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: 21659, 21660 21661, 21662

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

CASE NOS: 21568, 21572, 21771

APPLICATION OF TAP ROCK RESOURCES, LLC FOR COMPULSORY POOLING LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

MAY 20, 2021

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER WILLIAM BRANCARD and TECHNICAL EXAMINER KURT SIMMONS, on Thursday, May 20, 2021, through the Webex Virtual Platform.

REPORTED BY: Carrie Hewerdine, RDR, NMCCR #512
PAUL BACA COURT REPORTERS
500 4th Street, Suite 105
Albuquerque, New Mexico 87102

Page 2 1 APPEARANCES 2 For the Cimarex Energy Company and Chevron USA: 3 LANCE HOUGH Modrall Sperling 4 123 East Marcy, Suite 201 Santa Fe, NM 87504-1056 5 505.848.1826 contact@modrall.com 6 7 For Tap Rock: 8 JAMES BRUCE P.O. Box 1056 Santa Fe, NM 87504-1056 9 505.982.2151 10 jamesbruce@aol.com 11 For COG Operating LLC: 12 MICHAEL RODRIGUEZ Hinkle Shanor 13 218 Montezuma Avenue Santa Fe, NM 87501 505.982.4554 14 15 16 INDEX 17 CASE CALLED 18 0.3 19 SUMMARY OF CASE AND EXHIBITS 20 04 21 CASE CONTINUED 22 05 23 REPORTER CERTIFICATE

24

25

06

1 HEARING EXAMINER BRANCARD: With that, we have

- 2 Cases Number 11 through 14 -- well, through 17, I
- 3 believe.
- 4 COG Operating, Cases 21659, 21660, 21661,
- 5 21662.
- 6 And Tap Rock Resources, Cases 21568, 21572,
- 7 and 21771 which, I believe, is a replacement for 21573.
- 8 With that, COG?
- 9 MICHAEL RODRIGUEZ: Good morning.
- 10 Michael Rodriguez with Hinkle Shanor on behalf of COG
- 11 Operating, LLC.
- 12 HEARING EXAMINER BRANCARD: Okay. Tap Rock?
- JAMES BRUCE: Jim Bruce representing Tap Rock,
- 14 Mr. Examiner.
- 15 HEARING EXAMINER BRANCARD: Thank you.
- And, Mr. Bruce, did I get the case numbers
- 17 correct, 568, 572, and 771?
- 18 JAMES BRUCE: Yes. You were absolutely
- 19 correct about the replacement case.
- 20 HEARING EXAMINER BRANCARD: Okay. And I think
- 21 I see some other entries here. Cimarex.
- LANCE HOUGH: Good morning, again.
- 23 Lance Hough from Modrall Sperling on behalf of Cimarex
- 24 and as well as for Chevron USA.
- 25 HEARING EXAMINER BRANCARD: Okay. I think

- 1 that's it.
- 2 Any other entries of appearances in these
- 3 seven cases?
- 4 Hearing none, who would like to go first?
- 5 Mr. Rodriguez? Mr. Bruce?
- 6 MICHAEL RODRIGUEZ: Oh, I can kick off the
- 7 conversation. It's fairly straightforward.
- 8 The parties have been involved in productive
- 9 conversations about trade concepts and the -- and
- 10 regarding the competing acreage.
- 11 And I think further time would be warranted
- 12 for the event that the parties don't reach voluntary
- 13 agreement. And COG would look -- would like to have an
- 14 August date, as well, but it sounds like that
- 15 timeframe, mid-August, is getting filled.
- So we'd request something that would be open
- 17 around that mid-August date.
- 18 HEARING EXAMINER BRANCARD: Thank you.
- 19 Mr. Bruce?
- 20 JAMES BRUCE: Well, once again, Tap Rock wants
- 21 to move along more quickly. These cases have been
- 22 filed even longer than the ones that Ms. Shaheen is
- 23 representing them in. And I would prefer to get this
- 24 done much sooner.
- I mean, COG says it's unavailable on

- 1 June 15th, but -- July 15th, but, on the other hand --
- 2 I mean, sometimes a replacement witness has to stand in
- 3 and go for it. And I would much prefer July. I would
- 4 much prefer June 17th.
- 5 HEARING EXAMINER BRANCARD: Mr. Hough, do you
- 6 have an opinion about any of that?
- 7 LANCE HOUGH: No, Your Honor. Either one
- 8 would be fine.
- 9 HEARING EXAMINER BRANCARD: And --
- 10 JAMES BRUCE: Mr. Examiner, you know, I was
- 11 figuring it would be August, but now that there's more
- 12 cases schlepped onto that docket, I think the only
- 13 choices are September or sometime in July.
- 14 And I do not want to go to September. Neither
- 15 does my client.
- 16 HEARING EXAMINER BRANCARD: Okay. Marlene, do
- 17 we have any room in July?
- 18 MARLENE SALVIDREZ: Yes, we do.
- 19 HEARING EXAMINER BRANCARD: Okay. All right.
- 20 I will go with Mr. Bruce on this one. July 15,
- 21 possibly July 16.
- JAMES BRUCE: Thank you.
- 23 HEARING EXAMINER BRANCARD: And so, with that,
- 24 I will ask the parties to file continuances, and I will
- 25 prepare a pre-hearing order for Cases 21659, 21660,

Page 6 21661, 21662, 21568, 21572, and 21771. Is there anything else that could be useful for the hearing? JAMES BRUCE: I have nothing. MICHAEL RODRIGUEZ: Nothing further, Mr. Examiner. LANCE HOUGH: Nothing for me. HEARING EXAMINER BRANCARD: Thank you. (Hearing concluded)

Page 7 1 STATE OF NEW MEXICO COUNTY OF BERNALILLO 3 4 REPORTER'S CERTIFICATE 5 I, CARRIE HEWERDINE, RDR, New Mexico Certified 6 7 Court Reporter, CCR 521, do hereby certify that I 8 reported the foregoing virtual proceedings in stenographic shorthand and that the foregoing pages are 9 a true and correct transcript of those proceedings to 10 11 the best of my ability. 12 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in 13 this case and that I have no interest in the final 14 15 disposition of the case. 16 I FURTHER CERTIFY that the Virtual Proceeding 17 was of poor to good quality. 18 Dated this 24th day of May, 2021. 19 20 21 Carrie Hewerdine /s/ 22 Carrie Hewerdine, RDR, NMCCR 521 License Expires: 12-31-21 23 24 25