Form 3160-5 (November 1994)	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT			FORM APPROVED OMB No. 1004-0135 Expires July 31, 1996 5. Lease Senal No
	SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.			NM-6870 6. If Indian, Allottee or Tribe Name
SHEMIT IN TRIDI IN ATE- Other instructions on mustre side			7. If Unit or CA/Agreement, Name and/or No.	
1. Type of Well				NM-82537
Oıl Well X Gas Well Other				8. Well Name and No.
2. Name of Operator Cimarex Energy Co. of Colorado				Pipeline Deep 7 Federal Com No. 2 9 API Well No
3a. Address	3b. Phone No (includ	le area code)	30-025-37113	
PO Box 140907; Irving, TX 750	972-401-3111		10. Field and Pool, or Exploratory Area	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				Quail Ridge; Morrow, North (Gas)
1480' FSL & 1215' FEL 7-19S-34E				11. County or Parish, State Lea County, NM
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA				
TYPE OF SUBMISSION TYPE OF ACTION				
Notice of Intent Acidize Deepen Production (Start				Resume) Water Shut-Off
	Alter Casing	Fracture Treat		
X Subsequent Report	Casing Repair	New Construction	XRecomplete	Other
	Change Plans	Plug and Abandon	Temporarily Aband	lon
Final Abandonment Notice	Convert to Injection	X Plug Back	Water Disposal	
Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notoces shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) 10/05/06 Set <u>CIBP</u> <u>0</u> <u>13140</u> with <u>35'</u> <u>of class</u> <u>H</u> cement 10/11/06 Perf Bone Spring 10076 - 10128 64 holes 3 SPF 10/12/06 Spearheaded Frac job with 1600 gal 15% HCL Pumped 14112 gal with 53312 # of Super LC Sand, Pumped 9408 gal with 70244 # Tempered LC sand, Pumped 1600 gal 15% HCL Spot Acid. Flushed w/ 8000 gal KCl wtr. Total Fluid Pumped 68523 gal, Total Sand 123556 # Set CBP @ 9895' Tested to 5000 psi. Perf Bone Spring 9738 - 9798 64 holes 3 SPF Frac 9738 - 9798 with 682 bbl Delta Frac with 109600 # Tempered 20/40 LC sand. Pumped 30 bbl 15% HCL spot acid. Flushed with 178 bbl 7% KCL wtr. Set CBP @ 9400' Tested to 5000 psi. Perf 9238 - 9328 with 883 bbl of Delta Frac, 2019 bbl of Delta Frac with 450420 # Super LC 20/40 sand Flushed with 212 bbl 7% KCL wtr. 10/15/06 Drill out CBP @ 9400', Drill out CBP @ 9895' 10/19/06 Ran Tubing 2 7/8 L80, TAC 9181, 'SN 10141' (EOT). 11/25/06 First oil sales as a Quail Ridge; Bone Spring oil well. 11/25/06 First oil sales as a Quail Ridge; Bone Spring oil well. 12/28/06 First gas sales.				
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Trite Scott Haynes Regulatory Analyst Signature Date				
Scott Haynes	Regulatory A	Regulatory Analyst		
Signature Date			TACY	. 7 2001
Suft Ham July 31, 2				AUG /
RAL OR STATE OFFICE USE				
Approved by Title				
Approved by Title FREDERATE OFFICE USE Conditions of Approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease Office PETROLEUM				
which would entitle the applicant to conduct operations thereon.				
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.				
(Instructions on reverse) ZA Quai (Ridge Morrow North				

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

December 28, 2006

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

Administrative Order NSL-5540

Re: Pipeline Deep 7 Fed Com Well No. 2 I-7-19S-34E Lea County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (administrative application reference No. pTDS06-33531984) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 30, 2006, on behalf of Cimarex Energy Co. of Colorado (Cimarex), and

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

Cimarex has requested to complete its Pipeline Deep 7 Fed. Com. Well No. 2 (API No. 30-025-37113) at an unorthodox Bone Spring location, 1480 feet from the South line and 1215 feet from the East line (Unit I) of Section 7, Township 19 South, Range 34 East, N.M.P.M., in Lea County, New Mexico. The NE/4 of the SE/4 of Section 7 will be dedicated to this well in order to form a standard <u>80-acre Bone Spring spacing</u> and proration unit. This request is governed by statewide Rule 104.C(1), which provides that wells may be located no closer than 330 feet to a unit boundary. The proposed location is approximately 160 feet and 105 feet respectively from the southern and western boundaries 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).

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * <u>http://www.emnrd.state.nm.us</u> It is our understanding that this well was drilled as a Morrow gas well at an orthodox Morrow location, and that Cimarex now seeks to re-complete the well in the Bone Spring. Additionally, we understand that the location was selected to conform to United States Bureau of Land Management siting requirements.

We also understand that the entire SE/4 of Section 7 is covered by the same federal lease, and working interest ownership is uniform throughout the quarter section. Accordingly, there are no "affected persons" who must be notified of this application.

By 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,

Alexand Contraction

Arr Mark E. Fesmire, P.E. Director

MEF/db

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