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June 20 2017

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

Case 15756

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

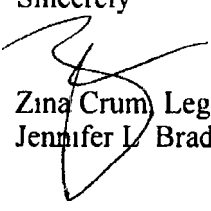
Dear Ms Davidson

Enclosed please find three copies of the following

1 Cimarex s Application / Lea 7 Federal Com 2H

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

Sincerely


Zina Crum Legal Assistant to
Jennifer L. Bradfute

JLB/zc
Enclosure

Modrall Sperling
Roehl Haas & Sisk
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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,
LEA COUNTY, NEW MEXICO**

CASE NO 15756

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 160 acre more or less oil spacing and proration unit in the Bone Spring formation comprised of the E/2 W/2 of Section 7 Township 20 South Range 35 East NMPM, Lea County New Mexico and (2) pooling all mineral interests in the Bone Spring 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 E/2 W/2 of Section 7 to the proposed well to form a non standard 160 acre more or less oil spacing and proration unit (the project area)

3 Cimarex proposes to drill the **Lea 7 Federal Com 2H** well to a depth sufficient to test the Bone Springs formation This well is a horizontal well with a surface location 505 feet

from the South line 1597 feet from the West line of Section 7 and a terminus 330 feet from the North line, 1980 feet from the West line of Section 7

4 This well is within the WC 025 G 08 S203506D pool (Pool Code 97983) which is subject to the statewide rules for oil spacing and proration units. The producing interval that Cimarex seeks to drill will comply with the statewide 330 foot setback requirements established under Rule 19.15.15.9(A) NMAC.

5 Cimarex sought but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring 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 Bone Spring 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 July 20, 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 Bone Spring formation comprised of E/2 W/2 of Section 7, Township 20 South Range 35 East NMPM, Lea County New Mexico.

B Pooling all mineral interests in the Bone Spring 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 
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Attorneys for Applicant

EXHIBIT A

CIMAREX ENERGY CO NOTICE LIST

Parties to be pooled

AOG Mineral Partners Ltd
P O Box 1015
Midland, Texas 79702

Rhoades Oil Company
P O Box 2673
Midland Texas 79702

M Dion Lowe
7801 Espanola Trail
Austin, Texas 78737

John E & Helen M Kennann Family Trust created January 13 1994
Attn William H Kennan Trustee
1430 Soquel Ave
Santa Cruz 95062

Realeza Del Spear LP
P O Box 1684
Midland, Texas 79702

Charles Kenneth Moore
18326 E San Ignacio Ct
Gold Canyon AZ 85118

The Long Family Trusts
Larry P Long, Managing Trustee
118 S Kilgore St
Kilgore Texas 75662

Lowe Family, Ltd
P O Box 53775
Lubbock Texas 79453

Vora Lowe Hartley Mineral Trust
Attn Teddy L Hartley & Robert Thomas Hartley Trustees
P O Box 1024
Clovis, NM 88102

Offsets

Marshall & Winston Inc
P O Box 50880
Midland Texas 79710

Legacy Reserves LP
P O Box 10848
Midland TX 79702

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

SECRET