

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

CASE NOS. 13,586; 13,274;  
13,367, 13,368 and 13,372 (Continued)

CONTINUED AND DISMISSED CASES  
TRANSCRIPT OF PROCEEDINGS

BEFORE: MARK E. FESMIRE, CHAIRMAN  
JAMI BAILEY, COMMISSIONER  
WILLIAM C. OLSON, COMMISSIONER

ORIGINAL

March 23rd, 2006  
Santa Fe, New Mexico

2006 MAR 30 AM 9:30

These matters were continued to future hearing dates by MARK E. FESMIRE, Chairman, New Mexico Oil Conservation Commission, on Thursday, March 23rd, 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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STEVEN T. BRENNER, CCR  
(505) 989-9317

## I N D E X

March 23rd, 2006  
 Commission Hearing  
 Continued and Dismissed Cases

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## A P P E A R A N C E S

## FOR THE COMMISSION:

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

FOR BASS ENTERPRISES PRODUCTION COMPANY  
 and DEVON ENERGY PRODUCTION COMPANY, LP:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR  
 110 N. Guadalupe, Suite 1  
 P.O. Box 2208  
 Santa Fe, New Mexico 87504-2208  
 By: WILLIAM F. CARR

\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 9:05 a.m.:

3 CHAIRMAN FESMIRE: The next cause before the  
4 Commission is Case Number 13,586, the Application of the  
5 New Mexico Oil Division for repeal of existing Rules 709,  
6 710, 711 concerning surface waste management and the  
7 adoption of new rules governing surface waste management.

8 This case has been continued to the April 20th,  
9 2006, Commission meeting at the request -- at the motion, I  
10 believe, of an industry committee consisting of 17  
11 operators in the state. That motion for continuance has  
12 been adopted, and this case will be continued to the April  
13 20th, 2006, Commission meeting.

14 \* \* \*

15  
16 CHAIRMAN FESMIRE: The next cause before the  
17 Commission is Case Number 13,274, the Application of Arch  
18 Petroleum, Inc., for approval of two nonstandard gas  
19 spacing and proration units in the Jalmat Gas Pool, Lea  
20 County, New Mexico.

21 I believe at the request of the Applicant this  
22 case has been committed -- "committed" -- continued, from  
23 the February 9th docket to the April 20th, 2006, Commission  
24 docket.

25 \* \* \*

1           CHAIRMAN FESMIRE: The next cause before the  
2 Commission is Case Number 13,367, the Application of Bass  
3 Enterprises Production Company for an order authorizing the  
4 drilling of a well in the potash area in Eddy County, New  
5 Mexico.

6           There's a related case, Case Number 13,368, the  
7 Application of Devon Energy Production Company, LP, for an  
8 order authorizing the drilling of a well in the potash area  
9 in Eddy County, New Mexico.

10           These cases will be continued to a special  
11 meeting.

12           At this time, Mr. Carr, who is -- I guess will  
13 make his appearance in both cases?

14           MR. CARR: Actually, Mr. Chairman, in all three  
15 cases. The last case is also a related case seeking well  
16 location in the potash area.

17           CHAIRMAN FESMIRE: Okay, that's Case Number  
18 13,372? And you're asking that these cases be specially  
19 set together --

20           MR. CARR: Yes, sir.

21           CHAIRMAN FESMIRE: -- at a special meeting?

22           MR. CARR: Yes, sir. They involve a common  
23 issue, and although they're separate cases and involve  
24 separate well locations, the issues are virtually identical  
25 in each of the cases.

1           The cases were heard over a year ago. And after  
2 the order was entered Mosaic Potash, who had opposed the  
3 case, sought hearing *de novo*.

4           They will take a -- should take a full day to  
5 hear, but should not go more than that.

6           CHAIRMAN FESMIRE: A full day for all three of  
7 them?

8           MR. CARR: For all three of them.

9           CHAIRMAN FESMIRE: Okay.

10          MR. CARR: And we've asked for a special hearing  
11 date because of that, because every regular date has other  
12 things on it.

13          I have talked with Charles High, the attorney  
14 from Mosaic -- I talked with him several weeks ago and  
15 again yesterday afternoon -- and he has recommended three  
16 dates that he could be available to hear these. He has two  
17 cases going in federal court the next two months, so his  
18 schedule is unusually tight during this period of time, and  
19 he isn't available on either the 20th of April or the 18th  
20 of May.

21          But he would be available April the 12th or May  
22 11th or 12th, and those are the days he asked me to suggest  
23 to the Commission as possible hearing dates.

24          CHAIRMAN FESMIRE: Okay. Mr. Carr, I think the  
25 Commission should take that under --

1 MR. CARR: Yes, sir.

2 CHAIRMAN FESMIRE: -- under advisement --

3 MR. CARR: Yes, sir.

4 CHAIRMAN FESMIRE: -- and the Commissioners get a  
5 chance to look at their schedules.

6 MR. CARR: And if those schedules don't work, Mr.  
7 Chairman, I would recommend it be set on the 18th -- well,  
8 actually that it be perhaps continued to the 20th and we  
9 revisit the question at that time, and perhaps -- maybe the  
10 Chairman of the Commission would call Mr. High.

11 You might have a better chance working his  
12 schedule than I do.

13 CHAIRMAN FESMIRE: Okay. So your suggestion is  
14 that it be continued to the -- if these dates are not  
15 satisfactory to the Commissioners, that it be continued to  
16 the --

17 MR. CARR: -- 20th of -- at which --

18 CHAIRMAN FESMIRE: -- April 20th --

19 MR. CARR: -- time, we have additional dates that  
20 I could then present for --

21 CHAIRMAN FESMIRE: Okay.

22 MR. CARR: -- both Mr. High and myself.

23 CHAIRMAN FESMIRE: Will the Commissioners --  
24 would there be any problem -- Jami brought her schedule,  
25 so...

1 COMMISSIONER BAILEY: April 12th looks good to  
2 me.

3 COMMISSIONER OLSON: Yeah, I'll be out then,  
4 something going on, so... Same on the 11th. The only one  
5 that works for me, at least of those dates, is the 12th of  
6 May.

7 CHAIRMAN FESMIRE: May 12th?

8 COMMISSIONER OLSON: Right.

9 CHAIRMAN FESMIRE: Something tells me I'm going  
10 to be busy that day.

11 COMMISSIONER BAILEY: May 12th is okay with me.

12 CHAIRMAN FESMIRE: Okay, let me check and see if  
13 my calendar is available on the 12th. If it is, would  
14 there be any problem with the Chairman issuing an order?

15 MR. BROOKS: No, if you want to just do that, I  
16 would say let's just continue it from now to April the  
17 20th, and then at a later date we can --

18 CHAIRMAN FESMIRE: Okay.

19 MR. BROOKS: -- the Chairman can direct that it  
20 be set on May the 12th --

21 CHAIRMAN FESMIRE: Okay.

22 MR. BROOKS: -- assuming that all the  
23 Commissioners find that an acceptable date.

24 CHAIRMAN FESMIRE: Okay. So Cause Number 13,367,  
25 13,368, and 13,372 shall all be continued until the next

1 regularly scheduled meeting of the Commission on April  
2 20th, and pending coordination with the Commissioners'  
3 schedule for perhaps a setting on -- the only day left that  
4 we're looking at is May 12th.

5 MR. CARR: Yes, sir.

6 CHAIRMAN FESMIRE: Okay.

7 MR. CARR: Thank you, sir.

8 CHAIRMAN FESMIRE: Are there any other comments  
9 on either one of those three causes?

10 MR. CARR: No, sir.

11 CHAIRMAN FESMIRE: That having been said, that  
12 finishes the business on the docket for the Commission.

13 Is there any other matter that the Commission  
14 needs to address today?

15 COMMISSIONER BAILEY: Not that I know of.

16 CHAIRMAN FESMIRE: Commissioner Olson?

17 COMMISSIONER OLSON: I don't have any issues.

18 CHAIRMAN FESMIRE: Okay. With that, the Chair  
19 would entertain a motion to adjourn.

20 COMMISSIONER BAILEY: I move we adjourn.

21 COMMISSIONER OLSON: Second.

22 CHAIRMAN FESMIRE: All those in favor?

23 COMMISSIONER BAILEY: Aye.

24 COMMISSIONER OLSON: Aye.

25 CHAIRMAN FESMIRE: let the record reflect that



1 the Commission meeting of March 23rd, 2006, was adjourned  
2 at 9:12 a.m.

3 Thank you.

4 (Thereupon, these proceedings were concluded at  
5 9:12 a.m.)

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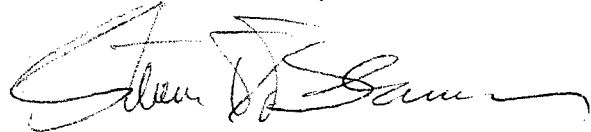
## CERTIFICATE OF REPORTER

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 March 23rd, 2006.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2006

STEVEN T. BRENNER, CCR  
(505) 989-9317