



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

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Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



September 28, 2010

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-6275

**Re: Cimarex Energy Co. of Colorado
White City 10 Federal Well No. 3
API No. 30-015-38097
660 feet FSL & 330 feet FEL
Unit P, Section 10-25S-26E
Eddy County, New Mexico**

Dear Mr Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-25831378**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Co. of Colorado [OGRID 162683] (Cimarex), on September 7, 2010, and

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

Cimarex has requested to drill the above-referenced well as a horizontal gas well in the Wolfcamp formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 660 feet from the South line and 330 feet from the East line
(Unit P) of Section 10, Township 25S, Range 26E, NMPM,
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 990 feet from the South line and 660 feet from the West line
(Unit M) of said section

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505

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The S/2 of Section 10 will be dedicated to the proposed well to form a standard 320-acre spacing unit and project area in the undesignated East Sage Draw Wolfcamp Gas Pool (96890). This pool is governed by statewide Rule 15.10.B, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 660 feet from the eastern boundary of the project area, and therefore outside the producing area.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that Cimarex is seeking this location for engineering reasons, in order to maximize the length of the horizontal portion of the wellbore within the producing interval.

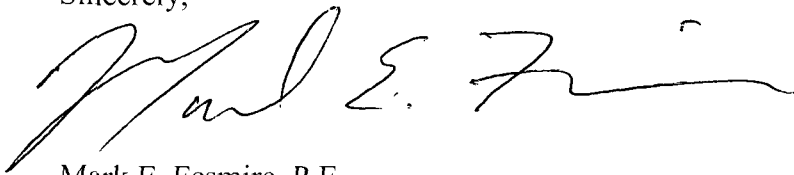
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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.

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 'Mark E. Fesmire', with a stylized flourish at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

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