



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 20, 2009

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5993

**Re: Cimarex Energy Co. of Colorado
State 14 A Com Well No. 2
API No. 30-015-34604
Unit F, Section 14-19S-29E
Eddy County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-02359274**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Co. of Colorado (Cimarex) on January 23, 2009, and

(b) the Division's records pertinent to this request.

Cimarex has requested to complete the above-referenced well as a horizontal well in the Bone Spring formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 1710 feet from the North line and 2095 feet from the West line (Unit F) of Section 14, Township 19-S, Range 29-E, NMPM Eddy County, New Mexico

Point of Penetration: 2495 feet from the South line and 2374 feet from the East line (Unit J) of said Section.

Terminus 330 feet from the South line and 2250 feet from the East line (Unit O) of said Section.



The W/2 SE/4 of Section 14 will be dedicated to the proposed well to form a project area comprising two standard 40-acre spacing units in the undesignated Turkey Track-Bone Spring Pool (60660). This pool is governed by statewide Rule 15.9, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 330 feet from the northern boundary of the project area, and therefore outside the producing area.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 15.13 and 1210.A(2).

It is our understanding that you are seeking this location for engineering reasons, in order to penetrate the maximum of amount of your intended target zone within the project area.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe