1	STATE OF NEW MEXICO		
2	ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT		
3	OIL CONSERVATION DIVISION		
4			
5			
6			
7			
8			
9			
10			
11	C : T :		
12	REPORTER'S TRANSCRIPT OF PROCEEDINGS		
13			
14	PRE-HEARING TRANSCRIPT		
15			
16	BEFORE: DAVID K. BROOKS, Legal Examiner RICHARD EZEANYIM, Technical Examiner		
17	TERRY G. WARNELL, Technical Examiner		
18	October 16, 2008		
19	Santa Fe, New Mexico		
20			
21	This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Legal Examiner, RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL, Technical Examiner, on Thursday, October 16, 2008, at the New Mexico Energy, Minerals and Natural Resources Department,		
22			
23	1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.		
24	REPORTED BY: JOYCE D. CALVERT, P-03		
25	Paul Baca Court Reporters 500 Fourth Street, NW, Suite 105 Albuquerque, New Mexico 87102		

1

PAUL BACA PROFESSIONAL COURT REPORTERS 500 4th Street, NW, Suite 105, Albuquerque, NM 87102

MR. BROOKS: Good morning, ladies and gentlemen. 1 This is Docket No. 35-08, Oil Conservation Division. I'm David 2 Brooks, presiding Examiner. Terry Warnell is assisting as 3 Technical Examiner, and the Chief Engineer had indicated he's 4 5 going to participate, and he is here this morning. 6 Let's first call the continuances and dismissals, 7 then we're going to take things out of order. So we'll begin with the continuance and dismissals, as usual. 8 On the first page, Case No. 14189 is continued to 9 October 30th. 10 11 On the third page, Case No. 14024 is dismissed. Case No. 14147 is continued to November the 13th. 12 13 Case No. 14148 is continued to November the 13th. 14 On the fourth page, Case No. 14191 is dismissed. 15 On the fifth page, Case No. 14192 is continued to 16 November the 13th; however, there is a motion hearing in that 17 case this morning. 18 On the sixth page, Case No. 14198 is dismissed. 19 The presumed order of proceeding will be as 20 follows -- and let me know if there are any objections or 21 preferences to do things otherwise. 22 We will begin with the motion hearing in Case 23 No. 14192. Following that hearing, we will -- oh, I forgot to 24 ask if there any continuances or dismissals. 25 Case No. 14190; is there anyone here on that case?

2

PAUL BACA PROFESSIONAL COURT REPORTERS 500 4th Street, NW, Suite 105, Albuquerque, NM 87102

We call 14190. It's the Application of -- I'm sorry, no, not 1 2 14190. 3 I'm calling Case No. 14162, the Application for 4 Merrion Oil and Gas Corp. for Compulsory Pooling, San Juan 5 County, New Mexico. Is there any appearance in that case? 6 Okay, we had gotten a motion for continuance in that 7 case to November 13th, so that case will be continued to 8 November 13th. 9 Any other continuances or dismissals? 10 Okay, we will begin this morning with Case No. 14192. That will be followed by Case No. 14193 and the following cases 11 12 to the end of the docket of Case No. 14197. 13 Then we will go back and start at the beginning of 14 the docket with Case No. 14129, and then we will take Case 15 No. 14190. And we will conclude the evening with Case 16 No. 14186, unless there are any objections to that order of 17 proceeding. 18 Mr. Feldewert? MR. FELDEWERT: Just a question, Mr. Examiner. Since 19 20 you're taking 14186 last, is it safe to assume that we can be 21 dismissed until 1 o'clock? 22 MR. BROOKS: Well, let me ask the people who are here 23 involved. I understood one of the Division's cases was going 24 to be particularly long, and I thought it was 14186. But 25 there's also 14129 that's also contested, so which one is the

PAUL BACA PROFESSIONAL COURT REPORTERS 500 4th Street, NW, Suite 105, Albuquerque, NM 87102

3

longer one of the two? 1 MS. ALTOMARE: My understanding is that it was ours 2 3 that was the longer one. MR. BROOKS: That's which one? 4 5 MS. ALTOMARE: 14186. MR. BROOKS: That was my understanding, also. How 6 long will it take, do you think? 7 8 MR. FELDEWERT: 14186? MR. BROOKS: Yeah. 9 MR. FELDEWERT: Mr. Examiner, I looked at the 10 pre-hearing statement and they have, it looks like three hours 11 12 of testimony designated. MR. BROOKS: That's from both sides, or from one 13. 14 side? MS. ALTOMARE: I believe for both sides. 15 16 MR. FELDEWERT: So I quess --17 MR. BROOKS: Okay. We'll set that one over to 1:15, 18 then. 19 MR. FELDEWERT: Okay. MR. BROOKS: And there's no reason you all should sit 20 21 here the whole time, so you can come back at 1:15. Okay. This Targa case -- yes? Did somebody have 22 23 something to say over here? 24 The Division people that are not going to be needed 25 until Case No. 14129 may be excused at this time, and I will

PAUL BACA PROFESSIONAL COURT REPORTERS 500 4th Street, NW, Suite 105, Albuquerque, NM 87102

1	come if you're going to be ups	stairs, I can come upstairs and		
2	get you when we're ready for you,	, because that's going to be		
3	maybe an hour at least.			
4	Okay.			
5	* *	*	i	
6				
7				
8				
9				
10				
11				
12				
13				
	· · · · · · · · · · · · · · · · · · ·	그는 그는 것은 것 같은 것 같아요. 가지 않는 것 않는 것 같아요. 가지 않는 것 않는		
14		V & hersty certify that the foregoing the	.t.	
14 15		<ul> <li>CONTRACTOR</li> <li>State State</li> </ul>		
15				
15 16.		<ul> <li>CONTRACTOR</li> <li>State State</li> </ul>		
15 16. 17				
15 16. 17 18				
15 16. 17 18 19				
15 16. 17 18 19 20				
15 16. 17 18 19 20 21				
15 16. 17 18 19 20 21 21 22				
15 16. 17 18 19 20 21 22 23				

PAUL BACA PROFESSIONAL COURT REPORTERS 500 4th Street, NW, Suite 105, Albuquerque, NM 87102

5

2 · 3

1

## REPORTER'S CERTIFICATE

6

I, JOYCE D. CALVERT, Provisional Court Reporter for 4 5 the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the 6 7 foregoing pages are a true and correct transcript of those 8 proceedings and was reduced to printed form under my direct 9 supervision. 10 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and 11 12 that I have no interest in the final disposition of this 13 proceeding. 14 DATED this 16th of October, 2008. 15 16 17 18 19 20 JOYCE D. 'CALVERT 21 New Mexico P-03 22 License Expires: 7/31/09 23 24 25

PAUL BACA PROFESSIONAL COURT REPORTERS 500 4th Street, NW, Suite 105, Albuquerque, NM 87102

STATE OF NEW MEXICO 1 ) ) 2 COUNTY OF BERNALILLO ) 3 I, JOYCE D. CALVERT, a New Mexico Provisional Reporter, working under the direction and direct supervision of 4 Paul Baca, New Mexico CCR License Number 112, hereby certify 5 that I reported the attached proceedings; that pages numbered 1-5 inclusive, are a true and correct transcript of my 6 stenographic notes. On the date I reported these proceedings, I was the holder of Provisional License Number P-03. 7 Dated at Albuquerque, New Mexico, 16th day of October, 2008. 8 9 10 Joyce D. Calvert 11 Provisional License #P-03 License Expires: 7/31/09 12 13 14 15 16 Paul Baca, RPR Certified Court Reporter #112 17 License Expires: 12/31/08 18 19 20 21 22 23 24 25

7

PAUE BACA PROFESSIONAL COURT REPORTERS 500 4th Street, NW, Suite 105, Albuquerque, NM 87102