State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



March 14, 2017

Cimarex Energy Company Attn: Ms. Terri Stathem

ADMINISTRATIVE NON-STANDARD PRORATION UNIT ORDER

Administrative Order NSP-2059

Cimarex Energy Company OGRID 215099 Horsnby 35 Federal Com. Well No. 4H API No. 30-015-42166

Pool:

WC-015 G-04 S262625B; Bone Spring (Pool Code 98018)

Pool Rules:

Division Rule, 19.15.15.9A NMAC 40-Acre Units, 330 foot setbacks

Proposed Project Area:

Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico-224.04 Acres

Section 26:

E/2 W/2

Section 35:

Lot 3 and NE/4 NW/4

Proposed Non-Standard Spacing and Proration Unit(s):

Lot 3 Section 35

24.04 Acres

60% of Standard

Reference is made to your application received on February 23, 2017 and to Division records for the proposed well.

You have requested approval of a non-standard oil spacing and proration unit described above. This spacing and proration unit is necessitated by a variation in the legal subdivision of the United States public land surveys.

You have made application and provided notice as required in 19.15.15.11B. NMAC and 19.15.4.12.A(3) NMAC.

It is also understood that since no acreage is being excluded in the project area, no interest owner is affected; therefore, notification is not required.

The above described non-standard oil spacing and proration unit is hereby approved and may be combined into the proposed project area for the subject horizontal well.

Administrative Order NSP-2059 Cimarex Energy Company March 14, 2017 Page 2 of 2

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

David Catanach

Director

DRC/lrl

cc: Oil Conservation Division – Artesia

Bureau Land Management - Carlsbad