| 3 | Page 1 |
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| 4 | ORIGINAL |
| 5 | ONTONIA |
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| 7 | |
| 8 | REPORTER'S TRANSCRIPT OF PROCEEDINGS |
| 9 | PRE-HEARING TRANSCRIPT |
| 10 | |
| 11 | |
| 12 | BEFORE: RICHARD EZEANYIM, Chief Examiner-Engineer |
| 13 | DAVID K. BROOKS, Legal Examiner |
| 14 | April 12, 2012 |
| | Look Andrew A |
| 15 | Santa Fe, New Mexico |
| 16 | |
| 17 | |
| 18 | This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, |
| 19 | Chief Examiner-Engineer, and DAVID K. BROOKS, Legal |
| 20 | Examiner, on Thursday, April 12, 2012, at the New Mexico Energy, Minerals and Natural Resources Department, |
| 21 | Porter Hall, 1220 South St. Francis Drive, Santa Fe, New Mexico. |
| 22 | |
| 23 | REPORTED BY: Mary C. Hankins, CCR, RPR |
| | New Mexico CCR #20 |
| 24 | Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 |
| 25 | Albuquerque, New Mexico 87102 |
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| Section Sector | |

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ALC: NO

Page 2

1 (8:15 a.m.) EXAMINER EZEANYIM: Good morning, 2 3 everybody. We will come to order. And before I proceed, I need to make a couple of announcements, 4 minor. 5 As we all know, the Horizontal Well Rule is 6 now in effect, and there are certain provisions in that 7 rule that you-all should know about. One of them that 8 9 we encounter every time we have a hearing is, when you 10 request for a non-standard spacing unit and you're going to drill a well, you know we define that as completed 11 interval. Now I would like you to give us your well 12 13 construction diagram showing that, when you present your 14 cases from now on. Maybe today -- I haven't made that 15 announcement before, but today you might say, Yeah, I'm 16 going to give you the completed interval; however, I'm 17 going to give you the construction diagram to show us 18 that within the -- depending on how you constructed your 19 well; you have casings or no casings or something. We 20 are saying, Give us a completed diagram of the well 21 construction diagram. That's one important thing I 22 wanted to -- I know that is news to everybody. So 23 whenever you are coming, make sure you give it. Today I 24 may not require it, because you're not aware of that. 25 Awhile ago we made an announcement that a

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and the second second

Page 3 new policy is now in effect just to help us to de-clog 1 2 our dockets. What happens is that people continue to continue their cases indefinitely, and every time -- and 3 so we're not going to have that anymore. 4 So we started 5 that, and last time I had told you that. Second 6 continuances will be granted for only third time. After 7 that, the case will be dismissed without prejudice. You 8 don't have to request for dismissal. If you want to 9 continue, it's not going to be allowed. It has to be dismissed without prejudice. 10 11 On the cases today, I want to do that to

12 see if we can have a docket -- so we want you to plan 13 ahead and see what you want to do. Of course, if you 14 want to continue -- if you want to continue it, it can 15 be a long, but anytime time you want, that's one 16 continuance. But once you get to three times, we are 17 going to have to dismiss without prejudice.

With that being said, I would like to give an opportunity for any comments. Any comments? Is there anything I didn't make clear?

21 No comments. Okay.

Now, with that, we'll go to the docket. Today we have Docket Number 11-12. And I guess everybody knows, whoever -- everybody that's here, the first thing we do is discuss continuances and other

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1 business.

We'll go to page 1. Case Number 14809 is continued to April 26th. Case Number 14810 is continued to April 26th.

5 On page 2, Case Number 14811 is continued 6 until May the 10th. Case Number 14787 is continued 7 until May 10th. And as I said, now, this is the final 8 continuance. The next time, this case has to be heard. 9 That is May the 10th. When I say May the 10th, it has 10 to be heard May 10th; otherwise, it will be dismissed 11 without prejudice.

12 Case Number 14798 is continued to April 13 26th, and this is the final continuance. This is the 14 final continuance. On April 26th, it will be dismissed 15 without prejudice.

16 On page 3, Case Number 14813 is dismissed.17 That dismissal was by request of the operator.

18 Case Number 14770 is continued until May 19 the 10th. And, again, this is the final continuance. 20 I'm just reading so that the operator will know that 21 this is the final continuance. On May the 10th, it has 22 to be heard, or it will be dismissed without prejudice. 23 Case Number 14771 is continued until May 24 the 10th. Again, this is the final continuance. Ι 25 notate them to pass it on to you that this is the final

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| 1 | continuance. On May 10th, if it's not heard, it will be |
| 2 | dismissed. |
| 3 | Page 4, the final page, Case Number 14703 |
| 4 | is continued to May the 10th. Case Number 14704 is |
| 5 | continued to May the 10th. Case Number 14705 is |
| 6 | continued to May the 10th. Case Number $(14.6.98)$ is |
| 7 | continued to May the 10th. |
| 8 | Now, if you look at the last case, 14745, |
| 9 | that case could have been heard today, and that is this |
| 10 | case case here, and the operator wishes to continue |
| 11 | it to a different date. So that case will be dismissed |
| 12 | without prejudice. |
| 13 | Let the record reflect, Case Number 14745 |
| 14 | will be dismissed without prejudice. |
| 15 | (The proceedings concluded, 8:21 a.m.) |
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| lı | STATE OF NEW MEXICO |
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| 2 | COUNTY OF BERNALILLO |
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| 4 | CERTIFICATE OF COURT REPORTER |
| 5 | I, MARY C. HANKINS, New Mexico Certified |
| 6 | Court Reporter No. 20, and Registered Professional |
| 7 | Reporter, do hereby certify that I reported the |
| 8 | foregoing proceedings in stenographic shorthand and that |
| 9 | the foregoing pages are a true and correct transcript of |
| 10 | those proceedings that were reduced to printed form by |
| 11 | me to the best of my ability. |
| 12 | I FURTHER CERTIFY that the Reporter's |
| 13 | Record of the proceedings truly and accurately reflects |
| 14 | the exhibits, if any, offered by the respective parties. |
| 15 | I FURTHER CERTIFY that I am neither |
| 16 | employed by nor related to any of the parties or |
| 17 | attorneys in this case and that I have no interest in |
| 18 | the final disposition of this case. |
| 19 | WITNESS MY HAND this 24th day of April |
| 2.0 | 2012. |
| 21 | Mary C. Hantens |
| 22 | MARY C. HANKINS CCR, RPR |
| 23 | Paul Baca Professional Court Reporters New Mexico CCR No. 20 |
| 24 | Date of CCR Expiration: 12/31/2012 |
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