

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 14,730

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Cimarex Energy Co. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, Texas 79701

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Hayden P. Tresner
(432) 571-7856

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Cimarex Energy Co. seeks an order approving a 160.00-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprising the S/2N/2 of Section 3, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Abo/Wolfcamp formation underlying the SE/4NE/4 of Section 3 to form a standard 40.00 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the S/2N/2 of Section 3 to form a non-standard 160.00 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40

acre spacing within that vertical extent. The units are to be dedicated to the Boxer 3 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location in the SE/4NE/4, with a terminus in the SW/4NW/4, of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Hayden Tresner
(landman)

15 min.

Approx. 5

Lee Catalano
(geologist)

15 min.

Approx. 4

OPPONENT

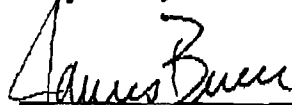
WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Cimarex Energy Co.