

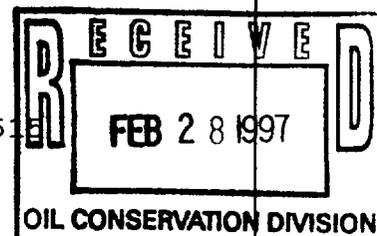
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

CASE NOS. 11,352, 11,635, 10,994, 11,511

AWAITING FINAL COMMISSION ACTION

NO EVIDENCE OR TESTIMONY TAKEN

CONTINUED AND DISMISSED CASES



REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: WILLIAM J. LEMAY, CHAIRMAN
WILLIAM WEISS, COMMISSIONER
JAMI BAILEY, COMMISSIONER

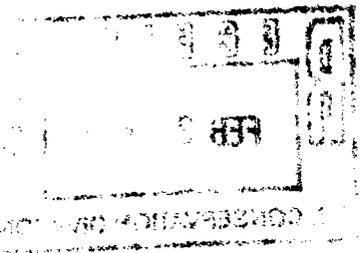
February 13th, 1997

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, WILLIAM J. LEMAY, Chairman, on Thursday, February 13th, 1997, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, 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



I N D E X

February 13th, 1997
Commission Hearing

CASE NOS. 11,352, 11,635, 10,994, 11,515
Awaiting final Commission action, no evidence or
testimony taken, continued and dismissed cases

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

LYN S. HEBERT
Deputy General Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 9:10 a.m.:

3 CHAIRMAN LEMAY: Well, good morning, and glad to
4 see such a good turnout, considering the weather out there.

5 This is the Oil Conservation Commission monthly
6 meeting. My name is Bill LeMay, Chairman of the
7 Commission. To my left, Commissioner Bill Weiss. To my
8 right, Commissioner Jami Bailey representing the
9 Commissioner of Public Lands, State of New Mexico.

10 And we've got a pretty interesting program, I
11 think, because this is the Commission Listens yearly event
12 where you all produce some suggestions to us on what you'd
13 like to see us do.

14 In the back there, I've got a sheet there, if you
15 haven't seen any. It's a handout concerning last year's
16 results, basically, of what you recommended that we
17 undertake. And I'll go over this when we get to that
18 portion of the meeting, to kind of show you that we're
19 adopting most of what you come up with. So, you know, from
20 that point of view I think it's important that you all
21 continue this dialogue with us, because your ideas are
22 good. And as shown by our action, we're adopting almost
23 everything that makes sense.

24 Let's begin by conducting some business here.
25 First, I have the minutes of the previous meeting. Is

1 there a motion to accept the minutes?

2 COMMISSIONER BAILEY: I move we accept.

3 COMMISSIONER WEISS: I second.

4 CHAIRMAN LEMAY: Second. It's moved and
5 seconded. All in favor say "aye".

6 COMMISSIONER BAILEY: Aye.

7 COMMISSIONER WEISS: Aye.

8 CHAIRMAN LEMAY: Opposed? Fortunately, all three
9 of us agree.

10 * * *

11 Also of note here is -- Today I signed the Open
12 Meetings Resolution, which conforms with the State Open
13 Meetings Act, whereby we give notices to all our meetings
14 and conduct all our meetings according to the sunshine
15 laws. We do that every year, and every year we adopt the
16 Open Meeting Resolution to conform with the Open Meetings
17 Act. So let the record show that's been done.

18 * * *

19 The other item of business was taking final
20 action on Case Number 11,352, Order Number 10,766, which is
21 an Application by the Oil Conservation Division to amend
22 Rule 116 of its General Rules and Regulations, pertaining
23 to leaks, spills, blowouts.

24 And as a companion case, separate, but testimony
25 was consolidated for the purpose of testimony was Case

1 Number 11,352, Order Number 10,766, again the Application
2 of the Oil Conservation Division to amend leaks and spills,
3 but also to adopt a separate rule which, in turn, brought
4 over the -- the rules and regulations at the Water Quality
5 Control Commission over here -- I gave the wrong case.
6 That case is 11,635, and Order Number 10,767. What that
7 did is just establish methods and standards for prevention
8 and abatement of water pollution that's associated with
9 oilfield operations.

10 In essence, that particular order amended Rule 7
11 of our Rules and Regulations and also adopted a new Rule
12 19, which was the standards, the Water Quality Control
13 Commission -- that has brought those standards over here to
14 the Oil Conservation Division and Commission so we have
15 jurisdiction over that particular rule.

16 And I'd like to first turn it over to
17 Commissioner Weiss, anything he'd have to say about the --
18 both orders.

19 COMMISSIONER WEISS: I have one comment. I was
20 pleased to see that we recognize risk now, rather than --
21 In my mind, that says that there's a difference between
22 spilling the tank water, a tank load of produced water at
23 Taos along the river, and in Jal. So I think that's in the
24 order.

25 CHAIRMAN LEMAY: Fine. Commissioner Bailey, you

1 had some comments or statements that you'd like to make?

2 COMMISSIONER BAILEY: I'm particularly pleased
3 that there is one reporting form the industry can use for
4 reporting to the OCD, to the State Land Office and to the
5 BLM. I believe that consolidation and lack of duplicative
6 paperwork will be helpful.

7 CHAIRMAN LEMAY: Good. And you were favorably
8 impressed with the order and your intention to sign it?

9 COMMISSIONER BAILEY: I intend to sign the order.

10 CHAIRMAN LEMAY: Commissioner Weiss, is that also
11 your intent?

12 COMMISSIONER WEISS: Yes, sign the order.

13 CHAIRMAN LEMAY: As it is mine. And there again,
14 I think because there was such a good cooperative effort
15 that industry provided, and the public and the
16 environmental community, I think it's another example of
17 how we like to engage in our rule-making where there is
18 input.

19 Now, everyone isn't going to get what they want,
20 that's not the case. But what happened is, there's enough
21 input and there's enough information there, there's enough
22 consensus that we think we've arrived at a -- you know,
23 pretty good rules. We took about 7, Rule 119 and 116. So
24 there again, the congratulations go out to you all who
25 participated in that effort, along with the staff of the

1 OCD.

2 And it also is my intent to sign the order too.
3 So let the record show that final action has been taken at
4 this meeting on those two cases.

5 Okay, is there any other business that you can
6 think of that needs to be performed?

7 Okay, we'll get into the docket per se.

8 * * *

9 CHAIRMAN LEMAY: First, I think we can take some
10 of the dismissals and extensions.

11 Call Case Number 10,994, which is the Application
12 of Phillips Petroleum to reopen *de novo* Case Number 10,994.

13 It's been indicated to us by counsel for the case
14 that this case, without prejudice, should be dismissed. Is
15 there any objection to dismissal of this case?

16 If not, let the record show 10,994 has been
17 dismissed.

18 * * *

19 CHAIRMAN LEMAY: And we can call Case Number
20 11,515, which is the matter called by the Oil Conservation
21 Division on its own to permit the operator, Woosley Oil
22 Company, and American Employees Insurance Company and other
23 interested parties to show cause why wells should not be
24 plugged.

25 There's been a motion to extend that case to our

1 March 19th hearing. Is there any objection to that
2 extension?

3 If not, Case 11,515 will be extended or postponed
4 to the March 19th hearing.

5 * * *

6 (Thereupon, these proceedings were concluded at
7 9:15 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 February 14th, 1997.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998