



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:

NM136150

3105.2 (P0220)

Reference:

Communitization Agreement

08/17/2016

Da Vinci 7 Fed Com 3H

Sec. 15: Entire Section

T. 19 S., R. 32 E.

Lea County, NM

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

RECEIVED OGD
2016 AUG 24 P 3:02

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM136150 involving 318.57 acres of Federal land in lease NM92167, 160 acres of Federal land in lease NM100332 and 158.91 acres of Federal land in lease NM93471, Eddy County, New Mexico, which comprise a 637.48-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec. 7: Entire Section, T. 25 S., R. 27 E., NMPM, Eddy County, NM, and is effective 12/04/2012, and replaces terminated communitization agreements NM134842 and NM134843. 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.

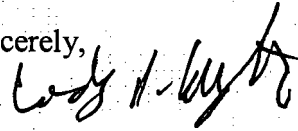
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

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,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Enclosure:

1 - Communitization Agreement

cc:

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

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

NMOC

NM (9200)

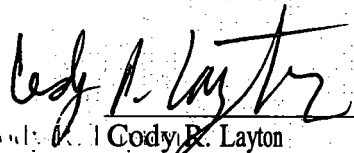
NM (P0220-CFO, File Room)

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 beneath section 7, Entire Section, T525 S1, R. 127E, 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(c) 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: 08/17/2016


Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: 12/04/2012

Contract No. Com. Agr. NM36150



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM136150
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM136150

Date of Completion:	12/02/2012
Date of First Production:	12/07/2012
Field:	Cottonwood Draw
Operator, Well Name & No, API Number:	Cimarex Energy Co.; Da Vinci 7 Fed Com 3H; 30-015-40203
Surface Location:	sec. 7, SWSE, T.25 S., R.27 E.
Bottom Location:	sec. 7, NWNE, T.25 S., R.27 E.
Total Depth:	11,916 MD; 7,297 TVD
Surface Elevation:	3,211 GL
Producing Formation:	Bone Spring (7,471 – 11,834)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 550 BBL; Gas 2445 MCF; Water 437 BBL
Current Status:	Producing Oil Well

Remarks: CA NM136150, effective 12/04/2012, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 7, Entire Section, T. 25 S., R. 27 E., NMPM, and comprises 318.57 acres of Federal land in lease NMNM92167, 160 acres of Federal land in lease NMNM100332 and 158.91 acres of Federal land in lease NM93471, for a 637.48 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
08/17/2016

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