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# CARSON RYAN LLC

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September 11, 2014

VIA FACSIMILE  
(505) 476-3462

Ms. Florene Davidson  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**RE: Cimarex Energy Company's Application for Compulsory Pooling  
Case No. 15188**

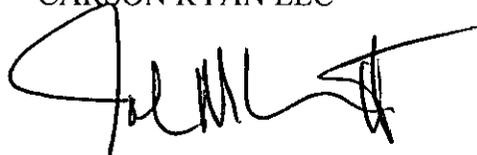
Dear Ms. Davidson:

Enclosed please find the Pre-Hearing Statement for Read & Stevens, Inc., Carolyn Beall, Betty Read Young, Diamond Star Prod., Co., LLC.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

CARSON RYAN LLC



Joel M. Carson III

JMC/rmt

Enclosures

xc: Earl E. DeBrine, Jr.  
Michael H. Feldewert

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

RECEIVED OGD

2014 SEP 15 P 3:14

APPLICATION OF CIMAREX ENERGY COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT, COMPULSORY POOLING  
AND NON-STANDARD LOCATION,  
EDDY COUNTY, NEW MEXICO.

Case No. 15188

PRE-HEARING STATEMENT

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

**APPEARANCES**

APPLICANT

Cimarex Energy Company

APPLICANT'S ATTORNEY

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.,  
Earl E. DeBrine, Jr.  
Jordan L. Kessler  
P.O. Box 2168  
Albuquerque, New Mexico 87103-2168

OPPONENT

Read & Stevens, Inc.  
Carolyn Beall  
Betty Read Young  
Diamond Star Prod., Co., LLC ("Read Group")  
400 N. Pennsylvania Avenue, Ste. 1000  
Roswell, New Mexico 88201

OPPONENT'S ATTORNEY

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**STATEMENT OF THE CASE**

APPLICANT

Cimarex Energy Company of Colorado (“Cimarex”), seeks approval of (1) two non-standard locations; (2) a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) the pooling of all mineral interests in the Wolfcamp formation underlying the proposed non-standard spacing and proration unit.

OPPONENT

Read & Stevens, Inc., Carolyn Beall, Betty Read Young, Diamond Star Prod., Co., LLC (“Read Group”) opposes Cimarex’s proposed order pooling their leasehold working interests. The parties and interests are subject to valid and existing joint operating agreements for the leasehold covered by Applicant’s proposed project area. Each of the aforementioned non-operators have already elected to participate, executed Cimarex’s authorization for expenditure and executed Cimarex’s communitization agreement. Accordingly, the Read Group contends they have validly elected to participate in the well and cannot be pooled. The Read Group further contends Cimarex has not engaged in good faith negotiations of the terms of the proposed new joint operating agreement. To date, Cimarex’s response to the Read Group’s attempts to negotiate changes has been to state they will not agree to any such changes. The Read Group also objects insofar as Cimarex appears to be seeking to pool interests or obtain rights to formations other than the Wolfcamp formation.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Rory McMinn  
(President)

15 min.

Approx. 5

Dianna Doshier  
(Land Manager)

15 min.

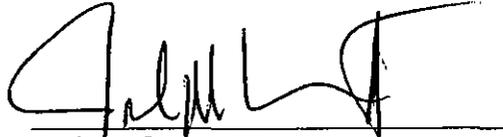
Approx. 2

**PROCEDURAL MATTERS**

The Read Group may seek dismissal of the pooling application as seeking relief outside of the division’s jurisdiction.

Respectfully submitted,

CARSON RYAN LLC



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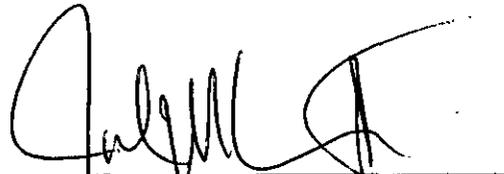
*Attorneys for Read & Stevens, Inc., Carolyn Beall,  
Betty Read Young and Diamond Star Prod. Co.,  
LLC*

**Certificate of Service**

I hereby certify that a true and correct copy of the forgoing Pre-Hearing Statement was served to counsel of record via United States Postal Service this 11<sup>th</sup> day of September, 2014.

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