

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

ORIGINAL

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

CASE NO. 14195

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

RECEIVED  
2008 OCT 30 PM 4 53

BEFORE: DAVID K. BROOKS, Legal Examiner  
RICHARD EZEANYIM, Technical Examiner  
TERRY G. WARNELL, Technical Examiner

October 16, 2008  
Santa Fe, New Mexico

This matter came on for hearing before the New Mexico  
Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,  
RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL,  
Technical Examiner, on Thursday, October 16, 2008, at the  
New Mexico Energy, Minerals and Natural Resources Department,  
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

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

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

PAGE

EXHIBITS 1 - 4

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REPORTER'S CERTIFICATE

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1 MR. BROOKS: I call Case No. 14195, the Application  
2 of Cimarex Energy Company for a Non-Standard Oil Spacing and  
3 Proration Unit and Compulsory Pooling, Chaves County,  
4 New Mexico.

5 Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
7 representing the applicant. I am submitting this by affidavit.

8 Mr. Examiner, again, this is the same township, Range  
9 15 South, 31 East. In this case, applicant seeks to force-pool  
10 the S/2, N/2 of Section 16. The parties being pooled are  
11 identified in Exhibit 1, the affidavit of the landman.

12 Again, this is a non-standard unit in the Lower Abo  
13 Wolfcamp formation. The non-standard unit is required in order  
14 to force-pool these individuals. The offset operators are  
15 notified or identified in the affidavit. An AFE is attached.

16 MR. BROOKS: Beverly Hills, California. There must  
17 be some money involved in this one, too.

18 MR. BRUCE: Yep. And this is almost a \$4.9 million  
19 well. The overhead rates are the same, 6500 a month and 650 a  
20 month.

21 Exhibit 2 is the affidavit of the geologist, similar  
22 to the prior two cases. This well has not been drilled, and  
23 the surface location entry point and terminus are all standard.  
24 And the final exhibit attached to the geologist's affidavit is  
25 the Baker Hughes drilling plan, horizontal drilling plan.

1 MR. BROOKS: It looks like the final -- oh, okay.  
2 The geologist's exhibit. Okay. And again, we don't have the  
3 coordinates for the --

4 MR. BRUCE: And I will get all of the entry points.  
5 Exhibit 3 is the Affidavit of Notice to the parties being  
6 pooled, and they did receive actual notice.

7 And Exhibit 4 is an Affidavit of Notice to the offset  
8 operators, and all of them received actual notice.

9 And I move the admission of Exhibits 1 through 4.

10 MR. BROOKS: Okay. 1 through 4 are admitted.

11 [Applicant's Exhibits 1 through 4 admitted into  
12 evidence.]

13 MR. BROOKS: And the same overhead rates?

14 MR. BRUCE: Yes.

15 MR. BROOKS: 6500 and 650. Anything else?  
16 Mr. Ezeanyim?

17 MR. EZEANYIM: Did you locate everybody?

18 MR. BRUCE: Yes. Everybody was located.

19 MR. EZEANYIM: Okay.

20 MR. BROOKS: Mr. Warnell?

21 MR. WARNELL: No questions.

22 MR. BROOKS: Okay. Case No. 14195 will be taken  
23 under advisement.

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 \_\_\_\_\_

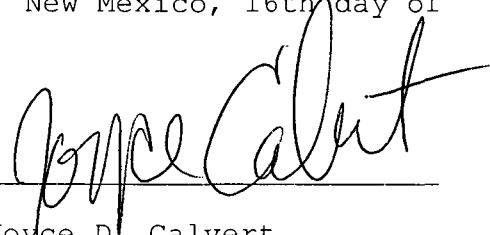
\_\_\_\_\_, Examiner  
Oil Conservation Division



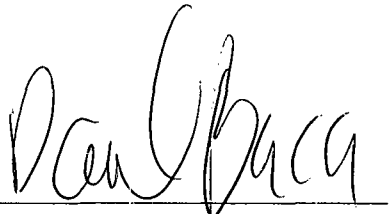
1 STATE OF NEW MEXICO )  
2 COUNTY OF BERNALILLO )

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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, 16th day of  
12 October, 2008.

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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  
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