

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



August 7, 2017

Cimarex Energy Company  
Attn: Ms. Jennifer Bradfute

ADMINISTRATIVE NON-STANDARD LOCATION

**Administrative Order NSL-7141-A**  
**Administrative Order NSP-2069**

**Cimarex Energy Company**  
OGRID 215099  
**Hornsby 35 Federal Com Well No. 7H**  
**API No. 30-015-42168**

Non-Standard Location

**Proposed Location:**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	290' FSL & 2050' FEL	G/2	35	26S	27E	Eddy
Penetration Point	330' FSL & 2590' FEL	F/3	35	26S	27E	Eddy
Final perforation/ Terminus	330' FNL & 2590' FEL	C	26	26S	27E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 26 Lot 3, NE/4 NW/4 of Section 35	224.07	Hay Hollow; Bone Spring	30215

Reference is made to your application received on June 30, 2017.

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 19.15.15.9.A NMAC, which provide for 40-acre units with wells to be located at least 330 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for locations outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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

It is our understanding that the applicant is requesting this non-standard location in order to maximize recoverable reserves by increasing the cluster of wells to drain reserves in the formation that would otherwise be stranded. Further, this well will determine maximum reserve recovery and possible drilling locations for additional infill wells.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This order supersedes Administrative Order NSL – 7141, issued on August 27, 2014.

The above approval is subject to your being in compliance with all other applicable Division rules.

**Non-Standard Project Area**

You have also requested approval of one or more non-standard proration units to be included in your proposed project area, as follows:

**Proposed Project Area (224.07)**

Section 26     E/2 W/2  
Section 35     E/2 NW/4

Pursuant to the authority conferred by Division Rule 19.15.15.13 B (4) NMAC, the above-described non-standard project area is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

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



**DAVID R. CATANACH**  
**Director**

DRC/lrl

cc:     Oil Conservation Division – Artesia District Office  
         Bureau of Land Management – Carlsbad