



30-015-43857

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:

NM137633

3105.2 (P0220)

Reference:

10/23/2017

Communitization Agreement

Hackberry 26 Fed Com 2H

Section 26: S2N2

Section 27: S2N2

Section 28: SENE

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

Eddy County, NM

RECEIVED OCT 30 2017

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM137633 involving 40 acres of Federal land in lease NMLC062152, 160 acres of Federal land in lease NMNM06769A, 80 acres of Federal land in lease NMNM0556571, 40 acres of Federal land in lease NMNM04608 and 40 acres of Federal land in lease NMNM130859, Eddy County, New Mexico, which comprise a 360 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec's. 26 and 27, S2N2 and Sec. 28, SENE, T. 19 S., R. 30 E., NMPM, Eddy County, NM and is effective 10/15/2016. 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.

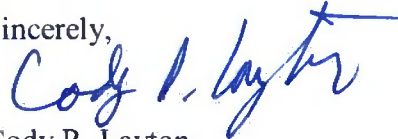
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is 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 Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Cody R. Layton
Acting Assistant Field Manager,
Lands and Minerals

1 Enclosure:

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

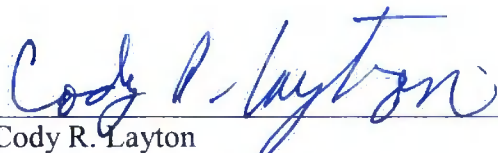
NM (P0220-CFO, File Room)

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's. 26 and 27, S2N2 and sec. 28, SENE, T. 19 S., R. 30 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: 10/23/2017


Cody R. Layton
Acting Assistant Field Manager
Lands and Minerals

Effective: 10/15/2016

Contract No.: Com. Agr. NM137633



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM137633
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM137633

Date of Completion:	07/09/2017
Date of First Production:	07/09/2017
Field:	Hackberry
Operator, Well Name & No, API Number:	Cimarex Energy Co.; Hackberry 26 Fed Com 2H; 30-015-43857
Surface Location:	sec. 26, SENE, T.19 S., R.30 E.
Bottom Location:	sec. 28, SENE, T.19 S., R.30 E.
Total Depth:	19,222 MD; 8,392 TVD
Surface Elevation:	3,264 GL
Producing Formation:	Bone Spring (8,065 – 19,126)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 594 BBL; Gas 750 MCF; Water 2181 BBL
Current Status:	Producing Oil Well

Remarks: CA NM137633, effective 10/15/2016, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 26 and 27, S2N2 and sec. 28, SENE, T. 19 S., R. 30 E., NMPM, and comprises 40 acres of Federal land in lease NMNM130859, 40 acres of Federal land in lease NMNM04608, 80 acres of Federal land in NMNM0556571, 160 acres of Federal land in lease NMNM06769A and 40 acres of Federal land in lease NMLC062152 for a 360 acre well spacing unit, whose 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**
10/23/2017

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