

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 PURPOSES
OF CONSIDERING:

CASE NO. 14511

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

RECEIVED OCD
2010 JUL 15 P 4: 31

ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Cimarex Energy Co.

ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
(505) 982-2043
(505) 982-2151 (Fax)

OPPONENT

Chesapeake Operating, Inc.
Attn: Justin Zerkle
6100 N. Western
Post Office Box 18496
Oklahoma City, OK 73154-0496

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
110 N. Guadalupe St. Suite 1
Santa Fe, NM 87501
(505) 988-4421
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STATEMENT OF CASE

OPPONENT

Chesapeake Operating, Inc. is the operator under a Joint Operating Agreement covering the S/2 of Section 17, Township 19 South, Range 33 East, NMPM. Cimarex has proposed to drill a well in the E/2 W/2 of Section 17 that will hinder Chesapeake's current operations in the S/2 and future plans of development. Chesapeake understands that Cimarex owns no interest in the S/2 of said Section 17 and should not be authorized to interfere with the orderly development of the oil and gas in the S/2 by virtue of this application. In order to prevent waste, avoid the drilling of unnecessary wells and to protect correlative rights, Chesapeake requests that this application be denied.

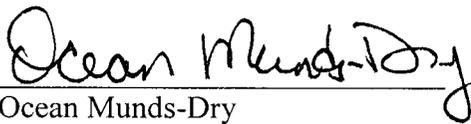
PROPOSED EVIDENCE

OPPONENT

WITNESSES	ESTIMATED TIME	EXHIBITS
Justin Zerkle, Petroleum Landman	Approx. 20 minutes	Approx. 5
Robert Martin or David Godsey, Petroleum Geologist	Approx. 20 minutes	Approx. 5

PROCEDURAL MATTERS

Chesapeake understands that Mewbourne Oil Co. will be opposing this application as well and filing a competing application. Chesapeake supports a continuance of this matter to allow both the Cimarex and Mewbourne applications to be heard at the same time.

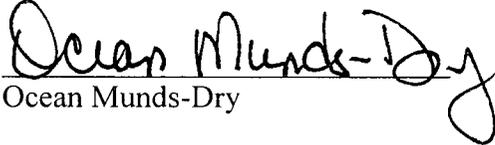

Ocean Munds-Dry
Attorney for Chesapeake Operating, Inc.

CERTIFICATE OF SERVICE

I certify that on July 15, 2010 I served a copy of the foregoing document to the following
by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

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