

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION FOR
THE PURPOSE OF CONSIDERING:

THE APPLICATION OF WILLIAMS PRODUCTION Case No. 14521
COMPANY, LLC, FOR APPROVAL OF A CLOSED
LOOP SYSTEM FOR THE ROSA SALTWATER DISPOSAL WELL NUMBER 2
AND FOR THE IN-PLACE BURIAL OF DRILLING WASTES AT ANOTHER
WELL LOCATION, IN RIO ARriba COUNTY, NEW MEXICO

SUA SPONTE MOTION OF THE COMMISSION CHAIR Case No. 14116
TO RECONSIDER DE NOVO CASE NUMBER 14116, THE
APPLICATION OF FASKEN OIL & RANCH LIMITED FOR AN
ORDER AUTHORIZING THE DRILLING OF AN ADDITIONAL WELL
AT AN UNORTHODOX LOCATION OF THE POTASH AREA IN LEA
COUNTY, NEW MEXICO

Case No. 14411; Case No. 14472, Continued to October 7,
2010

Case No. 14418, Continued to November 4, 2010

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSIONER HEARING

BEFORE: MARK E. FESMIRE, Chairman
JAMI BAILEY, Commissioner
MARK OLSON, Commissioner

September 9, 2010
Santa Fe, New Mexico

This matter came on for hearing before the New
Mexico Oil Conservation Commission, MARK E. FESMIRE,
Chairman, on Thursday, September 9, 2010, at the New
Mexico Energy, Minerals and Natural Resources Department,
1220 South Saint Francis Drive, Room 102, Santa Fe, New
Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105

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A P P E A R A N C E S

FOR THE OIL CONSERVATION COMMISSION:

Cheryl Bada, Assistant General Counsel
Mark A. Smith, Assistant General Counsel
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

ALSO PRESENT:

Florene Davidson

REPORTER'S CERTIFICATE

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1 CHAIRMAN FESMIRE: Good morning. At this
2 time I'd like to call the Thursday, September 9th, 2010,
3 regularly scheduled meeting of the New Mexico Oil
4 Conservation Commission to order.

5 The first order of business before the
6 Commission this morning is the adoption of the minutes of
7 the July 29th and 30th, 2010, Special Commission meeting.
8 Have the Commissioners had the opportunity to review the
9 minutes as presented by the secretary?

10 COMMISSIONER BAILEY: Yes, I have, and I
11 move that we adopt them.

12 COMMISSIONER OLSON: I'll second that.

13 CHAIRMAN FESMIRE: All those in favor
14 signify by saying aye.

15 Let the record reflect that the minutes were
16 unanimously adopted by the Commission, signed by the
17 Chairman, and conveyed to the secretary for recording.

18 The next order of business is action to be
19 taken in the case of Case Number 14521, the application
20 of Williams Production Company, LLC, for approval of a
21 closed loop system for the Rosa Saltwater Disposal Well
22 Number 2 and for the in-place burial of drilling wastes
23 at another well location, in Rio Arriba County.

24 The Counsel has drafted an order for the
25 Commission. Have the Commissioners had the opportunity

1 to review that order as drafted by Counsel?

2 COMMISSIONER BAILEY: Yes. And I'd like
3 to thank Counsel for working with us to get exactly what
4 we needed at that time. So yes, I move that we adopt
5 this order.

6 COMMISSIONER OLSON: Yeah. I've reviewed
7 it and had some edits myself, and I think it accurately
8 reflects our decision, and I'll second the motion.

9 CHAIRMAN FESMIRE: All those in favor of
10 adopting the order as drafted by Counsel signify by
11 saying aye.

12 Let the record reflect that the order was
13 unanimously adopted by the Commission, signed by all
14 three Commissioners, and conveyed to the secretary for
15 recording.

16 We're going to skip the next item for a minute
17 and go to the item after that, which is Case Number
18 14418, the de novo application of Cimarex Energy for a
19 nonstandard oil spacing and proration unit and compulsory
20 pooling in Eddy County, New Mexico.

21 This case will be continued to the November
22 4th, 2010, Commission meeting.

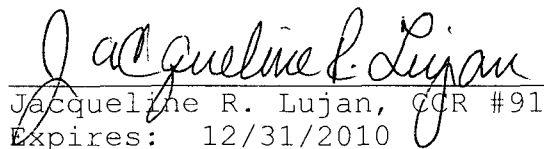
23 The next case is Case Number 14411, the de
24 novo application of Agua Sucia, LLC, to reinstate
25 Division Order SWD-559 for a saltwater disposal well in

REPORTER'S CERTIFICATE

I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on September 9, 2010, proceedings in
the above captioned case were taken before me and that I
did report in stenographic shorthand the proceedings set
forth herein, and the foregoing pages are a true and
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with any of the parties or
attorneys in this case and that I have no interest
whatsoever in the final disposition of this case in any
court.

WITNESS MY HAND this 20th day of September,
2010.


Jacqueline R. Lujan, CCR #91
Expires: 12/31/2010