

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**AMENDED APPLICATION OF CIMAREX ENERGY COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT, COMPULSORY POOLING AND TWO NON-STANDARD LOCATIONS, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 15188**

**AMENDED APPLICATION**

Cimarex Energy Company of Colorado ("Cimarex"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order: (1) authorizing two non-standard locations; (2) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. In support of this application, Cimarex states as follows:

1. Cimarex is an interest owner in the subject lands and has the right to drill a well thereon.
2. Cimarex seeks to dedicate the W/2 of Section 14 to the proposed well to form a non-standard 320-acre, more or less, gas spacing and proration unit (the "project area").
3. Cimarex proposes to drill the Riverbend 14 Fed. Com No. 2H well to a depth sufficient to test the Wolfcamp formation.
4. This project area is governed by the wildcat gas well acreage and well location requirements, NMAC 19.15.15.10(B) (pool code 97949). These special rules require (1) 320

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acre spacing units; and (2) wells to be located 660 feet from the outer boundary of the quarter section. Cimarex seeks two non-standard locations in order to allow a producing area that is 330 feet from the project area boundary. Cimarex plans to drill the Riverbend 14 Fed. Com. No. 2H from a surface location 75 feet from the North line and 1980 feet from the West line to a bottom hole location 330 feet from the South line and 1980 feet from the West line to a depth sufficient to test the Wolfcamp formation, with a producing interval 330 feet from the North and South project boundary lines.

5. Cimarex has sought but been unable to obtain a voluntary agreement from all mineral interest owners in the Wolfcamp formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.

6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Notice of this application has been given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Cimarex Energy Company of Colorado requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 18, 2014, and after notice and hearing as required by law, the Division enter its order:

A. Creating a non-standard gas spacing and proration unit ("project area") in the Wolfcamp formation comprised of W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Authorizing two non-standard locations;

- C. Pooling all mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit/project area;
- D. Designating Cimarex as operator of this unit and the well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: 

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**Certificate of Service**

I hereby certify that on August 19, 2014, I served a copy of the foregoing document to the following counsel of record by e-mail:

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By:   
Jordan L. Kessler

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**AMENDED EXHIBIT A**  
**CIMAREX OPERATING LLC NOTICE LIST**

**Parties to be pooled:**

CL&F Resources, LP  
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Ardmore, OK 73042-0638

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3226 Anderson Dr.  
Lovington, NM 88260

Offsets

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COG Acreage, LP  
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Midland, TX 79705

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Roswell, New Mexico 88201

New State Gas, LLC  
1213 West 3rd Street  
Roswell, New Mexico 88201

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The Leonard Trust  
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Holsum Inc.  
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Roswell, NM 88201

Tumbleweed Exploration LLC  
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Critterville LLC  
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El Capitan Ventures LLC  
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San Antonio, TX 78217

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Michael Kyle Leonard, Trustee of the Michael Kyle Leonard Child's Trust  
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Artesia, NM 88210

ABO Petroleum Corporation  
105 S. Fourth Street  
Artesia, NM 88210

Myco Industries, Inc.  
105 S. Fourth Street  
Artesia, NM 88210

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OXY USA Inc.  
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Houston, TX 77227

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Centennial LLC  
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Roswell, NM 88202

Hat Mesa Oil Co.  
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Mewbourne Oil Company  
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Tyler, TX 75711

Panhandle Oil and Gas, Inc.  
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Velta Jean Daigneault, SSP  
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Albuquerque, New Mexico 87109

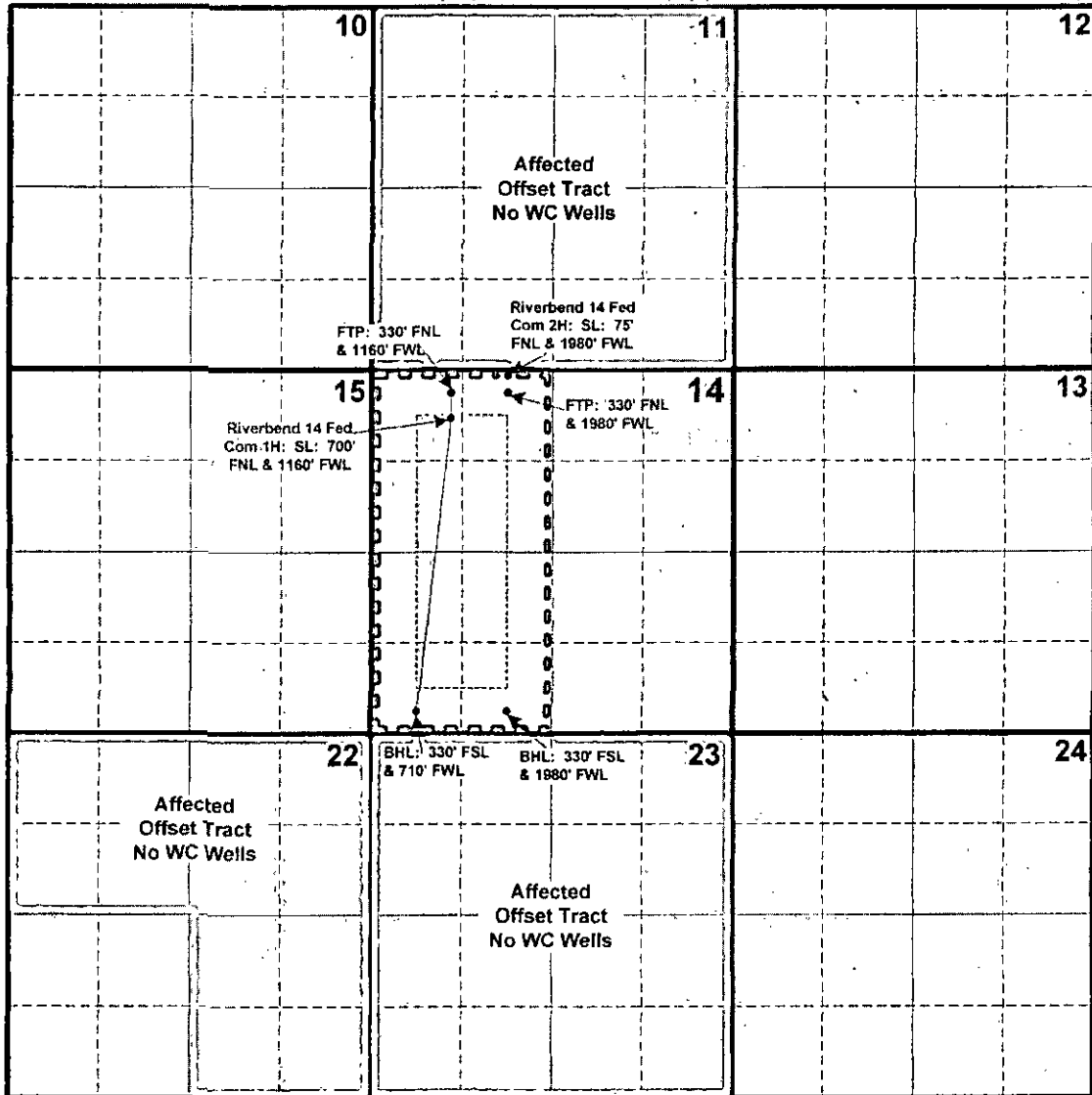
Worrall Investment Corporation  
Attn: John Worrall  
P.O. Box 1834  
Roswell, NM 88202

JTD Resources, LLC  
Attn: Dan Leonard  
P.O. Box 3422  
Midland, TX 79702

**CASE NO. 15188: Application of Cimarex Energy Company of Colorado for a non-standard spacing and proration unit, compulsory pooling and a non-standard location, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) authorizing a non-standard location at 75 feet from the North line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East, and 330 feet from the South line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East; (2) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Riverbend 14 Fed. Com. No. 2H to be horizontally drilled. Cimarex plans to drill the Riverbend 14 Fed. Com. No. 2H from a surface location 75 feet from the North line and 1980 feet from the West line to a bottom hole location 330 feet from the South line and 1980 feet from the West line to a depth sufficient to test the Wolfcamp formation, with a producing interval 330 feet from the North and South project boundary lines. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles southwest of Carlsbad, New Mexico.

**28E**

**25S**



**Cimarex Energy Company  
Unorthodox Location Application  
Riverbend 14 Federal Com Wells No. 1H & 2H**

List of Affected Parties for Non-standard Location: Section 11 and Section 23, Township 25  
South, Range 28 East, NMPM, Eddy County, New Mexico.

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COG Acreage, LP  
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COG Operating LLC  
One Concho Center  
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CWPLCO, INC.  
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