

# NSL Initial Application

Received: 02/24/20

P.O. # 4RY4E-200224-NSL000

NSL-7994

Revised March 23, 2017

RECEIVED: 02/24/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2005637760
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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: James 20-29 Federal Com 39H

API: 30-025-PENDING

Pool: Sand Dues; Bones Spring, South Pool

Pool Code: 53805

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

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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

February 18, 2020

Date

Lance D. Hough

Print or Type Name

505-848-1800

Phone Number

Signature

ldh@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

February 18, 2019

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

Earl E. DeBrine  
505.848.1810  
edebrine@modrall.com

Lance D. Hough  
505.848.1826  
lance.hough@modrall.com

**Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its James 20-29 Federal Com 39H well, located in the E/2 W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.**

Dear Director Sandoval:

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, is seeking administrative approval of an unorthodox well location ("NSL") for the **James 20-29 Federal Com 39H** well (the "Well") to be completed within the Sand Dues; Bones Spring, South Pool (53805) underlying the E/2 W/2 of Sections 20 and 29, Township 23 South, Range 32 East, 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:

- Surface Hole Location: 340' from the North line and 740' from the West line of Section 20;
- First Take Point: 340' from the North line and 1388' from the West line of Section 20;
- Last Take Point and Bottom Hole Location: 100' from the South line and 1388' from the West line of Section 29.

Cimarex has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Sand Dues; Bones Spring, South Pool (53805). This pool follows statewide pool rules, which establish 100' setbacks for first and last take points and 330' setbacks for completed laterals. The completed lateral for the proposed well is closer than 100' from the boundary of the spacing unit.

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 unorthodox location will encroach towards the (1) W/2 W/2 of Section 20, Township 23 South, Range 32 East, and (2) W/2 W/2 of Section 29, Township 23 South, Range 32 East.

Cimarex is providing notice to the working interest owners in the (1) W/2 W/2 of Section 20, Township 23 South, Range 32 East, and (2) W/2 W/2 of Section 29, Township 23 South, Range 32 East. Cimarex is also providing notice to the Bureau of Land Management as an owner of a mineral estate with respect to offsetting areas. Cimarex also provides large scale and small scale midland maps of this area, attached as Exhibit C. Proof of mailing notice and the application to affected persons entitled to notice is attached hereto as Exhibit D.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to be 'L. Hough', written over a horizontal line.

Earl E. DeBrine  
Lance D. Hough  
*Attorneys for Cimarex  
Energy Co.*

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1281 Fax: (505) 748-9720  
**District III**  
1000 Rio Tularos Road, Arice, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1270 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  
☒ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-45604	<sup>2</sup> Pool Code 53805	<sup>3</sup> Pool Name Sand Dunes; Bone Spring, South
<sup>4</sup> Property Code	<sup>5</sup> Property Name JAMES 20-29 FEDERAL COM	<sup>6</sup> Well Number 39H
<sup>7</sup> GRID No. 215099	<sup>8</sup> Operator Name CIMAREX ENERGY CO.	<sup>9</sup> Elevation 3677.8

## "Surface Location

UL or lot no. D	Section 20	Township 23S	Range 32E	Lot Idn	Feet from the 340	North/South line NORTH	Feet from the 740	East/West line WEST	County LEA
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## "Bottom Hole Location If Different From Surface

UL or lot no. N	Section 29	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 1386	East/West line WEST	County LEA
<sup>11</sup> Dedicated Acres 320	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No. NSL Pending						

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.

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°17'46.82" (32.296338°)
LONGITUDE = 103°42'10.13" (103.702814°)
<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°17'46.33" (32.296213°)
LONGITUDE = 103°42'08.39" (103.703329°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 472113.13' E: 716161.42'
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 472035.37' E: 694978.11'

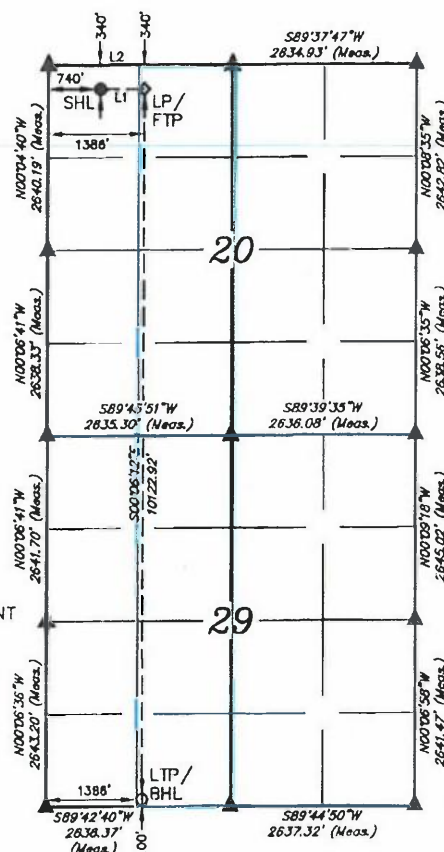
<b>NAD 83 (L.P./FTP)</b>
LATITUDE = 32°17'46.83" (32.296333°)
LONGITUDE = 103°42'02.61" (103.700724°)
<b>NAD 83 (L.P./FTP)</b>
LATITUDE = 32°17'46.39" (32.296220°)
LONGITUDE = 103°42'00.86" (103.700210°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 472118.76' E: 716807.14'
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 472039.20' E: 695623.83'

<b>NAD 83 (L.P./BHL)</b>
LATITUDE = 32°16'06.68" (32.268523°)
LONGITUDE = 103°42'02.60" (103.700721°)
<b>NAD 83 (L.P./BHL)</b>
LATITUDE = 32°16'06.24" (32.268399°)
LONGITUDE = 103°42'00.85" (103.700237°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 461997.85' E: 716867.85'
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 461918.39' E: 695684.25'

- = SURFACE HOLE LOCATION
- ◆ = LANDING POINT/FIRST TAKE POINT
- = BOTTOM HOLE LOCATION/  
LAST TAKE POINT
- ▲ = SECTION CORNER LOCATED

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N89°44'27"E	645.86'
L2	S89°43'55"W	2633.52'

**NOTE:**  
• Distances referenced on plat to section lines are perpendicular.  
• Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00"



SCALE  
REV: 2 S.T.O. 11-13-19 (NAME &  
WELLBORE CHANGE)

"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 in a voluntary pooling agreement or a compulsory pooling order certificate entered by the division.

Signature: *Amithy Crawford* Date: 1/22/20

Amithy Crawford  
Printed Name

acrawford@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.

August 30, 2017

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

EXHIBIT

A

The logo for Cimarex Energy, featuring the word "CIMAREX" in a bold, sans-serif font. The letters are white and set against a dark, rectangular background. A diagonal white line cuts across the bottom right corner of the dark rectangle.

February 14, 2019

Adrienne Sandoval  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Dr.  
Santa Fe, New Mexico 87505

Re: James 20-29 Federal Com 39H well  
Non-Standard Location Application  
Lea County, New Mexico

Dear Ms. Sandoval,

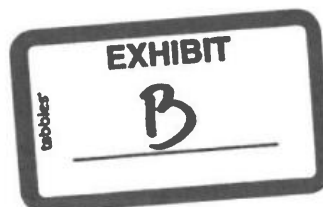
Cimarex Energy Co. respectfully requests administrative approval of the non-standard location for the James 20-29 Federal Com 39H well, to be drilled in the Sand Dues; Bones Spring, South Pool (53805). Cimarex plans for this well to have a first take point at 340' FNL and 1388' FWL of Section 20, Township 23 South, Range 32 East, Lea County, and last take point at 100' FSL and 1388' FWL of Section 29, Township 23 South, Range 32 East, Lea County, which is closer to the unit line than allowed under the subject field rules. Cimarex requests this non-standard location because the OXY Mesa Verde 2<sup>nd</sup> sand development (Sec 16,17,18 T24S R 32E and Sec 13 T 24S 31E) located 3 miles South of James at equivalent depths with equivalent geology supports 6 wells / section staggered with estimated 7.8MMbo / 1280 acre recovery. With similar geology and a higher water cut Mesa Verde wells outperform our immediate offsets to the North drilled by Devon in (Sec 6,5,7,8,17 T23S R32E). Devon's 4 wells / section flat development are estimated at 5.2MMbo / 1280 acre recovery indicating we would strand significant resource behind if we only drill 4 wells / section in this area. Wells are placed to capture this addition 2.6MMbo / 1280 acre target and require an NSL to best target them. This spacing best fits into the spacing for the other wells in the development plan of the entire section and we believe that it will result in the greatest recovery of reserves.

Thank you for your consideration. Should you have any questions please contact me at 432-571-7865.

Sincerely,

A handwritten signature in dark ink, appearing to read "Eddie Behm". The signature is fluid and cursive, written over a light background.

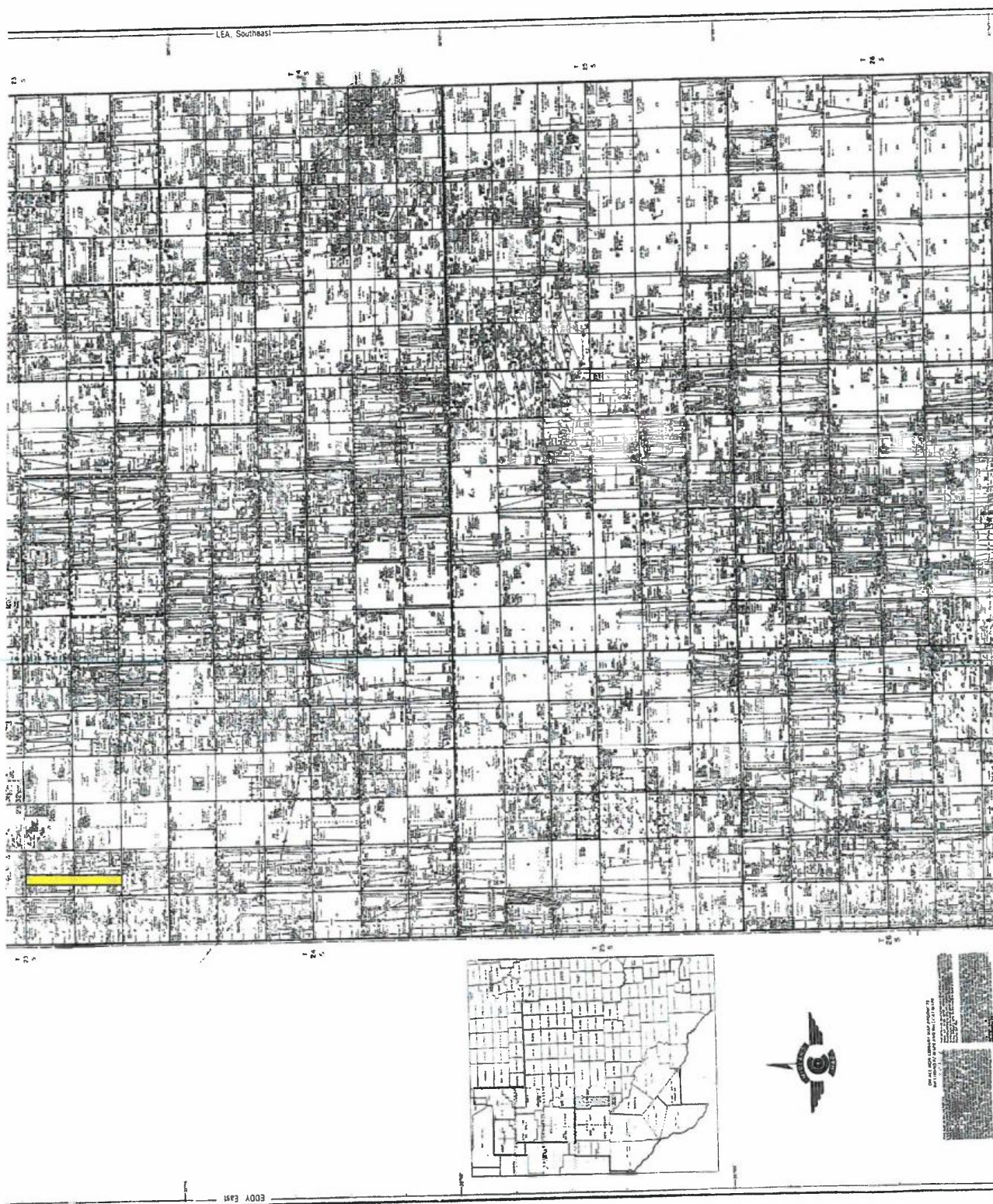
Eddie Behm  
Reservoir Engineer













Zina Crum  
Modrall Sperling  
500 4th Street NW  
Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: **CERTIFIED MAIL**  
02/18/2020

Firm Mailing Book ID: **184862**

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0068 9682 85	Ball Oil & Gas, LLC P.O. Box 1401 Roswell NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
2	9314 8699 0430 0068 9682 92	Capitan Mountain Oil & Gas, LLC P.O. Box 1401 Roswell NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
3	9314 8699 0430 0068 9683 08	Centennial LLC P.O. Box 1837 Roswell NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
4	9314 8699 0430 0068 9683 15	Earl A. Latimer, III and wife, Kathryn S. Latimer 2008 W 27th St. Roswell NM 88201	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
5	9314 8699 0430 0068 9683 22	EOG Y Resources, Inc. Attn: Chuck Moran 5509 Champions Drive Midland TX 79706	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
6	9314 8699 0430 0068 9683 39	Harvard Petroleum Co., LLC 200 E Second Street Roswell NM 88201	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
7	9314 8699 0430 0068 9683 46	H. Lee Harvard and Jeffery L. Harvard, Co-Trustees H. Lee and Joanne W. Harvard Trust 200 East 2nd St Roswell NM 88201	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
8	9314 8699 0430 0068 9683 53	Har-Vest LLC P.O. Box 936 Roswell NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
9	9314 8699 0430 0068 9683 60	J 4 Family Limited Partnership P.O. Box 936 Roswell NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
10	9314 8699 0430 0068 9683 77	Kerry D. Hunter P.O. Box 2631 Roswell NM 88202	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
11	9314 8699 0430 0068 9683 84	Marker Petroleum Inc. 4637 E 91st St. Tulsa OK 74137	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
12	9314 8699 0430 0068 9683 91	Patrick J.F. Gratton and wife, Jean M. Gratton P.O. Box 200599 Dallas TX 75220	\$1.20	\$3.55	\$1.70	\$0.00	82762.0197 James Notice
Totals:			\$14.40	\$42.60	\$20.40	\$0.00	
			Grand Total:			\$77.40	

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:

12



Zina Crum  
Modrall Sperling  
500 4th Street NW  
Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
02/18/2020

Firm Mailing Book ID: 184869

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0068 9708 44	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$0.65	\$3.55	\$1.70	\$0.00	82762-0197 James
Totals:			\$0.65	\$3.55	\$1.70	\$0.00	
			Grand Total:			\$5.90	
List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:				

1