Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 2 3 IN THE MATTER OF THE HEARING CALLED ORIGINAL BY THE OIL CONSERVATION DIVISION FOR 4 THE PURPOSE OF CONSIDERING: CASE 15375 (cont'd from 5 9/17/15) 6 APPLICATION OF WPX ENERGY PRODUCTION, LLC, FOR 7 APPROVAL OF THE KIMBETO WASH UNIT; CREATION OF A NEW POOL FOR HORIZONTAL DEVELOPMENT WITHIN THE UNIT AREA, AND FOR ALLOWANCE OF 330 FOOT SETBACKS FROM THE 8 EXTERIOR OF THE PROPOSED UNIT, SAN JUAN COUNTY, NEW 9 MEXICO. 10 REPORTER'S TRANSCRIPT OF PROCEEDINGS 11 EXAMINER HEARING 12 13 October 1, 2015 Santa Fe, New Mexico 14 15 2015 OCT 20 WILLIAM V. JONES, CHIEF EXAMINER BEFORE: MICHAEL McMILLAN, EXAMINER 16 GABRIEL WADE, LEGAL EXAMINER 17 This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jónes, 18 Chief Examiner, Michael McMillan, Examiner, and Gabriel Wade, Legal Examiner, on October 1, 2015, at the New 19 Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. 20 Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico. 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

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| 1 | APPEARANCES | |
| 2 | For the Applicant | |
| 3 | Michael Feldewert, Esq. Holland & Hart 110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 (505)983-6043 mfeldewert@hollandhart.com | |
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| 8 | INDEX | |
| 9 | CASE NUMBER 15375 CALLED WPX ENERGY PRODUCTION, LLC, | |
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Page 4 1 (Time noted 8:50 a.m.) 2 EXAMINER JONES: Next case is 15375. Let's 3 call 15375 which was continued from September 17th. It is Application of WPX Energy Production, 4 5 LLC, For Approval of the Kimbeto Wash Unit; Creation of 6 a New Pool For Horizontal Development Within The Unit Area, and For Allowance of 330 Foot Setbacks from the 7 Exterior of the Proposed Unit, San Juan County, New 8 9 Mexico. 10 Call for appearances. 11 MR. FELDEWERT: Mr. Examiner, Michael Feldewert with the Santa Fe Office of Holland and Hart. 12 13 I have no witnesses here today. I do have one additional exhibit. If I may approach. 14 EXAMINER JONES: Yes, sir. 15 Any other appearances? 16 17 (No response.) MR. FELDEWERT: Mr. Examiner, this case was 18 submitted on September 17th, the last hearing. And at 19 20 this time two witnesses were presented and a total of 21 nine exhibits were entered into the record. 22 The case was continued to allow notice of 23 publication in a newspaper of this application and the 24 hearing. We were able to publish in the Durango Herald 25 on September 18th. And that is reflected in what we

Page 5 have marked as WPX Exhibit No. 10, which is their notice 1 of publication. And we ask that this exhibit be 2 accepted in this matter and that it be taken under 3 4 advisement. (WPX ENERGY PRODUCTION, LLC, Exhibit 10 5 6 offered.) EXAMINER McMILLAN: I'm deferring to Gabe on 7 that one. 8 EXAMINER WADE: So this is a newspaper in 9 what county? 10 MR. FELDEWERT: Well, it is the Durango 11 12 Herald, which is the County of La Plata in Colorado, but it is a newspaper of general circulation of the county 13 14 in question in this case. We could not make the Farmington Times. 15 EXAMINER WADE: What were the other papers 16 17 that are available? 18 MR. FELDEWERT: We tried the Navajo publication. That's a once a week publication, so we 19 20 couldn't make that one either. 21 EXAMINER McMILLAN: Did you try the Albuquerque Journal? 22 23 MR. FELDEWERT: I think she examined that and this was the only one we could make. 24 25 EXAMINER JONES: First it's the post office

1 and then it's the newspaper.

MR. FELDEWERT: It's a struggle. 2 I looked at the rule, and it's a newspaper of general circulation 3 4 within the county. And I think the Durango Herald 5 certainly qualifies as that. 6 EXAMINER WADE: I am not 100 percent certain 7 that that's true. But we will take this under 8 consideration. It's La Plata County, Colorado, so... 9 MR. FELDEWERT: Would you let me know if there's a problem? 10 11 EXAMINER WADE: I would definitely do that. 12 Would you want the opportunity to go ahead and just republish in a New Mexico paper? 13 14 MR. FELDEWERT: I am trying to avoid the 15 additional two week continuance on this matter. 16 EXAMINER WADE: It might end up being 17 longer. I would suggest you go ahead and do that, because I don't know if we can accept this. 18 I would have to look at the rule and see if this really is a 19 20 publication for this purpose. 21 MR. FELDEWERT: When do we need to make a 22 decision on whether we continue for two weeks? Can you 23 examine the issue and let me know shortly? 24 EXAMINER WADE: What deadline would you 25 want?

| 1MR. FELDEWERT: Well, we would need to may2the next docket. It would need to be on the next3docket. So if you could let me know once you examined4the issue.5EXAMINER WADE: Okay. We can take it und6consideration.7MR. FELDEWERT: Okay. I appreciate that.8EXAMINER JONES: Thank you, Mr. Feldewert9We are taking case 15375 under advisement | ge 7 |
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| 3 docket. So if you could let me know once you examined 4 the issue. 5 EXAMINER WADE: Okay. We can take it und 6 consideration. 7 MR. FELDEWERT: Okay. I appreciate that. 8 EXAMINER JONES: Thank you, Mr. Feldewert | ke |
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| 5 EXAMINER WADE: Okay. We can take it und 6 consideration. 7 MR. FELDEWERT: Okay. I appreciate that. 8 EXAMINER JONES: Thank you, Mr. Feldewert | |
| 6 consideration. 7 MR. FELDEWERT: Okay. I appreciate that. 8 EXAMINER JONES: Thank you, Mr. Feldewert | |
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| 7 | REPORTER'S CERTIFICATE | | |
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| 9 | I, ELLEN H. ALLANIC, New Mexico Reporter CCR No. 100, DO HEREBY CERTIFY that on Thursday, October 1, 2015, the proceedings in the above-captioned matter were | | |
| 10 | taken before me, that I did report in stenographic | | |
| 11 | shorthand the proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability and control. | | |
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| 13 | I FURTUED CEDTIEV that I am notther amplaued by | | |
| 14 | 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, | | |
| 15 | and that I have no interest whatsoever in the final disposition of this case in any court. | | |
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| 20 | ELLEN H. ALLANIC, CSR | | |
| 21 | NM Certified Court Reporter No. 100 License Expires: 12/31/15 | | |
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