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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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PRE-HEARING TRANSCRIPT

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BEFORE: DAVID K. BROOKS, Chief Examiner  
WILLIAM V. JONES, Technical Examiner

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May 10, 2012

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Santa Fe, New Mexico

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This matter came on for hearing before the  
New Mexico Oil Conservation Division, DAVID K. BROOKS,  
Chief Examiner, and WILLIAM V. JONES, Technical  
Examiner, on Thursday, May 10, 2012, at the New Mexico  
Energy, Minerals and Natural Resources Department, 1220  
South St. Francis Drive, Porter Hall, Room 102,  
Santa Fe, New Mexico.

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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

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1 (8:17 a.m.)

2 EXAMINER BROOKS: We'll call to order  
3 Docket Number 15-12 of the New Mexico Oil Conservation  
4 Division. The first order of business is to call the  
5 continuances and dismissals, which I will proceed to do.

6 Starting on page 2, Case Number 14817 is  
7 continued to May 24th. Case Number 14809 is continued  
8 to May 24th. Case Number 14746 is dismissed. Case  
9 Number 14787 is dismissed.

10 Now page 3. Case Number 14787 is  
11 dismissed. Case Number 14832 is continued to June the  
12 7th. Case Number 14814 is continued to June the 7th.

13 And on page 4, Case Number 14833 will be  
14 dismissed. Case Number 14826 will be continued to  
15 May 24th.

16 On page 5, Case Number ~~14689~~ will be  
17 dismissed. Case Number 14811 will be continued to June  
18 the 7th.

19 On page 6, Case Number 14703 will be  
20 continued to May 24th. Case Number 14704 will be  
21 continued to June -- to May 24th. Case Number 14705  
22 will be continued to June 24th -- until May 24th. Case  
23 Number 14698 will be continued to May 24th.

24 On page 7, Case Number 14825 will be  
25 continued to June 7th. Case Number 14819 continued to

1 May 24th. Case Number 14820 continued to May 24th.  
2 Case 14821 continued to May 24th. Case Number 14822  
3 continued to May 24th. Case 14823 continued to  
4 May 24th.

5 On page 8, Case 14824 continued to  
6 May 24th.

7 Any additions or corrections?

8 MR. FELDEWERT: Mr. Examiner, Michael  
9 Feldewert appearing on behalf of Nearburg Exploration  
10 Company in Case 14582, on page 4 of 8.

11 EXAMINER BROOKS: Page 4? Okay. Case  
12 14582.

13 MR. FELDEWERT: Yeah. There is a motion by  
14 Nearburg Exploration Company. I can tell you that the  
15 parties have had some discussions that commenced  
16 yesterday, that Mr. Kellahin and I are hoping will be  
17 fruitful. And so we have conferred this morning, and  
18 we're asking that this case be continued for two weeks.

19 EXAMINER BROOKS: Okay. Case Number 14582  
20 will be continued to May 24th.

21 Other additions and corrections?

22 MR. BRUCE: Mr. Examiner, on Cases 14770  
23 and 14771, on page 5, I had planned on presenting those  
24 cases today simply because I'm up against the  
25 three-continuance rule.

1 EXAMINER BROOKS: Right.

2 MR. BRUCE: But the parties are trying to  
3 work things out. They are negotiating JOAs. And with  
4 that, I turn it over to Mr. Feldewert for a comment.

5 EXAMINER BROOKS: Okay.

6 MR. FELDEWERT: Mr. Examiner, we've  
7 appeared in both of these cases, so on behalf of Yates  
8 Petroleum, Myco, Abo. We're also appearing today, on  
9 behalf of Concho, in Cases 14770 and 14771.

10 Mr. Bruce is right. The parties are very  
11 close, we believe, to reaching an agreement, a joint  
12 operating agreement, that will resolve at least one, if  
13 not both of these cases. We realize the Division has  
14 their continuance rule, but we, as the effected parties,  
15 would move the Commission to continue this case for an  
16 additional two weeks. We think that -- we know that the  
17 parties have exchanged revision and modification to a  
18 joint operating agreement this week. We understand  
19 they're very close, and I think it would be fruitful for  
20 everyone involved to continue this case for two weeks --  
21 both of these matters for two weeks.

22 EXAMINER BROOKS: Well, pursuant to the  
23 Director's policy, and perhaps wisely, it did not allow  
24 for any exceptions. So if you are not -- if you do not  
25 wish to go forward with these cases, we will dismiss

1       them without prejudice, and they can be refiled.

2                       MR. BRUCE: Well, Mr. Examiner, I don't  
3 really want to dismiss them. I could put them on there  
4 just simply by affidavit.

5                       EXAMINER BROOKS: Okay.

6                       MR. BRUCE: But I would put in a request  
7 that no order be issued until Mr. Feldewert and I can  
8 come back in the next couple of weeks.

9                       EXAMINER BROOKS: Well, that, I think, is  
10 something we can comply with. Usually we get requests  
11 for orders to be expedited or something (laughter). If  
12 you want us to delay an order, that's something very  
13 intuitive.

14                      MR. FELDEWERT: And just as a matter of  
15 clarification, I guess we were hoping that perhaps if it  
16 was the affected parties that moved for a continuance,  
17 that might allow an exception to the Division's normal  
18 policy, and that's why we were actually moving to  
19 continue.

20                      EXAMINER BROOKS: Yeah. I actually don't  
21 have any instructions that allow for exceptions. We  
22 prefer that you put them on, rather than having them  
23 dismissed, so we will go ahead and put them on today.  
24 Did you express a desire to put them on first or --

25                      MR. BRUCE: It's up to the -- it doesn't

1 matter to me.

2 EXAMINER BROOKS: Okay. We'll go through  
3 the docket itself. Obviously, it's going to be a very,  
4 very short one at this point.

5 (The proceedings concluded, 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. \_\_\_\_\_  
heard by me on \_\_\_\_\_  
\_\_\_\_\_, Examiner  
Oil Conservation Division

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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CERTIFICATE OF COURT REPORTER

I, MARY C. HANKINS, New Mexico Certified Court Reporter No. 20, and Registered Professional Reporter, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that were reduced to printed form by me to the best of my ability.

I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects the exhibits, if any, offered by the respective parties.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this case.

*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