STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 2016 DEC 30 A 7.58

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD SPACING AND PRORATION UNIT, AN UNORTHODOX WELL LOCATION, AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15.604

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Cimarex Energy Co.

Suite 600

600 North Marienfeld

Midland, Texas 79701

APPLICANT'S ATTORNEY

James Bruce P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Jordan Cockrell

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Cimarex Energy Co. seeks an order approving a 640-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 of Section 23 and the E/2 of Section 26, Township 25 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit is to be dedicated to the Wigeon 23-26 Fed. Com. Well No. 4H, a horizontal well with a surface location in the NE/4NE/4 of Section 23, and a terminus in the SE/4SE/4 of Section 26. The producing interval will be unorthodox. Also to be considered will

be the cost of drilling and 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

WITNESSES

EST. TIME

EXHIBITS

Jordan Cockrell
(landman)

15 min.

Approx. 6

Meera Ramoutar
(geologist)

Approx. 6

OPPONENT

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

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

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Attorney for Cimarex Energy Co.