSON BAILEY: Yes.

10 MR. FELDEWERT: Madam Chair, members of the
11 Commission, you may recall we were back here in March,
12 and at that time, the Applicant presented a large
13 notebook which contained the application, as well as the
14 C-108 form in the area-of-review analysis. And it
15 presented a second large notebook of Exhibits 2 through
16 15. We presented five witnesses. And in preparation
17 for the hearing, OXY learned that the newspaper had not
18 published the actual ad that OXY had submitted and had
19 not directed the notice by name to parties that
20 Occidental Petroleum was unable to locate.

21 That mistake has now been corrected by the
22 newspaper. I offer you what is now marked as OXY
23 Exhibit Number 15 -- or 16, which is an Affidavit of
24 Publication in the Lovington Leader directed to the
25 parties that they were unable to locate by name, and it

1 advertises the hearing by the Commission here today.

2 So we ask that Exhibit Number 16 be
3 admitted as part of this record and that an order then
4 issued by the Commission.

5 CHAIRPERSON BAILEY: Is there any objection
6 to the admission of Exhibit 16 into the record?

7 COMMISSIONER WARNELL: No objection.

8 CHAIRPERSON BAILEY: Then it is so admitted
9 into the record for this order.

10 (Occidental Permian, LTD Exhibit Number 16
11 was offered and admitted into evidence.)

12 MR. BRANCARD: Madam Chair, may I just
13 follow up on that? The notice indicates that anybody
14 wanting to enter an appearance had 30 days after the
15 time of the publication to inform the Commission or to
16 submit comments. The Commission has not received any
17 notices of appearance or comments in response to this
18 order.

19 CHAIRPERSON BAILEY: Mr. Brancard, would
20 you care to describe what this order does?

21 MR. BRANCARD: This order then completes
22 the application of OXY Permian, Limited for the Hobbs
23 North Field to expand the field and to qualify it as a
24 tertiary recovery operation under the Enhanced Oil
25 Recovery Act. We heard testimony that covered all the

1 issues involved in that, and the Commission examined the
2 witnesses, and we issued a request for an order that
3 complied with the similar conditions the Commission had
4 put on the South Field so that both fields would have
5 similar conditions in terms of their operation.

6 So having reviewed the draft order and made
7 changes, I feel that it complies with the Commission's
8 wishes.

9 CHAIRPERSON BAILEY: Thank you.

10 Commissioners, do I hear a motion to accept
11 this order and to sign it?

12 COMMISSIONER BALCH: I so motion.

13 COMMISSIONER WARNELL: I'll second that
14 motion.

15 CHAIRPERSON BAILEY: All those in favor?

16 (Ayes are unanimous.)

17 CHAIRPERSON BAILEY: The order has been
18 signed and transmitted to Florene Davidson, the
19 Commission secretary.

20 (Case Number 15103 concludes, 9:08 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, New Mexico Certified
6 Court Reporter No. 20, and Registered Professional
7 Reporter, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that
9 the foregoing pages are a true and correct transcript of
10 those proceedings that were reduced to printed form by
11 me to the best of my ability.

12 I FURTHER CERTIFY that the Reporter's
13 Record of the proceedings truly and accurately reflects
14 the exhibits, if any, offered by the respective parties.

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

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MARY C. HANKINS, CCR, RPR
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