

12-16-2016 DATE IN	SUSPENSE	MM ENGINEER	12-19-2016 LOGGED IN	NSP TYPE	PMAM1635435677 INFO NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



rec'd
12-16-2016

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☒ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

-NSP 2057
Klein 33 Federal Com #10H

Cimarex Energy Co. 215-055
30-015-42182

P01
-WC-05 G-04
52626253
Bon Springs
98018

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[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, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Amithy Crawford
Print or Type Name

Amithy Crawford
Signature

Regulatory Analyst
Title

10/7/2016
Date

acrawford@cimarex.com
e-mail Address



Cimarex Energy Co.

600 N. Marlenfeld ♦ Suite 600 ♦ Midland, TX 79701 ♦ (432) 620-1909 ♦ Fax (432) 620-1940

• A NYSE Listed Company • "XEC"

October 7, 2016

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Cimarex Energy Co. for administrative approval of a Non-Standard Spacing Unit/Horizontal Project Area for its Klein 33 Federal Com #10H (API No. 30-015-42182)

SHL: 290' FSL & 780' FEL (Lot 1)

FTP: 330' FSL & 590' FEL (Lot 1)

Both in Sec. 33, Township 26S, Range 27E, NMPM

LTP: 330' FNL & 590' FEL (UL: A)

BHL: 330' FNL & 590' FEL (UL: A)

Both in Section 28, Township 26S, Range 27E, NMPM

Eddy County, New Mexico.

Dear Mr. Catanach:

Cimarex Energy Co. ("Cimarex") (OGRID No. 215099) is seeking administrative approval under Division Rules 19.15.15.11 NMAC for a 223.47 acre Non-Standard Spacing Unit/Horizontal Project Area for the Klein 33 Federal Com #10H well comprising of the E/2 E/2 of Section 28 and 33, T-26S, R-27E, NMPM, Eddy County, New Mexico.

The proposed Klein 33 Federal Com #10H, which will be drilled as a horizontal well at a standard well location to test the Bone Spring Pool (98018), will be dedicating to the proposed 223.47 acre non-standard proration unit due to the irregular acreage in the S/2 of Section 33, which is discussed in detail below.

The WC-015 G-04 S262728S; Bone Spring Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40- acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit/project area.

The attached plat shows that section 33 is an irregular section whose southern boundary is the New Mexico/Texas state line. This section is comprised of four standard 40 acre units (A, B, C, & D) and four non-standard lots (1, 2, 3 & 4) that each comprise of approximately 24 acres.

NSP – Klein 33 Federal Com 10H
30015-42182
Cimarex Energy Co.
Page 2

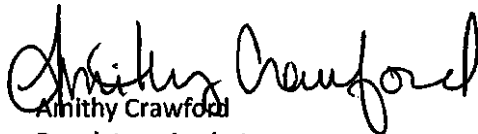
The concurrent development of Sec. 28 and 33 in the Bone Spring formation in the manner proposed by Cimarex represents a reasonable and effective method by which portions of the irregular Sec. 33 can be incorporated into the horizontal Bone Spring project area.

Affected Offset Acreage-Non-Standards Spacing Unit Division Rule 19.15.4.12 (A)(3) requires that notice for Non Standard proration units be provided to "owners of interest in the mineral estate to be excluded from the proration unit in the quarter-quarter section for 40-acre pools or formations, the one-half quarter section for the 80-acre pools or formations, the quarter section for 160-acre pools or formations, the half section for 320- acre pools for formations or section for 640-acre pools or formations in which the non-standard unit is located". As shown on the attached plat, and as previously stated in this application, all acreage in Irregular Section 33 will ultimately be included in one of four horizontal Bone Spring Project Areas operated by Cimarex. Since no acreage will be excluded from participating in Bone Spring development in Sections 28 and Irregular section 33, no interest owner is affected by the proposed non-standard spacing unit, and consequently, notice of this application is not required, and has not been provided to any party.

In summary, approval of the application will provide Cimarex the opportunity to recover oil and gas reserves from the Bone Spring pool underlying the proposed non-standard project area thereby preventing waste and will not violate correlative rights.

If you should have any questions, please call me at 432-620-1909.

Sincerely,



Alinity Crawford
Regulatory Analyst
Cimarex Energy Co.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-8720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Pecos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-1460 Fax: (505) 476-1462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30015-42182	Pool Code 98018	Pool Name Wildcat Bone Spring
Property Code 40358	Property Name KLEIN 33 FEDERAL COM	Well Number 10H
Operator No. 215099	Operator Name CIMAREX ENERGY CO.	Elevation 3212'

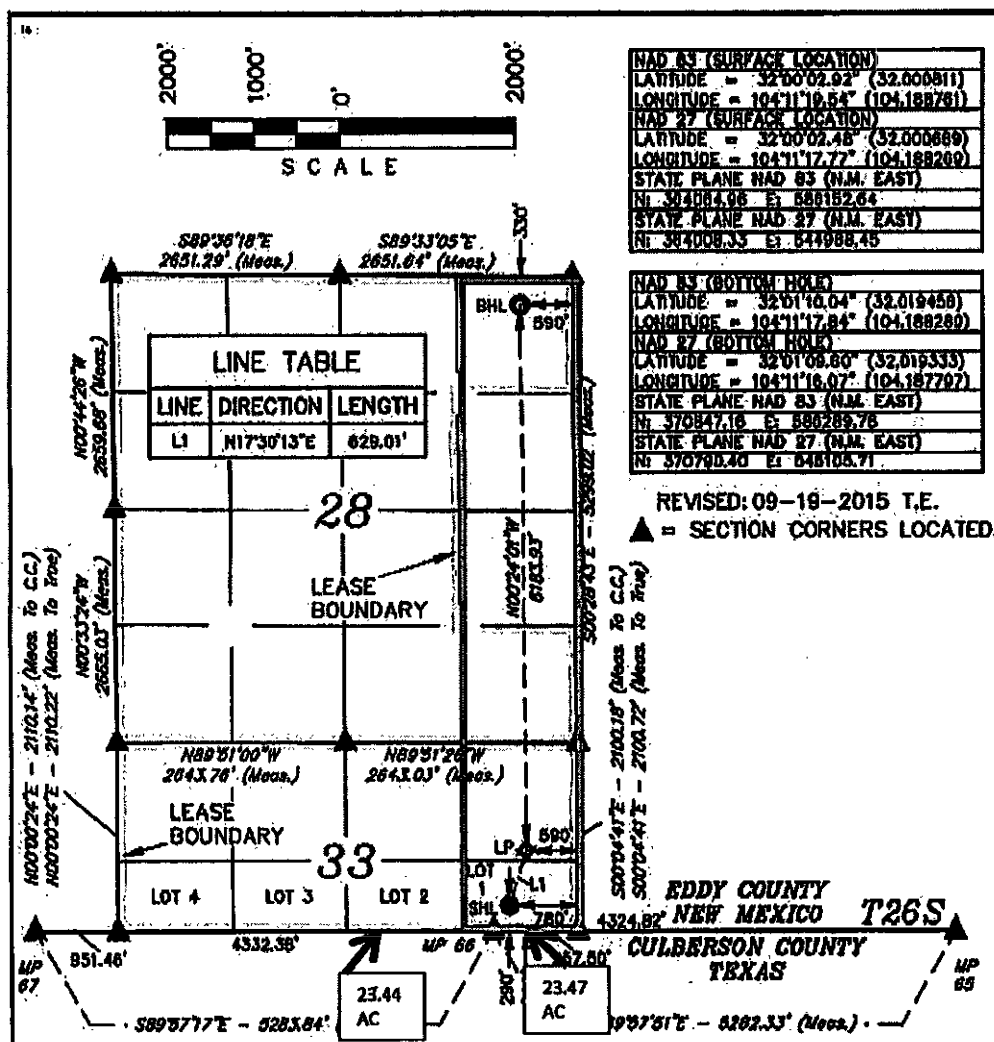
"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	33	26S	27E		290	SOUTH	780	EAST	EDDY

"Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	26S	27E		330	NORTH	590	EAST	EDDY
Dedicated Acres 223.47	Lot or Infill	Consolidation Code	Order No.						

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.



**"OPERATOR
CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Aricka Easterling 10/13/15
Signature Date

Aricka Easterling

Printed Name

Aeasterling@cimarex.com

E-mail Address

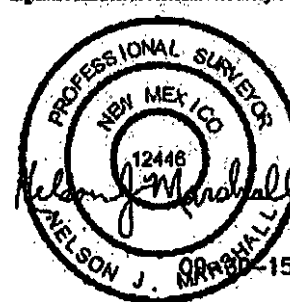
**"SURVEYOR
CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

August 29, 2013

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. KLEIN 33 FEDERAL COM 10H
2. Name of Operator CIMAREX ENERGY COMPANY OF CO Contact: ARICKA EASTERLING E-Mail: aeasterling@cimarex.com	9. API Well No. 30-015-42182-00-X1
3a. Address 202 S CHEYENNE AVE SUITE 1000 TULSA, OK 74103.4346	10. Field and Pool, or Exploratory WILDCAT
3b. Phone No. (include area code) Ph: 918-560-7060	11. County or Parish, and State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T26S R27E Lot 1 210FSL 750FEL 32.000214 N Lat, 104.111919 W Lon	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Cimarex respectfully request approval to change the original drilling plan for the above referenced well. Cimarex proposes to change the SHL/ BHL there by changing the directional plan. Cimarex also proposes to move the well closer to other wells on the pad. No additional disturbance is required for the well pad. This well was approved as a Wolfcamp, however Cimarex is proposing to drill it as a Bone Spring Oil Well.

Approved:

SHL 210 FSL & 750 FEL Sec. 33-26S-27E
BHL 660 FNL & 790 FEL Sec. 28-26S-27E

Proposed:

SHL 290 FSL & 780 FEL Sec. 33-26S-27E
BHL 330 FNL & 590 FEL Sec. 28-26S-27E*Eng Review Completed
by Charles Nimmer**Same COA**Surface good 1-20-16 SR*

14. I hereby certify that the foregoing is true and correct. Electronic Submission #320015 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY OF CO, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/13/2015 (16JAS11348E)	
Name (Printed/Typed) ARICKA EASTERLING	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 10/15/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>[Signature]</i>	Title For FIELD MANAGER	Date 1/20/16
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office CARLSBAD FIELD OFFICE		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #320015 that would not fit on the form

32. Additional remarks, continued

Please see attached proposed drilling plan and other related documents.