

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:)

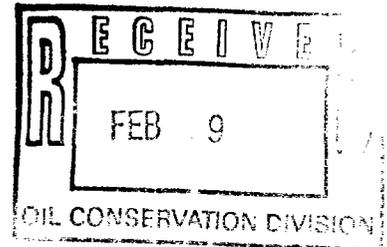
IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION TO AMEND)
RULES 1111, 1112, AND 1115 OF ITS)
GENERAL RULES AND REGULATIONS)
_____)

CASE NO. 10,907
ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

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



February 15th, 1996

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission on Thursday, February 15th, 1996, 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.

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I N D E X

February 15th, 1996
Commission Hearing
CASE NO. 10,907

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REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

MARGARET CORDOVANO
Assistant General Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 9:06 a.m.:

3 CHAIRMAN LEMAY: Call Case Number 10,907, which
4 is the matter called by the Oil Conservation Division to
5 amend Rules 1111, 1112 and 1115 of its General Rules and
6 Regulations.

7 This case has been continued a number of times
8 because it generally addresses fines assessed to operators
9 with our ONGARD filing of forms, and as you all know, we've
10 had our own problems with the ONGARD system in getting out
11 reliable, accurate information.

12 But I think we're at the point now where we need
13 to address the matter of fines, what they should be, how
14 much and under what circumstances.

15 We're not going to take any testimony on that
16 today, but I'd like to appoint a committee to look into it.

17 I know there's been lots of comment concerning --
18 like some of the fines in FOGRMA at ten dollars a line. We
19 don't plan to do that. However, I hope you can realize the
20 necessity for the Division having in place some system to
21 tell operators that they need to do certain things, correct
22 the form. If not, you will be fined.

23 So where there are situations that operators just
24 refuse to comply with our rules and regulations, we need to
25 have fines in place so they know what to expect.

1 And in that matter there is a sign-up sheet in
2 the back of the room. For those of you that would like to
3 be on this committee -- for lack of a better word I'll call
4 it the fines committee -- please sign up there, and I will
5 appoint a committee.

6 And the current schedule is to have that
7 committee produce a report recommending Commission action
8 on that by June 1, and I will continue the case to the June
9 20th hearing date.

10 Are there any comments, statements, concerning
11 this?

12 Okay, don't forget, sign up in the back there if
13 you're interested in participating in this committee.

14 And Commissioners, do you have anything to say on
15 that, or comments on the fines committee?

16 COMMISSIONER WEISS: I have none.

17 COMMISSIONER BAILEY: On the fines committee,
18 just that a representative of the land office is
19 recommended for that, so that a person who is very familiar
20 with the ONGARD situation --

21 CHAIRMAN LEMAY: Okay, yeah. Does the Land
22 Office have their own series of fines set up in place? Do
23 you know?

24 COMMISSIONER BAILEY: Not for filing or that type
25 of discrepancy. However, we do have a problem with the

1 date set because by lease terms, which are set by statute,
2 require filing by a certain date.

3 CHAIRMAN LEMAY: Uh-huh.

4 COMMISSIONER BAILEY: So that is the factor that
5 should be taken into account.

6 CHAIRMAN LEMAY: Okay, fine. I think the fines
7 that we are authorized by statute to assess are for forms
8 that are due us mainly, but we welcome the opportunity of
9 the Commissioner of Lands representative on the committee.
10 So thank you.

11 Anything else on the issue of fines and fines
12 committee?

13 Okay, if not, Case 10,907 will be continued to
14 the June 20th, 1996 hearing.

15 (Thereupon, these proceedings were concluded at
16 9:09 a.m.)

17 * * *

18
19 I do hereby certify that the foregoing is
20 a complete record of the proceedings in
21 the Examiner hearing of Case No. _____,
22 heard by me on _____ 19____.

23 _____, Examiner
24 Oil Conservation Division
25

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 February 18th, 1996.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998