

**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 PURPOSES
OF CONSIDERING:**

CASE NO. 14508

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

RECEIVED OCD
2010 JUL 5 P 4: 31

ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Cimarex Energy Co.

ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
(505) 982-2043
(505) 982-2151 (Fax)

OPPONENT

Chesapeake Operating, Inc.
Attn: Justin Zerkle
6100 N. Western
Post Office Box 18496
Oklahoma City, OK 73154-0496

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
110 N. Guadalupe St. Suite 1
Santa Fe, NM 87501
(505) 988-4421
(505) 983-6043 (Fax)

OPPONENT

COG Operating, LLC

ATTORNEY

Scott Hall
Montgomery & Andrews, PA
PO Box 1986

Santa Fe, NM 87504
(505) 982-4289

STATEMENT OF CASE

OPPONENT

Chesapeake Operating, Inc. owns mineral interests in the S/2 of Section 3, Township 15 South, Range 31 East, NMPM. Chesapeake opposes the drilling of the proposed well in Case No. 14508 because based on its review of the geology in this section a well drilled in an east-west direction will have a much better chance of success in the Abo/Wolfcamp formation. Cimarex has proposed to drill a well in the E/2 E/2 of Section 3 that will go north-south. COG Operating, LLC has proposed a well in the S/2 S/2 of Section 3 that will go east-west which is the subject of Case No. 14500. Chesapeake supports Case 14500: *Application of COG Operating LLC for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Chaves County, New Mexico*. In order to prevent waste, avoid the drilling of unnecessary wells and to protect correlative rights, Chesapeake requests that this application be denied.


PROPOSED EVIDENCE

OPPONENT

WITNESSES	ESTIMATED TIME	EXHIBITS
Justin Zerkle, Petroleum Landman	Approx. 20 minutes	Approx. 5
Robert Martin, Petroleum Geologist	Approx. 20 minutes	Approx. 5

PROCEDURAL MATTERS

Chesapeake requests that Cases 14507, 14508 and 14500 be consolidated for hearing.


Ocean Munds-Dry
Attorney for Chesapeake Operating, Inc.

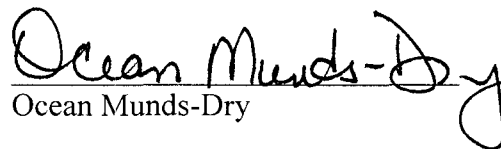
CERTIFICATE OF SERVICE

I certify that on July 15, 2010 I served a copy of the foregoing document to the following
by

- ☐ U.S. Mail, postage prepaid
- ☐ Hand Delivery
- ☒ Fax
- ☐ Electronic Service by LexisNexis File & Serve

James Bruce, Esq.
PO Box 1056
Santa Fe, NM 87504
(505) 982-2151 FAX

Scott Hall
PO Box 1986
Santa Fe, NM 87504
(505) 982-4289 FAX


Ocean Munds-Dry