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TO: New Mexico Oil Conservation Division
(505) 476-3462

FROM: Scott S, Morgan

DATE: July 26, 2017

RE: OCD File Nos. 15756

MESSAGE: Enclosed is a Pre-Hearing Statement to be filed on this matter on behalf of Realeza del Spear, LP.

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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 SPACING AND
PRORATION UNIT, AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

Case No. 15756

RESPONDENT'S PRE-HEARING STATEMENT

Respondent Realeza Del Spear, LP submits this pre-hearing statement for the referenced case pursuant to the Rules of the Oil Conservation Division:

APPEARANCES

RESPONDENT

Realeza Del Spear, LP
P.O. Box 1684
Midland, TX 79702

RESPONDENT'S ATTORNEY

Scott S. Morgan
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RESPONDENT'S STATEMENT OF THE CASE

Cimarex Energy Co. ("Cimarex") has brought this action to obtain approval for a non-standard spacing and proration unit, and to compulsorily pool non-participating working interest owners, regarding the E/2W/2 Section 7, Township 20 South, Range 35 East, NMPM. Respondent Realeza Del Spear, LP is an affected working interest owner. Respondent has not yet elected to participate, has not yet had an opportunity to pay its share of drilling costs, or appropriately and adequately review and evaluate the Joint Operating Agreement proposed by Cimarex in connection with such participation. Respondent reasonably believes there may be issues to be raised and addressed in connection with the proposed JOA and related AFE. Additionally, Respondent must

be able to appropriately evaluate this information in connection with a reasonable, fair and adequate lease offer, which has not been made.

RESPONDENT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Those witnesses called by Cimarex.	10 minutes	Approx. 2 -5
Nelson Spear	15 minutes	Approx. 5-8
Shane Spear	15 minutes	Approx. 5-8

PROCEDURAL MATTERS

None at this time.

RESPONDENT'S POSITION ON RELIEF SOUGHT

Respondent opposes the issuance of the compulsory pooling relief sought by Cimarex until such time as it has had adequate opportunity to review, evaluate and address issues raised by the proposed JOA and related AFE in connection with the lease offer from Cimarex.

RESPECTFULLY SUBMITTED,

CAVIN & INGRAM, P.A.

By: 

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ATTORNEY FOR REALEZA DEL SPEAR, LP

I hereby certify that a true and correct copy
of the foregoing was served via U.S. mail
and e-mail on July 26, 2017 to the following:

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By: 
Scott S. Morgan