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1	STATE OF NEW MEXICO ENERGY, MINERALS AND/NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION	
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9	REPORTER'S TRANSCRIPT OF PROCEEDINGS	
10	PRE-HEARING TRANSCRIPT	
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13	BEFORE: RICHARD EZEANYIM, Hearing Examiner	
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15	February 2, 2012	
16	Santa Fe, New Mexico	
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18	This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, February 2, 2012, at the New Mexico Energy, Minerals and Natural Resources	
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20	Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.	
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23	PEROPTED PV: Jacqueline P Lutan COP #01	
24	REPORTED BY: Jacqueline R. Lujan, CCR #91 Paul Baca Professional Court Reporters	
25	500 Fourth Street, N.W., Suite 105 Albuquerque, NM 87103 505-843-9241	
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Page 2 HEARING EXAMINER EZEANYIM: This hearing 1 2 will come to order. Good morning everybody. Today is February 2nd, at approximately 8:15 in the morning. 3 Today we're going to consider Docket Number 4-12. 4 5 And before I start with the docket, I wanted to make an announcement for the record. The Division has 6 adopted a policy. This policy is unwritten. Anyway, 7 it's important, and we want to communicate it to 8 9 everybody that continuances are allowed three times only. After the third continuance, the fourth time, the case 10 has to be heard or dismissed. 11 12 So how would that happen? I have been 13 communicating to all of the attorneys. From this hearing today, February 2nd, I've just drawn a line across all 14 the cases that have been continued. There were four that 15 were continued for three or four times. Those ones don't 16 count. I just drew a line below it. 17 18 I will say, "First continuance, February 2nd 19 2012." If it's continued again, then that will be second continuance. If it's continued again, that will be third 20 continuance, and that's it. Then it has to be heard in 21 that hearing. If it's going to be continued, then that 22 case will be dismissed. 23 So we want to grandfather all continuances 24 before we start this process. We want to clean up the 25

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docket, because a lot of them have been sitting on the
 docket for years and we don't know what to do with them.
 So we want to allow all the operators to decide what they
 want to do.

One thing you can do is, if you want to 5 6 continue it, you can continue it for six months, that's 7 one continuance. You can continue it for one year, that's one continuance. If you continue it for two 8 9 weeks, that's one continuance; one month, one continunce; two months -- so if you think you are not going to use 10 that application, you can continue it for a longer time 11 to decide what you want to do so that it's not dismissed 12 after you continue it for two weeks, three weeks and so 13 forth. So that's how we want to see if we can clean up 14 our docket. 15

Now, as you can see, the room is empty. 16 The first order of business is to continue with the 17 dismissals and continuances on Docket Number 4-12. -18 We go 19 to page 1. On page 1, Case Number 14787 is continued to March 1st, and that is the first continuance for this 20 21 case. Usually they have been continued for a long time. 22 On page 2, Case Number 14746 is continued to 23 March 1st; Case Number 14671 is dismissed; Case Number 14754 is dismissed; Case Number 14779 is dismissed. 24 25 On page 3, Case Number VIANED is dismissed;

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Page 4 Case Number 14686 is continued to March 1st; Case Number 1 2 14687 is continued to March 1st; Case Number 14659 is 3 continued to March 1st; Case Number 14767 is continued to 4 March 15th. Page 4, Case Number 14768 is continued to 5 6 March 15th; Case Number 14769 is continued to March 15th; 7 Case Number 14770 is continued to March 15th; Case Number 8 14771 is continued to March 15th. 9 Page 5, Case Number 14772 is continued to 10 March 15th; Case Number 14781 is continued to March 15th; Case Number 14791 is continued to March 15th; Case Number 11 14792 is continued to March 15th; Case Number 14793 is 12 continued to March 15th. 13 Page 6, Case Number 14794 is continued to 14 March 15th; Case Number 14795 is continued to March 15th; 15 Case Number 14629 is dismissed. 16 17 Are there any other continuances or dismissals at this time? 18 MR. FELDEWERT: Mr. Examiner, Michael 19 Feldewert, with Holland & Hart, appearing on behalf of 20 the applicant Caza Petroleum in Case 14789. We ask that 21 22 that case be continued for two weeks. -23 HEARING EXAMINER EZEANYIM: So February 16th? 24 25 MR. FELDEWERT: I believe that's the next

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Page 5 1 hearing date, yes. 2 HEARING EXAMINER EZEANYIM: Okay. Let it 3 be in the record that Case Number 14789 is continued to 4 February 16th. 5 Any other continuances or dismissals? At this 6 point, nothing remains on the docket and, therefore, this 7 hearing is concluded. 8 * * * 9 10 11 12 13 14 15 16 17 18
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REPORTER'S	CERTIFICATE
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4	I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
5	HEREBY CERTIFY that on February 2, 2012, proceedings in
6	the above captioned case were taken before me and that I
7	did report in stenographic shorthand the proceedings set
8	forth herein, and the foregoing pages are a true and
9	correct transcription to the best of my ability.
10	I FURTHER CERTIFY that I am neither employed by
11	nor related to nor contracted with any of the parties or
12	attorneys in this case and that I have no interest
13	whatsoever in the final disposition of this case in any
14	court.
15	WITNESS MY HAND this 7th day of February, 2012.
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18	Jacqueline R. Lujan, CCR/#91
19	Expires: 12/31/2012
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