

**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 COMPANY**

**CASE NO. 22453  
ORDER NO. R-22003**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Cimarex Energy Company (“Operator”) submitted an application (“Application”) to compulsory 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 does not propose any supervision and risk charges for the Well(s) described in Exhibit A, because the uncommitted oil and gas interests the Operator is seeking to be pool by this Application do not include any working interests.
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 depth(s) and location(s) in the Unit described in Exhibit A.
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.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending 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. Because the interests to be pooled by this Order do not include any working interests, there is no necessity to provide in this Order for allocation of costs, risk charges, or overhead charges.
23. 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.*

24. The Unit shall terminate if (a) the owners of all Uncommitted 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.
25. 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/jag

Date: 1/26/2022

**Exhibit A**

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 22453</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>January 4, 2022</b>
<b>Applicant</b>	<b>Cimarex Energy Co.</b>
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	<b>215099</b>
<b>Applicant's Counsel:</b>	<b>Darin C. Savage - Abadie &amp; Schill, PC</b>
<b>Case Title:</b>	<b>Application of Cimarex Energy Co. for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico</b>
<b>Entries of Appearance/Intervenors:</b>	<b>N/a</b>
<b>Well Family</b>	<b>Parkway 15-14</b>
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	<b>Bone Spring</b>
<b>Primary Product (Oil or Gas):</b>	<b>Oil</b>
<b>Pooling this vertical extent:</b>	<b>Exhibits A and B-2; TVD 8,840' approx.</b>
<b>Pool Name and Pool Code:</b>	<b>Turkey Track; Bone Spring [60660]</b>
<b>Well Location Setback Rules:</b>	<b>NMAC statewide rules apply</b>
<b>Spacing Unit Size:</b>	<b>320 acres, more or less</b>
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	<b>Horizontal</b>
<b>Size (Acres)</b>	<b>320 acres, more or less</b>
<b>Building Blocks:</b>	<b>quarter quarter sections (40 ac tracts)</b>
<b>Orientation:</b>	<b>west to east</b>
<b>Description: TRS/County</b>	<b>S/2 S/2 of Sections 15 and 14, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico</b>
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	<b>Yes</b>
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	<b>No</b>
<b>Proximity Tracts: If yes, description</b>	<b>No</b>
<b>Proximity Defining Well: if yes, description</b>	<b>No</b>
<b>Applicant's Ownership in Each Tract</b>	<b>See Landman Exhibit A-2</b>
<b>Well(s)</b>	

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Parkway 15-14 South State Com 2H (API No. 30-015-pending), SHL: Unit L, 1,400' FSL, 390' FWL, Section 15, T19S-R29E, NMPM; BHL: Unit P, 330' FSL, 100' FEL Section 14, T19S-R29E, NMPM, laydown, standard location
Horizontal Well First and Last Take Points	Parkway 15-14 South State Com 2H: FTP 760' FSL, 100' FWL, Section 15; LTP 330' FSL, 100' FEL, Section 14
Completion Target (Formation, TVD and MD)	Parkway 15-14 South State Com 2H: TVD approx. 8,840', TMD approx. 19,344'; Bone Spring Formation, See Exhibit B-2
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000, Exhibits A and A-3
Production Supervision/Month \$	\$800, Exhibit A and A-3
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A, N/a
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above & below)	N/a
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3

Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1
Target Formation	Exhibit B, B-2
HSU Cross Section	Exhibit B-2, B-4, B-5
Depth Severance Discussion	Exhibit B
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-1, A-2, B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit B-1, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-5
Cross Section (including Landing Zone)	Exhibit B-2, B-4, B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	This unit, which runs west to east, traversing Sections 15 and 14, overlaps one quarter-quarter section in a number of standup units in the same Bone Spring formation [Pool Code 60660] owned and operated by Cimarex. Therefore, Cimarex seeks approval from the Division for the partial overlap, pursuant to NMAC 19.15.16.15B(9).
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Darin C. Savage 
Signed Name (Attorney or Party Representative):	
Date:	1/4/2022