

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

~~APPLICATION OF DCP MIDSTREAM, LP~~ No. 14558  
~~TO AMEND ORDER NUMBER R-12546,~~ and  
~~LEA COUNTY, NEW MEXICO.~~ No. 14577

TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

**COPY**

BEFORE: CHAIRWOMAN JAMI BAILEY

July 29, 2011  
Santa Fe, New Mexico

This matter came on for hearing before the New  
Mexico Oil Conservation Division, JAMI BAILEY,  
Chairwoman, and SCOTT A. DAWSON, Commissioner of  
Public Lands, and ROBERT S. BALCH, Designee of the  
Secretary of Energy and Minerals, on Friday, July  
29, 2011, in Porter Hall, Santa Fe, New Mexico.

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REPORTED BY: PAUL BACA, CCR #112  
PAUL BACA COURT REPORTERS  
500 4th Street, NW, Suite 105

1           MADAM CHAIRWOMAN BAILEY: Today is Friday,  
2     July 29, a continuation of the meeting of the Oil  
3     Conservation Commission.

4           We have all three commissioners in  
5     attendance this morning. I am Jami Bailey, Chairman  
6     of the commission. We also have Commissioner Bob  
7     Balch and Commissioner Scott Dawson.

8           We have completed testimony for case --  
9     combined cases, Consolidated Cases 14558 and Case  
10    14577, and the commission is about to go into  
11    executive session.

12           Do I hear a motion for the commission to  
13    go into executive session for the sole purpose of  
14    deliberating in the consolidated cases?

15           MR. BALCH: I'll make that motion.

16           MR. DAWSON: I'll second.

17           MADAM CHAIRWOMAN BAILEY: All those in  
18    favor?

19           MR. BALCH: Aye.

20           MR. DAWSON: Aye.

21           MADAM CHAIRWOMAN BAILEY: Aye.

22           All those opposed?

23           Motion passes, three-zero.

24           (A recess was taken from 9:00 a.m. to  
25    10:12 a.m.)

1                   MADAM CHAIRWOMAN BAILEY: We'll go back on  
2 the record.

3                   Do you have a motion to go back into  
4 session.

5                   MR. DAWSON: Yes.

6                   MADAM CHAIRWOMAN BAILEY: Is there a  
7 second?

8                   MR. BALCH: I will second.

9                   MADAM CHAIRWOMAN BAILEY: All those in  
10 favor?

11                  MR. BALCH: Aye.

12                  MR. DAWSON: Aye.

13                  MADAM CHAIRWOMAN BAILEY: Aye.

14                  The commission had gone into executive  
15 session in accordance with New Mexico Statute  
16 10-15-1 and the commission resolution on open  
17 meetings.

18                  The only topic for discussion were the  
19 consolidated cases 14558 and 14577.

20                  The commission finds in favor of COG for  
21 vertical expansion of the Burch Keely Unit in Eddy  
22 County and for vertical expansion of the Grayburg  
23 Jackson, Seven Rivers, Queen, Grayburg San Andres  
24 pool, to correspond with the unitized formation of  
25 the Burch Keely Unit in Eddy County.

1           The evidence presented to the commission  
2       supports this approval. And this evidence includes,  
3       but is not limited to, the facts that the expansion  
4       of the unit is supported by the unit agreement; that  
5       in and of itself, approval of the expansion of the  
6       unit and the pool will not result in waste or  
7       interference of correlative rights.

8           This decision will also deny the motion to  
9       stay.

10           We ask for proposed findings and  
11       conclusions from the attorneys, both parties, by  
12       August 26, so that we are able to sign this order at  
13       our regularly-scheduled commission hearing on  
14       September 22nd.

15           (Proceedings concluded.)

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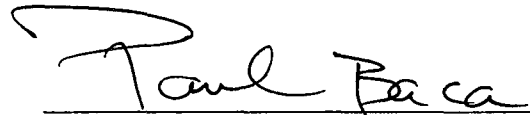
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## CERTIFICATE

I, Paul Baca, RPR, CCR in and for the  
State of New Mexico, do hereby certify that the  
above and foregoing contains a true and correct  
record, produced to the best of my ability via  
machine shorthand and computer-aided transcription,  
of the proceedings had in this matter.



PAUL BACA, RPR, CCR  
Certified Court Reporter #112  
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