



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joa nna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 12, 2007

Cimarex Energy Co. of Colorado
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504



Administrative Order NSL-5584

Re: Bear Bryant 31 Fed. Well No. 1
API No. 30-015-34906
K-31-16S-29E
Eddy County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-05039245**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 15, 2007, on behalf of Cimarex Energy Co. of Colorado (Cimarex), and

(b) the Division's records pertinent to Cimarex's request.

Cimarex has requested to re-complete its Bear Bryant 31 Fed. Well No. 1 (API No. 30-015-34906) in the Abo formation at an unorthodox oil well location, 1850 feet from the South line and 990 feet from the West line (Unit K) of Section 31, Township 16 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico. The NE/4 of the SW/4 of Section 31 will be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the Pavo Mesa-Abo Pool. This request is governed by statewide Rule 104.B(1), which provides that wells may be located no closer than 330 feet to a unit boundary. Due to the irregular configuration of this section this location is less than 330 feet from the western boundary of the proposed unit.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

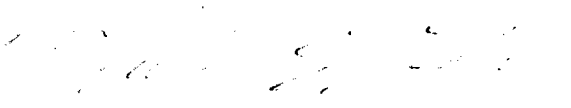
It is our understanding that this well was drilled to test the Morrow formation at a standard Morrow gas well location. Authorization of the non-standard location will prevent waste by permitting utilization of an existing wellbore.

We also understand that the NE/4 SW/4 of Section 31 and Lot 3 (NW/4 SW/4 equivalent) of that section are covered by the same federal lease, and working interest ownership is uniform as between these two units. The proposed location does not encroach toward Lot 4 (SW/4 SW/4 equivalent). Accordingly, there are no "affected persons" who must be notified of this application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2) the above-described non-standard location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,


Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management - Carlsbad