

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

4 ORIGINAL

5 REPORTER'S TRANSCRIPT OF PROCEEDINGS

6 COMMISSION HEARING

7 Adoption of Agenda
and

8 Adoption of September 6 and 7, 2016 Minutes

9
10 October 6, 2016

11 Santa Fe, New Mexico

12
13 BEFORE: DAVID R. CATANACH, CHAIRPERSON
14 ED MARTIN, COMMISSIONER
15 DR. ROBERT S. BALCH, COMMISSIONER
16 BILL BRANCARD, ESQ.

17 This matter came on for hearing before the
18 New Mexico Oil Conservation Commission on Thursday,
19 October 6, 2016, at the New Mexico Energy, Minerals and
20 Natural Resources Department, Wendell Chino Building,
21 1220 South St. Francis Drive, Porter Hall, Room 102,
22 Santa Fe, New Mexico.

23 REPORTED BY: Mary C. Hankins, CCR, RPR
24 New Mexico CCR #20
25 Paul Baca Professional Court Reporters
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1 (9:09 a.m.)

2 COMMISSIONER CATANACH: Good morning. This
3 is the meeting of the New Mexico Oil Conservation
4 Commission. My name is David Catanach, chairman of the
5 Commission and director of the Oil Conservation
6 Division.

7 The time is about nine minutes after 9:00.
8 Today's date is October 6, 2016. This meeting is being
9 conducted in Porter Hall within the Wendell Chino State
10 Building. At this time I will take roll.

11 Will the Commissioners please introduce
12 themselves for the record?

13 COMMISSIONER MARTIN: Ed Martin
14 representing the State Land Office.

15 COMMISSIONER BALCH: Dr. Robert Balch,
16 designee of the Secretary of Energy and Minerals.

17 COMMISSIONER CATANACH: Thank you,
18 Commissioners.

19 Also present is Bill Brancard, the
20 Commission attorney and general counsel for the Energy,
21 Minerals and Natural Resources Department.

22 In your packet is the agenda for today's
23 meeting. Is there a motion and a second to adopt
24 today's agenda?

25 COMMISSIONER BALCH: I'd move to adopt the

1 agenda.

2 COMMISSIONER MARTIN: Second.

3 COMMISSIONER CATANACH: All in favor?

4 (Ayes are unanimous.)

5 COMMISSIONER CATANACH: Motion to adopt
6 today's agenda is passed.

7 Also in the packet is the September 6th and
8 7th, 2016 Commission meeting minutes.

9 Commissioners, do you have any -- have you
10 reviewed the minutes, and do you have any changes to the
11 minutes? And if not, is there a motion and a second to
12 adopt the minutes?

13 COMMISSIONER BALCH: I've reviewed the
14 minutes and have no changes, and I would move to adopt
15 them.

16 COMMISSIONER MARTIN: No changes here
17 either, and I second.

18 COMMISSIONER CATANACH: Okay. All in
19 favor?

20 (Ayes are unanimous.)

21 COMMISSIONER CATANACH: Motion to adopt the
22 minutes of the Commission meeting is passed.

23 One announcement at this time, for the
24 benefit of the Commission, I just want to mention that
25 Targa Midstream Services, LLC is the operator of an

1 acid-gas injection unit, the Monument AGI, located near
2 Monument. The past several weeks, Targa has had
3 mechanical problems with the well and have made efforts
4 to repair the well. They have been unable to, so they
5 elected to plug and abandon the well. This well
6 services the area around Monument, and there are
7 probably a lot wells shut in or flaring gas at this time
8 because of that well being shut down. Targa is
9 proposing to drill two additional acid-gas wells in this
10 area in a quick fashion.

11 They've come to us and asked us if there
12 was an expedited process where they could get these two
13 new acid-gas wells approved. I've authorized them to go
14 to Division hearing with these two wells because I think
15 it's a quicker process.

16 I know the Commission docket is pretty full
17 the next few weeks, and so I just wanted to let the
18 Commission know that those two cases will be going to a
19 Division Examiner hearing for approval. I have full
20 confidence that the Division will, you know, follow the
21 guidelines that the Commission has established with
22 regard to acid-gas injection wells. So I just wanted to
23 make you aware.

24 COMMISSIONER BALCH: They're drilling a new
25 well and a redundant well at this time?

1 COMMISSIONER CATANACH: Correct. That's my
2 understanding.

3 COMMISSIONER BALCH: I suspect their
4 drilling locations will range in the area of review
5 significantly.

6 COMMISSIONER CATANACH: I'm not -- I'm not
7 certain what that is at this time, where the new
8 injection wells are, but they're in the same area, is my
9 understanding, and as deep. I think they're going to be
10 Devonian wells.

11 COMMISSIONER BALCH: Okay.

12 COMMISSIONER CATANACH: So that's what
13 we're doing with that.

14 (The proceedings conclude, 9:15 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

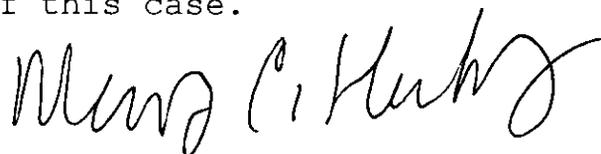
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CERTIFICATE OF COURT REPORTER

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

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

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



MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2016
Paul Baca Professional Court Reporters