

**Commission Hearing
Santa Fe, New Mexico
March 25, 1999 -- 9:00 A.M.**

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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. 12,118

IN THE MATTER OF THE HEARING CALLED)
BY THE OIL CONSERVATION DIVISION TO)
AMEND DIVISION RULE 112-A. A., B., C.,)
D., E., AND F. PERTAINING TO MULTIPLE)
COMPLETIONS AND TO EXPAND THE DISTRICTS')
AUTHORITY TO GRANT EXCEPTIONS)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSION HEARING

BEFORE: LORI WROTENBERY, CHAIRMAN
JAMI BAILEY, COMMISSIONER
ROBERT LEE, COMMISSIONER

March 25th, 1999
Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Thursday, March 25th, 1999, at the New Mexico Energy, Minerals and Natural Resources Department, Secretary's Conference Room, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

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OIL CONSERVATION COMMISSION

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March 25th, 1999
Commission Hearing
CASE NO. 12,118

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* * *

A P P E A R A N C E S

FOR THE COMMISSION:

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FOR THE OIL CONSERVATION DIVISION:

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* * *

1 WHEREUPON, the following proceedings were had at
2 9:03 a.m.:

3 CHAIRMAN WROTENBERY: And then we had, really,
4 the one item that we are going to go ahead and take up
5 today in a substantive way is Case 12,118. This is in the
6 matter of the hearing called by the Oil Conservation
7 Division to amend Division Rule 112-A. A., B., C., D., E.,
8 and F. pertaining to multiple completions and expanding the
9 districts' authority to grant exceptions.

10 I think we've got a couple of appearances in this
11 case from the Division staff?

12 MR. CARROLL: Yes, may it please --

13 CHAIRMAN WROTENBERY: Mr. Carroll?

14 MR. CARROLL: May it please the Commission, my
15 name is Rand Carroll, appearing on behalf of the Oil
16 Conservation Division.

17 I don't think I have a witness today unless you
18 want to hear from a witness. Most of the testimony was
19 heard at the last Commission hearing, and we just have a
20 revised version of the proposed rule change, and then I
21 have an exhibit showing how the forms have been amended to
22 reflect the rule change.

23 CHAIRMAN WROTENBERY: It would be helpful,
24 however you want to handle it, maybe for Dr. Lee's benefit
25 and also to refresh our memories, you might just summarize

1 what we're doing here today.

2 MR. CARROLL: What we're doing here today is
3 eliminating the District -- well, no, the District still
4 approves multiple completions. Well, maybe I will have a
5 witness testify.

6 CHAIRMAN WROTENBERY: Okay.

7 MR. CARROLL: My witness will be Michael Stogner.

8 CHAIRMAN WROTENBERY: Would you like to proceed?

9 MR. CARROLL: Shall we swear in the witness?

10 (Thereupon, the witness was sworn.)

11 MICHAEL E. STOGNER,

12 the witness herein, after having been first duly sworn upon
13 his oath, was examined and testified as follows:

14 DIRECT EXAMINATION

15 BY MR. CARROLL:

16 Q. Mr. Stogner, you testified previously in this
17 case at last month's Commission hearing; is that correct?

18 A. Yeah, in fact, this is the third time I've
19 appeared in this particular matter. The first time was to
20 introduce it, the second time was to answer a few questions
21 and explain to the Commission what we were going to do on
22 the procedure on changing Rule 112.A for the multiple
23 completions.

24 Q. And you met with the District Supervisors and
25 discussed the changes?

1 A. Yes, we did.

2 Q. And you discussed the changes that would be made
3 to the Oil Conservation Division forms; is that correct?

4 A. Yes.

5 MR. CARROLL: At this time, Chairman Wrotenbery,
6 I'd like to hand out the exhibits.

7 CHAIRMAN WROTENBERY: Great.

8 Q. (By Mr. Carroll) Mr. Stogner, if I could refer
9 you to what has been marked OCD Exhibit Number 1 --

10 A. I have it here in front of me.

11 Q. -- is this the current rule as proposed to be
12 adopted by the Commission --

13 A. Yes, it is.

14 Q. -- reflecting changes made to what has been
15 marked OCD Exhibit Number 2, which is the third page
16 attached to Exhibit Number 1?

17 A. Yes, it is.

18 Q. The changes made between these two versions were
19 minor changes, some to reflect some corrections suggested
20 by Ms. Hebert?

21 A. That is right.

22 Q. And it also reflects what has been required by
23 the State Record Center as to the history of the rule?

24 A. As I understand it, yes.

25 Q. And for the Commission's benefit, will you please

1 restate the reason for this rule change and what was done?

2 A. The segregation of production out of separate
3 pools is one of the mainstays of this agency's existence
4 and what we do and what we regulate. And in the beginning
5 when dual completion was a new procedure, it was subject to
6 our rules and regulations. To get an exception to that,
7 they had to come into hearing.

8 And over the years that rule and regulation has
9 evolved into an administrative application issued from the
10 Santa Fe office.

11 And then it evolved once again where certain
12 conditions could be met, those exceptions could be -- the
13 exception for dual completion was given to the District
14 levels.

15 And at this particular point, we're at a point
16 now where we can give it all to the District Office, the
17 way technology has changed and the way the production is in
18 New Mexico. And that's where we're at today.

19 So we have eliminated quite a few of the
20 regulatory red tape and made it more simple and given it to
21 the District Offices, and we've eliminated one of the forms
22 by incorporating the information needed into some of our
23 existing forms.

24 And just to review, like on 3 -- I'm sorry?

25 Q. Mr. Stogner, what was the form that was

1 eliminated?

2 A. Okay, Rule -- I'm sorry, Form C-107, which was an
3 administrative application and a form that also gave
4 instructions to -- requirement to submit additional
5 information.

6 Q. And that dealt strictly with multiple
7 completions?

8 A. That is right.

9 Q. And we eliminated 107 by amending 101, 103 and
10 104 to add references to multiple completions?

11 A. Yes.

12 Q. Could you go through those three forms and show
13 what was done to incorporate this rule change?

14 A. Okay, Rule -- I'm sorry, Exhibit Number 3A here
15 is the form C-101. This is the Application to Drill,
16 Re-Enter, Deepen, Plug Back. And there had already been a
17 box down there, 16, and I just highlighted. It's for
18 multiple.

19 And then if you flip over on the back, we just
20 added, attach an intended wellbore diagram. That way it
21 will give the District Supervisor additional information to
22 see how it's going to be done, what kind of packer is going
23 to be utilized or, if it's going to be a casing tubing
24 annulus completion, then they can also see which zone. And
25 being down in the districts, they know the nature of that

1 particular zone. So if they feel that it could not -- that
2 there's too much fluid coming up or being produced in the
3 hole, it wouldn't be enough reservoir energy to produce,
4 then they will be able to either deny it or suggest other
5 completion techniques.

6 Okay, Exhibit Number 3B, this is a Form C-103.
7 This is a Sundry Notice and Report on Well. And what we
8 have done is, down there to "Notice of Intention To:", we
9 have added "Multiple Completion", a box that they can
10 check. And in portion 12 right under it, we have included
11 "For Multiple Completions: Attach wellbore diagram of
12 proposed completion or recompletion." There again, it
13 gives them more information, should this be the form.

14 Not all wells, or not all recompletions, are
15 going to have a 101. They may require a 103. So the same
16 information -- It looks like it's redundant but in
17 actuality it is not.

18 And also we went in here on the back of this form
19 and included some instructions, if you will, about how to
20 fill it up or what information it needed. And we hadn't
21 had that before on this particular form.

22 CHAIRMAN WROTENBERY: I think we do have a typo
23 on that --

24 THE WITNESS: This one --

25 CHAIRMAN WROTENBERY: -- Form Number 3.

1 THE WITNESS: -- has "draft" written on it --

2 CHAIRMAN WROTENBERY: Okay --

3 THE WITNESS: -- so we could make any
4 additional --

5 CHAIRMAN WROTENBERY: -- did you get that?

6 THE WITNESS: -- changes or forms.

7 MR. CARROLL: Where is the typo?

8 CHAIRMAN WROTENBERY: It says "recompilation"
9 instead of recompletion in that sentence.

10 MR. CARROLL: Oh, okay.

11 CHAIRMAN WROTENBERY: Sorry to interrupt.

12 THE WITNESS: Good, I'll instruct my computer
13 operator to make said changes.

14 CHAIRMAN WROTENBERY: Okay.

15 Q. (By Mr. Carroll) Mr. Stogner, you referred to
16 some changes on the back?

17 A. Yeah. Actually, it's not changes, it's in the
18 inclusion.

19 Q. Where is the inclusion?

20 A. The whole thing.

21 Q. Oh, okay.

22 A. What this is is a reprint of the Rule 113 -- I'm
23 sorry, Rule 1103 out of our Rules and Regulations, that --

24 Q. Okay.

25 A. -- inform what is needed on this particular form.

1 And finally, Form C-104. Each well will have a
2 C-104 filed with it, whether that be on federal lands. And
3 what we have included down there in Box 30, if it's
4 downhole commingle or multiple completed, we used to have
5 another acronym in there, and that was dual completion or
6 DC. Well, DC and MC essentially means the same thing, so
7 we've -- to simplify things and to streamline, we have
8 gotten rid of one of the acronyms.

9 And on the back we have put some instructions in
10 there to attach an actual completed wellbore diagram of
11 what was done, so therefore there will be a record. And
12 then once technology comes around where ONGARD, or whatever
13 we have, would be able to draw up a diagram, and that would
14 help tremendously.

15 So that's all I have to say on forms at this
16 point.

17 Q. Mr. Stogner, is it your opinion that changing
18 Rule 112.A to eliminate some unnecessary approvals for
19 downhole commingling --

20 A. Most --

21 Q. -- multiple completions will aid in the
22 prevention of waste?

23 A. Yes.

24 MR. CARROLL: That's all I have.

25 CHAIRMAN WROTENBERY: Any questions,

1 Commissioners?

2 COMMISSIONER BAILEY: No.

3 CHAIRMAN WROTENBERY: I just wanted to clarify.

4 We did send a copy of this draft of the proposed rule
5 amendments out with the docket --

6 MR. CARROLL: Uh-huh.

7 CHAIRMAN WROTENBERY: -- for this meeting, yes?

8 MR. CARROLL: What has been marked OCD Exhibit
9 Number 2, which is the third page of that, that was sent
10 out with the docket.

11 CHAIRMAN WROTENBERY: And we received no comment
12 from anybody?

13 MR. CARROLL: No comments were received.

14 And I was mistaken earlier. Exhibit Number 2
15 does incorporate the changes that were made, as suggested
16 by Ms. Hebert. And actually what has been marked OCD
17 Exhibit Number 1 is just the Record Center-compliant rule
18 that will be filed with the record center. They should be
19 exactly the same.

20 CHAIRMAN WROTENBERY: Okay. I do believe we have
21 a final order, a draft final order, that has been
22 circulated to the Commissioners, if I'm correct, and
23 they'll have an opportunity to review this order.

24 COMMISSIONER BAILEY: I reviewed it, and I intend
25 to sign this order.

1 CHAIRMAN WROTENBERY: Dr. Lee?

2 COMMISSIONER LEE: I will sign it.

3 CHAIRMAN WROTENBERY: Great. In that case, do we
4 have a motion to adopt the order?

5 COMMISSIONER BAILEY: I move that we adopt the
6 order as written, that's right.

7 COMMISSIONER LEE: Second.

8 CHAIRMAN WROTENBERY: All in favor, say "Aye"

9 COMMISSIONER BAILEY: Aye.

10 COMMISSIONER LEE: Aye.

11 CHAIRMAN WROTENBERY: Aye.

12 COMMISSIONER LEE: You're supposed to sign it
13 last, right?

14 CHAIRMAN WROTENBERY: Yes, I'm the last. We're
15 going backwards today.

16 Great, thank you very much, Mr. Rand and Mr.
17 Stogner. Appreciate it.

18 * * *

19

20 CHAIRMAN WROTENBERY: And I think we did want to
21 discuss just a little bit about some of the procedural
22 issues associated with some of these pending cases.

23 Ms. Hebert?

24 MS. HEBERT: We have a couple of cases that are
25 large cases, the Gillespie-Crow case that's related to this

1 Hanley/Yates Application that was continued. That's a case
2 that has had lots of pleadings in the past year and a half.

3 Another case, Pendragon, that is also coming
4 before the Commission, has the potential for having lots of
5 pleadings.

6 And the issue has arisen whether the
7 Commissioners individually want to be served these
8 pleadings. I indicated to some of the attorneys involved
9 that I, for myself, would not want to be getting every day
10 or so a new pleading in a case, and I would just as soon
11 have Ms. Davidson put them all together for me and give
12 them to me.

13 But I know that you've been receiving --

14 COMMISSIONER BAILEY: And it's helpful to me --

15 MS. HEBERT: Is it?

16 COMMISSIONER BAILEY: -- because it gives me
17 time --

18 MS. HEBERT: Uh-huh.

19 COMMISSIONER BAILEY: -- as allowed, to look at
20 this. If it's all in one notebook received the day I
21 arrive, I have no time to look at any of the discussions or
22 the --

23 MS. HEBERT: Would it be helpful if it were all
24 put together for you and given to you in one packet a week
25 before, I mean to the extent we have everything a week

1 before? Would that be --

2 COMMISSIONER BAILEY: That would be all right,
3 because I could fit in during that week before.

4 MS. HEBERT: We don't have a rule currently on
5 this issue, so it's unclear. I mean, one of the attorneys
6 said, Is this proper? You know, it's individual, but I
7 will ask the Commission members how they would prefer to
8 receive this information since it's come up.

9 COMMISSIONER LEE: I'm new here, so I received
10 this document from Scott Hall, and I read through it and --
11 but if I have any problems, who do I have to talk to at
12 OCD?

13 MS. HEBERT: Well, you can call me because I'm
14 the other person who's receiving the --

15 COMMISSIONER LEE: Okay.

16 MS. HEBERT: You can't talk to one of the other
17 Commissioners, because two of you makes a quorum, so you
18 can't talk about a case --

19 CHAIRMAN WROTENBERY: -- outside of an open
20 hearing.

21 MS. HEBERT: -- outside of an open hearing.

22 CHAIRMAN WROTENBERY: Uh-huh.

23 MS. HEBERT: It's a good thing we're covering
24 these little issues.

25 CHAIRMAN WROTENBERY: And it's always good to, I

1 think, probably call Lyn first, and then she can put you in
2 contact with the appropriate technical person --

3 COMMISSIONER LEE: Okay.

4 CHAIRMAN WROTENBERY: -- if you have technical
5 questions --

6 COMMISSIONER LEE: All right, so --

7 CHAIRMAN WROTENBERY: -- because there are some
8 other restrictions too on our ability to communicate, for
9 instance, with any of the parties in a case outside of the
10 context of a hearing. But Lyn can kind of guide you
11 through that process.

12 MS. HEBERT: I'd be happy to do that.

13 COMMISSIONER LEE: Okay, thank you.

14 MS. HEBERT: And we are going to be reconsidering
15 some of the procedural rules in the next few months, and
16 this may be an opportunity if you want to provide clear
17 understanding to all those attorneys about how you want
18 these pleadings to be handled.

19 COMMISSIONER BAILEY: A bare minimum of a week
20 prior to hearing --

21 CHAIRMAN WROTENBERY: Uh-huh.

22 COMMISSIONER BAILEY: -- for review of a
23 notebook's worth of information.

24 CHAIRMAN WROTENBERY: We have fallen behind in
25 the last few months in getting the notebooks out, because

1 it is our intent to get them out earlier. Although we
2 don't necessarily get all the materials from the parties
3 until -- Well, they're supposed to come in the Friday
4 before the hearing, but sometimes they come in after that.

5 We may want to clarify to everybody that they
6 need to get their materials in a week in advance, or ten
7 days in advance, so that we will have time to put the
8 notebooks together for the Commissioners for the meeting
9 and give them an opportunity to prepare. Because that is
10 extremely important that you all have the time you need.

11 COMMISSIONER LEE: Even a week is not very
12 enough. I read through this case. Whenever receive it,
13 just immediately give it to us.

14 MS. HEBERT: Well, we can do it that way.
15 Sometimes they are -- it would seem to me, since you're not
16 going to be getting a complete -- If you get it directly
17 from the attorneys, some will send them to you and some
18 won't, directly, because they're used to sending it to the
19 Commission. So it seems as if you want a more complete
20 packet, having it come through the Commission would be the
21 best.

22 And I think it is a good thing for you to think
23 about incorporating in the rules a number, a deadline,
24 prior to any hearing, especially since you are out of town
25 and things would have to be sent to you overnight mail

1 and -- I think ten days would not be unreasonable, at a
2 minimum.

3 CHAIRMAN WROTENBERY: I might comment too on the
4 Pendragon case, and then there are another couple of cases
5 that are going to be, I think, pretty involved and pretty
6 lengthy when they do come before the Commission. And in
7 both of those cases we are planning to hold a prehearing
8 conference. It's something Lyn will coordinate. Call the
9 parties in beforehand and discuss some procedures that
10 we'll follow to make sure that we gather all of the
11 information that we need for the hearing well in advance of
12 the hearing so that we can get it out to the Commissioners.

13 And indeed, for instance in Pendragon, we are at
14 this point thinking about requiring prefiled testimony in
15 that particular case, that we can get out to the
16 Commissioners in advance, and you will have an opportunity
17 to review it. And that should shorten the hearing process.

18 The hearing at the Division level took, if I
19 remember right, four days?

20 MS. HEBERT: Three or four.

21 CHAIRMAN WROTENBERY: Three or four days. The
22 parties have indicated that they are thinking five or six
23 now, on this hearing before the Commission. So we are
24 looking at ways to --

25 MS. HEBERT: -- shorten --

1 CHAIRMAN WROTENBERY: -- try to shorten that
2 process and make it more efficient, not to cut off
3 anybody's opportunity to present their evidence and
4 argument to the Commission, but just to try to streamline
5 it as much as possible.

6 COMMISSIONER BAILEY: Well, then, can we say that
7 as you receive information from the different parties you
8 will automatically send them to Dr. Lee and to me, and no
9 information later than ten days before the hearing? Would
10 that help?

11 COMMISSIONER LEE: Yes.

12 COMMISSIONER BAILEY: And that way we would be
13 getting it piecemeal, but we'd still have the final ten
14 days to review it all? Is that better for you?

15 COMMISSIONER LEE: Yes.

16 CHAIRMAN WROTENBERY: May I make one clarifying
17 question? Are you referring to cases like Pendragon that
18 are --

19 COMMISSIONER BAILEY: Yes.

20 CHAIRMAN WROTENBERY: -- lengthy and involved?

21 COMMISSIONER BAILEY: Uh-huh.

22 CHAIRMAN WROTENBERY: Okay.

23 MS. HEBERT: I would even suggest that with the
24 prefiled testimony, that that should be even -- you should
25 have more than ten days to be reviewing that, in that case.

1 CHAIRMAN WROTENBERY: Yeah, we will be issuing
2 some sort of an order, after the prehearing conference,
3 that lays out a schedule for submission of various -- of
4 materials like prefiled testimony and exhibits, responses
5 that might be necessary, preliminary motions, anything like
6 that. So -- And we'll make sure that you get a copy of
7 that prehearing order as well --

8 COMMISSIONER LEE: Okay.

9 CHAIRMAN WROTENBERY: -- so that you'll be able
10 to anticipate what's coming.

11 COMMISSIONER LEE: We really cannot talk to each
12 other about --

13 MS. HEBERT: About a specific case, outside the
14 context --

15 COMMISSIONER LEE: Okay.

16 MS. HEBERT: -- if it's out of a Commission
17 hearing.

18 CHAIRMAN WROTENBERY: But please feel free to
19 call in when you do have questions. And in fact, you may
20 want to schedule -- I know you don't have time today, but
21 sometime --

22 COMMISSIONER LEE: Maybe next --

23 CHAIRMAN WROTENBERY: -- when you're in Santa Fe
24 you might just want to schedule a visit with Lyn, and she
25 can walk you through the various processes for contested

1 cases and rule-makings and other matters that come before
2 the Commission.

3 And Lyn mentioned that we're going to be looking
4 at some of our procedures. One of the subjects that I'd
5 like us to discuss in more detail at a future meeting is
6 the rule-making process. I think we've done it kind of on
7 an ad-hoc basis in the past, and I like the idea of having
8 the flexibility to address all concerns that come up as
9 they come up.

10 We have had some questions about the need to
11 define the comment period in a little more detail, so that
12 all the comments get raised early on and everybody has an
13 opportunity to consider them fully. And so we might want
14 to discuss a little bit our process for rule-making and how
15 they come before us and what kind of public notice we give
16 when we do hearings, how we do hearings, that kind of
17 issue.

18 COMMISSIONER BAILEY: Go back to basics.

19 CHAIRMAN WROTENBERY: Go back to basics a little
20 bit on that.

21 So that will be something we'll be discussing,
22 probably at the April 22nd meeting, where we anticipate
23 that the Rule 104 minutes will come up for discussion, and
24 we'll need to decide how to proceed with those.

25 Okay, anything else for today's meeting?

1 COMMISSIONER LEE: Next meeting is April 22nd?

2 CHAIRMAN WROTENBERY: Yes, it is -- Does that
3 work in your calendar? Let me ask you that.

4 COMMISSIONER LEE: Please give me more than 24
5 hours.

6 CHAIRMAN WROTENBERY: We will in the future. And
7 we will now go ahead -- We ordinarily do our schedules six
8 months at a time, so we will go ahead now and probably do
9 the schedule for the rest of this calendar year. Florene
10 will be getting in touch with you --

11 COMMISSIONER LEE: All right.

12 CHAIRMAN WROTENBERY: -- to find some dates that
13 work for everybody.

14 COMMISSIONER BAILEY: Should we block in several
15 days, the 22nd and 23rd?

16 MS. HEBERT: I don't think that the Pendragon is
17 going to be ready to be heard in April, especially if we're
18 going to entertain things like prefiled testimony. I think
19 that's going to require a little more time. But I could be
20 wrong. We're having the meeting Tuesday --

21 COMMISSIONER BAILEY: Okay.

22 MS. HEBERT: -- and we'll have a better idea.

23 I've also indicated to them if they really do
24 think it's going to be more than two days, that they
25 probably aren't looking at consecutive dates, because I

1 think it's unrealistic to think that the three of you are
2 going to have three and four days at a time together.

3 Of course, only two of you need to be there, but
4 I understand that it's sometimes more onerous to have to
5 read what occurred while you weren't there.

6 COMMISSIONER BAILEY: The more lead time we have,
7 the easier it is that we can rearrange or not set up
8 meetings for the following day.

9 COMMISSIONER LEE: What's the current status of
10 that case? Are some of the wells shut in already?

11 MS. HEBERT: Yes, some are, by the district
12 judge, some of the wells in that case, and he referred the
13 matter back to the Division. And one of the outstanding
14 motions is that that's all the judge did, refer it to the
15 Division; it wasn't supposed to then go on to the
16 Commission. And that is an issue that is going to be
17 considered as well for Tuesday.

18 COMMISSIONER LEE: Do we have the ability to say
19 we want to see some scientific evidence or something, or
20 just listen to them and make a decision?

21 MS. HEBERT: At the hearing, and in response to
22 the prefiled testimony, you can ask the questions. And if
23 there's additional information you feel like you need,
24 they're more than happy, usually, to supplement the record
25 with additional evidence.

1 COMMISSIONER LEE: What I'm worried about is
2 those two zones next to each other, and I don't know
3 traditionally those two zones of gas is the same or it's
4 not. I don't know.

5 CHAIRMAN WROTENBERY: That really is what -- the
6 subject of the case. So we will be getting into -- we will
7 be hearing lots of evidence on that particular question at
8 the hearing. And I --

9 COMMISSIONER LEE: They can simply take a sample
10 and measure the isotope, and they can decide it, so...

11 CHAIRMAN WROTENBERY: And to what extent they've
12 done that --

13 COMMISSIONER LEE: No, I don't do anything.

14 CHAIRMAN WROTENBERY: I need to go back and
15 review the record. They do have some evidence related to
16 that point. I don't know if they've done the specific
17 tests --

18 COMMISSIONER LEE: Well, they've done a pressure
19 test --

20 CHAIRMAN WROTENBERY: -- that you're talking
21 about, but again, that will be one of the key issues in
22 this particular case. So we will be hearing lots of
23 testimony on that particular --

24 COMMISSIONER LEE: But we are not -- Can we make
25 the suggestion that --

1 MS. HEBERT: You can do that in a hearing, but
2 not outside of the hearing. And the Division Director, as
3 being also the Chairman, is in a unique situation because
4 she is always going to have an understanding of these *de*
5 *novo* cases that is in advance of what the other
6 Commissioners have, because she's had to sign the Division
7 order below, so...

8 COMMISSIONER LEE: By the way, what's *de novo*
9 case?

10 MS. HEBERT: It means a new -- It's not a hearing
11 on review of the record; it's a new evidentiary hearing,
12 like starting all over again.

13 COMMISSIONER LEE: Yeah, I'll check it. That's
14 why I ordered a legal dictionary.

15 CHAIRMAN WROTENBERY: Back to the question about
16 whether we should reserve April 23rd as well, we don't
17 anticipate that Pendragon will be coming up that day, but
18 we also have Burlington-PNM case pending, and we're going
19 to have a prehearing conference on that one as well. Do
20 you have any sense whether --

21 MS. HEBERT: I haven't talked with anyone about a
22 prehearing conference on that. No one has contacted me,
23 so...

24 CHAIRMAN WROTENBERY: That one will probably not
25 be ready to go forward either at that point. I think we've

1 got some preliminary work to do there as well.

2 We do have Rule 104 on the agenda. What else,
3 Florene?

4 MS. DAVIDSON: Is it Odessa, that saltwater
5 disposal? I think that was continued to April.

6 CHAIRMAN WROTENBERY: Yeah, we continued that one
7 indefinitely.

8 MS. DAVIDSON: Indefinitely, okay. I'm not sure.

9 CHAIRMAN WROTENBERY: Okay.

10 COMMISSIONER LEE: What's the PNM and Burlington?

11 CHAIRMAN WROTENBERY: It's another case that has
12 been appealed to the Commission, and it relates to the
13 responsibility for cleaning up some contamination --

14 COMMISSIONER LEE: PNM --

15 CHAIRMAN WROTENBERY: -- and the parties involved
16 are Burlington Resources and PNM.

17 So do you think April probably -- It will be a
18 significant hearing in terms of the substance, and --

19 MS. HEBERT: If it's ready.

20 CHAIRMAN WROTENBERY: -- we will be hearing --

21 MS. HEBERT: I haven't talked to anyone about it.

22 CHAIRMAN WROTENBERY: Okay.

23 COMMISSIONER BAILEY: We do have to advertise
24 next week for that --

25 CHAIRMAN WROTENBERY: I anticipate --

1 COMMISSIONER BAILEY: -- hearing.

2 CHAIRMAN WROTENBERY: -- probably one day on
3 that. But we will be needing to look for some blocks of
4 time for the Pendragon hearing and for the Burlington/PNM
5 hearing. And we will get with you just
6 as -- Well, on Pendragon we'll get with you midweek next
7 week, try to set a hearing date.

8 COMMISSIONER BAILEY: Great.

9 CHAIRMAN WROTENBERY: Okay? Good. Anything for
10 today?

11 Thank you everybody, we're adjourned.

12 (Thereupon, these proceedings were concluded at
13 9:30 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 March 25th, 1999.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002