



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968



AUG 20 2018 PM01:49

In Reply Refer To:
3186
(3186.1)
Maduro Unit
NMNM70984X

AUG 16 2018

Cimarex Energy Co.
Attn: Cayla Gorski
600 N. Marienfeld St.
Midland, Texas 79701

Re: Initial Bone Spring Formation Participating Area "A"
Maduro Unit
Lea County, New Mexico

Gentlemen:

This letter replaces in its entirety our letter dated August 13, 2018. This letter is written to correct the participating area designation from NMNM70984A to NMNM70984B. We apologize for any inconvenience we may have caused.

The initial Bone Spring Formation Participating Area "A" is hereby approved effective as of September 23, 2012, pursuant to Section 11 of the Maduro Unit Agreement, Lea County, New Mexico. This participating area has been designated NMNM70984B.

The application establishes an initial Bone Spring Formation Participating Area "A" of 1,440.00 acres and is based upon the completion of unit well 9, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ (SHL) of Section 29, T.19S., R.33E., unit tract No. 5, Lease No. NMNM14794, and in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ (BHL) of Section 32, T.19S., R.33E., unit tract No. 12, state lease, with an initial potential of 624 BOPD and 389 MCFPD on September 23, 2012, from the Bone Spring Formation.

Copies of the approved request are being distributed to the appropriate agencies and one copy of Exhibits "A" and "B" are returned herewith. Please advise all interested parties of the approval of the initial Bone Spring Formation Participating Area "A" effective as of September 23, 2012.

Any production royalties that are due must be reported and paid within 30 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance or

clarification, please contact the Office of Natural Resources Revenue (ONRR) at 1-800-525-9167 or 303-231-3856.

If you have any questions, please call the undersigned at (307) 261-7685.

Sincerely,

/s/ J. David Chase

J. David Chase
Chief, Reservoir Management Group

cc: NMSO, James Glover
CFO, Chris Walls
ONRR, Glen Reese
New Mexico State Land Office, Marilyn Gruebel
New Mexico Oil Conservation Division, William Jones