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May 24, 2005

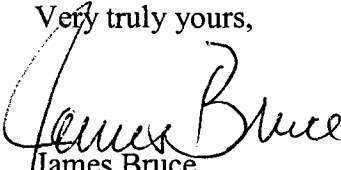
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13508

Dear Florene:

Enclosed for filing, on behalf of Magnum Hunter Production, Inc., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the June 16, 2005 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Magnum Hunter Production, Inc.

PERSONS BEING POOLED

Chesapeake Exploration Limited Partnership
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

Rubicon Oil & Gas I, L.P.
Suite 500
508 West Wall Street
Midland, Texas 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MAGNUM HUNTER
PRODUCTION, INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 13508

APPLICATION

Magnum Hunter Production, Inc. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ (the W $\frac{1}{2}$) of Section 18, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$ of Section 18, and has the right to drill a well thereon.
2. Applicant proposes to drill its Gadwall 18 Fed. Com. Well No. 1, at an orthodox gas well location in Lot 1 (the NW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 18, to a depth sufficient to test the Morrow formation, and seeks to dedicate the W $\frac{1}{2}$ of Section 18 to the well to form a standard 317.88 acre gas and spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Cottonwood Draw-Strawn Gas Pool and Undesignated Cottonwood Draw-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ of Section 18 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

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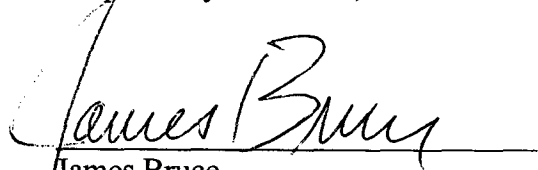
Therefore, applicant seeks an order pooling all mineral interest owners in the W½ of Section 18, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 18 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the W½ of Section 18, from the surface to the base of the Morrow formation;
- B. Designating Gruy Petroleum Management Company as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Magnum Hunter Production, Inc.

Case No. 13508: Application of Magnum Hunter Production, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1-4 and the E/2W/2 of Section 18, Township 25 South, Range 27 East, NMPM, to form a standard 317.88-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Cottonwood Draw-Strawn Gas Pool and Undesignated Cottonwood Draw-Morrow Gas Pool. The unit is to be dedicated to the Gadwall 18 Fed. Com. Well No. 1, to be drilled at an orthodox gas well location in Lot 1 (the NW/4NW/4) of Section 18. 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 Gruy Petroleum Management Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5 miles south-southeast of Black River Village, New Mexico.

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