

DATE IN 05/23/13	SUSPENSE 6/12	ENGINEER DB	LOGGED IN 05/24/13	TYPE NSL	APP NO PPRG1314458165
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



30-015-41084
Cottonwood Hills 32 State
002H

ADMINISTRATIVE APPLICATION CHECKLIST

Cimarex Energy

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

(1) TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] ☒ Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] ☐ Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] ☐ Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] ☐ Other: Specify _____

(2) NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

(3) SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

(4) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
Print or Type Name

Signature

Attorney
Title

Date

jamesbruc@aol.com
e-mail Address

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JAMES BRUCE
ATTORNEY AT LAW

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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

May 22, 2013

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks

Pursuant to Division Rule NMAC 19.15.15.13, Cimarex Energy Co. applies for approval of an unorthodox oil well location for the following horizontal well:

<u>Well name:</u>	Cottonwood Hills 32 State Com. Well No. 2
<u>Surface location:</u>	200 feet FSL & 400 feet FWL (this is also the beginning of the producing interval in the Bone Spring formation)
<u>Bottom hole location:</u>	330 feet FNL & 500 feet FWL
<u>Well unit (project area):</u>	W½W½ of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

The well will test the Bone Spring formation (Wildcat Bone Spring). Under the Division's statewide rules, spacing is 40 acres, with wells to be at least 330 feet from a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**.

The unorthodox location is requested in order to maximize the productive length of the wellbore.

The offset operators or working interest owners are as follows:

NW¼ of Section 5-T26S-R27E
Chevron U.S.A. Inc.

N½N½ of Section 6-T26S-R27E
Yates Petroleum Corporation

Notice of this application has been sent to all offsets. **Exhibit B.**

Please call me if you have any questions concerning this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name "James Bruce".

James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I

1000 N. Franklin Dr., Hobbs, NM 88240

DISTRICT II

1601 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-41084	Pool Code 97818	Pool Name Wildcat G-03 S252636M; Bone Spring
Property Code	Property Name COTTONWOOD HILLS 32 STATE COM	Well Number 2H
CORD No. 215099	Operator Name CIMAREX ENERGY CO.	Revised 3248

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	25 S	27 E		200	SOUTH	400	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	25 S	27 E		330	NORTH	500	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			NSL Pending

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

<p>N 397807.70 E 576211.75</p> <p>500'</p> <p>N 395153.46 E 576181.32</p> <p>3240.2'</p> <p>1400'</p> <p>3258.2'</p>	<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>Lat - N 32°05'33.71"</p> <p>Long - W 104°13'08.81"</p> <p>NMSPCE - N 397478.2 E 576707.8 (NAD-83)</p>	<p>N 397815.20 E 576881.20</p>	<p>OPERATOR CERTIFICATION</p> <p>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 a mineral interest in the land including the proposed bottom hole location 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.</p> <p><i>Michelle Chappell</i> 02/11/2013 Signature Date Michelle Chappell Printed Name mchappell@cimarex.com Email Address</p>
<p>EXHIBIT A</p>			<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><i>Henry L. Jones</i> Date Surveyed Signature of Professional Surveyor Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7877 BASIN SURVEYS 27843</p>
<p>SURFACE LOCATION</p> <p>Lat - N 32°04'46.42"</p> <p>Long - W 104°13'10.81"</p> <p>NMSPCE - N 392700.8 E 576340.8 (NAD-83)</p> <p>N 392304.28 E 576787.57</p>			

JAMES BRUCE
ATTORNEY AT LAW

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(505) 982-2151 (Fax)

jamesbruce@aol.com

May 22, 2013

Certified Mail - Return Receipt Requested

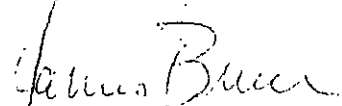
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the W½W½ of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You offset the well. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co.

EXHIBIT

B