

3 IN THE MATTER OF THE HEARING CALLED
4 BY THE OIL CONSERVATION DIVISION FOR
5 THE PURPOSE OF CONSIDERING:

ORIGINAL

5 APPLICATION OF CIMAREX ENERGY
6 COMPANY FOR A NONSTANDARD SPACING
7 AND PRORATION UNIT, PROJECT AREA
8 AND COMPULSORY POOLING, EDDY
9 COUNTY, NEW MEXICO.

CASE NO. 15619

Consolidated with

9 APPLICATION OF CIMAREX ENERGY
10 COMPANY FOR A NONSTANDARD SPACING
11 AND PRORATION UNIT, PROJECT AREA
12 AND COMPULSORY POOLING, EDDY
13 COUNTY, NEW MEXICO.

CASE NO. 15620

12 REPORTER'S TRANSCRIPT OF PROCEEDINGS

13 EXAMINER HEARING

14 February 2, 2017

15 Santa Fe, New Mexico

16 BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
17 DAVID K. BROOKS, LEGAL EXAMINER

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18 This matter came on for hearing before the
19 New Mexico Oil Conservation Division, Phillip Goetze,
20 Chief Examiner, and David K. Brooks, Legal Examiner, on
21 Thursday, February 2, 2017, at the New Mexico Energy,
22 Minerals and Natural Resources Department, Wendell Chino
23 Building, 1220 South St. Francis Drive, Porter Hall,
24 Room 102, Santa Fe, New Mexico.

22 REPORTED BY: Mary C. Hankins, CCR
23 New Mexico CCR #20
24 Paul Baca Professional Court Reporters
25 500 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 MOBIL PRODUCING TEXAS & NEW MEXICO, INC.

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ALSO PRESENT: James Bruce, Esq.

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EXHIBITS OFFERED AND ADMITTED

(No exhibits offered.)

1 (8:21 a.m.)

2 EXAMINER GOETZE: Therefore, we will start
3 with Case Number 15619, application of Cimarex Energy
4 nonstandard spacing and proration unit, project area and
5 compulsory pooling Eddy County, New Mexico, along with
6 Case Number 15620, application of Cimarex Energy Company
7 for a nonstandard spacing and proration unit, project
8 area and compulsory pooling, Eddy County, New Mexico.

9 Call for appearances.

10 MS. BRADFUTE: Mr. Examiners, my name is
11 Jennifer Bradfute, and I'm with the Modrall Sperling Law
12 Firm here on behalf of Cimarex Energy.

13 MS. KESSLER: Jordan Kessler, from the
14 Santa Fe office of Holland & Hart, on behalf of Mobil
15 Producing Texas & New Mexico.

16 EXAMINER GOETZE: Very good. Proceed.

17 MS. BRADFUTE: Mr. Examiner, this case was
18 continued from the January 19th docket because the
19 Affidavit of Notice hadn't been published outside the
20 ten-day business period. The Affidavit of Publication
21 was presented as an exhibit at the hearing on January
22 19th, so we continued the hearing to this date in order
23 to see if anyone appeared at the hearing to present any
24 objections to the applications.

25 EXAMINER GOETZE: So we're fulfilling the

1 time requirements, and there are no additional
2 requirements as far as applications of notice or
3 anything along that. So we have no more exhibits?

4 MS. BRADFUTE: That's right.

5 EXAMINER GOETZE: So you would like to
6 proceed with taking the case under advisement?

7 MS. BRADFUTE: Yes, I would, Mr. Examiner.

8 MS. KESSLER: No objection.

9 EXAMINER GOETZE: No objections.

10 Very good. Case Numbers 15619 and 15620
11 are taken under advisement. Thank you very much.

12 EXAMINER BROOKS: Let me make a statement
13 about the case.

14 EXAMINER GOETZE: Oh, wait a minute.

15 EXAMINER BROOKS: I'm going to make a
16 statement about this case because I was thinking about
17 it driving in this morning. And in reality, I believe
18 we should require and I will advise the Division to
19 require in the future in cases like publication, because
20 the interpretation is not clear, but it seems to be
21 necessarily -- to me to be necessarily reasonable to --
22 and I will discuss it with the director before adopting
23 a new policy. But it seems to me that there is -- in
24 cases of this type where a publication affidavit --
25 where a published -- a notice is published late, that it

1 should be republished rather than merely delaying the
2 hearing two weeks.

3 The reason it seems that way is because it
4 is very unlikely that anybody is going to appear at a
5 hearing pursuant to a published notice, of course. It's
6 so unlikely that maybe we should disregard it
7 altogether. But at the same time, it's even more
8 unlikely that anybody has read any notice in the
9 newspaper after January the whatever and finds out that
10 there was a hearing on that date that's already past is
11 going to come in and appear on a hearing two weeks later
12 that is not mentioned in the notice. So I just put that
13 out for information.

14 MS. BRADFUTE: Okay. Thank you.

15 EXAMINER GOETZE: Okay. Thank you.

16 MR. BRUCE: Mr. Examiner, Mr. Brooks is
17 incorrect because I've had three cases with people that
18 showed up from publication. Mr. Carr can explain those.

19 (Laughter.)

20 EXAMINER BROOKS: But did they show up on
21 the date published, or did they show up on some other
22 date?

23 MR. BRUCE: They -- they -- they filed
24 applications to vacate the pooling orders.

25 EXAMINER BROOKS: Oh.

1 EXAMINER GOETZE: Well, evidently the
2 attorneys will have to discuss this at length to come
3 forward with some guidance, I'm sure.

4 EXAMINER BROOKS: Yes. This is strictly a
5 legal issue.

6 EXAMINER GOETZE: Very good. That'll be it
7 for this case.

8 MS. BRADFUTE: Thank you.

9 (Case Numbers 15619 and 15620 conclude,
10 8:25 a.m.)
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16 I do hereby certify that the foregoing is
17 a complete record of the proceedings in
18 the examination hearing of Case No. 15619/15620
19 heard by me on Feb. 2, 2017.
20 *Phillip A. Goetze*, Examiner
21 Oil Conservation Division
22
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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3
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
21 

22 MARY C. HANKINS, CCR
23 Certified Court Reporter
24 New Mexico CCR No. 20
25 Date of CCR Expiration: 12/31/2017
Paul Baca Professional Court Reporters