Page 1 1 STATE OF NEW MEXICO 2 ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 3 IN THE MATTER OF THE HEARING CALLED 4 BY THE OIL CONSERVATION DIVISION FOR 5 THE PURPOSE OF CONSIDERING: 6 CASE NO. 15499 7 APPLICATION OF COG OPERATING, LLC, FOR A . NON-STANDARD SPACING AND PRORATION UNIT AND. 8 COMPULSORY POOLING IN LEA COUNTY, NEW MEXICO 9 10 11 12 REPORTER'S TRANSCRIPT OF PROCEEDINGS 13 EXAMINER HEARING 14 Thursday, June 23, 2016 15 Santa Fe, New Mexico 16 This matter came on for hearing before the 17 New Mexico Oil Conservation Division, William V. Jones, Examiner, and David Brooks, Legal Examiner, on Thursday, 18 June 23, 2016 at the New Mexico Energy, Minerals, and 19 Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, 20 New Mexico. 21 22 23 REPORTED BY: MARY Therese Macfarlane New Mexico CCR 122 24 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 25 Albuquerque, New Mexico 87102

Page 2 1 APPEARANCES 2 FOR THE APPLICANT: 3 COG OPERATING, LLC: Michael Feldewert, Esq. 4 Holland & Hart, LLP P.O. Box 2209. 5 Santa Fe, NM 87504-2208 (505) 988-4421 6 7 CONTENTS 8 CASE NUMBER 14499 CALLED PAGE 9 STATEMENT BY MR. FELDEWERT: 3 10 11 12 EXHIBIT INDEX 13 EXHIBIT ADMITTED 14 (Note: There were no exhibit marked.) 15 16 17 18 19 20 21 22 23 24 25

1 (Time noted: 8:56 a.m.) EXAMINER JONES: We do have another case, Case 2 No. 15499. Let's call Case 15499, Application of COG 3 4 Operating, LLC for a non-standard spacing and proration unit and compulsory pooling in Lea County, New Mexico. 5 6 MR. FELDEWERT: May it please the examiner, 7 Michael Feldewert of the Santa Fe office of Holland & Hart appearing on behalf of the Applicant. 8 9 EXAMINER JONES: Any other appearances? 10 (Note: No response.) MR. FELDEWERT: Mr. Examiner, this case was 11 heard at the last Division docket, and at that point there 12 were 15 exhibits entered into the record following the 13 testimony of two witnesses. It was observed during that 14 hearing that Exhibit No. 12, which is the Affidavit of 15 Publication in the newspaper the Hobbs News Sun, that that 16 17 publication, because of the intervening holiday, was 24 hours less than the timeframe needed, so the Division 18 determined that the case should be continued for two weeks 19 to allow that additional one-day period to run. 20 That has now occurred and so we ask this 21 case be taken under advisement. 22 23 EXAMINER JONES: Was the examiner Mr. Dawson or 24 Mr. McMillan? 25 MR. FELDEWERT: I think, both of them.

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1	EXAMINER JONES: Okay. Thank you very much.
2	MR. FELDEWERT: Thank you.
3	EXAMINER JONES: We will take Case 15499 under
4	advisement.
5	And I guess we are going to adjourn until
б	Mr. Olsen gets here, or 10:30, whichever comes first.
7	MR. BROOKS: Whichever shall first occur.
8	And I'll move from the bench to the bar in that case.
9	(Time noted: 8:58 a.m.)
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Page 5 1 STATE OF NEW MEXICO) 2 SS : 3 COUNTY OF TAOS) 4 5 REPORTER'S CERTIFICATE 6 I, MARY THERESE MACFARLANE, New Mexico 7 Reporter CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 23, 2016, the proceedings in the above-captioned 8 matter were taken before me, that I did report in 9 stenographic shorthand the proceedings set forth herein, 10 and the foreoing pages are a true and correct 11 transcription to the best of my ability and control. 12 13 I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with (unless excepted by the 14 rules) any of the parties or attorneys in this case, and 15 that I have no interest whatsoever in the final 16 17 disposition of this case in any court. 18 19 MARY THERESE MACFARLANE, CCR NM Certified Court Reporter No. 122 20 License Expires: 12/31/2016 21 2.2 23 24 25