

**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 AMENDED EXHIBIT PACKET IN SUPPORT OF THE
JOINT AMENDED APPLICATION FOR A SPECIAL POOL ALONG**

Cimarex Energy Co. (“Cimarex”), applicant in Case No. 24541, gives notice of filing of Cimarex’s Exhibit Packet which includes a copy of the Joint Amended Application for a Special Pool (“Wolfbone Application”) submitted by Cimarex and Read & Stevens, Inc. along with Cimarex’s Amended Exhibits that support the creation of the Wolfbone Pool. The Exhibits attached hereto include only those designated at the August 13, 2024, hearing for inclusion herein in support of the application process. Geology Exhibit G-3 has been edited from the original to exclude information regarding an allocation formula considered not relevant for creation of the Wolfbone Pool.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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Attorneys for Cimarex Energy Co.

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 27, 2024:

Michael H. Feldewert – mfeldewert@hollandhart.com
Adam G. Rankin – agrankin@hollandhart.com
Paula M. Vance – pmvance@hollandhart.com
Attorneys for Read & Stevens, Inc.;
and Permian Resources Operating, LLC

James Bruce – jamesbruc@aol.com
Attorney for MRC Permian Company and Foran Oil Company

Blake C. Jones – blake.jones@steptoe-johnson.com
Attorney for Northern Oil and Gas, Inc.

/s/ Darin C. Savage

Darin C. Savage

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 3, 2024**

**AMENDED EXHIBIT PACKET IN SUPPORT OF A JOINT AMENDED APPLICATION
FOR THE CREATION OF A SPECIAL POOL, A WOLFBONE POOL, PURSUANT TO
ORDER NO. R-23089, LEA COUNTY, NEW MEXICO**

Case No. 24541:

CIMAREX ENERGY CO.

TABLE OF CONTENTS

TAB 1	Reference for Case No. 24541
	Joint Amended Application for a Special Pool filed in Case No. 24541; OCD Order No. R-23089
TAB 2	Exhibit F-1: Resume of Isabella Sikes, Landman Exhibit F-2: Email Correspondence Between Isabella Sikes and Paul Kautz
TAB 3	Exhibit G-3: Vertical Extent of Wolfbone Pool Proposal

TAB 1

Reference for Case No. 24541

Joint Amended Application for a Special Pool filed in Case No. 24541;
OCD Order No. R-23089

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

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

CASE NO. 24528

**APPLICATION OF CIMAREX ENERGY CO. FOR
THE CREATION OF A SPECIAL POOL, A
WOLFBONE POOL, PURSUANT TO ORER NO. R-
23089, LEA COUNTY, NEW MEXICO**

CASE NO. 24541

JOINT AMENDED APPLICATION FOR A SPECIAL POOL

Pursuant to Order No. R-23089, ¶ 21, Read & Stevens, Inc. (“Read & Stevens”) and Cimarex Energy Co. (“Cimarex”), OGRID No. 215099 (collectively referred to herein as the “Applicants”), through their respective undersigned attorneys, hereby file their Joint Amended Application for a Special Pool with the Oil Conservation Division seeking an order for the creation of a special Wolfbone Pool, an oil pool, to be designated as the “Quail Ridge; Wolfbone Pool,” as defined below (the “Subject Lands”). To accommodate the creation of this special pool, the Applicants also seek to vertically contract the base of the Teas; Bone Spring, East Pool (Pool Code 96637) and the base of Quail Ridge; Bone Spring Pool (Pool Code 50460) upwards to the top of the Third Bond Spring Sand interval, and to vertically contract the top of the Tonto; Wolfcamp Pool (Pool Code 59500), downwards to the base of the Wolfcamp A interval, all within the Subject Lands as provided below.

In support of their Joint Amended Application for a Wolfbone Pool, Applicants state the following:

1. The proposed Wolfbone Pool would comprise approximately 2,562.40 federal acres, more or less, in Lea County New Mexico, a/k/a the Subject Lands, under lease with the Bureau of Land Management pursuant to leases NMLC 0064194, NMNM 101115, and NMLC 0065607, described as:

Township 20 South, Range 34 East, N.M.PM.
 Section 4: Lots 1, 2, 3, 4, S/2N/2, S/2 (a/k/a All)
 Section 5: Lots 1, 2, 3, 4, S/2N/2, S/2 (a/k/a All)
 Section 8: All
 Section 9: All

2. Both Read & Stevens and Cimarex own working interests in the Subject Lands encompassing the proposed Wolfbone Pool.

3. Read & Stevens also had proposed to designate Permian Resources Operating, LLC (OGRID No. 372165) as the operator of its proposed horizontal spacing units and of the proposed initial wells under each of its applications. (Read & Stevens is a wholly owned subsidiary of Permian Resources Operating, LLC.)

4. After the Original Hearing, based on the evidence and arguments of the parties, the Division issued Order R-23089 on April 8, 2024.

5. The Division found that because the Subject Lands “lacks natural barriers that would prevent communication between the Third Bone Spring Sand and Upper Wolfcamp,” the wells proposed by both Cimarex and Read & Stevens to be completed in the Lower Bone Spring and Upper Wolfcamp “will share production from both the Bone Spring and Wolfcamp formations.” Order, ¶¶ 6-10.

6. The Division noted that neither Cimarex nor Read & Stevens requested a special pool order to account for a common source of supply from the Third Bone Spring Sand and Upper Wolfcamp intervals within the Subject Lands. *Id.*, ¶¶ 11-12.

7. The Division determined that the Third Bone Spring Sand and Wolfcamp XY/A meet the definition of a “common source of supply” and must be developed as a single “pool,” as defined under the Oil and Gas Act. *Id.*, ¶¶ 6, 13-19.

8. The Division denied both sets of applications “except insofar as either applicant or both applicants choose to propose a special pool, a Wolfbone pool, that would account for the lack of frac baffles between the Bond Spring and Wolfcamp formations in this area.” The Division left the record open for “such a proposal.” *Id.*, ¶ 21.

9. In response to the Order, both Read & Stevens and Cimarex submitted separate applications to create a Wolfbone Pool.

10. On August 13, 2024, the Division conducted a hearing on the separate applications to create a Wolfbone Pool.

11. The Hearing Examiner found that the two applications for the proposed Wolfbone Pool were similar in scope, but that while both applications sought to contract the Teas; Bone Spring, East Pool, neither application sought to contract the Quail Ridge; Bone Spring Pool. Thus, the Hearing Examiner found that the notice requirement set forth in Rule 19.15.4.12.A(4) NMAC was not satisfied and directed the parties to cure that deficiency.

12. Because Read & Stevens and Cimarex are in agreement as to the scope of the proposed Wolfbone Pool, they have agreed to file this Joint Amended Application and to provide notice thereof to the parties entitled to receive notice thereof.

13. Pursuant to Order No. R-23089 and the hearing held on August 13, 2024, the Applicants are submitting this Joint Amended Application for a Wolfbone Pool to create the special Wolfbone Pool.

14. Pursuant to 19.15.4.12.A(4) NMAC, notice of this Joint Amended Application for a Wolfbone Pool will be provided to all owners of a working interest within the Subject Lands, and to all Division-designated operators of wells within the affected pools, or within the same formation, within one mile of the proposed special Wolfbone Pool.

15. The Applicants propose a vertical extent of the Quail Ridge; Wolfbone Pool that conforms with 19.15.12.9 NMAC, to insure pool segregation from adjacent pools, reservoirs, and common sources of supply. Thus, Applicants propose the upper limit of the Wolfbone Pool to be the stratigraphic equivalent of the top of the Third Bone Spring interval, located at approximately 10,598 feet measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,236 feet measured depth, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal #1 well (API No. 30-025-31056).¹

16. Applicants request that the Division accomplish the creation of the proposed Wolfbone Pool by including provisions in the Division's order for the vertical contraction of three pools: (1) the Teas; Bone Spring, East Pool (Code 96637); (2) the Quail Ridge; Bone Spring (Pool Code 50460); and (3) the Tonto; Wolfcamp Pool (Code 59500), in a manner that avoids overlap with the proposed Quail Ridge; Wolfbone Pool.

17. The creation of the Quail Ridge; Wolfbone Pool through the contraction of the Teas; Bone Spring, East Pool, the Quail Ridge; Bone Spring Pool, and the Tonto; Wolfcamp Pool, is limited to the Subject Lands as described, *supra*, in Paragraph 1.

¹ <https://ocdimage.emnrd.nm.gov/imaging/WellFileView.aspx?RefType=WL&RefID=30025310560000>.

18. Applicants request that the Division's statewide rules apply to the Wolfbone Pool.

19. Formation of a special Quail Ridge; Wolfbone Pool within the Subject Lands incorporates a depth severance created by ownership instruments that is located at the division between the base of the Bone Spring formation and the top of the Wolfcamp formation. Accordingly, the ownership depth severance is found at a stratigraphic equivalent of approximately 10,876 feet, measured depth, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal #1 well (API No. 30- 025-31056).

20. The name of the special pool, the Quail Ridge; Wolfbone Pool, is proposed pursuant to Division nomenclature and guidance from the Division officer charged with managing the classification and taxonomy of oil and gas pools, to ensure that the name accurately designates the geographical area.

WHEREFORE, Applicants request that this Joint Amended Application be set for hearing on October 3, 2024, before an Examiner of the Oil Conservation Division, and after notice as required by law, that the Division at said hearing, consider this Joint Amended Application to Create a Special Pool, the Wolfbone Pool, with the evidence presented at the prior August 13, 2024 hearing, and at any additional hearing as necessary, and after said hearing and notice, pursuant to the reasons stated, and the Division's guidance under Order No. R-23089, the Division enter an order that:

A. Creates, pursuant to this Joint Amended Application, a new special pool, the Quail Ridge; Wolfbone Pool, an oil pool, that includes the Subject Lands, as described above in Paragraph 1, and includes the vertical extent ranging from the top of the Third Bone Spring formation to the base of the Upper Wolfcamp formation, that being the base of the Wolfcamp A, as described above in Paragraph 17, in such manner that statewide rules apply to the special pool;

B. Contracts three pools, the Teas; Bone Spring, East Pool (Pool Code 96637), the Quail Ridge; Bone Spring Pool (Pool Code 50460), and the Tonto; Wolfcamp Pool (Pool Code 59500), in a manner that avoids overlap with the proposed Quail Ridge; Wolfbone Pool, as described in Paragraph 18;

C. Subjects the Quail Ridge; Wolfbone Pool to statewide rules;

D. That provides any such additional relief deemed necessary by the Division at its discretion.

Respectfully submitted:

<p>HOLLAND & HART LLP</p> <p>By: <u>/s/ Adam G. Rankin</u> Adam G. Rankin</p> <p>Michael H. Feldewert Adam G. Rankin Paula M. Vance Post Office Box 2208 Santa Fe, New Mexico 87505 505-988-4421 505-983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com pmance@hollandhart.com</p>	<p>ABADIE & SCHILL, PC</p> <p>By: <u>/s/ Darin C. Savage</u> Darin C. Savage</p> <p>Darin C. Savage William E. Zimsky Andrew D. Schill 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com andrew@abadieschill.com</p>
<p>ATTORNEYS FOR READ & STEVENS, INC. AND PERMIAN RESOURCES OPERATING, LLC</p>	<p>ATTORNEYS FOR CIMAREX ENERGY CO.</p>

Joint Amended Application of Read & Stevens Inc. and Cimarex Energy Co. for the Creation of a Special Pool, a Wolfbone Pool, in Sections 4, 5, 8, and 9, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, Pursuant to Order No. R-23089 and to Re-open Case Nos. 23448 -23455, 23594 – 23601, and 23508-23523. Applicants in the above-styled cause seeks an order from the Division creating a special pool, the Quail Ridge; Wolfbone Pool, pursuant to Order No. R-23089, within Sections 4, 5, 8 and 9, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico (“Subject Lands”). Applicants propose that Division’s statewide rules apply to spacing units and well locations within the Quail Ridge; Wolfbone Pool. The vertical extent of the proposed Quail Ridge; Wolfbone Pool will be the stratigraphic equivalent of the top of the Third Bone Spring interval, located at approximately 10,598 feet measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,236 feet measured depth, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal #1 well (API No. 30-025-31056). Applicants will seek an order from the Division for the vertical extent by requesting the contraction of three pools, the Teas; Bone Spring, East Pool (Pool Code 96637) (“Teas Bone Spring”), the Quail Ridge; Bone Spring Pool (Pool Code 50460) (“Quail Ridge Bone Spring”) and the Tonto; Wolfcamp Pool (Pool Code 59500) (“Tonto Wolfcamp”) in a manner that avoids overlap with the proposed Quail Ridge; Wolfbone Pool. The base of the Teas Bone Spring and Quail Ridge Bone Spring are to be contracted to 10,598 feet measured feet, equivalent to the top of the Third Bone Spring, and the top of the Tonto Wolfcamp is to be contracted to approximately 11,236 feet measured depth, equivalent to the base of the Wolfcamp A Shale, as found in the five-inch Dual Lateral Micro Log SFL in the Matador 5 Federal #1 well (API No. 30-025-31056). Also to be considered will be the re-opening of the record for Case Nos. 23448-23455, 23594 -23601, and 23508-23523. The Subject Lands are located approximately 27 miles southwest of Hobbs, New Mexico.

**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 NOS. 23448 - 23455

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

CASE NOS. 23594 - 23601

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
READ & STEVENS, INC**

CASE NOS. 23508 - 23523

ORDER NO. R-23089

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through legal and technical Hearing Examiners on August 9, 2023, through August 11, 2023, and after considering the administrative record including the sworn testimony, evidence, and recommendations of the Hearing Examiners, issues the following Order.

FINDINGS OF FACT

1. Cimarex Energy Company (“Cimarex”) submitted a total of sixteen applications (“Cimarex Applications”) to compulsory pool the uncommitted oil and gas interests within the spacing unit as seen in Cimarex’ exhibits.
2. Read & Stevens, Inc. (“Read & Stevens”) submitted a total of sixteen applications (“Read & Stevens Applications”) to compulsory pool the uncommitted oil and gas interests within the spacing unit as seen in Read & Stevens’ exhibits.
3. Both parties are proposing to develop Sections 5 and 8, Township 20 South, Range 34 East. Cimarex’ plan for these lands is named “Mighty Pheasant” and Read & Stevens’ plan is named “Joker.” Both parties are also proposing to develop Sections 4 and 9, Township 20 South, Range 34 East. Cimarex’ plan for these lands is named “Loosey Goosey” and Read & Stevens’ plan is named “Bane.”.
4. Cimarex’ applications proposed drilling twelve wells per section with all twelve wells being distributed between the Bone Spring formation intervals.
5. Read & Stevens’ applications proposed drilling twenty-four wells per section with those twenty-four wells being distributed between the Bone Springs formation and the Wolfcamp formation intervals.

6. The lands proposed for drilling by both parties lacks natural barriers that would prevent communication between the Third Bone Spring Sand and Upper Wolfcamp, thereby creating a single reservoir or common source of supply located predominantly in the Third Bone Spring Sand.

7. Cimarex' geologist Staci Mueller affidavit testimony paragraph twelve states:

There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3rd Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank.

8. Read & Stevens' Reservoir Engineer John Fechtel testified that:

The – both wells developed in the third bone sand and the wells developed in the XY will share – have some resources from either formation.”

(See Tr. (DD 8-10-23) 181: 2-4)

9. Read & Stevens' Geologist Ira Bradford was questioned about the substantial communication issues and testified:

Q: So, Mr. Bradford, you talked a little bit about that you do agree with Ms. Mueller that there is substantial communication between the third Bone Spring and the upper Wolfcamp; is that correct?

A: Yes.

(See Tr. (DD 8-10-23) 206: 11-1)

10. Cimarex and Read & Stevens both acknowledged that wells completed in the Bone Spring and Wolfcamp formations will share production from both the Bone Spring and Wolfcamp formations.

11. Neither Cimarex nor Read & Stevens requested in their applications or at hearing the creation of a special pool to accommodate the communication of the Bone Springs and Wolfcamp formations such that there is a common supply.

12. Neither applicant requested a special pool order accounting for the common source of supply, or provided notice of a special pool request.

CONCLUSIONS OF LAW

13. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.

14. A "Pool" is defined as "an underground reservoir containing a common accumulation of oil or gas. Each zone of a general structure, which zone is completely separated from other zones in the structure, is covered by the word pool as used in 19.15.2 NMAC through 19.15.39 NMAC. "Pool" is synonymous with "common source of supply" and with "common reservoir." 19.15.2.7.P(5) NMAC.
15. NMSA 1978, Section 70-2-12 B of the Oil and Gas Act requires OCD:
 - (2) to prevent crude petroleum oil, natural gas or water from escaping from strata in which it is found into other strata;
 - (7) to require wells to be drilled, operated and produced in such manner as to prevent injury to neighboring leases or properties;
 - (12) to determine the limits of any pool producing crude petroleum oil or natural gas or both and from time to time redetermine the limits;
16. 19.15.16.9 NMAC requires that during the drilling of an oil well, injection well or other service well, the operator shall seal and separate the oil, gas and water strata above the producing or injection horizon to prevent their contents from passing into other strata.
17. 19.15.12.9 NMAC requires that an operator shall produce each pool as a single common source of supply and complete, case, maintain and operate wells in the pool so as to prevent communication within the well bore with other pools. An operator shall at all times segregate oil or gas produced from each pool. The combination commingling of production, before marketing, with production from other pools without division approval is prohibited.
18. OCD has the authority to create special pool orders when required pursuant to 19.15.2.9 NMAC, when proper notice has been satisfied.
19. The evidence currently in the record before OCD indicates that Read & Stevens' and Cimarex' proposals would lead to either impairment of correlative rights or illegal allocation. Both parties testify that their production would extend outside of their respective pools and impact other pools, as such both requests extend outside of a standard compulsory pooling request.
20. Neither application can be approved while remaining in compliance with OCD rules and regulations that require pool segregation, prevent waste and protect correlative rights.

ORDER

21. OCD hereby denies both applications except insofar as either applicant or both applicants choose to propose a special pool, a Wolfbone pool, that would account for the lack of frac baffles between the Bone Spring and Wolfcamp formations in

this area. The record is left open for such a proposal and will prompt a reopening of the hearing record on both applications.

22. It is not necessary for the parties to repeat the testimony or resubmit the exhibits regarding their original proposed plans; they may refer to existing evidence to the extent needed to justify the special pool request.
23. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M. FUGE
DIRECTOR (Acting)
DMF/jag

Date: 4/8/24

ORDER NO. R-23089

Page 4 of 4

TAB 2

- Exhibit F-1: Resume of Isabella Sikes, Landman
- Exhibit F-2: Email Correspondence Between Isabella Sikes and Paul Kautz

ISABELLA (BELLA) SIKES

(432) 620-1639 | 6001 Deauville Boulevard, Midland, Texas 79706 | bella.sikes@coterra.com

EDUCATION

Texas Tech University, Rawls College of Business **Lubbock, TX**
Bachelor of Business Administration in Energy Commerce, Concentration in Petroleum Land Management *May 2023*

- GPA: 3.752
- Magna Cum Laude

WORK EXPERIENCE

Coterra Energy Inc. **Midland, TX**
Exploration Landman, Permian Basin Unit *October 2023 – Present*

- Manage over 25,000 net acres in North Lea and Chaves County, New Mexico
- Prepare over 10,000 gross acres to be drill-ready from a Land perspective
- Confirm record title ownership, working interest, net revenue interest, and overriding royalty interest prior to drilling
- Propose wells in North Lea County
- Communicate with owners regarding ownership, development, hearing procedures, and negotiations
- Managed non-operated assets by reviewing development proposals, transactions, and other agreements throughout Delaware Basin assets
- Perform title curative to get acreage ready to drill
- Draft assignments ranging from Joint Operating Agreements, Assignment and Bill of Sale, and Purchase and Sale Agreements
- Create exhibits for force pooling hearings for the New Mexico Oil and Conservation Division
- Arrange over 7,000 acres for a federal exploratory unit
- Compose an application letter, owner letters, operating agreement, and unit agreement exhibits for a federal exploratory unit
- Research the lands to be included in the federal exploratory unit

Production Landman, Permian Basin Unit *May 2023 – October 2023*

- Managed over 600 existing wells in Lea County, New Mexico, and Reeves County, Texas
- Conducted extensive research in company-operated wells in Texas and New Mexico to confirm the well's leaseholder status
- Prepared detailed reports for company files in planning for plugging and abandoning over 20 wells
- Notified the New Mexico State Land Office and Bureau of Land Management weekly to report wells in New Mexico that have been shut-in
- Reported to the New Mexico State Land Office and Bureau of Land Management when a well that has been shut-in recently is back online
- Collaborate with production engineers to ensure the company is authorized to commence work
- Supported exploration landmen with various projects in their area of responsibility

Contract Landman, Permian Basin Unit *January 2023 – May 2023*

- Assisted the land team by evaluating Joint Operating Agreement's single expenditure limit when a workover on a well has been deemed necessary in Texas and New Mexico
- Mailed workover ballots to working interest parties in a timely manner for production team to begin repairs
- Drafted internal memorandums for well workovers when balloting was not necessary

Landman Intern, Permian Basin Unit *May 2022 – May 2023*

- Evaluated different deal structures proposed by other companies for upcoming non-operated development
- Force pooled a record title owner's interest in an effort to obtain an approved communitization agreement from the Bureau of Land Management
- Drafted various agreements, including assignments, term assignments, and easements for a well to be drilled
- Ran title in local abstract and county clerk's offices to research leasehold ownership
- Completed title clearance memorandums for multiple wells in preparation to drill
- Organized wells by their single expenditure limit to locate which joint operating agreements need to be amended

**EXHIBIT
F-1**

From: Kautz, Paul, EMNRD <paul.kautz@emnrd.nm.gov> **Sent:** Wednesday, May 8, 2024 11:20 AM **To:** Bella Sikes <Bella.Sikes@coterra.com>; Rikala, Ward, EMNRD <Ward.Rikala@emnrd.nm.gov> **Cc:** Dylan Park <Dylan.Park@coterra.com>; Scott Richter <Scott.Richter@coterra.com>; Juan Comella <Juan.Comella@coterra.com>; Staci Mueller <Staci.Mueller@coterra.com> **Subject:** RE: [EXTERNAL] Wolfbone Pool Code T20S-R34E

You can use Teas;Wolfbone or Quail Ridge;Wolfbone

Paul Kautz
Petroleum Specialist
Hobbs Field Office Geologist
Energy Minerals Natural Resources Dept.
Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240
Cell # 575-602-4493

From: Bella Sikes <Bella.Sikes@coterra.com> **Sent:** Wednesday, May 8, 2024 10:15 AM **To:** Kautz, Paul, EMNRD <paul.kautz@emnrd.nm.gov>; Rikala, Ward, EMNRD <Ward.Rikala@emnrd.nm.gov> **Cc:** Dylan Park <Dylan.Park@coterra.com>; Scott Richter <Scott.Richter@coterra.com>; Juan Comella <Juan.Comella@coterra.com>; Staci Mueller <Staci.Mueller@coterra.com> **Subject:** RE: [EXTERNAL] Wolfbone Pool Code T20S-R34E

Paul,

Our Mighty Pheasant/Loosey Goosey development is in Sections 4, 5, 8, 9, Township 20 South, Range 34 East, Lea County, New Mexico.

Thank you,
Bella Sikes | Landman – Permian Exploration
T: 432.620.1639 | M: 806.543.4075



From: Kautz, Paul, EMNRD <paul.kautz@emnrd.nm.gov> **Sent:** Wednesday, May 8, 2024 11:12 AM **To:** Bella Sikes <Bella.Sikes@coterra.com>; Rikala, Ward, EMNRD <Ward.Rikala@emnrd.nm.gov> **Cc:** Dylan Park <Dylan.Park@coterra.com>; Scott Richter <Scott.Richter@coterra.com>; Juan Comella <Juan.Comella@coterra.com>; Staci Mueller <Staci.Mueller@coterra.com> **Subject:** RE: [EXTERNAL] Wolfbone Pool Code T20S-R34E

Since I do not know what sections I cannot answer this question.

Paul Kautz
Petroleum Specialist
Hobbs Field Office Geologist
Energy Minerals Natural Resources Dept.
Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240
Cell # 575-602-4493

From: Bella Sikes <Bella.Sikes@coterra.com> **Sent:** Wednesday, May 8, 2024 10:08 AM **To:** Kautz, Paul, EMNRD <paul.kautz@emnrd.nm.gov>; Rikala, Ward, EMNRD <Ward.Rikala@emnrd.nm.gov> **Cc:** Dylan Park <Dylan.Park@coterra.com>; Scott Richter <Scott.Richter@coterra.com>; Juan Comella <Juan.Comella@coterra.com>; Staci Mueller <Staci.Mueller@coterra.com> **Subject:** RE: [EXTERNAL] Wolfbone Pool Code T20S-R34E

Hi Paul,

Thank you for answering my questions. So in this area, would the pool be: **Quail Ridge; Wolfbone** or, is there another geographic name the OCD would want us to use?

Thank you,
Bella Sikes | Landman – Permian Exploration

T: 432.620.1639 | M: 806.543.4075

From: Kautz, Paul, EMNRD <paul.kautz@emnrd.nm.gov> **Sent:** Wednesday, May 8, 2024 11:01 AM **To:** Bella Sikes <Bella.Sikes@coterra.com>; Rikala, Ward, EMNRD <Ward.Rikala@emnrd.nm.gov> **Cc:** Dylan Park <Dylan.Park@coterra.com>; Scott Richter <Scott.Richter@coterra.com>; Juan Comella <Juan.Comella@coterra.com>; Staci Mueller <Staci.Mueller@coterra.com> **Subject:** RE: [EXTERNAL] Wolfbone Pool Code T20S-R34E

Hi Bella,

There are many problems with this.

1. Gotham is not a geographic name. Pool name consists of two parts a geographic name plus formation name.
2. T20S, R34E there are already existing Bone Spring and Wolfcamp pools any contraction of existing pools for the creation of a new pool will require it to go to hearing.

Paul Kautz
Petroleum Specialist
Hobbs Field Office Geologist
Energy Minerals Natural Resources Dept.
Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240
Cell # 575-602-4493

From: Bella Sikes <Bella.Sikes@coterra.com> **Sent:** Wednesday, May 8, 2024 6:47 AM **To:** Kautz, Paul, EMNRD <paul.kautz@emnrd.nm.gov>; Rikala, Ward, EMNRD <Ward.Rikala@emnrd.nm.gov> **Cc:** Dylan Park <Dylan.Park@coterra.com>; Scott Richter <Scott.Richter@coterra.com>; Juan Comella <Juan.Comella@coterra.com>; Staci Mueller <Staci.Mueller@coterra.com> **Subject:** RE: [EXTERNAL] Wolfbone Pool Code T20S-R34E

Hi Paul,

Wanted to follow up on my previous question. We presented our Mighty Pheasant 5-8/Loosey Goosey 4-9 development (in T-20-S, R-34-E) argument to the OCD from August 9 to August 11, 2023, and received an official order on April 8, 2024. Please see the official Order attached to this email.

The other applicant, Permian Resources, filed their Gotham Wolfbone pool proposal last Friday. Was their naming convention approved by the OCD or is it just a proposal? If it was approved by the OCD, would you mind sharing how that process works?

Thank you,

Bella Sikes | Landman – Permian Exploration
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TAB 3

Exhibit G-3: Vertical Extent of Wolfbone Pool Proposal

Wolfbone Pool Proposal

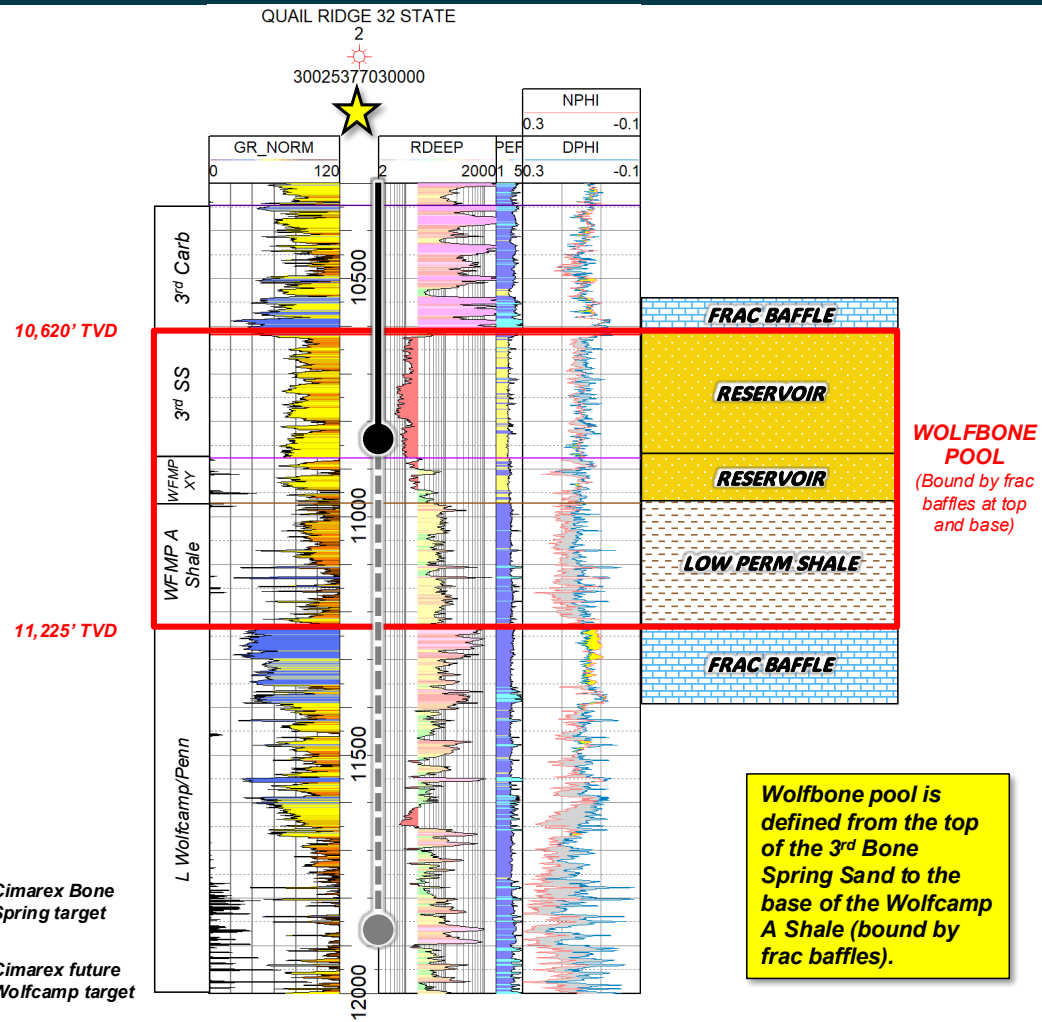


EXHIBIT
G-3