

12-9-08 DATE IN	SUSPENSE	D. Brooks ENGINEER	12-10-08 LOGGED IN	NSL TYPE	DKAA0834534611 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



RECEIVED
Marguardt Fed. #9
AP: 12-025-
36655
Cimarex Energy Co.

ADMINISTRATIVE APPLICATION CHECKLIST

5979

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

Attorney for Applicant

Title

Date

jamesbruc@aol.com
e-mail Address

12/9/08

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

December 9, 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 oil well location for the following well:

<u>Well:</u>	Marquardt Fed. Well No. 9
<u>Surface location:</u>	2630 feet FSL & 660 feet FWL
<u>Penetration of target zone:</u>	2540 feet FSL & 660 feet FWL
<u>Terminus:</u>	330 feet FSL & 660 feet FWL
<u>Well Unit (project area):</u>	W $\frac{1}{2}$ SW $\frac{1}{4}$ §12-25S-26E, Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Delaware formation (Undesignated Cottonwood Draw-Delaware 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. A Form C-102 is attached as Exhibit A.

The location is due to topographic reasons. The well was originally staked 2310 feet FSL and 660 feet FWL, but that location is on a hill (Exhibit B), and the BLM requested that the well be moved north or south. (The surface and minerals are federal land, and the BLM mandates surface locations to minimize surface disturbance.) Moving the well to the south would minimize the length of the horizontal wellbore, so applicant desires to move the well to the north of the original location.

All of Section 12 is covered by Federal Lease NM 14124 (Exhibits C and D), which has common royalty (federal) and working interest (Chevron U.S.A. Inc.) ownership. (There are no

overriding royalties.) However, under the farmout agreement Chevron's ownership could differ between the SW $\frac{1}{4}$ and NW $\frac{1}{4}$ of Section 12. Therefore, Chevron has been notified of the application. Exhibit E.

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
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
1331 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1930 S. St. Francis Dr., Santa Fe, NM 87505

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 30-015-36655	Pool Code 57845 96697	Well Name SW Sulfate Cottonwood Draw, Delaware Wildcat
Property Code	Property Name MARQUARDT FEDERAL	Well Number 9
OGHD No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3321'

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	12	25 S	26 E		2640	SOUTH	660	WEST	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
M	12	25 S	26 E		330	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			NSL Pending

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

EXHIBIT

A

OPERATOR CERTIFICATION

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.

Zen **09-10-08**
Signature Date

rris

NOTATION

As shown on field notes of me or under my supervision, the same is true and correct of my belief.

APRIL 21 2008

Date Surveyed
Signature & Seal of Professional Surveyor

W.O. Jones

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

Note - Federal lease number on this plat is wrong.

SURFACE LOCATION
Lot - N32°08'40.22"
Long - W104°15'10.90"
NMSPC - N 416316.0
E 566192.0
(NAD-83)

P.P. Delaware Mtn. Grp. 2640 FSL & 660 FWL
P.P. Cherry Canyon Target 2540 FSL & 660 FWL

BOTTOM HOLE LOCATION
Lot - N32°08'17.37"
Long - W104°15'10.51"
NMSPC - N 414006.800
E 566227.720
(NAD-83)

BHL 330 FSL & 660 FWL

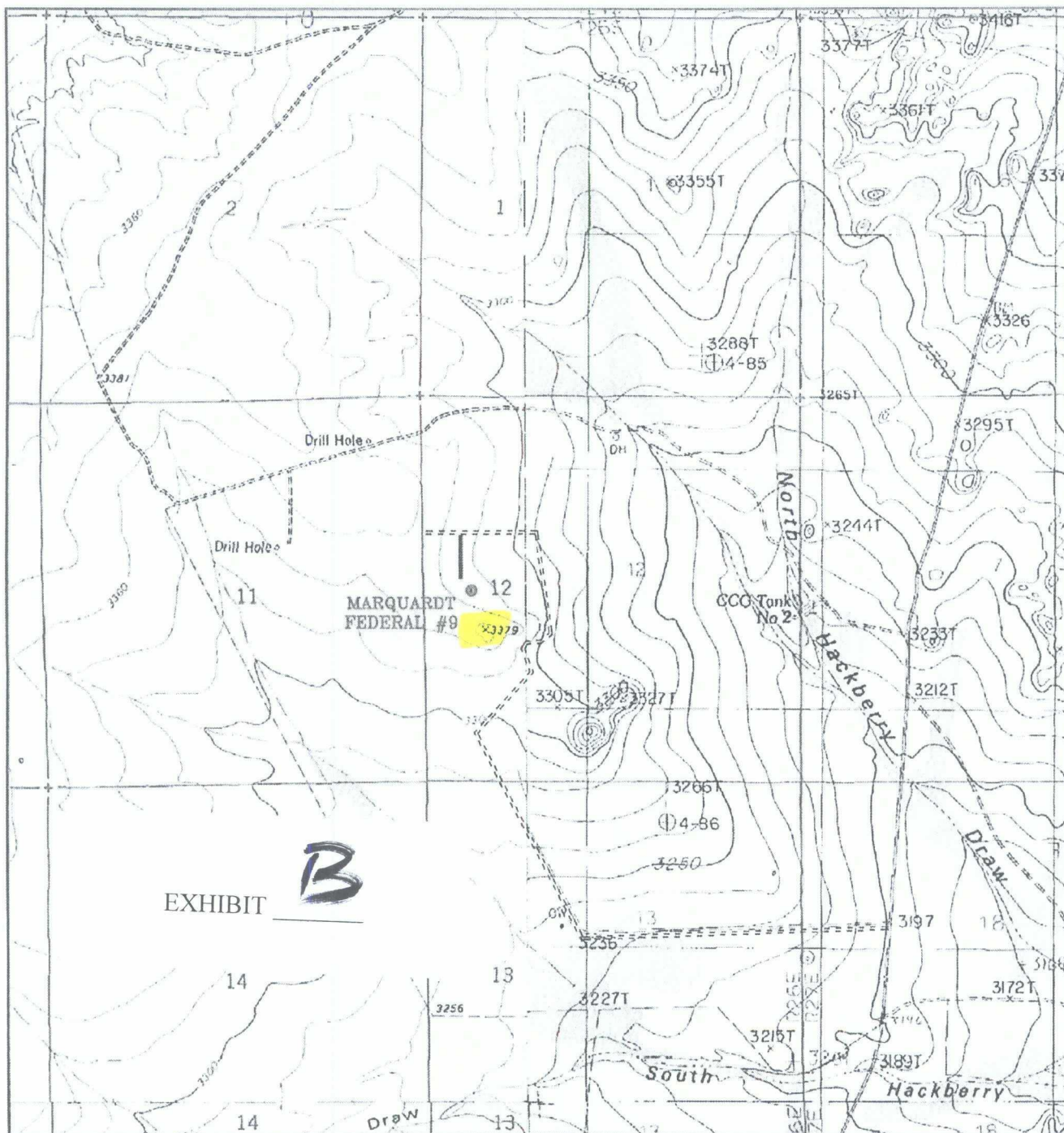


EXHIBIT **B**

MARQUARDT FEDERAL #9

Located 2640' FSL and 660' FWL

Section 12, Township 25 South, Range 26 East,
N.M.P.M., Eddy 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
basinsurveys.com

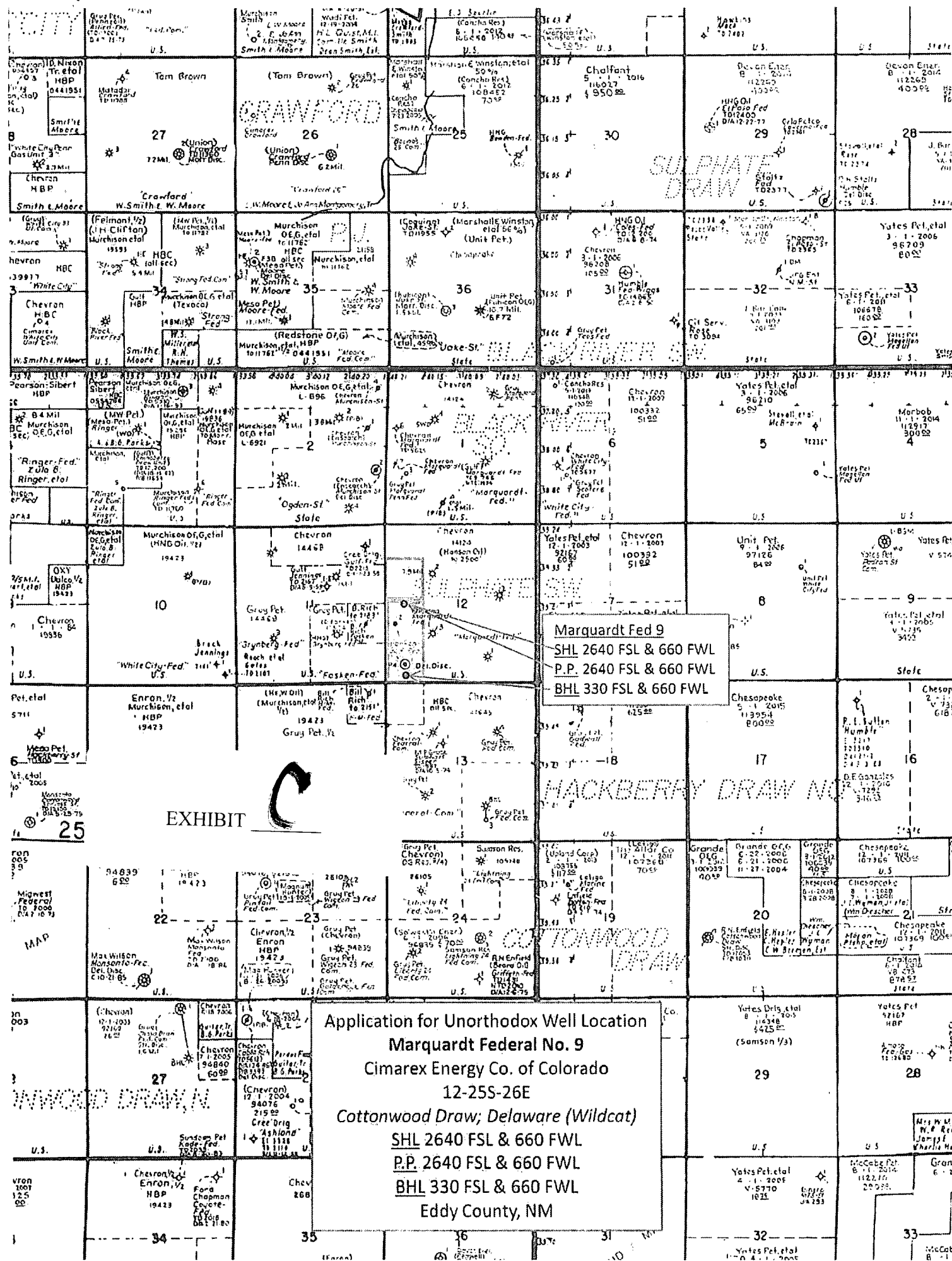
W.O. Number: JMS 19466T

Survey Date: 04-21-2008

Scale: 1" = 2000'

Date: 04-22-2008

CIMAREX
ENERGY CO.
OF COLORADO



Application for Unorthodox Well Location
Marquardt Federal No. 9
Cimarex Energy Co. of Colorado
12-25S-26E
Cottonwood Draw; Delaware (Wildcat)
SHL 2640 FSL & 660 FWL
P.P. 2640 FSL & 660 FWL
BHL 330 FSL & 660 FWL
Eddy County, NM

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

RunDate/Time: 12/08/08 03:36 PM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,280.480

Serial Number
NMNM-- - 014124

Name & Address

Serial Number: NMNM-- - 014124

Int Rel % Interest

CHEVRON USA INC	PO BOX 1635	HOUSTON TX 77251	LESSEE	100.000000000
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Serial Number: NMNM-- - 014124

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0250S	0260E	001	FF		LOTS 1-4,S2N2,S2;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S	0260E	012	ALIQ		ALL;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 014124
 Pending Office

Act Date	Code	Action	Action Remarks
06/27/1971	387	CASE ESTABLISHED	SPAR61;
06/28/1971	888	DRAWING HELD	
08/12/1971	299	PROTEST FILED	
08/18/1971	298	PROTEST DISMISSED	
09/15/1971	120	APPEAL FILED	
09/21/1971	042	CASE SENT TO	IBLA;
01/05/1972	149	CASE RECEIVED FROM	IBLA;
01/05/1972	298	PROTEST DISMISSED	
05/12/1972	237	LEASE ISSUED	
06/01/1972	530	RLTY RATE - 12 1/2%	
06/01/1972	868	EFFECTIVE DATE	
06/01/1972	909	BOND ACCEPTED	EFF 01/22/77;ES0022
02/17/1975	500	GEOGRAPHIC NAME	UNDEFINED FLD;
02/17/1975	510	KMA CLASSIFIED	
03/18/1976	315	RENTAL RATE DET/ADJ	\$2.00;
07/11/1976	512	KMA EXPANDED	
07/11/1976	650	HELD BY PROD - ACTUAL	
08/31/1976	102	NOTICE SENT-PROD STATUS	
10/14/1976	512	KMA EXPANDED	
03/21/1979	512	KMA EXPANDED	
03/11/1980	512	KMA EXPANDED	
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA
09/21/1987	974	AUTOMATED RECORD VERIF	MLM/CB
10/03/1988	963	CASE MICROFILMED	CNUM 101,501
02/17/1995	575	APD FILED	CHEVRON USA INC
05/18/1995	575	APD FILED	1)CHEVRON USA INC
05/18/1995	575	APD FILED	2)CHEVRON USA INC
05/18/1995	575	APD FILED	3)CHEVRON USA INC
06/19/1995	576	APD APPROVED	1)6-MARQUARDT FEDERAL
06/20/1995	576	APD APPROVED	2)7-MARQUARDT FEDERAL
06/20/1995	576	APD APPROVED	3)8-MARQUARDT FEDERAL

EXHIBIT



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

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

RunDate/Time: 12/08/08 03:36 PM

Page 2 of 2

01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,280.480

Serial Number
NMNM-- - 014124

07/07/1995	575	APD FILED	4)CHEVRON USA INC	
07/07/1995	575	APD FILED	5)CHEVRON USA INC	
07/07/1995	575	APD FILED	6)CHEVRON USA INC	
07/07/1995	575	APD FILED	7)CHEVRON USA INC	
07/07/1995	575	APD FILED	8)CHEVRON USA INC	
08/15/1995	576	APD APPROVED	10-MARQUARDT FED	
08/15/1995	576	APD APPROVED	17-MARQUARDT FED	
08/15/1995	576	APD APPROVED	19-MARQUARDT FED	
08/15/1995	576	APD APPROVED	20-MARQUARDT FED	
08/15/1995	576	APD APPROVED	9-MARQUARDT FED	
11/21/2008	932	TRF OPER RGTS FILED	CHEVRON U/CIMAREX E;1	FLUIDS TEAM

Line Nr	Remarks	Serial Number:	NMNM-- - 014124
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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

December 9, 2008

Certified Mail – Return Receipt Requested

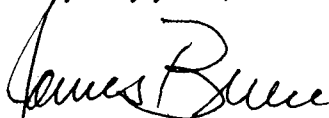
Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705

Attention: P.A. Caldwell

Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 12, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT 