

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

CASE NOS. 11,996 and 12,033  
(Closing of Session for Deliberation)

CASE NOS. 12,459, 12,605 and 12,587

(Continued Cases)

TRANSCRIPT OF PROCEEDINGS

BEFORE: LORI WROTENBERY, CHAIRMAN  
JAMI BAILEY, COMMISSIONER  
ROBERT LEE, COMMISSIONER

November 6th, 2001

Santa Fe, New Mexico

OIL CONSERVATION DIV  
NOV 19 PM 11:32

These matters came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Tuesday, November 6th, 2001, 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

November 6th, 2001  
Commission Hearing

CASE NOS. 11,996 and 12,033  
(Closing of Session for Deliberation)

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## A P P E A R A N C E S

FOR THE COMMISSION:

STEPHEN ROSS  
Deputy General Counsel  
Energy, Minerals and Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   6:00 p.m.:

3           CHAIRMAN WROTENBERY: And Commissioners, I think  
4   at this point, while the parties are gathering up their  
5   things, let's take care of one business item, the minutes  
6   of the Oil Conservation Commission meeting held on October  
7   12th, 2001.

8           You have those in the notebook, and I believe  
9   each of you have had a chance to review those?

10          COMMISSIONER BAILEY: Yes, I have, and I move  
11   that we accept them.

12          COMMISSIONER LEE: Second.

13          CHAIRMAN WROTENBERY: All in favor say "Aye".

14          COMMISSIONER BAILEY: Aye.

15          COMMISSIONER LEE: Aye.

16          CHAIRMAN WROTENBERY: Aye. Florene, I believe  
17   you've got me a copy here to sign. I'll sign those on  
18   behalf of the Commission.

19                               \* \* \*

20  
21          CHAIRMAN WROTENBERY: And then at this point I'll  
22   entertain a motion that we go into closed session to  
23   deliberate on several --

24          MR. ROSS: You might want to put on the record  
25   the continuance also of the --

1 CHAIRMAN WROTENBERY: We will at the end of the  
2 meeting.

3 MR. ROSS: Okay.

4 CHAIRMAN WROTENBERY: I'm going to go through all  
5 the cases that we need to continue before we close, don't  
6 let me forget that.

7 Entertain a motion to go into closed session so  
8 that we can deliberate on this case and the case that we  
9 heard back in October, the Mewbourne case. And also we  
10 have some pending litigation to discuss.

11 COMMISSIONER BAILEY: I so move.

12 COMMISSIONER LEE: Second.

13 CHAIRMAN WROTENBERY: All in favor say "Aye".

14 COMMISSIONER BAILEY: Aye.

15 COMMISSIONER LEE: Aye.

16 CHAIRMAN WROTENBERY: Aye.

17 (Off the record at 5:24 p.m.)

18 (The following proceedings had at 6:00 p.m.):

19 CHAIRMAN WROTENBERY: Okay, now we'll go back on  
20 the record, and I'll entertain a motion that we go back  
21 into open session.

22 COMMISSIONER BAILEY: I so move.

23 COMMISSIONER LEE: Second.

24 CHAIRMAN WROTENBERY: All in favor say "Aye".

25 COMMISSIONER BAILEY: Aye.

1 COMMISSIONER LEE: Aye.

2 CHAIRMAN WROTENBERY: Aye. And I will note for  
3 the record that while we were in closed session the matters  
4 that we discussed were either pending litigation or *de novo*  
5 cases pending before the Commission.

6 Specifically, we talked about Case Number 12,698,  
7 which is the Application of Mewbourne Oil Company for  
8 compulsory pooling in Eddy County, New Mexico, and we had  
9 taken evidence at that case at the meeting in October.

10 We also discussed the two cases that we heard  
11 today, Case 12,635, the Application of McElvain Oil and Gas  
12 Properties, Inc., for compulsory pooling in Rio Arriba  
13 County, New Mexico, and Case 12,705, the Application of  
14 D.J. Simmons, Inc., for compulsory pooling in Rio Arriba  
15 County, New Mexico.

16 We do have a draft order in the Mewbourne case.  
17 That's Case Number 12,698. It's draft order Number  
18 R-11,636-A.

19 Commissioners, I believe you've had an  
20 opportunity to review this draft?

21 COMMISSIONER BAILEY: Yes, I have, and I think we  
22 should sign it.

23 COMMISSIONER LEE: Second.

24 CHAIRMAN WROTENBERY: We're seconding a motion to  
25 adopt the order as drafted. All in favor say "Aye".

1 COMMISSIONER BAILEY: Aye.

2 COMMISSIONER LEE: Aye.

3 CHAIRMAN WROTENBERY: Aye. And I would ask -- We  
4 have this drafted in such a way that I would sign the order  
5 on behalf of the Commission. I just would like to confirm  
6 with the Commissioners that that is okay.

7 COMMISSIONER BAILEY: I move that we authorize  
8 Lori Wrotenbery to sign for the Commission.

9 COMMISSIONER LEE: Second.

10 CHAIRMAN WROTENBERY: All in favor say "Aye".

11 COMMISSIONER BAILEY: Aye.

12 COMMISSIONER LEE: Aye.

13 CHAIRMAN WROTENBERY: Aye. Okay, and I've got  
14 that right here, and I will go ahead and sign it so that we  
15 can...

16 \* \* \*

17  
18 CHAIRMAN WROTENBERY: And then I should note just  
19 for the record, there were a couple of cases that were  
20 docketed for today but have been continued.

21 The first was Case 12,459. This is the  
22 Application of the Oil Conservation Division for an order  
23 requiring I.T. Properties to properly plug one well in Eddy  
24 County, New Mexico, and this case has been continued to the  
25 Commission's hearing in January, 2002, and the date for

1 that hearing will be announced later.

2 And then in addition we had two cases, Case  
3 12,605, the Application of Sapient Energy Corporation for  
4 special pool rules in Lea County, New Mexico, and Case  
5 12,587, the amended Application of Sapient Energy  
6 Corporation for an unorthodox well location and two  
7 nonstandard 160-acre spacing units, or in the alternative  
8 one nonstandard 160-acre spacing and proration unit in Lea  
9 County, New Mexico.

10 Both of these cases are being heard *de novo* by  
11 the Commission, and these cases have been continued to the  
12 Commission's docket in December. That date has tentatively  
13 been set for December 3rd and 4th -- is that right?

14 COMMISSIONER BAILEY: 4th and 5th?

15 CHAIRMAN WROTENBERY: 4th and 5th, December 4th  
16 and 5th, that's a Tuesday and possibly carrying over into a  
17 Wednesday. We will confirm those hearing dates with all  
18 the Commissioners and all the parties involved and issue  
19 notice.

20 And is there anything else we need to cover,  
21 Steve or Florene?

22 MS. DAVIDSON: Not that I know of.

23 CHAIRMAN WROTENBERY: Okay, then I think I'll  
24 entertain a motion to adjourn.

25 COMMISSIONER BAILEY: I move we adjourn.

1 COMMISSIONER LEE: Second.

2 CHAIRMAN WROTENBERY: And I think we're all in  
3 favor.

4 We're adjourned, thank you.

5 (Thereupon, these proceedings were concluded at  
6 6:06 p.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 November 16th, 2001.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002