



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

August 22, 2006

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

Administrative Order NSL-5439

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0-622153548**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 9, 2006, on behalf of Cimarex Energy Co. of Colorado (Cimarex), and

(b) the Division's records pertinent to Cimarex's request.

Cimarex has requested to complete its Pipeline Deep Fed. Com. 5 Well No. 1 (API No. 30-025-34259) at an unorthodox Bone Spring location, 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 5, Township 19 South, Range 34 East, N.M.P.M., in Lea County, New Mexico. The S/2 of the SW/4 of Section 5 will be dedicated to this well in order to form a standard 80-acre spacing and proration unit in the EK-Bone Spring Pool (**21650**). This pool is governed by special pool rules provided in Order No. R-4981, issued in Case No. 5422, which provide that a well shall be located within 150 feet of the center of a quarter/quarter section. The proposed location is approximately 330 feet west of the center of the SE/4 of the SW/4 of Section 5.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 104.F and 1210.A(2) and Order No. R-4981.

It is our understanding that this well was drilled as a Morrow gas well at an orthodox Morrow location, and that Cimarex now seeks to recomplete the well in the Bone Spring. Additionally, we understand that the location was selected to conform to United States Bureau of Land Management siting requirements.

The proposed location is unorthodox only by reason of proximity to an internal quarter section line and does not encroach towards any adjoining unit. Therefore, no notice is required.

By the authority granted me under the provisions of Division Rule 104.F(2) and Order No. R-4981, the above-described unorthodox Bone Spring location for Cimarex's Pipeline Deep Fed. Com. 5 Well No. 1 is hereby approved.

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

Sincerely,



M Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs