



# 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](http://www.blm.gov/nm)



IN REPLY REFER TO:  
NM135720  
3105.2 (P0220)

Reference:  
Communitization Agreement  
Federal 13 Com 10H  
Sec. 13: W2W2  
T. 25 S., R.26 E.  
Eddy County, NM

03/31/2016

RECEIVED OGD  
2016 APR -4 P 3:02

Cimarex Energy Co.  
202 S. Cheyenne Ave., Suite 1000  
Tulsa, OK 74103

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135720 involving 120 acres of Federal land in lease NM41645, and 40 acres of Federal land in lease NM36508, Eddy County, New Mexico, which comprise a 160-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 13: W2W2, T. 25 S., R.26 E., NMPM, Eddy County, NM, and is effective 04/15/2015. 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.

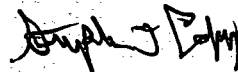
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

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 or Deborah Ham at (575) 234-5965.

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)

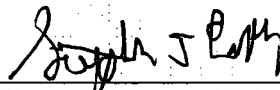
NM (P0220-CFO, File Room)

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. 13: W2W2, T. 25 S., R. 26 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:



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Stephen Caffey, Asst. Field Mgr.  
Authorized Officer

Effective: 04/15/2015

Contract No.: Com. Agr. NM135720



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In Reply Refer to  
NM135720  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM135720

|  |   |
|--|---|
| Date of Completion:                              | 10/24/2015                                |
| Date of First Production:                        | 10/28/2015                                |
| Field:   | WC G-04 S252621C                          |
| Operator, Well Name & No, API Number:            | Cimarex; Federal 13 Com 10H; 30-015-42665 |
| Surface Location:                                | sec. 13, NWNW, T.25 S., R.26 E.           |
| Bottom Location:                                 | sec. 13, SWSW, T.25 S., R.26 E.           |
| Total Depth:                                     | 11,814 MD; 7,272 TVD                      |
| Surface Elevation:                               | 3,278 GL                                  |
| Producing Formation:                             | Bone Spring (7,430 – 11,786)              |
| Well Capable of Production in Paying Quantities: | Yes                                       |
| Initial Daily Production:                        | Oil 571 BBL; Gas 1502 MCF; Water 1407 BBL |
| Current Status:                                  | Producing Oil Well                        |

Remarks: CA NM135720, effective 04/15/2015, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 13, W2W2, T. 25 S., R. 26 E., NMPM, and comprises 120 acres of Federal land in lease NM41645, and 40 acres of Federal land in lease NM36508, for a 160-acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memo, please email [dham@blm.gov](mailto:dham@blm.gov).

/S/ Deborah Ham  
03/31/2016

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