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

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 23448 – 23455

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

CASE NOS. 23594 – 23601

APPLICATIONS OF READ & STEVENS, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 23508 – 23523

APPLICATION OF READ & STEVENS, INC. FOR THE CREATION OF A SPECIAL WOLFBONE POOL IN SECTIONS 4, 5, 8, AND 9, TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM, LEA COUNTY, NEW MEXICO.

CASE NO. 24528

APPLICATION OF CIMAREX ENERGY CO. FOR THE CREATION OF A SPECIAL POOL, A WOLFBONE POOL, PURSUANT TO ORER NO. R-23089, LEA COUNTY, NEW MEXICO.

CASE NO. 24541

RESPONSE TO CIMAREX'S MOTION PROPOSING A PATHWAY FORWARD

Read & Stevens, Inc and Permian Resources Operating, LLC ("Permian Resources"), by and through undersigned counsel, respectfully submit this response in partial opposition to Cimarex's motion for a pathway forward. While Permian Resources concurs with Cimarex's request for expedited review of the pending competing underlying compulsory pooling cases, additional notice and updated legal closing arguments proposed by Cimarex are not required and will unnecessarily burden the parties, working interest owners, and the Division.

First, additional notice would be redundant and potentially confusing. Counsel for Cimarex points out that information regarding Cimarex's proposed allocation formula was already sent to interest owners via letter notice on June 2, 2024, and again on July 31, 2024.[1,2] Interest owners do not need a third notice again providing information describing Cimarex's proposed allocation formula or the pending decision on the proposed special Wolfbone pool. This would be potentially confusing when owners have already received numerous updates on this case and when the Division has not yet issued a final order awarding operatorship. Cimarex does not need Division approval to send an updated notice to the interest owners if it believes additional notice is necessary or helpful. However, based on the language of Order No. R-23089, no additional notice is required. The Order adequately explained what would take place once a special Wolfbone Pool was proposed and approved by the Division. All owners have already been provided notice of Order No. R-23089 and the subsequent special pool hearing.

Second, updated closing arguments supporting the parties' respective positions in the underlying competing pooling cases[3] also is not necessary and would only add unnecessary burden on the parties (to restate their arguments) and the Division (to review the re-stated positions). The parties went through a three-day evidentiary hearing in August 2023 and submitted extensive closing arguments and findings of fact and conclusions of law. The resulting Order, Order No. R-23089, also makes clear that nothing further is required from the parties for the Division to make a decision based on the merits of the competing development plans. "It is not necessary for the

[1] *See* Cimarex Pathway Forward Motion at ¶ 22 ("It should be noted that on June 7, 2024, Cimarex sent a letter notifying the owners about the upcoming hearing on the original competing Wolfbone applications; this notice letter had as an attachment Cimarex's original Wolfbone application which described Cimarex's allocation formula to the owners. Furthermore, on July 31, 2024, Cimarex sent an additional letter to the owners of the Subject Lands explaining that it had proposed a special Wolfbone pool and had also attached to the letter Cimarex's original competing application for creation of the Wolfbone pool that fully described the proposed allocation formula.")
[2] *See id.* at Exhibit 1.
[3] Read & Steven's Case Nos. 23508-23523; Cimarex Case Nos. 23448-23455, 23594-23601.

parties to repeat the testimony or resubmit the exhibits regarding their original proposed plans; they may refer to existing evidence to the extent needed to justify the special pool request." Order No. R-23089 at ¶ 22.

CONCLUSION

For the reasons stated, the Division should deny Cimarex Energy Co.'s motion.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on November 15, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail:

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