



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Daniel Sanchez
Acting Division Director
Oil Conservation Division

Harrison H. Schmitt
Cabinet Secretary-Designate



January 18, 2011

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

Administrative Order NSL-6318

**Re: Cimarex Energy Co. of Colorado
Seldom Seen 15 Federal Well No. 3
API No. 30-015
1880 feet FNL & 400 feet FEL
Unit H, Section 15-25S-26E
Eddy County, New Mexico**

Dear M:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-01052956**) 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 January 10, 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: 1880 feet from the North line and 400 feet from the East line
(Unit H) of Section 15, Township 25 South, Range 26 East, NMPM,
Eddy County, New Mexico

Point of Penetration: same as surface location

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Terminus 1780 feet from the North line and 660 feet from the West line
 (Unit E) of said section

The N/2 of Section 15 will be dedicated to the proposed well to form a standard 320-acre wildcat Wolfcamp gas spacing unit and project area. This location 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 has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for engineering reasons, in order to maximize the amount of the target horizon within the project area that the lateral portion of the wellbore will penetrate. It is further understood notice of this application to offsetting operators or owners is not required 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.

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 "Daniel Sanchez", with a long horizontal line extending from the end of the signature.

Daniel Sanchez
Acting Director

DS/db

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