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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 20560

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

<u>APPLICANT</u> <u>ATTORNEY</u>

Cimarex Energy Co. Earl E. DeBrine, Jr. Lance D. Hough

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<u>OPPONENT</u> <u>ATTORNEY</u>

STATEMENT OF CASE

In Case No. 20560, Cimarex Energy Co. seeks an order from the Division: (1) to the extent necessary, approving the creation of a 640-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Parkway 16-17 State Com 1H and Parkway 16-17 State Com 2H wells, to be horizontally drilled. The producing area for

these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, 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 wells.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Riley Morris – Landman	Approx. 15	Approx. 6
Staci Mueller – Geologist	Approx. 15	Approx. 5

PROCEDURAL ISSUES

Cimarex does not anticipate any opposition to these cases and intends to present its evidence by affidavit.

Respectfully submitted,

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

By:

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