

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

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

CASE NO. 14771

PRE-HEARING STATEMENT

Oxy Y-1 Company (Oxy) provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Cimarex Energy Co. of Colorado

APPLICANT'S ATTORNEY

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OTHER PARTY

Oxy Y-1 Company

OTHER PARTY'S ATTORNEY

J. Scott Hall
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STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the following described acreage in Section 1, Township 19 South, Range 25 East, NMPM:

(a) The NW/4 SW/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Montana 1 Fee Well No. 1, to be drilled at an orthodox location.

(b) The SW/4 SW/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Montana 1 Fee Well No. 3, to be drilled at an orthodox location.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as 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.

OTHER PARTY

Oxy Y-1 Company is the owner of oil and gas leasehold working interests located in the spacing and proration unit that is the subject of Cimarex's Application.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Oxy Y-1 Company does not at this time plan to present witnesses at the hearing on the Application, but reserves the right to do so.

PROCEDURAL MATTERS

None.

Montgomery and Andrews, P. A.

By:



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Attorneys for the Oxy Y-1 Company

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 21 day of November, 2011.

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J. Scott Hall