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

**ORIGINAL**

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

DOCKET NO. 28-09

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August 13, 2009  
Santa Fe, New Mexico

BEFORE: MARK E. FESMIRE: Commission Chair  
JAMI BAILEY: Commissioner  
WILLIAM C. OLSON: Commissioner

This matter came for hearing before the New Mexico Oil Conservation Commission on August 13, 2009, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: PEGGY A. SEDILLO, NM CCR No. 88  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

1	I N D E X	
2		Page
3	CASE NO. 13957	4
4	CASE NO. 14055	5
5	OCD'S WITNESSES:	
	JANE PROUTY	
6	Examination by Mr. Padilla	6
	Examination by Mr. Swazo	16
7	Examination by Mr. Padilla	22
	DAVID BROOKS	
8	Examination by Mr. Swazo	24
	Examination by Mr. Padilla	30
9	Examination by Mr. Swazo	38
	Examination by Mr. Swazo	42
10	C&D MANAGEMENT'S WITNESSES:	
11	TOM KIZER	
	Examination by Mr. Padilla	44
12	Examination by Mr. Swazo	74
	Examination by Mr. Padilla	124
13	Examination by Mr. Swazo	191
	Examination by Mr. Padilla	198
14	GEORGE SHIPLEY	
	Examination by Mr. Padilla	199
15	Examination by Mr. Swazo	25
16	OCD'S REBUTTAL WITNESSES:	
	DANIEL SANCHEZ	
17	Examination by Mr. Swazo	238
	Examination by Mr. Padilla	240
18	Examination by Mr. Swazo	246
	JANE PROUTY	
19	Examination by Mr. Swazo	248
	Examination by Mr. Padilla	254
20	C&D MANAGEMENT'S REBUTTAL WITNESSES:	
21	GEORGE SHIPLEY	
	Examination by Mr. Padilla	257
22		
	E X H I B I T S	
23		
	OCD'S EXHIBITS:	
24	Exhibit 95	256
	Exhibit 96	256
25		

1 A P P E A R A N C E S

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12 CASE NOS. 14149 and 14150

13 APPLICANT'S WITNESSES:

14	MARY SHARON BALAKAS	
	Examinatin by Mr. Bruce	274
15	FREDERICK MARK	
	Examination by Mr. Bruce	291
16	HOWARD MUSGROVE	
	Examination by Mr. Bruce	305

17 E X H I B I T S

18 APPLICANT'S EXHIBITS

19	Exhibits 1 - 4	284
	Exhibits 5 - 11	312
20	Exhibits A - H	304

21 A P P E A R A N C E S

22 For the Applicant: JAMES BRUCE, ESQ.  
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25 COURT REPORTER'S CERTIFICATE 319

1 CHAIRMAN FESMIRE: Let the record reflect that  
2 this is the Thursday, August 13, 2009 regularly scheduled  
3 meeting of the New Mexico Oil Conservation Commission.

4 The record should reflect that Commissioners  
5 Bailey, Olson and Fesmire are present.

6 The first order of business before the  
7 Commission today is the minutes of the July 16, 2009  
8 Commission meeting. Secretary Davidson has circulated a  
9 copy of the minutes. Have the Commissioners all had a  
10 chance to review those minutes?

11 COMMISSIONER BAILEY: Yes, I have, and I move  
12 that we adopt them.

13 COMMISSIONER OLSON: Yes, I read them as well.  
14 They accurately reflect our actions, and I second the  
15 motion.

16 CHAIRMAN FESMIRE: All those in favor of  
17 adopting the minutes as presented by the secretary signify  
18 by saying "aye."

19 COMMISSIONER OLSON: Aye.

20 COMMISSIONER BAILEY: Aye.

21 CHAIRMAN FESMIRE: Let the record reflect that  
22 the minutes were unanimously adopted by the Commission,  
23 signed by the Chairman, and conveyed to the secretary.

24 At this time, the first case to be taken before  
25 the Commission is Case No. 13957, De Novo, the Amended

1 Application of Energen Resources Corporation to Amend the  
2 Cost Recovery Provisions of Compulsory Pooling Order  
3 R-1960 to Determine Reasonable Costs and for Authorization  
4 to Recover Costs from Production of Pooled Mineral  
5 Interests in Rio Arriba County, New Mexico.

6 The Commission has a little bit of unfinished  
7 business on this that needs to take place in executive  
8 session, and at this time, the Commission will go into  
9 executive session. So we'll ask folks to vacate the room.  
10 It should not take very long at all.

11 (Note: Executive session took place.)

12 CHAIRMAN FESMIRE: The record should reflect  
13 that the Commission is now coming out of executive session  
14 in Case No. 13957, that the Commission has decided in that  
15 case, and has directed counsel to draft an order  
16 reflecting that decision.

17 But he's not ready to present it yet. He's  
18 going to go upstairs and change the order. So therefore,  
19 we will continue Case No. 13957 until later today.

20 And the next case before the Commission is Case  
21 No. 14055. It's the continuation of the Application of  
22 the New Mexico Oil Conservation Division for a Compliance  
23 Order against C&D Management Company, doing business as  
24 Freedom Ventures Company.

25 Could I have the appearance of attorneys,

1 MR. SMITH: I have a question. On findings and  
2 conclusions, do you want to wait until after that to ask  
3 them for them?

4 CHAIRMAN FESMIRE: No. During the same period,  
5 notwithstanding the total amount, we're going to ask the  
6 attorneys to prepare findings and conclusions. The  
7 transcript is due two weeks from today and will be  
8 available to the attorneys in Secretary Davidson's office,  
9 and by the next Commission meeting, we would ask the  
10 attorneys to draft their proposed findings and  
11 conclusions.

12 Are there any questions from any attorneys who  
13 aren't the Commission's? Okay. With that --

14 MR. SWAZO: I do have a question. So our  
15 proposed findings of fact and conclusions of law, we don't  
16 have to file them in advance of the Commission's next  
17 hearing date, we can bring them at that time?

18 CHAIRMAN FESMIRE: Right, they are due at the  
19 Commission's next meeting. Any other questions? With  
20 that, we'll adjourn Case No. 14055 and continue it to the  
21 next regularly scheduled Commission meeting.

22 The next piece of business before the Commission  
23 is the continuation of Case No. 13957. It's the De Novo  
24 Application of Energen Resources Corporation to Amend the  
25 Cost Recovery Provisions of Compulsory Pooling Order

1 No. R-1960 to Determine Reasonable Costs and for  
2 Authorization to Recover Costs for Production of Pooled  
3 Mineral Interests in Rio Arriba County, New Mexico.

4 The Commission having deliberated on this,  
5 instructed counsel to draft an Order, and counsel has  
6 drafted said Order. Have the Commissioners had a chance  
7 to review the Order?

8 COMMISSIONER BAILEY: Yes, I have, and I believe  
9 it reflects our decisions made and I intend to sign it.

10 CHAIRMAN FESMIRE: Okay. Commissioner Olson?

11 COMMISSIONER OLSON: I agree with the assessment  
12 of Commissioner Bailey and I second that motion.

13 CHAIRMAN FESMIRE: Okay. All those in favor of  
14 adopting the Order as drafted by counsel in Case No. 13957  
15 signify by saying "aye."

16 COMMISSIONER OLSON: Aye.

17 COMMISSIONER BAILEY: Aye.

18 CHAIRMAN FESMIRE: Let the record reflect that  
19 the Order was unanimously adopted. It will be signed by  
20 the members of the Commission and transmitted to the  
21 secretary.

22 With that, we will proceed to the next order of  
23 business before the Commission. That is two related  
24 cases, Case No. 14149 and Case No. 14150.

25 Case No. 14149 is the De Novo Application of

1 STATE OF NEW MEXICO )  
 ) ss.  
2 COUNTY OF BERNALILLO )

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REPORTER'S CERTIFICATE

I, PEGGY A. SEDILLO, Certified Court Reporter of the firm Paul Baca Professional Court Reporters do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me or under my supervision.

Dated at Albuquerque, New Mexico this 24th day of August, 2009.

  
PEGGY A. SEDILLO, CCR NO. 88  
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