Page 1 1 STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT 2 OIL CONSERVATION DIVISION 3 . . . IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR 4 THE PURPOSE OF CONSIDERING: 5 CASE 15281 APPLICATION OF COG OPERATING LLC 6 FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, 7 NEW MEXICO. 8 REPORTER'S TRANSCRIPT OF PROCEEDINGS 9 EXAMINER HEARING 10 MAY 28, 2015 91 kBC 11 Santa Fe, New Mexico 12 υ 13 ÷ BEFORE: WILLIAM V. JONES, CHIEF EXAMINER GABRIEL WADE, LEGAL EXAMINER 14 15 16 This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, 17 Chief Examiner, and Gabriel Wade, Legal Examiner, on May 28, 2015, at the New Mexico Energy, Minerals, and 18 Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, 19 Santa Fe, New Mexico. 20 21 22 REPORTED BY: ELLEN H. ALLANIC NEW MEXICO CCR 100 23 CALIFORNIA CSR 8670 PAUL BACA COURT REPORTERS 24 500 Fourth Street, NW Suite 105 25 Albuquerque, New Mexico 87102

Page 2 APPEARANCES 1 2 FOR THE APPLICANT COG OPERATING LLC 3 Michael H. Feldewert, Esq. Holland & Hart 110 North Guadalupe 4 Suite 1 Santa Fe, New Mexico 87501 5 (505)988-4421mfeldewert@hollandhart.com 6 7 8 INDEX 9 CASE NUMBER 15281 CALLED 10 COG OPERATING LLC 11 12 13 14 PAGE Reporter's Certificate 6 15 16 17 EXHIBIT INDEX 18 Exhibits Offered and Admitted 19 20 PAGE COG Operating LLC Exhibit 11 4 21 COG Operating LLC Exhibit 12 4 22 23 24 25

1 (Time noted 11:29 a.m.) EXAMINER JONES: I have case 15281. 2 I call 3 that one, Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory 4 5 pooling, Eddy County, New Mexico. 6 Call for appearances. 7 MR. FELDEWERT: May it please, Examiner, 8 Michael Feldewert with the Santa Fe office of Holland 9 and Hart. And I have no witnesses. And I have two additional exhibits. 10 11 EXAMINER JONES: Okay. No other 12 appearances? 13 (No response.) 14. MR. FELDEWERT: Mr. Examiner, this matter 15 was heard on by the Division on the April 2nd docket. At that time, COG presented two witnesses simply to pool 16 the Yeso formation from the surface down to 3,200 feet. 17 18 We offered ten exhibits at that time. And it was continued first because Mr. Wade 19 20 noted the newspaper had failed to publish notice of the 21 hearing in a timely fashion, so we needed to continue 22 for a period of time to allow that notice to occur. 23 And, secondly, it was continued to allow notice to the 24 owners in the portion of the pool that are not included 25 in the pooled interval.

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Page 3

Page 4 That has now been accomplished with the two 1 2 Exhibits that I presented to you here today, COG Exhibit 3 11, continuing on with the exhibit number sequence. Exhibit 11 is a notice of publication in a newspaper of 4 5 this hearing and the pool interval, providing notice to 6 those interest owners in the pool that we were unable to 7 locate. 8 And then COG Exhibit 12 is my affidavit with 9 the attached letter providing notice to the owners 10 within the pool that we were able to locate that are not 11 being included in the pooling application. So with these additional notice exhibits No. 12 13 10 and 11, this matter is ready to be taken under 14 advisement. So we ask that COG Exhibits 11 and 12 be 15 admitted. 16 EXAMINER JONES: Exhibits 11 and 12 are admitted. 17 (Whereupon, COG OPERATING LLC Exhibits 11 18 and 12 were offered and admitted.) 19 20 MR. FELDEWERT: And that concludes our 21 presentation. And we ask that the case be taken under 22 advisement. 23 EXAMINER WADE: No questions. 24 EXAMINER JONES: Thank you very much. 25 And we will take case 15281 under

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	I, ELLEN H. ALLANIC, New Mexico Reporter CCR No. 100, DO HEREBY CERTIFY that on Thursday, May 28, 2015, the proceedings in the above-captioned matter were									
10 ta	aken before me, that I did report in stenographic northand the proceedings set forth herein, and the									
11 fc	pregoing pages are a true and correct transcription to the best of my ability and control.									
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13	T FURTHER CERTIFY that I am notther employed by									
	I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with (unless excepted by the rules) any of the parties or attorneys in this case, and that I have no interest whatsoever in the final disposition of this case in any court.									
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