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

**APPLICATION OF CIMAREX
ENERGY CO. FOR COMPULSORY
POOLING, LEA COUNTY,
NEW MEXICO**

CASE NO. __20307__

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 pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. 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 wells thereon.

2.   Cimarex seeks to dedicate the W/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.

3.   Cimarex plans to drill the **Dos Equis 12-13 Federal Com 73H** well to a depth sufficient to test the Wolfcamp formation. The Dos Equis 12-13 Com 73H well is a horizontal well with a surface location 360' FNL and 2350' FEL of Section 12 Township 24 South, Range 32 East, Lea County, and the intended bottom hole location is 100' FSL and 1980' FEL of Section 13, Township 24 South, Range 32 East, Lea County.

4.   This well will be located within the Wildcat Wolfcamp pool and will comply with the Division's setback requirements.

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

6. The creation of a horizontal spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, this case is set for hearing before an Examiner of the Oil Conservation Division on March 7, 2019, Cimarex requests that, after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico;

B. Designating Cimarex as operator of this unit and the well to be drilled thereon;

C. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. 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 this 25th day of January, 2019.

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

By:_____

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CASE NO. ____ : Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Dos Equis 12-13 Federal Com 73H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 26 miles southwest of Hobbs, New Mexico.