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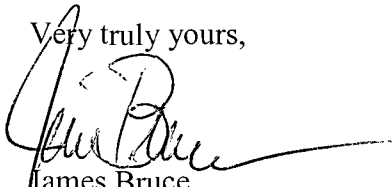
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13897

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of an application for pool creation, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the April 12, 2007 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CIMAREX ENERGY CO.
OF COLORADO FOR POOL CREATION, A
DISCOVERY ALLOWABLE, AND SPECIAL
POOL RULES, EDDY COUNTY, NEW MEXICO.

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Case No. 13897

APPLICATION

Cimarex Energy Co. of Colorado applies for an order creating a new pool for production of oil from the Wolfcamp formation, and establishing special rules and regulations for the pool, and in support thereof, states:

1. Applicant is the operator of the Keely 26 Fed. Well No. 1, which was drilled at a location 1980 feet from the north line and 1550 feet from the east line of Section 26, Township 17 South, Range 29 East, N.M.P.M.

4539054 2. The Keely 26 Fed. Well No. 1 has been completed as a wildcat Wolfcamp well, with perforations at 9078-9188 feet subsurface. Under the Division's statewide rules, well spacing is 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. The well has a depth bracket allowable of 275 barrels of oil per day, with a producing gas: oil ratio of 2000:1.

3. Applicant requests that:

(a) The Northeast Loco Hills-Wolfcamp Pool be created, encompassing the NE $\frac{1}{4}$ of Section 26;

(b) Special rules and regulations for the pool be enacted, providing for a limiting gas:oil ratio of 6000 cubic feet of gas for each barrel of oil produced;

(c) A discovery allowable be granted for the pool;


(d) All other rules be in conformance with statewide rules; and

(e) The pool rules be made effective retroactive to date of first production from the Keely 26 Fed. Well No. 1.

4. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,

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

James Bruce
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Attorney for Cimarex Energy Co. of Colorado

PROPOSED ADVERTISEMENT

Case No. 13897: **Application of Cimarex Energy Co. of Colorado for pool creation, a discovery allowable, and special pool rules, Eddy County, New Mexico.** Applicant seeks an order (i) creating a new pool for production of oil from the Wolfcamp formation, to be named the Northeast Loco Hills-Wolfcamp Pool, comprising the NE¼ of Section 26, Township 17 South, Range 29 East, N.M.P.M., (ii) granting applicant a discovery allowable, and (iii) establishing special rules and regulations for the pool, including a limiting gas:oil ratio of 6000 cubic feet of gas for each barrel of oil produced, effective as of the date of first production from the discovery well. The discovery well for the pool is the Keely 26 Fed. Well No. 1, located 1980 feet from the north line and 1550 feet from the east line of Section 26. The proposed pool is located approximately 5 miles west-northwest of Loco Hills, New Mexico.

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