

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING March 3, 2022**

**APPLICATION OF CIMAREX ENERGY CO.
TO REOPEN CASE NOS. 22147 AND 22148 FOR AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE**

**Case No. 22575
Reopen Case No. 22147
Order No. R-21033-A**

**Case No. 22576
Reopen Case No. 22148
Order No. R-21035-A**

Cimarex Energy Co.

TABLE OF CONTENTS

TAB 1	Reference for Case Nos. 22575 and 22576 Application Case No. 22575 Application Case No. 22576 Copy of Order No. R-21033-A Copy of Order No. R-21035-A Copy of Initial Request Case No. 22147 Copy of Initial Request Case No. 22148
TAB 2	Exhibit A: Affidavit of Riley Morris, Landman Exhibit A-1: Order No. R-21033-A Exhibit A-2: Order No. R-21035-A
TAB 3	Exhibit B: Affidavit of Notice, Darin C. Savage Exhibit B-1: Notice Letter Exhibit B-2: Mailing Report Exhibit B-3: Green Card

TAB 1

Reference for Case Nos. 22575 and 22576

Application Case No. 22575

Application Case No. 22576

Copy of Order No. R-21033-A

Copy of Order No. R-21035-A

Copy of Initial Request Case No. 22147

Copy of Initial Request Case No. 22148

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

**APPLICATION OF CIMAREX ENERGY CO.
TO REOPEN CASE NO. 22147 (ORDER NO. R-21033-A)
FOR AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE.**

Case No. _____
Reopen Case No. 22147; Order No. R-
21033-A

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMAC 19.15.4.9 and 19.15.4.12, for an order to reopen Case No. 22147 to provide Cimarex the opportunity to cure an oversight in letter notice in regard to one (1) minority working interest owner.

In support of its Application, Cimarex states the following:

1. On August 11, 2021, Cimarex filed an Application to reopen Case No. 20746, and request a nine-month extension of the well commencement deadline in Order R-21033, which was issued January 23, 2020, followed by the Division Director’s Letter dated December 12, 2020 (“Initial Extension”), extending the Order’s commencement date to January 23, 2022. This Order pooled all uncommitted interests in the Bone Spring formation underlying the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and granted Cimarex the operating rights for the proposed **Parkway 16-17 State Com 1H Well** and development of these lands as a unit.

2. The Application was heard by the Hearing Examiner on September 9, 2021, during which Cimarex presented evidence through affidavits in support of the Application. No other party made an appearance or presented evidence at the hearing.

3. On September 21, 2021, the Division issued **Order No. R-21033-A** granting Cimarex's Application and extending the period to drill and/or complete the well for the nine-month period ending October 23, 2022.

4. After the Division issued **Order No. R-21033-A**, Cimarex has become aware of an oversight to provide letter notice pursuant to NMAC 19.15.4.9 to Colgate Energy and its subsidiary Colgate Operating, LLC (collectively "Colgate"), who had subsequently acquired a minority working interest in the HSU by assignments from Crump Energy Partners III, LLC ("Crump Energy") and Crown Oil Partners VI, LLC ("Crown"), owners listed in the original title work.

5. In retrospect, Cimarex recognizes that it should have provided letter notice to Colgate but had inadvertently utilized an outdated mailing list, and the letter notice that should have been mailed to Colgate was, by unintentional oversight, mailed to Crump Energy and Crown instead.

WHEREFORE, Cimarex respectfully requests that this Application to Reopen Case No. 22147 be set for hearing on March 3, 2022, and after notice and hearing as required by law, the Division enter an order:

A. Acknowledging and affirming that the notice letter to Colgate, as a minority working interest owner of record, pursuant to NMAC 19.15.4.9 and this Application to Reopen, has been properly sent and received pursuant to this Application; and therefore, the notice requirement due Colgate for the pooling of the Subject Lands described herein has been satisfied.

B. Affirming and upholding the validity, effectiveness, and applicability of the Division's **Order No. R-21033-A**, as issued, for extending the well commencement deadline for a nine-month period ending October 23, 2022.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

Attorneys for Applicant

Application of Cimarex Energy Co. to Reopen Case No. 22147 (Order No. R-21033-A) for an Extension of the Well Commencement Deadline, Eddy County, New Mexico. Applicant in the above-styled cause seeks to reopen Case No. 22147 for purposes of curing notice due to one minority working interest owner, Colgate Energy and its subsidiary Colgate Operating, LLC (“Colgate”). Division Order No. R-21033-A was issued extending the well commencement deadline of the **Parkway 16-17 State Com 1H Well**, in the Bone Spring formation underlying the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, for the nine-month period ending October 23, 2022. Cimarex seeks an order affirming proper notice to Colgate and the continued validity and effectiveness of Order No. R-21033-A. The well and lands are located approximately 14 miles northeast of Carlsbad, New Mexico.

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

**APPLICATION OF CIMAREX ENERGY CO.
TO REOPEN CASE NO. 22148 (ORDER NO. R-21035-A)
FOR AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE.**

Case No. _____
Reopen Case No. 22148; Order No. R-
21035-A

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMAC 19.15.4.9 and 19.15.4.12, for an order to reopen Case No. 22148 to provide Cimarex the opportunity to cure a deficiency in letter notice in regard to one (1) minority working interest owner.

In support of its Application, Cimarex states the following:

1. On August 11, 2021, Cimarex filed an Application to reopen Case No. 20748, and request a nine-month extension of the well commencement deadline in Order No. R-21035, which was issued January 23, 2020 followed by the Division Director’s Letter dated December 12, 2020 (“Initial Extension”), extending the Order’s commencement date to January 23, 2022. This Order pooled all uncommitted interests in the Bone Spring formation underlying the S/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and granted Cimarex the operating rights for the proposed **Parkway 16-17 State Com 2H Well** and development of these lands as a unit.

2. The Application was heard by the Hearing Examiner on September 9, 2021, during which Cimarex presented evidence through affidavits in support of the Application. No other party made an appearance or presented evidence at the hearing.

3. On September 21, 2021, the Division issued **Order No. R-21035-A** granting Cimarex's Application and extending the period to drill and/or complete the well for the nine-month period ending October 23, 2022.

4. After the Division issued **Order No. R-21035-A**, Cimarex has become aware of an oversight to provide letter notice pursuant to NMAC 19.15.4.9 to Colgate Energy and its subsidiary Colgate Operating, LLC (collectively "Colgate"), who had subsequently acquired a minority working interest in the HSU by assignment from Crump Energy Partners III, LLC ("Crump Energy") and Crown Oil Partners VI, LLC ("Crown"), owners listed in the original title work.

5. In retrospect, Cimarex recognizes that it should have provided letter notice to Colgate but had inadvertently utilized an outdated mailing list and the letter notice that should have been mailed to Colgate was, by unintentional oversight, mailed to Crump Energy and Crown instead.

WHEREFORE, Cimarex respectfully requests that this Application to Reopen Case No. 22148 be set for hearing on March 3, 2022, and after notice and hearing as required by law, the Division enter an order:

A. Acknowledging and affirming that the notice letter to Colgate, as a minority working interest owner of record, pursuant to NMAC 19.15.4.9 and this Application to Reopen, has been properly sent and received pursuant to this Application; and therefore, the notice requirement due Colgate for the pooling of the Subject Lands described herein has been satisfied.

B. Affirming and upholding the validity, effectiveness, and applicability of the Division's **Order No. R-21035-A**, as issued, for extending the well commencement deadline for a nine-month period ending October 23, 2022.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

Attorneys for Applicant

Application of Cimarex Energy Co. to Reopen Case No. 22148 (Order No. R-21035-A) for an Extension of the Well Commencement Deadline, Eddy County, New Mexico. Applicant in the above-styled cause seeks to reopen Case No. 22148 for purposes of curing notice due to one minority working interest owner, Colgate Energy and its subsidiary Colgate Operating, LLC (“Colgate”). Division Order No. R-21035-A was issued extending the well commencement deadline of the **Parkway 16-17 State Com 2H Well**, in the Bone Spring formation underlying the S/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, for the nine-month period ending October 23, 2022. Cimarex seeks an order affirming proper notice to Colgate and the continued validity and effectiveness of Order No. R-21035-A. The well and lands are located approximately 14 miles northeast 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. 22147
ORDER NO. R-21033-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 9, 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 drill and/or complete the initial well as required by Order R-21033.
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 drill and/or complete the well is extended for the nine-month period ending October 23, 2022.
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-21033 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-21033 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AES/kms

Date: 9/20/2021

CASE NO. 22147
ORDER NO. R-21033-A

Page 2 of 2

**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. 22148
ORDER NO. R-21035-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 9, 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 drill and/or complete the initial well as required by Order R-21035.
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 drill and/or complete the well is extended for the nine-month period ending October 23, 2022.
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-21035 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-21035 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: _____ 9/20/2021

CASE NO. 22148
ORDER NO. R-21035-A

Page 2 of 2

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

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. R-21033 FOR
AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE**

**Case No. 22147;
Reopen Case No. 20746 and Amend
Order No. R-21033**

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the New Mexico Oil Conservation Division (“Division”), pursuant to Paragraphs (5) and (6), under “IT IS THEREFORE ORDERED THAT” of Division Order No. R-21033, in order to reopen Case No. 20746, and request a nine-month extension of the well commencement deadline in the Order, which was issued January 23, 2020, followed by the Division Director’s Letter dated December 12, 2020 (“Initial Extension”), extending the Order’s commencement date to January 23, 2022. This Order pooled all uncommitted interests in the Bone Spring formation underlying the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and granted Cimarex the operating rights for the proposed Parkway 16-17 State Com 1H Well and development of these lands as a unit.

Said Paragraph (5) of the Order allows for an extension for good cause shown. The Initial Extension granted an extension of the spud date to January 23, 2022, and provided that “[a]ll other provisions of this order remain in full force and effect.” Pursuant to said Paragraph (5) of the Order, still in full force and effect, Cimarex respectfully requests opportunity for an additional extension of the commencement date based on its showing of good cause.

In support of its Application, Cimarex states the following. Cimarex is in good standing under state-wide rules and regulations with respect to Order No. R-20133, and in good-faith has made substantial progress toward the development of the unit since the Order was issued: (1) by obtaining a Permit to Drill; (2) by successfully entering into an operating agreement with an owner of a large amount of the acreage, and continuing to work with the other owners to finalize agreements; and (3) by successfully completing one trade within the unit and working toward an additional trade. Cimarex will continue to work with the remaining uncommitted interest owners and provide them with the updated Order, with Extension, if granted.

The Initial Extension was requested and granted just prior to the full onset of the COVID public health emergency and economic downturn, and consequently, Cimarex experienced delays and logistical issues in its drilling plans and operations for the Bone Spring formation in these lands, due to a contraction of rig availability under the interceding economic downturn. While grappling with these difficulties, Cimarex had to re-group and reorganize its plans and drilling schedule, finally consolidating plans for the Parkway 16-17 State Com 1H Well to be drilled simultaneously with five other Parkway wells in the area in order to optimize the efficiency of drilling operations and completion of the wells, which include the Parkway 15-14 South State Com 1H and 2H Wells, the Parkway 16-17 State Com 3H Well, the Parkway 16 State Com 4H Well, and the Parkway 16-17 State Com 2H Well. Accordingly, Cimarex respectfully submits that this application for an extension of time will ensure a coordinated effort that allows for the timely drilling and completion of all the Parkway wells and thereby prevents waste, better protects correlative rights, and prevents the drilling of unnecessary wells.

Cimarex recognizes the need for diligence in its revised plans and drilling schedule, and in an effort to promote such consideration, is requesting a time extension of nine months instead of the standard one year in order to make a good-faith effort to expedite its plans.

WHEREFORE, Cimarex respectfully requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 9, 2021, and after notice and hearing as required by law, that, based on good cause shown by Cimarex in the reasons above-described and enumerated, the Division amend Order No. 21033 in a manner that provides for a nine-month extension of the well commencement deadline, through October 23, 2022, and that affords Cimarex the opportunity to continue its development of the unit without interruption.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage
William E. Zimsky
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co., to Amend Order No. R-21033 for a -Nine-month Extension of the Well Commencement Deadline, Eddy County, New Mexico. Applicant in the above-styled cause seeks to re-open Case No. 20746 and amend Division Order No. R-21033 in order to obtain, based on good cause shown, a nine-month extension of the well commencement deadline, as amended, through October 23, 2022. Order No. R-21033 pooled uncommitted interest owners and granted Applicant operating rights for the Parkway 16-17 State Com 1H Well proposed to be drilled into the Bone Spring formation underlying the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The well and lands are located approximately 2.5 miles southeast of Artesia, New Mexico.

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

**APPLICATION OF CIMAREX ENERGY CO.
TO AMEND ORDER NO. R-21035 FOR
AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE**

**Case No. 22148;
Reopen Case No. 20748 and Amend
Order No. R-21035**

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the New Mexico Oil Conservation Division (“Division”), pursuant to Paragraphs (5) and (6), under “IT IS THEREFORE ORDERED THAT” of Division Order No. R-21035, in order to reopen Case No. 20748, and request a nine-month extension of the well commencement deadline in the Order, which was issued January 23, 2020, followed by the Division Director’s Letter dated December 12, 2020 (“Initial Extension”), extending the Order’s commencement date to January 23, 2022. This Order pooled all uncommitted interests in the Bone Spring formation underlying the S/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and granted Cimarex the operating rights for the proposed Parkway 16-17 State Com 2H Well and development of these lands as a unit.

Said Paragraph (5) of the Order allows for an extension for good cause shown. The Initial Extension granted an extension of the spud date to January 23, 2022, and provided that “[a]ll other provisions of this order remain in full force and effect.” Pursuant to said Paragraph (5) of the Order, still in full force and effect, Cimarex respectfully requests opportunity for an additional extension of the commencement date based on its showing of good cause.

In support of its Application, Cimarex states the following. Cimarex is in good standing under state-wide rules and regulations with respect to Order No. R-20135, and in good-faith has made substantial progress toward the development of the unit since the Order was issued: (1) by obtaining a Permit to Drill; (2) by successfully entering into an operating agreement with an owner of a large amount of the acreage, and continuing to work with the other owners to finalize agreements; and (3) by successfully completing one trade within the unit and working toward an additional trade. Cimarex will continue to work with the remaining uncommitted interest owners and provide them with the updated Order, with Extension, if granted.

The Initial Extension was requested and granted just prior to the full onset of the COVID public health emergency and economic downturn, and consequently, Cimarex experienced delays and logistical issues in its drilling plans and operations for the Bone Spring formation in these lands, due to a contraction of rig availability under the interceding economic downturn. While grappling with these difficulties, Cimarex had to re-group and reorganize its plans and drilling schedule, finally consolidating plans for the Parkway 16-17 State Com 2H Well to be drilled simultaneously with five other Parkway wells in the area in order to optimize the efficiency of drilling operations and completion of the wells, which include the Parkway 15-14 South State Com 1H and 2H Wells, the Parkway 16-17 State Com 3H Well, the Parkway 16 State Com 4H Well, and the Parkway 16-17 State Com 1H Well. Accordingly, Cimarex respectfully submits that this application for an extension of time will ensure a coordinated effort that allows for the timely drilling and completion of all the Parkway wells and thereby prevents waste, better protects correlative rights, and prevents the drilling of unnecessary wells.

Cimarex recognizes the need for diligence in its revised plans and drilling schedule, and in an effort to promote such consideration, is requesting a time extension of nine months instead of the standard one year in order to make a good-faith effort to expedite its plans.

WHEREFORE, Cimarex respectfully requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 9, 2021, and after notice and hearing as required by law, that, based on good cause shown by Cimarex in the reasons above-described and enumerated, the Division amend Order No. 21035 in a manner that provides for a nine-month extension of the well commencement deadline, through October 23, 2022, and that affords Cimarex the opportunity to continue its development of the unit without interruption.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage
William E. Zimsky
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co., to Amend Order No. R-21035 for a -Nine-month Extension of the Well Commencement Deadline, Eddy County, New Mexico. Applicant in the above-styled cause seeks to re-open Case No. 20748 and amend Division Order No. R-21035 in order to obtain, based on good cause shown, a nine-month extension of the well commencement deadline, as amended, through October 23, 2022. Order No. R-21035 pooled uncommitted interest owners and granted Applicant operating rights for the Parkway 16-17 State Com 2H Well proposed to be drilled into the Bone Spring formation underlying the S/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The well and lands are located approximately 2.5 miles southeast of Artesia, New Mexico.

TAB 2

Exhibit A: Affidavit of Riley Morris, Landman
Exhibit A-1: Order No. R-21033-A
Exhibit A-2: Order No. R-21035-A

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

**APPLICATION OF CIMAREX ENERGY CO.
TO REOPEN CASE NO. 22147 (ORDER NO. R-21033-A)
FOR AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE**

Case No. 22575;
Reopen Case No. 22147;
Order No. R-21033-A

**APPLICATION OF CIMAREX ENERGY CO.
TO REOPEN CASE NO. 22148 (ORDER NO. R-21035-A)
FOR AN EXTENSION OF THE WELL
COMMENCEMENT DEADLINE**

Case No. 22576;
Reopen Case No. 22148;
Order No. R-21035-A

AFFIDAVIT OF RILEY MORRIS

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am employed as a Landman with Cimarex Energy Co. (“Cimarex”), and I am familiar with the subject application and the lands involved.
3. I graduated in 2010 from the Texas Tech University with a bachelor’s degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 3 years, and I have been working in New Mexico for 3 years. My credentials as a petroleum landman have been accepted by the New Mexico Oil Conservation Division (“Division”) and made a matter of record.



4. This affidavit is submitted in connection with the filing by Cimarex of the above-referenced applications in Case Nos. 22575 and 22576, to reopen Case Nos. 22147 and 22148, in order to provide Cimarex the opportunity to cure an oversight in letter notice in regard to a single minority working interest owner.

5. On September 21, 2021, the Division issued **Order Nos. R-21033-A and R-21035-A**, which amended **Order Nos. R-21033 and R-21035** to extend the period to drill and/or complete the Parkway 16-17 State Com 1H Well and the Parkway 16-17 State Com 2H Well for the nine-month period ending October 23, 2022.

6. In between the issuance of **Order Nos. R-21033 and R-21035** and the issuance of the **Order Nos. R-21033-A and R-21035-A**, Colgate Energy and its subsidiary Colgate Operating, LLC (collectively "Colgate") acquired a minority working interest in the units by assignment from Crump Energy Partners III, LLC ("Crump Energy") and Crown Oil Partners VI, LLC ("Crown"). After the issuance of **Order Nos. R-21033-A and R-21035-A**, Cimarex has become aware of an oversight to provide letter notice to Colgate Energy. Because a mailing list was unintentionally updated belatedly, the letter notice that should have been sent to Colgate was sent to the prior owners Crump Energy and Crown instead.

7. Cimarex respectfully asks that the Division enter an order acknowledging that the notice letter to Colgate, as a working interest owner of record, has been properly sent and received pursuant to the application in the present case, and therefore, the notice requirement due Colgate for the extension of the well commencement deadline described herein has been satisfied. Moreover, Cimarex asks that the order affirm the validity of the Division's Pooling **Order Nos. R-21033-A and R-21035-A**, for extending the well commencement deadline in the cases

described herein for a nine-month period ending October 23, 2022. *See* Exhibits A-1 and A-2 for a copy of the orders, attached hereto.

8. Cimarex, through its counsel, timely notified Colgate of Cimarex's request to re-open the cases described herein for the purpose of providing Colgate letter notice and to provide Colgate its due process rights of addressing any concerns it may have at hearing. *See* Exhibit B-1. No objections have been made, and Cimarex does not anticipate any.

9. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

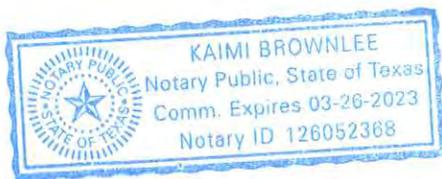
10. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

FURTHER AFFIANT SAYETH NAUGHT

Riley Morris

Subscribed to and sworn before me this 28 day of February 2022.



Notary Public

**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. 22147
ORDER NO. R-21033-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 9, 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 drill and/or complete the initial well as required by Order R-21033.
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 drill and/or complete the well is extended for the nine-month period ending October 23, 2022.
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-21033 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**EXHIBIT
A-1**

10. The remaining provisions of Order R-21033 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AES/kms

Date: 9/20/2021

CASE NO. 22147
ORDER NO. R-21033-A

Page 2 of 2

**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. 22148
ORDER NO. R-21035-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 9, 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 drill and/or complete the initial well as required by Order R-21035.
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 drill and/or complete the well is extended for the nine-month period ending October 23, 2022.
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-21035 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**EXHIBIT
A-2**

10. The remaining provisions of Order R-21035 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**
AES/kms

Date: _____ 9/20/2021

CASE NO. 22148
ORDER NO. R-21035-A

Page 2 of 2

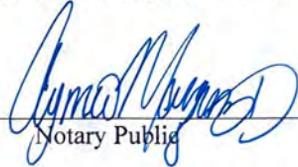
TAB 3

Exhibit B: Affidavit of Notice, Darin C. Savage
Exhibit B-1: Notice Letter
Exhibit B-2: Mailing Report
Exhibit B-3: Green Card



Darin C. Savage

SUBSCRIBED AND SWORN to before me this 1st day of March, 2022, by Darin C. Savage.


Notary Public

My Commission Expires:

March 09, 2024

STATE OF NEW MEXICO
NOTARY PUBLIC
AYMEE MARQUEZ
COMMISSION # 1128383
EXPIRES MARCH 9, 2024



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Kansas	Utah
Nebraska	Wyoming
Montana	California
Oklahoma	North Dakota

February 9, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Colgate Energy and Colgate Operating, LLC (“Colgate”)

Re: Application of Cimarex Energy Co. to reopen Case No. 22147 (Order No. R-21033-A) for an extension of the well commencement deadline Parkway 16-17 State Com 1H Well (Case No. 22575)

Re: Application of Cimarex Energy Co. to reopen Case No. 22148 (Order No. R-21035-A) for an extension of the well commencement deadline Parkway 16-17 State Com 2H Well (Case No. 22576)

Case Nos. 22575 and 22576:

Dear Mr. Hajdik, Colgate Energy:

This letter is to advise you that Cimarex Energy Co. (“Cimarex”) has filed the enclosed applications, Case Nos. 22575 and 22576, with the New Mexico Oil Conservation Division to reopen Case Nos. 22147 and 22148 (Order Nos. R-21033-A and R-21035-A), which extended the well commencement deadline for the nine month period ending October 23, 2022.

Case No. 22575 concerns the previous request to reopen Case No. 22147 and amend Order No. R-21033-A for an extension of the well commencement date involving the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Parkway 16-17 State Com 1H Well.

Case No. 22576 concerns the previous request to reopen Case No. 22148 and amend Order Nos. R-21035-A for an extension of the well commencement date involving the S/2 N/2 of Section 16 and 17, Township 19 South, Range 29 East, NMPM, Eddy County,

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

EXHIBIT
B-1

New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Parkway 16-17 State Com 2H Well.

In both Cases 22147 and 22148, Cimarex inadvertently utilized an outdated mailing list, and the letter notice that should have been mailed to Colgate was, by unintentional oversight, mailed to Crump Energy Partners III, LLC and Crown Oil Partners VI, LLC, the owners listed in the original title work.

To account for the notice issue, a hearing has been requested and scheduled to be heard before a Division Examiner on March 3, 2022. The status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as a minority working interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed online or at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Riley Morris at (432) 620-1966 or at rmorris@cimarex.com.

Sincerely,



Darin C. Savage

Attorney for Cimarex Energy Co.

18 WI
33 ORRI

Interest	Owner	Address	CITY	State	ZIP	USPS #	Date Mailed	Status	Date Delivered	Green Card Returned?	Notes
1H, 2H, 3H, 4H	Cimarex Energy Co.										
	CLIENT/OWNER										
WI 1H, 2H, 3H, 4H	Colgate Energy	300 N. Marienfeld St. Suite 1000	Midland	TX	79701	7021095000069887473				2/9/22	

EXHIBIT
B-2

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																	
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X																	
1. Article Addressed to: <p style="text-align: center; font-family: cursive;">Colgate Energy 300 N. Marienfeld St. Suite 1000 Midland, TX 79701</p>  9590 9402 6862 1104 4348 61	B. Received by (<i>Printed Name</i>)	C. Date of Delivery																
2. Article Number (<i>Transfer from service label</i>) 7021 0950 0000 6988 7473	D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No 3. Service Type <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (RM)</td> <td></td> </tr> </table>		<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (RM)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																	
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																	
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																	
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™																	
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																	
<input type="checkbox"/> Collect on Delivery Restricted Delivery																		
<input type="checkbox"/> Insured Mail																		
<input type="checkbox"/> Insured Mail Restricted Delivery (RM)																		
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt																

EXHIBIT
B-3