

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF CIMAREX ENERGY CO. CASE NO. 22262
TO AMEND ORDER NO. 21184-A,
EDDY COUNTY, NEW MEXICO

Examiner Docket: November 4, 2021

CIMAREX ENERGY CO. EXHIBITS



Earl E. DeBrine, Jr.
Deana M. Bennett
Jamie L. Allen

 **MODRALL SPERLING**
500 Fourth Street NW, Suite 1000
P. O. Box 2168 / Albuquerque, NM 87103
Telephone 505.848.1800

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. 21184-A,
EDDY COUNTY, NEW MEXICO**

CASE NO. 22262

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Tab A: Declaration of Riley Morris, Land Professional

- Exhibit 1: Application
- Exhibit 2: Order R-21184
- Exhibit 3: Order No. R-21184-A
- Exhibit 4: Notice Affidavit

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. 21184-A,
EDDY COUNTY, NEW MEXICO

CASE NO. 22262
ORDER NO. R-21184 and
R-21184-A
(Re-Open)

SELF-AFFIRMED DECLARATION

Riley Morris hereby states and declares as follows:

1. I am over the age of 18, I am a petroleum landman for Cimarex Energy Co. (“Cimarex”) and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (“Division”) and I have been qualified by the Division as an expert petroleum landman.
2. My area of responsibility at Cimarex includes the area of Eddy County in New Mexico.
3. I am familiar with the application filed by Cimarex in this case, which is attached as **Exhibit 1**.
4. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced application.
5. I am familiar with the status of the lands that are subject to this application.
6. The purpose of the application is to amend Order No. R-21184 and Order No. R-21184-A, to allow for a one-year extension of time to commence drilling the initial well under the Order.



7. Order No. R-21184, attached as **Exhibit 2**, pooled uncommitted interest owners in a 640-acre (more or less) spacing unit underlying the S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico.

8. Order No. R-21184 designated Cimarex as the operator of the well and the unit.

9. This is Cimarex's second request for an extension of time. In February 2021, Cimarex requested that Order No. R-21184 be re-opened and amended to allow Cimarex additional time to commence drilling the initial well under the Order.

10. Order No. R-21184-A, attached as **Exhibit 3**, was entered on March 15, 2021 (in Case No. 21700), and granted Cimarex's application to extend the period of time to commence drilling the initial well under the Order until March 15, 2022. *See* ¶ 7.

11. As Cimarex explained in its application, there have been changes in Cimarex's drilling schedule due to COVID-19 and current market conditions.

12. Cimarex's operations and drilling activity continue to be impacted by COVID-19 and oil and gas market conditions, which continue to delay Cimarex's drilling plans.

13. Cimarex is in good standing under the statewide rules and regulations.

14. Under Order No. R-21184-A, Cimarex would be required to commence drilling the initial well by March 15, 2022.

15. Cimarex asks that the deadline to commence drilling the initial well be extended for a year from March 15, 2022 to March 15, 2023.

16. Cimarex, through its counsel, notified all pooled parties of Cimarex's request to re-open Order No. R-21184-A for the purpose specified in the application. No opposition is expected because the pooled parties have been contacted, and have not indicated any opposition. Proof of notification is attached as **Exhibit 4** to this Affidavit. Exhibit 4 shows the parties who were

notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Carlsbad Current-Argus newspaper, showing that notice of this hearing was published on October 21, 2021.

17. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

18. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

19. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: November 1, 2021



Riley Morris

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. 21184-A,
EDDY COUNTY, NEW MEXICO**

**CASE NO.
ORDER NO. R-21184-A
(Re-Open)**

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID Number 215099, through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21184-A to allow for a second extension of time for Cimarex to commence drilling the initial well under the Order. In support of this application, Cimarex states as follows:

1. Order No. R-21184 pooled uncommitted interest owners in a 640 acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico.
2. Order No. R-21184 designated Cimarex as the operator of the well and the unit.
3. The Division Hearing for Case No. 21055 was held on February 6, 2020.
4. The Division entered Order No. R-21184 in Case No. 21055 on April 14, 2020.
5. In February 2021, Cimarex requested that Order No. R-21184 be re-opened and amended to allow Cimarex additional time to commence drilling the initial well under the Order.
6. On March 15, 2021 (in Case No. 21700), the Division entered Order No. R-21184-A, in which the Division granted Cimarex’s application to extend the period of time to commence drilling the initial well under the Order until March 15, 2022. See Order R-21184-A ¶ 7.



7. Order No. R-21184-A, ¶ 8 states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operation applies, and OCD grants, to amend Order R-21184 for good cause shown.”

8. Good cause exists for Cimarex’s request for a second extension of time.

9. As Cimarex explained in its first extension request, there have been changes in Cimarex’s drilling schedule due to COVID-19 and the then-existing market conditions.

10. Cimarex’s operations and drilling activity continue to be impacted by COVID-19 and oil and gas market conditions, which continue to delay Cimarex’s drilling plans.

11. Under Order No. R-21184-A, Cimarex would be required to commence drilling the initial well by March 15, 2022.

12. Cimarex asks that the deadline to commence drilling the initial well be extended for a year from March 15, 2022 to March 15, 2023.

WHEREFORE, Cimarex requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21184-A to extend the time for Cimarex to commence drilling the well under the Order for a year, through March 15, 2023.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By:

Earl E. DeBrine
Deana Bennett
Jamie L. Allen
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Cimarex Energy Co.

CASE NO. _____ : (Re-Open) Application of Cimarex Energy Co. to Amend Order No. R-21184-A, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21184-A to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21184 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. Said area is located approximately 16.5 miles south southwest of Carlsbad, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
CIMAREX ENERGY CO.**

**CASE NO. 21055
ORDER NO. R-21184**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 6th, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Cimarex Energy Co. (“Operator”) submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.

CASE NO. 21055
ORDER NO. R-21184

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20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

CASE NO. 21055
ORDER NO. R-21184

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27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

CASE NO. 21055
ORDER NO. R-21184

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- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 4/14/2020

CASE NO. 21055
ORDER NO. R-21184

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Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	APPLICANT'S RESPONSE
Case: 21055	
Date: 2/6/20	
Applicant	Cimarex Energy Co.
Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co. (OGRID 215099)
Applicant's Counsel:	Modrall Sperling
Case Title:	APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, CASE NO. 21055
Entries of Appearance/Intervenors:	None
Well Family	Ringer
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp Pool (Pool Code 98220)
Well Location Setback Rules:	Division's special set back requirements in Order No. R-14262
Spacing Unit Size:	640 Acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 Acres
Building Blocks:	Half Section Equivalents
Orientation:	Nort
Description: TRS/County	S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N, if yes, description	No
Proximity Tracts: if yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B.3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B.1 and Exhibit B.2
Well #1	Ringer 3-4 Federal Com 2H, API No. 30-015-Pending SHL: SE/4 SE/4 (Unit P) of Section 3, Township 25 South, Range 26 East, NMPM, Eddy County. BHL: SW/4 SW/4 (Unit M) of Section 4, Township 25 South, Range 26 East, NMPM, Eddy County Completion Target: Wolfcamp at approx 8,529 feet TVD. Well Orientation: East to West Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.1; Exhibit B.2; Exhibit C.1; Exhibit C.6; Exhibit C.7
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	6,500
Production Supervision/Month \$	650
Justification for Supervision Costs	Exhibit B.6 for AFEs
Requested Risk Charge	200%; see Exhibit B



CASE NO. 21055
ORDER NO. R-21184

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Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B; Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	Exhibit B.3; Exhibit D.2
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B.4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.7
Overhead Rates In Proposal Letter	Exhibit B.5
Cost Estimate to Drill and Complete	Exhibit B.6 for AFEs
Cost Estimate to Equip Well	Exhibit B.6 for AFEs
Cost Estimate for Production Facilities	Exhibit B.6 for AFEs
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C.1, C.2, and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C
Target Formation	Exhibits C.6 and C.7
HSU Cross Section	Exhibits C.6 and C.7
Depth Severance Discussion	Exhibit B
Forms, Figures and Tables	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.2
Well Bore Location Map	Exhibits B.2, C.1, C.4, and C.5
Structure Contour Map - Subsea Depth	Exhibit C.4
Cross Section Location Map (including wells)	Exhibits C.3
Cross Section (including Landing Zone)	Exhibits C.6 and C.7
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Lance Hask
Signed Name (Attorney or Party Representative):	
Date:	2/5/20

CASE NO. 21055
ORDER NO. R-21184

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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
CIMAREX ENERGY CO.**

**CASE NO. 21700
ORDER NO. R-21184-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on March 4, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

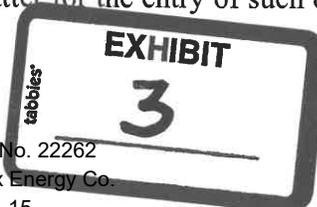
1. Cimarex Energy Co., (“Operator”), submitted an application (“Application”) requesting an extension to commence drilling the subject well as required by Order R-21184.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

7. The period to commence drilling the subject well is extended for one (1) year from the date of this Order.
8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21184 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.



10. The remaining provisions of Order R-21184 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AES/kms

Date: 3/15/2021

CASE NO. 21700
ORDER NO. R-21184-A

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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. 21184-A,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 22262
ORDER NO. R-21184 and
R-21184-A
(Re-Open)**

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Deana M. Bennett, attorney in fact and authorized representative of Cimarex Energy Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the hearing was published in the Carlsbad Current-Argus on October 21, 2021, as reflected in the attached Affidavit of Publication.



Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 1 day of November, 2021 by Deana M. Bennett.



Notary Public

My commission expires: 02-27-25





MODRALL SPERLING

L A W Y E R S

October 14, 2021

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**Re: APPLICATION OF CIMAREX ENERGY CO TO AMEND
ORDER NO. R-21184-A, EDDY COUNTY, NEW MEXICO.**

CASE NO. 22262

TO: AFFECTED PARTIES

This letter is to advise you that Cimarex Energy Co. (“Cimarex”) has filed the above-listed application.

In Case No. 22262, Cimarex seeks an order from the Division for the limited purpose of amending Order No. R-21184-A to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21184 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. Said area is located approximately 16.5 miles south southwest of Carlsbad, New Mexico.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 4, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four

Modrall Spierling
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

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business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

Attorney for Applicant

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. 21184-A,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 22262
ORDER NO. R-21184-A
(Re-Open)**

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID Number 215099, through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21184-A to allow for a second extension of time for Cimarex to commence drilling the initial well under the Order. In support of this application, Cimarex states as follows:

1. Order No. R-21184 pooled uncommitted interest owners in a 640 acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico.
2. Order No. R-21184 designated Cimarex as the operator of the well and the unit.
3. The Division Hearing for Case No. 21055 was held on February 6, 2020.
4. The Division entered Order No. R-21184 in Case No. 21055 on April 14, 2020.
5. In February 2021, Cimarex requested that Order No. R-21184 be re-opened and amended to allow Cimarex additional time to commence drilling the initial well under the Order.
6. On March 15, 2021 (in Case No. 21700), the Division entered Order No. R-21184-A, in which the Division granted Cimarex’s application to extend the period of time to commence drilling the initial well under the Order until March 15, 2022. *See* Order R-21184-A ¶ 7.

7. Order No. R-21184-A, ¶ 8 states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operation applies, and OCD grants, to amend Order R-21184 for good cause shown.”

8. Good cause exists for Cimarex’s request for a second extension of time.

9. As Cimarex explained in its first extension request, there have been changes in Cimarex’s drilling schedule due to COVID-19 and the then-existing market conditions.

10. Cimarex’s operations and drilling activity continue to be impacted by COVID-19 and oil and gas market conditions, which continue to delay Cimarex’s drilling plans.

11. Under Order No. R-21184-A, Cimarex would be required to commence drilling the initial well by March 15, 2022.

12. Cimarex asks that the deadline to commence drilling the initial well be extended for a year from March 15, 2022 to March 15, 2023.

WHEREFORE, Cimarex requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and after notice and hearing as required by law, the Division amend Order No. R-21184-A to extend the time for Cimarex to commence drilling the well under the Order for a year, through March 15, 2023.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By:

Earl E. DeBrine
Deana Bennett
Jamie L. Allen
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Cimarex Energy Co.

CASE NO. 22262 : (Re-Open) Application of Cimarex Energy Co. to Amend Order No. R-21184-A, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21184-A to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21184 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. Said area is located approximately 16.5 miles south southwest of Carlsbad, New Mexico.

PS Form 3877

Firm Mailing Book ID: 216564

Type of Mailing: CERTIFIED MAIL
10/14/2021

Karlene Schuman
Modrall Spering Roehl Harris & Sisk P.A.
100 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 0087 6937 17	Alan Jochimsen 4209 Cardinal Ln Midland TX 79707	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
2	9314 8699 0430 0087 6937 24	AmericaWest Resources LLC PO Box 3383 Midland TX 79702	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
3	9314 8699 0430 0087 6937 31	AmeriPermian Holdings LLC PO Box 1723 Midland TX 79702	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
4	9314 8699 0430 0087 6937 48	EnPlat III, LLC 1200 Summit Ave., Ste. 350 Fort Worth TX 76102	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
5	9314 8699 0430 0087 6937 55	Chevron USA Inc. 6301 Deauville Blvd Midland TX 79706	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
6	9314 8699 0430 0087 6937 62	Diana K Hammonds 108 Sharlotte Dr New Boston TX 75570	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
7	9314 8699 0430 0087 6937 79	Estate of Kelly Lohman, deceased 60 Arbor Hills Place Talking Rock GA 30175	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
8	9314 8699 0430 0087 6937 86	James L Thomas PO Box 878 Mesilla Park NM 88047	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
9	9314 8699 0430 0087 6937 93	Janet J. Tidwell 610 FM 114 De Kalb TX 75559	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
10	9314 8699 0430 0087 6938 09	Leaster A Parks, whose wife is Clara Parks PO Box 496 De Kalb TX 75559	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
11	9314 8699 0430 0087 6938 16	Magnum Hunter Production Inc. 600 N Mariefeld, Suite 600 Midland TX 79701	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
12	9314 8699 0430 0087 6938 23	MEC Petroleum Corp. 6301 Deauville Blvd Midland TX 79706	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
13	9314 8699 0430 0087 6938 30	Monty D McLane PO Box 9451 Midland TX 79708	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
14	9314 8699 0430 0087 6938 54	MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
15	9314 8699 0430 0087 6938 61	Murchison Oil & Gas Inc 1100 Mira Vista Blvd Plano TX 75093	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice



Case No. 22262
Cimarex Energy Co.

BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 4, 2021

PS Form 3877

Firm Mailing Book ID: 216564

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

Type of Mailing: CERTIFIED MAIL
10/14/2021

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0087 6938 78	Nancy B Parks 9241 Elm Tree Circle Tyler TX 75703	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
17	9314 8699 0430 0087 6938 85	OGX Royalty Fund IV LP PO Box 2064 Midland TX 79702	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
18	9314 8699 0430 0087 6938 92	Pearson-Sibert Oil Co. of Texas 136 El Camino Dr, Suite 216 Beverly Hills CA 90212	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
19	9314 8699 0430 0087 6939 08	Shrader Enterprises LP 3349 South St Paul Wichita KS 67217	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
20	9314 8699 0430 0087 6939 15	Speyside Resources LLC PO Box 10458 Midland TX 79702	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
21	9314 8699 0430 0087 6939 22	Springbok Energy Partmes II, LLC 5950 Bershire Ln, Suite 1250 Dallas TX 76092	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
22	9314 8699 0430 0087 6939 39	States Royalty Limited Partnership PO Box 911 Breckenridge TX 76424	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
23	9314 8699 0430 0087 6939 46	Suncrest Resources LLC PO Box 164812 Fort Worth TX 76161	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
24	9314 8699 0430 0087 6939 53	United States / Dept of the Interior Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
25	9314 8699 0430 0087 6939 60	EnPlat III, LLC 1200 Summit Ave., Ste. 350 Fort Worth TX 76102	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
26	9314 8699 0430 0087 6939 77	WPX Energy Permian, LLC 3500 One Williams Center Tulsa OK 74103	\$1.36	\$3.75	\$1.85	\$0.00	82762.0128 Ringer Notice
			Totals:	\$97.50	\$48.10	\$0.00	
				Grand Total:		\$180.96	



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Total Number of Pieces
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Transaction Report Details - CertifiedPro.net
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USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300087693877	2021-10-14 8:22 AM	82762.0128 Ringer	WPX Energy Permian, LLC		Tulsa	OK	74103	Undelivered	Return Receipt - Electronic, Certified Mail	2021-10-18 12:29 PM
9314869904300087693960	2021-10-14 8:22 AM	82762.0128 Ringer	EnPlat III, LLC		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300087693953	2021-10-14 8:22 AM	82762.0128 Ringer	United States / Dept of the Interior	Bureau of Land Management	Santa Fe	NM	87508	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300087693946	2021-10-14 8:22 AM	82762.0128 Ringer	Suncrest Resources LLC		Fort Worth	TX	76161	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300087693939	2021-10-14 8:22 AM	82762.0128 Ringer	States Royalty Limited Partnership		Brockenridge	TX	76424	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-18 9:15 AM
9314869904300087693922	2021-10-14 8:22 AM	82762.0128 Ringer	Springbok Energy Partners II, LLC		Dallas	TX	76092	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300087693915	2021-10-14 8:22 AM	82762.0128 Ringer	Speyside Resources LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-21 1:10 PM
9314869904300087693908	2021-10-14 8:22 AM	82762.0128 Ringer	Shrader Enterprises LP		Wichita	KS	67217	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-18 9:36 AM
9314869904300087693892	2021-10-14 8:22 AM	82762.0128 Ringer	Pearson-Sibert Oil Co. of Texas		Beverly Hills	CA	90212	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300087693885	2021-10-14 8:22 AM	82762.0128 Ringer	OGX Royalty Fund IV LP		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-22 11:07 AM
9314869904300087693878	2021-10-14 8:22 AM	82762.0128 Ringer	Nancy B Parks		Tyler	TX	75703	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-18 4:02 PM
9314869904300087693861	2021-10-14 8:22 AM	82762.0128 Ringer	Murchison Oil & Gas Inc		Piano	TX	75093	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300087693854	2021-10-14 8:22 AM	82762.0128 Ringer	MRC Permian Company		Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-18 11:07 AM
9314869904300087693830	2021-10-14 8:22 AM	82762.0128 Ringer	Monty D McLane		Midland	TX	79708	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-23 12:42 PM
9314869904300087693823	2021-10-14 8:22 AM	82762.0128 Ringer	MEC Petroleum Corp.		Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-18 11:35 AM
9314869904300087693816	2021-10-14 8:22 AM	82762.0128 Ringer	Magnum Hunter Production Inc.		Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300087693809	2021-10-14 8:22 AM	82762.0128 Ringer	Leaster A Parks, whose wife is Clara Parks		De Kalb	TX	75559	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2021-10-18 10:38 AM
9314869904300087693793	2021-10-14 8:22 AM	82762.0128 Ringer	Janet J. Tidwell		De Kalb	TX	75559	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-21 1:43 PM
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9314869904300087693779	2021-10-14 8:22 AM	82762.0128 Ringer	Estate of Kelly Lohman, deceased		Talking Rock	GA	30175	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-20 12:00 AM
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9314869904300087693731	2021-10-14 8:22 AM	82762.0128 Ringer	AmerPermian Holdings LLC		Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	2021-10-22 11:15 AM
9314869904300087693724	2021-10-14 8:22 AM	82762.0128 Ringer	AmericaWest Resources LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2021-10-18 5:15 PM
9314869904300087693717	2021-10-14 8:22 AM	82762.0128 Ringer	Alan Jochimsen		Midland	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	

Carlsbad Current Argus.

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Affidavit of Publication

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MODRALL SPERLING
POBOX 2168

ALBUQUERQUE, NM 87103

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

10/21/2021


Legal Clerk

Subscribed and sworn before me this October 21,
2021:


State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

CASE NO. 22262: Notice to all affected parties, as well as the heirs and devisees of Alan Jochimsen; AmericaWest Resources LLC; AmeriPermian Holdings LLC; EnPlat III, LLC; Chevron USA Inc.; Diana K. Hammonds; Estate of Kelly Lohman, deceased; James L. Thomas; Janet J. Tidwell; Leaster A. Parks, whose wife is Clara Parks; Magnum Hunter Production Inc.; MEC Petroleum Corp; Monty D. McLane; MRC Permian Company; Murchison Oil & Gas Inc.; Nancy B. Parks; OGX Royalty Fund IV LP; Pearson-Sibert Oil Co. of Texas; Shrader Enterprises LP; Speyside Resources LLC; Springbok Energy Partners II, LLC; States Royalty Limited Partnership; Suncrest Resources LLC; United State Department of Interior, Bureau of Land Management; WPX Energy Permian, LLC of Cimarex Energy Co.'s (Re-Open) Application to Amend Order No. R-21184-A, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on November 4, 2021, to consider this application. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21184-A to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21184 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 3 and 4, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. Said area is located approximately 16.5 miles south southwest of Carlsbad, New Mexico. #4965114, Current Argus, Oct. 21, 2021

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004965114
PO #: 4965114
of Affidavits 1

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