

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

2012 JUL 12 P 12:41

ORIGINAL

Case No. 14720

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION FOR
THE PURPOSE OF CONSIDERING:

AGAVE ENERGY COMPANY'S MOTION TO
AMEND ORDER NO. R-13507, LEA COUNTY,
NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSIONER HEARING

BEFORE: JAMI BAILEY, Chairman
DR. ROBERT BALCH, Commissioner
SCOTT DAWSON, Commissioner

June 28, 2012
Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Commission, JAMI BAILEY, Chairman, on Thursday, June 28, 2012, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105
Albuquerque, NM 87103 505-843-9241

A P P E A R A N C E S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

FOR THE OIL CONSERVATION COMMISSION:

Bill Brancard, Esq.
Assistant General Counsel
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

FOR AGAVE ENERGY COMPANY:

Hinkle, Hensley, Shanor & Martin, LLP
Gary W. Larson
P.O. Box 2068
Santa Fe, New Mexico 87504

ALSO PRESENT:

Florene Davidson

WITNESSES:

PAGE

Ivan Villa:

Direct examination by Mr. Larson 5
Examination by Commissioner Balch 9

Jennifer Knowlton:

Direct examination by Mr. Larson 10
Examination by Commissioner Balch 13

Alberto Gutierrez:

Direct examination by Mr. Larson 14
Examination by Commissioner Dawson 30
Examination by Commissioner Balch 34
Further examination by Commissioner Dawson 37
Examination by Chairman Bailey 38

INDEX

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBITS	PAGE
AGAVE EXHIBIT 1 WAS ADMITTED	29
REPORTER'S CERTIFICATE	43

1 CHAIRMAN BAILEY: Good morning. This is
2 the meeting of the Oil Conservation Commission on June
3 28th, in Porter Hall, in the Wendell Chino Building here
4 in Santa Fe, New Mexico.

5 I am Jami Bailey, Chairman of the Commission.
6 To my right is Scott Dawson, designee of the Commissioner
7 of Public Lands; and to my left is Dr. Robert Balch, who
8 is the designee of the Secretary of Energy, Minerals and
9 Natural Resources. All three Commissioners are here
10 today, so there is a quorum of the Commission.

11 We have cases to be continued. Case Number
12 14763, which is the application of Mack Energy
13 Corporation for compulsory pooling in Lea County, New
14 Mexico, will be continued to the July 18th, 2012,
15 Commission meeting.

16 Case 14764, which is the application of
17 Cimarex Energy Company of Colorado for approval of a
18 non-standard oil spacing and proration unit, unorthodox
19 location and compulsory pooling in Lea County, New
20 Mexico, that case is continued to the July 18th, 2012,
21 Commission meeting.

22 Now I call Case Number 14720, which is the
23 application of Agave Energy Company's Motion to Amend
24 Order Number R-13507, requesting the Commission to amend
25 Order R-13507, which authorizes Agave Energy to dispose

REPORTER'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on June 28, 2012, proceedings in the
above captioned case were taken before me and that I did
report in stenographic shorthand the proceedings set
forth herein, and the foregoing pages are a true and
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with any of the parties or
attorneys in this case and that I have no interest
whatsoever in the final disposition of this case in any
court.

WITNESS MY HAND this 11th day of July, 2012.

Jacqueline R. Lujan
Jacqueline R. Lujan, CCR #91
Expires: 12/31/2012