

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

CASE NOS. 13,945 *de novo*, 13,912 *de novo*, 14,000 *de novo*,
and 13,920 (Continued);
CASE NO. 13,962 *de novo* (Dismissed)

CONTINUED AND DISMISSED CASES
TRANSCRIPT OF PROCEEDINGS

ORIGINAL

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

March 13th, 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 Thursday, March
13th, 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.

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I N D E X

March, 13th, 2008
 Commission Hearing
 Continued and Dismissed Cases

PAGE

ADOPTION OF MINUTES OF THE COMMISSION MEETING
 HELD ON FEBRUARY 14th, 2008

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DISMISSAL OF CASE NO. 13,962 *de novo*

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CONTINUANCE OF CASE NO. 13,945 *de novo*

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CONTINUANCE OF CASE NO. 13,912 *de novo*

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

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CONTINUANCE OF CASE NO. 13,920

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REPORTER'S CERTIFICATE

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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

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1 WHEREUPON, the following proceedings were had at
2 9:07 a.m.:

3 CHAIRMAN FESMIRE: Let's go on the record. Let
4 the record reflect that it's nine o'clock on Thursday,
5 March 13th, 2008.

6 This is the regularly scheduled meeting of the
7 New Mexico Oil -- monthly meeting of the New Mexico Oil
8 Conservation Commission.

9 The record should also reflect that this is not
10 the deliberations on the pit rule. I don't see anybody
11 here who was interested in that. They will continue after
12 the regularly scheduled meeting today.

13 Having said that, Vicki walks in and --

14 MS. SANCHEZ: Sorry, what happened?

15 CHAIRMAN FESMIRE: Nothing yet, that's what I was
16 saying. But the pit rule deliberations will continue after
17 this hearing -- the two issues on the docket for the
18 hearing today.

19 The record should also reflect that Commissioners
20 Bailey, Olson and Fesmire are all present, we therefore
21 have a quorum.

22 * * *

23 CHAIRMAN FESMIRE: And the first item of business
24 before the Commission today is the approval of the minutes
25 of the February 14th, 2008, Commission meeting.

1 Have the Commissioners had a chance to review
2 those minutes?

3 COMMISSIONER BAILEY: Yes, I have, and I move we
4 adopt them.

5 CHAIRMAN FESMIRE: Commissioner Olson?

6 COMMISSIONER OLSON: I'll second that.

7 CHAIRMAN FESMIRE: Okay, let the record reflect
8 that the Commissioners have reviewed the minutes as
9 presented by the secretary and have moved to adopt them.

10 All those in favor signify by saying aye.

11 COMMISSIONER BAILEY: Aye.

12 COMMISSIONER OLSON: Aye.

13 CHAIRMAN FESMIRE: Aye.

14 The record should also reflect that the minutes
15 have been adopted, signed by the Chairman and transmitted
16 to the secretary.

17 (Off the record at 9:09 a.m.)

18 (The following proceedings had at 9:49 a.m.):

19 CHAIRMAN FESMIRE: The next matter before the
20 Commission is Case Number 13,962. It's the *de novo*
21 Application of Gandy Corporation for an authorization to
22 inject.

23 The Gandy Corporation has withdrawn their
24 application and asked the Commission to dismiss this. An
25 order has been prepared.

1 Have the Commissioners had a chance to review the
2 order?

3 COMMISSIONER BAILEY: Yes, I have, and I move
4 that we sign it.

5 CHAIRMAN FESMIRE: Commissioner Olson?

6 COMMISSIONER OLSON: I'll second that.

7 CHAIRMAN FESMIRE: All those in favor of signing
8 the order as drafted by the secretary, signify by saying
9 aye.

10 COMMISSIONER BAILEY: Aye.

11 COMMISSIONER OLSON: Aye.

12 CHAIRMAN FESMIRE: Aye.

13 Let the record reflect that Commissioner Olson
14 again provided me with a pen.

15 COMMISSIONER BAILEY: My name is Bailey.

16 CHAIRMAN FESMIRE: Commissioner Bailey.

17 The order of dismissal in Case Number 13,962 has
18 been prepared, signed and transmitted to the secretary.

19 (Off the record at 9:50 a.m.)

20 (The following proceedings had at 2:40 p.m.:)

21 CHAIRMAN FESMIRE: The next case on the
22 Commission's docket is Cause Number 13,945, the *de novo*
23 Application of Occidental Permian, Ltd., for cancellation
24 of a drilling permit, for determination of the right to
25 drill, and approval of a drilling permit, in Lea County,

1 New Mexico. This case, at the request of counsel will be
2 continued to April 16th, 2008.

3 The next case after that is Case Number 13,912.
4 It's the Application of EOG Resources, Inc., for compulsory
5 pooling in Lea County, New Mexico. It's been continued
6 from the January 22nd, 2008, case and will be continued to
7 the April 16th docket.

8 The next case before the Commission is Case
9 Number 14,000. It is the Application -- the *de novo*
10 Application of Harvey E. Yates Company for expansion of a
11 unit area in Otero County, New Mexico. It has been
12 continued from the January 22nd, 2008, Commission meeting
13 to this one and will be continued to the April 16th, 2008,
14 Commission meeting.

15 The last case on the docket is Case Number
16 13,920, the Application of the New Mexico Oil Conservation
17 Division for a compliance order against Northstar Oil and
18 Gas. This case will be continued to the April 16th, 2008,
19 regularly scheduled Commission meeting.

20 Is there any other business before the Commission
21 in the regularly scheduled meeting today?

22 With that, the Chair would entertain a motion for
23 dismissal -- for adjournment of the regularly scheduled
24 meeting.

25 COMMISSIONER BAILEY: I so move.

1 COMMISSIONER OLSON: Second.

2 CHAIRMAN FESMIRE: All those in favor signify by
3 saying aye --

4 COMMISSIONER BAILEY: Aye.

5 COMMISSIONER OLSON: Aye.

6 CHAIRMAN FESMIRE: -- and standing up and
7 packing.

8 Let the record reflect that the meeting was
9 adjourned at 2:40 p.m.

10 We'll now take a 15-minute break and reconvene
11 the deliberations in Case Number 14,015 at five minutes to
12 3:00.

13 (Thereupon, these proceedings were concluded at
14 2:43 p.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 28th, 2008.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010

southeast of Maljamar, New Mexico. Upon application of Occidental Permian Ltd., this case will be heard De Novo pursuant to the provisions of Rule 1221.

3. **CASE 14000:** *De Novo (Continued from the March 13, 2008 Commission Meeting.)*
Application of Harvey E. Yates Company for expansion of a unit area, Otero County, New Mexico.
Applicant seeks approval for the expansion of the Bennett Ranch Unit Area, originally approved by Division Order No. R-10527. The unit area, as expanded, comprises 11,637.09 acres of federal and state lands covering all of Sections 1-3, 10-15, 22-27, 35, and 36, Township 26 South, Range 12 East, NMPM, and Sections 18, 19, 30, and 31, Township 26 South, Range 13 East, NMPM. The unit area is centered approximately 32 miles east-northeast of the intersection of U.S. Highway with the Texas-New Mexico state line. Upon application of Harvey E. Yates Company, this case will be heard De Novo pursuant to the provisions of Rule 1221.
4. **CASE 13920:** *(re-opened and re-advertised) (Continued from the March 13, 2008 Commission Meeting.)*
Application of the New Mexico Oil Conservation Division for a Compliance Order against Northstar Oil & Gas.
The Oil Conservation Commission will hear the Division's motion to re-open Case 13920 to clarify the responsibilities of the Division and Northstar under the terms of Order R-12779-A. The affected wells are: Barbara #001, 30-045-24263, P-12-29N-15W; Davie #001, 30-045-25092, M-2-29N-15W. The wells are located approximately 15 miles west of Farmington in San Juan County, New Mexico.