

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Meeting Minutes
Regular Meeting
October 15, 2020**

The Oil Conservation Commission meeting was held via Webex Meeting platform.

MEMBERS PRESENT:

Adrienne Sandoval	Chair, Oil Conservation Division
Jordan Kessler	Designee, State Land Office Commissioner
Thomas Engler	Designee, Energy, Minerals and Natural Resources Department

OTHERS PRESENT:

Sally Malavé, Counsel for the Commission
Florene Davidson, Commission Clerk

The meeting was called to order by Chair Sandoval at approximately 9:05 a.m.

Item 1. Roll Call.

Action: Roll was taken; a quorum was present.

Item 2. Approval of Agenda.

Action: Commissioner Engler made a motion to adopt the agenda. Commissioner Kessler seconded the motion. A roll call vote was taken.

Commissioner Engler – Yes
Commissioner Kessler – Yes
Chair Sandoval – Yes

The motion passed unanimously.

Item 3. Approval of minutes of October 8, 2020 special meeting.

Action: Commissioner Engler moved to approve the minutes. Commissioner Kessler seconded the motion. A roll call vote was taken.

Commissioner Engler – Yes
Commissioner Kessler – Yes
Chair Sandoval – Yes

The motion passed unanimously.

Item 4. Final action may be taken in:

Case No. 20779: Application of Lucid Energy Delaware, LLC for authority to inject, Lea County, New Mexico.

Action: Commissioner Engler made a motion to adopt Order No. R-20916-H in Case No. 20779. Commissioner Kessler seconded the motion. A roll call vote was taken.

Commissioner Engler – Yes
Commissioner Kessler – Yes
Chair Sandoval – Yes

The motion passed unanimously.

The Commission signed Order No. R-20916-H in Case No. 20779.

Item 5. Case 21469: Application for Rulemaking: Pursuant to 19.15.38(A) NMAC, Petitioner WildEarth Guardians (“Guardians”) hereby petitions the New Mexico Oil Conservation Commission (“OCC”) to amend 19.15.34.20 NMAC – Disposition of Produced Water and Other Oil Field Waste – a rule “to regulate the disposition, handling, transport, storage, recycling, treatment and disposal of produced water ... in a manner that protects public health, the environment and fresh water resources.” NMSA 1978, § 70-2- 12(B)(15). Currently, OCC/OCD rules do not prohibit spills or releases or produced water. The proposed rule would fill that glaring regulatory hole by specifically prohibiting the spilling or releasing of produced water. Upon application of WildEarth Guardians, the Oil Conservation Commission will review the request to grant a hearing on the rulemaking.

Action: Appearances were made by Daniel Timmons for WildEarth Guardians, Adam Rankin for the New Mexico Oil & Gas Association, and Eric Ames for the Oil Conservation Division.

Mr. Timmons explained the purpose of the application and requested a November hearing date. A discussion was held by the Commission and all parties. Commissioner Engler made a motion to deny the application because it cited the wrong rule. There was no second. Commissioner Kessler made a motion to accept the application and set it for hearing. Chair Sandoval seconded the motion. A roll call vote was taken.

Commissioner Engler – No
Commissioner Kessler – Yes
Chair Sandoval – Yes

The motion passed by majority vote.

A discussion was held on a special hearing date for the application. The Commission agreed to set it for April 1 and 2, and 8 and 9, 2020, if needed. Commissioner Kessler moved that the comment period for this case be 60 days, Commissioner Engler seconded the motion. A roll call vote was taken.

Commissioner Engler – Yes
Commissioner Kessler – Yes
Chair Sandoval – Yes

The motion passed unanimously.

Upon an Unopposed Motion for Continuance, the following three cases, Items 6, 7, and 8, were continued to April 15, 2021:

- Item 6.** Case No. 20571: Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico.
- Item 7.** Case No. 20572: Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico.
- Item 8.** Case No. 20574: Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico.

Upon an Unopposed Motion for Continuance, the following four cases, Items 9, 10, 11, and 12, were continued to November 4, 2020:

Commission Case 21321:

- Item 9.** Case No. 20923: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.
- Item 10.** Case No. 20924: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.
- Item 11.** Case No. 20925: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.
- Item 12.** Case No. 20926: Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.

Item 13. Pending litigation

Action: Counsel Malavé informed the Commission that the Court of Appeals has upheld the Commission in Jalapeno’s appeal against OCD rulemaking.

Item 14. Other business.

Action: The Commission discussed changing the December hearing date but decided to keep it scheduled for December 10, 2020.

Item 7. Next meeting – November 4, 2020

Item 8. Adjournment

Action: Chair Sandoval adjourned the hearing at 10:01 a.m.

Adrienne Sandoval, Chair