Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 2 OIL CONSERVATION DIVISION ORIGINAL 3 IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR 4 THE PURPOSE OF CONSIDERING: CASE NO. 15565 5 APPLICATION OF OGX OPERATING, LLC FOR A NONSTANDARD SPACING AND 6 PRORATION UNIT, COMPULSORY POOLING, AND AN UNORTHODOX GAS WELL LOCATION, 7 EDDY COUNTY, NEW MEXICO. 8 9 REPORTER'S TRANSCRIPT OF PROCEEDINGS EXAMINER HEARING 10 11 December 1, 2016 2010 12 Santa Fe, New Mexico (1) (1) (1) 13 57 14 BEFORE: WILLIAM V. JONES, CHIEF EXAMINER ] -GABRIEL WADE, LEGAL EXAMINER 15  $\overline{\mathbb{C}}$ 02 16 This matter came on for hearing before the 17 New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and Gabriel Wade, Legal Examiner, on 18 Thursday, December 1, 2016, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino 19 Building, 1220 South St. Francis Drive, Porter Hall, 20 Room 102, Santa Fe, New Mexico. 21 22 REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 23 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 24 (505) 843-9241 25

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1	APPEARANCES	
2	FOR APPLICANT OGX OPERATING, LLC:	
3	JAMES G. BRUCE, ESQ. Post Office Box 1056	
4	Santa Fe, New Mexico 87504 (505) 982-2043	
5	jamesbruc@aol.com	
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Page 3 1 (9:42 a.m.) 2 EXAMINER JONES: Let's go back on the record and call Case Number 15565, re-advertised, 3 application of OGX Operating, LLC for a nonstandard 4 spacing and proration unit, compulsory pooling, and an 5 unorthodox gas well location in Eddy County, New Mexico. 6 7 Call for appearances. MR. BRUCE: Mr. Examiner, Jim Bruce of 8 9 Santa Fe representing the Applicant. EXAMINER JONES: Any other appearances? 10 MR. BRUCE: Mr. Examiner, this case was 11 12 heard four weeks ago, but the well location changed. And as a result, we notified the one interest, sent an 13 amended application to Occidental Permian, LP, the only 14 party being pooled, and that notice is reflected in 15 Exhibit A. And because of the changed location, we also 16 17 notified all of the offsets, and notice was given to them of the amended application, and that's reflected in 18 Exhibit B. 19 And we would ask that Exhibits A and B be 20 admitted into the record and that this case be taken 21 22 under advisement. EXAMINER JONES: Exhibits A and B are 23 admitted, and Case Number 15565 is taken under 24 25 advisement.

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1	(OGX Operating, LLC Exhibit Letters A and
2	are offered and admitted into evidence.)
3	(Case Number 15565 concludes, 9:44 a.m.)
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19	Oil Conservation Division , Examiner
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PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

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Pag IEXICO IALILLO CERTIFICATE OF COURT REPORTER

I, MARY C. HANKINS, Certified Court 5 Reporter, New Mexico Certified Court Reporter No. 20, 6 7 and Registered Professional Reporter, do hereby certify that I reported the foregoing proceedings in 8 stenographic shorthand and that the foregoing pages are 9 a true and correct transcript of those proceedings that 10 11 were reduced to printed form by me to the best of my ability. 12

I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects the exhibits, if any, offered by the respective parties. I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or

18 attorneys in this case and that I have no interest in

19 the final disposition of this case.

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

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Manz (, Henricht

MARY C. HANKINS, CCR, RPR Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2016 Paul Baca Professional Court Reporters

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