

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

DOCKET NO. 28-09

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August 13, 2009
Santa Fe, New Mexico

BEFORE: MARK E. FESMIRE: Commission Chair
JAMI BAILEY: Commissioner
WILLIAM C. OLSON: Commissioner

This matter came for hearing before the New Mexico Oil Conservation Commission on August 13, 2009, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: PEGGY A. SEDILLO, NM CCR No. 88
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I N D E X

| | Page |
|--------------------------------------|------|
| CASE NO. 13957 | 4 |
| CASE NO. 14055 | 5 |
| OCD'S WITNESSES: | |
| JANE PROUTY | |
| Examination by Mr. Padilla | 6 |
| Examination by Mr. Swazo | 16 |
| Examination by Mr. Padilla | 22 |
| DAVID BROOKS | |
| Examination by Mr. Swazo | 24 |
| Examination by Mr. Padilla | 30 |
| Examination by Mr. Swazo | 38 |
| Examination by Mr. Swazo | 42 |
| C&D MANAGEMENT'S WITNESSES: | |
| TOM KIZER | |
| Examination by Mr. Padilla | 44 |
| Examination by Mr. Swazo | 74 |
| Examination by Mr. Padilla | 124 |
| Examination by Mr. Swazo | 191 |
| Examination by Mr. Padilla | 198 |
| GEORGE SHIPLEY | |
| Examination by Mr. Padilla | 199 |
| Examination by Mr. Swazo | 25 |
| OCD'S REBUTTAL WITNESSES: | |
| DANIEL SANCHEZ | |
| Examination by Mr. Swazo | 238 |
| Examination by Mr. Padilla | 240 |
| Examination by Mr. Swazo | 246 |
| JANE PROUTY | |
| Examination by Mr. Swazo | 248 |
| Examination by Mr. Padilla | 254 |
| C&D MANAGEMENT'S REBUTTAL WITNESSES: | |
| GEORGE SHIPLEY | |
| Examination by Mr. Padilla | 257 |
| E X H I B I T S | |
| OCD'S EXHIBITS: | |
| Exhibit 95 | 256 |
| Exhibit 96 | 256 |

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12 CASE NOS. 14149 and 14150

13 APPLICANT'S WITNESSES:

14 MARY SHARON BALAKAS
 Examination by Mr. Bruce 274

15 FREDERICK MARK
 Examination by Mr. Bruce 291

16 HOWARD MUSGROVE
 Examination by Mr. Bruce 305

17 E X H I B I T S

18 APPLICANT'S EXHIBITS

19 Exhibits 1 - 4 284
 Exhibits 5 - 11 312
 20 Exhibits A - H 304

21 A P P E A R A N C E S

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25 COURT REPORTER'S CERTIFICATE 319

1 CHAIRMAN FESMIRE: Let the record reflect that
2 this is the Thursday, August 13, 2009 regularly scheduled
3 meeting of the New Mexico Oil Conservation Commission.

4 The record should reflect that Commissioners
5 Bailey, Olson and Fesmire are present.

6 The first order of business before the
7 Commission today is the minutes of the July 16, 2009
8 Commission meeting. Secretary Davidson has circulated a
9 copy of the minutes. Have the Commissioners all had a
10 chance to review those minutes?

11 COMMISSIONER BAILEY: Yes, I have, and I move
12 that we adopt them.

13 COMMISSIONER OLSON: Yes, I read them as well.
14 They accurately reflect our actions, and I second the
15 motion.

16 CHAIRMAN FESMIRE: All those in favor of
17 adopting the minutes as presented by the secretary signify
18 by saying "aye."

19 COMMISSIONER OLSON: Aye.

20 COMMISSIONER BAILEY: Aye.

21 CHAIRMAN FESMIRE: Let the record reflect that
22 the minutes were unanimously adopted by the Commission,
23 signed by the Chairman, and conveyed to the secretary.

24 At this time, the first case to be taken before
25 the Commission is Case No. 13957, De Novo, the Amended

1 Application of Energen Resources Corporation to Amend the
2 Cost Recovery Provisions of Compulsory Pooling Order
3 R-1960 to Determine Reasonable Costs and for Authorization
4 to Recover Costs from Production of Pooled Mineral
5 Interests in Rio Arriba County, New Mexico.

6 The Commission has a little bit of unfinished
7 business on this that needs to take place in executive
8 session, and at this time, the Commission will go into
9 executive session. So we'll ask folks to vacate the room.
10 It should not take very long at all.

11 (Note: Executive session took place.)

12 CHAIRMAN FESMIRE: The record should reflect
13 that the Commission is now coming out of executive session
14 in Case No. 13957, that the Commission has decided in that
15 case, and has directed counsel to draft an order
16 reflecting that decision.

17 But he's not ready to present it yet. He's
18 going to go upstairs and change the order. So therefore,
19 we will continue Case No. 13957 until later today.

20 And the next case before the Commission is Case
21 No. 14055. It's the continuation of the Application of
22 the New Mexico Oil Conservation Division for a Compliance
23 Order against C&D Management Company, doing business as
24 Freedom Ventures Company.

25 Could I have the appearance of attorneys,

1 MR. SMITH: I have a question. On findings and
2 conclusions, do you want to wait until after that to ask
3 them for them?

4 CHAIRMAN FESMIRE: No. During the same period,
5 notwithstanding the total amount, we're going to ask the
6 attorneys to prepare findings and conclusions. The
7 transcript is due two weeks from today and will be
8 available to the attorneys in Secretary Davidson's office,
9 and by the next Commission meeting, we would ask the
10 attorneys to draft their proposed findings and
11 conclusions.

12 Are there any questions from any attorneys who
13 aren't the Commission's? Okay. With that --

14 MR. SWAZO: I do have a question. So our
15 proposed findings of fact and conclusions of law, we don't
16 have to file them in advance of the Commission's next
17 hearing date, we can bring them at that time?

18 CHAIRMAN FESMIRE: Right, they are due at the
19 Commission's next meeting. Any other questions? With
20 that, we'll adjourn Case No. 14055 and continue it to the
21 next regularly scheduled Commission meeting.

22 The next piece of business before the Commission
23 is the continuation of Case No. 13957. It's the De Novo
24 Application of Energen Resources Corporation to Amend the
25 Cost Recovery Provisions of Compulsory Pooling Order

1 No. R-1960 to Determine Reasonable Costs and for
2 Authorization to Recover Costs for Production of Pooled
3 Mineral Interests in Rio Arriba County, New Mexico.

4 The Commission having deliberated on this,
5 instructed counsel to draft an Order, and counsel has
6 drafted said Order. Have the Commissioners had a chance
7 to review the Order?

8 COMMISSIONER BAILEY: Yes, I have, and I believe
9 it reflects our decisions made and I intend to sign it.

10 CHAIRMAN FESMIRE: Okay. Commissioner Olson?

11 COMMISSIONER OLSON: I agree with the assessment
12 of Commissioner Bailey and I second that motion.

13 CHAIRMAN FESMIRE: Okay. All those in favor of
14 adopting the Order as drafted by counsel in Case No. 13957
15 signify by saying "aye."

16 COMMISSIONER OLSON: Aye.

17 COMMISSIONER BAILEY: Aye.

18 CHAIRMAN FESMIRE: Let the record reflect that
19 the Order was unanimously adopted. It will be signed by
20 the members of the Commission and transmitted to the
21 secretary.

22 With that, we will proceed to the next order of
23 business before the Commission. That is two related
24 cases, Case No. 14149 and Case No. 14150.

25 Case No. 14149 is the De Novo Application of

1 STATE OF NEW MEXICO)
) ss.
 2 COUNTY OF BERNALILLO)

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REPORTER'S CERTIFICATE

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I, PEGGY A. SEDILLO, Certified Court
 Reporter of the firm Paul Baca Professional
 Court Reporters do hereby certify that the
 foregoing transcript is a complete and accurate
 record of said proceedings as the same were
 recorded by me or under my supervision.

Dated at Albuquerque, New Mexico this
 24th day of August, 2009.


 PEGGY A. SEDILLO, CCR NO. 88
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