

**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
COMPULSORY POOLING AND CANCELATION
OF THE DIVISION'S APPROVAL OF AN APPLICATION
FOR PERMIT TO DRILL ISSUED TO COG OPERATING
LLC, EDDY COUNTY, NEW MEXICO.**

Case No. 14,429 ✓

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, Texas 79701

Attention: Hayden Tresner
(432) 571-7856

APPLICANT'S ATTORNEY

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

OPPONENT

J. Scott Hall

OPPONENT'S ATTORNEY

COG Operating LLC

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the SE/4SE/4 of Section 2, Township 17 South, Range 30 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Loco Hills Glorieta-Yeso Pool. The unit will be dedicated to the Castor 2 State Well No. 4, to be drilled at an orthodox location. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. Applicant further seeks cancelation of the Division's approval of an application for permit to drill issued to COG Operating LLC for the proposed Yale State Well No. 7, a Glorieta-Yeso test located in the SE/4SE/4 of Section 2 (API No. 30-015-37454).

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Hayden Tresner (landman)	15 min.	Approx. 4
Lee Catalano (geologist)	15 min.	Approx. 4
_____ (engineer)	15 min.	Approx. 4

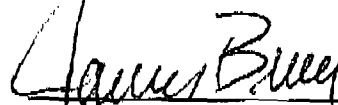
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
------------------	------------------	-----------------

PROCEDURAL MATTERS

Applicant requests that this matter be continued to the March 4, 2010 Examiner hearing. COG Operating LLC does not object to this request.

Respectfully submitted,



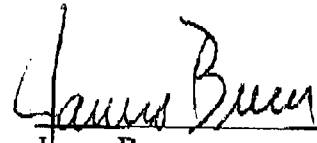
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Cimarex Energy Co.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 27th day of January, 2010 by United States Mail:

J. Scott Hall
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, New Mexico 87504



James Bruce