

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: 22295, 22297
22333

APPLICATIONS OF CIMAREX ENERGY CO.
FOR HORIZONTAL SPACING UNITS AND
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
FEBRUARY 17, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER KATHLEEN MURPHY on
Thursday, February 17, 2021, through the Webex Platform.

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 Cimarex:

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I N D E X

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1 HEARING EXAMINER BRANCARD: So let's move on to
2 the last three items and see where we are on this. These
3 were listed as contested cases. This is Case 22295, Case
4 22297 and 22333, Cimarex Energy.

5 MR. BRUCE: Mr. Examiner, Jim Bruce on behalf of
6 Cimarex.

7 HEARING EXAMINER BRANCARD: Thank you. And I
8 have an entry from Chevron USA Inc.

9 MR. FELDEWERT: Yes, Mr. Examiner, Michael
10 Feldewert with the Santa Fe Office of Holland & Hart on
11 behalf of Chevron.

12 HEARING EXAMINER BRANCARD: So Mr. Feldewert, I
13 assume you still want these cases to be contested?

14 MR. FELDEWERT: In the sense, Mr. Examiner, that
15 I have questions of the, of the witnesses.

16 HEARING EXAMINER BRANCARD: Okay. Mr. Bruce, are
17 your witnesses available today?

18 MR. BRUCE: Yes, Mr. Examiner, but something has
19 come up. And actually, I thank Mr. Feldewert for alerting.
20 I'm going to make your day easier, let's put it that way.

21 Mr. Feldewert alerted me to an issue that I did
22 not know of, but I think it requires a little time to sort
23 out just like with those White City Wells. There,
24 apparently with respect to the Bone Spring formation, may be
25 some overlapping spacing units.

1 Now, I think, but I'm not sure that proper
2 notice -- that notice was given to -- only as to the Bone
3 Spring formation, but I believe notice was given to
4 everyone, and everyone who owns an interest in the existing
5 well units is aware of this situation, but there is a chance
6 that Cimarex might need to file amended applications.

7 And Mike and I spoke about this, and so I think
8 at this time, it would be best to request a continuance and
9 for Cimarex and myself to check to see what needs to be done
10 with the application, and if new applications need to be
11 filed, they would be filed for the first April hearing.

12 And so maybe at this point Cimarex would request
13 that the cases be continued to the first April hearing, if
14 that is permissible, if not, to a later one. But if new
15 applications need to be filed at least with respect to the
16 Bone Spring, they would take care of it by that time and
17 send out new notice.

18 HEARING EXAMINER BRANCARD: Mr. Feldewert,
19 thoughts?

20 MR. FELDEWERT: Mr. Bruce accurately reflected, I
21 believe, the concerns. And you know, it's up to Cimarex
22 obviously how it wants to proceed.

23 MR. BRUCE: Mr. Examiner, I would rather get
24 a -- you know, a short continuance and make sure we have
25 everything right rather than go through the hearing and then

1 have to re-congregate somewhere down the road.

2 MR. FELDEWERT: And let me say, I'm not objecting
3 to a continuance, Mr. Examiner, if that's how Cimarex wants
4 to proceed here.

5 HEARING EXAMINER BRANCARD: But these -- Mr.
6 Feldewert, do you still object to these cases going forward
7 by affidavit in the future?

8 MR. FELDEWERT: Yes. Yes, but, again, only --
9 it won't take a lot of time because I only have questions
10 about the -- of the Cimarex witnesses with respect to their,
11 to their plan.

12 MR. BRUCE: And I would have witnesses available,
13 Mr. Examiner.

14 HEARING EXAMINER BRANCARD: Okay. And Chevron
15 does not have -- does not intend on filing competing cases?

16 MR. FELDEWERT: Correct, Mr. Examiner.

17 HEARING EXAMINER BRANCARD: Okay. You all are
18 just competing on the the acreage to the north, the three
19 sections to the north and these are the Southern Hill two
20 sections to the south.

21 MR. FELDEWERT: You got it.

22 HEARING EXAMINER BRANCARD: So you were looking
23 for April which is --

24 MR. BRUCE: Well, if new or amended applications
25 have to be filed for the Bone Spring cases, we would file

1 them for the first April hearing.

2 HEARING EXAMINER BRANCARD: Oh, that quickly.

3 Okay, let me just --

4 MR. BRUCE: We are here to make your life
5 miserable, Mr. Brancard.

6 HEARING EXAMINER BRANCARD: Well, so you are
7 talking about April 7?

8 MR. BRUCE: Correct.

9 HEARING EXAMINER BRANCARD: Marlene will scream,
10 but, okay, April 7. And I guess I can just do an amended
11 prehearing order because we already have a prehearing order
12 in this case; correct?

13 MR. BRUCE: Correct. And I would have to --
14 yeah, and I would have to amend my exhibit packages
15 accordingly, so --

16 HEARING EXAMINER BRANCARD: All right. Are there
17 any other interested persons for Cases 22295, 22297 or
18 22333? Ms. Murphy, did you have any comments or questions?

19 TECHNICAL EXAMINER MURPHY: I was just going to
20 commend Cimarex on their fine C-102s that are filled out
21 totally, and mention it's under Mr. Bruce's watch.

22 MR. BRUCE: It's not due to me. Thank you.

23 HEARING EXAMINER BRANCARD: All right. So with
24 that, Cases 22295, 22297, 22333 will be continued again to a
25 contested hearing on April 7.

1 MR. BRUCE: Thank you.

2 HEARING EXAMINER BRANCARD: Continuances need to
3 be filed, and I will send out an amended prehearing order.
4 Everybody okay with that?

5 MR. FELDEWERT: Yes, thank you.

6 MR. BRUCE: Thank you.

7 HEARING EXAMINER BRANCARD: Anything else to come
8 before us for the good of the republic?

9 MR. BRUCE: No, no, but since it's been a
10 miserable week, I can't wait for Miller time tonight.

11 HEARING EXAMINER BRANCARD: I hope you drink
12 something better than that. Anyway, thank you all and we'll
13 see you in two weeks.

14 MR. FELDEWERT: Thank you.

15 (Continued.)

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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 virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 17th day of February 2022.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-22

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