### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JULY 20, 2023

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

Case No. 23452:

Loosey Goosey 4-9 Fed Com 204H Well Loosey Goosey 4-9 Fed Com 304H Well

Case No. 23453:

Loosey Goosey 4-9 Fed Com 301H Well

Case No. 23454:

**Loosey Goosey 4-9 Fed Com 302H Well** 

Case No. 23455:

Loosey Goosey 4-9 Fed Com 303H Well

**CIMAREX ENERGY CO.** 

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Reference for Case Nos. 23452-23455 Applications Case Nos. 23452-23455:

Loosey Goosey 4-9 Fed Com 204H Well Loosey Goosey 4-9 Fed Com 304H Well Loosey Goosey 4-9 Fed Com 301H Well Loosey Goosey 4-9 Fed Com 302H Well Loosey Goosey 4-9 Fed Com 303H Well

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## 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, LEA COUNTY, NEW MEXICO

#### **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 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

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 **Loosey Goosey 4-9 Fed Com 204H**Well and the **Loosey Goosey 4-9 Fed Com 304H Well,** as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 204H Well,** an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20, Range 34 East, NMPM.
- 4. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 304H Well,** an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20, Range 34 East, NMPM.
- 5. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.
  - 6. Cimarex's review of the land records did not reveal any overlapping units.
- 7. 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 the commitment of their interests to the wells for their development within the proposed HSU.
- 8. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 9. 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 April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by

law, the Division enter an order:

A. Establishing of a standard 320.89-acre, more or less, spacing and proration unit

comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the

E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying

the proposed HSU;

C. Approving the Loosey Goosey 4-9 Fed Com 204H Well and the Loosey Goosey 4-

9 Fed Com 304H Well as the 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 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

G. 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

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William E. Zimsky
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
andrew@abadieschill.com

**Attorneys for Cimarex Energy Co.** 

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Loosey Goosey 4-9 Fed Com 204H Well and the Loosey Goosey 4-9 Fed Com 304H Well, both oil wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9, Township 20 South, Range 34 East, NMPM. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the statewide Rules; also to be considered will be 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 40 miles northeast of Carlsbad, New Mexico.

#### 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, LEA COUNTY, NEW MEXICO

Case No. 23453

#### **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 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

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 **Loosey Goosey 4-9 Fed Com 301H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 301H Well,** an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 9, Township 20, Range 34 East, NMPM.
- 4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.
- 5. 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 well or the commitment of their interests to the well for their development within the proposed HSU.
- 6. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
  - 7. Cimarex's review of the land records did not reveal any overlapping units.
- 8. 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 well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
  - C. Approving the **Loosey Goosey 4-9 Fed Com 301H Well** as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. 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
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Darin C. Savage

William E. Zimsky
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
andrew@abadieschill.com

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#### 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, LEA COUNTY, NEW MEXICO

Case No.	23454

#### **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 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

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.
- Cimarex proposes and dedicates to the HSU the Loosey Goosey 4-9 Fed Com
   302H Well, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 302H Well,** an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 9, Township 20, Range 34 East, NMPM.
- 4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.
  - 5. Cimarex's review of the land records did not reveal any overlapping units.
- 6. 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 well or the commitment of their interests to the well for their development within the proposed HSU.
- 7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 8. 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 well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
  - C. Approving the Loosey Goosey 4-9 Fed Com 302H Well as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. 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
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky 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

andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Loosey Goosey 4-9 Fed Com 302H Well, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

#### 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, LEA COUNTY, NEW MEXICO

Case No. 23455

#### **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 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 4 is an irregular section with correction Lots.

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.
- Cimarex proposes and dedicates to the HSU the Loosey Goosey 4-9 Fed Com
   303H Well, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

- 3. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 303H Well,** an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9, Township 20, Range 34 East, NMPM.
- 4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.
  - 5. Cimarex's review of the land records did not reveal any overlapping units.
- 6. 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 well or the commitment of their interests to the well for their development within the proposed HSU.
- 7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 8. 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 well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;
  - C. Approving the Loosey Goosey 4-9 Fed Com 303H Well as the well for the HSU.
- D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;
- F. 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
- G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky 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 andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Loosey Goosey 4-9 Fed Com 303H Well, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST  ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Date: July 20, 2023 (Scheduled hearing)	
Applicant	Cimarex Energy Co.
Designated Operator & OGRID (affiliation if applicable)	215099
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC
Well Family	Loosey Goosey
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Quail Ridge; Bone Spring Pool [Code 50460]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.89-acre, more or less
Building Blocks:	Quarter-Quarter Sections (40 Acre Blocks)
Orientation:	North to South
Description: TRS/County	Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Exhibit A-2.1, breakdown of ownership
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

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List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2.1
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-5, B-6, B-8, B-11, B-12,B-16, B-17
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-3, B-4,
Well Orientation (with rationale)	Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17
Target Formation	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
HSU Cross Section	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2.1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2.1
General Location Map (including basin)	Exhibit A-2.1
Well Bore Location Map	Exhibit A-1, B-2, B-3
Structure Contour Map - Subsea Depth	Exhibit B-5, B-6, B-11, B-16
Cross Section Location Map (including wells)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Cross Section (including Landing Zone)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information prov	ided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/Darín Savage
Date:	Date 7-13-2023

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE	SUPPORTED BY SIGNED AFFIDAVITS
Case: 23453	APPLICANT'S RESPONSE
Date: July 20, 2023 (Scheduled hearing)	
Applicant	Cimarex Energy Co.
Designated Operator & OGRID (affiliation if applicable)	215099
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC
Well Family	Loosey Goosey
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Quail Ridge; Bone Spring Pool [Code 50460]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.21-acre, more or less
Building Blocks:	Quarter-Quarter Sections (40 Acre Blocks)
Orientation:	North to South
Description: TRS/County	Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Exhibit A-2.2, breakdown of ownership
Well(s)  Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Exhibit B-5, B-6, B-8, B-11, B-12, B-16, B-17

Exhibit B-3, B-4,

Gunbarrel/Lateral Trajectory Schematic

Spacing Unit Schematic

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Well Orientation (with rationale)	Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17
Target Formation	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
HSU Cross Section	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2.2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2.2
General Location Map (including basin)	Exhibit A-2.2
Well Bore Location Map	Exhibit A-1, B-2, B-3
Structure Contour Map - Subsea Depth	Exhibit B-5, B-6, B-11, B-16
Cross Section Location Map (including wells)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Cross Section (including Landing Zone)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darín Savage
Date:	Date 7-13-2023

COMPULSORY POOLING APPLICATION CHECKLIST		
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 23454	APPLICANT'S RESPONSE	
Date: July 20, 2023 (Scheduled hearing)		
Applicant	Cimarex Energy Co.	
Designated Operator & OGRID (affiliation if applicable)	215099	
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.	
Case Title:	APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO	
Entries of Appearance/Intervenors:	Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC	
Well Family	Loosey Goosey	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Bone Spring	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Bone Spring	
Pool Name and Pool Code:	Quail Ridge; Bone Spring Pool [Code 50460]	
Well Location Setback Rules:	Statewide Rules	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	320.44-acre, more or less	
Building Blocks:	Quarter-Quarter Sections (40 Acre Blocks)	
Orientation:	North to South	
Description: TRS/County	Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit	
Other Situations		
Depth Severance: Y/N. If yes, description	No, N/A	
Proximity Tracts: If yes, description	No	
Proximity Defining Well: if yes, description	No	
Applicant's Ownership in Each Tract	See Exhibit A-2.3, breakdown of ownership	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed	

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Well Orientation (with rationale)	Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17
Target Formation	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
HSU Cross Section	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2.3
General Location Map (including basin)	Exhibit A-2.3
Well Bore Location Map	Exhibit A-1, B-2, B-3
Structure Contour Map - Subsea Depth	Exhibit B-5, B-6, B-11, B-16
Cross Section Location Map (including wells)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Cross Section (including Landing Zone)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darín Savage
Date:	Date 7-13-2023

ALL INFORMATION IN THE APPLICATION MUST BE	CLIDDODTED BY SIGNED AFFIDAVITS
Case: 23455	APPLICANT'S RESPONSE
	APPLICANT 3 RESPONSE
Date: July 20, 2023 (Scheduled hearing)	Cimeray Francy Co
Applicant 0.00000 ( ffill it is if a line line line line line line line line	Cimarex Energy Co.
Designated Operator & OGRID (affiliation if applicable)	215099
Applicant's Counsel:  Case Title:	Darin C. Savage, Abadie & Schill, P.C.  APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTA SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Permian Resources Operating, LLC Read & Stevens, Inc. Northern Oil and Gas, Inc. Attorneys for Sandstone Properties, LLC
Well Family	Loosey Goosey
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Quail Ridge; Bone Spring Pool [Code 50460]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.66-acre, more or less
Building Blocks:	Quarter-Quarter Sections (40 Acre Blocks)
Orientation:	North to South
Description: TRS/County	Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Exhibit A-2.4, breakdown of ownership
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

(standard or non-standard)

Exhibit B-5, B-6, B-8, B-11, B-12, B-16, B-17

Exhibit B-3, B-4,

Gunbarrel/Lateral Trajectory Schematic

Spacing Unit Schematic

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Well Orientation (with rationale)	Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17
Target Formation	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
HSU Cross Section	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2.4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2.4
General Location Map (including basin)	Exhibit A-2.4
Well Bore Location Map	Exhibit A-1, B-2, B-3
Structure Contour Map - Subsea Depth	Exhibit B-5, B-6, B-11, B-16
Cross Section Location Map (including wells)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Cross Section (including Landing Zone)	Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pr	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darín Savage
Date:	Date 7-13-2023

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23452, 23453, 23454 & 23455

#### PREHEARING STATEMENT

Cimarex Energy Co., ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division") for the above referenced Cases which are consolidated with the Case Nos. 23448-23451, 23594 – 23601 and 23508 – 23523 for a contested hearing pursuant to that certain "Further Amended Pre-Hearing Order" issued on June 8, 2023. This Prehearing Statement describes Cimarex's Case Nos. 23452- 23455, which propose to pool the Bone Spring formation underlying Sections 4 and 9, in Township 20 South, Range 34 East, NMPM, Lea County ("Subject Lands") and which compete directly against Case Nos. 23508 – 23511 filed by Read & Stevens, Inc., in association with Permian Resources Operating, LLC (collectively referred to herein as "Permian Resources") which also propose to pool the Bone Spring formation underlying the Subject Lands.

**APPEARANCES** 

APPLICANT ATTORNEY

Cimarex Energy Co.

Darin C. Savage Andrew D. Schill William E. Zimsky Abadie & Schill, PC 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401

Facsimile: 970.385.4901

darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

#### **COMPETING PARTY**

Read & Stevens, Inc., in association with Permian Resources Operating, LLC

Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance Holland & Hart LLP Post Office Box 2208 Santa Fe, NM 87504 505-988-4421

Facsimile: 505-983-6043 mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com

#### ADDITIONAL PARTIES

Sandstone Properties, LLC

Sealy Cavin, Jr.
Scott S. Morgan
Brandon D. Hajny
P.O. Box 1216
Albuquerque, NM 87103
505-243-5400
scavin@cilawnm.com
smorgan@cilawnm.com
bhajny@cilawnm.com

Northern Oil and Gas, Inc.

Blake C. Jones Steptoe & Johnson PLLC 1780 Hughes Landing Blvd., Ste 750 The Woodlands, TX 77380 281-203-5730 Facsimile: 281-203-5701

blake.jones@steptoe-johnson.com

#### **APPLICANT'S STATEMENT OF THE CASES**

Cimarex provides this Prehearing Statement to provide a summary of Case Nos. 23452, 23453, 23454 and 23455. These four cases seek to develop the Bone Spring formation in the Subject Lands (i.e., Sections 4 and 9), and these cases are grouped and organized in a logical manner to present to the Division an intelligible overview of the cases that can be readily followed.

In Case No. 23452, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>St</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the Loosey Goosey 4-9 Fed Com 204H Well and the Loosey Goosey 4-9 Fed Com 304H Well, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under statewide rules.

In Case No. 23453, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone

Spring formation, designated as an oil pool, underlying a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 301H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

In Case No. 23454, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1st Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 302H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

In Case No. 23455, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a

stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Loosey Goosey 4-9 Fed Com 303H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

Cimarex's four cases described herein and its plans for development compete directly with Case Nos. 23508, 23509, 23510, and 23511 filed by Permian Resources for the Subject Lands. In Case No. 23508, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 111H, 121H, 122H, 171H, and 131H wells to said unit.

In Case No. 23509, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 112H, 123H, 124H, 172H, and 132H wells to said unit.

In Case No. 23510, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit

comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 113H, 125H, 126H, 173H, and 133H wells to said unit.

In Case No. 23511, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Bane 4-9 Federal Com 114H, 127H, 128H, 174H, and 134H wells to said unit.

#### APPLICANT'S PROPOSED EVIDENCE AND WITNESS QUALIFICATIONS

WITNESS

**ESTIMATED TIME** 

**EXHIBITS** 

Landman: John Coffman Approx. 45 min Approx. 9
Qualifications: I graduated in 2018 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 4 years. My credentials as an expert witness in petroleum land matters have been accepted by the Division and made a matter of record.

Geologist: Staci Meuller Approx. 45 min Approx. 21

Qualifications: I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines. I have worked on New Mexico Oil and Gas matters since July 2018. My credentials as an expert witness in geology have been accepted by the Division and made a matter of record.

Reservoir Engineer: Eddie Behm Approx. 45 minutes Approx. 17 Qualifications: I attended the University of Tulsa and graduated with a bachelor's in petroleum engineering in 2011. I have worked for Occidental, California Resources prior to working for Cimarex and have been employed as a Production and Reservoir engineer for Cimarex for the last 6 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I have previously testified before the Division as an expert reservoir engineer, and my credentials have been accepted of record.

Facilities Engineer: Calvin Boyle Available for questions (15 min) Approx. 1 Qualifications: I attended the University of Oklahoma and graduated with a bachelor's in petroleum engineering in 2016 followed by Oklahoma State University where I graduated with a Master of Business Administration in 2018. I worked for Halliburton prior to working for Cimarex Energy Co. ("Cimarex") and have been employed as a Field, Production, and Facilities engineer for Cimarex for the last 4 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I am familiar with the subject applications filed in the above-referenced Cases and the engineering involved. I have not testified previously before the Division and am providing a one page resume.

#### **LIST OF MATERIAL FACTS NOT IN DISPUTE**

Parties are in general agreement that the Bone Spring formation underlying the Subject Lands would be productive if developed and should be developed; however, there are factual differences regarding the best way to achieve optimum development and productivity or the Bone Spring.

#### **LIST OF DISPUTED FACTS AND ISSUES**

The central issue in Cimarex's Case Nos. 23452 – 23455 and Permian Resources' competing Case Nos. 23508 – 23511 is which party should be the designated operator for the Bone Spring formation in the Subject Lands. In addition, there are specific disagreements between the parties regarding (1) the number of wells that should be used to develop the Bone Spring, (2) the depths and spacing of the wells, (3) the costs of developing the Bone Spring underlying the Subject Lands; and (4) a dispute about whether the Upper Wolfcamp should be drilled and developed (Cimarex asserts that the drilling of the Upper Wolfcamp would result in waste and harm to correlative rights; while Permian Resources proposes to drill the Upper Wolfcamp).

### PROCEDURAL MATTERS

This contested hearing includes Cimarex's Case Nos. 23452 – 23455 and Permian Resources' competing applications in Case Nos. 23508 – 23511, as described herein, but the hearing also includes numerous additional cases for the Bone Spring in Sections 5 and 8, Township

20 South, Range 34 East, NMPM, Lea County, New Mexico, and consideration of whether to drill the Wolfcamp formation. In all, the Division will need to review and consider 32 cases addressing both the Bone Spring and Wolfcamp in Sections 5 and 8 and Sections 4 and 9, all in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. The Prehearing Statements submitted in these matters, three Prehearing Statements in all, are organized in an effort to provide a manageable approach to reviewing the cases by addressing (1) the 8 competing cases in the Bone Spring for Sections 5 and 8; (2) the 8 competing cases in the Bone Spring for Sections 4 and 9; and finally (3) the status of the competing cases filed for the Wolfcamp formation in both Sections 4 and 9 and Sections 5 and 8.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill

William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501

Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for Cimarex Energy Co.

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on July 13, 2023:

Michael H. Feldewert – mfeldewert@hollandhart.com Adam G. Rankin – agrankin@hollandhart.com Julia Broggi – jbroggi@hollandhart.com Paula M. Vance – pmvance@hollandhart.com

Attorneys for Read & Stevens, Inc.; and Permian Resources Operating, LLC

Blake C. Jones – blake.jones@steptoe-johnson.com

Attorney for Northern Oil and Gas, Inc.

Sealy Cavin, Jr. – scavin@cilawnm.com Scott S. Morgan – smorgan@cilawnm.com Brandon D. Hajny – bhajny@cilawnm.com

Attorneys for Sandstone Properties, LLC

/s/ Darin C. Savage

Darin C. Savage

## **TAB 2**

Case Nos. 23452-23455

Exhibit A: Self-Affirmed Statement of John Coffman Landman

Exhibit A-1: C-102 Forms

Exhibit A-2.1: Ownership and Sectional Map Exhibit A-2.2: Ownership and Sectional Map Exhibit A-2.3: Ownership and Sectional Map Exhibit A-2.4: Ownership and Sectional Map

Exhibit A-3: Well Proposal Letters and AFEs

Exhibit A-4: Chronology of Contacts with Uncommitted Owners

Exhibit A-5: Support Letters from Interest Owners Exhibit A-6: Read and Stevens Original Well Proposal

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23452, 23453, 23454 & 23455

### SELF-AFFIRMED STATEMENT OF JOHN COFFMAN

I, being duly sworn on oath, state the following:

- 1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
- 2. I am employed as a Landman with Coterra Energy, Inc., and its subsidiary Cimarex Energy Co. ("Cimarex"), the applicant in this case, and I am familiar with the subject application and the lands involved.
- 3. I graduated in 2018 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 5 years. My credentials as an expert witness in petroleum land matters have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
- 4. This Statement is submitted in connection with the filing by Cimarex of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1).
- 5. The above-referenced cases (Case Nos. 23452 23455) all seek to develop the Bone Spring formation underlying Sections 4 and 9, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico ("Subject Lands"); and therefore, we have grouped them together for



this presentation to the Division as a logical way to organize and present the cases being reviewed in this contested hearing.

- 6. Under <u>Case No. 23452</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.89-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit two initial wells: the **Loosey Goosey 4-9 Fed Com 204H Well**, and the **Loosey Goosey 4-9 Fed Com 304H Well**.
- 7. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 204H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1428' FEL of Section 33, Township 19 South, Range 34 East to a bottom hole location 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East; approximate TVD of 10,300'; approximate TMD of 20,518'; FTP in Section 4: 100' FNL, 330' FEL; LTP in Section 9: 100' FSL, 330' FEL.
- 8. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 304H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1408' FEL of Section 33 to a bottom hole location 100' FSL and 330' FEL of Section 9; approximate TVD of 10,800'; approximate TMD of 21,075'; FTP in Section 4: 100' FNL, 330' FEL; LTP in Section 9: 100' FSL, 330' FEL.
- 9. Under <u>Case No. 23453</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation

[Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.21-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4 and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 301H Well**.

- 10. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 301H Well** (API pending) to be horizontally drilled from a surface location 1189' FSL and 1464' FWL of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location 100' FSL and 706' FWL of Section 9 Township 20 South, Range 34 East, NMPM; approximate TVD of 10,830'; approximate TMD of 21,091'; FTP in Section 4: 100' FNL, 706' FWL; LTP in Section 9: 100' FSL, 706' FWL.
- 11. Under <u>Case No. 23454</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.44-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4 and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 302H Well**.

- 12. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 302H Well** (API pending) to be horizontally drilled from a surface location 1189' FSL and 1484' FWL of Section 33 Township 19 South, Range 34 East, NMPM, to a bottom hole location in the 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East; with an approximate TVD of 10,820'; approximate TMD of 21,100'; FTP in Section 4: 100' FNL, 2,120' FWL; LTP in Section 9: 100' FSL, 2,120' FWL.
- 13. Under <u>Case No. 23455</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.66-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4 and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Loosey Goosey 4-9 Fed Com 303H Well**.
- 14. Cimarex proposes the **Loosey Goosey 4-9 Fed Com 303H Well** (API pending) to be horizontally drilled from a surface location 194' FSL and 1448' FEL of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location 100' FSL and 1,744' FEL of Section 9; approximate TVD of 10,810'; approximate TMD of 20,966'; FTP in Section 4: 100' FNL, 1,744' FEL; LTP in Section 9: 100' FSL, 1,744' FEL.
  - 15. The proposed C-102 for each well is attached as **Exhibit A-1**.

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16. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2.1** through **Exhibit A-2.4**, which show the location of the proposed wells within the units. The location of each well is orthodox, and it meets the Division's offset requirements.

- 17. The parties being pooled, the nature of their interests, and their last known addresses are listed in **Exhibit A-2.1** through **Exhibit A-2.4** attached hereto. These Exhibits include information regarding working interest owners. In a Successor Operator Ballot sent to working interest owners in February of 2020 and subsequent letter dated August 31, 2020, Magnum Hunter Production Inc., a subsidiary of Cimarex, received the affirmative vote under the 1979 Estoril Operating Agreement that covers the S/2 of Sections 4 and 5 and all of Sections 8 and 9, Township 20 South, Range 34 East. At the time, a total of 14 working interest owners collectively owning 59.405672% of the interest in the contract area from the Top of the Bone Spring formation to the Base of the Bone Spring formation, and 54.758783% of the interest covering from the Base of the Bone Spring formation to the Base of the Morrow formation. Under the terms of said Operating Agreement, because two or more of the parties owning a majority interest have voted to elect Magnum Hunter Production Inc. as Operator, Magnum Hunter Production Inc. is the operator of said lands described above covered by the Operating Agreement.
- 18. There are no depth severances in the Bone Spring formation in this acreage. Cimarex's review of the lands shows no overlapping units.
- 19. Cimarex operates around 15,000 acres and operate ~50 wellbores in the immediate vicinity in Township 19 South, Ranges 33 and 34 East, in Lea County. I believe that Cimarex is a top-tier operator especially regarding the knowledge it takes to drill in this area. We have been able to come to agreements with multiple owners in the area to effectively and efficiently develop a large portion of this area.

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20. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2.1** through **Exhibit A-2.4**. In compiling these addresses, I conducted a diligent search of the public records in **Lea** County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Cimarex published notice in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

21. Cimarex has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. Exhibits A-4 provides a chronology and history of contacts with the owners. Prior to the acquisition by Permian Resources of Read and Stevens, Cimarex had made good faith efforts to communicate and get a plan of development in place for these four sections. No meetings with Read and Stevens had ever come to fruition, instead, we found out that they had spud wells in the middle of a 2 mile development in order to save their expiring permits. We were never notified or proposed by Read and Steven's in this action although we do own in the lands that were involved. I have personally worked for over 2 years and Cimarex has worked for over 4 years to get to a resolution so that this acreage can be developed. The majority of the working interest owners in these sections are excited for development and have been long awaiting a return on their investment. Cimarex has constantly been trying to obtain term assignments, vetting out trades with other working interest owners, and has made offers to purchase in this area. We believe in this area and have shown our earnestness in development for years. Cimarex was the first operator to do the groundwork and file applications for the Subject Lands, filing well before Read & Stevens.

- 22. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Cimarex has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Cimarex and another interest owner or owners, Cimarex requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.
- 23. For any unleased open acreage being pooled, Cimarex requests that the acreage be pooled pursuant to statutory one-eighth (1/8) royalty.
- 24. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 25. Not including the Wolfcamp development proposed by Permian Resources, Cimarex's full development of the acreage is far, far less expensive, by more than \$130MM, for 2 mile wellbores to develop the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations (~Permian's cost of \$400MM vs. Cimarex's lower cost of \$266MM). Permian not only proposes to over-drill the Subject Lands, but it will incur unnecessary costs that will substantially burden smaller working interest owners. Working interest owners should get the best wells at the most economic prices, and we feel that our development provides the most efficient and cost-saving plan. See **Exhibit A-5** which provides

letters of support from working interest owners in the units who support Cimarex's development plan, based on excellent prior experiences working with Cimarex as an operator.

- 26. Cimarex requests overhead and administrative rates of \$8000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Cimarex requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 27. Cimarex requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
  - 28. Cimarex requests that it be designated operator of the units and wells.
- 29. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my direct supervision.
- 30. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells. Due to Cimarex's operational footprint and expertise in the area, we are able to utilize our drilling efficiencies, relationships with working interest owners, and third party takeaway to cost-effectively develop this acreage. We understand the geology of this area and do not need to over-drill the Subject Lands in order to fully develop the acreage.
  - 31. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of John Coffman:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23452, 23453, 23454 and 23455, and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

John Coffman

Date Signed

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no. Section Township Range Lot Idn

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

County

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-	<sup>2</sup> Pool Code 50460		
<sup>4</sup> Property Code		operty Name OSEY 4-9 FED COM	<sup>6</sup> Well Number 204H
<sup>7</sup> OGRID №. 215099		erator Name EX ENERGY CO.	<sup>9</sup> Elevation 3659.8'

#### <sup>10</sup> Surface Location

North/South line

Т

Feet from the

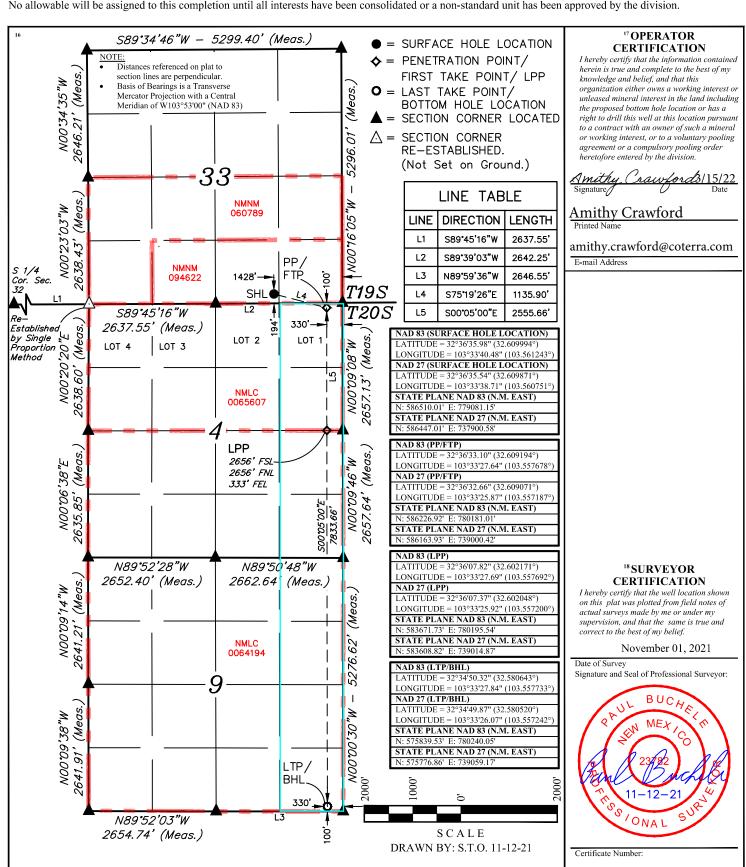
East/West line

O	33	19S	34E		194	SOUTH	1428	EAST	LEA
			11	Bottom H	ole Location I	f Different From	Surface		

UL or lot no. P	Section 9	Township 20S	Range 34E	Lot Idn		from the 100	North/South line SOUTH	Feet from the 330	East/West line EAST	County LEA
12 Dedicated Acre 320.89	es 13	Joint or Infill	14 Conso	lidation Code	15	15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Feet from the





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<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Р

12 Dedicated Acres

320.89

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

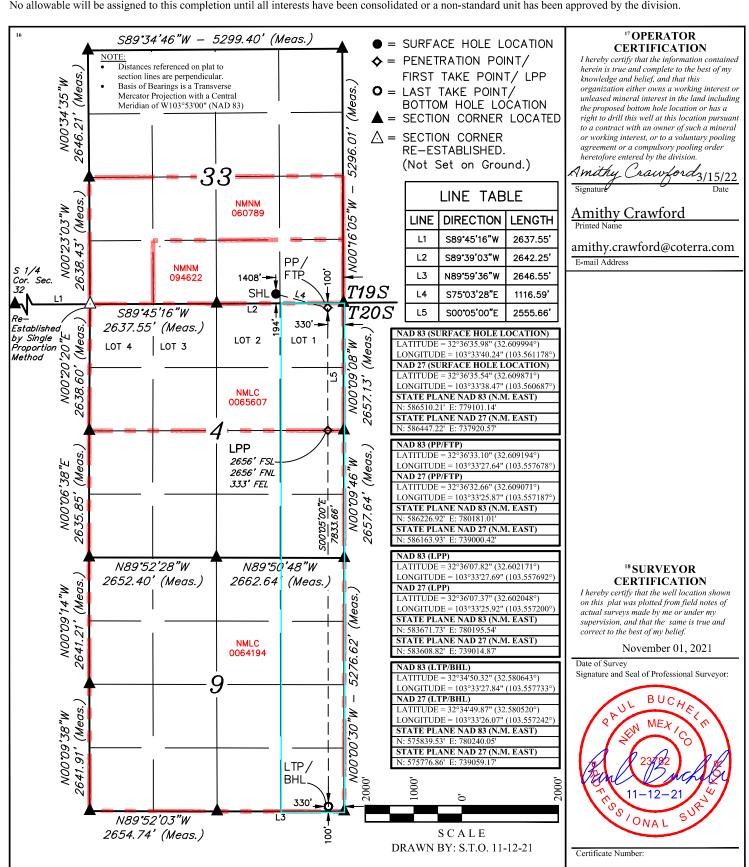
30-025 Number	<sup>2</sup> Pool Code 50460		
<sup>4</sup> Property Code		operty Name OSEY 4-9 FED COM	<sup>6</sup> Well Number 304H
215099 No.		erator Name EX ENERGY CO.	<sup>9</sup> Elevation 3659.4'

#### <sup>10</sup> Surface Location

	UL or lot no. O	Section 33	Township 19S	Range 34E	Lot Idn	Feet from the 194	North/South line SOUTH	Feet from the 1408	East/West line EAST	County LEA
	"Bottom Hole Location If Different From Surface									
Г	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Feet from the Township Lot Idn Feet from the SOUTH LEA 20S 34E 100 330 **EAST** Joint or Infil 14 Consolidation 15 Order No

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no. Section Township Range Lot Idn

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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AMENDED REPORT

County

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025 API Number	r	<sup>2</sup> Pool Code 50460		
<sup>4</sup> Property Code			operty Name OSEY 4-9 FED COM	<sup>6</sup> Well Number 301H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3659.4'

### <sup>10</sup> Surface Location

Feet from the North/South line

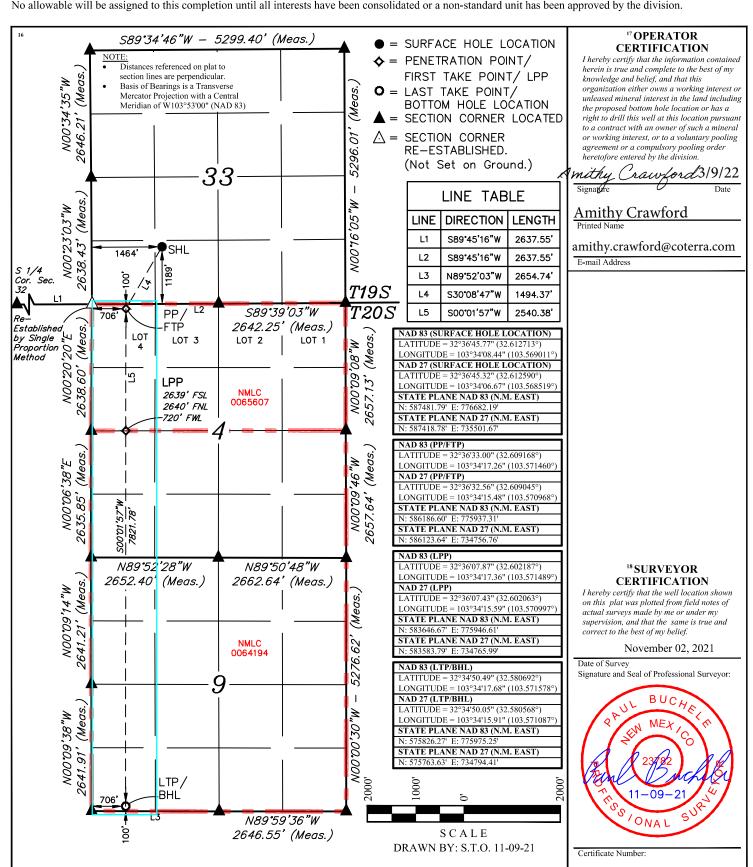
Feet from the

East/West line

N	33	19S	34E		1189	SOUTH	1464	WEST	LEA	
Day Military is 10Digg at Table 2										
"Bottom Hole Location If Different From Surface										
*** * .	a	m 11	-			22 2 10 2 2		T	~ .	

UL or lot no. M	Section 9	Township 20S	Range 34E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 706	East/West line WEST	County LEA
12 Dedicated Acre 320.21	es 13 .	Joint or Infill	14 Conse	olidation Code	<sup>15</sup> Order No.	_			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025 Number	r	<sup>2</sup> Pool Code 50460	Quail Ridge; Bone Spring	
<sup>4</sup> Property Code			operty Name OSEY 4-9 FED COM	<sup>6</sup> Well Number 302H
<sup>7</sup> OGRID №. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3659.8'

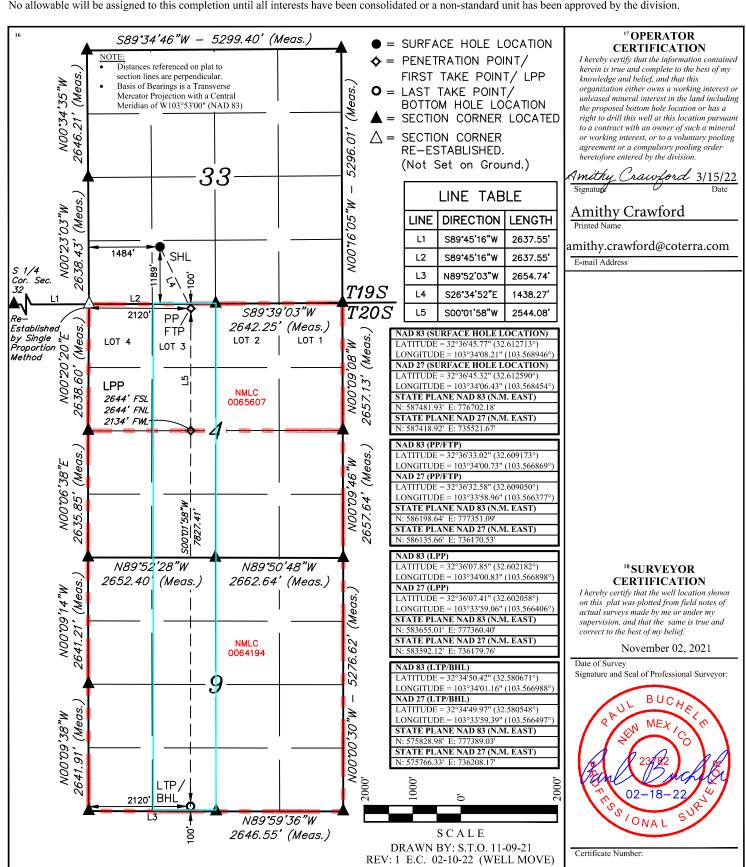
#### <sup>10</sup> Surface Location

UL or lot no. N	Section 33	Township 19S	Range 34E	Lot Idn	Feet from the 1189	North/South line SOUTH	Feet from the 1484	East/West line WEST	County LEA
"Bottom Hole Location If Different From Surface									

#### Bottom Hole Location It Different From Surface

UL or lot no. N	Sect 9	ion )	Township 20S	Range 34E	Lot Idn	Feet from th 100	e	North/South line SOUTH	Feet from the 2120	East/West line WEST	County LEA
12 Dedicated Acre 320.44	es	<sup>13</sup> Jo	oint or Infill	14 Conso	olidation Code	15 Order	· No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025	:	<sup>2</sup> Pool Code 50460		
<sup>4</sup> Property Code			operty Name OSEY 4-9 FED COM	<sup>6</sup> Well Number 303H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3659.9'

#### <sup>10</sup> Surface Location

١	O O	33	19S	34E	Lot full	194	SOUTH	1448	EAST	LEA	
•	Bottom Hole Location If Different From Surface										

#### Bottom Hole Location If Different From Surface

UL or lot no. O	Secti 9	ion	Township 20S	Range 34E	Lot Idn		rom the .00	North/South line SOUTH	Feet from the 1744	East/West line EAST	County LEA
12 Dedicated Acr 320.66	es	<sup>13</sup> J <sub>0</sub>	oint or Infill	14 Conso	olidation Code	15 (	Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

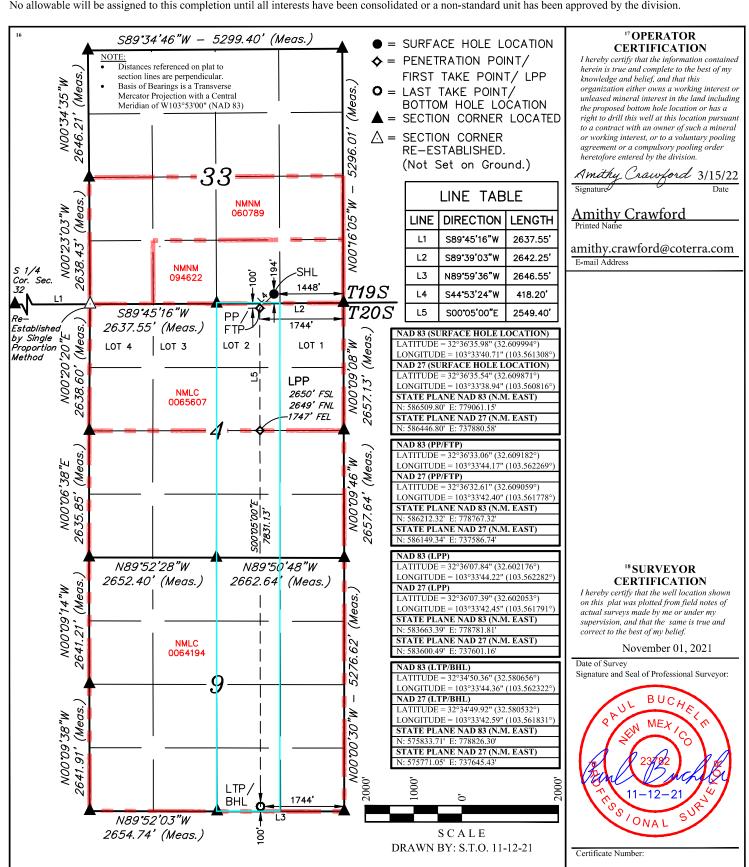
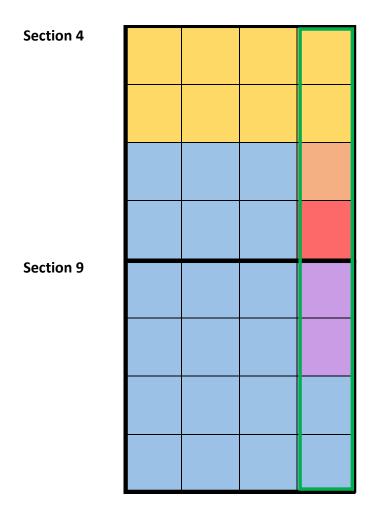


Exhibit "A-2"

E/2E/2 of Section 4 and the E/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (40.00 acres)



Tract 2: USA NMLC-0064194 (40.00 acres)



Tract 3: USA NMLC-0064194 (80.00 acres)



Tract 4: USA NMLC-0064194 (80.00 acres)



Tract 5: USA NMLC-0065607 (80.89 acres)



#### **Loosey Goosey 4-9 Fed Com 204H**

SHL: Sec. 33-19S-34E; 194' FSL and 1428' FEL BHL: Sec. 9-20S-34E; 100' FNL and 330' FEL

## **Loosey Goosey 4-9 Fed Com 304H**

SHL: Sec. 33-19S-34E; 194' FSL and 1408' FEL BHL: Sec. 9-20S-34E; 100' FNL and 330' FEL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

## E/2E/2 of Section 4 and the E/2E/2 of Section 9 of Section 9, Township 20 South, Range 34 East of Lea County, NM

#### Loosey Goosey 4-9 Fed Com 204H and 304H

### TRACT 1 OWNERSHIP (NE/4SE/4 of Section 4-T20S-R34E, being 40.00 acres)

Lease: USA NMLC-0064194

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	0.8308	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	1.3427	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Challenger Crude, Ltd.	1.1673	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	12.1016	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			

	Midland	I, TX	797	01
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Javelina Partners	2.3719	0.05929631	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	1.2904	0.03225960	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	11.2378	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.2346	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	0.7038	0.01759615	Uncommitted
222 West Forth St., Ph5			
Fort Worth, TX 76102			
Chase Oil Corporation	0.7203	0.01800821	Uncommitted
11344 Lovington Hwy.			
Artesia, NM 88210			
Cimarex Energy Co.	4.2538	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			

Midland, TX 79706	Mid	land.	TX	797	06
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Avalon Energy Corporation	0.2273	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			
Midland, TX 79701			
Wilbanks Reserve Corporation	1.9446	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.2377	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.1259	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Union Hill Oil and Gas Co. Inc.	1.2096	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 1 TOTAL	40.00	.12465331	

## TRACT 2 OWNERSHIP (SE/4 SE/4 of Section 4-T20S-R34E, being 40.00 acres)

Lease: USA NMLC-0064194

 Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	0.8308	0.02076924	Committed

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Galveston, TX 77552

HOG Partnership, LP	1.3427	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Challenger Crude, Ltd.	1.1673	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	12.1016	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	2.3719	0.05929631	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	1.2904	0.03225960	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	11.2378	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.2346	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			

P.(	O.	Box	1	60	0
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San Antonio, TX 78296

Ard Oil LTD	0.7029	0.01750615	Uncommitted
Ard Oil, LTD	0.7038	0.01759615	Uncommitted
222 West Forth St., Ph5			
Fort Worth, TX 76102			
Chase Oil Corporation	0.7203	0.01800821	Uncommitted
11344 Lovington Hwy.	0.7203	0.01000021	Oncommitted
Artesia, NM 88210			
Ai tesia, ivivi 60210			
Cimarex Energy Co.	4.2538	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Avalon Energy Corporation	0.2273	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			
Midland, TX 79701			
Wilbanks Reserve Corporation	1.9446	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.2377	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.1259	0.00314685	Committed
616 Texas St.			

Fort Worth, TX 76102

Union Hill Oil and Gas Co. Inc.	1.2096	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 2 TOTAL	40.00	.12465331	

## TRACT 3 OWNERSHIP (E/2NE/4 of Section 9-T20S-R34E, being 80.00 acres)

Lease: USA NMLC-0064194

 Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	1.6615	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	2.6853	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Challenger Crude, Ltd.	2.3346	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	24.2031	0.27617294	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	4.7437	0.05929631	Committed
616 Texas St.			

Zorro Partners, Ltd.	2.5808	0.03225960	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	22.4755	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.4692	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	1.4077	0.01759615	Uncommitted
222 West Forth St., Ph5			
Fort Worth, TX 76102			
Chase Oil Corporation	1.4407	0.01800821	Uncommitted
11344 Lovington Hwy.			
Artesia, NM 88210			
Cimarex Energy Co.	8.5076	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Avalon Energy Corporation	0.4545	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			

## Midland, TX 79701

Wilbanks Reserve Corporation	3.8893	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.4754	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.2517	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Union Hill Oil and Gas Co. Inc.	2.4193	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 3 TOTAL	80.00	.24930662	

## TRACT 4 OWNERSHIP (E/2 SE/4 of Section 9-T20S-R34E, being 80.00 acres)

Lease: USA NMLC-0064194

 Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	1.6615	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	3.6923	0.04615385	Uncommitted
5950 Cedar Springs Rd., Ste. 242			

## Dallas, TX 75235

Permian Resources LLC/Read and Stevens	30.9320	0.38665000	Uncommitted	
300 N. Marienfeld St., Ste. 1000				
Midland, TX 79701				
Javelina Partners	3.9885	0.04985576	Committed	
616 Texas St.				
Fort Worth, TX 76102				
Zorro Partners, Ltd.	2.5808	0.03225961	Committed	
616 Texas St.				
Fort Worth, TX 76102				
Magnum Hunter Production Inc.	15.3846	0.19230768	Committed	
6001 Deauville Blvd., Ste. 300N				
Midland, TX 79706				
Frost Bank, Trustee of the Josephine T.	0.4692	0.00586540	Committed	
Hudson Trust f/b/o J. Terrell Ard				
P.O. Box 1600				
San Antonio, TX 78296				
Ard Oil, LTD	1.4077	0.01759615	Uncommitted	
222 West Forth St., Ph5				
Fort Worth, TX 76102				
Cimarex Energy Co.	17.8154	0.22269231	Committed	
6001 Deauville Blvd., Ste. 300N				

Midland, TX 79706

Avalon Energy Corporation	0.4545	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			
Midland, TX 79701			
Union Hill Oil and Gas Co. Inc.	2.0680	0.02585000	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 4 TOTAL	80.00	.24930662	

## TRACT 5 OWNERSHIP (Lot 1 and the SE/4SE/4 of Section 4-T20S-R34E, being 80.89 acres)

Lease: USA NMLC-0065607

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	4.5501	0.05625000	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	10.1113	0.12500000	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Javelina Partners	23.4560	0.28997392	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	15.1774	0.18763017	Committed
616 Texas St.			

Fort Worth, TX 76102

Frost Bank, Trustee of the Josephine T. 2.7595 0.03411465 Committed

Hudson Trust f/b/o J. Terrell Ard

P.O. Box 1600

San Antonio, TX 78296

Ard Oil, LTD 8.2786 0.10234375 Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

Cimarex Energy Co. 16.5572 0.20468750 Committed

6001 Deauville Blvd., Ste. 300N

Midland, TX 79706

TRACT 5 TOTAL 80.00 .25208015

## **Complete List of Parties/Persons to be Pooled:**

## **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

Magnum Hunter Production

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

E/2E/2 of Section 4 and the E/2E/2 of Section 9; all in T20S-R34E; 320.89 acres

Moore and Shelton Co., LTD 2.97132% WI

HOG Partnership, LP 5.97532% WI

Challenger Crude, Ltd. 1.45508% WI

Permian Resources LLC 24.72445% WI

Javelina Partners 11.50920% WI

Zorro Partners, Ltd. 7.14254% WI

Magnum Hunter Production Inc. 18.80260% WI

Frost Bank, Trustee of the Josephine T.	1.29865% WI

Hudson Testamentary Trust FBO J. Terrell Ard

Chase Oil Corporation 0.89791% WI

Cimarex Energy Co. 16.01411% WI

Avalon Energy Corporation 0.28330% WI

Wilbanks Reserve Corporation 2.42406% WI

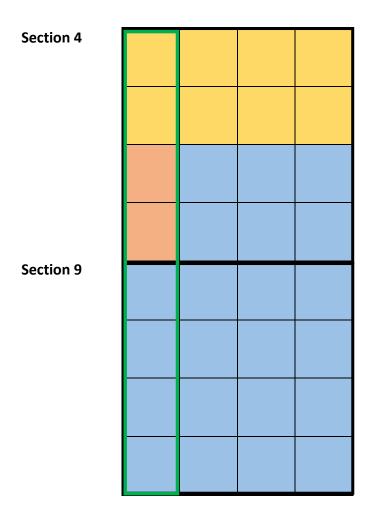
Marks Oil, Inc. 0.29631% WI

William A. Hudson, II 0.15691% WI

Union Hill Oil and Gas Co. Inc. 2.15231% WI

Exhibit "A-2"

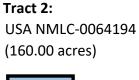
W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (80.00 acres)



Tract 3: USA NMLC-0065607 (80.21 acres)









### **Loosey Goosey 4-9 Fed Com 301H**

SHL: Sec. 33-19S-34E; 1189' FSL and 1464' FWL BHL: Sec. 9-20S-34E; 100' FNL and 706' FWL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

# W/2W/2 of Section 4 and the W/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM

### Loosey Goosey 4-9 Fed Com 301H

#### TRACT 1 OWNERSHIP (W/2SW/4 of Section 4-T20S-R34E, being 80.00 acres)

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	1.6615	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	2.6853	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Challenger Crude, Ltd.	2.3346	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	24.2031	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	4.7437	0.05929631	Committed
616 Texas St.			

Zorro Partners, Ltd.	2.5808	0.03222596	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	22.4755	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.4692	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	1.4077	0.01759615	Uncommitted
222 West Forth St., Ph5			
Fort Worth, TX 76102			
Chase Oil Corporation	1.4407	0.01800821	Uncommitted
11344 Lovington Hwy.			
Artesia, NM 88210			
Cimarex Energy Co.	8.5076	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Avalon Energy Corporation	0.4545	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			

### Midland, TX 79701

Wilbanks Reserve Corporation	3.8893	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.4754	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.2517	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Union Hill Oil and Gas Co. Inc.	2.4193	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 1 TOTAL	80.00	.24983605	

## TRACT 2 OWNERSHIP (W/2W/2 of Section 9-T20S-R34E, being 160.00 acres)

 Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	3.3231	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	5.3706	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			

Dallas, TX	/:	52	3	5
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Challenger Crude, Ltd.	4.6692	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	48.4063	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	9.4874	0.05929631	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	5.1615	0.03225960	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	44.9510	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.9385	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	2.8154	0.01759615	Uncommitted
222 West Forth St., Ph5			

Chase Oil Corporation 11344 Lovington Hwy.	2.8813	0.01800821	Uncommitted
Artesia, NM 88210			
7.11.00510, 1.11.1.00220			
Cimarex Energy Co.	17.0151	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Avalon Energy Corporation	0.9091	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			
Midland, TX 79701			
Wilbanks Reserve Corporation	7.7786	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.9508	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.5035	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Haira Hill Oil and Con Co. La	4.0205	0.02024024	Haraman Maria
Union Hill Oil and Gas Co. Inc.	4.8385	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			

TRACT 2 TOTAL 160.00 .49967209

## TRACT 3 OWNERSHIP (Lot 4 and the SW/4NW/4 of Section 4-T20S-R34E, being 80.21 acres)

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	4.5118	0.05625000	Committed
P.O. Box 3070			
Galveston, TX 77552			
Cimarex Energy Co.	16.4180	0.20468750	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Javelina Partners	23.2588	0.28997392	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	15.0498	0.18763017	Committed
616 Texas St.			
Fort Worth, TX 76102			
Frost Bank, Trustee of the Josephine T.	2.7363	0.03411465	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
HOG Partnership, LP	10.0263	0.12500000	Uncommitted
5950 Cedar Springs Rd., Ste. 242			

Dallas, TX 75235

Ard Oil, LTD 8.2090 0.10234375 Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

TRACT 3 TOTAL 80.21 .25049186

## **Complete List of Parties/Persons to be Pooled:**

### **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

**Magnum Hunter Production** 

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

### W/2W/2 of Section 4 and the W/2W/2 of Section 9; all in T20S-R34E; 320.21 acres

Moore and Shelton Co., LTD 2.96569 % WI

HOG Partnership, LP 5.64698% WI

Challenger Crude, Ltd. 2.18725% WI

Permian Resources LLC 22.67557% WI

Javelina Partners 11.70792% WI

Zorro Partners, Ltd. 7.11787% WI

Magnum Hunter Production Inc. 21.05699% WI

Frost Bank, Trustee of the Josephine T. 1.29416% WI

Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD 3.88247% WI

Chase Oil Corporation 1.34973% WI

Cimarex Energy Co. 13.09786% WI

Avalon Energy Corporation 0.42586% WI

Wilbanks Reserve Corporation 3.64382% WI

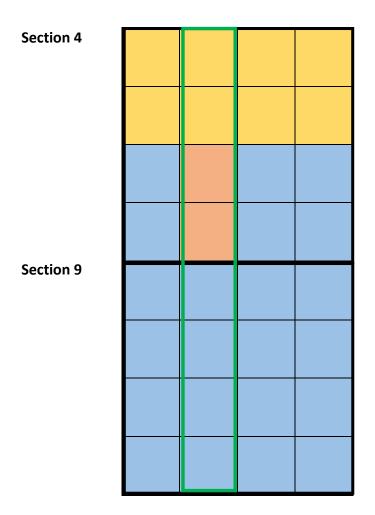
Marks Oil, Inc.	0.44541% WI

William A. Hudson, II 0.23586% WI

Union Hill Oil and Gas Co. Inc. 2.26658% WI

Exhibit "A-2"

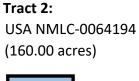
E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (80.00 acres)



Tract 3: USA NMLC-0065607 (80.44 acres)









### **Loosey Goosey 4-9 Fed Com 302H**

SHL: Sec. 33-19S-34E; 1189' FSL and 1484' FWL BHL: Sec. 9-20S-34E; 2120' FWL and 100' FSL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

# E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM

### Loosey Goosey 4-9 Fed Com 302H

#### TRACT 1 OWNERSHIP (E/2SW/4 of Section 4-T20S-R34E, being 80.00 acres)

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	1.6615	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	2.6853	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Challenger Crude, Ltd.	2.3346	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	24.2031	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	4.7437	0.05929631	Committed
616 Texas St.			

## Fort Worth, TX 76102

Zorro Partners, Ltd.	2.5808	0.03222596	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	22.4755	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.4692	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	1.4077	0.01759615	Uncommitted
222 West Forth St., Ph5			
Fort Worth, TX 76102			
Chase Oil Corporation	1.4407	0.01800821	Uncommitted
11344 Lovington Hwy.			
Artesia, NM 88210			
Cimarex Energy Co.	8.5076	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Avalon Energy Corporation	0.4545	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			

Midland, 1	ΓX 79701	L
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Wilbanks Reserve Corporation	3.8893	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.4754	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.2517	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Union Hill Oil and Gas Co. Inc.	2.4193	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 1 TOTAL	80.00	.24965672	

## TRACT 2 OWNERSHIP (E/2W/2 of Section 9-T20S-R34E, being 160.00 acres)

 Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	3.3231	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	5.3706	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			

Dallas, TX	/:	52	3	5
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Challenger Crude, Ltd.	4.6692	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	48.4063	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	9.4874	0.05929631	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	5.1615	0.03225960	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	44.9510	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.9385	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	2.8154	0.01759615	Uncommitted
222 West Forth St., Ph5			

Fort Worth, TX 76	10	02
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Chase Oil Corporation	2.8813	0.01800821	Uncommitted
11344 Lovington Hwy.			
Artesia, NM 88210			
Cimarex Energy Co.	17.0151	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Avalon Energy Corporation	0.9091	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			
Midland, TX 79701			
Wilbanks Reserve Corporation	7.7786	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.9508	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.5035	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Union Hill Oil and Gas Co. Inc.	4.8385	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			

TRACT 2 TOTAL 160.00 .49931344

## TRACT 3 OWNERSHIP (Lot 3 and the SE/4NW/4 of Section 4-T20S-R34E, being 80.44 acres)

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	4.5248	0.05625000	Committed
P.O. Box 3070			
Galveston, TX 77552			
Cimarex Energy Co.	16.4651	0.20468750	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Javelina Partners	23.3255	0.28997392	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	15.0930	0.18763017	Committed
616 Texas St.			
Fort Worth, TX 76102			
Frost Bank, Trustee of the Josephine T.	2.7442	0.03411465	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
HOG Partnership, LP	10.0550	0.12500000	Uncommitted
5950 Cedar Springs Rd., Ste. 242			

Dallas, TX 75235

Ard Oil, LTD 8.2325 0.10234375 Uncommitted

222 West Forth St., Ph5

Fort Worth, TX 76102

TRACT 3 TOTAL 80.44 .25102983

## **Complete List of Parties/Persons to be Pooled:**

### **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

**Magnum Hunter Production** 

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

### E/2W/2 of Section 4 and the E/2W/2 of Section 9; all in T20S-R34E; 320.44 acres

Moore and Shelton Co., LTD	2.96760% WI
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HOG Partnership, LP 5.65190% WI

Challenger Crude, Ltd. 2.18568% WI

Permian Resources LLC 22.65929% WI

Javelina Partners 11.72033% WI

Zorro Partners, Ltd. 7.12623% WI

Magnum Hunter Production Inc. 21.04187% WI

Frost Bank, Trustee of the Josephine T. 1.29568% WI

Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD 3.88703% WI

Chase Oil Corporation 1.34876% WI

Cimarex Energy Co. 13.103150% WI

Avalon Energy Corporation 0.42555% WI

Wilbanks Reserve Corporation 3.6412% WI

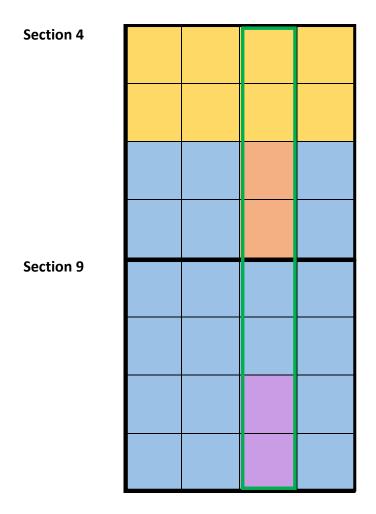
Marks Oil, Inc. 0.44509% WI

William A. Hudson, II 0.23569% WI

Union Hill Oil and Gas Co. Inc. 2.26495% WI

Exhibit "A-2"

W/2E/2 of Section 4 and the W/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



Tract 1: USA NMLC-0064194 (80.00 acres)



**Tract 3:**USA NMLC-0064194
(80.00 acres)



**Tract 2:**USA NMLC-0064194
(80.00 acres)



**Tract 4:**USA NMLC-0065607
(80.66 acres)



#### **Loosey Goosey 4-9 Fed Com 303H**

SHL: Sec. 33-20S-34E; 194' FSL and 1488' FWL BHL: Sec. 9-20S-34E; 100' FSL and 1744' FEL

# Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

# W/2E/2 of Section 4 and the W/2E/2 of Section 9, Township 20 South, Range 34 East of Lea County, NM

### Loosey Goosey 4-9 Fed Com 303H

### TRACT 1 OWNERSHIP (W/2SE/4 of Section 4-T20S-R34E, being 80.00 acres)

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	1.6615	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	2.6853	0.03356644	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Challenger Crude, Ltd.	2.3346	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	24.2031	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	4.7437	0.05929631	Committed

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Fort Worth, TX 76102

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310 W. Wall St., Ste. 305

Midland, TX 79701

Wilbanks Reserve Corporation	3.8893	0.04861609	Committed
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.4754	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.2517	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Union Hill Oil and Gas Co. Inc.	2.4193	0.03024091	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 1 TOTAL	80.00	.24948544	

## TRACT 2 OWNERSHIP (W/2NE/4 of Section 9-T20S-R34E, being 80.00 acres)

 Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	1.6615	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	2.6853	0.03356644	Uncommitted

	5950	Cedar	<b>Springs</b>	Rd	Ste.	242
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Dallas, TX 75235

Challenger Crude, Ltd.	2.3346	0.02918246	Committed
3525 Andrews Hwy.			
Midland, TX 79703			
Permian Resources LLC/Read and Stevens	24.2031	0.30253929	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	4.7437	0.05929631	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	2.5808	0.03225960	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	22.4755	0.28094405	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Frost Bank, Trustee of the Josephine T.	0.4692	0.00586541	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	1.4077	0.01759615	Uncommitted

222	West	Forth	St.,	Ph5
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Fort Worth, TX 76102

Fort Worth, TX 76102			
Chase Oil Corporation	1.4407	0.01800821	Uncommitted
11344 Lovington Hwy.			
Artesia, NM 88210			
Cimarex Energy Co.	8.5076	0.10634446	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Avalon Energy Corporation	0.4545	0.00568182	Uncommitted
310 W. Wall St., Ste. 305			
Midland, TX 79701			
Wilbanks Reserve Corporation	3.8893	0.04861609	Uncommitted
450 E. 17 <sup>th</sup> Ave., Ste. 220			
Denver, CO 80203			
Marks Oil, Inc.	0.4754	0.00594271	Uncommitted
1775 Sherman St., Ste. 2990			
Denver, CO 80203			
William A. Hudson, II	0.2517	0.00314685	Committed
616 Texas St.			
Fort Worth, TX 76102			
Union Hill Oil and Gas Co. Inc.	2.4193	0.03024091	Uncommitted
7712 Glanshannon Cir.			

Dallas, TX 75225

TRACT 2 TOTAL 80.00 .24948544

### TRACT 3 OWNERSHIP (W/2SE/4 of Section 9-T20S-R34E, being 80.00 acres)

Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	1.6615	0.02076924	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	3.6923	0.04615385	Uncommitted
5950 Cedar Springs Rd., Ste. 242			
Dallas, TX 75235			
Permian Resources LLC/Read and Stevens	30.9320	0.38665000	Uncommitted
300 N. Marienfeld St., Ste. 1000			
Midland, TX 79701			
Javelina Partners	3.9885	0.04985576	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	2.5808	0.03225961	Committed
616 Texas St.			
Fort Worth, TX 76102			
Magnum Hunter Production Inc.	15.3846	0.19230768	Committed
6001 Deauville Blvd., Ste. 300N			

## Midland, TX 79706

Frost Bank, Trustee of the Josephine T.	0.4692	0.00586540	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	1.4077	0.01759615	Uncommitted
222 West Forth St., Ph5			
Fort Worth, TX 76102			
Cimarex Energy Co.	17.8154	0.22269231	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
Union Hill Oil and Gas Co. Inc.	2.0680	0.02585000	Uncommitted
7712 Glanshannon Cir.			
Dallas, TX 75225			
TRACT 3 TOTAL	80.00	.24948544	

## TRACT 4 OWNERSHIP (Lot 2 and the SW/4NE/4 of Section 4-T20S-R34E, being 80.66 acres)

 Owner	Net Acres	Unit WI	Status
Moore and Shelton Co., LTD	4.5371	0.05625000	Committed
P.O. Box 3070			
Galveston, TX 77552			
HOG Partnership, LP	10.0825	0.12500000	Uncommitted

	5950	Cedar	<b>Springs</b>	Rd	Ste.	242
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Dallas, TX 75235

Javelina Partners	23.3893	0.28997392	Committed
616 Texas St.			
Fort Worth, TX 76102			
Zorro Partners, Ltd.	15.1342	0.18763017	Committed
616 Texas St.			
Fort Worth, TX 76102			
Frost Bank, Trustee of the Josephine T.	2.7517	0.03411465	Committed
Hudson Trust f/b/o J. Terrell Ard			
P.O. Box 1600			
San Antonio, TX 78296			
Ard Oil, LTD	8.2550	0.10234375	Uncommitted
222 West Forth St., Ph5			
Fort Worth, TX 76102			
Cimarex Energy Co.	16.5101	0.20468750	Committed
6001 Deauville Blvd., Ste. 300N			
Midland, TX 79706			
TRACT 4 TOTAL	80.66	.25154369	

## **Complete List of Parties/Persons to be Pooled:**

### **Working Interest Owners**

Moore & Shelton Co., Ltd

HOG Partnership, LP

Challenger Crude, Ltd.

Permian Resources LLC

Permian Resources LLC

Javelina Partners

Zorro Partners, Ltd.

Magnum Hunter Production

Zorro Partners, Ltd.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

**Chase Oil Corporation** 

Cimarex Energy Co.

**Avalon Energy Corporation** 

Wilbanks Reserve Corporation

Marks Oil, Inc.

Javelina Partners

William A. Hudson, II

Union Hill Oil & Gas Co. Inc.

#### **UNIT RECAPITULATION:**

W/2E/2 of Section 4 and the W/2E/2 of Section 9; all in T20S-R34E; 320.66 acres

Moore and Shelton Co., LTD

2.96942% WI

HOG Partnership, LP

5.97064% WI

Challenger Crude, Ltd.	1.45612% WI
Permian Resources LLC	24.74219% WI
Javelina Partners	11.49665% WI
Zorro Partners, Ltd.	7.13421% WI
Magnum Hunter Production Inc.	18.81609% WI
Frost Bank, Trustee of the Josephine T.	1.29713% WI
Hudson Testamentary Trust FBO J. Terrell Ard	

Hudson Testamentary Trust FBO J. Terrell Ard

Ard Oil, LTD

3.89139% WI

Chase Oil Corporation

0.89856% WI

Cimarex Energy Co.

16.01091% WI

Avalon Energy Corporation

0.28351% WI

Marks Oil, Inc. 0.29652% WI

2.4258% WI

0.15702% WI

2.15385% WI

William A. Hudson, II

Wilbanks Reserve Corporation

Union Hill Oil and Gas Co. Inc.

Cimarex Energy Co. Permian Business Unit 600 N. Marienfeld Street Suite 600 Midland, Texas 79701 MAIN 432.571.7800



August 25, 2022

Apache Corporation 200 Post Oak Blvd., Ste. 100 Houston, TX 77056

Re: Proposal to Drill

Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H

Sections 4 & 9, Township 20 South, Range 34 East

Lea County, NM

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H Wells at a legal location in Section 4, Township 20 South, Range 34 East, NMPM, Lea Co., NM.

Loosey Goosey 4-9 Fed Com 101H - The intended surface hole location for the well is 1360' FSL and 1640' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 102H - The intended surface hole location for the well is 1360' FSL and 1600' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 103H - The intended surface hole location for the well is 340' FSL and 1640' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 104H - The intended surface hole location for the well is 340' FSL and 1600' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.



<u>Loosey Goosey 4-9 Fed Com 201H</u> - The intended surface hole location for the well is 1360' FSL and 1620' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,304' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 202H</u> - The intended surface hole location for the well is 1360' FSL and 1580' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,304' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 203H</u> - The intended surface hole location for the well is 340' FSL and 1620' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,300' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 204H</u> - The intended surface hole location for the well is 280' FSL and 1520' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,300' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 301H</u> - The intended surface hole location for the well is 1300' FSL and 1520' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 706' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,830' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 302H</u> - The intended surface hole location for the well is 1300' FSL and 1500' FWL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2120' FWL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,820' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Loosey Goosey 4-9 Fed Com 303H</u> - The intended surface hole location for the well is 280' FSL and 1540' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,810' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

Loosey Goosey 4-9 Fed Com 304H - The intended surface hole location for the well is 280' FSL and 1500' FEL of Section 33, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 9, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,800' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

It should be understood that compliance with topography or cultural or environmental concerns, among others, might require modification of Cimarex's intended procedure. Cimarex will advise you of any such modifications.

Enclosed is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Loosey Goosey 4-9 Fed Com Wells. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Cimarex will file for force pooling for the Loosey Goosey 4-9 Fed Com 101H-104H, 201H-204H & 301H-304H wells 30 days after the receipt of these proposals.

Please call the undersigned with any questions or comments.

Respectfully,

John Coffman 432.571.7883

John.Coffman@Coterra.com

Date

7/6/2022

Approved By (Signature)

AFE # XXXXXXX O COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H Date Prepared Company Entity 8/17/2022 AFE Property Number Exploration Region Well Name Prospect Loosey Goosey 4-9 Fed Com 204H New Mexico Bone Spring XXXXXX-XXX.01 XXXXXXXX Permian Basin Estimated Spud Estimated Completion County, State Location Section 4-9 T20S-R34E Lea, NM Lea, NM X New Well Type Iti Measured Depth Til Vetical Depth Formation DEV 19800 10300 Supplement 2nd Sand Revision Purpose Drill and complete well Description The intended surface hold location for the well is 280 FSL and 1520 FEL of Section 33, T19S-R34E, and the intended bottom hole location is Drilling 100 FSL and 330 FEL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 2nd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10300 feet. Dry Hole After Casing Point Completed Well Cost Intangible \$2,475,500 Drilling Costs \$2 475 500 Completion Costs \$4,314,672 \$4,314,672 \$6,790,172 Total Intangible Cost \$2,475,500 \$4,314,672 Completed Well Cost After Casing Point Tangible Dry Hole \$1,125,000 \$1,518,000 Well Equipment \$393,000 \$262,523 \$262 523 Lease Equipment \$1,387,523 \$1,780,523 Total Tangible Cost \$393,000 Total Well Cost \$8,570,695 \$2,868,500 \$5,702,195 Comments On Well Costs 1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier. Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. I elect to purchase my own well control insurance policy. Marketing Election Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above. I elect to take my gas in kind. I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract. Comments on AFE The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Nonoperator Approval

Company

Approved By (Print Name)

share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate



OCOTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXX

Description	BCP - Dr			Drilling		np/Stim	_	ion Equip	Post Cor	-	Total
	Codes	Amount	Codes	Amount		Amount		Amount	Codes	Amount	Cos
Roads & Location	DIDC.100	20,000			STIM.100	3,000		4,989	PCOM.100	3,000	30,98
Damages	DIDC.105	16,500					CON.105	0			16,500
Mud/Fluids Disposal	DIDC.255	200,000			STIM.255	51,000			PCOM.255	0	251,000
Day Rate	DIDC.115	468,000	DICC.120	96,000							564,000
Misc Preparation	DIDC.120	30,000									30,000
Bits	DIDC.125	97,000	DICC 125	0	STIM.125	à			PCOM.125	0	97,000
Fuel	DIDC.135	119,000	DICC.130	0		,			PCOM.130	0	119,000
				0	777	20.000			PCOM.135	0	25,000
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0	STIM.135	20,000			PCOM.135	U	
Mud & Additives	DIDC.145	300,000									300,000
SWD PIPED TO 3RD PARTY SWD WELL									PCOM.257	109,193	109,193
Surface Rentals	DIDC.150	97,000	DICC 140	0	STIM.140	137,000	CON.140	3,118	PCOM.140	60,000	297,118
Downhole Rentals	DIDC.155	131,000			STIM.145	35,000			PCOM.145	0	166,000
Flowback Labor					STIM.141	0			PCOM.141	30,000	30,000
Automation Labor							CON.150	26,689	PCOM.150	5,000	31,689
Mud Logging	DIDC:170	5,000					20111130	20,003	1.44		5,000
	DIDC.170	3,000					CONTR	15.240			15,340
IPC & EXTERNAL PAINTING							CON.165	15,340			
Cementing & Float Equipment	DIDC.185	70,000	DICC 155	140,000							210,000
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000		4,000			PCOM.160	0	50,000
Casing Crews	DIDC.195	15,000	DICC.165	13,000	STIM.165	0					28,000
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000	STIM.170	0	CON.170	84,182	PCOM.170	5,000	112,182
Trucking/Transportation	DIDC.205	30,000	DICC.175	8,000		4,000		9,354	PCOM.175	0	51,354
Supervision	DIDC 210	81,000	DICC 180	13,000		47,000		13,469	PCOM.180	0	154,469
Trailer House/Camp/Catering	DIDC 280	36,000	DICC.255	5,000		31,000		10,403		-	72,000
Chr. Dark downline, virgin, strain, st					TO PURPLE !				00011100		
Other Misc Expenses	DIDC.220	5,000	DICC 190	0	STIM.190	85,000	CON.190	14,966	PCOM.190	0	104,966
Overhead	DIDC 225	5,000	DICC 195	5,000							10,000
MOB/DEMOB	DIDC.240	115,000									115,000
Directional Drilling Services	DIDC.245	307,000									307,000
Solids Control	DIDC.260	46,000									46,000
Well Control Equip (Snubbing Services)	DIDC.265	84,000	DICC.240	0	STIM.240	64,000			PCOM.240	0	148,000
Completion Rig		2.3			STIM.115	21,000			PCOM.115	0	21,000
Coil Tubing Services					STIM.260	0			PCOM.260	0	(
						100000000000000000000000000000000000000			PCOM.200	0	257,000
Completion Logging/Perforating/Wireline					STIM.200	257,000					
Composite Plugs					STIM.390	39,000			PCOM.390	0	39,000
Stimulation					STIM.210	2,245,000			PCOM.210	0	2,245,000
Stimulation Water/Water Transfer/Water					STIM.395	191,000					191,000
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,000
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0			10,000
Well Control Insurance	DIDC.285	7,000									7,000
Major Construction Overhead		1,000					CON.305	15,465			15,465
FL/GL - ON PAD LABOR							CON.495	85,305			85,305
FL/GL - Supervision							CON.505	9,354			9,354
Survey							CON.515	748			748
Contingency	DIDC.435	118,000	DICC.220	15,000	STIM.220	165,000	CON.220	42,153	PCOM.220	0	340,153
Contingency							CON.221	12,347			12,347
Total Intangible Cost		2,475,500		306,000		3,459,000		337,479		212,193	6,790,172
Conductor Pipe	DWEB.130	0									C
Water String	DWEB.135	104,000									104,000
Surface Casing	DWEB.140	251,000									251,000
Intermediate Casing 1	DWEB.145	0									251,000
Production Casing or Liner	J412.143	0	DWEA.100	702.000							
			DWEA.100	792,000							792,000
Tubing					STIMT.105	139,000			PCOMT.105	0	139,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	38,000			PCOMT.120	10,000	104,000
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	0							C
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,000
SHORT ORDERS							CONT.380	8,730			8,730
WALKOVERS							CONT.390	2,494			2,494
Downhole Lift Equipment					STIMT.410	90,000	20111,350	2,434	PCOMT.410	0	80,000
					S111911,410	80,000					
Surface Equipment									PCOMT.420	15,000	15,000
Well Automation Materials									PCOMT.455	5,000	5,000
N/C Lease Equipment							CONT.400	103,263			103,263
Battery Equipment							CONT.410	58,740			58,740
Secondary Containments							CONT.415	4,989			4,989
Meters and Metering Equipment							CONT.445	12,471			12,471
Facility Line Pipe							CONT.450	10,476			10,476
Lease Automation Materials							CONT.455	33,049			33,049
FL/GL - Materials							CONT.550	10,227			10,227
FL/GL - Line Pipe		2,711.11					CONT.555	18,084			18,084
Total Tangible Cost		393,000		810,000		285,000		262,523		30,000	1,780,523
Total Estimated Cost		2,868,500		1,116,000		3,744,000		600,002		242,193	8,570,695



COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

AFE # XXXXXXX

Record   Control   Contr	Description	BCP - Drilling				ACP - Drilling		Comp/Stim			
DICCUSS   10.00   10	Description	Codes		Amount	Codes		Amount	Codes			
Display   Disp	Roads & Location	DIDC.100		20,000				STIM.100	CON.100	3,0	
Decision	Damages	DIDC.105		16,500			1				
Dog State   DOC 115   DCC 120   S46,000   DC	And Marie Control of the Control	DIDC 255		200,000			The same	STIM.255		51,00	
Mac Preparations			DICC 120				96.000				
Bits	POSS CARROLL AND						4.00				
Fixed Mode 2 Additional plant (Note Frame Mode 2 Additional Property of the Pr			DICC 125			CTIM 125	0	CTIM 125			
Water for Drilling Reg (Not Frace, Manual & Additions   DiDCL140   DCC1513   30,0000   DCC135   300,0000   DCC155   300,000   DCC155   300,0000   DCC155   DCC160   STMM 150   300,000   STMM 150   DCC160						31 (W. 123		311141,123			
Mode Adultions						******	1	F711.135		20.00	
SWO PIRED TO JOB PARTY SVOD Doubthole Retails DOUBTHOLE STAND AND DOUBTHOLE STAND DOUBTHOLE STAN			DICC.135			STIM 135	0	STIM.135		20,00	
Surface Rendals Diocus 20		DIDC.145		300,000							
Documber Semants   Discuss   Discus   Discuss   Discus	SWD PIPED TO 3RD PARTY SWD										
Roshask Labor   Authoriston Labor   Mod Logging	Surface Rentals	DIDC.150	DICC.140	97,000	DICC.140	STIM.140	0	STIM.140	CON.140	137,00	
Automation Labor   Mail Cagging   DOC 170   S.000   DOC 185   SIM 146   B.000   SIM 146   Mail 180	Downhole Rentals	DIDC.155		131,000				STIM.145		35,00	
Mac   Logging	Flowback Labor							STIM.141		1	
Mac   Logging	Automation Labor										
DCC 455   DCC 155   DCC		DIDC 170		5,000							
Cementing & Float Equipment   DIDC.185   DICC.155   70,000   DICC.155   SIM.190   A,000   DIC.185   DICC.185   A,000   DIC.185   SIM.190   A,000   DIC.185   DICC.185   A,000   DIC.185   DICC.185   SIM.190   A,000   DIC.185		DIDC.170		3,000			1/				
Tuckset respectives Carling Crivery Dict. 50 Dict. 150 Dict. 150 Sim. 146		-	0.00400	70.000	Diccier						
Claiming Crivis   Claiming C						Lat. 10.	A Common of the			400	
Methanical Labor   Color   C	Tubular Inspections			38,000	DICC.160	STIM.160	8,000	STIM.160		237.0	
Trucking framsportation	Casing Crews	DIDC.195	DICC.165	15,000	DICC.165	STIM.165	13,000	STIM.165	ATTEN.	1 3	
Supervision   DiDC.210   DiCC180   81,000   DiCC180   SIM.180   31,000   SIM.180   20,001.80   47,000   31,000   20,000   31,00	Mechanical Labor	DIDC.200	DICC.170	20,000	DICC.170	STIM.170	3,000	STIM.170	CON.170		
Supervision   DiDC.210   DiCC180   81,000   DiCC180   SIM.180   31,000   SIM.180   20,001.80   47,000   31,000   20,000   31,00	Trucking/Transportation	DIDC.205	DICC.175	30,000	DICC.175	STIM.175	8,000	STIM.175	CON.175	4,00	
Trailler Housey Campfichatering DioC280 DicC255 35,000 DicC1255 SIM.280 SIM.280 SIM.280 DicC255 DicC195 SIM.280 DicC255 SIM.28	Service Control No. 11 and 12					The state of the s	1		The second	47,00	
Other Misc Expenses											
Dicease									CON 100		
DIC 240   DIC 245   DIC 245   DIC 245   DIC 245   DIC 246   DIC 247   46,000   DIC 247   STIM 240   STI						311M, 190		211M.130	CON.150	63,00	
Directional Drilling Services   DIDC 245   SAUGHS CONTROL   DIDC 260   Mell Control Equip (Snubbing   DIDC 260   Mell Control Insurance   Mell Contro			DICC.195	100000			5,000				
Solds Control   DIDC 260   DIDC 265   DIDC											
Well Control Equip (Snubbing Completion Rig Completion Rig Completion Rig Coll Tubing Services Completion Rig Coll Tubing Services Completion Composite Plugs Stimulation St	Directional Drilling Services	DIDC.245		307,000							
Completion Rig   Control Services   Completion   Composite Plugs   STIM_200   257,000   STIM_200   277,000   STIM_200   39,000   STIM_200   39,000   STIM_200   39,000   STIM_200   39,000   STIM_200   39,000   STIM_200   39,000   STIM_200   STIM_200   39,000   STIM_200   ST	Solids Control	DIDC.260		46,000							
Completion   Composite Plugs	Well Control Equip (Snubbing	DIDC 265	DICC.240	84,000	DICC.240	STIM.240	0	STIM.240		64,000	
Completion   Composite Plugs	Completion Rig							STIM.115		21,000	
Compelie   Description   Compelie   Plug   Stimulation								STIM.260			
Composite Plugs   STIM.390   STIM.390   STIM.390   STIM.390   STIM.395   ST	Part 10 (1997) 10 (1997) 10 (1997)										
Stimulation										1	
Stimulation Water/Water   Stimulation Water Stimulation Water Stimulation   Stimulation Water Stimulation								400000		1	
Climarex Owned Frac/Rental   Cegal/Regulatory/Curative   DIDC.300   10,000   10,000											
Legal/Regulatory/Curative											
Mell Control Insurance								STIM.305		60,000	
Major Construction Overhead FL/GL - Supervision Survey Contingency Contingency Total Intangible Cos  Conductor Pipe  Water String DWEB.135 DWEB.135 DWEB.145 DWEB.155 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.155	Legal/Regulatory/Curative	DIDC.300		10,000							
FL/GL - ON PAD LABOR FL/GL - Spipervision Survey Contingency Contingency Contingency Contingency Total Intangible Cos  Total Intangible Cos  DWEB.130 DWEB.130 DWEB.130 DWEB.130 DWEB.130 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.145 DWEB.150 DWEB.150 DWEB.100 DWEB.1	Well Control Insurance	DIDC.285		7,000							
FL/GL - Supervision   Survey	Major Construction Overhead										
Survey	FL/GL - ON PAD LABOR										
Survey	FL/GL - Supervision										
Contingency											
Total Intangible Cos		DIDC 425	DICC 220	110,000	DICC 220	CT111 220	15.000	CT14.000	CON 220	105.000	
Total Intangible Cos   2,475,500   306,000   3,459,00	C. Section 1985	DIDC.433	DICC220	118,000	DICC.220	S11M.22U	15,000	511M.22U	CON.220	165,000	
Conductor Pipe											
Water String				2,475,500			306,000			3,459,000	
Surface Casing	Conductor Pipe	DWEB.130		0							
Intermediate Casing 1	Water String	DWEB.135		104,000							
DWEA.100   Total Tangible Cost   Total Tan	Surface Casing	DWEB.140		251,000							
Production Casing or Liner Tubing  Wellhead, Tree, Chokes  Wellhead, Tree, Chokes  DWEB.115  DWEA.120  38,000  DWEA.125  DWEA.126  STIMT.400  28,00  STIMT.400  28,00  STIMT.410  80,00  STIMT.410  80,00  STIMT.410  Packer, Alphanear Containments  Well Automation Materials  Proceedings of the process of the	Intermediate Casing 1	DWEB.145		0							
Tubing  Wellhead, Tree, Chokes  DWEB.115  DWEA.120  BWEA.125  DWEA.125  STIMT.400  28,00  STIMT.410  STIMT.410  80,00  STIMT.410  STIMT	Production Casing or Liner				DWFA 100		792 000				
Wellhead, Tree, Chokes					2,114,144		7,52,000	STIME 105		130,000	
Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Secondary Containments Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Line Pipe Total Tangible Cost  DWEB.100 DWEA.125  DOWNEA.125  DOWNE		DWCD 115	DIAICA 120	20,000	DIAITA 120	CTUATAGO	40,000				
Packer, Nipples SHORT ORDERS WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Secondary Containments Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Line Pipe Total Tangible Cost  STIMT.410  28,00  STIMT.410  80,00  810,000  285,000  810,000  285,000  810,000  285,000							A CONTRACTOR	S11M1.120		38,000	
SHORT ORDERS WALKOVERS  Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Secondary Containments Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Line Pipe Total Tangible Cost  393,000  810,000  STIMT.410  80,00  80,00  80,000	The state of the s	DWEB.100	DWEA 125	0	DWEA.125		0				
WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials W/C Lease Equipment Battery Equipment Secondary Containments Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Inne Pipe Total Tangible Cost 393,000 810,000 STIMT.410 80,000								STIMT.400		28,000	
Downhole Lift Equipment Surface Equipment Well Automation Materials NVC Lease Equipment Battery Equipment Secondary Containments Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Ine Pipe Total Tangible Cost 393,000 STIMT.410 STIMT.410 SOURCE SOUR	SHORT ORDERS										
Surface Equipment  Well Automation Materials  N/C Lease Equipment  Battery Equipment  Secondary Containments  Meters and Metering Equipment  racility Line Pipe  Lease Automation Materials  FL/GL - Materials  FL/GL - Line Pipe  Total Tangible Cost  393,000  810,000  285,000	WALKOVERS						1				
Surface Equipment  Well Automation Materials  N/C Lease Equipment  Battery Equipment  Secondary Containments  Meters and Metering Equipment  racility Line Pipe  Lease Automation Materials  FL/GL - Materials  FL/GL - Line Pipe  Total Tangible Cost  393,000  810,000  285,000	Downhole Lift Equipment							STIMT 410		80,000	
Well Automation Materials  V/C Lease Equipment  Battery Equipment  Secondary Containments  Meters and Metering Equipment  Facility Line Pipe Lease Automation Materials  EL/GL - Line Pipe  Total Tangible Cost  393,000  810,000  285,000								2111111.710		00,000	
N/C Lease Equipment Sattery Equipment Secondary Containments Meteris and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Line Pipe Total Tangible Cost 393,000 810,000 285,00											
Battery Equipment Secondary Containments Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Line Pipe Total Tangible Cost 393,000 810,000 285,00											
Secondary Containments  Meters and Metering Equipment  Facility Line Pipe  Lease Automation Materials  FL/GL - Materials  FL/GL - Line Pipe  Total Tangible Cost 393,000 810,000 285,00											
Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Line Pipe Total Tangible Cost 393,000 810,000 285,00											
Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Line Pipe Total Tangible Cost 393,000 810,000 285,00	Secondary Containments										
Lease Automation Materials  FL/GL - Materials  FL/GL - Line Pipe  Total Tangible Cost 393,000 810,000 285,00	Meters and Metering Equipment										
Lease Automation Materials  FL/GL - Materials  FL/GL - Line Pipe  Total Tangible Cost 393,000 810,000 285,00	Facility Line Pipe										
FL/GL - Materials FL/GL - Line Pipe  Total Tangible Cost 393,000 810,000 285,00	Lease Automation Materials										
FL/GL - Line Pipe  Total Tangible Cost 393,000 810,000 285,00											
Total Tangible Cost 393,000 810,000 285,00											
				202 000			010.000			307.000	

OCOTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 204H

Description		Production Equip			Post Completion		Total
	Codes	Amo		Codes	and the second second second second	Amount	Co
Roads & Location	CON.100	4,9	89	PCOM.100	Repair any roads post D&C	3,000	30,98
Damages	CON.105		0				16,50
Mud/Fluids Disposal				PCOM.255		0	251,00
Day Rate							564,00
Misc Preparation							30,00
Bits				PCOM.125		0	97,00
Fuel			- 1	PCOM.130		0	119,00
			- 1	PCOM.135		0	25,00
Water for Drilling Rig (Not Frac Water)				FCOIVI. 133			300,00
Mud & Additives				00011357	Water for 50 days (270V baseds)	109,193	109,19
SWD PIPED TO 3RD PARTY SWD WELL			- 11	PCOM.257	Water for 60 days (270K barrels)	- A 112 - A 112	
Surface Rentals	CON.140	3,1	27	PCOM.140	Iron. XEC Own 5K. No 10K. \$1,100 per day	60,000	297,11
Downhole Rentals			- 1	PCOM.145		0	166,00
Flowback Labor				PCOM.141	3 Flowback Hands (60 days). 25%	30,000	30,00
Automation Labor	CON.150	26,6	89	PCOM.150		5,000	31,68
Mud Logging							5,00
IPC & EXTERNAL PAINTING	CON.165	15,3	40				15,34
Cementing & Float Equipment							210,000
Tubular Inspections			110	PCOM.160		0	50,000
Casing Crews			-1/				28,000
Mechanical Labor	CON.170	84,1	82	PCOM.170	RU Flowback Iron & Automation	5,000	112,182
Trucking/Transportation	CON.175	9,3		PCOM.175		0	51,354
Supervision	CON.173	1000		PCOM. 173		0	154,469
Charles and the control of the contr	CON.180	13,4	03	FCOM. 180		U	
Trailer House/Camp/Catering	CONTRO	.233		2501:125			72,000
Other Misc Expenses	CON.190	14,9	66	PCOM.190		0	104,966
Overhead							10,000
MOB/DEMOB							115,000
Directional Drilling Services							307,000
Solids Control							46,000
Well Control Equip (Snubbing Services)			h	PCOM.240		0	148,000
Completion Rig			- 10	PCOM.115		0	21,000
Coil Tubing Services			- 6:	PCOM.260		0	(
Completion Logging/Perforating/Wireline			- 1	PCOM.200		0	257,000
Composite Plugs	1			PCOM.390		0	39,000
Stimulation			- 4	PCOM.210		0	2,245,000
Stimulation Water/Water Transfer/Water				PCOIVI.210		· ·	191,000
				00011305		0	60,000
Cimarex Owned Frac/Rental Equipment	F011700			PCOM.305		0	
Legal/Regulatory/Curative	CON.300		0				10,000
Well Control Insurance	25 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1						7,000
Major Construction Overhead	CON,305	15,4					15,465
FL/GL - ON PAD LABOR	CON.495	85,3	05				85,305
FL/GL - Supervision	CON.505	9,3	54				9,354
Survey	CON.515	7	48				748
Contingency	CON.220	42,1	53	PCOM.220	10% Contingency	0	340,153
Contingency	CON 221	12.3	47				12,347
Total Intangible Cost		337,4	-			212,193	6,790,172
Conductor Pipe		230,5	-				0,120,110
Water String							104,000
Surface Casing							
							251,000
Intermediate Casing 1							700.0
Production Casing or Liner			1				792,000
Tubing				PCOMT.105	Company of Company of Company	0	139,000
Wellhead, Tree, Chokes			1	PCOMT.120	Replace worn chokes and valves during FB	10,000	104,000
Liner Hanger, Isolation Packer							
Packer, Nipples			F	PCOMT.400		0	28,000
SHORT ORDERS	CONT.380	8,7	30				8,730
WALKOVERS	CONT.390	2,4	0.00				2,494
Downhole Lift Equipment				PCOMT.410		0	80,000
Surface Equipment			110		Replacing Chokes, Stuffing Boxes, and all	15,000	15,000
Well Automation Materials					PTs, and replacing meters	5,000	5,000
N/C Lease Equipment	CONT.400	7222	7386	COM1.455	, is, and replacing meters	5,000	
		103,2					103,263
Battery Equipment	CONT.410	58,7					58,740
Secondary Containments	CONT.415	4,9					4,989
Meters and Metering Equipment	CONT.445	12,4					12,471
Facility Line Pipe	CONT.450	10,4	76				10,476
Lease Automation Materials	CONT.455	33,0	49				33,049
FL/GL - Materials	CONT.550	10,2	27				10,227
FL/GL - Line Pipe	CONT.555	18,0	20.0				18,084
Total Tangible Cost		262,5				30,000	1,780,523
		600,0				VA 14.15	8,570,695

7/6/2022

AFE # XXXXXXX COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H Date Prepared Company Entity 8/17/2022 Property Number AFF Exploration Region Well Name Prospect XXXXXXX XXXXXX-XXX.01 Permian Basin Loosey Goosey 4-9 Fed Com 301H New Mexico Bone Spring Estimated Spud Estimated Completion County, State Location Lea, NM Section 4-9 T20S-R34E Lea, NM Itl Vetical Deoth X New Well Type Ttl Measured Depth 10830 Supplement 3rd Sand DEV 20330 Revision Purnose Drill and complete well Description The intended surface hold location for the well is 1300 FSL and 1520 FWL of Section 33, T19S-R34E, and the intended bottom hole location Drilling is 100 FSL and 706 FWL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10830 feet. Completed Well Cost After Casing Point Intangible Dry Hole \$2,475,500 Drilling Costs \$2,475,500 \$4,624,922 Completion Costs \$4.624.922 \$7,100,422 Total Intangible Cost \$2,475,500 \$4,624,922 Completed Well Cost Tangible Dry Hole After Casing Point \$1,518,000 Well Equipment \$393,000 \$1,125,000 \$790,428 Lease Equipment \$790,428 Total Tangible Cost \$393,000 \$1,915,428 \$2,308,428 Total Well Cost \$2,868,500 \$6,540,350 \$9,408,850 Comments On Well Costs 1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier. Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator 's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. I elect to purchase my own well control insurance policy. Marketing Election Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above. I elect to take my gas in kind. I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract. The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well, Nonoperator Approval Approved By (Print Name) Approved By (Signature) Date

NOTICE TO NONOPERATOR. Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate

share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement

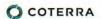


COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

Description  Roads & Location  Demages  Mud/Fluids Disposal  Day Rate  Misc Preparation  Bits  Fuel	DIDC.100 DIDC.105 DIDC.255	20,000 16,500	Codes	Amount	Codes STIM.100	Amount 3,000		Amount 48,637	PCOM,100	Amount	Cos
Damages Mud/Fluids Disposal Day Rate Misc Preparation Bits Fuel	DIDC.105				STIM 100	2 000	CON 100	18 637			
Mud/Fluids Disposal Day Rate Misc Preparation Bits Fuel		16.500			Similar	3,000		-cheen	PCOM, 100	3,000	74,63
Day Rate Misc Preparation Bits Fuel	DIDC.255						CON.105	15807			32,30
Misc Preparation Bits Fuel		200,000			STIM.255	51,000			PCOM.255	0	251,00
Bits Fuel	DIDC.115	468,000	DICC 120	96,000							564,00
Fuel	DIDC.120	30,000									30,00
	DIDC.125	97,000	DICC.125	0	STIM.125	0			PCOM.125	0	97,00
THE PARTY OF THE P	DIDC.135	119,000	DICC.130	0					PCOM.130	0	119,00
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0	STIM.135	20,000			PCOM.135	0	25,00
Mud & Additives	DIDC.145	300,000									300,00
SWD PIPED TO 3RD PARTY SWD WELL									PCOM.257	87.354	87,35
Surface Rentals	DIDC.150	97,000	DICC.140	0	STIM.140	137,000		1,378	PCOM.140	60,000	295,37
Downhole Rentals	DIDC.155	131,000			STIM.145	35,000			PCOM.145	0	166,00
Flowback Labor					STIM.141	0			PCOM.141	30,000	30,00
Automation Labor							CON.150	36,558	PCOM.150	5,000	41,55
Mud Logging	DIDC.170	5,000									5,00
IPC & EXTERNAL PAINTING							CON.165	18,888			18,88
Cementing & Float Equipment	DIDC.185	70,000	DICC.155	140,000							210,00
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000	STIM.160	4,000			PCOM.160	0	50,00
Casing Crews	DIDC.195	15,000	DICC.165	13,000	STIM.165	0					28,00
Mechanical Labor	DIDC 200	20,000	<b>DICC 170</b>	3,000	STIM.170	0	CON.170	139,588	PCOM.170	5,000	167,58
Trucking/Transportation	DIDC 205	30,000	DICC 175	8,000	STIM.175	4,000	CON.175	17,833	PCOM.175	0	59,83
Supervision	DIDC 210	81,000	DICC.180	13,000		47,000		21,238	PCOM.180	0	162,23
Trailer House/Camp/Catering	DIDC.280	36,000	DICC.255	5,000		31,000					72,000
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	85,000		24,318	PCOM.190	0	114,31
Overhead	DIDC.225	5,000	DICC.195	5,000		30405	****				10,00
MOB/DEMOB	DIDC 240	115,000									115,00
Directional Drilling Services	DIDC.245	307,000									307,00
Solids Control	DIDC.260	46,000									46,00
Well Control Equip (Snubbing Services)	DIDC.265	84,000	DICC.240	0	STIM.240	64,000			PCOM.240	0	148,00
Completion Rig					STIM.115	21,000			PCOM.115	0	21,000
Coil Tubing Services					STIM.260	0			PCOM.260	0	- 1,
Completion Logging/Perforating/Wireline					STIM.200	257,000			PCOM.200	0	257,00
Composite Plugs					STIM.390	39,000			PCOM.200	0	39,00
Stimulation					STIM.210	2,245,000			PCOM.210	0	2,245,000
Stimulation Water/Water Transfer/Water					STIM.395	191,000			PCOINL210		191,000
Applications of the second									PCOM.305		60,000
Cimarex Owned Frac/Rental Equipment	DIDC 200	10.000			STIM.305	60,000	CON 200		PCOM.305	Ü	
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0			10,000
Well Control Insurance	DIDC.285	7,000					-221022	21111			7,000
Major Construction Overhead							CON.305	26,507			26,507
FL/GL - ON PAD LABOR							CON.495	37,613			37,613
FL/GL - Labor							CON.500	94,842			94,842
FL/GL - Supervision							CON.505	14,429			14,429
Survey							CON.515	2,351			2,351
SWD/Other - Labor							CON.600	0			0
SWD/Other - Supervision							CON.605	0			0
Aid In Construct/3rd Party Connect		A. (12)					CON.701	40,531			40,531
Contingency	DIDC.435	118,000	DICC.220	15,000	STIM.220	165,000	CON.220	105,542	PCOM.220	0	403,542
Contingency							CON.221	23,508			23,508
Total Intangible Cost		2,475,500		306,000		3,459,000		669,568		190,354	7,100,422
Conductor Pipe	DWEB.130	0									(
Water String	DWEB.135	104,000									104,000
Surface Casing	DWEB.140	251,000									251,000
Intermediate Casing 1	DWEB.145	0									C
Production Casing or Liner			DWEA,100	792,000							792,000
Tubing					STIMT.105	139,000			PCOMT.105	0	139,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	38,000			PCOMT.120	10,000	104,000
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	0							0
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,000
SHORT ORDERS							CONT.380	10,538			10,538
PUMPS							CONT.385	30,804			30,804
WALKOVERS							CONT.390	4,053			4,053
Downhole Lift Equipment					STIMT.410	80,000			PCOMT.410	0	80,000
Surface Equipment					ST. ST. ST. ST.				PCOMT.420	15,000	15,000
Well Automation Materials									PCOMT.455	5,000	5,000
N/C Lease Equipment							CONT.400	184,334	S.C. C.	7,550	184,334
Tanks, Tanks Steps, Stairs							CONT.405	51,879			51,879
Battery Equipment							CONT.410	214,003			214,003
Secondary Containments							CONT.415	19,292			19,292
Overhead Power Distribution							CONT.420	64,038			64,038
Facility Electrical							CONT.425	32,100			32,100
Telecommunication Equipment							CONT.425	486			486
Meters and Metering Equipment							CONT.426				45,232
Facility Line Pipe							CONT.450	45,232			31,208
Lease Automation Materials								31,208			
The state of the s							CONT.455	32,424			32,424
FL/GL - Materials							CONT.550	21,400			21,400
FL/GL - Line Pipe							CONT.555	48,637			48,637
SWD/Other - Materials							CONT.650	0			0
SWD/Other - Line Pipe	-	202.000		010.05		non-re-	CONT.655	0		20.222	
Total Tangible Cost Total Estimated Cost		393,000 2,868,500		810,000 1,116,000		285,000 3,744,000		790,428 1,459,996		30,000 220,354	2,308,428 9,408,850

OCOTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

Description	Codes	BCP	- Drilling Amount	Codes	ACP - Drilling	Amount	-	/Stim	Amou
Roads & Location	DIDC.100		20,000			Amount	STIM.100	CON.100	3,0
Damages	DIDC.105		16,500				2	1.55	-
Mud/Fluids Disposal	DIDC.255		200,000				STIM.255		51,0
Day Rate		DICC.120		DICC.120		96,000			
Misc Preparation	DIDC.120		30,000	5.000.00		20000			
Bits	DIDC.125	DICC.125	97,000	DICC.125	STIM.125	0	STIM 125		
Fuel	DIDC.135		119,000			0			
Water for Drilling Rig (Not Frac	DIDC.140	The state of the s	5,000		STIM.135	0	STIM.135		20,00
Mud & Additives	DIDC.145	1	300,000						
SWD PIPED TO 3RD PARTY SWD									
Surface Rentals	DIDC.150	DICC140	97,000	DICC.140	STIM.140	0	STIM.140	CON.140	137,00
Downhole Rentals	DIDC.155	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	131,000				STIM.145	Carlotte .	35,00
Flowback Labor							STIM.141		
Automation Labor									
Mud Logging	DIDC.170		5,000						
IPC & EXTERNAL PAINTING			3.011						
Cementing & Float Equipment	DIDC.185	DICC.155	70,000	DICC.155		140,000			
Tubular Inspections	DIDC.190	DICC 160	38,000	DICC.160	STIM.160	8,000	STIM.160		4,00
Casing Crews	DIDC.195	DICC.165	15,000	DICC.165	STIM.165	13,000	STIM.165		
Mechanical Labor	DIDC 200	DICC.170		DICC,170	The state of the s	3,000	STIM. 170	CON.170	
Trucking/Transportation	DIDC.205					8,000	STIM.175	CON.175	4,00
Supervision	DIDC.210			DICC.180	STIM.180	13,000	STIM.180	CON.180	47,00
Trailer House/Camp/Catering	DIDC.280			DICC.255		5,000	STIM.280		31,00
Other Misc Expenses	DIDC 220				9.00C 40.0CC	0	STIM.190	CON.190	85,00
Overhead	DIDC 225		5,000		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	5,000			1
MOB/DEMOB	DIDC.240	Advantage.	115,000			3,000			
Directional Drilling Services	DIDC 245		307,000						
Solids Control	DIDC.260		46,000						
Well Control Equip (Snubbing	DIDC.265	DICC.240		DICC.240	STIM 240	0	STIM.240		64,00
Completion Rig			01,000				STIM.115		21,00
Coil Tubing Services							STIM.260		2.00
Completion							STIM.200		257,00
Composite Plugs							STIM.390		39,00
Stimulation							STIM.210		2,245,00
Stimulation Water/Water							STIM.395		191,00
Cimarex Owned Frac/Rental							STIM.305		60,00
Legal/Regulatory/Curative	DIDC 300		10,000				3111/1.303		60,00
Well Control Insurance	DIDC 285		7,000						
Major Construction Overhead	DIDC.203		7,000						
FL/GL - ON PAD LABOR									
FL/GL - Labor									
FL/GL - Supervision									
Survey								1	
SWD/Other - Labor									
SWD/Other - Supervision									
Aid In Construct/3rd Party Connect	DIDC 135	DICCARA	****	DICC 220	5741.000		CTU 1 220	0011330	400.00
Contingency	DIDC.435	DICC.220	118,000	DICC.220	STIM.220	15,000	STIM.220	CON.220	165,00
Contingency									
Total Intangible Cos			2,475,500			306,000			3,459,00
Conductor Pipe	DWEB.130		0						
Water String	DWEB.135		104,000						
Surface Casing	DWEB.140		251,000						
Intermediate Casing 1	DWEB.145		0						
Production Casing or Liner				DWEA.100		792,000	2200000		100
Tubing	B. 1	DUE 100	122327	BO 5.		3699	STIMT.105		139,00
Wellhead, Tree, Chokes		DWEA.120			STIMT.120	18,000	STIMT.120		38,00
Liner Hanger, Isolation Packer	DWEB.100	DWEA 125	0	DWEA.125		0	GEN WAR		17000
Packer, Nipples							STIMT.400		28,00
SHORT ORDERS									
PUMPS									
WALKOVERS									
Downhole Lift Equipment							STIMT.410		80,00
Surface Equipment									
Well Automation Materials									
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs									
Battery Equipment									
Secondary Containments									
Overhead Power Distribution									
Facility Electrical									
Telecommunication Equipment									
Meters and Metering Equipment									
Facility Line Pipe									
Lease Automation Materials									
FL/GL - Materials									
FL/GL - Materials									
SWD/Other - Materials									
SWD/Other - Line Pipe									
Total Tangible Cost			393,000			810,000			285,00



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 301H

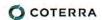
Description	- 100	Production Equip		0.1	Post Completion	A	Total
	Codes	Amou		Codes	Paralle and send part SAC	Amount	74.63
Roads & Location	CON.100 CON.105	48,6	201	PCOM.100	Repair any roads post D&C	3,000	32,30
Damages	CON.105	158	-	DCOMPE		0	251,00
Mud/Fluids Disposal			1	PCOM.255		U	564,00
Day Rate Misc Preparation							30,00
Misc Preparation Bits				PCOM 125		0	97,00
Fuel			- 1	PCOM. 123		0	119,00
Water for Drilling Rig (Not Frac Water)				PCOM.135		0	25,00
Mud & Additives				PCOW. 133		,	300,00
SWD PIPED TO 3RD PARTY SWD WELL				PCOM.257	Water for 60 days (270K barrels)	87,354	87,35
Surface Rentals	CON.140	13		PCOM.140	Iron. XEC Own 5K. No 10K. \$1,100 per day	60,000	295,37
Downhole Rentals	2011.110	1,2	~~	PCOM.145	non-rac onn sie no rolle villes per asy	0	166,00
Flowback Labor				PCOM.141	3 Flowback Hands (60 days). 25%	30,000	30,00
Automation Labor	CON.150	36,5		PCOM.150	2 Floridati, Flanco (es days), Este	5,000	41,55
Mud Logging	20/11/04	30,3	30			-	5,00
IPC & EXTERNAL PAINTING	CON.165	18,8	88				18.88
Cementing & Float Equipment	Services.	10,0					210,000
Tubular Inspections				PCOM.160		0	50,000
Casing Crews							28,000
Mechanical Labor	CON.170	139,5	88	PCOM.170	RU Flowback Iron & Automation	5,000	167,58
Trucking/Transportation	CON.175	17,8		PCOM.175		0	59,83
Supervision	CON.180	21,2		PCOM.180		0	162,23
Trailer House/Camp/Catering		2.7/2	7				72,000
Other Misc Expenses	CON.190	24,3	18	PCOM.190		0	114,31
Overhead			1				10,000
MOB/DEMOB							115,000
Directional Drilling Services							307,000
Solids Control							46,000
Well Control Equip (Snubbing Services)			-10	PCOM.240		0	148,000
Completion Rig				PCOM.115		0	21,000
Coil Tubing Services			-16	PCOM.260		0	(
Completion Logging/Perforating/Wireline			Т	PCOM.200		0	257,000
Composite Plugs	MI.		Ш	PCOM.390		0	39,000
Stimulation			П	PCOM.210		0	2,245,000
Stimulation Water/Water Transfer/Water							191,000
Cimarex Owned Frac/Rental Equipment				PCOM.305		0	60,000
Legal/Regulatory/Curative	CON.300		0				10,000
Well Control Insurance							7,000
Major Construction Overhead	CON.305	26,5	07				26,507
FL/GL - ON PAD LABOR	CON.495	37,6	13				37,613
FL/GL - Labor	CON.500	94,8	42				94,842
FL/GL - Supervision	CON.505	14,4	29				14,429
Survey	CON.515	23	51				2,35
SWD/Other - Labor	CON.600		0				(
SWD/Other - Supervision	CON.605		0				(
Aid In Construct/3rd Party Connect	CON.701	40,5	31				40,53
Contingency	CON.220	105,5	42				403,542
Contingency	CON.221	23,5					23,508
Total Intangible Cost		669,5	58			190,354	7,100,422
Conductor Pipe							(
Water String							104,000
Surface Casing							251,000
Intermediate Casing 1							(
Production Casing or Liner							792,000
Tubing			11.5	PCOMT.105	and the second second second second	0	139,000
Wellhead, Tree, Chokes			F	PCOMT.120	Replace worn chokes and valves during FB	10,000	104,000
Liner Hanger, Isolation Packer							(
Packer, Nipples SHORT ORDERS	CONTRACT	100		PCOMT.400		0	28,000
SHORT ORDERS PUMPS	CONT.380	10,5					10,538
WALKOVERS	CONT.385	30,8					30,804
	CONT.390	4,0		2001			4,053
Downhole Lift Equipment Surface Equipment			- 1	PCOMT.410	Desiration Challes Co. 15	0	80,000
				PCOMT.420	Replacing Chokes, Stuffing Boxes, and all	15,000	15,000
Well Automation Materials N/C Lease Equipment	CONT.400	1000		PCOMT.455	PTs, and replacing meters	5,000	5,000
	127.101.04.101	184,3					184,334
Tanks, Tanks Steps, Stairs Battery Equipment	CONT.410	51,8	254				51,879
Secondary Containments	CONT.415	214,0					214,003
Overhead Power Distribution	CONT.415	19,2 64,0	22.0			-	19,292 64,038
Facility Electrical	CONT.425	32,1					32,100
Telecommunication Equipment	CONT.425		36				486
Meters and Metering Equipment	CONT.426						45,232
Facility Line Pipe	CONT.445	45,2 31,2					31,208
Lease Automation Materials	CONT.455	31,2	-				32,424
FL/GL - Materials	CONT.550	21,4					21,400
FL/GL - Line Pipe	CONT.555						48,637
SWD/Other - Materials	CONT.650	48,6	0				48,637
SWD/Other - Line Pipe	CONT.655		0				0
Total Tangible Cost		790,4				30,000	2,308,428
		/90.4	C (2)				

Company Entity				Date Prepared 8/17/2022
Exploration Region	Well Name	Prospect	Property Nur	nber AFE
Permian Basin	Loosey Goosey 4-9 Fed Com 302H	New Mexico Bone Spring	xxxxxx-xxx.o	
County, State	Location		Estimated Spud	Estimated Completion
Lea, NM	Section 4-9 T20S-R34E Lea, NM			
X New Supplement Revision	Formation 3rd Sand	Well Type DEV	Til Measured Deoth 20320	Ttl Vetical Depth 10820
Purpose Drill Description	and complete well			
is so	ne intended surface hold location for the well 100 FSL and 2120 FWL of Section 9, T20S-R3- outherly direction within the formation to the opproximately 10820 feet.	E. The well is proposed to be drilled	vertically to the 3rd Sand form	nation and laterally in a
Drilling Cost	is .	\$2,475,500	This cooling rota	\$2,475,50
Completion			\$4,624,922	\$4,624,92
Total Intangible Cos	t .	\$2,475,500	\$4,624,922	\$7,100,422
Tangible		Dry Hole	After Casing Point	Completed Well Cos
Well Equipm Lease Equip		\$393,000	\$1,125,000 \$790,428	\$1,518,000 \$790,423
	ment	£303.000		\$2,308,428
Total Tangible Cost		\$393,000	\$1,915,428	\$2,300,420
Total Well Cost  Comments On Well (	Costs or lease equipment is priced by COPAS and C	\$2,868,500	\$6,540,350	100000000000000000000000000000000000000
Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no	or lease equipment is priced by COPAS and C	\$2,868,500  EPS guidelines using the Historic Prince of the pay your prorated share of the prance acceptable to Operator, as to perations. You agree that failure to present the prince acceptable to Operator, as to perations.	\$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time thi	\$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if
Total Well Cost  Comments On Well (  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no will result in your be	or lease equipment is priced by COPAS and Cope ce dicated below, you, as a non-operating working coperator conducts operations hereunder and ce, you must provide a certificate of such insu event later than commencement of drilling op	\$2,868,500  EPS guidelines using the Historic Principle of the Historic Principle of the Pr	\$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time thi	\$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if
Total Well Cost  Comments On Well (  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon write	or lease equipment is priced by COPAS and Cope dicated below, you, as a non-operating working Goperator conducts operations hereunder and ce, you must provide a certificate of such insu event later than commencement of drilling open eing covered by insurance procured by Opera	\$2,868,500  EPS guidelines using the Historic Prince of the pay your prorated share of the parance acceptable to Operator, as to perations. You agree that failure to proceed to perations. You agree that failure to proceed the policy.  Purchasers. Such contracts may incompare the policy of the parance of gas with Cimare pent, we will share with you the terms	\$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time this provide the certificate of insurative dude fees. In addition, penaltive, you will be subject to all of and conditions pursuant to well.	\$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, es may be incurred for the terms of such hich gas will be sold.
Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurance Unless otherwise inc Operator so long as well control insurance available, but in no a will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon writ Failure to make an o	or lease equipment is priced by COPAS and Core dicated below, you, as a non-operating workir is Operator conducts operations hereunder and ce, you must provide a certificate of such insu event later than commencement of drilling operating covered by insurance procured by Operating covered by insurance procured by Operating covered by insurance procured by Operating covered by insurance standard insurance is under arm's-length contracts with third party is delivered over time. Should you choose to not ten request to Cimarex's Marketing Department	\$2,868,500  EPS guidelines using the Historic Prince of the pay your prorated share of the prance acceptable to Operator, as to rerations. You agree that failure to pror.  e policy.  purchasers. Such contracts may incompressed the processed of the province of the processed of the processed of the province of the processed of th	\$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you ele form and limits, at the time this provide the certificate of insurable to the certificate of insurab	\$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, es may be incurred for the terms of such hich gas will be sold.
Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurant Unless otherwise int Operator so long as well control insurant available, but in no will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon writ Failure to make an election  I elect to to I elect to to Comments on AFE The above costs are estimated costs with	or lease equipment is priced by COPAS and Coperation or lease equipment is priced by COPAS and Coperations hereunder and coperations hereunder and copy of the cop	\$2,868,500  EPS guidelines using the Historic Prince of the pay your prorated share of the prance acceptable to Operator, as to perations. You agree that failure to proceed to pay some acceptable of the prance acceptable of the failure to proceed the proceed of the terms and conditions of the terms and conditions of the terms and conditions of the terms without any foreseeable characteristics.	\$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you eleform and limits, at the time this provide the certificate of insurance of the certificate of	\$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, the terms of such hich gas will be sold. I forth above.
Total Well Cost  Comments On Well Co.  1. All tubulars, well  Well Control Insurant Unless otherwise in Operator so long as well control insurant available, but in no will result in your be  I elect to  Marketing Election Cimarex sells its gas insufficient volumes contracts. Upon writ Failure to make an election  Comments on AFE The above costs are estimated costs with proportionate share	or lease equipment is priced by COPAS and Cope de dicated below, you, as a non-operating working to Operator conducts operations hereunder and ce, you must provide a certificate of such insue event later than commencement of drilling operating covered by insurance procured by Operating Coperating Cope	\$2,868,500  EPS guidelines using the Historic Prince of the pay your prorated share of the prance acceptable to Operator, as to perations. You agree that failure to proceed to pay your prorated share of the prance acceptable to Operator, as to perations. You agree that failure to proceed the policy.  The purchasers of the your thank of the proceed of the terms and conditions of the terms and conditions of the terms and conditions of the terms without any foreseeable charter thanks and the point operations of the term of the joint operations are the point operations.	\$6,540,350  ce Multiplier.  ed by Operator 's well control oremiums therefore. If you eleform and limits, at the time this provide the certificate of insurance of the certificate of	\$9,408,850 insurance procured by ect to purchase your own is AFE is returned, if ance, as provided herein, the terms of such hich gas will be sold. I forth above.



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

Description	BCP - Dr	Illing	ACP - D	rilling	Con	p/Stim	Production	on Equip	Post Com	pletion	Total
Description	Codes	Amount	Codes	Amount	Codes	Amount	Codes	Amount	Codes	Amount	Co
Roads & Location	DIDC.100	20,000			STIM.100	3,000	CON.100	48,637	PCOM.100	3,000	74,63
Damages	DIDC.105	16,500					CON.105	15807			32,30
Mud/Fluids Disposal	DIDC.255	200,000			STIM.255	51,000			PCOM.255	0	251,00
Day Rate	DIDC.115	468,000	DICC.120	96,000						1	564,00
Misc Preparation	DIDC.120	30,000									30,00
Bits	DIDC.125	97,000	DICC 125	0	STIM.125	0			PCOM.125	0	97.00
Fuel	DIDC.135	119,000	DICC.130	0	2111111122				PCOM.130	0	119,00
	DIDC.140		DICC.135	0	STIM.135	70,000			PCOM.135	0	25,00
Water for Drilling Rig (Not Frac Water)	and the second second	5,000	DICC. 135	U	51IM.135	20,000			PCOM.133	U	
Mud & Additives	DIDC.145	300,000									300,00
SWD PIPED TO 3RD PARTY SWD WELL			20000						PCOM.257	87,354	87,35
Surface Rentals	DIDC.150	97,000	DICC 140	0	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	137,000	CON.140	1,378	PCOM.140	60,000	295,37
Downhole Rentals	DIDC.155	131,000			STIM.145	35,000			PCOM.145	0	166,00
Flowback Labor					STIM.141	0			PCOM.141	30,000	30,00
Automation Labor							CON.150	36,558	PCOM.150	5,000	41,55
Mud Logging	DIDC.170	5,000							-		5,00
IPC & EXTERNAL PAINTING							CON.165	18,888			18,88
Cementing & Float Equipment	DIDC.185	70,000	DICC.155	140,000							210,00
Tubular Inspections	DIDC.190	38,000	DICC.160		STIM.160	4,000			PCOM.160	0	50,00
Principle of the Control of the Cont			DICC 165						PCOM. 100	· ·	28,00
Casing Crews	DIDC.195	15,000		13,000		0			20011170	5.000	
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000	STIM.170	0		139,588	PCOM,170	5,000	167,58
Trucking/Transportation	DIDC.205	30,000	DICC.175	8,000		4,000		17,833	PCOM.175	0	59,83
Supervision	DIDC.210	81,000	DICC.180	13,000	STIM.180	47,000	CON.180	21,238	PCOM.180	0	162,23
Trailer House/Camp/Catering	DIDC.280	36,000	DICC.255	5,000	STIM.280	31,000					72,00
Other Misc Expenses	DIDC 220	5,000	DICC.190	0	STIM.190	85,000	CON.190	24,318	PCOM.190	0	114,31
Overhead	DIDC.225	5,000	DICC.195	5,000			1		T. THE Y		10,00
MOB/DEMOB	DIDC.240	115,000	7,30,1	1							115,00
Directional Drilling Services	DIDC.245	307,000									307,00
Solids Control	DIDC.243	46,000									46,00
			DICCOLO		FERRING	4174			00011310		
Well Control Equip (Snubbing Services)	DIDC.265	84,000	DICC.240	0		64,000			PCOM.240	0	148,00
Completion Rig					STIM.115	21,000			PCOM.115	0	21,00
Coil Tubing Services					STIM.260	0			PCOM.260	0	9
Completion Logging/Perforating/Wireline					STIM.200	257,000			PCOM.200	0	257,00
Composite Plugs					STIM.390	39,000			PCOM.390	0	39,00
Stimulation					STIM.210	2,245,000			PCOM.210	0	2,245,00
Stimulation Water/Water Transfer/Water					STIM.395	191,000					191,00
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,00
Legal/Regulatory/Curative	DIDC.300	10,000			511111.505	00,000	CON.300	0	1 CON.505		10,00
			1				CO14.300	U			
Well Control Insurance	DIDC.285	7,000					Service .				7,00
Major Construction Overhead			1				CON.305	26,507			26,50
FL/GL - ON PAD LABOR							CON.495	37,613		1	37,61
FL/GL - Labor							CON.500	94,842			94,84
FL/GL - Supervision							CON.505	14,429			14,42
Survey					1		CON.515	2,351			2,35
SWD/Other - Labor							CON.600	0			
SWD/Other - Supervision							CON.605	0			
Aid In Construct/3rd Party Connect							CON.701	40,531			40,53
	DIDC.435	110 000	DICC.220	*****	CT144.320	*******	C-2011/00/01		00014330		
Contingency	DIDC.433	118,000	DICC.220	15,000	STIM.220	165,000		105,542	PCOM.220	0	403,542
Contingency							CON.221	23,508			23,50
Total Intangible Cost		2,475,500		306,000		3,459,000		669,568		190,354	7,100,42
Conductor Pipe	DWEB.130	0									10
Water String	DWEB.135	104,000							1		104,000
Surface Casing	DWEB.140	251,000									251,000
Intermediate Casing 1	DWEB.145	0									
Production Casing or Liner			DWEA.100	792.000							792,000
Tubing				. 52,000	STIMT.105	120,000			PCOMT.105	0	139,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DIMEA 120	10.000	STIMT.120	139,000					
			DWEA.120		311W11.120	38,000			PCOMT.120	10,000	104,000
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	0	CTU IT				B00115 141		(
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,000
SHORT ORDERS							CONT.380	10,538			10,538
PUMPS							CONT.385	30,804			30,804
WALKOVERS							CONT.390	4,053			4,05
Downhole Lift Equipment					STIMT.410	80,000			PCOMT.410	0	80,000
Surface Equipment						-0.504.5			PCOMT.420	15,000	15,000
Well Automation Materials					100				PCOMT.455	5,000	5,000
N/C Lease Equipment							CONT.400	184,334	0.55000000	2,000	184,334
Tanks, Tanks Steps, Stairs							CONT.400				51,879
								51,879			
Battery Equipment							CONT.410	214,003			214,003
Secondary Containments							CONT.415	19,292			19,292
Overhead Power Distribution							CONT.420	64,038			64,038
Facility Electrical							CONT.425	32,100			32,100
Telecommunication Equipment					1		CONT.426	486			486
Meters and Metering Equipment			1		1 1 1		CONT.445	45,232			45,232
Facility Line Pipe							CONT.450	31,208		1	31,208
Lease Automation Materials											
							CONT.455	32,424			32,42
FL/GL - Materials							CONT.550	21,400			21,400
FL/GL - Line Pipe							CONT.555	48,637			48,63
SWD/Other - Materials							CONT.650	0			(
SWD/Other - Line Pipe							CONT.655	0			(
Total Tangible Cost		393,000		810,000		285,000	-	790,428		30,000	2,308,428
Total farigible cost											



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac	DIDC.105 DIDC.255		Amount 20,000 16,500	Codes		Amount	STIM.100	CON.100	Amour 3,00
Damages Mud/Fluids Disposal Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac	DIDC.105 DIDC.255						311W-100	CO14.100	5,00
Mud/Fluids Disposal Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac	DIDC.255		16,500						
Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac			1				STIM.255		51,00
Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac	DIDC 110	DICC 120	200,000	DICC 130		96,000	311W.233		51,00
Bits Fuel Water for Drilling Rig (Not Frac	DIDC.115	DICC.120		DICC.120		96,000			
Fuel Water for Drilling Rig (Not Frac	-12 -10 -10	DICC 135	30,000	DICC.125	CTIMATOR		STIM.125		
Water for Drilling Rig (Not Frac	DIDC.125		7,740,771		51IM.125	0	S11M.125		
	DIDC.135			DICC.130	*******	0	CT11 4 425		20.00
	DIDC.140	DICC.135		DICC.135	STIM.135	0	STIM.135		20,00
Mud & Additives	DIDC.145		300,000					1	
SWD PIPED TO 3RD PARTY SWD								W. Co. Land Co.	100.66
Surface Rentals	DIDC.150	DICC.140		DICC.140	STIM:140	- 0	STIM.140	CON.140	137,00
Downhole Rentals	DIDC.155		131,000				STIM.145		35,00
Flowback Labor							STIM.141		
Automation Labor									
Mud Logging	DIDC.170		5,000						
IPC & EXTERNAL PAINTING									
Cementing & Float Equipment	DIDC.185	DICC.155	70,000	DICC.155		140,000			
Tubular Inspections	DIDC.190	DICC.160	38,000	DICC.160	STIM.160	8,000	STIM.160		4,00
Casing Crews	DIDC.195	DICC.165	15,000	DICC.165	STIM.165	13,000	STIM.165		
Mechanical Labor	DIDC200	DICC.170	20,000	DICC.170	STIM.170	3,000	STIM.170	CON 170	
Trucking/Transportation	DIDC 205	DICC.175	30,000	DICC.175	STIM.175	8,000	STIM.175	CON.175	4,00
Supervision	DIDC.210				STIM.180	13,000	STIM.180	CON.180	47,00
	DIDC 280				STIM.280	5,000	STIM.280		31,00
Other Misc Expenses	DIDC 220				STIM.190	0	STIM.190	CON.190	85,00
Overhead	DIDC.225			DICC.195		5,000	- contages		
MOB/DEMOB	DIDC 240	1000000	115,000	-		3,550			
Directional Drilling Services	DIDC 245		307,000						
Solids Control	DIDC.260		46,000					1	
	DIDC.265	DICC 240		DICC.240	STIM 240	0	STIM.240	1	64,00
	DIDC.203	DICC.240	64,000	DICC.240	511M.240	0			
Completion Rig							STIM.115		21,00
Coil Tubing Services							STIM.260		7000
Completion							STIM.200		257,00
Composite Plugs			- 1 1			1	STIM.390		39,00
Stimulation							STIM.210		2,245,00
Stimulation Water/Water							STIM.395		191,00
Cimarex Owned Frac/Rental							STIM.305		60,00
Legal/Regulatory/Curative	DIDC.300		10,000						
Well Control Insurance	DIDC.285		7,000						
Major Construction Overhead						1			
FL/GL - ON PAD LABOR									
FL/GL - Labor									
FL/GL - Supervision									
Survey									
SWD/Other - Labor									
SWD/Other - Supervision									
Aid In Construct/3rd Party Connect									
	DIDC.435	DICC 220	118,000	DICC.220	STIM 220	15,000	STIM.220	CON 220	165,000
Contingency	0.0000	0,000,00	110,000	D.C.L.L.	JTHW.LEG	13,000	JIMELLO	CONTEG	103,00
Total Intangible Cos			2,475,500			306,000			3,459,000
	DWEB.130		0	-		300,000	_	-	3,433,00
	DWEB.135								
	DWEB.133		104,000						
			251,000						
	DWEB.145		0	DIAGO		250.003			
Production Casing or Liner				DWEA.100		792,000	42,343		141.77
Tubing		20072 0 0 0 0	200.07	2,02-5 0-1	21125	-	STIMT.105		139,000
		DWEA.120			STIMT.120	18,000	STIMT.120		38,000
The state of the s	DWEB.100	DWEA 125	0	DWEA.125		0			
Packer, Nipples							STIMT.400		28,000
SHORT ORDERS									
PUMPS									
WALKOVERS									
Downhole Lift Equipment							STIMT.410		80,000
Surface Equipment									
Well Automation Materials			0						
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs									
Battery Equipment									
Secondary Containments									
Overhead Power Distribution									
Facility Electrical									
Telecommunication Equipment									
Meters and Metering Equipment									
Facility Line Pipe									
ease Automation Materials									
FL/GL - Materials									
FL/GL - Materials									
SWD/Other - Materials									
SWD/Other - Materials SWD/Other - Line Pipe									



COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 302H

Description		Production Equip	ar =		Post Completion	Acceptant	Total
	Codes	Amou		odes		Amount	Co
Roads & Location	CON.100	48,6		M.100	Repair any roads post D&C	3,000	74,6
Damages	CON.105	158	Marie Company	222			32,30
Mud/Fluids Disposal			PCO	M.255		0	251,00
Day Rate						191	564,00 30,00
Misc Preparation						0	97,00
Bits			100	M.125		0	119,00
Fuel			11,000	M.130		0	25,00
Water for Drilling Rig (Not Frac Water)			PCO	M.135		0	300,00
Mud & Additives			nco	11257	Water for 60 days (270K harrely)	87,354	87,35
SWD PIPED TO 3RD PARTY SWD WELL	CONITIO			M.257	Water for 60 days (270K barrels)	60,000	295,37
Surface Rentals	CON.140	1,3		M.140	Iron. XEC Own 5K. No 10K. \$1,100 per day	0,000	166,00
Downhole Rentals			A Comment	M.145	2 Floridade (50 days) 25%	30,000	30,00
Flowback Labor Automation Labor	CON.150	200		M.141	3 Flowback Hands (60 days), 25%	5,000	41,55
1101010101010101010101010101010101010101	CON.150	36,5	8 PCO	M.150		5,000	5,00
Mud Logging IPC & EXTERNAL PAINTING	CON.165	100	10				18,88
	CON.163	18,8	58				210,00
Cementing & Float Equipment			200	M.160		0	50,00
Tubular Inspections			PLO	M. 160		U	28,00
Casing Crews Mechanical Labor	CON.170	1205	000		RU Flowback Iron & Automation	5,000	167,58
	CON.175	139,5	A 12 P	M.170 M.175	RU Flowback from & Automation	3,000	59,83
Trucking/Transportation	255000000000000000000000000000000000000	17,8	G 12.00			0	162,23
Supervision Trailer House/Camp/Catering	CON.180	21,2	o PCO	M.180		0	72,00
Trailer House/Camp/Catering Other Miss Expenses	CONTING	47.4	0 000	M.190		0	114,31
Other Misc Expenses	CON.190	24,3	B PCO	W. 190		U	10,00
Overhead MOR/DEMOR							
MOB/DEMOB							115,00
Directional Drilling Services							307,00
Solids Control							46,00
Well Control Equip (Snubbing Services)			25,545	M.240		0	148,00
Completion Rig				M.115		0	21,000
Coil Tubing Services			1 100000	M.260		0	
Completion Logging/Perforating/Wireline			10.000	M.200		0	257,000
Composite Plugs			10,000	M.390		0	39,000
Stimulation			PCO	M.210		0	2,245,000
Stimulation Water/Water Transfer/Water			4745				191,000
Cimarex Owned Frac/Rental Equipment	- Carlon			M.305		0	60,000
Legal/Regulatory/Curative	CON.300		0				10,000
Well Control Insurance	V400000						7,000
Major Construction Overhead	CON.305	26,5	2.1				26,507
FL/GL - ON PAD LABOR	CON.495	37,6					37,613
FL/GL - Labor	CON.500	94,8	-1				94,842
FL/GL - Supervision	CON.505	14,4	-				14,429
Survey	CON.515	23	-1				2,35
SWD/Other - Labor	CON.600		0				(
SWD/Other - Supervision	CON.605		0				(
Aid In Construct/3rd Party Connect	CON.701	40,5					40,531
Contingency	CON.220	105,5	101				403,542
Contingency	CON 221	23,5					23,508
Total Intangible Cost		669,5	88			190,354	7,100,422
Conductor Pipe							(
Water String							104,000
Surface Casing			1				251,000
Intermediate Casing 1							(
Production Casing or Liner			1000				792,000
Tubing				MT.105		0	139,000
Wellhead, Tree, Chokes			PCON	ит.120	Replace worn chokes and valves during FB	10,000	104,000
Liner Hanger, Isolation Packer			COLD				(
Packer, Nipples	covere.			MT.400		0	28,000
SHORT ORDERS	CONT.380	10,5					10,538
PUMPS	CONT.385	30,8					30,804
WALKOVERS	CONT.390	4,0		0.00			4,053
Downhole Lift Equipment				MT.410		0	80,000
Surface Equipment					Replacing Chokes, Stuffing Boxes, and all	15,000	15,000
Well Automation Materials		The same	and the same of	MT.455	PTs, and replacing meters	5,000	5,000
N/C Lease Equipment	CONT.400	184,3					184,334
Tanks, Tanks Steps, Stairs	CONT.405	51,8					51,879
Battery Equipment	CONT.410	214,0	0.16				214,003
Secondary Containments	CONT.415	19,2					19,292
Overhead Power Distribution	CONT.420	64,0					64,038
Facility Electrical	CONT.425	32,10	C				32,100
Telecommunication Equipment	CONT.426	41					486
Meters and Metering Equipment	CONT.445	45,2					45,232
Facility Line Pipe	CONT.450	31,20					31,208
Lease Automation Materials	CONT.455	32,4					32,42
FL/GL - Materials	CONT.550	21,41					21,400
FL/GL - Line Pipe	CONT.555	48,6	7				48,63
SWD/Other - Materials	CONT.650		0				(
SWD/Other - Line Pipe	CONT.655		0			-	
Total Tangible Cost		790,4	_			30,000	2,308,428

### COTERRA AFE # XXXXXXX Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H Date Prepared Company Entity 8/17/2022 Prospect Property Number Well Name Exploration Region XXXXXXXX Permian Basin Loosey Goosey 4-9 Fed Com 303H New Mexico Bone Spring XXXXXX-XXX.01 Estimated Soud Estimated Completion County, State Location Lea, NM Section 4-9 T20S-R34E Lea, NM Well Type Ttl Vetical Deoth. Ttl Measured Depth Supplement 20310 10810 DEV Revision Drill and complete well Purpose Description Drilling The intended surface hold location for the well is 280 FSL and 1540 FEL of Section 33, T19S-R34E, and the intended bottom hole location is 100 FSL and 1744 FEL of Section 9, T20S-R34E. The well is proposed to be drilled vertically to the 3rd Sand formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10810 feet. Intangible Dry Hole After Casing Point Completed Well Cost \$2,475,500 Drilling Costs \$2,475,500 Completion Casts \$4,595,289 \$4,595,289 \$7,070,789 \$4,595,289 Total Intangible Cost \$2,475,500 Completed Well Cost Tangible Dry Hole After Casing Point Well Equipment \$393,000 \$1,125,000 \$1,518,000 \$840.065 Lease Equipment \$840.065 Total Tangible Cost \$2,358,065 \$393,000 \$1,965,065 Total Well Cost \$6,560,354 \$9,428,854 \$2,868,500 Comments On Well Costs 1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier. Well Control Insurance Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator. I elect to purchase my own well control insurance policy. Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above. I elect to take my gas in kind. I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract. The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Approved By (Signature)

Released to Imaging: 7/14/2023 8:16:24 AM

Nonoperator Approval

Company

Approved By (Print Name)

share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate

7/6/2022

Date



**COTERRA** Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

Description	BCP - Dr	illing	ACP - D	Orilling	Con	np/Stim	Production	on Equip	Post Com	pletion	Total
Description	Codes	Amount	Codes	Amount		Amount		Amount	Codes	Amount	Co
Roads & Location	DIDC.100	20,000			STIM.100	3,000		44,205	PCOM,100	3,000	70,20
Damages	DIDC.105	16,500					CON.105	3215			19,71
Mud/Fluids Disposal	DIDC.255	200,000			STIM.255	51,000			PCOM.255	0	251,00
Day Rate	DIDC.115	468,000	DICC 120	96,000							564,000
Misc Preparation	DIDC.120	30,000							200		30,000
Bits	DIDC.125	97,000	DICC.125	0	STIM.125	0			PCOM.125	0	97,000
200		119,000	DICC.123	0	311W.123	U			PCOM.130	0	119,000
Fuel	DIDC.135	7 4000	20030-00-0		CTULLAR	20.000			100000000000000000000000000000000000000		25,000
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0	STIM.135	20,000			PCOM.135	0	
Mud & Additives	DIDC.145	300,000									300,000
SWD PIPED TO 3RD PARTY SWD WELL									PCOM.257	87,354	87,35
Surface Rentals	DIDC.150	97,000	DICC 140	0	STIM.140	137,000	CON.140	6,912	PCOM.140	60,000	300,912
Downhole Rentals	DIDC.155	131,000			STIM.145	35,000			PCOM.145	0	166,000
Flowback Labor					STIM.141	0			PCOM.141	30,000	30,000
Automation Labor							CON.150	45,010	PCOM.150	5,000	50,010
Mud Logging	DIDC.170	5,000					Common	10,010		210.00	5,000
IPC & EXTERNAL PAINTING	DIDC.170	5,000					CON.165	5,144			5,144
	0,05,105	70.000	DICCIE	110.000			CO14.163	3,144			210,000
Cementing & Float Equipment	DIDC.185	70,000	DICC.155	140,000	2000						0.000
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000		4,000			PCOM.160	0	50,000
Casing Crews	DIDC.195	15,000	DICC 165	13,000	STIM.165	0					28,000
Mechanical Labor	DIDC.200	20,000	DICC 170	3,000	STIM.170	0	CON.170	185,663	PCOM.170	5,000	213,663
Trucking/Transportation	DIDC.205	30,000	DICC.175	8,000	STIM.175	4,000	CON.175	16,075	PCOM.175	0	58,075
Supervision	DIDC.210	81,000	DICC.180	13,000	STIM.180	47,000	CON.180	11,574	PCOM.180	0	152,574
Trailer House/Camp/Catering	DIDC.280	36,000	DICC.255	5,000	STIM.280	31,000		Thee of			72,000
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	85,000		19,290	PCOM.190	0	109,290
Overhead	DIDC.225	5,000	DICC.195	5,000	130	03,000	2011.130	, 3,2,30	. 2311.130		10,000
			DICC. 195	5,000							115,000
MOB/DEMOB	DIDC 240	115,000									
Directional Drilling Services	DIDC.245	307,000									307,000
Solids Control	DIDC.260	46,000	Ar now A series						Service de la Constitución de la		46,000
Well Control Equip (Snubbing Services)	DIDC.265	84,000	DICC.240	0	STIM.240	64,000			PCOM.240	0	148,000
Completion Rig					STIM.115	21,000			PCOM.115	0	21,000
Coil Tubing Services					STIM.260	0			PCOM.260	0	0
Completion Logging/Perforating/Wireline					STIM.200	257,000			PCOM.200	0	257,000
Composite Plugs					STIM.390	39,000			PCOM.390	0	39,000
Stimulation					STIM.210	2,245,000			PCOM.210	0	2,245,000
Control of the contro					STIM.395	191,000			PCOMETO		191,000
Stimulation Water/Water Transfer/Water											
Cimarex Owned Frac/Rental Equipment	Contract.	Tarres.			STIM.305	60,000			PCOM.305	0	60,000
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0			10,000
Well Control Insurance	DIDC.285	7,000									7,000
Major Construction Overhead							CON.305	0			
FL/GL - ON PAD LABOR							CON.495	33,114			33,114
FL/GL - Labor							CON.500	113,970			113,970
FL/GL - Supervision							CON.505	12,056			12,056
Survey							CON.515	6,590			6,590
SWD/Other - Labor							CON.600	0,390			0,350
SWD/Other - Supervision							CON.605	0			0
Aid In Construct/3rd Party Connect	ALC: N	5.75.00		o Land		100.12	CON.701	0	COUNCER		
Contingency	DIDC.435	118,000	DICC.220	15,000	STIM.220	165,000		106,737	PCOM.220	0	404,737
Contingency							CON.221	30,381			30,381
Total Intangible Cost		2,475,500		306,000		3,459,000		639,935		190,354	7,070,789
Conductor Pipe	DWEB.130	0									0
Water String	DWEB.135	104,000									104,000
Surface Casing	DWEB.140	251,000									251,000
Intermediate Casing 1	DWEB.145	0									251,000
	21123.143	Ü	DWEA 100	702.000							2012
Production Casing or Liner			DWEA.100	792,000	CTILLY	120			DCOLLE 100		792,000
Tubing	BU CO		miles and		STIMT.105	139,000			PCOMT.105	0	139,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120		STIMT,120	38,000			PCOMT.120	10,000	104,000
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	0					1,000,000,000		0
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,000
SHORT ORDERS							CONT.380	11,253			11,253
PUMPS							CONT.385	26,362			26,362
WALKOVERS							CONT.390	6,430			6,430
Downhole Lift Equipment					STIMT.410	80,000		200.00	PCOMT.410	0	80,000
Surface Equipment									PCOMT.420	15,000	15,000
Well Automation Materials									PCOMT.420	5,000	5,000
N/C Lease Equipment							CONT 400	270.06	. COM1.433	3,000	
							CONT.400	279,861			279,861
Tanks, Tanks Steps, Stairs							CONT.405	0			0
Battery Equipment						1	CONT.410	229,386			229,386
Secondary Containments							CONT.415	12,859			12,859
Overhead Power Distribution							CONT.420	10,288			10,288
Facility Electrical							CONT.425	48,224			48,224
Telecommunication Equipment							CONT.426	0			0
Meters and Metering Equipment							CONT.445	42,758			42,758
Facility Line Pipe											28,935
A STATE OF THE STA							CONT.450	28,935			
Lease Automation Materials							CONT.455	36,972			36,972
FL/GL - Materials							CONT.550	26,684			26,684
FL/GL - Line Pipe							CONT.555	80,052			80,052
SWD/Other - Materials							CONT.650	0			0
SWD/Other - Line Pipe							CONT.655	0			0
and the same of the											
Total Tangible Cost		393,000		810,000		285,000		840,065		30,000	2,358,065



OCOTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

Description		ВСР	- Drilling		ACP - Drilling			/Stim	
Part of the second	Codes		Amount	Codes		Amount		CON.100	Amour 3,00
Roads & Location	DIDC.100		20,000				STIM.100	CON.100	3,00
Damages	DIDC.105 DIDC.255		16,500				STIM.255	1	51,00
Mud/Fluids Disposal Day Rate		DICC.120	468.000	DICC.120		96,000	311141.255		31,00
Misc Preparation	DIDC.120	DICC.120	30,000	DICC. IZO		30,000			
Bits		DICC.125		DICC.125	STIM.125	0	STIM.125		
Fuel		DICC.130	119,000			0			
Water for Drilling Rig (Not Frac	DIDC.140	DICC 135	5,000	DICC.135	STIM.135	0	STIM.135		20,000
Mud & Additives	DIDC.145		300,000		Maria I			4	
SWD PIPED TO 3RD PARTY SWD									
Surface Rentals	DIDC.150	DICC.140	97,000	DICC.140	STIM.140	0	STIM.140	CON.140	137,000
Downhole Rentals	DIDC.155		131,000				STIM.145		35,000
Flowback Labor							STIM.141		
Automation Labor	G15 85 22		7.75						
Mud Logging	DIDC.170		5,000						
IPC & EXTERNAL PAINTING	DIDC 105	DICC.155	70,000	DICC.155		140,000			
Cementing & Float Equipment Tubular Inspections		DICC.160		DICC.160	STIM.160	8,000	STIM. 160		4,000
Casing Crews		DICC.165		DICC.165		13,000	STIM. 165		4,00
Mechanical Labor		DICC.170		DICC.170		3,000	STIM.170	CON.170	
Trucking/Transportation		DICC.175		DICC.175		8,000	STIM.175	CON 175	4,000
Supervision		DICC.180		DICC.180	A CONTRACTOR OF THE PARTY OF TH	13,000	STIM. 180	CON.180	47,000
Trailer House/Camp/Catering		DICC.255		DICC.255	100000000000000000000000000000000000000	5,000	STIM.280	1	31,000
Other Misc Expenses		DICC.190		DICC.190	Problem and Control of the Control o	0	STIM.190	CON.190	85,00
Overhead	DIDC 225	DICC.195		DICC.195	1	5,000			
MOB/DEMOB	DIDC 240		115,000						
Directional Drilling Services	DIDC.245		307,000						
Solids Control	DIDC.260		46,000						
Well Control Equip (Snubbing	DIDC.265	DICC.240	84,000	DICC.240	STIM.240	0	STIM.240		64,000
Completion Rig							STIM.115		21,000
Coil Tubing Services							STIM.260		
Completion							STIM.200		257,000
Composite Plugs							STIM.390		39,000
Stimulation							STIM.210	1	2,245,000
Stimulation Water/Water							STIM.395		191,000
Cimarex Owned Frac/Rental							STIM.305		60,000
Legal/Regulatory/Curative	DIDC.300		10,000						
Well Control Insurance	DIDC.285		7,000						
Major Construction Overhead FL/GL - ON PAD LABOR									
FL/GL - Labor									
FL/GL - Supervision								1	
Survey									
SWD/Other - Labor									
SWD/Other - Supervision									
Aid In Construct/3rd Party Connect									
Contingency	DIDC.435	DICC 220	118,000	DICC.220	STIM.220	15,000	STIM.220	CON 220	165,000
Contingency						1,51-7-7		1000	2000
Total Intangible Cos			2,475,500			306,000			3,459,000
Conductor Pipe	DWEB.130		0						
Water String	DWEB.135		104,000						
Surface Casing	DWEB.140		251,000						
Intermediate Casing 1	DWEB.145		0						
Production Casing or Liner				DWEA.100		792,000			0.77
Tubing	25000	200000	44.377	5.000.00			STIMT.105		139,000
Wellhead, Tree, Chokes		DWEA.120			STIMT.120		STIMT.120		38,000
Liner Hanger, Isolation Packer	DWEB.100	DWEA.125	.0	DWEA.125		0			****
Packer, Nipples SHORT ORDERS							STIMT.400		28,000
PUMPS									1
WALKOVERS									
Downhole Lift Equipment							STIMT.410		80,000
Surface Equipment							311W11.410		80,000
Well Automation Materials									
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs									
Battery Equipment									
Secondary Containments									
Overhead Power Distribution									
Facility Electrical									
Telecommunication Equipment									
Meters and Metering Equipment									
Facility Line Pipe									
Lease Automation Materials									
FL/GL - Materials									
FL/GL - Materials									+
SWD/Other - Materials									
SWD/Other - Line Pipe									
Total Tangible Cost			393,000			810,000			285,000
Total Estimated Cost			,868,500			1,116,000			3,744,000



Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 303H

Description		Production Equip			Post Completion	Lancian I	Total
	Codes		Amount		200	Amount	70,20
Roads & Location	CON.100		44,205	PCOM.100	Repair any roads post D&C	3,000	
Damages	CON.105		3215				19,71
Mud/Fluids Disposal				PCOM.255		0	251,000
Day Rate							564,000
Misc Preparation							30,000
Bits				PCOM.125		0	97,000
Fuel				PCOM,130		0	119,000
Water for Drilling Rig (Not Frac Water)				PCOM.135		0	25,000
Mud & Additives					Lucia de la companión de	07754	300,000
SWD PIPED TO 3RD PARTY SWD WELL	CONTAG			PCOM.257	Water for 60 days (270K barrels)	87,354	87,354
Surface Rentals	CON.140		6,912		Iron. XEC Own 5K. No 10K. \$1,100 per day	60,000	300,912
Downhole Rentals				PCOM.145	Lancia de la constanta de la c	0	166,000
Flowback Labor			12.43	PCOM.141	3 Flowback Hands (60 days). 25%	30,000	30,000
Automation Labor	CON.150		45,010	PCOM.150		5,000	50,010
Mud Logging			20.0				5,000
IPC & EXTERNAL PAINTING	CON.165		5,144				5,144
Cementing & Float Equipment							210,000
Tubular Inspections				PCOM.160		0	50,000
Casing Crews	40,000		655-355	20000		100	28,000
Mechanical Labor	CON.170		185,663	PCOM.170	RU Flowback Iron & Automation	5,000	213,663
Trucking/Transportation	CON.175		16,075	PCOM.175		0	58,075
Supervision	CON.180		11,574	PCOM.180		0	152,574
Trailer House/Camp/Catering	100.000		2500				72,000
Other Misc Expenses	CON.190		19,290	PCOM.190		0	109,290
Overhead							10,000
MOB/DEMOB							115,000
Directional Drilling Services							307,000
Solids Control				Wastle and			46,000
Well Control Equip (Snubbing Services)				PCOM.240		0	148,000
Completion Rig				PCOM.115		0	21,000
Coil Tubing Services				PCOM.260		0	0
Completion Logging/Perforating/Wireline				PCOM.200		0	257,000
Composite Plugs				PCOM.390		0	39,000
Stimulation				PCOM.210		0	2,245,000
Stimulation Water/Water Transfer/Water							191,000
Cimarex Owned Frac/Rental Equipment				PCOM.305		0	60,000
Legal/Regulatory/Curative	CON.300		0				10,000
Well Control Insurance							7,000
Major Construction Overhead	CON.305		0				0
FL/GL - ON PAD LABOR	CON.495		33,114				33,114
FL/GL - Labor	CON.500		113,970				113,970
FL/GL - Supervision	CON.505		12,056				12,056
Survey	CON.515		6590				6,590
SWD/Other - Labor	CON.600		0				0
SWD/Other - Supervision	CON.605		0				0
Aid In Construct/3rd Party Connect	CON.701		0				0
Contingency	CON.220		106,737				404,737
Contingency	CON.221		30,381				30,381
Total Intangible Cost			639,935			190,354	7,070,789
Conductor Pipe							0
Water String							104,000
Surface Casing							251,000
Intermediate Casing 1							0
Production Casing or Liner							792,000
Tubing				PCOMT.105		0	139,000
Wellhead, Tree, Chokes				PCOMT.120	Replace worn chokes and valves during FB	10,000	104,000
Liner Hanger, Isolation Packer							0
Packer, Nipples				PCOMT.400		0	28,000
SHORT ORDERS	CONT.380		11,253				11,253
PUMPS	CONT.385		26,362				26,362
WALKOVERS	CONT.390		6,430				6,430
Downhole Lift Equipment	A. Carlo			PCOMT.410		0	80,000
Surface Equipment				PCOMT.420	Replacing Chokes, Stuffing Boxes, and all	15,000	15,000
Well Automation Materials			1		PTs, and replacing meters	5,000	5,000
N/C Lease Equipment	CONT.400		279,861			15,00	279,861
Tanks, Tanks Steps, Stairs	CONT.405		0				0
Battery Equipment	CONT.410		229,386				229,386
Secondary Containments	CONT.415		12,859				12,859
Overhead Power Distribution	CONT:420		10,288				10,288
Facility Electrical	CONT.425		48,224				48,224
Telecommunication Equipment	CONT.426		0				0
Meters and Metering Equipment	CONT.445		42,758				42,758
Facility Line Pipe	CONT.450		28,935				28,935
Lease Automation Materials	CONT.455		36,972				36,972
FL/GL - Materials	CONT.550		26,684				26,684
FL/GL - Line Pipe	CONT.555		80,052				80,052
SWD/Other - Materials	CONT.650		0				00,032
SWD/Other - Line Pipe	CONT.655		0				0
Total Tangible Cost			840,065			30,000	2,358,065

# COTERRA

Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

AFE # XXXXXXX

Company Entity				Date Prepared 8/17/2022
Exploration Region Permian Basin	Well Name Loosey Goosey 4-9 Fed Com 304H	Prospect New Mexico Bone Spring	Property Nur XXXXXX-XXX.0	
County, State Lea, NM	Location Section 4-9 T20S-R34E Lea, NM		Estimated Spud	Estimated Completion
X New Supplement Revision	Formation 3rd Sand	Well Type DEV	Ttl Measured Depth 20300	Ttl Vetical Depth 10800
Purpose Drill Description	l and complete well			
1	he intended surface hold location for the well 00 FSL and 330 FEL of Section 9, T20S-R34E. T outherly direction within the formation to the	he well is proposed to be drilled vertic	ally to the 3rd Sand formati	on and laterally in a

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,475,500		\$2,475,500
Completion Costs		\$4,595,289	\$4,595,289
Total Intangible Cost	\$2,475,500	\$4,595,289	\$7,070,789
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$393,000	\$1,125,000	\$1,518,000
Lease Equipment		\$840,065	\$840,065
Total Tangible Cost	\$393,000	\$1,965,065	\$2,358,065
Total Well Cost	\$2,868,500	\$6,560,354	\$9,428,854

### Comments On Well Costs

### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

	Committee of the Commit	According to the River	and the second	ALL VIEW CONTRACTOR	
elect to	purchase my	/ own well	control	insurance	policy.

approximately 10800 feet.

### Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.
I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract

### Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

perator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

7/6/2022

<sup>1.</sup> All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

COTERRA Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

Description	BCP - Dri		ACP -	-	1	np/Stim	1	on Equip	Post Com		Total Cos
	Codes	Amount	Codes	Amount	Codes STIM.100	Amount		Amount 44,205	PCOM,100	Amount 3,000	70,20
Roads & Location	DIDC.100	20,000			STIM.100	3,000	CON.100	3215	PCOM. 100	3,000	19,715
Damages Mud/Fluids Disposal	DIDC.105 DIDC.255	16,500 200,000			STIM.255	51,000		3213	PCOM.255	0	251,000
Day Rate	DIDC.233	468,000	DICC 120	96,000	1	31,000			, comizes		564,000
Misc Preparation	DIDC.120	30,000	DICE IEU	50,000							30,000
Bits	DIDC.125	97,000	DICC 125	0	STIM.125	0			PCOM.125	0	97,000
Fuel	DIDC.135	119,000	DICC.130	0					PCOM.130	0	119,000
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC 135	0	STIM.135	20,000			PCOM.135	0	25,000
Mud & Additives	DIDC.145	300,000									300,000
SWD PIPED TO 3RD PARTY SWD WELL									PCOM.257	87,354	87,354
Surface Rentals	DIDC.150	97,000	DICC.140	0	STIM.140	137,000	CON.140	6,912		60,000	300,912
Downhole Rentals	DIDC.155	131,000			STIM.145	35,000			PCOM.145	0	166,000
Flowback Labor					STIM.141	0			PCOM.141	30,000	30,000
Automation Labor	0.00002	17.0					CON.150	45,010	PCOM 150	5,000	50,010
Mud Logging	DIDC.170	5,000					CONTICE	****			5,000 5,144
IPC & EXTERNAL PAINTING Cementing & Float Equipment	DIDC.185	70,000	DICC.155	140,000			CON.165	5,144			210,000
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000		4,000			PCOM,160	0	50,000
Casing Crews	DIDC.195	15,000	DICC.165	13,000		4,000			r com. 100		28,000
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000		0	CON.170	185,663	PCOM.170	5,000	213,663
Trucking/Transportation	DIDC.205	30,000	DICC 175	8,000		4,000		16,075	PCOM.175	0	58,075
Supervision	DIDC.210	81,000	DICC.180	13,000		47,000		11,574	PCOM.180	0	152,574
Trailer House/Camp/Catering	DIDC.280	36,000	DICC.255		STIM.280	31,000		1,100.5			72,000
Other Misc Expenses	DIDC.220	5,000	DICC 190	0		85,000		19,290	PCOM.190	0	109,290
Overhead	DIDC.225	5,000	DICC.195	5,000		0.000				1	10,000
MOB/DEMOB	DIDC.240	115,000		9 11							115,000
Directional Drilling Services	DIDC.245	307,000									307,000
Solids Control	DIDC.260	46,000									46,000
Well Control Equip (Snubbing Services)	DIDC.265	84,000	DICC.240	0	STIM.240	64,000			PCOM.240	0	148,000
Completion Rig					STIM.115	21,000			PCOM.115	0	21,000
Coil Tubing Services					STIM.260	0			PCOM.260	0	0
Completion Logging/Perforating/Wireline					STIM.200	257,000			PCOM.200	0	257,000
Composite Plugs					STIM.390	39,000			PCOM.390	0	39,000
Stimulation					STIM.210	2,245,000			PCOM.210	0	2,245,000
Stimulation Water/Water Transfer/Water					STIM.395	191,000					191,000
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,000
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0			10,000
Well Control Insurance	DIDC.285	7,000					5011305				7,000
Major Construction Overhead FL/GL - ON PAD LABOR							CON.305 CON.495	0			0 33,114
FL/GL - Labor							CON.500	33,114			113,970
FL/GL - Supervision							CON.505	113,970 12,056			12,056
Survey							CON.515	6,590			6,590
SWD/Other - Labor							CON.600	0,390			0,550
SWD/Other - Supervision							CON.605	0			0
Aid In Construct/3rd Party Connect							CON.701	0			0
Contingency	DIDC.435	118,000	DICC.220	15,000	STIM.220	165,000		106,737	PCOM.220	0	404,737
Contingency						324.225	CON.221	30,381			30,381
Total Intangible Cost		2,475,500		306,000		3,459,000		639,935		190,354	7,070,789
Conductor Pipe	DWEB.130	0									0
Water String	DWEB.135	104,000									104,000
Surface Casing	DWEB.140	251,000									251,000
Intermediate Casing 1	DWEB.145	0									0
Production Casing or Liner			DWEA.100	792,000							792,000
Tubing	ALIAN TUT V				STIMT.105	139,000			PCOMT.105	0	139,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120		STIMT.120	38,000			PCOMT.120	10,000	104,000
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	0	200,000	30.7079			E40.3-00		0
Packer, Nipples					STIMT.400	28,000		350000	PCOMT.400	0	28,000
SHORT ORDERS							CONT.380	11,253			11,253
PUMPS WALKOVERS							CONT.385	26,362			26,362
Downhole Lift Equipment					STIMT.410	00.000	CONT.390	6,430	DCOMT 415		6,430
Surface Equipment					31IM1.410	80,000			PCOMT.410 PCOMT.420	15,000	80,000
Well Automation Materials									PCOMT.420 PCOMT.455	15,000 5,000	15,000 5,000
N/C Lease Equipment							CONT.400	279,861	- COM1.433	3,000	279,861
Tanks, Tanks Steps, Stairs							CONT.400	279,861			2/3,001
Battery Equipment							CONT.410	229,386			229,386
Secondary Containments							CONT.415	12,859			12,859
Overhead Power Distribution							CONT.420	10,288			10,288
Facility Electrical							CONT.425	48,224	- 1		48,224
Telecommunication Equipment							CONT.426	0			0
Meters and Metering Equipment							CONT.445	42,758			42,758
Facility Line Pipe							CONT.450	28,935			28,935
Lease Automation Materials							CONT.455	36,972			36,972
FL/GL - Materials							CONT.550	26,684			26,684
FL/GL - Line Pipe							CONT.555	80,052			80,052
SWD/Other - Materials							CONT.650	0			0
SWD/Other - Line Pipe							CONT.655	0			0
Total Tangible Cost		393,000		810,000		285,000		840,065		30,000	2,358,065
Total Estimated Cost		2,868,500		1,116,000		3,744,000		1,480,000		220,354	9,428,854



**COTERRA** Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

Description		BCP	- Drilling	P. I	ACP - Drilling	April 16	Comp	/Stim	America
	Codes		Amount 20,000			Amount	Codes STIM.100	CON.100	Amoun 3,000
Roads & Location	DIDC.100						511M.100	CON.100	3,000
Damages	DIDC.105		16,500				STIM.255		51,000
Mud/Fluids Disposal	DIDC.115	D(CC 120		DICC.120		96,000	311WL233		31,000
Day Rate Misc Preparation	DIDC.113	DICC.120	30,000	S. Der Lee L. Colon		90,000			
Bits		DICC.125		DICC.125	STIM 125	0	STIM.125		
Fuel		DICC.130		DICC.130	31141.123	0	Jim. iLS		
Water for Drilling Rig (Not Frac	DIDC.140	And the second s	1,000	DICC.135	STIM 135	0	STIM.135		20,000
Mud & Additives	DIDC.145	5,44,134	300,000		211111123				3,000
SWD PIPED TO 3RD PARTY SWD	E18-611/14								
Surface Rentals	DIDC.150	DICC.140	97,000	DICC.140	STIM.140	0	STIM.140	CON.140	137,000
Downhole Rentals	DIDC.155		131,000				STIM.145	32.2.7	35,000
Flowback Labor							STIM.141		0
Automation Labor									
Mud Logging	DIDC.170		5,000						
IPC & EXTERNAL PAINTING									
Cementing & Float Equipment	DIDC.185	DICC.155	70,000	DICC.155		140,000			
Tubular Inspections	DIDC.190	DICC.160	38,000	DICC.160	STIM.160	8,000	STIM.160		4,000
Casing Crews	DIDC.195	DICC.165	15,000	DICC.165	STIM.165	13,000	STIM.165	1	0
Mechanical Labor	DIDC.200	DICC.170	20,000	DICC.170	STIM.170	3,000	STIM.170	CON.170	0
Trucking/Transportation	DIDC.205	DICC.175	30,000	DICC.175	STIM.175	8,000	STIM.175	CON.175	4,000
Supervision		DICC.180	81,000	DICC.180	STIM.180	13,000	STIM.180	CON 180	47,000
Trailer House/Camp/Catering	I was a second	DICC.255		DICC.255		5,000	STIM.280	la	31,000
Other Misc Expenses		DICC.190	5,000		STIM.190	0	STIM.190	CON.190	85,000
Overhead		DICC.195		DICC.195		5,000			
MOB/DEMOB	DIDC.240		115,000						
Directional Drilling Services	DIDC.245		307,000						
Solids Control	DIDC.260	5,550,50	46,000	100 A C 400	A Second				0.00
Well Control Equip (Snubbing	DIDC.265	DICC.240	84,000	DICC.240	STIM.240	0	STIM.240		64,000
Completion Rig							STIM.115		21,000
Coil Tubing Services							STIM.260		0
Completion							STIM.200		257,000
Composite Plugs							STIM.390		39,000
Stimulation							STIM.210		2,245,000
Stimulation Water/Water							STIM.395		191,000
Cimarex Owned Frac/Rental	D. D. C. C. C.		721222				STIM.305		60,000
Legal/Regulatory/Curative	DIDC.300		10,000						
Well Control Insurance	DIDC 285		7,000						
Major Construction Overhead FL/GL - ON PAD LABOR									
FL/GL - Labor									
FL/GL - Supervision									
Survey									
SWD/Other - Labor									
SWD/Other - Supervision									
Aid In Construct/3rd Party Connect									
Contingency	DIDC.435	DICC 220	118.000	DICC.220	STIM 220	15,000	STIM.220	CON 220	165,000
Contingency	210,0100		110,000	Discussion	STITLLEG	15,000	SIMILLO	CONTELO	103,000
Total Intangible Cos			2,475,500			306,000			3,459,000
Conductor Pipe	DWEB.130		0			300,000			3,433,000
Water String	DWEB.135		104,000						
Surface Casing	DWEB.140		251,000						
Intermediate Casing 1	DWEB.145		0						
Production Casing or Liner	7			DWEA.100		792,000			
Tubing						1	STIMT, 105		139,000
Wellhead, Tree, Chokes	DWEB.115	DWEA.120	38,000	DWEA.120	STIMT.120	18,000	STIMT.120		38,000
Liner Hanger, Isolation Packer	DWEB.100	DWEA.125	0	DWEA.125		0			1,000,00
Packer, Nipples							STIMT.400		28,000
SHORT ORDERS									1
PUMPS									
WALKOVERS									
Downhole Lift Equipment							STIMT.410		80,000
Surface Equipment									
Well Automation Materials									
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs									
Battery Equipment									
Secondary Containments									
Overhead Power Distribution									
Facility Electrical									
Telecommunication Equipment									
Meters and Metering Equipment									
Facility Line Pipe									
Lease Automation Materials									
FL/GL - Materials									
FL/GL - Materials									
SWD/Other - Materials									
SWD/Other - Line Pipe			300			-			
Total Tangible Cost Total Estimated Cost			393,000			810,000			285,000
		2	,868,500			1,116,000			3,744,000



**COTERRA** Authorization For Expenditure - Loosey Goosey 4-9 Fed Com 304H

Description  Codes Roads & Location  Con-100  Damages  Mul/Fluids Disposal Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac Water) Mul & Additives SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Flowback Labor Automation Labor  Con-140 Downhole Rentals Flowback Labor Automation Labor  Gementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor  Con-170 Ceneriting & Float Equipment Tubular Inspections Casing Crews Mechanical Labor  Trucking/Transportation Supervision Con-180 Trailer House/Camp/Catering Other Misc Expenses  Con-190 Overhead MOB/DEMOB Directional Drilling Services Solidis Control Well Control Equip (Snubbing Services) Completion flig Composite Plugs Stimulation Stimulation Water/Water Transfer/Water Composite Plugs Stimulation Water/Water Transfer/Water Composite Plugs Stimulation Overhead Legal/Regulatory/Curative Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Con-190 Vell Control Insurance Major Construction Overhead Con-190 Vell Control Insurance Major Construction Overhead Con-190 Con-	ction Equip	- 22,00	Post Completion	1	Total
Damages Mud/Fluids Disposal Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac Water) Mud & Additives WATER for Drilling Rig (Not Frac Water) Mud & Additives WATER for Drilling Rig (Not Frac Water) Mud & Additives WATER for Drilling Rig (Not Frac Water) Mud & Additives WATER for Drilling Rig (Not Frac Water) Mud & Additives WATER for Drilling Rig (Not Frac Water) Mud & Downhole Rentals Flowback Labor Automation Labor Mud Logging Flow & ExterNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Con.170 Trucking/Transportation Con.175 Supervision Con.180 Trailer House/Camp/Catering Other Misc Expenses Overhead MoB/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coli Tubing Services Well Control Equip (Snubbing Services) Completion Rig Coli Tubing Services Completion Rig Coli Tubing Services Completion Rig Coli Tubing Services Completion Rig Coll Tubing Services Conductor Right Ri	Amount	Codes		Amount	Co
Mud/Fluids Disposal Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac Water) Mud & Additives SWD PIPEO TO 3RD PARTY SWD WELL Surface Rentals Flowback Labor Automation Labo Downhole Rentals Flowback Labor Automation Labo Mud Logging IPC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Machanical Labor Trucking/Transportation Supervision Con.150 Own.190 Overhead MoB/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coll Tubing Services Completion Rig Coll Tubing Services Stimulation Stimulation Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Con.305 EL/GL - ON PAD LABOR FL/GL - Labor Con.505 SUPCY FL/GL - Labor Con.505 SUPCY SUPCY/Other - Supervision Con.605 SWD/Other - Labor SWD/Other - Supervision Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Unitermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Unitermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Unitermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Unitermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Unitermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Unitermediate Casing 1 Production Casing or Con.1380 CON.1390 Downhole Lit Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment CON.1410 Con.1420 Con.1430 Con.1430 Con.1430 Con.1430 Con.1430 Con.1430 Con.1430 Con.1430 Con.1430	44,205	PCOM.100	Repair any roads post D&C	3,000	70,20
Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac Water) Mid & Additives SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Downhole Rentals Flowback Labor Automation Labor Auto	3215				19,71
Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac Water) Mud & Additives SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Downhole Rentals Flowback Labor Automation Labor Automation Labor Mud Logging PEC & EXTERNAL PAINTING Con.165 Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Con.176 Trucking/Transportation Supervision Con.180 Trailer House/Camp/Catering Other Misc Expenses Ooverhead MOB/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Stimulation Stimulation Water/Water Transfer/Water Climares Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Con.305 EL/GL - ON PAD LABOR EL/GL - Supervision Con.505 Survey Con.515 Survey Con.515 SurVey Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SUALKOVERS Downhole Lift Equipment Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Well Loguing Materials Wall Loguingment Well Automation Materials NUC Lesse Equipment Surface Equipment Well Automation Materials NUC Lesse Equipment Surface Equipment Well Automation Materials NUC Lesse Equipment Con.1415 Con.1426 Cheters and Materials Ooverhead Power Distribution Con.1425 Celectem united Surface Con.1425 Celectem united Surface Con.1425 Celectem united Surface Con.1435 Con.1450 Celected Surface Con.1455 Celectem united Surface Surface Con.1455 Celectem		PCOM.255		0	251,00
Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac Water) Mud & Additives SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Downhole Rentals Flowback Labor Automation Labor Automation Labor Mud Logging PC & EXTERNAL PAINTING Comenting & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Con.176 Trucking/Transportation Con.176 Trucking/Transportation Con.180 Trailer House/Camp/Catering Other Misc Expenses Ooverhead MOB/DEMOB Directional Drilling Services Solidis Control Well Control Equip (Snubbing Services) Completion Rig Coil Tubing Services Completion Rig Coil Tubing Services Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Stimulation Stimulation Stimulation Water/Water Transfer/Water Climares Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Con.305 EL/GL - On PAD LABOR EL/GL - Supervision Con.505 Survey Con.515 Survey Con.515 Survey Con.515 Survey Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Well Round Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Well Round Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Surface Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment Con.1.415 Con.1.426 Con.1.436 Con.1.		1			564,00
Bits Fuel Water for Drilling Rig (Not Frac Water) Mud & Additives SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Flowback Labor Automation Labor Mud Logging IPC & EXTERNAL PAINTING Comenting & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Con.170 Trucking/Transportation Supervision Trailer House/Camp/Catering Other Misc Expenses Overhead MOB/DEMOB Directional Drilling Services Solids Control Well Control Equip (Shubbing Services) Completion Rig Coil Tubing Services Construction Overhead Conyolo Control Insurance Major Construction Overhead Conyolo Converted Conyolo Converted Conyolo Conyolo Conyolo Converted Conyolo C		1			30,00
Fuel Water for Drilling Rig (Not Frac Water) Mud & Additives SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Flowback Labor Automation Labor Mud Logging PIPC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Supervision Con.175 Supervision Con.180 Trailer House/Camp/Catering Other Misc Expenses Overhead MOB/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Con.305 FL/GL - On PAD LABOR Con.505 Survey Con.505 Survey Con.505 Survey Con.505 Survey Con.505 Survey Con.505 Survey Con.506 Aid in Construct/3rd Party Connect Con.701 Contingency Contingency Contingency Contolers Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Well Ranger, Isolation Packer Packer, Nipples SHORT ORDERS Downhole Lift Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment Contans, Tanks Steps, Stairs Con.7405 Contans, Tanks Steps, Stairs Con.7405 Contans, Tanks Steps, Stairs Con.7405 Canductor Pipe WalkAcovers Downhole Lift Equipment Surface Equipment Con.7405 Contans, Tanks Steps, Stairs Con.7406 Con.7426 Contans and Metering Equipment Con.7426 Con.7426 Con.7436		PCOM.125		0	97,00
Water for Drilling Rig (Not Frac Water) Mud & Additives SWD PIPED TO SRD PARTY SWD WELL Surface Rentals CON.140 Downhole Rentals Flowback Labor Automation Labor Mud Logging PIPC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor CON.170 Trucking/Transportation Supervision Con.175 Supervision Con.180 Trailer House/Camp/Catering Other Misc Expenses Overhead MoB/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coil Tubing Services Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead CON.505 FL/GL - ON PAD LABOR CON.505 FL/GL - Labor FL/GL - Supervision Survey CON.515 SWD/Other - Labor SWW/Other - Labor SWW/Other - Labor SWW/Other - Supervision Aid in Construct/3rd Party Connect Contingency Contingency Contingency Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 Downhole Lift Equipment Surface Equipment Well Automation Materials NC Lease Equipment Cont.140 Cont.20 Cont.390 Downhole Lift Equipment Surface Equipment Cont.400 Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Cont.425 Cecendary Containments CONT.410 Cont.426 Cont.425 Cecendary Cont.435 Cont.435 Cont.435 Cont.435 Cont.435 Cont.435 Cont.435 Cont.435 Cont.435 Cont.436 Cont.435 Cont.436 Cont.435 Cont.436 Cont.435 Cont.436 Cont.435 Cont.436 Cont.435 Cont.436 Cont.435 Cont.435 Cont.435 Cont.436 Cont.435 Cont.436 Cont.435 Cont.436 Cont.435 Cont.435 Cont.435 Cont.436 Cont.435 Cont.435 Cont.435 Cont.435 Cont.436 Cont		PCOM.130		0	119,00
Mud & Additives SVD PIPED TO 3RD PARTY SWD WELL Surface Rentals Downhole Rentals Flowback Labor Automation Labor Mud Logging IPC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Con.175 Supervision Con.180 Trailer House/Camp/Catering Other Misc Expenses Overhead MOS/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coll Tubing Services Completion Rig Completion Rig Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Con.305 EL/GL - Labor Con.500 EL/GL - Supervision Survey Con.500 SWD/Other - Labor SWD/Other - Supervision Aid in Construct/3rd Party Connect Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORI ORDERS CONT.385 CONT.390 Downhole Lift Equipment Surface Equipment Surface Equipment Surface Equipment Surface Equipment Cont.400 Tanks, Tanks Steps, Stairs Conductor Pipe Well Automation Materials N/C Lease Equipment Cont.405 Survey Cont.390 Downhole Lift Equipment Surface Equipment Cont.405 Cont.		PCOM. 130		0	25,00
SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Flowback Labor Automation Labor Mud Logging Floe & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Automation Labor Model Rentals Flow & External Painting Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Supervision Con.175 Supervision Con.180 Trucking/Transportation Supervision Solids Control Well Control Equip (Shubbing Services) Completion Rig Coil Tubing Services Solids Control Well Control Equip (Shubbing Services) Completion Rig Coil Tubing Services Construction Overhead Equipment Con.305 El/Ci - On Apa DaBor Con.305 El/Ci - Supervision Con.505 Survey Con.515 Survey Con.516 Con.605 SwD/Other - Labor Con.600 SwD/Other - Supervision Con.605 SwD/Other - Labor Con.600 SwD/Other - Supervision Con.605 SwD/Other - Supervision Con.605 SwD/Other - Supervision Con.605 SwD/Other - Supervision Con.605 SwD/Other - Labor Con.600 SwD/Other - Supervision Con.605 SwD/Other - Supervision Con.605 SwD/Other - Labor Con.600 SwD/Other - Supervision		PCOM. 135		Ų	300,00
Surface Rentals Downhole Rentals Flowback Labor Automation Labor Automation Labor CON.150 Mud Logging PIC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Supervision CON.170 Trucking/Transportation Supervision CON.180 Trailer House/Camp/Catering Other Misc Expenses CON.190 Overhead MOB/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coil Tubing Services Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead FL/GL - Labor FL/GL - Supervision Survey CON.505 Survey CON.505 Survey CON.505 Survey CON.505 Survey CON.505 Survey CON.505 Survey CON.506 SWD/Other - Supervision Aid in Construct/3rd Party Connect Contingency Contingency Total Intangible Cost Conductor Pipe Wellead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 Downhole Lift Equipment Surface Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 Downhole Lift Equipment Surface Equipment Contrales Surface Casing 1 Contrales Surface Casing 1 Contrales SHORT ORDERS CONT.380 CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Contrales Secondary Containments CONT.410 Secondary Containments CONT.410 Contrales Contr			and the second second	07351	
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Flowback Labor Automation Labor Mud Logging IPC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Supervision Con.175 Supervision Con.175 Supervision Con.180 Trailer House/Camp/Catering Other Misc Expenses Overhead MoS/DEMOB Directional Drilling Services Solids Control Well Control Equip (Shubbing Services) Completion Rig Coil Tubing Services Construct/Solution Construct/So	6,912		Iron. XEC Own 5K. No 10K. \$1,100 per day	60,000	300,91
Automation Labor Mud Logging PIC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Supervision Con.170 Trucking/Transportation Supervision Con.170 Truiler House/Camp/Catering Other Misc Expenses Con.190 Overhead Moß/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coil Tubing Services Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Con.305 FL/GL - On PAD LABOR FL/GL - Supervision Con.505 Survey Con.515 SWD/Other - Labor SWD/Other - Supervision Aid in Construct/3rd Party Connect Con.701 Contingency Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Well Automation Materials N/C Lease Equipment Cont.405 Sattry Equipment Cont.405 Cont.405 Sattry Equipment Cont.415 Coverhead Power Distribution Secondary Containments Cont.425 Cont.425 Celler Hangel Cont.435 Cont.435 Cont.435 Cont.435 Cont.435 Cont.436 Cont.436 Cont.435 Cont.435 Cont.435 Cont.436 Cont.435 Cont.436 Con		PCOM.145		0	166,00
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IPC & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Supervision Con.170 Trucking/Transportation Supervision Con.180 Trailer House/Camp/Catering Other Misc Expenses CON.190 Overhead MOS/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coil Tubing Services Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead EL/GL - ON PAD LABOR EL/GL - ON PAD LABOR EL/GL - Supervision Survey SUMD/Other - Labor SWD/Other - Labor SWD/Other - Supervision Aid in Construct/3rd Party Connect Contingency Contingency Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Well Automation Materials N/C Lease Equipment Cont.420 Cont.420 Cont.425 Celectory Total Interned Cont.425 Cond.425 Cond.425 Cond.425 Cond.425 Cont.426 Cont.426 Cont.426 Cont.425 Cont.435 Cont.436 Cont.43	45,010	PCOM.150	1	5,000	50,01
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Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Rig Coil Tubing Services Completion Logging/Perforating/Wireline Composite Plugs Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead CON.300 Well Control Insurance Major Construction Overhead CON.500 FL/GL - ON PAD LABOR CON.500 FL/GL - Supervision CON.500 FL/GL - Supervision CON.501 Survey CON.505 Survey CON.505 Survey CON.505 Survey CON.505 Survey CON.505 Aid In Construct/3rd Party Connect CON.701 Contingency Contingency Con.220 Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 Downhole Lift Equipment Surface Equipment Well Automation Materials Nu/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.405 Battery Equipment CONT.410 Secondary Containments CONT.420 Facility Lifectrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Lease Automation Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550					10,000
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Composite Plugs Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Wall Control Insurance Major Construction Overhead FL/GL - ON PAD LABOR FL/GL - ON PAD LABOR FL/GL - Supervision CON.505 Survey CON.505 Survey CON.515 SWD/Other - Labor SWD/Other - Supervision CON.600 SWD/Other - Supervision Aid In Construct/3rd Party Connect Contingency CON.220 Contingency Contingency Con.220 Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS PUMPS CONT.385 SHORT ORDERS CONT.380 PUMPS CONT.385 CONT.380 PUMPS CONT.385 CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.410 Secondary Containments CONT.425 Facility Electrical CONT.425 Facility Line Pipe CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550		W. W. C. C. C. C. C. C.			257000
Stimulation Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control insurance Major Construction Overhead FL/GL - ON PAD LABOR FL/GL - Labor FL/GL - Supervision SWD/Other - Labor SWD/Other - Supervision Aid in Construct/3rd Party Connect Contingency Contingency Contingency Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.385 PUMPS CONT.385 PUMPS CONT.385 VONLAUGH Well Automation Materials N/C Lease Equipment Well Automation Materials N/C Lease Equipment Surface Equipment Cont.410 Secondary Containments Cont.420 Cont.425 Telecommunication Equipment Cont.426 Meters and Metering Equipment Cont.445 Cease Automation Materials Cont.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550		PCOM.200		0	257,000
Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead FL/GL - ON PAD LABOR FL/GL - Labor FL/GL - Supervision Survey CON.505 Survey CON.515 SWD/Other - Labor SWD/Other - Labor SWD/Other - Supervision Aid In Construct/3rd Party Connect Contingency Contingency Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 Dewnhole Lift Equipment Surface Equipment Well Automation Materials Nu/C Lease Equipment Cont.410 Secondary Containments Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Casing Cont.420 Cont.420 Cont.420 Cont.420 Cont.420 Facility Electrical Cont.425 Telecommunication Equipment Cont.450 Lease Automation Materials Cont.455 FL/GL - Materials Cont.550		PCOM.390		0	39,000
Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead FL/GL - On PAD LABOR FL/GL - Supervision CON.505 FL/GL - Supervision CON.505 Survey CON.515 SWD/Other - Labor SWD/Other - Supervision Aid In Construct/3rd Party Connect CON.600 SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.200 Contingency CON.220 Contingency CON.221 Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.380 Downhole Lift Equipment Surface Equipment Well Automation Materials NV/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Lease Automation Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550		PCOM.210		0	2,245,000
Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead FL/GL - On PAD LABOR FL/GL - Supervision Survey CON.505 Survey CON.515 SWD/Other - Labor SWD/Other - Supervision CON.600 SWD/Other - Supervision Aid In Construct/3rd Party Connect Contingency Con.220 Contingency Con.221  Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.385 PUMPS CONT.385 CONT.380 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Cont.400 Tanks, Tanks Steps, Stairs Cont.410 Secondary Containments Cont.420 Facility Lifectrical Cont.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550			Į.		191,000
Well Control Insurance Major Construction Overhead FL/GL - ON PAD LABOR FL/GL - Supervision SWD/Other - Labor SWD/Other - Supervision CON.505 SWD/Other - Supervision CON.505 SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.701 Contingency CON.220 Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 VMALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Well Automation Materials N/C Lease Equipment CONT.410 Secondary Containments CONT.410 Secondary Containments Coverhead Power Distribution Cont.420 Facility, Electrical Cont.455 Fel-GL - Materials CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 Fel-GL - Materials CONT.455 Fel-GL - Materials CONT.455 Fel-GL - Materials CONT.455 Fel-GL - Materials CONT.550		PCOM.305		0	60,000
Well Control Insurance Major Construction Overhead CON.305 FL/GL - ON PAD LABOR FL/GL - Labor FL/GL - Supervision CON.505 Survey CON.515 SWD/Other - Labor SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.701 Contingency CON.220 Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.385 PUMPS CONT.385 PUMPS CONT.385 CONT.380 PUMPS CONT.385 CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Well Automation Materials N/C Lease Equipment CONT.410 Secondary Containments CONT.425 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Facility Line Pipe CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550	0				10,000
Major Construction Overhead FL/GL - ON PAD LABOR FL/GL - Labor FL/GL - Supenvision Survey CON.505 Survey CON.505 Survey CON.515 SWD/Other - Labor SWD/Other - Supervision Aid In Construct/3rd Party Connect CON.600 SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.701 Contingency CON.220 Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS WALKOVERS CONT.380 Downhole Lift Equipment Surface Equipment Well Automation Materials Nu/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs Battery Equipment CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Facility Line Pipe CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550			1		7,000
FL/GL - ON PAD LABOR FL/GL - Labor CON.500 FL/GL - Supervision CON.500 Survey CON.515 SWD/Other - Labor CON.600 SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.701 Contingency CON.200 Contingency CON.220 Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 Downhole Lift Equipment Surface Equipment Well Automation Materials NV/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs Downhole Lift Equipment Surface Equipment CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Lease Automation Materials CONT.450 Lease Automation Materials CONT.450 Lease Automation Equipment CONT.450 Lease Automation Materials CONT.550	0				0
FL/GL - Labor FL/GL - Supervision CON.505 Survey CON.515 SWD/Other - Labor SWD/Other - Supervision Aid In Construct/3rd Party Connect CON.605 Aid In Construct/3rd Party Connect CON.220 Contingency CON.221  Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 CONT.385 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.405 Battery Equipment Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Lease Automation Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550	33,114				33,114
FL/GL - Supervision  Survey  SUP/Other - Labor  SWD/Other - Supervision  Aid In Construct/3rd Party Connect  CON.605  Aid In Construct/3rd Party Connect  CON.200  Contingency  Contingency  Total Intangible Cost  Conductor Pipe  Water String  Surface Casing  Intermediate Casing 1  Production Casing or Liner  Tubing  Wellhead, Tree, Chokes  Liner Hanger, Isolation Packer  Packer, Nipples  SHORT ORDERS  CONT.380  PUMPS  CONT.385  VALKOVERS  Downhole Lift Equipment  Surface Equipment  Well Automation Materials  N/C Lease Equipment  Well Automation Materials  N/C Lease Equipment  CONT.400  Tanks, Tanks Steps, Stairs  CONT.405  Battery Equipment  CONT.410  Secondary Containments  Coverhead Power Distribution  Cont.420  Facility, Electrical  Cont.425  Telecommunication Equipment  Cont.445  Lease Automation Materials  CONT.450  Lease Automation Materials  CONT.455  FL/GL - Materials  CONT.550	113,970				113,970
Survey CON.515 SWD/Other - Labor CON.600 SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.701 Contingency CON.220 Contingency CON.221  Total Intangible Cost  Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.426 Meters and Metering Equipment CONT.445 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550		1			12,056
SWD/Other - Labor CON.600 SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.701 Contingency CON.220 Contingency CON.221  Total Intangible Cost  Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 SHORT ORDERS CONT.380 Dewnhole Lift Equipment Surface Equipment Well Automation Materials NVC Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550	12,056				
SWD/Other - Supervision CON.605 Aid In Construct/3rd Party Connect CON.701 Contingency CON.220 Contingency CON.221  Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.380 Downhole Lift Equipment Surface Equipment Well Automation Materials NVC Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.405 Battery Equipment CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.445 Meters and Metering Equipment CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	6590				6,590
Aid In Construct/3rd Party Connect Contingency Contingency Contingency Contingency Total Intangible Cost  Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 PUMPS CONT.385 CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Well Automation Materials N/C Lease Equipment CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550	0				C
Contingency Contingency Contingency Total Intangible Cost  Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.385 WALKOVERS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.425 Facility Electrical CONT.426 Meters and Metering Equipment Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.455 FL/GL - Materials CONT.550	0				0
Contingency Total Intangible Cost  Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials NVC Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Lease Automation Materials CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	0				0
Total Intangible Cost  Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.385 Downhole Lift Equipment Surface Equipment Well Automation Materials NVC Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.405 Battery Equipment Secondary Containments CONT.410 Secondary Containments CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.455 Facility Line Pipe CONT.455 FL/GL - Materials CONT.550	106,737			1	404,737
Conductor Pipe Water String Water String Intermediate Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 CONT.385 WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.415 Coverhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	30,381				30,381
Conductor Pipe Water String Water String Intermediate Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 CONT.385 WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.415 Coverhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	639,935			190,354	7,070,789
Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.385 WALKOVERS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs Sattery Equipment CONT.410 Secondary Containments CONT.410 Secondary Containments Cont.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Lease Automation Materials CONT.455 Lease Automation Materials CONT.455 Lease Automation Materials CONT.455 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550					0
Surface Casing Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.445 Eacility Line Pipe CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550					104,000
Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials NVC Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.410 Facility Electrical CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550					251,000
Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550					
Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.425 Teality, Electrical Telecommunication Equipment CONT.425 Telecommunication Equipment CONT.445 Lease Automation Materials CONT.455 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550					707.000
Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs Sattery Equipment CONT.410 Secondary Containments CONT.410 Overhead Power Distribution CONT.420 Facility Electrical Telecommunication Equipment CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.455 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550					792,000
Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKOVERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550		PCOMT.105		0	139,000
Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385 WALKGUERS CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.450 Lease Automation Materials CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550		PCOMT.120	Replace worn chokes and valves during FB	10,000	104,000
SHORT ORDERS CONT.380 PUMPS CONT.385 CONT.385 CONT.385 CONT.390 Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.405 Battery Equipment CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.445 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550					0
PUMPS CONT.385  WALKOVERS CONT.390  Downhole Lift Equipment  Surface Equipment  Well Automation Materials  N/C Lease Equipment CONT.400  Tanks, Tanks Steps, Stairs CONT.405  Battery Equipment CONT.410  Secondary Containments CONT.415  Overhead Power Distribution CONT.420  Facility Electrical CONT.425  Telecommunication Equipment CONT.425  Meters and Metering Equipment CONT.445  Facility Line Pipe CONT.450  Lease Automation Materials CONT.455  FL/GL - Materials CONT.550		PCOMT.400		0	28,000
PUMPS CONT.385  WALKOVERS CONT.390  Downhole Lift Equipment  Surface Equipment  Well Automation Materials  N/C Lease Equipment CONT.400  Tanks, Tanks Steps, Stairs CONT.405  Battery Equipment CONT.410  Secondary Containments CONT.415  Overhead Power Distribution CONT.420  Facility Electrical CONT.425  Telecommunication Equipment CONT.425  Meters and Metering Equipment CONT.445  Facility Line Pipe CONT.450  Lease Automation Materials CONT.455  FL/GL - Materials CONT.550	11,253				11,253
WALKOVERS CONT.390  Downhole Lift Equipment  Surface Equipment  Well Automation Materials  N/C Lease Equipment  CONT.400  Tanks, Tanks Steps, Stairs  CONT.410  Secondary Containments  CONT.415  Overhead Power Distribution  CONT.420  Facility Electrical  CONT.425  Telecommunication Equipment  CONT.426  Meters and Metering Equipment  CONT.445  Facility Line Pipe  CONT.450  Lease Automation Materials  CONT.455  FL/GL - Materials  CONT.550	26,362				26,362
Downhole Lift Equipment Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs CONT.400 Tanks, Tanks Steps, Stairs CONT.410 Secondary Containments CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	6,430				6,430
Surface Equipment Well Automation Materials N/C Lease Equipment Tanks, Tanks Steps, Stairs CONT.400 Tanks, Tanks Steps, Stairs CONT.405 Battery Equipment CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	0,430	PCOMT.410		0	80,000
Well Automation Materials  N/C Lease Equipment  CONT.400  Tanks, Tanks Steps, Stairs  CONT.405  Sattery Equipment  Secondary Containments  CONT.410  Secondary Containments  CONT.415  Overhead Power Distribution  CONT.420  Facility Electrical  Telecommunication Equipment  Meters and Metering Equipment  CONT.425  Facility Line Pipe  CONT.450  Lease Automation Materials  CONT.455  FL/GL - Materials  CONT.550		PCOMT.420		15,000	15,000
N/C Lease Equipment CONT.400 Tanks, Tanks Steps, Stairs CONT.405 Battery Equipment CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550				5,000	5,000
Tanks, Tanks Steps, Stairs Battery Equipment CONT.410 Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	44.00	PCOMT.455	PTs, and replacing meters	3,000	
Battery Equipment CONT.410  Secondary Containments CONT.415  Overhead Power Distribution CONT.420  Facility Electrical CONT.425  Telecommunication Equipment CONT.426  Meters and Metering Equipment CONT.445  Facility Line Pipe CONT.450  Lease Automation Materials CONT.455  FL/GL - Materials CONT.550	279,861				279,861
Secondary Containments CONT.415 Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.550 FL/GL - Materials CONT.550	0				0
Overhead Power Distribution CONT.420 Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	229,386				229,386
Facility Electrical CONT.425 Telecommunication Equipment CONT.426 Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	12,859				12,859
Telecommunication Equipment CONT.426  Meters and Metering Equipment CONT.445  Facility Line Pipe CONT.450  Lease Automation Materials CONT.455  FL/GL - Materials CONT.550	10,288				10,288
Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	48,224				48,224
Meters and Metering Equipment CONT.445 Facility Line Pipe CONT.450 Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	0				(
Facility Line Pipe CONT.450  Lease Automation Materials CONT.455  FL/GL - Materials CONT.550	42,758				42,758
Lease Automation Materials CONT.455 FL/GL - Materials CONT.550	28,935				28,935
FL/GL - Materials CONT.550					36,972
	36,972				
hi // - Lina Dina	26,684				26,684
The state of the s	80,052				80,052
SWD/Other - Materials CONT.650	0				C
SWD/Other - Line Pipe CONT.655	0				(
Total Tangible Cost	840,065			30,000	2,358,065

# A.A.P.L. FORM 610 - 1989

# MODEL FORM OPERATING AGREEMENT

I	DATED			
August	15	2022 ,		
OPERATOR Cimarex Energy Co.				
CONTRACT AREA All Section 4 and Se	ection 9, To	wnship 20	South, Ran	ge 34 East
COUNTY OR PARISH OF Lea			, STATE OF	New Mexico

OPERATING AGREEMENT

**LOOSEY GOOSEY 4-9 FED COM WELLS** 

COPYRIGHT 1989 - ALL RIGHTS RESERVED AMERICAN ASSOCIATION OF PETROLEUM LANDMEN, 4100 FOSSIL CREEK BLVD. FORT WORTH, TEXAS, 76137, APPROVED FORM.

A.A.P.L. NO. 610 – 1989

COPAS 2005 Accounting Procedure Recommended by COPAS, Inc.

- · human resources
- · management

A.

- supervision not directly charged under Section II.2 (Labor)
- legal services not directly chargeable under Section II.9 (Legal Expense)
- taxation, other than those costs identified as directly chargeable under Section II.10 (Taxes and Permits)
- preparation and monitoring of permits and certifications; preparing regulatory reports; appearances before or meetings with governmental agencies or other authorities having jurisdiction over the Joint Property, other than On-site inspections; reviewing, interpreting, or submitting comments on or lobbying with respect to Laws or proposed Laws.

Overhead charges shall include the salaries or wages plus applicable payroll burdens, benefits, and Personal Expenses of personnel performing overhead functions, as well as office and other related expenses of overhead functions.

### OVERHEAD—DRILLING AND PRODUCING OPERATIONS

As compensatio	n for costs	incurred	but not	chargeable	under	Section	II (Direct	Charges)	and n	ot cove	red by	other	provisions	of thi
Section III, the C	Operator sha	all charge	on either	r:										

<b>☑</b>	(Alternative 1) Fixed Rate Basis, Section III.1.B. (Alternative 2) Percentage Basis, Section III.1.C.
TEC	CHNICAL SERVICES
(i)	Except as otherwise provided in Section II.13 ( <i>Ecological Environmental, and Safety</i> ) and Section III.2 ( <i>Overhead – Major Construction and Catastrophe</i> ), or by approval of the Parties pursuant to Section I.6.A ( <i>General Matters</i> ), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for <b>On-site</b> Technical Services, including third party Technical Services:

☑ (Alternative 1 – Direct) shall be charged <u>direct</u> to the Joint Account.  $\square$  (Alternative 2 – Overhead) shall be covered by the <u>overhead</u> rates.

(ii) Except as otherwise provided in Section II.13 (Ecological, Environmental, and Safety) and Section III.2 (Overhead - Major Construction and Catastrophe), or by approval of the Parties pursuant to Section I.6.A (General Matters), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for Off-site Technical Services, including third party Technical Services:

	(Alternative 1 – All Overhead) shall be covered by the <u>overhead</u> rates.
☑	(Alternative 2 – All Direct) shall be charged <u>direct</u> to the Joint Account.

(Alternative 3 – Drilling Direct) shall be charged direct to the Joint Account, only to the extent such Technical Services are directly attributable to drilling, redrilling, deepening, or sidetracking operations, through completion, temporary abandonment, or abandonment if a dry hole. Off-site Technical Services for all other operations, including workover, recompletion, abandonment of producing wells, and the construction or expansion of fixed assets not covered by Section III.2 (Overhead - Major Construction and Catastrophe) shall be covered by the overhead rates.

Notwithstanding anything to the contrary in this Section III, Technical Services provided by Operator's Affiliates are subject to limitations set forth in Section II.7 (Affiliates). Charges for Technical personnel performing non-technical work shall not be governed by this Section III.1.A, but instead governed by other provisions of this Accounting Procedure relating to the type of work being performed.

# B. OVERHEAD—FIXED RATE BASIS

(1) The Operator shall charge the Joint Account at the following rates per well per mont
--

Drilling Well Rate per month \$8,000	0.00	(prorated for less than a full month)
Producing Well Rate per month \$	800.00	_

- (2) Application of Overhead—Drilling Well Rate shall be as follows:
  - (a) Charges for onshore drilling wells shall begin on the spud date and terminate on the date the drilling and/or completion equipment used on the well is released, whichever occurs later. Charges for offshore and inland waters drilling wells shall begin on the date the drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location, or is released, whichever occurs first. No charge shall be made during suspension of drilling and/or completion operations for fifteen (15) or more consecutive calendar days.

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# **Chronology of Contacts with Non-Joined Working Interest Owners**

Sent all Working Interest Owners Well Proposals with a copy of the proposed Operating Agreement. Followed up with emails and phone calls.

# **Read and Stevens-**

10/2021 – Reached out to Harrison Read, Vice President of Land and Business Development for Read and Stevens to have an in-person meeting over the development of the area.

1/24/22 – Reached out to Harrison with no response.

2/18/22-3/31/22 – Received response from Harrison with a few dates, none of which were viable and attempted to reschedule. Meeting never took place.

8/25/22- Elections were sent to Read and Stevens for both developments.

<u>Permian Resources</u>- We were notified Permian Resources had acquired Read and Stevens Inc. and were open to talks.

March 1-7, 2023 – Met with Travis Macha and Skyler Fast from Permian Resources to exchange information on potential trade tracts.

March 15, 2023 – Sent email about separate contested hearing to "trade out of each others way". PR was still evaluating the trade.

April 27, 2023- Sent a follow up Email to Travis Macha, Skyler Fast, Mark Hajdik on trade tracts.

April 28, 2023- Emails exchanged to have a follow up in-person meeting of the minds.

May 18, 2023- Meeting with Bob Heller, Travis Macha and Patrick Godwin from Permian Resources and Dylan Park from Coterra to discuss other potential trade tracts.

May 25, 2023- Call with Travis Macha to discuss next steps on potential trade.

June 1 2023- Emails/discussions with Travis Macha on a potential 3 company trade.

June 6, 2023- Follow up to 3 company trade.

June 20, 2023- Followed up on 3 company trade, decision made to move forward with hearing

# **HOG Partnership**

9/7/22 – Email Discussion about proposals received

9/8/22 – Email discussion about proposals received

### **Challenger Crude (Henry Resources)**

9/27/22 – Discussed election timing and general development plan after receipt of proposals with Kymberly Holman



- 3/23/23 Discussed ownership figures for both developments
- 4/3/23 Confirmed that we received executed Operating Agreements from Challenger and elections back
- 6/16/23- Discussed supplemental Wolfcamp notice that was sent
- 7/10/23 Phone call with Kymberly to update her on hearing moving forward.

### Randall Hudson, Edward Hudson, Javelina Partners, Zorro Partners, William Hudson II (Hudson Group)

- 2/9/22 Email discussion to communicate plans to develop both developments in which the Hudson group owns
- 6/2/22 Updated the Hudson Group of our AFE's and full development of the leasehold
- 8/25/22 Let the groups know that proposals were heading their way
- 10/26/22 Confirmed each entities interest via email to confirm with what ownership they were showing
- 2/7/23 Discussed with Randall and Edward about potential trades that may come of the Permian Resources acquisition and next steps for pooling
- 3/7/23 Provided Randall and Edward with timing of development in order for them to secure a term assignment from Lindy's Living Trust
- 3/22/23 Sent OA's for their files and confirmed they were executed
- 6/26/23 Met with Randall and Edward with Lea Team to discuss fine details of plans and landing zones etc.

### Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

- 2/10/23- Spoke to Brad Ince about a potential Term Assignment and terms for the trust
- 2/14/23- Sent an email to Brad Ince at Frost bank to confirm best time to negotiate and hash out terms of the contract
- 4/17/23 Sent an email with the Term assignment form for redline and review
- 5/18/23 Email exchange to discuss best time for a call
- 5/20/23 Call with Brad to confirm details of the Term assignment
- 6/9/23 Sent changes to form along with Net acre figures to calculate bonus payment
- 6/27/23 Forwarded Staci's information for geologic questions concerning the development

7/10-12/23- Provided Debbie Dorsett with AFE's and other information to get the Term assignment routed.

### Ard Oil LTD.

- 10/19/22-Received email from Reid Marley to discuss Loosey Goosey and Mighty Pheasant proposals and discussed with development plan and path Coterra would be making forward
- 2/27/23- Phone call with Reid to discuss term assignment offer and provided Operating agreements via email
- 7/10/23 Discussed development timing with Reid
- 7/11/23 Reid emailed that he would like to not be considered committed

### **Chase Oil Corporation**

- 9/12/22 Received email from Morgan Buckles confirming receipt of the proposals.
- 9/12/22 Phone call with Morgan Buckles to discuss proposals and plan of development
- 6/7/23 Received email from Morgan Buckles stating that they would like to sign AFE's and move forward with the operator the OCD decides post hearing.

### Wilbanks Reserve Corporation/Marks Oil

- 9/1/22 Phone call with Hannah Frederick confirming receipt of the proposals and request to confirm interest in the contract area
- 9/6/22- Received email from Hannah Frederick following up on working interest figures and sent ownership at the time
- 9/27/22 Email correspondence to set up a phone call to discuss moving forward with title run
- 11/3/22 Discussion of timing for force pooling filing and next steps
- 1/30/23 Discussed Permian Resources development and proposals in the area
- 2/22/23 Reached out to determine if Wilbanks Reserve had signed OA's. Hannah mentioned she would bring this up to upper management and get a decision since there was traction on development
- 7/10/23 Confirmed DOTO figures with Hannah
- 7/11/23 Wilbanks Reserve would like to wait until the Commission has made a decision on operator

### **Union Hill Oil and Gas**

- 3/1/23- Spoke with Robert Buchholz about proposals he received
- 3/1/23 Sent Robert the corresponding Operating agreements for both developments and provided ownership

### Highland Texas Energy Company and Richardson Oil Company

10/11/22- Received elections back from Gary Richardson for the development

3/9/23 – Followed up with Gary to confirm they would like to participate under the OA

3/21/23 – Discussed force pooling matters via email

Moore & Shelton Co. LLP P.O. Box 3070 Galveston, Texas 77552

July 10, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Application of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling in Case Nos. 23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601

To Whom it May Concern:

Moore & Shelton Co. LLP of Galveston, Texas is a working interest owner in Eddy and Lea Counties and has interests in all of sections 4, 5, 8 & 9 of T20S-R34E, Lea County. Moore & Shelton owns interests in over 40 wells in Eddy and Lea Counties.

We have been extremely pleased with Cimarex representing our interests and believe Cimarex has the most and best experience to efficiently develop these properties.

Moore & Shelton Co. LLP therefore supports Cimarex' application and requests that the Division rule in their favor.

Sincerely,
Paul C. More

Paul Moore

Moore & Shelton Co. LLP

General Partner

# JAVELINA PARTNERS & ZORRO PARTNERS LTD

616 TEXAS STREET FORT WORTH, TX 76102 (817) 336-7109

July 7, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and
Compulsory Pooling
Case Nos.
23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597
23598 23599 23600 23601

Ladies and Gentlemen,

Javelina Partners and Zorro Partners LTD are working interest owners in the referenced Applications and Case Nos, which collectively cover all of sections 4, 5, 8 & 9 of T20S – R34E, Lea County ('the Acreage').

There are competing Applications for the Bone Spring and Wolfcamp formations in the referenced Applications and Case Nos.

Javelina Partners and Zorro Partners LTD own interests in approximately 105,000 gross leasehold acres in Eddy & Lea Counties. Over the last 3.5 years, Javelina Partners and Zorro Partners LTD have participated in the drilling of over 130 horizontal Bone Spring and Wolfcamp wells, with seven different operators, in Eddy & Lea Counties.

Cimarex Energy Co. is the Operator of a JOA which covers 75% of the Acreage, and includes the Bone Spring and Wolfcamp formations.

# **JAVELINA PARTNERS & ZORRO PARTNERS LTD**

616 TEXAS STREET FORT WORTH, TX 76102 (817) 336-7109

It is our opinion that Cimarex Energy Co. has accurately analyzed the nature of the geology between the 3<sup>rd</sup> Bone Spring and Upper Wolfcamp and offers a superior plan that develops the total reservoir tank, which includes both the 3<sup>rd</sup> Bone Spring Sand and the Upper Wolfcamp Sands without having to drill additional costly and unnecessary wells, thus, representing the best use of both drilling capital and surface acres in comparison with competing applications.

Javelina Partners and Zorro Partners LTD therefore support Cimarex Energy Co.'s Applications covering the referenced Horizontal Spacing Units and Case Nos in both the Bone Spring and Wolfcamp formations, and respectfully request that the Division rule accordingly.

Sincerely,

Edward Randall Hudson IV

Javelina Partners

Land Manager

William A. Hudson If Zorro Partners LTD Managing Partner

Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling

Case Nos.

23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601

ESTIMATE OF	COSTS AND A	UTHORIZATION F	OR EXPENDITURE

		or Costs AIND NOT	IONIZATION TON EXITEM		
_	2.17.2023			AFE NO.: _	1
WELL NAME: E	Bane 4-9 Federal Com 11	1H		FIELD:	Teas; Bone Spring
LOCATION: S	Section 4, T20S-R34E			MD/TVD:	19,915' / 9,630'
COUNTY/STATE: I	ea County, New Mexico	0		LATERAL LENGTH:	10,000'
Permian WI:	,,,			DRILLING DAYS:	19.6
_	TROC	<del></del>		_	18.6
	BSG	<del></del>		COMPLETION DAYS:	
		well and complete wi	th 44 stages. AFE include	s drilling, completions, f	lowback and Initial AL
REMARKS: in	nstall cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE CO	OSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory	S	52,768		37,500	\$ 90,268
2 Location, Surveys & Damages	;	257,363	16,141	2,500	276,003
4 Freight / Transportation		42,549	39,110	25,000	106,660
5 Rental - Surface Equipment		111,070	192,448	105,000	408,518
6 Rental - Downhole Equipmen	nt	183,520	53,429		236,949
7 Rental - Living Quarters		42,956	48,671	-	91,627
10 Directional Drilling, Surveys	5	383,743	-	•	383,743
11 Drilling		673,443	<u> </u>	•	673,443
12 Drill Bits		89,495	-	•	89,495
13 Fuel & Power		168,789	647,751	•	816,540
14 Cementing & Float Equip		217,354		•	217,354
15 Completion Unit, Swab, CT		·	•	15,000	15,000
16 Perforating, Wireline, Slickli	ine		351,218	•	351,218
17 High Pressure Pump Truck			110,130	-	110,130
18 Completion Unit, Swab, CTI	ע		130,865	•	130,865
20 Mud Circulation System		93,991	<u> </u>	-	93,991
21 Mud Logging		15,660	<del></del>	<u> </u>	15,660
22 Logging/Formation Evaluat	ion	6,495	7,450	-	13,944
23 Mud & Chemicals		323,254	391,463	10,000	724,717
24 Water		38,825	591,078	225,000	854,903
25 Stimulation			727,236	la taranta de la companya de la comp	727,236
26 Stimulation Flowback & Dis	ip		108,640	150,000	258,640
28 Mud/Wastewater Disposal		172,514	54,630	•	227,144
30 Rig Supervision / Engineering		108,273	119,194	21,667	249,134
32 Drlg & Completion Overhea	d	9,312		-	9,312
35 Labor		137,006	62,080	101,667	300,753
54 Proppant			1,121,387	•	1,121,387
95 Insurance		13,096	-	•	13,096
97 Contingency			21,817	3,833	25,650
99 Plugging & Abandonment		<u> </u>			<del></del>
·	TOTAL INTANGIBLES >	3,141,476	4,794,736	<del>69</del> 7,167	8,633,379
		DRILLING	COMPLETION	PRODUCTION	TOTAL
T. N.C.II. F. CO.		COSTS	COSTS	COSTS	COSTS
TANGIBLE COS	515				\$ 109,201
60 Surface Casing	3	109,201			
61 Intermediate Casing		307,574	<del></del>		307,574
62 Drilling Liner			-		
63 Production Casing		613,783			613,783
64 Production Liner		-		110 303	-
65 Tubing		-		140,000	140,000
66 Wellhead		57,908		40,000	97,908
67 Packers, Liner Hangers		13,161		20,000	33,161
68 Tanks				45,833	45,833
69 Production Vessels		-		126,667	126,667
70 Flow Lines		<u>-</u>	<del></del>	66,667	66,667
71 Rod string		<u>-</u>	·		
72 Artificial Lift Equipment			•	90,000	90,000
73 Compressor				5,833	5,833
74 Installation Costs		<u> </u>	<u> </u>		
75 Surface Pumps				61,667	61,667
76 Downhole Pumps			<u> </u>	-	
77 Measurement & Meter Insta				116,667	116,667
78 Gas Conditioning / Dehydra		•		20,000	20.000
79 Interconnecting Facility Pipi	ing			20,000	20,000
80 Gathering / Bulk Lines			<del></del>	100 000	100 202
81 Valves, Dumps, Controllers				108,333	108,333
82 Tank / Facility Containment		<del></del>		43,333	16,667
83 Flare Stack		<u>-</u> _	<del></del>		50,000
84 Electrical/Grounding 85 Communications/SCADA			<del></del>	50,000 36,667	36,667
		<del></del>	<del></del>		853
86 Instrumentation / Safety	mom. 1 m. 110101 Fo.	4 404 608		853	
	TOTAL TANGIBLES >	1,101,627		989,187	2,090,814
	TOTAL COSTS >	4,243,103	4,794,736	1,686,354	10,724,193
	,		<del></del>		
PARED BY Permian Resou	rces Operating, LLC:				
Drilling Engineer	mc .				
Drilling Engineer:	PS				
Completions Engineer:	ML				
Production Engineer:	DC				
nian Resources Operating,	LLC APPROVAL:				
resources Operating					
Co-CEO		Co	-CEO	VP - Ope	rations
-	WH	•	iw		CRM
UD Tand & Lacel		VP - Geosci	,		CKM
VP - Land & Legal _	BG	v i' - Geosci	ences		
	BG		80		
N OPERATING PARTNER	APPROVAL:				
				<del></del>	
Company Name:			Working Interest (%):	1	fax ID:
Signed by:			Date:		
	<u></u> _			<u> </u>	
Title:			Approval: [	Yes	

The costs on this AFE are estimates only and may not be construed as cridings on any specific item or the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In recentling this AFE, the Participant agrees to pay its reconstitutes that not a fair and the second or the sec

<b>ESTIMATE</b>	OF COSTS	AND.	AUTHO	RIZA	TION	FOR	<b>EXPEN</b>	DITU	RE

	ESTIMATE	OF COSTS AND AUTHO	DRIZATION FOR EXPEN	DITURE	
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 1	12H		FIELD:	Teas; Bone Spring
		1211		_	19,895' / 9,610'
LOCATION:	Section 4, T20S-R34E			MD/TVD:_	
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
				_	
GEOLOGIC TARGET:	FBSG			COMPLETION DAYS:	18.6
	Drill a horizontal FBSG	well and complete with	n 44 stages. AFE include	s drilling, completions, fl	owback and Initial AL
REMARKS:	install cost	•	· ·		
REMARKS.	EDULI COST				
					TOT
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory		5 52,768	-	37,500	\$ 90,268
2 Location, Surveys & Dama	ges	257,363	16,141	2,500	276,003
4 Freight/Transportation	•	42,549	39,110	25,000	106,660
5 Rental - Surface Equipmer	ıt	111,070	192,448	105,000	408,518
6 Rental - Downhole Equips		183,520	53,429		236,949
	uem	42,956	48,671		91,627
7 Rental - Living Quarters					383,743
10 Directional Drilling, Surv	eys	383,743			
11 Drilling		673,443	-	-	673,443
12 Drill Bits		89,495	-	•	89,495 .
13 Fuel & Power		168,789	647,751	-	816,540
14 Cementing & Float Equip	,	217,354	<del></del>	<del></del>	217,354
15 Completion Unit, Swab, (				15,000	15,000
16 Perforating, Wireline, Slice		<del></del>	351,218	-	351,218
17 High Pressure Pump True			110,130		110,130
		<del></del>	130,865		130,865
18 Completion Unit, Swab, (	_10				
20 Mud Circulation System		93,991		<u> </u>	93,991
21 Mud Logging		15,660			15,660
22 Logging/Formation Eval	uation	6,495	7,450	-	13,944
23 Mud & Chemicals		323,254	391,463	10,000	724,717
24 Water		38,825	591,078	225,000	854,903
25 Stimulation			727,236	-	727,236
26 Stimulation Flowback &	Disp		108,640	150,000	258,640
28 Mud/Wastewater Dispos	•	172,514	54,630	130,000	227,144
		108,273	119,194		249,134
30 Rig Supervision / Engine			119,194	21,667	
32 Drig & Completion Over	nead	9,312	•	•	9,312
35 Labor		137,006	62,080	101,667	300,753
54 Proppant		-	1,121,387	-	1,121,387
95 Insurance		13,096		<del></del>	13,096
97 Contingency			21,817	3,833	25,650
99 Plugging & Abandonmer	ıt				
		2444.476	4 504 506		0.620.270
	TOTAL INTANGIBLES:	> 3,141,476	4,794,736	697,167	8,633,379
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANCIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
TANGIBLE C	.0515				
60 Surface Casing	•	\$ 109,201			\$ 109,201
61 Intermediate Casing		307,574			307,574
62 Drilling Liner					
63 Production Casing		613,783	-	-	613,783
64 Production Liner			<del></del>		<del></del>
65 Tubing				140,000	140,000
66 Wellhead		57,908	<del></del>	40,000	97,908
67 Packers, Liner Hangers		13,161		20,000	33,161
•					
68 Tanks				45,833	45,833
69 Production Vessels				126,667	126,667
70 Flow Lines		•	-	66,667	66,667
71 Rod string		-	-	-	-
72 Artificial Lift Equipment				90,000	90,000
73 Compressor				5,833	5,833
74 Installation Costs		<del></del>			
75 Surface Pumps			<del></del>	61,667	61,667
76 Downhole Pumps			-	-	
77 Measurement & Meter In			•	116,667	116,667
78 Gas Conditioning/Dehy		-			·
79 Interconnecting Facility I	'iping	-	-	20,000	20,000
80 Gathering / Bulk Lines		-	-		-
81 Valves, Dumps, Controlle	ers			108,333	108,333
82 Tank / Facility Containme		-		43,333	43,333
83 Flare Stack		-	•	16,667	16,667
84 Electrical/Grounding				50,000	50,000
85 Communications / SCAD	A		<del></del>	36,667	36,667
86 Instrumentation / Safety				853	853
55 manumentation/ Safety	TOTAL TANCOUS		<del></del>		
	TOTAL TANGIBLES:	> 1,101,627	0	989,187	2,090,814
	TOTAL COSTS:	> 4,243,103	4,794,736	1,686,354	10,724,193
REPARED BY Permian Res	ources Operating, LLC:				
Drilling Enginee	r: PS				
Completions Enginee					
Production Enginee	r: DC				
ermian Resources Operatin	g, LLC APPROVAL:				
	-				
Co-CE	o	ርላር	CEO	VP - Oper	ations
COCE	- WH	204		vi - Oper	
	****		• • • • • • • • • • • • • • • • • • • •		CRM
VP - Land & Leg	al	VP - Geoscie			
	BG		SO		
ON OPERATING PARTN	ER APPROVAL:				
			Manual - To the state of the st		· ID.
Company Name	e:		Working Interest (%):	T	ax ID:
			-		
Signed by	y:		Date:		
Titl	e:		Approval: _	Yes	No (mark one)
				ner after the well has been completed. In executing	

<b>ESTIMATE OF</b>	COSTS AND AU	JTHORIZATION FOR	REXPENDITURE

		JE COSTS AND AUTHO	DRIZATION FOR EXPENI		
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 11	3H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	19,895' / 9,610'
COUNTY/STATE:	Lea County, New Mexico	<del></del>		LATERAL LENGTH:	10,000'
Permian WI:	Don County, 11011	<u> </u>		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	FBSG			COMPLETION DAYS:	18.6
GEOLOGIC TAKGET:		unil and sometate solut	A4 stages AEC i11-	_	
REMARKS:	Drill a horizontal FBSG v install cost	well and complete with	1 79 Stages. Are include	s drilling, completions, fl	OWDACK AND INITIAL AL
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory	Ś	52,768	•	37,500	s 90,268
2 Location, Surveys & Dama	iges	257,363	16,141	2,500	276,003
4 Freight / Transportation		42,549	39,110	25,000	106,660
5 Rental - Surface Equipmer		111,070	192,448	105,000	408,518
6 Rental - Downhole Equips	ment	183,520	53,429	-	236,949
7 Rental - Living Quarters		42,956	48,671		91,627 383,743
10 Directional Drilling, Surv	veys	383,743 673,443	<del></del>	<del></del>	673,443
11 Drilling 12 Drill Bits		89,495	<del></del>	<del></del>	89,495
13 Fuel & Power		168,789	647,751	<del></del>	816,540
14 Cementing & Float Equip	)	217,354	-	-	217,354
15 Completion Unit, Swab,				15,000	15,000
16 Perforating, Wireline, Sli			351,218	-	351,218
17 High Pressure Pump True		<del></del>	110,130		110,130
18 Completion Unit, Swab,		<del></del>	130,865	-	130,865
20 Mud Circulation System		93,991		-	93,991
21 Mud Logging		15,660	-	-	15,660
22 Logging / Formation Eval	luation	6,495	7,450		13,944
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24 Water		38,825	591,078	225,000	854,903
25 Stimulation			727,236		727,236
26 Stimulation Flowback &			108,640	150,000	258,640
28 Mud / Wastewater Dispos		172,514	54,630		227,144
30 Rig Supervision / Engine		108,273	119,194	21,667	249,134
32 Drlg & Completion Over	head	9,312	•		9,312
35 Labor		137,006	62,080	101,667	300,753
54 Proppant		12.004	1,121,387	-	1,121,387
95 Insurance		13,096	21.017	2 022	13,096
97 Contingency	-1	<u> </u>	21,817	3,833	25,650
99 Plugging & Abandonmer		<del></del>	<del></del>		
	TOTAL INTANGIBLES >	3,141,476	4,794,736	<del>69</del> 7,167	8,633,379
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE (	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing	\$		•		\$ 109,201
61 Intermediate Casing	_	307,574	•		307,574
62 Drilling Liner		<del></del>		-	-
63 Production Casing		613,783	•	•	613,783
64 Production Liner			•		<del></del>
65 Tubing			-	140,000	140,000
66 Wellhead		57,908		40,000	97,908
67 Packers, Liner Hangers		13,161	•	20,000	33,161
68 Tanks			<u> </u>	45,833	45,833
69 Production Vessels				126,667	126,667
70 Flow Lines				66,667	66,667
71 Rod string			<u> </u>	-	-
72 Artificial Lift Equipment		<u> </u>		90,000	90,000
73 Compressor			-	5,833	5,833
74 Installation Costs		<u>-</u>	<u> </u>	11.77	41467
75 Surface Pumps 76 Downhole Pumps			<u> </u>	61,667	61,667
-	antallation				
77 Measurement & Meter In 78 Gas Conditioning / Dehy				116,667	116,667
79 Interconnecting Facility I		<u> </u>	-	20,000	20,000
80 Gathering / Bulk Lines	· ·r····	<del></del>	<del></del>	20,000	20,000
81 Valves, Dumps, Controll	ers	<del></del>	<del></del>	108,333	108,333
82 Tank / Facility Containm		<del></del>	-	43,333	43,333
83 Flare Stack				16,667	16,667
84 Electrical/Grounding		-	-	50,000	50,000
85 Communications / SCAD	)A		•	36,667	36,667
86 Instrumentation / Safety		-	-	853	853
	TOTAL TANGIBLES >	1,101,627	0	989,187	2,090,814
	TOTAL COSTS >		4,794,736	1,686,354	10,724,193
EBARED BY Bomion Boo					
REPARED BY Permian Res	ources Operating, LLC:				
Drilling Enginee	er: PS				
Completions Enginee	er: ML				
Production Enginee					
•	****				
rmian Resources Operatin	ig, LLC APPROVAL:				
	0	~ ~	TO	115. 0	aliana
Co-CE		Co-C		VP - Opera	
	WH		jw		CRM
VP - Land & Leg	al	VP - Geoscier			
	BG		so		
ON OPERATING PARTN	ER APPROVAL:				
Company Nam	е:		Working Interest (%):	T	ax ID:
	·			<del></del>	· <del></del>
Signed b	y:		Date:		
Titl	le:		Approval: _[	Yes	No (mark one)
unts on this AFF are estimates only and may not be o					

# ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE	2.17.2023			AFE NO.:	1
DATE:	Bane 4-9 Federal Com	11/14		FIELD:	Teas; Bone Spring
WELL NAME:		11411		MD/TVD:	19,875' / 9,590'
LOCATION:	Section 4, T20S-R34E	<del></del>		· -	10,000'
COUNTY/STATE:	Lea County, New Mexi	ico		LATERAL LENGTH:	
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	FBSG			COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal FBSC install cost	well and complete wit	th 44 stages. AFE include	s drilling, completions, f	owback and Initial AL
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory		\$ 52,768	16,141	37,500 2,500	\$ 90,268 276,003
2 Location, Surveys & Dama	ges	257,363 42,549	39,110	25,000	106,660
4 Freight / Transportation 5 Rental - Surface Equipmer	.+	111,070	192,448	105,000	408,518
6 Rental - Downhole Equipmen		183,520	53,429		236,949
7 Rental - Living Quarters	ucik	42,956	48,671	<del></del>	91,627
10 Directional Drilling, Surv	evs	383,743			383,743
11 Drilling	-7-	673,443	-		673,443
12 Drill Bits		89,495	•		89,495
13 Fuel & Power		168,789	647,751		816,540
14 Cementing & Float Equip		217,354	-		217,354
15 Completion Unit, Swab, G		<u> </u>	-	15,000	15,000
16 Perforating, Wireline, Slice			351,218		351,218
17 High Pressure Pump True		<u>-</u>	110,130		110,130
18 Completion Unit, Swab, (	CTU	93,991	130,865	-	130,865
20 Mud Circulation System			<del></del>	<del></del>	15,660
21 Mud Logging 22 Logging / Formation Eval	nation	15,660	7,450	<del></del>	13,944
23 Mud & Chemicals		323,254	391,463	10,000	724,717
24 Water		38,825	591,078	225,000	854,903
25 Stimulation		- 30,025	727,236		727,236
26 Stimulation Flowback &	Disp	-	108,640	150,000	258,640
28 Mud/Wastewater Dispos		172,514	54,630		227,144
30 Rig Supervision / Engine	ering	108,273	119,194	21,667	249,134
32 Drlg & Completion Over		9,312		-	9,312
35 Labor		137,006	62,080	101,667	300,753
54 Proppant			1,121,387		1,121,387
95 Insurance		13,096	-	-	13,096
97 Contingency			21,817	3,833	25,650
99 Plugging & Abandonmer		<del></del>	<del></del>	<u>-</u>	<del></del>
	TOTAL INTANGIBLES	> 3,141,476	4,794,736	697,167	8,633,379
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE (	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		\$ 109,201		-	S 109,201
61 Intermediate Casing		307,574	•	-	307,574
62 Drilling Liner		•	-	•	-
63 Production Casing		613,783			613,783
64 Production Liner		-		<u> </u>	•
65 Tubing		•	-	140,000	140,000
66 Wellhead		57,908	<u> </u>	40,000	97,908
67 Packers, Liner Hangers		13,161		20,000	33,161
68 Tanks			•	45,833	45,833
69 Production Vessels 70 Flow Lines		<u> </u>	<del></del>	126,667	126,667
71 Rod string		<del></del>	<del></del>	- 00,007	
72 Artificial Lift Equipment		<del></del>	<del></del>	90,000	90.000
73 Compressor		<del></del>		5,833	5,833
74 Installation Costs		-	•		<del></del>
75 Surface Pumps		-	-	61,667	61,667
76 Downhole Pumps		-	-	-	-
77 Measurement & Meter In	stallation	•		116,667	116,667
78 Gas Conditioning / Dehy		<u> </u>		-	<u>-</u>
79 Interconnecting Facility I	Piping		-	20,000	20,000
80 Gathering / Bulk Lines			·	100 222	100 222
81 Valves, Dumps, Controlle		<u> </u>	<del></del>	108,333	108,333
82 Tank / Facility Containm 83 Flare Stack	ent	<del></del>	<del></del>	16,667	16,667
84 Electrical / Grounding		<del></del>	<del></del>	50,000	50,000
85 Communications / SCAD	A.		<del></del>	36,667	36,667
86 Instrumentation / Safety			-	853	853
	TOTAL TANGIBLES	i > 1,101,627	0	989,187	2,090,814
	TOTAL COSTS	> 4,243,103	4,794,736	1,686,354	10,724,193
DEDARED BY Boundary Boo	ormes Onemaine II Co				
REPARED BY Permian Res	ources Operating, LLC:		······································	<del></del>	
Drilling Enginee	r: PS				
Completions Enginee					
Production Enginee					
1 Todaction Enginee	1. DC				
ermian Resources Operatin	a LIC APPROVAL				
erunan Resources Operation	E LLC ATTROVAL		·		
Co-CE	0	Co-	CEO	VP - Oper	ations
<del></del>	WH		JW	<b>F</b> -	CRM
VP - Land & Leg	al	VP - Geoscie	ences		
	BG		SO		
ON OPERATING PARTN	ER APPROVAL:		· <u></u>		
Company Nam	e:		Working Interest (%):		ax ID:
			- ' -		
Signed b	y:		Date:		
			A	I Vor	□ No (mark one)
Titl	e:		Approval: _		110 (markone)

	ESTIMATE	OF COSTS AND AUTHO	ORIZATION FOR EXPEND	OITURE	
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 12	21H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,605' / 10,320'
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
	Drill a horizontal SBSG	well and complete with	n 44 stages. AFE includes	drilling, completions, flo	wback and Initial AL
REMARKS:	install cost		<b>.</b>	<i>y</i> ,	
				=====	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory			<u> </u>	37,500	\$ 91,851
2 Location, Surveys & Dama	ges	265,083	16,625	2,500	284,208
4 Freight / Transportation 5 Rental - Surface Equipmen		43,826 114,402	40,284 198,221	25,000 105,000	109,110 417,624
6 Rental - Downhole Equipmen		189,026	55,031	- 100,000	244,057
7 Rental - Living Quarters		44,244	50,131	-	94,375
10 Directional Drilling, Surv	eys	395,255	•		395,255
11 Drilling		693,647			693,647 92,179
12 Drill Bits 13 Fuel & Power		92,179	667,183	<del></del>	841,036
14 Cementing & Float Equip	ı	223,875		<del></del>	223,875
15 Completion Unit, Swab, C		<del></del>	-	15,000	15,000
16 Perforating, Wireline, Slice			361,754		361,754
17 High Pressure Pump Truc			113,434		113,434
18 Completion Unit, Swab, C	TU	96,811	134,791	<del></del>	134,791 96,811
20 Mud Circulation System 21 Mud Logging		16,130	<del></del>	<del></del>	16,130
22 Logging/Formation Eval	uation	6,690	7,673		14,363
23 Mud & Chemicals		332,951	403,207	10,000	746,158
24 Water		39,990	608,810	250,000	898,800
25 Stimulation	D:	<del></del>	749,053 111,899	150,000	749,053 261,899
26 Stimulation Flowback & I 28 Mud/Wastewater Dispos		177,689	56,269	150,000	233,959
30 Rig Supervision / Engine		111,522	122,769	21,667	255,958
32 Drlg & Completion Overl		9,591	<del></del>	<del></del>	9,591
35 Labor		141,116	63,942	101,667	306,725
54 Proppant		- 10.100	1,155,029		1,155,029
95 Insurance 97 Contingency		13,489	22,472	3,833	13,489
99 Plugging & Abandonmen	ıt	<del></del>		- 3,055	- 20,505
	TOTAL INTANGIBLES	3,235,720	4,938,578	722,167	8,896,465
				· · · · · · · · · · · · · · · · · · ·	
TANGURE	ocean contract of the contract	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TANGIBLE C		112,477			\$ 112,477
61 Intermediate Casing	•	316,801			316,801
62 Drilling Liner					•
63 Production Casing		632,196			632,196
64 Production Liner		•	<u> </u>		•
65 Tubing 66 Wellhead		59,645		140,000	140,000 99,645
67 Packers, Liner Hangers		13,556	<del></del>	20,000	33,556
68 Tanks		-	•		•
69 Production Vessels			<u> </u>	45,833	45,833
70 Flow Lines			-	126,667	126,667
71 Rod string 72 Artificial Lift Equipment		<del></del>	<del></del>	90,000	66,667 90,000
73 Compressor		<del></del>	<del></del>	5,833	5,833
74 Installation Costs			-		•
75 Surface Pumps				61,667	61,667
76 Downhole Pumps		· -	<u> </u>		
77 Measurement & Meter In 78 Gas Conditioning/Dehyo		<del></del>	<del></del>	116,667	116,667
79 Interconnecting Facility P		<del></del>	<del></del>	20,000	20,000
80 Gathering / Bulk Lines		-		-	•
81 Valves, Dumps, Controlle		-		108,333	108,333
82 Tank / Facility Containme	ent	<u> </u>	<u> </u>	43,333	43,333
83 Flare Stack 84 Electrical/Grounding		<u> </u>	<del></del>	16,667 50,000	16,667 50,000
85 Communications / SCAD	A			36,667	36,667
86 Instrumentation / Safety		-		833	833
	TOTAL TANGIBLES	1,134,676	0	989,167	2,123,843
	TOTAL COSTS :	4,370,396	4,938,578	1,711,334	11,020,308
REPARED BY Permian Res	ources Operating, LLC:				
	onice operating buch				
Drilling Engineer	r: PS				
Completions Enginee	r. ML				
Production Engineer	r: DC				
ermian Resources Operatin	g, LLC APPROVAL:				
Co-CE	<u> </u>	Co-C	TFO.	VP - Opera	ations
CO-CLX	— <del>———</del>	Co-C		vi - Opera	CRM
VP - Land & Lega		VP - Geoscie	· · ·		CKM
VI Dana & Deg.	<u>BG</u>	71 000300	50		
	=				
ON OPERATING PARTNI	ER APPROVAL:				
C			Morking 1-to (W)	-	ID:
Company Name	e:		Working Interest (%):	1	ax ID:
Signed by	y:		Date:		
		<del></del>	_	_	
Title	e:		Approval:	Yes	No (mark one)
costs on this AFE are estimates only and may not be re	entrued as codings on any specific item or the total	cost of the project. Tubing installation app	roved under the AFE may be delayed up to a year	at after the well has been completed. In executing	this AFF, the Participant agrees to pay its

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
IMATE OF COSTS AND AUTHORIZATION FOR EXPENDIT

	ESTIMATE	OF COSTS AND AUTHO	DRIZATION FOR EXPEND	TIORE	
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 1	22H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,290' / 10,005'
		<del></del>		LATERAL LENGTH:	10,000'
COUNTY/STATE:	Lea County, New Mexic	:0		_	
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	_		COMPLETION DAYS:	18.6
	Drill a horizontal SBSG	well and complete with	44 stages. AFE includes	drilling, completions, f	lowback and Initial AL
REMARKS:	install cost		0		
REMARKS.	nisum cost				
		DDUING	COMPLETION	PRODUCTION	TOTAL
		DRILLING	COMPLETION	COSTS	COSTS
INTANGIBLE		COSTS	CO313		
1 Land/Legal/Regulatory		54,351	17.735	37,500 2,500	\$ 91,851 284,208
2 Location, Surveys & Dama	ges	265,083	16,625	25,000	
4 Freight/Transportation		43,826	40,284 198,221		109,110
5 Rental - Surface Equipmen		114,402	,	105,000	417,624 244,057
6 Rental - Downhole Equipm	nent	189,026	55,031		94,375
7 Rental - Living Quarters		44,244	50,131		
10 Directional Drilling, Surv	eys	395,255	<del></del>		395,255
11 Drilling		693,647	-		693,647
12 Drill Bits		92,179	- (41.103		92,179
13 Fuel & Power		173,853	667,183	-	841,036
14 Cementing & Float Equip		223,875	•	15.000	223,875
15 Completion Unit, Swab, C			2/1754	15,000	15,000
16 Perforating, Wireline, Slice			361,754 113,434	<u> </u>	361,754
17 High Pressure Pump True		<u> </u>		<u> </u>	113,434
18 Completion Unit, Swab, (	TU		134,791		134,791
20 Mud Circulation System		96,811	<u>:</u>		96,811
21 Mud Logging		16,130			16,130
22 Logging / Formation Eval	uation	6,690	7,673	20.000	14,363
23 Mud & Chemicals		332,951	403,207	10,000 250,000	746,158 898,800
24 Water		39,990	608,810 749,053	250,000	749,053
25 Stimulation	Dien			150,000	261,899
26 Stimulation Flowback & 1			111,899	150,000	
28 Mud/Wastewater Dispos		177,689	56,269	- A1 //E	233,959
30 Rig Supervision / Engine		111,522	122,769	21,667	255,958
32 Drlg & Completion Overl	nead	9,591	- /a a.a.		9,591
35 Labor		141,116	63,942	101,667	306,725
54 Proppant		40.100	1,155,029		1,155,029
95 Insurance		13,489		- 2.022	13,489
97 Contingency	_		22,472	3,833	26,305
99 Plugging & Abandonmer	ıt			<u> </u>	<u> </u>
	TOTAL INTANGIBLES:	> 3,235,720	4,938,578	722,167	8,896,465
		DRILLING	COMPLETION	PRODUCTION	TOTAL
		COSTS	COSTS	COSTS	COSTS
TANGIBLE C					\$ 112,477
60 Surface Casing			<u>-</u>		316,801
61 Intermediate Casing		316,801		<del></del>	310,001
62 Drilling Liner		(22.104	<u>-</u>		632,196
63 Production Casing		632,196			632,196
64 Production Liner			<u>·</u>	140,000	- 110,000
65 Tubing			<u> </u>	140,000	140,000
66 Wellhead		59,645		40,000	99,645
67 Packers, Liner Hangers		13,556		20,000	33,556
68 Tanks			-	-	<del>-</del>
69 Production Vessels				45,833	45,833
70 Flow Lines			<del></del>	126,667	126,667
71 Rod string				66,667	66,667
72 Artificial Lift Equipment			<u>-</u>	90,000	90,000
73 Compressor			<u>-</u>	5,833	5,833
74 Installation Costs		•	•		<del></del>
75 Surface Pumps			<del></del>	61,667	61,667
76 Downhole Pumps		-	<u> </u>		
77 Measurement & Meter In		·		116,667	116,667
78 Gas Conditioning / Dehy					
79 Interconnecting Facility F	rping			20,000	20,000
80 Gathering / Bulk Lines		<u> </u>	<u> </u>	100 202	100 000
81 Valves, Dumps, Controlle		<u> </u>	<u> </u>	108,333	108,333
82 Tank / Facility Containme	ent		<u> </u>	43,333	43,333
83 Flare Stack		<u> </u>		16,667	16,667
84 Electrical/Grounding				50,000	50,000
85 Communications / SCAD	n.	<del></del>	-	36,667	36,667
86 Instrumentation / Safety	TOTAL TANGETT	-		833	833
	TOTAL TANGIBLES		0	989,167	2,123,843
	TOTAL COSTS:	> 4,370,396	4,938,578	1,711,334	11,020,308
REPARED BY Permian Res	ourses Operating 11C:				
Di Létanan Kéa	ources Operating, LLC:				
Drilling Enginee	r: PS				
Completions Enginee					
•					
Production Enginee	r: DC				
				·	
ermian Resources Operatin	g, LLC APPROVAL:				
Co-CE	0	Co-C	EO	VP - Ope	rations
	WH		JW		CRM
VP - Land & Lee	al	VP - Geoscier	nces		
VP - Land & Leg.	BG		<u></u>		
	<del></del>		<del></del>		
ON OPERATING PARTY	ED ADDDOVAL.				
ON OPERATING PARTN	ER AFFRUVAL:				
Company Name	e:		Working Interest (%):	1	Γax ID:
Ferry		<del></del>	<i>a · · · · · · · · · · · · · · · · · · ·</i>		
Signed by	y:		Date:		
					<del></del>
Title	e:		Approval:	Yes	☐ No (mark one)
					<del></del>
costs on this AFE are estimates only and may not be constructed that of artical costs incurred including lies	mourned as critings on any specific item or the total	s cost of the project. Tubing installation appr	rows unan the AFE may be delayed up to a ye	or error the west has been completed. In executi	ung uses AZE, the Participant agrees to pay its

# Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
IMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

				JITUKE	
DATE:	2.17.2023			AFE NO.: _	1
WELL NAME:	Bane 4-9 Federal Com 1	23H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,610' / 10,325'
				LATERAL LENGTH:	10,000'
COUNTY/STATE:	Lea County, New Mexic			_	
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
	Drill a horizontal SBSG	well and complete with	n 44 stages. AFE include	s drilling, completions, fl	owback and Initial AL
REMARKS:	install cost	•	v		
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INT. MOINT	corre	COSTS	COSTS	COSTS	COSTS
INTANGIBLE					
1 Land/Legal/Regulatory		54,351	1/ /05	37,500 2,500	\$ 91,851 284,208
2 Location, Surveys & Dama	iges	265,083	16,625 40,284	25,000	109,110
4 Freight / Transportation	_	43,826 114,402	198,221	105,000	417,624
5 Rental - Surface Equipmen			55,031		244,057
6 Rental - Downhole Equips	nent	189,026 44,244	50,131		94,375
7 Rental - Living Quarters		395,255	30,131	<del></del>	395,255
10 Directional Drilling, Surv	/eys	693,647	<del></del>	<del></del>	693,647
11 Drilling		92,179	<del></del>		92,179
12 Drill Bits		173,853	667,183	<del></del>	841,036
13 Fuel & Power 14 Cementing & Float Equip	_	223,875	- 007,183	<del></del>	223,875
15 Completion Unit, Swab,		*		15,000	15,000
16 Perforating, Wireline, Sli		<del></del>	361,754	- 15,000	361,754
17 High Pressure Pump Tru		<del></del>	113,434		113,434
18 Completion Unit, Swab,		<del></del>	134,791	<del></del>	134,791
20 Mud Circulation System	210	96,811	104/771		96,811
-		16,130		<del></del>	16,130
21 Mud Logging 22 Logging / Formation Eval	nation	6,690	7,673	, <del></del>	14,363
23 Mud & Chemicals		332,951	403,207	10,000	746,158
24 Water		39,990	608,810	250,000	898,800
25 Stimulation			749,053	200,000	749,053
26 Stimulation Flowback &	Disp		111,899	150,000	261,899
28 Mud/Wastewater Dispo		177,689	56,269	- 130,000	233,959
30 Rig Supervision / Engine		111,522	122,769	21,667	255,958
32 Drig & Completion Over		9,591	122,707	21,007	9,591
35 Labor		141,116	63,942	101,667	306,725
54 Proppant		141,710	1,155,029		1,155,029
95 Insurance		13,489	1,155,027		13,489
97 Contingency		15,467	22,472	3,833	26,305
99 Plugging & Abandonme	-4		22,472	3,833	20,303
99 Flugging & Abandonme					
	TOTAL INTANGIBLES:	> 3,235,720	4,938,578	722,167	8,896,465
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing	20919	\$ 112,477			\$ 112,477
61 Intermediate Casing		316,801	<del></del>	<del></del>	316,801
62 Drilling Liner		310,001	<del></del>	<del></del>	310,801
		632,196	<del></del>	<del></del>	632,196
63 Production Casing		032,190			032,190
64 Production Liner				140,000	140 000
65 Tubing		FO 4 45	<del></del>	40,000	140,000 99,645
66 Wellhead		59,645		22.424	60.554
67 Packers, Liner Hangers		13,556	<del></del>	20,000	33,556
68 Tanks		<u> </u>	<u> </u>	45.022	47.023
69 Production Vessels		•	· · · · · · · · · · · · · · · · · · ·	45,833	45,833
70 Flow Lines			-	126,667	126,667
71 Rod string		<u> </u>	<u> </u>	66,667	66,667
72 Artificial Lift Equipment				90,000	90,000
73 Compressor		<u>·</u>		5,833	5,833
74 Installation Costs		<u> </u>	<u> </u>	(1//2	
75 Surface Pumps				61,667	61,667
76 Downhole Pumps 77 Measurement & Meter In				114 447	114 447
		<u> </u>	-	116,667	116,667
78 Gas Conditioning / Dehy 79 Interconnecting Facility I				20,000	20,000
.,	iping	<del></del>		20,000	
80 Gathering / Bulk Lines 81 Valves, Dumps, Controll	erc	<del></del>	<del></del>	108,333	108,333
82 Tank / Facility Containm			<del></del>	43,333	43,333
83 Flare Stack		<del>_</del>	<del></del>	16,667	16,667
			<del></del>		50,000
				50 000	20,000
84 Electrical/Grounding	14	<del></del>		50,000 36,667	
84 Electrical/Grounding 85 Communications/SCAD	)A	=======================================		36,667	36,667
84 Electrical/Grounding		<u> </u>		36,667 833	36,667 833
84 Electrical/Grounding 85 Communications/SCAD	TOTAL TANGIBLES	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAD		- - - - - - - - - - - - - - - - - - -		36,667 833	36,667 833
84 Electrical/Grounding 85 Communications/SCAD	TOTAL TANGIBLES	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety	TOTAL TANGIBLES TOTAL COSTS	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety	TOTAL TANGIBLES TOTAL COSTS	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety REPARED BY Permian Res	TOTAL TANGIBLES TOTAL COSTS sources Operating, LLC:	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Engines	TOTAL TANGIBLES TOTAL COSTS sources Operating, LLC:	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee	TOTAL TANGIBLES TOTAL COSTS  sources Operating, LLC: pr. PS pr. ML	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Engines	TOTAL TANGIBLES TOTAL COSTS  sources Operating, LLC: pr. PS pr. ML	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee	TOTAL TANGIBLES TOTAL COSTS  sources Operating, LLC: pr. PS pr. ML	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee  Completions Enginee	TOTAL TANGIBLES TOTAL COSTS  sources Operating, LLC: pr: PS pr: ML pr: DC	- - - - - - - - - - - - - - - - - - -	0	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS: PS: ML PT: DC  Ag, LLC APPROVAL:	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167	36,667 833 2,123,843
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee  Completions Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS: PS: ML PT: DC  Ag, LLC APPROVAL:	1,134,676 > 4,370,396	0	36,667 833 989,167	36,667 833 2,123,643 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS: PS: ML PT: DC  Ag, LLC APPROVAL:	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,643 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee ermian Resources Operation Co-CE	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PS PS: ML PS: DC  Ag, LLC APPROVAL: O WH	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee ermian Resources Operation Co-CE	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee ermian Resources Operation Co-CE	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PS PS: ML PS: DC  Ag, LLC APPROVAL: O WH	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee ermian Resources Operation Co-CE	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PS PS: ML PS: DC  Ag, LLC APPROVAL: O WH	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee ermian Resources Operatin  Co-CE  VP - Land & Leg	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PS: ML PS: DC  Ag, LLC APPROVAL:  O WH  al BG	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee ermian Resources Operatin  Co-CE  VP - Land & Leg	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PS: ML PS: DC  Ag, LLC APPROVAL:  O WH  al BG	1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Engines Completions Engines Production Engines  ermian Resources Operation  Co-CE  VP - Land & Leg	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS PT: ML PT: DC  Bg, LLC APPROVAL:  O WH  al BG  ER APPROVAL:	1,134,676 > 1,134,676 > 4,370,396		36,667 833 989,167 1,711,334 VP - Oper	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee ermian Resources Operatin  Co-CE  VP - Land & Leg	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS	1,134,676 > 1,134,676 > 4,370,396	- 0 4,938,578	36,667 833 989,167 1,711,334 VP - Oper	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation / Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee  Ermian Resources Operatin  Co-CE  VP - Land & Leg  ON OPERATING PARTN  Company Name	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS	1,134,676 > 1,134,676 > 4,370,396  Co-C  VP - Geoscie	- 0 4,938,578	36,667 833 989,167 1,711,334 VP - Oper	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation / Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee  Ermian Resources Operatin  Co-CE  VP - Land & Leg  ON OPERATING PARTN  Company Name	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS PT: ML PT: DC  Bg, LLC APPROVAL:  O WH  al BG  ER APPROVAL:	1,134,676 > 1,134,676 > 4,370,396  Co-C  VP - Geoscie		36,667 833 989,167 1,711,334 VP - Oper	36,667 833 2,123,843 11,020,308
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Engines Completions Engines Production Engines  ermian Resources Operatir  Co-CE  VP - Land & Leg  ON OPERATING PARTN  Company Nam  Signed b	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS PT: ML PT: DC  Rg, LLC APPROVAL:  O WH  al BG  ER APPROVAL: e: e:	1,134,676 > 1,134,676 > 4,370,396  Co-C  VP - Geoscie		36,667 833 989,167 1,711,334 VP - Oper	36,667 833 2,123,843 11,020,308  ations  CRM
84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation / Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee  Ermian Resources Operatin  Co-CE  VP - Land & Leg  ON OPERATING PARTN  Company Name	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PT: ML PT: DC  Ag, LLC APPROVAL:  O WH  al BG  ER APPROVAL: e: e:	- 1,134,676 > 4,370,396 Co-C		36,667 833 989,167 1,711,334 VP - Oper	36,667 833 2,123,943 11,020,308  ations  CRM  Ax ID:  No (mark one)

ESTIMATE OF COSTS AND	<b>AUTHORIZATION FOR</b>	EXPENDITURE
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		OF COSTS AND AUTH	DRIESTITORY EXTERN		<del></del>			
DATE:	2.17.2023			AFE NO.: _	1			
WELL NAME:	Bane 4-9 Federal Com 1	24H		FIELD:_	Teas; Bone Spring			
LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,290' / 10,005'			
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	10,000'			
Permian WI:				DRILLING DAYS:	19.6			
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6			
0.0000000000000000000000000000000000000	Drill a horizontal SRSC	well and complete wit	h 44 stages. AFE include	s drilling, completions, f	lowback and Initial AL			
DEMARKS.		Well and complete will	ii 11 Suiges. 111 E meruue	s unimity completions) .				
REMARKS: install cost								
		DRILLING	COMPLETION	PRODUCTION	TOTAL			
WELL STOLDS	COCTO	COSTS	COSTS	COSTS	COSTS			
INTANGIBLE				37,500	\$ 91,851			
1 Land/Legal/Regulatory		\$ 54,351 265,083	16,625	2,500	284,208			
2 Location, Surveys & Damas	ges .	43,826	40,284	25,000	109,110			
4 Freight / Transportation 5 Rental - Surface Equipmen	•	114,402	198,221	105,000	417,624			
		189,026	55,031	105,000	244,057			
6 Rental - Downhole Equipm 7 Rental - Living Quarters	ient	44,244	50,131		94,375			
10 Directional Drilling, Surve	nue	395,255		<del></del>	395,255			
11 Drilling	.,,	693,647	-	<del></del>	693,647			
12 Drill Bits		92,179	<del></del>		92,179			
13 Fuel & Power		173,853	667,183		841,036			
14 Cementing & Float Equip		223,875			223,875			
15 Completion Unit, Swab, C	TU			15,000	15,000			
16 Perforating, Wireline, Slic	kline	<del></del>	361,754		361,754			
17 High Pressure Pump Truc	k	•	113,434	•	113,434			
18 Completion Unit, Swab, C			134,791	-	134,791			
20 Mud Circulation System		96,811			96,811			
21 Mud Logging		16,130			16,130			
22 Logging / Formation Evalu	ıation	6,690	7,673	-	14,363			
23 Mud & Chemicals		332,951	403,207	10,000	746,158			
24 Water		39,990	608,810	250,000	898,800			
25 Stimulation		<u>-</u> _	749,053		749,053			
26 Stimulation Flowback & I		1777.000	111,899	150,000	261,899			
28 Mud/Wastewater Dispos		177,689	56,269	- <del> </del>	233,959			
30 Rig Supervision / Enginee		111,522	122,769	21,667	255,958			
32 Drlg & Completion Overh	lead	9,591	63,942	101,667	9,591 306,725			
35 Labor		141,116	1,155,029	101,667	1,155,029			
54 Proppant		13,489	1,133,029	<del></del>	13,489			
95 Insurance		13,469	22,472	3,833	26,305			
97 Contingency 99 Plugging & Abandonmen	•			5,035				
33 I lugging & Abandonmen		2 225 720	4 020 570	730.167	9 906 465			
	TOTAL INTANGIBLES	> 3,235,720	4,938,578	722,167	8,896,465			
		DRILLING	COMPLETION	PRODUCTION	TOTAL			
TANGIBLE C	OSTS	COSTS	COSTS	COSTS	COSTS			
60 Surface Casing		\$ 112,477	•	-	\$ 112,477			
61 Intermediate Casing		316,801	-	<del></del>	316,801			
62 Drilling Liner		•	-	<del></del>	<del></del>			
63 Production Casing		632,196	-		632,196			
64 Production Liner		<del></del>	-		-			
65 Tubing		<del></del>		140,000	140,000			
66 Wellhead		59,645		40,000	99,645			
67 Packers, Liner Hangers		13,556	-	20,000	33,556			
68 Tanks		<del></del>	-	•	<del></del>			
69 Production Vessels		-		45,833	45,833			
70 Flow Lines			-	126,667	126,667			
71 Rod string		<del></del>	-	66,667	66,667			
72 Artificial Lift Equipment				90,000	90,000			
73 Compressor		-	•	5,833	5,833			
74 Installation Costs		•	•					
75 Surface Pumps		-	•	61,667	61,667			
76 Downhole Pumps			•		•			
77 Measurement & Meter In			-	116,667	116,667			
78 Gas Conditioning / Dehye		<u> </u>	-					
79 Interconnecting Facility P	iping			20,000	20,000			
80 Gathering / Bulk Lines		-			100.000			
81 Valves, Dumps, Controlle		-		108,333	108,333			
82 Tank / Facility Containme	ent	<del></del>	<u>-</u>	43,333	43,333			
83 Flare Stack		<u>-</u>	<u> </u>	16,667	16,667			
84 Electrical / Grounding		<del></del>	<u> </u>	50,000	50,000			
85 Communications / SCAD	n.	<del></del>	<del></del>	36,667 833	36,667			
86 Instrumentation / Safety	TOTAL TANCOUS		<del></del>					
	TOTAL TANGIBLES		0	989,167	2,123,843			
	TOTAL COSTS	> 4,370,396	4,938,578	1,711,334	11,020,308			
DEDADED BV Da	ourses Onemain - 110-							
REPARED BY Permian Res	outes Operating, LLC:							
Drilling Enginee	r: PS							
Completions Engineer								
Production Engineer	r: DC							
ermian Resources Operatin	g, LLC APPROVAL:							
-								
Co-CEC	o	Co-l	CEO	VP - Ope				
	1411 f		JW		CRM			
VP - Land & Lega	nl	VP - Geoscie	nces					
	BG		50					
					<u> </u>			
ON ORER : =====								
ON OPERATING PARTNI	ER APPROVAL:							
C	·		Working Interest (9)		Tax ID:			
Company Name	<u> </u>		Working Interest (%): _		10A 1D.			
Signed h	<b>,.</b>		Date:					
oigneu by	<i>r</i> :		Date: _					
Title	2;		Approval:	☐ Yes	☐ No (mark one)			
	***************************************				<del></del>			
e costs on this AFE are estimates only and may not be co	restrued as cellings on any specific item or the tol	lat cost of the project. Tabing installation app	proved under the AFE may be delayed up to a time acreement, seculatory order or other acre	year after the well has been completed. In execu- ement covering this well-Particinants shall be co	iting this AFE, the Participant agrees to pay its revered by and billed removalinately for Overator's we			

	ESTIMATE	OF COSTS AND AUTHO	DRIZATION FOR EXPEND	DITURE				
DATE:	2.17.2023			AFE NO.:	1			
-	Bane 4-9 Federal Com 12	25H		FIELD:	Teas; Bone Spring			
-	Section 4, T20S-R34E			MD/IVD:	20,615' / 10,330'			
-	Lea County, New Mexic	0		LATERAL LENGTH:	10,000'			
· -	Dea County, Iven mexic	<del></del>		DRILLING DAYS:	19.6			
Permian WI:	CDCC			COMPLETION DAYS:	18.6			
	SBSG	<del></del>	44 . AFF: 1 1	_				
Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost								
KEWINGO.								
		DRILLING	COMPLETION	PRODUCTION	TOTAL			
INTANGIBLE C	OSTS	COSTS	COSTS	COSTS	COSTS			
1 Land/Legal/Regulatory	5	54,351		37,500	\$ 91,851			
2 Location, Surveys & Damage	<b>S</b>	265,083	16,625	2,500	284,208			
4 Freight / Transportation		43,826	40,284	25,000	109,110			
5 Rental - Surface Equipment		114,402	198,221 55,031	105,000	417,624 244,057			
6 Rental - Downhole Equipment		189,026	50,131	<del></del>	94,375			
7 Rental - Living Quarters 10 Directional Drilling, Surveys		395,255		-	395,255			
10 Directional Drilling, Surveys 11 Drilling		693,647		-	693,647			
12 Drill Bits		92,179		<u> </u>	92,179			
13 Fuel & Power		173,853	667,183	<u> </u>	841,036			
14 Cementing & Float Equip		223,875		15,000	223,875 15,000			
15 Completion Unit, Swab, CT		<del></del>	361,754	- 15,000	361,754			
16 Perforating, Wireline, Slick 17 High Pressure Pump Truck		<del></del>	113,434	<del></del>	113,434			
18 Completion Unit, Swab, CT		<del></del>	134,791		134,791			
20 Mud Circulation System		96,811	-		96,811			
21 Mud Logging		16,130	-		16,130			
22 Logging/Formation Evalua	tion	6,690	7,673	10,000	14,363			
23 Mud & Chemicals		332,951 39,990	403,207 608,810	10,000 250,000	746,158 898,800			
24 Water 25 Stimulation		39,990	749,053	230,000	749,053			
26 Stimulation Flowback & Di	sp	<del></del>	111,899	150,000	261,899			
28 Mud/Wastewater Disposal		177,689	56,269	-	233,959			
30 Rig Supervision / Engineeri	ing	111,522	122,769	21,667	255,958			
32 Drig & Completion Overhe		9,591			9,591			
35 Labor		141,116	63,942	101,667	306,725			
54 Proppant		13.400	1,155,029	<u> </u>	1,155,029			
95 Insurance 97 Contingency		13,489	22,472	3,833	13,489 26,305			
99 Plugging & Abandonment			- 22,772					
>> 1.1100my = 1.1200mm.	TOTAL INTANGIBLES	3,235,720	4,938,578	722,167	8,896,465			
<del></del>								
		DRILLING	COMPLETION COSTS	PRODUCTION	TOTAL			
TANGIBLE CO		COSTS		COSTS	COSTS			
60 Surface Casing	:	316,801		<del></del>	\$ 112,477 316,801			
61 Intermediate Casing 62 Drilling Liner		310,601	<del></del>	<del></del>	310,001			
63 Production Casing		632,196	<del></del>	<del></del>	632,196			
64 Production Liner				-	-			
65 Tubing		-	-	140,000	140,000			
66 Wellhead		59,645	-	40,000	99,645			
67 Packers, Liner Hangers		13,556		20,000	33,556			
68 Tanks		<del></del>	<del></del>	45,833	45,833			
69 Production Vessels 70 Flow Lines		<del></del>	<del></del>	126,667	126,667			
71 Rod string			<del></del>	66,667	66,667			
72 Artificial Lift Equipment				90,000	90,000			
73 Compressor		<del></del>	•	5,833	5,833			
74 Installation Costs		-			<u> </u>			
75 Surface Pumps		<u> </u>		61,667	61,667			
76 Downhole Pumps 77 Measurement & Meter Inst	allation			116,667	116,667			
78 Gas Conditioning / Dehydr		<del></del>	<del></del>	110,007	110,007			
79 Interconnecting Facility Pip		<del></del>		20,000	20,000			
80 Gathering/Bulk Lines	.,		-	-	<del></del>			
81 Valves, Dumps, Controllers				108,333	108,333			
82 Tank / Facility Containmen	t		-	43,333	43,333			
83 Flare Stack			<del></del>	16,667	16,667			
84 Electrical/Grounding 85 Communications/SCADA		<del></del>	<del></del>	50,000 36,667	50,000 36,667			
86 Instrumentation / Safety			<del></del>	833	833			
,,	TOTAL TANGIBLES	1,134,676	0	989,167	2,123,843			
	TOTAL COSTS :		4,938,578	1,711,334	11,020,308			
			<del></del>					
REPARED BY Permian Reso	urces Operating, LLC:							
WATER DE L'ELDRAN MESON	arces Operating, LDC:							
Drilling Engineer:	PS							
Completions Engineer:	ML							
Production Engineer:	DC							
ermian Resources Operating,	LLC APPROVAL:							
Co-CEO		Co-C	CEO	VP - Oper	ations			
•	WH		JW	-	CRM			
VP - Land & Legal		VP - Geoscier						
	BG		SO					
ON OPERATING PARTNE	R APPROVAL:							
Company Mary			Working Interest (9).		ax ID:			
Company Name:		<del></del>	Working Interest (%):	1	na 11/.			
Signed by:			Date:					
0								
Title:			Approval: _[	Yes	No (mark one)			
costs on this AFE are estimates only and may not be const	trund as critings on any specific item or the total	I cost of the project. Tubing installation are	roved under the AFE may be delayed up to a ve					
retirents there of artical costs incurred including local	Constitute constitutions beneficiare and well contra	and a street of the same of the same	the account much the property of the account	ment covering this well. Participants shall be on-				

	ESTIMATE	OF COSTS AND AUTHO	RIZATION FOR EXPENDI	TURE				
DATE:	2.17.2023			AFE NO.:	1			
WELL NAME:	Bane 4-9 Federal Com 12	26H		FIELD:	Teas; Bone Spring			
LOCATION:	Section 4, T20S-R34E			MD/IVD:_	20,290' / 10,005'			
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	10,000'			
Permian WI:				DRILLING DAYS:	19.6			
GEOLOGIC TARGET:	SBSG		•	COMPLETION DAYS:	18.6			
	Drill a horizontal SBSG	well and complete with	44 stages. AFE includes	drilling, completions, fl	owback and Initial AL			
REMARKS: install cost								
	-							
		DRILLING	COMPLETION	PRODUCTION	TOTAL			
INTANGIBLE		COSTS	COSTS	COSTS	COSTS			
1 Land/Legal/Regulatory 2 Location, Surveys & Dama	•••	54,351 265,083	16,625	37,500 2,500	\$ 91,851 284,208			
4 Freight / Transportation	Kes	43,826	40,284	25,000	109,110			
5 Rental - Surface Equipmen	ıt	114,402	198,221	105,000	417,624			
6 Rental - Downhole Equipment		189,026	55,031		244,057			
7 Rental - Living Quarters		44,244	50,131		94,375 395,255			
10 Directional Drilling, Surv 11 Drilling	eys	395,255 693,647	<del></del>	<del></del>	693,647			
12 Drill Bits		92,179	<del></del>	-	92,179			
13 Fuel & Power		173,853	667,183	-	841,036			
14 Cementing & Float Equip		223,875	<u> </u>		223,875			
15 Completion Unit, Swab, C 16 Perforating, Wireline, Slice		<del></del>	361,754	15,000	15,000 361,754			
17 High Pressure Pump Truc		<del></del>	113,434	<del></del>	113,434			
18 Completion Unit, Swab, (		•	134,791		134,791			
20 Mud Circulation System		96,811			96,811			
21 Mud Logging		16,130	7,673	<del></del>	16,130			
22 Logging / Formation Eval 23 Mud & Chemicals	uadVII	6,690 332,951	403,207	10,000	746,158			
24 Water		39,990	608,810	250,000	898,800			
25 Stimulation			749,053	-	749,053			
26 Stimulation Flowback &		127 (40	111,899 56,269	150,000	261,899 233,959			
28 Mud / Wastewater Dispos 30 Rig Supervision / Engine		177,689 111,522	122,769	21,667	255,958			
32 Drlg & Completion Overl		9,591			9,591			
35 Labor		141,116	63,942	101,667	306,725			
54 Proppant		-	1,155,029	<u> </u>	1,155,029			
95 Insurance		13,489	22,472	3,833	13,489 26,305			
97 Contingency 99 Plugging & Abandonmer	1f	<del></del>	- 22,472	- 3,033	-			
>>	TOTAL INTANGIBLES	3,235,720	4,938,578	722,167	8,896,465			
		DRILLING	COMPLETION	PRODUCTION	TOTAL			
TANGIBLE O	COSTS	COSTS	CONTLETION	COSTS	COSTS			
60 Surface Casing		5 112,477	•		\$ 112,477			
61 Intermediate Casing		316,801	<del></del>		316,801			
62 Drilling Liner			·	<u> </u>	- /20 10/			
63 Production Casing 64 Production Liner		632,196	<del></del>	-	632,196			
65 Tubing		<del></del>	<del></del>	140,000	140,000			
66 Wellhead		59,645	•	40,000	99,645			
67 Packers, Liner Hangers		13,556	-	20,000	33,556			
68 Tanks		<u> </u>	<u> </u>	45.022	45 022			
69 Production Vessels 70 Flow Lines		<del></del>	<del></del>	45,833 126,667	45,833 126,667			
71 Rod string		<del></del>		66,667	66,667			
72 Artificial Lift Equipment		<del></del>		90,000	90,000			
73 Compressor				5,833	5,833			
74 Installation Costs			<del></del>	61,667	61,667			
75 Surface Pumps 76 Downhole Pumps		<del></del>	<del></del>	01,007	• •			
77 Measurement & Meter In	stallation	<del></del>	-	116,667	116,667			
78 Gas Conditioning/Dehy			•		<u> </u>			
79 Interconnecting Facility F	iping		-	20,000	20,000			
80 Gathering / Bulk Lines 81 Valves, Dumps, Controlle	are	<del></del>	<del></del>	108,333	108,333			
82 Tank / Facility Containme		<del></del>	-	43,333	43,333			
83 Flare Stack				16,667	16,667			
84 Electrical/Grounding				50,000	50,000			
85 Communications / SCAD 86 Instrumentation / Safety	A		<del></del>	36,667 833	36,667			
oo msaamentaaon, sarety	TOTAL TANGIBLES:	> 1,134,676		989,167	2,123,843			
	TOTAL COSTS:		4,938,578	1,711,334	11,020,308			
			-,		,			
DEDARED DV P ' -								
REPARED BY Permian Res	ources Operating, LLC:							
Drilling Enginee	r: PS							
Completions Enginee	r: ML							
Production Enginee	r: DC							
ermian Resources Operatin	g, LLC APPROVAL:							
Co-CE	О <u></u>	Co-C	EO	VP - Oper				
VD Land & Los	****	VP Conscion	• • • • • • • • • • • • • • • • • • • •		CRM			
VP - Land & Leg	BG BG	VP - Geoscien	sces					
			~					
ON OPERATING PARTN	ER APPROVAL:							
			Mosking Interest (N)	-	'av IDe			
Company Nam	e:		Working Interest (%):		ax ID:			
Signed by	y:		Date:					
Titl	Title: Approval: Yes No (mark one)							
custs on this AFE are estimates only and may not be o	onstruct as coilings on any specific item or the total	I cost of the project. Tubing installation appr	oved under the AFE may be delayed up to a year	after the well has been completed. In execution	ng this AFE, the Participant agrees to pay its			

		OF COSTS AND AUTHO	RIZATION FOR EXPEND		
DATE:	2.17,2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 12	<i>7</i> H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:_	20,615' / 10,330'
COUNTY/STATE:	Lea County, New Mexico	)		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
	Drill a horizontal SBSG v	vell and complete with	44 stages. AFE includes	drilling, completions, fl	owback and Initial AL
REMARKS:	install cost	•		• •	
					- Art - paight.
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory	S			37,500	S 91,851
2 Location, Surveys & Dama	ges	265,083	16,625	2,500	284,208 109,110
4 Freight / Transportation 5 Rental - Surface Equipmen	•4	43,826 114,402	40,284 198,221	25,000 105,000	417,624
6 Rental - Downhole Equipment		189,026	55,031	- 100,000	244,057
7 Rental - Living Quarters		44,244	50,131	•	94,375
10 Directional Drilling, Surv	eys .	395,255	•		395,255
11 Drilling		693,647	<u> </u>	<del></del>	693,647
12 Drill Bits 13 Fuel & Power		92,179 173,853	667,183		841,036
14 Cementing & Float Equip	,	223,875			223,875
15 Completion Unit, Swab, (		·	-	15,000	15,000
16 Perforating, Wireline, Slice			361,754		361,754
17 High Pressure Pump True			113,434	•	113,434
18 Completion Unit, Swab, (	CTU	06 911	134,791	<del> </del>	134,791
20 Mud Circulation System 21 Mud Logging		96,811 16,130		<del></del>	96,811
22 Logging/Formation Eval	uation	6,690	7,673		14,363
23 Mud & Chemicals		332,951	403,207	10,000	746,158
24 Water		39,990	608,810	250,000	898,800
25 Stimulation	Dian		749,053	160.000	749,053
26 Stimulation Flowback & 1 28 Mud/Wastewater Dispos	•	177,689	111,899 56,269	150,000	261,899 233,959
30 Rig Supervision / Engine		111,522	122,769	21,667	255,958
32 Drlg & Completion Over		9,591			9,591
35 Labor		141,116	63,942	101,667	306,725
54 Proppant			1,155,029	-	1,155,029
95 Insurance		13,489	22,472	3,833	13,489
97 Contingency 99 Plugging & Abandonmer	nf	<del></del> -	22,472	3,033	26,305
77 I lugging & Abandonmer	 TOTAL INTANGIBLES >	3,235,720	4,938,578	722.167	8,896,465
	TOTAL INTANGIBLES			•	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE C	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing 61 Intermediate Casing	5	112,477 316,801	<del></del>	<del></del>	\$ 112,477 316,801
62 Drilling Liner		- 310,001	<del></del>	<del></del>	- 310,001
63 Production Casing		632,196	-	-	632,196
64 Production Liner					
65 Tubing			-	140,000	140,000
66 Wellhead		59,645		40,000	99,645
67 Packers, Liner Hangers 68 Tanks		13,556	<del></del>	20,000	33,556
69 Production Vessels		<del></del>	-	45,833	45,833
70 Flow Lines		<del></del>	-	126,667	126,667
71 Rod string			-	66,667	66,667
72 Artificial Lift Equipment			<del></del>	90,000	90,000
73 Compressor 74 Installation Costs		<del></del>	<del></del>	5,833	5,833
75 Surface Pumps		<del></del>		61,667	61,667
76 Downhole Pumps		-	-		-
77 Measurement & Meter In			<u> </u>	116,667	116,667
78 Gas Conditioning / Dehy				****	20,000
79 Interconnecting Facility F 80 Gathering / Bulk Lines	riping	<del></del>		20,000	20,000
81 Valves, Dumps, Controlle	ers	<del></del>	<del></del>	108,333	108,333
82 Tank / Facility Containme		<del></del>	<del></del>	43,333	43,333
83 Flare Stack				16,667	16,667
84 Electrical/Grounding		·	•	50,000	50,000
85 Communications / SCAD	'A	<u> </u>	-	36,667	36,667
86 Instrumentation / Safety	TOTAL TANGIBLES >	1,134,676		833 989,167	2,123,843
	TOTAL COSTS >		4,938,578	1,711,334	11,020,308
	TOTAL COSTS >	4,3/0,370	4,936,376	1,/11,334	11,020,306
REPARED BY Permian Res	ources Operating, LLC:				
Deilling Engineer	er: PS				
Drilling Enginee Completions Enginee					
Production Enginee					
. rounction blightee	VC		<del>_</del>		
rmian Resources Operatin	I I C APPROVAL				
and an ivesources Operatin	B LLC AFFRUVAL				
Co-CE	О	Co-C	EO	VP - Oper	ations
	WH		- jw	•	CRM
VP - Land & Leg	al	VP - Geoscien			
ū	BG		SO		
ON OPERATING PARTN	ER APPROVAL:				
Command No.	a.		Working Interest (9)		av IDs
Company Name	e:		Working Interest (%):	T	ax ID:
Signed by	y:		Date:		
			_	_	
Title	e:		Approval:	Yes	No (mark one)
roots on this AFE are estimates only and may not be o					

	ESTIMATE (	OF COSTS AND AUTHO	RIZATION FOR EXPEN	DITUKE	
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 12	28H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,290' / 10,005'
				·	10,000'
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
	Drill a horizontal SBSG	well and complete with	44 stages. AFE include	s drilling, completions, fl	owback and Initial AL
REMARKS:	install cost	•	0		
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANCIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
INTANGIBLE	S S			37,500	\$ 91,851
1 Land/Legal/Regulatory 2 Location, Surveys & Dama	-	265,083	16,625	2,500	284,208
4 Freight / Transportation	iges	43,826	40,284	25,000	109,110
5 Rental - Surface Equipmen	nt	114,402	198,221	105,000	417,624
6 Rental - Downhole Equip		189,026	55,031	-	244,057
7 Rental - Living Quarters		44,244	50,131		94,375
10 Directional Drilling, Sur	vevs	395,255	•	-	395,255
11 Drilling	•	693,647			693,647
12 Drill Bits		92,179	-	-	92,179
13 Fuel & Power		173,853	667,183		841,036
14 Cementing & Float Equip	,	223,875	-		223,875
15 Completion Unit, Swab,			·	15,000	15,000
16 Perforating, Wireline, Sli			361,754	-	361,754
17 High Pressure Pump Tru			113,434	-	113,434
18 Completion Unit, Swab,	CTU		134,791	-	134,791
20 Mud Circulation System		96,811	<u> </u>	-	96,811
21 Mud Logging		16,130	7 (73		16,130
22 Logging/Formation Eval	luation	6,690	7,673 403,207	10,000	14,363 746,158
23 Mud & Chemicals		332,951	608,810	250,000	898,800
24 Water		39,990	749,053	250,000	749,053
25 Stimulation	Dien	<del></del>	111,899	150,000	261,899
26 Stimulation Flowback &	•	177,689	56,269	130,000	233,959
28 Mud/Wastewater Dispo 30 Rlg Supervision/Engine		111,522	122,769	21,667	255,958
32 Drig & Completion Over		9,591	122,709		9,591
35 Labor		141,116	63,942	101,667	306,725
54 Proppant			1,155,029		1,155,029
95 Insurance		13,489			13,489
97 Contingency			22,472	3,833	26,305
99 Plugging & Abandonme	nt		<del></del>		
>> 1 - AA	TOTAL INTANGIBLES >	3,235,720	4,938,578	722,167	8,896,465
	TOTALINTANGIBLES	3,233,720		•	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		112,477	•		\$ 112,477
61 Intermediate Casing		316,801			316,801
62 Drilling Liner		•	•		•
63 Production Casing		632,196	<u> </u>		632,196
64 Production Liner		<u> </u>	•		•
65 Tubing				140,000	140,000
66 Wellhead		59,645		40,000	99,645
67 Packers, Liner Hangers		13,556		20,000	33,556
68 Tanks		<u>-</u> _	<u> </u>		-
69 Production Vessels				45,833	45,833
70 Flow Lines				126,667	126,667
71 Rod string			<del></del>	66,667	66,667
72 Artificial Lift Equipment	l .	-	<u> </u>	90,000 5,833	90,000 5,833
73 Compressor 74 Installation Costs		<u> </u>	-		3,633
		<del></del>	<del></del>	61,667	61,667
75 Surface Pumps		<del></del>	<del></del>	01,007	- 01,007
76 Downhole Pumps	estallation	<del></del>	<del></del>	116,667	116,667
77 Measurement & Meter In 78 Gas Conditioning / Dehy			<del></del>	110,007	
79 Interconnecting Facility		<u> </u>	<del></del>	20,000	20,000
80 Gathering / Bulk Lines			-	- 20,000	
81 Valves, Dumps, Controll	ers	<del></del>	<del></del>	108,333	108,333
82 Tank / Facility Containm			-	43,333	43,333
83 Flare Stack		<del></del>		16,667	16,667
84 Electrical/Grounding		·	-	50,000	50,000
85 Communications / SCAE	DA	<u> </u>		36,667	36,667
86 Instrumentation / Safety				833	833
	TOTAL TANGIBLES >	1,134,676	0	989,167	2,123,843
	TOTAL COSTS >	4,370,396	4,938,578	1,711,334	11,020,308
REPARED BY Permian Re	sources Operating, LLC:				
Drilling Enginee					
Completions Enginee	er: ML				
Production Enginee	er: DC				
-					
rmian Resources Operatir	ng, LLC APPROVAL				
	<del></del>				
Co-CE		Co-C	ŒO	VP - Oper	ations
	WH		JW	· •	CRM
		VP - Geoscier	•		
	BG BG	505000	SO		
	20		<i></i>		
ON OPERATING PARTN	ER APPROVAL:				
			Madein - to	_	au ID.
Company Nam	ne:		working Interest (%):	T	ax ID:
C:1			Date		
Signed t	py:		Date:		
Tit	le:		Approval-	Yes	☐ No (mark one)
	le:		· ipprovan_		<u> </u>

	ESTIMATE (	OF COSTS AND AUTHO	DRIZATION FOR EXPEND	TTURE	
DATE: 2.	17.2023			AFE NO.:	1
WELL NAME: B	ane 4-9 Federal Com 13	1H		FIELD:	Teas; Bone Spring
	ection 4, T20S-R34E			MD/TVD:	21,110' / 10,825'
					10,000'
COUNTY/STATE: L	ea County, New Mexico	0		LATERAL LENGTH:	
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET: T	BSG			COMPLETION DAYS:	18.6
<u></u>	rill a horizontal TRSC s	well and complete with	1 44 stages. AFE includes	drilling, completions, fl	owback and Initial AL
_		wen and complete wid	1 11 Sunges. 111 L Licitudes	ammig completions,	
REMARKS: in	stall cost			<del></del>	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE CO	STS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory	S	57,069	-	37,500	\$ 94,569
2 Location, Surveys & Damages		278,338	17,456	2,500	298,294
4 Freight / Transportation		46,017	42,298	25,000	113,315
5 Rental - Surface Equipment		120,122	208,133	105,000	433,255
6 Rental - Downhole Equipment	•	198,477	57,783		256,260
7 Rental - Living Quarters		46,457	52,637		99,094
10 Directional Drilling, Surveys		415,018			415,018
		728,329			728,329
11 Drilling		96,788		<del></del>	96,788
12 Drill Bits			700,542		883,088
13 Fuel & Power		182,546			
14 Cementing & Float Equip		235,069	-	-	235,069
15 Completion Unit, Swab, CTU	ľ	•		15,000	15,000
16 Perforating, Wireline, Slickling	ne	-	379,842	-	379,842
17 High Pressure Pump Truck		-	119,106	-	119,106
18 Completion Unit, Swab, CTU	Ī		141,530	•	141,530
20 Mud Circulation System		101,651	-		101,651
21 Mud Logging		16,936	<del></del>		16,936
22 Logging/Formation Evaluati	on	7,024	8,057	<del></del>	15,081
23 Mud & Chemicals		349,599	423,367	10,000	782,966
24 Water		41,989	639,251	300,000	981,240
		41,989	786,506	500,000	786,506
25 Stimulation	_		117,494	150,000	267,494
26 Stimulation Flowback & Disp	Y	186,574	59,083	150,000	245,657
28 Mud / Wastewater Disposal	_			21.447	267,673
30 Rig Supervision/Engineerin		117,098	128,908	21,667	10,071
32 Drig & Completion Overhead	1	10,071		-	
35 Labor		148,172	67,140	101,667	316,978
54 Proppant		-	1,212,780	-	1,212,780
95 Insurance		14,164	-	_	14,164
97 Contingency			23,595	3,833	27,428
99 Plugging & Abandonment		-	-		
**** **	POTAL INTANCIBLES	3,397,506	5,185,507	772,167	9,355,180
	FOTAL INTANGIBLES >	3,397,506	3,183,307	772,187	7,555,100
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COS	TC	COSTS	COSTS	COSTS	COSTS
					\$ 118,101
60 Surface Casing	\$		<del></del>		
61 Intermediate Casing		332,642	•		332,642
62 Drilling Liner					<u>-</u> -
63 Production Casing		663,806			663,806
64 Production Liner			-	-	
65 Tubing				140,000	140,000
66 Wellhead		62,628	-	40,000	102,628
67 Packers, Liner Hangers		14,234		20,000	34,234
68 Tanks		<del></del>		45,833	45,833
69 Production Vessels				126,667	126,667
70 Flow Lines		<del></del>		66,667	66,667
71 Rod string		<del>-</del> _			- 63 633
72 Artificial Lift Equipment			-	90,000	90,000
73 Compressor				5,833	5,833
74 Installation Costs			<u> </u>		
75 Surface Pumps		•	-	61,667	61,667
76 Downhole Pumps					-
77 Measurement & Meter Instal	lation		-	116,667	116,667
78 Gas Conditioning / Dehydra	tion			-	-
79 Interconnecting Facility Pipis		<del></del>	-	20,000	20,000
80 Gathering / Bulk Lines	··· r		<del></del>	- 20,000	- 20,000
81 Valves, Dumps, Controllers		<del></del>	<del></del>	108,333	108,333
		<del></del>	<del></del>	43,333	43,333
82 Tank / Facility Containment					16,667
83 Flare Stack			<del></del>	16,667	
84 Electrical/Grounding		<del></del>	<u> </u>	50,000	50,000
85 Communications / SCADA		<u>·</u>		36,667	36,667
86 Instrumentation / Safety		-	•	833	833
	TOTAL TANGIBLES >	1,191,410	0	989,167	2,180,577
•	TOTAL COSTS >	4,588,916	5,185,507	1,761,334	11,535,757
EPARED BY Permian Resou					-
Drilling Engineer:	PS				
Completions Engineer:	ML				
Production Engineer:	DC				
mian Resources Operating, l					
Co-CEO_		Co-C	CEO	VP - Oper	
	WH		JW		CRM
VP - Land & Legal	BG BG	VP - Geoscier	50 SO		
OPERATING PARTNER	APPROVAL:				
ON OPERATING PARTNER  Company Name:	APPROVAL:		Working Interest (%):	т	ax ID:
Company Name:					ax ID:
Company Name:				т	ax ID:
Company Name: _ Signed by: _			Date:		
Company Name:			Date:		

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
TIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

	ESTIMATE	OF COSTS AND AUTHO	ORIZATION FOR EXTERE		
DATE:	2,17,2023			AFE NO.: _	1
WELL NAME:	Bane 4-9 Federal Com 13	32H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	21,110' / 10,825'
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	10,000′
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
GEOLOGIC TARGET.	Drill a horizontal TBSG	wall and complete with	A4 stages AFF includes	_	lowback and Initial AL
DF14. DICC		wen and complete with	1 44 Stages. At L Include:	dimmig, completions, i	ion back and made 112
REMARKS:	install cost				
		DDU LING	COMPLETION	PRODUCTION	TOTAL
		DRILLING COSTS	COMPLETION COSTS	COSTS	COSTS
INTANGIBLE			CO313	37,500	\$ 94,569
1 Land / Legal / Regulatory		57,069 278,338	17,456	2,500	298,294
2 Location, Surveys & Dama 4 Freight / Transportation	ges	46,017	42,298	25,000	113,315
5 Rental - Surface Equipmen		120,122	208,133	105,000	433,255
6 Rental - Downhole Equipm		198,477	57,783		256,260
7 Rental - Living Quarters		46,457	52,637		99,094
10 Directional Drilling, Surv	eys	415,018		-	415,018
11 Drilling	•	728,329	-	•	728,329
12 Drill Bits		96,788		-	96,788
13 Fuel & Power		182,546	700,542		883,088
14 Cementing & Float Equip		235,069		15 000	235,069 15,000
15 Completion Unit, Swab, C		<del>.</del>	379,842	15,000	379.842
16 Perforating, Wireline, Slice		<del></del>	119,106	<del></del>	119,106
17 High Pressure Pump Truc 18 Completion Unit, Swab, C		<del></del>	141,530	<del></del>	141,530
20 Mud Circulation System	<del>-</del>	101,651	- 141,550	<del></del>	101,651
21 Mud Logging		16,936	<del></del>	<del></del>	16,936
22 Logging / Formation Eval	uation	7,024	8,057		15,081
23 Mud & Chemicals		349,599	423,367	10,000	782,966
24 Water		41,989	639,251	300,000	981,240
25 Stimulation			786,506	•	786,506
26 Stimulation Flowback &			117,494	150,000	267,494
28 Mud/Wastewater Dispos	al	186,574	59,083	•	245,657
30 Rig Supervision/Engine	ering	117,098	128,908	21,667	267,673
32 Drlg & Completion Overl	nead	10,071		•	10,071
35 Labor		148,172	67,140	101,667	316,978
54 Proppant			1,212,780		1,212,780
95 Insurance		14,164	22.505	2 022	14,164 27,428
97 Contingency		<del>-</del> _	23,595	3,833	27,426
99 Plugging & Abandonmer		<del></del>	<del></del>	<del></del>	
	TOTAL INTANGIBLES	3,397,506	5,185,507	772,167	9,355,180
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE O	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		\$ 118,101	•	•	\$ 118,101
61 Intermediate Casing		332,642		<del></del>	332,642
62 Drilling Liner		•	-	•	-
63 Production Casing		663,806	-	-	663,806
64 Production Liner		•	-	-	
65 Tubing		-		140,000	140,000
66 Wellhead		62,628		40,000	102,628
67 Packers, Liner Hangers		14,234		20,000	34,234
68 Tanks		•		45,833	45,833
69 Production Vessels				126,667	126,667
70 Flow Lines		<del></del>	<u> </u>	66,667	66,667
71 Rod string 72 Artificial Lift Equipment				90,000	90,000
73 Compressor			<del></del>	5,833	5,833
74 Installation Costs			<del></del>		
75 Surface Pumps		<del></del>	<del></del>	61,667	61,667
76 Downhole Pumps					-
77 Measurement & Meter In	stallation	<del></del>	<del></del>	116,667	116,667
78 Gas Conditioning / Dehy			-	•	•
79 Interconnecting Facility F		•	-	20,000	20,000
80 Gathering / Bulk Lines			-		
81 Valves, Dumps, Controlle		<u> </u>		108,333	108,333
82 Tank / Facility Containme	ent			43,333	43,333
83 Flare Stack				16,667	16,667
84 Electrical/Grounding		<u> </u>		50,000	50,000
85 Communications / SCAD	А		<u> </u>	36,667	36,667
86 Instrumentation / Safety	TOTAL TANCING	1 404 440			
	TOTAL TANGIBLES:			989,167	2,180,577
	TOTAL COSTS:	> 4,588,916	5,185,507	1,761,334	11,535,757
REPARED BY Permian Res	Ources Operating 11C.				
	Janees Operating, LLC:				
Drilling Enginee	r: PS				
Completions Enginee					
Production Enginee					
	- 11C ADDROVII				
ermian Resources Operatin	g, LLC APPROVAL:				
C- 00	n	0.0	CEO	Vn O	rations
Co-CE		رەر	.EO	VP - Ope	CRM
1m4-		100 0	···		СКМ
VP - Land & Leg		VP - Geoscier			
	BG		so		
ON OPERATING PARTN	ER APPROVAL:				
C			Moskin- I-1 (W)		Fav. ID:
Company Nam	e:		Working Interest (%):		Гах ID:
Cianad h	u•		Date		
Signed by	y:		Date:		
Titl	e:		Approval:	Yes	☐ No (mark one)
	amtrued as cridings on any specific item or the total			-	<del></del>
4. 418		a anno ad the marine . Talking topicallation arms	rorest nation the AFE may be delayed up to a ye	ar after the well has been completed. In execut	ing this APE, the Participant agrees to pay its

	ESTIMATE	OF COSTS AND AUTHO	DRIZATION FOR EXPENI	DITURE	
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 1	33H		FIELD:	Teas; Bone Spring
	Section 4, T20S-R34E			MD/TVD:	21,110' / 10,825'
LOCATION:				· —	
COUNTY/STATE:	Lea County, New Mexic	20		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
0.000		well and complete with	A4 stages AFF include	s drilling, completions, fl	owback and Initial AI
		wen and complete with	144 Stages. ATE III. III.	s urming, completions, in	owoack and madai 112
REMARKS:	install cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory		5 57,069		37,500	s 94,569
2 Location, Surveys & Dam	ages	278,338	17,456	2,500	298,294
4 Freight / Transportation	-4	46,017	42,298	25,000	113,315
5 Rental - Surface Equipme	nt	120,122	208,133	105,000	433,255
6 Rental - Downhole Equip		198,477	57,783	<del></del>	256,260
7 Rental - Living Quarters		46,457	52,637		99,094
10 Directional Drilling, Sur	uovė	415,018	-		415,018
11 Drilling	· cys	728,329	<del></del>	<del></del>	728,329
12 Drill Bits		96,788			96,788
		182,546	700,542	<del></del>	883,088
13 Fuel & Power	_	235,069	700,542		235,069
14 Cementing & Float Equi					15,000
15 Completion Unit, Swab,			-	15,000	
16 Perforating, Wireline, Sl			379,842		379,842
17 High Pressure Pump Tru			119,106		119,106
18 Completion Unit, Swab,			141,530		141,530
20 Mud Circulation System		101,651	-	-	101,651
21 Mud Logging		16,936		<u> </u>	16,936
22 Logging/Formation Eva	luation	7,024	8,057	•	15,081
23 Mud & Chemicals		349,599	423,367	10,000	782,966
24 Water		41,989	639,251	300,000	981,240
25 Stimulation		-	786,506	•	786,506
26 Stimulation Flowback &	Disp	-	117,494	150,000	267,494
28 Mud/Wastewater Dispo		186,574	59,083	•	245,657
30 Rig Supervision / Engine		117,098	128,908	21,667	267,673
32 Drig & Completion Over		10,071	120,900	- 21,007	10,071
	meau	148,172	67,140	101,667	316,978
35 Labor		148,172			
54 Proppant			1,212,780		1,212,780
95 Insurance		14,164	<del></del>	-	14,164
97 Contingency		<u>•</u>	23,595	3,833	27,428
99 Plugging & Abandonme	nt	•	<u> </u>	-	<u> </u>
	TOTAL INTANGIBLES:	> 3,397,506	5,185,507	772,167	9,355,180
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		S 118,101	<u>-</u>		\$ 118,101
61 Intermediate Casing		332,642			332,642
62 Drilling Liner					
63 Production Casing		663,806			663,806
64 Production Liner		-		<del></del>	
65 Tubing			<del></del>	140,000	140,000
		62,628	<del></del>	40,000	102,628
66 Wellhead					
67 Packers, Liner Hangers		14,234		20,000	34,234
68 Tanks			-	45,833	45,833
69 Production Vessels		<u> </u>		126,667	126,667
70 Flow Lines		-		66,667	66,667
71 Rod string		-	-	-	-
72 Artificial Lift Equipmen	t	-	-	90,000	90,000
73 Compressor		-		5,833	5,833
74 Installation Costs			•		
75 Surface Pumps			-	61,667	61,667
76 Downhole Pumps			-		-
77 Measurement & Meter I	nstallation	<del></del>		116,667	116.667
78 Gas Conditioning / Deh		<del></del>			
79 Interconnecting Facility		<del></del>		20,000	20,000
80 Gathering / Bulk Lines	· · · · · · · · ·	-	<del></del>		
81 Valves, Dumps, Control	lass:		<del></del>	108,333	108,333
		<del></del>			
82 Tank / Facility Contains	iem		<u> </u>	43,333	43,333
83 Flare Stack		·		16,667	16,667
84 Electrical/Grounding			<u> </u>	50,000	50,000
85 Communications/SCAI				36,667	36,667
86 Instrumentation / Safety			-	833	833
	TOTAL TANGIBLES	> 1,191,410	0	989,167	2,180,577
	TOTAL COSTS	> 4,588,916	5,185,507	1,761,334	11,535,757
REPARED BY Permian Re	sources Operating, LLC:				
	1				
Drilling Engine	er: PS				
Completions Engine					
Production Engine	er: DC				
				<u> </u>	
ermian Resources Operation	ng, LLC APPROVAL:				
ርሌር፣	o	ርሎር	CEO	VP - Oper	ations
COCI		250		rr - Open	CRM
	****		· ·		CRM
VP - Land & Leg	BG BG	VP - Geoscier	nces		
	BG		so		
ON OPERATING PARTN	ER APPROVAL:				
	IER APPROVAL:		Working Interest (%):	т	ax ID:
Company Nan	ne:				
Company Nan	ne:				
Company Nan Signed I	ne: py:		Date:		
Company Nan	ne: py:		Date:		

Permian Resources Operating, LLC
300 N. Marienfeld St., Ste. 1000 Midland, TX 79701
Phone (432) 695-4222 • Fax (432) 695-4063
IMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

	ESTIMATE	OF COSTS AND AUTHO	ORIZATION FOR EXPENI		
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 1	34H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	21,110' / 10,825'
COUNTY/STATE:	Lea County, New Mexic	co		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
GLOLOGIC IAMOLII		well and complete with	A4 stages AFF include	s drilling, completions, f	
DELIA DICC.	install cost	wen and complete with	1 TI Stages. AI L merade	s arming, completions, i	lowback and madai mb
REMARKS:	Histaii Cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INITANCIBLE	тоете	COSTS	COSTS	COSTS	COSTS
INTANGIBLE		s 57,069		37,500	\$ 94,569
1 Land/Legal/Regulatory 2 Location, Surveys & Dama		278,338	17,456	2,500	298,294
4 Freight / Transportation	es	46,017	42,298	25,000	113,315
5 Rental - Surface Equipmen		120,122	208,133	105,000	433,255
6 Rental - Downhole Equipm		198,477	57,783	-	256,260
7 Rental - Living Quarters		46,457	52,637		99,094
10 Directional Drilling, Surv	ys:	415,018	-	•	415,018
11 Drilling		728,329	•	-	728,329
12 Drill Bits		96,788	700 540		96,788
13 Fuel & Power		182,546	700,542	<del></del>	883,088 235,069
14 Cementing & Float Equip	TI	235,069	<del></del>	15,000	15.000
15 Completion Unit, Swab, C 16 Perforating, Wireline, Slice		<del></del>	379,842	15,000	379,842
17 High Pressure Pump Truc		<del></del>	119,106	<del></del>	119,106
18 Completion Unit, Swab, C			141,530		141,530
20 Mud Circulation System		101,651	•		101,651
21 Mud Logging		16,936	•	-	16,936
22 Logging/Formation Eval	ation	7,024	8,057		15,081
23 Mud & Chemicals		349,599	423,367	10,000	782,966
24 Water		41,989	639,251	300,000	981,240
25 Stimulation			786,506	-	786,506
26 Stimulation Flowback & I			117,494	150,000	267,494
28 Mud/Wastewater Dispos		186,574	59,083	01//5	245,657
30 Rig Supervision / Enginee		117,098	128,908	21,667	267,673 10,071
32 Drlg & Completion Overl 35 Labor	cau	10,071	67,140	101,667	316,978
54 Proppant		140,172	1,212,780	101,007	1,212,780
95 Insurance		14,164		<del></del>	14,164
97 Contingency		•	23,595	3,833	27,428
99 Plugging & Abandonmen	1	-	<del></del>		•
	TOTAL INTANGIBLES	> 3,397,506	5,185,507	772,167	9,355,180
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	OSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		\$ 118,101 332,642	<del></del>		\$ 118,101
61 Intermediate Casing		332,042	<del></del>	<del></del>	332,642
62 Drilling Liner 63 Production Casing		663,806	<del></del>	<del></del>	663,806
64 Production Liner					- 003,000
65 Tubing		<del></del>	<del></del>	140,000	140,000
66 Wellhead		62.628	<del></del>	40,000	102,628
67 Packers, Liner Hangers		14,234	-	20,000	34,234
68 Tanks			•	45,833	45,833
69 Production Vessels		-	<del></del>	126,667	126,667
70 Flow Lines		<del></del>		66,667	66,667
71 Rod string		-	·		-
72 Artificial Lift Equipment				90,000	90,000
73 Compressor		-		5,833	5,833
74 Installation Costs		-	<u> </u>		-
75 Surface Pumps		-	<del></del>	61,667	61,667
76 Downhole Pumps 77 Measurement & Meter In	tallation	<del></del>	<del></del>	116,667	116,667
78 Gas Conditioning / Dehy		<del></del>	<del></del>	- 110,007	- 110,007
79 Interconnecting Facility P		<del></del>	<del></del>	20,000	20,000
80 Gathering / Bulk Lines	Pr19		<del></del>		
81 Valves, Dumps, Controlle	rs			108,333	108,333
82 Tank / Facility Containme			<del>.</del>	43,333	43,333
83 Flare Stack		•	•	16,667	16,667
84 Electrical/Grounding				50,000	50,000
85 Communications / SCAD	<b>\</b>		<u> </u>	36,667	36,667
86 Instrumentation / Safety		-	·	833	833
	TOTAL TANGIBLES		0	989,167	2,180,577
****	TOTAL COSTS	> 4,588,916	5,185,507	1,761,334	11,535,757
REPARED BY Permian Res	umas Onamina IIC				
ELAKED DI Teldian Kes	outes Operating, LLC.				
Drilling Enginee	: PS				
Completions Enginee					
Production Engineer					
. rosuction enginee					
lan Daca	. II.C ADDDOVICE				
rmian Resources Operatin	LLC APPKOVAL:				
CoCE	)	Co-C	EO	VP - Oper	ations
COCE	,wн	COC		vr - Oper	CRM
		VP - Geoscier	•		CRIVI
VD facilities	BC:	v r - Geoscier	ices		
VP - Land & Lega	BU		5O		
VP - Land & Lega					
VP - Land & Lega					
VP - Land & Lego					
VP - Land & Legi	R APPROVAL:				
ON OPERATING PARTNI			Working Interest (%)		ax ID:
			Working Interest (%):	Тт	ax ID:
ON OPERATING PARTNI  Company Name	:				ax ID:
ON OPERATING PARTNI Company Name Signed by	:			Т	ax ID:
ON OPERATING PARTNI  Company Name	:			_	ax ID:

	ESTIMATE	OF COSTS AND AUTHO	DRIZATION FOR EXPENI	DITURE	
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 1	71H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,700' / 10,415'
COUNTY/STATE:	Lea County, New Mexic	20		LATERAL LENGTH:	10,000'
-	Dea County, New Mexic			DRILLING DAYS:	19.6
Permian WI:	TROC			COMPLETION DAYS:	18.6
GEOLOGIC TARGET:	TBSG		44 4 APP 1 -1 1-	_	
		well and complete with	144 stages. AFE include	s drilling, completions, fl	owback and initial AL
REMARKS:	install cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE		COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory		55,739		37,500	\$ 93,239
2 Location, Surveys & Damag	es	271,852	17,050	2,500	291,402 111,257
4 Freight / Transportation		44,945	41,312 203,283	25,000 105,000	425,606
5 Rental - Surface Equipment		193,853	56,437	- 103,000	250,289
6 Rental - Downhole Equipme	ent	45,374	51,411	<del></del>	96,785
7 Rental - Living Quarters 10 Directional Drilling, Surve		405,348	31,411		405,348
11 Drilling	,,,	711,359	<del></del>	<del></del>	711,359
12 Drill Bits		94,533		•	94,533
13 Fuel & Power		178,292	684,220	-	862,512
14 Cementing & Float Equip		229,592	-		229,592
15 Completion Unit, Swab, C.	TU			15,000	15,000
16 Perforating, Wireline, Slick	cline		370,992	-	370,992
17 High Pressure Pump Truck	•	-	116,330	•	116,330
18 Completion Unit, Swab, C	TU		138,232		138,232
20 Mud Circulation System		99,283	-	-	99,283
21 Mud Logging		16,542	70/0	-	16,542
22 Logging / Formation Evalu	ation	6,860	7,869	10.000	14,729
23 Mud & Chemicals		341,453	413,503 624,356	10,000 300,000	764,956 965,367
24 Water		41,011		300,000	
25 Stimulation	lien		768,180 114,757	150,000	768,180 264,757
26 Stimulation Flowback & D 28 Mud/Wastewater Disposa	•	182,227	57,706	150,000	239,933
•		114,369	125,904	21,667	261,941
30 Rig Supervision / Engineer 32 Drlg & Completion Overho		9,836	12,704	21,007	9,836
35 Labor	eau	144,719	65,575	101,667	311,961
54 Proppant			1,184,522	-	1,184,522
95 Insurance		13,834	-		13,834
97 Contingency		•	23,045	3,833	26,878
99 Plugging & Abandonment			-		-
•	TOTAL INTANGIBLES:	3,318,344	5,064,685	772,167	9,155,196
			COLUMN ETTICAL	PROPUSTION	707.1
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO		COSTS	COSTS	COSTS	COSTS
60 Surface Casing		\$ 115,349			\$ 115,349
61 Intermediate Casing		324,891			324,891
62 Drilling Liner		648,340			648,340
63 Production Casing 64 Production Liner		648,340	<del></del>	<del></del>	040,340
65 Tubing		<del></del>	<del></del>	140,000	140,000
66 Wellhead		61,169	<del></del>	40,000	101,169
67 Packers, Liner Hangers		13,902		20,000	33,902
68 Tanks		•	<del></del>	45,833	45,833
69 Production Vessels				126,667	126,667
70 Flow Lines				66,667	66,667
71 Rod string			-	-	-
72 Artificial Lift Equipment			-	90,000	90,000
73 Compressor			•	5,833	5,833
74 Installation Costs		•	•		
75 Surface Pumps				61,667	61,667
76 Downhole Pumps		-	•		•
77 Measurement & Meter Inst			<u> </u>	116,667	116,667
78 Gas Conditioning / Dehyd			•	-	
79 Interconnecting Facility Pi	ping		-	20,000	20,000
80 Gathering / Bulk Lines				400.000	
81 Valves, Dumps, Controller				108,333	108,333
82 Tank / Facility Containmer 83 Flare Stack				43,333	43,333
84 Electrical / Grounding		<del></del>	<del></del>	50,000	50,000
85 Communications / SCADA	•	<del></del>	<del></del>	36,667	36,667
86 Instrumentation / Safety	•		<del></del>	833	833
	TOTAL TANGIBLES:	> 1,163,650		989,167	2,152,817
	TOTAL COSTS		5,064,685	1,761,334	11,308,013
	TOTAL COSTS	> 4,481,994	5,004,005	1,/01,334	11,306,013
REPARED BY Permian Reso	urces Operating, LLC:				
Drilling Engineer:	: PS				
Completions Engineer:	: ML				
Production Engineer:					
mian Rasauras O	LIC ADDDOVAL				
rmian Resources Operating	, LLC ALTROVAL				
Co-CEO	1	Co-C	ΈO	VP - Oper	ations
CUCEO	WH WH	200	<u>iw</u>	7 Oper	CRM
VP - I and follows		VP - Geoscier	•		- mm
VP - Land & Legal	BG	v r - Geoscier	SO		
	øG.		50		
ON OPERATING PARTNE	R APPROVAL:				
			1411-1 T-:	_	· ID.
Company Name:			Working Interest (%):	T	Tax ID:
Signed by:			Date:		
aignea by:		<del></del>	Date:		
Title:			Approval: [	Yes	☐ No (mark one)
uets on this AFE are estimates only and may not be con-	streed as cedimes on any serecific item or the total	d cont of the second. Tubing installation ares	oved under the AFE may be delayed up to a vi	ear after the well has been committed. In execution	on this AFE, the Participant arrows to pay its

<u> </u>	ESTIMATE	OF COSTS AND AUTHO	DRIZATION FOR EXPEND		
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 17	72H		FIELD:	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:_	20,700' / 10,415'
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	10,000'
Permian WI:	-	_		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
•	Drill a horizontal TBSG	well and complete with	n 44 stages. AFE includes	drilling, completions, fl	owback and Initial AL
	install cost	-	_		_
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE C	OSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory	9		<u> </u>	37,500	5 93,239
2 Location, Surveys & Damage	25	271,852	17,050	2,500	291,402
4 Freight / Transportation		44,945	41,312	25,000	111,257
5 Rental - Surface Equipment		117,323	203,283	105,000	425,606
6 Rental - Downhole Equipme	ent	193,853	56,437		250,289 96,785
7 Rental - Living Quarters		45,374 405,348	51,411		405,348
10 Directional Drilling, Survey 11 Drilling	ys	711,359	<del></del>	<del></del>	711,359
12 Drill Bits		94,533		<del></del>	94,533
13 Fuel & Power		178,292	684,220	•	862,512
14 Cementing & Float Equip		229,592	-	-	229,592
15 Completion Unit, Swab, CT	บา	<del></del>	•	15,000	15,000
16 Perforating, Wireline, Slick	line		370,992		370,992
17 High Pressure Pump Truck		<u> </u>	116,330	-	116,330
18 Completion Unit, Swab, CT	UI		138,232	-	138,232
20 Mud Circulation System		99,283	-		99,283
21 Mud Logging		16,542	7,869		16,542 14,729
22 Logging / Formation Evalua	NUUR	6,860 341,453	413,503	10,000	764,956
23 Mud & Chemicals 24 Water		41,011	624,356	300,000	965,367
24 water 25 Stimulation		41,011	768,180	- 300,000	768,180
25 Stimulation 26 Stimulation Flowback & Di	isp	<del></del>	114,757	150,000	264,757
28 Mud/Wastewater Disposal	•	182,227	57,706	*	239,933
30 Rig Supervision / Engineer		114,369	125,904	21,667	261,941
32 Drig & Completion Overhe		9,836	-	-	9,836
35 Labor		144,719	65,575	101,667	311,961
54 Proppant		<del></del>	1,184,522		1,184,522
95 Insurance		13,834		<u> </u>	13,834
97 Contingency			23,045	3,833	26,878
99 Plugging & Abandonment			-		
	TOTAL INTANGIBLES >	3,318,344	5,064,685	772,167	9,155,196
	,	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE CO	NCT C	COSTS	COSTS	COSTS	COSTS
60 Surface Casing	313				\$ 115,349
61 Intermediate Casing		324,891			324,891
62 Drilling Liner		•			-
63 Production Casing		648,340			648,340
64 Production Liner		-		<del></del>	<del></del>
65 Tubing		•	-	140,000	140,000
66 Wellhead		61,169		40,000	101,169
67 Packers, Liner Hangers		13,902	<u> </u>	20,000	33,902
68 Tanks				45,833	45,833
69 Production Vessels		-		126,667	126,667
70 Flow Lines		<u>·</u>	<u> </u>	66,667	66,667
71 Rod string 72 Artificial Lift Equipment		<del></del>		90,000	90,000
73 Compressor		<del></del>	<del></del>	5,833	5,833
74 Installation Costs		<del></del>	<del></del>	3,033	3,633
75 Surface Pumps		<del></del>	<del></del>	61,667	61,667
76 Downhole Pumps		<del></del>			
77 Measurement & Meter Inst	allation	<del></del>	-	116,667	116,667
78 Gas Conditioning / Dehydr	ration				
79 Interconnecting Facility Pip	oing	<del></del>	<del></del>	20,000	20,000
80 Gathering/Bulk Lines		-		-	
81 Valves, Dumps, Controllers				108,333	108,333
82 Tank / Facility Containmen	t	<u> </u>		43,333	43,333
83 Flare Stack			-	16,667	16,667
84 Electrical/Grounding			<del></del>	50,000	50,000
85 Communications / SCADA				36,667	36,667
86 Instrumentation / Safety	TOTAL TANCING CO.	1162 650		833	833
	TOTAL COSTS			989,167	2,152,817
	TOTAL COSTS >	4,481,994	5,064,685	1,761,334	11,308,013
PARED BY Permian Resor	urces Operating, LLC:				
Drilling Engineer:	PS				
Completions Engineer:	ML				
Production Engineer:	DC				
nian Resources Operating,	LLC APPROVAL:				
0.000		•	TO	·	-ti
Co-CEO	WH	Co-C	IW	VP - Oper	
120 7 14 7		un C	• • •		CRM
VP - Land & Legal	DC .	VP - Geoscien			
	BG		50		
N OPERATING PARTNER	ADDDOVAL				·
OFERALING PARTNE	AFFRUVAL				
Company Name:			Working Interest (%):	Т	ax ID:
•					
Signed by:			Date:		
T710			A	7 Van	□ No /
Title:			Approval:		No (mark one)
s on this AFE are estimates only and may not be const	med as critimes on any specific item or the total	cost of the project. Tubing installation error	oved under the AFE may be delayed up to a year	rafter the well has been completed. In execution	of this AFF the Participant arrows to may its

ESTIMATE OF COSTS	AND AUTHORIZATION FOI	R EXPENDITURI

14 Cementing & Float Equit    239.592		ESTIMATE	or costs and norme	MIZATION TON EXITEND		
Income   Content   Triple   Part   Content   Triple   Content   Trip					_	
COUNTY-TATE   Feedback   Part   County   New Medics   Part   County   New Medics   Part   P	WELL NAME:	Bane 4-9 Federal Com 17	73H		FIELD:	
CONTENTATE   Female No.   CONTENTATION   TOTAL   TOT	LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,700' / 10,415'
Possible No.			0		LATERAL LENGTH:	10,000'
REMARKS	•	Lea County, New Mexic	<del></del>		_	
Description   Total personnel TESG well and complete with 44 stages. AFE includes drilling, completions, flowback and initial AL install Costs   Description   Total AC	•				_	
RIMANES   Equal Color					_	
NTANCIBLE COSTS			well and complete with	44 stages. AFE includes	drilling, completions, f	lowback and Initial AL
Tamanical and Colors	REMARKS:	install cost				
Tanal / Laga / Tanaphatery   S. 1979   S. 19						
2	INTANGIBLE C	OSTS		COSTS		
Separation	1 Land/Legal/Regulatory					
	2 Location, Surveys & Damage	5				
Security   Communic Equipment   190,2833   36,437   50,500     Factard 1-bring Quarters   45,347   71,417   50,700     Factard 1-bring Quarters   45,347   71,417   50,700     Factard 1-bring Quarters   45,348   7   75,348     Factard 1-bring Quarters   45,348   7   75,348     Factard 1-bring Quarters   71,257   645,250   7   75,348     Factard 1-bring Person   71,257   645,250   7   7   7   7   7   7   7   7   7	4 Freight / Transportation					
Timestal Living Quarters	5 Rental - Surface Equipment		117,323		105,000	
10   Directional Delling, Surveys	6 Rental - Downhole Equipme	nt			•	
1D.billing	7 Rental - Living Quarters		45,374	51,411	•	
12 Doll 10	10 Directional Drilling, Survey	rs .	405,348	-	•	
13 Ford & Proper   19,2397   68,2397     62,3297     72,3297     72,3297     72,3297     72,3297     72,3297     72,3297     72,3297     72,3297   .	11 Drilling		711,359	-		711,359
14 Crementing & Floral Equity   259,972	12 Drill Bits		94,533	-	-	
15.00mpleton Unit, Sweb, CTU	13 Fuel & Power		178,292	684,220	-	862,512
15.00mptotion Unit, Sweb, CTU	14 Cementing & Float Equip		229,592	-		229,592
15 Performing Wheeline, Silchilare		ับ		-	15,000	15,000
17 High Pressure Pump Truck			<del></del>	370,992		370,992
18.002    18.0			<del></del>		<del></del>	116,330
29 Mad Cockolation System		שי				138,232
22 Mod Logging		-				
22   Logging   Formation Evaluation   Subsection   Subs						
23 Mode & Chemicals		tion				
24 Water		uvil				
25 Stimulation						
28 Stimulation Reverback & Disp 28 Stimulation Reverback & Disp 30 Rig Supervision (Engineering 113,397 125,994 11,597 25,798 130 Rig Supervision (Engineering 113,397 125,994 11,597 25,798 130 Rig Supervision (Engineering 113,397 125,994 11,597 25,798 13,397 10			41,011		300,000	
23 Mad   Wastewater Disposal   182227   57,785     239,835     21,847   26,1341     20 Dit & Completion Overhead   9,836   .					150 000	
20 Rig Supervision   Engineering					150,000	
23.Dig & Completion Overhead   9,886   .						
13 Labor					<del></del>	
\$4 Propagant		ad				
99 Insurance   13,834	35 Labor		144,719			311,961
97 Configency   .   .   .   .   .   .   .   .   .	54 Proppant			1,184,522	-	1,184,522
99 Plugsing & Abandonment TOTALINTANGIBLES > 3.18,344    SAMA, 485	95 Insurance		13,834		-	13,834
Politogling & Abandonnest	97 Contingency		•	23,045	3,833	26,878
TOTAL INTANGIBLES   3,318,344   5,864,855   772,167   9,155,196				-		
TANGIBLE COSTS		TOTAL INTANCIDLES	2 219 244	5 064 695	772 167	0 155 106
TANGIBLE COSTS   COSTS   COSTS   COSTS   COSTS		TOTALINTANODELD	5,510,511		·	
15 Sufface Caching   Sufface   Suf			DRILLING	COMPLETION	PRODUCTION	TOTAL
10   11   12   13   14   15   15   15   15   15   15   15	TANGIBLE CO	STS	COSTS	COSTS	COSTS	COSTS
March   Marc			115,349	•		\$ 115,349
CD Hilling Liner	••	`			<del></del>	
63 Production Casing   6483-Mi			52.,651			
64 Production Liner			648 340			64R 340
140,000   140,000   140,000   140,000   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   101,169   140,000   140,	.,		010,010			
Sewellhead					110,000	140,000
13,802	••		- 44.420			
Sea Tanks   .   .   .   .   .   .   .   .   .	66 Wellhead		61,169	<u>-</u>	40,000	101,169
69 Production Vessels				<del></del>		
79 Flow Lines						
1.				<u> </u>		
72 Artificial Lift Equipment	70 Flow Lines		<u>-</u> _	<u> </u>	66,667	66,667
73 Compressor	71 Rod string		-	<u> </u>	<u> </u>	
74 Installation Costs 75 Surface Pumps 75 Surface Pumps 75 Surface Pumps 75 Downhole Pumps 75 Courted Fumps 76 Downhole Pumps 77 Measurement & Meter Installation 77 Measurement & Meter Installation 77 Measurement & Meter Installation 78 Locationing / Dehydration 79 Interconnecting Racility Piping 79 Locationing / Dehydration 79 Interconnecting Racility Piping 70 Locationing / Dehydration 79 Locationing / Dehydration 80 Cathering / Bulk Lines 81 Valves, Dumps, Controllers 81 Valves, Dumps, Controllers 81 Valves, Dumps, Controllers 82 Tank/ Facility Containment 83 Locationing / Dehydration 83 Locationing / Dehydration 84 Locationing / Dehydration 85 Hare Stack 85 Locationing / Dehydration 86 Locationing / Dehydration 86 Locationing / Dehydration 87 Locationing / Dehydration 88 Locationing / Dehydration 89 Locationing / Dehydration 80 Locationing /	72 Artificial Lift Equipment		-	-	90,000	90,000
75 Sturface Pumps 75 Downhole Pumps 77 Measurement & Meter Installation 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 70 Lownbook	73 Compressor			•	5,833	5,833
75 Sturface Pumps 75 Downhole Pumps 77 Measurement & Meter Installation 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 70 Lownbook	74 Installation Costs		-	<del></del>		
77 Messurement & Meter Installation	75 Surface Pumps			-	61,667	61,667
77 Messurement & Meter Installation	76 Downhole Pumps		<del></del>	•		<del></del>
78 Gas Conditioning / Dehydration		allation	<del></del>		116,667	116.667
79 Interconnecting Facility Piping				<del></del>		- 110,000
80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 81 Valves, Dumps, Controllers 81 Valves, Dumps, Controllers 91 Valves, Dumps, Controllers 92 Tank / Facility Containment 93 Tank / Facility Containment 94 Tank / Facility Containment 95 Tank / Facility Containment 96 Tank / Facility Containment 97 Tank Say				-	20,000	20.000
81 Valves, Dumps, Controllers 82 Tank / Facility Containment 9		·n				
82 Tank / Facility Containment 83 Flare Stack 83 Flare Stack 84 Electrical/ Grounding 85 Communications / SCADA 86 Instrumentation / Safety 86 Instrumentation / Safety 87 TOTAL TANGIBLES > 1,163,650	•••					
83 Flare Stack						
84 Electrical/Grounding 85 Communications / SCADA 86 Instrumentation / Safety 1	•	τ				
85 Communications / SCADA 86 Instrumentation / Safety TOTAL TANGIBLES > 1,163,650						
833   833						
TOTAL TANGIBLES   1,163,650   0   989,167   2,152,817   TOTAL COSTS   4,481,994   5,064,685   1,761,334   11,308,013				<u> </u>		36,667
TOTAL COSTS > 4,481,994 5,064,685 1,761,334 11,308,013  EPARED BY Permian Resources Operating, LLC:  Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC  Total Resources Operating, LLC APPROVAL:  Co-CEO Co-CEO VP - Operations WH VP - Land & Legal BC SO  ON OPERATING PARTNER APPROVAL:  Company Name: Working Interest (%): Tax ID:  Signed by: Date:	86 Instrumentation / Safety					833
EPARED BY Permian Resources Operating, LLC:  Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC  Tonian Resources Operating, LLC APPROVAL:  Co-CEO		TOTAL TANGIBLES:	1,163,650	0	989,167	2,152,817
EPARED BY Permian Resources Operating, LLC:  Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC  Tonian Resources Operating, LLC APPROVAL:  Co-CEO		TOTAL COSTS :	4,481.994	5,064.685	1.761.334	11,308,013
Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC  Trainan Resources Operating, LLC APPROVAL:  Co-CEO						
Drilling Engineer: PS Completions Engineer: ML Production Engineer: DC  Trainan Resources Operating, LLC APPROVAL:  Co-CEO	EPARED BY Permian Reso	urces Operating, LLC:				
Completions Engineer: ML Production Engineer: DC  Trainan Resources Operating, LLC APPROVAL:  Co-CEO		<u> </u>			<del></del> ,	
Production Engineer: DC  Trainan Resources Operating, LLC APPROVAL:  Co-CEO CO-CEO VP - Operations WH VP - Land & Legal BG VP - Geosciences  DN OPERATING PARTNER APPROVAL:  Company Name: Working Interest (%): Tax ID:  Signed by: Date:		PS				
Production Engineer: DC  Trainan Resources Operating, LLC APPROVAL:  Co-CEO	Completions Engineer:	ML				
Co-CEO Co-CEO VP - Operations VP - Operations VP - Land & Legal BG VP - Geosciences SO  ON OPERATING PARTNER APPROVAL:  Signed by:		DC				
Co-CEO						
WH VP - Land & Legal BG VP - Geosciences  BG VP - Geosciences  ON OPERATING PARTNER APPROVAL:  Company Name:  Working Interest (%):  Signed by:  Date:	mian Resources Operating,	LLC APPROVAL:				
WH VP - Land & Legal BG VP - Geosciences  BG VP - Geosciences  ON OPERATING PARTNER APPROVAL:  Company Name:  Working Interest (%):  Signed by:  Date:						
VP - Land & Legal         VP - Geosciences           BG         SO              ON OPERATING PARTNER APPROVAL:         Working Interest (%):	Co-CEO		Co-C		VP - Ope	
BG SO  DN OPERATING PARTNER APPROVAL:  Company Name: Working Interest (%): Tax ID:  Signed by: Date:				JW		CRM
ON OPERATING PARTNER APPROVAL:    Company Name:	VP - Land & Legal		VP - Geoscien			
Company Name:         Working Interest (%):		BG		50		
Company Name:         Working Interest (%):						
Company Name:         Working Interest (%):						-
Signed by: Date:	ON OPERATING PARTNER	R APPROVAL:				
Signed by: Date:	Company Name:			Working Interest (%):	1	Гах ID:
						-
	Signed by:			Date:		
Tille: Approval: ☐ Yes ☐ No (mark one)				_		
	Title:			Approval:	Yes	No (mark one)
ats on this AFE are minutes only and may not be construed as codings on any specific item or the total cost of the proper. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In maxuing this AFE, the Participant agrees to pay its intense than a fact of the proper of articles are consent recorded up to a year after the well has been completed. In maxuing this AFE, the Participant agrees to pay its intense than a fact of the proper of articles are consent recorded up to a year after the well has been completed. In maxuing this AFE, the Participant agrees to pay its intense than a fact of the proper of the participant agrees to pay its intense than a fact of the well has been completed. In maxuing this AFE, the Participant agrees to pay its intense than a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the participant agrees to pay its intense to a fact of the pay its	to on the Art are settingles only and may not be come timete them of actual costs incurred including local :	ruru as critings on any specific item or the tota rurative resulatory, benkesses and swill costs a	s come of the project. Tubing installation appro subset he beens of the annitrable inies coveration	over unate the AFE thay be delayed up to a yea se accommon, reculatory no be or other accomm	er aver the west than been completed. In execut ent reverine this well. Partirinants whall he re	ing ones ATZ, the Participant agrees to pay its

DATE:					
DATE	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 1	74H		FIELD: _	Teas; Bone Spring
LOCATION:	Section 4, T20S-R34E			MD/TVD:	20,700' / 10,415'
COUNTY/STATE:	Lea County, New Mexic	<u> </u>		LATERAL LENGTH:	10,000'
•	Dea County, Iven Mexic			DRILLING DAYS:	19.6
Permian WI:				_	18.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	
	Drill a horizontal TBSG	well and complete with	44 stages. AFE include	s drilling, completions, f	lowback and Initial AL
REMARKS:	install cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory		55,739	•	37,500	\$ 93,239
2 Location, Surveys & Dama	ges	271,852	17,050	2,500	291,402
4 Freight / Transportation		44,945	41,312	25,000	111,257
5 Rental - Surface Equipmer		117,323	203,283	105,000	425,606
6 Rental - Downhole Equips	nent	193,853	56,437		250,289
7 Rental - Living Quarters		45,374	51,411	•	96,785 405,348
10 Directional Drilling, Surv	eys .	405,348	<del></del>	<del></del>	711,359
11 Drilling 12 Drill Bits		711,359		<del></del>	94,533
13 Fuel & Power		178,292	684,220		862,512
14 Cementing & Float Equip	,	229,592			229,592
15 Completion Unit, Swab,				15,000	15,000
16 Perforating, Wireline, Sli			370,992	-	370,992
17 High Pressure Pump True			116,330	-	116,330
18 Completion Unit, Swab,		-	138,232	-	138,232
20 Mud Circulation System		99,283	•		99,283
21 Mud Logging		16,542		•	16,542
22 Logging / Formation Eval	uation	6,860	7,869	-	14,729
23 Mud & Chemicals		341,453	413,503	10,000	764,956
24 Water		41,011	624,356	300,000	965,367
25 Stimulation			768,180	150 000	768,180
26 Stimulation Flowback &	•	182,227	114,757	150,000	264,757 239,933
28 Mud/Wastewater Dispos			57,706		261,941
30 Rig Supervision / Engine 32 Drlg & Completion Over		9,836	125,904	21,667	9,836
32 Drig & Completion Over 35 Labor	пеаа	144,719	65,575	101,667	311,961
54 Proppant		144,717	1,184,522	- 101,007	1,184,522
95 Insurance		13,834	1,101,522		13,834
97 Contingency			23,045	3,833	26,878
99 Plugging & Abandonmer	nt		•		
	TOTAL INTANGIBLES	> 3,318,344	5,064,685	772,167	9,155,196
	TOTAL INTANGIBLES				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		\$ 115,349			S 115,349
61 Intermediate Casing		324,891	<del></del>	<u> </u>	324,891
62 Drilling Liner		- 40 840		<u> </u>	648,340
63 Production Casing		648,340	<del></del>	<u> </u>	048,340
64 Production Liner 65 Tubing		<del></del>	<del></del>	140,000	140,000
66 Wellhead		61,169	<del></del>	40,000	101,169
67 Packers, Liner Hangers		13,902		20,000	33,902
68 Tanks			<del></del>	45,833	45,833
69 Production Vessels		<del></del>	<del></del>	126,667	126,667
70 Flow Lines			•	66,667	66,667
71 Rod string			-		-
72 Artificial Lift Equipment		-	•	90,000	90,000
73 Compressor				5,833	5,833
74 Installation Costs		-	•		-
75 Surface Pumps		•		61,667	61,667
76 Downhole Pumps		<u> </u>	-		-
77 Measurement & Meter In		•	·	116,667	116,667
78 Gas Conditioning / Dehy		<u> </u>		20,000	20,000
79 Interconnecting Facility I	riping			20,000	20,000
80 Gathering / Bulk Lines		-	•		
81 Values Dumme Controll	ers			108 333	108.333
81 Valves, Dumps, Controll 82 Tank / Facility Containm		<u> </u>		108,333	108,333
82 Tank / Facility Containm				108,333 43,333	108,333 43,333
82 Tank/Facility Containm 83 Flare Stack				108,333 43,333 16,667	108,333 43,333 16,667
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding	ent	<u> </u>	-	108,333 43,333 16,667 50,000	108,333 43,333 16,667 50,000
82 Tank/Facility Containm 83 Flare Stack	ent	-		108,333 43,333 16,667	108,333 43,333 16,667
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD	ent			108,333 43,333 16,667 50,000 36,667	108,333 43,333 16,667 50,000 36,667
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD	ent DA	- - - - - - - - - - - - - - - - - - -	- - - - - - - -	108,333 43,333 16,667 50,000 36,667 833	108,333 43,333 16,667 50,000 36,667 833
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAD 86 Instrumentation / Safety	TOTAL TANGIBLES TOTAL COSTS	- - - - - - - - - - - - - - - - - - -	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety	TOTAL TANGIBLES TOTAL COSTS	- - - - - - - - - - - - - - - - - - -	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS	- - - - - - - - - - - - - - - - - - -	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS PT: PS	- - - - - - - - - - - - - - - - - - -	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS PT: PS	- - - - - - - - - - - - - - - - - - -	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee  Completions Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS PT: ML PT: DC	- - - - - - - - - - - - - - - - - - -	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAD 86 Instrumentation / Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS PT: PS PT: ML PT: DC	- - - - - - - - - - - - - - - - - - -	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS PT: PS PT: ML PT: DC	> 1,163,650 > 4,481,994	- - - - - - 0 5,064,685	108,333 43,333 16,667 50,000 36,667 833 989,167	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAD 86 Instrumentation / Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS PT: PS PT: ML PT: DC	> 1,163,650 > 4,481,994	- - - - - - - 0	108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PT: ML PT: DC  Ag, LLC APPROVAL: O	> 1,163,650 > 4,481,994		108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  Sources Operating, LLC: PS PT: PS PT: ML PT: DC	> 1,163,650 > 4,481,994		108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS PT: ML PT: DC  Ag, LLC APPROVAL: O	> 1,163,650 > 4,481,994		108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAE 86 Instrumentation / Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee Trailing Resources Operation  Co-CE  VP - Land & Leg	TOTAL TANGIBLES TOTAL COSTS  SOurces Operating, LLC: PS: PS: ML PT: DC  Ag, LLC APPROVAL:  O WH  al BG	> 1,163,650 > 4,481,994		108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAE 86 Instrumentation/Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee Trailing Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  SOurces Operating, LLC: PS: PS: ML PT: DC  Ag, LLC APPROVAL:  O WH  al BG	> 1,163,650 > 4,481,994		108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank/Facility Containm 83 Flare Stack 84 Electrical/Grounding 85 Communications/SCAD 86 Instrumentation/Safety  REPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS: PS PT: ML PT: DC  Ag, LLC APPROVAL:  O WH Al BG  ER APPROVAL:			108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAD 86 Instrumentation / Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee  Too-CE  VP - Land & Leg  ON OPERATING PARTN  Company Name	TOTAL TANGIBLES TOTAL COSTS  SOURCES Operating, LLC: PS: PS: ML PT: DC  Ag, LLC APPROVAL:  O WH  al BG  ER APPROVAL: PS:			108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAD 86 Instrumentation / Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee  Too-CE  VP - Land & Leg  ON OPERATING PARTN  Company Name	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS: PS PT: ML PT: DC  Ag, LLC APPROVAL:  O WH Al BG  ER APPROVAL:			108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013
82 Tank / Facility Containm 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCAD 86 Instrumentation / Safety  EPARED BY Permian Res  Drilling Enginee Completions Enginee Production Enginee Production Enginee  Too-CE  VP - Land & Leg  ON OPERATING PARTN  Company Name	TOTAL TANGIBLES TOTAL COSTS  SOURCES OPERATING, LLC: PS: PS PT: ML PT: DC  Ag, LLC APPROVAL:  O WH  Al BG  ER APPROVAL: PS: PS PS PS: PS PS: PS PS PS: PS P			108,333 43,333 16,667 50,000 36,667 833 989,167 1,761,334	108,333 43,333 16,667 50,000 36,667 833 2,152,817 11,308,013

ESTIMATE OF COSTS	AND AUTHORIZ	ATION FOR 1	EXPENDITURE

	ESTIMATE (	OF COSTS AND AUTHO	RIZATION FOR EXPEN				
DATE:	2.17.2023			AFE NO.:	1		
WELL NAME:	Bane 4-9 Federal Com 20	01H		FIELD:	Tonto; Wolfcamp		
LOCATION:	Section 4, T20S-R34E			MD/TVD:	21,210' / 10,925'		
COUNTY/STATE:	Lea County, New Mexic	0		LATERAL LENGTH:	10,000'		
Permian WI:		·		DRILLING DAYS:	19.6		
GEOLOGIC TARGET:	WCXY			COMPLETION DAYS:	19		
GLOLOGIC TIMOLIT		well and complete wit	th 44 stages AFF includ	es drilling, completions,	flowback and Initial		
DEMARKS.	AL install cost	wen and complete wit	ut 11 stages. At L ficture	es arming, compicuoto,	110 WOULK WING THEMES		
REMARKS:	ALIISMITOST						
		DRILLING	COMPLETION	PRODUCTION	TOTAL		
INTANGIBLE	COCTC	COSTS	COSTS	COSTS	COSTS		
1 Land / Legal / Regulatory	\$		-	37,500	\$ 96,566		
2 Location, Surveys & Damag		288,079	18,067	2,500	308,647		
4 Freight / Transportation	•	47,628	43,778	25,000	116,406		
5 Rental - Surface Equipmen	t	124,327	215,417	105,000	444,744		
6 Rental - Downhole Equipm	ent	205,424	59,805	<u> </u>	265,229		
7 Rental - Living Quarters		48,083	54,480		102,562 429,543		
10 Directional Drilling, Surve 11 Drilling	eys	753,820	<del></del>	<del></del>	753,820		
12 Drill Bits		100,176	<del></del>		100,176		
13 Fuel & Power		188,935	725,061		913,996		
14 Cementing & Float Equip		243,296	•		243,296		
15 Completion Unit, Swab, C				15,000	15,000		
16 Perforating, Wireline, Slic			393,136	•	393,136		
17 High Pressure Pump Truc			123,274		123,274		
18 Completion Unit, Swab, C	TU	105,209	146,484		146,484 105,209		
20 Mud Circulation System		17,529	<del></del>	<del></del>	17,529		
21 Mud Logging 22 Logging/Formation Evalu	ation	7,270	8,339	<del></del>	15,609		
23 Mud & Chemicals		361,835	438,185	10,000	810,020		
24 Water		43,459	661,625	300,000	1,005,083		
25 Stimulation			814,033		814,033		
26 Stimulation Flowback & I			121,606	150,000	271,606		
28 Mud/Wastewater Dispos		193,104	61,151		254,254		
30 Rig Supervision / Enginee		121,196	133,420	21,667	276,283 10,423		
32 Drig & Completion Overh 35 Labor	iead	153,358	69,489	101,667	324,514		
54 Proppant		- 135,330	1,255,227	- 101,007	1,255,227		
95 Insurance		14,660			14,660		
97 Contingency			24,421	3,833	28,254		
99 Plugging & Abandonmen	t		-				
	TOTAL INTANGIBLES >	3,516,419	5,367,000	772,167	9,655,585		
		DRILLING	COMPLETION	PRODUCTION	TOTAL		
TANCIDIE	Octo	COSTS	COSTS	COSTS	COSTS		
TANGIBLE C	.0515				\$ 122,234		
61 Intermediate Casing	•	344,284	<del></del>	<del></del>	344,284		
62 Drilling Liner				<del></del>			
63 Production Casing		687,039	-	<del></del>	687,039		
64 Production Liner		-		•	•		
65 Tubing			-	140,000	140,000		
66 Wellhead		64,820		40,000	104,820		
67 Packers, Liner Hangers		14,732		20,000	34,732		
68 Tanks		<u> </u>		45,833 126,667	45,833 126,667		
69 Production Vessels 70 Flow Lines		<del></del>	<del></del>	66,667	66,667		
71 Rod string							
72 Artificial Lift Equipment			<del></del>	90,000	90,000		
73 Compressor		<del></del>		5,833	5,833		
74 Installation Costs			<del></del>	<del></del>	<del></del>		
75 Surface Pumps			-	61,667	61,667		
76 Downhole Pumps			-		•		
77 Measurement & Meter Ins			·	116,667	116,667		
78 Gas Conditioning / Dehyo		· ·	-	20,000	20,000		
79 Interconnecting Facility P 80 Gathering / Bulk Lines	iping	<del></del>	-	20,000	20,000		
81 Valves, Dumps, Controlle	rs	<del></del>	<del></del>	108,333	108,333		
82 Tank / Facility Containme				43,333	43,333		
83 Flare Stack		<del></del>		16,667	16,667		
84 Electrical/Grounding				50,000	50,000		
85 Communications / SCAD	A			36,667	36,667		
86 Instrumentation / Safety	TOTAL	* ******	· ·	833	833		
	TOTAL TANGIBLES >		0	989,167	2,222,276		
	TOTAL COSTS >	4,749,528	5,367,000	1,761,334	11,877,862		
REPARED BY Permian Res	ources Operating LLC						
	outer operating and						
Drilling Engineer	r: PS						
Completions Engineer	r: ML						
Production Engineer	: DC						
ermian Resources Operating	g, LLC APPROVAL:						
Co-CEC		Co-C		VP - Oper	ations		
	WH		JW	•	CRM		
VP - Land & Lega	1	VP - Geoscier	nces				
v	BG		50				
			<del>-</del>				
ON OPERATING PARTNER APPROVAL:							
Company Name		Working Interest (%):	T	Tax ID:			
Claus 4 to			Date				
Signed by	r:		Date:				
Signed by			_	Yes	 ☐ No (mark one)		

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 20	)2H		FIELD:	Tonto; Wolfcamp
LOCATION:	Section 4, T20S-R34E			MD/TVD:	21,210' / 10,925'
COUNTY/STATE:	Lea County, New Mexic			LATERAL LENGTH:	10,000'
· ·	Dea County, Ivew Mickle			DRILLING DAYS:	19.6
Permian WI:	THOMA:			_	19
GEOLOGIC TARGET:	WCXY		and the same of	COMPLETION DAYS:	
DEMA DICC.		well and complete	with 44 stages. AFE include	des drilling, completions,	HOWBACK and Initial
REMARKS:	AL install cost				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COCTC	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory	COSIS			37,500	S 96,566
2 Location, Surveys & Damas	<del>-</del>	288.079	18,067	2,500	308,647
4 Freight / Transportation	n	47,628	43,778	25,000	116,406
5 Rental - Surface Equipmen	t	124,327	215,417	105,000	444,744
6 Rental - Downhole Equipn	ient	205,424	59,805	-	265,229
7 Rental - Living Quarters		48,083	54,480		102,562
10 Directional Drilling, Surv	eys	429,543	<u> </u>	<u> </u>	429,543 753,820
11 Drilling		753,820			100,176
12 Drill Bits		100,176	725,061	<del></del>	913,996
13 Fuel & Power 14 Cementing & Float Equip		243,296	- 725,001		243,296
15 Completion Unit, Swab, C			<del></del>	15,000	15,000
16 Perforating, Wireline, Slice			393,136	-	393,136
17 High Pressure Pump Truc			123,274	-	123,274
18 Completion Unit, Swab, C	TU		146,484	-	146,484
20 Mud Circulation System		105,209		-	105,209
21 Mud Logging		17,529	9 220	<u> </u>	17,529
22 Logging / Formation Evalu	uation	7,270	8,339 438,185	10,000	15,609 810,020
23 Mud & Chemicals 24 Water		361,835 43,459	438,185	300,000	1,005,083
24 Water 25 Stimulation		43,437	814,033	300,000	814,033
26 Stimulation Flowback & I	Disp		121,606	150,000	271,606
28 Mud/Wastewater Dispos		193,104	61,151	•	254,254
30 Rig Supervision / Enginee		121,196	133,420	21,667	276,283
32 Drig & Completion Over		10,423		-	10,423
35 Labor		153,358	69,489	101,667	324,514
54 Proppant			1,255,227	-	1,255,227
95 Insurance		14,660		- 0.000	14,660
97 Contingency	.4	<del>-</del>	24,421	3,833	28,254
99 Plugging & Abandonmen	TOTAL INTANGIBLES >	2 516 410	5,367,000	772,167	9,655,585
	TOTAL INTANGIBLES	3,516,419	5,000,000		
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE C	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing	\$	122,234 344,284	<del></del>	<del></del>	\$ <u>122,234</u> 344,284
61 Intermediate Casing 62 Drilling Liner		344,264	<del></del>	<del></del>	
63 Production Casing		687,039			687,039
64 Production Liner		<del></del>	-	-	-
65 Tubing		-		140,000	140,000
66 Wellhead		64,820	-	40,000	104,820
67 Packers, Liner Hangers		14,732	<u> </u>	20,000	34,732
68 Tanks 69 Production Vessels		<u>·</u>		45,833 126,667	45,833 126,667
70 Flow Lines		<del>-</del>		66,667	66,667
71 Rod string		-	-	-	-
72 Artificial Lift Equipment		-		90,000	90,000
73 Compressor		•	<u> </u>	5,833	5,833
74 Installation Costs			<u> </u>	-	
75 Surface Pumps			<u>-</u>	61,667	61,667
76 Downhole Pumps	atallatian	-	<del></del>	116,667	116,667
77 Measurement & Meter In 78 Gas Conditioning / Dehy		<del></del>	<del></del>	110,007	
79 Interconnecting Facility P				20,000	20,000
80 Gathering / Bulk Lines			-	-	
81 Valves, Dumps, Controlle	ers	-		108,333	108,333
82 Tank / Facility Containme				43,333	43,333
83 Flare Stack			-	16,667	16,667
84 Electrical/Grounding				50,000	50,000
85 Communications / SCAD	A	<u>.</u>		36,667	36,667
86 Instrumentation / Safety	TOTAL TANGIBLES	1,233,109		989,167	2,222,276
	TOTAL COSTS		5,367,000	1,761,334	11,877,862
	TOTAL COSTS	4,747,328	000,700,0	1,/01,334	11,677,602
REPARED BY Permian Res	ources Operating, LLC:				
Drilling Enginee	r: PS				
Drilling Enginee Completions Enginee					
Production Enginee					
1 Todaction Enginee	i. bc				
ermian Resources Operatin	o. I.I.C APPROVAL				
erunan Kesources Operatin	E LLC ATTROVAL				<del>-</del> -
Co-CE	0	(	Co-CEO	VP - Oper	rations
	WH		JW		CRM
VP - Land & Lega	al	VP - Geo:	sciences		
ū	BG		SO		
-					
ON OPERATING PARTN	ER APPROVAL:				
Company Name	e:		Working Interest (%):	7	ax ID:
Company Mann	e:				·
Signed by	y:	_	. Date: _		
= :					—
Titl	e:		. Approval: _	Yes	No (mark one)
	construed as codings on any sensitive item or the total	least of the period. Taking installati	on amount under the ATF may be deleved un to a	year after the well has been completed. In executi	ne this AFE, the Participant acrees to pay its

		OF COSTS AND AUTH	ORIZATION FOR EXPENI		
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 2	03H		FIELD:	Tonto; Wolfcamp
LOCATION:	Section 4, T20S-R34E			MD/TVD:	21,210' / 10,925'
COUNTY/STATE:	Lea County, New Mexic	20		LATERAL LENGTH:	10,000'
Permian WI:	•			DRILLING DAYS:	19.6
GEOLOGIC TARGET:	WCXY			COMPLETION DAYS:	19
		well and complete w	ith 44 stages. AFE includ	es drilling, completions, i	
REMARKS:	AL install cost		<b>g</b>		
			· · · · · · · · · · · · · · · · · · ·	<del> </del>	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land/Legal/Regulatory		59,066	•	37,500	\$ 96,566
2 Location, Surveys & Dama	ges	288,079	18,067	2,500	308,647
4 Freight / Transportation		47,628	43,778	25,000	116,406
5 Rental - Surface Equipmer		124,327 205,424	215,417 59,805	105,000	444,744 265,229
6 Rental - Downhole Equips 7 Rental - Living Quarters	nent	48,083	54,480	<del></del>	102,562
10 Directional Drilling, Surv	evs .	429,543		<del></del>	429,543
11 Drilling	-7-	753,820			753,820
12 Drill Bits		100,176	-	•	100,176
13 Fuel & Power		188,935	725,061	•	913,996
14 Cementing & Float Equip		243,296	-	15,000	243,296 15,000
15 Completion Unit, Swab, C		<del></del>	393,136	15,000	393,136
16 Perforating, Wireline, Slic 17 High Pressure Pump True		<del></del>	123,274	<del></del>	123,274
18 Completion Unit, Swab, (			146,484		146,484
20 Mud Circulation System		105,209			105,209
21 Mud Logging		17,529			17,529
22 Logging / Formation Eval	uation	7,270	8,339		15,609
23 Mud & Chemicals		361,835	438,185	10,000	810,020
24 Water		43,459	661,625 814,033	300,000	1,005,083
25 Stimulation 26 Stimulation Flowback &	Disn	<del></del>	121,606	150,000	271,606
28 Mud/Wastewater Dispos		193,104	61,151	- 130,000	254,254
30 Rig Supervision / Engine		121,196	133,420	21,667	276,283
32 Drlg & Completion Over		10,423			10,423
35 Labor		153,358	69,489	101,667	324,514
54 Proppant		-	1,255,227		1,255,227
95 Insurance		14,660		1 922	14,660
97 Contingency	n.0	<u> </u>	24,421	3,833	28,254
99 Plugging & Abandonmer		2 544 440	5,367,000		0.455.555
	TOTAL INTANGIBLES	3,516,419		772,167	9,655,585
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE (	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing		122,234	-	· .	5 122,234
61 Intermediate Casing		344,284	-	•	344,284
62 Drilling Liner		687,039		<del></del>	687,039
63 Production Casing 64 Production Liner		00/,039	<del></del>	<del></del>	- 007,039
65 Tubing		<del></del>		140,000	140,000
66 Wellhead		64,820		40,000	104,820
67 Packers, Liner Hangers		14,732		20,000	34,732
68 Tanks			-	45,833	45,833
69 Production Vessels				126,667	126,667
70 Flow Lines		·		66,667	66,667
71 Rod string 72 Artificial Lift Equipment		<del>:</del>	<del>-</del>	90,000	90,000
72 Artificial Lift Equipment 73 Compressor		<del></del>	<del></del>	5,833	5,833
74 Installation Costs			-		-
75 Surface Pumps		<u> </u>		61,667	61,667
76 Downhole Pumps			-		
77 Measurement & Meter In			•	116,667	116,667
78 Gas Conditioning / Dehy			-		20,000
79 Interconnecting Facility I	riping			20,000	20,000
80 Gathering / Bulk Lines 81 Valves, Dumps, Controlle	ers	<del></del>	<del></del>	108,333	108,333
82 Tank / Facility Containm		<del></del>	<del></del>	43,333	43,333
83 Flare Stack	•		-	16,667	16,667
84 Electrical / Grounding		•	-	50,000	50,000
85 Communications / SCAD	)A		-	36,667	36,667
86 Instrumentation/Safety			-	833	833
	TOTAL TANGIBLES		0	989,167	2,222,276
	TOTAL COSTS :	> 4,749,528	5,367,000	1,761,334	11,877,862
REPARED BY Permian Res	sources Operating, LLC:				
D. I. CIMIAN NES					
Drilling Enginee	er: PS				
Completions Enginee					
Production Enginee					
rmian Resources Operatin	g, LLC APPROVAL:				
<del>.</del>	<del></del>				
Co-CE	О	Co-	CEO	VP - Opera	
			JW		CRM
	al	VP - Geoscie	ences		
_	BG		50		
ON OPERATING PARTN	ER APPROVAL:				
			14717		ID.
Company Nam	e:		Working Interest (%):	T	ax ID:
Signed b	v:		Date:		
Signed 0	y:				
Titl	e:		Approval:	Yes	No (mark one)
					<del></del>

	ESTIMATE (	OF COSTS AND AUTHO	RIZATION FOR EXPEN	JII UKE	
DATE:	2.17.2023			AFE NO.:	1
WELL NAME:	Bane 4-9 Federal Com 20	4H		FIELD:	Tonto; Wolfcamp
LOCATION:	Section 4, T20S-R34E			MD/TVD:	21,210' / 10,925'
				LATERAL LENGTH:	10,000'
COUNTY/STATE:	Lea County, New Mexic	0		_	
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	WCXY			COMPLETION DAYS:	19
	Drill a horizontal WCXY	well and complete wit	th 44 stages. AFE includ	es drilling, completions,	flowback and Initial
REMARKS:	AL install cost	•	Ü	•	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
			COSTS	COSTS	COSTS
INTANGIBLE		COSTS			
1 Land/Legal/Regulatory	S		18,067	37,500 2,500	\$ 96,566 308,647
2 Location, Surveys & Dama	iges	288,079	43,778	25,000	116,406
4 Freight / Transportation		47,628		105,000	444,744
5 Rental - Surface Equipmen		124,327	215,417 59,805		265,229
6 Rental - Downhole Equips	ment	205,424		<del></del>	102,562
7 Rental - Living Quarters		48,083	54,480		429,543
10 Directional Drilling, Surv	veys	429,543		<u> </u>	753,820
11 Drilling		753,820	<u> </u>	<u> </u>	
12 Drill Bits		100,176	725.0/1		100,176
13 Fuel & Power		188,935	725,061	-	913,996
14 Cementing & Float Equip		243,296	<del></del>	15.000	243,296 15,000
15 Completion Unit, Swab,		<u>-</u>	202 124	15,000	
16 Perforating, Wireline, Sli			393,136		393,136
17 High Pressure Pump Tru			123,274	<u> </u>	123,274
18 Completion Unit, Swab,	CTU	-	146,484		146,484
20 Mud Circulation System		105,209	•	•	105,209
21 Mud Logging		17,529		<u>-</u>	17,529
22 Logging / Formation Eval	luation	7,270	8,339	•	15,609
23 Mud & Chemicals		361,835	438,185	10,000	810,020
24 Water		43,459	661,625	300,000	1,005,083
25 Stimulation			814,033	-	814,033
26 Stimulation Flowback &			121,606	150,000	271,606
28 Mud/Wastewater Dispo		193,104	61,151	•	254,254
30 Rig Supervision / Engine	ering	121,196	133,420	21,667	276,283
32 Drlg & Completion Over	head	10,423	-	-	10,423
35 Labor		153,358	69,489	101,667	324,514
54 Proppant		<del></del>	1,255,227		1,255,227
95 Insurance		14,660	-		14,660
97 Contingency			24,421	3,833	28,254
99 Plugging & Abandonme	nt		-		-
147 17	TOTAL INTANGIBLES >	3,516,419	5,367,000	772,167	9,655,585
	TOTALINTANGIDLES				
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing	Š	122,234	-	-	\$ 122,234
61 Intermediate Casing		344,284	-		344,284
62 Drilling Liner		<del></del>			<del></del>
63 Production Casing		687,039			687,039
64 Production Liner		<del></del>	-		<del></del>
65 Tubing			-	140,000	140,000
66 Wellhead		64,820		40,000	104,820
67 Packers, Liner Hangers		14,732	<del></del>	20,000	34,732
68 Tanks				45,833	45,833
69 Production Vessels		<del></del>		126,667	126,667
70 Flow Lines				66,667	66,667
					00,007
71 Rod string		<del></del>	<del></del>	90,000	90,000
72 Artificial Lift Equipment		<del></del>	<del></del>	5,833	5,833
73 Compressor					
74 Installation Costs				41.647	41447
75 Surface Pumps			-	61,667	61,667
76 Downhole Pumps			•		-
77 Measurement & Meter Ir				116,667	116,667
78 Gas Conditioning / Dehy					86.555
79 Interconnecting Facility I	riping		<del></del>	20,000	20,000
80 Gathering / Bulk Lines			<u> </u>	100 222	100 222
81 Valves, Dumps, Controll			-	108,333	108,333
82 Tank / Facility Containm	ent	<del></del>	<u> </u>	43,333	43,333
83 Flare Stack		<u>·</u>	-	16,667	16,667
84 Electrical/Grounding				50,000	50,000
85 Communications / SCAE			<u> </u>	36,667	36,667
86 Instrumentation / Safety		-	<u> </u>	833	833
	TOTAL TANGIBLES >	1,233,109	0	989,167	2,222,276
	TOTAL COSTS >	4,749,528	5,367,000	1,761,334	11,877,862
REPARED BY Permian Res	sources Operating, LLC:				
p					
Drilling Enginee					
Completions Enginee	er: ML				
Production Enginee	er: DC				
ermian Resources Operatir	OF LLC APPROVATE				
erunan Resources Operatio	ig LLC ATTROVAL				
CoCE	SO .	Co-C	EO	VP - Oper	ations
Co-Cr		Co-C	<u>IW</u>	vi - Open	CRM
			• • •		CKM
VP - Land & Leg		VP - Geoscier			
	BG		so		
-			*		
ON OPERATING PARTN	ER APPROVAL.				
OIT OF ENATING PARTN	EN ALL ROYAL				
Company Nam	ne:		Working Interest (%):	T	ax ID:
Signed b	py:		Date:		
	-				<del></del>
Tit	le:		Approval: [	Yes	No (mark one)
				per efter the well has been completed. In execution	

## **TAB 3**

Case Nos. 23452-23455

Exhibit B:	Self-Affirmed Statement of Staci Mueller, Geologist
Exhibit B-1:	Locator Map & Stress Direction
Exhibit B-2:	Permit Status
Exhibit B-3:	Gun Barrel View
Exhibit B-4:	Development Plan Comparison
Exhibit B-5:	Subsea Structure Map
Exhibit B-6:	3 <sup>rd</sup> bone Spring Isopach Map
Exhibit B-7:	Structural Cross Section
	3 <sup>rd</sup> Bone Spring Producers vs. all Wolfcamp Producers
Exhibit B-9:	All 3 <sup>rd</sup> Bone Spring and Wolfcamp Producers
	Comparing 3 <sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)
	2 <sup>nd</sup> Bone Spring Structure Map
	2 <sup>nd</sup> Bone Spring Sand Isopach
	2 <sup>nd</sup> Bone Spring Sand Cross Section
	2 <sup>nd</sup> Bone Spring Sand vs. 3 <sup>rd</sup> Bone Spring Carbonate Producers
Exhibit B-15:	PhilH L 2 <sup>nd</sup> Sand vs. 3 <sup>rd</sup> Carbonate
Exhibit B-16:	1st Bone Spring Sand Structure
Exhibit B-17:	1 <sup>st</sup> Bone Spring Sand Isopach
	1 <sup>st</sup> Bone Spring Structural Cross Section
Exhibit B-19:	Wolfcamp Structure Map (Subsea TVD)
Exhibit B-20:	Wolfcamp XY Isopach
Exhibit B-21:	Wolfcamp XY West to East Cross Section

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23448 – 23451 (Mighty Pheasant; Bone Spring)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23594 – 23597 (Mighty Pheasant; Wolfcamp)

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

> Case Nos. 23452 – 23455 (Loosey Goosey; Bone Spring)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23598 – 23601 (Loosey Goosey; Wolfcamp)

## SELF-AFFIRMED STATEMENT OF STACI MUELLER

- I, being duly sworn on oath, state the following:
- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for Cimarex Energy Co. ("Cimarex"), and I am familiar with the subject application and the geology involved.
- 3. This testimony is submitted in connection with the filing by Cimarex in the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.



- 4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
  - a. I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines.
  - b. I have worked on New Mexico Oil and Gas matters since July 2018.
- 5. Cimarex is an established operator in the Quail Ridge area, with 35 horizontal wells drilled within the basal 3<sup>rd</sup> Bone Spring Sand starting in 2010 through 2022. In most of the 3<sup>rd</sup> Sand developments, Triple Combo logs were taken to further the reservoir characterization of both the Bone Spring and Wolfcamp formations. From these extensive mapping efforts along with offset production analyses, Cimarex has verified that the 3<sup>rd</sup> Sand is the most economic target at the Mighty Pheasant and Loosey Goosey proposed development.
- 6. **Exhibit B-1** shows a map made by Jens-Erik Lund Snee and Mark D. Zoback from Stanford University, which depicts the maximum horizontal stress direction throughout the Delaware and Midland Basins. The map on the right is a zoomed in portion of the regional map (red outline), where the blue lines represent the digitized version of the same stress directions. Based on the regional trend observed by Lund Snee and Zoback, the estimated stress direction at Mighty Pheasant and Loosey Goosey is approximately N70E, which means the favorable well orientation is north-south instead of east-west. Both Cimarex and Permian Resources plan to drill in the north-south orientation.
- 7. **Exhibit B-2** is a table summarizing the permit status for the Mighty Pheasant and Loosey Goosey developments. Highlighted in yellow are the wells that Cimarex has submitted to the BLM,

and each well has "AFMSS-Accepted" noted to show that these wells are high enough on Cimarex's priority list for the BLM to be currently working on them. Ten permits were submitted between February and March 2022 for a 3<sup>rd</sup> Bone Spring Sand development (tier 1 target in area) plus a 1<sup>st</sup> Sand or 2<sup>nd</sup> Sand well to de-risk the sections in more highly channelized reservoirs.

- 8. **Exhibit B-3** is a gun barrel view of Cimarex's development plan across both Mighty Pheasant (Sections 5 & 8) and Loosey Goosey (Sections 4 & 9). Cimarex plans to develop the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Bone Spring Sands at 4 wells per section spacing. The 1<sup>st</sup> Sand target is the high porosity, clean sand in the upper half of the interval. The 2<sup>nd</sup> Sand target is the basal siltstone/sandstone interval, and the 3<sup>rd</sup> Sand target is the basal clean sand lobe, which is also the established target across several townships.
- 9. **Exhibit B-4** is a gun barrel view of Cimarex's plan (left side) versus Permian Resources (right side). Permian Resources plans to include 3 additional landing zones in their full section development: the Upper 2<sup>nd</sup> Bone Spring Sand, the 3<sup>rd</sup> Carbonate, and the Wolfcamp XY Sands. This is a risky development scenario, because the 3<sup>rd</sup> Sand & Wolfcamop XY vertical spacing is about 95 ft, which is not considered a true stagger and subsequently treated as a flat development. Therefore, Permian Resource plans to develop the 3<sup>rd</sup> Sand & Wolfcamp XY combined reservoir tank at 8 wells per section, which is over-spaced for this area, where almost every operator has developed the 3<sup>rd</sup> Sand with 4 wells per section. Permian Resources' 3<sup>rd</sup> Carbonate target is approximately 135 ft vertical distance from their proposed Lower 2<sup>nd</sup> Sand target, which is also very tight vertical spacing when there is no frac baffle in between (no tight carbonates). The Lower 2<sup>nd</sup> Sand is the established target across several townships, while there has only been one well landed in the 3<sup>rd</sup> Carbonate (with no 2<sup>nd</sup> Sand above). The Upper 2<sup>nd</sup> Sand is a target that Cimarex has investigated and determined to be too risky to drill before collecting data.

- 10. **Exhibit B-5** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.
- 11. **Exhibit B-6** is an isopach map of the 3<sup>rd</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 3<sup>rd</sup> Sand is consistently between 260-280 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).
- 12. **Exhibit B-7** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3<sup>rd</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate.

These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3<sup>rd</sup> Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank.

- 13. **Exhibit B-8** is showing a map with all the producing 3<sup>rd</sup> Bone Spring Sand wells across almost three townships (left), versus all of the Wolfcamp producers across the area (right). This Exhibit highlights the fact that the 3<sup>rd</sup> Sand is the established target in the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there have only been two Wolfcamp developments plus some parent well tests. Cimarex is also an established operator in this area, with 36 wells drilled including a Wolfcamp test.
- 14. **Exhibit B-9** shows all of the 3<sup>rd</sup> Bone Spring Sand producing wells with blue diamonds, and all of the Wolfcamp Sands producing wells with orange diamonds. Mighty Pheasant and Loosey Goosey are located within the black and red box which lies among almost all 3<sup>rd</sup> Sand wells. There are a couple of Wolfcamp development tests two miles to the south, but the majority of Wolfcamp and 3<sup>rd</sup> Sand co-development occurs 3 townships to the south, where the total 3<sup>rd</sup> Sand and Wolfcamp Sands reservoir tank is much thicker and deeper into the basin.
- 15. **Exhibit B-10** shows the PhiH (porosity\*height) of the 3<sup>rd</sup> Bone Spring Sand (left) versus the Wolfcamp X and Y Sands (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control

points are displayed, along with the values of the closest control points to the subject development. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 3<sup>rd</sup> Sand, based on the closest control points, is 26.75 pore-ft. While the average PhiH within the Wolfcamp X and Y Sands is 10 pore-ft, which means that the 3<sup>rd</sup> Sand is at least 72.8% of the total reservoir, while the Wolfcamp Sands are 27.2% of the total reservoir. However, because there are no frac baffles separating the 3<sup>rd</sup> Sand and Wolfcamp Sands, and because the two Permian Resource targets would have about 95 ft of vertical separation, their Wolfcamp wells would drain a significant portion of the 3<sup>rd</sup> Sand reservoir that the four 3<sup>rd</sup> Sand wells would already be targeting.

- 16. **Exhibit B-11** is a structure map (Subsea TVD) of the top of the 3<sup>rd</sup> Bone Spring Carbonate, which is about 40 ft below the 2<sup>nd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 200 ft of relief on the eastern edge of the proposed development, and about 100 ft of relief on the western edge.
- 17. **Exhibit B-12** is an isopach map of the  $2^{nd}$  Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the  $2^{nd}$  Sand is consistently between 420-440 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).
- 18. **Exhibit B-13** is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity

(RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The Lower 2<sup>nd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 200 Ohms (not as low as basal 3<sup>rd</sup> Sand target). Cimarex's target is the standard Lower 2<sup>nd</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 2<sup>nd</sup> Bone Spring Carbonate and in the middle of the 2<sup>nd</sup> Sand. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). These frac baffles within the 2<sup>nd</sup> Sand, plus the vertical distance of approximately 400 ft, indicate that there may be another target within the Upper 2<sup>nd</sup> Sand (similar log characteristics as the Lower Sand target). However, this would be a several mile step-out test, so Cimarex is planning advanced logging/data collection through this interval to de-risk it while drilling the 3<sup>rd</sup> Sand wells.

19. **Exhibit B-14** is showing a map with all the producing Lower 2<sup>nd</sup> Bone Spring Sand wells across almost nine townships (left), versus all of the 3<sup>rd</sup> Bone Spring Carbonate producers across the area (right). This Exhibit highlights the fact that the Lower 2<sup>nd</sup> Sand is the established target in the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there has only been one well landed in the 3<sup>rd</sup> Carbonate, with no 2<sup>nd</sup> Sand development above.

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20. **Exhibit B-15** shows the PhiH (porosity\*height) of the 2<sup>nd</sup> Bone Spring Sand (left) versus the 3<sup>rd</sup> Bone Spring Carbonate (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control points are displayed. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 2<sup>nd</sup> Sand, based on the closest control points, is 30 pore-ft. While the average PhiH within the 3<sup>rd</sup> Carbonate is 20 pore-ft, which means that the 2<sup>nd</sup> Sand is at least 60% of the total reservoir, while the 3<sup>rd</sup> Carbonate is 40% of the total reservoir. However, because there are no frac baffles separating the 2<sup>nd</sup> Sand and 3<sup>rd</sup> Carbonate, and because the two Permian Resource targets would have about 135 ft of vertical separation, their 3<sup>rd</sup> Carbonate wells would drain a significant portion of the 2<sup>nd</sup> Sand reservoir that the four 2<sup>nd</sup> Sand wells would already be targeting.

- 21. **Exhibit B-16** is a structure map (Subsea TVD) of the top of the 1<sup>st</sup> Bone Spring Sand, which is about 40 ft above the 1<sup>st</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 85 ft of relief.
- 22. **Exhibit B-17** is an isopach map of the 1<sup>st</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 1<sup>st</sup> Sand is consistently between 280-300 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

23. Exhibit B-18 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The 1st Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard 1st Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs.

### WOLFCAMP STATEMENT

(See Cimarex's Motion for an Order to Prohibit the Drilling of Wells in the Upper Wolfcamp in Order to Protect Correlative Rights and Optimize Production of the Subject Lands, filed as an Exhibit in Cases 23594 – 23597 and Cases 23598 - 23601)

- 24. **Exhibit B-19** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.
- 25. **Exhibit B-20** is an isopach map of the Wolfcamp X and Y Sands, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the

Wolfcamp X and Y Sands are consistently about 100 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

26. Exhibit B-21 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3rd Bone Spring Sand target across the area (a few townships), which is located above the Wolfcamp X & Y Sands (highlighted yellow on the left side). Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3rd Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank; therefore, Permian Resources' Wolfcamp XY Sands target will primarily produce from the 3<sup>rd</sup> Bone Spring Sand.

- 27. The Exhibits to this Affidavit were prepared by me or compiled from Cimarex's company business records under my supervision.
- 28. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 29. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Staci Mueller:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594 – 23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

STACI MUELLER

7/11/2023

Date Signed

Received by OCD: 7/13/2023 6:32:00 PM

# Geology Exhibits



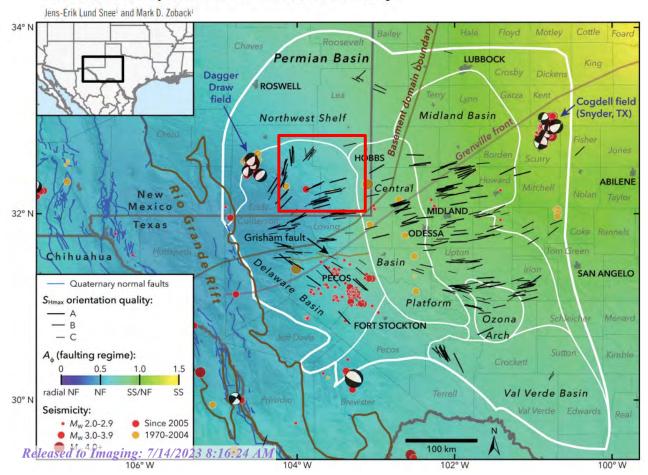
## Locator Map & Stress Direction

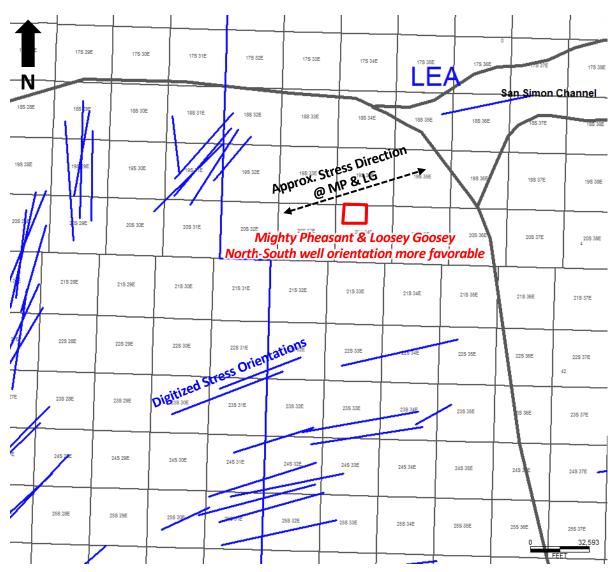
Coterra plans to develop Sections 4-9 and 5-8 with 2-mile laterals

- 1. 8 Lower 3<sup>rd</sup> Bone Spring Sand
- 2. 8 2<sup>nd</sup> Bone Spring Sand
- 3. 8 1<sup>st</sup> Bone Spring Sand

The wells will be drilled north to south from 2 pads/ Section

State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity

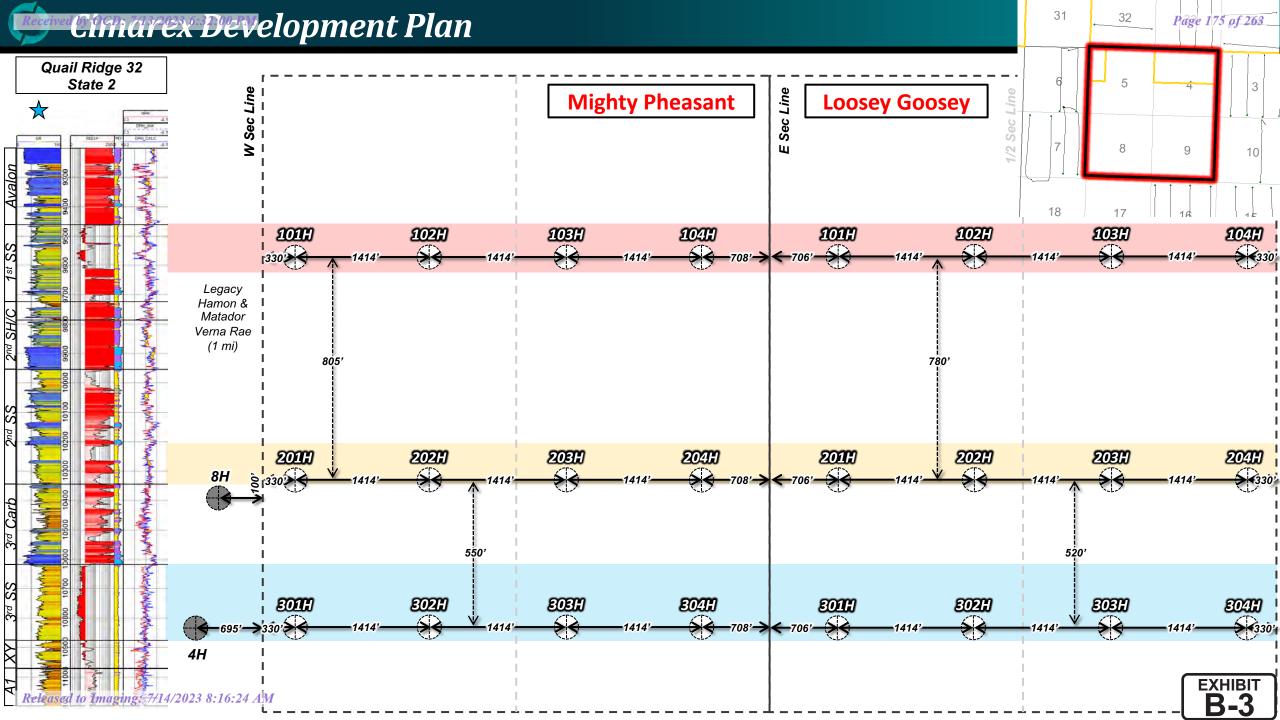


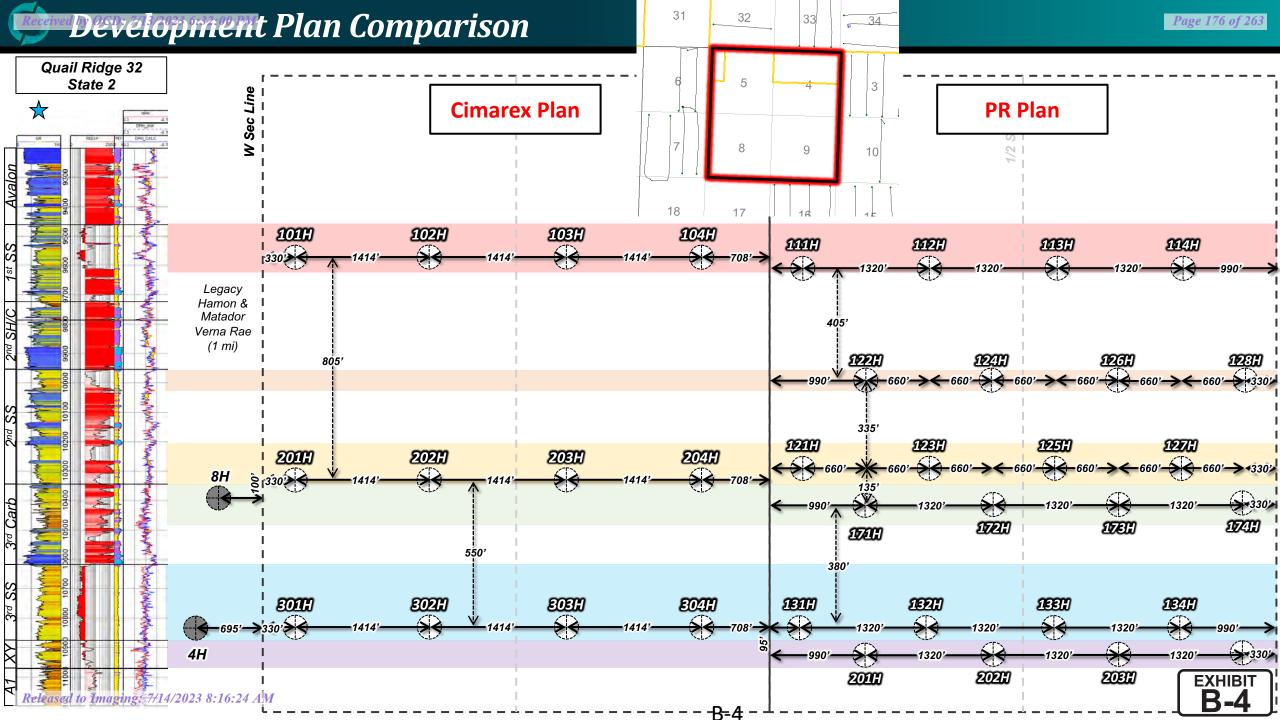




	State	County	Well Name & Number	Permit Status	Permit Submission Due Date	Permit Submitted Date	10-Day Letter Date	10-Day Letter Due
	NM	Lea	Mighty Pheasant 5-8 Fed Com 101H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 102H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 103H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 104H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 201H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 202H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 203H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 204H	AFMSS-Accepted	2/14/2022	2/14/2022	6/2/2023	7/17/2023
	NM	Lea	Mighty Pheasant 5-8 Fed Com 301H	AFMSS-Accepted	3/1/2022	3/1/2022		
$\dashv$	NM	Lea	Mighty Pheasant 5-8 Fed Com 302H	AFMSS-Accepted	3/2/2022	3/2/2022		
	NM	Lea	Mighty Pheasant 5-8 Fed Com 303H	AFMSS-Accepted	2/14/2022	2/14/2022	6/2/2023	7/17/2023
L	NM	Lea	Mighty Pheasant 5-8 Fed Com 304H	AFMSS-Accepted	3/1/2022	3/1/2022	6/2/2023	7/17/2023
	NM	Lea	Loosey Goosey 4-9 Fed Com 101H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 102H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 103H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 104H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 201H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 202H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 203H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 204H	AFMSS-Accepted	3/15/2022	3/15/2022		
	NM	Lea	Loosey Goosey 4-9 Fed Com 301H	AFMSS-Accepted	3/9/2022	3/9/2022		
┥╵	NM	Lea	Loosey Goosey 4-9 Fed Com 302H	AFMSS-Accepted	3/9/2022	3/9/2022		
	NM	Lea	Loosey Goosey 4-9 Fed Com 303H	AFMSS-Accepted	3/15/2022	3/15/2022		
	NM	Lea	Loosey Goosey 4-9 Fed Com 304H	AFMSS-Accepted	3/15/2022	3/15/2022		
L	NM	Lea	Loosey Goosey 4-9 Fed Com 304H	AFMSS-Accepted	3/15/2022	3/15/2022		

Submitted permits for 3<sup>rd</sup> Sand development & 1<sup>st</sup> Sand/2<sup>nd</sup> Sand test BLM is currently working on these

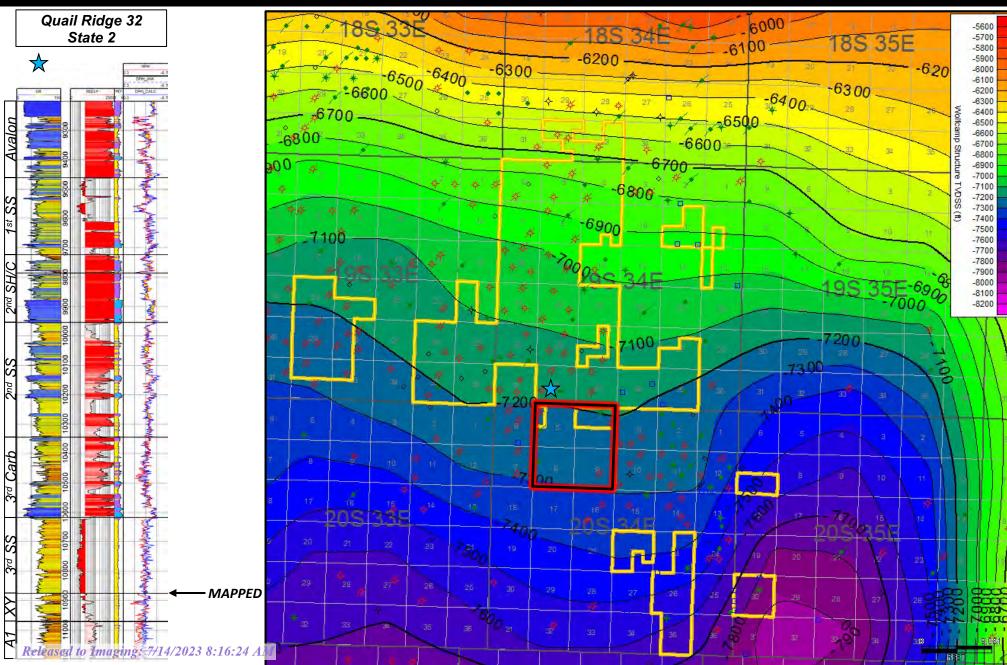




# 3<sup>rd</sup> Bone Spring Sand

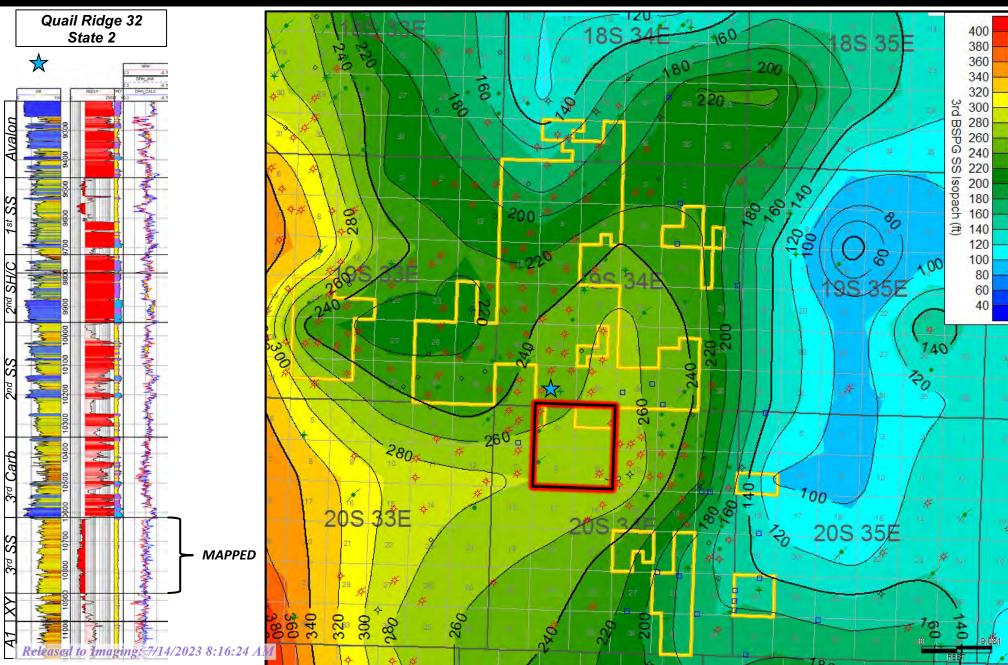


# 3rd Bone Spring Sand Structure

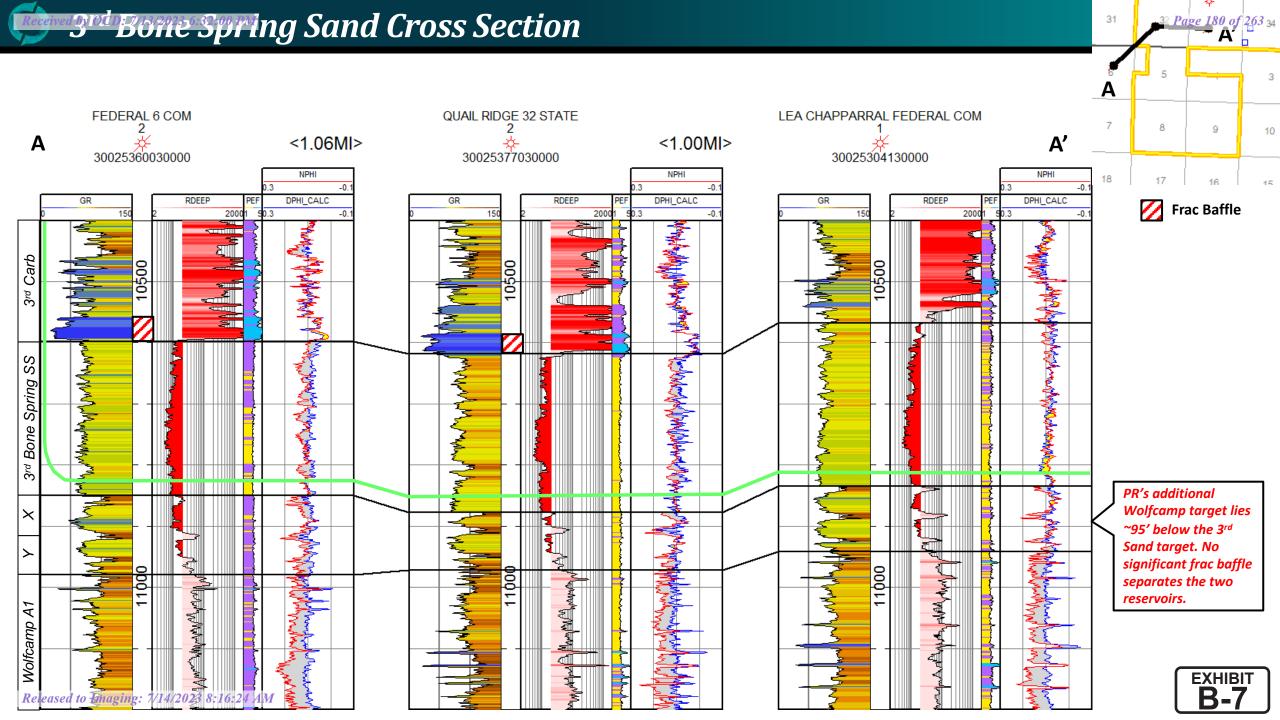




# 3rd Bone Spring Sand Isopach







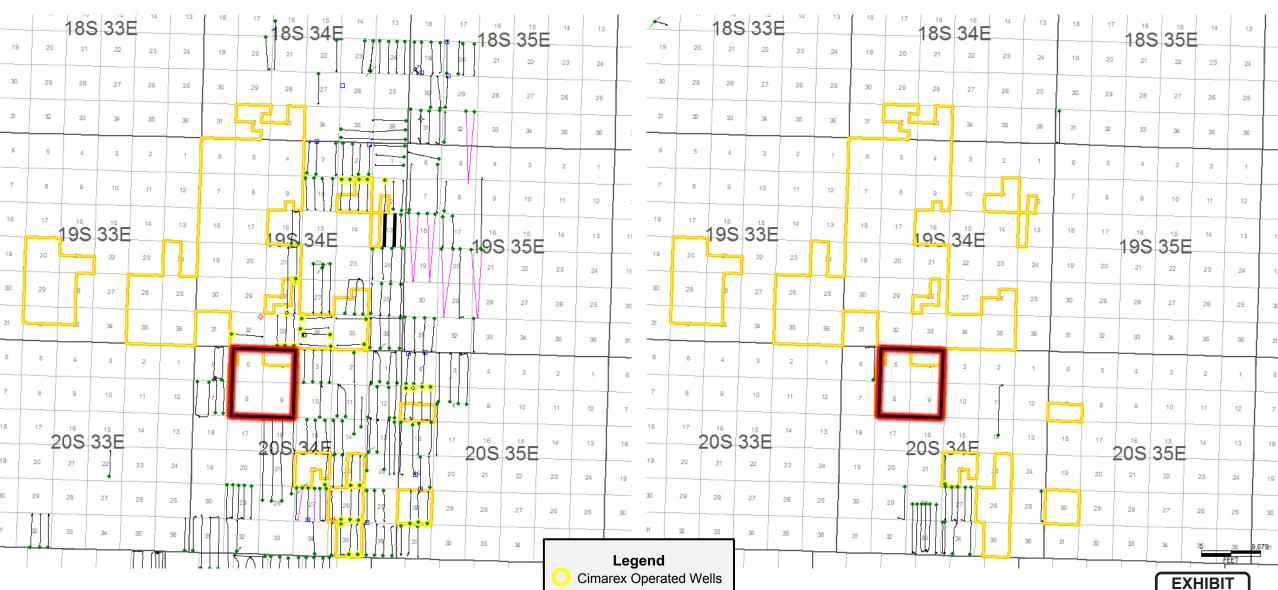
**B-8** 

#### 3<sup>rd</sup> Bone Spring Sand is Established Target

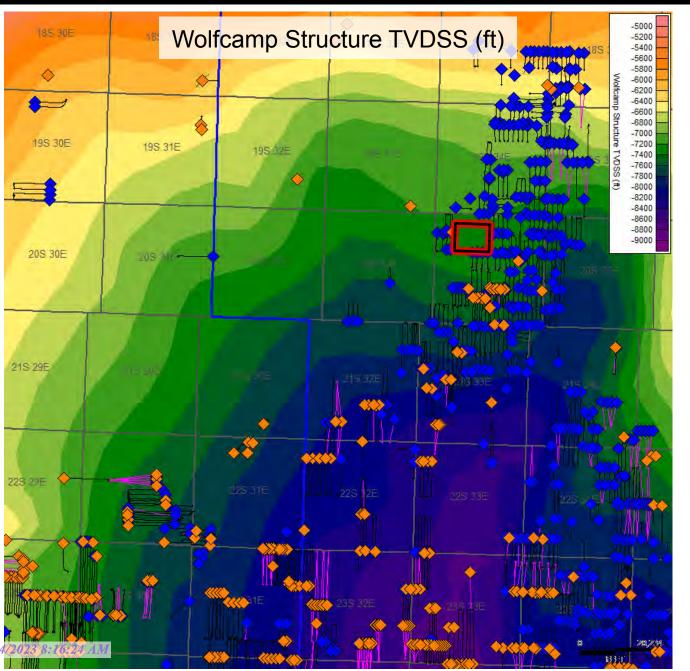
#### **3rd Bone Spring Sand Producers**

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#### **Wolfcamp Producers**



### Co-Wolfcamp SS/3<sup>rd</sup> SS Development Begins Further South

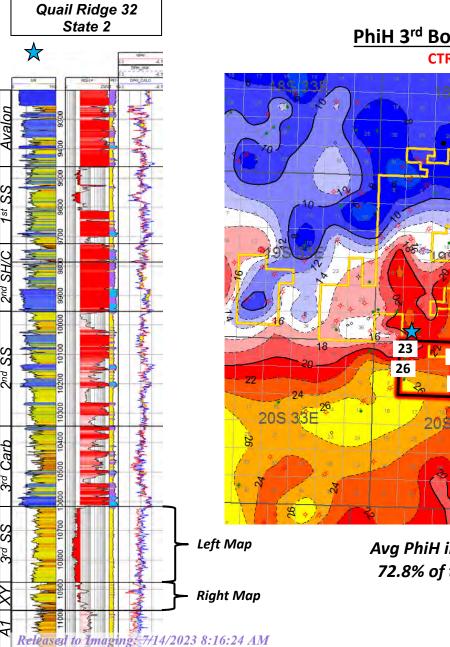


- 3<sup>rd</sup> Bone Spring Sand
- Wolfcamp Sands

B-9

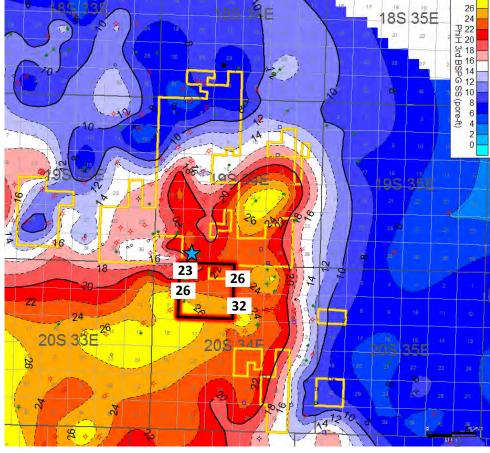
## Receive

## Comparing 3<sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)



#### **PhiH 3<sup>rd</sup> Bone Spring Sand**

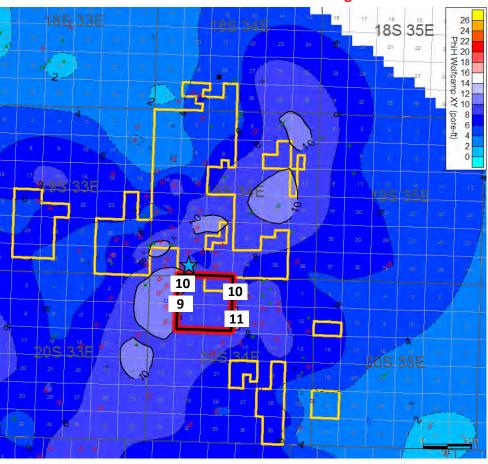
CTRA Target



Avg PhiH in 3<sup>rd</sup> SS = 26.75 72.8% of total reservoir

#### PhiH Wolfcamp X & Y Sands

**Permian Resources Additional Target** 

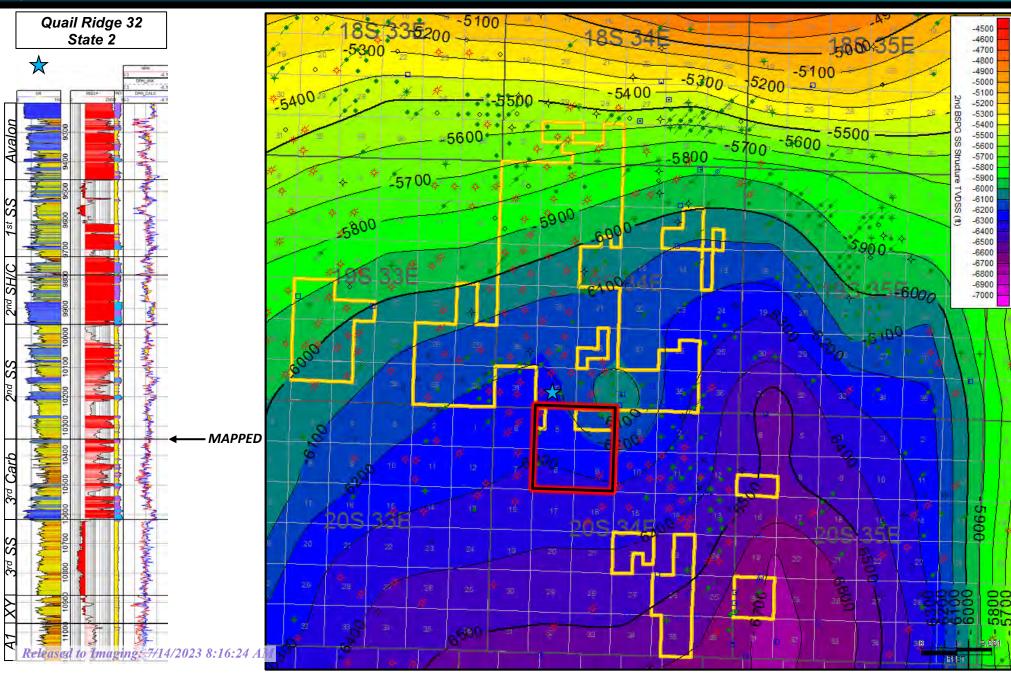


Avg PhiH in WFMP XY = 10 27.2% of total reservoir

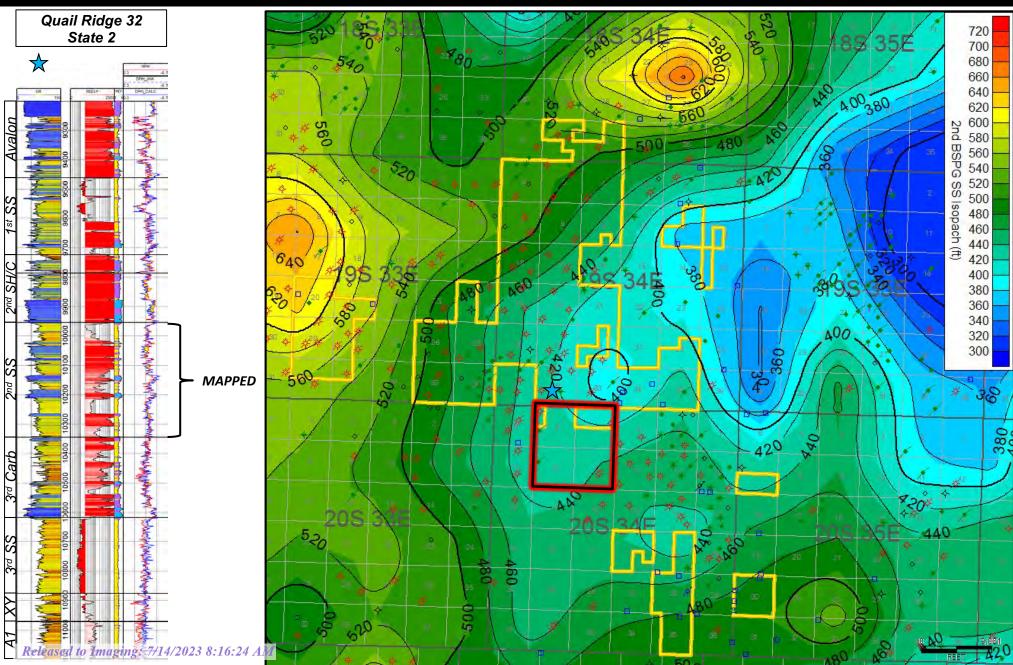
## 2<sup>nd</sup> Bone Spring Sand

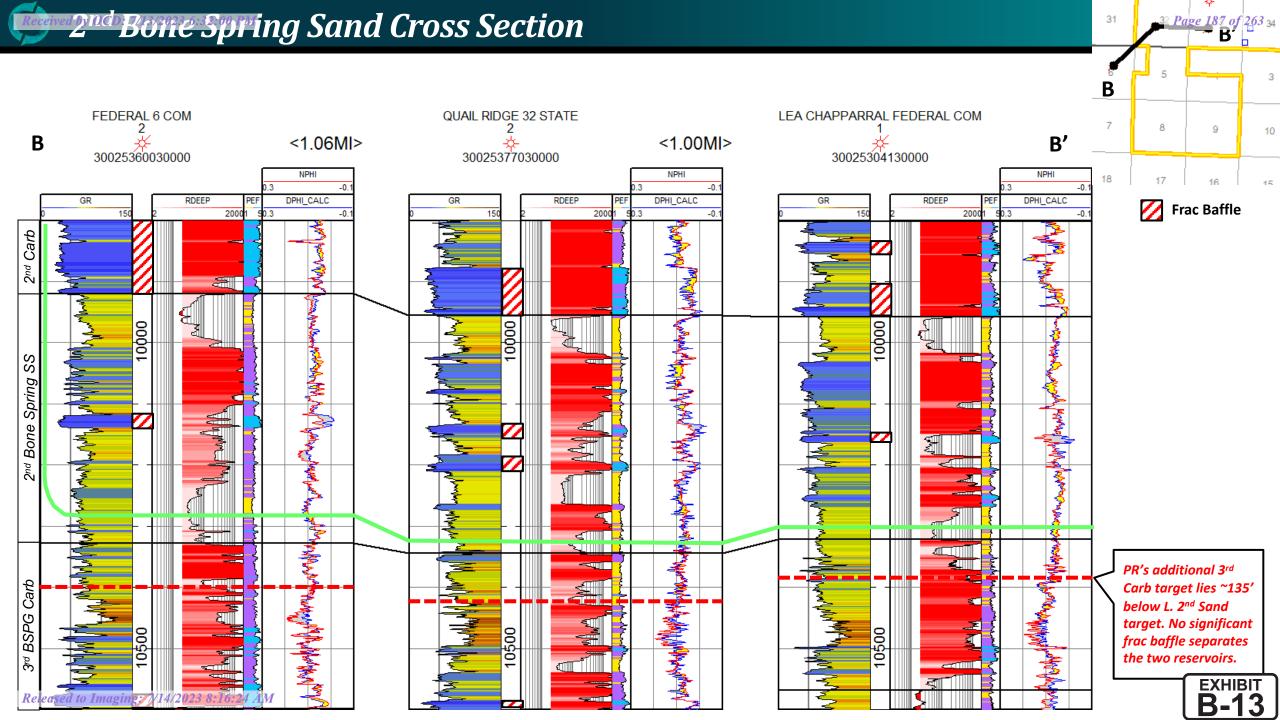


### 2<sup>nd</sup> Bone Spring Sand Structure

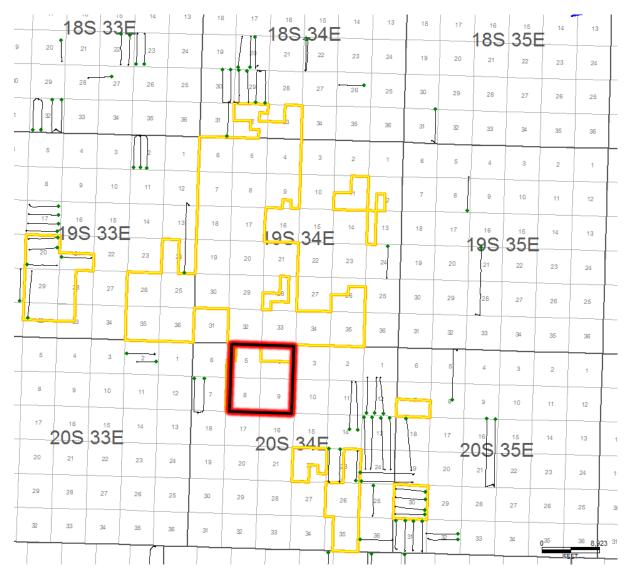


### 2<sup>nd</sup> Bone Spring Sand Isopach

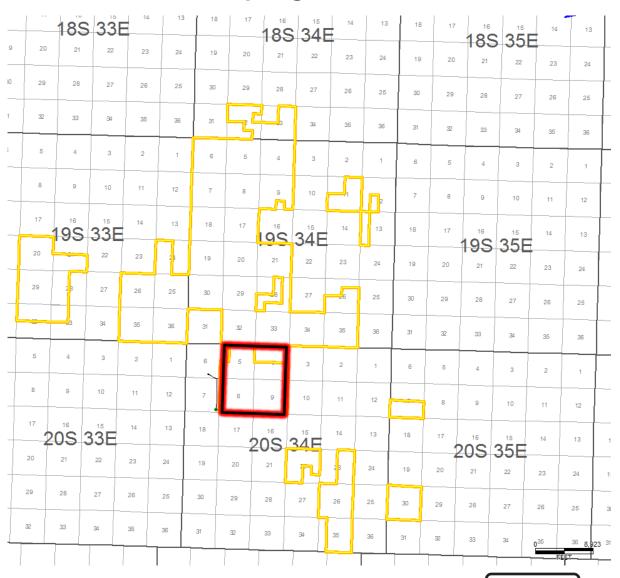




#### **Lower 2nd Bone Spring Sand Producers**



#### **3rd Bone Spring Carb Producers**

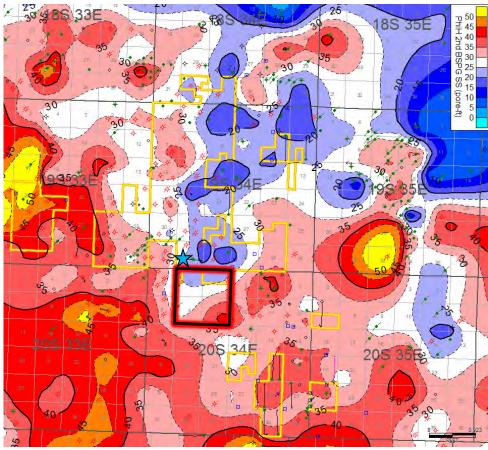


## PhiHL 2<sup>nd</sup> Sand vs. 3<sup>rd</sup> Carb

# Quail Ridge 32 State 2 Left Map Right Map Released to Imaging: 7/14/2023 8:16:24 AM

#### **PhiH 2<sup>nd</sup> Bone Spring Sand**

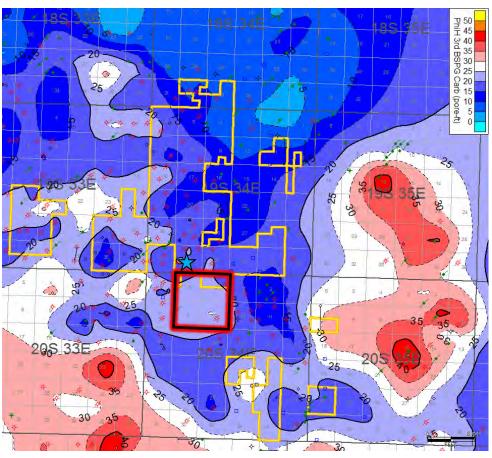
**CTRA Target** 



Avg PhiH in 3<sup>rd</sup> SS = 30 60% of total reservoir

#### **PhiH 3<sup>rd</sup> Bone Spring Carb**

**Permian Resources Additional Target** 

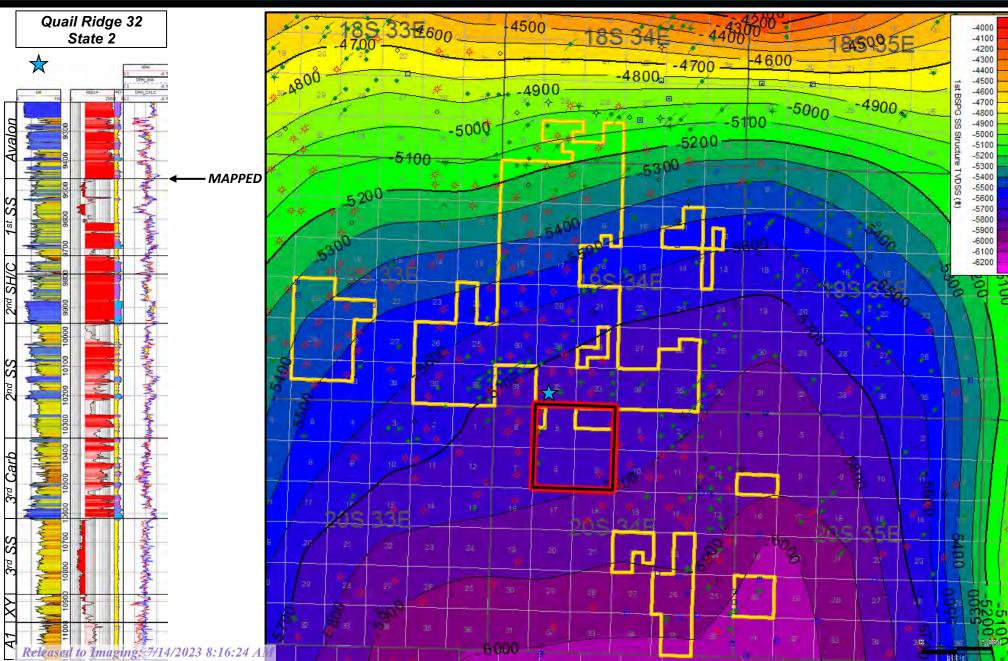


Avg PhiH in WFMP XY = 20 40% of total reservoir

## 1st Bone Spring Sand

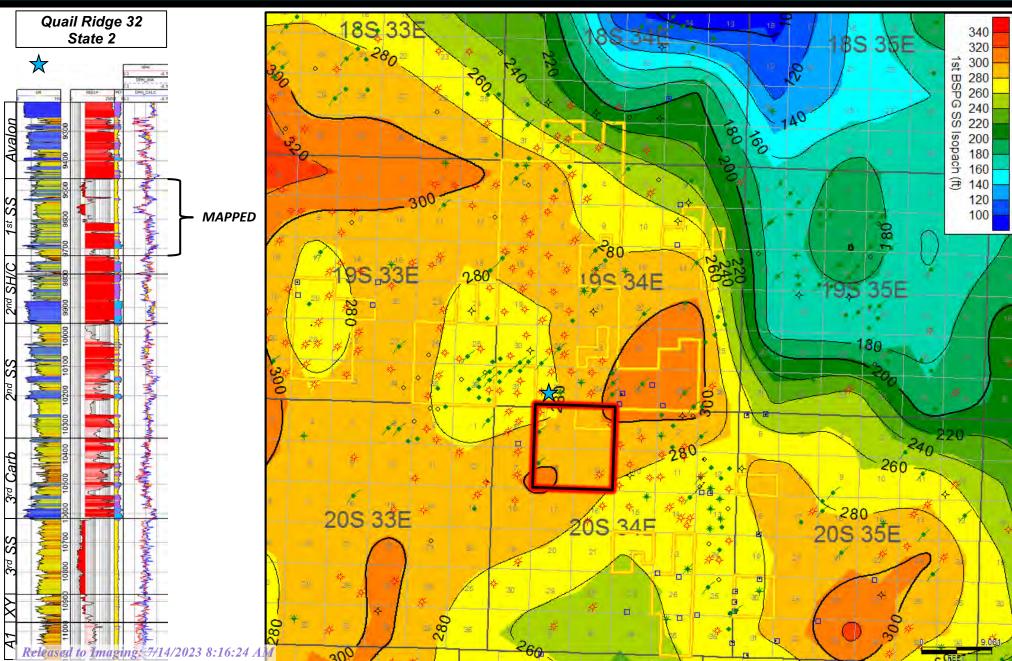


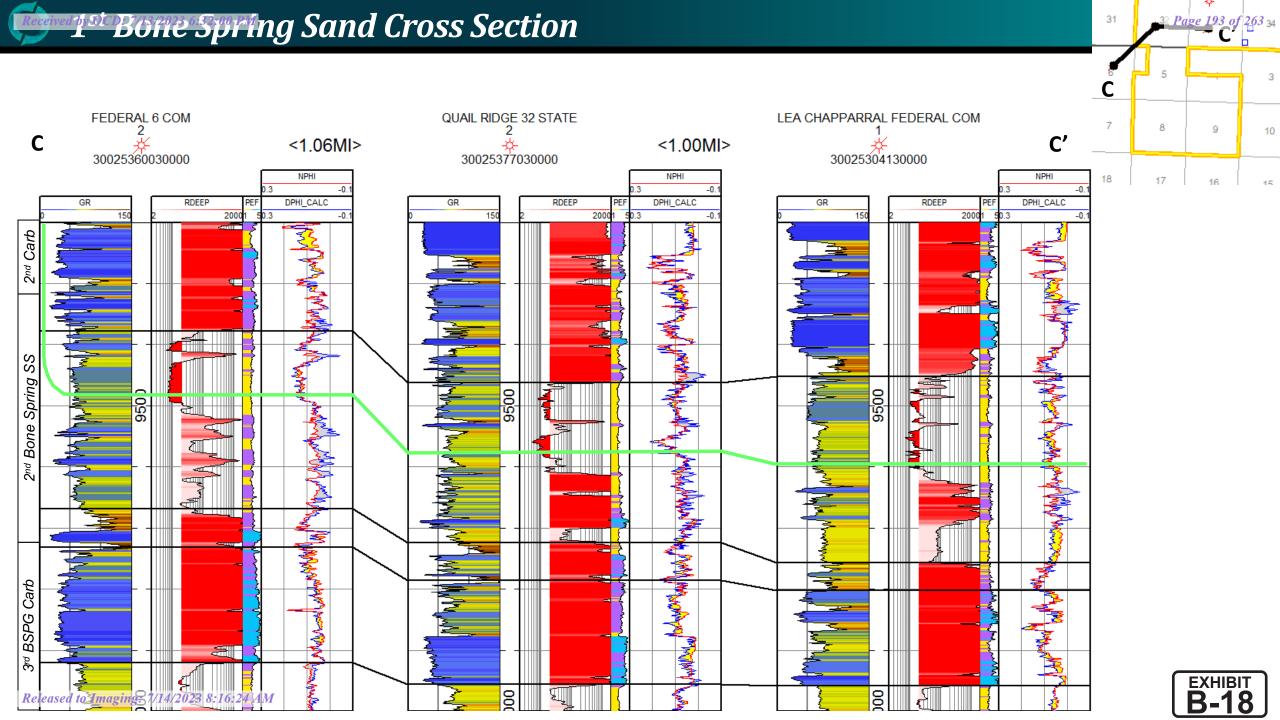
## 1st Bone Spring Sand Structure





## 1st Bone Spring Sand Isopach

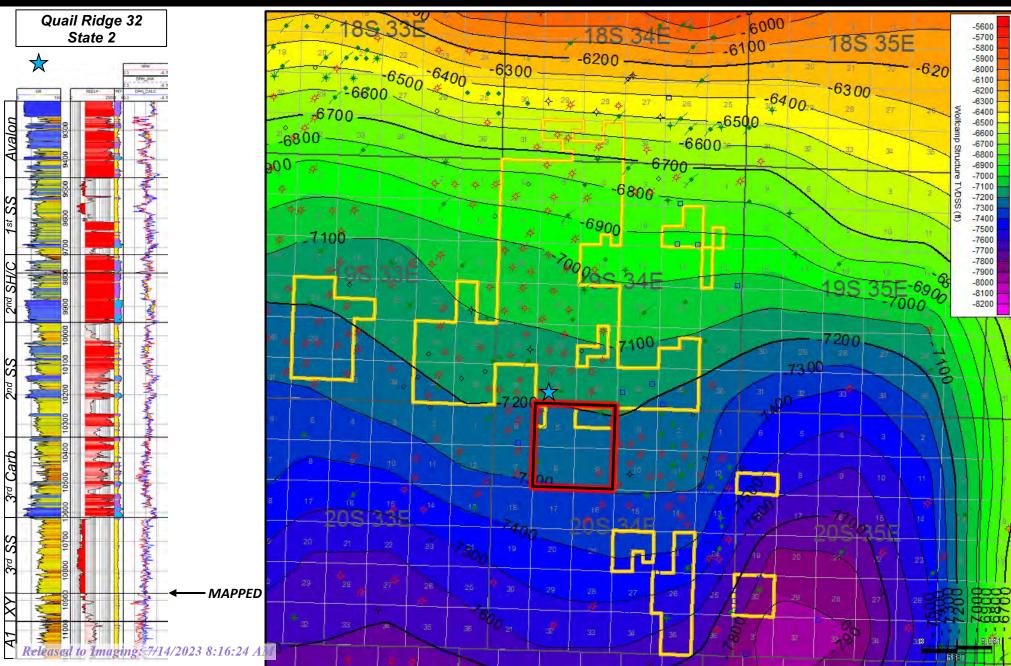




## Wolfcamp XY

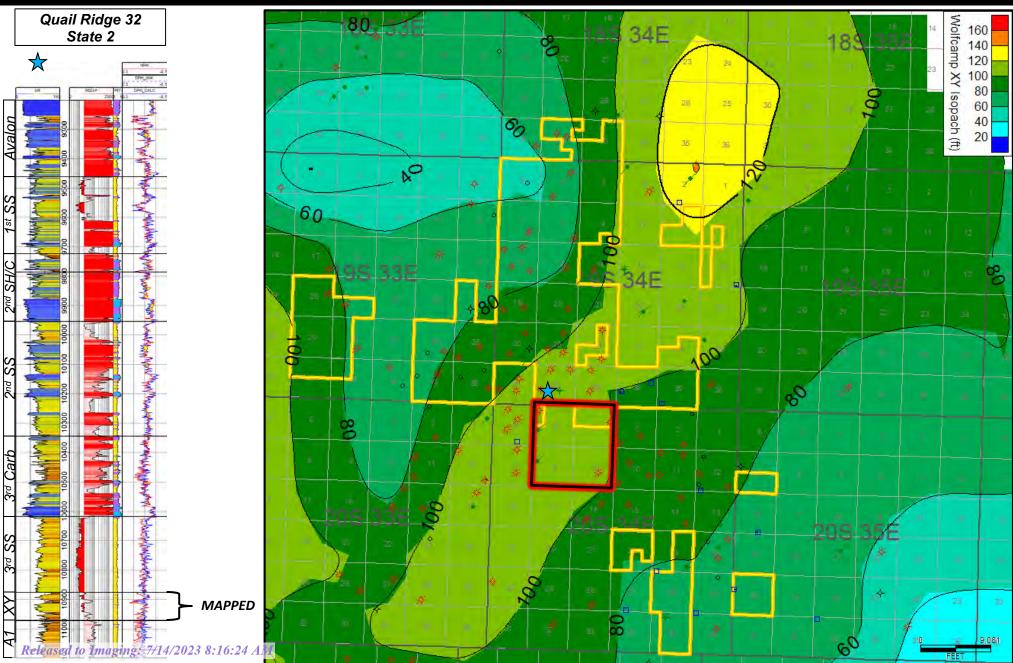


## Wolfcamp XY Structure



B-19

## Wolfcamp XY Isopach



#### Wolfcamp XY Cross Section 32 Page 197 of 263 34 FEDERAL 6 COM **QUAIL RIDGE 32 STATE** LEA CHAPPARRAL FEDERAL COM D <1.06MI> <1.00MI> D' 30025360030000 30025377030000 30025304130000 NPHI NPHI DPHI\_CALC DPHI\_CALC GR RDEEP DPHI\_CALC Frac Baffle 2000 20001 20001 The Wall of the Wall of the Company 3rd Carb 10500 10500 3rd Bone Spring SS からなりとなるとうできます PR's additional Wolfcamp target lies ~95' below the 3rd Sand target. No significant frac baffle separates the two reservoirs. Wolfcamp A1 **EXHIBIT**

#### **TAB 4**

Case Nos. 23452-23455

Exhibit C:	Self-Affirmed Statement of Eddie Behm, Petroleum Engineer			
Exhibit C-1:	Mighty Pheasant Loosey Goosey Development Plan			
Exhibit C-2:	Capital Plan Comparison Cimarex vs. Permian			
Exhibit C-3:	Map of 3 <sup>rd</sup> Bone Spring Sand Producers			
Exhibit C-4:	3 <sup>rd</sup> Sand Well Count by Landing and Operators			
Exhibit C-5:	Black and Tan 3 <sup>rd</sup> Sand Composite Forecast 6 wells			
	(Before WC completion)			
Exhibit C-6:	Black and Tan 3 <sup>rd</sup> Sand Composite Forecast 6 Wells Post			
	Wolfcamp Frac			
Exhibit C-7:	Black and Tan Wolfcamp Composite Forecast 5 wells			
Exhibit C-8:	Lessons Learned from the Black and Tan Development			
Exhibit C-9:	Diagram of Staggered Landing Wolfcamp 3 <sup>rd</sup> SS Vs. 3 <sup>rd</sup> SS Flat			
Exhibit C-10:	Black and Tan Analog comparison to MP/LG			
Exhibit C-11:	: Landing Zone Matters; Five Years Ago, Cimarex's Perry Test			
	Confirmed 3 <sup>rd</sup> SS Landing as Best Target			
Exhibit C-12:	Dataset Identifying all Wells in Area of Interest			

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

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23448 – 23451 (Mighty Pheasant; Bone Spring; Secs. 5 & 8)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23594 – 23597 (Mighty Pheasant; Wolfcamp; Secs. 5 & 8)

APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

> Case Nos. 23452 – 23455 (Loosey Goosey; Bone Spring; Secs. 4 & 9)

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23598 – 23601 (Loosey Goosey; Wolfcamp; Secs. 4 & 9)

#### SELF-AFFIRMED STATEMENT OF EDDIE BEHM

- I, being duly sworn on oath, state the following:
- 1. I am over the age of 18 and have the capacity to provide this Statement; I am a Reservoir Engineer for Cimarex Energy Co. ("Cimarex") and have personal knowledge of the matters stated herein.
- 2. I attended the University of Tulsa and graduated with a bachelor's in petroleum engineering in 2011. I have worked for Occidental, California Resources prior to working for Cimarex Energy



Co. ("Cimarex") and have been employed as a Production and Reservoir engineer for Cimarex for the last 6 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I am familiar with the subject applications filed in the above-referenced Cases and the engineering involved.

- 3. I have previously testified before the Oil Conservation Division ("Division") as an expert reservoir engineer, and my credentials have been accepted of record by the Division.
- 4. This testimony is submitted in connection with the filing by Cimarex in the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
- 5. I am also thoroughly familiar with the competing applications filed by Read & Stevens, Inc. who designated Permian Resources Operating, LLC as the Operator (Read & Stevens and Permian Resources collectively referred to herein as "Permian" or "Permian Resources") in Case Nos. 23508 through 23523. This Statement provides a description and overview of Cimarex's development plan in comparison to Permian's development plans.
- 6. Exhibit C-1, Slide 2: Mighty Pheasant Loosey Goosey Development Plan. Cimarex's development plan includes the Mighty Pheasant Wells in Sections 5 and 8, Township 20 South, Range 34 East; and the Loosey Goosey Wells in Sections 4 and 9, Township 20 South, Range 34 East, all in Lea County, and Cimarex plans to develop the entire 2880 acres of the proposed units with only 33.9 acres of disturbance to the surface, thus substantially minimizing environmental impact (resulting in only a minimal 1.17% disturbance). Once the four drill pads and bulk gathering lines are installed, Cimarex will be able to rotate back to these existing drill pads for all activities and operations, thus requiring no further disturbance to the lands; by minimizing dirt work in this way, Cimarex will reduce potential air pollution and preserve native vegetation and natural habitat. Furthermore, Cimarex will develop this area with best-in-class gas

capture technology and operations and has already initiated this approach by securing proposals for oil, water, and gas takeaway and submitting load requests to power surface equipment to develop the acreage. As a company we permit zero (0) routine flaring and build tankless facilities that offer superior capture rates of low-pressure gas (>=90% low pressure capture) for new developments which will be utilized in our proposed development plan.

- 7. Exhibit C-2, Slide 3: Capital Plan Comparison of Mighty Pheasant vs. Joker (1280-acre Capital comparison is shown for Sections 5 & 8) to Highlight:
  - a) The \$92.7MM in Capital waste that results from the extra wells proposed by Permian Resources; public data show that Permian's extra wells will be non-additive to EUR and PV10
  - b) The \$31.6 MM in extra well cost driven by the wasteful execution of Permian Resources' plan.
  - c) Permian's unnecessary expenditure of \$11 MM on one additional 2<sup>nd</sup> Sand well in comparison to Cimarex's plan which avoids such waste.
  - d) At the time of its proposal, Permian Resources will spend \$270MM more than Cimarex to develop all 4 sections, thus in comparison, Permian would create financial waste that excessively burdens, undermines, and harms the correlative rights of working interest owners.
- 8. Exhibit C-3, slide 6: 3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target at 4 Wells Per Section (WPS) Within the Area of Interest (AOI). The map of 3<sup>rd</sup> Bone Spring Sand Producers shows significant single bench development of the 3<sup>rd</sup> Sand at 4 wells per section spacing. The Map of Wolfcamp producers shows that the Wolfcamp is not primarily targeted with 3<sup>rd</sup> Sand development. Furthermore, where Wolfcamp is developed, it is

predominantly drilled and developed without the 3<sup>rd</sup> Sand because the reservoir is adequately captured with a single landing within the flow unit. There is only one development plan within the entire AOI similar to the plan Permian has proposed for the 3<sup>rd</sup> Sand. This plan, similar to Permian's plan, is located just 2 miles south of the subject lands, and it was based on similar well drainage assumptions that utilized outdated completion height assumptions. The Black and Tan Development Plan is the best analog and example that demonstrates the likely outcome of Permian Resources' proposal when both the 3<sup>rd</sup> Sand and Wolfcamp are developed as if they were separate and equal targets. A summary of the production results at **Exhibit C-10 (Slide 14)** herein speaks for itself, demonstrating what happened with the Black and Tan Development Plan, and therefore showing the substantial underproduction and waste that would likely result from Permian's approach, which is based on the same underlying assumptions. Cimarex's plan would avoid such an outcome.

- 9. **Exhibit C-4, Slide 7: Well Count by Landing and Operators Shows 3<sup>rd</sup> Sand is the Consensus Landing**. Ninety-seven percent of wells drilled in this area, that is, 236 out of 244 wells, are executed as single bench, non-staggered developments. This means it is not just Cimarex's idiosyncratic opinion that the best development plan for the Subject Lands requires a single landing target, but this is a consensus shared by all companies active within the area and directly supported by the data. Furthermore, 222 wells out of 244 total wells within the AOI land in the 3<sup>rd</sup> Sand supporting Cimarex's assessment of 3<sup>rd</sup> Sand as the optimum landing. Cimarex has executed 36 wells within the AOI, 15% of all wells, and has development experience specific to this area and its landing requirements.
- 10. Exhibit C-5, Slide 9: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 wells (Before WC completion) This Forecast shows the aggregate well performance of 6 wells prior to

underlying Wolfcamp development. Significant reserves (that of 2.5MM barrels of oil) and rates (that being 3356 BOPD IP30) were accessed by these 1-mile wells supporting 3<sup>rd</sup> Sand as a proven landing for optimal production.

- Wolfcamp Frac. This Forecast shows the aggregate well performance of 3<sup>rd</sup> Bone Spring Sand wells after underlying Wolfcamp development. Unfavorable results included elevated water cut, rapid GOR Incline, and steep oil decline which are signatures of interference between the five Wolfcamp wells drilled below these six 3<sup>rd</sup> Sand wells. After the Wolfcamp wells were drilled and produced, overall reserves appear to have fallen to 1.63 MM barrels of oil with steep decline profile. This highlights the degradation a 2<sup>nd</sup> landing causes within the AOI.
- 12. **Exhibit C-7, Slide 11: Black and Tan Wolfcamp Composite Forecast 5 wells.** This plot shows the aggregate performance and forecast to the five Wolfcamp wells completed below the six 3<sup>rd</sup> Sand wells shown on exhibits C-4 and C-5. Data clearly shows that vertical interference occurs in staggered developments, causing these 5 wells to add only 885MBO oil reserves and 500 BOPD IP in the aggregate. Elevated water cut and rapid GOR incline are evidence of interference with 3<sup>rd</sup> sand wells above.
- Exhibit C-8, Slide 12: Lessons Learned from the Black and Tan Development. Exhibit C-8 table 1.0 shows some simple forecast metrics highlighting the fact that only a negligible rate and a negligible amount of EUR were detectible from drilling the five extra, not to mention expensive, Wolfcamp wells. It is noteworthy and significant how little benefit the five wells added and how much they negatively impacted 3<sup>rd</sup> sand production. The aggregate rate change is so small it is essentially zero (0) which does not support or justify as effective capital stewardship the drilling of the 8 additional \$11MM dollar wells proposed by Permian Resources.

Table 1.1 shows the pore space distribution, 3<sup>rd</sup> Sand has 268% more PHIH than the upper Wolfcamp and is clearly the predominant contributing reservoir. The hypothesis that landing in 3<sup>rd</sup> Sand with 268% more porosity and height combined with better flow properties is the best way to access all the bbls becomes unarguable with production data from Black And Tan where the addition of Wolfcamp landings added no reserves and only negatively impacted the 3<sup>rd</sup> Sand raising aggregate section OpEx. The lesson learned from this data is that drilling into the Upper Wolfcamp itself is financially wasteful and jeopardizes optimal 3<sup>rd</sup> Sand production. A setback from 3<sup>rd</sup> sand is in the best interest of efficient low risk recovery of the area reserves.

SS Flat. This exhibit C-9, Slide 13: Diagram of Staggered Landing Wolfcamp 3<sup>rd</sup> SS Vs. 3<sup>rd</sup> SS Flat. This exhibit shows what Cimarex believes happened in the Black and Tan analog example which reflects the nature of Permian Resources' proposal and therefore Permian's likely outcome. The Majority of Stimulated Rock Volume accessed by 3<sup>rd</sup> Sand well's landed flat must be very similar to the Stimulated rock volume accessed by staggered Wolfcamp and 3<sup>rd</sup> landings. If this were not true, the sum of Wolfcamp and 3<sup>rd</sup> sand production out of the Black and Tan development would be significantly higher once the 2<sup>nd</sup> bench was added instead of about the same. Where appropriate geologically, Cimarex executes as many as 9 landings within the same section in Lea County. Due to the location of barriers and target reservoir height executing two landings within the contested acreage in the 3<sup>rd</sup> Sand Wolfcamp target or the lower 2<sup>nd</sup> Sand 3<sup>rd</sup> Shale target serves only to double development CapEx. Cimarex has proprietary data from South Lea County developments in thicker pay that support the accuracy of how we have assessed the vertical interference and is confident additional landings serve only to dilute sweet spot landing production. Not everyone has access to the same data but there is a wealth of public data available from the

Hydraulic Fracture Test Site 2 DOE and industry partnership that would lead to the same conclusion.

- Pheasant and Loosey Goosey have a similar pore space distribution as the Black and Tan Development with slightly higher porosity. The extra porosity is more likely to correlate to better permeability and allow a single landing to capture proven 3<sup>rd</sup> sand reserves even more efficiently. Sensitivities run vs. reserves (table 1.3) and P50 expectations (table 1.4) show the PV 10 degradation and how much uplift would be needed to break even on the additional wells proposed by Permian. Given Black and Tan's added negligible bbls and rate, close to 0%, in similar rock two miles away, the public data simply does not support the 30% to 40% EUR and rate improvement needed to even break even on the extra incremental CapEx proposed by Permian resources well count. Furthermore, due to optimum well count Cimarex's plan is self-funding with payout in < 1 year. This is important for follow up benches that Cimarex will be able to rapidly develop out of lease cashflow, whereas Permian resources would require debt to fund an annual drilling program and would be significantly more exposed to commodity pricing jeopardizing timely development of subsequent benches.
- Perry Test Confirmed 3<sup>rd</sup> SS Landing as Best Target. Cimarex confirmed 3<sup>rd</sup> sand as best landing zone 5 years ago in 2018 with the Perry 4H 1 mile South of the contested acreage block. Over the life of the well, we see the old conventional 3<sup>rd</sup> Sand landing outperform other landings. Fracs evolved over time to modern slick water completions. Today most companies pump between 2000#/ft and 3000#/ft and 38 bbl/ft up to 60 bbl/ft with 6 to 14 clusters per stage depending on the target. It is highly unusual for a legacy frac, that is, one more conventional (i.e., <2016 with low

cluster count, long stages, and unfocused frac energy), to better access reservoir than a modern frac (>2016 vintage with high cluster count, short stages, very focused frac energy). The best explanation for 478#/ft 3<sup>rd</sup> Sand frac outperforming 5 to 6 times the frac energy pumped in the Wolfcamp test well is that the vast majority of oil reserves and best rock fabric flow properties are located within the 3<sup>rd</sup> Sand, and not in the Upper Wolfcamp. Thus, drilling into the Upper Wolfcamp is a waste of resources.

- 17. The dataset that identifies all the wells in the Area of Interest that I used in my analysis and that played a role in my conclusions is attached hereto as **Exhibit C-12**.
- 18. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my supervision.
- 19. As explained by the foregoing, the granting of Cimarex's Applications are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 20. The foregoing is correct and complete to the best of my knowledge and belief.

    [Signature page follows]

Signature page of Self-Affirmed Statement of Eddie Behm:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594 – 23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Eddie Behm

Date Signed

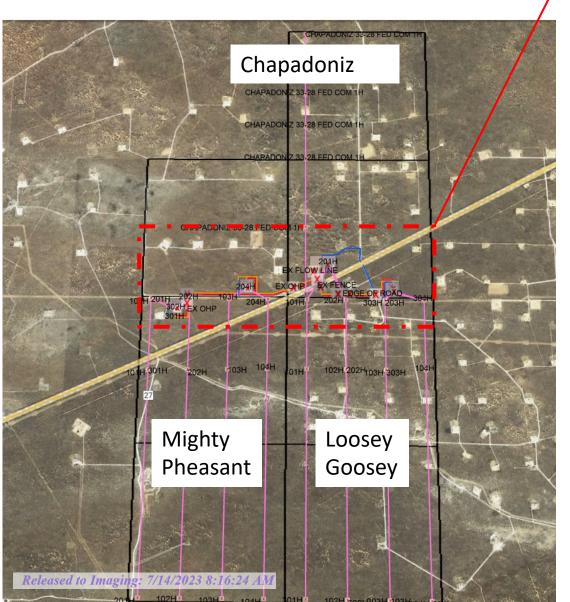
7/11/2023

## Development Strategy



### Mighty Pheasant Loosey Goosey Development Plan







Single Battery develops – 27 to 34 planned wells

- Oil water gas power ROW connects 4 drilling pads with on pad separation to Battery
- Single battery eliminates 2 additional batteries worth of disturbance and high-risk emissions devices.
- Cimarex permits 0 routine flaring, and our design has >=90% low pressure vapor capture
- Roads (2.33) acres, pads (25.25 acres) and battery (6.31 acres) create ~33.9 acres of disturbance allowing for full development of ~2880 acres, 1.17% disturbance.
- Pipelines are onetime construction; follow-up wells will use existing gathering off pad which is installed the first time a well is drilled off a drill pad. All future wells create no new disturbance off drill pads minimizing environmental impact

#### Cupital Plan Comparison Mighty Pheasant vs. Joker

Mighty Pheasant					
Res	Well	AFE CapEx	June Current Cost	AFE Bench Total	
1st	101H	\$8,570,695	\$9,651,993		
1st	102h	\$9,450,693	\$9,651,993	\$36,922,774	
1st	103H	\$9,450,693	\$9,651,993		
1st	104H	\$9,450,693	\$9,651,993		
upper 2 <sup>nd</sup> *	NA	\$8,570,695	\$9,651,993		
upper 2 <sup>nd</sup> *	NA	\$8,570,695	\$9,651,993	\$25,712,085	
upper 2 <sup>nd</sup> *	NA	\$8,570,695	\$9,651,993		
2nd	201H	\$8,570,695	\$9,651,993	4	
2nd	202H	\$8,570,695	\$9,651,993		
2nd	203H	\$8,570,695	\$9,651,993	\$34,282,780	
2nd	204H	\$8,570,695	\$9,651,993		
3rd	301H	\$9,428,854	\$10,621,993	\$37,675,408	
3rd	302H	\$9,428,854	\$10,621,993		
3rd	303H	\$9,408,850	\$10,621,993		
3rd	304H	\$9,408,850	\$10,621,993		
Total Gross CapEx		\$134,593,047	\$148,659,895	\$134,593,047	

\*Note: we have planned for upper 2<sup>nd</sup>, acquiring data on 3<sup>rd</sup> sand wells to confirm adequate flow, saturation, and in place in this ~60-foot target and will execute if viable.

Permian Resources - Joker						
Res	Well	AFE CapEx	June Current Cost	AFE Bench Total		
1st	111	\$10,724,193				
1st	112	\$10,724,193		¢42.006.772		
1st	113	\$10,724,193		\$42,896,772		
1st	114	\$10,724,193				
uppr 2nd	122	\$11,020,308				
uppr 2nd	124	\$11,020,308		\$44,081,232		
uppr 2nd	126	\$11,020,308		344,001,232		
uppr 2nd	128	\$11,020,308				
2nd	121	\$11,020,308				
2nd	123	\$11,020,308		\$44,081,232		
2nd	125	\$11,020,308		344,001,232		
2nd	127	\$11,020,308				
3rd bs	131H	\$11,535,757				
3rd bs	132H	\$11,535,757		\$46,143,028		
3rd bs	133H	\$11,535,757		340,143,026		
3rd bs	134H	\$11,535,757				
3rd bs	171H	\$11,308,013				
3rd bs	172H	\$11,308,013				
3rd bs	173H	\$11,308,013				
3rd bs	174H	\$11,308,013		\$92,743,500		
WC	201H	\$11,877,862		332,743,300		
WC	202H	\$11,877,862				
WC	203H	\$11,877,862				
WC	204H	\$11,877,862				
Total Gro	oss CapEx	\$269,945,764	?	\$269,945,764		

#### Permian plan is \$135MM more / 1280 acres with proposal Capex, ~100% more CapEx, bad for WI owners:

- \$ 92.7 MM, shown in red, Cimarex models as uneconomic non additive wells with reserves best captured by single landing.
- \$ 31.6 MM, where well counts are ~= Permian costs are \$ 2.1 MM to \$2.4MM higher/well at time of proposal
- \$ 11 MM, one additional 2<sup>nd</sup> sand well vs. Cimarex Proven spacing.
- Repending Restaires to the cost and Well Count

**EXHIBIT** 

	State	County	Well Name & Number	Permit Status	Permit Submission Due Date	Permit Submitted Date	10-Day Letter Date	10-Day Letter Due
	NM	Lea	Mighty Pheasant 5-8 Fed Com 101H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 102H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 103H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 104H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 201H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 202H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 203H	To be permitted				
	NM	Lea	Mighty Pheasant 5-8 Fed Com 204H	AFMSS-Accepted	2/14/2022	2/14/2022	6/2/2023	7/17/2023
	NM	Lea	Mighty Pheasant 5-8 Fed Com 301H	AFMSS-Accepted	3/1/2022	3/1/2022		
┨┃	NM	Lea	Mighty Pheasant 5-8 Fed Com 302H	AFMSS-Accepted	3/2/2022	3/2/2022		
	NM	Lea	Mighty Pheasant 5-8 Fed Com 303H	AFMSS-Accepted	2/14/2022	2/14/2022	6/2/2023	7/17/2023
	NM	Lea	Mighty Pheasant 5-8 Fed Com 304H	AFMSS-Accepted	3/1/2022	3/1/2022	6/2/2023	7/17/2023
	NM	Lea	Loosey Goosey 4-9 Fed Com 101H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 102H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 103H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 104H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 201H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 202H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 203H	To be permitted				
	NM	Lea	Loosey Goosey 4-9 Fed Com 204H	AFMSS-Accepted	3/15/2022	3/15/2022		
	NM	Lea	Loosey Goosey 4-9 Fed Com 301H	AFMSS-Accepted	3/9/2022	3/9/2022		
┨┃	NM	Lea	Loosey Goosey 4-9 Fed Com 302H	AFMSS-Accepted	3/9/2022	3/9/2022		
	NM	Lea	Loosey Goosey 4-9 Fed Com 303H	AFMSS-Accepted	3/15/2022	3/15/2022		
	NM	Lea	Loosey Goosey 4-9 Fed Com 304H	AFMSS-Accepted	3/15/2022	3/15/2022		

Submitted permits for 3<sup>rd</sup> Sand development & 1<sup>st</sup> Sand/2<sup>nd</sup> Sand test BLM is currently working on these

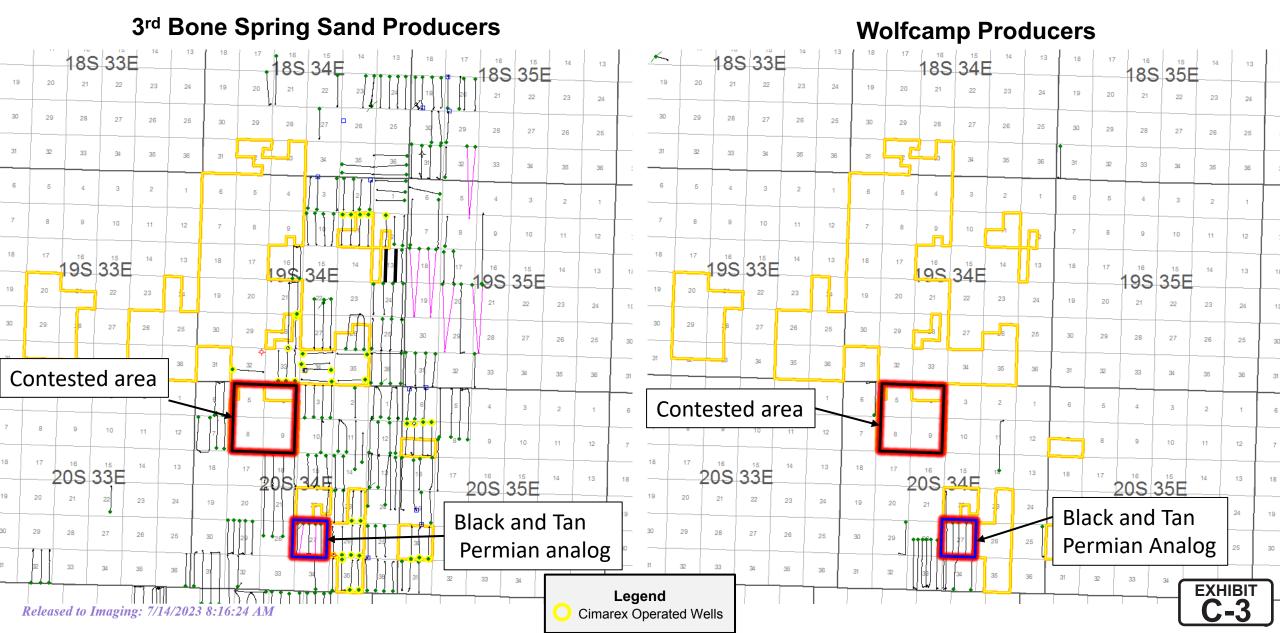
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## 3<sup>rd</sup> Bone Spring Sand



#### 🔛 3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target at 4 WPS within AOP

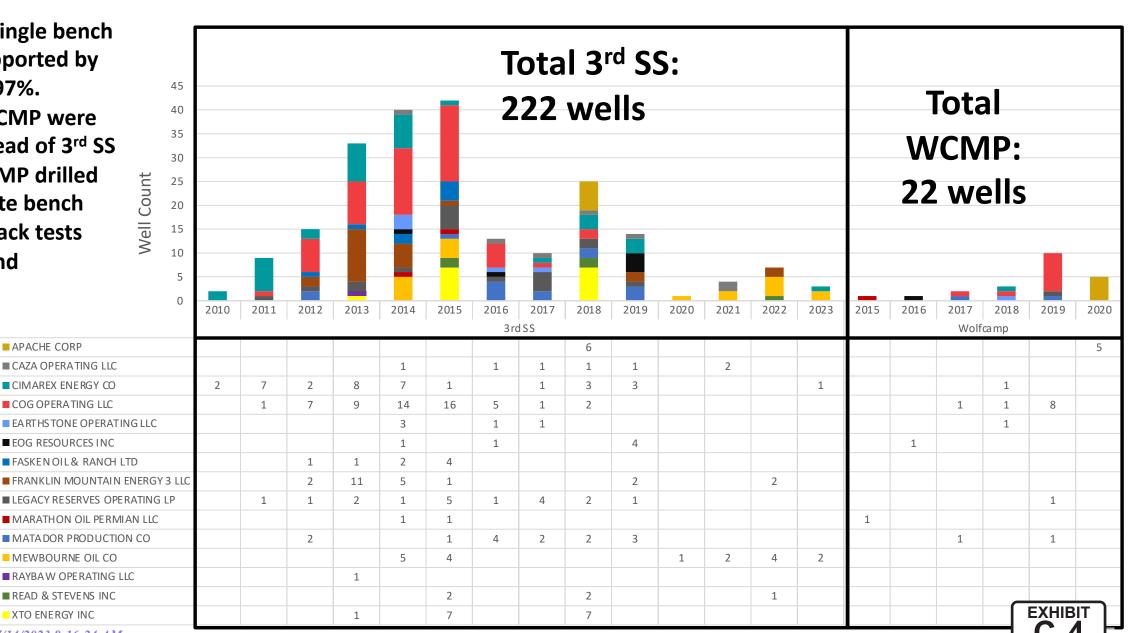
42,650 acres developed with more than 1 well, all but one development, 98.5% of sections similar to Cimarex proposal

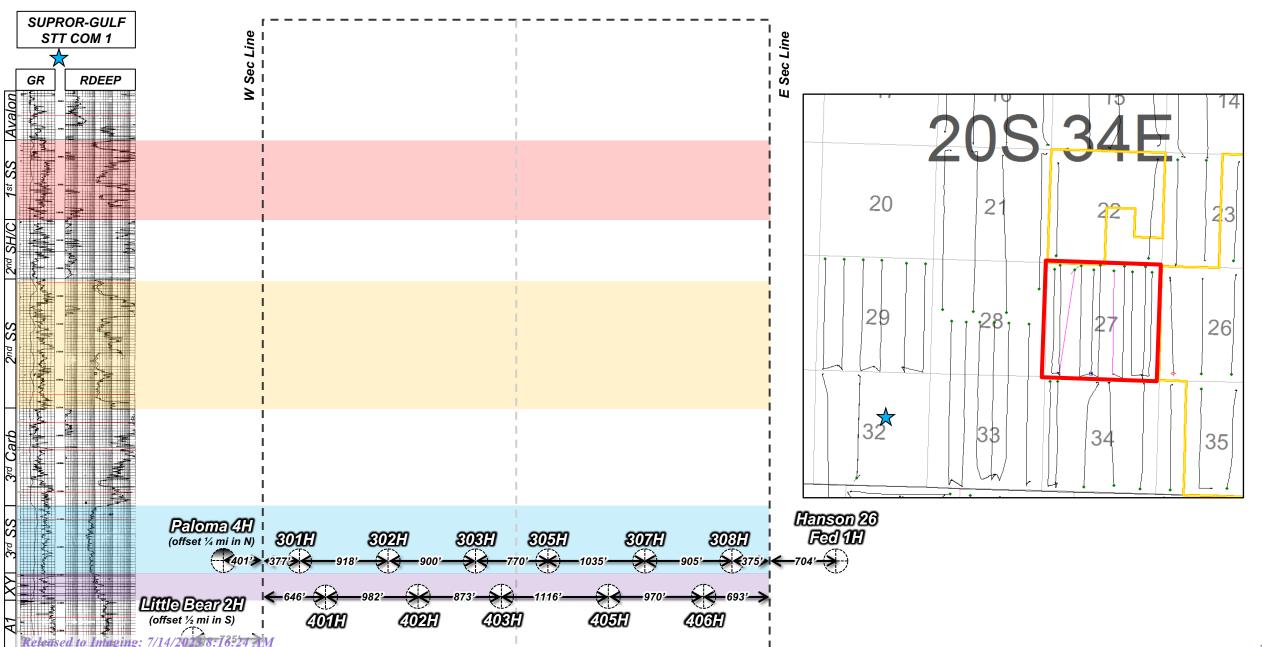


## Well Count by Landing and Operators Shows 3<sup>rd</sup> Sand is the Consensus Landing

- 3<sup>rd</sup> Sand / single bench landing supported by 236 wells, 97%.
- 13 of 22 WCMP were drilled instead of 3rd SS
- 5 of 22 WCMP drilled as a separate bench
- 3 WCMP stack tests with 3rd Sand

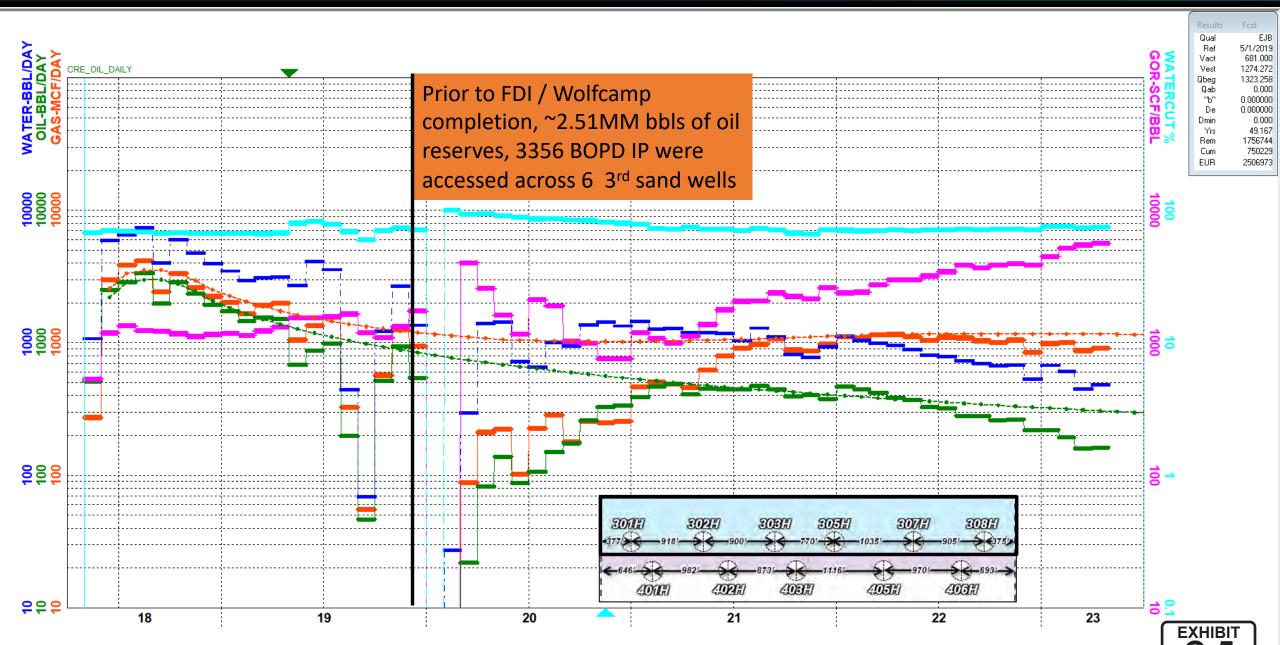
APACHE CORP





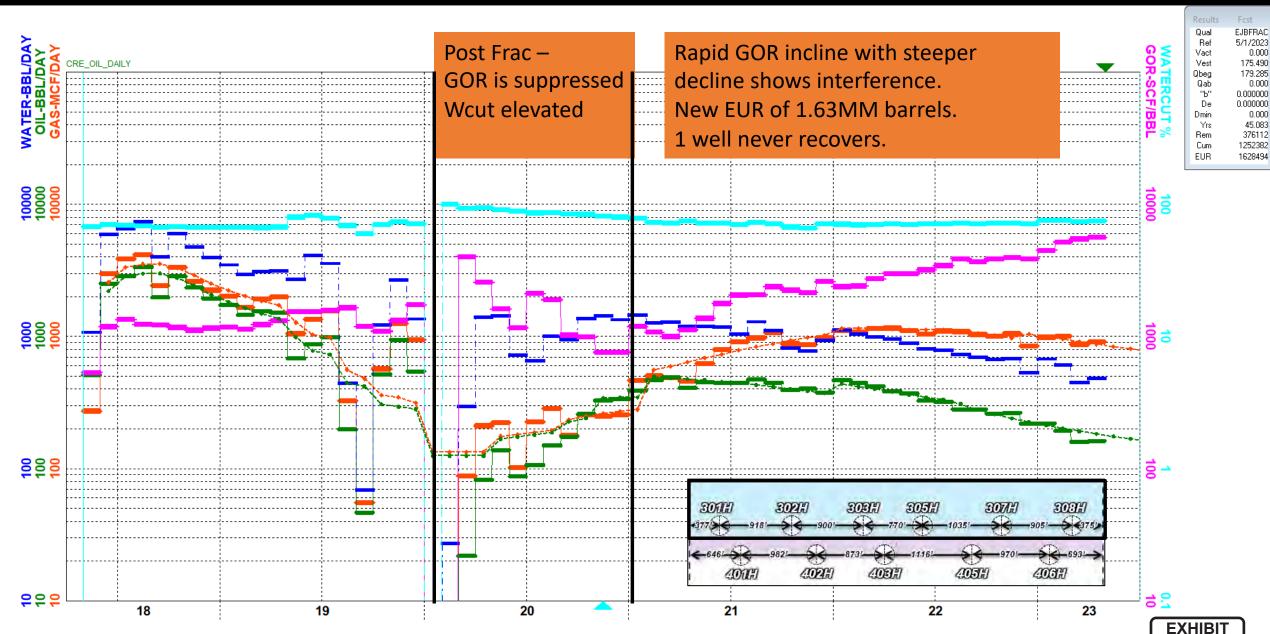


## Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells ( Before WC completion)



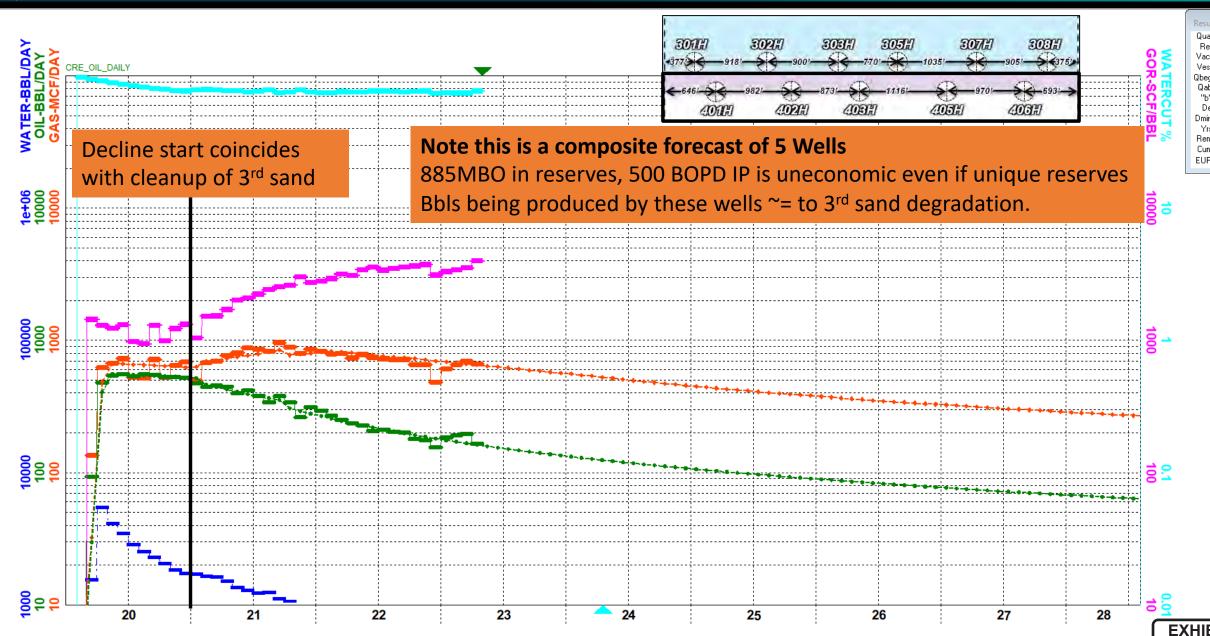


# Black and Tun 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post Wolfcamp Frac



5/1/2023 0.000 158.504

# Black and Tan Wolfcamp Composite Forecast 5 Wells





# Lessons Learned from the Black and Tan Development

Ē∑ PROJECT = Black & Tan 27	
🔥 30025461240000   BLACK & TAN 27 FEDERAL COM #405H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP A   APACHE CORP   LEA   4583   09/01/2019   02/26/2020   0EF33AE781	
■ 30025460720000   BLACK & TAN 27 FEDERAL COM #401H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP A   APACHE CORP   LEA   4666   10/19/2019   01/22/2020   AFD8F0925C	Completed 2nd
30025460730000   BLACK & TAN 27 FEDERAL COM #402H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4561   08/17/2019   02/26/2020   B4C53386	
■ 30025461230000   BLACK & TAN 27 FEDERAL COM #403H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4629   09/08/2019   02/26/2020   607292AC	
30025460750000   BLACK & TAN 27 FEDERAL COM #406H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4694   09/29/2019   02/26/2020   F44F2545	
■ 30025440180000   BLACK & TAN 27 FEDERAL COM #302H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4416   12/11/2017   06/01/2018   163AC020E2	
→ 30025440170000   BLACK & TAN 27 FEDERAL COM #301H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4526   11/15/2017   06/01/2018   402B8A1B23	
■ 30025439210100   BLACK & TAN 27 FEDERAL COM #303H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4360   10/24/2017   05/18/2018   748D250B4E	
■ 30025439400000   BLACK & TAN 27 FEDERAL COM #305H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4524   03/17/2018   05/23/2018   A635466807	Completed 1st
■ 30025440440000   BLACK & TAN 27 FEDERAL COM #307H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4303   01/07/2018   05/16/2018   CF72E02929	
30025440450000   BLACK AND TAN 27 FEDERAL COM #308H   BLACK AND TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4340   01/30/2018   05/05/2018   A7CD7;	

## WC vs. 3<sup>rd</sup> sand comparison shows stagger is capital waste

- 3<sup>rd</sup> sand IP is > 6 X Wolfcamp
- Wolfcamp oil rate ~= to 3<sup>rd</sup> sand rate decrease
- Wolfcamp reserves ~= to 3<sup>rd</sup> sand EUR decrease
- 5 Wolfcamp wells added ~ 0 additional bbls

Table 1.0 Comparison		3rd Sand			(Wolfcamp - 3rd Sand
Table 1.0 Comparison	3rd Bone	3rd Bone Post	3rd Sand Delta	Wolfcamp	Delta) = value added
of 3rd sand to Wolfcamp	Spring	frac	3rd Sand Delta		from 5 wells
IP30 BOPD	3,356	NA	NA	555	NA
Pre vs. Post frac oil rate					
BOPD	950	500	-450	+555	105
EUR MMBO	2.51	1.63	-0.88	+0.89	0.01

### 3<sup>rd</sup> sand is the landing for this single bench target

- 268% Phi H vs. Wolfcamp
- 3<sup>rd</sup> sand delta compounded by being cleaner with better flow property's than the Wolfcamp

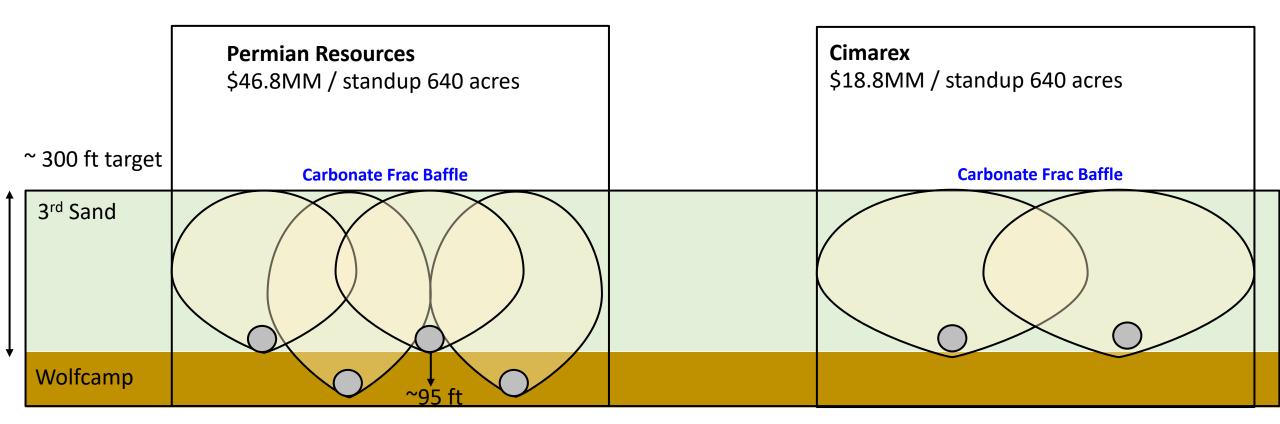
Table 1.1				3rd / Wolfcamp
Analog Comparison	3rd Sand	Wolfcamp	3rd SS % of total	Comparison %
PHIH	26.75	10	72.8	268

C-8

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# Diagram of Staggered Landing Wolfcamp + 3<sup>rd</sup> SS vs. 3<sup>rd</sup> SS Flat



- Cimarex has experience developing as many as 8 landings within a DSU successfully in Lea county with 9<sup>th</sup> drilling now, 35 to 38 wells / section. The difference is the combination of geology (barriers, reservoir height, and flow units) don't support the proposed staggers at Mighty Pheasant Loosey Goosey as demonstrated by area developments like Black and Tan.
- 3<sup>rd</sup> and Wolfcamp landed this close together are equivalent to 8 WPS flat in the 3<sup>rd</sup> Sand, double the AOI proven density.
- A wealth of data from the DOE and industry funded Hydraulic Fracture Test Site 2 supports an upper Wolfcamp buffer zone in this specific location to protect proven 3<sup>rd</sup> Sand correlative rights and prevent capital waste.

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# Black and Tan Analog Comparison To MP/LG

Table 1.2	Black and Tan			Might	y Pheasant Loosey God	osey
Analog Comparison	3rd Sand	Wolfcamp	3rd SS % of total	3rd Sand	Wolfcamp	3 <sup>rd</sup> SS % of total
PHIH	22	7	76	27	10	73

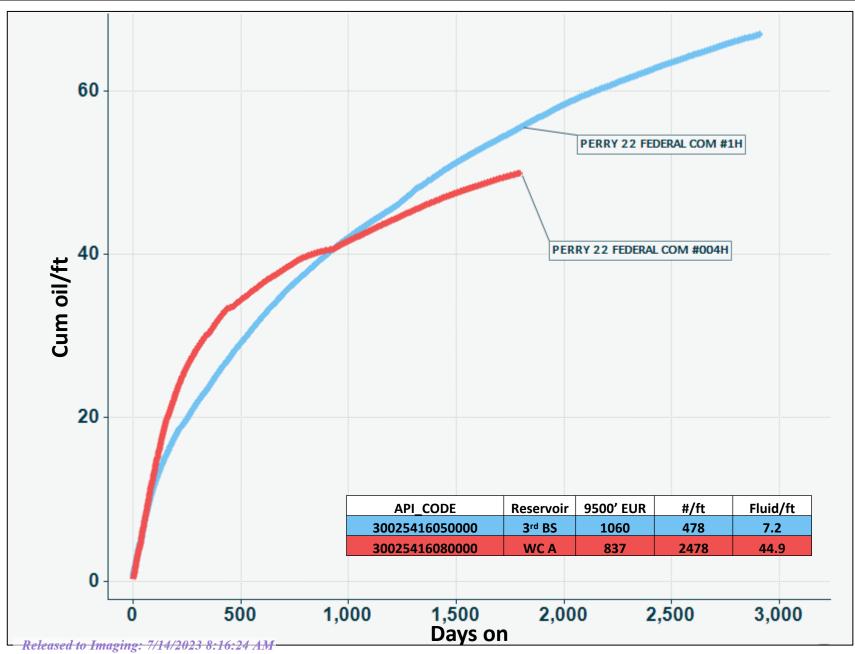
- Contested acreage is expected to outperform Black and Tan 2.5MMbo / 640-acre Technical EUR by ~20%
- Over performance driven by improved PHIH of 3<sup>rd</sup> sand. 27/22 = 122%.
- Sensitivities highlight impact of capital waste given 0% uplift on Black and Tan Wolfcamp 3<sup>rd</sup> SS analog
  - Table 1.3 Wolfcamp must add ~40% reserves to break even vs Cimarex Development at P90 reserves case
  - Table 1.4 Wolfcamp must add ~31% reserves to break even vs. Cimarex Development at SM business case
  - Neither Table 1.3 or 1.4 increase in performance is reasonable to expect given public data

Т	Table 1.3 Reserves Economic Comparison 10MM Technical EUR DSU							
\$65 flat anal	ysis at Cim	arex WI & NRI	F	Permian	(	Cimarex		
Reserves	IP	Economic EUR MBO	IR MBO PV10 Payout months		PV10 \$MM	Payout months		
100%	14,738	8,860	14.7	43	41.8	12		
110% expected	16,212	9,820	21.4	33				
120% expected	17,685	10,780	28.2	26				
130% expected	19,159	11,740	34.9	23				
140% expected	20,633	12,700	41.5	21				

	Table 1.4 Development Comparison 12MM Technical EUR DSU							
\$65 flat analy	ysis at Cim	arex WI & NRI	F	Permian		Cimarex		
12 MM EUR	IP	Economic EUR MBO	PV10 \$MM	Payout months	PV10	Payout months		
100%	18,897	11,026	34.8	23	61.9	10		
110% expected	20,787	12,987	43.6	20				
120% expected	22,676	14,233	52.3	18				
Reteased to Imaging:	7/24/5/6/5	15,480	61	16				
140% expected	26,456	16,727	69.7	15				

- In order to create equivalent PV10, Wolfcamp landings must add ~40% more reserves vs reserves estimate (table 1.3) and 31% more reserves vs. P50 expectation (table 1.4). This outcome is unrealistic vs. observed results.
- Cimarex lower terminal fixed OpEx + less well degradation results in 9.1MM EUR vs. Permian 8.9MM EUR at 100% reserves expectation.
- The Cimarex plan self-funds annual drilling after first batch of wells supporting rapid development
- Permian plan supports slower development speed





## Note: 5 to 6 x the frac energy is not as important as the right landing zone.

- The Perry 1H 2014 vintage 3<sup>rd</sup> sand well outperforms modern 2018 Perry 4H Wolfcamp completion in the same section at better oil cut 1 mile south of contested development area.
- The best flow properties and majority of bbls are best accessed from the 3<sup>rd</sup> sand where they are located

Exhibit C12 API list						
UWI (APINum)	Well Label	Operator	Formation			
30025024240100	LEA UNIT 4H	LEGACY RESERVES OPERATING LP	3rd SS			
30025328180000	MALLON `34` FEDERAL 16	CIMAREX ENERGY CO	3rd SS			
30025393820100	MALLON 35 FEDERAL 4H	CIMAREX ENERGY CO	3rd SS			
30025395550000	TUSK FEDERAL 2H	COG OPERATING LLC	3rd SS			
30025397630100	MALLON 34 FEDERAL 18H	CIMAREX ENERGY CO	3rd SS			
30025398940100	MALLON 34 FEDERAL 19	CIMAREX ENERGY CO	3rd SS			
30025400350000	AIRCOBRA 12 STATE 002H	COG OPERATING LLC	3rd SS			
30025400400000	QUAIL RIDGE 32 STATE 3H	CIMAREX ENERGY CO	3rd SS			
30025400860000	MALLON 35 FEDERAL 7H	CIMAREX ENERGY CO	3rd SS			
30025401150000	LYNCH 23 FEDERAL 1H	CIMAREX ENERGY CO	3rd SS			
30025401230000	LYNCH 23 FEDERAL 2H	CIMAREX ENERGY CO	3rd SS			
30025401350000	MALLON 34 FEDERAL 20	CIMAREX ENERGY CO	3rd SS			
30025402530100	CHAPARRAL 33 FEDERAL 3H	CIMAREX ENERGY CO	3rd SS			
30025403270000	HANSON 26 FEDERAL 1H	CIMAREX ENERGY CO	3rd SS			
30025403280000	CHAPARRAL 33 FEDERAL COM 4	CIMAREX ENERGY CO	3rd SS			
30025403300000	EAGLE `2` STATE 006H	MATADOR PRODUCTION CO	3rd SS			
	QUAIL `16` STATE COM 003H	FASKEN OIL & RANCH LTD	3rd SS			
	KING COBRA 2 STATE 1H	COG OPERATING LLC	3rd SS			
	AIRSTRIP 6 STATE COM 2H	COG OPERATING LLC	3rd SS			
	WILD COBRA 1 STATE 2H	COG OPERATING LLC	3rd SS			
	PLAYA 2 STATE 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	WEST PEARL 36 STATE 002H	COG OPERATING LLC	3rd SS			
	TIGER `11` FEDERAL 1H	COG OPERATING LLC	3rd SS			
	QUAIL `16` STATE 004H	FASKEN OIL & RANCH LTD	3rd SS			
	PLAYA 2 STATE 002H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	IGLOO 19 STATE 2H	CAZA OPERATING LLC	3rd SS			
	IRONHOUSE 20 STATE 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	BUTTER CUP 35 STATE COM 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	HANSON 26 FEDERAL 3H	CIMAREX ENERGY CO	3rd SS			
	BUTTER CUP 36 STATE COM 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	BUTTER CUP 36 STATE COM 002H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	BUTTER CUP 35 STATE COM 002H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	IRONHOUSE 19 STATE COM 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	LAGUNA 23 FEDERAL COM 002H	EARTHSTONE OPERATING LLC	3rd SS			
30025406980100		LEGACY RESERVES OPERATING LP	3rd SS			
30025406990100		LEGACY RESERVES OPERATING LP	3rd SS			
	OUTLAW `22` FEDERAL COM 1H	COG OPERATING LLC	3rd SS			
	MONGOOSE FEE 001H LAGUNA 23 FEDERAL COM 1H	MATADOR PRODUCTION CO EARTHSTONE OPERATING LLC	3rd SS			
			3rd SS			
	IRONHOUSE 20 STATE COM 002H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
30025407500000	PRICKLY PEAR 6 FEDERAL 4H	COC OPERATING LLC	3rd SS			
		COG OPERATING LLC	3rd SS			
	HANSON 26 FEDERAL 4H	CIMAREX ENERGY CO	3rd SS			
	CONDOR STATE 001H	COG OPERATING LLC	3rd SS			
	HANSON 26 FEDERAL 2H	CIMAREX ENERGY CO	3rd SS			
	LYNCH 35 FEE 1H	CIMAREX ENERGY CO	3rd SS			
	MERIT 32 DM STATE COM 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS			
	QUAIL 11 STATE COM 1H	CIMAREX ENERGY CO	3rd SS			
	QUAIL 11 STATE COM 2H	CIMAREX ENERGY CO	3rd SS			
30025408750000	AIRCOBRA 12 STATE 1H	COG OPERATING LLC	3rd SS			

20025 4000 40000	DATEDIT C ELL STATE CONA COALL	EDANIZUNIA AQUINITAINI ENEDCY 2 LI C	2-4 66
	MERIT 6 EH STATE COM 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	QUAIL '16' STATE 007H	FASKEN OIL & RANCH LTD	3rd SS
	STRATOJET 31 STATE COM 2H	COG OPERATING LLC	3rd SS
	TRES PRIMOS 3 STATE 1H	COG OPERATING LLC	3rd SS
	MARATHON ROAD 14 NC FEDERAL 1H	MEWBOURNE OIL CO	3rd SS
	CONDOR STATE 2H	COG OPERATING LLC	3rd SS
	IRONHOUSE 19 STATE COM 003H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	KING COBRA 2 STATE 2H	COG OPERATING LLC	3rd SS
	IRONHOUSE 19 STATE COM 002H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	GOOSE STATE 001H	COG OPERATING LLC	3rd SS
	WILD COBRA 1 STATE 1H	COG OPERATING LLC	3rd SS
	PERLA NEGRA FEDERAL COM 1H	XTO ENERGY INC	3rd SS
	QUAIL 11 STATE COM 3H	CIMAREX ENERGY CO	3rd SS
	CAPROCK 27 STATE FEDERAL COM 1H	RAYBAW OPERATING LLC	3rd SS
30025411520000	AIRSTRIP FEE COM 1H	COG OPERATING LLC	3rd SS
30025411630000	IRONHOUSE 24 STATE COM 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
30025412010000	GOOSE STATE COM 2H	COG OPERATING LLC	3rd SS
30025412100100	QUAIL 11 STATE COM 4H	CIMAREX ENERGY CO	3rd SS
30025412150000	MARATHON ROAD 14 MD FEDERAL 1H	MEWBOURNE OIL CO	3rd SS
30025412450200	IRONHOUSE `19` STATE COM 004H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
30025413050100	HAMON A FEDERAL COM 3H	LEGACY RESERVES OPERATING LP	3rd SS
30025413580100	TUSK FEDERAL 4H	COG OPERATING LLC	3rd SS
30025413660000	QUAIL `16` STATE 8H	FASKEN OIL & RANCH LTD	3rd SS
30025413670100	LEA SOUTH 25 FEDERAL COM 5H	EARTHSTONE OPERATING LLC	3rd SS
30025415190100	NIGHTHAWK STATE COM 1H	MARATHON OIL PERMIAN LLC	3rd SS
30025415320000	SCHARB 10 PA STATE 1H	MEWBOURNE OIL CO	3rd SS
30025415440000	ALBATROSS STATE COM 2H	COG OPERATING LLC	3rd SS
30025415620000	TANGO BTP STATE COM 004H	EOG RESOURCES INC	3rd SS
30025415720100	PRICKLY PEAR 6 FEDERAL 2H	COG OPERATING LLC	3rd SS
30025415730000	TUSK FEDERAL 3H	COG OPERATING LLC	3rd SS
	TUSK FEDERAL 5H	COG OPERATING LLC	3rd SS
	MARATHON ROAD 15 PA FEDERAL 1H	MEWBOURNE OIL CO	3rd SS
	IRONHOUSE 24 STATE COM 002H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	PERRY 22 FEDERAL COM 1H	CIMAREX ENERGY CO	3rd SS
	ORIOLE STATE 1H	COG OPERATING LLC	3rd SS
	HAMON A FEDERAL COM 4H	LEGACY RESERVES OPERATING LP	3rd SS
	PRICKLY PEAR 6 FEDERAL 3H	COG OPERATING LLC	3rd SS
	HAMON FEDERAL COM A 2H	LEGACY RESERVES OPERATING LP	3rd SS
	LYNCH 35 FED COM 3H	CIMAREX ENERGY CO	3rd SS
	IRONHOUSE 24 STATE COM 003H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	IRONHOUSE 24 STATE COM 004H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
30025417140000		COG OPERATING LLC	3rd SS
	CUATRO HIJOS FEE 4H	COG OPERATING LLC	3rd SS
	SCHARB 10 B3OB STATE 1H	MEWBOURNE OIL CO	3rd SS
	MALLON 27 FEDERAL COM 003H	MATADOR PRODUCTION CO	3rd SS
		COG OPERATING LLC	3rd SS
	ALBATROSS STATE COM 1H		
	TIGER 11 FEDERAL 2H	COG OPERATING LLC	3rd SS
	CORDONIZ 28 FEDERAL COM 4H	CIMAREX ENERGY CO	3rd SS
	KINGFISHER STATE COM 1H	COG OPERATING LLC	3rd SS
	KINGFISHER STATE COM 2H	COG OPERATING LLC	3rd SS
	TEAL 12 STATE 2H	CIMAREX ENERGY CO	3rd SS
30025418610000	PERLA VERDE 31 STATE 2H	XTO ENERGY INC	3rd SS

222544252222	Inches de Contractor de Contra	Luza suspecture	To 100
	PERLA VERDE 31 STATE 003H	XTO ENERGY INC	3rd SS
	PERLA VERDE 31 STATE 4H	XTO ENERGY INC	3rd SS
	CHAPARRAL 33 FEDERAL COM 5H	CIMAREX ENERGY CO	3rd SS
	LEA SOUTH 25 FEDERAL COM 6H	EARTHSTONE OPERATING LLC	3rd SS
	MARATHON ROAD 15 B30B FEDERAL 1H	MEWBOURNE OIL CO	3rd SS
	PALOMA 21 FEDERAL COM 4H	FASKEN OIL & RANCH LTD	3rd SS
	SCHARB 10 B3NC STATE 1H	MEWBOURNE OIL CO	3rd SS
	SUPER COBRA STATE COM 1H	COG OPERATING LLC	3rd SS
	PALOMA 21 FEDERAL COM 1H	FASKEN OIL & RANCH LTD	3rd SS
	PALOMA 21 FEDERAL COM 2H	FASKEN OIL & RANCH LTD	3rd SS
30025419950000	PALOMA 21 FEDERAL COM 3H	FASKEN OIL & RANCH LTD	3rd SS
30025420340000	STRATOSPHERE 36 STATE COM 3H	COG OPERATING LLC	3rd SS
30025420350000	STRATOSPHERE 36 STATE COM 4H	COG OPERATING LLC	3rd SS
30025420360000	STRATOSPHERE 36 STATE COM 5H	COG OPERATING LLC	3rd SS
30025420370000	STRATOSPHERE 36 STATE COM 6H	COG OPERATING LLC	3rd SS
30025420630000	PERLA VERDE 31 STATE 001H	XTO ENERGY INC	3rd SS
30025420800000	NORTH LEA '3' FEDERAL COM 001H	READ & STEVENS INC	3rd SS
30025421290000	TRES PRIMOS 3 STATE 2H	COG OPERATING LLC	3rd SS
30025421410000	PEARL WEST 36 STATE COM 6H	COG OPERATING LLC	3rd SS
30025421450000	WEST PEARL 36 STATE COM 003H	COG OPERATING LLC	3rd SS
30025421460000	PEARL WEST 36 STATE COM 4H	COG OPERATING LLC	3rd SS
30025421470000	WEST PEARL 36 STATE COM 005H	COG OPERATING LLC	3rd SS
30025421730000	RAPTOR WEST 3 STATE 004H	MARATHON OIL PERMIAN LLC	3rd SS
30025422010000	MARATHON ROAD 15 NC FEDERAL 1H	MEWBOURNE OIL CO	3rd SS
30025422120000	MALLON 27 FEDERAL COM 001H	MATADOR PRODUCTION CO	3rd SS
30025422270000	NORTH LEA 3 FEDERAL COM 002H	READ & STEVENS INC	3rd SS
30025422280000	NORTH LEA `3` FEDERAL COM 003H	READ & STEVENS INC	3rd SS
30025422680000	LEA 7 FEDERAL COM 1H	CIMAREX ENERGY CO	3rd SS
30025422760000	CUATRO HIJOS FEE 3H	COG OPERATING LLC	3rd SS
30025422920000	BLACK PEARL 1 FEDERAL COM 1H	COG OPERATING LLC	3rd SS
30025422930000	BLACK PEARL 1 FEDERAL 002H	COG OPERATING LLC	3rd SS
30025422940000	BLACK PEARL 1 FEDERAL 3H	COG OPERATING LLC	3rd SS
30025422950000	BLACK PEARL 1 FEDERAL 4H	COG OPERATING LLC	3rd SS
30025423150000	MALLON 27 FEDERAL COM 2H	MATADOR PRODUCTION CO	3rd SS
30025423380100	BLUE JAY FEDERAL 001H	COG OPERATING LLC	3rd SS
30025423420000	LEA UNIT 32H	LEGACY RESERVES OPERATING LP	3rd SS
30025423430000	LEA UNIT 33H	LEGACY RESERVES OPERATING LP	3rd SS
30025423440000	LEA UNIT 34H	LEGACY RESERVES OPERATING LP	3rd SS
	CIMARRON 16-19-34 RN STATE 134H	MATADOR PRODUCTION CO	3rd SS
	IGLOO `19` STATE 3H	CAZA OPERATING LLC	3rd SS
	BUTTER CUP 36 STATE COM 003H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	IGGLES STATE COM 001H	COG OPERATING LLC	3rd SS
	STRATOJET 31 STATE COM 8H	COG OPERATING LLC	3rd SS
	KINGFISHER STATE COM 5H	COG OPERATING LLC	3rd SS
	PICKARD 20 18 34 RN STATE 124H	MATADOR PRODUCTION CO	3rd SS
	SCHARB 10 B3MD STATE 1H	MEWBOURNE OIL CO	3rd SS
	LEA 7 FEDERAL COM 2H (P&A 12/27/	CIMAREX ENERGY CO	3rd SS
	PERLA NEGRA FEDERAL COM 4H	XTO ENERGY INC	3rd SS
	NORTH LEA `3` FEDERAL COM 004H	READ & STEVENS INC	3rd SS
	PERLA NEGRA FEDERAL COM 2H	XTO ENERGY INC	3rd SS
	PERLA NEGRA FEDERAL COM 3H	XTO ENERGY INC	3rd SS
30025427100000	IPERLA NEGRA FEDERAL COIVI 3FI	IXIO LINLINGI INC	131 U 33

20025420400000	LEA LINITEAL	LECACY DESERVES OPERATING LD	Jand CC
30025429490000	MAS FEDERAL 3H	COG OPERATING LLC	3rd SS
		LEGACY RESERVES OPERATING LP	3rd SS
30025429580000			3rd SS
	DESERT ROSE 17-8 FEDERAL COM 001	CAZA OPERATING LLC	3rd SS
	CIMARRON 16 19S 34E RN STATE COM	MATADOR PRODUCTION CO	3rd SS
	EAGLECLAW FEDERAL 001H	CAZA OPERATING LLC	3rd SS
	LEA SOUTH 25 FEDERAL COM 3BS 007	EARTHSTONE OPERATING LLC	3rd SS
30025430350000		LEGACY RESERVES OPERATING LP	3rd SS
	DELLA 29 FEDERAL COM 602H	EOG RESOURCES INC	3rd SS
30025430770000		LEGACY RESERVES OPERATING LP	3rd SS
30025432470100		LEGACY RESERVES OPERATING LP	3rd SS
	HAMON A FED COM 009H	LEGACY RESERVES OPERATING LP	3rd SS
	SEVERUS 31 FEDERAL COM 001H	XTO ENERGY INC	3rd SS
	SEVERUS 31 FEDERAL COM 002H	XTO ENERGY INC	3rd SS
	SEVERUS 31 FEDERAL COM 003H	XTO ENERGY INC	3rd SS
30025434180000	SEVERUS 31 FEDERAL COM 004H	XTO ENERGY INC	3rd SS
30025434680100	CHIEF 30 STATE 7H	CIMAREX ENERGY CO	3rd SS
30025435330000	BLUE JAY FEDERAL COM 002H	COG OPERATING LLC	3rd SS
30025436800000	NORTH LEA 10 FEDERAL 002H	READ & STEVENS INC	3rd SS
30025437410000	ESPEJO FEDERAL COM 001H	XTO ENERGY INC	3rd SS
30025437420000	ESPEJO FEDERAL COM 002H	XTO ENERGY INC	3rd SS
30025437770000	ESPEJO FEDERAL COM 003H	XTO ENERGY INC	3rd SS
30025437920000	STRATOJET 31 STATE COM 007H	COG OPERATING LLC	3rd SS
30025438160100	AIRSTRIP 31 18 35 RN STATE COM #132H	MATADOR PRODUCTION CO	3rd SS
30025439210100	BLACK & TAN 27 FEDERAL COM 303H	APACHE CORP	3rd SS
30025439400000	BLACK & TAN 27 FEDERAL COM 305H	APACHE CORP	3rd SS
30025440170000	BLACK & TAN 27 FEDERAL COM 301H	APACHE CORP	3rd SS
30025440180000	BLACK & TAN 27 FEDERAL COM 302H	APACHE CORP	3rd SS
30025440440000	BLACK & TAN 27 FEDERAL COM 307H	APACHE CORP	3rd SS
30025440450000	BLACK AND TAN 27 FEDERAL COM 308	APACHE CORP	3rd SS
30025440920000	MAS FEDERAL COM 001H	COG OPERATING LLC	3rd SS
30025442130000	CHIEF 30 STATE 8H	CIMAREX ENERGY CO	3rd SS
30025443230000	AIRSTRIP 31-18-35 RN STATE COM 1	MATADOR PRODUCTION CO	3rd SS
30025443410000	VERNA RAE FEDERAL COM 133H	MATADOR PRODUCTION CO	3rd SS
	VERNA RAE FEDERAL COM 134H	MATADOR PRODUCTION CO	3rd SS
	DELLA 29 FEDERAL COM 603H	EOG RESOURCES INC	3rd SS
	DELLA 29 FEDERAL 604H	EOG RESOURCES INC	3rd SS
	DELLA 29 FEDERAL 605H	EOG RESOURCES INC	3rd SS
	DELLA 29 FEDERAL 606H	EOG RESOURCES INC	3rd SS
	EAGLECLAW FEDERAL COM 002H	CAZA OPERATING LLC	3rd SS
	AIRSTRIP 31-18-35 RN STATE COM 1	MATADOR PRODUCTION CO	3rd SS
	CHIEF 30 STATE 9H	CIMAREX ENERGY CO	3rd SS
	MESCALERO RIDGE 21 FEDERAL 1H	CIMAREX ENERGY CO	3rd SS
30025451540000		LEGACY RESERVES OPERATING LP	3rd SS
	LEA 7 FEDERAL COM 29H	CIMAREX ENERGY CO	3rd SS
	LEA 7 FEDERAL COM 30H	CIMAREX ENERGY CO	3rd SS
30025452100000		LEGACY RESERVES OPERATING LP	3rd SS
	AIRSTRIP 31-18S-35E RN STATE COM	MATADOR PRODUCTION CO	3rd SS
	ANCHOR 19 35 33 STATE 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	CABLE 19 35 9 STATE COM 001H	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
	HEREFORD 29-20 W10B FED COM 001H	MEWBOURNE OIL CO	3rd SS
		MEWBOURNE OIL CO	
30025468030000	SANTA VACA 19-18 B3MD STATE COM	INIEMBOOKINE OIL CO	3rd SS

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30025474570000	TALON 5-8 FEDERAL 001H	CAZA OPERATING LLC	3rd SS
30025474830000	HEREFORD 29-20 W1MD STATE COM 00	MEWBOURNE OIL CO	3rd SS
30025474840000	HEREFORD 29-20 W1NC STATE COM 00	MEWBOURNE OIL CO	3rd SS
30025474860000	TALON 5-8 FEDERAL 005H	CAZA OPERATING LLC	3rd SS
30025491550000	SANTA VACA 19 18 B3NC STATE COM	MEWBOURNE OIL CO	3rd SS
30025499040000	CHAROLAIS 28 21 W1MD STATE COM 0	MEWBOURNE OIL CO	3rd SS
30025499350000	HEREFORD 29 20 W1PA STATE COM 00	MEWBOURNE OIL CO	3rd SS
30025501680000	FOXTAIL E2 05 32 W1 STATE COM 00	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
30025501690000	FOXTAIL E2 05 32 W1 STATE COM 00	FRANKLIN MOUNTAIN ENERGY 3 LLC	3rd SS
30025502420000	SANTA VACA 19-18 B3OB FEE 001H	MEWBOURNE OIL CO	3rd SS
30025503260000	SANTA VACA 19-18 B3PA FEE 001H	MEWBOURNE OIL CO	3rd SS
30025507240000	MESCALERO RIDGE 21-28 FED COM 2H	CIMAREX ENERGY CO	3rd SS
30025416080000	PERRY 22 FEDERAL COM 4H	CIMAREX ENERGY CO	Wolfcamp
30025419500000	NIGHTHAWK STATE COM 003H	MARATHON OIL PERMIAN LLC	Wolfcamp
30025430530000	DELLA 29 FEDERAL COM 701H	EOG RESOURCES INC	Wolfcamp
30025431100000	LEA SOUTH 25 FEDERAL COM WCA 012	EARTHSTONE OPERATING LLC	Wolfcamp
30025433950000	AIRSTRIP 31 18 35 RN STATE COM 2	MATADOR PRODUCTION CO	Wolfcamp
30025434820000	MAS FEDERAL 4H	COG OPERATING LLC	Wolfcamp
30025442140100	MAS FEDERAL COM 002H	COG OPERATING LLC	Wolfcamp
30025444940000	VERNA RAE FEDERAL COM 204H	MATADOR PRODUCTION CO	Wolfcamp
30025450980100	LITTLE BEAR FEDERAL COM 001H	COG OPERATING LLC	Wolfcamp
30025450990000	LITTLE BEAR FEDERAL COM 003H	COG OPERATING LLC	Wolfcamp
30025451000000	LITTLE BEAR FEDERAL COM 004H	COG OPERATING LLC	Wolfcamp
30025451020000	LITTLE BEAR FEDERAL COM 006H	COG OPERATING LLC	Wolfcamp
30025451030000	LITTLE BEAR FEDERAL COM 007H	COG OPERATING LLC	Wolfcamp
30025451040000	LITTLE BEAR FEDERAL COM 008H	COG OPERATING LLC	Wolfcamp
30025451050000	LITTLE BEAR FEDERAL COM 009H	COG OPERATING LLC	Wolfcamp
30025451490000	LITTLE BEAR FEDERAL COM 002H	COG OPERATING LLC	Wolfcamp
30025452110100	LEA UNIT 100H	LEGACY RESERVES OPERATING LP	Wolfcamp
30025460720000	BLACK & TAN 27 FEDERAL COM 401H	APACHE CORP	Wolfcamp
30025460730000	BLACK & TAN 27 FEDERAL COM 402H	APACHE CORP	Wolfcamp
30025460750000	BLACK & TAN 27 FEDERAL COM 406H	APACHE CORP	Wolfcamp
30025461230000	BLACK & TAN 27 FEDERAL COM 403H	APACHE CORP	Wolfcamp
00020.0220000	TELLER & TAN 27 TELLINE CONT-0311	7 II THEFTE COTT	Woncamp

# **TAB 5**

Case Nos. 23452-23455

Exhibit D: Self-Affirmed Statement of Notice, Darin C. Savage

Exhibit D-1: Notice Letter Exhibit D-2: Mailing List

Exhibit D-3: Affidavits of Publication

### 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, LEA COUNTY, NEW MEXICO

Case Nos. 23452-23455

#### **SELF-AFFIRMED STATEMENT OF NOTICE**

STATE OF NEW MEXICO	)	
	)	SS.
COUNTY OF SANTA FE	)	

- I, Darin C. Savage, attorney and authorized representative of Cimarex Energy Co. ("Cimarex"), the Applicant herein, being first duly sworn, upon oath, states the following:
- 1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on March 15, 2023, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit D-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits D-1 and D-2.
- 2. Notice was sent to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, and timely published in said newspaper on March 17, 2023. *See* Exhibit D-3.



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23452-23455 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

7-13-2023

Date Signed



#### ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

<u>Loosey Goosey 4-9 Fed Com 204H Well</u> (Case No. 23452) <u>Loosey Goosey 4-9 Fed Com 304H Well</u> (Case No. 23452)

Case No. 23452:

#### Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23452, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23452, Cimarex seeks to establish a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced wells.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

D-1

However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.



#### ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

Loosey Goosey 4-9 Fed Com 301H Well (Case No. 23453)

Case No. 23453:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23453, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23453, Cimarex seeks to establish a standard 320.21-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

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If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.



#### ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
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Oklahoma California
North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

Loosey Goosey 4-9 Fed Com 302H Well (Case No. 23454)

Case No. 23454:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23454, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23454, Cimarex seeks to establish a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

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However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> or call (505) 476-3441.

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If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.



#### ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Nebraska Kansas
Montana Wyoming
Oklahoma California
North Dakota

March 15, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and

compulsory pooling, Lea County, New Mexico

Loosey Goosey 4-9 Fed Com 303H Well (Case No. 23455)

Case No. 23455:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23455, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23455, Cimarex seeks to establish a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

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O: 970.385.4401 • F: 970.385.4901

However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.

ReferenceNumber	TYPE	Name1	Name2	Address1	Address2	Address3 City	State	Zip
4207.27	RI	Bureau of Land Management		414 W Taylor St		Hobbs	NM	88240
4207.27	WI	Moore & Shelton Co., Ltd		PO Box 3070		Galveston	TX	77552
4207.27	WI	HOG Partnership, LP		5950 Cedar Springs Rd.		Dallas	TX	75235
4207.27	WI	Challenger Crude, Ltd.		400 West Illinois Ave.	Suite 1210	Midland	TX	79701
4207.27	WI	Read & Stevens, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
4207.27	WI	First Century Oil, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
4207.27	WI	Francis Hill Hudson, Trustee of Lindy's Living Trust		4200 S. Hulen St.	Suite 302	Fort Worth	TX	76109
4207.27	WI	Bank of America, N.A., Successor Trustee of	the Delmar Hudson Lewis Living Trust	301 Commerce St.	Suite 2400	Fort Worth	TX	76102
4207.27	WI	Magnum Hunter Production		600 N. Marienfeld St.	Suite 600	Midland	TX	79701
4207.27	WI	Zorro Partners, Ltd.		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Frost Bank, Trustee of the Josephine T. Hudson	Testamentary Trust FBO J. Terrell Ard	640 Taylor Street	17th floor	Fort Worth	TX	76102
4207.27	WI	Ard Oil, LTD		PO Box 101027		Fort Worth	TX	76185
4207.27	WI	Chase Oil Corporation		PO Box 1767		Artesia	NM	88211
4207.27	WI	Avalon Energy Corporation		310 West Wall St.	Suite 305	Midland	TX	79701
4207.27	WI	Wilbanks Reserve Corporation		450 E. 17th Ave	Suite 220	Denver	CO	80203
4207.27	WI	Prime Rock Resources AgentCo, Inc., as nominee	for the benefit of Prime Rock Resources, LLC	203 W. Wall Street	Suite 1000	Midland	TX	79701
4207.27	WI	Marks Oil, Inc.		1775 Sherman St.	Suite 2990	Denver	CO	80203
4207.27	WI	Javelina Partners		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	William A. Hudson, II		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Union Hill Oil & Gas Co. Inc.		7712 Glenshannon Circle		Dallas	TX	75225



## Mailing (23453)

ReferenceNumber	TYPE	Name1	Name2	Address1	Address2	Address3 City	State	Zip
4207.27	RI	Bureau of Land Management		414 W Taylor St		Hobbs	NM	88240
4207.27	WI	Moore & Shelton Co., Ltd		PO Box 3070		Galveston	TX	77552
4207.27	WI	HOG Partnership, LP		5950 Cedar Springs Rd.		Dallas	TX	75235
4207.27	WI	Challenger Crude, Ltd.		400 West Illinois Ave.	Suite 1210	Midland	TX	79701
4207.27	WI	Read & Stevens, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
4207.27	WI	First Century Oil, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
		Francis Hill Hudson, Trustee of Lindy's Livi	ng					
4207.27	WI	Trust		4200 S. Hulen St.	Suite 302	Fort Worth	TX	76109
		Bank of America, N.A., Successor Trustee of	f					
4207.27	WI	the Delmar Hudson Lewis Living Trust		301 Commerce St.	Suite 2400	Fort Worth	TX	76102
4207.27	WI	Magnum Hunter Production		600 N. Marienfeld St.	Suite 600	Midland	TX	79701
4207.27	WI	Zorro Partners, Ltd.		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Frost Bank, Trustee of the Josephine T.		640 Taylor Street	17th floor	Fort Worth	TX	76102
4207.27	WI	Ard Oil, LTD		PO Box 101027		Fort Worth	TX	76185
4207.27	WI	Chase Oil Corporation		PO Box 1767		Artesia	NM	88211
4207.27	WI	Avalon Energy Corporation		310 West Wall St.	Suite 305	Midland	TX	79701
4207.27	WI	Wilbanks Reserve Corporation		450 E. 17th Ave	Suite 220	Denver	CO	80203
		Prime Rock Resources AgentCo, Inc., as						
		nominee for the benefit of Prime Rock						
4207.27	WI	Resources, LLC		203 W. Wall Street	Suite 1000	Midland	TX	79701
4207.27	WI	Marks Oil, Inc.		1775 Sherman St.	Suite 2990	Denver	CO	80203
4207.27	WI	Javelina Partners		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	William A. Hudson, II		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Union Hill Oil & Gas Co. Inc.		7712 Glenshannon Circle	е	Dallas	TX	75225

## Mailing (23454)

ReferenceNumber	TYPE	Name1	Name2	Address1	Address2	Address3 City	State	Zip
4207.27	RI	Bureau of Land Management		414 W Taylor St		Hobbs	NM	88240
4207.27	WI	Moore & Shelton Co., Ltd		PO Box 3070		Galveston	TX	77552
4207.27	WI	HOG Partnership, LP		5950 Cedar Springs Rd.		Dallas	TX	75235
4207.27	WI	Challenger Crude, Ltd.		400 West Illinois Ave.	Suite 1210	Midland	TX	79701
4207.27	WI	Read & Stevens, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
4207.27	WI	First Century Oil, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
		Francis Hill Hudson, Trustee of Lindy's Livi	ng					
4207.27	WI	Trust		4200 S. Hulen St.	Suite 302	Fort Worth	TX	76109
		Bank of America, N.A., Successor Trustee of	f					
4207.27	WI	the Delmar Hudson Lewis Living Trust		301 Commerce St.	Suite 2400	Fort Worth	TX	76102
4207.27	WI	Magnum Hunter Production		600 N. Marienfeld St.	Suite 600	Midland	TX	79701
4207.27	WI	Zorro Partners, Ltd.		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Frost Bank, Trustee of the Josephine T.		640 Taylor Street	17th floor	Fort Worth	TX	76102
4207.27	WI	Ard Oil, LTD		PO Box 101027		Fort Worth	TX	76185
4207.27	WI	Chase Oil Corporation		PO Box 1767		Artesia	NM	88211
4207.27	WI	Avalon Energy Corporation		310 West Wall St.	Suite 305	Midland	TX	79701
4207.27	WI	Wilbanks Reserve Corporation		450 E. 17th Ave	Suite 220	Denver	CO	80203
		Prime Rock Resources AgentCo, Inc., as						
		nominee for the benefit of Prime Rock						
4207.27	WI	Resources, LLC		203 W. Wall Street	Suite 1000	Midland	TX	79701
4207.27	WI	Marks Oil, Inc.		1775 Sherman St.	Suite 2990	Denver	CO	80203
4207.27	WI	Javelina Partners		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	William A. Hudson, II		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Union Hill Oil & Gas Co. Inc.		7712 Glenshannon Circle	е	Dallas	TX	75225

## Mailing (23455)

ReferenceNumber	TYPE	Name1	Name2	Address1	Address2	Address3 City	State	Zip
4207.27	RI	Bureau of Land Management		414 W Taylor St		Hobbs	NM	88240
4207.27	WI	Moore & Shelton Co., Ltd		PO Box 3070	PO Box 3070		TX	77552
4207.27	WI	HOG Partnership, LP		5950 Cedar Springs Rd.		Dallas	TX	75235
4207.27	WI	Challenger Crude, Ltd.		400 West Illinois Ave.	Suite 1210	Midland	TX	79701
4207.27	WI	Read & Stevens, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
4207.27	WI	First Century Oil, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701
		Francis Hill Hudson, Trustee of Lindy's Livi	ng					
4207.27	WI	Trust		4200 S. Hulen St.	Suite 302	Fort Worth	TX	76109
		Bank of America, N.A., Successor Trustee of						
4207.27	WI	the Delmar Hudson Lewis Living Trust		301 Commerce St.	Suite 2400	Fort Worth	TX	76102
4207.27	WI	Magnum Hunter Production		600 N. Marienfeld St.	Suite 600	Midland	TX	79701
4207.27	WI	Zorro Partners, Ltd.		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Frost Bank, Trustee of the Josephine T.		640 Taylor Street	17th floor	Fort Worth	TX	76102
4207.27	WI	Ard Oil, LTD		PO Box 101027		Fort Worth	TX	76185
4207.27	WI	Chase Oil Corporation		PO Box 1767		Artesia	NM	88211
4207.27	WI	Avalon Energy Corporation		310 West Wall St.	Suite 305	Midland	TX	79701
4207.27	WI	Wilbanks Reserve Corporation		450 E. 17th Ave	Suite 220	Denver	CO	80203
		Prime Rock Resources AgentCo, Inc., as						
		nominee for the benefit of Prime Rock						
4207.27	WI	Resources, LLC		203 W. Wall Street	Suite 1000	Midland	TX	79701
4207.27	WI	Marks Oil, Inc.		1775 Sherman St.	Suite 2990	Denver	CO	80203
4207.27	WI	Javelina Partners		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	William A. Hudson, II		616 Texas St.		Fort Worth	TX	76102
4207.27	WI	Union Hill Oil & Gas Co. Inc.		7712 Glenshannon Circle	е	Dallas	TX	75225

#### Mail Activity Report - CertifiedPro.net Mailed from 3/1/2023 to 3/31/2023 User Name: abadieschill Generated: 7/12/2023 12:52:26 PM

USPS Article Number	Date Mailed	Name 1	Name 2	Address 1	Address 2	City	State	Zip	Mailing Status	Service Options
9314869904300105482880	03/15/2023	Bureau of Land Management		414 W Taylor St		Hobbs	NM	88240	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300105482897	03/15/2023	Moore & Shelton Co., Ltd		PO Box 3070		Galveston	TX	77552	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300105482903	03/15/2023	HOG Partnership, LP		5950 Cedar Springs Rd.		Dallas	TX	75235	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300105482910	03/15/2023	Challenger Crude, Ltd.		400 West Illinois Ave.	Suite 1210	Midland	TX	79701	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300105482927	03/15/2023	Read & Stevens, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105482934	03/15/2023	First Century Oil, Inc.		300 N. Marienfeld St.	Suite 1000	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105482941	03/15/2023	Francis Hill Hudson,	Trustee of Lindy's Living Trust	4200 S. Hulen St.	Suite 302	Fort Worth	TX	76109	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300105482958	03/15/2023	Bank of America, N.A., Successor Trustee of	the Delmar Hudson Lewis Living Trust	301 Commerce St.	Suite 2400	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105482965	03/15/2023	Magnum Hunter Production		600 N. Marienfeld St.	Suite 600	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105482972	03/15/2023	Zorro Partners, Ltd.		616 Texas St.		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105482989	03/15/2023	Frost Bank, Trustee of the Josephine T. Hudson	Testamentary Trust FBO J. Terrell Ard	640 Taylor Street	17th floor	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105482996	03/15/2023	Ard Oil, LTD		PO Box 101027		Fort Worth	TX	76185	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300105483009	03/15/2023	Chase Oil Corporation		PO Box 1767		Artesia	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105483016	03/15/2023	Avalon Energy Corporation		310 West Wall St.	Suite 305	Midland	TX	79701	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300105483023	03/15/2023	Wilbanks Reserve Corporation		450 E. 17th Ave	Suite 220	Denver	CO	80203	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105483030	03/15/2023	Prime Rock Resources AgentCo, Inc., as nominee	for the benefit of Prime Rock Resources, LLC	203 W. Wall Street	Suite 1000	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105483047	03/15/2023	Marks Oil, Inc.		1775 Sherman St.	Suite 2990	Denver	CO	80203	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105483054	03/15/2023	Javelina Partners		616 Texas St.		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105483061	03/15/2023	William A. Hudson, II		616 Texas St.		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300105483078	03/15/2023	Union Hill Oil & Gas Co. Inc.		7712 Glenshannon Circle		Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4830 78**.

Item Details

Status: Delivered, Left with Individual Status Date / Time: March 18, 2023, 02:45 p.m.

Location:DALLAS, TX 75225Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Union Hill Oil Gas Co Inc

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

**Street Address:** 7712 GLENSHANNON CIR **City, State ZIP Code:** DALLAS, TX 75225-2054

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 61.

Item Details Status: Delivered, Left with Individual Status Date / Time: March 20, 2023, 03:22 p.m. Location: FORT WORTH, TX 76102 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™ Return Receipt Electronic **Recipient Name:** William A Hudson II Shipment Details Weight: 5.0oz **Destination Delivery Address** City, State ZIP Code: FORT WORTH, TX 76102-4662 Recipient Signature Signature of Recipient: Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Item Details

Dear WALZ GROUP:

Recipient Signature

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 54.

Status: Delivered, Left with Individual Status Date / Time: March 20, 2023, 03:22 p.m. Location: FORT WORTH, TX 76102 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™ Return Receipt Electronic **Recipient Name:** Javelina Partners Shipment Details Weight: 5.0oz **Destination Delivery Address** City, State ZIP Code: FORT WORTH, TX 76102-4662

Signature of Recipient:

(or en

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



#### Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 47.

Item Details

**Status:** Delivered to Agent for Final Delivery

**Status Date / Time:** March 20, 2023, 04:38 p.m.

Location: DENVER, CO 80203

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Marks Oil Inc

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient: (Authorized Agent)

Address of Recipient:

Mich (Dany)

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>™</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 30.

Item Details

Status: Delivered, Left with Individual

**Status Date / Time:** March 20, 2023, 04:37 p.m.

Location: MIDLAND, TX 79701

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Prime Rock Resources AgentCo Inc as nominee

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 203 W WALL ST

City, State ZIP Code: MIDLAND, TX 79701-4530

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4830 23.

Item Details

Status: Delivered, Front Desk/Reception/Mail Room

**Status Date / Time:** March 20, 2023, 03:39 p.m.

**Location:** DENVER, CO 80203

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Wilbanks Reserve Corporation

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 450 E 17TH AVE UNIT 220 City, State ZIP Code: DENVER, CO 80203-1254

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4830 09**.

Item Details

Status: Delivered, Individual Picked Up at Post Office

**Status Date / Time:** March 20, 2023, 11:20 a.m.

**Location:** ARTESIA, NM 88210

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Chase Oil Corporation

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

•

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



#### Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4829 89**.

Item Details

Status:Delivered, Left with IndividualStatus Date / Time:March 20, 2023, 01:04 p.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Frost Bank Trustee of the Josephine T Hudson

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 640 TAYLOR ST

City, State ZIP Code: FORT WORTH, TX 76102-4809

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 72.

Item Details Status: Delivered, Left with Individual Status Date / Time: March 20, 2023, 03:22 p.m. Location: FORT WORTH, TX 76102 **Postal Product:** First-Class Mail® **Extra Services:** Certified Mail™ Return Receipt Electronic **Recipient Name:** Zorro Partners Ltd Shipment Details Weight: 5.0oz **Destination Delivery Address** City, State ZIP Code: FORT WORTH, TX 76102-4662 Recipient Signature Signature of Recipient: Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4829 65**.

Item Details

Status: Delivered, Individual Picked Up at Post Office

**Status Date / Time:** March 20, 2023, 01:10 p.m.

Location:MIDLAND, TX 79701Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Magnum Hunter Production

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 600 N MARIENFELD ST STE 600

City, State ZIP Code: MIDLAND, TX 79701-4405

Recipient Signature

Signature of Recipient:

Address of Recipient:

Midle Jy 7976/

Pam Waldow

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



March 24, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 58.

Item Details

Status:Delivered, Left with IndividualStatus Date / Time:March 23, 2023, 11:16 a.m.Location:FORT WORTH, TX 76102

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bank of America N A Successor Trustee of the

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 301 COMMERCE ST STE 2400
City, State ZIP Code: FORT WORTH, TX 76102-4124

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 34.

Item Details

Status: Delivered, Left with Individual

**Status Date / Time:** March 18, 2023, 11:17 a.m.

**Location:** MIDLAND, TX 79701 **Postal Product:** First-Class Mail®

Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: First Century Oil Inc

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 300 N MARIENFELD ST STE 1000

City, State ZIP Code: MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4829 27.

Item Details

Status: Delivered, Left with Individual

**Status Date / Time:** March 18, 2023, 11:17 a.m.

**Location:** MIDLAND, TX 79701 **Postal Product:** First-Class Mail®

Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Read Stevens Inc

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: 300 N MARIENFELD ST STE 1000

City, State ZIP Code: MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



April 21, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: 9314 8699 0430 0105 4828 80.

#### Item Details

**Status:** Delivered to Agent for Final Delivery

Status Date / Time: April 20, 2023, 02:40 p.m. Location: DURANGO, CO 81301

Postal Product: First-Class Mail®
Extra Services: Certified Mail™

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 5.0oz

#### Recipient Signature

Signature of Recipient: (Authorized Agent)

Address of Recipient:

+ 1 10 Kary

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated March 17, 2023 and ending with the issue dated March 17, 2023.

Publisher

Sworn and subscribed to before me this 17th day of March 2023.

My commission expires

January 29, 2027 (Seal)

STATE OF NEW MEXICO **NOTARY PUBLIC** GUSSIE RUTH BLACK **COMMISSION # 1087526** COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

#### **LEGAL NOTICE** March 17, 2023

LEGAL NOTICE March 17, 2023

CASE No. 23452: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FROJ. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION, VALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION, PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023. traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emmrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienfeld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division; (1) establishing a standard 320.89-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 4 and the E/2 B/2 of Section 9, in Township 20 South, Range 34 East, NMPM. Lea County, Ne

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STATE OF NEW MEXICO COUNTY OF LEA

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Publisher

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Business Manager

My commission expires

(Seal)

January 29, 2027 ATE OF NEW MEXICO **NOTARY PUBLIC** GUSSIE RUTH BLACK **COMMISSION # 1087526** COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE March 17, 2023

CASE No. 23453: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working Interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD: HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUBSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; AGAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m., on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emard.mm.gov/ocd/hearing-info/ or call (505) 476-3441, Cimarex Energy Co. (operational office at 600 N. Marlenfeld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.21-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 4 and the W/2 W/2 of Section 9, in Township 20 South, Range 34 Eas

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STATE OF NEW MEXICO COUNTY OF LEA

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Publisher

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**Business Manager** 

My commission expires

January 29, 2027

(Seal)

STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087525 CIONNIMISSION EXPIRES 91/29/20

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE March 17, 2023

CASE No. 23454: Notice to all parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANK'S RESERVE CORPORATION; AVALON ENERGY CORPORATION; WILBANK'S RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO, INC., of Cimarex Energy Co, 's application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m., on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emprd.nm.gov/ocd/hearing-info/ or call (505) 476-3441, Cimarex Energy Co, Operational office at 600 N. Marienfeld St. Suite 600, 79701; HO office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.44-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NEJ/A NW/4 equivalent), the SE/A NW/4, and the E/2 SW/4 of Section 4 and the E/2 W/2 of Section 9, in Township 20 South, thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico. #00276788

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STATE OF NEW MEXICO COUNTY OF LEA

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Sworn and subscribed to before me this 17th day of March 2023.

**Business Manager** 

My commission expires

January 29, 2027

(Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK **COMMISSION # 1087526** COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

#### **LEGAL NOTICE** March 17, 2023

CASE No. 23455: Notice to all parties and persons having any right, titte, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as to the overriding royalty interest, and record title, among others, as well as to the known and unknown heirs, devisees, assigns and successors of MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A., SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST: MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO. INC., AS NOMINEE FOR THE TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emmrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienteld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.66-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 leet (top of first Bone Spring) in the Quall Ridge, Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 4 is an irregular section containing correction lots. The proposed well to be declicated to the horizontal spacing unit is the Loosey Goosey 4-9 Fed Com 303H Well, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 33, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34

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# **TAB 6**

Case No. 23452-23455

Exhibit E:

Resume of Facilities Engineer: Calvin Boyle Expert Facilities Witness Available for Questions and Consultation

### **Calvin Thomas Boyle**

6001 Deauville Blvd. Suite 300N Midland, TX 79706 | (918)-891-1095 | calvin.boyle@coterra.com

#### **Education**

#### **Master of Business Administration**

Concentration: Energy Business
Oklahoma State University – Stillwater, OK

Graduated August 2018; GPA: 4.00

#### **Bachelor of Science in Petroleum Engineering**

*University of Oklahoma – Norman, OK* Graduated May 2016; GPA: 3.71

#### **Work Experience**

#### Coterra Energy (Formerly Cimarex Energy) – Facility Engineer

*Midland, TX (April 2021-present)* 

- Plan, supervise, and design capital projects to minimize environmental impact
- Efficiently allocate capital to optimize production facilities
- Manage \$74MM capital construction budget
- Implement Vapor Recovery Unit life plan to effectively decrease emissions
- Coordinate with field personnel and executive management for successful project execution
- Software proficiencies: Promax, ARIES, Carte, XSPOC, Spotfire, Google Earth, and various

#### Coterra Energy (Formerly Cimarex Energy) – Production Engineer

Midland, TX (March 2020-April 2021)

- Monitor production of more than 200 oil and gas wells in Lea and Eddy County New Mexico (Gas Lift, ESP, flowing, and pumping wells)
- Proposed, oversaw, and executed the divestiture of a 30 well asset
- Design and implement workovers (Rod Lift, ESP, Plunger, Acid Stimulation)
- Implemented the XSPOC system which decreased downtime by 12%

#### Coterra Energy (Formerly Cimarex Energy) – Field Engineer

Jal, NM (March 2019 to March 2020)

- Managed production of 31 oil wells (Gas lift, pumping, plunger, and flowing)
- Optimized the wells to increase production and decrease LOE
- Monitored flare pilot and VRUs to prevent methane emissions from flares and tanks
- Maintained production facilities

#### Halliburton Energy Services – Technical Professional, Cement

El Reno, OK (June 2017 to March 2019)

- Manage and design the cementing program for all of XTO's drilling rigs in the Mid-Continent; designing the cement programs in order to meet or exceed all of the XTO's specifications on each well drilled
- Design cement slurries for thickening time, compressive strength, rheological properties, and fluid loss; proactively tailoring cement slurries to achieve desired properties and alleviate risk for both my customers and Halliburton
- Run foam cement jobs on location; monitoring multiple variables and pumping nitrogen to ensure a successful job

