

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

CASE NO. 13,274 (Continued)

CONTINUED CASE
TRANSCRIPT OF PROCEEDINGS

2006 FEB 23 PM 2 42

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

February 9th, 2006

Santa Fe, New Mexico

This matter was continued to future hearing date by MARK E. FESMIRE, Chairman, New Mexico Oil Conservation Commission, on Thursday, February 9th, 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
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I N D E X

February 9th, 2006
Commission Hearing
Continued Case

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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: Good morning. At this time
4 we'll to call the February 9th, 2006, meeting of the New
5 Mexico Oil Conservation Commission to order. Let the
6 record reflect that it's nine a.m., the meeting is being
7 held in Porter Hall in -- at 1200 South St. Francis --

8 MR. BROOKS: I believe that's 1220.

9 CHAIRMAN FESMIRE: -- 1220 South St. Francis, in
10 Santa Fe, New Mexico.

11 My name is Mark Fesmire.

12 To my right and present is Jami Bailey.
13 Commissioner Bailey is the designee to the Commission of
14 State Land Commissioner Patrick Lyons.

15 To my left is Commissioner Bill C. Olson. Mr.
16 Olson is the Environment Department Groundwater Bureau
17 Chief, and the appointee of Energy and Minerals Secretary
18 Joanna Prukop.

19 To Mr. Olson's left is David Brooks. He will act
20 as Commission Counsel today.

21 To Commissioner Bailey's right is Florene
22 Davidson. She's the Commission Secretary.

23 And the court reporter today, as always, is Mr.
24 Steve Brenner.

25 Let the record reflect that a quorum of the

1 Commissioners are present for the meeting.

2 The first order of business is the adoption of
3 the minutes of the November 10th, 2005, meeting. Have the
4 Commissioners had a chance to look at those minutes?

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

7 CHAIRMAN FESMIRE: Second?

8 COMMISSIONER OLSON: Second.

9 CHAIRMAN FESMIRE: There's been a motion to adopt
10 and second. All those in favor?

11 COMMISSIONER BAILEY: Aye.

12 COMMISSIONER OLSON: Aye.

13 CHAIRMAN FESMIRE: Opposed? Let the record
14 reflect that the minutes were unanimously adopted, and they
15 are being signed by the Commission Chairman.

16 The December 8th, 2005, meeting of the New Mexico
17 Oil Conservation Commission did not have a quorum present.
18 The Chairman then took action to read into the record
19 several continuances. Those continuances are reflected in
20 the minutes as presented, and I as Chairman will represent
21 to the Commission that the minutes as presented are
22 correct, and I will sign them at this point.

23 The Commission also did not have a quorum present
24 at the January 12th, 2006, meeting. Again, the Commission
25 met for the -- I mean, the Chairman read into the record

1 the continuances at that point, and I again will represent
2 to the Commission as presented are accurate of the -- and
3 do reflect the actions taken by the Chairman at that point
4 in time and will sign those minutes for the record.

5 * * *

6
7 CHAIRMAN FESMIRE: The next order of business is
8 the Commission's annual Open Meetings Resolution. At this
9 time I'm going to ask Commission Counsel Brooks to explain
10 the Open Meetings Resolution and the actions available to
11 the Commission.

12 Mr. Brooks?

13 MR. BROOKS: Thank you. The law -- the Open
14 Meetings Act requires that any administrative or quasi-
15 judicial body in the State of New Mexico must at least
16 annually adopt a resolution describing the procedures for
17 giving notice of its meeting and the items to be included
18 on the agenda for its meetings.

19 The last open meetings resolution adopted by the
20 Oil Conservation Commission was adopted at the January
21 meeting in 2005, and therefore it has expired. And in
22 order to comply with that law it's necessary that the
23 Commission adopt a new open meetings resolution.

24 The one that I have drafted and proposed to the
25 Commission is identical to the 2005 Open Meetings Act

1 Resolution except for dates, and I believe we did make one
2 change at the request of Commissioner Olson. Ms. Davidson,
3 do you recall what that was? I'm afraid I've forgotten.

4 MS. DAVIDSON: Yes --

5 COMMISSIONER OLSON: Yeah, I had a change on item
6 number 8, which was to -- just changing "may" to "shall"
7 for the agenda, preliminary agenda, being out.

8 MR. BROOKS: That's correct.

9 COMMISSIONER OLSON: I had one other question, I
10 guess, that was on the notice that goes in the newspaper of
11 general circulation. Is there a date that we need to do
12 that by? I guess that was one of my questions.

13 MR. BROOKS: Our rules do not have a date, and
14 our Open Meetings Act Resolution does not have a date. The
15 only date -- the only times where we have a specific date
16 other than the time frame set out there for posting notice
17 is for rulemaking hearings. So we have not done so in the
18 past. The Commission can certainly adopt one if it wishes
19 to do so, however.

20 COMMISSIONER OLSON: I didn't know if we were
21 required to have a date for publication or not.

22 MR. BROOKS: There is no specific requirement to
23 that effect. The statutes are silent on the subject.

24 CHAIRMAN FESMIRE: Commissioner Bailey, have you
25 had a chance to look over the Open Meetings Resolution?

1 COMMISSIONER BAILEY: Yes, I have, and I move we
2 adopt it.

3 CHAIRMAN FESMIRE: Is there a second?

4 COMMISSIONER OLSON: Second.

5 CHAIRMAN FESMIRE: All those in favor?

6 COMMISSIONER BAILEY: Aye.

7 COMMISSIONER OLSON: Aye.

8 CHAIRMAN FESMIRE: Aye. Let the record reflect
9 that the Open Meetings Resolution was unanimously adopted
10 by the Commission on this date at this meeting and will be
11 signed by all members of the Commission at this time.

12 * * *

13

14 CHAIRMAN FESMIRE: The next order of business
15 before the Commission is Cause Number 13,274. It was
16 continued from the January 12th, 2006, Commission meeting
17 and will be continued to the March 23rd, 2006, Commission
18 meeting. It's the Application of Arch Petroleum, Inc., for
19 approval of two nonstandard gas spacing and proration units
20 in the Jalmat Gas Pool field in Lea County, New Mexico.

21 Is there any comment from the Commission or
22 counsel?

23 (Thereupon, these proceedings were concluded at
24 9:07 a.m.)

25 * * *

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 February 10th, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006