



SUSPENSE 5/3/10	ENGINEER DB	LOGGED IN 5-3-10	TYPE NSL	APP NO PTG-W 1012338674
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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

Cimarex

ABOVE THIS LINE FOR DIVISION USE ONLY

2010 MAY -3 A 10:49

Atlantic Avenue 10 #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-031-21108

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

Cimarex's
 Atlantic Avenue 10 #1
 30-031-21108

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 (Cimarex has 100% of the interest in all offset lands too)

[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.

Print or Type Name

BRIAN WOOD
 (505) 466-8120
 FAX 466-9682

Signature

Brian Wood

Title

CONSULTANT

Date

4-27-10

e-mail Address

brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL
FOR NONSTANDARD LOCATION
FOR CIMAREX ENERGY CO.
ATLANTIC AVENUE 10 #1
2508' FSL & 547' FEL SEC. 10, T. 17 N., R. 9 W.
McKINLEY COUNTY, NM**

I. The proposed well (30-031-21108) is staked on private surface and a private (fee) oil and gas lease. It is 547' from the closest lease line. The location is nonstandard for the WC17N9W10; Gallup Oil (Pool Code 97777) and WC17N9W10; Dakota Oil (Pool Code 97778) due to geology. (The selected location is based on seismic data). A standard location must be at least 330' from the quarter-quarter line. This well is 198' further north than is standard. (Closest standard location would be 2310' FSL & 547' FEL.) The APD cover sheet is attached as EXHIBIT A.

II. Two C-102 forms showing the well and pro ration units (NE4SE4 Section 10 for both formations) are attached (EXHIBITS B & C).

The oil and gas lease (501,793.04 acres) boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well encroaches on the SE4NE4 of Section 10, which is part of the same lease. There are no wells of any type in that quarter-quarter. That quarter-quarter is part of the same 501,793.04 acre fee lease. An adjacent 480 acre Cimarex fee lease is shown as a dashed line. Cimarex has 100% of the interest in both leases.

There are no Gallup or Dakota pro ration units or dedications touching or bordering the proposed 40 acre Atlantic Avenue 10 #1 pro ration units. Closest existing Gallup or Dakota pro ration unit is 3/4 mile east. That Hospah Dakota 40 acre pro ration unit in the SE4NE4 of Section 11 is dedicated to Nacogdoches' Whigham 3. The pro ration units are shown on EXHIBIT E.

III. The closest existing or approved well of any type is Nacogdoches' Whigham 3 producing oil well. This Hospah Dakota well is 5,517' northeast at 2300' FNL & 350' FEL 11-17n-9w. (Closest (3,668') well of any type is a

plugged and abandoned 1,800' deep well in NE4NW4 Section 14.) EXHIBIT F shows the proposed NSL well, closest existing Dakota (5,517') and Gallup (none within 5,517') wells, and all other wells within Section 10 and the eight adjacent sections.

Cimarex has 100% of the interest in the NE4SE4 Section 10 and the eight adjacent quarter-quarters.

IV. The proposed well site is marked as a black square on EXHIBIT E. Pro ration unit (solid lines) for the WC17N9W10; Gallup Oil and WC17N9W10; Dakota Oil is the 40 acre northeast quarter of the southeast quarter of Section 10, Township 17 North, Range 9 West, McKinley County, NM.

V. The nonstandard location is due to geology. The well site is based on seismic data run by Cimarex.

VI. Archaeology is not an issue.

VII. Surface conditions are not an issue.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify that Cimarex has 100% of the interest in those portions of the two leases which comprise the proposed spacing unit and the eight adjacent possible spacing units which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct.



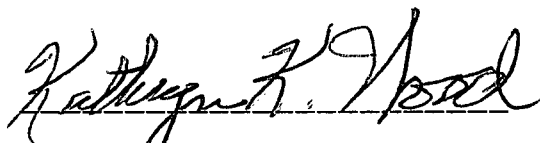
Brian Wood, Consultant

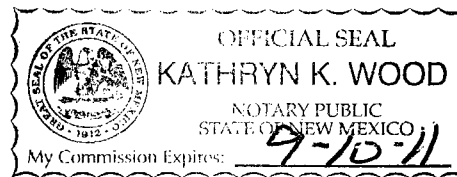
4-27-10

Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 27th day of April, 2010 by Brian Wood. Witness my hand and official seal.


Notary Public



My Commission Expires: 9-10-11

Business Address: 37 VERANO LOOP, SANTA FE, NM 87508

cc: Cimarex (Denver & Tulsa), OCD (Aztec & Santa Fe)

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,
PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CIMAREX ENERGY CO. 1700 LINCOLN ST., SUITE 1800, DENVER, CO 80203-4518		² OGRID Number 215099
³ Property Code 38065		⁴ Property Name ATLANTIC AVE. 10
⁵ Proposed Pool 1 WC17N9W10: Gallup 4 OIL		⁶ Well No 1
⁷ Surface Location		⁸ Proposed Pool 2 WC17N9W10: DAKOTA OIL

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	10	17 N	9 W		2508	SOUTH	547	EAST	McKINLEY

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 7,110'
¹⁶ Multiple YES	¹⁷ Proposed Depth 3,000'	¹⁸ Formation MORRISON	¹⁹ Contractor BEARCAT	²⁰ Spud Date SEPT. 15, 2009

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36 #	200'	115	SURFACE
8-3/4"	5-1/2"	15.5 #	3,000'	525	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

WILL USE 2,000 # BOP SYSTEM

RCVD MAR 9 '10
OIL CONS. DIV.

DIST. 3

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature

Brian Wood

Printed name

BRIAN WOOD

Title

CONSULTANT

E-mail Address

brian@permitswest.com

Date

9-8-09

Phone

(505) 466-8120

OIL CONSERVATION DIVISION

Approved by

Deputy Oil & Gas Inspector

Title

DEPUTY OIL & GAS INSPECTOR, DIST. 3

Approval Date

MAR 11 2010

Expiration Date

MAR 11 2012

Conditions of Approval Attached

HOLD CUTOFF FOR NSL both pools

MAR 11 2010

EXHIBIT A

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 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

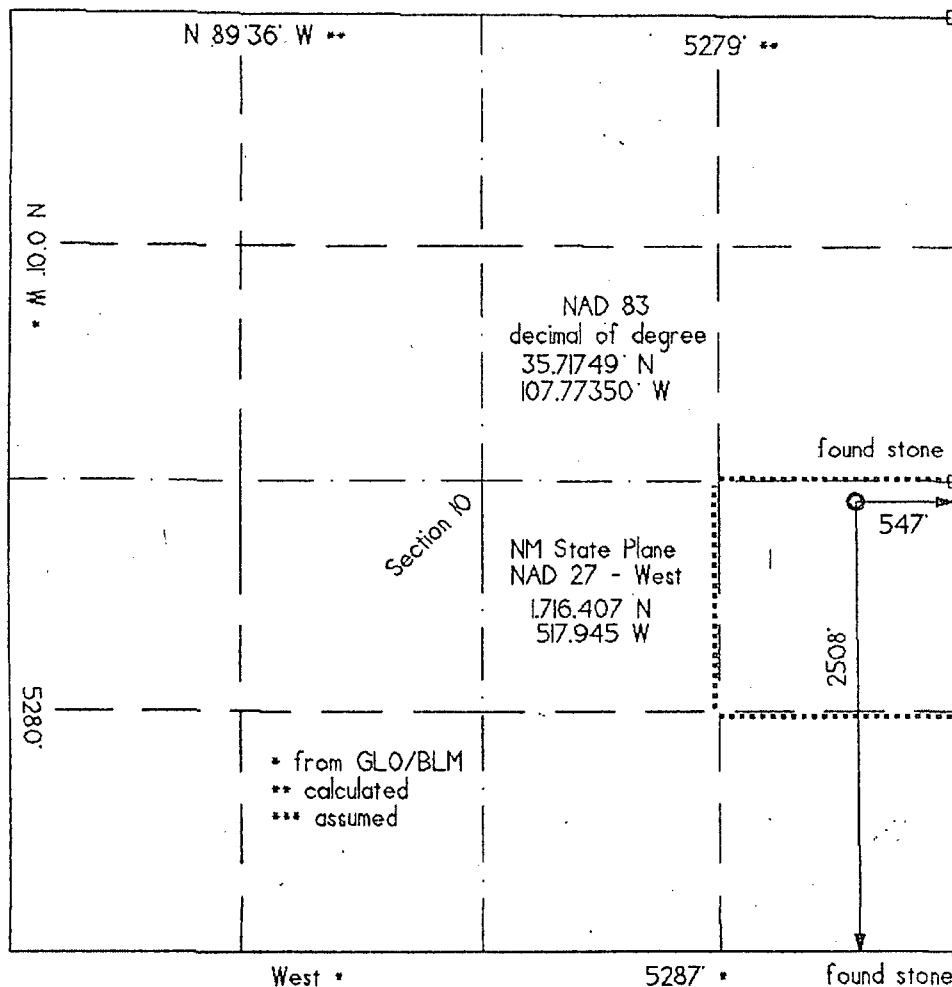
APA Number 30-031-21108	Pool Code 97777	Pool Name WC17N 9200 y. Gallup OIL
Property Code 38065	Property Name ATLANTIC AVENUE	Well Number 1
OGRD No. 215099	Operator Name CIMAREX ENERGY CO.	Elevation 7110'

Surface Location										County
UL or Lot 1	Sec. 10	Twp. 17 North	Rge. 9 West	Lot Idn.	Feet from > 2508'	North/South South	Feet from > 547'	East/West East		Mc Kinley

Bottom Hole Location if Different From Surface										County
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West		

Dedicated Acres 4.0	Joint or Infill	Consolidation Code	Order No.
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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.



☐ found # 5 rebar/cap

OPERATOR CERTIFICATION	
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 leased mineral interest in the land including the 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 pool agreement or a compulsory pooling order heretofore entered by the division.	
Date	9-8-09
Signature	<i>Brian Wood</i>
Printed Name	BRIAN WOOD
SURVEYOR CERTIFICATION	
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.	
Date of survey	09 03 '09
Signature and Seal of Professional Surveyor	
Certificate Number	6844

EXHIBIT B

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 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

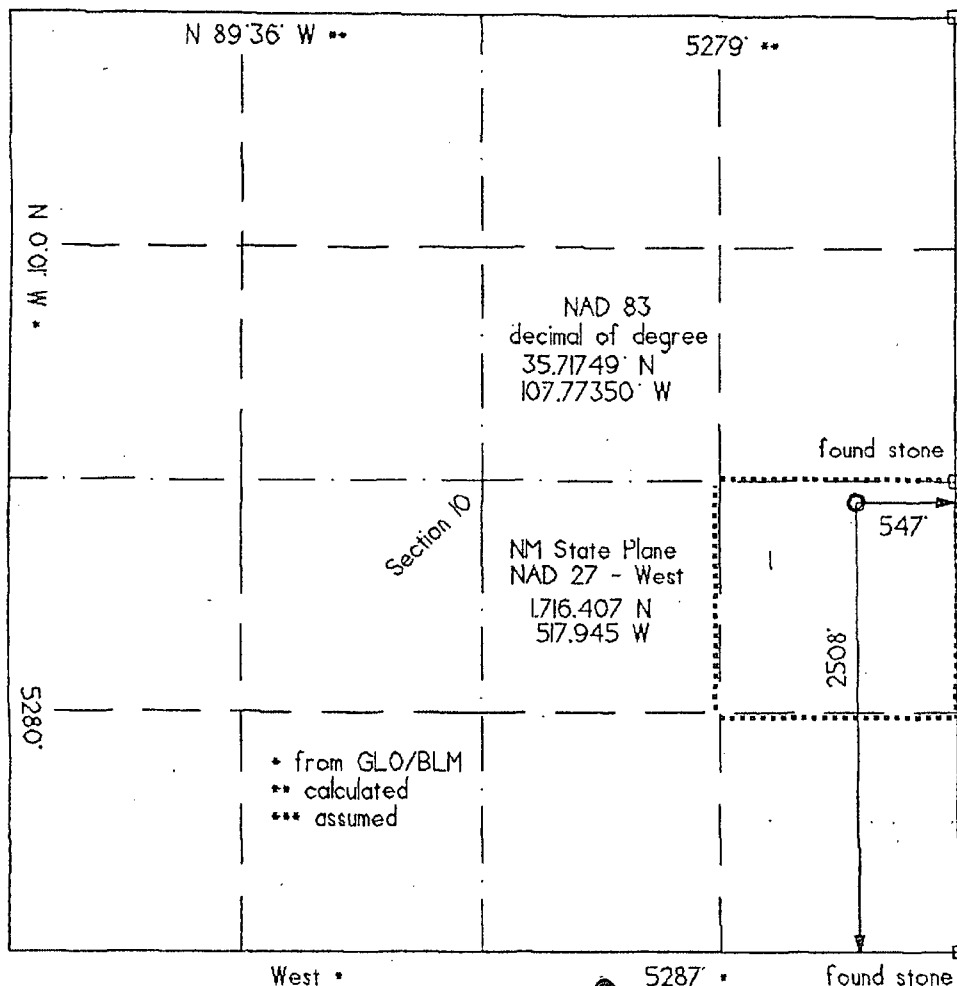
APA Number 30-031-21108	Pool Code 97778	Pool Name WC17N-9W10; DAKOTA OIL
Property Code 38065	Property Name ATLANTIC AVE ^{NUE} 10	Well Number 1
OGRD No. 215099	Operator Name CIMAREX ENERGY CO.	Elevation 7110'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot	Feet from	North/South	Feet from	East/West	County
1	10	17 North	9 West		2508'	South	547'	East	Mc Kinley

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot	Feet from	North/South	Feet from	East/West	County

Dedicated Acres 40	Joint or In	Consolidation Code	Order No.
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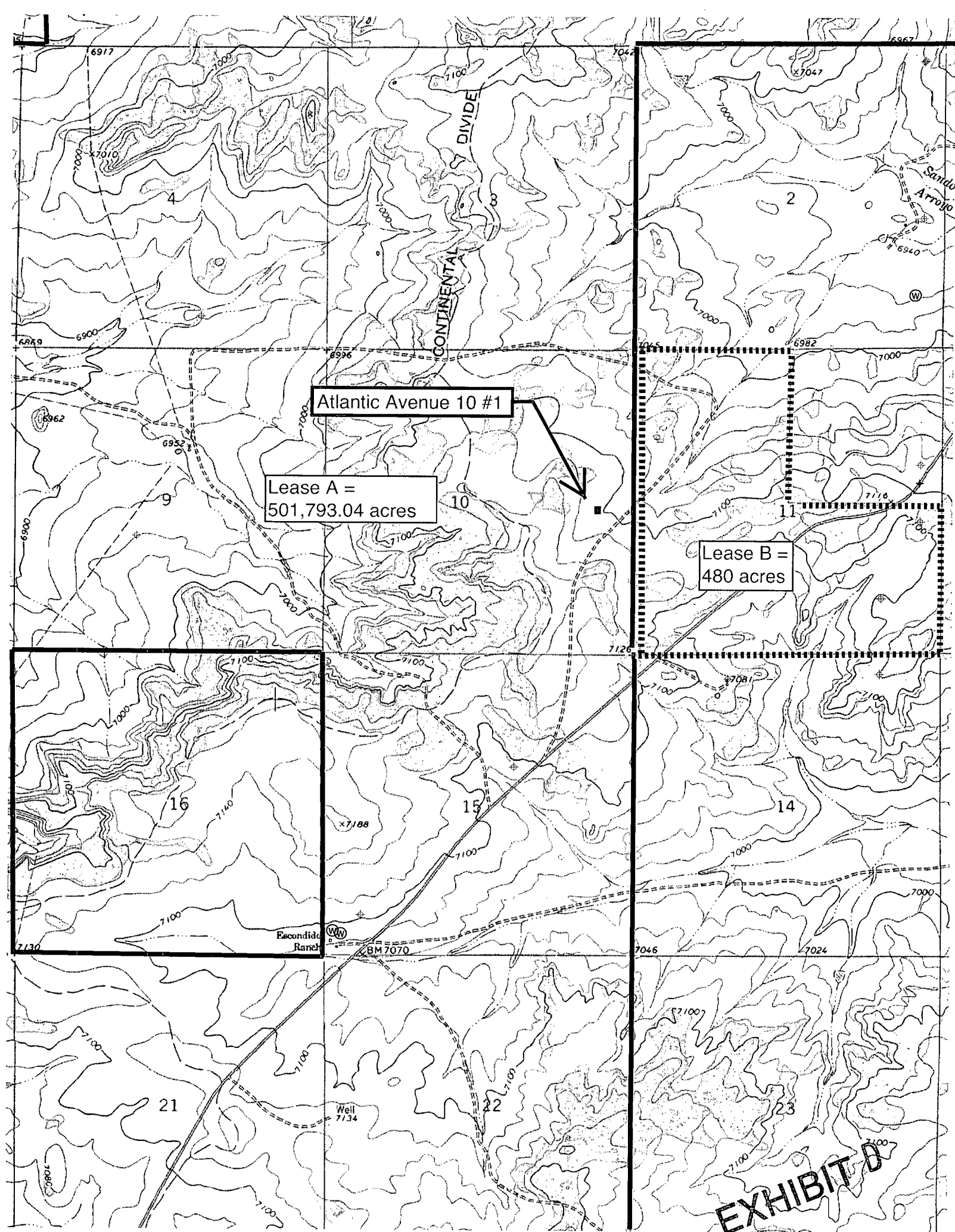
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



found # 5 rebar/cap

OPERATOR CERTIFICATION 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 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 pool agreement or a compulsory pooling order heretofore entered by the division.	
Date	9-8-09
Signature	<i>B. Wood</i>
Printed Name	BRIAN WOOD
SURVEYOR CERTIFICATION 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.	
Date of survey	09-03-09
Signature and Seal of Professional Surveyor	<i>Gerald G. Huddleston</i>
Certificate Number	6844

EXHIBIT C



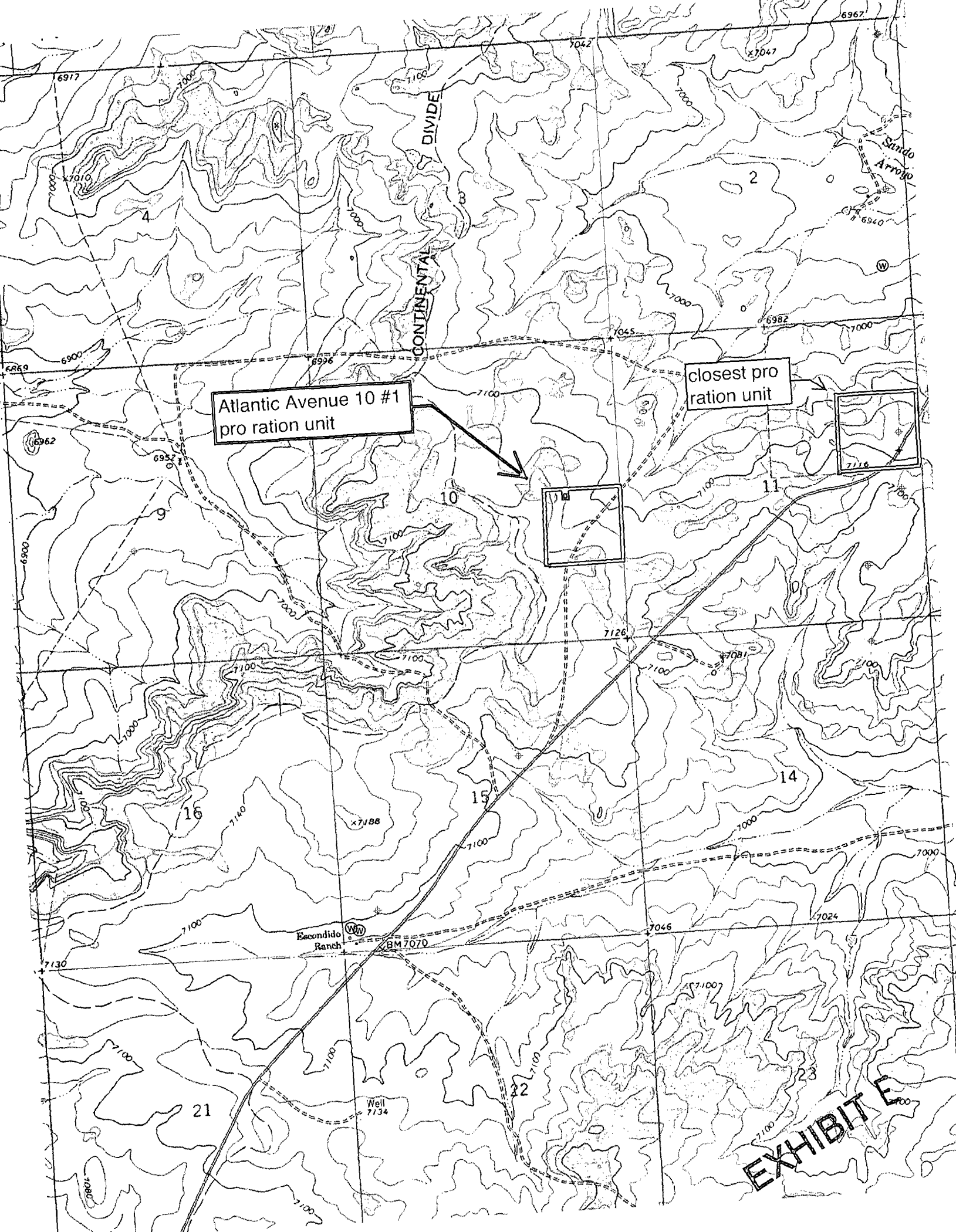
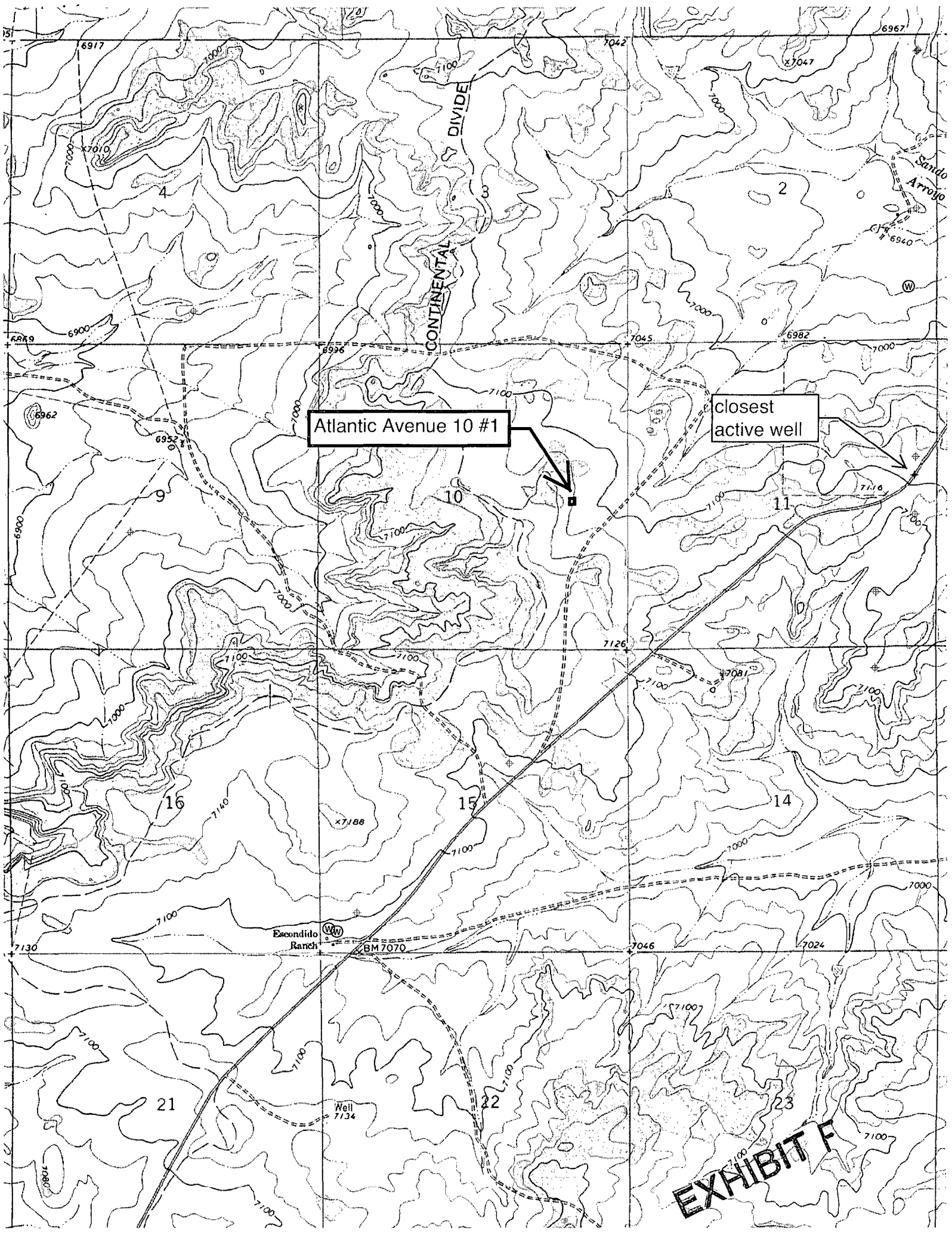


EXHIBIT E



Atlantic Avenue 10 #1

closest
active well

EXHIBIT F