

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 CO. FOR A)
NONSTANDARD OIL SPACING AND PRORATION)
UNIT AND COMPULSORY POOLING, LEA COUNTY,)
NEW MEXICO)

CASE NO. 14,020

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, Jr., Hearing Examiner

November 1st, 2007

Santa Fe, New Mexico

2007 NOV 5 AM 11 38

RECEIVED

20/5/11 GMM

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, Jr., Hearing Examiner, on Thursday, November 1st, 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.

* * *

I N D E X

November 1st, 2007
 Examiner Hearing
 CASE NO. 14,020

PAGE

REPORTER'S CERTIFICATE

6

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	5
Exhibit 2	4	5
Exhibit 3	4	5
Exhibit 4	4	5

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:46 a.m.:

3 EXAMINER JONES: Okay, call Case 14,020,
4 Application of Cimarex Energy Company -- Off the record for
5 a second here, let's wait for...

6 Okay, let's go back on the record, and let's call
7 Case 14,020, Application of Cimarex Energy Company for a
8 nonstandard oil spacing and proration unit and compulsory
9 pooling, Lea County, New Mexico.

10 Call for appearances.

11 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
12 representing the Applicant. I'm submitting this by
13 affidavit.

14 EXAMINER JONES: Okay.

15 MR. BRUCE: Mr. Examiner, Cimarex Energy seeks to
16 pool the Wolfcamp formation underlying the east half,
17 northwest quarter of Section 12, 15 South, 37 East. This
18 is a horizontal well. I think you've heard about four or
19 five of these Cimarex cases. They're all in the same area,
20 and they're all pretty similar.

21 Only one party is being pooled, Mr. Sidney Davis,
22 who owns about a tenth of a percent in the well unit.

23 Submitted as Exhibit 1 is the affidavit of the
24 landman containing the information regarding the lands
25 being pooled and the well proposal letter and the AFE.

1 One thing, Exhibit A attached to Exhibit 1
2 highlights the well unit. Mr. Brooks has previously
3 requested that we notify offsets. I've highlighted -- All
4 of the surrounding acreage in Section 12 is owned by
5 Cimarex, they're the only offset operator.

6 EXAMINER JONES: Okay.

7 MR. BRUCE: -- and I think there's actually a
8 couple of more wells, horizontal wells, already drilled on
9 that acreage.

10 The only offset is AmeriCo Energy, as you'll see
11 highlighted in yellow. They're the offset operator of a
12 single fee lease in the south half of Section 1.

13 Submitted as Exhibit 2 is affidavit of geologist
14 discussing the geology and what they are attempting to do
15 in this area, together with the horizontal well plan.

16 And Exhibit 3 is the affidavit of notice to the
17 interest owner being pooled. Actual notice was given, so
18 there's no publication notice.

19 EXAMINER JONES: Okay.

20 MR. BRUCE: And then Exhibit 4 is affidavit of
21 notice to the offset AmeriCo Energy. They have contacted
22 me, and they simply asked for the well data, or the
23 directional drilling data which we've given them, and they
24 have no objection.

25 EXAMINER JONES: Okay.

1 MR. BRUCE: And I'd move the admission of
2 Exhibits 1 through 4.

3 EXAMINER JONES: Exhibits 1 through 4 will be
4 admitted.

5 Yeah, that post survey on the drilling well
6 should be on our website after it's drilled.

7 MR. BRUCE: Yeah, they asked me for the
8 preliminary information --

9 EXAMINER JONES: Okay.

10 MR. BRUCE: -- and I'd move the admission of
11 Exhibits 1 through 4.

12 EXAMINER JONES: Exhibits 1 through 4 will be
13 admitted, and we'll take Case 14,020 under advisement.

14 (Thereupon, these proceedings were concluded at
15 8:49 a.m.)

16 * * *

17

18

19

20

21

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____.

22

_____, Examiner
Oil Conservation Division

23

24

25

CERTIFICATE OF REPORTER

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 November 1st, 2007.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2010