

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

PRE-HEARING TRANSCRIPT

BEFORE: RICHARD EZEANYIM, Presiding Examiner  
TERRY G. WARNELL, Technical Examiner  
DAVID K. BROOKS, Legal Examiner

July 9, 2009

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Presiding Examiner, DAVID K. BROOKS, Legal Examiner, and TERRY G. WARNELL, Technical Examiner, on Thursday, June 25, 2009, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91  
Paul Baca Professional Court Reporters  
500 Fourth Street, N.W., Suite 105  
Albuquerque, NM 87103 505-843-9241

1 to be picking or choosing who hears the cases. All my  
2 examiners are very capable of hearing any case, except  
3 when it comes to the legal part. I have no idea.

4 So we are going to seek to develop a rotation,  
5 hearing rotation, and we stick by it. But if you have a  
6 need to request something because it's really  
7 particularly important to you, I will base it on legal.  
8 We are all technical examiners and are very competent to  
9 handle the technical issues, but if it's legal and you  
10 want to request David to be there, I will comply with  
11 that. But I don't want anybody picking and choosing who  
12 hears a case or not.

13 I wanted to say that there's a lot of in-house  
14 things we do, but these are the ones I want to  
15 communicate to you guys. Are there any questions or  
16 comments, you know, adverse effects or something? We  
17 have to make sure you know how we are handling our  
18 operations.

19 Then we go about our business of today. Today  
20 we will consider Docket Number 24-09. I guess everybody  
21 knows who is sitting at this table. We don't need any  
22 introductions. First off, we read off all the  
23 continuances and dismissals. On page 1, Case Number  
24 14320 is continued to August 20th. On page 4, Case  
25 Number 14337 is continued indefinitely. This is a case

1 of the injection that is not in compliance. That's why  
2 it's continued indefinitely until they are in compliance.  
3 Case Number 14331 is continued to August 6th.

4 The next page, page 5, Case Number 14332 is  
5 continued to July 23rd; 14333 is continued to July 23rd;  
6 14339 is continued to July 23rd; 13940 is continued to  
7 September 3. On page 6, Case Number 14329 is continued  
8 to August 6th. Case Number 14319 is continued to July  
9 23rd. The last page, Case Number 14271 is dismissed.  
10 Are there any other continuances or dismissals?

11 MR. CARR: Mr. Examiner, on page 6 of the  
12 docket there are two cases, one Nadel and Gussman Heyco  
13 and the next one for Cimarex. It looks like the parties  
14 have reached an agreement. We were hoping we could  
15 dismiss those, Mr. Kellahin and I, but we would ask that  
16 it be continued to the 23rd. They have agreed to things  
17 and are now signing documents, so we're anticipating on  
18 that day that it can be dismissed. So those two cases.

19 MR. EZEANYIM: Let the record reflect that  
20 Case Number 14311 is continued to September --

21 MR. CARR: 23rd of July.

22 MR. EZEANYIM: -- July 23rd. Case Number  
23 14322 is continued to July the 23rd. Any other  
24 dismissals or continuances? Okay.

25

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7/21/09  
heard by me on

*[Signature]*  
Examiner

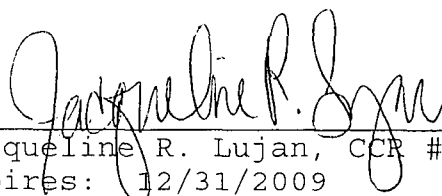
## REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO  
HEREBY CERTIFY that on July 9, 2009, proceedings in the  
above captioned case were taken before me and that I did  
report in stenographic shorthand the proceedings set  
forth herein, and the foregoing pages are a true and  
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by  
nor related to nor contracted with any of the parties or  
attorneys in this case and that I have no interest  
whatsoever in the final disposition of this case in any  
court.

WITNESS MY HAND this 22nd day of July, 2009.

  
Jacqueline R. Lujan, CCR #91  
Expires: 12/31/2009