

CASE NO. 24045

**APPLICATION OF CIMAREX ENERGY CO. TO AMEND ORDER
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

EXHIBITS

1. Landman's Affidavit
1-A: Order No. R-22468
2. Affidavit of Mailing
2-A: Notice Letter
3. Certified Notice Spreadsheet
4. Publication Affidavit
5. Application and Proposed Notice

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

APPLICATION OF CIMAREX ENERGY CO. TO
AMEND ORDER NO. R-22468, EDDY COUNTY,
NEW MEXICO.

Case No. 24045

SELF-AFFIRMED STATEMENT OF PAT GRAY

Pat Gray deposes and states:

1. I am a landman for Cimarex Energy Co. ("Cimarex"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
2. I am familiar with the application filed by Cimarex in the above case. Pursuant to Division rules the following information is submitted in support of the application.
3. In this case Cimarex seeks an order amending Order No. R-22468 to extend the well commencement deadline one year.
4. Order No. R-22468 (submitted as Attachment A) pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Southern Hills 32-29 State Fed. Com. Well No. 1H. Order No. R-22468 designates Cimarex as operator of the well.
5. This matter was heard on October 6, 2022, and Order No. R-22468 was entered on December 23, 2022. Paragraph 20 of Order No. R-22468 requires the operator to commence the wells within one year of the date of issuance. Paragraph 21 of Order No. R-22468 provides that the order will terminate if the well is not timely commenced, unless the operator "obtains an extension by amending this Order for good cause shown."

EXHIBIT /

6. Cimarex plans on drilling the subject well, with an anticipated spud date of April 2024, but would like an extension of the well commencement deadline for the following reasons: (a) the Bureau of Land Management has been slow in approving APDs; (b) the above well, together with a number of other Bone Spring and Wolfcamp wells in this area, were the subject of numerous contested pooling cases filed by Cimarex and Chevron U.S.A. Inc. These cases were the subject of extensive settlement negotiations (ultimately successful) between the parties, which delayed the drilling of the well; and (c) other (uncontested) pooling cases of Cimarex were presented at the November 2, 2023 hearing for wells immediately north of the subject well. Applicant would like all of these wells to be batch-drilled at the same time in order to reduce costs. Thus good cause exists for Cimarex's request for an extension.

7. Cimarex requests an extension of the well commencement deadline of Order No. R-22468 to December 23, 2024.


8. I submitted the names and current or last known addresses of the pooled, uncommitted mineral interest owners to Cimarex's attorney. No opposition is expected because the interest owners have been notified of the request to amend the subject order, and have not objected.

9. Cimarex is in good standing under the Division's Rules.

10. Granting this application will prevent waste and protect correlative rights.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 10 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: 12/4/2023


Pat Gray

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
CIMAREX ENERGY COMPANY**

**CASE NO. 22897 & 23084
ORDER NO. R-22468**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Cimarex Energy Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator proposed a subsequent well in an existing spacing unit and provided evidence that notice was given under 19.15.16.15(B)(9) NMAC.
3. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
4. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
5. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
6. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

7. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
8. Operator is the owner of an oil and gas working interest within the Unit.
9. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

ATTACHMENT

A

10. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
11. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
12. The Unit contains separately owned uncommitted interests in oil and gas minerals.
13. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
14. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
15. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

16. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
17. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
18. Operator is designated as operator of the Unit and the Well(s).
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

CASE NO. 22897 & 23084
ORDER NO. R-22468

Page 2 of 7

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 12/23/2022

CASE NO. 22897 & 23084
ORDER NO. R-22468

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Exhibit A

| | |
|---|---|
| <p>Received by OCD: 10/5/2022 4:30:19 PM</p> <p>COMPULSORY POOLING APPLICATION CHECKLIST</p> <p style="text-align: right;">Page 12 of 17</p> | |
| 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 |

Revised
F

EXHIBIT

CASE NO. 22897 & 23084
ORDER NO. R-22468

| | | |
|--|---|---------------|
| Received by OCD: 10/5/2022 4:30:19 PM | Bone Spring/TVD 7900 feet/MD 17900 feet | Page 13 of 17 |
| 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 | |

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CASE NO. 22897 & 23084
ORDER NO. R-22468

| | | |
|--|----------------------|----------------------|
| <i>Received by OCD: 10/5/2022 4:30:19 PM</i> | | <i>Page 14 of 17</i> |
| 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

Released to Imaging: 10/5/2022 4:43:33 PM

CASE NO. 22897 & 23084
ORDER NO. R-22468

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

APPLICATIONS OF CIMAREX ENERGY CO.
TO AMEND ORDER FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

Case Nos. 24045 & 24046

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit 2-A.
5. Applicant has complied with the notice provisions of Division Rules.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 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: 12/5/23



James Bruce

EXHIBIT 2

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

November 16, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications, filed with the New Mexico Oil Conservation Division by Cimarex Energy Co., requesting the following relief:

(a) Case No. 24045: Cimarex Energy Co. seeks an order amending Order No. R-22468, entered on December 23, 2022, to extend the well commencement deadline one year, to December 23, 2024. Order No. R-22468 pooled uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Southern Hills 32-29 State Fed. Com. Well No. 1H. Order No. R-22468 requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown.

(b) Case No. 24046: Cimarex Energy Co. seeks an order amending Order No. R-22469, entered on December 23, 2022, to extend the well commencement deadline one year, to December 23, 2024. Order No. R-22469 pooled uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 29 and the E/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Southern Hills 32-29 State Fed. Com. Well No. 2H. Order No. R-22469 requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, December 7, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic

EXHIBIT

2-A

hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Cimarex Energy Co.

EXHIBIT A

Abo Petroleum, LLC
P.O. Box 900
Artesia, NM 88211

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, TX 79706

Attention: Permitting Team

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

OXY Y-1 Company
Suite 110
5 Greenway Plaza
Houston, TX 77046

MRC Permian Co.
MRC Permian LKE, LLC
Suite 1500
5400 LBJ Freeway
Dallas, TX 75240

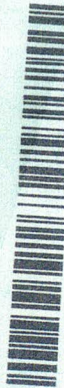
Attention: Kyle Perkins

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MRC Permian Co.
MRC Permian LKE, LLC
Suite 1500
5400 LBJ Freeway
Dallas, TX 75240



9590 9402 7635 2122 6736 02

7020 0090 0000 0863 3503

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

CX 574

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
- B/Received by (Printed Name) Nov 20 2023 C. Date of Delivery 11/20/23
- D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

Postage (over \$500)

0863 3503

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To OXY Y-1 Company
Suite 110
5 Greenway Plaza
Houston, TX 77046

Street and Apt. No., or PO Box

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

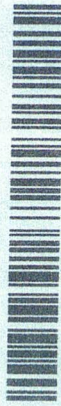
Postmark Here

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OXY Y-1 Company
Suite 110
5 Greenway Plaza
Houston, TX 77046



9590 9402 7635 2122 6736 19

2. Article No. 7020 0090 0000 0863 3510

(over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

CX 574

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To MRC Permian Co.
MRC Permian LKE, LLC
Suite 1500
5400 LBJ Freeway
Dallas, TX 75240

Street and Apt. No., or PO Box

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark Here

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
- B. Received by (Printed Name) 11/20/23 C. Date of Delivery 11/20/23
- D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

(over \$500)

Domestic Return Receipt

CX 574

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, TX 79706

Street and Apt. No., or PO Box No. _____ Attention: Permitting Team

City, State, ZIP+4® _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7202 0090 0000 0863 3527

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

9590 9402 7635 2122 6736 26

2. Article 7020 0090 0000 0863 3527 (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature X _____

B. Received by (Printed Name) W. Alan Alvarado

C. Date of Delivery 11-21

D. Is delivery address different from item 1? Yes No

E. Is delivery address different from item 1? Yes No

3. Service Type

Priority Mail Express®

Adult Signature

Registered Mail™

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Priority Mail Express®

Registered Mail™

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Signature Confirmation™

Restricted Delivery

Domestic Return Receipt

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, TX 79706

Street and Apt. No., or PO Box No. _____ Attention: Permitting Team

City, State, ZIP+4® _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7202 0090 0000 0863 3527

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, TX 79701

9590 9402 7635 2122 6736 33

2. Article 7020 0090 0000 0863 3534 (over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature X _____

B. Received by (Printed Name) Ashley Carson

C. Date of Delivery 11-21

D. Is delivery address different from item 1? Yes No

E. Is delivery address different from item 1? Yes No

3. Service Type

Priority Mail Express®

Adult Signature

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Priority Mail Express®

Registered Mail™

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Signature Confirmation™

Restricted Delivery

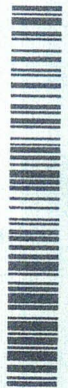
Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Abo Petroleum, LLC
 P.O. Box 900
 Artesia, NM 88211



9590 9402 7635 2122 6736 40

2. Article Number: 7020 0090 0000 0863 3541

(over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?
 If YES, enter delivery address below:

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

| | | |
|--|----|--|
| Certified Mail Fee | \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ | |
| <input type="checkbox"/> Return Receipt (electronic) | \$ | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ | |
| <input type="checkbox"/> Adult Signature Required | \$ | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ | |
| Postage | \$ | |
| Total Postage and Fees | \$ | |

Postmark Here

Sent To

Abo Petroleum, LLC
 P.O. Box 900
 Artesia, NM 88211

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for instructions

7020 0090 0000 0863 3541

CASE NOS. 24045 & 24046

STATUS OF CERTIFIED NOTICE

| <u>INTEREST OWNER</u> | <u>MAILING DATE</u> | <u>RECEIPT DATE</u> | <u>CARD RETURNED</u> |
|---|---------------------|---------------------|----------------------|
| MRC Permian Company MRC Permian LKE, LLC | 11/16/23 | 11/20/23 | Yes |
| COG Operating LLC | 11/16/23 | 11/21/23 | Yes |
| OXY Y-1 Company | 11/16/23 | 11/20/23 | Yes |
| Abo Petroleum, LLC | 11/16/23 | 11/21/23 | Yes |
| Chevron U.S.A. Inc. | 11/16/23 | 11/25/23 | Yes |

EXHIBIT 3

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005860518

This is not an invoice

NOTICE

To: Abo Petroleum, LLC, Chevron U.S.A. Inc., COG Operating LLC, OXY Y-1 Company, MRC Permian Company, and MRC Permian LKE, LLC, or your successors or assigns. Cimarex Energy Co. has filed the following two applications with the New Mexico Oil Conservation Division, seeking the relief specified below:

(a) Case No. 24045: Cimarex Energy Co. seeks an order amending Order No. R-22468, entered on December 23, 2022, to extend the well commencement deadline one year, to December 23, 2024. Order No. R-22468 pooled uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Southern Hills 32-29 State Fed. Com. Well No. 1H. Order No. R-22468 requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown.

(b) Case No. 24046: Cimarex Energy Co. seeks an order amending Order No. R-22469, entered on December 23, 2022, to extend the well commencement deadline one year, to December 23, 2024. Order No. R-22469 pooled uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 29 and the E/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Southern Hills 32-29 State Fed. Com. Well No. 2H. Order No. R-22469 requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown.

These cases are scheduled for hearing at 8:15 a.m. on Thursday, December 7, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the attorney for the applicant. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, jamesbruc@aol.com. The units are located approximately 7-1/2 miles south-southeast of Black River Village, New Mexico. #5860518, Current Argus, November 24, 2023

JAMES BRUCE ATTORNEY AT LAW
POBOX 1056

SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

11/24/2023

Legal Clerk

Subscribed and sworn before me this November 24, 2023:

State of WI, County of Brown
NOTARY PUBLIC

9/19/25
My commission expires

Ad # 0005860518
PO #:
of Affidavits 1

This is not an invoice

VICKY FELTY
Notary Public
State of Wisconsin

EXHIBIT 4

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF CIMAREX ENERGY
CO. TO AMEND ORDER NO. R-22468,
EDDY COUNTY, NEW MEXICO.**

Case No. 24045

APPLICATION

Cimarex Energy Co. applies for an order amending Order No. R-22468 to extend the well commencement deadline, and in support thereof states:

1. Order No. R-22468, entered in Case Nos. 22897 and 23084, pooled uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Southern Hills 32-29 State Fed. Com. Well No. 1H.
2. Order No. R-22468 designates Applicant as operator of the well unit.
3. Order No. R-22468 was entered on December 23, 2022. Paragraph 20 of Order No. R-22468 requires the operator to commence the well within one year of the date of issuance. Paragraph 21 of Order No. R-22468 provides that the order will terminate if a well is not timely commenced, unless the operator “obtains an extension by amending this Order for good cause shown.”
4. Applicant plans on drilling the wells, with an anticipated spud date of April 2024, but would like an extension of the well commencement deadline for the following reasons: (a) the Bureau of Land Management has been slow in approving APDs; (b) the above well, together with a number of other Bone Spring and Wolfcamp wells in this area, were the subject of numerous contested pooling cases filed by applicant and Chevron U.S.A. Inc. These cases were

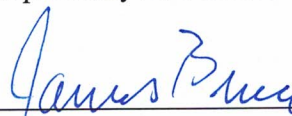
EXHIBIT 5

the subject of extensive settlement negotiations (ultimately successful) between the parties, which delayed the drilling of the well; and (c) other (uncontested) pooling cases of applicant were presented at the November 2, 2023 hearing for wells immediately north of the subject well. Applicant would like all of these wells to be batch-drilled at the same time in order to reduce costs. Thus good cause exists for Applicant's request for an extension.

5. Applicant requests an extension of the well commencement deadline of Order No. R-22468 to December 23, 2024.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order amending Order No. R-22468 to extend the well commencement deadline to December 23, 2024.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Cimarex Co.

Application of Cimarex Energy Co. to Amend Order No. R-22468, Eddy County, New Mexico. Cimarex Energy Co. seeks an order amending Order No. R-22468, entered on December 23, 2022, to extend the well commencement deadline one year, to December 23, 2024. Order No. R-22468 pooled uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 29 and the W/2W/2 of Section 32, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, for the purpose of drilling the Southern Hills 32-29 State Fed. Com. Well No. 1H. Order No. R-22468 requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amending the order for good cause shown. The unit is located approximately 7-1/2 miles south-southeast of Black River Village, New Mexico.