

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           CASE NO. 15755  
FOR A NONSTANDARD SPACING AND PRORATION       (re-opened)  
UNIT AND COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 25, 2018

Santa Fe, New Mexico

BEFORE:   WILLIAM V. JONES, CHIEF EXAMINER  
          LEONARD LOWE, TECHNICAL EXAMINER  
          DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, January 25, 2018, 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:   Mary C. Hankins, CCR, RPR  
                  New Mexico CCR #20  
                  Paul Baca Professional Court Reporters  
                  500 4th Street, Northwest, Suite 105  
                  Albuquerque, New Mexico 87102  
                  (505) 843-9241

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APPEARANCES

FOR APPLICANT CIMAREX ENERGY COMPANY:

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FOR EOG RESOURCES, INC. AND MATADOR PRODUCTION COMPANY:

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EXHIBITS OFFERED AND ADMITTED

Cimarex Energy Company Exhibit Numbers 2, 9, 10, 11, 12 and 13	5
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1 (8:27 a.m.)

2 EXAMINER JONES: I think the first case on  
3 the docket is Scott Hall's. Let's call Case 15755,  
4 re-opened, application of Cimarex Energy Company for a  
5 nonstandard spacing and proration unit and compulsory  
6 pooling, Eddy County, New Mexico.

7 Call for appearances.

8 MR. McMILLAN: Seth McMillan, Montgomery &  
9 Andrews, Santa Fe office, on behalf of Cimarex Energy  
10 Company.

11 MS. KESSLER: Mr. Examiners, Jordan  
12 Kessler, from the Santa Fe of Holland & Hart, making an  
13 appearance on behalf of EOG, Resources Inc. and Matador  
14 Production Company.

15 MR. McMILLAN: I apologize. I have too few  
16 copies here. Can you share?

17 EXAMINER JONES: Oh, that's all right. We  
18 can share.

19 MR. McMILLAN: Mr. Examiner, we're just  
20 here -- I'm just here for some cleanup following the  
21 hearing. When was the prior hearing?

22 (The court reporter responds.)

23 MR. McMILLAN: The 11th. That's helpful.  
24 Thank you.

25 I have several exhibits I'd like to move

1 the admission of at this time.

2 We had submitted by email a revision for  
3 our Exhibit 2 showing the working interest percentages.  
4 I just wanted to admit for the record a copy of that.

5 Exhibit 9 follows behind it. We had been  
6 asked to submit an updated C-102, and that's exactly  
7 what you're looking at there, Exhibit 9.

8 Exhibit 10 was also at the request of the  
9 Examiners. This is an affidavit from engineer Landon  
10 Riser. He has attached to his affidavit the AFE that  
11 was originally circulated, and what he's done is  
12 testified in this affidavit that although the surface  
13 location of the well moved, the AFE numbers have not  
14 changed. I believe that was at the request of Examiner  
15 McMillan.

16 Exhibit 11 is my supplemental Affidavit of  
17 Notice. This reflects my efforts to chase down the  
18 overrides. All green cards I received as of yesterday  
19 are attached to the supplemental Affidavit of Notice.  
20 That's Exhibit 11.

21 Exhibit 12 is the first of our two  
22 publications dating back to January 11th in which we  
23 tracked -- had attempted to track down but ultimately  
24 had to publish to an R. F. Hare, Trustee. I believe  
25 Examiner McMillan had noted that this particular letter

1 had been returned to sender, so we had published that to  
2 that individual on January 11th.

3 Finally, Exhibit 13. This is again with  
4 respect to the overrides. This is publication to the  
5 folks who neither were unlocatable because we got a  
6 return to sender or simply didn't return a green card.  
7 So we did a belt-and-suspenders approach with them and  
8 published notice to them.

9 Those are my exhibits. I'd move the  
10 admission of these exhibits at this time.

11 EXAMINER JONES: Any objection?

12 MS. KESSLER: No objection.

13 EXAMINER JONES: So we've got Exhibit 2  
14 revised, Number 9, Number 11 and Number 13. I missed  
15 one, I'm sure. From 11, it goes straight to 15?

16 MR. McMILLAN: No. Exhibit 12 is the first  
17 of the two published notices. Exhibit 13 is the second.

18 EXAMINER JONES: Those exhibits are all  
19 admitted in Cimarex Case 15755.

20 (Cimarex Energy Company Exhibit Numbers 2,  
21 9, 10, 11, 12 and 13 are offered and  
22 admitted into evidence.)

23 MR. McMILLAN: And we'd ask the case be  
24 taken under advisement.

25 EXAMINER JONES: Case 15755 is taken under

1 advisement.

2 Thank you.

3 MR. McMILLAN: Great. Thank you.

4 (Case Number 15755 concludes, 8:31 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 13th day of February 2018.

21

22

23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2018  
Paul Baca Professional Court Reporters

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