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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF DELAWARE ENERGY, LLC CASE NO. 15855 TO REVOKE THE INJECTION AUTHORITY GRANTED UNDER SWD-1680 FOR THE ALPHA SWD NO. 1 WELL OPERATED BY ALPHA SWD OPERATING, LLC, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

October 12, 2017

Santa Fe, New Mexico

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

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, October 12, 2017, 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 (9:19 a.m.) 1 MS. KESSLER: Mr. Rankin knows a little bit 2 more about this. I understood it was being continued to 3 the 26th. 4 5 MR. LARSON: Well, there was discussion yesterday about another continuance. 6 7 EXAMINER BROOKS: I want to ask about the 8 setting of the case. I don't have anything -- any -- I 9 don't want -- I don't want to talk about Mr. Feldewert's motion because he's not here. 10 11 MR. LARSON: Sure. I received emails late 12 yesterday. 13 EXAMINER GOETZE: Could I interrupt for one moment, please? 14 For your (indicating) reference, so we have 15 16 good track of this, this discussion is regarding Case 17 Number 15855. 18 Thank you. 19 MR. LARSON: I communicated Mr. Feldewert's 20 request for a second continuance to my client and one of their witnesses. I haven't heard back. So I should 21 22 know sometime today, and I will be in touch with Mr. Rankin and Mr. Feldewert. 23 24 EXAMINER BROOKS: Very good. 25 MR. RANKIN: We'll get the information.

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Page 3 The issue is that we've got this well being drilled and 1 scheduled, and they have --2 EXAMINER BROOKS: Yeah. And the witness --3 4 yeah. 5 Well, I gathered you're not opposed to the continuance. It's just a matter of finding a correct 6 7 date, right? 8 MR. LARSON: Yes and yes. 9 EXAMINER BROOKS: And we're looking at the week of November the 6th. 10 11 MR. LARSON: That's my understanding. EXAMINER BROOKS: And, of course, we have a 12 13 regular docket on Wednesday, the 8th. MR. RANKIN: Yes. 14 EXAMINER BROOKS: Okay. Well -- so we 15 16 can't move forward with that. 17 MR. LARSON: I think we're both still 18 conferring with our clients. 19 (Case Number 15855 concludes, 9:21 a.m.) 20 (Recess, 9:21 a.m. to 9:32 a.m.) 21 22 23 24 25

Page 4 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court б Reporter, New Mexico Certified Court Reporter No. 20, 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 11 were reduced to printed form by me to the best of my 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 17 employed by nor related to any of the parties or 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 21 MARY C. HANKINS, CCR, RPR 22 Certified Court Reporter New Mexico CCR No. 20 23 Date of CCR Expiration: 12/31/2017 Paul Baca Professional Court Reporters 24 25