

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONER HEARING

ADOPTION OF AGENDA,

ADOPTION OF SEPTEMBER 21, 2017 MEETING MINUTES,

and

LITIGATION DISCUSSION

October 4, 2017

Santa Fe, New Mexico

BEFORE: DAVID R. CATANACH, CHAIRPERSON
EDWARD MARTIN, COMMISSIONER
DR. ROBERT S. BALCH, COMMISSIONER
BILL BRANCARD, ESQ.

This matter came on for hearing before the New Mexico Oil Conservation Commission on Thursday, October 4, 2017, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

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1 (9:03 a.m.)

2 CHAIRMAN CATANACH: Good morning. This is
3 the meeting of the New Mexico Oil Conservation
4 Commission. My name is David Catanach, chairman of the
5 Commission. The time is about 9:04, 9:03 a.m. Today's
6 date is October 4th, 2017. This meeting is being
7 conducted in Porter Hall within the Wendell Chino State
8 Building.

9 Commissioners, at this time I will take
10 roll, please. Will you please introduce yourself for
11 the record?

12 COMMISSIONER MARTIN: Ed Martin
13 representing the State Land Office.

14 COMMISSIONER BALCH: Dr. Robert Balch
15 designee of the Secretary of Energy, Minerals and
16 Natural Resources.

17 CHAIRMAN CATANACH: Thank you.

18 Mr. Brancard is also present today,
19 Commission attorney, and Ms. Florene Davidson.

20 Commissioners, in your packet today, you
21 should find an agenda for today's meeting. If you have
22 reviewed the agenda, do I have a motion and a second to
23 adopt the agenda?

24 COMMISSIONER BALCH: So moved.

25 COMMISSIONER MARTIN: Second.

1 CHAIRMAN CATANACH: All in favor?

2 (Ayes are unanimous.)

3 CHAIRMAN CATANACH: Motion to adopt today's
4 agenda is passed.

5 Also in your packet today are the minutes
6 from the September 21st, 2017 Commission meeting.

7 Commissioners, if you've reviewed the minutes, do you
8 have any changes, and if not, do I hear a motion to
9 adopt?

10 COMMISSIONER MARTIN: I have reviewed the
11 minutes. I have no changes and move to adopt.

12 COMMISSIONER BALCH: I also reviewed them,
13 and I would second.

14 CHAIRMAN CATANACH: Okay. All in favor?

15 (Ayes are unanimous.)

16 CHAIRMAN CATANACH: Motion to adopt the
17 meeting minutes from the September 21st meeting is
18 passed.

19 (The proceedings conclude, 9:04 a.m.)

20 (10:26 a.m.)

21 MR. BRANCARD: So the next meeting is
22 November 9th.

23 November 8th, we will be in district court
24 on the Jalapeno-Matador case.

25 CHAIRMAN CATANACH: Oh.

1 COMMISSIONER BALCH: Not us. You.

2 MR. BRANCARD: I'll be there.

3 CHAIRMAN CATANACH: Is that a motion
4 hearing?

5 MR. BRANCARD: Well, what it is -- I mean,
6 all the briefing is done in the case. The only thing
7 that was requested for oral argument is a motion by
8 Matador to dismiss three of the five issues presented by
9 Jalapeno. So since that was actually the only one that
10 anybody asked for oral argument, that's what the content
11 of the argument is. However, I will show up ready to
12 argue the entire case if necessary in case the judge
13 decides, well, everybody's here, let's argue the whole
14 thing since it's all been fully briefed anyway.

15 CHAIRMAN CATANACH: All right.

16 MR. BRANCARD: And that motion to dismiss
17 was based on the fact that they were sort of arguing
18 that you had violated the law, like, say, the 200
19 percent when, in fact, your order was 150 percent, a
20 risk premium. So Matador's argument is that argument
21 doesn't exist because you didn't do 200 percent. You
22 did 150 percent.

23 CHAIRMAN CATANACH: Hmm. Sounds like fun.

24 MR. BRANCARD: Yeah.

25 CHAIRMAN CATANACH: I start jury duty at

1 the end of October. Now, the good thing about that -- I
2 mean, it's okay. But I can designate somebody to sit
3 for me, right, according to the new rule, if I happen to
4 be out? Is that correct?

5 MR. BRANCARD: Well, I've always wondered
6 if that was true.

7 COMMISSIONER BALCH: I think you can
8 designate someone to run the hearing, but it would come
9 down to the two of us --

10 MR. BRANCARD: Yeah. I don't know if they
11 would have full voting authority.

12 COMMISSIONER BALCH: So there was a case
13 where Jami Bailey was sick the morning of the hearing
14 and did not come in. And I took over for that
15 particular hearing, and the two sitting Commissioners
16 were able to finish that.

17 CHAIRMAN CATANACH: Okay.

18 COMMISSIONER BALCH: Fortunately, it wasn't
19 very controversial and wasn't very difficult.

20 CHAIRMAN CATANACH: Well, just in case,
21 just so you guys know.

22 COMMISSIONER BALCH: Yes. I had jury duty
23 a few years ago, and I was informed that this is not an
24 excuse to not go to jury duty.

25 (Laughter.)

1 CHAIRMAN CATANACH: There are no excuses
2 they accept anymore.

3 COMMISSIONER BALCH: Yup. Fortunately,
4 they don't like Ph.D.s.

5 MR. BRANCARD: Nor lawyers.

6 COMMISSIONER BALCH: So your chances of
7 being on a jury are zero.

8 CHAIRMAN CATANACH: Well, I don't have a
9 Ph.D.

10 COMMISSIONER BALCH: But you're smart.

11 (Laughter.)

12 (Discussion off the record.)

13 CHAIRMAN CATANACH: Let's adjourn this
14 meeting.

15 (The proceedings conclude, 10:29 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
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16 I FURTHER CERTIFY that I am neither
17 employed by nor related to any of the parties or
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19 the final disposition of this case.

20

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22 MARY C. HANKINS, CCR, RPR
23 Certified Court Reporter
24 New Mexico CCR No. 20
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