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July 13, 2017

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

Re: CASE NO. 15756

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

Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Cimarex's Pre-Hearing Statement / Lea 7 Federal Com 2H

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

Sincerely,


Zina Crum, Legal Assistant to
Jennifer L. Bradfute

JLB/zc
Enclosure

Modrall Sperling
Roehl Harris & Sisk
P.A.

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

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

CASE NO. 15756

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.
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(505) 848-1800

OPPONENT:

STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order approving a non-standard project area and 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 Section 7, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

Cimarex seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 W/2 of Section 7, Township 20 South, Range 35 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 **Lea 7 Federal Com 2H** 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. 11.6 miles southeast of the intersection of Hobbs Highway 180 and County Road 27-A/Marathon Road, located in Lea County, New Mexico.

OPPONENT:

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Cody Elliott – Landman	Approx. 20 min.	Approx. 5
Michael Patson – Geologist	Approx. 10 min.	Approx. 4
Adam Meeks - Engineer	Approx. 10 min.	Approx. 4

PROCEDURAL MATTERS

Cimarex does not have any procedural matters at this time.

Respectfully submitted,

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

By: Jai S. Z on behalf of
Earl E. DeBrine, Jr.
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