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October 2, 2012

Hand delivered

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

Dear Florene:

Enclosed for filing, on behalf of Hunt Oil Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the November 1, 2012 Examiner hearing.

Case 14924

Very truly yours,

James Bruce

Attorney for Hunt Oil Company

Parties Being Notified

L.W. Wickes Agent Corp.

Cyprus Mines Corp.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF HUNT OIL COMPANY FOR COMPULSORY POOLING, RIO ARRIBA COUNTY, NEW MEXICO.

Case No. 14924

APPLICATION

Hunt Oil Company applies for an order pooling the Gavilan-Mancos Pool underlying all of Section 34, Township 26 South, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in Section 34, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Elk Com. 34 Well No. 1, to a depth sufficient to test the Gavilan-Mancos Pool, and seeks to dedicate Section 34 to the well to form a standard 640 acre spacing and proration unit for any formations and/or pools developed on 640 acre spacing within that vertical extent. The well is a horizontal well to be drilled from a surface location in the SE/4SE/4 of Section 33, Township 26 North, Range 2 West, N.M.P.M., with a terminus in the NE/4SE/4 of Section 34, Township 26 North, Range 2 West, N.M.P.M. The producing interval will begin in the SW/4SW/4 of Section 34, Township 26 North, Range 2 West, N.M.P.M.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Section 34 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 Section 34, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Gavilan-Mancos Pool underlying Section 34 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. Pooling all mineral interests in the Gavilan-Mancos Pool underlying Section 34; and
- B. Designating applicant as operator of the well.

Respectfully submitted,

James Bruce

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Attorney for Cimarex Energy Co.