

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

Case Nos. 13,695, *de novo*, 13,492
and 13,493 (Continued)

Case Nos. 13,877, *de novo* and 13,950 (Dismissed)

Announcement of First Judicial District Court
ruling in Marbob vs. Oil Conservation Commission

TRANSCRIPT OF PROCEEDINGS

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

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August 16th, 2007
Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, August 16th, 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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August 16th, 2007
Commission Hearing

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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 10:03 a.m.:

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5 CHAIRMAN FESMIRE: Okay, at this time the
6 Commission will call Case Number 13,695, the *de novo*
7 Application of Chaparral Energy, LLC, for approval of a
8 saltwater disposal well in Lea County, New Mexico. This
9 case was continued from the May 17th Commission meeting,
10 and will be continued to the November 8th, 2000 [*sic*],
11 Commission meeting.

12 * * *

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14 CHAIRMAN FESMIRE: Case Number 13,877, the *de*
15 *novo* Application of Bold Energy, LP, for approval of an
16 application for a permit to drill and allow two operators
17 on a well unit in Eddy County, New Mexico. This case was
18 continued from the July 19th, 2007, Commission meeting and
19 will be dismissed.

20 I understand from the secretary that there is an
21 order to that effect for this and a related case, which I
22 have failed to read, which is Case Number 13,950, the
23 Application of OXY USA Limited Partnership for denial of an
24 Application for a permit to drill in Eddy County, New
25 Mexico.

1 Secretary Davidson, does the order that you've
2 drafted and presented to the Commission accurately
3 represent the wishes of all parties in both cases?

4 MS. DAVIDSON: Yes, it does.

5 CHAIRMAN FESMIRE: Okay. Commissioners, have you
6 had a chance to look over this order?

7 COMMISSIONER BAILEY: Yes, I have, and I intend
8 to sign it.

9 CHAIRMAN FESMIRE: Commissioner Olson?

10 COMMISSIONER OLSON: Yes, and I agree with the
11 signing of this order.

12 CHAIRMAN FESMIRE: Okay. Is there a motion
13 required?

14 Okay, at this time the Chair would entertain a
15 motion to adopt the order as drafted and transmit it to the
16 secretary.

17 COMMISSIONER BAILEY: I so move.

18 COMMISSIONER OLSON: Second.

19 CHAIRMAN FESMIRE: All those in favor signify by
20 saying aye.

21 COMMISSIONER BAILEY: Aye.

22 COMMISSIONER OLSON: Aye.

23 CHAIRMAN FESMIRE: Let the record reflect that
24 the motion to adopt the order as drafted was unanimous. It
25 will be signed by all Commissioners and transmitted to the

1 secretary.

2 * * *

3
4 CHAIRMAN FESMIRE: The next case before the
5 Commission is Case Number 13,492. It's a rehearing,
6 continued from the July 19th, 2007, Commission meeting.
7 It's the case of -- the Application of Samson Resources
8 Company, Kaiser-Francis Oil Company and Mewbourne Oil
9 Company for cancellation of two drilling permits and
10 approval of a drilling permit in Lea County, New Mexico.

11 What's the status of this case?

12 MS. DAVIDSON: It's to be continued to September
13 13th.

14 CHAIRMAN FESMIRE: Okay. The next line, I
15 apologize.

16 This case will be continued at the request of the
17 parties to the September 13th, 2007, regularly scheduled
18 Commission meeting.

19 * * *

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21 CHAIRMAN FESMIRE: The last case before the
22 Commission today is Case Number 13,493. It's the
23 Application of Chesapeake, LP, for compulsory pooling in
24 Lea County, New Mexico. Also a re-hearing continued from
25 the July 19th, 2007, Commission meeting. This case will be

1 continued to the September 13th, 2007, Commission meeting.

2 * * *

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4 CHAIRMAN FESMIRE: The last piece of business
5 before the Commission is, the Commission has received an
6 order in the case of Marbob vs. Oil Conservation Commission
7 in which Judge Sanchez in the First District Court in Santa
8 Fe basically -- well, completely upheld the decision of the
9 Commission on all of the points raised in appeal.

10 We anticipate the -- Marbob -- Marbob
11 Production -- Marbob Energy will appeal this case, but for
12 the time being the judge upheld the entire decision of the
13 OCC.

14 Is there anything else before the Commission
15 today?

16 COMMISSIONER BAILEY: No.

17 COMMISSIONER OLSON: I don't have anything.

18 CHAIRMAN FESMIRE: The Chair would entertain a
19 motion for adjournment.

20 COMMISSIONER BAILEY: I move we adjourn.

21 COMMISSIONER OLSON: Second.

22 CHAIRMAN FESMIRE: All those in favor?

23 COMMISSIONER BAILEY: Aye.

24 COMMISSIONER OLSON: Aye.

25 CHAIRMAN FESMIRE: Let the record reflect that

1 the meeting of the Commission was adjourned at 10:10 a.m.

2 Thank you all very much.

3 (Thereupon, these proceedings were concluded at
4 10:10 a.m.)

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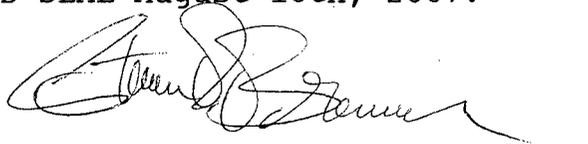
CERTIFICATE OF REPORTER

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 August 16th, 2007.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2010