

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

**APPLICATION OF CIMAREX ENERGY CO.
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 23295

**APPLICATION OF PRIDE ENERGY COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

Case No. 22853

PREHEARING STATEMENT

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

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ConocoPhillips Company,
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Chevron U.S.A. Inc.; and
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APPLICANT'S STATEMENT OF CASES

The above-referenced cases represent a dispute between Cimarex and Pride Energy Company ("Pride") over which formation to drill (the Bone Spring or the Wolfcamp) in order to optimize production, protect correlative rights, and prevent waste in the W/2 W/2 of Sections 12 and 13, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico ("Subject Lands").

In Case No. 23295, Cimarex seeks an order pooling all uncommitted interests in the Bone Spring formation, designated as an oil pool, underlying the Subject Lands. Cimarex proposes and dedicates to the unit three initial wells: the **Showbiz 13-12 State Com 101H Well**, the **Showbiz 13-12 State Com 201H Well**, and the **Showbiz 13-12 State Com 301H Well** to be drilled to a sufficient depth to test the Bone Spring formation.

Cimarex proposes the **Showbiz 13-12 State Com 101H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 13 to a bottom hole location

in the NW/4 NW/4 (Unit D) of Section 12. Cimarex proposes the **Showbiz 13-12 State Com 201H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 13 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 12. And, Cimarex proposes the **Showbiz 13-12 State Com 301H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 13 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 12. The proposed wells are orthodox in their location, and the take points and completed interval comply with setback requirements under the statewide rules.

In Case No. 22853, Pride seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying the Subject Lands. Pride proposes to drill the Go State Com. Well No. 401H to a depth to test the Wolfcamp formation, and to dedicate the W/2 W/2 of Sections 12 and 13 thereto. The well has a first take point in the SW/4 SW/4 of Section 13 and a last take point in the NW/4 NW/4 of Section 12.

Cimarex maintains that because there is no baffle between the Bone Spring and the Wolfcamp formation, there is substantial communication between the formations. Cimarex also maintains that the best reservoir for production resides in the Bone Spring formation and drilling the Wolfcamp at the depth and in the proximity proposed by Pride would result in drainage of the Bone Spring and a violation of correlative rights. Therefore, Cimarex maintains that the prevention of waste and protection of correlative require that the two development plans be mutually exclusive; thus, only one development plan should be approved for the Subject Lands, unless Pride is willing to lower its landing zone in the Wolfcamp so as not to drain the 3rd Bone Spring.

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: John Coffman Qualifications: I graduated in 2018 from Texas Tech University with a bachelor’s degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for	Approx. 45 min	Approx. 7

approximately 4 years, and I have been working in New Mexico for 4 years. My credentials as an expert witness in petroleum land matters have been accepted by the Division and made a matter of record.

Geologist: Staci Mueller

Approx. 40 min

Approx. 9

Qualifications: I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines. I have worked on New Mexico Oil and Gas matters since July 2018. My credentials as an expert witness in geology have been accepted by the Division and made a matter of record.

Engineer: Mark McCoy

Approx. 35 min

Approx. 5

Qualifications: I hold a Bachelor’s degree in Mechanical Engineering obtained from the University of Oklahoma. I completed my education in 2021. I have been employed full-time as a reservoir engineer with Cimarex/Coterra since June 2021. I have not testified previously before the Division but have provided among my exhibits a one-page resume for the Division’s review and request that based on my credentials, that I be accepted as an expert witness in engineering.

LIST OF MATERIAL FACTS NOT IN DISPUTE

Parties are in general agreement that there is some form of communication between the Bone Spring and Wolfcamp formations but may disagree over the extent.

LIST OF DISPUTED FACTS AND ISSUES

The central issue in Cimarex’s Case No. 23295 and Pride’s competing Case No. 22853 is which formation, the Bone Spring or the Wolfcamp, should be produced and which development plan should be selected in order to optimize production in the Subject Lands, prevent waste, and protect correlative rights.

PROCEDURAL MATTERS

None.

Respectfully submitted,

ABADIE & SCHILL, PC

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on July 13, 2023:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 240076

QUESTIONS

Operator: CIMAREX ENERGY CO. 6001 Deauville Blvd Midland, TX 79706	OGRID: 215099
	Action Number: 240076
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	3
Testimony time (in minutes)	21