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June 22, 2010

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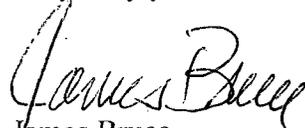
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14509

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of two applications for compulsory pooling, etc., together with proposed advertisements. The advertisements have also been e-mailed to the Division. Please set these matters for the July 22, 2010 Examiner hearing.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

Parties Being Notified

Raya Energy Corporation
1703 Edelweiss Drive
Cedar Park, Texas 78613

Modano Oil & Gas, L.P.
Suite 1830
301 Commerce Street
Fort Worth, Texas 76102

Roy Edward Guinnup
Suite 1830
301 Commerce Street
Fort Worth, Texas 76102

Reef Oil and Gas Companies
Suite 300
1901 North Central Expressway
Richardson, Texas 75080

Azalea Properties, Ltd.
Suite 400
2305 Cedar Springs Road
Dallas, Texas 75201

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 14509

APPLICATION

Cimarex Energy Co. applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 15, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests from the surface to the top of the Bone Spring formation underlying the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15, and the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 15, and has the right to drill a well thereon.
2. Applicant proposes to drill its East Lusk 15 Fed. Well No. 1 to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate (i) the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15 to the well to form a standard 40 acre oil spacing and proration unit, and (ii) the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 15 to the well to form a non-standard 160 acre oil spacing and proration unit (project area). The well is a horizontal well, with a surface location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, and a terminus in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, of Section 15.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 15 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.

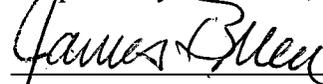
Therefore, applicant seeks an order pooling all mineral interest owners in the S½S½ of Section 15, pursuant to NMSA 1978 §§70-2-17, 18.

5. The approval of the non-standard unit and the pooling of all mineral interests underlying the S½S½ of Section 15 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 Bone Spring formation comprised of the S½S½ of Section 15;
- B. Pooling all mineral interests from the surface to the top of the Bone Spring formation underlying the SE¼SE¼ of Section 15, and the Bone Spring formation in the S½S½ of Section 15;
- C. Designating Cimarex Energy Co. of Colorado 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. 14509:

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 S/2S/2 of Section 15, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Bone Spring formation underlying the SE/4SE/4 of Section 15 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the S/2S/2 of Section 15 to form a non-standard 160 acre oil spacing and proration unit (project area). The units are to be dedicated to the East Lusk 15 Fed. Well No. 1, a horizontal well with a surface location in the SE/4SE/4, and a terminus in the SW/4SW/4, of Section 15. 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 unit is located approximately 32 miles west-northwest of Monument, New Mexico.

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