

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

RECEIVED OOD

2009 JUN 24 A 8:42

June 23, 2009

Hand delivered

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

Case 14349

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.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

Parties Being Pooled

Anadarko Petroleum Corporation
P.O. Box 1330
The Woodlands, Texas 77251

Chesapeake Energy Corporation
Chesapeake Exploration, L.L.C.
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED OOD

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

2009 JUN 24 A 8:42

Case No. 14349

APPLICATION

Cimarex Energy Co. applies for an order (i) approving a non-standard oil spacing and proration unit in the Abo/Wolfcamp formation comprised of the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16, Township 15 South, Range 31 East, N.M.P.M., Chaves County, New Mexico, and (ii) pooling all mineral interests in the Abo/Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16, and has the right to drill a well thereon.
2. Applicant proposes to drill its Ticonderoga 16 State Com. Well No. 2, to a depth sufficient to test the Abo/Wolfcamp formation, and seeks to dedicate N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16 to the well to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The well is horizontal well, with a surface location 375 feet from the north line and 375 feet from the west line, and a terminus 375 feet from the north line and 375 feet from the east line, of Section 16.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16 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.

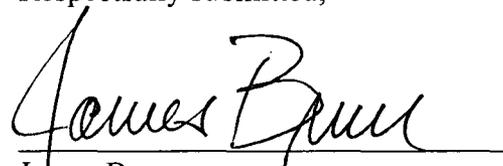
Therefore, applicant seeks an order pooling all mineral interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16, pursuant to NMSA 1978 §70-2-17.

5. The approval of the non-standard unit and the pooling of all mineral interests underlying the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16 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 Abo/Wolfcamp formation comprised of the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16;
- B. Pooling all mineral interests in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16 in the lower Abo/Wolfcamp formation;
- C. Designating Cimarex Energy Co. of Colorado 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,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Cimarex Energy Co.

PROPOSED ADVERTISEMENT

Case No. 14349 :

Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the N/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), and pooling all mineral interests in the Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Ticonderoga 16 State Com. Well No. 2, a horizontal well to be drilled at a surface location 375 feet from the north line and 375 feet from the west line, with a terminus 375 feet from the north line and 375 feet from the east line, of Section 16. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 16 miles north-northeast of Loco Hills, New Mexico.

RECEIVED OGD
2009 JUN 24 A 8:42