



MODRALL SPERLING

L A W Y E R S

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November 10, 2016

Florene Davidson  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Re: Case No. 15585  
APPLICATION OF CIMAREX ENERGY CO. FOR A NON-  
STANDARD OIL SPACING AND PRORATION UNIT, AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

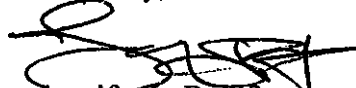
Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Cimarex's Pre-Hearing Statement (No. 15585)

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,



Jennifer L. Bradfute

JLB/zc  
Enclosure

Modrall Sperling  
Roehl Harris & Sisk  
P.A.

Bank of America  
Centre  
500 Fourth Street  
NW  
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Albuquerque,  
New Mexico 87102

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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**

**CIMAREX'S PRE-HEARING STATEMENT**

Cimarex Energy Co. ("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.  
600 N. Marienfeld Street  
STE 600  
Midland, TX 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:**

Black Mountain Operating LLC  
500 Main Street  
Suite 1200  
Fort Worth, TX 76102

J. Scott Hall  
Montgomery & Andrews, P.A.  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873

**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 E/2 W/2 of Sections 5 and 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

Cimarex seeks an order from the Division: (1) 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, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit.

This proposed non-standard spacing and proration unit will be the project area for the West Gramma Ridge 8 Fed Com 1H 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 20 miles west of Eunice, New Mexico.

**OPPONENT:** Black Mountain Operating LLC

### **PROPOSED EVIDENCE**

#### **APPLICANT:**

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Cody Elliott– Landman	Approx. 15	Approx. 5
Meera Ramoutar – Geologist	Approx. 10	Approx. 4
Will Sirgo - Engineer	Approx. 10	Approx. 4

### **PROCEDURAL MATTERS**

Cimarex does not have any procedural matters at this time.

Respectfully submitted,

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

By: \_\_\_\_\_

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