

DATE IN 8/5/16	SUSPENSE	ENGINEER LRL	LOGGED IN 8/15/16	TYPE NSP	APP NO. PLEL1622835463
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Case 15561

NSP-2051

## 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

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

CIMEREX ENERGY

CO.

[#215099]

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☒ NSP ☐ SD

API# 30-015-42180

WELL: Klein 33 Fed Com ~~7H~~, ~~7H~~

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

POOL: BONE SPRING

WC-015G-04 92626251

[#98018]

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

Terri Stathem  
Print or Type Name

Signature

Regulatory Manager  
Title

08/05/16  
Date

tstathem@cimarex.com  
e-mail Address



Cimarex Energy Co.

202 S. Cheyenne Ave. ♦ Suite 1000 ♦ Tulsa, OK 74103 ♦ (432) 620-1938 ♦ Fax (432) 620-1940

• A NYSE Listed Company • "XEC"

August 5, 2016

David Catanach  
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 a Non-Standard Spacing Unit/Horizontal Project Area for its Klein 33 Federal Com #5H (API No. 30-3015-42098) Klein 33 Federal Com #7H (API No. 30-015-42180) and Klein 33 Federal Com #8H (API No. 30-015-42181), located in Section 33, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.***

Dear Mr. Catanach:

Cimarex Energy Co. ("Cimarex") (OGRID No. 215099) is seeking administrative approval under Division Rules 19.15.15.11 NMAC for a 446.84 Acre Non-Standard Spacing Unit/Horizontal Project Area comprising of E/2 W/2 and W/2 E/2 of Section 28 and Unit Letter B, C, and Lot 2 and 3 of Irregular Section 33, all in township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

The Klein 33 Federal Com #5H was drilled as a horizontal standard well location in the Bone Spring Pool (98018). We propose dedicating the well to the proposed non-standard proration unit. Due to the irregular section 33 the Klein 33 Federal Com #5H well had a previously approved NSP (NSP 2004).

The proposed Klein 33 Federal Com #8H well will be drilled as a horizontal standard well location in the Bone Spring Pool (98018). We propose dedicating the well to the proposed non-standard proration unit.

The proposed Klein 33 Federal Com #7H well will be drilled as a horizontal non-standard well location in the Bone Spring Pool (98018). We propose dedicating the well to the proposed non-standard proration unit.

The WC-015 G-04 S262728S; Bone Spring Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40- acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit/project area.

The attached Exhibit A, B and C, plats show section 33 is an irregular section whose southern boundary is the New Mexico/Texas state line. This section is comprised of four standard 40 acre units (A, B, C, & D) and four non-standard lots (1, 2, 3 & 4) that each comprise of approximately 24 acres.

The current development of Sections 28 and 33 in the Bone Spring Formation in this manner proposed by Cimarex represents a reasonable and effective method to produce the Bone Spring and drain the 446.84 spacing unit. The Klein 33 Federal Com #5H well is drilled through the E2 W2, the proposed Klein 33 Federal Com #8H well will be drilled through the W2 E2 and the proposed Klein 33 Federal Com #7H will drill along the center line crossing from the W2 E2 to the E2 W2.

Affected Offset Acreage-Non-Standards Spacing Unit Division Rule 19.15.4.12 (A)(3) requires that notice for Non Standard proration units be provided to "owners of interest in the mineral estate to be excluded from the proration unit in the quarter-quarter section for 40-acre pools or formations, the one-half quarter section for the 80-acre pools or formations, the quarter section for 160-acre pools or formations, the half section for 320-acre pools for formations or section for 640-acre pools or formations in which the non-standard unit is located". As shown on the attached plat, and as previously stated in this application, all acreage in Irregular Section 33 will ultimately be included in one of four horizontal Bone Spring Project Areas operated by Cimarex. Since no acreage will be excluded from participating in Bone Spring development in Sections 28 and Irregular section 33, no interest owner is affected by the proposed non-standard spacing unit, and consequently, notice of this application is not required, and has not been provided to any party.

Attached as Exhibit A, B, C are the C-102s showing the proposed wells and spacing units. Klein 33 Federal Com #7H, Exhibit B shows the non-standard proration unit for all wells. Please note there are no other Bone Springs producing wells within the non-standard proration unit.

In summary, approval of the application will provide Cimarex the opportunity to recover oil and gas reserves from the Bone Spring pool underlying the proposed non-standard project area thereby preventing waste and will not violate correlative rights.

If you should have any questions, please call me at 432-620-1936.

Sincerely,



Terri Stathem  
Regulatory Manager  
Cimarex Energy Co.

## **Lowe, Leonard, EMNRD**

---

**From:** Terri Stathem <TStathem@cimarex.com>  
**Sent:** Friday, September 23, 2016 8:57 AM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Jones, William (wjones@slo.state.nm.us)  
**Subject:** NSP application information - Klein 33 Fed

It was very good to meet you this week. I appreciate you taking the time to talk with us about our upcoming drilling projects.

I sent you the revised C102 on September 1 to correct the FTP for the #7H and 8H. The #5H did not require a change.

### **Klein 33 Federal 5H:**

SHL: 210' FSL 1980' FWL – Sec. 33, 26S, 27E  
FTP: 330' FSL 1980' FWL – Sec. 33, 26S, 27E  
LTP: 345' FNL 1713' FWL – Sec. 28, 26S, 27E  
BHL: 345' FNL 1713' FWL – Sec. 28, 26S, 27E

### **Klein 33 Federal 7H:**

SHL: 290' FSL 2560' FEL – Sec. 33, 26S, 27E  
FTP: 330' FSL 2660' FEL – Sec. 33, 26S, 27E  
LTP: 330' FNL 2660' FEL – Sec. 28, 26S, 27E  
BHL: 330' FNL 2660' FEL – Sec. 28, 26S, 27E

### **Klein 33 Federal 8H:**

SHL: 290' FSL 2540' FEL – Sec. 33, 26S, 27E  
FTP: 330' FSL 1700' FEL – Sec. 33, 26S, 27E  
LTP: 330' FNL 1700' FEL – Sec. 28, 26S, 27E  
BHL: 330' FNL 1700' FEL – Sec. 28, 26S, 27E

Thanks and please let me know if you have any other question. We are ready to drill these wells as soon as we have these approvals.

Thanks,

*Terri Stathem*

Manager – Regulatory Compliance  
202 S. Cheyenne Ave, Suite 1000  
Tulsa, OK 74103-3001

Office: 918-585-1100  
Direct: 432-620-1936  
Cell: 918-633-9702  
Fax: 918-749-8059

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30015-42180</b>	<sup>2</sup> Pool Code <b>98018</b>	<sup>3</sup> Pool Name <b>Wildcat; Bone Spring</b>
<sup>4</sup> Property Code <b>40358</b>	<sup>5</sup> Property Name <b>KLEIN 33 FEDERAL COM</b>	<sup>6</sup> Well Number <b>7H</b>
<sup>7</sup> OGRID No. <b>215099</b>	<sup>8</sup> Operator Name <b>CIMAREX ENERGY CO.</b>	<sup>9</sup> Elevation <b>3197'</b>

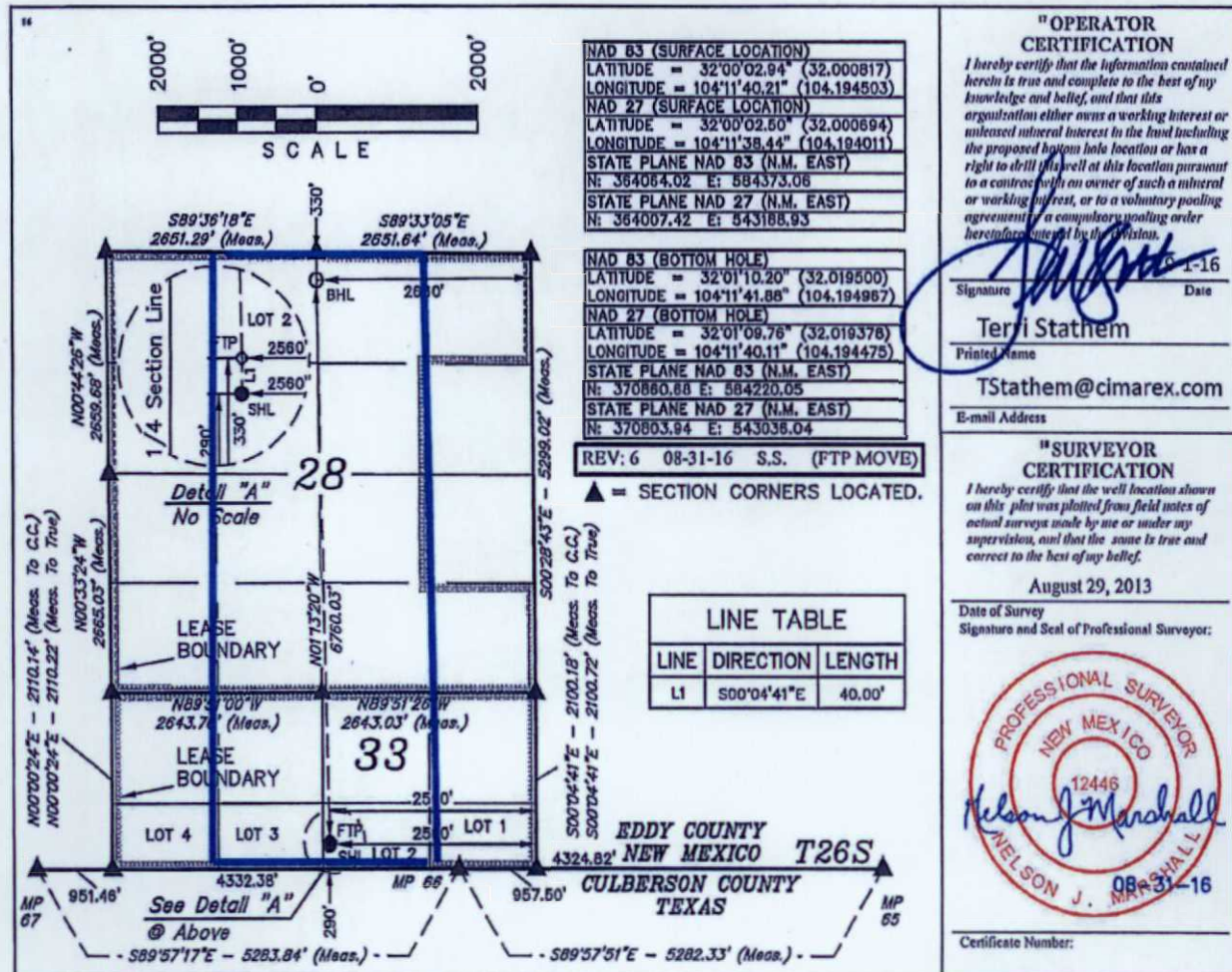
**"Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>2</b>	<b>33</b>	<b>26S</b>	<b>27E</b>		<b>290</b>	<b>SOUTH</b>	<b>2560</b>	<b>EAST</b>	<b>EDDY</b>

**"Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>28</b>	<b>26S</b>	<b>27E</b>		<b>330</b>	<b>NORTH</b>	<b>2660</b>	<b>EAST</b>	<b>EDDY</b>
<sup>10</sup> Dedicated Acres <b>446.36'</b>	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





NSP

Township 26 South Range 27 East of the New Mexico Principal Meridian, New Mexico

County: Eddy - 015

BLM Field Office: Carlsbad

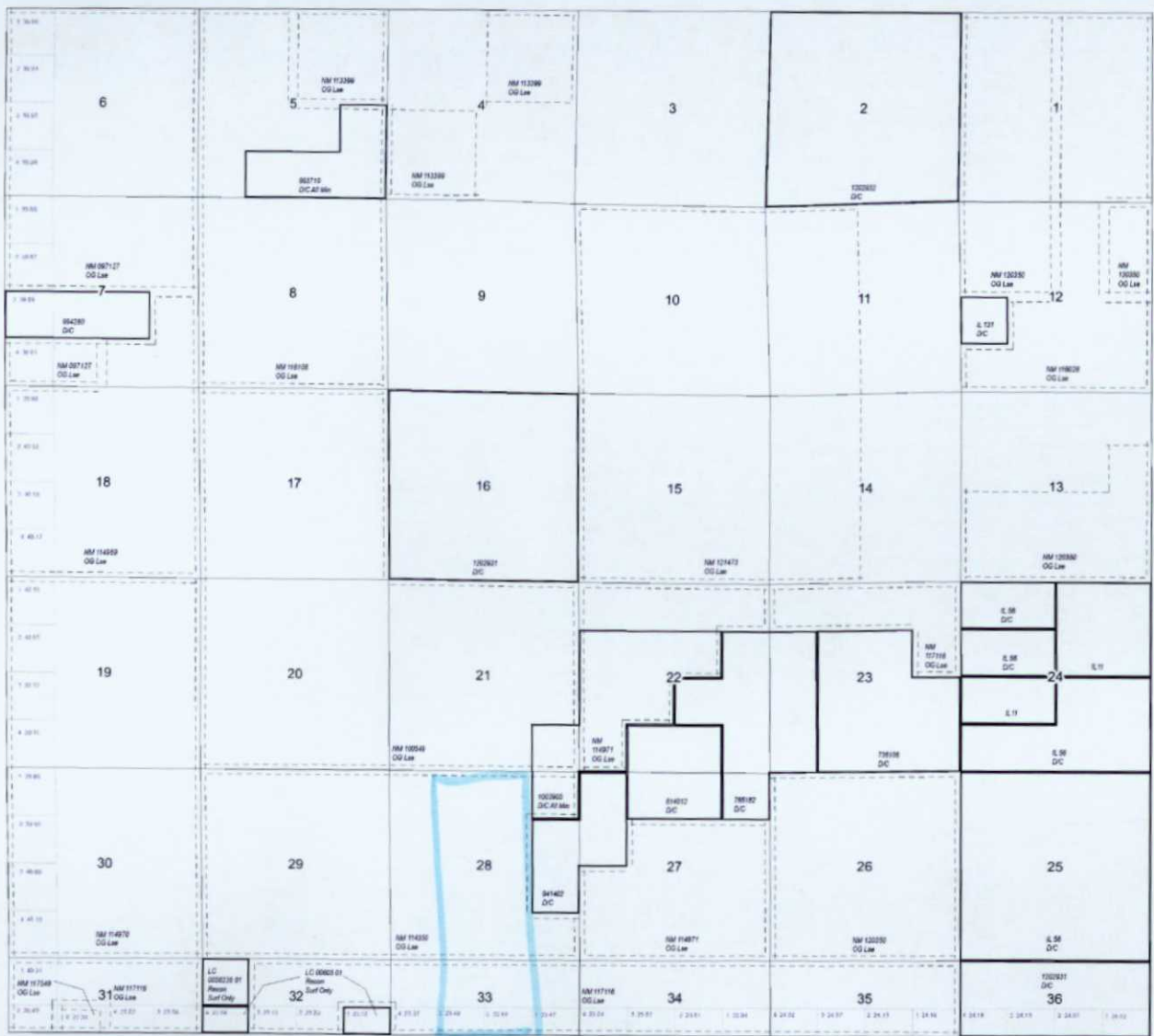
BUREAU OF LAND MANAGEMENT  
STATUS OF PUBLIC DOMAIN  
LAND AND MINERALS

KLEIN 33 FEDERAL COM #7H

API # 300-15-42180

OG Plat

T26S R27E  
COMMUNITIZATION AGREEMENTS  
NM 132432  
NM 133038  
NM 133048  
NM 133608  
NM 134271  
NM 134466  
NM 134622  
NM 134772



SEC 28 => 320 Acres  
SEC 33 => 40 + 40  
+ 23.40 + 23.44  
= 126.84 Acres  
446.84

NOTE: The Serial Numbers displayed are the BUREAU'S RECORD SERIALS.  
If there is a zero in the 7th position from the right, the serial number has a "prefix" zero.  
example NM 0012345.  
If there is not a zero in the 7th position from the right then the serial number does not have a "prefix" zero.  
example NM 0112345.



1 inch = 30 chains  
1 : 23,760

CAVEAT STATEMENT  
This plat is the Bureau's Record of Title, and should be used only as a graphic display of the township survey data. Records hereon do not reflect title changes which may have been affected by lateral movements of rivers or other bodies of water. Refer to the cadastral surveys for official survey information.

T 26 S  
R 27 E  
NMPM

**OCD Permitting**

Home Land Searches Land Details

**Section : 33-26S-27E**

Type: Normal

Total Acres: 253.68

County: Eddy (15)

D (D) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	C (C) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	B (B) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	A (A) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40
E (4) Federal <sup>1</sup> Federal <sup>2</sup> (15) 23.37	F (3) Federal <sup>1</sup> Federal <sup>2</sup> (15) 23.4	G (2) Federal <sup>1</sup> Federal <sup>2</sup> (15) 23.44	H (1) Federal <sup>1</sup> Federal <sup>2</sup> (15) 23.47

*126.84 Acre*Note<sup>1</sup> = Surface Owner RightsNote<sup>2</sup> = Sub-Surface Mineral Rights**Land Restrictions**

No land restrictions found for this section.

Return to Search

*Tot = 446.84 Acre*

*63.4*  
*+ 180*  
*223.4*

- 015-42180

NSP

Wells Operators Operator Data OCD Only Administration

**OCD Permitting**

Home Land Searches Land Details

**Section : 28-26S-27E**

Type: Normal

Total Acres: 640

County: Eddy (15)

D (D) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	C (C) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	B (B) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	A (A) Fee <sup>1</sup> Federal <sup>2</sup> (15) 40
E (E) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	F (F) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	G (G) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	H (H) Fee <sup>1</sup> Fee <sup>2</sup> (15) 40
L (L) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	K (K) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	J (J) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	I (I) Fee <sup>1</sup> Fee <sup>2</sup> (15) 40
M (M) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	N (N) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	O (O) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	P (P) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40

320 Acre

Note<sup>1</sup> = Surface Owner RightsNote<sup>2</sup> = Sub-Surface Mineral Rights**Land Restrictions**

No land restrictions found for this section.

[Return to Search](#)



**Lowe, Leonard, EMNRD**

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**From:** Terri Stathem <TStathem@cimarex.com>  
**Sent:** Friday, August 05, 2016 11:21 AM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** McMillan, Michael, EMNRD  
**Subject:** NSP - Cimarex Energy - Klein 33 Federal Com #5H, 7H, & 8H  
**Attachments:** NSP Klein 33 Fed 5 7 8 application.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Please see attached NSP application for the Klein 33 Federal Com #5H, 7H and 8H wells as discussed yesterday.

Please let me know if you have any questions. The original documents will be mailed to you overnight mail.

Thanks,

*Terri Stathem*

Manager – Regulatory Compliance  
202 S. Cheyenne Ave, Suite 1000  
Tulsa, OK 74103-3001

Office: 918-585-1100  
Direct: 432-620-1936  
Cell: 918-633-9702  
Fax: 918-749-8059



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Operator Copy

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM114350
2. Name of Operator CIMAREX ENERGY COMPANY OF CO		6. If Indian, Allottee or Tribe Name
3a. Address 202 S CHEYENNE AVE SUITE 1000 TULSA, OK 74103.4346		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 918-560-7060		8. Well Name and No. KLEIN 33 FEDERAL COM 7H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T26S R27E Lot 2 210FSL 2530FEL 32.000215 N Lat, 104.113986 W Lon		9. API Well No. 30-015-42180-00-X1
		10. Field and Pool, or Exploratory WILDCAT
		11. County or Parish, and State EDDY COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The permit for this well is due to expire 3/4/16. Cimarex respectfully requests a 2 year permit extension due to rig scheduling.

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

SEP 28 2016

RECEIVED

APPROVED FOR 24 MONTH PERIOD  
ENDING 3-5-2018

14. I hereby certify that the foregoing is true and correct. Electronic Submission #314562 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY OF CO, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/10/2015 (16JAS09829E)	
Name (Printed/Typed) ARICKA EASTERLING	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 08/28/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>[Signature]</u>	Title	Date <u>11/20/15</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***