



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Brukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

June 12, 2007

Cimarex Energy Company of Colorado
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Attention: Mr. James Bruce, Attorney

Re: **Zafiro "B" 32 State Well No. 1**
API No. (N/A)
950' FSL & 660' FEL, Unit P,
Section 32, T-18 South, R-34 East, NMPM,
Lea County, New Mexico

Administrative Order NSL-5640

Dear Mr. Bruce:

Reference is made to the following:

(a) your application on behalf of Cimarex Energy Company of Colorado ("Cimarex" or "applicant") for a non-standard well location (*administrative application reference No. pCLP0715836162*) for the Zafiro "B" 32 State Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 6, 2007; and

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

The applicant requests approval of an unorthodox oil well location for its Zafiro "B" 32 State Well No. 1 in the Undesignated EK-Bone Spring Pool (Oil - 21650) which is to be drilled 950 feet from the South line and 660 feet from the East line (Unit P) of Section 32, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. The E/2 SE/4 of Section 32 is to be dedicated to the well in the Undesignated EK-Bone Spring Pool forming a standard 80-acre oil spacing and proration unit.

The EK-Bone Spring Pool is currently governed by special pool rules established by Division Order No. R-4981, which require standard 80-acre spacing and proration units with wells to be located within 150 feet of the center of either quarter-quarter section or lot.

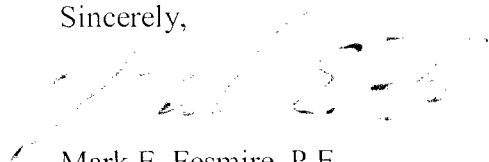
Evidence submitted by the applicant demonstrates that the proposed unorthodox location is necessitated by topographic conditions within the SE/4 SE/4 of Section 32.

The proposed location is unorthodox only with respect to the interior quarter-quarter section line of the proposed spacing unit and does not encroach towards the outer boundary of the unit. Consequently, there are no adversely affected offset operators and/or interest owners.

Division records show that there are no other wells producing from the EK-Bone Spring Pool within the E/2 SE/4 of Section 32.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the EK-Bone Spring Pool is hereby approved.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', is written over a light blue grid background.

Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: OCD-Hobbs
 State Land Office-Oil & Gas Division