

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

AMENDED APPLICATION OF CIMAREX ENERGY COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT, COMPULSORY POOLING AND TWO NON-STANDARD LOCATIONS, EDDY COUNTY, NEW MEXICO.

CASE NO. 15188

AMENDED APPLICATION

Cimarex Energy Company of Colorado (“Cimarex”), through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order: (1) authorizing two non-standard locations; (2) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. In support of this application, Cimarex states as follows:

1. Cimarex is an interest owner in the subject lands and has the right to drill a well thereon.
2. Cimarex seeks to dedicate the W/2 of Section 14 to the proposed well to form a non-standard 320-acre, more or less, gas spacing and proration unit (the “project area”).
3. Cimarex proposes to drill the Riverbend 14 Fed. Com No. 2H well to a depth sufficient to test the Wolfcamp formation.
4. This project area is governed by the wildcat gas well acreage and well location requirements, NMAC 19.15.15.10(B) (pool code 97949). These special rules require (1) 320

RECEIVED OCT 1 2014 AUG 21 P 3: 12

acre spacing units; and (2) wells to be located 660 feet from the outer boundary of the quarter section. Cimarex seeks two non-standard locations in order to allow a producing area that is 330 feet from the project area boundary. Cimarex plans to drill the Riverbend 14 Fed. Com. No. 2H from a surface location 75 feet from the North line and 1980 feet from the West line to a bottom hole location 330 feet from the South line and 1980 feet from the West line to a depth sufficient to test the Wolfcamp formation, with a producing interval 330 feet from the North and South project boundary lines.

5. Cimarex has sought but been unable to obtain a voluntary agreement from all mineral interest owners in the Wolfcamp formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.

6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Notice of this application has been given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Cimarex Energy Company of Colorado requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 18, 2014, and after notice and hearing as required by law, the Division enter its order:

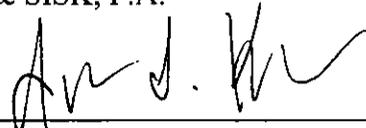
A. Creating a non-standard gas spacing and proration unit (“project area”) in the Wolfcamp formation comprised of W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Authorizing two non-standard locations;

- C. Pooling all mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit/project area;
- D. Designating Cimarex as operator of this unit and the well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.
Jordan L. Kessler
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

Certificate of Service

I hereby certify that on August 19, 2014, I served a copy of the foregoing document to the following counsel of record by e-mail:

Michael H. Feldewert
Gabrielle A. Gerholt
Adam G. Rankin
HOLLAND & HART LLP
P.O. Box 2208
Santa Fe, NM 87504
mfeldewert@hollandhart.com
gagerholt@hollandhart.com
agrarkin@hollandhart.com
Attorneys for CL&F Resources LP

Joel M. Carson, III
Elizabeth A. Ryan
CARSON RYAN LLC
P.O. Box 1612
Roswell, NM 88202-1612
beth@carsonryan.com
Attorneys for Read & Stevens, Inc.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Jordan L. Kessler

Y:\dox\client\82762\0126\GENERAL\W2253484.DOCX

AMENDED EXHIBIT A
CIMAREX OPERATING LLC NOTICE LIST

Parties to be pooled:

CL&F Resources, LP
Attn: Gary Dobbs
4 Greenspoint Place, Ste. 1500
Houston, TX 77060

CL&F Resources, LP
Attn: Dale Weimer
16945 N. Chase Drive
Suite 1500
Houston, TX 77060

CL&F Resources, LP
Attn: Gary Dobbs
16945 N. Chase Drive
4 Greenspoint Place, Ste. 1500
Houston, TX 77060

E.O.G. Resources, Inc.
Attn: Matthew Phillips
5509 Champions Dr.
Midland, TX 79706

Fasken Land & Minerals, LTD
Attn: Linda Hicks
6101 Holiday Hill Rd.
Midland, TX 79707

OXY, USA WTP LP
Attn: Steve Flynn
P.O. Box 27570
Houston, TX 77227

Read & Stevens, Inc.
Attn: Rory McMinn
P.O. Box 1518
Roswell, NM 88202

Carolyn Beall
P.O. Box 3098
Midland, TX 79702

Betty Read Young
1311 W. Third
Roswell, NM 88201

Diamond Star Prod., Co., LLC
P.O. Box 638
Ardmore, OK 73042-0638

William V. Palmer, LLC
3226 Anderson Dr.
Lovington, NM 88260

Offsets

MRC Permian Company
Attn: Jonathan Filbert
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

Devon Energy Production Co., LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102

COG Acreage, LP
600 West Illinois Avenue
Midland, TX 79701

COG Acreage, LP
550 West Texas Avenue, Ste 100
Midland, TX 79701

CWPLCO, INC.
6 Desta Dr
Midland, TX 79705

Chevron USA Inc.
1400 Smith Street
Houston, TX 77022

Chevron USA, Inc.
P.O. Box 1150
Midland, TX 79702

Clayton Williams, Jr.
Six Desta Drive, Suite 6500
Midland, Texas 797905

Morris E. Schertz and Holly K. Schertz
P.O. Box Drawer 2588
Roswell, New Mexico 88202

Empire Energy, LLC
1213 West 3rd Street
Roswell, New Mexico 88201

New State Gas, LLC
1213 West 3rd Street
Roswell, New Mexico 88201

Mary Ann Jenkins
287 Moon Ranch Rd.
Elida, New Mexico 88116

Joy Elizabeth Cooksey
P.O. Box 45
Carlsbad, NM 88221

Velta Jean Daigneault, SSP
9008 Pony Express Trail NE
Albuquerque, NM 87109

Larry G. Phillips and Anne C. Phillips
P.O. Box 2197
Midland, Texas 79702

COG Operating LLC
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701

The Leonard Trust
P.O. Box 400
Roswell, NM 88202

Holsum Inc.
723 North Main
Roswell, NM 88201

Tumbleweed Exploration LLC
5002 Greentree Ave.
Midland, TX 79707

Critterville LLC
P.O. Box 620
Wimberly, TX 78676

El Capitan Ventures LLC
4322 Fondren
San Antonio, TX 78217

Shannon C. Leonard, Trustee of the
Shannon C. Leonard Child's Trust
1018 Sunset Canyon N.
Dripping Springs, TX 78620

Michael Kyle Leonard, Trustee of the Michael Kyle Leonard Child's Trust
P.O. Box 2625
Eagle Pass, TX 78853

JB III Partners, LP
21 Lord William Penn Dr.
Morristown, NJ 07960

Lucie Investments, LP
159 S.E. Ballantrea Ct.
Port St. Lucie, FL 34952

CLM Production Co.
3008 Bandolina Avenue
Roswell, NM 88201

Lincoln Oil & Gas, LLC
701 Three Cross Roswell
Roswell, NM 88201

William V. Palmer, LLC
3226 E. Anderson Dr.
Lovington, NM 88260

Diamond Star Production Co. LLC
P.O. Box 638
Ardmore, OK 73402

Betty R. Young
1311 W. 3rd St.
Roswell, NM 88201

Carolyn Beall
P.O. Box 3098
Midland, TX 79702

Stacie L. Sexe
400 N. Pennsylvania Ave, Ste. 1000
Roswell, NM 88201-4780

Watson Properties, LLC
3905 Futura Dr.
Roswell, NM 88201

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

ABO Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

Myco Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

OXY Y-1 Company
P.O. Box 2750
Houston, TX 77227

OXY USA Inc.
P.O. Box 27570
Houston, TX 77227

Nearburg Exploration LLC
P.O. Box 823085
Dallas, TX 75382

CL&F Resources LP
450 Gears Rd.
Houston, TX 77067

CL&F Resources, LP
Attn: Gary Dobbs
16945 N. Chase Drive
4 Greenspoint Place, Ste. 1500
Houston, TX 77060

Fasken Land and Minerals, LP
303 W. Wall St., Ste. 1900
Midland, TX 79701

Read & Stevens, Inc.
P.O. Box 1518
Roswell, NM 88202

Bane Bigbie, Inc.
RR 1 Box 26
Ringling, OK 73456-9703

Centennial LLC
P.O. Box 1837
Roswell, NM 88202

Hat Mesa Oil Co.
P.O. Box 1216
Albuquerque, NM 87103-1216

Mewbourne Oil Company
P.O. Box 7698
Tyler, TX 75711

Panhandle Oil and Gas, Inc.
5400 N Grand Blvd. Suite 300
Oklahoma City, Oklahoma 73112

Velta Jean Daigneault, SSP
9008 Pony Express Trail N.E.
Albuquerque, New Mexico 87109

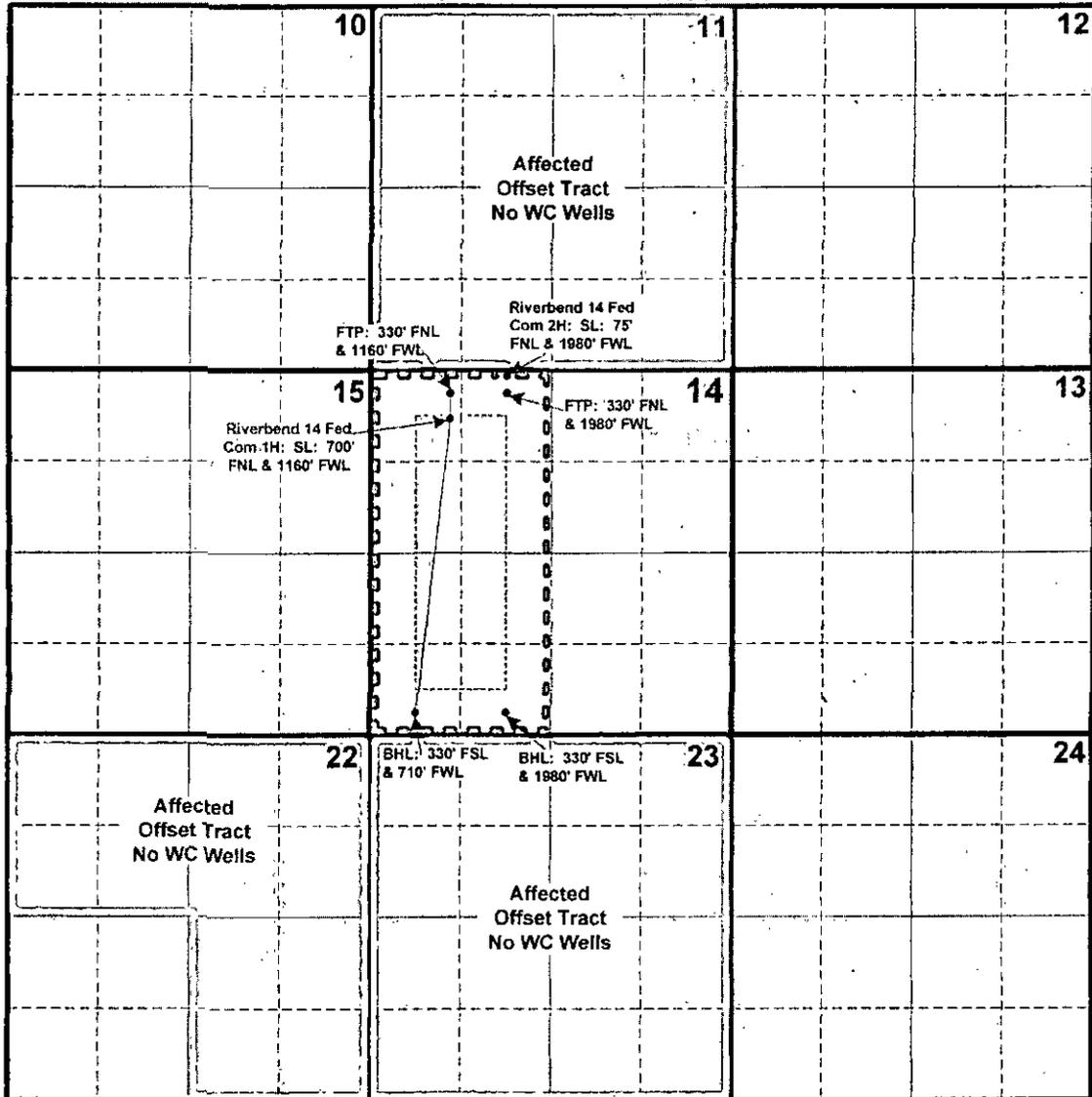
Worrall Investment Corporation
Attn: John Worrall
P.O. Box 1834
Roswell, NM 88202

JTD Resources, LLC
Attn: Dan Leonard
P.O. Box 3422
Midland, TX 79702

CASE NO. 15188: Application of Cimarex Energy Company of Colorado for a non-standard spacing and proration unit, compulsory pooling and a non-standard location, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) authorizing a non-standard location at 75 feet from the North line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East, and 330 feet from the South line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East; (2) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Riverbend 14 Fed. Com. No. 2H to be horizontally drilled. Cimarex plans to drill the Riverbend 14 Fed. Com. No. 2H from a surface location 75 feet from the North line and 1980 feet from the West line to a bottom hole location 330 feet from the South line and 1980 feet from the West line to a depth sufficient to test the Wolfcamp formation, with a producing interval 330 feet from the North and South project boundary lines. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles southwest of Carlsbad, New Mexico.

28E

25S



Cimarex Energy Company
Unorthodox Location Application
Riverbend 14 Federal Com Wells No. 1H & 2H

List of Affected Parties for Non-standard Location: Section 11 and Section 23, Township 25
South, Range 28 East, NMPM, Eddy County, New Mexico.

MRC Permian Company
Attn: Jonathan Filbert
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

Devon Energy Production Co., LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102

COG Acreage, LP
600 West Illinois Avenue
Midland, TX 79701

Chevron USA Inc.
1400 Smith Street
Houston, TX 77022

COG Operating LLC
One Concho Center
600 W. Illinois Ave.
Midland, TX 79701

CWPLCO, INC.
6 Desta Dr
Midland, TX 79705

Mary Ann Jenkins
287 Moon Ranch Rd.
Elida, New Mexico 88116

Morris E. Schertz and Holly K. Schertz
P.O. Box Drawer 2588
Roswell, New Mexico 88202

Empire Energy, LLC
1213 West 3rd Street
Roswell, New Mexico 88201

New State Gas, LLC
1213 West 3rd Street
Roswell, New Mexico 88201

OXY USA Inc.

P.O. Box 27570
Houston, TX 7722

Y:\dox\client\82762\0126\GENERAL\W2230635.DOCX