

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



September 11, 2013

Cimarex Energy Co. of Colorado  
c/o Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6855**  
**Administrative Application Reference No. pPRG1323252591**

**Cimarex Energy Co. of Colorado**  
OGRID 162683  
**Irwin 23-14 Federal Well No. 3H**  
**API No. 30-015-39893**

**Proposed Location:**

|                   | <u>Footages</u>    | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|--------------------|-------------|-------------|-------------|--------------|---------------|
| Surface           | 1300 FNL & 755 FEL | A           | 23          | 19S         | 30E          | Eddy          |
| Penetration Point | 1022 FNL & 796 FEL | A           | 23          | 19S         | 30E          | Eddy          |
| Terminus          | 1647 FNL & 333 FWL | E           | 17          | 19S         | 30E          | Eddy          |

**Proposed Project Area:**

| <u>Description</u>   | <u>Acres</u> | <u>Pool</u>         | <u>Pool Code</u> |
|--|--------------|---------------------|------------------|
| SW/4 NW/4, N/2 & SE/4 SW/4<br>& SW/4 SE/4 of Section 14;<br>N/2 NE/4 of Section 23 | 280          | Benson; Bone Spring | 5200             |

Reference is made to your application received on August 20, 2013.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 330 feet from outer boundaries of the project area.

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Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location due to United States Bureau of Land Management requirements for drilling in the Potash Area.

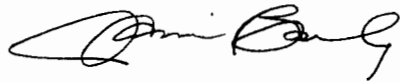
It is also understood that notice of this application to operators or owners of adjoining units is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia  
United States Bureau of Land Management