

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**Meeting Minutes
Regular Meeting
June 13, 2017
Porter Hall
Wendell Chino Building
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505**

MEMBERS PRESENT:

David R. Catanach Chair, Oil Conservation Division
Robert Balch Designee, Energy, Minerals and Natural Resources Department
Ed Martin Designee, New Mexico State Land Commissioner

OTHERS PRESENT:

Cheryl Bada, Counsel for the Commission

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 Martin seconded the motion. The motion passed unanimously.

Item 3. Approval of minutes of May 18, 2017 meeting.

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

**Item 4. The Commission will conduct deliberations on:
Case No. 15487: Joint Application for Rehearing of Order No. R-14164-D, Application of the New Mexico Oil Conservation Division through the Supervisor of District II for an Emergency Order suspending certain approved Applications for Permits to Drill, and for adoption of special rules for drilling in certain areas for the protection of fresh water, Chaves and Eddy Counties, New Mexico.**

Action: Chair Catanach stated that after the rehearing of this case on May 18, 2017, all parties were requested to file written closing statements and corrected amendments to the rule language. Commissioner Balch moved to conduct open deliberations on this matter. Commissioner Martin seconded the motion. The motion passed unanimously. Deliberations were held on the issues outlined in the Joint Application for Rehearing, which were: limiting the Designated Area to only the area where two aquifers exist, plus a one-mile buffer zone, and clarifying the language regarding the setting and cementing of surface casing. The Commission compared the proposed modifications to the language submitted by the Movants to the language proposed by the Oil Conservation Division (Division). The Commission

also discussed what determinations should be left to the District II office. Commissioner Balch moved to keep the original designated area as presented in the original rule. Chair Catanach seconded the motion. A vote was taken. Chair Catanach and Commissioner Balch voted aye; Commissioner Martin voted nay. The motion passed with a majority vote. A vote was taken to adopt the Division's proposed modifications to the rule language. All Commissioners voted aye. The motion passed unanimously. Counsel Bada was directed to make the necessary revisions to the present order and rule for the Commission to vote on at the July 13, 2017 meeting.

Item 5. **Case No. 15726:** In the matter of proposed amendments to Section 19 of 19.15.16 NMAC and Section 16 of 19.15.7 NMAC, extending the time for reporting completion of horizontal wells from 20 to 45 days, and proposed further amendment of Section 19 of 19.15.16 NMAC to require operators to report certain information regarding hydraulically fractured wells in the Frac Focus Chemical Disclosure Registry.

Action: This case was continued to the July 13, 2017 Commission Meeting.

Item 6: **Case No. 15185 (Re-opened):** De Novo Application of Ard Energy, LLC to reopen Case No. 15185 pursuant to NMAC 19.15.13.13 and the provisions of Order No. R-13913-B to determine reasonable well costs for drilling of the Ivar The Boneless Federal Well No. 11H, dedicated to a Unit, comprised of the W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, (the Unit).

Action: This case was continued to the August 10, 2017 Commission Meeting.

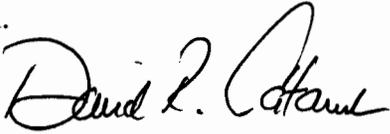
Item 7: **Other business, including discussion of pending litigation.**

Action: Chair Catanach advised the Commissioners that COG Operating LLC filed an application for rehearing of consolidated Cases No. 15441, 15481 and 15482 heard by the Commission on February 28-March 1, 2017. Nearburg Exploration Company, L.L.C., SRO2 LLC, and SRO3 LLC filed a response to the motion for rehearing. A discussion was held and Commissioner Martin moved to deny the application for rehearing, Commissioner Balch seconded the motion. The motion passed unanimously.

Item 8. **Next meeting: July 13, 2017**

Item 9. **Adjournment.**

The meeting was adjourned at 10:50 a.m.


DAVID R. CATANACH, Chair