

7/25/08 DATE IN	SUSPENSE	Brooks ENGINEER	7/25/08 LOGGED IN	NSL TYPE	PKU0820751952 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



Limarex Energy Co. of Colorado
Tail K 29 Fed # 2
5898

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

[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

Signature

James Bruce

Attorney for Applicant
Title

Date

7/25/08

jamesbruc@aol.com
e-mail Address

2008 JUL 25 PM 2 04

RECEIVED

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

July 25, 2008

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 gas well location for the following well:

<u>Well:</u>	Tank 29 Fed. Well No. 2	30-015-35690
<u>Surface Location:</u>	660 feet FNL & 2480 feet FEL (this is also the penetration point in the Wolfcamp)	
<u>Bottom Hole Location:</u>	660 feet FNL and 660 feet FWL	
<u>Well Unit:</u>	N½ §29-25S-26E, Eddy County, New Mexico	

The well will be drilled as a horizontal well to test the Wolfcamp formation (wildcat Wolfcamp). The nearest Wolfcamp pools are gas pools (the White City-Wolfcamp Gas Pool and Sage Draw-Wolfcamp Gas Pool). Therefore, the well is spaced on 320 acres, with 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. A Form C-102 is attached as Exhibit A.

The original surface location was 1980 feet from the east line. However, the surface drops off significantly in the NE¼ of Section 29, and the Bureau of Land Management ("BLM") requested that the surface location be moved to the proposed location.

Attached as Exhibit B is a serial register page from the BLM's lease records. The N½ of Section 29 is subject to Federal Lease NM 101097, which has common ownership. Therefore, the unorthodox location is internal to the well unit, and 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 Co. of Colorado

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Hto Brazos Rd., Aztec, 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 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35690	Pool Code	Pool Name Wolfcamp Wildcat
Property Code	Property Name TANK "29" FEDERAL	Well Number 2
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3440'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	29	25 S	26 E		660	NORTH	2480	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
D	29	25 S	26 E		660	NORTH	660	WEST	EDDY

Dedicated Acres 320	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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Zeno Farris 07-24-08 Signature Date</p> <p>Zeno Farris Printed Name</p>
	<p>BOTTOM HOLE LOCATION Lat - N32°06'23.04" Long - W104°19'17.15" NMSPC E - N 402444.958 E 545023.113 (NAD-83)</p>
<p>EXHIBIT A</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>MAY 03, 2007</p> <p>Date Surveyed</p> <p>Signature & Seal of Gary L. Jones Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p style="text-align: center;">BASIN SURVEYS</p>	

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 07/24/08 02:29 PM

Page 1 of 1

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
2,438.380

Serial Number
NMNM-- - 101097

Serial Number: NMNM-- - 101097

Name & Address

Int Rel % Interest

CIMAREX ENERGY CO	508 W WALL ST #600	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
EOG RESOURCES INC	PO BOX 4362	HOUSTON TX 772104362	LESSEE	100.000000000

Serial Number: NMNM-- - 101097

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0250S 0260E 019	ALIQ	NENE,S2NE,SE,SW,SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 019	LOT:	2,3,4;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 029	ALL	ENTIRE SECTION	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 030	ALIQ	E2,E2W2;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 030	LOT:	1,2,3,4;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 031	ALIQ	E2,E2W2;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 031	LOT:	1,2,3,4;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 101097

Act Date	Code	Action	Action Remarks	Pending Office
07/21/1998	387	CASE ESTABLISHED	9807085	
07/22/1998	191	SALE HELD		
07/22/1998	267	BID RECEIVED	\$170730.00;	
07/22/1998	392	MONIES RECEIVED	\$170730.00;	
08/20/1998	237	LEASE ISSUED		
08/20/1998	974	AUTOMATED RECORD VERIF	LBO	
09/01/1998	496	FUND CODE	05;145003	
09/01/1998	530	RLTY RATE - 12 1/2%		
09/01/1998	868	EFFECTIVE DATE		
09/10/1998	084	RENTAL RECEIVED BY MMS	\$3658.50;11/MULTIPLE	
02/26/1999	963	CASE MICROFILMED		
07/23/1999	084	RENTAL RECEIVED BY MMS	\$3,658.50;21/00000000	
11/23/1999	140	ASGN FILED	J BAR CANE/EOG RES	
12/13/1999	139	ASGN APPROVED	EFF 12/01/99;	
12/13/1999	974	AUTOMATED RECORD VERIF	LR	
08/07/2000	084	RENTAL RECEIVED BY MMS	\$3659;21/535	
08/06/2001	084	RENTAL RECEIVED BY MMS	\$3659;21/568	
03/05/2007	932	TRF OPER RGTS FILED	EOG RESOU/CIMAREX E;1	
06/28/2007	933	TRF OPER RGTS APPROVED	EFF 04/01/07;	
06/28/2007	974	AUTOMATED RECORD VERIF	MV	
08/31/2008	763	EXPIRES		

Serial Number: NMNM-- - 101097

Line Nr	Remarks
0002	-
0003	06/28/07 PER MMS RENTAL PD FOR 98-06, DUE 09/07

NO WARRANTY IS MADE BY BLM
 FOR USE OF THE DATA FOR
 PURPOSES NOT INTENDED BY BLM

EXHIBIT **B**