

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

CASE NOS. 12,934 12,867, 12,935, 12,567, 12,535, 12,590,  
12,569, 12,738 and 12,794 and 12,897 (Continued)

CONTINUED CASES  
TRANSCRIPT OF PROCEEDINGS

BEFORE: LORI WROTENBERY, CHAIRMAN  
JAMI BAILEY, COMMISSIONER

September 27th, 2002

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Friday, September 27th, 2002, 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.

\* \* \*

STEVEN T. BRENNER, CCR  
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## I N D E X

September 27th, 2002  
Commission Hearing  
CASE NOS. 12,934 12,867, 12,935, 12,567, 12,535, 12,590,  
12,569, 12,738 and 12,794 and 12,897 (Continued)

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

FOR THE COMMISSION:

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

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1           WHEREUPON, the following proceedings were had at  
2   9:05 a.m.:

3           CHAIRMAN WROTENBERY: Go on the record, go ahead  
4   and make a note. It's the Commission's hearing on Friday,  
5   September 27th, 2002. It's a little after 9:00 a.m., and  
6   we're in Porter Hall in Santa Fe, New Mexico.

7           We have two Commissioners present today, which  
8   does make a quorum. I'm Lori Wrotenbery, serving as Chair  
9   of the Commission, and Commissioner Jami Bailey is also  
10  present representing Land Commissioner Ray Powell.

11          Commissioner Robert Lee could not be here today,  
12  and so we are going to defer action -- or defer hearing  
13  testimony, in one of the cases in which I think it's very  
14  important that he be here, and that is Case 12,934, which  
15  is the Application of the New Mexico Oil Conservation  
16  Division for repeal of Rule 402, the method and time of  
17  shut-in pressure tests. We were going to hear a  
18  presentation from the Division on that proposal today, as  
19  well as hear any public testimony, but since Commissioner  
20  Lee can't be here, we've decided to take that up at our  
21  October meeting instead.

22          We also have several other cases that have been  
23  continued or dismissed, either one.

24          One is Case 12,867. This is the Application of  
25  the Oil Conservation Division to amend and adopt rules

1 pertaining to surface commingling. And there's a note on  
2 the docket that this case will be dismissed.

3 Mr. Brooks, can you explain what's the status of  
4 that case?

5 MR. BROOKS: Madame Chairman, Commissioner  
6 Bailey, there are two surface commingling cases that have  
7 been filed. That was the result of an administrative  
8 error. I filed one, not knowing that a previous  
9 Application had actually been filed.

10 The first Application is being dismissed. The  
11 Division is requesting that the second Application be  
12 continued till the November docket.

13 CHAIRMAN WROTENBERY: Okay, and I see that now.  
14 The second Application is Case 12,935.

15 MR. ROSS: Right.

16 CHAIRMAN WROTENBERY: And it's the Application of  
17 the New Mexico Oil Conservation Division to amend Rules  
18 303.B, 309.B, 309.C, 303.A and 309.A. And that case has  
19 been continued to --

20 MR. BROOKS: -- to the November --

21 CHAIRMAN WROTENBERY: November 22nd.

22 MR. BROOKS: Correct. Thank you.

23 CHAIRMAN WROTENBERY: Thank you.

24 And then we have a set of cases numbered 12,567,  
25 12,535, 12,590, 12,569, 12,738 and 12,794, relating to

1 competing compulsory pooling Applications of Ocean Energy  
2 Resources, Yates Petroleum Corporation and -- I was  
3 thinking David Arrington was involved in those cases too,  
4 but am I thinking of the wrong set of cases?

5 At any rate, those Applications are being heard  
6 *de novo* by the Commission, and the parties have requested  
7 that the cases be continued for six months. They are  
8 continuing to work with one another, as I understand it, to  
9 try to resolve those issues.

10 No, that is not the set of cases that involved  
11 Arrington, I was confused there. Now I see what we've got  
12 going here.

13 Okay, and then Case 12,897 is the Application of  
14 the New Mexico Oil Conservation Division through the  
15 Environmental Bureau Chief for the adoption of amendments  
16 to Division Rule 118 on hydrogen sulfide gas, and we took  
17 additional testimony in that case and determined to  
18 continue the Case to the October 25th meeting.

19 I think that takes care of the pending matters  
20 that we need to address today.

21 The minutes of the August 30th, 2002, Commission  
22 Hearing are also on the docket. And Commissioner Bailey,  
23 have you had a chance to review these minutes?

24 COMMISSIONER BAILEY: Yes, I have, and I move  
25 that we adopt them.

1           CHAIRMAN WROTENBERY: And I'll second that  
2 motion. All in favor say "Aye".

3           COMMISSIONER BAILEY: Aye.

4           CHAIRMAN WROTENBERY: Aye. And I'll sign those  
5 on behalf of the Commission. Thank you.

6           (Thereupon, these proceedings were concluded at  
7 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 September 27th, 2002.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002