

NMOC



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:

NM134700

3105.2 (P0220)

Reference:

Amended Communitization Agreement

Crescent Hale 1 Fed Com 2

Lot 3, SENW, E2SW of Sec. 1

T.19 S., R. 30 E., N.M.P.M.

Eddy County, NM

September 4, 2015

RECEIVED
2015 SEP 11 PM 3:14

Cimarex

600 N. Marienfeld, #600

Midland, TX 79701

Gentlemen:

This is an amended approval letter to correct Exhibit A and B and to add missing lease of Communitization Agreement NM134700 involving 40.22 acres of Federal land in lease NMLC063613, 40 acres of Federal land in lease NM0560353 and 80 acres of Federal land in lease NMNM129043, Eddy County, New Mexico, which comprise a 160.22 acre well spacing unit.

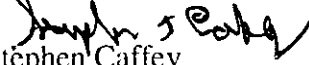
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Lot 3, SENW and E2SW of sec. 1, T.19 S., R. 30 E., N.M.P.M., Eddy County, NM, and is effective 5/19/2011. Approval of this agreement does not warrant or certify that the operator, thereof, and 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 covering the Lot 3, SENE, E2SW of Sec. 1 T.19 S., R. 30 E, N.M.P.M., 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 (c) 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: 5/19/11

Contract No.: Com. Agr. NM134700



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM134700
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: CORRECTED - First Production, Communitization Agreement NM134700

Date of Completion:	05/18/2011
Date of First Production:	05/19/2011
Field:	Hackberry
Operator, Well Name & No, API Number:	Cimarex; Crescent Hale 1 Fed Com 2H; 3001538524
Surface Location:	Sec. 1, T.19 S., R.30 E.
Total Depth:	13,268 MD; 8,702 TVD
Surface Elevation:	3,805 GL
Producing Formation:	Bone Spring (8,749 – 13,218)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 266 BBL; Gas 921 MCF; Water 1483 BBL
Current Status:	Producing Oil Well

Remarks: CA NMNM134700, effective 05/19/11, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath Sec. 1: Lot3, SENW and E2SW, T. 19 S., R. 30 E., NMPM, and comprises 40.22 acres of Federal land in lease NMLC063613, 40 acres of Federal land in lease NMNM0560353, and 80 acres of Federal land in lease NMNM129043 for a 160.22 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum please email dham@blm.gov.

/S/ Deborah Ham

09/04/2015

cc:

ONRR-MS 63230B

First Production File

LLNM (P0220, File Room)



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IN REPLY REFER TO:
NM134700
3105.2 (P0220)

Reference:

Crescent Hale 1 Fed Com 2
Communitization agreement
E2W2 of sec. 1
T.19 S., R. 30 E, N.M.P.M.
Eddy County, NM

JUN 23 2015

Cimarex
600 N. Marienfeld, #600
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134700 involving 40.22 acres of Federal land in lease LC063613, and 120 acres of Federal land in lease NM0560353, Eddy County, New Mexico, which comprise a 160.22 acre well spacing unit.

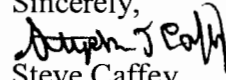
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2W2 of sec. 1, T.19 S., R. 30 E., N.M.P.M., Eddy County, NM, and is effective 5/19/2011. Approval of this agreement does not warrant or certify that the operator, thereof, and other working 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,



Steve 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.)

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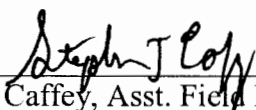
NM (P0220-CFO, File Room)

Determination - Approval - Certification

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- 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 the E2W2 of sec. 1 T.19 S., R. 30 E, N.M.P.M., 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: 5/19/11

Contract No.: Com. Agr. NM134700



United States Department of the Interior

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In Reply Refer to
NM134700
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134700

Date of Completion: 5/18/11
Date of First Production: 5/19/11
Field: Hackberry
Operator, Well Name & No, API Number: Cimarex; Crescent Hale 1 Fed Com 2; 3001538524
Surface Location: sec. 1, T. 19 S., R.30 E.
Total Depth: 13,268 MD; 8,702 TVD
Surface Elevation: 3,515' GL
Producing Formation: Bone Spring (8,749 – 13,218)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 266 BBL; Gas 921 MCF; Water 1,483 BBL
Current Status: Producing Oil Well
Remarks: CA134700, effective 5/19/11, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the E2W2 of sec. 1, T. 19 S., R. 30E, NMPM, and comprises 40.22 acres of Federal land in lease LC063613, and 120 acres of Federal land in lease NM0560353, for a 160.22 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Arthur Morrison at ajmorrison@blm.gov.

/S/ Arthur Morrison
6/24/15

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