

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Cimcros
Keely 26 Feb #1
5578

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 _____

2007 FEB 13 PM 1 52

[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

James Bruce

 Signature

Attorney for Applicant

 Title

2/14/07

 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

February 14, 2007

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Cimarex Energy Co. of Colorado applies for approval of an unorthodox oil well location for the following well:

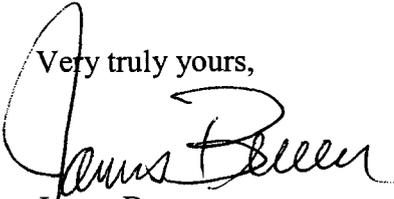
<u>Well:</u>	Keely 26 Fed. Well No. 1
<u>Location:</u>	1980 feet FNL & 1550 feet FEL
<u>Well Unit:</u>	SW $\frac{1}{4}$ NE $\frac{1}{4}$ §26-17S-29E, Eddy County, New Mexico

The well was recently drilled, and has been completed in the Morrow formation (Sand Tank-Morrow Gas Pool). Applicant proposes to test the well in a promising uphole (wildcat) Wolfcamp formation. The Wolfcamp will be an oil zone, with statewide 40 acre spacing, and wells to be at least 330 feet from a quarter-quarter section line.

The well was originally proposed at an orthodox oil and gas well location 1980 feet FNL and 990 feet FEL of Section 26. See Exhibit A. However, due to an archaeological site (Exhibit B) and existing wells nearby, the location was moved to the west. The approved APD is attached as Exhibit C. The well was drilled and completed, and a current wellbore sketch is attached as Exhibit D. A removable bridge plug has been set so that the Wolfcamp may be tested. A Form C-102 for the Wolfcamp is attached as Exhibit E.

As shown on Exhibit F, the S $\frac{1}{2}$ NE $\frac{1}{4}$ is subject to Federal Lease LC 028784-B, which has common royalty, overriding royalty, and working interest ownership. Therefore, there is no adversely affected offset, and notice of this application has not been given to anyone.

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

State of New Mexico

DISTRICT I
1625 N. FRENCH DR., HOBBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTISTIA, NM 88210

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

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
		Sand Tank; Morrow
Property Code	Property Name	Well Number
	KEELY 26 FEDERAL	1
OGRID No. 162683	Operator Name	Elevation
	GRUY PETROLEUM MANAGEMENT COMPANY	3582'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	17-S	29-E		1980'	NORTH	990	EAST	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	N		

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

Keely 26 Fed #1

GEODETTIC COORDINATES
NAD 27 NME
Y=657507.1 N
X=590256.8 E
LAT.=32°48'26.03" N
LONG.=104°02'22.47" W

LC-028784

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Zeno Farris 5-1-06

Signature _____ Date _____
Zeno Farris

Printed Name
Mgr Operations Admin

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.

APRIL 21, 2006

Date Surveyed _____ MR _____
Signature & Seal of Professional Surveyor _____

Gary Edson 4/28/06
06.11.0650

Certificate No. GARY EDSON 12841

EXHIBIT A

16. Project Data:

a. Records Search: Date(s) of BLM field Review: May 1 2006
Name of Reviewer(s): Allen Rorex
Date of ARMS Data Review: May 2, 2006
Name of Reviewer(s): Jessie Rumsey

Findings (see Field Office requirements to determine area to be reviewed during records search):

The records search revealed 13 previously recorded sites (LA 126,598, LA 112,366, LA 104,390, LA 40646, LA 104,391, LA 75704, LA 55908, LA 131,402, LA 70311, LA 140,104, LA 104,400, LA 110,646, and LA 116,475) located within a quarter-mile radius of the project. There are 37 sites located within a mile radius. **Note: Previously recorded Site LA 126,598 is depicted on the BLM topo map in the northwest portion of the proposed well pad. However, the UTM coordinates provided by ARMS and DWAS (original recording) place the site further to the east (see topo map). Also, the site area depicted on the BLM topo map is much larger than the site area given on the LA Site Record completed by DWAS. The BLM site map indicates that NM 06-4785 is most probably site LA 126,598. The BLM topo map is off, as well as the LA coordinates, which would have fallen on the approximate middle of the northern 600-ft boundary of the proposed well location. The cultural materials encountered during the current work were further to the east 300 ft. The site should be plotted correctly on the topo maps and corrected in the records with the newest LA number to prevent further confusion and unnecessary work.**

b. Description of Undertaking: Cimarex Energy Corporation requested a Class III cultural resource inventory of the Keely 26 Federal Number 1 well location, staked in Section 26, T.17S, R.29E, Eddy County, New Mexico. The survey area for the proposed well location is 600 ft by 600 ft. The impact area will be 300 ft by 300 ft. Access will be provided on an existing lease road that runs east/west through the northern portion of the proposed well pad. In addition, previously recorded Site LA 126,598 was updated on a LA Site Record.

c. Environmental Setting (NCRS soil designation: vegetative community; elevation; etc.): The project area is located in open, rolling coppice dunes forming dunal ridges and slopes, with dune height/blowout depth varying greatly from 2 to 6 meters. Soils are tan/brown and tan/red loamy silty sands, mixed with caliche nodules and occasional small gravel in deep blowouts. Area vegetation is typical desert scrub and dominated by shinoak, grasses, snakeweed, prickly pear, mesquite, yucca, sage, and various annuals and other forbs. The elevation is 3,576 ft above msl.

d. Field Methods (transect intervals; crew size; time in field, etc.): The field crew consisted of one archaeologist. The proposed well location was inventoried by walking 12 zigzag transects (at 15-m intervals) across the staked location. In addition, previously recorded Site LA 126,598 was updated on a LA Site Record. Time spent in the field was 7 hours.

e. Artifacts Collected? No

17. Cultural Resource Findings: Two isolated occurrences and one previously recorded site (LA 126,598) were encountered.

a. Location/Identification of Each Resource:

Isolate one consists of two pieces of palm-sized burned caliche. No cultural materials were found associated. Isolate one is located at UTM coordinates (NAD 1927, Zone 13) 589760 E and 3630214 N.

Isolate two is a single, complete secondary flake of grey/white striped chert, with a collapsed platform, 20% cortex, no use/wear, and measuring 27 x 35 x 14 mm. Isolate one is located at UTM coordinates 589826 E and 3630047 N.

b. Evaluation of Significance of Each Resource: The research potential of these isolated occurrences is considered exhausted through field recordation.

OPERATOR'S COPY
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.

LC-028784(6)

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 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

Crux 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.)*

1550'
1980' FNL & 990' FEL

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

2 miles Northeast of Loco Hills

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

990'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

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

N/A

11600'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3582' GR

Roswell Controlled Water Basin

22. APPROX. DATE WORK WILL START*

06-30-06

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 #	350' - 500' *	490 sx circulate WITNESS
12-1/4"	J-55 9-5/8"	40 #	4700'	1200 sx circulate
7-7/8"	P-110 5-1/2"	17 #	11600'	1620 sx TOC 2700'

*Set surface casing 25' into the top of the Rustler, which is estimated to be between 350' and 500'.

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#, 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#, and we 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 Zana Farley TITLE Mgr. Ops. Admin DATE 05-01-06

(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 Zana Farley TITLE **FIELD MANAGER** DATE 7-17-06

*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.

APPROVAL FOR 1 YEAR

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/8"
CASING MUST BE CIRCULATED

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

WITNESS

EXHIBIT C

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
		Sand Tank; Morrow
Property Code	Property Name	Well Number
	KEELY 26 FEDERAL	1
OGRID No.	Operator Name	Elevation
162683	CIMAREX ENERGY CO. OF COLORADO	3576'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	17-S	29-E		1980'	NORTH	1550	EAST	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	N		

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

Keely 26 Federal No. 1

GEODETIC COORDINATES
NAD 27 NME

Y=657505.9 N
X=589696.9 E

LAT.=32°48'26.04" N
LONG.=104°02'29.03" W

LC-028784

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Z. J. Farris 6-5-06
Signature Date

Mgr Operations Administration
Printed Name

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.

MAY 18, 2006
Date Surveyed MR

Signature & Seal of
Professional Surveyor

Gary J. Eldon 5/30/06
06.1170837

Certificate No. GARY ELDON 12841

CIMAREX ENERGY CO OF COLORADO

Sand Tank: Morrow
Proposed Wolfcamp Wildcat

Keely 26 Federal No. 1

12/18/2006

API 30-015-35025

CURRENT CONDITION

Natalie Krueger 12/18/06

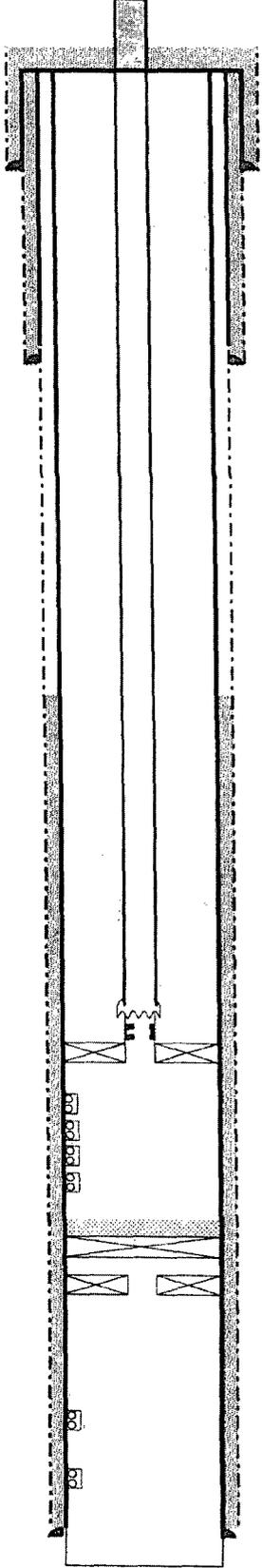
KB
CH
GL 3:22

1980' FNL & 1550' FEL
26-17S-20E
Unit G
Eddy County, NM

Casing Strings
20" Conductor @ 40'

13-3/8" (17-1/2" hole), 48# H-40
@ 508' w/ 500 sx cmt
TOC @ surface - circ 202 sx

9-5/8" (12-1/4" hole), 40# J-55
@ 4715' w/ 1703 sx cmt
TOC @ surface - circ 428 sx



TOC 7000' by CBL

Lower Wolfcamp - Proposed Perfs
9078'-9088'
9098'-9104'
9125'-9152'
9180'-9186'

5-1/2" x 2-3/8" Packer @ 9030'
w/ On-off tool @ 9035'

CIBP @ 12470' w/ 35' cmt

5-1/2" RBP @ 10520' w/ 15' sand fill
5-1/2" x 2-3/8" Packer @ 10853'

Middle Morrow 10819'-10926'

Lower Morrow 11015'-11019'

5-1/2" (8-3/4" hole), 17# P-110
@ 11225' w/ 1458 sx cmt
TOC @ 7000'

PBTD 11 144'

TD = 11,225'

EXHIBIT D

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1625 S. FRANK DR., ALBUQ., NM 87243

DISTRICT II
1301 W. GRAND AVENUE, ALBUQ., NM 87210

DISTRICT III
1400 E. BRADDOCK RD., ALBUQ., NM 87111

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 97505

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

Form O-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-35025	Pool Code	Pool Name Wolfcamp Wildcat
Property Code	Property Name KEELY 26 FEDERAL	Well Number 1
ORRD No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3576'

Surface Location

BL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	17-S	29 E		1980'	NORTH	1150	EAST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSL Pending
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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

3581.7'

3578.5'

3577.1'

3577.1'

500'

600'

550'

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Zeno Farris 12-14-06
Signature Date

Zeno Farris
Printed Name

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.

MAY 12, 2006
Date Surveyed

Signature & Seal of Professional Surveyor
Gary A. Edson
06 11 0837

Certificate No. GARY EDSON 12641

GEOGRAPHIC COORDINATES
NAD 27 NME

Y=657505.9 N
X=589696.9 E

LAT. = 32°48'26.04" N
LONG. = 104°02'09.03" W

EXHIBIT E

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

7 Records found

Displaying Screen 1 of 1

- | API Number | ULSTR | Footages |
|---|--------------|---------------------|
| <input type="radio"/> 3001503121 | H-26-17S-29E | 1980 FNL & 660 FEL |
| Well Name & Number: BURCH KEELY UNIT No. 163 | | |
| Operator: MARBOB ENERGY CORP | | |
| <input type="radio"/> 3001503124 | H-26-17S-29E | 1345 FNL & 1295 FEL |
| Well Name & Number: BURCH KEELY UNIT No. 164 | | |
| Operator: MARBOB ENERGY CORP | | |
| <input type="radio"/> 3001503127 | H-26-17S-29E | 1345 FNL & 25 FEL |
| Well Name & Number: BURCH KEELY UNIT No. 162 | | |
| Operator: MARBOB ENERGY CORP | | |
| <input type="radio"/> 3001529175 | H-26-17S-29E | 1345 FNL & 660 FEL |
| Well Name & Number: BURCH KEELY UNIT No. 264 | | |
| Operator: MARBOB ENERGY CORP | | |
| <input type="radio"/> 3001529303 | H-26-17S-29E | 1980 FNL & 50 FEL |
| Well Name & Number: BURCH KEELY UNIT No. 267 | | |
| Operator: MARBOB ENERGY CORP | | |
| <input type="radio"/> 3001529311 | H-26-17S-29E | 1980 FNL & 1295 FEL |
| Well Name & Number: BURCH KEELY UNIT No. 273 | | |
| Operator: MARBOB ENERGY CORP | | |
| <input type="radio"/> 3001530672 | H-26-17S-29E | 2210 FNL & 765 FEL |
| Well Name & Number: GRAYBURG DEEP UNIT No. 016 | | |
| Operator: EOG RESOURCES INC | | |

[Continue](#)[Go Back](#)