Page 1

## 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: 20992, 20993

APPLICATION OF CIMAREX ENERGY COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

JANUARY 09, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, January 09, 2020, 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: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

500 Fourth Street, NW, Suite 105

Albuquerque, NM 87102

505-843-9241

|    |   | Page 2   |
|----|---|----------|
| 1  | APPEARANCES   |          |
| 2  | For the Applicant:  |          |
| 3  | LANCE HOUGH   |          |
| 4  | MODRALL SPERLING ROEHL HARRIS & SISK PA<br>500 4th Street, NW, Suite 1000 |          |
| 5  | Albuquerque, NM 87102<br>505-848-9710                                     |          |
| 6  |   |          |
| 7  | INDEX   |          |
| 8  | CASE NO. 20992 20993 CALLED   |          |
| 9  | SUMMARY OF CASES AND EXHIBITS   | 03       |
| 10 | 20992 TAKEN UNDER ADVISEMENT  | 04       |
| 11 | 20993 TAKEN UNDER ADVISEMENT  | 05       |
| 12 | REPORTER CERTIFICATE  | 06       |
| 13 |   |          |
| 14 | EXHIBIT INDEX   |          |
| 15 |   | Admitted |
| 16 | Exhibits 20992 A, B, C, D, All Attachments                                | 04       |
| 17 | Exhibits 20993 A, B, C, D, All Attachments                                | 05       |
| 18 |   |          |
| 19 |   |          |
| 20 |   |          |
| 21 |   |          |
| 22 |   |          |
| 23 |   |          |
| 24 |   |          |
| 25 |   |          |
|    |   |          |

Page 3

1 HEARING EXAMINER COSS: So continuing right

- 2 along, at this point the Division will call case Number
- 3 20992, Cimarex Energy, and ask if it's going to be
- 4 consolidated with case 20993.
- 5 MR. HOUGH: Mr. Examiner, Lance Hough from
- 6 Modrall Sperling. I have separate applications. I can put
- 7 them together because they are essentially the same, so
- 8 whatever is more convenient for the Division.
- 9 HEARING EXAMINER COSS: Certainly. Are there any
- 10 other appearances for this case?
- 11 (No response.)
- 12 HEARING EXAMINER COSS: No? Wonderful. So these
- 13 cases, was notice of publication required for unlocatable
- 14 persons?
- MR. HOUGH: Yes. The only unlocatable, or at
- 16 least we sent notice and don't have confirmation of the
- 17 delivery, is for the Bureau of Land Management, and that was
- 18 a -- it's been published, and that is provided as Exhibits
- 19 D-3 to the application, or the packet.
- 20 HEARING EXAMINER COSS: Okay. And the
- 21 publication was published timely?
- MR. HOUGH: Yes, sir.
- 23 HEARING EXAMINER COSS: And the application has
- 24 an affidavit of publication. I believe you said that.
- MR. HOUGH: yes.

Page 4

1 HEARING EXAMINER COSS: Did you include the

- 2 compulsory pooling checklist in this application?
- 3 MR. HOUGH: Yes, attached as Exhibit A.
- 4 HEARING EXAMINER COSS: Wonderful. I see that
- 5 you've got it tabbed, so we will hear this case by
- 6 affidavit.
- 7 MR. HOUGH: Okay. Simply starting with Case
- 8 Number 20992, an application for a compulsory pooling order
- 9 and for a standard horizontal spacing unit in the E/2 of
- 10 Section 7 and 18, Township 25 South, Range 27 East, in Eddy
- 11 County, New Mexico.
- 12 And I guess, unless there is any questions from
- 13 the Division, I would ask that the exhibits contained in the
- 14 packet for Case 20992 be admitted and ask that the case be
- 15 taken under advisement.
- 16 HEARING EXAMINER COSS: Yes. The exhibits
- 17 presented for Case Number 20992 will be accepted into the
- 18 record, and Case Number 20992 will be taken under
- 19 advisement.
- 20 (Exhibits 20992 A through D admitted.)
- 21 (Case 20992 taken under advisement.)
- 22 HEARING EXAMINER COSS: And the same goes for
- 23 the -- they are the same? Everything is correct for 20993
- 24 as well?
- MR. HOUGH: 20993 is seeking the same thing,

Page 5 compulsory pooling order, but a little different area. It's 2 a horizontal spacing unit in the W/2 E/2 of Sections 7 and 18, in Township 25 South, Range 27 East, Eddy County, New 3 Mexico. Otherwise, same request, just seeking admission 5 of the application in the affidavits, exhibits, everything 6 contained here in this packet. 8 HEARING EXAMINER COSS: Okay. Well, thank you, 9 Mr. Hough. The exhibits for Case 20993 will be admitted into the record, and the case will be taken under 10 advisement. 11 12 (Exhibits 20993 admitted.) (Case 20993 taken under advisement.) 13 14 (Adjourned.) 15 16 17 18 19 20 21 22 23 24 25

Page 6 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 7 Reporter, CCR 253, do hereby certify that I reported the 8 foregoing proceedings in stenographic shorthand and that the 9 foregoing pages are a true and correct transcript of those 10 proceedings that were reduced to printed form by me to the best of my ability. 11 12 I FURTHER CERTIFY that the Reporter's Record of 13 the proceedings truly and accurately reflects the exhibits, 14 if any, offered by the respective parties. 15 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties of attorneys in this case 16 and that I have no interest in the final disposition of this 17 18 case. Dated this 9th day of January 2020. 19 20 2.1 Irene Delgado, NMCCR 253 License Expires: 12-31-20 22 23 2.4 25