Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 2 OIL CONSERVATION DIVISION IN THE MATTER OF THE HEARING CALLED 3 BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING: 4 5 APPLICATION OF OGX OPERATING, LLC CASE NO. 15565 FOR A NONSTANDARD SPACING AND PRORATION UNIT, COMPULSORY POOLING, 6 AND AN UNORTHODOX GAS WELL LOCATION, 7 EDDY COUNTY, NEW MEXICO. 8 9 REPORTER'S TRANSCRIPT OF PROCEEDINGS 10 EXAMINER HEARING December 1, 2016 11 Santa Fe, New Mexico 12 13 BEFORE: WILLIAM V. JONES, CHIEF EXAMINER 14 GABRIEL WADE, LEGAL EXAMINER 15 16 This matter came on for hearing before the 17 New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and Gabriel Wade, Legal Examiner, on 18 Thursday, December 1, 2016, at the New Mexico Energy, 19 Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, 20 Room 102, Santa Fe, New Mexico. 21 22 Mary C. Hankins, CCR, RPR REPORTED BY: New Mexico CCR #20 23 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 24 (505) 843-9241 25

Page 2 APPEARANCES FOR APPLICANT OGX OPERATING, LLC: JAMES G. BRUCE, ESQ. Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043 jamesbruc@aol.com INDEX PAGE Case Number 15565 Called Exhibits Presented Proceedings Conclude Certificate of Court Reporter EXHIBITS OFFERED AND ADMITTED OGX Operating, LLC Exhibit Letters A and B 2.2

Page 3 (9:42 a.m.) 1 2 EXAMINER JONES: Let's go back on the record and call Case Number 15565, re-advertised, 3 application of OGX Operating, LLC for a nonstandard 4 spacing and proration unit, compulsory pooling, and an 5 unorthodox gas well location in Eddy County, New Mexico. 6 7 Call for appearances. Mr. Examiner, Jim Bruce of MR. BRUCE: 8 9 Santa Fe representing the Applicant. 10 Any other appearances? EXAMINER JONES: MR. BRUCE: Mr. Examiner, this case was 11 12 heard four weeks ago, but the well location changed. And as a result, we notified the one interest, sent an 13 amended application to Occidental Permian, LP, the only 14 party being pooled, and that notice is reflected in 15 Exhibit A. And because of the changed location, we also 16 notified all of the offsets, and notice was given to 17 them of the amended application, and that's reflected in 18 Exhibit B. 19 And we would ask that Exhibits A and B be 20 admitted into the record and that this case be taken 21 under advisement. 22 23 EXAMINER JONES: Exhibits A and B are 24 admitted, and Case Number 15565 is taken under 25 advisement.

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1	(OGX Operating, LLC Exhibit Letters A and B
2	are offered and admitted into evidence.)
3	(Case Number 15565 concludes, 9:44 a.m.)
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1	STATE OF NEW MEXICO
2	COUNTY OF BERNALILLO
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4	CERTIFICATE OF COURT REPORTER
5	I, MARY C. HANKINS, Certified Court
6	Reporter, New Mexico Certified Court Reporter No. 20,
7	and Registered Professional Reporter, do hereby certify
8	that I reported the foregoing proceedings in
9	stenographic shorthand and that the foregoing pages are
10	a true and correct transcript of those proceedings that
11	were reduced to printed form by me to the best of my
12	ability.
13	I FURTHER CERTIFY that the Reporter's
14	Record of the proceedings truly and accurately reflects
15	the exhibits, if any, offered by the respective parties.
16	I FURTHER CERTIFY that I am neither
17	employed by nor related to any of the parties or
18	attorneys in this case and that I have no interest in
19	the final disposition of this case.
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21	
22	MARY C. HANKINS, CCR, RPR Certified Court Reporter
23	New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2016
24	Paul Baca Professional Court Reporters
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