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JUN 03 2019 PM03:26

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968



In Reply Refer To

3186

(3186.1)

Laguna Grande Unit (NMNM70967X)

MAY 24 2019

Cimarex Energy Company
Attn: Amithy Crawford
600 N. Marienfeld Street
Suite 600
Midland, TX 79701

Re: Initial Wolfcamp Formation Participating Area "A"
Laguna Grande Unit
Eddy County, New Mexico

Dear Ms. Crawford:

The initial Wolfcamp Formation Participating Area "A" is hereby approved effective as of April 20, 2018, pursuant to Section 11 of the Laguna Grande Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM070967B.

The application establishes an initial Wolfcamp Formation Participating Area "A" of 320.00 acres and is based upon the completion of unit well 7H, located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ (SHL), and in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ (BHL) of Section 29, T.23S., R.29E., unit tract No. 2, federal lease NMNM019848, with an initial potential of 974 BOPD and 1,852 MCFPD on April 20, 2018, from the Wolfcamp Formation.

Copies of the approved request are being distributed to the appropriate agencies and one copy of Exhibits "A" and "B" are returned herewith. Please advise all interested parties of the approval of the initial Wolfcamp Formation Participating Area "A" effective as of April 20, 2018.

Any production royalties that are due must be reported and paid within 30 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance or clarification, please contact the Office of Natural Resources Revenue (ONRR) at 1-800-525-9167 or 303-231-3856.

If you have any questions, please call Lewis Tromp, Petroleum Engineer, at (307) 261-7628.

Sincerely,

J. David Chase

J. David Chase
Chief, Reservoir Management Group

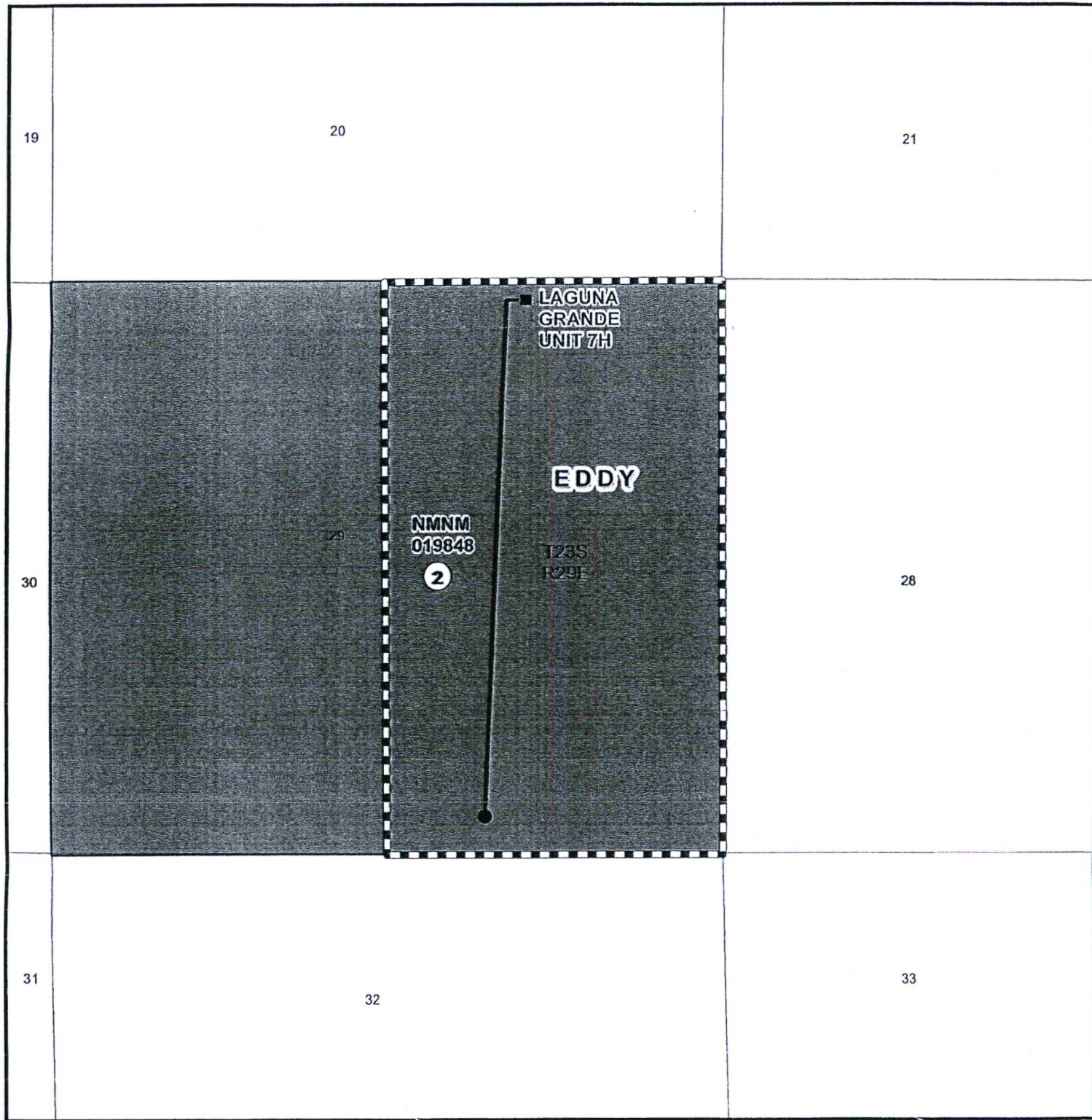
1 Enclosure

Encl. 1 - Exhibits "A" and "B"

cc: NMSO, James Glover w/Encl. 1
CFO, Chris Walls w/Encl. 1
ONRR, leases.blm@onrr.gov w/Encl. 1
New Mexico State Land Office, Randy Bayliss w/Encl. 1
New Mexico Oil Conservation Division, William Jones w/Encl. 1



Exhibit "A"
Initial Wolfcamp Formation Participating Area "A"
Laguna Grande Unit Area
Eddy County, New Mexico
Effective April 20, 2018



- CAPABLE WELL (SHL)
- CAPABLE WELLBORE
- CAPABLE WELL (BHL)
- ▭ PROPOSED WOLFCAMP PA "A"
- TYPE
- FEDERAL
- PATENTED
- STATE

0 0.1 0.2 0.4 0.6 0.8 Miles

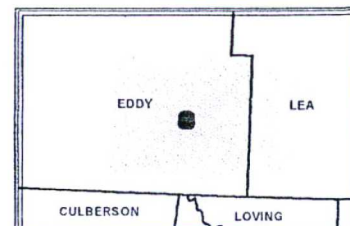


EXHIBIT "B"
 SCHEDULE OF LANDS AND TRACT PARTICIPATION
 INITIAL WOLFCAMP PARTICIPATING AREA
 LAGUNA GRANDE UNIT
 EDDY COUNTY, NEW MEXICO
 EFFECTIVE April 20, 2018

Tract No.	Lease No.	Description	Acres	Participation
2	NMNM 019848 Federal	T23S-29E Section 29: E/2	320.00	100.0000%

Totals			320.00	100.0000%
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TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	320.00	0.00	100.0000%
STATE	0.00	0.00	0.0000%
PATENTED	0.00	0.00	0.0000%
TOTAL	320.00	0.00	100.0000%