

|                   |          |                    |                     |             |                          |
|-------------------|----------|--------------------|---------------------|-------------|--------------------------|
| DATE IN<br>6/3/08 | SUSPENSE | ENGINEER<br>Brooks | LOGGED IN<br>6/3/08 | TYPE<br>NSL | APP NO<br>PKVRO815533979 |
|-------------------|----------|--------------------|---------------------|-------------|--------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Cimarex Energy Co. of Colorado*  
*Estill AD Federal #2*  
*5861*

**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

*James Bruce*  
 \_\_\_\_\_  
 Signature

Attorney for Applicant  
 \_\_\_\_\_  
 Title

*5/31/08*  
 \_\_\_\_\_  
 Date

jamesbruc@aol.com  
 \_\_\_\_\_  
 e-mail Address

2008 JUN 3 AM 8 48

RECEIVED

**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](mailto:jamesbruc@aol.com)

May 31, 2008

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

*Case 12873  
10/8/02*

Dear Mr. Fesmire:

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

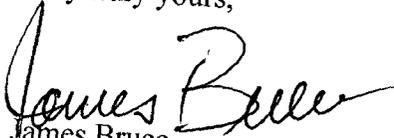
|                             |   |
|-----------------------------|---|
| <u>Well:</u>                | Estill AD Fed. Well No. 2   |
| <u>Well Unit:</u>           | All §19-24S-26E, Eddy County, New Mexico  |
| <u>Surface Location:</u>    | 2270 feet FNL & 380 feet FEL  |
| <u>Bottomhole Location:</u> | Top of Cisco/Canyon: 2098 feet FNL & 511 feet FEL<br>Base of Cisco/Canyon: 1989 feet FNL and 612 feet FEL |

The well was drilled in 2004 to test the White City-Pennsylvanian Gas Pool. Under Order No. R-2429-E, the pool, which covers the entire Pennsylvanian formation, is spaced on 640 acres, with 4 wells allowed per well unit, and wells to be located no closer than 660 feet to a quarter section line or 10 feet to an interior quarter-quarter section line. The well, which was directionally drilled, was originally completed in a deep zone at an orthodox location. Applicant now desires to re-complete the well in the upper Pennsylvanian (Cisco/Canyon). Exhibit A. The well is unorthodox due to the directional drilling. A Form C-102 is attached as Exhibit B.

Attached as Exhibit C is a land plat. The operator of offsetting Section 20 is Chevron U.S.A. Inc. Notice has been given to the offset, as shown on Exhibit D.

Please contact me if you need further information.

Very truly yours,

  
James Bruce

Attorney for Cimarex Energy Co. of Colorado

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**OPERATOR'S COPY**  
**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

|  |   |   |
|--|---|---|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other           |   | 5. Lease Serial No.<br>NM-065347                                  |
| 2. Name of Operator<br>Cimarex Energy Co. of Colorado  |   | 6. If Indian, Allottee or Tribe Name                              |
| 3a. Address<br>PO Box 140907; Irving, TX 75014-0907  | 3b. Phone No. (include area code)<br>972-401-3111 | 7. If Unit or CA/Agreement, Name and/or No.                       |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>19-24S-26E<br>SHL 2270' FNL & 380' FEL, BHL 1588' FNL & 957' FEL |   | 8. Well Name and No.<br>Estill AD Federal No. 2                   |
|  |   | 9. API Well No.<br>30-015-33336                                   |
|  |   | 10. Field and Pool, or Exploratory Area<br>White City; Penn (Gas) |
|  |   | 11. County or Parish, State<br>Eddy County, NM                    |

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |  |
|--|---|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen               | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                        |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat       | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                        |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction     | <input checked="" type="checkbox"/> Recomplete     | <input checked="" type="checkbox"/> Other <u>Recomplete to</u> |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       | <u>Cisco-Canyon</u>  |
|  | <input type="checkbox"/> Convert to Injection | <input checked="" type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal            |  |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Estill AD Federal No. 2 is marginally producing from the Strawn zone of the White City; Penn (Gas) pool with perfs @ 10441'-11090'. Cimarex proposes to re-enter, set a CIBP @ 10400' w/ 35' cmt (new PBTD 1989' FNL & 612' FEL), and perform the following operations:

Perf Cisco-Canyon 9947'-10093' w/ 2 spf, 180 deg phasing, 147 holes and frac.  
Turn to sales as a White City; Penn (Gas) Cisco-Canyon gas well.

Recompletion plat and re-entry procedure are attached.

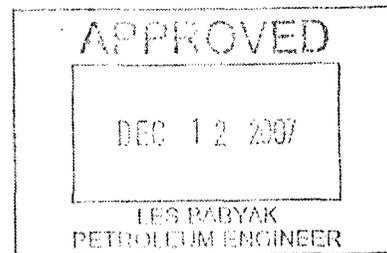


EXHIBIT **A**

|   |                          |
|---|--------------------------|
| 14. I hereby certify that the foregoing is true and correct |                          |
| Name (Printed/Typed)<br>Natalie Krueger                     | Title<br>Reg Analyst     |
| Signature<br><i>Natalie Krueger</i>                         | Date<br>December 4, 2007 |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |        |      |
|---|--------|------|
| Approved by   | Title  | Date |
| Conditions of Approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office |      |

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

## ESTILL AD FEDERAL #2 CISCO RECOMPLETION

API # 30-015-33336  
PROPERTY # 309588-168  
2270' FNL & 380' FEL  
Section 19, 24S, R-26E  
Eddy County, New Mexico

|                   |   |
|-------------------|---|
| GL : 3430'        | KB : 3453'  |
| TD : 12300'       | PBTD: 11030' (CIBP W/ 2 SX SAND)  |
| <b>SURF CSG :</b> | 13-3/8" OD AT 352' (CIRC)   |
| <b>INTER CSG:</b> | 9-5/8" OD AT 1567' (TOPPED WITH 1")   |
| <b>PROD CSG :</b> | 7" OD 23# NS110HC AND P-110 @ 8012' (CIRC 1 <sup>ST</sup> AND 2 <sup>ND</sup> STAGE)<br>DV TOOL AT 4807'<br>ID=6.366", DRIFT=6.241", BURST=XXXX#, CAPACITY=1.6534 GAL/LF  |
| <b>LINER:</b>     | 4-1/2" 11.6# P-110HC FROM 7247'-12300'<br>ID=4.000", DRIFT=3.875", BURST=10690#, CAPACITY=0.6528 GAL/LF   |
| <b>TUBING:</b>    | 2-3/8" 4.7# L-80 AT 11466' W/ HOWCO VERSASET PACKER AT 10,404'<br>ID=1.995", DRIFT=1.901", BURST=11200 PSI, CAPACITY=0.1624 GAL/LF  |
| <b>PERFS:</b>     | STRAWN - 10,441'-10,451' CBP AT 11,030' W/ 2 SX SAND<br>ATOKA - (BELOW PLUG) 11076'-11090' CIBP AT 11550' W/ 35' CMT<br>MORROW (BELOW PLUG) - 11,600'-11,718' OVERALL CIBP AT 11850'<br>MORROW (BELOW PLUG) - 11,911'-11,968' OVERALL |

NOTE: ALL WIRELINE WORK CORRELATED TO RADIAL BOND LOG DATED 7/22/04.

1. SUBMIT SUNDRY TO RECOMPLETE TO CISCO CANYON.
2. MIRU PU. KILL TUBING 2% KCL WATER IF NECECCARY. CHECK CASING FOR PRESSURE OR FLOW. ND TREE AND NU 5K FULL OPENING FRAC VALVE AND BOP. RELEASE PACKER AND TOH WITH 2-3/8" TUBING, STANDING BACK.
3. MIRU WIRELINE. RIH WITH 3.75" GR/ JB TO PBTD. POH. RIH WITH DUMP BAILER AND DUMP 35' OF CEMENT ON TOP OF PLUG AT 11,030'. RIH WITH 4-1/2" CIBP AND SET AT 10400'. LOAD HOLE WITH 2% KCL WATER AND TEST PLUG AND LINER TOP TO 7000 PSI. DUMP BAIL 35' CEMENT ON TOP OF PLUG. PERFORATE *CISCO CANYON 6 SPF, 60 DEGREE PHASING* AS FOLLOWS:

| Top                | Bottom | SPF | Holes      |
|--------------------|--------|-----|------------|
| 9947               | 9978   | 6   | 187        |
| 10010              | 10019  | 6   | 55         |
| 10035              | 10047  | 6   | 73         |
| 10064              | 10077  | 6   | 79         |
| 10087              | 10093  | 6   | 37         |
| <b>Total Holes</b> |        |     | <b>431</b> |

MONITOR FLUID LEVEL IN AND OUT OF HOLE AND RECORD ANY CHANGES.

4. SPOT FRAC TANKS AND FILL WITH 2% KCL WATER. ND BOP. RIG UP CASING SAVER AND FLOWBACK MANIFOLD. FRACTURE STIMULATE PER SCHLUMBERGER RECOMMENDATION. FLOWBACK UNTIL WELL DIES.
5. ND FRAC VALVE. NU BOPS. RIH W/ 2-3/8" NOTCHED COLLAR, 1 JOINT 2-3/8" TUBING AND 1.875" X-NIPPLE AND 2-3/8" TUBING. TAG FOR SAND FILL AND CLEANOUT IF NECESSARY. LAND TUBING BETWEEN 10020' AND 10050'. ND BOPS AND NU TUBING. RDMO PULLING UNIT. RU SWAB UNIT AND SWAB WELL IN AND BEGIN FLOWING.

DISTRICT I  
P.O. Box 1080, Hobbs, NM 88241-1080

DISTRICT II  
P.O. Drawer 80, Artesia, NM 88211-0080

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

DISTRICT IV  
P.O. Box 2080, Santa Fe, N.M. 87504-2080

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                                   |  |  |
|-----------------------------------|--|--|
| API Number<br><b>30-015-33336</b> | Pool Code<br><b>87280</b>                              | Pool Name<br><b>White City; Penn (Gas)</b> |
| Property Code                     | Property Name<br><b>ESTILL AD FEDERAL</b>              | Well Number<br><b>2</b>                    |
| OCRID No.<br><b>162683</b>        | Operator Name<br><b>CIMAREX ENERGY CO. OF COLORADO</b> | Elevation<br><b>3430'</b>                  |

**Surface Location**

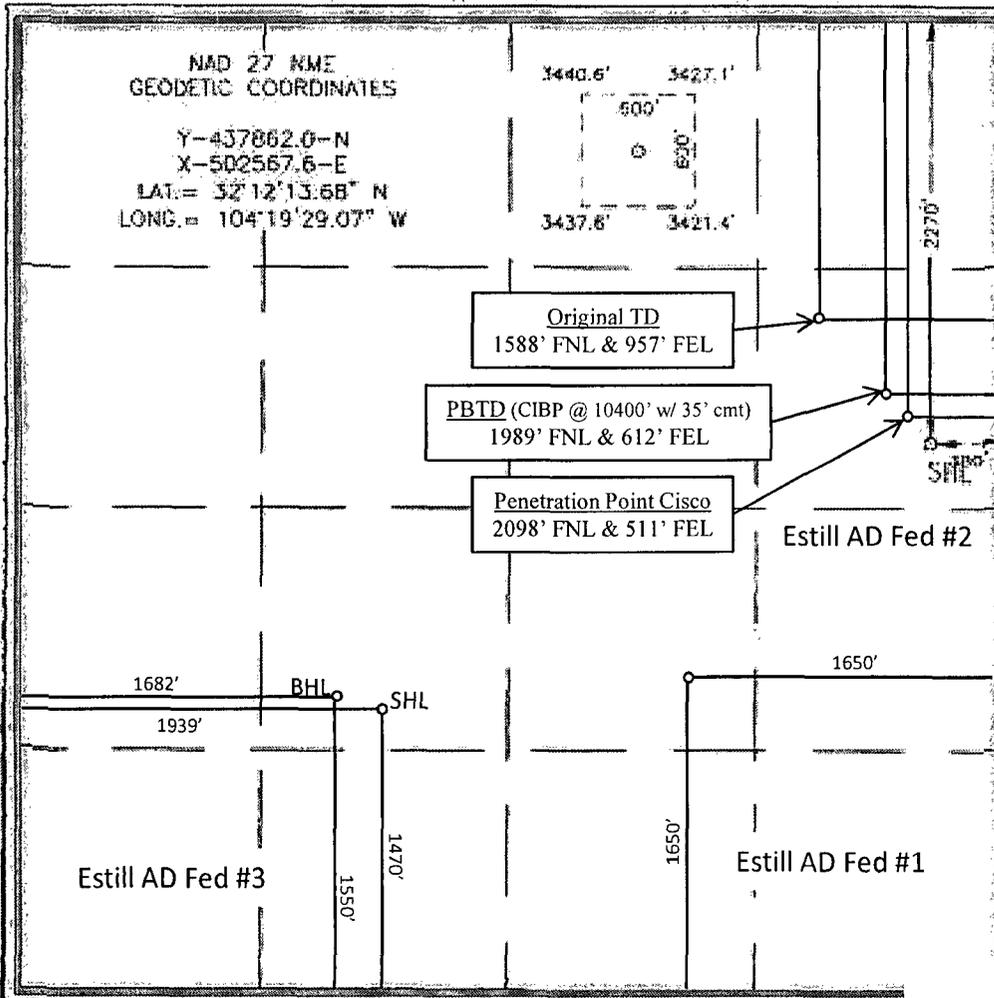
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 19      | 24 S     | 26 E  |         | 2270          | NORTH            | 380           | EAST           | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 19      | 24 S     | 26 E  |         | 1588          | NORTH            | 957           | EAST           | EDDY   |

|                               |                 |                    |                                 |
|-------------------------------|-----------------|--------------------|---------------------------------|
| Dedicated Acres<br><b>640</b> | Joint or Infill | Consolidation Code | Order No.<br><b>NSL Pending</b> |
|-------------------------------|-----------------|--------------------|---------------------------------|

**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 that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: \_\_\_\_\_  
Printed Name: **Zeno Farris**  
Title: **Mgr Operations Admin**  
Date: **01-14-08**

---

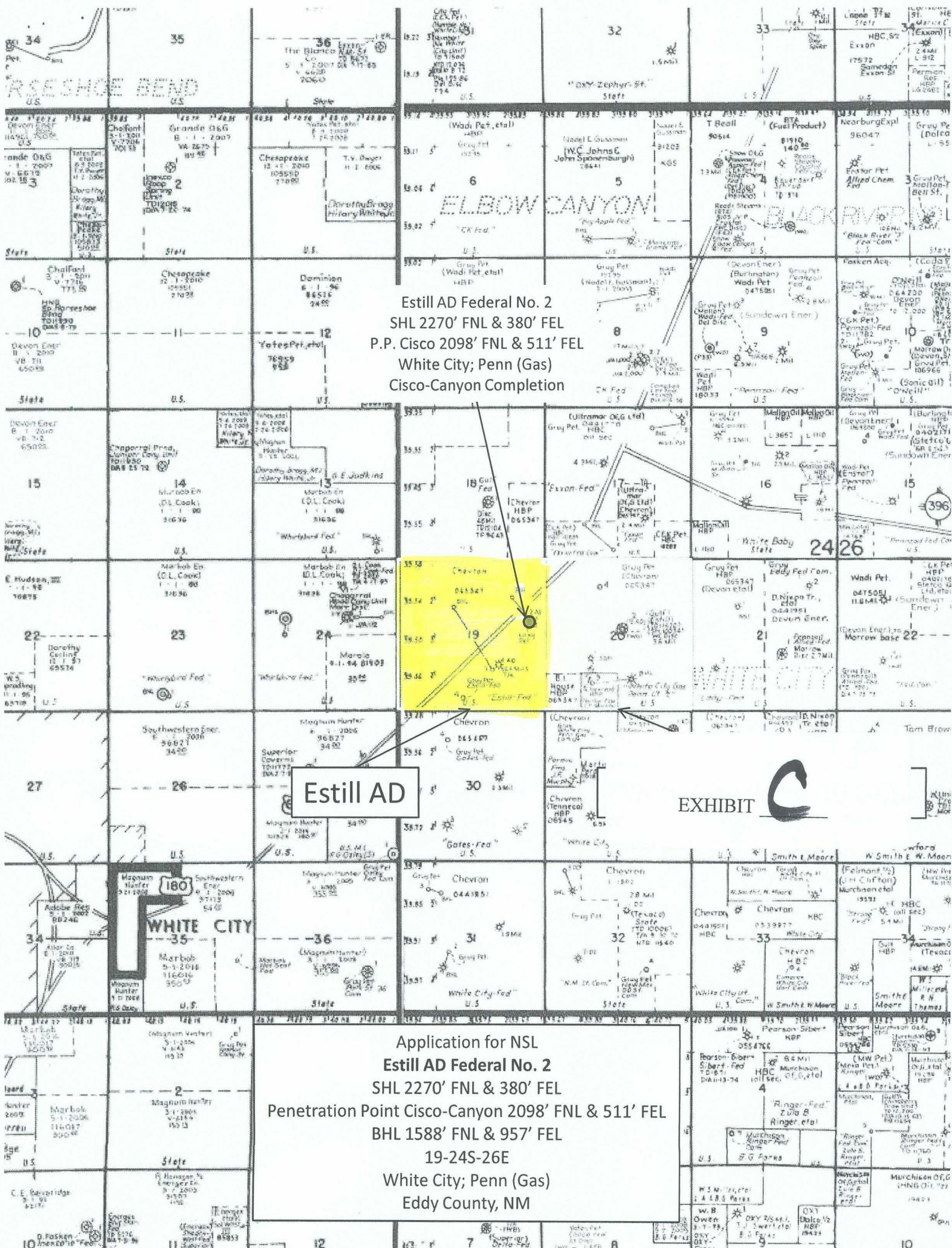
**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.

JANUARY 26, 2004

Date Surveyed: \_\_\_\_\_  
Signature & Seal of Professional Surveyor: \_\_\_\_\_  
Certificate No. **GARY EIDSON 12543**

EXHIBIT **B**



Estill AD Federal No. 2  
 SHL 2270' FNL & 380' FEL  
 P.P. Cisco 2098' FNL & 511' FEL  
 White City; Penn (Gas)  
 Cisco-Canyon Completion

Estill AD

EXHIBIT C

Application for NSL  
 Estill AD Federal No. 2  
 SHL 2270' FNL & 380' FEL  
 Penetration Point Cisco-Canyon 2098' FNL & 511' FEL  
 BHL 1588' FNL & 957' FEL  
 19-24S-26E  
 White City; Penn (Gas)  
 Eddy County, NM

**JAMES BRUCE**  
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87501

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(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

May 31, 2008

Certified Mail – Return Receipt Requested

Chevron USA Inc.  
15 Smith Road  
Midland, TX 79705

Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox gas well location in Section 19, Township 24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Very truly yours,

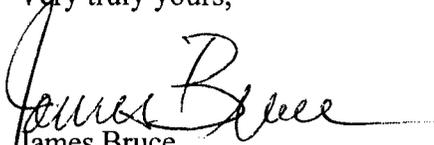
  
James Bruce  
Attorney for Cimarex Energy Co. of Colorado

EXHIBIT D