

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: 21144

APPLICATION OF CIMAREX ENERGY CO.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

APRIL 16, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DYLAN COSS and LEONARD LOWE, on Thursday, April 16, 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
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A P P E A R A N C E S

For the Applicant:

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I N D E X

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| CASE CALLED | 03 |
| SUMMARY OF CASE AND EXHIBITS | 03 |
| TAKEN UNDER ADVISEMENT | 06 |
| REPORTER CERTIFICATE | 07 |

E X H I B I T I N D E X

Admitted

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|------------------------------|----|
| All Exhibits and Attachments | 06 |
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1 HEARING EXAMINER ORTH: Case Number 21144, this
2 is Cimarex Energy. The well name is James 20-2, and we have
3 an appearance from Modrall Sperling and then also from
4 Holland & Hart.

5 MR. HOUGH: Good morning, Hearing Examiner. This
6 is Lance Hough from the law firm of Modrall Sperling here on
7 behalf of Cimarex Energy Co.

8 MR. RANKIN: Good morning, Madam Examiner. Adam
9 Rankin appearing on behalf of EOG Resources, Inc.

10 HEARING EXAMINER ORTH: Thank you very much,
11 gentlemen. As I read the pleadings, it appeared that there
12 was no objection to the matter proceeding by affidavit.

13 MR. HOUGH: That's my understanding, Your
14 Honor -- or Madam Examiner. So unless there are any
15 objections from EOG, I will go ahead and present this case
16 by affidavit --

17 MR. RANKIN: Adam --

18 MR. HOUGH: So as provided --

19 MR. RANKIN: EOG has no objection to the case
20 proceeding by affidavit.

21 HEARING EXAMINER ORTH: Thank you. Mr. Hough.

22 MR. HOUGH: Thank you. As provided in the
23 hearing packet that was submitted via e-mail, this case is
24 for compulsory pooling the E/2 W/2 of Sections 20 and 29.
25 This is in Township 23 South, Range 32 East, in Lea County,

1 New Mexico.

2 One point of clarification I wanted to make,
3 there are actually two wells here to be dedicated to the
4 James 20-29 Fed Com 38-H and 39-H.

5 For the 39-H well, this is requiring a non-
6 standard location. That non-standard location has already
7 been approved via administrative order. That order number
8 is NSL 7994.

9 And one other deviation from the standard is the
10 geologist in this case Lucas Haas. His materials are
11 provided, his affidavit, Exhibit C and exhibits are attached
12 to that. He has not previously testified before the
13 Division, so I provided his background, his education and
14 experience there. So to the extent it is necessary, I would
15 request that he be qualified as an expert in geology
16 matters.

17 HEARING EXAMINER ORTH: Mr. Rankin, do you have
18 an objection?

19 (No response.)

20 HEARING EXAMINER ORTH: Mr. Rankin, unmute
21 yourself, please.

22 MR. RANKIN: I'm unmuted.

23 HEARING EXAMINER ORTH: Do you have an objection
24 to the qualification of --

25 MR. RANKIN: I'm getting a message that my

1 internet is unstable. No objection.

2 HEARING EXAMINER ORTH: Thank you. Mr. Hough,
3 please continue. He will be so recognized.

4 MR. HOUGH: Thank you. So at this time I would
5 request that the checklist --

6 MR. RANKIN: No objections, Madam Examiner.

7 HEARING EXAMINER ORTH: Thank you, Mr. Rankin.
8 Go ahead, Mr. Hough.

9 MR. HOUGH: Thank you. Just asking that the
10 checklist, affidavits and exhibits contained in this packet
11 be -- be admitted, and just wanted to add one thing for
12 notice purposes. As provided behind my affidavit,
13 Exhibit D, the attachments to that, you will see notice was
14 provided at least 20 days before the hearing and publication
15 was published at least ten business days before the hearing.

16 HEARING EXAMINER ORTH: Okay. Mr. Coss, do you
17 have questions of Mr. Hough?

18 EXAMINER COSS: Just to confirm, I don't have
19 access to the hearing e-mail right now, but all the
20 materials were submitted timely?

21 MR. HOUGH: That's correct. I believe they were
22 submitted at approximately 4 or 4:30 on Tuesday.

23 EXAMINER COSS: Perfect. And seeing I have
24 noticed notice is adequate and the non-centered location was
25 provided, there is no other questions, I have.

1 MR. HOUGH: Thank you.

2 HEARING EXAMINER ORTH: Thank you. Mr. Lowe, do
3 you have questions? Mr. Lowe?

4 EXAMINER LOWE: I do not. Thank you.

5 HEARING EXAMINER ORTH: Thank you very much.
6 Mr. Hough, the packet is accepted and will be taken under
7 advisement.

8 MR. HOUGH: Thank you, Madam Hearing Examiner.

9 (Exhibits admitted.)

10 (Taken under advisement.)

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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 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
11 best of my ability.

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
16 nor related to any of the parties or attorneys in this case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 16th day of April 2020.

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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