

12-30-10 DATE IN	SUSPENSE	ENGINEER <i>DKB</i>	LOGGED IN <i>12.30.10</i>	TYPE <i>NSL</i>	PTG-W APP NO. <i>10364.36955</i>
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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*  
*Darter & State #5*  
*6315*

**ADMINISTRATIVE APPLICATION CHECKLIST** *30-015-37806*

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  
Print or Type Name

Signature

Attorney  
Title

Date

*James Bruce*  
*12/29/10*  
*jamesbruc@aol.com*  
e-mail Address

**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)

December 29, 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>	Darter 9 State Well No. 5
<u>Location:</u>	2310 feet FNL & 1140 feet FWL
<u>Well unit:</u>	SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

The well is in the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres-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**.

Applicant desired to place the proposed well at an orthodox location in the southeast portion of the well unit, but the location was moved to avoid an area of high relief and minimize surface disturbance.

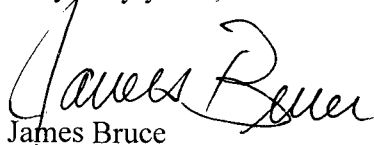
Applicant is developing this area with two or more wells in each well unit to adequately drain the reservoir, and placing the wells in the corners of the well unit. Thus, applicant does not want to move the well to the north or west (where additional wells may be drilled in the future).

The well encroaches on the SE $\frac{1}{4}$ NW $\frac{1}{4}$  and NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 9. The S $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 9 is covered by State Lease B-7596 (**Exhibit B**), with common ownership, so no one in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  was notified of this application. The NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 9 is operated by Freedom

Energy LLC, and Chevron U.S.A. Inc. and OXY USA WTP Limited Partnership are lessees. They have been given notice, as shown on **Exhibit C**.

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

Very truly yours,

A handwritten signature in black ink that reads "James Bruce". The signature is written in a cursive style with a large, stylized "J" and "B".

James Bruce

Attorney for Cimarex Energy Co. of Colorado

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

DISTRICT II  
1501 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 15, 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 <b>30-015-37806</b>	Pool Code <b>97558</b>	Pool Name <b>GJ;7RVS-QN-GB-GLORIETA-YESO</b>
Property Code <b>38126</b>	Property Name <b>DARTER "9" STATE</b>	Well Number <b>5</b>
OGRID No. <b>162683</b>	Operator Name <b>CIMAREX ENERGY CO. OF COLORADO</b>	Elevation <b>3590'</b>

**Surface Location**

UL or lot No. <b>E</b>	Section <b>9</b>	Township <b>17 S</b>	Range <b>29 E</b>	Lot Idn	Feet from the <b>2310</b>	North/South line <b>NORTH</b>	Feet from the <b>1140</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
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**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
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Dedicated Acres <b>40</b>	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><b>Darter 9 St 8</b> 1650 FNL &amp; 330 FWL</p> <p><b>Darter 9 St 3</b> 1650 FNL &amp; 2310 FWL</p> <p><b>Darter 9 St 7</b> 1750 FNL &amp; 1650 FWL</p> <p><b>Darter 9 St 5</b> 2310 FNL &amp; 1140 FWL</p> <p><b>SURFACE LOCATION</b> Lat - N 32°51'00.00" Long - W 104°05'05.05" NMSPCE- N 673053.3 E 617680.5 (NAD-83)</p> <p><b>B0-7596-0000</b></p>		<p><b>OPERATOR CERTIFICATION</b></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>11/10/2010 Date</p> <p>Signature</p> <p><b>Natalie Krueger</b> Printed Name</p>
<p><b>EXHIBIT A</b></p>		<p><b>SURVEYOR CERTIFICATION</b></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>MARCH 29, 2010 Date Surveyed</p> <p>Signature &amp; Seal Professional Surveyor</p> <p><b>NEW MEXICO</b></p> <p>Certificate No. 6471 Jones 7977</p> <p><b>BASIN SURVEYS</b></p>

112 Records found.

EXHIBIT B

							1995-0	Right of Way	Eddy		
							R3-1997-0	Right of Way	Eddy		
F		SE4NW4	State	State	40.00	\$1.00	B0-7596-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4075-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R2-2344-0	Right of Way	Eddy		
							R3-1849-0	Right of Way	Eddy		
							R3-2016-0	Right of Way	Eddy		
							SW-291-0	Salt Water Disposal	Eddy		
G		SW4NE4	State	State	40.00	\$1.00	E0-4200-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4075-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R2-2344-0	Right of Way	Eddy		
							R3-736-0	Right of Way	Eddy		
							R3-1239-0	Right of Way	Eddy		
H		SE4NE4	State	State	40.00	\$1.00	E0-950-3	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-3991-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R2-6991-0	Right of Way	Eddy		
							R3-736-0	Right of Way	Eddy		
I		NE4SE4	State	State	40.00	\$1.00	E0-4200-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4717-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R1-8189-0	Right of Way	Eddy		

**JAMES BRUCE**  
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

December 16, 2010

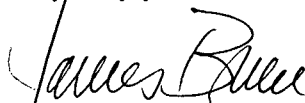
Certified Mail - Return Receipt Requested

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 oil well location in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 9, Township 17 South, Range 29 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

EXHIBIT A

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, Texas 77002

OXY USA WTP Limited Partnership  
5 Greenway Plaza  
Houston, Texas 77046

Freedom Energy LLC  
R649 North 13th Street  
Lake Arthur, New Mexico 88253



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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)  
Total Postage & Fees \$

Postmark Here

Sent To  
Chevron U.S.A. Inc.  
Street, Apt. No.,  
or PO Box No. 1400 Smith Street  
City, State, ZIP+4 Houston, Texas 77002

PS Form 3800, August 2006 See Reverse for Instructions

0226 6894 7000 0050 8002

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Freedom Energy LLC  
R649 North 13th Street  
Lake Arthur, New Mexico 88253

3. Service Type  
☒ Certified Mail  
☐ Registered  
☐ Insured Mail  
☐ Express Mail  
☐ Return Receipt for Merchandise  
☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

2. Article Number 7008 0500 0001 4683 9706  
(Transfer from service label)  
Domestic Return Receipt  
PS Form 3811, February 2004

Ex Data 9-3

102595-02-M-1540

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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)  
Total Postage & Fees \$

Postmark Here

Sent To  
Freedom Energy LLC  
Street, Apt. No., R649 North 13th Street  
or PO Box No. Lake Arthur, New Mexico 88253  
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, Texas 77002

A. Signature ☒ Agent ☐ Addressee  
B. Received by (Printed Name) C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below.

**COMPLETE THIS SECTION ON DELIVERY**

3. Service Type  
☒ Certified Mail  
☐ Registered  
☐ Insured Mail  
☐ Express Mail  
☐ Return Receipt for Merchandise  
☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number 7008 0500 0001 4683 9720  
(Transfer from service label)  
Domestic Return Receipt  
PS Form 3811, February 2004

Ex Data 9-3

102595-02-M-1540

9026 6894 7000 0050 8002

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OXY USA WTP Limited Partnership  
5 Greenway Plaza  
Houston, Texas 77046

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] B. Agent ☐ Addressee ☐ C. Date of Delivery 12-20-10

D. Is delivery address different from item 1? ☐ Yes ☐ No

E. If YES, enter delivery address below:

3. Service Type ☐ Express Mail ☐ Return Receipt for Merchandise ☒ Certified Mail ☐ Registered Mail ☐ C.O.D. ☐ Insured Mail ☐ Yes ☐ No

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

102595-02-M-1540

2. Article Number (Transfer from service label)

PS Form 3811, February 2004

7008 0500 0001 4683 9713

Domestic Return Receipt

**U.S. Postal Service<sup>TM</sup> RECEIPT**

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For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage \$ Certified Fee \$ Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$

Sent To OXY USA WTP Limited Partnership

5 Greenway Plaza  
Houston, Texas 77046

City, State, Zip

PS Form 3800, August 2006

See Reverse for Instructions

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[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

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December 29, 2010

David -

Re-submitted, as you requested.

Jim