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

CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 16379

CIMAREX'S PRE-HEARING STATEMENT

Cimarex Energy Co. ("Cimarex") submits this Pre-Hearing Statement for the abovereferenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co.

ATTORNEY

Earl E. DeBrine, Jr. Jennifer L. Bradfute Deana M. Bennett MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. P. O. Box 2168 Albuquerque, New Mexico 87103-2168 (505) 848-1800 jlb@modrall.com dmb@modrall.com

STATEMENT OF CASE

In Case No. 16379, Cimarex seeks an order from the Division: pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 E/2 of Section 7, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be the unit for the Lea Federal Com 30H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well.

PROPOSED EVIDENCE

CIMAREX:

WITNESS

ESTIMATED TIME

EXHIBITS

Cody Elliot-Landman

Approx. 40

Approx. 8

Lauren Copley – Geologist

Approx. 30

Approx. 4

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By: Nema Bennet

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