



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:
NM129715
3105.2 (P0220)

Reference:
Communitization Agreement (CA) NM129715
Eddy County, NM

September 18, 2015

Cimarex Energy Company
600 N. Marienfeld St.
Midland, TX 79701

30-025-40700

Gentlemen:

Communitization Agreement (CA) NM129715 was approved 01/17/2013, effective as of 09/01/2012. This agreement communitized the E2E2, Section 12, T. 24 S., R. 32 E., NMMPM, Lea County, New Mexico involving 80 acres of Federal land in lease NM01917 and 80 acres of Federal land in lease NM02889 comprising a 160.00 acre well spacing unit as to all rights to all producible hydrocarbons from the Bone Spring formation.

This agreement covers the Dos Equis 12 Federal Com #1H and as requested by Cimarex Energy Company, this CA NM129715 is hereby terminated effective 09/01/2012 and will be replaced by CA NM135092.

All leases within the CA are eligible for a two year extension, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, the leases are currently held by production and are now committed to CA NM135092 effective 11/15/2012.

Please contact Edward G. Fernandez, Petroleum Engineer (575) 234-2220 if you have any questions.

Sincerely,

Stephen Caffey
Associate Field Manager,
Lands and Minerals

RECEIVED
2015 SEP 28
4:00 PM

cc:

ONRR, Denver

New Mexico Taxation and Revenue Department, Revenue Processing Division,
NM 9200

NM P0220, File Room



United States Department of the Interior

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IN REPLY REFER TO:

NM135092

3105.2 (P0220)

Reference:

Communitization Agreement

Dos Equis 12 Fed Com 1H

Sec. 12, Entire Section

T. 24 S., R. 32 E.

Lea County, NM

September 18, 2015

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM135092 involving 320 acres of Federal land in lease NMNM01917, and 320 acres of Federal land in lease NMNM02889, Lea County, New Mexico, which comprise a 640-acre well spacing unit. CA NMNM135092 terminates CA NMNM129715 effective 09/01/2012, NMNM132773 effective 04/01/2012, NMNM131626 effective 05/20/2013 and NMNM132439 effective 09/27/2013.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 12, Entire Section, T. 24 S., R. 32 E., NMPM, Lea County, NM, and is effective 11/15/2012. 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.

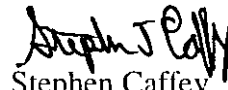
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of 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.

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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)

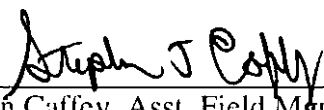
NM (P0220-CFO, File Room)

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 sec. 12, Entire Section, T. 24 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 (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: 11/15/2012

Contract No.: Com. Agr. NM135092



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



In Reply Refer to
NM135092
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM135092

Date of Completion:	11/17/2012
Date of First Production:	11/17/2012
Field:	Triple X
Operator, Well Name & No, API Number:	Cimarex Energy Co.; Dos Equis 12 Fed Com 1; 3002540700
Surface Location:	Sec. 12, T. 24 S., R. 32 E.
Bottom Location:	Sec. 12, T. 24 S., R. 32 E.
Total Depth:	15,399 MD; 11,085 TVD
Surface Elevation:	
Producing Formation:	Bone Spring
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 213 BBL; 363 MCF; Water 1371 BBL
Current Status:	Producing Oil Well
Remarks:	CA NM135092 effective 11/15/2012, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the entire section of sec. 12, T. 24 S., R. 32E, NMPM, and comprises 320 acres of Federal land in lease NMNM01917, and 320 acres of Federal land in lease NMNM02889, for a 640-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
09/18/2015

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