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1	STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
2	OIL CONSERVATION DIVISION
3	
4	IN THE MATTER OF THE HEARING CALLED ORIGINAL BY THE OIL CONSERVATION DIVISION FOR
5	THE PURPOSE OF CONSIDERING: CASE NO. 14870
6 7	APPLICATION OF CIMAREX ENERGY COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
8	
9	REPORTER'S TRANSCRIPT OF PROCEEDINGS
10	EXAMINER HEARING
11	DOCKET NO. 21-12
12	BEFORE: RICHARD EZEANYIM, Hearing Officer DAVID K. BROOKS, Legal Examiner
13	
14	JULY 12, 2012
15	
16	Santa Fe, New Mexico
17	11:06 AM
18	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.
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22	REPORTED BY: Lisa Reinicke PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street, NW, Suite 105
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24	Albuquerque, NM 87102
25	

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Page 2 APPEARANCES 1 2 For Cimarex Energy Company: JAMES GARRETT BRUCE, ATTORNEY AT LAW 3 P.O. Box 1056 Santa Fe, NM 87504-1056 4 (505) 982-2043 5 For Nearburg Producing Company: 6 MONTGOMERY & ANDREWS, PA 7 P.O. BOX 2307 Santa Fe, NM 87504-2307 (505) 982-3873 8 By: Joseph Scott Hall 9 INDEX PAGE 10 11 NO WITNESSES 12 CERTIFICATE OF COMPLETION OF HEARING 5 13 14 15 16 17 18 19 20 21 22 23 24 25

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Page 3 1 MR. EXAMINER: At this time I call case number 14870, application of Cimarex Energy Company for 2 3 compulsory pooling, Eddy County, New Mexico. Call for appearances. 4 5 MR. BRUCE: Mr. Examiner, Jim Bruce of 6 Santa Fe representing the applicant. 7 MR. EXAMINER: Any other appearances? Mr. Examiner, Scott Hall with 8 MR. HALL: 9 Montgomery & Andrews on behalf of Nearburg Producing Company. 10 Any other appearances? 11 MR. EXAMINER: Do 12 you have witnesses? 13 MR. BRUCE: No. I am going to submit this 14 case by affidavit, Mr. Examiner. But as I informed you 15 before, I neglected to make copies of all the pertinent 16 materials, and I still have not been able to because I've been sitting here in the other cases. So I'd ask 17 that Mr. Hall's case, the Energen Resources case go 18 first. If we break for lunch I will present the case 19 20 immediately after Mr. Hall's case. If we do not, then I will continue the case for two weeks so that I can 21 22 properly present it. 23 MR. EXAMINER: I think we can get it today. 24 So what we will do if we can't present the case now, we 25 might have to take a lunch break, come back and start

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Page 4 with your case 14878 and after that we can get this 1 2 Is that okay with you, Mr. Hall? case. 3 MR. HALL: That's fine. MR. EXAMINER: Okay. So we might break for 4 5 lunch now and come back. It's 11:05, so we can come back at 1 o'clock. So we will come in at 1 o'clock and 6 7 start your case. Your case will take two hours, right? MR. HALL: An hour and a half or two hours, 8 I'm quessing. 9 10 MR. EXAMINER: Okay, so that's all we have is two hours in the afternoon and then we can hear this 11 case for Cimarex. 12 MR. HALL: And he can do his before I start. 13 14 MR. EXAMINER: Can you do it by 1? 15 MR. BRUCE: Oh, yes. I needed a half hour which I didn't have. 16 17 MR. EXAMINER: Okay, yeah. So we will do 18 your case at 1 and then after that we will do yours. We 19 will break for lunch and come back by 1 o'clock. 20 [Lunch recess taken.] I so hereby certify that the foregoing to 21 a complete record of the proceedings in the Examiner hearing of Pase No. 22 heard by me on 23 24 Conservation Division Examiner 25

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2 I, Lisa Reinicke, New Mexico Provisional 3 Reporter, License #P-405, working under the direction 4 5 and direct supervision of Paul Baca, New Mexico CCR License #112, Official Court Reporter for the US 6 7 District Court, District of New Mexico, do hereby certify that I reported the foregoing proceedings in 8 stenographic shorthand and that the foregoing pages are 9 a true and correct transcript of those proceedings and 10 was reduced to printed form under my direct supervision. 11 I FURTHER CERTIFY that I am neither employed by 12 nor related to any of the parties or attorneys in this 13 14 case and that I have no interest whatsoever in the final 15 disposition of this case in any court. 16 17 hior R. Pinska 18 19 Lisa R. Reinicke, 20 Provisional License P-405 21 License expires: 8/21/2012 22 Ex count: 23 24 25

Page 5