

GUIDELINES FOR PROCESSING APD FOR WELL IN POTASH AREA -- R-111-P

BLM approves federal wells in potash area so we do not have to worry about this.

STATE & FEE LEASES

Post to map and if within the potash area outlined on map or within 1 mile of that area do the following:

- 1) Make certain operator has filed a plat of the area showing the potash lessees for the area where the well is located as well as the 1-mile radius referred to.
- 2) Make certain operator has notified all of the potash lessees by certified mail of the APD. They must send copy of delivery notice to us since 20-day waiting period starts from delivery date.

- 3) Send letter to BLM and SLO advising them of this APD and request they advise if this location is within LMR or buffer zone.

BUFFER ZONE -- shallow well is 1/4 mile of LMR
-- deep well is 1/2 mile of LMR

- 4) If application is within LMR or buffer zone you must DENY it under R-111-P unless, there is a mutual agreement of lessor and lessees of oil & gas and potash interests. Copy of this agreement must be submitted with APD.
- 5) If application is outside LMR or buffer zone and no objection is received within 20 days from date of receipt by potash lessees of certified notice, the APD may be approved.

CHECK LIST FOR PROCESSING APD IN POTASH AREA

OPERATOR: Cimarex Energy Co of Colorado

LEASE & WELL Pennzoil B 36 State #4-D

LOCATION 36-195-33e, 99D/S & 198D/E PROPOSED DEPTH 10400'

DATE APD RECEIVED 9/11/07 WAS PLAT OF AREA ATTACHED YES

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL?

20-DAY WAITING PERIOD BEGINS ENDS

WERE WAIVERS RECEIVED?

DATE SLO NOTIFIED 9/12/07 DATE REPLY RECEIVED 9/17/07

DATE BLM NOTIFIED 9/12/07 DATE REPLY RECEIVED 9/19/07

IS LOCATION INSIDE LMR OR BUFFER ZONE? YES NO X

IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED

DATE APD APPROVED 9/20/07 DATE APD DENIED

30-025-38559

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

DISTRICT II
1301 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 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38559		Pool Code 2260	Pool Name Apache Ridge; Bone Spring
Property Code 35758	Property Name PENNZOIL "B 36" STATE		Well Number 4
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO		Elevation 3603'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	36	19 S	33 E		990	SOUTH	1980	EAST	LEA

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 40	Joint or Infill	Consolidation Code	Order No. NSL Pending
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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**

<p>No Potash Leases</p>	<p>SURFACE LOCATION Lat - N32°36'43.64" Long - W103°36'52.67" NAD83 - N 587167.131 E 762638.826 (NAD-83)</p>		<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p><u>Zeno Farris</u> 09-11-07 Signature Date</p> <p>Zeno Farris Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>SEPTEMBER 7, 2007 Date Surveyed</p> <p><u>Gary L. Jones</u> Signature Professional Surveyor</p>		
	<p>Certificate No. Gary L. Jones 7977</p>		
	<p>HASIN SURVEYS</p>		



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

BUREAU OF LAND MANAGEMENT
P O Box 1778
Carlsbad, NM 88221

STATE LAND OFFICE
ATT: Joe Mraz
P O Box 1148
Santa Fe, NM 87504

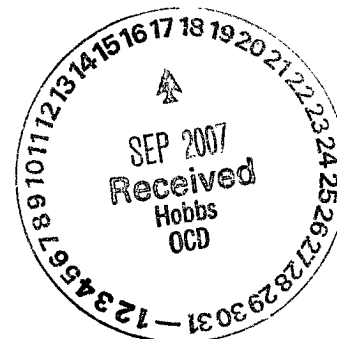
RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Cimarex Energy Co of Colorado

LEASE NAME Pennzoil B 36 State #4-D

PROPOSED LOCATION 36-19s-33e, 990/5 9 1980/6

PROPOSED DEPTH 10400'



Gentlemen:

The application for permit to drill identified above has been filled with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R - 111 - P, please advise this office whether the location is within an established Life-of-Mine-Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thank you for your assistance. Please return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Chris Williams
Supervisor, District I

Jim
7:10 am
9-13-07

RESPONSE:

The above-referenced location is in LMR _____ Yes _____

No X

The above-referenced location is within the buffer zone _____ Yes _____

No X

Signed *Chris Williams*

Date 9/13/07

Representing SLO



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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

BUREAU OF LAND MANAGEMENT

ATT: Potash

P O Box 1778

Carlsbad, NM 88221

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Very truly yours,

OIL CONSERVATION DIVISION

Chris Williams

Supervisor, District I

RESPONSE:

The above-referenced location is in LMR (2006 year)-----Yes _____ No X

The above referenced location is within the Buffer Zone-----Yes _____ No X

Signed [Signature]

Date 9/19/2007

Printed Signature JAMES RUTLEY

Representing BLM - CFD