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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 20254

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

ATTORNEY

Cimarex Energy Co.

Earl E. DeBrine Zoë E. Lees MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. P. O. Box 2168 Albuquerque, New Mexico 87103-2168 (505) 848-1800

STATEMENT OF CASE

APPLICANT:

In Case No. 20254, Cimarex seeks an order from the Division: (1) to the extent necessary, approving the creation of a 640-acre, more or less, Wolfcamp horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Section 24 and E/2 of Section 25, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Black River 25 Federal Com 4H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 14 miles South of Carlsbad, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS ESTIMATED TIME EXHIBITS

Land Professional: Caitlin Pierce Approx. 30 minutes Approx. 8

Geologist: TBD Approx. 30 minutes Approx. 6

PROCEDURAL ISSUES

If there are no objections to this matter, Cimarex intends to present it by affidavit.

Respectfully submitted,

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

By: Larl E. DeBrine

Zøë E. Lees

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800