

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



Ms. Deana M. Bennett
deana.bennett@modrall.com

NON-STANDARD LOCATION

Administrative Order NSL - 8479

**Cimarex Energy CO. [OGRID 215099]
Marquardt 1 36 Federal State Com Well No. 24H
API No. 30-015-PENDING**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 301 FSL & 771 FEL | P | 1 | 25S | 26E | Eddy |
| First Take Point | 100 FSL & 1400 FEL | O | 1 | 25S | 26E | Eddy |
| Last Take Point/ Terminus | 100 FNL & 1400 FEL | B | 36 | 24S | 26E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------------|--------------|-----------------------------|------------------|
| E/2 Section 1, 25S, 26E | 640.12 | Purple Sage; Wolfcamp (GAS) | 98220 |
| E/2 Section 36, 24S, 26E | | | |

Reference is made to your application received on November 14th, 2022.

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 100 feet to the southern edge and 100 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tract.

Section 12, encroachment to the NE/4
Section 25, encroachment to the SE/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 to achieve the greatest recovery of reserves and thereby preventing waste within the Wolfcamp formation underlying the E/2 of Section 1, T25S, R26E and the E/2 of Section 36, T24S, 26E.

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.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.



ADRIENNE E. SANDOVAL
Division Director

Date: 12/08/2022

AES/lrl