



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM134843
3105.2 (P0220)

Reference:
Communitization Agreement
Da Vinci 7 Fed Com 4H
Sec. 7, W2
T. 25 S., R. 27 E.
Eddy County, NM

July 20, 2015

RECEIVED OGD
2015 JUL 31 P 3:03

Cimarex Energy Co.
600 N. Marienfeld, Suite 600
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134843 involving 160 acres of Federal land in lease NM92167, and 160 acres of Federal land in lease NM93471, Eddy County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2 of sec. 7, T. 25 S., R. 27 E., NMPM, Eddy County, NM, and is effective 08/31/2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward Fernandez, Petroleum Engineer at (575) 234-2220.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Edward G. Fernandez
For Stephen Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

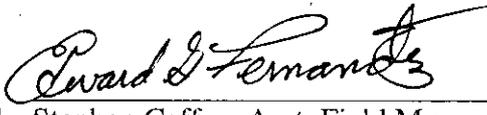
NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2 of sec. 7, T. 25 S., R. 27 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:


For Stephen Caffey, Asst. Field Mgr.
Authorized Officer

Effective: 08/31/2013

Contract No.: Com. Agr. NM134843



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM134843
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134843

Date of Completion:	08/31/2013
Date of First Production:	08/31/2013
Field:	Cottonwood Draw
Operator, Well Name & No, API Number:	Cimarex Energy Co.; Da Vinci 7 Fed Com 4H; 3001541418
Surface Location:	sec. 18, T. 25 S., R.27 E.
Total Depth:	12,076 MD; 7,207 TVD
Surface Elevation:	3,198' GL
Producing Formation:	Bone Spring (7,451 – 12,020)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 574 BBL; Gas 2353 MCF; Water 492 BBL
Current Status:	Producing Oil Well
Remarks:	CA134843, effective 08/31/2013, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the W2 of sec. 7, T. 25 S., R. 27E, NMPM, and comprises 160 acres of Federal land in lease NM92167, and 160 acres of Federal land in lease NM93471 for a 320 acre well spacing unit. All leases are held by actual production.

If you have any questions regarding this memorandum, please email Deborah Ham at dham@blm.gov.

/S/ Deborah ham
7/20/2015

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)