

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

CASE NO. 13,711, *de novo*  
AWAITING FINAL COMMISSION ACTION  
NO EVIDENCE OR TESTIMONY TAKEN

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: MARK E. FESMIRE, CHAIRMAN  
JAMI BAILEY, COMMISSIONER  
WILLIAM C. OLSON, COMMISSIONER

ORIGINAL

2007 MAY 4 AM 10 54

April 19th, 2007

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, April 19th, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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## I N D E X

April 19th, 2007  
Commission Hearing  
CASE 13,711, *de novo* (Awaiting final Commission  
Action - No evidence or testimony taken)

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|---|------|
| ADOPTION OF MINUTES OF THE COMMISSION MEETING<br>HELD ON MARCH 16th, 2007 | 3    |
| DISMISSAL OF CASE NO. 13,711, <i>de novo</i>                              | 4    |
| REPORTER'S CERTIFICATE  | 7    |

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## A P P E A R A N C E S

FOR THE COMMISSION:

CHERYL BADA  
Assistant General Counsel  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 9:00 a.m.:

3           CHAIRMAN FESMIRE: Okay, let's go ahead and get  
4 started this morning. Are you ready to go on the record?

5           At this time we'll call the Thursday, April 19th,  
6 2007, meeting of the New Mexico Oil Conservation Commission  
7 to order.

8           Let the record reflect that Commissioner Bailey  
9 is present, Commissioner Olson is present, Commissioner  
10 Fesmire is present. We therefore have a quorum.

11           In addition to the Commissioners, we also have  
12 the Commission secretary, Ms. Florene Davidson; the  
13 Commission counsel, Ms. Cheryl Bada; and of course as  
14 usual, the court reporter.

15           The first cause before the Commission this  
16 morning is the final action to be taken on Case Number  
17 13,711. It's the *de novo* Application of the New Mexico Oil  
18 Conservation Division for an order requiring Tempo Energy,  
19 Inc., Peterson Petroleum Company...

20           Oh, I'm sorry, before we do that, let's do the  
21 minutes. I just skipped through. At this time I'm going  
22 to ask the Commissioners if they have reviewed the minutes  
23 as presented by the secretary.

24           Commissioner Bailey, have you seen those minutes?

25           COMMISSIONER BAILEY: Yes, I have, and I move

1 that we adopt them.

2 CHAIRMAN FESMIRE: Commissioner Olson, is there a  
3 second?

4 COMMISSIONER OLSON: Yes, second.

5 CHAIRMAN FESMIRE: All in favor of adopting the  
6 minutes as presented by the secretary, signify by saying  
7 "Aye".

8 COMMISSIONER BAILEY: Aye.

9 COMMISSIONER OLSON: Aye.

10 CHAIRMAN FESMIRE: Aye.

11 At this time the minutes will be adopted by the  
12 Commission, signed by the Chairman and transmitted to the  
13 secretary for recording.

14 \* \* \*

15  
16 CHAIRMAN FESMIRE: Now we will go into Cause  
17 Number 13,711, the *de novo* Application of the New Mexico  
18 Oil Conservation Division for an order requiring Tempo  
19 Energy, Inc., Peterson Petroleum Company, and/or Joe D.  
20 Peterson to plug one well and ordering the forfeiture of  
21 applicable financial assurances in the event of the  
22 operator's noncompliance in Lea County, New Mexico.

23 Are there any attorneys present for this case?  
24 Do you want to enter your appearance?

25 MR. HALL: Yes, Mr. Chairman, Scott Hall, Miller

1 Stratvert, PA, firm, Santa Fe. I appeared in this case on  
2 behalf of Travelers Indemnity Company and Tempo Energy.

3 CHAIRMAN FESMIRE: Thank you very much, Mr. Hall.  
4 Counsel, Bada, would you bring the Commission up  
5 to date on where we stand on this case and what we need to  
6 do today?

7 MS. BADA: The Commission had determined that the  
8 Division failed to meet its burden in showing that Joe  
9 Peterson and Tempo Energy were -- actually that Tempo  
10 Energy was the operator or owner of the well, and so it has  
11 decided to dismiss it without prejudice.

12 CHAIRMAN FESMIRE: Okay. Commissioner Bailey,  
13 have you had a chance to look at the proposed order as  
14 presented by the secretary?

15 COMMISSIONER BAILEY: Yes, I have, and I expect  
16 to sign it.

17 CHAIRMAN FESMIRE: Okay, Commissioner Olson, have  
18 you seen that proposed order?

19 COMMISSIONER OLSON: Yes, I have.

20 CHAIRMAN FESMIRE: Okay. At this time the Chair  
21 will ask for a motion to adopt the order as drafted.

22 COMMISSIONER BAILEY: I move we adopt the order  
23 as drafted.

24 CHAIRMAN FESMIRE: Is there a second?

25 COMMISSIONER OLSON: Second.

1           CHAIRMAN FESMIRE: All those in favor?

2           COMMISSIONER BAILEY: Aye.

3           COMMISSIONER OLSON: Aye.

4           CHAIRMAN FESMIRE: Aye. Let the record reflect  
5 that the Commission has unanimously adopted the order as  
6 drafted and will sign it now and transmit it to the  
7 secretary.

8           . (Thereupon, these proceedings were concluded at  
9 9:03 a.m.)

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## CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
 ) ss.  
 COUNTY OF SANTA FE )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL April 22nd, 2007.




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STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 16th, 2010