

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

Final Action on Cases Nos. 14,015 and 13,920  
(No Evidence or Testimony Taken)

CASE NOS. 14,047 *de novo*; 14,055 *de novo* (Continued)

CONTINUED AND DISMISSED CASES  
TRANSCRIPT OF PROCEEDINGS

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

May 9th, 2008

Santa Fe, New Mexico

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These matters were dismissed or continued to future hearing dates by MARK E. FESMIRE, Chairman, New Mexico Oil Conservation Commission, on Friday, May 9th, 2008, 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.

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## I N D E X

May 9th, 2008  
Commission Hearing  
Continued and Dismissed Cases

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## 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.:

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6 CHAIRMAN FESMIRE: At this time we will call the  
7 Friday, May 9th, 2008, meeting of the New Mexico Oil  
8 Conservation Commission to order.

9 Let the record reflect that Commissioners Bailey,  
10 Olson and Fesmire are present, we therefore have a quorum,  
11 and that this is the regularly scheduled meeting. We've  
12 had so many special meetings lately, I need to point out  
13 even though it's occurring on Friday it is the regularly  
14 scheduled meeting.

15 The first order of business before the Commission  
16 today is the acceptance of the minutes from the meeting  
17 held on April 16th, 2008.

18 Have the Commissioners had the opportunity to  
19 review the minutes as presented by the secretary?

20 COMMISSIONER BAILEY: Yes, I have, and I move  
21 that we adopt them.

22 CHAIRMAN FESMIRE: Commissioner Olson?

23 COMMISSIONER OLSON: I'll second that. I think  
24 they accurately reflect our actions taken at the meeting.

25 CHAIRMAN FESMIRE: I agree. All those in favor

1 of adoption of the minutes, signify by saying aye.

2 COMMISSIONER BAILEY: Aye.

3 COMMISSIONER OLSON: Aye.

4 CHAIRMAN FESMIRE: Aye.

5 Let the record reflect that the minutes were  
6 adopted by the Commission, signed by the Chairman, and  
7 transmitted to the secretary for recording.

8 \* \* \*

9  
10 (The next matter considered, Final Action on Case No.  
11 14,015, No Evidence or Testimony Taken, beginning at  
12 9:01 a.m., is also transcribed separately as Volume  
13 XXIV of said case.)

14 \* \* \*

15  
16 CHAIRMAN FESMIRE: The next case before the  
17 Commission is Case Number 14,015, the Application of the  
18 New Mexico Oil Conservation Division for repeal of existing  
19 Rule 50 concerning pits and below-grade tanks and adoption  
20 of a new rule governing pits, below-grade tanks, closed-  
21 loop systems and other alternative methods to the foregoing  
22 and amending other rules to make conforming changes.

23 Counsel has drafted an Order and finalized the  
24 Rule.

25 Have the Commissioners had the opportunity to

1 review the presented Order and Rule as presented by  
2 counsel?

3 COMMISSIONER BAILEY: Yes, I have. After many  
4 iterations, I do believe it is an order to be signed now.

5 CHAIRMAN FESMIRE: Commissioner Olson?

6 COMMISSIONER OLSON: Yes, I likewise have  
7 reviewed it many times, and I believe in the -- the changes  
8 I had -- edits I put in recently were accepted by counsel,  
9 so that's, I think -- I believe it accurately reflects our  
10 deliberations and the reasons for our actions.

11 CHAIRMAN FESMIRE: Counsel, is there anything you  
12 need to say before we proceed?

13 MS. BADA: No, I'd just like to say that it will  
14 either be -- most likely will not be published until June  
15 16th, unless things move really quickly, then there's a  
16 possibility it could be published in the *Register* for May  
17 30th.

18 CHAIRMAN FESMIRE: I too have reviewed the order  
19 and the rule as presented by counsel. I think it fairly  
20 and accurately represents the decisions of the Commissions  
21 -- the decision of the Commission.

22 At this time the Chair would accept a motion to  
23 adopt the order as presented by counsel.

24 COMMISSIONER BAILEY: I so move.

25 CHAIRMAN FESMIRE: Is there a second?

1 COMMISSIONER OLSON: Second.

2 CHAIRMAN FESMIRE: All those in favor, signify by  
3 saying aye.

4 COMMISSIONER BAILEY: Aye.

5 COMMISSIONER OLSON: Aye.

6 CHAIRMAN FESMIRE: Aye.

7 Let the record reflect that the order in this  
8 case was adopted unanimously by the Commissioners. It will  
9 be signed and presented to the secretary for recording.

10 While Commissioner Olson signs it, I want to go  
11 on record as thanking counsel Bada for her heroic efforts  
12 in this case. I think that's a very, very good job of a  
13 heck of a lot of work, and I want to thank her on the  
14 record.

15 COMMISSIONER BAILEY: I'll second that.

16 \* \* \*

17

18 CHAIRMAN FESMIRE: The next case before the  
19 Commission is Case Number 13,920. It's the Application of  
20 the New Mexico Oil Conservation Division for a compliance  
21 order against Northstar Oil and Gas.

22 Have the Commissioners had the opportunity to  
23 review the Order as presented by counsel?

24 COMMISSIONER BAILEY: Yes, I have, and I move we  
25 adopt it.

1 CHAIRMAN FESMIRE: Commissioner Olson?

2 COMMISSIONER OLSON: Yes, I've reviewed it, and I  
3 agree with what's in the order. I'll second that.

4 CHAIRMAN FESMIRE: All those in favor of adopting  
5 the order, signify by saying aye.

6 COMMISSIONER BAILEY: Aye.

7 COMMISSIONER OLSON: Aye.

8 CHAIRMAN FESMIRE: Aye.

9 Let the record reflect that this Order too was  
10 unanimously adopted by the Commission. It will be signed  
11 and transmitted to the secretary.

12 (Off the record at 9:05 a.m.)

13 \* \* \*

14

15 (The following proceedings had at 2:33 p.m.)

16 CHAIRMAN FESMIRE: Okay, the next case before the  
17 Commission is Case Number 14,047, the *de novo* Application  
18 of Celero Energy II, L.P., for expansion of a waterflood  
19 project in Chaves County, New Mexico.

20 This case will be continued to the July seven- --  
21 to the July 17th meeting?

22 MS. DAVIDSON: July 17th.

23 CHAIRMAN FESMIRE: Okay.

24 MS. DAVIDSON: No --

25 COMMISSIONER BAILEY: I would like to delay that

1 hearing.

2 CHAIRMAN FESMIRE: That's -- to the July  
3 regularly scheduled Commission meeting, rather than July  
4 17th.

5 MS. DAVIDSON: June 19th.

6 CHAIRMAN FESMIRE: June -- ?

7 MS. DAVIDSON: June 19th.

8 CHAIRMAN FESMIRE: It is, I just read it.

9 MS. DAVIDSON: Sorry.

10 CHAIRMAN FESMIRE: Would you be so kind as to  
11 contact the attorneys?

12 MS. DAVIDSON: Sure.

13 CHAIRMAN FESMIRE: The secretary has pointed out  
14 that the next regularly scheduled Commission meeting is  
15 June 19th, 2008, and the meeting after that is currently  
16 scheduled for July 17th, but it looks like we're going to  
17 have a scheduling conflict and have to move back.

18 \* \* \*

19  
20 CHAIRMAN FESMIRE: So the next case is Case  
21 Number 14,055, the *de novo* Application of the New Mexico  
22 Oil Conservation Division for a compliance order against  
23 C&D Management Company doing business as Freedom Ventures  
24 Company.

25 That case has been continued to the June 19th,



1 2008, Commission meeting.

2 \* \* \*

3

4 CHAIRMAN FESMIRE: And that's the bottom of the  
5 docket.

6 Is there any other business before the Commission  
7 today?

8 Do we want to try to set a hearing date for July?

9 Okay, I'm going to ask the Commissioners to get  
10 with the Commission secretary, and she will find a date  
11 that we can all -- that we're all available.

12 Is there any other business before the  
13 Commission?

14 Theresa, have you got anything to say?

15 MS. DURAN-SAENZ: No, sir.

16 CHAIRMAN FESMIRE: With that, the Chair would  
17 entertain a motion to adjourn.

18 COMMISSIONER BAILEY: I move we adjourn.

19 COMMISSIONER OLSON: Second.

20 CHAIRMAN FESMIRE: All those in favor, signify by  
21 saying aye.

22 COMMISSIONER BAILEY: Aye.

23 COMMISSIONER OLSON: Aye.

24 CHAIRMAN FESMIRE: Aye.

25 Let the record reflect that the meeting was

1 adjourned at 2:35 p.m.

2 Thank you.

3 (Thereupon, these proceedings were concluded at  
4 2:35 p.m.)

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## 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 May 19th, 2008.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010