

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

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. 21325-A,
EDDY COUNTY, NEW MEXICO**

**CASE NO.
ORDER NO. R-21325-A
(Re-Open)**

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID Number 215099, through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21325-A to allow for a second extension of time for Cimarex to commence drilling the initial well under the Order. In support of this application, Cimarex states as follows:

1. Order No. R-21325 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 34, Township 25 South, Range 26 East, and the E/2 W/2 of Section 3, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico.
2. Order No. R-21325 designated Cimarex as the operator of the wells and the unit.
3. The Division Hearing for Case No. 20784 was held on October 3, 2019.
4. The Division entered Order No. R-21325 in Case No. 20784 on May 7, 2020.
5. In February 2021, Cimarex requested that Order No. R-21325 be re-opened and amended to allow Cimarex additional time to commence drilling the initial well under the Order.
6. On March 15, 2021 (in Case No. 21698), the Division entered Order No. R-21325-A, in which the Division granted Cimarex’s application to extend the period of time to commence drilling the initial well under the Order until March 15, 2022. *See* Order R-21325-A ¶ 7.

7. Order No. R-21325-A, ¶ 8 states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operation applies, and OCD grants, to amend Order R-21325 for good cause shown.”

8. Good cause exists for Cimarex’s request for a second extension of time.

9. As Cimarex explained in its first extension request, there have been changes in Cimarex’s drilling schedule due to COVID-19 and the then-existing market conditions.

10. Cimarex’s operations and drilling activity continue to be impacted by COVID-19 and oil and gas market conditions, which continue to delay Cimarex’s drilling plans.

11. Under Order No. R-21325-A, Cimarex would be required to commence drilling the initial well by March 15, 2022.

12. Cimarex asks that the deadline to commence drilling the initial well be extended for a year from March 15, 2022 to March 15, 2023.

WHEREFORE, Cimarex requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21325-A to extend the time for Cimarex to commence drilling the initial well under the Order for a year, through March 15, 2023.

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

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CASE NO. _____: (Re-Open) Application of Cimarex Energy Co. to Amend Order No. R-21325-A, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21325-A to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21325 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 34, Township 25 South, Range 26 East, and the E/2 W/2 of Section 3, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico. Said area is located approximately 8.5 miles southeast of Whites City, New Mexico.