

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

CASE NOS. 12,792, 12,905, 12,862, 13,029 and 13,030

AWAITING FINAL COMMISSION ACTION

NO EVIDENCE OR TESTIMONY TAKEN

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

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

RECEIVED
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Oil Conservation Division

May 15th, 2003

Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Thursday, May 15th, 2003, 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

May 15th, 2003
 Commission Hearing
 CASE NOS. 12,792, 12,905, 12,862, 13,029 and 13,030
 (Awaiting final Commission Action -
 No evidence or testimony taken)

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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

* * *

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

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

3 CHAIRMAN WROTENBERY: Okay, we'll go ahead and
4 get started this morning. It's shortly after 9:00 a.m. on
5 May 15th, 2003. This is a meeting of the Oil Conservation
6 Commission. We're in Porter Hall, in Santa Fe, New Mexico.

7 I'm Lori Wrotenbery, I serve as Chair of the
8 Commission.

9 To my right is Jami Bailey, who represents Land
10 Commissioner Patrick Lyons on the Commission.

11 And to my left is Dr. Robert Lee, who serves as
12 the appointee to the Commission of the Secretary of the
13 Energy, Minerals and Natural Resources Department.

14 To my far right is Florene Davidson, the
15 Commission's secretary.

16 To Dr. Lee's left, Steven Ross, the Commission's
17 legal counsel.

18 And then Steve Brenner will be recording these
19 proceedings for us here today.

20 We've got a number of items, Commissioners, that
21 I think are ready for final action this morning, so we'll
22 go through those pretty quickly here at the outset.

23 First are the minutes of the April 17th, 2003,
24 Commission Hearing. Have you had a chance to review those
25 minutes?

1 COMMISSIONER BAILEY: Yes, I have, and I move we
2 adopt them.

3 COMMISSIONER LEE: Second.

4 CHAIRMAN WROTENBERY: All in favor say aye.

5 COMMISSIONER BAILEY: Aye.

6 COMMISSIONER LEE: Aye.

7 CHAIRMAN WROTENBERY: Aye. And I'll sign on
8 behalf of the Commission.

9 * * *

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11 CHAIRMAN WROTENBERY: Okay, in addition we have a
12 draft final order in Case Number 12,792. This is the
13 Application of the New Mexico Oil Conservation Division for
14 an order requiring Kelly H. Baxter to properly plug seven
15 wells, imposing civil penalties in the event of failure to
16 comply, authorizing the Division to plug said wells in
17 default of compliance by Kelly H. Baxter or his surety, and
18 ordering forfeiture of applicable plugging bond, in Lea
19 County, New Mexico.

20 Commissioners, have you had a chance to review
21 the draft order?

22 COMMISSIONER BAILEY: Yes, I have, and I move
23 that we sign it.

24 COMMISSIONER LEE: Second.

25 CHAIRMAN WROTENBERY: All in favor say aye.

1 COMMISSIONER BAILEY: Aye.

2 COMMISSIONER LEE: Aye.

3 CHAIRMAN WROTENBERY: Aye.

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6 CHAIRMAN WROTENBERY: We also have a draft order
7 in Case Number 12,905. This is the Application of
8 Pronghorn Management Corporation for approval of a
9 saltwater disposal well in Lea County, New Mexico.

10 Again, have you had a chance to review this
11 order?

12 COMMISSIONER BAILEY: Yes, I have, and I move
13 that we sign it.

14 COMMISSIONER LEE: Second.

15 CHAIRMAN WROTENBERY: All in favor say aye.

16 COMMISSIONER BAILEY: Aye.

17 COMMISSIONER LEE: Aye.

18 CHAIRMAN WROTENBERY: Aye.

19 * * *

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21 CHAIRMAN WROTENBERY: In Case Number 12,862 we
22 have a draft order in the matter of the Application of the
23 New Mexico Oil Conservation Division for an order requiring
24 N. Dale Nichols to bring eight wells into compliance with
25 Rule 201.B and assessing appropriate civil penalties, in

1 Chaves County, New Mexico.

2 Have you had a chance to review this draft,
3 Commissioners?

4 COMMISSIONER BAILEY: Yes, I have, and I move we
5 sign it.

6 COMMISSIONER LEE: Second.

7 CHAIRMAN WROTENBERY: All in favor say aye.

8 COMMISSIONER BAILEY: Aye.

9 COMMISSIONER LEE: Aye.

10 CHAIRMAN WROTENBERY: Aye.

11 * * *

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13 CHAIRMAN WROTENBERY: Okay, and then the last two
14 draft orders we have today were orders in the rule-making
15 matters that we heard at the last Commission meeting.
16 First is Case 13,029, the Application of the Oil
17 Conservation Division to amend Rule 1107 concerning
18 applications for multiple completions, Form C-107.

19 Again, have you had a chance to review the draft
20 order?

21 COMMISSIONER BAILEY: Yes, I have, and I move
22 that we sign it.

23 COMMISSIONER LEE: Second.

24 CHAIRMAN WROTENBERY: All in favor say aye.

25 COMMISSIONER BAILEY: Aye.

1 COMMISSIONER LEE: Aye.

2 CHAIRMAN WROTENBERY: Aye.

3 * * *

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5 CHAIRMAN WROTENBERY: And the other rule-making
6 order is in Case Number 13,030, the Application of the Oil
7 Conservation Division to amend Rule 1209 concerning
8 continuance of a hearing without new service.

9 And this is the last time I'll ask you this
10 today. Have you had a chance to review this draft order?

11 COMMISSIONER BAILEY: Yes, I have, and I move
12 that we sign it.

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 * * *

19

20 CHAIRMAN WROTENBERY: Thank you, Florene.

21 And we still have in the works a draft order in
22 the consolidated Cases 12,816, 12,841, 12,859 and 12,860.
23 These were Applications of TMBR/Sharp Drilling, Inc.; Ocean
24 Energy, Inc.; and David H. Arrington, Inc., for compulsory
25 pooling in Lea County, New Mexico. And that order should

1 be ready for adoption at the next Commission hearing, which
2 is scheduled for June 12th, 2003.

3 (Thereupon, these proceedings were concluded at
4 9:10 a.m.)

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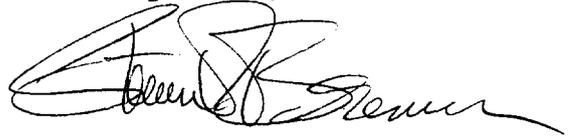
CERTIFICATE OF REPORTER

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 15th, 2003.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006