

NEW MEXICO OIL CONSERVATION COMMISSION

COMMISSION HEARING

SANTA FE, NEW MEXICO

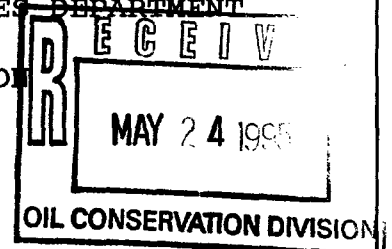
Hearing Date MAY 11, 1995 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Richard Brakey Kellerman Maurice Tumina	PARADO Kellerman & Kellerman R.W. Bryan	Emme Santa Fe SF
Al Green	BTG	FMN
David Baye	EI PASO Natural Gas	FMN
Ruth Andrews Victor Lyon	WMOBA Gas Co / Wm	Santa Fe Santa Fe
Rand Carroll	OCD	SF
Bill Olson	OCD	SF
Denny Foust	OCD	Aztec
Frank T. Chavez	"	"
P.W. Sanchez	OCD	SF
Ned Kendrick	Montgomery & Andrews	SF
Ken Mares	C127	Hubbs

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. 10,907

HEARING CALLED BY THE OIL)
 CONSERVATION DIVISION)
)

REPORTER'S TRANSCRIPT OF PROCEEDINGSCOMMISSION HEARING**ORIGINAL**

BEFORE: WILLIAM J. LEMAY, CHAIRMAN
 WILLIAM WEISS, COMMISSIONER
 JAMI BAILEY, COMMISSIONER

May 11th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil
 Conservation Commission on Thursday, May 11th, 1995, at the
 New Mexico Energy, Minerals and Natural Resources
 Department, Porter Hall, 2040 South Pacheco, Santa Fe, New
 Mexico, before Steven T. Brenner, Certified Court Reporter
 No. 7 for the State of New Mexico.

* * *

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

I N D E X

May 11th, 1995
Commission Hearing
CASE NO. 10,907

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

CAROL LEACH
General Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR THE OIL CONSERVATION DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 9:02 a.m.:

3 CHAIRMAN LEMAY: Good morning, this is the Oil
4 Conservation Commission.

5 My name is Bill LeMay, Chairman of the
6 Commission.

7 On my left is Commissioner Bill Weiss.

8 On my right, Commissioner Jami Bailey,
9 representing the Commissioner of Public Lands, State of New
10 Mexico.

11 Carol Leach is our General Counsel for the
12 Department, and is acting as the attorney for the
13 Commission.

14 Thank you for being here.

15 We will begin by calling Case 10,907, which is a
16 case being called by the Oil Conservation Division to amend
17 Rules 1111, 1112 and 1115 of its General Rules and
18 Regulations.

19 We have been keeping this on the docket to amend
20 it if and when ONGARD -- I'll say "when" ONGARD is fully
21 operational, because we feel there will be some rule
22 changes necessary.

23 At this point in time, the interim order of the
24 Commission provides for the filing of C-115 -- -111 forms,
25 on the 15th day of the second month following the month of

1 production. And there has been ample testimony in the
2 record, I think, to support that finding.

3 The matter of fines, when it was raised at that
4 time, because we were having -- We were having problems as
5 well as industry having problems conforming with the new
6 system. We decided not to fine.

7 There's been a recommendation that we actually
8 extend those interim rules until the Commission -- or the
9 Division -- decides that it's timely to bring them back.

10 So is there anyone here that has anything to say
11 about Case 10,907? Any recommendation, comments for the
12 Commission to take under consideration?

13 MR. CARROLL: Mr. Chairman, I'm Rand Carroll on
14 behalf of the New Mexico Oil Conservation Division.

15 CHAIRMAN LEMAY: Yes, sir, Mr. Carroll?

16 MR. CARROLL: And on behalf of the Division, we
17 would like a continuance of this case for two months.

18 I spoke to Ed Martin, who is the OCD person in
19 charge of ONGARD, and he thought two more months would be
20 sufficient time for the last bugs to be ironed out of
21 ONGARD to provide for the filing of these reports. And he
22 anticipates that the interim order will be incorporated in
23 the amended rules, that the 15th day of the second month
24 following production will be the permanent rules.

25 But he would like two more months, and I request

1 two more months.

2 CHAIRMAN LEMAY: Okay, is there any more --
3 anyone else would like to comment on 10,907 in terms of
4 recommendations to the Commissions

5 Mr. Carroll, did he say a minimum two months?
6 That doesn't sound like a whole lot of time to get all that
7 worked out.

8 MR. CARROLL: Mr. Chairman, he was almost ready
9 today, except he was out of the office, and we thought two
10 more months would just give us time to get the rules in the
11 final form. They were required to change the date, and we
12 thought 30 days might be too short a period of time, but 60
13 days would be sufficient.

14 CHAIRMAN LEMAY: Does anybody have any problem
15 with that? Bill?

16 COMMISSIONER WEISS: Can you tell me the status
17 of ONGARD? Is the data set complete? Do we have all the
18 production records now in a digital form or --

19 MR. CARROLL: No, I can't tell you that,
20 Commissioner Weiss.

21 CHAIRMAN LEMAY: Okay, is there any objection to
22 that continuing until the July hearing then?

23 If not, Case Number 10,907 will be continued to,
24 I think it's the July 6th Commission hearing. I don't have
25 that either.

1 After the break I'll come back, and we have a
2 schedule of hearing dates for the Commission -- I just
3 didn't bring those in with me -- but I think it is July
4 6th, and I think it's the first Thursday in August, for
5 those of you taking notes on it. We have hearing dates on
6 through November, and those will be read into the record,
7 presented after the first break.

8 (Off the record at 9:08 a.m.)

9 (The following proceedings had at 10:58 a.m.)

10 It was announced at the beginning of the hearing
11 that we would continue Case 10,907 until the July 6th
12 hearing.

13 A correction on that. We're going to hear that
14 August 3rd. So what -- we're going to be giving Dave
15 Martin and the Socorro group three months.

16 The reason for that is, Gary Carlson, who sits in
17 as Commissioner, will not be available on July 6th, and he
18 does want to hear that particular case.

19 So that will be continued to August 3rd.

20 (Thereupon, these proceedings were concluded at
21 10:59 a.m.)

22 * * *

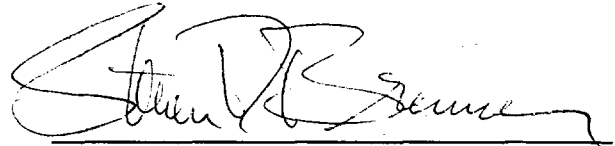
CERTIFICATE OF REPORTER

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, 1995.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998