C73

PM AMIS 2475 950

ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -



1220 South St. Francis Drive, Santa Fe, NM 87505

# **ADMINISTRATIVE APPLICATION CHECKLIST**

TH	IIS CHECKLIST IS MA	ANDATORY FOR ALL ADMINISTRATIVE WHICH REQUIRE PROCESS			AND REGULATIONS				
Applic	ation Acronyms	<b>5:</b>							
	_	dard Location] [NSP-Non-Sta							
	-	<u> </u>	ease Commingling] Lease Storage]     [(	PLC-Pool/Lease Com DLM-Off-Lease Measure					
	_	[WFX-Waterflood Expansion]		aintenance Expansion]	-				
	'	[SWD-Salt Water Disposa	_		c7B-766				
	[EOR-Qual	ified Enhanced Oil Recovery (	ertification] [PPI	R-Positive Production Re	esponse]				
[1]	TYPE OF AP	PLICATION - Check Those V	Which Apply for [A]	Cimarex Energy Co of	Colorado- 162683				
	[A]	Location - Spacing Unit - Sin		wells:	20.015.26250				
		☐ NSL ☐ NSP ☐	SD	Glycerin 10 Fed Com 1 30-015-36359 Glycerin 10 Fed Com 2 30-015-36409					
	Charle	O O. l., for [D] or [C]		Siyee in 10 1eu com 2					
	Cneck [B]	One Only for [B] or [C] Commingling - Storage - Mea	ısıırement	Pos					
	[D]	DHC CTB		l ols □ olm -	Sount 1:				
					MARCINET				
	[C]	Injection - Disposal - Pressure		d Oil Recovery	160 (0)				
		☐ WFX ☐ PMX ☐	SWD   IPI	」EOR	460(0) 97197				
	[D]	Other: Specify		· · ·					
					-				
[2]		ON REQUIRED TO: - Check		most Ossimons					
	[A]	Working, Royalty or Ove	erriding Royalty inte	rest Owners	3 <u>H</u>				
	[B]	Offset Operators, Leaseh	olders or Surface Ov						
	[C]	Application is One Which	h Requires Publishe	d Legal Notice	7 5				
	(D)	Natification and/or Cons	urmant Ammarial his	DIM or SLO	4.				
	[ال]	[D] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office							
	[E]	For all of the above, Pro	of of Notification or	Publication is Attached,	and/or,				
	[F]	☐ Waivers are Attached							
	[-]								
[3]		CURATE AND COMPLETE ATION INDICATED ABOVE		REQUIRED TO PROC	ESS THE TYPE				
	OF ALL LICE	THON INDICATED ABOVE	·•						
[4]		<b>FION:</b> I hereby certify that the							
		nd complete to the best of my k			will be taken on this				
applica	ation until the re	quired information and notificat	tions are submitted to	o the Division.					
	Note:	Statement must be completed by a	n individual with manage	erial and/or supervisory capa	city.				
Aricka	a Easterling	Anicka Son	NII LINO -	Regulatory Analyst	9/3/15				
Print o	r Type Name	Signature	// T	Title	Date				
I IIII O	1 Type I value	Signature	$\cup$ .		2 410				

## Cimarex Energy Co.

202 S Cheyenne Ave

Suite 1000

Tulsa, Oklahoma 74103-4346

Phone 918.585.1100

Fax 918.749.8059

RECEIVED OCD



September 3, 2015

**NMOCD** 1220 South St. Francis Drive Santa Fe, NM 87505

RE: Request for a Commingle Gas Production Glycerin 10 Fed Com 1 API# 30-015-36359 Glycerin 10 Fed Com 2 API# 30-015-36409 Pool: County Line Tank; Abo (97197) Eddy County, New Mexico

Mr. McMillian:

Cimarex Energy Company respectfully requests approval to surface commingle production from Glycerin 10 Fed Com lease. Both wells are producing from the County line Tank; Abo (97197). We would like to commingle the production of gas at the tank battery.

Both wells going into the tank battery have identical working and revenue interests.

Please contact me should you have any questions or need anything further.

Thank you in advance for your time.

Sincerely,

Easteling

Regulatory Analyst

**Enclosure** 

DISTRICT I 1635 M. French Dr., Hobbs. MK 66240 DISTRICT II 1801 V. Grand Avenue, Ariasia, NK 86210

State of: New Mexico Energy, Minerals and Natural Resources Department Form C-102 Revised Outober 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies Fon Lease - 6 Copies

DISTRICT III 1000 No Brekes Md. Axtec. NM 87410

DISTRICT IV
1980 S. St. Francis Dr., Santa Po. MM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

II AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Code Pool Name		
30-015-3635	9 97197	County Line Tank; Abo (	Oil)	
Property Code	Proj	Property Name		
37195	GLYCERIN "10	O" FEDERAL COM	1	
OGRID No.	Орег	ator Name	Kievation 3716	
162683	CIMAREX ENERGY	CIMAREX ENERGY CO. OF COLORADO		

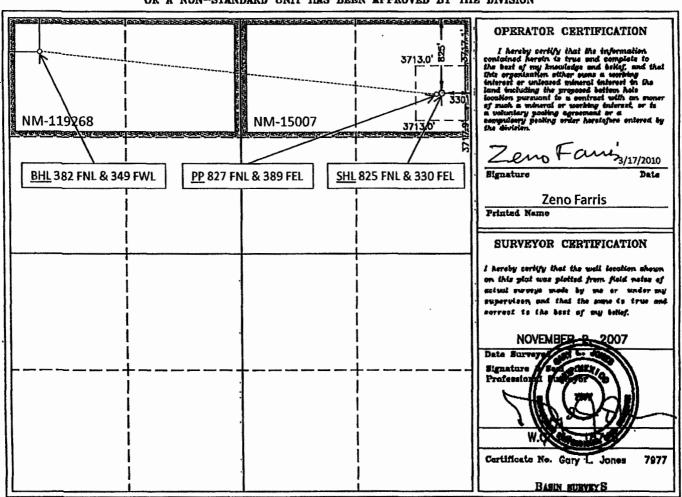
#### Surface Location

ı	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
	Α	10	16 S	29 E		825	NORTH	330	EAST	EDDY	

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Hange	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	16 S	29 E		827	NORTH	389	WEST	EDDY
Dedicated Acres   Joint or Infill   Consolidation Code :				Code : Or	der No.				-
160 P		,							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



DISTRICT I 1625 N. French De., Robbs, NM 88240 DISTRICT II 1501 W. Grand Avenue, Artesia, RN 85210

1000 Rio Brazos Rd., Astec, NM 87410

DISTRICT III

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 12, 2005

Submit to Appropriate Bistrict Office

OIL CONSERVATION DIVISION 1220 South St. Francis RECEIVED
Santa Fe, New Mexico 17505

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV 1240 S. St. Francis Dr., Santa Fe, NM 67505 JUL 3 0 2010

AMENDED REPORT

'	WELL LOCATION AND	ACREAGE DEPLATION PLAT	
API Number	Pool Code	Pool Name	
30-015-3640	9 97197 ′	County Line Tank: Abo (	Oil)
Property Code		perty Name	Well Number
37195	GLYCERIN "10	O" FEDERAL COM	1 2
OGRID No.	Oper	rator Name	Kieratian
162683	CIMAREX ENERGY	CO. OF COLORADO	,3719՝

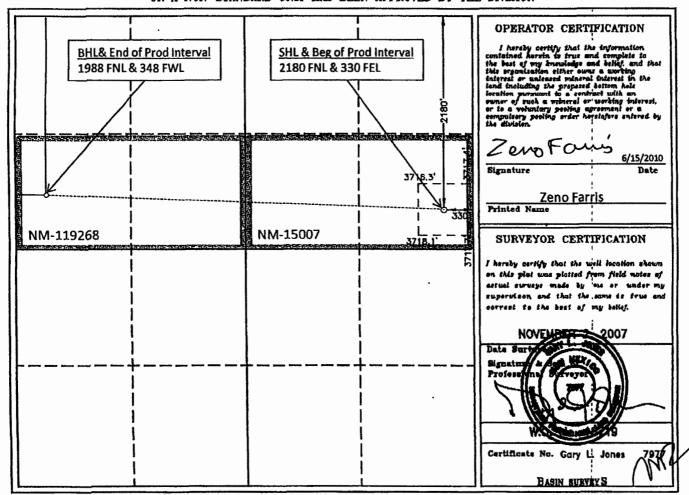
Surface Location

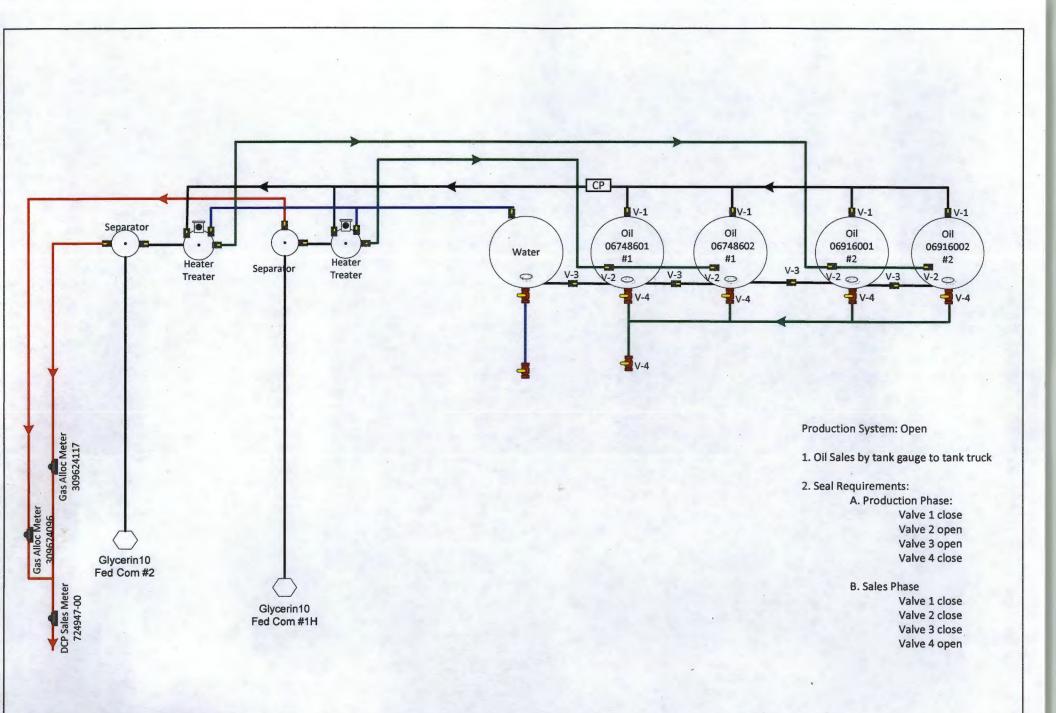
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
. H	10	16 S	29 E		2180	NORTH	330	EAST	EDDY

Bottom Hole Location If Different From Surface

Г	UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	E	10	16 S	29 E		1988	NORTH	348	WEST	EDDY
	Dedicated Acres	Joint o	r lufill C	ensolidation	Code Or	rder No.				
	160			Р					i .	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION







Glycerin 10 Fed Com 825' FNL & 330' FEL, Sec. 10, T16S, R29E Eddy County, NM

#### Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, TX 79701 MAN 432 571.7800



August 27, 2015

OCD

Attn: Michael A. McMillian 1220 South St. Francis Dr. Santa Fe, NM 87505

RE:

Ownership of Developed Lands - Surface Commingling

Glycerin 10 Fed Com 1, Glycerin 10 Fed Com 2

Lea County, New Mexico

To Whom It May Concern:

The above referenced wells have been drilled under Federal Lease NMNM 015007 & NMNM 119268 and each proration unit for the above referenced well have the exact same WI, RI and ORRI owners. If you need any further information, you may contact me directly at 432-571-7896 or <a href="mailto:mcompton@cimarex.com">mcompton@cimarex.com</a>.

Sincerely,

Cimarex Energy Co.

Mark Compton Landman

#### APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Proposal for _	Glycerin 10 Fed com	_:	
Cimarex Ener	gy Co. is requesting approval for _	СТВ	

# Federal Lease \_NMNM05007 & NMNM119268

Well Name	Location	API#	Pool	MCFPD	BTU
Glycerin 10 Fed Com 1	SE,NE	30-015-36359	97197	88.7	1.226
Glycerin 10 Fed Com 2	NE,NE	30-015-36409	97197	36.1	1.226

The attached map shows the federal leases and well locations in Section 10-16S-29E.

The BLM's interest in all wells is common. Lease NMNM015007 royalty rate is 12.5% and involves 920 acres, lease NMNM119268 royalty rate is 12.5% and involves 440 acres. Oil production is not commingled. Each well has its' own oil production facility.

#### Gas Metering:

The central Gathering Facility is located on the well pad for the Glycerin 10 Fed Com 1 located in Sec. 10 on federal lease NMNM015007 in Eddy County, New Mexico. The production from each wells head is separated at the individual production facility and flows through an allocation meter, where it is measured prior to DCP sales point. Gas Sales are allocated based upon allocation meters' monthly volume. These meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

## **Process and Flow Descriptions:**

The flow of production is shown in detail on enclosed facilities diagram and map, which shows the lease boundaries. Communitization agreement boundaries, location of wells, facility, and gas sales meter. The commingling of this production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

Cimarex Energy Co. understands the requested approval will not constitute the granting of any right-ofway or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners are common for each well.



# Glycerin 10 Fed Com Tank Battery Economic Justification Sec. 10-16S-29E Eddy, County NM

Surface Commingling proposal for leases: NMNM015007 & NMNM119268

Federal Lease NMNM015007 & NMNM119268 Royalty Rate 12-1/2%							
Well Name	MCFPD	<b>Dry BTU</b>	Value/mcf				
Glycerin 10 Fed Com 1	88.7	1.399	2.88				
Glycerin 10 Fed Com 2	36.1	1.399	2.88				

## **Economic combined production**

Federal Lease NMNM015007 & NMNM119268 Royalty Rate 12-1/2%

Facility Name		Dry BTU	• •	
Glycerin 10 Fed Com	124.8	1.399	2.88	
T- 1 D-44				

Tank Battery

Signed: White Castuly
Printed Name: Aricka Easterling

Title: Regulatory Analyst Phone: 918-560-7060

Date: 9 3 15



# www.permianls.com

### 575.397.3713 2609 W Marland Hobbs NM 88240

For:

Cimarex Energy

Attention: Mark Cummings

600 N. Marienfeld, Suite 600

Midland, Texas 79701

Sample:

Sta. # Glycerin 2

Identification: Glycerin # 2 Company:

Cimarex Energy

Lease: Plant:

Sample Data:

Date Sampled

11/14/2013 10:30 AM

Analysis Date

11/20/2013

Pressure-PSIA 54.1 Sample Temp F

Atmos Temp F

Sampled by: C. Evans

69.4 48

Analysis by:

Vicki McDaniel

H2S =

120 PPM

## **Component Analysis**

		Mol Percent	GPM
Hydrogen Sulfide	H2S	0.012	
Nitrogen	N2	2.938	
Carbon Dioxide	CO2	0.045	
Methane	C1	69.496	
Ethane	C2	14.228	3.795
Propane	C3	8.272	2.273
I-Butane	IC4	0.994	0.324
N-Butane	NC4	2.318	0.729
I-Pentane	IC5	0.619	0.226
N-Pentane	NC5	0.531	0.192
Hexanes Plus	C6+	0.547	<u>0.237</u>
		100.000	7.777
REAL BTU/CU.FT.		Specific Gravity	
At 14.65 DRY	1345.6	Calculated	0.8006
At 14.65 WET	1322.1		
At 14.696 DRY	1349.8		
At 14.696 WET	1326.8	Molecular Weight	23.1864
At 14.73 DRY	1352.9		
At 14.73 Wet	1329.6		



# www.permianls.com

#### 575.397.3713 2609 W Marland Hobbs NM 88240

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⊏	^	•

Cimarex Energy

Attention: Gary Greenwood

600 N. Marienfeld, Suite 600

Midland, Texas 79701

Sample:

Sta. # Glycern 2

Identification: Glycern 2

Company:

Cimarex Energy

Lease: Plant:

Sample Data:

**Date Sampled** 

7/30/2015

2:00 PM

**Analysis Date** Pressure-PSI 8/3/2015

61

Sampled by: J. Jiron

Sample Temp F

104

Analysis by: Vicki McDaniel

Atmos Temp F

92

H2S =

**30 PPM** 

H2O =

lbs/MMCF

**Component Analysis** 

		Mol	GPM
		Percent	
Hydrogen Sulfide	H2S	0.003	
Nitrogen	N2	2.751	
Carbon Dioxide	CO2	0.031	
Methane	C1	66.398	
Ethane	C2	14.090	3.758
Propane	C3	8.773	2.411
I-Butane	IC4	1.189	0.388
N-Butane	NC4	2.858	0.899
I-Pentane	IC5	0.988	0.360
N-Pentane	NC5	1.202	0.435
Hexanes Plus	C6+	<u>1.717</u>	<u>0.743</u>
		100.000	8.994

REAL BTU/CU.FT.		Specific Gravity	
At 14.65 DRY	1451.5	Calculated	0.8658
At 14.65 WET	1426.2		
At 14.696 DRY	1456.1		
At 14.696 WET	1431.3	Molecular Weight	25.0750
At 14.73 DRY	1459.4	_	
At 14.73 Wet	1434.2		

**Test Method** 

GPA 2261-95

Calculations based on GPA 2145-09

## **Determination - Approval - Certification**

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached communitization agreement covering the S2N2, sec. 10, T. 16 S., R. 29 E., NMPM, Eddy County, New Mexico, as to the gas and associated liquid hydrocarbons producible from the Abo formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

**Authorized Officer** 

Effective: April 1, 2010

Contract No.: Com. Agr. NM124739

## Communitization Agreement

# Contract No. 1m /1m /2 45/2

THIS AGREEMENT is entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest;

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 16 South, Range 29 East, N.M.P.M. Section 10: N/2 N/2

Eddy County, New Mexico,

Containing 160.00 acres, and this agreement shall include only the Lower Abo formation(s) underlying said lands, and the natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes, are Exhibits A and B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the