

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:)

CASE NO. 12,117

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION TO AMEND)
19 NMAC 15.C.107.J AND K OF ITS RULES)
AND REGULATIONS PERTAINING TO TUBING AND)
CASING SIZES AND TO GIVING THE DISTRICTS)
AUTHORITY TO GRANT ADMINISTRATIVE)
EXCEPTIONS)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSION HEARING

BEFORE: LORI WROTENBERY, CHAIRMAN
WILLIAM J. LEMAY, COMMISSIONER
JAMI BAILEY, COMMISSIONER

February 11th, 1999
Santa Fe, New Mexico

99 FEB 26 PM 12:54

OIL CONSERVATION DIV

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Thursday, February 11th, 1999, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

I N D E X

February 11th, 1999
 Commission Hearing
 CASE NO. 12,117

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T

Applicant's	Identified	Admitted
Exhibit 1	3	-

* * *

A P P E A R A N C E S

FOR THE COMMISSION:

LYN S. HEBERT
 Deputy General Counsel
 Energy, Minerals and Natural Resources Department
 2040 South Pacheco
 Santa Fe, New Mexico 87505

FOR THE OIL CONSERVATION DIVISION:

RAND L. CARROLL
 Attorney at Law
 Legal Counsel to the Division
 2040 South Pacheco
 Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 9:17 a.m.:

3 CHAIRMAN WROTENBERY: Okay, and the next item is
4 Case 12,117, this is the matter of the hearing called by
5 the Oil Conservation Division to amend 19 NMAC 15.C.107.J
6 and K of its rules pertaining to tubing and casing sizes
7 and giving the Districts authority to grant administrative
8 exceptions. Copies of the proposed rule changes were
9 circulated with the docket for this meeting.

10 Mr. Carroll, would you like to lay this one out
11 for us.

12 MR. CARROLL: May it please, the Commission, my
13 name is Rand Carroll, appearing on behalf of the Oil
14 Conservation Division. I don't think I'll need a witness
15 today for this case.

16 What Mike's passing out has been marked OCD
17 Exhibit Number 1, and that is our proposed rule change.
18 The draft order I've submitted repeals 107.K, so the only
19 thing left to be done would be amending 107.J.

20 There is a slight change from the proposed rule
21 that was circulated with the docket, and that's in
22 paragraph 5, where the words "at its discretion" were
23 deleted. Since the word "may" is in that sentence, "at its
24 discretion" is somewhat redundant.

25 Madame Chairman, you had asked last month at the

1 Commission Hearing whether paragraph 5 was even necessary.
2 After discussing it yesterday with the District
3 Supervisors, we could go either way, but we decided to
4 leave it in. So if you decide to delete paragraph 5 from
5 the adopted rule, that would be fine with the Division.

6 And in the last month, I am not aware of any
7 comments received from industry or other interested parties
8 as to the rule change.

9 CHAIRMAN WROTENBERY: Any questions?

10 Just to clarify on paragraph number 5, the
11 purpose of leaving it in is just to make sure everybody's
12 aware that the District Supervisor --

13 MR. CARROLL: Well, it's to give industry notice
14 that they can bypass the Supervisor or, you know, go above
15 his head to you directly, if the operator so desires.

16 COMMISSIONER LEMAY: If we took that paragraph
17 out, Rand, you'd still be -- Isn't it in the rules that
18 they had that right anyways, to be able to do that?

19 MR. CARROLL: Yeah, that's why it's somewhat --

20 COMMISSIONER LEMAY: -- maybe redundant?

21 COMMISSIONER BAILEY: I always like to have a
22 process outlined for everyone in case of protest, so they
23 know what the procedures are, if they're --

24 CHAIRMAN WROTENBERY: Just to make it clear for
25 everybody?

1 COMMISSIONER BAILEY: Just to make it clear.

2 MR. CARROLL: Yeah, not everybody checks, you
3 know, the front of the rule book to see what their rights
4 are, but if it's spelled out in various sections, that they
5 look at what well tubing requirements are, they'll see that
6 and then they'll see they have the right to go to the
7 Director.

8 It can't hurt, it just clutters up the rule book,
9 is all. And it serves some purpose; some people might get
10 notice that wouldn't get notice of their rights otherwise.

11 CHAIRMAN WROTENBERY: That makes sense, need to
12 have it all in once place.

13 Okay, Commissioners, you received right before
14 the meeting a copy of the draft order of the Commission in
15 this matter. Would you like to take a minute to --

16 COMMISSIONER BAILEY: I have had a chance to
17 review it, I do intend to sign it.

18 COMMISSIONER LEMAY: Likewise, Madame Chair, we
19 reviewed the order as presented this morning, and it's my
20 intention to sign that order.

21 CHAIRMAN WROTENBERY: I'll entertain a motion
22 that the Commission adopt this order.

23 COMMISSIONER BAILEY: I move that we adopt this
24 order as presented this morning.

25 COMMISSIONER LEMAY: I second.

1 CHAIRMAN WROTENBERY: All in favor say "aye".

2 COMMISSIONER BAILEY: Aye.

3 COMMISSIONER LEMAY: Aye.

4 CHAIRMAN WROTENBERY: Aye.

5 Good, we wrapped that one up.

6 (Thereupon, these proceedings were concluded at

7 9:20 a.m.)

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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
 COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL February 11th, 1999.



 STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002

107.J. Well Tubing Requirements

Exhibit # 1

- (1) All flowing oil wells equipped with casing larger in size than 2 7/8-inch OD shall be tubed.
- (2) All gas wells equipped with casing larger in size than 3-1/2 inch OD shall be tubed.
- (3) Tubing shall be set as near the bottom as practical and tubing perforations shall not be more than 250 feet above top of pay zone.
- (4) The supervisor of the appropriate Division district office, upon application, may grant exceptions to these requirements, provided waste will not be caused.
- (5) The supervisor or an operator may request that an application be reviewed by the Director. The operator shall submit information and give notice as requested by the Director. Unprotected applications may be approved after 20 days of receipt of the application and supporting information. If the application is protested, or the Director so decides, the application shall be set for hearing.

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
Case No. <u>1217</u>	Exhibit No. <u>1</u>
Submitted by <u>OCD</u>	
Hearing Date <u>2/11/99</u>	