

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

**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. 14698 (Reopened)

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

Case No. 14703 (Reopened)

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

Case No. 14704 (Reopened)

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

Case No. 14705 (Reopened)

PRE-HEARING STATEMENT

This consolidated 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: Hilary Coder
(432) 571-7856

APPLICANT'S ATTORNEY

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

OTHER PARTIES

COG Operating LLC
Concho Oil & Gas LLC

OTHER PARTIES' ATTORNEYS

Michael Feldewert and Adam Rankin

Yates Petroleum Corporation
Abo Petroleum Corporation
Myco Industries, Inc.

William F. Carr

OXY Y-1 Company

J. Scott Hall

STATEMENT OF THE CASE

APPLICANT

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.

Case 14703: Applicant 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: Applicant 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: Applicant 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.

OTHER PARTIES

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBIT

Applicant does not plan on presenting witnesses, but will submit an additional notice affidavit.

OTHER PARTIES

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

TW Also Sept 29 *RL* will Jones

These cases were consolidated with Cases Nos. 14725 and 14726, filed by COG Operating LLC, and were heard on September 1, 2011. Applicant sought to drill vertical wells, and COG sought to drill horizontal wells. Order No. R-134490 was entered on December 14, 2011, which granted all six applications. Applicant and COG subsequently filed a joint motion to reopen the cases and stay the order. That motion was granted by Order No. R-13490-A entered on January 12, 2012.

TW
RA

Since the order re-opening the cases was entered, applicant, COG, and other parties to these proceedings have settled their differences, and it was agreed that applicant would drill its proposed wells, COG would withdraw its applications, and applicant would operate the subject acreage. COG has dismissed its applications.

Order No. R-13490 was the first Division order which granted all competing pooling applications, and it left many issues unresolved. As a result, applicant and COG will be filing a joint motion to rescind the order and substitute a new pooling order which covers only the above applications. Applicant requests that this motion be considered at the May 24, 2012 hearing.

Respectfully submitted,

James Bruce

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

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 17th day of May, 2012 by facsimile transmission and U.S. Mail:

William F. Carr
Michael Feldewert
Adam Rankin
Holland & Hart LLP
P.O. Box 2208
Santa Fe, New Mexico 87504
(505) 983-6043

J. Scott Hall
Montgomery & Andrews, P.A.
P.O. 2307
Santa Fe, New Mexico 87504
(505) 982-4289


James Bruce