State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

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Deputy Secretary (Acting)

Gerasimos "Gerry" Razatos Division Director (Acting) Oil Conservation Division



Ms. Deana M. Bennett deana.bennett@modrall.com

Administrative Order NSP - 2215

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Cimarex Energy Co. [OGRID 215099]

Red Tank 10 3 Federal Com Well No. 401H [API No. 30-025-53125]

Red Tank 10 3 Federal Com Well No. 402H [API No. 30-025-53126]

W/2 Section 10 and the W/2 Section 03, T23S R32E, Lea County

Reference is made to your application received on June 7th, 2024.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Increased Horizontal Spacing Unit:

| Description | Acres | Pool | Pool Code |
|----------------|--------|-------------------------|-----------|
| W/2 Section 10 | 639.02 | Wildcat; Upper Wolfcamp | 98286 |
| W/2 Section 03 | | | |

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(1) NMAC.

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Lea County, New Mexico.

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are to be being included.

NSP - 2215 Cimarex Energy Co. Page 2 of 2

It is requested that a non-standard horizontal spacing unit is needed to match the Com Agreement, to efficiently locate surface facilities, to reduce surface disturbance, to promote effect well spacing and to protect correlative rights within Upper Wolfcamp formation. Thereby, preventing waste underlying the W/2 of Section 10 and the W/2 Section 03 within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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

Date: 8/14/2024

Gerasimos Razatos

Division Director (Acting)

GR/lrl

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 374454

CONDITIONS

| Operator: | OGRID: |
|---------------------|--|
| CIMAREX ENERGY CO. | 215099 |
| 6001 Deauville Blvd | Action Number: |
| Midland, TX 79706 | 374454 |
| | Action Type: |
| | [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | | Condition Date |
|---------------|------|-------------------|
| llowe | None | 8/15/2024 |