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June 12, 2007

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13953

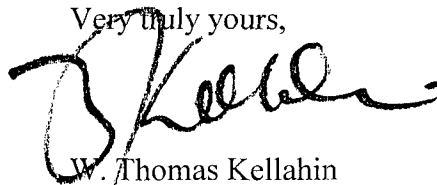
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Re: Afton "24" Federal Com. Well No. 1
(Unit P) **API # 30-025-38388**
Dedication: S/2 of Section 24, T19S, R33E
Application of Cimarex Energy Co,
for compulsory pooling,
Lea County, New Mexico

Dear Mr. Fesmire:

On behalf of Cimarex Energy Company of Co. ("Cimarex"), please find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for July 12, 2007. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Cimarex Energy Co.
Attn: Don McClung

CASE 13953: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying in the following described acreage in Section 24, T19S, R33E, NMPM, Lea County, New Mexico: the S/2 to form a standard 320-acre gas spacing and proration unit for any production for any and all formations/pools developed on 320-acre spacing within that vertical extent, including but not limited to the Quail Ridge-Morrow Gas Pool. This unit is to be dedicated to its Afton "24" Federal Com Well No. 1 (**API #30-025-38388**) to be drilled at a standard well location in Unit P of this section. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. of Colorado as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 9 miles Northeast of the intersection of State Road 176 and US Highways 62 and 180, New Mexico. . .

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

**IN THE MATTER OF THE APPLICATION
OF CIMAREX ENERGY CO.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 13953

APPLICATION

Cimarex Energy Co. ("Cimarex") by its attorneys, Kellahin & Kellahin, in accordance with Section 70-2-17.C NMSA (1978) seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying in the following described acreage in Section 24, T19S, R33E, NMPM, Lea County, New Mexico: the S/2 to form a standard 320-acre gas spacing and proration unit for any production for any and all formations/pools developed on 320-acre spacing within that vertical extent, including but not limited to the Quail Ridge-Morrow Gas Pool. This unit is to be dedicated to its Afton "24" Federal Com Well No. 1 (**API #30-025-38388**) to be drilled at a standard well location in Unit P of this section. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. of Colorado as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well.

In support of its application Cimarex states:

- (1) Magnum-Hunter Production, Inc. is the current lessee of the federal oil and gas lease in the SW/4 of Section 24, T19S, R33E, NMPM, Lea County, New Mexico.
- (2) Cimarex Energy Co. of Colorado is the operating company.
- (3) Magnum-Hunter Production, Inc. and Cimarex Energy Co. of Colorado are wholly owned subsidiaries of Cimarex Energy Co., collectively "Cimarex."

- (4) Samson Resources Company ("Samson") is the current lessee of the federal oil and gas lease in the SE/4 of Section 24, T19S, R33E, NMPM, Lea County, NM.
- (5) On March 7, 2007, Magnum-Hunter Production, Inc. and Cimarex Energy Co. of Colorado sent to Samson its written well proposal, including an AFE, for its Afton "24" Federal Com Well No. 1 to be drilled at a standard well location in Unit P of Section 24, T19S, R33E, Lea County, New Mexico and dedicated to a standard 320-acre gas spacing unit consisting of the S/2 of this section.
- (6) On April 10, 2007, the Division approved Cimarex's application for a permit to drill ("APD") and assigned API #30-025-38388 to this well and its spacing unit.
- (7) To the best of Cimarex's knowledge, Samson does not object to any of Cimarex's proposals concerning this well, including the location, AFE or the proposed spacing unit.
- (8) On May 4, 2007, Cimarex sent its proposed Joint Operating Agreement ("JOA") to Samson for approval and signature.
- (9) Despite the fact that Cimarex has developed this prospect and was first to propose a well, Samson wants to be designated the operator.
- (10) Despite reasonable efforts, Cimarex was unable to conclude a voluntary agreement with Samson only because Samson desires to be designated as the operator.
- (11) Pursuant to Commission Order R-11992, effective August 15, 2003, Cimarex requests that the 200% risk charge be applied.
- (12) This spacing unit is subject to the Quail Ridge-Morrow Gas Pool and among other things, subject to Division Rule 104 providing for standard 320-acre spacing unit.
- (13) Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Cimarex needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

- (14) In accordance with the Division's notice requirements, a copy of this application has been sent to Samson, the party whose interest is to be pooled, as listed on Exhibit "A" it of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for July 12, 2007.

WHEREFORE, Cimarex, as applicant, requests that this application be set for hearing on July 12, 2007 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

- (1) Cimarex Energy Co of Colorado be named operator.
- (2) Provisions for applicant and all working interest owners to participate in the costs of re-entering, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%.
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



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EXHIBIT "A"

Samson Resources Company
200 N. Loraine, Suite 1010
Midland, Texas 79701
Attn: Thomas R. Land