<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

811 S. First St., Artesia, NM 88210

<u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410

<u>District IV</u>
1220 S. St Francis Dr, Santa Fe, NM

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

# OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)									
OPERATOR NAME: Cimarex Energy Co.									
OPERATOR ADDRESS: 600 N. Marienfeld, Suite 600, Midland, TX 79701									
APPLICATION TYPE:									
Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)									
LEASE TYPE:	State  Fede								
Is this an Amendment to existing Order? \( \subseteq \text{Yes} \) No \( \text{If "Yes", please include the appropriate Order No. \( \subseteq \text{Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling \( \subseteq \text{Yes} \) \( \subseteq \text{No} \)									
(A) POOL COMMINGLING Please attach sheets with the following information									
Gravities / BTU of Calculated Gravities / Calculated Value of									
(1) Pool Names and Codes	Non-Commingled Production	BTU of Commingled Production		Commingled Production	Volumes				
<ul> <li>(2) Are any wells producing at top allowables? ☐ Yes ☐ No</li> <li>(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.</li> <li>(4) Measurement type: ☐ Metering ☐ Other (Specify)</li> <li>(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved</li> </ul>									
(B) LEASE COMMINGLING Please attach sheets with the following information									
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source of</li> <li>Has all interest owners been notified by</li> <li>Measurement type:  Metering  </li> </ol>	certified mail of the proj		☑Yes □N	0					
	(C) POOL and	LEASE COMMIN	GLING						
	Please attach sheet	ts with the following in	nformation						
(1) Complete Sections A and E.									
(I	*	TORAGE and MEA							
(1) Is all production from same source of									
(2) Include proof of notice to all interest of	owners.								
(E) Al		ORMATION (for all its with the following in		ypes)					
(1) A schematic diagram of facility, including legal location. (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. (3) Lease Names, Lease and Well Numbers, and API Numbers.									
I hereby certify that the information above is	s true and complete to the	best of my knowledge an	d belief.						
SIGNATURE: 3	T	ITLE: Regulatory Anal	yst	DATE:_ <u>11/16</u>	6/2022				
TYPE OR PRINT NAME Brittany Gordo	n		TEL	EPHONE NO.: 432-57	71-7800				
E-MAIL ADDRESS: brittany.gordon@c	oterra.com								



The James 19 & 20-29 CTB will be a 5-well facility. The facility will have the following wells producing to it:

- James 19 Federal 31H
- James 19 Federal 34H
- James 20-29 Fed Com 37H

- James 20-29 Fed Com 38H
- James 20-29 Fed Com 39H

#### PRODUCTION ALLOCATION

Production from each of the referenced wells enters its own individual separator. Each separator has its own Coriolis meter for oil, mag meter for water, and orifice meter for gas.

After separation, each oil stream flows through the commingled heater treater and then to the tanks before being measured by a LACT unit. The LACT unit will serve as the oil FMP.

The Gas from each separator flow through its own allocation orifice meter then flows to the gas FMP.

#### **Allocation Method:**

#### Oil Production:

Oil will be allocated daily to the well based upon the daily Coriolis meter volume. The meter is a Micro Motion Coriolis meter. Each well will have a daily factor that is a percentage of the total Coriolis volume for all referenced wells. The factor obtained from the test meter will be used to allocate the oil production volumes sold through the LACT.

### Gas Production:

Gas will be allocated daily to the well based upon the daily allocation gas meter volume. The meter is an orifice meter. Each well will have a daily factor that is a percentage of the total allocation meter volume for all referenced wells. The factor obtained from each allocation meter will be used to allocate the gas sales volumes sold through the gas sales meter. The meters will be calibrated on a regulator basis per API, NMOCD, and BLM specifications.

#### **Additional Application Components:**

The flow of production details is outlined on the enclosed facility diagram.

Commingling the production is the most effective means of producing the reserves. Cimarex understand the requested approval will not constitute the granting of any right of way or construction rights not granted by the lease instrument.

NMOCD does not require notification for projects with identical ownership.

The BLM and NMOCD will be notified of any changes to the CTB.



Coterra Energy Inc. 600 N. Marienfeld Street Suite 600 Midland, TX 79701 T 432-571-7800 F 432-571-7832 coterra.com

Cimarex Energy Co.

11/18/2022

Attn: Mr. Dean McClure

1220 S. St. Francis Dr.

Santa Fe, New Mexico 87505

Subject: Application for Pool & Lease Commingling at Common Central Tank Battery

Lease: James 19 Federal & 20-29 Federal Com

Pool: Sand Dunes; Bone Spring South

Mr. McClure,

Pursuant to Division Rule 19.15.12.10, Cimarex Energy Co. respectfully requests administrative approval to Pool and Lease Commingle at a Common Central Tank Battery.

The Commingling and Allocation Approval (CAA) will not negatively affect the royalty revenue or reduce the total remaining production value.

Each well is metered individually. This action will prevent waste, promote conservation and protect correlative rights. The James 19 & 20-29 Federal Com battery is located in Section 18,T23S, R32E, Lea County, New Mexico.

These wells are operated by Cimarex Energy Co. with diverse ownership. There are 2 Federal leases and 1 proposed communitization agreements involved. Pursuant to Division Rule 19.15.12.10, the interest owners that are to be notified are listed and are being sent a copy of this application by certified mail with return receipt.

#### Also Attached:

- NMOCD Form C-107B
- NMOCD Administrative Application Checklist
- Summary Detail
- Lease plat shows boundaries, State Lease numbers, facility, wellhead and path of production
- Facility Diagram
- NMOCD form C-102 well plats for each well
- A copy of notice letter to interest owners and a copy of certified mail, return receipt request
- Copy of BLM sundry submittal

We respectfully request authority to add additional wells contained within the lease identified and approved in this application by filing a Subsequent Report Sundry to the Bureau of Land Management for Federal and filing a C-103Z and C-102 with the NMOVD. Notice to owners shall not be required when amending the application after previously approved for commingling authority.



Coterra Energy Inc. 600 N. Marienfeld Street Suite 600 Midland, TX 79701 T 432-571-7800 F 432-571-7832 coterra.com

Pursuant to Statewide Rule 19.15.12.10 (C)(4)(g) we respectfully request the option to include additional production from the pools or leases listed in this application.

Thank you,

Brittany Gordon

Regulatory Analyst

432-620-1960

brittany.gordon@coterra.com

Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.

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District II

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District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St Francis Dr, Santa Fe, NM

State of New Mexico
Energy, Minerals and Natural Resources Department

# OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Form C-107-B Revised August 1, 2011

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

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<ol> <li>Pool Name and Code.</li> <li>Is all production from same source of</li> <li>Has all interest owners been notified by</li> <li>Measurement type:  Metering  </li> </ol>	certified mail of the proj		☑Yes □N	0					
	(C) POOL and	LEASE COMMIN	GLING						
	Please attach sheet	ts with the following in	nformation						
(1) Complete Sections A and E.									
(I	*	TORAGE and MEA							
(1) Is all production from same source of									
(2) Include proof of notice to all interest of	owners.								
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(1) A schematic diagram of facility, including legal location. (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. (3) Lease Names, Lease and Well Numbers, and API Numbers.									
I hereby certify that the information above is	s true and complete to the	best of my knowledge an	d belief.						
SIGNATURE: 3	T	ITLE: Regulatory Anal	yst	DATE:_ <u>11/16</u>	6/2022				
TYPE OR PRINT NAME Brittany Gordo	n		TEL	EPHONE NO.: 432-57	71-7800				
E-MAIL ADDRESS: brittany.gordon@c	oterra.com								

RECEIVED:	REVIEWER:	TYPE:	APP NO	):
	- Geologia 1220 South St. Fr	co OIL CONSE cal & Enginee ancis Drive, Sa	· 	7505
THIS C	ADMINISTR CHECKLIST IS MANDATORY FOR AL REGULATIONS WHICH RE	L ADMINISTRATIVE AP		PTIONS TO DIVISION RULES AND
Applicant:				OGRID Number:
lell Name:				API:
001:				Pool Code:
SUBMIT ACCURA	ATE AND COMPLETE INF	ORMATION RE INDICATED E		CESS THE TYPE OF APPLICATION
A. Location  B. Check o  I] Com	ne only for [ I ] or [ II ] mingling – Storage – M ] DHC □CTB □P	easurement	ation  NSP(PRORATION UNIT)  OLS OLM	М
2) NOTIFICATION  A.  Offset  B. Royal  C. Applic  D. Notific  E. Notific	tion - Disposal - Pressum WFX PMX SN  I REQUIRED TO: Check operators or lease holy, overriding royalty or cation requires published ation and/or concurred cation and/or concurred to the concurr	WD □IPI   those which ap ders wners, revenue ed notice ent approval b	□ EOR □ PPF  oply.  owners  y SLO	
G.☐ For all	of the above, proof o tice required	f notification o	r publication is a	attached, and/or,
administrative understand th	N: I hereby certify that approval is accurate at no action will be tale re submitted to the Div	and <b>complete</b> ken on this app	to the best of m	• •
No	ote: Statement must be comple	ted by an individua	with managerial and	I/or supervisory capacity.
			Date	
Print or Type Name				
B	Dodan		Phone Nu	ımber

e-mail Address

Signature

To Company Name	To Name	To Address Line 1	To Address Line2	To City	To State	To ZIP	To ZIP4 PIC status
	ALPHA ENERGY PARTNERS LLC	P O BOX 10701		MIDLAND	TX	79702	_9407111898765811716312 Approved
	BALL OIL & GAS LLC	PO BOX 1401		ROSWELL	NM	88202	1401 _9407111898765811716350 Approved
	BARY RAZI	PO BOX 261968		ENCINO	CA	91426	1968 _9407111898765811716367 Approved
PLAINS CAPITAL BANK AGENT 3707	CALVIN AND ANN KIMBROUGH REV TST	CAMP BOWIE BLVD	SUITE 220	FORT WORTH	TX	76107	_9407111898765811716305 Approved
	CAPITAN MOUNTAIN OIL & GAS LLC	PO BOX 1401		ROSWELL	NM	88202	1401 _9407111898765811716398 Approved
	CENTENNIAL LLC	PO BOX 1837		ROSWELL	NM	88202	1837 _9407111898765811716381 Approved
	CIMAREX ENERGY CO	202 S CHEYENNE AVE	SUITE 1000	TULSA	OK	74103	3001 _9407111898765811716336 Approved
	EARL A LATIMER III & KATHERINE S	1908 W 27TH ST		ROSWELL	NM	88201	_9407111898765811716374 Approved
	EOG RESOURCES INC	PO BOX 840321		DALLAS	TX	75284	321 _9407111898765811716015 Approved
	FORTE ENERGY CORPORATION	3840 WINDSOR LANE		DALLAS	TX	75205	_9407111898765811716053 Approved
	GERALD & MARTHA G CHILDRESS	PO BOX 3354		ROSWELL	NM	88202	3354 _9407111898765811716060 Approved
	H LEE & JOANNE W HARVARD TRUST	PO BOX 936		ROSWELL	NM	88202	936 _9407111898765811716008 Approved
	HARVARD PETROLEUM CO LLC	PO BOX 936		ROSWELL	NM	88202	936 _9407111898765811716091 Approved
	HAR-VEST LLC	PO BOX 936		ROSWELL	NM	88202	936 _9407111898765811716046 Approved
	J 4 FAMILY LP	PO BOX 936		ROSWELL	NM	88202	936 _9407111898765811716039 Approved
	LARRY G ENGWALL & BRENDA J BRYANT	1961 LA CUESTA DRIVE		SANTA ANNA	CA	92705	_9407111898765811716077 Approved
	MARKER PETROLEUM INC	4637 EAST 91ST STREET		TULSA	OK	74137	_9407111898765811716459 Approved
OFFICE OF NATURAL RESOURCES REVENUE	ONRR-PAYOR ID 72254 FED	PO BOX 25627		DENVER	CO	80225	627 _9407111898765811716466 Approved
	PATRICIA DARLENE RODAK	P O BOX 2631		ROSWELL	NM	88202	2631 _9407111898765811716404 Approved
	PATRICK J F GRATTON & JEAN M	PO BOX 190599		DALLAS	TX	75219	599 _9407111898765811716442 Approved
	RLP INDUSTRIES INC	114 FAWNLAKE DRIVE		HOUSTON	TX	77079	_9407111898765811716435 Approved
	ROBERT J GALLIVAN JR & BARBARA	4744 WESTMINSTER CIRCLE		ST PAUL	MN	55122	_9407111898765811716473 Approved
	SHAHROKH RAZI	PO BOX 25433		LOS ANGELES	CA	90025	5433 _9407111898765811716510 Approved
	STEVEN ENGWALL	2707 DUVAL DR		DALLAS	TX	75214	_9407111898765811716558 Approved
	TARA N FEDRIC LIVING TRUST	404 SAN BRUNO DR		GARLAND	TX	75043	_9407111898765811716565 Approved
	TUMBLER ENERGY PARTNERS LLC	PO BOX 50938		MIDLAND	TX	79710	938 _9407111898765811716527 Approved

# **LEGAL NOTICE**November 20, 2022

Notice of Application for Surface & Pool Commingle

STATE OF NEW MEXICO ENERGY, MINERAL AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

# STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following and notice to the public.

(Note: All land descriptions herein refer to the New Mexico, Principal Meridian whether or not so stated.)

Lease: James 19 & 20-29 Federal Com

Application of Cimarex Energy Co. for Approval of Surface & Pool Commingle, Lea County, New Mexico.

Application seeks authority to surface & pool commingle production.

Pursuant to Statewide Rule 19.15.12.10 (C)(4)(g), Cimarex requests the option to include additional pools and/or leases with the defined parameters set forth in the order for future additions.

Location: Section 18, 19 & 20; Township 23S; Range 32E; Lea County, New Mexico

Pool: [53805] SAND DUNES; BONE SPRING, SOUTH

Applicant: Cimarex Energy Co., Attn: Brittany Gordon, 600 N. Marienfeld Street, Suite 600, Midland, Texas 79701.

Interested parties must file objections or requests for hearing in writing with the divisions Santa Fe Office within 20 days of this publication, or the division may approve this application.



The James 19 & 20-29 CTB will be a 5-well facility. The facility will have the following wells producing to it:

- James 19 Federal 31H
- James 19 Federal 34H
- James 20-29 Fed Com 37H

- James 20-29 Fed Com 38H
- James 20-29 Fed Com 39H

#### **PRODUCTION ALLOCATION**

Production from each of the referenced wells enters its own individual separator. Each separator has its own Coriolis meter for oil, mag meter for water, and orifice meter for gas.

After separation, each oil stream flows through the commingled heater treater and then to the tanks before being measured by a LACT unit. The LACT unit will serve as the oil FMP.

The Gas from each separator flow through its own allocation orifice meter then flows to the gas FMP.

#### **Allocation Method:**

#### Oil Production:

Oil will be allocated daily to the well based upon the daily Coriolis meter volume. The meter is a Micro Motion Coriolis meter. Each well will have a daily factor that is a percentage of the total Coriolis volume for all referenced wells. The factor obtained from the test meter will be used to allocate the oil production volumes sold through the LACT.

### Gas Production:

Gas will be allocated daily to the well based upon the daily allocation gas meter volume. The meter is an orifice meter. Each well will have a daily factor that is a percentage of the total allocation meter volume for all referenced wells. The factor obtained from each allocation meter will be used to allocate the gas sales volumes sold through the gas sales meter. The meters will be calibrated on a regulator basis per API, NMOCD, and BLM specifications.

#### **Additional Application Components:**

The flow of production details is outlined on the enclosed facility diagram.

Commingling the production is the most effective means of producing the reserves. Cimarex understand the requested approval will not constitute the granting of any right of way or construction rights not granted by the lease instrument.

NMOCD does not require notification for projects with identical ownership.

The BLM and NMOCD will be notified of any changes to the CTB.

www.permianls.com 575.397.3713 2609 W Marland Hobbs NM 88240



6096G NCP1471338 James 19 Fed 31H-34H CDP Sample Point Code Sample Point Name Sample Point Location **Laboratory Services** 2022050460 2298 J Thorn - Spot Lab File No Source Laboratory Container Identity Sampler USA **USA USA** New Mexico Area Name Field Name Facility Name Jan 11, 2022 09:00 Jan 11, 2022 09:00 Jan 18, 2022 10:40 Jan 18, 2022 Date Sampled Date Effective Date Received Date Reported 46.00 1,860.40 Luis 1036 @ 99 Ambient Temp (°F) Flow Rate (Mcf) Analyst Press PSI @ Temp °F Source Conditions Coterra NG Lab Source Description Operator Gross Heating Values (Real, BTU/ft3) Normalized **Un-Normalized** Component **GPM** 14.696 PSI @ 60.00 °F Mol % Mol % 14.73 PSI @ 60.00 °F Drv Saturated Drv Saturated 0.0010 0.001 H2S (H2S) 1,138.8 1,120.4 1,123.0000 1,141.4 2.2110 2.21135 Nitrogen (N2) Calculated Total Sample Properties 8.0780 8.07784 CO2 (CO2) GPA2145-16 \*Calculated at Contract Conditions Relative Density Real Relative Density Ideal 71.8740 71.87428 Methane (C1) 0.7903 0.7878 Molecular Weight 9.8360 9.83619 2.6300 Ethane (C2) 22.8223 5.0460 5.04591 1.3900 Propane (C3) C6+ Group Properties 0.5920 0.59207 0.1940 I-Butane (IC4) Assumed Composition 1.3660 0.4310 1.36624 N-Butane (NC4) C6 - 60.000% C7 - 30.000% C8 - 10.000%

0.1150

0.1130

0.1610

5.0340

Method(s): Gas C6+ - GPA 2261, Extended Gas - GPA 2286, Calculations - GPA 2172

I-Pentane (IC5)

N-Pentane (NC5)

Hexanes Plus (C6+)

**TOTAL** 

Δnal	/7er	Inform	ation
Allal	Zei	THIOHI	iation

0.3150

0.3110

0.3700

100.0000

0.31472

0.31114

0.37026

100.0010

Device Type: Gas Chromatograph Device Make: Shimadzu Device Model: GC-2014 Last Cal Date: Jan 3, 2022 PROTREND STATUS:

**DATA SOURCE:** 

Field H2S

7 PPM

Passed By Validator on Jan 19, 2022 Imported

#### PASSED BY VALIDATOR REASON:

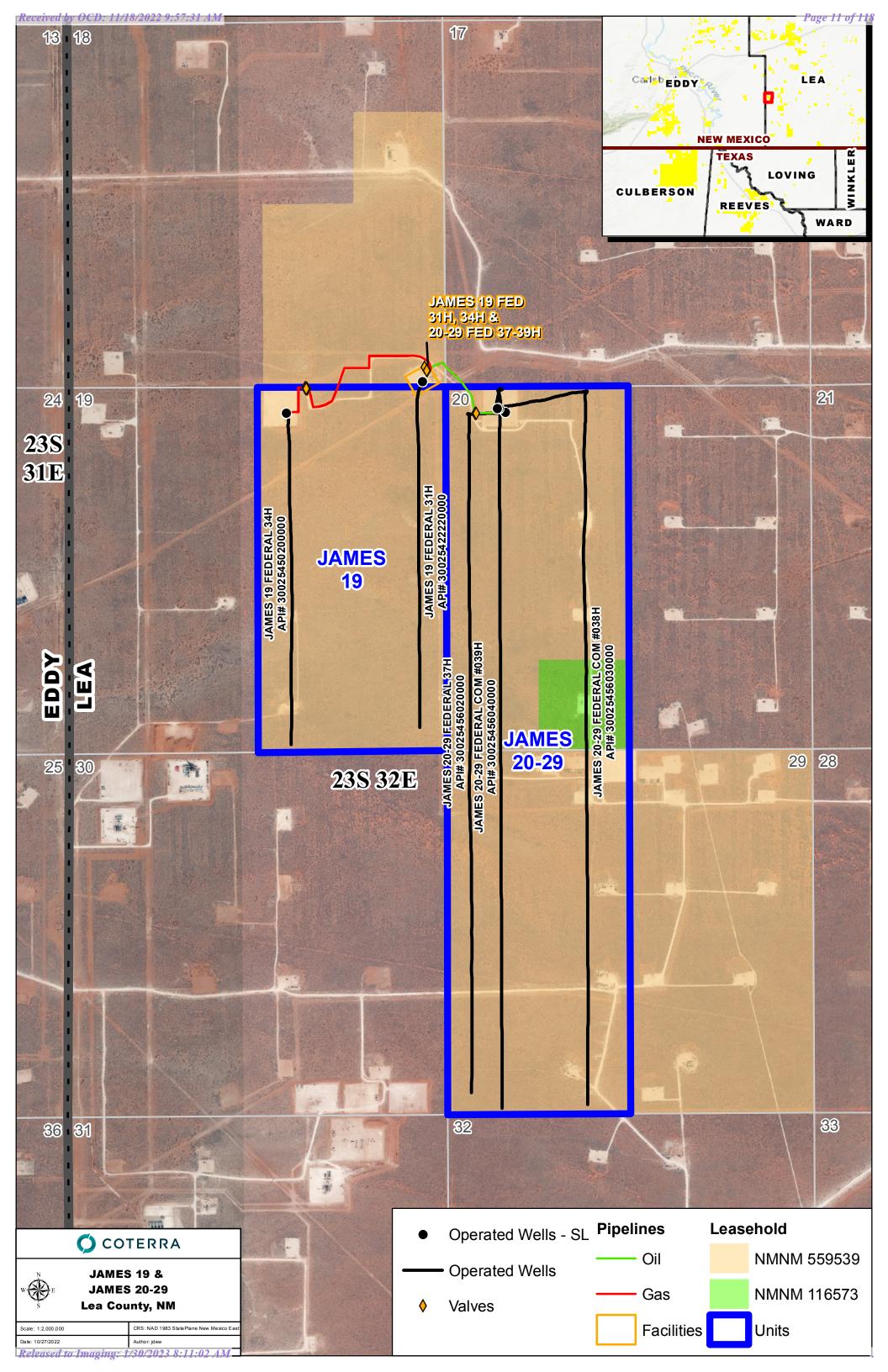
Close enough to be considered reasonable.

#### VALIDATOR:

Luis Cano

### **VALIDATOR COMMENTS:**

OK





Page 1

Application for Commingling and Allocation Approval
James 19 & 20-29 Federal Com Facility
Section 18, T23S, R32E
Lease Table
Exhibit 1

							Type of
	Well						Production
Well Name	Number	API	Formation	Comm Agreement	Federal Lease(s)	Federal Royalty	Commingle
James 19 Federal 31H	31	30-025-42222	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas
James 19 Federal 34H	34	30-025-45020	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas
James 20-29 Federal Com 37H	37	30-025-45602	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas
James 20-29 Federal Com 38H	38	30-025-45603	Bone Springs	Proposed Comm Agreement - James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29	NMNM0559539, NMNM116573	12.5%	Oil, Water, Gas
James 20-29 Federal Com 39H	39	30-025-45604	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas

Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.

District I

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

ION

OCD - HOBBS

OA|17|2020

RECEIVED

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

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-45602	ſ	<sup>2</sup> Pool Code 53805	Sand Dunes; Bone Spring , South	KZ
<sup>4</sup> Property Code 313723		JAMES 20	<sup>6</sup> Well Number 37H	
<sup>7</sup> OGRID No. 215099			Operator Name LEX ENERGY CO.	<sup>9</sup> Elevation 3677.6

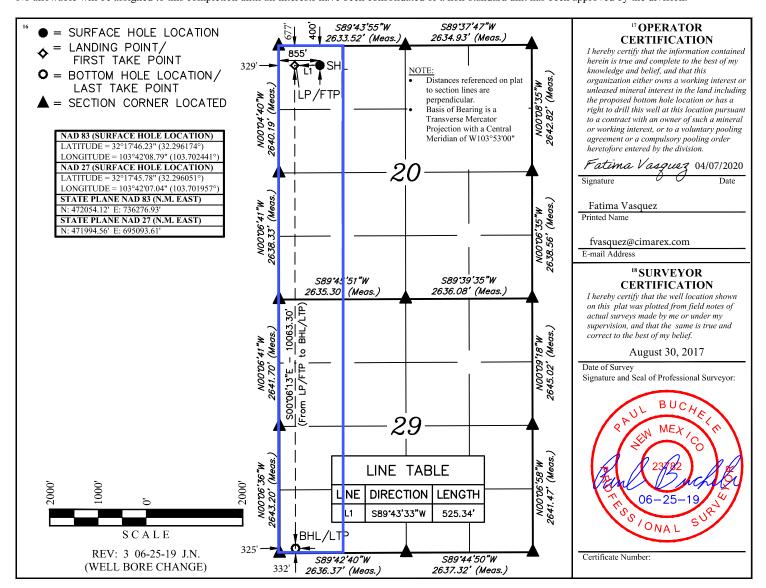
#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	23S	32E		400	NORTH	855	WEST	LEA

#### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. M	Section 29	Township 23S	Range 32E	Lot Idn	Feet from the 332	North/South line SOUTH	Feet from the 325	East/West line WEST	County LEA
12 Dedicated Acre 320	es 13	Joint or Infill	14 Conso	olidation Code	15 Order No.				

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



Received by OCD: III/18/2022/9:57:31/AM

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

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

Phone: (505) 334-6178 Fax: (505) 334-6170

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

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

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

☐ AMENDED REPORT

County

Certificate Number

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-45604	•	53805 <sup>2</sup> Pool Code	Sand Dunes; Bone Spring, South	
313723			roperty Name -29 FEDERAL COM	<sup>6</sup> Well Number 39H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3677.8

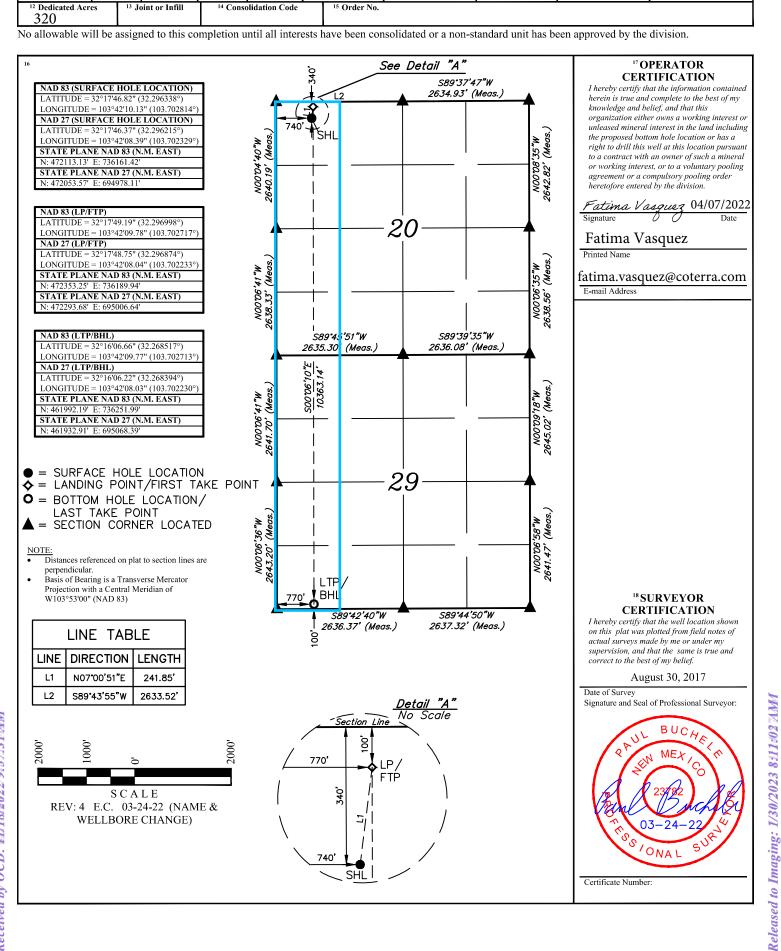
### <sup>10</sup> Surface Location

Lot Idn

Range

	D	20	238	32E		340	NORTH	740	WEST	LEA		
	"Bottom Hole Location If Different From Surface											
1												
	UL or lot no.   Section   Township   Range   Lot Idn   Feet from the   North/South line   Feet from the   East/West line   County											
	M	29	23S	32E	ĺ	100	SOUTH	770	WEST	LEA		

Feet from the



Received by OCD: 11/18/2022 9:57:31 AM

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

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

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-42222	<sup>2</sup> Pool Code 3805		
<sup>4</sup> Property Code 313485		operty Name 5-19 FEDERAL	<sup>6</sup> Well Number 31H
<sup>7</sup> OGRID N <sub>0</sub> . 215099		erator Name X ENERGY CO.	<sup>9</sup> Elevation 3648'

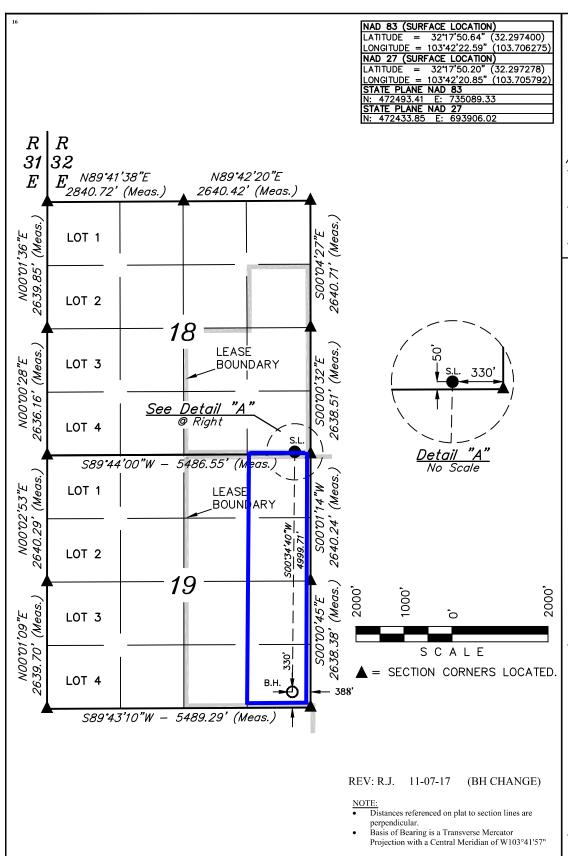
#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	23S	32E		50	SOUTH	330	EAST	LEA

### "Bottom Hole Location If Different From Surface

UL or lot no. P	Section 19	Township 23S	Range 32E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 388	East/West line EAST	County LEA
12 Dedicated Acre 160	es 13	Joint or Infill	14 Conso	olidation Code	15 Order No.				

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



### 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with no worker of such entirend. or working interest, or to a voluntary pooling agreement or a compulsory pooling agreement or a compulsory pooling order heretofore entered by the division.

atima Vasquez 02/03/2021 Date

#### Fatima Vasquez

Printed Name

fvasquez@cimarex.com

E-mail Address

### 18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

# September 10, 2013

Signature and Seal of Professional Surveyor:



Released to Imaging: 1/30/2023 8:11:02 AM

Certificate Number

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

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

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

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

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

AMENDED REPORT

Released to Imaging: 1/30/2023 8:11:02 AM

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-4	<sup>2</sup> Pool Code 53805	Sand Dunes; Bone Sprin	g South
<sup>4</sup> Property Code 313485		roperty Name S 19 FEDERAL	<sup>6</sup> Well Number 34H
<sup>7</sup> OGRID №. 215099		perator Name EX ENERGY CO.	9 Elevation 3639.4'

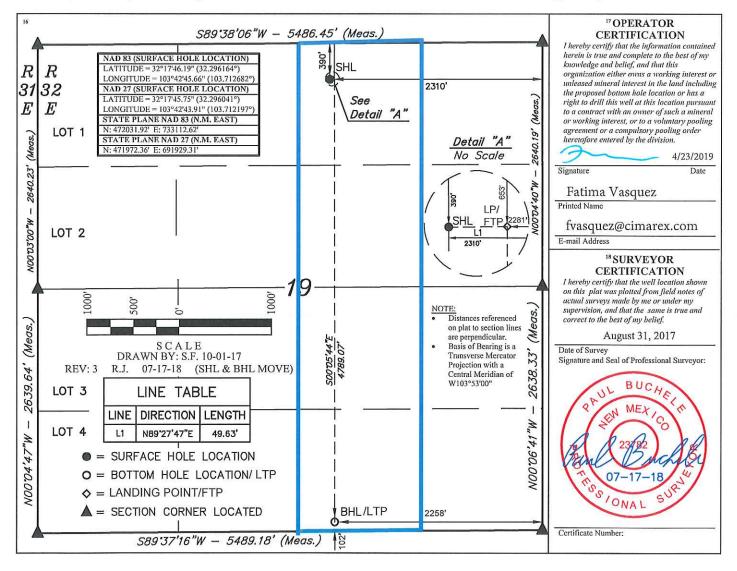
#### Surface Location

					~				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	19	23S	32E		390	NORTH	2310	EAST	LEA

#### "Bottom Hole Location If Different From Surface

UL or lot no. O	Section 19	Township 23S	Range 32E	Lot Idn	Feet from the 102	North/South line SOUTH	Feet from the 2258	East/West line EAST	County LEA
12 Dedicated Acre	es I	<sup>3</sup> Joint or Infill	14 Conse	olidation Code	15 Order No.				

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



District I

Phone: (575) 393-6161 Fax: (575) 393-0720 District II

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1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

X AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-45603	•	53805 Pool Code	Sand Dunes; Bone Spring, South	
<sup>4</sup> Property Code 313723			operty Name 29 FEDERAL COM	<sup>6</sup> Well Number 38H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3678.0

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

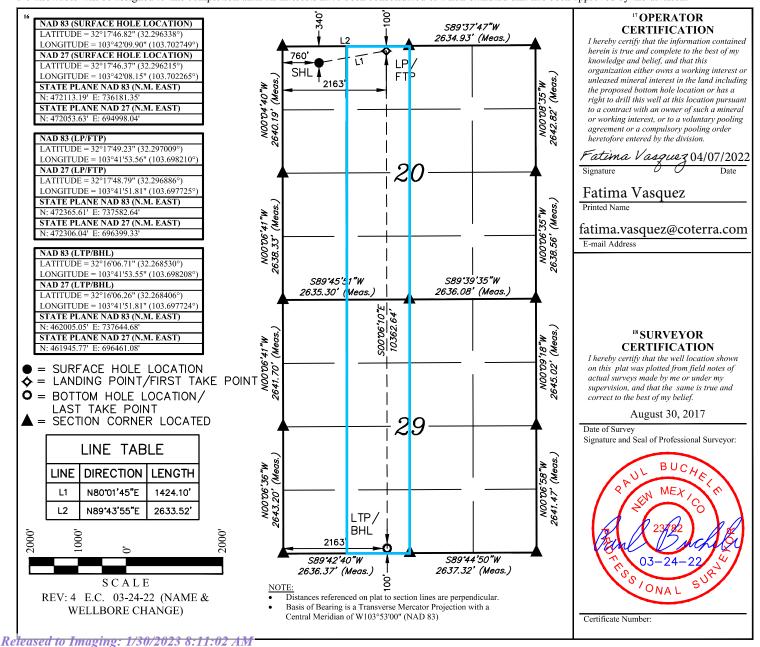
	UL or lot no. D	Section 20	Township 23S	Range 32E	Lot Idn	Feet from the 340	North/South line NORTH	Feet from the 760	East/West line WEST	County LEA
				11	Bottom H	ole Location I	f Different From	Surface		
ı	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the SOUTH 2163 WEST LEA

12 Dedicated Acres 320

13 Joint or Infill 14 Consolidation Code 320

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.



# Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of November, 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 23 South, Range 32 East, N.M.P.M.

Section 20: E/2W/2 Section 29: E/2W/2 Lea County, New Mexico

Containing **320.00** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be Cimarex Energy Co., 600 N. Marienfeld, Ste. 600, Midland, TX 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

The communitized area approved in this Agreement contains unleased Federal lands. The value of 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, is such lands were leased, committed and entitle to participation, shall be payable as compensatory royalties to the Federal government. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance

- is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is October 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Cimerer Energy Co. ODED A TOD

	Chilarex Energy Co., OFERATOR
	By:
Date	By:Bradley Cantrell, Attorney-in-Fact
A	CKNOWLEDGEMENT
STATE OF	) ) ss.
COUNTY OF	)
State of Texas, personally app Fact of Cimarex Energy Co	, 2022, before me, a Notary Public for the eared Bradley Cantrell, known to me to be the Attorney-Inc., a Delaware corporation that executed the foregoing to me such corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION	AGREEMENT:	

I, the undersigned, hereby certify, on behalf of Cimarex Energy Co., the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME:	(signature of officer)
Printed: Bradley Cantrell	
TITLE: Attorney-In-Fact	
Phone number: (432) 571-7807, Email:	Brad.Cantrell@coterra.com

# **EXHIBIT "A"**

Plat of communitized area covering 64**0.00** acres in the E/2W/2 Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

### James 20-29 Federal Com 38H

Tract 1 NMNM 0559539	20
Tract 1 NMNM 0559539	
Tract 1 NMNM 0559539	
Tract 2 NMNM 116573	
Tract 1 NMNM 0559539	29
	29
NMNM 0559539  Tract 1	29

Tract 1: NW/4 & NE/4SW/4 of Section 20

E/2W/2 of Section 29

Tract 2: SE/4SW/4 of Section 20

### **EXHIBIT "B"**

To Communitization Agreement Dated November 1, 2022 embracing the following described land in Sections 20 & 29, Township 23 South, Range 32 East, N.M.P.M, Lea County, NM.

Operator of Communitized Area: Cimarex Energy Co.

# DESCRIPTION OF LEASES COMMITTED

### Tract No. 1

Lease Serial Number: NMNM 0559539

Lessor: United States of America Lessee: Midwest Oil Corporation

Date: April 1, 1966

Description of Land Committed: Township 23 South, Range 32 East,

Section 20: NW/4 and NE/4SW/4

Section 29: E/2W/2

Number of Acres: 280.00

Record Title Owner: Occidental Permian L.P.

Name of Working Interest Owners:

0.46972600%
0.46972600%
0.35379000%
0.14786600%
0.14786600%
0.31308800%
11.1175960%
0.15654400%
0.23486400%
0.46972600%
2.34863300%
0.25000000%
0.93945400%
0.53079200%
0.53079200%

Communitization Agreement – James 20-29 Fed Com 38H

E/2W/2 of Sections 20 and 29,

Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

H. Lee Harvard and Jeffery L. Harvard Co-Trustees

of the H. Lee and Joanne W. Harvard Trust

Tumbler Energy Partners, LLC

Harvard Petroleum Company, LLC

EOG Resources, Inc.

Cimarex Energy Co.

1.19427900%

0.93926400%

9.76911700%

16.0427250%

53.5741520%

### Tract No. 2

Lease Serial Number: NMNM 116573

Lessor: United States of America

Lessee: Charles D. Ray

Date: September 1, 2006

Description of Land Committed: Township 23 South, Range 32 East,

Section 20: SE/4SW/4

Number of Acres: 40.00

Record Title Owner: CD Ray Exploration, LLC

Name of Working Interest Owners:

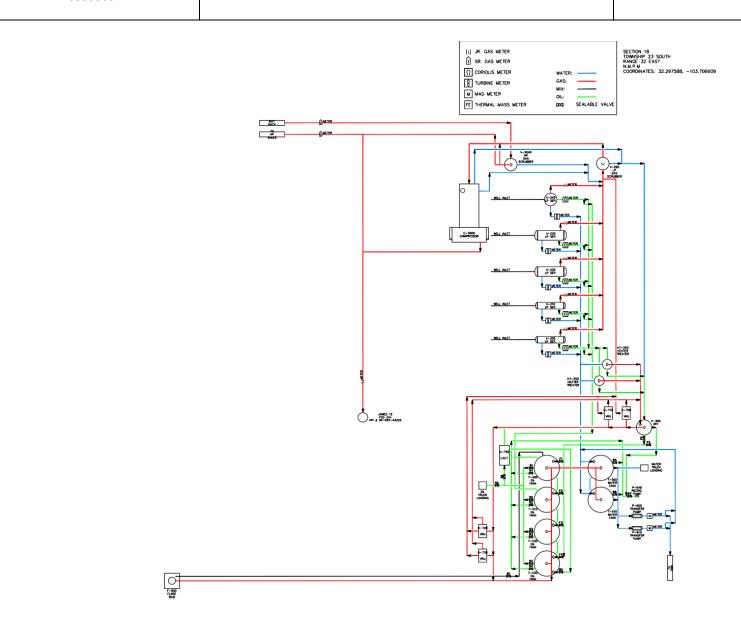
Devon Energy Production Company, LP 79.81250000% Mavros Oil Company, LLC 4.50000000% TBO Oil & Gas, LLC 0.18750000% Crump Family Partnership, Ltd. 3.75000000% Tarpon Engineering Corp. 0.75000000% Warren Ventures, Ltd. 3.00000000% CD Ray Exploration, LLC 5.75000000% Stillwater Investments 2.25000000%

# **RECAPITULATION**

Tract No.	No. Acres Committed	Percentage of Interest in Communitized Area
1	280.00	87.50%
2	40.00	12.50%
	320.00	100.00%

# **SITE FACILITY DIAGRAM**





# **SITE FACILITY DIAGRAM**



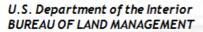
DIAGRAM VALVE LEGEND	
F1, F2, F3, F4, F5, AND F6 ARE FILL VALVES	B1 AND B2 ARE BAD OIL RETURN VALVES
S1, S2, S3, S4, S5, AND S6 ARE SALES VALVES	R1, R2, R3, R4, R5, R6, AND R7 ARE RECIRCULATION VALVES
VALVE POSITIONING IN THE PRODUCTION PHASE	
F1, F2, F3, F4, AND F6 ARE OPEN	S5 IS CAR SEAL CLOSED
F5 IS CAR SEAL CLOSED	B1 AND B2 ARE OPEN
S1, S2, S3, S4, AND S6 ARE OPEN	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED
VALVE POSITIONING IN THE SALES PHASE FOR U-750 LACT FMP NO.	
F1, F2, F3, F4, AND F6 ARE OPEN	S5 IS CAR SEAL CLOSED
• • • •	
F5 IS CAR SEAL CLOSED	I B1 AND B2 ARE OPEN
S1, S2, S3, S4, AND S6 ARE OPEN  THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL  NO	
S1, S2, S3, S4, AND S6 ARE OPEN  THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED
S1, S2, S3, S4, AND S6 ARE OPEN  THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL  NO  1. SAMPLE PROBE	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL NO  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL NO.  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED)
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL NO.  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL NO  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE OPEN OR CLOSED POSITION, AS APPROPRIATE	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES 11. RIGHT-ANGLE
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL NO  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE OPEN OR CLOSED POSITION, AS APPROPRIATE 4. METER ASSEMBLY, INCLUDING THE COUNTER HEAD AND METER HEAD	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES 11. RIGHT-ANGLE 12. TOTALIZER
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL NO.  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE OPEN OR CLOSED POSITION, AS APPROPRIATE 4. METER ASSEMBLY, INCLUDING THE COUNTER HEAD AND METER HEAD 5. TEMPERATURE AVERAGER/RECORDER	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES 11. RIGHT-ANGLE
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL NO  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE OPEN OR CLOSED POSITION, AS APPROPRIATE 4. METER ASSEMBLY, INCLUDING THE COUNTER HEAD AND METER HEAD	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED  BE EFFECTIVELY SEALED FOR U-750 LACT FMP  7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES 11. RIGHT-ANGLE 12. TOTALIZER

# **SITE FACILITY DIAGRAM**



VALVE POSITIONING IN THE SALES PHASE FOR NON-LACT TRUCK HAUL	
TANK #(T-400)	TANK #(T-410)
F1 AND F5 CAR SEAL CLOSED	F2 AND F5 ARE CAR SEAL CLOSED
S1 AND S5 ARE OPEN	S2 AND S5 ARE OPEN
S2, S3, S4, AND S6 ARE CAR SEAL CLOSED	S1, S3, S4, AND S6 ARE CAR SEAL CLOSED
R1 IS CAR SEAL CLOSED	R2 IS CAR SEAL CLOSED
B1 IS CAR SEAL CLOSED	
TANK #(T-420)	TANK #(T-430)
F3 AND F5 ARE CAR SEAL CLOSED	F4 AND F5 CAR SEAL CLOSED
S3 AND S5 ARE OPEN	S4 AND S5 ARE OPEN
S1, S2, S4, AND S6 ARE CAR SEAL CLOSED	S1, S2, S3, AND S6 ARE CAR SEAL CLOSED
R3 IS CAR SEAL CLOSED	R4 IS CAR SEAL CLOSED
	B2 IS CAR SEAL CLOSED
ONE (1) HEATER TREATER (ROYALTY-FREE)	
FIRE BOX RATED AT 750,000 BTU/HR OPERATED 16 HRS/DAY EACH TREATER	
USE – 1 X 750,000 BTU/HR X 16 HRS/DAY X 365 DAY/YR. X 1,200 BTU/FT3 / 365,000 =	
14.4 MMCF/DAY	





Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
JAMES 20-29	38H	3002545603	NMNM0559539	NMNM0559539	CIMAREX
JAMES 20-29	37H	3002545602	NMNM0559539	NMNM0559539	CIMAREX
JAMES 19	31H	3002542222	NMNM0559539	NMNM0559539	CIMAREX
JAMES 20-29	39H	3002545604	NMNM0559539	NMNM0559539	CIMAREX
JAMES 19	34H	3002545020	NMNM0559539	NMNM0559539	CIMAREX

### **Notice of Intent**

**Sundry ID: 2686723** 

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 10/17/2022

Procedure Description: Cimarex Energy respectfully requests approval to surface commingle oil, gas, and water production according to 43 CFR 3173.14 (a)(1)(i) at the James 19 & 20-29 Federal Com facility. The Commingling and Allocation Approval (CAA) will not negatively affect the royalty revenue of the federal government. Cimarex will utilize electronic automated measurements at the wellhead to measure oil, gas, and water separately from each well prior to commingling the production. The non-FMP allocation meters will meet BLM FMP regulations 43 CFR 3174 and 43 CFR 3175. Cimarex proposes that all leases/wells including in the application are capable of production in paying quantities. Please see Exhibit 6 for well test information for each well or anticipated production information for future wells. The Facility Measurement Point (FMP) is located on lease at the James 19 & 20-29 Federal Com facility located in the Section 18, T23S, R32E, Lea County, NM, BLM lease number NMNM 0559539 & NMNM 116573. The James 19 & 20-29 Federal Com facility was approved for construction in the James 19 Federal 31H well APD and no additional disturbance is required for the commingling activities. Attachments: Exhibit 1 – Lease Table Exhibit 2 – MASS Serial Register Page Exhibit 3 – Allocation Methodology Example Exhibit 4 – Allocation Methodology Example Details Exhibit 5 – Lease Map Exhibit 6 – Other Documents NMOCD Approval – Will request like approval. Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.

# **Surface Disturbance**

Is any additional surface disturbance proposed?: No

Page 1 of 2

# **Operator**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRITTANY GORDON Signed on: OCT 17, 2022 01:19 PM

Name: CIMAREX ENERGY COMPANY

Title: Regulatory Analyst

Street Address: 600 N MARIENFELD STREET

City: MIDLAND State: TX

Phone: (432) 571-7800

Email address: BRITTANY.GORDON@COTERRA.COM

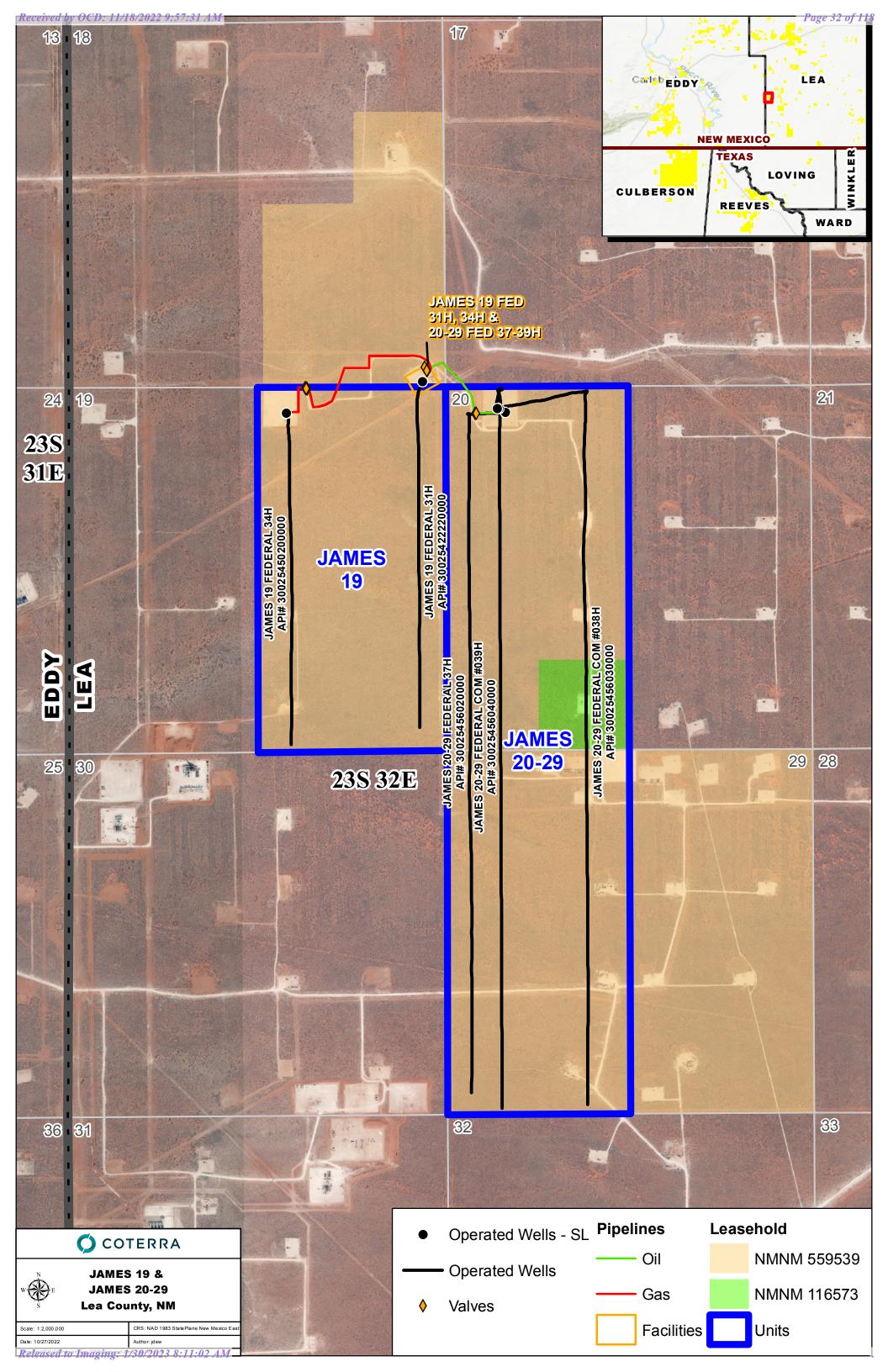
Re	pres	enta	tive	Na	me:
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**Street Address:** 

City: State: Zip

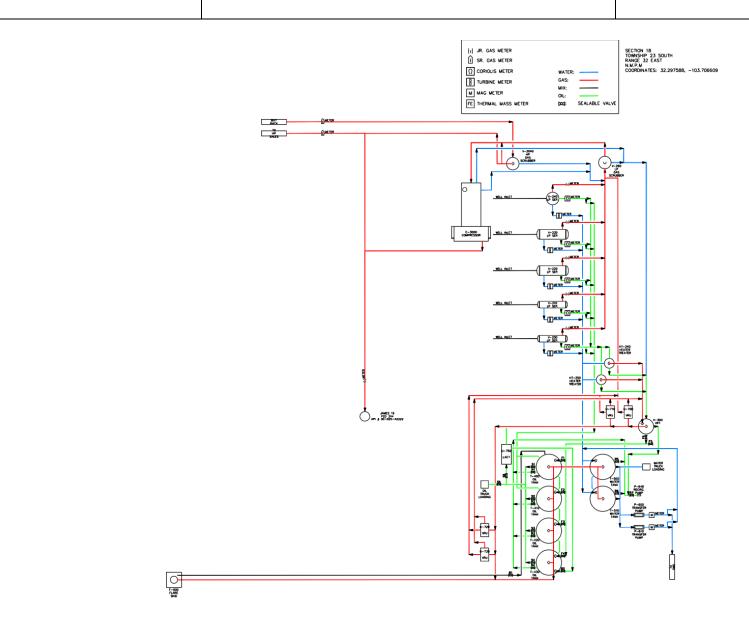
Phone:

**Email address:** 



# **SITE FACILITY DIAGRAM**





# **SITE FACILITY DIAGRAM**



DIAGRAM VALVE LEGEND	
F1, F2, F3, F4, F5, AND F6 ARE FILL VALVES	B1 AND B2 ARE BAD OIL RETURN VALVES
S1, S2, S3, S4, S5, AND S6 ARE SALES VALVES	R1, R2, R3, R4, R5, R6, AND R7 ARE RECIRCULATION VALVES
VALVE POSITIONING IN THE PRODUCTION PHASE	
F1, F2, F3, F4, AND F6 ARE OPEN	S5 IS CAR SEAL CLOSED
F5 IS CAR SEAL CLOSED	B1 AND B2 ARE OPEN
S1, S2, S3, S4, AND S6 ARE OPEN	R1, R2, R3, R4, R5, R6, AND R7 ARE CAR SEAL CLOSED
VALVE POSITIONING IN THE SALES PHASE FOR U-750 LACT FMP NO.	
F1, F2, F3, F4, AND F6 ARE OPEN	S5 IS CAR SEAL CLOSED
F5 IS CAR SEAL CLOSED	B1 AND B2 ARE OPEN
	_
S1, S2, S3, S4, AND S6 ARE OPEN  THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL I  NO	
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL I	BE EFFECTIVELY SEALED FOR U-750 LACT FMP
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL I  NO  1. SAMPLE PROBE	7. CMS OR LACT
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL INC  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL	7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL INC  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING	7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED)
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL INC  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE	7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL INO  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE OPEN OR CLOSED POSITION, AS APPROPRIATE	7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES 11. RIGHT-ANGLE
THE FOLLOWING COMPONENTS ON LIQUID MEASUREMENT METERING SYSTEM WILL INC  1. SAMPLE PROBE 2. SAMPLER VOLUME CONTROL 3. ALL VALVES ON LINES ENTERING OR LEAVING THE SAMPLE CONTAINER EXCLUDING THE SAFETY POP-OFFVALVE (IF SO EQUIPPED). EACH VALVE MUST BE SEALED IN THE	7. CMS OR LACT 8. ANY DRAIN VALVES IN THE SYSTEM 9. MANUAL SAMPLING VALVES (IF SO EQUIPPED) 10. VALVES LARGER THAN 1 INCH ON THE DIVERTER LINES

# **SITE FACILITY DIAGRAM**



VALVE POSITIONING IN THE SALES PHASE FOR NON-LACT TRUCK HAUL	
TANK #(T-400)	TANK #(T-410)
F1 AND F5 CAR SEAL CLOSED	F2 AND F5 ARE CAR SEAL CLOSED
S1 AND S5 ARE OPEN	S2 AND S5 ARE OPEN
S2, S3, S4, AND S6 ARE CAR SEAL CLOSED	S1, S3, S4, AND S6 ARE CAR SEAL CLOSED
R1 IS CAR SEAL CLOSED	R2 IS CAR SEAL CLOSED
B1 IS CAR SEAL CLOSED	
TANK #(T-420)	TANK #(T-430)
F3 AND F5 ARE CAR SEAL CLOSED	F4 AND F5 CAR SEAL CLOSED
S3 AND S5 ARE OPEN	S4 AND S5 ARE OPEN
S1, S2, S4, AND S6 ARE CAR SEAL CLOSED	S1, S2, S3, AND S6 ARE CAR SEAL CLOSED
R3 IS CAR SEAL CLOSED	R4 IS CAR SEAL CLOSED
	B2 IS CAR SEAL CLOSED
ONE (1) HEATER TREATER (ROYALTY-FREE)	
FIRE BOX RATED AT 750,000 BTU/HR OPERATED 16 HRS/DAY EACH TREATER	
USE – 1 X 750,000 BTU/HR X 16 HRS/DAY X 365 DAY/YR. X 1,200 BTU/FT3 / 365,000 =	
14.4 MMCF/DAY	



Coterra Energy Inc. 600 N. Marienfeld Street Suite 600 Midland, TX 79701 T 432-571-7800 F 432-571-7832 coterra.com

Cimarex Energy Co.

11/18/2022

Attn: Mr. Dean McClure

1220 S. St. Francis Dr.

Santa Fe, New Mexico 87505

Subject: Application for Pool & Lease Commingling at Common Central Tank Battery

Lease: James 19 Federal & 20-29 Federal Com

Pool: Sand Dunes; Bone Spring South

Mr. McClure,

Pursuant to Division Rule 19.15.12.10, Cimarex Energy Co. respectfully requests administrative approval to Pool and Lease Commingle at a Common Central Tank Battery.

The Commingling and Allocation Approval (CAA) will not negatively affect the royalty revenue or reduce the total remaining production value.

Each well is metered individually. This action will prevent waste, promote conservation and protect correlative rights. The James 19 & 20-29 Federal Com battery is located in Section 18,T23S, R32E, Lea County, New Mexico.

These wells are operated by Cimarex Energy Co. with diverse ownership. There are 2 Federal leases and 1 proposed communitization agreements involved. Pursuant to Division Rule 19.15.12.10, the interest owners that are to be notified are listed and are being sent a copy of this application by certified mail with return receipt.

#### Also Attached:

- NMOCD Form C-107B
- NMOCD Administrative Application Checklist
- Summary Detail
- Lease plat shows boundaries, State Lease numbers, facility, wellhead and path of production
- Facility Diagram
- NMOCD form C-102 well plats for each well
- A copy of notice letter to interest owners and a copy of certified mail, return receipt request
- Copy of BLM sundry submittal

We respectfully request authority to add additional wells contained within the lease identified and approved in this application by filing a Subsequent Report Sundry to the Bureau of Land Management for Federal and filing a C-103Z and C-102 with the NMOVD. Notice to owners shall not be required when amending the application after previously approved for commingling authority.



T 432-571-7800 F 432-571-7832 coterra.com

Pursuant to Statewide Rule 19.15.12.10 (C)(4)(g) we respectfully request the option to include additional production from the pools or leases listed in this application.

Thank you,

Brittany Gordon

Regulatory Analyst

432-620-1960

brittany.gordon@coterra.com

Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.



T 432-571-7800 F 432-571-7832 coterra.com

11/18/2022

Certified Mail - Return Receipt Requested

AFFECTED INTEREST OWNERS

Subject: Surface Commingling Application for Pool & Lease Commingling at Common Central Tank Battery

Lease: James 19 & 20-29 Federal Com

Location: All in Sections 18, 19, & 20, T23S, R32E, Lea County, NM

Pool: [53805] Sand Dunes; Bone Spring South

Dear Sir/Madam:

Enclosed please find our application to surface commingle production from all formations and/or pools at our James 19 & 20-29 Federal Com, Lea County, NM from existing and future wells filed on this date with the New Mexico Oil Conservation Division (NMOCD). We will also file an application with the Bureau of Land Management for a Federal commingling permit when applicable.

Any objection or requests for a hearing regarding this application must be submitted to the NMOCD Santa Fe office within 20 days of the date the application is submitted. No action is needed if you do not have any objections.

Pursuant to Statewide Rule 19.15.12.10 (C)(4)(g), Cimarex requests the option to include additional pools and/or leases with the defined parameters set forth in the order for future additions.

Please contact me by phone or email should you have any questions.

Sincerely,

Brittany Gordon

Regulatory Analyst

432-620-1960

brittany.gordon@coterra.com

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T 432-571-7800 F 432-571-7832 coterra.com

Cimarex Energy Co.

11/18/2022

Attn: Mr. Dean McClure

1220 S. St. Francis Dr.

Santa Fe, New Mexico 87505

Subject: Application for Pool & Lease Commingling at Common Central Tank Battery

Lease: James 19 Federal & 20-29 Federal Com

Pool: Sand Dunes; Bone Spring South

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We respectfully request authority to add additional wells contained within the lease identified and approved in this application by filing a Subsequent Report Sundry to the Bureau of Land Management for Federal and filing a C-103Z and C-102 with the NMOVD. Notice to owners shall not be required when amending the application after previously approved for commingling authority.



T 432-571-7800 F 432-571-7832 coterra.com

Pursuant to Statewide Rule 19.15.12.10 (C)(4)(g) we respectfully request the option to include additional production from the pools or leases listed in this application.

Thank you,

Brittany Gordon

Regulatory Analyst

432-620-1960

brittany.gordon@coterra.com

Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

811 S. First St., Artesia, NM 88210

<u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410

<u>District IV</u>
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

## OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION	FOR SURFACE	<u>COMMINGLI</u> NG	(DIVERSE	OWNERSHIP)	
	ex Energy Co.				
OPERATOR ADDRESS: 600 N APPLICATION TYPE:	l. Marienfeld, Sui	ite 600, Midland	, TX 79701		
☐ Pool Commingling ☐ Lease Comming	gling Pool and Lease Co	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:  Fee	☐ State	eral	-		
Is this an Amendment to existing Ord			he appropriate C	Order No.	
Have the Bureau of Land Manageme  ☐ Yes ☐ No					ingling
		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
				-	
				_	
				-	
		4		_	
(2) Are any wells producing at top allo	wables? □Yes ☑No				
(4) Measurement type: ☑Metering (5) Will commingling decrease the value.	☐ Other (Specify) the of production? ☐ Yes	☑No If "yes", descri	be why commingl	ing should be approved	
		SE COMMINGLIN ts with the following in			
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source</li> <li>Has all interest owners been notified</li> <li>Measurement type:  Metering</li> </ol>	of supply? ☑Yes ☐N	lo	☑Yes □N	ío	
		LEASE COMMIN			
(1) Complete Sections A and E.					
	(D) OFF-LEASE ST				
(1) Is all production from same source		ets with the following	information		
<ul><li>(1) Is all production from same source</li><li>(2) Include proof of notice to all interest</li></ul>	11 <i>j</i> — —	NO			
<b>(E)</b> A	ADDITIONAL INFO	ORMATION (for all	application ty	ypes)	
		ts with the following in	nformation		
<ol> <li>A schematic diagram of facility, inc</li> <li>A plat with lease boundaries showir</li> <li>Lease Names, Lease and Well Num</li> </ol>	ng all well and facility locat	ions. Include lease number	ers if Federal or St	ate lands are involved.	
I hereby certify that the information above	e is true and complete to the	e best of my knowledge an	d belief.		
SIGNATURE:	Т	ITLE: Regulatory Anal	yst	DATE: 11/16	6/2022
TYPE OR PRINT NAME Brittany Gor	don		TEL	EPHONE NO.: 432-57	71-7800
F-MAII ADDRESS: brittany.gordon@	coterra.com				

	RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		- Geolog	ABOVE THIS TABLE FOR OCC CO OIL CONSERV ical & Engineerin rancis Drive, Sant	<b>'ATION DIVISION</b> g Bureau –	
	TUI0 0.U.E.O.		RATIVE APPLICAT		
	THIS CHECK		ALL ADMINISTRATIVE APPLIC EQUIRE PROCESSING AT TH		
	pplicant: ell Name:				RID Number:
00	ol:			Pool	Code:
					THE TYPE OF APPLICATION
1)	TYPE OF APPLICAT  A. Location - Sp  □NSL	acing Unit - Simu	which apply for [Altaneous Dedication   No.   No	on _	]sd
	[ I ] Commino DH [ II ] Injection U WF	– Disposal – Press X □PMX □S	PLC PC ( ure Increase - Enh SWD [IPI [E	anced Oil Recov EOR □ PPR	rery <u>FOR OCD ONLY</u>
2)	A. Offset ope B. Royalty, o C. Application D. Notification	erators or lease hoverriding royalty on requires publishon and/or concur	olders Owners, revenue ov	wners LO	Notice Complete  Application Content Complete
	F. Surface o	wner he above, proof o	of notification or p		ched, and/or,
3)	administrative app	oroval is <b>accurate</b> <b>o action</b> will be ta		the best of my kr	
	Note: St	atement must be comp	eted by an individual wit	h managerial and/or su	pervisory capacity.
Dri	nt or Type Name			Date	
r 11	// \	1		Phone Numbe	er
	12/26	rdan			

e-mail Address

Signature

The James 19 & 20-29 CTB will be a 5-well facility. The facility will have the following wells producing to it:

- James 19 Federal 31H
- James 19 Federal 34H
- James 20-29 Fed Com 37H

- James 20-29 Fed Com 38H
- James 20-29 Fed Com 39H

### PRODUCTION ALLOCATION

Production from each of the referenced wells enters its own individual separator. Each separator has its own Coriolis meter for oil, mag meter for water, and orifice meter for gas.

After separation, each oil stream flows through the commingled heater treater and then to the tanks before being measured by a LACT unit. The LACT unit will serve as the oil FMP.

The Gas from each separator flow through its own allocation orifice meter then flows to the gas FMP.

### **Allocation Method:**

### Oil Production:

Oil will be allocated daily to the well based upon the daily Coriolis meter volume. The meter is a Micro Motion Coriolis meter. Each well will have a daily factor that is a percentage of the total Coriolis volume for all referenced wells. The factor obtained from the test meter will be used to allocate the oil production volumes sold through the LACT.

## Gas Production:

Gas will be allocated daily to the well based upon the daily allocation gas meter volume. The meter is an orifice meter. Each well will have a daily factor that is a percentage of the total allocation meter volume for all referenced wells. The factor obtained from each allocation meter will be used to allocate the gas sales volumes sold through the gas sales meter. The meters will be calibrated on a regulator basis per API, NMOCD, and BLM specifications.

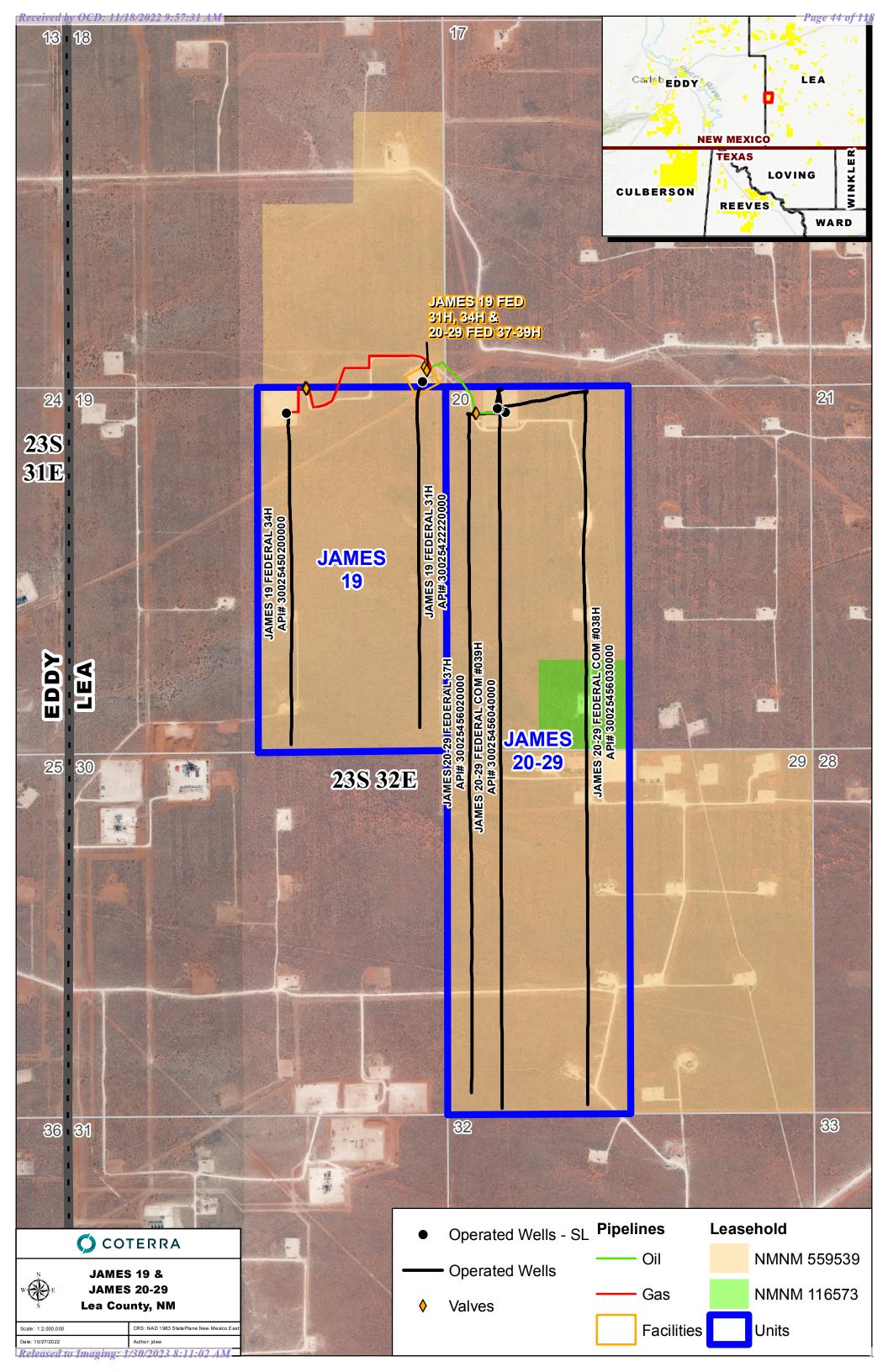
### **Additional Application Components:**

The flow of production details is outlined on the enclosed facility diagram.

Commingling the production is the most effective means of producing the reserves. Cimarex understand the requested approval will not constitute the granting of any right of way or construction rights not granted by the lease instrument.

NMOCD does not require notification for projects with identical ownership.

The BLM and NMOCD will be notified of any changes to the CTB.





Page 1

Application for Commingling and Allocation Approval
James 19 & 20-29 Federal Com Facility
Section 18, T23S, R32E
Lease Table
Exhibit 1

							Type of
	Well						Production
Well Name	Number	API	Formation	Comm Agreement	Federal Lease(s)	Federal Royalty	Commingle
James 19 Federal 31H	31	30-025-42222	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas
James 19 Federal 34H	34	30-025-45020	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas
James 20-29 Federal Com 37H	37	30-025-45602	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas
James 20-29 Federal Com 38H	38	30-025-45603	Bone Springs	Proposed Comm Agreement - James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29	NMNM0559539, NMNM116573	12.5%	Oil, Water, Gas
James 20-29 Federal Com 39H	39	30-025-45604	Bone Springs		NMNM0559539	12.5%	Oil, Water, Gas

Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION OCD - HOBBS

1220 South St. Francis Dr. Santa Fe, NM 87505

04/17/2020

RECEIVED

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

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

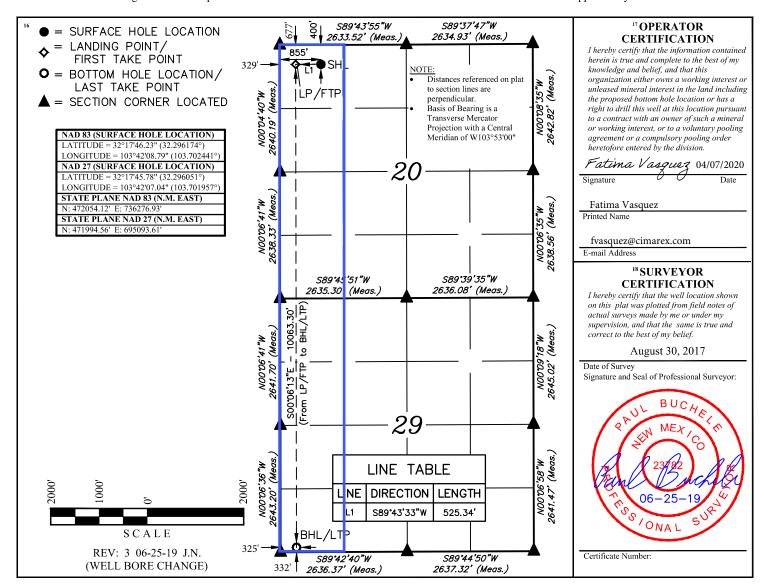
<sup>1</sup> API Number 30-025-45602	r	<sup>2</sup> Pool Code 53805	<sup>3</sup> Pool Name Sand Dunes; Bone Spring, South	XZ
4 Property Code 313723			operty Name 29 FEDERAL COM	<sup>6</sup> Well Number 37H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3677.6

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	23S	32E		400	NORTH	855	WEST	LEA

#### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. M	Section 29	Township 23S	Range 32E	Lot Idn	Feet from the 332	North/South line SOUTH	Feet from the 325	East/West line WEST	County LEA
12 Dedicated Acre 320	es 13 J	oint or Infill	14 Conso	olidation Code	15 Order No.				



Received by OCD: III/18/2022/9:57:31/AM

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

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

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

County

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-45604	•	53805 <sup>2</sup> Pool Code	Sand Dunes; Bone Spring, South	
313723			roperty Name -29 FEDERAL COM	<sup>6</sup> Well Number 39H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3677.8

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

Lot Idn

Township

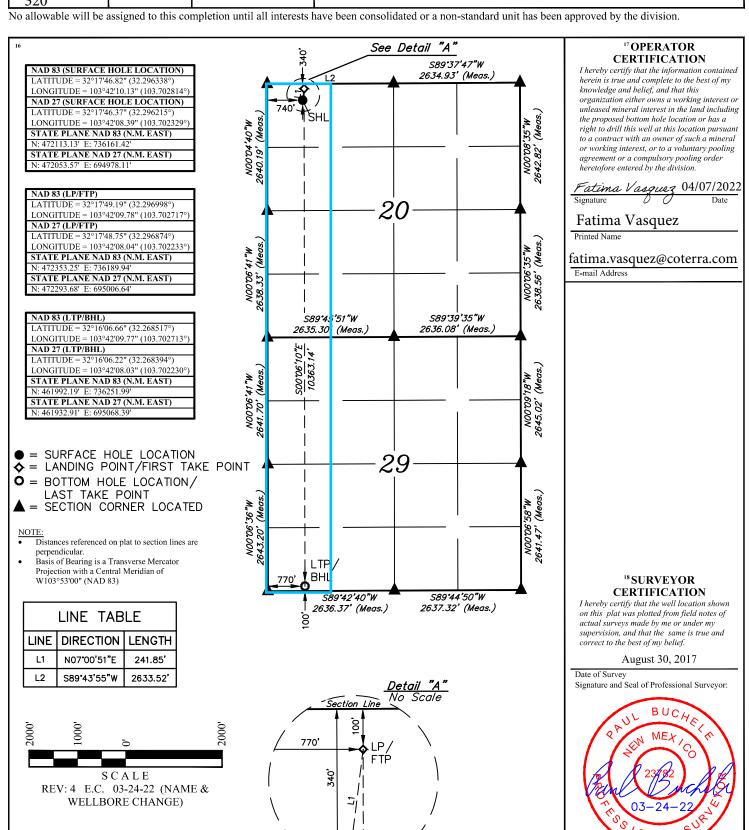
Range

III or let no	Section	Township	Dange	Lot Idn	Foot from the	North/Couth line	Fact from the	Fast/Wast line	County	
"Bottom Hole Location If Different From Surface										
D	20	23S	32E		340	NORTH	740	WEST	LEA	

Feet from the

East/West lin

32E SOUTH 770 WEST LEA 23S 100 Μ





Released to Imaging: 1/30/2023 8:111:02 AMM

Certificate Number

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

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

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

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

X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-42222	<sup>2</sup> Pool Code 53805						
4 Property Code	Ţ	<sup>5</sup> Property Name	<sup>6</sup> Well Number				
313485		JAMES 19 FEDERAL	31H				
<sup>7</sup> OGRID No.	CI	<sup>8</sup> Operator Name	<sup>9</sup> Elevation				
215099		IMAREX ENERGY CO.	3648'				

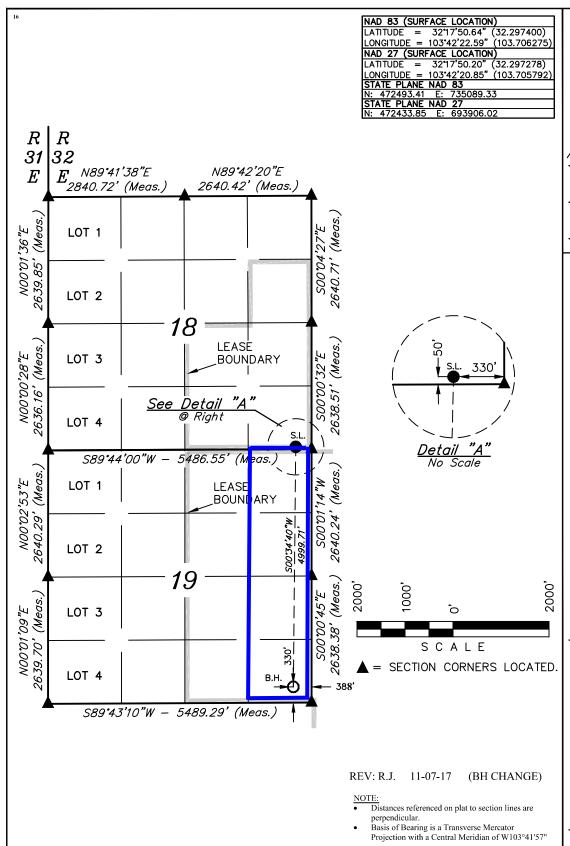
### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	23S	32Ē		50	SOUTH	330	EAST	LEA

## "Bottom Hole Location If Different From Surface

UL or lot no. P	Sect 19	ion 9	Township 23S	Range 32E	Lot Idn	Fo	eet from the 330	North/South line SOUTH	Feet from the 388	East/West line EAST	County LEA
12 Dedicated Acre 160	es	13 Jo	oint or Infill	14 Conso	olidation Code		15 Order No.				

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



## 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with m owner of such a mineral. or working interest, or to a voluntary pooling agreement or a compulsory pooling agreement or a compulsory pooling order heretofore entered by the division.

atima Vasquez 02/03/2021 Date

Fatima Vasquez

Printed Name

fvasquez@cimarex.com

E-mail Address

## 18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

September 10, 2013

Signature and Seal of Professional Surveyor:



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Certificate Number

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

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

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

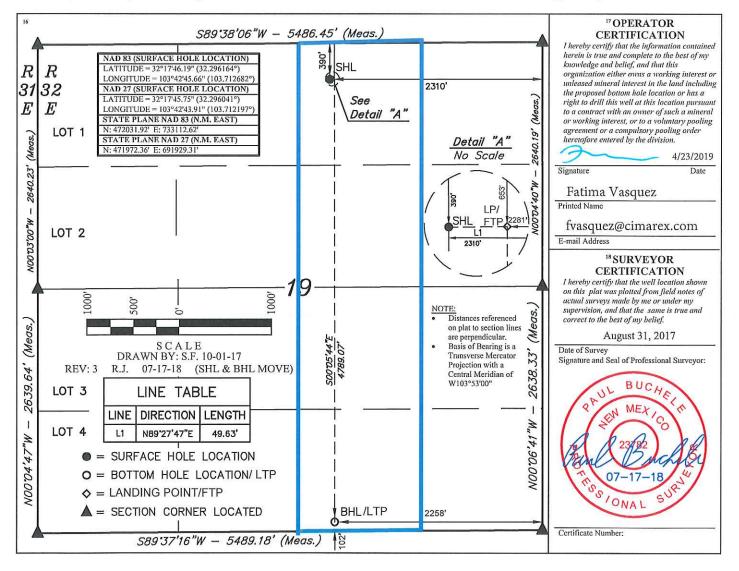
<sup>1</sup> API Number 30-025-45020	<sup>2</sup> Pool Code 53805	Sand Dunes; Bone Spring	South	
<sup>4</sup> Property Code		Property Name	<sup>6</sup> Well Number	
313485		IES 19 FEDERAL	34H	
<sup>7</sup> OGRID №.		Operator Name	9 Elevation	
215099		REX ENERGY CO.	3639.4'	

Surface Location

UL or lot no.         Section         Township         Range         Lot Idn           B         19         23S         32E         Lot Idn	Feet from the North/South line 390 NORTH	Feet from the East/West line EAST	County LEA
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"Bottom Hole Location If Different From Surface

UL or lot no. O	Section 19	Township 23S	Range 32E	Lot Idn	Feet from the 102	North/South line SOUTH	Feet from the 2258	East/West line EAST	County LEA
12 Dedicated Acre	es I	<sup>3</sup> Joint or Infill	14 Conse	olidation Code	15 Order No.				



District I

Phone: (575) 393-6161 Fax: (575) 393-0720 District II

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

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

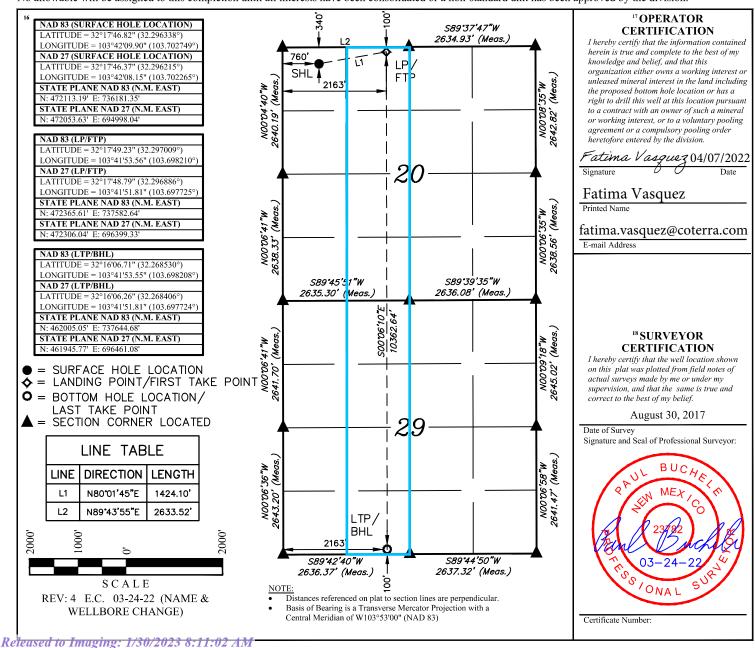
<sup>1</sup> API Number 30-025-45603	r	53805 2 Pool Code		
<sup>4</sup> Property Code 313723			roperty Name -29 FEDERAL COM	<sup>6</sup> Well Number 38H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3678.0

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	23S	32E		340	NORTH	760	WEST	LEA

### "Bottom Hole Location If Different From Surface

UL or lot no. N	Sect 29	a I	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 2163	East/West line WEST	County LEA
12 Dedicated Acre 320	es	<sup>13</sup> Jo	int or Infill	14 Conso	olidation Code	<sup>15</sup> Order No.				

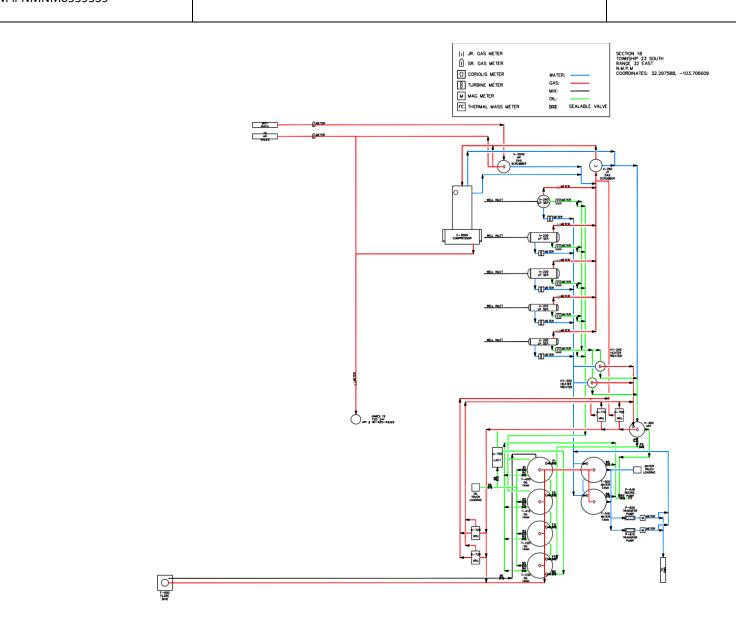


COTERRA ENERGY INC.
JAMES 19 FED 31H
LAND DESCRIPTION:
SECTION 18
T23S, R32E, N.M.P.M.
LEA COUNTY, NM
BLM # NMNM0559539

# **SITE FACILITY DIAGRAM**



10/12/2022





U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
JAMES 20-29	38H	3002545603	NMNM0559539	NMNM0559539	CIMAREX
JAMES 20-29	37H	3002545602	NMNM0559539	NMNM0559539	CIMAREX
JAMES 19	31H	3002542222	NMNM0559539	NMNM0559539	CIMAREX
JAMES 20-29	39H	3002545604	NMNM0559539	NMNM0559539	CIMAREX
JAMES 19	34H	3002545020	NMNM0559539	NMNM0559539	CIMAREX

## **Notice of Intent**

**Sundry ID: 2686723** 

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 10/17/2022

Procedure Description: Cimarex Energy respectfully requests approval to surface commingle oil, gas, and water production according to 43 CFR 3173.14 (a)(1)(i) at the James 19 & 20-29 Federal Com facility. The Commingling and Allocation Approval (CAA) will not negatively affect the royalty revenue of the federal government. Cimarex will utilize electronic automated measurements at the wellhead to measure oil, gas, and water separately from each well prior to commingling the production. The non-FMP allocation meters will meet BLM FMP regulations 43 CFR 3174 and 43 CFR 3175. Cimarex proposes that all leases/wells including in the application are capable of production in paying quantities. Please see Exhibit 6 for well test information for each well or anticipated production information for future wells. The Facility Measurement Point (FMP) is located on lease at the James 19 & 20-29 Federal Com facility located in the Section 18, T23S, R32E, Lea County, NM, BLM lease number NMNM 0559539 & NMNM 116573. The James 19 & 20-29 Federal Com facility was approved for construction in the James 19 Federal 31H well APD and no additional disturbance is required for the commingling activities. Attachments: Exhibit 1 – Lease Table Exhibit 2 – MASS Serial Register Page Exhibit 3 – Allocation Methodology Example Exhibit 4 – Allocation Methodology Example Details Exhibit 5 – Lease Map Exhibit 6 – Other Documents NMOCD Approval – Will request like approval. Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.

## **Surface Disturbance**

Is any additional surface disturbance proposed?: No

Page 1 of 2

## **Operator**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRITTANY GORDON Signed on: OCT 17, 2022 01:19 PM

Name: CIMAREX ENERGY COMPANY

Title: Regulatory Analyst

Street Address: 600 N MARIENFELD STREET

City: MIDLAND State: TX

Phone: (432) 571-7800

Email address: BRITTANY.GORDON@COTERRA.COM

Representative	Ν	lame:	:
----------------	---	-------	---

**Street Address:** 

City: State: Zip

Phone:

**Email address:** 



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
JAMES 20-29	38H	3002545603	NMNM0559539	NMNM0559539	CIMAREX
JAMES 20-29	37H	3002545602	NMNM0559539	NMNM0559539	CIMAREX
JAMES 19	31H	3002542222	NMNM0559539	NMNM0559539	CIMAREX
JAMES 20-29	39H	3002545604	NMNM0559539	NMNM0559539	CIMAREX
JAMES 19	34H	3002545020	NMNM0559539	NMNM0559539	CIMAREX

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**Sundry ID: 2686723** 

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Operator Electronic Signature: BRITTANY GORDON Signed on: OCT 17, 2022 01:19 PM

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Title: Regulatory Analyst

Street Address: 600 N MARIENFELD STREET

City: MIDLAND State: TX

Phone: (432) 571-7800

Email address: BRITTANY.GORDON@COTERRA.COM

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**Street Address:** 

City: State: Zip

Phone:

**Email address:** 

Received by OCD: 11/18/2022 9:57:31 AM

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

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

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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<sup>1</sup> API Number 30-025-42222	1 API Number 2 Pool Code 5-42222 53805 Sand Dunes; Bone Spi		
4 Property Code	Ţ	<sup>5</sup> Property Name	<sup>6</sup> Well Number
313485		JAMES 19 FEDERAL	31H
<sup>7</sup> OGRID No.	CI	<sup>8</sup> Operator Name	<sup>9</sup> Elevation
215099		IMAREX ENERGY CO.	3648'

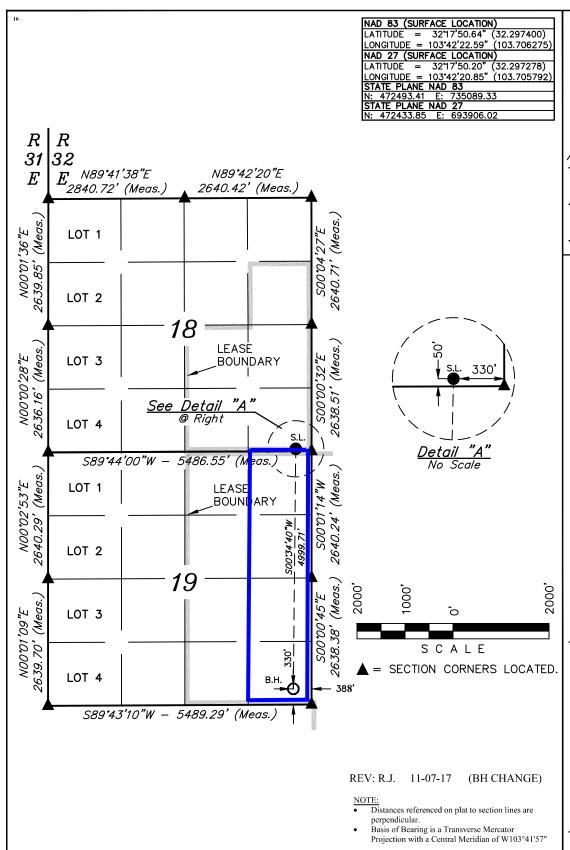
### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	23S	32Ē		50	SOUTH	330	EAST	LEA

## "Bottom Hole Location If Different From Surface

UL or lot no. P	Sect 19	ion 9	Township 23S	Range 32E	Lot Idn	Fo	eet from the 330	North/South line SOUTH	Feet from the 388	East/West line EAST	County LEA
12 Dedicated Acre 160	es	13 Jo	oint or Infill	14 Conso	olidation Code		15 Order No.				

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



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atima Vasquez 02/03/2021 Date

#### Fatima Vasquez

Printed Name

fvasquez@cimarex.com

E-mail Address

## 18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

# September 10, 2013

Signature and Seal of Professional Surveyor:



Certificate Number

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

State of New Mexico

Energy, Minerals & Natural Resources Department

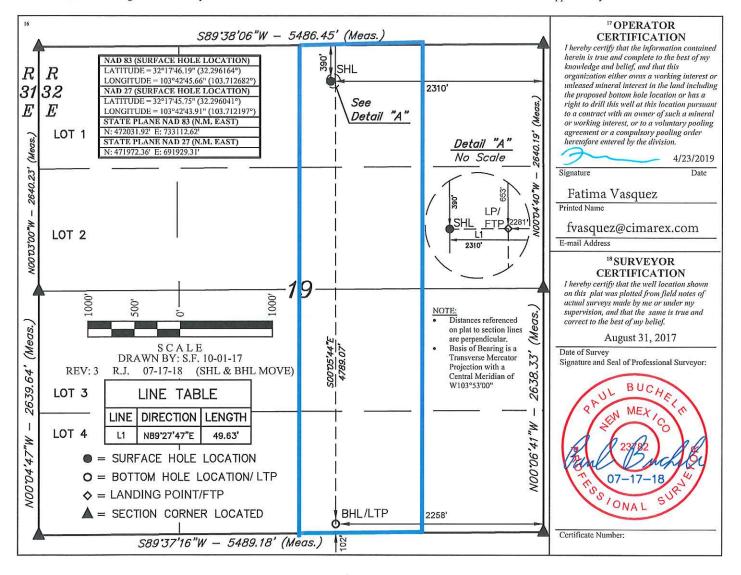
30-025-45020		<sup>2</sup> Pool Code 53805	Sand Dunes; Bone Spi	ing South		
		<sup>5</sup> Property Name 1ES 19 FEDERAL	<sup>6</sup> Well Number 34H			
7 OGRID No. 8 Op		<sup>8</sup> Operator Name REX ENERGY CO.	9 Elevation 3639.4'			

#### Surface Location

UL or lot no. Section Township Range Lot Idi	Feet from the North/South line NORTH	Feet from the East/West line EAST	County LEA
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## "Bottom Hole Location If Different From Surface

UL or lot no.	Section 19	Township 23S	Range 32E	Lot Idn	Feet from the 102	North/South line SOUTH	Feet from the 2258	East/West line EAST	County LEA
12 Dedicated Acre 160	es 13 J	oint or Infill	14 Conse	olidation Code	15 Order No.				



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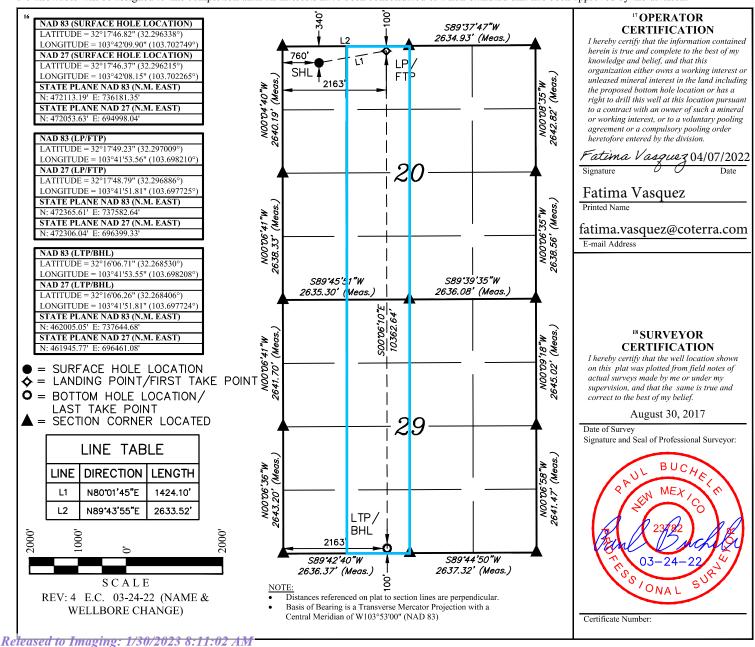
<sup>1</sup> API Number 30-025-45603	•	53805 Pool Code		
<sup>4</sup> Property Code 313723			operty Name 29 FEDERAL COM	<sup>6</sup> Well Number 38H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3678.0

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

UL or lot no. D	Section 20	Township 23S	Range 32E	Lot Idn	Feet from the 340	North/South line NORTH	Feet from the 760	East/West line WEST	County LEA
			11	Bottom H	ole Location I	f Different From	Surface		
			1		T	37 (2.10) (2.11)		T1 ( (TT ) ( 1)	

Section Township Range Lot Idn Feet from the North/South line Feet from the

UL or lot no. East/West line County 29 23S 32**E** 100 SOUTH 2163 WEST LEA N



811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III

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State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION OCD - HOBBS

1220 South St. Francis Dr. Santa Fe, NM 87505

04/17/2020

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

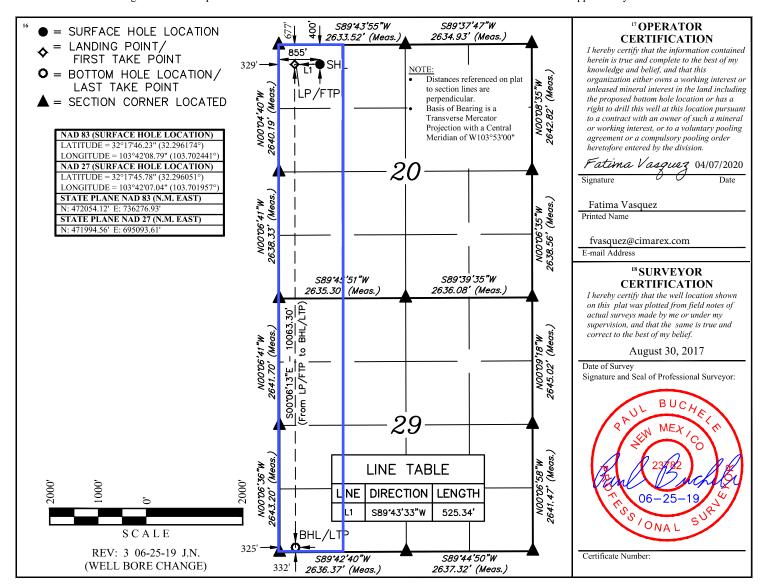
<sup>1</sup> API Number 30-025-45602	ſ	<sup>2</sup> Pool Code 53805	XZ	
<sup>4</sup> Property Code 313723			roperty Name -29 FEDERAL COM	<sup>6</sup> Well Number 37H
<sup>7</sup> OGRID №. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3677.6

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	23S	32E		400	NORTH	855	WEST	LEA

#### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. M	Section 29	Township 23S	Range 32E	Lot Idn	Feet from the 332	North/South line SOUTH	Feet from the 325	East/West line WEST	County LEA
12 Dedicated Acre 320	es 13 J	oint or Infill	14 Conso	olidation Code	15 Order No.				



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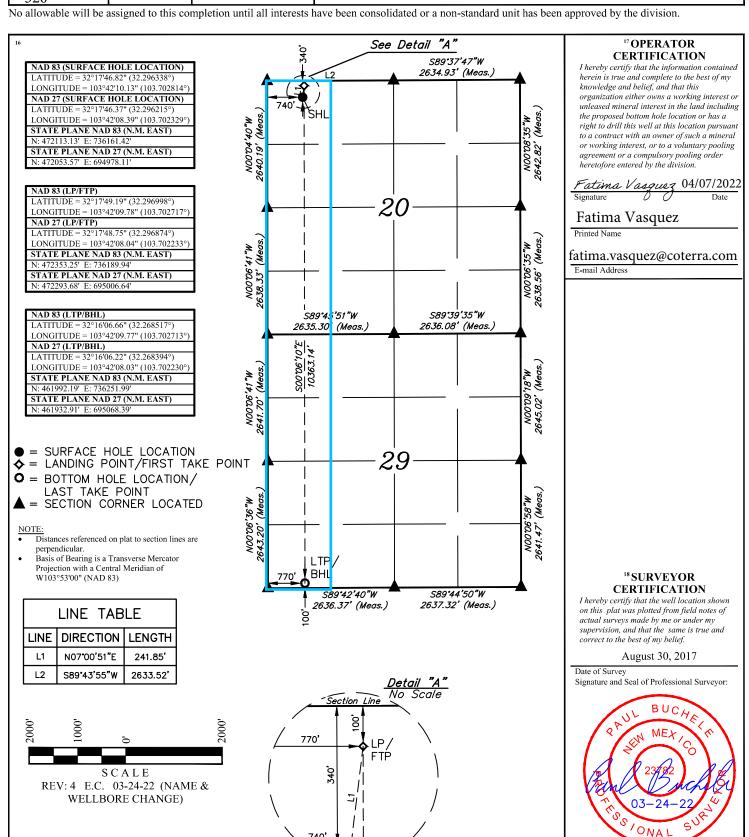
WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-45604	•	53805 <sup>2</sup> Pool Code	Sand Dunes; Bone Spring, South	
313723			roperty Name -29 FEDERAL COM	<sup>6</sup> Well Number 39H
<sup>7</sup> OGRID No. 215099			perator Name EX ENERGY CO.	<sup>9</sup> Elevation 3677.8

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

UL or lot no D	Section 20	Township 23S	Range 32E	Lot Idn	Feet from the 340	North/South line NORTH	Feet from the 740	East/West line WEST	County LEA
			11	Bottom H	ole Location I	f Different From	Surface		

Townshi 23S Section 29 Range 32E Feet from the North/South line SOUTH East/West line WEST County LEA 770 M <sup>2</sup> Dedicated Acres 15 Order No.



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Certificate Number

# Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of November, 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 23 South, Range 32 East, N.M.P.M.

Section 20: E/2W/2 Section 29: E/2W/2 Lea County, New Mexico

Containing **320.00** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be Cimarex Energy Co., 600 N. Marienfeld, Ste. 600, Midland, TX 79701. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

The communitized area approved in this Agreement contains unleased Federal lands. The value of 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, is such lands were leased, committed and entitle to participation, shall be payable as compensatory royalties to the Federal government. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance

- is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is October 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

	Cimarex Energy Co., OPERATOR
	By:
Date	By:Bradley Cantrell, Attorney-in-Fact
AC	CKNOWLEDGEMENT
STATE OF	)
STATE OF	) ss. )
State of Texas, personally appearance of Cimarex Energy Co.,	, 2022, before me, a Notary Public for the ared Bradley Cantrell, known to me to be the Attorney-In- , a Delaware corporation that executed the foregoing one such corporation executed the same.
(SEAL)	
My Commission Expires	Notary Public

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

	Cimarex Energy Co.
Date	By:Bradley Cantrell, Attorney-In-Fact
AC	CKNOWLEDGEMENT
STATE OF TEXAS	
COUNTY OF MIDLAND	) ss. )
Texas personally appeared Brad	, 2022, before me, a Notary Public for the State of dley Cantrell, known to me to be the Attorney-in-Fact of the corporation that executed the foregoing instrument and ration executed the same.
(SEAL)	
My Commission Expires	Notary Public

Ball Oil & Gas, LLC

Date	By:Print Name:
_	KNOWLEDGEMENT
STATE OF	)
COUNTY OF	) ss. )
personally ap	, 2022, before me, a Notary Public for the State of peared, known to me to of, a
	egoing instrument and acknowledged to me such
(SEAL)	
My Commission Expires	Notary Public

Capitan Mountain Oil & Gas, LLC

Date	By: Print Name:
ACK	NOWLEDGEMENT
STATE OF	)
COUNTY OF	) ss. )
personally appe	, 2022, before me, a Notary Public for the State of eared, known to me to, a
	going instrument and acknowledged to me such
(SEAL)	
My Commission Expires	Notary Public

Gerald Childress and wife, Martha G. Childress	
	By:
Date	Print Name:
	By:
Date	Print Name:
ACK	NOWLEDGEMENT
State of)	
) ss.	
County of )	
This instrument was acknowled	dged before me on
	by
(Seal, if any)	
My Commission Expires	Notary Public

# **ACKNOWLEDGEMENT**

State of)		
) ss		
County of)		
This instrument was	acknowledged before me on	
	by	
(Seal, if any)		
My Commission Expires	<del></del>	Notary Public

	Larry G. Engwall and wife	, Brenda J. Bryan
Date	By: Print Name:	
Date	rint Name:	
Date	By: Print Name:	
ACKNO	OWLEDGEMENT	
State of )		
) ss.		
County of )		
This instrument was acknowledge	d before me on	, 2022
by		
(Seal, if any)		
My Commission Expires	Notary Public	

 $\label{lem:communitization} \begin{array}{l} \text{Communitization Agreement - James 20-29 Fed Com 38H} \\ \text{E/2W/2 of Sections 20 and 29,} \\ \text{Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico} \end{array}$ 

# **ACKNOWLEDGEMENT**

State of)	
) ss.	
County of )	
This instrument was acknowledged before me	on, 2022
by	
(Seal, if any)	
My Commission Expires	Notary Public

	Steven Engwall	
Date	By: Print Name:	
ACKNO	WLEDGEMENT	
State of)		
) ss.		
County of)		
This instrument was acknowledged	before me on	, 2022
by		
(Seal, if any)		
My Commission Expires	Notary Public	

	Robert J. Gallivan, Jr. and wife, Barbara Gallivan	
Date	By: Print Name:	
Date	By: Print Name:	
AC	KNOWLEDGEMENT	
State of)		
) ss.		
County of )		
This instrument was acknowle	edged before me on, 20	22
by		
(Seal, if any)		
My Commission Expires	Notary Public	

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

# **ACKNOWLEDGEMENT**

State of	_ )		
	) ss.		
County of	_)		
This instrument	was acknowledged before me on		, 2022
by	<del>.</del>		
(Seal, if any)			
My Commission Ex	 pires	Notary Public	

		Patrick J. F. Gratton and wife, Jea Gratton	an M.
		Ву:	
Date		Print Name:	
- D		By:	
Date		Print Name:	
	ACK	NOWLEDGEMENT	
State of	)		
	) ss.		
County of	)		
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by		<u> </u>	
(Seal, if any)			
My Commission	Expires	Notary Public	

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

# **ACKNOWLEDGEMENT**

State of)	
) ss.	
County of)	
This instrument was acknowledged before me of	on, 2022
by	
(Seal, if any)	
My Commission Expires	Notary Public

	Tara N. Fedric, Trustee of the Tara N. Fedric Living Trust
Date	By:Print Name:
AC	KNOWLEDGEMENT
STATE OF TEXAS	)
COUNTY OF	) ss. )
personally app	, 2022, before me, a Notary Public for the State of eared, known to me to
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(SEAL)	
My Commission Expires	Notary Public

	Centenn	ial LLC
Date		nt Name:
	ACKNOWLEDGE	MENT
STATE OF TEXAS	)	
COUNTY OF	) ss. )	
On thisday of person	, 2022, before a lally appeared	me, a Notary Public for the State of, known to me to
corporation that executed corporation executed the		
(SEAL)		
My Commission Expires	_	Notary Public

	Earl A. Latimer, III, and wife, Kathryn S. Latimer
Date	By: Print Name:
Date	By:Print Name:
AC	CKNOWLEDGEMENT
State of)	
) ss.	
County of )	
This instrument was acknow	ledged before me on, 2022
by	
(Seal, if any)	
My Commission Expires	Notary Public

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

# **ACKNOWLEDGEMENT**

State of	)		
	) ss.		
County of	)		
This instrume	ent was acknowledged before me on	-	, 2022
by			
(Seal, if any)			
My Commission	Expires	Notary Public	

Marker Petroleum, Inc.		Petroleum, Inc.
Date		nt Name:
	ACKNOWLEDGEN	MENT
STATE OF TEXAS	)	
COUNTY OF	) ss. )	
person	nally appeared	me, a Notary Public for the State of, known to me to, a
corporation that executed corporation executed the	the foregoing instrument and	d acknowledged to me such
(SEAL)		
	<u> </u>	
My Commission Expires		Notary Public

	Calvin R. Kimbrough, Trustee of the Ann Kimbrough Revocable Trust Share of The
	Calvin and Ann Kimbrough Revocable Trust
	By:
Date	Print Name:
ACKN	OWLEDGEMENT
STATE OF TEXAS	) ) ss.
COUNTY OF	_)
	, 2022, before me, a Notary Public for the State of red, known to me to
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corporation that executed the foregoi	ing instrument and acknowledged to me such
corporation executed the same.	
(SEAL)	
My Commission Expires	Notary Public

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

	Har-Vest LLC
Date	By:Print Name:
ACKN	OWLEDGEMENT
STATE OF TEXAS	)
COUNTY OF	) ss. _)
personally appeared	_ , 2022, before me, a Notary Public for the State of ed, known to me to
corporation that executed the foregoin corporation executed the same.	
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My Commission Expires	Notary Public

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

		Kerry D. Hunter	
Date		By:Print Name:	
	ACKNOW	LEDGEMENT	
State of	_)		
	) ss.		
County of	_)		
This instrumen	t was acknowledged be	efore me on	, 2022
by	·		
(Seal, if any)			
My Commission E	xpires	Notary Public	

	J4 Famil	y Limited Partnership
Date		nt Name:
	ACKNOWLEDGEN	MENT
STATE OF TEXAS	)	
COUNTY OF	) ss. )	
person	nally appeared	me, a Notary Public for the State of, known to me to
corporation that executed corporation executed the		
(SEAL)		
My Commission Expires	<u></u>	Notary Public

	H. Lee Harvard and Jeffery L. Harvard Co- Trustees of the H. Lee and Joanne W. Harvard Trust
Date	By:Print Name:
Date	By:Print Name:
ACK STATE OF TEXAS	NOWLEDGEMENT
COUNTY OF	) ss. )
personally appe	, 2022, before me, a Notary Public for the State of ared, known to me to
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My Commission Expires	Notary Public

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

# **ACKNOWLEDGEMENT**

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My Commission Expires	Notary Public

	Tumbler Energy Partners, LLC		
Date	By:Print Name:		
ACK	NOWLEDGEMENT		
STATE OF TEXAS	)		
COUNTY OF	) ss. )		
On thisday of personally appe	, 2022, before me, a Notary Public for the State of eared, known to me to		
corporation that executed the foreg corporation executed the same.			
(SEAL)			
My Commission Expires	Notary Public		

	Harvard Petroleum Company, LLC
Date	By: Print Name:
ACK	KNOWLEDGEMENT
STATE OF TEXAS	)
COUNTY OF	) ss. )
On thisday of personally appe	, 2022, before me, a Notary Public for the State of eared, known to me to
corporation that executed the foreg	going instrument and acknowledged to me such
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My Commission Expires	Notary Public

	EOG Resources, Inc.		
Date	By:Print Name:		
	ACKNOWLEDGEMENT		
STATE OF TEXAS	)		
COUNTY OF	) ss. )		
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corporation that executed corporation executed the	of d the foregoing instrument and acknowl e same.	, a edged to me such	
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My Commission Expires	s Notary Pu	ıblic	

		Devon Energy Production Company, LP
Date		By: Print Name:
	ACKNOWI	LEDGEMENT
STATE OF TEXAS	<i>'</i>	
COUNTY OF	) ss. )	
	personally appeared	22, before me, a Notary Public for the State of, known to me to
corporation that execute		
(SEAL)		
My Commission Ex	 xpires	Notary Public

	Mavros Oil Company, LLC
Date	By:Print Name:
AC	KNOWLEDGEMENT
STATE OF TEXAS	)
COUNTY OF	) ss. )
personally ap	, 2022, before me, a Notary Public for the State of peared, known to me to
corporation that executed the for corporation executed the same.	of
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		TBO Oil & Gas, LLC		
Date		By: Print Name:		
	ACKNOWI	LEDGEMENT		
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COUNTY OF	) ss. )			
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My Commission I	Expires	Notary Pu	blic	

	Crump Family Partners	snip, Lta.
Date	By:Print Name:	
	ACKNOWLEDGEMENT	
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COUNTY OF	) ss. )	
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corporation that executed the corporation executed the sar	of	ed to me such
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	1 arț	Tarpon Engineering Corp.		
Date	B <u>y</u>	y:Print Name:		
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		warren ventures, Ltd	•
Date		By:Print Name:	
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	CI	CD Ray Exploration, LLC		
Date	I	By: Print Name:		
	ACKNOWLED	DGEMENT		
STATE OF TEXAS	)			
COUNTY OF	) ss. )			
On thisday ofpe	, 2022, beersonally appeared	efore me, a Notary Public for the State of, known to me to		
corporation that executed				
(SEAL)				
My Commission Exp	ires	Notary Public		

		Stillwater Investments	
Date		By:Print Name:	
	ACKNOWL	EDGEMENT	
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COUNTY OF	) ss. )		
·	f, 2022 personally appeared	<del>-</del>	, known to me to
corporation that excorporation execu	of of executed the foregoing instrated the same.	rument and acknowledge	ed to me such
(SEAL)			
My Commission I	Expires	Notary Public	

# RECORD TITLE OWNERS

	Occidental Permian Limited Partnership
Date	By:Print Name:
ACKN	OWLEDGEMENT
STATE OF TEXAS	)
COUNTY OF	) ss. _)
On thisday of personally appear	_ , 2022, before me, a Notary Public for the State of ed, known to me to, a
corporation that executed the foregoing corporation executed the same.	ng instrument and acknowledged to me such
(SEAL)	
My Commission Expires	Notary Public

# RECORD TITLE OWNERS

	CD	CD Ray Exploration, LLC		
Date	В	By:Print Name:		
	ACKNOWLED	GEMENT		
STATE OF TEXAS	)			
COUNTY OF	) ss. )			
On thisday ofpe	, 2022, be	efore me, a Notary Public for the State of, known to me to		
corporation that executed to				
(SEAL)				
My Commission Expi	res	Notary Public		

# SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION	AGREEMENT:	

I, the undersigned, hereby certify, on behalf of Cimarex Energy Co., the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME:	(signature of officer)
Printed: Bradley Cantrell	<u></u>
TITLE: Attorney-In-Fact	
Phone number: (432) 571-7807, Email: Brad	d.Cantrell@coterra.com

# **EXHIBIT "A"**

Plat of communitized area covering 64**0.00** acres in the E/2W/2 Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

#### James 20-29 Federal Com 38H

Tract 1 NMNM 0559539	20
Tract 1 NMNM 0559539	
Tract 1 NMNM 0559539	
Tract 2 NMNM 116573	
Tract 1 NMNM 0559539	29
	29
NMNM 0559539  Tract 1	29

Tract 1: NW/4 & NE/4SW/4 of Section 20

E/2W/2 of Section 29

Tract 2: SE/4SW/4 of Section 20

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

#### **EXHIBIT "B"**

To Communitization Agreement Dated November 1, 2022 embracing the following described land in Sections 20 & 29, Township 23 South, Range 32 East, N.M.P.M, Lea County, NM.

Operator of Communitized Area: Cimarex Energy Co.

#### **DESCRIPTION OF LEASES COMMITTED**

#### Tract No. 1

Lease Serial Number: NMNM 0559539

Lessor: United States of America Lessee: Midwest Oil Corporation

Date: April 1, 1966

Description of Land Committed: Township 23 South, Range 32 East,

Section 20: NW/4 and NE/4SW/4

Section 29: E/2W/2

Number of Acres: 280.00

Record Title Owner: Occidental Permian L.P.

Name of Working Interest Owners:

Tume of Working Interest Owners.	
Ball Oil and Gas, LLC	0.46972600%
Capitan Mountain Oil & Gas, LLC	0.46972600%
Gerald Childress and wife, Martha G. Childress	0.35379000%
Larry G. Engwall and wife, Brenda J. Bryant	0.14786600%
Steven Engwall	0.14786600%
Robert J. Gallivan, Jr. and wife, Barbara Gallivan	0.31308800%
Patrick J. F. Gratton and wife, Jean M. Gratton	11.1175960%
Tara N. Fedric, Trustee of the Tara N. Fedric Living Trust	0.15654400%
Centennial LLC	0.23486400%
Earl A. Latimer III, and wife, Kathryn S. Latimer	0.46972600%
Marker Petroleum, Inc.	2.34863300%
Calvin R. Kimbrough, Trustee of the Ann Kimbrough Revocable Trust	
Share of The Calvin and Ann Kimbrough Revocable Trust	0.25000000%
Har-Vest LLC	0.93945400%
Kerry D. Hunter	0.53079200%
J4 Family Limited Partnership	0.53079200%

Communitization Agreement – James 20-29 Fed Com 38H

E/2W/2 of Sections 20 and 29,

Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

H. Lee Harvard and Jeffery L. Harvard Co-Trustees

of the H. Lee and Joanne W. Harvard Trust

Tumbler Energy Partners, LLC

Harvard Petroleum Company, LLC

EOG Resources, Inc.

Cimarex Energy Co.

1.19427900%

0.93926400%

9.76911700%

16.0427250%

53.5741520%

#### Tract No. 2

Lease Serial Number: NMNM 116573

Lessor: United States of America

Lessee: Charles D. Ray

Date: September 1, 2006

Description of Land Committed: Township 23 South, Range 32 East,

Section 20: SE/4SW/4

Number of Acres: 40.00

Record Title Owner: CD Ray Exploration, LLC

Name of Working Interest Owners:

Devon Energy Production Company, LP 79.81250000% Mavros Oil Company, LLC 4.50000000% TBO Oil & Gas, LLC 0.18750000% Crump Family Partnership, Ltd. 3.75000000% Tarpon Engineering Corp. 0.75000000% Warren Ventures, Ltd. 3.00000000% CD Ray Exploration, LLC 5.75000000% Stillwater Investments 2.25000000%

#### **RECAPITULATION**

Tract No.	No. Acres Committed	Percentage of Interest in Communitized Area
1	280.00	87.50%
2	40.00	12.50%
	320.00	100.00%

Communitization Agreement – James 20-29 Fed Com 38H E/2W/2 of Sections 20 and 29, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
ALOLIVED.	KE VIE VVEK:			
	- Geolog	CO OIL CONSERV ical & Engineerin rancis Drive, San	<b>ATION DIVISION</b> g Bureau –	STORING OF NEW ASSESSMENT OF N
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IHIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH R		E DIVISION LEVEL IN SANTA FE	IVISION RULES AND
Applicant:			OGRID	Number:
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ool:			Pool Co	de:
SUBMIT ACCUR	ATE AND COMPLETE IN	IFORMATION REQU		TYPE OF APPLICATION
A. Location	ICATION: Check those I – Spacing Unit – Simu NSL  NSP		on	
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B. Roya C. Appli D. Notifi E. Surfa G. For al	Ity, overriding royalty ocation requires publish cation and/or concurrection and/or concurrection and/or concurrection and/or concurrection and/or proof of the above, proof of tice required	owners, revenue ov ned notice rent approval by S rent approval by B	LO LM	Application Content Complete d, and/or,
administrative understand the	N: I hereby certify that e approval is accurate nat no action will be ta are submitted to the Di	and <b>complete</b> to aken on this applic	the best of my knowl	edge. I also
N	ote: Statement must be compl	leted by an individual wit	h managerial and/or supervi	sory capacity.
			Date	_
Print or Type Name				
<u>B.</u>	Dodan		Phone Number	

e-mail Address

Signature

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: Brittany Gordon

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com;

Paradis, Kyle O; Walls, Christopher

Subject:Approved Administrative Order CTB-1080Date:Monday, January 30, 2023 8:01:59 AM

Attachments: CTB1080 Order.pdf

NMOCD has issued Administrative Order CTB-1080 which authorizes Cimarex Energy Company (215099) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-42222	James 19 Federal #31H	E/2 E/2	19-23S-32E	53805
30-025-45020	James 19 Federal #34H	W/2 E/2	19-23S-32E	53805
20.025.45(02	James 20 Federal Com #27H	W/2 W/2	20-23S-32E	53805
30-025-45602	James 20 Federal Com #37H	W/2 W/2	29-23S-32E	22802
30-025-45603 James 20 Fe	James 20 Federal Com #2011	E/2 W/2	20-23S-32E	<i>52005</i>
	James 20 Federal Com #38H	E/2 W/2	29-23S-32E	53805
30-025-45604	James 20 Federal Com #39H	W/2 W/2	20-23S-32E	<i>52005</i>
		W/2 W/2	29-23S-32E	53805

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

 From:
 Brittany Gordon

 To:
 McClure, Dean, EMNRD

 Cc:
 Kanicia Schlichting

**Subject:** [EXTERNAL] RE: surface commingling application CTB-1080

**Date:** Wednesday, January 25, 2023 2:32:24 PM **Attachments:** Affidavit of Publication - James 19 20-29.msg

BLM Sundry Report James 19 Fed 31H Acreage Change Approved.pdf

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Mr. McClure,

The central tank battery and gas sales meter are located in SE/4 SE/4 of Section 18. The first attachment is the email originally sent 11/28/2022 with the affidavit.

I've created a [C-103Z] Sub. General Sundry Action ID 179603, attached is the BLM approved sundry for the dedicated acreage correction that was not previously provided to the OCD.

I hope this is sufficient for your request. Thank you very much for your detailed response.

**Brittany Gordon** | Regulatory Analyst T: 432.620.1960 | Brittany.Gordon@coterra.com

From: McClure, Dean, EMNRD < Dean. McClure@emnrd.nm.gov>

Sent: Monday, January 23, 2023 12:28 PM

**To:** Brittany Gordon <Brittany.Gordon@coterra.com>

Subject: [EXTERNAL] surface commingling application CTB-1080

**WARNING:** This email originated from outside of Coterra Energy. Do not click links or open attachments unless you recognize the sender, are expecting the content and know it is safe.

Ms. Gordon,

I am reviewing surface commingling application CTB-1080 which involves a commingling project that includes the James 19 & 20 29 Central Tank Battery and is operated by Cimarex Energy Company (215099).

Please provide the quarter-quarter for the central tank battery and for the gas sales meter.

It looks likes public notice was conducted for this application; if so, please provide the affidavit of publication.

It appears that the following well is supposed to only be within the E/2 E/2 of section 19, but the OCD well details indicates that the HSU also includes the SE/4 SE/4 of section 18. Presuming that it is correct that the SE/4 SE/4 of section 18 should not be included, please submit a stand alone C-102 and send me the action ID once it is submitted.

Please note that failure to take steps to address each of the topics addressed in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once the topics have been fully addressed.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.

# Affidavit of Publication

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 November 20, 2022 and ending with the issue dated November 20, 2022.

Publisher

Sworn and subscribed to before me this 20th day of November 2022.

Business Manager

My commission expires

<u></u> January 29, 2023

(Seal)

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526

My Comm. Expires Jan 29, 2023

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

LEGAL NOTICE November 20, 2022

Notice of Application for Surface & Pool Commingle

STATE OF NEW MEXICO ENERGY, MINERAL AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following and notice to the public.

(Note: All land descriptions herein refer to the New Mexico, Principal Meridian whether or not so stated.)

Lease: James 19 & 20-29 Federal Com

Application of Cimarex Energy Co. for Approval of Surface & Pool Commingle, Lea County, New Mexico.

Application seeks authority to surface & pool commingle production.

Pursuant to Statewide Rule 19.15.12.10 (C)(4)(g), Cimarex requests the option to include additional pools and/or leases with the defined parameters set forth in the order for future additions.

Location: Section 18, 19 & 20; Township 23S; Range 32E; Lea County, New Mexico

Pool: [53805] SAND DUNES; BONE SPRING, SOUTH

Applicant: Cimarex Energy Co., Attn: Brittany Gordon, 600 N. Marienfeld Street, Suite 600, Midland, Texas 79701.

Interested parties must file objections or requests for hearing in writing with the divisions Santa Fe Office within 20 days of this publication, or the division may approve this application. #00273311

02108629

00273311

REGULATORY CIMAREX ENERGY CO. 600 N. MARIENFELD STREET SUITE 600 MIDLAND, TX 79701

Ad Text:

# Received by OCD: 11/18/2022 9:57:31 AM

# **Advertising Invoice**

#### **Hobbs Daily News-Sun**

201 N Thorp P. O. Box 850 Hobbs, NM 88241

ECEIVE

Phone: 575-393-2123

575-397-0610 Fax:

ВҮ: .....

URL:

www.hobbsnews.com

REGULATORY CIMAREX ENERGY CO. 600 N. MARIENFELD STREET SUITE 600 MIDLAND, TX 79701

Customer #:

02108629

Phone:

(432)571-7800

Date:

11/17/2022

Ad #:

00273311

Salesperson:

Payment Reference:

Ad Taker:

Kayla

Class:

672

Sort Line:

273311 JAMES 19 & 20-29

Ad Notes: PER BRITTANY GORDON

JAMES 19 & 20-29

HA

Description	Amount
AFF2 Affidavits (Legals)	6.25
BOLD bold	1.00
	6.08
07 07 Daily News-Sun 2022-11-20	83.60

LEGAL NOTICE null November 20, 2022 Notice of Application for Surface & Pool Commingle STATE OF NEW MEXICO ENERGY, MINERAL AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim

90.85 Total: 6.08 Tax: 96.93 Net: Prepaid: null 96.93

**Total Due** 

Released to Imaging: 1/30/2023 8:11:02 AM

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

# APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY CIMAREX ENERGY COMPANY

ORDER NO. CTB-1080

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

#### **FINDINGS OF FACT**

- 1. Cimarex Energy Company ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
- 8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

Order No. CTB-1080 Page 1 of 4

#### **CONCLUSIONS OF LAW**

- 9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

#### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

Order No. CTB-1080 Page 2 of 4

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

- 3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later

Order No. CTB-1080 Page 3 of 4

than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAMM. FUGE

**DIRECTOR (ACTING)** 

**DATE:** 1/28/2023

Order No. CTB-1080 Page 4 of 4

#### **State of New Mexico Energy, Minerals and Natural Resources Department**

# Exhibit A

Order: CTB-1080

**Operator: Cimarex Energy Company (215099)** 

Central Tank Battery: James 19 & 20 29 Central Tank Battery

Central Tank Battery Location: UL P, Section 18, Township 23 South, Range 32 East Gas Title Transfer Meter Location: UL P, Section 18, Township 23 South, Range 32 East

#### **Pools**

**Pool Name Pool Code** SAND DUNES; BONE SPRING, SOUTH 53805

#### Leases as defined in 19.15.12.7(C) NMAC

Leases as defined in 19.13.12.7(c) WIAC			
	Lease	UL or Q/Q	S-T-R
		E/2	19-23S-32E
	NMNM105552818 (NMNM 0559539)	W/2 minus N	20-23S-32E
	W/2	29-23S-32E	
	NMNM105385859 (NMNM 116573)	N	20-23S-32E

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Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-42222	James 19 Federal #31H	E/2 E/2	19-23S-32E	53805
30-025-45020	James 19 Federal #34H	W/2 E/2	19-23S-32E	53805
30-025-45602 James 20 Federal Com #37H	W/2 W/2	20-23S-32E	53805	
	W/2 W/2	29-23S-32E	23002	
		F/2 W/2	20-23S-32E	

Wells

# State of New Mexico Energy, Minerals and Natural Resources Department

# **Exhibit B**

Order: CTB-1080

**Operator:** Cimarex Energy Company (215099)

Pool	led	Areas	
,,,			

1 0 010 01 111 0000				
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring BLM	E/2 W/2 E/2 W/2	20-23S-32E 29-23S-32E	320	A

# **Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NIMNIM 105552010 (NIMNIM 0550520)	C F K	20-23S-32E	200	<b>A</b>
NMNM105552818 (NMNM 0559539)	C F K N	29-23S-32E	280	A
NMNM105385859 (NMNM 116573)	N	20-23S-32E	40	A

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

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505** 

CONDITIONS

Action 160014

#### **CONDITIONS**

Operator:	OGRID:
CIMAREX ENERGY CO.	215099
600 N. Marienfeld Street	Action Number:
Midland, TX 79701	160014
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### CONDITIONS

Created By		Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	1/30/2023