

**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. 14507

**APPLICATION OF CIMAREX ENERGY CO.
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
CHAVES COUNTY, NEW MEXICO.**

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ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Cimarex Energy Co.

ATTORNEY

James Bruce
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Santa Fe, NM 87504
(505) 982-2043
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OPPONENT

Chesapeake Operating, Inc.
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Post Office Box 18496
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ATTORNEY

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Holland & Hart LLP
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OPPONENT

COG Operating, LLC

ATTORNEY

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STATEMENT OF CASE

OPPONENT

Chesapeake Operating, Inc. owns mineral interests in the S/2 of Section 3, Township 15 South, Range 31 East, NMPM. Chesapeake opposes the drilling of the proposed well in Case No. 14507 because based on its review of the geology in this section a well drilled in an east-west direction will have a much better chance of success in the Abo/Wolfcamp formation. Cimarex has proposed to drill a well in the W/2 E/2 of Section 3 that will go north-south. COG Operating, LLC has proposed a well in the S/2 S/2 of Section 3 that will go east-west which is the subject of Case No. 14500. Chesapeake supports Case 14500: *Application of COG Operating LLC for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Chaves County, New Mexico*. In order to prevent waste, avoid the drilling of unnecessary wells and to protect correlative rights, Chesapeake requests that this application be denied.


PROPOSED EVIDENCE

OPPONENT

WITNESSES	ESTIMATED TIME	EXHIBITS
Justin Zerkle, Petroleum Landman	Approx. 20 minutes	Approx. 5
Robert Martin, Petroleum Geologist	Approx. 20 minutes	Approx. 5

PROCEDURAL MATTERS

Chesapeake requests that Cases 14507, 14508 and 14500 be consolidated for hearing.


Ocean Munds-Dry
Attorney for Chesapeake Operating, Inc.

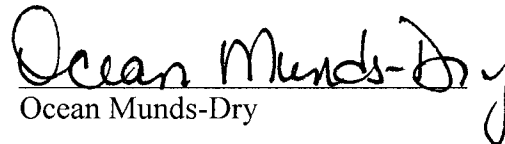
CERTIFICATE OF SERVICE

I certify that on July 15, 2010 I served a copy of the foregoing document to the following
by

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