

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO**

**Case Nos. 23448 – 23455**

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

**Case Nos. 23594 – 23601**

**APPLICATIONS OF READ & STEVENS, INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case Nos. 23508 – 23523**

**MOTION TO STRIKE READ & STEVENS’  
SUPPLEMENTAL EXHIBIT C-12**

Cimarex Energy Co., (“Cimarex”), through its undersigned attorneys, submits to the New Mexico Oil Conservation Division (“Division”) its Motion to Strike Read & Stevens’ Supplemental Exhibit C-12 (“Motion”), the Supplemental Exhibit C-12 (“Suppl. Ex. C-12”) having been filed in the above-referenced cases by Read & Stevens, Inc. (“Read & Stevens”). Cimarex respectfully asks that the Division Strike Suppl Ex. C-12 from the record. In support of its request, Cimarex states the following:

1. At the original contested hearing between Cimarex and Read & Stevens, which also included Permian Resources Operating, LLC (“PR”), for the above-referenced cases, Read & Stevens presented to the Division under oath its official exhibits showing Marks Oil Inc. (“Marks Oil”) and Wilbanks Reserve Corporation (“Wilbanks”) as neutral in their ownership of minerals and supporting neither party. *See* Read & Stevens/PR’s Exhibit I, p. 2, attached hereto as Exhibit 1 (Read & Stevens/PR listing and highlighting Wilbanks and Marks Oil as neutral owners).

2. Long-standing policy of the Division is to evaluate “*the mineral interest ownership held by each party at the time the application was heard*.” See, e.g., Order No. R-21834; Order No. R-21416-A; Order No. R-20223 (all orders consistently stating that the mineral ownership held by each party in a contested hearing is to be evaluated “at the time the application was heard”) (emphasis added). Therefore, Division policy prohibits the admission of Read & Steven’s Supp. Ex. C-12 into the record since it does not fall within the scope of the Division’s procedural consideration and review of the cases.

3. The reasons and basis for the Division’s policy are self-evident. Adjudicative hearings are structured to uphold fundamental fairness and due process, which provide parties the opportunity to examine witnesses present at the hearing who have submitted exhibits under oath. Admission of Supp. Ex. C-12 not only undermines Cimarex’s right to due process but directly transgresses established Division policy.

4. Thus, Cimarex respectfully submits that Read & Stevens’ Supp. Ex. C-12 should be stricken from the record as requested herein.

**ABADIE | SCHILL PC**

*/s/ Darin C. Savage*

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on October 7, 2023:

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/s/ Darin C. Savage

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Darin C. Savage



# Joker & Bane – Contractual vs. Leasehold Interest Summary

Joker = 1280.20 Gross Acres, Bane = 1282.20 Gross Acres

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1280.20 + 1282.20 = 2562.40 Gross Total as shown below

| Leasehold vs. Contractual Basis - Does it Change Correlative Rights Issues? <u>(No)</u> |                                   |          |        |                 |                                     |          |        |                  |                            |
|-----------------------------------------------------------------------------------------|-----------------------------------|----------|--------|-----------------|-------------------------------------|----------|--------|------------------|----------------------------|
| Owner                                                                                   | Joker & Bane - Leasehold Interest |          |        |                 | Joker & Bane - Contractual Interest |          |        |                  | Status                     |
|                                                                                         | Bone Spring                       | Wolfcamp | Delta  | Formation Favor | Bone Spring                         | Wolfcamp | Delta  | Formation Favor? |                            |
| MRC Permian*                                                                            | 14.40                             | 43.23    | -28.82 | Wolfcamp        | 14.40                               | 43.23    | -28.82 | Wolfcamp         | Neutral                    |
| HOG Partnership LP*                                                                     | 142.30                            | 166.30   | -24.00 | Wolfcamp        | 136.76                              | 158.91   | -22.15 | Wolfcamp         | Neutral                    |
| Northern Oil & Gas*                                                                     | 9.94                              | 29.84    | -19.89 | Wolfcamp        | 9.94                                | 29.84    | -19.89 | Wolfcamp         | PR Plan Support            |
| Javelina Partners*                                                                      | 200.95                            | 182.95   | 18.00  | Bone Spring     | 191.12                              | 174.51   | 16.62  | Bone Spring      | Cimarex Support            |
| Zorro Partners, Ltd.*                                                                   | 133.40                            | 133.40   | 0.00   | N/A             | 129.64                              | 129.64   | 0.00   | N/A              | Cimarex Support            |
| Delmar Hudson Trust*                                                                    | 85.91                             | 85.91    | 0.00   | N/A             | 84.97                               | 84.97    | 0.00   | N/A              | Term Assigned to Cimarex   |
| First Century                                                                           | 133.55                            | 180.34   | -46.79 | Wolfcamp        | 123.98                              | 170.78   | -46.79 | Wolfcamp         | PR Owned                   |
| Read & Stevens                                                                          | 607.51                            | 672.79   | -65.28 | Wolfcamp        | 590.22                              | 655.50   | -65.28 | Wolfcamp         | PR Owned                   |
| CBR Oil Prop*                                                                           | 5.34                              | 16.01    | -10.67 | Wolfcamp        | 5.34                                | 16.01    | -10.67 | Wolfcamp         | PR Support                 |
| Ard Oil*                                                                                | 69.58                             | 69.58    | 0.00   | N/A             | 66.76                               | 66.76    | 0.00   | N/A              | PR Support                 |
| Josephine Hudson Trust*                                                                 | 25.74                             | 25.74    | 0.00   | N/A             | 24.80                               | 24.80    | 0.00   | N/A              | Neutral                    |
| Magnum Hunter*                                                                          | 513.07                            | 287.00   | 226.07 | Bone Spring     | 541.45                              | 315.38   | 226.07 | Bone Spring      | Cimarex Owned              |
| CLM Production Co*                                                                      | 0.00                              | 1.60     | -1.60  | Wolfcamp        | 0.00                                | 1.60     | -1.60  | Wolfcamp         | PR Support                 |
| Highland (Texas) Energy*                                                                | 4.80                              | 1.60     | 3.20   | Bone Spring     | 4.80                                | 1.60     | 3.20   | Bone Spring      | Neutral                    |
| Diamond Star Prod.*                                                                     | 1.60                              | 1.60     | 0.00   | N/A             | 1.60                                | 1.60     | 0.00   | N/A              | PR Support                 |
| Carolyn Beall*                                                                          | 1.60                              | 1.60     | 0.00   | N/A             | 1.60                                | 1.60     | 0.00   | N/A              | PR Support                 |
| Tierra Encantada*                                                                       | 1.60                              | 1.60     | 0.00   | N/A             | 1.60                                | 1.60     | 0.00   | N/A              | PR Support                 |
| David Luna*                                                                             | 1.60                              | 1.60     | 0.00   | N/A             | 1.60                                | 1.60     | 0.00   | N/A              | Neutral                    |
| Warren Associates*                                                                      | 0.00                              | 1.60     | -1.60  | Wolfcamp        | 0.00                                | 1.60     | -1.60  | Wolfcamp         | PR Support                 |
| Cimarex Energy*                                                                         | 147.23                            | 181.23   | -34.00 | Wolfcamp        | 148.73                              | 182.73   | -34.00 | Wolfcamp         | Cimarex Owned              |
| Moore & Shelton*                                                                        | 61.32                             | 61.32    | 0.00   | N/A             | 58.00                               | 58.00    | 0.00   | N/A              | Cimarex Support            |
| Lindys Living Trust*                                                                    | 139.15                            | 139.15   | 0.00   | N/A             | 133.52                              | 133.52   | 0.00   | N/A              | Term Assigned to Jav/Zorro |
| Challenger Crude*                                                                       | 51.36                             | 51.36    | 0.00   | N/A             | 51.36                               | 51.36    | 0.00   | N/A              | Neutral                    |
| Avalon Energy Corp                                                                      | 10.00                             | 0.00     | 10.00  | Bone Spring     | 10.00                               | 0.00     | 10.00  | Bone Spring      | PR Owned                   |
| Marks Oil*                                                                              | 10.46                             | 20.06    | -9.60  | Wolfcamp        | 10.46                               | 20.06    | -9.60  | Wolfcamp         | Neutral                    |
| Prime Rock*                                                                             | 30.00                             | 0.00     | 30.00  | Bone Spring     | 30.00                               | 0.00     | 30.00  | Bone Spring      | Neutral                    |
| Wilbanks Reserve*                                                                       | 55.56                             | 106.56   | -51.00 | Wolfcamp        | 55.56                               | 106.56   | -51.00 | Wolfcamp         | Neutral                    |
| Buccholz (Union Hill)*                                                                  | 16.00                             | 16.00    | 0.00   | N/A             | 41.35                               | 41.35    | 0.00   | N/A              | Neutral                    |
| Chase Oil Co*                                                                           | 33.43                             | 33.43    | 0.00   | N/A             | 33.43                               | 33.43    | 0.00   | N/A              | PR Support                 |
| Foran Oil Co                                                                            | 49.00                             | 49.00    | 0.00   | N/A             | 53.85                               | 53.85    | 0.00   | N/A              | Neutral                    |
| William A. Hudson II                                                                    | 6.00                              | 0.00     | 6.00   | Bone Spring     | 5.54                                | 0.00     | 5.54   | Bone Spring      | Assigned to Zorro          |
| <b>Totals:</b>                                                                          | 2562.40                           | 2562.40  |        | 0.00            | 2562.40                             | 2562.40  |        |                  |                            |

|                               | Total Bone Spring Net Acres | Bone Spring W1% (Full 4 Sections) | Total Wolfcamp Net Acres | Wolfcamp W1% (Full 4 Sections) |
|-------------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------------|
| <b>Total PR Owned:</b>        | <b>751.06</b>               | 29.31%                            | <b>853.13</b>            | 33.29%                         |
| <b>PR Supporters:</b>         | 124.69                      | 4.87%                             | 158.45                   | 6.18%                          |
| <b>Total PR Support:</b>      | 875.74                      | 34.18%                            | 1011.59                  | 39.48%                         |
| <b>Total Cimarex Owned:</b>   | <b>746.21</b>               | 29.12%                            | <b>554.14</b>            | 21.63%                         |
| <b>Cimarex Supporters:</b>    | 540.83                      | 21.11%                            | 516.83                   | 20.17%                         |
| <b>Total Cimarex Support:</b> | 1287.03                     | 50.23%                            | 1070.97                  | 41.80%                         |

Exhibit 1

\*All ownership information obtained from 2023 title opinions and reports

\*Please note ownership differences between Bone Spring and Wolfcamp formations

\*Cimarex Ownership & Supporting Parties ownership heavily weighted towards Bone Spring formation (exposing the clear incentive/motivation to intentionally drain Wolfcamp with no account for owners as Cimarex's stated & filed plans have shown)