

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:

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

CASE NO. 20745

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 6, 2019

Santa Fe, New Mexico

BEFORE: KATHLEEN MURPHY, CHIEF EXAMINER
MICHAEL McMILLAN, TECHNICAL EXAMINER
DYLAN ROSE-COSS, TECHNICAL EXAMINER
DANA Z. DAVID, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Kathleen Murphy, Chief Examiner; Michael McMillan and Dylan Rose-Coss, Technical Examiners; and Dana Z. David, Legal Examiner, on Friday, September 6, 2019, 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.

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APPEARANCES

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1 (11:10 a.m.)

2 EXAMINER MURPHY: The next case is 20745.
3 This is the application of Cimarex Energy Company for
4 compulsory pooling, Eddy County, New Mexico.

5 Call for appearances.

6 MR. HOUGH: Lance Hough on behalf of
7 Cimarex Energy Co.

8 EXAMINER MURPHY: Any other appearances?

9 MR. McINTYRE: John McIntyre, with the
10 Montgomery & Andrews Law Firm, on behalf of Tuffy Oil
11 Company.

12 And the only reason Tuffy is making an
13 appearance today is because a couple days ago we entered
14 into a joint operating agreement with Cimarex, and we
15 are no longer being force pooled in this application,
16 and we would just like to state that on the record.

17 EXAMINER MURPHY: Thank you.

18 Can you spell your last name.

19 MR. McINTYRE: Yes, ma'am.
20 M-C-I-N-T-Y-R-E. I have a card for the court reporter.

21 EXAMINER MURPHY: Montgomery & Andrews?

22 MR. McINTYRE: Yes, ma'am.

23 EXAMINER MURPHY: Any other appearances?

24 Any witnesses?

25 MR. HOUGH: No. We're presenting this case

1 by affidavit, if that's acceptable.

2 EXAMINER MURPHY: That's acceptable.

3 MR. HOUGH: All right. Well, then, I will
4 begin with the affidavit of the landman involved here,
5 so it's Exhibit A in the packet. This is the affidavit
6 of Russell Workman. He provides he's a landman for
7 Cimarex. He has previously been qualified to testify by
8 the Division as an expert in petroleum land matters, and
9 he provides that --

10 Well, I guess at this time I'll just move
11 for the qualifications of Mr. Workman as an expert in
12 petroleum land matters.

13 MR. McINTYRE: No objection.

14 EXAMINER MURPHY: No objections?

15 And he's testified before --

16 MR. HOUGH: That's correct.

17 EXAMINER MURPHY: -- is that correct?

18 So accepted.

19 MR. HOUGH: Thank you.

20 This case, as he provides, is a request for
21 an order from the Division for a compulsory pooling of
22 the interest owners who have refused to voluntarily pool
23 their interests for the proposed Wolfcamp spacing unit.

24 Prior to filing the application,
25 Mr. Workman provides that Cimarex made a good-faith

1 effort to obtain voluntary joinder of the working
2 interest owners in the proposed well. Cimarex
3 identified all the working interests -- all the working
4 interests, unleased mineral interests and overriding
5 royalty interest owners in the title opinion. And then
6 to locate the interest owners, Cimarex conducted a
7 diligent search of the public records in the county
8 where the well will be located and conducted phone
9 directory and computer searches to locate information
10 for the parties entitled to notification. And then he
11 mailed all working interest owners well proposals and
12 authorization for expenditure, as well as a form of
13 operating agreement upon request providing individual
14 working interest holders. He provides that there is no
15 opposition expected to this.

16 Prior to filing the application, Cimarex
17 contacted the interest owners being pooled regarding the
18 proposed well, and the pooled working interest owners
19 have failed to or refused to voluntarily commit their
20 interest in the well. And Cimarex provided all the
21 working interest owners, any unleased mineral interest
22 owners and overriding royalty interest owners with the
23 notice of this application. Again, I'll touch on that
24 later on in my Exhibit C. And he provides that none of
25 these parties to be pooled have entered opposition in

1 this application.

2 He provides that the application seeks, to
3 the extent necessary, the creation of a 446.91-acre more
4 or less Wolfcamp horizontal spacing unit and pooling all
5 uncommitted mineral interests within a Wolfcamp
6 horizontal spacing unit underlying the east half of
7 Section 28 and the east half of irregular Section 33,
8 Township 26 South, Range 27 East in Eddy County, New
9 Mexico. And the spacing unit will be dedicated to the
10 Klein 33 Fed Com 11H well, which is to be drilled
11 horizontally. That application is attached as Exhibit
12 A1. And I'll just add that the irregular nature of
13 Section 33 resulted from being on the border of Texas.

14 He also provides here that Cimarex has a
15 scheduled spud date of January 19th, 2020 for this
16 proposed well. And so to the extent it would be
17 necessary, Cimarex requests the Division enter an
18 expedited order in this case.

19 Moving on to Exhibit A2, this is the C-102
20 for this matter. It shows the proposed well location,
21 including the first and last take points. And this well
22 will develop the Purple Sage; Wolfcamp Pool, and that's
23 pool code 98220, a gas pool. And the producing
24 intervals for this well will be orthodox and will comply
25 with the Division setback requirements in Order Number

1 R-14262. And the first and last take points will be no
2 closer than 330 feet from the proposed spacing unit, and
3 the completed lateral will be approximately 380 feet
4 from the proposed unit boundary.

5 Now, Exhibit A3 is a lease tract map
6 outlining the unit to be pooled and also includes the
7 working interest owners being pooled. A percentage of
8 their interest is also included as part of Exhibit A3.
9 And as noted there, you'll see Tract 3 of this proposed
10 unit is an 80-acre tract, which is -- the ownership of
11 about 50 percent is disputed and currently involved in
12 litigation. And the parties claiming ownership, which
13 are Premier Oil & Gas, Inc. and then Tuffy Oil Co., have
14 both agreed to participate in the well, entered JOAs.
15 And so subject to the resolution of their title dispute,
16 of course, Cimarex will be carrying those interests
17 until the dispute is resolved. And that's also marked
18 there. You'll see under it the "Agreements and
19 Negotiations" status indicating that agreements have
20 been reached with Tuffy and -- and Premier.

21 Moving on, Cimarex provides that it owns an
22 interest in each tract in the proposed unit and has the
23 right to drill a well thereon. It provides that there
24 are no depth severances within the proposed Wolfcamp
25 spacing unit.

1 Moving to Exhibit A4, that is a sample of
2 the well-proposal letter that was sent to the working
3 interest owners to seek their voluntary participation.

4 And then Exhibit A5 is the authorization
5 for expenditure that was provided with that
6 well-proposal letter, and it shows the estimated cost of
7 the well is 6,862,000. It provides that this is fair
8 and reasonable and is comparable to the cost of other
9 wells of similar depth, length and completion method
10 being drilled in this area of New Mexico.

11 Cimarex requests overhead and
12 administrative rates of 7,000 a month during drilling
13 and 700 a month while producing, and he provides that
14 these rates are fair and comparable to the rates charged
15 by other operators for wells of this type in this area
16 of southeast New Mexico and consistent with the rates
17 awarded by the Division in recent compulsory pooling
18 orders. Cimarex also requests these rates be adjusted
19 periodically as provided by the COPAS accounting
20 procedure. Cimarex requests that the maximum cost plus
21 200 percent risk charge be assessed to the nonconsenting
22 working interest owners.

23 And Cimarex requests that it be designated
24 as the operator of the well, and Cimarex requests it be
25 allowed a period of one year between when the wells are

1 drilled and when the first well is completed under the
2 order. The parties that Cimarex is seeking to pool were
3 notified of this hearing, and Cimarex requests that
4 overriding royalty interest owners be pooled.

5 And lastly, he provides that based upon his
6 knowledge of the matters involved in this case, his
7 education and training, his expert opinion is that the
8 granting of this application is in the interest of
9 conservation and the prevention of waste. And the
10 attachments to his affidavit were prepared by him or
11 compiled from company business records.

12 With that, I would move for the admission
13 of Exhibits A through A5.

14 EXAMINER MURPHY: Mr. McIntyre?

15 MR. McINTYRE: No objection.

16 EXAMINER MURPHY: Exhibits A1 through A5
17 are accepted.

18 (Cimarex Energy Company Exhibits A through
19 A5 are offered and admitted into evidence.)

20 EXAMINER MURPHY: I have a question. On
21 the three -- the tract maps, you're pooling the working
22 interests and the overriding royalty owners --

23 MR. HOUGH: That's correct.

24 EXAMINER MURPHY: -- interest owners?

25 And so the bulk of this or half of it is

1 Chevron. And so where are you at with -- with Chevron
2 in your negotiations?

3 MR. HOUGH: Chevron -- as provided here in
4 Exhibit A3, he has a line stating that he's negotiating
5 minor revisions to the JOA with Chevron, so they're in
6 the final stages of an agreement with Chevron right now.

7 EXAMINER MURPHY: And the overriding
8 royalty interest owners, how many of those are there of
9 those?

10 MR. HOUGH: I would need to provide a list
11 of that. They are included in the list of individuals
12 we provided notice to, but we can also carve that out
13 or, I guess, create a list of individuals that do have
14 an overriding interest.

15 EXAMINER MURPHY: Okay. Thank you for
16 providing at a later date the overriding royalty
17 interests owners.

18 EXAMINER COSS: Does it discuss anywhere in
19 here the building blocks?

20 MR. HOUGH: It does not, but they're 320s
21 because it's in the Wolfcamp.

22 EXAMINER COSS: Purple Sage?

23 MR. HOUGH: That's correct.

24 EXAMINER McMILLAN: That's wrong.

25 MR. HOUGH: That's wrong?

1 EXAMINER McMILLAN: It should be quarter
2 sections because -- quarter section-quarter section
3 equivalent because you're having three-quarter section
4 equivalents, so you're going to say it's quarter-section
5 equivalent. That way, essentially, the east half of
6 Section 33 forms a standard horizontal spacing unit.

7 MR. HOUGH: Thank you for that
8 clarification. So it would be quarter sections as
9 opposed to quarter-quarter that might apply in the Bone
10 Spring?

11 EXAMINER McMILLAN: Or equivalents really,
12 quarter-section equivalents.

13 MR. HOUGH: Quarter-section equivalents.

14 EXAMINER McMILLAN: Yeah. That takes into
15 account the lots because these lots are going to be --
16 are going to be less than probably 28 acres, so
17 quarter-section equivalent works.

18 EXAMINER MURPHY: Mr. David?

19 EXAMINER DAVID: I have no questions at
20 this time.

21 EXAMINER McMILLAN: And there is no API
22 number?

23 MR. HOUGH: There is not. I will
24 double-check just to make sure for the record.

25 EXAMINER McMILLAN: Okay. Double-check the

1 OGRID. I get confused with Cimarex applications.

2 MR. HOUGH: Okay. So I'll go ahead and
3 check.

4 There is no API currently.

5 And for the OGRID number, it's also 215099,
6 and that's provided on the first page of the application
7 marked as Exhibit A1.

8 EXAMINER McMILLAN: Okay. Actually, your
9 C-102 is not very clear on the first and last take
10 points, so, therefore, provide an updated first and last
11 take point.

12 MR. HOUGH: Would you like -- we'll go
13 ahead and submit that as well. You just want a clearer
14 version of this --

15 EXAMINER McMILLAN: Well, I couldn't read
16 it on that, so just send an email that states the first
17 and last take point.

18 MR. HOUGH: We are willing to offer --
19 since we are requesting an expedited order necessary to
20 meet the schedule spud date in January, we can provide a
21 from of order as a starting basis, if the Division would
22 like that.

23 EXAMINER COSS: The Division would
24 appreciate that.

25 And could you explain to me the reason it

1 needs to be expedited?

2 MR. HOUGH: Without testifying --

3 EXAMINER COSS: Is it a BLM lease issue?

4 MR. HOUGH: Yeah. It's a BLM lease issue,
5 and I just know that -- the information that I do have
6 available to me is just his affidavit providing that
7 there is a scheduled spud date of January 19, 2020. I
8 really don't have any other information than that, but
9 it is associated with a BLM lease.

10 EXAMINER McMILLAN: Okay. Actually, I have
11 a question. You said you had no response from Bellomy,
12 Corexcal or Petrorep. Do you have good addresses on
13 those?

14 MR. HOUGH: I believe so. I do know, based
15 on their search, as provided in paragraph four of
16 Russell's -- Russell Workman's affidavit, they have done
17 a diligent search to get all updated addressed. And the
18 notice to Bellomy was delivered, and I'll go through
19 this on the --

20 EXAMINER McMILLAN: Okay. Let's go.

21 EXAMINER DAVID: I'll dig into that.

22 MR. HOUGH: We'll circle back. If that's
23 okay, I'd like to move on to the geology component and
24 then finish that.

25 So moving on to Exhibit B, this is the

1 affidavit of Emily Swanson, a geologist for Cimarex
2 Energy. She has personal knowledge of the matters
3 stated here. She has not previously testified before
4 the Oil Conservation Division as an expert in petroleum
5 geology matters, so I want to go through her
6 qualifications here.

7 She provides she attended the University of
8 Texas and received a Bachelor of Science in geology and
9 graduated December of 2008. She attended Penn State
10 where she received a Master of Science in geosciences,
11 graduated in December of 2011. And she has worked as a
12 geologist since 2011.

13 She worked as a geologist for Southwest
14 Energy for two-and-a-half years and for Cimarex Energy
15 for four-and-a-half years. And her work at Cimarex has
16 involved the Culberson County area of Texas and Eddy
17 County, New Mexico.

18 And she has conducted a geological study of
19 the area that encompasses the horizontal spacing unit
20 that is subject to this application, and she is familiar
21 with the geological matters involved in this case.

22 So at this time, I'd like to move to have
23 Ms. Swanson qualified as an expert in petroleum geology
24 matters.

25 EXAMINER MURPHY: Can you have her submit a

1 page resume.

2 MR. HOUGH: Okay. Absolutely.

3 EXAMINER MURPHY: And, Mr. McIntyre, any
4 objections?

5 MR. McINTYRE: No objections.

6 EXAMINER MURPHY: With the submittal of a
7 page resume, she is so qualified.

8 MR. HOUGH: Thank you.

9 Now, moving on to the affidavit, she
10 provides as part of her study she has prepared the
11 following geological exhibits with respect to the
12 horizontal spacing unit. And so turning to Exhibit B1,
13 she has here what she describes as a base map to
14 identify the proposed unit, proposed well and cross
15 section, and identifies the cross-section well's
16 proximity to the proposed well with a line -- a red line
17 running from A to A prime.

18 And moving to Exhibit B2, this is a subsea
19 structure map on top of the Wolfcamp Formation that
20 identifies the proposed unit. And, again, a red line
21 outlines the unit and the proposed well, and the blue
22 line shows the structure is relatively consistent across
23 the proposed unit and dips slightly to the east and
24 northeast in the area.

25 Exhibit B3 is an attached shale map for the

1 Wolfcamp A Formation which shows that the formation is
2 relatively uniform across the proposed unit, and the
3 closest well control suggests a range of net porosity
4 between approximately 133 feet, 198 feet, with a
5 regional net porosity trend increasing towards the east.
6 Again, this map identifies the proposed well.

7 Moving to Exhibit B4, this is a
8 stratigraphic cross section hung on the top of the
9 Wolfcamp Formation, and the well logs of the cross
10 section give a representative sample of the Wolfcamp A
11 Formation in the area, which is the target zone. And
12 the well logs also show the formation is relatively
13 consistent across the area, and the correlative landing
14 zone is identified with an arrow, and that is well
15 marked with the map interval note there.

16 Moving to Exhibit B5, this is a wellbore
17 diagram for the proposed well, and it identifies the
18 wellbore development plan and also shows the depth,
19 length and first and last take points.

20 With that, I would move to admit Exhibits B
21 through B5.

22 MR. McINTYRE: No objection.

23 MR. HOUGH: Does the Division have any
24 questions regarding these exhibits?

25 EXAMINER MURPHY: B through B5 are

1 accepted.

2 (Cimarex Energy Company Exhibit B through
3 B5 are offered and admitted into evidence.)

4 EXAMINER MURPHY: I have no questions.

5 EXAMINER McMILLAN: Do each of the -- do
6 you expect each of the quarter sections or
7 quarter-section equivalent to contribute equally to
8 production?

9 MR. HOUGH: Yes. I guess I should have
10 included that she also -- her final findings were that
11 the horizontal spacing unit is justified from a
12 geological standpoint. There are no structural
13 impediments or faulting that will interfere with
14 horizontal development and that each quarter section in
15 the unit will contribute more or less equally to
16 production. And she also provides that the producing
17 intervals of the wells will be orthodox and comply with
18 Division setback requirements.

19 EXAMINER COSS: I don't have any questions
20 at this time. Do I say I pass the witness in this case?

21 EXAMINER McMILLAN: Do you have any
22 questions?

23 EXAMINER DAVID: I have no questions.

24 I've never seen -- one of the maps she
25 provides is a quarter-quarter net shale map. She has a

1 brief explanation in her affidavit. I've never seen a
2 map -- I mean, I haven't been on many of these things.
3 This is new terminology for me.

4 So is everybody satisfied that they know
5 exactly what that is?

6 EXAMINER COSS: Which one are you talking
7 about? 3?

8 Oh. You had referred to 3 as a porosity
9 map, and I see here that it does say "shale." Does she
10 mean one or the other specifically?

11 MR. HOUGH: So the correct would be what's
12 reflected in the exhibit that was prepared by her. So
13 that would be indeed the net shale map marked as Exhibit
14 B3.

15 EXAMINER DAVID: If you look at her
16 affidavit on page 2 of -- what is it? -- Exhibit B, so
17 paragraph six -- paragraph C says, "Exhibit B3 is a net
18 shale map for the Wolfcamp A Formation. It shows that
19 the formation is relatively uniform across the proposed
20 units as the closest log control suggests a range of net
21 porosity between 133 to 198 for the regional net
22 porosity trend increasing towards the east."

23 EXAMINER COSS: This would be my question
24 to her and in general when I keep seeing these figures
25 now, that the cutoffs that were used to decide the

1 porosity are not shared. So is there -- what parameters
2 was she using to base her porosity cutoff on, would be
3 my question to her? And she's calling it a net shale
4 map and net porosity map. I don't see why you would do
5 that. But yeah, I need the parameters. I don't know
6 what she's talking about. What was her -- you know,
7 what was her density-porosity cutoff? What was her
8 gamma ray cutoff, to make those -- to make those
9 determinations?

10 And on the cross section, I'm somewhat
11 confused. On the landing zone -- I can see the landing
12 zone clearly. What she's targeting -- or what is being
13 targeted?

14 EXAMINER MURPHY: The cross section might
15 be good to have printed on legal-size paper so we can
16 see the depths.

17 MR. HOUGH: Okay.

18 EXAMINER COSS: It's too much of a depth on
19 there, so I can hardly make heads or tails of it.

20 EXAMINER DAVID: Also, this is a question
21 for the panel. I'm not trying to tell anybody to do
22 anything in particular, but I notice that this
23 particular application does not contain an isopach or
24 isochore map of the targeted formation. So I don't know
25 if that's also information that you'd require to make

1 your decision or not, or if the cross section's good
2 enough for you. But it's one deviation from the usual
3 that I have noticed.

4 EXAMINER MURPHY: It seems like B3 is
5 really the thickness map. It doesn't have any of the
6 data for the porosity on it. I believe the isopach map
7 is B3.

8 EXAMINER DAVID: That was one of the
9 reasons for my question. It looked like B3 is an
10 isopach map, but according to her affidavit, it's --
11 they're porosity measures. So I guess it is what they
12 say it is, but that's kind of the source of my line of
13 questions. It's up to the geotechnical experts to
14 determine whether or not they have enough information to
15 make a decision.

16 EXAMINER COSS: Yeah. Come to mention it,
17 there isn't porosity data on this map. Oh, no. B3
18 does -- that's the feet of section with the porosity
19 that they're looking for. But yeah, an isopach would be
20 nice.

21 MR. HOUGH: Okay.

22 EXAMINER COSS: I don't have any other
23 questions.

24 MR. HOUGH: If there are no further
25 questions on this, I'll move on to Exhibit C.

1 Exhibit C here is my affidavit saying we
2 provided notice on behalf of Cimarex of the application,
3 and there is a list of the mailings and status of
4 receipt report. And there is a publication attached.
5 So you'll see that -- that list has all the individuals
6 the mailings have been sent out to and then the actual
7 status. And in addition, the -- the software we use for
8 mailing out doesn't include international, so we've
9 attached a certified mailing receipt for Petrorep
10 because they are located out of Calgary, Canada. And
11 that one was -- one was returned to sender. Petrorep is
12 included in the publication -- Affidavit of Publication
13 in the "Carlsbad-Argus."

14 EXAMINER COSS: I don't have any questions.

15 EXAMINER MURPHY: I don't have any
16 questions.

17 EXAMINER DAVID: Just a couple questions.
18 But first I'll note for the record that Exhibit A, the
19 landman's -- land person's affidavit does explain the
20 efforts made to find working interests, unleased mineral
21 interests and overriding royalty interest owners. The
22 Affidavit of Notice does state that all the identified
23 interests -- interest -- interested parties were
24 provided notice.

25 Just one question by way of clarification.

1 I was looking at Exhibit A3 that has a list of working
2 interest owners. So is this -- I think perhaps
3 Ms. Murphy asked a question along this line. I may have
4 missed it. So this is not complete at this juncture?
5 The incompleteness of this, is that due to the
6 litigation or --

7 MR. HOUGH: That's correct. So as I
8 understand it, 50 percent of Tract 3 is subject to
9 litigation, held up in appeals right now. And so one of
10 the things that Cimarex has done is entered into JOAs
11 with both -- Premier and Tuffy, as I understand it, are
12 the interests at dispute. So they entered into JOAs,
13 and they're going to carrying that interest until it is
14 ultimately resolved on appeal.

15 EXAMINER DAVID: Okay. And also just
16 looking at the Transaction Report Details for the
17 certified mail, I notice it doesn't look like EXC -- or
18 EX -- XEC CARRY are specifically listed on there, but --
19 I'm still looking at Exhibit A3 right now. But there is
20 a notation for Bellomy, and you have notification was
21 sent to Bellomy Exploration, Inc. So what's the
22 relationship between Bellomy and EXC [sic]?

23 MR. HOUGH: EXC [sic] is a representation
24 of Cimarex. So we're saying, you know, since Cimarex is
25 carrying those interests, then Bellomy would be, as I

1 understand it, just another working interest within one
2 of these tracts.

3 EXAMINER DAVID: Okay. So the notice to
4 Bellomy then -- so the EXC [sic] refers to the Applicant
5 then?

6 MR. HOUGH: That's correct.

7 EXAMINER DAVID: Okay. Okay. Got it. All
8 right. No further questions.

9 EXAMINER McMILLAN: I guess I'm confused
10 about Petrorep. Is that a valid address or not, because
11 it affects how you write the order?

12 MR. HOUGH: I understand. This would be
13 based upon, as Mr. David had pointed out, the work done
14 by Cimarex to obtain the last available address and
15 doing a diligent search of public records. So based on
16 their search, it is a valid address. However, that was
17 returned as undeliverable at that address provided in
18 Calgary, Alberta, Canada.

19 EXAMINER COSS: Did they attempt to email
20 them?

21 MR. HOUGH: I cannot comment on that at
22 this time. I just would not know without having that
23 information.

24 EXAMINER DAVID: So have any further
25 efforts been made to try to verify the exhibit [sic]

1 from Petrorep?

2 MR. HOUGH: The address of Petrorep?

3 EXAMINER DAVID: Yes.

4 MR. HOUGH: Not to my knowledge. What I
5 have to rely back on again is Mr. Workman's affidavit
6 providing the steps taken to locate the most recent
7 addresses available, and that's all the information I
8 have on efforts taken at this time.

9 EXAMINER DAVID: So can -- can the Division
10 recognize that Petrorep is an unlocatable interest for
11 the sake of our order?

12 MR. HOUGH: I think that's appropriate.
13 And, you know, I'll just note for the record that, you
14 know, we did provide this newspaper publication, which
15 is available when a working interest holder is
16 undeliverable or isn't provided notice. And as we can
17 see there, it is proper notice of the case, including
18 Petro -- Petrocap [sic] there. As I understand it under
19 the rules, it is built to cure notice in a situation
20 like this where it's unlocatable.

21 EXAMINER DAVID: I hate to be a stickler
22 but just looking at the Affidavit of Publication -- and
23 it's because this is kind of -- you know, we're having
24 trouble with Petrorep. I notice that for the print for
25 the identification of Petrorep is not as clear. Is

1 that -- is that the way that it was published, or is
2 that -- I mean, I guess I'll just ask this, and you
3 probably can't answer this sitting here. In your
4 office, do you have a clear edition of this where the
5 letters aren't run together? If you can provide it to
6 us, that would be appreciated.

7 MR. HOUGH: Yes. We can absolutely
8 supplement that. One of the things we've been doing --
9 we've had some issues with this recently, affidavits
10 from this publisher. I think what we've done prior to
11 some cases is actually pull the publication from the
12 website, which clearly shows how it is displayed on the
13 website, and, you know, it does show up with much better
14 clarity than what is provided here on the affidavit. I
15 think they're just consolidating them to put them on the
16 same page as the affidavit. I think that's what's been
17 happening.

18 EXAMINER DAVID: If you could -- if you
19 could supplement the record, that would be appreciated.
20 Thank you.

21 EXAMINER McMILLAN: I was going to ask him
22 that anyway.

23 EXAMINER DAVID: Well, see, I'm doing it
24 for you.

25 MR. HOUGH: Unless there are any further

1 questions -- or I guess if I haven't already done it,
2 I'd ask for the admission of my Exhibit C.

3 MR. McINTYRE: No objection.

4 EXAMINER MURPHY: Exhibit C is accepted.

5 (Cimarex Energy Company Exhibit C is
6 offered and admitted into evidence.)

7 MR. HOUGH: Thank you.

8 Unless there are further questions, I'll
9 ask this case be taken under advisement.

10 MR. McINTYRE: No objection.

11 EXAMINER MURPHY: Case 20745 will be taken
12 under advisement.

13 (Case Number 20745 concludes, 11:46 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

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

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither
17 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.

20 DATED THIS 6th day of October 2019.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters

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