

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 CO.
OF COLORADO TO REOPEN CASE NO. 22145
(ORDER NO. R- 21892) FOR A HORIZONTAL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 22577

APPLICATION OF CIMAREX ENERGY CO.
OF COLORADO TO REOPEN CASE NO. 22146
(ORDER NO. R- 21893) FOR A HORIZONTAL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 22578

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MARCH 3, 2022
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 DEAN McCLURE on
Thursday, March 3, 2022, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

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A P P E A R A N C E S

For Cimarex:

DARIN SAVAGE
ABADIE & SCHILL
214 McKenzie Street
Santa Fe, New Mexico 87501

For Colgate Operating:

DANA HARDY
HINKLE SHANOR LLP
P.O. Box 0268
Santa Fe, NM 87504
505-982-4554

I N D E X

CASE CALLED	
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	Admitted
All Exhibits and Attachments	06

1 HEARING EXAMINER BRANCARD: With that, I will
2 call Cases 22577 and 22578, again Cimarex Energy.

3 MR. SAVAGE: Darin Savage with Abadie & Schill
4 appearing on behalf of Cimarex Energy Company of Colorado is
5 the entity in this case.

6 HEARING EXAMINER BRANCARD: Thank you. Colgate
7 Operating?

8 MS. HARDY: Dana Hardy with Hinkle Shanor on
9 behalf of Colgate Operating.

10 HEARING EXAMINER BRANCARD: Thank you. Any other
11 interested persons for Cases 22577, 22578?

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: Hearing none, Mr.
14 Savage, it's yours.

15 MR. SAVAGE: Thank you. In these cases Cimarex
16 seeks to cure personal service by letter to Colgate. In
17 Case 22577, Cimarex seeks to reopen Case 22145 and address
18 Orders Number R-21892 which establishes the standard 320
19 acre more or less spacing unit comprised of the N/2 S/2 of
20 Section 16 and 17, and pooled -- and pooling all
21 uncommitted interests underlying the unit in the Bone Spring
22 formation now dedicated to Parkway 16-17 3H well. In
23 case -- and let me get you the township range for those.
24 That's Township 19 South, Range 29 East, Eddy County.

25 In Case Number 22578, Cimarex seeks to reopen

1 Case 22146 and address Order RR-21893 which established a
2 standard 160 acre, more or less, spacing unit comprised of
3 the S/2 S/2 of Section 16 and pool all uncommitted interests
4 underlying the unit in the Bone Spring Formation now
5 dedicated to the Parkway 16 State Com 4H Well within the
6 same township, range.

7 In Exhibit A, Tab 2, landman Mr. Riley Morris,
8 who is familiar with the subject lands and who has
9 credentials that have been accepted by the Division as an
10 expert witness testifies that Cimarex is in good standing,
11 under the existing pooling orders. It has done a diligent
12 search of its mailing lists for the unit and discovered that
13 Colgate did not receive personal services.

14 However, Colgate was listed in the breakdown of
15 ownership exhibits used in the pooling cases as an
16 uncommitted working interest owner and was pooled with the
17 other owners listed.

18 Furthermore, the chronology of contact exhibits
19 in the cases show that Cimarex made good-faith attempts to
20 reach voluntary agreement with Colgate prior to the hearing.
21 Cimarex's only oversight was not sending the notice letter
22 because its mailing list inadvertently had not been updated.

23 Mr. Morris seeks reopening the cases to
24 effectuate letter notice and provide Colgate the opportunity
25 to make an appearance which it done and address any

1 concerns.

2 Exhibit B is a hearing packet, contains a copy of
3 the notice letter which shows the personal service by letter
4 to Colgate was sent and received, and in this case also
5 needs to be amended to show the status of the mailing.

6 We respectfully ask the Division to note these
7 facts and amend Orders R-21892 and R-21893 that pool the
8 interests in the unit and designate Cimarex as the operator.

9 We request Exhibits A and B for these two cases
10 and related sub exhibits be admitted into the record and
11 that Cimarex's application be taken under advisement.

12 HEARING EXAMINER BRANCARD: Thank you. Any
13 questions or objections from Colgate?

14 MS. HARDY: No questions or objections. Thank
15 you.

16 HEARING EXAMINER BRANCARD: Mr. McClure.

17 TECHNICAL EXAMINER McCLURE: I don't have any
18 questions on these two cases either. The only thing I might
19 add, though, is the current status of the packet that was
20 sent to Colgate looks like it was the same packet for all
21 four of these cases. The current reported status is in
22 transit to next facility as of February 16, 2022.

23 MR. SAVAGE: Okay. We will -- thank you, Mr.
24 McClure. We will update those and make sure the Division
25 and Ms. Hardy receives copies.

1 HEARING EXAMINER BRANCARD: Thank you. Are there
2 any other interested persons for Cases 22577, 22578?

3 (No audible response.)

4 HEARING EXAMINER BRANCARD: Hearing none, cases
5 22577, 22578, the exhibits will be admitted into the record.
6 The cases will be taken under advisement and we will leave
7 the record open for additional notice information that
8 Cimarex can provide.

9 MR. SAVAGE: Thank you.

10 MS. HARDY: Thank you.

11 (Exhibits admitted.)

12 (Taken under advisement.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

5 I, IRENE DELGADO, New Mexico Certified Court
6 Reporter, CCR 253, do hereby certify that I reported the
7 foregoing virtual proceedings in stenographic shorthand and
8 that the foregoing pages are a true and correct transcript
9 of those proceedings to the best of my ability.

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

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

16 Dated this 3rd day of March 2022.

17

/s/ Irene Delgado

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

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