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RECEIVED OOD

2011 JUN -7 P 12: 46

June 7, 2011

Hand delivered

Case 14682

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

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of four applications for compulsory pooling, together with proposed advertisements. The advertisements have also been e-mailed to the Division. Please set these matters for the July 7, 2011 Examiner hearing.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co.

Parties Being Notified

COG Operating LLC
Concho Oil and Gas LLC
Suite 100
550 West Texas Avenue
Midland, Texas 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF CIMAREX ENERGY
CO. FOR COMPULSORY POOLING, 2011 JUN -7 P 12: 46
EDDY COUNTY, NEW MEXICO.

Case No. 14682

APPLICATION

Cimarex Energy Co. applies for an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, Township 18 South, Range 26 East, N.M.P.M, and in support thereof, states:

1. Applicant is an interest owner in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, and has the right to drill a well thereon.
2. Applicant proposes to drill its Texas 32 Fee Well No. 1, at an orthodox location, to a depth sufficient to test the Glorieta-Yeso formation, and seeks to dedicate NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 to the well to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 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 NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, pursuant to NMSA 1978 §70-2-17.
5. The pooling of all mineral interests underlying the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 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 mineral interests in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 from the surface to the base of the Glorieta-Yeso formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 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.