STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: RICHARD EZEANYIM, Hearing Examiner

March 2nd, 2006

Santa Fe, New Mexico

These matters were dismissed or continued to future hearing dates by RICHARD EZEANYIM, Hearing Examiner, New Mexico Oil Conservation Division, on Thursday, March 2nd, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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REPORTER'S CERTIFICATE

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STEVEN T. BRENNER, CCR (505) 989-9317

WHEREUPON, the following proceedings were had at 1 8:15 a.m.: 2 3 4 EXAMINER EZEANYIM: All right, this hearing will 5 come to order. 6 7 My name is Richard Ezeanyim. And sitting by my left is Cheryl O'Connor, who is the Assistant General 8 Counsel for OCD. As you all know, I'm very happy she's 9 10 sitting by me, because I'm not a lawyer, so I don't 11 understand your legal terms. First of all today, I have some announcements I 12 13 want to make, and I want these announcements to be in the 14 record. I've noticed over some of the times we've been 15 16 here, what we have on these dockets, I've noticed that most 17 applicants don't provide their prehearing statements. Even today, no prehearing statements. I have some cases like 18 19 that. And I don't think it's good, you know. 20 So this is what we're going to do. I don't want to be harsh on everybody, but I think it's going to work 21 22 for all of us. 23 All prehearing statements, according to Rule

1211, should be filed by 5:00 p.m. on Thursday before the

next scheduled hearing. 5:00 p.m. If you come by at 5:01,

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it's late. And what do we do with late prehearing statements? Here, as you see on your docket, it says either to be continued or dismissed. Well, I'm now going to be drastic. This is what we're going to do.

If your prehearing statement is late, that case will be continued automatically. I mean, from today on, it will be continued.

If you don't file prehearing statements at all, the case will be dismissed without prejudice, which means you can go ahead and start all over.

So this is just to help us, you know, get a handle on this. I think it will help everyone in this case.

Now you might ask, if a case is contested or somebody's contesting that case -- also file a prehearing statement on that deadline. If the person fails to file a prehearing statement, well, the case may be continued or heard on the discretion of the Applicant. If the Applicant wants the case to go forward, if he has met all the requirements of this caption on our docket, filed his prehearing statement and is ready to go and says, Well -- the Examiner, We're not going to continue this case, we're going to hear the case, yes, we are going to hear the case, even though the opposing party didn't submit any prehearing statement.

However, the opposing party may not -- may be barred from calling witnesses, unless the applicant has no opposition to that. If the applicant says, Oh, I don't care, he can call his witness, well, we allow that. But if he says, I don't know about this witness and therefore I'm not going to call that, then we -- it will be barred.

So for both the applicant and somebody who is also opposing the application have to file their prehearing statements on that deadline.

Let's try and meet -- This is a simple requirement. I think there is a reason why this rule is written here. If you submit your prehearing statement by 5:01 on a Thursday -- I don't know what -- your case. Or if you don't submit it, what are you thinking? If you don't submit a prehearing statement and you tell -- you fly over from New York to come and hear a case that you're not interested in, I don't care whether the rig is moving out, we -- that case will be dismissed without prejudice, which means you go and start all over, do, you know, notice requirements and go through all the formalities again.

I think that's fair.

So if you have a docket and you think you are going to hear the case, give us a prehearing statement.

However, I have a lot of cases here that says -they gave me the prehearing statement on time, and later

they reach an agreement, and then they said, Okay, dismiss case. One of them came in, the prehearing statement was ready to go, and now you say, Okay, I want the case continued or dismissed. You can do whatever you want, provided you have met the requirement of filing by 5:00 p.m. on that Thursday. Then you can come in on Friday and say, Well, this case should be dismissed because we reached an agreement, or this case will be continued. Even today, you can say this case should be continued or dismissed, whatever you want.

But if you don't meet all the requirements that are stated in this caption here, whether you want the case to be heard, it will be continued or dismissed under those criteria.

Does anybody have any comments on this?

Because from today I'm going to hear any case that doesn't have any prehearing statement, which I have a couple of them here. I'm going to hear them, I don't care. I will do it today, but that is the end of it now. I've been saying this all over.

So for next time, don't think we will give you that privilege again. If you want to hear the case, it's a simple thing: Give us a prehearing statement on the deadline, and we know you are ready to come and then we get ready for you.

But if you decide that you want to continue or 1 2 dismiss, that's fine, dismissed and continued, and that 3 will be okay. But if you don't, it will be continued or dismissed according to what I just said. 4 Does anybody have any comments or questions or 5 something we should take into consideration at this time? 6 7 (No response) EXAMINER EZEANYIM: So everybody understood what 8 I just said, and we're going to at least try to comply with 9 that Rule. 10 Okay, if there's nothing further, then we'll 11 continue with our processes. 12 This is Docket Number 08-06. Formally, we first 13 of all, we read out all the continuances and dismissals. 14 On page 1, Case Number 13,633 is continued to 15 March 16th. 16 On page 2, Case Number 13,650 is continued to 17 March 30th. 18 On page 3, Case Number 13,651 is dismissed, Case 19 Number 13,652 is dismissed, Case Number 13,653 is continued 20 to March 16th. 21 Page 4, Case Number 13,354 [sic] is continued to 22 March 30th, Case Number 13,655 is dismissed, Case Number 23 24 13,656 is dismissed. 25 Page 6, Case Number 13,598 is continued to March

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16th.
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                  At this point are there any continuances or
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      dismissals that we should note, take note of?
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                  (Thereupon, these proceedings were concluded at
 5
      8:20 a.m.)
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                                       I so herapy certify that the foregoing is
14
                                       a complete record of the proceedings in
                                       the Examiner hearing of Case No.
15
                                       heard by me on 5
16
                                                                 , Examiner
                                         Oil Conservation Division
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL March 4th, 2006.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006