

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



December 13, 2017

Cimarex Energy Co.
Attn: Ms. Zoe E. Lees

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7621

Cimarex Energy Co.
OGRID 215099
Triste Draw 25 Federal Com Well No. 13H
API No. 30-025-44001

Non-Standard Location

Proposed Location:

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|--------------------------------|----------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 560' FSL & 2370' FWL | N | 25 | 23S | 32E | Lea |
| Penetration Point | 960' FSL & 1610' FWL | N | 25 | 23S | 32E | Lea |
| Final perforation/ Terminus | 330' FNL & 1610' FWL | C | 25 | 23S | 32E | Lea |

Proposed Project Area:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|-----------------------|--------------|--------------------------|------------------|
| E/2 W/2 of Section 25 | 160 | Triste Draw; Bone Spring | 96603 |

Reference is made to your application received on December 13, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provide for 40-acre units with wells to be located at least 330 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that the Applicant is seeking this location in order to properly space the Upper and Lower Avalon wells to maximize recoverable reserves in Section 25. This location will determine additional drilling locations for additional Avalon development in this section.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office