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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 BTA OIL PRODUCERS, LLC CASE NO. 20589 FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 11, 2019

Santa Fe, New Mexico

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

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, July 11, 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 BTA OIL PRODUCERS, LLC: 3 GARY W. LARSON, ESQ. HINKLE SHANOR, LLP 4 218 Montezuma Avenue Santa Fe, New Mexico 87501 5 (505) 982-4554 glarson@hinklelawfirm.com б 7 FOR INTERESTED PARTY MRC PERMIAN: 8 ADAM G. RANKIN, ESQ. HOLLAND & HART, LLC 9 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 10 agrankin@hollandhart.com 11 12 INDEX 13 PAGE 14 Case Number 20589 Called 3 15 Case Dismissed 3 16 Proceedings Conclude 4 17 4 Certificate of Court Reporter 18 19 20 EXHIBITS OFFERED AND ADMITTED (No Exhibits.) 21 22 23 24 25

Page 3 (1:43 p.m.) 1 2 EXAMINER JONES: Call Case 20589, application of BTA Oil Producers, LLC for compulsory 3 pooling in Eddy County, New Mexico. 4 5 Call for appearance. MR. LARSON: Gary Larson with the Santa Fe 6 7 office of Hinkle Shanor for the Applicant, BTA Oil 8 Producers. MR. RANKIN: Adam Rankin with the law firm 9 of Holland & Hart on behalf of MRC Permian. I have no 10 11 witnesses. 12 MR. LARSON: I don't have any witnesses either, Mr. Examiner. 13 14 As I informed you after the lunch break, several hours ago, MRC and BTA have entered into 15 16 agreements by which MRC has committed its working interest in the horizontal spacing unit proposed by BTA, 17 18 and, therefore, I request that the case be dismissed. 19 MR. RANKIN: I agree. 20 EXAMINER JONES: Okay. Thank you both very 21 much. Thank you. 22 MR. LARSON: 23 EXAMINER JONES: Case 20589 will be dismissed. 24 25 (Case Number 20589 concludes, 1:43 p.m.)

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Page 4 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 26th day of July 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