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

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

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

Case No. 14,264

PRE-HEARING STATEMENT

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

APPEARANCES

<u>APPLICANT</u> Cimarex Energy Co. Suite 600 600 North Marienfeld Midland, Texas 79701

Attention: Hayden Tresner (432) 571-7856 APPLICANT'S ATTORNEY

James Bruce P.O. Box 1056 Santa Fe, New Mexico 8750... (505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 4 and the SW/4NW/4 of Section 6, Township 1; South, Range 38 East, NMPM, to form a non-standard 80.04-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Denton-Wolfcamp Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Harvard 6 Fee Well No. 2, a horizontal well drilled at a surface location 430 feet from the nor h line and 430 feet from the west line, with a terminus at an unorthodox location 2595 feet from the north line and 441 feet from the west line, of Section 6. Applicant also requests a proval of the unorthodox location in the Wolfcamp formation. Also to be considered will be the cost of _/

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drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

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PROPOSED EVIDENCE

APPLICANT

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(landman)

THIS APPLICATION IS UNOPPOSED, AND WILL BE SUPMITTED BY AFFIDAVIT.

OPPONENT

WITNESSES

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PROCEDURAL MATTERS

Respectfully submitted,

James Bruce Post Office Box 1056 Santa Fe, New Mexic() 87504 (505) 982-2043

Attorney for Cimarex Energy Co.