

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



September 20, 2016

Ms. Terri Stathem
Cimarex Energy Company of Colorado
202 S. Cheyenne Ave., Ste. 1000
Tulsa, OK 74103

RE: Administrative Order SWD-1505; First Extension of Deadline

Red Hills Unit Well No. 3 (API 30-025-28144)

Unit K, Sec 5, T26S, R33E, NMPM, Lea County, New Mexico

Order Date: October 21, 2014

Injection into Bell Canyon and Cherry Canyon formations; permitted interval:
approximately 5374 feet to 7385 feet

Dear Ms. Stathem:

Reference is made to your request on behalf of Cimarex Energy Company of Colorado (the "operator") to extend the October 21, 2016 deadline stipulated in order SWD-1505 to commence injection operations for the above referenced well for an additional one year for reasons outlined in the attached correspondence.

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

All requirements of the above referenced administrative order and agreements in the application remain in full force and effect.

SWD-1505: Extension of Deadline
Cimarex Energy Company of Colorado
September 20, 2016
Page 2 of 2

The deadline to commence injection for the existing order is hereby extended until October 21, 2017.

Sincerely,



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
Well File API 30-025-28144
SWD-1505



Cimarex Energy Co.

202 S. Cheyenne Ave. ♦ Suite 1000 ♦ Tulsa, OK 74103 ♦ (432) 620-1936 ♦ Fax (432) 620-1940

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September 16, 2016

Mr. David Catanach, Division Director
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED 005
2016 SEP 19 P 2:23

Re: Administrative Order SWD 1505; First Extension of Deadline
Red Hills Unit #3 (API: 30-025-28144)
1980' FSL & 2180' FWL, Sec. 5, 26S, 33E, Lea County, NM
Order Date: October 21, 2014
Injection into the Bell Canyon and Cherry Canyon formations
of the Delaware Mountain group
Approved Interval: 5374-7385'

Dear Mr. Catanach,

Cimarex Energy of Colorado received the approved administrative order SWD-1505 October 21, 2014, expiring on October 21, 2016. Cimarex respectfully requests an extension of the expiration date of the order for one year.

Low commodity prices in 2015 and 2016 have delayed our drilling program and postponed the need for the disposal well. However, 2017 drilling plans would require the disposal well conversion be completed in late 2016 early 2017, which is unfortunately after the expiration date of the SWD permit.

The Cimarex proposed, original C-108 application requires no changes or updates. Cimarex has reviewed the completions within the ½ mile area of review and finds no newly completed wells. Also Cimarex has reviewed and finds no change to the affected persons within ½ mile area of review. Please see attached map.

Please contact me if you have any questions or need any additional information.

Sincerely,

Terri Stathem
Regulatory Compliance Manager
432-620-1936
tstathem@cimarex.com

1/2 Mile Radius Area of Review (Up Close)

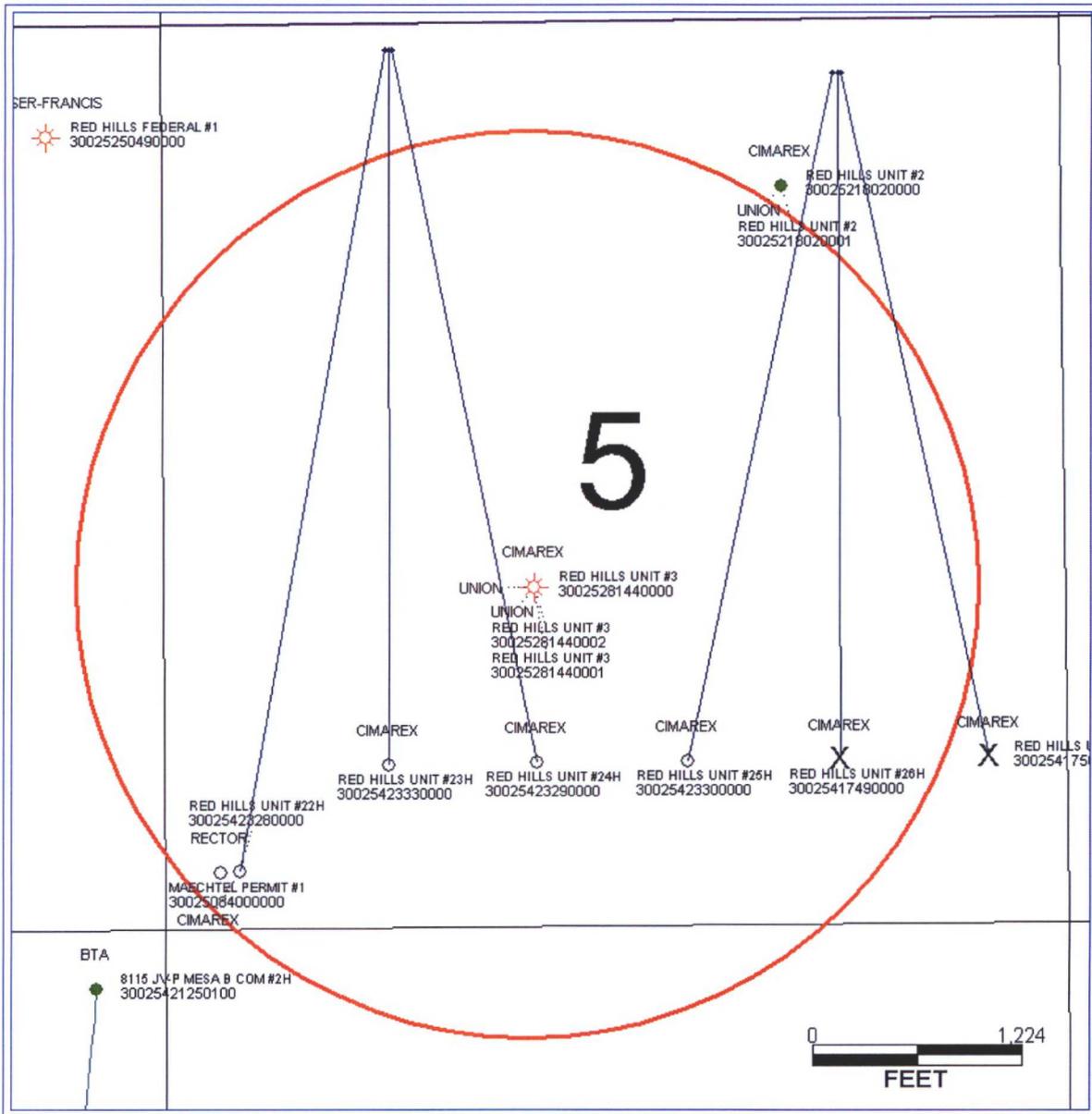


Table of wells within the 1/2 mile AOR

UWI/API	Well	Status	OPERATOR	SEC	TWN	RANGE	Record of Completion
30-025-28144	RED HILLS UNIT #3	Active	CIMAREX ENERGY OF CO	5	26S	33E	Same as in Original C108
30-025-08400	MAECHTEL PERMIT #1	Plugged	RECTOR OIL CO	5	26S	33E	Same as in Original C108
30-025-41749	RED HILLS UNIT #26H	Permitted/Not Drilled	CIMAREX ENERGY OF CO	5	26S	33E	N/A
30-025-42328	RED HILLS UNIT #22H	Permitted/Not Drilled	CIMAREX ENERGY OF CO	5	26S	33E	N/A
30-025-42329	RED HILLS UNIT #24H	Permitted/Not Drilled	CIMAREX ENERGY OF CO	5	26S	33E	N/A
30-025-42330	RED HILLS UNIT #25H	Permitted/Not Drilled	CIMAREX ENERGY OF CO	5	26S	33E	N/A
30-025-42333	RED HILLS UNIT #23H	Permitted/Not Drilled	CIMAREX ENERGY OF CO	5	26S	33E	N/A