

10-11-12

DATE IN 8/28/12	SUSPENSE	ENGINEER Brooks	LOGGED IN 8/30/12	TYPE NSL	APP NO PKVR1224331605
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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 Energy Co
Chief 30 State #2H

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

Print or Type Name

James Bruce
Signature

Attorney

Title

8/27/12
Date

jamesbruc@aol.com
e-mail Address

2012 AUG 28 PM 1:17
RECEIVED OGD

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

August 27, 2012

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

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

<u>Well name:</u>	Chief 30 State Well No. 2
<u>Surface location:</u>	1880 feet FSL & 300 feet FWL (the initial producing portion of the wellbore is orthodox)
<u>Bottom hole location:</u>	1325 feet FSL & 330 feet FWL
<u>Well unit (project area):</u>	Lot 3, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$ (the N $\frac{1}{2}$ S $\frac{1}{2}$) of Section 30 (160.12 acres), Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will test the Bone Spring formation (Undesignated North Berry-Bone Spring Pool). Under the Division's statewide rules, spacing is 40 acres, with wells to be located at least 330 feet from a quarter-quarter section line. An APD, with a Form C-102, is attached as **Exhibit A**. The drilling prognosis is attached as **Exhibit B**.

The unorthodox bottom hole location is due to engineering reasons. The initial BHL was orthodox. However, applicant has also drilled the Chief 30 State Well No. 1 in the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 30. The fish in that well was lost in the toe of the wellbore (in the SE $\frac{1}{4}$ SE $\frac{1}{4}$), so applicant requests the unorthodox BHL location in order to drain reserves in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, as well as those that otherwise might be lost in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30.

Attached as **Exhibit C** is information on leases in the S $\frac{1}{2}$ of Section 30: The SW $\frac{1}{4}$ of Section 30 is subject to State Lease VB-1539-1, and the SE $\frac{1}{4}$ of Section 30 is subject to State Lease VB-1540-1. The only interest owners in both leases are the State of New Mexico and Cimarex

Energy Co. Therefore, there is no adversely affected mineral owner, and notice of this application has not been sent to anyone.

Please call me if you have any questions concerning this application.

Very truly yours,

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

James Bruce

Attorney for Cimarex Energy Co.

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

WELL API NO. 30-025-40694
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Chief 30 State
8. Well Number 2
9. OGRID Number 215099
10. Pool name or Wildcat Berry; Bone Spring North
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3746' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Cimarex Energy Co.

3. Address of Operator
600 N. Marienfeld, Ste. 600; Midland, TX 79701

4. Well Location
Unit Letter L : 1880 feet from the South line and 300 feet from the West line
Section 30 Township 22S Range 35E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: CHANGE LOCATION ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Cimarex respectfully requests approval to change the BHL & TD of the Chief 30 State No. 2 well as follows:

Permitted Location & TD	New Proposed Location & TD
30-22S-35E	30-20S-35E
SHL 1880 FSL & 300 FWL	SHL 1880 FSL & 300 FEL
BHL 1980 FSL & 330 FEL	BHL 1325 FSL & 330 FEL
Total Depth: 15114	Total Depth: 15145

Please see attached revised plat & direct survey

Spud Date:

8/11/12

Rig Release Date:

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

SIGNATURE [Signature] TITLE Regulatory DATE 8-17-12

Type or print name: Terri Stathem E-mail address: tstathem@cimarex.com PHONE: 918295-1763

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

EXHIBIT

A

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 740-1263 Fax: (575) 740-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30025-40694	Pool Code 5535	Pool Name Berry; Bone Spring North
Property Code 39359	Property Name CHIEF 30 STATE	Well Number 2H
OGRID No. 215099	Operator Name CIMAREX ENERGY CO.	Elevation 3746'

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	30	20 S	35 E		1880	SOUTH	300	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
I	30	20 S	35 E		1325	SOUTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160.12			

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

SURFACE LOCATION Lat - N 32°32'31.28" Long - W 103°30'15.11" NMSPCE- N 561912.9 E 796839.4 (NAD-83)	PROPOSED BOTTOM HOLE LOCATION Lat - N 32°32'25.81" Long - W 103°29'20.78" NMSPCE- N 561397.020 E 801494.894 (NAD-83)	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 proposed 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 working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Terri Statham</i> Date: 8-17-12 Printed Name: tstatham@cimarex.com Email Address:
		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 Surveyed: 8/17/12 Signature & Seal of Professional Surveyor: <i>Gary L. Jones</i> Certificate No. Gary L. Jones 7977 BASIN SURVEYS



Cimarex

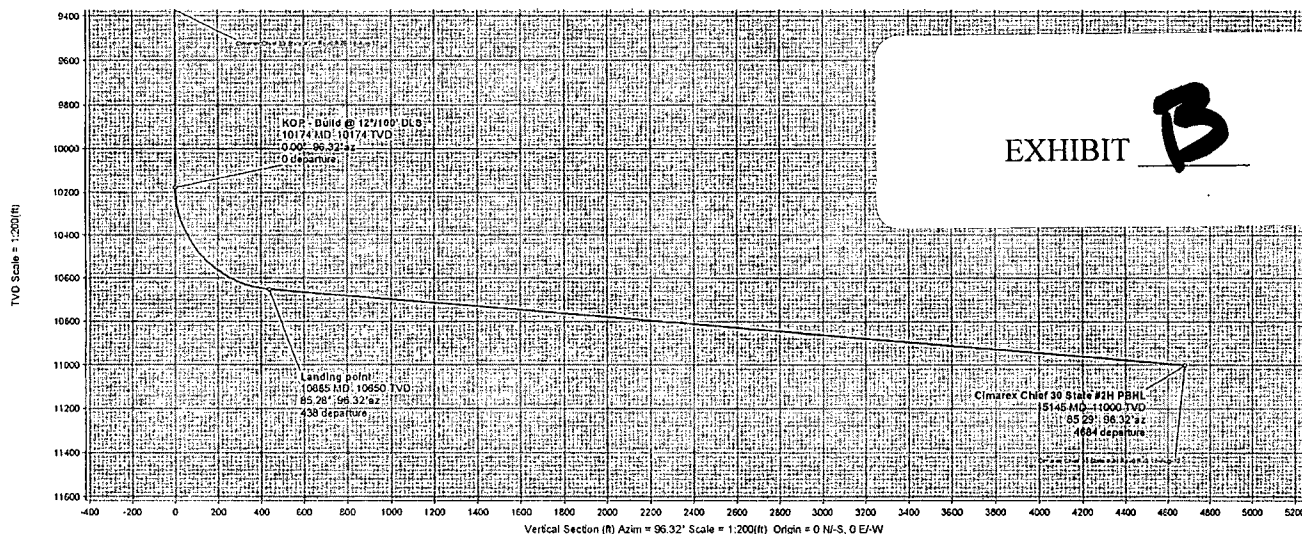
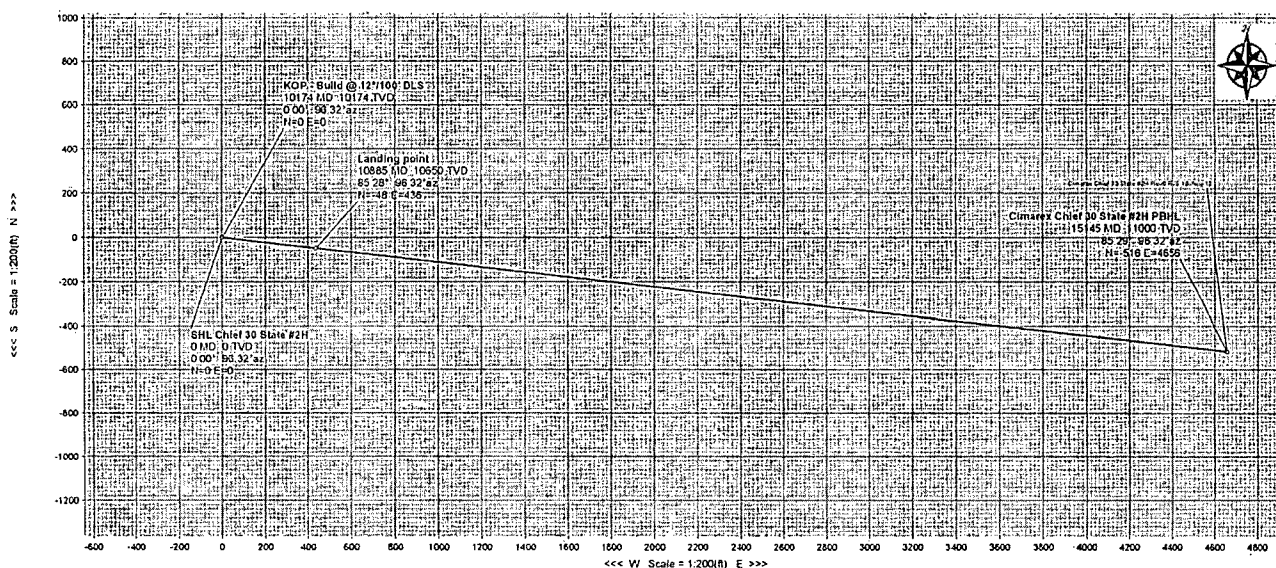


WELL				FIELD				STRUCTURE				
Chief 30 State #2H				NM Lea County				Scandrift Eagle				
Magnetic Parameters				Surface Location				Miner Parameter				
Block	EOG3352012	Dip	69.532°	Dir	August 16, 2012	Lat	N 32°52'31" 210	Northing	5019129.615	Grid Con	0.14023151	
		Mag Dec	7.535°	IS	47591 N43	Lon	W 103°30'15.115	Easting	190539.43.605	Scale Con	0.92229335	
									Plan	5th	0.815 16-Aug-12	
									TVD Ref	Drillbit Element 37' R/B photo 1104.1	5th Day	August 16, 2012

Legend

Copyright © 2012 Schlumberger Technology Corporation

Grid North
Tot Corr (M->G 7.0885°)
Mag Dec (7.535°)
Grid Conv (0.44602851°)



EXHIBIT

B

Critical Points								
Critical Point	MD	INCL	AZIM	TYD	YSEC	N(+)/S(-)	E(+)/W(-)	DLS
SHL Chief 30 State #2H	0.00	0.00	96.32	0.00	0.00	0.00	0.00	
KOP - Build @ 12°/100' DLS	10174.00	0.00	96.32	10174.00	0.00	0.00	0.00	0.00
Landing point	10884.93	85.29	96.32	10650.00	438.36	-48.28	435.69	12.00
Cimarex Chief 30 State #2H PBHL	15145.05	85.29	96.32	11000.00	4684.07	-515.89	4655.58	0.00

Drawn By: R. Schneider
Data Created: August 16, 2012 04:32:24 PM
Checked By:
Created Date:
Approved By:
Approved Date:



Cimarex Chief 30 State #2H Rev0 RJS 16-Aug-12 Proposal Report 100'
Interpolated
(Non-Def Plan)



Report Date: August 16, 2012 - 04:30 PM
Client: Cimarex
Field: NM Lea County (NAD 83)
Structure / Shot: Scandill Eagle / Cimarex Chief 30 State #2H
Well: Cimarex Chief 30 State #2H
Borehole: Original Borehole
UWI / API#: Unknown / Unknown
Survey Name: Cimarex Chief 30 State #2H Rev0 RJS 16-Aug-12
Survey Date: August 16, 2012
Tort / AHD / DDI / ERD Ratio: 85.290 * / 4684.074 ft / 5.740 / 0.426
Coordinate Reference System: NAD83 New Mexico State Plane, Eastern Zone, US Feet
Location Lat / Long: N 32° 32' 31.28042", W 103° 30' 15.11804"
Location Grid N/E V/X: N 561912.900 RUS, E 796839.400 RUS
CRS Grid Convergence Angle: 0.44002851 *
Grid Scale Factor: 0.99998385

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 96.323 * (Grid North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: Drillsite Elevation
TVD Reference Elevation: 3746.000 ft above MSL
Seabed / Ground Elevation: 3746.000 ft above MSL
Magnetic Declination: 7.535 *
Total Field Strength: 48691.853 nT
Magnetic Dip Angle: 60.432 *
Declination Date: August 16, 2012
Magnetic Declination Model: BGGM 2012
North Reference: Grid North
Grid Convergence Used: 0.446 *
Total Corr Mag North->Grid North: 7.088 *
Local Coord Referenced To: Structure Reference Point

Comments	MD (ft)	Incl (°)	Azlm Grid (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
SHL Chief 30 State #2H	0.00	0.00	96.32	0.00	-3746.00	0.00	0.00	0.00	N/A	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	100.00	0.00	96.32	100.00	-3646.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	200.00	0.00	96.32	200.00	-3546.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	300.00	0.00	96.32	300.00	-3446.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	400.00	0.00	96.32	400.00	-3346.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	500.00	0.00	96.32	500.00	-3246.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	600.00	0.00	96.32	600.00	-3146.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	700.00	0.00	96.32	700.00	-3046.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	800.00	0.00	96.32	800.00	-2946.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	900.00	0.00	96.32	900.00	-2846.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1000.00	0.00	96.32	1000.00	-2746.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1100.00	0.00	96.32	1100.00	-2646.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1200.00	0.00	96.32	1200.00	-2546.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1300.00	0.00	96.32	1300.00	-2446.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1400.00	0.00	96.32	1400.00	-2346.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1500.00	0.00	96.32	1500.00	-2246.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1600.00	0.00	96.32	1600.00	-2146.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1700.00	0.00	96.32	1700.00	-2046.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1800.00	0.00	96.32	1800.00	-1946.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	1900.00	0.00	96.32	1900.00	-1846.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2000.00	0.00	96.32	2000.00	-1746.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2100.00	0.00	96.32	2100.00	-1646.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2200.00	0.00	96.32	2200.00	-1546.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2300.00	0.00	96.32	2300.00	-1446.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2400.00	0.00	96.32	2400.00	-1346.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2500.00	0.00	96.32	2500.00	-1246.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2600.00	0.00	96.32	2600.00	-1146.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2700.00	0.00	96.32	2700.00	-1046.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2800.00	0.00	96.32	2800.00	-946.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	2900.00	0.00	96.32	2900.00	-846.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3000.00	0.00	96.32	3000.00	-746.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3100.00	0.00	96.32	3100.00	-646.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3200.00	0.00	96.32	3200.00	-546.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3300.00	0.00	96.32	3300.00	-446.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3400.00	0.00	96.32	3400.00	-346.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3500.00	0.00	96.32	3500.00	-246.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3600.00	0.00	96.32	3600.00	-146.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3700.00	0.00	96.32	3700.00	-46.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3800.00	0.00	96.32	3800.00	-54.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	3900.00	0.00	96.32	3900.00	154.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4000.00	0.00	96.32	4000.00	254.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4100.00	0.00	96.32	4100.00	354.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4200.00	0.00	96.32	4200.00	454.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4300.00	0.00	96.32	4300.00	554.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4400.00	0.00	96.32	4400.00	654.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4500.00	0.00	96.32	4500.00	754.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4600.00	0.00	96.32	4600.00	854.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4700.00	0.00	96.32	4700.00	954.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4800.00	0.00	96.32	4800.00	1054.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	4900.00	0.00	96.32	4900.00	1154.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5000.00	0.00	96.32	5000.00	1254.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5100.00	0.00	96.32	5100.00	1354.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5200.00	0.00	96.32	5200.00	1454.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5300.00	0.00	96.32	5300.00	1554.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5400.00	0.00	96.32	5400.00	1654.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5500.00	0.00	96.32	5500.00	1754.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5600.00	0.00	96.32	5600.00	1854.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5700.00	0.00	96.32	5700.00	1954.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5800.00	0.00	96.32	5800.00	2054.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	5900.00	0.00	96.32	5900.00	2154.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6000.00	0.00	96.32	6000.00	2254.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6100.00	0.00	96.32	6100.00	2354.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6200.00	0.00	96.32	6200.00	2454.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6300.00	0.00	96.32	6300.00	2554.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6400.00	0.00	96.32	6400.00	2654.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6500.00	0.00	96.32	6500.00	2754.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6600.00	0.00	96.32	6600.00	2854.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	6700.00	0.00	96.32	6700.00									

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (ft)	Easting (ft)	Latitude (N/S ° ° °)	Longitude (E/W ° ° °)
	7300.00	0.00	96.32	7300.00	3554.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	7400.00	0.00	96.32	7400.00	3654.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	7500.00	0.00	96.32	7500.00	3754.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	7600.00	0.00	96.32	7600.00	3854.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	7700.00	0.00	96.32	7700.00	3954.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	7800.00	0.00	96.32	7800.00	4054.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	7900.00	0.00	96.32	7900.00	4154.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8000.00	0.00	96.32	8000.00	4254.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8100.00	0.00	96.32	8100.00	4354.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8200.00	0.00	96.32	8200.00	4454.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8300.00	0.00	96.32	8300.00	4554.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8400.00	0.00	96.32	8400.00	4654.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8500.00	0.00	96.32	8500.00	4754.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8600.00	0.00	96.32	8600.00	4854.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8700.00	0.00	96.32	8700.00	4954.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8800.00	0.00	96.32	8800.00	5054.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	8900.00	0.00	96.32	8900.00	5154.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9000.00	0.00	96.32	9000.00	5254.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9100.00	0.00	96.32	9100.00	5354.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9200.00	0.00	96.32	9200.00	5454.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9300.00	0.00	96.32	9300.00	5554.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9400.00	0.00	96.32	9400.00	5654.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9500.00	0.00	96.32	9500.00	5754.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9600.00	0.00	96.32	9600.00	5854.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9700.00	0.00	96.32	9700.00	5954.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9800.00	0.00	96.32	9800.00	6054.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	9900.00	0.00	96.32	9900.00	6154.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	10000.00	0.00	96.32	10000.00	6254.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	10100.00	0.00	96.32	10100.00	6354.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	10174.00	0.00	96.32	10174.00	6428.00	0.00	0.00	0.00	0.00	561912.90	796839.40	N 32 32 31.28	W 103 30 15.12
	10200.00	3.12	96.32	10199.89	6453.99	0.71	-0.08	0.70	12.00	561912.82	796840.10	N 32 32 31.28	W 103 30 15.11
	10300.00	16.12	96.32	10298.54	6552.54	16.52	-1.82	16.42	12.00	561911.08	796855.82	N 32 32 31.26	W 103 30 14.93
	10400.00	27.11	96.32	10391.66	6645.66	52.48	-5.78	52.18	12.00	561907.12	796891.56	N 32 32 31.22	W 103 30 14.51
	10500.00	39.11	96.32	10475.27	6729.27	107.00	-11.78	106.35	12.00	561901.12	796945.75	N 32 32 31.16	W 103 30 13.88
	10600.00	51.10	96.32	10545.72	6799.72	177.72	-19.57	176.63	12.00	561893.33	797016.03	N 32 32 31.07	W 103 30 13.06
	10700.00	63.10	96.32	10599.64	6853.94	261.53	-28.80	259.94	12.00	561884.10	797099.33	N 32 32 30.98	W 103 30 12.08
	10800.00	75.10	96.32	10635.55	6889.55	354.77	-36.67	352.62	12.00	561873.83	797192.01	N 32 32 30.87	W 103 30 11.00
	10884.93	85.29	96.32	10650.00	6904.00	438.36	-48.28	435.69	12.00	561864.62	797275.08	N 32 32 30.77	W 103 30 10.03
	10900.00	85.29	96.32	10651.24	6905.24	453.37	-49.93	450.61	0.00	561862.97	797290.01	N 32 32 30.75	W 103 30 9.86
	11000.00	85.29	96.32	10659.46	6913.46	553.03	-60.91	549.67	0.00	561851.59	797369.06	N 32 32 30.64	W 103 30 8.70
	11100.00	85.29	96.32	10667.68	6921.68	652.69	-71.88	648.72	0.00	561841.02	797488.11	N 32 32 30.52	W 103 30 7.55
	11200.00	85.29	96.32	10675.60	6929.60	752.38	-82.86	747.78	0.00	561830.04	797587.17	N 32 32 30.40	W 103 30 6.39
	11300.00	85.29	96.32	10684.12	6938.12	852.02	-93.84	846.84	0.00	561819.07	797686.22	N 32 32 30.29	W 103 30 5.23
	11400.00	85.29	96.32	10692.24	6946.24	951.68	-104.81	945.89	0.00	561808.06	797785.27	N 32 32 30.17	W 103 30 4.08
	11500.00	85.29	96.32	10700.55	6954.55	1051.34	-115.79	1044.05	0.00	561797.11	797884.33	N 32 32 30.05	W 103 30 2.92
	11600.00	85.29	96.32	10708.77	6962.77	1151.00	-126.76	1144.00	0.00	561786.14	797983.38	N 32 32 29.94	W 103 30 1.77
	11700.00	85.29	96.32	10716.99	6970.99	1250.66	-137.74	1243.06	0.00	561775.16	798082.43	N 32 32 29.82	W 103 30 0.61
	11800.00	85.29	96.32	10725.21	6979.21	1350.33	-148.72	1342.11	0.00	561764.19	798181.49	N 32 32 29.71	W 103 29 59.45
	11900.00	85.29	96.32	10733.43	6987.43	1449.99	-159.69	1441.17	0.00	561753.21	798280.54	N 32 32 29.59	W 103 29 58.30
	12000.00	85.29	96.32	10741.65	6995.65	1549.65	-170.67	1540.22	0.00	561742.23	798379.60	N 32 32 29.47	W 103 29 57.14
	12100.00	85.29	96.32	10749.86	7003.86	1649.31	-181.65	1639.28	0.00	561731.26	798478.65	N 32 32 29.35	W 103 29 55.99
	12200.00	85.29	96.32	10758.08	7012.08	1748.97	-192.62	1738.33	0.00	561720.28	798577.70	N 32 32 29.24	W 103 29 54.83
	12300.00	85.29	96.32	10766.30	7020.30	1848.64	-203.60	1837.39	0.00	561709.31	798676.76	N 32 32 29.12	W 103 29 53.67
	12400.00	85.29	96.32	10774.51	7028.51	1948.30	-214.57	1936.45	0.00	561698.33	798775.81	N 32 32 29.01	W 103 29 52.51
	12500.00	85.29	96.32	10782.73	7036.73	2047.96	-225.55	2035.50	0.00	561687.35	798874.86	N 32 32 28.89	W 103 29 51.36
	12600.00	85.29	96.32	10790.95	7044.95	2147.62	-236.53	2134.56	0.00	561676.38	798973.92	N 32 32 28.78	W 103 29 50.21
	12700.00	85.29	96.32	10799.16	7053.16	2247.28	-247.50	2223.61	0.00	561665.40	799072.97	N 32 32 28.66	W 103 29 49.05
	12800.00	85.29	96.32	10807.38	7061.38	2346.94	-258.48	2312.67	0.00	561654.42	799172.03	N 32 32 28.54	W 103 29 47.89
	12900.00	85.29	96.32	10815.60	7069.60	2446.61	-269.46	2401.72	0.00	561643.45	799271.08	N 32 32 28.43	W 103 29 46.74
	13000.00	85.29	96.32	10823.81	7077.81	2546.27	-280.43	2500.78	0.00	561632.47	799370.13	N 32 32 28.31	W 103 29 45.58
	13100.00	85.29	96.32	10832.03	7086.03	2645.93	-291.41	2600.83	0.00	561621.50	799469.19	N 32 32 28.19	W 103 29 44.43
	13200.00	85.29	96.32	10840.24	7094.24	2745.59	-302.39	2700.89	0.00	561610.52	799568.24	N 32 32 28.08	W 103 29 43.27
	13300.00	85.29	96.32	10848.46	7102.46	2845.25	-313.36	2800.95	0.00	561599.54	799667.29	N 32 32 27.96	W 103 29 42.11
	13400.00	85.29	96.32	10856.67	7110.67	2944.92	-324.34	2901.00	0.00	561588.57	799766.35	N 32 32 27.84	W 103 29 40.96
	13500.00	85.29	96.32	10864.89	7118.89	3044.58	-335.32	3001.06	0.00	561577.59	799865.40	N 32 32 27.73	W 103 29 39.80
	13600.00	85.29	96.32	10873.10	7127.10	3144.24	-346.29	3101.11	0.00	561566.61	799964.46	N 32 32 27.61	W 103 29 38.65
	13700.00	85.29	96.32	10881.32	7135.32	3243.90	-357.27	3201.17	0.00	561555.64	800063.51	N 32 32 27.50	W 103 29 37.49
	13800.00	85.29	96.32	10889.53	7143.53	3343.56	-368.25	3301.22	0.00	561544.66	800162.56	N 32 32 27.38	W 103 29 36.33
	13900.00	85.29	96.32	10897.75	7151.75	3443.23	-379.22	3401.28	0.00	561533.68	800261.62	N 32 32 27.26	W 103 29 35.18
	14000.00	85.29	96.32	10905.96	7159.96	3542.89	-390.20	3501.34	0.00	561522.71	800360.67	N 32 32 27.15	W 103 29 34.02
	14100.00	85.29	96.32	10914.17	7168.17	3642.55	-401.18	3601.39	0.00	561511.73	800459.73	N 32 32 27.03	W 103 29 32.86
	14200.00	85.29	96.32	10922.39	7176.39	3742.21	-						

8 Records found.

Lease Number:

VB-1539-0001

Company name: CIMAREX ENERGY CO.
Company ID: 215099
Assigned from: VB-1539-0000
Total acres: 320.48
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 12/1/2008
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: CIMAREX ENERGY CO.
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.48
Last bill date: 11/3/2011
Next bill date: 12/1/2012
Escalation: 0.00

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
30	20S	35E	D	1		40.12
			E	2		40.12
			L	3		40.12
			M	4		40.12
			C			40.00
			F			40.00
			K			40.00
			N			40.00

EXHIBIT

C

8 Records found.

Lease Number:

VB-1540-0001

Company name: CIMAREX ENERGY CO.
Company ID: 215099
Assigned from: VB-1540-0000
Total acres: 320.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 12/1/2008
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: CIMAREX ENERGY CO.
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 11/3/2011
Next bill date: 12/1/2012
Escalation: 0.00

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
30	20S	35E	A			40.00
			B			40.00
			G			40.00
			H			40.00
			I			40.00
			J			40.00
			O			40.00
			P			40.00

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, September 10, 2012 4:08 PM
To: jamesbruc@aol.com
Subject: Cimarex Energy Co. - Chief 30 State #2; NSL Application

Good Afternoon, Jim

Under our established rule of construing encroachments, the bottom hole location of this well encroaches toward the SW/4 SW/4 of Section 29, as well as toward the SE/4 SE/4 of Section 30. The diagonal encroachment is considered to exist whenever a location is closer to a common corner than the nearest standard location (330 X 330) would be.

We accordingly request that you furnish proof of notice to working interest owners in that unit.

Sincerely

David Brooks

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

RECEIVED OGD

2012 SEP 24 P 12:54

September 21, 2012

re: Cimarex/Chief 3087- No. 2

David -- Per your request, enclosed is notice to
Hookset (Yates).

Also, see the attached copy of the application --
There is a typo -- The BHL is 330' FEL.

Jan

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

September 21, 2012

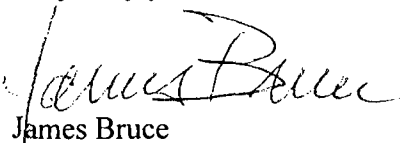
Certified Mail - Return Receipt Requested

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Ladies and gentlemen:

Cimarex Energy Co. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the N½S½ of Section 30, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. You offset the well. 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 later date.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

8 Records found.

Lease Number:

VB-1646-0000

Company name: YATES PETROLEUM CORPORATION
Company ID: 123807
Assigned from: N/A
Total acres: 320.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 4/1/2009
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: YATES PETROLEUM CORPORATION
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 3/8/2012
Next bill date: 4/1/2013
Escalation: 0.00

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
29	20S	35E	C			40.00
			D			40.00
			E			40.00
			F			40.00
			K			40.00
			L			40.00
			M			40.00
			N			40.00

EXHIBIT

D

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

August 27, 2012

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

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

<u>Well name:</u>	Chief 30 State Well No. 2
<u>Surface location:</u>	1880 feet FSL & 300 feet FWL (the initial producing portion of the wellbore is orthodox)
<u>Bottom hole location:</u>	1325 feet FSL & 330 feet FWL FEL
<u>Well unit (project area):</u>	Lot 3, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$ (the N $\frac{1}{2}$ S $\frac{1}{2}$) of Section 30 (160.12 acres), Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will test the Bone Spring formation (Undesignated North Berry-Bone Spring Pool). Under the Division's statewide rules, spacing is 40 acres, with wells to be located at least 330 feet from a quarter-quarter-section line. An APD, with a Form C-102, is attached as **Exhibit A**. The drilling prognosis is attached as **Exhibit B**.

The unorthodox bottom hole location is due to engineering reasons. The initial BHL was orthodox. However, applicant has also drilled the Chief 30 State Well No. 1 in the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 30. The fish in that well was lost in the toe of the wellbore (in the SE $\frac{1}{4}$ SE $\frac{1}{4}$), so applicant requests the unorthodox BHL location in order to drain reserves in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, as well as those that otherwise might be lost in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30.

Attached as **Exhibit C** is information on leases in the S $\frac{1}{2}$ of Section 30: The SW $\frac{1}{4}$ of Section 30 is subject to State Lease VB-1539-1, and the SE $\frac{1}{4}$ of Section 30 is subject to State Lease VB-1540-1. The only interest owners in both leases are the State of New Mexico and Cimarex

Energy Co. Therefore, there is no adversely affected mineral owner, and notice of this application has not been sent to anyone.

Please call me if you have any questions concerning this application.

Very truly yours,

A stylized, handwritten signature in black ink, appearing to read "COEY". The letters are large and somewhat irregular, with the "O" and "E" being particularly prominent.

James Bruce

Attorney for Cimarex Energy Co.