

Approved

NSL

Order

Approved: 03/23/20

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



March 23, 2020

Mr. Lance D. Hough
ldh@modrall.com

NON-STANDARD LOCATION

Administrative Order NSL-7994

**Cimarex Energy Co. [OGRID 215009]
James 20 29 Federal Com Well No. 39H
API No. 30-025-PENDING**

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	340 FNL & 740 FWL	D	20	23S	32E	Lea
First Take Point	340 FNL & 1388 FWL	C	20	23S	32E	Lea
Last Take Point/ Terminus	100 FSL & 1386 FWL	N	29	23S	32E	Lea

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
E/2 W/2 of Section 20 E/2 W/2 of Section 29	320	Sand Dunes; Bone Spring, South	53805

Reference is made to your application received on February 24, 2020.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 68 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 20, encroachment to the W/2 W/2
Section 29, encroachment to the W/2 W/2

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

Division understands you seek this unorthodox location in order to maximum recovery of resource and preventing waste within the formation underlying the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29.

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

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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 Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, March 30, 2020 9:23 AM
To: 'Lance D. Hough'
Cc: Bratcher, Mike, EMNRD; Podany, Raymond, EMNRD; 'lisa@rwbyram.com'; Goetze, Phillip, EMNRD; Murphy, Kathleen A, EMNRD; Terry Warnell; Rose-Coss, Dylan H, EMNRD; McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Lamkin, Baylen, EMNRD; Garcia, John A, EMNRD; Scott Cox; 'jglover@blm.gov'
Subject: APPROVED NSL-7994_Cimarex Energy Co._James 20 29 Fed Com Well No. 39H _SEC 20 23S 32E
Attachments: NSL-7994_CIMAREX WELL NO. 39H_Approved.pdf
Importance: High

Mr. Lance D. Hough,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

A copy of the approved order is also attached.

NSL - 7994

**Cimarex Energy Co. [OGRID 215009]
James 20 29 Federal Com Well No. 39H
API No. 30-025-PENDING**

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
5200 Oakland Ave. NE
Albuquerque, N.M. 87113
C: 505-930-6717
<http://www.emnrd.state.nm.us/ocd/>