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

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

CASE NO. 15658

APPLICATION OF NM&O OPERATING COMPANY TO RE-OPEN CASE NUMBER 15658 FOR COMPULSORY POOLING, RIO ARRIBA, NEW MEXICO.

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

June 22, 2017

Santa Fe, New Mexico

## BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, June 22, 2017, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 APPEARANCES FOR APPLICANT NM&O OPERATING COMPANY: JAMES G. BRUCE, ESQ. Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043 jamesbruc@aol.com INDEX PAGE Case Number 15658 Called Exhibits Submitted Proceedings Conclude Certificate of Court Reporter б EXHIBITS OFFERED AND ADMITTED NM&O Operating Company Exhibit Letters A, B and C 

Page 3 (9:33 a.m.) 1 2 EXAMINER McMILLAN: So we are now going to switch to Case Number 15658, application of NM&O 3 Operating Company to re-open Case Number 15658 for 4 5 compulsory pooling, Rio Arriba County, New Mexico. 6 Call for appearances. 7 MR. BRUCE: Mr. Examiner, Jim Bruce of 8 Santa Fe representing the Applicant. I have no 9 witnesses. 10 EXAMINER McMILLAN: Any other appearances? 11 Please proceed. 12 MR. BRUCE: This case was heard in, I 13 believe, May, and I trusted my client who gave me the wrong well location. The case was heard, but certain 14 [sic] Examiner Brooks noticed that after the hearing and 15 16 requested that I re-open the case so that the application would reflect the correct well location. 17 18 And so testimony has already been presented on the 19 efforts. 20 This case was applied merely for to obtain the signatures of working interest owners on a 21 communitization agreement, which the BLM is requiring to 22 23 be filed on this well. Evidence was previously 24 testified. This was mainly for notice purposes, for the 25 correct well location. Submitted as Exhibit A is my

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Page 4 Affidavit of Notice to the various working interest 1 owners. I have not received a couple of the letters 2 back yet, specifically Hooper, Kimball & Williams and 3 Freeport-McMoRan. But I did publish notice in the "Rio 4 5 Grande Sun" one time. Now, I asked for them to publish it on June 8th. They published it on June 15th. 6 So the 7 case will have to be continued for two weeks just to 8 satisfy the publication requirements. 9 EXAMINER BROOKS: Consistently bad luck. 10 MR. BRUCE: Yeah (laughter). 11 And Exhibit C is simply -- this really 12 relates to the -- at the first hearing, actual notice was received by all applicants, except Hooper, Kimball & 13 Williams. So Exhibit C would be the Affidavit of Notice 14 from the prior hearing showing that Hooper, Kimball & 15 16 Williams did receive actual notice. And it also shows that in that case, all parties did receive actual 17 notice, even though I haven't gotten a couple of green 18 19 cards back on this one. Obviously, they've all received 20 actual or constructive knowledge. And so with that, I would ask that Exhibits 21 A, B and C be admitted to the record and that the case 22 23 be continued two weeks for further notice requirements and, at that time, be taken under advisement. 24 25 EXAMINER McMILLAN: Exhibits A, B and C

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Page 5 shall be accepted as part of the record. (NM&O Operating Company Exhibit Letters A, B and C are offered and admitted into evidence.) EXAMINER McMILLAN: Case Number 15658 shall be continued until July the 6th. (Case Number 15658 concludes, 9:36 a.m.) 

Page 6 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court б Reporter, New Mexico Certified Court Reporter No. 20, 7 and Registered Professional Reporter, do hereby certify 8 that I reported the foregoing proceedings in 9 stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that 10 11 were reduced to printed form by me to the best of my 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither 17 employed by nor related to any of the parties or 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 21 MARY C. HANKINS, CCR, RPR 22 Certified Court Reporter New Mexico CCR No. 20 23 Date of CCR Expiration: 12/31/2017 Paul Baca Professional Court Reporters 24 25