

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

Re:

Case Numbers 14784 and 14785

Case Number 14976

Case Number 14948

Annual Resolution

ORIGINAL

TRANSCRIPT OF PROCEEDINGS
COMMISSION MEETING
April 16, 2013
1220 South St. Francis
Santa Fe, New Mexico

THE COMMISSION:
JAMI BAILEY, Chairperson

DR. ROBERT BALCH, Commissioner
TERRY WARNELL, Commissioner

CHERYL BADA, ESQ.

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REPORTED BY: PAUL BACA, CCR #112
PAUL BACA COURT REPORTERS
500 4th Street, NW, Suite 105
Albuquerque, New Mexico 87102

1 MADAM CHAIR BAILEY: Good morning.

2 This is a meeting of the Oil Conservation
3 Commission on Tuesday, April 16, at 9:00, in Porter
4 Hall, in Santa Fe, New Mexico.

5 To my right is Commissioner Terry Warnell,
6 who is the designee of the Commissioner of Public
7 Lands.

8 To my left is Dr. Robert Balch, who is the
9 designee of the Secretary of Energy, Minerals, and
10 Natural Resources Department.

11 And I'm Jami Bailey, the Division Director
12 for the OCD.

13 We have before us several items to be
14 taken care of, but we do have a quorum of the
15 Commissioners.

16 Have you had a chance to read the minutes
17 of the meetings for March 19, 20, and 26?

18 COMMISSIONER WARNELL: Yes, I have.

19 COMMISSIONER BALCH: And I have.

20 MADAM CHAIR BAILEY: Do I hear a motion to
21 adopt the minutes as presented?

22 COMMISSIONER WARNELL: I make a motion
23 that we adopt the minutes as presented.

24 COMMISSIONER BALCH: I'll second.

25 MADAM CHAIR BAILEY: All those in favor?

1 COMMISSIONERS: Aye.

2 MADAM CHAIR BAILEY: And I will sign on
3 behalf of the commission and transport that to the
4 commission secretary.

5 I will call Cases 14784 and 14785.

6 The signing of the order in those cases
7 has been continued from today to a future date yet
8 to be determined, although we do expect it to be
9 early May.

10 Case Number 14976, which is the
11 application of Occidental Permian, Limited, for
12 approval to add the North Hobbs Grayburg-Andres Unit
13 Well No. 431 as an injection well for water, carbon
14 dioxide, and produced gas in its North Hobbs
15 Grayburg-San Andrus tertiary recovery project,
16 located within the Hobbs Grayburg-San Andrus pool,
17 in Lea County, New Mexico. That case has been
18 continued to the May 9 commission meeting.

19 Now, we will take up the annual resolution
20 setting forth reasonable notice standards for
21 commission public meetings, pursuant to the
22 New Mexico Open Meetings Act, which is 10-15-1.D,
23 NMSA 1978.

24 Commission Counsel, who is Cheryl Bada
25 today, could you explain the differences between

1 this year's open meetings resolution and last
2 year's?

3 MS. BADA: The main difference is that
4 it's been changed to address the recently enacted
5 legislation that will go into effect in July that
6 requires final agendas to be available 72 hours
7 before the meeting.

8 As a result of that, I also changed the
9 special meeting notice from 48 hours to 72 hours, in
10 order to comply with the agenda requirements.

11 MADAM CHAIR BAILEY: Okay. Commissioners,
12 have you had a chance to see the draft resolution?

13 COMMISSIONER BALCH: I have.

14 COMMISSIONER WARNELL: I have, yes.

15 MADAM CHAIR BAILEY: Do I hear a motion to
16 adopt this resolution?

17 COMMISSIONER BALCH: I will make the
18 motion to adopt the resolution.

19 COMMISSIONER WARNELL: I will second that
20 motion.

21 MADAM CHAIR BAILEY: All those in favor?

22 COMMISSIONERS: Aye.

23 MADAM CHAIR BAILEY: And we'll each sign.

24 That brings us to Case Number 14948,
25 applications of Los Lobos Renewable Power, LLC,

1 Forms G-112, for approval to inject into a
2 geothermal aquifer through two proposed geothermal
3 injection wells at the site of the proposed
4 Lightning Dock Geothermal Power Project, in Hidalgo
5 County, New Mexico.

6 We have concluded testimony and received
7 closing arguments and statements of conclusion and
8 facts. It is now time for us to deliberate in this
9 case.

10 Do I hear a motion for us to go into
11 closed session in accordance with New Mexico Statute
12 10-15-1 and the OCC resolution on open meetings?

13 COMMISSIONER WARNELL: I make that motion.

14 COMMISSIONER BALCH: I will second it.

15 MADAM CHAIR BAILEY: All those in favor?

16 COMMISSIONERS: Aye.

17 MADAM CHAIR BAILEY: If you'd please clear
18 the room.

19 (A recess was taken from 9:05 a.m. to
20 11:01 a.m. for the closed deliberation session.)

21 MADAM CHAIR BAILEY: Do I hear a motion
22 for the commission to come back onto the record from
23 closed session, where the only deliberations had to
24 do with Case 14976?

25 COMMISSIONER WARNELL: I make such a

1 motion.

2 COMMISSIONER BALCH: I will second.

3 MADAM CHAIR BAILEY: All those in favor?

4 COMMISSIONERS: Aye.

5 MADAM CHAIR BAILEY: Decisions were
6 reached in Case Number 14976. And our commission
7 counsel will describe what those decisions were.

8 MS. BADA: Based on the evidence, the
9 commission finds that Los Lobos' application to use
10 wells LDCG 55-7 and 53-7 as injection wells meets
11 the requirements of the Geothermal Resources
12 Conservation Act of 19.14.93.8, NMAC.

13 The commission grants the application
14 subject to the conditions of approval provided by
15 the Oil Conservation Division as have been modified
16 by the commission.

17 In addition, the permit shall be reviewed
18 by the division in five years to ensure continued
19 compliance with the Act at 19.14.93.8.

20 Paragraphs 3, 4, and 5 of the conditions
21 of approval are modified to replace the requirement
22 to sample production well 4507, with the
23 requirements to sample any source of injected
24 fluids, as recommended by the division.

25 Paragraph 6 is modified to require that if

1 the operator deviates from a closed binary system
2 that the operator must request a hearing before the
3 commission to obtain approval for that change.

4 Paragraph 8 is modified to require the
5 operator to report pond and pit volumes whenever the
6 pond or pit is in use.

7 And to modify the second paragraph, to
8 require that if the state engineer determines that
9 existing water rights may be impaired, that OCD
10 shall require the operator to submit a replacement
11 plan.

12 Paragraph 9 is modified to require five
13 days' business notice of an MIT test that is
14 scheduled, and the requirement for annual testing is
15 maintained.

16 Paragraph 11 adopts the request by
17 Los Lobos to include minor modifications.

18 And paragraph 12 is maintained with the
19 modification requested by the OCD at the March 26
20 hearing.

21 MADAM CHAIR BAILEY: Is there any other
22 business before the commission today?

23 Then do I hear a motion to adjourn?

24 COMMISSIONER WARNELL: I make a motion to
25 adjourn.

1 COMMISSIONER BALCH: I will second the
2 motion.

3 MADAM CHAIR BAILEY: All those in favor?

4 COMMISSIONERS: Aye.

5 MADAM CHAIR BAILEY: Meeting adjourned.

6 (Proceedings concluded.)

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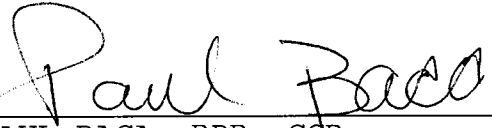
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CERTIFICATE

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I, Paul Baca, RPR, CCR in and for the State of New Mexico, do hereby certify that the above and foregoing contains a true and correct record, produced to the best of my ability via machine shorthand and computer-aided transcription, of the proceedings had in this matter.


PAUL BACA, RPR, CCR
Certified Court Reporter #112
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