

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

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

ORIGINAL

APPLICATION OF AGAVE ENERGY COMPANY
FOR AUTHORITY TO INJECT, LEA COUNTY,
NEW MEXICO

Case No: 14720

Case No. 13589: Continued to December 20, 2012

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSIONER HEARING

BEFORE: JAMI BAILEY, Chairman
TERRY WARNELL, Commissioner

December 6, 2012
Santa Fe, New Mexico

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This matter came on for hearing before the New Mexico Oil Conservation Commission, JAMI BAILEY, Chairman, on Thursday, December 6, 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

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A P P E A R A N C E S

FOR THE OIL CONSERVATION COMMISSION:

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

ALSO PRESENT:

Florene Davidson

REPORTER'S CERTIFICATE

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1 CHAIRMAN BAILEY: Good morning. This is
2 the meeting of the Oil Conservation Commission on
3 Thursday, December 6th, in Santa Fe, New Mexico.

4 On my right we have the newly-designated
5 representative of the Commissioner of Public Lands, Terry
6 Warnell. We are currently trying to reach by telephone
7 Dr. Robert Balch, Commissioner designee of the Secretary
8 of Energy, Minerals and Natural Resources.

9 Until we reach Dr. Balch we will be able to go
10 through some of the items on our docket, the minutes of
11 the October 25th and November 15th, 2012 Commission
12 meetings. During those Commission meetings, Scott Dawson
13 was the representative for the Commissioner of Public
14 Lands, and Scott is in the audience today.

15 Have you had a chance to look at the minutes
16 of the meeting of October the 25th, when you were the
17 representative for the Land Office?

18 MR. DAWSON: I have.

19 CHAIRMAN BAILEY: Did you have any changes
20 or amendments that needed to be made to this copy?

21 MR. DAWSON: I do not.

22 CHAIRMAN BAILEY: Then do I hear a motion
23 for us to adopt the minutes of the October 2012
24 Commission meeting?

25 MR. DAWSON: I will motion.

1 CHAIRMAN BAILEY: I will second. All
2 those in favor?

3 And I will sign on behalf of the Commission.

4 On November 15th, Greg Bloom was the
5 representative for the Land Office. And he is not here,
6 so we don't have a quorum for signing of those minutes.

7 That holds true also for the amended minutes
8 of the meeting that was held September 24th through 27th
9 and October 1st, 4th and 5th, 2012. So until we have a
10 quorum, we will not be able to sign those minutes.

11 We also have an order in Case Number 14720,
12 which was the application of Agave Energy Company for
13 authority to inject, Lea County, New Mexico. At that
14 time, Scott Dawson was the designee for the Commissioner
15 of Public Lands.

16 Have you had a chance to review the order
17 which was the result of our deliberations on October
18 25th, 2012?

19 MR. DAWSON: I have.

20 CHAIRMAN BAILEY: Do you intend to support
21 this order, as written?

22 MR. DAWSON: I will. I do.

23 MR. BRANCARD: I think, technically,
24 Mr. Warnell needs to vote on it. But since Mr. Dawson
25 can basically direct Mr. Warnell that he has no problems

1 with the order, that will be fine.

2 CHAIRMAN BAILEY: Mr. Dawson, will you
3 direct Mr. Warnell as to your thoughts on the Commission
4 order in the Agave case?

5 MR. DAWSON: I have reviewed the order. I
6 have no problems with it, and I will direct Terry Warnell
7 to sign on my behalf.

8 MR. BRANCARD: He can make a motion and
9 vote.

10 COMMISSIONER WARNELL: I will make a
11 motion --

12 CHAIRMAN BAILEY: -- to adopt the Agave
13 order --

14 COMMISSIONER WARNELL: -- to adopt the
15 Agave order --

16 CHAIRMAN BAILEY: -- in Case Number 14720?

17 COMMISSIONER WARNELL: -- in Case Number
18 14720.

19 CHAIRMAN BAILEY: And I second that
20 motion. All those in favor?

21 Then we can sign this order as presented. And
22 it will be sent to Dr. Balch for his signature also,
23 since he was Commissioner for that.

24 We also have an order of the Commission which
25 dismisses its petition in Case Number 14785 to the extent

1 that it seeks on amendment of NMAC 19.15.39(8)(B.) This
2 was drafted at the request of the applicant, Independent
3 Petroleum Association of New Mexico.

4 Dr. Robert Balch is not here; Mr. Greg Bloom
5 is not here, so we will not be able to sign this order
6 until we do have a quorum at least indicating that they
7 would be in favor of signing.

8 I now call Case 13589, which is the
9 application of DCP Midstream LP to reopen Case Number
10 13589 to amend Order Number R-1246 for the limited
11 purpose of authorizing a second acid gas injection well,
12 in Lea County, New Mexico. This case has been continued
13 to the December 20th, 2012 Commission meeting.

14 I believe that covers everything on the
15 docket. I can attempt to make another phone call to
16 Dr. Balch.

17 (Whereupon a telephone call was made.)

18 CHAIRMAN BAILEY: Is there any further
19 business before the Commission today?

20 Then do I hear a motion to adjourn this
21 meeting?

22 COMMISSIONER: I will motion to adjourn
23 this meeting.

24 CHAIRMAN BAILEY: I'll second that motion.
25 All those in favor?

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Thank you very much.

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REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on December 6, 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 14th day of December,
2012.

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