

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**

APPLICATION OF THE NEW MEXICO OIL  
CONSERVATION DIVISION FOR A COMPLIANCE  
ORDER AGAINST C&D MANAGEMENT COMPANY,  
D/B/A FREEDOM VENTURES COMPANY

Case No. 14055

DE NOVO APPLICATION OF COLEMAN OIL  
& GAS, INC., FOR THE RESCISSION OF  
DE NOVO ORDER NUMBER R-12820-A,  
SAN JUAN COUNTY, NEW MEXICO

Case No. 13812

Case No. 14365; Case No. 14366; Case No. 14323;  
Case No. ~~14382~~; Case No. 14418 Continued to  
July 15, 2010

Case No. 14463 Dismissed

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
COMMISSIONER HEARING

BEFORE: MARK E. FESMIRE, Chairman  
JAMI BAILEY, Commissioner

June 17, 2010  
Santa Fe, New Mexico

This matter came on for hearing before the New  
Mexico Oil Conservation Commission, MARK E. FESMIRE,  
Chairman, on Thursday, June 17, 2010, at the New Mexico  
Energy, Minerals and Natural Resources Department, 1220  
South Saint Francis Drive, Room 102, Santa Fe, New  
Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91  
Paul Baca Professional Court Reporters  
500 Fourth Street, N.W., Suite 105

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A P P E A R A N C E S

FOR THE OIL CONSERVATION COMMISSION:

Cheryl Bada, Esq.  
Assistant General Counsel  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87504

FOR THE OIL CONSERVATION DIVISION:

Mikal Altomare, Esq.  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

FOR COLEMAN OIL & GAS, INC.:

Ocean Munds-Dry, Esq.  
Holland & Hart  
110 North Guadalupe, Suite 1  
Santa Fe, New Mexico 87501

ALSO PRESENT:

Florene Davidson

REPORTER'S CERTIFICATE

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1                   CHAIRMAN FESMIRE: At this time I'm going  
2 to call to order the Thursday, June 17th, 2010, regularly  
3 scheduled meeting of the New Mexico Oil Conservation  
4 Commission. The record should reflect that Commissioners  
5 Bailey and Fesmire are present. Commissioner Olson,  
6 however, is on other duty and will not be here today.  
7 We, however, according to the law of New Mexico, have a  
8 quorum, and we will therefore be able to conduct  
9 business.

10                   The first item of business on the docket  
11 before the Commission this morning is approval of the  
12 minutes of the May 20th, 2010, Commission meeting.

13                   Commissioner Bailey, have you had an  
14 opportunity to review the minutes as presented?

15                   COMMISSIONER BAILEY: Yes, I have, and I  
16 move that we adopt them.

17                   CHAIRMAN FESMIRE: I too have reviewed the  
18 minutes, and I second the motion. Commissioner Bailey  
19 and I will vote. All those in favor of adopting the  
20 minutes as presented signify by saying aye.

21                   The record should reflect that Commissioners  
22 Bailey and Fesmire voted to adopt the minutes. They were  
23 adopted as presented and transmitted to the secretary for  
24 recording.

25                   The next item of business before the

1 filings.

2 Anything further in this case?

3 MS. ALTOMARE: No.

4 MS. MUNDS-DRY: No, Mr. Chairman.

5 CHAIRMAN FESMIRE: With that, thank you  
6 very much.

7 We'll move on to the next item before the  
8 Commission. It's Case Number 14365. I'm sorry. Let me  
9 finish that before we do.

10 We've directed Counsel to draft an order to  
11 that effect, and we will sign it at the next Commission  
12 meeting.

13 MS. ALTOMARE: Thank you, Mr. Chairman.

14 MS. MUNDS-DRY: Thank you, Mr. Chairman.

15 CHAIRMAN FESMIRE: The next case before  
16 the Commission is Case Number 14365. It's the de novo  
17 application of COG Operating, LLC, for designation of a  
18 nonstandard spacing unit and for compulsory pooling in  
19 Eddy County, New Mexico. That case will be continued to  
20 the July 15th, 2010, Commission meeting.

21 The next item before the Commission is Case  
22 Number 14366. It's the application of COG Operating,  
23 LLC, for designation of a nonstandard spacing unit,  
24 unorthodox well location, and for compulsory pooling in  
25 Eddy County, New Mexico. That case also will be

1 continued to the July 15th, 2010, docket.

2 The next item before the Commission is Case  
3 Number 14323. It's the application of Chesapeake Energy  
4 Corporation for cancellation of a permit to drill issued  
5 to COG Operating, LLC, in Eddy County, New Mexico. That  
6 case will be continued to the July 15th docket.

7 The next case before the Commission is Case  
8 Number ~~14382~~ 14382. It's the application of Chesapeake Energy  
9 for cancellation of a permit to drill issued to COG  
10 Operating in Eddy County, New Mexico. That case  
11 similarly will be continued to the July 15th, 2010,  
12 docket.

13 The next case before the Commission is Case  
14 Number 14418. It's the application of Cimarex Energy  
15 Company for a nonstandard oil spacing and proration unit  
16 and compulsory pooling in Eddy County, New Mexico,  
17 likewise continued to July 15th, 2010.

18 The last case on the Commission's docket today  
19 is Case Number 14463, the amended application of Williams  
20 Production Company, LLC, for approval of a closed-loop  
21 system for the Rosa SWD Well Number 2 and for the  
22 in-place burial of drilling wastes at another location,  
23 Rio Arriba County, New Mexico.

24 That case, Counsel has informed me, will be  
25 dismissed. But we haven't officially dismissed it yet;

1 is that correct?

2 MS. MUNDS-DRY: I believe, Mr. Chairman,  
3 we did receive an order dismissing the case.

4 CHAIRMAN FESMIRE: Okay. So that case has  
5 been dismissed?

6 MS. MUNDS-DRY: Yes.

7 CHAIRMAN FESMIRE: Is there anything else  
8 before the Commission this morning?

9 COMMISSIONER BAILEY: I move that we  
10 adjourn.

11 CHAIRMAN FESMIRE: I'll second that  
12 motion. All those in favor, signify by saying aye.

13 The record should reflect that Commissioners  
14 Bailey and Fesmire voted to adjourn at 9:35 a.m. on the  
15 date of the meeting. Thank you.

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## REPORTER'S CERTIFICATE

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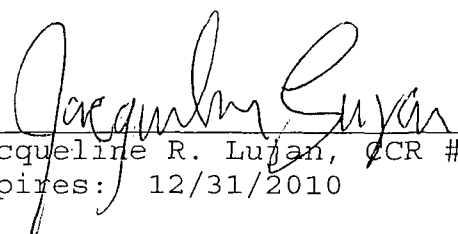
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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO  
HEREBY CERTIFY that on June 17, 2010, proceedings in the  
above captioned case were taken before me and that I did  
report in stenographic shorthand the proceedings set  
forth herein, and the foregoing 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 28th day of June, 2010.

  
Jacqueline R. Lujan, CCR #91  
Expires: 12/31/2010