

ABOVE THIS LINE FOR DIVISION USE ONLY

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



5525

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
 P.O. Box 1056
 Santa Fe, New Mexico 87504

Signature

Attorney for Applicant
 Title

Date

jamesbruc@aol.com
 e-mail Address

2006 DEC 5 PM 4 53

12/5/06

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 5, 2006

Hand delivered

Richard Ezeanyim
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Ezeanyim:

Pursuant to Division Rule 104.F(2), Cimarex Energy Co. of Colorado applies for approval of two unorthodox gas well locations for the following wells:

Well name: Shifting Sands 15 Fed. Com. Well No. 1
Well location: 2260 feet FNL & 2150 feet FWL
Well unit: W½ §15-16S-30E, Eddy County, New Mexico

Well name: Shifting Sands 15 Fed. Com. Well No. 2
Well location: 1980 feet FSL & 2080 feet FWL
Well unit: W½ §15-16S-30E, Eddy County, New Mexico

The wells will be drilled to a depth sufficient to test the Morrow formation (Henshaw-Morrow Gas Pool). That pool is spaced on 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. Exhibits A and B, which are exhibit packages, contain an APD and Form C-102 for each well.

The wells are unorthodox due to topographic reasons. The wells are in an area of sand dunes, and the well locations were mandated by the Bureau of Land Management to minimize surface disturbance. In addition, the locations minimize the length of new lease roads which must be built from existing roads. See Exhibits A and B.

The N½ and SE¼ of Section 15 are subject to Federal Lease NM 0560378, and the SW¼ of Section 15 is subject to Federal Lease LC 069641. Lease NM 0560378 was segregated from

Lease NM 0560378, and the interest owners in the offsetting E½ of Section 15 also own interests in the proposed wells. In addition, there are two Morrow wells on the E½ of Section 15. Therefore, there are no adversely affected parties, and no offset interest owners have been notified of the 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 Cimarex Energy Co. of Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. UNIT AGREEMENT NAME Pending	
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. FARM OR LEASE NAME, WELL NO. Shifting Sands 15 Federal Com No. 1	
2. NAME OF OPERATOR Cimarex Energy Co. of Colorado		9. API WELL NO. 30-015-	
3. ADDRESS AND TELEPHONE NO. P.O. Box 140907 Irving TX 75014 972-401-3111		10. FIELD AND POOL, OR WILDCAT Henshaw; Morrow	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* 2260' FNL & 2150' FWL		11. SEC. T., R., M. BLOCK AND SURVEY OR AREA Sec 15-T16S-R30E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 miles North and 2 miles East		12. COUNTY OR PARISH Eddy	13. STATE NM
16. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drlg. unit line, if any) 2150'	19. NO. OF ACRES IN LEASE 560	17. NO. OF ACRES ASSIGNED TO THIS WELL W/2 320	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA	19. PROPOSED DEPTH 11300'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3782' GR		22. APPROX. DATE WORK WILL START* 12-15-06	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13-3/8"	48#	450'	490 sx circulate
12-1/4"	J-55 9-5/8"	40#	3125'	1200 sx circulate
8-3/4"	P-110 5-1/2"	17#	11300'	1245 sx TOC 7000'

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 0.22 psi per foot or 1500# psi, whichever is greater, but not to exceed 70% of the manufacturer's 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# psi 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.

SIGNED Zeno Famy TITLE Mgr. Ops. Admin DATE 10-02-06

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 _____ TITLE _____ DATE _____

*See Instructions 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 

DISTRICT I
1025 N. French Dr., Hobbs, NM 68240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 68210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 E. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Henshaw; Morrow
Property Code	Property Name	Well Number
	SHIFTING SANDS "15" FEDERAL COM	1
OGRID No.	Operator Name	Elevation
162683	CIMAREX ENERGY CO. OF COLORADO	3782'

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	15	16 S	30 E		2260	NORTH	2150	WEST	EDDY

Bottom Hole Location If Different From Surface

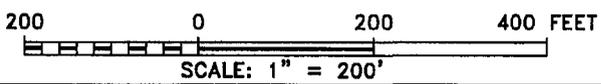
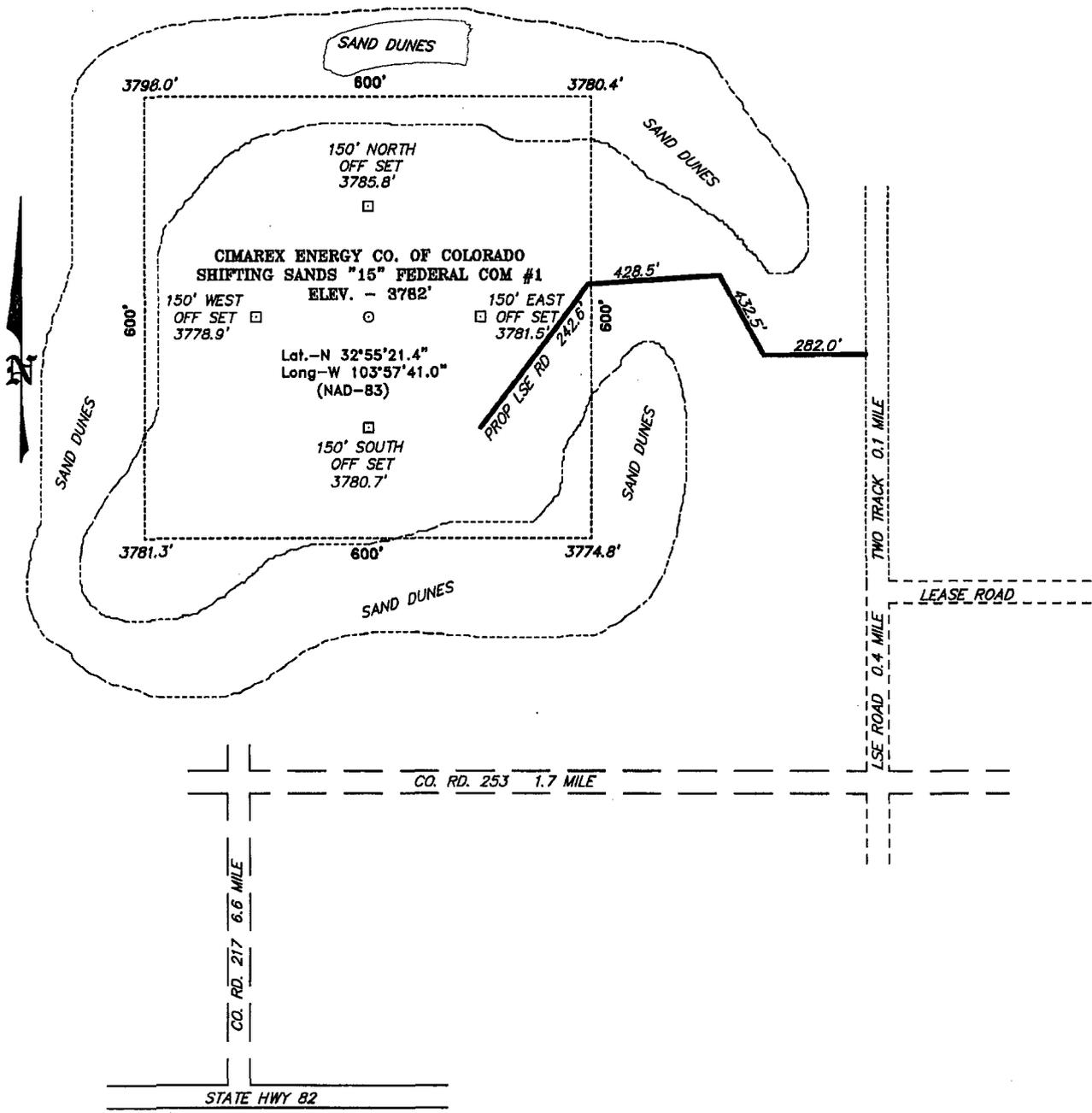
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

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>Shifting Sands 15 Fed Com #1</p> <p>NM-0560378</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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Zeno Farris 10-2-06 Signature Date</p> <p>Zeno Farris Printed Name</p>
	<p>Shifting Sands 15 Fed Com #2</p> <p>LC-06964T</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>SEPTEMBER 27, 2006 Date Surveyed</p> <p>Gary L. Jones Signature Professional Surveyor</p> <p>7977 Certificate No.</p> <p>206 No. of Copies</p> <p>7977 Certificate No. Gary L. Jones</p> <p>BASIN SURVEYS</p>

SECTION 15, TOWNSHIP 16 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

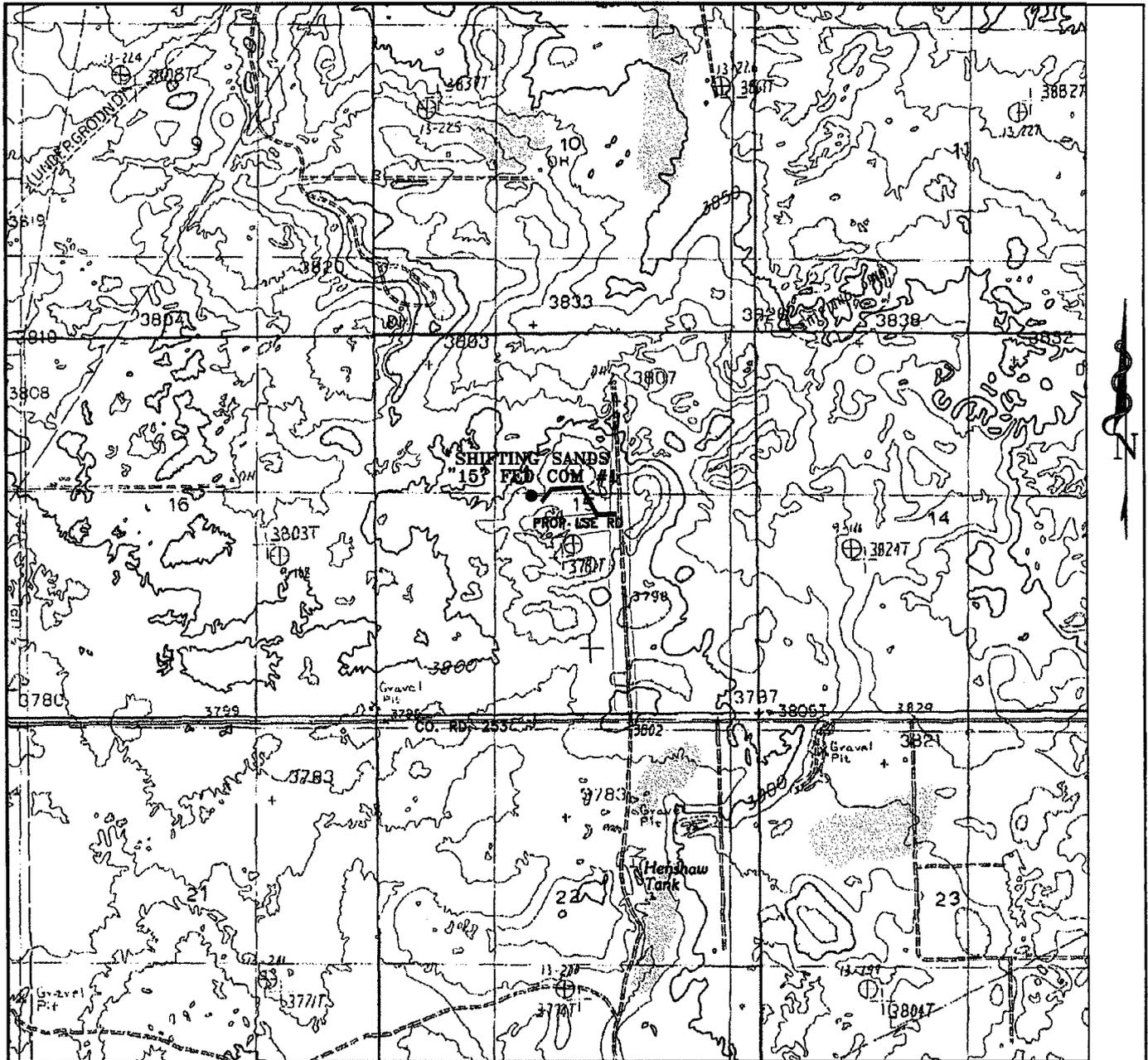


Directions to Location:

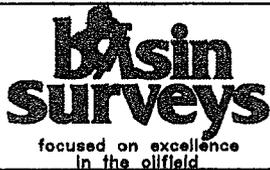
FROM THE LOCO HILLS (JUNCTION OF STATE HWY 82 AND CO. RD. 217) PROCEED NORTH ON CO. RD. 217 (HAGERMAN CUTOFF) 6.6 MILE TO CO. RD. 253 (SHELL), ON CO. RD. 253 PROCEED EAST 1.7 MILE TO LEASE ROAD, ON LEASE ROAD PROCEED NORTH 0.5 MILE TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

CIMAREX ENERGY CO. OF COLORADO	
REF: SHIFTING SANDS "15" FEDERAL COM #1 / WELL PAD TOPO	
THE SHIFTING SANDS FEDERAL COM No. 1 LOCATED 2260' FROM THE NORTH LINE AND 2150' FROM THE WEST LINE OF SECTION 15, TOWNSHIP 16 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	
W.O. Number: 17206	Drawn By: J. M. SMALL
Date: 09-28-2006	Disk: JMS 17206W
Survey Date: 09-27-2006	Sheet 1 of 1 Sheets



SHIFTING SANDS "15" FEDERAL COM #1
 Located 2260' FNL and 2150' FWL
 Section 15, Township 16 South, Range 30 East,
 N.M.P.M., EDDY County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 17206T

Survey Date: 09-27-2006

Scale: 1" = 2000'

Date: 09-28-2006

CIMAREX
 ENERGY CO.
 OF COLORADO

Exhibit B

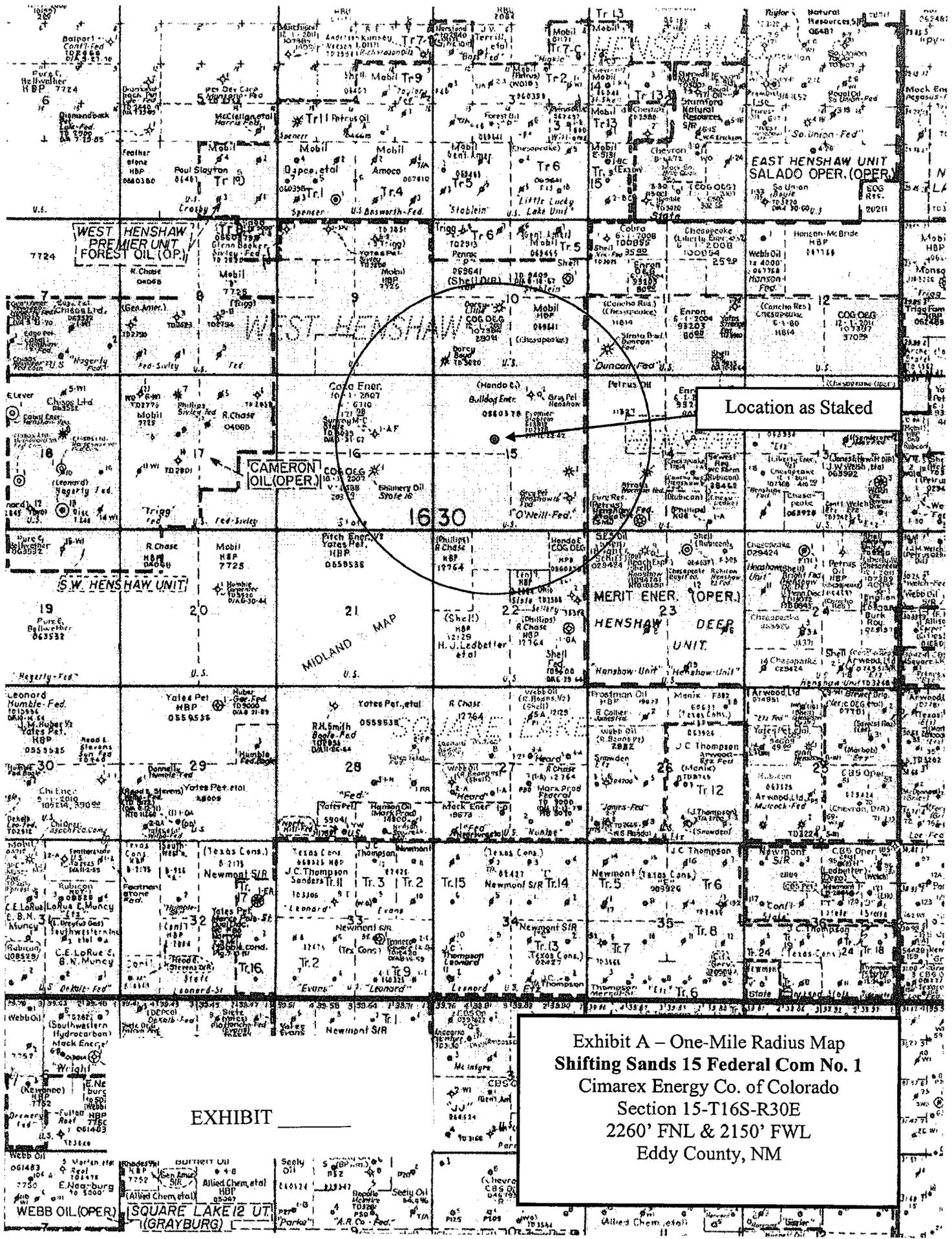


Exhibit A - One-Mile Radius Map
 Shifting Sands 15 Federal Com No. 1
 Cimarex Energy Co. of Colorado
 Section 15-T16S-R30E
 2260' FNL & 2150' FWL
 Eddy County, NM

EXHIBIT

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

SUBMIT IN TRIPLICATE*

(Other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0136

Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO.	
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTES OR TRIBE NAME	
2. NAME OF OPERATOR Cimarex Energy Co. of Colorado		7. UNIT AGREEMENT NAME Pending	
3. ADDRESS AND TELEPHONE NO. P.O. Box 140907 Irving TX 75014 972-401-3111		8. FARM OR LEASE NAME, WELL NO. Shifting Sands 15 Federal Com No. 2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) 1980' FSL & 2080' FWL		9. API WELL NO. 30-015-	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 miles North and 2 miles East		10. FIELD AND POOL, OR WILDCAT Henshaw; Morrow	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drlg. unit line, if any) 1980'		11. SEC. T.,R.,M., BLOCK AND SURVEY OR AREA Sec 15-T16S-R30E	
16. NO. OF ACRES IN LEASE 880		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL W/2 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA		19. PROPOSED DEPTH 11300'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3772' GR	
22. APPROX. DATE WORK WILL START* 12-15-06			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13-3/8"	48#	450'	490 sx circulate
12-1/4"	J-55 9-5/8"	40#	3125'	1200 sx circulate
8-3/4"	P-110 5-1/2"	17#	11300'	1245 sx TOC 7000'

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24 SIGNED Zeno Farris TITLE Mgr. Ops. Admin DATE 10-02-06

(This space for Federal or State office use)

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 _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly United States any false, fictitious or fraudulent statements or represent

EXHIBIT



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1625 N. French Dr., Hobbs, NM 58240

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1801 W. Grand Avenue, Artesia, NM 88210

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DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

API Number	Pool Code	Pool Name
		Henshaw; Morrow
Property Code	Property Name	Well Number
	SHIFTING SANDS "15" FEDERAL COM	2
OGRID No.	Operator Name	Elevation
162683	CIMAREX ENERGY CO. OF COLORADO	3772'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	15	16 S	30 E		1980	SOUTH	2080	WEST	EDDY

Bottom Hole Location If Different From Surface

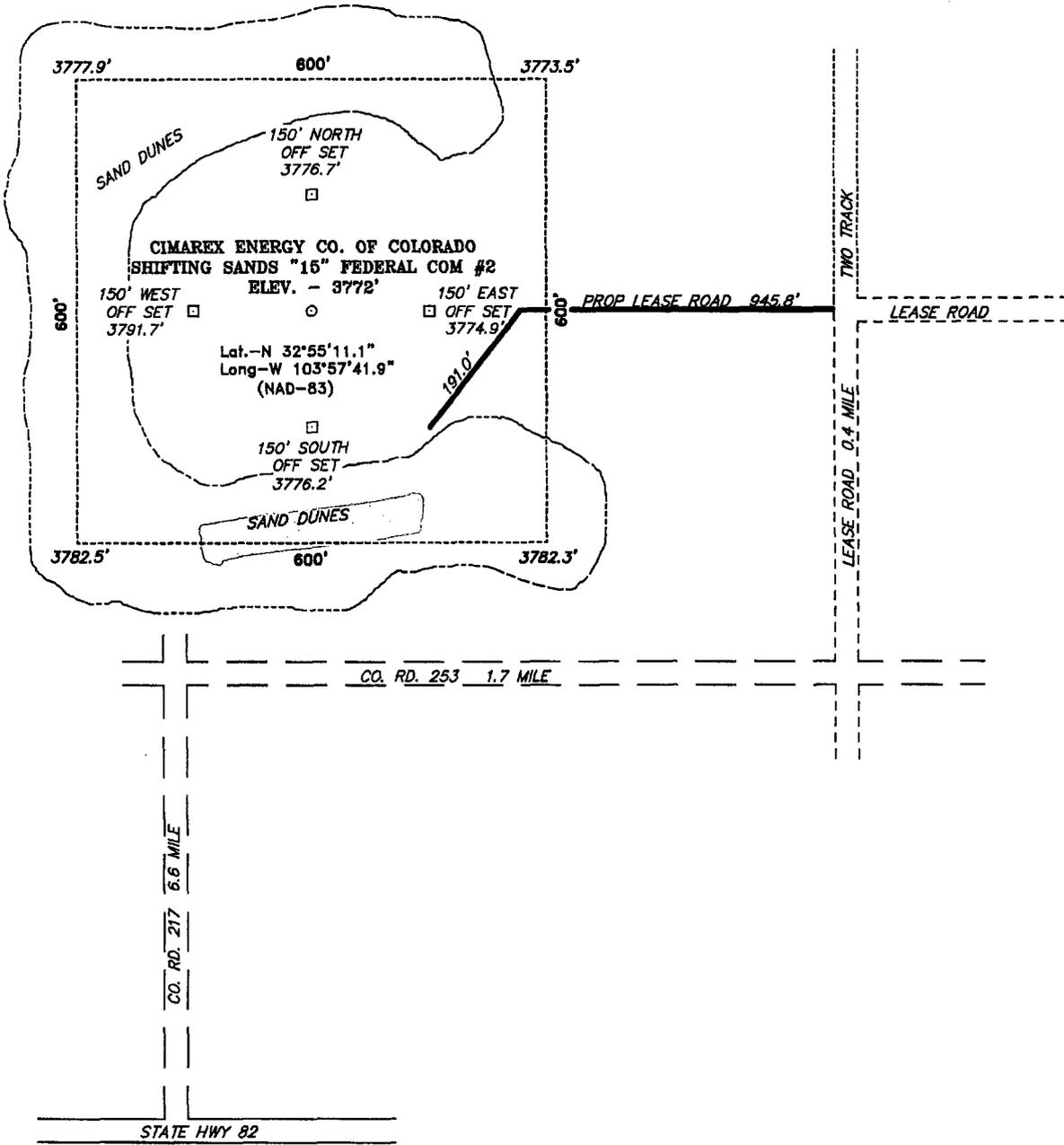
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

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>OPERATOR CERTIFICATION</p> <p>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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Zeno Farris</i> 10-2-06 Signature Date</p> <p>Zeno Farris Printed Name</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>SEPTEMBER 27, 2006</p> <p>Date Surveyed Signature of Surveyor Professional Surveyor</p> <p><i>Gary L. Jones</i> 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

SECTION 15, TOWNSHIP 16 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



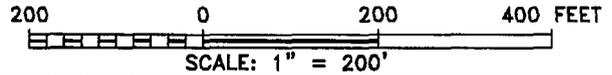
Directions to Location:

FROM THE LOCO HILLS (JUNCTION OF STATE HWY 82 AND CO. RD. 217) PROCEED NORTH ON CO. RD. 217 (HAGERMAN CUTOFF) 6.6 MILE TO CO. RD. 253 (SHELL), ON CO. RD. 253 PROCEED EAST 1.7 MILE TO LEASE ROAD, ON LEASE ROAD PROCEED NORTH 0.4 MILE TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 17207 Drawn By: J. M. SMALL

Date: 09-28-2006 Disk: JMS 17207W

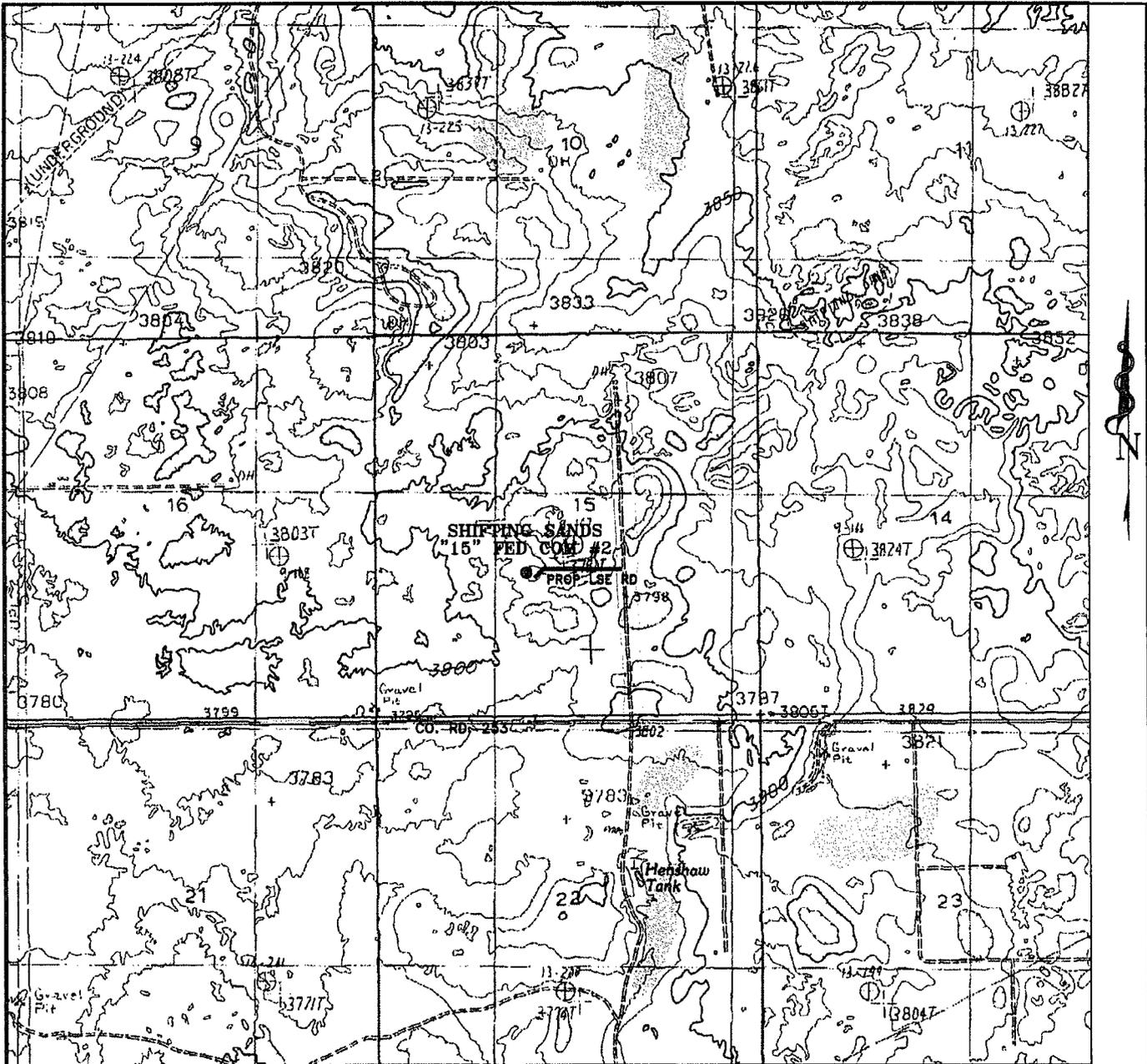


CIMAREX ENERGY CO. OF COLORADO

REF: SHIFTING SANDS "15" FEDERAL COM #2 / WELL PAD TOPO

THE SHIFTING SANDS FEDERAL COM No. 2 LOCATED 1980' FROM THE SOUTH LINE AND 2080' FROM THE WEST LINE OF SECTION 15, TOWNSHIP 16 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 09-27-2006 Sheet 1 of 1 Sheets



SHIFTING SANDS "15" FEDERAL COM #2
 Located 1980' FSL and 2080' FWL
 Section 15, Township 16 South, Range 30 East,
 N.M.P.M., EDDY County, New Mexico.

basin surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 17207T
Survey Date: 09-27-2006
Scale: 1" = 2000'
Date: 09-28-2006

**CIMAREX
 ENERGY CO.
 OF COLORADO**

Exhibit C

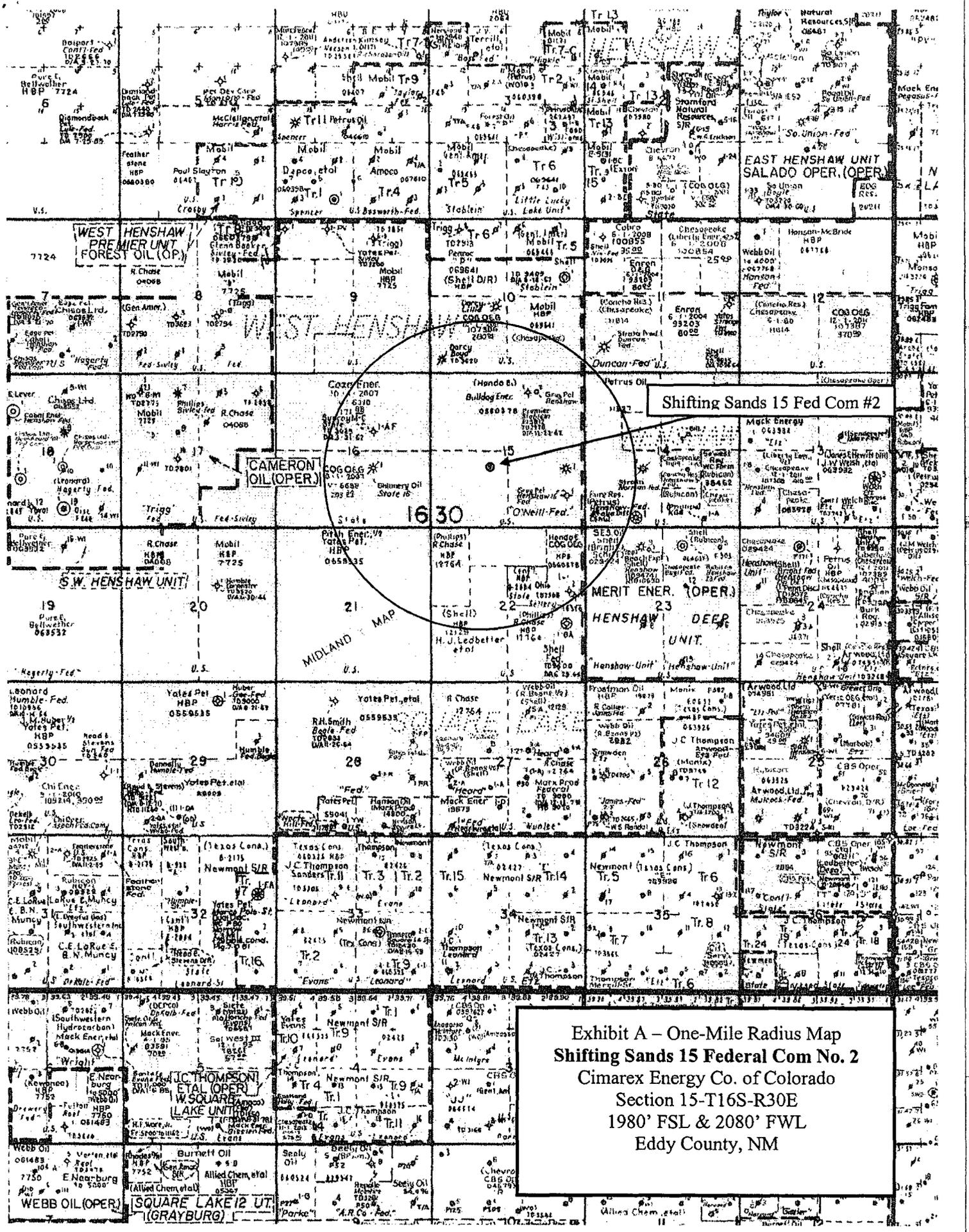


Exhibit A - One-Mile Radius Map
 Shifting Sands 15 Federal Com No. 2
 Cimarex Energy Co. of Colorado
 Section 15-T16S-R30E
 1980' FSL & 2080' FWL
 Eddy County, NM