

ABOVE THIS LINE FOR DIVISION USE ONLY

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



NSL-6855

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 _____

Cimerax Energy
 30-015-39893
 Irwin 23-14 Federal
 #3H

- [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
 Print or Type Name

Signature

Title

Date

e-mail Address

James Bruce Attorney for applicant 8/20/13
 jamesbruce@oilcan

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

August 20, 2013

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 in the Bone Spring formation for the following horizontal well:

<u>Well name:</u>	Irwin "23-14" Fed. Well No. 3H
<u>Surface location:</u>	1300 feet FNL & 755 feet FEL §23
<u>Penetration point:</u>	1022 feet FNL & 796 feet FEL §23
<u>Bottom hole location:</u>	1647 feet FNL & 333 feet FWL §14
<u>Well unit (project area):</u>	SW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14, and N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 23, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

The well has been drilled test the Bone Spring formation (Benson-Bone Spring Pool). Under the Division's statewide rules, spacing is 40 acres, with wells to be at least 330 feet from a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**.

The well's location and well unit are both based on potash reasons: The well is located in the potash area, and the BLM will only allow surface locations in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23 due to open mine workings in the area.

All of Section 14 and the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 23 are covered by Federal Lease NM 01085. **Exhibit B**. Cimarex has obtained farmout agreements from all working interest owners in the lease, and the working, royalty interest, and overriding royalty interests are common in the well unit. Therefore, any encroachment on offsetting quarter-quarter sections to the north and

northwest is onto the same lease. The S½NE¼ of Section 23 is subject to Federal Lease NM 06765, which is owned by Magnum Hunter Production, Inc., a sister company of applicant. Therefore, notice of this application has not been given to anyone.

The Division's district office has withheld approval of the C-104 for the well until approval of the unorthodox location is granted, so applicant respectfully requests prompt approval of this application.

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

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I
1828 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
1820 S. Pl. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

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JUN 23 2013

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30015-39893	Pool Code 5200	Pool Name Benson; Bone Spring
Property Code 39056	Property Name IRWIN "23-14" <i>Federal</i>	Well Number 3 <i>X</i>
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3281'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19 S	30 E		1300	NORTH	755	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
E	14	19 S	30 E		1647	NORTH	333	WEST	EDDY

Dedicated Acres <i>280 280</i>	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

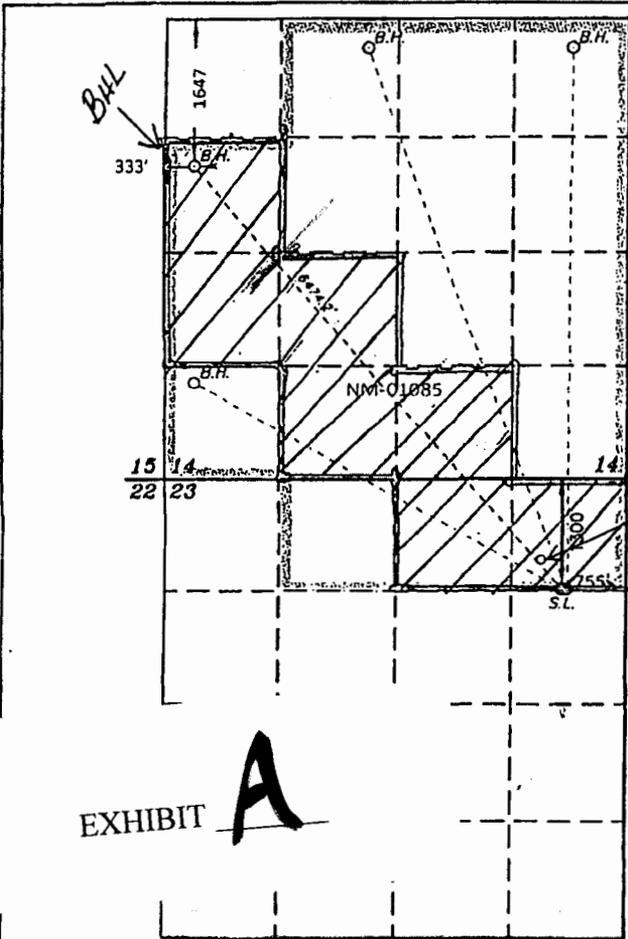


EXHIBIT **A**

SURFACE LOCATION
Lat - N 32°38'58.25"
Long - W 103°56'11.57"
NMSPCE - N 600252.8
E 663462.3
(NAD-83)

Scale 1"=2000'

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 or has a right to drill this well at this 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.

Hope Knauls 7/18/2013
Signature Date

Hope Knauls
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.

GARY L. JONES
Date Surveyed
Signature & Seal of Professional Surveyor
W. O. RICHARDS
7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

UL can Rec

Initial Completion = single

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

Run Time: 11:33 AM

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Run Date: 08/20/2013

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

**Total Acres
760.000**

**Serial Number
NMNM-- 0 001085**

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Name & Address		Serial Number: NMNM-- 0 001085		Int Rel	% Interest
IRWIN DAN W	118 N GRANT ST	HINSDALE IL 60521	LESSEE		12.5000000
SCHUSTER KATHLEEN IRWIN	3213 PEPPERWOOD LN	FORT COLLINS CO 80525	LESSEE		12.5000000
WALLFAM LTD	1811 HERITAGE BLVD STE 200	MIDLAND TX 797079715	LESSEE		25.0000000
WK LAND CO	911 KIMBARK ST	LONGMONT CO 80501	LESSEE		50.0000000
WK LAND CO	911 KIMBARK ST	LONGMONT CO 80501	OPERATING RIGHTS		0.0000000

Serial Number: NMNM-- 0 001085								
Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0190S	0300E	014	ALIQ		ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S	0300E	023	ALIQ		N2NE,NENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 001085

23 0190S	0300E	723	FF		NWNW,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
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Serial Number: NMNM-- 0 001085						
Act Date	Code	Action	Action Remark	Pending Office		
12/22/1949	124	APLN RECD				
03/01/1950	237	LEASE ISSUED				
03/01/1950	496	FUND CODE	05;145003			
03/01/1950	530	RLTY RATE - 12 1/2%				
03/01/1950	868	EFFECTIVE DATE		EP		
02/01/1960	570	CASE SEGREGATED BY ASGN	INTO NMNM01085-A;			
06/11/1960	500	GEOGRAPHIC NAME	UNDEFINED FIELD;			
06/11/1960	510	KMA CLASSIFIED				
06/11/1960	650	HELD BY PROD - ACTUAL				
06/11/1960	658	MEMO OF 1ST PROD-ACTUAL				
10/21/1960	102	NOTICE SENT-PROD STATUS				
05/17/1965	940	NAME CHANGE RECOGNIZED	SRN CA PETRO/SCOPE			
06/21/1983	940	NAME CHANGE RECOGNIZED	SCOPE IND/SCOPE ENE;			
02/06/1984	500	GEOGRAPHIC NAME	UNDEFINED FIELD;			
02/06/1984	510	KMA CLASSIFIED				
05/18/1987	974	AUTOMATED RECORD VERIF		MT/RL		
07/08/1987	963	CASE MICROFILMED	CNUM 104,768	DS		
03/01/1991	396	TRF OF INTEREST FILED	CLBRTSN/CLBRTSN TRUST			
03/01/1991	974	AUTOMATED RECORD VERIF		GLC/GC		
01/07/2002	396	TRF OF INTEREST FILED	IRWIN EST/K SCHUSTER			
01/07/2002	396	TRF OF INTEREST FILED	W IRWIN EST/DAN IRWIN			
01/07/2002	974	AUTOMATED RECORD VERIF	BTM			
03/22/2010	140	ASGN FILED	CULBERTSON/WALLFAM;1			
05/19/2010	139	ASGN APPROVED	EFF 04/01/2010;			
05/19/2010	974	AUTOMATED RECORD VERIF	MJD			
08/26/2010	140	ASGN FILED	SCOPE INDU/W K LAND;1			
11/10/2010	269	ASGN DENIED	SCOPE/WK LAND CO;			
11/10/2010	974	AUTOMATED RECORD VERIF	BTM			
04/08/2011	140	ASGN FILED	SCOPE INDU/W/K LAND;1			
04/08/2011	932	TRF OPER RGTS FILED	SCOPE INDU/W/K LAND;1			
08/31/2011	139	ASGN APPROVED	EFF 08/01/11;			

EXHIBIT **B**

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

Run Time: 11:33 AM

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Run Date: 08/20/2013

08/31/2011	933	TRF OPER RGTS APPROVED	EFF 08/01/11;
08/31/2011	974	AUTOMATED RECORD VERIF	BTM

Line Nr **Remarks**

Serial Number: NMNM-- 0 001085

0001	05/19/2010 NM2196 TOM R CONE-OPERATOR
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