

Hannifin Family Trust

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October 7, 2013

New Mexico Oil Conservation Division
1220 S. St. Francis DR
Santa Fe NM 87505.

Gentlemen:

Subject: COG Operating, LLC
Compulsory Pooling Hearing - CASE #15054
Stonewall 9 Fee 3H Well
W½E½ Sec. 9-19S-26E, NMPM

This is to advise that Mark A Hannifin, Trustee of the Hannifin Family Trust intends to appear and give testimony why COG should not be granted compulsory pooling for the interests of Hannifin Family Trust, P.J. Hannifin Family Trust, McCormick Trusts A & B, and the Wygocki Family Trust.

Testimony will be provided that applicant failed to give timely notice of the hearing to several parties and has not made any attempts to lease the interests of any of the said parties prior to the well proposal letter received by the various interests. Some of these initial notices were not mailed until October 4, 2013 and not received until October 7, 2013.

Testimony will be provided that in said notice, applicant failed to make legitimate offers to the parties reflecting the current bonus and royalty rates in the area and did not include a form of lease to be used.

Testimony will be provided that applicant arbitrarily rejected the lease form that was tendered by Hannifin Family Trust on the basis of the prior(identical)COG lease on these same lands taken on November 7, 2011, as well as other lands in this area. This lease form is acceptable to all of the mineral owners listed above.

Estimated time of testimony is 10 minutes of direct evidence. Exhibits substantiating our testimony will be provided to all parties, including the prior COG lease of this land taken on November 7, 2011. Copies of check stubs received for the interests leased, showing the bonus paid at that time, the royalty and the Hannifin lease form as previously accepted by COG.

Evidence will also be requested from COG showing the dates that their Certified Letters were received by the correct parties, and for proof that they have no other leases in Texas or New Mexico on substantially the same lease form offered to COG by the parties above. Time estimate of answer – unknown.

Evidence may also be solicited from COG Senior Landman Stuart Dirks as to ensuing telephone conversations regarding the leasing of the above captioned interests and confirming the offer of \$1,000 per acre, 25% royalty for a 1 year lease on this property, but denying the use of the previously accepted Hannifin lease form. Time estimate of answer – unknown.

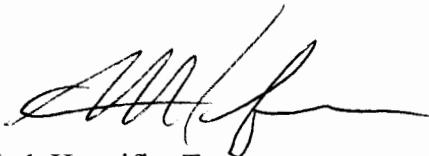
Evidence may also be solicited from COG Senior Landman Stuart Dirks whether or not COG has accepted this lease form in the past and is operating under it currently in any division or well that COG operates.
Time estimate of answer – unknown.

(This lease is a slightly modified form of the lease form used by the State of Texas on all of their General Land Office Lands, including Mineral Classified Lands, Veterans Land Board Lands and all other General Land Office supervised lands. The lease form was modified for use in the State of New Mexico)

If COG is operating under this lease form elsewhere or have accepted it in the past, then evidence may also be solicited from COG Senior Landman Stuart Dirks why “We(COG) will not be able to accept your lease form.” on a paragraph by paragraph basis, and what modifications would be acceptable in each paragraph.
Time estimate of answer – 60-120 minutes.

Rebuttal evidence may be given from Mark A Hannifin to enter the Hannifin lease form, as jointly amended by the prior testimony, and with agreement on behalf of the Hannifin Family Trust as the form of lease to be included for use in leasing any unleased mineral interests covered by the NMOCD Final Order for Case #15054.

If you have any questions or if I need to provide anything further to ensure our standing in this case, please contact me at the address or phone number above, or by e-mail at divebuddy@familyscuba.com



Mark Hannifin, Trustee
Hannifin Family Trust

cc: COG Operating, LLC
600 W Illinois
Midland TX 79701
attn.: Stuart Dirks

cc: Holland & Hart, LLC
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attn.: Michael H. Feldewert