

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. 14824

APPLICATION OF LRE OPERATING, LLC  
FOR APPROVAL OF A COMPULSORY POOLING WELL,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

DOCKET NO. 21-12

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

JULY 12, 2012

Santa Fe, New Mexico

10:04 AM

This matter came on for hearing before the  
New Mexico Oil Conservation Division, RICHARD EZEANYIM,  
Hearing Examiner, and DAVID K. BROOKS, Legal Examiner,  
on THURSDAY, JULY 12, 2012, 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

A P P E A R A N C E S

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For LRE Operating, LLC:

PADILLA LAW FIRM, PA  
PO Box 2523  
Santa Fe, NM 87504-2523  
(505) 988-7577  
By: Earnest L. Padilla

For Cimarex Energy Company:

JAMES GARRETT BRUCE, ATTORNEY AT LAW  
P.O. Box 1056  
Santa Fe, NM 87504-1056  
(505) 982-2043

I N D E X

PAGE

NO WITNESSES

CERTIFICATE OF COMPLETION OF HEARING

5

EXHIBITS

MARKED/IDENTIFIED

1. Affidavit of Charles Reagan

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1 MR. EXAMINER: This case is on page 5. At  
2 this point I call case number 14824, and this is the  
3 application of LRE Operating, LLC, for approval of a  
4 compulsory pooling well, Eddy County, New Mexico.

5 Call for appearances.

6 MR. PADILLA: Mr. Examiner, Earnest L.  
7 Padilla for the applicant in this case. I have no  
8 witnesses and I'd like to submit this case by affidavit.

9 MR. EXAMINER: Thank you, Mr. Padilla.

10 Any other appearances?

11 MR. BRUCE: Mr. Examiner, Jim Bruce of  
12 Santa Fe. I'm representing Cimarex Energy Company. I  
13 have no witnesses and I do not object to presenting the  
14 case by affidavit.

15 MR. EXAMINER: Very good. You may proceed.

16 MR. PADILLA: Mr. Examiner, let me give you  
17 the affidavit of Charles R. Reagan, the landman, and  
18 then my affidavit of service, Mr. Examiner. There's no  
19 opposition and no prehearing statements filed by anyone.  
20 Cimarex had earlier entered an appearance in this case  
21 and they have signed an AFE. And I think the operating  
22 agreement is being signed as we speak.

23 MR. EXAMINER: Well, was that by  
24 negotiation? Did you guys negotiate?

25 MR. PADILLA: Yes.

1 MR. EXAMINER: That's good. I like that.

2 MR. PADILLA: And there's one other -- the  
3 only reason -- we have continued this case for another  
4 week but it would have been -- for another two weeks but  
5 we would have run into the three times, three strike  
6 rule, and so we submitted by affidavit.

7 MR. EXAMINER: Okay. Go ahead.

8 MR. PADILLA: And Mr. Reagan's affidavit  
9 basically states what efforts he has made to get  
10 everyone contacted. You'll notice he has an Exhibit 1,  
11 and those are the interest owners in this well. Apache  
12 Corporation has agreed, and it will tell you on the  
13 right side of that Exhibit 1 what the status of the case  
14 is. So this case is probably going to go away in the  
15 next couple of days with everyone signing.

16 So that's all I have.

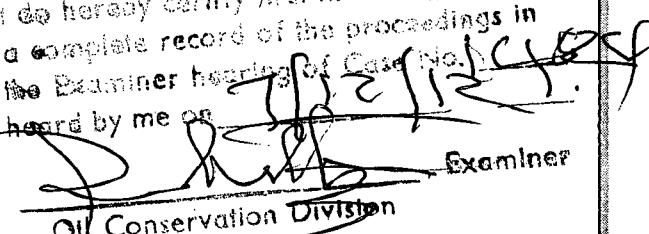
17 MR. EXAMINER: Okay. I appreciate that.

18 Mr. Bruce, do you have any comments?

19 MR. BRUCE: No comments.

20 MR. EXAMINER: At this point case number  
21 14824 will be taken under advisement.

22 [Case number 14824 taken under advisement.]

23 I do hereby certify that the foregoing is  
24 a complete record of the proceedings in  
the Examiner hearing of Case No. 14824  
heard by me on 1/2/12  
25  Examiner  
Oil Conservation Division

## REPORTER'S CERTIFICATE

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2  
3 I, Lisa Reinicke, New Mexico Provisional  
4 Reporter, License #P-405, working under the direction  
5 and direct supervision of Paul Baca, New Mexico CCR  
6 License #112, Official Court Reporter for the US  
7 District Court, District of New Mexico, do hereby  
8 certify that I reported the foregoing proceedings in  
9 stenographic shorthand and that the foregoing pages are  
10 a true and correct transcript of those proceedings and  
11 was reduced to printed form under my direct supervision.

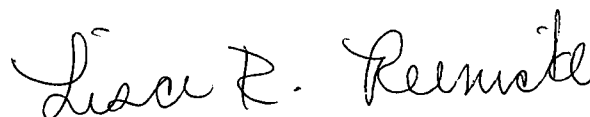
12 I FURTHER CERTIFY that I am neither employed by  
13 nor related to any of the parties or attorneys in this  
14 case and that I have no interest whatsoever in the final  
15 disposition of this case in any court.

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Lisa R. Reinicke,  
Provisional License P-405  
License expires: 8/21/2012

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22 Ex count:

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