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January 13, 2009

David --

Corrected Mr. David of the landman  
in case No. 14195.

See also my letter of 1/5/09 to you.

Jim

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

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

Case No. 14,195

**VERIFIED STATEMENT OF HAYDEN P. TRESNER**

Hayden P. Tresner, being duly sworn upon his oath, deposes and states:

1. I am a landman for Cimarex Energy Co., and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule 1210.A(1)(b), the following information is submitted in support of the application filed herein:

(a) No opposition to this application is expected because the mineral interest owners being pooled have simply not responded to well proposals.

(b) A plat outlining the spacing unit being pooled is attached hereto as Exhibit A. Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the S/2N/2 of Section 16, Township 15 South, Range 31 East, NMPM, to form a non-standard 160-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing, and pooling all mineral interests in the lower Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Ticonderoga 16 State Com. Well No. 1H, a horizontal well to be drilled at a surface location 1980 feet from the north line and 330 feet from the west line, with a terminus 1980 feet from the north line and 330 feet from the east line, of Section 16. The well unit is non-standard because of the horizontal well, and applicant seeks to pool the non-standard well unit.

(c) The parties being pooled, their interests in the well unit, and their last known addresses, are as follows:

Estate of Louis Walter	6.25%
Estate of Manuel Walter	6.25%
Toni Walter Stern	6.25%
Lance J. Walter	6.25%
No. 245	
9150 Wilshire Boulevard	
Beverly Hills, California 90212	

(d) Copies of the proposal letters sent to the uncommitted mineral interest owners are attached hereto as Exhibit B.

(e) Cimarex Energy Co. has made a good faith effort to obtain the voluntary joinder of the uncommitted interest owners in the well.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting interest owner.

(g) The offset operators or lessees of the acreage surrounding the well unit are as follows:

(i) N $\frac{1}{2}$  and N $\frac{1}{2}$ S $\frac{1}{2}$  of Section 15.  
 COG Operating, LLC ✓  
 Suite 1300  
 550 West Texas  
 Midland, Texas 79701

(ii) N $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 16.  
 Cimarex Energy Co. of Colorado

(iii) NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 16.  
 Chesapeake Exploration Limited Partnership ✓

(iv) NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 16.  
 Anadarko Petroleum Corporation ✓  
 1201 Lake Robbins Drive  
 The Woodlands, Texas 77380

(v) SW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 16.  
 XTO Energy Inc. ✓  
 Suite 2000  
 810 Houston Street  
 Fort Worth, Texas 76102

(vi) N $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 16.  
 Cimarex Energy Co. of Colorado

(vii) NE¼SW¼ of Section 16. ✓  
Chevron U.S.A. Inc.  
11111 South Wilcrest Drive  
Houston, Texas 77099-4310

(viii) NW¼SW¼ of Section 16.  
Cimarex Energy Co. of Colorado

(ix) E½ of Section 17. ✓  
Kevin O. Butler & Associates, Inc.  
P.O. Box 1171  
Midland, Texas 79702

(h) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Chaves County.

(i) Overhead charges of \$6,500.00/month for a drilling well, and \$650.00/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Cimarex Energy Co. requests that the rates be adjusted under the COPAS accounting procedure.

(j) Applicant requests that Cimarex Energy Co. of Colorado be designated operator of the well.

VERIFICATION

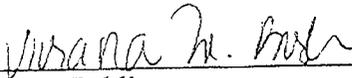
STATE OF TEXAS            )  
  ) ss.  
COUNTY OF MIDLAND    )

Hayden P. Tresner, being duly sworn upon his oath, deposes and states that: He is a landman for Cimarex Energy Co.; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Hayden P. Tresner

SUBSCRIBED AND SWORN TO before me this 13<sup>th</sup> day of January, 2009 by  
Hayden P. Tresner.

My Commission Expires: September 26, 2012

  
\_\_\_\_\_  
Notary Public

