



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

CASE NO. 12,008 (Continued)

CASE NO. 12,426 (Closing of Session for Deliberation)

TRANSCRIPT OF PROCEEDINGS

ORIGINAL

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

February 16th, 2001

Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Friday, January 21st, 2000, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, 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

January 21st, 2000  
 Commission Hearing  
 CASE NO. 12,008 (Continued)  
 CASE NO. 12,426 (Closing of Session for Deliberation)

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## A P P E A R A N C E S

FOR THE COMMISSION:

STEPHEN ROSS  
 Deputy General Counsel  
 Energy, Minerals and Natural Resources Department  
 1220 South Saint Francis Drive  
 Santa Fe, New Mexico 87505

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   9:00 a.m.:

3           CHAIRMAN WROTENBERY: Okay, we can get started  
4   here. I don't think I'll even use the gavel; there's  
5   nobody in the audience today.

6           This is the meeting of the Oil Conservation  
7   Commission on Friday, February 16th, 2001. We're here in  
8   our new conference room in the Piñon Building, Santa Fe,  
9   New Mexico. We don't have anybody in the audience today,  
10   so I think I'll forego the introductions. All of the  
11   Commissioners are present this morning.

12           And we have a fairly short agenda, and so we'll  
13   just, I guess, get started with that and move right through  
14   it.

15                           \* \* \*

16  
17           CHAIRMAN WROTENBERY: The first item is the  
18   minutes of the last meeting of the Commission. I guess  
19   we're having quarterly meetings these days. We haven't had  
20   one since November 8th, 2000. But Commissioners, I believe  
21   you have had an opportunity to review the draft copy of the  
22   minutes. Any discussion on those?

23           CHAIRMAN WROTENBERY: I'll entertain a motion to  
24   approve the minutes of the November 8th meeting.

25           COMMISSIONER BAILEY: I move that we adopt the

1 minutes.

2 COMMISSIONER LEE: Second.

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

4 COMMISSIONER BAILEY: Aye.

5 COMMISSIONER LEE: Aye.

6 CHAIRMAN WROTENBERY: Aye. Okay, Florene, you  
7 gave me those here to sign?

8 MS. DAVIDSON: Yes.

9 CHAIRMAN WROTENBERY: And I'll sign those on  
10 behalf of the Commission. You don't have to sign those,  
11 Commissioners.

12 COMMISSIONER LEE: I'll wait.

13 \* \* \*

14

15 CHAIRMAN WROTENBERY: Okay.

16 And then the second item is the annual resolution  
17 concerning notice. And Steve, would you like to explain  
18 what we're doing here?

19 MR. ROSS: Yes, thank you, Commissioners. Every  
20 year at the first meeting of the new calendar year, any  
21 public body in the State of New Mexico has to comply with  
22 the Open Meetings Act by enacting a resolution describing  
23 how notice of its meetings will be provided. And this  
24 resolution is a copy of last year's resolution, with the  
25 appropriate changes in dates and in the address here, the

1 location of the building. It's pretty routine, it just  
2 needs to be done annually at the first meeting that the  
3 public body holds.

4 CHAIRMAN WROTENBERY: Any questions?

5 COMMISSIONER BAILEY: Is this any different from  
6 the resolution of last year?

7 MR. ROSS: No, except for the address and, you  
8 know, the dates, of course.

9 COMMISSIONER BAILEY: Okay.

10 CHAIRMAN WROTENBERY: Did we have any questions  
11 come up in the course of the year about these procedures?

12 MR. ROSS: Not that I recall.

13 CHAIRMAN WROTENBERY: I don't recall any either.

14 COMMISSIONER BAILEY: I don't either.

15 CHAIRMAN WROTENBERY: Okay. I will then  
16 entertain a motion to approve this resolution.

17 COMMISSIONER BAILEY: I move we approve this  
18 resolution.

19 COMMISSIONER LEE: Second.

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

21 COMMISSIONER BAILEY: Aye.

22 COMMISSIONER LEE: Aye.

23 CHAIRMAN WROTENBERY: Aye. And this is set up so  
24 that I sign on behalf of the Commission.

25 \* \* \*

1           CHAIRMAN WROTENBERY: And we had one case, Case  
2     Number 12,008, that was continued from the January 26th,  
3     2001, hearing, the Application of Robert E. Landreth for a  
4     determination of reasonable well costs in Lea County, New  
5     Mexico.

6           The Applicant has once again requested that we  
7     continue this case to the next Commission hearing. I have  
8     discussed this case with the attorney for the Applicant,  
9     and we've agreed that this will be the last continuance of  
10    this case. If the Applicant decides not to appear at the  
11    next Commission meeting and push forward with this matter,  
12    then the Commission will -- at least I will recommend that  
13    the Commission dismiss this particular matter. It's been  
14    pending for --

15           COMMISSIONER BAILEY: A year and a half.

16           CHAIRMAN WROTENBERY: -- many months, a year and  
17    a half. And so we will -- And I understand, more than  
18    likely it will be dismissed, but we will give the Applicant  
19    one more opportunity to move forward.

20                               \* \* \*

21  
22           CHAIRMAN WROTENBERY: And then the last item is  
23    the Case 12,426. This is the Application of Southwest  
24    Royalties, Inc., for a nonstandard gas spacing and  
25    proration unit and an unorthodox gas well location in Lea

1 County, New Mexico.

2 This case was heard *de novo* by the Commission at  
3 the November 8th hearing, and we received some additional  
4 information as requested by the Commissioners in early  
5 December.

6 At this time it might be good to take a few  
7 moments to deliberate a little bit further on the matter,  
8 so I'll entertain a motion to move into closed session for  
9 the purposes of deliberation.

10 COMMISSIONER BAILEY: I so move.

11 COMMISSIONER LEE: Second.

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

13 COMMISSIONER BAILEY: Aye.

14 COMMISSIONER LEE: Aye.

15 CHAIRMAN WROTENBERY: Aye.

16 (Off the record at 9:15 a.m.)

17 (The following proceedings had at 9:20 a.m.)

18 CHAIRMAN WROTENBERY: Okay, we'll go back on the  
19 record, and I'll entertain a motion to go back into open  
20 session.

21 COMMISSIONER BAILEY: So move.

22 COMMISSIONER LEE: Second.

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

24 COMMISSIONER BAILEY: Aye.

25 COMMISSIONER LEE: Aye.



1           CHAIRMAN WROTENBERY: Aye. Just for the record,  
2 I'll note that the only matter that we discussed while we  
3 were in closed session was the Case Number 12,426, the  
4 Application of Southwest Royalties, Inc., and thanks to our  
5 counsel, Steve Ross, we have an order before us that I  
6 think reflects the discussions that the Commission has had  
7 on this particular matter.

8           The Commissioners have reviewed this order. I'll  
9 entertain a motion that we approve the order of the  
10 Commission.

11           COMMISSIONER BAILEY: I move that we approve this  
12 order as written.

13           COMMISSIONER LEE: Second.

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

15           COMMISSIONER BAILEY: Aye.

16           COMMISSIONER LEE: Aye.

17           CHAIRMAN WROTENBERY: Aye.

18           Now, you do need your pen, Commissioner Lee, yes.  
19 Thank you.

20           Okay, that concludes that matter.

21           Florene, was there anything else that we needed  
22 to cover today?

23           MS. DAVIDSON: No.

24           CHAIRMAN WROTENBERY: Anything else?

25           Okay, I'll entertain a motion to adjourn.

1 COMMISSIONER BAILEY: I move that we adjourn.

2 COMMISSIONER LEE: Second.

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

4 COMMISSIONER BAILEY: Aye.

5 COMMISSIONER LEE: Aye.

6 CHAIRMAN WROTENBERY: Aye. Thank you all very  
7 much.

8 (Thereupon, these proceedings were concluded at  
9 9:22 a.m.)

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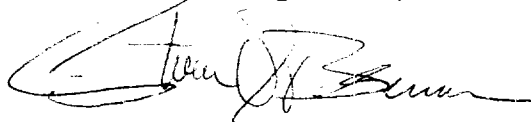
## CERTIFICATE OF REPORTER

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 16th, 2001.



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STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002