

08/27/2017
 RECEIVED: 2/27/2017 REVIEWER: W A M TYPE: OLM APP NO: PMAM 18052829717
 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: 251099

Well Name: Medwick 32 Federal 1H

API: 30-015-44554

Pool: Welch Bone Spring Pool

Pool Code: 64010

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

~~NSP~~ NSP 2017

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.

Jennifer L. Bradfute
 Print or Type Name

1-23-2018
 Date

505-848-1845
 Phone Number

[Signature]
 Signature

jlb@medtrall.com
 e-mail address



MODRALL SPERLING

L A W Y E R S

January 23, 2018

Via Email

Ms. Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Jennifer L. Bradfute
505.848.1845
Fax: 505.848.1882
jlb@modrall.com

Re: Application of Cimarex Energy Co. for administrative approval of an non-standard proration unit located in the W/2 W/2 of Section 29, and Unit D and Lot 4 (W/2 W/2 equivalent) of Irregular Section 32, both in Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Riley:

Cimarex Energy Co. ("Cimarex") (OGRID No. 251099) seeks administrative approval of a 223 acre, more or less, non-standard spacing unit/horizontal project area for its **Medwick 32 Federal Com 1H well** (API No. 30-015-44554), to be completed within the Welch Bone Spring Pool (Pool Code 64010) underlying the W/2 W/2 of Section 29, and Unit D and Lot 4 of (W/2 W/2 equivalent) of Irregular Section 32, both in Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. A C-102 for the well is attached hereto as Exhibit A.

Cimarex is requesting this NSP in order to efficiently produce its interests in Sections 29 and 32. The attached C-102s show that Section 32 is an irregular section whose southern boundary is the New Mexico/Texas State Line. This section is comprised of four 40-acre units (Units A, B, C & D) and four non-standard lots (Lots 1-4) that each comprise approximately of 24 acres. The method proposed by Cimarex to develop Sections 29 and 32 in the Bone Spring formation is a reasonable and effective method by which portions of Irregular Section 32 can be incorporated into horizontal project areas.

This well will produce from the Welch Bone Spring Pool (Pool Code 64010), which requires 40 acre spacing for proration units. Division Rule 19.15.4.12(A)(3) requires that notice for non-standard proration units be provided to "owners of interest in the mineral estate to be excluded form the

Modrall Sperling
Roehl Harris & Sisk P.A.

Bank of America Centre
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

proration unit in the quarter-quarter section for 40-acre pool or formations, the one-half quarter section for 80-acre pools or formations, the quarter section for 160-acres pools or formations, the half section for 320-acres pools or formations or section for 640-acre pools or formations in which the non-standard unit is located." All acreage in W/2 W/2 equivalent of Irregular Section 32 will be included in the Project Area proposed by Cimarex. Since no acreage is excluded from participating in Bone Spring development in Sections 29 and Irregular Section 32, no interest owner is affected by the proposed non-standard unit, and as a result, notice of this application is not required.

Your attention to this matter is appreciated.

Sincerely,



Attorney for Cimarex Energy Co.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-6170
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9780
District III
1000 Rio Arriba 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

NM OIL CONSERVATION State of New Mexico
ARTESIA DISTRICT, 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

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015 44554	² Pool Code 98018 64019	³ Pool Name Welch Wildcat, Bone Spring
⁴ Property Code 40451	⁵ Property Name MEDWICK 32 FEDERAL COM	⁶ Well Number 1H
⁷ OGRID No 215099	⁸ Operator Name CIMAREX ENERGY CO.	⁹ Elevation 3225.6'

"Surface Location

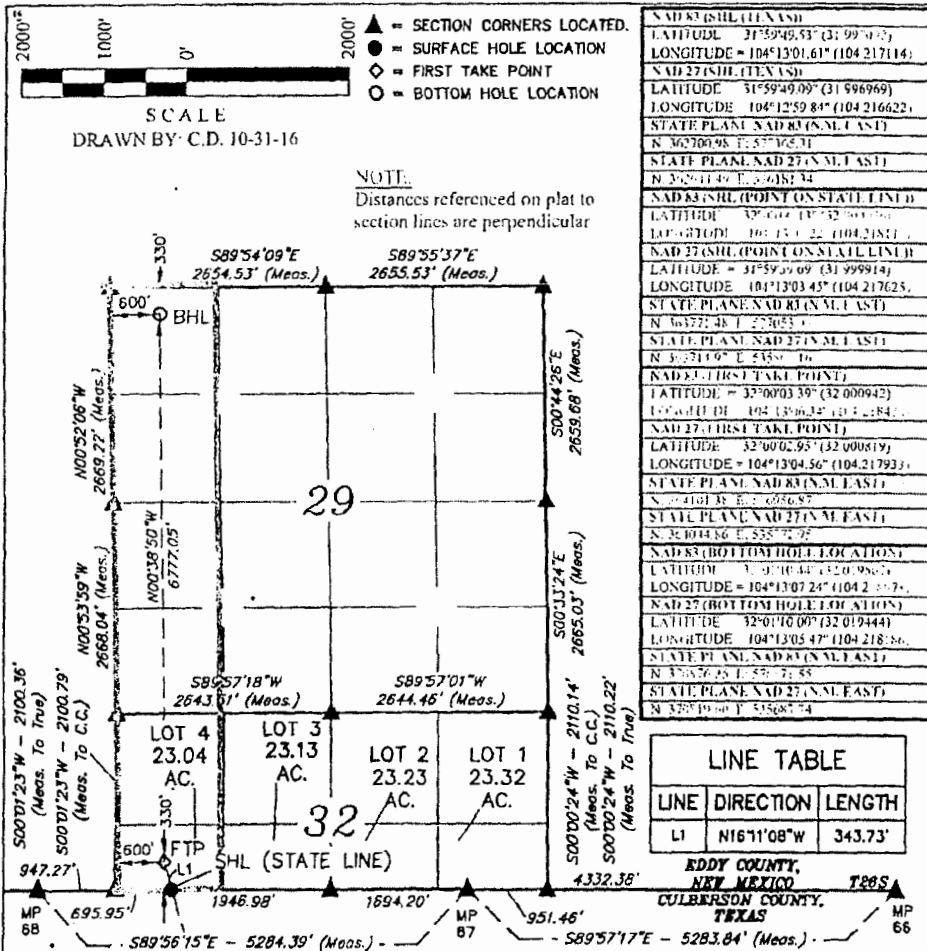
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	32	26S	27E		0	SOUTH	696	WEST	EDDY

"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	29	26S	27E		330	NORTH	600	WEST	EDDY

¹⁰ Dedicated Acres	¹¹ Joint or Infill	¹² Consolidation Code	¹³ Order No.
223.04			

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.



"OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Aricka Easterling
Signature Date 11-27-17

Aricka Easterling
Printed Name

aeasterling@cimarex.com
E-mail Address

"SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 16, 2016
Date of Survey

Aricka Easterling
Signature and Seal of Professional Surveyor

ARICKA EASTERLING
11-04-16
SIGNAL

EXHIBIT
A

KWP 11-27-17

McMillan, Michael, EMNRD

From: Jennifer L. Bradfute <jlb@modrall.com>
Sent: Wednesday, February 28, 2018 9:25 AM
To: McMillan, Michael, EMNRD
Subject: FW: [External] RE: Medwicks 32 Federal com - Sec. 32, 26S, 27E - Eddy County

Mike,

Please see the below confirmation concerning which pools the Medwick wells should be located in. Please let me know if you need anything further.

Thanks!
Jennifer



Jennifer L. Bradfute
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1845 | O: 505.848.1800 | F: 505.848.1891

From: Podany, Raymond, EMNRD [<mailto:Raymond.Podany@state.nm.us>]
Sent: Wednesday, February 28, 2018 8:50 AM
To: Terri Stathem <TStathem@cimarex.com>; Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Cc: Klein, Ranell, EMNRD <Ranell.Klein@state.nm.us>
Subject: [External] RE: Medwicks 32 Federal com - Sec. 32, 26S, 27E - Eddy County

Terri, my mistake. Both should be 98018 WC pool like you proposed initially. Will revise. RWP

From: Terri Stathem [<mailto:TStathem@cimarex.com>]
Sent: Wednesday, February 28, 2018 6:12 AM
To: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>; Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Cc: Klein, Ranell, EMNRD <Ranell.Klein@state.nm.us>
Subject: Medwicks 32 Federal com - Sec. 32, 26S, 27E - Eddy County

Good morning. We are applying for an NSP on the Medwick 32 Federal Com #1H and #4H wells and we have two different pools assigned for the Bone Spring on the lease.

The Medwick 32 Fed com #1H #1 has been assigned to the Welch Bone Spring pool and the #4 was assigned to the Wildcat pool. All other Bone Spring wells on the state line (Sec. 33, 34, & 35) are consider Wildcat Bone Spring.

40451	MEDWICK 32 FEDERAL COM #001H	F	New	4-22-2015-27E	E	30-015-44254	G	24010 WELCH BOVE SPRING	New, Not Drilled
	MEDWICK 32 FEDERAL COM #002H	F	New	4-22-2015-27E	E	30-015-44255	G	63220 PURPLE SAGE WOLF CAMP (GAS)	New, Not Drilled
	MEDWICK 32 FEDERAL COM #003H	F	New	4-22-2015-27E	E	30-015-44256	G	63220 PURPLE SAGE WOLF CAMP (GAS)	New, Not Drilled
	MEDWICK 32 FEDERAL COM #004H	F	New	3-20-2015-27E	F	30-015-44251	D	63015 WOODS G-04 SAGE WOLF CAMP SPRING	New, Not Drilled
	MEDWICK 32 FEDERAL COM #005H	F	New	3-20-2015-27E	F	30-015-44252	G	63220 PURPLE SAGE WOLF CAMP (GAS)	New, Not Drilled
	MEDWICK 32 FEDERAL COM #007H	F	Active	2-20-2015-27E	G	30-015-42172	D	12-2017 63015 WOODS G-04 SAGE WOLF CAMP SPRING	Active
	MEDWICK 32 FEDERAL COM #008H	F	Active	2-20-2015-27E	G	30-015-42173	D	12-2017 63015 WOODS G-04 SAGE WOLF CAMP SPRING	Active
	MEDWICK 32 FEDERAL COM #009H	F	New	2-20-2015-27E	G	30-015-42142	D	63015 WOODS G-04 SAGE WOLF CAMP SPRING	New, Not Drilled
	MEDWICK 32 FEDERAL COM #010H	F	New	1-20-2015-27E	H	30-015-42174	G	63220 PURPLE SAGE WOLF CAMP (GAS)	New, Not Drilled
	MEDWICK 32 FEDERAL COM #011H	F	Active	1-20-2015-27E	H	30-015-42175	G	12-2017 63015 WOODS G-04 SAGE WOLF CAMP SPRING	Active
	MEDWICK 32 FEDERAL COM #012H	F	Active	1-20-2015-27E	H	30-015-42150	G	12-2017 63220 PURPLE SAGE WOLF CAMP (GAS)	Active

Please let me know which pool is accurate.

Thanks,

Terri Stathem

Manager – Regulatory Compliance
202 S. Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Office: 918-585-1100
Direct: 432-620-1936
Cell: 918-633-9702
Fax: 918-749-8059



From: Jennifer L. Bradfute [mailto:jlbr@modrall.com]
Sent: Tuesday, February 27, 2018 12:29 PM
To: Terri Stathem <TStathem@cimarex.com>
Subject: [External] RE: Medwicks

Terri,

Mike McMillan has questions concerning the pools for the 1H and the 4H wells. Could you confirm the pool codes for me for these wells based on the information you received from the District Office, we may need to call Paul Kautz to confirm.

Thanks!
Jennifer

From: Terri Stathem [<mailto:TStathem@cimarex.com>]
Sent: Monday, February 26, 2018 4:50 PM
To: Jennifer L. Bradfute
Subject: Medwicks

Please let me know where we are on the NSPs for these wells.

Thanks,

Terri Stathem

Manager – Regulatory Compliance
202 S. Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Office: 918-585-1100
Direct: 432-620-1936
Cell: 918-633-9702
Fax: 918-749-8059



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.

Section : 32-26S-27E

Type: Normal

Total Acres: 252.72

County: Eddy (15)

D (D) Federal ¹ State ² (15) 40	C (C) Federal ¹ Federal ² (15) 40	B (B) Federal ¹ Federal ² (15) 40	A (A) Federal ¹ Federal ² (15) 40
E (4) Federal ¹ State ² (15) 23.04	F (3) Federal ¹ Federal ² (15) 23.13	G (2) Federal ¹ Federal ² (15) 23.23	H (1) Federal ¹ State ² (15) 23.32