

06 June 07 DATE IN	6/6/07 SUSPENSE	D. Catanach ENGINEER	07 June 07 LOGGED IN	NSL TYPE	PLP0715836162 APP NO.
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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



5640

**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 \_\_\_\_\_

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JUN 06 2007

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

[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

Signature

Attorney for Applicant  
Title Date

jamesbruc@aol.com  
e-mail Address

6/3/07

**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

*Und. Bone Spring*

June 3, 2007

Via fax and U.S. Mail

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:</u>	Zafiro B 32 State Well No. 1
<u>Location:</u>	950 feet FSL & 660 feet FEL
<u>Well Unit:</u>	Lot 5 and E $\frac{1}{2}$ SE $\frac{1}{4}$ <del>§6-18S-34E</del> , Lea County, New Mexico

32

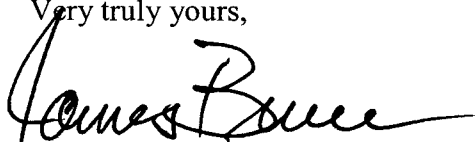
The well will be drilled to a depth sufficient to test the Bone Spring formation (EK-Bone Spring Pool). Under Order No. R-4981, the pool is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section. An APD for the well is attached as Exhibit A.

The location is unorthodox for geologic and topographic reasons. Although pool rules allow more than one well per well unit, the geology appears to be more favorable in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  than in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ , and thus applicant desires to drill the first well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

Applicant desired to place the well 660 feet FSL and 660 feet FEL. However, due to pipelines, electric lines, existing wells, and roads in the area, the nearest location available was to the north of an orthodox location. See Exhibit A

The E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 32 is subject to State Lease K-4922-2 (see Exhibit B), which has common ownership in the Bone Spring formation. In addition, the unorthodox location is internal to the well unit. Therefore, there are no adversely affected parties, and no offset interest owners have been notified of the application.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is fluid and cursive, with a long horizontal stroke at the end.

James Bruce

Attorney for Cimarex Energy Co. of Colorado

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720

Form C-101  
Permit 48969

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address CIMAREX ENERGY CO. OF COLORADO 5215 N. O'CONNOR BLVD. IRVING, TX 75039		2. OGRID Number 162683
		3. API Number
4. Property Code	5. Property Name ZAFIRO B 32 STATE	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	32	18S	34E	P	950	S	660	E	LEA

**8. Pool Information**

E-K;BONE SPRING	21650
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3901
14. Multiple N	15. Proposed Depth	16. Formation Bone Spring	17. Contractor	18. Spud Date 5/15/2007
Depth to Ground water 101		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	500	420	0
Intl	11	8.625	32	3500	730	0
Prod	7.875	5.5	17	10300	740	3000

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> Printed Name: Electronically filed by Zeno Farris Title: Manager Operations Administration Email Address: zfarris@magnumhunter.com Date: 3/16/2007      Phone: 972-443-6489	<b>OIL CONSERVATION DIVISION</b>	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:
	Conditions of Approval Attached	

EXHIBIT

A

## DISTRICT I

1025 N. French Dr., Hobbs, NM 88240

## DISTRICT II

1801 W. Grand Avenue, Artesia, NM 88210

## DISTRICT III

1060 Elko Branch Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87506

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 8 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name E-K; Bone Spring
Property Code	Property Name ZAFIRO "B32" STATE	Well Number 1
OGRED No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3901'

## Surface Location

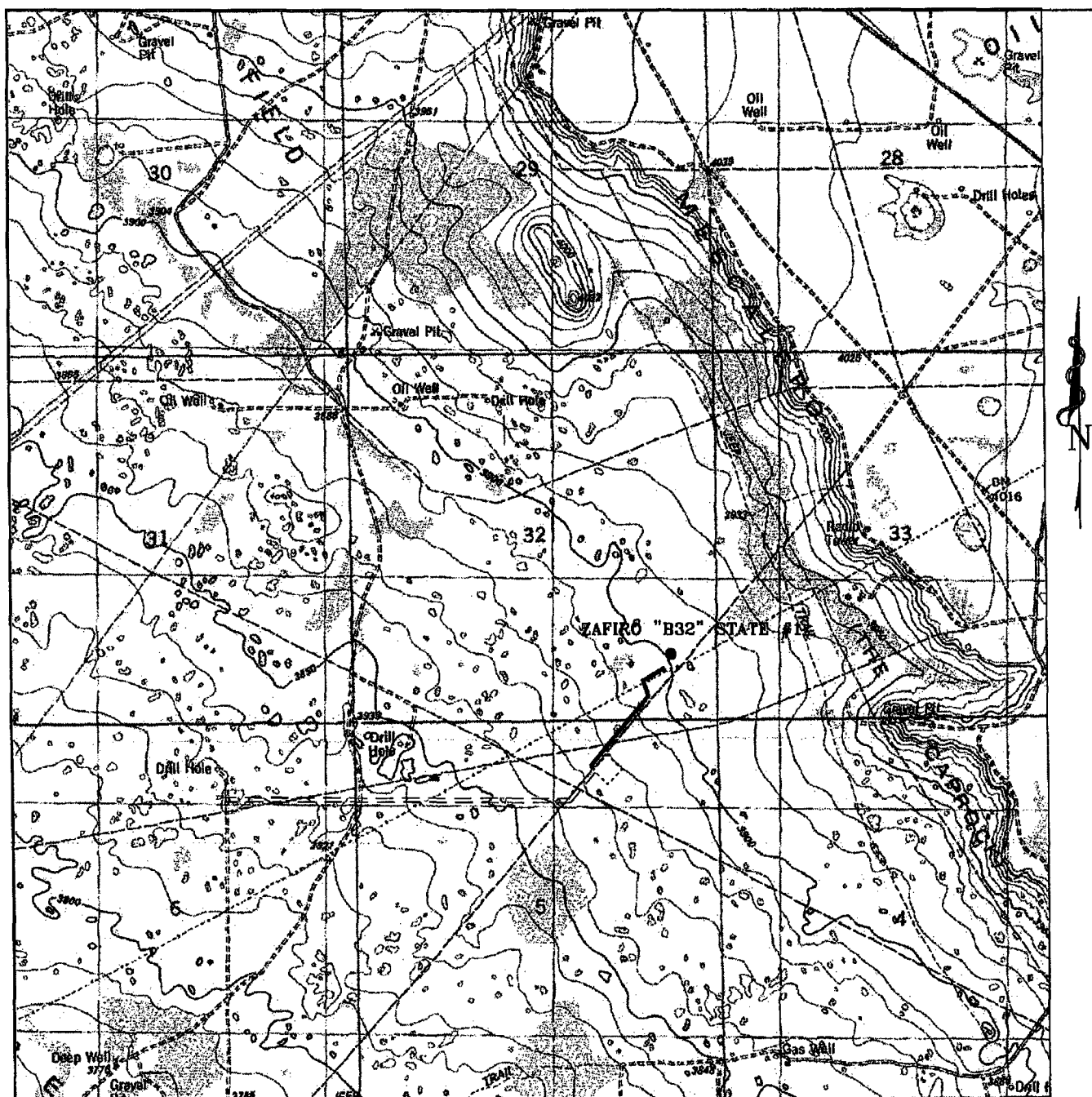
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	18 S	34 E		950	SOUTH	660	EAST	LEA

## 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 80	Joint or Infill N	Consolidation Code	Order No. NSL Pending						

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>Lot - N32°41'58.4" Long - W103°34'33.6" NMSPEC - N 619060.325 E 774307.144 (NAD-83)</p>	<p>Zafiro B 32 St #1</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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 undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Zeno Farris</i> 05-08-07 Signature Date</p> <p>Zeno Farris Printed Name</p>	
			<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>FEBRUARY 05 2007 Date Surveyed</p> <p><i>GARY L. JONES</i> Signature Professional Surveyor</p> <p>W. P. [Signature] Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	



# ZAFIRO "B32" STATE #1

Located 950' FSL and 660' FEL

Section 32, Township 18 South, Range 34 East,  
N.M.P.M., Lea County, New Mexico.

**basin**  
**surveys**

focused on excellence  
in the oilfield

P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(505) 393-7316 - Office  
(505) 392-3074 - Fax  
basinsurveys.com

W.O. Number: JMS 17722T

Survey Date: 02-05-2006

Scale: 1" = 2000'

Date: 02-06-2006

**CIMAREX**  
**ENERGY CO.**  
**OF COLORADO**



SECTION 32, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

150' NORTH  
OFF SET  
3902.6'



CIMAREX ENERGY CO. OF COLORADO  
ZAFIRO "B32" STATE #1

150' WEST  
OFF SET  
3896.9'

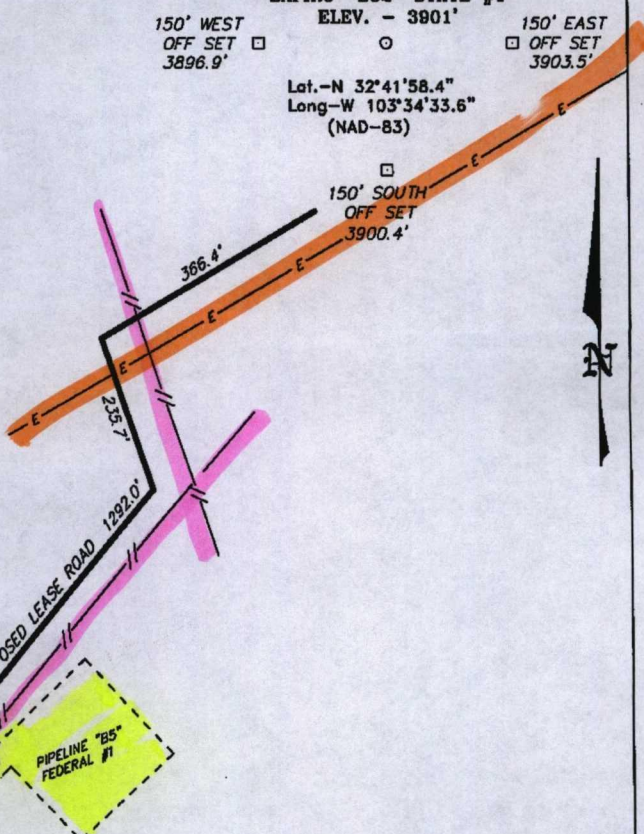
ELEV. - 3901'

150' EAST  
OFF SET  
3903.5'

Lat. - N 32°41'58.4"  
Long. - W 103°34'33.6"  
(NAD-83)

150' SOUTH  
OFF SET  
3900.4'

N



200 0 200 400 FEET  
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF US HWY 62-180 AND CO.  
RD. H-55 (SMITH RANCH ROAD), PROCEED NORTH  
ON CO. RD. H-55 FOR 2.0 MILES TO LEASE ROAD,  
ON LEASE ROAD GO 2.0 MILES EAST TO LEASE  
ROAD, GO NORTH 3.8 MILES TO LEASE ROAD,  
THENCE 1.0 MILES EAST ON LEASE ROAD; THENCE  
NORTH 0.1 MILES TO PIPELINE DEEP "5" #1  
LOCATION AND PROPOSED LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 17722

Drawn By: J. M. SMALL

Date: 02-06-2007

Disk: JMS 17722W

**CIMAREX ENERGY CO. OF COLORADO**

REF: ZAFIRO "B32" STATE #1 / WELL PAD TOPO

THE ZAFIRO "B32" STATE No. 1 LOCATED 950' FROM  
THE SOUTH LINE AND 660' FROM THE EAST LINE OF  
SECTION 32, TOWNSHIP 18 SOUTH, RANGE 34 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-05-2007

Sheet 1 of 1 Sheets

6 Records found.

Lease Number:

**K0-4922-0002**

Company name: MAGNUM HUNTER PRODUCTION, INC.  
Company ID: 149315  
Assigned from: K0-4922-0001  
Total acres: 240.00  
Prod stat: N/A

**Lease term:**

Lease term: 10 year lease term 1/8th roy  
Issue date: 4/20/1965  
Termination date: Active  
Termination reason: N/A  
Current term: Extended Primary Term

**Billing information:**

Bill to: MAGNUM HUNTER PRODUCTION, INC.  
Rent per acre: 2.00  
Billing frequency: Annual  
Minimum annual rent: 480.00  
Last bill date: 3/22/2007  
Next bill date: 4/20/2008  
Escalation: 0

**Land information:**

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
32	18S	34E	A			40.00
			B			40.00
			E			40.00
			I			40.00
			J			40.00
			P			40.00

EXHIBIT 