

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.
for a Horizontal Spacing Unit and
Compulsory Pooling,
Eddy County, New Mexico Case Nos. 22018, 22019

Application of Colgate
Operating, LLC for Compulsory
Pooling, Eddy County, New Mexico Case No. 21629

REPORTER'S TRANSCRIPT OF PROCEEDINGS

STATUS CONFERENCE

JULY 1, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, and John Garcia, Technical Examiner, on July 1, 2021, via the Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources.

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

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C O N T E N T S

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1 (Time noted 9:31 a.m.)

2 EXAMINER BRANCARD: Okay. Now we are moving to
3 Item No. 5 and 6 on the agenda, Cases 22018, 22019. I
4 hope we can move through this one quickly.

5 Cimarex Energy. Who is here for Cimarex?

6 MR. SAVAGE: Good morning, Mr. Examiner. Darin
7 Savage present for Cimarex Energy Company.

8 EXAMINER BRANCARD: Thank you. Colgate
9 Operating?

10 COMMISSIONER PADILLA: Ernest L. Padilla for
11 Colgate Operating in both cases.

12 EXAMINER BRANCARD: Thank you. EOG Resources,
13 Inc?

14 MS. LUCK: Kaitlyn Luck with the Santa Fe Office
15 of Holland and Hart for EOG.

16 EXAMINER BRANCARD: Any other interested parties
17 in Cases 22019 and 22019? (Note: No response.)

18 All right. So my understanding is that
19 these are competing applications related to a case
20 currently pending before the Oil Conservation Commission.
21 Is that correct, Mr. Savage?

22 MR. SAVAGE: That is correct, Mr. Hearing
23 Examiner.

24 EXAMINER BRANCARD: I understand also that at
25 next week's Commission meeting you have a Prehearing

1 Conference in that matter.

2 MR. SAVAGE: July 8th we have a motion hearing
3 to decide the issues surrounding these applications.

4 EXAMINER BRANCARD: Okay. And at this point
5 there is a hearing scheduled for sometime in September
6 before the Commission?

7 MR. SAVAGE: As I understand, there is an open
8 question about which forum, whether the Commission or
9 Division would be the appropriate forum for hearing these.

10 I was hoping we could establish a date at
11 the Division level pending a decision with the Commission.

12 EXAMINER BRANCARD: I have brought this -- I
13 made the Commission Chair aware of these competing
14 applications, and so she is aware that you-all will -- can
15 bring this up next week before the Commission.

16 MR. SAVAGE: Okay.

17 EXAMINER BRANCARD: I really do think that's the
18 best place to organize what's going to happen here.

19 MR. SAVAGE: I appreciate that. We were
20 uncertain about how to proceed with that and wanted to get
21 things in place. But, you know, as long as everybody is
22 informed and, you know, in a position to make that
23 decision, that's fine with us.

24 EXAMINER BRANCARD: So that would be my
25 suggestion is to discuss this before the Commission next

1 week. If the Commission decides, I hope not, to send it
2 back to the Division, you-all could file hopefully some
3 sort of motion requesting a particular hearing date. And
4 As I mentioned, we're looking at, you know, October now,
5 so...

6 MR. SAVAGE: Right.

7 EXAMINER BRANCARD: Mr. Padilla, any concerns?

8 MR. PADILLA: I agree with you, Mr. Examiner, I
9 don't think that this case should go back to the Division
10 at all. I think that the competing applications should be
11 heard between -- before the Commission. That was my
12 understanding of where we were going.

13 Now, there's Motions to Dismiss by both
14 parties for different reasons, but you're correct, there
15 is already a September hearing to hear these cases in the
16 event that the dispositive motions are not approved. So I
17 think it makes sense that they all proceed to the
18 Commission level and be heard there, and not bifurcate
19 these cases between the Division and the Commission.

20 So that's my take on it, but I think a lot
21 can be resolved next week since we have hearings on the
22 respective motions that have been filed by both sides.

23 But, again, I think that this application
24 should be heard by the Commission at this point, because
25 we are in a de novo situation with the Commission, so that

1 would be heard there.

2 EXAMINER BRANCARD: Correct. You would have to
3 start all over anyway before the Commission.

4 MR. PADILLA: Yeah.

5 EXAMINER BRANCARD: Ms. Luck, any comments,
6 concerns?

7 MS. LUCK: No additional comments. EOG has
8 entered an appearance to preserve its rights in this case.
9 That is the only position it's taking at this point.

10 EXAMINER BRANCARD: Okay. We will -- I don't
11 know what we will do. We will continue this indefinitely
12 in hopes that the Commission gives us clear direction as
13 to how to handle this matter. So we will leave this next
14 week in the Commission hearing.

15 MR. SAVAGE: Thank you.

16 (Time noted 9:34 a.m.)

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1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, July 1,
8 2021, the proceedings in the above-captioned matter were
9 taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18 /s/ Mary Macfarlane
19 _____

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
License Expires: 12/31/2021

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