



December 19, 2018

Devon Energy Production Co., LP
333 W. Sheridan Ave
Oklahoma City, OK 73102

**Re: Proposal to Drill
 Dos Equis 12-13 Fed Com Wells
 Sections 12 & 13, Township 24 South, Range 32 East
 Lea County, NM**

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Dos Equis 12-13 Fed Com 1H, 8H, 3H, 47H, 5H, 73H, 6H & 86H wells at a legal location in Section 12, Township 24 South, Range 32 East, NMPM, Lea Co., NM.

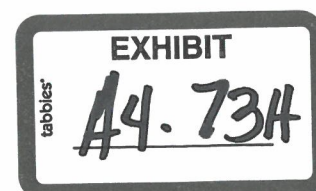
Dos Equis 12-13 Fed Com 1H - The intended surface hole location for the well is 330' FNL and 370' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 8H - The intended surface hole location for the well is 330' FNL and 350' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 3H - The intended surface hole location for the well is 255' FNL and 1,620' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 47H - The intended surface hole location for the well is 255' FNL and 1,600' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 5H - The intended surface hole location for the well is 360' FNL and 2,330' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.



Dos Equis 12-13 Fed Com 73H - The intended surface hole location for the well is 360' FNL and 2,310' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 6H - The intended surface hole location for the well is 360' FNL and 1,410' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 86H - The intended surface hole location for the well is 360' FNL and 1,390' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

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

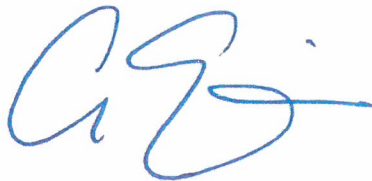
Enclosed, in duplicate, is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Dos Equis 12-13 Fed Com 1H well. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

In the event you would prefer to lease your interest in lieu of participating in the proposed operation(s), we would be happy to make you a competitive offer to lease.

Please call the undersigned with any questions or comments.

Respectfully,

Cody Elliott
432.571.7806



ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 1H

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 1H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 1H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 1H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 3H

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 3H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 3H

Dated this ____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 3H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 5H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 5H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 5H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is **TO** participate in the proposed Dos Equis 12-13 Fed Com 5H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 6H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 6H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 6H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 6H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 8H

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 8H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 8H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 8H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 47H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 47H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 47H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 47H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 73H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 73H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 73H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 73H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 86H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 86H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 86H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 86H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.



Authorization For Expenditure

Company Entity	Date Prepared
Cimarex Energy Co	December 18, 2018

Region	Well Name	Prospect or Field Name	Property Number	Drilling AFE No.
PERMIAN	Dos Equis 12-13 Fed Com 73H			

Estimate Type	County	State	Type Well
W/2 E/2 of Sections 12 and 13-T24S-R32E	Lea	NM	Oil X Expl x Gas Prod

Estimate Type	Est. Start Date	Est. Comp. Date	Formation	Ttl. Measured Depth
Original Estimate				21,951'
Revised Estimate			WOLFCAMP A	Ttl. Vertical Depth
Supplemental Estimate				12,300'

Project Description
Drill and complete a horizontal test. Drill to 1200', set water string casing. Drill to 11774' (KOP). Drill curve at 12°/100' initial build rate to +/- 75 degrees and set casing at +/- 12399' MD. Finish curve at +/- 3°/100' to +/- 12300' TVD and drill a +/- 9050' long lateral in the Wolfcamp formation. Run and cement production liner. Stage frac. Drill out plugs. Run production packer, tubing and GLVs.

Intangibles	Dry Hole Cost	After Casing Point	Completed Well Cost
Drilling Costs	\$3,508,000		\$3,508,000
Completion Costs		\$7,319,199	\$7,319,199
Total Intangible Costs	\$3,508,000	\$7,319,199	\$10,827,199

Tangibles			
Well Equipment	\$451,000	\$786,000	\$1,237,000
Lease Equipment		\$798,529	\$798,529
Total Tangible Well Cost	\$451,000	\$1,584,529	\$2,035,529

Plug and Abandon Cost	\$0	\$0	\$0
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Total Well Cost	\$3,959,000	\$8,903,728	\$12,862,728
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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 redrilling 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.

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

Cimarex Energy Co. Approval		
Prepared by	Drilling and Completion Manager	Regional Manager

Joint Interest Approval		
Company	By	Date





Project Cost Estimate

Well Name: Dos Equis 12-13 Fed Com 73H

Item/Unit	Drilling / Log Hole Cost	Drilling	Completion / Stimulation	Production Equipment / Construction	Post Completion	Total Well Cost
Roads & Location Preparation / Restoration						
Drilling 300	\$100,000		\$1,000			\$101,000
Drilling 300	\$100,000					\$100,000
Mud / Fluids Disposal Charges						
Drilling 300	\$160,000		\$59,000			\$219,000
Day Rate 29.00 DH Days 4.00 ACP Days @ \$25,000 / Per Day	\$750,000	\$100,000				\$850,000
Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.)	\$50,000					\$50,000
Drilling 120	\$150,000					\$150,000
Bits	\$5,000					\$5,000
Fuel \$3.00 / Per Gallon 1,150 Gallons Per Day	\$117,000					\$117,000
Water for Drilling Rig / Completion Fluids (Not Frac Water)	\$5,000					\$5,000
Mud / Additives	\$350,000					\$350,000
Surface Rentals	\$3,000 / Per Day (BCP)					\$3,000
Downhole Rentals	\$178,000					\$178,000
Formation Evaluation (DST, Coring including evaluation, G&G Services)	\$0					\$0
Mud Logging 35.75 / Days @ \$1,200 / Per Day	\$36,000					\$36,000
Open Hole Logging	\$0					\$0
Cementing & Float Equipment	\$100,000					\$100,000
Tubular Inspections	\$50,000					\$50,000
Casing Crews	\$27,000					\$27,000
Extra Labor, Welding, Etc.	\$30,000					\$30,000
Land Transportation (Trucking for tonpiles)	\$8,000					\$8,000
Supervision \$4,000 / Per Day	\$160,000					\$160,000
Trailer House / Camp / Catering \$1,000.00 / Per Day	\$39,000					\$39,000
Other Misc Expenses	\$5,000					\$5,000
Overhead	\$5,000					\$5,000
Remedial Cementing	\$0					\$0
MOB/DEMOP	\$150,000					\$150,000
Directional Drilling Services	\$434,000					\$434,000
Crane for Construction	\$0					\$0
Solid Control	\$99,000					\$99,000
Well Control Equip (Snubbing Svcs.)	\$116,000					\$116,000
Fishing & Sidetrack Operations	\$0					\$0
Completion Rig	\$21,000					\$21,000
Coil Tubing	\$368,000					\$368,000
Completion Logging, Perforating, WL Units, WL Surveys	\$436,000					\$436,000
Composite Plugs	\$108,000					\$108,000
Stimulation Pumping Charges, Chemicals, Additives, Sand	\$1,182,000					\$1,182,000
Stimulation Water / Water Transfer / Water Storage	\$964,000					\$964,000
Compress Churned Frac / Rental Equipment	\$0					\$0
Legal / Regulatory / Curative	\$10,000					\$10,000
Well Control Insurance \$0.35 / Per Foot	\$8,000					\$8,000
Contingency 5.0 % of Drilling Intangibles	\$167,000					\$167,000
Construction For Flow Lines	\$0					\$0
Construction For Sales P/L	\$0					\$0
Total Intangible Cost	\$3,508,000	\$272,000	\$6,014,000	\$467,479	\$565,720	\$10,827,199
Intangible Well Equipment						
Casing						
Drive Pipe 0 0 \$0.00						\$0
Conductor Pipe 0 0 \$0.00						\$0
Water String 13 3/8" 0 \$42.00						\$0
Surface Casing 10 3/4" 1200 \$35.00						\$42,000
Intermediate Casing 1 7 5/8" 12500 \$30.00						\$379,000
Intermediate Casing 2 0 0 \$0.00						\$0
Drilling Liner 0 0 \$0.00						\$0
Production Casing or Liner 5.5" x 5" 21951 \$23.00						\$505,000
Production Tie-Back 0 0 \$0.00						\$0
Tubing 2 7/8" 11870 \$7.00						\$83,000
Wellhead, Tree, Chokes	\$30,000	\$30,000	\$60,000			\$120,000
Liner Hanger, Isolation Packer	\$0	\$0				\$0
Packer, Nipples			\$28,000			\$28,000
Pumping Unit, Engine			\$0			\$0
Downhole Lift Equipment (BHP, Rods, Anchors, ESP, GVLS, PC Pump)			\$80,000			\$80,000
Intangible Lease Equipment						
M/C Lease Equipment				\$133,250		\$133,250
Tanks, Tank Steps, Stairs				\$96,353		\$96,353
Battery (Heater, Treater, Separator, Gas Treating Equipment)				\$278,069		\$278,069
Secondary Containment				\$26,063		\$26,063
Overhead Power Distribution (electric line to facility)				\$15,625		\$15,625
Facility Electrical & Automation				\$82,813		\$82,813
SWD Connection				\$5,145		\$5,145
Flow Lines (Line Pipe from wellhead to central facility)				\$21,563		\$21,563
Pipeline to Sales				\$106,635		\$106,635
Meters and Metering Equipment				\$33,013		\$33,013
Total Tangibles	\$451,000	\$535,000	\$231,000	\$798,529	\$0	\$2,095,529
P&A Costs	\$0	\$0				\$0
Total Cost	\$3,959,000	\$807,000	\$6,265,000	\$1,266,008	\$565,720	\$12,862,728



Authorization For Expenditure

Company/Entity	Date Prepared
Cimarex Energy Co	December 18, 2018

Region	Well Name	Prospect or Field Name	Property Number	Drilling AFE No.
PERMIAN	Dos Equis 12-13 Fed Com 73H			

Estimate Type	County	State	Type Well
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Estimate Type	Est. Start Date	Est. Comp. Date	Formation	Ttl Measured Depth
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Revised Estimate				Ttl Vertical Depth
Supplemental Estimate				12,300'

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Total Tangible Well Cost	\$451,000	\$1,584,529	\$2,035,529

Plug and Abandon Cost	\$0	\$0	\$0
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Total Well Cost	\$3,959,000	\$8,903,728	\$12,862,728
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Comments on Well Costs
1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

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☐ 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 redrilling 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.

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

Cimarex Energy Co. Approval

Prepared by	Drilling and Completion Manager	Regional Manager

Joint Interest Approval

Company	By	Date

[illegible]

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

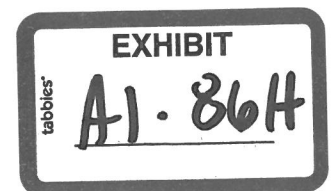
**APPLICATION OF CIMAREX
ENERGY CO. FOR COMPULSORY
POOLING, LEA COUNTY,
NEW MEXICO**

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 pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. 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 wells thereon.
2. Cimarex seeks to dedicate the E/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. Cimarex plans to drill the **Dos Equis 12-13 Federal Com 86H** well to a depth sufficient to test the Wolfcamp formation. The Dos Equis 12-13 Com 86H well is a horizontal well with a surface location 360' FNL and 1430' FEL of Section 12 Township 24 South, Range 32 East, Lea County, and the intended bottom hole location is 100' FSL and 330' FEL of Section 13, Township 24 South, Range 32 East, Lea County.
4. This well will be located within the Wildcat Wolfcamp pool and will comply with the Division's setback requirements.



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

6. The creation of a horizontal spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, this case is set for hearing before an Examiner of the Oil Conservation Division on March 7, 2019, Cimarex requests that, after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico;

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

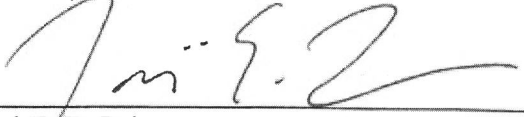
C. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;

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

E. 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 this 25th day of January, 2019.

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

By: 

Earl E. DeBrine

Zoe E. Lees

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

zel@modrall.com

Attorneys for Applicant

CASE NO. ____: Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Dos Equis 12-13 Federal Com 86H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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 26 miles southwest of Hobbs, New Mexico.

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025		2 Pool Code		3 Pool Name Wildcat Wolfcamp	
4 Property Code		5 Property Name DOS EQUIS 12-13 FEDERAL COM			6 Well Number 86H
7 OGRID No. 215099		8 Operator Name CIMAREX ENERGY CO.			9 Elevation 3600.4'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line.	Feet from the	East/West line	County
B	12	24S	32E		360	NORTH	1430	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no. P	Section 13	Township 24S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 330	East/West line EAST	County LEA
¹² Dedicated Acres 360		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

NAD 83 (SURFACE HOLE LOCATION)

LATITUDE = 32°14'18.49" (32.238470°)
LONGITUDE = 103°37'27.88" (103.624411°)

NAD 27 (SURFACE HOLE LOCATION)

LATITUDE = 32°14'18.05" (32.238347°)
LONGITUDE = 103°37'26.15" (103.623931°)

STATE PLANE NAD 83 (N.M. EAST)

N: 451212.41" E: 760526.60"

STATE PLANE NAD 27 (N.M. EAST)

N: 451153.44" E: 719342.62"

NAD 83 (BHL/LTP)

LATITUDE = 32°12'38.53" (32.210704°)
LONGITUDE = 103°37'15.16" (103.620877°)

NAD 27 (BHL/LTP)

LATITUDE = 32°12'38.09" (32.210580°)
LONGITUDE = 103°37'13.43" (103.620398°)

STATE PLANE NAD 83 (N.M. EAST)

N: 441118.38" E: 761686.40"

STATE PLANE NAD 27 (N.M. EAST)

N: 441059.66" E: 720501.96"

LINE TABLE

LINE	DIRECTION	LENGTH
L1	N89°49'03"E	1099.95'

The survey plat shows two adjacent sections, 12 and 13. Section 12 is located north of Section 13. The boundary between them runs east-west. To the west of Section 12 is another section corner labeled SW Cor. Sec. 14. A line from this corner goes south through Section 12 to the southwest corner of Section 13, which is also labeled SW Cor. Sec. 24. This line has several bearings and distances along it. To the east of Section 12 is another section corner labeled E 1/4 Cor. Sec. 24. A line from this corner goes south through Section 12 to the southeast corner of Section 13, which is also labeled E 1/4 Cor. Sec. 24. This line also has several bearings and distances along it. In Section 12, there are two points marked: LP/FTR (Landing Point/First Take Point) and SHL (Surface Hole Location). A line connects them, labeled L1. In Section 13, there is one point marked: BHL/LTP (Bottom Hole Location/Last Take Point).

NOTE:

- * Distances referenced on plat to section lines are perpendicular.
- * Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00"

LEGEND:

- = SURFACE HOLE LOCATION
- ◆ = LANDING POINT/FIRST TAKE POINT
- = BOTTOM HOLE LOCATION/ LAST TAKE POINT
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

SCALE

REV: I 12-18-18 C.M.T. (BHL MOVE)

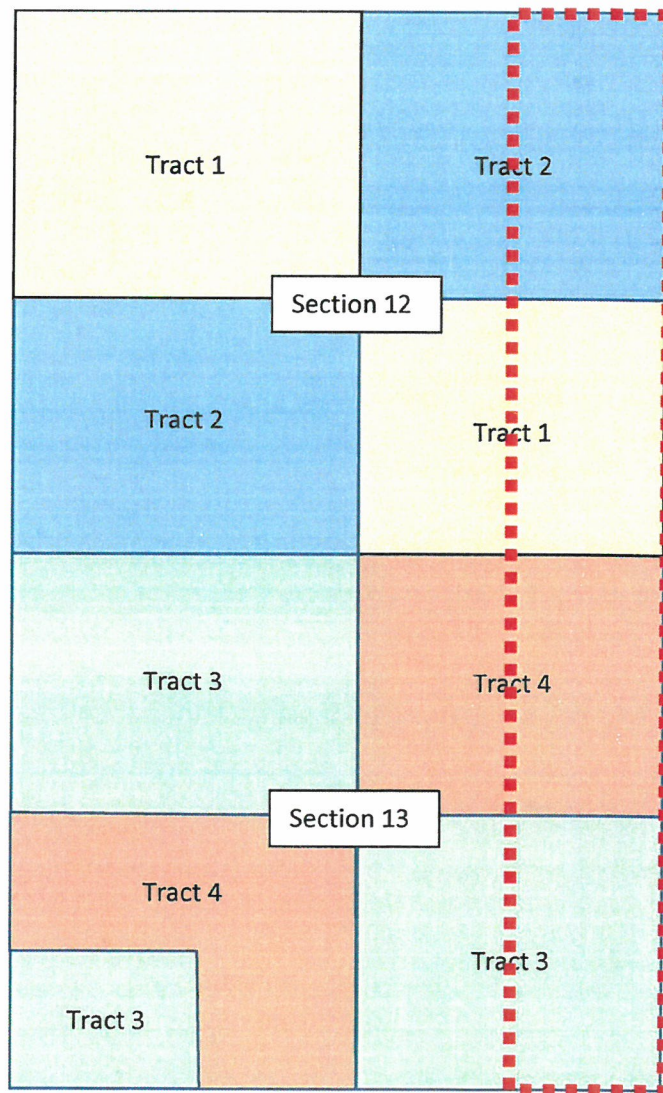
EXHIBIT

tabbles:	A2.86H
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Dos Equis 12-13 Fed Com 86H

E/2 E/2 of Sections 12 & 13-24S-32E, Lea County, NM

Owner	Tract	Net	Working Interest Percentage	Force Pool Interest
MHPI	1	40	12.50%	no-participating
Chevron U.S.A. Inc.	1	40	12.50%	no-participating
Cimarex	2	70	21.88%	no-operator
COPC	2	10	3.13%	Yes
Devon	3	80	25.00%	Yes
Cimarex	4	80	25.00%	no-operator





December 19, 2018

Devon Energy Production Co., LP
333 W. Sheridan Ave
Oklahoma City, OK 73102

**Re: Proposal to Drill
 Dos Equis 12-13 Fed Com Wells
 Sections 12 & 13, Township 24 South, Range 32 East
 Lea County, NM**

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Dos Equis 12-13 Fed Com 1H, 8H, 3H, 47H, 5H, 73H, 6H & 86H wells at a legal location in Section 12, Township 24 South, Range 32 East, NMPM, Lea Co., NM.

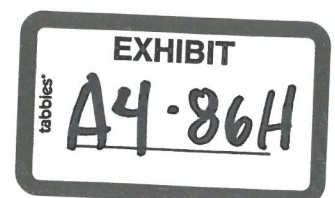
Dos Equis 12-13 Fed Com 1H - The intended surface hole location for the well is 330' FNL and 370' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 8H - The intended surface hole location for the well is 330' FNL and 350' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 3H - The intended surface hole location for the well is 255' FNL and 1,620' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 47H - The intended surface hole location for the well is 255' FNL and 1,600' FWL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FWL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 5H - The intended surface hole location for the well is 360' FNL and 2,330' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.



Dos Equis 12-13 Fed Com 73H - The intended surface hole location for the well is 360' FNL and 2,310' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,980' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 6H - The intended surface hole location for the well is 360' FNL and 1,410' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,600' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Dos Equis 12-13 Fed Com 86H - The intended surface hole location for the well is 360' FNL and 1,390' FEL of Section 12, Township 24 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FEL of Section 13, Township 24 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,300' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

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

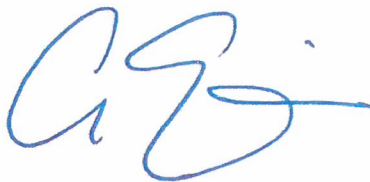
Enclosed, in duplicate, is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Dos Equis 12-13 Fed Com 1H well. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

In the event you would prefer to lease your interest in lieu of participating in the proposed operation(s), we would be happy to make you a competitive offer to lease.

Please call the undersigned with any questions or comments.

Respectfully,

Cody Elliott
432.571.7806



ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 1H

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 1H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 1H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 1H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 3H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 3H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 3H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 3H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 5H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 5H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 5H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 5H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 6H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 6H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 6H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 6H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 8H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 8H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 8H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 8H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 47H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 47H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 47H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 47H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 73H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 73H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 73H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 73H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.

**ELECTION TO PARTICIPATE
Dos Equis 12-13 Fed Com 86H**

_____ Devon Energy Production Co., LP elects **TO** participate in the proposed Dos Equis 12-13 Fed Com 86H

_____ Devon Energy Production Co., LP elects **NOT** to participate in the proposed Dos Equis 12-13 Fed Com 86H

Dated this _____ day of _____, 2018.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Dos Equis 12-13 Fed Com 86H well, then:

_____ Devon Energy Production Co., LP elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

_____ Devon Energy Production Co., LP 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.



Authorization For Expenditure

Company Entity	Date Prepared
Cimarex Energy Co	December 18, 2018

Region	Well Name	Prospect or Field Name	Property Number	Drilling AFE No.
PERMIAN	Dos Equis 12-13 Fed Com 86H			

Estimate Type	County	State	Type Well		
E/2 E/2 of Sections 12 and 13-T245-R32E	Lea	NM	Oil	X	Expl
			Gas		Prod

Estimate Type	Est. Start Date	Est. Comp. Date	Formation	Ttl. Measured Depth
Original Estimate	x		WOLFCAMP A	21,951'
Revised Estimate				Ttl. Vertical Depth
Supplemental Estimate				12,300'

Project Description

Drill and complete a horizontal test. Drill to 1200', set water string casing. Drill to 11774' (KOP). Drill curve at 12"/100' Initial build rate to +/- 75 degrees and set casing at +/- 12399' MD. Finish curve at +/- 3"/100' to +/- 12300' TVD and drill a +/- 9050' long lateral in the Wolfcamp formation. Run and cement production liner. Stage frac. Drill out plugs. Run production packer, tubing and GLVs.

Intangibles	Dry Hole Cost	After Casing Point	Completed Well Cost
Drilling Costs	\$3,508,000		\$3,508,000
Completion Costs		\$7,319,199	\$7,319,199
Total Intangible Costs	\$3,508,000	\$7,319,199	\$10,827,199

Tangibles			
Well Equipment	\$451,000	\$786,000	\$1,237,000
Lease Equipment		\$798,529	\$798,529
Total Tangible Well Cost	\$451,000	\$1,584,529	\$2,035,529

Plug and Abandon Cost	\$0	\$0	\$0
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Total Well Cost	\$3,959,000	\$8,903,728	\$12,862,728
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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 redrilling 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.

Comments on AFE

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

Cimarex Energy Co. Approval

Prepared by	Drilling and Completion Manager	Regional Manager

Joint Interest Approval

Company	By	Date



Project Cost Estimate

Well Name: Dos Equis 12-13 Fed Com 86H

Activity	Drilling Location Cost	ACR Drilling	Completion/ Stimulation	Production Equipment/ Cost Allocation	Post Completion	Total Well Cost
Health & Location Preparation / Restoration	BHC 300 \$100,000		STIM 100 \$1,000	CDH 300 \$19,875	PCOM 100 \$40,000	\$162,875
Damages	BHC 305 \$10,000			CDH 305 \$6,850		\$16,850
Mud / Fluids Disposal Charges	BHC 255 \$160,000		STIM 255 \$53,000		PCOM 255 \$255,500	\$468,500
Day Rate 29.00 /DN Days 4.00 /ACP Days @ \$25,000 /Per Day	BHC 115 \$795,000	BHC 120 \$100,000				\$895,000
Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.)	BHC 120 \$50,000					\$50,000
Bits	BHC 125 \$150,000	BHC 125 \$0	STIM 125 \$0		PCOM 125 \$0	\$150,000
Fuel \$3.00 /Per Gallon 1,150 Gallons Per Day	BHC 125 \$117,000	BHC 130 \$0			PCOM 130 \$0	\$117,000
Water for Drilling Rig / Completion Fluids (Not Frac Water)	BHC 140 \$5,000	BHC 135 \$0	STIM 135 \$24,000		PCOM 135 \$0	\$29,000
Mud & Additives	BHC 145 \$350,000					\$350,000
Surface Rentals	BHC 150 \$117,000	BHC 140 \$0	STIM 140 \$189,000	CDH 140 \$1,900	PCOM 140 \$170,000	\$477,900
Downhole Rentals	BHC 155 \$178,000		STIM 145 \$0		PCOM 145 \$0	\$178,000
Formation Evaluation (DST, Coring including evaluation, G&G Services)	BHC 160 \$0		STIM 150 \$0			\$0
Mud Logging 25.75 / Days @ \$1,200 /Per Day	BHC 170 \$36,000					\$36,000
Open Hole Logging	BHC 180 \$0					\$0
Cementing & Float Equipment	BHC 185 \$190,000	BHC 185 \$100,000				\$290,000
Tubular Inspections	BHC 190 \$50,000	BHC 190 \$8,000	STIM 160 \$4,000		PCOM 160 \$0	\$62,000
Casing Crews	BHC 195 \$27,000	BHC 165 \$15,000	STIM 165 \$0			\$42,000
Extra Labor, Welding, Etc.	BHC 200 \$20,000	BHC 170 \$3,000	STIM 170 \$0	CDH 170 \$181,375	PCOM 170 \$67,800	\$267,175
Land Transportation (Trucking for tonnage)	BHC 205 \$10,000	BHC 175 \$8,000	STIM 175 \$4,000	CDH 175 \$13,125	PCOM 175 \$4,000	\$39,125
Supervision \$4,000 /Per Day	BHC 210 \$140,000	BHC 180 \$16,000	STIM 180 \$74,000	CDH 180 \$7,625	PCOM 180 \$0	\$237,625
Trailer House / Camp / Catering \$1,000.00 /Per Day	BHC 260 \$39,000	BHC 255 \$4,000	STIM 260 \$37,000			\$80,000
Other Misc Expenses	BHC 220 \$5,000	BHC 190 \$0	STIM 190 \$100,000	CDH 190 \$7,500	PCOM 190 \$0	\$112,500
Overhead	BHC 225 \$5,000	BHC 195 \$5,000				\$10,000
Remedial Cementing	BHC 231 \$0		STIM 215 \$0		PCOM 215 \$0	\$0
MOB/DEMOB	BHC 240 \$150,000					\$150,000
Directional Drilling Services	BHC 245 \$434,000					\$434,000
Crown Bar Construction	BHC 250 \$99,000			CDH 210 \$0		\$99,000
Well Control Equip (Snubbing Svc.)	BHC 265 \$116,000	BHC 240 \$0	STIM 240 \$163,000		PCOM 240 \$0	\$279,000
Fishing & Sidetrack Operations	BHC 270 \$0	BHC 245 \$0	STIM 245 \$0		PCOM 245 \$0	\$0
Completion Rig			STIM 185 \$21,000		PCOM 185 \$0	\$21,000
Coil Tubing			STIM 200 \$368,000		PCOM 200 \$0	\$368,000
Completion Logging, Perforating, WL Units, WC Surveys			STIM 200 \$436,000		PCOM 200 \$0	\$436,000
Composite Plugs			STIM 200 \$108,000		PCOM 200 \$0	\$108,000
Stimulation Pumping Charges, Chemicals, Additives, Sand			STIM 230 \$3,182,000		PCOM 230 \$0	\$3,182,000
Stimulation Water / Water Transfer / Water Storage			STIM 255 \$564,000			\$564,000
Cameras Owned /Rental Equipment			STIM 255 \$0			\$0
Legal /Regulatory /Curtive	BHC 300 \$10,000			CDH 260 \$781		\$10,781
Well Control Insurance \$0.35 /Per Foot	BHC 385 \$8,000					\$8,000
Contingency 5.0 % of Drilling Intangibles	BHC 435 \$167,000	BHC 330 \$13,000	STIM 320 \$285,000	CDH 220 \$115,092	PCOM 220 \$33,420	\$614,512
Construction For Flow Lines				CDH 360 \$111,347		\$111,347
Construction For Sales P/L				CDH 255 \$0		\$0
Total Intangible Cost	\$3,508,000	\$272,000	\$6,014,000	\$467,479	\$565,720	\$10,827,199
Borehole Well Equipment						
Casing	Size Feet S / Foot					
Drive Pipe 0 0 \$0.00	BHES 130 \$0					\$0
Conductor Pipe 0 0 \$0.00	BHES 130 \$0					\$0
Water String 13 3/8" 0 \$42.00	BHES 135 \$0					\$0
Surface Casing 10 3/4" 1200 \$35.00	BHES 140 \$42,000					\$42,000
Intermediate Casing 1 7 5/8" 12500 \$80.00	BHES 145 \$379,000					\$379,000
Intermediate Casing 2 0 0 \$0.00	BHES 155 \$0					\$0
Drilling Liner 0 0 \$0.00	BHES 160 \$0					\$0
Production Casing or Liner 5.5" x 5" 21951 \$23.00	BHES 165 \$505,000					\$505,000
Production Tie-Back 0 0 \$0.00	BHES 165 \$0					\$0
Tubing 27 7/8" 11870 \$7.00	BHES 165 \$83,000				PCOM 165 \$0	\$83,000
Wellhead, Tree, Chokes	BHES 165 \$30,000	BHES 120 \$30,000	STIM 120 \$60,000			\$120,000
Liner Hanger, Isolation Packer	BHES 160 \$0	BHES 125 \$0				\$0
Packer, Nipples			STIM 160 \$28,000		PCOM 160 \$0	\$28,000
Pumping Unit, Engine			STIM 165 \$0		PCOM 165 \$0	\$0
Downhole Lift Equipment (BHP, Rods, Anchors, ESP, GVLs, PC Pump)			STIM 110 \$80,000		PCOM 110 \$0	\$80,000
Borehole Well Equipment						
N/C Lease Equipment				CDH 100 \$133,250		\$133,250
Tanks, Tanks Skids, Stairs				CDH 105 \$96,353		\$96,353
Battery (Heater, Treater, Separator, Gas Treating Equipment)				CDH 110 \$278,069		\$278,069
Secondary Containment				CDH 115 \$26,063		\$26,063
Overhead Power Distribution (electric line to facility)				CDH 120 \$15,625		\$15,625
Facility Electrical & Automation				CDH 125 \$82,813		\$82,813
3WD Connection				CDH 130 \$5,145		\$5,145
Flow Lines (Line Pipe from wellhead to central facility)				CDH 135 \$21,563		\$21,563
Pipeline to Sales				CDH 140 \$105,835		\$105,835
Meters and Metering Equipment				CDH 145 \$31,613		\$31,613
Total Tangibles	\$451,000	\$535,000	\$251,000	\$708,528	\$0	\$2,095,528
P&A Costs	BHC 235 \$0	BHC 235 \$0				\$0
Total Cost	\$3,959,000	\$807,000	\$6,265,000	\$1,266,008	\$565,720	\$12,862,728



Authorization For Expenditure

Company Entity	Date Prepared
Cimarex Energy Co	December 18, 2018

Region	Well Name	Prospect or Field Name	Property Number	Drilling AFE No.
PERMIAN	Dos Equis 12-13 Fed Com 86H			

Estimate Type	County	State	Type Well
E/2 E/2 of Sections 12 and 13-T245-R32E	Lea	NM	Oil ☒ Expl ☒ Gas ☐ Prod ☐

Estimate Type	Est. Start Date	Est. Comp Date	Formation	Ttl Measured Depth
Original Estimate	x			21,951'
Revised Estimate			WOLFCAMP A	Ttl Vertical Depth
Supplemental Estimate				12,300'

Project Description
Drill and complete a horizontal test. Drill to 1200', set water string casing. Drill to 11774' (KOP). Drill curve at 12°/100' initial build rate to +/- 75 degrees and set casing at +/- 12399' MD. Finish curve at +/- 3°/100' to +/- 12300' TVD and drill a +/- 9050' long lateral in the Wolfcamp formation. Run and cement production liner. Stage frac. Drill out plugs. Run production packer, tubing and GLVs.

Intangibles	Dry Hole Cost	After Casing Point	Completed Well Cost
Drilling Costs	\$3,508,000		\$3,508,000
Completion Costs		\$7,319,199	\$7,319,199
Total Intangible Costs	\$3,508,000	\$7,319,199	\$10,827,199

Tangibles			
Well Equipment	\$451,000	\$786,000	\$1,237,000
Lease Equipment		\$798,529	\$798,529
Total Tangible Well Cost	\$451,000	\$1,584,529	\$2,035,529

Plug and Abandon Cost	\$0	\$0	\$0
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Total Well Cost	\$3,959,000	\$8,903,728	\$12,862,728
------------------------	--------------------	--------------------	---------------------

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 redrilling 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.

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

Cimarex Energy Co. Approval

Prepared by	Drilling and Completion Manager	Regional Manager

Joint Interest Approval

Company	By	Date



Project Cost Estimate

Well Name: Dos Equis 12-13 Fed Com B6H

Intangibles	BCP - Drilling (Dry Hole Cost)	ACP - Drilling	Completion / Simulation	Production Equipment / Construction	Post Completion	Total Well Cost
Drillable / Location Preparation / Restoration	BDC 100 \$100,000		STRA 100 \$1,000	CON 100 \$10,875	PCOM 100 \$40,000	\$162,875
Damages	BDC 105 \$10,000			CON 105 \$8,850		\$18,850
Mud / Fluids Disposal Charges	BDC 255 \$160,000		STRA 255 \$53,000		PCOM 255 \$255,500	\$468,500
Day Rate 29.00 (DI Days) 4.00 (ACP Days @) \$25,000 Per Day	BDC 115 \$750,000	BDC 130 \$100,000				\$850,000
Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.)	BDC 120 \$50,000					\$50,000
Blis	BDC 125 \$150,000	BDC 125 \$0	STRA 125 \$0		PCOM 125 \$0	\$150,000
Fuel \$3.00 Per Gallon 1,150 Gallons Per Day	BDC 135 \$117,000	BDC 130 \$0			PCOM 130 \$0	\$117,000
Water for Drilling Rig / Completion Fluids (Not Frac Water)	BDC 140 \$5,000	BDC 135 \$0	STRA 135 \$24,000		PCOM 135 \$0	\$29,000
Mud & Additives	BDC 145 \$350,000					\$350,000
Surface Rentals \$3,000 Per Day (BCP)	BDC 150 \$117,000	BDC 140 \$0	STRA 140 \$189,000	CON 140 \$1,900	PCOM 140 \$170,000	\$477,000
Damhole Rentals	BDC 155 \$178,000	BDC 145 \$0	STRA 145 \$0		PCOM 145 \$0	\$178,000
Formation Evaluation (DST, Coring including evaluation, GRG Services)	BDC 160 \$0		STRA 150 \$0			\$0
Mud Logging 25.75 (Days @) \$1,200 Per Day	BDC 170 \$36,000					\$36,000
Open Hole Logging	BDC 180 \$0					\$0
Cementing & Float Equipment	BDC 185 \$150,000	BDC 155 \$100,000				\$250,000
Tubular Inspections	BDC 190 \$50,000	BDC 160 \$6,000	STRA 160 \$4,000		PCOM 160 \$0	\$62,000
Casing Crews	BDC 195 \$22,000	BDC 165 \$15,000	STRA 165 \$0			\$37,000
Extra Labor, Welding, Etc.	BDC 200 \$20,000	BDC 170 \$3,000	STRA 170 \$0	CON 170 \$181,375	PCOM 170 \$62,800	\$267,175
Land Transportation (Trucking for tangibles)	BDC 205 \$30,000	BDC 175 \$8,000	STRA 175 \$4,000	CON 175 \$13,125	PCOM 175 \$4,000	\$59,125
Supervision \$4,000 Per Day	BDC 210 \$140,000	BDC 180 \$16,000	STRA 180 \$74,000	CON 180 \$7,625	PCOM 180 \$0	\$237,625
Trailer House / Camp / Catering \$1,000.00 Per Day	BDC 280 \$30,000	BDC 255 \$4,000	STRA 280 \$37,000			\$80,000
Other Misc Expenses	BDC 230 \$5,000	BDC 190 \$0	STRA 190 \$100,000	CON 190 \$7,500	PCOM 190 \$0	\$112,500
Overhead	BDC 225 \$5,000	BDC 195 \$5,000				\$10,000
Remedial Cementing	BDC 211 \$0		STRA 215 \$0		PCOM 215 \$0	\$0
MOB/DEMOB	BDC 240 \$150,000					\$150,000
Directional Drilling Services	BDC 245 \$434,000					\$434,000
Crane for Construction	BDC 240 \$90,000			CON 210		\$0
Safety Control	BDC 240 \$90,000					\$90,000
Well Control Equip (Snubbing Sigs.)	BDC 245 \$116,000	BDC 240 \$0	STRA 240 \$161,000		PCOM 240 \$0	\$277,000
Fishing & Sidetrack Operations	BDC 230 \$0	BDC 245 \$0	STRA 245 \$0		PCOM 245 \$0	\$0
Completion Rig			STRA 115 \$21,000		PCOM 115 \$0	\$21,000
Coil Tubing			STRA 200 \$368,000		PCOM 240 \$0	\$368,000
Completion Logging, Perforating, WI Units, WI Surveys			STRA 200 \$436,000		PCOM 200 \$0	\$436,000
Composite Plugs			STRA 300 \$108,000		PCOM 300 \$0	\$108,000
Stimulation Pumping Charges, Chemicals, Additives, Sand			STRA 210 \$3,182,000		PCOM 210 \$0	\$3,182,000
Stimulation Water / Water Transfer / Water Storage			STRA 305 \$964,000			\$964,000
Compress Damaged Frac / Rental Equipment			STRA 305 \$0			\$0
Lease / Regulatory / Curative	BDC 300 \$10,000			CON 300 \$781		\$10,781
Well Control Insurance \$0.35 Per Foot	BDC 385 \$8,000					\$8,000
Contingency 5.0 % of Drilling Intangibles	BDC 415 \$167,000	BDC 230 \$13,000	STRA 220 \$286,000	CON 220 \$115,000	PCOM 220 \$33,420	\$614,512
Construction For Flow Lines				CON 310 \$111,347		\$111,347
Construction For Sales P/L				CON 265 \$0		\$0
Total Intangible Cost	\$3,508,000	\$277,000	\$6,014,000	\$467,479	\$565,720	\$10,827,199
Drillable / Well Equipment						
Casing	Size Feet \$/Foot					
Drive Pipe 0 0 \$0.00	BWER 130 \$0					\$0
Conductor Pipe 0 0 \$0.00	BWER 130 \$0					\$0
Water String 11 3/8" 1200 \$42.00	BWER 135 \$0					\$0
Surface Casing 10 3/4" 1200 \$35.00	BWER 140 \$42,000					\$42,000
Intermediate Casing 1 7 5/8" 12500 \$30.00	BWER 145 \$379,000					\$379,000
Intermediate Casing 2 0 0 \$0.00	BWER 155 \$0					\$0
Drilling Liner 0 0 \$0.00	BWER 160 \$0					\$0
Production Casing or Liner 5 5/8" x 5" 21951 \$23.00	DWTA 100 \$505,000					\$505,000
Production Tie-Back 0 0 \$0.00	DWTA 105 \$0	STMT 101 \$0				\$0
Tubing 2 7/8" 11870 \$7.00	STMT 105 \$83,000				PCOMT 105 \$0	\$83,000
Wellhead, Tree, Chokes	BWER 115 \$30,000	DWTA 120 \$10,000	STMT 120 \$60,000			\$100,000
Liner Hanger, Isolation Packer	BWER 300 \$0	DWTA 125 \$0				\$0
Packer, Nipples			STMT 400 \$28,000		PCOMT 400 \$0	\$28,000
Pumping Unit, Engine			STMT 405 \$0		PCOMT 405 \$0	\$0
Downhole Lift Equipment (BHP, Rods, Anchors, ESP, GVLs, PC Pump)			STMT 410 \$80,000		PCOMT 410 \$0	\$80,000
Flow Line / Lease Equipment						
N/C Lease Equipment				CON 400 \$133,250		\$133,250
Tanks, Tanks Steps, Stairs				CON 405 \$96,353		\$96,353
Battery Heater, Heater, Separator, Gas Treating Equipment				CON 410 \$278,000		\$278,000
Secondary Containments				CON 415 \$26,063		\$26,063
Overhead Power Distribution (electric line to facility)				CON 420 \$15,625		\$15,625
Facility Electrical & Automation				CON 425 \$82,813		\$82,813
SWD Connection				CON 430 \$5,145		\$5,145
Flow Lines (Line Pipe from wellhead to central facility)				CON 435 \$21,561		\$21,561
Railine to Sales				CON 440 \$105,635		\$105,635
Meters and Metering Equipment				CON 445 \$13,013		\$13,013
Total Tangibles	\$451,000	\$535,000	\$251,000	\$798,529	\$0	\$2,035,529
P&A Costs	BDC 295 \$0	BDC 295 \$0				\$0
Total Cost	\$3,959,000	\$807,000	\$6,265,000	\$1,266,008	\$565,720	\$12,862,728

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

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

CASE NO. 20305

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

CASE NO. 20306

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

CASE NO. 20307

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

CASE NO. 20308

AFFIDAVIT OF LAUREN COPLEY

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Lauren Copley, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist for Cimarex Energy Co. ("Cimarex"), and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist and my credentials were accepted as a matter of record by the Division.

2. I conducted a geological study of the area that encompasses the horizontal spacing units that are the subject of Cimarex's applications in these cases and am familiar with the geological matters involved in these cases.

3. Case Nos. 20305-20308 include proposed Wolfcamp horizontal spacing units located in Sections 12 and 13 of Township 24 South, Range 32 East in Lea County, New Mexico, which is the focus of my study area.

4. As part of my study, I have prepared the following geological exhibits with respect to the horizontal spacing units for each above-referenced case (the **Dos Equis 12-13 Federal Com 8H, 47H, 73H, and 86H** wells) that are attached to my affidavit and described below:

- a. **Exhibit B.1.8H-86H** is a Structure Map on the top of the Wolfcamp formation shown in subsea TVD. Wolfcamp producers are indicated by the purple diamonds. This map identifies the sections to be developed with a purple dotted line, and the cross-section wells with a black solid line from A-A'. It also shows that the structure dips slightly to the east-southeast.
- b. **Exhibit B.2.8H-86H** is a Net Porosity Map of the Upper Wolfcamp formation. It shows the porosity is relatively consistent across the sections proposed to be developed.
- c. **Exhibit B.3.8H-86H** is a Proposed Development Map in the Upper Wolfcamp formation. It identifies the proposed wells location by vertical purple lines.
- d. **Exhibit B.4.8H-86H** is a Stratigraphic Cross Section of the Upper Wolfcamp formation hung on the top of the Wolfcamp. From left to right, the logs are ordered with Gamma Ray in the leftmost track, then Deep Resistivity, then PE, then Neutron-Density Porosity, and lastly Density Porosity repeated in the rightmost track. These 3 well logs on the cross-section give a representative sample of the Upper Wolfcamp formation in the area. The target zone for the wells is the Wolfcamp Y Sand and Wolfcamp A1, shown by the 2 orange shaded zones, and

these zones are relatively consistent across the unit. The planned well paths for these wells are indicated by black lines.

- e. **Exhibit B.5.8H-86H** is a Wolfcamp Development Diagram showing a gunbarrel view of the proposed development plan, showing the western section line on the left and the eastern section line on the right. A type log is included on the left. This diagram shows the plan to develop the Upper Wolfcamp in a stack-stagger pattern at a total of 10 wells per section spacing. The landing targets are shown on the included type log on the left. The black labeled spacing between wells shows the approximate distances between take points of the wells.

5. **Exhibit B.0** are Wellbore Diagrams for the wells proposed in the above-referenced cases. It shows each well's TVD and setbacks from the proposed unit boundary.

6. Based upon my study as illustrated in these exhibits, knowledge of the geology in this area, and education and training, it is my expert opinion that:

- a. The horizontal spacing units in these cases are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with the proposed horizontal development.
- c. Each quarter quarter section in the unit will contribute more or less equally to production.

7. The preferred well orientation in this area is north-south.

8. The producing interval for each of the wells in these cases will be orthodox and will comply with the Division's set back requirements.

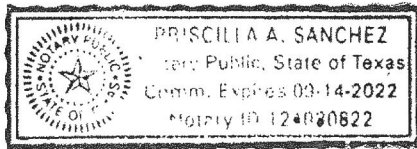
9. I attest that the information provided herein is true, correct and complete to the best of my knowledge and belief.

Lauren Copley
Lauren Copley

SUBSCRIBED AND SWORN to before me this 14th day of June 2019 by Lauren Copley,
on behalf of Cimarex Energy Co.

Priscilla A. Sanchez
Notary Public

My commission expires: 09-14-2022



Dos Equis 12-13 Fed 8H, 47H, 73H, 86H
Upper Wolfcamp

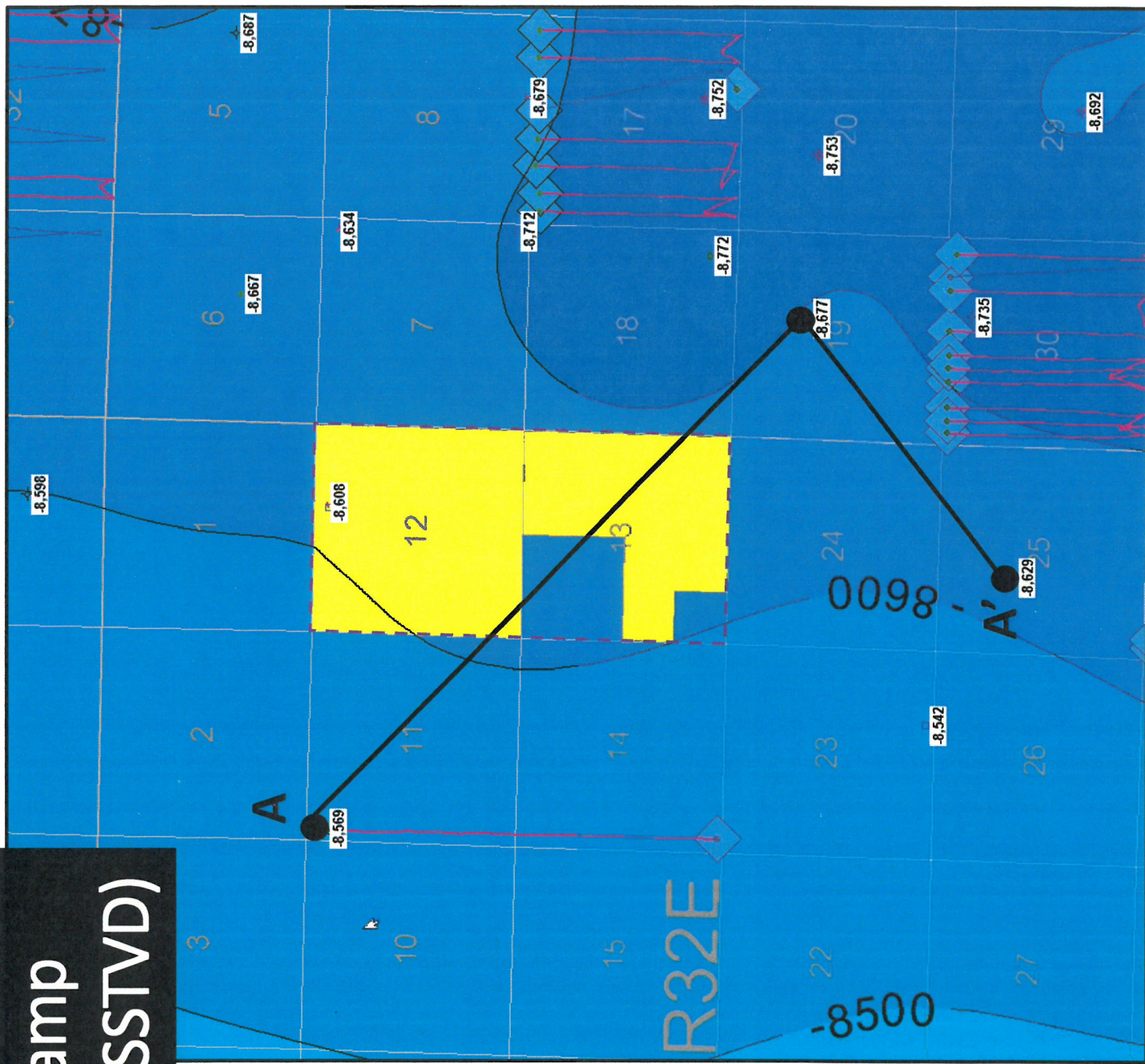
Sec 12-13 T24S R32E
Lea County, New Mexico

Top of Wolfcamp Structure Map (SSTVD)

◆ Wolfcamp Producers

— Cross-Section

Top of Wolfcamp
datapoints (SSTVD)



EXHIBIT

B1-84-
86H

tables

Upper Wolfcamp Net Porosity Map

- 
 Wolfcamp Producers
- 
 Cross-Section
- 
 Upper Wolfcamp net porosity datapoints

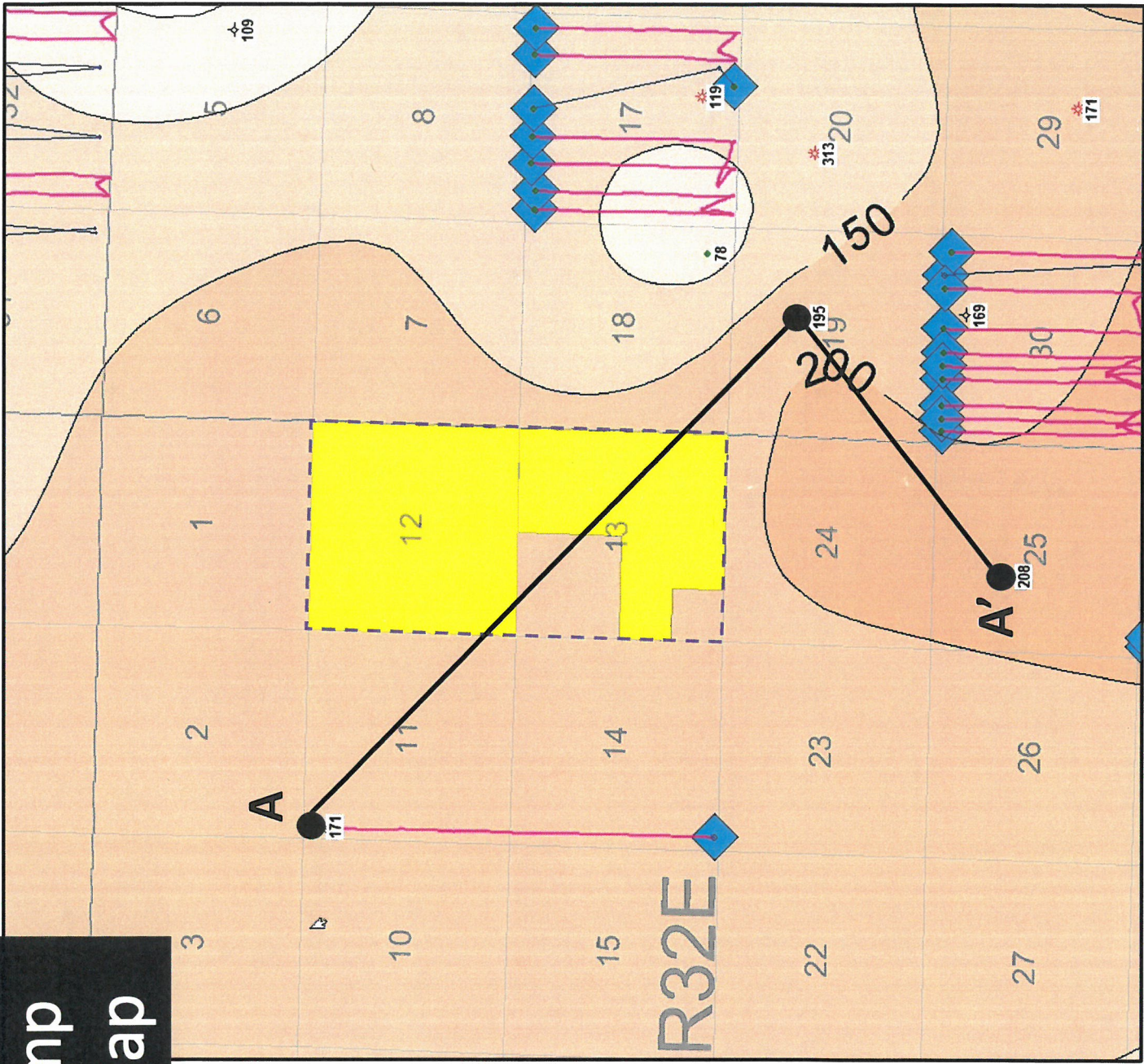


EXHIBIT
B2-84-
864

Upper Wolfcamp Development

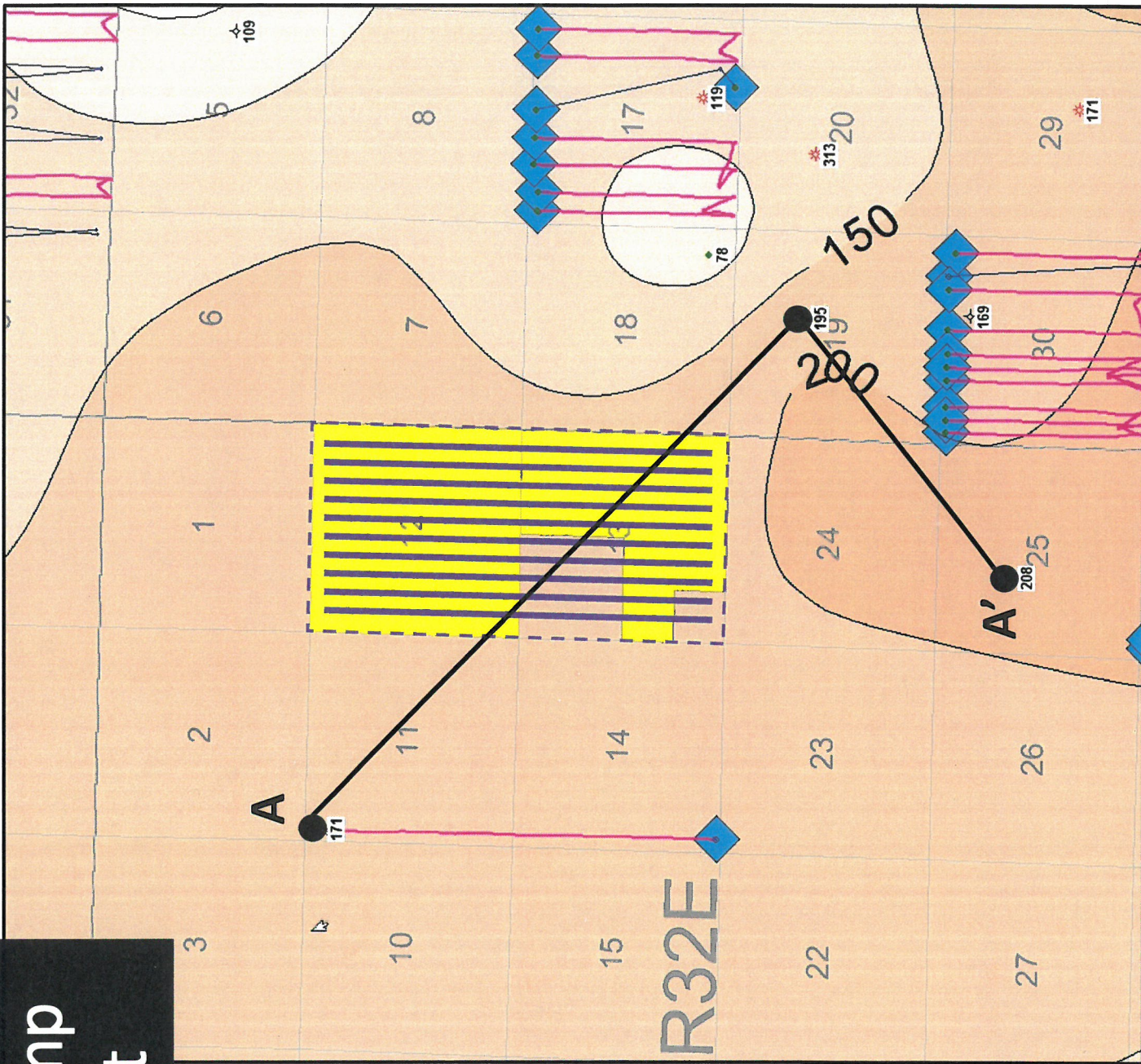
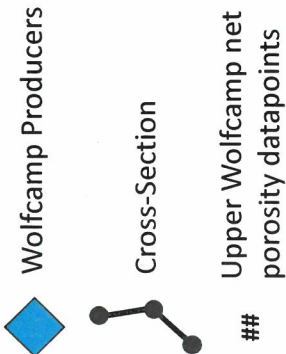


EXHIBIT
B3. 84-86H
tabbles

Upper Wolfcamp Stratigraphic Cross-Section

A

XEC Dos Equis 11-14 Fed Com 4H
30-025-445413
Sec 11 T24S R32E

COBRA State 19 1
30-025-33717
Sec 19 T24S R32E

AMOCO Federal BM 1
30-025-27003
Sec 25 T24S R32E

A'

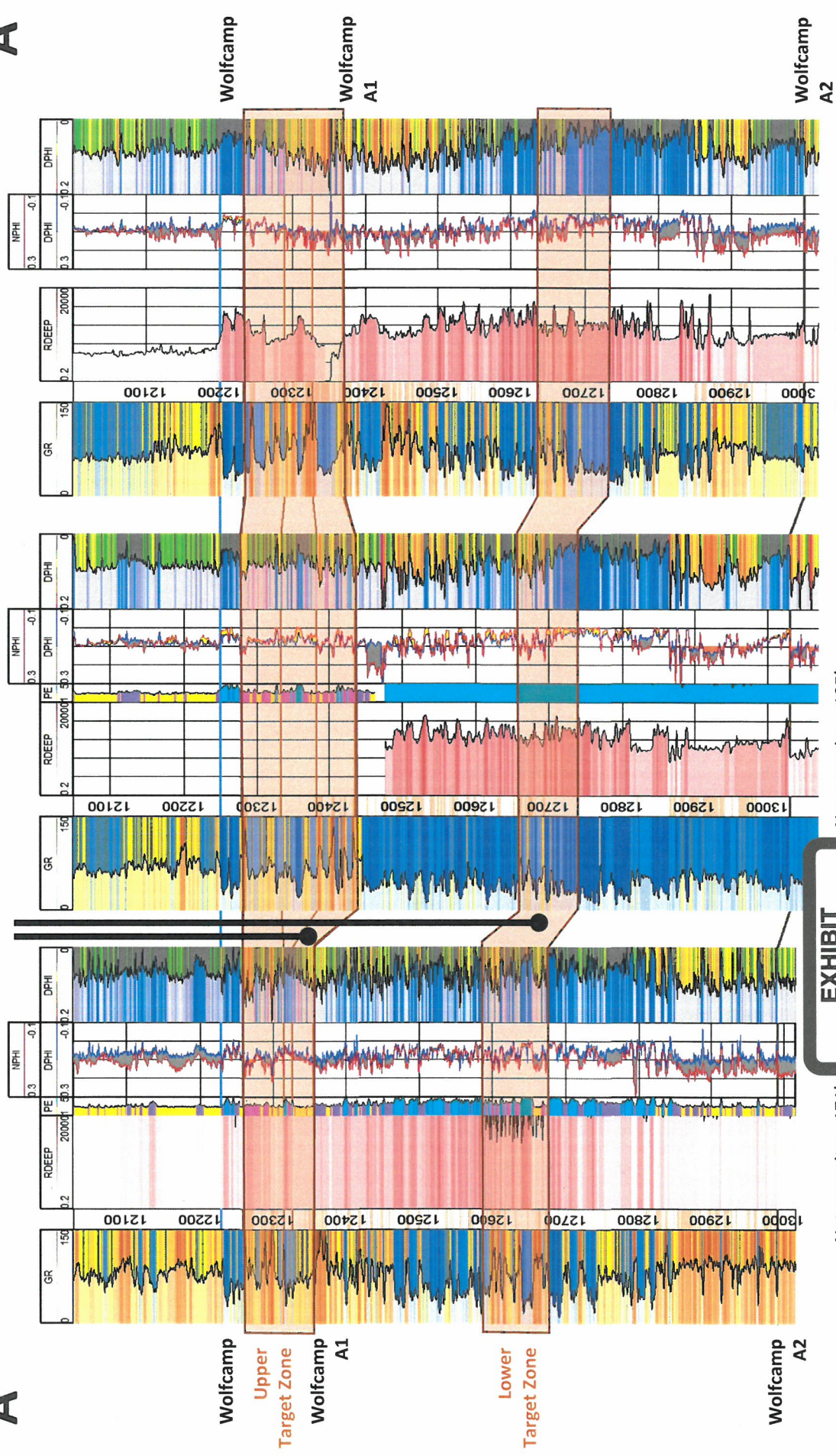


EXHIBIT
B4. 84-
864
tables

Net porosity = 171'

Net porosity = 195'

Net porosity = 208'

Dos Equis 12-13 Wolfcamp Development

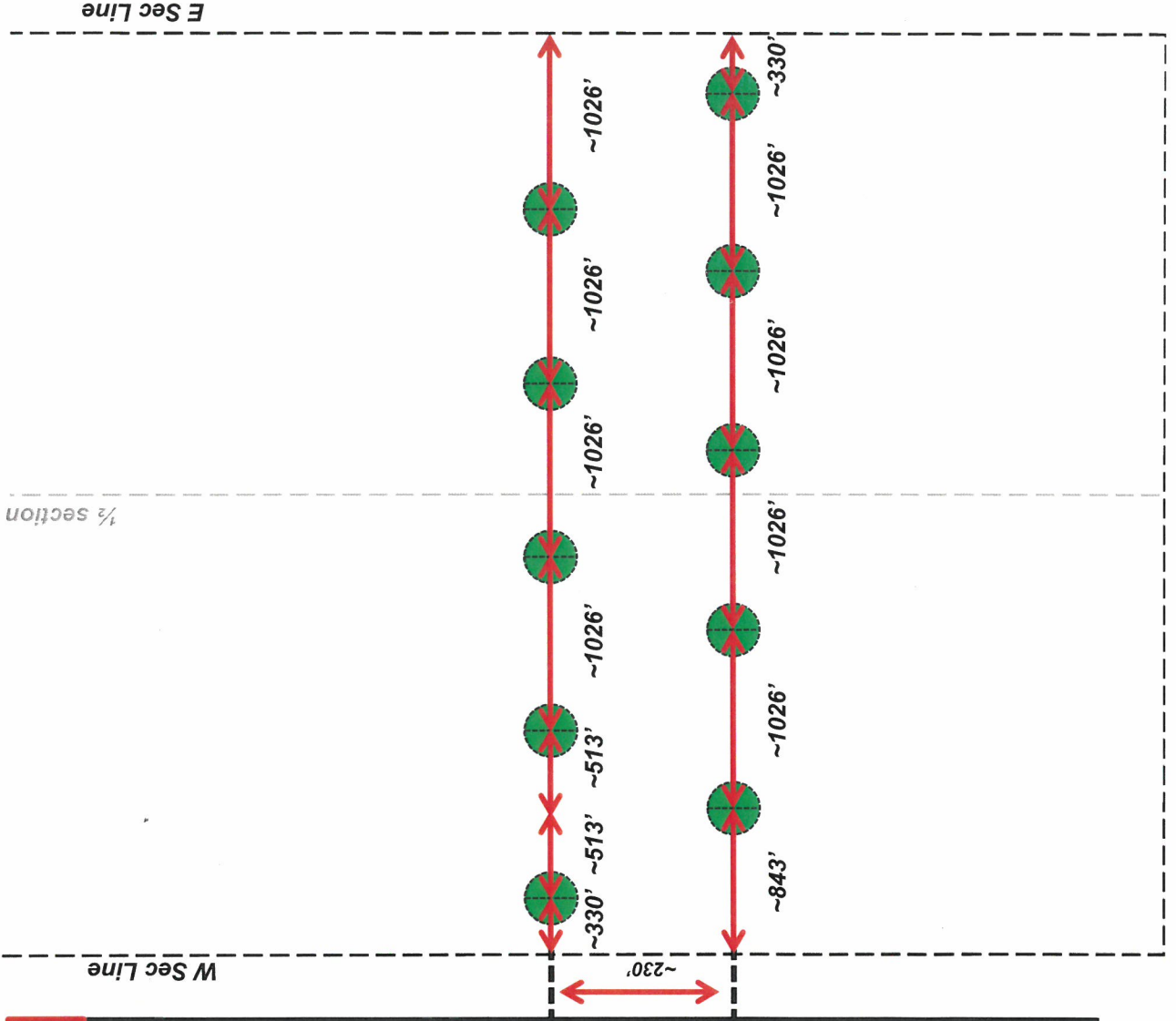
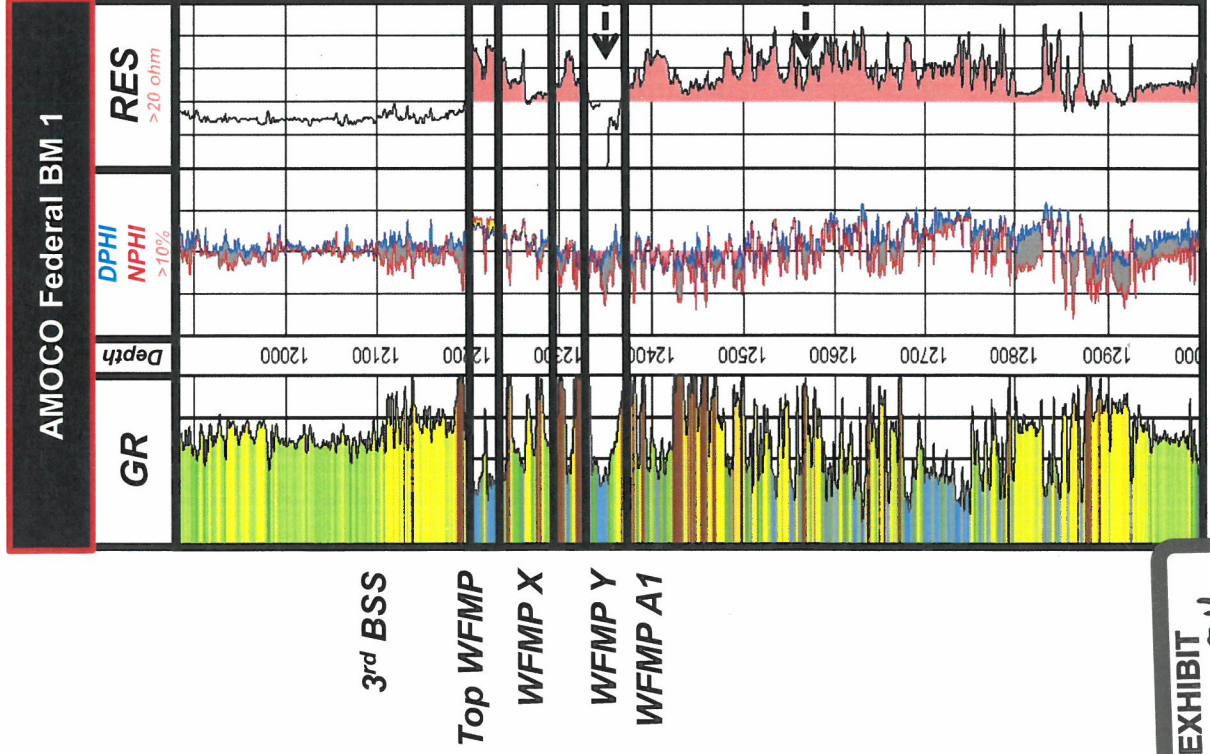


EXHIBIT
B5 8H 86H
tables'

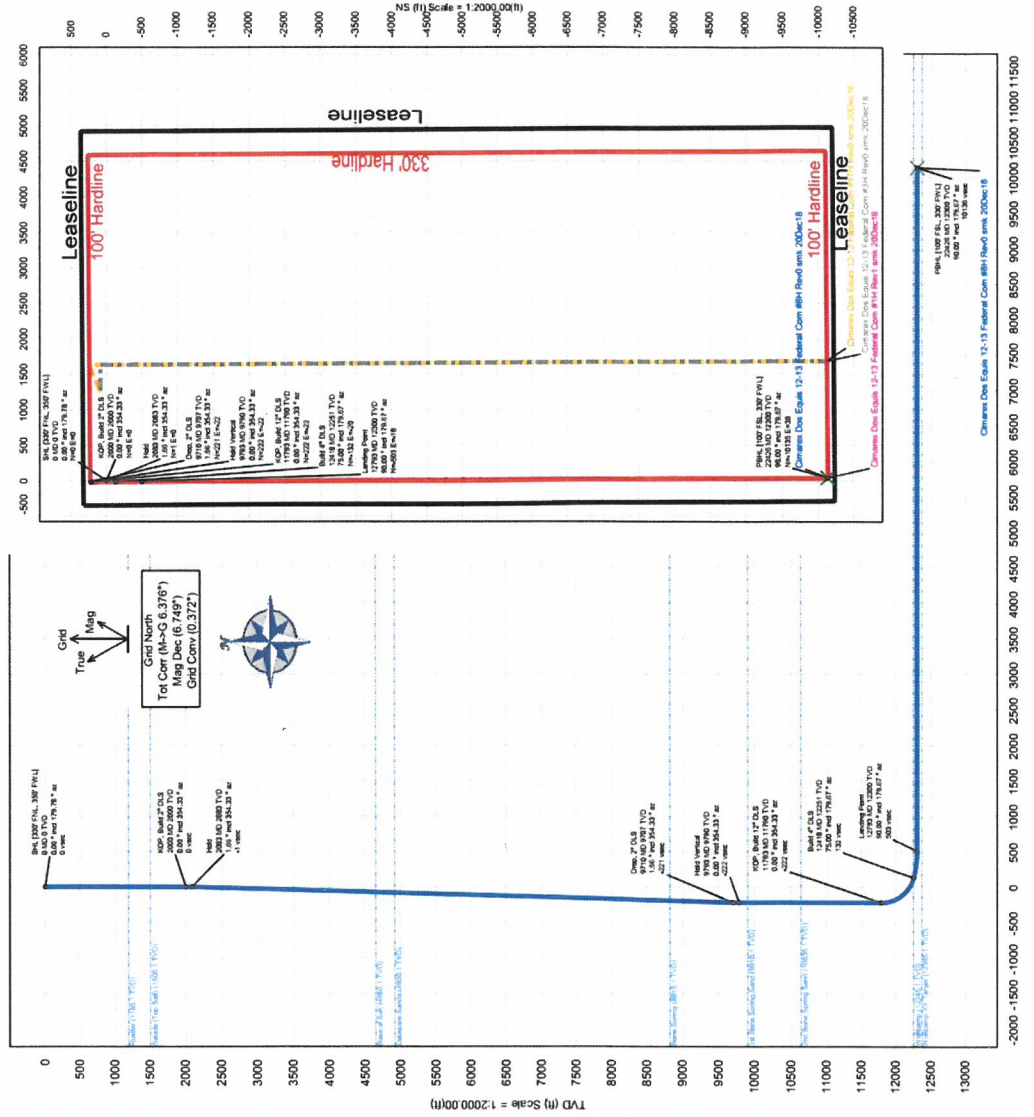
Dos Equis 12-13 Fed Com 8H Wellbore Diagram

Schlumberger

Cimarex Energy Rev 0



Borehole: Cimarex Dos Equis 12-13 Federal Com # 8H		Well: Cimarex Dos Equis 12-13 Federal Com # 8H		Field: NM Lea County (NAD 83)		Structure: Cimarex Dos Equis 12-13 Federal Com # 8H	
Geophysical Parameters		Surface Location		Wellbore		Wellbore	
Head:	10000.2115	Dec:	34-Dec-2015	Lat:	34° 33' 37"	Long:	106° 53' 37"
Head:	10000.2115	Dec:	34-Dec-2015	Lat:	34° 33' 37"	Long:	106° 53' 37"
Head:	10000.2115	Dec:	34-Dec-2015	Lat:	34° 33' 37"	Long:	106° 53' 37"

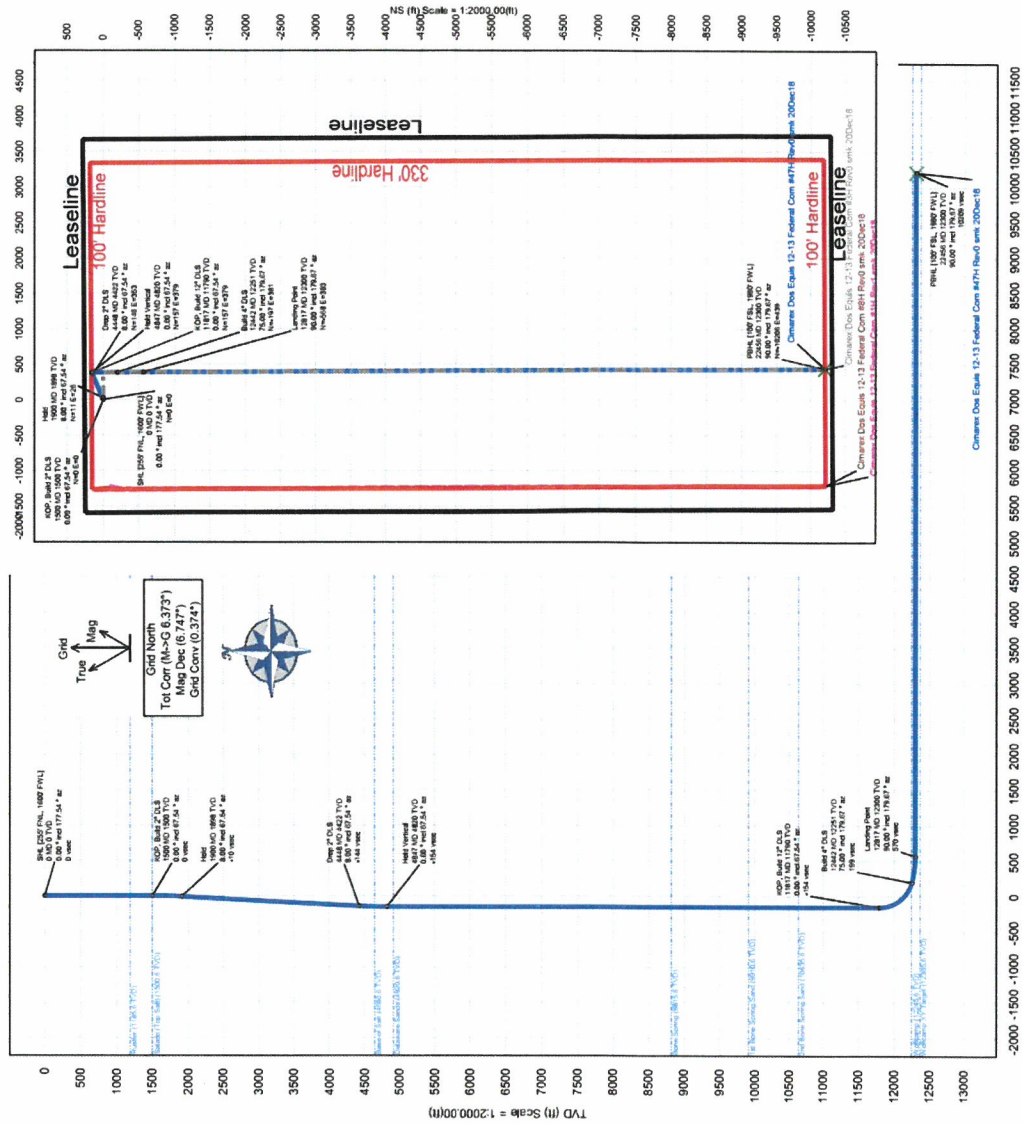


est. equipment



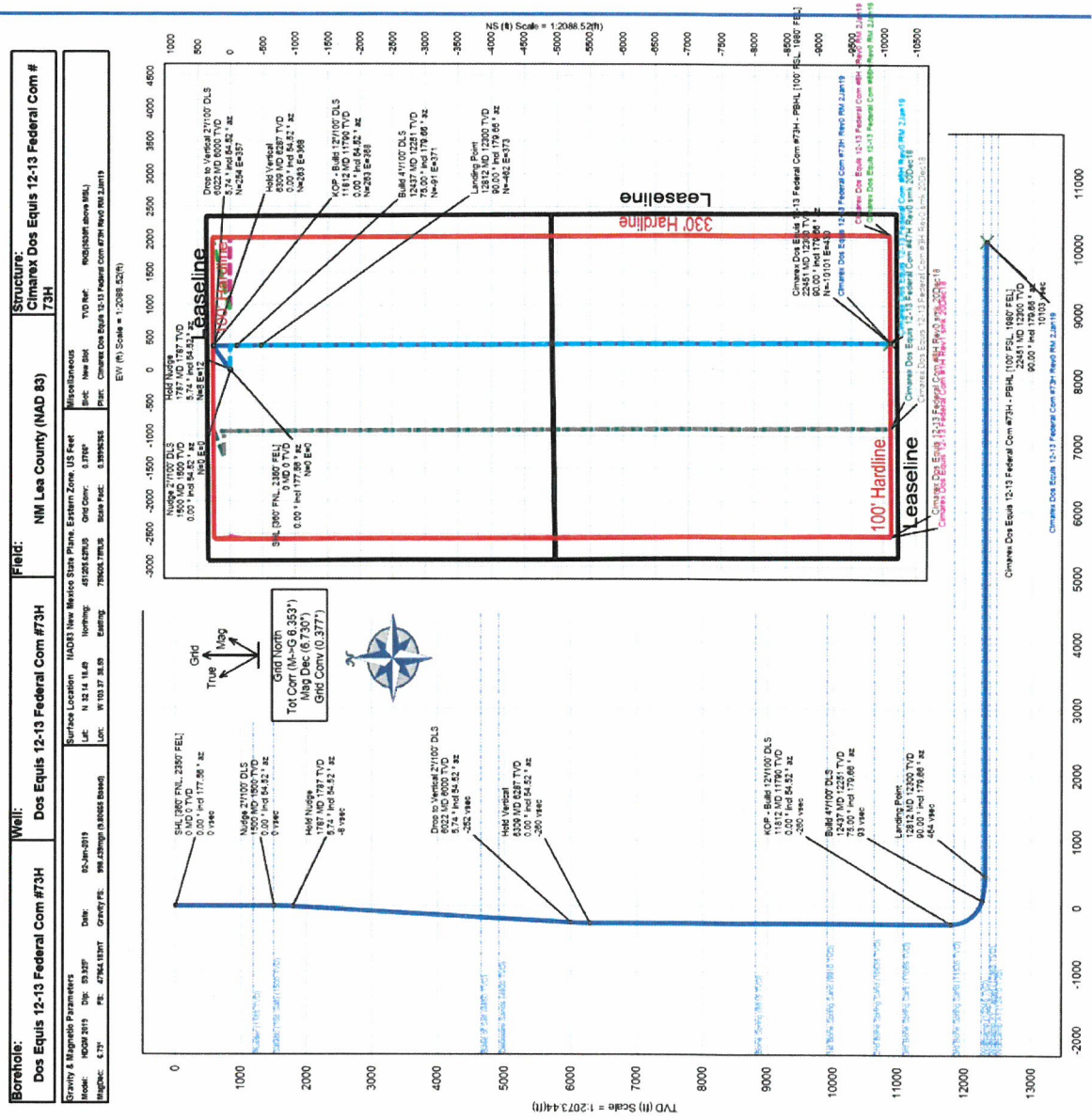
Cimarex Energy

Borehole: Dos Equis 12-13 Federal Com #47H	Well: Dos Equis 12-13 Federal Com #47H	Field: NM Lea County (NAD 83)	Structure: Cimarron Dos Equis 12-13 Federal Com #47H
Gravity & Magnetic Parameters			
Date:	25-06-2018		
Model:	199.1527		
MagDate:	11-07-2018		
Gravity F/B:	47969.0717		
Mag F/B:	994.23869 (in Gauss) BaseRef:		





Cimarex Energy



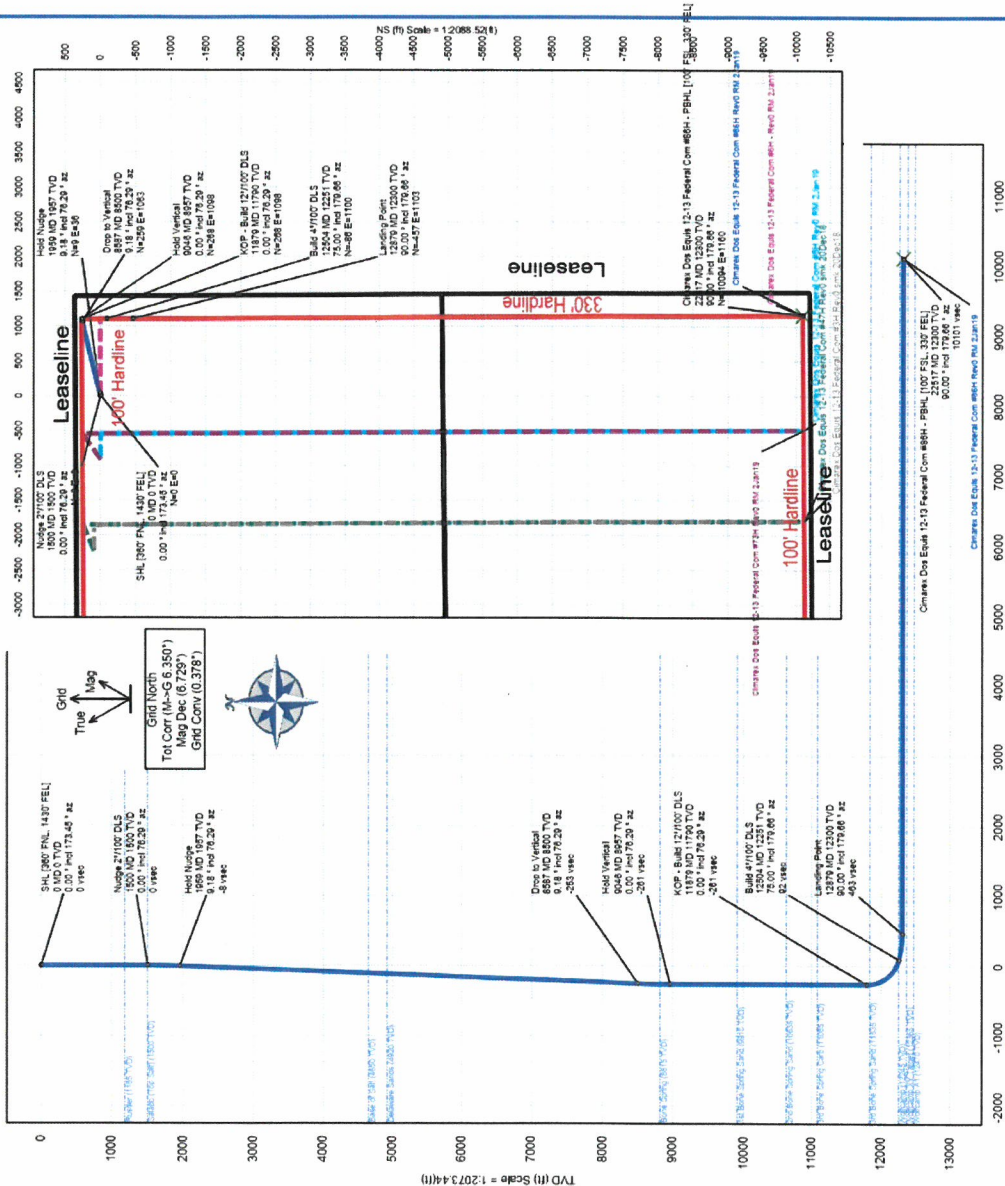
Dos Equis 12-13 Fed Com 86H Wellbore Diagram



Cimarex Energy Rev 0



Borehole:		Well:		Field:		Structure:	
Dos Equis 12-13 Federal Com #86H		Dos Equis 12-13 Federal Com #86H		NM Lea County (NAD 83)		Cimarex Dos Equis 12-13 Federal Com #86H	
Gravity & Magnetic Parameters		Borehole Location		Magnetic Data		Well Data	
Model:	WGS 84	Date:	05-Jun-2019	Lat:	31.52 14.18	Long:	102.52 14.18
MagDec:	4.72°	FE:	ATLAS/2007	Grav:	9.806661	Scale:	1:2000



**STATE OF NEW MEXICO
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**APPLICATION OF CIMAREX
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CASE NO. 20305

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POOLING, LEA COUNTY,
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CASE NO. 20306

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

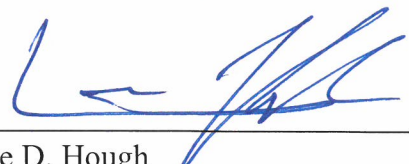
CASE NO. 20307

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

CASE NO. 20308

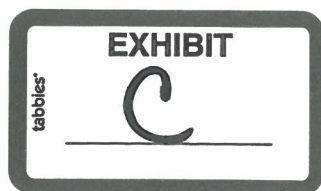
STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

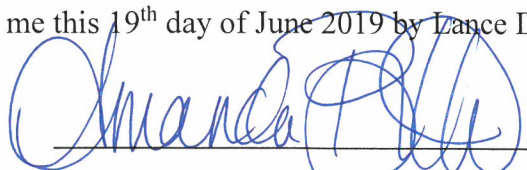
Lance D. Hough, attorney in fact and authorized representative of Cimarex Energy Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under the notice letters and that proof of receipts are attached hereto. Cimarex Energy Co. has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the application filed herein.



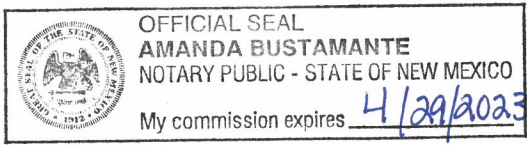
Lance D. Hough

SUBSCRIBED AND SWORN to before me this 19th day of June 2019 by Lance D. Hough.





SEAL



Notary Public

My commission expires: 4-29-2023

Leslie Morse
Modrall Sperlberg Law Firm
P.O. Box 2168
500 4th St., NW, Suite 1000
Albuquerque NM 87103-2168

PS Form 3877

Type of Mailing: CERTIFIED
02/15/2019



Firm Mailing Book ID: 161008

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0055 8732 40	Chevron USA Inc. 1400 Smith Street Houston TX 77002	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
2	9314 8699 0430 0055 8732 57	ConocoPhillips Company 600 N. Dairy Ashford Rd. Houston TX 77079	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
3	9314 8699 0430 0055 8732 64	Devon Energy Production Co., LP 333 W. Sheridan Ave. Oklahoma City OK 73102	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
4	9314 8699 0430 0055 8732 71	COG Operating LLC and Concho Oil & Gas 600 W. Illinois Midland TX 79701	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
5	9314 8699 0430 0055 8732 88	Anna A. Nearburg, now Anna A. Reischman 8523 Thackery Street, #9301 Dallas TX 79702	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
6	9314 8699 0430 0055 8732 95	Santa Elena Minerals IV LP P.O. Box 2063 Midland TX 79702	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
7	9314 8699 0430 0055 8733 01	United States of America Bureau of Land Management 1474 Rodeo Road Santa Fe NM 87505	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
8	9314 8699 0430 0055 8733 18	Brigham Young University J. Reuben Clark Law School 341 East Campus Drive Provo UT 84602	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
9	9314 8699 0430 0055 8733 25	Primary Children's Medical Center Foundation P.O. Box 413168 Salt Lake City UT 84141	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
10	9314 8699 0430 0055 8733 32	Gretchen B. Nearburg, wife of Eugene E. Nearburg, deceased 1129 Challenger Lakeway TX 78734	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
11	9314 8699 0430 0055 8733 49	Pitch Energy P.O. Box 304 Artesia NM 88211-8304	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
12	9314 8699 0430 0055 8733 56	James Briscoe, c/o McCormick, Caraway Firm BUJAC Building, 112 North Canyon P.O. Box 1718 Carlsbad NM 88221-1718	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
13	9314 8699 0430 0055 8733 63	Patsy Scrimshire c/o McCormick, Caraway Firm BUJAC Building, 112 North Canyon P.O. Box 1718 Carlsbad NM 88221-1718	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
14	9314 8699 0430 0055 8733 70	Ora Carol Pennington c/o McCormick Caraway Tabor BUJAC Building, 112 North Canyon P.O. Box 1718 Carlsbad NM 88221-1718	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice

Leslie Morse
 Modrall Sperling Law Firm
 P.O. Box 2168
 500 4th St., NW, Suite 1000
 Albuquerque NM 87103-2168

PS Form 3877

Type of Mailing: CERTIFIED
 02/15/2019



Firm Mailing Book ID: 161008

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
15	9314 8699 0430 0055 8733 87	Duane A. Davis, Attorney-in-Fact for Anna A. Reischman P.O. Box 823085 Dallas TX 75382-3085	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
16	9314 8699 0430 0055 8733 94	Robert Erle Payne, deceased P.O. Box 577 Hermosa Beach CA 90254	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
17	9314 8699 0430 0055 8734 00	Carol Wright Bailey 310 S. "I" Street Midland TX 79701	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
18	9314 8699 0430 0055 8734 17	Shelly Wright Hickman 411 S "M" Street Midland TX 79701	\$2.05	\$3.50	\$1.60	82762-0172	\$0.00 Notice
Totals:			\$36.90	\$63.00	\$28.80		
						Grand Total:	\$128.70

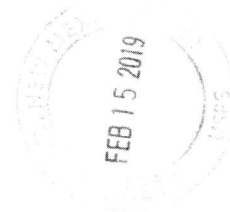
Dated:

List Number of Pieces
 Listed by Sender

Total Number of Pieces
 Received at Post Office

Postmaster:

Name of receiving employee



Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 161008
Generated: 6/19/2019 3:02:21 PM

USPS Article Number	Date Created	Name 1	Name 2	Address	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300055873417	2019-02-15 8:47 AM	Shelly Wright Hickman		411 S "M" Street	Midland	TX	79701	Delivered	Return Receipt - Electronic	02-19-2019
9314869904300055873400	2019-02-15 8:47 AM	Carol Wright Bailey		310 S. "I" Street	Midland	TX	79701	Delivered	Return Receipt - Electronic	02-19-2019
9314869904300055873394	2019-02-15 8:47 AM	Robert Erle Payne, deceased		P.O. Box 577	Hermosa Beach	CA	90254	Delivered	Return Receipt - Electronic	03-13-2019
9314869904300055873387	2019-02-15 8:47 AM	Duane A. Davis, Attorney-in-Fact	for Anna A. Reischman	P.O. Box 823085	Dallas	TX	75382-3085	Delivered	Return Receipt - Electronic	02-19-2019
9314869904300055873370	2019-02-15 8:47 AM	Ora Carol Pennington c/o McCormick Caraway Tabor	BUJAC Building, 112 North Canyon	P.O. Box 1718	Carlsbad	NM	88221-1718	Delivered	Return Receipt - Electronic	02-19-2019
9314869904300055873363	2019-02-15 8:47 AM	Patsy Scrimshire c/o McCormick, Caraway Firm	BUJAC Building, 112 North Canyon	P.O. Box 1718	Carlsbad	NM	88221-1718	Delivered	Return Receipt - Electronic	02-19-2019
9314869904300055873356	2019-02-15 8:47 AM	James Briscoe, c/o McCormick, Caraway Firm	BUJAC Building, 112 North Canyon	P.O. Box 304	Artesia	NM	88211-8304	Returned to Sender	Return Receipt - Electronic	02-19-2019
9314869904300055873349	2019-02-15 8:47 AM	Pitch Energy	Nearburg, deceased	1129 Challenger	Lakeway	TX	78734	Delivered	Return Receipt - Electronic	02-23-2019
9314869904300055873332	2019-02-15 8:47 AM	Gretchen B. Nearburg, wife of Eugene E.		P.O. Box 413168	Salt Lake City	UT	84141	Delivered	Return Receipt - Electronic	02-20-2019
9314869904300055873325	2019-02-15 8:47 AM	Primary Children's Medical Center Foundation		341 East Campus Drive	Provo	UT	84602	Delivered	Return Receipt - Electronic	02-20-2019
9314869904300055873318	2019-02-15 8:47 AM	Brigham Young University	J. Reuben Clark Law School	1474 Rodeo Road	Santa Fe	NM	87505	Lost	Return Receipt - Electronic	02-20-2019
9314869904300055873301	2019-02-15 8:47 AM	United States of America	Bureau of Land Management	P.O. Box 2063	Midland	TX	79702	Delivered	Return Receipt - Electronic	02-20-2019
9314869904300055873295	2019-02-15 8:47 AM	Santa Elena Minerals IV LP		8523 Thackerly Street, #9301	Dallas	TX	79702	Delivered	Return Receipt - Electronic	03-12-2019
9314869904300055873288	2019-02-15 8:47 AM	Anna A. Nearburg, now Anna A. Reischman		600 W. Illinois	Midland	TX	79701	Delivered	Return Receipt - Electronic	02-19-2019
9314869904300055873271	2019-02-15 8:47 AM	COG Operating LLC and Concho Oil & Gas		333 W. Sheridan Ave.	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	02-19-2019
9314869904300055873264	2019-02-15 8:47 AM	Devon Energy Production Co., LP		600 N. Dairy Ashford Rd.	Houston	TX	77079	Lost	Return Receipt - Electronic	02-19-2019
9314869904300055873257	2019-02-15 8:47 AM	ConocoPhillips Company		1400 Smith Street	Houston	TX	77002	Delivered	Return Receipt - Electronic	02-20-2019
9314869904300055873240	2019-02-15 8:47 AM	Chevron USA Inc.								

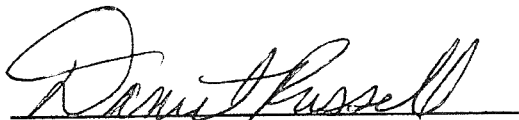
Affidavit of Publication

LEGAL NOTICE
FEBRUARY 21, 2019

STATE OF NEW MEXICO
COUNTY OF LEA

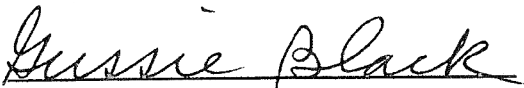
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 21, 2019
and ending with the issue dated
February 21, 2019.



Publisher

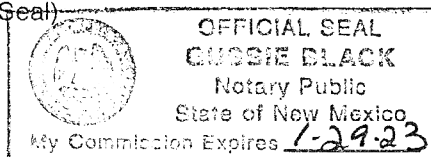
Sworn and subscribed to before me this
21st day of February 2019.



Business Manager

My commission expires
January 29, 2023

(Seal)



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

CASE NO. 20306: Notice to all affected parties, as well as the heirs and devisees of Chevron USA Inc.; ConocoPhillips Company; Devon Energy Production Co., LP; COG Operating LLC and Concho Oil & Gas; Anna A. Nearburg, now Anna A. Reischman; Santa Elena Minerals IV LP; United States of America, Bureau of Land Management; Brigham Young University; J Reuben Clark Law School; Primary Children's Medical Center Foundation; Gretchen B. Nearburg, wife of Eugene E. Nearburg, deceased; Pitch Energy; James Briscoe, c/o McCormick, Caraway Firm; Patsy Scrimshire c/o McCormick, Caraway Firm; Ora Carol Pennington c/o McCormick Caraway Tabor; Duane A. Davis, Attorney-in-Fact for Anna A. Reischman; Robert Erle Payne, deceased; Carol Wright Bailey; Shelly Wright Hickman; James H. Briscoe, heir of John Lawton Briscoe; James H. Briscoe; Patsy M. Scrimshire; Ora Carol Pennington of Cimarex Energy Co.'s application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 7, 2019. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 W/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Dos Equis 12-13 Federal Com 47H well, to be horizontally drilled. The producing area for this well will be orthodox. 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 26 miles southwest of Hobbs, New Mexico.

CASE NO. 20307: Notice to all affected parties, as well as the heirs and devisees of Chevron USA Inc.; ConocoPhillips Company; Devon Energy Production Co., LP; COG Operating LLC and Concho Oil & Gas; Anna A. Nearburg, now Anna A. Reischman; Santa Elena Minerals IV LP; United States of America, Bureau of Land Management; Brigham Young University; J Reuben Clark Law School; Primary Children's Medical Center Foundation; Gretchen B. Nearburg, wife of Eugene E. Nearburg, deceased; Pitch Energy; James Briscoe, c/o McCormick, Caraway Firm; Patsy Scrimshire c/o McCormick, Caraway Firm; Ora Carol Pennington c/o McCormick Caraway Tabor; Duane A. Davis, Attorney-in-Fact for Anna A. Reischman; Robert Erle Payne, deceased; Carol Wright Bailey; Shelly Wright Hickman; James H. Briscoe, heir of John Lawton Briscoe; James H. Briscoe; Patsy M. Scrimshire; Ora Carol Pennington of Cimarex Energy Co.'s application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 7, 2019. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Dos Equis 12-13 Federal Com 73H well, to be horizontally drilled. The producing area for this well will be orthodox. 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 26 miles southwest of Hobbs, New Mexico.

CASE NO. 20308: Notice to all affected parties, as well as the heirs and devisees of Chevron USA Inc.; ConocoPhillips Company; Devon Energy Production Co., LP; COG Operating LLC and Concho Oil & Gas; Anna A. Nearburg, now Anna A. Reischman; Santa Elena Minerals IV LP; United States of America, Bureau of Land Management; Brigham Young University; J Reuben Clark Law School; Primary Children's Medical Center Foundation; Gretchen B. Nearburg, wife of Eugene E. Nearburg, deceased; Pitch Energy; James Briscoe, c/o McCormick, Caraway Firm; Patsy Scrimshire c/o McCormick, Caraway Firm; Ora Carol Pennington c/o McCormick Caraway Tabor; Duane A. Davis, Attorney-in-Fact for Anna A. Reischman; Robert Erle Payne, deceased; Carol Wright Bailey; Shelly Wright Hickman; James H. Briscoe, heir of John Lawton Briscoe; James H. Briscoe; Patsy M. Scrimshire; Ora Carol Pennington of Cimarex Energy Co.'s application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 7, 2019. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 E/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Dos Equis 12-13 Federal Com 86H well, to be horizontally drilled. The producing area for this well will be orthodox. 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 26 miles southwest of Hobbs, New Mexico.

CASE NO. 20305: Notice to all affected parties, as well as the heirs and devisees of Chevron USA Inc.; ConocoPhillips Company; Devon Energy Production Co., LP; COG Operating LLC and Concho Oil & Gas; Anna A. Nearburg, now Anna A. Reischman; Santa Elena Minerals IV LP; United States of America, Bureau of Land Management; Brigham Young University; J Reuben Clark Law School; Primary Children's Medical Center Foundation; Gretchen B. Nearburg, wife of Eugene E. Nearburg, deceased; Pitch Energy; James Briscoe, c/o McCormick, Caraway Firm; Patsy Scrimshire c/o McCormick, Caraway Firm; Ora Carol Pennington c/o McCormick Caraway Tabor; Duane A. Davis, Attorney-in-Fact for Anna A. Reischman; Robert Erle Payne, deceased; Carol Wright Bailey; Shelly Wright Hickman; James H. Briscoe, heir of John Lawton Briscoe; James H. Briscoe; Patsy M. Scrimshire; Ora Carol Pennington of Cimarex Energy Co.'s application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 7, 2019. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 W/2 of Sections 12 and 13, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Dos Equis 12-13 Federal Com 8H well, to be horizontally drilled. The producing area for this well will be orthodox. 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 26 miles southwest of Hobbs, New Mexico.

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