

J. SCOTT HALL

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Reply To: Santa Fe Office 2010 FEB 25 P 2: 18

February 25, 2010

Ms. Florene Davidson New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe. NM 87505

Re: NMOCD Case No. 14428: Application of Cimarex Energy Co. for Compulsory Pooling and Cancellation of a Permit to Drill Issued to COG Operating LLC, Eddy County, New Mexico

Dear Ms. Davidson:

On behalf of COG Operating LLC, enclosed for filing is an original and one copy of COG's Pre-Hearing Statement in the above case.

I have included an additional copy to conform. Thank you.

Very truly yours,

Karen Williams

Assistant to J. Scott Hall

Karen William

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Enclosures

cc:

James Bruce, Esq. via facsimile

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REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

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

2010 FEB 25 P 2: 18

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING AND CANCELLATION OF THE DIVISION'S APPROVAL OF AN APPLICATION FOR PERMIT TO DRILL ISSUED TO COG OPERATING LLC, EDDY COUNTY, NEW MEXICO

CASE NO. 14428

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by COG Operating LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT	APPLICANT'S ATTORNEY
ALLECANT	ALLICANI SALIONNEI

Cimarex Energy Co. James Bruce 600 North Marienfeld, Suite 600 P.O. Box 1056

Midland, TX 79701 Santa Fe, New Mexico 87504

(505) 982-2043

<u>OPPONENT'S ATTORNEY</u>

COG Operating LLC

J. Scott Hall

550 W. Texas Ave. Montgomery & Andrews

Suite 1300 P.O. Box 2307 Midland, TX 79701 Santa Fe, New Mexico 87504-2307

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STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso Formation underlying the SW4 SE4 of Section 2, Township 17 South, Range 30 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical



extent, including the Undesignated Loco Hills Glorieta-Yeso Pool. The unit will be dedicated to the Castor 2 State Well No. 3, to be drilled at an orthodox location. Also to be considered will be the cost of drilling and completing the well and the allocation of the coast 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. Applicant further seeks cancellation of the Division's approval of an application for permit to drill issued to COG Operating LLC for the proposed Yale State Well No. 5, a Glorieta-Yeso test located in the SW4 SE4 of Section 2 (API No. 30-015-37453).

OPPONENT

PROPOSED EVIDENCE

APPLICANT

	WITNESSES	EST. TIME	<u>EXHIBITS</u>
	Hayden Tresner (landman)	15 min.	Approx. 4
	Lee Catalano (geologist)	15 min	Approx. 4
	(engineer)	15 min	Approx. 4
OPPONE	<u>NT</u>	EST. TIME	<u>EXHIBITS</u>
	WITNESSES		
	Brent Robertson (landman)	20 min.	Approx. 4
	Stuart Dirks (landman)	20 min.	Approx. 4

PROCEDURAL MATTERS

COG may file a motion to dismiss the Cimarex Application.

MONTGOMERY & ANDREWS, P.A.

By:

J. Scott Hall, Esq.
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873
Attorneys for COG Operating LLC

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 25th day of February, 2010, as follows:

James Bruce P.O. Box 1056 Santa Fe, NM 87504

Fax: (505) 982-2151

J. Scott Hall

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