RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geolog	ABOVE THIS TABLE FOR OCC CO OIL CONSER\ ical & Engineerir rancis Drive, San	/ATION DIVISION ng Bureau –	STED OF NEW MEETING
	ADMINIST	RATIVE APPLICAT	ION CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH F		CATIONS FOR EXCEPTIONS THE DIVISION LEVEL IN SANTA	
Applicant:			OGR	ID Number:
Nell Name:			API:_	0.1.
² 001:			POOI	Code:
SUBMIT ACCUR	ATE AND COMPLETE IN	IFORMATION REQUINDICATED BEL		THE TYPE OF APPLICATION
A. Location	ICATION: Check those n – Spacing Unit – Simu NSL NSP(on _	SD
[1] Com [one only for [1] or [11] mmingling – Storage – N DHC □CTB □F ction – Disposal – Press WFX □PMX □S	PLC ∐PC ∐ ure Increase – Enf	OLS □OLM nanced Oil Recove EOR □PPR	ery FOR OCD ONLY
A. Offse B. Roya C. Appli D. Notifi E. Notifi F. Surfa	N REQUIRED TO: Check t operators or lease ho lty, overriding royalty of cation requires publish cation and/or concurr cation and/or concurr ce owner I of the above, proof of otice required	olders owners, revenue o ned notice rent approval by S rent approval by E	wners SLO BLM	Notice Complete Application Content Complete
administrative understand the	N: I hereby certify that e approval is accurate hat no action will be ta are submitted to the D	and complete to aken on this applic	the best of my known	owledge. I also
N	ote: Statement must be comp	leted by an individual wi	th managerial and/or sup	pervisory capacity.
			Data	
			Date	
Print or Type Name				
Pakhir			Phone Number	
Signature			e-mail Address	



Paula M. Vance Associate Attorney Phone (505) 954-7286 PMVance@hollandhart.com

September 22, 2025

VIA ONLINE FILING

Albert Chang, Division Director 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 Cimarex Energy Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of Lots 1-2, S/2 NE/4 and the SE/4 (E/2 equivalent) of irregular Section 6 and the E/2 of Section 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico (the "Lands")

Dear Mr. Chang:

Cimarex Energy Company ("Cimarex") (OGRID No. 215099), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the **Grama Ridge 7-6 Central Tank Battery** insofar as all existing and future infill wells drilled in the following spacing units:

- (a) The 160-acre spacing unit comprised of the E/2 E/2 of Section 7, in the Grama Ridge; Bone Spring, West [28432] currently dedicated to the **West Grama Ridge 7 Federal 3H** (API. No. 30-025-47655);
- (b) The 320.25-acre spacing unit comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 6 and the W/2 E/2 of Section 7, in the Grama Ridge; Bone Spring, West [28432] currently dedicated to the **West Grama Ridge 7-6 Federal Com 1H** (API. No. 30-025-47654) and **West Grama Ridge 7-6 Federal Com 351H** (API. No. 30-025-54453);
- (c) The 320.25-acre spacing unit comprised of Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 6 and the E/2 E/2 of Section 7, in the Grama Ridge; Bone Spring, West [28432] currently dedicated to the **West Grama Ridge 7-6 Federal Com 352H** (API. No. 30-025-54454); and
- (d) Pursuant to 19.15.12.10.C(4)(g), from all future additions of pools, leases or leases and pools connected to the West Grama Ridge 7-6 Central Tank Battery with notice provided only to the interest owners whose interest in the production is to be added.

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Colorado Montana Nevada New Mexico

Washington, D.C.
Wyoming



Paula M. Vance Associate Attorney Phone (505) 954-7286 PMVance@hollandhart.com

Oil and gas production from these spacing units will be commingled and sold at the West Grama Ridge 7-6 Central Tank Battery ("CTB"), located in the SE/4 of Section 7, Township 22 South, Range 34 East. Each well is equipped with a three-phase separator and metered on lease before production is transferred to the CTB. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using Coriolis meters.

Exhibit 1 is a land plat showing Cimarex's current development plan, flow lines, well pads, and central tank battery ("Facility Pad") in the subject area. The plat also identifies the wellbores and lease/spacing unit boundaries.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Shane Brannan, Engineer with Cimarex, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Attachment A to the statement).

Exhibit 3 is a well list and C-102 for each of the wells currently permitted or drilled within the existing spacing units.

Exhibit 4 includes relevant communitization agreements.

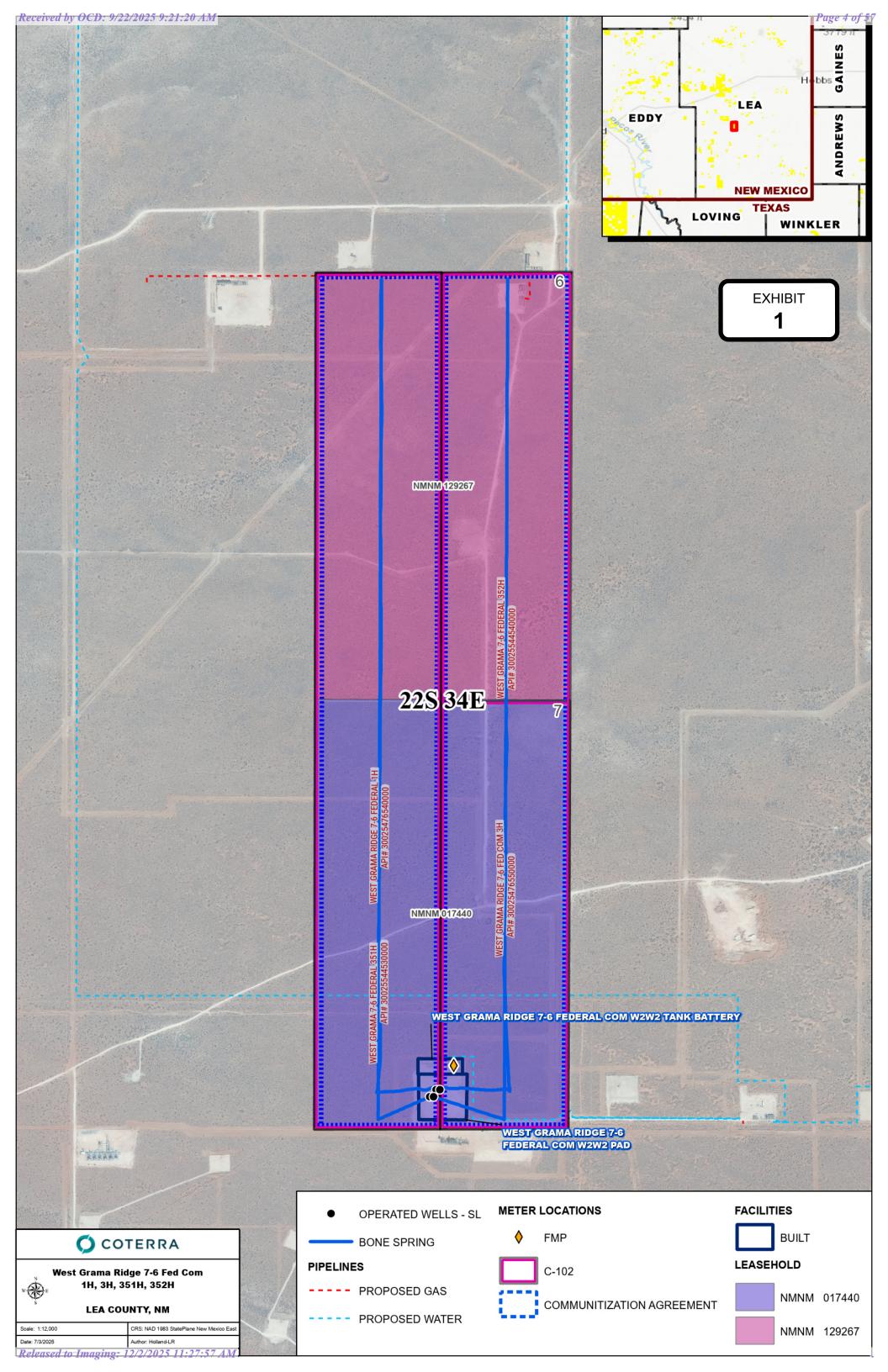
Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered "leases" as defined by 19.15.12.7(C) NMAC. **Exhibit 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the Bureau of Land Management since federal lands are involved.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,

Paula M. Vance

ATTORNEY FOR CIMAREX ENERGY COMPANY



EXHIBIT

2

Santa Fe Main Office Phone: (505) 476-3441 General Information Phone: (505) 629-6116

Online Phone Directory Visit:

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

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	G (DIVERSE	OWNERSHIP)	
	Energy Operating Co.				
	auville Blvd, Suite 300	N, Midland TX 79706			
APPLICATION TYPE:	_				
☐ Pool Commingling ☐ Lease Commingling			Storage and Measur	rement (Only if not Surfac	e Commingled)
LEASE TYPE: Fee	State Feder				
Is this an Amendment to existing Order Have the Bureau of Land Management	'? ∐Yes ⊠No If'	"Yes", please include	the appropriate C	Order No.	. 1
Yes □No	(BEW) and State Land	office (SLO) been no	illied in writing (of the proposed comm	ingling
		L COMMINGLIN s 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
		-			
(2) Are any wells producing at top allows	ibles? □Yes ⊠No				
(3) Has all interest owners been notified	by certified mail of the pro	posed commingling?	⊠Yes □No.		
(4) Measurement type: Metering	Other (Specify)	757			
(5) Will commingling decrease the value	of production? \(\subseteq Yes	∐No If "yes", descri	be why commingli	ng should be approved	
		SE COMMINGLIN			
(1) Pool Name and Code. Grama Ridge;		s with the following in	itormation		
(2) Is all production from same source of					
(3) Has all interest owners been notified by		oosed commingling?	⊠Yes □N	0	
(4) Measurement type:	Other (Specify)				
	(C) POOL and	LEASE COMMIN	GLING		
g	Please attach sheet	s with the following in	nformation	In each ta	
(1) Complete Sections A and E.	51 T 1	2			
(D) OFF-LEASE ST	ORAGE and MEA	SUPEMENT		
(ets with the following			
(1) Is all production from same source of		0			
(2) Include proof of notice to all interest	owners.	the T			
(E) A	DDITIONAL INFO	DMATION (for all	l amplication to		
(E) A.	DDITIONAL INFO Please attach sheet	s with the following in		(pes)	
(1) A schematic diagram of facility, inclu					
(2) A plat with lease boundaries showing	all well and facility locati	ons. Include lease number	ers if Federal or Sta	ate lands are involved.	
(3) Lease Names, Lease and Well Number	ers, and API Numbers.				
I hereby certify that the information above i	true and complete to the	best of my knowledge ar	nd belief.	11	
SIGNATURE: Phillip &	f. maran	: Regulatory Compliance		DATE:	9/05/202
		- stephinion Compilation			1
TYPE OR PRINT NAME: Phillip Levasse	ur		TELEPHONE !	NO.: <u>432-620-1642</u>	/

E-MAIL ADDRESS: phillip levasseur@coterra.com

July 22, 2025

Andrew Hanson Production Engineer

New Mexico Department of Energy, Minerals and Natural Resource 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Application of Coterra Energy Operating Co. for administrative approval to surface commingle (lease) oil and gas production from spacing units underlying Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Pursuant to this application, Coterra seeks approval to commingle production from the Grama Ridge, Bone Spring West (28432) formation in Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, as set forth herein.

Specifically, Coterra requests approval to commingle oil and gas production from four (4) wells on the lands listed as follows:

				COTE	RRA									
				Application for Commir	gling and Allocation Ap	proval								
	Exhibit 1													
	<u>Leas Table</u>													
	WEST GRAMA RIDGE 7-6 FED COM WELLS E2 Section 6 and 7, Township 22 South, Range 34 East													
Well Name	Well Number	API	Field; Formation	Legal Description	Comm Agreement Status	Interest Type	Lease(s)	Royalty Rate	Acres Committed in CA	% of Interest in Communitized Area	Product(s) Commingled			
WEST GRAMA RIDGE 7-6 FED COM	351H	PENDING SETUP	GRAMA RIDGE; BONE SPRING WEST (28432)	W2E2 SEC. 6 AND 7 T225-R34E BEING 320.25 ACRES	NMNM106703804	FED	NMNM129267 NMNM017440	1/8	320.25	100.0000%	Oil, Gas, Water			
WEST GRAMA RIDGE 7-6 FED COM	352H	PENDING SETUP	GRAMA RIDGE; BONE SPRING WEST (28432)	E2E2 SEC. 6 AND 7 T225-R34E BEING 320.35 ACRES	TO BE SETUP	FED	NMNM129267 NMNM017440	1/8	320.35	100.0000%	Oil, Gas, Water			
WEST GRAMA RIDGE 7-6 FED COM	1H	30-025-47654	GRAMA RIDGE; BONE SPRING WEST (28432)	W2E2 SEC. 6 AND 7 T225-R34E BEING 320.25 ACRES	NMNM106703804	FED	NMNM129267 NMNM017440	1/8	320.25	100.0000%	Oil, Gas, Water			
WEST GRAMA RIDGE 7 FEDERAL	WEST GRAMA RIDGE 7 FEDERAL 3H 30-025-47955 GRAMA RIDGE; BONE SPRING WEST (28432) T25-838E NA FED NMINO17440 1/8 160.00 100.0009% OII, Gas, Water BEING 169 ACRES													
			Coterra Er	nergy Inc. is the result of the merger of Cimar	ex Energy Co. and Cabot Oil & Gas Corporati	on on October 1, 2	1021.							

This request for commingling will not negatively affect the royalty revenue of the federal government. Coterra will utilize electronic automated measurements at the wellhead to measure oil, gas, and water separately from each well prior to commingling the production. The allocation meters will meet the relevant regulations and standards as outlined below. Commingling the reserve is the most effective means of production.

Oil & gas production from these spacing units will be commingled and sold at the **West Grama Ridge 7-6 Central Tank Battery** ("CTB"), which is located in the SE/4 of Section 7, Township 22 South, Range 34 East, N.M.P.M., Lea County, NM. The oil and gas metering point for the units is located on-lease at the CTB.

Each well is equipped with a three-phase separator and metered on-lease and on-pad before production is transferred to the CTB and commingled prior to the sales meter(s). Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to meet AGA specifications and API 14.3.2 standards. Coterra certifies that gas sales will occur via a connected natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the wells(s). Oil production from the separator will be separately metered using Coriolis meters that meet

July 22, 2025 Page 2

industry standards. Please see **Attachment A, Production Flow Diagram**, for the associated CTB facility diagram.

All primary and secondary Electronic Flow Measurement ("EFM") equipment is tested and calibrated in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration, and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute ("API") specifications to ensure accurate volume and energy (MMBTU) determinations.

The **West Grama Ridge 7-6 Central Tank Battery CTB** requires no additional surface disturbance. The BLM and OCD will be notified of any changes to the CTB.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard,

Very truly yours,

Coterra Energy Operating Co.

Andrew Hanson Production Engineer



WEST GRAMA RIDGE CTB METERED PROCESS FLOW DIAGRAMS

TABLE 1											
FACILITY NAME	VESSEL NAME	TEST	BULK	WELLHEAD NAME	OIL METER	GAS METER	WATER METER	GAS LIFT METER			
WEST GRAMA RIDGE CTB	V-200	х		WEST GRAMA 7-6 3H	WG-200-PO	WG-200-PG	WG-200-PW	-			
WEST GRAMA RIDGE CTB	V-210	х		WEST GRAMA 7-6 1H	WG-210-PO	WG-210-PG	WG-210-PW	-			
WEST GRAMA RIDGE CTB	V-8010	х		WEST GRAMA 7-6 352H	WG-8010-PO	WG-8010-PG	WG-8010-PW	-			
WEST GRAMA RIDGE CTB	V-8015	Х		WEST GRAMA 7-6 351H	WG-8015-PO	WG-8015-PG	WG-8015-PW	-			

ATTACHMENT

ISSUED

APRIL 21, 2025

FOR CONSTRUCTION

ľ	NO.	TITLE	NO.	DATE	DESCRIPTION	BY	снк.	APP.	
I			0	04/21/25	ISSUED FOR CONSTRUCTION	AS	JHM		
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I									Ph:
I									v
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Į	ss\2.1.3 Drawings	PFDs\D-20374-10-000.dwg20250417.102511							



WWW.3SENGINEERINGDESIGN.COM TBPE FIRM REG. #13809

PROJ. ENGR: V. GONI

	Е	NGINEERING I	RECORD	
r		BY	DATE	
1	DRN:	AS	04/09/25	
- 1	DES:	NR		
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7	AFE No			1 WILTEINED
?	FACILIT	Y ENGR.	C. BOYLE	LEA COUNTY

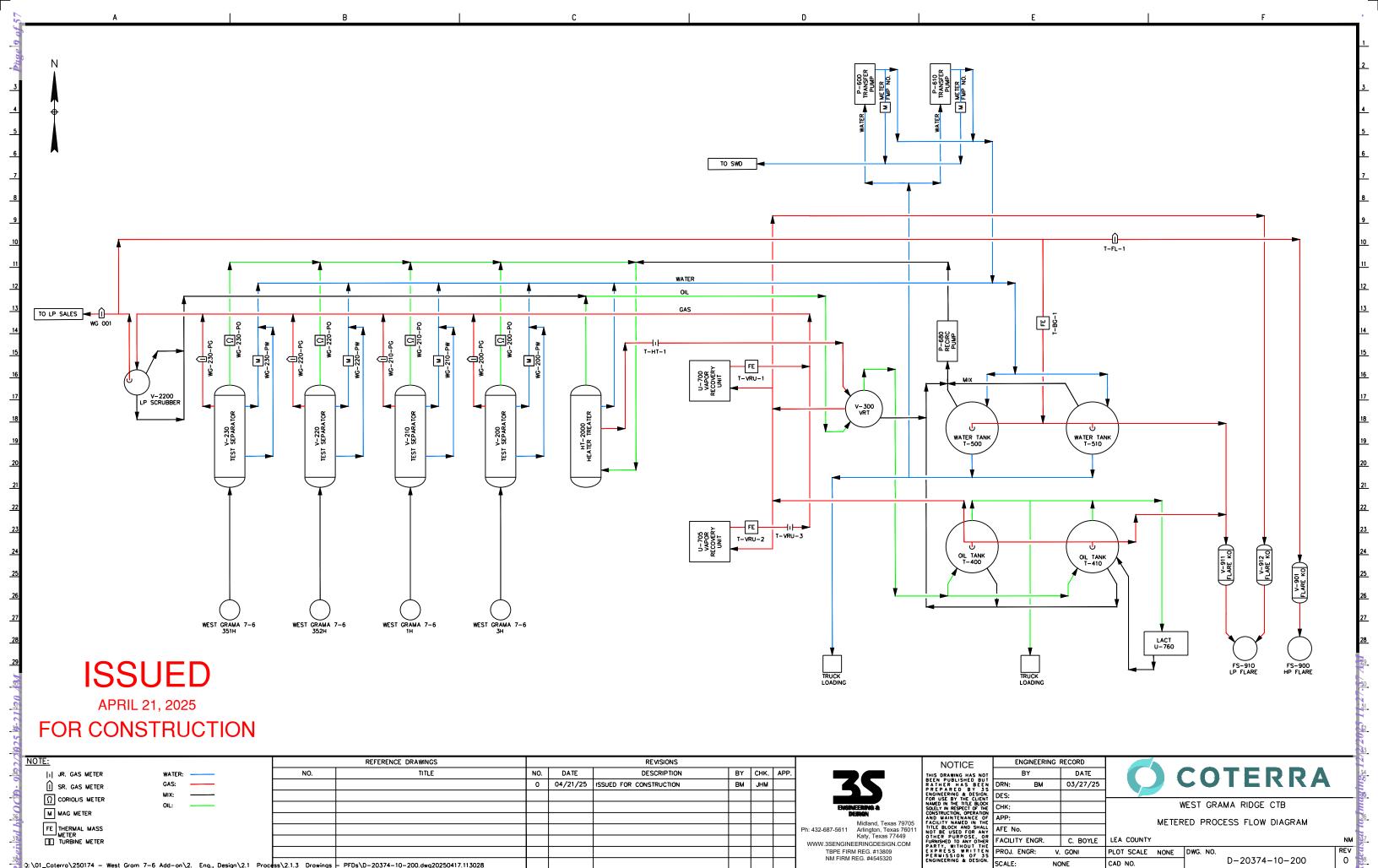
COTERRA

WEST GRAMA RIDGE CTB

METERED PROCESS FLOW DIAGRAM - COVER SHEET

PLOT SCALE NONE DWG. NO. D-20374-10-000

Released to Imaging. 12/2/2023 11:27:37 At



0:\01_Coterro\250174 - West Gram 7-6 Add-on\2. Eng., Design\2.1 Process\2.1.3 Drawings - PFDs\D-20374-10-200.dwg20250417.113028

API	Well Name & Number	UL or Q/Q	S-T-R	Pool Code
30-025-47655	West Grama Ridge 7 Federal 3H	E/2 E/2	7-22S-34E	Grama Ridge; Bone Spring, West [28432]
30-025-47654	West Grama Ridge 7-6 Federal Com 1H	W/2 E/2 W/2 E/2	6-22S-34E 7-22S-34E	Grama Ridge; Bone Spring, West [28432]
30-025-54453	West Grama Ridge 7-6 Federal Com 351H	W/2 E/2 W/2 E/2	6-22S-34E 7-22S-34E	Grama Ridge; Bone Spring, West [28432]
30-025-54454	West Grama Ridge 7-6 Federal Com 352H	E/2 E/2 E/2 E/2	6-22S-34E 7-22S-34E	Grama Ridge; Bone Spring, West [28432]

<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 Phone: (3/3) /48-1285 Fax: (3/3) /48-9/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (305) 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

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OCD - HOBBS 08|25|2020 RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025- 47654	28432 Pool Code	Grama Ridge; Bone Springs, West	ne
329323	WEST GRAM	⁵ Property Name A RIDGE 7-6 FEDERAL COM	6 Well Number 1H
215099 No.	CIMA	⁹ Elevation 3516.3 ¹	

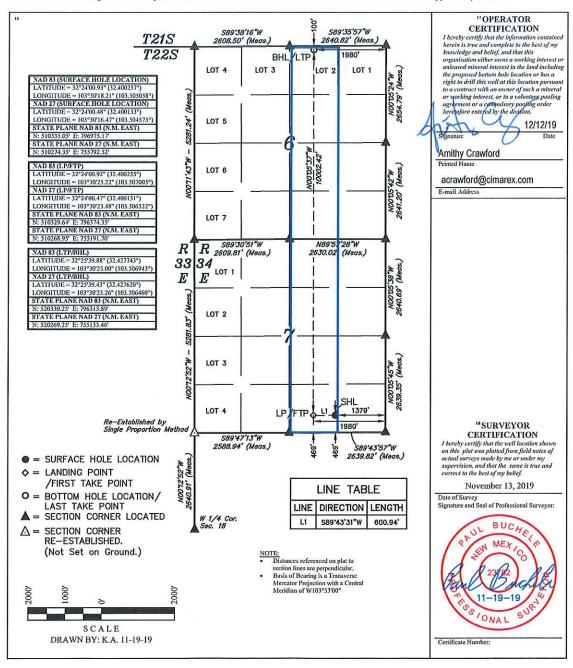
Surface Location

0	7	22S	34E	469	SOUTH	1379	EAST	LEA
	/	223	34E	409	300111	1379	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	6	22S	34E		100	NORTH	1980	EAST	LEA
12 Dedicated A37	20.25	oint or Infill	14 Cons	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.



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

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-47655		² Pool Code 28432	West	
4 Property Code		5 P1	operty Name	6 Well Number
		WEST GRAMA R	IDGE 7 FEDERAL	3Н
7 OGRID No.		8 O ₁	perator Name	9 Elevation
215099		CIMARI	EX ENERGY CO.	3515.4'

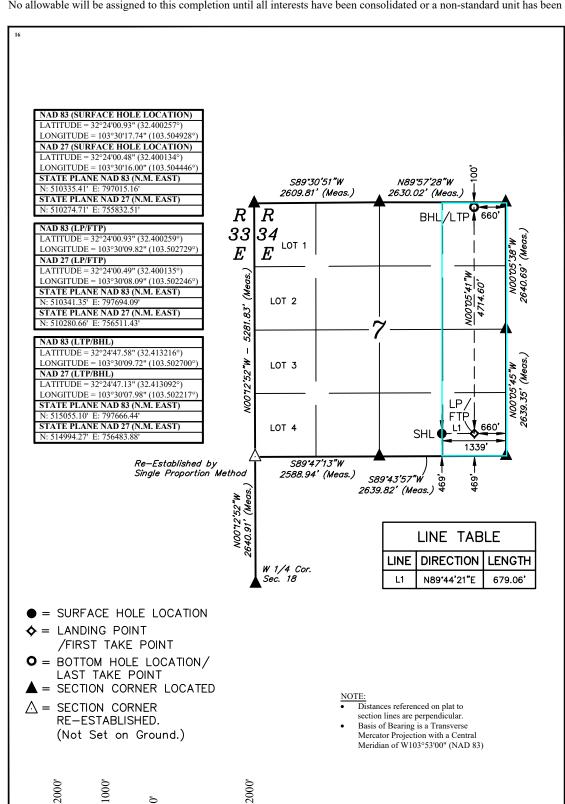
¹⁰ Surface Location

O	7	22S	34E	Lot Iun	469	SOUTH	1339	EAST	LEA			
"Rottom Hole Location If Different From Surface												

Bottom Hole Location If Different From Surface

UL or lot no. A	Sect 7	ion	Township 22S	Range 34E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 660	East/West line EAST	County LEA
12 Dedicated Acro	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.



¹⁷OPERATOR 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 unteased 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Amithy Crawford 4/22/21
Signature

Amithy Crawford

acrawford@cimarex.com

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. n shown

November 13, 2019

Date of Survey Signature and Seal of Professional Surveyor:



Released to Imaging: 12/2/2025 11:27:57/2M

Certificate Numbe

SCALE

DRAWN BY: K.A. 11-19-19 REV: 1 04-19-21 R.J. (LTP/FTP & BHL CHANGES)

<u>C-10</u>	•	/22/2025_9:			State of Ne inerals & Natur	ew Mexico ral Resources Depart	ment		Revis	ed July 9, 2024
	t Electronicall	У		OIL	CONSERVA	TION DIVISION			X Initial Submit	
Via OC	CD Permitting							Submittal	☐ Amended Rep	
								Type:	☐ As Drilled	
			<u> </u>		WELL LOCA	TION INFORMATION				
API N	umber		Pool Code	28432	,	Pool Name Grama F	Ridge; Bon	e Spring	, West	
Proper	ty Code		Property N		WEST GRAMA R	LIDGE 7-6 FEDERAL C			Well Number	Н
OGRII	D No. 215099	ı	Operator N	lame	CIMARI	EX ENERGY CO.			Ground Level Ele	
Surfac		State Fee	 Tribal □ Fe	deral		Mineral Owner:	State Fee [☐ Tribal 🛣		·· <u>-</u>
					Surf	face Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N.	AD 83) Lo	ongitude (NAD 83)	County
О	7	22S	34E		379 SOUTH	1,442 EAST	32.4000	010°	-103.505263°	LEA
					Botton	n Hole Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N.	AD 83) L	ongitude (NAD 83)	County
2	6	22S	34E		100 NORTH	1,980 EAST	32.4277	743°	-103.506943°	LEA
	ated Acres	Infill or Defi	ning Well	Definin	g Well API	Overlapping Spacin	ng Unit (Y/N)	Consolidat	ion Code	
Order :	Numbers.					Well setbacks are u	nder Common (Ownership: [□Yes □No	
					T7: 1. 6				-	
UL	Section	Township	Range	Lot	Ft. from N/S	Off Point (KOP) Ft. from E/W	Latitude (N.	AD 83) L	ongitude (NAD 83)	County
O	7	22S	34E	Lot	100 SOUTH		32.3992		-103.507007°	LEA
					First T	ake Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N.	AD 83) L	ongitude (NAD 83)	County
О	7	22S	34E		100 SOUTH	1,980 EAST	32.3992	241°	-103.507007°	LEA
		1	I		Last Ta	ake Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N.	AD 83) L	ongitude (NAD 83)	County
2	6	22S	34E		100 NORTH	1,980 EAST	32.4277	743°	-103.506943°	LEA
Unitize	ed Area or Ar	ea of Uniform I	Interest	Spacing	g Unit Type 🔲 Hori	zontal Vertical	Grour	nd Floor Elev	vation:	
OPER.	ATOR CERT	TFICATIONS				SURVEYOR CERTIF	ICATIONS			
my knov organiz includin	wledge and beli cation either ow ng the proposed	ef, and, if the wel ns a working inter bottom hole loca	ll is a vertical o rest or unleased tion or has a ri _l	r directional l mineral inte ght to drill th	erest in the land	I hereby certify that the w surveys made by me or un my belief.	ell location shown der my supervisio	on this plat won, and that the	was profited from the feet same is true and agree	d notes of actual ecreto the best of
interest, entered	t, or to a volunta by the division	ary pooling agreen	ment or a comp	ulsory poolii	ng order heretofore			12	23/18/2	DE.
consent in each	t of at least one tract (in the tar l will be located	lessee or owner o	f a working inte tion) in which c mpulsory poolii	erest or unled any part of th ag order from	n has received the ased mineral interest be well's completed in the division.			NO.	08-29-24 08-29-24 000 S	
Signatur	-		Date			Signature and Seal of Profe	essional Surveyor			
_							-	2024		
Shelly	Bowen					23782	March 21, 2	2024		

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.

Certificate Number

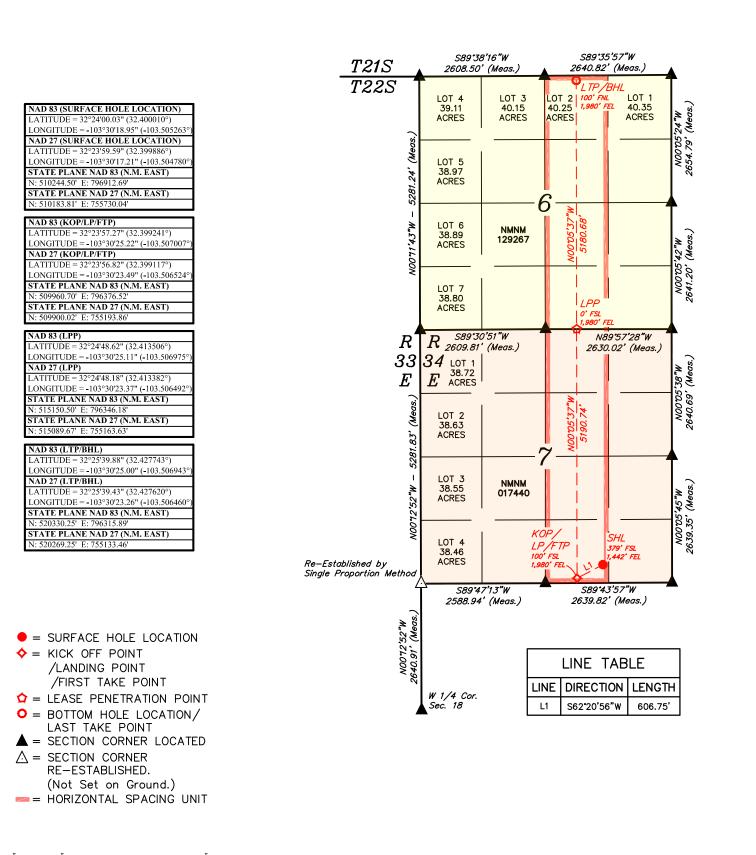
Date of Survey

Printed Name

Email Address

shelly.bowen@coterra.com

Property Name
WEST GRAMA RIDGE 7-6 FEDERAL COM
Well Number
351H
T.I.R. 03-22-24
Revised By
REV. 2 D.J.S. 08-28-24 (SHL MOVE)



S C A L E

Sheet 2 of 2

NOTE

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
- Colored areas within section lines represent Federal oil & gas leases.

Released to Imaging: 12/2/2025 11:27:57 AM

C-102 Submit Electronically		State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION						Revised July 9, 20			
Submit Electronically Via OCD Permitting		OIL	CONSERVAT	TION DIVISION			X Initial Submit	X Initial Submittal			
11000	D I CITITICE IN							Submittal	☐ Amended Rep	port	
								Type:	☐ As Drilled		
					WELL LOCAT	TION INFORMATION		ı			
API N	umber		Pool Code	28432		Pool Name Grama	Ridge; Bor	ne Spring	g, West		
Property Code OGRID No. 215099			Property N		WEST GRAMA RI	DGE 7-6 FEDERAL C	COM		Well Number	2H	
			Operator N	ame	CIMARE	X ENERGY CO.			Ground Level El		
Surfac	e Owner: 💢	State □ Fee □	Tribal □ Fee	leral		Mineral Owner:	State Fee	□ Tribal 🛣	Federal		
					Surfa	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
O	7	22S	34E		379 SOUTH	1,402 EAST	32.4000	010°	-103.505133°	LEA	
					Bottom	Hole Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
1	6	22S	34E		100 NORTH	660 EAST	32.4277	756°	-103.502666°	LEA	
Dadios	ted Acres	Infill or Defi	ining Wall	Definir	ng Well API	Overlapping Spacin	ng Unit (V/N)	Consolidat	tion Code		
	20.35	mini or Den	ming wen	Demin	ig well Al I	Overrapping Spacin	ig Omt (1/1V)	Consolida	non code		
Order :	Numbers.					Well setbacks are u	nder 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) L	ongitude (NAD 83)	County	
P	7	22S	34E		100 SOUTH	660 EAST	32.3992	245°	-103.502731°	LEA	
	_	1	-		First Ta	ke Point (FTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
P	7	22S	34E		100 SOUTH	660 EAST	32.3992	245°	-103.502731°	LEA	
	1	I			Last Ta	ke Point (LTP)				1	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
1	6	22S	34E		100 NORTH	660 EAST	32.4277	756°	-103.502666°	LEA	
Unitize	ed Area or Aı	ea of Uniform	Interest	Spacing	g Unit Type □ Horiz	ontal □ Vertical	Groui	nd Floor Ele	vation:		
OPER	ATOR CERT	TIFICATIONS				SURVEYOR CERTIF	ICATIONS				
my know organiz including location interest,	vledge and beli ation either ow g the proposea pursuant to a	ief, and, if the we ns a working inte l bottom hole loca contract with an c ary pooling agree	ll is a vertical or rest or unleased tion or has a rig owner of a work	directiona mineral int tht to drill th ing interest	erest in the land	I hereby certify that the w surveys made by me or un my belief.	ell location shown der my supervisio	n on this plat v	was plotted from the fire same is true dud dopr	eld notes of active to the best	

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.

9/25/2024 Signature

Signature and Seal of Professional Surveyor

23782 March 21, 2024

Shelly Bowen Printed Name Certificate Number

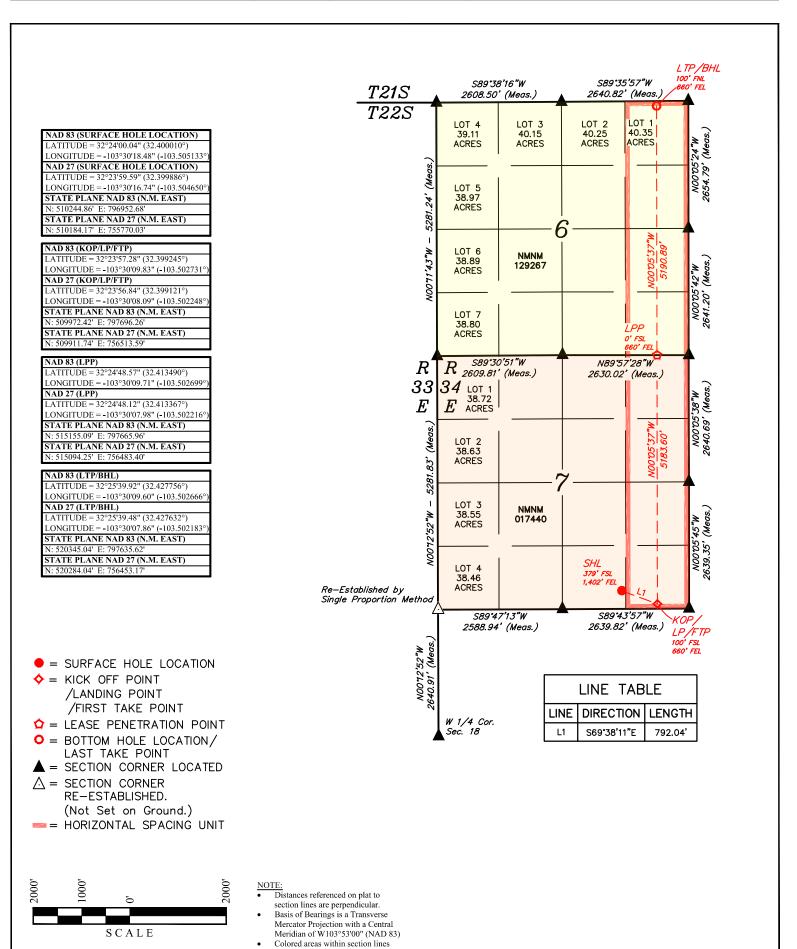
Date of Survey

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.

Property Name
WEST GRAMA RIDGE 7-6 FEDERAL COM
Well Number
352H
T.I.R. 03-22-24
Revised By
REV. 2 D.J.S. 08-28-24 (SHL MOVE)



represent Federal oil & gas leases

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EXHIBIT

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CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

RECEIVED

NOV **2 9** 2024 BLM, NMSO SANTA FE

Federal Communitization Agreement

Contract No. NMNm 100703804

THIS AGREEMENT entered into as of the 1st day of September, 2021, 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 22 South, Range 34 East, N.M.P.M. Section 6: L2, SW/NE, W2/SE Section 7: W2/E2 Lea County, New Mexico

Containing 320.25 acres, and this agreement shall include only the **Bone Spring** formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

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- 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., 6001 Deauville Blvd., Suite 300N, Midland, TX 79706. 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 lessees of record and operating rights owners 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. If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/6th or 16 \(\frac{2}{3} \) percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 5/6th should be placed into an escrow account set up by the operator. 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

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from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by 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

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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 <u>September 1, 2021</u>, 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.

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- 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.

Operator/Date

Cimarex Energy Co.

Operator

Operator/Attorney-in-Fact

ACKNOWLEDGMENT

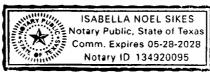
STATE OF $\underline{\text{TEXAS}}$) ss. COUNTY OF $\underline{\text{MIDLAND}}$)

On this **210** day of **Stoll Mour** 2024, before me, a Notary Public for the State of Texas, personally appeared <u>Bradley Cantrell</u>, known to me to be the attorney-in-fact of <u>Cimarex Energy Co.</u>, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

_____5|26|2018 My Commission Expires

West Grama Ridge 7 6 Federal Com 1H W2/E2 Sections 6 and 7, T22S/R34E Bone Spring

Usabella woll Sikes
Notary Public



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OPERATOR/WORKING INTEREST OWNER/LESSEE OF RECORD: CIMAREX ENERGY CO.

Dated this 710 day of

By: (Signature)__

By: (Printed Name) Bradley Cantrell

Title: Attorney-in-Fact

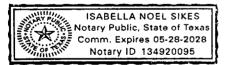
ACKNOWLEDGMENT

STATE OF TEXAS

§

COUNTY OF MIDLAND

This instrument was acknowledged before me on this <u>10</u> day of <u>Septemble</u>, 2024, by Bradley Cantrell, acting as Attorney-in-Fact, for Cimarex Energy Co., a Delaware corporation, on behalf of said corporation.



Notary Public in and for the State of Texas

My Commission Expires: 512812029

LEA COUNTY, NM CARRIE SANDOVAL, COUNTY CLERK 1132 Book 2235 Page 330 7 of 13 1/28/2025 2:39 PM BY Angie Beauchamp

WORKING INTEREST OWNER: CHEVRON U.S.A. INC.

23 I day of DCTUBER Dated this

By: (Signature)

By: (Printed Name)

ACKNOWLEDGMENT

STATE OF TEXAS

888

COUNTY OF HARRIS

This instrument was acknowledged before me on this 23 day of Octo, 2024, by Lyczał Acullus Attorney in - Retof Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

DIANE J. WHITCOMB Notary Public, State of Texas Comm. Expires 02-01-2026 Notary ID 125287287

Notary Public in and for the State of Texas

My Commission Expires: 2/1/2024

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WORKING INTEREST OWNER: PERMIAN RESOURCES OPERATING, LLC

Dated this 17th day of September, 2024	ļ
By: (Signature)	
By: (Printed Name) Patrick Godwin	T
Title: Vice President of Land	

ACKNOWLEDGMENT

STATE OF TEXAS \$
COUNTY OF MIDLAND \$

This instrument was acknowledged before me on this 17th day of 15th day of 15t



Notary Rublic in and for the State of Texas

My Commission Expires: 10 12 12021

LEA COUNTY, NM CARRIE SANDOVAL, COUNTY CLERK 1132 Book 2235 Page 330 9 of 13 1/28/2025 2:39 PM BY Angie Beauchamp

LESSEE OF RECORD:

WELLS FARGO BANK, N.A., TRUSTEE OF THE JOHN H. BURTON AND MARY C. BURTON REVOCABLE TRUST CREATED UNDER TRUST AGREEMENT DATED **JULY 30, 1980, AS AMENDED ON NOVEMBER 30, 1984**

Dated this 25th day of September, 2024

By: (Signature) Megan A. Melain

Title: Assistant Vice President

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on this <u>35th</u> day of <u>September</u>, 2024, by Megan 17. 11/CLa., as Assistant Vice Pres. of Wells Fargo Bank, N.A., Trustee of the John H. Burton and Mary C. Burton Revocable Trust created under trust agreement dated July 30, 1980, as amended on November 30, 1984.

> KAREN WEBSTER My Notary ID # 124094041 Expires May 26, 2027

Notary Public in and for the State of Texas

My Commission Expires: 5-26-2027

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EXHIBIT "A"

Plat of communitized area covering 320.25 acres in the W2/E2 of Sections 6 and 7, Township 22 South, Range 34 East, N.M.P.M, Lea County, New Mexico

West Grama Ridge 7 6 Federal Com 1H (API#: 30-025-47654)

	6	L4	L3	L2 BHL (40.25)	L1
Tract 1: NMNM 017440					
160.00 Acres		L5	F	G	Н
Tract 2:					
NMNM 129267 160.25 Acres		L6	K	J	
		L7	N	O	Р
	7	L1	c	В	Α
		L2		G	Н
		L3			
		L4	N	O SHL	Р

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EXHIBIT "B"

To Communitization Agreement Dated September 1, 2021, embracing the following described lands in the W2/E2 of Sections 6 and 7, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: Cimarex Energy Co.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 017440 (NMNM105469961)

Description of Land Committed: W2/E2 of Section 7, Township 22 South, Range 34 East, N.M.P.M.,

Lea County, New Mexico

Number of Acres: 160.00

Current Lessee(s) of Record: Wells Fargo Bank, N.A., Trustee of the John H. Burton and Mary C.

Burton Revocable Trust created under trust agreement dated July 30,

1980, as amended on November 30, 1984

Names of Working Interest Owners*:

*Subject to Title Verification

Cimarex Energy Co.

Permian Resources Operating, LLC

Chevron U.S.A. Inc.

LEA COUNTY, NM CARRIE SANDOVAL, COUNTY CLERK 1132

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Tract No. 2

Lease Serial Number: NMNM 129267 (NMNM105303973)

Description of Land Committed: L2, SW/NE, W2/SE, of Section 6, Township 22 South, Range 34

East, N.M.P.M., Lea County, New Mexico

Number of Acres: 160.25

Current Lessee(s) of Record: Cimarex Energy Co.

Names of Working Interest Owners*:

Cimarex Energy Co.

*Subject to Title Verification

LEA COUNTY, NM CARRIE SANDOVAL, COUNTY CLERK 1132

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RECAPITULATION

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		Percentage of Interest
Tract No.	No. of Acres Committed	in Communitized Area
1	160.00	49.9610%
2	160.25	50.0390%
Total:	320.25	100.0000%

Federal Communitization Agreement

Contract No.	

THIS AGREEMENT entered into as of the 1st day of September, 2025, 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 22 South, Range 34 East, N.M.P.M. Section 6: L1, SE/NE, E2/SE Section 7: E2/E2 Lea County, New Mexico

Containing 320.35 acres, and this agreement shall include only the **Bone Spring** formation underlying said lands and the oil and gas 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 Coterra Energy Operating Co., 6001 Deauville Blvd., Suite 300N, Midland, TX 79706. 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 lessees of record and operating rights owners 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.
- The communitized area shall be developed and operated as an entirety, with the 5. 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. If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/6th or 16 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 5/6th should be placed into an escrow account set up by the operator. 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 date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by 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.

- The royalties payable on communitized substances allocated to the individual 6. 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.
- The date of this agreement is September 1, 2025, and it shall become effective as 10. 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.

•		Coterra Energy Operating Co.
		Operator
	By:	
Date	- , <u></u>	Operator/Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF <u>TEXAS</u>) ss.	
COUNTY OF MIDLAND)	
On thisday of, 2025, before me, a Texas, personally appeared <u>Bradley Cantrell</u> , known to of <u>Coterra Energy Operating Co.</u> , the corporation that instrument and acknowledged to me such corporation	o me to be the attorney-in-fac executed the foregoing
My Commission Expires	Notary Public

LESSEES OF RECORD AND OPERATING RIGHTS OWNERS

Operator of this Communitizerights owners shown on Exh knowledge, the working inte	ration Agreement, that all lessees of record and operating ibit B attached to this Agreement are, to the best of my crest owners of the leases subject to this Agreement, and all of the named owners have been obtained and will be immediately upon request.
Date	By: Title: Attorney-in-Fact
	ACKNOWLEDGMENT
Texas, personally appeared I of Coterra Energy Operating	, 2025, before me, a Notary Public for the State of Bradley Cantrell, known to me to be the attorney-in-fact (Co.), the corporation that executed the foregoing ed to me such corporation executed the same.

Notary Public

West Grama Ridge 7 6 Federal Com 352H E2/E2 Sections 6 and 7, T22S/R34E Bone Spring

My Commission Expires

EXHIBIT "A"

Plat of communitized area covering 320.35 acres in the E2/E2 of Sections 6 and 7, Township 22 South, Range 34 East, N.M.P.M, Lea County, New Mexico

West Grama Ridge 7 6 Federal Com 352H (API#: 30-025-54454)

			V TO THE RESERVE TO T		CIP.	ALC: NO
	6	L4 (39.11)	L3 (40.15)	L2 (40.25)	BHL	L1 40.35)
Tract 1: NMNM 017440 160.00 Acres						
100.00 Acres		L5 (38.97)	F	G		Н
Tract 2:						
NMNM 129267 160.35 Acres		L6 (38.89)	К	J		
		L7 (38.80)	N	0		Р
	7	L1 (38.72)	С	В		А
		L2 (38.63)	F	G		Н
		L3 (38.55)	К	J		
		L4 (38.46)	N	0		Р
				SHL		

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2025, embracing the following described lands in the E2/E2 of Sections 6 and 7, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: Coterra Energy Operating Co.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 017440 (NMNM105469961)

Description of Land Committed: E2/E2 of Section 7, Township 22 South, Range 34 East, N.M.P.M., Lea

County, New Mexico

Number of Acres: 160.00

Current Lessee(s) of Record: Wells Fargo Bank, N.A., Trustee of the John H. Burton and Mary C.

Burton Revocable Trust created under trust agreement dated July 30,

1980, as amended on November 30, 1984

Names of Working Interest Owners*:

*Subject to Title Verification

Coterra Energy Operating Co.

Chevron U.S.A. Inc.

Permian Resources Operating, LLC

Tract No. 2

Lease Serial Number: NMNM 129267 (NMNM105303973)

Description of Land Committed: L1, SE/NE, E2/SE, of Section 6, Township 22 South, Range 34

East, N.M.P.M., Lea County, New Mexico

Number of Acres: 160.35

Current Lessee(s) of Record: Cimarex Energy Co. (now Coterra Energy Operating Co.)

Names of Working Interest Owners*: Coterra

*Subject to Title Verification

Coterra Energy Operating Co.

RECAPITULATION

		Percentage of Interest
Tract No.	No. of Acres Committed	in Communitized Area
1	160.00	49.9454%
2	160.35	50.0546%
Total:	320.35	100.0000%

OPERATOR/WORKING INTEREST OWNER/LESSEE OF RECORD: **COTERRA ENERGY OPERATING CO.**

Dated this	lay of	, 2025		
By: (Signature)				
By: (Printed Name) Br	adley Cantrell			
Title: Attorney-in-Fact				
	<u>ACK</u>	NOWLEDGMENT	<u>1</u>	
STATE OF TEXAS	§ §			
COUNTY OF MIDLA	AND §			
This instrument by Bradley Cantrell, ac corporation, on behalf	cting as Attorney-i	n-Fact, for Coterra	day of Energy Operating Co.,	, 2025, a Delaware
	Not	tary Public in and for	r the State of Texas	
	Mv	Commission Expire	·c•	

WORKING INTEREST OWNER:

PERMIAN RESOURCES OPERATING, LLC

Dated this 3 day of April , 2025

By: (Signature)

By: (Printed Name) Patrick Goden

Title: VP of Land

ACKNOWLEDGMENT

STATE OF TEXAS

§ §

COUNTY OF MIDLAND

This instrument was acknowledged before me on this 3d day of 4ptil, 2025, by Control Godwin, as 10 of Permian Resources Operating, LLC, a Delaware limited liability company, on behalf of said company.

ERIN N LLOYD
Notary ID #131680260
My Commission Expires
August 13, 2026

Notary Public in and for the State of Texas

My Commission Expires: 8 - 3 - 202

WORKING INTEREST OWNER: CHEVRON U.S.A. INC.

Dated this ______day of __April________, 2025

By: (Signature) | lale Callelf

By: (Printed Name) Toole Caddell

Title: _ATTORNEY-IN-FACT_____

ACKNOWLEDGMENT

STATE OF TEXAS

§

COUNTY OF MIDLAND

KATHRYN A NEEPER Notary ID #3194616
My Commission Expires May 5, 2026

Notary Public in and for the State of Texas

My Commission Expires:____

L	ESSEE	OF	RE	co	RD	•

WELLS FARGO BANK, N.A., TRUSTEE OF THE JOHN H. BURTON AND MARY C. BURTON REVOCABLE TRUST CREATED UNDER TRUST AGREEMENT DATED JULY 30, 1980, AS AMENDED ON NOVEMBER 30, 1984

Dated this	day of	, 2025
By: (Signature)_		
By: (Printed Nam	e)	
Title:		

ACKNOWLEDGMENT

STATE OF TEXAS	§			
	§			
COUNTY OF TARRANT	§			
This instrument was a	acknowledged before me or	n this	day of	, 2025,
by, a	as o			
John H. Burton and Mary	C. Burton Revocable Tru	ust created i	ınder trust agre	eement dated
July 30, 1980, as amended	on November 30, 1984.		_	

My Commission Expires:_____

Notary Public in and for the State of Texas

PO Box 980552	Houston	TX	77098
620 E Greene St.	Carlsbad	NM	88220
301 Dinosaur Trail	Santa Fe	NM	87508
PO Box 540711	Houston	TX	77254
PO Box 730436	Dallas	TX	75373
6301 Deauville	Midland	TX	79706-2964
2925 Richmond Ave., Ste 1200	Houston	TX	77098
PO Box 840321	Dallas	TX	75284
4128 Bryn Mawr Dr.	Dallas	TX	75225
PO Box 412	Roswell	NM	88202
PO Box 25627	Denver	CO	80225
PO Box 4168	Roswell	NM	88202
300 N. Marienfield St., Ste 1000	Midland	TX	79701
PO Box 2292	Roswell	NM	88202
2001 Bryan Tower Ste. 925	Dallas	TX	75201
1220 South Saint Francis Drive	Santa Fe	NM	87505
PO Box 161426	Big Sky	MT	59716
PO Box 2269	Fredricksburg	TX	78624
	620 E Greene St. 301 Dinosaur Trail PO Box 540711 PO Box 730436 6301 Deauville 2925 Richmond Ave., Ste 1200 PO Box 840321 4128 Bryn Mawr Dr. PO Box 412 PO Box 25627 PO Box 4168 300 N. Marienfield St., Ste 1000 PO Box 2292 2001 Bryan Tower Ste. 925 1220 South Saint Francis Drive PO Box 161426	620 E Greene St. 301 Dinosaur Trail PO Box 540711 Houston PO Box 730436 6301 Deauville Midland 2925 Richmond Ave., Ste 1200 PO Box 840321 4128 Bryn Mawr Dr. PO Box 412 PO Box 25627 PO Box 4168 300 N. Marienfield St., Ste 1000 PO Box 2292 Roswell 2001 Bryan Tower Ste. 925 1220 South Saint Francis Drive PO Box 161426 Carlsbad Alsbad Routen Routen Roswell Roswell Roswell Santa Fe PO Box 161426 Big Sky	620 E Greene St. 301 Dinosaur Trail PO Box 540711 Houston TX PO Box 730436 Dallas TX 6301 Deauville Midland TX 2925 Richmond Ave., Ste 1200 PO Box 840321 Dallas TX 4128 Bryn Mawr Dr. Dallas TX PO Box 412 PO Box 25627 Denver CO PO Box 4168 Roswell NM 300 N. Marienfield St., Ste 1000 Midland TX PO Box 2292 Roswell NM 2001 Bryan Tower Ste. 925 Dallas TX PO Box 161426 Big Sky MT



Paula M. Vance Associate Attorney Phone (505) 954-7286 PMVance@hollandhart.com

September 11, 2025

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Cimarex Energy Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of Lots 1-2, S/2 NE/4 and the SE/4 (E/2 equivalent) of irregular Section 6 and the E/2 of Section 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico (the "Lands")

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Division rules require that a copy of this application be provided to you (there are no documents in this notice packet for you to sign). Any objection to this application must be filed in writing within twenty days from the date the Division receives the application at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Phillip Levasseur Coterra Energy Inc. (432) 620-1642 Phillip.levasseur@coterra.com

Sincerely,

Paula M. Vance

ATTORNEY FOR CIMAREX ENERGY COMPANY

Coterra - West Grama Ridge 7-6 - Commingling Postal Delivery Report

9414811898765474595704	BR2 Holdings LLC	PO Box 980552	Houston	TX	77098-0552	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to the front desk, reception area, or mail room at 11:56 am on September 16, 2025 in CARLSBAD, NM 88220.
	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM		Your item was delivered to an individual at the address at 12:59 pm on September 15, 2025 in SANTA FE, NM 87508.
3414011030703474333742	Dureau or Land Wanagement	SOL DINOSCUL III	Juntare	INIVI		Your package will arrive later than expected, but is still on its way. It is currently in transit to the next
9414811898765474595735	Cayuga Royalties LLC	PO Box 540711	Houston	TX	77254-0711	facility. Your item has been delivered and is available at a PO Box at 5:24 pm on September 15, 2025 in
9414811898765474595773	Chevron USA Inc.	PO Box 730436	Dallas	TX	75373-0436	DALLAS, TX 75260. Your item was delivered to an individual at the address at 1:11 pm on September 17, 2025 in
9414811898765474595919	Chevron USA, Inc.	6301 Deauville	Midland	TX	79706-2964	MIDLAND, TX 79706. Your item was delivered to an individual at the address at 3:43
9414811898765474595964	Community Minerals LLC	2925 Richmond Ave Ste 1200	Houston	TX	77098-3143	pm on September 16, 2025 in HOUSTON, TX 77098. Your item has been delivered and is available at a PO Box at 8:09
9414811898765474595926	EOG Resources Inc.	PO Box 840321	Dallas	TX	75284-0321	pm on September 15, 2025 in DALLAS, TX 75284. Your item was delivered to an individual at the address at 2:58
9414811898765474595902	Monticello Minerals LLC	4128 Bryn Mawr Dr	Dallas	TX	75225-6736	pm on September 15, 2025 in DALLAS, TX 75225.

Coterra - West Grama Ridge 7-6 - Commingling Postal Delivery Report

9414811898765474595995	Mustang Oil & Gas LLC	PO Box 412	Roswell	NM	88202-0412	Your item arrived at the ROSWELL, NM 88201 post office at 8:56 am on September 16, 2025 and is ready for pickup. Your item may be picked up at ROSWELL, 415 N PENNSYLVANIA AVE, ROSWELL, NM 882019998, M-F 0830-1700; SAT 0900-1200. Your item was picked up at the
9414811898765474595940	ONRR	PO Box 25627	Denver	СО	80225-0627	post office at 9:07 am on September 15, 2025 in DENVER, CO 80225.
9414811898765474595971	Penasco Petroleum LLC	PO Box 4168	Roswell	NM	88202-4168	Your item arrived at our LUBBOCK TX DISTRIBUTION CENTER destination facility on September 18, 2025 at 12:36 pm. The item is currently in transit to the destination.
	Permian Resources Operating LLC		Midland	TX	79701-4688	Your item was delivered to an individual at the address at 1:03 pm on September 16, 2025 in MIDLAND, TX 79701.
9414811898765474595650		PO Box 2292	Roswell	NM	88202-2292	Your item was picked up at the post office at 10:08 am on September 17, 2025 in ROSWELL,
0444044000765474505667		2004 Davin Taylor Str. 025	Dallas	TV	75004	Your item was forwarded to a different address at 5:42 pm on September 15, 2025 in DALLAS, TX. This was because of forwarding instructions or because the address or ZIP Code
9414811898/654/459566/	Schneider Corey And Josey Inc.	2001 Bryan Tower Ste. 925	Dallas	TX	/5201	on the label was incorrect.
9414811898765474595698	State of New Mexico	1220 S Saint Francis Dr	Santa Fe	NM	87505-4225	Your item was delivered to the front desk, reception area, or mail room at 11:08 am on September 15, 2025 in SANTA FE, NM 87505.

Received by OCD: 9/22/2025 9:21:20 AM

Coterra - West Grama Ridge 7-6 - Commingling Postal Delivery Report

9414811898765474595681	Stephen W Schneider Jr	PO Box 161426	Big Sky	MT		Your item was picked up at the post office at 3:25 pm on September 16, 2025 in BIG SKY, MT 59716.
						Your item was picked up at the
						post office at 1:40 pm on
						September 16, 2025 in
9414811898765474595674	Upland Corporation	PO Box 2269	Fredericksburg	TX	78624-1919	FREDERICKSBURG, TX 78624.



United States Department of the Interior



BUREAU OF LAND MANAGEMENT New Mexico State Office 301 Dinosaur Trail Santa Fe, New Mexico 87508 https://www.blm.gov/new-mexico

In Reply Refer To: NMNM106703804 3105.2 (NM920)

JAN 07 2025

Reference:

Communitization Agreement
West Grama Ridge 7 6 Federal Com 1H
Section 6: Lot 2, SWNE, W2SE
Section 7: W2E2
T. 22 S., R.34 E., N.M.P.M.
Lea County, NM

Cimarex Energy Co 6001 Deauville Blvd Suite 300N Midland, TX 79706

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM106703804 involving 160 acres of Federal land in lease NMNM017440 and 160.25 acres of Federal land in lease NMNM129267, Lea County, New Mexico, which comprise a 320.25-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the Lot 2, SWNE, W2SE of Section 6 and W2E2 of Section 7 of T. 22 S., R. 34 E., NMPM, Lea County, NM, and is effective September 1, 2021. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

INTERIOR REGION 5 · MISSOURI BASIN
Kansas, Most of Montana, North Dakota,
Nebraska, South Dakota

INTERIOR REGION 6 · ARKANSAS-RIO GRANDE-TEXAS GULF Oklahoma, Texas COLORADO BASIN
Colorado, New Mexico, Utah, Wyoming

If you have any questions regarding this approval, please contact Jordan Yawn by email at jyawn@blm.gov or by phone (505) 954-2138. Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

KYLE Digitally signed by KYLE PARADIS Date: 2025.01.07 14:44:05 -07'00'

Kyle Paradis
Branch Chief of Reservoir Management
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver NM Taxation & Revenue Dept. (Revenue Processing Div.) NMOCD NM (P0220-CFO, File Room) NMSO (920-Fluids Adjudication) NMSO (NM925, File)

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 266(j), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine and certify that the plan of development and operation contemplated in the attached Communitization Agreement is necessary, advisable, and in the public interest for the purpose of more properly conserving the natural resources.
- B. Approve the attached Communitization Agreement NMNM106703804 involving Federal Lease(s) NMNM129267 and NMNM017440. This Communitization Agreement is in Sec. 6 and Sec. 7, T. 22 S., R. 34 E., NMPM, Lea County, New Mexico, for production of oil and gas producible from the Bone Spring Formation.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Communitization Agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the Communitization Agreement.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto. In addition, approval of this agreement does not warrant or certify that the State or Patented land descriptions and acreages are consistent with the latest survey for those lands.

This approval is granted subject to the condition that the requirements of Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982 be satisfied for all wells drilled anywhere within the communitized area.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leases site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for civil penalties for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3163.2(e)(2).

KYLE Digitally signed by KYLE PARADIS

PARADIS Date: 2025.01.07
14:46:00 -07'00'

Kyle Paradis Branch Chief of Reservoir Management Division of Minerals

Effective: September 1, 2021 Contract No.: NMNM106703804

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY COTERRA ENERGY OPERATING CO.

ORDER NO. CTB-1175

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. Coterra Energy Operating Co. ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described 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. 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. 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.
- 6. 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 as described in Exhibit A.
- 7. 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 ("CA Pooled Area"), as described in Exhibit A.

CONCLUSIONS OF LAW

8. 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.

Order No. CTB-1175 Page 1 of 4

- 9. 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.
- 10. 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.
- 11. 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.
- 12. 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.
- 13. 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.
- 14. 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 as described in Exhibit A.

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

2. For each CA Pooled Area described in Exhibit A, 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.

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 CA Pooled Area. If the

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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 the formation or dedicated lands are modified or if a modification is made that will affect this Order. 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 CA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the CA Pooled Area until the Proposed Agreement which includes the CA Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the CA 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 as described 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 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

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- 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 as described 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

ALBERT C. S. CHANG

Albert Chang

DIRECTOR

DATE: 11/26/2025

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State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1175

Operator: Coterra Energy Operating Compay (215099)

Central Tank Battery: West Grama Ridge 7-6 Central Tank Battery

Central Tank Battery Location: UL P, Section 7, Township 22 South, Range 34 East Gas Title Transfer Meter Location: UL P, Section 7, Township 22 South, Range 34 East

Pools

Pool Name Pool Code GRAMA RIDGE;BONE SPRINGS, WEST 28432

Leases as defined in 19.15.12.7(C) NMAC

Leases as defined in 17.13.12.7(C) TWIAC						
Lease	UL or Q/Q	S-T-R				
CA Bone Spring NMNM 106703804	W2E2	06-22S-34E				
CA Boile Spring NWINWI 100/03804	W2E2	07-22S-34E				
PROPOSED CA Bone Spring NMNM	E2E2	06-22S-34E				
I KOI OSED CA Done Spring William	E2E2	07-22S-34E				
BLM Lease NMNM 017440	E2E2	07-22S-34E				

Wells

	VV CIIS			
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-47655	WEST GRAMA RIDGE 7 FEDERAL #003H	E2E2	07-22S-34E	28432
30-025-47654	WEST GRAMA RIDGE 7 6 FEDERAL	W2E2	06-22S-34E	28432
	COM #001H	W2E2	07-22S-34E	20432
30-025-54453	WEST GRAMA RIDGE 7 6 FEDERAL	W2E2	06-22S-34E	28432
30-025-54453	COM #351H	W2E2	07-22S-34E	20432
20.025.54454	WEST GRAMA RIDGE 7 6 FEDERAL	E2E2	06-22S-34E	28432
30-025-54454	COM #352H	E2E2	07-22S-34E	20432

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

CONDITIONS

Action 507837

CONDITIONS

Operator:	OGRID:
Coterra Energy Operating Co. 6001 Deauville Blvd Midland, TX 79706	215099
	Action Number: 507837
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By		Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov.	12/2/2025