

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

DEC 10 23 12:57

ORIGINAL

MEETING OF THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE
OF CONSIDERING:

Order in Case No. 15327, Application of COG
Operating LLC for a Nonstandard Spacing and Proration
Unit and Compulsory Pooling, Lea County, New Mexico;
and Cases 15105, 15281, 15282, et al.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONERS MEETING
December 10, 2015
Santa Fe, New Mexico

BEFORE: DAVID R. CATANACH, CHAIRPERSON
ROBERT S. BALCH, COMMISSIONER
PATRICK PADILLA, COMMISSIONER
BILL BRANCARD, ESQ.

The following matters were heard before the
New Mexico Oil Conservation Commission on Thursday,
December 10, 2015, at the New Mexico Energy, Minerals,
and Natural Resources Department, Wendell Chino
Building, 1220 South St. Francis Drive, Porter Hall,
Room 102, Santa Fe, New Mexico.

REPORTED BY: ELLEN H. ALLANIC
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1 (Time noted 9:02 a.m.)

2 COMMISSIONER CATANACH: Good morning. This
3 is a meeting of the New Mexico Oil Conservation
4 Commission. My name is David Catanach, Chairman of the
5 Commission. The time is about 9:02 a.m. And today's
6 date is December 10th, 2015. This meeting is being
7 conducted in Porter Hall within the Wendell Chino State
8 Building.

9 At this time, I will take roll. Will the
10 Commissioners please introduce themselves for the
11 record.

12 COMMISSIONER PADILLA: Patrick Padilla,
13 designee of the Commissioner of Public Lands.

14 COMMISSIONER BALCH: Robert Balch, designee
15 of the Secretary of Energy and Minerals.

16 COMMISSIONER CATANACH: Thank you. Also
17 present today is Bill Brancard, the general counsel for
18 the department and commission attorney.

19 Commissioners, in your packet you should
20 have an agenda for today's meeting. After you've
21 examined this, can I get a motion to adopt the agenda
22 for today?

23 COMMISSIONER PADILLA: So moved.

24 COMMISSIONER BALCH: And seconded.

25 COMMISSIONER CATANACH: All in favor.

1 COMMISSIONER PADILLA: Aye.

2 COMMISSIONER BALCH: Aye.

3 COMMISSIONER CATANACH: Aye.

4 Motion to adopt today's agenda is passed.

5 Also in your packets are the draft minutes

6 from the November 5th, 2015, Commission Meeting.

7 Commissioners, if you've reviewed these, do you have any
8 changes to the minutes?

9 COMMISSIONER BALCH: I've reviewed them. I
10 have no changes.

11 COMMISSIONER PADILLA: Likewise, I have no
12 changes.

13 COMMISSIONER CATANACH: Okay. Do I hear a
14 motion to adopt the minutes from the November 5th, 2015,
15 Commission Meeting?

16 COMMISSIONER BALCH: I'll so move.

17 COMMISSIONER PADILLA: And I second.

18 COMMISSIONER CATANACH: All in favor.

19 COMMISSIONER BALCH: Aye.

20 COMMISSIONER PADILLA: Aye.

21 COMMISSIONER CATANACH: Aye.

22 Tell you what, I think what we will do is
23 call the continuances. There were some cases on the
24 docket for today that have been continued. I will go
25 ahead and call those just for the record.

1 Case No. 15281, case No. 15282,
2 case No. 15283, which are all three basically the same
3 type of application, the application of COG Operating,
4 LLC, for a nonstandard spacing and proration unit and
5 compulsory pooling, all three of these cases have been
6 continued to the February 11th, 2016, Commission
7 meeting.

8 Also on the docket is case No. 15322, which
9 is the Application of Key Energy Services, LLC, for
10 approval of a salt water disposal well, Eddy County, New
11 Mexico. This case has been continued to the
12 January 14th, 2016, Commission meeting.

13 So the next order of business today is to
14 review two drafts of the order in case No. 15327, which
15 was heard by the Commission on November 15th.

16 We have received a draft order from the
17 Applicant in that case, COG Operating, and we've also
18 received a draft order from the Oil Conservation
19 Division, and we distributed those orders to the
20 Commissioners.

21 And I would ask the Commission, is it the
22 pleasure of the Commission to review amended, finalized
23 as draft order in open session or in executive
24 session?

25 COMMISSIONER BALCH: I'm for executive

1 session.

2 COMMISSIONER CATANACH: Okay. Do I hear a
3 motion to go into executive session to review the
4 orders?

5 COMMISSIONER PADILLA: I would move that we
6 go into executive session to review the orders.

7 COMMISSIONER BALCH: And I will second that.

8 COMMISSIONER CATANACH: All in favor.

9 COMMISSIONER PADILLA: Aye.

10 COMMISSIONER BALCH: Aye.

11 COMMISSIONER CATANACH: Aye.

12 So at this time we will go into executive
13 session to consider the draft orders in this case.

14 (Whereupon, the Commissioners Reviewed the
15 Orders in Executive Session.)

16 (Time noted 9:06 a.m.)

17 ---oOo---

18 (Time noted 9:51 a.m.)

19 (Whereupon, the Commission Meeting Returned
20 to Open Session.)

21 COMMISSIONER BALCH: I would move that we go
22 back into open session.

23 COMMISSIONER PADILLA: I would second that
24 motion.

25 COMMISSIONER CATANACH: All in favor.

1 COMMISSIONER PADILLA: Aye.

2 COMMISSIONER BALCH: Aye.

3 COMMISSIONER CATANACH: Aye.

4 I would just like to state that during
5 executive session, we discussed the draft orders
6 submitted by the OCD and by COG in case No. 15327. And
7 we have come to an agreement as to what the order will
8 say and the revisions that we have will be done by
9 Mr. Brancard.

10 That probably will take 30 to 60 minutes to
11 make the revisions, and we will probably sign the order
12 at that time when the revisions are done and the order
13 prepared. If you guys want to stick around, you can,
14 or, if not, we can just get you a copy of the order.

15 MR. FELDEWERT: That would be great.

16 COMMISSIONER CATANACH: Mr. Feldewert did
17 make a note that I did not call case No. 15105, which
18 was also an application by COG on this docket.

19 Just for the record, this case will also be
20 continued to the February 11th, 2016, Commission
21 meeting.

22 Is there anything else, Commissioners, that
23 we need to address?

24 MR. BRANCARD: Mr. Chairman, do you want to
25 adopt the order based on your discussions? And then you

1 can close the meeting and just sign it whenever it is
2 ready. Don't have to go back into open session to sign
3 it.

4 COMMISSIONER BALCH: I would make a motion
5 to adopt the order as we agreed to and to then adjourn.

6 COMMISSIONER PADILLA: I second that.

7 COMMISSIONER CATANACH: All in favor.

8 COMMISSIONER PADILLA: Aye.

9 COMMISSIONER BALCH: Aye.

10 COMMISSIONER CATANACH: Aye.

11 Do I have a motion to adjourn?

12 COMMISSIONER PADILLA: So moved.

13 COMMISSIONER BALCH: And seconded.

14 COMMISSIONER CATANACH: All in favor.

15 COMMISSIONER PADILLA: Aye.

16 COMMISSIONER BALCH: Aye.

17 COMMISSIONER CATANACH: Aye. This

18 Commission meeting is now adjourned.

19

20 (Time noted 9:54 a.m.)

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1 STATE OF NEW MEXICO)
2) ss.
3 COUNTY OF BERNALILLO)
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7 REPORTER'S CERTIFICATE

8
9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR
10 No. 100, DO HEREBY CERTIFY that on Thursday, December
11 10, 2015, the proceedings in the above-captioned matter
12 were taken before me, that I did report in stenographic
13 shorthand the proceedings set forth herein, and the
14 foregoing pages are a true and correct transcription to
15 the best of my ability and control.

16
17 I FURTHER CERTIFY that I am neither employed by
18 nor related to nor contracted with (unless excepted by
19 the rules) any of the parties or attorneys in this case,
20 and that I have no interest whatsoever in the final
21 disposition of this case in any court.

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25


ELLEN H. ALLANIC, CSR
NM Certified Court Reporter No. 100
License Expires: 12/31/15