

DATE IN 1/25/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 1/25/08	TYPE NSL	APP NO PKUR0802538530
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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 Energy Co. of Colorado
 Mescalero 30 Federal #

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

RECEIVED
 2008 JAN 25 PM 8 37

[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

jamesbruc@aol.com

 e-mail Address

1/24/08

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

January 24, 2008

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>	Mescalero 30 Fed. Well No. 2
<u>Location:</u>	1200 feet FSL & 1980 feet FWL
<u>Well Unit:</u>	SE $\frac{1}{4}$ SW $\frac{1}{4}$ §30-19S-34E, Lea County, New Mexico

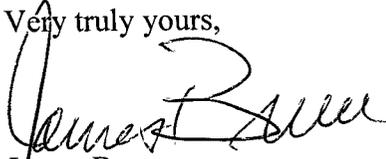
The well was drilled in 2003, and was completed in the Morrow formation (Quail Ridge-Morrow Gas Pool) at an orthodox location. The well was re-completed in the Strawn formation (East Gem-Strawn Pool) in 2006. The Strawn unorthodox location was approved by Administrative Order NSL-5579. Exhibit A.

Applicant plans to re-complete the well in the Bone Spring formation (Undesignated ~~South Quail Ridge-Bone Spring Pool~~ ^{apache}), and requests approval of an unorthodox location in that zone. 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 B. (Applicant will apply for downhole commingling approval in the Strawn and Bone Spring.)

The entire section is subject to Federal Lease NM 056376. Exhibit C. The lease has common royalty, overriding royalty, and working interest ownership in the Bone Spring formation. Therefore, there is no adversely affected offset owner, and notice of this application has not been given to anyone.

Please call me if you need any further information.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Cimarex Energy Co. of Colorado



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 9, 2007

Cimarex Energy Co. of Colorado
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5579

Re: Mescalero 30 Fed. Well No. 2
API No. 30-025-36040
N-30-19S-34E
Lea County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-04639689**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 13, 2007, on behalf of Cimarex Energy Co. of Colorado (Cimarex), and

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

Cimarex has requested to complete its Mescalero 30 Fed. Well No. 2 (API No. 30-025-36040) in the Strawn formation at an unorthodox oil well location, 1200 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 19 South, Range 34 East, N.M.P.M., in Lea County, New Mexico. The SE/4 of the SW/4 of Section 30 will be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the East Gem-Strawn Pool (96244). This request is governed by statewide Rule 104.B(1), which provides that wells may be located no closer than 330 feet to a unit boundary. The proposed location is less than 330 feet from the northern boundary of the proposed unit.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that this well was drilled as a Morrow gas well at an orthodox Morrow location, and that Cimarex now seeks to re-complete the well in the Strawn. Granting of this application will accordingly permit use of an existing wellbore.

We also understand that the all of Section 30 is covered by the same federal lease, and working interest ownership is uniform throughout the section. Accordingly, there are no "affected persons" who must be notified of this application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2) the above-described non-standard location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a horizontal line extending from the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36040	Pool Code	Pool Name <i>East</i> Gem; Strawn
Property Code	Property Name MESCALERO 30 FEDERAL	Well Number 2
OCRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3641'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	19 S	34 E		1200	SOUTH	1980	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 40	Joint or Infill	Consolidation Code	Order No. <i>NSL Pending</i>
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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>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i> Signature</p> <p>Zeno Farris Printed Name</p> <p>Mgr Operations Admin Title</p> <p>12-27-06 Date</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>FEBRUARY 4, 2002 Date Surveyed</p> <p><i>[Signature]</i> Signature</p> <p>Professional Surveyor NEW MEXICO 7977</p> <p>W.O. No. 2269A Certificate No. Gary L. Jones 7977</p>

EXHIBIT **B**

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

RunDate/Time: 01/24/08 12:36 PM

Page 1 of 4

01 02-25-1920;041STAT0437;30USC226
Case Type 311111: O&G LSE NONCOMP PUB LAND
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,281.800

Serial Number
NMNM-- 0 056376

Serial Number: NMNM-- 0 056376

Name & Address				Int Rel	% Interest
BURLINGTON RES OIL & GAS CO LP	PO BOX 51810	MIDLAND TX 797101810	LESSEE		0.00000000
DEVON ENERGY PROD CO LP	20 N BROADWAY #1500	OKLAHOMA CITY OK 73102	LESSEE		0.00000000
DEVON ENERGY PROD CO LP	20 N BROADWAY #1500	OKLAHOMA CITY OK 73102	OPERATING RIGHTS		0.00000000
EOG RESOURCES INC	PO BOX 2267	MIDLAND TX 79702	OPERATING RIGHTS		0.00000000
EOG RESOURCES INC	PO BOX 4362	HOUSTON TX 772104362	LESSEE		0.00000000
EOG RESOURCES INC	PO BOX 4362	HOUSTON TX 772104362	OPERATING RIGHTS		0.00000000
HARVEY E YATES CO	PO BOX 1933	ROSWELL NM 882021933	OPERATING RIGHTS		0.00000000
KENT ROBERT W	PO BOX 630741	HOUSTON TX 772630741	OPERATING RIGHTS		0.00000000
MAGNUM HUNTER PRODUCTION INC	5215 N O'CONNER BLVD #1500	IRVING TX 750393764	OPERATING RIGHTS		0.00000000
MALLON OIL CO	999 18TH ST #1700	DENVER CO 80202	OPERATING RIGHTS		0.00000000
MERIT ENERGY PTRS D-III LP	13727 NOEL RD #500	DALLAS TX 75240	OPERATING RIGHTS		0.00000000
MERIT ENERGY PTNRS III	13727 NOEL RD #500	DALLAS TX 75240	OPERATING RIGHTS		0.00000000
MERIT MGT PARTNERS I LP	13727 NOEL RD #500	DALLAS TX 75240	OPERATING RIGHTS		0.00000000
TX ENERGY SUPPLY INC	4301 MAPLEWOOD #500	WICHITA FALLS TX 76308	OPERATING RIGHTS		0.00000000
VIOLA PROD INC	BOX 515863	DALLAS TX 772515863	OPERATING RIGHTS		0.00000000

Serial Number: NMNM-- 0 056376

Mer Twp	Rng	Sec	S Typ	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0190S	0340E	021	ALIQ		E2,SW;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0190S	0340E	028	ALIQ		NW;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0190S	0340E	030	ALIQ		E2W2,E2;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0190S	0340E	030	LOT		1-4;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 056376
Pending Office

Act Date	Code	Action	Action Remarks
11/19/1958	124	APLN RECD	
06/13/1960	237	LEASE ISSUED	
07/01/1960	496	FUND CODE	05;145003
07/01/1960	530	RLTY RATE - 12 1/2%	
07/01/1960	868	EFFECTIVE DATE	
06/08/1961	232	LEASE COMMITTED TO UNIT	NMNM70989X;MESCALERO
06/08/1961	500	GEOGRAPHIC NAME	MESCALERO RIDGE UA
03/08/1962	102	NOTICE SENT-PROD STATUS	
07/23/1965	651	HELD BY PROD - ALLOCATED	MESCALERO RIDGE
07/23/1965	660	MEMO OF 1ST PROD-ALLOC	MESCALERO RIDGE
09/26/1969	500	GEOGRAPHIC NAME	UNDEFINED FLD;
09/26/1969	510	KMA CLASSIFIED	
09/09/1970	253	ELIM BY CONTRAC (PARTIAL)	NMNM70989X;MESCALERO
01/20/1971	315	RENTAL RATE DET/ADJ	\$1.00;
09/13/1982	512	KMA EXPANDED	
12/03/1982	512	KMA EXPANDED	
03/29/1983	909	BOND ACCEPTED	EFF 03/10/83;NM0490

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

EXHIBIT
