

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

Re: Cottonberry 20 Federal Com 4 H

(MIKE or DAVID)
W Hall
Case R
CASE 1556
R-14297

Hearing Notebook

October 26, 2016

Exhibit	Date	DESCRIPTION
1.	10/03/16	Application
2.		Well Location and Acreage Dedication Plat
3.		Land Plat / Pooled Parties
4.	07/15/16	New Well Proposal
5.	10/25/16	Affidavit of Jennifer L. Bradfute
6.		Structure Map
7.		Cross Section
8.		Isopach Map
9.		Wellbore Diagram

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

Re: Cottonberry 20 Federal Com 4 H

015-43658

A/20/26S/27E
BS
EDDY

7/21/17 C-102

Hearing Notebook

October 26, 2016

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1.	10/03/16	Application
2.		Well Location and Acreage Dedication Plat
3.		Land Plat / Pooled Parties
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K:\DOX\CLIENT\90000\1055\W2816404.DOCX

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

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

CASE NO. _____

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. In support of this application, Cimarex states as follows:

1. Cimarex is an interest owner in the subject lands and has a right to drill a well thereon.
2. Cimarex seeks to dedicate the E/2 E/2 of Section 20 to the proposed well to form a non-standard 160-acre, more or less, oil spacing and proration unit (the "project area").
3. Cimarex proposes to drill the Cottonberry 20 Federal Com 4H well to a depth sufficient to test the Bone Spring formation. This well is a horizontal well with a surface location 330 feet from the North line, 700 feet from the East line of Section 20, Township 25

EXHIBIT

1

South, Range 27 East, and a terminus 330 feet from the South line, 660 feet from the East line of Section 20, Township 25 South, Range 27 East.

4. This well is a wildcat well and there are no special pool rules that apply. The producing interval that Cimarex seeks to drill will comply with the statewide 330 foot setback requirements.

5. Cimarex sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.

6. Approval of the non-standard unit and the pooling of all interests in the Bone Spring formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Notice of this application is being given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Cimarex Energy Co. requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 27, 2016, and after notice and hearing as required by law, the Division enter its order:

A. Creating a non-standard oil spacing and proration unit ("project area") in the Bone Spring formation comprised of E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying this non-standard spacing and proration unit/project area;

C. Designating Cimarex as operator of this unit and the well to be drilled thereon;

D. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;

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

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.

Jennifer Bradfute

Post Office Box 2168

Bank of America Centre

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

Attorneys for Applicant

EXHIBIT A
CIMAREX ENERGY CO. NOTICE LIST

Parties to be pooled:

Realeza Del Spear, LP/ Trabajo Del Spear, LP 1.333333%
Attn: Shane Spear
P.O. Box 1684
Midland, Texas 79702

Klipstine & Hanratty, 0.136688%
A Law Partnership
Attn: James Klipstine, Jr.
917 Green Acres Dr
Hobbs, NM 88240-4531

Mary Jo Dickerson 0.061204%
RR1 Box 846
Lovington, NM 88260

Virginia Lee Davis 0.035625%
P.O. Box 1065
Carlsbad, NM 88221

Clarence W. Ervin and wife, Mary I. Ervin 0.02093%
4016 Jones Street
Carlsbad, NM 88220

Kirby, Ratliff, Manning & Greak, 0.003618%
A Texas Professional Corporation
Attn: Nolan Greak
8008 Slide Road, Suite 30
Lubbock, Texas 79424-2828

Nevill Manning 0.003445%
2112 Indiana Ave
Lubbock, Texas 79410

Offsets

**Chevron USA, Inc.
Attn: Permitting Team
6301 Deauville Blvd.
Midland, TX 79706**

**Yates Petroleum Corporation
105 S 4th Street
Artesia, NM 88210**

**OXY USA Inc.
P.O. Box 4294
Houston, Texas 77210**

CASE NO. _____: Application of Cimarex Energy Company of Colorado for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Cottonberry 20 Federal Com 4H, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 27.4 miles south of Carlsbad New Mexico.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Aztec, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1600 Rio Hondo 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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION FLAT

¹ API Number 30-015	² Pool Code 94816	³ Pool Name Bone Spring
⁴ Property Code	⁵ Property Name COTTONBERRY 20 FEDERAL COM	⁶ Well Number 4H
⁷ GRID No. 215099	⁸ Operator Name CIMAREX ENERGY CO.	⁹ Elevation 3138.5'

"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	25S	27E		330	NORTH	700	EAST	BBDY

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	25S	27E		330	SOUTH	660	EAST	BBDY
¹⁰ Dedicated Acres 160		¹¹ Joint or Infill		¹² Consolidation Code		¹³ 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.

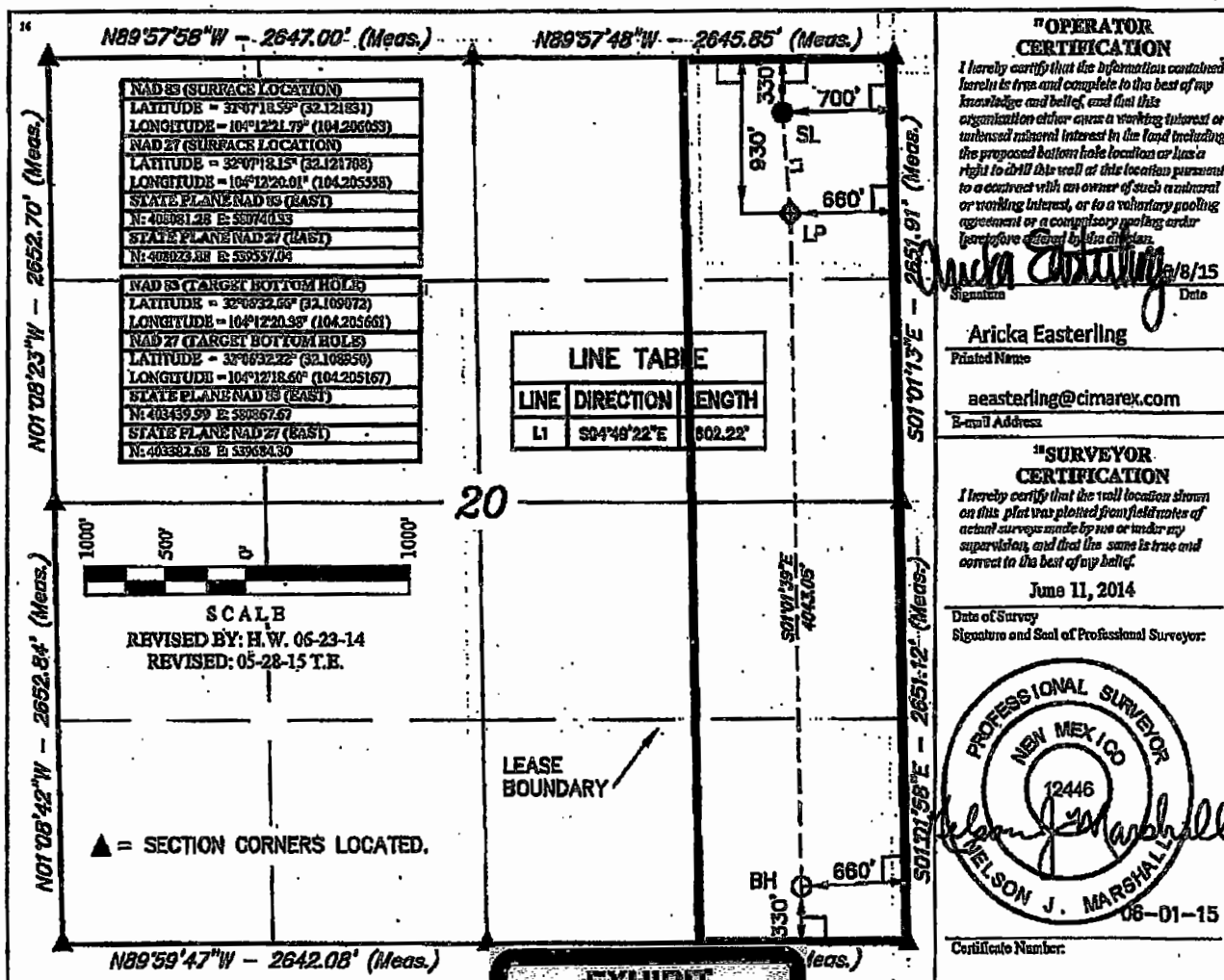


EXHIBIT
2

VRON
30

Chevron
Hayhurst
Chevron U.S.A.
5 1 2015
113774
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R. E. Sutton
Humble
5. 22. 17
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24. 3. 68

17

Chesapeake
6. 1. 2015
VB-1065
\$ 3,957.00

ARRAY DRAW NO.

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Fed.
BHL
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P579
BHL

Cimrex
Cottonberry
U.S.

BHL
F605
BHL
BHL

Cimrex
109039

Featherstone Dev
7-1-2020
MRC Permit
10-20-2020

Cimrex
108039

Chesapeake
109756
U.S.

Panhandle Prop
8-30-2017

20

Chesapeake
12-14-2018
Wm. Driescher

Chesapeake
3-24-2016
Wm. Driescher
2

R.N. Enfield
Cottonwood
10/1/2015

E. Nepler
C. Nepler
Wymon
W. Berman, Est.

Chesapeake
1097
U.S.

COG
10-2-2018

Chesapeake
10-2-2018

11/01/2011
368
1309

Yates Dtg. et al
8 1 2015
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\$425.00

Chesapeake
Yates Dtg. et al
92167
1108

2H-BKL
A 7000
Fed. Gas
TD 17600

29

EXHIBIT

3

2

Parties to be pooled:

Klipstine & Hanratty, 0.136688%

A Law Partnership

Attn: James Klipstine, Jr.

917 Green Acres Dr

Hobbs, NM 88240-4531

Mary Jo Dickerson 0.061204%

RR1 Box 846

Lovington, NM 88260

Virginia Lee Davis 0.035625%

P.O. Box 1065

Carlsbad, NM 88221

Clarence W. Ervin and wife, Mary I. Ervin 0.02093%

4016 Jones Street

Carlsbad, NM 88220

Kirby, Ratliff, Manning & Greak, 0.003618%

A Texas Professional Corporation

Attn: Nolan Greak

8008 Slide Road, Suite 30

Lubbock, Texas 79424-2828

Nevill Manning 0.003445%

2112 Indiana Ave

Lubbock, Texas 79410

*Unleased mineral owners
UNRESPONSIVE*

July 15, 2016

Klipstine & Hanratty, a Law Partnership
Attn: James Klipstine, Jr.
917 Green Acres Dr
Hobbs, NM 88240-4531

Re: New Well Proposal- Cottonberry 20 Federal Com 4H
Township 25 South, Range 27 East, N.M.P.M.
Section 20: E2E2
Eddy County, New Mexico

Dear Mr. Klipstine:

Cimarex Energy Co. hereby proposes to drill the Cottonberry 20 Federal Com 4H well at a legal location on the E2W2 of Section 14, Township 25 South, Range 28 East, Eddy County, New Mexico.

The intended surface hole location for the well is 330 FNL & 700 FEL in Section 17, Township 25 South, Range 27 East, Eddy County, and the intended bottom hole location is 330' FSL & 660' FEL in Section 20, Township 25 South, Range 27 East, Eddy County. The well is proposed to be drilled vertically to a depth of approximately 7,332' to the Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total measured depth of the well is proposed to be approximately 13,017' from surface to terminus.

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, in duplicate, 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 Cottonberry 20 Federal Com 4H well, and; (iii) Communitization Agreement for the Cottonberry 20 Federal Com 4H. 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, and three (3) originals of the signature and acknowledgment page to the Communitization 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.

Please contact the undersigned at (432) 571-7845 if you should have any questions.

Respectfully,

Cimarex Energy Co.
Jordan Cockrell, Landman



**ELECTION TO PARTICIPATE
Cottonberry 20 Federal Com 4H**

_____ Elects **TO** participate in the proposed Cottonberry 20 Federal Com 4H.

_____ Elects **NOT** to participate in the proposed Cottonberry 20 Federal Com 4H.

Dated this _____ day of _____, 2016.

Signature: _____

Title: _____

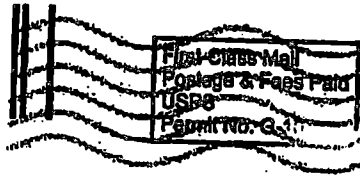
If your election above is TO participate in the proposed Cottonberry 20 Federal Com 4H, then:

_____ Elects **TO** be covered by well control insurance procured by
Cimarex Energy Co.

_____ Elects **NOT** to be covered by well control insurance procured by
Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a certificate of
insurance prior to commencement of drilling operations or be deemed to have elected
to be covered by well control insurance procured by Cimarex Energy Co.

USPS TRACKING#

9590 9403 0967 5223 6274 26



9590 9403 0967 5223 6274 26

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
Well Proposal - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Clarence W. Ervin and Mary
4016 Jones Street
Carlsbad, NM 88220

9590 9403 0967 5223 6274 26

2. Article Number (Transfer from service label)

91 7199 9991 7035 0924 0525

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

B. Received by (Printed Name)
Kaimi Brownlee

C. Date of
7/1/15

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

- | | |
|--|---|
| 3. Service Type | ☐ Priority Mail Express® |
| ☐ Adult Signature | ☐ Registered Mail™ |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail® | ☐ Return Receipt for Merchandise |
| ☐ Certified Mail Restricted Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery | ☐ Signature Confirmation Restricted Delivery |
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9590 9403 0967 5223 6274 02

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
Well Proposal - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Description (in):

Gulf Coast Oil and Gas Co
Attn: Shane Spear
P.O. Box 1684
Midland, Texas 79702

9590 9403 0967 5223 6274 02

2. Article Identification Number (in):

91 7199 9991 7035 0924 0501

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
- ☐ Addressee

B. Received by (Print Name)

C. Brownlee

C. Date of Delivery

8/5/10

D. Is delivery address different from Item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Delivery

USPS TRACKING#



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9403 0967 5223 6273 89

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
Well Proposal - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. • Date Addressed In:

Kirby, Ratliff, Manning & Greak
Attn: Nolan Greak
8008 Slide Road, Suite 30
Lubbock, Texas 79424-2828

9590 9403 0967 5223 6273 89

2. Article Number (Transfer from service label)

91 7199 9991 7033 4311 0459

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *Michelle S*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Michelle Spearman

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

USPS TRACKING#



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9403 0967 5223 6273 72

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box®

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
Well Proposal - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Klipstine & Hanratty
Attn: James Klipstine, Jr.
917 Green Acres Dr.
Hobbs, NM 88240-4531

9590 9403 0967 5223 6273 72

2. Article (Number from service label)

91 7199 9991 7033 4311 0473

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]* ☒ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

James Klipstine Jr.

8-1-16

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

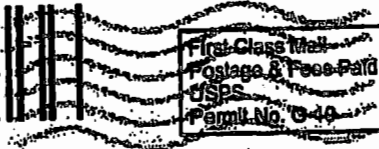
3. Service Type

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| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☐ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Insured Mail | |

Every

USPS TRACKING

LUBBOCK TX 79403



9590 9403 0967 5223 6273 41

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box •

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
Well Proposal - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Nevill Manning
2112 Indiana Ave
Lubbock, TX 79410

9590 9403 0967 5223 6273 41

2. Article Number (Machine Readable Form Number) (if any)

91 7199 9991 7033 4311 0497

nd Delivery

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

Yes

No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

CERTIFIED MAIL

terry Co.
Aarionfeld Street

: 79701-9925

overline

91 7199 9991 7035 0924 0518



ID DEPT.

NIXIE 882211023-1N 08/25/16

RETURN TO SENDER
UNABLE TO FORWARD
UNABLE TO FORWARD
RETURN TO SENDER



*Scanned by
VIA REEX*

Virginia Lee Davis
P.O. Box 1065
Carlsbad, NM 88221

10/1/16
RTS ANK

10/1/16

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ 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 mailpiece, or on the front if space permits.		A. Signature ☐ Agent X ☐ Addressee	
1. Article Addressed to: Virginia Lee Davis P.O. Box 1065 Carlsbad, NM 88221		B. Received by (Printed Name) C. Date of Delivery	
		D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
2. PS Form 3811, July 2015 PSN 7630-02-000-9033		3. Service Type ☐ Adult Signature ☐ Priority Mail Express® ☐ Adult Signature Restricted Delivery ☐ Registered Mail™ ☐ Certified Mail® ☐ Registered Mail Restricted Delivery ☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Collect on Delivery ☐ Signature Confirmation™ ☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery	
9590 9403 0967 6223 6274 33		91 7199 9991 7035 0924 0518	
PS Form 3811, July 2015 PSN 7630-02-000-9033		Domestic Return Receipt	

Place this card at top of mailpiece to be mailed

20.

3rd Street

-9925

enlee

DEPT.

51 7199 9991 7033 4311 0466



IA



Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260

NIXIE

882602084-1N

08/03/16

RETURN TO SENDER
INSUFFICIENT ADDRESS
UNABLE TO FORWARD
RETURN TO SENDER



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260

9500 03 0987 5223 6273 65

2. Article Number (Manufacture Number Label)

91 7199 9991 7033 4311 0466

PS Form 3811, July 2013 PSN 7530-02-000-6053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Adult

☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below. ☒ No

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Delivery

YOUR ZIP CODE

Domestic Return Receipt

Postage and Fees Paid by Addressee

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



August 16, 2016

Clarence W. Ervin and Mary I. Ervin
4016 Jones Street
Carlsbad, NM 88220

Via USPS Mail

Re: Cottonberry Federal Com 4H Well Proposal
Township 25 South, Range 27 East, N.M.P.M.
Section 20: E/2E/2
Eddy County, New Mexico

Dear Mr. & Mrs. Ervin,

By New Well Proposal Letter dated July 15, 2016, Cimarex proposed to drill the Cottonberry 20 Federal Com 4H ("Cottonberry") well at a legal location in the E/2E/2 of Section 20, Township 25 South, Range 27 East, Eddy County, New Mexico. The intended surface hole location was specified to be 330' FNL & 700' FEL of Section 17, Township 25 South, Range 27 East, Eddy County, New Mexico, and the intended bottom hole location was specified to be 330' FSL & 660' FEL of Section 20, 25 South, Range 27 East, Eddy County, New Mexico.

Please be aware that the SHL of the Cottonberry well was incorrectly stated, and this letter is to notify you that the correct intended SHL of the Cottonberry well is 330' FSL & 700' FEL of Section 17, Township 25 South, Range 27 East, Eddy County, New Mexico. The intended BHL is as referenced above.

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.

Please contact the undersigned directly at (432) 571-7845 if you should have any questions.

Respectfully,

A handwritten signature in cursive script that reads "Jordan Cockrell".

Cimarex Energy Co.
Jordan Cockrell, Landman

CERTIFIED MAIL

MIDLAND / ODESSA

TX 79000

17 AUG 2011



02 1P

\$ 006.40

0003207254

AUG 17 2011

MAILED FROM ZIP CODE 79000

91 7199 9991 7033 4311 0091

NSW
Mary Jo Dickerson
RR1 Box 846
Lovington, New Mexico

NIXIE

750 SE 1

0008/23/16

RETURN TO SENDER
NO SUCH NUMBER
UNABLE TO FORWARD

90160962526

NSN

882609901 > 4405

BC: 79701440550

*2910-03381-17-39



PLACE STICKER ALONG TOP OF MAIL PIECE OR OVER ADDRESS LABEL. DO NOT COVER ADDRESS OR POSTAGE.

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Write your name and address on the reverse
so that we can return the card to you.
Attach this card to the back of the mailpiece,
not the front if space permits.

Addressed to:

Mary Jo Dickerson
RR1 Box 846
Lovington, New Mexico 88260

9590 9403 0967 5223 6270 82

91 7199 9991 7033 4311 0091

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Actual Delivery

Domestic Return Receipt

PSN 7530-02-000-9053

CERTIFIED MAIL

MIDLAND / ODESSA
TX 79722
17 AUG 2016 PM

91 7199 9991 7033 4311 0152

Virginia Lee Davis
P.O. Box 1065
Carlsbad, New Mexico

NIXIE

750 72 1

0008/23/16

RETURN TO SENDER
ATTEMPTED - NOT KNOWN
UNABLE TO FORWARD

00107562308

ANK

8822131065 >4405

BC: 79701440550

*2910-02328-17-39



SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Virginia Lee Davis
P.O. Box 1065
Carlsbad, New Mexico 88221

9590 9403 0967 5223 6271 67

2. Article Number (Transfer from service label)

91 7199 9991 7033 4311 0152

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from Item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

*Delivery

USPS TRACKING#

7590 9403 0967 5223 6271 05

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
SHL change - Cottonberry 20 Fed Com 4H

First-Class Mail
Postage & Fees Paid
USPS
Permit No. 30



SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Neville Manning
2112 Indiana Ave
Lubbock, Texas 79410

9590 9403 0967 5223 6271 05

2. Article Number (Transfer from service label)

91 7199 9991 7033 4311 0114

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from Item 1? ☐ Yes
- If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

USPS TRACKING#



First-Class Mail
Postage & Fees Paid
USPS
Permit No. 6-10

9590 9403 0967 5223 6271 12

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marlenfeld, Suite 600
Midland, Texas 79701
SHL change - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Klipstine & Hanratty, a Law P:
Attn: James Klipstine, Jr.
917 Green Acres Dr.
Hobbs, New Mexico 88240-41

9590 9403 0967 5223 6271 12

2. Article Number (Transfer from service label)

91 7199 9991 7033 4311 0121

Delivery

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *[Signature]*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

L. J. Klipstine

C. Date of Delivery

8/20/11

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

USPS TRACKING#

M 2 L

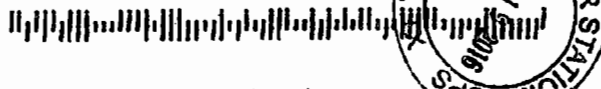
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9403 0967 5223 6270 68

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marlenfeld, Suite 600
Midland, Texas 79701
SHL change - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Kirby, Ratliff, Mannin & Greak
Attn: Nolan Greak
8008 Slide Road, Suite 30
Lubbock, Texas 79424-2828

9590 9403 0967 5223 6270 68

2. Article Number (Transfer from service label)

91 7199 9991 7033 4311 0077

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Michelle Spearman

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

Michelle Spearman

C. Date of Delivery

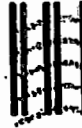
- D. Is delivery address different from item 1? ☐ Yes
- If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Additional Delivery

USPS TRACKING#



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9403 0967 5223 6270 51

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
SHL change - Cottonberry 20 Fed Corn 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Gulf Coast Oil and Gas Co
Attn: Shane Spear
P.O. Box 1684
Midland, Texas 79702

9590 9403 0967 5223 6270 51

2. Article Number (transfer from service label)

91 7199 9991 7033 4311 0060

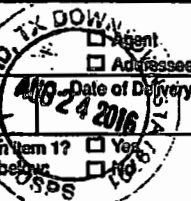
COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Shane Spear*

B. Received by (Printed Name)

Nancy Spear



D. Is delivery address different from item 1? If YES, enter delivery address below

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

USPS TRACKING®

LUBBOCK, TX 79403

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-18

9590 9403 0967 5223 6270 75

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box*

Cimarex Energy Co.
Attn: Kaimi Brownlee
600 N. Marienfeld, Suite 600
Midland, Texas 79701
SHL change - Cottonberry 20 Fed Com 4H



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

Clarence W. Ervin and Mary
4016 Jones Street
Carlsbad, New Mexico 88220

9590 9403 0967 5223 6270 75

2. Article Number (transfer from service label)

91 7199 9991 7033 4311 0084

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X CW

☐ Agent
☐ Addressee

B. Received by (Printed Name).

C. Date of Delivery

8-19

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☐ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation® |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |

ed Delivery



Authorization For Expenditure

Company Entity
CIMAREX ENERGY CO

Date Prepared
07/18/2016

Region	Well Name	Prospect or Field Name	Property Number	Drilling AFE No.
Permian Basin	COTTONBERRY 20 FEDERAL COM 4H	CARLSBAD BONE SPRING PROSPECT	300001-043.01	2616017

Location	County	State	Type Well
Section 20, Township 25 South, Range 27 East, Eddy County, New Mexico	Eddy	NM	Oil ☒ Expl ☒ Gas ☐ Prod ☐

Estimate Type	Est. Start Date	Est. Comp Date	Formation	Ttl Measured Depth
Original Estimate	☒			13,017'
Revised Estimate				Ttl Vertical Depth
Supplemental Estimate				7,322'

Project Description
Drill and complete a horizontal test. Drill to 450' set surface casing. Drill to 2031' set intermediate casing. Drill to 6845' (KOP). Run OH Logs. Drill curve at 12°/100' initial build rate to +/- 90 degrees and 7320' TVD and drill a +/- 4670' long lateral in the bone spring formation. Run and cement production casing. Stage frac in 20 stages. Drill out plugs. Run production packer, tubing and GLVs.

Intangibles	Dry Hole Cost	After Casing Point	Completed Well Cost
Drilling Costs	\$1,419,500		\$1,419,500
Completion Costs		\$2,248,050	\$2,248,050
Total Intangible Costs	\$1,419,500	\$2,248,050	\$3,667,550

Tangibles			
Well Equipment	\$86,000	\$293,000	\$379,000
Lease Equipment		\$314,200	\$314,200
Total Tangible Well Cost	\$86,000	\$607,200	\$693,200

Plug and Abandon Cost	\$0	\$0	\$0
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Total Well Cost	\$1,505,500	\$2,855,250	\$4,360,750
------------------------	--------------------	--------------------	--------------------

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.

Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related re-drilling and clean-up/pollution expense covering drilling (through completion) with a \$1,000,000 (100% W.I.) deductible.

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.

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

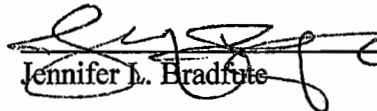
**APPLICATION OF CIMAREX
ENERGY CO. FOR A NON-STANDARD
OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15560

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Jennifer L. Bradfute, attorney in fact and authorized representative of Cimarex Energy Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and proof of receipt attached hereto.



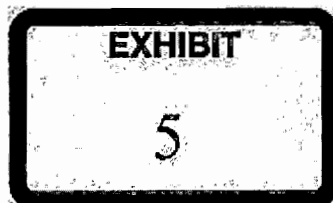
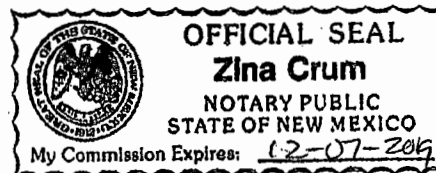
Jennifer L. Bradfute

SUBSCRIBED AND SWORN to before me this 25 day of October, 2016 by Jennifer L. Bradfute.



Notary Public

My commission expires: 12-07-2019





MODRALL SPERLING

L A W Y E R S

October 3, 2016

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

**Re: In The Matter of the Application of Cimarex Energy Co. for
a Non-Standard Oil Spacing and Proration Unit and
Compulsory Pooling in Eddy County, New Mexico.**

Case No. 15560

TO: OFFSETS LISTED ON EXHIBIT A:

This letter is to advise you that Cimarex Energy Co. has filed the enclosed application with the New Mexico Oil Conservation Division seeking a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico for the development of it **Cottonberry 20 Federal Com 4H well**.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on October 27, 2016. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to Division Rule 1208.B, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 5:00 PM on Thursday, October 20, 2016, with a copy delivered to the undersigned.

Sincerely,


Jennifer L. Bradfute
*Attorney for Cimarex Energy
Co.*

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

Tel: 505.848.1800
www.modrall.com



MODRALL SPERLING

L A W Y E R S

October 3, 2016

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

**Re: In The Matter of the Application of Cimarex Energy Co. for
a Non-Standard Oil Spacing and Proration Unit and
Compulsory Pooling in Eddy County, New Mexico.**

Case No. 15560

TO: POOLED PARTIES LISTED ON EXHIBIT A:

This letter is to advise you that Cimarex Energy Co. has filed the enclosed application with the New Mexico Oil Conservation Division seeking a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico for the development of its Cottonberry 20 Federal Com 4H well.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on October 27, 2016. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to Division Rule 1208.B, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 5:00 PM on Thursday, October 20, 2016, with a copy delivered to the undersigned.

Sincerely,

Jennifer L. Bradfute
Attorney for Cimarex Energy
Co.

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

Tel: 505.848.1800
www.modrall.com

EXHIBIT A
CIMAREX ENERGY CO. NOTICE LIST

Parties to be pooled:

Realeza Del Spear, LP/ Trabajo Del Spear, LP..... 1.333333%
Attn: Shane Spear
P.O. Box 1684
Midland, Texas 79702

Klipstine & Hanratty, 0.136688%
A Law Partnership
Attn: James Klipstine, Jr.
917 Green Acres Dr
Hobbs, NM 88240-4531

Mary Jo Dickerson0.061204%
RR1 Box 846
Lovington, NM 88260

Virginia Lee Davis0.035625%
P.O. Box 1065
Carlsbad, NM 88221

Clarence W. Ervin and wife, Mary I. Ervin 0.02093%
4016 Jones Street
Carlsbad, NM 88220

Kirby, Ratliff, Manning & Greak, 0.003618%
A Texas Professional Corporation
Attn: Nolan Greak
8008 Slide Road, Suite 30
Lubbock, Texas 79424-2828

Nevill Manning 0.003445%
2112 Indiana Ave
Lubbock, Texas 79410

MODRALL SPERLING
L A W Y E R S

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

September 26, 2016

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

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

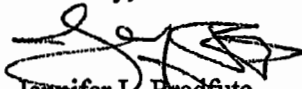
Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Application

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

Sincerely,


Jennifer L. Bradfute

JLB/zc
Enclosure

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

Tel: 505 848 1800

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

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

CASE NO. _____

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. In support of this application, Cimarex states as follows:

1. Cimarex is an interest owner in the subject lands and has a right to drill a well thereon.
2. Cimarex seeks to dedicate the E/2 E/2 of Section 20 to the proposed well to form a non-standard 160-acre, more or less, oil spacing and proration unit (the "project area").
3. Cimarex proposes to drill the **Cottonberry 20 Federal Com 4H** well to a depth sufficient to test the Bone Spring formation. This well is a horizontal well with a surface location 330 feet from the North line, 700 feet from the East line of Section 20, Township 25

South, Range 27 East, and a terminus 330 feet from the South line, 660 feet from the East line of Section 20, Township 25 South, Range 27 East.

4. This well is a wildcat well and there are no special pool rules that apply. The producing interval that Cimarex seeks to drill will comply with the statewide 330 foot setback requirements.

5. Cimarex sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.

6. Approval of the non-standard unit and the pooling of all interests in the Bone Spring formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Notice of this application is being given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Cimarex Energy Co. requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 27, 2016, and after notice and hearing as required by law, the Division enter its order:

A. Creating a non-standard oil spacing and proration unit ("project area") in the Bone Spring formation comprised of E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying this non-standard spacing and proration unit/project area;

C. Designating Cimarex as operator of this unit and the well to be drilled thereon;

D. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;

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

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrinc, Jr.

Jennifer Bradfute

Post Office Box 2168

Bank of America Centre

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

Attorneys for Applicant

EXHIBIT A
CIMAREX ENERGY CO. NOTICE LIST

Parties to be pooled:

Realeza Del Spear, LP/ Trabajo Del Spear, LP..... 1.333333%
Attn: Shane Spear
P.O. Box 1684
Midland, Texas 79702

Klipstine & Hanratty, 0.136688%
A Law Partnership
Attn: James Klipstine, Jr.
917 Green Acres Dr
Hobbs, NM 88240-4531

Mary Jo Dickerson0.061204%

RR1 Box 846
Lovington, NM 88260

Virginia Lee Davis0.035625%
P.O. Box 1065
Carlsbad, NM 88221

Clarence W. Ervin and wife, Mary I. Ervin 0.02093%
4016 Jones Street
Carlsbad, NM 88220

Kirby, Ratliff, Manning & Greak, 0.003618%
A Texas Professional Corporation
Attn: Nolan Greak
8008 Slide Road, Suite 30
Lubbock, Texas 79424-2828

Nevill Manning 0.003445%
2112 Indiana Ave
Lubbock, Texas 79410

Offsets

Chevron USA, Inc.
Attn: Permitting Team
6301 Deauville Blvd.
Midland, TX 79706

Yates Petroleum Corporation
105 S 4th Street
Artesia, NM 88210

OXY USA Inc.
P.O. Box 4294
Houston, Texas 77210

CASE NO. _____: Application of Cimarex Energy Company of Colorado for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Cottonberry 20 Federal Com 4H**, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 27.4 miles south of Carlsbad New Mexico.

CIMAREX APPLICATION NOTICE
COTTONBERY 20 FED COM 4H
MAILED: OCT 3, 2016

PARTIES	CERTIFIED RECEIPT NO.
POOLED PARTIES	
Realeza Del Spear, LP/ Trabajo Del Spear, LP Attn: Shane Spear P.O. Box 1684 Midland, Texas 79702	7015-0640-0001-5408-8193
Klipstine & Hanratty Attn: James Klipstine, Jr. 917 Green Acres Dr Hobbs, NM 88240-4531	7015-0640-0001-5408-8209
Mary Jo Dickerson RR1 Box 846 Lovington, NM 88260	7015-0640-0001-5408-8216
Virginia Lee Davis P.O. Box 1065 Carlsbad, NM 88221	7015-0640-0001-5408-8223
Clarence W. Ervin and Mary I. Ervin 4016 Jones Street Carlsbad, NM 88220	7015-0640-0001-5408-8230
Kirby, Ratliff, Manning & Greak, Attn: Nolan Greak 8008 Slide Road, Suite 30 Lubbock, Texas 79424-2828	7015-0640-0001-5408-8247
Nevill Manning 2112 Indiana Ave Lubbock, Texas 79410	7075-0640-0001-5408-8254
ADDITIONAL PARTIES	
Chevron USA, Inc. Attn: Permitting Team 6301 Deauville Blvd. Midland, TX 79706	7015-0640-0001-5408-8261
Yates Petroleum Corporation 105 S 4th Street Artesia, NM 88210	7015-0640-0001-5408-8278
OXY USA Inc. P.O. Box 4294 Houston, Texas 77210	7015-0640-0001-5408-8285

Y:\dox\client\82762\0128\INDEX\W2801052.DOCX

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
☐ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ☐ Postage paid by addressee. Cottonberry 20 FC 4 H		A. Signature  ☐ Agent ☐ Addressee B. Received by (Printed Name) J. Klipstine C. Date of Delivery 10/06/16 D. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:	
1. Article Addressed to: Klipstine & Hanratty Attn: James Klipstine, Jr. 917 Green Acres Dr Hobbs, NM 88240-4531		3. Service Type ☒ Certified Mail ☐ Priority Mail Express ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery 4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No	
2. Article Number 7015 0640 0001 5408 8209			
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Albuquerque, NM 87103

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82762-012
Cottonberry 20 FC 4 1

Klipstine & Hanratty
Attn: James Klipstine, Jr.
917 Green Acres Dr
Hobbs, NM 88240-4531

PS Form 3800, April 2015 PSN 7550-02-000-9017

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1. Complete items 1, 2, and 3. Also complete item 4. Print name and address of the person to whom the article is being sent, or on the front if space permits. Cottonberry 20 FC 4 H		2. Signature <i>[Signature]</i> 3. Received by (Print Name) <i>[Signature]</i> 4. Date of Delivery <i>10/11/10</i>	
1. Article Addressed to: Chevron USA, Inc. Attn: Permitting Team 6301 Deauville Blvd. Midland, TX 79706		5. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
2. Article Number (Transfer from service label) 7015 0640 0001 5408 8261		6. Service Type ☒ Certified Mail ☐ Priority Mail Express ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery ☐ Restricted Delivery (Extra Fee) ☐ Yes ☒ No	
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Attn: Permitting Team
6301 Deauville Blvd.
Midland, TX 79706

PS Form 3800, April 2015 PSN 7530-02-000 9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
1. Complete items 1, 2, and 3. Also, complete item 4 if Restricted Delivery is required. Print your name and address on the reverse side of this piece. 1. Addressed to: Yates Petroleum Corporation 105 S 4th Street Artesia, NM 88210		2. Article Number (Transfer from service label) 7015 0640 0001 5408 8278	
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Yates Petroleum Corporation
105 S 4th Street
Artesia, NM 88210

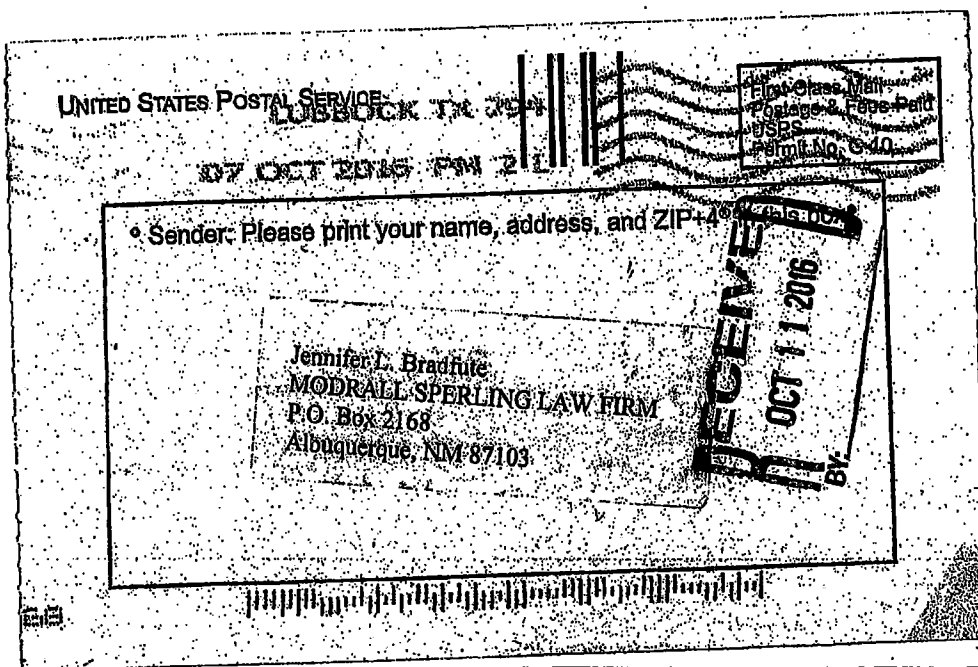
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82762-0128
Cottonberry 20 FC 4 H

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1. Complete this form for all items except First-Class Mail®. Print Cottonberry 20 FC 4 H Attach on or on the front if space permits.		Signature <i>[Signature]</i> ☒ Sent ☐ Addressed Delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below: 106711	
2. Article Addressed to: Nevill Manning 2112 Indiana Ave. Lubbock, Texas 79410		3. Service Type: ☒ Certified Mail ☒ Priority Mail Express ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery 4. Restricted Delivery (See back) ☐ Yes ☒ No	
5. Article Number (Transfer from service label) PS Form 3811, July 2013		6. Delivery Confirmation Number: 7015 0640 0001 5408 8254 Domestic Return Receipt	



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USPS
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Nevill Manning
2112 Indiana Ave
Lubbock, Texas 79410

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1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the item to you. Attach or on 82762-0128 Cottonberry 20 FC 4 H		A. Signature <i>[Signature]</i> ☒ Agent ☐ Addressee	
2. Article Number (Transfer from service label)		B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>[Signature]</i>	
3. Article		D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
Clarence W. Ervin and Mary I. Ervin 4016 Jones Street Carlsbad, NM 88220		5. Service Type ☒ Certified Mail® ☐ Priority Mail Express® ☐ Registered® ☒ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No	
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Carlsbad, NM 88220

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1. Complete items 1-2 and 3-4 82762-0128 Cottonberry 20 FC 4 H Article Addressed to: Kirby, Ratliff, Manning & Greak, Attn: Nolan Greak 8008 Slide Road, Suite 30 Lubbock, Texas 79424-2828		A. Signature <i>x [Signature]</i> B. Received by (Printed Name) Michelle Spearman C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:	
2. Article Number (Transfer from service label) 7015 0640 0001 5408 8247		3. Service Type ☒ Certified Mail® ☐ Priority Mail Express® ☐ Registered® ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery 4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No	
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Kirby, Ratliff, Manning & Greak,
Attn: Nolan Greak
8008 Slide Road, Suite 30
Lubbock, Texas 79424-2828



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■ Complete item (e.g., "Cottonberry 20 FC 4 H") ■ Print item name and address on the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: OXY USA Inc. P.O. Box 4294 Houston, Texas 77210		A. Signature: <i>[Signature]</i> Received by (Printed Name): J. B. Smith Date of Delivery: 13 2010 D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
2. Article Number (Transfer from service label): 7015 0640 0001 5408 8285		3. Service type: ☒ Certified Mail® ☐ Priority Mail Express™ ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery 4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No	
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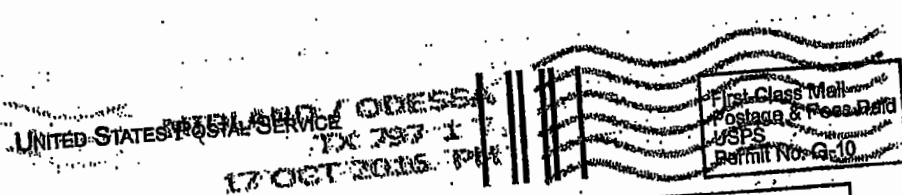
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P.O. Box 4294
Houston, Texas 77210**

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☒ Complete items 1, 2, and 3. Also complete item 4. Item 1: 827620128 Item 2: Cottonberry 20 FC 4 H Item 3: Realeza Del Spear, LP/ Trabajo Del Spear, LP Attn: Shane Spear P.O. Box 1684 Midland, Texas 79702 Item 4: Article Addressed to:		A. Signature: X N Spear ☐ Agent ☒ Addressee B. Received by (Printed Name): N Spear C. Date of Delivery: 10/17/16 D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
2. Article Number (Transfer from service label)		3. Service Type: ☒ Certified Mail® ☐ Registered ☐ Insured Mail ☐ Priority Mail Express® ☒ Return Receipt for Merchandise ☐ Collect on Delivery	
4. Restricted Delivery (Extra Fee) ☐ Yes		5. Restricted Delivery (Extra Fee) ☐ Yes	
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Cottonberry 20 FC 4 H

Realeza Del Spear, LP/
 Trabajo Del Spear, LP
 Attn: Shane Spear
 P.O. Box 1684
 Midland, Texas 79702

7015 0640 0001 5408 8193

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Reehl Harris & Sisk, P.A.
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Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260

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- ☒ Print Item 1-2 **Cottonberry 20 FC 4 H**
- ☒ Attach to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260

2. Article Number
(Transfer from service label)

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X

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If YES, enter delivery address below: ☐ No

3. Service Type
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Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260

For instructions

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Klipstine & Hanratty Attn: James Klipstine, Jr. 917 Green Acres Dr Hobbs, NM 88240-4531		3. Service Type ☒ Certified Mail ☐ Priority Mail Express ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collection Delivery 4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No	
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Klipstine & Hanratty
Attn: James Klipstine, Jr.
917 Green Acres Dr
Hobbs, NM 88240-4531

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82762-0128
Cottonberry 20 FC 4 H

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6301 Deauville Blvd.
Midland, TX 79706

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Vertical text: **Cottonberry 20 FC 4 H**

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
1. Complete items 1, 2, and 3. Also, complete item 4 if Restricted Delivery is required. Print your ZIP+4® 82762-0128 Cottonberry 20 FC 4-H 1. Addressed to: Yates Petroleum Corporation 105 S 4th Street Artesia, NM 88210 2. Article Number: (Transfer from service label)		Signature: <u>(Signature)</u> 3. Received by (Printed Name): <u>BOA</u> 4. Date of Delivery: <u>10/1/15</u> 5. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below: 6. Service Type: ☒ Certified Mail® ☐ Priority Mail Express® ☐ Registered® ☒ Return Receipt for Merchandise ☐ Insured Mail® ☐ Collect on Delivery ☐ Restricted Delivery (Extra Fee) ☐ Yes	
PS Form 3811, July 2013		Domestic Return Receipt	

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Jennifer L. Bradfute
MODRALL SPERLING LAW FIRM
P.O. Box 2168
Albuquerque, NM 87103

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☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

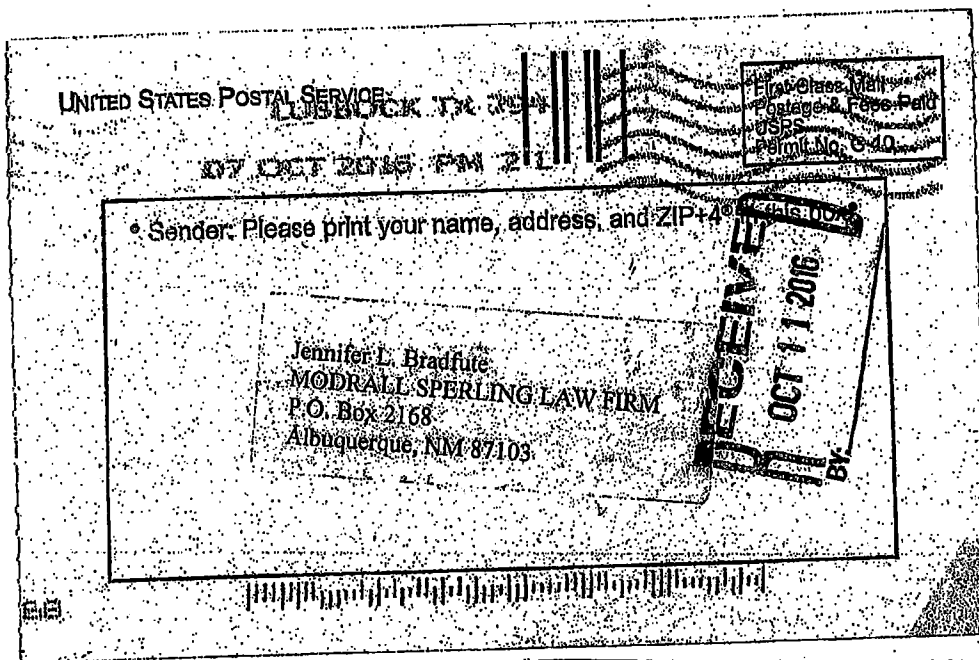
6.67
Yates Petroleum Corporation
105 S 4th Street
Artesia, NM 88210

Postmark Here: ALBUQUERQUE OCT 3 2015

82762-0128
Cottonberry 20 FC 4-H

PS Form 3800, April 2015 PSN 7530-02-000-9017 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
1. Complete Item # 62-0128 Print Cottonberry 20 FC 4 H Attach or on the front of space permitting		A. Signature [Signature] B. Received by (Printed Name) D. K. M. R. C. Date of Delivery 10/11/16 D. Is delivery address different from Item 1? ☒ Yes If YES, enter delivery address below: AINO	
2. Article Addressed to: Nevill Manning 2112 Indiana Ave Lubbock, Texas 79410		3. Service Type ☒ Certified Mail ☐ Priority Mail Express ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery 4. Restricted Delivery (Extra Fee) ☐ Yes	
2. Article Number (Transfer from service label) 7015 0640 0001 5408 8254		PS Form 3811, July 2013 Domestic Return Receipt	



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Extra Services & Fees (Print box, add fee as appropriate)

☐ Return Receipt (hardcopy)
☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery *

Postage **6.67**

Albuquerque NM 87103
Postmark Here
OCT - 3 2016

**Nevill Manning
2112 Indiana Ave
Lubbock, Texas 79410**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
1. Article Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that the return address is legible. Attach or on Cottonberry 20 FC 4 H		A. Signature <i>[Signature]</i> B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>[Signature]</i> D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
2. Article Number (Transfer from service label) 7015 0640 0001 5408 8230		3. Service Type ☒ Certified Mail® ☐ Priority Mail Express® ☐ Registered® ☒ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery 4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No	
PS Form 3811, July 2013		Domestic Return Receipt	

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P.O. Box 2168
Albuquerque, NM 87103

OCT 11 2015

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Certified Mail Fee

Extra Services & Fees (check box, add fees as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage **6.67**

Clarence W. Ervin and
Mary I. Ervin
4016 Jones Street
Carlsbad, NM 88220

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7015 0640 0001 5408 8230

Postmark: OCT 3 2015 COTTONBERRY 20 FC 4 H

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
Complete Items 1, 2, and 3 on the reverse side of this mail piece. 1. Article Addressed to: Kirby, Ratliff, Manning & Greak, Attn: Nolan Greak 8008 Slide Road, Suite 30 Lubbock, Texas 79424-2828		A. Signature <i>x Michelle S. Greak</i> ☐ Agent ☒ Addressee	
2. Article Number (Transfer from service label)		B. Received by (Printed Name) <i>Michelle S. Greak</i> C. Date of Delivery _____	
3. Article Number (Transfer from service label)		D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
PS Form 3811, July 2013		Domestic Return Receipt	

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07 OCT 2016 PM 2:13

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* Sender: Please print your name, address, and ZIP+4® in this box*

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P.O. Box 2168
Albuquerque, NM 87103

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OCT 13 2016

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Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy)
☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery

Postage

6.67

Kirby, Ratliff, Manning & Greak,
Attn: Nolan Greak
8008 Slide Road, Suite 30
Lubbock, Texas 79424-2828



7015 0640 0001 5408 8247

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
1. Article Addressed to: OXY USA Inc. P.O. Box 4294 Houston, Texas 77210		2. Article Number (Transfer from service label) 7015 0640 0001 5408 8285	
3. Service Type ☒ Certified Mail® ☐ Priority Mail Express™ ☐ Registered® ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery		4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No	
5. Signature <i>[Signature]</i>		6. Received by (Printed Name) <i>[Signature]</i>	
7. Date of Delivery OCT 13 2016		8. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:	

PS Form 3811, July 2013 Domestic Return Receipt

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MODRALL SPERLING LAW FIRM
P.O. Box 2168
Albuquerque, NM 87103

10/14

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Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage

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OXY USA Inc.
P.O. Box 4294
Houston, Texas 77210



Cottonberry 20 FC 41

7015 0640 0001 5408 8285

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
Complete items 1, 2, and 3. Also complete item 4 if the item is a Restricted Mailpiece. 1. Article Addressed to: Realeza Del Spear, LP/ Trabajo Del Spear, LP Attn: Shane Spear P.O. Box 1684 Midland, Texas 79702		A. Signature: <i>X. N. Spear</i> B. Received by (Printed Name): <i>N. Spear</i> C. Date of Delivery: <i>10/17/16</i> D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
2. Article Number (Transfer from service label): 7015 0640 0001 5408 8193		3. Service Type: ☒ Certified Mail ☐ Priority Mail Express ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ Collect on Delivery	
PS Form 3811, July 2013		Domestic Return Receipt	

UNITED STATES POSTAL SERVICE
TX 79701
17 OCT 2016

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Albuquerque, NM 87103

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☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery

Postmark Here

Realeza Del Spear, LP/
Trabajo Del Spear, LP
Attn: Shane Spear
P.O. Box 1684
Midland, Texas 79702

82762-0128
Cottonberry 20 FC 4 H

7015 0640 0001 5408 8193

PS Form 3811, April 2013 PSN 7530-02-000-9007 See Reverse for Instructions



MODRALL SPERLING

Modrall Sperling
Roehl Harris & Sisk, P.A.
PO Box 2168
Albuquerque, NM
87103-2168

CERTIFIED MAIL

7015 0640 0001 5408 8216

Hasler

10/03/2016

US POSTAGE



NSW

Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260

NO SUCH NUMBER

SENDER: COMPLETE THIS SECTION

- Complete Items 1-2 and 7-8
Item 1: Cottonberry 20 FC 4 H
Print so the
Attach to the mailpiece,
or on the front if space permits.

1. Article Addressed to:

Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260

2. Article Number
(Transfer from service label)

PS Form 3811, July 2013

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail® ☐ Priority Mail Express™

☐ Registered ☒ Return Receipt for Merchandise

☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

7015 0640 0001 5408 8216

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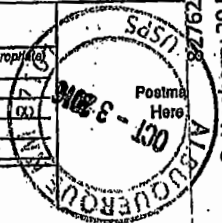
Certified Mail Fee

- Extra Services & Fees (check box, add fee as appropriate)
- | | |
|--|----|
| ☐ Return Receipt (hardcopy) | \$ |
| ☐ Return Receipt (electronic) | \$ |
| ☐ Certified Mail Restricted Delivery | \$ |
| ☐ Adult Signature Required | \$ |
| ☐ Adult Signature Restricted Delivery | \$ |

Postage

6.67

Mary Jo Dickerson
RR1 Box 846
Lovington, NM 88260



Cottonberry 20 FC 4

For Instructions

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly
sworn, on oath says:

That he is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

October 13 2016

That the cost of publication is **\$95.49**
and that payment thereof has been
made and will be assessed as court
costs.

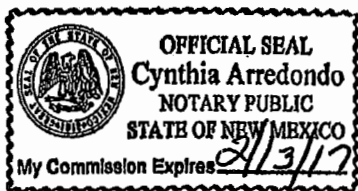
[Signature]

Subscribed and sworn to before me
this 14 day of October, 2016

[Signature]

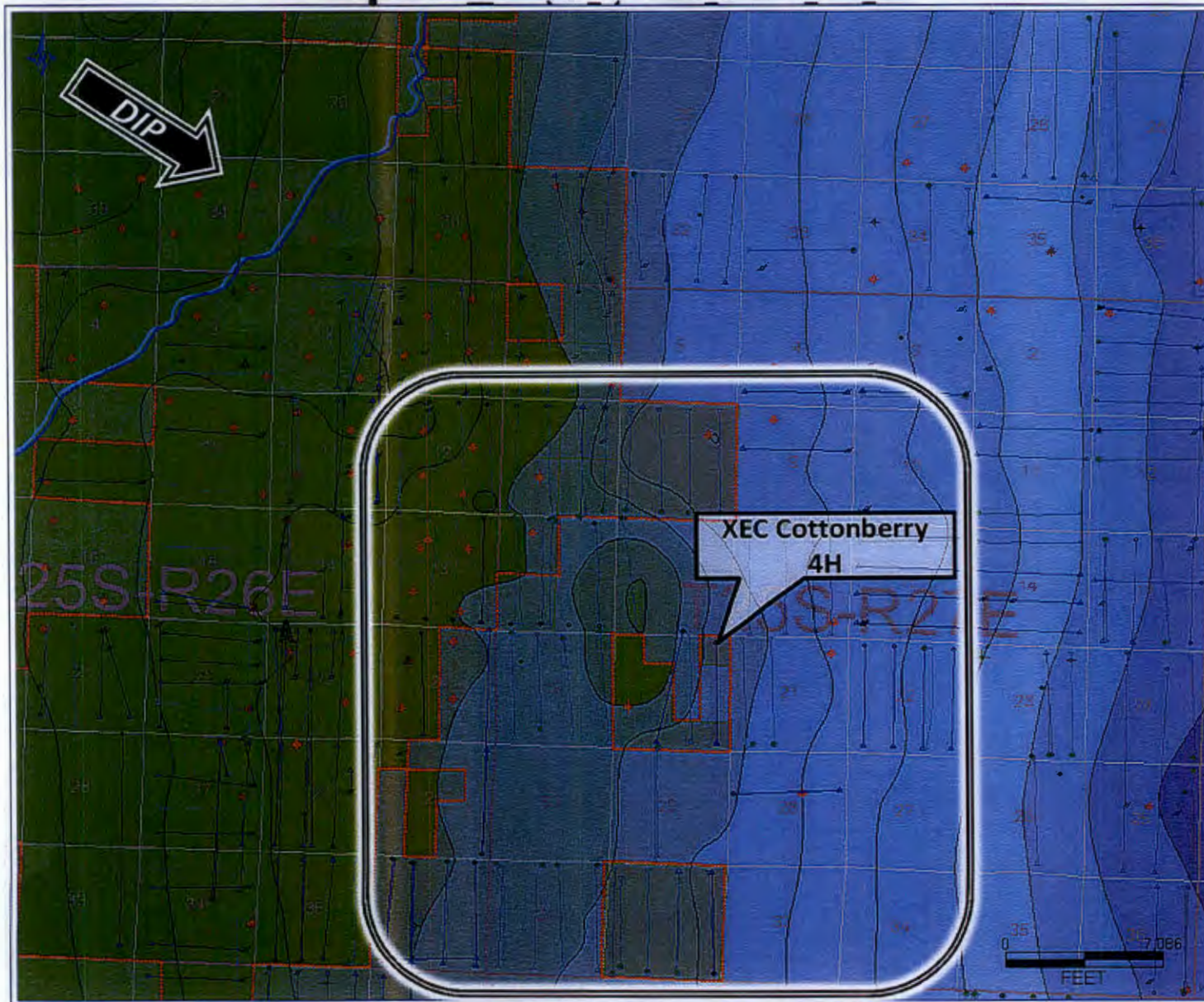
My commission Expires 2/3/17

Notary Public



October 13, 2016
CASE No. 15580. No-
tice to all affected
parties, as well as the
heirs and devisees of
Realeza Del Spear, P.
Trabajo Del Spear, P.
Klipstine & Harratty,
Mary Jo Dickerson,
Virginia Lee Davis,
Clarence W. Ervin and
wife, Mary A. Ervin,
Kirby, Ration, Man-
ning & Break, Nevill
Manning, Chevron
USA, Inc., Yates Pe-
troleum Corporation,
OXY USA Inc., Appli-
cation of Cimarex En-
ergy Co. for a non-
standard oil spacing
and proration unit
and compulsory pool-
ing, Eddy County,
New Mexico. The
State of New Mexico,
through its Oil Conser-
vation Division, here-
by gives notice that
the Division will con-
duct a public hearing
at 8:15 a.m. on Octo-
ber 27, 2016, to con-
sider this application.
Applicant seeks an or-
der from the Division:
(1) creating a non-
standard 160-acre,
more or less, oil spac-
ing and proration unit
in the Bone Spring for-
mation, comprised of
the E/21E/2 of Section
20, Township 25
South, Range 27 East,
NMPM, Eddy County,
New Mexico; and (2)
pooling all mineral in-
terests in the Bone
Spring formation unit
deriving this proposed
non-standard spacing
and proration unit.
This proposed non-
standard spacing and
proration unit will be
the project area of
the Cottonberry 20
Federal Com. 4H, to be
horizontally drilled.
The producing area
for this well will be or-
thodox. Also to be
considered will be the
cost of drilling and
completing said well,
the allocation of these
costs as well as the
actual operating costs
and charges for super-
vision, designation of
Cimarex Energy Co. as
operator of the well,
and a 200% charge
for risk involved in
drilling said well. Said
area is located ap-
proximately 27.4
miles south of
Carlsbad New Mexico.

Top of 2nd BSS Structure



EXHIBIT

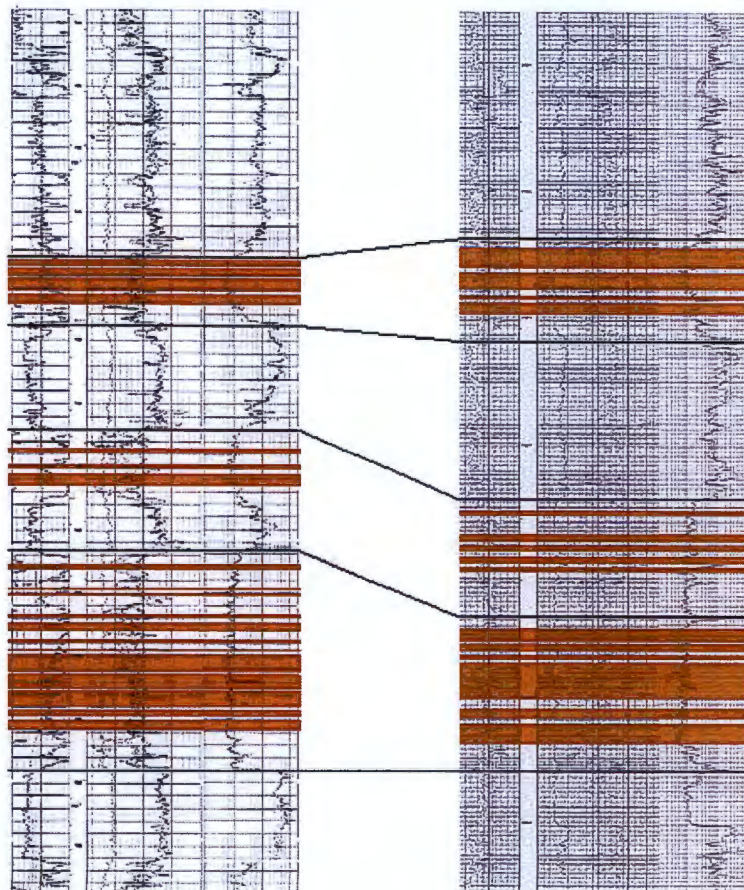
6

A

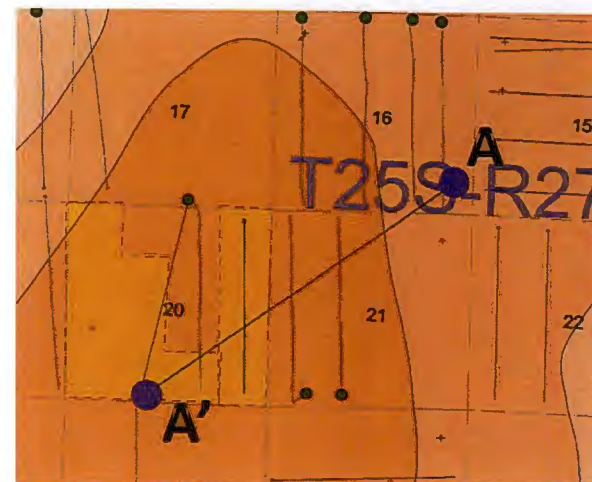
HAYHURST 16 STATE
1
30015351140000
T25S R27E S16
5/31/2007

POPULUS FEDERAL
3H
30015432560000
T25S R27E S20
12/8/2015

~400'



A'



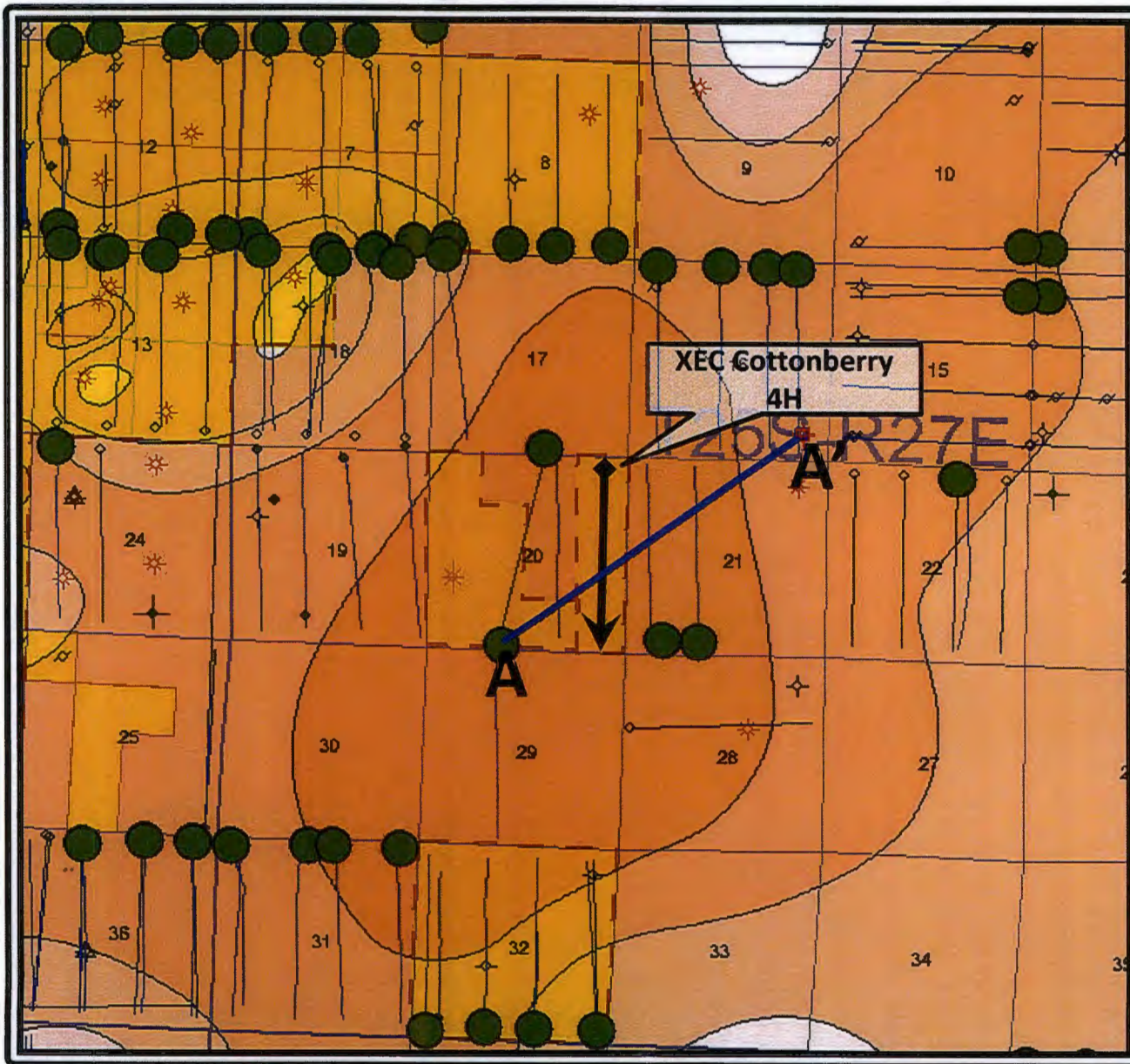
2nd BSS

← Landing Zone

3rd BS Carb

EXHIBIT
7

2nd BSS Net Pay Map



EXHIBIT

8

● 2nd BSS Prod.

CI-25'