

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 7, 2017

Cimarex Energy Co. of Colorado
Attn: Ms. Zoe Lees

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7536

Cimarex Energy Co. of Colorado
OGRID 162683
Southern California 29 Federal Well No. 19H
API No. 30-025-43070

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1390' FSL & 308' FWL	L	29	19S	32E	Lea
Penetration Point	1290' FSL & 808' FWL	M	29	19S	32E	Lea
Final perforation/ Terminus	1290' FSL & 330' FWL	P	29	19S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 S/2 of Section 29	160	Lusk; Bone Spring, South	41460

Reference is made to your application received on March 3, 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.

The above approval is 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.



DAVID R. CATANACH
Director

DRC/lrl

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