



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 28, 2007

James Bruce, Esq. agent for
Cimarex Energy Company
PO Box 1056
Santa Fe, NM 87504

RE: Denton West Well No. 1 (API No 30-025-38307)
960 feet from the North Line, 1430 feet from the East line, Unit B
Section 10, Township 15 South, Range 37 East, NMPM, Lea County
NW/4 NE/4 (40 Acres) Section 10 Dedication

Administrative Order NSL-5595

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (administrative application reference No. pTDS0706150544 for non-standard location [NSL]) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 1, 2007, on behalf of Cimarex Energy Company, OGRD 215099 ("Cimarex"); and

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

Cimarex proposes to drill the above referenced well at the above referenced unorthodox oil well location within Section 10 and requests to produce from the Wolfcamp within a 40-acre, more or less, spacing unit within the Denton-Wolfcamp Pool (17290) consisting of the NW/4 NE/4 of Section 10. The proposed completion would be the first well in this spacing unit.

The Denton-Wolfcamp Pool is governed by statewide rule Rule 104.B, which requires oil wells to be located no closer than 330 feet from the boundary of a 40 acre spacing and proration unit. This well location is un-orthodox because it is to be located 110 feet from the eastern boundary of the NW/4 NE/4 of Section 10 spacing and proration unit.

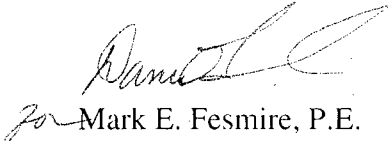
Your application states the entire E/2 of Section 10 is a single fee tract with common royalty and working interests and no overriding royalty owners. There are no offset owners that would be adversely affected by this well's location and therefore no parties were noticed.

Cimarex proposes to drill this well at this location in order to have the best chance of encountering a productive Wolfcamp oil reservoir.

Division Rule 104.F allows the Division director to grant location exceptions in order to prevent waste and protect correlative rights. Your application on behalf of Cimarex has been duly filed and notice has been provided as required under the provisions of Division Rules 104.F and 1210.A. In order to prevent waste and protect correlative rights, the above-described non-standard Wolfcamp oil well location within the Denton-Wolfcamp Pool is hereby approved.

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

Sincerely,


for Mark E. Fesmire, P.E.
Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Hobbs