STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION COMMISSION

CASE NOS. 13,367, 13,368 and 13,372 (Closing of Session for Deliberation)

ORIGINAL

TRANSCRIPT OF PROCEEDINGS

BEFORE: MARK E. FESMIRE, CHAIRMAN

JAMI BAILEY, COMMISSIONER

WILLIAM C. OLSON, COMMISSIONER

June 15th, 2006

Santa Fe, New Mexico

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These matters came on for deliberation before the CO CO Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, June 15th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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REPORTER'S CERTIFICATE

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APPEARANCES

FOR THE COMMISSION:

CHERYL BADA

Assistant General Counsel Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

* * *

WHEREUPON, the following proceedings were had at 1 2 10:03 a.m.: CHAIRMAN FESMIRE: Let's back on the record. 3 Again, this is a continuation of the regularly scheduled 4 Thursday, June 15th, 2006, meeting of the New Mexico Oil 5 Conservation Commission. The record will reflect that it's 6 10 o'clock a.m. The meeting, like I said, is a continuation. We're still in Porter Hall, and all three 8 Commissioners are still present; we therefore still have a 9 10 quorum. The Commission intends to deliberate now on 11 12 Causes Number 13,367, 13,368 and 13,372. These causes, 13 because of similar fact patterns, have been joined and considered together. 14 At this time the Commission has the option of 15 going into executive session and deliberating, or 16 17 deliberating in open session. Do either of the 18 Commissioners have a preference? 19 COMMISSIONER BAILEY: I would prefer that an 20 adjudicatory hearing such as this, we go into closed session. 21 22 CHAIRMAN FESMIRE: Commissioner Olson? 23 COMMISSIONER OLSON: I agree. 24 CHAIRMAN FESMIRE: Okay. With that, and 25 apologies to the people remaining in the audience, we will

go into executive session to consider just these three 1 Again, it's Cause Number 13,367, 13,368 and 13,372. cases. 2 (Off the record at 10:05 a.m.) 3 (The following proceedings had at 10:36 a.m.) 4 CHAIRMAN FESMIRE: Let's go back on the record. 5 This is the continuation of Causes Number 13,367, 13,368 6 and 13,372 at the Thursday, June 15th, 2006, regularly 7 scheduled meeting of the New Mexico Oil Conservation 8 Commission. Let the record reflect that the Commission is 9 coming out of executive session at this time. We have been 10 in executive for the last approximately 35 minutes, during 11 which case -- during which time, the only discussions that 12 13 were had concerned Cases Number 13,367, 13,368 and 13,372. The Commission has reached a decision and has 14 directed counsel Bada to draft an order reflecting that 15 decision. 16 And with that, the Chair will direct that this 17 case will be continued until the next regularly scheduled 18 meeting, at which time we will again address the order that 19 counsel Bada has by that time drafted. 20 (Thereupon, these proceedings were concluded at 21 22 10:38 a.m.) 23 24 25

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL June 17th, 2006.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006