STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Meeting Minutes
Regular Meeting
February 11, 2016
Porter Hall
Wendell Chino Building
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

MEMBERS PRESENT:

David R. Catanach	Chair, Oil Conservation Division
Robert Balch	Designee, Energy, Minerals and Natural Resources Department
Patrick Padilla	Designee, New Mexico State Land Commissioner

OTHERS PRESENT:

Bill Brancard, Counsel for the Commission

The meeting was called to order by Chair Catanach at 9:00 a.m.

Item 1. **Roll Call.**

Roll was taken; a quorum was present.

Item 2. **Approval of Agenda.**

Action: Commissioner Padilla moved adoption of the agenda. Commissioner Balch seconded the motion. The motion passed unanimously.

Item 3. **Approval of Minutes of December 10, 2015 meeting.**

Action: Commissioner Balch moved to approve the minutes. Commissioner Padilla seconded the motion. The motion passed unanimously.

Item 4. **Adopt Annual Resolution setting forth reasonable notice standards for Commission Public Meetings.**

Action: Counsel Brancard explained that the Open Meetings Annual Resolution is the same as last year's with the exception of the dates and year of the meetings. Commissioner Balch moved to adopt the 2016 Open Meetings Annual Resolution. Commissioner Padilla seconded the motion. The motion passed unanimously

Item 5. De Novo Case 15105 (re-opened), application of COG Operating LLC to amend Order R-13823 to limit pooled formation and to compulsory pool additional mineral interest in the approved spacing unit, Lea County, New Mexico.

Action: De Novo Case 15105 (re-opened) was dismissed at the request of the applicant prior to the meeting.

Item 6: De Novo Case 15281, application of COG Operating LLCfor a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.

Action: De Novo Case 15281 was dismissed at the request of the applicant prior to the meeting.

Item 7: De Novo Case 15282, application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.

Action: De Novo Case 15282 was dismissed at the request of the applicant prior to the meeting.

Item 8: De Novo Case 15283, application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.

Action: De Novo Case 15283 was dismissed at the request of the applicant prior to the meeting.

All four of the above cases were scheduled to be heard De Novo upon the application of COG Operating LLC.

Item 9. De Novo Case 15366, application of Matador Production Company for a non-standard spacing and proration unit, compulsory pooling, and a non-standard location, Lea County, New Mexico, to be heard De Novo upon the application of Amtex Energy, Inc., was called for the limited purpose of hearing arguments on Matador Production Company's Motion to Dismiss Appeal.

Action: Appearances were made by Earl DeBrine for Matador Production Company (Matador) and Eugene Gallegos for Amtex Energy, Inc. (Amtex). Mr. DeBrine explained that this case was heard before an examiner on September 3, 2015, and Amtex made a late entry of appearance in the case 22 days after the hearing. He said that Order No. R-14097 granting the application was entered on December 14, 2015.

Mr. DeBrine and Mr. Gallegos argued their clients' positions in the case, citing the Oil and Gas Act, the Division rules and various court cases. Commissioner Balch, Commissioner Padilla and Chair Catanach questioned both attorneys.

After a motion by Commissioner Balch and a second to the motion by Commissioner Padilla, the Commission voted unanimously to close the meeting pursuant to NMSA 1978, Section 10-15-1-H to deliberate on the motion. After a motion by Commissioner Padilla and a second to the motion by Commissioner Balch, the Commission voted unanimously to go back into open session. Chair Catanach announced that Matador's Motion to Dismiss Appeal of Case 15366 was the only matter discussed during the closed session. Counsel Brancard announced that the Commission unanimously agreed to grant the Motion to Dismiss on the grounds that Amtex's entry of appearance was not filed timely and, therefore, Amtex was not a party of record in the case. He said that an entry of appearance

can be filed at any time while the record is open but, in this case, the record was closed when Amtex filed its entry of appearance. Based on the Commission's decision, De Novo Case 15366 was dismissed.

Item 10. Case 15357, application of Lightning Dock Geothermal HI-01, LLC for approval to inject into a geothermal aquifer through three proposed geothermal injection wells at the site of the proposed Lightning Dock Geothermal Power Project, and Case 15365, application of Lightning Dock Geothermal HI-01 to place Well No. 63a-7 on injection, Geothermal Resource Area, both in Hidalgo County, New Mexico, were reopened for the limited purpose of addressing a request from the district court. Counsel Brancard explained that the court needs clarification from the Commission that one exhibit in the record presented to the district court was confidential. Counsel Brancard said he will determine what the court needs and, if something is required from the Commission before their next meeting, the Commissioners unanimously agreed that the Chair can sign an order on behalf of the Commission.

Item 11. **Next meeting: March 10, 2016**

Item 12. **Adjournment**

The chair adjourned the meeting at 10:45 a.m.

David R. Catanach

DAVID R. CATANACH, Chair

STATE OF NEW MEXICO
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A RESOLUTION ESTABLISHING PROCEDURES FOR GIVING NOTICE OF MEETINGS

WHEREAS, the New Mexico Open Meetings Act, NMSA 1978, § 10-15-1 *et seq.* (as amended), declares each meeting of a quorum of members of any board, council, commission, administrative adjudicatory body or other policy-making body of any state or local public agency which is held for the purpose of formulating public policy, discussing public business or taking any action within the authority of or the delegated authority of such body to be a public meeting, except as otherwise provided in the New Mexico Constitution or the Open Meetings Act;

WHEREAS, the Open Meetings Act requires that each public body determine, at least annually, in a public meeting, what notice is reasonable when applied to public meetings of the public body; and

WHEREAS, the New Mexico Oil Conservation Commission, a policy-making and administrative adjudicatory body of the State of New Mexico with delegated authority under the New Mexico Oil and Gas Act, NMSA 1978, §§ 70-2-1 *et seq.* (as amended), desires to establish herein an open meetings policy consistent with the Open Meetings Act and specify herein what notice is reasonable when applied to its activities throughout the year.

NOW, THEREFORE, BE IT RESOLVED that the New Mexico Oil Conservation Commission does formally adopt the following open meetings policy for calendar year 2016, as follows:

1. Unless specified otherwise in the meeting notice, each public meeting of the New Mexico Oil Conservation Commission (hereinafter referred to as "the Commission") shall be held in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

2. Unless specified otherwise in the notice, a regular meeting of the Commission shall be held on January 14, February 11, March 10, April 7, May 19, June 16, July 14, August 11, September 8, October 6, November 10, and December 6, 2016. Each regular meeting shall commence at 9 a.m. Mountain Time. Any meeting not concluded at the end of the specified day may be continued to the next business day or as otherwise provided by the Commission.

3. A special meeting of the Commission may be called by the Chair or a majority of members of the Commission as needed, and seventy-two (72) hours advance notice of such a meeting shall be given.

4. An emergency meeting of the Commission may be called by the Chair or a

majority of members of the Commission, with as much advance notice as the emergency permits. An "emergency" refers to unforeseen circumstances that, if not addressed immediately by the Commission, will likely result in injury or damages to persons or property or substantial financial loss to the agency. Within 10 days of taking action on an emergency matter, the Commission shall report to the Attorney General's Office the action taken and the circumstances creating the emergency, provided that the requirement to report to the Attorney General is waived upon the declaration of a state or national emergency.

5. A closed meeting may be held only if the subject matter of the closed meeting is excepted from the open meeting requirement under Section 10-15-1(H) and in the following manner:

(a) If the Commission is in an open meeting and desires to close the meeting, a motion to close the meeting shall be approved by a majority of the members, and the authority for the closure shall be stated in the motion. The votes of the members on the motion shall be recorded in the minutes. Only those matters specified in the motion to close the meeting may be discussed during the closed meeting.

(b) If the Commission is not in a public meeting and a closed meeting is desired and authorized, the meeting shall be publicly advertised in the same manner as special or emergency meetings, with a statement in the notice that the meeting will be closed, and the authority for closure.

(c) Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state that the matters discussed in the closed meeting were limited to those specified in the motion for closure or in the notice of the separate closed meeting.

(d) Except as provided in Section 10-15-1(H) of the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by vote of the Commission in an open public meeting.

6. Notice of each meeting shall be posted on the door of Porter Hall, 1st Floor, 1220 S. St. Francis Drive, Santa Fe, New Mexico, and shall also be posted on the Internet web site of the Oil Conservation Division, http://www.emnrd.state.nm.us/ocd. Notice of each regular meeting shall also be published in a newspaper of general circulation in the counties that are affected by the applications before the Commission, except that when an application affects the entire state, notice may be published in one newspaper of general circulation in the state. Where a written request has been received, notice shall also be provided to broadcast stations licensed by the federal communications commission and newspapers of general circulation. Notice of each regular meeting shall be delivered by ordinary first class United States mail or electronic mail to each person who has requested in writing to be notified of such meetings.

7. The notice shall include an agenda for the meeting or information on how members of the public may obtain a copy of the agenda.

8. A preliminary agenda for each regular meeting shall be prepared, posted and distributed (if applicable) no later than two weeks prior to the meeting. A final agenda for each regular and special meeting shall be prepared, posted and distributed (if applicable) no later than seventy-two (72) hours preceding the meeting. The final agenda shall be posted on the Oil Conservation Division's web site. A final agenda for each emergency meeting shall be prepared, posted and distributed (if applicable) as much in advance of the meeting as the emergency permits.

9. Each notice shall include the following statement:

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the New Mexico Oil Conservation Division at 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505, telephone number 476-3460 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the New Mexico Oil Conservation Division if a summary or other type of accessible format is needed.

10. Members of the Commission may participate in a meeting by means of conference telephone or other similar communications equipment which allows the member or members so participating to hear the proceedings and to be heard by one another and by persons attending the meeting. A member participating by telephone shall be included in ascertaining the presence of a quorum.

ADOPTED THIS 11TH DAY OF FEBRUARY, 2016.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

ROBERT BALCH, MEMBER

PATRICK PADILLA, MEMBER

DAVID R. CATANACH, CHAIR