

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

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case Nos. 23708 & 23709

NOTICE OF EXHIBIT A-1 (SPECIAL PROVISION)

Coterra Energy Inc., and its subsidiaries including Cimarex Energy Co. and subsidiary Magnum Hunter Production, Inc. (“referred to herein as “Cimarex”), through its undersigned attorneys, hereby files this Notice of Exhibit A-1 (Special Provision) with the Oil Conservation Division (“Division”). Cimarex respectfully requests that the Special Provision described in Exhibit A-1, attached hereto, become a part of and incorporated into the orders issued to Mewbourne Oil Company (“Mewbourne”) in the above-referenced cases. Cimarex does not oppose or object to Mewbourne’s cases going forward, and Cimarex has been informed that Mewbourne does not object to the inclusion of the Special Provision in the orders it receives from the above-referenced cases. The Special Provision clarifies the matter of a certain Term Assignment over which Mewbourne and Cimarex are currently in dispute. Resolution of the disagreement over the Term Assignment is an issue that the two parties will be addressing at a later date, and the Special Provision provides clarity to the issue and allows Mewbourne to go forward with the hearing without objection from Cimarex.

Respectfully submitted,

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**Attorneys for Coterra Energy, Inc., and
Subsidiaries Cimarex Energy Co., and Magnum
Hunter Production, Inc.**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record or pro se parties of record if unrepresented by counsel via electronic mail on November 1, 2023:

James Bruce – jamesbruc@aol.com
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/s/ Darin C. Savage

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Exhibit A-1: Special Provision Regarding that certain “Term Assignment of Oil & Gas Lease and Contractual Rights and Reservation of Overriding Royalty,” dated and effective June 18, 2019, between Magnum Hunter Production, Inc., as Assignor, and Mewbourne Oil Company, as Assignee (referred to herein as “Term Assignment”).

This Special Provision, agreed to by Mewbourne Oil Company (“MOC”) and Magnum Hunter Production, Inc., (“MHPI”) (collectively “Parties”), is made a part of and incorporated by reference into the Orders issued by the Oil Conservation Division (“OCD”) for Case Nos. 23708 and 23709, as a Special Provision to the OCD’s Compulsory Pooling Checklist for said Cases. MOC and MHPI recognize the authority of the OCD to determine which interests should be pooled in a compulsory pooling case pursuant to the New Mexico Oil and Gas Act (“Act”), the critical interest to be pooled being the working interest which gives the owner a right to participate in a well and unit. At the time of the hearing for Case Nos. 23708 and 23709, MOC claims that it owns the working interest based on said Term Assignment. MHPI disputes this claim asserting that the Term Assignment has terminated by its own terms. The Parties recognize that the OCD does not have jurisdiction to adjudicate or resolve title issues; however, pursuant to the OCD’s authority to acknowledge MOC’s assertion of ownership in a hearing but only for the purpose of adjudicating the compulsory pooling process,¹ MOC pools only the working interest it owns, derives, or has received from the Term Assignment and no other working interest related to the lands described in and covered by the Term Assignment or its termination. Any working interest that MHPI owns, derives, receives, or has received from the termination of the Term Assignment remains unpooled. At any point in time, if it is determined (by a ruling of a state or federal court, or other governmental body with authority to adjudicate title, or by agreement of the Parties themselves) that MHPI is the owner of working interest derived or received from the termination of the Term Assignment, then MHPI agrees to subject the working interest it owns from the termination of the Term Assignment to a subsequent compulsory pooling by MOC, or its successor in interest or assigns, at which time based on MHPI’s ownership, MOC, its successors or assigns, will recognize MHPI’s right to elect to participate under the pooling order and will make available to MHPI its option to elect to participate in the wells and units to which the working interest from termination of the Term Assignment applies.

¹ The OCD can proceed with administrative approval of an application based on a good faith claim of ownership made by the applicant. *See, e.g.*, Order No. No. R-12108, ¶ 23(a); the Oil Conservation Commission has no jurisdiction to determine title to an interest in real property, but it has the authority to make threshold decisions regarding ownership for purposes of determining rights under the pooling statutes. *See* Order No. R-12376-C, ¶¶19(a) & (b).