STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION COMMISSION

> CASE NO. 13,841 de novo AWAITING FINAL COMMISSION ACTION NO EVIDENCE OR TESTIMONY TAKEN

REPORTER'S TRANSCRIPT OF PROCEEDINGS COMMISSION HEARING

BEFORE: MARK E. FESMIRE, CHAIRMAN

JAMI BAILEY, COMMISSIONER WILLIAM C. OLSON, COMMISSIONER

ORIGINAL 12 M 13

June 29th, 2007

Santa Fe, New Mexico

Final action on this matter was taken by the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Friday, June 29th, 2007, 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.

INDEX

PAGE

ADOPTION OF MINUTES OF THE COMMISSION MEETING HELD ON MAY 17th, 2007

3

FINAL ACTION ON CASE NO. 13,841 de novo

4

REPORTER'S CERTIFICATE

6

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APPEARANCES

FOR THE COMMISSION:

TED APODACA
Assistant General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

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WHEREUPON, the following proceedings were had at 1 2 10:05 a.m.: CHAIRMAN FESMIRE: At this time we'll call to 3 order the June 29th regularly scheduled meeting of the New 4 5 Mexico Oil Conservation Commission. 6 Let the record reflect that Commissioners Bailey, 7 Olson and Fesmire are all present. We therefore have a 8 quorum. 9 The matters before the Commission, the first 10 matter is the notes from the previous meeting, the May 17th, 2007, meeting that was held in the same location 11 12 we're at now, in Porter Hall. Commissioner Bailey, did you get a chance to 13 review the minutes as presented by the Secretary? 14 15 COMMISSIONER BAILEY: Yes, I have, and I move 16 that we adopt them. CHAIRMAN FESMIRE: Commissioner Olson, have you 17 had a chance to review them? 18 19 COMMISSIONER OLSON: Yes, I've reviewed them, and I'll second that motion. 20 CHAIRMAN FESMIRE: Okay, I too have reviewed 21 22 At this time, all in favor of adopting the minutes 23 signify by saying aye. 24 COMMISSIONER BAILEY: Aye. 25 COMMISSIONER OLSON: Aye.

1 | CHAIRMAN FESMIRE: Aye.

Let the record reflect that the records were adopted unanimously by the Commission.

At this time they will be signed and transmitted to the secretary.

* * *

CHAIRMAN FESMIRE: The first cause before the Commission today is Case Number 13,841. It's the *de novo* Application of Koch Exploration Company, LLC, for an order authorizing increased well density and simultaneous dedication on certain nonstandard spacing units in the Basin-Fruitland Coal Pool, San Juan County, New Mexico.

Before the Commission today is an order that was drafted and purportedly represents the decision of the Commission at their deliberations on the May 17th meeting.

Commissioner Bailey, have you had a chance to review that order?

COMMISSIONER BAILEY: Yes, I have, and I will sign it.

CHAIRMAN FESMIRE: Okay, Commissioner Olson, have you had a chance?

COMMISSIONER OLSON: Yes, I've reviewed it, and I believe it accurately reflects the decision of the Commission, and I'll second that.

Okay. I too have read the 1 CHAIRMAN FESMIRE: order of the Commission, and it is my belief that it fairly 2 and accurately represents the decision the Commission made 3 in this case, and the Chair at this time will -- I'm sorry 4 Commissioner, did you move that we --5 COMMISSIONER BAILEY: I move that we adopt it. 6 7 CHAIRMAN FESMIRE: That we adopt and sign the 8 order, all those in favor signify by saying aye. 9 COMMISSIONER BAILEY: Aye. 10 COMMISSIONER OLSON: Aye. CHAIRMAN FESMIRE: 11 Aye. Let the record reflect that the order was adopted 12 by the Commission and at this time will be signed by all 13 14 three Commissioners and transmitted to the secretary. 15 (Thereupon, these proceedings were concluded at 16 10:09 a.m.) 17 18 19 20 21 22 23 24 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 June 29th, 2007.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 16th, 2010