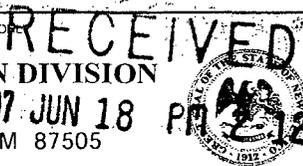


ABOVE THIS LINE FOR DIVISION USE ONLY

**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

James Bruce Attorney for Applicant  
 Signature Title Date  
6/18/07  
jamesbruc@aol.com  
 e-mail Address

**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](mailto:jamesbruc@aol.com)

June 18, 2007

Hand delivered

Mark E. Fesmire, P.E.  
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. 4
<u>Location:</u>	2310 feet FSL & 2460 feet FEL
<u>Well Unit:</u>	N½SE¼ §5-19S-34E, Lea County, New Mexico (80.00 acres)

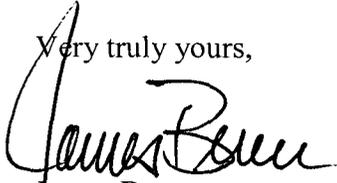
The well will be drilled to a depth sufficient to test the Bone Spring formation (EK-Bone Spring Pool). Under Order No. R-4981, the pool is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section. A Form C-102 is attached as Exhibit A.

The location is unorthodox for geologic and topographic reasons. The original proposed location was also unorthodox, at 2310 feet FSL and FEL, due to geology. Attached as Exhibit B is an isopach, showing that the most favorable location is in the northwest part of the NW¼SE¼ of Section 5. As a result, applicant desires to remain in that quarter-quarter section.

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 proposed location, requiring the well to be moved further west.

All of Section 5, except the SW $\frac{1}{4}$ SW $\frac{1}{4}$ , is subject to Federal Lease NM 4314, with common ownership in the Bone Spring formation. See Exhibit C. As a result, there is no adversely affected person, and 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 W. Grand Avenue, Artesia, NM 85210

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

Form C-102  
Revised October 12, 2005

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

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
	21650	E-K; Bone Spring
Property Code	Property Name	Well Number
	PIPELINE "B5" FEDERAL	4
OGRID No.	Operator Name	Elevation
162683	CIMAREX ENERGY CO. OF COLORADO	3836'

**Surface Location**

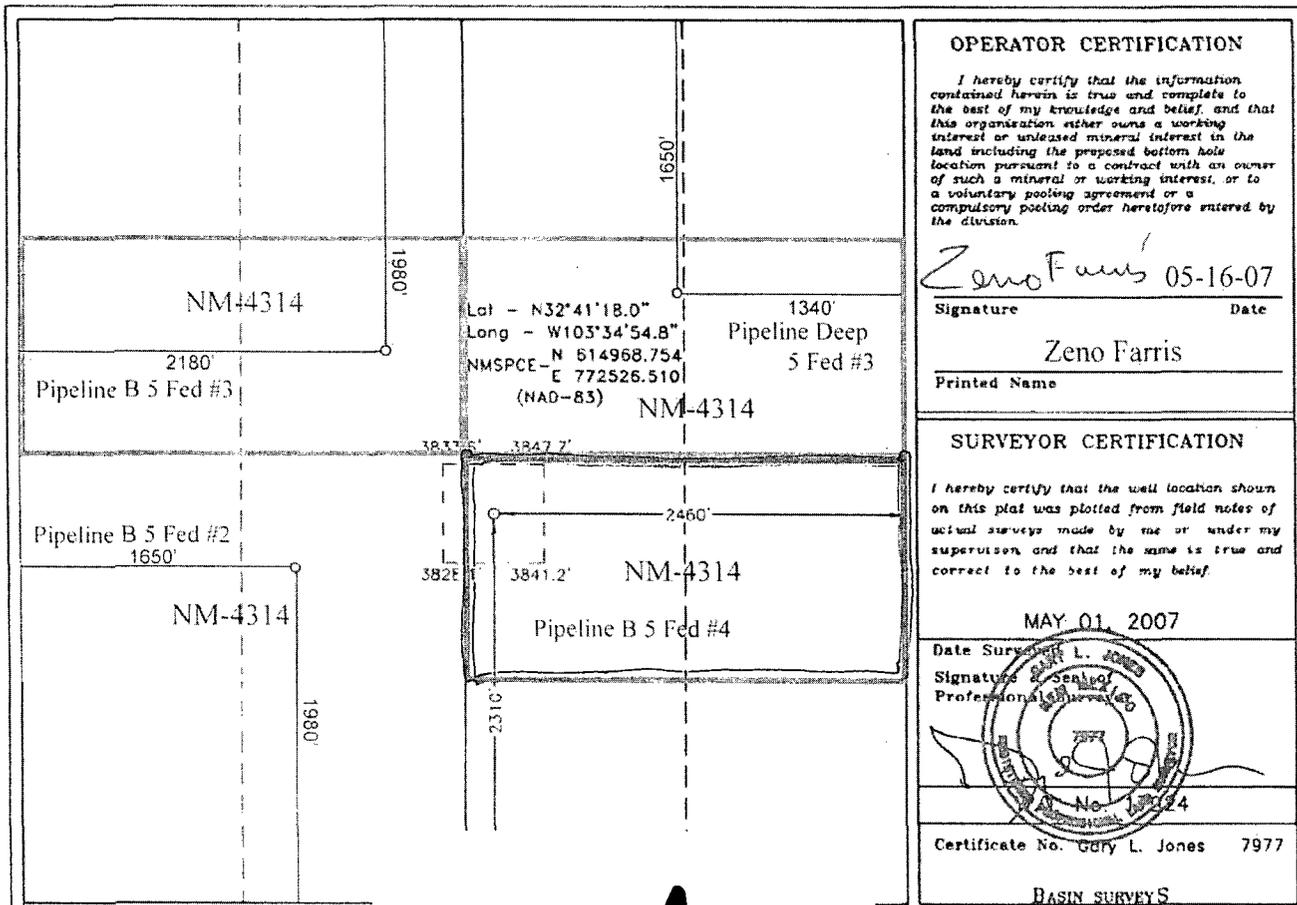
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	19 S	34 E		2310	SOUTH	2460	EAST	LEA

**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	Joint or Infill	Consolidation Code	Order No.
80			

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



**OPERATOR CERTIFICATION**

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.

Zeno Farris 05-16-07  
Signature Date  
Zeno Farris  
Printed Name

**SURVEYOR CERTIFICATION**

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.

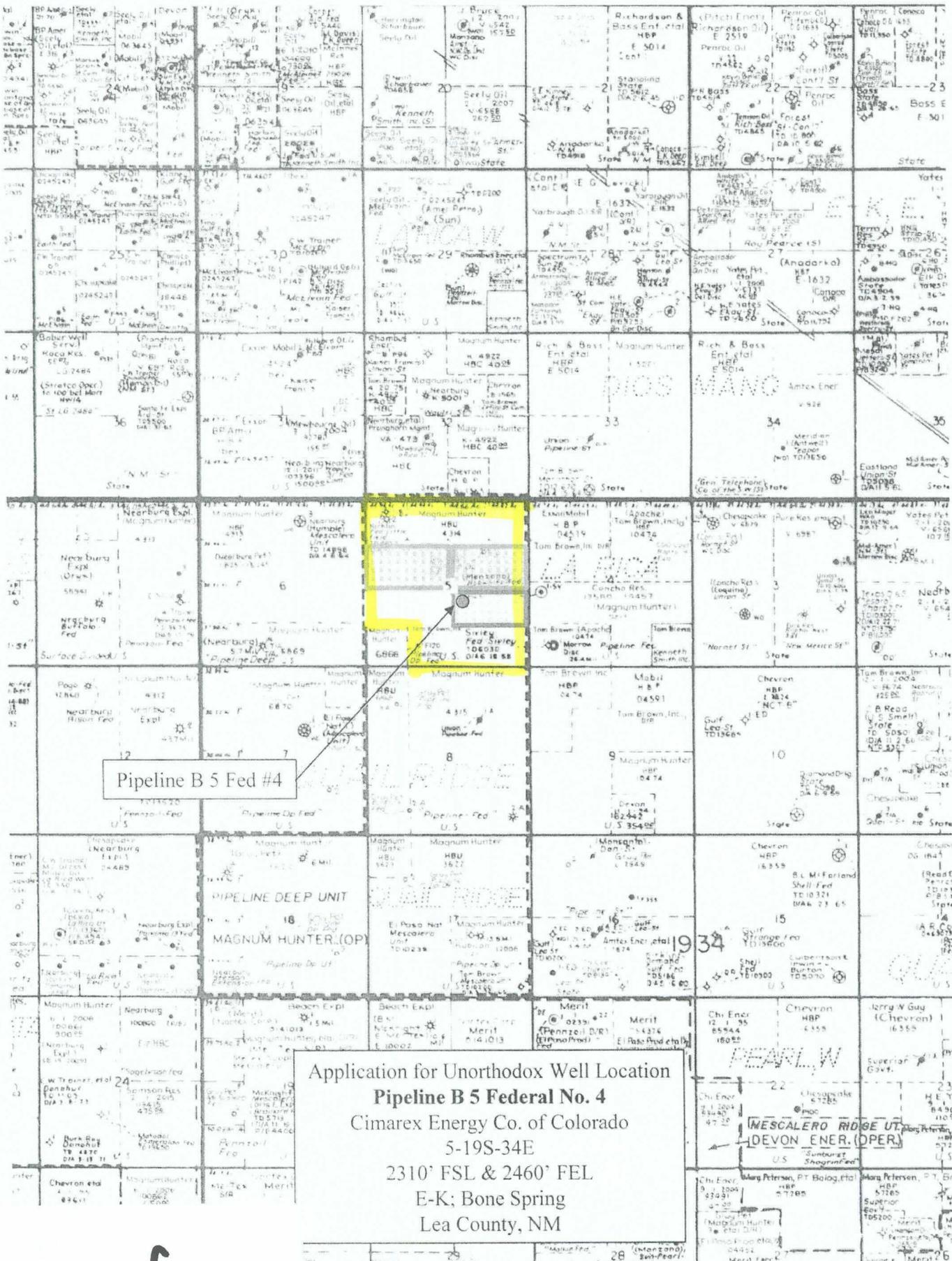
MAY 01 2007  
Date Surveyed  
Signature Seal of Professional Surveyor  
Certificate No. Gary L. Jones 7977

BASIN SURVEYS

EXHIBIT

**A**





Pipeline B 5 Fed #4

Application for Unorthodox Well Location  
**Pipeline B 5 Federal No. 4**  
 Cimarex Energy Co. of Colorado  
 5-19S-34E  
 2310' FSL & 2460' FEL  
 E-K; Bone Spring  
 Lea County, NM

EXHIBIT **C**

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

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

Page 1 of 3

**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		Serial Number: NMNM-- - 004314		
		Int Rel	% Interest	
BLUE STAR RESOURCES INC	PO BOX 691281	HOUSTON TX 77269	OPERATING RIGHTS	0.00000000
ELLIOTT HALL CO UT LP	PO BOX 1231	ODGEN UT 844021231	OPERATING RIGHTS	0.00000000
ELLIOTT INDUSTRIES LTD PTNRSH	500 N KENTUCKY AVE	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
MAGNUM HUNTER PRODUCTION INC	5215 N O'CONNOR BLVD #1500	IRVING TX 750393764	OPERATING RIGHTS	0.00000000
MAGNUM HUNTER PRODUCTION INC	5215 N O'CONNOR BLVD #1500	IRVING TX 750393764	LESSEE	100.00000000
MCKAY LIVING TRUST	PO BOX 2014	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000

Serial Number: NMNM-- - 004314

Mer Twp	Rng	Sec	STyp	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)

**NO WARRANTY IS MADE BY BLM  
 FOR USE OF THE DATA FOR  
 PURPOSES NOT INTENDED BY BLM**

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

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

Page 2 of 3

01 02-25-1920;041STAT0437;30USC181ETSEQ			Total Acres	Serial Number
Case Type 311211: O&G LSE SIMO PUBLIC LAND			1,114.360	NMNM-- - 004314
Commodity 459: OIL & GAS L				
Case Disposition: AUTHORIZED				
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

**NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM**

