

**MINUTES OF THE MEETING
OF THE OIL CONSERVATION COMMISSION
HELD ON JULY 17, 2014**

The Oil Conservation Commission met at 9 o'clock a.m. on July 17, 2014, in Porter Hall, Wendell Chino Building, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

PRESENT: **ROBERT BALCH, Member**
 TERRY WARNELL, Member
 JAMI BAILEY, Chair

Bill Brancard served as the Commission counsel.

The meeting was called to order by Chair Bailey. After a motion by Commissioner Balch and a second to the motion by Commissioner Warnell, the minutes of the June 19, 2014 Commission Meeting were unanimously approved and adopted.

Case 15127, the application of DCP Midstream, LP for authorization to inject acid gas into the Artesia AGI #2 Well, Section 7, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, was called for final action. Counsel Brancard stated that he had made the draft order presented to him consistent with the conditions in previous acid gas well orders entered by the Commission. Commissioner Balch made a motion to adopt the order and Commissioner Warnell seconded the motion, and the Commission unanimously approved and signed Order No. R-13861 in Case 15127.

De Novo Case 15035, the application of COG Operating LLC for two non-standard project areas, two non-standard oil spacing and proration units, and approval of non-standard locations for two wells in Lea County, New Mexico, was called and consolidated with De Novo Case 15044, the application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Appearances were made by Michael Feldewert for COG Operating LLC; James Bruce for Yates Brothers, Yates Holdings LLC, Sugarberry Oil and Gas Corporation and Katy Pipeline and Production Corporation; Ernest Padilla for EOG Resources, Inc.; and Germaine Chappelle for Inland Title, LLC and Occidental Permian. Mr. Feldewert stated that all parties have agreed on a development plan for the subject acreage which will require an amendment to the existing Division order. He asked that the cases be remanded back to the Division level so that the parties can work with the Division in issuing a revised order. Mr. Bruce withdrew his motion for continuance of the two cases and he, Mr. Padilla and Ms. Chappelle supported the request to remand.

Counsel Brancard asked Mr. Feldewert to submit a draft order remanding the cases to the Division and attach a stipulation stating that an agreement has been reached which the parties would like to present to the Division hearing examiners. After a motion by Commissioner Balch and a second to the motion by Commissioner Warnell, the Commission unanimously agreed to adopt an order remanding De Novo Cases 15035 and 15044 to the Oil Conservation Division and authorized Chair Bailey to sign the order.

After a motion by Commissioner Balch and a second to the motion by Commissioner Warnell, the Commission unanimously agreed to adjourn the meeting at 9:10 a.m.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY, Chair