Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 2 ORIGINAL IN THE MATTER OF THE HEARING CALLED 3 BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING: 4 5 APPLICATION OF CIMAREX ENERGY COMPANY CASE NO. 14507 FOR A NON-STANDARD OIL SPACING AND 6 PRORATION UNIT AND COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO 7 APPLICATION OF CIMAREX ENERGY COMPANY CASE NO. 14508 FOR A NON-STANDARD OIL SPACING AND 8 PRORATION UNIT AND COMPULSORY POOLING, 9 CHAVES COUNTY, NEW MEXICO CASE NO. 14500 APPLICATION OF COG OPERATING, LLC, 10 FOR DESIGNATION OF A NON-STANDARD SPACING 11 UNIT AND FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO 12 13 14 REPORTER'S TRANSCRIPT OF PROCEEDINGS 15 EXAMINER HEARING 16 WILLIAM V. JONES, Technical Examine BEFORE: DAVID K. BROOKS, Legal Examiner 17 U 18 September 16, 2010 -[=] \odot 19 Santa Fe, New Mexico 20 This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, 21 Technical Examiner, and DAVID K. BROOKS, Legal Examiner, on Thursday, September 16, 2010, at the New Mexico 22 Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico. 23 2.4 REPORTED BY: Jacqueline R. Lujan, CCR #91 Paul Baca Professional Court Reporters 25 500 Fourth Street, N.W., Suite 105

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Page 3 EXAMINER JONES: Let's get started this 1 2 morning. We have three cases that were heard previously 3 that are scheduled today. Let's call Case 14500, Case 14507, and case 14508. Call for appearances in each. 4 5 MR. BRUCE: Mr. Examiner, Jim Bruce of 6 I represent Cimarex Energy Company in those Santa Fe. cases. Mr. Hall represents COG, and Ocean Munds-Dry 7 represents Chesapeake in those matters. They have been 8 9 heard. They were just continued today for notice 10 purposes, so the other Counsel aren't showing up. 11 And I've just handed you Exhibit 8. I think 12 that's the right -- there are so many exhibits in those 13 I think that's the right sequence. It's just my cases. 14 Notice of Affidavit showing that notice was given to 15 additional parties. I'd ask that that be admitted as 16 part of the record. 17 EXAMINER JONES: So Cimarex Exhibit Number 8 will be admitted into the record. 18 (Exhibit 8 was admitted.) 19 20 EXAMINER BROOKS: And that's in Cases 21 14507 and 14508? 22 MR. BRUCE: Yes. Mr. Examiner, if you look at Attachment A, the first few pages, that is for 23 24 Case 14507, the west half/east half of Section 3. And 25 then Attachment B to the Affidavit is for Case 14508, the

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	Page 4
1	east half/east half of Section 3.
2	EXAMINER BROOKS: Okay. And you gave the
3	court reporter two copies?
4	MR. BRUCE: I can.
5	EXMAMINER JONES: Is it true that the
6	landmen have come to a consensus on who owns what?
7	MR. BRUCE: I don't think so.
8	EXMAMINER JONES: Okay. Is there any
9	other do we continue these further?
10	MR. BRUCE: No. They can be taken under
11	advisement.
12	EXAMINER JONES: We'll take Cases 14500,
13	14507, and 14508 under advisement.
14	* * *
15	
16	
17	
18	I to herapy certify that the foregoing is
19	the Examiner barrier proceedings in
20	heard by me on
21	Oil Conservation Division
22	Division
23	
24	
25	

	Page 5	
1	REPORTER'S CERTIFICATE	
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3		
4	I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO	
5	HEREBY CERTIFY that on September 16, 2010, proceedings in	
6	the above captioned case were taken before me and that I	
7	did report in stenographic shorthand the proceedings set	
8	forth herein, and the foregoing pages are a true and	
9	correct transcription to the best of my ability.	
10	I FURTHER CERTIFY that I am neither employed by	
11	nor related to nor contracted with any of the parties or	
12	attorneys in this case and that I have no interest	
13	whatsoever in the final disposition of this case in any	
14	court.	
15	WITNESS MY HAND this 29h day of September,	
16	2010.	
17		
18		
19		
20	Jacqueline R. Lujan, CCR #91	
21	Expires: 12/31/2010	
22		
23		
24		
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Page 1 STATE OF NEW MEXICO 1 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 2 3 IN THE MATTER OF THE HEARING CALLED 4 BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING: 5 CASE NO. 14528 APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A NON-STANDARD GAS 6 SPACING AND PRORATION UNIT, UNORTHODOX OIL 7 WELL LOCATION, AND COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO 8 APPLICATION OF DEVON ENERGY PRODUCTION CASE NO. 14534 COMPANY, L.P., FOR A NON-STANDARD GAS 9 SPACING AND PRORATION UNIT, UNORTHODOX OIL WELL LOCATION, AND COMPULSORY POOLING, 10 CHAVES COUNTY, NEW MEXICO 11 12 13 REPORTER'S TRANSCRIPT OF PROCEEDINGS 14 EXAMINER HEARING 15 WILLIAM V. JONES, Technical Examiner 16 BEFORE: DAVID K. BROOKS, Legal Examiner 17 September 16, 2010 18 Santa Fe, New Mexico 19 This matter came on for hearing before the 20 New Mexico Oil Conservation Division, WILLIAM V. JONES, Technical Examiner, and DAVID K. BROOKS, Legal Examiner, on Thursday, September 16, 2010, at the New Mexico 21 Energy, Minerals and Natural Resources Department, 1220 22 South St. Francis Drive, Room 102, Santa Fe, New Mexico. 23 REPORTED BY: Jacqueline R. Lujan, CCR #91 Paul Baca Professional Court Reporters 24 500 Fourth Street, N.W., Suite 105 25 Albuquerque, NM 87103 505-843-9241

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1	APPEARANCES		
2	FOR THE APPLICANT:		
3	JAMES BRUCE, ATTORNEY AT LAW		
4	P.O. BOX 1056 Santa Fe, New Mexico 87504		
5	(505)982-2043		
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1	Page 3 EXAMINER JONES: There are two other cases
2	on this docket that have been heard, I think, before, and
3	what I'd like to do is call them right now and get them
4	out of the way. Let's call Case 14528. Call for
5	appearances.
6	MR. BRUCE: Mr. Examiner, Jim Bruce of
7	Santa Fe, representing the applicant. This case and the
8	next case, 14534, have been heard. They were simply
9	continued and re-advertised to correct a notice in the
10	ad. So nothing further needs to be done in either case.
11	EXAMINER JONES: Okay. Any other
12	appearances? We were calling 14528 and 14534. Okay.
13	With that, we'll take those cases under advisement.
14	* * *
15	
16	
17	1 Ch hereby certify that the foregoing is
18	© complete record of the proceedings in the Branning of Case No.
19	heard by me on
20	Oil Conservation Division
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