



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 15, 2008

MAR 03 2008

OCD-ARTESIA

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5786

**Re: Cimarex Energy Co. of Colorado
Pintail 23 Fed Com Well No. 2
API No. 30-015-35757
Unit M, Section 23-25S-26E
Eddy County**

Dear M:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-02430136**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Co. of Colorado (Cimarex) on January 23, 2008, and

(b) the Division's records pertinent to this request.

Cimarex has requested to re-drill the above-referenced well as a horizontal oil well in the Delaware formation, at a location that will be unorthodox under Division Rule 111. The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 1250 feet from the South line and 660 feet from the West line
(Unit M) of Section 23, Township 25S, Range 26E, NMPM
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the South line and 330 feet from the West line
(Unit M) of said Section 23.

The SW/4 SW/4 of Section 23 will be dedicated to the proposed well to form a standard 40-acre spacing unit and project area in the North Cottonwood Draw Delaware Pool (96720). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 330 feet from the northern boundary of the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location in order to utilize an existing wellbore that was originally drilled to test the Morrow formation at an orthodox Morrow location.

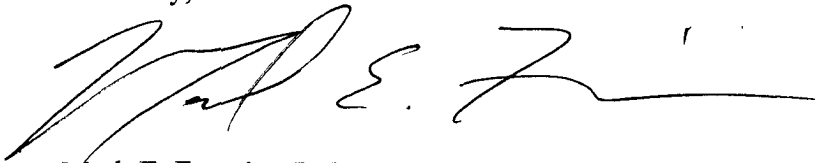
It is also understood that no notice to offsetting operators or owners is required because working interest ownership is identical as between the subject unit and the offsetting unit towards which this location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal line extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management - Carlsbad