

(7)

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

2012 FEB 21 A 11:40

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

**APPLICATION OF CIMAREX ENERGY CO. FOR  
APPROVAL OF A NON-STANDARD OIL SPACING  
AND PRORATION UNIT, AN UNORTHODOX  
LOCATION, AND COMPULSORY POOLING, LEA  
COUNTY, NEW MEXICO.**

**Case No. 14,802**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

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

Attention: Hayden Tresner  
(432) 571-7856

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Cimarex Energy Co. seeks an order approving a 640-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of all Section 26, Township 20 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit is to be dedicated to:

- (a) the Snoddy Fed. Well No. 20, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , and a terminus in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ , of Section 26;

(b) the Snoddy Fed. Well No. 21, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , and a terminus in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ , of Section 26;

(c) the Snoddy Fed. Well No. 22, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , and a terminus in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ , of Section 26; and

(d) the Snoddy Fed. Well No. 23, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , and a terminus in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ , of Section 26.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

### OPPONENT

### PROPOSED EVIDENCE

#### APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Hayden Tresner (landman)	15 min.	Approx. 6
Lee Catalano (geologist)	15 min.	Approx. 4

#### OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
------------------	------------------	-----------------

### PROCEDURAL MATTERS

Respectfully submitted,



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

Attorney for Cimarex Energy Co.