

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

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

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

**Case No. 14,858**

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

**Case No. 14,859**

**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

Attention: Hayden Tresner  
(432) 571-7856

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks orders approving the following applications:

u v w 5/31/12

Case 14858: Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2E/2 of Section 3, Township 23 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Bone Spring formation underlying the SW/4SE/4 of Section 3 to form a standard 40 acre oil spacing and proration unit, and (ii) in the Bone Spring formation underlying the W/2E/2 of Section 3 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Blanco 3 State Com. Well No. 1, a horizontal well to be drilled at a surface location in the SW/4SE/4, with a terminus in the NW/4NE/4, of Section 3. 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 14859: Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2E/2 of Section 3, Township 23 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Bone Spring formation underlying the SE/4SE/4 of Section 3 to form a standard 40 acre oil spacing and proration unit, and (ii) in the Bone Spring formation underlying the E/2E/2 of Section 3 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Blanco 3 State Com. Well No. 2, a horizontal well to be drilled at a surface location in the SE/4SE/4, with a terminus in the NE/4NE/4, of Section 3. 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.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

#### OPPONENT

### **PROPOSED EVIDENCE**

#### APPLICANT

##### WITNESSES

Hayden Tresner  
(landman)

##### EST. TIME

15 min.

##### EXHIBITS

Approx. 6

Lee Catalano  
(geologist)

15 min.

Approx. 4

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

Applicant requests that the cases be consolidated for hearing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Cimarex Energy Co.