

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

**APPLICATION OF READ & STEVENS, INC. FOR CREATION
OF A SPECIAL IN SECTIONS 4, 5, 8 AND 9
IN TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
LEA COUNTY, NEW MEXICO**

Case No. 24528

**APPLICATION OF CIMAREX EXERGY CO. FOR THE CREATION
OF A SPECIAL POOL, A WOLFBONE POOL, PURSUANT TO
ORDER NO. R-23089 AND TO REOPEN CASE NOS. 23448 – 23455,
23594 – 23601, AND 23508 – 23523, LEA COUNTY, NEW MEXICO**

Case No. 24541

NOTICE OF FILING REVISED ENGINEERING EXHIBITS

Cimarex Energy Co. (“Cimarex”), applicant in Case No. 24541, gives notice of filing of the attached revised engineering exhibits for acceptance into the record.

The attached revised engineering exhibits (Exhibit I-6Rev, Exhibit I-7Rev and Exhibit I-9Rev) provide certain revisions to Engineering Exhibits I-6, I-7 and I-9 in the original hearing packet to make them more readable and understandable. Cimarex provides these revised exhibits to inform the Oil Conservation Division and the parties in the above- referenced cases. These revised exhibits will be included in any final amended hearing packets requested by Division at the conclusion of the hearing for the convenience of review.

Respectfully submitted,

ABADIE & SCHILL, PC

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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 via electronic mail on August 11, 2024:

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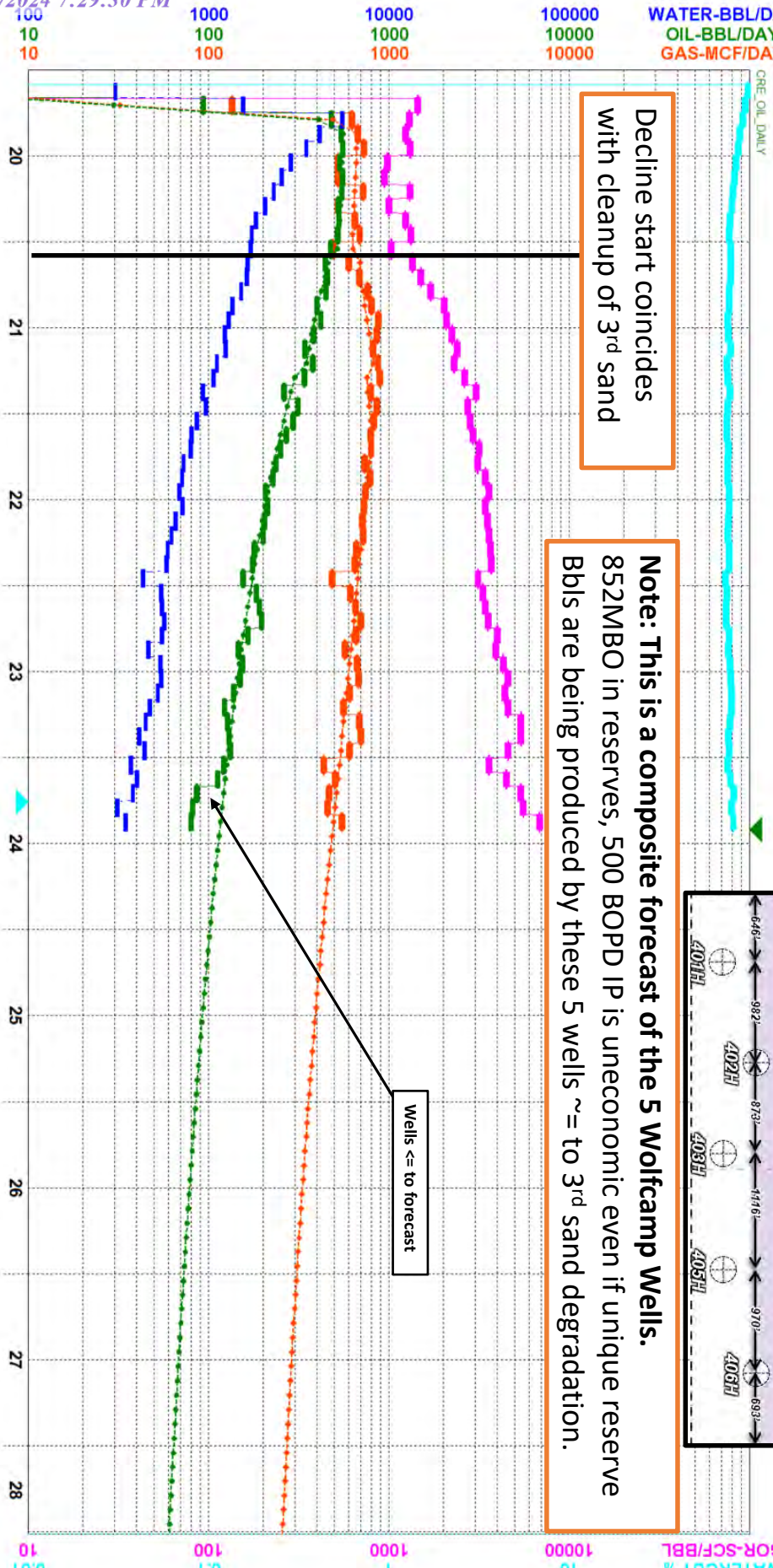
Darin C. Savage



Black and Tan Wolfcamp Composite Forecast 5 Wells - UPDATE

I-6

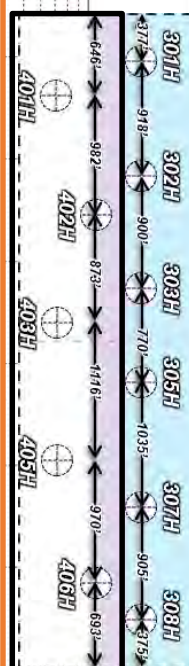
WATER-BBL/DAY
OIL-BBL/DAY
GAS-MCF/DAY



Decline start coincides with cleanup of 3rd sand

Note: This is a composite forecast of the 5 Wolfcamp Wells. 852MBO in reserves, 500 BOPD IP is uneconomic even if unique reserve Bbls are being produced by these 5 wells ~ to 3rd sand degradation.

Wells <= to forecast



UPDATED AS OF 05/2024 Production Data

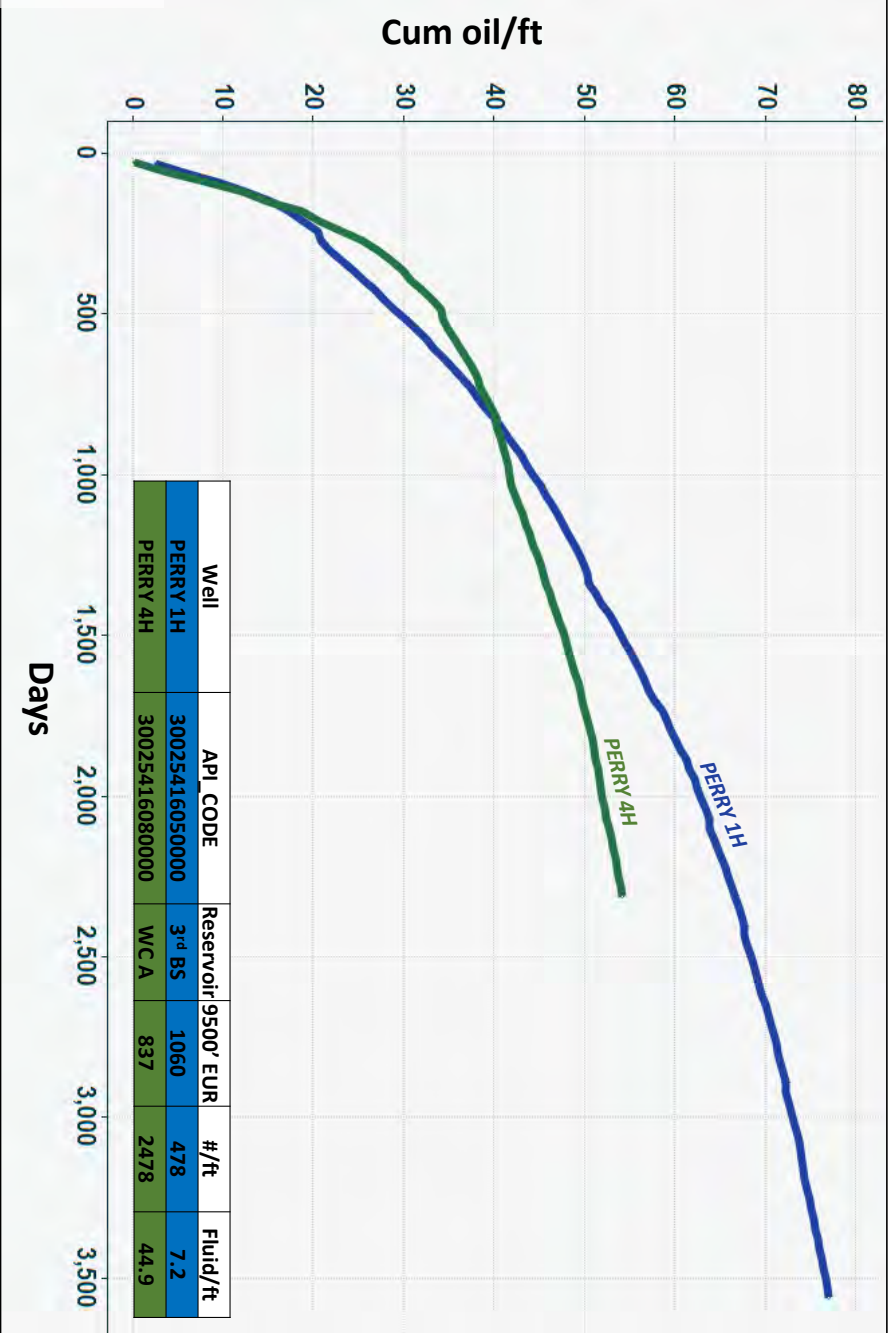
Oil	JC
Prod	6/1/2024
Vol	0.000
Wet	114.235
Orig	115.320
Ob	0.000
De	0.000000
Dmin	0.0000
Yes	45.833
Perm	4116/76
Cum	440/47
EUR	852423

EXHIBIT I-6Rev



Landing Zone Matters; 5 Years Ago, Cimarex's Perry Test Confirmed 3rd SS Landing as Best Target v2

I-7



UPDATED AS OF 07/2024

- Note: 5 to 6 x the frac energy is not as important as the right landing zone.**
- The Perry 1H 2014 vintage 3rd sand well outperforms modern 2018 Perry 4H Wolfcamp completion in the same section at better oil cut 1 mile south of contested development area.
 - The best flow properties and majority of bbls are best accessed from the 3rd sand where they are located
 - Updated Production to Monthly / Days in Month

EXHIBIT I-7Rev



Capital Plan Comparison Mighty Pheasant vs. Joker - UPDATED

EXHIBIT
I-9Rev

I-9

Mighty Pheasant				A/E Bench Total
Res	Well	June Hearing	July 2024	
1st	101H	\$9,651,993	\$9,448,392	\$337,793,568
1st	102h	\$9,651,993	\$9,448,392	
1st	103H	\$9,651,993	\$9,448,392	
1st	104H	\$9,651,993	\$9,448,392	
upper 2nd	211H	\$9,651,993	\$9,448,392	\$28,345,176
upper 2nd	212H	\$9,651,993	\$9,448,392	
upper 2nd	213H	\$9,651,993	\$9,448,392	
2nd	201H	\$9,651,993	\$9,448,392	\$337,793,568
2nd	202H	\$9,651,993	\$9,448,392	
2nd	203H	\$9,651,993	\$9,448,392	
2nd	204H	\$9,651,993	\$9,448,392	
Wolfbone	301H	\$10,621,993	\$11,054,759*	\$44,219,036
Wolfbone	302H	\$10,621,993	\$11,054,759*	
Wolfbone	303H	\$10,621,993	\$11,054,759*	
Wolfbone	304H	\$10,621,993	\$11,054,759*	
Total Gross CapEx		\$148,659,895	\$148,151,348	\$148,151,348

- *increase in well cost to deliberately target the Wolfbone pool
- To better access the entirety of the Wolfbone pool, Cimarex is increasing frac size to 2,600 #/ft and tightening cluster spacing
- More efficient to target entirety of Wolfbone Pool with an increased ~\$1.7MM frac size, as opposed to drilling double the well count

Permian Wolfbone plan is \$79MM more (across both DSU's), ~90% more CapEx, bad for WI owners:

\$ 84 MM, shown in red, Cimarex models as uneconomic non additive wells with reserves best captured by single landing

Permian Resources - Joker				A/E Bench Total
Res	Well	A/E CapEx	July 2024	
1st	111	\$10,724,193	\$10,724,193	\$42,896,772
1st	112	\$10,724,193	\$10,724,193	
1st	113	\$10,724,193	\$10,724,193	
1st	114	\$10,724,193	\$10,724,193	
uppr 2nd	122	\$11,020,308	\$11,020,308	\$44,081,232
uppr 2nd	124	\$11,020,308	\$11,020,308	
uppr 2nd	126	\$11,020,308	\$11,020,308	
uppr 2nd	128	\$11,020,308	\$11,020,308	
2nd	121	\$11,020,308	\$11,020,308	\$44,081,232
2nd	123	\$11,020,308	\$11,020,308	
2nd	125	\$11,020,308	\$11,020,308	
2nd	127	\$11,020,308	\$11,020,308	
3rd bs	131H	\$11,535,757	\$11,535,757	\$46,143,028
3rd bs	132H	\$11,535,757	\$11,535,757	
3rd bs	133H	\$11,535,757	\$11,535,757	
3rd bs	134H	\$11,535,757	\$11,535,757	
3rd bs	171H	\$11,308,013	\$10,377,581	\$83,918,356
3rd bs	172H	\$11,308,013	\$10,377,581	
3rd bs	173H	\$11,308,013	\$10,377,581	
3rd bs	174H	\$11,308,013	\$10,377,581	
WC	201H	\$11,877,862	\$10,602,008	\$83,918,356
WC	202H	\$11,877,862	\$10,602,008	
WC	203H	\$11,877,862	\$10,602,008	
WC	204H	\$11,877,862	\$10,602,008	
Total Gross CapEx		\$269,945,764	\$261,120,620	\$261,120,620