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

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
PRE-HEARING  
MAY 26, 2016  
SANTA FE, NEW MEXICO

BEFORE: MICHAEL McMILLAN, EXAMINER  
DAVID BROOKS, EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, and David Brooks, Examiners, on May 26, 2016, 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 Therese Macfarlane  
New Mexico CCR 122  
California CSR 3547  
Paul Baca Court Reporters  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102

1 PROCEEDINGS

2 (Time noted: 8:02 a.m.)

3 EXAMINER McMILLAN: Good morning. I'D  
4 like to call to order. Today's date is May 26, 2016.  
5 Today's docket is No. 21-16?

6 What I'd like to do is to read the  
7 continuances and dismissals.

8 On page 1, Case No. 15490 shall be  
9 continued until June 23rd.

10 Turning to page 2, Case No. 15491 shall be  
11 heard on a special hearing on June 17th.

12 Case No. 5, Case No. 15492, shall be  
13 continued until June 23rd.

14 Case No. 8, Case No. 15495 shall be  
15 continued until June 9th.

16 Case No. 9, Case No. 15496 shall be  
17 continued until June 9th.

18 Turning to page 3, Case No. 15448 shall be  
19 dismissed.

20 Case No. 12, Case No. 15449 shall be  
21 dismissed.

22 Turning to page 4, Case No. 15483 shall be  
23 dismissed.

24 Case No. 15452 shall be continued till June  
25 23rd.

1 Case No. 15453 shall be continued until  
2 June 23rd.

3 Case No. 15454 shall be continued till June  
4 23rd.

5 And case No. 15455 shall be continued until  
6 June 23rd.

7 Any other continuances?

8 MR. HERRMANN: Yes, Mr. Chairman. Starting  
9 at the Docket Case No. 1, Case 15446, Application of the  
10 New Mexico Oil Conservation Division Compliance and  
11 Enforcement Bureau for a Compliance Order against Lanexo,  
12 Incorporated, for wells operated in Chaves, Eddy and Lea  
13 Counties, New Mexico, we are requesting a two-week  
14 continuance, and that will be the final continuance we  
15 will request. We are awaiting final paperwork for the  
16 settlement.

17 EXAMINER McMILLAN: Okay. So you say it's  
18 continued until June 9th?

19 MR. HERRMANN: Yes.

20 EXAMINER McMILLAN: Any other cases?

21 MR. HERRMANN: Yes, Mr. Examiner. Case No.  
22 15475, the Application of New Mexico Oil Conservation  
23 Division Compliance and Enforcement Bureau for a  
24 Compliance Order against Siana Operating, LLC, for wells  
25 operated in Lea County, New Mexico, we are also requesting

1 a two-week continuance while we work out final settlement  
2 details, and if we cannot reach them, this will be the  
3 last continuance that we will request.

4 And I have opposing parties here who  
5 understand that we will be going to hearing in two weeks  
6 if we cannot reach a settlement.

7 EXAMINER McMILLAN: Okay. So if no deal is  
8 reached within two weeks, be prepared to put on testimony.  
9 The Applicants understand that?

10 MR. HERRMANN: Yes.

11 EXAMINER McMILLAN: The Respondents  
12 understand that?

13 MR. SHANAHAN: Yes, sir.

14 EXAMINER McMILLAN: Okay. Case No. 15475  
15 shall be continued until June 9th. Thank you.

16 Excuse me, sir. They need your names for  
17 the record.

18 MR. SHANAHAN: Robert Shanahan, Counsel for  
19 Siana Oil.

20 MS. MIANO: Michelle Miano, Counsel for the  
21 New Mexico State Land Office.

22 MR. HERRMANN: Keith Herrmann representing  
23 the Oil Conservation Division Compliance and Enforcement  
24 Bureau.

25 (Note: Time noted 9:12 a.m.)

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REPORTER'S CERTIFICATE

I, MARY THERESE MACFARLANE, New Mexico Reporter CCR No. 122, DO HEREBY CERTIFY that on Thursday, May 26, 2016, the proceedings in the above-captioned matter were taken before me, that I did report in stenographic shorthand the proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability and control.

I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with (unless excepted by the rules) any of the parties or attorneys in this case, and that I have no interest whatsoever in the final disposition of this case in any court.

\_\_\_\_\_  
MARY THERESE MACFARLANE, CCR  
NM Certified Court Reporter No. 122  
License Expires: 12/31/2016