

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

2011 AUG 25 P 12:49

IN THE MATTER OF THE HEARINGS CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF CIMAREX ENERGY CO. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.

Case No. 14,703

APPLICATION OF CIMAREX ENERGY CO. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.

Case No. 14,704

APPLICATION OF CIMAREX ENERGY CO. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.

Case No. 14,705

APPLICATION OF CIMAREX ENERGY CO. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.

Case No. 14,698

APPLICATION OF COG OPERATING LLC FOR A
NON-STANDARD OIL SPACING AND PRORATION
UNIT, A NON-STANDARD LOCATION, AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14,725

APPLICATION OF COG OPERATING LLC FOR A
NON-STANDARD OIL SPACING AND PRORATION
UNIT, A NON-STANDARD LOCATION, AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14,726

CONSOLIDATED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Cimarex Energy Co. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, Texas 79701

Attention: Hayden Tresner
(432) 571-7856

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

COG Operating LLC

OPPONENT'S ATTORNEY

Michael Feldewert
Ocean Munds-Dry

STATEMENT OF THE CASE

APPLICANT

Cimarex Energy Co. proposes to drill four vertical Glorieta-Yeso wells in the SE/4 of Section 6, Township 19 South, Range 26 East, NMPM, as follows:

Case 14703: Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the NW/4SE/4 of Section 6, Township 19 South, Range 26 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Colorado 6 Fee Well No. 1, to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case 14704: Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the NE/4SE/4 of Section 6, Township 19 South, Range 26 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Colorado 6 Fee Well No. 2, to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case 14705: Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the SW/4SE/4 of Section 6, Township 19 South, Range 26 East, NMPM, to form a standard 40-acre oil spacing and

proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Colorado 6 Fee Well No. 5, to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case 14698: Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the SE/4SE/4 of Section 6, Township 19 South, Range 26 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Kansas 6 Fee Well No. 1, to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

COG Operating LLC has proposed two horizontal wells crossing the E/2E/2 and W/2E/2 of Section 6. Cimarex Energy Co. will present evidence showing that (1) it has made a good faith effort to obtain voluntary pooling, (2) it has a majority working interest in its well units, and (3) vertical wells are more economic and obtain better results than horizontal wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|-------------------------------|------------------|-----------------|
| Hayden Tresner (landman) | 20 min. | Approx. 6 |
| Meera Ramoutar (geologist) | 20 min. | Approx. 10 |
| Floyd Hammond (engineer) | 20 min. | Approx. 15 |

OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
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PROCEDURAL MATTERS

Cimarex Energy Co. requests that these cases be consolidated for hearing.

Respectfully submitted,



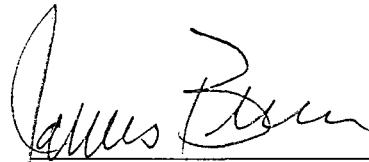
James Bruce
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Attorney for Cimarex Energy Co.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 25th day of August, 2011 by facsimile transmission:

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