



SUSPENSE	ENGINEER <i>DB</i>	LOGGED IN <i>5-3-10</i>	TYPE <i>NSL</i>	APP NO <i>PTG-W 1012338674</i>
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NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

*Cimarex*

2010 MAY -3 A 10:49

*Atlantic Avenue 10 #1*

*30-031-21108*

*6194*

**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

Cimarex's  
 Atlantic Avenue 10 #1  
 30-031-21108

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 (Cimarex has 100% of the interest in all offset lands too)

[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.

Print or Type Name  
 BRIAN WOOD  
 (505) 466-8120  
 FAX 466-9682

Signature

Title  
 CONSULTANT

Date  
 4-27-10

e-mail Address  
 brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL  
FOR NONSTANDARD LOCATION  
FOR CIMAREX ENERGY CO.  
ATLANTIC AVENUE 10 #1  
2508' FSL & 547' FEL SEC. 10, T. 17 N., R. 9 W.  
McKINLEY COUNTY, NM**

I. The proposed well (30-031-21108) is staked on private surface and a private (fee) oil and gas lease. It is 547' from the closest lease line. The location is nonstandard for the WC17N9W10; Gallup Oil (Pool Code 97777) and WC17N9W10; Dakota Oil (Pool Code 97778) due to geology. (The selected location is based on seismic data). A standard location must be at least 330' from the quarter-quarter line. This well is 198' further north than is standard. (Closest standard location would be 2310' FSL & 547' FEL.) The APD cover sheet is attached as EXHIBIT A.

II. Two C-102 forms showing the well and pro ration units (NE4SE4 Section 10 for both formations) are attached (EXHIBITS B & C).

The oil and gas lease (501,793.04 acres) boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well encroaches on the SE4NE4 of Section 10, which is part of the same lease. There are no wells of any type in that quarter-quarter. That quarter-quarter is part of the same 501,793.04 acre fee lease. An adjacent 480 acre Cimarex fee lease is shown as a dashed line. Cimarex has 100% of the interest in both leases.

There are no Gallup or Dakota pro ration units or dedications touching or bordering the proposed 40 acre Atlantic Avenue 10 #1 pro ration units. Closest existing Gallup or Dakota pro ration unit is 3/4 mile east. That Hospah Dakota 40 acre pro ration unit in the SE4NE4 of Section 11 is dedicated to Nacogdoches' Whigham 3. The pro ration units are shown on EXHIBIT E.

III. The closest existing or approved well of any type is Nacogdoches' Whigham 3 producing oil well. This Hospah Dakota well is 5,517' northeast at 2300' FNL & 350' FEL 11-17n-9w. (Closest (3,668') well of any type is a

plugged and abandoned 1,800' deep well in NE4NW4 Section 14.) EXHIBIT F shows the proposed NSL well, closest existing Dakota (5,517') and Gallup (none within 5,517') wells, and all other wells within Section 10 and the eight adjacent sections.

Cimarex has 100% of the interest in the NE4SE4 Section 10 and the eight adjacent quarter-quarters.

IV. The proposed well site is marked as a black square on EXHIBIT E. Pro ration unit (solid lines) for the WC17N9W10; Gallup Oil and WC17N9W10; Dakota Oil is the 40 acre northeast quarter of the southeast quarter of Section 10, Township 17 North, Range 9 West, McKinley County, NM.

V. The nonstandard location is due to geology. The well site is based on seismic data run by Cimarex.

VI. Archaeology is not an issue.

VII. Surface conditions are not an issue.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify that Cimarex has 100% of the interest in those portions of the two leases which comprise the proposed spacing unit and the eight adjacent possible spacing units which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct.



\_\_\_\_\_  
Brian Wood, Consultant

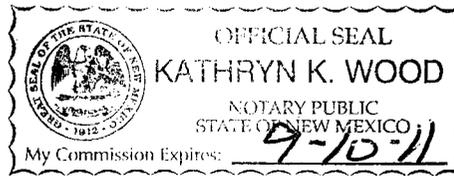
4-27-10

\_\_\_\_\_  
Date

STATE OF NEW MEXICO        )  
  ) SS:  
COUNTY OF SANTA FE        )

The foregoing instrument was acknowledged before me this 27th day of April, 2010 by Brian Wood. Witness my hand and official seal.

*Kathryn K. Wood*  
Notary Public



My Commission Expires: 9-10-11

Business Address: 37 VERANO LOOP, SANTA FE, NM 87508

cc: Cimarex (Denver & Tulsa), OCD (Aztec & Santa Fe)

District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
June 16, 2008

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

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

<sup>1</sup> Operator Name and Address <b>CIMAREX ENERGY CO. 1700 LINCOLN ST., SUITE 1800, DENVER, CO 80203-4518</b>		<sup>2</sup> OGRID Number <b>215099</b>
<sup>3</sup> Property Code <b>38065</b>		<sup>4</sup> Property Name <b>ATLANTIC AVE 10</b>
<sup>5</sup> Proposed Pool 1 <b>WC17N9W10: Gallup OIL</b>		<sup>6</sup> Well No <b>1</b>
<sup>7</sup> Proposed Pool 2 <b>WC17N9W10: DAKOTA OIL</b>		<sup>8</sup> API Number <b>30-031-21108</b>

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>10</b>	<b>17 N</b>	<b>9 W</b>		<b>2508</b>	<b>SOUTH</b>	<b>547</b>	<b>EAST</b>	<b>McKINLEY</b>

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

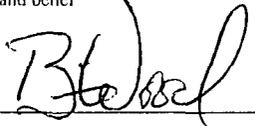
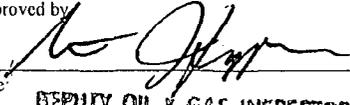
<sup>9</sup> Work Type Code <b>N</b>	<sup>10</sup> Well Type Code <b>O</b>	<sup>11</sup> Cable/Rotary <b>ROTARY</b>	<sup>12</sup> Lease Type Code <b>P</b>	<sup>13</sup> Ground Level Elevation <b>7,110'</b>
<sup>14</sup> Multiple <b>YES</b>	<sup>15</sup> Proposed Depth <b>3,000'</b>	<sup>16</sup> Formation <b>MORRISON</b>	<sup>17</sup> Contractor <b>BEARCAT</b>	<sup>18</sup> Spud Date <b>SEPT. 15, 2009</b>

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
<b>12-1/4"</b>	<b>9-5/8"</b>	<b>36 #</b>	<b>200'</b>	<b>115</b>	<b>SURFACE</b>
<b>8-3/4"</b>	<b>5-1/2"</b>	<b>15.5 #</b>	<b>3,000'</b>	<b>525</b>	<b>SURFACE</b>

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.  
**WILL USE 2,000 # BOP SYSTEM**

**RCVD MAR 9 '10  
OIL CONS. DIV.  
DIST. 3**

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		<b>OIL CONSERVATION DIVISION</b>	
Signature 	Approved by 		
Printed name <b>BRIAN WOOD</b>	Title <b>DEPUTY OIL &amp; GAS INSPECTOR, DIST. #3</b>		
Title <b>CONSULTANT</b>	Approval Date <b>MAR 1 1 2010</b>	Expiration Date <b>MAR 1 1 2012</b>	
E-mail Address <b>brian@permitswest.com</b>			
Date <b>9-8-09</b>	Phone <b>(505) 466-8120</b>	Conditions of Approval Attached <input type="checkbox"/> <b>HOLD CLOSURE FOR NSL both pools</b>	

**MAR 1 1 2010** 

**EXHIBIT A**

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 & Mining Resources Department  
OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C - 102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

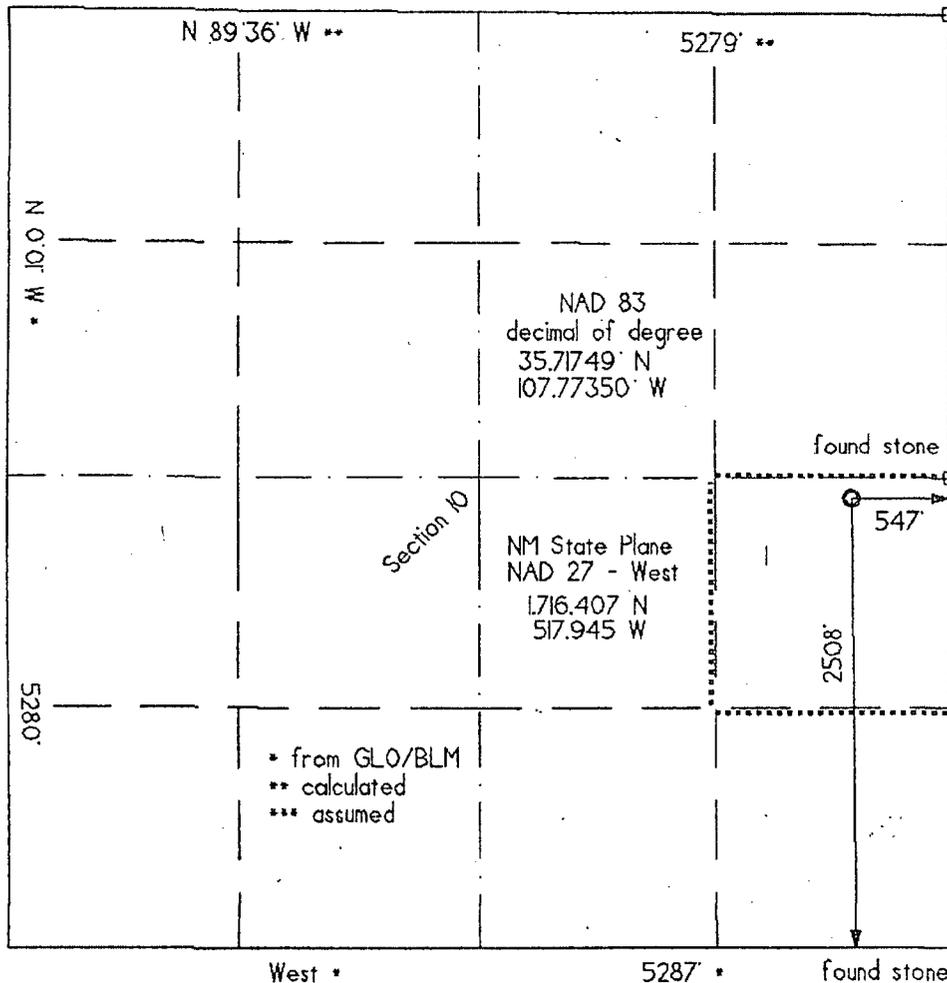
APA Number 30-031-21108	Pool Code 97777	Pool Name WC17N 9 <sup>2010</sup> v. Gallup OIL
Property Code 38065	Property Name ATLANTIC AVENUE	Well Number 1
OGRD No. 215099	Operator Name CIMAREX ENERGY CO.	Elevation 7110'

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
1	10	17 North	9 West		2508'	South	547'	East	Mc Kinley

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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No allowable well be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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**OPERATOR CERTIFICATION**  
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 leased mineral interest in the land including the bottom hole location 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 pool agreement or a compulsory pooling order heretofore entered by the division.

Date: 9-8-09  
Signature: *Brian Wood*  
Printed Name: BRIAN WOOD

**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 of survey: 09 03 '09  
Signature and Seal of Professional Surveyor: *Gerald G. Huddleston*

**GERALD G. HUDDLESTON**  
NEW MEXICO  
6844  
REGISTERED LAND SURVEYOR

Certificate Number: 6844

**EXHIBIT B**

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 87400  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Mining Resources Department  
**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Form C - 102  
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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

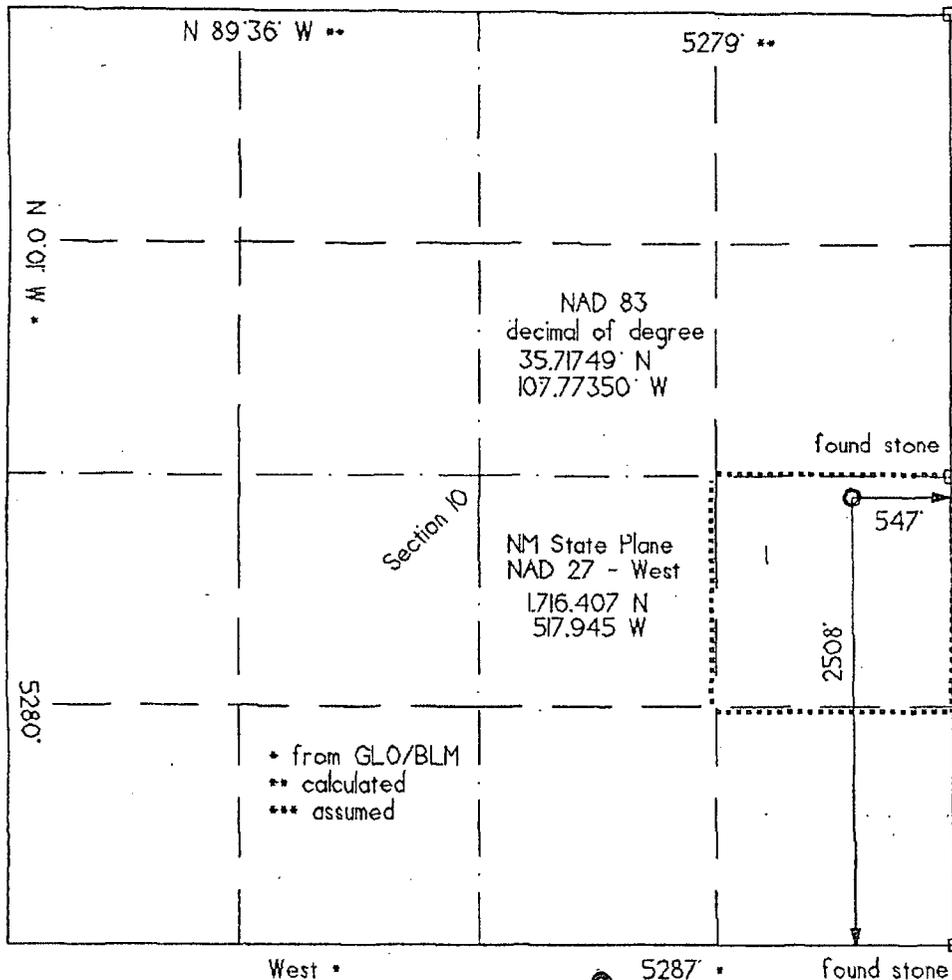
APA Number 30-031-21108	Pool Code 97778	Pool Name WC17N-9W10; DAKOTA OIL
Property Code 38065	Property Name ATLANTIC AVE <sup>NUE</sup> 10	Well Number 1
OGRD No. 215099	Operator Name CIMAREX ENERGY CO.	Elevation 7110'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
1	10	17 North	9 West		2508'	South	547'	East	Mc Kinley

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedicated Acres 40	Joint or In P	Consolidation Code	Order No.
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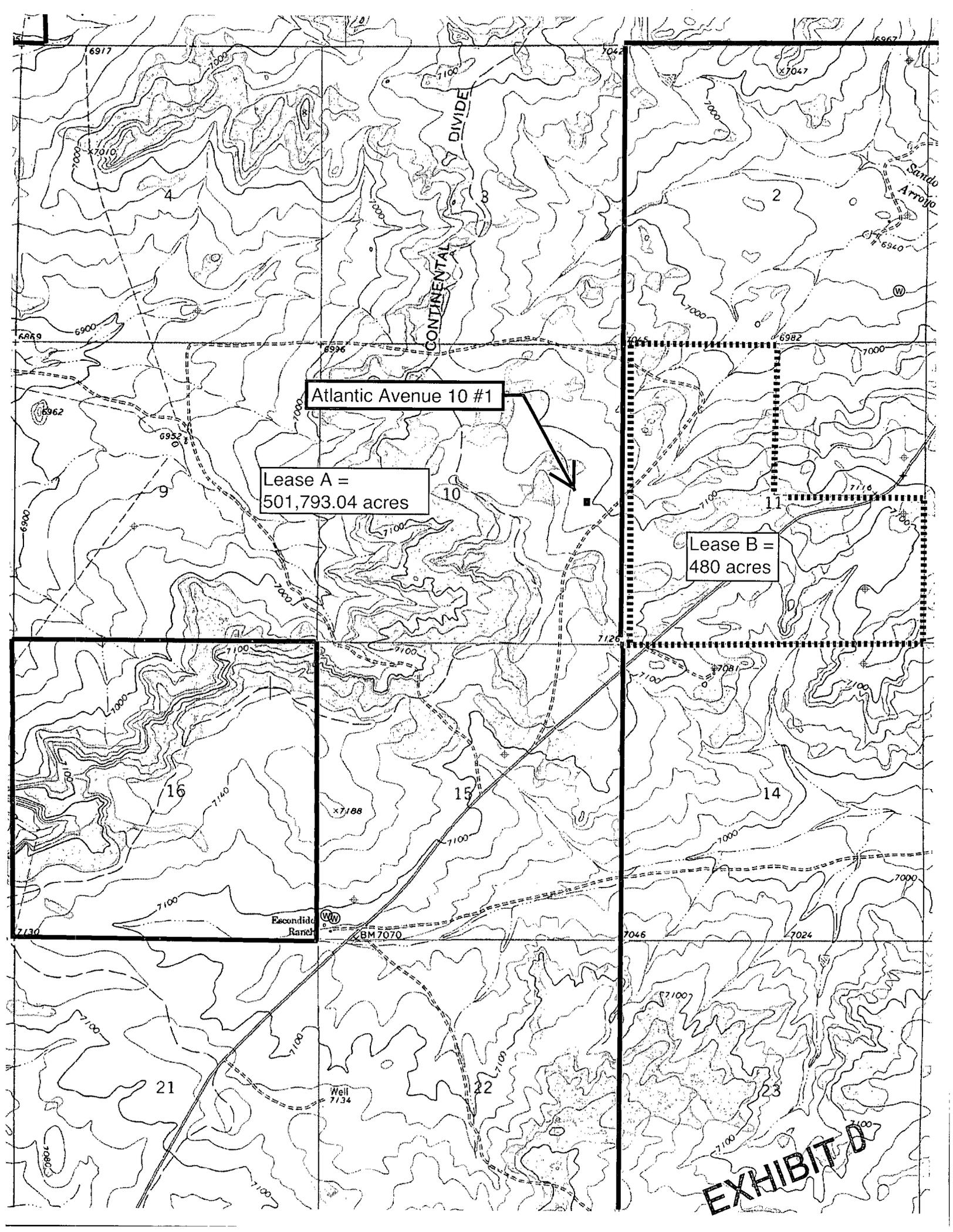
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



found # 5 rebar/cap

<b>OPERATOR CERTIFICATION</b>	
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 leased mineral interest in the land including the bottom hole location 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 pool agreement or a compulsory pooling order heretofore entered by the division.	
Date	9-8-09
Signature	<i>B. Wood</i>
Printed Name	BRIAN WOOD
<b>SURVEYOR CERTIFICATION</b>	
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 of survey	09-03-09
Signature and Seal of Professional Surveyor	<i>Gerald G. Huddleston</i>
Certificate Number	6844

**EXHIBIT C**



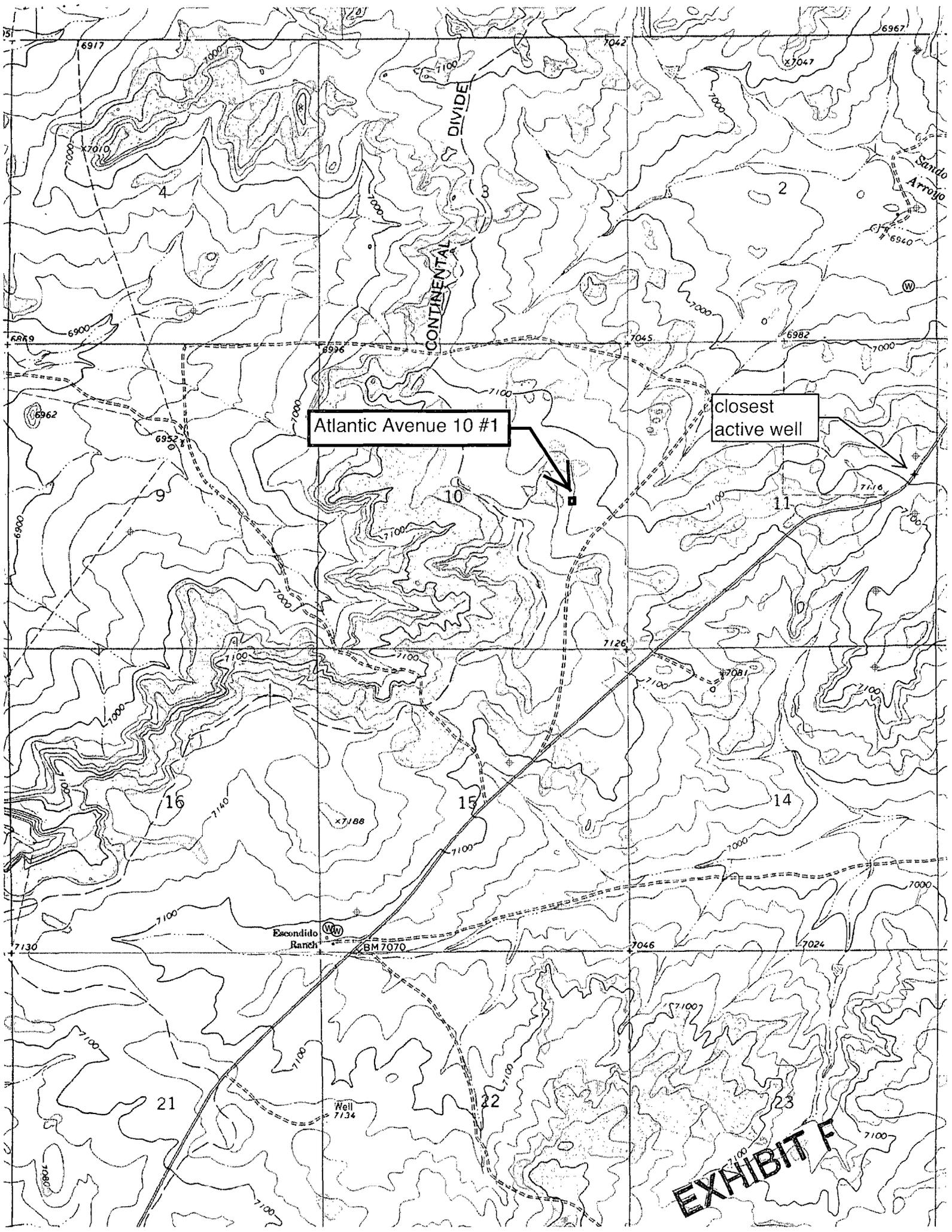
Atlantic Avenue 10 #1

Lease A =  
501,793.04 acres

Lease B =  
480 acres

EXHIBIT D





Atlantic Avenue 10 #1

closest active well

EXHIBIT F