

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: NM135065 3105.2 (P0220)

Reference: Communitization Agreement Riverbend 14 Fed Com 2H Sec. 14, W2 T. 25 S., R. 28 E. Eddy County, NM

September 9, 2015

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM135065 involving-160 acres of Federal land in lease NMNM13413, and 160 acres of Federal land in lease NMNM112920, Eddy County, New Mexico, which comprise a 320-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath sec. 14, W2, T. 25 S., R. 28 E., NMPM, Eddy County, NM, and is effective 06/17/2014. 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 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 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.
- Approve the attached Communitization Agreement covering sec. 14,W2, T. 25 S., R. 28 E., NMPM, as to all producible hydrocarbons from the Wolfcamp 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: 06/17/2014

Contract No.: Com. Agr. NM135065

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BUREAU OF LAND MANAGEMENT



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

In Reply Refer to NM135065 3107 (P0220)

Memorandum

Subject:

To: State Director (9210)

From: Land Law Examiner (P0220)

Date of Completion: 07/03/2015

Date of First Production: 07/03/2015

Field: WC-015 S252815D

Operator, Well Name & No, API Number: Cimarex Energy Co.; Riverbend 14 Fed Com 2H;

3001541589

First Production, Communitization Agreement NM135065

Surface Location: sec. 14, T. 25S., R.28 E.

Total Depth: 15,325 MD; 10,717 TVD

Surface Elevation: 2,939 GL

Producing Formation: Wolfcamp

Well Capable of Production in Paying Quantities: Yes

Initial Daily Production: Oil 652 BBL; 4244 MCF; Water 1126 BBL

Current Status: Producing Gas Well

Remarks: CA NM135065 effective 06/07/2014, communitizes production of all gas and fluid hydrocarbons in the Wolfcamp formation beneath the W2 of sec. 14, T. 25 S., R. 28E, NMPM, and comprises 160 acres of Federal land in lease NM13413, and 160 acres of Federal land in lease NM112920, for a 320-acre well spacing unit. All leases are held by actual production.

If you have any questions regarding this memorandum please call Deborah Ham at (575) 234-5965.

/S/ Deborah ham

09/09/2015

cc:

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