1 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 CASE NO. 13,925) FOR A NONSTANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING,) LEA COUNTY, NEW MEXICO ORIGINAL **REPORTER'S TRANSCRIPT OF PROCEEDINGS** EXAMINER HEARING 2007 フ NUL BEFORE: DAVID K. BROOKS, Jr., Legal Examiner 29 \bigcirc RICHARD EZEANYIM, Technical Examiner P June 21st, 2007 Π Santa Fe, New Mexico This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Jr., Legal Examiner, and RICHARD EZEANYIM, Technical Examiner, on Thursday, June 21st, 2007, 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.

> STEVEN T. BRENNER, CCR (505) 989-9317

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June 21st, 2007 Examiner Hearing		
CASE NO. 13,925		
APPEARANCES		
REPORTER'S CERTIFICA	ATE	
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	ЕХНІВІТЅ	
Applicant's	Identified	Admitted
Exhibit 5	4	5
Exhibit 51 Exhibit 6		5 5
EXHIDIC 6		5
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STEVEN T. BRENNER, CCR (505) 989-9317 APPEARANCES

FOR THE DIVISION:

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

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FOR THE APPLICANT:

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

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4 WHEREUPON, the following proceedings were had at 1 2 11:21 a.m.: EXAMINER BROOKS: Okay, at this time we'll call 3 4 Case Number 13,925, Application of Cimarex Energy Company 5 for a nonstandard spacing and proration unit and compulsory 6 pooling, Lea County, New Mexico. That was set for 7 supplementation of the record. 8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe, 9 representing the Applicant. I just have a few submissions 10 to make. 11 EXAMINER BROOKS: Okay. 12 MR. BRUCE: First, Mr. Examiner, submitted as 13 Exhibit 5 is the affidavit of notice regarding the people 14 who are being pooled in this case. There are quite a few of them noticed, and I haven't gotten back all the green 15 16 cards, so that was one item of the record that needed to be 17 supplemented, regarding... 18 Second of all, most of those people notified were 19 unlocatable, as was testified to at the hearing. And 20 submitted as Exhibit 6 is the affidavit of publication as 21 against those people. 22 And finally, the -- you had requested at the 23 prior hearing that -- although it wasn't specified in Rule 24 1210 that offset operators be notified --25 EXAMINER BROOKS: Correct.

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Solution and

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1	MR. BRUCE: And I had a plat and I lost that. I		
2	would ask that the matter be taken under advisement, but I		
3	will submit you with a plat, a land plat.		
4	The only offset operators in the Wolfcamp were		
5	just for the record, are Stephen and Johnson Operating		
6	Company, which operates Wolfcamp wells to the west of the		
7	proposed unit. Then Saber Resources, LLC, is the operator		
8	in the Wolfcamp to the southwest of the proposed well unit.		
9	To the south it is Cimarex itself which is the operator.		
10	And then if you'll recall in this case, the entire west		
11	half of this Section 31 is owned and operated by Cimarex,		
12	so there are no additional offset operators in those		
13	directions to the north or to the east.		
14	EXAMINER BROOKS: Very good.		
15	MR. BRUCE: And would ask that Exhibits 5, 5A and		
16	6 be made a part of the record.		
17	EXAMINER BROOKS: Okay, Exhibits 5, 5A and 6 will		
18	be admitted, and Case Number 13,925 will be taken under		
19	advisement.		
20	(Thereupon, these proceedings were concluded at		
21	11:25 a.m.)		
22	 * * (*do hereby cartify that the foregoing is a complete record of the proceedings in 		
23	the Examiner hearing of Case No.		
24	heard by me on, Examiner		
25	Oil Conservation Division		
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STEVEN T. BRENNER, CCR (505) 989-9317 STATE OF NEW MEXICO)) ss. COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL June 25th, 2007.

Rene

STEVEN T. BRENNER CCR No. 7

My commission expires: October 16th, 2010