

**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
APPROVAL OF A NON-STANDARD OIL SPACING
AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

Case No. 14,510

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: Mike Wallace
(432) 571-7873

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 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2S/2 of Section 15, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Bone Spring formation underlying the NE/4SE/4 of Section 15 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the N/2S/2 of Section 15 to form a non-standard 160 acre oil spacing and proration unit (project area). The units are to be dedicated to the East Lusk 15 Fed. Well No. 2, a horizontal well with a surface location in the NE/4SE/4, and a terminus in the NW/4SW/4, of

7/19/10

Section 15. 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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Mike Wallace (landman)	15 min.	Approx. 4
Lee Catalano (geologist)	15 min.	Approx. 3

IF THIS MATTER IS UNCONTESTED IT MAY BE SUBMITTED BY AFFIDAVIT.

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
------------------	------------------	-----------------

PROCEDURAL MATTERS

Respectfully submitted,



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

Attorney for Cimarex Energy Co.