

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

**APPLICATION OF TAP ROCK OPERATING,
LLC FOR A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 16165

CIMAREX ENERGY CO.'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Tap Rock Operating, LLC

ATTORNEY

Seth C. McMillan
J. Scott Hall
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

OPPONENT

Mewbourne Oil Company

ATTORNEY

James Bruce
369 Montezuma No. 213
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INTERESTED PARTY

Cimarex Energy Co.

ATTORNEY

Earl E. DeBrine, Jr.
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STATEMENT OF CASE

CIMAREX:

In Case No. 16165, Tap Rock seeks an order approving a non-standard spacing and proration unit comprised of the N/2 of Section 6 and the N/2 of Section 5, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Pool) underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Pliny the Elder 23S27E0605 #201H well to be drilled from an orthodox location approximately 870 feet from the north line and 330 feet from the west line of Section 4, Township 23 South, Range 27 East, to a bottom hole location approximately 330 feet from the north line and 200 feet from the west line of Section 6, Township 23 South, Range 27 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Mewbourne is alternatively proposing wells under a pre-existing Joint Operating Agreement in the N/2 of Section 5. Cimarex owns interests within Section 6 and has been in negotiations with Tap Rock to enter into a term assignment or to execute a joint operating agreement; however, such agreements have not been finalized. Cimarex, therefore, files this pre-hearing statement to preserve its right to present testimony at hearing in order to properly protect its correlative rights.

PROPOSED EVIDENCE

Cimarex:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Caitlin Pierce – Landman	Approx. 20	Approx. 6
TBD – Geologist	Approx. 15	Approx. 4
TBD - Engineer	Approx. 15	Approx. 4

Respectfully submitted,

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

By: _____

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on June 7, 2018:

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