

DATE IN <u>12/28</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>12-28-09</u>	TYPE <u>NSL</u>	<u>PTGW</u> APP NO. <u>0936236474</u>
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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



*Cimarex*  
 215099  
 162683

**ADMINISTRATIVE APPLICATION CHECKLIST** *Mallory 34 Fed. Com 18*

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

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[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 Date

jamesbruce@aol.com  
 \_\_\_\_\_  
 e-mail Address

*12/21/09*

**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](mailto:jamesbruc@aol.com)

December 21, 2009

Hand delivered

David K. Brooks  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to Division Rule NMAC 19.15.15.13, Cimarex Energy Co. of Colorado applies for approval of an unorthodox oil well location for the following horizontal well:

<u>Well name:</u>	Mallon "34" Fed. Com. Well No. 18
<u>Surface location:</u>	640 feet FSL & 300 feet FWL (this is also the penetration point in the Bone Spring) <b>The beginning of the producing interval in the wellbore will be orthodox at 629 feet FSL &amp; 491 feet FWL</b>
<u>Bottom hole location:</u>	330 feet FSL & 330 feet FEL
<u>Well unit (project area):</u>	S½S½ of Section 34, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico

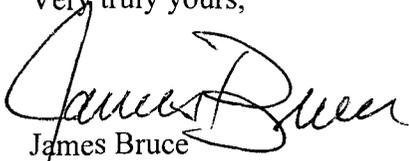
The well is in the South Quail Ridge-Bone Spring Pool, which is an oil pool. Under Oil Conservation Division regulations, wells in the pool are spaced on 40 acres, with wells to be no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**.

Applicant intended to place the well at an orthodox surface location, but due to topographic features the BLM required the well to be moved to the above location. Applicant did not move the well to the east because that would reduce the length of the productive wellbore.

The affected offset well unit (the SE¼SE¼ of Section 33) is operated by Read & Stevens, Inc. Notice of this application has not been sent to the offset interest operator. **Exhibit B**.

Please call me if you have any questions concerning this application.

Very truly yours,

A handwritten signature in black ink, appearing to read "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  
1685 N. French Dr., Santa Fe, NM 87505

DISTRICT II  
1801 W. Coast Avenue, Arroyo, NM 87013

DISTRICT III  
1650 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV  
1801 W. Coast Avenue, 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 Issues - 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	Pool Code <b>50461</b>	Pool Name <b>S Quail Ridge</b>	<b>BS</b>
Property Code	Property Name <b>MALLOM "34" FEDERAL COM</b>		Well Number <b>18</b>
ORDER No. <b>162683</b>	Operator Name <b>CIMAREX ENERGY CO. OF COLORADO</b>		Elevation <b>3665'</b>

Surface Location

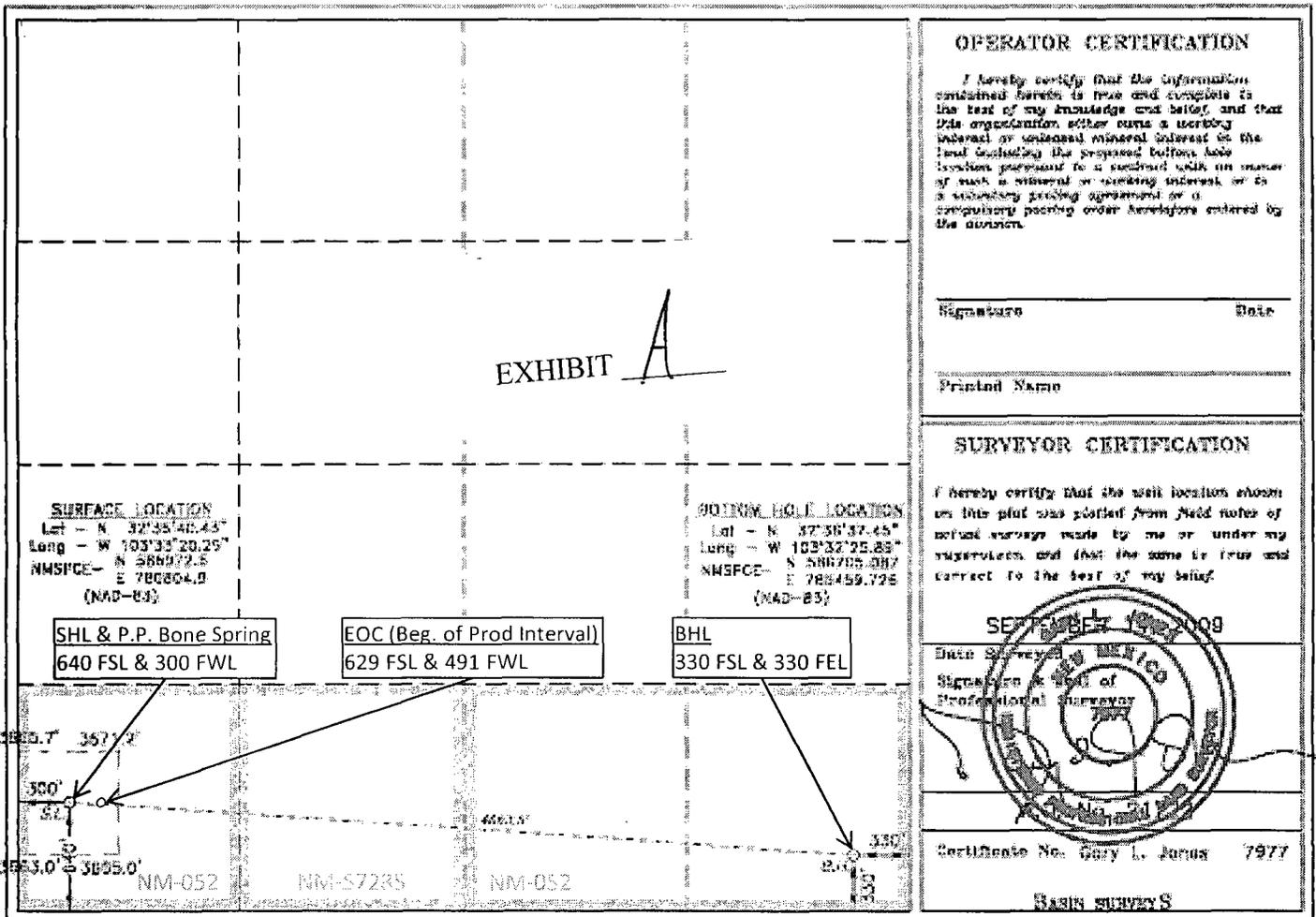
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
M	34	19 S	34 E		640	SOUTH	300	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
P	34	19 S	34 E		330	SOUTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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



**JAMES BRUCE**  
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[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

December 21, 2009

Certified Mail - Return Receipt Requested

Read & Stevens, Inc.  
P.O. Box 1518  
Roswell, New Mexico 88202

Attention: Robert Watson

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 S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 34, Township 19 South, Range 34 East, N.M.P.M., Lea 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 at a later date.

Very truly yours,

  
James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT B