

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**Meeting Minutes
Regular Meeting
April 7, 2016
Porter Hall
Wendell Chino Building
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505**

MEMBERS PRESENT:

David R. Catanach Chair, Oil Conservation Division
Robert Balch Designee, Energy, Minerals and Natural Resources Department
Patrick Padilla: Designee, State Land Commissioner

OTHERS PRESENT:

Bill Brancard, Counsel for the Commission

The meeting was called to order by Chair Catanach at 9:00 a.m.

Item 1. Roll Call.

Roll was taken; a quorum was present.

Item 2. Approval of Agenda.

Action: Commissioner Balch moved adoption of the agenda. Commissioner Padilla seconded the motion. The motion passed unanimously.

Item 3. Approval of minutes of March 10, 2016 meeting.

Action: Commissioner Padilla moved to approve the minutes. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 4: **Consider final rule changes in Case No. 15443, application of the New Mexico Oil Conservation Division to amend certain provisions of Title 19, Chapter 15, Part 36 of the New Mexico Administrative Code concerning surface waste management facilities, Part 35 of the New Mexico Administrative Code concerning waste disposal, and Part 2 of the New Mexico Administrative Code concerning the definition of oil field waste.**

Action: Chair Catanach explained that Case 15443 was heard at the March 10, 2016 Commission meeting at which time the Commission agreed on several language changes to the proposed rules. Counsel Brancard stated that the Commission requested that a final version of the rule including the Commission's changes and the proposed form be submitted to the Commission for their review one week before this hearing date.

An appearance was made by Gabriel Wade, Assistant General Counsel for the Oil Conservation Division in Santa Fe, New Mexico. He reviewed the

changes in language made to the final rule and presented exhibits showing those changes, including substituting "owner" for "operator", adding "oil field" before "waste", and a flow chart showing the processing of a Rule 36 application as part of the applicant package. The Commission unanimously agreed that it would be helpful to also post the chart on the website as guidance material. Commissioner Balch made a motion, Commissioner Padilla seconded the motion, and the Commission unanimously agreed to adopt the proposed rules as modified. Mr. Wade was instructed to prepare a draft order adopting the proposed rules and circulate it to the Commissioners for their review before the May 19, 2016 meeting. Case 15443 was continued to the Commission meeting scheduled for May 19, 2016.

Item 5. The Commission will consider the Motion for Rehearing filed by Amtex Energy, Inc. in Case 15366, the application of Matador Production Company for a non-standard spacing and proration unit, compulsory pooling, and non-standard location, Lea County, New Mexico.

Action: Chair Catanach explained that this case was heard by an examiner, an order was issued granting the application, Amtex filed an application for a De Novo hearing before the Commission, and Matador filed a Motion to Dismiss the De Novo application, which was heard and granted by the Commission on February 11, 2016. Counsel Brancard explained that the Commission is given 10 days to either grant the request for a rehearing, deny it, or do nothing, which is a denial. The Commission agreed that their decision to dismiss the De Novo application, based on their finding that Amtex is not a party of record in Case 15366, should stand. Commissioner Padilla made a motion to deny the Motion for Rehearing, Commissioner Balch seconded the motion, and the Commission unanimously agreed to deny the Motion for Rehearing filed by Amtex. Commissioner Balch moved to give Chair Catanach the authority to sign a denial order on behalf of the Commission, Commissioner Padilla seconded the motion, and the motion passed unanimously. Subsequent to the hearing, Order No. R-14097-B denying the Motion for Rehearing was signed by Chair Catanach.

Item 6. The Commission will discuss pending litigation involving the Commission. (The Commission may go into executive session.)

Action: After a motion by Commissioner Balch and a second to the motion by Commissioner Padilla, the Commission voted unanimously to close the meeting pursuant to NMSA 1978, Section 10-15-1-H to discuss pending litigation. After a motion by Commissioner Balch and a second by Commissioner Padilla, the Commission voted unanimously to go back into open session. Chair Catanach announced that pending litigation involving the Commission was the only matter discussed during the closed session.

Item 7. Next meeting: May 19, 2016

Item 8. Adjournment

The chair adjourned the meeting at 10:30 a.m.

A handwritten signature in black ink, reading "David R. Catanach". The signature is written in a cursive, flowing style.

DAVID R. CATANACH, Chair