

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.
TO REOPEN CASE NO. 22147 (ORDER NO. R-21033-A)
FOR AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE.

CASE NO. 22575

APPLICATION OF CIMAREX ENERGY CO.
TO REOPEN CASE NO. 22148 (ORDER NO. R-21035-A)
FOR AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE.

CASE NO. 22576

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
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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	
SUMMARY OF CASE AND EXHIBITS	03
TAKEN UNDER ADVISEMENT	10
REPORTER CERTIFICATE	11

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

	Admitted
All Exhibits and Attachments	11

1 HEARING EXAMINER BRANCARD: With that, I believe
2 we are on Items 49 and 50, Cases 22575, 22576, Cimarex
3 Energy.

4 MR. SAVAGE: Good morning, Mr. Hearing Examiner,
5 Darin Savage with Abadie & Schill for Cimarex Energy
6 Company.

7 HEARING EXAMINER BRANCARD: And are you doing
8 these two cases together, or are you going to do them --

9 MR. SAVAGE: I would like to consolidate these
10 two cases and then consolidate the next two cases.

11 HEARING EXAMINER BRANCARD: Fine. Colgate
12 Operating?

13 MS. HARDY: Dana Hardy with Hinkle Shanor on
14 behalf of Colgate Operating.

15 HEARING EXAMINER BRANCARD: Do you have any
16 objection to these cases going ahead by affidavit?

17 MS. HARDY: Colgate has no objection.

18 HEARING EXAMINER BRANCARD: Thank you. Are there
19 any other interested persons for Cases 22575, 22576?

20 (No audible response.)

21 HEARING EXAMINER BRANCARD: Hearing none, you may
22 proceed, Mr. Savage.

23 MR. SAVAGE: Thank you. In these consolidated
24 Cases 22575 and 22576, Cimarex seeks to cure personal
25 service by letter to Colgate Operating LLC and Colgate

1 Energy.

2 In Case 22575, Cimarex seeks to reopen 22147 and
3 address orders Number R-21033-A which granted an extension
4 of the well commencement deadline for the pool unit in the
5 Bone Spring formation underlying the N/2 N/2 of Section 16
6 and 17, Township 19 South, Range 29 East, Eddy County, and
7 dedicated to the Parkway 16-17 State Com 1H well.

8 In Case Number 22576, Cimarex seeks to reopen
9 Case 22148 and address Order Number R-21035-A which granted
10 an extension of the well commencement deadline for the
11 pooled unit in the Bone Spring formation underlying the S/2
12 N/2 of the same sections and dedicated to the Parkway 16-17
13 State Com 2H Well.

14 Exhibit A, Tab 2, landman Mr. Riley Morris who is
15 familiar with the subject land and unit and his credentials
16 have been accepted as an expert witness in professional land
17 matters, has testified by affidavit that Cimarex is in good
18 standing under the statewide rules and existing pooling
19 orders, has done a diligent search to update his mailing
20 list for these units and discovered that Colgate did not
21 receive personal service.

22 Mr. Morris seeks to reopen the case to effectuate
23 notice and provide Colgate the opportunity to make an
24 appearance, which it has done, and address the concerns.

25 Exhibit B in the hearing packet contains a copy

1 of the notice letter, mailing report and green cards showing
2 that personal service by letter to Colgate was timely sent
3 and received.

4 We respectfully ask the Division to note these
5 facts and affirm Orders R-21033-A and R-21035-A that granted
6 the extension of the commencement deadlines.

7 At this time we request that Exhibits A and B for
8 these two cases and related sub exhibits be admitted into
9 the record and that Cimarex's application be taken under
10 advisement.

11 HEARING EXAMINER BRANCARD: Thank you. Ms.
12 Hardy, Colgate?

13 MS. HARDY: No questions and no objections,
14 Mr. Examiner.

15 HEARING EXAMINER BRANCARD: Thank you. Mr.
16 McClure?

17 TECHNICAL EXAMINER McCLURE: No questions here,
18 sir.

19 HEARING EXAMINER BRANCARD: Okay. All right.
20 Let's sort of clarify what you are trying to get at here,
21 Mr. Savage. You want us to affirm -- we are not good at
22 affirming, we are good at granting or denying. So how about
23 if we treat this like a request to amend the order to add a
24 party.

25 MR. SAVAGE: I agree, Mr. Hearing Examiner. I

1 debated how to approach that, and you know, the order would
2 not change, and I thought affirm would give the OCD the
3 discretion to do what it needed to do to make that
4 recognition of the new notice.

5 So amend, I agree with amend. I think that would
6 be a good way to go.

7 HEARING EXAMINER BRANCARD: It's not unusual. We
8 get the landman here --

9 MR. SAVAGE: It's an interesting philosophical
10 question, how do you cure something in retrospect. It seems
11 like the important thing that Colgate gets the opportunity
12 to appear and address any concerns, so we are happy to do
13 that.

14 HEARING EXAMINER BRANCARD: Okay. Let's look at
15 your exhibits. On the last page is your green card from
16 Colgate, which seems to be the entire point of this hearing.

17 MR. SAVAGE: That's correct.

18 HEARING EXAMINER BRANCARD: But nobody from
19 Colgate signed it.

20 MR. SAVAGE: It was sent to the correct address,
21 utilizing Colgate's address confirmed in its e-mail, you
22 know.

23 HEARING EXAMINER BRANCARD: You got this green
24 card back, but nobody signed it?

25 MR. SAVAGE: That's the condition it came back

1 in. That's interesting, a lot of green cards don't come
2 back at all, some green cards come back in various states of
3 condition. It was mailed in the mailing report 2-9-22,
4 looks like.

5 HEARING EXAMINER BRANCARD: Ms. Hardy, do you
6 have any information about your client and their reluctance
7 to sign green cards?

8 MS. HARDY: Mr. Examiner, I don't know what
9 happened here and I don't know whether they signed it or
10 not, but I know I received green cards back recently from
11 various parties that weren't signed, and it's something to
12 be signed by the post office and they state "Covid" on them.

13 So I'm not sure what's going on with the green
14 cards, Mr. Examiner.

15 HEARING EXAMINER BRANCARD: Okay. But this is an
16 actual returned green card; is that correct?

17 MR. SAVAGE: This is --

18 HEARING EXAMINER BRANCARD: Mr. Savage?

19 MR. SAVAGE: I'm sorry, I thought you were still
20 talking to Ms. Hardy. This is an actual returned green
21 card. Usually on mailing reports we list the status, and I
22 know we have the status for this from the -- from the post
23 office, and I can update -- this mailing report should have
24 that status on there as delivered, and I can update it and I
25 can submit it as a supplemental exhibit.

1 HEARING EXAMINER BRANCARD: Yeah, the previous
2 page in your exhibits is in tiny print, but it appears to be
3 a status report, but there is something under the delivered
4 or green card returned.

5 MR. SAVAGE: That is correct. And we have that
6 information, and I can get that to you.

7 HEARING EXAMINER BRANCARD: Okay. If you can
8 just do that, that would be great.

9 MR. SAVAGE: I would feel better, too.

10 HEARING EXAMINER BRANCARD: It seems like the
11 whole point of this exercise was to notify Colgate.

12 MR. SAVAGE: It was indeed.

13 HEARING EXAMINER BRANCARD: So --

14 MR. SAVAGE: I will confirm, I will have to do
15 that with the next set of mailing reports.

16 HEARING EXAMINER BRANCARD: I believe that's
17 true, yes. All right. Are there any other interested
18 persons then for Cases 22575, 22576? Any final comments,
19 Ms. Hardy?

20 MS. HARDY: Nothing from me, Mr. Examiner.

21 HEARING EXAMINER BRANCARD: So with that, the
22 exhibits in these cases will be admitted into the record.
23 The cases will be taken under advisement and the record left
24 open for any supplemental mailing information that Cimarex
25 can provide. Thank you.

1 MR. SAVAGE: Thank you.
2 (Exhibits admitted.)
3 (Taken under advisement.)
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REPORTER'S CERTIFICATE

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

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

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

Dated this 3rd day of March 2022.

/s/ Irene Delgado

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