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April 11, 2017

Case

Florene Davidson
NM Oil Conservation Division
1220 S St Francis Drive
Santa Fe NM 87505

Re Case No 15687
**APPLICATION OF CIMAREX ENERGY CO FOR A NON-
STANDARD OIL SPACING AND PRORATION UNIT, AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Dear Ms Davidson

Enclosed please find three copies of the following

1 Cimarex s Application / DaVinci 7-18 Federal Com 6H

Thank you for your assistance Please contact me if you have any
questions

Sincerely,

Jennifer L. Bradfute

JLB/zc
Enclosure

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

7017 77 14 5

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

CASE NO 15687

APPLICATION

Cimarex Energy Co (Cimarex'), OGRID Number 215099 through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order (1) creating a non-standard 640-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 7 and 18 Township 25 South, Range 27 East, NMPM Eddy County New Mexico and, (2) 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 a right to drill a well thereon

2 Cimarex seeks to dedicate the W/2 of Sections 7 and 18 to the proposed well to form a non standard 640 acre, more or less oil spacing and proration unit (the ' project area')

3 Cimarex proposes to drill the **DaVinci 7-18 Federal Com 6H** well to a depth sufficient to test the Wolfcamp formation. This well is a horizontal well with a surface location 340 feet from the North line, 950 feet from the West line of Section 7, Township 25 South,

Range 27 East and a terminus 330 feet from the South line 350 feet from the West line of Section 18 Township 25 South Range 27 East

4 This well is within the Purple Sage Wolfcamp Gas pool (Pool Code 98220), which is subject to special pool rules issued by the Division in Order R-14262, effective February 1, 2017. The producing interval that Cimarex seeks to drill will comply with the statewide 330 foot setback requirements established under the special pool rules.

5 Cimarex sought, but has been unable to obtain a voluntary agreement from all 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 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 is being given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Cimarex Energy Co requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 11, 2017, and after notice and hearing as required by law the Division enter its order.

A Creating a non-standard oil spacing and proration unit ('project area') in the Wolfcamp formation comprised of W/2 of Sections 7 and 18 Township 25 South, Range 27 East NMPM Eddy County, New Mexico,

B Pooling all mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit/project area,

C Designating Cimarex as operator of this unit and the well to be drilled thereon

D Authorizing Cimarex to recover its costs of drilling, equipping and completing this well,

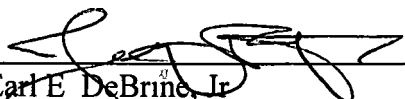
E Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure and

F 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



Earl E. DeBrine, Jr.

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Telephone 505 848 1800

Attorneys for Applicant

EXHIBIT A

CIMAREX ENERGY CO NOTICE LIST

Parties to be pooled

TLW Investments, LLC
1001 Fannin Ste 2020
Houston, Texas 77002

Offsets

Chevron USA, Inc
Attn Permitting Team
6301 Deauville Blvd
Midland TX 79706

OXY USA Inc
P O Box 4294
Houston Texas 77210

COG Operating, LLC
One Concho Center
600 W Illinois Ave
Midland, TX 79701

EOG Resources, Inc
105 S 4th St
Artesia, NM 88210

Cimarex Energy Co of Colorado
202 S Cheyenne Ave Ste 1000
Tulsa Oklahoma 74103

CASE NO 15687 **Application of Cimarex Energy Co for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico** Applicant seeks an order from the Division (1) creating a non standard 640-acre more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 7 and 18, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and, (2) 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 **DaVinci 7-18 Federal Com 6H**, to be horizontally drilled The producing area for this well will be 330 feet from the project area boundary 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 30 miles south of Carlsbad New Mexico