

30-025-43542



# 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:  
NM137146  
3105.2 (P0220)

Reference:  
Communitization Agreement  
Azul State 13 Fed Com 1H  
Section 13: W2W2  
T. 23 S., R. 33 E., N.M.P.M.  
Lea County, NM

06/20/2017

Cimarex Energy Company  
600 N. Marienfeld St., Suite 600  
Midland, TX 79701

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM137146 involving 80 acres of State land and 80 acres of Federal land in lease NMNM114986, Lea County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec.13, W2W2, T. 23 S., R. 33 E., NMPM, Lea County, NM and is effective 12/13/2016. 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.

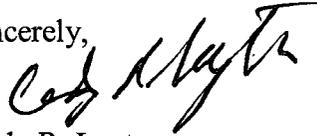
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of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

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

2017 JUN 20 10:40 AM  
BLM

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

Sincerely,



Cody R. Layton  
Acting Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

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

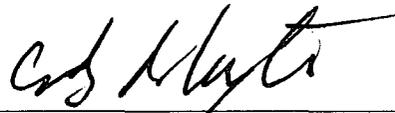
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 sec. 13, W2W2 T. 23 S., R. 33 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 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- 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: 06/20/2017



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Cody R. Layton  
Acting Assistant Field Manager  
Lands and Minerals

Effective: 12/13/2016

Contract No.: Com. Agr. NM137146



# 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  
NM137146  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM137146

Date of Completion: 04/09/2017  
Date of First Production: 04/17/2017  
Field: Bell Lake  
Operator, Well Name & No, API Number: Cimarex Energy Co.; Azul State 13 Fed Com 1H; 30-025-43542  
Surface Location: sec. 13, NWNW, T.23 S., R.33 E.  
Bottom Location: sec. 13, SWSW, T.23 S., R.33 E.  
Total Depth: 13,998 MD; 9,711 TVD  
Surface Elevation: 3,574 GL  
Producing Formation: Bone Spring (9,643 – 13,970)  
Well Capable of Production in Paying Quantities: Yes  
Initial Daily Production: Oil 572 BBL; Gas 1033 MCF; Water 2466 BBL  
Current Status: Producing Oil Well  
Remarks: CA NM137146, effective 12/13/2016, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 13, W2W2, T. 23 S., R. 33 E., NMPM, and comprises 80 acres of State land 80 acres of Federal land in lease NMNM114986 for a 160 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**  
06/20/2017

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