

10/1/07 DATE IN	SUSPENSE	D. BROOKS ENGINEER	10/3/07 LOGGED IN	NSL TYPE	APP NO. p TDS0727548044
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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



*Cimarex
Conoco 22 Fed Com #1*

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
Signature

Attorney for Applicant
Title

Date

jamesbruc@aol.com
e-mail Address

9/29/07

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

September 29, 2007

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 name:</u>	Conoco 22 Fed. Com. Well No. 1
<u>Surface location:</u>	2303 feet FNL & 1427 feet FWL 5
<u>Bottom hole location:</u>	1980 feet FNL & 330 feet FEL 5
<u>Well unit (project area):</u>	SE $\frac{1}{4}$ NW $\frac{1}{4}$ and S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 22, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

The well will test the Abo formation (wildcat Abo). It is anticipated that the Abo will be an oil zone. Therefore, under statewide rules, spacing is 40 acres, with wells to be at least 330 feet from a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

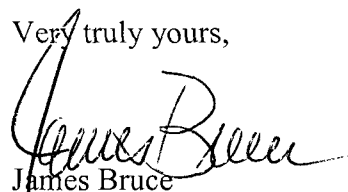
The well is a re-entry of a plugged and abandoned vertical well drilled in 2000-2001 by EOG Resources, Inc. Using the existing wellbore makes the surface location unorthodox.¹

The project area is comprised of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 22, covered by Federal Lease NM 12128 (Exhibit C), and the S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 22, covered by Federal Lease NM 97874 (Exhibit D). Lease NM 12128 also covers the offsetting SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 22. Both quarter-quarter sections have common ownership. Therefore, there is no adversely affected interest owner, and notice of this application has not been given to anyone.

¹ The original survey placed the well 2310 feet FNL. Exhibit B. However, applicant's survey shows the well to be 2303 feet FNL.

Please call me if you have any questions concerning this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is written in a cursive, flowing style with a large initial "J".

James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1501 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1090 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 97019	Pool Name Wildcat; Abo (Oil)
Property Code	Property Name CONOCO "22" FEDERAL COM	Well Number 1
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3667'

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	22	16 S	29 E		2303	NORTH	1427	WEST	EDDY

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
H	22	16 S	29 E		1980	NORTH	330	EAST	EDDY
Dedicated Acres 120	Joint or Infill	Consolidation Code P	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>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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Zeno Farris</i> 08-14-07 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>AUGUST 1, 2007 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature & Seal Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

EXHIBIT

A

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Wildcat	
4 Property Code		5 Property Name CONOCO "22" FEDERAL COM			6 Well Number 1
7 OGRID No. 7377		8 Operator Name EOG RESOURCES INC.			9 Elevation 3670

10 Surface Location

UL or lot no. F	Section 22	Township 16-S	Range 29-E	Lot Idn	Feet from the 2310	North/South line NORTH	Feet from the 1427	East/West line WEST	County EDDY
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11 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
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12 Dedicated Acres 3.20	13 Joint or Infill	14 Consolidation Code	15 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

16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Mike Francis</u> Printed Name: <u>Mike Francis</u> Title: <u>Agent</u> Date: <u>7-29-00</u>	
18 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 best of my belief. JULY 25, 2000 Date of Survey Signature and Seal of Professional Surveyor: <u>James E. Tompkins</u> REGISTERED PROFESSIONAL LAND SURVEYOR NEW MEXICO 14729 Certificate Number: <u>14729</u>			

EOG RESOURCES INC.
CONOCO "22" FEDERAL COM No. 1
ELEV.= 3670
Y= 694942.59
X= 583705.61
LAT= 32°54'06.95"
LONG.= 104°03'38.19"

EXHIBIT B

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

RunDate/Time: 09/29/07 09:39 AM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC226

Case Type 310771: O&G EXCHANGE LEASE - PD

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Total Acres
720.000

Serial Number
NMNM-- - 012128

Serial Number: NMNM-- - 012128

Name & Address

Int Rel % Interest

CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 74005	LESSEE	100.000000000
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Serial Number: NMNM-- - 012128

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0160S	0290E	022	ALIQ		S2NW,SW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S	0290E	027	ALIQ		NE,S2NW,SW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S	0290E	034	ALIQ		NENW,NWSW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 012128

Act Date	Code	Action	Action Remarks	Pending Office
12/30/1939	387	CASE ESTABLISHED		
12/30/1939	496	FUND CODE	05;145003	
12/30/1939	868	EFFECTIVE DATE		
01/01/1960	534	RLTY RATE-SLIDING-SCH D	/A/	
01/01/1960	868	EFFECTIVE DATE		
01/01/1970	648	EXT BY PROD ON ASSOC LSE	NMLC037777B;	
09/20/1978	510	KMA CLASSIFIED		
04/04/1979	315	RENTAL RATE DET/ADJ	\$2.00;	
10/24/1979	940	NAME CHANGE RECOGNIZED	CONTL OIL/CONOCO INC	
08/18/1981	512	KMA EXPANDED		
12/08/1981	111	RENTAL RECEIVED	\$1440.00;1YR/82-82	
12/11/1982	111	RENTAL RECEIVED	\$0;83-84	
12/06/1983	111	RENTAL RECEIVED	\$0;84-85	
12/10/1984	111	RENTAL RECEIVED	\$0;85-86	
12/09/1985	111	RENTAL RECEIVED	\$0;86-87	
12/04/1986	111	RENTAL RECEIVED	01/01/1987-12/31/1987	
04/13/1987	963	CASE MICROFILMED	CNUM-560,313 MF	
12/10/1987	111	RENTAL RECEIVED	\$1440.00;1YR/88-88	
07/24/1988	974	AUTOMATED RECORD VERIF	AR/LO	
12/05/1988	111	RENTAL RECEIVED	\$1440.00;1YR/89-89	
12/04/1989	111	RENTAL RECEIVED	\$720.00;21/1099200	
12/05/1990	111	RENTAL RECEIVED	\$720.00;21/1105329	
12/03/1991	111	RENTAL RECEIVED	\$720.00;21/1119297	
07/14/1992	974	AUTOMATED RECORD VERIF	LO/MV	
07/09/1993	974	AUTOMATED RECORD VERIF	GAG	
12/20/1993	111	RENTAL RECEIVED	\$720.00;21/1128767	
12/15/1994	084	RENTAL RECEIVED BY MMS	\$720.00;21/0000011345	
12/14/1995	084	RENTAL RECEIVED BY MMS	\$720.00;21/0000011399	
12/16/1996	084	RENTAL RECEIVED BY MMS	\$1440.00;21/000001144	
12/15/1997	084	RENTAL RECEIVED BY MMS	\$1440.00;21/000001148	
12/09/1998	084	RENTAL RECEIVED BY MMS	\$1440.00;21/000001155	

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

EXHIBIT **C**

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

RunDate/Time: 09/29/07 09:39 AM

Page 2 of 2

01 02-25-1920;041STAT0437;30USC226

Case Type 310771: O&G EXCHANGE LEASE - PD

Total Acres
720.000

Serial Number
NMNM-- - 012128

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

12/13/1999	084	RENTAL RECEIVED BY MMS	\$1440;21/11613
12/08/2000	084	RENTAL RECEIVED BY MMS	\$1440;21/11661
01/16/2003	817	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS

Line Nr	Remarks	Serial Number: NMNM-- - 012128
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0002	/A/AC 534 RLTY RATE SLIDING SCH D EFF 12/31/1939
0003	THRU THE PRESENT.
0004	-

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

RunDate/Time: 09/29/07 09:40 AM

Page 1 of 1

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,491.180

Serial Number
NMMN-- - 097874

Serial Number: NMMN-- - 097874

Name & Address

Int Rel % Interest

CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 74005	LESSEE	100.000000000
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Serial Number: NMMN-- - 097874

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0160S 0290E 015	ALIQ	NESW,S2SW,SWSE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 020	ALIQ	NWSW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 021	ALIQ	N2NE,W2;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 022	ALIQ	E2,NWNW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 026	ALIQ	SWNW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 027	ALIQ	N2NW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 031	ALIQ	SENW,E2SW,SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 031	LOT:	2,3;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 034	ALIQ	W2NW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMMN-- - 097874
Pending Office

Act Date	Code	Action	Action Remarks
10/15/1996	387	CASE ESTABLISHED	9610068
10/16/1996	191	SALE HELD	
10/16/1996	267	BID RECEIVED	\$731080.00;
10/16/1996	392	MONIES RECEIVED	\$731080.00;
11/06/1996	237	LEASE ISSUED	
11/06/1996	974	AUTOMATED RECORD VERIF	AT
12/01/1996	496	FUND CODE	05;145003
12/01/1996	530	RLTY RATE - 12 1/2%	
12/01/1996	868	EFFECTIVE DATE	
12/06/1996	084	RENTAL RECEIVED BY MMS	\$2238.00;11/MULTIPLE
03/13/1997	140	ASGN FILED	D SCHUTZ/CONOCO INC
03/20/1997	963	CASE MICROFILMED	
04/02/1997	139	ASGN APPROVED	EFF 04/01/97;
04/02/1997	974	AUTOMATED RECORD VERIF	MV/MV
11/17/1997	084	RENTAL RECEIVED BY MMS	\$2238.00;21/000001148
11/05/1998	084	RENTAL RECEIVED BY MMS	\$2238.00;21/000001155
11/09/1999	084	RENTAL RECEIVED BY MMS	\$2238;21/11608
11/09/2000	084	RENTAL RECEIVED BY MMS	\$2238;21/11658
01/16/2003	817	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS
03/30/2007	657	EXT BY PROD (YATES DEC)	
03/30/2007	974	AUTOMATED RECORD VERIF	BTM
04/02/2007	042	CASE SENT TO	JVIGIL;

Line Nr Remarks

Serial Number: NMMN-- - 097874

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

EXHIBIT **D**

Ezeanyim, Richard, EMNRD

From: JamesBruc@aol.com
Sent: Wednesday, October 31, 2007 4:50 PM
To: Ezeanyim, Richard, EMNRD
Subject: Cimarex Energy Co./Conoco and Nitro Wells

Richard: It appears that both wells will penetrate the Abo at unorthodox locations.

Conoco 22 Fed Com. No. 1: The surface location is unorthodox (1427 feet FWL). The top of the Abo is at a depth of 5946 feet, and the wellbore will not start its turn toward horizontal until a depth of about 6780 feet. Therefore, the entry point into the ABO is unorthodox at 1427 feet FWL.

Nitro 11 Fed. No. 1: The surface location is unorthodox (1580 feet FNL). The top of the Abo is at a depth of 6010 feet, and the wellbore will not start its turn toward horizontal until a depth of about 6850 feet. Therefore, the entry point into the ABO is unorthodox at 1580 feet FNL.

I am faxing you data which shows this.

Jim Bruce

See what's new at AOL.com and [Make AOL Your Homepage](#).

This inbound email has been scanned by the MessageLabs Email Security System.

11/1/2007