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April 24, 2007

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

Case 13925

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of an application for a non-standard unit and compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the May 24, 2007 Examiner hearing. Thank you.

Very truly yours,


James Bruce
Attorney for Cimarex Energy Co.

PERSONS BEING NOTIFIED

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Elaine Wolf & husband, James Wolf
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B.P. Wicker, Jr. and wife, Kay Wicker
349 Walnut
Wyandotte, MI

James Wicker
2755 Fourth Street
Wyandotte, MI

Jean Morris and husband, Orville Morris
655 Plum Avenue
Wyandotte, MI

John Millard Wicker
1496 23rd Street
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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2007 APR 24 PM 2 30

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

Case No. 13925

APPLICATION

Cimarex Energy Co. applies for an order (i) approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 31, Township 14 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

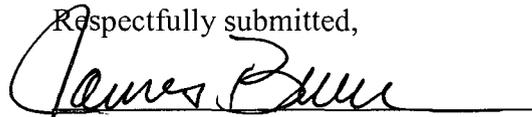
1. Applicant is an interest owner in the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 31, and has the right to drill a well thereon.
2. Applicant proposes to drill its Pyramid Well No. 1, to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 31 to the well to form a non-standard 80 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Denton-Wolfcamp Pool. The well is horizontal well, with a surface location 2210 feet from the south line and 430 feet from the west line, and a terminus 330 feet from the south line and 430 feet from the west line, of the section.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 31 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. Therefore, applicant seeks an order pooling all mineral interest owners in the W½SW¼ of Section 31, pursuant to NMSA 1978 §70-2-17.

5. The approval of the non-standard unit and the pooling of all mineral interests underlying the W½SW¼ of Section 31 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. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W½SW¼ of Section 31;
- B. Pooling all mineral interests in the W½SW¼ of Section 31 in the Wolfcamp formation;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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,

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

Attorney for Cimarex Energy Co.

PROPOSED ADVERTISEMENT

Case No. 13925 : Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the W/2SW/4 of Section 31, Township 14 South, Range 38 East, NMPM, to form a non-standard 80-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Denton-Wolfcamp Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Pyramid Well No. 1, a horizontal well to be drilled at a surface location 2210 feet from the south line and 430 feet from the west line with a terminus 330 feet from the south line and 430 feet from the west line of Section 31. 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 7 miles east of Prairieview, New Mexico.

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