

DATE IN 6-2-10	SUSPENSE	ENGINEER D.B.	LOGGED IN 6-2-10	TYPE NSL	PTG-W	APP NO 1015.329643
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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  
 Hydrus "10" #9  
 6207

**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

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[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

6/1/10  
 Date

**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)

July 1, 2010

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>	Hydrus 10 Fed. Well No. 9
<u>Surface location:</u>	1133 feet FSL & 990 feet FEL
<u>Bottom hole location:</u>	990 feet FSL & 2310 feet FE
<u>Well Unit:</u>	S½SE¼ §10-17S-30E, Eddy County, New Mexico

The well is a horizontal well which will be drilled to a depth sufficient to test the Glorieta-Yeso formation (Loco Hills Glorieta-Yeso Pool). The pool is developed on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A. **The penetration point in the Glorieta-Yeso is the same as the surface location.**

The unorthodox location is due to engineering and topographic reasons. The Glorieta-Yeso formation is typically developed with 2-4 wells per well unit, spaced to minimize interference between wells. This well unit will have 5 vertical wells and the proposed well, as shown on Exhibit A. Thus, the well must be in the northern part of the S½SE¼. Applicant desired to place the subject well at an orthodox surface location. However, there are sand dunes in the area, and the BLM requested that the well be moved. In addition, there are numerous wells, pipelines and other facilities in the area, and the well had to be fitted in among the infrastructure. Exhibits B and C.

The well encroaches on the N½SE¼ of Section 10. However, the SE¼ of Section 10 is covered by Federal Lease NM 074937 (Exhibit D), which has common interest ownership in the Glorieta-Yeso formation. Therefore, there is no adversely affected interest owner, and notice of this application is not required.

Please contact me if you need any further information on this application.

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  
1826 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

3734 WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015 <del>1009</del>	Pool Code 96718	Pool Name Loco Hills; Glorieta-Yeso
Property Code	Property Name HYDRUS "10"	Well Number 9
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3710'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	17 S	30 E		1133	SOUTH	990	EAST	EDDY

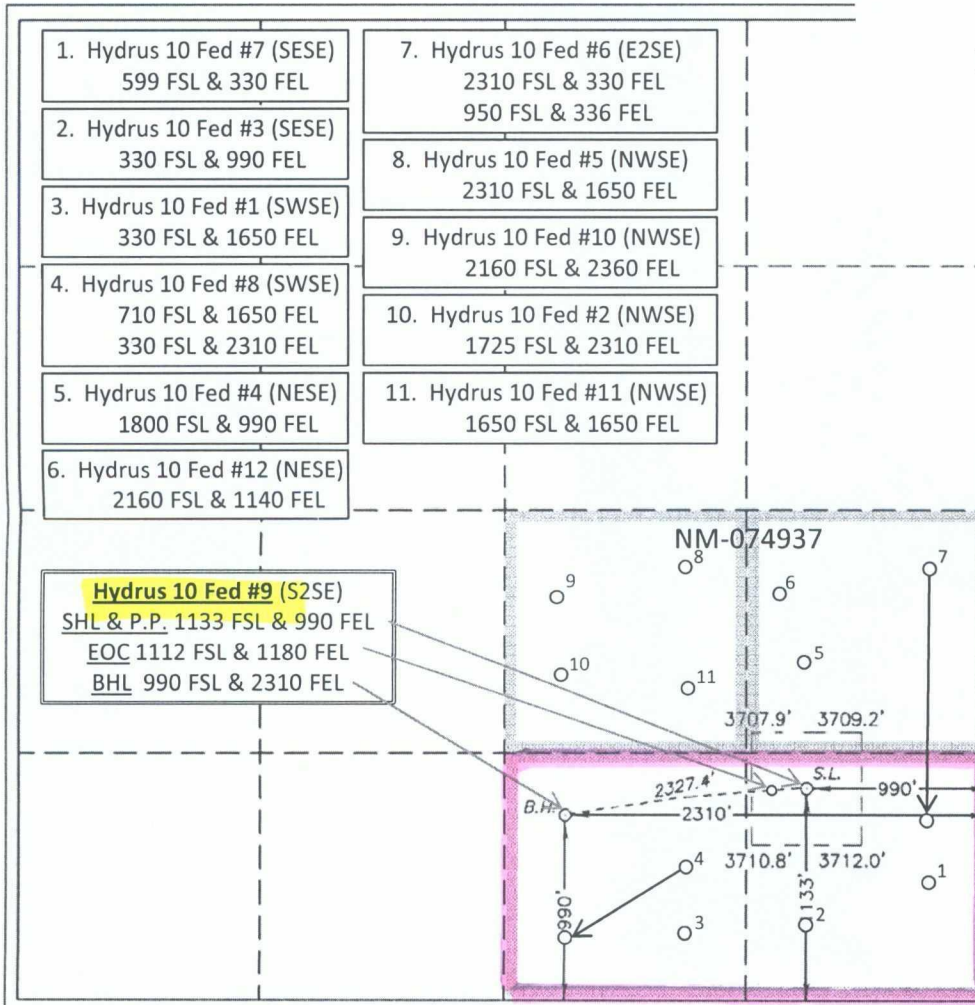
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	10	17 S	30 E		990	SOUTH	2310	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
80	Y								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL  
OR A NON-STANDARD UNIT HAS BEEN APPRC

EXHIBIT

**A**



I, the undersigned, certify 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.

Signature \_\_\_\_\_ Date 5/25/2010

Printed Name Zeno Farris

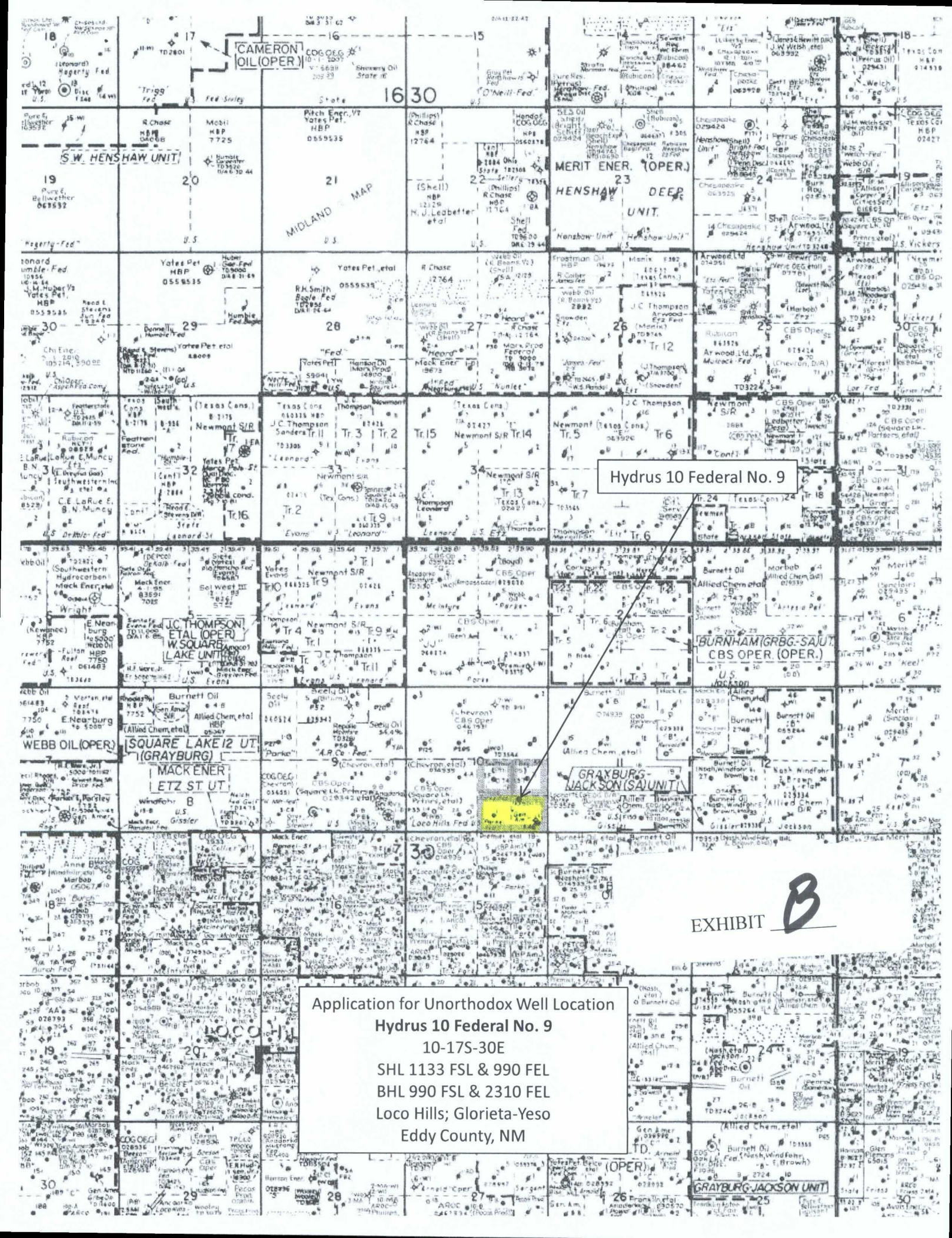
SURVEYOR CERTIFICATION

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.

Date Surveyed JUL 2 2005  
Signature & Seal of Professional Surveyor GARY L. JONES  
W. 21506

Certificate No. Gary L. Jones 7977

BASIN SURVEYS



**CAMERON OIL (OPER)**

**16 30**

**O'Neill Fed**

**S.W. HENSHAW UNIT**

**MERIT ENER. (OPER.)**

**HENSHAW DEEP UNIT.**

**Hydrus 10 Federal No. 9**

**BURNHAM (GRBG-SAJU) CBS OPER (OPER.)**

**GRAYBURG-JACKSON UNIT**

**SQUARE LAKE 12 UT (GRAYBURG)**

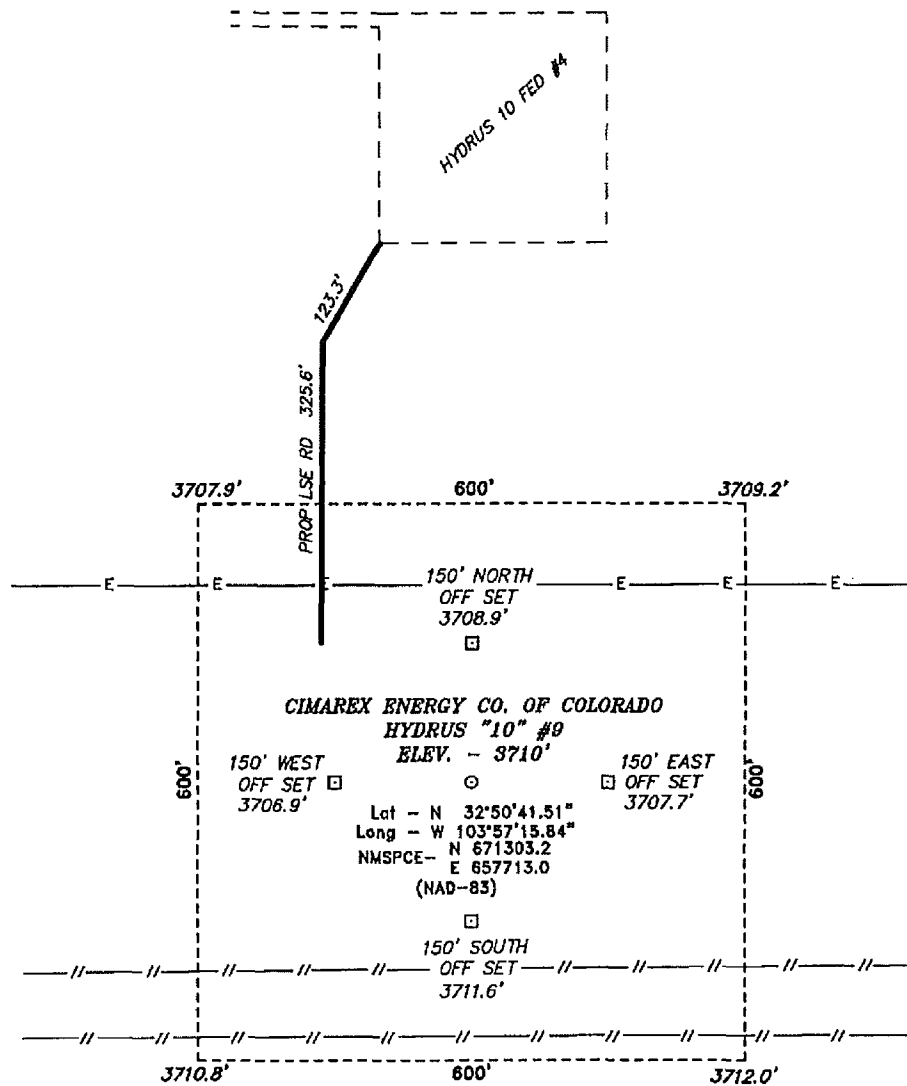
**MACK ENER ETZ ST UT.**

**Application for Unorthodox Well Location**  
**Hydrus 10 Federal No. 9**  
 10-17S-30E  
 SHL 1133 FSL & 990 FEL  
 BHL 990 FSL & 2310 FEL  
 Loco Hills; Glorieta-Yeso  
 Eddy County, NM

**EXHIBIT B**

**GRAYBURG-JACKSON UNIT**

SECTION 10, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

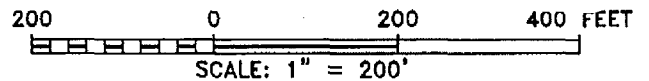


CIMAREX ENERGY CO. OF COLORADO  
 HYDRUS "10" #9

ELEV. - 3710'  
 150' WEST OFF SET 3706.9'      150' EAST OFF SET 3707.7'  
 Lat - N 32°50'41.51"  
 Long - W 103°57'15.84"  
 NMSPCE - N 671303.2  
 E 857713.0  
 (NAD-83)

150' SOUTH OFF SET 3711.6'

EXHIBIT **C**



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND GOAT ROPERS, GO NORTH ON GOAT ROPERS FOR 1.8 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST 1.1 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTH 0.2 MILES THENCE EAST 0.2 MILES TO HYDRUS #4 LOCATION AND PROPOSED LEASE ROAD.

**CIMAREX ENERGY CO. OF COLORADO**

REF: HYDRUS "10" #9 / WELL PAD TOPO

THE HYDRUS "10" #9 LOCATED 1133'  
 FROM THE SOUTH LINE AND 990' FROM THE EAST LINE OF  
 SECTION 10, TOWNSHIP 17 SOUTH, RANGE 30 EAST,  
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 21596      Drawn By: J. SMALL

Date: 07-30-2009      Disk: JMS 21596

Survey Date: 07-29-2009

Sheet 1 of 1 Sheets

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

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Run Date: 06/01/10

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

**Case Type 310771: O&G EXCHANGE LEASE - PD**

**Commodity 459: OIL & GAS L**

**Case Disposition: AUTHORIZED**

**Total Acres  
320.000**

**Serial Number  
NMNM-- 0 074937**

**Serial Number: NMNM-- 0 074937**

Name & Address			Int Rel	% Interest
CBS PTNRS LTD	PO BOX 2236	MIDLAND TX 79702	OPERATING RIGHTS	0.00000000
CHASE OIL CORP	PO BOX 1767	ARTESIA NM 882111767	OPERATING RIGHTS	0.00000000
CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 74005	LESSEE	100.00000000
DORAL ENERGY CORP	111 N CEPULVEDA BLVD #250	MANHATTAN BEACH CA 90266	OPERATING RIGHTS	0.00000000
MAGNUM HUNTER PRODUCTION IN	600 N MARIENFELD ST STE 600	MIDLAND TX 797014405	OPERATING RIGHTS	0.00000000
SOUTHWEST ROYALTIES INC	#6 DESTA DR #2100	MIDLAND TX 79705	OPERATING RIGHTS	0.00000000
SQUARE LAKE PTRNS	BOX 3531	MIDLAND TX 79702	OPERATING RIGHTS	0.00000000
XERIC OIL & GAS CORP	PO BOX 352	MIDLAND TX 797020352	OPERATING RIGHTS	0.00000000

**Serial Number: NMNM-- 0 074937**

Mer Twp	Rng	Sec	STyp	SNr SUFF	Subdivision	District/Resource Area	County	Mgmt Agency
23 0170S	0300E	003	ALIQ		SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0170S	0300E	010	ALIQ		SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

**Serial Number: NMNM-- 0 074937**

Act Date	Code	Action	Action Remark	Pending Office
09/30/1942	387	CASE ESTABLISHED		
10/01/1942	496	FUND CODE	05;145003	
10/01/1942	533	RLTY STEP 12.5-32%	/A/	
10/01/1942	868	EFFECTIVE DATE		
03/05/1959	209	CASE CREATED BY SEGR	OUT OF NMLC060524;	
03/06/1959	650	HELD BY PROD - ACTUAL		
03/06/1959	658	MEMO OF 1ST PROD-ACTUAL		
04/21/1960	102	NOTICE SENT-PROD STATUS		
10/06/1976	396	TRF OF INTEREST FILED	100%/WELLER/WELLER	
01/26/1984	817	MERGER RECOGNIZED	GEN AMER/PHILLIPS OIL	
08/05/1985	932	TRF OPER RGTS FILED	PHILLIPS OIL/PETRO	
09/16/1985	817	MERGER RECOGNIZED	PHILLIPS OIL/PETRO	
07/03/1986	932	TRF OPER RGTS FILED		
09/23/1986	933	TRF OPER RGTS APPROVED	EFF 08/01/86;	
09/23/1986	933	TRF OPER RGTS APPROVED	EFF 09/01/85;	
01/04/1988	963	CASE MICROFILMED	CNUM 102,068	
03/29/1988	974	AUTOMATED RECORD VERIF	GEA/JR	
04/01/1988	909	BOND ACCEPTED	EFF 04/01/88;ES0128	
06/05/1989	932	TRF OPER RGTS FILED	HAMMOND/HAMMOND TRST	
07/24/1989	933	TRF OPER RGTS APPROVED	EFF 07/01/89;	
07/24/1989	974	AUTOMATED RECORD VERIF	MCS/MT	
08/27/1990	932	TRF OPER RGTS FILED	PHILLIPS/SW RLTY	
09/27/1990	933	TRF OPER RGTS APPROVED	EFF 09/01/90;	
09/27/1990	974	AUTOMATED RECORD VERIF	GLC/MT	
11/07/1991	909	BOND ACCEPTED	EFF 10/28/91;NM1936	
07/07/1992	974	AUTOMATED RECORD VERIF	LO/MV	
01/01/1993	621	RLTY RED-STRIPPER WELL	2.9%;/2/	

**EXHIBIT** 

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CASE RECORDATION  
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01/01/1993	621	RLTY RED-STRIPPER WELL	3.7%;/1/	
03/29/1993	625	RLTY REDUCTION APPV	/2/	
04/05/1993	625	RLTY REDUCTION APPV	/1/	
04/07/1993	909	BOND ACCEPTED	EFF 04/05/93;NM2151	
05/19/1993	974	AUTOMATED RECORD VERIF		JS
12/30/1993	932	TRF OPER RGTS FILED	CRI INC/CHASE OIL	
01/20/1994	933	TRF OPER RGTS APPROVED	EFF 01/01/94;	
01/20/1994	974	AUTOMATED RECORD VERIF		VHG
01/27/1994	974	AUTOMATED RECORD VERIF		VHG
02/07/1994	974	AUTOMATED RECORD VERIF		KRP
10/23/1995	932	TRF OPER RGTS FILED	ANADARKO/XERIC O&G	
12/13/1995	933	TRF OPER RGTS APPROVED	EFF 11/01/95;	
12/13/1995	974	AUTOMATED RECORD VERIF	ANN	
09/23/1996	899	TRF OF ORR FILED		
08/21/1997	932	TRF OPER RGTS FILED	XERIC/SQUARE LAKE	
09/05/1997	933	TRF OPER RGTS APPROVED	EFF 09/01/97;	
09/05/1997	974	AUTOMATED RECORD VERIF	ANN	
09/14/1998	084	RENTAL RECEIVED BY MMS	\$320.00;21/0000000063	
08/23/1999	084	RENTAL RECEIVED BY MMS	\$320.00;21/0000000076	
07/01/2000	621	RLTY RED-STRIPPER WELL	0.5%;	
09/28/2000	084	RENTAL RECEIVED BY MMS	\$320.00;21/93	
06/25/2001	625	RLTY REDUCTION APPV		
09/01/2001	621	RLTY RED-STRIPPER WELL	1.3%	
09/04/2001	084	RENTAL RECEIVED BY MMS	\$320.00;21/107	
10/04/2001	625	RLTY REDUCTION APPV		
11/01/2002	621	RLTY RED-STRIPPER WELL	1.3%;/1/	
11/18/2002	932	TRF OPER RGTS FILED	SQUARE LAKE/CBS	
01/16/2003	817	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS	
03/24/2003	932	TRF OPER RGTS FILED	WELLER ENE/CBS PTNRS	
04/24/2003	933	TRF OPER RGTS APPROVED	EFF 04/01/03;	
04/24/2003	974	AUTOMATED RECORD VERIF	JLV	
05/30/2003	933	TRF OPER RGTS APPROVED	EFF 12/01/02;	
05/30/2003	974	AUTOMATED RECORD VERIF	MV	
01/01/2004	621	RLTY RED-STRIPPER WELL	1.3%;/2/	
03/01/2005	621	RLTY RED-STRIPPER WELL	1.3%;/3/	
04/21/2005	625	RLTY REDUCTION APPV	/1/	
04/21/2005	625	RLTY REDUCTION APPV	/2/	
04/21/2005	625	RLTY REDUCTION APPV	/3/	
04/26/2005	974	AUTOMATED RECORD VERIF	BCO	
01/09/2006	932	TRF OPER RGTS FILED	CHASE OIL/HANSON WA;1	
02/16/2006	933	TRF OPER RGTS APPROVED	EFF 02/01/06;	
02/16/2006	974	AUTOMATED RECORD VERIF	ANN	
08/05/2008	932	TRF OPER RGTS FILED	WARREN ET/DORAL ENE;1	
09/30/2008	933	TRF OPER RGTS APPROVED	EFF 09/01/08;	
09/30/2008	974	AUTOMATED RECORD VERIF	MV	
10/01/2009	932	TRF OPER RGTS FILED	CONOCOPHI/MAGNUM HU;1	
12/04/2009	932	TRF OPER RGTS FILED	CONOCOPHI/MAGNUM HU;1	
12/04/2009	932	TRF OPER RGTS FILED	CONOCOPHI/MAGNUM HU;2	
12/04/2009	932	TRF OPER RGTS FILED	CONOCOPHI/MAGNUM HU;3	
01/06/2010	933	TRF OPER RGTS APPROVED	EFF 11/01/09;	
01/06/2010	974	AUTOMATED RECORD VERIF	RAYO/RAYO	
03/05/2010	933	TRF OPER RGTS APPROVED	1 EFF 01/01/10;	

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



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Run Date: 06/01/10

03/05/2010	933	TRF OPER RGTS APPROVED	2 EFF 01/01/10;
03/05/2010	933	TRF OPER RGTS APPROVED	3 EFF 01/01/10;
03/05/2010	974	AUTOMATED RECORD VERIF	JS

Line Nr	Remarks	Serial Number: NMNM-- 0 074937
0002	/A/AQ 533 RLTY RATE 12.5-33% EFF 10/1/1942 THRU	
0003	THE PRESENT.	
0004	BONDED OPERATOR	
0005	09/30/08 DORAL BONDED TRANSFEREE NMB000546/SW	
0006	01/06/2010 - BONDED LESSEE - CONOCO PHILLIPS CO	
0007	ES0085 N/W	