

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



May 1, 2012

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

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6374-A
Administrative Application Reference No. pTWG12-09637542

Cimarex Energy Co. of Colorado
OGRID 162683
East Lusk 15 Federal Com. Well No. 1Y
API No. 30-025-40300

This order approved the location for a replacement well for the East Lusk 15 Federal Com Well No. 1H, which was the subject of Administrative Order NSL-6374, which this Order supersedes.

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	660 FSL & 380 FEL	P	15	19S	32E	Lea
Penetration Point	556 FSL & 636 FEL	P	15	19S	32E	Lea
Terminus	614 FSL & 388 FWL	M	15	19S	32E	Lea

Proposed Project Area:

Description	Acres	Pool	Pool Code
S/2 of Section 15	320	East Lusk; Bone Spring	41442

Reference is made to your application received on April 4, 2012.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Spacing in this pool is governed by the Special Rules and Regulations for the East Lusk – Bone Spring Oil Pool, as adopted by No. Order R-4994, issued on April 1, 1975, and made permanent by Order No. R-4994-B, issued on May 18, 1976, which provide for 160-acre oil spacing units with wells to be located at least 660 feet from a unit outer boundary and at least 330 feet from a quarter-quarter section line.

This location is unorthodox because portions of the proposed completed interval are less than 660 feet from an outer boundary of the project area.

May 1, 2012

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 in order to maximize drainage of hydrocarbons from the target zone within the project area.

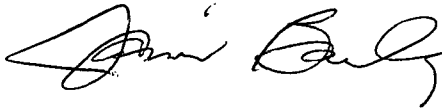
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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 [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,

A handwritten signature in black ink, appearing to read 'Jami Bailey', with a stylized, cursive script.

Jami Bailey
Director

JB/db

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