

18. June. 07	6/18/07	D. Catanach	20. June. 07	NSL	PCLP 0717152225
DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

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



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

[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

6/18/07

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

June 18, 2007

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:</u>	Pipeline B5 Fed. Well No. 3
<u>Location:</u>	1980 feet FNL & 2180 feet FWL
<u>Well Unit:</u>	S½NW¼ §5-19S-34E, Lea County, New Mexico (80.00 acres)

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. A Form C-102 is attached as Exhibit A.

The location is unorthodox for topographic and geologic reasons. The original location was orthodox, 1980 feet FNL and FWL. However, there are sand dunes in this area, and the Bureau of Land Management requires operators to minimize surface disturbance. There is a sand dune at the original location, requiring the well to be moved east.

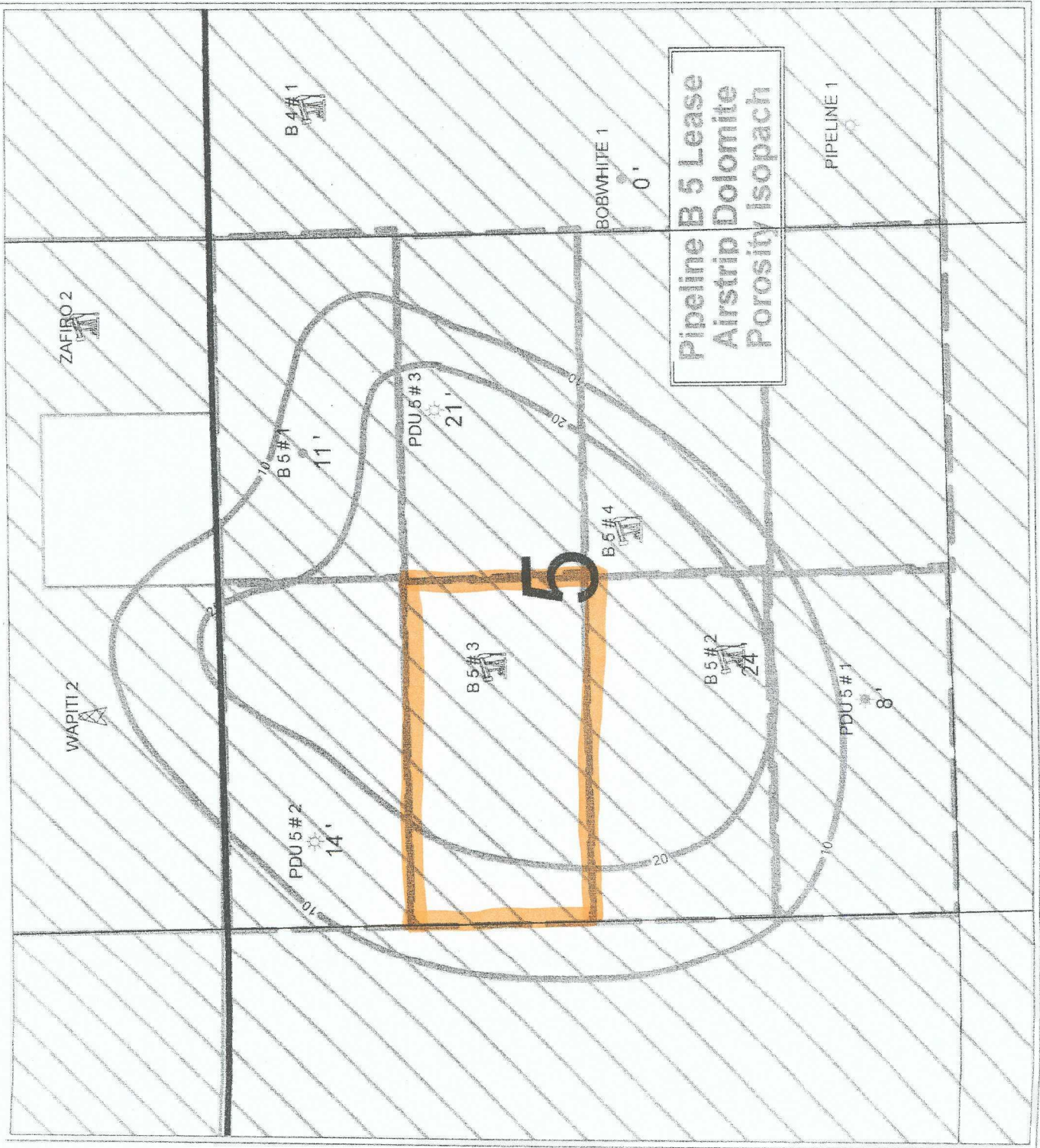
Applicant does not want to move the well to the west, or into the SW¼NW¼ of Section 5, because the best geologic locations are in the SE¼NW¼ of Section 5. See Exhibit B.

All of Section 5, except the SW¼SW¼, is subject to Federal Lease NM 4314, with common ownership in the Bone Spring formation. See Exhibit C. As a result, notice of this application has not been given to anyone.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co. of Colorado



DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 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 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 - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 21650	Pool Name E-K; Bone Spring
Property Code	Property Name PIPELINE "B5" FEDERAL	Well Number 3
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3839'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	5	19 S	34 E		1980	NORTH	2180	WEST	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	Consolidation Code	Order No.
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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>Lat - N32°41'29.4" Long - W103°35'02.4" NMSPCE - N 616112.963 E 771871.418 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</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 unleased 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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Zeno Farris</i> 05-16-07 Signature Date</p> <p>Zeno Farris Printed Name</p> <p>SURVEYOR CERTIFICATION</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>MAY 01 2007 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature of Surveyor</p> <p>Professional Surveyor No. 923</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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EXHIBIT

A

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 06/18/07 11:56 AM

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01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,114.360

Serial Number
NMNM-- - 004314

Serial Number: NMNM-- - 004314

Name & Address				Int Rel	% Interest
BLUE STAR RESOURCES INC	PO BOX 691281	HOUSTON TX 77269	OPERATING RIGHTS		0.000000000
ELLIOTT HALL CO UT LP	PO BOX 1231	ODGEN UT 844021231	OPERATING RIGHTS		0.000000000
ELLIOTT INDUSTRIES LTD PTNRSH	500 N KENTUCKY AVE	ROSWELL NM 88201	OPERATING RIGHTS		0.000000000
MAGNUM HUNTER PRODUCTION INC	5215 N O'CONNER BLVD #1500	IRVING TX 750393764	OPERATING RIGHTS		0.000000000
MAGNUM HUNTER PRODUCTION INC	5215 N O'CONNER BLVD #1500	IRVING TX 750393764	LESSEE		100.000000000
MCKAY LIVING TRUST	PO BOX 2014	ROSWELL NM 88201	OPERATING RIGHTS		0.000000000

Serial Number: NMNM-- - 004314

Mer Twp	Rng	Sec	SType	SNr SUFF	Subdivision	District/Resource Area	County	Mgmt Agency
23 0190S 0340E 005			ALIQ		S2N2,N2S2,SESW,S2SE;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0190S 0340E 005			LOT:		1-4;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0190S 0340E 006			ALIQ		S2NE,SENW,NESW,N2SE;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0190S 0340E 006			LOT:		1-6;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 004314
Pending Office

Act Date	Code	Action	Action Remarks
12/25/1967	387	CASE ESTABLISHED	SPAR103;
12/26/1967	888	DRAWING HELD	
01/16/1968	237	LEASE ISSUED	
02/01/1968	496	FUND CODE	05;145003
02/01/1968	530	RLTY RATE - 12 1/2%	
02/01/1968	868	EFFECTIVE DATE	
09/18/1969	140	ASGN FILED	JURKIEWICZ/UNION OIL
10/24/1969	139	ASGN APPROVED	EFF 10/01/69;
10/06/1970	315	RENTAL RATE DET/ADJ	\$2.00;
07/26/1973	232	LEASE COMMITTED TO UNIT	NMNM71014X;PIPELINE D
11/16/1973	651	HELD BY PROD - ALLOCATED	PIPELINE DEEP
11/20/1973	102	NOTICE SENT-PROD STATUS	
09/30/1982	940	NAME CHANGE RECOGNIZED	SUN OIL/SUN EXPL&PROD
03/07/1983	932	TRF OPER RGTS FILED	
05/02/1983	957	TRF OPER RGTS DENIED	
10/08/1985	932	TRF OPER RGTS FILED	
11/08/1985	932	TRF OPER RGTS FILED	(1)
11/08/1985	932	TRF OPER RGTS FILED	(2)
11/08/1985	932	TRF OPER RGTS FILED	(3)
02/24/1986	932	TRF OPER RGTS FILED	
03/17/1986	933	TRF OPER RGTS APPROVED	EFF 11/01/85;
03/24/1986	963	CASE MICROFILMED	CNUM 555,890 EPR
06/13/1986	932	TRF OPER RGTS FILED	
06/30/1986	932	TRF OPER RGTS FILED	
09/02/1986	932	TRF OPER RGTS FILED	(1)
09/02/1986	932	TRF OPER RGTS FILED	(2)

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09/16/1986	932	TRF OPER RGTS FILED	
09/19/1986	933	TRF OPER RGTS APPROVED	EFF 07/01/86;
09/22/1986	933	TRF OPER RGTS APPROVED	(1)EFF 10/01/86;
09/22/1986	933	TRF OPER RGTS APPROVED	(1)EFF 12/01/85;
09/22/1986	933	TRF OPER RGTS APPROVED	(2)EFF 10/01/86;
09/22/1986	933	TRF OPER RGTS APPROVED	(2)EFF 12/01/85;
09/22/1986	933	TRF OPER RGTS APPROVED	(3)EFF 12/01/85;
09/22/1986	933	TRF OPER RGTS APPROVED	EFF 03/01/86;
09/22/1986	933	TRF OPER RGTS APPROVED	EFF 07/01/86;
10/01/1986	933	TRF OPER RGTS APPROVED	EFF 10/01/86;
01/15/1987	932	TRF OPER RGTS FILED	
02/20/1987	933	TRF OPER RGTS APPROVED	EFF 02/01/87;
04/18/1988	974	AUTOMATED RECORD VERIF	GLC/LR
05/30/1989	932	TRF OPER RGTS FILED	NEARBURG/CE NEARBURG
06/23/1989	933	TRF OPER RGTS APPROVED	EFF 06/01/89;
06/23/1989	974	AUTOMATED RECORD VERIF	DGT/MT
09/18/1989	932	TRF OPER RGTS FILED	WELLS/NEARBURG
10/18/1989	933	TRF OPER RGTS APPROVED	EFF 06/01/89;
10/18/1989	974	AUTOMATED RECORD VERIF	MT/MT
11/27/1992	932	TRF OPER RGTS FILED	SUN OPER/BLUE STAR
01/28/1993	933	TRF OPER RGTS APPROVED	EFF 12/01/92;
01/28/1993	974	AUTOMATED RECORD VERIF	ANN/JS
09/24/1995	084	RENTAL RECEIVED BY MMS	\$399.50;21/MULTIPLE
09/25/1995	084	RENTAL RECEIVED BY MMS	\$399.50;11/MULTIPLE
09/25/1995	084	RENTAL RECEIVED BY MMS	\$399.50;21/MULTIPLE
01/22/1996	084	RENTAL RECEIVED BY MMS	\$399.50;21/MULTIPLE
10/29/1996	932	TRF OPER RGTS FILED	ELLIOTT/ELLIOTT
12/17/1996	933	TRF OPER RGTS APPROVED	EFF 11/01/96;
12/17/1996	974	AUTOMATED RECORD VERIF	MV/MV
01/21/1997	084	RENTAL RECEIVED BY MMS	\$399.50;21/MULTIPLE
07/28/1997	575	APD FILED	
08/20/1997	576	APD APPROVED	#1 BUFFALO "6" FED
12/15/1997	575	APD FILED	
12/30/1997	576	APD APPROVED	#1 PIPELINE DEEP FED
01/26/1998	084	RENTAL RECEIVED BY MMS	\$399.50;21/MULTIPLE
01/26/1998	140	ASGN FILED	UNION OIL/MATADOR
01/26/1998	932	TRF OPER RGTS FILED	UNION OIL/MATADOR
05/07/1998	246	LEASE COMMITTED TO CA	NMNM101345;
05/07/1998	650	HELD BY PROD - ACTUAL	
05/20/1998	139	ASGN APPROVED	EFF 06/01/98;
05/20/1998	933	TRF OPER RGTS APPROVED	EFF 06/01/98;
05/20/1998	974	AUTOMATED RECORD VERIF	MV/MV
07/02/1998	643	PRODUCTION DETERMINATION	
07/02/1998	658	MEMO OF 1ST PROD-ACTUAL	
01/08/1999	084	RENTAL RECEIVED BY MMS	\$399.50;21/0000001015
12/28/1999	084	RENTAL RECEIVED BY MMS	\$399.50;21/1039

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12/29/2000	084	RENTAL RECEIVED BY MMS	\$399.50;21/1064
03/26/2001	899	TRF OF ORR FILED	JURKIEWICZ, WILLIAM;1
04/06/2001	899	TRF OF ORR FILED	BRAUN, MICHAEL S;1
04/06/2001	899	TRF OF ORR FILED	BRAUN, MICHAEL S;2
04/06/2001	899	TRF OF ORR FILED	BRAUN, MICHAEL S;3
05/07/2001	899	TRF OF ORR FILED	MICHAEL S & RHONDA;1
05/07/2001	899	TRF OF ORR FILED	MICHAEL S & RHONDA;2
11/15/2001	940	NAME CHANGE RECOGNIZED	ELLIOTT CO/LTD PTNRSH
09/02/2003	817	MERGER RECOGNIZED	MATADOR/TOM BROWN INC
10/15/2004	140	ASGN FILED	TOM BROWN/MAGNUM HU;1
10/15/2004	932	TRF OPER RGTS FILED	TOM BROWN/MAGNUM HU;1
12/08/2004	139	ASGN APPROVED	EFF 11/01/04;
12/08/2004	933	TRF OPER RGTS APPROVED	EFF 11/01/04;
12/08/2004	974	AUTOMATED RECORD VERIF	ANN
04/18/2005	140	ASGN FILED	TOM BROWN/MAGNUM HU;1
06/23/2005	566	ASGN WITHDRAWN	TOM BROWN/MAGNUM HU;1
06/23/2005	974	AUTOMATED RECORD VERIF	ANN
09/08/2005	393	DEC ISSUED	
09/08/2005	974	AUTOMATED RECORD VERIF	ANN
10/31/2005	140	ASGN FILED	TOM BROWN/MAGNUM HU;1
11/07/2005	139	ASGN APPROVED	EFF 11/01/05;
11/07/2005	974	AUTOMATED RECORD VERIF	ANN
08/15/2006	932	TRF OPER RGTS FILED	MCKAY OIL/MCKAY PET;1
08/15/2006	932	TRF OPER RGTS FILED	MCKAY ROY/MCKAY LIV;1
09/29/2006	933	TRF OPER RGTS APPROVED	(1)EFF 09/01/06;
09/29/2006	933	TRF OPER RGTS APPROVED	(2)EFF 09/01/06;
09/29/2006	974	AUTOMATED RECORD VERIF	ANN

Line Nr Remarks Serial Number: NMNM-- - 004314

0002	OPERATOR BONDED - 12/08/2004
0003	GRUY PETRO MANAGEMENT CO - NM2575 & 2578 - S/W'S;
0004	BONDED OPERATOR - 11/07/2005
0005	GRUY PETRO MANAGEMENT CO - NM2575 & NM2578 - S/W'S;
0006	BONDED OPERATOR - 09/15/2006
0007	NEARBURG PRODUCINC CO - NMB000153 - S/W;

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