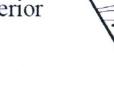
2671



United States Department of the Interior

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





In Reply Refer To: 3186 (3186.1)Red Hills Unit NMNM071019X

MAY 0 2 2019

Cimarex Energy Company Attn: Amithy Crawford 600 N. Marienfeld Street Suite 600 Midland, TX 79701

Re: Paying Well Determination Red Hills Unit No. 16H SHL: NW¹/₄NW¹/₄, Sec. 33, T.25S, R.33E. (Lease NMNM024368A) BHL: SW¹/₄SW¹/₄, Sec. 4, T.26S, R.33E (Lease NMNM89425) Red Hills Unit Lea County, New Mexico

Dear Ms. Crawford:

We have determined that the Red Hills Unit No. 16H well is capable of producing unitized substances from the Bone Spring Formation in paying quantities as defined in Section 9 of the unit agreement. This well was completed in the Bone Spring Formation on August 28, 2018.

Consequently, an application for an initial Bone Spring Formation Participating Area "A" shall be filed with the Reservoir Management Group pursuant to Section 11 of the unit agreement by May 24, 2019. The effective date for this PA will be August 28, 2018.

If you have any questions, please call Lewis Tromp, Petroleum Engineer, at (307) 261-7628.

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, Randy Bayliss

-New Mexico Oil Conservation Division, William Jones