

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 3, 2007

Cimarex Energy Company
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Attention: Mr. James Bruce, Attorney

Re: **Indiana Ave 13-32-21-10 Well No. 1**
API No. 30-045-34183
479' FSL & 1172' FWL, Unit M,
Section 32, T-21 North, R-10 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5614

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application on behalf of Cimarex Energy Company ("Cimarex" or "applicant") for a non-standard well location (*administrative application reference No. pCLP0711632245*) for the Indiana Ave 13-32-21-10 Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 25, 2007; and
- (b) the Division's records pertinent to your request.

The applicant requests approval of an unorthodox oil well location for its Indiana Ave 13-32-21-10 Well No. 1 in the Wildcat-Entrada Pool (Oil – N/A) which is proposed to be drilled 479 feet from the South line and 1172 feet from the West line (Unit M) of Section 32, Township 21 North, Range 10 West, NMPM, San Juan County, New Mexico. The SW/4 SW/4 of Section 32 is to be dedicated to the well in the Wildcat-Entrada Pool forming a standard 40-acre oil spacing and proration unit.

The Entrada formation and/or Wildcat-Entrada Pool is currently governed by Division Rule 19.15.3.104(B).

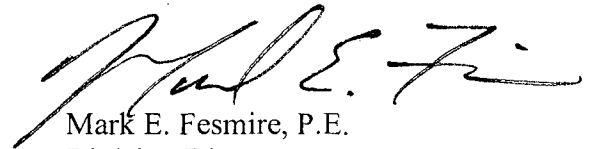
The applicant presented geologic evidence that demonstrates that the proposed unorthodox location is necessary in order to penetrate the Entrada formation at a structurally high position, thereby increasing the likelihood of obtaining commercial production.

The applicant stated that the S/2 of Section 32 is comprised of a single State of New Mexico lease (Lease No. V-7948), and that the interest ownership within the S/2 of Section 32 in the Entrada formation is common. Consequently, there are no adversely affected interest owners and the applicant was not required, and did not provide notice of this application to any party.

Division records show that there are no other wells producing from the Entrada formation and/or Wildcat-Entrada Pool within the SW/4 SW/4 of Section 32 at this time.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Wildcat-Entrada Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.

Division Director

MEF/drc

cc: State Land Office-Oil & Gas Division
OCD-Aztec