



MODRALL SPERLING

L A W Y E R S

July 19, 2018

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

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

**Re: No. 16295 - CIMAREX ENERGY CO. OF COLORADO
FOR A NON-STANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Dear Mr. Lowe:

Transmitted herewith is a copy of Cimarex's Pre-Hearing Statement for the **Red Hills Unit 127H**. 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.

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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. 16295

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

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OPPONENT

Kaiser-Francis Oil Company

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STATEMENT OF CASE

In Case No. 16295, Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/4 of Sections 32, Township 25 South, Range 33 East and E/4 of Section 5, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp 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 **Red Hills Unit 127H**, 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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