STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID K. BROOKS, Jr., Hearing Examiner

ORIGINAL

November 29th, 2007

Santa Fe, New Mexico

These matters were dismissed or continued to future hearing dates by DAVID K. BROOKS, Jr., Hearing Examiner, New Mexico Oil Conservation Division, on Thursday, November 29th, 2007, 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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WHEREUPON, the following proceedings were had at 1 2 8:15 a.m.: EXAMINER BROOKS: Good morning, ladies and 3 gentlemen. We're in makeshift quarters this morning, but 5 this is Docket Number 38-07 of the Oil Conservation 6 Division. 7 I'm David Brooks, the Hearing Examiner for this 8 morning. We will begin this morning, as is customary, by 10 announcing continuances and dismissals. 11 On page number 2, Case Number 13,990 is continued 12 till December 13th. 13 14 Case Number 14,025 is continued to December 13th 15 -- this is on page 3, sorry -- Case Number 14,026 is 16 continued to December 13th; Case Number 14,027 is continued to December 13th; Case Number 13,891 is dismissed; Case 17 Number 14,016 is continued to December 13th. 18 19 On page 4, Case Number 14,017 is continued to December 13th; Case Number 14,018 is continued to December 20 13th; Case Number 13,960 is continued to December 13th; 21 22 Case Number 14,028 is continued to December 13th. On page 5, Case 14,031 is continued to December 23 13th; Case 14,032 is continued to December 13th. 24 25 Case Number 14,035 is -- this is on page 6 --

Case 14,035 is dismissed; Case 14,036 is continued to 1 2 December 13th. On page 7, Case 14,037 is continued to December 3 13th. 4 Case 14,039 is continued, but I'm not sure to 5 when at this point. Mr. Bruce has requested that it be 6 continued to December 13th, and Mr. Padilla has requested 7 that it be continued to January the 4th. 8 MR. BRUCE: Yeah, if we could just continue it 9 for two weeks, and I'll talk to Mr. Padilla after the 10 hearing. 11 MR. PADILLA: That would be fine. 12 13 I thought we continued this case for two weeks, and the Encore Acquisition case, which is number 27 on the 14 15 docket, that will be -- ask to be continued to January 16 24th. EXAMINER BROOKS: Okay, Case Number 14,039 is 17 continued to December 13th. 18 Do I understand, then, Mr. Padilla, that Case 19 Number 13,942 is to be continued also --20 21 MR. PADILLA: Yes. EXAMINER BROOKS: -- to December 13th? 22 23 MR. PADILLA: No, we had asked that one be continued to January 4th. 24 EXAMINER BROOKS: Okay, Case Number 139,402 [sic] 25

is continued to January 4th, 2008. 1 And on the last page, nothing. 2 There was one other case that we had a motion for 3 continuance, I had not confirmed with opposing counsel. 4 5 That was Case Number 14,033 on page 6. MR. BRUCE: Yeah, the Synergy case, Mr. Examiner. 6 7 I did speak with Mr. Hall, and actually Mr. Hall and his co-counsel in this matter, Mr. Larson, have both actually 8 formally requested a continuance, so I don't think there's 9 10 any objection. That's correct, Mr. Examiner. 11 MR. HALL: EXAMINER BROOKS: Okay, Case Number 14,033 is 12 13 continued to December 13th. Any other continuances or dismissals? 14 MR. HALL: Mr. Examiner, page 7, Case 13,751 is a 15 16 pool rules case. We had requested that that case be continued for six months and had conferred with Mr. 17 Williams in Hobbs and Mr. Jones here in Santa Fe. 18 19 agreed to that request. EXAMINER BROOKS: Okay, I don't have a list of 20 21 the hearings, and we're supposed to continue to a specific 22 date. Before I adjourn this hearing I will check on that 23 and find out --MR. HALL: Just the first hearing date in June --24 25 EXAMINER BROOKS: -- what would be the

appropriate date to continue. Okay, so it won't have to be 1 2 re-noticed. Okay, any other continuances and dismissals? 3 MR. BRUCE: Mr. Examiner, on page 5 --4 5 EXAMINER BROOKS: Okay, MR. BRUCE: -- Case 17, 13,981, please dismiss 6 7 that case. EXAMINER BROOKS: Okay, Case Number 13,981 will 8 be dismissed. MR. BRUCE: And I don't know if I heard you. 10 one right below that, I also request that that be continued 11 12 for two weeks. 13 EXAMINER BROOKS: I think I announced that, but 14 if I didn't Case 14,032 is continued to December 13th. 15 Any others? 16 MS. MUNDS-DRY: Mr. Examiner, on page 8, case 17 number 29, Case 13,940. Mr. Bruce and I just conferred, 18 and he would like to continue that case for a month to 19 January 10th. 20 EXAMINER BROOKS: Okay, we continued one to 21 January 4th. Is there -- is --22 MS. MUNDS-DRY: I think the first hearing date in January is the 10th. 23 EXAMINER BROOKS: Okay, I think you're probably 24 25 right, but let me -- to make sure we don't make any errors

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in the docket, the one I had announced continued to January
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     the 4th was 13,942 --
               MR. BRUCE: The 4th would be a Friday.
               EXAMINER BROOKS: That's probably not the date,
 5
     so...
               Well, now there's a problem here, the 4th is a
 6
 7
     Friday -- no, the 4th is not -- the 4th -- You're right,
     the 4th is a Friday, because 1st is a Tuesday.
 8
               But the 10th could not -- the 10th would be a
 9
10
     Saturday, and -- No, 3rd to the 10th, that's right,
11
     Thursday.
               Okay, that's -- the 10th is probably right, but
12
     I'll verify that before I adjourn the hearing today.
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               MS. MUNDS-DRY: Thank you, Mr. Examiner.
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               EXAMINER BROOKS: Thank you.
               Did you have a continuance?
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               MR. PADILLA: The 10th is the right date and --
     the 10th is --
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               EXAMINER BROOKS: Yes --
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               MR. PADILLA: -- the right date.
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               EXAMINER BROOKS: -- well, the reason that I want
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     to be precise about it is because under our rules it says
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     you must continue to a date certain. And if you don't,
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     then arguably the case has to be re-noticed, and I don't
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     want to put anybody to that trouble if it's not necessary,
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so -- Okay. 1 2 MR. PADILLA: We wanted to continue it for approximately a month. That should do it. 3 EXAMINER BROOKS: That would be fine, okay. (Off the record at 8:25 a.m.) 5 (The following proceedings had at 10:00 a.m.) 6 EXAMINER BROOKS: In the absence of the 7 Division's counsel, I can clarify for the record that 8 during the break I have ascertained that Ms. Munds-Dry is correct about the Division's hearing dates. We appreciate 10 your setting us straight. 11 MR. PADILLA: I took that from the website. 12 13 know, I don't know, I saw it January 4th --EXAMINER BROOKS: So accordingly -- in accordance 14 with that determination, Case Number 13,942 will be 15 continued until January 10th. 16 Case Number 13,940 will be continued until 17 18 January 10th. And which was the case -- I'm not finding it 19 here. Which was the case that was to be continued for six 20 Does anybody have that information available? 21 months? MR. BRUCE: That was that pool rules case. 22 EXAMINER BROOKS: Oh, wildcat, okay, yeah --23 MS. MUNDS-DRY: I think it's --24 25 EXAMINER BROOKS: Case Number 13,751 is continued

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until June the 12th of 2008.
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                  (Thereupon, these proceedings were concluded at
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      10:02 a.m.)
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12
                                    heraby certify that the foregoing to
13
                                    the Exclusion
                                                       the proceedings in
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                                    heard by the m
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                                     Oil Conservation Division
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)

(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 February 21st, 2008.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2010