

DATE IN <b>8/1/07</b>	SUSPENSE	<b>BROOKS</b> ENGINEER	LOGGED IN <b>8/2/07</b>	TYPE <b>NSL</b>	APP NO. <b>P TDS 0721450911</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



*Cimarex  
Laguna Deed Unit #11  
5674*

### 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.

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

James Bruce  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com

e-mail Address

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 2007 AUG 1 PM 3 28

*8/1/07*

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

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

August 1, 2007

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

Dear Mr. Fesmire:

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

<u>Well:</u>	Laguna Deed Unit Well No. 11
<u>Location:</u>	660 feet FNL & 410 feet FWL
<u>Well Unit:</u>	W½ §25-19S-33E, Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (East Gem-Morrow Gas Pool). The pool is spaced on 320 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. A Form C-102 for the well is attached as Exhibit A.


The location is based primarily on topographic reasons. A well at a standard location is in a sand dunes lizard study area, severely restricting locations. See Exhibit A. Moving the well to the west places the location outside the lizard study area. The lizard study area is located east of an existing lease road. See Exhibit B. Thus, the proposed location is the least unorthodox location in the non-study area.

Applicant has already drilled a Morrow well in the SW¼ of Section 25 (the Laguna Deep Unit Well No. 8), so the well cannot be moved to that quarter section.

The E½ of Section 26 and the W½ of Section 25 comprise the Morrow P.A. for the Laguna Deep Unit, under which ownership is common. Therefore, no one in the E½ of Section 26 was notified. The well does encroach slightly on Section 23, operated by Penroc Oil Corporation. See Exhibit C. It was notified of the application by the letter marked Exhibit D.

Please call me if you need further information on this application.

Very truly yours,

  
James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I  
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, 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 Department

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

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 77380	Pool Name Gem; Morrow, East (Gas)
Property Code	Property Name LAGUNA DEEP UNIT	Well Number 11
GRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3628'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	19 S	33 E		660	NORTH	410	WEST	LEA

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 320	Joint or Infill Y	Consolidation Code U	Order No. NSL Pending
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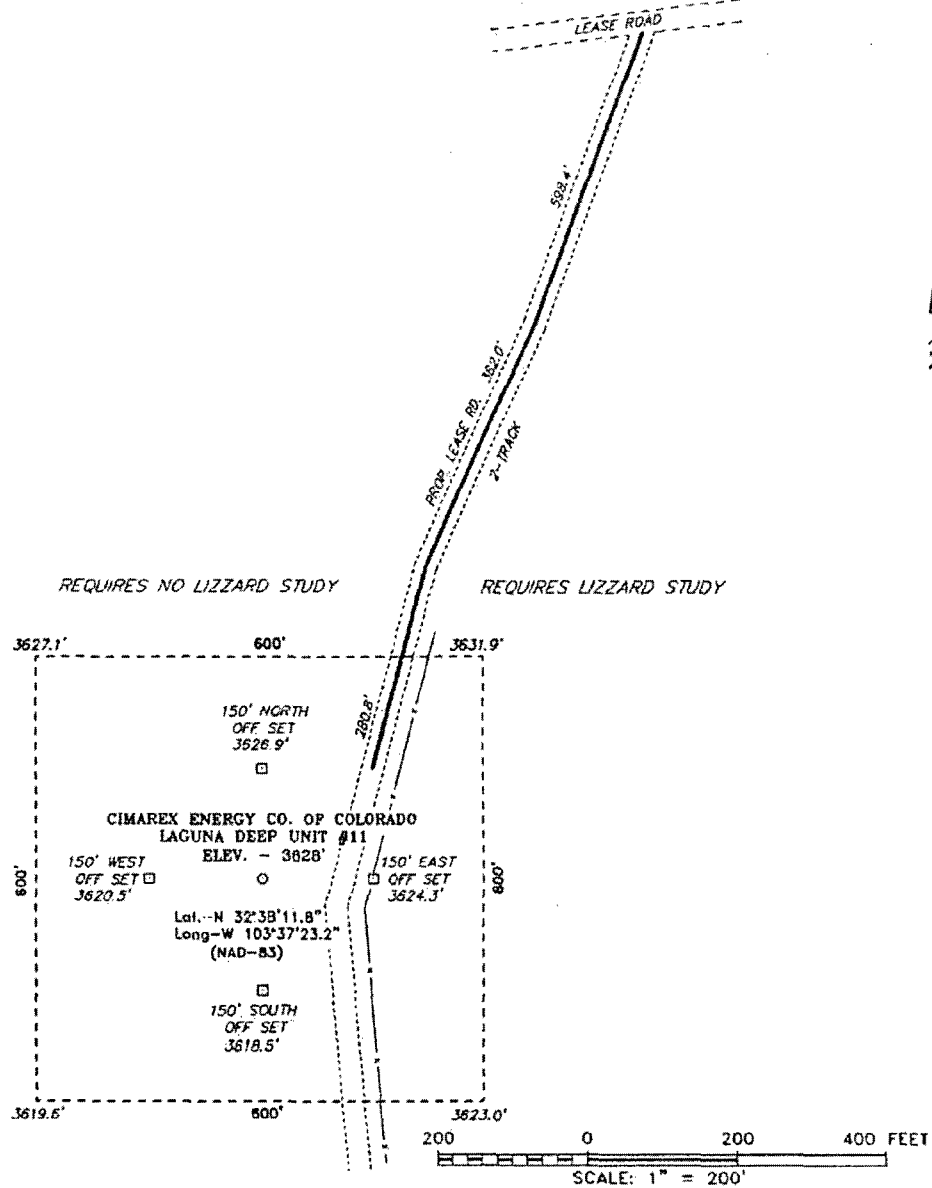
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></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 unleased mineral interest in the land including the proposed bottom hole 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>Zeno Farris</i> 05-03-07 Signature Date</p> <p>Zeno Farris Printed Name</p>
<p>Surface: Fee Minerals: Fee</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 01, 2007 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature Professional Seal No. 12250</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
<p>Laguna Deep Unit #8</p>	

EXHIBIT

A

SECTION 25, TOWNSHIP 19 SOUTH, RANGE 33 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF 62-180 AND CO. RD. H-55 (SMITH RANCH), GO NORTH ON CO. RD. H-55 FOR 2.1 MILES THENCE NORTHWEST 1.2 MILES, THENCE EAST 0.6 MILES TO DEEP UNIT #4 THENCE NORTHEAST 0.7 MILES TO TWO TRACK AND PROPOSED LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 18090

Drawn By: J. M. SMALL

Date: 05-02-2007

Disk: JMS 18090W

Survey Date: 05-01-2007

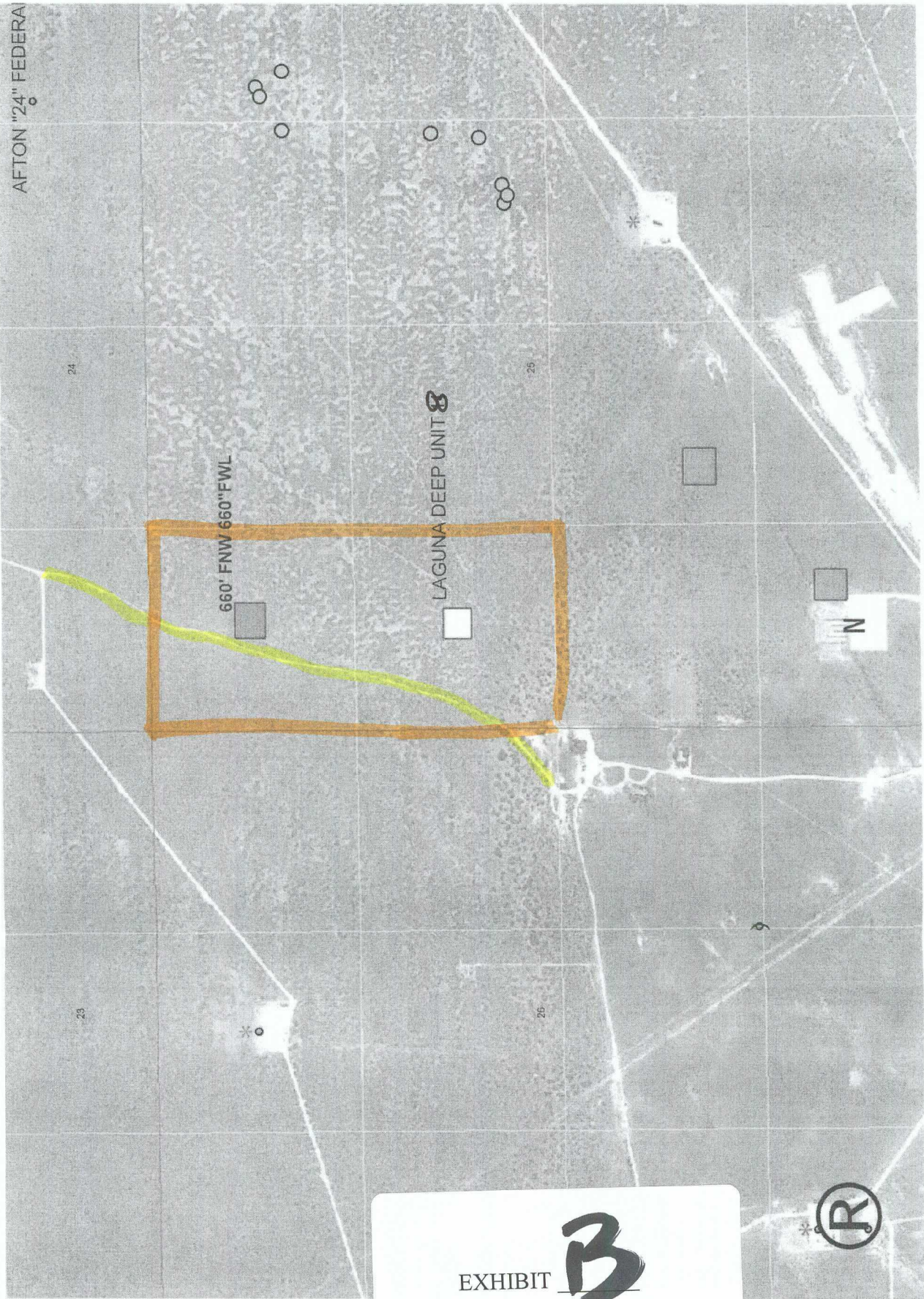
Sheet 1 of 1 Sheets

**CIMAREX ENERGY CO. OF COLORADO**

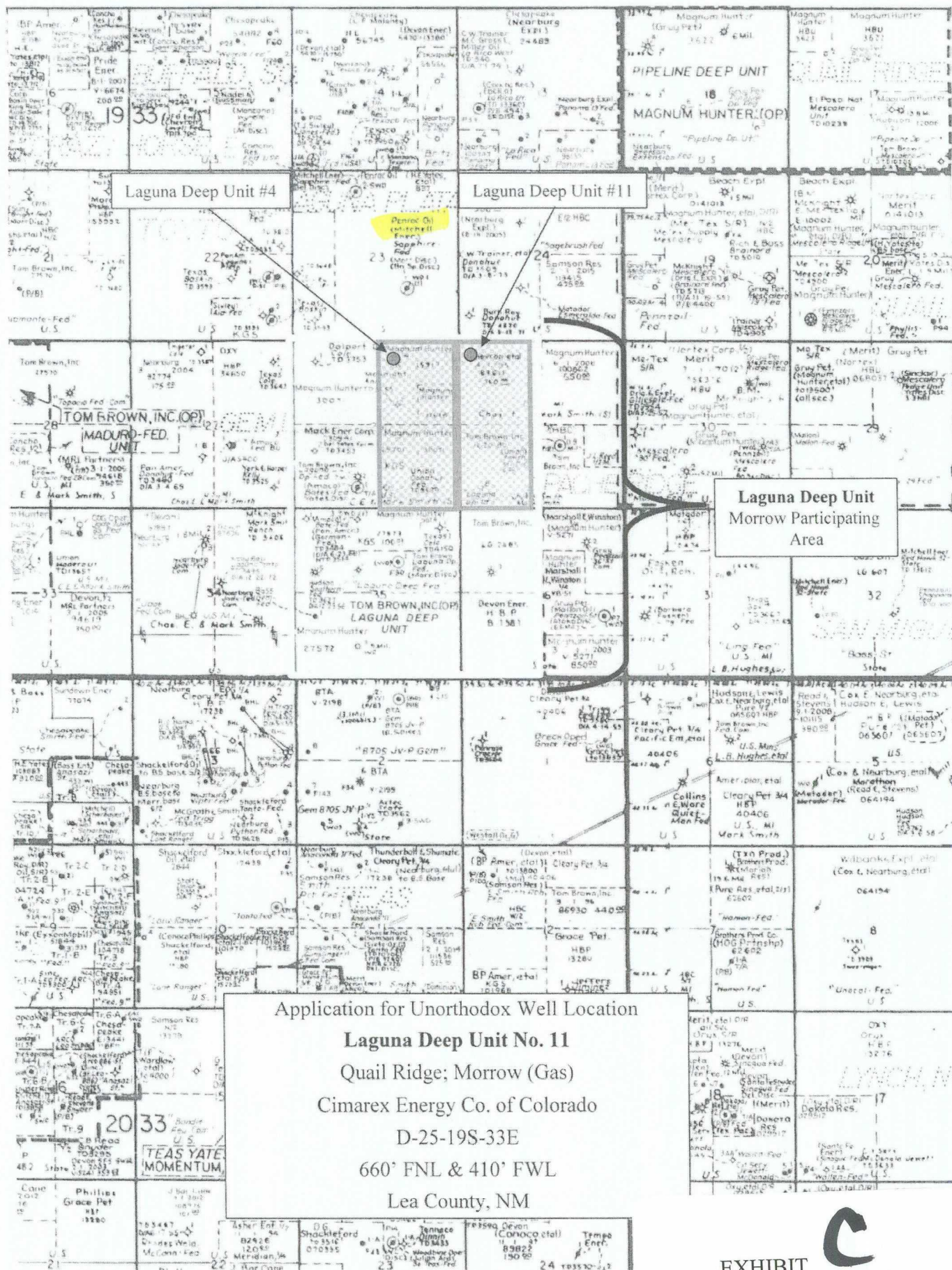
REF: LAGUNA DEEP UNIT #11 / WELL PAD TOPO

THE LAGUNA DEEP UNIT #11 LOCATED 660' FROM  
THE NORTH LINE AND 410' FROM THE WEST LINE OF  
SECTION 25, TOWNSHIP 19 SOUTH, RANGE 33 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.









**JAMES BRUCE**  
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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August 1, 2007

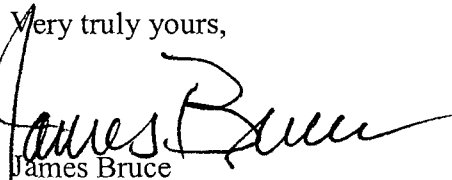
Certified Mail – Return Receipt Requested

Penroc Oil Corporation  
P.O. Box 5970  
Hobbs, New Mexico 88241

Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox gas well location in the W½ of Section 25, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. 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 latter date.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT

D