

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

IN THE MATTER OF THE HEARINGS 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 AND FOR COMPULSORY POOLING, CHAVES
COUNTY, NEW MEXICO.

Case No. 14,507

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

Case No. 14,508

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, Texas 79701

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Hayden P. Tresner
(432) 571-7856

OPPONENT

COG Operating LLC

OPPONENT'S ATTORNEY

J. Scott Hall

Handwritten: 7/19/10 WDJ

STATEMENT OF THE CASE

APPLICANT

Case No. 14,507: Cimarex Energy Co. seeks an order approving a 161.06-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 2, SW/4NE/4, and W/2SE/4 (the W/2E/2) of Section 3, Township 15 South, Range 31 East,

NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Abo/Wolfcamp formation underlying Lot 2 of Section 3 to form a standard 41.06 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the W/2E/2 of Section 3 to form a non-standard 161.06 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent, The units are to be dedicated to the Boxer 3 Fee Well No. 3, a horizontal well to be drilled at a surface location 375 feet from the north line and 1980 feet from the east line, with a terminus 330 feet from the south line and 1980 feet from the east line, of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of 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.

Case No. 14.508: Cimarex Energy Co. seeks an order approving a 161.02-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 1, SE/4NE/4, and E/2SE/4 (the E/2E/2) of Section 3, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Abo/Wolfcamp formation underlying Lot 1 of Section 3 to form a standard 41.02 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the E/2E/2 of Section 3 to form a non-standard 161.02 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent, The units are to be dedicated to the Boxer 3 Fee Well No. 4, a horizontal well to be drilled at a surface location 375 feet from the north line and 1250 feet from the east line, with a terminus 330 feet from the south line and 660 feet from the east line, of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of 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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Hayden Tresner (landman)	15 min.	Approx. 5
Ralph Worthington (geologist)	15 min.	Approx. 4
Mark Audas (drilling engineer)	15 min.	Approx. 4

