

DATE IN <b>7/28/06</b>	SUSPENSE	ENGINEER <b>MIKE STOGNER</b>	LOGGED IN <b>7/28/06</b>	TYPE <b>NSL</b>	APP NO. <b>PTDSOL20955612</b>
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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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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.

**JAMES BRUCE**  
**P.O. BOX 1056**  
**SANTA FE, NM 87504**  
Print or Type Name

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

*James Bruce*  
 \_\_\_\_\_  
Signature

Attorney for Applicant  
 \_\_\_\_\_  
Title

jamesbruc@aol.com  
 \_\_\_\_\_  
e-mail Address

**7/28/06**  
 \_\_\_\_\_  
Date

2006 JUL 28 PM 12 45

**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)**  
**(5050 982-2151 (Fax)**

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

July 28, 2006

Hand delivered

Michael E. Stogner  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

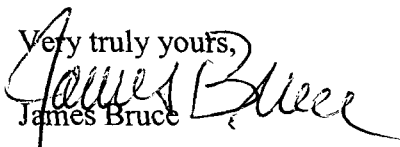
Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Cimarex Energy Co. of Colorado (formerly Gruy Petroleum Management Co.) applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Grynberg 11 Fed. Com. Well No. 3
<u>Location:</u>	1500 feet FSL & 1300 feet FWL
<u>Well Unit:</u>	NW¼SW¼ §11-25S-26E, Eddy County, New Mexico

The well was drilled to a depth sufficient to test the Morrow formation (White City-Pennsylvanian Gas Pool), and was completed in that zone. The pool is spaced on 640 acres, with wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line. There were good shows in the Delaware (Undesignated South Black River-Delaware Pool), which is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. Applicant intends to complete the well in the Delaware formation. An APD (federal form) and Form C-102 are attached as Exhibit A.

Working interest ownership is uniform in Section 11 under an operating agreement. The N½ and SW¼ of Section 11 are subject to Federal Lease NM 14468, which has common ownership as to royalty and overriding royalty interests. Therefore, there are no adversely affected parties, and no offset interest owners have been notified of the application.

Very truly yours,  
  
James Bruce  
Attorney for Cimarex Energy Company

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*

(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1993

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> Plugback X DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-14468	
1b. TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> WELL WELL OTHER SINGLE <input checked="" type="checkbox"/> MULTIPLE <input type="checkbox"/> ZONE ZONE		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Cimarex Energy Co. of Colorado		7. UNIT AGREEMENT NAME N/A	
3. ADDRESS AND TELEPHONE NO. P.O. Box 140907 Irving TX 75014 972-401-3111		8. FARM OR LEASE NAME, WELL NO. Grynberg 11 Federal Com No. 3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) 1500' FSL & 1300' FWL		9. API WELL NO. 30-015-34193	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles South of Carlsbad		10. FIELD AND POOL, OR WILDCAT Blackriver; Delaware, South	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. (Also to nearest drlg. unit line, if any) 1300'		11. SEC. T., R., M., BLOCK AND SURVEY OR AREA Sec. 11 T25S R26E	
16. NO. OF ACRES IN LEASE 680		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A		19. PROPOSED DEPTH PBDT 11444'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3328' GR	
22. APPROX. DATE WORK WILL START* 08-01-06			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13-3/8"	48#	207'	235 sx circ 54 sx
12-1/4"	J-55 9-5/8"	40#	2854'	925 sx circ 225 sx
8-3/4"	P-110 5-1/2"	17#	12275'	2140 sx TOC 0'

The Grynberg 11 Federal Com # 3 was drilled to TD of 12275' and completed as a White City Penn producer. Cimarex will re-enter under sundry and add and stimulate Morrow perms at 11529' - 11536'. If unsuccessful Cimarex will plug back as shown below. Set CIBP at 11479' with 35' cement on top. Perf Delaware from 4812' - 4826' using 6 SPF. Acidize w 2000 gals of 7 1/2% HCL Frac with 30000 # of 12/20 sand and N2 foam. Minimum 3000 psi BOP system will be used during plugback operations.

If Delaware zone is productive, Cimarex Energy Co. of Colorado will change the name of the well to Grynberg 11 Federal No. 5.

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24 SIGNED Zeno Farris TITLE Mgr. Ops. Admin DATE 07-20-06

(This space for Federal or State office use)

PERMIT No. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT A

# State of New Mexico

## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-34193	Pool Code	Pool Name Blackriver; Delaware, South
Property Code	Property Name GRYNBERG 11 FEDERAL	Well Number 3
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3328'

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	25-S	26-E		1500	SOUTH	1300	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
Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No. 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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=415062.7 N X=520332.0 E</p> <p>LAT.=32°08'27.99" N LONG.=104°16'03.52" W</p>				<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i> Signature Zeno Farris Printed Name Mgr Operations Admin Title July 20, 2006 Date</p>	
<p>NM-14468</p> <p>Grynberg 11 Fed #3</p> <p>3340.3' 3336.2' 3327.9' 3318.7'</p> <p>1300' 800' 1500'</p>				<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>MAY 17, 2005</p> <p>Date Surveyed Signature &amp; Seal of Professional Surveyor GARY EIDSON NEW MEXICO 5/20/05 05.11.0735 Certificate No. GARY EIDSON 12641</p>	