

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

CASE NOS. 12,734, 12,897, 12,792 and 12,828  
CONTINUED CASES

CASE NO. 12,935  
FINAL COMMISSION ACTION  
NO EVIDENCE OR TESTIMONY TAKEN

TRANSCRIPT OF PROCEEDINGS

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

12/13/02 10:51 AM

December 13th, 2002  
Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Friday, December 13th, 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.

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## I N D E X

December 13th, 2002  
Commission Hearing

CASE NOS. 12,734, 12,897, 12,792 and 12,828 (Continued)

CASE NO. 12,935 (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:

CHERYL BADA  
Assistant 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   9:00 a.m.:

3           CHAIRMAN WROTENBERY: Okay, we'll call this  
4   meeting to order. This is an Oil Conservation Commission  
5   hearing. It's Friday, December 13th, 2002, shortly after  
6   9:00 a.m. We're in Porter Hall in Santa Fe, New Mexico,  
7   and all three Commissioners are present this morning.

8           We have some catch-up work to do on minutes of  
9   the last several meetings. We had so many in October and  
10   November that we got behind on adoption of the minutes, but  
11   we do have four sets of minutes to review and approve.

12           The first is for the Commission Hearing held on  
13   October 21st and 22nd, 2002. We also have the minutes of  
14   the hearing held on October 25th, 2002, the minutes of the  
15   hearing held on October 29th through the 31st, 2002, and  
16   the minutes of the hearing held by the Commission on  
17   November 22nd, 2002.

18           And Commissioners, have you had a chance to  
19   review these minutes?

20           COMMISSIONER BAILEY: Yes, I've had a chance, and  
21   I move that we adopt them.

22           COMMISSIONER LEE: Second.

23           CHAIRMAN WROTENBERY: All in favor say aye.

24           COMMISSIONER BAILEY: Aye.

25           COMMISSIONER LEE: Aye.

1           CHAIRMAN WROTENBERY: Aye. And I will sign those  
2 on behalf of the Commission.

3           So a couple of announcements I need to make for  
4 the record.

5           We have a couple of cases that we do to plan to  
6 take action in this year, but it will not be today. We  
7 will continue these cases to a special Commission meeting  
8 that will be held at 9:00 a.m. on Thursday, December 19th.

9           And those cases are Case 12,734 -- this is the  
10 Application of Richardson Operating Company to establish a  
11 special "infill well" area within the Basin-Fruitland Coal  
12 Gas Pool as an exception from Rule 4 of the special rules  
13 for this pool in San Juan County, New Mexico -- and also  
14 Case 12,897 -- this is the Application of the New Mexico  
15 Oil Conservation Division through the Environmental Bureau  
16 Chief for the adoption of amendments to Division Rule 118  
17 -- we need to consider a couple of clerical corrections to  
18 the text of the Rule that was adopted on November 22nd.  
19 But as I said, we'll do both of those cases next Thursday.

20           And then we also had a couple of cases on the  
21 agenda that will be continued to the Commission's hearing  
22 in January, and those are Cases 12,792 -- it's the  
23 Application of the New Mexico Oil Conservation Division for  
24 an order requiring Kelly H. Baxter to properly plug seven  
25 wells in Lea County, New Mexico -- and Case 12,828, the

1 Application of David H. Arrington Oil and Gas, Inc., for  
2 compulsory pooling in Lea County, New Mexico. Both of  
3 those will be heard in January.

4 \* \* \*

5  
6 CHAIRMAN WROTENBERY: And that leaves us with one  
7 item of business today, and that is Case 12,935, the  
8 Application of the New Mexico Oil Conservation Division to  
9 amend Rules 303.B, 309.B, Rule 309.C, and to make  
10 conforming amendments to Rule 303.A and 309.A.

11 And we took testimony in this matter at the  
12 Commission Hearing on November 22nd. We left the record  
13 open for additional comments until -- I'm drawing a blank  
14 on the date. It was the --

15 COMMISSIONER BAILEY: --13th.

16 CHAIRMAN WROTENBERY: -- the 13th of December. I  
17 believe we got one additional comment, then, from Marathon  
18 during that time period. They sent an e-mail note in  
19 support of the Rule. And we did also, I believe, have the  
20 staff talk with the staff of the Land Office in the  
21 meantime, to make sure that the Land Office staff was  
22 comfortable with the changes that the Commission requested  
23 at the November 22nd hearing.

24 So there is a draft order in front of you,  
25 Commissioners. Have you had a chance to review that draft?

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

3           COMMISSIONER LEE: Second.

4           CHAIRMAN WROTENBERY: All in favor say aye.

5           COMMISSIONER BAILEY: Aye.

6           COMMISSIONER LEE: Aye.

7           CHAIRMAN WROTENBERY: So that's a pretty simple  
8 matter there.

9           I would like to say -- and the Order reflects  
10 what I'm about to say -- we do appreciate the work of the  
11 work group that was convened to review the surface  
12 commingling Rules and suggest changes, and in particular  
13 I'd like to thank Mr. Ezeanyim and Mr. Brooks for their  
14 work on getting this proposal in order and ready for  
15 adoption by the Commission. Thank you very much.

16           Where is that version of the -- Oh, it's this  
17 one. I was thinking that was the draft. We just need to  
18 sign it at this point.

19           Okay, so that work is complete, and we'll ask the  
20 staff to have this Rule published in the *Register*.

21           I believe that's everything that we had for  
22 today. Florene, is that right?

23           MS. DAVIDSON: Right.

24           CHAIRMAN WROTENBERY: So entertain a motion to  
25 adjourn.

1 COMMISSIONER BAILEY: I move we adjourn.

2 CHAIRMAN WROTENBERY: Do you second?

3 COMMISSIONER LEE: Second.

4 CHAIRMAN WROTENBERY: All in favor say aye.

5 COMMISSIONER BAILEY: Aye.

6 COMMISSIONER LEE: Aye.

7 CHAIRMAN WROTENBERY: Aye. Thanks.

8 (Thereupon, these proceedings were concluded at

9 9:12 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 December 13th, 2002.




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STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 16th, 2006