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NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Hydrus 10 Fed. #8
 Cimarex Energy Co
 11221683

ADMINISTRATIVE APPLICATION CHECKLIST

5985

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

James Bruce

 Signature

Attorney for Applicant

 Title

1/7/09

 Date

jamesbruc@aol.com

 e-mail Address

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

January 7, 2009

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>	Hydrus 10 Fed. Well No. 8
<u>Location:</u>	1175 feet FSL & 1650 feet FEL
<u>Well Unit:</u>	SW¼SE¼ §10-17S-30E, Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Glorieta-Yeso formation (Loco Hills Glorieta-Yeso Pool). The pool is developed 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 for the well is attached as Exhibit A.

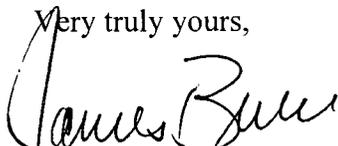
The unorthodox location is due to engineering and topographic reasons. The Glorieta-Yeso formation is typically developed with 2-4 wells per well unit, spaced to minimize drainage interference between wells. The well unit will have at least 2 wells, as in the adjoining well unit. Exhibit A. The proposed well was originally located 990 feet FSL and 1650 feet FEL, but that would have placed the well on a pipeline. Exhibit B. Moving the well to the south would place it only a few hundred feet from the existing Hydrus 10 Fed. Well No. 1, in the southeast portion of the well unit, which would adversely affect drainage and recovery. Moving the well to the proposed location results in a better drainage pattern. The well cannot be moved to the western portion of the well unit due to a large playa, and the BLM (the surface owner) will not allow a surface location in that part of the quarter-quarter section. Exhibit C.

Applicant cannot drill directionally to an orthodox bottom hole location due to current pricing and economics.

The SE¼ of Section 10 is covered by Federal Lease NM 074937 (Exhibits D and E), which has common interest ownership in the Glorieta-Yeso formation. Therefore, there is no adversely affected interest owner, and notice of this application is not required.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in black ink that reads "James Bruce". The signature is written in a cursive style with a large initial "J" and "B".

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 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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015- 3653 ³⁶⁵⁴⁶	Pool Code 96718	Pool Name Loco Hills; Glorieta-Yeso
Property Code 37059	Property Name HYDRUS "10" FEDERAL	Well Number 8
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3713'

Surface Location

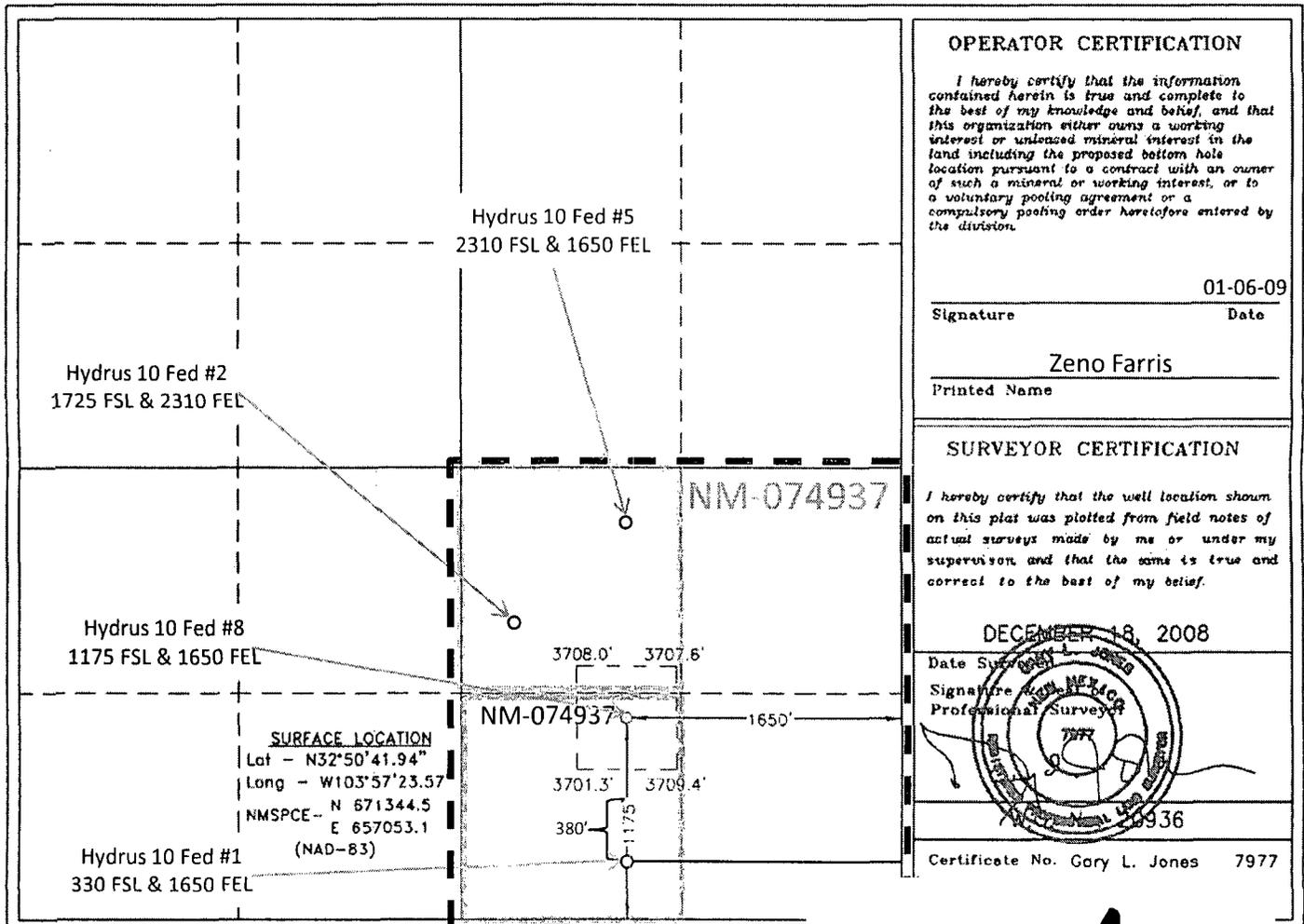
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	17 S	30 E		1175	SOUTH	1650	EAST	EDDY

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

Dedicated Acres 40	Joint or Infill Y	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



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.

01-06-09

Signature _____ Date _____

Zeno Farris

Printed Name

SURVEYOR CERTIFICATION

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.

DECEMBER 18, 2008

Date Surveyed _____
Signature _____
Professional Surveyor # _____

Certificate No. Gary L. Jones 7977

EXHIBIT **A**

SECTION 10, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

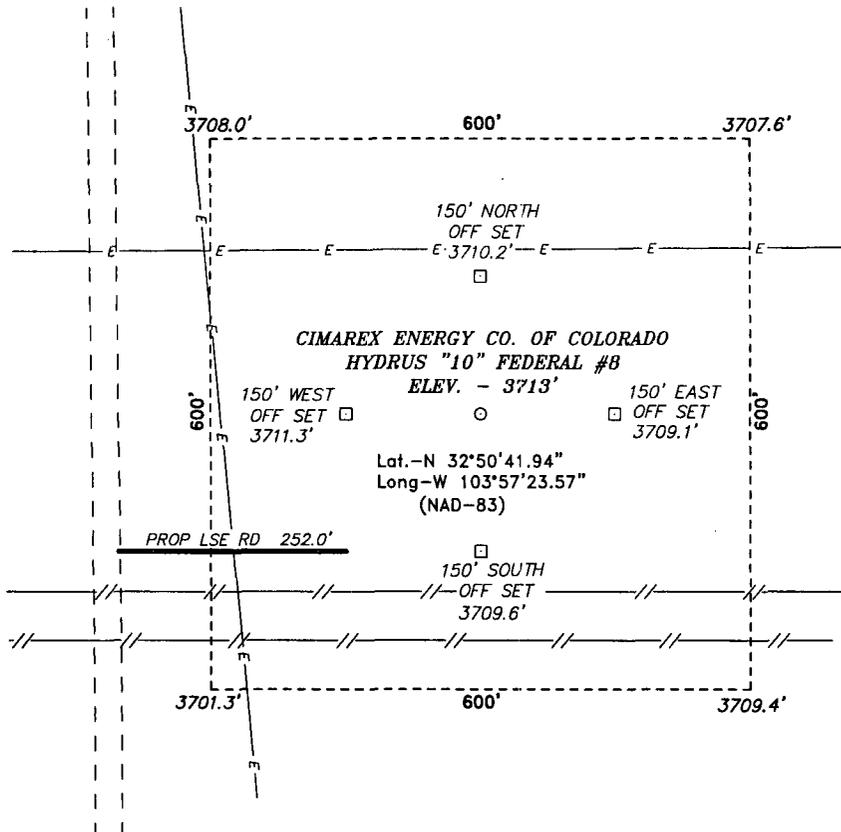
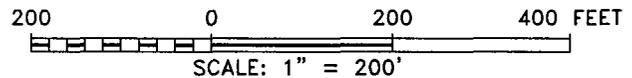


EXHIBIT **B**



Directions to Location:

FROM LOCO HILLS, GO NORTH ON CO. RD. 217 FOR 2.0 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST FOR 1.2 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTH 0.1 MILES TO PROPOSED LEASE ROAD.

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

CIMAREX ENERGY CO. OF COLORADO

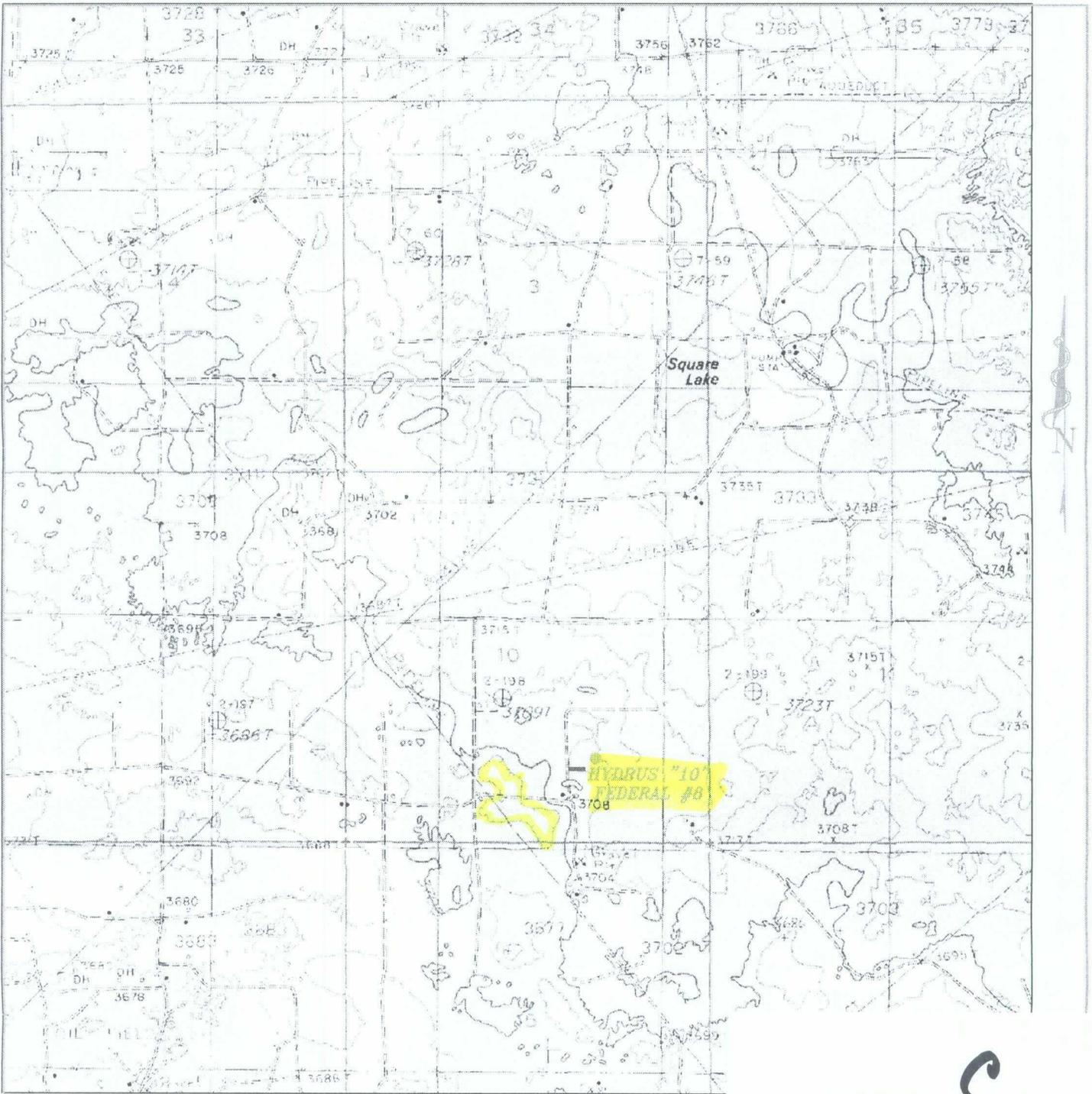
REF: HYDRUS "10" FEDERAL #8 / WELL PAD TOPO

THE HYDRUS "10" FEDERAL #8 LOCATED 1175'
 FROM THE SOUTH LINE AND 1650' FROM THE EAST LINE OF
 SECTION 10, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 20936 Drawn By: J. SMALL

Date: 12-19-2008 Disk: JMS 20936

Survey Date: 12-18-2008 Sheet 1 of 1 Sheets



HYDRUS "10" FEDERAL #8
 Located 1175' FSL and 1650' FEL
 Section 10, Township 17 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

EXHIBIT 

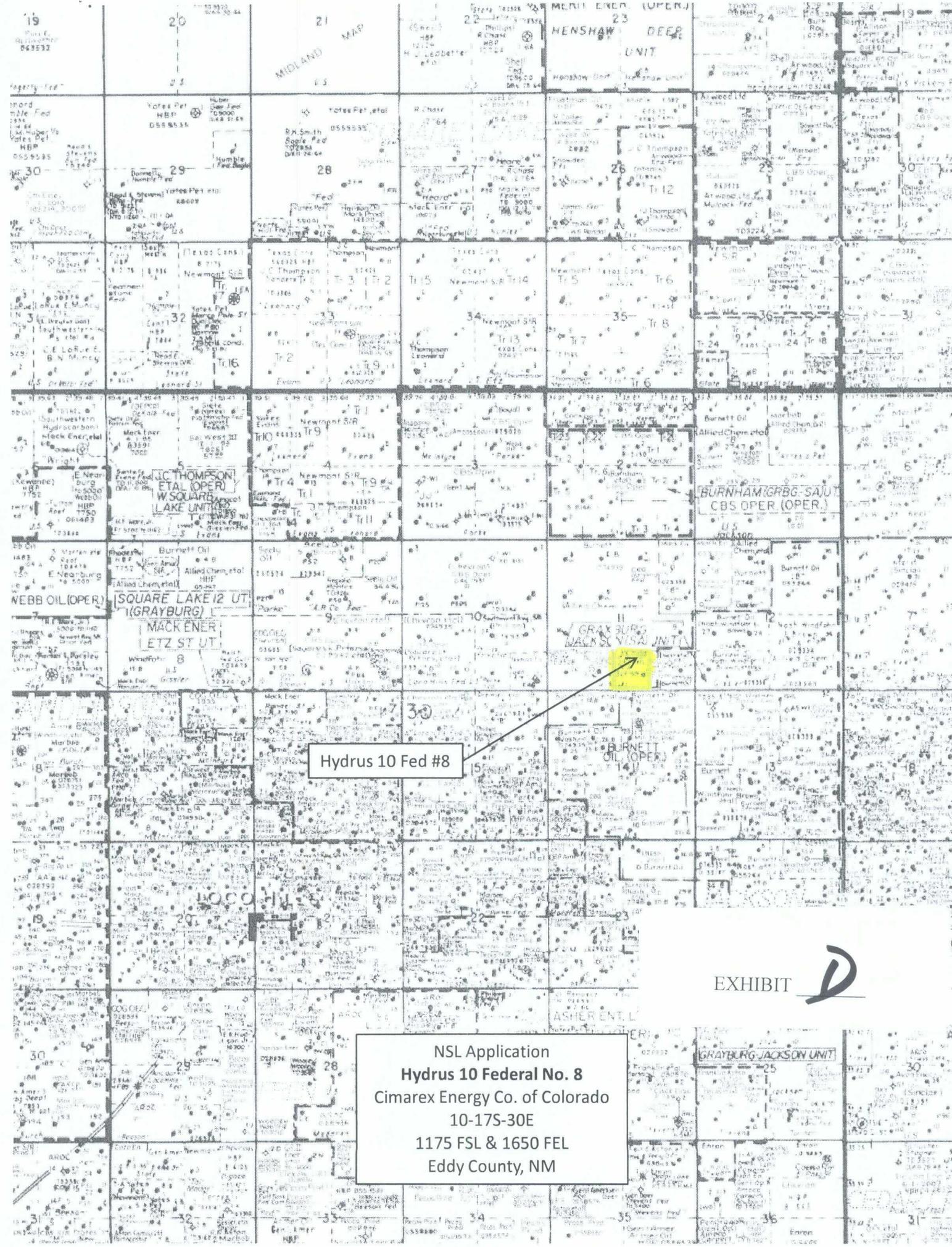


P.O. Box 1788
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 593-7316 - Office
 (575) 592-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 20936
 Survey Date: 12-18-2008
 Scale: 1" = 2000'
 Date: 12-19-2008

CIMAREX
ENERGY CO.
OF COLORADO

Focused on excellence in the oilfield



Hydrus 10 Fed #8

NSL Application
 Hydrus 10 Federal No. 8
 Cimarex Energy Co. of Colorado
 10-17S-30E
 1175 FSL & 1650 FEL
 Eddy County, NM

EXHIBIT **D**

GRAYBURG JACKSON UNIT

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

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Page 1 of 3

01 02-25-1920;041STAT0437;30USC226
Case Type 310771: O&G EXCHANGE LEASE - PD
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
320.000

Serial Number
NMNM-- 0 074937

Serial Number: NMNM-- 0 074937

Name & Address

Int Rel % Interest

Name & Address	Int Rel	% Interest
CBS PTNRS LTD PO BOX 2236 MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
CHASE OIL CORP PO BOX 1767 ARTESIA NM 882111767	OPERATING RIGHTS	0.000000000
CONOCOPHILLIPS CO PO BOX 7500 BARTLESVILLE OK 74005	LESSEE	100.000000000
DORAL ENERGY CORP 111 N CEPULVEDA BLVD #250 MANHATTAN BEACH CA 90266	OPERATING RIGHTS	0.000000000
SOUTHWEST ROYALTIES INC #6 DESTA DR #2100 MIDLAND TX 79705	OPERATING RIGHTS	0.000000000
SQUARE LAKE PTRNS BOX 3531 MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
XERIC OIL & GAS CORP PO BOX 352 MIDLAND TX 797020352	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- 0 074937

Mer Twp Rng Sec	S Typ	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0170S 0300E 003	ALIQ	SE;		CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0170S 0300E 010	ALIQ	SE;		CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 074937
 Pending Office

Act Date	Code	Action	Action Remarks
09/30/1942	387	CASE ESTABLISHED	
10/01/1942	496	FUND CODE	05;145003
10/01/1942	533	RLTY STEP 12.5-32%	/A/
10/01/1942	868	EFFECTIVE DATE	
03/05/1959	209	CASE CREATED BY SEGR	OUT OF NMLC060524;
03/06/1959	650	HELD BY PROD - ACTUAL	
03/06/1959	658	MEMO OF 1ST PROD-ACTUAL	
04/21/1960	102	NOTICE SENT-PROD STATUS	
10/06/1976	396	TRF OF INTEREST FILED	100%/WELLER/WELLER
01/26/1984	817	MERGER RECOGNIZED	GEN AMER/PHILLIPS OIL
08/05/1985	932	TRF OPER RGTS FILED	PHILLIPS OIL/PETRO
09/16/1985	817	MERGER RECOGNIZED	PHILLIPS OIL/PETRO
07/03/1986	932	TRF OPER RGTS FILED	
09/23/1986	933	TRF OPER RGTS APPROVED	EFF 08/01/86;
09/23/1986	933	TRF OPER RGTS APPROVED	EFF 09/01/85;
01/04/1988	963	CASE MICROFILMED	CNUM 102,068
03/29/1988	974	AUTOMATED RECORD VERIF	GEA/JR
04/01/1988	909	BOND ACCEPTED	EFF 04/01/88;ES0128
06/05/1989	932	TRF OPER RGTS FILED	HAMMOND/HAMMOND TRST
07/24/1989	933	TRF OPER RGTS APPROVED	EFF 07/01/89;
07/24/1989	974	AUTOMATED RECORD VERIF	MCS/MT
08/27/1990	932	TRF OPER RGTS FILED	PHILLIPS/SW RLTY
09/27/1990	933	TRF OPER RGTS APPROVED	EFF 09/01/90;
09/27/1990	974	AUTOMATED RECORD VERIF	GLC/MT
11/07/1991	909	BOND ACCEPTED	EFF 10/28/91;NM1936
07/07/1992	974	AUTOMATED RECORD VERIF	LO/MV
01/01/1993	621	RLTY RED-STRIPPER WELL	2.9%;/2/

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

EXHIBIT

E

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01 02-25-1920;041STAT0437;30USC226

**Total Acres
320.000**

**Serial Number
NMNM-- 0 074937**

Case Type 310771: O&G EXCHANGE LEASE - PD

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

01/01/1993	621	RLTY RED-STRIPPER WELL	3.7%;/1/	
03/29/1993	625	RLTY REDUCTION APPV	/2/	
04/05/1993	625	RLTY REDUCTION APPV	/1/	
04/07/1993	909	BOND ACCEPTED	EFF 04/05/93;NM2151	
05/19/1993	974	AUTOMATED RECORD VERIF		JS
12/30/1993	932	TRF OPER RGTS FILED	CRI INC/CHASE OIL	
01/20/1994	933	TRF OPER RGTS APPROVED	EFF 01/01/94;	
01/20/1994	974	AUTOMATED RECORD VERIF		VHG
01/27/1994	974	AUTOMATED RECORD VERIF		VHG
02/07/1994	974	AUTOMATED RECORD VERIF		KRP
10/23/1995	932	TRF OPER RGTS FILED	ANADARKO/XERIC O&G	
12/13/1995	933	TRF OPER RGTS APPROVED	EFF 11/01/95;	
12/13/1995	974	AUTOMATED RECORD VERIF	ANN	
09/23/1996	899	TRF OF ORR FILED		
08/21/1997	932	TRF OPER RGTS FILED	XERIC/SQUARE LAKE	
09/05/1997	933	TRF OPER RGTS APPROVED	EFF 09/01/97;	
09/05/1997	974	AUTOMATED RECORD VERIF	ANN	
09/14/1998	084	RENTAL RECEIVED BY MMS	\$320.00;21/0000000063	
08/23/1999	084	RENTAL RECEIVED BY MMS	\$320.00;21/0000000076	
07/01/2000	621	RLTY RED-STRIPPER WELL	0.5%;	
09/28/2000	084	RENTAL RECEIVED BY MMS	\$320.00;21/93	
06/25/2001	625	RLTY REDUCTION APPV		
09/01/2001	621	RLTY RED-STRIPPER WELL	1.3%	
09/04/2001	084	RENTAL RECEIVED BY MMS	\$320.00;21/107	
10/04/2001	625	RLTY REDUCTION APPV		
11/01/2002	621	RLTY RED-STRIPPER WELL	1.3%;/1/	
11/18/2002	932	TRF OPER RGTS FILED	SQUARE LAKE/CBS	
01/16/2003	817	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS	
03/24/2003	932	TRF OPER RGTS FILED	WELLER ENE/CBS PTNRS	
04/24/2003	933	TRF OPER RGTS APPROVED	EFF 04/01/03;	
04/24/2003	974	AUTOMATED RECORD VERIF	JLV	
05/30/2003	933	TRF OPER RGTS APPROVED	EFF 12/01/02;	
05/30/2003	974	AUTOMATED RECORD VERIF	MV	
01/01/2004	621	RLTY RED-STRIPPER WELL	1.3%;/2/	
03/01/2005	621	RLTY RED-STRIPPER WELL	1.3%;/3/	
04/21/2005	625	RLTY REDUCTION APPV	/1/	
04/21/2005	625	RLTY REDUCTION APPV	/2/	
04/21/2005	625	RLTY REDUCTION APPV	/3/	
04/26/2005	974	AUTOMATED RECORD VERIF	BCO	
01/09/2006	932	TRF OPER RGTS FILED	CHASE OIL/HANSON WA;1	
02/16/2006	933	TRF OPER RGTS APPROVED	EFF 02/01/06;	
02/16/2006	974	AUTOMATED RECORD VERIF	ANN	
08/05/2008	932	TRF OPER RGTS FILED	WARREN ET/DORAL ENE;1	
09/30/2008	933	TRF OPER RGTS APPROVED	EFF 09/01/08;	
09/30/2008	974	AUTOMATED RECORD VERIF	MV	

Line Nr Remarks

Serial Number: NMNM-- 0 074937

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Serial Number
NMNM-- 0 074937

0002 /A/AC 533 RLTY RATE 12.5-33% EFF 10/1/1942 THRU
0003 THE PRESENT.
0004 BONDED OPERATOR
0005 09/30/08 DORAL BONDED TRANSFEREE NMB000546/SW