

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



March 31, 2015

Cimarex Energy Co.
Attn: Ms. Hope Knauls

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7252
Administrative Application Reference No. pMAM1503331796

Cimarex Energy Co.
OGRID 215099
James 29 Federal Well No. 36 H
API No. 30-025-41832

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	185` FNL & 1450` FWL	C	29	23S	32E	Lea
Penetration Point	336` FNL & 1435` FWL	C	29	23S	32E	Lea
Final perforation	360` FSL & 1365` FWL	N	29	23S	32E	Lea
Terminus	334` FSL & 1364` FWL	N	29	23S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 29	160	Sand Dunes; Bone Spring, South	53805

Reference is made to your application received on March 9, 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 you had initially planned for approximately 870 feet BHL between wells in the pool. This distance would have placed the well on the quarter-section boundary; therefore, the operator moved the project area to the east, which is the E/2 W/2 of the section.

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.

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 March 31, 2015



DAVID R. CATANACH
Director

DRC/mam

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