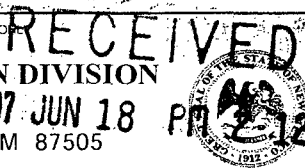


| | | | | | |
|------------|----------|--------------|------------|------|-----------------|
| 18 June 07 | 6/18/07 | O. Catagnese | 20 June 07 | NSL | PLC 0717 152008 |
| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO. |

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

6/18/07

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

June 18, 2007

Hand delivered

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

Dear Mr. Fesmire:

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

| | |
|-------------------|--|
| <u>Well:</u> | Pipeline B5 Fed. Well No. 4 |
| <u>Location:</u> | 2310 feet FSL & 2460 feet FEL |
| <u>Well Unit:</u> | N $\frac{1}{2}$ SE $\frac{1}{4}$ §5-19S-34E, Lea County, New Mexico (80.00 acres) |

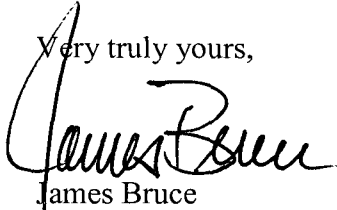
The well will be drilled to a depth sufficient to test the Bone Spring formation (EK-Bone Spring Pool). Under Order No. R-4981, the pool is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section. A Form C-102 is attached as Exhibit A.

The location is unorthodox for geologic and topographic reasons. The original proposed location was also unorthodox, at 2310 feet FSL and FEL, due to geology. Attached as Exhibit B is an isopach, showing that the most favorable location is in the northwest part of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5. As a result, applicant desires to remain in that quarter-quarter section.

There are sand dunes in this area, and the Bureau of Land Management requires operators to minimize surface disturbance. There is a sand dune at the original proposed location, requiring the well to be moved further west.

All of Section 5, except the SW $\frac{1}{4}$ SW $\frac{1}{4}$, is subject to Federal Lease NM 4314, with common ownership in the Bone Spring formation. See Exhibit C. As a result, there is no adversely affected person, and notice of this application has not been given to anyone.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is written in a cursive, flowing style with a large initial "J".

James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I
1623 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 85210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------------|---|-------------------------------|
| API Number | Pool Code 21650 | Pool Name E-K; Bone Spring |
| Property Code | Property Name PIPELINE "B5" FEDERAL | Well Number 4 |
| OGRID No. 162683 | Operator Name CIMAREX ENERGY CO. OF COLORADO | Elevation 3836' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 5 | 19 S | 34 E | | 2310 | SOUTH | 2460 | EAST | LEA |

Bottom Hole Location If Different From Surface

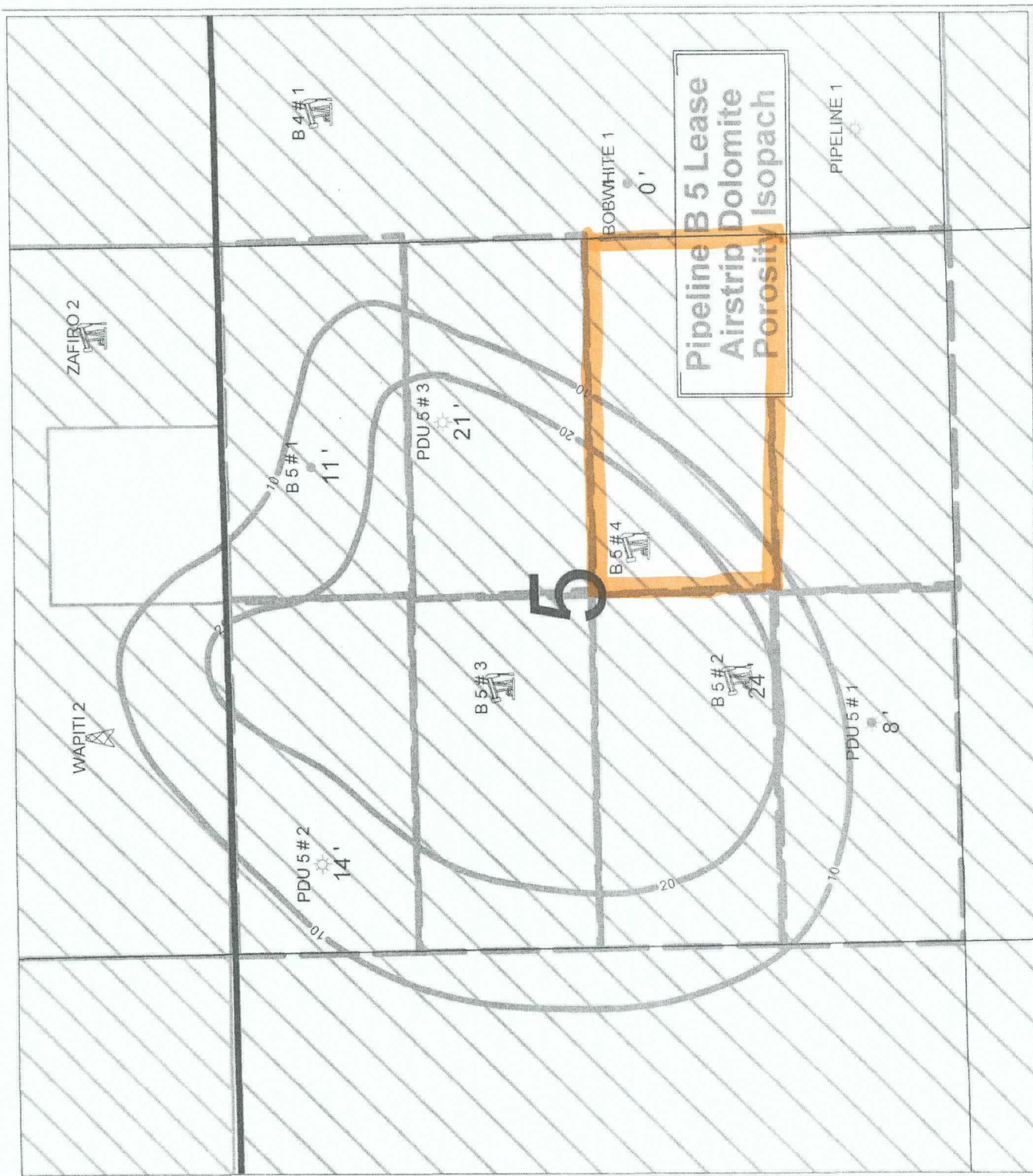
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 80 | Joint or Infill | Consolidation Code | 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>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> 05-16-07 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>MAY 01, 2007 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature Professional Surveyor</p> <p>No. 10724</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p> |

EXHIBIT

A



**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 06/18/07 11:56 AM

Page 1 of 3

01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
1,114.360

Serial Number
NMNM-- - 004314

Serial Number: NMNM-- - 004314

Name & Address

Int Rel % Interest

| | | | | |
|-------------------------------|----------------------------|---------------------|------------------|---------------|
| BLUE STAR RESOURCES INC | PO BOX 691281 | HOUSTON TX 77269 | OPERATING RIGHTS | 0.000000000 |
| ELLIOTT HALL CO UT LP | PO BOX 1231 | ODGEN UT 844021231 | OPERATING RIGHTS | 0.000000000 |
| ELLIOTT INDUSTRIES LTD PTNRSH | 500 N KENTUCKY AVE | ROSWELL NM 88201 | OPERATING RIGHTS | 0.000000000 |
| MAGNUM HUNTER PRODUCTION INC | 5215 N O'CONNER BLVD #1500 | IRVING TX 750393764 | OPERATING RIGHTS | 0.000000000 |
| MAGNUM HUNTER PRODUCTION INC | 5215 N O'CONNER BLVD #1500 | IRVING TX 750393764 | LESSEE | 100.000000000 |
| MCKAY LIVING TRUST | PO BOX 2014 | ROSWELL NM 88201 | OPERATING RIGHTS | 0.000000000 |

Serial Number: NMNM-- - 004314

| Mer Twp Rng Sec | STyp SNr Suff | Subdivision | District/Resource Area | County | Mgmt Agency |
|--------------------|---------------|----------------------|------------------------|--------|---------------------|
| 23 0190S 0340E 005 | ALIQ | S2N2,N2S2,SESW,S2SE; | CARLSBAD FO | LEA | BUREAU OF LAND MGMT |
| 23 0190S 0340E 005 | LOT: | 1-4; | CARLSBAD FO | LEA | BUREAU OF LAND MGMT |
| 23 0190S 0340E 006 | ALIQ | S2NE,SESW,NESW,N2SE; | CARLSBAD FO | LEA | BUREAU OF LAND MGMT |
| 23 0190S 0340E 006 | LOT: | 1-6; | CARLSBAD FO | LEA | BUREAU OF LAND MGMT |

Serial Number: NMNM-- - 004314
Pending Office

| Act Date | Code | Action | Action Remarks |
|------------|------|--------------------------|-----------------------|
| 12/25/1967 | 387 | CASE ESTABLISHED | SPAR103; |
| 12/26/1967 | 888 | DRAWING HELD | |
| 01/16/1968 | 237 | LEASE ISSUED | |
| 02/01/1968 | 496 | FUND CODE | 05;145003 |
| 02/01/1968 | 530 | RLTY RATE - 12 1/2% | |
| 02/01/1968 | 868 | EFFECTIVE DATE | |
| 09/18/1969 | 140 | ASGN FILED | JURKIEWICZ/UNION OIL |
| 10/24/1969 | 139 | ASGN APPROVED | EFF 10/01/69; |
| 10/06/1970 | 315 | RENTAL RATE DET/ADJ | \$2.00; |
| 07/26/1973 | 232 | LEASE COMMITTED TO UNIT | NMNM71014X;PIPELINE D |
| 11/16/1973 | 651 | HELD BY PROD - ALLOCATED | PIPELINE DEEP |
| 11/20/1973 | 102 | NOTICE SENT-PROD STATUS | |
| 09/30/1982 | 940 | NAME CHANGE RECOGNIZED | SUN OIL/SUN EXPL&PROD |
| 03/07/1983 | 932 | TRF OPER RGTS FILED | |
| 05/02/1983 | 957 | TRF OPER RGTS DENIED | |
| 10/08/1985 | 932 | TRF OPER RGTS FILED | |
| 11/08/1985 | 932 | TRF OPER RGTS FILED | (1) |
| 11/08/1985 | 932 | TRF OPER RGTS FILED | (2) |
| 11/08/1985 | 932 | TRF OPER RGTS FILED | (3) |
| 02/24/1986 | 932 | TRF OPER RGTS FILED | |
| 03/17/1986 | 933 | TRF OPER RGTS APPROVED | EFF 11/01/85; |
| 03/24/1986 | 963 | CASE MICROFILMED | CNUM 555,890 EPR |
| 06/13/1986 | 932 | TRF OPER RGTS FILED | |
| 06/30/1986 | 932 | TRF OPER RGTS FILED | |
| 09/02/1986 | 932 | TRF OPER RGTS FILED | (1) |
| 09/02/1986 | 932 | TRF OPER RGTS FILED | (2) |

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**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 06/18/07 11:56 AM

Page 2 of 3

01 02-25-1920;041STAT0437;30USC181ETSEQ

Case Type 311211: O&G LSE SIMO PUBLIC LAND

Total Acres
1,114.360

Serial Number
NMNM-- - 004314

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

| | | | |
|------------|-----|--------------------------|------------------------|
| 09/16/1986 | 932 | TRF OPER RGTS FILED | |
| 09/19/1986 | 933 | TRF OPER RGTS APPROVED | EFF 07/01/86; |
| 09/22/1986 | 933 | TRF OPER RGTS APPROVED | (1)EFF 10/01/86; |
| 09/22/1986 | 933 | TRF OPER RGTS APPROVED | (1)EFF 12/01/85; |
| 09/22/1986 | 933 | TRF OPER RGTS APPROVED | (2)EFF 10/01/86; |
| 09/22/1986 | 933 | TRF OPER RGTS APPROVED | (2)EFF 12/01/85; |
| 09/22/1986 | 933 | TRF OPER RGTS APPROVED | (3)EFF 12/01/85; |
| 09/22/1986 | 933 | TRF OPER RGTS APPROVED | EFF 03/01/86; |
| 09/22/1986 | 933 | TRF OPER RGTS APPROVED | EFF 07/01/86; |
| 10/01/1986 | 933 | TRF OPER RGTS APPROVED | EFF 10/01/86; |
| 01/15/1987 | 932 | TRF OPER RGTS FILED | |
| 02/20/1987 | 933 | TRF OPER RGTS APPROVED | EFF 02/01/87; |
| 04/18/1988 | 974 | AUTOMATED RECORD VERIF | GLC/LR |
| 05/30/1989 | 932 | TRF OPER RGTS FILED | NEARBURG/CE NEARBURG |
| 06/23/1989 | 933 | TRF OPER RGTS APPROVED | EFF 06/01/89; |
| 06/23/1989 | 974 | AUTOMATED RECORD VERIF | DGT/MT |
| 09/18/1989 | 932 | TRF OPER RGTS FILED | WELLS/NEARBURG |
| 10/18/1989 | 933 | TRF OPER RGTS APPROVED | EFF 06/01/89; |
| 10/18/1989 | 974 | AUTOMATED RECORD VERIF | MT/MT |
| 11/27/1992 | 932 | TRF OPER RGTS FILED | SUN OPER/BLUE STAR |
| 01/28/1993 | 933 | TRF OPER RGTS APPROVED | EFF 12/01/92; |
| 01/28/1993 | 974 | AUTOMATED RECORD VERIF | ANN/JS |
| 09/24/1995 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/MULTIPLE |
| 09/25/1995 | 084 | RENTAL RECEIVED BY MMS | \$399.50;11/MULTIPLE |
| 09/25/1995 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/MULTIPLE |
| 01/22/1996 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/MULTIPLE |
| 10/29/1996 | 932 | TRF OPER RGTS FILED | ELLIOTT/ELLIOTT |
| 12/17/1996 | 933 | TRF OPER RGTS APPROVED | EFF 11/01/96; |
| 12/17/1996 | 974 | AUTOMATED RECORD VERIF | MV/MV |
| 01/21/1997 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/MULTIPLE |
| 07/28/1997 | 575 | APD FILED | |
| 08/20/1997 | 576 | APD APPROVED | #1 BUFFALO "6" FED |
| 12/15/1997 | 575 | APD FILED | |
| 12/30/1997 | 576 | APD APPROVED | #1 PIPELINE DEEP FED |
| 01/26/1998 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/MULTIPLE |
| 01/26/1998 | 140 | ASGN FILED | UNION OIL/MATADOR |
| 01/26/1998 | 932 | TRF OPER RGTS FILED | UNION OIL/MATADOR |
| 05/07/1998 | 246 | LEASE COMMITTED TO CA | NMNM101345; |
| 05/07/1998 | 650 | HELD BY PROD - ACTUAL | |
| 05/20/1998 | 139 | ASGN APPROVED | EFF 06/01/98; |
| 05/20/1998 | 933 | TRF OPER RGTS APPROVED | EFF 06/01/98; |
| 05/20/1998 | 974 | AUTOMATED RECORD VERIF | MV/MV |
| 07/02/1998 | 643 | PRODUCTION DETERMINATION | |
| 07/02/1998 | 658 | MEMO OF 1ST PROD-ACTUAL | |
| 01/08/1999 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/0000001015 |
| 12/28/1999 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/1039 |

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RunDate/Time: 06/18/07 11:56 AM

01 02-25-1920;041STAT0437;30USC181ETSEQ

Case Type 311211: O&G LSE SIMO PUBLIC LAND

Serial Number
NMNM-- - 004314

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

| | | | |
|------------|-----|------------------------|-----------------------|
| 12/29/2000 | 084 | RENTAL RECEIVED BY MMS | \$399.50;21/1064 |
| 03/26/2001 | 899 | TRF OF ORR FILED | JURKIEWICZ, WILLIAM;1 |
| 04/06/2001 | 899 | TRF OF ORR FILED | BRAUN, MICHAEL S;1 |
| 04/06/2001 | 899 | TRF OF ORR FILED | BRAUN, MICHAEL S;2 |
| 04/06/2001 | 899 | TRF OF ORR FILED | BRAUN, MICHAEL S;3 |
| 05/07/2001 | 899 | TRF OF ORR FILED | MICHAEL S & RHONDA;1 |
| 05/07/2001 | 899 | TRF OF ORR FILED | MICHAEL S & RHONDA;2 |
| 11/15/2001 | 940 | NAME CHANGE RECOGNIZED | ELLIOTT CO/LTD PTNRSH |
| 09/02/2003 | 817 | MERGER RECOGNIZED | MATADOR/TOM BROWN INC |
| 10/15/2004 | 140 | ASGN FILED | TOM BROWN/MAGNUM HU;1 |
| 10/15/2004 | 932 | TRF OPER RGTS FILED | TOM BROWN/MAGNUM HU;1 |
| 12/08/2004 | 139 | ASGN APPROVED | EFF 11/01/04; |
| 12/08/2004 | 933 | TRF OPER RGTS APPROVED | EFF 11/01/04; |
| 12/08/2004 | 974 | AUTOMATED RECORD VERIF | ANN |
| 04/18/2005 | 140 | ASGN FILED | TOM BROWN/MAGNUM HU;1 |
| 06/23/2005 | 566 | ASGN WITHDRAWN | TOM BROWN/MAGNUM HU;1 |
| 06/23/2005 | 974 | AUTOMATED RECORD VERIF | ANN |
| 09/08/2005 | 393 | DEC ISSUED | |
| 09/08/2005 | 974 | AUTOMATED RECORD VERIF | ANN |
| 10/31/2005 | 140 | ASGN FILED | TOM BROWN/MAGNUM HU;1 |
| 11/07/2005 | 139 | ASGN APPROVED | EFF 11/01/05; |
| 11/07/2005 | 974 | AUTOMATED RECORD VERIF | ANN |
| 08/15/2006 | 932 | TRF OPER RGTS FILED | MCKAY OIL/MCKAY PET;1 |
| 08/15/2006 | 932 | TRF OPER RGTS FILED | MCKAY ROY/MCKAY LIV;1 |
| 09/29/2006 | 933 | TRF OPER RGTS APPROVED | (1)EFF 09/01/06; |
| 09/29/2006 | 933 | TRF OPER RGTS APPROVED | (2)EFF 09/01/06; |
| 09/29/2006 | 974 | AUTOMATED RECORD VERIF | ANN |

[illegible]

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