

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION COMMISSION

CASE NOS. 13,586; 13,274; 13,589; 13,532, *de novo*;
13,486, *de novo*; 13,480, *de novo*; 13,367, *de novo*;
13,368, *de novo*; and 13,372, *de novo* (Continued)

CONTINUED CASES

TRANSCRIPT OF PROCEEDINGS

BEFORE: MARK E. FESMIRE, CHAIRMAN

ORIGINAL 2006 JUN 19 PM 4 23

January 12th, 2006

Santa Fe, New Mexico

These matters were continued to future hearing dates by MARK E. FESMIRE, Chairman, New Mexico Oil Conservation Commission, on Thursday, January 12th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

January 12th, 2006
Commission Hearing
Continued Cases

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1 WHEREUPON, the following proceedings were had at
2 10:05 a.m.:

3 CHAIRMAN FESMIRE: Okay, so the first thing we'll
4 do is go ahead and go on the record for the Thursday,
5 January 12th, 2006, meeting of the Oil Conservation
6 Commission to order. Let the record reflect that
7 Commissioner Bailey and Commissioner Olson are not present.
8 We therefore do not have a quorum and cannot conduct other
9 business. However, we do have several continuances we need
10 to call.

11 The first continuance is Case Number 13,586,
12 which was continued from the December 8th Commission
13 meeting. This case will be continued to March 23rd, 2006.
14 It's in the matter of the Application of the New Mexico Oil
15 Conservation for removal of existing Rules 709 and 710 and
16 the adoption of new rules governing surface waste
17 management.

18 The next case on the docket is Case Number
19 13,274, continued from the December 8th, 2005, Commission.
20 This case will be continued to the February 9th, 2006,
21 Commission meeting. It's the Application of Arch
22 Petroleum, Inc., for approval of two nonstandard gas
23 spacing and proration units in the Jalmat Gas Pool, Lea
24 County, New Mexico.

25 The third case is Case Number 13,589, continued

1 from the December 8th, 2005, Commission meeting. This case
2 will be continued to the February 9th, 2006, Commission
3 meeting. It's the Application of Duke Energy Field
4 Services, L.P., for approval of an acid gas injection well
5 in Lea County, New Mexico.

6 The next case is Case Number 13,532. It's *de*
7 *nov*, continued from the December 8th, 2005, Commission
8 case -- Commission meeting. The case will be continued to
9 the February 9th, 2006, Commission meeting. It's the
10 Application of J.W. Neal, Patricia Neal, and the Claudia
11 Young Trust to rescind Division Administrative Order Number
12 SWD-984, in Lea County, New Mexico.

13 The next case is Case is Case Number 13,486, *de*
14 *nov*, continued from the November 10th, 2005, Commission
15 meeting. This case will be continued to the February 9th,
16 2006, Commission meeting. It's the Application of Synergy
17 Operating, LLC, for compulsory pooling in San Juan County,
18 New Mexico.

19 The next case before the Commission is Case
20 Number 13,480. It's *de novo*, continued from the November
21 8th [*sic*], 2005, Commission meeting. The case will be
22 continued in the February 9th, 2006, Commission meeting and
23 then dismissed. The Application of Gandy Marley, Inc., to
24 modify their existing NMOCD 711 Permit Number NM-01-019 so
25 that they may accept salt-contaminated oilfield wastes.

1 The next case is Case Number 13,367, *de novo*,
2 continued from the November 10th, 2005, Commission meeting.
3 This case will be continued to the February 9th, 2006,
4 Commission meeting. It's the Application of Bass
5 Enterprises Production Company for an order authorizing the
6 drilling of a well in the potash area of Eddy County, New
7 Mexico.

8 The next case before the Commission is Case
9 Number 13,368, *de novo*, continued from the November 10th,
10 2005, Commission meeting. This case will be continued to
11 the February 9th, 2006, Commission meeting. It's the
12 Application of Devon Energy Production Company, L.P., for
13 an order authorizing the drilling of a well in the potash
14 area of Eddy County, New Mexico.

15 And the last case before the Commission today is
16 Case Number 13,372, *de novo*, continued from the November
17 10th, 2005, Commission meeting. This case will be
18 continued to the February 9th, 2006, Commission meeting.
19 It's the Application of Devon Energy Production Company,
20 L.P., for approval of an unorthodox well location and
21 authorization to drill a well in the potash area of Eddy
22 County, New Mexico.

23 Without a quorum, there will be no approval of
24 the minutes.

25 Is there any other business that needs to come

1 before the small part of the Oil Conservation Commission
2 that is here today?

3 Okay, the Chair seeing none will go ahead and
4 adjourn this meeting of the Oil Conservation Commission for
5 Thursday, January 12th, 2006.

6 (Thereupon, these proceedings were concluded at
7 10:12 a.m.)

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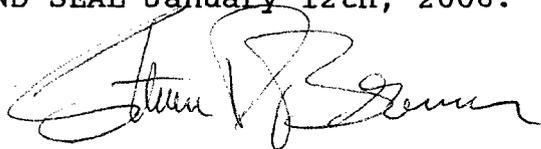
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL January 12th, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006