

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

RECEIVED
2008 MAY 22 PM 2 21

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

APPLICATION OF CIMAREX ENERGY CO OF COLORADO CASE NO. 14124
FOR SPECIAL POOL RULES
LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

Fasken Oil and Ranch, Ltd. submits this pre-hearing statement as required by the
New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Cimarex Energy Co. of Colorado

ATTORNEY

James Bruce, Esq.

OPPONENT

Fasken Oil and Ranch Ltd.
303 W. Wall Avenue, Suite 1800
Midland, Texas 79701
Attn: Jimmy Carlile
432-687-1777

ATTORNEY

Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285

STATEMENT OF THE CASE

OPPONENT:

Fasken is an operator in the Apache Ridge-Bone Springs Oil Pool and is opposed to Cimarex's application to increase the 40-acre spacing unit depth bracket oil allowable from 275 barrels of oil per day with a 2,000:1 GOR to 1300 bopd with a 3,000:1 GOR.

This increase of 4.75 times the current allowable, among other things, (a) will not increase ultimate recovery of hydrocarbons, (b) will allow Cimarex to recovery more than its share of recoverable hydrocarbons and (c) will drain reserves from the off-setting spacing units.

Fasken seeks the denial of this application.

PROPOSED EVIDENCE

OPPONENT:

WITNESSES	EST. TIME	EST. EXHIBITS
Linda Hicks (land)	@ 20 min.	@ 4-8
Dexter Harmon (geology)	@ 60 Min.	@ 4-6
Carl Brown (Petroleum Engineer)	@ 60-90 Min	@ 10-15

PROCEDURAL MATTERS

Among procedural matters, Fasken anticipates that the Examiner will need to decide:

- (1) Fasken's motion for a continuance filed May 20th
- (2) Rescheduling the evidentiary hearing to an appropriate date after Fasken has had a reasonable time to review and analyzed the subpoenaed data.

KELLAHIN & KELLAHIN

W. Thomas Kellahin
706 Gonzales Road
Santa Fe, New Mexico 87501

Phone 505-982-4285
Fax 505-982-2047
E-mail: tkellahin@comcast.net

CERTIFICATE OF SERVICE

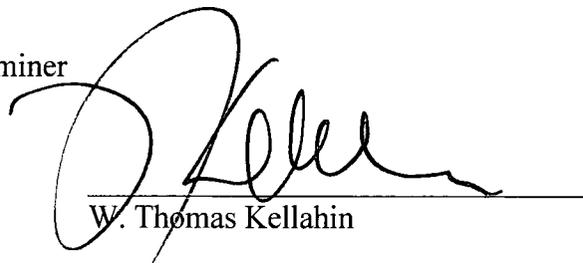
I certify that on the 22 day of May 2008, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile
- Email

to the following:

James Bruce, Esq.
Attorney for Cimarex

Richard Ezeanyim,
NMOCD Hearing Examiner



W. Thomas Kellahin