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REPORTER'S TRANSCRIPT OF PROCEEDINGS

PRE-HEARING TRANSCRIPT

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BEFORE: RICHARD EZEANYIM, CHIEF EXAMINER  
DAVID K. BROOKS, LEGAL EXAMINER  
PHILLIP GOETZE, TECHNICAL EXAMINER

February 21, 2013

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, Richard Ezeanyim, Chief Examiner, and David K. Brooks, Legal Examiner, and Phillip Goetze, Technical Examiner, on Thursday, February 21, 2013, 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 (8:18 a.m.)

2 EXAMINER EZEANYIM: Good morning,  
3 everybody. I will call this hearing to order.

4 Before we proceed, I have to do some little  
5 introductions. Of course, everybody knows our legal  
6 examiner, Mr. David Brooks. My name is Richard  
7 Ezeanyim. And we have a new hearing examiner, actually  
8 a technical examiner. His name is Phillip Goetze. He  
9 joined us about two weeks ago. So he's going to be  
10 conducting the hearings as soon as we get him  
11 up-to-date.

12 Now, a couple of announcements. The reason  
13 I wanted to say this is that I get calls all the time.  
14 If we continue a case by the Division's volition, that  
15 we decided to continue a case for one reason or another,  
16 it doesn't count against the operator in lieu of the  
17 three continuances, you know, the policy that we have.  
18 So let's say the OCD, for one reason or the other,  
19 continues a case. It won't count against that operator  
20 who is the applicant or the operator. I don't know how  
21 that works. But as you know, we have a  
22 three-continuances policy. After three continuances,  
23 the case is dismissed without prejudice, according to  
24 the lawyers, and they can, you know, re-apply. So, you  
25 know, unless it's really -- because you wanted to hear

1 the case, but we continued it for one reason or the  
2 other. So I hope I don't get those calls anymore. When  
3 somebody says, If you continue a case, will it count  
4 against me, the answer is no.

5 Now, again, when I go through these cases,  
6 the operator may mention the formation. For example --  
7 take, for example, the Glorieta Formation. Can you  
8 imagine how many pools are in there? There are a lot of  
9 pools in the Glorieta-Yeso Formation, or the Bone Spring  
10 Formation or whatever formation you are talking about.  
11 So the point I'm making is, try to give the name of the  
12 particular pool you are talking about, because sometimes  
13 I want to look at that pool to see if it has a special  
14 pool rule, or if it is a temporary pool. But when you  
15 mention the Yeso Formation, it is important for me to  
16 see which pool you are producing from, and if I don't  
17 see it, you know, it may not help me to get ready for  
18 what's going on, to find out whether that pool has a  
19 special pool rule I can look at and see what you are  
20 asking or if it depends on the statewide rules, too.

21 I mean, I'm pleading to you guys to try to  
22 specify which pool, especially in these compulsory  
23 pooling orders. If you have your pool, "the Yeso  
24 Formation," or the pools, a particular pool, you can  
25 include the pool code, if necessary. If not, I can find

1 it for you. But if you give me the particular pool, we  
2 will really appreciate it, in your advertisement, in  
3 your applications and everything that we read before we  
4 come to the hearing.

5 Now we are going to go to the docket today.  
6 It's going to be a simple docket, as you can see. And  
7 for today, February 21st, 8:15 a.m. in the morning, I am  
8 going to call Docket Number 7-13. First off, I'll read  
9 off all the continuances and dismissals and get them out  
10 of the way, of course.

11 We start with page 1. Case Number 14956 is  
12 continued to March 7th. Case Number 14957 is continued  
13 to March 7th.

14 Page 2. Case Number 14959 is continued to  
15 March 7th.

16 I think Case Number 14937 had three  
17 continuances, and lately, I think, it was canceled for  
18 the applicant, dismissed it. So if he didn't dismiss  
19 it, we could have dismissed it without prejudice  
20 according to the three-continuances policy. So Case  
21 Number 14937 is dismissed.

22 On page 3, Case Number 14948 is continued  
23 to March 19th.

24 If you notice, March 19th is not a Division  
25 hearing. This case has been moved to the Commission

1 hearing because of the nature of the case, and the  
 2 director decided to move it directly to the Commission.  
 3 So this case, Case Number 14948, will be continued to  
 4 the March 19th Commission hearing.

5 Those are the all the dismissals and  
 6 continuances at this point.

7 (Proceedings conclude, 8:23 a.m.)

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I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 14948  
 heard by me on 3/12/13  
[Signature]  
 Oil Conservation Division, Examiner

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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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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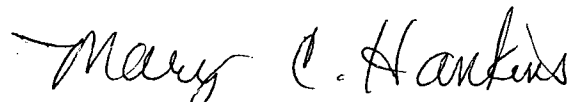
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MARY C. HANKINS, CCR, RPR  
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