NSL - 8477

ID NO. 158477

Revised March 23, 2017

ID NO. 1584//				
RECEIVED:	REVIEWER:	TYPE:		2232059257
		D OIL CONSERVA al & Engineering Incis Drive, Santo	ATION DIVISION Bureau –	O'NEW STATES
THIS	ADMINISTRA CHECKLIST IS MANDATORY FOR ALL	ATIVE APPLICATION		SION PHI ES AND
Tric			DIVISION LEVEL IN SANTA FE	NOTE OF THE
Applicant: Cimare				mber: <u>215099</u>
Pool: Purple Sage; Wo	uardt 1-36 Fed State Com 22H well lfcamp (Gas)		API: Pending Pool Code	98220
SUBMIT ACCUI	RATE AND COMPLETE INFO	ORMATION REQUI		YPE OF APPLICATION
A. Location	.ICATION: Check those wan — Spacing Unit — Simulto NSP (PRO.	neous Dedicatio		
[1] Con [one only for [1] or [11] nmingling – Storage – Me DHC	C □PC □O e Increase – Enho	nced Oil Recovery	FOR OCD ONLY
A. Offse B. Royc C. Appl D. Notif E. Notif F. Surfa G. For a	N REQUIRED TO: Check the toperators or lease hold alty, overriding royalty ow ication requires published ication and/or concurrent ication and/or concurrent ce owner all of the above, proof of the otice required	ers ners, revenue ow d notice nt approval by SL nt approval by BL	ners D	Notice Complete Application Content Complete
administrative understand t	N: I hereby certify that the approval is accurate as hat no action will be take are submitted to the Divis	nd complete to the on on this applica	ne best of my knowled	lge. I also
•	lote: Statement must be complete	ed by an individual with	managerial and/or supervisor	y capacity.
Deana M. Bennett			November 14, 2022 Date	
Print or Type Name	M Bernett	_	505-848-1834 Phone Number	
Signature			deana.bennett@modrall e-mail Address	com



Non-Standard Location Application Marquardt 1-36 Fed State Com 22H

Table of Contents

Administrative Checklist Application Cover Letter

- Exhibit A: C-102
- Exhibit B: Letter from Reservoir Engineer
- Exhibit C: Plat Showing Affected Tracts
- Exhibit D: Notice Information
 - Notice Letter
 - Chart Showing Offsets
 - o Certified Mailing List

LAWYERS

November 14, 2022

VIA E-FILING

Director Adrienne Sandoval And
OCD Engineering Bureau
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 Marquardt 1-36 Fed State Com 22H Well located in the E/2 of Section 1, Township 25 South, Range 26 East, and the E/2 of Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.

Dear Director Sandoval/OCD Engineering Bureau:

Pursuant to Division rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Cimarex Energy Co. (OGRID 215099) seeks administrative approval of an unorthodox well location ("NSL") for its Marquardt 1-36 Fed State Com 22H well (API No. pending) (the "Well"). The Well will be located in a 640-acre, more or less, standard spacing unit underlying the E/2 of Section 1, Township 25 South, Range 26 East, and the E/2 of Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico, and will be in the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220). A C-102 for the Well is attached as Exhibit A.

The Purple Sage Wolfcamp Gas Pool has special pool rules which establish 320-acre building blocks and 330' foot setback requirements. The Well will have setbacks of 100' for the toe and heel, which requires an NSL approval. As shown on Exhibit A, this is a horizontal well that will be drilled as follows:

- Surface Hole Location: 301' FSL & 811' FEL of Section 1-T25S-R26E;
- First Take Point: 100' FSL and 2283' FEL of 1-T25S-R26E;

Deana M. Bennett 505.848.1834 dmb@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 <u>Last Take Point/Bottom Hole Location</u>: 100' FNL & 2283' FEL of Section 36-T24S-R26E.

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 tracts upon which the unorthodox location will encroach.

As discussed above, the first and last take points for the Well are closer than 330' from the boundary of the spacing unit. Specifically, the first take point would be 100' from the South line of Section 1, Township 25 South, Range 26 East, and the last take point would be 100' from the North line of Section 36, Township 24 South, Range 26 East. See Exhibit A (C-102). The unorthodox location will encroach towards the NE/4 of Section 12 of Township 25 South, Range 26 East and the SE/4 of Section 25, Township 24 South, Range 26 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 as follows:

- To Chevron USA Inc., 1400 Smith St., Houston, TX 77002 as the operator the NE/4 of Section 12.
- To the working interest owners in the SE/4 of Section 25 because Cimarex is the operator in the E/2 of Section 25 pursuant to a JOA:
 - o MRC Permian Company, 5400 LBJ Freeway, Ste. 1500, Dallas, TX 75240
 - o Pivotal Permian Basin II, LLC, 2021 McKinney Ave., Ste. 1250, Dallas, TX 75201.

Cimarex is also providing notice to the Bureau of Land Management and the New Mexico State Land Office. 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,

Earl E. DeBrine
Deana M. Bennett

Attorney for Cimarex Energy Co.

Deam UBenutt

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesis, NM 88210 Phone: (573) 748-1285 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 Pstrict IV <u>District IV</u> 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

EDDY

East/West line

Feet from the

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	¹ 98220	Purple Sage (Wolfcamp) Gas	
Property Code		1-36 FED STATE COM	Well Number 22H
OGRED No.		erator Name EX ENERGY CO.	Elevation 3266.7

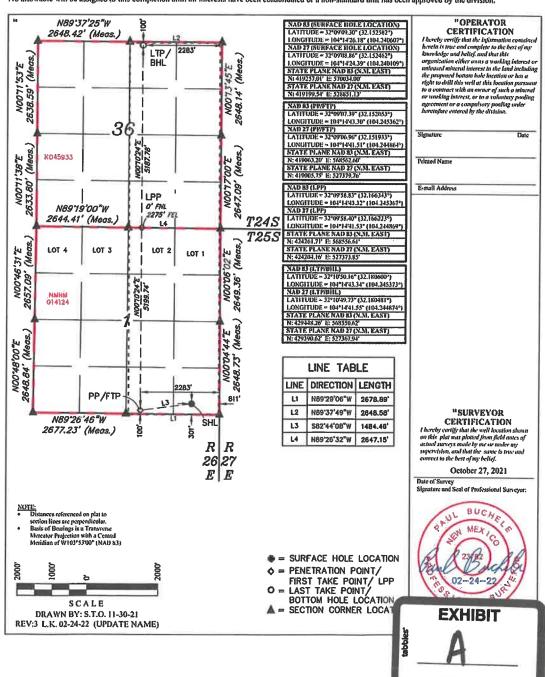
"Surface Location

Range 26E orth/South line owaship 258 301

Feet from the

				Bottom H	ole Location I	f Different Fron	Surface		
til, or lot no. B	Section 36	Township 24S	Range 26E	l.of ldn	Feet from the 100	North/South line NORTH	Feet from the 2283	East/West line EAST	County EDDY
12 Dedicated Acre	et 0.7	olet or teffil	14 Cons	olidation Code	¹⁵ Order No.				

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.





October 28, 2022

VIA E-FILING

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

Re: Non-Standard Location Application for Marquardt 1-36 Fed State Com 22H; Marquardt 1-36 Fed State Com 23H; Marquardt 1-36 Fed State Com 25H, and Marquardt 1-36 Fed State Com 26H wells, Eddy County, New Mexico

Dear Director Sandoval/OCD Engineering Bureau

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

- Marquardt 1-36 Fed State Com 22H well (API No. Pending);
- Marquardt 1-36 Fed State Com 23H well (API No. Pending);
- Marquardt 1-36 Fed State Com 24H well (API No. Pending);
- Marquardt 1-36 Fed State Com 25H well (API No. Pending); and
- Marquardt 1-36 Fed State Com 26H well (API No. Pending)

Cimarex is submitting five separate non-standard location applications, one for each well. The Wells will be completed within a standard 640 acre, more or less, spacing unit in the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220). Cimarex is requesting non-standard location approval for the Wells to allow the setbacks to be less than 330' from the northern and southern boundaries 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 contact me at brett.stewart@coterra.com or (432)571-7889.

Sincerely,

Brett Stewart Reservoir Engineer Cimarex Energy Co. Brett Stewart

Marquardt 1-36 Fed Com E/2 Wells

EXHIBIT

B

B



Eddy County, New Mexico

E2, Section 36, Township 24 South, Range 26 East, N.M.P.M., E2, Section 1, Township 25 South, Range 26 East, N.M.P.M.

Reeves





Culberson



November 14, 2022

Deana M. Bennett 505.848.1834 dmb@modrall.com

VIA CERTIFIED MAIL

TO AFFECTED PARTIES

Re: Application of Cimarex Energy Co. for administrative approval of non-standard locations for Marquardt 1-36 Fed State Com 22H; Marquardt 1-36 Fed State Com 23H; Marquardt 1-36 Fed State Com 24H; Marquardt 1-36 Fed State Com 25H, and Marquardt 1-36 Fed State Com 26H wells, located in the E/2 of Section 1, Township 25 South, Range 26 East, and Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico

Dear Sir or Madam:

Enclosed 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 objection is received within this twenty-day period, the application may be approved administratively by the Division.

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

Brett Stewart
Reservoir Engineer
Cimarex Energy Co.
Brett.stewart@coterra.com
(432) 571-7889

Sincerely,

Deana M. Bennett

Attorneys for Cimarex Energy

Co.

EXHIBIT

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Burrel

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

Date Notice Letter Sent	11/14/2022		11/14/2022
WIOs If Needed N/A if Cimarex IS NOT operator		Pivotal Permian Basin II, LLC 2021 McKinney Ave., Ste. 1250 Dallas, TX 75201	N/A
Operator	Cimarex Energy Co.		Chevron USA Inc. 1400 Smith St. Houston, TX 77002
Offsetting Sections	Section 25, T24S-R26E		Section 12, T25S-R26E

Other Notice Parties:

Other Notice Parties	Date Notice Letter Sent
Sureau of Land Management	11/14/2022
New Mexico State Land Office	11/14/2022

Page 10 of 20
Page 1 of 2022 Walz CertifiedPro.met

Received by OCD.	11/14		0.47.1	O AM		
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	RR Fee	\$2.00	\$2.00	\$2.00	86.00	Total:
	Service Fee RR Fee	\$4.00	\$4.00	\$4.00	\$12.00	Grand Total:
877 TIFIED MAIL 22	Postage	\$3.84	\$3.84	\$3.84	\$11.52	
PS Form 3877 Type of Mailing: CERTIFIED MAIL 11/14/2022					Totals:	
	Name, Street, City, State, Zip	MRC Permian Company 5400 LBJ Freeway, stc. 1500 Dallas TX 75240	Pivotal Permian Basin II, LLC 2021 McKinney Ave., Ste 1250 Dallas TX 75201	Chevron U.S.A. Inc. 1400 Smith St. Houston TX 77002		
Salan Schuman Marting Roehl Harris & Sisk P.A. Modrall Sperling Roehl Harris & Sisk P.A. Moducrque NM 87102	USPS Article Number	9314 8699 0430 0101 4531 43	9314 8699 0430 0101 4531 50	9314 8699 0430 0101 4531 67		
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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

API Number	³ººº10450	Purple Sage (Wolfcamp) Gas	
4 Property Code		operty Name 1-36 FED STATE COM	* Well Number 22H
OGRID No.		erator Name EX ENERGY CO,	* Elevation 3266.7'

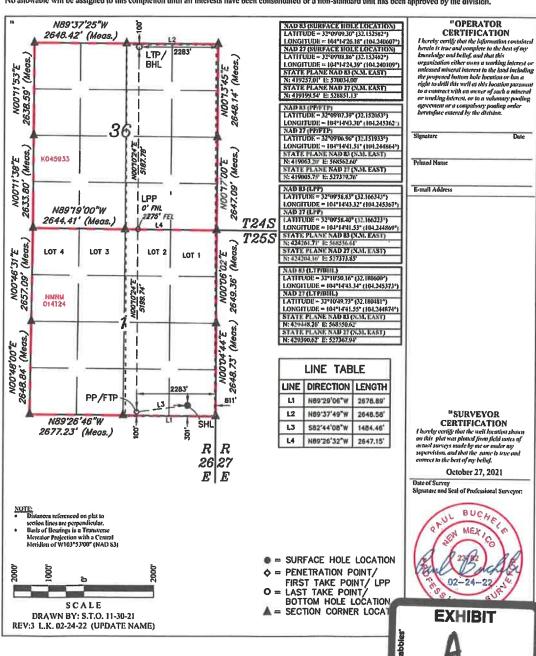
Surface Location

ı	p p	J	25S	26E	COL EGII	301	SOUTH	811	EAST	EDDY
8				,	Bottom H	ole Location I	f Different From	Surface		

"Bottom Hole Location If Different From Surface

(11, er lot no. }	Section 36		Township 24S	Range 26E	l.ol ldn	Feet from the 100	North/South line NORTH	Feet from the 2283	EAST	County EDDY
12 Dedicated Acre 840.12	es	0 30	int or Infill	14 Consc	didation Code	# Order No.				

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.





L A W Y E R S

November 14, 2022

Deana M. Bennett 505.848.1834 dmb@modrall.com

VIA CERTIFIED MAIL

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Re: Application of Cimarex Energy Co. for administrative approval of non-standard locations for Marquardt 1-36 Fed State Com 22H; Marquardt 1-36 Fed State Com 23H; Marquardt 1-36 Fed State Com 24H; Marquardt 1-36 Fed State Com 25H, and Marquardt 1-36 Fed State Com 26H wells, located in the E/2 of Section 1, Township 25 South, Range 26 East, and Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico

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Brett Stewart
Reservoir Engineer
Cimarex Energy Co.
Brett.stewart@coterra.com
(432) 571-7889

Sincerely,

Deana M. Bennett

Attorneys for Cimarex Energy

Co.

EXHIBIT D

- UBUNA

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

Date Notice Letter Sent	11/14/2022	11/14/2022
WIOs If Needed N/A if Cimarex IS NOT operator	MRC Permian Company 5400 LBJ Freeway, Ste. 1500 Dallas, TX 75240	Pivotal Permian Basin II, LLC 2021 McKinney Ave., Ste. 1250 Dallas, TX 75201 N/A
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Other Notice Parties:

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New Mexico State Land Office	11/14/2022

Page 14 of 20 Page 1 Pa

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2021 McKinney Jollan St. Tryon N. S. A. I. Chevron U.S.A. I. 400 Smith St. Houston TX 7700

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LAWYERS

November 14, 2022

Deana M. Bennett 505.848.1834 dmb@modrall.com

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Attorneys for Cimarex Energy

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EXHIBIT

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New Mexico State I and Office	11/14/000

Page 17 of 20 Lage 1 Soc Walz Certified Pro-net 2022

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October 28, 2022

VIA E-FILING

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

Re: Non-Standard Location Application for Marquardt 1-36 Fed State Com 22H; Marquardt 1-36 Fed State Com 23H; Marquardt 1-36 Fed State Com 24H; Marquardt 1-36 Fed State Com 25H, and Marquardt 1-36 Fed State Com 26H wells, Eddy County, New Mexico

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- Marquardt 1-36 Fed State Com 23H well (API No. Pending);
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- Marquardt 1-36 Fed State Com 25H well (API No. Pending); and
- Marquardt 1-36 Fed State Com 26H well (API No. Pending)

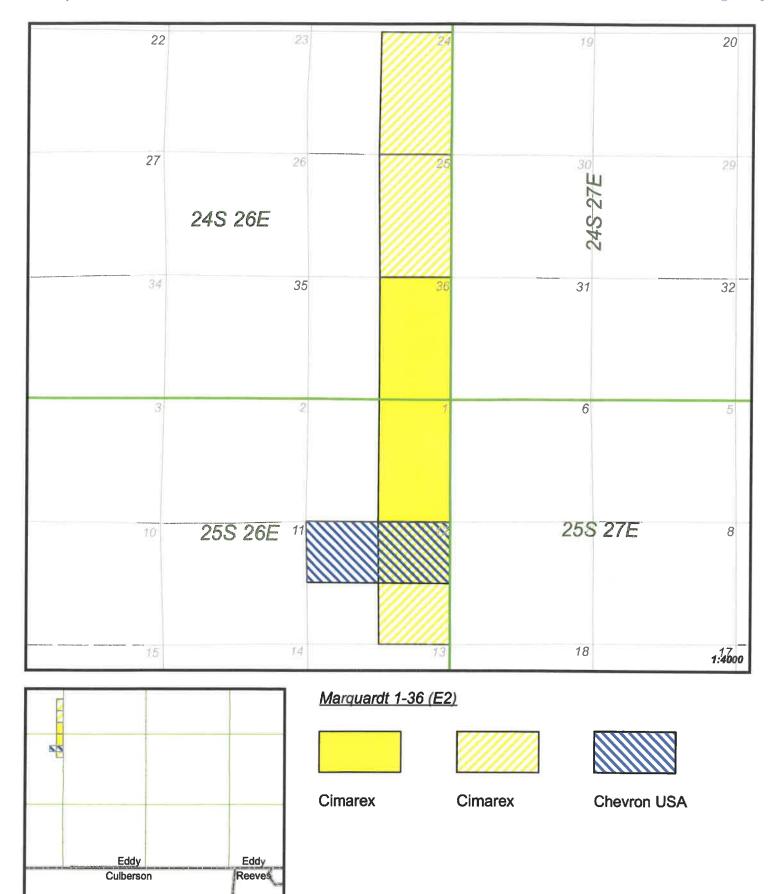
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Thank you for your consideration. Should you have any questions please contact me at brett.stewart@coterra.com or (432)571-7889.

Sincerely,

Brett Stewart Reservoir Engineer Cimarex Energy Co. Brutt Stewart

EXHIBIT



Eddy County, New Mexico

E2, Section 36, Township 24 South, Range 26 East, N.M.P.M., E2, Section 1, Township 25 South, Range 26 East, N.M.P.M.





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

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 158477

CONDITIONS

Operator:	OGRID:
CIMAREX ENERGY CO.	215099
600 N. Marienfeld Street	Action Number:
Midland, TX 79701	158477
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Create	Condition	Condition Date
Ву		
llowe	NSL - 8477 is approved. The approved Order can be retrieved at the following OCD website link. https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	11/16/2022