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## STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NOS. 21420, 21421

APPLICATION OF COG OPERATING, LLC FOR COMPULSORY POOLING IN LEA COUNTY NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS.

## EXAMINER HEARING

THURSDAY, SEPTEMBER 10, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, Felicia Orth, Hearing Examiner, Scott Cox Technical Examiner, on Thursday, September 10, 2020 via Webex Virtual Event Platform

Reported by: Mary Therese Macfarlane New Mexico CCR NO. 122 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102. (505) 843-9241

Page 2 1 A P P E A R A N C E S. 2 For the Applicant COG Operating, LLC: 3 Michael Rodriguez, Esq. COG Operating, LLC 4 1048 Paseo de Peralta Santa Fe, NM 87501 5 (505) 780 - 8000mrodriguez@concho.com 6 7 For EOG Resources, Inc.: 8 Lance Hough, Esq. Modrall Sperling. 9 500 4th Street NW, Suite 1000 Albuquerque, NM L8710 10 (505)848-1826 lance.hough@modrall.com 11 12 CONTENTS 13 CASE NOS. 21420, 21421 PAGE 3 14 CALLED: 15 APPLICANT WITNESSES BY AFFIDAVIT: 4 16 ADAM REKER (Landman) 17 JOHN BERTALOTT (Geologist) 4 5 18 TAKEN UNDER ADVISEMENT: 19 20 EXHIBIT INDEX 21 APPLICANT COG OPERATING, LLC EXHIBITS ADMITTED 2.2 1 5 23 2 5 24 3 5 25

Page 3 1 (Time noted 9:21 a.m.) 2 HEARING EXAMINER ORTH: Let's move then to 3 Matters 21420 and 21421. COG Operating is the Applicant. 4 These are compulsory pooling applications. The well name 5 is Bedlington. Mr. Rodriguez, are you here for COG? б MR. RODRIGUEZ: Yes, Madam Examiner. Michael 7 Rodriguez with COG Operating. 8 9 HEARING EXAMINER ORTH: Thank you. And we have 10 an appearance by EOG. Ms. Bennett, are you here from Modrall, Sperling? 11 12 MR. HOUGH: Madam Examiner, this is Lance Hough from Modrall, Sperling appearing on behalf of COG 13 14 Resources, Inc. 15 HEARING EXAMINER ORTH: Thank you, Mr. Hough. 16 Are there any other appearances this 17 morning. No? All right. I saw Prehearing Statements from both of 18 19 you. I have a question as to whether this is a status conference this morning. 20 MR. HOUGH: Madam Examiner, this is Lance Hough. 21 22 We did submit a Prehearing Statement last week but since then there has been a change in EOG's position. They are 23 24 no longer opposed to a presentation by affidavit today. 25 And I seek to (inaudible).

Page 4 1 THE HEARING OFFICER: Okay. Your audio was 2 breaking up just now. What I heard you say is that EOG 3 has changed its position from its earlier prehearing 4 statement and that you no longer oppose the presentation 5 by affidavit. MR. HOUGH: That's correct, Madam Examiner. б 7 HEARING EXAMINER ORTH: Thank you. So, Mr. Rodriguez, if you would. 8 MR. RODRIGUEZ: Thank you. In Case Nos. 21420 9 10 and 21421 -- I'm sorry. Did I request to have these cases consolidated? 11 12 HEARING EXAMINER ORTH: I called them as though 13 they were, so I would say yes, they are. 14 MR. RODRIGUEZ: Great. I just wanted to make 15 sure. 16 Okay. So in Cases 21420 and 21421, COG 17 Operating, LLC, is seeking to pool uncommitted interests in the Bone Spring and the Wolfcamp Formations, underlying 18 a 640-acre horizontal spacing unit comprised of the west 19 half of Sections 26 and 35, Township 23 South, Range 32 20 21 East, Lea County, New Mexico. Both cases contain similar exhibit packets 22 that include: The compulsory pooling checklist; the 23 24 Application; Exhibit 1 being the landman's affidavit and 25 related land attachments; Exhibit 2, which is the

Page 5 geologist's affidavit and related geology attachments; and 1 2 Exhibit 3, which is my affidavit and Notice of 3 Publications reflecting that all those requirements have 4 been met. With that I would ask that these case 5 packets be admitted into the record and the applications 6 7 in Case 21420 and 21421 be taken under advisement. HEARING EXAMINER ORTH: All right. Thank you, 8 Mr. Rodriguez. 9 Mr. Hough; do you have questions at all? 10 MR. HOUGH: No questions, Madam Examiner. 11 12 HEARING EXAMINER ORTH: Thank you. Mr. Cox, do 13 you have questions? MR. COX: No questions, Madam Examiner. Thank 14 15 you. 16 HEARING EXAMINER ORTH: All right. Thank you. 17 Mr. Rodriguez, your exhibits are admitted and these two matters will be taken under advisement. 18 19 MR. RODRIGUEZ: Thank you. 20 (Time noted 9:23 a.m.) 21 22 23 24 25

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1	STATE OF NEW MEXICO )
2	: SS
3	COUNTY OF TAOS )
4	
5	REPORTER'S CERTIFICATE
6	I, MARY THERESE MACFARLANE, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday, September
8	10, 2020, the proceedings in the above-captioned matter
9	were taken before me; that I did report in stenographic
10	shorthand the proceedings set forth herein, and the
11	foregoing pages are a true and correct transcription to
12	the best of my ability and control.
13	I FURTHER CERTIFY that I am neither employed by
14	nor related to nor contracted with (unless excepted by the
15	rules) any of the parties or attorneys in this case, and
16	that I have no interest whatsoever in the final
17	disposition of this case in any court.
18	/s/ Mary Macfarlane
19	
20	MARY THERESE MACFARLANE, CCR NM Certified Court Reporter No. 122
21	License Expires: 12/31/2020
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