

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

CASE NOS. 13,274, *de novo*, and 13,531 (Continued)

CONTINUED CASES
TRANSCRIPT OF PROCEEDINGS

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

ORIGINAL

2006 OCT 5 PM 3 14

September 21st, 2006

Santa Fe, New Mexico

These matters were continued to future hearing dates by MARK E. FESMIRE, Chairman, New Mexico Oil Conservation Commission, on Thursday, September 21st, 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

September 21st, 2006
Commission Hearing
Continued Cases

PAGE

ADOPTION OF MINUTES OF THE COMMISSION MEETING
HELD ON AUGUST 10TH, 2006

4

CONTINUANCE OF CASE NO. 13,274, *de novo*

4

CONTINUANCE OF CASE NO. 13,531

5

REPORTER'S CERTIFICATE

6

* * *

A P P E A R A N C E S

FOR THE COMMISSION:

CHERYL BADA
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: Good morning, at this time
4 we're going to call the Thursday, September 21st, 2006,
5 meeting of the New Mexico Oil Conservation Commission to
6 order.

7 My name is Mark Fesmire, I'm Chairman of the
8 Commission.

9 Let the record reflect that the time is nine
10 o'clock a.m., Thursday, September 21st, the location is
11 Porter Hall in the OCD office in Santa Fe, New Mexico.

12 To my right is Commissioner Jami Bailey.
13 Commissioner Bailey is the designee of the State Land
14 Commissioner, Mr. Patrick Lyons.

15 To my left is Commissioner Bill Olson. He's the
16 appointee of EMNRD Secretary, Joanna Prukop.

17 To his left is Cheryl Bada, who is the acting
18 Commission Counsel today.

19 To Commissioner Bailey's right is Florene
20 Davidson. Ms. Davidson is the Commission secretary.

21 And the court reporter, as always, is Mr. Steve
22 Brenner.

23 Let the record reflect that a quorum of the
24 Commissioners or their designees are present.

25 * * *

1 CHAIRMAN FESMIRE: The first matter before the
2 Commission today is the adoption of the minutes of the
3 April 20th, 2006, meeting -- I'm sorry, August 10th, 2006.
4 I'm going to ask if the Commissioners have had a chance to
5 review the minutes.

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

8 COMMISSIONER OLSON: Second.

9 CHAIRMAN FESMIRE: Okay, all those in favor?

10 COMMISSIONER BAILEY: Aye.

11 COMMISSIONER OLSON: Aye.

12 CHAIRMAN FESMIRE: Let the record reflect that
13 the minutes of the August 10th, 2006, meeting of the New
14 Mexico Oil Conservation Commission have been unanimously
15 adopted by the Commission. They've been signed by the
16 Chairman of the Commission and conveyed to the Commission
17 Secretary for recording.

18 * * *

19 CHAIRMAN FESMIRE: The next item before the
20 Commission is Case Number 13,274. It's the Application of
21 Arch Petroleum, Inc., for approval of two nonstandard gas
22 spacing and proration units in the Jalmat Gas Pool in Lea
23 County, New Mexico. The record will reflect that at the
24 request of counsel, this case will be continued to October
25 19th at the regularly scheduled Commission meeting.

1 The next case before the Commission is Cause
2 Number 13,531, continued from the August 10th, 2006,
3 Commission meeting. This case is the Application of Yates
4 Petroleum Corporation for an order directing Pride Energy
5 to reimburse Yates for the well costs incurred by Yates in
6 its attempt to re-enter the State "X" Well Number 1,
7 located in Section 12, Township 12 South, Range 34 East,
8 prior to the time that Pride Energy assumed operations of
9 the well and, (2) directing Pride Energy Company to account
10 for an pay all sums it is now improperly holding pursuant
11 to expired orders of the Division and Commission, and (3)
12 requiring Pride Energy to plug and abandon the State "X"
13 Well Number 1 in Lea County, New Mexico.

14 The record will reflect that again this case will
15 be continued to the October 19th, 2006, regularly scheduled
16 meeting.

17 (Thereupon, these proceedings were concluded at
18 9:03 a.m.)

19 * * *

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 September 22nd, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006