

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION

4 ORIGINAL

5 IN THE MATTER OF THE HEARING CALLED
6 BY THE OIL CONSERVATION DIVISION FOR
7 THE PURPOSE OF CONSIDERING:

CASE NO. 14153

8 APPLICATION OF CIMAREX ENERGY COMPANY
9 FOR A NON-STANDARD OIL SPACING AND
10 PRORATION UNIT AND COMPULSORY POOLING,
11 LEA COUNTY, NEW MEXICO

12
13 REPORTER'S TRANSCRIPT OF PROCEEDINGS

14 EXAMINER HEARING

15
16 BEFORE: DAVID K. BROOKS, Legal Examiner
17 WILLIAM V. JONES, Technical Examiner
18 TERRY WARNELL, Technical Examiner

19 August 7, 2008

20 Santa Fe, New Mexico

21 This matter came on for hearing before the New Mexico
22 Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,
23 WILLIAM V. JONES, Technical Examiner, and TERRY WARNELL,
24 Technical Examiner, on Thursday, August 7, 2008, at the
25 New Mexico Energy, Minerals and Natural Resources Department,
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

26 REPORTED BY: JOYCE D. CALVERT, P-03
27 Paul Baca Court Reporters
28 500 Fourth Street, NW, Suite 105
29 Albuquerque, New Mexico 87102

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A P P E A R A N C E S

FOR THE APPLICANT:

James G. Bruce, Esq.
ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504

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EXHIBIT 3-A ADMITTED	3
REPORTER'S CERTIFICATE	5

1 MR. JONES: Okay. Let's go back on the record. And
2 I call Case No. 14153, Application of Cimarex Energy Company
3 for a Non-Standard Oil Spacing and Proration Unit and
4 Compulsory Pooling, Lea County, New Mexico.

5 Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
7 representing the applicant. I just have an additional
8 affidavit to submit.

9 MR. JONES: Any other appearances?

10 MR. BRUCE: Mr. Examiner, this case as submitted was
11 presented two weeks ago, and there was one additional party,
12 Nugent Family Operating Company, which I had sent notice to but
13 they had moved their offices, so I resent notice to them for
14 this hearing, and they have received the notice. That's
15 represented by my Exhibit 3-A. And I would just ask that
16 Exhibit 3-A be made part of the record, and this case be taken
17 under advisement. And I have spoken with Mr. Nugent, who runs
18 this company personally. He had no problems with the matter.

19 MR. JONES: Exhibit 3-A is admitted into evidence.

20 [Applicant's Exhibits 3-A admitted into evidence.]

21 MR. WARNELL: He had no objections?

22 MR. BRUCE: He had no objections. He thought he
23 might join in the well.

24 MR. JONES: Any questions?

25 MR. BROOKS: Sounds good to me.

1 MR. JONES: Okay. We will take Case No. 14153 under
2 advisement.

3 [Hearing concluded.]

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REPORTER'S CERTIFICATE

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

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 proceeding.

DATED this 7th of August, 2008.



JOYCE D. CALVERT
New Mexico P-03
License Expires: 7/31/09

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1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO)

3
4 I, JOYCE D. CALVERT, a New Mexico Provisional
5 Reporter, working under the direction and direct supervision of
6 Paul Baca, New Mexico CCR License Number 112, hereby certify
7 that I reported the attached proceedings; that pages numbered
8 1-4 inclusive, are a true and correct transcript of my
9 stenographic notes. On the date I reported these proceedings,
10 I was the holder of Provisional License Number P-03.

11 Dated at Albuquerque, New Mexico, 7th day of
12 August, 2008.

13
14 

15 Joyce D. Calvert
16 Provisional License #P-03
17 License Expires: 7/31/09

18
19 

20 Paul Baca, RPR
21 Certified Court Reporter #112
22 License Expires: 12/31/08
23
24
25

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CIMAREX ENERGY CO. FOR
A NON-STANDARD OIL SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

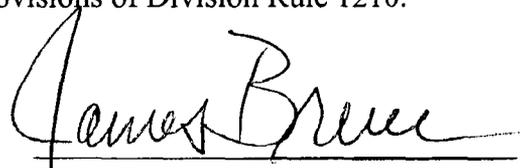
Case No. 14,153

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce, being duly sworn upon his oath, deposes and states:

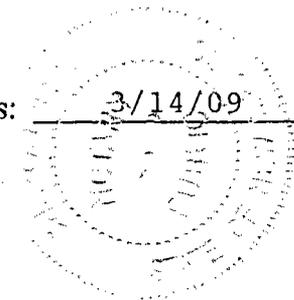
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Cimarex Energy Co.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rule 1210.

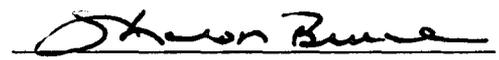


James Bruce

SUBSCRIBED AND SWORN TO before me this 4th day of August, 2008 by James Bruce.

My Commission Expires: 3/14/09





Notary Public

Oil Conservation Division
Case No. _____
Exhibit No. 3A

JAMES BRUCE
ATTORNEY AT LAW

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jamesbruc@aol.com

July 17, 2008

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by Cimarex Energy Co., regarding the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 15 South, Range 36 East, N.M.P.M., Lea County, New Mexico. This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 7, 2008, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date.

You are required to notify (in writing) the Division, and the undersigned, by Thursday, July 31, 2008 if you intend to participate in the hearing.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co.

EXHIBIT 

EXHIBIT A

Nugent Family Operating Company, L.P.
660 Preston Forest Center, Ste. 520
Dallas, TX 75230

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nugent Family Operating Company, L.P.
660 Preston Forest Center, Ste. 520
Dallas, TX 75230

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Tziyon R. Kadoka* Agent Addressee

B. Received by (Printed Name)

Tziyon R Kadoka

C. Date of Delivery

7-21-08

3. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

7007 3020 0001 2489 2342

PS Form 3811, February 2004

Domestic Return Receipt *Cx-C*

102595-02-M-1549