

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. 13,496

APPLICATION OF CIMAREX ENERGY COMPANY)
FOR COMPULSORY POOLING, LEA COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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

August 11th, 2005

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, August 11th, 2005, 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.

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I N D E X

August 11th, 2005
Examiner Hearing
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REPORTER'S CERTIFICATE

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E X H I B I T S

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

* * *

A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
Deputy General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

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 8:22 a.m.:

3 EXAMINER JONES: Okay, with that let's call the
4 first case this morning, Case Number 13,496, Application of
5 Cimarex Energy Company for compulsory pooling, Lea County,
6 New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
9 representing the Applicant. I just have a brief statement
10 and a few exhibits.

11 EXAMINER JONES: Any other appearances?

12 MR. BRUCE: Mr. Examiner, this case was heard a
13 couple of months ago, and an order was issued. The order
14 number is R-12,365.

15 The Application itself and the proposed
16 advertisement for that case was for a well located at an
17 orthodox oil well location in the southeast quarter,
18 northwest quarter of Section 21 of 15 South, 36 East. The
19 order itself specified a location, which was the location
20 at that point, of 1830 feet from the north line and 1980
21 feet from the west line of the section.

22 After the hearing, the surface owner informed
23 Cimarex that he was going to install an irrigation system,
24 so the well location was moved to 1830 feet from the north
25 and west lines, to accommodate the surface owner.

1 But as a result of the terms of the order, the
2 Applicant sent out a notice to the people who had not
3 joined in the well as of this date and -- with the correct
4 location. And the purpose of this Application is simply to
5 correct that well location.

6 Submitted as Exhibit 1 is a statement of the
7 landman who did appear at the original hearing, and
8 attached to that letter are the letters sent out to the
9 uncommitted working interest owners giving correct notice
10 of the new well location and other data as required by
11 Division Rule 1207.A.(1), together with a new AFE for the
12 well.

13 Exhibit 2 is the affidavit of notice that was --
14 or, excuse me, is my affidavit of notice regarding the
15 certified mailing sent to the eight uncommitted working
16 interest owners.

17 And finally, submitted as Exhibit 3 is a legal
18 notice published in the Hobbs newspaper regarding the
19 unlocatable people. There is testimony in the record from
20 the original case regarding the efforts made to locate
21 these people. And I think it covers all of the people who
22 were -- did not receive notice the first go-around, or did
23 not sign the green card on the first go-around.

24 I meant to give you my original affidavit and
25 notice. With that, I would move the admission of Exhibits

1 1, 2 and 3 and ask that the matter be taken under
2 advisement.

3 EXAMINER JONES: Exhibits 1, 2 and 3 will be
4 admitted to evidence.

5 Is this the same entities before as after --

6 MR. BRUCE: Yeah, the same people before as
7 after. I think in the first hearing a number of additional
8 people were notified, but -- in the interim they had signed
9 leases, but the same people who were force pooled in the
10 same order, the first order, are still being pooled today.

11 EXAMINER JONES: And it's still an orthodox
12 location, southeast --

13 MR. BRUCE: It is still an orthodox location, and
14 it's a standard 40-acre oil pool.

15 EXAMINER JONES: Okay.

16 Gail, do you have any questions?

17 MS. MacQUESTEN: I have no questions, thank you.

18 EXAMINER JONES: Thank you, Mr. Bruce. Case
19 13,496 will be taken under advisement.

20 (Thereupon, these proceedings were concluded at
21 8:26 a.m.)

22 * * * hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. _____
25 heard by me on _____

_____, Examiner
Oil Conservation Division