

DATE IN 9/7/10	SUSPENSE	ENGINEER Brook	LOGGED IN 9.15.10	TYPE NSL	PTGW APP NO. 1025831378
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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
White City 10 Fed # 3

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-38097

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

200 SEP - 7 P 12:45

RECEIVED OCD

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 7, 2010

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 NMAC 19.15.15.13, Cimarex Energy Co. of Colorado applies for approval of an unorthodox gas well location for the following horizontal well:

<u>Well name:</u>	White City "10" Fed. Well No. 3
<u>Surface location:</u>	660 feet FSL & 330 feet FEL (this is also the penetration point in the Wolfcamp formation)
<u>Bottom hole location:</u>	990 feet FSL & 660 feet FWL
<u>Well unit (project area):</u>	S½ of Section 10, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico

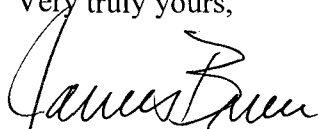
The well will test the Wolfcamp formation (Undesignated East Sage Draw-Wolfcamp Gas Pool). Under the Division's statewide rules, spacing is 320 acres, with wells to be located at least 660 feet from a quarter section line. A Form C-102 is attached as **Exhibit A**.

The location is based on topographic and engineering reasons. Applicant intended to place the well to be further west (but still unorthodox), but due to excessive slope at that location it moved the well east to the requested location to minimize cut and fill. **Exhibit B**. In addition, locating the well at an unorthodox surface location will allow a maximum horizontal extent for the wellbore, thus increasing chances for a commercial well. **The end-of-curve and producing portion of the wellbore are orthodox.**

Attached as **Exhibit C** is a listing of offset interest owners in Sections 11 and 14. Notice of this application has been sent to all offsets except the federal government, which is unaffected by the application. **Exhibit D**.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "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 16, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96890	Pool Name Sage Draw; Wolfcamp, E
Property Code	Property Name WHITE CITY "10" FEDERAL	Well Number 3
OCRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3370'

Surface Location

UL or lot No. P	Section 10	Township 25 S	Range 26 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 330	East/West line EAST	County EDDY
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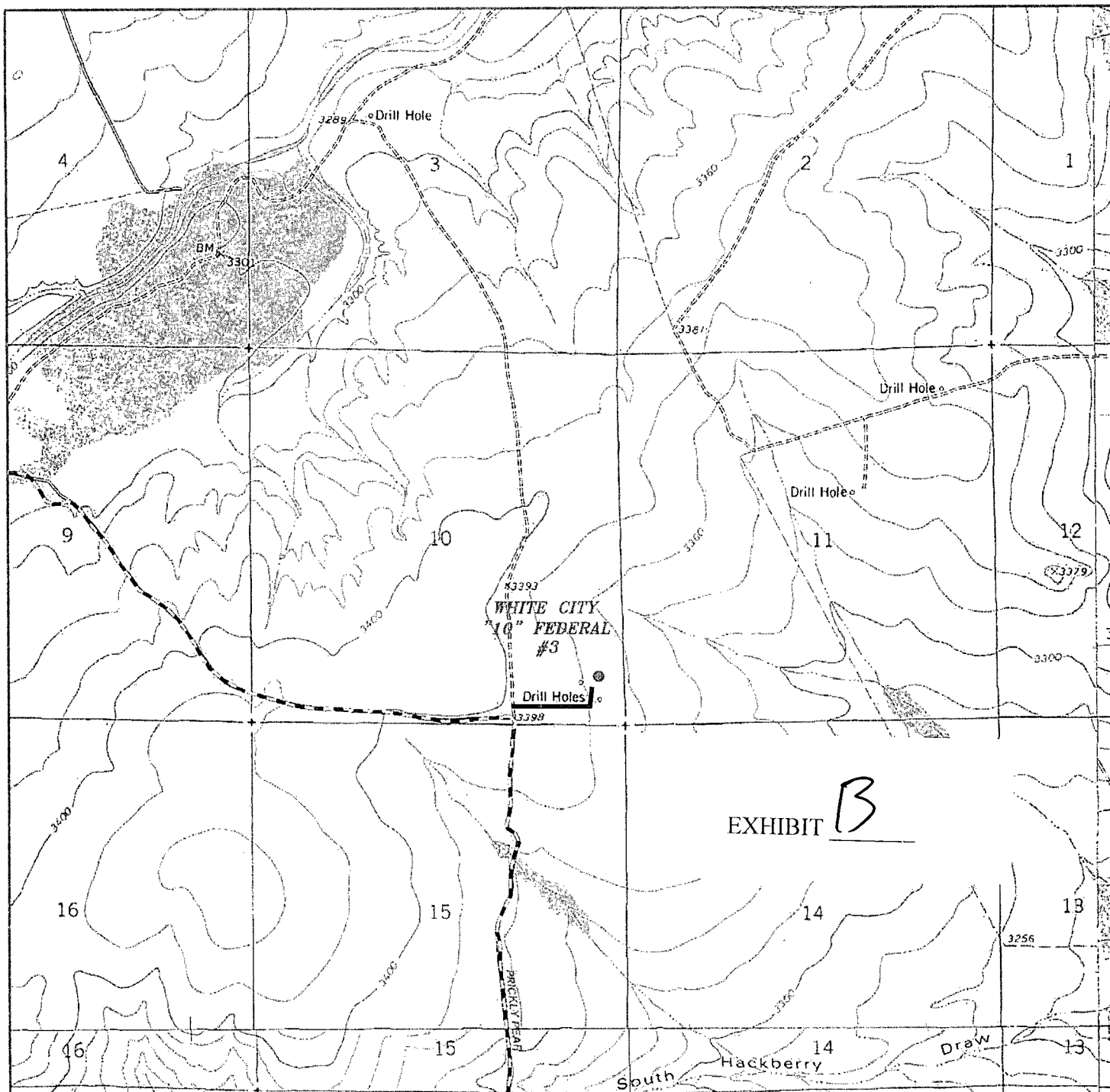
Bottom Hole Location If Different From Surface

UL or lot No. M	Section 10	Township 25 S	Range 26 E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
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Dedicated Acres 320	Joint or Infill	Consolidation Code	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

<p>EXHIBIT <u>A</u></p>		<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 or has a right to drill this well at this 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.</p> <p>6/8/2010 Date</p> <p>Signature</p> <p>Zeno Farris Printed Name</p>
<p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°08'23.25" Long - W 104°17'14.21" NMSPCE - N 414595.26 E 555591.38 (NAD-83)</p> <p>EOC/Beg of Prod Interval 697 FSL & 805 FEL</p> <p>SHL & PP Wolfcamp 660 FSL & 330 FEL</p> <p>SURFACE LOCATION Lat - N 32°08'19.94" Long - W 104°16'24.00" NMSPCE - N 414262.9 E 559908.4 (NAD-83)</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>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>



WHITE CITY "10" FEDERAL #3
 Located 660' FSL and 330' FEL
 Section 10, Township 25 South, Range 26 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

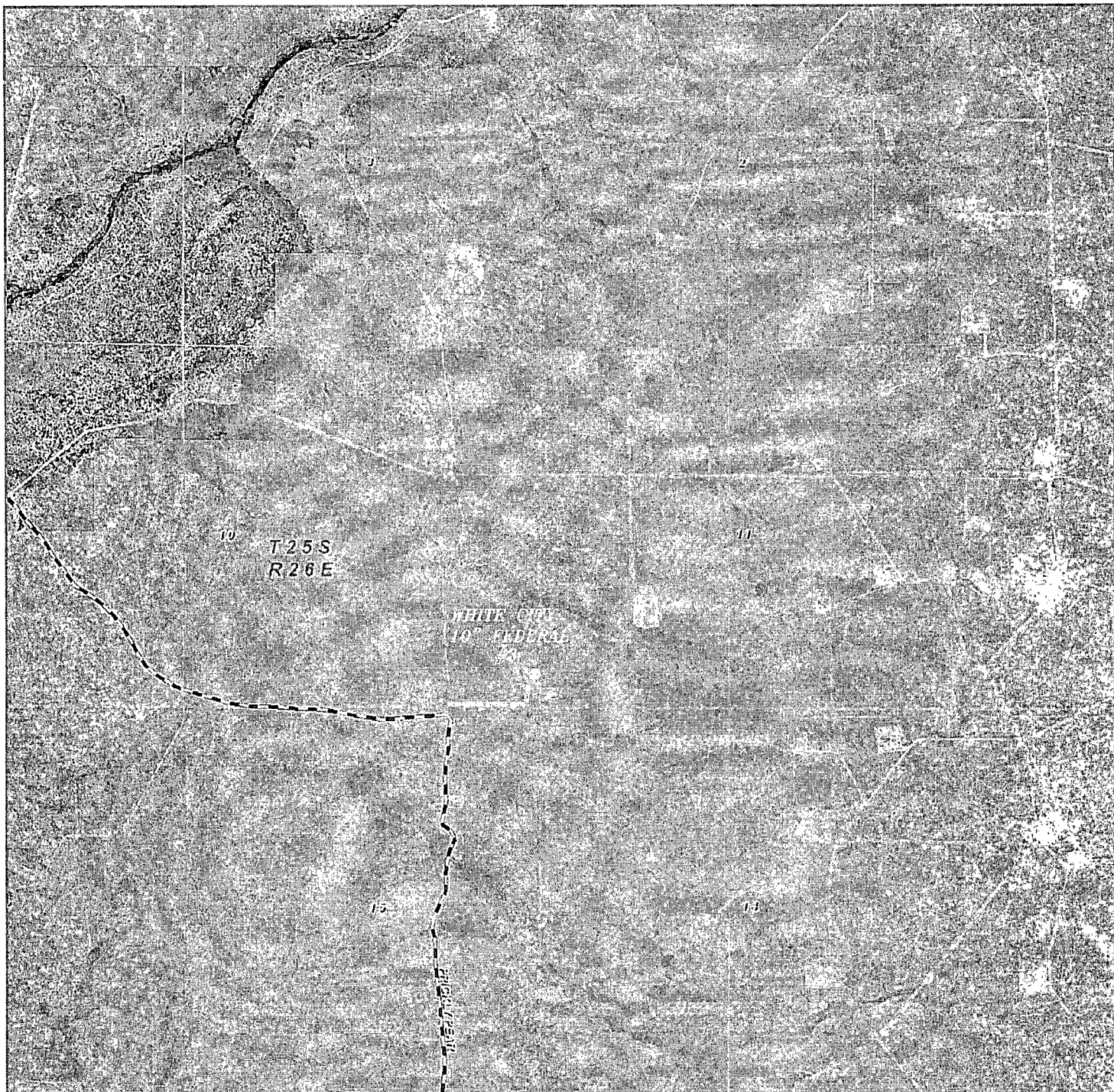
W.O. Number: JMS 22603

Survey Date: 04-08-2010

Scale: 1" = 2000'

Date: 04-09-2010

CIMAREX
ENERGY CO.
OF COLORADO



WHITE CITY "10" FEDERAL #3
Located 660' FSL and 330' FEL
Section 10, Township 25 South, Range 26 East,
N.M.P.M., Eddy County, New Mexico.

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Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND



CIMAREX
ENERGY CO.
OF COLORADO

**RE: Application for Nonstandard Location – Notification of Non-Common Owners**

Section 11-25S-26E

Fasken Oil and Ranch LTD 303 W WALL AVE STE 1800 Midland, TX 79701-5116	Opal Investments, LP % C WAYNE NANCE 214 NORTH BAY DRIVE Bullard, TX 75757	Celeste C Grynberg 3600 S YOSEMITE ST SUITE 900 Denver, CO 80237
Reva Sandra Vinnik 5062 E PRINCETON AVE Englewood, CO 80110	Minerals Management Service 620 East Greene Street Carlsbad, NM 88220	Cimarex Energy Co. of Colorado 600 N. Marienfeld St., Ste. 600 Midland, TX 79701

Section 14-25S-26E

Mona L. Coffield PO BOX 8028 Santa Fe, NM 87504	Bryan Bell Fmly LTD Prtnrshp 1 1331 THIRD ST New Orleans, LA 70130	Chevron U.S.A. Inc. 15 Smith Road Midland, TX 79701
Joseph WM Foran ONE LINCOLN CENTRE 5400 LBJ FREEWAY STE 1500 Dallas, TX 75240-1017	Murchison Oil & Gas, Inc. P O BOX 841670 Dallas, TX 75284-1670	Opal Investments, LP % C WAYNE NANCE 214 NORTH BAY DRIVE Bullard, TX 75757
Robert Enfield Trust WELLS FARGO BANK OGM C7300-07C PO BOX 5383 Denver, CO 80217	Marilyn J Clifford PLAINS NAT'L BANK OF WEST TX CUSTODIAN - % TRUST DEPARTMENT P O BOX 271 Lubbock, TX 79408	Richard H Gibson P O BOX 6238 Longview, TX 75608
Sunshine Company P O BOX 1517 Roswell, NM 88202	Minerals Management Service 620 East Greene Street Carlsbad, NM 88220	Hutchison-Krull Interests LTD A TEXAS LIMITED PARTNERSHIP 1250 TREETOP RIDGE ROAD Blacksburg, VA 24060
Cimarex Energy Co. of Colorado 600 N. Marienfeld St., Ste. 600 Midland, TX 79701		

EXHIBIT

C

JAMES BRUCE
ATTORNEY AT LAW

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jamesbruce@aol.com

September 7, 2010

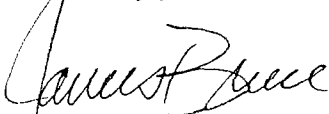
Certified Mail - Return Receipt Requested

To: Persons on Exhibit 1

Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox gas well location in the S½ of Section 25, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You offset the well. 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 at a later date.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT D

White City 10 Federal No. 3
10-25S-26E
Sage Draw; Wolfcamp, East (Gas)
Eddy County, NM



RE: Application for Nonstandard Location – Notification of Non-Common Owners

Section 11-25S-26E

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Cimarex Energy Co. of Colorado 600 N. Marienfeld St., Ste. 600 Midland, TX 79701		

EXHIBIT 1