

DATE IN 10/1/07	SUSPENSE	ENGINEER D. BROOKS	LOGGED IN 10/3/07	TYPE NSL	APP NO. PTDS0727548269
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau
1220 South St. Francis Drive, Santa Fe, NM 87505



Cimarez Nitro 11 Fed #1

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

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

September 29, 2007

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 name:</u>	Nitro 11 Fed. Well No. 1
<u>Surface location:</u>	1580 feet FNL & 660 feet FWL
<u>Bottom hole location:</u>	1980 feet FNL & 330 feet FEL
<u>Well unit (project area):</u>	S½N½ of Section 11, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

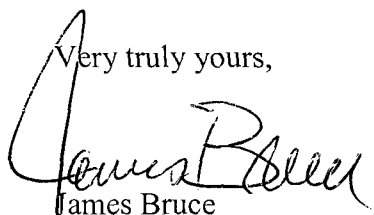
The well will test the Abo formation (Undesignated County Line Tank-Abo Pool). Under statewide rules, spacing is 40 acres, with wells to be at least 330 feet from a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The well is a re-entry of a plugged and abandoned vertical well drilled in 2006 by Gruy Petroleum Management Company (now known as Cimarex Energy Co. of Colorado). Using the existing wellbore makes the surface location unorthodox. Exhibit B.

The entire N½ of Section 11 is covered by Federal Lease NM 0556811 (Exhibit C), under which ownership is common. Therefore, there is no adversely affected interest owner, and notice of this application has not been given to anyone.

Please call me if you have any questions concerning this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name "James Bruce".

James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I
1826 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97197	Pool Name County Line Tank; Abo
Property Code	Property Name NITRO "11" FEDERAL	Well Number 1
OGRID No. 162683	Operator Name CIMAREX ENERGY CO OF COLORADO	Elevation 3720'

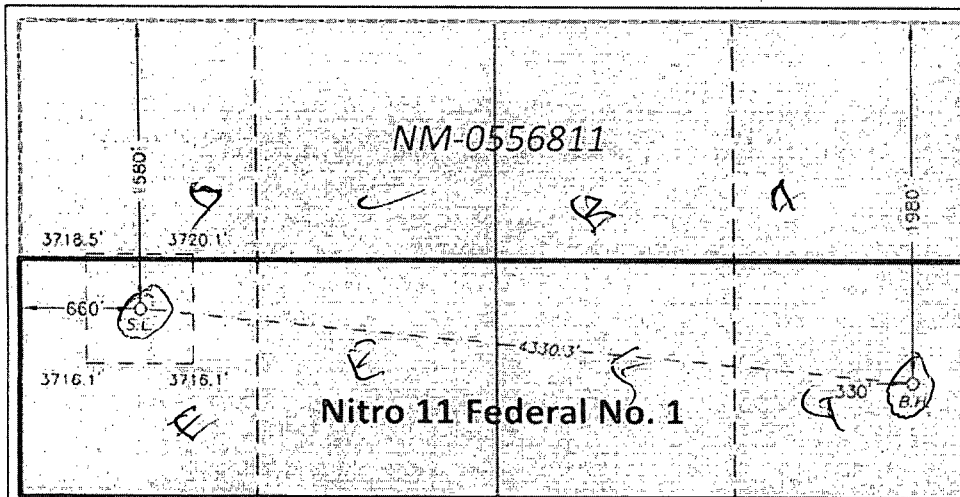
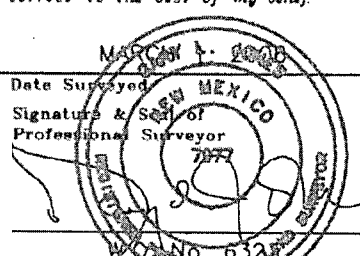
Surface Location

UL or lot No. E	Section 11	Township 16 S	Range 29 E	Lot Idn	Feet from the 1580	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. H	Section 11	Township 16 S	Range 29 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
Dedicated Acres 160	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

		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Zeno Farris</u> Signature Zeno Farris Printed Name Mgr Operations Admin Title 07-23-07 Date	
SURFACE LOCATION Lat - N32°56'20.8" Long - W104°03'07.0" NMSPC- N 705500.774 E 627664.523		BOTTOM HOLE Lat - N32°56'16.6" Long - W104°02'16.4" NMSPC- N 705089.49 E 631975.28	
EXHIBIT <u>A</u>		SURVEYOR CERTIFICATION 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.  Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96070	Pool Name Morrow Wildcat
Property Code	Property Name NITRO "11" FEDERAL	Well Number 1
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT COMPANY	Elevation 3720'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	11	16 S	29 E		1580	NORTH	660	WEST	EDDY

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 320	Joint or Infill N	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>Nitro 11 Fed #1</p> <p>Lat - N32°56'20.8" Long - W104°03'07.0" NMSPEC - N 705500.774 E 627664.523</p> <p>NM-0556811</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i></p> <p>Signature Zeno Farris</p> <p>Printed Name Mgr Operations Admin</p> <p>Title 03-07-06</p> <p>Date</p>
<p>EXHIBIT B</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>DATE 4. 1999</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

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

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01 02-25-1920;041STAT0437;30USC226

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

**Total Acres
1,480.000**

**Serial Number
NMNM-- 0 556811**

Serial Number: NMNM-- 0 556811

Name & Address				Int Rel	% Interest
CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 74005	LESSEE		100.000000000
DOMINION OK TX EXPL & PROD INC	14000 QUAIL SPGS PKY #600	OKLAHOMA CITY OK 73134	OPERATING RIGHTS		0.000000000
HOPE CLYDE E	BOX 158	LOCO HILLS NM 88255	OPERATING RIGHTS		0.000000000
LOBOS ENERGY PARTNERS LLC	3817 NW EXPRESSWAY #950	OKLAHOMA CITY OK 73112	OPERATING RIGHTS		0.000000000
MAGNUM HUNTER PRODUCTION INC	600 E COLLEGE BLVD	IRVING TX 75039	OPERATING RIGHTS		0.000000000
SOUTHWESTERN ENERGY PROD CO	2350 N SAM HOUSTON PKWY E #30	HOUSTON TX 77032	OPERATING RIGHTS		0.000000000

Serial Number: NMNM-- 0 556811

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0160S 0290E 011			ALIQ		N2,SW,N2SE,SWSE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 012			ALIQ		NW,N2SW,NWSE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 013			ALIQ		SENE,S2SW,SE;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT
23 0160S 0290E 023			ALIQ		N2;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 556811
Pending Office

Act Date	Code	Action	Action Remarks
07/31/1950	387	CASE ESTABLISHED	
08/01/1950	496	FUND CODE	05;145003
08/01/1950	530	RLTY RATE - 12 1/2%	
08/01/1950	868	EFFECTIVE DATE	
04/01/1965	209	CASE CREATED BY SEGR	OUT OF NMLC061638;
04/01/1965	648	EXT BY PROD ON ASSOC LSE	NMLC061638;
05/28/1965	102	NOTICE SENT-PROD STATUS	
01/26/1984	817	MERGER RECOGNIZED	GEN AMER/PHILLIPS OIL
03/01/1984	140	ASGN FILED	PHILLIPS OIL/PETRO
09/24/1984	139	ASGN APPROVED	EFF 04/01/84;
10/18/1984	963	CASE MICROFILMED	CNUM 100,734 AC
06/06/1986	932	TRF OPER RGTS FILED	(1) GSB
06/06/1986	932	TRF OPER RGTS FILED	(2) GSB
06/11/1986	932	TRF OPER RGTS FILED	(1)
06/11/1986	932	TRF OPER RGTS FILED	(2)
09/26/1986	933	TRF OPER RGTS APPROVED	(1)EFF 07/01/86;
09/26/1986	933	TRF OPER RGTS APPROVED	(2)EFF 07/01/86;
09/26/1986	933	TRF OPER RGTS APPROVED	(3)EFF 07/01/86;
09/26/1986	933	TRF OPER RGTS APPROVED	(4)EFF 07/01/86;
03/08/1988	974	AUTOMATED RECORD VERIF	LO/JR
07/22/1991	932	TRF OPER RGTS FILED	ARMSTRONG ENE/HOPE
08/13/1991	909	BOND ACCEPTED	EFF 07/10/91;NM1911
09/24/1991	933	TRF OPER RGTS APPROVED	EFF 08/01/91;
09/24/1991	974	AUTOMATED RECORD VERIF	TF/MT
06/18/1992	974	AUTOMATED RECORD VERIF	AMR/KRP
11/01/2002	246	LEASE COMMITTED TO CA	NMNM109675;

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

EXHIBIT

C

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
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Page 2 of 2

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Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Total Acres
1,480.000

Serial Number
NMNM-- 0 556811

11/01/2002	660	MEMO OF 1ST PROD-ALLOC	/1/
11/09/2002	651	HELD BY PROD - ALLOCATED	
01/16/2003	817	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS
03/17/2003	932	TRF OPER RGTS FILED	CONOCOPHILLIPS/SWRN;
04/25/2003	933	TRF OPER RGTS APPROVED	EFF 04/01/03;
04/25/2003	974	AUTOMATED RECORD VERIF	MV
08/27/2003	643	PRODUCTION DETERMINATION	/1/NMNM109675
12/19/2003	932	TRF OPER RGTS FILED	1
01/23/2004	933	TRF OPER RGTS APPROVED	EFF 01/01/04;
01/23/2004	974	AUTOMATED RECORD VERIF	ANN
01/04/2007	932	TRF OPER RGTS FILED	DOMINION/LOBOS ENE;1
03/01/2007	933	TRF OPER RGTS APPROVED	EFF 02/01/07;
03/01/2007	974	AUTOMATED RECORD VERIF	ANN

Line Nr Remarks

Serial Number: NMNM-- 0 556811

Ezeanyim, Richard, EMNRD

From: JamesBruc@aol.com
Sent: Wednesday, October 31, 2007 4:50 PM
To: Ezeanyim, Richard, EMNRD
Subject: Cimarex Energy Co./Conoco and Nitro Wells

Richard: It appears that both wells will penetrate the Abo at unorthodox locations.

Conoco 22 Fed Com. No. 1: The surface location is unorthodox (1427 feet FWL). The top of the Abo is at a depth of 5946 feet, and the wellbore will not start its turn toward horizontal until a depth of about 6780 feet. Therefore, the entry point into the ABO is unorthodox at 1427 feet FWL.

Nitro 11 Fed. No. 1: The surface location is unorthodox (1580 feet FNL). The top of the Abo is at a depth of 6010 feet, and the wellbore will not start its turn toward horizontal until a depth of about 6850 feet. Therefore, the entry point into the ABO is unorthodox at 1580 feet FNL.

I am faxing you data which shows this.

Jim Bruce

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11/1/2007