

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Deana Bennett
deana.bennett@modrall.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8888

Cimarex Energy Co. [OGRID 215099]
Southern Hills 32 29 Federal Com Well No. 4H
API No. 30-015-49516

Reference is made to your application received on February 26th, 2025. The application was updated on March 27th, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	834 FSL & 1595 FWL	N	32	25S	27E	Eddy
First Take Point	999 FSL & 2313 FWL	N	32	25S	27E	Eddy
Last Take Point/ Terminus	100 FNL & 2310 FWL	C	29	25S	27E	Eddy

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
W/2 Section 32	640	Purple Sage; Wolfcamp	98220
W/2 Section 29			

You have requested to complete this horizontal well as a **gas** well described above in the referenced pool or formation. This well is governed by special rules R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and governs wells to be located at least 330 feet from the unit outer boundary of a

Administrative Order NSL – 8888
Cimarex Energy Co.
Page 2 of 2

spacing unit and no closer than 10 feet to any quarter – quarter section line. The completed intervals of horizontal wells are to be located no closer than 330 feet to the exterior boundary of a standard 320 - acre **gas** spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

This well’s completed interval is as close as 100 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 20, encroachment to the SW/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

The Division understands you are seeking this unorthodox location for the greatest recovery of reserves from the unit in order to prevent waste, and to protect the correlative rights within the Wolfcamp formation underlying the W/2 of Section 32 and the W/2 of Section 29.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as the Division deems necessary.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 4/16/2025

ID NO. 435766

NSL - 8888

Revised March 23, 2017

RECEIVED: 03/27/25	REVIEWER:	TYPE:	APP NO: pLEL2505835717
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: <u>Cimarex Energy Co.</u>	OGRID Number: <u>215099</u>
Well Name: <u>Southern Hills 32-29 Federal Com 4H</u>	API: <u>30-015-49516</u>
Pool: <u>PurpleSage; Wolfcamp</u>	Pool Code: <u>98220</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Deana M. Bennett

Print or Type Name

Signature

02/26/2025
Date

505-848-1834
Phone Number

deana.bennett@modrall.com
e-mail Address

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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Applicant: Cimarex Energy Co. **OGRID Number:** 215099
Well Name: Southern Hills 32-29 Federal Com 4H **API:** 30-015-49516
Pool: PurpleSage; Wolfcamp **Pool Code:** 98220

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 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
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 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
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 D. Notification and/or concurrent approval by SLO
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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Deana M. Bennett

Print or Type Name



 Signature

02/26/2025
Date

505-848-1834
Phone Number

deana.bennett@modrall.com
e-mail Address



MODRALL SPERLING

L A W Y E R S

February 26, 2025

VIA E-FILING

Deana M. Bennett
505.848.1834
dmb@modrall.com

Acting Director Gerasimos Razatos
And
OCD Engineering Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Southern Hills 32-29 Federal Com 4H well located in a horizontal spacing unit comprised of the W/2 of Sections 32 and 29, Township 25 South, Range 27 East, Eddy County, New Mexico.

Dear Director Razatos/OCD Engineering Bureau:

Pursuant to Division rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Cimarex Energy Co. ("Cimarex") (OGRID 215099) seeks administrative approval of an unorthodox well location ("NSL") for its Southern Hills 32-29 Federal Com 4H well (API No. 30-015-31930) (the "Well"). The Well will be located in a 640-acre, more or less, standard spacing unit underlying the W/2 of Sections 32 and 29, Township 25 South, Range 27 East, Eddy County, New Mexico, and will be in the Purple Sage; Wolfcamp (Gas) Pool (Pool Code: 98220). A C-102 for the Well is attached as **Exhibit A**.

The Purple Sage; Wolfcamp (Gas) Pool is a gas pool subject to the Division's special pool rules under Division Order R-14262, which establish 330' setback requirements. The Well's last take point will be closer than 330' from the outer boundary of the spacing unit, which requires an NSL approval. As shown on Exhibit A, this is a horizontal well that will be drilled as follows:

- Surface Hole Location: 834' FSL & 1595' FWL (Unit N) of Section 32;
- First Take Point: 999' FSL & 2313' FWL (Unit N) of Section 32;
- Last Take Point: 100' FNL & 2310' FWL (Unit C) of Section 29;
- Bottom Hole Location: 100' FNL & 2310' FWL (Unit C) of Section 29.

Modrall Spierling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

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Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

Cimarex has included as **Exhibit B** a letter explaining why this application is needed. Cimarex also provides a map of the area, attached as **Exhibit C**, which shows the tracts upon which the unorthodox location will encroach.

As discussed above, the last take point of the Well is proposed to be closer than 330' from the outer boundary of the spacing unit. *See* Exhibit A (C-102). The unorthodox location will encroach towards the SW/4 of Section 20, Township 25 South, Range 27 East.

Pursuant to Rule 19.15.4.12(A)(2) and Rule 19.15.2.7(A)(3), Cimarex provided notice to Chevron USA Inc., which is the operator of Section 20, Township 25 South, Range 27 East.

Cimarex, through its undersigned counsel, is providing notice letters to the above operator and is also providing notice to the Bureau of Land Management. Proof of mailing, along with a copy of the notice letter sent to affected parties, is attached hereto as **Exhibit D**. In addition, I have included a copy of the letter that Cimarex sent to the offsetting owners for your information, also as part of Exhibit D.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett

Attorney for Cimarex Energy Co.

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
		Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-015-49516	Pool Code 98220	Pool Name PURPLE SAGE; WOLFCAMP
Property Code	Property Name SOUTHERN HILLS 32-29 FEDERAL COM	Well Number 4H
OGRID No. 215099	Operator Name CIMAREX ENERGY CO.	Ground Level Elevation 3,244.7'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
N	32	25S	27E		834 SOUTH	1,595 WEST	32.081305°	-104.215775°	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
C	29	25S	27E		100 NORTH	2310 WEST	32.107893°	-104.213109°	EDDY

Dedicated Acres 640	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes DNo	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
N	32	25S	27E		278 SOUTH	2,315 WEST	32.079777°	-104.213485°	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
N	32	25S	27E		999 SOUTH	2,313 WEST	32.081758°	-104.213450°	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
C	29	25S	27E		100 NORTH	2310 WEST	32.107893°	-104.213109°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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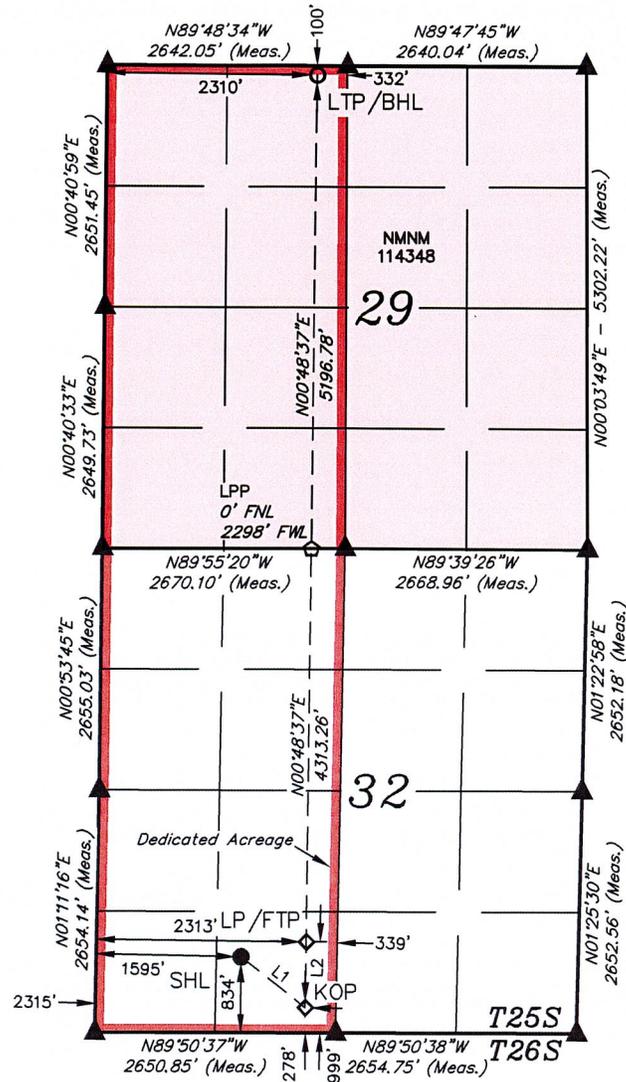
<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>I hereby certify that the well location is on a map plotted from the field notes of actual surveys made by me or under my supervision and is true and correct to the best of my belief.</i></p> <div style="text-align: center;">  </div>
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____
Shelly Bowen	23782 August 31, 2020
Printed Name	Certificate Number Date of Survey
shelly.bowen@coterra.com	
Email Address	

Note: No allowable will be assigned to this completion until all interest and unit has been approved by the division.



Property Name SOUTHERN HILLS 32-29 FEDERAL COM	Well Number 4H	Drawn By D.J.S. 10-07-20	Revised By (UPDATED DEDICATED ACRES & LTP/BHL MOVE)	REV. 10 Z.L. 08-02-24
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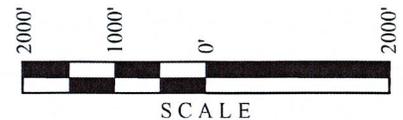
NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°04'52.70" (32.081305°) LONGITUDE = -104°12'56.79" (-104.215775°)
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°04'52.26" (32.081184°) LONGITUDE = -104°12'55.01" (-104.215280°)
STATE PLANE NAD 83 (N.M. EAST) N: 393335.71' E: 577747.03'
STATE PLANE NAD 27 (N.M. EAST) N: 393278.62' E: 536563.57'
NAD 83 (KICK OFF POINT) LATITUDE = 32°04'47.20" (32.079777°) LONGITUDE = -104°12'48.54" (-104.213485°)
NAD 27 (KICK OFF POINT) LATITUDE = 32°04'46.76" (32.079656°) LONGITUDE = -104°12'46.76" (-104.212990°)
STATE PLANE NAD 83 (N.M. EAST) N: 392780.76' E: 578456.97'
STATE PLANE NAD 27 (N.M. EAST) N: 392723.68' E: 537273.48'
NAD 83 (LP/FTP) LATITUDE = 32°04'54.33" (32.081758°) LONGITUDE = -104°12'48.42" (-104.213450°)
NAD 27 (LP/FTP) LATITUDE = 32°04'53.89" (32.081637°) LONGITUDE = -104°12'46.64" (-104.212955°)
STATE PLANE NAD 83 (N.M. EAST) N: 393501.26' E: 578467.03'
STATE PLANE NAD 27 (N.M. EAST) N: 393444.16' E: 537283.55'
NAD 83 (LPP) LATITUDE = 32°05'37.00" (32.093611°) LONGITUDE = -104°12'47.86" (-104.213295°)
NAD 27 (LPP) LATITUDE = 32°05'36.56" (32.093490°) LONGITUDE = -104°12'46.08" (-104.212800°)
STATE PLANE NAD 83 (N.M. EAST) N: 397813.30' E: 578510.02'
STATE PLANE NAD 27 (N.M. EAST) N: 397756.12' E: 537326.61'
NAD 83 (LTP/BHL) LATITUDE = 32°06'28.41" (32.107893°) LONGITUDE = -104°12'47.19" (-104.213109°)
NAD 27 (LTP/BHL) LATITUDE = 32°06'27.98" (32.107772°) LONGITUDE = -104°12'45.41" (-104.212614°)
STATE PLANE NAD 83 (N.M. EAST) N: 403008.60' E: 578561.80'
STATE PLANE NAD 27 (N.M. EAST) N: 402951.33' E: 537378.48'



LINE	DIRECTION	LENGTH
L1	S51°44'48"E	901.31'
L2	N01°02'22"E	720.74'

- = SURFACE HOLE LOCATION
- ◇ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- ⬠ = LEASE PENETRATION POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = DEDICATED ACREAGE

- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
 - Colored areas within section lines represent oil & gas leases.



Cimarex Energy Co.
Permian Business Unit
6001 Deauville Blvd
Suite 300N
Midland, Texas 79706



February 26, 2025

VIA E-FILING

Acting Director Gerasimos Razatos
And
OCD Engineering Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Non-Standard Location Application
Southern Hills 32-29 Fed Com 6H well
Eddy County, New Mexico

Dear Director Razatos/OCD Engineering Bureau:

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, respectfully requests administrative approval of non-standard location ("NSL") for the following well (the "Well"):

- Southern Hills 32-29 Federal Com 4H well (API No. 30-015-49516).

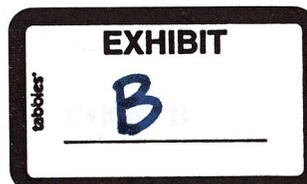
The Well will be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code: 98220). Cimarex is requesting non-standard location approval for the Well because the Well's last take point is proposed to be closer than 330' from the outer boundary of the spacing unit. Allowing Cimarex to complete the well at this non-standard location will result in the greatest recovery of reserves from the unit and will reduce waste.

Thank you for your consideration. Should you have any questions please contact me at Kevin.Hewitt@coterra.com or (432) 620-1666.

Sincerely,

A handwritten signature in black ink that reads "Kevin Hewitt". The signature is written in a cursive style with a large, prominent "K" and "H".

Kevin Hewitt | Reservoir Engineer
Cimarex Energy Co.
Coterra Energy Inc.

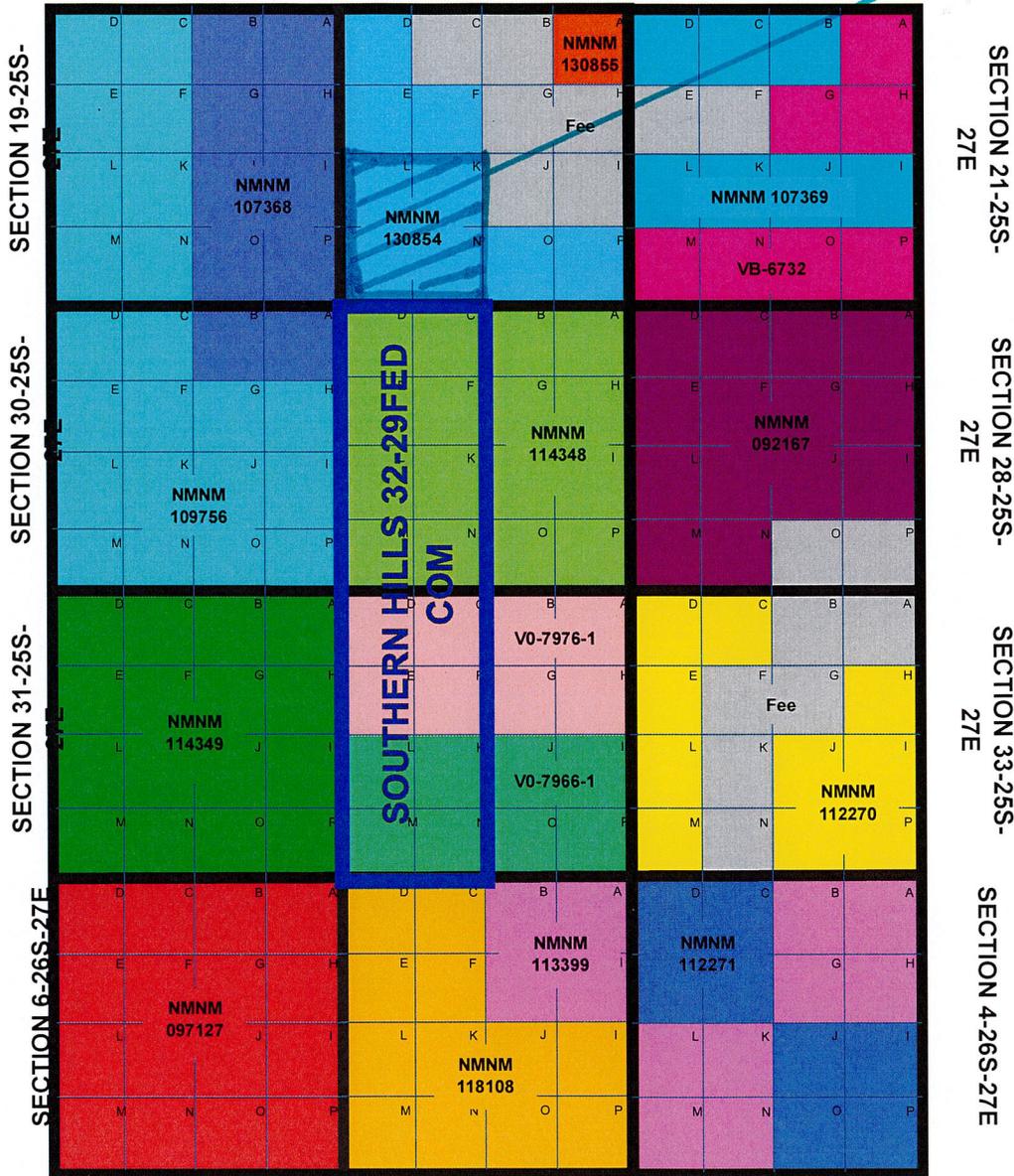


Southern Hills 32-29 Fed Com Area

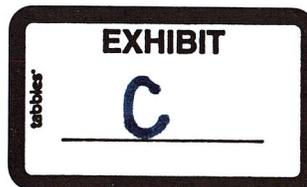
Offsetting Tract: SW/4 Section 20

Offset Ownership

SECTION 20-25S-27E



	T25S/R27E
Section 20 Operator	Chevron USA Inc.





MODRALL SPERLING
LAWYERS

February 26, 2025

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL

TO AFFECTED PARTIES

RE:

Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Southern Hills 32-29 Federal Com 2H well located in a horizontal spacing unit comprised of the W/2 of Sections 32 and 29, Township 25 South, Range 27 East, Eddy County, New Mexico.

Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Southern Hills 32-29 Federal Com 4H well located in a horizontal spacing unit comprised of the W/2 of Sections 32 and 29, Township 25 South, Range 27 East, Eddy County, New Mexico.

Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Southern Hills 32-29 Federal Com 6H well located a horizontal spacing unit comprised of in the W/2 of Sections 32 and 29, Township 25 South, Range 27 East, Eddy County, New Mexico.

Dear Sir or Madam:

Enclosed are copies of the above referenced applications filed with the New Mexico Conservation Division on this date. Any objections that you have to these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above-referenced applications. If no objection is received within this twenty-day period, the applications may be approved administratively by the Division.

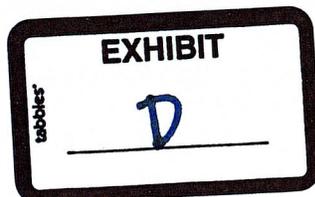
If you have any questions concerning these applications, please contact:

Kevin Hewitt
Reservoir Engineer
Cimarex Energy Co.
Coterra Energy Inc.
Kevin.Hewitt@coterra.com

Modrall Sperling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com



Sincerely,

A handwritten signature in blue ink, appearing to read "Deana M. Bennett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Deana M. Bennett
*Attorney for Cimarex Energy
Co./Coterra Energy Inc.*

Southern Hills 32-29 Federal Com Area

Offset Ownership – Notice Table

Offsetting Section:	Operator:	Working Interest Owner(s) – N/A if Cimarex is NOT Operator:	Address(es):	Notice Sent:
Section 20, T25S/R27E	Chevron USA Inc	N/A	Chevron USA Inc ATTN: NOJV Group 1400 Smith St Houston, TX 77002	2-26-2025

Government Agency Receiving Notice:

Offsetting Mineral Ownership:	Address:	Notice Sent:
Federal	Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508	2-26-2025

Released by Imaging: 4/21/2025 8:28:15 AM

Marlene Schuman
Doddrell Sperling Roehl Harris & Sisk P.A.
100 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/26/2025

Firm Mailing Book ID: 283217

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0132 0674 70	Chevron USA Inc. Attn: NOJV Group 1400 Smith St. Houston TX 77002	\$2.59	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
2	9314 8699 0430 0132 0674 87	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$2.59	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
Totals:			\$5.18	\$9.70	\$5.24	\$0.00	
Grand Total:						\$20.12	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
2			

Received by OCD: 2/26/2025 3:06:48 PM

From: [Deana M. Bennett](#)
To: [Lowe, Leonard, EMNRD](#)
Cc: Kevin.Hewitt@coterra.com
Subject: [EXTERNAL] RE: NSL Application - Cimarex - Southern Hill 32 29 Fed Com Well No. 4HK
Date: Thursday, March 27, 2025 2:44:53 PM
Attachments: [image001.png](#)
[Cimarex Southern Hills 4H NSL Application as revised \(W5322525x7A92D\).pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hello Again,

Thanks for taking the time to speak with me a bit ago. Attached is a revised application packet. It includes:

- Administrative Checklist: No change
- Cover Letter: New—this is the letter that I explained was left out accidentally from our filing. As you will see on the cover letter, the spacing unit is 640-acres; it is the W/2 of Sections 32 and 29, Township 25 South, Range 27 East, Eddy County, NM; and the last take point will be closer than 330' from the outer boundary of the spacing unit and will encroach upon the SW/4 of Section 20.
- Exhibit A: C-102: Updated with the correct C-102 with the non-standard last take point of 100' feet from the north line of Section 29.
- Exhibit B: Reservoir Engineer Letter: No change
- Exhibit C: Affected Notice Map: I indicated by cross hatching the offset tract and also drew an arrow to a text box describing offsetting tract
- Exhibit D: Notice information: No change.

Please let me know if you have any questions on these materials or on the information I provided below.

Thanks,
Deana

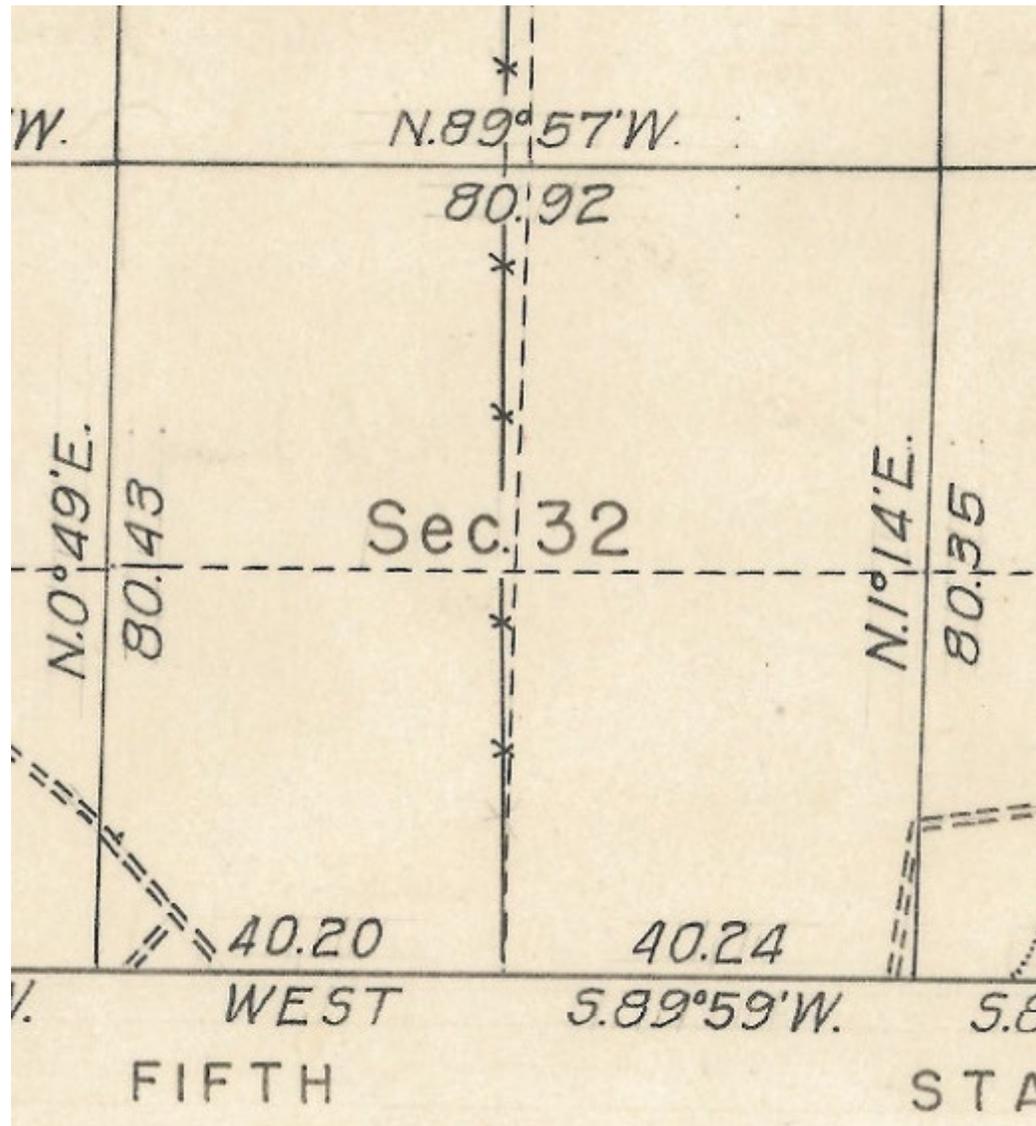
From: Deana M. Bennett
Sent: Thursday, March 27, 2025 1:53 PM
To: 'Lowe Leonard EMNRD' <Leonard.Lowe@emnrd.nm.gov>
Cc: 'Kevin.Hewitt@coterra.com' <Kevin.Hewitt@coterra.com>
Subject: RE: NSL Application - Cimarex - Southern Hill 32 29 Fed Com Well No. 4HK

Hello,

I have coordinated with Cimarex and have the following responses to your questions. I am preparing revised materials per your request as well. Should I just email those to you or do I need to file them through the permitting portal? Whatever is best for you. My answers to your questions are in red.

ONE – Is the Section 32 composed of Lots? The 339 ft + 2313 ft = 2652 ft. Larger than the

standard 2640 ft for a standard QTR – QTR unit. Section 32 is not comprised of lots but it is wider than 2640'. The map below, from BLM's website, shows the W/2 is 40.20 chains, which means it is approximately 2653.2 feet on the section line.



TWO – If the 2313 ft is correct, then that would make the FTP encroaching towards the eastern boundary as the set backs would be in 327 ft, less than 330 ft. Did Cimarex provide notice towards the eastern boundary?

Because the W/2 is wider than 2640', I think that answers this question because the completed lateral at the FTP would still be more than 330 ft. $2652 - 2313 = 339'$ So, no notice would be needed towards the eastern boundary because the location is standard.

THREE – the “Offset Ownership – Notice Table”, indicates that it provided notice to “Section 20”, is that correct? Why? The LTP is located 330 ft from the boundary, an orthodox distance. I included the wrong C-102. The correct C-102 has the LTP at 100'. I will provide the correct C-102 with the revised packet I submit today.

Thanks again. I always appreciate your review. Please let me know if you would like more

information on the above responses.

Deana

From: Deana M. Bennett
Sent: Monday, March 24, 2025 5:03 PM
To: Lowe Leonard EMNRD <Leonard.Lowe@emnrd.nm.gov>
Cc: Kevin.Hewitt@coterra.com
Subject: RE: NSL Application - Cimarex - Southern Hill 32 29 Fed Com Well No. 4HK

Hello,

I wanted to let you know that I was out most of last week and am back in the office today. I had hoped to be able to get back to you last week, but my travel schedule didn't work out quite as I had hoped. I am working on this now and will get back to you tomorrow.

Thanks much,

Deana

From: Deana M. Bennett <deana.bennett@modrall.com>
Sent: Wednesday, March 19, 2025 10:29 AM
To: Lowe Leonard EMNRD <Leonard.Lowe@emnrd.nm.gov>
Cc: Kevin.Hewitt@coterra.com
Subject: Re: NSL Application - Cimarex - Southern Hill 32 29 Fed Com Well No. 4HK

Thanks. I will review your questions and provide answers soon.

Thanks again,

Deana

Sent from my iPhone

On Mar 19, 2025, at 9:27 AM, Lowe, Leonard, EMNRD
<Leonard.Lowe@emnrd.nm.gov> wrote:

EXTERNAL EMAIL: Please do not click any links or open any attachments unless you trust the sender and are expecting this message and know the content is safe.

Deana M. Bennett,

Upon further review, other questions for this NSL application developed.

ONE – Is the Section 32 composed of Lots? The 339 ft + 2313 ft = 2652 ft. Larger than the standard 2640 ft for a standard QTR – QTR unit.

TWO – If the 2313 ft is correct, then that would make the FTP encroaching towards the eastern boundary as the set backs would be in 327 ft, less than 330 ft. Did Cimarex provide notice towards the eastern boundary?

<image001.png>

THREE – the “Offset Ownership – Notice Table”, indicates that it provided notice to “Section 20”, is that correct? Why? The LTP is located 330 ft from the boundary, an orthodox distance.

<image002.png>

For your NSL Letter request, please provide the following vital information.

1. Horizontal Spacing Unit the well is seeking.
2. The Horizontal Spacing Unit (HSU) total acreage.
3. Information on where the area of encroachments are located on the encroachment map.

Maps

4. On your Affected Notice Map (Exhibit C) within your application, please indicate/highlight the area on the map the affected parties were noticed.

I will hold on to this application until clarification is of the above is updated.

Thank you,

Leonard R. Lowe

Engineering Bureau
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Albuquerque, N.M. 87113
Cell Number: 505-584-8351
<http://www.emnrd.state.nm.us/oed/>

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Sante Fe Main Office
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General Information
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 435766

COMMENTS

Operator: Coterra Energy Operating Co. 6001 Deauville Blvd Midland, TX 79706	OGRID: 215099
	Action Number: 435766
	Action Type: [UF-NSL] Non-Standard Location (NSL)

COMMENTS

Created By	Comment	Comment Date
llowe	Updated application on 03/27/25	4/11/2025

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
llowe	None	2/27/2025