

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

CASE NOS. 11,551, 10,907, 11,358, and 11,391

CONTINUED CASES;

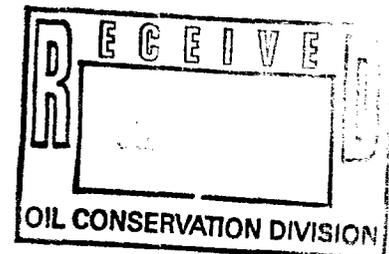
CASES AWAITING FINAL COMMISSION ACTION

NO EVIDENCE OR TESTIMONY TAKEN

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

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



June 20th, 1996

Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission on Thursday, June 20th, 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.

* * *

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

I N D E X

June 20th, 1996
Commission Hearing
CASE NOS. 11,551, 10,907, 11,358, and 11,391

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A P P E A R A N C E S

FOR THE COMMISSION:

LYN S. HEBERT
Deputy 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 9:04 a.m.:

3 CHAIRMAN LEMAY: Well, we'll start the Commission
4 hearing today.

5 I'd like to introduce for the record our
6 attorney, Lyn Hebert, and we're glad she's with us.

7 And we shall begin by calling Case Number 11,551,
8 which is the Application of the Oil Conservation Division
9 to amend Rule 1115 to require electronic filing of C-115
10 production reports.

11 The docket has indicated that this case will be
12 continued to the August hearing, which will be August 15th,
13 at which time the Commission will take testimony.

14 The Application by the Division provides for the
15 establishment of penalties, specifically the cancellation
16 of allowable, for noncompliance with the rules, in other
17 words, where the operator just fails to either correct
18 error messages or just fails to file the form. The intent
19 was not to provide for penalties for mistakes that are made
20 on the form, especially when they're corrected.

21 But that particular Application has been
22 advertised, and hopefully we'll get some testimony on that
23 at the August meeting.

24 * * *

25

1 CHAIRMAN LEMAY: And then we'll call Case Number
2 10,097, which is the matter called by the Oil Conservation
3 Division to amend Rules 1111, 1112 and 1115 in the General
4 Rules and Regulations.

5 This particular Application provided for the
6 imposition of penalties for failure to file timely and
7 accurate reports.

8 It's the intent of the Commission to postpone the
9 hearing of this Application until after Case 11,551 is
10 heard and an order is issued, because it relates to
11 penalties, and we do need some input, I think, from all
12 parties concerning what those penalties should be and who
13 they should be applied to.

14 So I'd like to continue that case for -- Let's
15 continue it for four months to November 14th.

16 * * *

17
18 CHAIRMAN LEMAY: And then we'll take up Case
19 11,358, which is the Application of Nearburg Exploration/
20 Nearburg Production Company to terminate injection
21 operations on their disposal well in Eddy County, New
22 Mexico.

23 And fellow Commissioners, is it your intent to
24 take final action and sign the order today on Case 11,358?
25 Commissioner Bailey?

1 COMMISSIONER BAILEY: Yes, I'll sign it.

2 CHAIRMAN LEMAY: Commissioner Weiss?

3 COMMISSIONER WEISS: Yes.

4 CHAIRMAN LEMAY: Fine, let the record show that
5 final action was taken on Case 11,358.

6 * * *

7

8 CHAIRMAN LEMAY: And we'll call Case 11,391,
9 which is the Application of the Oil Conservation Commission
10 to enact rules and regulations pertaining to the disposal
11 and transfer of naturally occurring radioactive materials,
12 referred to as NORMs.

13 And Commissioner Bailey, is it your intent to
14 take final action on Case 11,391 and sign the order?

15 COMMISSIONER BAILEY: Yes, it is.

16 CHAIRMAN LEMAY: Commissioner Weiss?

17 COMMISSIONER WEISS: Yes, it is.

18 CHAIRMAN LEMAY: Let the record show that final
19 action has been taken on Case 11,391.

20 * * *

21

22 CHAIRMAN LEMAY: And as a final action of
23 business before the Commission, we have Commission dates
24 for the remainder of 1996.

25 Those dates will be, in July, July 18th; in

1 August, August 15th; in September, September 18th. And let
2 the record make a notation that September 18th is a
3 Wednesday because of Commission conflict. The 26th and
4 12th, the normal dates, were not available for full
5 Commission attendance. So the September hearing will be on
6 Wednesday, September 18th. October 10th, November 14th,
7 and a tentative date for December 12th.

8 Most past years we have not held a December
9 hearing. However, there are occasions when the timing is
10 such that the Commission needs to meet to consider a case,
11 so December 12th would be a tentative date. We may or may
12 not have a hearing on that date.

13 Are those dates acceptable, fellow Commissioners?

14 COMMISSIONER BAILEY: Yes, they are.

15 CHAIRMAN LEMAY: Okay. Commissioner Weiss?

16 COMMISSIONER WEISS: Yes.

17 CHAIRMAN LEMAY: Let the record show that those
18 are the dates for the remainder of 1996.

19 Is there any other Commission business?

20 CHAIRMAN LEMAY: The minutes, the minutes of the
21 previous meeting, yes.

22 I have before me the minutes on the April 11th,
23 1996, Commission meeting. Is there a motion to accept the
24 minutes?

25 COMMISSIONER BAILEY: I motion that we accept the

1 minutes of the April 11th Commission hearing.

2 COMMISSIONER WEISS: I second.

3 CHAIRMAN LEMAY: It's been moved and seconded.

4 All in favor say Aye.

5 COMMISSIONER BAILEY: Aye.

6 COMMISSIONER WEISS: Aye.

7 CHAIRMAN LEMAY: Aye. By unanimous vote, the
8 minutes have been accepted.

9 Is there any other business to come before the
10 Commission?

11 COMMISSIONER WEISS: I have a comment --

12 CHAIRMAN LEMAY: Yes, Commissioner Weiss?

13 COMMISSIONER WEISS: -- concerning the ONGARD in
14 Case 11,551.

15 CHAIRMAN LEMAY: Yes.

16 COMMISSIONER WEISS: I understand that the hard
17 copy of the 1994 production records are incomplete.

18 I can see how that can happen, but I want to urge
19 the Division to be sure that the electronic data is
20 complete for 1994.

21 CHAIRMAN LEMAY: Okay.

22 COMMISSIONER WEISS: Just offer that comment.

23 CHAIRMAN LEMAY: Let the record show that the
24 Division is urged to review the 1994 electronic data, to
25 make sure that it is complete and that corrections be made

1 where it's not complete.

2 I think it's important to show the intent of the
3 Commission to try and get as accurate data as possible, so
4 let the record so reflect.

5 Any other business or comments to come before the
6 Commission?

7 If not, hearing is adjourned.

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

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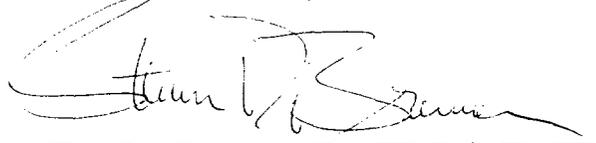
CERTIFICATE OF REPORTER

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 June 20th, 1996.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998