Page 1 1 STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 2 OIL CONSERVATION DIVISION 3 ORIGINAL IN THE MATTER OF THE HEARING CALLED 4 BY THE OIL CONSERVATION DIVISION FOR 5 THE PURPOSE OF CONSIDERING: CASE NO. 14835 6 APPLICATION OF COULTHURST MANAGEMENT & 7 INVESTMENT, LLC, FOR AUTHORIZATION TO INJECT AS PART OF A PRESSURE MAINTENANCE PROJECT, SANDOVAL COUNTY, NEW MEXICO. 8 9 REPORTER'S TRANSCRIPT OF PROCEEDINGS 10 EXAMINER HEARING 11 DOCKET NO. 21-12 12 13 BEFORE: RICHARD EZEANYIM, Hearing Officer DAVID K. BROOKS, Legal Examiner 14 15 JULY 12, 2012 16 Santa Fe, New Mexico 17 8:30 AM 18 This matter came on for hearing before the 19 New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, and DAVID K. BROOKS, Legal Examiner, 20 on THURSDAY, JULY 12, 2012, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South 21 Street Francis Drive, Room 102, Santa Fe, New Mexico. 22 REPORTED BY: Lisa Reinicke 23 PAUL BACA PROFESSIONAL COURT REPORTERS 24 500 Fourth Street, NW, Suite 105 Albuquerque, NM 87102 25

Page 2 APPEARANCES For Coulthurst Management & Investment, LLC: HOLLAND & HART 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 By: Adam Rankin INDEX PAGE NO WITNESSES CERTIFICATE OF COMPLETION OF HEARING EXHIBITS MARKED/IDENTIFIED 12 1. Affidavit 

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Page 3 And at this point since there 1 are no comments, I call case number 14835. 2 I think this 3 case was heard some time ago and there was some requirements that needed to be fulfilled. So at this 4 point I call case number 14835, application of 5 6 Coulthurst Management & Investment, LLC, for 7 authorization to inject as part of a pressure maintenance project, Sandoval County, New Mexico. 8 Call for appearances. 9 Thank you, Mr. Examiner. 10 MR. RANKIN: Adam Rankin with Holland & Hart in Santa Fe on behalf of 11

Coulthurst Management. In the interim, since this case 12 was last presented and was reopened for this notice 13 14 purpose, we have submitted a waiver indicating that the 15 offsetting operator, Three Forks Resources, has waived any objections to the pressure maintenance application, 16 which has been received by the division. 17 My understanding is that has been adequate to address the 18 notice issue. 19

20 EXAMINER BROOKS: That is correct. And it 21 is in the case file.

MR. RANKIN: And if that's the case then --22 23 we also provided notice, according to division rules, but if that's the case then I won't bother to --24 25

EXAMINER BROOKS: Well, you have a notice of

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Page 4 affidavit to file. You can go ahead and file it with the court reporter. And what's the case number? MR. EXAMINER: Case number 14835. EXAMINER BROOKS: Case number 14835 will be taken under advisement, and it's my case. MR. EXAMINER: So that concludes that case. [Case 14835 taken under advisement.] i do hereby certify that the foregoing to a complete record of the proceedings in the Examiner hearing of Case No. neard by me of Oil Conservation Divisi 

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2 3 I, Lisa Reinicke, New Mexico Provisional Reporter, License #P-405, working under the direction 4 5 and direct supervision of Paul Baca, New Mexico CCR License #112, Official Court Reporter for the US 6 7 District Court, District of New Mexico, do hereby certify that I reported the foregoing proceedings in 8 9 stenographic shorthand and that the foregoing pages are 10 a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision. 11 I FURTHER CERTIFY that I am neither employed by 12 nor related to any of the parties or attorneys in this 13 14 case and that I have no interest whatsoever in the final disposition of this case in any court. 15 16 17 18 2. Peneto 19 20 Lisa R. Reinicke, Provisional License P-405 21 License expires: 8/21/2012 22 Ex count: 23 24 25

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