

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

APPLICATION OF WILLIAMS PRODUCTION CO. LLC FOR
APPROVAL OF A CLOSED LOOP SYSTEM FOR
THE ROSA SWD WELL NO. 2 AND FOR THE
IN-PLACE BURIAL OF DRILLING WASTES AT
ANOTHER WELL LOCATION, RIO ARRIBA COUNTY,
NEW MEXICO CASE NO. 14521

ORIGINAL

TRANSCRIPT OF PROCEEDINGS
Commission Meeting
August 2, 2010
11:03 a.m.
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

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BEFORE: MARK FESMIRE, Chair
JAMI BAILEY, Commissioner
WILLIAM OLSON, Commissioner

ALSO PRESENT: FLORINE DAVIDSON, Secretary
MARK SMITH, Counsel

1 MR. FESMIRE: At this time, we're
2 going to come out of executive session in Case Number
3 14521. The Commission has met in executive session
4 this morning. The only case that we discussed was
5 this case, Number 14521, and that this is the only
6 decision we discussed.

7 The decision of the Commission is
8 that the application should be denied. The reasons
9 being that the disposal method proposed by Williams
10 is not on-site burial, and the permit application is,
11 therefore, denied. A proposal like Williams' should
12 be considered under 19-15-17-15 as a general
13 exception or alternative closure method.

14 Williams' pit is a temporary pit
15 under the definition of 19-15-17-4-I. Temporary pits
16 are specifically exempted from the definition of
17 surface waste management facility at
18 19-15-2-7-5-11-C. The pit, therefore, is not
19 governed by Rule 36 and is governed by Rule 17,
20 including the exceptions under 19-15-17-15.

21 The issue of whether burial of the
22 contents at an off-site temporary pit may be exempted
23 under Rule 17 depends on the specifics of the
24 proposal and whether they meet the criteria under
25 19-15-17-15-A-1 or 19-15-17-15-B. It is not

1 foreclosed from meeting the criteria solely because
2 it is an off-site pit. We understand the legitimate
3 concern about operators using an exception process to
4 avoid Rule 36.

5 We remind everyone, however, of two
6 things: OCD has the discretion in determining
7 whether a proposal is truly an exception under
8 19-15-17-15 and the authority to prevent its abuse.
9 The second thing, 19-15-17-11-F-10 limits the volume
10 of a temporary pit to ten-acre feet, including
11 freeboard.

12 We have directed counsel to draft an
13 order to this effect. We are not sure when that
14 order will be available, but the decision is that the
15 application will be denied. Any questions?

16 MR. SMITH: Is there any point in
17 trying to get findings out of the lawyers on that?

18 MS. MUNDS-DRY: No.

19 MS. MACQUESTEN: No.

20 MR. SMITH: I think maybe I asked the
21 wrong bunch.

22 MR. FESMIRE: Or certainly at the
23 wrong time. Well, not seeing any questions, is there
24 anything further before the Commission? At this
25 time, we will adjourn in Case Number 14521 pending an

1 order, which hopefully will be available at the next
2 regularly scheduled Commission meeting but probably
3 not the 12th.

4 MR. SMITH: What is the next
5 regularly scheduled --

6 MS. DAVIDSON: September 9.

7 MR. SMITH: Well, that is actually
8 possible.

9 MR. FESMIRE: With that, the chair
10 will accept a motion from the Commission to adjourn.

11 MR. OLSON: So moved.

12 MS. BAILEY: Second.

13 MR. FESMIRE: All of those in favor
14 signify by saying aye.

15 MR. OLSON: Aye.

16 MS. BAILEY: Aye.

17 MR. FESMIRE: Aye. At this time, the
18 Commission meeting in Case Number 14521 is adjourned.

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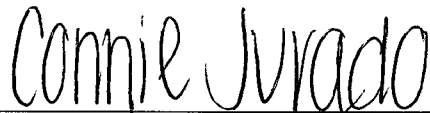
REPORTER'S CERTIFICATE

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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 2nd day of August, 2010.



Connie Jurado, CCR, RPR
New Mexico CCR No. 254
Expires: December 31, 2010