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June 20 2017

HAND-DELIVERY

Florene Davidson
New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe NM 87505

Case 15755

**Re 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 for filing the original and one copy of an Application regarding the above matter Also enclosed is the proposed advertisement (will also be emailed in Word to Florene Davidson and Marlene Salvidrez at OCD) Please set this matter for hearing on the July 20 2017 examiner docket

Thank you

Very truly yours,

J Scott Hall

J Scott Hall

Enclosures

cc Kelly Reese CPL, Cimarex (via email w/encs)

2017 JUN 20 11:11 AM
J. SCOTT HALL

REPLY TO

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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 AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No 75755

APPLICATION

Cimarex Energy Co (Cimarex) applies for an order approving a non standard spacing and proration unit comprised of the W/2 of Sections 12 and 32 Township 25 South, Range 28 East NMPM Eddy County New Mexico, pooling all mineral interests in the Wolfcamp formation underlying the non standard unit and in support thereof states

1 Applicant is an interest owner in the W/2 of Sections 12 and 32 and has the right to drill thereon

2 Applicant proposes to drill its **Riverbend 12-13 Fed Com 29H** well to a depth sufficient to test the Wolfcamp formation Applicant seeks to dedicate the W/2 of Sections 12 and 32 to the well to form a non-standard 640 acre oil spacing and proration unit (project area) in the Wolfcamp formation Purple Sage Wolfcamp Gas Pool (98220 Order No R 14262) The well is a horizontal well with an approximate surface location 330 feet from the south line and 2200 feet from the west line of Section 1 Township 25 South Range 28 East and a bottom hole location 330 feet from the south line and 2200 feet from the west line of Section 13 Township 25 South Range 28 East

3 Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the proposed project area for the purposes set forth herein

4 Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation. Applicant seeks to dedicate the W/2 of Sections 12 and 13 pursuant to NMSA 1978 §§ 70-2-17 and 18.

5 Approval of the non standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 of Sections 12 and 13 will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE Applicant requests that this application be set for hearing on July 20, 2017 and that following notice and hearing the Division enter its order.

A Approving a non standard oil spacing and proration unit and pooling all mineral interests in the Wolfcamp formation in the W/2 of Sections 12 and 13 Township 25 South, Range 28 East.

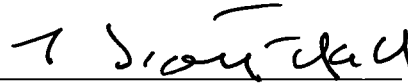
B Designating Applicant as operator of the well.

C Considering the cost of drilling and completing the well and allocating the cost among the well's working interest owners.

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

E 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

A handwritten signature in black ink, appearing to read "J. Scott Hall", is written over a horizontal line.

J Scott Hall
Seth C McMillan
Montgomery & Andrews, P A
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Attorneys for Cimarex Energy Co

Case No 15755 ***Application of Cimarex Energy Co for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico*** Applicant seeks an order approving a non standard oil spacing and proration unit comprised of the W/2 of Sections 12 and 32, Township 25 South, Range 28 East NMPM, Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation, Purple Sage Wolfcamp Gas Pool (98220), underlying the non standard unit The unit will be dedicated to Applicant's proposed Riverbend 12 13 Fed Com 29H well to be drilled from and approximate surface location 330 feet from the north line and 2200 feet from the west line of Section 12, Township 25 South, Range 28 east, to a bottomhole location 330 feet from the south line and 2200 feet from the west line of Section 13, Township 25 South Range 28 East NMPM Also to be considered will be the cost of drilling and completing the well and the allocation of the cost the designation of Applicant and Operator of the well, and a 200% charge for the risk involved in drilling and completing the well The well and lands are located approximately eight miles southeast of Malaga, New Mexico