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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. 16483, FOR COMPULSORY POOLING, LEA COUNTY, 16485 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 TNDEX 13 PAGE 14 Case Numbers 16483 and 16485 Called 3 Exhibits Offered 3 15 16 Proceedings Conclude 4 17 Certificate of Court Reporter 5 18 19 EXHIBITS OFFERED AND ADMITTED 20 Ascent Energy, LLC Exhibit Number 4 4 21 22 23 24 25

Page 3 (9:08 a.m.) 1 2 EXAMINER McMILLAN: Okay. I'd like to call Case Number 16483. 3 Call for appearances. 4 5 MR. BRUCE: Jim Bruce of Santa Fe on behalf 6 of Ascent Energy, LLC. 7 EXAMINER McMILLAN: Would you give a brief 8 description of the case? 9 MR. BRUCE: Mr. Examiner, it's a forced pooling of --10 And this should be combined with 16485, 11 12 Mr. Examiner, so cases seven and nine on the docket. 13 They were heard. They're the forced pooling of acreage in the east half-west half of 14 Sections 28 and 33, 20 South, 33 East. They have been 15 16 heard. They were continued only for a publication of 17 notice purposes. EXAMINER McMILLAN: Any other appearances? 18 19 MS. BENNETT: Deana Bennett on behalf of 20 Marathon Oil Permian, LLC. We entered an appearance in this case, and I am, again, stating our appearance for 21 22 the record. 23 EXAMINER McMILLAN: Okay. 24 MR. BRUCE: Anyway, submitted as Exhibit 25 4 -- there was one person who did not claim his mail, a

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Page 4 John Benedict, and so we published notice as against him 1 for this hearing date. 2 3 And I move the admission of Exhibit 4 and ask that the case be taken under advisement. 4 5 MS. BENNETT: No objection. EXAMINER McMILLAN: Okay. Cases 16483 and 6 485 shall be taken under advisement. 7 8 Thank you. 9 Exhibit 4 may now be accepted as part of the record. 10 11 (Ascent Energy, LLC Exhibit Number 4 is offered and admitted into evidence.) 12 13 EXAMINER McMILLAN: Cases 16483 and 16485 shall be taken under advisement. 14 (Case Numbers 16483 and 16485 conclude, 15 16 9:10 a.m.) 17 18 19 20 21 22 23 24 25

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