

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:

CASE NO. 14581

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Legal Examiner
DAVID K. BROOKS, Hearing Examiner

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February 17, 2011

Santa Fe, New Mexico

This matter came on for hearing before the
New Mexico Oil Conservation Division, RICHARD EZEANYIM,
Legal Examiner, and DAVID K. BROOKS, Hearing Examiner,
on Thursday, February 17, 2011, at the New Mexico
Energy, Minerals and Natural Resources Department, 1220
South Street Francis Drive, Room 102, Santa Fe,
New Mexico.

REPORTED BY: Lisa Reinicke
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

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A P P E A R A N C E S

For the Applicant:

JAMES BRUCE, Attorney at Law
369 Montezuma, No. 213
Santa Fe, New Mexico 87501
(505) 982-2043

For Nearburg in Original Case:

HOLLAND & HART, LLP
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 988-4421
By: Ocean Munds-Dry

I N D E X

PAGE

NO WITNESSES TESTIFIED

CERTIFICATE OF COMPLETION OF DEPOSITION

7

EXHIBITS

MARKED/IDENTIFIED

5-A. Affidavit of Notice

6

13. Affidavit of Mike Wallace

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1 EXAMINER EZEANYIM: Okay. At this point I
2 go to page 3. I call case number 14581. This is the
3 application of Cimarex Energy Company of Colorado for
4 approval of a non-standard oil spacing and proration
5 unit and compulsory pooling. And this case was heard a
6 while ago. And it was taken under advisement. But I
7 understand there are new issues. So call for
8 appearances.

9 MR. BRUCE: Mr. Examiner, Jim Bruce of
10 Santa Fe representing the applicant. I have a couple of
11 exhibits to attach.

12 MS. MUNDS-DRY: Mr. Examiner, Ocean
13 Munds-Dry with the law firm Holland & Hart. We appeared
14 for Nearburg in the original case.

15 EXAMINER EZEANYIM: Okay. Any other
16 appearances?

17 MR. BRUCE: No.

18 Mr. Examiner, this case was heard six weeks ago.
19 And at the hearing it appeared that notice had not been
20 given to one uncommitted owner. It was later determined
21 that notice had, in fact, been given -- or, excuse me,
22 that that owner was committed so that no notice was
23 needed.

24 I'm submitting Exhibit 13, which is the affidavit
25 of Mike Wallace, the landman. And in paragraph 3 he

1 states that Daniels Energy Inc. indeed had committed its
2 interest and there was no need to force pool them. It
3 turned out there was one other issue that we noticed
4 after the hearing was over, was that although geologic
5 exhibits were correct as to the well's location, the
6 land exhibits had flipped the surface and bottom hole
7 location. So that is referenced in Exhibit 13 of
8 Mr. Wallace's affidavit.

9 And then Exhibit 5-A submitted to you is a notice
10 to the parties being pooled giving them notice of the
11 flipped well locations.

12 And with that I'd ask that Exhibits 5-A and 13 be
13 taken under advisement, and that an order be issued in
14 the case.

15 MR. BROOKS: Okay. Since this is my case, I
16 will go ahead and say that Exhibits 5-A and 13 are
17 admitted. You're satisfied now that you've given notice
18 to everyone that needs to be noticed?

19 [Exhibits 5-A and 13 admitted.]

20 MR. BRUCE: That is correct.

21 MR. BROOKS: And everyone has received
22 notice?

23 MR. BRUCE: That is correct.

24 MR. BROOKS: Okay. Case number 14581 will
25 be taken under advisement.

[Case 14581 was taken under advisement.]

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I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 14581
 heard by me on

[Handwritten Signature]
 Examiner
 Oil Conservation Division

REPORTER'S CERTIFICATE

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I, Lisa Reinicke, New Mexico Provisional Reporter, License #P-405, working under the direction and direct supervision of Paul Baca, New Mexico CCR License #112, Official Court Reporter for the US District Court, District of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest whatsoever in the final disposition of this case in any court.



Lisa R. Reinicke,
Provisional License P-405
License expires: 8/21/2011

Ex count: