



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 01, 2007

James Bruce
Attorney at Law
P.O. Box 1056
Santa Fe, NM 87501

RE: **Grayburg Deep Unit Well No. 23**
330 feet FSL and 1310 feet FWL (Unit M) (Unorthodox)
SW/4SW/4 of Section 24, T-17 -S, R-29-E,
NMPM, Eddy County, New Mexico

Administrative Order NSL-5713

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS0727751514**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 4, 2007, on behalf of Cimarex Energy Company of Colorado ("Cimarex"); and
- (b) the Division's records pertinent to Cimarex's request.

Cimarex Energy Company of Colorado requests to drill its Grayburg Deep Unit Well No. 23 to form a standard 40-acre oil spacing and proration unit at an unorthodox Wolfcamp oil well location as referenced above in Section 24, Township 17 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico.

The SW/4SW/4 of Section 24 will be dedicated to this well. Cimarex intends to test the Wolfcamp formation. These pools are governed by the Division's Statewide Rules and Regulations which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the quarter-quarter section on which the well is located.

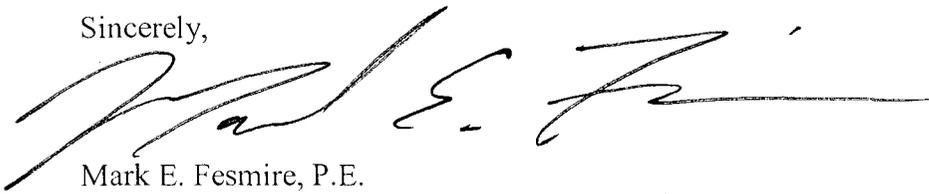
It is our understanding that the unorthodox location of this well is necessary because of topographical reasons, and the Bureau of Land Management (BLM), the surface owner, required the well to be moved to the proposed location

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 104. F. It is our understanding that the interest ownership in this acreage and the offsetting acreage in the Wolfcamp formation is identical, therefore no notice of this application is required.

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Wolfcamp oil pool location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division - Artesia
Bureau of Land Management (BLM)