

PTG-W

DATE IN <u>1.27.12</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>1.27.12</u>	TYPE <u>NSL</u>	APP NO. <u>1202753033</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
Good wall 18 Fed Com

2012 JAN 26

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-39141 #2

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
 Title
jamesbruce@aol.com
 e-mail Address

1/23/12
 Date

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 23, 2012

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 well:

<u>Well:</u>	Gadwall 18 Fed. Com. Well No. 2
<u>Surface location:</u>	150 feet FNL & 2310 feet FWL
<u>Bottom hole location:</u>	330 feet FSL & 2200 feet FWL
<u>Well Unit:</u>	E½W½ §18-25S-27E, Eddy County, New Mexico

The well is a horizontal well which will be drilled to a depth sufficient to test the (wildcat) Bone Spring formation. Under statewide rules a well can be no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A.

The penetration point in the Bone Spring is the same as the surface location. The penetration point in the Second Bone Spring Sand (the target zone) is feet 225 feet FNL and 2308 feet FWL.

The surface location was moved north of an orthodox location in order to avoid the draw shown on Exhibit B. Moving further to the south would have minimized the wellbore's lateral extent.

A land plat is attached as Exhibit C. Applicant is the operator of the proposed Bone Spring wells in Section 7 to the north, and also owns 50% of the working interest in the SW¼, and 100% of the working interest in the SE¼, of Section 7. However, notice was sent to the remaining working interest owner in the SW¼ of Section 7 (Chevron U.S.A. Inc.). Exhibit D.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1501 E. 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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised July 10, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39141	Pool Code 97816	Pool Name Cottonwood Draw Bone Spring Wildcat
Property Code 34114	Property Name GADWALL "18" FEDERAL COM	Well Number 2
OGHD No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3195'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
C	18	25 S	27 E		150	NORTH	2310	WEST	EDDY

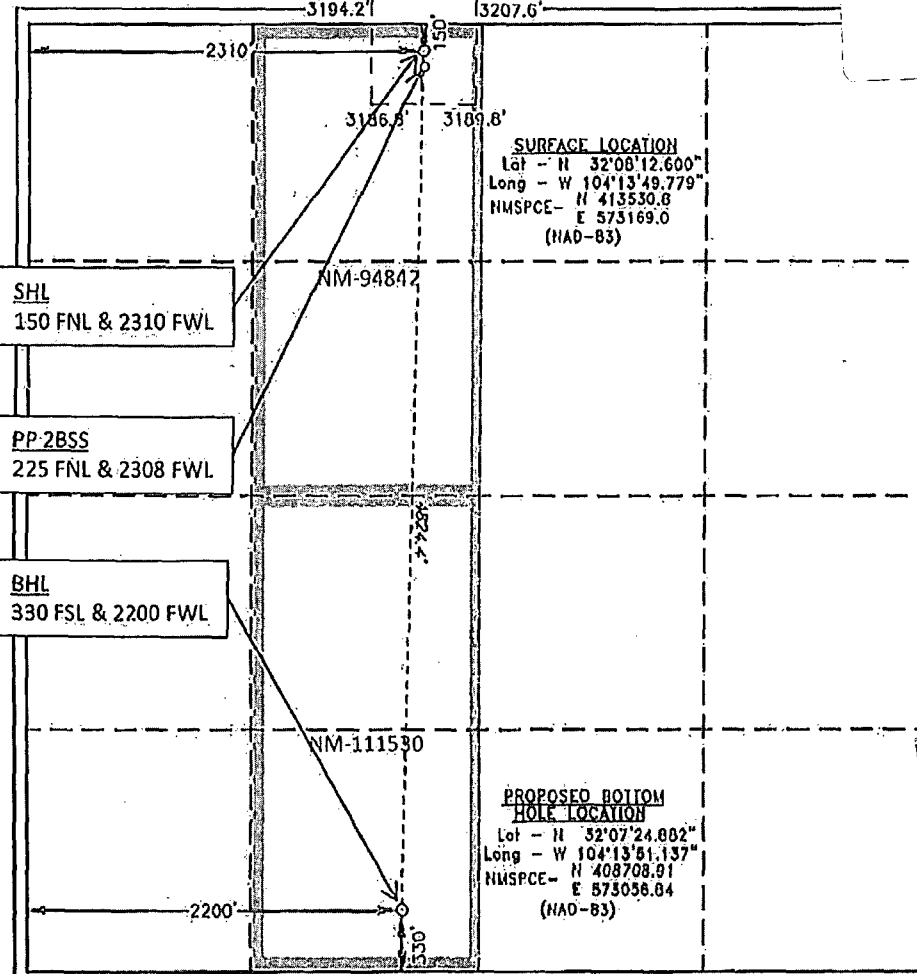
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
N	18	25 S	27 E		330	SOUTH	2200	WEST	EDDY

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

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL
OR A NON-STANDARD UNIT HAS BEEN APPROVE

EXHIBIT



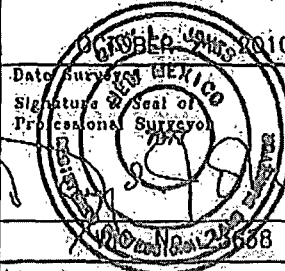
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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.

Zeno Farris 1/9/2010
Signature Date

Natalie Krueger
Printed Name
nkrueger@cimarex.com
Email Address

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 are true and correct to the best of my belief.



Certificate No. Gary L. Jones 7977

BASIN SURVEYS 23638

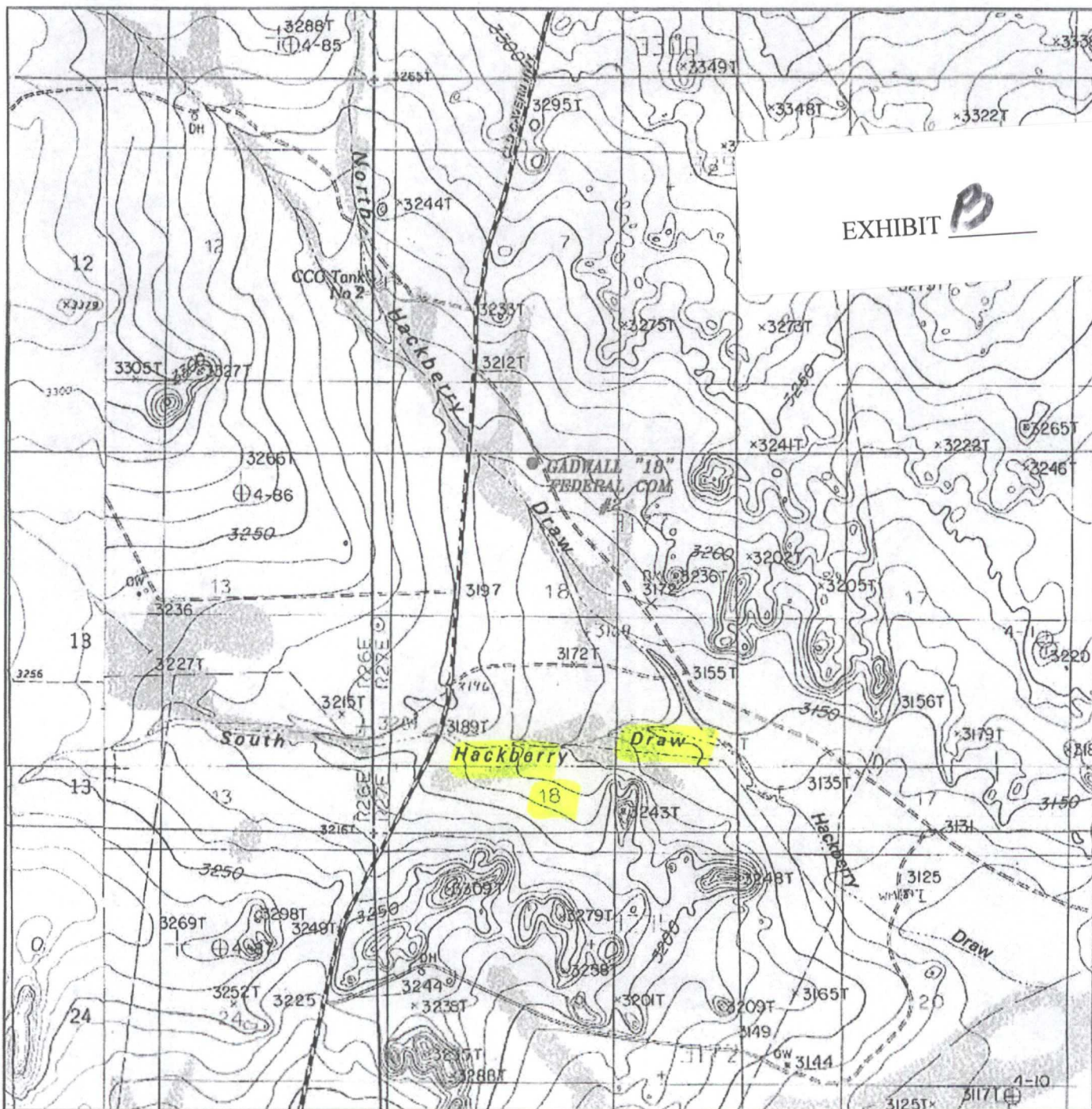


EXHIBIT **B**

GADWALL "18" FEDERAL COM #2
 Located 150' FNL and 2310' FWL
 Section 18, Township 25 South, Range 27 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
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

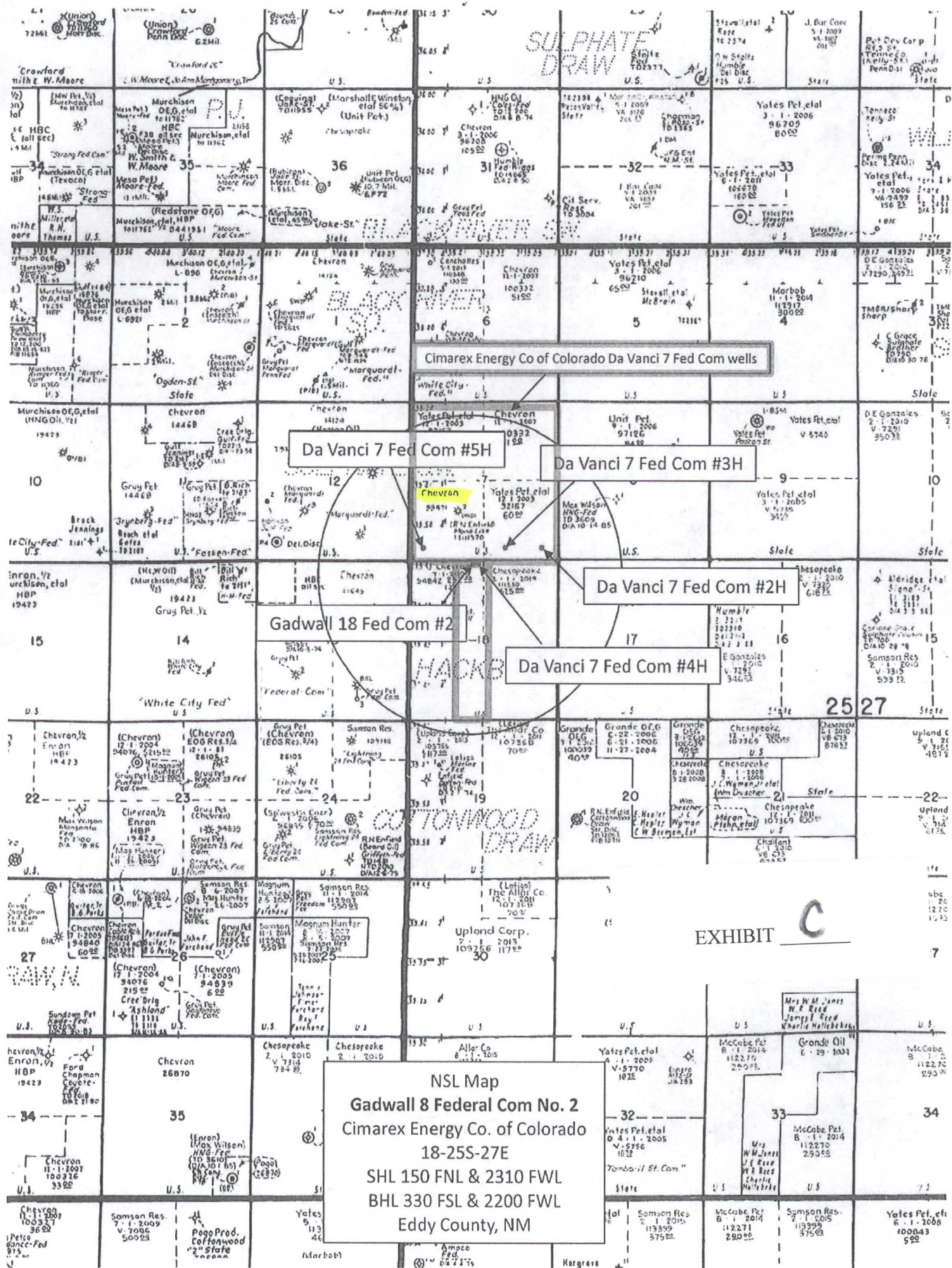
W.O. Number: BJN 23638

Survey Date: 10-21-2010

Scale: 1" = 2000'

Date: 10-25-2010

CIMAREX
ENERGY CO.
OF COLORADO



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

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January 23, 2012

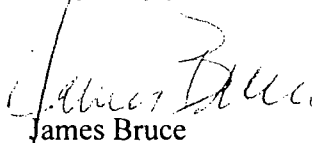
Certified Mail - Return Receipt Requested

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

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 E½E½ of Section 18, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You offset the well. 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 D

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, February 21, 2012 10:09 AM
To: 'jamesbruc@aol.com'
Subject: Cimarex - Gadwall 18 Fed Com #2; NSL Application

Dear Jim

What about this one. You say it penetrates the 2d BS (target zone) 225 FNL, which is unorthodox. But the completed interval would be, if I interpret the new rule correctly, the first perf if it is a cased completion, or the casing shoe if it is open hole. Neither of these is identified.

To avoid unnecessary paper work involved in a re-submission, I will hold this one for your reply (for a reasonable time, of course).

David

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, February 21, 2012 10:13 AM
To: 'jamesbruc@aol.com'
Subject: RE: Cimarex - Gadwall 18 Fed Com #2; NSL Application

Can you get me footages for the beginning of the completed interval?

David

From: jamesbruc@aol.com [<mailto:jamesbruc@aol.com>]
Sent: Tuesday, February 21, 2012 10:12 AM
To: Brooks, David K., EMNRD
Subject: Re: Cimarex - Gadwall 18 Fed Com #2; NSL Application

David: This one is unorthodox even under the new rule.

-----Original Message-----

From: Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Sent: Tue, Feb 21, 2012 10:09 am
Subject: Cimarex - Gadwall 18 Fed Com #2; NSL Application

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David

Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Monday, February 27, 2012 10:38 AM
To: Brooks, David K., EMNRD
Subject: Re: Cimarex - Gadwall 18 Fed Com #2; NSL Application

David: The completed part of the producing interval is approximately 250 feet FNL.

Jim

-----Original Message-----

From: Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>
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Sent: Tue, Feb 21, 2012 10:12 am
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