

DATE IN <u>10.11.10</u>	SUSPENSE	ENGINEER <u>DLB</u>	LOGGED IN <u>10.11.10</u>	TYPE <u>NSL</u>	APP NO. <u>1028435433</u>
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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

Poseidon 3 Feb 20

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

6289

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

Print or Type Name

Signature

Attorney

Title

Date

jamesbruc@aol.com

e-mail Address

10/8/10

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

October 8, 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 oil well location for the following well:

<u>Well name:</u>	Poseidon "3" Fed. Well No. 20
<u>Location:</u>	330 feet FSL & 1180 feet FWL
<u>Bottom hole location:</u>	330 feet FSL & 990 feet FWL
<u>Well unit:</u>	SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

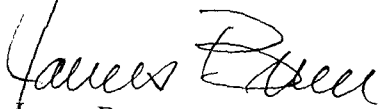
The well is in the Loco Hills Glorieta-Yeso Pool, which is an oil pool. Under Oil Conservation Division regulations, wells in the pool are spaced on 40 acres, with wells to be no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**. The well has an unorthodox surface location, and will penetrate the top of the Glorieta-Yeso approximately 330 feet FSL & 1020 feet FWL. However, the well will be orthodox in the producing interval.

Applicant desired to place the proposed well at an orthodox location in the southeast portion of the well unit, but the Bureau of Land Management required the location be moved to avoid a playa.

The SW $\frac{1}{4}$ of Section 3 is covered by Federal Lease LC 060524, with common ownership, so no one in Section 3 was notified of this application. The offset operator in the Glorieta-Yeso formation in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10 is COG Operating LLC, **Exhibit B**, which has been sent notice of this application. **Exhibit C**.

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 dark 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 July 16, 2010

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 96718	Pool Name <i>Undes</i> Loco Hills; Glorieta-Yeso
Property Code 37350	Property Name POSEIDON "3" FEDERAL	Well Number 20
OGHD No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3707'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	17 S	30 E		330	SOUTH	1180	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
M	3	17 S	30 E		330	SOUTH	990	WEST	EDDY

Dedicated Acres 40	Joint or Infill Y	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

Poseidon 3 Federal No. 20 (SWSW) SHL 330 FSL & 1180 FWL BHL 330 FSL & 990 FWL Poseidon 3 Federal No. 9 (SWSW) 990 FSL & 990 FWL Poseidon 3 Federal No. 1 (SWSW) SHL 311 FSL & 104 FWL BHL 349 FSL & 558 FWL	Poseidon 3 Federal No. 11 (SESW) 840 FSL & 2310 FWL Poseidon 3 Federal No. 19 (SESW) 330 FSL & 2310 FWL Poseidon 3 Federal No. 3 (SESW) SHL 250 FSL & 1330 FWL BHL 732 FSL & 1345 FWL	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 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. Signature _____ 9/20/2010 Printed Name <u>Zeno Farris</u> Email Address _____
PROPOSED BOTTOM HOLE LOCATION Lat - N 32°51'25.87" Long - W 103°57'54.49" NMSPCE - N 675774.73 E 654400.08 (NAD-83)	SURFACE LOCATION Lat - N 32°51'25.87" Long - W 103°57'52.26" NMSPCE - N 675775.0 E 654589.9 (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. Date Surveyed <u>SEPTEMBER 01, 2010</u> Signature & Seal of Professional Surveyor <u>7977</u> W.O. No. _____ Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23354

EXHIBIT **A**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
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October 8, 2010

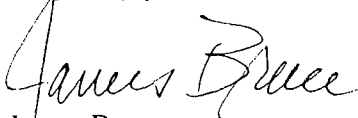
Certified Mail - Return Receipt Requested

COG Operating, LLC
Suite 100
550 West Texas Avenue
Midland, Texas 79701

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 SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 17 South, Range 30 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,

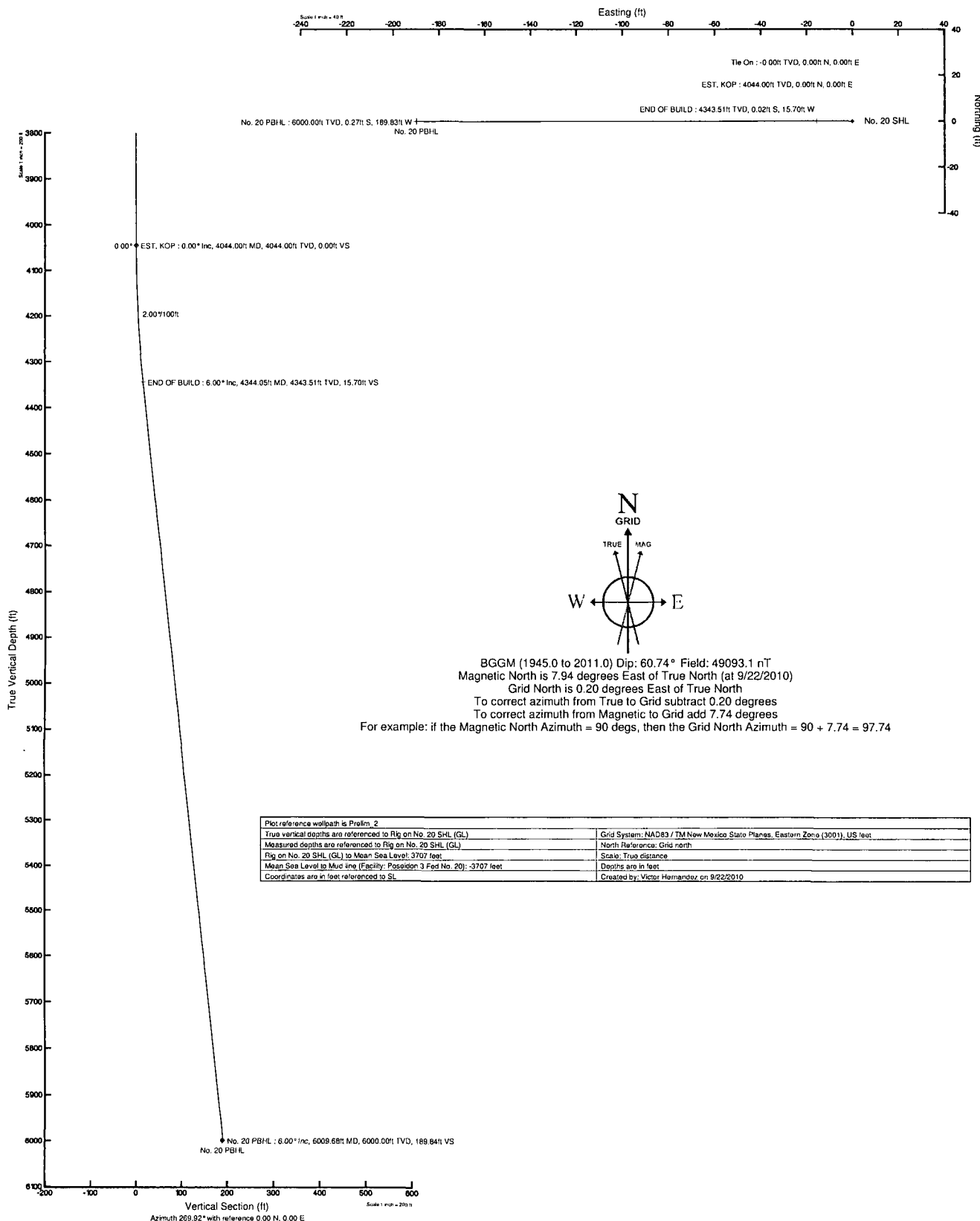


James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT

C





Planned Wellpath Report

Prelim_2

Page 1 of 3



REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No. 20 SHL
Area	Eddy County, NM	Well	No. 20
Field	(Poseidon) Sec 3, T17S, R30E	Wellbore	No. 20 PWB
Facility	Poseidon 3 Fed No. 20		

REPORT SETUP INFORMATION

Projection System	NAD83 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect® 2.0
North Reference	Grid	User	Victor Hernandez
Scale	0.999924	Report Generated	9/22/2010 at 2:32:55 PM
Convergence at slot	0.20° East	Database/Source file	WA_Midland/No. 20_PWB.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Slot Location	0.00	0.00	654589.90	675775.00	32°51'25.866"N	103°57'52.263"W
Facility Reference Pt			654589.90	675775.00	32°51'25.866"N	103°57'52.263"W
Field Reference Pt			653514.50	675753.80	32°51'25.693"N	103°58'04.872"W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No. 20 SHL (GL) to GL	0.00ft
Horizontal Reference Pt	SL	Rig on No. 20 SHL (GL) to Mean Sea Level	3707.00ft
Vertical Reference Pt	Rig on No. 20 SHL (GL)	GL to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 20 SHL (GL)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	269.92°



Planned Wellpath Report

Prelim 2

Page 2 of 3



REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No. 20 SHL
Area	Eddy County, NM	Well	No. 20
Field	(Poseidon) Sec 3, T17S, R30E	Wellbore	No. 20 PWB
Facility	Poseidon 3 Fed No. 20		

WELLPATH DATA (23 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00	0.000	269.919	0.00	0.00	0.00	0.00	654589.90	675775.00	32°51'25.866"N	103°57'52.263"W	0.00	Tie On
4044.00	0.000	269.919	4044.00	0.00	0.00	0.00	654589.90	675775.00	32°51'25.866"N	103°57'52.263"W	0.00	EST. KOP
4144.00†	2.000	269.919	4143.98	1.75	0.00	-1.75	654588.15	675775.00	32°51'25.866"N	103°57'52.284"W	2.00	
4244.00†	4.000	269.919	4243.84	6.98	-0.01	-6.98	654582.92	675774.99	32°51'25.866"N	103°57'52.345"W	2.00	
4344.00†	6.000	269.919	4343.45	15.69	-0.02	-15.69	654574.21	675774.98	32°51'25.866"N	103°57'52.447"W	2.00	
4344.05	6.001	269.919	4343.51	15.70	-0.02	-15.70	654574.20	675774.98	32°51'25.866"N	103°57'52.447"W	2.00	END OF BUILD
4444.00†	6.001	269.919	4442.90	26.15	-0.04	-26.15	654563.75	675774.96	32°51'25.866"N	103°57'52.570"W	0.00	
4544.00†	6.001	269.919	4542.36	36.60	-0.05	-36.60	654553.30	675774.95	32°51'25.867"N	103°57'52.692"W	0.00	
4644.00†	6.001	269.919	4641.81	47.06	-0.07	-47.06	654542.85	675774.93	32°51'25.867"N	103°57'52.815"W	0.00	
4744.00†	6.001	269.919	4741.26	57.51	-0.08	-57.51	654532.39	675774.92	32°51'25.867"N	103°57'52.937"W	0.00	
4844.00†	6.001	269.919	4840.71	67.97	-0.10	-67.97	654521.94	675774.90	32°51'25.867"N	103°57'53.060"W	0.00	
4944.00†	6.001	269.919	4940.16	78.42	-0.11	-78.42	654511.48	675774.89	32°51'25.867"N	103°57'53.183"W	0.00	
5044.00†	6.001	269.919	5039.62	88.88	-0.13	-88.88	654501.03	675774.87	32°51'25.868"N	103°57'53.305"W	0.00	
5144.00†	6.001	269.919	5139.07	99.33	-0.14	-99.33	654490.58	675774.86	32°51'25.868"N	103°57'53.428"W	0.00	
5244.00†	6.001	269.919	5238.52	109.79	-0.16	-109.79	654480.12	675774.84	32°51'25.868"N	103°57'53.550"W	0.00	
5344.00†	6.001	269.919	5337.97	120.24	-0.17	-120.24	654469.67	675774.83	32°51'25.868"N	103°57'53.673"W	0.00	
5444.00†	6.001	269.919	5437.42	130.70	-0.19	-130.70	654459.22	675774.81	32°51'25.868"N	103°57'53.795"W	0.00	
5544.00†	6.001	269.919	5536.88	141.15	-0.20	-141.15	654448.76	675774.80	32°51'25.869"N	103°57'53.918"W	0.00	
5644.00†	6.001	269.919	5636.33	151.60	-0.22	-151.60	654438.31	675774.78	32°51'25.869"N	103°57'54.040"W	0.00	
5744.00†	6.001	269.919	5735.78	162.06	-0.23	-162.06	654427.85	675774.77	32°51'25.869"N	103°57'54.163"W	0.00	
5844.00†	6.001	269.919	5835.23	172.51	-0.25	-172.51	654417.40	675774.75	32°51'25.869"N	103°57'54.286"W	0.00	
5944.00†	6.001	269.919	5934.68	182.97	-0.26	-182.97	654406.95	675774.74	32°51'25.870"N	103°57'54.408"W	0.00	
6009.68	6.001	269.919	6000.00†	189.84	-0.27	-189.83	654400.08	675774.73	32°51'25.870"N	103°57'54.489"W	0.00	No. 20 PBHL



Planned Wellpath Report

Prelim_2

Page 3 of 3



REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No. 20 SHL
Area	Eddy County, NM	Well	No. 20
Field	(Poseidon) Sec 3, T17S, R30E	Wellbore	No. 20 PWB
Facility	Poseidon 3 Fed No. 20		

HOLE & CASING SECTIONS Ref Wellbore: No. 20 PWB Ref Wellpath: Prelim_2

String/Diameter	Start MD [ft]	End MD [ft]	Interval [ft]	Start TVD [ft]	End TVD [ft]	Start N/S [ft]	Start E/W [ft]	End N/S [ft]	End E/W [ft]
11.75in Casing	0.00	430.00	430.00	0.00	430.00	0.00	0.00	0.00	0.00
8.625in Casing	0.00	1100.00	1100.00	0.00	1100.00	0.00	0.00	0.00	0.00
5.5in Casing	0.00	6009.68	6009.68	0.00	6000.00	0.00	0.00	-0.27	-189.83

TARGETS

Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
1) No. 20 PBHL	6009.68	6000.00	-0.27	-189.83	654400.08	675774.73	32°51'25.870"N	103°57'54.489"W	point

SURVEY PROGRAM Ref Wellbore: No. 20 PWB Ref Wellpath: Prelim_2

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
0.00	6009.68	NaviTrak (Standard)		No. 20 PWB