State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary

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Adrienne E. Sandoval, Director Oil Conservation Division

November 30th, 2021

Ms. Deana M. Bennett, dmb@modrall.com



NON-STANDARD LOCATION

Administrative Order NSL-8260

Cimarex Energy Co. [OGRID 215099] Tar Heel 19 18 7 Federal Com Well No. 2H API No. 30-015-46561

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	540 FSL & 389 FWL	4	19	26S	30E	Eddy
First Take Point	540 FSL & 330 FWL	4	19	26S	30E	Eddy
Last Take Point/	2562 FSL & 330 FWL	3	7	26S	30E	Eddy
Terminus						

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
W/2 of section 19	801.73	Purple Sage; Wolfcamp (GAS)	98220
W/2 of section 18			
SW/4 of section 7			

Reference is made to your application received on November 5th, 2021.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 79 feet to the northern edge. Encroachment will impact the following tract.

Section 7, encroachment to the NW/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location in order to achieve the greatest recovery of reserves and thereby preventing waste within the Wolfcamp formation underlying section W/2 of section 19, W/2 of section 18 and the SW/4 of section 7.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



AES/lrl

cc: Bureau of Land Management – Carlsbad Field Office