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November 19, 2010

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14588

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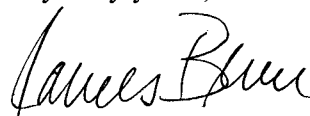
Re: Application and request for an emergency order

Dear Mr. Fesmire:

Enclosed for filing, on behalf of Cimarex Energy Co. of Colorado, are an original and one copy of an application for cancellation of an APD, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the January 6, 2011 Examiner hearing.

Also enclosed is a motion for entry of an emergency order on the application. Due to the time frames set forth in the motion, applicant requests that the Division hold a conference early next week to consider the motion.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co. of Colorado

cc: J. Scott Hall (via fax)
COG Operating LLC (via fax)

Parties Being Notified

COG Operating LLC
Suite 100
550 West Texas
Midland, Texas 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CIMAREX ENERGY CO.
OF COLORADO FOR CANCELATION OF AN
APPLICATION FOR PERMIT TO DRILL ISSUED
TO COG OPERATING LLC, LEA COUNTY, NEW
MEXICO.

Case No. 14588

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APPLICATION

Cimarex Energy Co. of Colorado ("Cimarex") applies for an order canceling an application for permit to drill ("APD") issued to COG Operating LLC ("COG") for a well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 32, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 32, and has the right to drill a well thereon.
2. COG has obtained an APD for the Magnum Pronto State Com. Well No. 4H (API No. 30-025-39951), a horizontal Bone Spring well with a 120 acre project area comprised of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ Section 32. **Exhibit A.**
3. Cimarex has filed a non-standard unit/compulsory pooling application for the South Lusk 32 State Well No. 1, a horizontal Bone Spring well with a 160 acre project area comprised of the E $\frac{1}{2}$ E $\frac{1}{2}$ Section 32. This application is scheduled for hearing on December 16, 2010 (Case 14579). Cimarex proposes that COG operate this well.
4. COG's APD should be canceled for the following reasons:
 - (a) Cimarex's proposed 160 well unit, with a longer lateral than COG's proposed well, will enhance the economics of the well;

(b) Excluding the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32 from a well in Section 32 will result in that acreage not being drilled, causing waste of hydrocarbons and impairing the correlative rights of the interest owners in that quarter-quarter section;

(c) COG did not comply with the time deadlines regarding notification to the potash lessee set forth in Division Order No. R-12927 pertaining to the drilling of wells in Section 32.

5. The granting of this application is in the interests of conservation and the prevention of waste.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order canceling the APD for the Magnum Pronto State Com. Well No. 4H, and granting such further relief as the Division deems proper.

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. of Colorado

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 122519

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address COG OPERATING LLC 550 W TEXAS MIDLAND, TX 79701		2. OGRID Number 229137
4. Property Code 308162		3. API Number 30-025-39951
5. Property Name MAGNUM PRONTO STATE COM		6. Well No. 004H

7. Surface Location

UL - Lot P	Section 32	Township 19S	Range 32E	Lot Idn 4	Feet From 330	N/S Line S	Feet From 330	E/W Line E	County LEA
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8. Pool Information

LUSK;BONE SPRING, SOUTH	41460
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3535
14. Multiple N	15. Proposed Depth 13817	16. Formation Bone Spring	17. Contractor	18. Spud Date 11/17/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	915	650	0
Intl	12.25	9.625	36	4000	1200	700
Prod	7.875	5.5	17	13817	700	4500

Casing/Cement Program: Additional Comments

We propose to drill 17 1/2" hole to 950' with fresh water, run 13 3/8" 54.5# J-55 casing and cement to surface. Drill 12 1/4" hole to 4000' with Brine water run 9 5/8 36# & 40# J-55 casing and cement with 1200 SK est TOC 700'. Drill 7 7/8" hole to 13817' to new BHL: run 5 1/2 17# N-80 & P110 cement with 700SK est TOC 3800'.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Diane Kuykendall	Approved By: Paul Kautz
Title: Regulatory Analyst	Title: Geologist
Email Address: dkuykendall@conchoresources.com	Approved Date: 11/16/2010 Expiration Date: 11/16/2012
Date: 11/3/2010 Phone: 432-683-7443	Conditions of Approval Attached

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 122519

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39951	2. Pool Code 41460	3. Pool Name LUSK;BONE SPRING, SOUTH
4. Property Code 308162	5. Property Name MAGNUM PRONTO STATE COM	6. Well No. 004H
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3535

10. Surface Location

UL - Lot 4	Section 32	Township 19S	Range 32E	Lot Idn	Feet From 330	N/S Line S	Feet From 330	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 32	Township 19S	Range 32E	Lot Idn	Feet From 1650	N/S Line N	Feet From 330	E/W Line E	County LEA
12. Dedicated Acres 120.20		13. Joint or Infill		14. Consolidation Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Diane Kuykendall

Title: Regulatory Analyst

Date: 11/3/2010

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Filmon Jaramillo

Date of Survey: 10/6/2010

Certificate Number: 12797

PROPOSED ADVERTISEMENT

Case No. 14588:

Application of Cimarex Energy Co. of Colorado for cancelation of an application for permit to drill issued to COG Operating LLC, Lea County, New Mexico. Applicant seeks an order canceling an application for permit to drill issued to COG Operating LLC for the proposed Magnum Pronto State Com. Well No. 4H (API No. 30-025-39951), a horizontal Bone Spring well located in the SE¼NE¼ and E½SE¼ of Section 32, Township 19 South, Range 32 East, N.M.P.M. The well unit is located approximately 30 miles west of Monument, New Mexico.

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