

Jones, William V., EMNRD

From: jamesbruc@aol.com
Sent: Saturday, February 14, 2009 9:28 AM
To: Jones, William V., EMNRD
Subject: Re: Case 14264 Cimarex NSP/CP/NSL heard 2/5/09

Will: Ownership in the NW/SW/4 is common with the W/2NW/4. Cimarex is the only WIO aside from the force pooled , unleased mineral owners.

Jim

-----Original Message-----

From: Jones, William V., EMNRD <William.V.Jones@state.nm.us>
To: jamesbruc@aol.com
Sent: Wed, 11 Feb 2009 3:05 pm
Subject: RE: Case 14264 Cimarex NSP/CP/NSL heard 2/5/09

Jim:
Thanks for this. Limiting formal notice to the affected parties in the offsetting 40 acre spacing and proration units for oil seems logical.

We were thinking after the hearing that since the W/2 NW/4 was being pooled, that the offsetting 40 acre tract to the south where the well was encroaching (operated by Cimarex) may then have diverse working interests?

If so, please confirm that Cimarex's partners (Wl owners) in the NW/4 SW/4 know about the NSL part of this application? (Makes sense they would know, but apparently no formal notice we nt out)

Probably apparent to you that I don't understand this fully.

Will

From: jamesbruc@aol.com [mailto:jamesbruc@aol.com]
Sent: Wednesday, February 11, 2009=2 010:52 AM
To: Jones, William V., EMNRD
Cc: Brooks, David K., EMNRD
Subject: Re: Case 14264 Cimarex NSP/CP/NSL heard 2/5/09

Will: Working interest ownership is not the same between the W/2NW/4 and W/2SW/4 (the SW/4SW/4 is a state tract). However, spacing in the Wolfcamp is 40 acres, so in these cases I have been notifying only the 40 acre offsets for purposes of both unorthodox locations and non-standard units. I do not think I need to notify all possible offset 80 acre units. (In Eddy County most wells are being drilled on 160 acre units, and I also have not been notifying all possible 160 acre offsets, only the offset 40s.)

But, let me know.

Jim