

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 COMPANY )  
FOR COMPULSORY POOLING, LEA COUNTY, )  
NEW MEXICO )

CASE NO. 13,496

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

August 11th, 2005

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, August 11th, 2005, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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## I N D E X

August 11th, 2005  
 Examiner Hearing  
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## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	5
Exhibit 2	4	5
Exhibit 3	4	5

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## A P P E A R A N C E S

## FOR THE DIVISION:

GAIL MacQUESTEN  
 Deputy General Counsel  
 Energy, Minerals and Natural Resources Department  
 1220 South St. Francis Drive  
 Santa Fe, New Mexico 87505

## FOR THE APPLICANT:

JAMES G. BRUCE  
 Attorney at Law  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   8:22 a.m.:

3           EXAMINER JONES: Okay, with that let's call the  
4   first case this morning, Case Number 13,496, Application of  
5   Cimarex Energy Company for compulsory pooling, Lea County,  
6   New Mexico.

7           Call for appearances.

8           MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
9   representing the Applicant. I just have a brief statement  
10   and a few exhibits.

11          EXAMINER JONES: Any other appearances?

12          MR. BRUCE: Mr. Examiner, this case was heard a  
13   couple of months ago, and an order was issued. The order  
14   number is R-12,365.

15          The Application itself and the proposed  
16   advertisement for that case was for a well located at an  
17   orthodox oil well location in the southeast quarter,  
18   northwest quarter of Section 21 of 15 South, 36 East. The  
19   order itself specified a location, which was the location  
20   at that point, of 1830 feet from the north line and 1980  
21   feet from the west line of the section.

22          After the hearing, the surface owner informed  
23   Cimarex that he was going to install an irrigation system,  
24   so the well location was moved to 1830 feet from the north  
25   and west lines, to accommodate the surface owner.

1 But as a result of the terms of the order, the  
2 Applicant sent out a notice to the people who had not  
3 joined in the well as of this date and -- with the correct  
4 location. And the purpose of this Application is simply to  
5 correct that well location.

6 Submitted as Exhibit 1 is a statement of the  
7 landman who did appear at the original hearing, and  
8 attached to that letter are the letters sent out to the  
9 uncommitted working interest owners giving correct notice  
10 of the new well location and other data as required by  
11 Division Rule 1207.A.(1), together with a new AFE for the  
12 well.

13 Exhibit 2 is the affidavit of notice that was --  
14 or, excuse me, is my affidavit of notice regarding the  
15 certified mailing sent to the eight uncommitted working  
16 interest owners.

17 And finally, submitted as Exhibit 3 is a legal  
18 notice published in the Hobbs newspaper regarding the  
19 unlocatable people. There is testimony in the record from  
20 the original case regarding the efforts made to locate  
21 these people. And I think it covers all of the people who  
22 were -- did not receive notice the first go-around, or did  
23 not sign the green card on the first go-around.

24 I meant to give you my original affidavit and  
25 notice. With that, I would move the admission of Exhibits

1 1, 2 and 3 and ask that the matter be taken under  
2 advisement.

3 EXAMINER JONES: Exhibits 1, 2 and 3 will be  
4 admitted to evidence.

5 Is this the same entities before as after --

6 MR. BRUCE: Yeah, the same people before as  
7 after. I think in the first hearing a number of additional  
8 people were notified, but -- in the interim they had signed  
9 leases, but the same people who were force pooled in the  
10 same order, the first order, are still being pooled today.

11 EXAMINER JONES: And it's still an orthodox  
12 location, southeast --

13 MR. BRUCE: It is still an orthodox location, and  
14 it's a standard 40-acre oil pool.

15 EXAMINER JONES: Okay.

16 Gail, do you have any questions?

17 MS. MacQUESTEN: I have no questions, thank you.

18 EXAMINER JONES: Thank you, Mr. Bruce. Case  
19 13,496 will be taken under advisement.

20 (Thereupon, these proceedings were concluded at  
21 8:26 a.m.)

22 \* \* \* hereby certify that the foregoing is  
23 a complete record of the proceedings  
24 the Examiner hearing of Case No. \_\_\_\_\_  
25 heard by me on \_\_\_\_\_

\_\_\_\_\_, Examiner  
Oil Conservation Division