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December 9, 2008

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Cass 14264

MECEIVED

2008 DEC 9 PM 4 45

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the January 8, 2009 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Cimarex Energy Co.

PERSONS BEING NOTIFIED

Marie A. Gass address unknown

Annie or Byron Abell address unknown

Zilpha S. Todd address unknown

Al McInnis address unknown

Marrion E. and Fred A. Dushane address unknown

John W. or Jennie E. Rheinhart address unknown

Natalie Swan Baron Abbot address unknown

Jason P. and Mary E. Phelps address unknown

Joshua F. and Ruth E. Cockey address unknown

Elizabeth Northrup address unknown

Aubrey Eugene Edwards, Deceased address unknown

A.W. Hasselburg address unknown

Sophie B. Schenck, Deceased address unknown (Probable heir is Henrietta Schenck, whom we previously force pooled)

Nannie Allen Edwards, Deceased (Probable heir that is unleased is Aubrey Eugene Edwards) Willie Frances Lilley, Deceased (Probable heirs are Gayle Fulton Lilley & Frank Lilley, whom we previously force pooled)

Elizabeth Fulton, Deceased (Probable heir that we haven't force pooled is Willie Frances Lilley and the probable heir that we have force pooled is Virginia Fulton Gaussa) BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND AN UNORTHODOX OIL WELL LOCATION,

LEA COUNTY, NEW MEXICO.

Case No. 14264

APPLICATION

Cimarex Energy Co. applies for an order (i) approving a non-standard oil spacing and

proration unit in the Wolfcamp formation comprised of Lot 4 and the SW1/4NW1/4 (the

W½NW¼) of Section 6, Township 15 South, Range 38 East, N.M.P.M., Lea County, New

Mexico, (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard

unit, and (iii) approving an unorthodox oil well location in the Wolfcamp formation, and in

support thereof, states:

1. Applicant is an interest owner in the W½NW¼ of Section 6, and has the right to

drill a well thereon.

2. Applicant has drilled its Harvard 6 Fee Well No. 2, to a depth sufficient to test the

Wolfcamp formation, and seeks to dedicate the W½NW¼ of Section 6 to the well to form a non-

standard 80.04 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 430 feet from the north line and 430 feet from

the west line, and a terminus at an unorthodox location 2595 feet from the north line and 441 feet

from the west line, of Section 6.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other

mineral interest owners in the W½NW¼ of Section 6 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 W½NW¼ of Section 6, pursuant to NMSA 1978 §70-2-17.
- 5. The approval of the non-standard unit, unorthodox location, and the pooling of all mineral interests underlying the W½NW¼ of Section 6 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 W½NW¼ of Section 6;
- B. Pooling all mineral interests in the W½NW¼ of Section 6 in the Wolfcamp formation;
- C. Approving the unorthodox oil well location in the Wolfcamp formation;
- D. Designating applicant as operator of the well;
- E. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. 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. 14264:

Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit, compulsory pooling, and an unorthodox oil well location, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 4 and the SW/4NW/4 of Section 6, Township 15 South, Range 38 East, NMPM, to form a non-standard 80.04-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 Harvard 6 Fee Well No. 2, a horizontal well drilled at a surface location 430 feet from the north line and 430 feet from the west line, with a terminus at an unorthodox location 2595 feet from the north line and 441 feet from the west line, of Section 6. Applicant also requests approval of the unorthodox location in the Wolfcamp formation. 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 4-1/2 miles southeast of Prairieview, New Mexico.