



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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November 01, 2007

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OCD-ARTESIA

James Bruce
Attorney at Law
P.O. Box 1056
Santa Fe, NM 87501

RE: **Nitro 11 Federal Well No. 1**
1580 feet FNL & 660 feet FWL (Unit E) (Surface Location)
1580 feet FNL & 660 feet FWL (Top of Abo) (Unorthodox)
1980 feet FNL & 330 feet FEL (Unit H) (Bottom-Hole Location)
S/2N/2 of Section 11, T-16 -S, R-29-E,
NMPM, Eddy County, New Mexico

Administrative Order NSL-5711

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0727548269**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 3, 2007, on behalf of Cimarex Energy Company of Colorado ("Cimarex"); and

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

Cimarex Energy Company of Colorado requests to re-enter its Nitro 11 Federal Well No. 1 as a horizontal well at an unorthodox Abo oil well location as referenced above in Section 11, Township 16 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico.

The project area consisting of the S/2N/2 of Section 11 will be dedicated to this well. Cimarex intends to test the Abo formation, Undesignated County Line Tank-Abo Pool. These pools are governed by the Division's Statewide Rules and Regulations which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the quarter-quarter section on which the well is located. The well is a re-entry of a plugged and abandoned vertical well which will be drilled horizontally and penetrating the Abo formation at an unorthodox oil well location.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 104. F. It is our understanding that the N/2 of Section 11 is subject to the Federal lease NM 0556811, and this acreage and all offsetting acreages have common ownership in the Abo formation, therefore no notice of this application is required.

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Abo oil pool 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/re

cc: New Mexico Oil Conservation Division - Artesia
Bureau of Land Management (BLM)