

CIMAREX ENERGY CO.'S EXHIBIT LIST

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

Case Nos. 22519 and 22520

**APPLICATIONS OF CHEVRON U.S.A. INC. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

Case Nos. 22343 and 22344

EXHIBITS OF CIMAREX ENERGY CO.

(PART IV)

- A-1. Application and Proposed Notice (Case No. 22519)
- A-2. Application and Proposed Notice (Case No. 22520)
- B. Landman's Affidavit
- C. Geologist's Affidavit
- D. Engineers's Affidavit
- E-1. Affidavit of Publication (Case No, 22519)
- E-2. Affidavit of Publication (Case No, 22520)
- F-1: Certified Affidavit (Case No, 22519)
- F-2: Certified Affidavit (Case No, 22520)
- G-1. Pooling Checklist (Case No, 22519)
- G-2. Pooling Checklist (Case No, 22520)

SELF-AFFIRMED TESTIMONY OF BRETT STEWART

1. Please state your name and city of residence.

My name is Brett Stewart. I reside in Midland, Texas.

2. Who do you work for, and in what capacity?

I am a petroleum engineer working for Coterra Energy, formerly Cimarex Energy.

3. Have you previously testified before the Division?

No.

4. Please summarize your educational and employment background for the examiner.

I received a Bachelor of Science degree in Chemical Engineering from the University of Tulsa in May 2018. I began my career with Cimarex in June 2018 as a reservoir engineer and am approaching four years of experience. I have been covering assets in New Mexico for almost two years.

5. Does your area of responsibility at Coterra include this area of Southeast New Mexico?

Yes.

6. Are you familiar with the engineering matters involved in these applications?

Yes.

7. Please refer to page 26 of your exhibits. What is this?

It is a summary of why Cimarex/Cotera's applications should be granted. It lists the issues that are important, including economic return, surface disturbance, drilling availability and readiness, surface use agreement, and other matters. I will expand upon this verbally, but Coterra's development plan is best for both parties.

8. What is reflected on page 27?

EXHIBIT

D

It is a development plan comparison. We proposed four wells per section in the Upper Wolfcamp, and Chevron proposed eight. Based on the data we have evaluated, we believe eight is too many, resulting in much lower capital efficiency – hydrocarbon recovery per dollar of capital spent. Similarly, although they did not propose Lower Wolfcamp wells to us, they have drilled 12 wells per section in the area, and we also believe that to be too many. In addition, their plan results in more than double the surface disturbance – 5 pads instead of 2. In my opinion, Chevron’s plan will overdrill the Wolfcamp and lead to a lower rate of return, and Coterra’s plan will result in better economic returns for both companies as well as less surface disturbance.

9. What is reflected on pages 28 and 29?

They reflect the activity that Coterra has engaged in to get its wells drilled. We have been planning to develop this acreage for a few years now. Our first applications for permits to drill (or APDs) on this acreage were submitted in 2018. We currently have four APDs approved for our 15H, 16H, 17H, and 18H, and we have submitted eight other APDs that are pending approval. We have been very diligent in seeking approval to get the wells drilled. The 15H and 16H are currently on our rig schedule to spud in September of 2022.

10. What do pages 30-31 reflect?

It simply shows some basic land matters, to which Mr. Morris has already testified. In the Wolfcamp Coterra has a larger working interest than Chevron. Since that is the case, Coterra should be granted operations because it bears more financial burdens.

11. What do page 32-33 show?

This shows that Coterra’s plan results in less surface disturbance, it has approved well pads, and approval of Coterra’s plan requires fewer wellbores. Coterra’s plan requires 5

total ROWs, only 2 well pads, and one central tank battery (CTB) pad to develop sections 8, 17, and 20. Chevron's plan requires 10 total ROWs, 5 well pads, and at least two CTB pads. The facts support Cimarex as being named operator.

12. What do pages 34-36 show, and what are they based on?

They are based on actual well performance as well as our modeled performance at looser well spacings. Slide 34 shows how Coterra's Crawford 27-26 development compares to our new model. We believe that by lowering well count by one well, we will achieve better capital efficiency and similar total section hydrocarbon recoveries. Slide 35 shows that the Chevron developments to the south are less applicable to White City sections 8, 17, and 20, because the geology is changing significantly to the north. Chevron drilled 6 wells per section in better rock to the south. We believe 8 wells per section is too many at White City. Slide 36 shows our model for White City compared to Chevron's developments to the south. Although they did not propose Lower Wolfcamp wells, based on their past history, we believe they have drilled too many wells, and we believe Coterra can improve capital efficiency by drilling less wells at longer lateral lengths. To summarize, pages 34-36 show that Cimarex's proposed development will yield higher capital efficiency and improve economic returns.

13. In summary, what are the main issues why Cimarex thinks its applications are better for development of this area?

There are several reasons: (1) longer laterals are better and more economic; (2) While both Coterra and Chevron proposed a similar number of wells, Coterra's wells are split between the Upper Wolfcamp and the Lower Wolfcamp. Coterra's experience shows that its plans result in better recovery than Chevron's plan; (3) If Chevron gets its way,

Coterra will only be able to drill one mile laterals, which may strand acreage; (4) Coterra's plan will result in substantially less surface use and disturbance; (5) by drilling fewer vertical wellbores than under Chevron's proposal there are substantial cost savings in Coterra's proposal and improved capital efficiency for both companies.

14. As to the AFEs at pages 34 & 36, do they accurately reflect proposed costs?

Yes.

15. Were pages 26-29 & 32-36 of this exhibit prepared by you or under your supervision, or compiled from company business records?

Yes.

16. Is the granting of Cimarex's applications, and the denial of Chevron's applications, in the interests of conservation and the prevention of waste?

Yes.

I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through ___ above is true and correct, and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 3/10/2022

Brett Stewart
Brett Stewart



Case for CTRA Operatorship

Coterra Operatorship Summary

Sections 8-17-20 T25S R27E, Eddy Co, New Mexico

COTERRA

- Capital efficiency & economic return
 - Fewer wells drilled to develop the full 3 miles = less total capital for both operators.
 - CTRA operating = 1 set of 3-mile wells.
 - CVX operating = CVX drills 2-mile wells & CTRA drills 1-mile wells. CVX 2-mile well proposals result in stranded 1-mile Bone Spring wells for CTRA.
 - CTRA proposed 9 wells in Wolfcamp A, C, & D. CVX proposed 8 wells in Wolfcamp A which CTRA believes is over-spaced and lower efficiency.
- Surface disturbance
 - CTRA operatorship requires half the total surface disturbance for same amount of drilled acreage. CTRA pads will be built regardless of whether we drill 3-mile or 1-mile.
 - CVX operating would require all new surface disturbance (pads, CTBs, OGW, road, power). This would require double total surface disturbance for both operators to sustain development of each company's acreage.
- Drill schedule availability
 - CTRA ready to construct. Rig contracted. Budget approved. Scheduled to spud Q3-4 2022.
- White City 8-17-20 has APDs approved or pending on every pad.
 - CTRA has worked extensively with BLM and grazing tenant to optimize road locations for all parties after concerns were voiced.
- CTRA has joinder of all parties other than CVX.
- CTRA has majority ownership established in 3-mile Wolfcamp JOA.
 - CTRA has ownership in FTP & LTP.
 - CVX does not own LTP in Wolfcamp A proposals (CTRA owns the N/2 of Sec. 17: 100%).
- CTRA has taken new leases in Section 20.

White City-Southern Hills Development Plan Comparison

Bone Spring

CVX CTRA



LZ Legend
● BSPG

Wellbore Legend
 ■ Drilled
 ■ CVX Future Wells
 ■ CTRA Future Wells
 ■ CTRA Rig schedule wells

Upper Wolfcamp

CVX CTRA

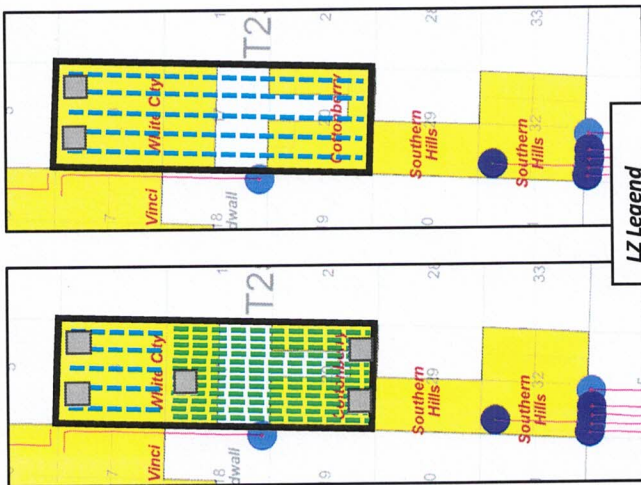


LZ Legend
 ● WFMP Y SS
 ● WFMP UA1
 ● WFMP LA1

Highlights of CTRA Plan:
 - 50% less surface disturbance
 - Reduced WFMP spacing with higher capital efficiency
 - Accelerates drilling of Sec. 8 without 1-mile laterals

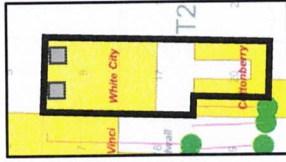
Lower Wolfcamp

CVX CTRA



LZ Legend
 ● WFMP C
 ● WFMP D

Regulatory Timeline



White City
15H-16H Spud
9/12

White City 1H-2H
APDs Approval
9/23

White City 18H
APD Approved
5/6

White City 15H-17H
APDs Approved
11/5

White City 15H-17H APDs Approved
11/5

White City 18H APD Approved
5/6

15H-16H Drill
9/12 - 10/21

15H-16H Frac
2/3 - 2/24

15H-16H First Prod
4/1

20H-21H Requested to Submit
10/14

20H-21H Plats
1/31

20H-21H Approval
2/11

20H-21H Submit
2/11

1H-2H APD Approval
9/23

1H-2H APDs Submitted
9/23

4H-7H APD Approval
2/11

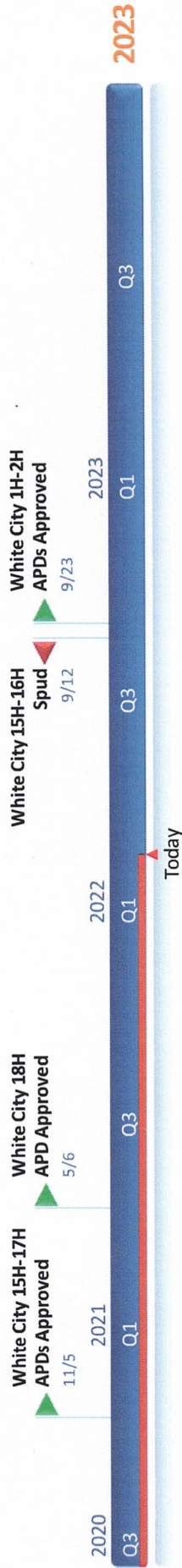
4H-7H APDs Submit
2/11

4H-7H Plats
10/14

White
City
E2 Pad

White
City
W2 Pad

Land Timeline



2023

2023

2022

2021

2020

Q3

Q1

Q3

Q1

Q3

Q1

Q3

Today

White City 15H/16H

- Proposed to partners (6/1) [Green Star]
- Applied for Force Pooling (8/10) [Blue Triangle]
- Status Conference Continued (9/9) [Blue Triangle]
- Status Conference Continued (10/21) [Blue Triangle]
- Pooling Status Conference (12/2) [Blue Triangle]
- Pooling Hearing (3/18) [Red Star]
- Issuance of Pooling Order (2-3 months) (5/18 - 7/18) [Blue Bar]

White City W2 BSPG & All WFMP

- Proposed to partners (10/15) [Green Star]
- Apply for Force Pooling (11/15) [Blue Triangle]
- Pooling Status Conference (1/6) [Blue Triangle]
- Pooling Hearing (3/18) [Red Star]
- Issuance of Pooling Order (2-3 months) (5/18 - 7/18) [Blue Bar]

CVX Proposals

- Grey Goose & Glenfiddich Proposals Received (10/14) [Yellow Triangle]
- Pooling Status Conference (12/2) [Yellow Triangle]

COTERRA



W/INRI – W/2 Proration
Unit: Wolfcamp Only

White City 8-17-20 Fed Com Unit Ownership:

- CTRA (W/INRI): 50%/43.333333%
- CVX (W/INRI): 47.222208%/41.180545%
- Premier Oil & Gas (W/INRI): 2.777792%/2.229178%

Tract 1: Federal Lease No. NMNM 097126

- Cimarex Energy Co. - 100%

Tract 2: Federal Lease No. NMNM 113954

- Cimarex Energy Co. - 100%

Tract 3: Federal Lease No. NMNM 113954

- Chevron USA, Inc. - 100%*

Tract 4: Fee Leases

- Chevron, USA, Inc. - 100%*

Tract 5: Fed Lease No. NMNM 130854

- Chevron, USA, Inc. - 33.3333%*
- Premier Oil & Gas, Inc. - 66.667%*

* Denotes that application has been made to pool said party

W/INRI - E/2 Proration

Unit: Wolfcamp Only

White City 8-17-20 Fed Com Unit Ownership:

- CTRA (W/INRI): 49.840877%/42.938327%
- CVX (W/INRI): 39.562046%/33.473243%
- Premier Oil & Gas (W/INRI): 8.333375%/6.687534%
- Del Rey Minerals, LLC (W/INRI): 0.592231%/0.444173%

Tract 1: Federal Lease No. NMNM 097126

- Cimarex Energy Co. - 100%

Tract 2: Federal Lease No. NMNM 113954

- Cimarex Energy Co. - 100%

Tract 3: Federal Lease No. NMNM 113954

- Chevron USA, Inc. - 100%*

Tract 4: Fed Lease No. NMNM 130854

- Chevron, USA, Inc. - 100%*

Tract 5: Fed Lease No. NMNM 130855

- Chevron, USA, Inc. - 100%*

Tract 6: Fee Leases

- Chevron, USA, Inc. - 74.74505%*
- Del Rey Minerals, LLC - 7.106772%*
- Cimarex Energy Co. - 4.273345%
- Unleased: 13.874833%*

Tract 7: Fee Leases

- Chevron, USA, Inc. - 33.3333%*
- Premier Oil & Gas, Inc. - 66.667%*

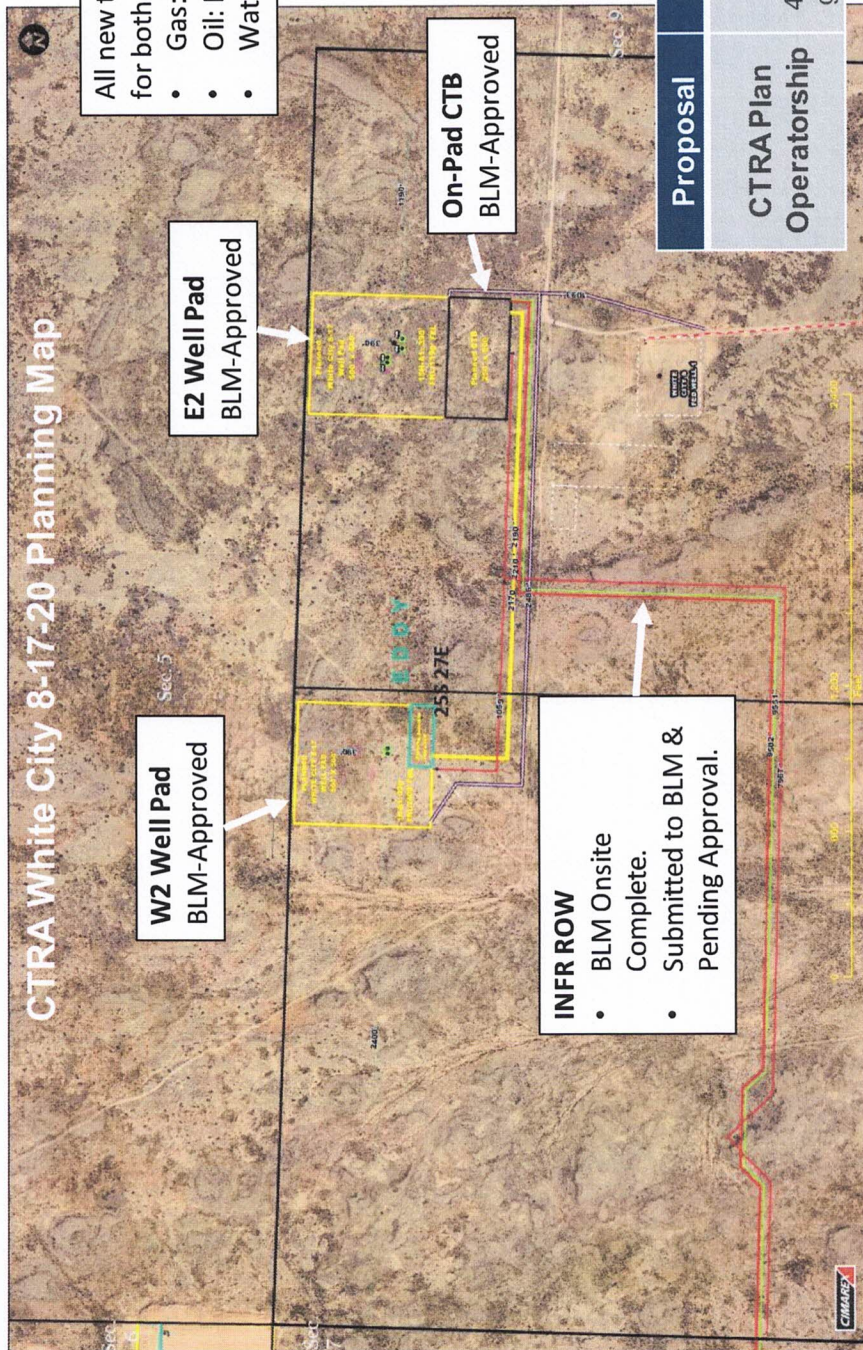
* Denotes that application has been made to pool said party



COTERRA

Surface Disturbance Plan by Coterra

COTERRA



All new takeaways and new facility required for both operators. **CTRA Takeaway Plan:**

- Gas: CTRA Triple Crown or 3rd Party
- Oil: Plains or Oryx
- Water: Black Buck

INFR ROW

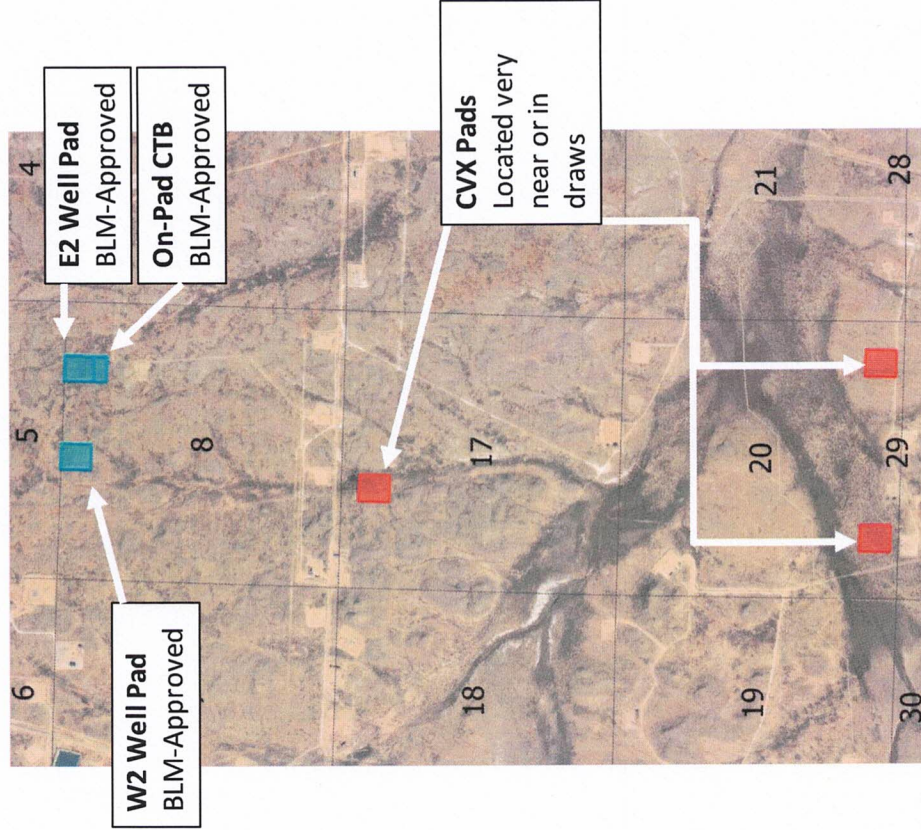
- BLM Onsite Complete.
- Submitted to BLM & Pending Approval.

| Proposal | INFR Lines | Pad Count |
|------------------------|---|----------------------------------|
| CTRA Plan Operatorship | 5 total ROWs 4/5 ROWs pending for gas/water/power/road | 2 well pads + 1 CTB pad in Sec 8 |

Surface Disturbance Comparison by Operator

COTERRA

| Proposal | INFR Lines | Pad Count |
|-------------------------------|---|---|
| CTRA Plan Operatorship | 5 total ROWs 4/5 ROWs pending for gas/water/power/road | 2 well pads + 1 CTB pad in Sec 8 |
| CVX Plan Operatorship | 10 total ROWs (5 for CVX, 5 for CTRA – gas, power, water, road, oil) | 5 total well pads + 2 total CTB pads CTRA: 2 well pads + 1 CTB pad in Sec 8 CVX: 3 well pads + 1 CTB in Sec 17/20 |



Less than half the surface disturbance under Coterra plan

Development under **CTRA**

- 2 Pads (including CTB pad extension on E2 pad)
- Supports longer laterals making only 2 pads necessary

Development under **CVX**

- 3 additional Pads for CVX over sec 17 & 20
- Pads are very near and inside draws
- CTRA will still need 2 Pads to develop sec 8
- More surface disturbance

Wolfcamp A Spacing

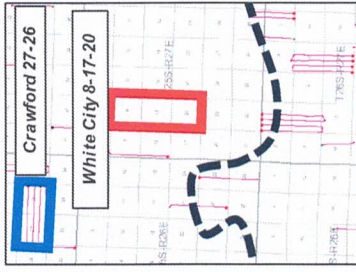
- CTRA recommends looser spacing and longer lateral lengths than CVX proposals → yields higher capital efficiency and improved project returns.

AFE \$/ft

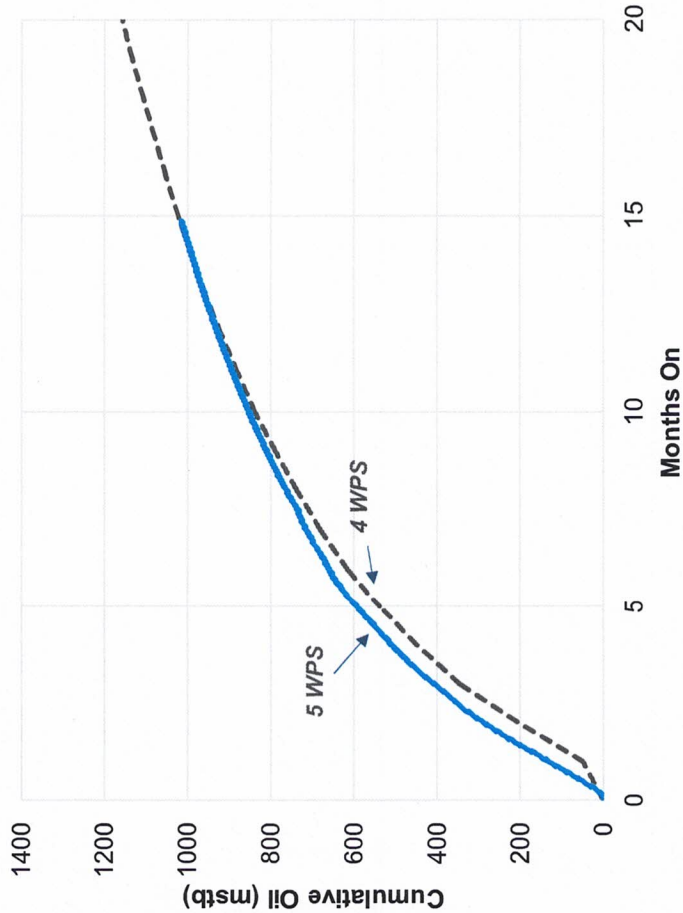
| Operator | 2 mi | 3 mi |
|-------------|----------|----------|
| CTRA WFMP A | \$878/ft | \$733/ft |
| CVX WFMP A | \$776/ft | N/A |

- CTRA Crawford 27-26 Infills:
- CRAWFORD 27-26 FEE 15H
 - CRAWFORD 27-26 FEE 16H
 - CRAWFORD 27-26 FEE 30H
 - CRAWFORD 27-26 FEE 29H

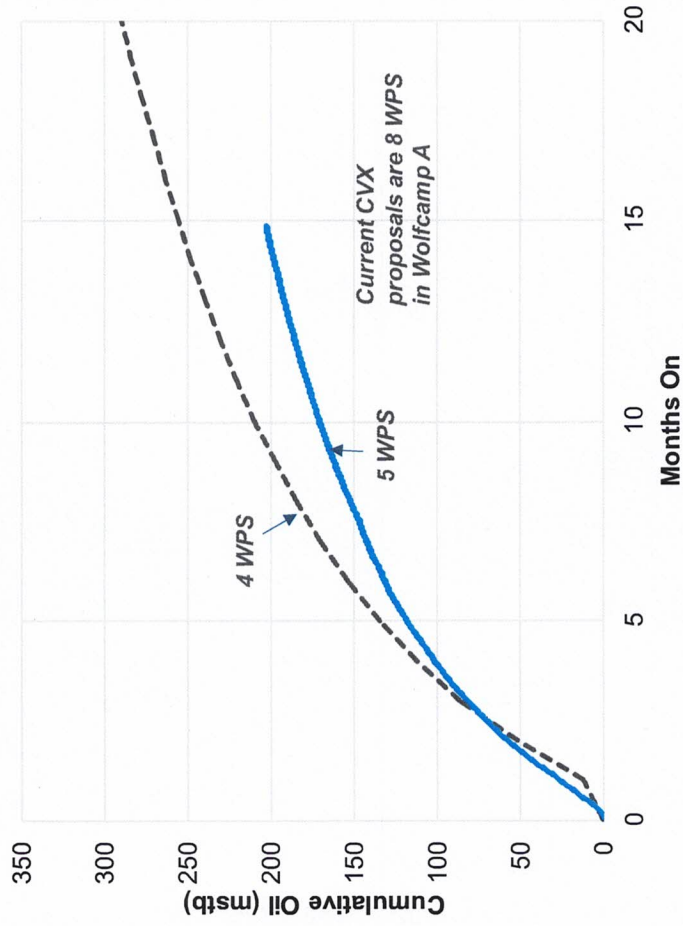
--- CTRA Recommended — CTRA Crawford



Total Section Upper Wolfcamp Cumulative Volumes



Average Upper Wolfcamp Well Cumulative Volumes



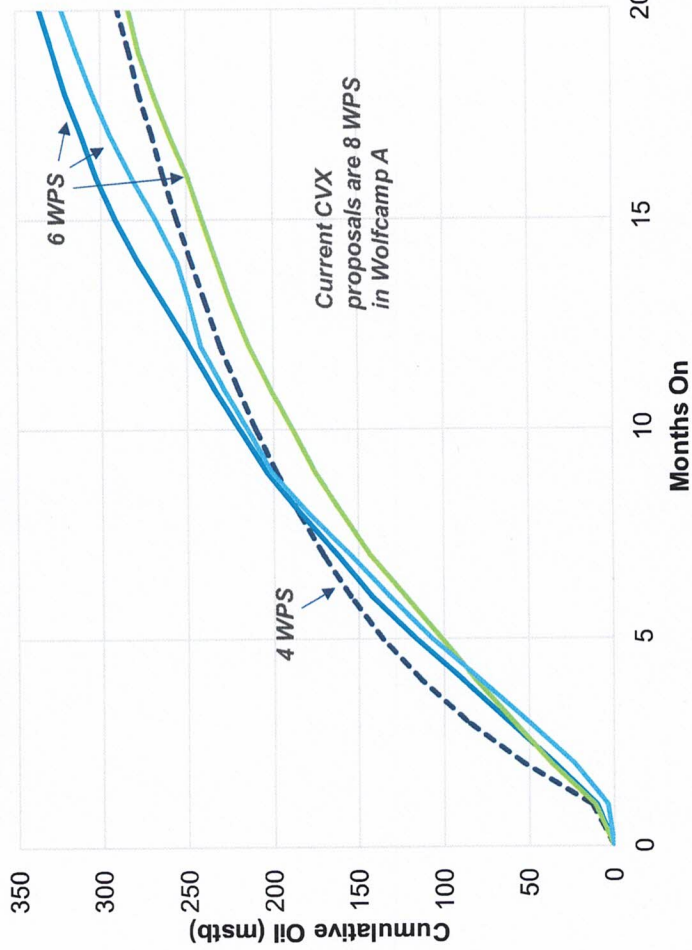
CVX Wolfcamp A Performance

COTERRA

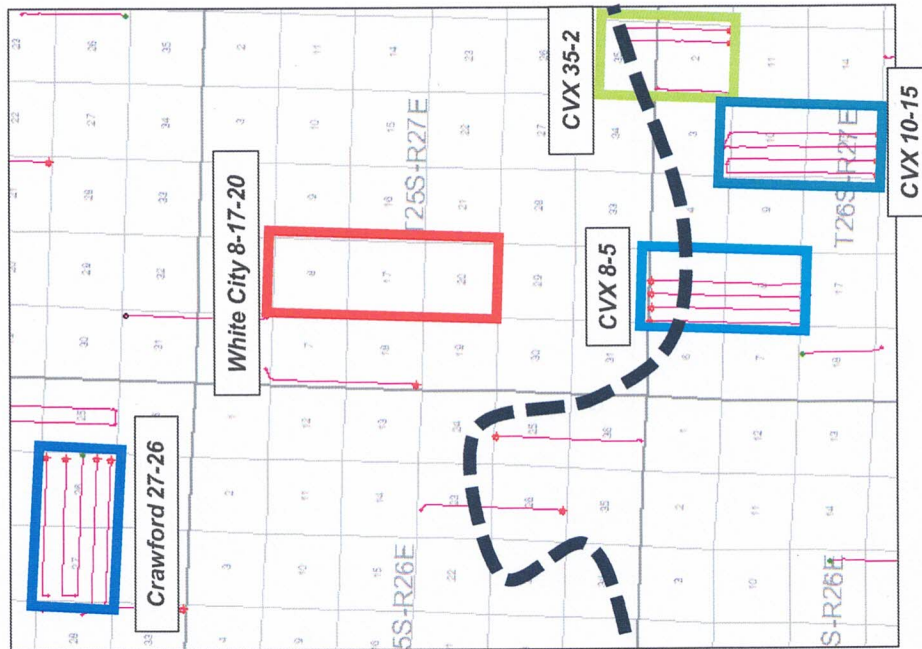
- CVX wells at 6 WPS are in better Wolfcamp A Shale reservoir than acreage to north. In White City 8-17-20, reservoir quality is between that of the Crawford and the CVX sections to the south

--- CTRA Recommended CVX 10-15 CVX 35-2 CVX 8-5

Average Upper Wolfcamp Well Cumulative Volumes



- CVX 8-5:**
 - HH SO 8 P2 #021H
 - HH SO 8 P2 #022H
 - HH 8 5 FED 003 #002H
 - HH 8 5 FED 003 #001H
- CVX 10-15:**
 - Cicada Unit #018H
 - Cicada Unit #017H
 - Cicada Unit #006H
 - Cicada Unit #005H
- CVX 35-2:**
 - Cicada Unit #012H
 - Cicada Unit #011H



--- Approximate North Extent of Wolfcamp A Shale Play Delineation

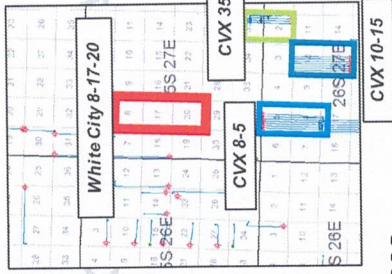
Wolfcamp CD Spacing

AFE \$/ft

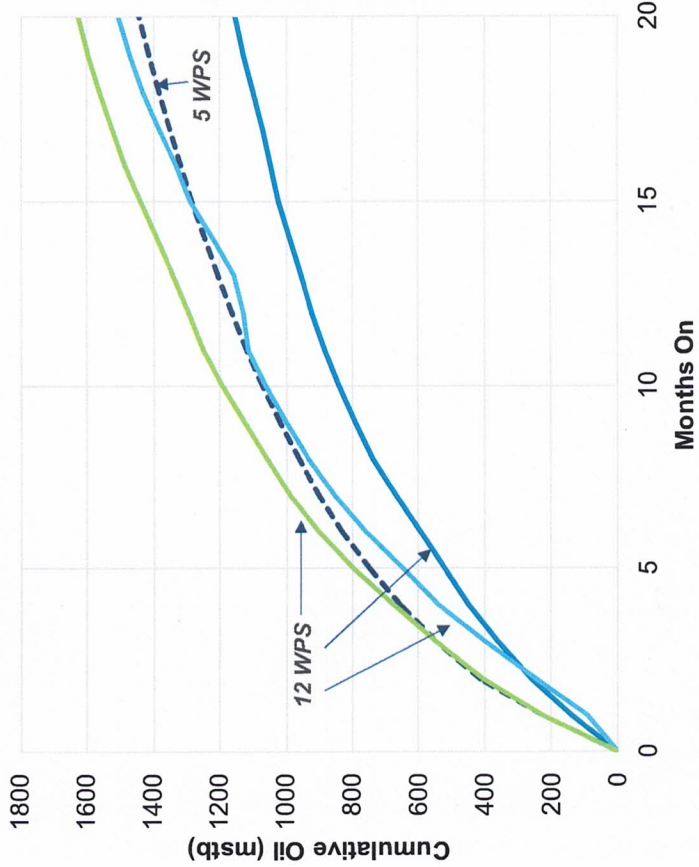
| | |
|--------------|----------|
| Operator | 3 mi |
| CTRA WFMP CD | \$762/ft |

- CTRA recommends looser spacing and longer lateral lengths than CVX proposals → yields higher capital efficiency and improved project returns.

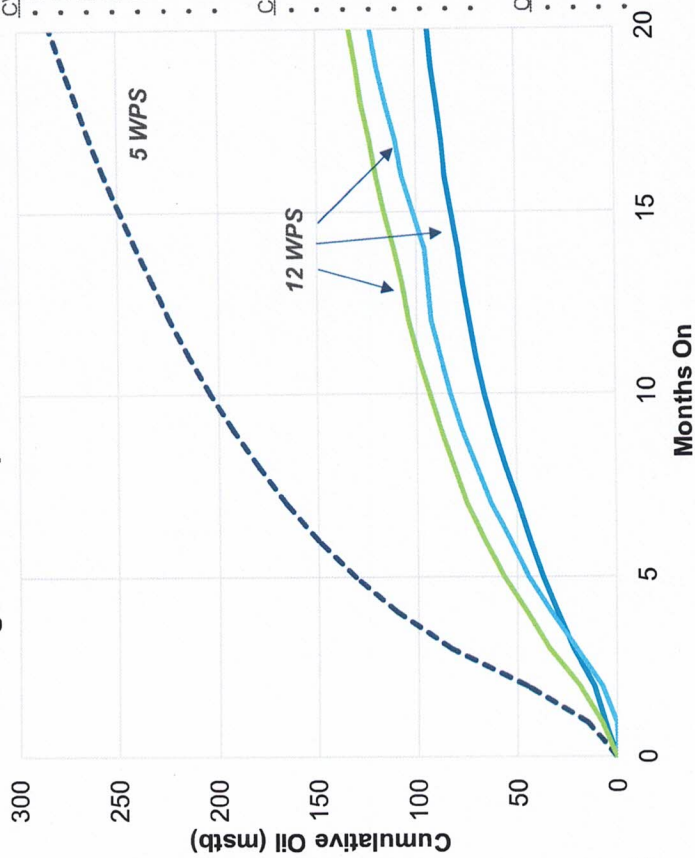
--- CTRA Recommended — CVX 10-15 — CVX 35-2 — CVX 8-5



Total Section Wolfcamp C/D Cumulative Volumes



Average Wolfcamp C/D Well Cumulative Volumes



CVX 8-5:

- HH SO 8 P2 #013H
- HH SO 8 P2 #005H
- HH SO 8 P2 #014H
- HH SO 8 P2 #006H
- HH SO 8 5 FED 003 #005H
- HH SO 8 5 FED 003 #003H
- HH SO 8 5 FED 003 #006H
- HH SO 8 5 FED 003 #004H

CVX 35-2:

- Cicada Unit #016H
- Cicada Unit #014H
- Cicada Unit #015H
- Cicada Unit #004H
- Cicada Unit #002H
- Cicada Unit #003H
- Cicada Unit #001H

CVX 10-15:

- Cicada Unit #010H
- Cicada Unit #007H
- Cicada Unit #009H
- Cicada Unit #008H