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

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

IN THE MATTER OF PROPOSED AMENDMENTS CASE NO. 15738 TO THE COMMISSION'S RULE ON RULEMAKING, 19.15.3 NMAC.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONER HEARING

September 21, 2017

Santa Fe, New Mexico

BEFORE: DAVID R. CATANACH, CHAIRPERSON

EDWARD MARTIN, COMMISSIONER

DR. ROBERT S. BALCH, COMMISSIONER

BILL BRANCARD, ESQ.

This matter came on for hearing before the New Mexico Oil Conservation Commission on Thursday, September 21, 2017, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR

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	Page 2
1	APPEARANCES
2	FOR THE NEW MEXICO OIL CONSERVATION COMMISSION:
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9	
10	INDEX
11	PAGE Case Number 15738 Called
12	NMOCD's Case-in-Chief:
13	Witnesses:
14	William Brancard:
15	Direct Examination by Ms. Bada 3
16	Open-session Deliberations 58 - 66
17	Proceedings Conclude 67
18	Certificate of Court Reporter 68
19	
20	
21	EXHIBITS OFFERED AND ADMITTED
22	Oil Conservation Commission Exhibit Numbers 1 through 6 58
23	
24	
25	(9:13 a.m.)

- 1 CHAIRMAN CATANACH: At this time I will
- 2 call Case 15738, in the matter of proposed amendments to
- 3 the Commission's rules on rulemaking, 19.15.3 NMAC.
- 4 At this time I will call for appearances in
- 5 this case.
- 6 MS. BADA: Cheryl Bada on behalf of --
- 7 counsel for the Oil Conservation Commission, and one
- 8 witness, William Brancard.
- 9 CHAIRMAN CATANACH: Any other appearances?
- No other appearances today.
- 11 May I have the witness stand and be sworn
- 12 in at this time, please?
- 13 WILLIAM BRANCARD,
- 14 after having been first duly sworn under oath, was
- 15 questioned and testified as follows:
- 16 DIRECT EXAMINATION
- 17 BY MS. BADA:
- 18 Q. Please state your name and place of employment
- 19 for the record.
- 20 A. My name is William Brancard. I'm general
- 21 counsel for the New Mexico Energy, Minerals and Natural
- 22 Resources Department in Santa Fe.
- 23 Q. What role did you play in these proposed rule
- 24 changes?
- 25 A. I drafted the proposal that is in front of the

- 1 Commission right now.
- 2 Q. Can you please describe the proposed rule
- 3 changes and the reasons for those changes?
- 4 A. I will.
- 5 This proposal has, sort of, three reasons
- 6 behind it, the various changes in here. There are two
- 7 statutory changes that we need to update our rule on
- 8 rulemaking to coincide with. One is, the larger changes
- 9 are due to House Bill 58 or Chapter 137, the laws of
- 10 2017 -- you'll see references to it -- which are
- 11 amendments to the State Rules Act that were adopted this
- 12 year by the legislature that came up with a uniform
- 13 process for adopting rules covering all state agencies.
- The second provision is, two years ago, we
- 15 made a change to the Oil and Gas Act that's codified at
- 16 70-2-12.2, which created a process for the adoption of a
- 17 rule by the Commission and then how that rule can be
- 18 appealed to the courts. It filled a gap in the Oil and
- 19 Gas Act.
- 20 And third, since we were looking at this
- 21 rule on rulemaking, I have proposed a few what I would
- 22 call discretionary changes the Commission can make to
- 23 its process. On the one hand, House Bill 58 sort of
- 24 complicates our process a bit. I tried to look at other
- 25 ways of our existing process to simplify them to go

1 along with that. So I will try to explain it. I know

- 2 the Commission expressed this request at the last
- 3 meeting. I will try to make clear to you when we're
- 4 talking about statutory change and when we're talking
- 5 about a discretionary change of the Commission. And it
- 6 turns out they're kind of -- each section, so it is one
- 7 or the other largely. So it's easy to figure out where
- 8 we are.
- 9 Let me just explain. We have six exhibits
- 10 for you-all to look at. The first one is House Bill 58
- or Chapter 137, and that's Exhibit 1. As you can see,
- 12 as I said, this is -- what they did to do this change
- 13 for uniform rulemaking is they made amendments to what's
- 14 called the State Rules Act. The State Rules Act is a
- 15 statute that previously had focused on requirements to
- 16 file a rule with State Records Center in archives and
- 17 also to publish the rule in the New Mexico Register.
- 18 And to that statute, there's now been added a whole
- 19 series of sections that deal with the process of
- 20 adopting the rule, particularly public notice and
- 21 hearing and otherwise.
- 22 Some of the existing sections of the
- 23 statute were amended, and then there were new sections.
- 24 Just quickly, I'll point to one thing here in the first
- 25 page of Exhibit 1 that will be a big issue all

- 1 throughout the rule. There is a new definition of the
- 2 phrase "provide to the public." And that lists all the
- 3 ways, if you're going to give public notice, how you
- 4 give public notice, posting on agency Web site, posting
- 5 on the Sunshine Portal, sending it to field offices,
- 6 sending it by mail, electronic mail, if people request
- 7 it, sending to the legislative council. So -- and why
- 8 that's important is, the way they drafted the statute,
- 9 in a number of places later on in the statute, the
- 10 phrase "and the agency will provide to the public"
- 11 appears, and that triggers this definition and all the
- 12 different ways of notice. So rather than repeat the
- 13 notice requirements all through the statute, they just
- 14 use this definition to provide the public as a way of
- 15 triggering the notice requirements.
- 16 The second exhibit is the statute that was
- 17 adopted two years ago, 70-2-12.2. It's a pretty simple
- 18 statute, and I'll talk a little bit more about it later.
- 19 I just want to go through the exhibits here quickly.
- 20 Exhibit 3 is a certificate of compliance
- 21 prepared by the Commission clerk that shows we gave
- 22 notice in accordance with the statute, not in accordance
- 23 with our current rule, because the statute is in effect.
- 24 And I think what we're going -- the idea is that for all
- 25 rulemakings in the future, we will have one of these,

- 1 certificates of compliance, so that it's clear that the
- 2 notice provisions have been met for every rulemaking and
- 3 attached to the notices the items from the newspapers
- 4 and the New Mexico Register.
- 5 This will require on the Commission clerk's
- 6 part a lot of items to be careful of, and I think this
- 7 is going to be -- this certificate of compliance will be
- 8 part of a larger checklist that we'll develop for the
- 9 Commission clerk so she can kind of keep track of where
- 10 we are in all the processes, the beginning, middle and
- 11 end of the process.
- 12 Exhibit 4 is our original proposal rule
- 13 change that we submitted.
- Exhibit 5, we submitted modifications to
- 15 that proposal, and those are highlighted in here. We
- 16 found a few little glitches in it, but we also -- what
- 17 we're trying to do in this process and we're going to
- 18 try to do this with all our rulemakings is we are in
- 19 contact with the State Records Center during the
- 20 process, sending them drafts of the proposed rule. They
- 21 will send comments back to us about their formatting
- 22 requirements, their language-usage requirements. And so
- 23 we try to make changes so that by the time we get ready
- 24 to file a rule, it's in the absolute correct format.
- 25 And I'll explain why that's really important later on.

- 1 So a lot of these changes, like the changes to the
- 2 citations, et cetera, are changes in format that the
- 3 Record Center requires.
- 4 And then finally is Exhibit 6, and this
- 5 will be the exhibit that I will probably be focusing on
- 6 during the testimony. And it's kind of a chart showing
- 7 all the changes with -- showing which areas -- what
- 8 is -- what is driving the changes in each particular
- 9 section, whether it's a statutory change, whether it's
- 10 discretionary, a process change.
- And so let me just quickly summarize then.
- 12 What did House Bill 58 do? Its purpose was to provide
- 13 uniformity across all state agencies about how to adopt
- 14 rules like the Commission, which has its rule on
- 15 rulemaking. Other boards and commissions and agencies
- 16 have all their own processes. So as you go from one
- 17 agency to another, it's not the same process. This
- 18 creates a more uniform process against all state
- 19 agencies about how all rules are adopted. And it fills
- 20 in gaps where agencies don't have rules or the statutes
- 21 don't provide about when there is notice and how notice
- 22 is given. So it's kind of a minimum set of standards.
- 23 But even being a minimum, it has -- it has added to a
- lot of what we have in our rules as minimums.
- 25 As I said, this incorporates the procedures

- 1 into the Rules Act. It did not, sort of, radically
- 2 change how state agencies like the Commission adopt
- 3 rules. There is no sort of radical shift to it. There
- 4 were a few proposals that would have radically changed
- 5 it, requiring the legislature to review rules or, you
- 6 know, requiring rules to expire. That was actually
- 7 amended during the process. It was put into the bill
- 8 and then got pulled out during the legislative process.
- 9 Mostly it adds details to notice: How often is public
- 10 notice required, who receives the public notice, the
- 11 timing of the public notice in the process and deadlines
- on when to do things, when before the hearing, how many
- 13 days, et cetera, and then deadlines for filing, et
- 14 cetera. So there are more deadlines in there.
- The content of the notice is also sort of
- 16 more expansive than what we have traditionally put in
- our public notices for rules. So I will go through all
- 18 of that and explain it.
- 19 The statutory change, 70-2-12.2, they say
- 20 it's simply to fill in a gap that we did not have in the
- 21 Oil and Gas Act for how to appeal a rule. So you had to
- 22 go petition for writ of certiorari to district court,
- 23 petition the Court to hear the rulemaking. And that is
- 24 how each of the Pit Rule rulemaking started. Now the
- 25 appeal goes directly to the Court of Appeals. There are

1 also provisions in there about timing, about when to

- 2 file the rules, and that -- and that creates -- has
- 3 created a bit of a conflict with this new HB 58, and
- 4 I'll show in here how we resolve that conflict in the
- 5 rule.
- 6 It also provides -- the statute also
- 7 provides specifically that for a rule to be enacted, it
- 8 has to have a hearing before the Commission. The Oil
- 9 and Gas Act, the way it's written, basically has this
- 10 notion of what's called "the concurrent authority,"
- 11 where anything the Commission can do, the Division can
- do, and anything the Division can do, the Commission can
- do. So even though traditionally the Commission has
- 14 been the body that has enacted rules, by statute, the
- 15 Division could have gone off and enacted its own rules,
- 16 too. This statute changes that and says: For rules
- 17 enacted, there has to be a hearing before the
- 18 Commission. So the Commission becomes officially what
- 19 it's always really been, the rulemaking body under the
- 20 Oil and Gas Act.
- 21 And so in addition, as I said, there are a
- 22 bunch of discretionary changes trying to simplify some
- of the processes, particularly in the pre-hearing parts
- 24 where we had numerous different types of filings that
- 25 were allowed and several different deadlines for those

- 1 filings. We tried to consolidate them down.
- We received one public comment. That's
- 3 from the New Mexico Oil and Gas Association. They've
- 4 requested two changes to the process. I think one of
- 5 them we can do. In fact, it may actually further simply
- 6 the process. The other change they requested kind of
- 7 runs into conflict with some of the changes in House
- 8 Bill 58, and I'll explain where that conflict is.
- 9 Okay. Exhibit 6, I'll start going through
- 10 the rules here and what the changes are.
- 11 I'll start with Section 1 of 19.15.3. And
- 12 traditionally we've always listed, for some reason, the
- 13 Division as the issuing agency for all of our rules,
- 14 even though the Commission is the one that enacts it, so
- 15 I just put in both in this case. That also, like I say,
- 16 complies with the new statute which requires the
- 17 Commission to be the one to hold the hearing on rules.
- 18 So we'll probably do this for all rules going forward.
- 19 Section 3 is the statutory authority, and
- 20 in this, we've simply added the authority for these
- 21 amendments this year, which is this House Bill 58 and
- 22 this new statute, 70-2-12.2.
- 23 Section 7 definitions. We didn't have any
- 24 definitions that were specific to this provision, but
- 25 because of the new statute and to sort of simplify some

of the process, we decided to reference other statutes.

- 2 We used the phrases "proceeding," "proposed rule," and
- 3 "rule" throughout this regulation. Those have specific
- 4 meanings in House Bill 58 in the State Rules Act. So we
- 5 tell people to go look at the State Rules Act. They
- 6 don't tell you exactly what that is. And then we can
- 7 also just use that term all through this rule to make it
- 8 consistent.
- 9 Two terms that have been used in this rule
- 10 previously and are used in the new rule, we decided to
- 11 define here just to avoid issues and to allow us to use
- 12 those terms more consistently through the rule. One is
- 13 "party," and the other is "technical testimony." And
- 14 right now we say that party is "the applicant or any
- 15 person who files a pre-hearing statement or entry of
- 16 appearance." One of NMOGA's comments is about it isn't
- 17 necessary to have this "entry of appearance" provision
- 18 anymore. So when we get to that section, I'll tell you
- 19 the arguments for NMOGA's provision, and we may just
- 20 want to drop out "or entry of appearance" in this
- 21 definition because it may become unnecessary the way
- 22 NMOGA has proposed their amendment.
- 23 "Technical testimony." It's a phrase
- 24 that's in the current statute and the current rule, but
- 25 it is not defined. So, sort of, this phrase comes,

1 actually, from other boards and commissions that have

- 2 used this concept of technical testimony, the
- 3 Environmental Improvement Board, the Water Quality
- 4 Control Commission. Their rules have a specific
- 5 definition of what technical testimony is. I basically
- 6 copied what that is. So in the pre-hearing statement,
- 7 you're required to, you know, specify your witnesses who
- 8 will give technical testimony. This tells people what
- 9 technical testimony is.
- 10 So Section 8 is not -- the changes in
- 11 Section 8 are not required by statute. This is, sort
- 12 of, the first attempt to try to simplify, if you agree,
- on the process we have leading up to a hearing on a
- 14 rule. Now, right now there are two different ways of
- 15 triggering a rulemaking under this rule. You can either
- 16 file a petition with the agency, and then the Chair
- 17 evaluates the petition, and then there is a period of
- 18 time in which the Commissioners are sent the petition
- 19 and they can ask for a meeting on the petition, and if
- 20 not, the director can go ahead and act on the petition.
- 21 There is also a second way of getting a
- 22 rule done, which is what we did with this rule, which is
- 23 where you specifically come to the Commission and ask
- 24 for an order from the Commission initiating a
- 25 rulemaking. Okay?

1 What I proposed here is to sort of put this

- 2 in -- squash it into one process, where -- and this is
- 3 more similar, again, to what some other agencies do,
- 4 where there is a petition for rulemaking and they define
- 5 what is supposed to be in that petition, which is
- 6 basically what we already have in the petition
- 7 proceedings here. And then, basically, you set it for
- 8 the next Commission meeting to review that petition, and
- 9 then the Commission decides whether to have a hearing
- 10 and when and any procedures you want to use at the
- 11 hearing. So that's -- that's the new process that we
- 12 provided in Subsection A.
- MR. WADE: Can we ask questions as we go
- 14 along or --
- 15 CHAIRMAN CATANACH: I'm thinking about
- 16 that. That might be an easier way to do it.
- 17 THE WITNESS: Yeah. Sure, because there
- 18 are different reasons for each of these sections, so,
- 19 you know, that might be a good idea.
- 20 MR. WADE: And may I ask questions if I
- 21 have questions?
- 22 CHAIRMAN CATANACH: Yes.
- 23 MR. WADE: The only part on this section is
- 24 "any person." Do you think that "person" is something
- 25 that needs to be defined, or is it something that people

- 1 will understand, that entities such as the Commission
- 2 may file application? Because the part that is being
- 3 taken out talks about the Division, an operator, a
- 4 producer or any other person, so it kind of self-defines
- 5 itself. Whereas, maybe somebody might read just
- 6 "person" as an actual person and not necessarily an
- 7 entity.
- 8 CHAIRMAN CATANACH: "Person" is defined in
- 9 House Bill 58.
- 10 THE WITNESS: It may actually be defined in
- 11 the Commission's rules (reading).
- 12 Yeah, you're right. "Person" is defined in
- 13 House Bill 58. So it's "individuals, associations,
- 14 partnerships, companies, political subdivisions and
- 15 corporations." It's fairly broad.
- MR. WADE: Oh, and it is defined in Part 2
- of 19.15.2. A person is defined as an individual or
- 18 entity.
- 19 THE WITNESS: So those definitions would
- 20 apply.
- 21 MR. WADE: And I just -- I had one really
- 22 minor thing all the way back in proposed Section 1. Is
- 23 there really a point in keeping "Oil Conservation
- 24 Division" in that sentence if they -- if what we're
- 25 saying is the new rule would bar the Division from

1 initiating and hearing -- not initiating, but hearing

- 2 rulemaking?
- THE WITNESS: It could. You could change
- 4 all of your rules, which is literally what happens, is
- 5 that the Commission does issue the rules. I don't know
- 6 why, historically, going way back when, it was always
- 7 listed as the Division when, in fact, it is the
- 8 Commission making the --
- 9 CHAIRMAN CATANACH: So that is the intent
- 10 of your changes, is to eliminate the Division's
- 11 authority to do that?
- 12 THE WITNESS: I mean, I think -- I think
- 13 the new statutory change does do that, if you wanted to
- 14 say that, that the Commission would be -- because the
- 15 Commission is the one who literally does file it with
- 16 the Records Center and the New Mexico Register. You
- 17 sign -- the Chair signs on behalf of the Commission as
- 18 the agency submitting the rule. So yeah, that would be
- 19 fine. Just make it the Commission.
- 20 CHAIRMAN CATANACH: Do we need to --
- 21 Counsel, do we need to vote on these changes as we go
- 22 along?
- MR. WADE: I think procedurally that would
- 24 be up to you. It seems like -- I would -- it makes
- 25 sense to ask questions regarding this and then doing a

- 1 vote at the end of all of them.
- COMMISSIONER BALCH: Make a list, and at
- 3 the end -- because some of these may have issues that
- 4 come back.
- 5 CHAIRMAN CATANACH: Okay. Okay. I'm
- 6 sorry, Mr. Brancard. Were you done with Part A?
- 7 THE WITNESS: No.
- 8 CHAIRMAN CATANACH: You may continue with
- 9 your --
- 10 THE WITNESS: I wanted to -- changes in B,
- 11 the focus is on having -- anybody who will submit the
- 12 petition, they need to submit electronic copies, and
- 13 that would then be used as a way for the clerk to
- 14 communicate the petition to Commission members, rather
- 15 than somebody having to walk into the clerk's office
- 16 with a stack of six documents.
- And then in C, it's sort of the timing on
- 18 when the Commission would act on this proposed --
- 19 whether to have a proposed hearing. And then it also
- 20 gives the Commission flexibility at that time if they
- 21 want to set any other procedures in addition to this or,
- 22 say, expand the notice period or sort of allow other
- 23 procedures. It gives the Commission the latitude to
- 24 adopt a procedural rule.
- 25 Probably the last sentence is sort of the

1 most important. I mean, it also gives the Commission

- 2 the authority to appoint a hearing officer. It assumes
- 3 that the Chair is the hearing officer, but the
- 4 Commission can, if the Chair is, say, unavailable for
- 5 the meeting, appoint one of the other Commissioners to
- 6 be the hearing officer for that particular hearing.
- 7 But more importantly, the last sentence
- 8 gives what we sort of understood but never really wrote
- 9 out the authority to the Chair before the hearing to
- 10 deal with procedural matters that come up. You have
- 11 this specifically written in your adjudicatory rule, but
- 12 it was never specifically written in the rulemaking.
- 13 You kind of worked on the assumption that the Chair has
- 14 that authority, but this explicitly gives that authority
- 15 to the Chair. If there are any procedural matters that
- 16 come up before the hearing, the Chair can deal with them
- 17 without having to bring the whole Commission involved.
- 18 CHAIRMAN CATANACH: So I had a question.
- 19 Are you done?
- THE WITNESS: Yes.
- 21 CHAIRMAN CATANACH: So this seems to add
- 22 another layer to the process, though. When we get an
- 23 application for rulemaking, it seems like we have to
- 24 have a Commission hearing to determine whether or not we
- 25 want to actually hear the rulemaking case.

- 1 THE WITNESS: Uh-huh.
- CHAIRMAN CATANACH: That's not the
- 3 procedure now. So it's kind of adding a step, my
- 4 interpretation.
- 5 THE WITNESS: Yes.
- 6 CHAIRMAN CATANACH: And just for
- 7 clarification on the hearing officer part, tell me about
- 8 that again. If I designate somebody else to take --
- 9 THE WITNESS: Well, so at the meeting, when
- 10 the Commission decides that they're going to have a
- 11 hearing in two months on this rule, they can issue other
- 12 kinds of -- the Commission can order other kinds of
- 13 procedural orders. One would be if they wanted to have
- 14 a hearing officer other than the Chair to run the
- 15 hearing. Say you were unavailable in two months for the
- 16 hearing and you wanted to have somebody else as the
- 17 hearing officer. The Commission could do that.
- 18 You-all have worked sort of fairly
- 19 informally over the years in the old style of a board or
- 20 commission, which is you run your own hearings; the
- 21 chairman runs everything, you know. Many boards and
- 22 commissions have evolved into a different setting, where
- 23 they have outside hearing officers or professional
- 24 hearing officers run hearings. This gives you the
- 25 latitude to do that. There is no reason for you to do

1 it unless you really need to, you know, but it gives you

- 2 the latitude. It doesn't necessarily have to be the
- 3 Chair at all times to be the hearing officer for a
- 4 particular hearing. But it's understood, in the absence
- of the Commission making that decision, the Chair is the
- 6 hearing officer.
- 7 CHAIRMAN CATANACH: And it also gives me
- 8 the flexibility as Chair to deal with any issues
- 9 pre-hearing --
- 10 THE WITNESS: Right.
- 11 CHAIRMAN CATANACH: -- conferences, that
- 12 kind of thing?
- THE WITNESS: Yes.
- 14 COMMISSIONER BALCH: It takes away your
- 15 ability to say no. More than that, we're not going to
- 16 hear this before it comes to a whole Commission; is that
- 17 correct?
- 18 CHAIRMAN CATANACH: Well, I think the way
- 19 it works now is that the Commissioners are supposed be
- 20 to be provided a copy of the rule change, and if
- 21 anybody -- any of the Commissioners can object to the
- 22 rule change if they wish; just let us know. Then we
- 23 wouldn't schedule it for a hearing. I believe that's
- 24 the way it works.
- 25 THE WITNESS: Right. If you look at the

1 language, which in C it's been crossed out, you can see

- 2 that basically ten business days after the clerk
- 3 delivers a copy of the petition to the Commissioners --
- 4 in other words, you-all have the ability, the other
- 5 Commissioners, at that point to say, Hey, I want to have
- 6 a meeting to discuss whether we should hold this or not.
- 7 Okay? If nobody says anything and if the Chair thinks
- 8 it's okay to go ahead after those ten business days, the
- 9 Chair can then schedule the hearing.
- Now, like you said, if the Chair wants to
- 11 not hold the hearing, the Chair then has to schedule a
- 12 meeting of the Commission to make that decision not to
- 13 hold the hearing.
- 14 So the only way you can act without a
- 15 meeting at this point is if nobody objects and the
- 16 Chair's okay with it. Then the Chair just schedules the
- 17 hearing date. That's the way the system works. So
- 18 there is -- there is a -- there is a lag where the Chair
- 19 can act and set a meeting, ten business days, that
- 20 likely would be about the same time probably as the next
- 21 Commission meeting, you know. So it's not a big -- it's
- 22 a different step, but it's not necessarily a big change
- 23 in time.
- 24 CHAIRMAN CATANACH: And does that have to
- 25 be advertised to be on that agenda?

1 THE WITNESS: Yeah. You would just

- 2 petition for rulemaking, you know.
- 3 COMMISSIONER BALCH: About a third of the
- 4 time, it'll push it to the next meeting --
- 5 THE WITNESS: Yeah.
- 6 COMMISSIONER BALCH: -- because of the
- 7 ten-day wait.
- 8 CHAIRMAN CATANACH: Does that have to be
- 9 noticed?
- 10 THE WITNESS: It would just be on the
- 11 docket. It doesn't have to be noticed separately like
- 12 an adjudicatory or rulemaking.
- 13 COMMISSIONER BALCH: That's just a
- 14 discussion.
- 15 THE WITNESS: It's just a discussion item
- 16 on the agenda.
- 17 CHAIRMAN CATANACH: Okay.
- 18 MR. WADE: I have a question, if I can.
- 19 Is there a different part of the rule that
- 20 discusses the procedural part of appointing a hearing
- 21 officer and how that whole process might work?
- THE WITNESS: No. This is it.
- MR. WADE: How do you see that process
- 24 working? If a hearing officer is appointed, they hear
- 25 the case, and then does the Commission then convene to

1 discuss what the hearing officer heard and make a final

- 2 ruling on that, or does the hearing officer at that
- 3 point basically take over and make a ruling, a decision?
- 4 THE WITNESS: Well, all of that -- the
- 5 decisions about all of that would be encompassed in an
- 6 order the Commission would issue. I mean, having a
- 7 different hearing officer, at this point the most I
- 8 could imagine would be, like I said, two months from now
- 9 the Chair said, I'm going to be gone for a chunk of time
- 10 now and then; it would be better if one of you was the
- 11 hearing officer for this hearing, hear the matters when
- 12 I'm gone. So the hearing officer could be another
- 13 commissioner. So nothing changes. You still have the
- 14 same hearing. It's just that somebody else gets to act
- 15 as the hearing officer before the hearing in case any
- 16 procedural matters come up. I mean, the Commission has
- 17 never really, to my knowledge, considered using an
- 18 outside hearing officer, so I don't see that happening
- 19 in the near future.
- MR. WADE: And even if that was the case,
- 21 the Commission could issue, basically, a procedural
- 22 order.
- THE WITNESS: That's what this
- 24 contemplates. If you're going to appoint a hearing
- officer, it's going to be in an order, because that

- 1 order is going to set when the hearing date is and who
- 2 the hearing officer is.
- 3 CHAIRMAN CATANACH: Any other questions?
- 4 THE WITNESS: Okav. Section 9. These
- 5 changes are entirely to deal with the new statute, House
- 6 Bill 58, which sets, as I said, a whole new list of who
- 7 receives the public notice and the timing of the public
- 8 notice, and it also defines what the notice should
- 9 contain. So the language that's -- the new language in
- 10 Section 9 is taken almost verbatim from the new statute.
- 11 One exception to that is, interestingly
- 12 enough, the new statute does not require that public
- 13 notice be published in a newspaper, which traditionally
- 14 the Commission has done. So that, if you look on A(6),
- 15 we've kept that in there. So everything before that
- 16 little phrase at the end comes out of the act. We've
- 17 left in the newspaper general circulation because that
- 18 is what this Commission has always done, and most
- 19 entities in the state do. But, interestingly enough,
- 20 the statute does not require newspaper publication.
- 21 CHAIRMAN CATANACH: How does that -- how is
- 22 that reconciled? I mean, does it assume that the public
- 23 is going to get notice through the Sunshine Portal or --
- 24 THE WITNESS: Yeah, and that people who are
- 25 interested will be on a mailing list, et cetera, and the

1 New Mexico Register, which is online. I don't know how

- 2 many people look at the New Mexico Register, but it is
- 3 online.
- 4 CHAIRMAN CATANACH: Huh. Okay.
- 5 THE WITNESS: Now, the impact of these
- 6 changes -- these statutory changes is that the time
- 7 frame for rulemaking will expand. Okay? Your current
- 8 rules say, you know, you've got to publish in the
- 9 newspaper 20 days prior to the hearing date, publish in
- 10 the New Mexico Register ten business days before the
- 11 hearing date. Okay? This requires a 30-day period for
- 12 public notice -- getting all the public notice out. The
- one that is tricky is the New Mexico Register because
- 14 it's only published twice a month, and you have to
- 15 submit the notice to them often like 12 or 13 days in
- 16 advance, with a whole series of deadlines. So the
- 17 reality with the New Mexico Register is you're looking
- 18 at more like 45 days, maybe even 60 days.
- 19 So, I mean, I think the practical effect is
- 20 going to be that when you get this -- when you have the
- 21 meeting to decide on the hearing, you're going to have
- 22 to sit there with a calendar, literally. Florene may
- 23 have a calendar that says, "These are the Register
- 24 deadlines." Okay? You know. We can't get it done by
- 25 next month, 30 days won't make it, so two months from

- 1 now might work if we make this Register deadline or
- 2 notice. So it's just sort of a practical thing of
- 3 making these deadlines. And we may actually -- going
- 4 forward in setting Commission dates for the year, we may
- 5 need to be a little cognizant of what the Register
- 6 deadlines are and setting commission meetings, so we
- 7 have set up a practical approach to that. They send out
- 8 a yearly schedule of their deadlines for publication,
- 9 and we can plan in advance for that.
- 10 But that's -- that's the practical effect.
- I mean, the notion of saying today, Oh, we're going to
- 12 have a hearing next month, that can't happen. It's got
- 13 to be at least two months, with the rule.
- 14 COMMISSIONER BALCH: So given that added
- 15 complexity, it might be more of a procedural thing for
- 16 Florene. She typically sets our schedule by email. I'm
- 17 wondering if we ought to make that an item on the
- 18 December docket instead, because we're adding moving
- 19 parts to that.
- MS. DAVIDSON: We could.
- 21 CHAIRMAN CATANACH: Well, we can do that.
- THE WITNESS: And by December, the Records
- 23 Center will have their next year's list of deadlines
- 24 out, so you can kind of, sort of, have that in the back
- of your head, too, when you're looking at the dates.

1 CHAIRMAN CATANACH: Sometimes it's

- 2 difficult to do it in December. We have to change
- 3 certain dockets throughout the year so --
- 4 COMMISSIONER BALCH: I think they do get
- 5 changed, but --
- 6 THE WITNESS: That's going to happen.
- 7 COMMISSIONER BALCH: -- but we're supposed
- 8 to set up scheduling.
- 9 CHAIRMAN CATANACH: Right. Right.
- 10 THE WITNESS: So B deals with the content
- 11 of the notice. A lot of that's what we normally put in
- 12 the notice, but there are a few things that are new.
- 13 You have to cite to the specific legal authority
- 14 authorizing the proposed rule. So something like this
- 15 rule, that was easy because we're specifically dealing
- 16 with two statutory changes. But in most cases, like,
- 17 say, for this Commission, it would be something in
- 18 reference to those provisions in the Oil and Gas Act
- 19 that say, "Adopt rules on injection wells; adopt rules
- 20 on protection of fresh water."
- 21 The other -- the other thing that is new
- 22 and will be a little bit of a challenge is the last
- 23 provision, where you have to have a citation to
- 24 technical information that serves as a basis for the
- 25 proposed rule. So for something like this, where we're

just working off of the statutes and making policy

- 2 choices, that's not really -- but when you get into
- 3 wanting to change some of the technical requirements
- 4 that the Commission has in the rule -- and we'll put an
- 5 onus if it's the Division coming forward with the
- 6 proposed rule change on sort of identifying were there
- 7 studies or documents that they used as a basis for this
- 8 rule change? And when they submit their petition, they
- 9 should be identifying those because those things will
- 10 need to be referenced in this public notice.
- 11 COMMISSIONER MARTIN: This presupposes that
- 12 that technical documentation exists?
- THE WITNESS: Yeah.
- 14 COMMISSIONER MARTIN: You don't have to
- 15 say -- a lot of times public information comes from the
- 16 hearing itself, and there are not entire studies.
- 17 THE WITNESS: Right. And so often even
- 18 when you're dealing with technical issues, you're
- 19 making, basically, policy choices, you know, about
- 20 deadlines and et cetera. But to the extent there is
- 21 technical information, you know, you can't really wait
- 22 until the hearing anymore. You kind of have to identify
- 23 that at the time you submit a petition. So it puts a
- 24 little more onus on the petitioners, whether it's the
- 25 Division or it's an outside group proposing a rule

- 1 change. So --
- 2 CHAIRMAN CATANACH: So in that notice, you
- 3 don't have to -- you don't have to include that in the
- 4 notice. You just have to say where you can access it?
- 5 THE WITNESS: Right. Right.
- 6 CHAIRMAN CATANACH: And we can probably
- 7 post that on our Web site or something like that?
- 8 THE WITNESS: Yes.
- 9 And, in fact, part of complying with this
- 10 rule, we have now created -- oh, I think we've always
- 11 had it. But there is a separate section on the OCD Web
- 12 site that just deals with rules. So whenever there is
- 13 something in here that says it has to be posted on the
- 14 agency Web site, whether it's a notice, whether it's a
- 15 filing with the Records Center, whether it's a final
- 16 rule, there is -- for each of these rulemakings, there
- 17 will now be its own little box that shows all the
- 18 requirements in there. And if there was technical
- 19 information, that would be the perfect place to put it.
- 20 COMMISSIONER MARTIN: Don't these seven
- 21 pieces of information have to go in all the notice
- 22 forms -- format, or is that not true?
- 23 THE WITNESS: Well, I think you have to --
- 24 you have say, We have documents, you know, or maybe name
- 25 the document or whatever in the notice, and say: A copy

- 1 of the document can be obtained --
- COMMISSIONER MARTIN: Oh, I see what you're
- 3 saying.
- 4 THE WITNESS: -- at this Web site or this
- 5 location.
- And I think the other idea is that the
- 7 legislature intended that what's called the Sunshine
- 8 Portal also will be a place where all these notices and
- 9 information will be available. I don't know if you-all
- 10 are familiar with the state Sunshine Portal. But they
- 11 have yet to develop this specific portal for rulemaking.
- 12 They're in the process of doing that. Hopefully, that
- 13 will be a place where agencies can upload information,
- 14 and it would be publicly available just like there
- 15 are -- right now you can find information on employees'
- 16 salaries, on contracts, various items of government on
- 17 the Sunshine Portal. There will be a thing on
- 18 rulemaking, a box, for rulemaking.
- 19 Anything else for this section?
- 20 CHAIRMAN CATANACH: I think we're done.
- 21 Any other questions?
- 22 Yup.
- THE WITNESS: So Section 10. First the
- 24 easy change, which is, we had, through these rules, lots
- of references to faxes and facsimiles, but we're not

- 1 getting anything by fax. It's not really being used.
- 2 And it's not required, under this House Bill 58,
- 3 anything to do with faxes, so we've eliminated
- 4 references to faxes. It's either written documents or
- 5 electronic.
- 6 COMMISSIONER BALCH: Facsimile would follow
- 7 electronically, so --
- 8 THE WITNESS: So the bigger change in
- 9 here -- and this is the change that NMOGA has commented
- 10 on -- is individuals submitting written comments to the
- 11 Commission currently must submit them "no later than
- 12 five business days before the hearing." We're proposing
- 13 to change that to "no later than the date of the
- 14 hearing." Okay? There are several reasons why -- NMOGA
- does not want to see this change, and their argument is
- 16 it's better for the Commission to have these documents
- 17 and for the other parties to have the documents in
- 18 advance.
- 19 Right now, we currently -- if you look at
- 20 10 versus 11(B), we have this, sort of, odd little
- 21 contradiction, where we're saying to people, If you're
- 22 just going to submit a comment in writing, fax it to us,
- 23 email it to us, mail it to us, you've got to submit it
- 24 five business days. But if you just show up at the
- 25 hearing, under 11(B), and say, Hi, I'm here, I don't

- 1 like this rule, here's my written comment, that's fine.
- 2 So, you know, it's the same comments, but it's -- I
- 3 guess if you make the effort to show up, you can do it
- 4 at the hearing, but if not, you would have to do it five
- 5 business days beforehand.
- Now, the real problem with keeping the
- 7 five-business-day deadline is that it runs straight into
- 8 House Bill 58, because House Bill 58 has two 30-day
- 9 notice provisions at this time. One is kind of odd.
- 10 One says you have to provide notice 30 days before the
- 11 hearing, but then another says you have to give a 30-day
- 12 written comment period for any kind of comments
- 13 submitted to the agencies, and you have to allow people
- 14 to walk into the hearing and provide any kind of written
- 15 comments.
- So we have a 30-day comment period for
- 17 written comments. And right now, our notice provision
- 18 that we have in the rule says you have to provide notice
- 19 30 days before the hearing. So by having the written
- 20 comment period in 30 hearing [sic] deadline follow the
- 21 same 30 days, we're fine. But if we go back to the
- 22 five-business-days deadline for the written comment, now
- 23 we've got to move out that five business days on the
- 24 notice because you have to provide a 30-day period for
- 25 written comments. So it effectively will add five

1 business days, and we'll have to change the whole notice

- 2 rule to make that work for this. So that's -- that's
- 3 sort of where -- I mean, I think the statute, House Bill
- 4 58, assumes that your 30-day comment period for written
- 5 comments is the period that's during the 30 days before
- 6 the hearing, which is what we changed -- proposing to
- 7 change the rule to.
- 8 So that's where I think, you know, NMOGA's
- 9 offered to keep the rule the way it exists now, or it
- 10 runs into problems with the requirements of House Bill
- 11 58.
- 12 If we were to keep this language in here
- 13 about five business days, we would have to change the
- 14 notice rules to change -- in Rule 9 to expand out when
- 15 the notice trigger is. It would probably be at least 37
- 16 days before the hearing. And that's why, you know, we
- 17 have concerns with when NMOGA proposal is to keep five
- 18 business days in. It just makes it easier, 30-day
- 19 notice period; it covers also the 30-day comment period.
- 20 CHAIRMAN CATANACH: So you're recommending
- 21 that we not adopt NMOGA's changes?
- 22 THE WITNESS: Yes, for this one. There is
- 23 another change later on that I will say we go with.
- 24 CHAIRMAN CATANACH: Correct me if I'm
- 25 wrong, but the procedure now is we allow public comment

- 1 on rulemaking without refiling.
- THE WITNESS: Yes, nontechnical.
- 3 CHAIRMAN CATANACH: Right.
- 4 THE WITNESS: So if somebody comes in and
- 5 says, I don't like that; here's a letter from the mayor
- 6 of Jal backing me up --
- 7 CHAIRMAN CATANACH: Right.
- 8 THE WITNESS: -- that becomes part of the
- 9 record. You can do that. But if the mayor of Jal
- 10 wanted to just mail that in, he'd have to mail that in
- 11 five business days before the hearing for it to become
- 12 part of the record. So that's sort of a contradiction
- 13 we have in our current rule, you know.
- 14 CHAIRMAN CATANACH: I quess I wouldn't be
- 15 too concerned about comments being submitted the day of
- 16 the hearing. Those are not -- they're certainly taken
- 17 into consideration, but it's not technical evidence.
- THE WITNESS: We don't get a lot of them.
- 19 CHAIRMAN CATANACH: Occasionally we do.
- 20 COMMISSIONER MARTIN: Even if we don't,
- 21 they're still part of the record, something for the
- 22 record.
- 23 CHAIRMAN CATANACH: Right. And I think
- 24 NMOGA's argument is that they don't have time to
- 25 prepare, I guess.

1 COMMISSIONER BALCH: But it's a comment.

- 2 It's not testimony.
- 3 COMMISSIONER MARTIN: No.
- 4 COMMISSIONER BALCH: Per se, it's really
- 5 not technical testimony.
- 6 CHAIRMAN CATANACH: Yeah.
- 7 MR. WADE: That kind of raises a question.
- 8 I don't see that "comment" is really defined. Do you
- 9 think that it's important to define it to state
- 10 whether -- because later on in the rule, there is talk
- 11 about nontechnical testimony and technical testimony. I
- 12 don't know. Do you see an issue with "comment" not
- 13 being defined as being technical or nontechnical?
- 14 THE WITNESS: No. I think what you might
- 15 want to look at is 11(C), which is your authority to
- 16 exclude witnesses or technical acceptance not identified
- 17 or attached to the pre-hearing statement.
- 18 MR. WADE: So in other words, if a comment
- 19 was purely technical in nature, the Commission could
- 20 identify it as such and not make it part of the record.
- 21 THE WITNESS: It gives the Commission that
- 22 authority, that discretion to do that. They don't have
- 23 to do that. It gives them the discretion. So if a
- 24 party -- you know, if somebody comes in with, Here's my
- 25 dissertation on this issue, I know I didn't submit

1 myself as a technical witness, and the other parties are

- 2 like, Well, we have had no chance to respond to this,
- 3 then whatever the Commission -- you know, if it sees
- 4 bias to the other parties, you know, and sees that it's
- 5 a problem, you have the flexibility to do a lot of
- 6 things. You can always leave the record open for
- 7 further comments, et cetera, you know. You can cure
- 8 this matter a lot of different ways, but one of them is
- 9 simply to say, Too late because of the deadline.
- 10 So to answer Counsel's questions, instead
- of just saying "technical exhibits," you could say
- "technical exhibits or comments."
- MR. WADE: Where would the "and comments"
- 14 go?
- 15 THE WITNESS: Just in (3), where it says
- 16 "expert witnesses or technical exhibits."
- MR. WADE: "Or comments" is possible.
- And I just have one small, I quess,
- 19 comment, back in 19.15.3.10, "Comments on Rulemaking,"
- 20 the second sentence. Since "person" is defined and
- 21 they're both very similar definitions both in the Oil --
- 22 or the Division rules and the 14-2 -- 14-4-3 or -- give
- 23 me a second. It's 14-4-2, "Definition of Person" and
- 24 the rules' definition are very similar. Wouldn't --
- 25 "individuals and entities," could we cross that out and

- 1 put that "a person shall provide written comments"?
- THE WITNESS: I don't have a problem with
- 3 that. Some of our changes are trying to make the
- 4 language a little more consistent, and that would serve
- 5 that purpose, so I don't have a problem with that
- 6 change.
- 7 CHAIRMAN CATANACH: Where are you at?
- 8 MR. WADE: 19.15.3.10, as proposed in the
- 9 second sentence -- the first sentence starts with "a
- 10 person must submit written."
- 11 CHAIRMAN CATANACH: Right.
- MR. WADE: But then the second sentence,
- 13 which is "individuals or entities," when I think really
- 14 what they're talking about is "a person" as defined.
- 15 CHAIRMAN CATANACH: So you want to change
- 16 "individuals or entities" to "persons"?
- MR. WADE: "A person."
- 18 CHAIRMAN CATANACH: "A person."
- 19 MR. WADE: Because it still talks about "a
- 20 person" later on within that part of the rule as well.
- 21 CHAIRMAN CATANACH: I don't know if that is
- 22 a proposed change.
- 23 Anything else on that section?
- MR. WADE: No questions.
- 25 CHAIRMAN CATANACH: Okay. 11.

1 THE WITNESS: Okay. So Section 11 is where

- 2 we have all these different ways of submitting
- 3 pre-hearing statements. One of them is in 10, which is
- 4 that, you know, comment deadline. And then in 11(B), we
- 5 have a deadline for notice of intent to present
- 6 technical testimony, and then we also have, further on,
- 7 a deadline for when to submit proposed modifications.
- 8 So we've tried to merge all this into one deadline,
- 9 which is a deadline for a pre-hearing statement, which
- 10 would be -- a pre-hearing statement would be dealing
- 11 with both technical testimony and anybody submitting
- 12 proposed modifications. So that's all in one.
- What NMOGA has proposed, which actually, I
- 14 think, simplifies this even further, is we had --
- 15 traditionally had this idea that somebody could enter as
- 16 a party simply for the purpose of being able to question
- 17 witnesses. So to preserve that, we added this notion of
- 18 entry of appearance in C. What NMOGA is proposing that
- 19 simply to keep the "or cross-examine witnesses" in B(1),
- 20 on the bottom of page 4, in that section, and then we
- 21 really don't need the entry of appearance. So there
- 22 really is only one document that gets filed before a
- 23 hearing, and that's a pre-hearing statement. And you
- 24 can use that to either identify your technical
- 25 witnesses, to propose modifications to the rule, or to

- 1 say, I want to be a party with the right to
- 2 cross-examine witnesses; I want to enter an appearance,
- 3 or you can do any combination of those.
- 4 COMMISSIONER BALCH: So it proposes to
- 5 eliminate Section C?
- THE WITNESS: Yeah.
- 7 COMMISSIONER BALCH: And it's duplicative
- 8 because they're already talking about appearances in
- 9 1 -- or B.
- 10 CHAIRMAN CATANACH: So everything would be
- 11 to due ten business days before the hearing?
- 12 THE WITNESS: Yeah.
- 13 CHAIRMAN CATANACH: Entry of appearance or
- 14 any other?
- THE WITNESS: Well, it would be a
- 16 pre-hearing statement, and it could serve any of those
- 17 three purposes.
- 18 COMMISSIONER BALCH: There is an extension
- 19 of time before a hearing. There should be plenty of
- 20 time. It won't be anything that's happening within 20
- 21 days, for example.
- 22 THE WITNESS: Right. And that was another
- 23 reason for not having any deadlines be five business
- 24 days because now we're going to have a longer notice
- 25 period, ten business days. People should have plenty of

- 1 time to get the notice and get ready for the hearing.
- 2 CHAIRMAN CATANACH: So the change, Bill,
- 3 would be, in Part B(1), to leave that section in,
- 4 "cross-examine witnesses at the hearing"?
- 5 THE WITNESS: Yeah.
- 6 CHAIRMAN CATANACH: So leave that in there,
- 7 "person, including the division, who intends to present
- 8 technical testimony or cross-examine witnesses at the
- 9 hearing." We'll have to change that up a little bit
- 10 after that.
- 11 THE WITNESS: Yeah, "or to submit
- 12 modifications."
- 13 CHAIRMAN CATANACH: "And/or to submit
- 14 modifications." Okay. That takes care of that.
- 15 And then eliminate C? Just strike C -- all
- 16 of Section C?
- 17 THE WITNESS: Right.
- 18 CHAIRMAN CATANACH: Commissioners, do you
- 19 have any questions on those changes?
- 20 COMMISSIONER BALCH: I think it makes the
- 21 rule a little more tidy.
- 22 CHAIRMAN CATANACH: Okay.
- 23 Counsel?
- MR. WADE: No questions on this.
- 25 CHAIRMAN CATANACH: Okay. Move on to

- 1 Section 12. Is that where we're at?
- THE WITNESS: Yeah.
- In Section 12, there are very few changes,
- 4 but by -- again, by just calling something -- saying
- 5 that all you're filing is a pre-hearing statement, we're
- 6 able to just use that phrase here to -- and since we've
- 7 defined "parties," we can use "parties" in various
- 8 places. So the changes in 12 are primarily just to make
- 9 more consistent language, except for the last three
- 10 sections of 12, which we're now moving into separate
- 11 sections, and we'll that discuss later. So cut 12 down
- 12 so it just really focuses on the hearing. There were
- 13 separate subsections in 12 that dealt with post-hearing
- 14 matters. They're now going to have their own sections.
- 15 CHAIRMAN CATANACH: Where did they come up
- 16 with "five additional copies"? I quess that's -- I
- don't think we had anything to do with that.
- 18 COMMISSIONER BALCH: It's probably not a
- 19 bad idea to have some additional copies because we have
- 20 to stop the hearing for someone to go make copies.
- 21 CHAIRMAN CATANACH: Right.
- Okay. So any comments on 12(A), (B) or
- 23 (C), or questions?
- 24 Counsel?
- MR. WADE: I don't have any questions. I

1 keep kind of going back to this concept of comments, so

- 2 I do have a question on that. But we don't necessarily
- 3 have to go back to it now, or we could.
- 4 CHAIRMAN CATANACH: Let's hear it.
- 5 MR. WADE: Okay. I guess the -- I have a
- 6 little concern with talking about excluding comments
- 7 within the portion that talks about testimony, and it
- 8 makes me wonder what comments are. And it seems to me
- 9 that comments are something the Commission can consider,
- 10 but they're not evidence. Is that -- do you think
- 11 that's a correct interpretation?
- 12 THE WITNESS: I guess I would disagree
- 13 slightly because a rulemaking -- I mean, an
- 14 adjudication, you clearly want sworn testimony, you
- 15 know, people with the right to question, because
- 16 parties' rights are at stake. A rulemaking,
- 17 traditionally, is simply an agency taking in all sorts
- 18 of information, and that information hopefully helping
- 19 it to make a decision on a rule. That's sort of the
- 20 traditional view on rulemaking.
- 21 In New Mexico, this Commission, like a
- 22 number of other boards and commissions, has sort of
- 23 turned rulemaking into a little more of a, you know,
- 24 hearing procedure that looks a little more like an
- 25 adjudication, where you have parties, et cetera. But I

- 1 still think that the Commission is free to consider
- 2 whatever comments. I mean, the Commission, at the end
- 3 of the day, can listen to all this great information
- 4 about how wonderful a rule is and then just say, you
- 5 know, We're really not interested. And that's fine, you
- 6 know.
- 7 And so, you know, it's a policy-making
- 8 choice, in a lot of ways, to adopt a rule. So, you
- 9 know, you're not -- the parties that are here, whether
- 10 it's the Division, you know, industry groups,
- 11 environmental groups, they don't have any greater
- 12 rights, you know, to make you do something than anybody
- 13 else. In the end, it's your policy choices. You're
- 14 acting in a guasi-legislative manner when you're
- 15 adopting a rule. So a comment, therefore, isn't
- 16 something you necessarily sort of say, Well, it's just a
- 17 comment. It could be important, you know. I mean, if
- 18 somebody comes in with a petition saying, Here's 10,000
- 19 people who oppose this rule, oh, that might be a good
- 20 comment. They haven't presented any technical
- 21 testimony, but, you know.
- MR. WADE: I guess I'm still trying to
- 23 consider NMOGA's objection to the deleting of "five
- 24 business days." And I do understand it, because if you
- 25 do get a comment that's very technical in nature, all

- 1 the parties might benefit, you know, to have the ability
- 2 to rebut that at hearing. However, if you're getting it
- 3 at hearing, you might not have that opportunity. And,
- 4 you know, I know the Commission has the ability to -- to
- 5 decide whether a comment is worth considering or not and
- 6 so I'm not sure if something needs to be put into that
- 7 part of the rule that states that positively or if that
- 8 is just something that everybody knows the Commission
- 9 has that power and somebody can raise an objection to a
- 10 comment, and at that time, the Commission can make a
- 11 decision.
- 12 THE WITNESS: Yeah. I think the latter is
- 13 better, because I think there are lots of ways to remedy
- 14 this. Now, having said that you can consider comments,
- 15 you know, it's also within your power to say, Look, for
- 16 us, it's much more persuasive that we had a witness here
- 17 presenting testimony we could cross-examine, you know,
- 18 of what they said. You know, that is much more
- 19 persuasive to us than somebody, you know, submitting a
- 20 letter with lots of allegations in it, you know, that we
- 21 really didn't have a chance to question them about. So
- 22 we can weigh these comments, however.
- 23 You know, my experience is -- and this
- 24 Commission tends to try to just have a hearing and make
- 25 a decision, which is great, but there is a lot of

- 1 flexibility in a rulemaking to cure what you think is a
- 2 problem that -- you know, somebody's last-minute
- 3 evidence may be prejudicing somebody, to simply say, You
- 4 know what, we're going to keep the record open for
- 5 another 15 days, 20 days, whatever, to allow people to
- 6 respond to this or to provide additional comments on
- 7 this section of the rule, et cetera. And so you can
- 8 cure, you know, somebody's problem of "I didn't have
- 9 enough time" by providing more time.
- 10 COMMISSIONER BALCH: I can already hear the
- 11 opposing lawyer's argument against that. We've had that
- 12 come up several times, where something like that has
- 13 happened, using comment to sneak in last-minute
- 14 testimony. People are surprised by it, and then when
- 15 the proposal is to extend the hearing so it can be
- 16 addressed, then there is obviously disagreement to that
- 17 as well.
- 18 THE WITNESS: I mean, I think it's a lot
- 19 easier in a rulemaking to cure these things by simply
- 20 providing more notice. I think, you know, when you're
- 21 in adjudication, you have a case and you have somebody's
- 22 application at play, or, you know, you want to take an
- 23 action against somebody, well, then you've got to
- 24 consider somebody's rights, you know. Are their rights
- 25 being affected, I quess?

But with rulemaking, it's more, well, we

- 2 want to know more. It's you sort of saying, Okay,
- 3 that's an interesting set of comments that somebody just
- 4 submitted; it might be good if we heard, you know, what
- 5 everybody else has to say about this, and we're going to
- 6 give everybody ten more days to comment on it, you know.
- 7 MR. WADE: And the Commission would still
- 8 have the ability to say, We think these comments are
- 9 very technical in nature, and we're not going to accept
- 10 them at this time. That could be one remedy as well.
- 11 THE WITNESS: That could be a remedy.
- MR. WADE: And I don't think that really
- 13 needs to be added. Originally, we had kind of thought
- of putting "or comments" into 11(B)(3), but I kind of
- 15 feel like it doesn't specifically belong there, and
- 16 that's probably a remedy that the Commission has anyhow.
- 17 THE WITNESS: Yeah. And 10 gives you lots
- 18 of flexibility with deadlines for comments.
- MR. WADE: I think I'm done hammering the
- 20 concept of comments.
- 21 CHAIRMAN CATANACH: I think we can move to
- 22 Section 15.
- THE WITNESS: Okay. 13, 14 and 15 are, in
- 24 part, provisions that were currently in Section 12, but
- 25 there are also a number of new requirements that come

- out of both the two statutes that were enacted. So 13
- 2 now gives a whole separate section to the Commission's
- 3 process for deliberating and the first (A) and (B) are
- 4 largely -- taken from the existing rule, so they're
- 5 really not new language.
- We do have a provision about, you know, the
- 7 Commission adopting an order, in (C), which is in the
- 8 current rule. What we've added is that the statute,
- 9 House Bill 58, doesn't require an order. It requires
- 10 something called "a concise explanatory statement,"
- 11 which actually, by the time they got done with the bill,
- 12 is a lot less detailed than what you-all put in an
- 13 order. So it's not like there is anything in the
- 14 concise explanatory statement that you wouldn't already
- 15 have in an order. This just says your order will serve
- 16 as a concise explanatory statement. And, in fact, we've
- 17 already -- but that statement now -- one of the things
- 18 you'll see later on is when we file with the Records
- 19 Center, the rule, we have to submit this concise
- 20 explanatory statement. So, for instance, in the rules
- 21 that you just did last month that we filed recently, we
- 22 submitted the Commission's order with the rule to the
- 23 Records Center. So that's how we're dealing with that
- 24 requirement.
- 25 There is a reference to a statutory section

- 1 here on the concise explanatory statement -- we were
- 2 sort of assuming by now the Compilation Commission would
- 3 have created a new statutory provision, but as of now,
- 4 they have not. So what we could do, if we have to file
- 5 this before they actually come up with that new
- 6 statutory statement is to simply replace that section in
- 7 reference to "as required by the State Rules Act," and
- 8 that would get us there, too.
- 9 CHAIRMAN CATANACH: So we'll know that by
- 10 the time we take final action on this?
- 11 THE WITNESS: Hopefully.
- 12 CHAIRMAN CATANACH: Okay.
- 13 THE WITNESS: There is a whole section now
- 14 in House Bill 58 that deals with terminating a
- 15 rulemaking. If you decide to just terminate a
- 16 rulemaking, you have to publish a notice about it. You
- 17 have to do a whole public notice about terminating. If
- 18 you start a rulemaking, put it out for public notice,
- 19 and then don't do anything for two years, it's
- 20 automatically terminated, under House Bill 58. We've
- 21 never had a situation like that. But it's in the
- 22 statute, so we have a reference to that in here. So
- 23 that's the termination provisions, which is a new, sort
- 24 of, concept that's in the legislation.
- 25 CHAIRMAN CATANACH: So who can file a

1 motion? Can anyone file a motion? Does it have to be a

- 2 commissioner to file the motion?
- 3 THE WITNESS: To terminate the rulemaking?
- 4 CHAIRMAN CATANACH: Yeah.
- 5 THE WITNESS: Well, it would be the
- 6 Commission's decision, whether you do it on your own
- 7 choice or --
- 8 COMMISSIONER BALCH: Seems like it would
- 9 have to be a party.
- 10 THE WITNESS: Or a party may just ask to
- 11 withdraw the rule after they've started the rulemaking,
- 12 you know.
- 13 COMMISSIONER BALCH: Who can make a motion
- 14 under Robert's Rules of Order, I guess.
- 15 THE WITNESS: Anybody can file a motion on
- 16 that. Really the issue is: Will the Commission
- 17 terminate? If you do, then these things are triggered.
- 18 That's the important part.
- 19 COMMISSIONER BALCH: I think people have
- 20 actually done that before during rulemaking. They have.
- 21 A lot of those, right at the very beginning, will say:
- 22 We propose that you just vacate this whole thing.
- THE WITNESS: Yeah. Now you would have to
- 24 go through a process. You would have to notify the
- 25 public that you've terminated it as opposed to, say,

1 what, you know, the Chair signed this morning, an

- 2 adjudicatory matter, where he just signs an order of
- 3 dismissal to get rid of an adjudicatory thing. Now, in
- 4 this case, you would have to do a public notice.
- 5 CHAIRMAN CATANACH: Okay. Any further
- 6 questions on 13?
- 7 COMMISSIONER BALCH: No.
- 8 CHAIRMAN CATANACH: Okay. 14.
- 9 THE WITNESS: 14. Okay. Again, we have a
- 10 little bit of a provision about a record in the current
- 11 rule. It's mostly about a transcript. But the new
- 12 statute is very specific about what a record is, and
- 13 that, in fact, even once we have all these things, what
- 14 a record should contain, that we're supposed to
- 15 eventually send this record up to the Sunshine Portal,
- 16 when the Sunshine Portal becomes available, so the
- 17 rulemaking record can be put in there. And that would
- 18 be all the -- all the publications, all the technical
- 19 information, the transcript of the hearing, a copy of
- 20 all comments and then the text of the rules.
- 21 MR. WADE: Just a small editorial change.
- 22 It says "Division, Santa Fe Office." It probably should
- 23 just say "Commission, Santa Fe Office" or "Commission's
- 24 Office."
- 25 CHAIRMAN CATANACH: So, Bill, I assume that

- 1 that record would have to be available after the
- 2 whole -- everything is completed, after the whole
- 3 process is completed, because it talks about the final
- 4 rule and --
- 5 THE WITNESS: Right. It, presumably, is
- 6 when you're done.
- 7 CHAIRMAN CATANACH: Okay.
- 8 THE WITNESS: I mean, we could treat it
- 9 like we treat OCDOnline, where we, sort of, regularly
- 10 add things to it, but we want to be careful that we're
- 11 hitting all of these things that are in here. Into the
- 12 portal. I mean, comments, you won't know what all the
- 13 comments are until the comment period is over, and you
- 14 won't get the transcript until after the hearing.
- 15 COMMISSIONER BALCH: Is Sunshine Portal a
- 16 proper noun?
- 17 THE WITNESS: You mean should it be
- 18 capitalized?
- 19 COMMISSIONER BALCH: Yeah.
- THE WITNESS: Well, there you're going into
- 21 the record-setter's rules on capitalization, where they
- 22 kind of follow the legislature's notion of hardly
- 23 anything gets capitalized.
- MR. WADE: That's why "Commission" and
- 25 "Division" throughout this has not been capitalized.

1 CHAIRMAN CATANACH: Okay. Anything further

- 2 on 14?
- 3 15.
- 4 THE WITNESS: Okay. So 15 is a combination
- 5 of the two statutes, what's required for filing with the
- 6 Records Center and then the appeal provisions. And so
- 7 here's where the conflict occurs.
- 8 In 70-2-12.2, the statute says that you-all
- 9 adopt a rule -- adopt an order adopting a rule, but
- 10 you're not allowed to file the rule until the rehearing
- 11 period, which runs for 20 days, is over, if somebody
- 12 ever requests rehearing. If they do request rehearing,
- 13 then you have to wait until there is a decision on the
- 14 rehearing to file the rule. So that's in this new
- 15 statute in the Oil and Gas Act. House Bill 58 says once
- 16 you've adopted the rule, you have to file it with the
- 17 Records Center within 15 days. Okay? And so to make
- 18 these two statutes work, we basically are saying in here
- 19 that the end of the rehearing period is actually when
- 20 the Commission really adopts the rule, that the rule is
- 21 not final until the rehearing period has run, because
- 22 you-all could come back in and look at it like you did
- 23 with the Roswell Artesian Basin.
- 24 So to have this rule not conflict with
- 25 House Bill 58, we're sort of saying, That's how we're

- 1 defining "adoption of rule." It's the end of the
- 2 rehearing period. That's when the 15-day trigger under
- 3 House Bill 58 starts.
- 4 COMMISSIONER BALCH: Up to 35 days?
- 5 THE WITNESS: Right.
- 6 So you have one statute telling you, Delay,
- 7 the other statute saying, Hurry up. So we've got to
- 8 make them work together. So (A) is the way of trying to
- 9 make those two deadlines work.
- 10 CHAIRMAN CATANACH: So as long as we wait
- 11 until the 20-day period is up and then we file it right
- 12 after that, we'd still be in compliance with the
- 13 statute?
- 14 THE WITNESS: Right. If nobody asks for
- 15 rehearing, then you file it 15 days after the 20-day
- 16 period.
- 17 CHAIRMAN CATANACH: So that's going to give
- 18 us a grace period after the 20 days. Okay.
- 19 THE WITNESS: Right, which is actually a
- 20 good thing, and I'll explain that in (C).
- 21 (B) Notice. This is, again, in the new
- 22 statute, all the notice that's required once you adopt
- 23 the rule, who is supposed to be told about it. And so I
- 24 read the notice in this provision as saying that we can
- 25 simply send a notice out to folks and say, We've adopted

- 1 this rule; it's explained in this record order; if you
- 2 want a copy of the rule of the order, here's how to get
- 3 it.
- Now, we could do electronic notice. I
- 5 think Florene has already started this with the rules
- 6 we've adopted. We could just electronically attach the
- 7 new rule and the order to it. That's not a big deal.
- 8 But if we're mailing it out, we send people a notice
- 9 saying, Here's how you get a copy if you want it. And
- 10 it's the same, you know, list of people who get the
- 11 notice the first time around, although, in this case,
- 12 we're not just saying people who have requested to be on
- 13 a notice list. It's also the people who participated in
- 14 the rulemaking, who showed up at the hearing, saying
- 15 they get notice that this rule has been adopted.
- Okay. (C). This is a nasty little thing.
- 17 The new statute allows, once we've filed a rule with the
- 18 Records Center, that the records administrator can go
- 19 through the rule and if they find any technical problems
- 20 with the rule, misspellings, bad grammar, wrong format,
- 21 they can make a change to the rule. And then they send
- 22 a notice to us saying, Hi, we've made a change in your
- 23 rule. That then triggers the agency to have to do a
- 24 whole new public notice saying the rule has been
- 25 changed, even if it's just a spelling error. Okay?

1 That is partly why we are spending a lot of

- 2 time now working with the Records Center to make sure
- 3 it's in the right format, to make sure -- and that's why
- 4 having a little extra time before we file it is great
- 5 because, I mean, we go through and try to make sure we
- 6 don't have a misplaced comma or a misspelling, whatever.
- 7 So that's why I often tell you-all, after you adopt a
- 8 rule, we will be going through it, editing it just to
- 9 make sure there is nothing here technically, you know, a
- 10 misspelling or something. I mean, if it's a substantive
- 11 issue, well, then, we'd have to come back to the
- 12 Commission. So we're trying to avoid (C) from ever
- 13 happening, you know, so we catch --
- 14 COMMISSIONER BALCH: Really, we have 35
- 15 days from the time we make a decision. That's almost
- 16 always going to include a hearing date --
- 17 THE WITNESS: Right.
- 18 COMMISSIONER BALCH: -- in between if
- 19 something does come up and would also give us time to
- 20 set something up.
- 21 THE WITNESS: Right.
- 22 COMMISSIONER BALCH: That's probably not
- 23 bad.
- 24 THE WITNESS: So that's just an interesting
- 25 little thing in there.

1 CHAIRMAN CATANACH: Do they do that now?

- THE WITNESS: What we do now is we try to
- 3 send them a version of the rule before we file it, and
- 4 they will write back to us and sometimes, you know, put
- 5 red ink on the thing and send it back to us, you know.
- 6 But this now gives them the ability to do that after you
- 7 file the rule, you know.
- 8 COMMISSIONER BALCH: Lawyers love to talk
- 9 about the positions of commas and changes of words.
- 10 THE WITNESS: Yeah. Yeah.
- 11 COMMISSIONER BALCH: It changes everything,
- 12 right?
- THE WITNESS: Right.
- And, you know, I asked one of the -- the --
- Doug Meiklejohn is one of the NGO lawyers who was very
- 16 involved in this and asked him why -- why he thought
- 17 that was a great idea. He goes, You know, it has
- 18 happened where somebody has made a technical change, he
- 19 goes, that really wasn't a technical change; it was more
- 20 substantive, so we kind of want notice about when these
- 21 changes are made.
- 22 CHAIRMAN CATANACH: Oh, wow.
- THE WITNESS: So, anyway, then (D) simply
- 24 takes the appeal provision from the new statute and puts
- 25 it in the new rules.

1 MR. WADE: I have a question going back up

- 2 to (A). How does granting a rehearing fit into this
- 3 part of the proposed rule, or should it? Should there
- 4 be some discussion of, you know, this -- this is not --
- 5 if we grant and rehear a hearing, it's not until that
- 6 whole process is over before we, in quotes, "the
- 7 adoption of the rule" for purpose of 14-4.5(B) is
- 8 considered.
- 9 THE WITNESS: Right. And so we tried to
- 10 encompass that in the phrase -- in the third sentence,
- 11 it says, "The end of the 20-day rehearing period if no
- 12 hearing is requested or the action of the Commission on
- 13 a rehearing the application shall constitute adoption of
- 14 the rule." So that action can either be the Commission
- 15 deciding, after ten days, not to rehear the rule, or it
- 16 can be the Commission deciding to rehear the rule and
- 17 then going through that whole process.
- 18 MR. WADE: Okay.
- 19 THE WITNESS: Which is what we did on the
- 20 Roswell Artesian Basin.
- 21 CHAIRMAN CATANACH: Does that take care of
- 22 your concern?
- MR. WADE: I think so.
- CHAIRMAN CATANACH: Are there any other
- 25 questions on Section 15? Comments? No?

- 1 So I guess at this point we should go back,
- 2 and any of the proposed changes, we probably need to
- 3 just make sure that we're in agreement on the proposed
- 4 changes.
- 5 MS. BADA: Commission Chair, before you
- 6 proceed, I'd like to move that Exhibits 1 through 6 be
- 7 admitted into the record.
- 8 CHAIRMAN CATANACH: Exhibits 1 through 6
- 9 will be admitted into the record.
- 10 (Oil Conservation Commission Exhibit
- Numbers 1 through 6 are offered and
- 12 admitted into evidence.)
- 13 CHAIRMAN CATANACH: Is that all you're
- 14 presenting at this time?
- MS. BADA: Yes.
- 16 CHAIRMAN CATANACH: We need to go into open
- 17 deliberations. Do I have a motion to go into open
- 18 deliberations?

19

- 20 COMMISSIONER MARTIN: So moved.
- 21 CHAIRMAN CATANACH: All in favor?
- 22 (Ayes are unanimous.)
- 23 (Open-session deliberations, 10:35 a.m.)
- 24 CHAIRMAN CATANACH: So, Counselor, did you
- 25 keep good notes on the changes?

1 MR. WADE: I kept notes. I think I did.

- 2 COMMISSIONER BALCH: There are only a
- 3 couple.
- 4 CHAIRMAN CATANACH: I think there are more
- 5 than a couple. Let's go back to page 1 of Exhibit 6.
- 6 COMMISSIONER BALCH: A few. Many?
- 7 CHAIRMAN CATANACH: A few.
- I think the first one was just a simple
- 9 change to eliminate "Oil Conservation Division" in
- 10 Section 15.3.1, at the top of the page.
- MR. WADE: I have that in my notes.
- 12 CHAIRMAN CATANACH: Take that out. Any
- 13 opposition to taking that out?
- 14 COMMISSIONER MARTIN: No.
- 15 COMMISSIONER BALCH: No.
- 16 CHAIRMAN CATANACH: What's the -- what is
- 17 the next one you have, Counselor? I don't have
- 18 anything -- anything else on page 1.
- 19 MR. WADE: I have a -- except for just
- 20 maybe a note that I believe, under 7(A), definition of
- 21 "party," or "or entry of appearance" was proposed. I
- 22 think that was NMOGA's proposal, or -- but there would
- 23 be no change or anything for the Commission to consider
- 24 other than just adopting that.
- 25 CHAIRMAN CATANACH: So you're not proposing

- 1 to change Section A?
- MR. WADE: I am not.
- 3 CHAIRMAN CATANACH: Okay. Yeah. I think
- 4 there is agreement on that, that no change needs to be
- 5 made there.
- 6 Okay. Page 2. I don't show any changes on
- 7 page 2.
- MR. WADE: I do not have any notes on
- 9 changes.
- 10 CHAIRMAN CATANACH: On page 3, I don't show
- 11 any changes. We did add the section of newspaper,
- 12 general circulation, which I agree with, but I don't
- 13 think that's -- there is no opposed change to that.
- 14 Is there anything else on page 3?
- MR. WADE: I have no notes for page 3.
- 16 CHAIRMAN CATANACH: On page 4, in Section
- 17 3.10, we talked about changing "individuals or entities"
- 18 to "a person," which would coincide with the first part
- 19 of that sentence.
- 20 Commissioners, do you have any disagreement
- 21 with that change? Any opposition?
- 22 COMMISSIONER BALCH: "A person shall
- 23 provide written comments" --
- 24 CHAIRMAN CATANACH: Yes.
- 25 COMMISSIONER BALCH: And then the

- 1 definition of "a person"? I think that's fine.
- 2 CHAIRMAN CATANACH: Okay. So that change
- 3 will go through.
- In 15.3.11, Part B, the proposed change was
- 5 to leave "cross-examine witnesses at the hearing" in
- 6 that paragraph.
- 7 COMMISSIONER BALCH: "Or" --
- 8 CHAIRMAN CATANACH: And insert an "or"
- 9 after that, "or to submit modifications."
- I would ask the Commissioner if there is
- 11 any disagreement with that change.
- 12 COMMISSIONER BALCH: No disagreement. That
- 13 allows us to strike (C).
- 14 COMMISSIONER MARTIN: I don't have a
- 15 problem with that.
- 16 CHAIRMAN CATANACH: No disagreement or --
- 17 COMMISSIONER MARTIN: No disagreement.
- 18 CHAIRMAN CATANACH: -- or opposition on
- 19 that change?
- 20 So that change will go through.
- On page 5, I believe in Section 3, there
- 22 was some discussion on adding "the commission may
- 23 exclude any expert witnesses or technical exhibits or
- 24 comments." Adding "or comments" after "exhibits." Is
- 25 that still on the table, Counselor?

1 MR. WADE: It could be on the table. I

- 2 think in later questioning, I felt -- it's my opinion
- 3 that "or comments" doesn't really fit into this section
- 4 very well because really this section is talking about
- 5 technical testimony, which has its own rules as to when
- 6 they can be -- when that could be submitted. And there
- 7 are various ways for the Commission to deal with any
- 8 objections to comments that, you know, don't need to be
- 9 put into this particular section. So my suggestion
- would be to not add "or comments."
- 11 CHAIRMAN CATANACH: Any discussion on that
- 12 or opposition to that proposal?
- 13 COMMISSIONER BALCH: No opposition from me.
- 14 COMMISSIONER MARTIN: No.
- 15 CHAIRMAN CATANACH: Then that proposal
- 16 would go through.
- Page 6, I don't see any -- show any
- 18 proposed changes.
- 19 COMMISSIONER BALCH: We had 5(C) -- or on
- 20 page 5, we had 11(C). We talked about striking that
- 21 section.
- 22 CHAIRMAN CATANACH: Oh, on page 5, striking
- 23 the entire Section C. Is there any discussion on that
- 24 proposal or any opposition?
- 25 COMMISSIONER MARTIN: I have none.

- 1 COMMISSIONER BALCH: Took care of that with
- 2 the language change on B.
- 3 CHAIRMAN CATANACH: I have no problem with
- 4 that. So we'll strike Section C on page 5.
- 5 Again, on page 6, I don't show any proposed
- 6 changes.
- 7 On page 7, I do not show any proposed
- 8 changes.
- 9 On page 8, I guess in 19.15.13 --
- 10 19.15.3.13(C), about the reference to the section, how
- 11 would you want -- how would we do that, Counselor? Do
- 12 you want to leave that as is and wait until we have a
- 13 reference to that?
- MR. WADE: It's my understanding that we
- 15 might have a reference to that prior this being
- 16 finalized. If not, we have alternative language which
- 17 would be -- or the State Rules Act that could be
- 18 inserted. So for now, that Section 14-4 could be left.
- 19 CHAIRMAN CATANACH: And when we do the
- 20 final order, we can either insert the alternate language
- 21 and insert the correct citation?
- MR. WADE: Yes.
- 23 CHAIRMAN CATANACH: Any disagreement or
- 24 opposition to that?
- 25 COMMISSIONER BALCH: None. No.

- 1 COMMISSIONER MARTIN: None here.
- 2 CHAIRMAN CATANACH: In 19.15.3.14(A), I
- 3 believe there was a discussion on changing "division" in
- 4 that sentence to "commissions."
- 5 MR. WADE: Just to be consistent with the
- 6 rest of the language, and that would be "commissions"
- 7 lower case C.
- 8 CHAIRMAN CATANACH: Lowercase C. Okay.
- 9 Is there any discussion on that change?
- 10 COMMISSIONER BALCH: No.
- 11 COMMISSIONER MARTIN: No.
- 12 CHAIRMAN CATANACH: That change will go
- 13 through.
- On page 9, I do not show any changes on
- 15 page 9.
- So it looks like we've gone through the
- 17 whole document, and we've made the changes that were
- 18 proposed by the Commission. And so at this point, I
- 19 quess --
- MS. BADA: May I point something out?
- 21 CHAIRMAN CATANACH: Yes.
- 22 MS. BADA: Okay. In the definition of
- 23 "party," it says "and entry of appearance." But since
- 24 you have taken that out in the other sections, you may
- 25 want to amend the definition of "party," in 7(A). And

- 1 drop that last part where it says "or entry of
- 2 appearance," and just say "someone has filed a
- 3 pre-hearing statement."
- 4 CHAIRMAN CATANACH: So we took that out in
- 5 a different section?
- 6 MS. BADA: Yes, when you accepted NMOGA's
- 7 changes that go back to having cross-examination and you
- 8 eliminated (C). You no longer have a provision --
- 9 MR. WADE: Okay. That was (C) of which
- 10 part?
- MS. BADA: I believe it was --
- 12 CHAIRMAN CATANACH: 11.
- MS. BADA: -- 11. No. It was 11(C). So I
- 14 would suggest, for consistency, the definition of
- 15 "party" match the rest of your rules because you no
- longer have a provision for "entry of appearance" in the
- 17 body of the rule.
- 18 MR. WADE: It makes sense that there is no
- 19 more -- there is not an "entry of appearance" as you see
- 20 currently proposed on page 5. That whole provision, as
- 21 I understand it, the Commission has decided to strike?
- 22 CHAIRMAN CATANACH: That is correct.
- 23 MR. WADE: So then there is no longer that
- 24 provision. So it does make sense that "or entry of
- 25 appearance" be deleted in 3.7(A), because at this point,

- 1 you're just talking about a person filing a pre-hearing
- 2 statement.
- 3 CHAIRMAN CATANACH: Counselor, that would
- 4 not preclude anybody from filing an entry of appearance?
- 5 MS. BADA: It could. They could, but there
- 6 wouldn't be need to.
- 7 CHAIRMAN CATANACH: Okay. Commissioners,
- 8 do you have any problem -- any disagreements or
- 9 discussion with regard to that change?
- 10 COMMISSIONER MARTIN: I do not.
- 11 COMMISSIONER BALCH: I don't.
- 12 CHAIRMAN CATANACH: Okay. We'll adopt that
- 13 change as well.
- 14 So I guess -- at this point, I guess I
- would call for a motion to adopt the rule as amended in
- 16 our open deliberations, I guess ending finally -- taking
- 17 a look at the final rule.
- 18 COMMISSIONER BALCH: I would make that
- 19 motion.
- 20 COMMISSIONER MARTIN: I second.
- 21 CHAIRMAN CATANACH: All in favor?
- 22 (Ayes are unanimous.)
- 23 CHAIRMAN CATANACH: Mr. Brancard, submit a
- 24 draft order and clean-up for the next Commission
- 25 hearing.

Page 67 THE WITNESS: Thank you. CHAIRMAN CATANACH: Thank you for all the work you did on this. I know it was a lot of work, so we appreciate it. MR. WADE: Will you be taking a break or calling the next case? CHAIRMAN CATANACH: Yeah. I guess we should take a break. Let's take ten. (Case Number 15738 concludes; recess, 10:49 a.m. to 11:00 a.m.)

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