

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



November 24, 2014

Cimarex Energy Co.
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7200
Administrative Application Reference No. pMAM1430741726

Cimarex Energy Co.
OGRID 215099
James 29 Federal Well No. 38 H
API No. 30-025-41852

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	330 FNL & 2310 FEL	B	29	23S	32E	Lea
Penetration Point	330 FNL & 2310 FEL	B	29	23S	32E	Lea
Terminus	330 FSL & 2420 FEL	O	29	23S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 E/2 of Section 29	160	Sand Dunes; Bone Spring, South	53805

Reference is made to your application received on November 3, 2014.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location 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 portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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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 it is necessary in order to maximize the recovery of oil and gas from the Bone spring formation underlying the proposed project area.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

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

This approval is 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 November 24, 2014



Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs
United States Bureau of Land Management – Carlsbad