Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 2 OIL CONSERVATION DIVISION 3 IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR ORIGINAL THE PURPOSE OF CONSIDERING: 4 CASE NO. 15192 5 APPLICATION OF BOPCO, L.P. FOR THE REVOCATION OF THE 6 INJECTION AUTHORITY GRANTED UNDER ADMINISTRATIVE ORDERS SWD-1269 AND SWD-649-B, 7 EDDY COUNTY, NEW MEXICO. 8 9 REPORTER'S TRANSCRIPT OF PROCEEDINGS 10 EXAMINER HEARING December 9, 2014 11 12 Santa Fe, New Mexico 13 2005 RECEIVED OC BEFORE: PHILLIP GOETZE, CHIEF EXAMINER 14 WILLIAM V. JONES, TECHNICAL EXAMINER -2 15 GABRIEL WADE, LEGAL EXAMINER \mathbf{F} 16 \mathfrak{S} 17 This matter came on for hearing before the 18 New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner, William V. Jones, Technical Examiner, 19 and Gabriel Wade, Legal Examiner, on Tuesday, December 9, 2014, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South 20 St. Francis Drive, Porter Hall, Room 102, Santa Fe, 21 New Mexico. 22 REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 23 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 24 Albuquerque, New Mexico 87102 (505) 843-9241 25

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1	APPEARANCES	
2	FOR APPLICANT BOPCO, L.P.:	1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 -
3	GARY W. LARSON, ESQ. HINKLE SHANOR, LLP	
4	218 Montezuma	
5	Santa Fe, New Mexico 87504 (505) 982-4554	
6	glarson@hinklelawfirm.com	
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16	(No exhibits marked or offered.)	
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Page 3 1 (8:24 a.m.) EXAMINER GOETZE: Good morning, ladies and 2 This is a special Examiners Hearing for 3 gentlemen. Tuesday, December 9th, 2014, Docket Number 37-14, in 4 Porter Hall, Santa Fe, New Mexico. Today's special 5 hearing is about three cases involving saltwater 6 7 disposal wells and their authority to inject. The three 8 cases -- two will be consolidated, but we'll start off with Case 15192, application of BOPCO, L.P. for the 9 revocation of the injection authority granted under 10 Administrative Orders SWD-12 -- SWD-1269 and SWD-649-B, 11 12 Eddy County, New Mexico. 13 Call for appearances. 14 MR. LARSON: Good morning, Mr. Examiner. Gary Larson of Hinkle Shanor in Santa Fe for BOPCO L.P. 15 16 EXAMINER GOETZE: Very good. 17 Any other appearances? Proceed, Mr. Larson. 18 19 MR. LARSON: This is a case that BOPCO had 20 entered into a stipulation with Mesquite whereby 21 Mesquite agreed to the entry of an order revoking its 22 injection authority under the two administrative orders 23 you just cited. We submitted an unopposed motion to the 24 Division, which attached the stipulation, and requested 25 that an order be entered revoking Mesquite's injection

Page 4 1 authority for those two SWD wells. 2 EXAMINER GOETZE: And there has been no 3 other opposition from Mesquite since we've had the 4 submission of the motion for entry? 5 MR. LARSON: No, there has not been. 6 EXAMINER GOETZE: So we will stand with the 7 motion for entry? 8 MR. LARSON: Yes, sir. 9 EXAMINER GOETZE: Do you have a question? 10 EXAMINER JONES: You asked that the 11 settlement be incorporated into the order that the 12 Division writes? 13 MR. LARSON: Not necessarily. I was 14 actually requested to draft a proposed order, and I 15 think that has the terms we thought would be necessary for the order. 16 17 EXAMINER GOETZE: Any questions, Counsel? 18 EXAMINER WADE: No questions from me. 19 EXAMINER GOETZE: Very well. Then we will 20 take Case 15192 under advisement. 21 (Case Number 15192 concludes, 8:26 a.m.) i do hereby certify that the foregoing is 22 a complete record of the proceedings in 23 the Examiner hearing of Case No. 15192 24 25 _, Examiner Oil Conservation Division

Page 5 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 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. Mary C. Henlers 19 20 MARY C. HANKYNS, CCR, RPR 21 Paul Baca Court Reporters, Inc. New Mexico CCR No. 20 22 Date of CCR Expiration: 12/31/2014 23 24 25