

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

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

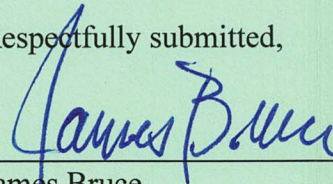
Case Nos. 23084-23085

NOTICE OF FILING REVISED EXHIBITS

Cimarex Energy Co. hereby submits for filing the following:

Revised Exhibit A in each case (the Landman's affidavit) and Revised Exhibit F in each case (the pooling checklist).

Respectfully submitted,



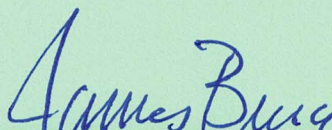
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attorney for Cimarex Energy Co.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 5th day of October, 2022 by e-mail:

- Michael Feldewert - mfeldewert@hollandhart.com
- Adam Rankin - agrarkin@hollandhart.com
- Julia Broggi - jbroggi@hollandhart.com
- Paula Vance - pmvance@hollandhart.com


James Bruce

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

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

Case No. 23084

SELF-AFFIRMED STATEMENT OF RILEY MORRIS

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am employed as a Landman with Cimarex Energy Co. ("Cimarex"), and I am familiar with the subject application and the lands involved.
3. I graduated in 2010 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 4 years. My credentials as a petroleum landman have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
4. This affidavit is submitted in connection with the filing by Cimarex of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
5. Cimarex seeks an order pooling all uncommitted working interest owners in the Bone Spring formation (Carlsbad; Bone Spring, South; Pool Code: 9670) underlying a standard 320-

Revised
EXHIBIT A

acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

6. Under Case No. 23084, Cimarex seeks to dedicate the **Southern Hills 32-29 State Fed Com 1H Well** (API 30-015-49513) as an initial well, horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 29; approximate TVD of 7,900'; approximate TMD of 17,900'; FTP in Section 32: 100' FSL, 330' FWL; LTP in Section 29: 100' FNL, 330' FWL.

7. Cimarex has a horizontal well, the Cottonwood Hills 32 State Com 2H (API No. 30-015-40184), in the W/2 W/2 of Section 32, in the Bone Spring formation. COG Operating, LLC has a horizontal well, the Populus Federal 4H (API No. 30-015-44103), in the W/2 W/2 of Section 29, in the Bone Spring formation. The proposed HSU will overlap these 160-acre units in the W/2 W/2 of Sections 32 and 29, respectively, and Cimarex respectfully requests approval, to the extent necessary, for the overlapping units.

8. The proposed C-102 for each well is attached as **Exhibit A-1**.

9. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

10. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest owners.

11. Cimarex proposes to pool the depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express

Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M.

12. I provided the law firm of James Bruce a list of names and addresses for the uncommitted working interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Cimarex published notice in the Carlsbad Current Argus, a newspaper of general circulation in Eddy County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

13. Cimarex has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Cimarex has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Cimarex and another interest owner or owners, Cimarex requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

15. The interest owners being pooled have been contacted regarding the proposed wells, and some of the working interest owners have voluntarily committed their interests in the wells.

16. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

17. Cimarex requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each 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. Cimarex requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

18. Cimarex requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners to the extent needed.

19. Cimarex requests that it be designated operator of the units and wells.

20. The Exhibits to this Affidavit were prepared by me or compiled from Cimarex's company business records under my direct supervision.

21. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

22. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

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 21 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: 10/5/22

Riley Morris

Riley Morris

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

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

Case No. 23085

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EXHIBIT *Revised*
A

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Date: 10/5/22

Riley Morris

Riley Morris

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

Case:	23084
Date:	October 6, 2022
Applicant	Cimarex Energy Co.
Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co./OGRID No.215099
Applicant's Counsel:	James Bruce
Case Title:	Application of Cimarex Energy Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Chevron U.S.A. Inc./Holland & Hart LLP
Well Family	Southern Hills wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	The Bone Spring formation, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M.
Pool Name and Pool Code:	Carlsbad; Bone Spring, South /Pool Code 9670
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South - North
Description: TRS/County	W/2W/2 §29and W/2W/2 §32-25S-27E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Southern Hills 32-29 State Fed. Com. Well No. 1H API No. 30-015-49513 SHL: 813 FSL & 1540 FWL §32 BHL: 100 FNL & 330 FWL §29 FTP: 100 FSL & 330 FWL §32 LTP: 100 FNL & 330 FWL §29

EXHIBIT

Revised
F

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A, page 3
Requested Risk Charge	Cost + 200%/Exhibit A, page 4
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibits A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Yes. See Exhibits A-2 and D
Ownership Depth Severance (including percentage above & below)	Yes. Cimarex Ownership: Above 7,745' (WI/NRI): 45%/36% Below Bone Spring (WI/NRI): 67.775%/55.55333%
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibits A-1 and B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Standup/Exhibit B
Target Formation	Bone Spring
HSU Cross Section	Exhibit B-5
Depth Severance Discussion	Not Applicable

Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibits A-1 and B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	<i>James Bruce</i>
Date:	September 29, 2022

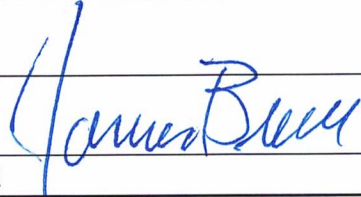
effective

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

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Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co./OGRID No.215099
Applicant's Counsel:	James Bruce
Case Title:	Application of Cimarex Energy Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Chevron U.S.A. Inc./Holland & Hart LLP MRC Permian Company/Kyle Perkins
Well Family	Southern Hills wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	The Bone Spring formation, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M.
Pool Name and Pool Code:	Carlsbad; Bone Spring, South /Pool Code 9670
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
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Building Blocks:	40 acres
Orientation:	South - North
Description: TRS/County	E/2W/2 §29and E/2W/2 §32-25S-27E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	
Proximity Tracts: If yes, description	No
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Applicant's Ownership in Each Tract	Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Southern Hills 32-29 State Fed. Com. Well No. 2H API No. 30-015-49515 SHL: 820 FSL & 1558 FWL §32 BHL: 100 FNL & 2112 FWL §29 FTP: 100 FSL & 2112 FWL §32

Revised
EXHIBIT *F*

	LTP: 100 FNL & 2112 FWL §29 Bone Spring/TVD 7900 feet/MD 19960 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A, page 3
Requested Risk Charge	Cost + 200%/Exhibit A, page 4
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Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	September 29, 2022

Effective