

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



January 5, 2015

Cimarex Energy Co.
Attn: Ms. Jennifer Bradfute

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7218
Administrative Application Reference No. pMAM1430945328

Cimarex Energy Co.
OGRID 215099
DiamondTail 23 Federal Well No. 8H
API No. 30-025-40783

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	330 FNL & 600 FEL	A	23	23S	32E	Lea
Penetration Point	850 FNL & 381 FEL	A	23	23S	32E	Lea
Non-Standard Penetration	1840 FSL & 328 FEL	I	23	23S	32E	Lea
Standard Location	1713 FSL & 330 FEL	I	23	23S	32E	Lea
Terminus	330 FSL & 375 FEL	P	23	23S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 23	160	DiamondTail; Bone Spring	17644

Reference is made to your application received on January 2, 2015.

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 you are seeking this location, because the applicant had inadvertently crossed the 330 foot setback.

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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches. However, the affected parties had signed a waiver.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

DONE at Santa Fe, New Mexico, on January 5, 2014.



David R. Catanach
Director

DC/mam

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