



MODRALL SPERLING

L A W Y E R S

July 19, 2018

Via E-Mail: leonard.lowe@state.nm.us

Leonard Lowe
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Earl E. DeBrine
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**Re: APPLICATION OF CIMAREX ENERGY CO. FOR A
NON-STANDARD OIL SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO, Case No. 16294 (Mescalero Ridge 21
Federal 1H)**

Dear Mr. Lowe:

Transmitted herewith is a copy of Cimarex's Pre-Hearing Statement for the **Mescalero Ridge 21 Federal 1H**. I am also sending three copies of Cimarex's Pre-Hearing Statement to you today by U.S. mail.

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,

Earl E. DeBrine, Jr.

EED/kta/W3237494.DOCX

Enclosures

cc w/encl. (via email): Will Jones (WilliamV.Jones@state.nm.us)

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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

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

CASE NO. 16294

CIMAREX'S PRE-HEARING STATEMENT

Cimarex Energy Co. of Colorado ("Cimarex") submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co. of Colorado

ATTORNEY

Earl E. DeBrine, Jr.
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OPPONENT

MRC Delaware Resources, LLC

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STATEMENT OF CASE

In Case No. 16294, Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/4 of Section 21, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Mescalero Ridge 21 Federal 1H**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well.

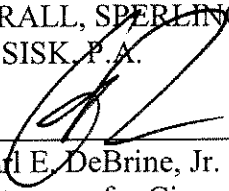
PROPOSED EVIDENCE

CIMAREX:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Cody Elliott – Landman	Approx. 20	Approx. 6
Lauren Copley – Geologist	Approx. 15	Approx. 4
Adam Meeks – Petroleum Engineer	Approx. 15	Approx. 4

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 
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