

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

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

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

Case No. 15,140

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

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

Attention: Kelly Reese
(432) 571-7800

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

Applicant seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the SE/4 of Section 34, Township 25 South, Range 26 East, NMPM and the E/2 of Section 3, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit (project area) for any pools or formations developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Hayduke 34 Fed. Com. Well No. 3, a horizontal well with a surface location in the NE/4SE/4 of Section 34, and a terminus in the SE/4SE/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, 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

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Kelly Reese (landman)	15 min.	Approx. 8
Joel Baker (geologist)	15 min.	Approx. 4

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

-None-

Respectfully submitted,

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

Attorney for Cimarex Energy Co. of
Colorado