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:

IN THE MATTER OF THE APPLICATION OF APPLICATION OF THE HEIRS OF H. N. SMITH, DECEASED, TO REOPEN OIL CONSERVATION DIVISION CASE NO. 14415, THE APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING PRORATION UNIT AND COMPULSORY POOLING, TO AMEND ORDER NO. R-13287 TO CLARIFY THE STATUS OF THE INTERESTS OF PARTIES NOT PROPERLY POOLED BY SAID ORDER, CHAVEZ COUNTY, NEW MEXICO.

CASE NO. 14415 (Reopened)

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Don M. Fedric, Esq. and by William F. Carr, Holland & Hart LLP, as required by the rules of the Oil Conservation Division.

APPEARANCÉS OF PARTIES

APPLICANT

ATTORNEY

The Heirs of H. N. Smith: Robin E. Birnie, Allison Birnie, Cameron Birnie, Cindi Koch and Jason Bond Don M. Fedric, Esq. Post Office Box 1837 Roswell, New Mexico 88202-1837 (575) 622-2700

William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

OPPOSITION

ATTORNEY

Cimarex Energy Co.

James Bruce, Esq.
Post Office box 1056
Santa Fe, New Mexico 87504-1056
Telephone (505) 982-2043
Facsimile No. (505) 982-2151

1

STATEMENT OF CASE

APPLICANT

The heirs of H. N. Smith, deceased, seek an order (1) declaring the provisions in Division Order No. R- 13287 that pool the W/2E/2 of Section 18, Township 15 South, Range 31 East, N.M.P.M., void as to the interests of the Applicants, and (2) amending Order No. R-13287 to clarify the status of the interests of the parties who were not properly pooled by this Order.

PROPOSED EVIDENCE

APPLICANT

WITNESSES ESTIMATED TIME EXHIBITS
(Name and Expertise)

Rolla Hinkle 10 minutes Approximately 2
Landman

Mr. Hinkle will testify about his efforts to locate the heirs of H. N. Smith after Mr. Hinkle became aware of the Cimarex force pooling proceedings.

<u>Kelly Owen</u> 10 minutes Approximately 2 Investigator

Mr. Kelly Owens will testify about his investigative services assistance given to Mr. Hinkle to locate the heirs of H. N. Smith.

<u>Jason Bond</u> 10 minutes Approximately 1

Mr. Bond will testify about his marital relationship with the H. M. Smith heir, Olive F. Bond; her death and her surviving heirs; and Mr. Bond's residence in Roswell, Chaves County, New Mexico.

Robin Birnie 10 minutes Approximately 2

Ms. Birnie will testify about her father, the H. N. Smith heir, Richard M. Birnie; his death, residency and probate; who inherited his estate; and the location and residency of his heirs.

PROCEDURAL MATTERS

The Heirs of H. N. Smith will request that this application be consolidated for the purpose of hearing with Case No. 14416.

Don M. Fedric

William F. Carr

Attorneys for the Heirs of H. N. Smith

CERTIFICATE OF SERVICE

I certify that on January 27, 2011, I served a copy of the foregoing document to the following by facsimile:

James Bruce, Esq. Post Office box 1056 Santa Fe, New Mexico 87504-1056 Telephone (505) 982-2043 Facsimile No. (505) 982-2151

William F. Carr