

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Meeting Minutes
Special Meeting
May 22, 2018
Porter Hall
Wendell Chino Building
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

MEMBERS PRESENT:

Heather Riley Chair, Oil Conservation Division
Robert Balch Designee, Energy, Minerals and Natural Resources Department
Ed Martin Designee, New Mexico State Land Commissioner

OTHERS PRESENT:

Bill Brancard, Counsel for the Commission
Florene Davidson, Commission Clerk

Item 1. Roll Call.

Roll was taken; a quorum was present.

Item 2. Approval of Agenda.

Action: Commissioner Balch moved adoption of the agenda. Commissioner Martin seconded the motion. The motion passed unanimously.

Item 3. Approval of minutes of April 17-20, 2018 special meeting.

Action: Commissioner Martin moved to approve the minutes. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 4. Case No. 15957: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION TO AMEND RULES OF THE COMMISSION CONCERNING THE DRILLING, SPACING, AND OPERATION OF HORIZONTAL WELLS AND RELATED MATTERS BY AMENDING VARIOUS SECTIONS OF RULES 19.15.2, 19.15.4, 19.15.14, 19.15.15, AND 19.15.16 NMAC; STATEWIDE

Action: Counsel Brancard stated that he had sent to each Commissioner a final version of the proposed rules agreed upon by the Commission after deliberation at the previous hearing and a draft order for their review. Commissioner Martin moved to adopt the rules in the final form and to adopt the order. Commissioner Balch seconded the motion. The motion passed unanimously. Counsel Brancard explained that there is a 20-day waiting period after the signing of the order to allow for a request for rehearing. If nobody applies for a rehearing, the rules can be filed with the State Records Center and will become effective when they are published in the New Mexico Register on June 26, 2018.

Item 5. ***Case No. 15855 (De Novo): Application of Delaware Energy LLC to Revoke the Injection Authority Granted Under SWD-1680 for the Alpha SWD No. 1 Well Operated by Alpha SWD Operating LLC, Eddy County, New Mexico.***

Action: This case was called in order to hear arguments from counsel on the Motion for Judgement Based on the Division Record filed by counsel for Delaware Energy LLC. Appearances were made by Michael Feldewert for Delaware Energy LLC (Delaware) and Gary Larson for Alpha SWD Operating LLC (Alpha).

Arguments were made by Mr. Feldewert and Mr. Larson and they responded to questions from the Commission and Counsel Brancard.

Commissioner Balch moved to go into Executive Session. Commissioner Martin seconded the motion. The motion passed unanimously. After deliberations, the Commission went back into open session. Counsel Brancard announced that the only matters discussed during the Executive Session were the adjudicatory matters specific to De Novo Case No. 15855. He stated that the Commission denies the Motion from Delaware and sets this matter to hearing but limits the hearing to certain jurisdictional matters. A discussion was held on hearing dates and it was decided to continue this case to the regularly scheduled Commission meeting beginning on July 19, 2018.

Item 6. **Other business**

Action: A discussion was held to determine a hearing date for De Novo Case No. 15844, Amended Application of XTO Energy Inc. for Approval of the Expansion of the James Ranch Unit. The Commission unanimously agreed to hear the case on June 26, 2018. Subsequent to the hearing, the hearing of this case was changed to June 21, 2018,

Item 7. **Next meeting:** June 5, 2018

Item 8. **Adjournment.**

Chair Riley adjourned the meeting at 10:55 a.m.


HEATHER RILEY, Chair