



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



May 23, 2011

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

Administrative Order NSP-1953

Re: Cimarex Energy Co. of Colorado

**Pere Marquette 18 Federal Well No. 1 (API No. 30-015-38951)
Pere Marquette 18 Federal Well No. 8 (API No. 30-015-39023)
Lot 1 (Unit D), Section 18-17S-29E
Eddy County, New Mexico**

**Pere Marquette 18 Federal Well No. 9H (API No. 30-015-39055)
Pere Marquette 18 Federal Well No. 12 (API No. 30-015-39059)
Lot 2 (Unit E), Section 18-17S-29E
Eddy County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-10838649**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Co. of Colorado (Cimarex) [OGRID 162683], on April 18, 2011, and

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

Cimarex has requested approval of two non-standard oil spacing and proration units in the undesignated Empire Glorieta-Yeso Pool (96210) consisting, respectively, of the Lot 1 [NW/4 NW/4

Oil Conservation Division
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equivalent] (26.69 acres) and Lot 2 [SW/4 NW/4 equivalent] (26.81 acres) of Section 18, Township 17 South, Range 29 East in Eddy County, New Mexico. Spacing in this pool is governed by statewide Rule 15.9 [19.15.15.9 NMAC], which provides for 40-acre units, each consisting of a quarter-quarter section of the United States Public Land Survey. The proposed non-standard oil spacing units are designated lots that consist of the NW/4 NW/4 equivalent and SW/4 NW/4 equivalent of Section 18.

The proposed units will be dedicated to the following wells, all of which are located at standard locations:

NW/4 NW/4 equivalent:

Pere Marquette 18 Federal Well No. 1 (API No. 30-015-38951), to be located 330 feet from the North line and 330 feet from the West line (Unit D) of Section 18

Pere Marquette 18 Federal Well No. 8 (API No. 30-015-39023), to be located 990 feet from the North line and 550 feet from the West line (Unit D) of Section 18

SW/4 NW/4 equivalent

Pere Marquette 18 Federal Well No. 9 (API No. 30-015-39055), to be located at a surface location 2030 feet from the North line and 330 feet from the West line, and a bottom hole location 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 18

Pere Marquette 18 Federal Well No. 12 (API No. 30-015-39059), to be located 2306 feet from the North line and 529 feet from the West line (Unit E) of Section 18.

Your application has been duly filed under the provisions of Division Rules 15.11.B(2) [19.15.15.11.B(2) NMAC] and 4.12.A(3) [19.15.4.12.A(3) NMAC].

We understand that you are requesting these non-standard units due to irregularity of the official survey.

No tract in either of the subject lots is excluded from the proposed unit comprising that quarter-quarter section equivalent. It is our understanding that you have notified all operators of units adjoining the units proposed in this application.

Pursuant to the authority granted by Division Rule 15.11.B(2) [19.15.15.11.B(2) NMAC], the above-described non-standard 26.69-acre, NW/4 NW/4 equivalent oil spacing and proration unit, and the above-described 26.81-acre, SW/4 NW/4 equivalent oil spacing and proration unit, in Section 18, Township 17 South, Range 29 East are hereby approved.

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". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

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