

**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 COMPULSORY POOLING AND TWO  
NON-STANDARD GAS SPACING AND PRORATION  
UNITS, EDDY COUNTY, NEW MEXICO.**

Case No. 13,517

**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  
500 West Wall Street  
Midland, Texas 79701

Attention: Jeff Gotcher

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

Devon Energy Production Company, L.P.

**OPPONENT'S ATTORNEY**

Michael Feldcwert

**STATEMENT OF THE CASE**

**APPLICANT**

Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 7, Township 21 South, Range 27 East, NMPM, and in the following manner: Lots 1, 2, NE/4, and E/2NW/4 (the N/2) to form a non-standard 314.16-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the West Burton Flat-Strawn Gas Pool, Undesignated Alacran Hills-Atoka Gas Pool, and Burton Flat-Morrow Gas Pool; and Lots 1, 2, and E/2NW/4 (the NW/4) to form a non-standard 154.16-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre

WJT 8/27/05

spacing within that vertical extent, including the Undesignated Foster Draw-Delaware Gas Pool. The unit is to be dedicated to the Colton 7 Fed. Com. Well No. 1, to be drilled from a surface location 1250 feet from the north line and 2170 feet from the west line of Section 7 to a bottomhole location 1250 feet from the north line and 1650 feet from the west line of Section 7. 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

Elizabeth Moses  
(landman)

20 min.

Approx. 5

OPPONENT

WITNESSES

EST. TIME

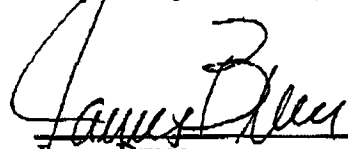
EXHIBITS

**PROCEDURAL MATTERS**

The undersigned attorney will need to withdraw from representing applicant due to a conflict.

*now Scott Hall*

Respectfully submitted,

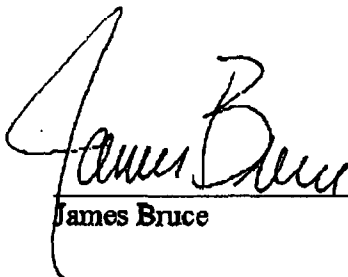
  
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Cimarex Energy Co.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 26th day of June, 2005, via facsimile transmission:

Michael Feldewert  
Holland & Hart LLC  
P.O. Box 2208  
Santa Fe, New Mexico 87504  
Fax: (505) 983-6043

  
James Bruce

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

**APPLICATION OF CIMAREX ENERGY CO. FOR  
COMPULSORY POOLING AND TWO NON-STANDARD  
GAS SPACING AND PRORATION UNITS,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 13517**

**DEVON's PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, on behalf of  
the opponent, Devon Energy Production Company, L.P. ("Devon").

**APPEARANCES OF PARTIES**

**APPLICANT**

Cimarex Energy Company  
508 West Wall, Suite 600  
Midland, Texas 79701-5073  
(432) 571-7823

**ATTORNEY**

*(wjt)*  
*Scott Hall*  
~~James Bruce~~  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
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(505) 982-2151 facsimile

**OPPONENT**

Devon Energy Production Company, LP  
20 North Broadway,  
Suite 1500  
Oklahoma City, OK 73102-8260  
(405) 552-2633

**ATTORNEY**

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**DEVON'S STATEMENT OF THE CASE**

Applicant's proposal to drill a well in the N/2 of Section 7, T-21-S, R-27-E was not received by Devon until May 31, 2005. Applicant's compulsory pooling application was received one week later. Accordingly, the parties have not had sufficient time to engage in good faith efforts to reach a voluntary agreement concerning this proposed well.

Moreover, the parties are successors in interest to a Joint Operating Agreement that covers all but 40 acres of the N/2 of Section 7. Accordingly, Devon believes this proposed well should be governed by the terms of that existing agreement between the parties, and that invoking the compulsory pooling authority of the state is improper and unnecessary under these circumstances.

**PROPOSED EVIDENCE**

WITNESS	ESTIMATED TIME	EXHIBITS
Ken Gray	Approx. 10 minutes	Approx. 3

**PROCEDURAL MATTERS**

Devon believes this pooling application should be dismissed due to the Applicant's failure to undertake efforts to reach a voluntary agreement, and the existence of a Joint Operating Agreement governing all but 40 acres of the N/2 of Section 7.

Respectfully Submitted,

Holland & Hart LLP



Michael Feldewert  
Ocean Munds-Dry  
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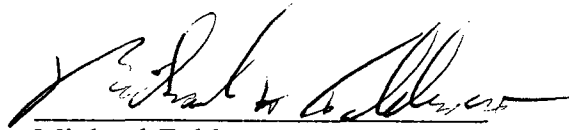
**Attorneys for Devon Energy Production  
Company, L.P.**

## CERTIFICATE OF SERVICE

I certify that on June 23, 2005, a copy of the foregoing document sent to the following by:

- ☒ U.S. Mail, postage prepaid  
☐ Hand Delivery  
☐ Fax

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Michael Feldewert