

**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. 22754

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

Cimarex Energy Co.

ATTORNEY

Darin C. Savage
William E. Zimsky
Luke Kittinger
Andrew D. Schill
Abadie & Schill, PC
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
luke@abadieschill.com
andrew@abadieschill.com

INTERESTED PARTIES

MRC Permian Company

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504

TEL: (505) 988-4421
FAX: (505) 983-6043
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com

EGL Resources, Inc.

Ernest L. Padilla
Padilla Law Firm, P.A.
Post Office Box 2523
Santa Fe, New Mexico 87504
TEL: (505) 988-7577
padillalawnm@outlook.com

APPLICANT'S STATEMENT OF CASE

In Case No. 22754, Cimarex seeks an order (1) establishing a standard 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Sections 21 and 28, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from 10,527 feet to the bottom of the Quail Ridge; Bone Spring Pool [Code 50460] Bone Spring formation, designated as an oil pool, underlying said unit. Cimarex proposes and dedicates to the horizontal spacing and proration unit ("HSU") the **Mescalero Ridge 21-28 Federal Com 2H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 21 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 28.

Cimarex has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for development within the HSU. The pooling of all interests in the Bone Spring formation within the proposed HSU, and establishing the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

A depth severance exists in the Bone Spring formation within the proposed HSU. Accordingly, Cimarex seeks to pool a portion of the Quail Spring; Bone Spring pool [Code 50460], to include the 3rd Bone Spring formation, from a stratigraphic equivalent of 10,527 feet measured depth, as defined by the Triple Combo Log in the Mescalero Ridge 20 Federal 1 Well (API No. 30-025-36099), to a depth of 10,768 feet, that being the base of the of the 3rd Bone Spring. Cimarex has provided notice of this hearing to the vertical offset parties within the pool who are not subject to the pooling application. Concurrently with this case, Cimarex is also seeking to pool the portion of this pool above the depth severance, the 1st and 2nd Bone Spring, in Case No. 22755.

APPLICANT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: John Coffman	Approx. 10 min	Approx. 5
Geologist: Staci Mueller	Approx. 10 min	Approx. 6

PROCEDURAL MATTERS

Cimarex requests that, for purposes of the hearings, this Case No. 22754 be consolidated with Case Nos. 22755 and 22756 as they involve units within the same sections. No protests or objections have been filed and Cimarex does not anticipate any at this time; consequently, Cimarex plans to conduct the hearing by affidavit.

Cimarex submitted its publication notice to the Hobb-News Sun newspaper in an appropriate time for successful publication; however, the newspaper informed Cimarex that, along with a number of other party's submittals, the publishing date for notice had to be pushed back a day because of the excessive volume of publication notices submitted during this cycle. Consequently, publication notice was not timely by a day. Pursuant to the OCD's letter, "Clarification of Notices for OCD Hearing Guidelines and Compulsory Pooling Applications,"

dated effective January 23, 2020, Cimarex will submit a Motion for Continuance requesting a bifurcation of the publication notice from the other matters to be heard on May 5, 2022, so the matter of publication notice can be satisfied at the May 19, 2022, Docket. Cimarex has informed counsel of this matter.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky
Luke Kittinger
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
luke@abadieschill.com
andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

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 April 28, 2022:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
TEL: (505) 988-4421
FAX: (505) 983-6043
mfeldewert@hollandhart.com
agrankin@hollandhart.com
jbroggi@hollandhart.com
Attorneys for MRC Permian Company

Ernest L. Padilla
Padilla Law Firm, P.A.
Post Office Box 2523
Santa Fe, New Mexico 87504
TEL: (505) 988-7577
padillalawnm@outlook.com
Attorney for EGL Resources, Inc.

/s/ Darin C. Savage

Darin C. Savage

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 102491

QUESTIONS

Operator: CIMAREX ENERGY CO. 600 N. Marienfeld Street Midland, TX 79701	OGRID: 215099
	Action Number: 102491
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	2
Testimony time (in minutes)	20