

06 June 07 DATE IN	6/6/07 SUSPENSE	D. Catanach ENGINEER	07 June 07 LOGGED IN	NSL TYPE	PLCP0715836162 APP NO.
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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



5640

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 _____

RECEIVED

JUN 06 2007

Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505

[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

jamesbruc@aol.com
 e-mail Address

6/3/07
 Date

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

Und. Bone Spring

June 3, 2007

Via fax and U.S. Mail

Mark E. Fesmire
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>	Zafiro B 32 State Well No. 1
<u>Location:</u>	950 feet FSL & 660 feet FEL
<u>Well Unit:</u>	Lot 5 and E $\frac{1}{2}$ SE $\frac{1}{4}$ §6-18S-34E , Lea County, New Mexico 32

The well will be drilled to a depth sufficient to test the Bone Spring formation (EK-Bone Spring Pool). Under Order No. R-4981, the pool is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section. An APD for the well is attached as Exhibit A.

The location is unorthodox for geologic and topographic reasons. Although pool rules allow more than one well per well unit, the geology appears to be more favorable in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ than in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, and thus applicant desires to drill the first well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$.

Applicant desired to place the well 660 feet FSL and 660 feet FEL. However, due to pipelines, electric lines, existing wells, and roads in the area, the nearest location available was to the north of an orthodox location. See Exhibit A

The E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 32 is subject to State Lease K-4922-2 (see Exhibit B), which has common ownership in the Bone Spring formation. In addition, the unorthodox location is internal to the well unit. 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

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

Form C-101
 Permit 48969

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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

1. Operator Name and Address CIMAREX ENERGY CO. OF COLORADO 5215 N. O'CONNOR BLVD. IRVING, TX 75039		2. OGRID Number 162683
		3. API Number
4. Property Code	5. Property Name ZAFIRO B 32 STATE	6. Well No. 001

7. Surface Location

UL - Lot P	Section 32	Township 18S	Range 34E	Lot Idn P	Feet From 950	N/S Line S	Feet From 660	E/W Line E	County LEA
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8. Pool Information

E-K;BONE SPRING	21650
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3901
14. Multiple N	15. Proposed Depth	16. Formation Bone Spring	17. Contractor	18. Spud Date 5/15/2007
Depth to Ground water 101	Distance from nearest fresh water well		Distance to nearest surface water	
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	500	420	0
Intl	11	8.625	32	3500	730	0
Prod	7.875	5.5	17	10300	740	3000

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION		
	Approved By:		
	Printed Name: Electronically filed by Zeno Farris	Title:	
	Title: Manager Operations Administration	Approved Date:	Expiration Date:
	Email Address: zfarris@magnumhunter.com		
Date: 3/16/2007	Phone: 972-443-6489	Conditions of Approval Attached	

EXHIBIT **A**

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1801 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1060 Edo Branson Rd., Artesia, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 8 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name E-K; Bone Spring
Property Code	Property Name ZAFIRO "B32" STATE	Well Number 1
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3901'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	18 S	34 E		950	SOUTH	660	EAST	LEA

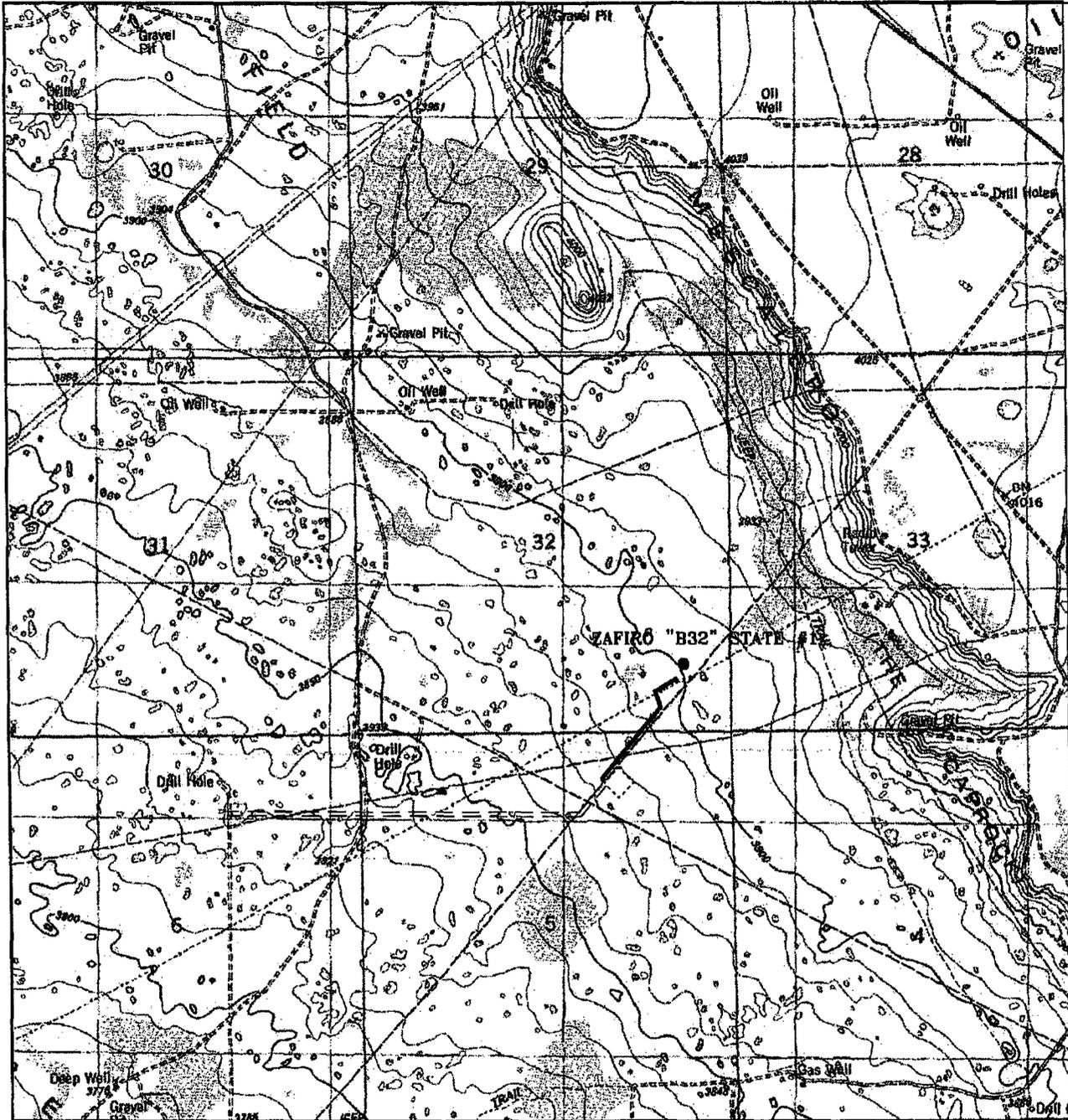
Bottom Hole Location If Different From Surface

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

Dedicated Acres 80	Joint or Infill N	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

<div style="position: relative; width: 100%; height: 100%;"> <div style="position: absolute; top: 10%; left: 10%; border: 1px solid black; padding: 5px;"> <p>Zafiro B 32 St #1</p> <p>Lot - N32°41'58.4" Long - W103°34'33.6" NMSPC E 619060.325 E 774307.144 (NAD-83)</p> </div> </div>	<p>OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>Zeno Farris 05-08-07 Signature Date</p> <p>Zeno Farris Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>FEBRUARY 05 2007 Date Surveyed</p> <p>Gary L. Jones Signature Professional Surveyor</p> <p>W. P. ... Certificate No. Gary L. Jones 7977</p> <p style="text-align: center;">BASIN SURVEYS</p>



ZAFIRO "B32" STATE #1
 Located 950' FSL and 660' FEL
 Section 32, Township 18 South, Range 34 East,
 N.M.P.M., Lea 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
 basin-surveys.com

W.O. Number: JMS 17722T

Survey Date: 02-05-2006

Scale: 1" = 2000'

Date: 02-06-2006

CIMAREX
ENERGY CO.
OF COLORADO

SECTION 32, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

150' NORTH
OFF SET
3902.6'



CIMAREX ENERGY CO. OF COLORADO
ZAFIRO "B32" STATE #1

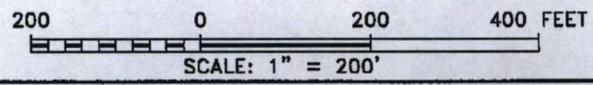
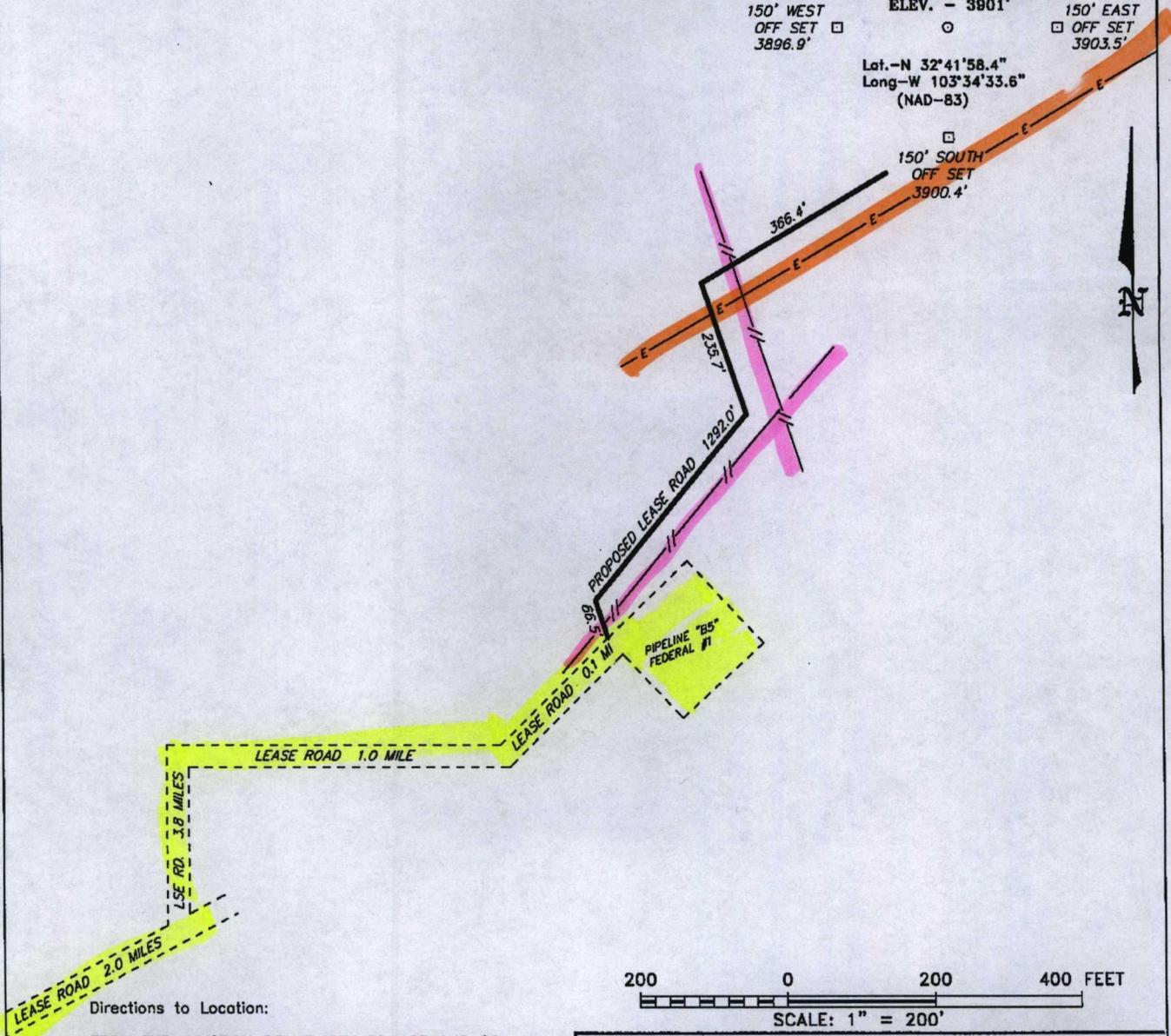
150' WEST
OFF SET
3896.9'

ELEV. - 3901'

150' EAST
OFF SET
3903.5'

Lat. -N 32°41'58.4"
Long. -W 103°34'33.6"
(NAD-83)

150' SOUTH
OFF SET
3900.4'



Directions to Location:

FROM THE JUNCTION OF US HWY 62-180 AND CO. RD. H-55 (SMITH RANCH ROAD), PROCEED NORTH ON CO. RD. H-55 FOR 2.0 MILES TO LEASE ROAD, ON LEASE ROAD GO 2.0 MILES EAST TO LEASE ROAD, GO NORTH 3.8 MILES TO LEASE ROAD, THENCE 1.0 MILES EAST ON LEASE ROAD; THENCE NORTH 0.1 MILES TO PIPELINE DEEP "5" #1 LOCATION AND PROPOSED LEASE ROAD.

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

W.O. Number: 17722 Drawn By: J. M. SMALL
Date: 02-06-2007 Disk: JMS 17722W

CIMAREX ENERGY CO. OF COLORADO

REF: ZAFIRO "B32" STATE #1 / WELL PAD TOPO

THE ZAFIRO "B32" STATE No. 1 LOCATED 950' FROM THE SOUTH LINE AND 660' FROM THE EAST LINE OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-05-2007 Sheet 1 of 1 Sheets

6 Records found.

Lease Number:

K0-4922-0002

Company name: MAGNUM HUNTER PRODUCTION, INC.
 Company ID: 149315
 Assigned from: K0-4922-0001
 Total acres: 240.00
 Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
 Issue date: 4/20/1965
 Termination date: Active
 Termination reason: N/A
 Current term: Extended Primary Term

Billing information:

Bill to: MAGNUM HUNTER PRODUCTION, INC.
 Rent per acre: 2.00
 Billing frequency: Annual
 Minimum annual rent: 480.00
 Last bill date: 3/22/2007
 Next bill date: 4/20/2008
 Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
32	18S	34E	A			40.00
			B			40.00
			E			40.00
			I			40.00
			J			40.00
			P			40.00

EXHIBIT **B**