



MODRALL SPERLING

L A W Y E R S

Jennifer L. Bradfute
505.848.1845
Fax: 505.848.1882
jlb@modrall.com

November 10, 2016

Florene Davidson
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: **Case No. 15585**
APPLICATION OF CIMAREX ENERGY CO. FOR A NON-
STANDARD OIL SPACING AND PRORATION UNIT, AND
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

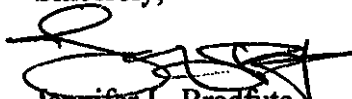
Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Cimarex's Pre-Hearing Statement (No. 15585)

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,



Jennifer L. Bradfute

JLB/zc
Enclosure

Modrall Sperling
Roehl Harris & Sisk
P.A.

Bank of America
Centre
500 Fourth Street
NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico
87103-2168

Tel: 505 848 1800

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

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

CASE NO. 15585

CIMAREX'S PRE-HEARING STATEMENT

Cimarex Energy Co. ("Cimarex"), submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co.
600 N. Marienfeld Street
STE 600
Midland, TX 79701

ATTORNEY

Earl E. DeBrine, Jr., Esq.
Jennifer L. Bradfute, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OPPONENT:

Black Mountain Operating LLC
500 Main Street
Suite 1200
Fort Worth, TX 76102

J. Scott Hall
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873

STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order approving a non-standard oil

spacing and proration unit in the Bone Spring formation and pooling of all uncommitted mineral interests in the Bone Spring formation underlying the E/2 W/2 of Sections 5 and 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

Cimarex seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 W/2 of Sections 5 and 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit.

This proposed non-standard spacing and proration unit will be the project area for the West Gramma Ridge 8 Fed Com 1H well, to be horizontally drilled. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles west of Eunice, New Mexico.

OPPONENT: Black Mountain Operating LLC

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Cody Elliott– Landman	Approx. 15	Approx. 5
Meera Ramoutar – Geologist	Approx. 10	Approx. 4
Will Sirgo - Engineer	Approx. 10	Approx. 4

PROCEDURAL MATTERS

Cimarex does not have any procedural matters at this time.

Respectfully submitted,

**MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.**

By: 

Earl E. DeBrine, Jr.

Jennifer L. Bradfute

Post Office Box 2168

Bank of America Centre

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800