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August 21, 2007

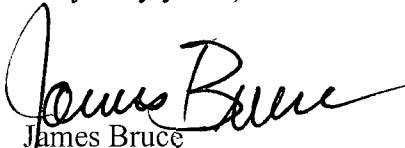
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 13996*

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of an application for a non-standard unit and compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the September 20, 2007 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce  
Attorney for Cimarex Energy Co.

PERSONS BEING NOTIFIED

Sidney Roger Davis  
P.O. Box 29330  
Austin, Texas 78755

Occidental Permian Ltd.  
P.O. Box 50250  
Midland, Texas 79710

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED  
2007 AUG 22 PM 12 59

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

Case No. 13996

APPLICATION

Cimarex Energy Co. applies for an order (i) approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 13, Township 15 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 13, and has the right to drill a well thereon.

2. Applicant proposes to drill its Sherman 13 Fee Well No. 3, to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 13 to the well to form a non-standard 80 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 Denton-Wolfcamp Pool. The well is horizontal well, with a surface location 430 feet from the north line and 430 feet from the east line, and a terminus 2310 feet from the north line and 430 feet from the east line, of Section 13.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 13 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.

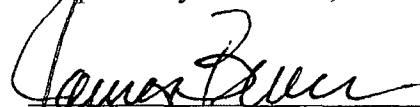
Therefore, applicant seeks an order pooling all mineral interest owners in the E½NE¼ of Section 13, pursuant to NMSA 1978 §70-2-17.

5. The approval of the non-standard unit and the pooling of all mineral interests underlying the E½NE¼ of Section 13 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 Wolfcamp formation comprised of the E½NE¼ of Section 13;
- B. Pooling all mineral interests in the E½NE¼ of Section 13 in the Wolfcamp formation;
- C. Designating applicant 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,



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(505) 982-2043

Attorney for Cimarex Energy Co.