

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)

jamesbruce@aol.com

May 10, 2005

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

Case 13496

2005 MAY 10 PM 2 43

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., 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 June 2, 2005 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF CIMAREX ENERGY
CO. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case No. 13496

2005 MAY 10 PM 2 43

APPLICATION

Cimarex Energy Co. applies for an order pooling all mineral interests from the surface to the base of the Permo-Upper Pennsylvanian formation underlying the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21, Township 15 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21, and has the right to drill a well thereon.
2. Applicant proposes to drill its Caudill South "21" Fee Well No. 1, at an orthodox location in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21, to a depth sufficient to test the Permo-Upper Pennsylvanian formation, and seeks to dedicate the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21 to the well to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Caudill Permo-Upper Pennsylvanian Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21 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 SE¼NW¼ of Section 21, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the SE¼NW¼ of Section 21 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 SE¼NW¼ of Section 21, from the surface to the base of the Permo-Upper Pennsylvanian formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. 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.

PERSONS BEING POOLED

Ronald Dal Alexander
1915 E Water Ave
Lovington, NM 88260

Carlos Dean Alexander
a/k/a Carloss Dean Alexander
2806 Alexander Rd
Lovington, NM 88260

Altura Energy, Ltd.
c/o Occidental Permian, Ltd.
6 Desta Drive, Suite 6000
Midland, TX 79710

Betty Atkins
7107 S. Hudson Circle
Littleton, CO 80121

Dr. James Obed Baker
9337 Redondo Drive
Dallas, TX 75218-3645

Bruce W. Crockett &
Andrea Crockett
1611 S. Jackson Drive
Roswell, NM 88302-6033

Bernadine R. Glenn
126-A South Battery
Charleston, SC 29401

Nugent Family Operating Co.
Mr. Rod Nugent
P O Box 10185
Amarillo, TX 79116

Randall Pettigrew
5331 Dana Leigh
Houston, TX 77066-1603

Richard Pettigrew
2812 Pinewood Dr.
League City, TX 77573

Charles B. Read
P.O. Box 1518
Roswell, NM 88202

James L. Shelton, Trustee of the
Pauline M. Reeser, Revocable Living Trust
3501 Marsh Road
Deland, FL 32724

June D. Speight
P.O. Box 1687
Lovington, NM 88260

Fred T. Schooler, dec'd
P.O. Box 843
Midland, Texas 79702-0843

The Frost National Bank & Mary Ann Swierc,
Co-Trustees of the Imogene and Harold Herndon
Charitable Trust u/w/o Imogene A. Herndon
P.O. Box 1600
San Antonio, TX 78296

The Frost National Bank & Mary Ann Swierc,
Co-Trustees of the Imogene and Harold Herndon
Charitable Trust u/w/o Harold D. Herndon
P.O. Box 1600
San Antonio, TX 78296

Margaret Wygoeki
721 Robins Road
Lansing, Michigan 42917-2022

PROPOSED ADVERTISEMENT

Case No. 13496: **Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.** Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Permo-Upper Pennsylvanian formation underlying the SE/4NW/4 of Section 21, Township 15 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Caudill Permo-Upper Pennsylvanian Pool. The unit is to be dedicated to the Caudill South "21" Fee Well No. 1, to be located at an orthodox oil well location. 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 5 miles north-northeast of Lovington, New Mexico.

2005 MAY 10 PM 2 43