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

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 OIL SPACING AND PRORATION UNIT FOR COMPULSORY POOLING, EDBY COUNTY, NEW MEXICO.

Case No. 13,995

2010 8/0 h

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Cimarex Energy Co. Suite 1500 5215 North O'Connor Blvd. Irving, Texas 75039 APPLICANT'S ATTORNEY

James Bruce P.O. Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attention: Joshua A. Raley

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Cimarcx Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 4 and the SW/4NW/4 of Section 6, Township 15 South, Range 38 East, NMPM, to form a non-standard 80.04-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Denton-Wolfcamp Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Harvard 6 Fee Well No. 2, a horizontal well to be drilled at a surface location 430 feet from the north line and 430 feet from the west line of Section 6, with a terminus at an orthodox location in the SW/4NW/4 of Section 6. 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

Joshua A. Ralcy (landman)

EST. TIME

15 min.

EXHIBITS

Approx. 5

(geologist)

15 min.

Approx. 4

OPPONENT

WITNESSES

<u>EST. TIME</u>

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Cimarex Energy Co.

2