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2012 OCT 31 P 2:09

October 30, 2012

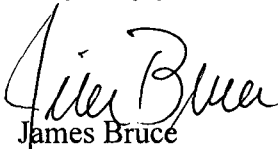
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Case 149354

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the November 29, 2012 Examiner hearing.

Very truly yours,

  
James Bruce

Attorney for Cimarex Energy Co.

Parties Being Notified

ConocoPhillips Company  
P.O. Box 2197  
Houston, Texas 77252

Attention:     Andy Harmon  
                  Senior Landman

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

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Case No. 149384

**APPLICATION**

Cimarex Energy Co. applies for an order (i) approving a 160 acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 25, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an operator in the E $\frac{1}{2}$ E $\frac{1}{2}$  Section 25, and has the right to drill a well thereon.
2. Applicant proposes to drill its Triste Draw 25 Fed. Well No. 1, to a depth sufficient to test the Bone Spring formation, and seeks to dedicate the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 25 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 a horizontal well, with a surface location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ , and a terminus in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , of Section 25.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 25 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 E½E½ of Section 25, pursuant to NMSA 1978 §§70-2-17, 18.

5. The approval of the non-standard unit and the pooling of all mineral interests underlying the E½E½ of Section 25 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 Bone Spring formation comprised of the E½E½ of Section 25;
- B. Pooling all mineral interests in the Bone Spring formation underlying the E½E½ of Section 25;
- C. Designating applicant 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,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Cimarex Energy Co.