

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Meeting Minutes
Special Meeting
November 19, 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 Commissioner of Public Lands

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 Martin moved adoption of the agenda. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 3. Case No. 16403: (Continued from the September 13, 2018 Commission Meeting.)

Application of Hilcorp Energy Company to Amend the Well Density and Location Requirements and Administrative Exceptions of the Special Rules for the Blanco-Mesaverde Gas Pool, Rio Arriba and San Juan Counties, New Mexico.

Action: Chair Riley read a statement outlining the procedure of the meeting and the primary responsibilities of the Commission. Counsel Brancard identified pending motions. Appearances were made by Michael Feldewert and Adam Rankin for Hilcorp Energy Company (Hilcorp); Jordan Kessler for Enduring Resources; Andrea Antillon for the Commissioner of Public Lands; Scott Hall for Logos Resources II, LLC; Erik Schlenker-Goodrich, Julia Guarino, Kyle Tisdell, Jon Anderson, Sabina Gaynor, and Maslyn K. Locke for the San Juan Citizens Alliance (SJCA). Counsel Brancard stated that testimony from the September 13, 2018 Commission hearing on this application is part of the record but may be supplemented at today's hearing.

The Commission first addressed the notice issues raised at the last hearing. Hilcorp informed the Commission that it will present evidence that Hilcorp complied with the Commission's regulatory notice requirements. The Commission then heard arguments on the Motion to Deny Application filed

by SJCA, the Motion to Strike SJCA's Second Notice of Intervention filed by Hilcorp, and the Motion for Continuance filed by SJCA.

After a motion by Commissioner Balch and a second to the motion by Commissioner Martin, the Commission voted unanimously to close the meeting pursuant to NMSA 1978, Section 10-15-1(H)(3) to deliberate on the pending motions. After a motion by Commissioner Balch and a second to the motion by Commissioner Martin, the Commission voted unanimously to go back into open session. Chair Riley announced that the pending motions in Case 16403 were the only matters discussed during the closed session. After a motion by Commissioner Balch and a second by Commissioner Martin, the Commission voted unanimously to grant the Motion to Strike SJCA's Second Notice of Intervention. After a motion by Commissioner Balch and a second by Commissioner Martin, the Commission voted unanimously to deny the Motion to Deny Application. After a motion by Commissioner Balch and a second by Commissioner Martin, the Commission voted unanimously to deny the Motion for Continuance.

Hilcorp's sole witness was Michelle Sivadon, Senior Reservoir Engineer for Hilcorp Energy Company in Midland, Texas. She provided testimony on notice given to operators in the Blanco-Mesaverde Gas Pool and the geology and reservoir efficiency in the area. Mr. Hall, Commissioner Balch, and Counsel Brancard cross-examined the witness, and she was excused.

Public comments were provided by persons in support of, and opposed to, Hilcorp's application: Daniel Tso; Don Schreiber (on behalf of Devils Spring Ranch); Mike Eisenfeld (on behalf of himself and the San Juan Citizens Alliance); Carla Sonntag (on behalf of New Mexico Business Coalition); Bob Graham; Jack Bent; Larry Sonntag (on behalf of New Mexico Business Coalition); John Clem; Bill Midcap (on behalf of Rocky Mountain Farmers Union); Warren Unsicker (on behalf of the City of Farmington); Samuel Sage (on behalf of the Counselor Chapter); Joe Mumley; Melissa Horn; Marie Morgan; Jim Winchester (on behalf of Independent Petroleum Association of New Mexico); Caren Waters; and Sonia Grant.

After a motion by Commissioner Balch and a second by Commissioner Martin, the Commission voted unanimously to close the meeting pursuant to NMSA 1978, Section 10-15-1(H)(3) to deliberate on the case. After a motion by Commissioner Balch and a second by Commissioner Martin, the Commission voted unanimously to go back into open session. Chair Riley announced that Case No. 16403 was the only matter discussed during the closed session, and the Commission's decision was to grant Hilcorp's application to increase the density in the Blanco-Mesaverde pool to a maximum of eight wells in a 320-acre gas proration unit. Mr. Feldewert was requested to draft an order to that effect including a section on each of the motions presented, a list of all persons who presented public comments and a clean version of the revised rules for the Blanco Mesaverde pool. The Commission will decide upon a special meeting date in late November or early December to sign the order.

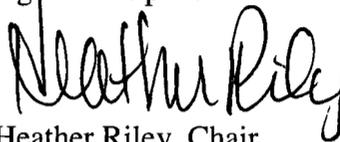
Item 4. Other business

Action: No other business was discussed.

Item 5. Next meeting: December 13, 2018

Item 6. Adjournment.

The Chair adjourned the meeting at 5:15. p.m.


Heather Riley, Chair