

**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 OGD
2010 JUL 15 P 4: 38**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the rules of 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

Mewbourne Oil Company
Attn: Corey Mitchell
500 West Texas
Midland, Texas 79701
(432) 682-3715
(432) 685-4170 (Fax)

ATTORNEY

William F. Carr
Holland & Hart LLP
110 N. Guadalupe St. Suite 1
Santa Fe, NM 87501
(505) 988-4421
(505) 983-6043 (Fax)

STATEMENT OF CASE

OPPONENT

Mewbourne Oil Company opposes the application of Cimarex Energy Co. in this case. Mewbourne owns working interest in the N/2 of Section 17, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico including acreage in the non-standard spacing unit/horizontal well project area proposed by Cimarex. The surface location for Cimarex' proposed Maduro 17 Federal Com Well No. 1 ("the Maduro well") is on acreage in which Mewbourne owns working interest. The well has never been proposed to Mewbourne.

On May 30, 2010, Mewbourne filed an Application for Permit to Drill its Spyglass "17" Federal Com. Well 1 H with the BLM. This well is located on a horizontal well project area comprised of the S/2 N/2 of said Section 17. Cimarex has been attempting to reach voluntary agreement with the owners in this project area for the drilling of this well but will have to file an application for an order pooling certain interests in this project area.

PROPOSED EVIDENCE

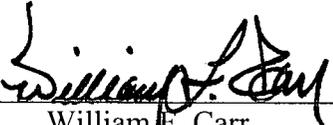
OPPONENT

WITNESSES	ESTIMATED TIME	EXHIBITS
Corey Mitchell, Petroleum Landman	Approx. 20 minutes	Approx. 5

PROCEDURAL MATTERS

Mewbourne Oil Company is filing a competing application and a Motion for Continuance of the hearing in this application to the August 19, 2010 Oil Conservation Division Examiner hearing docket.

Respectfully submitted,
HOLLAND & HART, LLP

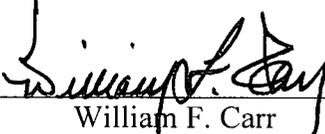
By: 
William F. Carr
Ocean Munds-Dry
ATTORNEYS FOR MEWBOURNE OIL
COMPANY

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

James Bruce, Esq.
PO Box 1056
Santa Fe, NM 87504
(505) 982-2151 FAX



William F. Carr