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| STATE OF NEW MEXICO   |
| ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT   |
| OIL CONSERVATION DIVISION   |
| IN THE MATTER OF THE HEARING CALLED BY )<br>THE OIL CONSERVATION DIVISION FOR THE )<br>PURPOSE OF CONSIDERING: CASE NO. 12,966<br>APPLICATION OF THE NEW MEXICO OIL )<br>CONSERVATION DIVISION, THROUGH THE )<br>SUPERVISOR OF DISTRICT III, FOR AN ORDER )<br>ASSESSING CIVIL PENALTIES AGAINST BC&D )<br>OPERATING, INCORPORATED, FOR FAILURE TO )<br>GIVE TIMELY NOTICE OF A RELEASE AND )<br>FAILURE TO TAKE CORRECTIVE ACTION AS )<br>REQUIRED BY OCD RULE 116, MCKINLEY )<br>COUNTY, NEW MEXICO ) |
| ORIGINAL  |
|   |
| REPORTER'S TRANSCRIPT OF PROCEEDINGS  |
| EXAMINER HEARING  |
| BEFORE: DAVID R. CATANACH, Hearing Examiner   |
| November 14th, 2002   |
| Santa Fe, New Mexico  |
|   |

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, November 14th, 2002, 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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STEVEN T. BRENNER, CCR (505) 989-9317

2 INDEX November 14th, 2002 Examiner Hearing CASE NO. 12,966 PAGE **REPORTER'S CERTIFICATE** 5 \* \* \* APPEARANCES FOR THE DIVISION: DAVID K. BROOKS Attorney at Law Energy, Minerals and Natural Resources Department Assistant General Counsel 1220 South St. Francis Drive Santa Fe, New Mexico 87505 \* \* \* ALSO PRESENT: WILLIAM V. JONES, JR. Petroleum Engineer New Mexico Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, NM 87505 \* \* \*

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| 1  | WHEREUPON, the following proceedings were had at           |
| 2  | 2:44 p.m.:   |
| 3  | EXAMINER CATANACH: Okay, at this time let me               |
| 4  | call Case 12,966, the Application of the New Mexico Oil    |
| 5  | Conservation Division, through the Supervisor of District  |
| 6  | III, for an order assessing civil penalties against BC&D   |
| 7  | Operating, Incorporated, for failure to give timely notice |
| 8  | of a release and failure to take corrective action as      |
| 9  | required by OCD Rule 116, McKinley County, New Mexico.     |
| 10 | Call for appearances.                                      |
| 11 | MR. BROOKS: Mr. Examiner, I'm David Brooks,                |
| 12 | Energy, Minerals and Natural Resources Department of the   |
| 13 | State of New Mexico, appearing for the New Mexico Oil      |
| 14 | Conservation Division.                                     |
| 15 | EXAMINER CATANACH: Any other appearances?                  |
| 16 | Okay, Mr. Brooks?  |
| 17 | MR. BROOKS: I note for the record that Mr. Scott           |
| 18 | Hall of Santa Fe, New Mexico, represents BC&D. He is not   |
| 19 | present.   |
| 20 | EXAMINER CATANACH: The record shall so reflect,            |
| 21 | Mr. Brooks.  |
| 22 | MR. BROOKS: Okay. Mr. Hall and I have agreed to            |
| 23 | a settlement of this case, and at this time I'm requesting |
| 24 | that the case be continued to the December 5th docket to   |
| 25 | enable us to finalize the settlement. At that time I hope  |

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1 to be in a position to request dismissal. 2 EXAMINER CATANACH: Okay. At the Division's 3 request, Case Number 12,966 will be continued to the December 5th hearing. 4 5 MR. BROOKS: Thank you. 6 EXAMINER CATANACH: Thank you, Mr. Brooks. 7 And this hearing is adjourned. 8 (Thereupon, these proceedings were concluded at 9 2:45 p.m.) 10 \* \* 11 12 13 14 15 16 17 I do not good hig that the forego 18 a categorie record of the proceed 12966 19 Wienter 14 he or hear 20 amel Oil Conservation Division 21 22 23 24 25

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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 November 24th, 2002.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 16th, 2006