



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 9, 2007

Cimarex Energy Co. of Colorado
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5580

Re: State Well No. 1
API No. 30-025-25102
I-36-15S-37E
Lea County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-04635113**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 13, 2007, on behalf of Cimarex Energy Co. of Colorado (Cimarex), and

(b) the Division's records pertinent to Cimarex's request.

Cimarex has requested to re-enter and complete its State Well No. 1 (API No. 30-025-25102) in the Atoka formation at an unorthodox gas well location, 2000 feet from the South line and 660 feet from the East line (Unit I) of Section 36, Township 15 South, Range 37 East, N.M.P.M., in Lea County, New Mexico. The E/2 of Section 36 will be dedicated to this well in order to form a standard 320-acre wildcat gas spacing and unit in the Atoka formation. This request is governed by statewide Rule 104.C(2), which provides that wells may be located no closer than 660 feet to a unit quarter-section boundary. The proposed location is less than 660 feet from the northern boundary of the quarter section.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that this well was drilled as a Devonian test well at an orthodox location, and was plugged and abandoned at a remote date. Cimarex now seeks to re-enter and re-complete the well in the Atoka. Granting of this application will accordingly permit use of an existing wellbore.

The quarter section line toward which this well encroaches is internal to the unit. Accordingly, there are no "affected persons" who must be notified of this application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2) the above-described non-standard location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe