

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION COMMISSION
FOR THE PURPOSE OF CONSIDERING:**

2013 OCT -3 A 11: 54

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

CASE NO. 14966 (De Novo)

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by COG Operating LLC as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

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

ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

INTERESTED PARTY

COG Operating LLC
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

ATTORNEY

Ocean Munds-Dry
Senior Attorney
1048 Paseo de Peralta
Santa Fe, New Mexico 87501

STATEMENT OF THE CASE

APPLICANT

Cimarex Energy Co. seeks an order approving a 240-acre non-standard oil spacing and proration unit (the "Project Area") in the Abo/Wolfcamp formation comprised of the N/2NE/4 of Section 8 and N/2N/2 of Section 9, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Abo/Wolfcamp formation underlying the Project Area for any formations and/or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Independence 8 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location 510 feet from the north line and 2310 feet from the east line of Section 8, with a terminus 660 feet from the north line and 330 feet from the east line of Section 9. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

INTERESTED PARTY (INTERVENOR)

Concho has a significant interest in any decision the Commission may make regarding pooling for laterals longer than one mile. This case is a matter of first impression for the Commission regarding the issue of laterals extending longer than one mile or a project area of more than 160 acres. As a leader in drilling horizontal oil wells in Southeast New Mexico, Concho has compelling data that supports the drilling of what we refer to as "extended laterals" meaning those continuing for more than one mile. Concho will show how drilling extended laterals contributes substantially to the prevention of waste and the protection of correlative rights.

PROPOSED EVIDENCE

INTERESTED PARTY (INTERVENOR)

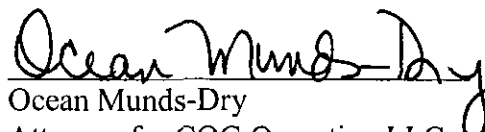
WITNESSES	TIME	EXHIBITS
Jayne Krawietz Reservoir Engineer	20 mins.	5

EXHIBITS

Exhibit 1	Geologic Map of Basin
Exhibit 2	Completed Lateral Length Comparison
Exhibit 3	EUR v. Lateral Length Graph
Exhibit 4	Lateral Length Table
Exhibit 5	Two Section Development Examples

PROCEDURAL MATTERS

COG Operating LLC has none at this time.

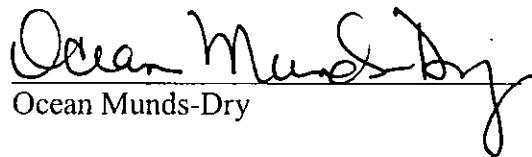

Ocean Munds-Dry
Attorney for COG Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Notice of Intervention was emailed on October 3, 2013 to:

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
jamesbruc@aol.com

Attorney for Cimarex Energy Co.


Ocean Munds-Dry