

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

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

CASE NO. 15215

CIMAREX'S PREHEARING STATEMENT & EXHIBITS

Docket: Examiner Hearing - Thursday - November 20, 2014
8:15 a.m. - 1220 South St. Francis, Santa Fe, New Mexico

Kathleen Allen

From: Kathleen Allen
Sent: Thursday, November 13, 2014 4:14 PM
To: "florene.davidson@state.nm.us" (florene.davidson@state.nm.us)
Cc: Earl E. DeBrine; Jennifer L. Bradfute; tjames@isramco-jay.com
Subject: Application of Cimarex, Case No. 15215
Attachments: Cimarex's Pre-Hearing Statement (W2311895).PDF; L Florene Davidson encl Pre-Hearing Statement (W2311919).PDF; Cimarex Exhibit 1 (W2311323).PDF; Cimarex Exhibit 4 (W2311321).PDF; Cimarex Exhibit 2 (W2311324).PDF; Cimarex Exhibit 3 (W2311320).PDF

Ms. Davidson: Attached for filing is Cimarex's Pre-Hearing Statement in the above-referenced case. I am sending the exhibits (1-9) to you in 2 emails due to size. I am also sending these documents to you today by regular first class U.S. mail.

Thank you for your assistance. Please contact me if you have any questions.

Kat



Kathleen Allen | kata@modrall.com

Legal Assistant to Earl E. DeBrine, Jr., Esq. & Michelle A. Hernandez, Esq.

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MODRALL SPERLING
LAWYERS

November 13, 2014

Earl E. DeBrine, Jr.
505.848.1810
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Via E-mail and U.S. Mail

Florene Davidson
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Cimarex's Pre-Hearing Statement, Case No. 15215

Dear Ms. Davidson:

I am e-mailing to you for filing Cimarex's Pre-Hearing Statement in the above-referenced case. I am also sending two copies of the Pre-Hearing Statement to you by regular U.S. mail.

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,

Earl E. DeBrine, Jr.

EED/kta/Y:\adox\client\82762\0127\CORRES\W2311652.DOCX
cc: Tony James (via email: tjames@isramco-jay.com)
Jordan Cockrell

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APPLICATION OF CIMAREX
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CASE NO. 15215

CIMAREX'S PRE-HEARING STATEMENT

Cimarex Energy Co. of Colorado ("Cimarex"), submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co. of Colorado
600 N. Marienfeld, Ste. 600
Midland, Texas 79701

ATTORNEY

Earl E. DeBrine, Jr., Esq.
Jennifer L. Bradfute, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OPPONENT: NONE

INTERESTED PARTY

Isramco Resources, LLC
2425 W Loop South, Suite 810
Houston, Texas 77027

ATTORNEY

Anthony James, Esq.
Isramco Resources, LLC
2425 W Loop South, Suite 810
Houston, Texas 77027
(713) 621-3882 Ext. 309

STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation and pooling of all uncommitted mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.

Cimarex seeks an order from the Division: (1) creating a 160-acre, more or less, non-standard oil spacing and proration unit ("project area") in the Bone Spring formation comprised of W/2 E/2 of Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this non-standard spacing and proration unit/project area.

This proposed non-standard spacing and proration unit will be the project area for the Jake 36 State 7H well, to be horizontally drilled. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles south of Carlsbad, New Mexico.

OPPONENT: None anticipated.

INTERESTED PARTY: Isramco Resources, LLC

PROPOSED EVIDENCE

APPLICANT:

| <u>WITNESS</u> | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|--------------------------------|-----------------------|-----------------|
| Jordan Jenkins – Landman | Approx. 15 | 6 |
| Dave Rittersbacher – Geologist | Approx. 10 | 3 |

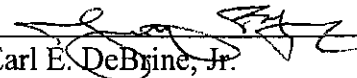
Three copies of Cimarex’s proposed exhibits are being submitted to the Division contemporaneously with the filing of this Pre-hearing Statement.

PROCEDURAL MATTERS

Cimarex does not have any procedural matters at this time. A proposed order concerning Cimarex's application is attached hereto as Exhibit A.

Respectfully submitted,

**MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.**

By: 
Earl E. DeBrine, Jr.
Jennifer L. Bradfute
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Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800

**ATTORNEYS FOR CIMAREX ENERGY CO. OF
COLORADO**

Certificate of Service

I hereby certify that a true and correct copy of this Pre-Hearing Statement was emailed on November 13, 2014 to:

Anthony James, Esq.
Isramco Resources, LLC
2425 W Loop South, Suite 810
Houston, Texas 77027
(713) 621-3882 Ext. 309
tjames@isramco-jay.com

**MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.**

By: 
Earl E. DeBrine, Jr.