

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

**APPLICATION OF CIMAREX ENERGY CO.,  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_

**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 NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 12 and 13, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying said unit.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Cimarex proposes and dedicates to the HSU the **Riverbend 12-13 Federal Com 1H Well, Riverbend 12-13 Federal Com 2H Well, Riverbend 12-13 Federal Com 19H Well, and Riverbend 12-13 Federal Com 20H Well**, as initial wells, to be drilled to a depth sufficient to test the Wolfcamp formation.
3. Cimarex proposes the **Riverbend 12-13 Federal Com 1H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 13.

4. Cimarex proposes the **Riverbend 12-13 Federal Com 2H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 13.

5. Cimarex proposes the **Riverbend 12-13 Federal Com 19H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13.

6. Cimarex proposes the **Riverbend 12-13 Federal Com 20H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13.

7. The proposed wells, which will be located in the Purple Sage; Wolfcamp Pool (Code 98220), are unorthodox in their locations, as the take points, at 100' from the boundaries of the HSU extend into the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool (Order No. R-14262). Accordingly, Cimarex will apply administratively for approval of nonstandard locations (NSLs).

8. Cimarex has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for development within the proposed HSU.

9. The pooling of all interests in the Wolfcamp formation within the proposed HSU, and establishing the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

10. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on July 7, 2022, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 12 and 13, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU;

C. Approving the **Riverbend 12-13 Federal Com 1H Well, Riverbend 12-13 Federal Com 2H Well, Riverbend 12-13 Federal Com 19H Well, and Riverbend 12-13 Federal Com 20H Well** as the well for the HSU.

D. Designating Cimarex as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Darin C. Savage

William E. Zimsky  
Luke Kittinger  
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  
luke@abadieschill.com  
andrew@abadieschill.com

**Attorneys for Cimarex Energy Co.**

***Application of Cimarex Energy Co. for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 12 and 13, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying said unit. The proposed gas wells to be dedicated to the horizontal spacing unit are the **Riverbend 12-13 Federal Com 1H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 13; the **Riverbend 12-13 Federal Com 2H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 13; the **Riverbend 12-13 Federal Com 19H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13; the **Riverbend 12-13 Federal Com 20H Well**, a gas well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 13. The wells will be unorthodox, as the take points will extend into the setback requirements under Special Rules for the Purple Sage Wolfcamp pool (Order No. R-14262); Applicant will apply administratively for approval of the nonstandard locations; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 10 miles north of the New Mexico state line and approximately 66 miles southwest of Hobbs, New Mexico.