

DATE IN 11/30/06	SUSPENSE	ENGINEER Brooks	LOGGED IN 12/1/06	TYPE NSL	APP NO. PTD SOL 33531984
---------------------	----------	--------------------	----------------------	-------------	-----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Cimarron Pipeline Deep #7
 Fed Com #2
 5540*

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 _____

[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

2006 NOV 30 AM 9 11

[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

jamesbruc@aol.com
 e-mail Address

11/29/06

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

November 29, 2006

Hand delivered

Mark E. Fesmire
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Cimarex Energy Co. of Colorado applies for approval of an unorthodox oil well location for the following well:

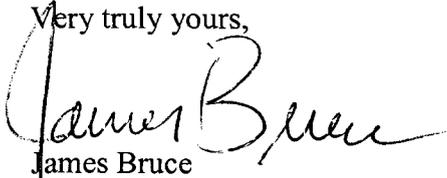
<u>Well name:</u>	Pipeline Deep 7 Fed. Com. Well No. 2	30-025-37113
<u>Well location:</u>	1480 feet FSL & 1215 feet FEL	
<u>Well unit:</u>	NE $\frac{1}{4}$ SE $\frac{1}{4}$ §7-19S-34E, Lea County, New Mexico	

The well was drilled to a depth sufficient to test the Morrow formation. Applicant proposes to re-complete the well in the Bone Spring formation (Apache Ridge-Bone Spring Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A.

The location was originally chosen for the Morrow formation, and was standard in that zone. In addition, there are sand dunes in this area, and there is sand dune lizard habitat. As a result, the Bureau of Land Management requires operators to minimize surface disturbance. Using the existing wellbore minimizes surface disturbance for roads, pipelines, *etc.*, and minimizes effects on sand dunes and wildlife habitat

All of Section 7, except the NE $\frac{1}{4}$ NE $\frac{1}{4}$, is subject to Federal Lease NM 6870, and interest ownership is common in the SE $\frac{1}{4}$ of Section 7 in the Bone Spring formation. Therefore, there are no adversely affected offset owners, and notice is not required to be given to anyone.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
311 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37113	Pool Code	Pool Name Apache Ridge; Bone Spring
Property Code 34666	Property Name PIPELINE DEEP "7" FEDERAL COM	Well Number 2
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3766'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	7	19 S	34 E		1480'	SOUTH	1215'	EAST	LEA

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. Pending- UWL
-----------------------	-----------------	--------------------	---------------------------

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

<p>EXHIBIT <u>A</u></p>	<p>Lat.: N32°40'17.5" Long.: W103°35'41.9"</p>	<p>3764.1' 3763.7'</p> <p>3764.9' 3767.7'</p> <p>1480'</p> <p>1215'</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Zeno Farris</u> Signature</p> <p>Zeno Farris Printed Name</p> <p>Mgr Operations Admin Title</p> <p>09-19-06 Date</p>
			<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>December 1, 2004 Date Surveyed</p> <p><u>[Signature]</u> Signature & Seal of Professional Surveyor</p> <p>NEW MEXICO W.O. No. 488 Certificate No. Gary L. Jones - 7977 JLP REGISTERED PROFESSIONAL LAND SURVEYOR</p>

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, December 28, 2006 2:47 PM
To: 'JamesBruc@aol.com'
Cc: Williams, Chris, EMNRD
Subject: Cimarex NSL Application - Pipeline Deep 7 Fed Com #2

Dear Jim

Your application in this case specified that this well is to be completed in the Apache Ridge Bone Spring Pool.

It appears from our records that the Apache Ridge Bone Spring Pool is confined to the south part of that township, and does not include, nor is it within one mile of, this location. Although there are several closer Bone Spring pools; though I did not find any within one mile.

However, because it does not change the applicable spacing rule, I have written this order without waiting to clarify this situation, specifying in the order only that it is a 40-acre Bone Spring unit governed by Rule 104.C(1).

David Brooks