

**STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION**

**Meeting Minutes  
Regular Meeting  
October 4, 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:**

Bill Brancard, 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 September 21, 2017 meeting.**

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

**Item 4.        Final action may be taken in the following cases:**

***Case No. 15738: In the matter of Proposed Amendments to the Commission's Rule on Rulemaking, 19.15.3 NMAC***

**Action:** Chair Catanach stated that the hearing on this matter was held on September 21, 2017 at which time the Commission held open deliberations and proposed to adopt the rule changes. A draft order was provided to the Commissioners for their review prior to this hearing. Commissioner Balch moved to adopt the order and proposed rule changes. Commissioner Martin seconded the motion. The motion passed unanimously. Order No. R-14362-C in Case No. 15738 was signed by all Commissioners.

***Case No. 15802: Application of the New Mexico Oil Conservation Division for Amendment of Section 19.15.7.14 NMAC Changing the Time for Division Notification and Enforcement After an Operator's Failure to file an Acceptable Monthly Production Report (Form C-115).***

**Action:** Chair Catanach said that a hearing on this matter was held on September 21, 2017, and after open deliberations, the Commission proposed to adopt

the rule changes. A draft order was provided to the Commissioners prior to this hearing. Chair Catanach made some changes to the order and the Commissioners unanimously agreed to accept the changes. Commissioner Balch moved to adopt the order and proposed rule changes. Commissioner Martin seconded the motion. The motion passed unanimously. Order No. R-14483 in Case No. 15802 was signed by all Commissioners.

**Item 5.      Case No. 14720 (Reopened): Application of Lucid Delaware LLC to Modify NMOCC Order R-13507.**

**Action:** An appearance was made by Ernest Padilla for Lucid Delaware LLC (Lucid). Mr. Padilla made an opening statement explaining what the applicant is seeking in this application. Lucid's witness was James Carl Hunter, Consulting Geologist with Geolex Inc. in Albuquerque, New Mexico. He provided the history of the subject well including Lucid's buying of the well from Agave Energy Company. He stated that the well is drilled but not completed and explained the request for an extension of time to complete the well. He described the well design. Chair Catanach, Commissioner Balch, and Commissioner Martin cross-examined the witness, and he was excused.

After a motion by Commissioner Martin and a second to the motion by Commissioner Balch, the Commission voted unanimously to close the meeting pursuant to NMAC 1978, Section 10-15-1-H to deliberate on the case. After a motion by Commissioner Martin and a second to the motion by Commissioner Balch, the Commission voted unanimously to go back into open session. Chair Catanach announced that Reopened Case No. 14720 was the only matter discussed in the closed session. Counsel Brancard announced the Commission's decision to amend Order No. R-13507 by, among other things, changing the injection interval, reflecting the change of operator, reinstating the injection authority, and extending the completion date to January 23, 2019. The Commission also proposed to authorize the OCD Director to extend the completion deadline for an additional twelve months. Mr. Padilla was requested to draft a proposed order incorporating these changes prior to the next Commission meeting.

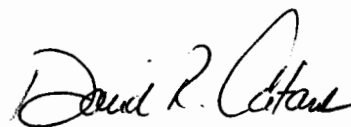
**Item 6.      Other Business**

**Action:** Counsel Brancard provided the Commissioners with an update on litigation.

**Item 7.      Next Meeting: November 9, 2017**

**Item 8.      Adjournment.**

The meeting was adjourned at 10:30 a.m.



**DAVID R. CATANACH, Chair**