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December 6, 2012

Ms. Jami Bailey, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

**Re: NMOCD Case No. 14938: Application of Cimarex Energy Co. for
Designation of a Non-Standard Oil Spacing and Proration Unit and for
Compulsory Pooling, Lea County, New Mexico**

Dear Ms. Bailey:

On behalf of Cimarex, enclosed for filing is an original and one copy of the Pre-Hearing Statement of Cimarex Energy Co. in the above-referenced case.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

Enclosures

REPLY TO:

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

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**IN THE MATTER OF THE APPLICATION
OF CIMAREX ENERGY CO. FOR DESIGNATION
OF A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

Case No. 14938

**PRE-HEARING STATEMENT
OF
CIMAREX ENERGY CO.**

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

APPEARANCES

APPLICANT

Cimarex Energy Co.
600 N. Marienfeld St., Suite 600
Midland, TX 79701

APPLICANT'S ATTORNEY

J. Scott Hall
Montgomery and Andrews, P.C.
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

OPPONENT

N/A

OPPONENT'S ATTORNEY

N/A

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order consolidating the 40-acre spacing units within the E/2 E/2 of Section 33, Township 24 South, Range 32 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further

seeks the compulsory pooling of all interests in the Bone Spring formation underlying the E/2 E/2 of Section 33 to be dedicated to its North Paduca Federal Well No. 1 to be drilled horizontally from a surface location 330' from the North line and 660' from the East line (Unit B) to a bottom hole location 330' from the South line and 660' from the East line (Unit P), to a depth sufficient to test the Bone Spring formation underlying the proposed project area in Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as operator and a charge for risk involved in drilling the well.

OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Hayden Tresner, Landman
Lee Catalano, Geologist

EST. TIME

20 min.
20 min.

EXHIBITS

7
7

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: T. J. McMillan

J. Scott Hall

Seth C. McMillan

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