STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION 2009 MAR 13 PP 2 15

IN THE MATTER OF THE APPLICATION OF ENCORE OPERATING, LP FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 14,097

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Montgomery & Andrews, P. A.

(J. Scott Hall) on behalf of Encore Operating, LP, as required by the Oil Conservation

Division.

APPEARANCES

ATTORNEYS

APPLICANT

Encore Operating, LP

J. Scott Hall, Esq. Montgomery & Andrews, P. A. Post Office Box 2307 Santa Fe, New Mexico 87501-2307

OPPONENT'S ATTORNEY

James Bruce, Esq. Post Office Box 1056 Santa Fe, New Mexico 87504

ADDITIONAL PARTIES' ATTORNEY

None

OPPONENT

Cimarex Energy Company

ADDITIONAL PARTIES

None

STATEMENT OF THE CASE

ENCORE OPERATING, LP

Applicant, Encore Operating, LP seeks an order pooling all mineral interests from the surface through the base of the Atoka and Morrow formations in the following described acreage in Section 28, Township 16 South, Range 34 East, NMPM: the E/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Atoka and Morrow formations to be dedicated to the Encore 28 State Com. No. 1 Well to be drilled from a standard gas well location 860' FNL and 660' FEL1725 Federal Com Well No. 61.

CIMAREX ENERGY COMPANY

Cimarex has not yet indicated whether it will or will not participate in the proposed well. Cimarex presently opposes Encore's Application.

PROPOSED EVIDENCE

ENCORE OPERATING, LP

WITNESSES:Est. TimeNo. of ExhibitsZack Brittain, Landman30 minutes8

PROCEDURAL MATTERS

Cimarex has indicated it may seek a continuance of the March 20, 2008 hearing.

MONTGOMERY & ANDREWS, P. A.

7. Son dall By:

J. Scott Hall Attorneys for Encore Operating, LP Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 982-3873

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to

counsel of record on the 13 day of March, 2008 as follows:

James Bruce, Esq. Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2151/Facsimile

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J. Scott Hall