

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: 21697, 21698

APPLICATION OF CIMAREX ENERGY COMPANY  
TO AMEND ORDERS R-21324 AND R-21325,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
March 4, 2021  
Santa Fe, New Mexico

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on  
Thursday, March 4, 2021, 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 the Applicant:

LANCE HOUGH  
MODRALL SPERLING ROEHL HARRIS & SISK PA  
500 4th Street, NW, Suite 1000  
Albuquerque, NM 87102  
505-848-9710

For EOG:

ADAM RANKIN  
HOLLAND & HART  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501  
505-954-7286

I N D E X

CASE CALLED	
SUMMARY OF CASE AND EXHIBITS	03
TAKEN UNDER ADVISEMENT	05
REPORTER CERTIFICATE	06

E X H I B I T I N D E X

	Admitted
All Exhibits and Attachments	06

1 HEARING EXAMINER ORTH: The next two cases, 21697  
2 and 21698, Cimarex Energy is the applicant, request to amend  
3 earlier orders. The name of the well is Hayduke.

4 Mr. Hough, is that you I see?

5 MR. HOUGH: Yes, Madam Examiner. Lance Hough  
6 from Modrall Sperling on behalf of Cimarex Energy.

7 HEARING EXAMINER ORTH: I saw an entry of  
8 appearance by EOG. Mr. Rankin, are you here for EOG?

9 MR. RANKIN: Good morning, Madam Hearing Officer,  
10 appearing on behalf of EOG Resources, Adam Rankin of the law  
11 office of Holland & Hart, and we do not oppose this case  
12 proceeding by affidavit.

13 HEARING EXAMINER ORTH: Thank you very much.  
14 Mr. Hough?

15 MR. HOUGH: I would like to present these two  
16 cases as consolidated, 21697 and 21698. And so as provided  
17 here, these are both applications to amend prior pooling  
18 orders to allow for a one year extension of time to commence  
19 drilling operations.

20 These orders are R-21324 and R-21325, and order  
21 21324 pools the Bone Spring formation in the W/2 W/2 of  
22 Section 34, Township 25 South, Range 26 East, in the W/2 W/2  
23 of Section 3, Township 26 South, Range 26 East, Eddy County.

24 And Order R-21325 pools the Bone Spring formation  
25 in the E/2 W/2 of Section 34, Township 25 South, Range 26

1 East in the E/2 W/2 of Section 3, Township 26 South, Range  
2 26 East. An extension of one year of time with the new  
3 drilling deadline would be May 7, 2022.

4 As provided in the hearing packet, Exhibit A is  
5 the self-affirmed declaration of Riley Morris. Among other  
6 things he testifies that good cause exists for the request  
7 for an extension of time because of due to the current  
8 market conditions (unclear) drilling schedule for the  
9 development area.

10 Also provided in the exhibits are A-1 through  
11 A-4. Those are the applications to the case or cases and  
12 the two orders.

13 Provided in Exhibit B is my affidavit of notice,  
14 and that's reflected in Exhibits B-1 to B-3. Notice was  
15 timely sent to interested parties, and as well as notice was  
16 published timely in the newspaper of local circulation.

17 So unless there are any questions, I would ask  
18 that the exhibits be admitted into the record and this  
19 matter be taken under advisement.

20 HEARING EXAMINER ORTH: Thank you, Mr. Hough.  
21 Mr. Rankin, do you have any questions.

22 MR. RANKIN: No questions, Madam Hearing Officer.

23 HEARING EXAMINER ORTH: Mr. Lamkin, any  
24 questions?

25 TECHNICAL EXAMINER LAMKIN: I don't have any

1 questions, either. Thank you.

2 HEARING EXAMINER ORTH: All right. Thank you,  
3 Mr. Hough. The exhibits are admitted and the matters taken  
4 under advisement.

5 (Exhibits admitted.)

6 (Taken under advisement.)

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1 STATE OF NEW MEXICO

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3 COUNTY OF BERNALILLO

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5 REPORTER'S CERTIFICATE

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

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

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

18 Dated this 4th day of March 2021.

19

/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-21

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