STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION OCT -9 P 2: 06

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. 15,223

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:

Nash Dowdle

(432) 571-7800

OPPONENT

APPLICANT'S ATTORNEY

James Bruce P.O. Box 1056 Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests in the Strawn formation (Burton Flat-Strawn Gas Pool) underlying Lots 1, 2, NE/4, and E/2NW/4 (the N/2) of Section 7, Township 21 South, Range 27 East, NMPM, to form a standard 314.160-acre gas 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 Colton 7 Fed. Well No. 1, which is being re-completed in the Strawn formation with a top perforation of 10,014 feet subsurface, at a location 1250 feet from the north line and 1943 feet from the west line of Section 7. Also to be considered will be the cost of reentering and re-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

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

Nash Dowdle 15 min. Approx. 6 (landman)

IF THE CASE IS UNOPPOSED IT MAY BE SUBMITTED BY AFFIDAVIT.

OPPONENT

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

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce

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Attorney for Cimarex Energy Co. of Colorado