

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION FOR
THE PURPOSE OF CONSIDERING:

CONFIDENTIAL

APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION FOR A COMPLIANCE
ORDER AGAINST C&D MANAGEMENT COMPANY,
D/B/A FREEDOM VENTURES COMPANY

Case No. 14055

DE NOVO APPLICATION OF COLEMAN OIL
& GAS, INC., FOR THE RESCISSION OF
DE NOVO ORDER NUMBER R-12820-A,
SAN JUAN COUNTY, NEW MEXICO

Case No. 13812

Case No. 14365; Case No. **14366**; Case No. 14323;
Case No. 14382; Case No. 14418 Continued to
July 15, 2010

Case No. 14463 Dismissed

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSIONER HEARING

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BEFORE: MARK E. FESMIRE, Chairman
JAMI BAILEY, Commissioner

June 17, 2010
Santa Fe, New Mexico

This matter came on for hearing before the New
Mexico Oil Conservation Commission, MARK E. FESMIRE,
Chairman, on Thursday, June 17, 2010, at the New Mexico
Energy, Minerals and Natural Resources Department, 1220
South Saint Francis Drive, Room 102, Santa Fe, New
Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105

A P P E A R A N C E S

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FOR THE OIL CONSERVATION COMMISSION:

Cheryl Bada, Esq.
Assistant General Counsel
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

FOR THE OIL CONSERVATION DIVISION:

Mikal Altomare, Esq.
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

FOR COLEMAN OIL & GAS, INC.:

Ocean Munds-Dry, Esq.
Holland & Hart
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501

ALSO PRESENT:

Florene Davidson

REPORTER'S CERTIFICATE

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1 CHAIRMAN FESMIRE: At this time I'm going
2 to call to order the Thursday, June 17th, 2010, regularly
3 scheduled meeting of the New Mexico Oil Conservation
4 Commission. The record should reflect that Commissioners
5 Bailey and Fesmire are present. Commissioner Olson,
6 however, is on other duty and will not be here today.
7 We, however, according to the law of New Mexico, have a
8 quorum, and we will therefore be able to conduct
9 business.

10 The first item of business on the docket
11 before the Commission this morning is approval of the
12 minutes of the May 20th, 2010, Commission meeting.

13 Commissioner Bailey, have you had an
14 opportunity to review the minutes as presented?

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

17 CHAIRMAN FESMIRE: I too have reviewed the
18 minutes, and I second the motion. Commissioner Bailey
19 and I will vote. All those in favor of adopting the
20 minutes as presented signify by saying aye.

21 The record should reflect that Commissioners
22 Bailey and Fesmire voted to adopt the minutes. They were
23 adopted as presented and transmitted to the secretary for
24 recording.

25 The next item of business before the

1 filings.

2 Anything further in this case?

3 MS. ALTOMARE: No.

4 MS. MUNDS-DRY: No, Mr. Chairman.

5 CHAIRMAN FESMIRE: With that, thank you
6 very much.

7 We'll move on to the next item before the
8 Commission. It's Case Number 14365. I'm sorry. Let me
9 finish that before we do.

10 We've directed Counsel to draft an order to
11 that effect, and we will sign it at the next Commission
12 meeting.

13 MS. ALTOMARE: Thank you, Mr. Chairman.

14 MS. MUNDS-DRY: Thank you, Mr. Chairman.

15 CHAIRMAN FESMIRE: The next case before
16 the Commission is Case Number 14365. It's the de novo
17 application of COG Operating, LLC, for designation of a
18 nonstandard spacing unit and for compulsory pooling in
19 Eddy County, New Mexico. That case will be continued to
20 the July 15th, 2010, Commission meeting.

21 The next item before the Commission is Case
22 Number ~~14366~~ It's the application of COG Operating,
23 LLC, for designation of a nonstandard spacing unit,
24 unorthodox well location, and for compulsory pooling in
25 Eddy County, New Mexico. That case also will be

1 continued to the July 15th, 2010, docket.

2 The next item before the Commission is Case
3 Number 14323. It's the application of Chesapeake Energy
4 Corporation for cancellation of a permit to drill issued
5 to COG Operating, LLC, in Eddy County, New Mexico. That
6 case will be continued to the July 15th docket.

7 The next case before the Commission is Case
8 Number 14382. It's the application of Chesapeake Energy
9 for cancellation of a permit to drill issued to COG
10 Operating in Eddy County, New Mexico. That case
11 similarly will be continued to the July 15th, 2010,
12 docket.

13 The next case before the Commission is Case
14 Number 14418. It's the application of Cimarex Energy
15 Company for a nonstandard oil spacing and proration unit
16 and compulsory pooling in Eddy County, New Mexico,
17 likewise continued to July 15th, 2010.

18 The last case on the Commission's docket today
19 is Case Number 14463, the amended application of Williams
20 Production Company, LLC, for approval of a closed-loop
21 system for the Rosa SWD Well Number 2 and for the
22 in-place burial of drilling wastes at another location,
23 Rio Arriba County, New Mexico.

24 That case, Counsel has informed me, will be
25 dismissed. But we haven't officially dismissed it yet;

1 is that correct?

2 MS. MUNDS-DRY: I believe, Mr. Chairman,
3 we did receive an order dismissing the case.

4 CHAIRMAN FESMIRE: Okay. So that case has
5 been dismissed?

6 MS. MUNDS-DRY: Yes.

7 CHAIRMAN FESMIRE: Is there anything else
8 before the Commission this morning?

9 COMMISSIONER BAILEY: I move that we
10 adjourn.

11 CHAIRMAN FESMIRE: I'll second that
12 motion. All those in favor, signify by saying aye.

13 The record should reflect that Commissioners
14 Bailey and Fesmire voted to adjourn at 9:35 a.m. on the
15 date of the meeting. Thank you.

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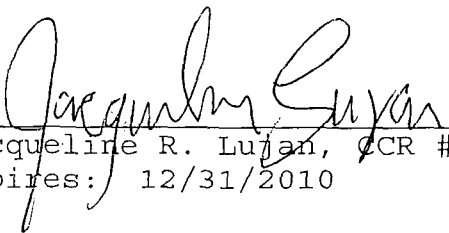
REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on June 17, 2010, proceedings in the
above captioned case were taken before me and that I did
report in stenographic shorthand the proceedings set
forth herein, and the foregoing pages are a true and
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with any of the parties or
attorneys in this case and that I have no interest
whatsoever in the final disposition of this case in any
court.

WITNESS MY HAND this 28th day of June, 2010.



Jacqueline R. Lujan, CCR #91
Expires: 12/31/2010