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ATTORNEY AT LAW

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August 29, 2006

Hand delivered

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

Case 13786

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 September 28, 2006 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

PERSONS BEING POOLED

Ann Childers
(address unknown)

Ann Walker and Keith F. Walker,
Co-Trustees of the Ann Walker Trust dated 10/26/94
P.O. Box 1169
Duncan, Oklahoma 73534

Barmar, Inc.
P.O. Box 250
Hobbs, New Mexico 88241

Bud and Mary Lou Flocchini Family
Partnership
P.O. Box 26158
San Jose, California 95159

CarKel Energy, LLC an Oklahoma
limited liability company
(address unknown)

Chatfield Company
P.O. Box 1903
Denver, Colorado 80201

Christa L. Leavell
P.O. Box 470
Robinson, Illinois 62454

Christa L. Leavell, Custodian for
Michelle C. Leavell
(address unknown)

Citade Oil and Gas Corporation
P.O. Box 3052
Denver, Colorado 80201

Dan Auld, Jr., ssp
P.O. Drawer 766
Leakey, Texas 78873

Dial C. West, Limited Partnership
(address unknown)

Don E. McInturff, Trustee of the
Russell N. McInturff Trust
P.O. Box 6618
Lubbock, Texas 79493

Don E. McInturff, Trustee of the
Terry G. McInturff Trust
P.O. Box 6618
Lubbock, Texas 79493

Elizabeth Brown Bennett
P.O. Box 1054
Arlington, Texas 76010

Enertree, LLC an Oklahoma limited
liability company
(address unknown)

Estate of Bruce and Mary Gentry
C/O Dave Gentry (son)
8204 Brentwood Ave.
Lubbock, Texas 79424-3422

Estate of Bruce and Mary Gentry
C/O Dave Gentry (son)
8204 Brentwood Ave.
Lubbock, Texas 79424-3422

Fall River Resources, Inc.
P.O. Box 13456
Denver, Colorado 80201

FFF, Inc.
P.O. Box 8687
Denver, Colorado 80201

Frank Dale
(address unknown)

H. W. Allen Company
(address unknown)

Harle, Inc.
22230 S.W. Taylors
Tualatin, Oregon 97062

Jonathan S. Roederick and wife,
Carol Roederick, as Joint Tenants
6154 W. 83rd Way
Arvada, Colorado 80003

Kalkman Habeck Company
(address unknown)

Larry Hunnicutt, Custodian for Grady
Paul Hunnicutt, ssp
3110 Thomas Ave., Apt.. 113
Dallas, Texas 75204

Larry Hunnicutt, Custodian for Justin
Travis Hunnicutt, ssp
3110 Thoma Ave., Apt.. 113
Dallas, Texas 75204

LaWayne E. Jones
(address unknown)

Louise A. Oswald, III, Trustee of
the Oswald Family Trust dated 04/27/98
P.O. Box 36157
Denver, Colorado 80236

Lynne M. Baalman and Mark E.
Baalman, as Joint Tenants
4650 N. Flintwood Road
Parker, Colorado 80134

M. W. Oil Investment Company, Inc.
518 17th Street, Suite 540
Denver, Colorado 80202

Minnie Price Tomlinson, John Clyde
Tomlinson, Jr., and N. E. Loomis, Trustees u/w/o J.
Clyde Tomlinson, deceased
P.O. Box 6260
Longview, Texas 75606

R. M. Williams and wife, Jacqueline
5 Dovekie Court
Nantucket, Massachusetts 02554

Ronald C. Agel
105 Countryside Rd.
Newton, Massachusetts 02159

Shawn P. Hannifin and Frances A.
Hannifin as Joint Tenants with ROS
P.O. Box 8687
Denver, Colorado 80201

The Children's Medical Foundation
of Texas
1935 Motor St.
Dallas, Texas

Tidemark Corporation
6116 N. Central Expressway, Suite 722
Dallas, Texas 75206

Toles-Com-Ltd., LLC
P.O. Box 1300
Roswell, New Mexico 88202

Windlands Corporation
P.O. Box 591
Midland, Texas 79702

Wyotex Oil Company
P.O. Box 36157
Denver, Colorado 80236

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 13 786

APPLICATION

Cimarex Energy Co. applies for an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the N $\frac{1}{2}$ of Section 17, 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 N $\frac{1}{2}$ of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill its Caudill West 17 Fee Well No. 1, at an orthodox location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 17, to a depth sufficient to test the Mississippian formation, and seeks to dedicate the following acreage to the well:
 - (a) The NE $\frac{1}{4}$ NE $\frac{1}{4}$ 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 Undesignated Caudill-Permo Upper Penn Pool;
 - (b) The NE $\frac{1}{4}$ to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and
 - (c) The N $\frac{1}{2}$ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Caudill-Atoka Gas Pool and Undesignated Caudill-Mississippian Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ of Section 17 for the purposes set forth herein.

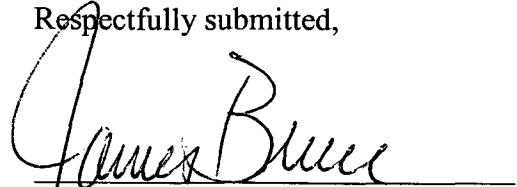
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 17, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 17 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 N½ of Section 17, from the surface to the base of the Mississippian 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,

A handwritten signature in black ink, 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.

PROPOSED ADVERTISEMENT

Case No. 13786: 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 Mississippian formation underlying the following described acreage in Section 21, Township 15 South, Range 36 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Caudill-Atoka Gas Pool and Undesignated Caudill-Mississippian Gas Pool.; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4NE/4 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 Undesignated Caudill-Permo Upper Penn Pool. The units are to be dedicated to the Caudill West 17 Fee Well No. 1, to be drilled at an orthodox location in the NE/4NE/4 Section 17. 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 units are located approximately 5-1/2 miles north-northeast of Lovington, New Mexico.