

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:)
APPLICATION OF CIMAREX ENERGY COMPANY)
FOR A NONSTANDARD OIL SPACING AND)
PRORATON UNIT AND COMPULSORY POOLING,)
LEA COUNTY, NEW MEXICO)

CASE NO. 13,996

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: WILLIAM V. JONES, Jr., Technical Examiner
DAVID K. BROOKS, Jr., Legal Examiner

September 20th, 2007
Santa Fe, New Mexico

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This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, Jr., Technical Examiner, DAVID K. BROOKS, Jr., Legal Examiner, on Thursday, September 20th, 2007, 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.

* * *

I N D E X

September 20th, 2007
Examiner Hearing
CASE NO. 13,996

| | PAGE |
|------------------------|------|
| APPEARANCES | 3 |
| REPORTER'S CERTIFICATE | 6 |

* * *

E X H I B I T S

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

* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
Assistant 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 2:50 p.m.:

3 EXAMINER JONES: And call Case 13,996,
4 Application of Cimarex Energy Company for a nonstandard oil
5 spacing and proration unit and compulsory pooling, Lea
6 County, New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
9 representing the Applicant. Again, I am submitting this by
10 affidavit.

11 Mr. Examiner, again this is a similar case to the
12 case we just discussed. The Applicant seeks to drill a
13 horizontal Wolfcamp well in the east half, northeast
14 quarter of Section 13 of the adjoining township, 15 South,
15 37 East.

16 Submitted as Exhibit A -- Exhibit 1, is the
17 affidavit of the landman. This one is quite a bit easier.
18 There are simply two parties who haven't joined in the
19 well, and Mr. Davis, I believe, is an unleased mineral
20 owner. Occidental Permian, obviously, is well know.

21 If you look at Exhibit A attached to Exhibit 1,
22 you can see that all of Section 13 is a single fee tract.
23 So again, there is no difference in ownership in the two
24 40s being pooled, et cetera. And there are the proposal
25 letters to the people and the AFE as before.

1 Exhibit 2 is an affidavit of Dan Spancers, who's
2 a geologist for Cimarex, similar to the last case.

3 And Exhibit 3 is a notice to the two interest
4 owners being pooled, and they have not responded. There
5 are no unlocatable parties in this matter.

6 And so I'd move the admission of Exhibits 1
7 through 3 and ask that they be taken under advisement.

8 EXAMINER JONES: Exhibits 1 through 3 will be
9 admitted.

10 EXAMINER BROOKS: I have nothing.

11 EXAMINER JONES: I have no questions.

12 With that, we'll take Case 13,996 under
13 advisement.

14 (Thereupon, these proceedings were concluded at
15 2:53 p.m.)

16 * * *

17
18 I do hereby certify that the foregoing is
19 a complete record of the proceedings in
20 the Examiner hearing of Case No. _____,
21 heard by me on _____,
22 _____, Examiner
23 Oil Conservation Division
24
25

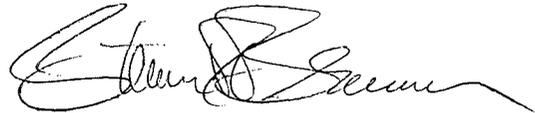
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL September 26th, 2007.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010