

4/24/08 DATE IN	SUSPENSE	ROD Brooks ENGINEER	4/24/08 LOGGED IN	NSC TYPE	PKUR0811551804 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



Cimarex Energy Co. of Colorado
Chose Draw 27 Fed Com #2

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

4/23/08

RECEIVED

2008 APR 24 PM 2 12

5847

Ref 5/15

JAMES BRUCE
ATTORNEY AT LAW

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(505) 982-2151 (Fax)

jamesbruc@aol.com

April 23, 2008

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 horizontal well:

<u>Well name:</u>	Chosa Draw "27" Fed. Com. Well No. 2
<u>Surface location:</u>	130 feet FNL & 990 feet FEL
<u>Bottom hole location:</u>	2310 feet FNL & 660 feet FEL
<u>Well unit (project area):</u>	E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 27, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico

The well will test the Delaware formation (North Cottonwood Draw-Delaware Pool). Under the Division's 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's surface location is unorthodox due to a flood plain covering a portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27. The surface location cannot be moved to the south because that would unduly minimize the length of the horizontal wellbore. The well will penetrate the Delaware, while building the curve, at an unorthodox location (144 feet FNL and 988 feet FEL). However, applicant will only produce the well at the end of the curve, which is orthodox at 357 feet FNL and 958 feet FEL (in the Cherry Canyon member).

Attached as Exhibit B is a land plat. The offsetting acreage in the SE $\frac{1}{4}$ of Section 22 and the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 27 is covered by Federal Leases NM 94839 and NM 92160. The sole lessee of both tracts is Chevron USA Production Company. Exhibit C. Notice of this application has not been sent to both lessor and lessee of the offsetting acreage. Exhibit D.

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

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

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 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 96720	Pool Name Cottonwood Draw; Delaware, North
Property Code	Property Name CHOSA DRAW "27" FEDERAL COM	Well Number 2
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3251'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	25 S	26 E		130	NORTH	990	EAST	EDDY

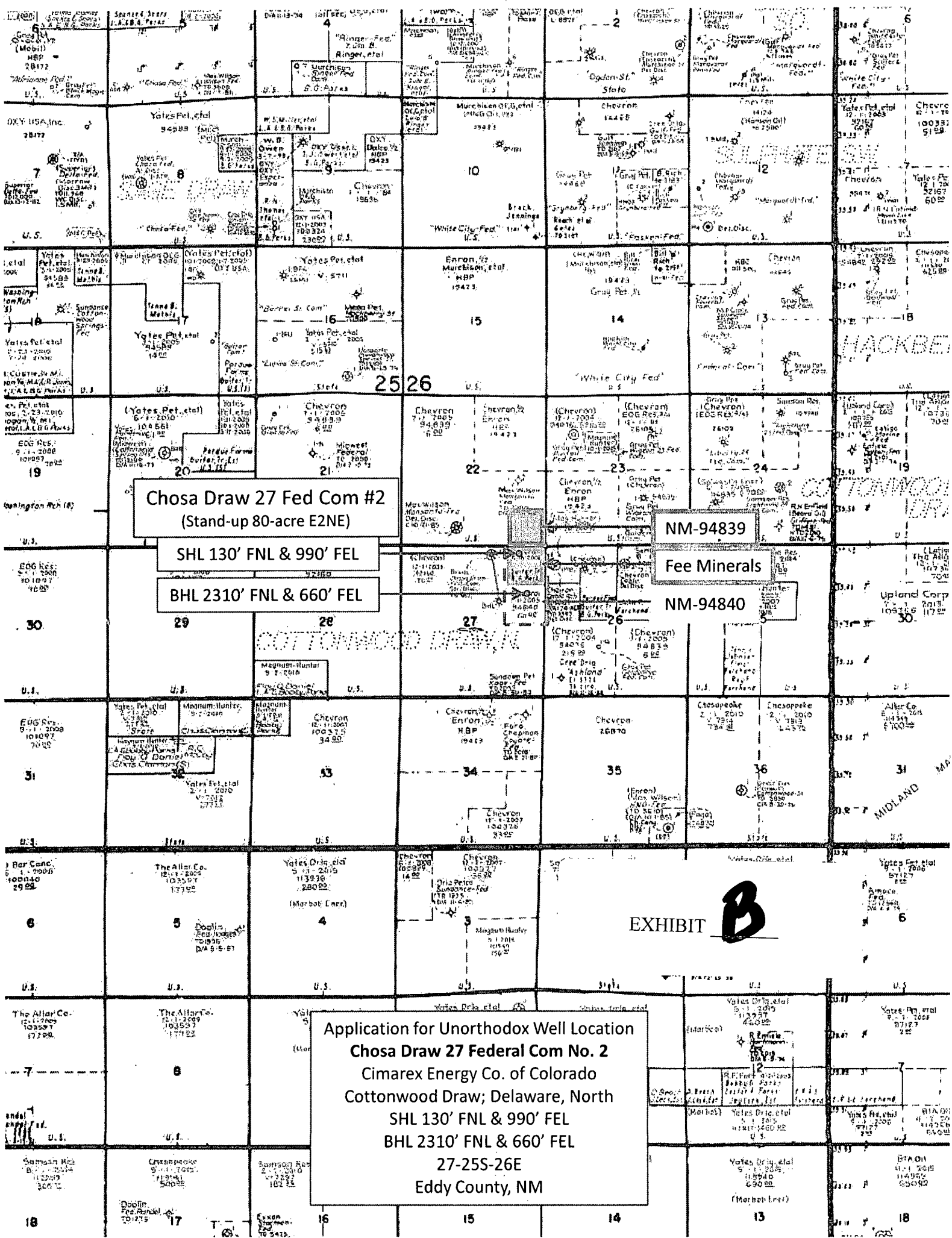
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	27	25 S	26 E		2310	NORTH	660	EAST	EDDY

Dedicated Acres 80	Joint or Infill	Consolidation Code C	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

Penetration Point Cherry Canyon: 2768' TVD 144' FNL & 988' FEL	SURFACE LOCATION Lat - N32°06'27.73" Long - W104°16'30.60" NMSPCE - N 402923.3 E 559347.3 (NAD-83)	Fee Lands 990' 3549.1' 3543.5' 2310' 2204' 660' NM-94840	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. Date 04-15-08 Signature _____ Printed Name Zeno Farris	
	SEC. 14 3262.3' 3264.0' 3248.1' 3242.5'	BOTTOM HOLE LOCATION Lat - N32°06'06.13" Long - W104°16'27.01" NMSPCE - N 400740.768 E 559657.336 (NAD-83)	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. MARCH 4, 2008 Date Surveyed _____ Signature & Seal of Professional Surveyor Gary L. Jones W.O. Jones	Certificate No. Gary L. Jones 7977
	EXHIBIT A			BASIN SURVEYS



Chosa Draw 27 Fed Com #2
(Stand-up 80-acre E2NE)

SHL 130' FNL & 990' FEL

BHL 2310' FNL & 660' FEL

NM-94839

Fee Minerals

NM-94840

EXHIBIT **B**

Application for Unorthodox Well Location
Chosa Draw 27 Federal Com No. 2
Cimarex Energy Co. of Colorado
Cottonwood Draw; Delaware, North
SHL 130' FNL & 990' FEL
BHL 2310' FNL & 660' FEL
27-255-26E
Eddy County, NM

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

RunDate/Time: 04/23/08 12:09 PM

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
1,480.000

Serial Number
NMNM-- - 094839

Name & Address

Serial Number: NMNM-- - 094839

Int Rel % Interest

CHEVRON USA PROD CO	PO BOX 1635	HOUSTON TX 772511635	LESSEE	100.000000000
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Serial Number: NMNM-- - 094839

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0250S 0260E 021	ALL	ENTIRE SECTION	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 022	ALIQ	NW,S2;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 023	ALIQ	SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S 0260E 026	ALIQ	SENE,SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 094839
Pending Office

Act Date	Code	Action	Action Remarks
04/18/1995	387	CASE ESTABLISHED	#020;
04/19/1995	191	SALE HELD	
04/19/1995	267	BID RECEIVED	\$11840.00;
04/19/1995	392	MONIES RECEIVED	\$11840.00;
05/03/1995	974	AUTOMATED RECORD VERIF	JLR
06/05/1995	237	LEASE ISSUED	
06/05/1995	974	AUTOMATED RECORD VERIF	GSB
06/12/1995	600	RECORDS NOTED	
06/13/1995	084	RENTAL RECEIVED BY MMS	\$2220.00;21/MULTIPLE
06/29/1995	963	CASE MICROFILMED	PAR
07/01/1995	496	FUND CODE	05;145003
07/01/1995	530	RLTY RATE - 12 1/2%	
07/01/1995	868	EFFECTIVE DATE	
03/27/1996	974	AUTOMATED RECORD VERIF	BTM
06/11/1996	084	RENTAL RECEIVED BY MMS	\$2220.00;21/000045006
06/09/1997	084	RENTAL RECEIVED BY MMS	\$2220.00;21/000000008
06/09/1998	084	RENTAL RECEIVED BY MMS	\$2220.00;21/000045010
06/14/1999	084	RENTAL RECEIVED BY MMS	\$2,220.00;21/00004501
06/12/2000	084	RENTAL RECEIVED BY MMS	\$2960;21/450147
06/11/2001	084	RENTAL RECEIVED BY MMS	\$2960;21/186
01/01/2004	246	LEASE COMMITTED TO CA	NMNM113988;
02/09/2005	650	HELD BY PROD - ACTUAL	NMNM113988;
02/09/2005	658	MEMO OF 1ST PROD-ACTUAL	/1/
08/09/2005	643	PRODUCTION DETERMINATION	/1/NMNM113988

Line Nr Remarks

Serial Number: NMNM-- - 094839

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

EXHIBIT 

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

RunDate/Time: 04/23/08 12:14 PM

Page 1 of 2

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
1,320.000

Serial Number
NMNM-- - 092160

Serial Number: NMNM-- - 092160

Name & Address

Int Rel % Interest

CHEVRON USA PROD CO	PO BOX 1635	HOUSTON TX 772511635	LESSEE	100.000000000
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Serial Number: NMNM-- - 092160

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0250S	0260E	020	ALIQ		SESW,SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S	0260E	027	ALIQ		W2NE,NW,S2;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0250S	0260E	028	ALIQ		N2,N2SW,SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 092160
Pending Office

Act Date	Code	Action	Action Remarks
10/19/1993	387	CASE ESTABLISHED	9310061
10/20/1993	191	SALE HELD	
10/20/1993	267	BID RECEIVED	\$34320.00;
10/20/1993	392	MONIES RECEIVED	\$34320.00;
11/03/1993	237	LEASE ISSUED	
11/03/1993	974	AUTOMATED RECORD VERIF	AR/MV
11/15/1993	600	RECORDS NOTED	
11/23/1993	111	RENTAL RECEIVED	\$1980.00;21/MULTIPLE
11/29/1993	963	CASE MICROFILMED	CNUM 570,076 JS
12/01/1993	496	FUND CODE	05;145003
12/01/1993	530	RLTY RATE - 12 1/2%	
12/01/1993	868	EFFECTIVE DATE	
12/13/1993	140	ASGN FILED	SCHUTZ/CHEVRON USA
01/19/1994	139	ASGN APPROVED	EFF 01/01/94;
01/19/1994	974	AUTOMATED RECORD VERIF	BCO/KRP
11/04/1994	111	RENTAL RECEIVED	\$1980.00;21/000000003
11/13/1995	084	RENTAL RECEIVED BY MMS	\$1980.00;21/000000005
11/12/1996	084	RENTAL RECEIVED BY MMS	\$1980.00;21/000000007
11/10/1997	084	RENTAL RECEIVED BY MMS	\$1980.00;21/000045009
11/10/1998	084	RENTAL RECEIVED BY MMS	\$1980.00;21/000045011
11/10/1998	084	RENTAL RECEIVED BY MMS	\$660.00;23/0000450115
11/12/1999	084	RENTAL RECEIVED BY MMS	\$2640;21/450137
11/13/2000	084	RENTAL RECEIVED BY MMS	\$2640;21/181
11/30/2003	235	EXTENDED	THRU 11/30/2005
01/01/2004	246	LEASE COMMITTED TO CA	NMNM111040;
01/30/2004	393	DEC ISSUED	LSE EXTENDED
01/30/2004	974	AUTOMATED RECORD VERIF	LBO
04/10/2004	650	HELD BY PROD - ACTUAL	NMNM111040;
10/30/2006	246	LEASE COMMITTED TO CA	CA NMNM120212
04/04/2008	643	PRODUCTION DETERMINATION	CA NMNM120212
04/04/2008	660	MEMO OF 1ST PROD-ALLOC	CA NMNM120212

Line Nr Remarks

Serial Number: NMNM-- - 092160

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

JAMES BRUCE
ATTORNEY AT LAW

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April 23, 2008

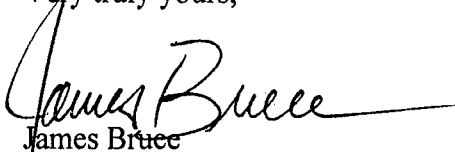
Certified Mail – Return Receipt Requested

Bureau of Land Management 620 East Greene Street Carlsbad, NM 88220	Chevron USA Inc. 15 Smith Road Midland, TX 79705 Attn: P.A. Caldwell
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Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the E½NE¼ of Section 27, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT

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