



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 21, 2008

Cimarex Energy Co. of Colorado
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5579-A

Re: Mescalero 30 Fed. Well No. 2
API No. 30-025-36040
N-30-19S-34E
Lea County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-02538536**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 25, 2008, on behalf of Cimarex Energy Co. of Colorado (Cimarex), and

(b) the Division's records pertinent to Cimarex's request, including the Division's records with reference to Administrative Order NSL-5579, issued on March 9, 2007.

Cimarex has requested to complete its Mescalero 30 Fed. Well No. 2 (API No. 30-025-36040) in the Bone Spring formation at an unorthodox oil well location, 1200 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 19 South, Range 34 East, N.M.P.M., in Lea County, New Mexico. The SE/4 of the SW/4 of Section 30 will be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the Apache Ridge-Bone Spring Pool (2260). This request is governed by statewide Rule 104.B(1), which provides that wells may be located no closer than 330 feet to a unit boundary. The proposed location is less than 330 feet from the northern boundary of the proposed unit.

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

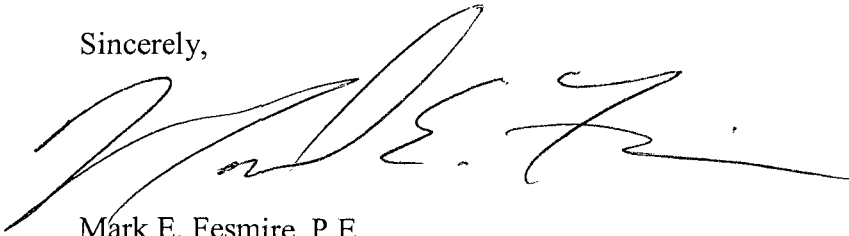
It is our understanding that this well was drilled as a Morrow gas well at an orthodox Morrow location, and that Cimarex now seeks to re-complete the well in the Bone Spring. Also, the Division approved completion of this well at this unorthodox location in the Strawn formation in Administrative Order No. 5579. Granting of this application will accordingly permit use of an existing wellbore.

We also understand that the all of Section 30 is covered by the same federal lease, and working interest ownership is uniform throughout the section. Accordingly, there are no "affected persons" who must be notified of this application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2) the above-described non-standard location is hereby approved.

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 stylized flourish at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

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