Page 1

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

PRE-HEARING TRANSCRIPT

October 18, 2018

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, October 18, 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 1 (8:27 a.m.) 2 EXAMINER JONES: Let's go on the record this morning. This is Thursday, October 18th, 2018. 3 This is the examiner hearing. I'm William V. Jones. 4 This (indicating) is David K. Brooks. 5 And let's go through the docket this 6 7 morning. But one thing I sent an email out about is 8 we're kind of interested of maybe doing a webcast of 9 these hearings, getting them set, you know, sometime in the near future. And, also, if you have witnesses that 10 you put on and testimony, possibly showing it on the 11 screen so the audience can see it. But that's something 12 that -- I wanted to introduce Kathleen Murphy, our 13 new -- thankfully, she came and she's helping Florene 14 and the examiners streamline the process. She's a GIS 15 16 person, a master's in geology, and we're really glad we stole her away from the land office. So --17 18 MS. MURPHY: Can I quick say something? 19 EXAMINER JONES: Sure. Get up and say 20 something, please. 21 MS. MURPHY: If you have a laptop that you 22 can use -- and I'll test it. I've tested it up in the 23 conference room upstairs, and it works fine, and we'll 24 test it with this -- this system here. I think you just 25 need to bring a jump drive. And it needs to be just a

PDF that the landman and the geologist generally go 1 2 through. It might be awkward for the person to run it because they're trying to talk to the examiners and the 3 screen's behind them. Either I can run it or they can 4 run the system. We'll have to kind of work those things 5 б out. And I just noticed, this system here -- which I've 7 used this system before. And there's the screen 8 (indicating), and it's quite nice, but I believe once 9 the lightbulb goes out, it's terribly expensive. It's like \$400. But we do have two options maybe to put the 10 11 exhibits on the screen.

EXAMINER JONES: That's what we're kind of shooting for here. So please tell your clients -- ask your clients if they can come prepared in the near future on that. We don't have a management directive on it yet, although the Cabinet Secretary is wanting this to happen. So that probably makes it going to happen (laughter).

MS. MURPHY: Can I say one other thing? We're trying to get a dedicated email for the hearing notices so that instead of bombarding Florene's email, then I get sent them or Leonard sends them to me. It gets terribly confusing. So we're trying to get a dedicated email for the hearings and for --Environmental will have a dedicated email and so will

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Page 3

Page 4 Engineering. So we're hoping to get that next week. 1 And one thing, the notices -- hearing 2 notices which have the application and the public 3 notice -- I'll send out an email with Florene and Will's 4 5 name on it and we're just trying to get some б standardizations. People have kind of gotten away from 7 it. It's not a big deal. There are just a few things. 8 So that will go out early next week. Just we want all the fonts the same, just a few things like that. 9 10 And then the last thing is, the exhibits 11 that the examiners have, I get them with the 12 transcripts. They're in a large manila envelope, and they're a hard copy. And I've emailed several people to 13 get those digitally because some of them are just thick, 14 and it's hard to scan. And I know that you have them 15 16 digitally, so I'll generally be wanting the exhibits digitally. 17 18 EXAMINER JONES: Yeah. We appreciate you 19 sending those exhibits digitally whenever you can and 20 the attorneys checking them over before they come to us 21 so that they can make sure that they're good quality. 22 MS. MURPHY: Are there any more questions 23 for me? I'll go finish the -- finish the hearing-notice 24 posting. 25 EXAMINER JONES: Thank you, Kathleen.

Page 5 Okay. I'll go through the docket real 1 2 quickly here, but think about the cases that you -- you probably know what cases you have a witness here to 3 testify for. We'll try to do the affidavit cases and 4 the notice cases at the end of the docket, and that way 5 we get all the witnesses and they can get back on the 6 7 airplanes if they want to, or at least we will -- and 8 we've got a problem with the -- with the charger for the 9 court reporter, so we're going to try to get things done as fast as possible. 10 11 The affidavit cases, please consider --12 we'll call the case, see if anybody shows up, and we'll take the affidavits and take the cases under advisement. 13 If you need to explain something about them, you can do 14 that, but try to keep that to a minimum. 15 16 Let's start on page 1 -- or page 2, Case 16448 is continued to November the 1st. Case 16449 is 17 continued to November the 1st. 18 19 Page 3, Case 16455 is continued to November 20 the 1st. Page 4, Case 16456 and 16457 are both 21 22 continued to November 15th. 23 Page 5, Case 16462 is continued to November 24 the 1st. And 16407 just got continued to November the 25 15th.

Page 6 And page 7 -- page 7, Case 16365 and 16366 1 2 are continued to November the 1st. Page 8, Case 16292 is continued to November 3 the 1st. Case 16295 is dismissed. 4 5 Page 9, Case 16144, 16145 and 16146 are continued to November the 1st. 6 7 Page 10, Cases 16061, 16062, 16063 are 8 continued to December the 6th. 9 And on page 11, all cases on that page, which are Cases 16064, 16065, 16066, 16067, are 10 11 continued to December the 6th. 12 Page 12, Case 16068 is continued to December the 6th. And Cases 16301, 16302, 16303, 13 they're asking for dismissals, so we're going to dismiss 14 those. 15 16 Let's go on to page 14. Cases 16409 and 16410 are continued to November the 1st. 17 18 Page 15, Case 16411 and 16412 are continued 19 to November the 1st. And Cases 16221 and 16434 are 20 going to be part of a special hearing docket. I think we've got that scheduled for November 29th. 21 22 EXAMINER BROOKS: Right, if that's the one 23 that we were talking about. November 29th -- it's set 24 for November 29th. 25 EXAMINER JONES: And that's a Thursday, and

Page 7 it'll be at 9:00 a.m. 1 2 EXAMINER BROOKS: That's right. 3 EXAMINER JONES: Does everyone think we can do that in one day or --4 5 Okay. Okay. Let's go to page 16. Case б 16435 is continued to November 15th. 7 Page 17, Cases 16443, 16415 are continued 8 to November 1st. And Cases 16020 and 16183 are 9 continued to November 29th, a special hearing docket date. 10 11 And page 18, Case 16184 is also continued 12 to the special docket on November 29th. Cases 16416, 13 16417 and 16354 are continued to November 1st. And page 19, Case 16355 is continued to 14 November the 1st. 15 16 Any changes or corrections? 17 Okay. The next hearing docket will be 18 November the 1st, but the one after that, on November 19 15th, we will have a Commission docket the same day. We're going to have -- it's our plan so far to have the 20 Division hearing in the Secretary's conference room 21 22 upstairs, directly upstairs. So if there is a conflict 23 with someone, let us know right away on that, and we can 24 try to do something else. 25 (The pre-hearing proceedings conclude, 8:37

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Page 9 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 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 a true and correct transcript of those proceedings that 10 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 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED THIS 29th 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