

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 14, 2010

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87505

Administrative Order NSL-6231

Re: Cimarex Energy Co. of Colorado
Mary 7 State Well No. 1
API No. 30-025-36068
990 feet FNL & 1500 feet FWL
Unit C, Section 7-21S-35E
Lea County, New Mexico

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-19433434**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Co. of Colorado [OGRID 162683] (Cimarex), on July 13, 2010, and

(b) the Division's records pertinent to this request.

Cimarex has requested to re-complete the above-referenced well in the Bone Spring formation at an unorthodox oil well location, described above in the caption of this letter. The NE/4 NW/4 of Section 7 will be dedicated to this well in order to form a standard, 40-acre wildcat Bone Spring oil spacing and proration unit. This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the western unit boundary.

Your application on behalf of Cimarex has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that Cimarex is seeking this location in order to utilize an existing wellbore.



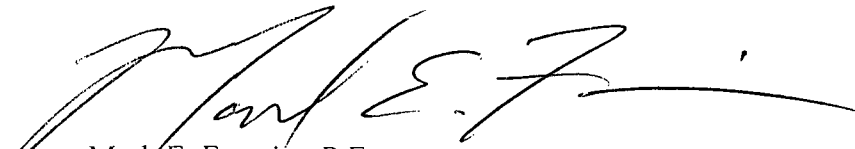
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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.

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 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office