

DATE IN 1/23/09	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 1/23/09	TYPE NSL	APP NO. PKA09023159274
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RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

2009 JAN 23 PM 4 11
NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



30-D15-34604
 State 14 Acom 002

Cimarex Energy of Co.
 1123683

ADMINISTRATIVE APPLICATION CHECKLIST

5993

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

1/23/09

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)
(505) 982-2151 (Fax)

jamesbruc@aol.com

January 23, 2009

Hand delivered

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

Dear Mr. Fesmire:

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

<u>Well:</u>	State A 14 Well No. 2
<u>Surface location:</u>	1710 feet FNL & 2095 feet FWL
<u>Penetration point in target zone:</u>	2495 feet FSL & 2374 feet FEL
<u>Penetration point in producing interval:</u>	2204 feet FSL & 2265 feet FEL
<u>Terminus:</u>	330 feet FSL & 2250 feet FEL
<u>Well unit (project area):</u>	W½SE¼ §14-19S-29E, Eddy County, New Mexico

The well was drilled to and completed in the Morrow formation in 2006 as a directional well, with a Morrow bottom hole location 1669 feet FSL and 1669 FEL of Section 14 (the well is in the oil-potash area, under which surface locations are limited). Exhibits A and B.

Applicant intends to come uphole and drill a horizontal well in the Second Bone Spring Sand (Undesignated Turkey Track-Bone Spring Pool). The pool is spaced on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit C. The KOP (kick-off point) was chosen to provide the optimum 30° build and land in the target sand at TVD, and to provide for optimal lateral length in the producing interval. The First Bone Spring Sand at KOP and curve build is productive in the area, but the well will not be completed in that sand and will be isolated behind packer at the

producing leg. Although the producing leg of the well will be orthodox, its penetration point at the top of the Second Bone Spring Sand is unorthodox.

All of Section 14 is State surface and minerals. The E½ of Section 12 is comprised of two State leases owned by Magnum Hunter Production, Inc. (applicant is operator for the lessee). Exhibits D and E. The affected offset acreage in the W½ of Section 14 is covered by State leases owned by Hunt Oil Company. Exhibits F and G. Therefore, Hunt Oil Company has been notified of the application. Exhibit H.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce
Attorney for Cimarex Energy Co. of Colorado

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-34604 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/> b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF <input type="checkbox"/> WELL OVER BACK RES <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name State 14 A Com			
2. Name of Operator Cimarex Energy Co. of Colorado	8. Well No. 002			
3. Address of Operator PO Box 140907; Irving, TX 75014-0907	9. Pool name or Wildcat Turkey Track; Morrow (Gas)			
4. Well Location SHL: Unit Letter <u>F</u> : <u>1710</u> Feet From The <u>North</u> Line and <u>2095</u> Feet From The <u>West</u> Line Section <u>14</u> Township <u>19S</u> Range <u>29E</u> NMPM County <u>Eddy</u>				
10. Date Spudded 03-08-06	11. Date T.D. Reached 04-18-06	12. Date Compl. (Ready to Prod.) 08-31-06	13. Elevations (DF& RKB, RT, GR, etc.) 3355' GR	14. Elev. Casinghead
15. Total Depth MWD 12160' TVD 11791'	16. Plug Back T.D. MWD 11915' TVD 11558'	17. If Multiple Compl. How Many Zones? 	18. Intervals Drilled By Rotary Tools Rotary	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name Turkey Track; Morrow (Gas) 11260' - 11614'			20. Was Directional Survey Made Yes	
21. Type Electric and Other Logs Run Neutron, Laterolog, Cement Bond			22. Was Well Cored No	

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-40	48#	388'	17-1/2"	600 sx, 1" 150 sx, circ 35 sx	
9-5/8" J-55	40#	3200'	12-1/4"	1650 sx circ 504 sx	
5-1/2" P-110	17#	12160'	8-3/4"	1418 sx + 523 bbls, TOC 58'	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-7/8"	11220'	11227'

26. Perforation record (interval, size, and number)
 11990' - 12004' 6 SPF 84 holes CIBP 11930' w/ 35' cement
 11786' - 11800' 6 SPF 84 holes CIBP 11760' w/ 35' cement
 11665' - 11674' 6 SPF 54 holes, sqz w/ 75 sx Prem H + FL62 + SMS
 11602' - 11614' 6 SPF 72 holes
 11260' - 11278' 6 SPF 108 holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
11990' - 12004'	1500 gal 7-1/2" Gas Well Acid
11602' - 11614'	1000 gal Gas Well Acid, 68 bl 7% KCL H2O
11602' - 11614'	40000 gal ClearFrac, 47500 bl 16/40 Versaprop + CO2
11260' - 11278'	2000 gal 7-1/2" HCL NEFE Acid, 100,000 SCF N2

28. PRODUCTION

Date First Production 08-31-06		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing	
Date of Test 09-09-06	Hours Tested 24	Choke Size 20/64	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 520
Flow Tubing Press. 460	Casing Pressure 195	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl.
			Oil Gravity - API - (Corr.)		

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Sold

30. List Attachments
 Deviation Summary, C-102

31. I hereby certify that the information shown on both sides

Signature Natalie Krueger
 E-mail Address nkrueger@cimarex.com

PRINTED Name Natalie Krueger
 Title _____

Reg Analyst 1
 Date 10/24/2006

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Braxos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34604	Pool Code	Pool Name Turkey Track; Morrow (Gas)
Property Code	Property Name STATE A "14" COM	Well Number 2
GRID No. 162683	Operator Name CIMAREX ENERGY COMPANY	Elevation 3355'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	14	19 S	29 E		1710	NORTH	2095	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
J	14	19 S	29 E		1611	South	1669	East	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	Y	Com	

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>State 14 A Com #1</p> <p>Lat - N32°39'47.6" Long - W104°02'50.2" NMSPCEN 605126.230 NAD 83E 629369.788</p> <p>Penetration Point Morrow: 1766' FSL & 1757' FSL</p> <p>EXHIBIT B</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Zeno Farris</u> Signature</p> <p>Zeno Farris Printed Name</p> <p>Mgr Operations Admin Title</p> <p>October 24, 2006 Date</p> <p>SURVEYOR CERTIFICATION</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>JAN 14 2007 Date Surveyed</p> <p><u>[Signature]</u> Signature & Seal of Professional Surveyor</p> <p>W.E. [Signature] Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34604	Pool Code 60660	Pool Name Turkey Track; Bone Spring
Property Code	Property Name STATE A "14" COM	Well Number 2
OCRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3355'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	14	19 S	29 E		1710	NORTH	2095	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
O	14	19S	29E		330	SOUTH	2310	EAST	EDDY

Dedicated Acres 80	Joint or Infill	Consolidation Code	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>EXHIBIT</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name Zeno Farris</p> <p>Title Mgr Operations Admin</p> <p>Date 1/16/2009</p> <p>SURVEYOR CERTIFICATION</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>JAN 20 2009</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>W. J. Jones</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
----------------	---

4 Records found.

Lease Number:

L0-6420-0005

Company name: MAGNUM HUNTER PRODUCTION, INC.
Company ID: 149315
Assigned from: L0-6420-0003
Total acres: 160.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
Issue date: 8/1/1971
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: MAGNUM HUNTER PRODUCTION, INC.
Rent per acre: 0.50
Billing frequency: Annual
Minimum annual rent: 80.00
Last bill date: 7/3/2008
Next bill date: 8/1/2009
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
14	19S	29E	A			40.00
			B			40.00
			G			40.00
			H			40.00

EXHIBIT



4 Records found.

Lease Number:

K0-4587-0005

Company name: MAGNUM HUNTER PRODUCTION, INC.
Company ID: 149315
Assigned from: K0-4587-0003
Total acres: 160.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
Issue date: 12/15/1964
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: MAGNUM HUNTER PRODUCTION, INC.
Rent per acre: 0.50
Billing frequency: Annual
Minimum annual rent: 80.00
Last bill date: 11/20/2008
Next bill date: 12/15/2009
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
14	19S	29E	I			40.00
			J			40.00
			O			40.00
			P			40.00

EXHIBIT

E

6 Records found.

Lease Number:

K0-4587-0004

Company name: HUNT OIL CO
Company ID: 10825
Assigned from: K0-4587-0002
Total acres: 240.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
Issue date: 12/15/1964
Termination date: Active
Termination reason: N/A
Current term: Extended Secondary Term

Billing information:

Bill to: HUNT OIL CO
Rent per acre: 0.50
Billing frequency: Annual
Minimum annual rent: 120.00
Last bill date: 11/20/2008
Next bill date: 12/15/2009
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
14	19S	29E	C			40.00
			D			40.00
			E			40.00
			K			40.00
			L			40.00
			M			40.00

EXHIBIT 

1 Record found.

Lease Number:

L0-6420-0004

Company name: HUNT OIL CO
Company ID: 10825
Assigned from: L0-6420-0002
Total acres: 40.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
Issue date: 8/1/1971
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: HUNT OIL CO
Rent per acre: 0.50
Billing frequency: Annual
Minimum annual rent: 20.00
Last bill date: 7/3/2008
Next bill date: 8/1/2009
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
14	19S	29E	F			40.00

EXHIBIT 

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)
(505) 982-2151 (Fax)

jamesbruc@aol.com

January 23, 2009

Certified Mail – Return Receipt Requested

Hunt Oil Company
1445 Ross at Field
Dallas, Texas 75202

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 W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 14, Township 19 South, Range 29 East, N.M.P.M., Eddy 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 later.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT



Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Friday, February 20, 2009 11:47 AM
To: Brooks, David K., EMNRD
Subject: Re: Cimarex - State 14A Com #2; NSL application

David: Yes, that was a typo. The NE/4 Sec. 14 is one state lease owned by Magnum Hunter and the SE/4 Sec. 14 is another state lease owned by Magnum Hunter. Ownership is common in both leases.

Jim

-----Original Message-----

From: Brooks, David K., EMNRD <david.brooks@state.nm.us>
To: jamesbruc@aol.com
Sent: Wed, 18 Feb 2009 3:44 pm
Subject: Cimarex - State 14A Com #2; NSL application

Dear Jim

As I understand this application, the propose project area for this well is W/2 SE/4 of Section 14. You have noticed the owner of the W/2 of Section 14. There is also an encroachment toward the SW/4 NE/4 of Section 14. You state in the application that "The E/2 of Section 12 is comprised of two State leases owned by Magnum Hunter (applicant is operator for lessee)." Since the referenced exhibits refer to Section 14, I assume the reference to Section 12 is a typo, and I would not have held the application on that account. However, you do not state that operating rights ownership is uniform throughout the E/2 of Section 14. If that is the case, please advise.

Sincerely

David

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A Good Credit Score is 700 or Above. See yours in just 2 easy steps!

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, February 18, 2009 3:45 PM
To: 'jamesbruc@aol.com'
Subject: Cimarex - State 14A Com #2; NSL application

Dear Jim

As I understand this application, the propose project area for this well is W/2 SE/4 of Section 14. You have noticed the owner of the W/2 of Section 14. There is also an encroachment toward the SW/4 NE/4 of Section 14. You state in the application that "The E/2 of Section 12 is comprised of two State leases owned by Magnum Hunter (applicant is operator for lessee)." Since the referenced exhibits refer to Section 14, I assume the reference to Section 12 is a typo, and I would not have held the application on that account. However, you do not state that operating rights ownership is uniform throughout the E/2 of Section 14. If that is the case, please advise.

Sincerely

David