

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: NM135010 3105.2 (P0220)

Reference: Communitization Agreement Pintail 23 Fed Com 5Y Sec. 23, NWSW, W/2NW T. 25 S., R. 26 E. Eddy County, NM

August 14, 2015

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135010 involving 80 acres of Federal land in lease NM19423, and 40 acres of Federal land in lease NM94076, Eddy County, New Mexico, which comprise a 120-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath sec. 23, NWSW, W/2NW, T. 25 S., R. 26 E., NMPM, Eddy County, NM, and is effective 7/12/09. 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,

PAN 1 waster Stephen Caffey

Assistant Field Manager, Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc: ONRR, Denver (357B-1, Antoinette Contreraz, 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 Burcau 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 covering sec. 23, NWSW, W/2NW, T. 25 S., R. 26 E., NMPM, as to all producible hydrocarbons from the Cherry Canyon (Delaware) 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 Ca

Authorized Officer

Effective: 7/12/09

Contract No.: Com. Agr. NM135010

United States Department of the Interior



In Reply Refer to

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.nm.blm.gov



NM135010 3107 (P0220)			
Memorandum			
To: State Director (9210)			,
From: Land Law Examiner (P0220)	· · · · · · · · · · · · · · · · · · ·	_	, ,
Subject: First Production, Communitization	Agreement NM135010	2005 AUG	RECEIVED OC
Date of Completion:	7/12/09	24	N.
Date of First Production:	7/12/09	σ	Ü
Field:	Delaware	ىب	00
Operator, Well Name & No, API Number:	Cimarex Energy Co.; Pintail 2 3001537097	?3Fed	Com 5Y;
Surface Location:	sec. 23, T. 25S., R.26 E.		
Total Depth:	5,273 MD; 3,024 TVD		
Surface Elevation:	3,325 GL		
Producing Formation:	Cherry Canyon (Delaware) (2	,846-7	ΓD)
Well Capable of Production in Paying Quantities:	Yes		
Initial Daily Production:	Oil 259 BBL; 325 MCF; Wa	ter 19	9 BBL
Current Status:	Producing Oil Well		

Remarks: CA NM135010 effective 7/12/09, communitizes production of all gas and fluid hydrocarbons in the Cherry Canyon (Delaware) formation beneath the NWSW, W/2NW of sec. 23, T. 25 S., R. 26E, NMPM, and comprises 80 acres of Federal land in lease NM94076, and 40 acres of Federal land in lease NM19423, for a 120-acre well spacing unit. All leases are held by actual production.

Questions? ajmorrison@blm.gov.

/S/ Arthur Morrison 8/14/2015

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