



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM134769
3105.2 (P0220)

Reference:
Communitization Agreement
East Lusk 15 Fed Com 1Y
Sec. 15: S2
T. 19 S., R.32 E.
Lea County, NM

July 9, 2015

RECEIVED OGD
2015 JUL 13 P 3:39

Cimarex Energy Co.
600 N. Marienfeld, Suite 600
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134769 involving 240 acres of Federal land in lease NM025497, and 80 acres of Federal land in lease NM063530, Lea County, New Mexico, which comprise a 320-acre well spacing unit.

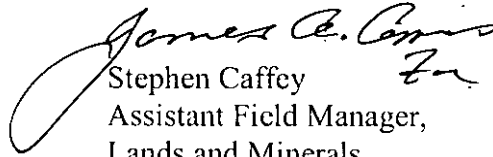
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 15: S2, T. 19 S., R.32 E., NMPM, Lea County, NM, and is effective 12/17/11. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward Fernandez, Petroleum Engineer at (575) 234-2220.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,


Stephen Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

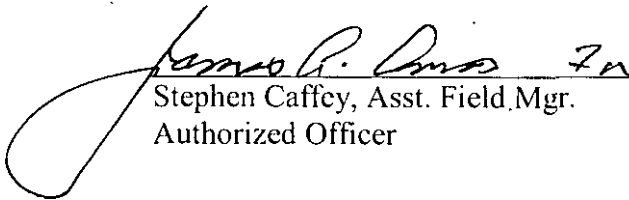
NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement beneath sec. 15; S2, T. 19 S., R.32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:


Stephen Caffey, Asst. Field Mgr.
Authorized Officer

Effective: 12/17/11

Contract No.: Com. Agr. NM134769



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www.nm.blm.gov



In Reply Refer to
NM134769
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134769

Date of Completion:	12/17/11
Date of First Production:	12/17/11
Field:	Lusk
Operator, Well Name & No, API Number:	Cimarex; East Lusk 15 Fed Com 1Y; 3002540300
Surface Location:	sec. 15, T.19 S., R.32 E.
Total Depth:	13,863 MD; 9,490 TVD
Surface Elevation:	3,618 GL
Producing Formation:	Bone Spring (9,502 – 13,840)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 638 BBL; Gas 274 MCF; Water 730 BBL
Current Status:	Producing Oil Well
Remarks:	CA134769, effective 12/17/11, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 15: S2, T. 19 S., R. 32 E., NMPM, and comprises 240 acres of Federal land in lease NM025497, and 80 acres of Federal land in lease 063530, for a 320-acre well spacing unit, whose leases are held by actual production.

Questions? ajmorrison@blm.gov.

/S/ **Arthur Morrison**
7/09/2015

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)