

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

CASE NOS. 12,758, 12,733, 12,739, 12,731 and 12,744
(Closing of Session for Deliberation)

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TRANSCRIPT OF PROCEEDINGS

BEFORE: LORI WROTENBERY, CHAIRMAN
JAMI BAILEY, COMMISSIONER
ROBERT LEE, COMMISSIONER

ORIGINAL

April 26th, 2002
Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Friday, April 26th, 2002, 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

April 26th, 2002
Commission Hearing
CASE NOS. 12,758, 12,733, 12,739, 12,731 and 12,744
(Closing of Session for Deliberation)

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

STEPHEN ROSS
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 9:25 a.m.:

3 CHAIRMAN WROTENBERY: We'll go on the record
4 here. It's Friday, April 26th, about 9:25 a.m. This is a
5 meeting of the Oil Conservation Commission. All three
6 Commissioners are present.

7 We don't have any evidence to take today, but we
8 do have several cases that are pending a decision that we
9 need to discuss today, and I will entertain a motion that
10 we go into closed executive session so that we can
11 deliberate in connection with some pending administrative
12 adjudicatory proceedings and perhaps consult with our
13 counsel whether the attorney-client privilege concerning
14 threatened or pending litigation in which the Commission is
15 or may become a participant.

16 COMMISSIONER BAILEY: I so move.

17 COMMISSIONER LEE: Second.

18 CHAIRMAN WROTENBERY: All in favor say aye.

19 COMMISSIONER BAILEY: Aye.

20 COMMISSIONER LEE: Aye.

21 CHAIRMAN WROTENBERY: Aye.

22 (Off the record at 9:26 a.m.)

23 (The following proceedings had at 10:05 a.m.):

24 CHAIRMAN WROTENBERY: I'll entertain a motion
25 that we conclude our closed executive session and go back

1 into open meeting.

2 COMMISSIONER BAILEY: I so move.

3 COMMISSIONER LEE: Second.

4 CHAIRMAN WROTENBERY: All in favor say aye.

5 COMMISSIONER BAILEY: Aye.

6 COMMISSIONER LEE: Aye.

7 CHAIRMAN WROTENBERY: Aye. And for the record,
8 I'll just note that the only matters that we discussed
9 while we were in executive session were the cases on which
10 the Commission took evidence, testimony, at its last
11 meeting back in March, and those were Cases 12,744, 12,731,
12 12,758, 12,733 and 12,739.

13 And I guess we'll just take these up one at a
14 time. We do have proposed orders in each of these cases.

15 Start with 12,758. This is the Application of
16 the New Mexico Oil Conservation Division through the
17 Supervisor of the District 1 Hobbs Office for an order
18 requiring Kersey and Company to bring one well into
19 compliance with Rule 201.B and assessing appropriate civil
20 penalties, Lea County, New Mexico. We did have a draft
21 order, Number R-11,712-A. Commissioners, have you had a
22 chance to review the draft?

23 COMMISSIONER BAILEY: Yes, we have.

24 CHAIRMAN WROTENBERY: I will entertain a motion
25 that we approve this order as currently drafted.

1 COMMISSIONER BAILEY: I so move.

2 COMMISSIONER LEE: Second.

3 CHAIRMAN WROTENBERY: All in favor say aye.

4 COMMISSIONER BAILEY: Aye.

5 COMMISSIONER LEE: Aye.

6 CHAIRMAN WROTENBERY: Aye. Get the signatures on
7 here.

8 We also have a proposed order in Case Number
9 12,733. This is the Application of the New Mexico Oil
10 Conservation Division through the Supervisor of the
11 District 2 Artesia Office for an order requiring General
12 Minerals Corporation to bring one well into compliance with
13 Rule 201.B and assessing appropriate civil penalties, Eddy
14 County, New Mexico. And again, we have a draft order.
15 This is draft order, Number R-11,710-B. And Commissioners,
16 have you had a chance to review this draft order?

17 COMMISSIONER BAILEY: Yes, we have.

18 CHAIRMAN WROTENBERY: I'll entertain a motion
19 that we approve this order as drafted.

20 COMMISSIONER BAILEY: I so move.

21 COMMISSIONER LEE: Second.

22 CHAIRMAN WROTENBERY: All in favor say aye.

23 COMMISSIONER BAILEY: Aye.

24 COMMISSIONER LEE: Aye.

25 CHAIRMAN WROTENBERY: Aye.

1 And in Case Number 12,739, this is in the matter
2 of the hearing called by the New Mexico Oil Conservation
3 Commission through the Supervisor of the Division District
4 3 in Aztec, New Mexico, on its own motion for an order
5 requiring Coulthurst Management and Investments to bring
6 twelve wells into compliance with Rule 201.B and assessing
7 appropriate civil penalties in Sandoval County, New Mexico.
8 We have a draft order Number R-11,711-A. And
9 Commissioners, have you had a chance to review this draft
10 order?

11 COMMISSIONER BAILEY: Yes, we have.

12 CHAIRMAN WROTENBERY: And I'll entertain a motion
13 that we approve this order as drafted.

14 COMMISSIONER BAILEY: I so move.

15 COMMISSIONER LEE: Second.

16 CHAIRMAN WROTENBERY: All in favor say aye.

17 COMMISSIONER BAILEY: Aye.

18 COMMISSIONER LEE: Aye.

19 CHAIRMAN WROTENBERY: Aye.

20 And then finally we have a draft order in Cases
21 Number 12,731 and 12,744. This is in the matter of the
22 Application of TMBR/Sharp Drilling, Inc., for an order
23 staying David H. Arrington Oil and Gas, Inc., from
24 commencing operations in Lea County, New Mexico, and the
25 Application of TMBR/Sharp Drilling, Inc., appealing the

1 Hobbs District Supervisor's decision denying approval of
2 two applications for permit to drill filed by TMBR/Sharp
3 Drilling, Inc., in Lea County, New Mexico. And we have a
4 draft order Number R-11,700-B. And Commissioners, have you
5 had a chance to review this draft?

6 COMMISSIONER BAILEY: Yes, we have.

7 CHAIRMAN WROTENBERY: I'll entertain a motion
8 that we approve the order as drafted.

9 COMMISSIONER BAILEY: I so move.

10 COMMISSIONER LEE: Second.

11 CHAIRMAN WROTENBERY: All in favor say aye.

12 COMMISSIONER BAILEY: Aye.

13 COMMISSIONER LEE: Aye.

14 CHAIRMAN WROTENBERY: Aye.

15 (Thereupon, these proceedings were concluded at
16 10:10 a.m.)

17 * * *

CERTIFICATE OF REPORTER

[illegible]

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 26th, 2002.

John H. Brown

STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002