

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: 21701, 21702

APPLICATION OF CIMAREX ENERGY COMPANY
TO AMEND ORDERS R-21297 and R-21298,
LEA 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

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 05

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EXHIBITS

All Exhibits And Attachments 05

1 HEARING EXAMINER ORTH: Moving then to 21701 and
2 21702, Cimarex Energy, the applicant. More requests to
3 amend earlier orders. The wells are Grama Ridge and West
4 Grama Ridge. Mr. Hough, I trust you are here for Cimarex?

5 MR. HOUGH: That's correct, Madam Examiner.

6 HEARING EXAMINER ORTH: Let me pause in the event
7 there are other entries?

8 (No audible response.)

9 HEARING EXAMINER ORTH: No? Please go ahead.

10 MR. HOUGH: In these two cases Cimarex seeks to
11 amend Orders 21297 and 21298 to allow for a one year
12 extension of time to commence drilling operations. A one
13 year extension would meet the deadline for both of these
14 orders or these orders of April 28, 2022.

15 Order Number R-21297 will be Bone Spring
16 formation in the W/2 E/2 of Sections 6 and 7. That's
17 Township 22 South, Range 34 East in Lea County.

18 Order 21298 pooled the Bone Spring formations in
19 the E/2 E/2 of Section 7, Township 22 South, Range 34 East
20 in Lea County. I will say this, Order 21297, that acreage
21 is dedicated to the West Grama Ridge 76 Fed Com 1H well.
22 And the 21298 order is dedicated that acreage to the West
23 Grama Ridge 7 Fed Com 2H well.

24 Now, as provided in the hearing packet, Exhibit A
25 is the self-affirmed declaration of John Coffman. Also

1 provided here as he provided in his declaration, he has not
2 previously testified before the Division. It's a similar
3 matter as I testified before.

4 I want to walk through his qualifications for
5 him. His resume is also attached immediately to his
6 declaration. His declaration provides he attended Texas
7 University, received a bachelor of business administration,
8 energy and commerce, and graduated in May of 2018.

9 His experience in land matters dates back to May
10 2014 where he previously worked as a land (unclear) oil &
11 gas, and then as a contract land man at Conquest Energy, has
12 now worked as a landman for Cimarex since May of 2018.

13 He also provides that he has worked for Cimarex
14 involving the Permian Basin in New Mexico, primarily Lea
15 County, and he is familiar with the application.

16 So with that information, I would ask at this
17 time that he be -- I will tender him as an expert in
18 petroleum land matters.

19 HEARING EXAMINER ORTH: He is so recognized.

20 MR. HOUGH: Thank you. Moving on, he provides in
21 his declaration good cause exists for Cimarex's request for
22 extension of time due to current market conditions, and he
23 also provides that Cimarex adjusted their drilling schedule
24 as a result of the market conditions.

25 Now, as further provided in the hearing exhibits,

1 A-1 through A-4 are the applications and the orders
2 themselves.

3 Exhibit B is my affidavit of notice and as
4 reflected in B-1 through 3, the notice letters were mailed
5 timely to the interested parties as well as publication of
6 notice was issued in basically a newspaper of local
7 circulation, and that was done timely as well.

8 So if there are no questions, I would ask that
9 these exhibits be admitted into the record and this matter
10 be -- these matters be taken under advisement.

11 HEARING EXAMINER ORTH: All right. Thank you,
12 Mr. Hough. Mr. Lamkin, any questions?

13 TECHNICAL EXAMINER LAMKIN: No questions. Thank
14 you.

15 HEARING EXAMINER ORTH: All right, thank you.
16 The exhibits are admitted and two matters taken under
17 advisement. Thank you.

18 MR. HOUGH: Thank you, Madam Examiner.

19 (Exhibits admitted.)

20 (Taken under advisement.)

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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 4th day of March 2021.

18

/s/ Irene Delgado

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

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