Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 2 OIL CONSERVATION DIVISION 3 4 5 REPORTER'S TRANSCRIPT OF PROCEEDINGS 6 EXAMINER HEARING 7 PRE-HEARING TRANSCRIPT 8 October 27, 2016 9 Santa Fe, New Mexico 10 11 12 WILLIAM V JONES, CHIEF EXAMINER 13 BEFORE DAVID K BROOKS, LEGAL EXAMINER 14 1516 17 This matter came on for hearing before the New Mexico Oil Conservation Division, William V Jones, 18 Chief Examiner, and David K Brooks, Legal Examiner, on Thursday, October 27, 2016, at the New Mexico Energy, 19 Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St Francis Drive, Porter Hall, 20 Room 102, Santa Fe, New Mexico 21 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

(8 17 a m) 1 2 EXAMINER JONES Let's go on the record 3 this morning I hate to put everything on the record 4 I wanted to make some comments that Florene is out, and 5 we're going to be working on the docket tonight and tomorrow for November 17th But I would urge the 6 attorneys to look at the docket as soon as it hits the 7 8 Web site and check it and make sure that the cases are 9 all there And let us know by tomorrow afternoon, if 10 you can 11 Okay This is Docket Number 43-16 Examiner 12 Hearing for October 27th, 2016 David Brooks, attorney, and I'm William V Jones 13 14 On page 1, Case Number 15541 is dismissed On page 2, Case Number 15559, which is number four, is 15 16 continued to November 17th, and Case Number 15561 is 17 continued to November 17th Case Number 1556 -- three 5s and a 6 is dismissed 18 19 On page 3, Case Number 15562 is continued 20 to December 1st 21 On page 4, Case 14, which is Case Number 15544, re-advertised, is dismissed And down on -- down 22 on number 17, Case Number 15569 is dismissed 23 24 Page 5, Case 15571 is dismissed, and Case 25 15572 is continued to November 17th Case 15573 is

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Page 3 continued to December the 1st. Case 15574 is continued 1 to December 1st. Case 15575 is continued to December 2 3 1st. And page 6, all those cases on that page 4 are continued to December 1st, and those cases are Case 5 Numbers 15576, 15577, 15578, 15579, 15580. 6 7 Page 7, Case 15581 is continued to December 8 1st, and Case 15510 and 15511 are continued to --MR. BRUCE: November 17. 9 EXAMINER JONES: -- November 17th. 10 Thank you, Mr. Bruce. 11 And Case 15547 is continued to December 12 13 1st, and Case 15548 is continued to December 1st. 14 On page 8, the first four cases are continued to December 1st. Those cases are 15549, 15 15550, 15551, 15552. 16 17 And I'm going to disappear on December 1st, and Mr. Brooks is also. 18 19 (Laughter.) EXAMINER JONES: Okay. Changes? 20 MS. KESSLER: Mr. Examiner, page 4, Case 21 Number 18, that's Number 15570, should be dismissed. 22 23 EXAMINER JONES: Thank you. Case Number 15570 is dismissed. 24 25 Any other changes or dismissals or

Page 4 1 continuances? 2 MR Examiner, on page 2, if it BRUCE Mr 3 hasn't already been done, Case Number 15559 is continued to the 17th 4 5 ARNOLD It's Case Number 15563 MS 6 MR BRUCE Oh, 63 That's right 7 MS ARNOLD On page 3 8 EXAMINER JONES Is it continued to the 9 17th? 10 MS ARNOLD Yes 11 MR BRUCE Yeah 12 EXAMINER JONES Case 15563 is continued to 13 the 17th 14 That narrows it down to about, I think, nine cases, with 12 cases total 15 16 (The prehearing proceedings conclude, 8 22 17 am) 18 19 20 21 22 23 24 25

1 STATE OF NEW MEXICO

2 COUNTY OF BERNALILLO

3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C HANKINS, Certified Court 6 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 10 a true and correct transcript of those proceedings that 11 were reduced to printed form by me to the best of my 12 ability 13 I FURTHER CERTIFY that the Reporter's 14 Record of the proceedings truly and accurately reflects 15 the exhibits, if any, offered by the respective parties 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 12/31/2016 Paul Baca Professional Court Reporters 24 25