

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF CIMAREX ENERGY
CO. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

Cimarex Energy Co. applies for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 8, the E/2 of Section 17, and the E/2 of Section 20, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E/2 of Section 8, the NE/42 of Section 17, and the E/2 of Section 20, and has the right to drill a well or wells on the proposed well unit.

2. Applicant proposes to drill the following wells to depths sufficient to test the Wolfcamp formation:

(a) The White City 8-17-20 Fed. Com. Well No. 17H, with a first take point in the NW/4NE/4 of Section 8 and a last take point in the SW/4SE/4 of Section 20;

(b) The White City 8-17-20 Fed. Com. Well No. 18H, with a first take point in the NE/4NE/4 of Section 8 and a last take point in the SE/4SE/4 of Section 20;

(c) The White City 8-17-20 Fed. Com. Well No. 20H, with a first take point in the NE/4NE/4 of Section 8 and a last take point in the SE/4SE/4 of Section 20;

(d) The White City 8-17-20 Fed. Com. Well No. 21H, with a first take point in the NW/4NE/4 of Section 8 and a last take point in the SW/4SE/4 of Section 20; and

(e) The White City 8-17-20 Fed. Com. Well No. 22H, with a first take point in the NW/4NE/4 of Section 8 and a last take point in the SW/4SE/4 of Section 20.

The E/2 of Section 8, the E/2 of Section 17, and the E/2 of Section 20 will be dedicated to the well.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2 of Section 8, the E/2 of Section 17, and the E/2 of Section 20 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 uncommitted mineral interest owners in the Wolfcamp formation underlying the E/2 of Section 8, the E/2 of Section 17, and the E/2 of Section 20, pursuant to NMSA 1978 §70-2-17.

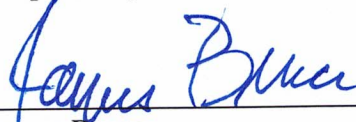
5. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying the E/2 of Section 8, the E/2 of Section 17, and the E/2 of Section 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the E/2 of Section 8, the E/2 of Section 17, and the E/2 of Section 20;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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