



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Bill Brancard
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division

January 7, 2011

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

Administrative Order NSL-6315

**Re: Cimarex Energy Co. of Colorado
Darter 9 State Well No. 5
API No. 30-015-37806
2310 feet FNL & 1140 feet FWL
Unit E, Section 9-17S-29E
Eddy County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-36436955**) 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 December 30, 2010, and

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

Cimarex has requested to complete the above-referenced well in the Grayburg-Jackson; Seven Rivers-Queen-Grayburg-San Andres Pool at an unorthodox oil well location, described above in the caption of this letter. The SW/4 NW/4 of Section 9 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Grayburg-Jackson; Seven Rivers-Queen-Grayburg-San Andres Pool (28509). 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 less than 330 feet from the eastern unit boundary.

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 Cimarex is seeking this location for topographic reasons.



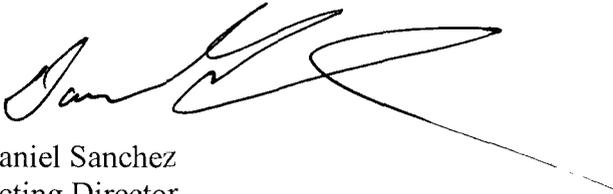
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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 'Daniel Sanchez', with a long horizontal line extending to the right.

Daniel Sanchez
Acting Director

DS/db

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