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2005 JUN 6 AM 11 49

June 6, 2005

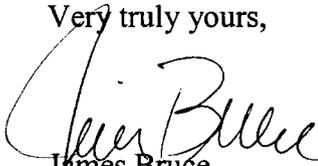
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13516

Dear Florene:

Enclosed for filing, on behalf of Magnum Hunter Production, Inc., 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 June 30, 2005 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Magnum Hunter Production, Inc.

PERSONS BEING POOLED

Mobil Producing Texas & New Mexico Inc.
P.O. Box 4610, OCG 644
Houston, Texas 77210-4610

Attention: Don Dollar

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MAGNUM HUNTER
PRODUCTION, INC. FOR COMPULSORY
POOLING AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

Case No. 13516

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APPLICATION

Magnum Hunter Production, Inc. applies for an order (a) pooling all mineral interests from the surface to the base of the Morrow formation underlying the S $\frac{1}{2}$ of Section 11, Township 17 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and (b) simultaneous dedication, and in support thereof, states:

1. Applicant is an interest owner in the S $\frac{1}{2}$ of Section 11, and has the right to drill a well thereon.
2. Applicant proposes to drill its Bridges State Well No. 514, at an orthodox gas well location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11, to a depth sufficient to test the Morrow formation, and seeks to dedicate the S $\frac{1}{2}$ of Section 11 to the well to form a standard 320 acre gas and spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the North Vacuum Atoka-Morrow Gas Pool.
3. The S $\frac{1}{2}$ of Section 11 will be simultaneously dedicated to the proposed well and to the existing Bridges State Well No. 126, located at an orthodox well location in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11.
4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ of Section 11 for the purposes set forth herein.
5. 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 S½ of Section 11, pursuant to NMSA 1978 §70-2-17.

6. The granting of this application 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 S½ of Section 11, from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the Bridges State Well No. 514;
- 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 Magnum Hunter Production, Inc.

Case No. 13516: Application of Magnum Hunter Production, Inc. for compulsory pooling and simultaneous dedication, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 11, Township 17 South, Range 34 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the North Vacuum Atoka-Morrow Gas Pool. The unit is to be simultaneously dedicated to the Bridges State Well No. 126, located in the NW/4SE/4 of Section 11, and the proposed Bridges State Well No. 514, to be drilled at an orthodox gas well location in the SE/4SW/4 of Section 11. 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 proposed well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles north-northwest of Buckeye, New Mexico.

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