

RECEIVED: 12/13/17	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1730630442
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Cimarex Energy Co. **OGRID Number:** 215099
Well Name: Triste Draw 25 Federal Com 25-23S-32E #11H **API:** 30-025-43997
Pool: Triste Draw Bone Spring **Pool Code:** 96603

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

NSL-7619

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☒ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Zoe E. Lees

Print or Type Name

Signature

October 31, 2017

Date

505-848-1800

Phone Number

zel@modrall.com

e-mail Address



October 31, 2017

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Zoë E. Lees
505.848.1859
Fax: 505.848.9710
zel@modrall.com

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Triste Draw 25 Federal Com #11H well located in the W/2 of the W/2 of Section 25, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico (the “Well”).

Dear Mr. Catanach:

Cimarex Energy Co. (“Cimarex”) (OGRID No. 215099) is seeking administrative approval of an unorthodox well location (“NSL”) for Triste Draw 25 Federal Com 25-23S-32E #11H well (API No. 30-025-43997) to be completed within the Triste Draw Bone Spring pool (Pool Code 96603) underlying the W/2 of the W/2 of Section 25, Township 23S, Range 32E, N.M.P.M., Lea County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal Well that will be drilled as follows:

Triste Draw 25 Federal Com 25-23S-32E #11H

- Surface Hole Location: 510 feet from the South line and 1140 feet from the West line of Section 25, Township 23 South, Range 32 East;
- First Perforation Point: 910 feet from the South line and 1110 feet from the West line of Section 25, Township 23 South, Range 32 East;
- Last Perforation Point and Bottom Hole Location: 330 feet from the North line and 1110 feet from West line of Section 25, Township 23 South, Range 32 East.

Cimarex is requesting this NSL in order to efficiently produce its interests in Section 25, and has included as Exhibit B a letter from an engineer explaining why this application is needed. This Well will produce from the Triste Draw Bone Spring pool (Pool Code 96603). There are no special pool rules for this pool, and thus the setback requirements under Rule 19.15.15.9 of 330’ apply.

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

The completed interval for the proposed Well is closer than 330' from the boundary of the project area. The unorthodox location will encroach towards the E/2 of the W/2 of Section 25, Township 23 South, Range 32 East, and the SE/4 of the SW/4 of Section 24, Township 23 South, Range 32 East. A map showing the surrounding ownership and the project area for the proposed well in relation to adjoining spacing units is attached as Exhibit C.

A list of the parties affected by the encroachment is attached as Exhibit D. Each of these parties has been provided notice of this application by certified mail, return receipt requested, advising them that if they have an objection to the location of this Well, it must be filed with the New Mexico Oil Conservation Division within 20 days of the mailing of this notice. In addition, a copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,



Zoë E. Lees

Attorney for Cimarex Energy Co.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

HOBBS MOD UNDEED REPORT

SEP 08 2017

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025- ¹ APL Number 43997	² Pool Code 96603	³ Pool Name Triste Draw Bone Spring
⁴ Property Code 39851	⁵ Property Name TRISTE DRAW 25 FEDERAL COM	
⁷ OGRID No. 215099	⁶ Operator Name CIMAREX ENERGY CO.	
		⁸ Well Number 11H
		⁹ Elevation 3679.8'

"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	23S	32E		510	SOUTH	1140	WEST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	23S	32E		330	NORTH	1110	WEST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

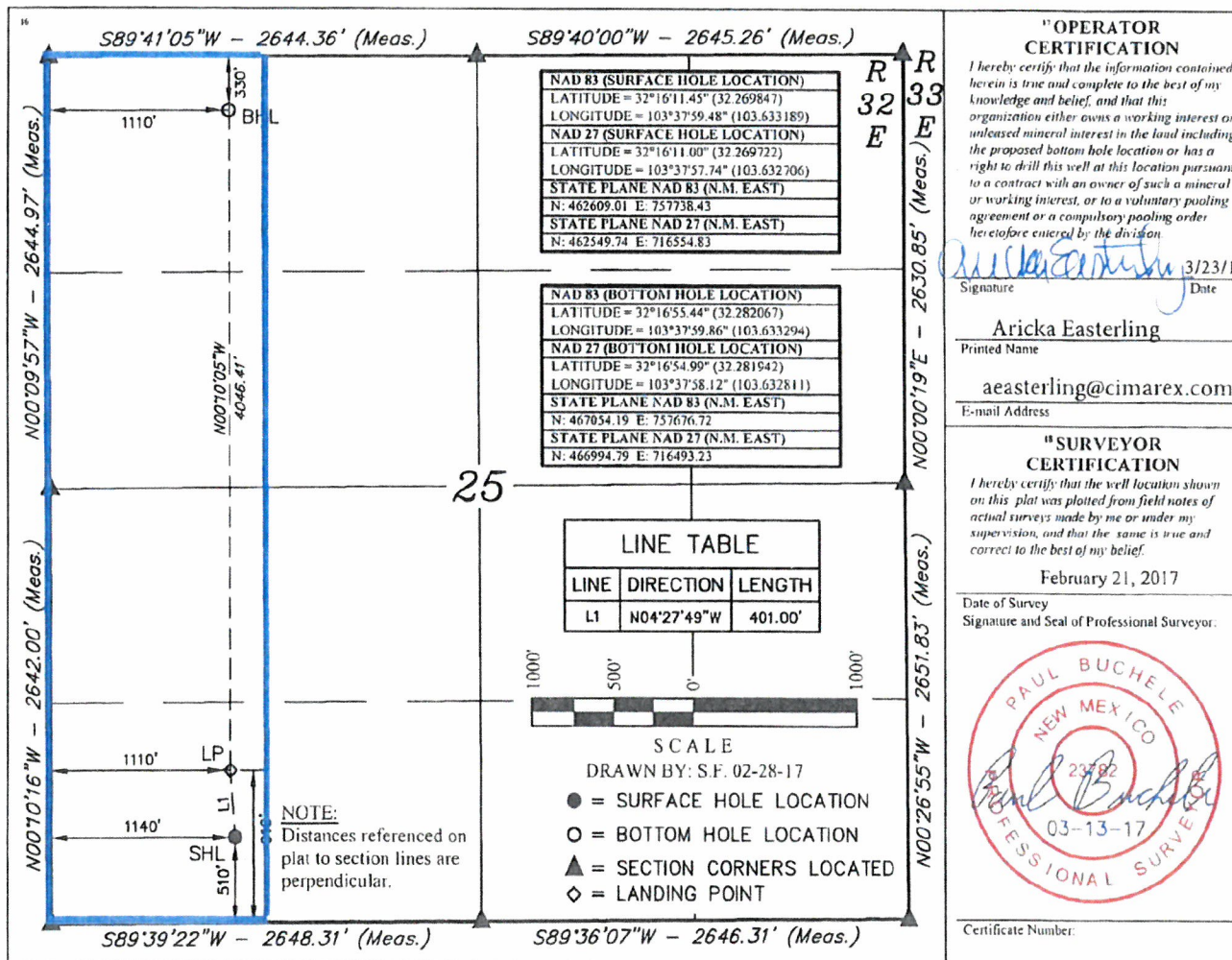


Exhibit A



Cimarex Energy Co.
202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936
• A NYSE Listed Company • "XEC"

October 20, 2017

Mr. Michael McMillian
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, NM 87505

Re: Non-Standard Location Application
Triste Draw 25 Federal 11H – 30-025-43997
Triste Draw 25 Federal 12H – 30-025-43998
Triste Draw 25 Federal 13H – 30-025-44001
Lea County, NM

Dear Mr. McMillian:

Cimarex Energy Co. respectfully requests administrative approval of the non-standard location application for the Triste Draw 25 Federal 11H, 12H & 13H wells.

Cimarex proposes to drill the Triste Draw 25 Federal 11H, 12H, & 13H wells as part of a six well development in the Avalon formation. Cimarex will drill these six wells from two drilling pads and have one central tank battery in order to prevent surface disturbance. The proposed wells will be testing 10 wells per section in the Upper Avalon and 10 wells per section in the Lower Avalon formation which is the tightest spacing tested to date, please see attached Exhibit A for additional information.

Cimarex expects to maximize the recoverable reserves by developing the West half of section 25 in the Upper & Lower Avalon at one time. The Triste Draw 25 Federal 13H is 290', the 12H is 40', and the 11H is 210' away from the West half West half quarter quarter line which allows Cimarex to properly space our Upper and Lower Avalon wells in order to maximize our recoverable reserves. Please see attached C102 for location and horizontal path of the referenced well.

The beneficial knowledge gained from the successful development of our Triste Draw Section 25 spacing pilot will help to determine maximum reserve recovery and possible drilling locations for additional Avalon development in this and other sections of our lease hold.

Thank you for your consideration. Should you have any questions please contact me at 432-620-7800.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Meeks", written in a cursive style.

Adam Meeks
Reservoir Engineer - Permian Exploration

Exhibit B



October 31, 2017

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Triste Draw 25 Federal Com #11H well located in the W/2 of the W/2 of Section 25, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico (the "Well").

Ladies and Gentlemen:

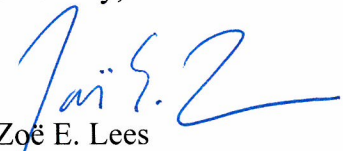
Enclosed in the notice is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application. If no objections are received within twenty days, this application may be administratively approved by the Division.

If you have any questions concerning this application, please contact:

Aricka Easterling
Cimarex Energy Co.
600 N. Marienfeld Street, Suite 600
Midland, TX 79701
Phone No.: (918) 560-7060

If you have no objection to this application, please sign the waiver as indicated below and return the original. Your assistance and cooperation in this matter are appreciated.

Sincerely,


Zoë E. Lees
Attorney for Cimarex Energy Co.

Zoë E. Lees
505.848.1859
Fax: 505.848.9710
zel@modrall.com

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

WAIVER

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for Triste Draw 25 Federal Com 25-23S-32E #11H well located in the W/2 of the W/2 of Section 25, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dated: _____
Signature _____

Triste Draw Sec 25

Exhibit A – Wine Rack

Section 25-23S-32E

Triste Draw 25

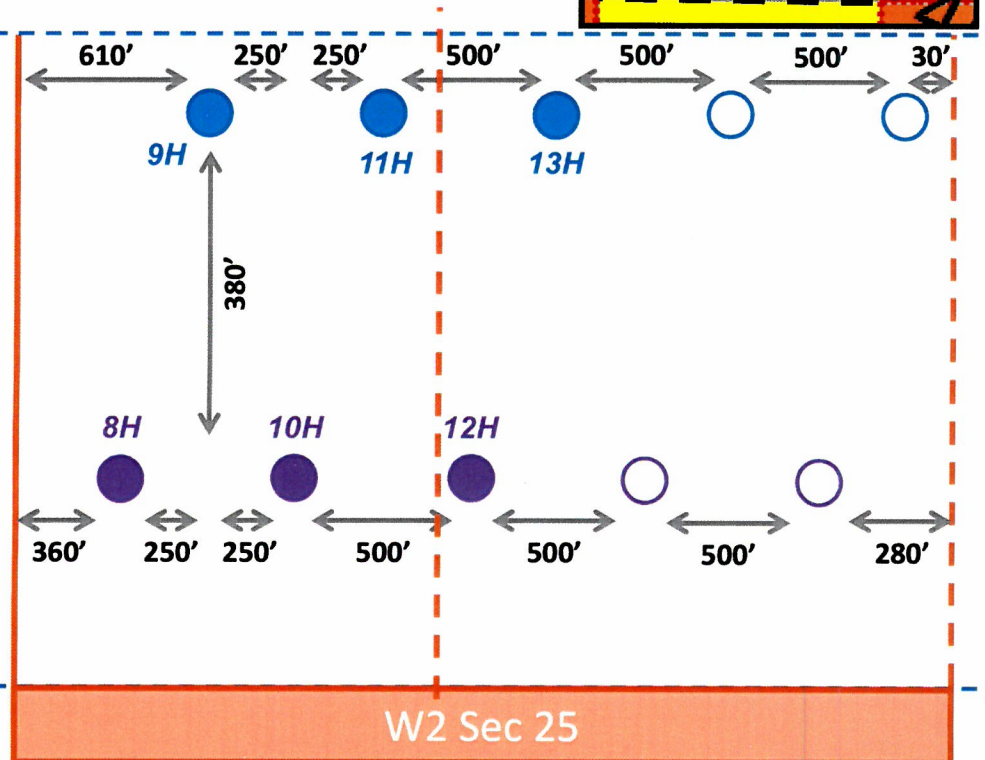
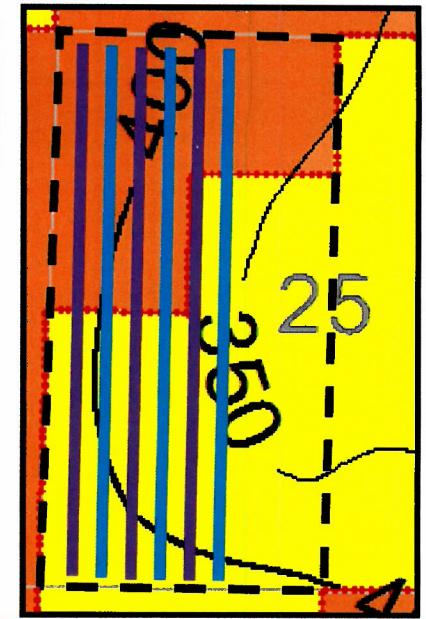
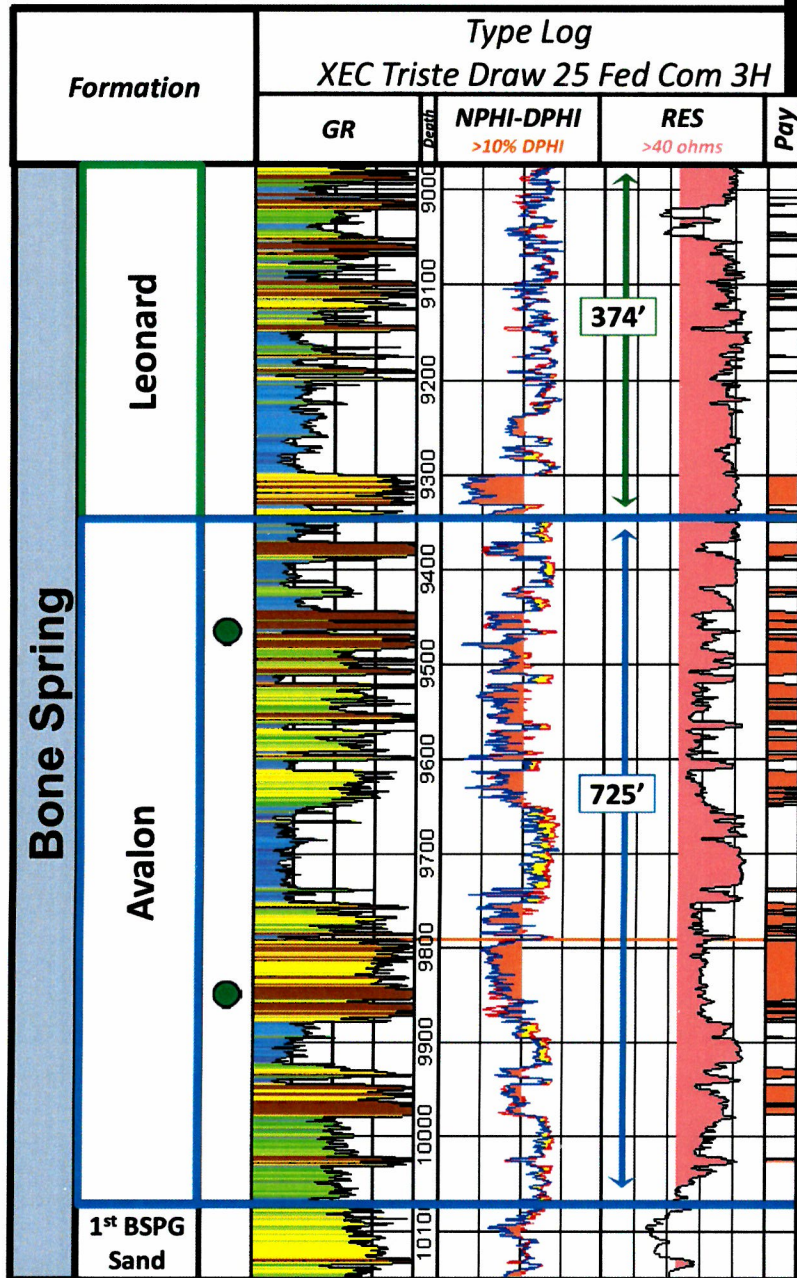


EXHIBIT D

E/2 of the W/2 of Section 25, Township 23 South, Range 32 East:

Conoco Phillips Company – Conoco Phillips Company owns 31.25% of the working interests in this section

3401 E. 30th Street
Farmington, NM 87402

Devon Energy Production, Inc. – Devon Energy Production, Inc. owns 37.5% of the working interests in this section

333 W. Sheridan Avenue
Oklahoma City, OK 73102

Cimarex owns 31.25% of the working interests in this section.

SE/4 of the SW/4 of Section 24, Township 23 South, Range 32 East:

Devon Energy Production, Inc.

333 W. Sheridan Avenue
Oklahoma City, OK 73102

Cimarex Application Notice

Triste Draw 25 Federal Com #11H Well

Mailed October 31, 2017

Parties	Certified Nos.
E/2 of the W/2 of Section 25, Township 23 South, Range 32 East	
Conoco Phillips Company 3401 E. 30 th Street Farmington, NM 87402	7016 0910 0002 1798 9486
Devon Energy Production, Inc. 333 W. Sheridan Avenue Oklahoma City, OK 73102	7016 0910 0002 1798 9493
SE/4 of the SW/4 of Section 24, Township 23 South, Range 32 East	
Devon Energy Production, Inc. 333 W. Sheridan Avenue Oklahoma City, OK 73102	7016 0910 0002 1798 9493

From: Zoe Lees
To: [Lowe, Leonard, EMNRD](#)
Cc: [Jennifer L. Bradfute](#)
Subject: NSL Application for Cimarex
Date: Tuesday, October 31, 2017 3:43:13 PM
Attachments: [NSL Application - Triste Draw 25 Fed Com #11H \(W3078535x7A92D\).pdf](#)

Good Afternoon Leonard,

Attached please find the NSL application for Cimarex Energy Co.'s Triste Draw 25 Federal Com #11H well. Please let me or Jennifer Bradfute know if you have any questions.

Thank you,
Zoe Lees



Zoë E. Lees
Attorney at Law
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1859 | O: 505.848.1800 | F: 505.848.9710

This e-mail may be a confidential attorney-client communication. If you received it in error, please delete it without forwarding it to others and notify the sender of the error.

From: [Lowe, Leonard, EMNRD](#)
To: "Zoe Lees"; "Jennifer L. Bradfute"
Cc: [Brown, Maxey G, EMNRD](#); [Kautz, Paul, EMNRD](#); [Sharp, Karen, EMNRD](#); [Jones, William V, EMNRD](#); [Goetze, Phillip, EMNRD](#); [McMillan, Michael, EMNRD](#); "lisa@rwbyram.com"; "jglover@blm.gov"; "scaffey@blm.gov"; "jstovall@blm.gov"
Subject: APPROVED NSL-7619, NSL-7620, NSL-7621_Cimarex Energy Co._Triste Draw Federal Com Well No. 11H, 12H, 13H_SEC 25 23S 32E
Date: Thursday, December 14, 2017 9:09:00 AM
Importance: High

Ms. Zoe E. Lees

The following administrative orders have been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7619

Cimarex Energy Co.

WELL: Triste Draw Federal Com Well No. 11H, [API #: 30-025-43997]

NSL-7620

Cimarex Energy Co.

WELL: Triste Draw Federal Com Well No. 12H, [API #: 30-025-43998]

NSL-7621

Cimarex Energy Co.

WELL: Triste Draw Federal Com Well No. 13H, [API #: 30-025-44001]

Enjoy.

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us