

DATE IN <u>15 Feb 07</u>	SUSPENSE	ENGINEER <u>P. Brooks</u>	LOGGED IN <u>19 Feb 07</u>	TYPE <u>NSL</u>	APP NO. <u>p CLP0705038036</u>
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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 87505



*Cimarex
 Scout 17 #1
 5583*

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

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[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 Date

jamesbruc@aol.com

 e-mail Address

2/15/07

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 15, 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 oil well location for the following well:

<u>Well:</u>	Scout 17 Well No. 1
<u>Location:</u>	1460 feet FSL & 590 feet FWL
<u>Well Unit:</u>	NW $\frac{1}{4}$ SW $\frac{1}{4}$ §17-19S-34E, Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Seven Rivers formation (Tonto (Seven Rivers) Pool). The pool is spaced on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. An APD with a Form C-102 is attached as Exhibit A.

The location is due to topographic reasons. The well was originally staked 1650 feet FSL and 660 feet FWL, but that location was too close to sand dunes, and the BLM requested that the well be moved south and west. (The surface and minerals are federal land, and the BLM mandates surface locations to minimize surface disturbance.)

The unorthodox location encroaches on the SW $\frac{1}{4}$ SW $\frac{1}{4}$ §17. The entire W $\frac{1}{2}$ SW $\frac{1}{4}$ is covered by Federal Lease NM 3622, which has common royalty, overriding royalty, and working interest ownership. 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
1501 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1090 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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Tonto, 7 Rivers
Property Code	Property Name SCOUT "17" FEDERAL	Well Number 1
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3731'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	19 S	34 E		1460	SOUTH	590	WEST	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	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

	<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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Zeno Farris</i> 1-17-06 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>NOVEMBER 09 2006 Date Surveyed</p> <p>GARY L. JONES Signature Professional Surveyor</p> <p></p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>		

**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 DEEPEN

1b. TYPE OF WELL
 OIL GAS SINGLE MULTIPLE
 WELL WELL OTHER ZONE ZONE

2. NAME OF OPERATOR
 Cimarex Energy Co. of Colorado

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.)
 1460' FSL & 590' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 32 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) 190'

16. NO. OF ACRES IN LEASE 1076.4

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

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

19. PROPOSED DEPTH 5000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3731' GR

22. APPROX. DATE WORK WILL START* 01-15-06

5. LEASE DESIGNATION AND SERIAL NO.
 NM-3622

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Scout 17 Federal No. 1

9. API WELL NO.
 30-025-

10. FIELD AND POOL, OR WILDCAT
 Tonto; 7 Rivers

11. SEC. T., R., M., BLOCK AND SURVEY OR AREA
 17-19S-34E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	J-55 8-5/8" ST&C	24#	425'	400 sx Lite/C circ surf
7-7/8"	J-55 5-1/2" ST&C	15.5#	5000'	2500 sx Lite/C circ surf

The proposed well will be drilled to a depth of 5000' and completed as a Tonto; Seven Rivers producer.
 From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 - psi BOP system.

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 Zano Farris TITLE Mgr. Ops. Admin DATE 11-17-06

(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

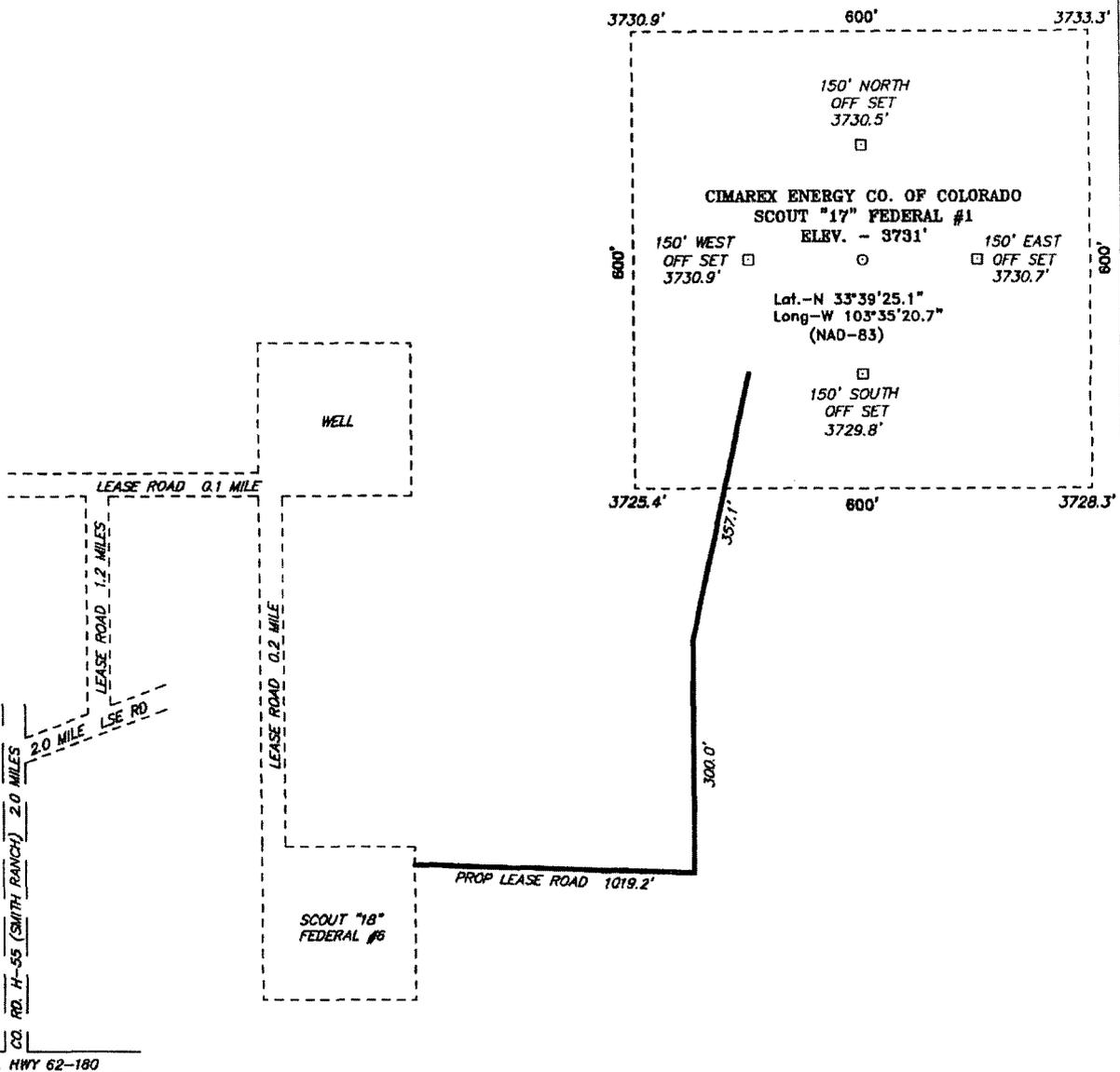
CONDITIONS OF APPROVAL, IF ANY:
 APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly 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.

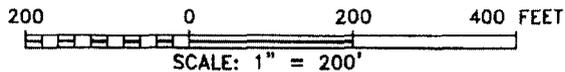
EXHIBIT A

SECTION 17, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY,
NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 62-180 AND CO. RD. H-55 (SMITH RANCH), PROCEED NORTH 2.0 MILE TO LEASE ROAD, ON LEASE ROAD PROCEED 2.0 MILES NORTHEAST TO LEASE ROAD, ON LEASE ROAD PROCEED NORTH 1.2 MILES TO LEASE ROAD, ON LEASE ROAD PROCEED EAST 0.1 MILES TO LOCATION, FROM LOCATION PROCEED SOUTH 0.2 MILES TO SCOUT "18" FEDERAL #6 AND PROPOSED LEASE ROAD.



CIMAREX ENERGY CO. OF COLORADO

REF: SCOUT "17" FEDERAL #1 / WELL PAD TOPO

THE SCOUT "17" FEDERAL #1 LOCATED 1460' FROM THE SOUTH LINE AND 590' FROM THE WEST LINE OF SECTION 17, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 17375

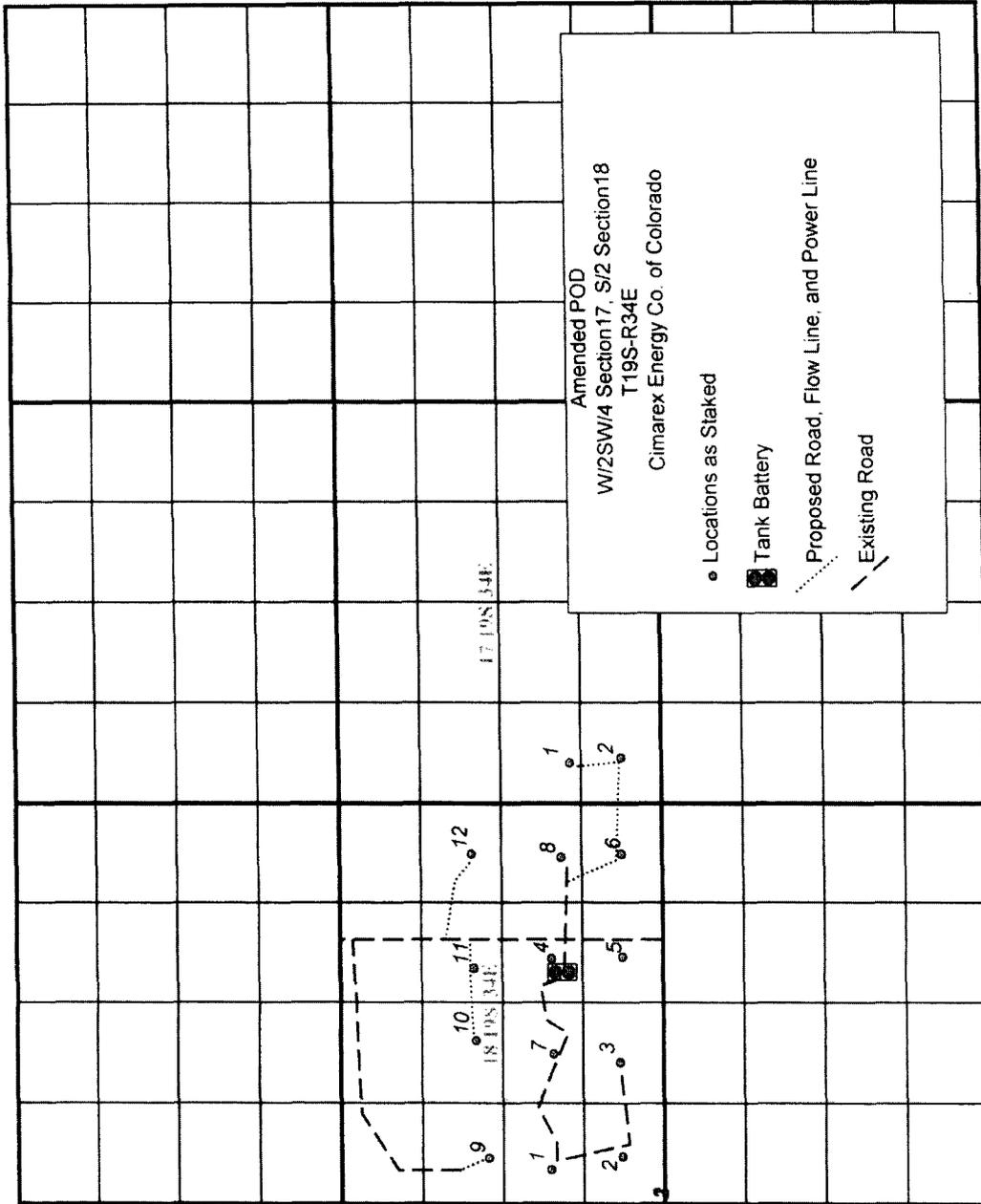
Drawn By: J. M. SMALL

Date: 11-10-2006

Disk: JMS 17375W

Survey Date: 11-09-2006

Sheet 1 of 1 Sheets



Amended POD
 W/2SW/4 Section 17, S/2 Section 18
 T19S-R34E
 Cimarex Energy Co. of Colorado

- Locations as Staked
- Tank Battery
- - - Proposed Road, Flow Line, and Power Line
- Existing Road

17 19S 34E

18 19S 34E

12

10

11

1

8

4

7

1

2

6

5

3

2

3