

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**Meeting Minutes
Regular Meeting
November 15, 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 October 11, 2018 meeting.

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

Item 4. Final action may be taken in *Case No. 16377: Application of the New Mexico Oil Conservation Division to Amend Rules of the Commission for Permitting of Wells for Underground Injection by Amending Certain Sections of Rule 19.15.26 NMAC; Statewide.*

Action: Counsel Brancard prepared a draft order that was circulated to the Commissioners for their individual review. Commissioner Balch moved to adopt the order. Commissioner Martin seconded the motion. The motion passed unanimously and all Commissioners signed Order No. R-20231 in Case No. 16377.

Item 5. Limited Rehearing of Case No. 16078 (Rulemaking): In the matter of proposed amendments to the Commission Rules on Financial Assurance and Plugging and Abandonment of Wells, 19.15.2, 19.15.8, and 19.15.25 NMAC

Action: Appearances were made by David Brooks for the Oil Conservation Division (OCD), Gary Larson for the Independent Petroleum Association

of New Mexico (IPANM), and Larry Marker pro se. Mr. Brooks and Mr. Marker made opening statements.

OCD's witness was Daniel Sanchez, Compliance and Enforcement Manager for the OCD in Santa Fe, New Mexico. He explained that the proposed amendments were limited to changes to 19.15.8 NMAC which pertained to the applicability of financial assurance requirements to federal wells. If a well is covered by federally required financial assurance, 19.15.8 NMAC does not require additional financial assurance. Mr. Larson and Counsel Brancard cross-examined the witness, and he was excused.

The Commission requested the position of the parties on the effective date for the revision of the rule. Each of the parties supported an immediate effective date for new wells and a delay of 90 days for existing wells. Mr. Larson said that IPANM supports the amendments to the financial assurance rule proposed at this hearing and supports the adoption of the proposed rule. Mr. Marker stated that he supported the changes related to federal financial assurance but he remains opposed to the proposed tiers for blanket bonds and the changes to single well financial assurance.

Public comments on the proposed rule were provided by:

Lewis Fulton
Buddy Delong
Hiram Hudson
Rory McMinn
Darrel Finney
Jackie Brewer
Judy Fulton

After deliberations, Commissioner Balch moved to accept the language as proposed by OCD, Commissioner Martin seconded the motion, and the motion passed unanimously. Commissioner Martin moved to accept the effective dates of the proposed rule, Commissioner Balch seconded the motion, and the motion passed unanimously. The Commission agreed that the existing order for this case should be replaced with a new order incorporating all changes agreed to at this hearing. A motion was made by Commissioner Balch and seconded by Commissioner Martin allowing Chair Riley to sign the order as soon as it was prepared. The case was closed.

Item 6. **Case No. 15844 (De Novo): Amended Application of XTO Energy Inc. for the Approval of the Expansion of the James Ranch Unit, Eddy County, New Mexico.**

Action: Michael Feldewert representing XTO Energy Inc. requested that the case be continued to the December 13, 2018 Commission Meeting.

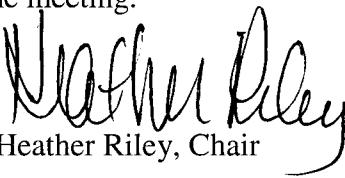
Item 7. **Other business**

Action: Counsel Brancard updated the Commission on court cases.

Item 8. Next meeting: December 13, 2018

Item 9. Adjournment.

The Chair adjourned the meeting.


Heather Riley, Chair