

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:

THE APPLICATION OF WILLIAMS PRODUCTION Case No. 14521
COMPANY, LLC, FOR APPROVAL OF A CLOSED
LOOP SYSTEM FOR THE ROSA SALTWATER DISPOSAL WELL NUMBER 2
AND FOR THE IN-PLACE BURIAL OF DRILLING WASTES AT ANOTHER
WELL LOCATION, IN RIO ARRIBA COUNTY, NEW MEXICO

SUA SPONTE MOTION OF THE COMMISSION CHAIR Case No. 14116
TO RECONSIDER DE NOVO CASE NUMBER 14116, THE
APPLICATION OF FASKEN OIL & RANCH LIMITED FOR AN
ORDER AUTHORIZING THE DRILLING OF AN ADDITIONAL WELL
AT AN UNORTHODOX LOCATION OF THE POTASH AREA IN LEA
COUNTY, NEW MEXICO

Case No. ~~14411~~; Case No. 14472, Continued to October 7,
2010

Case No. 14418, Continued to November 4, 2010

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSIONER HEARING

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

September 9, 2010
Santa Fe, New Mexico

This matter came on for hearing before the New
Mexico Oil Conservation Commission, MARK E. FESMIRE,
Chairman, on Thursday, September 9, 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, Assistant General Counsel
Mark A. Smith, Assistant General Counsel
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

ALSO PRESENT:

Florene Davidson

REPORTER'S CERTIFICATE

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1 to review that order as drafted by Counsel?

2 COMMISSIONER BAILEY: Yes. And I'd like
3 to thank Counsel for working with us to get exactly what
4 we needed at that time. So yes, I move that we adopt
5 this order.

6 COMMISSIONER OLSON: Yeah. I've reviewed
7 it and had some edits myself, and I think it accurately
8 reflects our decision, and I'll second the motion.

9 CHAIRMAN FESMIRE: All those in favor of
10 adopting the order as drafted by Counsel signify by
11 saying aye.

12 Let the record reflect that the order was
13 unanimously adopted by the Commission, signed by all
14 three Commissioners, and conveyed to the secretary for
15 recording.

16 We're going to skip the next item for a minute
17 and go to the item after that, which is Case Number
18 14418, the de novo application of Cimarex Energy for a
19 nonstandard oil spacing and proration unit and compulsory
20 pooling in Eddy County, New Mexico.

21 This case will be continued to the November
22 4th, 2010, Commission meeting.

23 The next case is Case Number ~~14411~~, the de
24 novo application of Agua Sucia, LLC, to reinstate
25 Division Order SWD-559 for a saltwater disposal well in

1 Lea County, New Mexico. This case has been continued to
2 the October 7th, 2010, Commission meeting.

3 The next case before the Commission is Case
4 Number 14472, the de novo application of COG Operating,
5 LLC, for cancellation of an operator's authority and
6 termination of spacing units of Yeso Energy, Inc., Dow
7 "B" 28 Federal Number 1 Well, in Eddy County, New Mexico.
8 This case has also been continued to the October 7th,
9 2010, Commission meeting.

10 The next issue before the Commission is the
11 sua sponte motion of the Commission Chair to reconsider
12 de novo Case Number 14116, the application of Fasken Oil
13 & Ranch Limited for an order authorizing the drilling of
14 an additional well at an unorthodox location of the
15 Potash Area in Lea County, New Mexico.

16 This case was originally heard by the
17 Commission on April 21st through 23rd of 2010. The Chair
18 and Counsel, in reviewing the Commission's decision and
19 preparing an order, came upon an issue that the
20 Commission needs to address, and the Commission needs to
21 address that as part of the deliberations. And Counsel
22 would ask the Commissioners to consider going back into
23 executive session and extending our deliberations in that
24 case to address that issue.

25 COMMISSIONER BAILEY: I so move.

REPORTER'S CERTIFICATE

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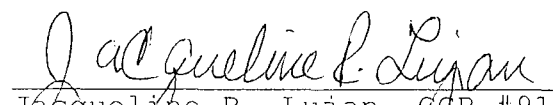
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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on September 9, 2010, proceedings in
the above captioned case were taken before me and that I
did report in stenographic shorthand the proceedings set
forth herein, and the foregoing 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 20th day of September,
2010.


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