

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)

jamesbruc@aol.com

2007 APR 24 PM 2 29

April 24, 2007

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

Case 13925

Dear Florene:

Enclosed for filing, on behalf of Cimarex Energy Co., are an original and one copy of an application for a non-standard unit and compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the May 24, 2007 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co.

PERSONS BEING NOTIFIED

Ms. Henrietta B. Schenck
Rt. 1, 339 Halama St.
Kihei, Maui, HA 96753

Marie A. Gass
Address Unknown
Monmouth County, NJ

A.L. MacInnis
Address Unknown
Springfield, OR

Hollis G. Gerrish
9446 Litzsingle Road
St. Louis, MO 63144

Clay Allen Cureton
6582 Vanguard Avenue
Garden Grove, CA 92845

Helen Pape
9446 Litzsingle Road
St. Louis, MO 63144

James O'Brien & Robert E. O'Brien, Trustees
u/w of F.W. Doyle, Deceased
1724 Adams
Dunmore, PA 18509-2008

Vanda Dale Byars
8900 Comanche
Olivette, MO 63132

C. H. Stevenson
9446 Litzsingle Road
St. Louis, MO 63144

Mollie E. Harris
P.O. Box 94
Olean, NY 14760

Loleita Fay Patterson
1402 West Clayton Ave.
Lovington, NM 88250

Mary S. William
11 West 42nd Street
New York, NY

Annie S. Abell & Byron R. Abell
Address Unknown
Essex County, MA

Marrion E. Dushane & Fred A. Dushane
Address Unknown
Essex County, MA

Jennie Spack
9446 Litzsingle Road
St. Louis, MO 63144

Maurice and Bernard Krasner
9446 Litzsingle Road
St. Louis, MO 63144

Jason Phelps and wife, Mary E. Phelps
Address Unknown
Dade County, FL

Elizabeth Y. Northrup
Address Unknown
NY

Thomas F. McMahon
P.O. Box 94
Olean, NY

Ralph H. Coburn
9446 Litzsingle Road
St. Louis, MO 63144

Zilpha S. Todd
Address Unknown
Dutchess County, NY

Eugene F. Arnold
9446 Litzsingle Road
St. Louis, MO 63144

R. E. Carter
9446 Litzsingle Road
St. Louis, MO 63144

T. D. Fussell
9446 Litzsingle Road
St. Louis, MO 63144

Jerry L. Wissler, Agent for Frank Free
851 Munsey Bldg.
Baltimore, MD

John W. Rheinhardt & Jennie E. Rheinhardt
Address Unknown

Joshua F. Cockey and wife, Ruth E. Cockey
Address Unknown

A.W. Hasselburg
Address Unknown
Portland, OR

Marjorie M. Olds
1004 Rogue Valley Manor
Medford, OR 97501

Dorothy A. Davis
2 Rector St. – Room 910
New York, NY 10006

Stewart Mott Davis
2 Rector St. – Room 910
New York, NY 10006

Rose Berger
480 Lexington
New York, NY 10167

Thelma Sundgren
413 Woodlawn
Salina, KS

Jack Wicker & wife, Ruth Wicker
1616 Morgan
Parsons, KS

Elaine Wolf & husband, James Wolf
403 Arbana Avenue
Ann Arbor, MI

Dan Wicker & wife, Alice Wicker
12603 Farrell Drive
Silver Springs, MD

Betty Tieche and husband, M.L. Tieche
38 Lotta Avenue
Battle Creek, MI

B.P. Wicker, Jr. and wife, Kay Wicker
349 Walnut
Wyandotte, MI

James Wicker
2755 Fourth Street
Wyandotte, MI

Jean Morris and husband, Orville Morris
655 Plum Avenue
Wyandotte, MI

John Millard Wicker
1496 23rd Street
Wyandotte, MI

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2007 APR 24 PM 2 30

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

Case No. 13925

APPLICATION

Cimarex Energy Co. applies for an order (i) approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the $W\frac{1}{2}SW\frac{1}{4}$ of Section 31, Township 14 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

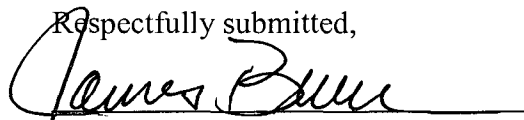
1. Applicant is an interest owner in the $W\frac{1}{2}SW\frac{1}{4}$ of Section 31, and has the right to drill a well thereon.
2. Applicant proposes to drill its Pyramid Well No. 1, to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate the $W\frac{1}{2}SW\frac{1}{4}$ of Section 31 to the well to form a non-standard 80 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Denton-Wolfcamp Pool. The well is horizontal well, with a surface location 2210 feet from the south line and 430 feet from the west line, and a terminus 330 feet from the south line and 430 feet from the west line, of the section.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W\frac{1}{2}SW\frac{1}{4}$ of Section 31 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 W½SW¼ of Section 31, pursuant to NMSA 1978 §70-2-17.

5. The approval of the non-standard unit and the pooling of all mineral interests underlying the W½SW¼ of Section 31 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 Wolfcamp formation comprised of the W½SW¼ of Section 31;
- B. Pooling all mineral interests in the W½SW¼ of Section 31 in the Wolfcamp formation;
- 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,

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

Attorney for Cimarex Energy Co.

PROPOSED ADVERTISEMENT

Case No. 13925 : Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the W/2SW/4 of Section 31, Township 14 South, Range 38 East, NMPM, to form a non-standard 80-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Denton-Wolfcamp Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Pyramid Well No. 1, a horizontal well to be drilled at a surface location 2210 feet from the south line and 430 feet from the west line with a terminus 330 feet from the south line and 430 feet from the west line of Section 31. 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 7 miles east of Prairieview, New Mexico.

2007 APR 24 PM 2:30