

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

Case Nos. 14,000, *de novo* (Continued);
13,945, *de novo*, and 13,912, *de novo* (Consolidated)
(Dismissed)

Case Nos. 13,870 and 13,812, *de novo*
(Awaiting Final Commission Action
No Evidence or Testimony Taken)

TRANSCRIPT OF PROCEEDINGS

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

ORIGINAL

April 16th, 2008

Santa Fe, New Mexico

These matters were dismissed or continued to future hearing dates by MARK E. FESMIRE, Chairman, New Mexico Oil Conservation Commission, on Wednesday, April 16th, 2008, 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.

* * *

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

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I N D E X

April 16th, 2008
 Commission Hearing
 Continued and Dismissed Cases

PAGE

ADOPTION OF MINUTES OF THE COMMISSION MEETING
 HELD ON MARCH 12th, 2008

3

ADOPTION OF MINUTES OF THE COMMISSION MEETING
 HELD ON MARCH 13th, 2008

4

Case No. 13,870
 (AWAITING FINAL COMMISSION ACTION,
 NO EVIDENCE OR TESTIMONY TAKEN)

5

Case No. 13,812, *de novo*
 (AWAITING FINAL COMMISSION ACTION,
 NO EVIDENCE OR TESTIMONY TAKEN)

6

DISMISSAL OF CASE NOS. 13,945, *de novo*,
 and 13,912, *de novo* (Consolidated)

7

CONTINUANCE OF CASE NO. 14,000, *de novo*

8

REPORTER'S CERTIFICATE

10

* * *

A P P E A R A N C E S

FOR THE COMMISSION:

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

* * *

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

1 WHEREUPON, the following proceedings were had at
2 9:03 a.m.:

3
4
5 CHAIRMAN FESMIRE: At this time we'll call the
6 Wednesday, April 16th, 2008, meeting of the New Mexico Oil
7 Conservation Commission to order.

8 Let the record reflect that Commissioners Bailey,
9 Olson and Fesmire are present, we therefore have a quorum.

10 According to the published docket, the first
11 order of business before the Commission this morning is the
12 minutes of the March 12th, 2008, regularly scheduled
13 Commission meeting. Those minutes have been prepared by
14 the secretary and conveyed to the Commissioners.

15 Have the Commissioners had a chance to review
16 those minutes?

17 COMMISSIONER BAILEY: Yes, I have, and I move we
18 adopt them.

19 CHAIRMAN FESMIRE: Commissioner Olson?

20 COMMISSIONER OLSON: Yes, I believe they reflect
21 our actions that were taken, and I second that.

22 CHAIRMAN FESMIRE: Okay, all those in favor of
23 adopting the minutes of the March 12th, 2008, regularly
24 scheduled meeting as presented by the Secretary signify by
25 saying aye.

1 COMMISSIONER BAILEY: Aye.

2 COMMISSIONER OLSON: Aye.

3 CHAIRMAN FESMIRE: Aye.

4 Let the record reflect that the minutes were
5 unanimously adopted, signed by the Chairman and conveyed to
6 the secretary.

7 * * *

8
9 CHAIRMAN FESMIRE: The next order of business
10 before the Commission is the minutes of the special meeting
11 on March 12th and 13th concerning -- the minutes as
12 prepared -- Oh, okay, the minutes of the meeting on March
13 13th, as prepared by the secretary and conveyed to the
14 Commissioners.

15 Have the Commissioners had a chance to review
16 those minutes?

17 COMMISSIONER BAILEY: Yes, I have, and I move we
18 adopt them.

19 CHAIRMAN FESMIRE: Is there a second?

20 COMMISSIONER OLSON: Second.

21 CHAIRMAN FESMIRE: All those in favor, signify by
22 saying aye.

23 COMMISSIONER BAILEY: Aye.

24 COMMISSIONER OLSON: Aye.

25 CHAIRMAN FESMIRE: Aye.

1 Let the record reflect that the minutes of the
2 March 13th, 2008, meeting have been adopted by the
3 Commission, will be signed by the Chairman and conveyed to
4 the secretary.

5 (Off the record at 9:05 a.m.)

6 * * *

7
8 (The following proceedings had at 9:45 a.m.):

9 CHAIRMAN FESMIRE: The next item on the docket is
10 Case Number 13,870, the Application of Quest Cherokee, LLC,
11 for approval of an application for permit to drill, Lea
12 County, New Mexico.

13 The Commission secretary has prepared an order in
14 that case that reflects the intent of the Commission when
15 the case was last called at its last regularly scheduled
16 meeting.

17 Have the Commissioners had a chance to look at
18 that order?

19 COMMISSIONER BAILEY: Yes, I have, and I move we
20 adopt it.

21 CHAIRMAN FESMIRE: Commissioner Olson, have you
22 had a chance to look at it?

23 COMMISSIONER OLSON: Yes, I've reviewed the order
24 and I believe it accurately reflects the actions that
25 occurred.

1 CHAIRMAN FESMIRE: Okay --

2 COMMISSIONER OLSON: Second that.

3 CHAIRMAN FESMIRE: -- let the record reflect --

4 Oh, okay.

5 All those in favor of adopting the order as
6 drafted, signify by saying aye.

7 COMMISSIONER BAILEY: Aye.

8 COMMISSIONER OLSON: Aye.

9 CHAIRMAN FESMIRE: Aye.

10 Let the record reflect that the order was adopted
11 by the Commission, will be signed by each one of the
12 Commissioners and conveyed to the Secretary for recording.

13 * * *

14

15 CHAIRMAN FESMIRE: The next case before the
16 Commission is Case Number 13,812. It's the Application of
17 Coleman Oil and Gas for an amendment of Administrative
18 Order SWD-806-B in San Juan County.

19 The secretary has also drafted an order that
20 purports to reflect the decision of the Commission at its
21 last regularly scheduled meeting.

22 Have the Commissioners had a chance to review
23 that order?

24 COMMISSIONER BAILEY: Yes, I have, and I move we
25 adopt it.

1 CHAIRMAN FESMIRE: Commissioner Olson?

2 COMMISSIONER OLSON: Yes, again I believe that
3 that accurately reflects the actions of the Commission, and
4 I second that.

5 CHAIRMAN FESMIRE: All those in favor of adopting
6 the order as drafted signify by saying aye.

7 COMMISSIONER BAILEY: Aye.

8 COMMISSIONER OLSON: Aye.

9 CHAIRMAN FESMIRE: Aye.

10 Let the record reflect that the order was
11 unanimously adopted.

12 It will be signed by the Commissioners and
13 conveyed to the secretary.

14 * * *

15
16 CHAIRMAN FESMIRE: The next case before the
17 Commission is Case Number 13,945. It is the Application of
18 Occidental Petroleum [sic], Ltd., for cancellation of a
19 drilling permit, for determination of the right to drill
20 and approval of a drilling permit, Lea County, New Mexico.

21 By the acquiescence of counsel, this case will be
22 dismissed. But we have no order at this time; is that
23 correct? Oh, there is one? Oh, okay.

24 This is in conjunction with Case Number 13,912,
25 the Application of EOG Resources, Inc., for a compulsory

1 pooling in Lea County, New Mexico.

2 Counsel for these two cases, these related cases,
3 has asked that both cases be dismissed. The secretary has
4 drafted an order to that effect.

5 Commissioners, have you had a chance to review
6 the order?

7 COMMISSIONER BAILEY: Yes, I have, and I move we
8 adopt it.

9 CHAIRMAN FESMIRE: Commissioner Olson?

10 COMMISSIONER OLSON: Second.

11 CHAIRMAN FESMIRE: All those in favor signify by
12 saying aye.

13 COMMISSIONER BAILEY: Aye.

14 COMMISSIONER OLSON: Aye.

15 CHAIRMAN FESMIRE: Aye.

16 Let the record reflect that the order of
17 dismissal was unanimously adopted by the Commission, will
18 be signed by the Commissioners and conveyed to the
19 secretary.

20 * * *

21
22 CHAIRMAN FESMIRE: The next cause before the
23 Commission is Case Number 14,000, the *de novo* Application
24 of Harvey E. Yates Company for expansion of the unit area
25 in Otero County, New Mexico.

1 The case has been continued from the March 13th,
2 2008, docket, and counsel has asked that it be continued to
3 the May 9th Commission meeting.

4 (Thereupon, these proceedings were concluded at
5 9:50 a.m.)

6 * * *

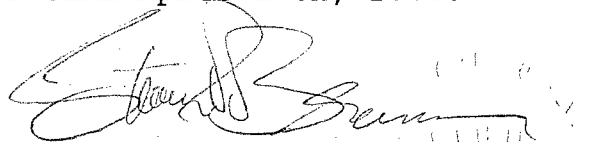
CERTIFICATE OF REPORTER

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 April 18th, 2008.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010