

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

David R. Catanach, Division Director
Oil Conservation Division



January 16, 2015

Cimarex Energy Co. of Colorado
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD PRORATION UNIT

Administrative Order NSP-2017
Administrative Application Reference No. pMAM1436329886

Cimarex Energy Co. of Colorado
OGRID 162683

Irwin "23-14" Federal Well No. 1
API No. 30-015-39891

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1300 FNL & 695 FEL	A	23	19S	30E	Eddy
Penetration Point	984 FNL & 711 FEL	A	23	19S	30E	Eddy
Terminus	344 FNL & 694 FEL	A	14	19S	30E	Eddy

Irwin "23-14" Federal Well No. 2
API No. 30-015-39892

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1300 FNL & 725 FEL	A	23	19S	30E	Eddy
Penetration Point	741 FNL & 929 FEL	A	23	19S	30E	Eddy
Terminus	341 FNL & 2307 FWL	C	14	19S	30E	Eddy

Irwin "23-14" Federal Well No. 3H**API No. 30-015-39893****Proposed Location:**

	Footages	Unit	Sec.	Twsp	Range	County
Surface	1300 FNL & 755 FEL	A	23	19S	30E	Eddy
Penetration Point	505 FNL & 1480 FEL	B	23	19S	30E	Eddy
Terminus	1647 FNL & 333 FWL	E	14	19S	30E	Eddy

Irwin "23-14" Federal Well No. 4 H**API No. 30-015-39894****Proposed Location:**

	Footages	Unit	Sec.	Twsp	Range	County
Surface	1300 FNL & 785 FEL	A	23	19S	30E	Eddy
Penetration Point	700 FNL & 1774 FEL	B	23	19S	30E	Eddy
Terminus	1087 FSL & 411 FWL	M	14	19S	30E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
N/2 NE/4, NE/4 NW/4, S/2N/2, S/2 of Section 14, and NE/4 NW/4, N/2 NE/4 of Section 23	720	Benson; Bone Spring	5200

Reference is made to your application received on December 26, 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

Unit	Acres	Pool	Code
N/2 NE/4 of Section 14	80	Benson; Bone Spring	5200
NE/4 NW/4 of Section 14	40	Benson; Bone Spring	5200
S/2N/2 of Section 14	160	Benson; Bone Spring	5200
S/2 of Section 14	320	Benson; Bone Spring	5200
NE/4 NW/4 of Section 23	40	Benson; Bone Spring	5200
N/2 NE/4 of Section 23	80	Benson; Bone Spring	5200

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.

You have requested an exception pursuant to Rule 19.15.16.7.M NMAC, to approve a non-standard oil spacing and proration unit comprising 720-acres, consisting of the entire area described above as the Subject Unit or Project Area.

It is our understanding that you are seeking this location to clarify the dedicated acreage in the project area for the subject wells and possible proposed wells. Further, Cimarex will have the opportunity to recover additional oil and gas reserves in the project area, which will prevent waste and protect correlative rights.

It is also understood that you have given due notice of this application to all persons to whom notice is required by Rule 19.15.4.12.A(3) NMAC.

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 January 16, 2015


SCOTT DAWSON
Deputy Director

SD/mam

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