

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. 12,346
)
APPLICATION OF THE OIL CONSERVATION)
DIVISION TO AMEND RULE 303.C THROUGH)
303.H (19 NMAC 15.E.303))
_____)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

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

CO MAY 12 PM 1:12

OIL CONSERVATION COM.

April 26th, 2000

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Wednesday, April 26th, 2000, 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.

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I N D E X

April 26th, 2000
Commission Hearing
CASE NO. 12,346

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

STEVE ROSS
Deputy General Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

* * *

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

3 CHAIRMAN WROTENBERY: So that brings us, I
4 believe, to Case 12,346. This is the Application of the
5 Oil Conservation Division to Amend Rule 303.C through
6 303.H.

7 These rule amendments were developed by a
8 downhole commingling work group that was led by David
9 Catanach. We have heard testimony on the proposed
10 amendments. At past Commission hearings we left the
11 Commission record on this matter open till last Friday for
12 any comments on the proposal.

13 We received one comment letter from the New
14 Mexico Oil and Gas Association, signed by Mr. Gallagher,
15 who's here today, endorsing the proposed changes to the
16 rule.

17 And I also want to thank you for taking the time
18 to express your appreciation to David Catanach. He did do
19 a nice job on leading that work group. And I think the
20 changes that they have proposed will go a long way toward
21 simplifying the process and reducing everybody's workload.

22 Commissioners, we did circulate a draft copy of
23 the order to you, and we've had a few suggestions. I know,
24 Commissioner Bailey, you caught one typo here. In
25 addition, I had made some editorial changes on the order

1 and then also in the text of the proposed rule amendments.

2 David, do you want a copy of these? Would you
3 like to see these changes?

4 MR. CATANACH: Sure.

5 CHAIRMAN WROTENBERY: Lyn Hebert already has a
6 copy.

7 Really, all of them are purely editorial, with on
8 exception and that was the proposed provision for
9 individual applications for downhole commingling. There
10 was a provision in here that stated that in those instances
11 where notice to interest owners is not required, the
12 Division staff shall be provided a minimum of fifteen days
13 after receipt of an administrative application for
14 processing and approval or denial.

15 I have proposed that we strike that amendment. I
16 understand, I think, what David was suggesting by including
17 this amendment, and that was that the applicants need to
18 plan ahead and give the Division staff time, given their
19 workload, to process the applications. I do think, though,
20 that in some cases, especially in recent months, we've been
21 able to process administrative applications in less time
22 than 15 days, and where our workload allows us to do that,
23 I encourage us to continue to do that. I don't know that
24 that provision is necessary in this rule, I don't know that
25 we want to codify it in the form of a rule. So I propose

1 that we strike that.

2 Commissioners, did you have any other questions
3 or suggestions on the rule amendments?

4 COMMISSIONER BAILEY: No, it just appears that
5 most of these changes this morning are simply cosmetic.

6 CHAIRMAN WROTENBERY: That's right.

7 David, did you have any comments or questions on
8 any of these?

9 MR. CATANACH: No.

10 COMMISSIONER BAILEY: Okay with me.

11 CHAIRMAN WROTENBERY: Okay. Was there anybody in
12 attendance who wanted to make a statement about the
13 proposed rule amendments? I don't see anybody.

14 With that, then, we do have an order here ready
15 for approval that includes the changes that I have marked
16 on the prior draft. I'll entertain a motion that we adopt
17 the proposed amendments to Rules 303.C through 303.H.

18 COMMISSIONER BAILEY: I so move.

19 COMMISSIONER LEE: Second.

20 CHAIRMAN WROTENBERY: All in favor say "Aye".

21 COMMISSIONER BAILEY: Aye.

22 COMMISSIONER LEE: Aye.

23 CHAIRMAN WROTENBERY: Aye. Okay, these
24 amendments will become effective on publication in the
25 *Register*, and when do we anticipate that will occur? Does

1 anybody know at this point? It should be within the next
2 couple of weeks.

3 MR. CATANACH: Somebody told me May 15th. I'm
4 not sure if it was Florene.

5 MS. DAVIDSON: I think it was Sally.

6 CHAIRMAN WROTENBERY: May 15 is what we believe.
7 But we will post the amendments on our web site and will
8 indicate the effective date when we post them.

9 Thank you all very much, again, to the work
10 group.

11 (Thereupon, these proceedings were concluded at
12 9:10 a.m.)

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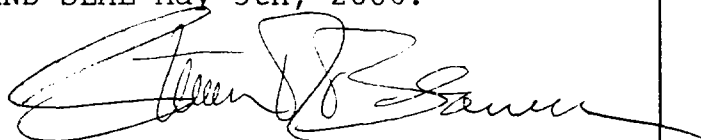
CERTIFICATE OF REPORTER

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 May 5th, 2000.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002