

**MINUTES OF THE MEETING
OF THE OIL CONSERVATION COMMISSION
HELD ON MARCH 27, 2012**

The Oil Conservation Commission met at 9 o'clock a.m. on March 27, 2012, in Porter Hall, Wendell Chino Building, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

PRESENT: **SCOTT DAWSON, Member**
 ROBERT BALCH, Member
 JAMI BAILEY, Chair

Bill Brancard served as the Commission counsel.

The meeting was called to order by Chairman Bailey.

Case 14805, the application of the Oil Conservation Division concerning the following changes to Section 8 of Title 19, Chapter 15 Part 14 of the New Mexico Administrative Code: amend Subsection A of 19.15.14.8 NMAC, was called. Chairman Bailey explained the rules governing rulemaking hearings and announced that unsworn statements will be accepted in this matter. Appearances were made by Gabrielle Gerholt for the Oil Conservation Division (OCD) and Michael Feldewert for the New Mexico Oil and Gas Association (NMOGA).

Ms. Gerholt's witness was David Brooks, Assistant General Counsel for the OCD in Santa Fe, New Mexico. He explained his involvement in developing the language regarding "approved permit to drill" (APD) in the subject rule. He said that since this change in language was made a part of the rule, operators have contacted the OCD regarding the requirement of an approved APD on federal lands. He stated that the Bureau of Land Management (BLM) uses different forms for an application to drill and an application to deepen, plug back or work over a well. He pointed out that if the language is changed, it will be consistent with other Division rules and will assist operators by not requiring them to get a BLM permit to drill for workovers, deepening, and plugging back, which requires a fee and possibly a longer waiting time for approval. He recommended the change in language as proposed by the OCD. Commissioner Dawson and Counsel Brancard cross-examined the witness, and he was excused.

Chairman Bailey asked for comments from the public, and there was no response.

Commissioner Dawson made a motion to close the record, and Commissioner Balch seconded the motion. The record was closed and the Commission began deliberations on Case 14805. The Commission unanimously agreed that the change to the current rule as proposed by the OCD needs to be adopted. After a motion by Commissioner Dawson and a second by Commissioner Balch, the Commission voted unanimously to adopt the change.

A discussion was held on scheduling a special meeting of the Commission for the purpose of signing an order adopting the rule change. Subsequent to the meeting, due to publishing time constraints, the Commission Chair and Counsel decided to schedule the signing of the order for the regular Commission meeting to be held on April 19, 2012.

The minutes of the February 23, 2012 Commission meeting were approved and adopted.

Reopened Case 14575, the motion of Targa Midstream Services LLC to reopen the case to offer proof of completion and results of pressure testing, was called for final action. After a motion by Commissioner Dawson and a second by Commissioner Balch, the Commission voted unanimously to adopt Order No. R-12809-D and it was signed by all Commissioners.

Reopened Case 14055, the application of C & D Management Company to reopen Case 14055 to allow applicant to provide evidence of compliance with Division requirements, Eddy County, New Mexico, was called for final action. After a motion by Commissioner Dawson and a second by Commissioner Balch, the Commission voted unanimously to adopt Order No. R-12913-I and it was signed by all Commissioners.

Pursuant to Rule 19.15.30.15.D NMAC, a notice of filing of an abatement plan was placed on the docket. It required no action by the Commission.

Counsel Brancard summarized the Pit Rule matters as follows:

The District Court hearing regarding the writ of prohibition has been rescheduled for the afternoon of March 27.

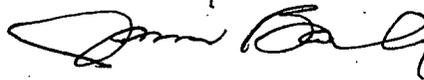
NMOGA filed a writ of superintending control in the Supreme Court asking for a judgment that the District Court did not have authority to issue the writ of prohibition.

All parties were asked to file a response; no decision yet.

If the writ is quashed, the Chair can reschedule the cases at a future date. Mr. Feldewert asked that the Commission reschedule the Pit Rule cases for a May hearing.

The meeting was adjourned at 9:35 a.m.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**



JAMI BAILEY, Chair