

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 24, 2009

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

Administrative Order NSL-6084

**Re: Cimarex Energy Co. of Colorado
Cottonwood Draw 22 Federal Well No. 3
API No. 30-015
Unit A, Section 22-25S-26E
Eddy County**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pWVJ09-26631376**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Co. of Colorado [OGRID 162683] (Cimarex), on September 23, 2009, and

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

Cimarex has requested to drill the above-referenced well as a horizontal well in the Delaware 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: 530 feet from the North line and 360 feet from the East line
(Unit A) of Section 22, Township 25S, Range 26E, NMPM,
Eddy County, New Mexico

Point of Penetration: same a surface location

Terminus 2530 feet from the North line and 380 feet from the East line
(Unit H) of said section



The E/2 NE/4 of Section 22 will be dedicated to the proposed well to form an 80-acre project area comprising two standard 40-acre spacing units in the undesignated North Cottonwood Draw-Delaware Pool (96720). This pool is governed by statewide Rule 15.9.A, 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 southern 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 4.12.A(2).

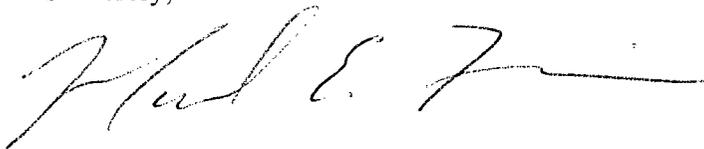
It is our understanding that you are seeking this location in order to maximize the amount of the formation within the project area that can be effectively drained by the horizontal portion of the wellbore. It is further understood notice of this application to offsetting operators or owners is not required 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 Cimarex 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
United States Bureau of Land Management - Carlsbad