



MODRALL SPERLING

L A W Y E R S

November 27, 2018

***Via E-Mail & U.S. Mail***

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Florene Davidson  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**CASE NO. 16469 - APPLICATION OF MCELVAIN ENERGY, INC.  
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO.: 20102 - AMENDED APPLICATION OF CIMAREX  
ENERGY CO. FOR APPROVAL OF A HORIZONTAL SPACING  
UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW  
MEXICO**

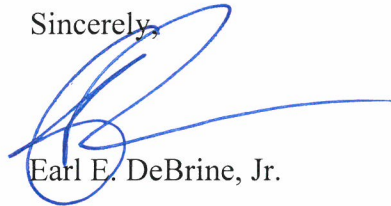
Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Cimarex's Consolidated Pre-Hearing Statement for Case Nos. 16469 and 20102.

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,



Earl E. DeBrine, Jr.

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Enclosures

cc w/encl. (via email): Kathleen A. Murphy  
Leonard Lowe  
William V. Jones  
Phil Goetz  
Jennifer L. Bradfute  
Michael H. Feldewert, Jordan L. Kessler & Julia Broggi

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

**APPLICATION OF MCELVAIN ENERGY, INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 16469**

**AMENDED APPLICATION OF CIMAREX  
ENERGY CO. FOR APPROVAL OF  
A HORIZONTAL SPACING UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 20102**

**CIMAREX ENERGY CO.'S CONSOLIDATED PRE-HEARING STATEMENT**

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

**APPEARANCES**

**CASE NO. 16469**

**APPLICANT**

McElvain Energy, Inc.

**ATTORNEY**

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Jordan L. Kessler  
Julia Broggi  
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**OPPOSING**

Cimarex Energy Co.

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**CASE NO. 20102**  
**APPLICANT**

Cimarex Energy Co.

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**STATEMENT OF CASE**

In Case No. 16469 McElvain Energy, Inc. seeks an order pooling all uncommitted interest in the Bone Spring formation (E-K Bone Spring Pool (Pool Code 21650)) in the 240-acre, more or less, horizontal spacing unit comprised of the W/2 NW/4 of Section 6, Township 19 South, Range 34 East, and the W/2 W/2 of Section 31, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico for its proposed **EK 31 BS2 Federal Com No. 4H** well.

Cimarex has a competing well proposal that is the subject of companion Case No. 20102 and opposes McElvain's application because if granted it will result in waste and impair Cimarex's correlative rights.

In Case No. 20102 Cimarex Energy Co. seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre Bone Spring spacing unit; and (2) pooling all mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Section 7 and the W/2 W/2 of Section 6, Township 19 South Range 34 East, NMPM, Lea County, New Mexico for its proposed **Pipeline 7-6 Federal Com 1H** well to a depth sufficient

to test the Bone Spring formation. This well is a horizontal well with a surface location 410' FSL and 1015' FWL of Section 7, Township 19 South, Range 34 East, and the intended bottom hole location 100' FNL and 330' FWL of Section 6, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,770' to the Bone Spring formation and laterally in a northerly direction within the formation to the referenced bottom hole location.

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. The proposed well is located approximately 27 miles west of Hobbs, New Mexico.

### **PROPOSED EVIDENCE**

#### **CIMAREX ENERGY CO.:**

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Riley Morris – Landman	Approx. 20	Approx. 6
Staci Mueller – Geologist	Approx. 30	Approx. 6
Ryan Hempton – Drilling Engineer	Approx. 20	Approx. 4
Kyle Belleville – Petroleum Engineer	Approx. 20	Approx. 5

### **PROCEDURAL ISSUES**

None anticipated.

Respectfully submitted,

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

By: 

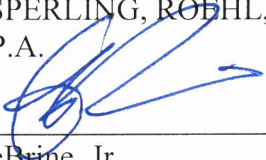
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*Attorneys for Cimarex Energy Co.*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on November 27, 2018:

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Jordan L. Kessler, Esq.  
Julia Broggi, Esq.  
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MODRALL, SPERLING, ROEHL, HARRIS  
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By:   
Earl E. DeBrine, Jr.

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