



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jon Goldstein**  
Cabinet Secretary

**Jim Noel**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



May 24, 2010

Mr. James Bruce  
P.O. Box 1056  
Santa Fe, NM 87504

## Administrative Order NSL-5679-A

**Re: Cimarex Energy Company of Colorado  
Ozley 25 Federal Well No. 1  
API No. 30-015-34684  
330 feet FSL and 150 feet FEL  
Unit P, Section 25-24S-25E  
Eddy County, New Mexico**

Dear M:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-12428183**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Company of Colorado [OGRID 162683] (Cimarex), on May 4, 2010, and

(b) the Division's records pertinent to this request.

Cimarex has requested to re-complete the above-referenced directional well in the Wolfcamp formation, at a location that will be unorthodox under Division Rule 16.14.B. The proposed surface location and point of penetration of the Wolfcamp are as follows:

- Surface Location: 330 feet from the South line and 150 feet from the East line (Unit P) of Section 25, Township 24S, Range 25E, NMPM, Eddy County, New Mexico
- Point of Penetration: 435 feet from the South line and 268 feet from the East line (Unit P) of said section
- Terminus 838 feet from the South line and 898 feet from the East line (Unit P) of said section



The E/2 of Section 25 will be dedicated to the proposed well to form a standard 320-acre, wildcat gas spacing unit in the Wolfcamp formation. This location is governed by statewide Rule 15.10.B, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 660 feet from the southern and eastern unit boundaries, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location in order to utilize an existing wellbore. It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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.  
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia  
United States Bureau of Land Management