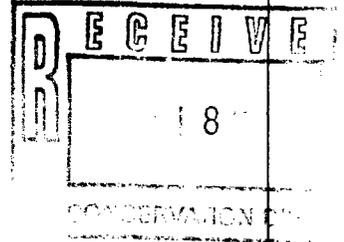


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

CASE NOS. 11,233, 11,234, 10,907, 11,352



CONTINUED AND DISMISSED CASES

TRANSCRIPT OF PROCEEDINGS

ORIGINAL

BEFORE: WILLIAM J. LEMAY, CHAIRMAN
WILLIAM WEISS, COMMISSIONER
JAMI BAILEY, COMMISSIONER

August 3rd, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission on Thursday, August 3rd, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

1 WHEREUPON, the following proceedings were had at
2 9:04 a.m.:

3
4 CHAIRMAN LEMAY: We're going to take a couple
5 cases here before proration. They'll be very quick, but
6 those of you waiting around for some of these, we can
7 dispose of them rather quickly, I think.

8 Cases Number -- We'll call Case 11,233, which is
9 the Application of Nearburg Exploration Company for
10 compulsory pooling, Eddy County, New Mexico, and a
11 companion case, Case 11,234, which is the Application of
12 Yates Petroleum Corporation for compulsory pooling.

13 I understand that these cases have been
14 dismissed.

15 Is that -- Is there anyone that argues with that
16 or...

17 Those cases, then, at the request of the
18 Applicants, shall be dismissed.

19 * * *

20
21 CHAIRMAN LEMAY: And we will call Case 10,907,
22 which is the matter called by the Oil Conservation Division
23 to amend Rules 1111, 1112 and 1115 of its General Rules and
24 Regulations. This pertains to the filing of forms, Forms
25 C-111, C-112 and C-115, respectively.

1 This case has been continued under temporary
2 rules in the past four -- six months. And our intent is to
3 continue it for another six months pending implementation,
4 final implementation, of the ONGARD system.

5 These dates have been extended, filing dates have
6 been extended, and the information we've received is
7 favorable to these extended dates.

8 However, the matter of fines and all, we think,
9 are inappropriate to bring up at this time, since we're
10 still in the process of getting the bugs out.

11 So does anyone have anything to say concerning
12 Case 10,907?

13 If not, Case 10,907 shall be continued six months
14 to the hearing which will be six months from August.

15 * * *

16
17 CHAIRMAN LEMAY: And we shall call Case 11,352,
18 which is a motion -- a case called by the Oil Conservation
19 Division to amend Rule 116 of its General Rules and
20 Regulations.

21 This particular rule pertains to notification of
22 fires, breaks, leaks, spills and blowouts. It's -- To
23 review is necessary because we need to update that rule and
24 also comply with the peer review of the Interstate Oil and
25 Gas Compact Commission.

1 At this time we will be appointing a committee,
2 representing industry, the public, the environmental
3 community, to review those rules and regulations and come
4 up with some recommendations to the Commission.

5 As in the past, that committee will present some
6 proposed rules, which in turn will be sent out to all
7 operators, all interested parties, for comment and also to
8 be the markup document for the Commission in its
9 deliberations on those rules.

10 So we do not plan to take any testimony.
11 However, if there's any of you that have any questions as
12 to our procedure in that, be happy to entertain those
13 questions now.

14 There's a sign-up sheet in the back, on the back
15 table, so those of you that wish to participate in this
16 committee, please sign up your name, company, telephone
17 number, and I will appoint a committee. And hopefully
18 we'll have enough volunteers that we'll have a well-rounded
19 committee representative of the industry, and also of the
20 public and of the environmental community too. So...

21 Are there any questions or comments concerning
22 Case 11,352?

23 If not, we will continue that case for six months
24 to give the committee time to do their work, deliberations
25 and come back with some recommendations.

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In the event that six-month time frame is not sufficient, we can always extend that.

So Case Number 11,352 will be continued for six months.

(Thereupon, these proceedings were concluded at 9:10 a.m.)

* * *

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 7th, 1995.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998