

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

CASE NOS. 13,274, *de novo*; 13,531;  
13,695, *de novo*; 13,817, *de novo* (Continued)

CONTINUED CASES  
TRANSCRIPT OF PROCEEDINGS

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

ORIGINAL

January 11th, 2007  
Santa Fe, New Mexico

2007 JAN 16 PM 01 32

These matters were continued to future hearing  
dates by MARK E. FESMIRE, Chairman, New Mexico Oil  
Conservation Commission, on Thursday, January 11th, 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

January 11th, 2007  
Commission Hearing  
Continued and Dismissed Cases

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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: At this time we'll call the  
4   Thursday, January 11th, 2007, regularly scheduled meeting  
5   of the New Mexico Oil Conservation Commission to order.  
6   Let the record reflect that it is nine a.m., that the  
7   meeting is being held in Porter Hall, 1220 South St.  
8   Francis, in Santa Fe, New Mexico. Let the record also  
9   reflect that all three Commissioners, Commissioner Bailey,  
10   Commissioner Olson and Commissioner Fesmire are present.  
11   We therefore have a quorum.

12           The first order of business before the Commission  
13   is to adopt the minutes of three previous meetings, the  
14   first being October 19th, 2006. Have the Commissioners had  
15   a chance to review the minutes of that meeting?

16           COMMISSIONER BAILEY: Yes, I have, and I move we  
17   adopt them.

18           CHAIRMAN FESMIRE: Is there a second?

19           COMMISSIONER OLSON: Yeah, I'll second. Just one  
20   question I had. I know I brought one in the late afternoon  
21   to Florene, I wasn't sure -- Some of the other meetings  
22   talked about their -- what counsel we had present, but I  
23   didn't see that on the December and January -- So I don't  
24   know if we need to do that or --

25           MS. DAVIDSON: We always recognize if the counsel

1 is sitting in for the regular Commission counsel, and  
2 Cheryl was at that time. She is now our Commission  
3 counsel, so --

4 COMMISSIONER OLSON: Okay, that's fine.

5 CHAIRMAN FESMIRE: Second the motion,  
6 Commissioner?

7 COMMISSIONER OLSON: Yes, second.

8 CHAIRMAN FESMIRE: All those in favor?

9 COMMISSIONER BAILEY: Aye.

10 COMMISSIONER OLSON: Aye.

11 CHAIRMAN FESMIRE: Aye.

12 Let the record reflect that the Commission has  
13 voted unanimously to adopt the minutes of the October 19th,  
14 2006, meeting. I will now sign those minutes and transmit  
15 them to the Commission secretary.

16 \* \* \*

17 CHAIRMAN FESMIRE: The next order of business  
18 before the Commission is the adoption of the December 14th,  
19 2006, minutes. Have counsel had a chance to review those  
20 -- "have counsel". Have the Commissioners had a chance to  
21 review those minutes?

22 COMMISSIONER BAILEY: Yes, I have, and I move we  
23 adopt them.

24 CHAIRMAN FESMIRE: Is there a second?

25 COMMISSIONER OLSON: Second.

1 CHAIRMAN FESMIRE: All those in favor?

2 COMMISSIONER BAILEY: Aye.

3 CHAIRMAN FESMIRE: Aye.

4 COMMISSIONER OLSON: Aye.

5 CHAIRMAN FESMIRE: Let the record reflect that  
6 the December 14th and 15th minutes of the Oil Conservation  
7 were adopted by the Commission. I will now sign those and  
8 transmit them to the Commission secretary.

9 \* \* \*

10 CHAIRMAN FESMIRE: The last of the minutes before  
11 the Commission at the present time is the adoption of the  
12 minutes of the January 2nd, 2007, special meeting of the  
13 Oil Conservation Commission. Have the Commissioners had a  
14 chance to review the minutes of that meeting?

15 COMMISSIONER BAILEY: Yes, I have, and I move we  
16 adopt them.

17 CHAIRMAN FESMIRE: Is there a second?

18 COMMISSIONER OLSON: Second.

19 CHAIRMAN FESMIRE: All those in favor?

20 COMMISSIONER BAILEY: Aye.

21 CHAIRMAN FESMIRE: Aye.

22 COMMISSIONER OLSON: Aye.

23 CHAIRMAN FESMIRE: Let the record reflect that  
24 these minutes too were unanimously adopted by the  
25 Commission and that they are signed by the Chairman and

1 transmitted to the Commission secretary.

2 \* \* \*

3 CHAIRMAN FESMIRE: The next order of business  
4 before the Commission -- and we're going to go a little bit  
5 out of sequence with the docket -- is Case Number 13,274,  
6 the de novo Application for Pogo Producing Company as  
7 successor to Arch Petroleum, Inc., for approval of two  
8 nonstandard gas spacing and proration units in the Jalmat  
9 Gas Pool in Lea County, New Mexico.

10 At the request of counsel, this case is to be  
11 continued to the February 8th, 2007, Commission meeting.

12 \* \* \*

13 CHAIRMAN FESMIRE: The next item before the  
14 Commission is Case Number 13,531, continued from the  
15 December 7th, 2006, Commission meeting. It's the  
16 Application of Yates Petroleum Corporation for an order (1)  
17 directing Pride Energy Company to reimburse Yates for well  
18 costs incurred by Yates in its attempt to re-enter the  
19 State "X" Well Number 1, located in Section 12, Township 12  
20 South, Range 34 East, NMPM, prior to the time that Pride  
21 Energy Company assumed operations of the well, and (2)  
22 directing Pride Energy to account for and pay all sums it  
23 is now improperly holding pursuant to expired orders of the  
24 Division and Commission, and (3) requiring Pride Energy to  
25 plug and abandon the State "X" Well Number 1 in Lea County,

1 New Mexico.

2 Again at the request of counsel, this case has  
3 been continued to the February 8, 2007, Commission meeting.

4 \* \* \*

5 CHAIRMAN FESMIRE: The next case before the  
6 Commission is Case Number 13,695. It's the *de novo*  
7 Application of Chaparral Energy, LLC, for approval of a  
8 saltwater disposal well in Lea County, New Mexico.

9 Again at the request of counsel, this case will  
10 be continued to the February 8th, 2007, Commission meeting.

11 \* \* \*

12 CHAIRMAN FESMIRE: The next case before the  
13 Commission is Case Number 13,817. It is the *de novo*  
14 Application of Harvey E. Yates Company for an exception  
15 [*sic*] from Oil Conservation Commission Rule 19.15.2.50.(A).

16 Again, at the request of the Applicant, this case  
17 has been continued to the February 8th, 2007, Commission  
18 meeting.

19 (Thereupon, these proceedings were concluded at  
20 9:05 a.m.)

21 \* \* \*

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23

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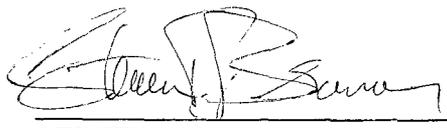
CERTIFICATE OF REPORTER

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 January 12th, 2007.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010