

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

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

ORIGINAL

DE NOVO AMENDED APPLICATION OF ENERGEN Case No. 13957
RESOURCES CORPORATION TO AMEND THE COST RECOVERY
PROVISIONS OF COMPULSORY POOLING ORDER NO. R-1960, TO
DETERMINE REASONABLE COSTS, AND FOR AUTHORIZATION TO
RECOVER COSTS FROM PRODUCTION OF POOLED MINERAL
INTERESTS, RIO ARriba COUNTY, NEW MEXICO

REOPENED APPLICATION OF THE NEW Case No. 14255
MEXICO OIL CONSERVATION DIVISION, THROUGH ITS
ENVIRONMENTAL BUREAU CHIEF, FOR ADOPTION OF AN AMENDMENT
TO 19.15.39 NMAC ADDING NEW SECTIONS TO BE CODIFIED AT
19.15.39.9 AND 19.15.39.10 NMAC ADDRESSING SPECIAL
PROVISIONS FOR SANTA FE COUNTY AND THE GALISTEO BASIN,
SANTA FE, SANDOVAL AND SAN MIGUEL COUNTIES, NEW MEXICO

APPLICATION OF THE NEW MEXICO OIL Case No. 14292
CONSERVATION DIVISION FOR ADOPTION OF AMENDMENTS
TO RULE 19.15.17 (THE "PIT RULE") STATEWIDE

Case No. 14055; Case No. 14149; Case No. 14150:
Continued to June 18, 2009

Case No. 14134; Case No. 14141; Case No. 14278
Continued to July 16, 2009

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSIONER HEARING

BEFORE: MARK E. FESMIRE, Chairman
JAMI BAILEY, Commissioner
WILLIAM C. OLSON, Commissioner

May 28, 2009
Santa Fe, New Mexico

This matter came on for hearing before the New
Mexico Oil Conservation Commission, MARK E. FESMIRE,
Chairman, on Thursday, May 28, 2009, at the New Mexico
Energy, Minerals and Natural Resources Department, 1220
South Saint Francis Drive, Room 102, Santa Fe, New
Mexico.

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1 REPORTED BY: Jacqueline R. Lujan, CCR #91
 2 Paul Baca Professional Court Reporters
 3 500 Fourth Street, N.W., Suite 105
 4 Albuquerque, NM 87103 505-843-9241

5 A P P E A R A N C E S

6 FOR THE OIL CONSERVATION COMMISSION:

7 Mark A. Smith
 8 Assistant General Counsel
 9 1220 S. St. Francis Drive
 10 Santa Fe, New Mexico 87504

11 ALSO PRESENT:

12 Florene Davidson

13 INDEX

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14 EXHIBITS

PAGE

15 (No exhibits were marked or admitted.)

16 REPORTER'S CERTIFICATE

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1 CHAIRMAN FESMIRE: We're back on the
2 record. We're out of executive session. The record
3 should reflect that the date is Thursday, May 28th, 2009,
4 that from 8:30 this morning until approximately 10:30
5 this morning the Commission met in executive session to
6 deliberate on Cause Number 13957. We have now come out
7 of executive session and reconvening a public hearing on
8 Case Number 13957 to announce the results.

9 The Commission met, and during executive
10 session, like I said, from 8:30 to 10:30 this morning,
11 during that period of time the Commission discussed only
12 Case Number 13957. We have reached a decision. We have
13 instructed counsel to draft that decision for review by
14 each one of Commissioners. We have also instructed
15 counsel to notify the attorneys in this case who are not
16 present now of the Commission's decision and to ask them
17 to submit proposed findings and conclusions that would
18 conform with the Commission's decision.

19 He's agreed to do that and to request that
20 those findings and conclusions be conveyed to him prior
21 to or on the next meeting, which is June 18th, 2009, and
22 that after that, he will work on an order to present to
23 the Commission for the Commission to consider on the July
24 regularly-scheduled Commission meeting. Is there
25 anything further in Case Number 13957?

1 COMMISSIONER BAILEY: No.

2 COMMISSIONER OLSON: No.

3 CHAIRMAN FESMIRE: At this time we will
4 close -- not close -- we will continue Case Number 13957
5 until the July regularly-scheduled Commission meeting,
6 which I believe is July 16th?

7 MS. DAVIDSON: Yes, it is.

8 CHAIRMAN FESMIRE: -- on July 16th. The
9 next cause before the Commission is the continuation of
10 Case Number 14255. It's the reopened application of the
11 New Mexico Oil Conservation Division, through its
12 Environmental Bureau Chief, for adoption of an amendment
13 to 19.15.39 NMAC adding new sections to be codified at
14 19.15.39.9 and 19.15.39.10 NMAC addressing special
15 provisions for Santa Fe County and the Galisteo Basin,
16 Santa Fe, Sandoval and San Miguel Counties, New Mexico.

17 The Commission has previously met and heard
18 the evidence in this case. We've also deliberated. At
19 those deliberations it was determined that further
20 evidence was needed. The case was reopened for the
21 limited purpose of presenting the boundaries of the
22 Galisteo Basin within Santa Fe County. That evidence was
23 presented yesterday at the regularly-scheduled Commission
24 meeting, and at this time the Commission will begin its
25 deliberations on that evidence. Commissioner Bailey, do

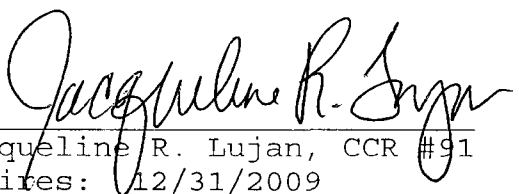
REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on May 28, 2009, proceedings in the
above captioned case were taken before me and that I did
report in stenographic shorthand the proceedings set
forth herein, and the foregoing pages are a true and
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with any of the parties or
attorneys in this case and that I have no interest
whatsoever in the final disposition of this case in any
court.

WITNESS MY HAND this 9th day of June, 2009.


Jacqueline R. Lujan, CCR #91
Expires: 12/31/2009