Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 2 3 IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR 4 THE PURPOSE OF CONSIDERING: 5 APPLICATION OF COG OPERATING LLC FOR A NON-STANDARD SPACING AND PRORATION 6 UNIT AND COMPULSORY POOLING, EDDY COUNTY, 7 NEW MEXICO. 8 REPORTER'S TRANSCRIPT OF PROCEEDINGS 9 EXAMINER HEARING 10 MAY 28, 2015 11 Santa Fe, New Mexico 12 91 RUL 13 WILLIAM V. JONES, CHIEF EXAMINER BEFORE: 14 GABRIEL WADE, LEGAL EXAMINER T 15 This matter came on for hearing before The 16 New Mexico Oil Conservation Division, William Vor Jones, 17 Chief Examiner, and Gabriel Wade, Legal Examiner, on May 28, 2015, at the New Mexico Energy, Minerals, and 18 Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, 19 Santa Fe, New Mexico. 20 21 22 ELLEN H. ALLANIC REPORTED BY: NEW MEXICO CCR 100 23 CALIFORNIA CSR 8670 PAUL BACA COURT REPORTERS 24 500 Fourth Street, NW Suite 105 25 Albuquerque, New Mexico 87102

Page 2 APPEARANCES 1 FOR THE APPLICANT COG OPERATING LLC 2 3 Michael H. Feldewert, Esq. Holland & Hart 110 North Guadalupe 4 Suite 1 Santa Fe, New Mexico 87501 5 (505)988-44216 mfeldewert@hollandhart.com 7 8 INDEX 9 CASE NUMBER 15281 CALLED 10 COG OPERATING LLC 11 12 13 14 PAGE Reporter's Certificate 6 15 16 17 EXHIBIT INDEX 18 Exhibits Offered and Admitted 19 20 PAGE COG Operating LLC Exhibit 11 4 21 COG Operating LLC Exhibit 12 4 22 23 24 25

Page 3 (Time noted 11:29 a.m.) 1 2 EXAMINER JONES: I have case 15281. I call 3 that one, Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory 4 pooling, Eddy County, New Mexico. 5 6 Call for appearances. 7 MR. FELDEWERT: May it please, Examiner, Michael Feldewert with the Santa Fe office of Holland 8 and Hart. And I have no witnesses. And I have two 9 10 additional exhibits. 11 EXAMINER JONES: Okay. No other 12 appearances? 13 (No response.) 14 MR. FELDEWERT: Mr. Examiner, this matter 15 was heard on by the Division on the April 2nd docket. At that time, COG presented two witnesses simply to pool 16 the Yeso formation from the surface down to 3,200 feet. 17 18 We offered ten exhibits at that time. And it was continued first because Mr. Wade 19 20 noted the newspaper had failed to publish notice of the hearing in a timely fashion, so we needed to continue 21 22 for a period of time to allow that notice to occur. 23 And, secondly, it was continued to allow notice to the owners in the portion of the pool that are not included 24 25 in the pooled interval.

Page 4 That has now been accomplished with the two 1 Exhibits that I presented to you here today, COG Exhibit 2 11, continuing on with the exhibit number sequence. 3 Exhibit 11 is a notice of publication in a newspaper of 4 this hearing and the pool interval, providing notice to 5 those interest owners in the pool that we were unable to 6 7 locate. And then COG Exhibit 12 is my affidavit with 8 the attached letter providing notice to the owners 9 10 within the pool that we were able to locate that are not being included in the pooling application. 11 So with these additional notice exhibits No. 12 10 and 11, this matter is ready to be taken under 13 advisement. So we ask that COG Exhibits 11 and 12 be 14 15 admitted. EXAMINER JONES: Exhibits 11 and 12 are 1617 admitted. (Whereupon, COG OPERATING LLC Exhibits 11 18 and 12 were offered and admitted.) 19 MR. FELDEWERT: And that concludes our 20 presentation. And we ask that the case be taken under 21 22 advisement. 23 EXAMINER WADE: No questions. EXAMINER JONES: Thank you very much. 24 And we will take case 15281 under 25

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2		MR.	FELDEWERT:	Thank	you.	
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1	STATE OF NEW MEXICO)				
2) ss.				
3	COUNTY OF BERNALILLO)				
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7	REPORTER'S CERTIFICATE				
8	I, ELLEN H. ALLANIC, New Mexico Reporter CCR				
9	No. 100, DO HEREBY CERTIFY that on Thursday, May 28, 2015, the proceedings in the above-captioned matter were				
10	taken before me, that I did report in stenographic shorthand the proceedings set forth herein, and the				
11	foregoing pages are a true and correct transcription to the best of my ability and control.				
12					
13	I FURTHER CERTIFY that I am neither employed by				
14	nor related to nor contracted with (unless excepted by the rules) any of the parties or attorneys in this case,				
15	and that I have no interest whatsoever in the final disposition of this case in any court.				
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19	Ellen allanic				
20	ELLEN H. ALLANIC, CSR				
21	NM Certified Court Reporter No. 100 License Expires: 12/31/15				
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