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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:

APPLICATION OF READ & STEVENS, INC. CASE NO. 16382 FOR A HORIZONTAL SPACING UNIT AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

October 4, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER PHILLIP GOETZE, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, Phillip Goetze, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, October 4, 2018, 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 READ & STEVENS, INC.: JENNIFER L. BRADFUTE, ESQ. MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. 500 4th Street, Northwest, Suite 1000 Albuquerque, New Mexico 87102 (505) 848-1800 jlb@modrall.com INDEX PAGE Case Number 16382 Called Exhibit Offered Proceedings Conclude Certificate of Court Reporter EXHIBITS OFFERED AND ADMITTED Read & Stevens, Inc. Exhibit Number 4 

Page 3 (9:04 a.m.) 1 2 EXAMINER McMILLAN: Let's do 16382. 3 MS. BRADFUTE: Okay. 4 EXAMINER McMILLAN: So we're at 32. 5 I'd like to call Case Number 16382, б application of Read & Stevens, Incorporated for a 7 horizontal spacing unit and proration unit and 8 compulsory pooling, Lea County, New Mexico. 9 Call for appearances. 10 MS. BRADFUTE: Mr. Examiner, Jennifer 11 Bradfute, with the Modrall Sperling Law Firm, on behalf of Read & Stevens. 12 13 EXAMINER McMILLAN: Any other appearances? 14 Please proceed. MS. BRADFUTE: Mr. Examiner, this case was 15 heard on September 6th, and the evidence was presented 16 via affidavit to the Division and admitted into the 17 18 record. The case was continued so that we could publish 19 notice in a newspaper of general circulation and list 20 unlocatable parties by name. We've listed every party 21 who was entitled to notice by name, and the publication 22 has ran, so notice has now been given. 23 What you have in front of you is a copy of 24 my affidavit confirming that notice was given and a copy 25 of the Affidavit of Publication, and it's marked as

Page 4 Exhibit 4. I'd like to tender Exhibit 4 into the record. EXAMINER McMILLAN: Okay. Exhibit 4 may now be accepted as part of the record. (Read & Stevens, Inc. Exhibit Number 4 is б offered and admitted into evidence.) MS. BRADFUTE: And with that, we'd ask that this case be taken under advisement. EXAMINER McMILLAN: Okay. Case Number 16328 shall be taken under advisement. (Case Number 16382 concludes, 9:07 a.m.) 

Page 5 1 STATE OF NEW MEXICO COUNTY OF BERNALILLO 2 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No. 20, 6 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 10 a true and correct transcript of those proceedings that were reduced to printed form by me to the best of my 11 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 employed by nor related to any of the parties or 17 attorneys in this case and that I have no interest in 18 19 the final disposition of this case. 20 DATED THIS 25th day of October 2018. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2018 24 Paul Baca Professional Court Reporters 25