

DATE IN 13 Feb 07	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 13 Feb 07	TYPE NSL	APP NO. PCLP0704635113
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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 87504



*Cimarex*  
 State # 1  
 5580

**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 \_\_\_\_\_

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[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

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SANTA FE, NEW MEXICO 87501

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(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto: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. applies for approval of an unorthodox gas well location for the following well:

<u>Well:</u>	State Well No. 1
<u>Location:</u>	2000 feet FSL & 660 feet FEL
<u>Well Unit:</u>	E½ §36-15S-37E, Lea County, New Mexico

The well was drilled in 1976 to a depth sufficient to test the Devonian formation, but it was unsuccessful and was immediately abandoned. Applicant proposes to re-enter the well to test the Atoka formation. Use of the existing wellbore will enable the (wildcat) Atoka to be tested in an economic manner. The Atoka is spaced on statewide rules, with 320 acre spacing, and 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 unorthodox location is internal to the well unit. Therefore, no offset interest owners have been notified of the location.

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

Very truly yours,

  
James Bruce

Attorney for Cimarex Energy Company

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Cimarex Energy Co. PO Box 140907 Irving, TX 75014-0907		<sup>2</sup> OGRID Number 215099
<sup>3</sup> Property Code		<sup>4</sup> API Number 30 - 025 - <b>25102</b>
<sup>5</sup> Property Name State		<sup>6</sup> Well No. 001
<sup>7</sup> Proposed Pool 1 Atoka Wildcat		<sup>8</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	36	15S	37E		2000	South	660	East	Lea

<sup>8</sup> Proposed 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

Additional Well Information

<sup>11</sup> Work Type Code E	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3741' GR
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 12050'	<sup>18</sup> Formation Atoka	<sup>19</sup> Contractor	<sup>20</sup> Spud Date When Approved
Depth to Groundwater 49'		Distance from nearest fresh water well > 1000'		Distance from nearest surface water > 1000'
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: Closed-Loop System <input checked="" type="checkbox"/> Flowback Tanks Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13-3/8"	48#	440'	475 sx	Surface
12-1/4"	8-5/8"	24#, 32#	5050'	1905 sx	TOC 2650' by TS
8-3/4"	5-1/2" P-110	17#	12050'	1620sx	TOC 8000'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

American Quasar's American Quasar State No. 1 well was drilled to a depth of 13440' with only surface and intermediate casing set as shown above. The well was plugged and abandoned as a dry hole. We propose to re-enter and drill out plugs to 12050', run production casing, and perf and test the Atoka.

All fluids will be contained in flowback tanks.

Cimarex will use a 5000 psi BOP system.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

OIL CONSERVATION DIVISION

Approved by:

Printed name: Zeno Farris *Zeno Farris*

Title

Title: Manager Operations Administration

Approval Date:

Expiration Date:

E-mail Address: [zfarris@cimarex.com](mailto:zfarris@cimarex.com)

Date: February 12, 2007

Phone: 972-443-6489

Conditions of Approval Attached

EXHIBIT *A*

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102  
Supersedes O-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

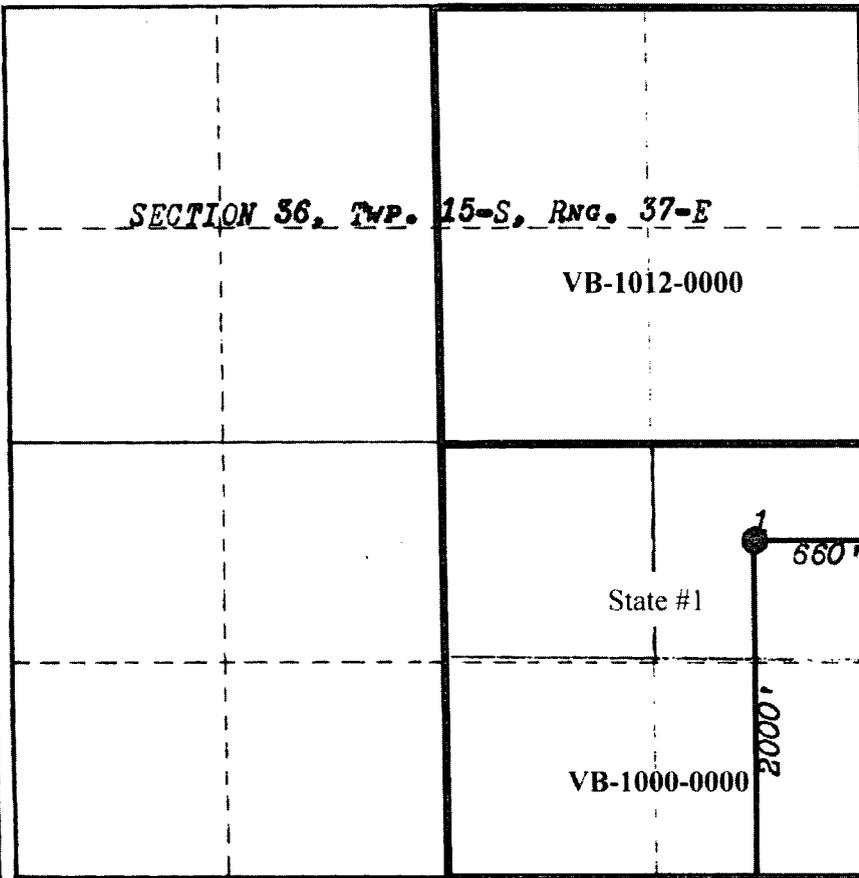
Operator <b>Cimarex Energy Co.</b>		Lease <b>State</b>			Well No. <b>1</b>
Unit Letter <b>I</b>	Section <b>36</b>	Township <b>15S</b>	Range <b>37E</b>	County <b>Lea</b>	
Actual Postage Location of Well: <b>2000</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>East</b> line <b>NSL Pending</b>					
Ground Level Elev. <b>3741</b>	Producing Formation <b>Atoka Wildcat</b>			Dedicated Acreage: <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Zeno Farris*

Name  
**Zeno Farris**

Position  
**Mgr Operations Admin**

Company  
**Cimarex Energy Co.**

Date  
**02-07-07**

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 knowledge and belief.

Date Surveyed  
**AUG. 15, 1976**

Registered Professional Engineer and/or Land Surveyor

*[Signature]*  
Certificate No. **054**