

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

APPLICATION OF DCP MIDSTREAM, LP Case No. 15073
FOR AUTHORITY TO INJECT TREATED
ACID GAS INTO THE LOWER CHERRY
CANYON AND UPPER BRUSHY CANYON
FORMATIONS THROUGH ITS PROPOSED
ZIA AGI #1 AND ZIA AGI #2,
LEA COUNTY, NEW MEXICO

ORIGINAL

TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: CHAIRWOMAN JAMI BAILEY

March 13, 2014
Santa Fe, New Mexico

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This matter came on for hearing before the New
Mexico Oil Conservation Division, JAMI BAILEY,
Chairwoman; TERRY WARNELL, Designee of the
Commissioner of Public Lands; and ROBERT S. BALCH,
Designee of the Secretary of Energy, Minerals, and
Natural Resources Department, on Thursday, March 13,
2014, in Porter Hall, Santa Fe, New Mexico.

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

A P P E A R A N C E S

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For the Oil Conservation Division:

William R. Brancard
New Mexico Energy Minerals & Natural
Resources Department
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1 MADAM CHAIR BAILEY: We have before us a
2 draft order of the commission in Case 15073, which
3 was the application of DCP Midstream, LP, for
4 authority to inject treated acid gas into the Lower
5 Cherry Canyon and Upper Brushy Canyon formations
6 through its proposed Zia AGI Number 1 and Zia AGI
7 Number 2, in Lea County, New Mexico.

8 Counsel, would you please explain the
9 order?

10 MR. BRANCARD: Thank you, Madam Chair.

11 Counsel for the applicant provided a draft
12 order, which I made some changes to, to try to
13 coincide the order with the commission's decision,
14 recommended decision, at the last meeting.

15 And so the most important part, obviously,
16 is the last two pages, pages 6 and 7, which is the
17 ordering paragraphs.

18 And the commissioners have reviewed this
19 by e-mail and have sent individually to me some
20 comments which I have incorporated into the order.

21 Specifically in the first paragraph we
22 have added the word "only" into the last sentence,
23 so that injection can only go into these formations
24 at those depths, and that coincides with our
25 previous decision to limit the injection interval

1 order.

2 In addition, I've made sure in paragraph 4
3 that the operator must notify the district office
4 prior to the MIT tests, so that the operations can
5 be witnessed or inspected by the division.

6 We ensured -- Commissioner Balch ensured
7 that in paragraph 2 the AGI wells shall be
8 constructed in accordance with the description in
9 the Form C-108.

10 And finally, on paragraph 11 we have the
11 provision for the ten-year review of the commission
12 required at the last meeting, which basically we
13 require them to provide a report every ten years
14 providing certain information. And we wanted an
15 updated model, current and projected plume
16 migration.

17 The last sentence is one that I drafted
18 with help from Commissioner Balch, to try to ensure
19 the concept, which I think that you all wanted, was
20 that as modeling technology evolves, so will the
21 modeling technology that they use in the reports
22 every ten years.

23 And I hope I captured what the
24 commissioners intended there.

25 MADAM CHAIR BAILEY: Okay. Commissioners,

1 you've had a chance to review the draft order.

2 Do I hear a motion to adopt this order?

3 COMMISSIONER WARNELL: I make that motion.

4 COMMISSIONER BALCH: And I will second the
5 motion.

6 MADAM CHAIR BAILEY: All those in favor?

7 COMMISSIONER WARNELL: Aye.

8 COMMISSIONER BALCH: Aye.

9 MADAM CHAIR BAILEY: Aye.

10 And we will sign and transmit it to the
11 commission secretary, Florene Davidson.

12 (Proceedings concluded.)

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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

PAUL BACA, RPR, CCR
Certified Court Reporter #112
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