

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

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. R-21295-A,
LEA COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21295-A
(Re-Open)**

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID Number 215099, through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21295 (“the Order”) to allow for a second extension of time for drilling the initial well under the Order. In support of this application, Cimarex states as follows:

1. The Division heard Case No. 21144 on April 16, 2020 and entered the Order on April 28, 2020.
2. The Order designated Cimarex as the operator of the unit and the **James 20-29 Federal Com 38H** and **James 20-29 Federal Com 39H** wells; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 20 and E/2 W/2 of Section 29, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.
3. Paragraph 19 of the Order states: “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.” Paragraph 20 of the Order states: “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.”
4. Under the Order, Cimarex would have been required to commence drilling the well by April 28, 2021.

5. Cimarex applied for (in Case 21699), and was granted, a one-year extension of time to drill the initial well, through March 15, 2022. See Order R-21295-A.

6. Cimarex requests that Order R-21295-A be re-opened and amended to allow Cimarex additional time to commence drilling the initial well under the Order.

7. Order R-21295-A, ¶ 8, requires Cimarex to commence drilling the initial well within one year of the date of the order, unless OCD grants an extension of time for good cause shown.

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

9. As explained in Cimarex's first extension request, there had been changes in Cimarex's drilling schedule due to the COVID-19 pandemic and current 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 R-21295-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 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 February 3, 2022, and after notice and hearing as required by law, the Division amend Order No. R-21295-A to extend the March 15, 2023.

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

By: Deana M. Bennett
Earl E. DeBrine
Deana M. Bennett
Jamie L. Allen

Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
dmb@modrall.com
jallen@modrall.com
Attorneys for Applicant

(Re-Open) Application of Cimarex Energy Co. to Amend Order No. R-21295-A, Lea County, New Mexico. Applicant seeks an order from the Oil Conservation Division for the limited purpose of amending Order No. R-21295-A to allow for a one-year extension of time to commence drilling the initial well under the Order. The Division issued Order No. R-21295 on April 28, 2020, which designated Cimarex as the operator of the unit and the **James 20-29 Federal Com 38H** and **James 20-29 Federal Com 39H** wells; and pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 20 and E/2 W/2 of Section 29, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.