

**CASE NOS. 22897 and 22898**

**APPLICATION OF CIMAREX ENERGY CO. TO ALLOW TWO OPERATORS IN A  
WELL UNIT  
EDDY COUNTY, NEW MEXICO**

**CIMAREX ENERGY CO.'S EXHIBIT LIST**

- A. Application and Proposed Notice
- B. Landman's Affidavit
- C. Affidavit of Mailing

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF CIMAREX ENERGY CO.  
TO ALLOW TWO OPERATORS IN THE BONE  
SPRING FORMATION IN CERTAIN WELL  
UNITS, EDDY COUNTY, NEW MEXICO.**Case No. 22897**APPLICATION**

Cimarex Energy Co. applies for an order allowing two operators in the Bone Spring formation in horizontal spacing units underlying the W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W/2W/2 of Section 29 and the W/2W/2 of Section 32, and has the right to drill a well thereon.
2. Applicant proposes to drill the Southern Hills 32-29 State Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation. The W/2W/2 of Section 29 and the W/2W/2 of Section 32 will be dedicated to the well.
5. The proposed well unit overlaps the following existing, producing well units in the Bone Spring formation:

<u>Well Name</u>	<u>Well Unit</u>	<u>Operator</u>
Populus Fed. Well No. 4H	W/2W/2 §29	COG Operating LLC
Cottonwood Hills 32 St. Com. Well No. 2H	W/2W/2 §32	Cimarex Energy Co.

3. Applicant requests approval of two operators in the same formation for the Populus Fed. Well No. 4H, operated by COG Operating LLC, and the Southern Hills 32-29 State Fed. Com. Well No. 1H, to be operated by Applicant.

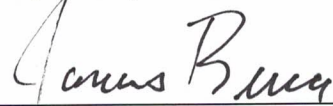
EXHIBIT

**A**

6. The granting of this application will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Cimarex Energy Co.

***Application of Cimarex Energy Co. to allow two operators in the Bone Spring formation in certain well units, Eddy County, New Mexico.*** Cimarex Energy Co. seeks an order allowing two operators in the following Bone Spring well units:

(a) The W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the Southern Hills State Fed. Com. Well No. 1H, to be operated by Cimarex Energy Co.

(b) The W/2W/2 of Section 29, Township 25 South, Range 27 East, NMPM. The unit is dedicated to the Populus Fed. Well No. 4H, operated by COG Operating LLC.

The units are located approximately 7 miles southeast of Whites City, New Mexico.

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF CIMAREX ENERGY CO.  
TO ALLOW TWO OPERATORS IN THE BONE  
SPRING FORMATION IN CERTAIN WELL  
UNITS, EDDY COUNTY, NEW MEXICO.**Case No. 22898**APPLICATION**

Cimarex Energy Co. applies for an order allowing two operators in the Bone Spring formation in horizontal spacing units underlying the E/2W/2 of Section 29 and the E/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E/2W/2 of Section 29 and the E/2W/2 of Section 32, and has the right to drill a well thereon.
2. Applicant proposes to drill the Southern Hills 32-29 State Fed. Com. Well No. 2H to a depth sufficient to test the Bone Spring formation. The E/2W/2 of Section 29 and the E/2W/2 of Section 32 will be dedicated to the well.
5. The proposed well unit overlaps the following existing, producing well units in the Bone Spring formation:

<u>Well Name</u>	<u>Well Unit</u>	<u>Operator</u>
Populus Fed. Well No. 3H	E/2W/2 §29	COG Operating LLC
Cottonwood Hills 32 St. Com. Well No. 2H	E/2W/2 §32	Cimarex Energy Co.

3. Applicant requests approval of two operators in the same formation for the Populus Fed. Well No. 3H, operated by COG Operating LLC, and the Southern Hills 32-29 State Fed. Com. Well No. 2H, to be operated by Applicant.

6. The granting of this application will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested above.

Respectfully submitted,

A handwritten signature in black ink that reads "James Bruce". The signature is written in a cursive style with a large initial "J".

---

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Cimarex Energy Co.

***Application of Cimarex Energy Co. to allow two operators in the Bone Spring formation in certain well units, Eddy County, New Mexico.*** Cimarex Energy Co. seeks an order allowing two operators in the following Bone Spring well units:

(a) The E/2W/2 of Section 29 and the E/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the Southern Hills State Fed. Com. Well No. 2H, to be operated by Cimarex Energy Co.

(b) The E/2W/2 of Section 29, Township 25 South, Range 27 East, NMPM. The unit is dedicated to the Populus Fed. Well No. 3H, operated by COG Operating LLC.

The units are located approximately 7 miles southeast of Whites City, New Mexico.

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

EXHIBIT

**B**

**APPLICATIONS OF CIMAREX ENERGY CO. TO  
ALLOW TWO OPERATORS IN A WELL UNIT,  
EDDY COUNTY, NEW MEXICO.**

**Case Nos. 22897 & 22898**

**VERIFIED STATEMENT OF RILEY MORRIS**

Riley Morris, being duly sworn upon her oath, deposes and states:

1. I am a landman for Cimarex Energy Co. ("Cimarex"), and have personal knowledge of the matters stated herein. I have been previously qualified as a landman before the Division.
2. Pursuant to Division Rules, the following information is submitted in support of the applications filed herein.
3. Cimarex has applied to allow operators in well units, as follows:

In Case No. 22897 Cimarex seeks an order allowing two operators in the following Bone Spring well unit:

- (a) The W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the Southern Hills State Fed. Com. Well No. 1H, to be operated by Cimarex Energy Co.
- (b) The W/2W/2 of Section 29, Township 25 South, Range 27 East, NMPM. The unit is dedicated to the Populus Fed. Well No. 4H, operated by COG Operating LLC.

In Case No. 22898 Cimarex seeks an order allowing two operators in the following Bone Spring well unit:

- (a) The E/2W/2 of Section 29 and the E/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the Southern Hills State Fed. Com. Well No. 2H, to be operated by Cimarex Energy Co.
- (b) The E/2W/2 of Section 29, Township 25 South, Range 27 East, NMPM. The unit is dedicated to the Populus Fed. Well No. 3H, operated by COG Operating LLC.

4. These cases are related to pooling applications in Case Nos. 22771-22773.

5. Letters were sent to the working interest owners in the overlapping well units as shown by Attachment A. These letters were sent by certified mail, and no interest owner has objected.

6. Notice of these applications has been mailed to the affected operator, COG Operating LLC.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 6. above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: July 5, 2022

/s/ Riley Morris

Cimarex Energy Co.  
Permian Business Unit  
600 N. Marienfeld Street  
Suite 600  
Midland, Texas 79701  
MAIN 432.571.7800



June 9, 2022

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, TX 77002  
Attn: Land Department

Certified Mail – Return Receipt Requested

To: Working Interest Owners in the Bone Spring formation  
W/2W/2 §29 and the W/2W/2 §32-25S-27E, NMPM  
Eddy County New Mexico

Re: Overlapping spacing units

Ladies and Gentlemen:

As you know, Cimarex Energy Co. ("Cimarex") has proposed the drilling of the So. Hills 32-29 State Fed Com Well No. 1H on the above-described lands to a depth sufficient to test the Third Bone Spring formation. The W/2W/2 §29-25S-27E, NMPM is in the well unit for the Populous Fed. Well No. 4H (operated by COG Operating LLC), which has been drilled and completed in the Bone Spring Sand. In addition, the W/2W/2 §32-25S-27E, NMPM is in the well unit for the Cottonwood Hills St. Com Well No. 2H (operated by Cimarex), which has been drilled and completed in the Bone Spring Sand.

Cimarex provides this notice pursuant to NMAC 19.15.16.15.B(9)(b). Because of the different sands being tested by the Southern Hills well compared to the existing wells, and the geological barrier between the two zones, Cimarex expects no effects on the existing wells from the drilling and completion of the Southern Hills well. In addition, distribution of production proceeds to the interest owners in the existing wells will not change upon the drilling of the Southern Hills well. However the Oil Conservation Division Rule cited above requires Cimarex to notify you of the overlapping well units. If you have any objection to Cimarex filing an Application for Permit to Drill the Southern Hills well, you must deliver a written statement of such objection to Cimarex within 20 days of the date of this letter.

Please contact me if you have any questions.

Respectfully,

*Riley C. Morris*

Riley C. Morris  
Sr. Landman  
432.620.1966  
Riley.Morris@Coterra.com

***Application of Cimarex Energy Co. for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico.*** Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the So. Hills State Fed. Com. Well No. 1H, with a first take point in the SW/4SW/4 of Section 32 and a last take point in the NW/4NW/4 of Section 29. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

<u>Well Name</u>	<u>Well Unit</u>	<u>Operator</u>
Populus Fed. Well No. 4H	W/2W/2 §29	COG Operating LLC
Cottonwood Hills St. Com No. 2H	W/2W/2 §32	Cimarex Energy Co.

The unit is located approximately 3 miles south of Carlsbad, New Mexico.

Cimarex Energy Co.  
Permian Business Unit  
600 N. Marienfeld Street  
Suite 600  
Midland, Texas 79701  
MAIN 432.571.7800



June 9, 2022

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, TX 77002  
Attn: Land Department

Certified Mail – Return Receipt Requested

To: Working Interest Owners in the Bone Spring formation  
E/2W/2 §29 and the E/2W/2 §32-25S-27E, NMPM  
Eddy County New Mexico

Re: Overlapping spacing units

Ladies and Gentlemen:

As you know, Cimarex Energy Co. ("Cimarex") has proposed the drilling of the So. Hills 32-29 State Fed Com Well No. 2H on the above-described lands to a depth sufficient to test the Third Bone Spring formation. The E/2W/2 §29-25S-27E, NMPM is in the well unit for the Populous Fed Well No. 3H (operated by COG Operating LLC), which has been drilled and completed in the Bone Spring Sand. In addition, the E/2W/2 §32-25S-27E, NMPM is in the well unit for the Cottonwood Hills St. Com Well No. 3H (operated by Cimarex), which has been drilled and completed in the Bone Spring Sand.

Cimarex provides this notice pursuant to NMAC 19.15.16.15.B(9)(b). Because of the different sands being tested by the Southern Hills well compared to the existing wells, and the geological barrier between the two zones, Cimarex expects no effects on the existing wells from the drilling and completion of the Southern Hills well. In addition, distribution of production proceeds to the interest owners in the existing wells will not change upon the drilling of the Southern Hills well. However the Oil Conservation Division Rule cited above requires Cimarex to notify you of the overlapping well units. If you have any objection to Cimarex filing an Application for Permit to Drill the Southern Hills well, you must deliver a written statement of such objection to Cimarex within 20 days of the date of this letter.

Please contact me if you have any questions.

Respectfully,

*Riley C. Morris*

Riley C. Morris  
Sr. Landman  
432.620.1966  
Riley.Morris@Coterra.com

***Application of Cimarex Energy Co. for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico.*** Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 29 and the E/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the So. Hills State Fed. Com. Well No. 2H, with a first take point in the SE/4SW/4 of Section 32 and a last take point in the NE/4NW/4 of Section 29. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

<u>Well Name</u>	<u>Well Unit</u>	<u>Operator</u>
Populus Fed. Well No. 3H	E/2W/2 §29	COG Operating LLC
Cottonwood Hills 32 St. Com. Well No. 3H	E/2W/2 §32	Cimarex Energy Co.

The unit is located approximately 3 miles south of Carlsbad, New Mexico.

Cimarex Energy Co.  
Permian Business Unit  
600 N. Marienfeld Street  
Suite 600  
Midland, Texas 79701  
MAIN 432.571.7800



June 9, 2022

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, TX 77002  
Attn: Land Department

Certified Mail – Return Receipt Requested

To: Working Interest Owners in the Bone Spring formation  
W/2 §29 and the W/2 §32-25S-27E, NMPM  
Eddy County New Mexico

Re: Overlapping spacing units

Ladies and Gentlemen:

As you know, Cimarex Energy Co. ("Cimarex") has proposed the drilling of the So. Hills 32-29 State Fed Com Well No. 3H and the So. Hills 32-29 State Fed Com Well No. 4H on the above-described lands to a depth sufficient to test the Wolfcamp formation. The W/2 §29-25S-27E, NMPM is in the well unit for the Cottonwood Hills St. Com. Well No. 1H (operated by Cimarex), which has been drilled and completed in the Wolfcamp Formation.

Cimarex provides this notice pursuant to NMAC 19.15.16.15.B(9)(b). Because of the different sands being tested by the Southern Hills well compared to the existing wells, and the geological barrier between the two zones, Cimarex expects no effects on the existing wells from the drilling and completion of the Southern Hills well. In addition, distribution of production proceeds to the interest owners in the existing wells will not change upon the drilling of the Southern Hills well. However the Oil Conservation Division Rule cited above requires Cimarex to notify you of the overlapping well units. If you have any objection to Cimarex filing an Application for Permit to Drill the Southern Hills well, you must deliver a written statement of such objection to Cimarex within 20 days of the date of this letter.

Please contact me if you have any questions.

Respectfully,

*Riley C. Morris*

Riley C. Morris  
Sr. Landman  
432.620.1966  
Riley.Morris@Coterra.com

***Application of Cimarex Energy Co. for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico.*** Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 29 and the W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to (a) the So. Hills 32-29 State Fed Com Well No. 3H, with a first take point in the SW/4SW/4 of Section 32 and a last take point in the NW/4NW/4 of Section 29, and (b) the So. Hills 32-29 State Fed Com Well No. 4H, with a first take point in the SE/4SW/4 of Section 32 and a last take point in the NE/4NW/4 of Section 29. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. Applicant also requests approval of the proposed well unit overlapping the well unit for the following well:

<u>Well Name</u>	<u>Well Unit</u>	<u>Operator</u>
Cottonwood Hills 32 St. Com. Well No. 1H	W/2 §32	Cimarex Energy Co.

The unit is located approximately 3 miles south of Carlsbad, New Mexico.

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

**APPLICATIONS OF CIMAREX ENERGY  
CO. TWO ALLOW TWO OPERATORS IN  
A WELL UNIT, EDDY COUNTY, NEW MEXICO.**

**Case Nos. 22897 - 22898**

**SELF-AFFIRMED STATEMENT**

COUNTY OF SANTA FE    )  
  ) ss.  
STATE OF NEW MEXICO    )

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Cimarex Energy Co.
3. Cimarex Energy Co. has conducted a good faith effort to locate the names and addresses of all interest owners in the proposed well units.
4. Notice of the pooling applications were provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are submitted as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: \_\_\_\_\_

7/5/22

James Bruce  
James Bruce

EXHIBIT

C

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

ATTACHMENT **A**

June 16, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

COG Operating LLC  
One Concho Center  
600 West Illinois Avenue  
Midland, TX 79701

Ladies and gentlemen:

Enclosed are copies of two applications, filed with the New Mexico Oil Conservation Division by Cimarex Energy Co., seeking orders approving two operators in certain well units, as follows:

1. In Case No. 22897, Cimarex Energy Co. seeks an order allowing two operators in the following Bone Spring well units: (a) The W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the Southern Hills State Fed. Com. Well No. 1H, to be operated by Cimarex Energy Co.; and (b) The W/2W/2 of Section 29, Township 25 South, Range 27 East, NMPM. The unit is dedicated to the Populus Fed. Well No. 4H, operated by COG Operating LLC.
2. In Case No. 22898, Cimarex Energy Co. seeks an order allowing two operators in the following Bone Spring well units: (a) The E/2W/2 of Section 29 and the E/2W/2 of Section 32, Township 25 South, Range 27 East, NMPM. The unit will be dedicated to the Southern Hills State Fed. Com. Well No. 2H, to be operated by Cimarex Energy Co.; and (b) The E/2W/2 of Section 29, Township 25 South, Range 27 East, NMPM. The unit is dedicated to the Populus Fed. Well No. 3H, operated by COG Operating LLC.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, July 7, 2022. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to [emnrd.state.nm.us/OCD/hearings](http://emnrd.state.nm.us/OCD/hearings) or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you

may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement five business days before the hearing date. This statement may be filed online with the Division at [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us), and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for Cimarex Energy Co.

7021 0950 0002 0364 6645

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
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For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee \$		Postmark Here
Extra Services & Fees (check box, add fee as appropriate)		
<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	
Postage \$		
Total Postage and Fees \$		
Sent To COG Operating LLC One Concho Center 600 West Illinois Avenue Midland, TX 79701		
Street and Apt. No., or P.O. Box		
City, State, ZIP+4®		

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions