

Revised March 23, 2017

RECEIVED: 11/05/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2131938014
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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: Tar Heel 19-18-7 Federal Com 19H **API:** 30-015-46570
Pool: Purple Sage, Wolfcamp (Gas) **Pool Code:** 98220

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 ☐ 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.

Deana M. Bennett

Print or Type Name

Deana M Bennett

Signature

11/04/2021

Date

505-848-1800

Phone Number

dmb@modrall.com

e-mail Address



November 4, 2021

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA E-FILING

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

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 19H well located in the E/2 W/2 of Sections 18 and 19, and the E/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

Dear Director Sandoval:

Cimarex Energy Co., OGRID Number 215099, is seeking administrative approval of an unorthodox well location ("NSL") for the **Tar Heel 19-8-7 Federal Com 19H well** (the "Well"), API No. 30-015-46570 to be completed within the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220) underlying Sections 18 and 19, and the SW4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy 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: 760' from the South line and 1416' from the West line of Section 19;
- First Take Point: 760' from the South line and 2310' from the West line of Section 19;
- Last Take Point/Bottom Hole Location: 2561' from the South line and 2310' from the West line of Section 7.

Cimarex has included as Exhibit B a letter explaining why this application is needed. Cimarex also provides a map of the area, attached as Exhibit C, which shows the area upon which the unorthodox location will encroach.

This well will produce from the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220). The special pool rules establish 330' foot setback requirements. The

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last take point for the Well is closer than 330' from the boundary of the spacing unit. Specifically, the last take point would be 100' feet from the boundary of the unit because the SW/4 measures approximately 2662 feet (from South to North), as opposed to the traditional 2640 feet. *See* Exhibit A (C-102). The unorthodox location will encroach towards the NW/4 of Section 7 of Township 26 South, Range 30 East. Cimarex has confirmed that the tracts adjoining the spacing unit by a corner are more the 330' away from the unorthodox locations requested.

Pursuant to Rule 19.15.4.12(A)(2) and Rule 19.15.2.7(A)(3), Cimarex is providing notice to the operator of the NW/4 of Section 7 of Township 26 South, Range 30 East, which is XTO Holdings, LLC. Cimarex is also providing notice to the Bureau of Land Management. Proof of mailing, along with a copy of the notice letter sent to affected parties, is attached hereto as Exhibit D.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett
Attorney for Cimarex Energy Co.

✍



November 12, 2021

Mr. Leonard Lowe
Engineering Bureau
New Mexico Oil Conservation Division
Via email only to *Leonard.Lowe@state.nm.us*

Deana M. Bennett
Tel: 505.848.1834
Fax: 505.848.9710
deana.bennett@modrall.com

Re: Cimarex Tar Heel NSL Applications-Request for follow up information

Dear Mr. Lowe:

Thank you for taking the time to speak with me about the four Cimarex Energy Co. NSL applications I submitted to the New Mexico Oil Conservation Division (the "Division") on November 4, 2021. As a reminder, the NSL applications are for four wells, one application per well. The wells are:

- **Tar Heel 19-8-7 Federal Com 2H well**
- **Tar Heel 19-8-7 Federal Com 3H well**
- **Tar Heel 19-8-7 Federal Com 18H well**
- **Tar Heel 19-8-7 Federal Com 19H well**

These four wells are within a standard horizontal spacing unit, which is an 800 acre, more or less, unit comprised of the W/2 of Sections 18 and 19, and the SW/4 of Section 7, Township 26 South, Range 30 East, as identified on each of the C-102s ("Dedicated Area" on C-102s identified as 801.73 acres). In the application cover letter, I described each well by quarter-quarter section location, to give a more precise location for each well, and I did not mean to suggest that the area has 40-acre building blocks and that each well is dedicated to a separate unit. Rather, all four wells are within a single unit, which is a combination of 320-acre building blocks and a 160-acre building block. Based on our conversation, it appears from your review of Division materials that combining 320-acre building blocks with 160-acre building blocks has been an accepted practice at the Division. I have attached a rough drawing showing the unit (outlined in red) and the approximate location of the wells within the unit, which is a marked up version of the map I previously provided showing XTO as the off-set in the NW/4 of Section 7.

I apologize for any confusion and hope this clears up any confusion I caused. Please let me know if I can provide any further information.

Thanks much,

Deana M. Bennett

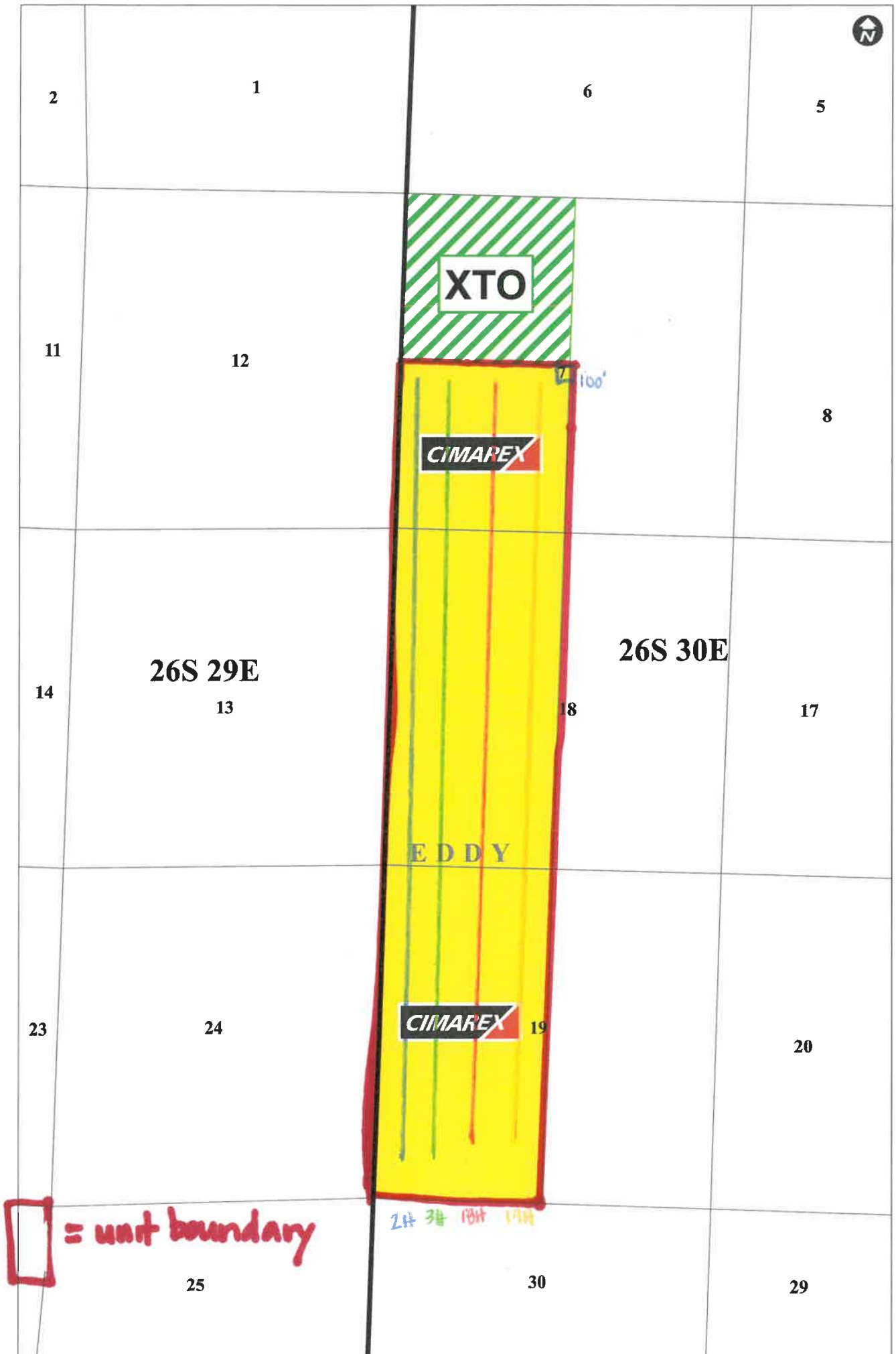
Enclosure

Modrall Sperling
Roehl Harris & Sisk P.A.

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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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46570	² Pool Code 98220	³ Pool Name Purple Sage, Wolfcamp (Gas)
⁴ Property Code 326774	⁵ Property Name Tar Heel 19-18-7 Federal Com	⁶ Well Number 19H
⁷ OGRID No. 215099	⁸ Operator Name CIMAREX ENERGY CO.	⁹ Elevation 3021.4'

¹⁰Surface Location

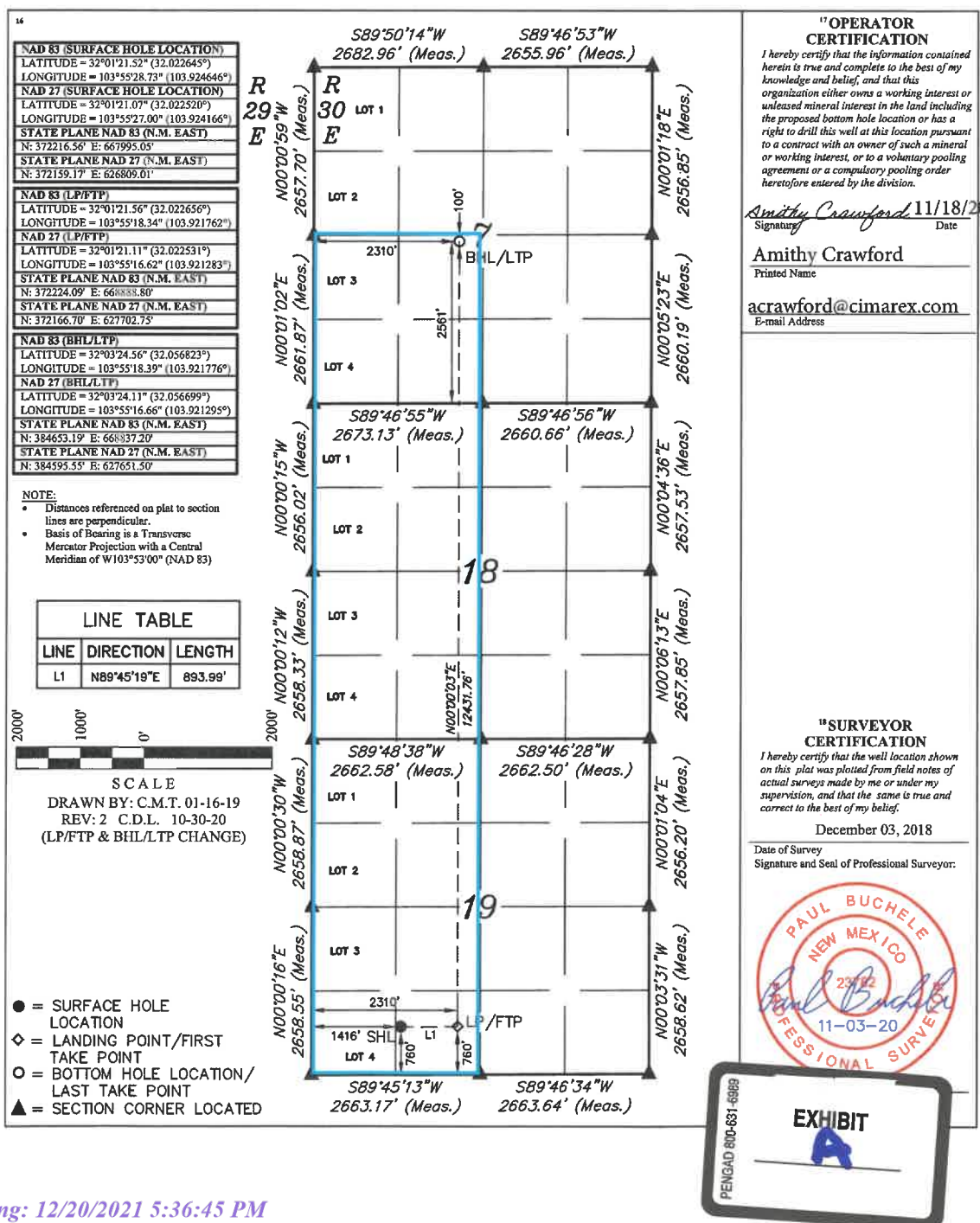
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	26S	30E		760	SOUTH	1416	WEST	EDDY

¹¹Bottom 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
K	7	26S	30E		2561	SOUTH	2310	WEST	EDDY

¹² Dedicated Acres 801.73	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.



PS Form 3877
Type of Mailing: CERTIFIED MAIL
11/04/2021

Firm Mailing Book ID: 217751

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0088 4838 98	New Mexico Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.76	\$3.75	\$1.85	\$0.00	82762.0124. Notice
2	9314 8699 0430 0088 4839 04	XTO Holdings, LLC 810 Houston Street Fort Worth TX 76102	\$1.76	\$3.75	\$1.85	\$0.00	82762.0124. Notice
Totals:			\$3.52	\$7.50	\$3.70	\$0.00	
			Grand Total:				\$14.72

List Number of Pieces
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Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:





MODRALL SPERLING
L A W Y E R S

November 4, 2021

VIA CERTIFIED MAIL

TO AFFECTED PARTIES

Deana M. Bennett
505.848.1834
dmb@modrall.com

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 2H well located in the W/2 W/2 of Sections 18 and 19, and the W/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 3H well located in the W/2 W/2 of Sections 18 and 19, and the W/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 18H well located in the E/2 W/2 of Sections 18 and 19, and the E/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 19H well located in the E/2 W/2 of Sections 18 and 19, and the E/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

Dear Sir or Madam:

Enclosed are copies of the above referenced applications 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 applications. If no objection is received within this twenty-day period, the applications may be approved administratively by the Division.

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

Fatima Vasquez
600 N. Marienfeld St. Suite 600
Midland, TX 7970
432-620-1933
fvasquez@cimarex.com

Sincerely,

Deana M. Bennett
Attorney for Cimarex Energy Co.

Modrall Sperling
Roehl Harris & Sisk P.A.

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Albuquerque,
New Mexico 87102

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Albuquerque,
New Mexico 87103-2168

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PS Form 3877
Type of Mailing: CERTIFIED MAIL
11/04/2021

Firm Mailing Book ID: 217751

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

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Totals:			\$3.52	\$7.50	\$3.70	\$0.00	
			Grand Total:				\$14.72

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MODRALL SPERLING
L A W Y E R S

November 4, 2021

VIA CERTIFIED MAIL

TO AFFECTED PARTIES

Deana M. Bennett
505.848.1834
dmb@modrall.com

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 2H well located in the W/2 W/2 of Sections 18 and 19, and the W/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

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Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 18H well located in the E/2 W/2 of Sections 18 and 19, and the E/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Tar Heel 19-8-7 Federal Com 19H well located in the E/2 W/2 of Sections 18 and 19, and the E/2 SW/4 of Section 7, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

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

Fatima Vasquez
600 N. Marienfeld St. Suite 600
Midland, TX 7970
432-620-1933
fvasquez@cimarex.com

Sincerely,

Deana M. Bennett
Attorney for Cimarex Energy Co.

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CIMAREX ENERGY COMPANY
600 N. Marienfeld St., Suite 600
Midland, TX 79701

10/28/2021

Re: Non-Standard Location Application
Tar Heel 19-18-7 Federal Com 2H;
Tar Heel 19-18-7 Federal Com 3H;
Tar Heel 19-18-7 Federal Com 18H; and
Tar Heel 19-18-7 Federal Com 19H
Eddy County, New Mexico

Dear Director Sandoval/OCD Engineering Bureau,

Cimarex Energy Co., OGRID Number 215099, respectfully requests administrative approval of non-standard location ("NSL") for the following wells (the "Wells"):

- Tar Heel 19-8-7 Federal Com 2H, API No. 30-015-46561;
- Tar Heel 19-18-7 Federal Com 3H, API No. 30-015-46562;
- Tar Heel 19-18-7 Federal Com 18H, API No. 30-015-46568; and
- Tar Heel 19-18-7 Federal Com 19H, API 30-015-46570.

Cimarex is submitting four separate non-standard location applications, one for each well. The Wells will be completed within the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220). Cimarex is requesting non-standard location approval for the Wells to allow the completed interval to be less than 330' from the northern boundary of the horizontal spacing unit. Allowing Cimarex to complete the wells at this non-standard location will result in the greatest recovery of reserves from all of the Wells and will reduce waste.

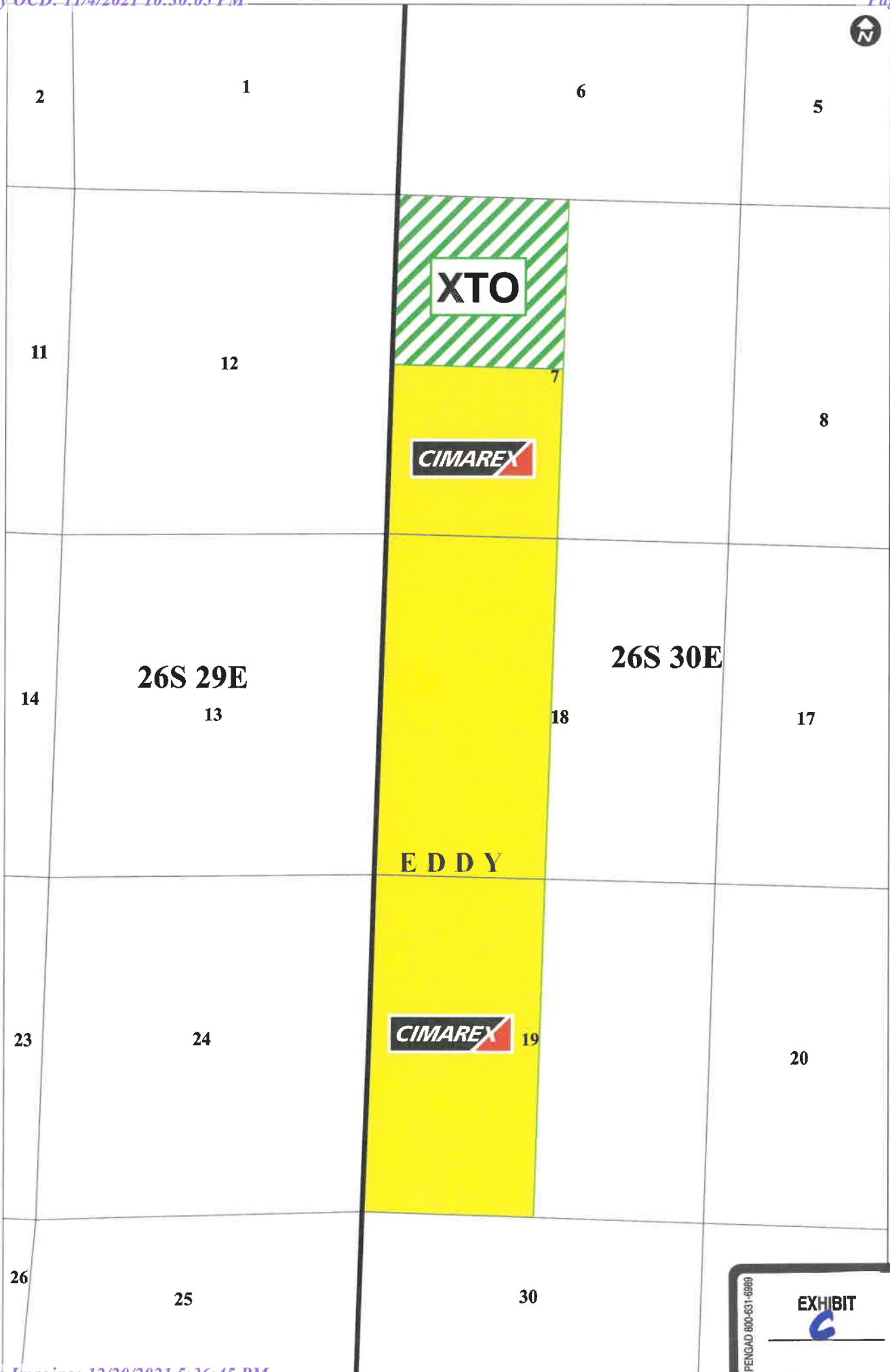
Thank you for your consideration. Should you have any questions please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fatima Vasquez".

Fatima Vasquez
Regulatory Analyst
600 N. Marienfeld St. Suite 600
Midland, TX 79701
(432) 620-1933
fvasquez@cimarex.com

Exhibit B



District I

1625 N. French Dr., Hobbs, NM 88240
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District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 60377

CONDITIONS

Operator: CIMAREX ENERGY CO. 600 N. Marienfeld Street Midland, TX 79701	OGRID: 215099
	Action Number: 60377
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	11/5/2021