

DATE IN 3/1/07	SUSPENSE 	ENGINEER W. Jones	LOGGED IN 3/2/07	TYPE NSL	APP NO. PTDS0706150544
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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



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

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

[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
 P.O. Box 1056
 Santa Fe, New Mexico 87504

Signature

Attorney for Applicant
 Title

Date

jamesbruc@aol.com
 e-mail Address

2007 MAR 1 AM 10 37

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

February 28, 2007

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OG RD
215099

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Cimarex Energy Co. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Denton West Well No. 1
<u>Location:</u>	960 feet FNL & 1430 feet FEL
<u>Well Unit:</u>	NW¼NE¼ §10-15S-37E, Lea County, New Mexico

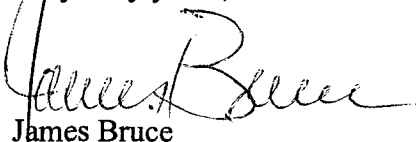
30-025-38307

The well is in the Denton-Wolfcamp Pool, which is an oil pool with statewide 40 acre spacing, and wells to be at least 330 feet from a quarter-quarter section line. An APD for the well is marked as Exhibit A.

The location is based on geological reasons. A geological writeup, discussing the reasons for the proposed location, together with a structure map, is attached as Exhibit B.

The entire E½ of Section 10 is a single fee tract, which has common royalty and working interest ownership (there are no overriding royalty owners). Therefore, there is no adversely affected offset, and notice of this application has not been given to anyone.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 47213

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address CIMAREX ENERGY CO. 15 EAST 5TH STREET TULSA, OK 74103		2. OGRID Number 215099
		3. API Number
4. Property Code	5. Property Name DENTON WEST	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	10	15S	37E	B	960	N	1430	E	LEA

8. Pool Information

DENTON:WOLFCAMP	17290
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3807
14. Multiple N	15. Proposed Depth	16. Formation Wolfcamp	17. Contractor	18. Spud Date 4/1/2007
Depth to Ground water 50		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic _____ mils thick Clay: <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	600	510	0
Intl	12.25	8.625	32	4500	902	0
Prod	7.875	5.5	17	9500	563	4000

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines, a general permit, or an (attached) alternative OCD-approved plan.	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Sharon LaValley	Approved By:
Title: Manager	Title:
Email Address: slavalley@cimarex.com	Approved Date: Expiration Date:
Date: 2/26/2007 Phone: 918-295-1673	

A

DISTRICT I
1525 N. French Dr., Hobbs, NM 88240

DISTRICT II
1361 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2006

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87506

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Denton; Wolfcamp
Property Code	Property Name DENTON WEST		Well Number 1
OGRID No. 215099	Operator Name CIMAREX ENERGY CO.		Elevation 3807'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	10	15 S	37 E		960	NORTH	1430	EAST	LEA

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSL PENDING						

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>E/2 - All Same Royalty Owners Leased by Cimarex Energy Co.</p>	<p>Lat - N32°02'11.7" Long - W103°11'03.2" NADSPCE - N 742770.879 E 893492.448 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</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 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><i>Zeno Farris</i> 02-26-07 Signature Date</p> <p>Zeno Farris Printed Name</p>
		<p>SURVEYOR CERTIFICATION</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>FEBRUARY 13 2007</p> <p>Date Surveyed Signature of Surveyor Professional Surveyor</p> <p><i>GARY L. JONES</i> W. X. [Signature] Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., 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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 47213**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number	2. Pool Code 17290	3. Pool Name DENTON;WOLFCAMP
4. Property Code	5. Property Name DENTON WEST	6. Well No. 001
7. OGRID No. 215099	8. Operator Name CIMAREX ENERGY CO.	9. Elevation 3807

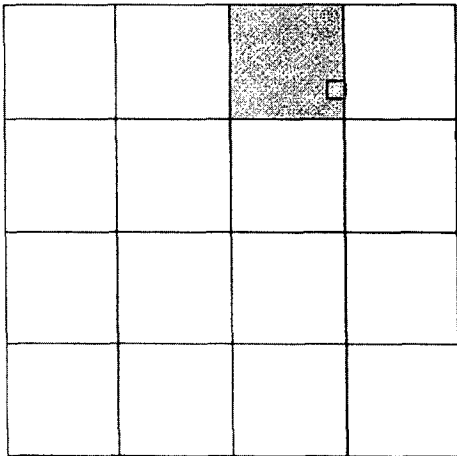
10. Surface Location

UL - Lot B	Section 10	Township 15S	Range 37E	Lot Idn	Feet From 960	N/S Line N	Feet From 1430	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

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 align="center">OPERATOR CERTIFICATION</p> <p><i>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(s) 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.</i></p> <p>E-Signed By: Sharon LaValley Title: Manager Date: 2/26/2007</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gary L. Jones Date of Survey: 2/13/2007 Certificate Number: 7977</p>

Cimarex Energy Co.

1700 Lincoln Street

Suite 1800

Denver, Colorado 80203-4518

PHONE 303.295.3995

FAX 303.295.3494



New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

To Whom It May Concern:

The Denton West # 1, at the proposed BHL of 960' FNL and 1430' FEL in Sec 10 T15S R37E, Lea County, New Mexico, is designed to test the upper portion of the Wolfcamp Formation along a SW-NE trending structural nose (see attached structure map). 3D seismic data have revealed the crest of this feature lies east and south of a legal location in the NW NE of Section 10. In view of this observation, a legal location would be structurally low to the preferred location and would result in less recovered reserves.

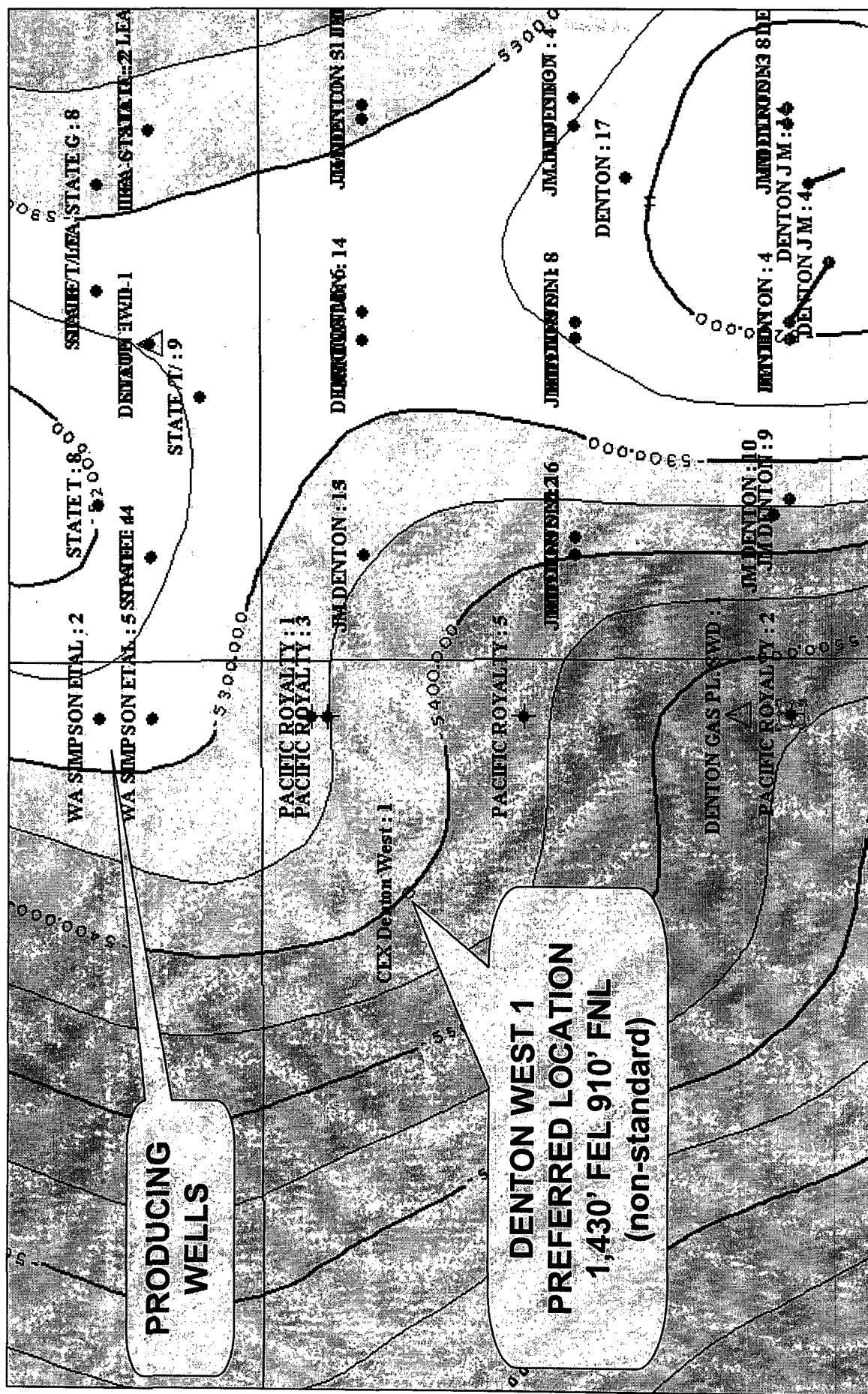
Regards,

Charles A. Hinson

Charles A. Hinson
Senior Geophysicist

EXHIBIT

B



CIMAREX

DENTON WEST PROSPECT

WOLFCAMP DEPTH MAP

Well Selection Criteria Quick Print

(WH_SEC = 10 and WH_TWPN = 15 and WH_TWPD Like 'S' and WH_RNGN = 37 and WH_RNGD Like 'E')

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-05267-00-00	PACIFIC ROYALTY CO	POLARIS PRODUCTION CORP	O	P	Lea	P	A	10	15 S	37 E	330 N	330 E		11/26/2001
30-025-05269-00-00	PACIFIC ROYALTY CO	POLARIS PRODUCTION CORP	O	P	Lea	P	A	10	15 S	37 E	430 N	330 E		10/30/2001
30-025-38307-00-00	DENTON WEST	CIMAREX ENERGY CO.	O	N	Lea	P	B	10	15 S	37 E	960 N	1430 E		
30-025-05271-00-00	PACIFIC ROYALTY CO	POLARIS PRODUCTION CORP	O	P	Lea	P	H	10	15 S	37 E	1650 N	330 E		11/29/2001
30-025-05270-00-00	DENTON SWD	FASKEN OIL & RANCH LTD	S	A	Lea	I	I	10	15 S	37 E	2310 S	330 E	SWD-24	8/10/2005
30-025-05270-00-00	DENTON SWD	FASKEN OIL & RANCH LTD	S	A	Lea	I	I	10	15 S	37 E	2310 S	330 E	SWD-24	8/10/2005
30-025-05268-00-00	DENTON	DEVON ENERGY PRODUCTION	S	P	Lea	P	I	10	15 S	37 E	1980 S	330 E	SWD-24	12/17/2001
30-025-05272-00-00	PACIFIC ROYALTY CO	SHELL OIL CO	O	P	Lea	P	P	10	15 S	37 E	990 S	330 E		