

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

**APPLICATION OF READ & STEVENS, INC.
FOR CREATION OF A SPECIAL WOLFBONE
POOL IN SECTIONS 4, 5, 8, AND 9 IN
TOWNSHIP 20 SOUTH, RANGE 34 EAST,
NMPM, LEA COUNTY, NEW MEXICO.**

CASE NO. 24528

**APPLICATION OF CIMAREX ENERGY
CO. FOR THE CREATION
OF A SPECIAL POOL, A WOLFBONE POOL,
PURSUANT TO ORDER NO. R-23089,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24541
ORDER NO. R-23751**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 3, 2024, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Read & Stevens, Inc and Cimarex Energy Co. (“Applicants”) submitted a joint application (“Application”) to create a Special Wolfbone Pool that extends from the top of the Third Bone Spring Sand interval to the base of the Upper Wolfcamp A interval, underlying approximately 2,562.40 acres, described as (“Subject Lands”):

Township 20 South, Range 34 East, N.M.PM.
Section 4: Lots 1, 2, 3, 4, S/2N/2, S/2 (a/k/a All)
Section 5: Lots 1, 2, 3, 4, S/2N/2, S/2 (a/k/a All)
Section 8: All
Section 9: All

The Application also request to contract two Bone Spring pools in order to avoid overlapping Third Bone Spring pools, these pools are known as:

Teas; Bone Spring, East Pool (Pool code 96637)
Quail Ridge, Bone Spring, South (Pool code 50461)

2. Applicants jointly requested the Special Wolfbone Pool to be named as the:

Quail Ridge, Wolfbone Pool, (Pool Code 98396)

3. Applicants testified that the Special Wolfbone Pool should be subject to statewide oil rules.

4. Applicants testified that the Wolfbone Pool will be the stratigraphic equivalent of the top of the Third Bone Spring Sand interval, located at approximately 10,598 feet measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,236 feet measured depth, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal No.1 well (API No. 30-025-31056).
5. Applicants testified that the base of the Teas Bone Spring and Quail Ridge Bone Spring underlying the Subject Lands are to be contracted to 10,598 feet measured depth, equivalent to the top of the Third Bone Spring, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal No.1 well (API No. 30-025-31056).
6. The Applicants both own working interests in the Subject Lands encompassing the proposed Wolfbone Pool.
7. At the Hearing, Applicants presented evidence by affidavit in support of its Application which was admitted to the record without objection.
8. No other party entered an appearance or opposed this application.

CONCLUSIONS OF LAW

9. Applicants provided notice of this Application to interest owners in the subject lands and surrounding acreage.
10. OCD has jurisdiction to issue this Order pursuant to NMSA 1978 § 70-2-16.
11. Applicants own working interest in the Subject Lands encompassing the Pool.
12. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

13. The Application to establish the Quail Ridge, Wolfbone Pool, (Pool Code 98396) is hereby approved.
14. The Quail Ridge, Wolfbone Pool, (Pool Code 98396) shall extend from the top of the Third Bone Spring Sand interval to the base of the Upper Wolfcamp A interval and underlying approximately 2,562.40 acres of the following lands situated in Lea County, New Mexico:

Township 20 South, Range 34 East, N.M.P.M.
Section 4: Lots 1, 2, 3, 4, S/2N/2, S/2 (a/k/a All)
Section 5: Lots 1, 2, 3, 4, S/2N/2, S/2 (a/k/a All)
Section 8: All
Section 9: All

15. The Quail Ridge, Wolfbone Pool, (Pool Code 98396) will have a stratigraphic equivalent of the top of the Third Bone Spring Sand interval, located at approximately 10,598 feet

measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,236 feet measured depth, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal No.1 well (API No. 30-025-31056).

16. The Quail Ridge, Wolfbone Pool, (Pool Code 98396) will be classified as an oil pool and will be subject to the state wide oil spacing and setback requirements.
17. Underlying the Subject Lands, the base of the Teas; Bone Spring, East Pool (Pool code 96637) and Quail Ridge, Bone Spring, South (Pool code 50461) pools are hereby contracted to 10,598 feet measured depth, equivalent to the top of the Third Bone Spring Sand, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal No.1 well (API No. 30-025-31056). The base of each pool is unchanged outside of the Subject Lands.
18. Any Operator with a well or wells in the modified pools shall submit a sundry and updated C-102 to OCD reflecting the change.
19. The Quail Ridge, Wolfbone Pool, (Pool Code 98396) shall not expand or contract horizontally or vertically unless an application to amend this order is heard and an amended order is issued. Further the Quail Ridge, Wolfbone Pool, (Pool Code 98396) is not subject to the Development well provision under 19.15.15.8.B NMAC.
20. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



GERASIMOS RAZATOS
DIRECTOR (Acting)
GR/jag

Date: 4/1/2025