

JAN 21 2009  
OCD-ARTESIA

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

COPY

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Cimarex Energy Co. of Colorado

3a. Address  
600 N. Marienfeld St., Ste. 600 Midland, TX 79701

3b. Phone No. (include area code)  
432-571-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1500' FSL & 1300' FWL  
L-11-25S-26E

Lease Serial No

NM-14468

6 If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SRM-1173

8. Well Name and No

Grynberg 11 Federal Com No. 3

9. API Well No

30-015-34193

10. Field and Pool, or Exploratory Area

White City; Strawn (Gas)

11. County or Parish, State

Eddy, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof  
If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones  
Attach the bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days  
following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once  
testing has been completed Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has  
determined that the site is ready for final inspection )

06/13/08 Perf Atoka 11001'-11009' w/2 JSPF (16 holes). Acdz w/1500 gal 10% acid carrying 30 - 7/8" 1.3 perf pack balls.

06/18/08 Set CIBP 10970' w/35' cmt cap. Perf Strawn 10626'-10644', 10756'-10760' w/2 JSPF (44 holes).

06/19/08 Acdz Strawn w/3500 gal 7.5% HCL carrying 80 ball sealers.

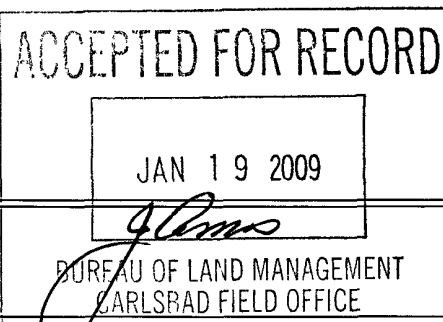
06/27/08 Frac Strawn w/108 tons CO2 + 500 sx sand dn 3 1/2" frac string. Flowback load.

07/02/08 RIH w/production string, set AS-1X Carbided pkr @ 10518'. Fish plug out of profile nipple.

07/11/08 Turn well to sales as Strawn producer (gas).

08/21/08 24 hr test: 0 BO + 0 BW + 39 MCF, TP 70 CP 920, 10/64" choke.

Please see attached R-Order 12097.



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Laci Luig  
Signature

Title

Engineer Tech.

Date

September 5, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of Approval, if any, are attached. Approval of this notice does not warrant or  
certify that the applicant holds legal or equitable title to those rights in the subject lease  
which would entitle the applicant to conduct operations thereon

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or  
fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on reverse)

Accepted for record - NMOCD

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

RECEIVED  
MAR - 5 2004  
OCD-ARTESIA

**CASE NO. 13139 (NOMENCLATURE)  
ORDER NO. R-12097**

**APPLICATION OF GRUY PETROLEUM MANAGEMENT COMPANY TO  
EXPAND THE WHITE CITY-PENNSYLVANIAN GAS POOL, EDDY COUNTY,  
NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on October 9 and November 20, 2003, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9<sup>th</sup> day of February, 2004, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Gruy Petroleum Management Company ("Gruy"), seeks to expand the horizontal boundaries of the White City-Pennsylvanian Gas Pool to include all of Section 14, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) Division records demonstrate that the White City-Pennsylvanian Gas Pool currently comprises the following-described area in Eddy County, New Mexico:

**TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM**

Sections 8 and 9:	All
Sections 15 through 17:	All
Sections 19 through 22:	All
Sections 26 through 35:	All

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**TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM**

Sections 1 through 4: All

Sections 10 through 14: All

**TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM**

Section 7: All

(4) The White City-Pennsylvanian Gas Pool is currently governed by the "Special Rules and Regulations for the White City-Pennsylvanian Gas Pool," as established by Division Order No. R-2429, as amended, and which require that:

- (a) wells shall be located on a standard unit containing 640 acres, more or less, consisting of a single governmental section;
- (b) no more than four wells shall be drilled on a standard 640-acre unit. No more than one well shall be drilled on each quarter section within the 640-acre unit; and
- (c) initial and infill wells shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(5) Section 14, on its western boundary, is adjacent to the White City-Pennsylvanian Gas Pool. Section 14, on its northern boundary, is adjacent to the South Carlsbad-Morrow Gas Pool. This pool is currently spaced on 320 acres and is governed by Division Rule No. 104.C which allows a well density of one well per quarter section. Rule No. 104.C also requires a well to be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

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(6) The vertical limits of the White City-Pennsylvanian Gas Pool include the Cisco, Canyon, Strawn, Atoka and Morrow intervals. The vertical limits of the South Carlsbad-Morrow Gas Pool include only the Morrow interval.

(7) Gruy presented evidence that demonstrates that:

- (a) Section 14 is comprised of two separate Federal leases. Federal Lease No. LC-065421 encompasses the E/2 and NW/4 of Section 14, and Federal Lease No. LC-0402170 encompasses the SW/4 of Section 14;
- (b) there is an existing joint operating agreement (JOA) in effect for Section 14. This JOA, which has been in effect since 1968, has been executed by all working interest owners within this section. The effect of the JOA is that it makes the working interest ownership uniform throughout all of Section 14; and
- (c) Gruy is also currently obtaining approval of a communitization agreement that encompasses all of Section 14. After Gruy has obtained the consent of all the interest owners in Section 14, this agreement will be submitted to the United States Bureau of Land Management (BLM) for its approval.

(8) Gruy presented further evidence that demonstrates that:

- (a) it has recently drilled the Bradley Federal Com Well No. 1 (API No. 30-015-32672) at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit B) of Section 14. This well is currently completed in and producing from the Strawn and Morrow formations;

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- (b) the Bradley Federal Com Well No. 1 is producing from Strawn and Morrow pay sands that are fairly continuous and correlatable to wells that are producing within the White City-Pennsylvanian Gas Pool; and
- (c) Gruy is proposing to drill three additional wells within Section 14 to test the Pennsylvanian interval. These proposed wells are the Bradley Federal Com Wells No. 2, 3 and 4, located respectively in SW/4, NE/4 and SE/4.

(9) Gruy testified that expanding the White City-Pennsylvanian Gas Pool to include Section 14 will allow the recovery of gas reserves in the Strawn and Morrow formations that may otherwise not be economically recovered if it is required to produce these zones separately.

(10) The evidence further demonstrates that by virtue of the existence of the JOA and communitization agreement, Section 14 is more suited to be placed within a pool spaced on 640 acres.

(11) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(12) Approval of the application will afford the applicant the opportunity to economically produce the oil and gas reserves within the Pennsylvanian formation underlying Section 14, and will not violate correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) Pursuant to the application of Gruy Petroleum Management Company, the White City-Pennsylvanian Gas Pool, located within portions of Township 24 South, Range 26 East, and Township 25 South, Ranges 26 and 27 East, NMPM, Eddy County, New Mexico, is hereby expanded to include Section 14, Township 24 South, Range 26 East, NMPM.

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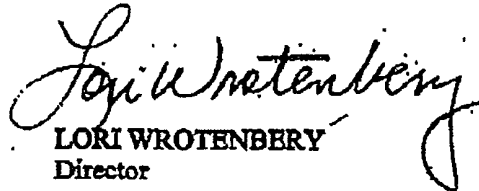
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(2) In accordance with the pool expansion approved herein, the applicant shall file with the Artesia District Office of the Division a Division Form C-102 dedicating 640 acres to the Bradley Federal Com Well No. 1 (API No. 30-015-32672) located at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 14.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
LORI WROTENBERY  
Director

