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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 COG OPERATING, LLC CASE NO. 20271 FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

April 18, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER TERRY WARNELL, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Terry Warnell, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, April 18, 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 COG OPERATING, LLC: 3 KAITLYN A. LUCK, ESQ. HOLLAND & HART, LLP 4 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 5 (505) 988-4421 kluck@hollandhart.com 6 7 INDEX 8 PAGE 9 3 Case Number 20271 Called 10 Exhibit Offered 3 11 Proceedings Conclude 4 12 5 Certificate of Court Reporter 13 14 15 16 EXHIBITS OFFERED AND ADMITTED 17 COG Operating, LLC Exhibit A _ _ 18 19 20 21 22 23 24 25

Page 3 1 (8:47 a.m.) EXAMINER JONES: Call Case 20271. 2 3 MR. RANKIN: Which one is that? EXAMINER JONES: Application of COG 4 5 Operating for compulsory pooling. It looks like the case has already been heard on March the 7th, but maybe 6 7 we're collecting some affidavits. 8 Call for appearances. MS. LUCK: Kaitlyn Luck, with Holland & 9 Hart, COG Operating. And here are -- this case was 10 11 originally --12 EXAMINER JONES: Any other appearances? 13 MS. LUCK: And this case was continued for notice purposes. After the hearing on March 7th, notice 14 was provided to the two overriding royalty interest 15 16 owners as shown on Exhibit A. The last page shows that the notices were delivered to the two overriding royalty 17 18 interest owners, Cornerstone Family Trust and Crownrock 19 Minerals, L.P. 20 And so COG would ask that the case be taken 21 under advisement, and I'd move for admission of this exhibit. 22 23 EXAMINER JONES: Okay. Case Number 20271 24 is taken under advisement. 25 MS. LUCK: Thank you.

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

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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 28th day of April 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