



New Mexico Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



May 25, 2011

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-6374

**Re: Cimarex Energy Co. of Colorado
East Lusk 15 Federal Com. Well No. 1H
API No. 30-025-40134
660 feet FSL & 330 feet FEL
Unit P, Section 15-19S-32E
Lea County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-11543507**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Cimarex Energy Co. of Colorado (Cimarex) [OGRID 162683], on April 25, 2011, and

(b) the Division's records pertinent to this request.

Cimarex has requested to drill the above-referenced well as a horizontal well in the Bone Spring formation, at a location that will be unorthodox under Division Rule 16.14.B(2) [19.15.16.14.B.(2) NMAC]. The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 660 feet from the South line and 330 feet from the East line
(Unit P) of Section 15, Township 19 South, Range 32 East, NMPM,
Lea County, New Mexico

Point of Penetration: same as surface location

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Terminus 660 feet from the South line and 330 feet from the West line
(Unit M) of said section

Spacing in this pool is governed by the Special Rules and Regulations for the East Lusk – Bone Spring Oil Pool, as adopted by Order No. R-4994, issued on April 1, 1975, and made permanent by Order No. R-4994-B, issued on May 18, 1976, which provide for 160-acre oil spacing units with wells to be located at least 660 feet from a unit outer boundary. This location is unorthodox because portions of the producing interval will be less than 660 feet from the eastern and western boundaries of the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for engineering reasons, in order to maximize the portion of the target zone that can be penetrated within the producing 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 4.12.A(2) [19.15.4.12.A(2)], in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B [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 5.9 [19.15.5.9 NMAC].

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

Sincerely,



Jami Bailey
Director

JB/db

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