

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

**APPLICATION OF CIMAREX ENERGY CO.,
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Cimarex Energy Co. (“Cimarex”), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 640-acre, more or less, spacing and proration unit comprised of the W/2 of Sections 11 and 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying said unit.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Cimarex proposes and dedicates to the HSU the **Riverbend 11-14 Federal Com 7H Well, Riverbend 11-14 Federal Com 15H Well, Riverbend 11-14 Federal Com 16H Well and Riverbend 11-14 Federal Com 17H Well** as initial wells, to be drilled to a depth sufficient to test the Wolfcamp formation.
3. Cimarex proposes the **Riverbend 11-14 Federal Com 7H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 11 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 14.

4. Cimarex proposes the **Riverbend 11-14 Federal Com 15H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 11 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 14.

5. Cimarex proposes the **Riverbend 11-14 Federal Com 16H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 11 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 14.

6. Cimarex proposes the **Riverbend 11-14 Federal Com 17H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 11 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 14.

7. The proposed wells to be located in the Purple Sage; Wolfcamp Pool (Code 98220) are unorthodox in their locations, as the take points, at 100' from the boundaries of the HSU extend into the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool (Order No. R-14262). Accordingly, Cimarex will apply administratively for approval of nonstandard locations (NSLs).

8. This HSU, which runs north to south, traversing Sections 11 and 14, overlaps one (1) 320-acre standup unit in the same Wolfcamp formation [Pool Code 98220] containing the Riverbend 14 Federal Com #002H Well owned and operated by Cimarex. This spacing unit occupies the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. Therefore, Cimarex seeks approval from the Division for this overlapping unit, pursuant to NMAC 19.15.16.15B(9).

9. Cimarex has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for development within the proposed HSU.

10. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

11. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on May 5, 2022, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 640-acre, more or less, spacing and proration unit comprised of the W/2 of Sections 11 and 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU;

C. Approving the **Riverbend 11-14 Federal Com 7H Well, Riverbend 11-14 Federal Com 15H Well, Riverbend 11-14 Federal Com 16H Well and Riverbend 11-14 Federal Com 17H Well** as wells for the HSU.

D. Designating Cimarex as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the wells;

F. Approving the overlapping unit containing the Riverbend 14 Federal Com #002H Well (API #30-015-41589).

G. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

H. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky
Luke Kittinger
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
luke@abadieschill.com
andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co. for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 640-acre, more or less, spacing and proration unit comprised of the W/2 of Sections 11 and 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation, designated as a gas pool, underlying the unit. The proposed gas wells to be dedicated to the horizontal spacing unit are the **Riverbend 11-14 Federal Com 7H Well** and **Riverbend 11-14 Federal Com 17H Well**, both to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 11 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 14, and the **Riverbend 11-14 Federal Com 15H Well** and **Riverbend 11-14 Federal Com 16H Well**, both to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 11 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 14. The wells will be unorthodox, as the take points will extend into the setback requirements under Special Rules for the Purple Sage Wolfcamp pool (Order No. R-14262); Applicant will apply administratively for approval of the nonstandard locations; also to be considered will be approval of the overlapping unit containing the well owned and operated by Cimarex, to wit: the Riverbend 14 Federal Com #002H Well (API #30-015-41589); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 9 miles south from Loving, NM.