

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

IN THE MATTER OF THE APPLICATION  
OF CIMAREX ENERGY COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

CASE NO. 13826

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of Mewbourne Oil Company and Hunt Petroleum (AEC), Inc., as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT'S ATTORNEY**

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, New Mexico 87504

**OPPONENT'S ATTORNEY**

J. Scott Hall, Esq.  
Miller Stratvert P.A.  
150 Washington Ave., Suite 300  
Post Office Box 1986  
Santa Fe, New Mexico 87504  
(505) 989-9614

**OTHER PARTY'S ATTORNEY**

**APPLICANT**

Cimarex Energy Company

**OPPONENT**

Mewbourne Oil Company  
Hunt Petroleum (AEC), Inc.

**OTHER PARTY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 29, T19S, R28E, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formation or pools developed on 320-acre spacing within that vertical extent, including the South Millman-Morrow Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical limit. The units are to be dedicated to the Fadeaway Ridge 29 State Com. Well No. 1 to be drilled at an orthodox location in the NE/4SW/4 of Section 29. Also to be considered will be 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.

**OPPOSITION OR OTHER PARTY**

Mewbourne Oil Company and Hunt Petroleum (AEC), Inc. oppose the application to pool their interests for the reason that the applicant has failed to first conduct good faith negotiations to obtain their voluntary participation in the well as required by NMSA (1978) §§7-2-17 and 70-2-18. Mewbourne and Hunt also object to the Applicant's estimated well costs.

**PROPOSED EVIDENCE**

**APPLICANT**  
**WITNESSES**

**EST. TIME**

**NO. OF EXHIBITS**

**OPPOSITION**

<b>WITNESSES</b>	<b>EST. TIME</b>	<b>NO. OF EXHIBITS</b>
Paul Haden, Landman	20 Minutes	6
Ewell Schirmer, Landman	20 Minutes	6

**PROCEDURAL MATTERS**

Mewbourne Oil Company may file a motion to continue the November 30, 2006 hearing in order to afford the parties additional time to negotiate.

MILLER STRATVERT P.A.

By: \_\_\_\_\_

*J. Scott Hall*

J. Scott Hall, Esq.  
Post Office Box 1986  
Santa Fe, New Mexico 87504  
(505) 989-9614  
Attorneys for Mewbourne Oil Company and  
Hunt Petroleum (AEC), Inc.

**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 21st day of November, 2006, as follows:

James Bruce  
Attorney at Law  
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*J. Scott Hall*

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J. Scott Hall