

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



September 17, 2014

Cimarex Energy Co.  
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD PRORATION UNIT

**Administrative Order NSP-2004**  
**Administrative Application Reference No. pMAM1425936780**

**Cimarex Energy Co.**  
OGRID 215099  
**Klein 33 Federal Com Well No. 5H**  
**API No. 30-015-42098**

**Proposed Location:**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	210 FSL & 1980 FWL	3	33	26S	27E	Eddy
Penetration Point	330 FSL & 1980 FWL	3	33	26S	27E	Eddy
Terminus	330 FNL & 1980 FWL	C	28	26S	27E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 3 of Section 33, NE/4 NW/4 Section 33, and E/2 W/2 of Section 28	223.40	WC-015 G-04 S262728A;Bone Spring	98018

Reference is made to your application received on September 16, 2014.

You have requested to drill this well at a non-standard oil spacing and proration unit described above in the referenced pool or formation. This proration unit is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because a portion of the project area is non-standard.

Units Comprising this Project Area

<u>Unit</u>	<u>Acres</u>	<u>Pool</u>	<u>Code</u>
Lot 3 of Section 33	23.4	WC-015 G-04 S262728A;Bone Spring	98018
NW/4 NE/4 of Section 33	40	WC-015 G-04 S262728A;Bone Spring	98018
E/2 W/2 of Section 28	160	WC-015 G-04 S262728A;Bone Spring	98018

Statewide Rule 19.15.15.9.A NMAC provides for 40-acre units, which consists of the entire project area except Lot 1 of Section 35. Lot 3 of Section 33 is comprised of 23.4-acres. According to Division Rule 19.15.15.11.B(1) NMAC, an administrative approval is required for a non-standard spacing unit that is less than 70 percent of a standard spacing unit, in this case 23.4-acres.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location because the non-standard project area represents a reasonable and effective method by which portions of Irregular Section 33 can be incorporated into horizontal Bone Spring project area.

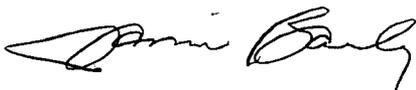
It is also understood that since no acreage is being excluded in the project area, no interest owner is affected; therefore, notification is not required.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on September 17, 2014



Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia  
Bureau of Land Management - Carlsbad