



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 30, 2007

Cimarex Energy Company of Colorado
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

SEP 06 2007
OCD-ARTESIA

Attention: Mr. James Bruce, Attorney

Re: **Ozley 25 Federal Well No. 1**
API No. 30-015-34684
Surface Location: 330' FSL & 150' FEL, Unit P,
Bottomhole Location: 892' FSL & 974' FEL, Unit P,
Section 25, T-24 South, R-25 East, NMPM,
Eddy County, New Mexico

Administrative Order NSL-5679

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application on behalf of Cimarex Energy Company of Colorado ("Cimarex" or "applicant") for a non-standard well location (*administrative application reference No. pDRC0722547701*) for the Ozley 25 Federal Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on August 1, 2007; and
- (b) the Division's records pertinent to your request.

The applicant requests approval of an unorthodox gas well location for its **existing** Ozley 25 Federal Well No. 1 in the Wildcat Cisco-Canyon Pool which has been directionally drilled from an unorthodox surface location 330 feet from the South line and 150 feet from the East line (Unit P), to a standard bottomhole location 892 feet from the South line and 974 feet from the East line (Unit P) of Section 25, Township 24 South, Range 25 East, NMPM, Eddy County, New Mexico. The E/2 of Section 25 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

The applicant stated that the Ozley 25 Federal Well No. 1 was originally drilled to the Morrow formation, and that the applicant now proposes to re-complete the well to the Cisco/Canyon interval within the Pennsylvanian formation.