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

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

CASE NO. 15585

PRE-HEARING STATEMENT

Black Mountain Operating LLC, ("Black Mountain"), provisionally provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

**OPPONENT: BLACK MOUNTAIN
OPERATING LLC**

**BLACK MOUNTAIN OPERATING LLC'S
ATTORNEY**

J. Scott Hall, Esq.
MONTGOMERY & ANDREWS, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307
Tele (505) 982-3873
shall@montand.com

APPLICANT

CIMAREX ENERGY CO.

APPLICANT'S ATTORNEY

Earl E. DeBrine, Jr.
Jennifer Bradfute
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
Post Office Box 2168
Albuquerque, NM 87103-2168
edebrine@modrall.com
jlb@modrall.com

STATEMENT OF THE CASE

Applicant Cimarex Energy Company seeks an order creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2

W/2 of Sections 5 and 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit.

Black Mountain is the owner of certain leasehold working interests within the non-standard spacing and proration unit proposed by Cimarex. Black Mountain opposes Cimarex's application for the following reason: (1) Black Mountain owns and controls one hundred percent of the N/2 of Section 8, T22S, R34E. Its acreage is the subject of a pre-existing voluntary agreement for development and is consequently unavailable to be force-pooled. (2) Black Mountain plans to develop its own acreage by the designating and drilling laydown spacing and proration units comprised of the N/2 N/2 and the S/2 N/2 of Section 8. Cimarex's well proposal is in conflict with Black Mountain's drilling and development plans. Black Mountain will seek the dismissal of the Cimarex's Application.

PROPOSED EVIDENCE

<u>OPPONENT:</u> BLACK MOUNTAIN OPERATING LLC	<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>WITNESSES:</u> Luke Mildren, Land Manager	15 Min.	4
<u>APPLICANT:</u> CIMAREX ENERGY CO.	<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>WITNESSES:</u>		

PROCEDURAL MATTERS

None.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall
J. Scott Hall

Post Office Box 2307

Santa Fe, New Mexico 87504-2307

(505) 982-3873

shall@montand.com

Attorneys for Black Mountain Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on November 10, 2016:

Earl E. DeBrine, Jr.

Jennifer Bradfute

Modrall, Sperling, Roehl, Harris & Sisk, P.A.

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Albuquerque, NM 87103-2168

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