

**MINUTES OF THE MEETING
OF THE OIL CONSERVATION COMMISSION
HELD ON JUNE 6, 2013**

The Oil Conservation Commission met at 9 o'clock a.m. on June 6, 2013, in Porter Hall, Wendell Chino Building, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

PRESENT: **GREG BLOOM, Member**
 ROBERT BALCH, Member
 JAMI BAILEY, Chair

Mark Smith served as the Commission counsel.

The meeting was called to order by Chair Bailey. Cases 14784 and 14785, the applications of the New Mexico Oil and Gas Association and the Independent Petroleum Association of New Mexico, respectively, for amendment of certain provisions of Title 19, Chapter 15 of the New Mexico Administrative Code concerning pits, closed-loop systems, below grade tanks, sumps and other alternative methods related to the foregoing and amending other rules to conforming changes, were called for final action. Counsel Smith discussed an amended stipulated exhibit list, which was submitted after the record was closed, to amend an earlier filing in order to make it a complete list. He asked the Commission to open the record for the limited purpose of accepting this list. Commissioner Bloom made a motion to open the record in Cases 14784 and 14785, and Commissioner Balch seconded the motion. The record was re-opened. Commissioner Bloom made a motion to accept the amended stipulated exhibit list, and Commissioner Balch seconded the motion. The Commission unanimously agreed to accept the amended stipulated exhibit list. Commissioner Bloom made a motion to close the record in Cases 14784 and 14785, and Commissioner Balch seconded the motion. The Commission unanimously agreed to close the record in Cases 14784 and 14785.

Counsel Smith informed the Commission that there were certain changes to the rule that needed to be brought to the Commission's attention before the signing of the order. He said these changes were in the nature of clean-up and correction of typos. He identified certain changes in Siting Requirements and Closure and Site Reclamation Requirements. Commissioner Bloom made a motion to accept all of the proposed changes, and Commissioner Balch seconded the motion. The Commission unanimously agreed to accept all of the proposed changes to the rule.

Counsel Smith said that one of the findings in the order regarding the earlier pit rules relied on the surface waste management rule siting standards in Rule 36. The Commission discussed the relationship between Part 17 and Rule 36, and unanimously agreed that, based on differences between the facilities covered by the two rules and on the evidence taken during the hearing on the amendments to Part 17, it was not necessary for the standards in Rule 36 and the standards in Part 17 to be the same.

Commissioner Bloom made a motion to adopt the amended rule in Title 19, Chapter 15, Part 17 of the New Mexico Administrative Code, and Commissioner Balch seconded the motion. The Commission unanimously agreed to adopt the rule, and all Commissioners signed Order No. R-13506-D entered in Cases 14784 and 14785.

Chair Bailey announced that the new pit rule will become effective on June 28, 2013. The order and the rule will be placed on the Oil Conservation Division's website on the Rules page.

The meeting was recessed at 9:40 a.m.

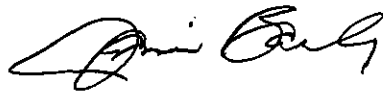
The meeting reconvened at 10:00 a.m. Terry Warnell replaced Greg Bloom as the Commissioner for the remainder of the meeting.

After a motion by Commissioner Warnell and a second to the motion by Commissioner Balch, the minutes of the May 9-10 Commission meeting were unanimously approved and adopted.

Case 14976, the application of Occidental Permian, Ltd. for approval to add the North Hobbs G/SA Unit Well No. 431 as an injection well for water, carbon dioxide, and produced gas in its North Hobbs Grayburg-San Andres Tertiary Recovery Project located within the Hobbs-Grayburg-San Andres Pool, Lea County, New Mexico, was called for final action. After a motion by Commissioner Balch and a second to the motion by Commissioner Warnell, the Commission unanimously agreed to adopt and all Commissioners signed Order No. R-6199-E entered in Case 14976.

Commissioner Warnell made a motion to adjourn the meeting, and Commissioner Balch seconded the motion. The Commission unanimously agreed to adjourn the meeting at 10:03 a.m.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over the printed name.

JAMI BAILEY, Chair