

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONER HEARING

ADOPTION OF AGENDA,
ADOPTION OF JULY 19 and 20, 2018 MEETING MINUTES
AND
DISCUSSION OF AGENDA ITEM NUMBER 6,
CASE NUMBERS 16376 and 16377

August 20, 2018

Santa Fe, New Mexico

BEFORE: HEATHER RILEY, CHAIRWOMAN
ED MARTIN, COMMISSIONER
DR. ROBERT S. BALCH, COMMISSIONER
BILL BRANCARD, ESQ.

This matter came on for hearing before the New Mexico Oil Conservation Commission on Monday, August 20, 2018, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

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1 (9:01 a.m.)

2 CHAIRWOMAN RILEY: Good morning, everyone.

3 Let's go ahead and get started. We're on a regular
4 meeting for the Oil Conservation Commission. This is
5 August 20th. I'm Heather Riley. I'm the Chair.

6 If I could take roll, please.

7 COMMISSIONER BALCH: Robert Balch, designee
8 of the Secretary of Energy, Minerals and Natural
9 Resources.

10 COMMISSIONER MARTIN: Ed Martin for the
11 State Land Office.

12 MR. BRANCARD: Bill Brancard, Commission
13 counsel.

14 MS. DAVIDSON: Florene Davidson, Commission
15 clerk.

16 CHAIRWOMAN RILEY: All right. Have you-all
17 had a chance to look at the agendas for today's
18 hearings?

19 COMMISSIONER BALCH: I have reviewed the
20 agenda and move to adopt it.

21 COMMISSIONER MARTIN: I've reviewed it and
22 second that.

23 CHAIRWOMAN RILEY: So moved.

24 And then have you-all had a chance to
25 review the minutes of the July 19th through 20th

1 meeting -- Commission meeting?

2 COMMISSIONER MARTIN: I have reviewed it
3 and move to adopt it.

4 COMMISSIONER BALCH: I would second that
5 motion.

6 CHAIRWOMAN RILEY: So moved.

7 (The proceedings conclude, 9:02 a.m.)

8 (9:39 a.m.)

9 CHAIRWOMAN RILEY: Item Number 6, the
10 Commission will determine whether and when to hear the
11 following cases: Case Number 16376, application of
12 New Mexico Oil Conservation Division to amend rules of
13 the Commission concerning the drilling, spacing and
14 operation of horizontal wells and related matters by
15 amending Section 15 of Rule 19.15.16 NMAC statewide.

16 The second is Case Number 16377,
17 application of the New Mexico Oil Conservation Division
18 to amend rules of the Commission for permitting of wells
19 for underground injection by amending certain sections
20 of Rule 19.15.26 NMAC statewide.

21 So we need to look at potential dates for
22 setting these cases for hearing.

23 I believe at the last hearing,
24 Mr. Brancard, you had some timelines that you had worked
25 out for how to get this accomplished, and I think it

1 required that we had to move -- if we were going to do
2 it in October, we had to move the date one day. Does
3 that sound correct?

4 MR. BRANCARD: That's correct, Madam Chair.
5 I hate to ask the Commission to once again change the
6 dates of its meetings. But in order to meet the 30-day
7 deadline for public notice, we would have to have the
8 Commission hearing on October 11th rather than October
9 10th.

10 COMMISSIONER BALCH: I'm okay with that
11 date.

12 COMMISSIONER MARTIN: I'm okay.

13 CHAIRWOMAN RILEY: I'm okay, again, as long
14 as someone brings birthday cake.

15 COMMISSIONER BALCH: It's your birthday?

16 CHAIRWOMAN RILEY: Yes.

17 But I would love to spend the day with
18 you-all in here.

19 COMMISSIONER BALCH: What's your favorite
20 cake?

21 CHAIRWOMAN RILEY: Something with
22 chocolate.

23 (Discussion off the record.)

24 CHAIRWOMAN RILEY: So we'll move that to --
25 October's hearing to October 11th.

1 MR. BRANCARD: So we have two applications
2 for rulemaking. One is a series of -- well, two
3 technical changes to the horizontal well rule. There
4 were some typos, misstatements that need to be
5 corrected, without getting into the substance of the
6 matter.

7 And the second was based on a review of the
8 injection rule that some -- there are a lot of issues
9 about the injection rule. We discovered that in this
10 last case, and -- but they're just looking at the scope
11 of the rule, essentially. So that's what this proposal
12 is, just dealing with the scope of the rule. The
13 concern being that the Commission is considering a whole
14 series of different types of injection wells under this
15 rule, both the traditional produced water -- saltwater
16 disposal wells, EUR wells, the acid gas injection wells.
17 And this group, I believe, wanted to make sure that it
18 was clear the Commission had jurisdiction over all those
19 different kind of wells.

20 I will say it's my understanding that the
21 division is still looking at that language to see if
22 they can make it more clear. And, also, the other thing
23 that has to occur in dealing with the scope is to make
24 sure that there is no problem with how the EPA defines
25 the scope of a Class 2 well under its rules. So the

1 Commission's also reviewing some possible language on
2 that.

3 But the scope of this rulemaking is just on
4 that issue that's proposed to us, so we wouldn't -- any
5 changes to the application would not affect what you're
6 considering here in terms of the scope of the
7 rulemaking. So while we all may be tempted to get into
8 other issues under the injection rule, this one is
9 pretty narrow.

10 COMMISSIONER BALCH: Easily resolvable in a
11 couple of days probably?

12 MR. BRANCARD: Oh, this should all be done
13 in a day, I think.

14 CHAIRWOMAN RILEY: Yeah. It's very narrow.

15 MR. BRANCARD: Both of these hearings
16 together.

17 COMMISSIONER BALCH: Because I will not be
18 available until the next month if we go past Friday.

19 MR. BRANCARD: Yeah. I think this is all a
20 one-day.

21 COMMISSIONER BALCH: Okay.

22 MR. BRANCARD: So do we have a motion?

23 CHAIRWOMAN RILEY: It requires a motion?

24 MR. BRANCARD: Yes.

25 COMMISSIONER BALCH: I would move we hear

1 that case on October 10th --

2 MR. BRANCARD: 11th.

3 COMMISSIONER BALCH: -- 11th.

4 COMMISSIONER MARTIN: Second.

5 CHAIRWOMAN RILEY: So moved.

6 (Agenda Item Number 6, Case Numbers 16378
7 and 16377, concludes, 9:44 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither
17 employed by nor related to any of the parties or
18 attorneys in this case and that I have no interest in
19 the final disposition of this case.

20 DATED THIS 10th day of September 2018.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters