

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OGD
2014 DEC 26 AM 11:12

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

- NSP
 - Cimarex Energy Co. of Colorado
 162683
 well
 - Inwin 2314 Federal 1H
 30-015-39891
 - Inwin 2314 Federal 2H
 30-015-39892
 - Inwin 2314 Federal 3H
 30-015-39893
 - Inwin 2314 Federal
 4H
 30-015-39894
 Pool
 - Benson, Bone
 Spring
 5200

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Catanach
 Print or Type Name

David Catanach
 Signature

12/26/14
 Date

Agent for Cimarex Energy Co. of Colorado
 Title

drcatanach@netscape.com
 E-Mail Address

December 26, 2014

Hand Delivered

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Scott Dawson
Acting Division Director

Re: Application for Non-Standard Spacing Unit/
Horizontal Project Area
N/2 NE/4 & NE/4 NW/4 of Section 23 &
S/2, NE/4, S/2 NW/4 & NE/4 NW/4 of Section 14
Both in Township 19 South, Range 30 East, NMPM,
Eddy County, New Mexico

Dear Mr. Dawson:

Pursuant to Division Rule 19.15.15.11, Cimarex Energy Company of Colorado ("Cimarex") respectfully requests administrative approval for a 720-Acre Non-Standard Spacing Unit/Horizontal Project Area in the Benson-Bone Spring Pool (5200) comprising the N/2 NE/4 & NE/4 NW/4 of Section 23 and the S/2, NE/4, S/2 NW/4 and NE/4 NW/4 of Section 14, both in Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico.

The proposed spacing unit/horizontal project area is to be dedicated to the following-described existing wells:

1. **Irwin 23 14 Federal No. 1** (API No. 30-015-39891) located as follows:
Surface Location: 1300' FNL & 695' FEL (Unit A) Section 23
FTP: 984' FNL & 711' FEL (Unit A) of Section 23
BHL: 344' FNL & 694' FEL (Unit A) of Section 14
2. **Irwin 23 14 Federal No. 2** (API No. 30-015-39892) located as follows:
Surface Location: 1300' FNL & 725' FEL (Unit A) of Section 23
FTP: 741' FNL & 929' FEL (Unit A) of Section 23
BHL: 341' FNL & 2307' FWL (Unit C) of Section 14
3. **Irwin 23 14 Federal No. 3H** (API No. 30-015-39893) located as follows:
Surface Location: 1300' FNL & 755' FEL (Unit A) of Section 23
FTP: 505' FNL & 1480' FEL (Unit B) of Section 23
LTP: 1698' FNL & 351' FWL (Unit E) of Section 23
BHL: 1647' FNL & 333' FWL (Unit E) of Section 14

4. Irwin 23 14 Federal No. 4H (API No. 30-015-39894) located as follows:
Surface Location: 1300' FNL & 785' FEL (Unit A) of Section 23
FTP: 700' FNL & 1774' FEL (Unit B) of Section 23
BHL: 1087' FSL & 411' FWL (Unit M) of Section 14

The Irwin 23 14 Federal No. 1 was drilled and completed in the Benson-Bone Spring Pool in March, 2012. At the time the well was drilled, Cimarex submitted a Form C-102 to the Artesia District Office of the Division ("Artesia OCD") showing the horizontal project area for the well to comprise the N/2 NE/4 & NE/4 NW/4 of Section 23 and the S/2, NE/4, S/2 NW/4 and NE/4 NW/4 of Section 14, both in Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico. At that time, the Artesia OCD did not require Cimarex to obtain an order approving a non-standard spacing unit/horizontal project area for this well.

The Irwin 23 14 Federal No. 2 was drilled and completed in the Benson-Bone Spring Pool in June, 2012. A Form C-102 submitted to the Artesia OCD showed this well to be dedicated to the same 720-acre horizontal project area that was dedicated to the Irwin 23 14 Federal No. 1.

The Irwin 23 14 Federal No. 3H was drilled and completed in the Benson-Bone Spring Pool in December 2012. A Form C-102 submitted to the Artesia OCD showed this well to be dedicated to the same 720-acre horizontal project area that was dedicated to the Irwin 23 14 Federal Wells No. 1 & 2. Subsequently, Cimarex obtained Order No. NSL-6855 dated September 11, 2013 which order approved an unorthodox FTP and bottomhole location for this well. Pursuant to Order No. NSL-6855, the horizontal project area dedicated to the Irwin 23 14 Federal No. 3H consisted of 280-acres and comprised the SW/4 NW/4, N/2 SW/4, SE/4 SW/4 & SW/4 SE/4 of Section 14, and the N/2 NE/4 of Section 23.

The Irwin 23 14 Federal No. 4H was drilled and completed in the Benson-Bone Spring Pool in March, 2013. A Form C-102 submitted to the Artesia OCD showed this well to be dedicated to the same 720-acre horizontal project area that was dedicated to the Irwin 23 14 Federal Wells No. 1, 2 and 3H.

An examination of the directional survey for the Irwin 23 14 Federal No. 3H indicates that the well is located at standard FTP and LTP locations within the proposed 720-acre non-standard spacing unit/horizontal project area.

Cimarex requests approval of the proposed 720-acre non-standard spacing unit/horizontal project area, and in support thereof states that:

1. An examination of the directional surveys for the Irwin 23 14 Federal Wells No. 1, 2, 3H and 4H indicates that all wells are at standard FTP, LTP and/or BHL locations within the proposed 720-acre non-standard spacing unit/horizontal project area; and,
2. The Irwin 23 14 Federal Wells No. 1, 2, 3H and 4H will adequately drain and develop the proposed 720-acre non-standard spacing unit/horizontal project area in the Benson-Bone Spring Pool.

The proposed 720-acre non-standard spacing unit/horizontal project area excludes the NW/4 NW/4 of Section 23 and the NW/4 NW/4 of Section 14. Pursuant to Division rules, notice of this application is required to be furnished to the leasehold owners of the tracts being excluded from the proposed non-standard spacing unit/horizontal project area. Cimarex is the Bone Spring leasehold owner within the NW/4 NW/4 of Section 14. In addition, the interest ownership between the NW/4-NW/4 of Section 14 and the proposed 720-acre non-standard spacing unit/horizontal project area is common. Consequently, notice of this application is not required as to the NW/4 NW/4 of Section 14. The Bone Spring leasehold owner within the NW/4 NW/4 of Section 23 is ExxonMobil Corporation. In accordance with Division rules, ExxonMobil Corporation will be provided notice of this application.

Attached is a Form C-102 for each of the Irwin 23 14 Federal Wells No. 1, 2, 3H and 4H showing the surface and bottomhole well locations and proposed non-standard spacing unit/horizontal project area. Also attached is a map showing the subject wells, proposed non-standard spacing unit/horizontal project area, and affected offset tracts.

In summary, approval of the application will provide Cimarex the opportunity to recover additional oil and gas reserves from the Benson-Bone Spring Pool underlying the N/2 NE/4 & NE/4 NW/4 of Section 23 and the S/2, NE/4, S/2 NW/4 and NE/4 NW/4 of Section 14, both in Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico, that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent
Cimarex Energy Company of Colorado
600 North Marienfeld, Suite 600
Midland, Texas 79701

DISTRICT I
1625 N. French St., Hobbs, NM 88240

DISTRICT II
1501 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Grande Rd., Alamogordo, NM 88310

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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MAY 26 2012
OIL CONSERVATION DIVISION
NMOCAD ARTESIA

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised October 18, 2009

Submit one copy to appropriate District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30015-39891	Pool Code 5200	Pool Name Benson; Bone Spring
Property Code 39056	Property Name IRWIN "23-14" Federal	Well Number 1
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3280'

Surface Location

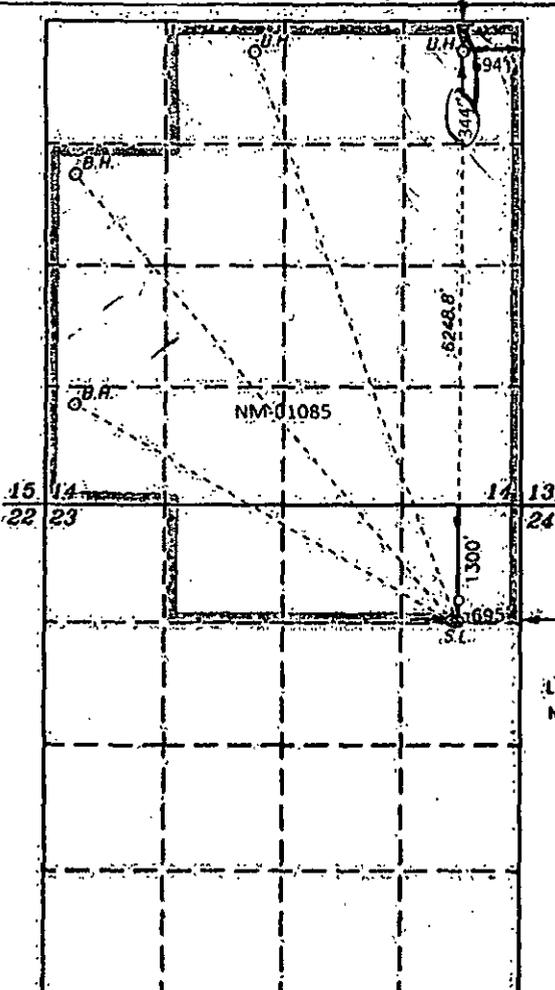
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19 S	30 E		1300	NORTH	695	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	14	19 S	30 E		344	NORTH	694	EAST	EDDY

Dedicated Acres 720	Joint or Infill	Consolidation Code	Order No.
			NSL Pending

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE LOCATION
 Lat - N. 32°38'58.26"
 Long - W. 103°58'10.86"
 NMSPC# - N 600253.0
 E 663522.3
 (NAD-83)

Scale 1"=2000'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Terri Stathem
 Signature Date 7/23/2012

Printed Name
Terri Stathem

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date Surveyed
 Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1901 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Afton, NM 87410

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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Submit one copy to appropriate District Office
JAN 30 2012
NMOCD ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-15-39892	Pool Code 5200	Pool Name Benson; Bone Spring
Property Code 39056	Property Name IRWIN "23-14" Federal	Well Number 2
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3280'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19 S	30 E		1300	NORTH	725	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	14	19 S	30 E		341	NORTH	2307	WEST	EDDY

Dedicated Acres 720 760	Joint or Infill	Consolidation Code	Order No.
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NSL Pending

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

BOTTOM HOLE
 Lat - N 32°40'00.12"
 Long - W 103°56'37.41"
 NWSNCE- N 606496.210
 E 661229.462
 (NAD-83)

EOC
 1022 FNL & 796 FEL

SURFACE LOCATION
 Lat - N 32°38'58.25"
 Long - W 103°56'11.21"
 NWSNCE- N 500252.8
 E 663492.4
 (NAD-83)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Zeno Farris 8/25/2011
 Signature Date

Zeno Farris
 Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

GARY L. JONES
 Date Surveyed
 Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

Scale 1"=2000'

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1801 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Bravo Rd., Aztec, NM 87410

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87508

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED
JAN 30 2012
Submit one copy to appropriate District Office
NMOCD ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-3893	Pool Code 5200	Pool Name Benson; Bone Spring
Property Code 39056	Property Name IRWIN "23-14" Federal	Well Number 3
OCRD No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3281'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19 S	30 E		1300	NORTH	755	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	19 S	30 E		1647	NORTH	333	WEST	EDDY

Dedicated Acres 760	Joint or infill	Consolidation Code	Order No. NSL Pending
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

BOTTOM HOLE
Lat - N 32°39'47.09"
Long - W 103°57'00.58"
NMSPCE - N 605172.719
E 659254.069
(NAD-83)

SURFACE LOCATION
Lat - N 32°38'58.25"
Long - W 103°56'11.57"
NMSPCE - N 600252.8
E 663462.3
(NAD-83)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Zeno Farris 8/29/2011
Signature Date

Zeno Farris
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

GARY L. JONES
Date Surveyed
Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

Scale 1"=2000'

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Aztec, NM 87410

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION - DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED
JAN 30 2012
Form C-102
Revised October 15, 2009
Submit one copy to appropriate District Office
NMOCB ARTESIA

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 20-015-39894	9602 Code 5200	Well Name Benson; Bone Spring
Property Code 39056	Property Name IRWIN "23-14"	Well Number 4
UGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3281'

Surface Location

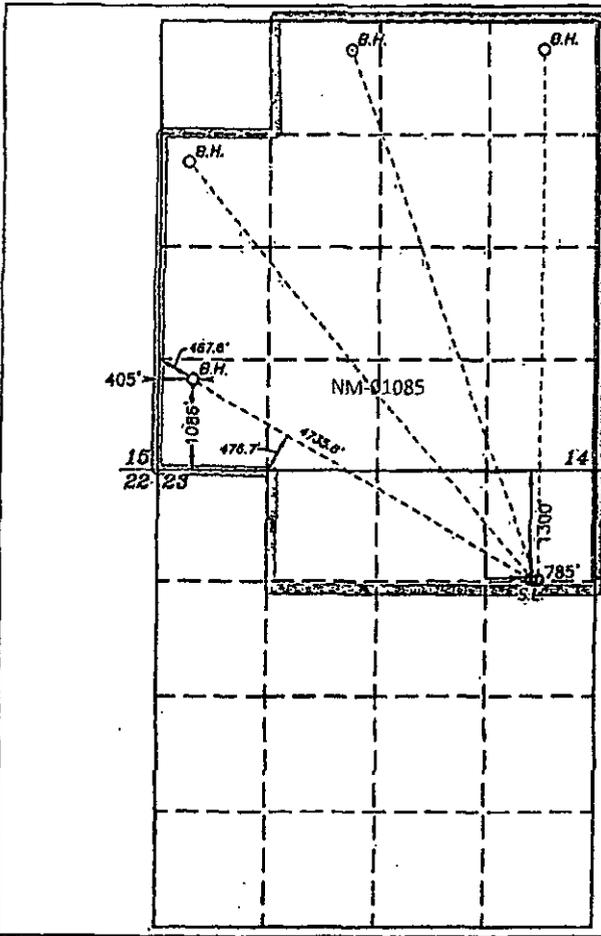
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19 S	30 E		1300	NORTH	785	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	19 S	30 E		1087	SOUTH	411	WEST	EDDY

Dedicated Acres 70.760	Joint or Infill	Consolidation Code	Order No.	NSL Pending
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



BOTTOM HOLE
Lat - N 32°39'21.85"
Long - W 103°58'59.71"
NMSPC - N 602632.159
E 659337.489
(NAD-83)

SURFACE LOCATION
Lat - N 32°38'58.25"
Long - W 103°58'14.92"
NMSPC - N 600252.8
E 863452.2
(NAD-83)

Scale 1"=2000'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Zeno Farris 10/21/2011
Signature Date

Zeno Farris
Printed Name

SURVEYOR CERTIFICATION

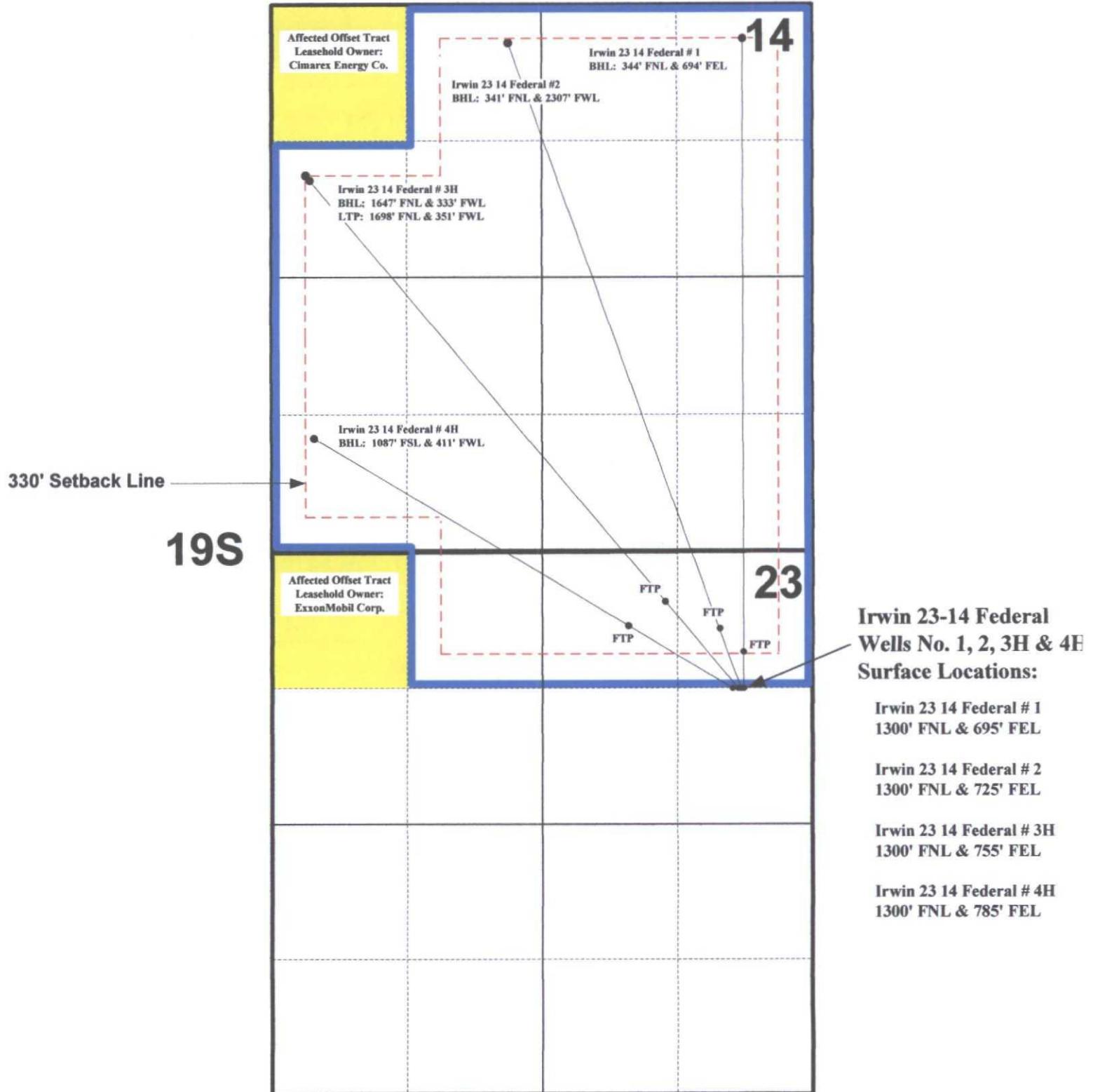
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

GARY L. JONES
Date Surveyed
Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

30E



Proposed 720-acre Non-Standard Bone Spring Spacing Unit/Horizontal Project Area

Cimarex Energy Company of Colorado
Application for Non-Standard Spacing Unit/Horizontal Project Area
Irwin 23 14 Federal Wells No. 1, 2, 3H and 4H

December 26, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ExxonMobil Corporation
5959 Las Colinas Blvd.
Irving, Texas 75039-2298

Re: Cimarex Energy Company of Colorado
Application for Non-Standard Spacing Unit/Horizontal Project Area
Irwin 23 14 Federal Wells No. 1, 2, 3H and 4H
Eddy County, New Mexico

Ladies & Gentlemen:

Enclosed please find a copy of an application for a Non-Standard Spacing Unit/Horizontal Project Area filed with the Oil Conservation Division. Cimarex Energy Company of Colorado ("Cimarex") proposes to form a 720-Acre Non-Standard Spacing Unit/Horizontal Project Area comprising the N/2 NE/4 and NE/4 NW/4 of Section 23 and the S/2, NE/4, S/2 NW/4 and NE/4 NW/4 of Section 14, both in Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico. This unit will be dedicated to the Irwin 23 14 Federal Wells No. 1, 2, 3H and 4H which are existing horizontal wells in the Benson-Bone Spring Pool.

You are being provided a copy of the application as an affected offset leaseholder. Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 20 days.

If you should have any questions, please contact me at (505) 690-9453.

Sincerely,



David Catanach-Agent
Cimarex Energy Company of Colorado
600 N. Marienfeld, Suite 600
Midland, Texas 79701

Enclosure

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



September 11, 2013

Cimarex Energy Co. of Colorado
c/o Mr. James Bruce, Attorney

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6855
Administrative Application Reference No. pPRG1323252591

Cimarex Energy Co. of Colorado
OGRID 162683
Irwin 23-14 Federal Well No. 3H
API No. 30-015-39893

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1300 FNL & 755 FEL	A	23	19S	30E	Eddy
Penetration Point	1022 FNL & 796 FEL	A	23	19S	30E	Eddy
Terminus	1647 FNL & 333 FWL	E	17	19S	30E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 NW/4, N/2 & SE/4 SW/4 & SW/4 SE/4 of Section 14; N/2 NE/4 of Section 23	280	Benson; Bone Spring	5200

Reference is made to your application received on August 20, 2013.

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 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [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 less than 330 feet from outer boundaries of the project area.

September 11, 2013

Page 2

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location due to United States Bureau of Land Management requirements for drilling in the Potash Area.

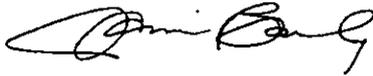
It is also understood that notice of this application to operators or owners of adjoining units is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management

McMillan, Michael, EMNRD

From: David Catanach <drcatanach@netscape.com>
Sent: Tuesday, January 13, 2015 6:49 PM
To: McMillan, Michael, EMNRD
Subject: Re: Cimarex Irwin NSP application Eddy Co.

Yes, that is correct Michael. There has been some confusion as to the acreage dedication for these wells, and our intent is to clean up this situation.

Thanks,

David

--- Michael.McMillan@state.nm.us wrote:

From: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>
To: "Catanach, David" <drcatanach@netscape.com>
Subject: Cimarex Irwin NSP application Eddy Co.
Date: Tue, 13 Jan 2015 18:27:05 +0000

David:

Are you applying for this NSP to clarify the dedicated acreage in the project area for existing and proposed wells?

Michael McMillan

Netscape. Just the Net You Need.