

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 18, 2006

Cimarex Energy Company of Colorado

c/o James Bruce

P. O. Box 1056

Santa Fe, New Mexico 87504

AMENDED Division Administrative Order NSL-5288

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-620956048*) filed on behalf of the current operator, Cimarex Energy Company of Colorado ("Cimarex"), and submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 28, 2006; and (ii) the Division's records in Artesia and Santa Fe, including the file on Division Administrative Order NSL-5288: all concerning Cimarex's request to amend Division Administrative Order NSL-5288, dated October 20, 2005, which order granted Gruy Petroleum Management Company's ("Gruy") request to drill its Pipeline Deep "6" Federal Well No. 1 (*API No. 30-025-37547*) at an unorthodox Morrow gas well 2300 feet from the South line and 1750 feet from the East line (Unit J) of Section 6, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, within the S/2 equivalent (Lots 6 and 7, the E/2 SW/4, and the SE/4) of Section 6, being a standard 316.00-acre lay-down deep gas spacing unit within the North Quail Ridge-Morrow Gas Pool (*83320*).

It is the Division's understanding that Gruy drilled this well (spud date: January 9, 2006) to a total depth of 13,576 feet at an location 100 feet to the east of the proposed location in order to accommodate a larger rig then originally planned. On May 1, 2006 Cimarex became the successor operator of this well.

Your application for Cimarex to amend Division Administrative Order NSL-5288 has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described unorthodox deep Morrow gas well location, being 2300 feet from the South line and 1650 feet from the East line (Unit J) of Section 6] for Cimarex's Pipeline Deep "6" Federal Well No. 1 is hereby approved.

Cimarex Energy Company of Colorado
AMENDED Division Administrative Order NSL-5288

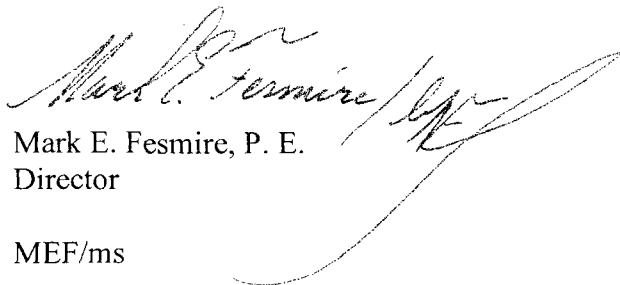
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Further, Division Administrative Order NSL-5288 shall be amended to reflect this location change; all other provisions of Division Order NSL-5288 shall remain in full force and effect until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management – Carlsbad
File: Division Administrative Order NSL-5288