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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:

APPLICATION OF ASCENT ENERGY, LLC CASE NO. 16484, FOR COMPULSORY POOLING, LEA COUNTY, 16486 NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 24, 2019

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER KATHLEEN MURPHY, TECHNICAL EXAMINER TERRY WARNELL, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner; Kathleen Murphy and Terry Warnell, Technical Examiners; and David K. Brooks, Legal Examiner, on Thursday, January 24, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, 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 1 **APPEARANCES** 2 FOR APPLICANT ASCENT ENERGY, LLC: 3 JAMES G. BRUCE, ESQ. Post Office Box 1056 4 Santa Fe, New Mexico 87504 (505) 982-2043 5 jamesbruc@aol.com б 7 FOR INTERESTED PARTY MARATHON OIL PERMIAN, LLC: 8 DEANA M. BENNETT, ESQ. MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. 9 500 4th Street, Northwest, Suite 1000 Albuquerque, New Mexico 87102 (505) 848-1800 10 deanab@modrall.com 11 12 INDEX 13 PAGE 14 Case Numbers 16484 and 16486 Called 3 Exhibit Offered 3 15 16 Proceedings Conclude 4 17 Certificate of Court Reporter 5 18 19 20 EXHIBITS OFFERED AND ADMITTED 4 21 Ascent Energy, LLC Exhibit Number 4 22 23 24 25

Page 3 (9:10 a.m.) 1 2 EXAMINER McMILLAN: Okay. The next -- I'd like to call Case 16484. 3 Call for appearances. 4 5 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe representing the Applicant. And this should be 6 7 combined also with Case 16486. So those are eight and 8 ten on the docket. 9 EXAMINER McMILLAN: Okay. MR. BRUCE: Mr. Examiner, these are for the 10 11 forced pooling of the west half-east half of Sections 28 12 and 33, 20 South, 33 East. They were heard, and they were continued, once again, for publication of notice 13 against John Benedict. 14 MS. BENNETT: Deana Bennett on behalf of 15 16 Marathon Oil Permian, LLC. We entered our appearance for the case, and I am just entering my appearance again 17 for the record. 18 19 MR. BRUCE: And submitted as Exhibit 4 is 20 an Affidavit of Publication against Mr. Benedict. I would move the admission of Exhibit 4 and 21 22 ask that these two cases be taken under advisement. 23 MS. BENNETT: No objection. 24 EXAMINER McMILLAN: Okay. Exhibit 4 may 25 now be accepted as part of the record.

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offered and admitted into evidence.) EXAMINER McMILLAN: And, therefore, Cases 16484 and 486 will be taken under advisement. MS. BENNETT: Thank you. (Case Numbers 16484 and 16486 conclude, 9:12 a.m.) STATE OF NEW MEXICO

(Ascent Energy, LLC Exhibit Number 4 is

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Page 5 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. DATED THIS 8th day of February 2019. 19 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