

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

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

APPLICATION OF THE BOARD OF COUNTY
COMMISSIONERS OR RIO ARRIBA COUNTY FOR
CANCELLATION OR SUSPENSION OF APPLICATIONS
FOR PERMITS TO DRILL FILED BY APPROACH
OPERATING, LLC, RIO ARRIBA COUNTY, NEW MEXICO;
APPLICATION OF APPROACH OPERATING, LLC FOR
APPROVAL OF SIX APPLICATIONS FOR PERMITS TO
DRILL, RIO ARRIBA COUNTY, NEW MEXICO;
APPLICATION OF APPROACH OPERATING, LLC FOR
APPROVAL OF FOURTEEN APPLICATIONS FOR
PERMITS TO DRILL, RIO ARRIBA COUNTY,
NEW MEXICO CASE NUMBERS 14134, 14141, 14278

REPORTER'S TRANSCRIPT OF PROCEEDINGS
Hearing
November 4, 2009
9:55 a.m.
1220 South St. Francis Drive, Room 11038
Santa Fe, New Mexico 87504

2009 NOV 05 7 A 11038
RECEIVED OOD

BEFORE: MARK E. FESMIRE, HEARING EXAMINER
JAMI BAILEY, COMMISSIONER
WILLIAM C. OLSON, COMMISSIONER
MARK A. SMITH, ASSISTANT GENERAL COUNSEL

REPORTED BY: CONNIE JURADO, RPR, NM CCR #254
Paul Baca Professional Court Reporters
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102

A P P E A R A N C E S

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For Approach Operating, LLC:

MONTGOMERY & ANDREWS LAW FIRM
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
BY: J. SCOTT HALL

1 MR. FESMIRE: The record should reflect that
2 this is the regularly scheduled Wednesday, November 4, 2009
3 meeting of the New Mexico Oil Conservation Commission. The
4 record should also reflect that all three commissioners are
5 present, commissioner Bailey, Commissioner Olson, and
6 Commissioner Fesmire.

7 The first order of business before we -- we,
8 therefore, have a quorum. The first order of business
9 before the Commission is the adoption of the Commission
10 minutes from the October 21, 2009 meeting. Have the
11 commissioners had the opportunity to look at those minutes?

12 MS. BAILEY: Yes, I have, and I move that we
13 adopt them.

14 MR. OLSON: Second.

15 MR. FESMIRE: All of those in favor signify
16 by saying aye.

17 THE COMMISSIONERS: Aye.

18 MR. FESMIRE: Let the record reflect that the
19 minutes have been adopted by the Commission, signed by the
20 chairman, and conveyed to the secretary for recording.

21 The next order of business before the Commission
22 are three cases that have been consolidated: Case Number
23 14134, the Application of the Board of County Commissioners
24 of Rio Arriba County for cancellation or suspension of the
25 Applications for Permits to Drill filed by Approach

1 Operating, LLC, in Rio Arriba County, New Mexico; Case
2 Number 14141, the Application of Approach Operating, LLC,
3 for Approval of Six Applications for Permits to Drill, Rio
4 Arriba County, New Mexico; and Case Number 14278, the
5 Application of Approach Operating, LLC, for Approval of
6 Fourteen Applications for Permits to Drill, Rio Arriba
7 County, New Mexico.

8 Mr. Hall, since you here on behalf of Approach,
9 would you like to enter your appearance?

10 MR. HALL: Yes, Mr. Chairman. Scott Hall
11 from Montgomery & Andrews Law Firm in Santa Fe appearing on
12 behalf of Approach Operating, LLC.

13 MR. FESMIRE: The record should reflect that
14 the other attorney in the case is not present. The purpose
15 of the -- having these cases on the docket is to sign an
16 order reflecting the Commission's deliberations and decision
17 from the last meeting. Have the Commissioners had a chance
18 to review the order as presented by counsel?

19 MS. BAILEY: Yes, I have, and I think it does
20 reflect the decisions we made at the earlier hearing.

21 MR. FESMIRE: Mr. Olson, have you had a
22 chance to review it?

23 MR. OLSON: You're talking about the Approach
24 -- the order for Approach?

25 MR. FESMIRE: Yes.

1 MR. OLSON: Yes, I have reviewed it, and I
2 don't have any problems with it. I understand it was
3 amended with the addition of the legal location for the
4 Benjamin Trujillo Well, and I agree with the order.

5 MR. FESMIRE: At this time the Chair would
6 accept a motion for adoption of the order as presented.

7 MS. BAILEY: I move it be adopted as
8 presented.

9 MR. OLSON: Second.

10 MR. FESMIRE: All of those in favor signify
11 by saying aye.

12 THE COMMISSIONERS: Aye.

13 MR. FESMIRE: Let the record reflect that the
14 order is being signed by the commissioners and will be
15 conveyed to the secretary.

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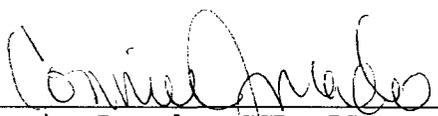
REPORTER'S CERTIFICATE

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I, CONNIE JURADO, do hereby certify that I reported the foregoing case in stenographic shorthand and transcribed, or had the same transcribed under my supervision and direction, the foregoing matter and that the same is a true and correct record of the proceedings had at the time and place.

I FURTHER CERTIFY that I am neither employed by nor related to 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 4th day of November, 2009.



Connie Jurado, CCR, RPR
New Mexico CCR No. 254
Expires: December 31, 2009