

**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 PURPOSES
OF CONSIDERING:**

CASE NO. 14145

RECEIVED
2008 JUN 19 PM 2 22

**APPLICATION OF FASKEN OIL AND RANCH, LTD.
FOR COMPLIANCE ORDER REQUIRING CIMAREX
ENERGY CO. OF COLORADO TO COMPLY WITH
THE DIVISION'S OIL PRORATION RULES
FOR THE APACHE RIDGE-BONE SPRING POOL,
LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Fasken Oil and Ranch Ltd.
303 W. Wall Avenue, Suite 1800
Midland, Texas 79701
Attn: Jimmy Carlile
(432) 687-1777

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
110 N. Guadalupe St. Suite 1
Santa Fe, NM 87501
(505) 988-4421
(505) 983-6043 (Fax)

OPPONENT

Cimarex Energy Co. of Colorado

ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
(505) 982-2043
(505) 982-2151 (Fax)

STATEMENT OF CASE

APPLICANT

Fasken seeks relief of current over-production of the depth bracket allowable by immediate shut-in of the Cimarex operated wells over-produced in the Apache Ridge-Bone Spring Pool. Further, Applicant requests the shut-in period be determined by the cumulative over-produced oil volume divided by the most recent month daily oil rate or the current depth bracket allowable, whichever is lesser for the following wellbores: Mescalero 30 Federal Well No. 1 (API No. 30-025-29266), located in Section 30, Township 19 South, Range 34 East, NMPM over-production of 10,191 bbls; Pennzoil 36 State Well No. 1 (API No. 30-025-29918) over-production of 5,692 bbls; Pennzoil B 36 State Well No. 2 (API No. 30-025-38300) over-production of 19,440 bbls; Pennzoil B 36 State Well No. 7 (API No. 30-025-38624) over-production of 13,317 bbls, located in Section 36, Township 19 South, Range 33 East, NMPM.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	ESTIMATED TIME	EXHIBITS
Linda Hicks or Sally Kvasnicka, Landman	Approx. 20 minutes	8
Dexter Harmon, Petroleum Geologist	Approx. 60 minutes	6
Carl Brown, Petroleum Engineer	Approx. 60 minutes	15

PROCEDURAL MATTERS

Fasken has none at this time.


Ocean Munds-Dry
Attorney for Fasken Oil and Ranch Ltd.

CERTIFICATE OF SERVICE

I certify that on June 18, 2008 I served a copy of the foregoing document to the following
by

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

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
(505) 982-2043
(505) 982-2151 (Fax)

Ocean Munds-Dry
Ocean Munds-Dry