

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

CASE NO. 13,486

AWAITING FINAL COMMISSION ACTION

NO EVIDENCE OR TESTIMONY TAKEN

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: MARK E. FESMIRE, CHAIRMAN
JAMI BAILEY, COMMISSIONER
WILLIAM C. OLSON, COMMISSIONER

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March 23rd, 2006

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, March 23rd, 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.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

I N D E X

March 23rd, 2006
 Commission Hearing
 CASE NO. 13,486 (Awaiting final Commission Action -
 No evidence or testimony taken)

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A P P E A R A N C E S

FOR THE COMMISSION:

DAVID K. BROOKS, JR.
 Assistant General Counsel
 Energy, Minerals and Natural Resources Department
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 9:00 a.m.:

3 CHAIRMAN FESMIRE: Okay, let's go on the record.
4 It's -- What date is it? It's Thursday, March 23rd, 2006.
5 This is the meeting of the New Mexico Oil Conservation
6 Commission of New Mexico. Let the record reflect that it's
7 9:00 a.m., that all three Commissioners, including myself
8 Mark Fesmire, Commissioner Bailey, and Commissioner Olson,
9 are present.

10 The first order of business is probably to adopt
11 the minutes of not only the February 9th, 2006, meeting of
12 the Commission, but also the -- individually, the minutes
13 of the March 13, 2006, special meeting, and the March 20th,
14 2006, special meeting.

15 We'll take the minutes individually.

16 Have the Commissioners had a chance to review the
17 minutes of the February 9th, 2006, meeting?

18 COMMISSIONER BAILEY: Yes, I have, and I move we
19 adopt them.

20 CHAIRMAN FESMIRE: Is there a second?

21 COMMISSIONER OLSON: Second.

22 CHAIRMAN FESMIRE: All those in favor?

23 COMMISSIONER BAILEY: Aye.

24 COMMISSIONER OLSON: Aye.

25 CHAIRMAN FESMIRE: Let the record reflect that

1 the motion passed unanimously, and the minutes of the
2 February 9th, 2006, meeting of the Oil Conservation
3 Commission will be adopted -- if Commissioner Bailey will
4 loan me her pen.

5 The minutes of the February 9th meeting have been
6 adopted and signed by the Chairman and conveyed to the
7 Commission Secretary.

8 * * *

9
10 CHAIRMAN FESMIRE: Have the Commissioners had an
11 opportunity to review the minutes of the March 13th, 2006,
12 special meeting of the Oil Conservation Commission?

13 COMMISSIONER BAILEY: Yes, I have, and I move we
14 adopt them.

15 CHAIRMAN FESMIRE: Is there a second?

16 COMMISSIONER OLSON: Second.

17 CHAIRMAN FESMIRE: All those in favor?

18 COMMISSIONER BAILEY: Aye.

19 COMMISSIONER OLSON: Aye.

20 CHAIRMAN FESMIRE: Let the record reflect that
21 the Commission has adopted the minutes of the March 13th,
22 2006, special meeting. The minutes have been signed by the
23 Chairman and conveyed to the Secretary.

24 * * *

25

1 CHAIRMAN FESMIRE: The next order of business is
2 the minutes of the special meeting held on March 20th,
3 2006. Have the Commissioners had a chance to review those
4 minutes?

5 COMMISSIONER BAILEY: Yes, I have, and I move we
6 adopt them.

7 CHAIRMAN FESMIRE: Is there a second?

8 COMMISSIONER OLSON: Second.

9 CHAIRMAN FESMIRE: All those in favor?

10 COMMISSIONER BAILEY: Aye.

11 COMMISSIONER OLSON: Aye.

12 CHAIRMAN FESMIRE: Let the record reflect that
13 the minutes have been unanimously adopted, have been signed
14 by the Chairman, and conveyed to the Secretary.

15 * * *

16

17 CHAIRMAN FESMIRE: The next order of business on
18 the docket is final action in Cause Number 13,486, the de
19 novo application of Synergy Operating, LLC, for compulsory
20 pooling in San Juan County, New Mexico.

21 Counsel Brooks, would you bring the Commission up
22 to speed on the action that we've taken in this cause?

23 MR. BROOKS: Okay, the Commission heard this case
24 at the February 9th regular meeting, and at the conclusion
25 of the meeting the Commission deliberated in executive

1 session.

2 Following the executive session, the Commission
3 returned to public session and adopted a resolution
4 directing me as counsel for the Commission to prepare an
5 order granting Synergy's Application for compulsory
6 pooling. I have done so and distributed the draft order to
7 the Commissioners on March the 10th.

8 CHAIRMAN FESMIRE: Okay. Have the Commission
9 members had a chance to review that order?

10 COMMISSIONER BAILEY: Yes, I have, and I move
11 that we sign the order.

12 CHAIRMAN FESMIRE: Commissioner Olson, have you
13 had a chance to review the order?

14 COMMISSIONER OLSON: Yeah, I've reviewed it and
15 gave a -- just one minor edit, so I think that was all
16 taken care of. And so I'll second to that.

17 CHAIRMAN FESMIRE: Okay. Mr. Brooks, was that
18 edit --

19 MR. BROOKS: It was incorporated.

20 CHAIRMAN FESMIRE: Okay. I too have reviewed the
21 order and I find that it does adequately represent the
22 decision of the Commission. All those in favor of signing
23 this order and adopting this order?

24 COMMISSIONER BAILEY: Aye.

25 COMMISSIONER OLSON: Aye.

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 March 23rd, 2006.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006