



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968



In Reply Refer To:

3186

(3186.1)

Laguna Grande Unit

NMNM070967X

30-015-42739

MAR 19 2019

Cimarex Energy Company
Attn: Amithy Crawford
600 N. Marienfeld Street
Suite 600
Midland, TX 79701

Re: Paying Well Determination
Laguna Grande Unit
Eddy County, New Mexico

Dear Ms. Crawford:

We have determined that the Laguna Grande Unit No. 7H well is capable of producing unitized substances from the Wolfcamp Formation in paying quantities as defined in Section 9 of the unit agreement. This well was completed in the Wolfcamp Formation on April 20, 2018.

Consequently, an application for an initial Wolfcamp Formation Participating Area "A" shall be filed with the Reservoir Management Group pursuant to Section 11 of the unit agreement by April 19, 2019. The effective date for this PA will be April 20, 2018.

If you have any questions, please call Lewis Tromp, Petroleum Engineer, at (307) 261-7628.

Sincerely,

/s/ J. David Chase

J. David Chase
Chief, Reservoir Management Group

cc: NMSO, James Glover
CFO, Chris Walls
ONRR, Glen Reese
New Mexico State Land Office, Randy Bayliss
New Mexico Oil Conservation Division, William Jones