

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. 14194

APPLICATION OF CIMAREX ENERGY CO. FOR A
NON-STANDARD OIL SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, CHAVES
COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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BEFORE: DAVID K. BROOKS, Legal Examiner
RICHARD EZEANYIM, Technical Examiner
TERRY G. WARNELL, Technical Examiner

October 16, 2008

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico
Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,
RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL,
Technical Examiner, on Thursday, October 16, 2008, at the
New Mexico Energy, Minerals and Natural Resources Department,
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, New Mexico 87102

A P P E A R A N C E S

FOR THE APPLICANT:

James G. Bruce, Esq.
ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504

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REPORTER'S CERTIFICATE	6

1 MR. BROOKS: We'll call Case No. 14194, the
2 Application of Cimarex Energy Company for a Non-Standard Oil
3 Spacing Unit and Proration Unit and Compulsory Pooling, Chaves
4 County, New Mexico.

5 Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
7 representing the applicant. I'm also submitting the case by
8 affidavit.

9 MR. BROOKS: Okay.

10 MR. BRUCE: Mr. Examiner, this case is in the same
11 township, 15 South, 31 East. And in this case, applicant seeks
12 to force-pool the S/2, N/2 of Section 9, a couple of sections
13 away from the prior case.

14 Again, this is a horizontal Lower Abo, slash,
15 Wolfcamp test. Exhibit 1 is the affidavit of the landman.
16 There are several parties being pooled. They are identified on
17 this Exhibit 1.

18 I believe Mr. Examiner, you'll notice the names.
19 These are in New York City. The Estate of Peter Shea and
20 others. I believe that's who Shea Stadium was named after in
21 New York City.

22 MR. BROOKS: That's impressive.

23 MR. BRUCE: More money that you usually see in these
24 force-pooling situations. Again, this affidavit identifies the
25 offset operators and the AFE and the overhead rates are the

1 same, 6500 and 650. And again, this well is even slightly more
2 expensive. It's a \$4.4 million well.

3 Exhibit 2 is the affidavit of the geologist, and this
4 is pretty much the same as the prior affidavit by the landman
5 containing the same information. This well has not been
6 drilled, and attached as Exhibit D is the Baker Hughes planned
7 well pad.

8 MR. BROOKS: Okay. This well has not been drilled?

9 MR. BRUCE: Has not been drilled.

10 MR. BROOKS: Okay.

11 MR. BRUCE: I will get the estimated footage of the
12 penetration point. But again, everything is orthodox surface
13 location, terminus and penetration point.

14 Submitted as Exhibit 3 is the Affidavit of Notice,
15 and all parties did receive actual notice of this application.

16 Submitted as Exhibit 4 is the affidavit -- and
17 Exhibit 3 is to the parties being pooled. Exhibit 4 is the
18 Affidavit of Notice to offset operators, and they have all
19 received actual notice.

20 I move the admission of Exhibits 1 through 4.

21 MR. BROOKS: Exhibits 1 through 4 are admitted.

22 [Applicant's Exhibits 1 through 4 admitted into
23 evidence.]

24 MR. BROOKS: Looks like some of their signatures are
25 highly illegible, but they all have green cards. So there are

1 no unlocatable parties?

2 MR. BRUCE: There are no unlocatable parties.

3 MR. BROOKS: And what is the overhead?

4 MR. BRUCE: 6400 for a drilling well, and 650 for a
5 producing well.

6 MR. BROOKS: Okay. Same as the previous one. I
7 can't think of anything else I need to ask. Do you have
8 anything, Mr. Ezeanyim?

9 MR. EZEANYIM: No.

10 MR. BROOKS: Very good. Case No. 14194 will be taken
11 under advisement.

12 * * *

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16 I do hereby certify that the foregoing is
17 a complete record of the proceedings in
18 the Examiner hearing of Case No. 14194,
19 heard by me on 10/16/2008.

20 David K. Brooks, Examiner
21 Oil Conservation Division
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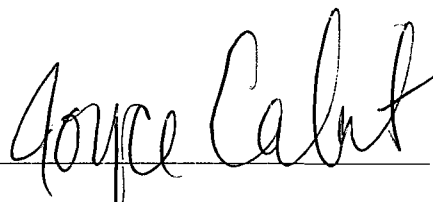
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REPORTER'S CERTIFICATE

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this proceeding.

DATED this 16th of October, 2008.

A handwritten signature in cursive script, reading "Joyce Calvert", written over a horizontal line.

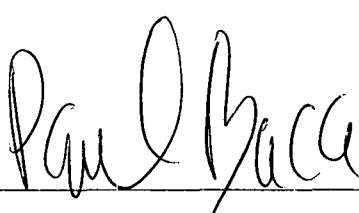
JOYCE D. CALVERT
New Mexico P-03
License Expires: 7/31/09

1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO)

3
4 I, JOYCE D. CALVERT, a New Mexico Provisional
5 Reporter, working under the direction and direct supervision of
6 Paul Baca, New Mexico CCR License Number 112, hereby certify
7 that I reported the attached proceedings; that pages numbered
8 1-5 inclusive, are a true and correct transcript of my
9 stenographic notes. On the date I reported these proceedings,
10 I was the holder of Provisional License Number P-03.

11 Dated at Albuquerque, New Mexico, 16th day of
12 October, 2008.

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14 
15 _____
16 Joyce D. Calvert
17 Provisional License #P-03
18 License Expires: 7/31/09

19
20 
21 _____
22 Paul Baca, RPR
23 Certified Court Reporter #112
24 License Expires: 12/31/08
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