State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham Governor

Melanie A. Kenderdine Cabinet Secretary

Ben Shelton Deputy Secretary

Erin Taylor Deputy Secretary Albert C.S. Chang Division Director Oil Conservation Division



Deana M. Bennett deana.bennett@modrall.com

Administrative Order NSP – 2287

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Coterra Energy Operating Co. [OGRID 215099]

Canyonlands 2 State Com Well No. 401H [30-025-54746] Canyonlands 2 State Com Well No. 402H [30-025-54744] Canyonlands 2 State Com Well No. 002H [30-025-44723] **HSU: Section 2, T24S R34E, Lea County, New Mexico**

Reference is made to your application received on May 5th, 2025.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Increased Horizontal Spacing Unit:

| Description | Acres | Pool | Pool Code |
|-------------|--------|--------------------------|-----------|
| Section 02 | 640.16 | Antelope Ridge; Wolfcamp | 2220 |

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a nonstandard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in sections, as required by Rule 19.15.16.15(B)(1) NMAC. NSP - 2287 Coterra Energy Operating Co. Page 2 of 2

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Lea County, New Mexico.

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are to be being included.

You have requested this non-standard horizontal spacing unit to allow for efficient development, to minimize surface disturbance, to promote effective well spacing and to protect the correlative rights within the Wolfcamp formation. Thereby, preventing waste underlying all of Section 02, within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the abovedescribed **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the non-standard spacing unit, the well(s) must be in the same <u>horizontal spacing unit</u> and <u>pool/formation</u>. The new well's APD shall reference this NSP order number on Form C-102 with an adjacent letter stating this request.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Albert Chang

Albert C.S. Chang, PE Division Director AC/lrl

Date: 7/3/2025

Page 3 of 25 NSP - 2287 Revised March 23, 2017 ID NO. 458678 RECEIVED: REVIEWER: TYPE: APP NO: 05/05/25 ABOVE THIS TABLE FOR OCD DIVISION USE ONLY NEW MEXICO OIL CONSERVATION DIVISION - Geological & Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505 ADMINISTRATIVE APPLICATION CHECKLIST THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE Applicant: Coterra Energy Operating Co. OGRID Number: 215099 Well Name: Canyonlands 2 State Com **API:** Various Pool: Antelope Ridge; Wolfcamp Pool Code: 2220 SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW 1) **TYPE OF APPLICATION:** Check those which apply for [A] A. Location – Spacing Unit – Simultaneous Dedication **NSL** NSP (PRORATION UNIT) SD B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC CTB PLC | PC OLS [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery WFX PMX **SWD** EOR **PPR** FOR OCD ONLY 2) NOTIFICATION REQUIRED TO: Check those which apply. Notice Complete A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue owners Application C. Application requires published notice Content D. Notification and/or concurrent approval by SLO Complete E. Notification and/or concurrent approval by BLM F. Surface owner G. For all of the above, proof of notification or publication is attached, and/or, H. No notice required 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division. Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Deana M. Bennett

Print or Type Name

| Deam | 1Bmut |
|-----------|-------|
| Signature | |

505-848-1834

05/05/2025 Date

Phone Number

deana.bennett@modrall.com e-mail Address

Released to Imaging: 7/10/2025 10:13:41 AM



VIA ELECTRONIC FILING

May 5, 2025

Deana M. Bennett 505.848.1834 Deana.bennett@modrall.com

Acting Director Gerasimos Razatos And OCD Engineering Bureau Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

RE: Application of Coterra Energy Operating Co. for administrative approval of a 640.16-acre, more or less, nonstandard spacing unit in the Wolfcamp formation comprised of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico.

Dear Acting Director Razatos /OCD Engineering Bureau:

Coterra Energy Operating Co. ("Coterra"), OGRID number 215099, respectfully requests administrative approval of a 640.16-acre, more or less, nonstandard spacing unit ("NSU") comprised of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico.

The new wells proposed to be dedicated to this NSU are:

| Well Name | API Number |
|------------------------------|------------|
| Canyonlands 2 State Com 401H | Pending |
| Canyonlands 2 State Com 402H | Pending |

Coterra also requests that the following existing well¹ be included in the NSU approved order:

| Well Name | API Number |
|----------------------------|-------------------|
| Canyonlands 2 State Com 2H | 30-025-44723 |

C-102s for all of the Wells (new and existing) are attached hereto as **Exhibit A**. The pool underlying the proposed non-standard spacing unit is the Antelope Ridge; Wolfcamp (Code

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

¹ The existing well is currently dedicated to a 160-acre horizontal spacing unit. Coterra's goal is to combine the existing unit with the remaining acreage in Section 2 to create a single approximately 640.16-acre, more or less, spacing unit.

Page 2

2220), which follows the statewide spacing rules. Each Well will comply with the statewide setback requirements for the non-standard spacing unit.

Coterra is requesting this NSU for several reasons. First, approval of the NSU will allow for full and efficient development of this acreage and will minimize surface disturbance by allowing Coterra to consolidate facilities and commingle production from wells in the proposed NSU. Second, Coterra is requesting approval of this NSU to match a Communitization Agreement that has been preliinarily approved by the State Land Office. Third, Coterra is requesting approval of this NSU to promote effective well spacing by removing the setback requirements from the center line and the quarter-quarter lines to allow for more efficient spacing.

A tract map is attached hereto as **Exhibit B**, which identifies the approximate Well locations. Also included in Exhibit B is a list of the Wells to be initially dedicated to this NSU.

Exhibit C is a letter from reservoir engineer explaining the need for a non-standard unit and the benefits associated with a non-standard, as opposed to a standard, unit. Exhibit C includes attachments that compare and contrast the standard versus non-standard unit scenario.

Coterra is providing notice to all affected parties in the tracts that adjoin the proposed nonstandard spacing unit and to the State Land Office and the Bureau of Land Management. Proof of mailing notice of the application (including a copy of the application) to affected persons entitled to notice is attached hereto as **Exhibit D**. Also included in Exhibit D is a map identifying the affected tracts and ownership for notice purposes.

Your attention to this matter is appreciated.

Bmilt Sincerely.

Deana M. Bennett Attorney for Coterra Energy Operating Co.

| <u>C-10</u> Submit | Electronicall | v | En | | inerals & Natural CONSERVATI | | | | | 2.000 |
|-----------------------|-------------------|---|---------------------|---------------|--|--|------------------------------------|-------------------|----------------------------|-------------|
| | D Permitting | , | | | | | | | | |
| | | | | | | | | Submitta Type: | Amended Rep | ort |
| | | | | | | | | | □ As Drilled | |
| | | | | | WELL LOCATI | ON INFORMATIC | DN | | | |
| API Nu | ımber | | Pool Code | 2220 | | Pool Name | Antelope Ridge; | Wolfcamp | | |
| Propert | y Code | | Property N | ame | CANYONLAN | UDS 2 STATE CON | м | | Well Number 401 | н |
| OGRIE |) No. 215099 | | Operator N | ame | COTERRA | ENERGY OPERAT | ING CO. | | Ground Level El 3,29 | |
| Surface | | State □Fee □ |] Tribal 🗖 Fe | deral | | Mineral Owner: | □ State □ Fee | 🗆 Tribal 🗆 |] Federal | |
| | | | | | | | | | | |
| UL | Section | Township | Range | Lot | Surfac Ft. from N/S | E Location | Latitude (N | AD 83) | Longitude (NAD 83) | County |
| M | 2 | 24S | 34E | | 370 SOUTH | 810 WEST | 32.240 | | -103.446678° | LE |
| | | | | | Bottom I | Hole Location | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | AD 83) | Longitude (NAD 83) | County |
| N | 2 | 24S | 34E | | 100 SOUTH | 1,604 WEST | | · / | -103.444109° | LE |
| | | | | | | | | | | |
| Dedica | ted Acres | Infill or Def | ining Well | Definir | g Well API | Overlapping Spa | cing Unit (Y/N) | Consolid | ation Code | |
| 640. | 16 | | | | | | | | | |
| Order 1 | Numbers. | | | | | Well setbacks are | e under Common | Ownership | : 🗆 Yes 🗆 No | |
| | | | | | Kick Of | f Point (KOP) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | IAD 83) | Longitude (NAD 83) | County |
| Μ | 2 | 24S | 34E | | 100 SOUTH | 334 WEST | 32.239 | 559° | -103.448216° | LI |
| | 1 | <u>I</u> | | | First Tak | Le Point (FTP) | | I. | | l |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | IAD 83) | Longitude (NAD 83) | County |
| Μ | 2 | 24S | 34E | | 100 SOUTH | 334 WEST | 32.239 | 559° | -103.448216° | LI |
| | | - - | | | Last Tak | te Point (LTP) | and to a prefer failing resolution | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | | Longitude (NAD 83) | |
| N | 2 | 24S | 34E | | 100 SOUTH | 1,604 WEST | 32.239 | 569° | -103.444109° | LI |
| | | | | | | | | | | |
| Unitize | ed Area or Ar | rea of Uniform | Interest | Spacin | g Unit Type 🗖 Horizo | ontal 🗆 Vertical | Grou | nd Floor E | levation: | |
| | | | | | | | | | | |
| OPER | ATOR CERT | TIFICATIONS | | | | SURVEYOR CER | TIFICATIONS | | | |
| | | | | | mplete to the best of | | | | t was plotted from the fie | |
| organiz | ation either ow | ief, and, if the we ons a working inte | erest or unlease | d mineral int | erest in the land | surveys made by me o my belief. | r under my supervisi | on, and that | the same is true and corr | rect to the |
| | | l bottom hole loce contract with an | | | his well at this or unleased mineral | | | | IL BUC | YE |
| interest, | | ary pooling agree | | | ing order heretofore | | | | 2 MEX | 1m |
| | | | r certify that this | organizatio | on has received the | | | | 1× | 8 |
| consent | of at least one | lessee or owner | of a working int | erest or unle | ased mineral interest he well's completed | | | | E X 23 22 | 82 |
| | | rget pool or form d or obtained a co | | | | | | ð | 02-27-2 | 25 5 |
| Signatu | re | | Date | | | Signature and Seal of H | Professional Surveyor | r | 'S /ONAL | SUR |
| Shellv | Bowen | | | | | 23782 | January 02 | 2, 2025 | | |
| | Name | | | | | Certificate Number | Date of Surv | | | |
| Printed | howen@cote | erra.com | | | | | | | | |
| | | | | | | A REAL PROPERTY AND A REAL | | | | |
| | | | | | | LIDIT | | | | |
| shelly. | Address | allowable will | be assigned t | o this comp | pletion E | XHIBIT | ed or a non-sta | ndard unit | has been approved by | the divis |



Sheet 2 of 2

Page 7 of 25

| <u>C-10</u> | Energy, Minerals & Natura | | | | | l Resources Departm | ent | | Revis | ed July 9, 2024 |
|---|-------------------------------|-----------------|---|---------|--|-------------------------------|------------------------------------|--|--|-----------------|
| | Electronicall D Permitting | y | | OILC | CONSERVAT | TION DIVISION | | | □ Initial Submitt | al |
| | J. | | | | | | Submittal Type: | Amended Rep | ort | |
| | | | | | | | | | As Drilled | |
| | | | - | | WELL LOCAT | ION INFORMATION | | | | |
| API Nu | mber | | Pool Code | 2220 | | Pool Name A | ntelope Ridge | e; Wolfcam | р | |
| Propert | y Code | | Property Na | ime | CANYONLA | NDS 2 STATE COM | | | Well Number 402 | Н |
| OGRID | No. 215099 | | Operator Na | ame | COTERRA F | ENERGY OPERATING CO |) | | Ground Level Ele 3450 | |
| Surface | | State 🗆 Fee 🗆 | Tribal 🗆 Fed | eral | | Mineral Owner: 🗆 S | | 🗆 Tribal 🗖 | | |
| | | | | | Surfa | ace Location | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | AD 83) | Longitude (NAD 83) | County |
| 0 | 2 | 248 | 34E | | 210 SOUTH | 2,247 EAST | 32.2398 | · · · · · | -103.439475° | LEA |
| | | | | | Bottom | Hole Location | | | | |
| UL O | Section 2 | Township 24S | Range 34E | Lot | Ft. from N/S 100 SOUTH | Ft. from E/W 1,375 EAST | Latitude (N. 32.2395 | | Longitude (NAD 83) -103.436655° | County LEA |
| Dedica 640.1 | ted Acres | Infill or Defin | Infill or Defining Well Defining Well API | | | Overlapping Spacing | Unit (Y/N) | Consolida | ation Code | |
| Order N | Numbers. | | | | | Well setbacks are und | er Common (| Ownership: | □Yes □No | |
| | | | | | Kick O | ff Point (KOP) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N. | AD 83) | Longitude (NAD 83) | County |
| N | 2 | 245 | 34E | | 100 SOUTH | 2,590 WEST | 32.2395 | | -103.440920° | LEA |
| ł | 4 | L | | | First Ta | ke Point (FTP) | | I | | |
| UL N | Section 2 | Township 24S | Range 34E | Lot | Ft. from N/S 100 SOUTH | Ft. from E/W 2,590 WEST | Latitude (N. 32.2395 | | Longitude (NAD 83) -103.440920° | County LEA |
| L | 1 | | | I | L Last Ta | ke Point (LTP) | | | | |
| UL O | Section 2 | Township 24S | Range 34E | Lot | Ft. from N/S 100 SOUTH | Ft. from E/W 1,375 EAST | Latitude (N 32.2395 | , | Longitude (NAD 83) -103.436655° | County LEA |
| | | | | | | | | | | |
| Unitize | d Area or Ar | ea of Uniform I | Interest | Spacing | Unit Type 🗖 Horiz | contal 🗌 Vertical | Grou | nd Floor Ele | evation: | |
| OPERA | ATOR CERT | IFICATIONS | | | | SURVEYOR CERTIFIC | CATIONS | | | |
| I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division. | | | | | I hereby certify that the well surveys made by me or unde my belief. | er my supervisio | N MEX 1 23782 2-26-2 ONAL | was plotted from the fie be some is true and corr | ld notes of actual ect to the best of | |
| Signatur | re | | Date | | | Signature and Seal of Profess | sional Surveyor | | | |
| Shelly | Bowen | | | | | 23782 | January 2, | 2025 | | |
| Printed | Name | | | | | Certificate Number | Date of Surve | ey | | |
| shelly.bowen@coterra.com Email Address | | | | | | | | | | |

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

Sheet 1 of 2

Well Number Drawn By Revised By Property Name CANYONLANDS 2 STATE COM 402H T.I.R. 01-07-25 REV: 1 L.T.T. 02-26-25 (ADD NPZ) S89'47'55"W T23S S89'46'37"W - 2638.93' 2642.30' T24SPEAK CURVE 2 SURFACE HOLE LOCATION KOP 2 100' FNL 2.033' FEL S = KICK OFF POINT/LANDING 759' FNL LOT 3 LOT 1 LOT 4 NPZ 1 NPZ 2 40 POINT/FIRST TAKE POINT 26' 2.590' F CURVE 40.04 ACRES 40.06 40.02 253' FNL 253' FNL = NPZ POINT ACRES 2,451' FEL 1,610' FEL ACRES 2646. 2639. 48' 759' FNL O = LAST TAKE POINT/ LOT 2 1,375' FEL 40.04 BOTTOM HOLE LOCATION 54' ACRES I SECTION CORNER LOCATED N00.27'27"W N00.32'04"W NON-PERFORATION ZONE \mathcal{Z} N00°24'48"W 4423.23' *S00*27'58"E 4425.70' 2650.33 2641.16 Ĩ I. W" 12,82.00N W" 62, 61.00N SHI 210' FSL 2,247' FEL LTP/BHL KOP/LP/FTP 100' FSL 100' FSL 2,590' FWL 1.375' FEL S89'36'52"W - 2645.67 S89'55'02"W - 2638.87' NOTE: 000 000 LINE TABLE 500' Distances referenced on plat to section lines are perpendicular. Basis of Bearings is a Transverse LINE DIRECTION LENGTH Mercator Projection with a Central Meridian of W103°53'00" (NAD 83) S76*02'50"W 460.10 L1 SCALE NAD 83 (SURFACE HOLE LOCATION) NAD 83 (KOP/LP/FTP) NAD 83 (KOP 2) NAD 83 (NPZ 1) LATITUDE = 32°15'06.23" (32.251732°) LATITUDE = 32°14'23.55" (32.239876°) LONGITUDE = -103°26'22.11" (-103.439475 LATITUDE = 32°15'11.24" (32.253121°) LATITUDE = 32°14'22.47" (32.239576°) LONGITUDE = -103°26'27.31" (-103.440920° LONGITUDE = -103°26'27.47" (-103.440965° LONGITUDE = -103°26'24.71" (-103.440197° NAD 27 (SURFACE HOLE LOCATION) NAD 27 (KOP/LP/FTP) NAD 27 (KOP 2) NAD 27 (NPZ 1) LATITUDE = 32°15'05.79" (32.251607 LATITUDE = 32°15'10.79" (32.252996°) LATITUDE = 32°14'22.02" (32.239451°) LATITUDE = 32°14'23.10" (32.239751°) LONGITUDE = -103°26'20.40" (-103.439001° LONGITUDE = -103°26'25.61" (-103.440446°) LONGITUDE = -103°26'25.76" (-103.440489° LONGITUDE = -103°26'23.00" (-103.439722°) STATE PLANE NAD 83 (N.M. EAST) N: 452150.36' E: 817703.94 N: 452037.56' E: 817257.9 N: 456459.81' E: 817207.5 N: 456967.22' E: 817440.6 STATE PLANE NAD 27 (N.M. EAST) N: 452091 23' E: 776519.4' N: 451978.45' E: 776073.48 N: 456400.57' E: 776023.24 N: 456907.97' E: 776256.34' NAD 83 (NPZ 2) NAD 83 (PEAK CURVE 2) NAD 83 (LP CURVE 2) NAD 83 (LTP/BHL) LATITUDE = 32°15'12.75" (32.253542°) LATITUDE = 32°15'11.23" (32.253120°) LATITUDE = 32°15'06.23" (32.251730° LATITUDE = 32°14'22.44" (32.239567 LONGITUDE = -103°26'19.85" (-103.438846°) LONGITUDE = -103°26'14.92" (-103.437477 LONGITUDE = -103°26'12.16" (-103.436711° LONGITUDE = -103°26'11.96" (-103.436655° NAD 27 (PEAK CURVE 2) NAD 27 (NPZ 2) NAD 27 (LP CURVE 2) NAD 27 (LTP/BHL) LATITUDE = 32°15'12.30" (32.253417°) LATITUDE = 32°15'10.78" (32.252995°) LONGITUDE = -103°26'13.21" (-103.437002° LATITUDE = 32°15'05.78" (32.251605°) LATITUDE = 32°14'21.99" (32.239442°) LONGITUDE = -103°26'18.14" (-103.438371 LONGITUDE = -103°26'10.45" (-103.436236' LONGITUDE = -103°26'10.25" (-103.436180°) STATE PLANE NAD 83 (N.M. EAST) N: 457123.75' E: 817857.03 N: 456469.96' E: 818522.43 N: 452045.29' E: 818576.96 N: 456973.70' E: 818281.51

STATE PLANE NAD 27 (N.M. EAST)

N: 456410.71' E: 777338.12

STATE PLANE NAD 27 (N.M. EAST)

N: 451986.16' E: 777392.46

Sheet 2 of 2

STATE PLANE NAD 27 (N.M. EAST)

N: 457064.49' E: 776672.74

STATE PLANE NAD 27 (N.M. EAST)

N: 456914.44' E: 777097.2

Page 9 of 25

| <u>C-10</u> 2 | 2 | | State of New Mexico Energy, Minerals & Natural Resources Department | | | | | Revis | ed July 9, 2024 | |
|---|--|---|--|---|---|--|------------------------|------------------|-----------------------------------|---------------|
| Submit | Electronically | / | OIL CONSERVATION DIVISION | | | | | | | |
| | Permitting | | | | | | Submittal | ☐ Initial Submit | | |
| | | | | | | | | Туре: | Amended Rep | ort |
| | | | | | | | | | As Drilled | |
| | | | r | | WELL LOCAT | ION INFORMATION | | | | |
| API Nu | mber 30-025-443 | 723 | Pool Code | 2220 | | Pool Name | Antelope 1 | Ridge; Wol | fcamp | |
| Property | | | Property Na | ame | | NDS 2 STATE COM | | | Well Number 21 | T |
| OGRID | 321280 No. | | Operator N | ame | CANTONLA | NDS 2 STATE COM | | | Ground Level El | |
| | 215099 | | | | COTERRA EI | NERGY OPERATING C | 0. | | 3425 | |
| Surface | Owner: 🗆 S | state 🗆 Fee 🗆 | Tribal 🗆 Fee | leral | | Mineral Owner: 🛛 | State Fee [| 🗆 Tribal 🗖 | Federal | |
| | | | | | Surfa | ce Location | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | AD 83) L | ongitude (NAD 83) | County |
| Р | 2 | 24S | 34E | | 390 SOUTH | 1000 EAST | 32.2403 | 861° | -103.435446° | LEA |
| | | L | L | <u>I</u> | Bottom | Hole Location | | I | | 2.12. |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | AD 83) L | ongitude (NAD 83) | County |
| 1 | 2 | 24S | 34E | | 100 NORTH | 382 EAST | 32.2535 | 538° | -103.433508° | LEA |
| | | | | ļ | | | | I | | |
| | ed Acres | Infill or Defi | ning Well | Definin | g Well API | Overlapping Spacing | g Unit (Y/N) | Consolida | tion Code | |
| Order N | lumbers. | Ι, | | 1 | | Well setbacks are under Common Ownership: 	Yes 	No | | | | |
| | | | | | | | | | | |
| | : | T 1: | 1.5 | 1. | - T | ff Point (KOP) | | | | a . |
| UL P | Section 2 | Township 24S | Range 34E | Lot | Ft. from N/S 415 SOUTH | Ft. from E/W 420 EAST | Latitude (N 32.2404 | | ongitude (NAD 83) -103.433569° | County LEA |
| | | | | | First Ta | ke Point (FTP) | | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | | ongitude (NAD 83) | |
| Р | 2 | 24S | 34E | | 709 SOUTH | 382 EAST | 32.2412 | 234° | -103.433452° | LEA |
| | | 1 | т | | Last Ta | ke Point (LTP) | T | | | |
| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude (N | · · · | Longitude (NAD 83) | - |
| 1 | 2 | 24S | 34E | | 152 NORTH | 382 EAST | 32.2533 | 395° | -103.433509° | LEA |
| | | | | 1 | | | | | | |
| Unitize | d Area or Ar | ea of Uniform l | Interest | Spacing | g Unit Type 🗖 Horiz | contal 🗖 Vertical | Grou | nd Floor Ele | evation: | |
| | | | | | | | | | | |
| OPERA | TOR CERT | IFICATIONS | | | 8 | SURVEYOR CERTIF | CATIONS | | | |
| my know organiza including location interest, | ledge and beli tion either own the proposed pursuant to a | ef, and, if the we ns a working inter bottom hole loca contract with an o try pooling agree | ll is a vertical of rest or unleased tion or has a rig wner of a work | r directional mineral inter th to drill the ing interest | erest in the land | I hereby certify that the we surveys made by me or un my belief. | | | | |
| If this we consent o in each t | ell is a horizon of at least one ract (in the tar | tal well, I further lessee or owner o | f a working intention) in which a | rest or unlea ny part of th | n has received the ased mineral interest he well's completed n the division. | | | Point Point | 23782 03-27-25 | Š. |
| Signature | 2 | | Date | | | Signature and Seal of Profe | ssional Surveyor | V | ONAL | |
| Shelly I | Bowen | | | | | 23782 | April 3, 20 | 18 | | |
| Printed N | Name | | | | | Certificate Number | Date of Surv | ey | | |
| | owen@cote | ra com | | | | | | | | |
| shelly.b | oweniacous | ra.com | | | | | | | | |



Page 11 of 25

Operator – Coterra Energy Operating Co. (215099)

Proposed Non-Standard Horizontal Spacing Unit - Wolfcamp

L1, L2, L3, L4, S2/N2, and S2 of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico, containing 640.16 acres, more or less

(



<u>Tract 1</u>: L0-7040-3 State 320.16 Acres



L0-3882-3 State 320.00 Acres

| CANYONLANDS | 2 |
|-----------------------|---|
| T24S/34E, LEA CO., NM | |

| SECTION 2 | L4 (40.06) | L3 (40.04) | L2 (40.04) | L1 (40.02) |
|-----------|---------------|---------------|---------------|---------------|
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| | L | К | J | 1 |
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Exhibit "B1"

Standard Spacing Unit v. Non-Standard Spacing Unit

CANYONLANDS 2 T24S/R34E, LEA CO., NM

Standard











Exhibit "B2"

Wolfcamp Development

CANYONLANDS 2 T24S/34E, LEA CO., NM





<u>Tract 1</u>: L0-7040-3 State 320.16 Acres



<u>Tract 2</u>: L0-3882-3 State 320.00 Acres

Existing Wolfcamp Wells

Planned Wolfcamp Development (2025)

Exhibit "B3"

Well List with Pool Code

ANTELOPE RIDGE; WOLFCAMP (Pool Code: 2220)

| Well: | API: | Status: |
|------------------------------|--------------|----------------|
| Canyonlands 2 State Com 2H | 30-025-44723 | Producing |
| Canyonlands 2 State Com 401H | 30-025-XXXXX | Permit Pending |
| Canyonlands 2 State Com 402H | 30-025-XXXXX | Permit Pending |



Coterra Energy Inc. Permian Business Unit 6001 Deauville Blvd. Suite 300N Midland, TX 79706

T 432.571.7800 coterra.com

May 5, 2025

VIA E-FILING

Acting Director Gerasimos Razatos And OCD Engineering Bureau Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

RE: Application of Coterra Energy Operating Co. for administrative approval of a 640.16-acre, more or less, nonstandard spacing unit in the Wolfcamp formation comprised of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico.

Dear Director Razatos/OCD Engineering Bureau:

Coterra Energy Operating Co., a subsidiary of Coterra Energy Inc., OGRID Number 215099 ("Coterra"), respectfully requests administrative approval of a 640.16-acre, more or less, nonstandard spacing unit ("NSU") comprised of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico.

The new wells proposed to be dedicated to this NSU are:

| Well Name | API Number |
|------------------------------|------------|
| Canyonlands 2 State Com 401H | Pending |
| Canyonlands 2 State Com 402H | Pending |

Coterra also requests that the following existing wells¹ be included in the NSU approved order:

| Well Name | API Number |
|----------------------------|--------------|
| Canyonlands 2 State Com 2H | 30-025-44723 |

The Wells target the Wolfcamp formation and the pool underlying the proposed non-standard spacing unit is the Antelope Ridge; Wolfcamp pool (Code 2220).

¹ The existing well is currently dedicated to a 160-acre horizontal spacing unit. Coterra's goal is to combine the existing unit with the remaining acreage in Section 2 to create a single approximately 640.16-acre, more or less, spacing unit.



If Coterra were to follow the state-wide rules, Coterra would have to have three units to have standard units. The three standard units would be a W/2 unit (dedicated to a U-turn well), an E/2W/2 W/2E/2 unit (dedicated to a U-turn well), and an E/2E/2 unit. In this NSU application, Coterra seeks a single 640.16-acre unit.

Coterra seeks administrative approval of this non-standard spacing unit to match a State Land Office Communitization Agreement for which Coterra has received preliminary approval, to provide for efficient development, and to minimize surface disturbance by consolidating facilities and commingling production from wells in the proposed non-standard spacing unit. Accordingly, approval of this administrative application will allow for full development of the communitized acreage, promote efficiently located surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines; and promote effective well spacing. In addition, approval of Coterra's application promotes effective well spacing and will allow Coterra to commingle production.

Conversely, if Coterra's NSU application is not approved, Coterra will need to construct two additional CTBs, and will need additional third-party takeaway connections for oil, water, and gas. I have included as Exhibit C-1 a slide comparing and contrasting the standard (C-1B) versus non-standard(C-1A) development scenarios.

Exhibit C-2 compares and contrasts, in table format, the reduced surface acreage and the cost savings that will occur if the NSU is approved. Developing the acreage as a single, non-standard unit will result in 6.9 acres less surface disturbance than if Coterra must develop the acreage using standard units. If Coterra's NSU application is approved, that would eliminate the need to build two additional central tank batteries which reduces permitted fugitive VOC emissions, spill risk, and low-pressure flaring. In addition, total capital costs would be significantly reduced because less infrastructure would be required to operate the single, non-standard unit.

In my opinion, approval of the NSU is in the best interest of conservation, prevention of waste, and protection of correlative rights.

Thank you for your consideration. Should you have any questions please contact me at Eddie.Behm@coterra.com or (432) 571-7865.

Sincerely,

BI

Eddie Behm Reservoir Engineer Coterra Energy Operating Co.



| Received by OCD: 5/5/2025 1:46:10 PM | | N Page 19 of 25 |
|--|--|-----------------|
| COTERRA | | |
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| Distu tion nstruction dor used | 500 ft | |
| urface onal Cor ne corric | SHL SH | |
| New Surface Disturbance – Standard Spacing Unit C-1B • Additional Construction of 1 CTB for W2 E2 • Bulk line corridor used to tie back into oil, gas, and water at the existing battery | | |
| Released to Imaging 0/2025 10:13:41 AM | | - |

COTERRA

3

Environmental and Capital Savings C-2

| Scenario | CTB Capital + CTRA pipelines (\$M) | CTB, Roads, and Pipeline (Acres) |
|----------------------------------|---------------------------------------|-------------------------------------|
| Non-Standard Spacing Unit (C1-A) | \$11,600 | 16.3 |
| Standard Spacing Unit (C1-B) | \$21,600 | 23.3 |
| Savings | \$10,000 | 6.9 |

Elimination of two additional tank batteries effectively cuts permitted fugitive VOC emissions, spill risk, and LP Approval of a non-standard unit will allow consolidation of all production into a single facility and will eliminate the need to build 2 additional 440' x 350' tank batteries saving approximately 6.9 acres of disturbance. .

flares by 66%.

0/2025 10:13:41 AM

| Firm Mailing Book ID: 288233 | Reference Contents | 11522.0003canyon Notice | 11522.0003canyon Notice | 11522.0003canyon Notice | 11522.0003canyon Notice | 11522.0003canyon Notice | 11522.0003canyon Notice | 11522.0003canyon Notice | | |
|---|--------------------------------|---|--|---|---|---|--|--|---------------------------|---|
| Firm Maili | Rest.Del.Fee | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 \$72.38 | |
| | RR Fee | \$2.62 | \$2.62 | \$2.62 | \$2.62 | \$2.62 | \$2.62 | \$2.62 | 5 \$18.34 Grand Total: | |
| | Service Fee | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$33.95 Grand | |
| 877 FIFIED MAIL 5 | Postage | \$2.87 | \$2.87 | \$2.87 | \$2.87 | \$2.87 | \$2.87 | \$2.87 | \$20.09 | |
| PS Form 3877 Type of Mailing: CERTIFIED MAIL 05/05/2025 | | | | | | | | | Totals: | Dated: |
| Ę. | Name, Street, City, State, Zip | Chevron U.S.A. Inc. 1400 Smith St. Houston TX 77002 | Mewbourne Oil Co. 500 West Texas Ave., Suite 1020 Midland TX 79701 | Civitas Permian Operating LLC 6301 Holiday Hill Rd., Suite 201 Midland TX 79707 | Paloma Permian, LLC 1100 Louisiana St., Suite 5100 Houston TX 77002 | COG Production, LLC 600 W. Illinois Ave. Midland TX 79701 | Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508 | New Mexico State Land Office P.O. Box 1148 Santa Fe NM 87504 | | es Postmaster: ce Name of receiving employee |
| Karlene Schuman Modrall Sperling Rochl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102 | de Number | 9314 8699 0430 0134 7791 35 1 1 | 9314 8699 0430 0134 7791 42 1 1 | 9314 8699 0430 0134 7791 59 6 1 | 9314 8699 0430 0134 7791 66 1 1 1 | 9314 8699 0430 0134 7791 73 (6 1 | 9314 8699 0430 0134 7791 80 1 | 9314 8699 0430 0134 7791 97 1 1 5 | | ccs Total Number of Pieces Received at Post Office |
| Karlene Schuman Modrall Sperling Roehl Harris 500 Fourth Street, Suite 1000 Albuquerque NM 87102 | Line L | 6 1 1 1 1 0/2025 | 2 | 6 E :41 AM | 4 | 5 9 | 6 9 | 6 2 | | List Number of Picces Listed by Sender |



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Page 21 of 25 Bed Solution Sol

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May 5, 2025

VIA CERTIFIED MAIL

Deana M. Bennett 505.848.1834 dmb@modrall.com

TO AFFECTED PARTIES

Re: Application of Coterra Energy Operating Co. for administrative approval of a 640.16-acre, more or less, nonstandard spacing unit in the Wolfcamp formation comprised of Section 2, Township 24 South, Range 34 East, Lea County, New Mexico.

Dear Sir or Madam:

Enclosed is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above-referenced applications. If no objection is received within this twenty-day period, the applications may be approved administratively by the Division.

If you have any questions concerning these applications, please contact:

Eddie Behm Reservoir Engineer Coterra Energy Inc. Eddie.Behm@coterra.com

Sincerely,

Dear MBmith

Deana M. Bennett Attorney for Coterra Energy Operating Co.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com



| T23S/R34E | | | |
|---|--|--|--|
| Chevron U.S.A. Inc. (4323) | | | |
| Mewbourne Oil Co. (14744) | | | |
| Mewbourne Oil Co. (14744) | | | |
| T24S/R34E | | | |
| Civitas Permian Operating, LLC (332195) | | | |
| Coterra Energy Operating Co. (215099) | | | |
| Chevron U.S.A. Inc. (4323) | | | |
| Paloma Permian, LLC | | | |
| COG Production, LLC (217955) | | | |
| Civitas Permian Operating, LLC (332195) | | | |
| COG Operating LLC (229137) | | | |
| Chevron Midcontinent, L.P. (241333) | | | |
| Civitas Permian Operating, LLC (332195) | | | |
| | | | |

Canyonlands 2 State Com Area

Offset Ownership – Notice Table

| Offsetting Section: Operator: | | Working Interest Owner(s) – N/A if Coterra/Cimarex is NOT Operator: | Address(es): | Notice Sent: | |
|--------------------------------|--|--|---|-----------------|--|
| Section 34, T23S/R34E | Chevron U.S.A. Inc. | N/A | Chevron U.S.A. Inc. 1400 Smith St. Houston TX 77002 | 05/05/2025 | |
| Section 35, T23S/R34E | Mewbourne Oil Co. (14744) | N/A | Mewbourne Oil Co. 500 West Texas Ave, Suite 1020 Midland, TX 79701 | 05/05/2025 | |
| Section 36, T23S/R34E | Mewbourne Oil Co. (14744) | N/A | Mewbourne Oil Co. 500 West Texas Ave, Suite 1020 Midland, TX 79701 | 05/05/2025 | |
| W2/W2 Section 1, T24S/R34E | Civitas Permian Operating, LLC (332195) | N/A | Civitas Permian Operating, LLC 6301 Holiday Hill Rd., Suite 201 Midland, TX 79707 | 05/05/2025 | |
| Section 2, T24S/R34E | Coterra Energy Operating Co. (215099) | Coterra Energy Operating Co. (100%) | Coterra Energy Operating Co. 6001 Deauville Blvd., Suite 300N Midland, TX 79706 | N/A | |
| Section 3, | Chevron U.S.A. Inc. | N/A | Chevron U.S.A. Inc. 1400 Smith St. Houston TX 77002 | 05/05/2025 | |
| T24S/R34E | Paloma Permian, LLC | N/A | Paloma Permian, LLC 1100 Louisiana St., Suite 5100 Houston, TX 77002 | 05/05/2025 | |
| Section 10, T24S/R34E | COG Production, LLC (217955) | N/A | COG Production, LLC 600 W. Illinois Ave. Midland, TX 79701 | 05/05/2025 | |
| | Civitas Permian Operating, LLC (332195) | N/A | Civitas Permian Operating, LLC 6301 Holiday Hill Rd., Suite 201 Midland, TX 79707 | 05/05/2025 | |
| Section 11, T24S/R34E | COG Operating LLC (229137) | N/A | COG Operating LLC 600 W. Illinois Ave. Midland, TX 79701 | 05/05/2025 | |
| | Chevron Midcontinent, L.P. (241333) | N/A | Chevron Midcontinent, L.P. 1400 Smith St. Houston TX 77002 | 05/05/2025 | |
| W2/W2 Section 12, T24S/R34E | Civitas Permian Operating, LLC (332195) | N/A | Civitas Permian Operating, LLC 6301 Holiday Hill Rd., Suite 201 Midland, TX 79707 | 05/05/2025 | |

Government Agency(ies) Receiving Notice:

| Offsetting Mineral Ownership: | Address(es): | Notice Sent: |
|------------------------------------|---|--------------|
| Federal (Sections 1, 3, and 11) | Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508 | 05/05/2025 |
| State (Sections 2, 34, 35, and 36) | New Mexico State Land Office P.O. Box 1148, Santa Fe, NM 87504 | 05/05/2025 |

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

| Operator: | OGRID: |
|------------------------------|---------------------------------------|
| Coterra Energy Operating Co. | 215099 |
| 6001 Deauville Blvd | Action Number: |
| Midland, TX 79706 | 458678 |
| | Action Type: |
| | [UF-NSP] Non-Standard Proration (NSP) |

CONDITIONS

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|--|-------------------|
| llowe | COA - upon approval. To add the existing well, Canyonlands 2 State Com Well No. 2H (30-025-44723). The operator shall submit C-103X or Z to the OCD to add this well to this approved NSP. Annotate the added well's C-102 with this approved Order Number, NSP. If this NSP order was approved with pending API wells. The owner of the NSP shall update the OCD when API number(s) are assigned to those pending APD well(s) by sending an e-mail to ocd.engineer@emnrd.nm.gov. TITLED: (Updating NSP-XXX with API number(s) and associated Well Name). | 7/10/2025 |

Page 25 of 25

Action 458678