

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

CASE NOS. 12,003, 11,958, 11,959, 11,934

(Continued)

CASE NOS. 11,985, 12,059 (Dismissed)

98 OCT 29 AM 9:26

OIL CONSERVATION DIV

CONTINUED AND DISMISSED CASES

TRANSCRIPT OF PROCEEDINGS

ORIGINAL

BEFORE: LORI WROTENBERY, CHAIRMAN
WILLIAM J. LEMAY, COMMISSIONER
(Present by telephone)
JAMI BAILEY, COMMISSIONER
(Present by telephone)

October 15th, 1998

Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Thursday, October 15th, 1998, 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

October 15th, 1998
Commission Hearing
CASE NOS. 12,003, 11,958, 11,959, 11,934 (Continued)
CASE NOS. 11,985, 12,059 (Dismissed)

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 9:05 a.m.

3 CHAIRMAN WROTENBERY: This is the October 15th,
4 1998, meeting of the New Mexico Oil Conservation
5 Commission.

6 We are doing this meeting a little bit
7 differently today because we've got a very short agenda.
8 We have Commissioner Bill LeMay, and we also have Jami
9 Bailey representing Commissioner Ray Powell, participating
10 in this meeting over the telephone, and it sounds like
11 we've got a good connection, so this should be able to work
12 for all of us.

13 In the room here at the OCD offices we've got
14 Lori Wrotenbery, Commission Chairman; Lyn Hebert, the
15 Commission's legal counsel; Florene Davidson, the
16 Commission Secretary; and Steve Brenner is here to record
17 the meeting.

18 We had several items on the agenda for today, but
19 as has happened at a number of our meetings over the last
20 few months, all of the cases were either continued or
21 dismissed. And let me just give you a rundown on those
22 quickly.

23 We had Case Number 12,003; this was the
24 Application of Manzano Oil Corporation for special Pool
25 Rules in Lea County, New Mexico. This case was going to be

1 heard *de novo* at the request of the Applicant, Manzano Oil
2 Corporation. Manzano has asked that this matter be
3 continued to November.

4 We also had three related cases.

5 The first one was Case 11,958, the Application of
6 Ocean Energy, Inc., for compulsory pooling and an
7 unorthodox well location in Lea County, New Mexico. Upon
8 the Application of Ocean Energy Resources, Inc., this case
9 was going to be heard *de novo*, and Ocean Energy has asked
10 that the case be continued to November.

11 We also had Case 11,959, another Application of
12 Ocean Energy, Inc., for compulsory pooling in Lea County,
13 New Mexico. Again, this case was going to be heard *de novo*
14 on the Application of Ocean Energy, Inc., but Ocean Energy
15 has requested that we continue the case to November.

16 Case 11,934 is the Application of Yates Petroleum
17 Corporation for compulsory pooling in Lea County, New
18 Mexico. This case was to be heard *de novo* upon the request
19 of Ocean Energy, Inc., and the parties have asked that this
20 case be continued to November.

21 Then we had a couple of cases that are being
22 dismissed.

23 Case 11,985, the Application of Saga Petroleum,
24 L.L.C., for an unorthodox well location in Eddy County, New
25 Mexico. This case was to be heard *de novo* upon request of

1 Saga Petroleum, and we received a request on October 6th
2 from Saga Petroleum to dismiss this case. And I have
3 written a letter confirming that the case -- the *de novo*
4 case has been dismissed, and that Division Order Number
5 R-11,048 is continued in full force and effect.

6 And then finally we had Case Number 12,059. This
7 was the Application of Saga Petroleum, L.L.C., for
8 compulsory pooling in Eddy County, New Mexico. This
9 particular case had not yet been heard by the Division, but
10 the parties had asked that it be brought directly to the
11 Commission so it could be consolidated with the other Saga
12 Petroleum case that we just dismissed. But we have now
13 received a letter --

14 MS. DAVIDSON: It's not in there.

15 CHAIRMAN WROTENBERY: Oh, It's not in there?

16 MS. DAVIDSON: It was yesterday.

17 CHAIRMAN WROTENBERY: Oh, okay. We have received
18 a request, though --

19 MS. DAVIDSON: Right.

20 CHAIRMAN WROTENBERY: -- from the parties
21 involved in this particular matter to dismiss the
22 Application. And Florene has drafted up an order of the
23 Commission dismissing the case at the request of Saga
24 Petroleum, L.L.C. Since we didn't have a Division order in
25 this case, we have gone ahead and put this in the form of a

1 Commission order.

2 If the other Commissioners agree, I will go ahead
3 and sign this particular order and just make a note that
4 you have agreed at this meeting that we're conducting using
5 the telephone.

6 COMMISSIONER LEMAY: Bill Lemay, I agree.

7 COMMISSIONER BAILEY: Jami Bailey, I agree.

8 CHAIRMAN WROTENBERY: Okay, that sounds good.

9 So I can just sign this, Lyn? Do I need -- What
10 kind of note do I need to make, since we're doing this --

11 MS. HEBERT: Florene can just type in "approved
12 telephonically" and the date by each of their names.

13 CHAIRMAN WROTENBERY: Okay, did you hear that,
14 Bill and Jami?

15 COMMISSIONER BAILEY: Yes, I sure did.

16 COMMISSIONER LEMAY: Yes.

17 COMMISSIONER BAILEY: Fine with me.

18 CHAIRMAN WROTENBERY: Okay, we'll do it that way.

19 COMMISSIONER LEMAY: Good.

20 CHAIRMAN WROTENBERY: Let me sign my name here.
21 Okay, thank you.

22 So the main reason that we needed to visit today
23 is to set a hearing date for November. We've got several
24 requests to schedule hearings in November. I do have a
25 conflict with the initial hearing date, which was set for

1 the 12th. I'll be out of town on that date, and so I
2 wanted to touch base with the two of you and see if we
3 could find another date in November.

4 What I was looking at is the possibility of
5 meeting in the third week of November, the week of the
6 16th.

7 COMMISSIONER LEMAY: That would be fine with me.

8 COMMISSIONER BAILEY: The 17th and 19th are not
9 good for me, but 16, 18 or 20 is good.

10 CHAIRMAN WROTENBERY: 16, 18 or 20. Let me check
11 something. All of those dates are good with me too. Does
12 anybody have a preference?

13 COMMISSIONER LEMAY: How about the 16th or 18th?
14 Fridays are always difficult.

15 CHAIRMAN WROTENBERY: Okay, shall we set it for
16 the 18th?

17 MS. DAVIDSON: Sounds good.

18 CHAIRMAN WROTENBERY: Okay.

19 COMMISSIONER LEMAY: The 18th is fine.

20 COMMISSIONER BAILEY: Fine with me.

21 CHAIRMAN WROTENBERY: Great. Then the next
22 meeting -- Oh, I'm sorry, Florene?

23 MS. DAVIDSON: That is the day before the
24 Examiner Hearing, in case it might go over, in case all of
25 these cases go on, it might be more than one day, but...

1 CHAIRMAN WROTENBERY: Well, if that did come
2 about, then we would just continue the hearing, maybe --

3 MS. DAVIDSON: Yes.

4 CHAIRMAN WROTENBERY: -- to Friday or another
5 date --

6 MS. DAVIDSON: Right, that should be --

7 CHAIRMAN WROTENBERY: -- at the earliest
8 convenience.

9 MS. DAVIDSON: That can be done.

10 CHAIRMAN WROTENBERY: Okay.

11 COMMISSIONER LEMAY: What about Monday, going on
12 to Wednesday?

13 CHAIRMAN WROTENBERY: That's good with me too.

14 COMMISSIONER BAILEY: That's fine with me, Monday
15 the 16th?

16 CHAIRMAN WROTENBERY: Okay, we'll do that, just
17 we'll have that cushion then.

18 COMMISSIONER LEMAY: We have the cushion on the
19 18th.

20 CHAIRMAN WROTENBERY: Yes. Okay, so the next
21 meeting of the New Mexico Oil Conservation Commission will
22 be held on Monday, November 16th. Great.

23 Is there any other business we need to discuss
24 today?

25 COMMISSIONER BAILEY: I have nothing else.

1 COMMISSIONER LEMAY: I have nothing else.

2 CHAIRMAN WROTENBERY: Okay. Well, thank you two.

3 COMMISSIONER LEMAY: Madame Chair, you do a
4 wonderful job.

5 CHAIRMAN WROTENBERY: Oh, okay.

6 COMMISSIONER LEMAY: You run a very efficient
7 meeting.

8 CHAIRMAN WROTENBERY: Okay, well, thank you. I
9 guess I'm scaring everybody away. I don't know what it is.
10 I appreciate you participating by phone. I hope that made
11 it easier for you.

12 COMMISSIONER BAILEY: No problem.

13 CHAIRMAN WROTENBERY: Okay, great.

14 COMMISSIONER LEMAY: It's wonderful, I'm having
15 coffee on my deck, looking at pretty flowers and --

16 CHAIRMAN WROTENBERY: Well, that sounds good.
17 Well, you continue to enjoy yourself, Bill.

18 COMMISSIONER BAILEY: Okay, see you next month,
19 then.

20 CHAIRMAN WROTENBERY: Okay, thank you very much.

21 (Thereupon, these proceedings were concluded at
22 9:14 a.m.)

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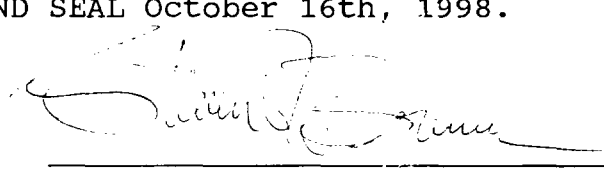
CERTIFICATE OF REPORTER

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 October 16th, 1998.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998