

**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 CANCELATION  
OF THE DIVISION'S APPROVAL OF AN APPLICATION  
FOR PERMIT TO DRILL ISSUED TO COG OPERATING  
LLC, EDDY COUNTY, NEW MEXICO.**

Case No. 14,429 ✓

**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  
600 North Marienfeld  
Midland, Texas 79701

Attention: Hayden Tresner  
(432) 571-7856

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

J. Scott Hall

**OPPONENT'S ATTORNEY**

COG Operating LLC

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the SE/4SE/4 of Section 2, Township 17 South, Range 30 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Loco Hills Glorieta-Yeso Pool. The unit will be dedicated to the Castor 2 State Well No. 4, to be drilled at an orthodox location. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. Applicant further seeks cancelation of the Division's approval of an application for permit to drill issued to COG Operating LLC for the proposed Yale State Well No. 7, a Glorieta-Yeso test located in the SE/4SE/4 of Section 2 (API No. 30-015-37454).

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Hayden Tresner (landman)	15 min.	Approx. 4
Lee Catalano (geologist)	15 min.	Approx. 4
_____ (engineer)	15 min.	Approx. 4

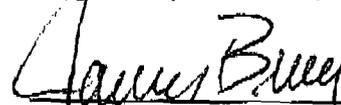
OPPONENT

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

Applicant requests that this matter be continued to the March 4, 2010 Examiner hearing. COG Operating LLC does not object to this request.

Respectfully submitted,



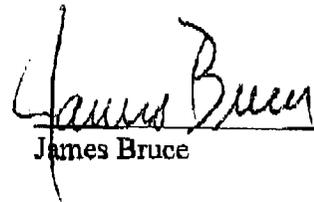
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

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 27<sup>th</sup> day of January, 2010 by United States Mail:

J. Scott Hall  
Montgomery & Andrews, P.A.  
P.O. Box 2307  
Santa Fe, New Mexico 87504

  
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James Bruce