

J. SCOTT HALL

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Reply To: Santa Fe Office

www.montand.com 2012 DEC -6 P.2: 58

December 6, 2012

Ms. Jami Bailey, Director NM Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87501

Re: NMOCD Case No. 14937: Application of Cimarex Energy Co. for

Designation of a Non-Standard Oil Spacing and Proration Unit and for

Compulsory Pooling, Lea County, New Mexico

Dear Ms. Bailey:

On behalf of Cimarex, enclosed for filing is an original and one copy of the Pre-Hearing Statement of Cimarex Energy Co. in the above-referenced case.

Very truly yours,

Karen Williams

Assistant to J. Scott Hall

Karen Welliam

Enclosures

426990

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

IN THE MATTER OF THE APPLICATION OF CIMAREX ENERGY CO. FOR DESIGNATION OF A NON-STANDARD OIL SPACING AND PRORATION UNIT AND FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO 2012 DEC -6 P-2:58

Case No. 14937

PRE-HEARING STATEMENT OF CIMAREX ENERGY CO.

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

APPEARANCES

<u>APPLICANT</u>

Cimarex Energy Co. 600 N. Marienfeld St., Suite 600

Midland, TX 79701

APPLICANT'S ATTORNEY

J. Scott Hall

Montgomery and Andrews, P.C.

P.O. Box 2307

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(505) 982-3873

OPPONENT

OPPONENT'S ATTORNEY

N/A

N/A

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order consolidating the 40-acre spacing units within the E/2 W/2 of Section 25, Township 23 South, Range 32 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the

compulsory pooling of all interests in the Bone Spring formation underlying the E/2 W/2 of Section 33 to be dedicated to its Triste Draw 25 Fed. Com. Well No. 3 to be drilled horizontally from a surface location 330' from the South line and 1980' from the West line (Unit N) to a bottom hole location 330' from the North line and 1980' from the West line (Unit C), to a depth sufficient to test the Bone Spring formation underlying the proposed project area in Section 25. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as operator and a charge for risk involved in drilling the well

OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Hayden Tresner, Landman	20 min.	7
Lee Catalano, Geologist	20 min.	7

OPPONENT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By:

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