

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATIONS OF CIMAREX ENERGY CO. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 14682, 14683, 14684 & 14685

CONCHO'S MOTION TO RE-OPEN CASE NOS. 14682, 14683, 14684 & 14685

COG Operating, LLC ("Concho") moves to re-open Cases Nos. 14682, 14682, 14684 & 14685: *Applications of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico* for the purpose of receiving additional evidence and in support thereof states as follows:

1. On July 7, 2011, Cimarex presented Case Nos. 14682-14685 to pool mineral interests for four wells to be completed in the Yeso formation underlying Section 32, Township 18 South, Range 26 East, NMPM, specifically:
 - a. the Texas 32 Fee Well No. 1 to be dedicated to the NW/4 NW/4;
 - b. the Texas 32 Fee Well No. 2 to be dedicated to the NE/4 NW/4;
 - c. the Texas 32 Fee Well No. 5 to be dedicated to the SW/4 NW/4;
 - and
 - d. the Texas 32 Fee Well No. 6 to be dedicated to the SE/4 NW/4;
2. Concho intended to oppose the applications but by inadvertent mistake failed to do so. Concho understands the cases were not opposed by any other parties and were taken under advisement.
3. Concho holds more than half of the working interest in Section 32 and asserts that a vertical well program as proposed by Cimarex in Section 32 would cause waste.
4. Concho requests the cases be re-opened so that it may present evidence as to why the wells proposed by Cimarex are unlikely to drain the reserves in Section 32 and why a horizontal well program will more efficiently and effectively produce the reserves in Section 32 thereby avoiding waste.

5. As in all matters before the Division, the Hearing Examiner must determine whether a compulsory pooling application will prevent waste and protect correlative rights. NMSA 1978, Sec. 70-2-17. Similarly, the Division is also required to find in its orders that each owner of property in a pool has "the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as such can be practically obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool..." *Id.* at 70-2-17(A).


6. The evidence Concho seeks to present will show that if Cimarex's application is granted, waste will occur.

7. There is no prejudice to Cimarex to re-open the cases because no order has been issued. However, even if Cimarex argued that re-opening the cases would cause some prejudice, it is outweighed by the Division's duty to prevent waste and protect correlative rights.

WHEREFORE, Concho respectfully requests that Case Nos. 14682-14685 be re-opened and set for the August 4th Division Examiner Docket.

Respectfully submitted,

HOLLAND & HART LLP

By: 
Ocean Munds-Dry
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR COG OPERATING, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 25th day of July, 2011 via facsimile transmission.

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


Ocean Munds-Dry