

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

**APPLICATION OF CIMAREX ENERGY CO. OF
COLORADO TO AMEND ORDER NO. R-20797
TO ADD ADDITIONAL POOLED PARTIES,
EDDY COUNTY, NEW MEXICO**

Case No. _____
(formerly Case No. 20397)

APPLICATION

Cimarex Energy Co. of Colorado (“Cimarex Colo.”), OGRID No. 162683, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to NMSA 1978, Section 70-2-17, seeking to amend Order No. R-20797, to provide Cimarex Colo. the opportunity to pool additional record title owners in the Bone Spring formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Sections 15 and 14, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

In support of its Application, Cimarex Colo. states the following:

1. Cimarex Colo. is the designated operator pursuant to Change of Operator Form C-145 received by the Division on July 27, 2020, by which Cimarex Colo. succeeded to the operating rights of Cimarex Energy Co. obtained under Order No. R-20797 entered in Case No. 20397 on August 28, 2019.
2. Order No. R-20797 pooled uncommitted interest owners in the Bone Spring formation [Turkey Track: Bone Spring Pool (Code 60660)] underlying a standard 320-acre, more

or less, horizontal spacing unit (“HSU”) comprised of the S/2 N/2 of Sections 15 and 14, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

3. This HSU is currently dedicated to the **Parkway 15-14 North State Com 2H Well**, (API No. 30-015-46335), an oil well, horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 14.

4. Cimarex Colo. has been unable to locate certain record title owner (“RTOs”) in the HSU, who own record title but no working interest and who are not subject to the pooling proceedings giving rise to Order No. R-20797; and therefore, Applicant has sought but is unable to obtain by voluntary agreement the RTOs’ interest for the development of these lands.

5. As an owner of record title, the RTO, similar to an owner of overriding royalty interest, would not be subject to the 200% risk penalty or the overhead rates imposed upon a working interest owner.

WHEREFORE, Cimarex Colo. requests that this Application be set for hearing on July 7, 2022, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order placing this additional RTO under the terms of Order No. R-20797.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of Cimarex Energy Co. of Colorado to Amend Order No. R-20797, to Add Additional Pooled Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-20797 to add additional pooled parties to the pooling of the Bone Spring formation [Turkey Track: Bone Spring Pool (Code 60660)], designated as an oil pool, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Sections 15 and 14, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, previously pooled by said Order. Applicant is the designated operator under Order No. R-20797, that dedicated the unit to the **Parkway 15-14 North State Com 2H Well (API No. 30-015-46335)**, horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 NE/4 (Unit E) of Section 14. The well is orthodox, and the take points and completed interval comply with the setback requirements under the statewide Rules. Applicant seeks to place the additional pooled parties under the terms of Order No. R-20797. The well and lands are located approximately 13 miles northeast of Carlsbad.