

18-19

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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 COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

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CASE NOS. 14844
14845
14846
14847

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Cimarex Energy Co.
600 North Marienfeld
Suite 600
Midland, Texas 79701
Attn: Hilary Coder
(432) 5717856

APPLICANT'S ATTORNEY

James Bruce
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Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

COG Operating LLC
550 West Texas Avenue
Suite 100
Midland, Texas

OPPONENT'S ATTORNEY

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OPPONENT'S STATEMENT OF CASE

COG and Cimarex have been attempting to work out a mutually agreeable joint operating agreement for each of the subject wells. If no agreement is reached, COG will object to Cimarex's pooling applications. COG will review the efforts of Cimarex to pool numerous wells in the area and compare the number of pooling orders they have obtained with the number of wells they have actually drilled. COG will request that no application be granted for any well that Cimarex does not propose to commence within 45 days of the entry of the pooling order. COG will object to any proposal that would require it to pay its proportionate share of well costs for any pooled well more than 45 days before commencement of drilling. COG believes that pooling should be available only when a party proposes to drill a well within a reasonably foreseeable time and only when the party seeking pooling will commit to actually drilling. COG will further request that all pooled parties be given 14 days written notice before the party designated operator under any pooling order attempt to receive from the Director an extension of the time limit in which to drill set by the original order.

OPPONENT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Stuart Dirks, Petroleum Landman	Approx. 40 min.	Approx. 10
David Evans, Petroleum Landman	Approx. 40 min.	Approx. 10

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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ATTORNEYS FOR COG OPERATING, LLC

CERTIFICATE OF SERVICE

I hereby certify that on June 14, 2012, I served a copy of the Pre-Hearing Statement of
COG Operating LLC upon the following counsel via Electronic Mail to:

James Bruce
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Adam G. Rankin