

DATE IN 12-30-10	SUSPENSE	ENGINEER DKB	LOGGED IN 12.30.10	TYPE NSL	APP NO. 10364.36955
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PTG-W

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Cimarex
Darter & State #5
6315

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-37806

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

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[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	<i>James Bruce</i>	Attorney	<i>12/29/10</i>
Print or Type Name	Signature	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

December 29, 2010

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 NMAC 19.15.15.13, Cimarex Energy Co. of Colorado applies for approval of an unorthodox oil well location for the following well:

<u>Well name:</u>	Darter 9 State Well No. 5
<u>Location:</u>	2310 feet FNL & 1140 feet FWL
<u>Well unit:</u>	SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

The well is in the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres-Glorieta-Yeso Pool, which is an oil pool. Under Oil Conservation Division regulations, wells in the pool are spaced on 40 acres, with wells to be no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**.

Applicant desired to place the proposed well at an orthodox location in the southeast portion of the well unit, but the location was moved to avoid an area of high relief and minimize surface disturbance.

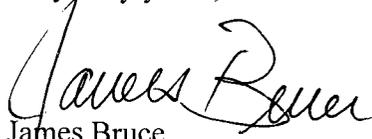
Applicant is developing this area with two or more wells in each well unit to adequately drain the reservoir, and placing the wells in the corners of the well unit. Thus, applicant does not want to move the well to the north or west (where additional wells may be drilled in the future).

The well encroaches on the SE $\frac{1}{4}$ NW $\frac{1}{4}$ and NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9. The S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 9 is covered by State Lease B-7596 (**Exhibit B**), with common ownership, so no one in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ was notified of this application. The NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9 is operated by Freedom

Energy LLC, and Chevron U.S.A. Inc. and OXY USA WTP Limited Partnership are lessees. They have been given notice, as shown on **Exhibit C**.

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

Very truly yours,

A handwritten signature in black ink that reads "James Bruce". The signature is written in a cursive style with a large, prominent initial "J".

James Bruce

Attorney for Cimarex Energy Co. of Colorado

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

DISTRICT II
1501 W. Grand Avenue, 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 and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-37806	Pool Code 97558	Pool Name GJ;7RVS-QN-GB-GLORIETA-YESO
Property Code 38126	Property Name DARTER "9" STATE	Well Number 5
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3590'

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	9	17 S	29 E		2310	NORTH	1140	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	Joint or Infill	Consolidation Code	Order No.
40			

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

Darter 9 St 8
1650 FNL & 330 FWL

Darter 9 St 3
1650 FNL & 2310 FWL

Darter 9 St 7
1750 FNL & 1650 FWL

Darter 9 St 5
2310 FNL & 1140 FWL

Well ID: B0-7596-0000

SURFACE LOCATION
Lat - N 32°51'00.00"
Long - W 104°05'05.05"
NMSPE - N 673053.3
E 617680.5
(NAD-83)

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 unleased mineral interest in the land including the proposed 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 pooling agreement or a compulsory pooling order heretofore entered by the division.

11/10/2010
Date

Signature _____

Natalie Krueger
Printed Name

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.

MARCH 29, 2010
Date Surveyed

Signature & Seal _____
Professional Surveyor

Certificate No. 6471 Jones 7977

BASIN SURVEYS

EXHIBIT **A**

9 17s 29e

112 Records found.

UL	Lot/Tract	Qtr/Qtr	Surface Owner	Sub Surface Owner	Acreage	Rent Rate	Lease #	Lease Type	County	Land Restriction	Land Remarks
A		NE4NE4	State	State	40.00	\$1.00	E0-4200-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R3-736-0	Right of Way	Eddy		
B		NW4NE4	State	State	40.00	\$1.00	E0-4200-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-3991-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R2-2344-0	Right of Way	Eddy		
C		NE4NW4	State	State	40.00	\$1.00	E0-950-3	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4075-0	Right of Way	Eddy		
							R3-1849-0	Right of Way	Eddy		
D		NW4NW4	State	State	40.00	\$1.00	E0-950-3	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4075-0	Right of Way	Eddy		
							R1-4218-0	Right of Way	Eddy		
							R2-7328-0	Right of Way	Eddy		
							R3-1997-0	Right of Way	Eddy		
E		SW4NW4	State	State	40.00	\$1.00	B0-7596-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-5160-0	Right of Way	Eddy		
								EXHIBIT B			
							R3-				

							1995-0	Right of Way	Eddy		
							R3-1997-0	Right of Way	Eddy		
F		SE4NW4	State	State	40.00	\$1.00	B0-7596-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4075-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R2-2344-0	Right of Way	Eddy		
							R3-1849-0	Right of Way	Eddy		
							R3-2016-0	Right of Way	Eddy		
							SW-291-0	Salt Water Disposal	Eddy		
G		SW4NE4	State	State	40.00	\$1.00	E0-4200-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4075-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R2-2344-0	Right of Way	Eddy		
							R3-736-0	Right of Way	Eddy		
							R3-1239-0	Right of Way	Eddy		
H		SE4NE4	State	State	40.00	\$1.00	E0-950-3	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-3991-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R2-6991-0	Right of Way	Eddy		
							R3-736-0	Right of Way	Eddy		
I		NE4SE4	State	State	40.00	\$1.00	E0-4200-0	Oil & Gas	Eddy		
							GR-124-0	Grazing & Agriculture	Eddy		
							R1-4717-0	Right of Way	Eddy		
							R1-5160-0	Right of Way	Eddy		
							R1-8189-0	Right of Way	Eddy		

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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

jamesbruc@aol.com

December 16, 2010

Certified Mail - Return Receipt Requested

To: Persons On Exhibit 1

Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 9, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You offset the well. 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 at a later date.

Very/truly yours,



James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT C

EXHIBIT A

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002

OXY USA WTP Limited Partnership
5 Greenway Plaza
Houston, Texas 77046

Freedom Energy LLC
R649 North 13th Street
Lake Arthur, New Mexico 88253

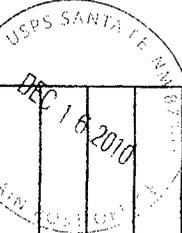
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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Postmark Here



Sent To
 Street, Apt. No., or PO Box No. Chevron U.S.A. Inc.
1400 Smith Street
 City, State, ZIP+4 Houston, Texas 77002

PS Form 3800, August 2006 See Reverse for Instructions

0226 6894 7000 0050 8002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X *[Signature]*

B. Received by (Printed Name) Wendy Perry C. Date of Delivery 12/20/10

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

1. Article Addressed to:
 Freedom Energy LLC
 R649 North 13th Street
 Lake Arthur, New Mexico 88253

3. Service Type
 Certified Mail
 Registered
 Insured Mail
 Express Mail
 Return Receipt for Merchandise
 C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number 7008 0500 0001 4683 9706
 (Transfer from service label) *Cx Data 9-5*

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

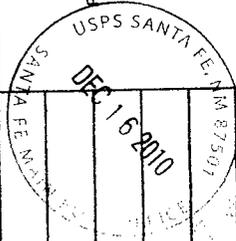
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Postage \$	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Postmark Here



Sent To
 Street, Apt. No., or PO Box No. Freedom Energy LLC
R649 North 13th Street
 City, State, ZIP+4 Lake Arthur, New Mexico 88253

PS Form 3800, August 2006 See Reverse for Instructions

0226 6894 7000 0050 8002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X *[Signature]*

B. Received by (Printed Name) Wendy Perry C. Date of Delivery 12-21-10

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail
 Registered
 Insured Mail
 Express Mail
 Return Receipt for Merchandise
 C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number 7008 0500 0001 4683 9720
 (Transfer from service label) *Cx Data 9-5*

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Return to (Printed Name) WTP
 C. Date of Delivery 12-20-10

D. Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

3. Service Type Express Mail
 Certified Mail Return Receipt for Merchandise
 Registered C.O.D. Yes
 Insured Mail Restricted Delivery? (Extra Fee) Yes

4. Restricted Delivery? (Extra Fee) Yes

102595-02-MH-1540

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 OXY USA WTP Limited Partnership
 5 Greenway Plaza
 Houston, Texas 77046

2. Article Number (transfer from service label)
 7008 0500 0001 4B83 972E

PS Form 3811, February 2004

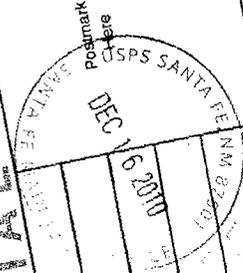
U.S. Postal Service™ RECEIPT
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Postage \$ _____
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 Return Receipt Fee (Endorsement Required) _____
 Restricted Delivery Fee (Endorsement Required) _____
 Total Postage & Fees \$ _____

SENT TO: OXY USA WTP Limited Partnership
 5 Greenway Plaza
 Houston, Texas 77046

City, State, ZIP+4



7008 0500 0001 4B83 972E

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

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

jamesbruc@aol.com

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December 29, 2010

David -

re-submitted, as you requested.

Jim