

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

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25344



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

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
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CASE NO. 25344

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Exhibit B: Self-Affirmed Statement of Cahill Kelleghan, Geologist

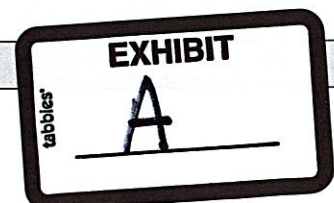
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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 25344	APPLICANT'S RESPONSE
Hearing Date:	May 8, 2025
Applicant	Coterra Energy Operating Co.
Designated Operator & OGRID (affiliation if applicable)	Coterra Energy Operating Co. (215099)
Applicant's Counsel:	Modrall Sperling
Case Title:	APPLICATION OF COTERRA ENERGY OPERATING CO. FOR COMPULSORY POOLING, AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	None
Well Family	Southern Hills
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring, excluding the Bone Spring at 7,745' or above.
Pool Name and Pool Code:	WC-015 G-03 S252636M; Bone Spring (97818)
Well Location Setback Rules:	State wide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes; The depth severance is in the Bone Spring formation at 7,745' in Section 29. Coterra is not pooling any interests at or above 7,745'. The depth severance was created by an assignment between COG Operating LLC (assignor) and Coterra (assignee). See Exhibit A-2 Paragraph 14 for a description of the depth severance.
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit A-4/A-5
Well(s)	



Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Southern Hills 32-29 Fed Com #1H	<p>API No. 30-015-49513 SHL: 813' FSL & 1,540' FWL, (Unit N), Section 32, T25S, R27E BHL: 100' FNL & 330' FWL, (Unit D) Section 29, T25S, R27E FTP: 1,340' FSL & 347' FWL, Section 32, T25S, R27E LTP: 100' FNL & 330' FWL, Section 29, T25S, R27E</p> <p>Completion Target: First Bone Spring (Approx. 7,846' TVD) Orientation: North/South</p>
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000. Exhibit A-6 (Proposal Letter)
Production Supervision/Month \$	\$1000. Exhibit A-6 (Proposal Letter)
Justification for Supervision Costs	See Exhibit A-2, Para 18
Requested Risk Charge	200%. Exhibit A-6 (Proposal Letter)
Notice of Hearing	
Proposed Notice of Hearing	Exhibits A-1; C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2 and C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice	NA
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	See Exhibit A-2 Paragraph 14.
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6

Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B, Para. 8
Target Formation	Exhibit B-3
HSU Cross Section	Exhibits B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-3
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Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-5
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibits B-3
Cross Section (including Landing Zone)	Exhibits B-4
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	5/1/2025

**STATE OF NEW MEXICO
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OIL CONSERVATION DIVISION**

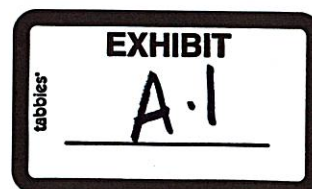
**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25344

APPLICATION

Coterra Energy Operating Co. ("Coterra"), OGRID Number 215099, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order (1) pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring spacing unit comprised of the W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) to the extent necessary, approval of an overlapping spacing unit. In support of this application, Coterra states as follows:

1. Coterra has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Coterra seeks to dedicate the W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, Bone Spring horizontal spacing unit.
3. Coterra seeks to dedicate the unit to the **Southern Hills 32-29 Fed Com #1H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29.
4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.



5. This proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units, which are in the WC-015 G-03 S252636M;BONE SPRING pool (Pool code 97818):

- a. A 160-acre spacing unit comprised of the W/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #4H well (API 30-015-44103); and
- b. A 160-acre spacing unit comprised of the W/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #2H well (API 30-015-41084).

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

7. The pooling of all interests in the Bone Spring formation underlying the proposed unit, and approving, to the extent necessary, the overlapping spacing unit, will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Coterra requests that this case is set for hearing before an Examiner of the Oil Conservation Division on May 8, 2025, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;

B. Designating Coterra as operator of this unit and the wells to be drilled thereon;

C. Authorizing Coterra to recover its costs of drilling, equipping and completing the well;

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

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

F. Approving, to the extent necessary, the proposed overlapping spacing unit;

Respectfully submitted,

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

By: Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Applicant

CASE NO. ²⁵³⁴⁴: Application of Coterra Energy Operating Co. for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests in a standard 320-acre, more or less, Bone Spring spacing unit comprised of the W/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Southern Hills 32-29 Fed Com #1H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The well will be drilled at orthodox locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units in the WC-015 G-03 S252636M;BONE SPRING pool (Pool code 97818):

- A 160-acre spacing unit comprised of the W/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #4H well (API 30-015-44103); and
- A 160-acre spacing unit comprised of the W/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #2H well (API 30-015-41084).

Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

Draft

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

**APPLICATION OF COTERRA ENERGY
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CASE NO. 25344

SELF-AFFIRMED STATEMENT OF KEATON CURTIS

Keaton Curtis hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Coterra Energy Operating Co. ("Coterra") and have personal knowledge of the matters stated herein.

2. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted as a matter of record.

3. My area of responsibility at Coterra includes the area of Eddy County in New Mexico.

4. I am familiar with the application filed by Coterra in this case, which is attached as

Exhibit A-1.

5. I am familiar with the status of the lands that are subject to this application.

6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced application.

7. Coterra seeks an order (1) pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring spacing unit comprised of the W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) to the extent necessary, approval of an overlapping spacing unit. There is a depth severance in the Bone Spring, described in paragraph 14 below, and Coterra is not seeking to pool any interests in the Bone Spring above the depth severance.

**Coterra Energy Operating Co.
Case No. 25344
Exhibit A-2**

8. Coterra seeks to dedicate the W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico to the **Southern Hills 32-29 Fed Com #1H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29.

9. The well will be horizontally drilled, and the producing area for the well is expected to be orthodox.

10. Attached as **Exhibit A-3** is the proposed C-102 for the well.

11. The well will develop the WC-015 G-03 S252636M;BONE SPRING pool (Pool code 97818).

12. This pool is an oil pool with 40-acre building blocks.

13. This pool is governed by the state-wide horizontal well rules.

14. There is a depth severance in the proposed unit. The depth severance is in the Bone Spring formation at 7,745' in Section 29. The depth severance was created by an assignment between COG Operating LLC (assignor) and Coterra (assignee) and it describes the depth severance as:

Depths : – INsofar AND ONLY INsofar as the COG Lease covers depths from below the top of the Harkey formation. The Harkey formation is defined as the stratigraphic equivalent of 7,745 feet TVD as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log (run #1, 01/17/2012) in COG Operating LLC's Jack Federal Pilot Hole 1H (API 30-015-38643) with a surface hole location of 330 feet FNL and 380 feet FWL of Section 31, T25S-R27E, Eddy county, New Mexico.

Date: September 1, 2005

Recording: Unrecorded

As a result, Coterra is not seeking to pool any interests in the Bone Spring at 7,745' or above (the "Excluded Depths"). Coterra has included this same information in the compulsory pooling checklist for this case, which will become part of the Order and will confirm that the Order excludes any interests in the in the Bone Spring at 7,745' or above.

15. **Exhibit A-4** includes a lease tract map outlining the unit being pooled. This exhibit also contains a plat that identifies each tract number, tract percentage interest, and lease numbers.

16. **Exhibit A-5** is a unit recapitulation with the working interest owners to be pooled highlighted in yellow. Exhibit A-5 also includes a list of the ORRI owners, all of which Coterra is seeking to pool.

17. **Exhibit A-6** contains a sample well proposal letter and Authorizations for Expenditure ("AFEs") sent to all working interest owners. The estimated cost of the well set forth in the AFEs are fair and reasonable and comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

18. Coterra requests overhead and administrative rates of \$8000.00/month for drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Coterra requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

19. Coterra requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

20. I have conducted a diligent search of the public records in the county where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

21. In my opinion, Coterra has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well as demonstrated by the chronology of contact in **Exhibit A-7**.

22. Coterra requests that it be designated operator of the well.

23. The parties Coterra is seeking to pool were notified of this hearing.

24. Coterra seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

25. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.

26. This proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units, which are in the WC-015 G-03 S252636M;BONE SPRING pool (Pool code 97818): a 160-acre spacing unit comprised of the W/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #4H well (API 30-015-44103); and a 160-acre spacing unit comprised of the W/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #2H well (API 30-015-41084).

27. Coterra also provided notice to affected parties for purposes of the overlapping unit portion of this application.

28. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

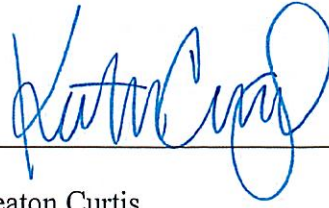
29. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.

30. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature Page Follows]

5/1/25

Date



Keaton Curtis

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input checked="" type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number 30-015-49513	Pool Code 97818	Pool Name WC-015 G-03 S252636M; BONE SPRING
Property Code	Property Name SOUTHERN HILLS 32-29 FEDERAL COM	Well Number 1H
OGRID No. 215099	Operator Name CIMAREX ENERGY CO.	Ground Level Elevation 3,243.4'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		

Surface Location

UL N	Section 32	Township 25S	Range 27E	Lot	Ft. from N/S 813 SOUTH	Ft. from E/W 1,540 WEST	Latitude (NAD 83) 32.081247°	Longitude (NAD 83) -104.215956°	County EDDY
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Bottom Hole Location

UL D	Section 29	Township 25S	Range 27E	Lot	Ft. from N/S 100 NORTH	Ft. from E/W 330 WEST	Latitude (NAD 83) 32.107894°	Longitude (NAD 83) -104.219503°	County EDDY
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Dedicated Acres 320	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers. Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No				

Kick Off Point (KOP)

UL M	Section 32	Township 25S	Range 27E	Lot	Ft. from N/S 572 SOUTH	Ft. from E/W 532 WEST	Latitude (NAD 83) 32.080583°	Longitude (NAD 83) -104.219224°	County EDDY
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First Take Point (FTP)

UL M	Section 32	Township 25S	Range 27E	Lot	Ft. from N/S 1340 SOUTH	Ft. from E/W 347 WEST	Latitude (NAD 83) 32.082694°	Longitude (NAD 83) -104.219777°	County EDDY
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Last Take Point (LTP)

UL D	Section 29	Township 25S	Range 27E	Lot	Ft. from N/S 100 NORTH	Ft. from E/W 330 WEST	Latitude (NAD 83) 32.107894°	Longitude (NAD 83) -104.219503°	County EDDY
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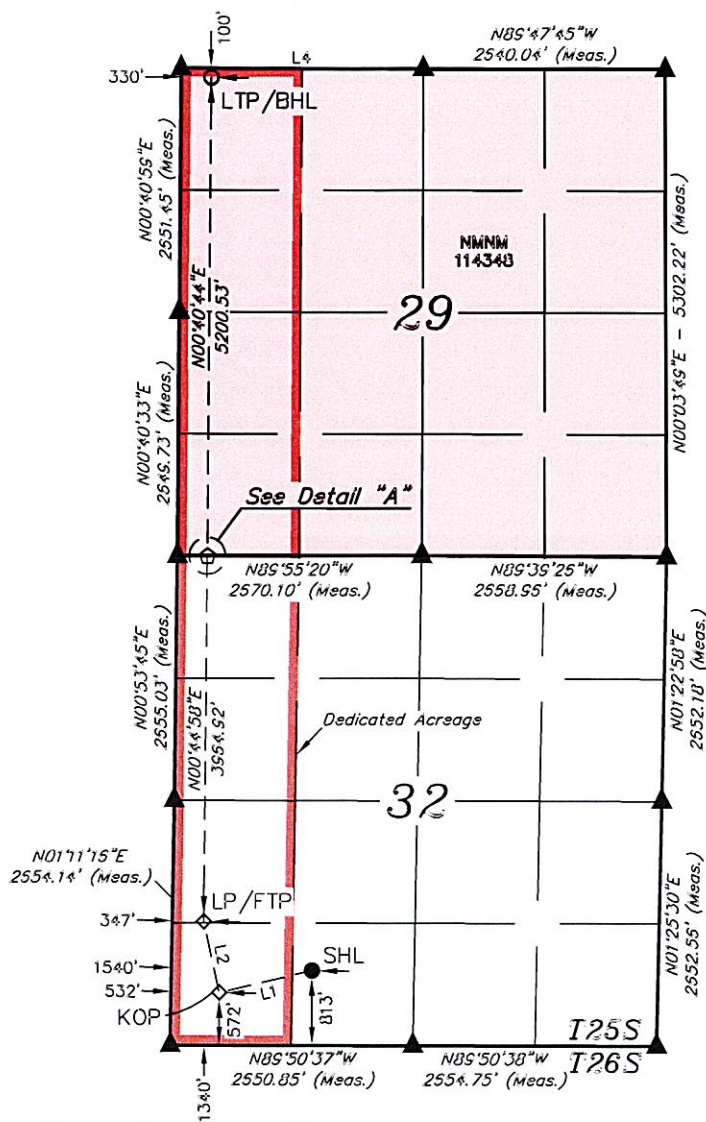
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> <i>Shelly Bowen</i> 10/1/2024 Signature _____ Date _____ Shelly Bowen Printed Name _____ shelly.bowen@coterra.com Email Address _____	SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from the 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.</i>  Signature and Seal of Professional Surveyor _____ 23782 August 31, 2020 Certificate Number _____ Date of Survey _____ 
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Note: No allowable will be assigned to this completion until all interest have been consolidated or a new plat is filed by the division.

Property Name SOUTHERN HILLS 32-29 FEDERAL COM	Well Number 1H	Drawn By D.J.S. 10-07-20	Revised By REV. 7 Z.L. 08-02-24 (UPDATED DEDICATED ACRES)
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NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°04'52.49" (32.081247°) LONGITUDE = -104°12'57.44" (-104.215956°)
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°04'52.05" (32.081126°) LONGITUDE = -104°12'55.66" (-104.215462°)
STATE PLANE NAD 83 (N.M. EAST) N: 393314.74' E: 577690.83'
STATE PLANE NAD 27 (N.M. EAST) N: 393257.66' E: 536507.37'
NAD 83 (KICK OFF POINT) LATITUDE = 32°04'50.10" (32.080583°) LONGITUDE = -104°13'09.21" (-104.219224°)
NAD 27 (KICK OFF POINT) LATITUDE = 32°04'49.66" (32.080461°) LONGITUDE = -104°13'07.43" (-104.218730°)
STATE PLANE NAD 83 (N.M. EAST) N: 393071.76' E: 576678.92'
STATE PLANE NAD 27 (N.M. EAST) N: 393014.70' E: 535495.48'
NAD 83 (LP/FTP) LATITUDE = 32°04'57.70" (32.082694°) LONGITUDE = -104°13'11.20" (-104.219777°)
NAD 27 (LP/FTP) LATITUDE = 32°04'57.26" (32.082573°) LONGITUDE = -104°13'09.42" (-104.219282°)
STATE PLANE NAD 83 (N.M. EAST) N: 393839.84' E: 576506.96'
STATE PLANE NAD 27 (N.M. EAST) N: 393782.76' E: 535323.53'
NAD 83 (INFLECTION POINT) LATITUDE = 32°05'36.93" (32.093591°) LONGITUDE = -104°13'10.74" (-104.219650°)
NAD 27 (INFLECTION POINT) LATITUDE = 32°05'36.49" (32.093470°) LONGITUDE = -104°13'08.96" (-104.219154°)
STATE PLANE NAD 83 (N.M. EAST) N: 397803.68' E: 576542.26'
STATE PLANE NAD 27 (N.M. EAST) N: 397746.53' E: 535358.90'
NAD 83 (LPP) LATITUDE = 32°05'36.97" (32.093602°) LONGITUDE = -104°13'10.74" (-104.219649°)
NAD 27 (LPP) LATITUDE = 32°05'36.53" (32.093481°) LONGITUDE = -104°13'08.96" (-104.219154°)
STATE PLANE NAD 83 (N.M. EAST) N: 397807.76' E: 576542.29'
STATE PLANE NAD 27 (N.M. EAST) N: 397750.60' E: 535358.93'
NAD 83 (LTP/BHL) LATITUDE = 32°06'28.42" (32.107894°) LONGITUDE = -104°13'10.21" (-104.219503°)
NAD 27 (LTP/BHL) LATITUDE = 32°06'27.98" (32.107773°) LONGITUDE = -104°13'08.43" (-104.219007°)
STATE PLANE NAD 83 (N.M. EAST) N: 403006.92' E: 576582.19'
STATE PLANE NAD 27 (N.M. EAST) N: 402949.67' E: 535398.91'



LINE TABLE

LINE	DIRECTION	LENGTH
L1	S75°44'12"W	1040.91'
L2	N12°22'51"W	787.28'
L3	N00°40'44"E	4.08'
L4	N89°48'34"W	2542.05'

- = SURFACE HOLE LOCATION
- ◇ = KICK OFF POINT/LANDING POINT/
FIRST TAKE POINT
- ◊ = INFLECTION POINT/LEASE PENETRATION POINT
- = LAST TAKE POINT/BOTTOM
HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- ████████ = DEDICATED ACREAGE

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 oil & gas leases.

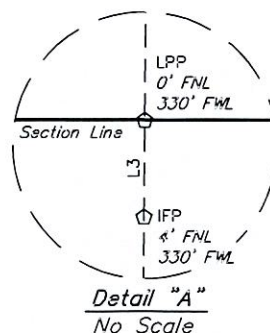


Exhibit A-4

Case Nos 25344, 25345, and 25346

Coterra Energy Operating Co. – Applicant

W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMMPM, Eddy County, New Mexico, containing 640 acres.

Case Nos. 25344 and 25345 Depth Severances: From below the top of the Harkey formation down to the base of the Bone Spring formation. The Harkey formation is defined as the stratigraphic equivalent of 7,745' TVD as seen in the Schlumberger Platform Express Three Defector Litho Density Compensated Neutron Log (run #1, 01/17/2012) in COG Operating LLC's Jack Federal Pilot Hole 1H (API 30-015-38643) with a surface hole location of 330 feet FNL and 380 feet FWL of Section 31, T25S-R27E, Eddy County, New Mexico

Tract 1 (WI):

- Coterra Energy Operating Co. : 55.55% WI
- Abo Petroleum, LLC : 22.22% WI
- Oxy Y-1 Company: 22.23% WI

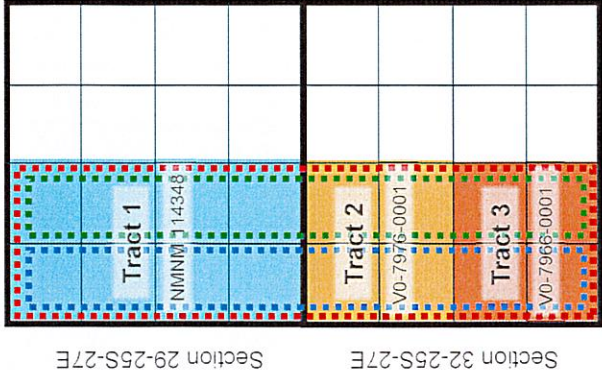
Tract 2 (WI):

- Coterra Energy Operating Co. : 80% WI
- Chevron U.S.A. Inc. : 20% WI

Tract 3 (WI):

- Coterra Energy Operating Co. : 80% WI
- Chevron U.S.A. Inc. : 20% WI

Lessor	Lessee	Eff. Date	S, T, R	County, State	Unit Tract	Vol/Pg
USA NM 114348	COG Operating, LLC EOG Resources, Inc. Abo Petroleum, LLC	09/01/2005	Sec 29-25S-27E	Eddy County, NM	1	NA
V0-7976-0001	Chevron USA, Inc.	03/01/2007	N/2 Sec 32-25S-27E	Eddy County, NM	2	686/908
V0-7966-0001	Chevron USA, Inc.	03/01/2007	S/2 Sec 32-25S-27E	Eddy County, NM	3	686/904



Case No. 25346 (WFMP)
Case No. 25344 (BSPG)
Case No. 25345 (BSPG)



Southern Hills Unit Recap (Case No. 25344, 25345, and 25346)**Note :** the parties requested to be pooled are highlighted in yellow.**Note :** Ownership is identical across all three cases

Case No. 25346 Depth Severance : None

Case No. 25344 and 25345 Depth Severance : From below the top of the Harkey formation down to the base of the Bone Spring formation. The Harkey formation is defined as the stratigraphic equivalent of 7,745' TVD as seen in the Schlumberger Platform Express Three Detector Litho Density Compensated Nuetron Log (run #1, 01/17/2012) in COG Operating LLC's Jack Federal Pilot Hole 1H (API 30-015-38643) with a surface hole location of 330 feet FNL and 380 feet FWL of Section 31, T25S-R27E, Eddy County, New Mexico

Owner Name	Owner Address	Ownership Type	Tract(s)	Unit Net Acres	Unit Working Interest	Unit Net Revenue Interest
Coterra Energy Operating Co. (f/k/a Cimarex Energy Co)	6001 Deauville Blvd., STE 300N Midland, TX 79706	WI	1, 2, 3	433.76	0.67775	0.54220000
Abo Petroleum, LLC	P.O. Box 900 Artesia, NM 88211-0900	WI	1	71.104	0.1111	0.08346250
Oxy Y-1 Company	5 Greenway Plaza. STE. 110 Houston, TX 77227	WI	1	71.136	0.11115	0.09725625
Chevron U.S.A. . Inc.	1400 Smith St. Houston, TX 77002	WI	2, 3	64	0.1	0.08333333
United States of America	-	RI	1	-	-	0.06250000
State of New Mexico	-	RI	2, 3	-	-	0.08333334
Abo Royalty, LLC	P.O. Box 900 Artesia, NM 88211-0900	ORRI	1	-	-	0.01375000
COG Operating, LLC	600 West Illinois Ave. Midland, TX 79701	ORRI	1	-	-	0.02083125
Chevron U.S.A. . Inc.	1400 Smith St. Houston, TX 77002	ORRI	2, 3	-	-	0.01333333
Totals:				640	1.00000000	1.00000000



Cimarex Energy Co.
Permian Business Unit
6001 Deauville Blvd.
Suite 300N
Midland, Texas 79706



April 28, 2025

Chevron U.S.A. Inc.
Attn: NOJV Group
1400 Smith St.
Houston, TX 77002

Via Certified Mail

**Re: Proposal to Drill
Southern Hills 32-29 Fed Com 1H, 2H, 3H, 4H, and 6H
W/2 of Sections 29 & 32, Township 25 South, Range 27 East
Eddy County, NM**

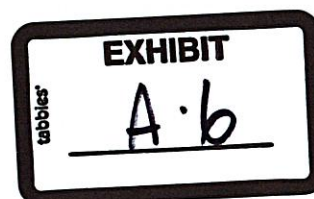
Dear Working Interest Owner,

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Southern Hills 32-29 Fed Com 1H and 3H ("Wells") at a legal location from the W/2 of Section 32 to the W/2 of Section 29, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and proposes to drill the Southern Hills 32-29 Fed Com 2H, 4H, and 6H ("Wells") at a non-standard location from the W/2 of Section 32 to the W/2 of Section 29, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location, bottom hole location, formation, and depths for the Wells are as follows:

Well	Location	Formation	TVD	TMD
Southern Hills 32-29 Fed Com 1H	SHL: 813' FSL & 1,540' FWL, Section 32 BHL: 100' FNL & 330' FWL, Section 29	Bone Spring	7,846'	17,660'
Southern Hills 32-29 Fed Com 2H	SHL: 827' FSL & 1,577' FWL, Section 32 BHL: 100' FNL & 330' FWL, Section 29	Wolfcamp	8,856'	18,306'
Southern Hills 32-29 Fed Com 3H	SHL: 820' FSL & 1,558' FWL, Section 32 BHL: 100' FNL & 2,112' FWL, Section 29	Bone Spring	7,890'	17,660'
Southern Hills 32-29 Fed Com 4H	SHL: 834' FSL & 1,595' FWL, Section 32 BHL: 100' FNL & 2315' FWL, Section 29	Wolfcamp	8,880'	18,955'
Southern Hills 32-29 Fed Com 6H	SHL: 787' FSL & 1,571' FWL, Section 32 BHL: 100' FNL & 1320' FWL, Section 29	Wolfcamp	8,865'	18,980'

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



Enclosed is (i) our detailed AFE reflecting estimated costs associated with this proposal, (ii) our proposed State and Federal Communitization Agreements, and (iii) our proposed form of Operating Agreement to govern operations of the Southern Hills 32-29 Fed Com Wells. Our proposed Operating Agreement contains the following general terms:

- 100%/300%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Producing Rate
- Cimarex Energy Co. designated as Operator

If you intend to participate, please approve, and return the following:

1. One (1) executed original of each Election to Participate
2. One (1) executed original of each of the enclosed AFEs
3. One (1) executed and acknowledged set of signature pages to the proposed Operating Agreement
4. One (1) executed and acknowledged set of signature pages to the Memorandum of Operating Agreement
5. Three (3) executed and acknowledged signature pages for each proposed State Communitization Agreement and Four (4) executed and acknowledged signature pages for each Federal Communitization Agreement. (Twenty-One (21) total communitization agreement signature pages).
6. Well Data Requirements Sheet

If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Please mail all original signed documents to the following address:

Attn: Keaton Curtis
Coterra Energy Inc.
6001 Deauville Blvd.
Suite 300N
Midland, TX 79706

Please call the undersigned with any questions or comments.

Respectfully,

Keaton Curtis

Keaton Curtis
Exploration Landman
(432) 620-1638
Keaton.Curtis@Coterra.com

**ELECTION TO PARTICIPATE
Southern Hills 32-29 Fed Com 1H**

_____ Chevron U.S.A. Inc. elects **TO** participate in the proposed
Southern Hills 32-29 Fed Com 1H.

_____ Chevron U.S.A. Inc. elects **NOT** to participate in the proposed
Southern Hills 32-29 Fed Com 1H.

Dated this _____ day of _____, 20__.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Southern Hills 32-29 Fed Com 1H well, then:

_____ Chevron U.S.A. Inc. elects **TO** be covered by well control insurance
procured by Cimarex Energy Co.

_____ Chevron U.S.A. Inc. elects **NOT** to be covered by well control
insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy
Co. with a certificate of insurance prior to commencement of drilling operations
or be deemed to have elected to be covered by well control insurance procured by
Cimarex Energy Co.

**ELECTION TO PARTICIPATE
Southern Hills 32-29 Fed Com 2H**

_____ Chevron U.S.A. Inc. elects **TO** participate in the proposed
Southern Hills 32-29 Fed Com 2H.

_____ Chevron U.S.A. Inc. elects **NOT** to participate in the proposed
Southern Hills 32-29 Fed Com 2H.

Dated this _____ day of _____, 20__.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Southern Hills 32-29 Fed Com 2H well, then:

_____ Chevron U.S.A. Inc. elects **TO** be covered by well control insurance
procured by Cimarex Energy Co.

_____ Chevron U.S.A. Inc. elects **NOT** to be covered by well control
insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy
Co. with a certificate of insurance prior to commencement of drilling operations
or be deemed to have elected to be covered by well control insurance procured by
Cimarex Energy Co.

**ELECTION TO PARTICIPATE
Southern Hills 32-29 Fed Com 3H**

_____ Chevron U.S.A. Inc. elects **TO** participate in the proposed
Southern Hills 32-29 Fed Com 3H.

_____ Chevron U.S.A. Inc. elects **NOT** to participate in the proposed
Southern Hills 32-29 Fed Com 3H.

Dated this ____ day of _____, 20__.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Southern Hills 32-29 Fed Com 3H well, then:

_____ Chevron U.S.A. Inc. elects **TO** be covered by well control insurance
procured by Cimarex Energy Co.

_____ Chevron U.S.A. Inc. elects **NOT** to be covered by well control
insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy
Co. with a certificate of insurance prior to commencement of drilling operations
or be deemed to have elected to be covered by well control insurance procured by
Cimarex Energy Co.

**ELECTION TO PARTICIPATE
Southern Hills 32-29 Fed Com 4H**

_____ Chevron U.S.A. Inc. elects **TO** participate in the proposed
Southern Hills 32-29 Fed Com 4H.

_____ Chevron U.S.A. Inc. elects **NOT** to participate in the proposed
Southern Hills 32-29 Fed Com 4H.

Dated this ____ day of _____, 20__.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Southern Hills 32-29 Fed Com 4H well, then:

_____ Chevron U.S.A. Inc. elects **TO** be covered by well control insurance
procured by Cimarex Energy Co.

_____ Chevron U.S.A. Inc. elects **NOT** to be covered by well control
insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy
Co. with a certificate of insurance prior to commencement of drilling operations
or be deemed to have elected to be covered by well control insurance procured by
Cimarex Energy Co.

**ELECTION TO PARTICIPATE
Southern Hills 32-29 Fed Com 6H**

_____ Chevron U.S.A. Inc. elects **TO** participate in the proposed
Southern Hills 32-29 Fed Com 6H.

_____ Chevron U.S.A. Inc. elects **NOT** to participate in the proposed
Southern Hills 32-29 Fed Com 6H.

Dated this ____ day of _____, 20__.

Signature: _____

Title: _____

If your election above is TO participate in the proposed Southern Hills 32-29 Fed Com 6H well, then:

_____ Chevron U.S.A. Inc. elects **TO** be covered by well control insurance
procured by Cimarex Energy Co.

_____ Chevron U.S.A. Inc. elects **NOT** to be covered by well control
insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy
Co. with a certificate of insurance prior to commencement of drilling operations
or be deemed to have elected to be covered by well control insurance procured by
Cimarex Energy Co.



Authorization For Expenditure Drilling

AFE # PAF0000544

Company Entity CIMAREX ENERGY CO (999901)		Date Prepared 11/7/2024		
Exploration Region PERMIAN BASIN	Well Name SOUTHERN HILLS 32-29 FED COM 1H	Prospect	Property Number 411354834	AFE PAF0000544
County, State EDDY, NM	Location W/2 W/2 SECTIONS 29 & 32, T25S-R27E, EDDY COUNTY, NM.		Estimated Spud 11/13/2025	Estimated Completion
X New Supplement Revision	Formation Harkey	Well Type	Estl Measured Depth 17,660	Estl Vertical Depth 7,856

Purpose Drill and complete well

Description
Drilling Drill and complete well in the Bone Springs, 13-3/8 x 9-5/8 x5.5 long string design.

Intangible	Cost
Drilling Costs	\$2,980,229
Completion Costs	\$5,213,317
Total Intangible Cost	\$8,193,546
Tangible	Cost
Tangible	\$2,479,550
Total Tangible Cost	\$2,479,550
Total Well Cost	\$10,673,096

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

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

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement. 11/7/2024

COTERRA Authorization For Expenditure - SOUTHERN HILLS 32-29 FED
COM 1H

AFE # PAF0000544

Description	Drilling		Comp/Stim		Production Equip		Post Completion		Total
	Codes	Amount	Codes	Amount	Codes	Amount	Codes	Amount	
LAND/LEGAL/CURATIVE	0331.0002	3,000			0336.0002	0			3,000
DAMAGES	0331.0005	40,000			0336.0005	0			40,000
PERMITTING	0331.0018	1,500							1,500
CONTAINMENT	0331.0022	10,000	0333.0022	10,000			0334.0022	0	20,000
PAD CLEANUP	0331.0024	5,000	0333.0024	4,250			0334.0024	14,500	23,750
ROAD/PAD CONSTRUCTION	0331.0030	110,000			0336.0030	22,500			132,500
CONDUCTOR, MOUSE HOLE & CELLAR	0331.0031	30,000							30,000
RIG MOBILIZE/DEMOBILIZE	0331.0035	108,125							108,125
SUPERVISION	0331.0040	77,732	0333.0040	60,568	0336.0040	14,500	0334.0040	3,000	155,800
DRILLING RIG	0331.0050	601,494							601,494
CASING CREW	0331.0055	50,400	0333.0055	0					50,400
TUBULAR INSPECTIONS	0331.0056	51,600	0333.0056	31,000			0334.0056	0	82,600
WELDING/ROUSTABOUTS/LEASE CREWS	0331.0059	40,000	0333.0059	11,000			0334.0059	15,500	66,500
RIG FUEL	0331.0071	88,836	0333.0071	365,015			0334.0071	0	453,851
WATER & TRANSFER/TRUCKING (NOT DRUG)	0331.0073	0	0333.0073	30,000			0334.0073	500	30,500
DRILL BITS	0331.0080	75,000							75,000
DRILLING MUD & ADDITIVES	0331.0082	333,000							333,000
DIRECTIONAL DRILLING SERVICES	0331.0090	518,970							518,970
DOWNHOLE RENTALS	0331.0095	26,000	0333.0095	40,000			0334.0095	0	66,000
SURFACE RENTALS	0331.0096	148,060	0333.0096	60,568	0336.0096	3,500	0334.0096	40,900	253,028
SOLIDS CONTROL EQUIP./SERVICES	0331.0097	74,970							74,970
RENTAL WORK STRING	0331.0104	43,200							43,200
OTHER RIG/MISC EXPENSES	0331.0116	60,000	0333.0116	31,534	0336.0116	31,000	0334.0116	12,000	134,534
PRIMARY CEMENTING	0331.0120	199,200							199,200
LOGGING SERVICES/RENTALS	0331.0126	0	0333.0126	25,000			0334.0126	0	25,000
WELL CONTROL EQUIP./SERVICES	0331.0130	64,845	0333.0130	10,000			0334.0130	0	74,845
CAPITALIZED EMPLOYEE LABOR	0331.0140	0	0333.0140	0	0336.0140	13,000	0334.0140	0	13,000
CAPITALIZED EMPLOYEE FRINGE BENEFITS	0331.0141	0	0333.0141	0	0336.0141	7,000	0334.0141	0	7,000
OVERHEAD	0331.0142	15,000	0333.0142	15,000	0336.0142	8,500			38,500
MUD DISPOSAL LABOR/EQUIP	0331.0163	50,000	0333.0163	27,784					77,784
REAL TIME OPERATIONS CENTER	0331.0192	13,000	0333.0192	0					13,000
STIMULATION FLUID			0333.0093	316,776			0334.0093	0	316,776
FRAC TREE RENTAL			0333.0098	86,408			0334.0098	0	86,408
FLOWBACK SERVICES			0333.0102	63,681			0334.0102	17,850	81,481
BRIDGE PLUGS/FRAC PLUGS			0333.0110	39,950			0334.0110	0	39,950
STIMULATION CHEMICALS			0333.0131	354,200			0334.0131	0	354,200
FRAC SAND			0333.0132	370,138			0334.0132	0	370,138
FRAC SAND TRANSPORTATION			0333.0133	614,114			0334.0133	0	614,114
PUMP DOWN SERVICES/EQUIPMENT			0333.0134	48,101					48,101
STIMULATION/FRACTURING			0333.0135	1,061,579			0334.0135	10,000	1,071,579
PERFORATING & WIRELINE SERVICES			0333.0136	215,350			0334.0136	0	215,350
COMPLETION RIG/WORKOVER RIG			0333.0150	24,000			0334.0150	0	24,000
COIL TUBING SERVICES			0333.0151	180,000			0334.0151	0	180,000
SWD - PIPED TO 3RD PARTY SWD WELL							0334.0172	177,800	177,800
MECHANICAL LABOR					0336.0042	252,500			252,500
AUTOMATION LABOR					0336.0043	69,500	0334.0043	6,000	75,500
IPC & EXTERNAL PAINTING					0336.0106	21,000			21,000
FL/CL - ON PAD LABOR					0336.0107	57,000			57,000
FL/CL - LABOR					0336.0108	88,500			88,500
FL/CL - SUPERVISION					0336.0109	17,500			17,500
SURVEY					0336.0112	7,000			7,000
SWD/OTHER - LABOR					0336.0113	1,500			1,500
CONTINGENCY - DRUG, COMP, PDOM, FAC	0331.0190	141,297	0333.0190	204,801	0336.0190	0	0334.0190	0	346,098
Total Intangible Cost		2,980,229		4,300,817		614,500		298,000	8,193,546
WELLHEAD EQUIPMENT SURFACE	0331.0202	65,000	0333.0202	55,000			0334.0202	9,000	129,000
CONDUCTOR PIPE	0331.0206	8,054							8,054
SURFACE CASING	0331.0207	19,278							19,278
INTERMEDIATE CASING I	0331.0208	80,801							80,801
PRODUCTION CSG/TIE BACK	0331.0211	536,511	0333.0211	0					536,511
TUBULAR FREIGHT	0331.0212	27,000	0333.0212	12,000			0334.0212	500	39,500
PERMANENT DOWNHOLE EQUIPMENT	0331.0213	60,000	0333.0213	60,000			0334.0213	0	120,000
CELLAR	0331.0219	8,000							8,000
WATER STRING CASING	0331.0221	7,434							7,434
TUBING			0333.0201	122,472			0334.0201	0	122,472
LIFT EQUIP (GLV,ESP,PC PUMP,RODS)			0333.0311	25,000			0334.0311	2,500	27,500
SURFACE EQUIPMENT							0334.0203	10,000	10,000
N/C LEASE EQUIPMENT					0336.0303	303,000	0334.0303	0	303,000
GATHERING/FLOWLINES					0336.0315	141,500	0334.0315	0	141,500
TANKS, STEPS, STAIRS					0336.0317	5,500			5,500
METERING EQUIPMENT					0336.0321	33,500			33,500
LEASE AUTOMATION MATERIALS					0336.0322	109,500			109,500
SPOOLS					0336.0323	1,000			1,000
FACILITY ELECTRICAL					0336.0324	148,500			148,500
PRODUCTION EQUIPMENT FREIGHT					0336.0327	33,500			33,500
FL/CL - MATERIALS					0336.0331	56,000			56,000
SHORT ORDERS					0336.0332	40,000			40,000
PUMPS					0336.0333	42,500			42,500
WALKOVERS					0336.0334	9,500			9,500
BATTERY (HTR TRTR,SEPAR,GAS T)					0336.0335	343,500			343,500
SECONDARY CONTAINMENTS					0336.0336	24,500			24,500
OVERHEAD POWER DISTR (TO FACILITY)					0336.0337	47,000			47,000
FACILITY LINE PIPE					0336.0339	32,000			32,000
Total Tangible Cost		812,078		274,472		1,371,000		22,000	2,479,550
Total Estimated Cost		3,792,307		4,575,289		1,985,500		320,000	10,673,096

COTERRA Authorization For Expenditure - SOUTHERN HILLS 32-29 FED
COM 1H

AFE # PAF0000544

Description	Drilling		Comp/Stim	
	Codes	Amount	Codes	Amount
LAND/LEGAL/CURATIVE	0331.0002	3,000		
DAMAGES	0331.0005	40,000		
PERMITTING	0331.0018	1,500		
CONTAINMENT	0331.0022	10,000	0333.0022	10,000
PAD CLEANUP	0331.0024	5,000	0333.0024	4,250
ROAD/PAD CONSTRUCTION	0331.0030	110,000		
CONDUCTOR, MOUSE HOLE & CELLAR	0331.0031	30,000		
RIG MOBILIZE/DEMOBILIZE	0331.0035	108,125		
SUPERVISION	0331.0040	77,732	0333.0040	60,568
DRILLING RIG	0331.0050	601,494		
CASING CREW	0331.0055	50,400	0333.0055	0
TUBULAR INSPECTIONS	0331.0056	51,600	0333.0056	31,000
WELDING/ROUSTABOUTS/LEASE CREWS	0331.0059	40,000	0333.0059	11,000
RIG FUEL	0331.0071	88,836	0333.0071	365,015
WATER & TRANSFER/TRUCKING (NOT	0331.0073	0	0333.0073	30,000
DRILL BITS	0331.0080	75,000		
DRILLING MUD & ADDITIVES	0331.0082	333,000		
DIRECTIONAL DRILLING SERVICES	0331.0090	518,970		
DOWNHOLE RENTALS	0331.0095	26,000	0333.0095	40,000
SURFACE RENTALS	0331.0096	148,060	0333.0096	60,568
SOLIDS CONTROL EQUIP/SERVICES	0331.0097	74,970		
RENTAL WORK STRING	0331.0104	43,200		
OTHER RIG/MISC EXPENSES	0331.0116	60,000	0333.0116	31,534
PRIMARY CEMENTING	0331.0120	199,200		
LOGGING SERVICES/RENTALS	0331.0126	0	0333.0126	25,000
WELL CONTROL EQUIP/SERVICES	0331.0130	64,845	0333.0130	10,000
CAPITALIZED EMPLOYEE LABOR	0331.0140	0	0333.0140	0
CAPITALIZED EMPLOYEE FRINGE BENEFITS	0331.0141	0	0333.0141	0
OVERHEAD	0331.0142	15,000	0333.0142	15,000
MUD DISPOSAL LABOR/EQUIP	0331.0165	50,000	0333.0165	27,784
REAL TIME OPERATIONS CENTER	0331.0192	13,000	0333.0192	0
STIMULATION FLUID			0333.0093	316,776
FRAC TREE RENTAL			0333.0098	86,408
FLOWBACK SERVICES			0333.0102	63,681
BRIDGE PLUGS/FRAC PLUGS			0333.0110	39,950
STIMULATION CHEMICALS			0333.0131	354,200
FRAC SAND			0333.0132	370,138
FRAC SAND TRANSPORTATION			0333.0133	614,114
PUMP DOWN SERVICES/EQUIPMENT			0333.0134	48,101
STIMULATION/FRACTURING			0333.0135	1,061,579
PERFORATING & WIRELINE SERVICES			0333.0136	215,350
COMPLETION RIG/WORKOVER RIG			0333.0150	24,000
COIL TUBING SERVICES			0333.0151	180,000
SWD - PIPED TO 3RD PARTY SWD WELL				
MECHANICAL LABOR				
AUTOMATION LABOR				
IPC & EXTERNAL PAINTING				
FL/GL - ON PAD LABOR				
FL/GL - LABOR				
FL/GL - SUPERVISION				
SURVEY				
SWD/OTHER - LABOR				
CONTINGENCY - DRUG, COMP, PCOM	0331.0190	141,297	0333.0190	204,801
Total Intangible Cost		2,980,229		4,300,817
WELLHEAD EQUIPMENT SURFACE	0331.0202	65,000	0333.0202	55,000
CONDUCTOR PIPE	0331.0206	8,054		
SURFACE CASING	0331.0207	19,278		
INTERMEDIATE CASING I	0331.0208	80,801		
PRODUCTION CSG/TIE BACK	0331.0211	536,511	0333.0211	0
TUBULAR FREIGHT	0331.0212	27,000	0333.0212	12,000
PERMANENT DOWNHOLE EQUIPMENT	0331.0215	60,000	0333.0215	60,000
CELLAR	0331.0219	8,000		
WATER STRING CASING	0331.0221	7,434		
TUBING			0333.0201	122,472
LIFT EQUIP (CLV,ESP,PC,PUMP,RODS)			0333.0311	25,000
SURFACE EQUIPMENT				
N/C LEASE EQUIPMENT				
GATHERING/FLOWLINES				
TANKS, STEPS, STAIRS				
METERING EQUIPMENT				
LEASE AUTOMATION MATERIALS				
SPOOLS				
FACILITY ELECTRICAL				
PRODUCTION EQUIPMENT FREIGHT				
FL/GL - MATERIALS				
SHORT ORDERS				
PUMPS				
WALKOVERS				
BATTERY (HTR,TRTR,SEPAR,GAS T)				
SECONDARY CONTAINMENTS				
OVERHEAD POWER DISTR (TO FACILITY)				
FACILITY LINE PIPE				
Total Tangible Cost		812,078		274,472
Total Estimated Cost		3,792,307		4,575,289


COTERRA Authorization For Expenditure - SOUTHERN HILLS 32-29 FED
COM 1H

AFE # PAF0000544

Description	Production Equip		Post Completion		Total	
	Codes	Amount	Codes	Amount	Cost	
LAND/LEGAL/CURATIVE	0336.0002	0			3,000	
DAMAGES	0336.0005	0			40,000	
PERMITTING					1,500	
CONTAINMENT			0334.0027	0	20,000	
PAD CLEANUP			0334.0024 Road Repair	14,500	23,750	
ROAD/PAD CONSTRUCTION	0336.0030	22,500			132,500	
CONDUCTOR MOUNT HOLE & CELLAR					30,000	
RIG MOBILIZE/DEMOMOBILIZE					108,125	
SUPERVISION	0336.0040	14,500	0334.0040	3,000	155,800	
DRILLING RIG					601,494	
CASING CREW					50,400	
TUBULAR INSPECTIONS			0334.0056	0	82,600	
WELDING ROUSTABOUTS/LEASE CREWS			0334.0059 Roustabout labor	15,500	66,500	
RIG FUEL			0334.0071	0	453,851	
WATER & TRANSFER/TRUCKING (NOT DRUG)			0334.0073 Misc. Disposal	500	30,500	
DRILL BITS					75,000	
DRILLING MUD & ADDITIVES					333,000	
DIRECTIONAL DRILLING SERVICES					518,970	
DOWNHOLE RENTALS			0334.0095	0	66,000	
SURFACE RENTALS	0336.0096	3,500	0334.0096 Flowback equipment (15 days)	40,900	253,028	
SOLIDS CONTROL EQUIP/SERVICES					74,970	
RENTAL WORK STRING					43,200	
OTHER RIG/MISC EXPENSES	0336.0116	31,000	0334.0116 Parts and fittings	12,000	134,534	
PRIMARY CEMENTING					199,200	
LOGGING SERVICES/RENTALS			0334.0126	0	25,000	
WELL CONTROL EQUIP/SERVICES			0334.0130	0	74,645	
CAPITALIZED EMPLOYEE LABOR	0336.0140	13,000	0334.0140	0	13,000	
CAPITALIZED EMPLOYEE FRINGE BENEFITS	0336.0141	7,000	0334.0141	0	7,000	
OVERHEAD	0336.0142	8,500			38,500	
MUD DISPOSAL LABOR/EQUIP					77,784	
REAL TIME OPERATIONS CENTER					13,000	
STIMULATION FLUID			0334.0083	0	316,776	
FRAC TREE RENTAL			0334.0098	0	86,408	
FLOWBACK SERVICES			0334.0107 Flowback hands (15 days)	17,800	81,481	
BRIDGE PLUGS/FRAC PLUGS			0334.0110	0	39,950	
STIMULATION CHEMICALS			0334.0131	0	354,200	
FRAC SAND			0334.0132	0	370,138	
FRAC SAND TRANSPORTATION			0334.0133	0	614,114	
PUMP DOWN SERVICES/EQUIPMENT					48,101	
STIMULATION/FRACTURING			0334.0139 Defoamer - surface	10,000	1,071,579	
PERFORATING & WIRELINE SERVICES			0334.0136	0	215,350	
COMPLETION RIG/WORKOVER RIG			0334.0150	0	24,000	
COIL TUBING SERVICES			0334.0151	0	180,000	
SWD - PIPED TO 3RD PARTY SWD WELL			0334.0172 First 60 Days Water, 254 MBW @ \$0.70/BW	177,800	177,800	
MECHANICAL LABOR	0336.0042	252,500			252,500	
AUTOMATION LABOR	0336.0043	69,500	0334.0043 Flowback automation	6,000	75,500	
IPC & EXTERNAL PAINTING	0336.0106	21,000			21,000	
FL/CL ON PAD LABOR	0336.0107	57,000			57,000	
FL/CL - LABOR	0336.0108	88,500			88,500	
FL/CL - SUPERVISION	0336.0109	17,500			17,500	
SURVEY	0336.0112	7,000			7,000	
SWD/OTHER LABOR	0336.0113	1,500			1,500	
CONTINGENCY - DRUG, COMP, PDOM, FAC	0336.0190	0	0334.0190	0	346,098	
Total Intangible Cost		614,500		298,000	8,193,546	
WELLHEAD EQUIPMENT SURFACE			0334.0202 WH & flowback related valves and fittings	9,000	129,000	
CONDUCTOR PIPE					8,054	
SURFACE CASING					19,278	
INTERMEDIATE CASING I					80,801	
PRODUCTION CSC/TIE BACK					536,511	
TUBULAR FREIGHT			0334.0212 Transport costs	500	39,500	
PERMANENT DOWNHOLE EQUIPMENT			0334.0215	0	120,000	
CELLAR					8,000	
WATER STRING CASING					7,434	
TUBING			0334.0201	0	122,472	
LIFT EQUIP (GLV, ESP, PC PUMP, RODS)			0334.0311 AL equipment	2,500	27,500	
SURFACE EQUIPMENT			0334.0203	10,000	10,000	
N/C LEASE EQUIPMENT	0336.0303	303,000	0334.0303	0	303,000	
GATHERING/FLOWLINES	0336.0315	141,500	0334.0315	0	141,500	
TANKS, STEPS, STAIRS	0336.0317	5,500			5,500	
METERING EQUIPMENT	0336.0321	33,500			33,500	
LEASE AUTOMATION MATERIALS	0336.0322	109,500			109,500	
SPOOLS	0336.0323	1,000			1,000	
FACILITY ELECTRICAL	0336.0324	148,500			148,500	
PRODUCTION EQUIPMENT FREIGHT	0336.0327	33,500			33,500	
FL/CL MATERIALS	0336.0331	56,000			56,000	
SHORT ORDERS	0336.0332	40,000			40,000	
PUMPS	0336.0333	42,500			42,500	
WALKOVERS	0336.0334	9,500			9,500	
BATTERY (HTR, TRTR, SEPAR, GAS T)	0336.0335	343,500			343,500	
SECONDARY CONTAINMENTS	0336.0336	24,500			24,500	
OVERHEAD POWER DISTR (TO FACILITY)	0336.0337	47,000			47,000	
FACILITY LINE PIPE	0336.0339	32,000			32,000	
Total Tangible Cost		1,371,000		22,000	2,479,550	
Total Estimated Cost		1,985,500		320,000	10,673,096	

Chronology of Contacts (Case No. 25344, 25345, and 25346)

Owner Name	Net Acres	Notice Letter	Return/ Received + Correspondence	Status
Abo Petroleum, LLC	71.104	12/2/2024	Sent well proposals on 12/2/2024 via USPS Certified Mail, received 12/11/2024 (email confirmation from Abo). 12/11/2024: Receipt of elections to participate in all proposed Southern Hills wells	Committed
Oxy Y-1 Company	71.136	12/2/2024	Sent well proposals on 12/2/2024 via USPS Certified Mail, received 12/11/2024 (email confirmation from Oxy). 12/11/2024: Email correspondence answering Oxy questions relating to well proposals 2/10/2025 - 03/04/2025: Email correspondence (x4) regarding the Southern Hills Communitization Agreements. 03/05/2025 - Present: Email correspondence (x9) discussing/ negotiating Coterra Energy Operating Co.'s proposed JOA	Uncommitted
Chevron U.S.A. Inc.	64	12/2/2024	Sent well proposals on 12/2/2024 via USPS Certified Mail, received 12/12/2024 (email confirmation from Chevron). 12/12/2024 - 12/16/2024: Email correspondence answering CVX questions relating to well proposals. 01/16/2025: Email correspondence regarding the Southern Hills Communitization Agreements. 03/17/2025: Phone call discussing Coterra Energy Operating Co.'s proposed JOA. Conversations between CTRA and CVX pertaining to possible deals/ transactions for CVX interest occurring between 02/10/25 - present.	Uncommitted



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

APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO.

CASE NO. 25344

SELF-AFFIRMED STATEMENT OF CAHILL KELLEGHAN

1. My name is Cahill Kelleghan. I am employed as a petroleum geologist for Coterra Energy Operating Co. ("Coterra"). I have previously testified before the Oil Conservation Division ("Division") as an expert petroleum geologist and my credentials as an expert were accepted by the Division as a matter of record.

2. My work includes the Permian Basin and Eddy County, I am personally familiar with the application filed by Coterra in this case, and I have conducted a geologic study of the lands in the subject area.

3. **Exhibit B-1** is a locator map showing the approximate location of the proposed unit. The proposed unit is shown by a red box.

4. **Exhibit B-2** is a wellbore schematic showing Coterra's development plan.

5. **Exhibit B-3** is a structure map of the Third Bone Spring carbonate formation. The proposed spacing unit is identified by a red box. The proposed Southern Hills 32-29 Fed Com #1H well is identified by the blue-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the east. **Exhibit B-3** also identifies three wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A' that I used to prepare the structural cross-section.

Coterra Energy Operating Co.
Case No. 25344
Exhibit B

6. **Exhibit B-4** is a structural cross-section, and the well logs shown on the cross-section give a representative sample of the Third Bone Spring carbonate formation in the area. The target zone for the Southern Hills 32-29 Fed Com #3H well is identified by a box identifying Lower 3rd BSPG target. In my opinion, the 3rd Bone Spring formation is relatively consistent with slight thinning to the east.

7. I conclude from the geology studies referenced above that:

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

8. The preferred well orientation in this area is north/south because the stress orientation is approximately northeast.

9. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

10. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.

11. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature Page Follows]

4/28/2025

Date

A handwritten signature in black ink, appearing to read "Cahill Kelleghan", written over a horizontal line.

Cahill Kelleghan

COTERRA

Exhibit B-1

Locator MAP

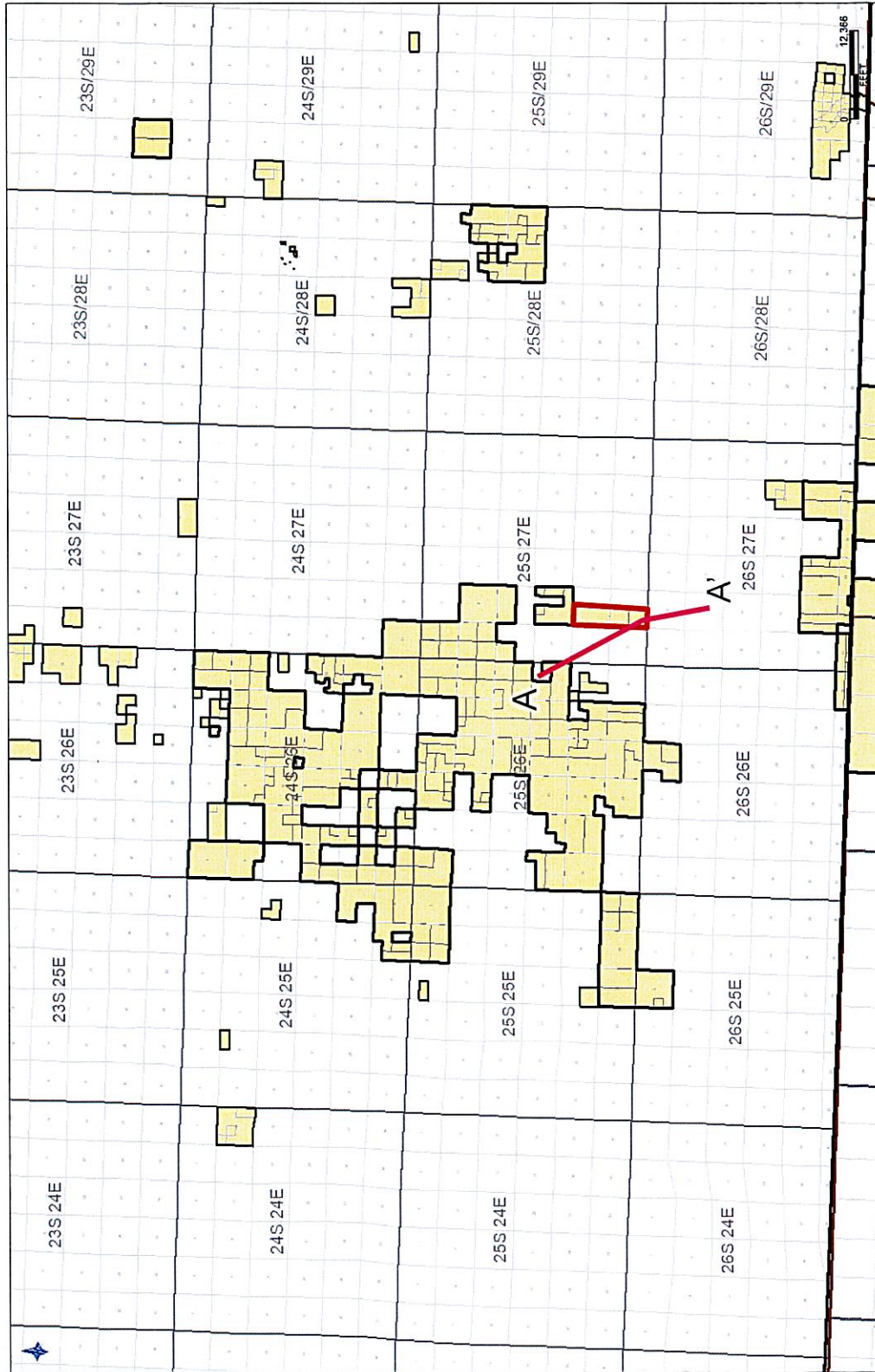


EXHIBIT
B-1



Exhibit B-2

Southern Hills Gun Barrel

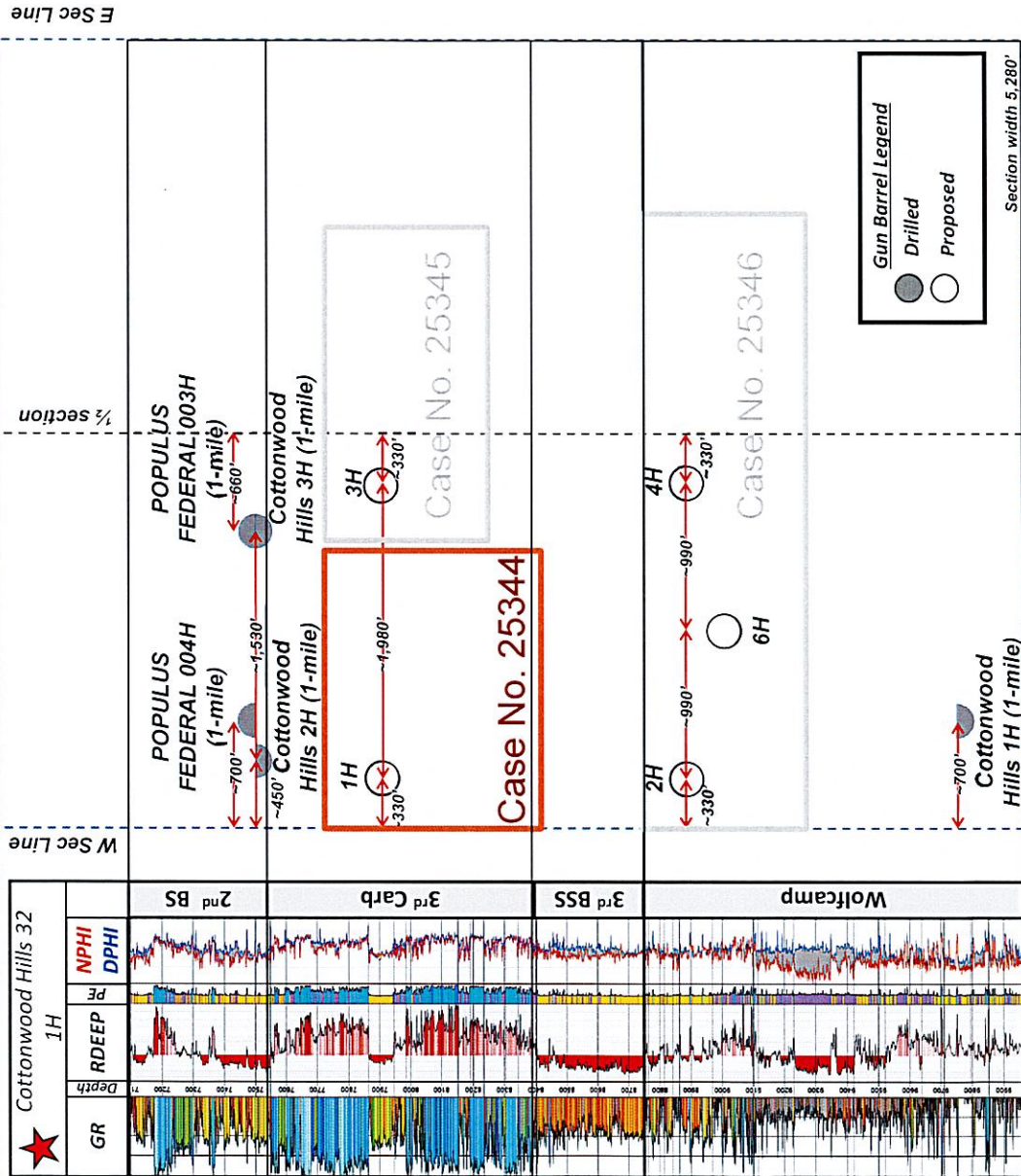


EXHIBIT
B.2



Exhibit B-3

Structure Map

Lower 3rd Bone Spring Carb
TVDSS (ft)



Structural Cross Section

Exhibit B-4 COTERRA

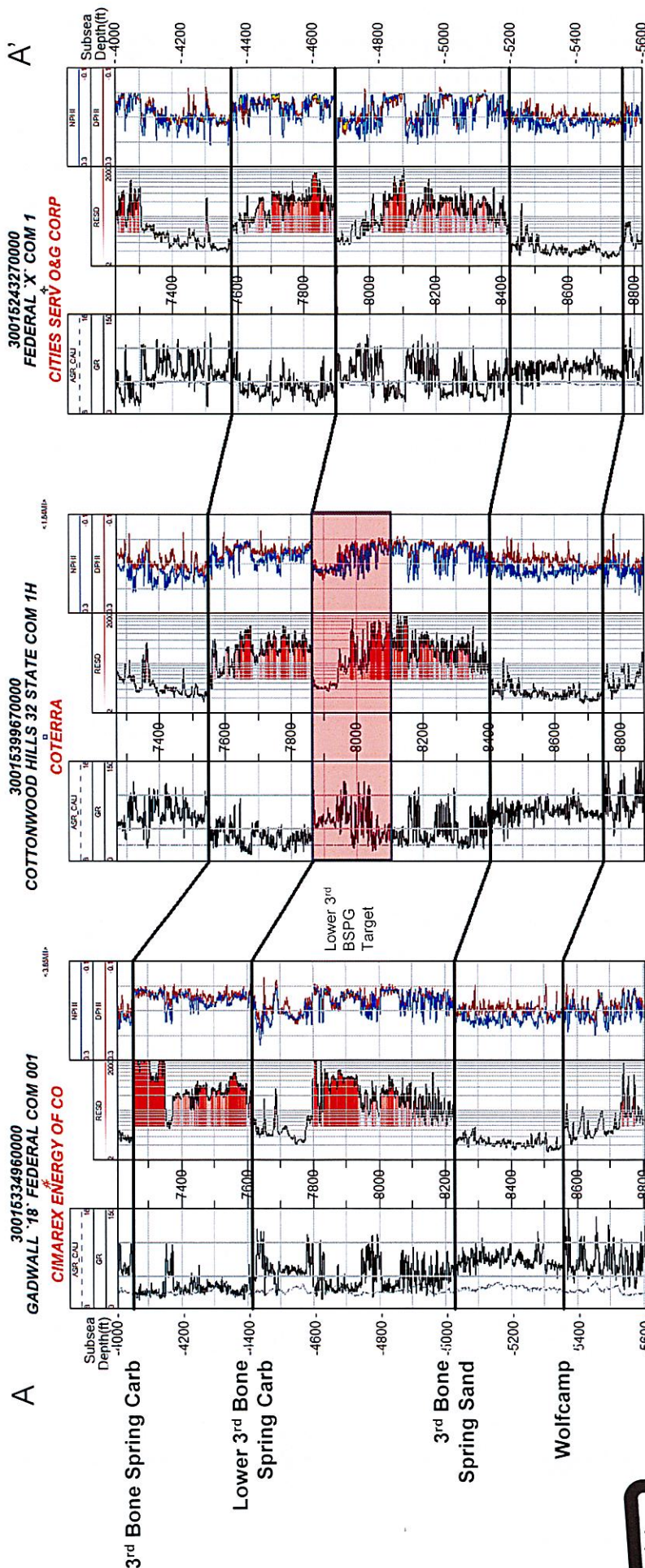


EXHIBIT
B.4

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

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25344

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Coterra Energy Operating Co., the Applicant herein, declares as follows:

- 1) The above-referenced Application was provided under notice letter, dated April 15, 2025, attached hereto, labeled Exhibit C.1.
- 2) Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing April 15, 2025.
- 3) Exhibit C.3 is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.
- 4) Exhibit C.4 is the Affidavit of Publication from the Carlsbad Current-Argus, confirming that notice of the May 8, 2025 hearing was published on April 19, 2025.
- 5) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: April 29, 2025

By: Deana M. Bennett
Deana M. Bennett

**Coterra Energy Operating Co.
No. 25344
Exhibit C**



MODRALL SPERLING

L A W Y E R S

April 15, 2025

Deana M. Bennett
Tel: 505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**Re: APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25344

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25345

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25346

TO: AFFECTED PARTIES

This letter is to advise you that Coterra Energy Operating Co. ("Coterra") has filed the enclosed applications.

In Case No. 25344, Coterra seeks an order from the Division pooling all uncommitted interests in a standard 320-acre, more or less, Bone Spring spacing unit comprised of the W/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Southern Hills 32-29 Fed Com #1H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The well will be drilled at orthodox locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap with the following existing Bone Spring

Modrall Sperling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168
Tel: 505.848.1800
www.modrall.com

**Coterra Energy Operating Co.
No. 25344
Exhibit C.1**

Page 2

spacing units in the WC-015 G-03 S252636M;BONE SPRING pool (Pool code 97818):

- A 160-acre spacing unit comprised of the W/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #4H well (API 30-015-44103); and
- A 160-acre spacing unit comprised of the W/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #2H well (API 30-015-41084).

Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

In Case No. 25345, Coterra seeks an order from the Division pooling all uncommitted interests in a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Southern Hills 32-29 Fed Com #3H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NE/4 NW/4 (Unit C) of Section 29. The well will be drilled at orthodox locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units in the WC-015 G-03 S252636M;BONE SPRING pool (Pool code 97818):

- A 160-acre spacing unit comprised of the E/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #3H well (API 30-015-43256); and
- A 160-acre spacing unit comprised of the E/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #3H well (API 30-015-41603); and

Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

In Case No. 25346, Coterra seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing

Page 3

unit will be dedicated to the following wells: **Southern Hills 32-29 Fed Com #2H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29; and **Southern Hills 32-29 Fed Com #4H** and the **Southern Hills 32-29 Fed Com #6H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 29. The wells will be horizontally drilled and will have non-standard last take points. Applicant has applied for administrative approval of the non-standard locations. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles southwest of Loving, New Mexico.

The hearing is set for May 8, 2025 beginning at 9:00 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

Attorney for Applicant

Received by OCD: 4/8/2025 10:57:40 AM

Page 1 of 4

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

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25344

APPLICATION

Coterra Energy Operating Co. ("Coterra"), OGRID Number 215099, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order (1) pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring spacing unit comprised of the W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) to the extent necessary, approval of an overlapping spacing unit. In support of this application, Coterra states as follows:

1. Coterra has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Coterra seeks to dedicate the W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, Bone Spring horizontal spacing unit.
3. Coterra seeks to dedicate the unit to the **Southern Hills 32-29 Fed Com #1H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29.
4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

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Received by OCD: 4/8/2025 10:57:40 AM

Page 2 of 4

5. This proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units, which are in the WC-015 G-03 S252636M;BONE SPRING pool (Pool code 97818):

- a. A 160-acre spacing unit comprised of the W/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #4H well (API 30-015-44103); and
- b. A 160-acre spacing unit comprised of the W/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #2H well (API 30-015-41084).

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

7. The pooling of all interests in the Bone Spring formation underlying the proposed unit, and approving, to the extent necessary, the overlapping spacing unit, will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Coterra requests that this case is set for hearing before an Examiner of the Oil Conservation Division on May 8, 2025, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;
- B. Designating Coterra as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Coterra to recover its costs of drilling, equipping and completing the well;

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

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

F. Approving, to the extent necessary, the proposed overlapping spacing unit;

Respectfully submitted,

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

By: Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Applicant

CASE NO. ²⁵³⁴⁴: Application of Coterra Energy Operating Co. for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests in a standard 320-acre, more or less, Bone Spring spacing unit comprised of the W/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Southern Hills 32-29 Fed Com #1H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The well will be drilled at orthodox locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units in the WC-015 G-03 S252636M; BONE SPRING pool (Pool code 97818):

- A 160-acre spacing unit comprised of the W/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #4H well (API 30-015-44103); and
- A 160-acre spacing unit comprised of the W/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #2H well (API 30-015-41084).

Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
04/15/2025

Firm Mailing Book ID: 286929

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0134 0566 94	Abo Petroleum, LLC PO Box 900 Artesia NM 88211	\$2.31	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
2	9314 8699 0430 0134 0567 00	Oxy Y-1 Company 5 Greenway Plaza, Ste 110 Houston TX 77227	\$2.31	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
3	9314 8699 0430 0134 0567 17	Chevron USA Inc. 1400 Smith St. Houston TX 77002	\$2.31	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
4	9314 8699 0430 0134 0567 24	COG Operating, LLC 600 West Illinois Ave. Midland TX 79701	\$2.31	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
5	9314 8699 0430 0134 0567 31	Abo Royalty, LLC PO Box 900 Artesia NM 88211	\$2.31	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
6	9314 8699 0430 0134 0567 48	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$2.31	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
7	9314 8699 0430 0134 0567 55	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$2.31	\$4.85	\$2.62	\$0.00	11522.003SouHills Notice
Totals:			\$16.17	\$33.95	\$18.34	\$0.00	
Grand Total:						\$68.46	



List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

7

Coterra Energy Operating Co.
No. 25344
Exhibit C.2

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 286929
Generated: 4/28/2025 10:04:00 AM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300134056755	2025-04-15 9:48 AM	11522.003SouHills	Bureau of Land Management	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2025-04-18 11:35 AM
9314869904300134056748	2025-04-15 9:48 AM	11522.003SouHills	State of New Mexico	Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2025-04-21 7:57 AM
9314869904300134056731	2025-04-15 9:48 AM	11522.003SouHills	Abo Royalty, LLC	Artesia	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	2025-04-23 10:46 AM
9314869904300134056724	2025-04-15 9:48 AM	11522.003SouHills	COG Operating, LLC	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2025-04-22 7:54 AM
9314869904300134056717	2025-04-15 9:48 AM	11522.003SouHills	Chevron USA Inc.	Houston	TX	77002	Mailed	Return Receipt - Electronic, Certified Mail	
931486990430013405670C	2025-04-15 9:48 AM	11522.003SouHills	Oxy Y-1 Company	Houston	TX	77227	Delivered	Return Receipt - Electronic, Certified Mail	2025-04-23 10:46 AM
9314869904300134056694	2025-04-15 9:48 AM	11522.003SouHills	Abo Petroleum, LLC	Artesia	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	

Coterra Energy Operating Co.
No. 25344
Exhibit C.3

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 80
Ad Number: 43930
Description: Case 25344-25346 - COG Op LLC
Ad Cost: \$284.81

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

April 19, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 19th day of April 2025.

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County
Minnesota

Modrall Sperling
Pobox 2168
Albuquerque, NM 87103



Coterra Energy Operating Co.
No. 25344
Exhibit C.4

CASE NO. 25344: Notice to all affected parties, as well as heirs and devisees of: Abo Petroleum, LLC; Oxy Y-1 Company; Chevron USA Inc.; COG Operating, LLC; Abo Royalty, LLC; State of New Mexico; Bureau of Land Management of the Application of Coterra Energy Operating Co. for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 9:00 a.m. on May 8, 2025 to consider this application. The conference will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted interests in a standard 320-acre, more or less, Bone Spring spacing unit comprised of the W/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Southern Hills 32-29 Fed Com #1H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The well will be drilled at orthodox locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units in the WC-015 G-03 S252636M; BONE SPRING pool (Pool code 97818):

A 160-acre spacing unit comprised of the W/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #4H well (API 30-015-44103); and

A 160-acre spacing unit comprised of the W/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #2H well (API 30-015-41084).

Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

CASE NO. 25345: Notice to all affected parties, as well as heirs and devisees of: Abo Petroleum, LLC; Oxy Y-1 Company; Chevron USA Inc.; COG Operating, LLC; Abo Royalty, LLC; State of New Mexico; Bureau of Land Management of the Application of Coterra Energy Operating Co. for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 9:00 a.m. on May 8, 2025 to consider this application. The conference will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted interests in a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Southern Hills 32-29 Fed Com #3H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NE/4 NW/4 (Unit C) of Section 29. The well will be drilled at orthodox locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap with the following existing Bone Spring spacing units in the WC-015 G-03 S252636M; BONE SPRING pool (Pool code 97818):

A 160-acre spacing unit comprised of the E/2W/2 of Section 29, dedicated to COG Operating LLC's Populus Federal #3H well (API 30-015-43256); and

A 160-acre spacing unit comprised of the E/2W/2 of Section 32, dedicated to Coterra Energy Operating Co.'s Cottonwood Hills 32 State Com #3H well (API 30-015-41603); and

Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles southwest of Loving, New Mexico.

CASE NO. 25346: Notice to all affected parties, as well as heirs and devisees of: Abo Petroleum, LLC; Oxy Y-1 Company; Chevron USA Inc.; COG Operating, LLC; Abo Royalty, LLC; State of New Mexico; Bureau of Land Management of the Application of Coterra Energy Operating Co. for compulsory pooling, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 9:00 a.m. on May 8, 2025 to consider this application. The conference will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the following wells: **Southern Hills 32-29 Fed Com #2H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29; and **Southern Hills 32-29 Fed Com #4H** and the **Southern Hills 32-29 Fed Com #6H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 29. The wells will be horizontally drilled and will have non-standard last take points. Applicant has applied for administrative approval of the non-standard locations. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles southwest of Loving, New Mexico.

Published in the Carlsbad Current-Argus April 19, 2025.
#43930