New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Brett F. Woods, Ph.D. Acting Cabinet Secretary Daniel Sanchez Acting Division Director Oil Conservation Division



February 28, 2011

Mr. James Bruce P.O. Box 1056 Santa Fe, NM 87504

Administrative Order NSL-6344

Re: Cimarex Energy Co. of Colorado Vega 9 Federal Well No. 5 API No. 30-015 1035 feet FNL & 890 feet FWL Unit D, Section 9-17S-30E Eddy County, New Mexico

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application (administrative application reference No. pTGW11-03858381) 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 February 7, 2011, and
 - (b) the Division's records pertinent to this request.

Cimarex has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The NW/4 NW/4 of Section 9 will be dedicated to this well in order to form a standard 40-acre spacing unit in the undesignated Loco Hills Glorieta-Yeso Pool (96718). 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 southern unit boundary.

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

It is our understanding that you are seeking this location because to avoid interference with existing pipelines.

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505

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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,

J. Daniel Sanchez Acting Director

JDS/db

cc: New Mexico Oil Conservation Division - Artesia United States Bureau of Land Management