

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 30, 2016

Cimarex Energy Co. of Colorado
Attn: Ms. Terri Stathem

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7450

Cimarex Energy Co. of Colorado
OGRID 162683
Gadwall 18 Federal Com Well No. 5H
API No. 30-015-43488

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	247' FNL & 2634' FWL	C	18	25S	27E	Eddy
Penetration Point	298' FNL & 2256' FWL	C	18	25S	27E	Eddy
Final perforation	357' FSL & 1982' FWL	N	18	25S	27E	Eddy
Terminus	330' FSL & 1983' FWL	N	18	25S	27E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 18	160	Cottonwood Draw; Bone Spring (O)	97494

Reference is made to your application received on July 27, 2016.

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 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.

It is our understanding that you are seeking this NSL due to non-intentional perforation located in deviated portion of wellbore during the completion process.

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.


DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District
Bureau of Land Management – Carlsbad Field Office