Law 7/19/10 wwy

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

IN THE MATTER OF THE HEARINGS 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 AND FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO.

Case No. 14,507

APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO.

Case No. 14,508

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

APPLICANT'S ATTORNEY

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Hayden P. Tresner

(432) 571-7856

OPPONENT

COG Operating LLC

OPPONENT'S ATTORNEY

J. Scott Hall

STATEMENT OF THE CASE

APPLICANT

Case No. 14.507: Cimarex Energy Co. seeks an order approving a 161.06-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 2, SW/4NE/4, and W/2SE/4 (the W/2E/2) of Section 3, Township 15 South, Range 31 East,

NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Abo/Wolfcamp formation underlying Lot 2 of Section 3 to form a standard 41.06 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the W/2E/2 of Section 3 to form a non-standard 161.06 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent, The units are to be dedicated to the Boxer 3 Fee Well No. 3, a horizontal well to be drilled at a surface location 375 feet from the north line and 1980 feet from the east line, with a terminus 330 feet from the south line and 1980 feet from the east line, of Section 3. 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.

Case No. 14.508: Cimarex Energy Co. seeks an order approving a 161.02-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 1, SE/4NE/4, and E/2SE/4 (the E/2E/2) of Section 3, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Abo/Wolfcamp formation underlying Lot 1 of Section 3 to form a standard 41.02 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the E/2E/2 of Section 3 to form a non-standard 161.02 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent, The units are to be dedicated to the Boxer 3 Fee Well No. 4, a horizontal well to be drilled at a surface location 375 feet from the north line and 1250 feet from the east line, with a terminus 330 feet from the south line and 660 feet from the east line, of Section 3. 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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Hayden Tresner (landman)	15 min.	Approx. 5
Ralph Worthington (geologist)	15 min.	Approx. 4
Mark Audas (drilling engineer)	15 min.	Approx. 4

(reservoir engineer) 15 min. Approx. 5

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

COG Operating has a conflicting application in Case No. 14,500, requesting approval of a well unit comprised of the S/2S/2 of Section 3. Applicant requests that Case Nos. 14507, 14508, and 14,500 be consolidated for hearing.

This pre-hearing statement serves as Cimarex Energy Co.'s filing in Case No. 14,500.

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 1774 day of July, 2010 by facsimile transmission:

Scott Hall Montgomery & Andrews, P.A. P.O. Box 1986 Santa Fe, New Mexico 87504 (505) 982-4289

James Bruce