STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF CIMAREX ENERGY CO. FOR THE CREATION OF A SPECIAL POOL, A WOLFBONE POOL, PURSUANT TO ORDER NO. R-23132, LEA COUNTY, NEW MEXICO.

Case No. 24721

APPLICATION OF PRIDE ENERGY COMPANY FOR CREATION OF A SPECIAL WOLFBONE OIL POOL IN PARTS OF SECTION 12 AND 13, TOWNSHIP 19 SOUTH RANGE 34 EAST, NMPM, LEA COUNTY, NEW MEXICO.

Case No. 24736 Order No. R-23752

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on October 10, 2024, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Cimarex Energy Co. and Pride Energy Company ("Applicants") submitted a joint application ("Application") to create a Special Wolfbone Pool that extends from the top of the Third Bone Spring Sand interval to the base of the Upper Wolfcamp A interval, underlying approximatly 320 acres, described as ("Subject Lands"):

Township 19 South, Range 34 East, N.M.P.M.

Section 12: W/2 W/2 Section 13: W/2 W/2

The Application also request to contract the Scharb; Bone Spring Pool (Pool code 55610) in order to avoid overlapping pools.

2. Applicants jointly requested the Special Wolfbone Pool to be named as the:

Scharb, Wolfbone Pool, (Pool Code 98397)

- 3. Applicants testified that the Special Wolfbone Pool should be subject to statewide oil rules.
- 4. Applicants testified that the Wolfbone Pool will be the stratigraphic equivalent of the top of the Third Bone Spring Sand interval, located at approximately 10,745 feet measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,400 feet measured depth, as found in the compensated well log of the Super Cobra State Com. Well No. 1H (API No. 30-025-41987).

- 5. Applicants testified that the base of the Scharb Bone Spring Pool is to be contracted to 10,745 feet measured depth, equivalent to the top of the Third Bone Spring Sand, as found in the compensated well log of the Super Cobra State Com. Well No. 1H (API No. 30-025-41987).
- 6. Applicants both own working interests in the Subject Lands encompassing the proposed Wolfbone Pool.
- 7. At the Hearing, Applicants presented evidence by affidavit in support of its Application which was admitted to the record without objection.
- 8. No other party entered an appearance or opposed this application.

CONCLUSIONS OF LAW

- 9. Applicants provided notice of this Application to interest owners in the subject lands and surrounding acreage.
- 10. OCD has jurisdiction to issue this Order pursuant to NMSA 1978 § 70-2-16.
- 11. Applicants own working interest in the Subject Lands encompassing the Pool.
- 12. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

<u>ORDER</u>

- 13. The Application to establish the Scharb, Wolfbone Pool, (Pool Code 98397) is herby approved.
- 14. The Scharb, Wolfbone Pool, (Pool Code 98397) shall extend from the top of the Third Bone Spring Sand interval to the base of the Upper Wolfcamp A interval and underlying approximatly 320 acres of the following lands situated in Lea County, New Mexico:

Township 19 South, Range 34 East, N.M.P.M.

Section 12: W/2 W/2 Section 13: W/2 W/2

- 15. The Scharb, Wolfbone Pool, (Pool Code 98397) will have a stratigraphic equivalent of the top of the Third Bone Spring Sand interval, located at approximately 10,745 feet measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,400 feet measured depth, as found in the compensated well log of the Super Cobra State Com. Well No. 1H (API No. 30-025-41987).
- 16. The Scharb, Wolfbone Pool, (Pool Code 98397) will be classified as an Oil pool and will be subject to the state wide oil spacing and setback requirements.

- 17. Underlying the Subject Lands, the base of the Scharb; Bone Spring Pool (Pool code 55610) is herby contracted to 10,745 feet measured depth, equivalent to the top of the Third Bone Spring, as found in the compensated well log of the Super Cobra State Com. Well No. 1H (API No. 30-025-41987). The base of the pool is unchanged outside the Subject Lands.
- 18. Any Operator with a well or wells in the modified pools shall submit a sundry and updated C-102 to OCD reflecting the change.
- 19. The Scharb, Wolfbone Pool, (Pool Code 98397) shall not expand or contract horizontaly or vertically unless an application to amend this order is heard and an amended order is issued. Further the Scharb, Wolfbone Pool, (Pool Code 98397) is not subject to the Development well provision under 19.15.15.8.B NMAC.
- 20. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

Date: 4/1/2025

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

GERASIMOS RAZATOS DIRECTOR (Acting)

GR/jag