

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

2014 NOV 13 P 4: 42

APPLICATION OF CIMAREX  
ENERGY CO. OF COLORADO  
FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 15215

**CIMAREX'S PRE-HEARING STATEMENT**

Cimarex Energy Co. of Colorado ("Cimarex"), submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT:**

Cimarex Energy Co. of Colorado  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701

**ATTORNEY**

Earl E. DeBrine, Jr., Esq.  
Jennifer L. Bradfute, Esq.  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
P. O. Box 2168  
Albuquerque, New Mexico 87103-2168  
(505) 848-1800

**OPPONENT:** NONE

**INTERESTED PARTY**

Isramco Resources, LLC  
2425 W Loop South, Suite 810  
Houston, Texas 77027

**ATTORNEY**

Anthony James, Esq.  
Isramco Resources, LLC  
2425 W Loop South, Suite 810  
Houston, Texas 77027  
(713) 621-3882 Ext. 309

**STATEMENT OF CASE**

**APPLICANT:**

Applicant in the above-styled cause seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation and pooling of all uncommitted mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.

Cimarex seeks an order from the Division: (1) creating a 160-acre, more or less, non-standard oil spacing and proration unit ("project area") in the Bone Spring formation comprised of W/2 E/2 of Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this non-standard spacing and proration unit/project area.

This proposed non-standard spacing and proration unit will be the project area for the Jake 36 State 7H well, to be horizontally drilled. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles south of Carlsbad, New Mexico.

**OPPONENT:** None anticipated.

**INTERESTED PARTY:** Isramco Resources, LLC

**PROPOSED EVIDENCE**

**APPLICANT:**

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Jordan Jenkins – Landman	Approx. 15	6
Dave Rittersbacher – Geologist	Approx. 10	3

Three copies of Cimarex’s proposed exhibits are being submitted to the Division contemporaneously with the filing of this Pre-hearing Statement.

**PROCEDURAL MATTERS**

Cimarex does not have any procedural matters at this time. A proposed order concerning Cimarex's application is attached hereto as Exhibit A.

Respectfully submitted,

**MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.**

By:   
Earl E. DeBrine, Jr.  
Jennifer L. Bradfute  
Post Office Box 2168  
Bank of America Centre  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800

**ATTORNEYS FOR CIMAREX ENERGY CO. OF  
COLORADO**

**Certificate of Service**

I hereby certify that a true and correct copy of this Pre-Hearing Statement was emailed on November 13, 2014 to:

Anthony James, Esq.  
Isramco Resources, LLC  
2425 W Loop South, Suite 810  
Houston, Texas 77027  
(713) 621-3882 Ext. 309  
[tjames@isramco-jay.com](mailto:tjames@isramco-jay.com)

**MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.**

By:   
Earl E. DeBrine, Jr.