

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)
PRORATION UNIT AND COMPULSORY POOLING,)
LEA COUNTY, NEW MEXICO)

CASE NO. 14,038

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Jr., Hearing Examiner

November 29th, 2007

Santa Fe, New Mexico

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This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Jr., Hearing Examiner, on Thursday, November 29th, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Secretary's Conference Room, 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

November 29th, 2007
Examiner Hearing
CASE NO. 14,038

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E X H I B I T S

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

* * *

A P P E A R A N C E S

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 1:55 p.m.:

3 EXAMINER BROOKS: Okay, back on the record.

4 We'll call Case Number 14,038, Application of
5 Cimarex Energy Company for a nonstandard oil spacing and
6 proration unit and compulsory pooling, Lea County, New
7 Mexico.

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

11 Mr. Examiner, I've handed you Exhibit 1. Cimarex
12 seeks the pooling of the east half, northwest quarter of
13 Section 13, 15 South, 37 East, for a horizontal Wolfcamp
14 well.

15 You've sat through several of these with Mr.
16 Jones --

17 EXAMINER BROOKS: Correct.

18 MR. BRUCE: -- and it's all -- they're all pretty
19 similar. There are two parties being pooled, Sidney Davis
20 and Occidental Permian, Ltd.

21 Submitted as Exhibit 1 is the land -- the
22 affidavit of the landman, which includes the proposal
23 letters, et cetera. I would merely point out the land plat
24 -- you had requested in the past that notice be given to
25 any offset operators. You will see that all of the offset

1 acreage is owned and operated by Cimarex, so notice has
2 been given.

3 EXAMINER BROOKS: Okay, is Cimarex 100-percent
4 owner of the offset acreage?

5 MR. BRUCE: Yes.

6 EXAMINER BROOKS: Okay, go ahead.

7 MR. BRUCE: And that exhibit is probably not up
8 to date. There are several other existing horizontal
9 Wolfcamp wells on that acreage.

10 Exhibit 2 is an affidavit of the geologist. The
11 geologist did testify about this pers- -- these wells
12 personally at a prior hearing, and this just summarizes his
13 testimony again, that in essence they're testing the east
14 and southeast side of the old Denton-Wolfcamp field, and
15 that both 40s within the wellbore will be productive, and
16 therefore a nonstandard unit is proper.

17 And finally as Exhibit 3 is the affidavit of
18 notice. Notice was given to and received by Mr. Davis and
19 Occidental Permian. These people have been noticed up for
20 about six of these now and have never responded.

21 So I'd move the admission of Exhibits 1 through 3
22 and ask that the matter be taken under advisement.

23 EXAMINER BROOKS: Very good. Exhibits 1 through
24 3 will be admitted.

25 And if there's nothing further, Case Number 13-

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-- 14,038 will be taken under advisement.

And before we proceed to the contested matter, I will take a five-minute recess, or thereabouts.

(Thereupon, these proceedings were concluded at 1:57 p.m.)

* * *

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing on No. 14038 heard by me on 11-29-07
David K. Broth
Oil Conservation Division

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 February 21st, 2008.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2010