1	STATE OF NEW MEXICO			
	ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT			
2	OIL CONSERVATION DIVISION			
3	APPLICATION OF CIMAREX ENERGY CO.,			
	FOR A HORIZONTAL SPACING UNIT AND			
4	COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO			
5				
6	Case No. 22894			
7				
8				
9	REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS			
	July 21, 2022			
10	SANTA FE, NEW MEXICO			
11				
12	This matter came on for virtual hearing			
	before the New Mexico Oil Conservation Division,			
13	HEARING OFFICER WILLIAM BRANCARD and TECHNICAL			
	EXAMINER LEONARD LOWE on Thursday, July 21, 2022,			
14	through the Webex Platform.			
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22	Reported by: PAUL BACA COURT REPORTERS			
	500 4th Street, NW, Suite 105			
23	Albuquerque, New Mexico 87102			
	505-843-9241			
24				
25				
	Page 1			

1	APPEARANCES
2	CIMAREX ENERGY:
3	
	ABADIE & SCHILL PC
4	555 Rivergate Lane, Suite B4-180
	Durango, Colorado 81301-7485
5	BY: DARIN CHARDIN SAVAGE
	darin@abadieschill.com
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8	
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1	HEARING OFFICER BRANCARD: With that,
2	we're on item 58, Case 22894 Cimarex Energy Co.
3	MR. SAVAGE: Mr. Hearing Examiner,
4	Mr. Technical Examiner, good morning. Darin Savage
5	with Abadie and Schill, appearing on behalf of
6	Cimarex Co.
7	HEARING OFFICER BRANCARD: Thank you.
8	Are there any other interested persons
9	then for Case 22894?
10	Hearing none, Mr. Savage, you may proceed.
11	MR. SAVAGE: Thank you.
12	This case No. 22894 cover lands of the ${ t E}/2$
13	of Sections 12 and 13, Township 25 South, Range 28
14	East in Eddy County.
15	The landman for the case, Riley Morris has
16	testified before the Division as an expert witness
17	and his credentials have been accepted and made a
18	matter of record.
19	Likewise, Geologist Meera Ramoutar, and
20	that's spelled, M-E-E-R-A R-A-M-O-U-T-A-R, has
21	testified before the Division as an expert witness
22	and her credentials have been accepted and made a
23	matter of record.
24	In this case, Cimarex seeks an order
25	establishing a standard 640-acre spacing unit

1	comprised of the $E/2$ of Sections 12 and 13. And			
2	pooling all uncommitted interest owners, overriding			
3	royalty interest owners, record title owners of the			
4	Purple Sage; Wolfcamp Formation Pool Code 98220 of			
5	the underlying said unit.			
б	The unit will be dedicated to four wells:			
7	The Riverbend 12-13 Federal Com 1H Well, the			
8	Riverbend 12-13 Federal Com 2H Well, the Riverbend			
9	12-13 Federal Com 19H Well, and the Riverbend 12-13			
10	Federal Com 20H Well as initial wells.			
11	Orientation of the unit is standup north			
12	to south. The wells have nonstandard locations and			
13	Cimarex will be applying administratively for			
14	approval.			
15	Mr. Morris's Exhibit A for Case 22894			
16	includes his landman's affidavit, the C-102s and			
17	ownership breakdown, the well proposal letter with			
18	AFE, and a chronology of contacts.			
19	Ms. Ramoutar's Exhibit B for this case			
20	includes her affidavit along with the five standard			
21	geology exhibits plus a couple of additional well			
22	plat graphs as additional information for the OCD			
23	that show good potential for development as			
24	described in her affidavit.			
25	Exhibit C provides the affidavit of notice			

1	for mailings, publication notice. Notice was both			
2	timely sent and published as described in the			
3	affidavit. Only two overriding royalty interest			
4	owners had green cards undelivered as described in			
5	the landman affidavit and shown on the mailing			
6	report.			
7	Both Mr. Morris and Ms. Ramoutar affirm			
8	that the approval of this application is in the best			
9	interest of conservation, protection of correlative			
10	rights, and the prevention of waste, and will			
11	prevent the drilling of unnecessary wells.			
12	At this time, I move that Exhibits of A,			
13	B, and C and all sub exhibits be accepted into the			
14	record for Case 22894, and that the case be taken			
15	under advisement.			
16	I'm available for any questions. Thank			
17	you.			
18	HEARING OFFICER BRANCARD: Thank you.			
19	Mr. Lowe, questions?			
20	TECHNICAL EXAMINER LOWE: Good morning,			
21	Mr. Darin Savage.			
22	MR. SAVAGE: Good morning, Mr. Lowe.			
23	TECHNICAL EXAMINER LOWE: Just looking at			
24	your C-102s for these cases, only NSL on the north			
25	end and the south end of the wells is what I see, is			

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1	that the point areas?
2	MR. SAVAGE: Yes. And there's a little
3	bit of a side step on the 1H Well. It looks like on
4	the lateral, after that inflection point at the top,
5	it looks like that lateral moves oversteps about two
6	feet, 328 feet from the east line and then adjusts
7	and ends up 330 at the end from the east line, but
8	the end points, the lasting point, from first take
9	point are encroaching, and we also should account
10	for that 328 distance.
11	TECHNICAL EXAMINER LOWE: Okay. And all
12	these wells are being dedicated to the east half of
13	these two sections; is that correct?
14	MR. SAVAGE: That's correct.
15	TECHNICAL EXAMINER LOWE: Okay. And in
16	that case, then I only see the NSL in the northern
17	and then in the southern portion of this entire
18	spacing unit if that's the case.
19	MR. SAVAGE: For the 2H, 19H, and 20H,
20	that's correct. It looks to me that 1H, if you look
21	at the inflection point on that in the northeast
22	quarter of Section 12, it looks like there's a
23	little bit of deviation on the 330. But like I
24	said, it's just a little too deep.
25	TECHNICAL EXAMINER LOWE: Okay. We'll
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1	take a look at when the application comes in.
2	MR. SAVAGE: Okay.
3	TECHNICAL EXAMINER LOWE: And are all
4	these wells, it looks like they're all located in
5	the same surface location then, approximately?
6	MR. SAVAGE: That's correct. It looks
7	like they're coming from that Section 1 surface
8	location and then initiating at the top of Section
9	12.
10	TECHNICAL EXAMINER LOWE: And on your
11	C-102s, what are the red lines indicating?
12	MR. SAVAGE: You know, I think that they
13	include some contract areas up in there, but
14	that's I don't think that has that has some
15	lease information. It looks like it had some lease
16	information that they overlaid on that. That
17	doesn't seem to be relevant to the actual spacing
18	unit. So that looks like extraneous information to
19	me.
20	TECHNICAL EXAMINER LOWE: Okay. I just
21	wanted to understand. I assumed
22	MR. SAVAGE: I was wondering about that
23	when I first received those as well.
24	TECHNICAL EXAMINER LOWE: And then as well
25	as compulsory pooling, is there you might have

mentioned it, but there's quite a few of them; is				
that correct?				
MR. SAVAGE: In terms of parties?				
TECHNICAL EXAMINER LOWE: Yes.				
MR. SAVAGE: It looks there's about four				
working interest owners and let me look here, four				
main working interest owners. The rest are				
overriding royalty interest owners.				
TECHNICAL EXAMINER LOWE: Okay.				
MR. SAVAGE: (Audio interference.)				
TECHNICAL EXAMINER LOWE: Okay. Those are				
my questions. Thank you.				
MR. SAVAGE: Thank you.				
HEARING OFFICER BRANCARD: Thank you.				
So Mr. Savage, this well is being drilled				
on the W/2 of Section 1 and then it's kind of going				
diagonally across Section 1 of the E/2 of Section 1,				
and then going into the E/2 of Section 12. So you				
have a first take point on 1, so does that add depth				
then, which is still angling across Section 12 on				
1H?				
MR. SAVAGE: Mr. Brancard, that's what I				
understand when it initiates into the unit, I would				
anderbeama when it initiates the anity i would				
suspect that that is at the proper depth of their				

1	is, you know, it's a good question.			
2	If there's a specific			
3	HEARING OFFICER BRANCARD: Yeah, I don't			
4	know if there is an issue here. That's something			
5	I'm just curious about.			
6	MR. SAVAGE: I think as long as they			
7	account for the right of way of that traveling from			
8	the surface well location to the initiation of the			
9	unit, I think they should be fine. And I believe			
10	they have accounted for everything in that regard.			
11	HEARING OFFICER BRANCARD: Right. And so			
12	on the last Well 20H, it's a little hard to read.			
13	Is that, I don't know what, from the east line 23			
14	MR. SAVAGE: 2,310' from the east line.			
15	HEARING OFFICER BRANCARD: Ten?			
16	MR. SAVAGE: Yes.			
17	HEARING OFFICER BRANCARD: Okay. So that			
18	would get you a 330 to the edge of the unit; is that			
19	right?			
20	MR. SAVAGE: Correct.			
21	HEARING OFFICER BRANCARD: Okay. All			
22	right. Thank you.			
23	Are there any other interested persons			
24	then for Case 22894?			
25	Hearing none, the exhibits will be			
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1	admitted into the record and then Case 2284 will be
2	taken under advisement.
3	MR. SAVAGE: All right. Thank you.
4	(Proceedings concluded.)
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1	REPORTER'S CERTIFICATE
2	
3	I, EDWINA CASTILLO, DO HEREBY CERTIFY that I
4	did, in stenographic shorthand, transcribe the Zoom
5	Hearing set forth herein, and the foregoing pages
6	are a true and correct transcription to the best of
7	my ability. The Zoom Hearing was of poor quality
8	due to internet interference.
9	I FURTHER CERTIFY that I am neither employed by
10	nor related to nor contracted with any of the
11	parties or attorneys in this matter, and that I have
12	no interest whatsoever in the final disposition of
13	this matter.
14	
15	
16	
17	Edurina Castello
18	EDWINA CASTILLO, RPR, CCR
	Certified Court Reporter #407
19	License Expires: 12-31-2022
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	n 11
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[& - concluded]

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