

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

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

**APPLICATION OF CIMAREX ENERGY CO.
FOR COMPULSORY POOLING AND TWO
NON-STANDARD GAS SPACING AND PRORATION
UNITS, EDDY COUNTY, NEW MEXICO.**

Case No. 13,517

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
500 West Wall Street
Midland, Texas 79701

Attention: Jeff Gotcher

APPLICANT'S ATTORNEY

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

OPPONENT

Devon Energy Production Company, L.P.

OPPONENT'S ATTORNEY

Michael Feldcwert

WJT 8/27/05

STATEMENT OF THE CASE

APPLICANT

Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 7, Township 21 South, Range 27 East, NMPM, and in the following manner: Lots 1, 2, NE/4, and E/2NW/4 (the N/2) to form a non-standard 314.16-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the West Burton Flat-Strawn Gas Pool, Undesignated Alacran Hills-Atoka Gas Pool, and Burton Flat-Morrow Gas Pool; and Lots 1, 2, and E/2NW/4 (the NW/4) to form a non-standard 154.16-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre

spacing within that vertical extent, including the Undesignated Foster Draw-Delaware Gas Pool. The unit is to be dedicated to the Colton 7 Fed. Com. Well No. 1, to be drilled from a surface location 1250 feet from the north line and 2170 feet from the west line of Section 7 to a bottomhole location 1250 feet from the north line and 1650 feet from the west line of Section 7. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Elizabeth Moses
(landman)

20 min.

Approx. 5

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

The undersigned attorney will need to withdraw from representing applicant due to a conflict.

now Scott Hall

Respectfully submitted,

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

Attorney for Cimarex Energy Co.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 16th day of June, 2005, via facsimile transmission:

Michael Feldewert
Holland & Hart LLC
P.O. Box 2208
Santa Fe, New Mexico 87504
Fax: (505) 983-6043



James Bruce

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

**APPLICATION OF CIMAREX ENERGY CO. FOR
COMPULSORY POOLING AND TWO NON-STANDARD
GAS SPACING AND PRORATION UNITS,
EDDY COUNTY, NEW MEXICO**

CASE NO. 13517

DEVON'S PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, on behalf of the opponent, Devon Energy Production Company, L.P. ("Devon").

APPEARANCES OF PARTIES

APPLICANT

Cimarex Energy Company
508 West Wall, Suite 600
Midland, Texas 79701-5073
(432) 571-7823

ATTORNEY (w/ST)

~~James Bruce~~ *Scott Hall*
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(505) 982-2151 facsimile

OPPONENT

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20 North Broadway,
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ATTORNEY

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DEVON'S STATEMENT OF THE CASE

Applicant's proposal to drill a well in the N/2 of Section 7, T-21-S, R-27-E was not received by Devon until May 31, 2005. Applicant's compulsory pooling application was received one week later. Accordingly, the parties have not had sufficient time to engage in good faith efforts to reach a voluntary agreement concerning this proposed well.

Moreover, the parties are successors in interest to a Joint Operating Agreement that covers all but 40 acres of the N/2 of Section 7. Accordingly, Devon believes this proposed well should be governed by the terms of that existing agreement between the parties, and that invoking the compulsory pooling authority of the state is improper and unnecessary under these circumstances.

PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Ken Gray	Approx. 10 minutes	Approx. 3

PROCEDURAL MATTERS

Devon believes this pooling application should be dismissed due to the Applicant's failure to undertake efforts to reach a voluntary agreement, and the existence of a Joint Operating Agreement governing all but 40 acres of the N/2 of Section 7.

Respectfully Submitted,

Holland & Hart LLP



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**Attorneys for Devon Energy Production
Company, L.P.**

CERTIFICATE OF SERVICE

I certify that on June 23, 2005, a copy of the foregoing document sent to the following by:

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax

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Michael Feldewert