

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**Meeting Minutes
Regular Meeting
January 4, 2017
Porter Hall
Wendell Chino Building
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505**

MEMBERS PRESENT:

David Catanach	Chair, Oil Conservation Division
Robert Balch	Designee, Energy, Minerals and Natural Resources Department
Patrick Padilla	Designee, New Mexico State Land Commissioner

OTHERS PRESENT:

Gabriel Wade, Counsel for the Commission
Cheryl Bada, Counsel for the Commission

The meeting was called to order by Chair Catanach at 9:00 a.m.

Item 1. Roll Call.

Roll was taken; a quorum was present.

Item 2. Approval of Agenda.

Action: Commissioner Balch moved adoption of the agenda. Commissioner Padilla seconded the motion. The motion passed unanimously.

Item 3. Approval of minutes of December 5, 2016 meeting.

Action: Commissioner Padilla moved to approve the minutes. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 4. Adopt Annual Resolution setting forth reasonable notice standards for Commission Public Meetings.

Action: Bill Brancard, Commission counsel, explained the purpose for providing notice and the reason for the adoption of an Open Meetings Act Resolution. He explained certain changes made to the 2016 Resolution including changes to published dates of meetings provided that the notice provisions of the Oil Conservation Division and the Open Meetings Act are met. He said the Resolution was changed in order to make it fit better with the practice of the Commission. All Commissioners read the resolution. Commissioner Padilla moved to adopt the 2017 Open Meetings Annual Resolution. Commissioner Balch seconded the motion. The motion passed unanimously.

**Item 5. The Commission will conduct deliberations only on the following cases:
Case 15437: De Novo Application of Caza Petroleum, Inc. for a non-**

standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico, heard on November 19, 2016.

Case 15487: Application of the New Mexico Oil Conservation Division through the supervisor of District II for adoption of specific rules for drilling in certain areas, for the protection of fresh water, Chaves and Eddy Counties, New Mexico, heard on December 5, 2016.

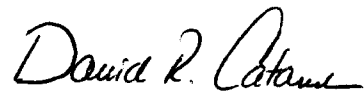
Action: Chair Catanach called Case 15437 for deliberations. Counsel Wade served as the Commission counsel in this case. After a motion by Commissioner Balch and a second to the motion by Commissioner Padilla, the Commission voted unanimously to close the meeting pursuant to NMSA 1978, Section 10-15-1-H to deliberate. After a motion by Commissioner Padilla and a second to the motion by Commissioner Balch, the Commission voted unanimously to go back into open session. Chair Catanach announced that the only matter discussed during the closed session was De Novo Case 15437. He stated that after a discussion of the development of the unit in this case, the Commission decided to uphold the Division's order. He said that Gary Larson, the attorney for the applicant; will be contacted and asked to provide a draft order for the Commission's review.

Case 15487 was called for deliberations. Counsel Bada served as the Commission counsel in this case. Using the Respondents' Joint Notice of Modifications to Special Rules, the Commission discussed the Division's proposed rule including, among other things, the requirement of two water protection casing strings, cementing to surface on both strings, the use of cement bond logs, communication between the two reservoirs, and instructing the district office to witness cement circulation to the surface in this area. The Commission unanimously agreed to certain changes to the proposed rule. The deliberations were left open in order for Counsel Bada to prepare the rule incorporating the Commission's changes for the Commissioners to review at the Commission hearing scheduled for January 9, 2017. The record in Case 15487 was closed.

Item 6. Next meeting: January 9, 2017

Item 7. Adjournment

The chair adjourned the meeting at 2:10 p.m.



DAVID R. CATANACH, Chair