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:

Application of Longfellow Energy, LP for Compulsory Pooling, Lea County, New Mexico Case No. 21860

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, SEPTEMBER 9, 2021

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Kurt Simmons, Technical Examiner, on September 9, 2021, via Webex Virtual Conferencing Platform hosted by New Mexico Department of Energy, Minerals and Natural Resources

Reported by: Mary Therese Macfarlane. New Mexico CCR #122 PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES 2 FOR LONGFELLOW ENERGY: Sharon T. Shaheen, Esq. Montgomery & Andrews 3 325 Paseo de Peralta Santa Fe NM 87501 (505) 986-2678 4 sshaheen@montand.com 5 6 FOR SPUR ENERGY: Adam G. Rankin, Esq. Holland & Hart 7 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 8 agrankin@hollandhart.com. 9 10 CONTENTS 11 Case No. 21860 PAGE 12 CASE CALLED: 4 TAKEN UNDER ADVISEMENT: 7 13 14 15 INDEX OF EXHIBITS 16 NO. DESCRIPTION ADMITTTED 17 Submitted 6/17/21 Testimony of Ryan Reynolds, Landman 7 18 А 19 A-1 General Location Map 7 20 A-2 Tract Map 7 HSU Ownership and Wellbore Map 7 21 A-3 Ownership Breakdown 22 A-4 7 7 23 A-5 Chronology of Contacts 24 A-6 C-102s 7 7 25 A-7 Well Proposal Letter

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Page 4 1 (Time noted 10:35 a.m.) 2 EXAMINER BRANCARD: All right. With that I 3 would like to call No. 21860, which is Item No. 43 on our 4 worksheet today. This is Longfellow Energy. What was once going to be a contested hearing apparently is not. 5 Longfellow Energy, Montgomery and Andrews. б 7 MS. SHAHEEN: Good Morning, Mr. Examiners. Sharon Shaheen on behalf of Longfellow Energy, LP. 8 9 EXAMINER BRANCARD: Thank you. I think we have an entry for Spur Energy 10 11 Partners. 12 MR. RANKIN: This is Adam Rankin from the Santa 13 Fe Office of Holland and Hart appearing on behalf of Spur. 14 EXAMINER BRANCARD: Thank you. You're a little 15 quiet there, Mr. Rankin, so... 16 And do you have any objection to this case 17 going forward by affidavit, Mr. Rankin? 18 MR. RANKIN: No objection. 19 EXAMINER BRANCARD: Thank you. And is Contango Oil & Gas here today, Cavin 20 21 & Ingram? (Note: Pause.) 22 Apparently not. They must be happy. 23 Are there any other interested persons for 24 Case 21860? Hearing none, you may proceed, Ms. Shaheen. 25 MS. SHAHEEN: Thank you.

Page 5 1 I want to point out first a threshold --2 some housekeeping matters. 3 We initially filed exhibits on June 17th, 4 and recently filed a few supplemental exhibits on 5 September 2nd. I talked with Marlene about the best way to 6 7 do that, and please give me any feedback you might have, 8 but if you take a look at the Supplemental Exhibits submitted September 2nd, you'll see that we provided an 9 Amended Checklist, a Supplemental Geologist Affidavit, and 10 An updated Chronology of Contacts. 11 12 So that's how that's set out. 13 And I would direct you to the Table of 14 Contents that is in the original set of exhibits that was 15 filed June 17th and you will see the application is 16 attached there. We have our landman affidavit is also 17 attached, Mr. Ryan Reynolds, whose credentials have 18 19 previously been accepted by the Division. The geologist is Jennifer Eker. Her credentials 20 21 have likewise been accepted by the Division. 22 Attached there -- we did have engineer's testimony as Exhibit C. I don't believe that will be 23 24 necessary in light of the resolution of the issues that 25 were raised previously by Contango.

Page 6 Finally the Affidavit of Notice, Exhibit D, 1 2 is attached to that June 17th submission, as well. 3 Turning back to the Supplemental Affidavit by the Geologist Jennifer Eker, there was a slight change 4 in the trajectory of the well, and that is what she 5 explains in her Supplemental Affidavit. And then the two 6 7 amended geologist exhibits, B-3 and B-5. 8 So these -- in this matter Longfellow requests that the Division approve a 320-acre spacing unit 9 in the north half of Section 31, Township 17 South, Range 10 28 east that would be dedicated to five one-mile wells, 11 12 the Marley -- le'ts see what they're are called. The Marley State Com 31 AB1H, 2H, 3H, 4H and 5H. 13 14 As has been noted, the parties have 15 resolved their issues. I believe that was done by 16 Longfellow acquiring Contango's assets that are in the spacing unit, which were the four vertical wells that 17 Contango operates. 18 So the landman affidavit provides all the 19 necessary information required by the Checklist. 20 If you 21 take a look at the Table of Contents in the June 17th submission, you will see Exhibits A-1 through A-8 with 22 23 maps, the tract map, ownership breakdown, map of the 24 ownership breakdown, the Chronology of Contacts, the 25 C-102, the Well Proposal Letter, AFEs and Notice Letters.

Page 7 Likewise the geologist's affidavit contains 1 2 all of requisite exhibits. With that I would ask the Division to take 3 this matter under advisement and admit the exhibits that 4 have been submitted on June 17th and September 2nd. 5 6 And I'm happy to answer any questions that 7 anyone might have. 8 EXAMINER BRANCARD: Thank you. Mr. Rankin, any questions or objections? 9 MR. RANKIN: No questions and no objections. 10 11 EXAMINER BRANCARD: Thank you. 12 Mr. Simmons. 13 EXAMINER SIMMONS: Nothing at this time. We 14 will contact counsel if something comes up as we are 15 processing. Thank you. 16 EXAMINER BRANCARD: So are there any other 17 interested persons for Case 21860? (Note: Pause.) Hearing none, your exhibits, including the amended 18 exhibits, will be accepted into the record, and Case 21860 19 will be taken under advisement. 20 21 (Time noted 10:39 a.m.) 22 23 24 25

	Page 8
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,
8	September 9, 2021, the proceedings in the above-captioned
9	matter were taken before me; that I did report in
10	stenographic shorthand the proceedings set forth herein,
11	and the foregoing pages are a true and correct
12	transcription to 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: 12/31/2021
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