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REPORTER'S TRANSCRIPT OF PROCEEDINGS  
PRE-HEARING TRANSCRIPT

BEFORE: DAVID K. BROOKS, Chief Examiner  
TERRY WARNELL, Technical Examiner

May 24, 2012

Santa Fe, New Mexico

This matter came on for hearing before the  
New Mexico Oil Conservation Division, DAVID K. BROOKS,  
Chief Examiner, and TERRY WARNELL, Technical Examiner,  
on Thursday, May 24, 2012, at the New Mexico Energy,  
Minerals and Natural Resources Department, 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

1 (8:20 a.m.)

2 EXAMINER BROOKS: Good morning, ladies and  
3 gentlemen. Sorry for the delay here.

4 This is Docket -- Oil Conservation Division  
5 Docket Number 16-12.

6 And it is the swan song for Mr. Warnell  
7 here. He is leaving us to join Ray Powell, and I will  
8 still be here.

9 MR. FELDEWERT: We will miss you.

10 EXAMINER BROOKS: Okay. The first order of  
11 business is to call the continuances and the dismissals.

12 Page 2 of the docket, Case Number 14837 is  
13 dismissed. Case Number 14838 is dismissed. Case Number  
14 14840 is continued to June the 7th. Case Number 14841  
15 is continued to June the 7th. Case Number 14826 is  
16 continued to June the 7th. Case Number 14842 is  
17 continued to June the 7th.

18 Proceeding to page 4: Case Number 14843 is  
19 continued to June 7th. Case Number 14844 is continued  
20 to June the 25th. Case Number 14845 is continued to  
21 June the 25th. Case Number 14846 is continued to June  
22 the 7th. Case Number 14847 is continued to June the  
23 7th.

24 Continuing on to page 5: Case Number 14849  
25 is continued to June the 25th. Case Number 14850 is

1 continued to June the 25th.

2 Continuing to page 6: Case Number 14819 is  
3 continued to July the 12th. Case Number 14820 is  
4 continued to July the 12th. Case Number 14821 is  
5 continued to July the 12th. Case Number 14822 is  
6 continued to July the 12th. Case Number 14823 is  
7 continued to July the 12th.

8 Case Number 13940, finally -- this is on  
9 page 7. Case Number 14930 [sic] is continued to June  
10 the 21st. That will be June the 25th, though, because  
11 that docket has been moved due to the Pit Rule. And I  
12 would say, in regard to Case Number 13940, that it is  
13 not exempt from the new rule, that you can only have  
14 three continuances after March 1st, 2012, and this is  
15 the second one. No, this is the first one. Well, I  
16 don't have the file here. Anyway, when it has been  
17 continued the third time, after March 1st, 2012, it will  
18 be dismissed, just as any other case would be, even  
19 though it has been on the docket for so long that people  
20 recognize it without it. Okay.

21 MR. HALL: Mr. Examiner?

22 EXAMINER BROOKS: Yes, sir.

23 MR. HALL: Page 1, case one, you continued  
24 that one to June 27th -- I'm sorry -- June 7th. It's  
25 Case 14836..

1 EXAMINER BROOKS: Yeah. Is there anyone  
2 else in that?

3 Okay. Case Number 14836 is continued to  
4 when?

5 MR. HALL: June 7th.

6 EXAMINER BROOKS: Any other additions or  
7 corrections?

8 Mr. Feldewert.

9 MR. FELDEWERT: Mr. Examiner, on the last  
10 page, page 7, Case Number 14852, this is a case that's  
11 been reopened at the request of my client, Nearburg  
12 Exploration Company, LLC. The parties have been  
13 diligently working this week to reach an agreement, and  
14 we have a tentative agreement in place. It has yet to  
15 be signed. So we ask that this matter be continued  
16 until the June 7th docket.

17 EXAMINER BROOKS: Mr. Kellahin.

18 MR. KELLAHIN: Mr. Examiner, on behalf of  
19 Cimarex, we concur in the continuance.

20 EXAMINER BROOKS: Very good. Case Number  
21 145- -- 14852 -- 14852 --

22 MR. FELDEWERT: I think it's 14582.

23 EXAMINER WARNELL: You need to get your  
24 glasses.

25 EXAMINER BROOKS: Well, I have the file for

1 14852, and it is 14582 on the docket, and the -- the --  
2 someone made a mistake here, because 14852 is the  
3 application of COG Operating, LLC for nonstandard,  
4 et cetera, et cetera. Case Number 14582 is the  
5 application of Cimarex Energy Company for approval of a  
6 nonstandard, et cetera, et cetera, motion to reopen. So  
7 14582 is continued to June the 7th. And 14852,  
8 presumably, is not even on the docket.

9 EXAMINER WARNELL: No, it is. It is.

10 EXAMINER BROOKS: It is?

11 EXAMINER WARNELL: It's on page 5.

12 MR. FELDEWERT: And we are going to hear  
13 that.

14 EXAMINER BROOKS: That's number 21. Okay.  
15 I do not have the file for 14582, but presumably it's  
16 somewhere.

17 EXAMINER WARNELL: You should have.

18 EXAMINER BROOKS: Here it is. It's just  
19 out of order. It's marked number 12 [sic]. What's  
20 actually number 12 -- number 12 [sic] is 14844. I don't  
21 know that I have the file for 14844, though.

22 MR. BRUCE: Mr. Examiner, 14844 was  
23 continued a few days ago, so you wouldn't have that case  
24 file.

25 EXAMINER BROOKS: Okay. That's why I don't

1 have the file for 14844. It was continued. And the  
 2 same is true for 14843, which actually is number 12.  
 3 Okay.

4 (The pre-hearing docket concluded, 8:30  
 5 a.m.)

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I do hereby certify that the foregoing is  
 a true and correct copy of the original as  
 the same was read and heard by me at

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 Oil Conservation Division

1 STATE OF NEW MEXICO

2 COUNTY OF BERNALILLO

3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, New Mexico Certified

6 Court Reporter No. 20, and Registered Professional

7 Reporter, do hereby certify that I reported the

8 foregoing proceedings in stenographic shorthand and that

9 the foregoing pages are a true and correct transcript of

10 those proceedings that were reduced to printed form by

11 me to the best of my ability.

12 I FURTHER CERTIFY that the Reporter's

13 Record of the proceedings truly and accurately reflects

14 the exhibits, if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither

16 employed by nor related to any of the parties or

17 attorneys in this case and that I have no interest in

18 the final disposition of this case.

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*Mary C. Hankins*

MARY C. HANKINS, CCR, RPR

Paul Baca Professional Court Reporters

New Mexico CCR No. 20

Date of CCR Expiration: 12/31/2012