

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

2012 FEB 21 A 11:40

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF CIMAREX ENERGY CO. FOR
APPROVAL OF A NON-STANDARD OIL SPACING
AND PRORATION UNIT, AN UNORTHODOX
LOCATION, AND COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.**

Case No. 14,802

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, Texas 79701

Attention: Hayden Tresner
(432) 571-7856

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Cimarex Energy Co. seeks an order approving a 640-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of all Section 26, Township 20 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit is to be dedicated to:

- (a) the Snoddy Fed. Well No. 20, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, and a terminus in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, of Section 26;

(b) the Snoddy Fed. Well No. 21, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, and a terminus in the NW $\frac{1}{4}$ SW $\frac{1}{4}$, of Section 26;

(c) the Snoddy Fed. Well No. 22, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, and a terminus in the SE $\frac{1}{4}$ SW $\frac{1}{4}$, of Section 26; and

(d) the Snoddy Fed. Well No. 23, a horizontal well with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, and a terminus in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, of Section 26.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Hayden Tresner (landman)	15 min.	Approx. 6
Lee Catalano (geologist)	15 min.	Approx. 4

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Cimarex Energy Co.