

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

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

Case No. _____

APPLICATION

Cimarex Energy Co. of Colorado (“Cimarex”), OGRID No. 162683, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in an interval of the Bone Spring formation, an oil pool, from the top of the First Bone Spring (at a depth of the stratigraphic equivalent of 7,760 measured feet) to a depth of the stratigraphic equivalent of 9,668 measured feet as identified on the Spectral Density Dual Spaced Neutron Log in the Matador Petroleum Corporation Zafiro State 32 Com 1 (API No. 30-025-34508) (“Bone Spring Interval”) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon. Cimarex proposes to drill the **Turnpike 33-32 State Com 214H Well** to a sufficient depth to test the Bone Spring formation.
2. Cimarex proposes and dedicates to the HSU the **Turnpike 33-32 State Com 214H Well**, an oil well, to be horizontally drilled from a surface location in SE/4 NE/4 (Unit H) of Section 33 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 32.
3. The proposed well will be orthodox in its location, as the take points and completed interval will comply with setback requirements under statewide rules.

4. Based on a search of Division records, there exists one overlapping unit: the Union State Com #001 (API 30-025-24992) in the W/2 NW/4 of Section 32, operated by Rhombus Operating Co. Ltd. Cimarex seeks approval of this overlapping unit.

5. Cimarex has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed HSU.

6. The pooling of all interests in the Bone Spring Interval within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in an interval of the Bone Spring formation, an oil pool, from the top of the First Bone Spring (at a depth of the stratigraphic equivalent of 7,760 measured feet) to a depth of the stratigraphic equivalent of 9,668 measured feet as identified on the Spectral Density Dual Spaced Neutron Log in the Matador Petroleum Corporation Zafiro State 32 Com 1 (API No. 30-025-34508) ("Bone Spring Interval") underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico;

B. Designating the **Turnpike 33-32 State Com 214H Well** as the well dedicated to the HSU.

- C. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- D. Authorizing Cimarex to recover its costs of drilling, equipping and completing the well;
- E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of Cimarex Energy Co. of Colorado for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in an interval of the Bone Spring formation, an oil pool, from the top of the First Bone Spring (at a depth of the stratigraphic equivalent of 7,760 measured feet) to a depth of the stratigraphic equivalent of 9,668 measured feet as identified on the Spectral Density Dual Spaced Neutron Log in the Matador Petroleum Corporation Zafiro State 32 Com 1 (API No. 30-025-34508) (“Bone Spring Interval”) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Turnpike 33-32 State Com 214H Well**, an oil well, to be horizontally drilled from a surface location in SE/4 NE/4 (Unit H) of Section 33 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. This unit overlaps with an existing vertical well, the Union State Com #001 (API 30-025-24992) in the W/2 NW/4 of Section 32, for which the Applicant will seek approval. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.