

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Meeting Minutes
Regular Meeting
March 10, 2022

The Oil Conservation Commission meeting was held via Webex Meeting Platform.

MEMBERS PRESENT:

Adrienne Sandoval	Chair, Oil Conservation Division
Greg Bloom	Designee, New Mexico State Land Office Commissioner
William Ampomah	Designee, Energy, Minerals and Natural Resources Department

OTHERS PRESENT:

Christopher Moander, Commission Counsel
Florene Davidson, Commission Clerk

The hearing was called to order by Chair Sandoval at approximately 9:08 a.m.

Item 1. Roll Call

Action: Roll was taken; a quorum was present.

Item 2. Approval of the Agenda.

Action: Commissioner Bloom made a motion to adopt the agenda and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

Item 3. Approval of the February 22, 2022 Meeting Minutes

Action: Commissioner Bloom made a motion to approve the February 22, 2022 minutes and Commissioner Ampomah seconded the motion. A roll call vote was taken, and the motion carried.

Item 4. Adoption of final order in Case No. 21324, De Novo Case No. 21902: Application of Tom M. Ragsdale to Revoke Order Nos. R-20924 and R-20924-A or, in the Alternative, to Declare Unreasonable Certain Costs Imposed by Mewbourne Oil Co.

Action: Chair Sandoval advised that all Commissioners have reviewed the proposed order. Commissioner Bloom made a motion to adopt the order. Commissioner Ampomah seconded the motion. A roll call vote was taken, and the motion carried. Order No. R-21631-A was entered in Case No. 21324, De Novo Case No. 21902.

Item 5. Continuance of Evidentiary Hearing on Invalidation of Division Order: De Novo Case No. 21744: (Case No. 21629): Application of Cimarex Energy Co. for Hearing De Novo of Case No. 21629, Eddy County, New Mexico. The New Mexico Oil Conservation Division issued Order No. R-21575 in Case No. 21629. Magnum Hunter Production, Inc., an affiliate of Cimarex Energy Co. (collectively referred to herein as “Cimarex”) owned a working interest in the unit pooled by Order No. R- 21575, issued pursuant to a hearing held before the Division on January 7, 2021. Cimarex, a party of record adversely affected by Order No. R-21575, requests that the matter raised in this case be heard de novo before the Oil Conservation Commission pursuant to NMSA 1978, §70- 2-13.

Action: Appearances were made by Ernest Padilla for Colgate Operating, LLC (Colgate) and Darin Savage for Cimarex Energy Co. (Cimarex). The following motions were addressed by Mr. Savage and Mr. Padilla:

Cimarex’s Motion to Include an Additional Procedural Option for Consideration by the Commission in the Evidentiary Hearing Continued to March 10, 2022, filed with the Commission on March 4, 2022; Colgate’s Response to Cimarex’s Motion filed on March 8, 2022; and Cimarex’s Reply to Colgate’s Response filed on March 8, 2022. Counsel Moander advised that the motions can be discussed when the Commission closes the meeting for deliberations.

Mark Hajdik, Landman with Colgate, was recalled for cross-examination by Mr. Savage, Commissioner Ampomah, and Chair Sandoval. After redirect examination by Mr. Padilla, Mr. Hajdik was excused and the evidentiary portion of the hearing was closed.

Closing statements were made by Mr. Savage and Mr. Padilla. The record of this hearing was closed. After a motion by Commissioner Bloom to close the meeting pursuant to NMAC 1978, Section 10-15-1(H) to deliberate on Case No. 21629 and the opposing motions filed by counsel, De Novo Case No. 21744 and a second to the motion by Commissioner Ampomah, a roll call vote was taken. The motion carried. The meeting was closed for deliberations. After a motion by Commissioner Bloom to go back into open session pursuant to NMAC 1978, Section 10-15-1(H), and a second to the motion by Commissioner Ampomah, a roll call vote was taken. The motion carried. The meeting came back into open session. Chair Sandoval announced that the evidentiary hearing of Case 21629, De Novo Case No. 21744, and opposing motions filed by counsel were the only matters discussed during the closed session. Commissioner Bloom made a motion to adopt the Commission’s findings that Colgate did enter into negotiations with Cimarex based upon the timeline, and Colgate was within its right to move forward with compulsory pooling. Commissioner Ampomah seconded the motion. A roll call vote was taken and the motion carried. Commissioner Bloom made a motion to deny Cimarex’s Motion to Include an Additional Procedural Option for Consideration by the Commission in the Evidentiary Hearing Continued to March 10, 2022. Commissioner

Ampomah seconded the motion. A roll call vote was taken. The motion carried. Mr. Moander stated he will draft an order in this case to be discussed and approved at the June 9, 2022 Commission meeting. After a discussion between all parties and the Commission, a status conference in this evidentiary hearing was scheduled for the Commission hearing to be held on April 14, 2022.

Item 6. Upon an unopposed motion for continuance, Case No. 21733: Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico, was continued to June 9, 2022.

Item 7. Pending legislation

Action: Counsel Moander advised that he is still awaiting a ruling from the Court of Appeals in Case A-1-CA-39578.

Item 8. Other business

Action: There was no other business.

Item 9. Next meeting

Action: The next meeting will be held on April 14, 2022.

Item 10: Adjournment

Action: Chair Sandoval adjourned the meeting at 2:30 p.m.



Adrienne Sandoval
Chair