

2009 AUG 19 PM 1 51

HYDE OIL AND GAS CORPORATION

**6300 Ridglea Place, Suite 1018
Fort Worth, Texas 76116-5736**

817-737-6300

August 18, 2009

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Cimarex Energy Company
for Approval of a Non-Standard Oil Spacing
and Proration Unit and Compulsory Pooling,
Lea County, New Mexico (before the New
Mexico Oil Conservation Division)

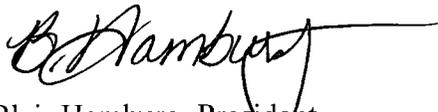
Gentlemen:

We are in receipt of the above captioned instrument via Certified Mail from Cimarex's attorney, James Bruce, as of August 3, 2009. Mr. Bruce's correspondence is indicative that a hearing is scheduled at 8:15 a. m. on Thursday, August 20, 2009, in Porter Hall at the Division's offices. Although our firm will not have a representative personally present, we do want to present our current circumstance to the Division.

Pursuant to the matter at-hand, our firm has apprised Cimarex's representative, Hayden Tresner, both verbally and via email of its desire to farmout and/or to take a working interest for a re-entry of the well, Mallon "34" Fed #16 (NW/4 SW/4 Sec. 34-T19S-R34E), but, **to date, an AFE has not been received** for a bona fide decision to be ascertained pertinent to our firm. Upon receipt of Cimarex's AFE, our firm will be able to make an informed decision. Thus, based on the circumstance that our firm only received a "Farmout Agreement", but no AFE for Well #16, it is believed that due diligence for a commitment as a mineral interest owner is impeded and we beseech the Division to take this information into consideration.

We appreciate your attention and your assistance on this matter.

Very truly yours,



Blair Hamburg, President

HOG/BH/gn

cc: Mr. James Bruce, Attorney At Law
369 Montezuma, No. 213
Santa Fe, New Mexico 87501

Mr. Hayden Tresner
Cimarex Energy Company
600 North Marienfeld, Suite 600
Midland, Texas 79701