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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:

CASE NOS: 21532

APPLICATION OF AMEREDEV OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 3, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on December 3, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253 PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street, NW, Suite 105 Albuquerque, NM 87102 505-843-9241

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1 A P P E A R A N C E S 2 For the Applicant: 3 JULIA BROGGI 4 HOLLAND & HART 110 North Guadalupe, Suite 1 5 Santa Fe, NM 87501 505-954-7286 6 7 For Franklin Mountain Energy: 8 DEANA BENNETT MODRALL SPERLING ROEHL HARRIS & SISK PA 9 500 4th Street, NW, Suite 1000 Albuquerque, NM 87102 505-848-9710 10 11 12 13 INDEX 14 CASE CALLED 03 15 SUMMARY OF CASE AND EXHIBITS 16 TAKEN UNDER ADVISEMENT 05 06 17 REPORTER CERTIFICATE 18 19 EXHIBIT INDEX 20 Admitted Exhibits and Attachments 05 21 22 23 24 25

Page 3 1 HEARING EXAMINER ORTH: Move then to Case 21532 Ameredev Operating, also a compulsory pooling application, 2 well name is Redbud. 3 4 Are you here for the applicant again, Ms. Broggi? 5 MS. BROGGI: Yes, Madam Examiner. Julia Broggi 6 with Holland & Hart on behalf of Ameredev Operating LLC and 7 we are planning to present this case by affidavit. 8 HEARING EXAMINER ORTH: All right, thank you. Ms. Bennett, I trust you are still here for Franklin 9 10 Mountain Energy? MS. BENNETT: Good morning, I am. This is Deana 11 12 Bennett on behalf of Franklin Mountain Energy, and Franklin 13 Mountain Energy does not object to this case going forward 14 by affidavit and is entering its appearance to preserve its 15 right if necessary to file for an application for de novo hearing with the OCC. Thank you. 16 17 HEARING EXAMINER ORTH: Thank you. Let me pause for a moment to see if there are other any entries this 18 19 morning. 20 (No audible response.) 21 HEARING EXAMINER ORTH: Hearing none, please proceed. 22 MS. BROGGI: With Case 21532, Ameredev is seeking 23 24 an order to pool all uncommitted interests in a standard 320 25 acre more-or-less spacing unit comprised of the E/2 W/2 of

Page 4 Sections 29 and 32, Township 25 South, Range 36 East NMPM. 1 2 And once again Ameredev has submitted to the Division and provided a copy to Franklin Mountain Energy a 3 4 copy of the exhibits it was planning to introduce in this 5 case. It follows a similar format to the other case. 6 7 You will see at the beginning is a table of contents, a 8 compulsory pooling checklist, as well as a copy of the 9 application that was filed in this case. 10 Behind that is an affidavit of the landman, which is marked as Exhibit A, and accompanying exhibits to his 11 12 affidavit which are A-1 through A-6 -- A-1 through A-6. 13 And then behind that is Exhibit B, which is an 14 affidavit from the geologist with accompanying geology 15 exhibits marked as B-1 through B-6. And once again, Exhibit C is an affidavit from 16 17 myself showing that notice of this hearing was provided to the parties that Ameredev is seeking to pool. 18 And Exhibit D is the affidavit of publication of 19 notice from the Hobbs News Sun. 20 21 And we would ask that the exhibits be -- we move their admission into the record. I will stand for any 22 23 questions. HEARING EXAMINER ORTH: Thank you, Ms. Broggi. 24 25 Ms. Bennett, do you have any questions?

Page 5 MS. BENNETT: No questions. Thank you very much. 1 2 HEARING EXAMINER ORTH: Thank you. Mr. Lamkin? TECHNICAL EXAMINER LAMKIN: Was everybody noticed 3 4 in this case that needed to be noticed? 5 MS. BROGGI: I mean, the notice of the hearing 6 was provided to everybody, but Ameredev is seeking to pool 7 unmarketable title owners due to some unprobated estates, so 8 Ameredev took good faith efforts to identify everybody that 9 has an interest here. But in addition, we also provided 10 notice by publication as a result of those unmarketable title interest holders. 11 12 TECHNICAL EXAMINER LAMKIN: Okay. No further 13 questions. 14 MS. BROGGI: Thank you. HEARING EXAMINER ORTH: All right. Thank you. 15 Thank you, Ms. Broggi. Exhibits A through D are admitted, 16 and the matter will be taken under advisement. 17 MS. BROGGI: Thank you, Madam Examiner. 18 (Exhibits admitted.) 19 20 (Taken under advisement.) 21 22 23 2.4 25

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1	STATE OF NEW MEXICO
2	COUNTY OF BERNALILLO
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4	REPORTER'S CERTIFICATE
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6	I, IRENE DELGADO, New Mexico Certified Court
7	Reporter, CCR 253, do hereby certify that I reported the
8	foregoing virtual proceedings in stenographic shorthand and
9	that the foregoing pages are a true and correct transcript
10	of those proceedings to the best of my ability.
11	I FURTHER CERTIFY that I am neither employed by
12	nor related to any of the parties or attorneys in this case
13	and that I have no interest in the final disposition of this
14	case.
15	I FURTHER CERTIFY that the Virtual Proceeding was
16	of poor to good quality.
17	Dated this 3rd day of December 2020.
18	/s/ Irene Delgado
19	Irene Delgado, NMCCR 253
20	License Expires: 12-31-20
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