

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF EOG RESOURCES, INC.,
FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.**

CASE NO. 21670

**OPPOSED MOTION FOR STATUS CONFERENCE OR, IN THE ALTERNATIVE,
TO CONTINUE HEARING**

Protestant Cimarex Energy Co. (“Cimarex”) hereby moves the Division to hold a status conference in this matter on March 18, 2021, in order to set a date for a contested hearing. In the alternative, Cimarex requests that this case be continued to June 17, 2021. Undersigned counsel has conferred with counsel for Applicant EOG Resources, Inc., which opposes the Motion.

In support, Cimarex states as follows:

1. The application in this matter was filed on January 26, 2021.
2. On February 17, 2021, Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E. DeBrine, Deana M. Bennett, and Lance D. Hough) (“Modrall”) entered an appearance for Cimarex.
3. On March 8, 2021, Lance Hough informed EOG counsel that Cimarex wanted to continue this case to April 22, 2021. On the same day, EOG counsel stated that EOG did not want to continue the cases until April 22, 2021; instead EOG would “like to use the March 18 hearing for a status conference.” *See* Exhibit A, attached hereto.
4. On March 9, 2021, EOG’s landman told Cimarex’s landman, “I’ve asked out attorney to use the March 18th hearing to schedule a contested hearing date so we can move forward in the event a deal does not materialize.” *See* Exhibit B, attached hereto.

5. On March 10, 2021, Mr. Hough informed EOG counsel that Modrall would be withdrawing and that Montgomery & Andrews, P.A. would substitute as counsel for Cimarex. *Id.* Mr. Hough asked EOG counsel to confer directly with undersigned counsel on this matter.

6. On the same day, undersigned counsel responded to the same email chain, offering “to discuss before the status conference on March 18,” stating that information about Cimarex’s availability for a contested hearing date would be forthcoming. *See id.*

7. EOG counsel immediately responded that “it would be good for us to talk about Cimarex’s position regarding a contested hearing.” *Id.*

8. The foregoing communications clearly illustrate that EOG was aware that Cimarex opposed the applications.

9. On the same day, Modrall withdrew as counsel and Montgomery & Andrews, P.A. was substituted as counsel for Cimarex.

10. On today’s date, undersigned counsel reached out to EOG counsel to discuss potential dates in anticipation of the status conference that EOG had proposed to hold on March 18. EOG counsel informed undersigned counsel that EOG was now planning to present its case by affidavit.

11. At no time did EOG inform Cimarex that EOG would not honor its own request and commitment to hold a status conference on March 18, 2021.

12. EOG counsel did not inform undersigned counsel that EOG would not honor its own request and commitment to hold a status conference on March 18, 2021.

13. At no time did Cimarex or Cimarex counsel inform EOG or EOG’s counsel that Cimarex no longer opposed the application.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following parties entered in this matter by electronic mail on March 17, 2021:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
Jbroggi@hollandhart.com
kaluck@hollandhart.com
Attorneys for EOG Resources, Inc.

/s/Sharon T. Shaheen
Sharon T. Shaheen

Lorraine Talley

From: Kelsi Henriques <khenriques@cimarex.com>
Sent: Wednesday, March 17, 2021 3:38 PM
To: Sharon T. Shaheen
Subject: FW: Galleon Offer

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Kelsi Henriques, RPL
Landman – Permian Business Unit
Direct: 432.571.7887 | Cell: 405.301.0977



From: Laci Stretcher
Sent: Tuesday, March 9, 2021 5:06 PM
To: Kelsi Henriques
Subject: [External] RE: Galleon Offer

Sounds good. If you think your bottom line is \$12k/acre, I can push that through. I am positive the ORRI is out given their analysis.

I've asked our attorney to use the March 18th hearing to schedule a contested hearing date so we can move forward in the event a deal does not materialize. If you have any interest in signing the JOA with an election extension, let me know. This is what Chloe mentioned at lunch the other day for her area, and it sounded like something you might do there. If that works for you at Galleon, I can send the JOA over.

Thanks,

Laci Stretcher, RPL
Direct: 432.247.6362
Cell: 432.227.3769



5509 Champions Drive | Midland, TX 79706

From: Kelsi Henriques <khenriques@cimarex.com>
Sent: Tuesday, March 9, 2021 4:54 PM
To: Laci Stretcher <Laci_Stretcher@eogresources.com>
Subject: RE: Galleon Offer

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Laci,

Due to the multiple formations that we would be assigning, our team has rerun the evaluations again and is still not matching your numbers.

As mentioned previously, if there is any wiggle room for an override, that could push this to where we need to be.

As of now, we are still waiting for management to review and make a decision on our next steps per your final offer.

I will keep you updated as soon as I hear anything.

Kelsi Henriques, RPL
Landman – Permian Business Unit
Direct: 432.571.7887 | Cell: 405.301.0977



EXHIBIT A

Lorraine Talley

From: Kaitlyn A. Luck <KALuck@hollandhart.com>
Sent: Wednesday, March 10, 2021 10:54 AM
To: Sharon T. Shaheen
Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

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Ok sounds good, no problem – safe travels and I'm glad to hear you're able to get the vaccine!

From: Sharon T. Shaheen
Sent: Wednesday, March 10, 2021 10:54 AM
To: Kaitlyn A. Luck
Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

External Email

Will do, as soon as I get some info. FYI-I will be out of town later today and tomorrow—traveling to and from Creede, CO for my first vaccine!

Sharon T. Shaheen
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
sshaheen@montand.com
(505) 986-2678 (direct)
(505) 603-8307 (cell)



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From: Kaitlyn A. Luck [<mailto:KALuck@hollandhart.com>]
Sent: Wednesday, March 10, 2021 10:51 AM
To: Sharon T. Shaheen <sshaheen@montand.com>; 'Lance D. Hough' <ldh@modrall.com>
Cc: Adam Rankin <AGRankin@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>; Earl E. DeBrine <edebrine@modrall.com>
Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

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Hi Sharon, thanks for reaching out, and yes I think it would good for us to talk about Cimarex's position regarding a contested hearing. I'm generally available this week, if you'd like to call at your convenience.

From: Sharon T. Shaheen <sshaheen@montand.com>
Sent: Wednesday, March 10, 2021 10:48 AM
To: 'Lance D. Hough' <ldh@modrall.com>; Kaitlyn A. Luck <KALuck@hollandhart.com>
Cc: Adam Rankin <AGRankin@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>; Earl E. DeBrine <edebrine@modrall.com>
Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

External Email

Thanks, Lance. Kaitlyn, please let me know if you think it would be helpful for us to discuss before the status conference on March 18. I am conferring with Cimarex re availability and should have some helpful info in the next few days.

Sharon T. Shaheen
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
sshaheen@montand.com
(505) 986-2678 (direct)
(505) 603-8307 (cell)



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From: Lance D. Hough [<mailto:ldh@modrall.com>]

Sent: Wednesday, March 10, 2021 9:57 AM

To: Kaitlyn A. Luck <KALuck@hollandhart.com>

Cc: Adam Rankin <AGRankin@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>; Earl E. DeBrine <edebrine@modrall.com>; Sharon T. Shaheen <sshaheen@montand.com>

Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

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Hi Kaitlyn,

Our firm is going to withdraw and Montgomery & Andrews will substitute. I've cced Sharon to loop her in on our discussions, please correspond directly with her on this matter. Thank you.

Sincerely,



Lance D. Hough
Associate Attorney
D: 505.848.1826

From: Kaitlyn A. Luck <KALuck@hollandhart.com>

Sent: Monday, March 8, 2021 2:09 PM

To: Lance D. Hough <ldh@modrall.com>

Cc: Adam Rankin <AGRankin@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>; Earl E. DeBrine <edebrine@modrall.com>

Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

Hi Lance, EOG would like to put these cases on as soon as possible and doesn't want to continue these cases out to the April 22 docket. We'd like to use the March 18 hearing for a status conference, if Cimarex would like to set the cases for a contested hearing.

Let us know how Cimarex would like to proceed.

Thanks,
Kaitlyn

Kaitlyn A. Luck -- Associate | Holland & Hart LLP | (o) 505.954.7286 (m) 361.648.1973

From: Lance D. Hough <ldh@modrall.com>

Sent: Monday, March 8, 2021 1:50 PM

To: Kaitlyn A. Luck <KALuck@hollandhart.com>

Cc: Adam Rankin <AGRankin@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>; Earl E. DeBrine <edebrine@modrall.com>

Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

External Email

Hi Kaitlyn,

Just following up on this case. I understand EOG and Cimarex have been negotiating since our last continuance. **Would EOG be willing to agree to another continuance to April 22nd?**

Sincerely,

 MODRALL SPERLING

Lance D. Hough
Associate Attorney
D: 505.848.1826

From: Kaitlyn A. Luck <KALuck@hollandhart.com>

Sent: Wednesday, February 17, 2021 11:18 AM

To: Lance D. Hough <ldh@modrall.com>

Cc: Adam Rankin <AGRankin@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>

Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

Thanks, Lance. Attached is the notice letter and tracking information for the notice letter to Cimarex.

Kaitlyn A. Luck – Associate I Holland & Hart LLP I (o) 505.954.7286 (m) 361.648.1973

From: Lance D. Hough <ldh@modrall.com>

Sent: Wednesday, February 17, 2021 9:59 AM

To: Kaitlyn A. Luck <KALuck@hollandhart.com>

Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

External Email

Hi Kaitlyn,

Per our discussion, we'll file the continuance for case no. 21670 to be set on the March 18th docket. Please let me know if you have any questions.

Sincerely,

 MODRALL SPERLING

Lance D. Hough
Associate Attorney
D: 505.848.1826

From: Kaitlyn A. Luck <KALuck@hollandhart.com>

Sent: Tuesday, February 16, 2021 11:42 AM

To: Lance D. Hough <ldh@modrall.com>

Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

Hi – thanks for your email, can you give me a call on this when you have time?

Kaitlyn A. Luck – Associate I Holland & Hart LLP I (o) 505.954.7286 (m) 361.648.1973

From: Lance D. Hough <ldh@modrall.com>

Sent: Tuesday, February 16, 2021 8:48 AM

To: Adam Rankin <AGRankin@hollandhart.com>; Julia Broggi <JBroggi@hollandhart.com>; Kaitlyn A. Luck <KALuck@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>

Cc: Earl E. DeBrine <edebrine@modrall.com>

Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

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Correction: the continuance would be for April 22nd. Sorry for the confusion, I'm apparently having some technical issues.

Sincerely,



Lance D. Hough
Associate Attorney
D: 505.848.1826

From: Lance D. Hough
Sent: Tuesday, February 16, 2021 8:46 AM
To: 'Adam Rankin' <AGRankin@hollandhart.com>; 'Julia Broggi' <JBroggi@hollandhart.com>; 'KALuck@hollandhart.com' <KALuck@hollandhart.com>
Cc: Earl E. DeBrine <edebrine@modrall.com>
Subject: RE: EOG Case No. 21670: (Galleon); Request for Continuance

Sincerely,



Lance D. Hough
Associate Attorney
D: 505.848.1826

From: Lance D. Hough
Sent: Tuesday, February 16, 2021 8:42 AM
To: 'Michael Rodriguez' <mrodriguez@concho.com>; Adam Rankin <AGRankin@hollandhart.com>; Julia Broggi <JBroggi@hollandhart.com>; KALuck@hollandhart.com
Cc: Earl E. DeBrine <edebrine@modrall.com>
Subject: EOG Case No. 21670: (Galleon); Request for Continuance

Good morning all,
Cimarex will be entering the above referenced case and would like to request a continuance to March 18th. I understand EOG and Cimarex are currently negotiating, and the purpose of the continuance will be to afford additional time to work out a deal. Please let me know if EOG is willing to agree to the continuance. Thanks.

Sincerely,



Lance D. Hough
Associate Attorney
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1826 | O: 505.848.1800

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