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

APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**CASE NO. 15560** 

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STATE OF NEW MEXICO	)
	) ss.
COUNTY OF BERNALILLO	)

Jennifer L. Bradfute, attorney in fact and authorized representative of Cimarex Energy

Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced

Application was provided under the notice letter and proof of receipt attached hereto.

SUBSCRIBED AND SWORN to before me this  $\frac{1}{2}$  day of October, 2016 by Jennifer

L. Bradfute.

Notary Public

My commission expires: 12-07-2019

OFFICIAL SEAL

Zina Crum

NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: (2-(7-205)

EXHIBIT



October 3, 2016

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 jlb@modrall.com

Re:

In The Matter of the Application of Cimarex Energy Co. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling in Eddy County, New Mexico.

#### Case No. 15560

TO: OFFSETS LISTED ON EXHIBIT A:

This letter is to advise you that Cimarex Energy Co. has filed the enclosed application with the New Mexico Oil Conservation Division seeking a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico for the development of it Cottonberry 20 Federal Com 4H well.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on October 27, 2016. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to Division Rule 1208.B, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 5:00 PM on Thursday, October 20, 2016, with a copy delivered to the undersigned.

Sincerely,

Jennifer L. Bradfute

Attorney for Cimarex Energy Co.

Modrati Sperling Rocht Harris & Sisk P.A.

Bank of America Centre 500 Fourth Street NW Sulta 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com



October 3, 2016

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Jennifer L. Bradfute 505.848.1845 Pax: 505.848.1882 jlb@modrall.com

In The Matter of the Application of Cimarex Energy Co. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling in Eddy County, New Mexico.

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Re:

TO: POOLED PARTIES LISTED ON EXHIBIT A:

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Sincerely.

Jennifer L. Bradfute

Attorney for Cimarex Energy

Co.

Modrail Sperling Roeti Harris B. Sisk P.A.

Bank of America Centre 500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800

# EXHIBIT A CIMAREX ENERGY CO. NOTICE LIST

Parties to be pooled:
Realeza Del Spear, LP/ Trabajo Del Spear, LP
Klipstine & Hanratty,
Mary Jo Dickerson
RR1 Box 846 Lovington, NM 88260
Virginia Lee Davis
Clarence W. Ervin and wife, Mary I. Ervin
Kirby, Ratliff, Manning & Greak,
Nevill Manning



Jennifer L. Bradfute 505,848,1845 Fex: 505,848,1882 Jib@modraff.com

September 26, 2016

Florene Davidson NM Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Re: APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Application

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,

Jennifer L. Bradfute

JLB/zc Enclosure

> Modrali Speriing Roehi Harris & Sisi

Bank of America Centre 500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

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

APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO	•

#### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring 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 a right to drill a well thereon.
- 2. Cimarex seeks to dedicate the E/2 E/2 of Section 20 to the proposed well to form a non-standard 160-acre, more or less, oil spacing and proration unit (the "project area").
- 3. Cimarex proposes to drill the Cottonberry 20 Federal Com 4H well to a depth sufficient to test the Bone Spring formation. This well is a horizontal well with a surface location 330 feet from the North line, 700 feet from the East line of Section 20, Township 25

South, Range 27 East, and a terminus 330 feet from the South line, 660 feet from the East line of Section 20, Township 25 South, Range 27 East.

- 4. This well is a wildcat well and there are no special pool rules that apply. The producing interval that Cimarex seeks to drill will comply with the statewide 330 foot setback requirements.
- 5. Cimarex sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring 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 interests in the Bone Spring formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 7. Notice of this application is being given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Cimarex Energy Co. requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 27, 2016, and after notice and hearing as required by law, the Division enter its order:

- A. Creating a non-standard oil spacing and proration unit ("project area") in the Bone Spring formation comprised of E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;
- B. Pooling all mineral interests in the Bone Spring formation underlying this non-standard spacing and proration unit/project area;
- C. Designating Cimarex as operator of this unit and the well to be drilled thereon;

- D. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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.

Rv

Barl E. DeBrine, Jr.
Jennifer Bradfute
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

## EXHIBIT A CIMAREX ENERGY CO. NOTICE LIST

Parties to be pooled:
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Klipstine & Hanratty,
Mary Jo Dickerson
RR1 Box 846 Lovington, NM 88260
Virginia Lee Davis
Clarence W. Ervin and wife, Mary I. Ervin
Kirby, Ratliff, Manning & Greak,
Nevill Manning

### **Offsets**

Chevron USA, Inc. Attn: Permitting Team 6301 Deauville Blvd. Midland, TX 79706

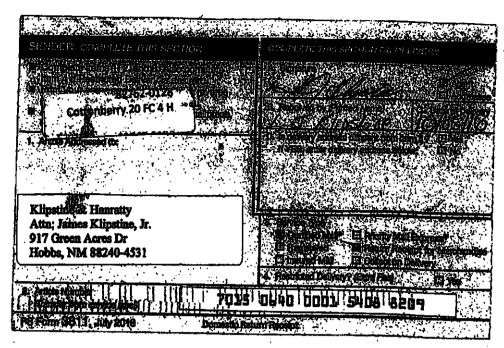
Yates Petroleum Corporation 105 S 4<sup>th</sup> Street Artesia, NM 88210

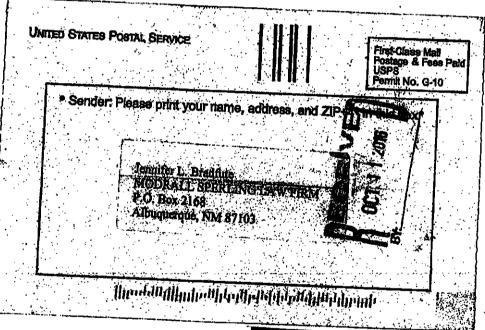
OXY USA Inc. P.O. Box 4294 Houston, Texas 77210

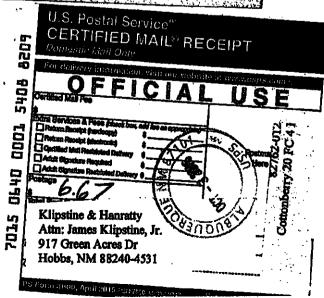
## CIMAREX APPLICATION NOTICE COTTONBERY 20 FED COM 4H MAILED: QCT 3, 2016

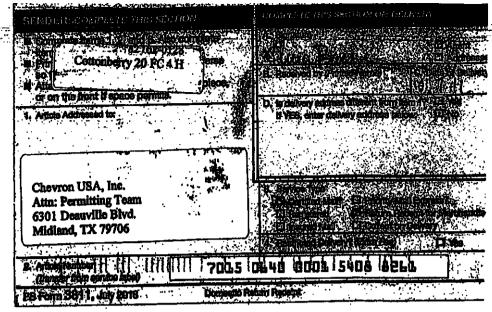
PARTIES	CERTIFIED RECEIPT NO.
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Realeza Del Spear, LP/ Trabajo Del Spear, LP Attn: Shane Spear P.O. Box 1684 Midland, Texas 79702	7015-0640-0001-5408-8193
Klipstine & Hanratty Attn: James Klipstine, Jr. 917 Green Acres Dr Hobbs, NM 88240-4531	7015-0640-0001-5408-8209
Mary Jo Dickerson RR1 Box 846 Lovington, NM 88260	7015-0640-0001-5408-8216
Virginia Lee Davis P.O. Box 1065 Carlsbad, NM 88221	7015-0640-0001-5408-8223
Clarence W. Ervin and Mary I. Ervin 4016 Jones Street Carlsbad, NM 88220	7015-0640-0001-5408-8230
Kirby, Ratliff, Manning & Greak, Attn: Nolan Greak 8008 Slide Road, Suite 30 Lubbock, Texas 79424-2828	7015-0640-0001-5408-8247
Nevill Manning 2112 Indiana Ave Lubbock, Texas 79410	7075-0640-0001-5408-8254
Chevron USA, Inc. Attn: Permitting Team 6301 Deauville Blvd. Midland, TX 79706	7015-0640-0001-5408-8261
Yates Petroleum Corporation 105 S 4th Street Artesia, NM 88210	7015-0640-0001-5408-8278
OXY USA Inc. P.O. Box 4294 Houston, Texas 77210	7015-0640-0001-5408-8285

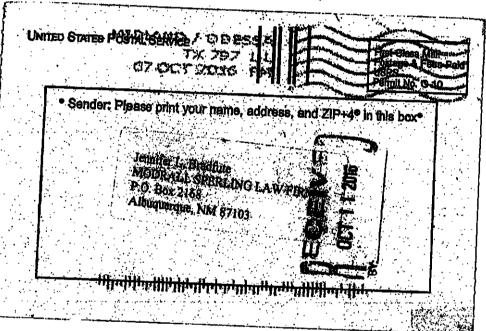
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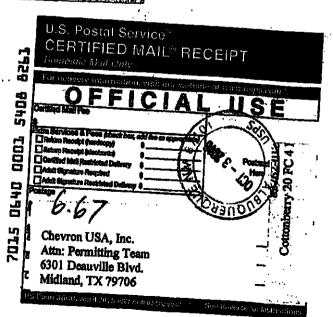


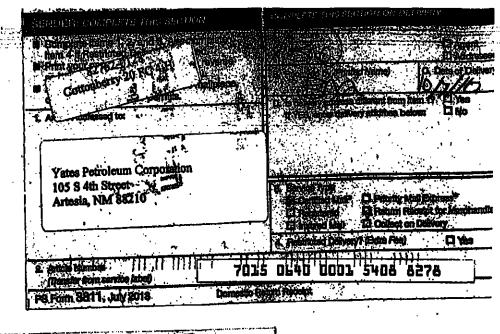


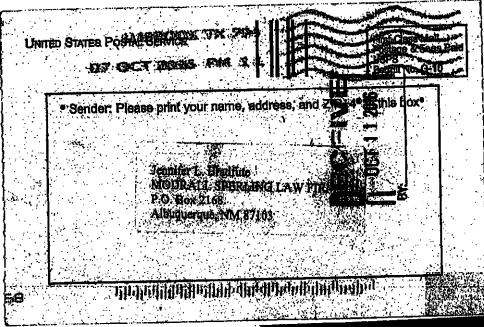


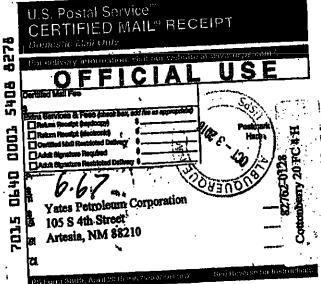


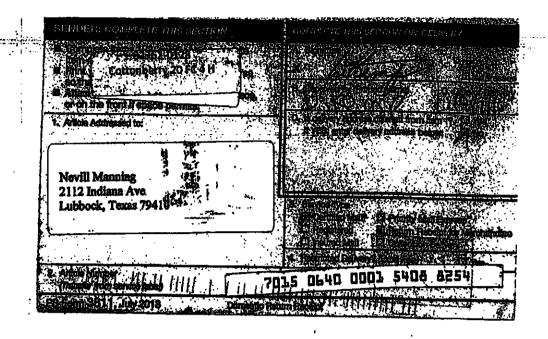


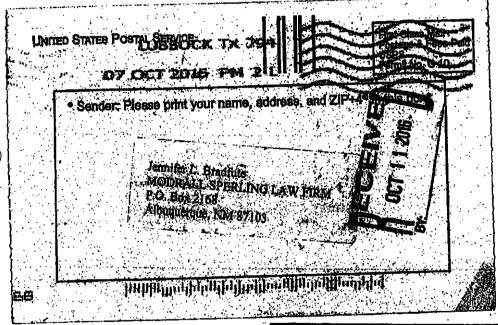


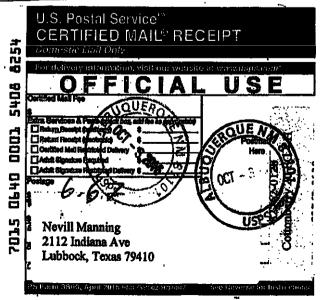


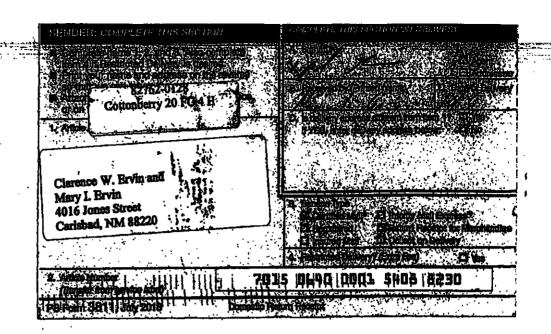


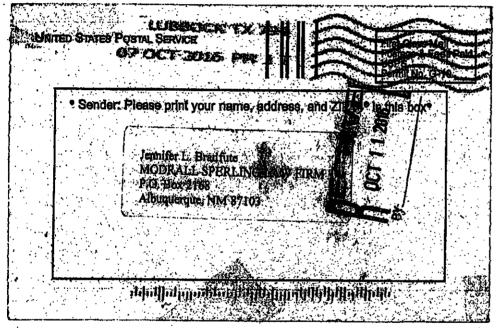




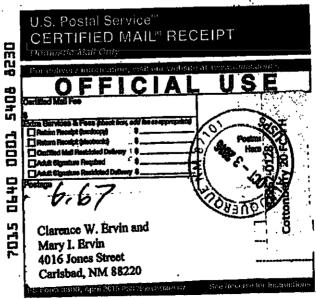


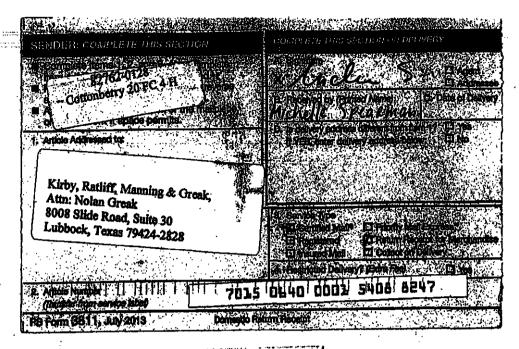


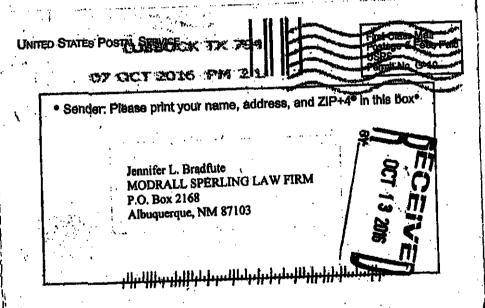




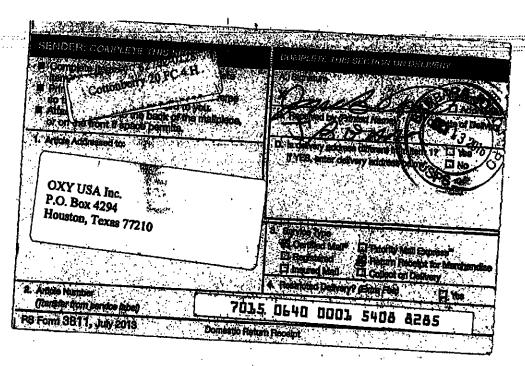
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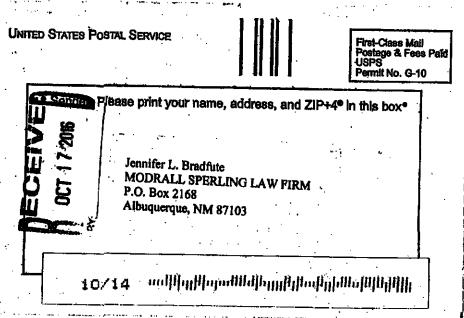




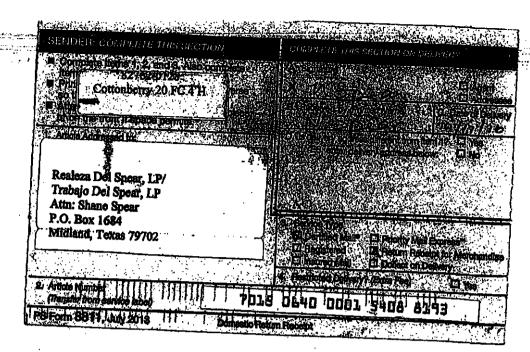


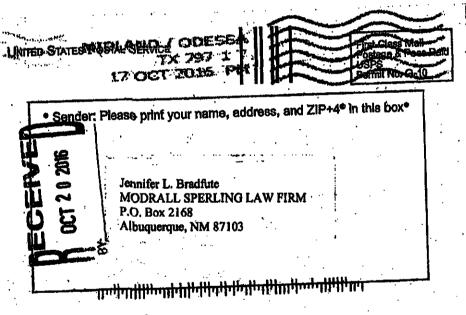


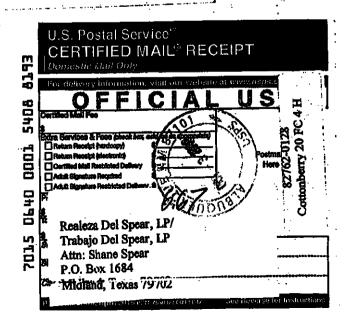














#### MODRALL SPERLING

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RRI Box 846 Lovington, NM 88260 Hasler 10/03/2016 US POSTAGE

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Mary Jo Dickerson NUMBER

SENDER: COMPLETE THIS SECTION Complete items 1.2 82/62-0128 ☐ Agent ☐ Address Cottonberry 20 FC 4 H X B. Received by (Printed Name) C. Date of Delivery or on the front if space permits. D. Is delivery address different from Item 1? 1. Article Addressed to: If YES, enter delivery address below: Mary Jo Dickerson RR1 Box 846 3. Service Type Priority Mall Express\*\*

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| Priority Mall Express\*\*

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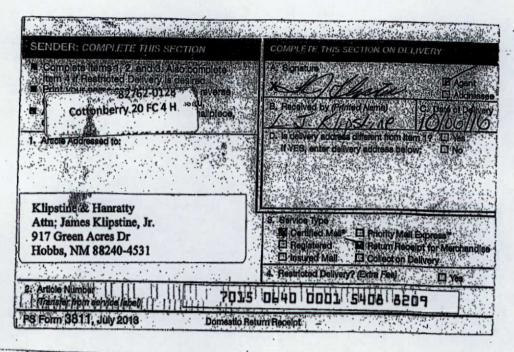
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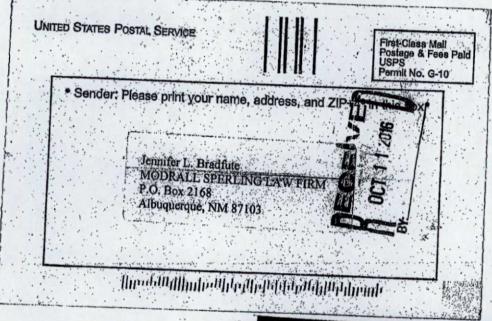
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Mary Jo Dickerson

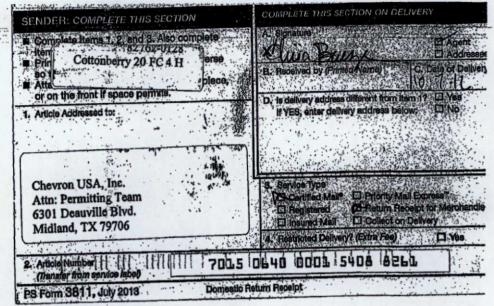
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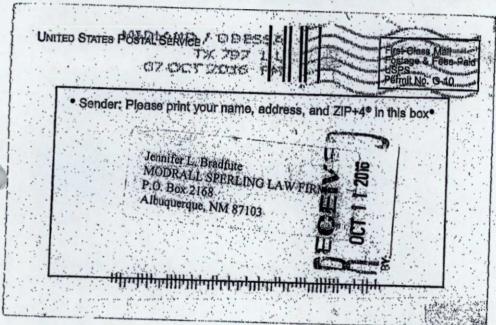
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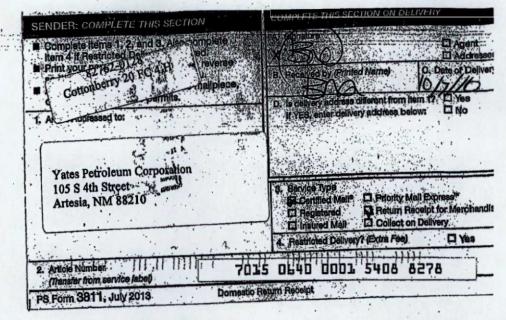


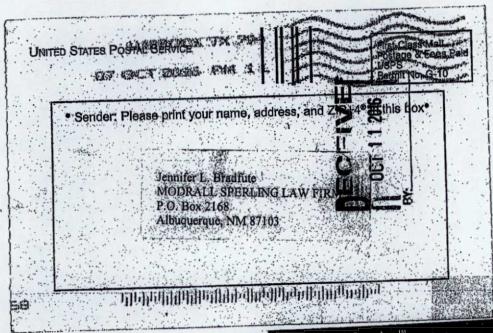




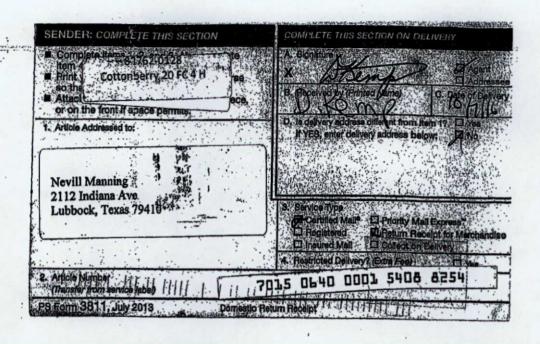
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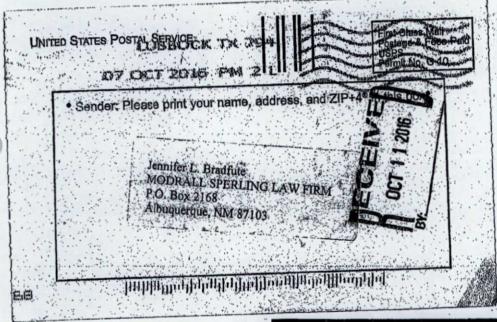




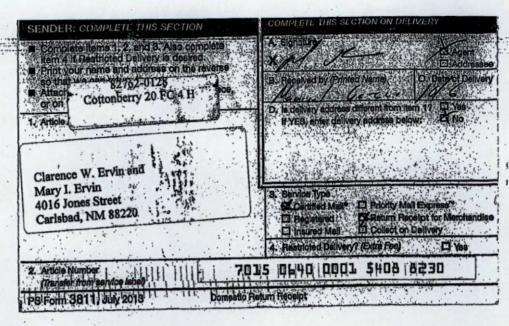


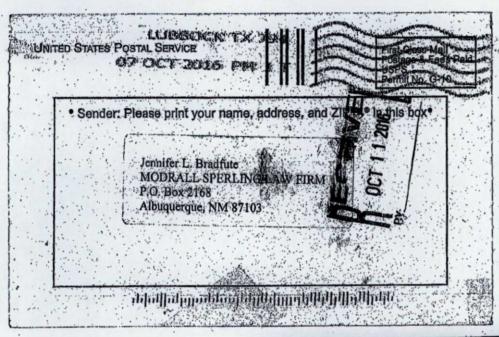




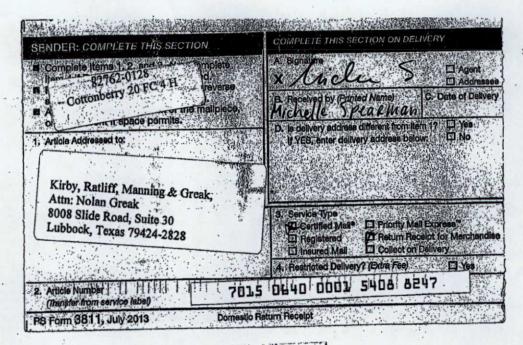


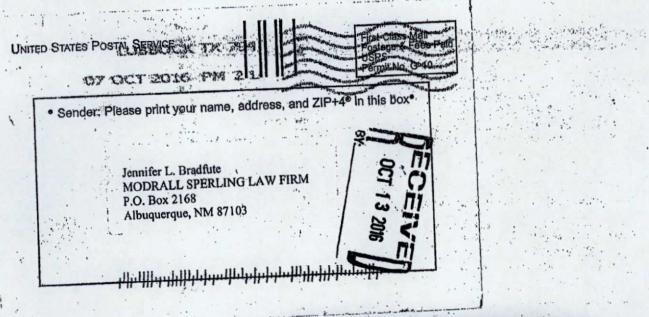


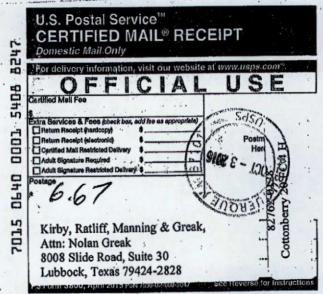


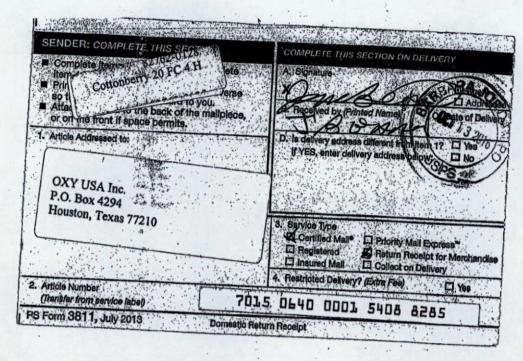










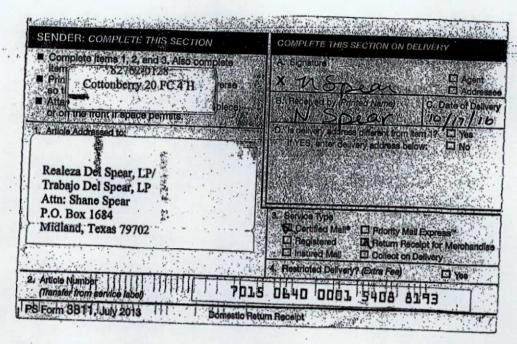


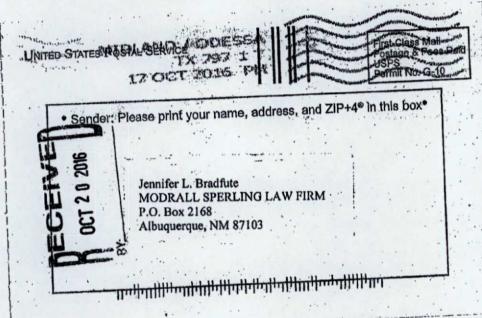
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Jennifer L. Bradfute
MODRALL SPERLING LAW FIRM
P.O. Box 2168
Albuquerque, NM 87103











### MODRALL SPERLING

Modrali Sperling Roehl Herris & Sisk, RA. PO Box 2168 Albuquerque, NM 87103-2168



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Hasler 10/03/2016 US POSTAGE



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May

Mary Jo Dickerson
RRI Box 846
Lovington, NM 88260

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DE	LIVERY	
Complete items 1. 2 802/62-6128 The item  Cottonberry 20 FC 4 H	A. Signature	☐ Agent☐ Addressee	
■ Attack or on the front if space permits.	B. Received by (Printed Name)	C. Date of Delivery	
1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: 10 No		
Mary Jo Dickerson			
RRI Box 846 Lovington, NM 88260	3. Service Type  Clicertified Meli* Registered Insured Mall Collect or	ecelpt for Merchandise	
	4. Restricted Delivery? (Extra Fee) Yes		
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Add Signature Restricted Delivery

Add Signature Restricted Delivery

Postage

Mary Jo Dickerson

RR1 Box 846

Lovington, NM 88260

#### **Affidavit of Publication**

State of New Mexico, County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

That he is the Publisher of the Carlsbad Current-Argus, newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

October 13

2016

That the cost of publication is \$95.49 and that payment thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this 4 day of 15 1501 . 2016

My commission Expires 2/3/17

**Notary Public** 

