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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

AMENDED APPLICATION OF CHISHOLM ENERGY CASE NO. 16262 OPERATING, LLC FOR AN UNORTHODOX WELL LOCATION AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 15, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER KEITH W. HERRMANN, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, and Keith W. Herrmann, Legal Examiner, on Thursday, November 15, 2018, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Third Floor Meeting Room, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 APPEARANCES FOR APPLICANT CHISHOLM ENERGY OPERATING, LLC: JORDAN L. KESSLER, ESQ. HOLLAND & HART, LLP 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 jlkessler@hollandhart.com INDEX PAGE Case Number 16262 Called Proceedings Proceedings Conclude Certificate of Court Reporter EXHIBITS OFFERED AND ADMITTED (No exhibits.)

Page 3 (8:40 a.m.) 1 EXAMINER McMILLAN: Well, I sent out an 2 email basically of the cases, so it looks like the first 3 case we're going to hear is Case 16262, amended and 4 re-advertised, amended application of Chisholm Energy 5 Operating, LLC for an unorthodox well location and 6 7 compulsory pooling, Lea County, New Mexico. 8 Call for appearances. 9 MS. KESSLER: Mr. Examiner, Jordan Kessler, from the Santa Fe office of Holland & Hart, on behalf of 10 11 the Applicant. 12 EXAMINER McMILLAN: Any other appearances? 13 Please proceed. 14 MS. KESSLER: Mr. Examiner, this case was continued so it could be re-advertised on the Division 15 16 docket. The correct advertisement did appear, so we would ask this case be taken under advisement. 17 18 EXAMINER McMILLAN: Case Number 16262 shall 19 be taken under advisement. 20 Thank you. (Case Number 16262 concludes, 8:40 a.m.) 21 22 23 24 25 STATE OF NEW MEXICO

Page 4 1 COUNTY OF BERNALILLO 2 CERTIFICATE OF COURT REPORTER 3 I, MARY C. HANKINS, Certified Court 4 5 Reporter, New Mexico Certified Court Reporter No. 20, and Registered Professional Reporter, do hereby certify 6 7 that I reported the foregoing proceedings in 8 stenographic shorthand and that the foregoing pages are 9 a true and correct transcript of those proceedings that 10 were reduced to printed form by me to the best of my 11 ability. 12 I FURTHER CERTIFY that the Reporter's 13 Record of the proceedings truly and accurately reflects the exhibits, if any, offered by the respective parties. 14 I FURTHER CERTIFY that I am neither 15 16 employed by nor related to any of the parties or attorneys in this case and that I have no interest in 17 18 the final disposition of this case. 19 DATED THIS 18th day of December 2018. 20 21 MARY C. HANKINS, CCR, RPR 22 Certified Court Reporter New Mexico CCR No. 20 23 Date of CCR Expiration: 12/31/2019 Paul Baca Professional Court Reporters 24 25