

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. 14145
ORDER NO. R-13040-A

APPLICATION OF FASKEN OIL AND RANCH,
LTD. FOR A COMPLIANCE ORDER REQUIRING
CIMAREX ENERGY CO. OF COLORADO TO
COMPLY WITH THE DIVISION'S OIL PRORATION
RULES FOR THE APACHE RIDGE-BONE SPRING
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came before the Division in an informal conference at 2:30 p.m. on January 27, 2009, at Santa Fe, New Mexico, before Examiner Richard Ezeanyim.

NOW, on this 17th day of February, 2009, the Division Director, having considered the record and the recommendations of the Examiner,

FINDS THAT:

(1) In this case Fasken Oil and Ranch, Ltd. ("Fasken") sought an order requiring Cimarex Energy Co. of Colorado ("Cimarex") to comply with the Division's oil proration rules for the Apache Ridge-Bone Spring Pool (**Pool Code: 2260**), Lea County, New Mexico, with respect to four wells in the Pool.

(2) In Order No. R-13040 the Division found that the following wells operated by Cimarex were overproduced:

<u>Well Name</u>	<u>Location</u>	<u>Compl. Date</u>	<u>Cum.Oil</u>	<u>Overproduction</u>
Pennzoil B 36 St. 7	A-36-19S-33E	3/08	24,827	13,317
Pennzoil 36 St. 1	I-36-19S-33E	3/97	534,682	5,692
Pennzoil B 36 St. 2	J-36-19S-33E	7/07	88,118	19,440
Mescalero 30 Fed. 1	P-30-19S-34E	8/85	339,144	5,891

(3) The Division ordered Cimarex to make up the overproduction in the four wells in accordance with a formula set forth in Finding Paragraph No. (16) of Order No. R-13040, which provided for a maximum oil allowable of 220 BOPD during the makeup period.

(4) Cimarex submitted a letter to the Division and Fasken dated January 22, 2009, with supporting data, stating that it had made up the overproduction in the four wells. The overproduction was made up based on a maximum oil allowable of 220 BOPD, without regard to gas-oil ratio.

(5) Fasken requested a conference to verify whether Cimarex had properly calculated the makeup of overproduction.

(6) The Division concludes that Cimarex has properly calculated the make-up of the overproduction on the four wells, and has complied with the intent of Paragraphs (3) and (4) of Order No. R-13040.

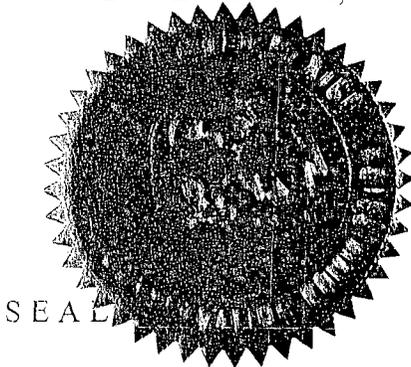
IT IS THEREFORE ORDERED THAT:

(1) Cimarex has properly complied with the Ordering Paragraphs (3) and (4) of Order No. R-13040.

(2) All other provisions of Order No. R-13040 shall remain in full force and effect.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.
Director