

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 18, 2017

Cimarex Energy Company of Colorado
Attn: Ms. Jennifer Bradfute

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7532

Cimarex Energy Company of Colorado
OGRID 162683
Irwin 23 14 Federal Well No. 1 H
API No. 30-015-39891

Non-Standard Location

Subject Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Tsp</u>	<u>Rge</u>	<u>County</u>
Surface	1300' FNL & 695' FEL	A	23	19S	30E	Eddy
Penetration Point	1268' FNL & 680' FEL	A	23	19S	30E	Eddy
Final perforation (Terminus)	344' FNL & 694' FEL	A	14	19S	30E	Eddy

Approved Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 NE/4 of Section 14	80	Benson; Bone Spring	5200
NE/4 NW/4 of Section 14	40		
S/2 N/2 of Section 14	160		
S/2 of Section 14	320		
NE/4 NW/4 of Section 23	40		
N/2 NE/4 of Section 23	80		

However, the subject well penetrated the E/2 E/2 of Section 14, and the NE/4 NE/4 of Section 23.

Reference is made to your application received on April 21, 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 provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, 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 applicant is seeking this location for the following reasons: the subject well has been drilled and completed. Next, the well is located within the designated potash area, and was approved by the Bureau of Land Management. Lastly, the subject well was perforated within the vertical portion of the subject well in order to produce from the NE/4 NE/4 of Section 23.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to identical ownership.

The non-standard project area was approved by administrative order NSP 2017, issued on January 16, 2015.

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, including, but not limited to Division Rule 19.15.5.9 NMAC.

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


DAVID R. CATANACH
Director

DRC/mam

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