Examiner Hearing -October 29, 2009 Docket No. 38-09 Page 4 of 6

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 1/2 mile West of Farmington, New Mexico.

12. CASE 14351: (Readvertised)

Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a 159.24-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 3, NE/4 SW/4, and N/2 SE/4 (the N/2 S/2) of Section 18, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling all mineral interests from the surface to the base of the Abo/Wolfcamp formation underlying (i) the NE/4 SE/4 of Section 18 to form a standard 40 acre oil spacing and proration unit, and (ii) the N/2 S/2 of Section 18 to form a non-standard 159.24-acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Franklin 18 Fee Well No. 3, a horizontal well to be drilled at a surface location 1980 feet from the south line and 330 feet from the east line, with a terminus 1980 feet from the south line and 375 feet from the west line, 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 14 miles North-Northeast of Loco Hills, New Mexico.

13. Case No. 14352: (Readvertised)

Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a 159.29-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 4, SE/4 SW/4, and S/2 SE/4 (the S/2 S/2) of Section 18, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling all mineral interests from the surface to the base of the Abo/Wolfcamp formation underlying (i) the SE/4 SE/4 of Section 18 to form a standard 40 acre oil spacing and proration unit, and (ii) the S/2 S/2 of Section 18 to form a non-standard 159.29-acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Franklin 18 Fed. Com Well No. 4, a horizontal well to be drilled at a surface location 375 feet from the south line and 375 feet from the east line, with a terminus 375 feet from the south line and 375 feet from the west line, 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 13-1/2 miles North-Northeast of Loco Hills, New Mexico.

14. <u>CASE 14390</u>: (Continued from the October 15, 2009 Examiner Hearing.)

Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 S/2 of Section 34, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Bone Spring formation underlying (i) the NW/4 SW/4 of Section 34 to form a standard 40-acre oil spacing and proration unit, and (ii) the N/2 S/2 of Section 34 to form a non-standard 160-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 South Quail Ridge-Bone Spring Pool. The units are to be dedicated to the Mallon 34 Fed. Well No. 16, a horizontal well to be re-entered and drilled at a surface location 1980 feet from the South line and 660 feet from the West line, with a terminus 1980 feet from the South line and 330 feet from the East line, of Section 34. Also to be considered will be the cost of re-entering, drilling, and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in re-entering, drilling, and completing the well. The units are located approximately 17 miles west of Monument, New Mexico.