

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

**APPLICATION OF CIMAREX
ENERGY CO. FOR COMPULSORY
POOLING, LEA 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 pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2E/2 of Sections 29 and 32, Township 23 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 a well thereon.
2. Cimarex seeks to dedicate the W/2E/2 of Sections 29 and 32, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, Wolfcamp horizontal spacing unit.
3. Cimarex plans to drill the **James 32-29 Federal Com 43H** well to a depth sufficient to test the Wolfcamp formation.
4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
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, Cimarex requests that this case be set for hearing before an Examiner of the Oil Conservation Division on April 7, 2022, and 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/2E/2 of Sections 29 and 32, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;

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

C. Authorizing Cimarex to recover its costs of drilling, completing, and equipping the 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,

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

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Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.

Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2E/2 of Sections 29 and 32, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **James 32-29 Federal Com 43H** well, to be horizontally drilled. The completed interval for the 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 23.5 miles east of Loving, New Mexico.