


HEARING OFFICER BRANCARD: With that, we're on item 58, Case 22894 Cimarex Energy Co.

MR. SAVAGE: Mr. Hearing Examiner,
Mr. Technical Examiner, good morning. Darin Savage with Abadie and Schill, appearing on behalf of Cimarex Co.

HEARING OFFICER BRANCARD: Thank you.
Are there any other interested persons then for Case 22894?

Hearing none, Mr. Savage, you may proceed.
MR. SAVAGE: Thank you.
This case No. 22894 cover lands of the E/2 of Sections 12 and 13, Township 25 South, Range 28 East in Eddy County.

The landman for the case, Riley Morris has testified before the Division as an expert witness and his credentials have been accepted and made a matter of record.

Likewise, Geologist Meera Ramoutar, and that's spelled, $M-E-E-R-A R-A-M-O-U-T-A-R$, has testified before the Division as an expert witness and her credentials have been accepted and made a matter of record.

In this case, Cimarex seeks an order establishing a standard 640 -acre spacing unit
comprised of the E/2 of Sections 12 and 13. And pooling all uncommitted interest owners, overriding royalty interest owners, record title owners of the Purple Sage; Wolfcamp Formation Pool Code 98220 of the underlying said unit.

The unit will be dedicated to four wells: The Riverbend 12-13 Federal Com 1H Well, the Riverbend 12-13 Federal Com 2H Well, the Riverbend 12-13 Federal Com 19H Well, and the Riverbend 12-13 Federal Com $20 H$ Well as initial wells.

Orientation of the unit is standup north to south. The wells have nonstandard locations and Cimarex will be applying administratively for approval.

Mr. Morris's Exhibit A for Case 22894 includes his landman's affidavit, the $C-102 s$ and ownership breakdown, the well proposal letter with AFE, and a chronology of contacts.

Ms. Ramoutar's Exhibit $B$ for this case includes her affidavit along with the five standard geology exhibits plus a couple of additional well plat graphs as additional information for the OCD that show good potential for development as described in her affidavit.

Exhibit C provides the affidavit of notice
for mailings, publication notice. Notice was both timely sent and published as described in the affidavit. Only two overriding royalty interest owners had green cards undelivered as described in the landman affidavit and shown on the mailing report.

Both Mr. Morris and Ms. Ramoutar affirm that the approval of this application is in the best interest of conservation, protection of correlative rights, and the prevention of waste, and will prevent the drilling of unnecessary wells.

At this time, $I$ move that Exhibits of $A$, B, and $C$ and all sub exhibits be accepted into the record for Case 22894, and that the case be taken under advisement.

I'm available for any questions. Thank you.

HEARING OFFICER BRANCARD: Thank you.
Mr. Lowe, questions?
TECHNICAL EXAMINER LOWE: Good morning, Mr. Darin Savage.

MR. SAVAGE: Good morning, Mr. Lowe.
TECHNICAL EXAMINER LOWE: Just looking at your $C-102 s$ for these cases, only $N S L$ on the north end and the south end of the wells is what $I$ see, is
that the point areas?
MR. SAVAGE: Yes. And there's a little bit of a side step on the 1 H Well. It looks like on the lateral, after that inflection point at the top, it looks like that lateral moves oversteps about two feet, 328 feet from the east line and then adjusts and ends up 330 at the end from the east line, but the end points, the lasting point, from first take point are encroaching, and we also should account for that 328 distance.

TECHNICAL EXAMINER LOWE: Okay. And all these wells are being dedicated to the east half of these two sections; is that correct?

MR. SAVAGE: That's correct.
TECHNICAL EXAMINER LOWE: Okay. And in that case, then $I$ only see the NSL in the northern and then in the southern portion of this entire spacing unit if that's the case.

MR. SAVAGE: For the $2 \mathrm{H}, 19 \mathrm{H}$, and 20 H , that's correct. It looks to me that 1H, if you look at the inflection point on that in the northeast quarter of Section 12, it looks like there's a little bit of deviation on the 330. But like I said, it's just a little too deep.

TECHNICAL EXAMINER LOWE: Okay. We'll
take a look at when the application comes in.
MR. SAVAGE: Okay.
TECHNICAL EXAMINER LOWE: And are all these wells, it looks like they're all located in the same surface location then, approximately?

MR. SAVAGE: That's correct. It looks like they're coming from that Section 1 surface location and then initiating at the top of Section 12.

TECHNICAL EXAMINER LOWE: And on your C-102s, what are the red lines indicating?

MR. SAVAGE: You know, I think that they include some contract areas up in there, but that's -- I don't think that has -- that has some lease information. It looks like it had some lease information that they overlaid on that. That doesn't seem to be relevant to the actual spacing unit. So that looks like extraneous information to me.

TECHNICAL EXAMINER LOWE: Okay. I just wanted to understand. I assumed --

MR. SAVAGE: I was wondering about that when $I$ first received those as well.

TECHNICAL EXAMINER LOWE: And then as well 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 suspect that that is at the proper depth of their target. I can get some more follow-up detail. That
is, you know, it's a good question.
If there's a specific --
HEARING OFFICER BRANCARD: Yeah, I don't know if there is an issue here. That's something I'm just curious about.

MR. SAVAGE: I think as long as they
account for the right of way of that traveling from the surface well location to the initiation of the unit, I think they should be fine. And I believe they have accounted for everything in that regard. HEARING OFFICER BRANCARD: Right. And so on the last Well 20 H , it's a little hard to read. Is that, $I$ don't know what, from the east line 23 -MR. SAVAGE: 2,310' from the east line. HEARING OFFICER BRANCARD: Ten? MR. SAVAGE: Yes. HEARING OFFICER BRANCARD: Okay. So that would get you a 330 to the edge of the unit; is that right?

MR. SAVAGE: Correct.
HEARING OFFICER BRANCARD: Okay. All
right. Thank you.
Are there any other interested persons
then for Case 22894?
Hearing none, the exhibits will be
admitted into the record and then Case 2284 will be
taken under advisement.
MR. SAVAGE: All right. Thank you.
(Proceedings concluded.)

I, EDWINA CASTILLO, DO HEREBY CERTIFY that I did, in stenographic shorthand, transcribe the Zoom Hearing set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability. The Zoom Hearing was of poor quality due to internet interference.

I FURTHER CERTIFY that $I$ am neither employed by nor related to nor contracted with any of the parties or attorneys in this matter, and that $I$ have no interest whatsoever in the final disposition of this matter.

## Fivan culte

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter \#407
License Expires: 12-31-2022
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