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March 3, 2017

David Catanach Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico (the "Well").

Dear Mr. Catanach:

Cimarex Energy Co. ("Cimarex") (OGRID No. 2510997) administrative approval of an unorthodox well location ("NSL") for Southern California 29 Federal 29-19S-32E RB #19H well (API No. 30-025-43070) to be completed within the Lusk-Bone Spring, South pool (Pool Code 41460) underlying the S/2 of Section 19, Township 19S, Range 32E, N.M.P.M., Lea County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal Well that will be drilled as follows:

Southern California 29 Federal 29-19S-32E RB #19H

- <u>Surface Hole Location</u>: 1390 feet from the South line and 308 feet from the West line of Section 29, Township 19 South, Range 32 East;
- <u>First Perforation Point</u>: 1290 feet from the South line and 808 feet from the West line of Section 29, Township 19 South, Range 32 East;
- <u>Last Perforation Point and Bottom Hole Location</u>: 1290 feet from the South line and 330 feet from West line of Section 29, Township 19 South, Range 32 East.

Cimarex is requesting this NSL in order to efficiently produce its interests in Section 29. This Well will produce from the Lusk-Bone Spring, South pool (Pool Code 41460). There are no special pool rules for this pool, and thus the setback requirements under Rule 19.15.15.9 of 330' apply. The completed interval for the proposed Well is closer than 330' from the boundary of the project area. The unorthodox location will encroach towards the S/2 and NE/4

Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 jlb@modrall.com

162683

Modrall Sperling Roehl Harris & Sisk P.A.

Bank of America Centre 500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168 of Section 30, Township 19 South, Range 32 East, the S/2 and NW/4 of Section 28 of Township 19 South, Range 32 East, and the N/2 of the S/2 and the N/2 of Section 29, Township 19 South, Range 32 East. A list showing the surrounding ownership and the project area for the proposed well in relation to adjoining spacing units is attached as Exhibit B.

A list of the parties affected by the encroachment is attached as Exhibit C. Each of these parties has been provided notice of this application by certified mail, return receipt requested, advising them that if they have an objection to the location of this Well, it must be filed with the New Mexico Oil Conservation Division within 20 days of the mailing of this notice. In addition, a copy of this application has also been provided to the New Mexico State Land Office.

Sincerely

Company

Attorney for Cimarex Energy

Your attention to this matter is appreciated.

New Mexico State Land Office Post Office Box 1148 Santa Fe, New Mexico 87504

cc:

District 1 1623 N French Dr., Hobbs, NM 88240 Phone: (375) 393-6161 Fas: (575) 393-0720 District II 811 S First St., Artesia, NM 88210 Phone: (575) 748-1283 Fas: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fas: (505) 334-6170

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

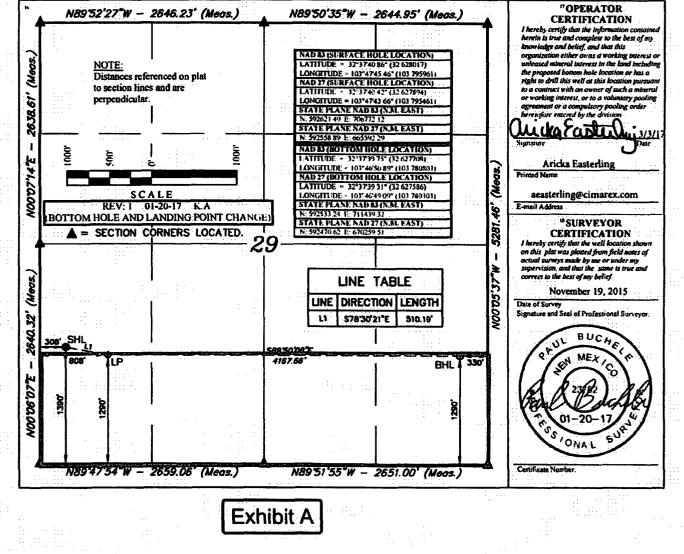
AMENDED REPORT

1000 Rio Brazos Rand, Aztec, NM 87410. Phone: (505) 334-6176 Fax: (505) 334-6170 District IV 1220 S & Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 WELL LOCATION AND ACREAGE DEDICATION PLAT 1API Number: 12Pool Code 12Pool No.

¹Pool Code 41460 1API Number Pool Nav 30-025-43070 Lusk: Bone Spring, South **Property Code** Property Nam Veli Number SOUTHERN CALIFORNIA 29 FEDERAL 7971 'OGRID No 19H Operator Nam Hevatio CIMAREX ENERGY CO. OF COLORADO 3546.4 162683 *Surface Location III on lot an

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12 Dedicated Acr 160	es	alat or Jafill	¹⁴ Coas	olidation Code	¹⁴ 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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Exhibit B



EXHIBIT C:

Notification List for the Application of Cimarex Energy Co. for administrative approval of an unorthodox well location for its Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 jlb@modrall.com

S/2 and NW/4 Section 28, Township 19 South, Range 32 East

OXY USA Inc. S. Greenway Plz. STE 110 Midland, TX 79701

XTO Energy, Inc. 500 W. Illinois Ste 100 Midland, TX 79701

NWSW-28 = ? Were They Notifal?

Apache Corp 303 Veterans Park Lane, Suite 3000 Midland, TX 79705

Section 29, Township 19 South, Range 32 East

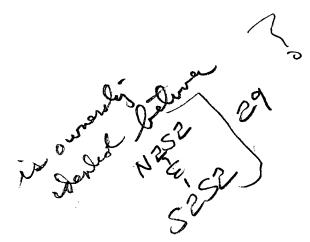
Dan W. Irwin 118 N. Grant Hinsdale, IL 60521

Kathleen Irwin Schuster 2615 Oak Drive #28 Lakewood, CO 80215

Amity Oil Co. Inc. 6116 North Central Ste. # 1000 Dallas TX, 95206

W/K Land Company 911 Kimbark Street Longmont, CO 80501

Shackelford Oil Company 203 W. Wall, Suite 200 Midland TX 79701



Modrall Sperling Roehl Harris & Sisk P.A.

Bank of America Centre 500 Fourth Street NW Suite 1000 Albuquergue, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com Page 2

S/2 and NE/4 Section 30, Township 19 South, Range 32 East

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

OXY USA Inc. S. Greenway Plz. STE 110 Midland, TX 79701

EOG Y Resources Inc. 105 S. Fourth Street Artesia, NM 88210

CIMAREX ENERGY APPLICATION NOTICE SO. CALIFORNIA 29 FED 29-19S-32E RB #19H WELL MAILED: MARCH 3, 2017

PARTIES	CERTIFIED RECEIPT NO.	
S/2 and NW/4 Section 28, Town	ship 19 South, Range 32 East	
OXY USA Inc. S. Greenway Plz., Ste 110 Midland, TX 79701	7015 1520 0002 9719 5653	
XTO Energy Inc. 500 W. Illiniois, Ste 100 Midland, TX 79701	7015 1520 0002 9719 5660	
Apache Corp 303 Veterans Park Lane, Suite 3000 Midland, TX 79705	7015-1520-0002-9719-5677	
Section 29, Township 19	South, Range 32 East	
Dan W. Irwin 118 N. Grant Hinsdale, IL 60521	7015 1520-0002-9719-5684	
Kathleen Irwin Schuster 2615 Oak Drive #28 Lakewood, CO 80215	7015 1520-0002-9719-5691	
Amity Oil Co., Inc. 6116 North Central, Ste. 1000 Dallas, TX 95206	7015 1520-0002-9719-5707	
W/K Land Company 911 Kimbark Street Longmont, CO 80501	7015 1520-0002-9719-5714	
Shackelford Oil Company 203 W. Wall, Suite 200 Midland, TX 79701	7015 1520-0002-9719-5721	
S/2 and NE/4 Section 30, Township 19 South, Range 32 East		
COG Operating LLC One Concho Center 600 W. Illinois Ave. Midland, TX 79701	7015 1520-0002-9719-5738	
EOG Y Resources Inc. 105 S. Fourth Street Artesia, NM 88210	7015 1520 0002 9719 6247	

Y:\dox\client\82762\0128\INDEX\W2890243.DOCX



March 3, 2017

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico (the "Well").

Ladies and Gentlemen:

Enclosed in the notice is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application may be administratively approved by the Division.

If you have any questions concerning this application, please contact:

Cody Elliot Cimarex Energy Co. 600 N. Marienfeld St., Suite 600 Midland, TX 79701 Phone No.: (432) 571-7806

If you have no objection to this application, please sign the waiver as indicated below and return the original. Your assistance and cooperation in this matter are appreciated.

Sincerely,

.5.7 Zoë E. Lees

Attorney for Cimarex Energy Company

Zoë E. Lees 505.848.1859 Fax: 505.848.9710 zel@modrali.com

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800

Page 2

WAIVER

hereby waives objection to the above referenced Application for an Unorthodox Location for Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dated: _____

Signature

From:	: .	Zoe Lees <zel@modrall.com></zel@modrall.com>	
Sent:	1 - 1 - 1 1	Friday, March 3, 2017 4:01 PM	
To:		Lowe, Leonard, EMNRD	
Cc:		Jennifer L. Bradfute	
Subject:		NSL Application for Cimarex	
Attachments:		Cimarex NSL App. So. Cal. 29 Fed	#19H Well (W2890319x7A92D).pdf

Good Afternoon Leonard,

Attached please find a NSL application for Cimarex Energy Co's Souther California 29 Federal 19H well. Please let me or Jennifer Bradfute know if you have any questions.

Thank you, Zoe



Zoë E. Lees Attorney at Law Modrall Sperling | <u>www.modrall.com</u> P.O. Box 2168 | Albuquerque, NM 87103-2168 500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102 D: 505.848.1859 | O: 505.848.1800 | F: 505.848.9710

Any U.S. federal tax advice contained herein (including any attachments), unless specifically stated otherwise, is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter herein.

Modrall, Sperling, Roehl, Harris & Sisk, P.A. THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS CONFIDENTIAL, EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW, AND PROTECTED BY THE ATTORNEY-CLIENT PRIVILEGE. If the reader of this message is not the intended recipient or agent responsible for delivering the message to the intended recipient, you are hereby notified that any review, dissemination or copying of this communication is strictly prohibited. If you have received this electronic transmission in error, please do not read it, delete it from your system without copying it, and notify the sender by reply e-mail or by calling 505.848.1800, so that our address record can be corrected. Thank you.

This email was Anti Virus checked by Astaro Security Gateway. http://www.astaro.com

From:	McMillan, Michael, EMNRD
Sent:	Monday, April 3, 2017 1:59 PM
То:	Zoe Lees
Cc:	Lowe, Leonard, EMNRD
Subject:	Cimarex Southern California 29 Federal Well No. 19H

Zoe:

The OCD will require additional reason for administrative NSL application. The OCD does not consider "efficiently produce its interests in Section 29" to be a valid reason for approval.

Were there engineering reasons for being that close to the quarter-quarter section boundary? How will the section in the project area be developed? A statement by the Applicant is required.

Further, the Director has stated that NSL applications within 100 feet of the project boundary require return receipts.

Further, the Division will require break-down the percentages of the working interests and the affected parties.

As a result, your application will not be recommended signature by the Director until this information is received.

Thank You

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division 1220 south St. Francis Dr., Santa Fe NM 87505 O: 505.476.3448 Michael.McMillan@state.nm.us



Cimarex Energy Co. 202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 (432) 620-1936 • A NYSE Listed Company • "XEC"

April 19, 2017

Mr. Michael McMillian New Mexico Oli Conservation Division 1220 South Francis Drive Santa Fe, NM 87505

Re: Non-Standard Location Application Southern California 29 Federal #19H - 30025-43070 Lea County, NM

Dear Mr. McMillian:

Cimarex Energy Co. respectfully requests administrative approval of the non-standard location application for the Southern California 29 Federal #19H well.

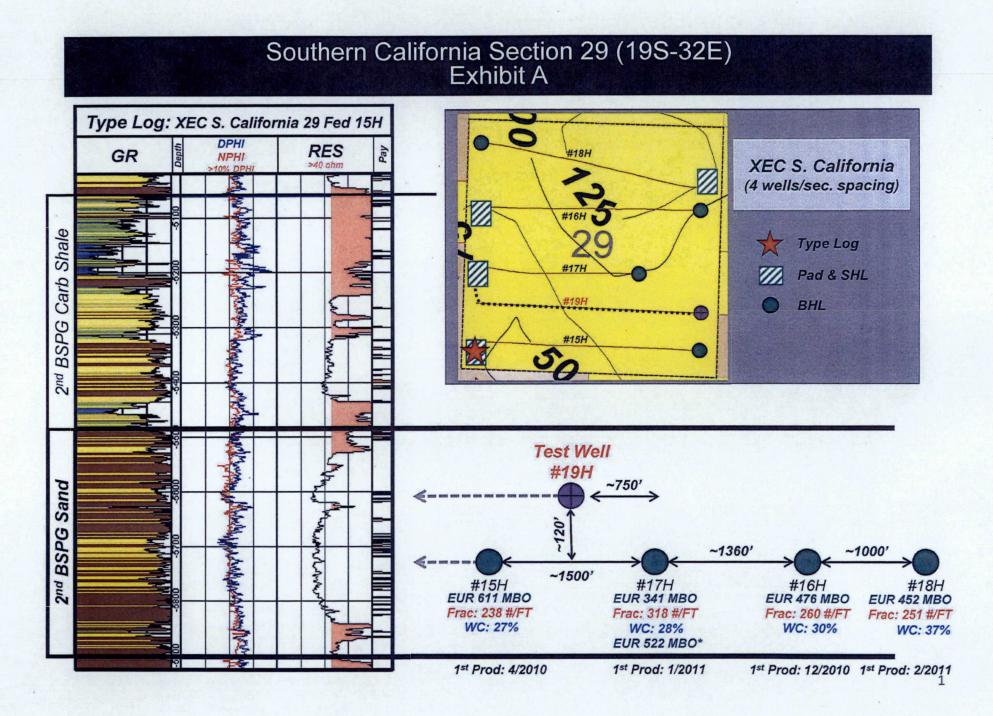
Cimarex proposes to drill the Southern California 29 Federal #19H well as an increase density or infill well in the 2nd Bone Spring. The proposed well will be centered between our two existing horizontal 2nd Bone Spring producing wells, the Southern California 29 Federal 17H (N2S2) and the Southern California 29 Federal 15H (S2S2), please see attached Exhibit A for additional information. Cimarex expects to maximize the recoverable reserves by increasing the cluster count to reduce white space in the proposed well. This procedure is a change from our previous completion approach and offers an opportunity to determine how to best development our acreage in the area. The best location for the Southern California 29 Federal #9H infill test is to be approx. 30'-60' off the Northern quarter quarter line of the S2S2, please see attached C102 for location and horizontal path of the referenced well.

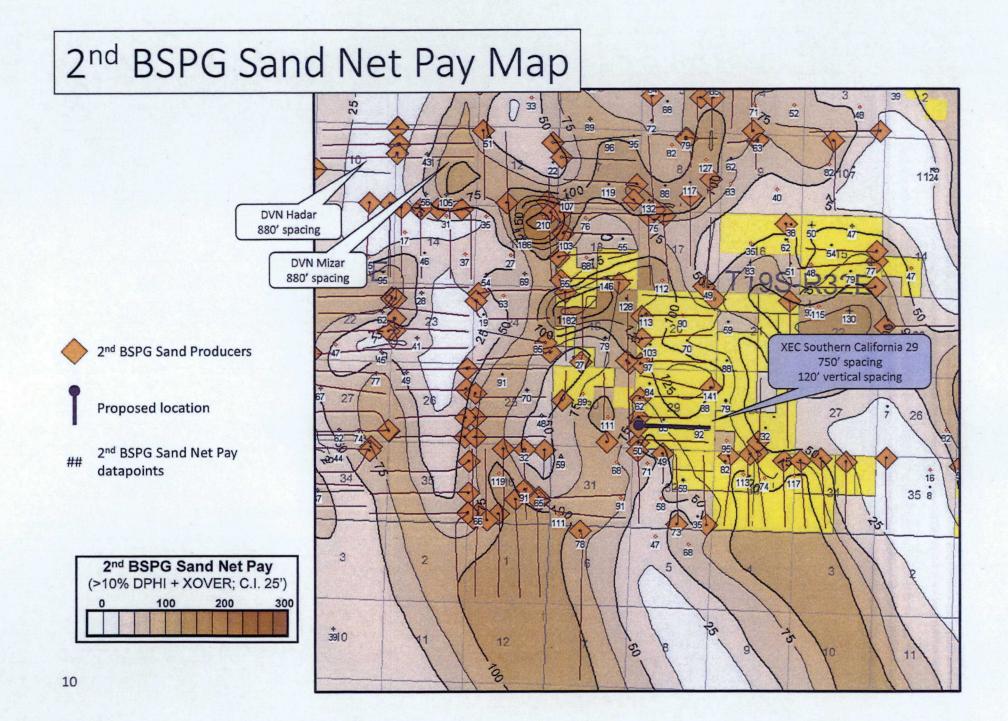
The beneficial knowledge gained from the successful completion of the Southern California 29 Federal 19H well will help to determine maximum reserve recovery and possible drilling locations for additional Bone Spring infill wells in this and other sections.

Thank you for your consideration. Should you have any questions please contact me at 432-571-7800.

Sincerely, **Michael Swain**

Permian Region Geologic Manager Permian Exploration





From: Sent: To: Cc: Subject: Lowe, Leonard, EMNRD Wednesday, May 24, 2017 4:05 PM 'Jennifer L. Bradfute' 'Zoe Lees' RE: Southern California 29 FEd #19H - NSL justification letter

Jennifer Bradfute,

Hello,

Of the additional information requested from Michael McMillian (sent to Zoe Lees on April 3, 2017), I do not have the return receipts from the affected tracts in the less than 100 feet location. Or the break down of the percentages of the working interests and the affected parties.

See E-mail below.

From: McMillan, Michael, EMNRD Sent: Monday, April 3, 2017 1:59 PM To: Zoe Lees <zel@modrall.com> Cc: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us> Subject: Cimarex Southern California 29 Federal Well No. 19H

Zoe:

The OCD will require additional reason for administrative NSL application. The OCD does not consider "efficiently produce its interests in Section 29" to be a valid reason for approval. Were there engineering reasons for being that close to the quarter-quarter section boundary? How will the section in the project area be developed? A statement by the Applicant is required.

Further, the Director has stated that NSL applications within 100 feet of the project boundary require return receipts.

Further, the Division will require break-down the percentages of the working interests and the affected parties.

As a result, your application will not be recommended signature by the Director until this information is received.

Thank You

MICHAEL A. MCMILLAN Engineering Bureau, Oil Conservation Division 1220 south St. Francis Dr., Santa Fe NM 87505 O: 505.476.3448 Michael.McMillan@state.nm.us Leonard Lowe Engineering Bureau Oil Conservation Division Energy Minerals and Natural Resources Department 1220 South St. Frances Santa Fe, New Mexico 87004 Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462 E-mail: leonard.lowe@state.nm.us Website: http://www.emnrd.state.nm.us/ocd/

-----Original Message-----From: Jennifer L. Bradfute [mailto:jlb@modrall.com] Sent: Wednesday, May 24, 2017 10:51 AM To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us> Subject: FW: Southern California 29 FEd #19H - NSL justification letter

Hi Leonard,

I wanted to follow up with you concerning Cimarex's NSL application for the Southern California 29 Fed 19H well. The attached information as requested back in April and submitted to the Division. I spoke with Mike last week and he indicated that you are handling this application. Is there anything else that the Division needs to approve this NSL?

Thank you, Jennifer

-----Original Message-----From: Terri Stathem [mailto:TStathem@cimarex.com] Sent: Wednesday, April 19, 2017 8:26 AM To: michael.mcmillan@state.nm.us Cc: Jennifer L. Bradfute; Zoe Lees Subject: Southern California 29 FEd #19H - NSL justification letter

Mr. McMillian, please see the attached letter and other documents related to the NSL application for the referenced well.

Please let me know if you need additional information.

Thanks,

Terri Stathem Manager - Regulatory Compliance 202 S. Cheyenne Ave, Suite 1000 Tulsa, OK 74103-3001

From: Sent: To: Subject: Attachments: Lowe, Leonard, EMNRD Wednesday, May 24, 2017 12:57 PM McMillan, Michael, EMNRD FW: Southern California 29 FEd #19H - NSL justification letter 201704190928.pdf

Micheal,

Do you have the additional information for the stated information below? You requested additional information from Zoe Lees on this. If you have it, can you send it to me and I can process this?

-----Original Message-----From: Jennifer L. Bradfute [mailto:jlb@modrall.com] Sent: Wednesday, May 24, 2017 10:51 AM To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us> Subject: FW: Southern California 29 FEd #19H - NSL justification letter

Hi Leonard,

I wanted to follow up with you concerning Cimarex's NSL application for the Southern California 29 Fed 19H well. The attached information as requested back in April and submitted to the Division. I spoke with Mike last week and he indicated that you are handling this application. Is there anything else that the Division needs to approve this NSL?

Thank you, Jennifer

-----Original Message-----From: Terri Stathem [mailto:TStathem@cimarex.com] Sent: Wednesday, April 19, 2017 8:26 AM To: michael.mcmillan@state.nm.us Cc: Jennifer L. Bradfute; Zoe Lees Subject: Southern California 29 FEd #19H - NSL justification letter

Mr. McMillian, please see the attached letter and other documents related to the NSL application for the referenced well.

Please let me know if you need additional information.

Thanks,

Terri Stathem Manager - Regulatory Compliance

From:Zoe Lees <zel@modrall.com>Sent:Thursday, June 8, 2017 3:14 PMTo:Lowe, Leonard, EMNRDCc:Jennifer L. BradfuteSubject:RE: NSL Application: Southern California 29 Federal Well No. 19HAttachments:Affidavit of Publications-Hobbs News Sun (W2908626x7A92D).pdf; CHART So. Cal 29
Fed 19H Well (W2896408x7A92D).pdf

Dear Mr. Lowe,

Thank you for your email below. I've attached both the copies of the receipts for certified mailing for the Southern California 29 Federal Well No. 19H and the affidavit of Publication.

I left you a voicemail regarding the concerns outlined in the first paragraph of your email. I look forward to hearing from you so that I may coordinate with my client to provide you with the information required.

Thanks so much, Zoe



Zoë E. Lees Attorney at Law Modrall Sperling | <u>www.modrall.com</u> P.O. Box 2168 | Albuquerque, NM 87103-2168 500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102 D: 505.848.1859 | O: 505.848.1800 | F: 505.848.9710

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Thursday, June 8, 2017 3:04 PM
To: Zoe Lees
Cc: Jones, William V, EMNRD; McMillan, Michael, EMNRD
Subject: NSL Application: Southern California 29 Federal Well No. 19H
Importance: High

Dear Zoe Lees,

Good afternoon,

Due to the extreme location of this well relative to the affected offset acreage, being the N/2 S/2 of Section 29, it is obviously a situation where some interest owners in the NE/4 SE/4 of Section 29 will be adversely affected. I would like to explore with Cimarex how they believe that correlative rights of those affected interest owners will be protected.

1

In addition, please provide the "green cards" for all affected parties in the NE/4 SE/4 of Section 29. An emailed copy is preferred.

Thank you,

Attachment I E-mail 6.8.17 from Z.L.

1/1

CIMAREX ENERGY APPLICATION NOTICE SO. CALIFORNIA 29 FED 29-19S-32E RB #19H WELL MAILED: MARCH 3, 2017

- 4

B...

PARTIES	CERTIFIED RECEIPT NO.	
S/2 and NW/4 Section 28, Township 19 South, Range 32 East		
OXY USA Inc. S. Greenway Plz., Ste 110 Midland, TX 79701	7015 1520 0002 9719 5653 Return to Sender / Unable to Forward 03/15/17	
XTO Energy Inc. 500 W. Illiniois, Ste 100 Midland, TX 79701	7015 1520 0002 9719 5660 03/08/17	
Apache Corp 303 Veterans Park Lane, Suite 3000 Midland, TX 79705	7015-1520-0002-9719-5677	
Section 29, Township 19	South, Range 32 East	
Dan W. Irwin 118 N. Grant Hinsdale, IL 60521	7015 1520-0002-9719-5684 03/21/17	
Kathleen Irwin Schuster 2615 Oak Drive #28 Lakewood, CO 80215	7015 1520-0002-9719-5691 03/10/17	
Amity Oil Co., Inc. 6116 North Central, Ste. 1000 Dallas, TX 95206	7015 1520-0002-9719-5707 03/10/17	
W/K Land Company 911 Kimbark Street Longmont, CO 80501	7015 1520-0002-9719-5714 03/08/17	
Shackelford Oil Company 203 W. Wall, Suite 200 Midland, TX 79701	7015 1520-0002-9719-5721 03/08/17	
S/2 and NE/4 Section 30, Towns	hip 19 South, Range 32 East	
COG Operating LLC One Concho Center 600 W. Illinois Ave. Midland, TX 79701	7015 1520-0002-9719-5738 03/08/17	
EOG Y Resources Inc. 105 S. Fourth Street Artesia, NM 88210	7015 1520 0002 9719 6247 03/08/17	

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Attachment 2 E-mail 6.8.17 from Z.L //_ JLB 82762-0128 SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. A. Signature Print your name and address on the reverse X Oma D Agent so that we can return the card to you. mon C Addresse Attach this card to the back of the mallpiece, Received by (Printed Name) C. Date of Delivery or on the front if space permits. Onna simmons 3-6-17 1. Article Addressed to: D. Is delivery address different from Item 1? D Yes If YES, enter delivery address below: COG Operating LLC One Concho Center GOO W Illinois Ave D No Service Type M: dland, 7x 79701 Certified Mail® Priority Mail Express* C Registered Return Receipt for Merchandise D Insured Mail Collect on Delivery 4. Restricted Delivery? (Extra Fee) 2. Article Number D Yes 7015 1520 0002 9719 5738 (Transfer from service label) PS Form 3811, July 2013 Domestic Return Receipt U.S. Postal Service" **CERTIFIED MAIL® RECEIPT** юm Domestic Mail Only 5 ps.com® Õ gaan . Г 2.84 971¢ Certified Mail Fee xtra Services & Fees (check box, add lee as appropriate) <u>00455</u> Return Receipt (hardcopy) nı Return Receipt (electronic) Certified Mail Restricted Delivery Postmark Adult Signature Required Here Adult Signature Restricted Deliv Postage n U Total Postage and Fees 7 LO 701 ADD NO. OF PO BOTHO Concho Str 600 W Illinois Ave one midland Tx 79701 PS Form 3800, April 2015 P UNITED STATES POSTAL SETMORY" CALDES TX 797 06 MAR 2017 Refmit Nore Sender: Please print your name, address, and ZIP+4® in this box. Tennier L. Brachute GODRALL SPERLING LAW FIRM 500 Fourth Street, NW Suite 1000 Albuquerque, NM 87102

2/10 JLD OJIVA- VIJO SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Agent Agent Print your name and address on the reverse Addressee so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. B. C. Date of Delivery -6-1 D. is delivery ad ess different from Item 1? ☐ Yes 1, Article Addressed to: If YES, enter delivery address below: D No X70 Energy, Inc 500 W Illinois Ste 100 Midland, Tx 79701 3. Service Type Certified Mail® Priority Mail Express* Registered Return Receipt for Merchandise CI Insured Mali Collect on Delivery 4. Restricted Delivery? (Extra Fee) T Yes 2. Article Number 7015 1520 0002 9719 5660 (Transfer from service label) PS Form 3811, July 2013 **Domestic Return Receipt** UNITED STATES POSTAL SERVICES STATES (And TX 797 -866 **(16 MAR 20117** Permit No. 6-10 Sender: Please print your name, address, and ZIP+4® in this box* MAR Tennifer L. Bradtute MODRALL SPERLING LAW FIRM 500 Fourth Street, NW Suite 1000 Albuquerque, NM 87102

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 Print your name and address on the reverse Signature D Agent Addres so that we can return the card to you. nted Name) Date of Delivery C. Attach this card to the back of the mailple 0 or on the front if space permits. D. Is delivery address different from item 17 CI Yes 1. Article Addressed to: If YES, enter delivery address below: D No EDG Y Resources Inc. 105 S Fourth Street Artesia NM 88210 3. Service Type Certified Mail® Priority Mail Express* Registered Return Receipt for Merchandise Insured Mail Collect on Delivery 4. Restricted Delivery? (Extra Fee) CI Yes 2. Article Number 8444 7015 1520 0002 9719 6247 (Transfer from service label) PS Form 3811, July 2013 **Domestic Return Receipt** UNITED STATES POSTAL SERVICE 06 MAR 2017 PM mit No Sender: Please print your name, address, and ZIP+4® in this box* AK Jenailer L. Bie flute MODRALL SPERLING LAW FIRM 500 Fourth Street, NW Suite 1000 Albuquerque, NM 87102 նկություներին ներություններին հերություններին EIS

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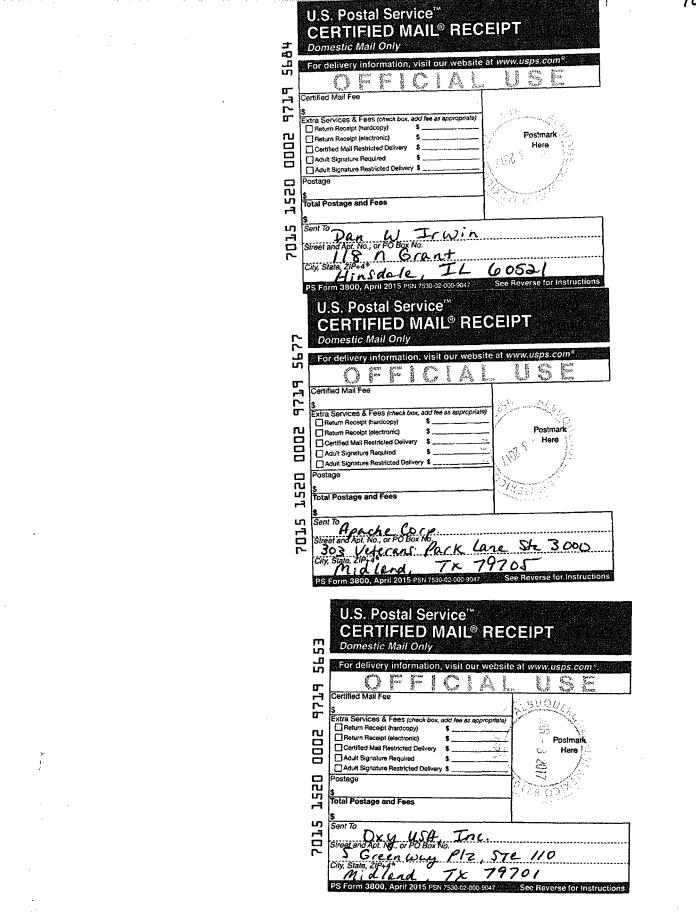
6/10 JLB 82762-0128 SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Signatur Print your name and address on the reverse X so that we can return the card to you, Attach this card to the back of the malipiece, B eived by (Printed Nan C. Date of Delivery or on the front if space permits. 3.6.1 1. Article Addressed to: D. Is delivery address different from item 1? D Yes If YES, enter delivery address below: D No Kathleen Frivin Schuster 2615 Oak Dr #28 Lakewood, Co 80215 Service Type Certified Mair* D Priority Mail Express** D Registered Return Receipt for Merchandise Insured Mail Collect on Delivery 4. Restricted Delivery? (Extra Fee) U Yes 2. Article Number 111 1111 H H H H (Transfer from service label) PS Form 3811, July 2013 Domestic Return Receipt **DEMNER** UNITED STATES POSTAL SERVICE First-Class Mall Postage & Fees Paid USPS **OS MAR '17** Permit No. G-10 PM 21 Sender: Please print your name, address, and ZIP+4[®] in this box[®] Jennifer L. Bradfute MODRALL SPERLING LAW FIRM 500 Fourth Street, NW Suite 1000 Albuquergue, NM 87102 ي البرور المنتجبة المراكبة الموصل البرواجي ومنها من والا 12-218650 U.S. Postal Service[™] **CERTIFIED MAIL® RECEIPT** 2 Domestic Mail Only 5 For deliv sps.com \bigcirc 0 Certified Mail Fee 125 xtra Services & Fees (check box, add fee as appropriate, Return Receipt (hardcopy) ΠJ Postmark Centified Mail Restricted De Here Adult Signature Required Adult Signature Restricted Del 1.520 Total Postage and Fees 701.5 Frwin Schuster Oak Dr #28 8021

7/10 JLB SJ 102- UIJY 141 COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A Signatun Complete Items 1, 2, and 3, Also complete Item 4 if Restricted Delivery is desired. C Agent C Addressee Print your name and address on the reverse Date of Delivery so that we can return the card to you. Name) eceived by (Printed Attach this card to the back of the mailplece, anessationa or on the front if space permits. D. Is delivery address different from item 1? 42-100 D No If YES, enter delivery address below: 1, Article Addressed to: Amity Dil Co. Inc. 6116 North Central Ste 1000 Dallas, TX 2000 3. Service Type CI Certified Mali* Priority Mail Express" Return Receipt for Merchandise Registered Collect on Delivery CI Insured Mail Ves Yes 4. Restricted Delivery? (Extra Fee) 2. Article Number 7015 1520 0002 9719 5707 (Transfer from service label) **Domestic Return Receipt** PS Form 3811, July 2013 UNITED STATES POSTAL SERVICE DALLINS First-Class Mail Postage & Fees Paid USPS 07 mar '17 Permit No: G-10 PH 113 * Sender: Please print your name, address, and ZIP+4[®] in this box^{*} Jonniter L. Bradlute MODRALL SPERLING LAW FIRM 2002 500 Fourth Street, NW Suite 1000 Albuquerque, NM 87102 լԱլլնեսների կերլԱլլել[[]լգգ[[ակլոնիեսել]ու][] U.S. Postal Service[™]

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8/10 JL8 22762-0125 COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 🗖 Agent × Addressee Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the maliplece, B. Received by (Printed Name) C. Date of Delivery or on the front if space permits. D. Is delivery address different from item 17 🛄 Yes 1. Article Addressed to: 🖸 No Oxy USA Inc. 5 Greenway RZ, Ste 110 Midland, 7x 79701 If YES, enter delivery address below: 3. Service Type Priority Mail Express** Certified MalP Return Receipt for Merchandise Régistered 🖸 Insured Mail Collect on Delivery ր Մ 4. Restricted Delivery? (Extra Fee) Yes: 20 2. Article Number 7015 1520 0002 9719 5653 (Transfer from service label) 9719 **Domestic Return Receipt** PS Form 3811, July 2013 2000 1520 ហ 701 ODRALL SPERLING Harris & Sisk, 87103-2168 Sperling uerque NM Box 2168 ☴ U.S. Postal Service[™] **CERTIFIED MAIL® RECEIPT** ш stic Mail Only 5 Kat 9719 Sint. Cartores, ertified Mail BUQU Extra Services & Fees (check box, add fee as appropriate Return Receipt (hardcopy) 20 2000 Return Receipt (electronic) Postmark 1 Certified Mail Restricted Delivery Here 6. Adult Signature Required 2017 Adult Signature Restricted Del 1.520 ostage < 8 Total Postage and Fees LT) Sent Tr 701 or PO Box No. P12, STE 110 79701 Midle S Form 3800, April 2015

9/10 191.00 COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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From:	Lowe, Leonard, EMNRD
Sent:	Thursday, June 8, 2017 3:04 PM
То:	'Zoe Lees'
Cc:	Jones, William V, EMNRD; McMillan, Michael, EMNRD
Subject:	NSL Application: Southern California 29 Federal Well No. 19H

High

Dear Zoe Lees,

Importance:

Good afternoon,

Due to the extreme location of this well relative to the affected offset acreage, being the N/2 S/2 of Section 29, it is obviously a situation where some interest owners in the NE/4 SE/4 of Section 29 will be adversely affected. I would like to explore with Cimarex how they believe that correlative rights of those affected interest owners will be protected.

In addition, please provide the "green cards" for all affected parties in the NE/4 SE/4 of Section 29. An emailed copy is preferred.

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Thank you,

Leonard Lowe

Engineering Bureau Oil Conservation Division Energy Minerals and Natural Resources Department 1220 South St. Frances Santa Fe, New Mexico 87004 Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462 E-mail: <u>leonard.lowe@state.nm.us</u> Website: <u>http://www.emnrd.state.nm.us/ocd/</u>

From: Sent: To: Cc: Subject: Zoe Lees <zel@modrall.com> Wednesday, June 7, 2017 3:49 PM Lowe, Leonard, EMNRD Jennifer L. Bradfute Additional info request on Sourthern Cal 29

Leonard,

I received your voicemail asking whether the working interest ownership between the N/2 of the S/2 of Section 29, and the S/2 of Section 29 are identical. Cimarex is the operator in the N/2 of the S/2 of Section 29. The working interest in the N/2 and the S/2 of the S/2 of Section 29 is not identical. The working interest in the N/2 and S/2 of the S/2 of Section 29 is 100% Cimarex except for the NE/4 of the SE/4 of Section 29. Of the NE/4 of the SE/4, Cimarex owns 66.07143%, Dan Irwin owns 1.78572%, Kathleen Irwin owns 1.78572%, Amity Oil Co. Inc. owns 8.92857%, and W/K Land Company owns 21.42857%. Each of these working interest owners were notified of the application via certified mailing, as is demonstrated in Exhibit C of our application.

Please raise any questions. Thank you, Zoe

MODRALL SPERLING

Zoë E. reas Attorney at Law Modrall Sperling | <u>www.modrall.com</u> P.O. Box 2168 | Albuquerque, NM 87103-2168 500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102 D: 505.848.1859 | O: 505.848.1800 | F: 505.848.9710

Any U.S. federal tax advice contained herein (including any attachments), unless specifically stated otherwise, is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter herein.

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This email was Anti Virus checked by Astaro Security Gateway. http://www.astaro.com

From: Zoe Lees <zel@modrall.com> Sent: Tuesday, June 6, 2017 11:01 AM To: Lowe, Leonard, EMNRD Cc: Jennifer L. Bradfute RE: NSL Application_CIMAREX_Southern California 29 Fed. Well NO. 19H_INQUIRY Subject:

Leonard,

The mineral interest owner for the N/2 of the S/2 of Section 29 is the United States of America. The United States of America is also the mineral interest owner for the NW/4 of the SW/4 of Section 28. Please let me or Jennifer know if you have any questions.

Thanks so much, Zoe



Zoë E. Lees Attorney at Law Modrall Sperling | www.modrall.com P.O. Box 2168 | Albuquerque, NM 87103-2168 500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102 D: 505.848.1859 | O: 505.848.1800 | F: 505.848.9710

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us] Sent: Wednesday, May 31, 2017 2:36 PM To: Zoe Lees Cc: Jones, William V, EMNRD Subject: NSL Application_CIMAREX_Southern California 29 Fed. Well NO. 19H INQUIRY

Zoe Lees,

Re: NSL Application, CIMAREX, Southern California 29 Fed. Well No. 19H

Within Section 29 of 19 S & 32 E, your application identifies 5 affected parties. Is ownership identical between the N/2 S/2 and S/2 S/2?

Who are owners in the NW/SW of Section 28?

Leonard Lowe

Engineering Bureau Oil Conservation Division Energy Minerals and Natural Resources Department 1220 South St. Frances Santa Fe, New Mexico 87004 Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462

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WAIVER

referenced Application for an Unorthodox Location for Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

- Signature Dated: JUNE 27,2015

Page 3

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Page 3

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WAIVER

Kathlan Inun Schucter Trusthereby waives objection to the above referenced Application for an Unorthodox Location for Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dated: June 26, 2017 Kathleen Irwin Schuster TREE Signature Kinthleen Irwin Schuster Trust WAIVER

<u>Amite</u> <u>Oil Curry</u> hereby waives objection to the above referenced Application for an Unorthodox Location for Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

6-23-17 Signature Signature Kubut Putt-Am, Mrs. det Dated: _____

Page 3

CIMAREX ENERGY APPLICATION NOTICE SO. CALIFORNIA 29 FED 29-19S-32E RB #19H WELL MAILED: JUNE 15, 2017

PARTIES	CERTIFIED RECEIPT NO.
Section 29, Township 19	South, Range 32 East
Dan W. Irwin 118 N. Grant Hinsdale, IL 60521	7014-0150-0000-5971-0819
Kathleen Irwin Schuster 2615 Oak Drive #28 Lakewood, CO 80215	7014-0150-0000-5971-0826
Amity Oil Co., Inc. 6116 North Central, Ste. 1000 Dallas, TX 95206	7014-0150-0000-5971-0833
W/K Land Company 911 Kimbark Street Longmont, CO 80501	7014-0150-0000-5971-0840

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June 15, 2017

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES IN THE NE/4 SE/4

Re: Application of Cimarex Energy Co. for administrative approval of unorthodox well location for its Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico (the "Well").

Ladies and Gentlemen:

In March of 2017, we sent you notice of the above-referenced application and a copy of the application filed with the New Mexico Conservation Division. The Division has requested that we send additional notification to you concerning the proposed unorthodox location for the Southern California 29 Federal 29-19S-32E RB #19H well. This well will be located very close to the boundary line between the NE/4 SE/4 and SE/4 SE/4 of Section 29. Our records show that you own a working interest in the NE/4 SE/4, which will not be included in the project area dedicated to this well. Our records further show that you own an overriding royalty interest in the S/2 S/2 of Section 29 and that you will receive overriding royalty payments associated with production from the well.

Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application may be administratively approved by the Division.

If you have any questions concerning this application, please contact:

Cody Elliot Cimarex Energy Co. 600 N. Marienfeld St., Suite 600 Midland, TX 79701 Phone No.: (432) 571-7806 Zoe E. Lees 505.848.1859 Fax: 505.848.9710 zel@modrall.com

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com Page 2

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If you have no objection to this application, please sign the waiver as indicated below and return the original. Your assistance and cooperation in this matter are appreciated.

Sincerely,

Zoë-E. Lees

Attorney for Cimarex Energy Company

Page 3

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WAIVER

hereby waives objection to the above referenced Application for an Unorthodox Location for Southern California 29 Federal 29-19S-32E RB #19H well located in the S/2 of the S/2 of Section 29, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dated: ____

Signature

From:	Jennifer L. Bradfute <jlb@modrall.com></jlb@modrall.com>	•
Sent:	Wednesday, July 5, 2017 10:40 AM	
То:	Lowe, Leonard, EMNRD; Catanach, David, EMNRD	
Cc:	Zoe Lees	
Subject:	FW: Cimarex / So. Cal 29 Fed 19H Well - Waivers	
Attachments:	Waivers -So. Cal 29 Fed 19H Well (W2966830x7A92D).pdf; Southern Californina Supp.	
	Notice (W2967642x7A92D).pdf; L Affected Parties Application (06-15-17)	
	(W2956884x7A92D).pdf	

Leonard and David,

I hope that you both had (or are having) a nice 4th of July holiday. Attached is a chart which contains the mailing receipt numbers for the additional notifications sent to working interest owners for the Cimarex's NSL application for the Southern California 29 Fed 29-19S-32E RB #19H well. Additionally attached are waivers that we received from three of the four working interest owners. We have not heard any objections or received any questions or correspondence from Dan W. Irwin in response to the additional notice that was sent. These notices were mailed out via certified mail, return receipt requested on June 15, 2017 and it has now been 20 days since they were mailed. Please let me know if you need anything else in regards to this application. This well is schedule to be drilled later this month.

Thank you, Jennifer



Jennifer L. Bradfute Modrall Sperling | <u>www.modrall.com</u> P.O. Box 2168 | Albuquerque, NM 87103-2168 500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102 D: 505.848.1845 | O: 505.848.1800 | F: 505.848.1891

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