



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

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2010 FEB 25 P 2:18

February 25, 2010

Ms. Florene Davidson  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Re: NMOCD Case No. 14429: Application of Cimarex Energy Co. for  
Compulsory Pooling and Cancellation of a Permit to Drill Issued to COG Operating  
LLC, Eddy County, New Mexico**

Dear Ms. Davidson:

On behalf of COG Operating LLC, enclosed for filing is an original and one  
copy of COG's Pre-Hearing Statement in the above case.

I have included an additional copy to conform. Thank you.

Very truly yours,

Karen Williams  
Assistant to J. Scott Hall

:kw

Enclosures

cc: James Bruce, Esq. via facsimile

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**REPLY TO:**

325 Paseo de Peralta  
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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

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

2010 FEB 25 P 2: 18

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

CASE NO. 14429

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by COG Operating LLC as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

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

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

COG Operating LLC  
550 W. Texas Ave.  
Suite 1300  
Midland, TX 79701

**OPPONENT'S ATTORNEY**

J. Scott Hall  
Montgomery & Andrews  
P.O. Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873

**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 SE4 SE4 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 cancellation 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 SE4 SE4 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>
Brent Robertson (landman)	20 min.	Approx. 4
Stuart Dirks (landman)	20 min.	Approx. 4

### **PROCEDURAL MATTERS**

COG may file a motion to dismiss the Cimarex Application.

MONTGOMERY & ANDREWS, P.A.


By: 

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

**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was faxed to  
counsel of record on the 25th day of February, 2010, as follows:

James Bruce  
P.O. Box 1056  
Santa Fe, NM 87504  
Fax: (505) 982-2151

  
J. Scott Hall

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