

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

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. R-21033 FOR
AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE**

**Case No. _____;
Reopen Case No. 20746 and Amend
Order No. R-21033**

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the New Mexico Oil Conservation Division (“Division”), pursuant to Paragraphs (5) and (6), under “IT IS THEREFORE ORDERED THAT” of Division Order No. R-21033, in order to reopen Case No. 20746, and request a nine-month extension of the well commencement deadline in the Order, which was issued January 23, 2020, followed by the Division Director’s Letter dated December 12, 2020 (“Initial Extension”), extending the Order’s commencement date to January 23, 2022. This Order pooled all uncommitted interests in the Bone Spring formation underlying the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and granted Cimarex the operating rights for the proposed Parkway 16-17 State Com 1H Well and development of these lands as a unit.

Said Paragraph (5) of the Order allows for an extension for good cause shown. The Initial Extension granted an extension of the spud date to January 23, 2022, and provided that “[a]ll other provisions of this order remain in full force and effect.” Pursuant to said Paragraph (5) of the Order, still in full force and effect, Cimarex respectfully requests opportunity for an additional extension of the commencement date based on its showing of good cause.

In support of its Application, Cimarex states the following. Cimarex is in good standing under state-wide rules and regulations with respect to Order No. R-20133, and in good-faith has made substantial progress toward the development of the unit since the Order was issued: (1) by obtaining a Permit to Drill; (2) by successfully entering into an operating agreement with an owner of a large amount of the acreage, and continuing to work with the other owners to finalize agreements; and (3) by successfully completing one trade within the unit and working toward an additional trade. Cimarex will continue to work with the remaining uncommitted interest owners and provide them with the updated Order, with Extension, if granted.

The Initial Extension was requested and granted just prior to the full onset of the COVID public health emergency and economic downturn, and consequently, Cimarex experienced delays and logistical issues in its drilling plans and operations for the Bone Spring formation in these lands, due to a contraction of rig availability under the interceding economic downturn. While grappling with these difficulties, Cimarex had to re-group and reorganize its plans and drilling schedule, finally consolidating plans for the Parkway 16-17 State Com 1H Well to be drilled simultaneously with five other Parkway wells in the area in order to optimize the efficiency of drilling operations and completion of the wells, which include the Parkway 15-14 South State Com 1H and 2H Wells, the Parkway 16-17 State Com 3H Well, the Parkway 16 State Com 4H Well, and the Parkway 16-17 State Com 2H Well. Accordingly, Cimarex respectfully submits that this application for an extension of time will ensure a coordinated effort that allows for the timely drilling and completion of all the Parkway wells and thereby prevents waste, better protects correlative rights, and prevents the drilling of unnecessary wells.

Cimarex recognizes the need for diligence in its revised plans and drilling schedule, and in an effort to promote such consideration, is requesting a time extension of nine months instead of the standard one year in order to make a good-faith effort to expedite its plans.

WHEREFORE, Cimarex respectfully requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 9, 2021, and after notice and hearing as required by law, that, based on good cause shown by Cimarex in the reasons above-described and enumerated, the Division amend Order No. 21033 in a manner that provides for a nine-month extension of the well commencement deadline, through October 23, 2022, and that affords Cimarex the opportunity to continue its development of the unit without interruption.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of Cimarex Energy Co., to Amend Order No. R-21033 for a -Nine-month Extension of the Well Commencement Deadline, Eddy County, New Mexico. Applicant in the above-styled cause seeks to re-open Case No. 20746 and amend Division Order No. R-21033 in order to obtain, based on good cause shown, a nine-month extension of the well commencement deadline, as amended, through October 23, 2022. Order No. R-21033 pooled uncommitted interest owners and granted Applicant operating rights for the Parkway 16-17 State Com 1H Well proposed to be drilled into the Bone Spring formation underlying the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The well and lands are located approximately 2.5 miles southeast of Artesia, New Mexico.