

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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
AMENDED
- 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.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504
Print or Type Name

James Bruce
 Signature

Attorney for Applicant
 Title

jamesbruc@aol.com
 e-mail Address

7/28/06
 Date

2006 JUL 28 PM 12 46

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)
(5050 982-2151 (Fax)

jamesbruc@aol.com

July 28, 2006

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

Re: Request to amend Division Administrative Order NSL-5288

Dear Mr. Stogner:

Cimarex Energy Co. of Colorado (formerly Gruy Petroleum Management Company) applied for approval of an unorthodox gas well location for the following well:

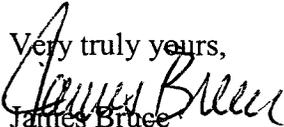
<u>Well:</u>	Pipeline Deep 6 Fed. Well No. 1
<u>Location:</u>	2300 feet FSL and 1750 feet FEL
<u>Well unit:</u>	S½ §6-19S-34E, Lea County, New Mexico

A copy of the original application and order NSL-5288 are enclosed. Applicant moved the location 100 feet to the east, so that the location is now 2300 feet FSL and 1650 feet FEL. The location was moved due to the size of the rig used to drill the well. See Exhibit A. The well has been completed as a marginal producer. Exhibit B.

Because the location was moved east-west, no additional notice has been given of this amended application. However, as noted in the original application, interest ownership in the N½ is common with ownership in the S½.

I THINK I FILED A SIMILAR REQUEST LAST DECEMBER, BUT CAN'T LOCATE AN AMENDED ORDER. See Exhibit C. Please contact me if you need any further information on this application.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co. of Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 4313
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972.401.3111	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Section 6-T19S-R34E 2300' FSL & 1650' FEL		8. Well Name and No. Pipeline Deep 6 Fed No. 1
		9. API Well No. 30-025-
		10. Field and Pool, or Exploratory Area Quail Ridge; Morrow, North
		11. County or Parish, State Lea, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

In order to accommodate the size of the newly approved Cactus Rig 122, Gruy must move its location for this well 100' East.

The well's new location is still within the guidelines of its approved POD

Please see the attached plats showing the new location.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Natalie Krueger Title Reg Tech

Signature Natalie Krueger Date November 14, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Signature] Title Acting FIELD MANAGER Date 11/23/05

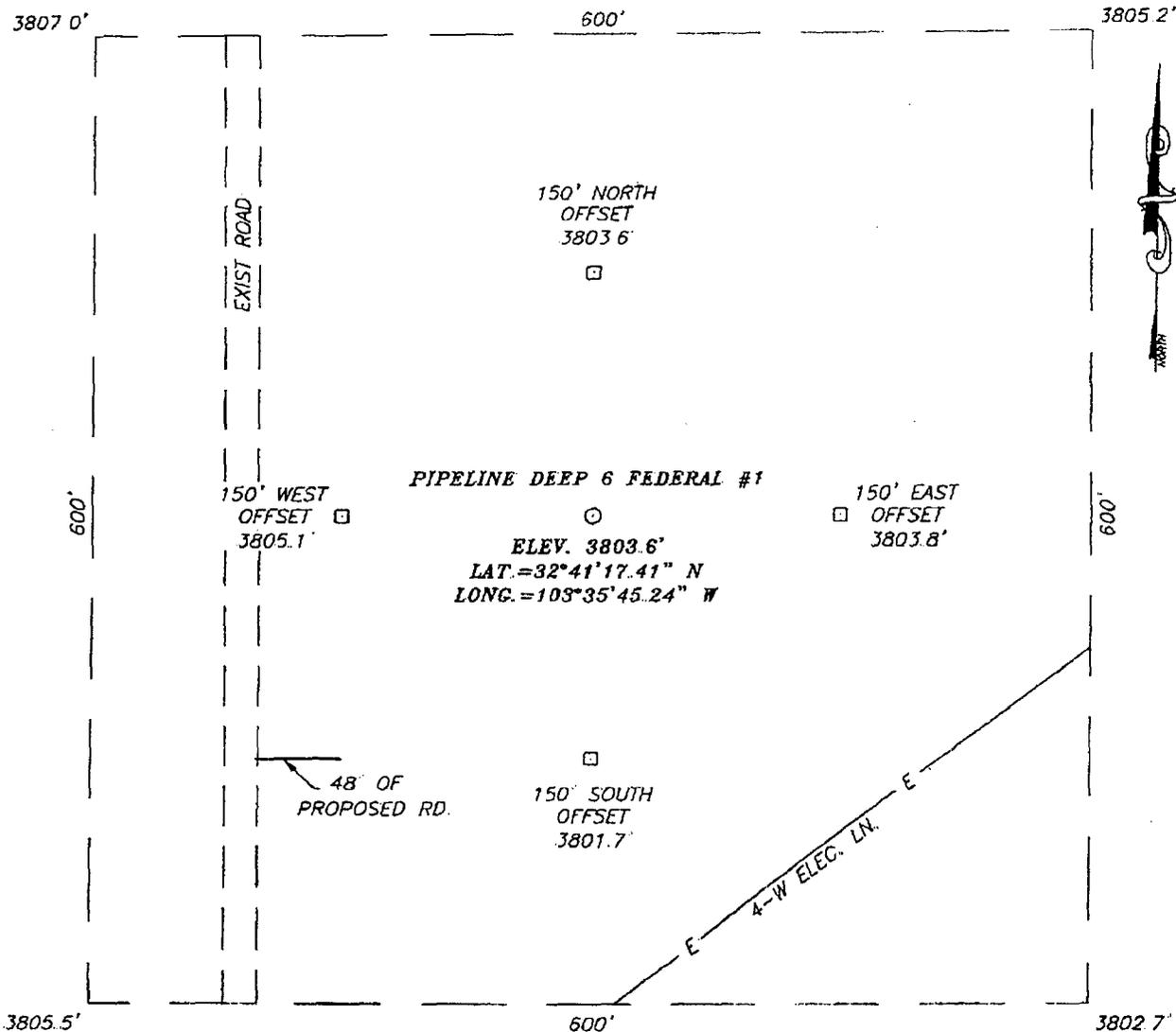
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

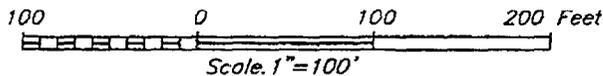
EXHIBIT A

SECTION 6, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #62-180 AND CO. RD. H-27 (MARATHON RD.) GO WEST ON U.S. HWY. #62-180 FOR APPROX. 3.8 MILES TO A CALICHE ROAD ON THE RIGHT. TURN RIGHT AND FOLLOW ROAD APPROX. 3.6 MILES TO A "T" INTERSECTION. TURN LEFT (WEST) AND GO APPROX. 0.2 MILES TO A CALICHE ROAD ON THE RIGHT. TURN RIGHT (NORTH) AND GO APPROX. 3.2 MILES. THIS LOCATION IS APPROX. 200' EAST OF ROAD.



GRUY PETROLEUM MANAGEMENT COMPANY

PIPELINE DEEP 6 FEDERAL #1 WELL
 LOCATED 2300 FEET FROM THE SOUTH LINE
 AND 1650 FEET FROM THE EAST LINE OF SECTION 6,
 TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 11/09/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1753	Dr By: J.R. Rev 1:N/A
Date: 11/11/05	Disk: CD#5 05111753 Scale: 1"=100'

PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

5. LEASE DESIGNATION AND SERIAL NO. NM-4313

6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____

7. UNIT AGREEMENT NAME
Pipeline Deep Unit

8. FARM OR LEASE NAME, WELL NO.
Pipeline Deep 6 Federal No. 1

9. API WELL NO.
30-025-37547

10. FIELD AND POOL, OR WILDCAT
Quail Ridge; Morrow, North (Gas)

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
J-6-19S-34E

12. COUNTY OR PARISH
Lea

13. STATE
NM

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

1b. TYPE OF COMPLETION: NEW WELL WORK OVER PERM. EN. PLUG BACK DIFF. EMER. Other _____

2. NAME OF OPERATOR
Cimarex Energy Co. of Colorado

3. ADDRESS AND TELEPHONE NO.
P O Box 140907 Irving Tx. 75014-0907

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2300' FSL & 1650' FEL
At top prod. interval reported below 2300' FSL & 1650' FEL
At total depth 2300' FSL & 1650' FEL

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUNDED 01-09-06 16. DATE T.D. REACHED 02-21-06 17. DATE COMPL. (Ready to prod.) 05-17-06 18. ELEVATIONS (DF, RNB, RT, GR, ETC.)* 3606' GR 19. ELEV. CASINGHEAD _____

20. TOTAL DEPTH, MD & TVD 13576' 21. PLUG, BACK T.D., MD & TVD 13446' 22. IF MULTIPLE COMPL. HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS All CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Quail Ridge; Morrow, North (Gas) 13039' - 13263'

25. WAS DIRECTIONAL SURVEY MADE
Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual Spaced Neutron GRL, Dual Laterlog Micro Guard, Cement Bond Log

27. WAS WELL CORED
No

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

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-40	48#	434'	17-1/2"	410 sx circ 134 sx	
9-5/8" J-55	40#	3431'	12-1/4"	1700 sx circ 302 sx	
5-1/2" P-110	17#	13576'	8-3/4"	2240 sx TOC 4150'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	12295'	12295'

31. PERFORATION RECORD (Interval, size and number)

13039' - 13044' 2 SPF 10 holes
13051' - 13057' 1 SPF 6 holes
13160' - 13163' 3 SPF 9 SPF
13250' - 13252' 4 SPF 8 holes
13261' - 13263' 4 SPF 8 holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
13039' - 13263'	65000 gal 65-61Q 45# Water Frac CMHPG w/ 48500# Ultraprop

33. PRODUCTION

DATE FIRST PRODUCTION 05-17-06 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
06-02-06	24	WO		3	62	3	20667

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
650	0					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold

TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS
Electric logs and Inclination Summary

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Natalie Krueger TITLE Reg Analyst 1 DATE 06-21-06

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT B

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Yates	3265'					
Queen	4430'					
Delaware	5760'					
Bone Spring	7825'					
Wolfcamp	10740'					
Strawn	12100'					
Atoka	12500'					
Morrow Clastics	13125'					



CACTUS DRILLING COMPANY, L.L.C.

REPORT OF PROOF OF APPARENT DEVIATION
NEW MEXICO

OPERATOR GRUY PETROLEUM MANAGEMENT CO.
800 EAST LAS COLINAS BLVD. STE 1100
IRVING, TX 75039

FIELD NAME _____

COUNTY/PARISH LEA _____

WELL NAME & NO. PIPELINE DEEP 6 FEDERAL #1

LEGAL SEC 6-19N-34W

MEASURED DEPTH (FT)	COURSE LENGTH (HUNDREDS OF FT)	ANGLE OF INCLINATION (DEGREES)	DISPLACEMENT PER HUNDRED FT (SINE OF ANGLE X 100)	COURSE DISPLACEMENT (FEET)	ACCUMULATIVE DISPLACEMENT (FEET)	REMARKS
122	1.22	1/5	0.3316	0.40	0.40	
246	1.24	3/7	0.7505	0.93	1.34	
402	1.56	1/6	0.2793	0.44	1.77	
603	2.01	1/4	0.4363	0.88	2.65	
712	1.09	1/2	0.8727	0.95	3.60	
871	1.59	1/4	0.4363	0.89	4.29	
1052	1.81	1/2	0.8727	1.58	5.87	
1203	1.51	1/2	0.8727	1.32	7.19	
1471	2.68	1/2	0.8727	2.34	9.53	
1766	2.95	1/2	0.8727	2.57	12.10	
2262	4.96	1/2	0.8727	4.33	16.43	
2747	4.85	1/4	0.4363	2.12	18.55	
3253	5.06	1/4	0.4363	2.21	20.76	
3400	1.47	1/4	0.4363	0.64	21.40	
3638	2.38	1	1.7452	4.15	25.55	
4227	5.89	1	1.7452	10.28	35.83	
4383	1.56	1	1.7452	2.72	38.55	
4614	2.31	1	1.7452	4.03	42.58	
5013	3.99	1	1.7452	6.96	49.55	
5405	3.92	1	1.7452	6.84	56.39	
5776	3.71	1	1.7452	6.47	62.86	
6157	3.81	1	1.7452	6.65	69.51	
6516	3.59	1	1.7452	6.27	75.78	
6918	4.02	1	1.7452	7.02	82.79	
7300	3.82	1	1.7452	6.67	89.46	
7698	3.98	1	1.7452	6.95	96.41	
8111	4.13	1	1.7452	7.21	103.62	
8487	3.76	1 1/2	2.6177	9.84	113.46	
8670	1.83	1	1.7452	3.19	116.65	
9045	3.75	1	1.7452	6.54	123.20	
9455	4.10	1	1.7452	7.16	130.35	
9801	3.46	1/2	0.8727	3.02	133.37	
9990	1.89	1	1.7452	3.30	136.67	
10146	1.56	1	1.7452	2.72	139.39	
10305	1.59	1	1.7452	2.77	142.17	
10717	4.12	1	1.7452	7.19	149.36	
10884	1.67	1	1.7452	2.91	152.27	
11223	3.39	1	1.7452	5.92	158.19	
11426	2.03	1	1.7452	3.54	161.73	
11634	2.08	1/2	0.8727	1.82	163.55	
11823	1.89	1	1.7452	3.30	166.84	
12216	3.93	1/2	0.8727	3.43	170.27	
12395	1.79	1/2	0.8727	1.56	171.84	
13145	7.50	0	0.0000	0.00	171.84	
13376	2.31	0	0.0000	0.00	171.84	


LESLIE N. KIDD
 Oklahoma County
 Notary Public in and for
 State of Oklahoma
 Commission # 03003457 Expires 2/27/07

Leslie N. Kidd
 6-14-2006

P.O. Box 270848 • Oklahoma City, OK 73137-0848
 (405) 577-5347 • Fax (405) 577-9306

State of New Mexico

Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37547	Pool Code	Pool Name Quail Ridge; Morrow, North (Gas)
Property Code	Property Name PIPELINE DEEP 6 FEDERAL	Well Number 1
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3804'

Surface Location

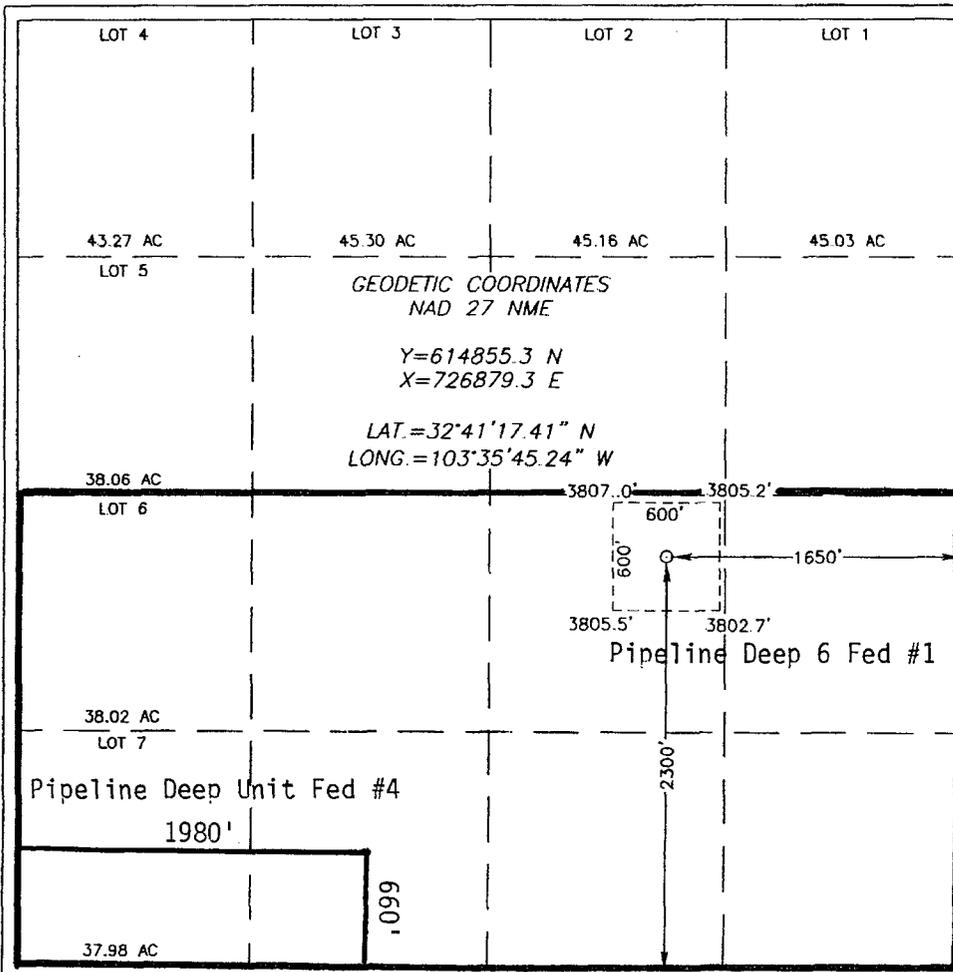
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	19-S	34-E		2300	SOUTH	1650	EAST	LEA

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 316	Joint or Infill Y	Consolidation Code U	Order No. NSL-5288
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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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief

Zeno Farris
Signature
Zeno Farris
Printed Name
Mgr Operations Admin
Title
June 21, 2006
Date

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.

NOVEMBER 9, 2005
Date Surveyed
JR
Signature & Seal of Professional Surveyor
Ronald J. Eidson 11/11/05
05.11.1753
Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

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

December 18, 2005

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

Re: Request to amend Division Administrative Order NSL-_____

Dear Mr. Stogner:

Gruy Petroleum Management Company applied for approval of an unorthodox gas well location for the following well:

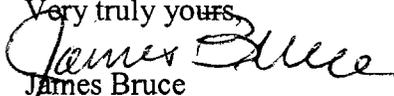
<u>Well:</u>	Pipeline Deep 6 Fed. Well No. 1
<u>Location:</u>	2300 feet FSL and 1750 feet FEL
<u>Well unit:</u>	S½ §6-19S-34E, Lea County, New Mexico

A copy of the original application is enclosed (I could not locate an order in my file, but I know that it was approved). Applicant requests approval to move the location 100 feet to the east, so that the location is now 2300 feet FSL and 1650 feet FEL. The location was moved due to the size of the rig used to drill the well. See Exhibit A.

Because the location is being moved east-west, no additional notice has been given of this amended application. However, as noted in the original application, interest ownership in the N½ is common with ownership in the S½.

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

Very truly yours,


James Bruce

Attorney for Gruy Petroleum Management Company

EXHIBIT C



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Gruy Petroleum Management Company

c/o James Bruce

P. O. Box 1056

Santa Fe, New Mexico 87504

October 20, 2005

Mark Fesmire

Director

Oil Conservation Division

RECEIVED

OCT 31 2005

MAILROOM

Administrative Order NSL-5288

Dear Mr. Bruce:

Reference is made to the following: (i) your application filed on behalf of the operator, Gruy Petroleum Management Company of Irving, Texas ("Gruy"), and submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on September 28, 2005 (*pSEM0-527231336*); and (ii) the Division's records in Santa Fe: all concerning Gruy's request for an unorthodox Morrow gas well location for its proposed Pipeline Deep "6" Federal Well No. 1 to be drilled 2300 feet from the South line and 1750 feet from the East line (Unit J) of Section 6, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

Lots 6 and 7, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 6 is to be dedicated to this well in order to form a standard 316 00-acre gas spacing unit within the North Quail Ridge-Morrow Gas Pool (83320).

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location for Gruy's proposed Pipeline Deep "6" Federal Well No. 1 is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management – Carlsbad

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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 [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 for applicant
 Title

9/28/05
 Date

jamesbruc@aol.com
 e-mail Address

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 28, 2005

Hand delivered

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Gruy Petroleum Management Company applies for approval of an unorthodox gas well location for the following well:

<u>Well:</u>	Pipeline Deep 6 Fed. Well No. 1
<u>Location:</u>	2300 feet FSL and 1750 feet FEL
<u>Well unit:</u>	S½ §6-19S-34E, Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (North Quail Ridge-Morrow-Gas Pool). Under Order No. R-5378, the pool is spaced on statewide rules (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.) An APD, with a Form C-102, is attached as Exhibit A.

The location is based on topographic and engineering reasons. Applicant originally planned to drill the well at a location 1980 feet FSL, but a powerline runs east-west at that approximate location. Applicant prefers to move the well north of the powerline, rather than south, to move away from the existing Pipeline Deep Unit Well No. 4, located 660 feet FSL and 1980 feet FWL of Section 6, which is currently TA'd. See Exhibit A. In addition, there is a dry hole in Lot 2 of Section 6, and the proposed location will help prove up any potential location in the N½ of Section 6.

Attached as Exhibit B is a land plat. Section 6 is entirely Federal land, with separate leases covering the N½N½, and S½N½ and S½, of Section 6. Interest ownership is uniform in the two leases. However, the southern 480 acres is in the Pipeline Deep Unit, in which wells are drilled

on a drill block basis. Therefore, to be safe, notice of this application has been given to the interest owners other than Magnum Hunter Production, Inc. See Exhibit C.

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

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Gruy Petroleum Management Company

OPERATOR'S COPY

Form 3180-3
(July 1992)

SUBMIT IN TRIPLICATE*

FORM APPROVED

OMB NO 1004-0136

Expires: February 28, 1995

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO
NM 4314

6 IF INDIAN, ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL

DEEPEN

1b. TYPE OF WELL

OIL WELL

GAS WELL

OTHER ZONE

MULTIPLE ZONE

2 NAME OF OPERATOR

Gruy Petroleum Management Co

3 ADDRESS AND TELEPHONE NO

P.O. Box 140907 Irving TX 75014 972-401-3111

4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)

2300' FSL & 1750' FEL

14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

31 miles West of Hobbs NM

15 DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T O (Also to nearest drlg unit line, if any)

1750'

16 NO. OF ACRES IN LEASE

320

17 NO. OF ACRES ASSIGNED TO THIS WELL

~~320~~ 330.19

18 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT

NA

19 PROPOSED DEPTH

14000

20. ROTARY OR CABLE TOOLS

Rotary

21 ELEVATIONS (Show whether DF RT GR etc.)
3606' GR

Capitan Controlled Water Basin

22 APPROX DATE WORK WILL START*
12-15-04

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	J-55 13 3/8"	54.5#	425'	490 sx Onshore Surface
12 1/4"	NS-110 9 5/8"	40 #	3500'	1850 sx C Onshore Surface
7 7/8"	P-110 5 1/2"	17 #	14000'	1620 sx TOC 2700

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 - psi BOP system. We are requesting a variance for the 13 3/8" surface casing and BOP testing from Onshore Order No 2, which states all casing strings below the conductor, shall be pressure tested to 22 psi per foot or 1500 # whichever is greater, but not to exceed 70% of the manufactures stated maximum internal yield. During the running of the surface pipe and the drilling of the intermediate hole we do not anticipate any pressures greater than 1000 # and are requesting a variance to test the 13 3/8" casing and BOP system to 1000 # psi, and use rig pumps instead of an independent service company.

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24 SIGNED Zeno Farris TITLE Mgr. Ops. Admin DATE 08-05-04

PERMIT No. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:
APPROVED BY Joe D. Lara Acting TITLE FIELD MANAGER DATE 2/25/05

*See Instructions On Reverse Side **APPROVAL FOR 1 YEAR**

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED



DISTRICT I
1825 N. French Dr. Hobbs NM 88240

DISTRICT II
811 South First Artesia, NM 88210

DISTRICT III
1090 Rio Brazos Ed., 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	Pool Code 83320	Pool Name Quail Ridge; Morrow, North (Gas)
Property Code	Property Name PIPELINE DEEP "6" FEDERAL	Well Number 1
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT COMPANY	Elevation 3606'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	19 S	34 E		2300	SOUTH	1750	EAST	LEA

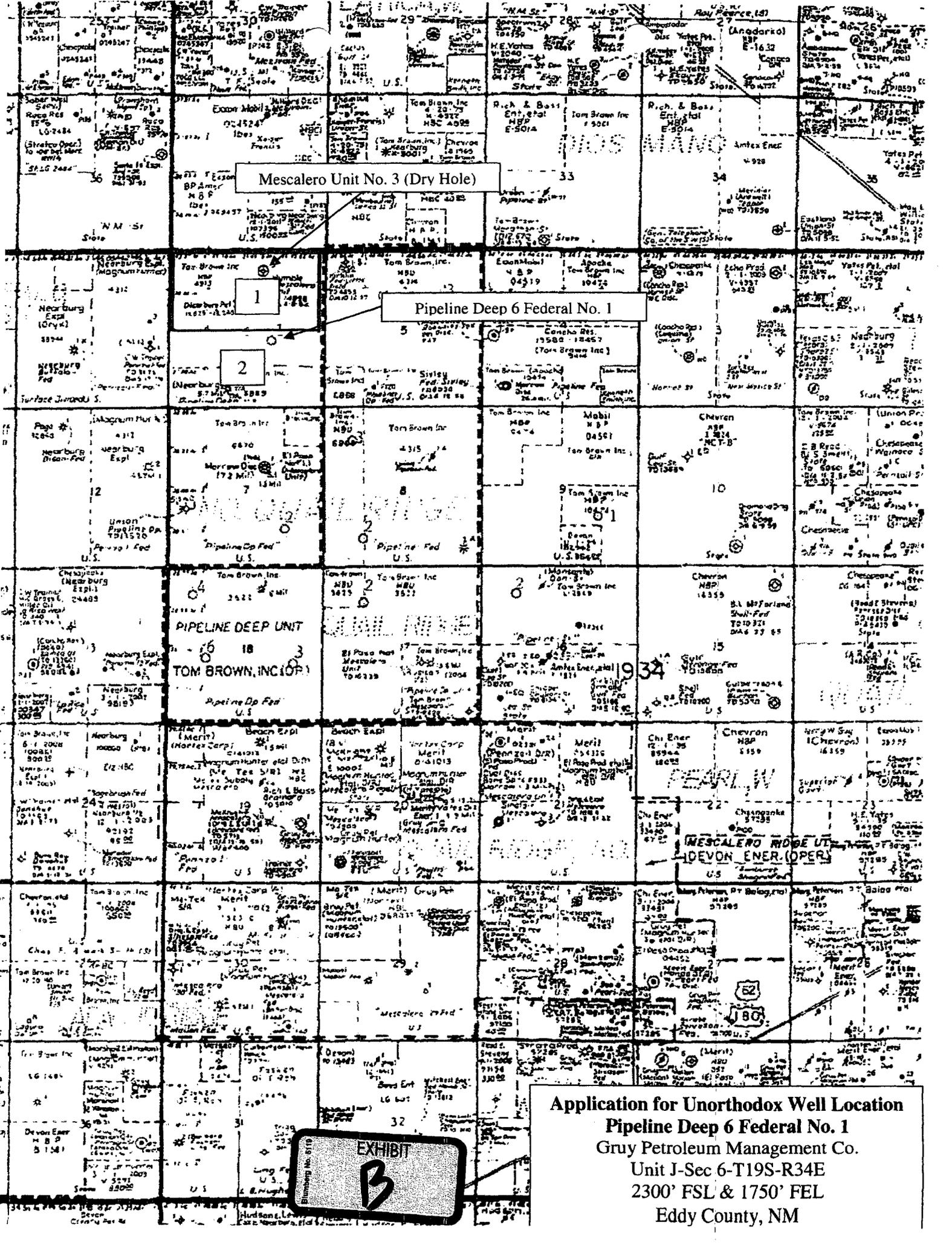
Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 330.19	Joint or Infill Y	Consolidation Code L	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

<p>NOV UNIT</p> <p>099 DRY HOLE</p> <p>MESLEND UNIT #3</p> <p>1980</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno L. Farris</i></p> <p>Signature Zeno L. Farris Printed Name Mgr Operations Admin Title August 25, 2005 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>JULY 27, 2004</p> <p>Date Surveyed Signature: Gary L. Jones Professional Surveyor No. 4482 Certification: Gary L. Jones 7977</p>	
<p>PIPELINE DEEP UNIT</p> <p>3806.2' 3805.7'</p> <p>1750'</p> <p>LAT - N32°41'17.9" LONG - W103°35'48.2"</p> <p>3805.5' 3803.7'</p> <p>POWER LINE</p> <p>1980 TA</p> <p>660</p> <p>PIPELINE DEEP UNIT #4</p> <p>2300</p> <p>1650</p>		



Mescalero Unit No. 3 (Dry Hole)

Pipeline Deep 6 Federal No. 1

PIPELINE DEEP UNIT

TOM BROWN, INC. (OP)

MESCALERO RIDGE UNIT
DEVON ENER. (OPER)

Application for Unorthodox Well Location
Pipeline Deep 6 Federal No. 1
 Gruy Petroleum Management Co.
 Unit J-Sec 6-T19S-R34E
 2300' FSL & 1750' FEL
 Eddy County, NM

EXHIBIT
B
 Blumberg No. 9111

List of Offset SPUs
Application for Unorthodox Well Location

Gruy Petroleum Management Co.
 Pipeline Deep 6 Federal No. 1
 Quail Ridge; Morrow, North (Gas)

OFFSET SPU	COLOR CODE	Well Name	Location	OPERATOR	ACREAGE DESCRIPTION	ACRES
1	Red	No Quail Ridge Morrow Wells	B-6-19S-34E	Gruy Petroleum Management Co.	N/2 Sec 6-T19S-R34E	320
2	Yellow	Pipeline Deep 6 Federal No. 1	J-6-19S-34E	Gruy Petroleum Management Co.	S/2 Sec 6-T19S-R34E	320
		Pipeline Deep Unit No. 4 (TA)	N-6-19S-34E			

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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(5050 982-2151 (Fax)

jamesbruc@aol.com

September 28, 2005

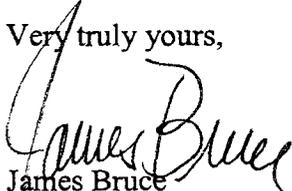
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit 1

Ladies and gentlemen:

Enclosed is a copy of an application for an unorthodox gas well location, filed with the New Mexico Oil Conservation Division by Gruy Petroleum Management Company, regarding a well in the S½ of Section 6, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. You are an offset interest owner to the proposed well. If you object to the application, you must notify the Division in writing by Wednesday, October 19, 2005 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505).

Very truly yours,


James Bruce

Attorney for Gruy Petroleum Management Company



**S/2 Section 6; Township 19S, Range 34E
Pipeline Deep 6 Federal No. 1 – 2300' FSL & 1750' FEL
Lea County, New Mexico, Containing 320 acres**

RE: Pipeline Deep 6 Federal No. 1 Unorthodox Well Location

Leasehold Owners S/2 6-19S-34E:

Surface to 13,245':

Magnum Hunter Production, Inc.
P. O. Box 140907
Irving, TX 75014-0907

Frank O. Elliott Living Trust
C/O Elliott Oil Company
P.O. Box 1355
Roswell, NM 88201

Edna Ione Hall Living Trust
C/O Elliott Oil Company
P.O. Box 1355
Roswell, NM 88201

McKay Living Trust
1 McKay Place
Roswell, NM 88201
Attn: April McKay

McKay Petroleum Corporation
1 McKay Place
Roswell, NM 88201

McKay Oil Corporation
1 McKay Place
Roswell, NM 88201

Nearburg Producing Co.
1 Petroleum Centre
Midland, TX 79705
Attn: Duke Roush

Depths Below 13,245':

Magnum Hunter Production, Inc.
P.O. Box 140907
Irving, TX 75014-0907

Leasehold Owners N/2 6-19S-34E:

Surface to 13,245':

Magnum Hunter Production, Inc.
P.O. Box 140907
Irving, TX 75014-0907

Frank O. Elliott Living Trust
C/O Elliott Oil Company
P.O. Box 1355
Roswell, NM 88201

Edna Ione Hall Living Trust
C/O Elliott Oil Company
P.O. Box 1355
Roswell, NM 88201

McKay Living Trust
1 McKay Place
Roswell, NM 88201
Attn: April McKay

McKay Petroleum Corporation
1 McKay Place
Roswell, NM 88201

McKay Oil Corporation
1 McKay Place
Roswell, NM 88201

Nearburg Producing Co.
1 Petroleum Centre
Midland, TX 79705
Attn: Duke Roush

Depths Below 13,245':

Magnum Hunter Production, Inc.
P.O. Box 140907
Irving, TX 75014-0907

Gruy Petroleum Management Co. operates for Magnum Hunter Production, Inc.

Magnum Hunter Production, Inc. and Gruy Petroleum Management Co. are wholly owned subsidiaries of Cimarex Energy Co.

