

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

**APPLICATION OF CHISHOLM ENERGY
OPERATING, LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NO. 16027

CIMAREX'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Chisholm Energy Operating, LLC
801 Cherry Street, Suite 1200- Unit 20
Fort Worth, TX 76102

ATTORNEY

Adam Rankin
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OPPONENT

Cimarex Energy Co.
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ATTORNEY

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STATEMENT OF CASE

OPPONENT CIMAREX ENERGY CO.

In Case Nos.16027, Chisholm Energy Operating LLC has requested the creation

of a non-standard proration unit for development within the W/2 of Sections 3 and 10, Township 24 South, Range 26 East, NMPM, Eddy County New Mexico to accommodate the drilling of the Black River 3-10 Fed Com WCA No. 2H, Black River 3-10 Fed Com WCA No. 3H, and Black River 3-10 Fed Com WCA No. 4H wells.

Cimarex holds working interests in the Wolfcamp formation located within the W/2 of Section 10, which is acreage that is the subject of Case No. 16027. Cimarex objects to the development plans proposed by Chisholm because such plans will impair Cimarex's correlative rights and cause waste. Cimarex further objects on the basis that by granting this application, the Division will interfere with an existing Joint Operating Agreement which covers all rights from the top of the Bone Spring Formation to the base of the Morrow/Atoka Formation in the W/2 of Section 10.

PROPOSED EVIDENCE

OPPONENT CIMAREX ENERGY CO.:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Caitlin Pierce – Landman	Approx. 20	Approx. 6
Michael Swain – Engineer/Geologist	Approx. 15	Approx. 4
Landon Riser- Engineer	Approx. 15	Approx. 4

PROCEDURAL ISSUES

None.

Respectfully submitted,

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


By: _____

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on March 29, 2018:

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