

12/22/2010

from: The Blanco Company
to: Oil Conservation Division
re: Case 14566

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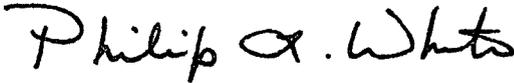
2010 DEC 27 A 9:26

Blanco is in receipt of Docket 1-11 and wish to reiterate that the only available date on our calendar is 01/20/2011. However, we stand by our previous submittals and request OCD to not approve Cimarex's applications. Our case remains:

- 1) Cimarex paid \$3700/acre for their leasehold, but won't pay Blanco \$2000/acre for ours;
- 2) Cimarex refuses to involve Yates' leasehold by their non-standard Unit configuration;
- 3) Cimarex refuses to consider Blanco's re-entry idea.

Thank you for your consideration of our request of a 01/20/2011.

Respectfully,



Philip White, President

cc: James Bruce

Examiner Hearing - January 6, 2011

Docket No. 1-11

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and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles South-Southeast of Loco Hills, New Mexico.

9. CASE 14582: (Continued from the December 16, 2010 Examiner Hearing.)
Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 23, Township 20 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 23 to form a non-standard 160 acre oil spacing and proration unit (project area) for any pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Lynch 23 Fed. Well No. 2, a horizontal well to be drilled at a surface location in the NE/4 NE/4, with a terminus in the SE/4 SE/4, of Section 23. 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 well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 16 miles West-Southwest of Monument, New Mexico.
10. ~~CASE 14566~~: (Continued from the December 16, 2010 Examiner Hearing.)
Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Cimarex Energy Co. of Colorado seeks an order approving a 161.53-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 4 of Section 3 and Lots 1-3 of Section 4, Township 19 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying Lot 4 of Section 3 and Lots 1-3 of Section 4 to form a non-standard 161.53 acre oil spacing and proration unit (project area) for any pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Inrepid 3 Fed. Well No. 1, a horizontal well to be drilled at a surface location in Lot 3 of Section 3, with a terminus in Lot 3 of Section 4. 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 well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 miles South of Loco Hills, New Mexico.