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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

2011 JUL 13 A 10: 10

IN THE MATTER OF THE HEARING 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. 14,698

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co. Suite 600 600 North Marienfeld Midland, Texas 79701 APPLICANT'S ATTORNEY

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

Attention: Hayden Tresner (432) 571-7856

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

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.

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<u>OPPONENT</u>

PROPOSED EVIDENCE

APPLICANT

WITNESSES

<u>EST. TIME</u>

20 min.

EXHIBITS

Approx. 6

Hayden Tresner (landman)

15 min.

Approx. 4

(geologist)

OPPONENT

WITNESSES

<u>EST. TIME</u>

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Cimarex Energy Co.

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