

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

**APPLICATION OF CIMAREX
ENERGY CO. FOR A NON-STANDARD
OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15561

Klein 33 Federal Com 7H Well

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

**APPLICATION OF CIMAREX
ENERGY CO. FOR A NON-STANDARD
OIL SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division for an order creating a non-standard 446.86 acre, more or less, oil spacing and proration unit and project area in the Bone Spring formation, comprised of the E/2 W/2 and W/2 E/2 of Section 28, and Unit Letters B, C and Lots 2 and 3 of Irregular Section 33, all Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of this application, Cimarex states as follows:

1. Cimarex is an interest owner in the subject lands and has a right to drill a well thereon.
2. Cimarex has drilled or is in the process of drilling and completing the Klein 33 Federal Com 7H well in the WC-015 G-04 S262728S, which is a horizontal well that will develop the Bone Springs Pool (Pool Code 98018) underlying the E/2 W/2 and W/2 E/2 of Section 28, and Unit Letters B, C and Lots 2 and 3 of Irregular Section 33 to form a 446.86-acre, more or less, oil spacing and proration unit (the "project area").
3. The WC-015 G-04 S262728S, Bone Springs Pool (Pool Code 98018) is subject to the Division's statewide rule providing for 40-acre spacing units.

EXHIBIT

1

4. The Klein 33 Federal Com 7H well will be drilled from a surface hole location of 210 feet from the South line and 1980 feet from the West line of Section 33 to a bottom hole location of 345 feet from the North line and 1713 feet from the West line of Section 28. The completed interval for this well will comply with the 330' setbacks required by the Division's rules.

5. Cimarex plans to develop each 40 acre spacing unit within the project area and Irregular Lots 2 and 3 in Section 33 with the Klein 33 Federal 7H well and two other wells that it has proposed to drill, the Klein 33 Federal 5H and 8H wells.

6. Approval of the non-standard proration unit and project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Notice of this application is being given in accordance with Division rules.

WHEREFORE, Cimarex Energy Co. requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 27, 2016, and after notice and hearing as required by law, the Division enter its order:

A. Creating a non-standard oil spacing and proration unit and project area in the Bone Spring formation comprised of the E/2 W/2 and W/2 E/2 of Section 28, and Unit Letters B, C and Lots 2 and 3 of Irregular Section 33, all Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico.

Respectfully submitted,

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

By: 

Carl E. DeBrine, Jr.

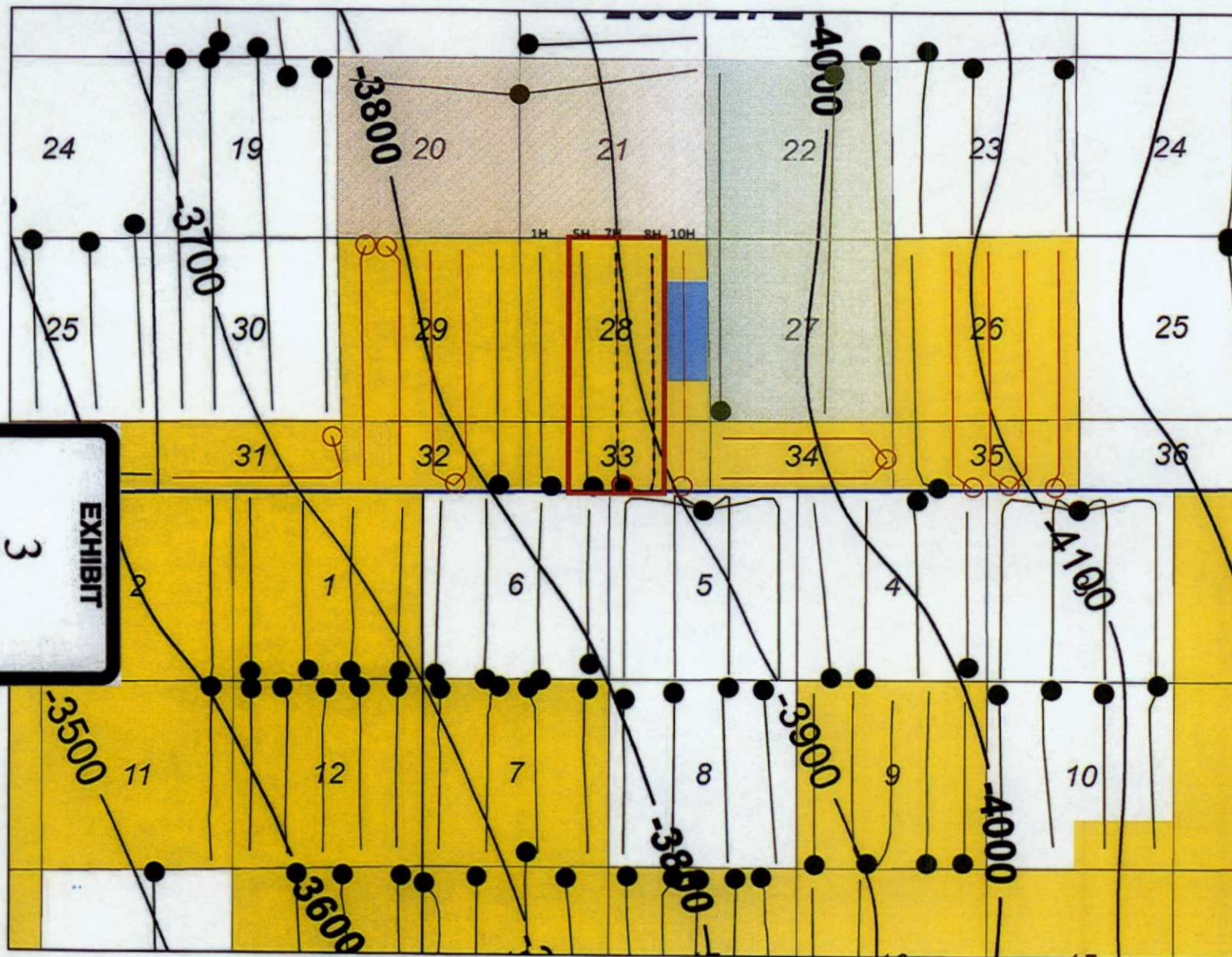
Jennifer Bradtke

Post Office Box 2168

Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Cimarex Energy Company for a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order from the Division: creating a non-standard 446.86 acre, more or less, oil spacing and proration unit and project area in the Bone Spring formation, comprised of the E/2 W/2 and W/2 E/2 of Section 28, and Unit Letters B, C and Lots 2 and 3 of Irregular Section 33, all Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. This proposed non-standard spacing and proration unit will be the project area for the Klein 33 Federal Com 7H well, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Said area is located approximately 17 miles southwest of Malaga New Mexico.

EXHIBIT
3



2nd Bone Spring
Laterals Only

Producing
Permitted

Proposed Project Area

Offset Owners

Mewbourne Oil Co
Nearburg Exp Co et al
Yates Petroleum

CIMAREX

Second Bone Spring Sandstone
Net Sandstone (>10% dphi(ls)) CI: 25'
Structure - Top Sand
JFB 10/16

1 mile

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

**APPLICATION OF CIMAREX
ENERGY CO. FOR A NON-STANDARD
OIL SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15561

AFFIDAVIT

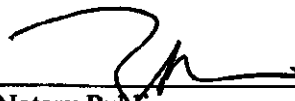
STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Jennifer L. Bradfute, attorney in fact and authorized representative of Cimarex Energy Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and proof of receipt attached hereto.



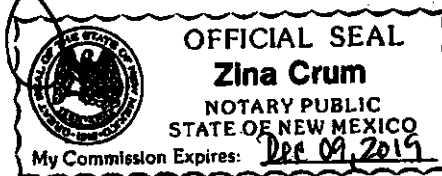
Jennifer L. Bradfute

SUBSCRIBED AND SWORN to before me this 16th day of, November 2016 by Jennifer L. Bradfute.



Notary Public

My commission expires: Dec. 01, 2019



Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly
sworn, on oath says:

That he is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

November 3 2016

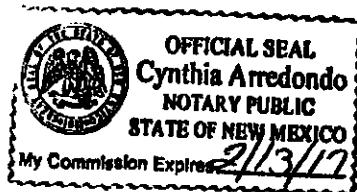
That the cost of publication is \$80.82
and that payment thereof has been
made and will be assessed as court
costs.

Subscribed and sworn to before me
this 8 day of November, 2016

Cynthia Arredondo

My commission Expires 2/13/17

Notary Public



November 3, 2016
Carlsbad, New Mexico. Notice is hereby given to all affected parties as well as the public, that the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:
November 3, 2016
That the cost of publication is \$80.82 and that payment thereof has been made and will be assessed as court costs.
Subscribed and sworn to before me this 8 day of November, 2016
Cynthia Arredondo
My commission Expires 2/13/17
Notary Public



MODRALL SPERLING
LAWYERS

October 27, 2016

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jennifer L. Bradfute
505.848.1843
Fax: 505.848.1882
jlb@modrall.com

Re: APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, EDDY COUNTY, NEW MEXICO.

Case No. 15561

TO: AFFECTED PARTIES

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application with the New Mexico Oil Conservation Division seeking to obtain approval of a 446.86 acre non-standard oil spacing and proration unit and project area in the Bone Spring formation, comprised of the E/2 W/2 and W/2 E/2 of Section 28, and Unit Letters B, C and Lots 2 and 3 of Irregular Section 33, all Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico for the development of the Klein 33 Federal Com 7H well.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on November 17, 2016. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to Division Rule 1208.B, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 5:00 PM on November 10, 2016, with a copy delivered to the undersigned.

Sincerely,


Jennifer L. Bradfute
Attorney for Cimarex Energy Co.

Modrall Sperling
Roethlisberger & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

SE/4NE/4 & NE/4SE/4 of Section 28, T26S, R27E, Eddy Co., NM

The Estate of Marie G. Welch
Samuel G. Alderman, Individually & Executor
4252 Wood Forest Place
Macon, GA 31210

J.S.M. Oil & Gas, Inc.
P.O. Box 3362
Midland, TX 79702

James E. Logan Oil Corp.
1455 Yarmouth
Boulder, CO 80304

Mobil Producing Texas and New Mexico
P.O. Box 4358
Houston, Texas 77210

Nearburg Exploration Company, LLC
P.O. Box 823085
Dallas, Texas 75382-3085

Black Stone Minerals Co., LP
1001 Fannin, Suite 2020
Houston, TX 77002

Matagorda B1, LP
2001 Kirby Drive, Suite 1200
Houston, TX 77019-6081

Petroleum Resources, Ltd.
1000, 360 - 6th Ave. SW
Calgary, Alberta T2P 0S8
Canada

Corexcal
425 1st SW
Calgary, Alberta T2P 3V7
Canada

Mewbourne Oil Company
3901 S. Broadway Ave.
Tyler, Texas 75701

Section 21 T26S, R27E

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210



MODRALL SPERLING

L A W Y E R S

October 3, 2016

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jennifer L. Bradfute
505.848.1845
Fax: 505.848.1882
jlb@modrall.com

Re: APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, EDDY COUNTY, NEW MEXICO.

Case No. 15561

TO: AFFECTED PARTIES

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Sincerely,

Jennifer L. Bradfute
Attorney for Cimarex Energy Co.

Modrall Sperling
Roehl Harris & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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**APPLICATION OF CIMAREX
ENERGY CO. FOR A NON-STANDARD
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EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

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Respectfully submitted,

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

By: 

Earl E. DeBene, Jr.
Jennifer Bradtke
Post Office Box 2168

Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Cimarex Energy Company for a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order from the Division: creating a non-standard 446.86 acre, more or less, oil spacing and proration unit and project area in the Bone Spring formation, comprised of the E/2 W/2 and W/2 E/2 of Section 28, and Unit Letters B, C and Lots 2 and 3 of Irregular Section 33, all Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. This proposed non-standard spacing and proration unit will be the project area for the Klein 33 Federal Com 7H well, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Said area is located approximately 17 miles southwest of Malaga New Mexico.

CIMAREX APPLICATION NOTICE
KLEIN 33 FED COM 7 H
MAILED: OCTOBER 27, 2016

PARTIES	CERTIFIED RECEIPT NO.
The Estate of Marie G. Welch Samuel G. Alderman, Individually & Executor 4252 Wood Forest Place Macon, GA 31210	7014-3490-0001-8089-6280 NOVEMBER 4, 2016
J.S.M. Oil & Gas, Inc. P.O. Box 3362 Midland, TX 79702	7008-1140-0003-9351-5858
James E. Logan Oil Corp. 1455 Yarmouth Boulder, CO 80304	7008-1140-0003-9351-5865 NOVEMBER 10, 2016 RETURN TO SENDER - INSUFFICIENT ADDRESS - UNABLE TO FORWARD
Mobil Producing Texas and New Mexico P.O. Box 4358 Houston, Texas 77210	7008-1140-0003-9351-5872 NOVEMBER 7, 2016
Nearburg Exploration Company, LLC P.O. Box 823085 Dallas, Texas 75382-3085	7008-1140-0003-9351-5889 NOVEMBER 7, 2016
Black Stone Minerals Co., LP 1001 Fannin, Suite 2020 Houston, TX 77002	7008-1140-0003-9351-5896 NOVEMBER 7, 2016
Matagorda B1, LP 2001 Kirby Drive, Suite 1200 Houston, TX 77019-6081	7008-1140-0003-9351-5902 NOVEMBER 7, 2016
Petrorep Resources, Ltd. 1000, 360 - 6th Ave. SW Calgary, Alberta T2P 0S8 Canada	7008-1140-0003-9351-5926
Corexcal 425 1st SW Calgary, Alberta T2P 3V7 Canada	7008-1140-0003-9351-5919
Mewbourne Oil Company 3901 S. Broadway Ave. Tyler, Texas 75701	7013-0600-0000-9380-1321 NOVEMBER 7, 2016
Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210	1013-0600-0000-9380-1499 NOVEMBER 2, 2016

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 Calgary, Alberta T2P 0S8
 Canada

City: **Calgary** State: **AB** Zip: **T2P 0S8**

Phone: **82762-0128** Klein 7H

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 425 1st SW
 Calgary, Alberta T2P 3V7
 Canada

City: **Calgary** State: **AB** Zip: **T2P 3V7**

Phone: **82762-0128** Klein 7H

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J.S.M. Oil & Gas, Inc.
 P.O. Box 3362
 Midland, TX 79702

City: **Midland** State: **TX** Zip: **79702**

Phone: **82762-0128** Klein 7H

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NEW MEXICO 87107
OCT 27 2016
ALBUQUERQUE, NM

The Estate of Marie G. Welch
Samuel G. Alderman, Individually &
Executor
4252 Wood Forest Place
Macon, GA 31210
82762-0128 Klein 7H

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1. Article Description

Black Stone Minerals Co., LP
1001 Fannin, Suite 2020
Houston, TX 77002

82762-0128 Klein 7H

2. Article Number (Obtain from service label)

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Black Stone Minerals Co., LP
1001 Fannin, Suite 2020
Houston, TX 77002

82762-0128 Klein 7H

ALBUQUERQUE/NEW MEXICO 87101
OCT 27 2015
USPS

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1. Article Addressed to:
 Mobil Producing Texas and New Mexico
 P.O. Box 4358
 Houston, Texas 77210
 82762-0128 Klein 7H

2. Article Number (Permit No. G-10)
 7006 1140 0003 4951 5872

3. Article Description (Permit No. G-10)
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 Modrall Sperling Law Firm
 P.O. Box 2168
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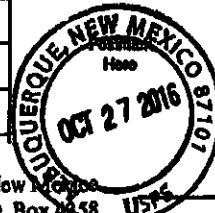
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Mobil Producing Texas and New Mexico
 P.O. Box 4358
 Houston, Texas 77210
 82762-0128 Klein 7H

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☐ Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

Matagorda B1, LP
 2001 Kirby Drive, Suite 1200
 Houston, TX 77019-6081
 82762-0128 Klein 7H

2. Article Number
(Transfer from service label)

3. Restricted Delivery (Edm/Fee) ☐ Yes ☒ No

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5. Restricted Mail ☐ Priority Mail Express™ ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery

6. Restricted Delivery? (Edm/Fee) ☐ Yes ☒ No

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JENNIFER BRADFUTE
 Modrall Sperling Law Firm
 P.O. Box 2168
 Albuquerque, NM 87103-2168

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For
To
or
Ch
PS

Matagorda B1, LP
 2001 Kirby Drive, Suite 1200
 Houston, TX 77019-6081
 82762-0128 Klein 7H

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James E. Logan Oil Corp.
 1455 Yarmouth
 Boulder, CO 80304
 82762-0128 Klein 7H

2. Article Number
 (Transfer from service label)

7008 1140 0003 9351 5865

PB Form 3811, July 2013 Domestic Return Receipt

ADDRESSEE: COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below ☐ No

3. Service Type
☒ Certified Mail® ☐ Priority Mail Express®
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL - RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee
 (Endorsement Required)

Restricted Delivery Fee
 (Endorsement Required)

James E. Logan Oil Corp.
 1455 Yarmouth
 Boulder, CO 80304
 82762-0128 Klein 7H

5985 1566 8000 0411 9002

ALBUQUERQUE, NM 87101
 NOV 27 2016
 Stamp Here

MODRALL SPERLING

Modrall Sperling
 Toehi Harris & Sisk, P.A.
 PO Box 2168
 Albuquerque, NM
 87103-2168

7008 1140 0003 9351 5865

Hasler

FIRST-CLASS MAIL

10/27/2016

US POSTAGE

\$06.46⁵



ZIP 87102
 011D11630480

IA
 ANK

James E. Logan Oil Corp.
 1455 Yarmouth
 Boulder, CO 80304

NIXTE

SEP 1

0911/05/16

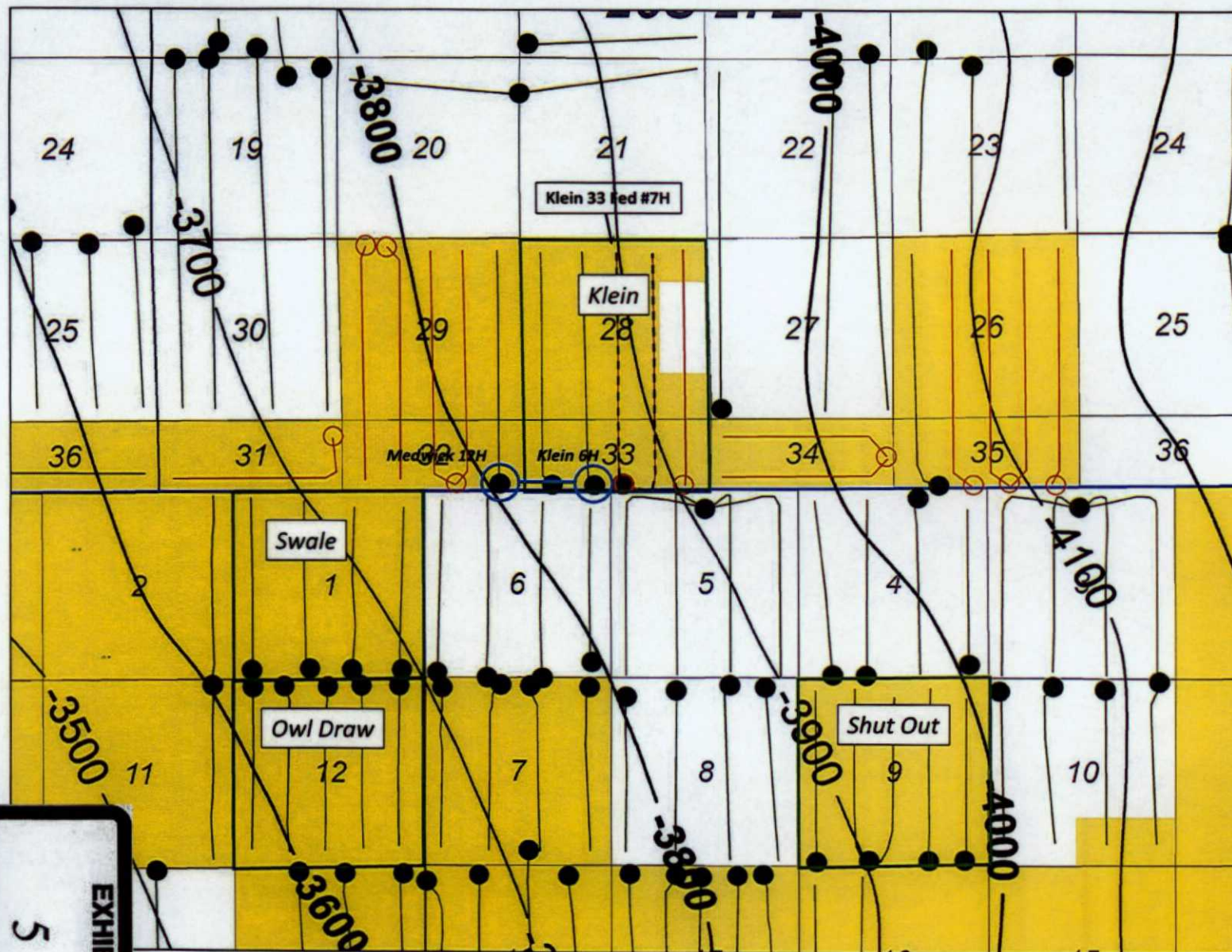
RETURN TO SENDER
 INSUFFICIENT ADDRESS
 UNABLE TO FORWARD

80304-437199

EC: 87103216868

*0668-04880-27-38

RECEIVED
 NOV 18 2016



2nd Bone Spring
Laterals Only

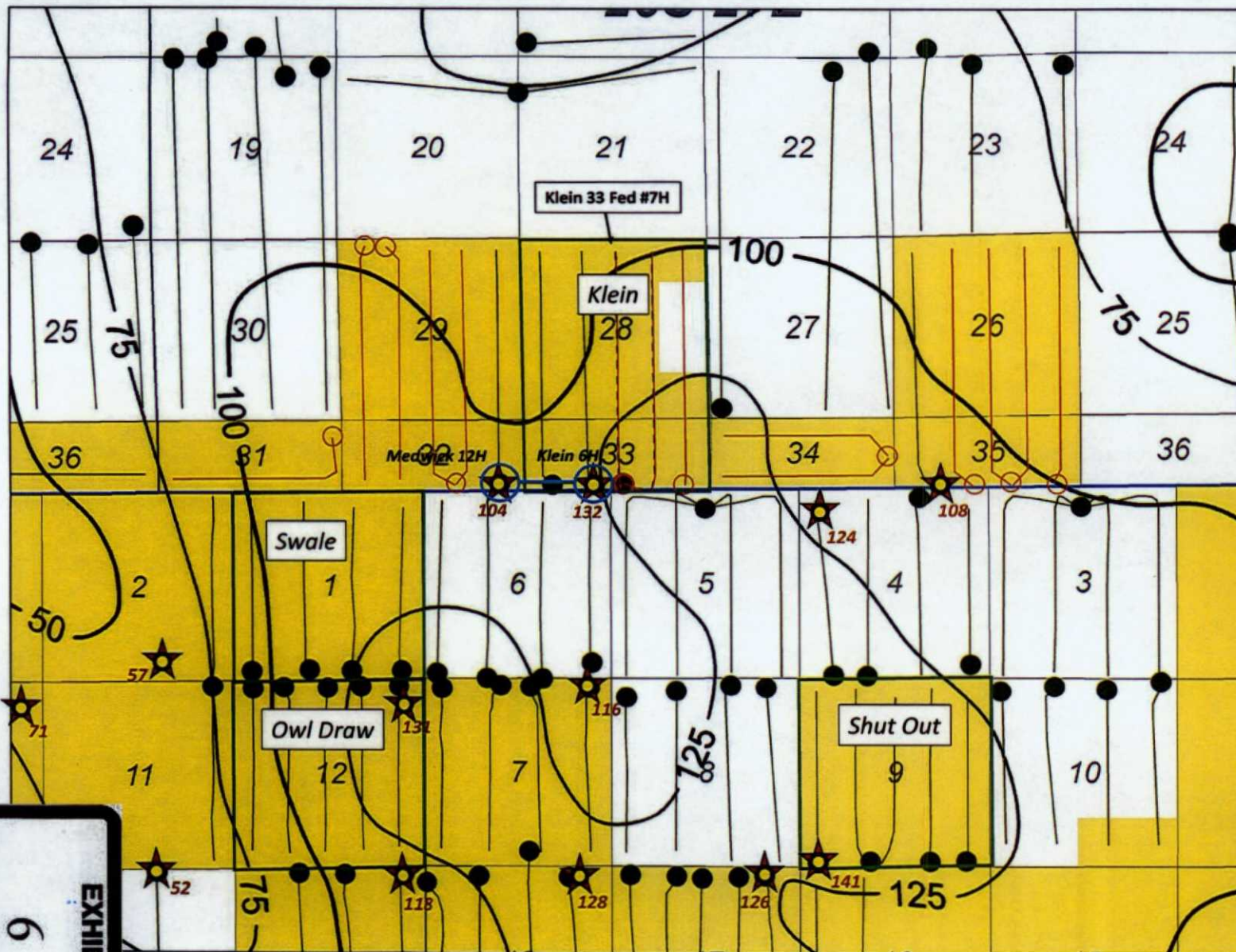
Producing —
Permitted - -



Second Bone Spring Sandstone
Net Sandstone (>10% dphi(Is)) CI: 25'
Structure - Top Sand
JFB 10/16

1 mile

EXHIBIT
5



2nd Bone Spring
Laterals Only

Producing —●—
Permitted —●—



Second Bone Spring Sandstone
Net Sandstone (>10% dphi(Is)) CI: 25'
Structure - Top Sand
JFB 10/16

1 mile

6

EXHIBIT

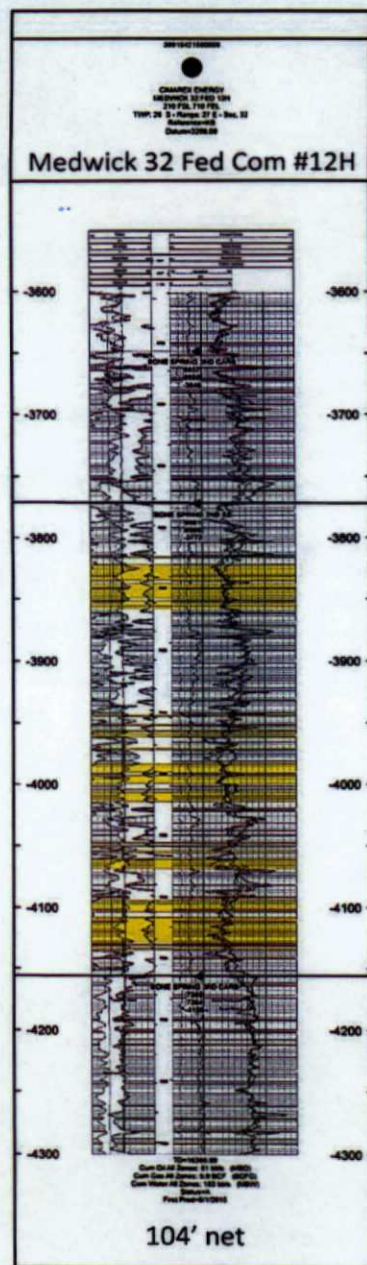
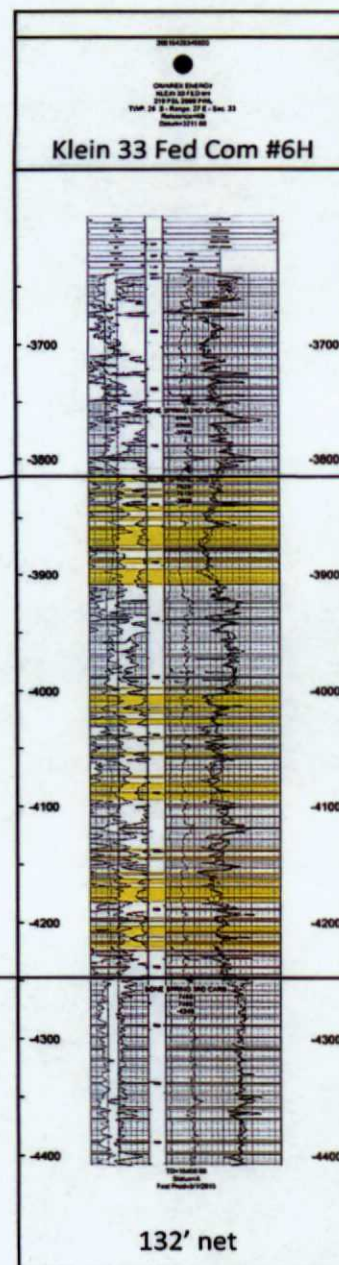


EXHIBIT
7



Second Bone Spring Sandstone
Net Sandstone Highlighted
Porosity > 10% dphi (Is)

CIMAREX

Schlumberger

Cactus 148

Cimarex

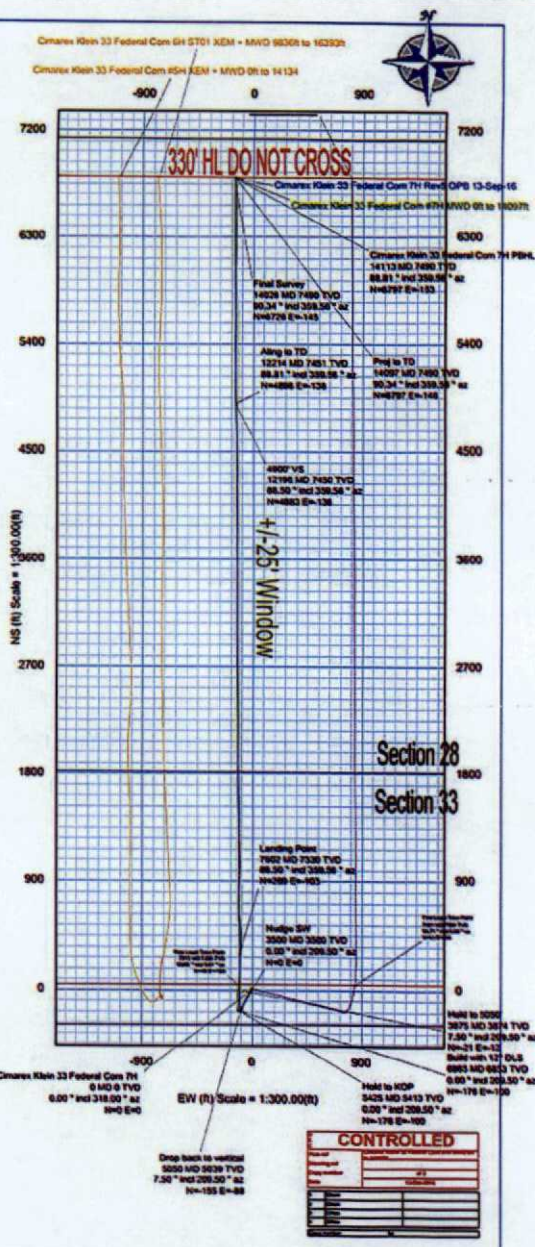
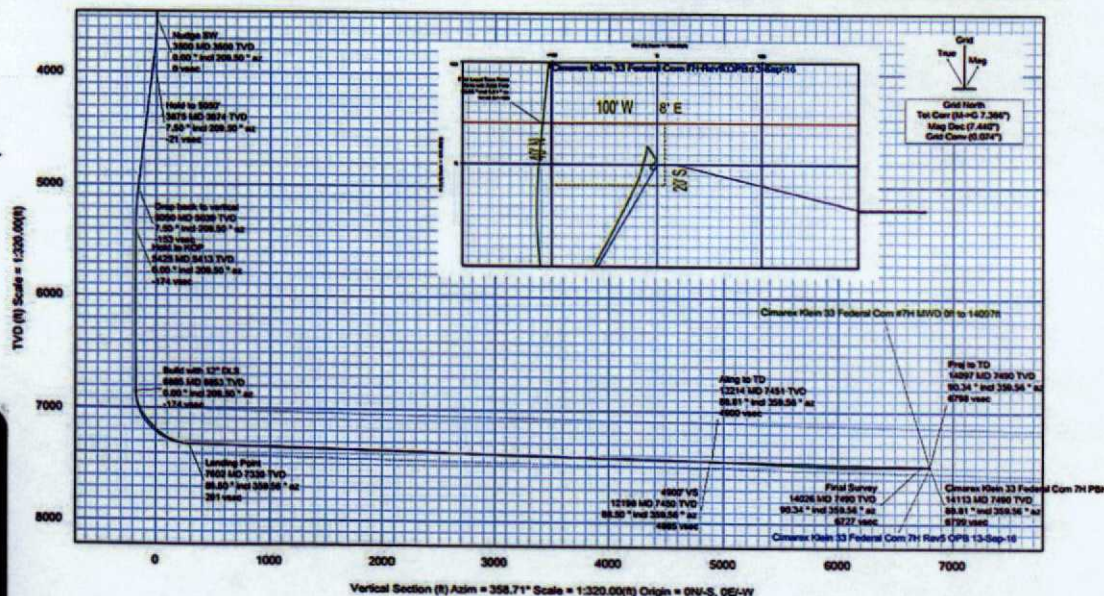
Final PVA

CIMAREX

Borehole:		Well:	Field:	Structure:
Original Borehole		Cimarex Klein 33 Federal Com #7H	NM Eddy County (NAD 83)	Cimarex Klein 33 Federal Com #7H

Borehole Parameters		Surface Location	Wellhead Location	Wellhead Data
Well:	MD 3316	W: 101 11 42.21	W: 101 11 42.21	W: 101 11 42.21
Depth:	7.47'	E: 101 11 42.21	E: 101 11 42.21	E: 101 11 42.21
Depth:	7.47'	N: 101 11 42.21	N: 101 11 42.21	N: 101 11 42.21
Depth:	7.47'	E: 101 11 42.21	E: 101 11 42.21	E: 101 11 42.21

Critical Points							
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/S(-)	E(+)/W(-)
SHL Cimarex Klein 33 Federal Com 7H	0.00	0.00	318.00	0.00	0.00	0.00	0.00
First Legal Take Point	7315.30	53.05	5.81	7233.42	42.39	39.94	-109.11
Final Survey	14026.00	90.34	359.56	7490.05	6727.38	6725.81	-145.37
Proj to TD	14097.00	90.34	359.56	7489.62	6798.37	6796.81	-145.91

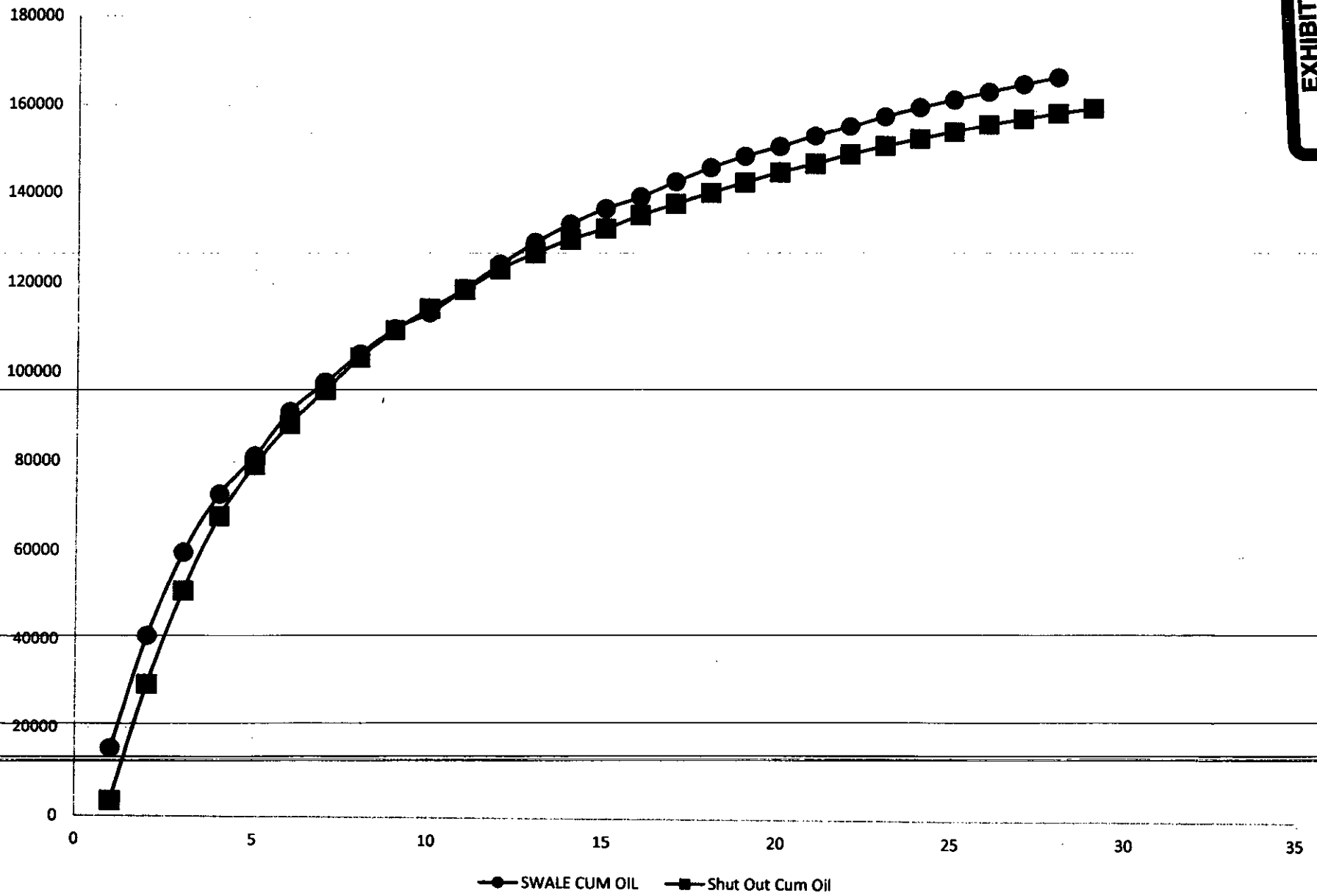


8

EXHIBIT



Average Cum Oil



EXHIBIT

9

tabbies