

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

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

CASE NO. 16291

SUPPLEMENTAL AFFIDAVIT OF CAITLIN PIERCE

STATE OF TEXAS)
)ss.
COUNTY OF MIDLAND)

Caitlin Pierce, being duly sworn, deposes and states:

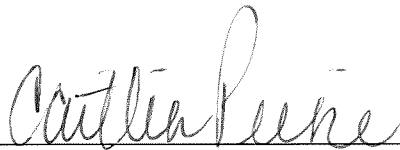
1. I am over the age of 18, I am a landman for Cimarex Energy Co. of Colorado (“Cimarex”), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman and submitted a prior affidavit in support of Cimarex’s application that was introduced into evidence at the October 18, 2018 hearing in this case.

2. Pursuant to NMAC 19.15.4.12.A(1) and the request by the hearing examiner, the following supplemental information is submitted in support of Cimarex’s compulsory pooling application:

- a. The initial well dedicated to the horizontal spacing unit that is the subject of Cimarex’s application is the **Bradley 14-11 Federal Com 1H** well, identified in the C-102 attached as Exhibit B to my original affidavit. The well proposal letters referenced a slightly different well name, the Bradley 14-11 Federal Com 2H, because Cimarex was using a different internal designation for the well at that time. The only working interest owner that Cimarex seeks to pool through its application, MRO Permian, was provided the correct name of the well, as evidenced by the email attached to my Supplemental Affidavit as Exhibit A.

- b. The proposed well is a horizontal well with a surface location 380' feet FSL and 700' FWL of Section 14, and a bottom hole location 330' FNL and 380' FWL of Section 11 in Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico. The total vertical depth of the well is approximately 8591' and the total measured depth is approximately 18,335' feet.
- c. Cimarex provided notice of its application to all of the working interest owners in the proposed horizontal spacing unit and overriding royalty owners of each tract identified in its title search by sending a copy of its application and notice of the hearing by US mail, return receipt requested. Cimarex did not receive a returned acceptance card from two overriding royalty owners and published notice of the application and hearing specifically naming these owners in the legal notice as evidenced by the Affidavit of Notice introduced into evidence at the original hearing.
- d. Cimarex is requesting that it be allowed to recover its well costs provided for in 19.15.13.8 NMAC together with a 200% charge for risk and that such costs includes cost of surface facilities associated with equipping the well for production that were included in the AFE attached to my original affidavit.. In addition, Cimarex requests overhead and administrative rates of \$7000/month for a drilling well and \$700/month for a producing well.

3. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

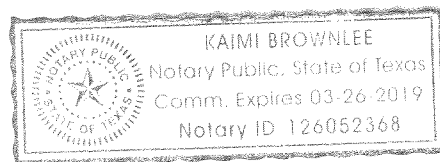

Caitlin Pierce

SUBSCRIBED AND SWORN to before me this 21 day of December 2018 by Caitlin Pierce on behalf of Cimarex Energy Co. of Colorado.


Notary Public

My commission expires: 3/26/19

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From: Caitlin Pierce <cpierce@cimarex.com>
Sent: Thursday, October 4, 2018 3:55 PM
To: Prewett, Travis H. (MRO) <thprewett@marathonoil.com>
Subject: RE: [External] Bradley #1

Hi Travis,

I previously spoke with Jessica Gorman about this. The scope is the same, we have simply changed the name of the well from the 2H to the 1H.

Have ya'll had a chance to review the trade proposal letter? We would love to get something worked out.

From: Prewett, Travis H. (MRO) <thprewett@marathonoil.com>
Sent: Thursday, October 4, 2018 3:53 PM
To: Caitlin Pierce <cpierce@cimarex.com>
Subject: [External] Bradley #1

Caitlin,

We noticed that Cimarex has the Bradley 14-11 Federal Com 1H on the 11/1 compulsory pooling docket. Marathon has not received an election letter for that well pad, but we have received letters on the 2H and 44H. Could you please email me the election letter and the AFEs for our subsurface group to review.

Thanks,

Travis H. Prewett, CPL
Sr. Land Professional – Permian
Office: (713) 296 - 3696
Cell: (713) 305 - 0604
5555 San Felipe St., Houston, TX 77056

EXHIBIT A