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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 THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NOS: 21538 21539

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 3, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on Thursday, December 3, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253 PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street, NW, Suite 105 Albuquerque, NM 87102 505-843-9241

Page 2 1 A P P E A R A N C E S 2 For the Applicant: 3 DANA HARDY HINKLE SHANOR LLP 4 P.O. Box 0268 Santa Fe, NM 87504 505-982-4554 5 For Franklin Mountain Energy: б 7 DEANA BENNETT MODRALL SPERLING ROEHL HARRIS & SISK PA 500 4th Street, NW, Suite 1000 8 Albuquerque, NM 87102 505-848-9710 9 10 INDEX 11 12 CASE CALLED 13 SUMMARY OF CASE AND EXHIBITS 03 05 14 TAKEN UNDER ADVISEMENT 06 15 REPORTER CERTIFICATE 16 17 EXHIBIT INDEX Admitted 18 19 Exhibits and Attachments 05 20 21 22 23 24 25

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

Page 3 1 HEARING EXAMINER ORTH: Let's move then to 2 matters 21538 and 21539. The applicant is COG Operating, these are compulsory pooling applications. The well name is 3 4 Fez. Who is here from Hinkle Shanor for the applicant? 5 MS. HARDY: Good morning, Madam Examiner. Dana 6 Hardy with the Santa Fe office of Hinkle Shanor on behalf of 7 COG Operating. 8 HEARING EXAMINER ORTH: Good morning, Ms. Hardy. 9 And has Franklin Mountain Energy entered an appearance here 10 as well? Ms. Bennett, are you here for them? MS. HARDY: Madam Examiner, I believe that that 11 was an error in the hearing sheet. Franklin Mountain Energy 12 13 has not entered an appearance. I confirmed that earlier. 14 HEARING EXAMINER ORTH: Oh, well, thank you, Ms. 15 Hardy. Let me pause for a moment to see if there are any other entries of appearance in 21538 or 21539. 16 17 (No audible response.) 18 HEARING EXAMINER ORTH: I hear nothing. Please 19 proceed. MS. HARDY: Thank you, Madam Examiner. 20 In Case Number 21538, COG seeks an order pooling all uncommitted 21 mineral interests in the Wolfbone Pool underlying a 320.81 22 23 acre more-or-less horizontal spacing unit comprised of Lot 1 24 in the SE/4 of the NE/4 and the E/2 of the SE/4 of irregular 25 Section 4, which is the equivalent of the E/2 E/2 of that

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102 section, and the E/2 E/2 of Section 9, Township 25 South,
 Range 35 East in Lea County.

And in Case 21539, COG seeks an order pooling all 3 4 uncommitted mineral interest in the Wolfbone pool underlying 5 400.83 acre more-or-less standard horizontal spacing unit comprised of the W/2 of the E/2 of Section 9, Township 25 б South, Range 35 East, Lot 2, the SW/4 of the NE/4 and the 7 8 W/2 of the SE/4 of irregular Section 4 which is the 9 equivalent of the W/2 of the E/2 that section, Township 25 10 South, Range 35 East, and the W/2 SE/4 of Section 33, Township 25 South, Range 35 East in Lea County. 11

12 We have provided with our exhibits packets the 13 compulsory pooling checklist and the affidavits of landman 14 Megan Tipton and geologist Allison Holcomb. The land 15 ownership information is in Exhibit 3 to the Tipton affidavit and it sets out the tract, the interest in each 16 17 tract, identifies the pooled parties that were highlighted, and also indicates a few of the interest owners as (). 18 That's all the land ownership information. 19

20 Notice was timely provided to all the parties ().
21 The hearing notice is in Exhibit 8 in each case, Exhibit
22 A-8, and it was provided more than 20 days prior to hearing.
23 And the notice was also published and the publication
24 notices are provided in Exhibit A-9 in each case.
25 And the Ms. Holcum's affidavit does provide the

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Page 5 standard geology information, location map, structure map 1 2 cross section map, and a stratigraphic cross sections. With that, I would ask that the exhibits be 3 4 accepted into the record and the case be taken under advisement. 5 6 HEARING EXAMINER ORTH: Thank you, Ms. Hardy. 7 Mr. Lamkin, do you have any questions of Ms. Hardy? 8 TECHNICAL EXAMINER LAMKIN: No questions. 9 Thanks. 10 HEARING EXAMINER ORTH: Thank you. I will admit the exhibits and the matters will be 11 taken under advisement. 12 13 (Exhibits admitted.) 14 (Taken under advisement.) 15 16 17 18 19 20 21 22 23 24 25

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1	STATE OF NEW MEXICO
2	COUNTY OF BERNALILLO
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4	REPORTER'S CERTIFICATE
5	I, IRENE DELGADO, New Mexico Certified Court
б	Reporter, CCR 253, do hereby certify that I reported the
7	foregoing virtual proceedings in stenographic shorthand and
8	that the foregoing pages are a true and correct transcript
9	of those proceedings to the best of my ability.
10	I FURTHER CERTIFY that I am neither employed by
11	nor related to any of the parties or attorneys in this case
12	and that I have no interest in the final disposition of this
13	case.
14	I FURTHER CERTIFY that the Virtual Proceeding was
15	of poor to good quality.
16	Dated this 3rd day of December 2020.
17	/s/ Irene Delgado
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19	Irene Delgado, NMCCR 253 License Expires: 12-31-20
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