

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Deffin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 7, 2016

Cimarex Energy Company
Attn: Ms. Amithy Crawford

NON-STANDARD PRORATION UNIT

Administrative Order NSP-2052

Cimarex Energy Company
OGRID 215099
Klein 33 Federal Com Well No. 1H
API No. 30-015-42105

Pool: Wildcat; Bone Spring Oil (Pool Code 98018)
Pool Rules: Division Rule, 19.15.15.9A NMAC 40-Acre Units, 330 foot setbacks

Proposed Well Locations, NMPM, Eddy County, New Mexico:

SHL: 290' FSL, 780' FWL, Unit E/Lot 4 33-26S-27E
First Take: 396' FSL, 551' FWL, Unit E/Lot 4 33-26S-27E
Last Take: 362' FNL, 477' FWL, Unit D 28-26S-27E
BHL: 330' FNL, 476' FWL, Unit D 28-26S-27E

Proposed Project Area (223.37 Acres)

Section 28: W/2 W/2
Section 33: Lot 4, NW/4 NW/4

Proposed Non-Standard Spacing and Proration Unit(s):

Unit E/Lot 4-33-26S-27E 23.37 Acres 58.4% of Standard

Reference is made to your application received on October 7, 2016 and to Division records for the subject well.

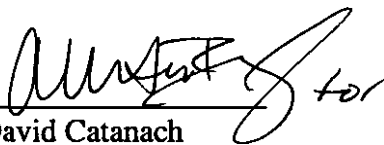
You have requested approval of a non-standard oil spacing and proration unit described above. **This spacing and proration unit is necessitated by a variation in the legal subdivision of the United States public land surveys.** It is understood that you are seeking this non-standard proration unit in order to allow the drilling of the subject horizontal well to recover oil and gas reserves from the Bone Spring formation.

You have made application and provided notice as required in 19.15.15.11B. NMAC and 19.15.4.12.A(3) NMAC.

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.

The above described non-standard oil spacing and proration unit is hereby approved and may be combined into the proposed project area for the subject horizontal well.

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



David Catanach
Director

DRC/lrl

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