

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

2012 SEP 11 P 4: 02

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

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

Case No. 14,901

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

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

Attention: Hilary Coder
(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

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/4SW/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/4SW/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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Hilary Coder
(landman)

Approx. 2

THE CASE WILL BE SUBMITTED BY AFFIDAVIT.

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
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Attorney for Cimarex Energy Co. of
Colorado