

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

AMENDED APPLICATION OF CIMAREX ENERGY COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT, COMPULSORY POOLING AND TWO NON-STANDARD LOCATIONS, EDDY COUNTY, NEW MEXICO.

CASE NO. 15188³

**CL&F RESOURCES PROPOSED
ADDITIONAL FINDINGS AND CONCLUSIONS**

CL&F Resources, pursuant to the instructions from the Examiner at the September 18, 2014, hearing in this matter, requests that the following finding and conclusions be added to the Division's standard pooling order:

FINDINGS:

(1) CL&F Resources appeared at the hearing through counsel and elicited testimony from Cimarex's land witness to the effect that:

(a) CL&F Resources owns an interest in the federal lease comprising the SW/4 of Section 14 and Cimarex does not own an interest in this federal lease.

(b) The federal lease comprising the SW/4 of Section 14 is scheduled to expire on December 31, 2014.

(c) Cimarex has represented to CL&F Resources that it intends to drill its proposed Riverbend 14 Federal Com No. 2H well in time to prevent the federal lease from expiring.

(d) Cimarex has a rig scheduled to commence drilling its proposed Riverbend 14 Federal Com No. 2H well the last week of October, 2014.

(2) Division records reflect that that Cimarex filed with the Bureau of Land Management an Application for Permit to Drill its proposed Riverbend 14 Federal Com No. 2H well on April 18, 2013, and that in this filing Cimarex represented drilling of the well would commenced on September 1, 2013, over one year ago.

(3) At the hearing, CL&F Resources did not oppose the entry of a pooling order but requested that the order require Cimarex to commence drilling the proposed well by November 7, 2014, to allow time for CL&F Resources to undertake efforts to secure a drilling permit from the Bureau of Land Management, and undertake other action to prevent the federal lease in the SW/4 of Section 14 from expiring, in the event drilling was not commenced by this date.

The Division Concludes as Follows:

(4) Section 70-2-17(C) of the Oil and Gas Act requires that any Division order granting a request for compulsory pooling "shall be upon such terms and conditions as are just and reasonable."

(5) Given the (i) impending expiration of the federal lease in the SW/4 of the proposed spacing unit, (ii) the fact that Cimarex does own an interest in this federal lease, (iii) Cimarex's representations that it intends to commence drilling the well by the first week of November, and (iv) the fact that Cimarex has held its drilling permit for its proposed well for over a year, it is just and reasonable to grant CL&F Resource's request for a November 7, 2014, drilling deadline.

IT IS THEREFORE ORDERED THAT:

(1) All uncommitted interests, whatever they may be, in the Wolfcamp formation underlying the W/2 of Section 14, Township 25 South, Range 28 East, are hereby pooled to form a standard 320-acre spacing and proration unit (the Unit).

(2) The Unit shall be dedicated to Applicant's Riverbend 14 Federal Com Well No. 2H (API No. 30015-41589) ("the proposed well"), a horizontal well to be drilled from a surface location 75 feet from the North line and 1980 feet from the West line (Unit C) to a terminus, or bottomhole location, 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 14.

(3) The unorthodox well location for the proposed well is hereby approved.

(4) The operator of the Unit shall commence drilling the proposed well on or before November 7, 2014, and shall thereafter continue drilling the well with due diligence to test the Wolfcamp formation.

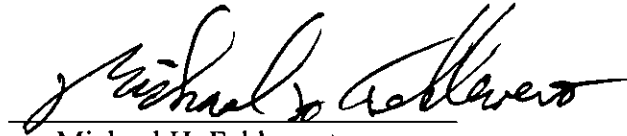
(5) In the event the operator does not commence drilling the proposed well on or before November 7, 2014, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence. Notice of any such request for an extension of time shall be provided to CL&F Resources.

(6) Should the proposed well not be drilled and completed within 120 days after commencement thereof, Ordering Paragraph (1) shall be of no further effect, and the Unit created by this order shall terminate, unless operator appears before the Division Director and obtains an extension of the time for completion of the proposed well for good cause shown by satisfactory evidence. If the proposed well is not completed in all of the quarter-quarter sections included in the proposed unit within 120 days after commencement of drilling, then the operator shall apply

to the Division for an amendment to this Order to contract the Unit so that it includes only those quarter-quarter sections in which the well is completed.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

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ATTORNEYS FOR CL&F RESOURCES, LP

CERTIFICATE OF SERVICE

I hereby certify that on September 22, 2014, I served a copy of the foregoing document to the following via electronic mail to:

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A handwritten signature in black ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

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