

**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 FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

2008 JUL 16 PM 1:40
RECEIVED
Case No. 14,153

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
508 West Wall Street
Midland, Texas 79701

Attention: Carl Speight

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 non-standard oil spacing and proration unit (project area) comprised of the SW/4NE/4 and NW/4SE/4 of Section 21, Township 15 South, Range 36 East, NMPM, to form a non-standard 80-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Caudill-Permo Upper Penn Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Caudill South "21" Fee Well No. 3H, a horizontal well to be drilled at a surface location 2000 feet from the south line and 2220 feet from the east line, with a terminus 1700 feet from the north line and 2200 feet from the east line, of Section 21. 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

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Carl Speight (landman)	15 min.	Approx. 5
Dan Spancers (geologist)	15 min.	Approx. 4

IF THIS CASE IS UNCONTESTED, IT WILL BE SUBMITTED BY AFFIDAVIT.

OPPONENT

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

Respectfully submitted,



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

Attorney for Cimarex Energy Co.