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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:

CASE NOS. 21347, 21348, 21349, 21350

Application of CATENA RESOURCES OPERATING, LLC, for compulsory pooling, Lea County, New Mexico.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

STATUS CONFERENCE

THURSDAY, OCTOBER 22, 2020

This matter came on for hearing before the New Mexico Oil Conservation Division, FELICIA ORTH, Hearing Examiner, LEONARD LOWE, Technical Examiner, via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane New Mexico CCR No. 122 PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

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Page 4 1 (Time noted 8:33 a.m.) 2 HEARING EXAMINER ORTH: Let's move then to 3 several matters which will be consolidated for the purpose 4 of discussion as part of the status conference. 5 We have 21347, 21348, 21349, and 21350. б The Applicant is Catena Resources. These are compulsory 7 pooling applications. The well name is Crisscross. 8 Mr. Padilla, I saw you earlier. Let's see. Mr. Padilla? 9 I did make everyone a panelist so you 10 should be in control of your own mute button. All right. 11 12 Mr. Padilla, you're definitely unmuted. 13 MR. PADILLA: In this case there are, I believe, 14 two statements. 15 HEARING EXAMINER ORTH: I'm sorry, Mr. Padilla, I was only asking for your appearance, and I have a number 16 17 of other appearances to ask for. MR. PADILA: Oh, I had just entered my 18 19 appearance, but I'm appearing for Catena Resources on all these four cases. 20 21 HEARING EXAMINER ORTH: All right. Thank you. 22 Then we have Armstrong Energy. I believe someone is here 23 from Hinkle Shanor for Armstrong. 24 MS. HARDY: Good morning, Madam Examiner. Dana 25 Hardy for Hinkle Shanor for Armstrong Energy Partners.

Page 5 1 HEARING EXAMINER ORTH: Good morning, Ms. Hardy. 2 Then we have Ascent Energy, and Mr. Bruce, 3 I believe I have unmuted you. You're Call-in User 6, I 4 believe. 5 MR. BRUCE: Yes. I'm here for Ascent Energy. б Thank you. 7 HEARING EXAMINER ORTH: All right. Thank you. Then we have COG. 8 MR. RODRIGUEZ: Good morning. Michael Rodriguez 9 for COG Operating, LLC. 10 11 HEARING EXAMINER ORTH: All right. Thank you. 12 And finally we have Marathon. MS. BENNETT: Good morning, Madam Examiner. 13 Deana Bennett on behalf of Marathon Oil Permian, LLC. 14 15 HEARING EXAMINER ORTH: All right. Thank you. Let me pause a moment to see if there are any other 16 17 appearances. 18 Okay. I hear none, so Mr. Padilla, if you would please kick us off on the status conference. 19 MR PADILLA: Well, this case, I believe is going 20 21 to take at least half a day. We are going to bring three 22 witnesses. I notice in the Prehearing Statements that have been filed, I believe there are two, Ascent and 23 24 Armstrong, and perhaps Marathon -- Ms. Bennett can correct 25 me on that.

Page 6 1 But there will be multiple witnesses in 2 this case, so it seems to me that we are opposed fairly 3 rigidly in this case. 4 I haven't had this case very long, these 5 cases very long, and I haven't conferred with counsel, but it seems to me from the Prehearing Statements that it will 6 7 take at least half a day to try. 8 HEARING EXAMINER ORTH: All right. I'm looking at the calendar. I know that we already have some special 9 hearings set in connection with the January 7th hearing 10 session and the January 21st hearing session. 11 One 12 possibility is to set the matter, regardless, on one of 13 those days, understanding the other special hearing would come first. An alternative is to set it in connection 14 15 with one of our hearing sessions in February, which would 16 be either the 4th or the 18th 17 Does anyone have a proposal? Have you talked amongst yourselves in terms of when you would like 18 to have this hearing? 19 MR. PADILLA: From my standpoint I know Catena 20 21 wants to have this case tried as quickly as possible, so if February 4th is the first available special hearing 22 23 date, then we would ask that it be set then. 24 MR. BRUCE: That date is okay with me. This is 25 Jim Bruce speaking.

Page 7 MS. HARDY: That's fine with me, Madam Examiner, 1 2 subject to availability of my witnesses that I need to 3 verify. I expect it should be fine HEARING EXAMINER ORTH: Okay. Ms. Bennett? 4 5 MS. BENNETT: That's fine with me. Thank you б very much. 7 HEARING EXAMINER ORTH: Okay. And Mr. 8 Rodriguez. 9 MR. RODRIGUEZ: Madam Examiner, I will have to check with our landman about that, but I believe it should 10 11 be fine. 12 HEARING EXAMINER ORTH: All right. Thank you 13 very much. Mr. Padilla, if you would please prepare a 14 draft Prehearing Order, send it to me, and I will sign it 15 16 and we will get you on the schedule. 17 COMMISSIONER PADILLA: Thank you. 18 HEARING EXAMINER ORTH: Thank you all. 19 (Time noted 8:39 a.m.) 20 21 22 23 24 25

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| 1 | STATE OF NEW MEXICO) |
| 2 | : SS |
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| 5 | REPORTER'S CERTIFICATE |
| б | I, MARY THERESE MACFARLANE, New Mexico Reporter |
| 7 | CCR No. 122, DO HEREBY CERTIFY that on Thursday, October |
| 8 | 22, 2020, the proceedings in the above-captioned matter |
| 9 | were taken before me; that I did report in stenographic |
| 10 | shorthand the proceedings set forth herein, and the |
| 11 | foregoing pages are a true and correct transcription to |
| 12 | 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 |
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