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June 24, 2008

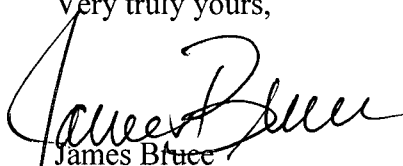
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14153

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 July 24, 2008 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

PERSONS BEING NOTIFIED

UNLEASED MINERAL OWNER	SW/4NE/4 MINERAL INTEREST	NW/4SE/4 MINERAL INTEREST	UNIT WI for Caudill South 21 Fee #3
Mabel Bennett Address Unknown		1/128	0.390625%
The Blanco Co. P.O. Box 25968 Albuquerque, NM 87125		1/64	0.781250%
Frankie Caudill Address Unknown		3/64	2.34375%
Bruce W. Crockett Address Unknown Appears to be deceased - Heirs Unknown	1/256		.1953125%
Ruth Tandy Hoover 48 Main Street Gorham, ME 04038	1/144		.347222%
Chris Johnson Address Unknown	1/216		.231481%
Randall Pettigrew 14125 Desert Willow El Paso, TX 79938	1/1600		.03125%
Nugent Family Operating Co. P.O. Box 10185 Amarillo, TX 79116	1/64		.78125%
Fred T. Schooler Address Unknown Appears to be deceased - Heirs Unknown	1/64		.78125%
Margaret Tandy Rice (Appears to be Deceased) 450 Gladys Rd. #57 Colfax, CA 95713	1/144		.347222%

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. 14153

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 SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 15 South, Range 36 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 SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, and has the right to drill a well thereon.
2. Applicant proposes to drill its Caudill South "21" Fee Well No. 3H, to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21 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 Caudill-Permo Upper Penn Pool. The well is a horizontal well, with a surface location 2000 feet from the south line and 2220 feet from the east line, and a terminus 1700 feet from the north line and 2200 feet from the east line, of the section.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ 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

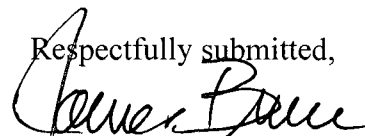
the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, pursuant to NMSA 1978 §70-2-17.

5. The approval of the non-standard unit and the pooling of all mineral interests underlying the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ 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. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21;
- B. Pooling all mineral interests in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21 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.

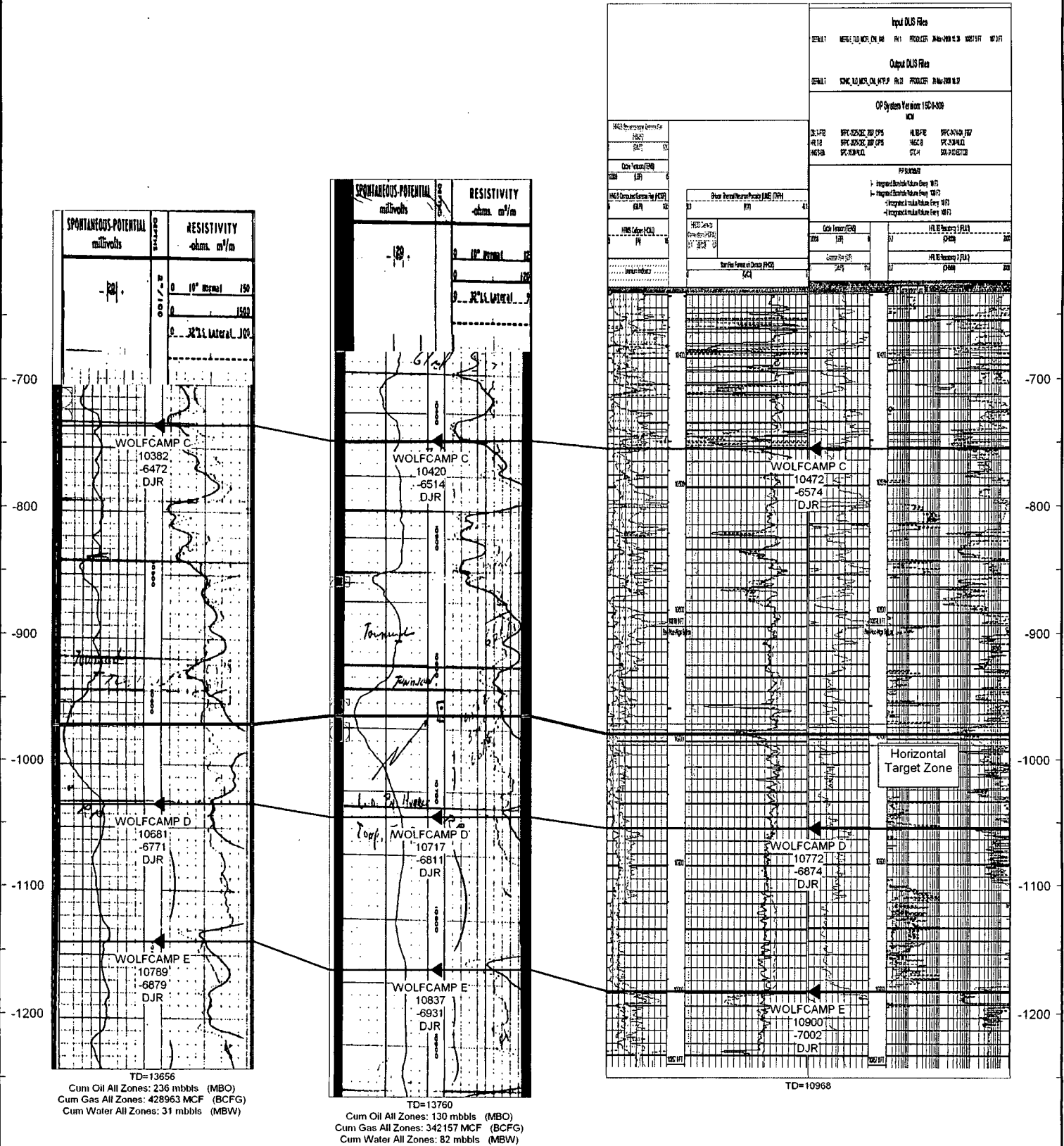
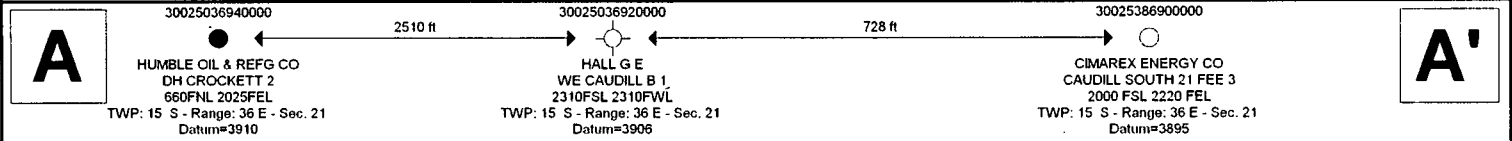
Respectfully submitted,

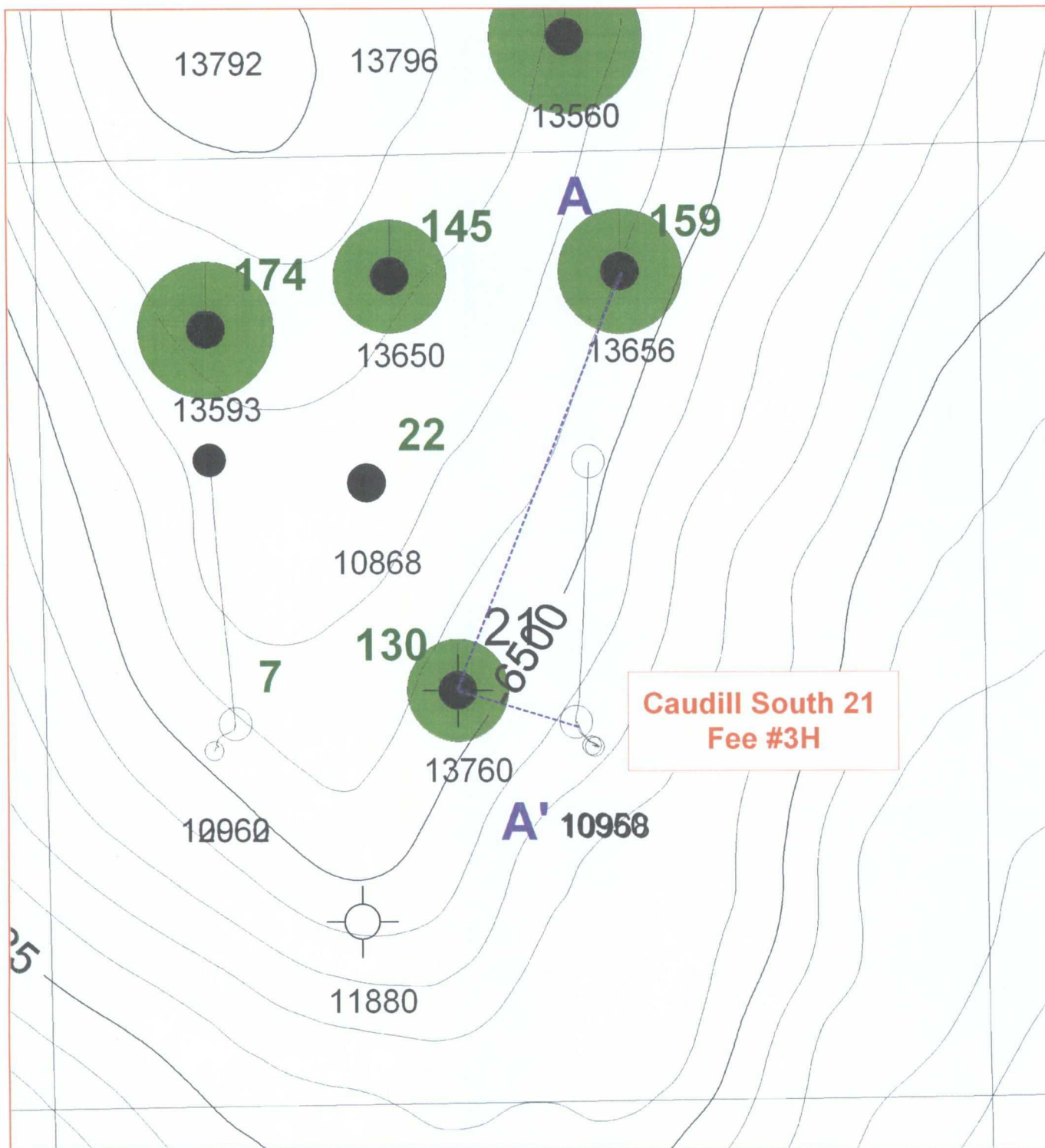


James Bruce
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Attorney for Cimarex Energy Co.

Structural Cross Section Wolfcamp "C" Pay Zone Caudill Field (Permo-Penn)





0 500 1000 1500 2000 2500 3000 ft

1:4800

1 inch = 400 feet

Core 14153



Cimarex Energy Co.

Caudill and Denton Fields
Lea Co. NM

Caudill South 21 Fee #3H
Wolfcamp C-Zone Top Subsea Structure
Map
PVPM Cum Oil Production

Author:
Mel Khinger

Scale:
1" = 400'

Date:
23 July 2008