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

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

Case Nos. 22313-22316

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 22179-22180 & 22382

Examiner Docket: March 24, 2022

CIMAREX'S EXHIBITS



Earl E. DeBrine, Jr. Deana M. Bennett Jamie L. Allen Bryce H. Smith

MODRALL SPERLING

500 Fourth Street NW, Suite 1000 P. O. Box 2168 / Albuquerque, NM 87103 Telephone 505.848.1800

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- Exhibit E-1: Resume of Kelsi Henriques
- Exhibit E-2: Resume of Jennifer A. Blake
- Exhibit E-3: Resume of Eddie Behm

The Division's Factors Weigh in Cimarex's Favor

Factor	Cimarex	Devon		Comment
Geologic Evidence	>	×		Avalon: Presence of limestone and chert creates greater operational risk for Devon's longer laterals First and Third Bone Spring: Productive formations that Devon is excluding Frac baffles between Third Bone Spring and Wolfcamp XY may reduce Devon production from Third Bone Spring
Risk	>	×	• • • •	Cimarex's plan represents a continuation of its proven strategy developing 2-mile laterals in this area. Avalon: Presence of limestone and chert creates greater operational risk for Devon's longer laterals Wolfcamp: Three-mile laterals in Wolfcamp are risky. Limiting Cimarex to 1-mile laterals creates unnecessary risk—1-mile laterals no longer the industry standard. Likely won't be drilled until at least 2029, with uncertainty regarding regulatory regime at that time.
Negotiations	`	×		Cimarex engaged in extensive trade discussions with Devon. Devon's counters became progressively worse, with Devon's final offers being worse for Cimarex than its first offers.
Prudent Operator and Prevent Waste	>	×		Cimarex has successful wells in the E/2 of Sections 1 and 12 along with existing infrastructure. Cimarex targeting proven First and Third Bone Spring; Devon is not. Cimarex's plan captures 10% more reserves than Devon. Devon's Wolfcamp spacing may leave reserves.
Cost Estimates	>	×		Cimarex has existing infrastructure in place. Cimarex will need to build two pads but existing infrastructure reduces costs. Cimarex has existing infrastructure for gas, oil, and water takeaway, which will reduce operational costs.
Ownership Interest	>	×	• •	After the Concho trade, Cimarex will own 71% of the working interest in its proposed HSUs. Cimarex's plan protects correlative rights by allowing each operator to develop acreage.
Surface Factor	`	×		Cimarex has development immediately adjacent to proposed unit in E/2 of Sections 1 and 12. Cimarex has existing surface facilities, which reduces need to build as many surface facilities. Cimarex has existing gas, oil, and water take-away reducing costs and demonstrating readiness.

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22313	APPLICANT'S RESPONSE
Date: March 24, 2022	
Applicant	Cimarex Energy Co.
Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co. (215099)
	Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E. DeBrine, Jr., Deana M. Bennett, Jamie L. Allen &
Applicant's Counsel: Case Title:	Bryce H. Smith) Amended Application of Cimarex Energy Co. for
Case little:	Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Devon Energy Production Company, L.P.
ri e	Michael H. Feldewert
	Adam G. Rankin
	Julia Broggi
	Kaitlyn A. Luck
	Holland & Hart, LLP
	Post Office Box 2208
	Santa Fe, New Mexico 87504
	TEL: (505) 988-4421
	FAX: (505) 983-6043 mfeldewert@hollandhart.com
	agrankin@hollandhart.com
	jbroggi@hollandhart.com
	kaluck@hollandhart.com
	ConocoPhillips
	Ocean Munds-Dry
	Elizabeth Ryan
	ConocoPhillips
	1048 Paseo de Peralta
	Santa Fe, New Mexico 87501
	(505) 780-8000
	(505) 428-0485 Facsimile
	Ocean.Munds-Dry@conocophillips.com
	Beth.Ryan@conocophillips.com
Well Family	Coriander
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Diamondtail; Bone Spring (17644)

Well Location Setback Rules:	Statewide
Spacing Unit Size:	640
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Coriander 1-12 Fed Com 27H
Applicant's Ownership in Each Tract	See Exhibits B-2, B-6, and B-9. See also Tab B, Declarataion of Kelsi Henriques.
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B-13. See also Tab B, Declarataion of Kelsi Henriques.
Well #2	API No.: TBD SHL: 370 feet from the North line and 2,537 feet from the East line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM. BHL: 100 feet from the South line and 2,324 feet from the West line, Section 12, Township 23 South, Range 32 East, NMPM, Lea County, NM. Completion Target: Bone Spring Formation at approximately 12,230' TVD. Well Orientation: North-South Completion Location: Expected to be standard. See Exhibit B-13 for C102s. Coriander 1-12 Fed Com 16H API No.: TBD SHL: 310 feet from the North line and 2,638 feet from the East line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM.
	BHL: 100 feet from the South line and 2,034 feet from the West line, Section 12, Township 23 South, Range 32 East, NMPM, Lea County, NM. Completion Target: Bone Spring Formation at approximately 11,030' TVD. Well Orientation: North-South Completion Location: Expected to be standard. See See Exhibit B-13 for C102s.

Well #3	Coriander 1-12 Fed Com 18H
	API No.: TBD
	SHL: 250 feet from the North line and 2,538 feet from
	the East line, Section 1, Township 23 South, Range 32
	East, NMPM, Lea County, NM.
	BHL: 100 feet from the South line and 1,884 feet from
	the West line, Section 12, Township 23 South, Range
	32 East, NMPM, Lea County, NM.
	Completion Target: Bone Spring Formation at
	approximately 10,200 TVD.
	Well Orientation: North-South
	Completion Location: Expected to be standard. See
	See Exhibit B-13 for C102s.
Well #4	Coriander 1-12 Fed Com 25H
	API No.: TBD
	SHL: 370 feet from the North line and 874 feet from
	the West line, Section 1, Township 23 South, Range 32
	East, NMPM, Lea County, NM.
	BHL: 100 feet from the South line and 990 feet from
	the West line, Section 12, Township 23 South, Range
	32 East, NMPM, Lea County, NM.
	Completion Target: Bone Spring Formation at
	approximately 12,230' TVD.
	Weli Orientation: North-South
	Completion Location: Expected to be standard. See
	Exhibits 2 and 5.
Well #5	Coriander 1-12 Fed Com 27H
vven no	API No.: TBD
	SHL: 310 feet from the North line and 794 feet from
	the West line, Section 1, Township 23 South, Range 32
	East, NMPM, Lea County, NM.
	BHL: 100 feet from the South line and 1,175 feet from
	the West line, Section 12, Township 23 South, Range
	32 East, NMPM, Lea County, NM.
	Completion Target: Bone Spring Formation at
	approximately 10,770' TVD.
	Well Orientation: North-South
	Completion Location: Expected to be standard. See
Well #6	See Exhibit B-13 for C102s. Coriander 1-12 Fed Com 28H
weii #6	API No.: TBD
	SHL: 310 feet from the North line and 754 feet from
	the West line, Section 1, Township 23 South, Range 32
	East, NMPM, Lea County, NM.
	BHL: 100 feet from the South line and 330 feet from
	the West line, Section 12, Township 23 South, Range
	32 East, NMPM, Lea County, NM.
	Completion Target: Bone Spring Formation at
	approximately 11,030' TVD.
	Well Orientation: North-South
	Completion Location: Expected to be standard. See
	See Exhibit B-13 for C102s.

Well #7	Coriander 1-12 Fed Com 31H
Weii #7	API No.: TBD
	SHL: 250 feet from the North line and 833 feet from
	the West line, Section 1, Township 23 South, Range 32
	East, NMPM, Lea County, NM.
	BHL: 100 feet from the South line and 330 feet from
	the West line, Section 12, Township 23 South, Range
	32 East, NMPM, Lea County, NM.
	Completion Target: Bone Spring Formation at
	approximately 10,200' TVD.
	Well Orientation: North-South
	Completion Location: Expected to be standard. See
	See Exhibit B-13 for C102s.
Horizontal Well First and Last Take Points	See Exhibit B-13 for C102s.
Well #1	Coriander 1-12 Fed Com 12H
	FTP: 370 feet from the North line and 2314 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP:100 feet from the South line and 2,324 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Well #2	Coriander 1-12 Fed Com 16H
	FTP: 310 feet from the North line and 2,024 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 2,034 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Well #3	Coriander 1-12 Fed Com 18H
	FTP: 250 feet from the North line and 1,874 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 1,884 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Well #4	Coriander 1-12 Fed Com 25H
	FTP: 370 feet from the North line and 990 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 990 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Well #5	Coriander 1-12 Fed Com 27H
W C II π J	FTP: 370 feet from the North line and 1,175 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 1,175 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.

Well #6	Coriander 1-12 Fed Com 28H
	FTP: 310 feet from the North line and 330 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 330 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Well #7	Coriander 1-12 Fed Com 31H
	FTP: 250 feet from the North line and 330 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 330 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Completion Target (Formation, TVD and MD)	See Exhibits B-13 and B-14.
Well #1	Coriander 1-12 Fed Com 12H
	Formation: Bone Spring
*	TVD: 12,230'
	MD: 22,230'
Well #2	Coriander 1-12 Fed Com 16H
	Formation: Bone Spring
	TVD: 11,030'
	MD: 21,030'
Well #3	Coriander 1-12 Fed Com 18H
	Formation: Bone Spring
	TVD: 10,200'
	MD: 20,200'
Well #4	Coriander 1-12 Fed Com 25H
	Formation: Bone Spring
	TVD: 12,230'
	MD: 22,230'
Well #5	Coriander 1-12 Fed Com 27H
	Formation: Bone Spring
	TVD: 10,770'
	MD: 20,770'
Well #6	Coriander 1-12 Fed Com 28H
	Formation: Bone Spring
	TVD: 11,030'
	MD: 21,030'
Well #7	Coriander 1-12 Fed Com 31H
	Formation: Bone Spring
	TVD: 11,030'
	MD: 20,200'
AFE Capex and Operating Costs	
	\$8,000/month. See Tab B, Declaration of Kelsi
Drilling Supervision/Month \$	Henriques, ¶ 50; see also Exhibit B-11.
	\$800/month. See Tab B, Declaration of Kelsi
Production Supervision/Month \$	Henriques, ¶ 50; see also Exhibit B-11.
Justification for Supervision Costs	See Tab B, Declaration of Kelsi Henriques, ¶ 50.
,	

Requested Risk Charge	200%. See Tab B, Declaration of Kelsi Henriques, ¶ 51.
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-16
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-16
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-16
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits B-2 and B-6
Tract List (including lease numbers and owners)	Exhibit B-9
Pooled Parties (including ownership type)	Exhibit B-10
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & be	lovN/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B-11
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-10
Chronology of Contact with Non-Joined Working Interests	Exhibit B-15
Overhead Rates In Proposal Letter	Exhibit B-11
Cost Estimate to Drill and Complete	Exhibit B-14
Cost Estimate to Equip Well	Exhibit B-14
Cost Estimate for Production Facilities	Exhibit B-14
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibits C-3 through C-6
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3 through C-6
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibits C-3 through C-6
HSU Cross Section	Exhibits C-3 through C-6
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B-13
Tracts	Exhibit B-9
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-9
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibits C-3 through C-6
Cross Section Location Map (including wells)	Exhibits C-3 through C-6
Cross Section (including Landing Zone)	Exhibits C-3 through C-6
Additional Information	

Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	Deur M Brooks
Date:	Thursday, March 17, 2022

	T BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 22314	APPLICANT'S RESPONSE
Date: March 24, 2022	
Applicant	Cimarex Energy Co.
Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co. (215099) Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E DeBrine, Jr., Deana M. Bennett, Jamie L. Allen &
Applicant's Counsel:	Bryce H. Smith)
Case Title:	Application of Cimarex Energy Co. for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Devon Energy Production Company, L.P. Michael H. Feldewert
	Adam G. Rankin
	Julia Broggi
	Kaitlyn A. Luck
	Holland & Hart, LLP
	Post Office Box 2208
	Santa Fe, New Mexico 87504
	TEL: (505) 988-4421
	FAX: (505) 983-6043 mfeldewert@hollandhart.com
	agrankin@hollandhart.com
	jbroggi@hollandhart.com kaluck@hollandhart.com
	ConocoPhillips
	Ocean Munds-Dry
	Elizabeth Ryan
	ConocoPhillips
	1048 Paseo de Peralta
	Santa Fe, New Mexico 87501
	(505) 780-8000
	(505) 428-0485 Facsimile
	Ocean.Munds-Dry@conocophillips.com Beth.Ryan@conocophillips.com
Well Family	Coriander
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil ·
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	WC-025 G-09 S223332A; UPR Wolfcamp

Well Location Setback Rules:	Statewide
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibits B-2, B-6, and B-9. See also Tab B, Declarataion of Kelsi Henriques.
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B-13. See also Tab B, Declarataion of Kelsi Henriques.
Well #1	Coriander 1-12 Fed Com 26H API No.: TBD SHL: 370 feet from the North line and 834 feet from the West line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM. BHL: 100 feet from the South line and 330 feet from the West line, Section 12, Township 23 South, Range 32 East, NMPM, Lea County, NM. Completion Target: Wolfcamp Formation at approximately 12,525' TVD. Well Orientation: North-South Completion Location: Expected to be standard. See See Exhibit B-13 for C102s.
Horizontal Well First and Last Take Points	See Exhibits B-13 and B-14.
Well #1	Coriander 1-12 Fed Com 26H FTP: 370 feet from the North line and 330 feet from the West line of Section 1, Township 23 South, Range 32 East. LTP: 100 feet from the South line and 330 feet from the South line of Section 12, Township 23 South, Range 32 East. See Exhibit B-13.
Completion Target (Formation, TVD and MD)	See Exhibits B-13 and B-14.

Well #1	Coriander 1-12 Fed Com 26H Formation: Wolfcamp
	TVD: 12,525' MD: 22,525'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000/month. See Tab B, Declaration of Kelsi Henriques, ¶ 50; see also Exhibit B-11.
Production Supervision/Month \$	\$800/month. See Tab B, Declaration of Kelsi Henriques, ¶ 50; see also Exhibit B-11.
Justification for Supervision Costs	See Tab B, Declaration of Kelsi Henriques, ¶ 50.
Requested Risk Charge	200%. See Tab B, Declaration of Kelsi Henriques, ¶ 51.
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-16
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-16
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-16
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits B-2 and B-6
Tract List (including lease numbers and owners)	Exhibit B-9
Pooled Parties (including ownership type)	Exhibit B-10
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & be	ov N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B-11
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-10
Chronology of Contact with Non-Joined Working Interests	Exhibit B-15
Overhead Rates In Proposal Letter	Exhibit B-11
Cost Estimate to Drill and Complete	Exhibit B-14
Cost Estimate to Equip Well	Exhibit B-14
Cost Estimate for Production Facilities	Exhibit B-14
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibits C-3 through C-6
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3 through C-6
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibits C-3 through C-6
HSU Cross Section	Exhibits C-3 through C-6
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B-13

Tracts	Exhibit B-9
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-9
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibits C-3 through C-6
Cross Section Location Map (including wells)	Exhibits C-3 through C-6
Cross Section (including Landing Zone)	Exhibits C-3 through C-6
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	When MBratto
Date:	Thursday, March 17, 2022

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COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

l	ALL INFORMATION IN THE	e applicatioi	N MUST	BE SUPPORTED BY	SIGNED AFFIDAVITS

Case: 22315	APPLICANT'S RESPONSE	
Date: March 24, 2022		
Applicant	Cimarex Energy Co.	
Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co. (215099)	
	Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E.	
	DeBrine, Jr., Deana M. Bennett, Jamie L. Allen & Bryce	
Applicant's Counsel:	H. Smith)	
Case Title:	Application of Cimarex Energy Co. for Compulsory Pooling, Lea County, New Mexico	
Entries of Appearance/Intervenors:	Devon Energy Production Company, L.P.	
	Michael H. Feldewert	
	Adam G. Rankin	
	Julia Broggi Kaitlyn A. Luck	
	Holland & Hart, LLP	
	Post Office Box 2208	
	Santa Fe, New Mexico 87504	
	TEL: (505) 988-4421	
	FAX: (505) 983-6043	
	mfeldewert@hollandhart.com	
	agrankin@hollandhart.com	
	jbroggi@hollandhart.com	
	kaluck@hollandhart.com	
	ConocoPhillips	
	Ocean Munds-Dry	
	Elizabeth Ryan ConocoPhillips	
	1048 Paseo de Peralta	
	Santa Fe, New Mexico 87501	
	(505) 780-8000	
	(505) 428-0485 Facsimile	
	Ocean.Munds-Dry@conocophillips.com	
	Beth.Ryan@conocophillips.com	
Well Family	Coriander	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Avalon	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Avalon	
Pool Name and Pool Code:	Diamondtail; Bone Spring (17644)	



Well Location Setback Rules:	Statewide	
Spacing Unit Size:	640 acres	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	640 acres	
Building Blocks:	40 acres	
Orientation:	North-South	
Description: TRS/County	W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y	
Other Situations		
Depth Severance: Y/N. If yes, description	None	
Proximity Tracts: If yes, description	Yes	
Proximity Defining Well: if yes, description	Coriander 1-12 Fed Com 19H	
Applicant's Ownership in Each Tract	Exhibit X.	
Walla)		
Well(s) Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B-13. See also Tab B, Declarataion of Kelsi Henriques.	
Well #1	Coriander 1-12 Fed Com 19H API No.: TBD SHL: 250 feet from the North line and 2,558 feet from the East line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM. BHL: 100 feet from the South line and 1,647 feet from the West line, Section 12, Township 23 South, Range 32 East, NMPM, Lea County, NM. Completion Target: Avalon Formation at approximately 9,700' TVD. Well Orientation: North-South Completion Location: Expected to be standard. See Exhibit B-13 for C102s.	
Well #2	Coriander 1-12 Fed Com 29H API No.: TBD SHL: 250 feet from the North line and 873 feet from the West line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM. BHL: 100 feet from the South line and 981 feet from the West line, Section 12, Township 23 South, Range 32 East, NMPM, Lea County, NM. Completion Target: Avalon Formation at approximately 9,700' TVD. Well Orientation: North-South Completion Location: Expected to be standard. See Exhibit B-13 for C102s.	

Well #3	Coriander 1-12 Fed Com 30H
vveii #5 	API No.: TBD
	SHL: 250 feet from the North line and 853 feet from
	the West line, Section 1, Township 23 South, Range 32
	East, NMPM, Lea County, NM.
	BHL: 100 feet from the South line and 330 feet from
	the West line, Section 12, Township 23 South, Range
	32 East, NMPM, Lea County, NM.
	Completion Target: Avalon Formation at
	approximately 9,700' TVD.
	Well Orientation: North-South
	Completion Location: Expected to be standard. See
	Exhibit B-13 for C102s.
Horizontal Well First and Last Take Points	See Exhibit B-13 for C102s.
Well #1	Coriander 1-12 Fed Com 19H
	FTP: 250 feet from the North line and 1,637 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 1,647 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Well #2	Coriander 1-12 Fed Com 29H
	FTP: 250 feet from the North line and 981 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 981 feet from
	the West line of Section 12, Township 23 South, Range
	32 East. See Exhibit B-13.
Well #3	Coriander 1-12 Fed Com 30H
Well #3	FTP: 250 feet from the North line and 330 feet from
	the West line of Section 1, Township 23 South, Range
	32 East.
	LTP: 100 feet from the South line and 330 feet from
	the West line of Section 12, Township 23 South, Range
Consulation Toward (Formation TVD and MD)	32 East. See Exhibit B-13.
Completion Target (Formation, TVD and MD)	See Exhibits B-13 and B-14.
Well #1	Coriander 1-12 Fed Com 19H
	Formation: Avalon
	TVD: 9,700'
	MD: 19,700'
Well #2	Coriander 1-12 Fed Com 29H
	Formation: Avalon
	TVD: 9,700'
	MD: 19,700'
M-II HO	Ontinular 4 40 5 10 2011
Well #3	Coriander 1-12 Fed Com 30H
	Formation: Avalon
	TVD: 9,700'
	MD: 19,700'

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000/month. See Tab B, Declaration of Kelsi Henriques, ¶ 50; see also Exhibit B-11.
Production Supervision/Month \$	\$800/month. See Tab B, Declaration of Kelsi Henriques, ¶ 50; see also Exhibit B-11.
Justification for Supervision Costs	See Tab B, Declaration of Kelsi Henriques, ¶ 50.
Requested Risk Charge	200%. See Tab B, Declaration of Kelsi Henriques, ¶ 51.
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-16
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-16
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-16
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits B-2 and B-6
Tract List (including lease numbers and owners)	Exhibit B-9
Pooled Parties (including ownership type)	Exhibit B-10
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & b	pelov N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B-11
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-10
Chronology of Contact with Non-Joined Working Interests	Exhibit B-15
Overhead Rates In Proposal Letter	Exhibit B-11
Cost Estimate to Drill and Complete	Exhibit B-14
Cost Estimate to Equip Well	Exhibit B-14
Cost Estimate for Production Facilities	Exhibit B-14
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibits C-3 through C-6
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3 through C-6
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibits C-3 through C-6
HSU Cross Section	Exhibits C-3 through C-6
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B-13
Tracts	Exhibit B-9
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-9
General Location Map (including basin)	Exhibit C-1

Well Bore Location Map	Exhibit C-1		
Structure Contour Map - Subsea Depth	Exhibits C-3 through C-6		
Cross Section Location Map (including wells)	Exhibits C-3 through C-6		
Cross Section (including Landing Zone)	Exhibits C-3 through C-6		
Additional Information			
Special Provisions/Stipulations	N/A		
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.			
Printed Name (Attorney or Party Representative):	Deana M. Bennett		
Signed Name (Attorney or Party Representative):	Weller U Bruss		
Date:	Thursday, March 17, 2022		

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 22316	APPLICANT'S RESPONSE	
Date: March 24, 2022		
Applicant	Cimarex Energy Co.	
Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co. (215099)	
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E DeBrine, Jr., Deana M. Bennett, Jamie L. Allen & Bryce H. Smith)	
Case Title:	Application of Cimarex Energy Co. for Compulsory Pooling, Lea County, New Mexico	
Entries of Appearance/Intervenors:	Devon Energy Production Company, L.P.	
	Michael H. Feldewert	
	Adam G. Rankin	
	Julia Broggi	
	Kaitlyn A. Luck	
	Holland & Hart, LLP Post Office Box 2208	
	I I	
	Santa Fe, New Mexico 87504 TEL: (505) 988-4421	
	FAX: (505) 983-6043	
	mfeldewert@hollandhart.com	
	agrankin@hollandhart.com	
	jbroggi@hollandhart.com	
	kaluck@hollandhart.com	
	ConocoPhillips	
	Ocean Munds-Dry	
	Elizabeth Ryan	
	ConocoPhillips	
	1048 Paseo de Peralta	
	Santa Fe, New Mexico 87501	
	(505) 780-8000	
	(505) 428-0485 Facsimile	
	Ocean.Munds-Dry@conocophillips.com	
	Beth.Ryan@conocophillips.com	
Well Family	Coriander	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Wolfcamp	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Wolfcamp	
Pool Name and Pool Code:	Wolfcamp	

Well Location Setback Rules:	WC-025 G-09 S223332A; UPR Wolfcamp
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibits B-2, B-6, and B-9. See also Tab B, Declarataion of Kelsi Henriques.
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See Exhibit B-13. See also Tab B, Declarataion of Kelsi Henriques.
Well #1	
vveii #1	the East line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM.
Horizontal Well First and Last Take Points	API No.: TBD SHL: 370 feet from the North line and 2,557 feet from the East line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM. BHL: 100 feet from the South line and 1,664 feet from the West line, Section 12, Township 23 South, Range 32 East, NMPM, Lea County, NM. Completion Target: Wolfcamp Formation at approximately 12,525' TVD. Well Orientation: North-South Completion Location: Expected to be standard. See See Exhibit B-13 for C102s. See Exhibits B-13 and B-14.
	API No.: TBD SHL: 370 feet from the North line and 2,557 feet from the East line, Section 1, Township 23 South, Range 32 East, NMPM, Lea County, NM. BHL: 100 feet from the South line and 1,664 feet from the West line, Section 12, Township 23 South, Range 32 East, NMPM, Lea County, NM. Completion Target: Wolfcamp Formation at approximately 12,525' TVD. Well Orientation: North-South Completion Location: Expected to be standard. See See Exhibit B-13 for C102s.

Well #1	Coriander 1-12 Fed Com 13H	
	Formation: Wolfcamp TVD: 12,525'	
	MD: 22,525'	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000/month. See Tab B, Declaration of Kelsi Henriques, ¶ 50; see also Exhibit B-11.	
Production Supervision/Month \$	\$800/month. See Tab B, Declaration of Kelsi Henriques, ¶ 50; see also Exhibit B-11.	
Justification for Supervision Costs	See Tab B, Declaration of Kelsi Henriques, ¶ 50.	
Requested Risk Charge	200%. See Tab B, Declaration of Kelsi Henriques, ¶ 51.	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit B-16	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-16	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-16	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibits B-2 and B-6	
Tract List (including lease numbers and owners)	Exhibit B-9	
Pooled Parties (including ownership type)	Exhibit B-10	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & belo	ovN/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit B-11	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-10	
Chronology of Contact with Non-Joined Working Interests	Exhibit B-15	
Overhead Rates In Proposal Letter	Exhibit B-11	
Cost Estimate to Drill and Complete	Exhibit B-14	
Cost Estimate to Equip Well	Exhibit B-14	
Cost Estimate for Production Facilities	Exhibit B-14	
Geology		
Summary (including special considerations)	Tab C	
Spacing Unit Schematic	Exhibits C-3 through C-6	
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3 through C-6	
Well Orientation (with rationale)	Exhibit C-2	
Target Formation	Exhibits C-3 through C-6	
HSU Cross Section	Exhibits C-3 through C-6	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit B-13	

Tracts	Exhibit B-9	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-9	
General Location Map (including basin)	Exhibit C-1	
Well Bore Location Map	Exhibit C-1	
Structure Contour Map - Subsea Depth	Exhibits C-3 through C-6	
Cross Section Location Map (including wells)	Exhibits C-3 through C-6	
Cross Section (including Landing Zone)	Exhibits C-3 through C-6	
Additional Information		
Special Provisions/Stipulations		
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett	
Signed Name (Attorney or Party Representative):	Main UBnoth	
Date:	Thursday, March 17, 2022	

LAND

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

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

Case Nos. 22313-22316

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 22179-22180 & 22382

AFFIDAVIT OF KELSI HENRIQUES

Kelsi Henriques, being duly sworn, deposes and states:

BACKGROUND

- 1. I am a landman for Cimarex Energy Co. ("Cimarex"), over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I have testified before the New Mexico Oil Conservation Division (the "Division") via affidavit and my credentials were accepted as a matter of record.
- 3. I attended the University of Tulsa where I received a bachelor's degree in Energy Management with a double concentration of Upstream and Midstream, and a minor in Finance. I graduated Cum Laude in May 2017.
- 4. I have worked as a Landman since June 2017. My experience in land matters dates back to September 2014. I worked as a Land Intern at Triple Crown Energy, LLC from September 2014 to May 2015. I also worked as a Land Intern at Concho Resources during the summers of 2014, 2015, and 2016, which included working on land matters within the Permian Basin in New Mexico. I first worked as a Landman for Concho Resources from June 2017 to October 2020. I have now worked as a Landman for Cimarex Energy Co. since November 2020. I have also been



a Registered Professional Landman with the American Association of Professional Landmen since December 2019.

- 5. My work for Cimarex includes the Delaware Basin and Lea County. I am involved in title, ownership, and leasing. I also work with our exploration team to consolidate Cimarex's leasehold positions and negotiate agreements to enhance Cimarex's operating position.
- 6. I am familiar with the applications filed by Cimarex in Case Numbers 22313–22316 and with the applications filed by Devon Energy Production Company, L.P. ("Devon") in Case Numbers 22179–22180, and 22382 and the land matters involved.
- 7. The purpose of my testimony is to demonstrate, from a land perspective, why Cimarex's development plan for Sections 1 and 12 is more desirable than Devon's plan for Sections 24, 13, and 12. In addition, I will explain the history of Cimarex's discussions with Devon and Cimarex's efforts to resolve the competing development plans.
- 8. There are three primary reasons, from a land perspective, that Cimarex's plan is more desirable than Devon's. First, as I will discuss in more detail, Cimarex is the majority interest owner in its proposed units and the acreage that will be pooled by Devon or Cimarex under either plan is roughly the same. Second, given the ownership division, Cimarex's plan protects correlative rights and allows both Cimarex and Devon to develop their own acreage with two-mile wells. Finally, Cimarex has proven its competence as a prudent operator in this acreage as it has successfully developed four wells in the E/2 of Sections 1 and 12 while Devon has no existing wells in Sections 24, 13, and 12. Simply put, developing the W/2 of Section 12 is part and parcel of Cimarex's overall development plan in this area and therefore presents less risk as Cimarex has demonstrated its experience as a prudent operator in this area.

FACTUAL SUPPORT

- 9. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the above referenced compulsory pooling applications filed by Cimarex.
- 10. In these four cases, Cimarex is seeking orders from the Division for compulsory pooling of interest owners who have refused to voluntarily pool their interests for the proposed Bone Spring, Wolfcamp, and Avalon horizontal spacing units described below, and in the wells to be drilled in the horizontal spacing units. Cimarex also is requesting that it be designated operator of the wells and that the Division deny Devon's competing pooling applications.
- 11. Cimarex proposes to complete seven Bone Spring wells, three Avalon wells, and two Wolfcamp wells (total of twelve wells) in the W/2 of Sections 1 and 12. Cimarex's proposed wells are each 2-mile wells.
- 12. Devon proposes to complete six Bone Spring wells and four Wolfcamp wells (total of ten wells) in the W/2 of Sections 12, 13, and 24. Devon's proposed wells are 3-mile wells, with the exception of the Sneaky Snake 24-13 Fed Com 12H which was proposed as a 2-mile well.
- proposals. As you can see from Exhibit B-1, the W/2 of Section 12 is the only area where Cimarex and Devon's proposals overlap. Exhibit B-1 also demonstrates that, if the Division adopts Cimarex's proposal, each party could immediately develop its own acreage with two-mile wells, rather than under Devon's proposal, where Devon unfairly gets the advantage of developing three-mile wells, and Cimarex's acreage in the W/2 of Section 1 is inequitably restricted to the development of one-mile wells only. Under Devon's proposal, development of Section 1 would be indefinitely delayed because one-mile wells are no-longer the industry standard in the Permian

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Basin nor are they prioritized in Cimarex's current drilling schedule. Due to the uncertain

regulatory environment going forward, this acreage will be in a position of being *de facto* stranded.

14. Exhibit B-2 provides an overview of ownership of the development area

encompassed by Cimarex's development plan. As you can see from Exhibit B-2, Cimarex owns

100% of the working interest in the W/2 of Section 1, as well as 100% of the working interest in

the E/2 of Section 1 and 50% in the E/2 of Section 12. Devon and Conoco each currently own

50% of the working interest in the W/2 of Section 12. However, Cimarex is in discussions with

Conoco, which would result in Cimarex acquiring 84% of Conoco's 50% working interest in the

SW/4 of Section 12. Exhibit B-3 is a letter from Conoco confirming that Conoco and Cimarex are

in trade discussions regarding that acreage. Lastly, Exhibit B-2 shows that Cimarex owns 100%

of the working interest in the NE/4 NW/4 of Section 13.

15. Exhibits B-4 and B-5 show a comparison of Cimarex and Devon's competing

development plans. As shown on those exhibits, Cimarex's plan allows both parties to develop

their own acreage with proven 2-mile wells and is the most efficient way to capture 21.1 MMBO—

roughly 10% more than under Devon's plan. These exhibits also show that Cimarex's plan allows

for uniformity of operatorship and utilizes existing surface facilities and in-place third-party

contracts. Lastly, these exhibits demonstrate that under Devon's plan, significant barrels will be

left in the ground because Devon is not targeting proven formations; namely, the First and Third

Bone Spring Sand.

16. As shown on **Exhibit B-6**, as title currently stands, Cimarex has the majority

ownership interest in its proposed units, as follows:

• Cimarex WI: 50%

Conoco WI: 25%

• Devon WI: 25%

- 17. Assuming the Cimarex/Conoco trade is finalized, Cimarex will own 71% of the working interest in the unit area, with Devon holding only 25% and Conoco would hold a 4% working interest.
- 18. **Exhibit B-7** provides a gun-barrel view of Cimarex's development plan, alongside Devon's development plan.
- 19. **Exhibit B-8** provides a gun-barrel view of Cimarex's development plan alongside its E/2 planned and existing wells.
- 20. Attached as **Exhibit B-9** is a lease tract map outlining the tracts in the unit to be pooled and includes a list of the working interest owners and their respective percentage of interests.
 - 21. Attached as **Exhibit B-10** is a summary of interests to be pooled.
- 22. Attached as **Exhibit B-11** is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
- 23. Below is a brief description of the facts supporting each of the compulsory pooling applications in Case Numbers 22313 through 22316.

24. Case No. 22313

a. In this case, Cimarex seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 12H; Coriander 1-12 Fed Com 16H; Coriander 1-12 Fed Com 18H; Coriander 1-12 Fed Com 25H; Coriander 1-12 Fed Com 27H; Coriander 1-12 Fed Com 28H; and Coriander 1-12 Fed Com 31H wells, to be horizontally drilled. The Coriander 1-12 Fed Com 31H well was added to this application through an amended application. The Amended Application is attached as Exhibit B-12.313.

- b. Attached as **Exhibit B-13.313** are the C-102s for the wells proposed in Case No. 22313. The wells will develop the Diamondtail; Bone Spring Pool (Pool Code 17644). The producing area for the wells will be orthodox. The completed interval for the **Coriander 1-12 Fed Com 27H** well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit.
- c. Attached as **Exhibit B-14.313** are the Authorization for Expenditures for the proposed wells. The estimated cost of the wells set forth therein range from \$8,011,270 to \$8,772,270. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

25. Case No. 22314

- a. In this case, Cimarex seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 26H well, to be horizontally drilled. The Application is attached hereto as Exhibit B-12.314
- b. Attached as **Exhibit B-13.314** is the C-102 for the proposed well. The well will develop the WC-025 G-09 S223332A; UPR Wolfcamp Pool (Pool Code 98177). The producing interval for the well will be orthodox and comply with the Division's set back requirements.
- c. Attached as Exhibit B-14.314 is the Authorization for Expenditure for the proposed well. The estimated cost of the well, set forth therein is \$8,785,200. In my opinion, the estimated cost is fair and reasonable, and is comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

26. Case No. 22315

a. In this case, Cimarex seeks an order from the Division pooling all uncommitted mineral interests within an Avalon horizontal spacing unit underlying the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 19H; Coriander 1-12 Fed Com 29H; and Coriander 1-12 Fed Com 30H wells, to be horizontally drilled. The Application is attached hereto as Exhibit B-12.315.

- b. Attached as Exhibit B-13.315 are the C-102s for the proposed wells. The wells will develop the Diamondtail; Bone Spring Pool (Pool Code 17644). The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 19H well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit.
- c. Attached as **Exhibit B-14.315** are the Authorization for Expenditures for the proposed wells. The estimated cost of the wells, set forth therein is \$7,978,150. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

27. <u>Case No. 22316</u>

- a. In this case, Cimarex seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 13H well, to be horizontally drilled. The Application is attached hereto as Exhibit B-12.316.
- b. Attached as **Exhibit-13.316** is the C-102 for the proposed well. The well will develop the WC-025 G-09 S223332A; UPR Wolfcamp Pool (Pool Code 98177). The producing interval for the well will be orthodox and comply with the Division's set back requirements.
- c. Attached as Exhibit B-14.316 is the Authorization for Expenditure for the proposed well. The estimated cost of the well, set forth therein is \$8,785,200. In my opinion, this estimated cost is fair and reasonable, and is comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
- 28. There are no depth severances within the proposed Bone Spring, Wolfcamp, or Avalon spacing units.

EVALUATION

29. In this affidavit, I will explain why the Division should grant Cimarex's application, and deny Devon's competing applications, by applying the facts of these cases to the factors used by the Division in evaluating competing pooling applications.

30. Of the factors considered by the Division in evaluating competing pooling applications, my testimony focuses primarily on the mineral interest ownership, the surface factor and prevention of waste, which I discuss together, and the negotiations between the parties. Cimarex's other witnesses will address the remaining factors.

A. MINERAL INTEREST OWNERSHIP—CIMAREX HAS A HIGHER MINERAL INTEREST OWNERSHIP IN ITS PROPOSED UNITS THAN DEVON.

31. As shown on Exhibits B-2 and B-6, Cimarex currently owns the largest percentage in the working interest underlying its proposed units.

32. As title currently stands, Cimarex has the majority ownership interest in its proposed units, as follows:

Cimarex: 50%

Conoco: 25%

• Devon: 25%

33. Assuming the Cimarex/Conoco trade is finalized, Cimarex will own 71% of the working interest in the unit area, with Devon holding only 25% and Conoco would hold a 4% working interest. And, if the trade is finalized, Cimarex will own 67.1875% of Section 12, with Devon owning only 25% and Conoco owning 7.8125%, making Cimarex the clear majority WI in all of Sections 1 and 12.

34. To the extent Devon argues that it owns a higher percentage of the WI in its proposed HSU, this fact is misleading because under either proposal, the same acreage is being pooled. Cimarex owns 100% of the WI in the W/2 of Section 1. Devon owns, presumably, a substantial portion of the WI in Sections 13 and 24. What is central to this case is the acreage to be pooled in the W/2 of Section 12 (the "Overlapping Acreage"). However, Devon holds 50% WI in the W/2, and Cimarex will hold nearly 50% (post-COP trade). Additionally, Cimarex owns a

100% WI in the NE/4 of the NW/4 of Section 13, which Devon has to pool.¹ Therefore, even if Devon owns a higher percentage of the WI in its proposed HSU (simply because it is bigger), that fact does not tip the ownership factor in its favor because Devon has to pool the same or more acreage than does Cimarex and because Cimarex will hold the majority WI in Sections 1 and 12.

B. THE SURFACE FACTOR AND THE AVOIDANCE OF WASTE FACTOR

- 35. A reasonable outcome of these competing cases is to allow Cimarex and Devon to each develop their acreage with two-mile wells. This has the benefit of allowing each party to develop its acreage, with limited exceptions applicable to both parties.
- 36. In addition to allowing both parties to develop their acreage, this scenario avoids the possibility of *de facto* stranding.
- 37. Under Devon's proposal, Devon would be permitted to drill three-mile wells covering the W/2 of Sections 12, 13, and 24 and leave Cimarex to drill one-mile wells in the W/2 of Section 1. Devon's development plan would have one of two results. First, adopting Devon's plan could delay development in Section 1 because Cimarex does not have plans to develop one-mile wells at this time. Under the worst case scenario, Devon's restriction of Cimarex to 1-mile wells would *de facto* strand Cimarex's W/2 acreage in Section 1 because it would be uneconomical for Cimarex or any other operator to drill one-mile wells in this acreage. This risk is unjustified given the fact that under Cimarex's proposal, all of the acreage at issue could be developed immediately using 2-mile wells. Devon's plan on the other hand would result in waste and essentially eliminate Cimarex's correlative rights in the W/2 of Section 1.

¹ Under Devon's newly proposed single 960-acre unit, the breakdown is now 4.1667%, whereas before it was 8.3333% in a 480-acre unit, which seems to have the affect and intent of diluting Cimarex's interest.

- 38. The *de facto* stranding of reserves in the W/2 of Section 1 is especially undesirable given that Cimarex has developed the E/2 of Sections 1 and 12 using 2-mile wells and intends to develop the W/2 in a similar fashion.
- 39. Devon's plan would not prevent any surface waste because if Cimarex or another operator did decide to drill one-mile wells in Section 1, it would have to build the same surface facilities as it would if it could drill two-mile wells covering Sections 1 and 12.
- 40. Cimarex's development plan presents relatively low risk and protects the parties' correlative rights. Under its plan, Cimarex will develop its acreage in Sections 1 and adjacent Section 12 using two-mile wells. Under the Cimarex plan, Devon could still develop its acreage in Sections 13 and 24 using two-mile wells. Therefore, there is very little risk that any of the minerals underlying this acreage would go undeveloped because both parties would utilize proven drilling methods that are standard in the industry.
- 41. Put simply, Cimarex's proposal gives both parties the opportunity to economically develop their acreage without the risk of leaving significant acreage undeveloped. Cimarex's proposal is fair and equitable to both parties and dramatically reduces the risk that any acreage in the subject lands would go undeveloped.

C. A REVIEW OF GOOD FAITH NEGOTIATIONS.

42. Prior to filing its applications, Cimarex made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. To locate interest owners, Cimarex conducted a diligent search of the public records in the county where the wells will be located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification. I mailed all working interest owners well proposals and an Authorization for Expenditure, and a form of Operating Agreement upon request.

- 43. Cimarex sent its well proposal letters to the working interests owners in March and July of 2021.
- 44. **Exhibit B-15** is a summary of Cimarex's communications with working interest owners, including Devon.
- 45. In my opinion, Cimarex negotiated in good faith with Devon. Conversely, Devon's offers became progressively worse for Cimarex. From our perspective, Devon increasingly asked for more value to be received on their end while giving up nothing additional to Cimarex. In my opinion, Devon's negotiations were not in good faith.
- 46. As shown on **Exhibit B-16**, Cimarex, through counsel, notified all necessary parties of its applications for compulsory pooling as required by the Division's rules.
- 47. Cimarex discussed its development plans with Devon, including a number of potential trades but none of them have worked out to date.
- 48. In my opinion, Cimarex negotiated with Devon and the other working interest owners in good faith. On the other hand, Devon did not negotiate with Cimarex and the other working interest owners in good faith.

SUMMARY AND REQUEST FOR RELIEF

- 49. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that Cimarex's development plan will protect correlative rights and prevent waste by providing the best opportunity for each operator to operate its own acreage. On the other hand, Devon's development plan will not protect correlative rights nor prevent waste.
- 50. Cimarex requests overhead and administrative rates of \$8,000/month during drilling and \$800/month while producing. 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 and consistent

with the rates awarded by the Division in in recent compulsory pooling orders. Cimarex requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

- 51. Cimarex requests the maximum cost plus 200% risk charge be assessed against non-consenting pooled working interest owners.
 - 52. Cimarex requests that it be designated operator of the wells.
 - 53. The parties Cimarex is seeking to pool were notified of this hearing.
 - 54. Cimarex requests that overriding royalty interest owners be pooled.
 - 55. A copy of my resume is included as **Exhibit E-1**.

27

56. The attachments to my Affidavit were prepared by me or compiled from company business records.

FURTHER AFFIANT SAYETH NOT.

STATE OF TEXAS

2022 by Kelsi Henriques.

) ss.

COUNTY OF MIDLAND

SEAI

Notary Public, State of Texas Comm. Expires 03-26-2023 Notary ID 126052368

Outcome Comparison: Cimarex's Proposal Maximizes Reserves in the Near Term, Protects Correlative Rights, and Prevents Waste

Devon Proposal: Devon Develops Three Sections and 0 00 0 Leaves Cimarex With One 3

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3 mile development of 960 acres & 1 mile development of 320 acres—more risk.
 1 mile economics won't compete with Cimarex 2 mile inventory; delays spud to 2029 which could strand barrels

X Risk of 3-mile Wolfcamp in this area low performance stranding reserves.

X First and Third Bone Spring not targeted over three sections—stranding reserves.



2 mile development in two 640 units—less risk.

<u>ග</u>

✓ All parties enjoy timely development.

Economics support Wolfcamp development over the next two years for both companies.

✓ First and Third Bone Spring targeted in two of four sections increases production and prevents waste.

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Cimarex Proposal: Each Operator Develops Two Sections

Overview of Competing Applications.

Cimarex Development Plan:

- Includes W/2 of Sections 1 and 12
- Cimarex 100% WI in W/2 of Section 1
- Two-mile wells
- Cimarex 100% WI and operator of E/2 of Sections 1; 50% WI and operator of E/2 of Section 12
- Cimarex has existing surface facilities

Overlapping Acreage:

- W/2 of Section 12
- Cimarex in negotiations with Conoco for 84% of Conoco's 50% WI

00

Devon has 50% WI

Devon Proposed Development Plan:

- Includes W/2 of Sections 12, 13, and 24
- Three-mile wells
- Limits Cimarex to one-mile development in Section 1
- Cimarex owns 100% WI in NE/4 NW/4 of Section 13

📗 = Cimarex's current acreage 🏻 🗖 = Cimarex staked pad 🛅 = Cimarex existing pad



S



Ryan Curry Land Negotiator

ConocoPhillips Company 600 W. Illinois Ave Midland, Texas 79701 Ryan.Curry@conocophillips.com

January 24, 2022

Cimarex Energy Co.
ATTN: Kelsi Henriques
600 N. Marienfeld Street-Suite 600
Midland, TX 79701

Re:

Courtesy Informational Letter

NMOCD Case No: 22313, 22314, 22315, 22316

Ms. Henriques:

This letter is provided to Cimarex Energy Co. ("Cimarex") as an informational letter from ConocoPhillips Company ("COP") to provide notice to the New Mexico Oil and Gas Conservation Division ("NMOCD") regarding a tentative acreage trade whereby COP would be delivering certain acreage to Cimarex and/or its affiliate Coterra Energy Inc. that is involved in compulsory pooling case numbers 22313, 22314, 22315, and 22316.

Whereas Cimarex and COP (collectively the "Party or Parties") have tentatively agreed upon an acreage trade that involves delivering 110 net acres owned solely by COP in the SW/4 of Section 12, Township 23 South, Range 32 East, Lea County, New Mexico to Cimarex.

Whereas this letter should be used ONLY for informational purposes of providing notice to the NMOCD in the above captioned cases and any related cases and only insofar as to the information contained herein as it relates to NMOCD compulsory pooling case numbers 22313, 22314, 22315, and 22316 and related cases. This letter does not alter, change, or bind any previous written or oral agreements between the Parties and by no means obligates either Party to a binding acreage trade as mentioned in this letter.

Sincerely,

Ryan Curry Land Negotiator

ConocoPhillips Company

Flegan B Cecery

EXHIBIT

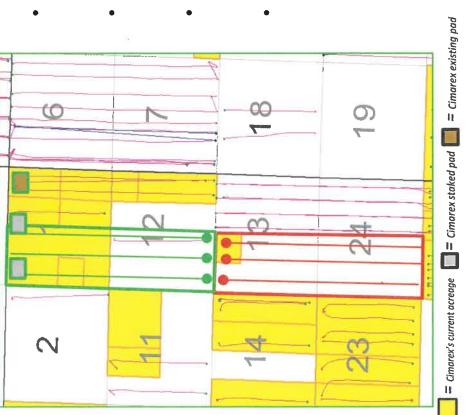
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Cimarex's Plan Allows Both Parties to Develop Proven Two-Mile Wells

Cimarex's Plan—Each Operator Develops Proven Two-Mile Wells



- Less Risk: Allows both Cimarex and Devon to operate 2-mile wells
- Protects Correlative Rights: Allows both to develop acreage in which they hold controlling working interest
- Prevents Waste: Most efficient and effective way to capture 21.1 MMBO - roughly 10% more than Devon
- Allows for uniformity of operatorship across Sections 1 and 12, which has increased efficiencies from existing facilities and in-place third-party contracts



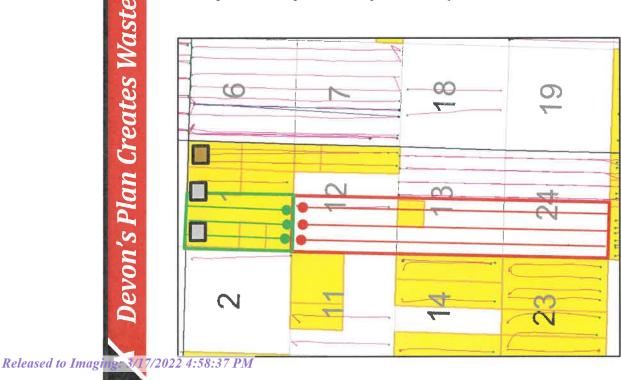


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Devon's Plan Creates Waste, Does Not Protect Correlative Rights, and Poses Risk



- Devon is not targeting proven formations—First Bone Spring Sand or Third Bone Spring Sand—Cimarex is.
- As a result, Devon is potentially leaving significant barrels in the ground in three sections.
- Three-mile wells present added risk in the Avalon and Wolfcamp in this area.



📗 = Cimarex's current acreage 🏻 🛅 = Cimarex staked pad 🔝 💻 Cimarex existing pad



EXHIBIT

Cimarex Has Majority WI in Its Proposed Units

Cimarex Coriander Development WI% -

PRE-TRADE

Cimarex WI: 50% Devon WI: 25%

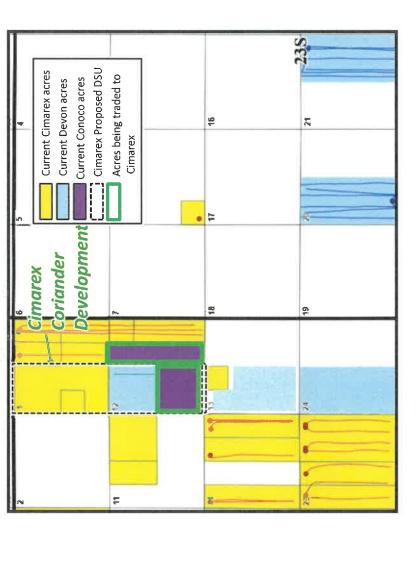
Conoco WI: 25%

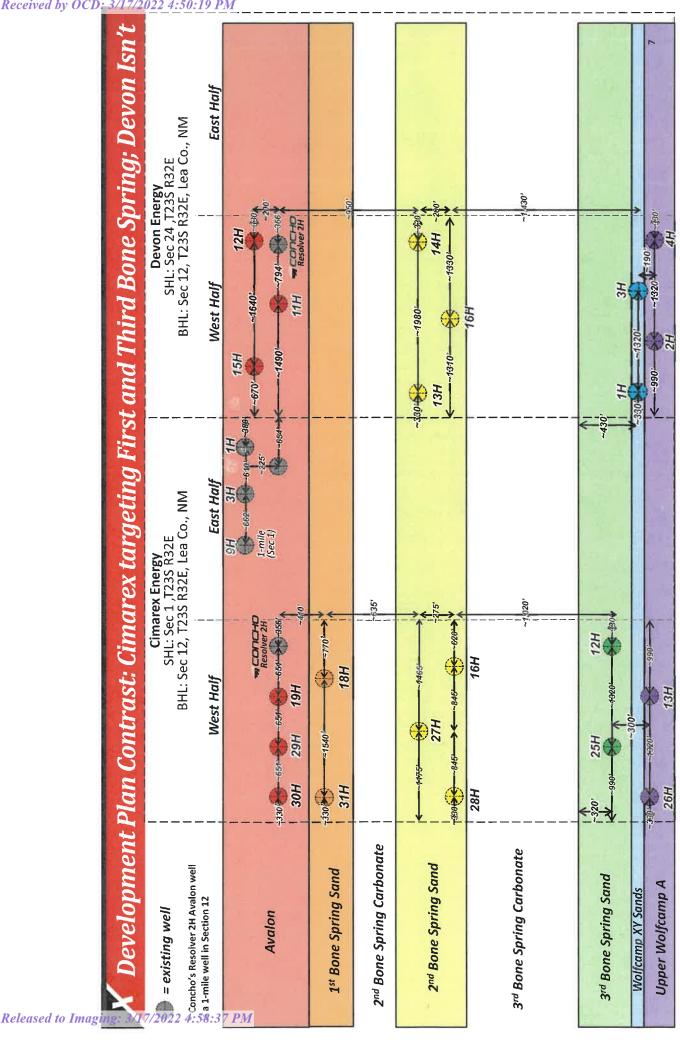
Cimarex Coriander Development WI% -

POST-TRADE

Cimarex WI: 71% Devon WI: 25%

Conoco WI: 4%

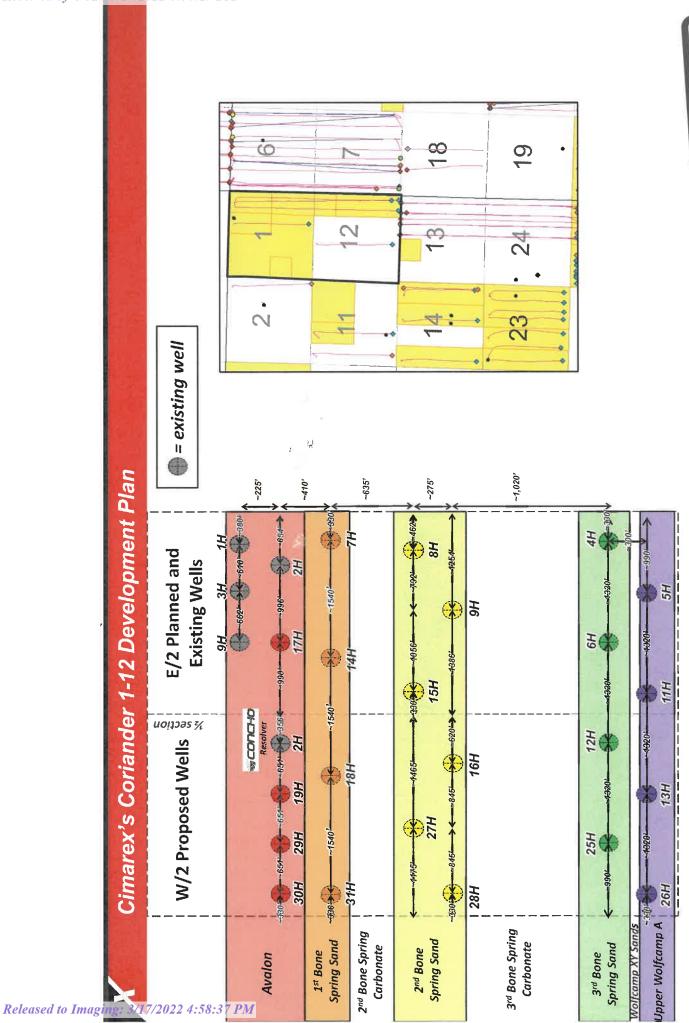






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Tract Map/Ownership For Cimarex Coriander Units

NMNM 081274:

 Lots 1 & 2, S2NW &, & SW4 of Section 1, T23S-R32E

160 Acres

Cimarex: 100%

NMNM 114982

NW/4 of Section 12 T23S-R32E

160 Acres

Devon 100%

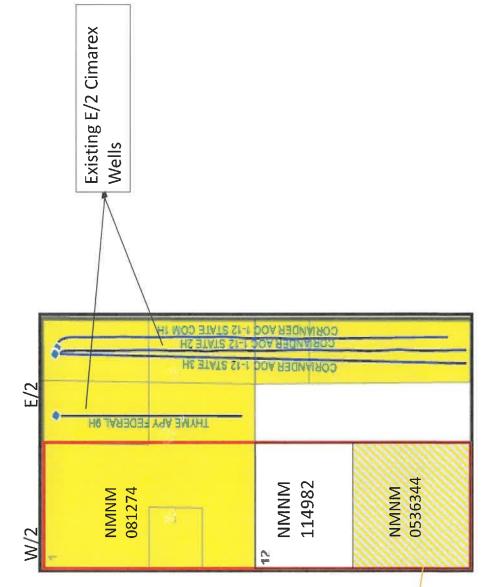
NMNM 053644

SW/4 of Section 12T23S-R32E

160 Acres

Conoco/Concho 100%

Trade tract with Conoco to Cimarex





Parties to Be Pooled—Case Nos. 22313–22316	Interest Type
ConocoPhillips Company	WI
COG Operating LLC	WI
Devon Energy Production Company, L.P.	WI
Lime Rock Resources A, L.P.	ORRI
Lime Rock Resources B, L.P.	ORRI
Lime Rock Resources C, L.P.	ORRI
<u></u>	
	105



March 18, 2021

COG Production LLC Attn: Outside Operated Properties 600 W. Illinois Avenue Midland, Texas 79701



Re: Proposal to Drill

Thyme & Coriander 1-12 Fed Com 6H, 12H-13H, 16H, 18H-19H & 25H-31H

W2 Sections 1 and 12, Township 23 South, Range 32 East

Lea County, NM

Dear Working Interest Owner,

Cimarex Energy Co., hereby proposes to drill Thyme & Coriander 1-12 Fed Com 4H-9H, 11H-19H & 25H-31H Wells at a legal location in Sections 1 and 12, Township 23 South, Range 32 East, Lea County, New Mexico.

Thyme & Coriander 1-12 Fed Com 6H - The intended surface hole location for the well is 270' FNL and 630' FEL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1650' FEL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,230' to the 3rd Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 12H - The intended surface hole location for the well is 370' FNL and 2,545' FEL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 2,310' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,230' to the 3rd Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 13H - The intended surface hole location for the well is 370' FNL and 2,565' FEL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,650' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,525' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 16H - The intended surface hole location for the well is 310' FNL and 2,645' FEL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 2,020' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 11,030' to the 2nd Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 18H - The intended surface hole location for the well is 250' FNL and 2,545' FEL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,870' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 10,200' to the 1st^d Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.



Thyme & Coriander 1-12 Fed Com 19H - The intended surface hole location for the well is 250' FNL and 2,565' FEL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,632' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,700' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 25H - The intended surface hole location for the well is 370' FNL and 874' FWL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 990' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,230' to the 3rd Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 26H - The intended surface hole location for the well is 370' FNL and 854' FWL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 12,525' to the Wolfcamp formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 27H - The intended surface hole location for the well is 310' FNL and 814' FWL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 1,175' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 10,770' to the 2nd Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 28H - The intended surface hole location for the well is 310' FNL and 794' FWL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 11,030' to the 2nd Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 29H - The intended surface hole location for the well is 250' FWL and 874' FWL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 981' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,700' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 30H - The intended surface hole location for the well is 250' FWL and 854' FWL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 9,700' to the Avalon formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Thyme & Coriander 1-12 Fed Com 31H - The intended surface hole location for the well is 250' FWL and 834' FWL of Section 1, Township 23 South, Range 32 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 12, Township 23 South, Range 32 East. The well is proposed to be drilled vertically to a depth of approximately 10,200' to the 1st Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

Cimarex Energy Co. is proposing these wells under the terms of a new Operating Agreement, which is included for your review and approval. It has the following general provisions:

- 100%/300% Non-Consenting Penalty;
- \$8000 Drilling and \$800 Producing Rate; and
- Cimarex Energy Co. named as Operator.

It should be understood that compliance with topography or cultural or environmental concerns, among others, might require modification of Cimarex's intended procedure. Cimarex will advise you of any such modifications.

Enclosed, in duplicate, is our detailed AFE reflecting estimated costs associated with this proposal. If you intend to participate, please approve and return one (1) original of the enclosed AFE, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

If we do not reach an agreement within 30 days of the date of this letter, Cimarex may apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest in to a horizontal spacing unit for the proposed wells.

Please call the undersigned with any questions or comments.

Respectfully,

Kelsi Henriques, RPL

432.571.7887

khenriques@cimarex.com

ELECTION TO PARTICIPATE Thyme & Coriander 1-12 Fed Com 6H, 12H-13H, 16H, 18H-19H & 25H-31H

 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 6H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 6H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 12H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 12H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 13H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 13H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 16H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 16H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 18H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 18H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 19H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 19H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 25H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 25H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 26H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 26H
 COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 27H COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 27H
 COG Production LLC elects TO participate in the proposed Thyme &

		COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 28H
		COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 29H
		COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 29H
		COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 30H
		COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 30H
		COG Production LLC elects TO participate in the proposed Thyme & Coriander 1-12 Fed Com 31H
		COG Production LLC elects NOT to participate in the proposed Thyme & Coriander 1-12 Fed Com 31H
Dated :	this day of	f, 2021.
Signati	ure:	
Title: _		
	election above i 25H-31H wells,	is TO participate in the proposed Thyme & Coriander 1-12 Fed Com 4H-9H, 11H- then:
		COG Production LLC elects TO be covered by well control insurance procured by Cimarex Energy Co.
		COG Production LLC elects NOT to be covered by well control insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a certificate of insurance prior to commencement of drilling operations or be deemed to have elected to be covered by well control insurance procured by Cimarex Energy Co.

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

AMENDED APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22313

AMENDED APPLICATION¹

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby submits this *amended* application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this *amended* application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the Coriander 1-12 Fed Com 12H; Coriander 1-12 Fed Com 16H; Coriander 1-12 Fed Com 18H; Coriander 1-12 Fed Com 25H; Coriander 1-12 Fed Com 27H; Coriander 1-12 Fed Com 28H, and Coriander 1-12 Fed Com 31H wells to a depth sufficient to test the Bone Spring formation.

¹ Amended only to add the Coriander 1-12 Fed Com 31H well and to include updated hearing date of February 3, 2022.

- 4. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 5. The completed interval for the Coriander 1-12 Fed Com 27H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit.
- 6. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on February 3, 2022, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Designating Cimarex as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Earl E. DeBrine, Jr.

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

dmb@modrall.com

jla@modrall.com

Attorneys for Applicant

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22314

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the **Coriander 1-12 Fed Com 26H** well to a depth sufficient to test the Wolfcamp formation.
- 4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 5. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Designating Cimarex as operator of this unit and the well to be drilled thereon;
- C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the well;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Earl E. DeBrine, Jr.

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 edebrine@modrall.com dmb@modrall.com jla@modrall.com Attorneys for Applicant CASE NO. ____: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 26H well to be horizontally drilled. The producing area for the Coriander 1-12 Fed Com 26H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22315

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within an Avalon horizontal spacing unit underlying the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the Coriander 1-12 Fed Com 19H; Coriander 1-12 Fed Com 29H; and Coriander 1-12 Fed Com 30H wells to a depth sufficient to test the Avalon formation.
- 4. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

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- 5. The completed interval for the Coriander 1-12 Fed Com 19H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit.
- 6. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Avalon formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Avalon formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted mineral interests in the Avalon formation underlying a horizontal spacing unit within the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Designating Cimarex as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Earl E. DeBrine, Jr.

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 edebrine@modrall.com

dmb@modrall.com

jla@modrall.com

Attorneys for Applicant

CASE NO. ____: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within an Avalon horizontal spacing unit underlying W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 19H; Coriander 1-12 Fed Com 29H; and Coriander 1-12 Fed Com 30H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 19H well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22316

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the **Coriander 1-12 Fed Com 13H** well to a depth sufficient to test the Wolfcamp formation.
- 4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 5. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;

B. Designating Cimarex as operator of this unit and the well to be drilled thereon;

C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Earl E. DeBrine, Jr.

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800
edebrine@modrall.com
dmb@modrall.com
jla@modrall.com
Attorneys for Applicant

CASE NO. ____: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 13H well to be horizontally drilled. The producing area for the Coriander 1-12 Fed Com 13H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

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District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Azzec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IIV
1220 S. St. Francis Dr., Santa Fe., NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3465

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WELL LOCATION AND ACREAGE DEDICATION PLAT

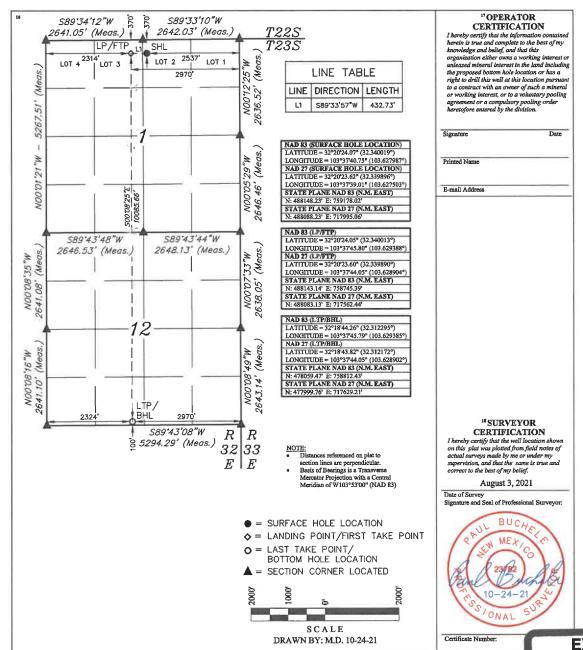
1 API Number	² Peol Code 17644	³ Pool Name Diamondtail; Bone Spr	ing
⁴ Property Code		perty Name I-12 FEDERAL COM	• Well Number 12H
¹ OGRID №. 215099		erator Name X ENERGY CO.	9 Elevation 3750.5'

"Surface Location

UL or lot no. Se	ection 7	Township 23S	Range 32E	Lot Idn	Feet from the 370	North/South line NORTH	Feet from the 2537	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

	UL or lot no. N	Section 12	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 2324	East/West line WEST	County LEA
ĺ	12 Dedicated Acre	ts 13 J	oint or Infill	14 Const	olidation Code	¹⁵ Order No.				



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Roed, Azlec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Sann Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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WELL LOCATION AND ACREAGE DEDICATION PLAT

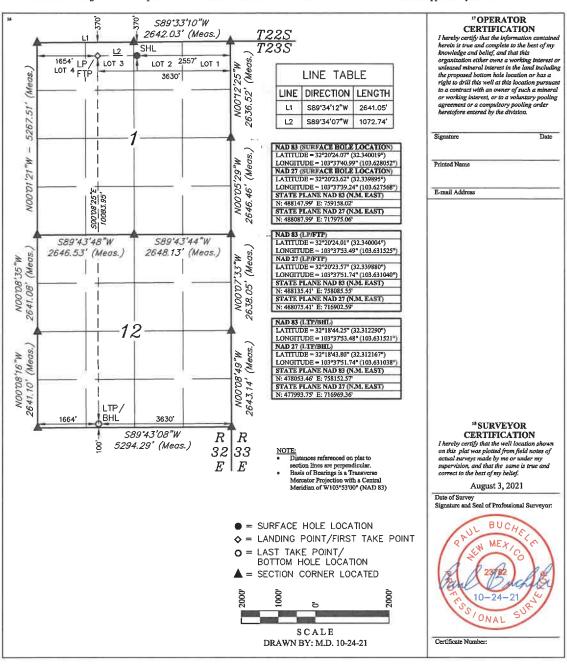
¹ API Number	² Pool Code 98177	³ Pool Name WC-025 G-09 S223332A	A; UPR Wolfcamp			
4 Property Code		⁵ Property Name CORIANDER 1-12 FEDERAL COM				
7 OGRID No.	OGRID No. Operator Name					
215099	3750.3'					

Surface Location

UL or lot no. 2	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 370	North/South line NORTH	Feet from the 2557	East/West line EAST	County LEA
				-					

"Bottom Hole Location If Different From Surface

	UL or lot no. N	Section 12	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 1664	East/West line WEST	County LEA
Г	Dedicated Acre	3 13	Joint or Infill	14 Сопи	lidation Code	15 Order No.				



| District | 1 |
1623 N. French Dr., Hobbs, NM 88240 |
Phone: (575) 393-6161 Fax: (575) 393-0720 |
District II |
811 S. First St., Artesis, NM 88210 |
Phone: (575) 748-1283 Fax: (575) 748-9720 |
District III |
1000 Rio Brazos Road, Aziec, NM 87410 |
Phone: (505) 334-6178 Fax: (505) 334-6170 |
District IV |
1220 S. St. Francis Dr., Santa Fe, NM 87505 |
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WELL LOCATION AND ACREAGE DEDICATION PLAT

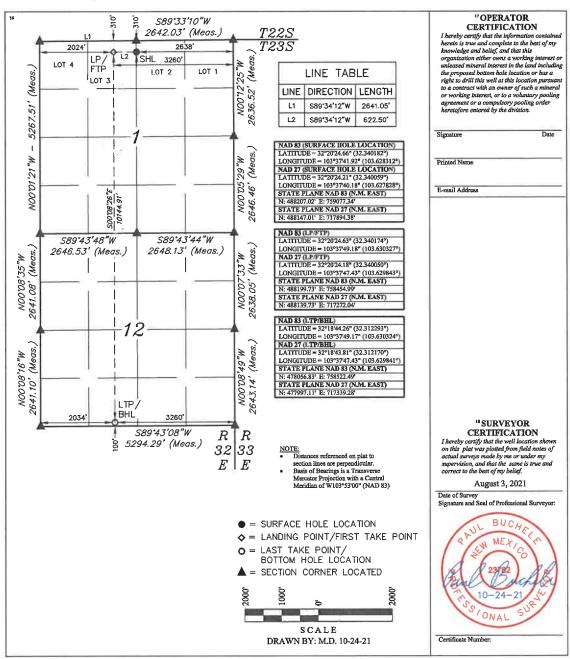
¹ API Number	API Number		oring 6 Well Number			
⁴ Property Code		⁶ Property Name CORIANDER 1-12 FEDERAL COM				
7 OGRID № . 215099	Operator Nam CIMAREX ENER		⁹ Elevation 3750.5 ¹			

Surface Location

UL or lot no. 2	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 310	North/South Hae NORTH	Feet from the 2638	East/West line EAST	County LEA	

"Bottom Hole Location If Different From Surface

UL or lot no. N	Section 12	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 2034	Enst/West line WEST	County LEA
12 Dedicated Acre	28 13 J.	olat or Infill	¹⁴ Conse	olidation Code	15 Order No.				



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (573) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3460

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¹ API Number	² Pool Code 17644	³Pool Name Diamondtail; Bone Sprin	g
⁴ Property Code	⁵ Property Name CORIANDER 1-12 FEDERAL COM		* Well Number 18H
⁷ OGRID №. 215099	Operator Name CIMAREX ENERGY CO.		⁹ Elevation 3752.0'

"Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the 2 1 23S 32E 250 NORTH 2538 EAST LEA

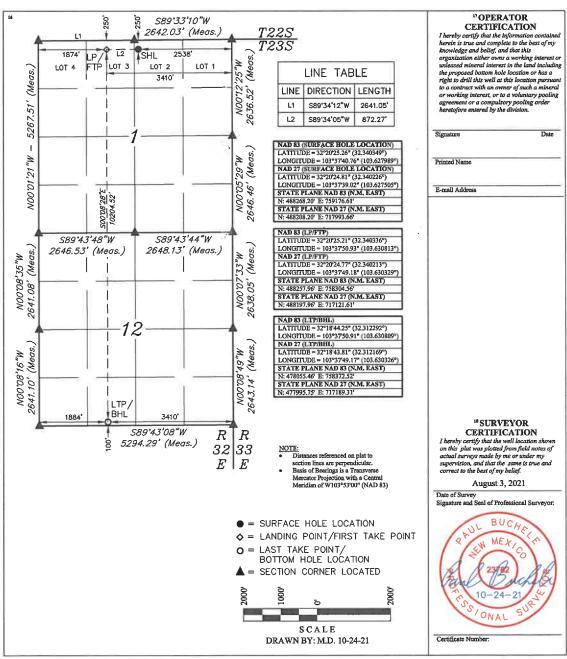
"Bottom Hole Location If Different From Surface

UL or lot no. | Section | Township N | 12 | 23S | 32E | 100 | SOUTH | 1884 | WEST | LEA

"Dedicated Acres | Digital or Location If Different From Surface

"Ounty No. | 12 | South or Location If Different From Surface

| Double of the County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South or Location If Different From Surface | County No. | South Or Location If Different From Sur



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| District |
1623 N. French Dr., Hobbs, NM 88240
Phome: (575) 393-6161 Fax: (575) 393-0720
| District II |
811 S. First St., Artesia, NM 88210
| Phome: (575) 748-1285 Fax: (575) 748-9720
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| Phone: (505) 476-3460 Fax: (505) 476-3460

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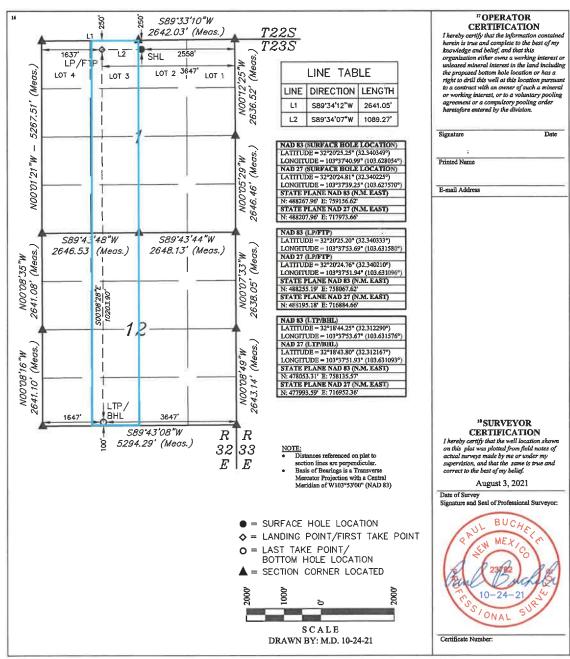
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WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025- 1API Number	17644 Pool Code	Diamondtail; Bone Spring	
4 Property Code		Property Name R 1-12 FEDERAL COM	6 Well Number 19H
⁷ OGRID No. 215099		Operator Name REX ENERGY CO.	9 Elevation 3751.6'

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County						¹⁰ Surface	Location			
2 1 238 32E 250 NORTH 2558 EAST LEA	UL or lot no.	Section 1	Township 23S	220	Lot Idn	Feet from the 250	NODEST	Feet from the 2558	East/West line EAST	County LEA



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 311 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1600 Rb: Drazos Rosal, Aziec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Frencis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3465

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WELL LOCATION AND ACREAGE DEDICATION PLAT

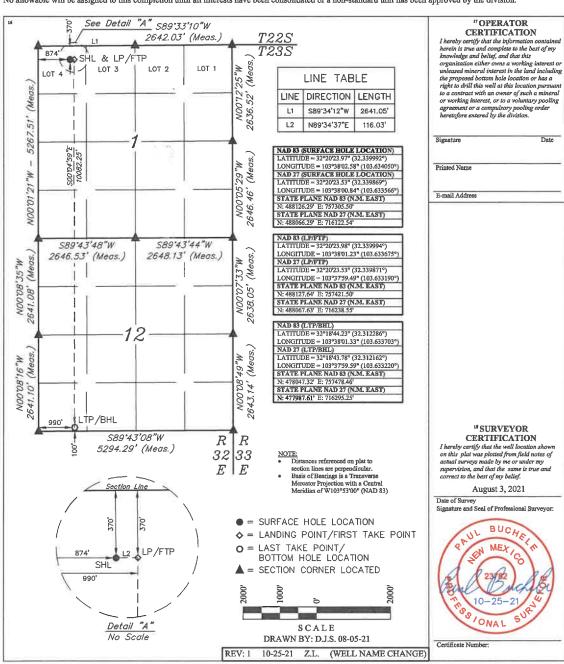
1 API Number	² Pool Code 17644	³ Pool Name Diamondtail; Bone	Spring
4 Property Code	⁵ Property Na CORIANDER 1-12 FE		6 Well Number 25H
⁷ OGRID No. 215099	Operator Na CIMAREX ENE		* Elevation 3734.3'

Surface Location

l	UL or lot no.	Section 1	23S	Range 32E	Lot Idn	370	NORTH	Feet from the 874	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 12	Towaship 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 990	East/West line WEST	County LEA	
12 Dedicated Acre	LS 13	Joint or Infill	14 Cons	olidation Code	15 Order No.					



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WELL LOCATION AND ACREAGE DEDICATION PLAT

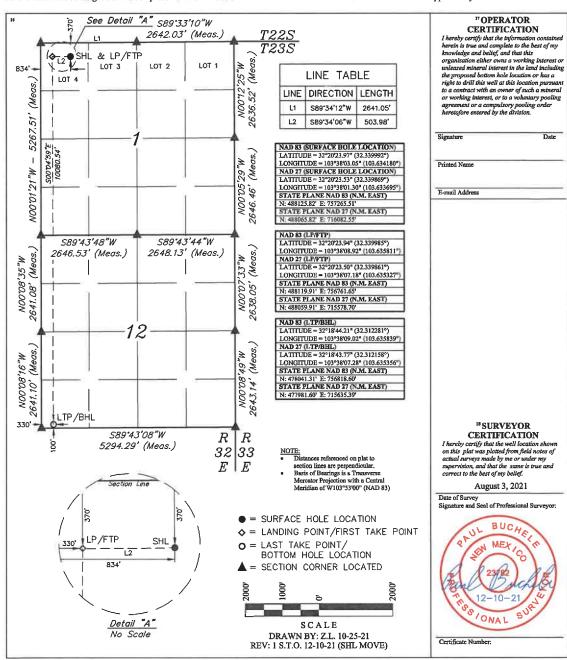
¹ APl Number	² Pool Code 98177	WC-025 G-09 S223332A; UPR Wolfcamp		
4 Property Code		erty Name 12 FEDERAL COM	6 Well Number 26H	
7 OGRID №. 215099		stor Name ENERGY CO.	⁹ Elevation 3734.1'	

"Surface Location

UL or lot no.	Section 1	23S	32E	Lot Idn	370	NORTH	834	WEST	LEA	l

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 12	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 330	East/West line WEST	County LEA
12 Dedicated Acre	13 ,	Joint or Infill	14 Conse	lidation Code	15 Order No.				



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1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Azice, NM 87410
Phone: (503) 334-6178 Fax: (503) 334-6170

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
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WELL LOCATION AND ACREAGE DEDICATION PLAT

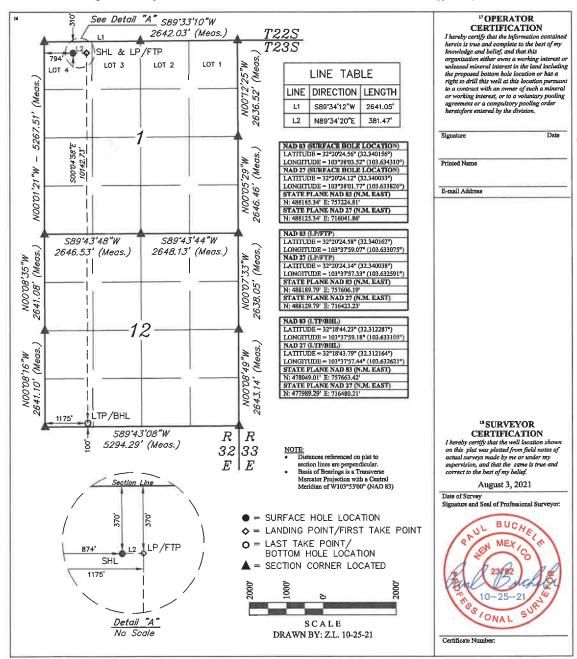
¹ API Number	² Pool Code	³ Pool Name	
	17644	Diamondtail: Bone Spri	ng
4 Property Code	⁵ Property No CORIANDER 1-12 FI		6 Well Number 27H
⁷ OGRID No. 215099	Operator No CIMAREX ENE		* Elevation 3734.0'

"Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the Last/West line County 4 1 23S 32E 310 NORTH 794 WEST LEA	UL or lot no.			North/South line Feet from the NORTH 794	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

1	UL or lot no. M	Section 12	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 1175	East/West line WEST	County LEA	
	12 Dedicated Acre	28 13	Joint or Infill	14 Conse	didation Code	15 Order No.					



State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

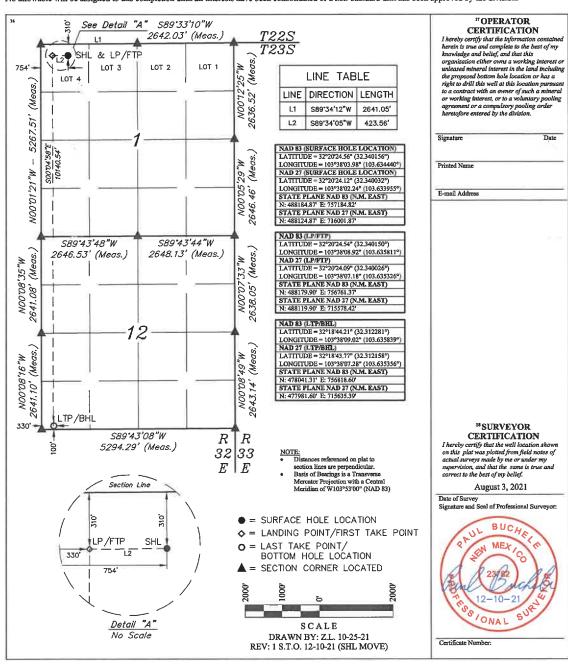
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WELL LOCATION AND ACREAGE DEDICATION PLAT

² Pool Code	³ Pool Name		
17644	Diamondtail, Bone Spring		
⁵ Property Na. CORIANDER 1-12 FE			
* Operator Na CIMAREX ENEI			
	17644 ⁵ Property Na CORIANDER 1-12 FE ⁶ Operator Na		

					10 Surrace	Location			
UL or lot no.	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 310	North/South line NORTH	Feet from the 754	East/West line WEST	County LEA



District 1
1625 N. Fremch Dr., Hobbs, NM 88240
1625 N. Fremch Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
311 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Azke, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Frenci Dr., Santa Fe, NM 87505
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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

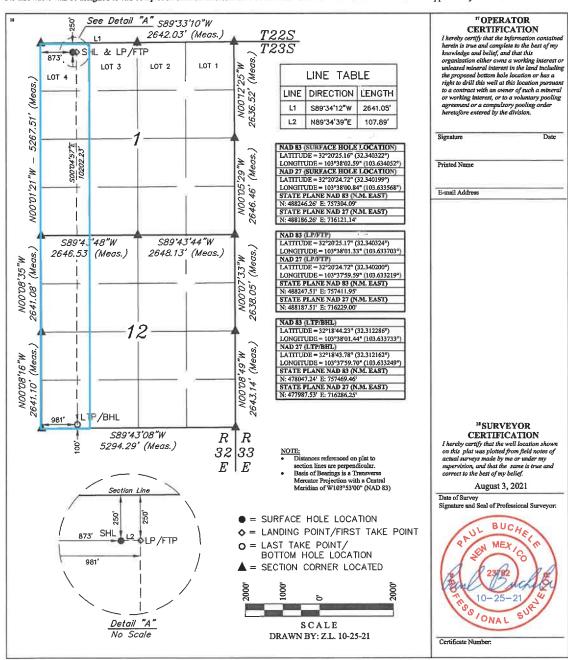
30-025-	17644 Code	Diamondtail; Bone Spring	
4 Property Code		eperty Name 1-12 FEDERAL COM	6 Well Number 29H
70GRID No. 215099		perator Name EX ENERGY CO.	* Elevation 3734.8'

"Surface Location

UL or lot no.	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 250	North/South line NORTH	Feet from the 873	East/West line WEST	County LEA
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"Bottom Hole Location If Different From Surface

UL or lot no. M	Section 12	Township 23S	Range 32E	Lot Idn	Feet from the 100	SOUTH	981	WEST	LEA
¹² Dedicated Acre 319.65	29 13	Joint or Infill	14 Cons	olidation Code	15 Order No.				



District I 1655 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rto Brazos Road, Azzec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

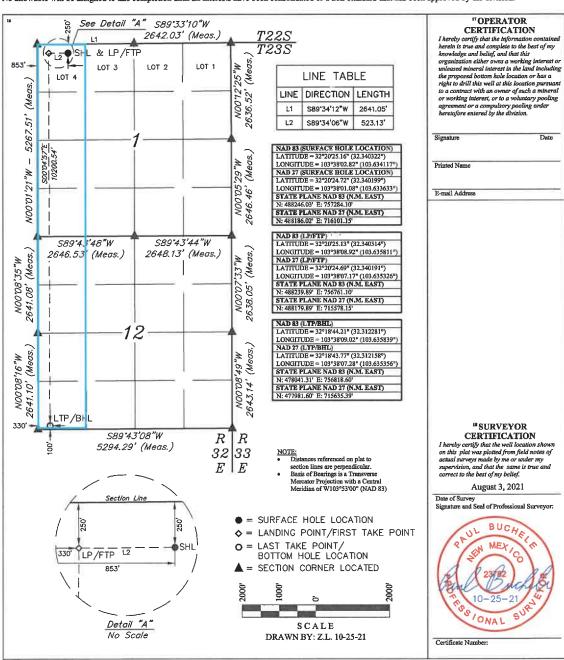
30-025- 1API Number	17644 Pool Code	Diamondtail; Bone Spring	
⁴ Property Code		Property Name R 1-12 FEDERAL COM	6 Well Number 30H
7 OGRID No. 215099		Operator Name EX ENERGY CO.	* Elevation 3734.7'

→Surface Location

	4	1	238	32E		250	NORTH	853	WEST	LEA
- 1	UL or lot no.	Section	lownship	Kange	Lot 1am	Feet from the	North/South line	Feet from the	East West ime	County

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section 12	Township 23S	Range 32E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 330	East/West line WEST	County LEA
319 65	¹³ Dedicated Acres ¹³ Jo 319 65		14 Conse	lidation Code	15 Order No.				



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 South St. Francis Dr. Santa Fe, NM 87505 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

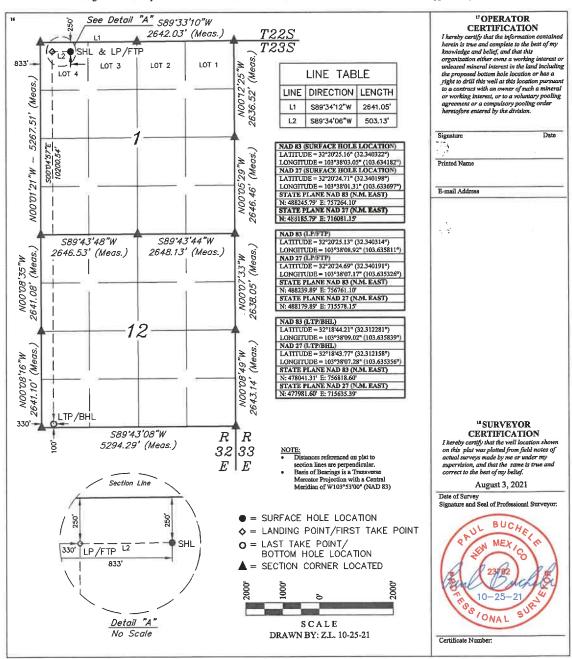
WELL LOCATION AND ACREAGE DEDICATION PLAT

State of New Mexico

1 API Number	² Pool Code	3 Pool Name	
	17644	Diamondtail; Bone Spr	ing
4 Property Code	⁵ Property Nau CORIANDER 1-12 FE		6 Well Number 31H
⁷ OGRID No. 215099	Operator Nati CIMAREX ENER		9 Elevation 3734.8'

					¹⁰ Surface	Location			
UL or lot no.	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 250	North/South line NORTH	Feet from the 833	East/West line WEST	County LEA

"Bottom Hole Location If Different From Surface County Feet from the 100 North/South It 235 WEST M 12 32E 15 Order No



Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Company Entity

AFE Well Name Prospect Property Number Exploration Region THYME & CORIANDER 1-12 Permian Basin New Mexico Bone Spring Pros

FED COM 12H (Lea)

County, State Location Estimated Spud **Estimated Completion** Lea, NM SEC 1-T23S-R32E, LEA COUNTY, NM

X New Well Type Ttl Measured Depth Ttl Vetical Depth Formation Supplement 3RD SAND DEV 22,230 12,230 Revision

Purpose Drill and complete well

Description

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,599,000		\$2,599,000
Completion Costs		\$4,303,407	\$4,303,407
Total Intangible Cost	\$2,599,000	\$4,303,407	\$6,902,407
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$418,000	\$705,000	\$1,123,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$418,000	\$1,451,863	\$1,869,863
Total Well Cost	\$3,017,000	\$5,755,270	\$8,772,270

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

perator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
			1

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.



3/12/2021



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 12H

	BCP - I		ACP -		Com		Productio		Post Con		Total
Description	Codes	Amount	Codes	Amount	Codes	Amount	Codes	Amount	Codes	Amount	Cost
Roads & Location	DIDC.100	100,000			STIM.100	10,000	CON 100	38,860	PCOM.100	10,000	158,860
Damages	DIDC.105	10,000					CON.105	2,990			12,990
Mud/Fluids Disposal	DIDC.255	160,000			STIM.255	53,000			PCOM.255	o	213,000
Day Rate	DIDC.115	480,000	DICC.120	80,000		33,000				-	560,000
			DICC. ILO	80,000		n.				P	
Misc Preparation	DIDC.120	30,000								<u>.</u> }	30,000
Bits	DIDC.125	97,000	DICC.125	0;	STIM.125	0.			PCOM.125	0	97,000
Fuel	DIDC.135	73,000	DICC.130	0					PCOM.130	0	73,000
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0	STIM.135	20,000			PCOM.135	0	25,000
Mud & Additives	DIDC 145	275,000				1					275,000
SWD PIPED TO 3RD PARTY SWD WELL				1		P			PCOM.257	126,270	126,270
Surface Rentals	DIDC.150	112,000	DICC.140	0	STIM.140	143,000	CON.140	1,709	PCOM.140	. 0	256,709
Flowback Labor		112,000		ŭ	STIM.141	1-3,000		1,703	PCOM.141	121,000	
				i					PCOM.141		121,000
Downhole Rentals	DIDC.155	143,000			STIM.145	35,000				0	178,000
Automation Labor							CON.150	42,702	PCOM.150	5,000	47,702
Mud Logging	DIDC 170	29,000									29,000
IPC & EXTERNAL PAINTING	!						CON.165	16,654			16,654
Cementing & Float Equipment	DIDC.185	125,000	DICC 155	120,000							245,000
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000	STIM.160	4,000			PCOM.160	o	50,000
Casing Crews	DIDC.195		DICC.165		STIM.165	0				ĭ	35,000
		22,000		13,000		1	CON 170		DC014170	15.000	
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000	STIM.170	0.	CON.170	161,415	PCOM.170	15,000	199,415
Trucking/Transportation	DIDC.205	30,000	DICC.175	8,000	STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	61,081
Supervision	DIDC.210	90,000	DICC.180	12,000	STIM.180	49,000	CON.180	11,103	PCOM.180	O.	162,103
Trailer House/Camp/Catering	DIDC.280	42,000	DICC.255	5,000	STIM.280	25,000				I:	72,000
Other Misc Expenses	DIDC.220	5,000	DICC.190	. 0	STIM.190	64,000	CON.190	8,967	PCOM.190	0	77,967
Overhead	DIDC.225	5,000	DICC.195	5,000		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-,,-		- 1	10,000
MOB/DEMOB	DIDC.240		5.00.155	2,000							115,000
T -		115,000									
Directional Drilling Services	DIDC.245	284,000									284,000
Salids Control	DIDC.260	59,000								1	59,000
Well Control Equip (Snubbing Services)	DIDC.265	108,000	DICC.240	0	STIM.240	67,000			PCOM.240	0	175,000
Completion Rig				1	STIM.115	21,000			PCOM.115	0.	21,000
Coil Tubing Services	¥				STIM.260	164,000			PCOM.260	0	164,000
Completion Logging/Perforating/Wireline					STIM.200	209,000			PCOM,200	0	209,000
Composite Plugs					STIM.390				PCOM.390	o	,
					STIM.210	53,000					53,000
Stimulation Pumping/Chemicals/Additives/Sand						1,778,000			PCOM.210	0	1,778,000
Stimulation Water/Water Transfer/Water Storage					STIM.395	254,000					254,000
Cimarex Owned Frac/Rental Equipment	F				STIM.305	60,000			PCOM.305	0.	60,000
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0			10,000
Well Control Insurance	DIDC.285	8,000									8,000
Major Construction Overhead	1	-,					CON.305	24,767			24,767
FL/GL - ON PAD LABOR							CON.495	36,724			36,724
FL/GL - Labor							CON.500	95,653			95,653
FL/GL - Supervision							CON.505	10,676			10,676
Survey				i			CON.515	2,135			2,135
Contingency	DIDC.435	124,000	DICC.220	13,000	STIM.220	151,000	CON.220	96,934	PCOM.220	0	384,934
Contingency							CON.221	24,767			24,767
Total Intangible Cost		2,599,000		267,000		3,164,000		593,137		279,270	6,902,407
Surface Casing	DWEB.140	2		207,000		3,104,000					34,000
		34,000								"	
Intermediate Casing 1	DWEB.145	346,000									346,000
Production Casing or Liner			DWEA.100	390,000							390,000
Tubing					STIMT.105	96,000			PCOMT.105	0	96,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	45,000			PCOMT.120	15,000	116,000
Packer, Nipples					STIMT.400	28,000			PCOMT.400	o o	28,000
SHORT ORDERS							CONT.380	7,259			7,259
PUMPS							CONT 385	17,508			17,508
							CONT.390				
WALKOVERS							CON1.590	2,989	B001 =	_	2,989
Downhole Lift Equipment					STIMT.410	80,000			PCOMT.410	0	80,000
Surface Equipment									PCOMT.420	25,000.	25,000
Well Automation Materials									PCOMT.455	8,000	8,000
N/C Lease Equipment							CONT.400	170,382			170,382
Tanks, Tanks Steps, Stairs							CONT.405	45,692			45,692
Battery Equipment							CONT.410	186,182			186,182
Secondary Containments							CONT.415	20,924			20,924
Overhead Power Distribution							CONT.420	80,280			80,280
Facility Electrical							CONT.425	21,778			21,778
Telecommunication Equipment							CONT.426	427			427
Meters and Metering Equipment							CONT.445	29,465			29,465
Facility Line Pipe							CONT.450				
								23,486			23,486
Lease Automation Materials							CONT.455	40,994			40,994
FL/GL - Materials							CONT.550	30,319		10	30,319
FL/GL - Line Pipe							CONT.555	69,178			69,178
										10.000	
Total Tangible Cos	i .	418,000		408,000		249,000		746,863		48,000	1,869,863



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 12H

		BCP - Drilling		ACP - Drilling		Comp/Stim	
Description	Codes	Amount	Codes	Amou			Amoun
Roads & Location	DIDC.100	100,000			STIM.100		10,00
Damages	DIDC.105	10,000					
Mud/Fluids Disposal	DIDC.255	160,000			STIM.255		53,00
Day Rate	DIDC.115	480,000	DICC.120	80,00	0.		
Misc Preparation	DIDC.120	30,000					
Bits	DIDC.125	97,000	DICC.125		0: STIM.125		
Fuel	DIDC.135	73,000			0		
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000			0: STIM.135		20,000
Mud & Additives	DIDC.145	275,000	*				
SWD PIPED TO 3RD PARTY SWD WELL.		2.2,000					
Surface Rentals	DIDC.150	112.000	DICC.140		0 STIM.140		143,000
Flowback Labor	2.2420	112,000			STIM.141		143,000
Downhole Rentals	DIDC.155	143,000			STIM.145		35,000
Automation Labor	DIDC:155	143,000		F	011111111111111111111111111111111111111		33,000
Mud Logging	DIDC.170	29,000			1 0		
IPC & EXTERNAL PAINTING	DIDC.170	29,000					
	DIDC.185	135,000	DICC.155	120.00	.0		
Cementing & Float Equipment		125,000		120,00			4.000
Tubular Inspections	DIDC.190	38,000		8,00			4,000
Casing Crews	DIDC.195	22,000	i i	13,00			(
Mechanical Labor	DIDC.200	20,000		3,00			(
Trucking/Transportation	DIDC.205	30,000		8,00			4,000
Supervision	DIDC.210	90,000		12,00			49,000
Trailer House/Camp/Catering	DIDC.280	42,000		5,00			25,000
Other Misc Expenses	DIDC.220	5,000			0 STIM.190		64,000
Overhead	DIDC.225	5,000	DICC.195	5,00	00		
MOB/DEMOB	DIDC.240	115,000					
Directional Drilling Services	DIDC.245	284,000					
Solids Control	DIDC.260	59,000	:				
Well Control Equip (Snubbing Services)	DIDC,265	108,000	DICC 240		0 STIM.240		67,000
Completion Rig					STIM.115		21,000
Cail Tubing Services					STIM.260		164,000
Completion Logging/Perforating/Wireline					STIM.200		209,000
Composite Plugs					STIM.390		53,000
Stimulation		i			STIM.210		1,778,000
Stimulation Water/Water Transfer/Water					STIM.395		254,000
Cimarex Owned Frac/Rental Equipment					STIM.305		60,000
Legal/Regulatory/Curative	DIDC.300	10,000					00,000
Well Control Insurance	DIDC.285	8,000					
Major Construction Overhead	DIDC.E03	6,000					
FL/GL - ON PAD LABOR							
FL/GL - Labor							
FL/GL - Supervision							
Survey							
Contingency	DIDC.435	124,000	DICC,220	13,0	00 STIM.220		151,000
Contingency							
Total Intangible Cost		2,599,000		257,0	00		3,164,000
Surface Casing	DWEB.140	34,000					
Intermediate Casing 1	DWEB.145	346,000					
Production Casing or Liner			DWEA.100	390,00			
Tubing					STIMT 105		96,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,00	00 STIMT.120		45,000
Packer, Nipples					STIMT.400		28,000
SHORT ORDERS							
PUMPS							
WALKOVERS				De la companya de la			
Downhole Lift Equipment					STIMT.410		80,000
Surface Equipment							50,000
Well Automation Materials							
N/C Lease Equipment							
Tanks, Tanks Steps, Stairs							
Battery Equipment							
Secondary Containments							
Overhead Power Distribution							
Facility Electrical					1		
Telecommunication Equipment				ł.			1
Meters and Metering Equipment							
Facility Line Pipe							
Lease Automation Materials							
FL/GL - Materials							
FL/GL - Line Pipe							
				700.0			
Total Tangible Cost		418,000		408,0	00.		249,000



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 12H

		Production Equip		Post Completion	- 1	Total
Description	Codes	Amount	Codes		Amount	Cos
Roads & Location	CON.100	38,860	PCOM.100		10,000	158,860
Damages	CON.105	2,990				12,990
Mud/Fluids Disposal			PCOM.255		D	213,000
Day Rate						560,000
Misc Preparation						30,000
Bits			PCOM.125		0	97,000
Fuel			PCOM.130		0	73,000
Water for Drilling Rig (Not Frac Water)		i	PCOM.135		0	25,000
Mud & Additives		Į.				275,000
SWD PIPED TO 3RD PARTY SWD WELL			PCOM.257		126,270	126,270
Surface Rentals	CON.140	1,709	PCOM.140		0	256,709
Flowback Labor		1 1,705	PCOM.141		121,000	121,000
Downhole Rentals		,	PCOM.145		0	178,000
Automation Labor	CON.150	42.702	PCOM.150		5,000	47,702
Mud Logging	COMMISS	42,102	7		3,000	29,000
	CON.165	10004				16,654
IPC & EXTERNAL PAINTING	CON. 165	16,654				
Cementing & Float Equipment			PCQM.160			245,000
Tubular Inspections			PC.QM.160		0	50,000
Casing Crews						35,000
Mechanical Labor	CON.170	161,415			15,000	199,415
Trucking/Transportation	CON.175	17,081	PCOM.175		2,000	61,081
Supervision	CON.180	11,103	PCOM.180		0	162,103
Trailer House/Camp/Catering						72,000
Other Misc Expenses	CON.190	8,967	PCOM.190		O	77,967
Overhead						10,000
MOB/DEMOB						115,000
Directional Drilling Services						284,000
Solids Control						59,000
Well Control Equip (Snubbing Services)			PCOM.240		0	175,000
Completion Rig			PCOM.115		0	21,000
Coil Tubing Services			PCOM.260		0	164,000
Completion Logging/Perforating/Wireline			PCOM.200	,	o'	209.000
Composite Plugs			PCOM.390	·	0	53,000
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210		O'	1,778,000
Stimulation Water/Water Transfer/Water			. CONLETO		o,	254,000
			PCOM.305		o	60,000
Cimarex Owned Frac/Rental Equipment			PCOIVI.303		U	
Legal/Regulatory/Curative	CON.300	0.				10,000
Well Control Insurance						8,000
Major Construction Overhead	CON.305	24,767				24,767
FL/GL - ON PAD LABOR	CON.495	36,724				36,724
FL/GL - Labor	CON.500	95,653				95,653
FL/GL - Supervision	CON.505	10,676				10,676
Survey	CON.515	2,135				2,135
Contingency	CON.220	96,934	PCOM.220		0	384,934
Contingency	CON.221	24,767				24,767
Total Intangible Cost		593,137			279,270	6,902,407
Surface Casing						34,000
Intermediate Casing 1						346,000
Production Casing or Liner						390,000
Tubing			PCOMT.105		0	96,000
Wellhead, Tree, Chokes			PCOMT.120		15,000	116,000
Packer, Nipples			PCOMT.400		0	28,000
SHORT ORDERS	CONT.380	7,259			ŭ	7,259
PUMPS	CONT.385	17,508	1			17,508
	CONT.390	2,989				2,989
WALKOVERS	CON1.550	2,989	PCOMT.410		0	80,000
Downhole Lift Equipment						
Surface Equipment			PCOMT.420		25,000	25,000
Well Automation Materials			PCOMT 455		8,000	8,000
N/C Lease Equipment	CONT.400	170,382				170,382
Tanks, Tanks Steps, Stairs	CONT.405	45,692				45,692
Battery Equipment	CONT.410	186,182				186,182
Secondary Containments	CONT.415	20,924				20,924
Overhead Power Distribution	CONT.420	80,280				80,280
Facility Electrical	CONT.425	21,778				21,778
Telecommunication Equipment	CONT.426	427				42
Meters and Metering Equipment	CONT 445	29,465				29,465
Facility Line Pipe	CONT.450	23,486				23,48
Lease Automation Materials	CONT.455	40,994				40,994
FL/GL - Materials	CONT.550	30,319				30,31
		30,312				
FL/GL - Line Pine	CONT 555	50 179				60 179
FL/GL - Line Pipe Total Tangible Cost	CONT.555				48,000	1,869,86

Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Company Entity

Exploration Region

Well Name

Prospect

Property Number

Permian Basin

THYME & CORIANDER 1-12 FED COM 13H New Mexico Bone Spring Pros (Lea)

simustad Campalation

AFE

County, State

Location

_

Estimated Spud

Estimated Completion

Lea, NM

SEC 1-T23S-R32E, LEA COUNTY, NM

X New Supplement Revision

Formation
WOLFCAMP A1 UPPER

Well Type DEV Ttl Measured Depth 22,525

Ttl Vetical Depth 12.525

Purpose

Drill and complete well

Description

Drillina

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,599,000		\$2,599,000
Completion Costs		\$4,316,337	\$4,316,337
Total Intangible Cost	\$2,599,000	\$4,316,337	\$6,915,337
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$418,000	\$705,000	\$1,123,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$418,000	\$1,451,863	\$1,869,863
Total Well Cost	\$3,017,000	\$5,768,200	\$8,785,200

Comments On Well Costs

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

perator Approval		The second secon	
Company	Approved By (Print Name)	Approved By (Signature)	Date

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting porty agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

3/12/2021

^{1.} All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 13H

	BCP - I		ACP - D	Orilling		o/Stim		on Equip		mpletion	Total
Description	Codes	Amount)	Codes	Amount	Codes	Amount	Codes	Amount	Codes	Amount	Cos
Roads & Location	DIDC 100	100,000			STIM.100	10,000	CON.100	38,860	PCOM.100	10,000	158,860
Damages	DIDC.105	10,000		- 1			CON.105	2,990		i i	12,99
Mud/Fluids Disposal	DIDC.255				STIM.255	53,000		2,550	PCOM.255	,	
		160,000			311101.233	55,000			7 COM.233	0	213,00
Day Rate	DIDC.115	480,000	DICC.120	80,000						1	560,000
Misc Preparation	DIDC.120	30,000		- 1						1	30,000
Bits	DIDC.125	97,000	DICC.125	0	STIM.125	0			PCOM,125	0	97,000
Fuel	DIDC.135	73,000	DICC.130	0		î			PCOM.130	0	73,000
Water for Drilling Rig (Not Frac Water)	DIDC.140		DICC.135	0	STIM.135	20,000			PCOM.135	0	
	9	5,000	DICC.133	o,	311W.133	20,000			FCOM.133	U _j	25,000
Mud & Additives	DIDC.145	275,000								1	275,000
SWD PIPED TO 3RD PARTY SWD WELL	i i								PCOM.257	124,200	124,200
Surface Rentals	DIDC.150	112,000	DICC.140	0	STIM.140	143,000	CON.140	1,709	PCOM.140	0	256,709
Flowback Labor					STIM.141	n			PCOM.141	136,000	136,000
Downhole Rentals	DIDC 155	143.000			STIM.145				PCOM.145	- 8	
	DIDC.155	143,000			311101.143	35,000				0	178,000
Automation Labor							CON.150	42,702	PCOM.150	5,000	47,702
Mud Logging	DIDC.170	29,000				ì				1	29,000
IPC & EXTERNAL PAINTING							CON.165	16,654			16,654
Cementing & Float Equipment	DIDC.185	125,000	DICC.155	120,000							245,000
					STILL 160	4 000			BCOM 160		
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000	STIM.160	4,000			PCOM,160	0	50,000
Casing Crews	DIDC.195	22,000	DICC.165	13,000	STIM.165	0					35,000
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000	STIM.170	0	CON.170	161,415	PCOM.170	15,000	199,415
Trucking/Transportation	DIDC.205	30,000	DICC.175	8.000	STIM.175	4,000	CON.175	17.081	PCOM.175	2,000	61,081
Supervision	DIDC.210	90,000	DICC.180	12,000	STIM.180	49,000	CON.180	11,103	PCOM.180	0	162,103
								(1,105	. 55.71.100	U _i	
Trailer House/Camp/Catering	DIDC.280	42,000	DICC.255	5,000	STIM.280	25,000					72,000
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	64,000	CON.190	8,967	PCOM.190	0	77,967
Overhead	DIDC.225	5,000	DICC.195	5,000							10,000
MOB/DEMOB	DIDC.240	115,000									115,000
Directional Drilling Services	DIDC.245	284,000									284,000
Solids Control	DIDC.260	59,000								Ŋ.	59,000
Well Control Equip (Snubbing Services)	DIDC.265	108,000	DICC.240	0	STIM,240	67,000			PCOM.240	0	175,000
Completion Rig				Ì	STIM.115	21,000			PCOM.115	0,	21,000
Coil Tubing Services					STIM.260	164,000			PCOM.260	0.	164,000
Completion Logging/Perforating/Wireline					STIM.200				PCOM.200	0:	
						209,000					209,000
Composite Plugs					STIM.390	53,000			PCOM.390	0	53,000
Stimulation Pumping/Chemicals/Additives/Sand		i			STIM.210	1,778,000			PCOM.210	0	1,778,000
Stimulation Water/Water Transfer/Water Storage					STIM.395	254,000				i	254,000
Cimarex Owned Frac/Rental Equipment	4	Į.			STIM.305	60,000			PCOM,305	o	60,000
	DIDC.300	10.000				00,000	CON.300	0		- A	
Legal/Regulatory/Curative	ē.	10,000					CO14.300	0			10,000
Well Control Insurance	DIDC.285	8,000									8,000
Major Construction Overhead							CON.305	24,767			24,767
FL/GL - ON PAD LABOR	i						CON.495	36,724			36,724
FL/GL - Labor							CON.500	95,653			95,653
	1						CON.505			li	
FL/GL - Supervision	ļ				•		1	10,676		l l	10,676
Survey	1				1	Ì	CON.515	2,135		1	2,135
Contingency	DIDC.435	124,000	DICC.220	13,000	STIM.220	151,000	CON.220	96,934	PCOM.220	0	384,934
Contingency	1						CON.221	24,767			24,767
Total Intangible Cos	t	2,599,000		267,000		3,164,000	1	593,137		292,200	6,915,337
the state of the s	The second second second	the Council of the same of the		267,000		3,104,000		393,137		292,200	
Surface Casing	DWEB.140	34,000				1				9	34,000
Intermediate Casing 1	DWEB.145	346,000		1						1	346,000
Production Casing or Liner	l .		DWEA.100	390,000						1	390,000
Tubing	§			-,	STIMT.105	96,000			PCOMT.105	o	96,000
Wellhead, Tree, Chokes	DWEB.115	20.000	DWEA.120	10.000	2				PCOMT.120	15,000	
	DWED.113	טטט,מכ	DWEALIZO	18,000		45,000					116,000
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,000
SHORT ORDERS						1	CONT.380	7,259		6	7,259
PUMPS							CONT.385	17,508			17,508
WALKOVERS	I					1	CONT.390	2,989		şi	2,989
<u> </u>					STIMT,410	80,000		2,505	PCOMT.410	. 0	80,000
Downhole Lift Equipment					31IW11.410	80,000					
Surface Equipment						1			PCOMT.420	25,000	25,000
Well Automation Materials					1				PCOMT,455	8,000	8,000
N/C Lease Equipment							CONT.400	170,382		H	170,382
Tanks, Tanks Steps, Stairs					1		CONT.405	45,692			45,692
				1						1	
Battery Equipment						[CONT.410	186,182			186,182
Secondary Containments	1.						CONT.415	20,924		1	20,924
Overhead Power Distribution	i .		j			ł	CONT.420	80,280			80,280
Facility Electrical	1					1	CONT.425	21,778		- 1	21,778
_	1						CONT.426				
Telecommunication Equipment	1							427		1	42
Meters and Metering Equipment	d						CONT.445	29,465			29,46
Facility Line Pipe						1	CONT.450	23,486		Ą	23,48
Lease Automation Materials	Į.					1	CONT.455	40,994		100	40,994
FL/GL - Materials	1					1	CONT.550	30,319		ü	30,319
	Į.									i i	
FL/GL - Line Pipe	1					i	CONT.555	69,178			69,178
Total Tangible Cos	t	418,000		408,000		249,000		746,863		48,000	1,869,863
										10,000	1,000,000



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 13H

Total Tangible Cost		418,000	8		408,000		249,000
FL/GL - Line Pipe							
FL/GL - Materials	9						
Lease Automation Materials		i l					
Facility Line Pipe		1					
Meters and Metering Equipment			l l				
Telecommunication Equipment							
Overhead Power Distribution Facility Electrical							
Secondary Containments							
Battery Equipment							
Tanks, Tanks Steps, Stairs							
N/C Lease Equipment							
Well Automation Materials	5						1
Surface Equipment							
Downhole Lift Equipment		1				STIMT.410	80,000
PUMPS WALKOVERS	EL CONTROL DE CONTROL						
SHORT ORDERS		-					
Packer, Nipples	1	1				STIMT.400	28,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120		18,000	STIMT.120	45,000
Tubing						STIMT.105	96,000
Production Casing or Liner			DWEA.100	1	390,000		
Intermediate Casing 1	DWEB.145	346,000					
Surface Casing	DWE8.149	34,000					
Total Intangible Cost		2,599,000			267,000		3,164,000
Contingency		. 24,000	1		, 5,500 .		.51,000
Contingency	DIDC.435	124.000	DICC.220		13,000	STIM.220	151,000
Survey							
FL/GL - Labor FL/GL - Supervision							
FL/GL - ON PAD LABOR							
Major Construction Overhead							
Well Control Insurance	DIDC.285	8,000					
Legal/Regulatory/Curative	DIDC.300	10,000					
Cimarex Owned Frac/Rental Equipment	l		1			STIM.305	60,000
Stimulation Water/Water Transfer/Water						STIM.395	254,000
Stimulation						STIM.210	1,778,000
Composite Plugs						STIM,390	53,000
Completion Lagging/Perforating/Wireline						STIM.200	209,000
Coil Tubing Services						STIM 260	164,000
Completion Rig		. 55,550			ŭ	STIM.115	21,000
Well Control Equip (Snubbing Services)	DIDC.265	108,000	DICC.240		0 2	STIM.240	67,000
Solids Control	DIDC.260	59,000					
Directional Drilling Services	DIDC.245	284,000					
MOB/DEMOB	DIDC.240	115,000	ė.		3,000		
Overhead	DIDC.225	5,000			5,000	21,000,000	34,000
Other Misc Expenses	DIDC.220	5,000	5		5,000	STIM.280	64,000
Supervision Trailer House/Camp/Catering	DIDC.280	90,000 42,000			12,000	STIM. 180 STIM. 280	49,000 25,000
Trucking/Transportation	DIDC.205 DIDC.210	30,000			8,000	STIM.175 STIM.180	4,000
Mechanical Labor	DIDC.200 DIDC.205	20,000			3,000	STIM.170 STIM.175	4,000
Casing Crews	DIDC.195	22,000			13,000	STIM 165	0
Tubular Inspections	DIDC.190		DICC.160	1	8,000	STIM.160	4,000
Cementing & Float Equipment	DIDC.185	125,000		1	20,000		1
IPC & EXTERNAL PAINTING							
Mud Logging	DIDC.170	29,000					
Automation Labor	o ib di 133	143,000	1			511111111	35,000
Downhole Rentals	DIDC.155	143,000				STIM. 145	35,000
Surface Rentals Flowback Labor	DIDC.150	112,000	DICC 140		0	STIM.140 STIM.141	143,000
SWD PIPED TO 3RD PARTY SWD WELL	DIDC 150	112.000	DICC 140		0	STIM.140	143.000
Mud & Additives	DIDC.145	275,000					
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135		0	STIM.135	20,000
Fuel	DIDC.135	73,000			0		
Bits	DIDC.125		DICC.125		0	STIM.125	0
Misc Preparation	DIDC.120	30,000			0.0,000		
Day Rate	DIDC.115	480,000	DICC.120		80,000	011111222	33,000
Mud/Fluids Disposal	DIDC.255	160,000				STIM.255	53,000
Damages	DIDC.100 DIDC.105	100,000				STIM 100	10,000
Description Roads & Location	Codes	Amount	Codes	,	\mount	Codes	Amount

CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 13H

	Production Equip		Post Completion		Total
Description	Codes	Amount		Amount [§]	Cost
Roads & Location	CON.100	38,860	PCOM.100	10,000	158,860
Damages	CON.105	2,990			12,990
Mud/Fluids Disposal 4			PCOM.255	0	213,000
Day Rate					560,000
Misc Preparation					30,000
Bits			PCOM.125	0	97,000
Fuel			PCOM 130	0	73,000
Water for Drilling Rig (Not Frac Water)			PCOM.135	0	25,000
Mud & Additives					275,000
SWD PIPED TO 3RD PARTY SWD WELL		1	PCOM.257	124,200	124,200
Surface Rentals	CON.140	1,709	PCOM.140	0	256,709
Flowback Labor			PCOM.141	136,000	136,000
Downhole Rentals			PCOM.145	0	178,000
Automation Labor	CON.150	42 702	PCOM.150	5,000	47,702
Mud Logging		12,102		-,,	29,000
IPC & EXTERNAL PAINTING	CON.165	16,654			16,654
Cementing & Float Equipment	CON.103	10,034			245,000
Tubular inspections			PCOM.160	0':	50,000
			T COM. 100	O _.	35,000
Casing Crews	CON 570	201.415	DCO14 170	15 000	
Mechanical Labor	CON.170		PCOM.170	15,000	199,415
Trucking/Transportation	CON.175	17,081	PCOM.175	2,000	61,081
Supervision	CON,180	11,103	PCOM.180	0,	162,103
Trailer House/Camp/Catering					72,000
Other Misc Expenses	CON.190	8,967	. PCOM.190	0,	77,967
Overhead					10,000
MOB/DEMOB				1.	115,000
Directional Drilling Services					284,000
Solids Control				*	59,000
Well Control Equip (Snubbing Services)			PCOM.240	0	175,000
Completion Rig			PCOM.115	0	21,000
Coil Tubing Services			PCOM.260	0	164,000
Completion Logging/Perforating/Wireline			PCOM.200 ·	0	209,000
Composite Plugs			PCOM.390	0	53,000
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210	0	1,778,000
Stimulation Water/Water Transfer/Water				· ·	254,000
Cimarex Owned Frac/Rental Equipment			PCOM.305	o [*]	60,000
	CON.300			ų,	10,000
Legal/Regulatory/Curative	CON.500	0			
Well Control Insurance	5011305				8,000
Major Construction Overhead	CON.305	24,767			24,767
FL/GL - ON PAD LABOR	CON.495	36,724			36,724
FL/GL - Labor	CON.500	95,653			95,653
FL/GL - Supervision	CON.505	10,676	Tage of the same o		10,676
Survey	CON.515	2,135			2,135
Contingency	CON.220	96,934	PCOM.220	0	384,934
Contingency	CON.221	24,767			24,767
Total Intangible Cost		593,137	L	292,200	6,915,337
Surface Casing					34,000
Intermediate Casing 1				1	346,000
Production Casing or Liner				Į.	390,000
Tubing			PCOMT 105	0	96,000
Wellhead, Tree, Chokes			PCOMT.120	15,000	116,000
Packer, Nipples			PCOMT 400	0	28,000
SHORT ORDERS	CONT.380	7,259			7,259
PUMPS	CONT.385	17,508			17,508
WALKOVERS	CONT.390	2,989			2,989
Downhale Lift Equipment	20350	2,369	PCOMT.410	0	
			PCOMT.410	•	80,000
Surface Equipment				25,000	25,000
Well Automation Materials			PCOMT 455	8,000	8,000
N/C Lease Equipment	CONT.400	170,382			170,382
Tanks, Tanks Steps, Stairs	CONT.405	45,692			45,692
Battery Equipment	CONT.410	186,182			186,182
Secondary Containments	CONT.415	20,924			20,924
Overhead Power Distribution	CONT.420	80,280			80,280
Facility Electrical	CONT.425	21,778			21,778
Telecommunication Equipment	CONT.426	427	F E		427
Meters and Metering Equipment	CONT.445	29,465			29,465
Facility Line Pipe	CONT.450	23,486			23,486
Lease Automation Materials	CONT.455	40,994			40,994
FL/GL - Materials	CONT.550	30,319	·		30,319
	CONT.555		1		69,178
FL/GL - Line Pipe Total Tangible Cost		69,178		49.000	
TOTAL LAUGIDIE COST		746,863)	48,000	1,869,863

Authorization For Expenditure Drilling

Date Prepared 3/11/2021

Company Entity

Exploration Region Permian Basin

Well Name

FED COM 16H

THYME & CORIANDER 1-12

Prospect New Mexico Bone Spring Pros

(Lea)

County, State

Location.

SEC 1-T23S-R32E, LEA COUNTY, NM

Estimated Soud

Property Number

Estimated Completion

AFF

Lea, NM

X New Supplement Revision

Formation 2ND SAND LOWER

Well Type DEV

Ttl Measured Depth 21,030

Ttl Vetical Depth 11,030

Purpose

Drill and complete well

Description

Intangible	Dry Hole	After Casing Point	Completed Well Cost:
Drilling Costs	\$2,129,000		\$2,129,000
Completion Costs		\$4,330,407	\$4,330,407
Total Intangible Cost	\$2,129,000	\$4,330,407	\$6,459,407
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540,000	\$5,574,270	\$8,114,270

Comments On Well Costs

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
NOTICE TO NONOPERATOR: Co	its shown on this form are estimates only. By executing	g this AFE, the consenting party agrees to pay its proportionate	
share of actual costs incurred. Ov	erhead will be charged in accordance with the Joint Op	erating Agreement.	3/11/2021

^{1.} All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 16H

		Drilling		- Drilling		o/Stim		on Equip	Post Con		Total
Description	Codes	Amount-	Codes	Amount		Amount ;	Codes	Amount		Amount	Co
Roads & Location	DIDC.100	125,000			STIM 100	10,000	CON.100	38,860	PCOM,100	10,000	183,86
Damages	DIDC.105	30,000		li		1	CON.105	2,990		1	32,99
Mud/Fluids Disposal	DIDC.255	125,000		1	STIM.255	55,000			PCOM.255	0	180,00
Day Rate	DIDC.115	365,000	DICC.120	60,000		- 1					425,00
Misc Preparation	DIDC 120	20,000		ì							20,00
Bits	DIDC.125	62,000	DICC.125	0	STIM.125	0			PCOM.125	0	62,00
Fuel	DIDC.135	43,000	DICC.130	0		- 1			PCOM.130	0	43,00
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000		01	STIM.135	21,000			PCOM.135	o'	46,00
Mud & Additives	DIDC.145	150,000	DICC.133	1	5111111155	21,000				, i	150,00
SWD PIPED TO 3RD PARTY SWD WELL	DIDC.145	150,000		- 1		i			PCOM.257	126 270	
			B155440		CT114440		CON 110			126,270	126,27
Surface Rentals	DIDC.150	95,000	DICC,140	0 1	STIM.140	146,000	CON.140	1,709	PCOM.140	0	242,70
Flowback Labor				- 1	STIM.141	0			PCOM.141	121,000	121,00
Downhole Rentals	DIDC.155	82,000			STIM.145	35,000			PCOM.145	0	117,00
Automation Labor		J				ŀ	CON.150	42,702	PCOM.150	5,000	47,70
Mud Logging	DIDC 170	21,000						Į.	ļ	i	21,00
IPC & EXTERNAL PAINTING				- 1		l	CON.165	16,654		1	16,65
Cementing & Float Equipment	DIDC.185	110,000	DICC.155	55,000		i				1	165,00
Tubular Inspections	DIDC.190	50,000		10,000	STIM.160	4,000		1	PCOM.160	o	64,00
Casing Crews	DIDC.195	15,000	DICC.165	15,000	STIM.165	0		ŀ		1	30,00
Mechanical Labor	DIDC.200	28,000		10,000	STIM.170	0	CON.170	161 415	PCOM.170	15,000	214,41
	DIDC.205				STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	49,08
Trucking/Transportation		18,000		8,000		- 0					
Supervision	DIDC.210	72,000	1	9,000		50,000	CON.180	11,103	PCOM.180	0	142,10
Trailer House/Camp/Catering	DIDC.280	39,000		5,000	STIM.280	26,000				1	70,00
Other Misc Expenses	DIDC.220	5,000		0	STIM.190	66,000	CON.190	8,967	PCOM.190	0	79,96
Overhead	DIDC.225	10,000	DICC.195	5,000		ĺ					15,00
MO8/DEMOB	DIDC.240	110,000		1		i				I	110,00
Directional Drilling Services	DIDC.245	300,000				1				Į.	300,00
Solids Control	DIDC.260	46,000		E						- 1	46,00
Well Control Equip (Snubbing Services)	DIDC.265	77,000	DICC.240	5,000	STIM.240	69,000-			PCOM.240	o	151,00
Completion Rig		,	i	.,	STIM.115	21,000			PCOM.115	0	21,00
Coil Tubing Services					STIM.260	164,000			PCOM.260	0	164,00
Completion Logging/Perforating/Wireline	1-		1		ST:M.200	250,000			PCOM.200	0:	250,00
	ľ		!						PCOM.390	0	
Composite Plugs					STIM.390	45,000					45,00
Stimulation Pumping/Chemicals/Additives/Sand					STIM.210	1,907,000			PCOM.210	0	1,907,00
Stimulation Water/Water Transfer/Water Storage	0				STIM.395	178,000					178,00
Cimarex Owned Frac/Rental Equipment	<u> </u>		1		STIM.305	60,000			PCOM.305	0	60,00
Legal/Regulatory/Curative	DIDC.300	10,000				1	CON.300	0			10,00
Well Control Insurance	DIDC.285	7,000								2700	7,00
Major Construction Overhead							CON.305	24,767		9	24,76
FL/GL - ON PAD LABOR			ĺ				CON.495	36,724		-	36,72
FL/GL - Labor							CON.500	95,653		- 6	95,65
FL/GL - Supervision							CON.505	10,676		-	10,67
Survey							CON.515	2,135		şı	2,13
	DIDC.435	00.000	DICC.220	0.000	STIM.220	150 000	CON.220		PCOM.220	0	350,93
Contingency	DIDC.433	89,000	DILC.220	9,000	311141.220	156,000		96,934	PCOIVI.220	U	
Contingency							CON.221	24,767			24,76
Total Intangible Cost		2,129,000		191,000		3,267,000		593,137		279,270	6,459,40
Conductor Pipe	DWEB.130	8,000				į.			1 :		8,00
Water String	DWEB.135	11,000									11,00
Surface Casing	DWEB.140	53,000									53,00
Intermediate Casing 1	DWEB.145	301,000									301,00
Production Casing or Liner			DWEA.100	127,000						-	127,00
Tubing					STIMT.105	96,000			PCOMT.105	o	96,00
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	l .	45,000			PCOMT.120	15,000	116,00
Liner Hanger, Isolation Packer	DWEB.100	0,000	DWEA.125	55,000		.5,550					55,00
Packer, Nipples		U		22,000	STIMT.400	28,000			PCOMT.400	0	28,00
l control of the cont					31011.400	20,000	CONT 380	7 250		J.	
SHORT ORDERS			į.				20111.500	7,259			7,25
PUMPS							CONT.385	17,508			17,50
WALKOVERS							CONT 390	2,989			2,98
Downhole Lift Equipment			ł		STIMT.410	80,000			PCOMT.410	0	80,08
Surface Equipment			į.						PCOMT.420	25,000	25,00
Well Automation Materials			l						PCOMT.455	8,000	8,00
N/C Lease Equipment							CONT.400	170,382		i.	170,38
Tanks, Tanks Steps, Stairs			1				CONT.405	45,692			45,69
Battery Equipment							CONT 410	186,182	1		186,18
							CONT.415				
Secondary Containments								20,924	1		20,9
Overhead Power Distribution							CONT.420	80,280			80,28
Facility Electrical							CONT.425	21,778			21,7
Telecommunication Equipment							CONT.426	427	1		4
Meters and Metering Equipment	1						CONT.445	29,465			29,4
Facility Line Pipe	1						CONT 450	23,486			23,4
Lease Automation Materials	į .				}		CONT.455	40,994			40,9
	3				1		CONT.550				30,3
FL/GL - Materials					1						
FL/GL - Materials			¥			1		30,319 69 178		įį	
FL/GL - Materials FL/GL - Line Pipe Total Tangible Cost		411,000		200,000		249,000	CONT.555	69,178		48,000	69,17 1,654,86



CIWAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 16H

Description	Codes	Amount	Codes	Amount	Codes		Amou
Roads & Location	DIDC 100	125,000			STIM.100		10,00
Damages	DIDC.105	30,000					
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255		55,00
Day Rate	DIDC.115	365,000	DICC.120	60,000			
Misc Preparation	DIDC.120	20,000					
Bits	DIDC.125	62,000	DICC.125	0	STIM.125		
Fuel	DIDC.135	43,000	DICC.130	0			
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000		0	STIM.135		21,00
Mud & Additives	DIDC.145	150,000					
SWD PIPED TO 3RD PARTY SWD WELL		130,000					
Surface Rentals	DIDC.150	95 000	DICC.140	0	STIM.140		146,00
Flowback Labor	DIDE.130	2000	l Dicail-10	J	STIM.141		1-0,00
Downhole Rentals	DIDC.155	82,000			STIM.145		35,00
Automation Labor	1	02,000			511111.1-15		33,00
Mud Logging	DIDC.170	21.000					
	DIDC.170	21,000					
IPC & EXTERNAL PAINTING	DIDCAGO		DICC 155	== 000			
Cementing & Float Equipment	DIDC.185	110,000		55,000	ETW 1 1 CO		4.00
Tubular Inspections	DIDC.190	50,000		10,000	STIM.160		4,00
Casing Crews	DIDC 195	15,000		15,000	STIM.165		
Mechanical Labor	DIDC.200	28,000		10,000	STIM.170		
Trucking/Transportation	DIDC.205	18,000	DICC.175	8,000	STIM.175		4,00
Supervision	DIDC.210	72,000		9,000	STIM.180		50,00
Trailer House/Camp/Catering	DIDC.280	39,000	DICC.255	5,000	STIM.280		26,00
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190		66,00
Overhead	DIDC.225	10,000	DICC.195	5,000			
мов/демов	DIDC.240	110,000					
Directional Drilling Services	DIDC.245	300,000					
Solids Control	DIDC.260	46,000					
Well Control Equip (Snubbing Services)	DIDC.265	77,000	DICC.240	5,000	STIM.240		69,00
Completion Rig		,		2,000	STIM.115		21,00
Coil Tubing Services					STIM.260		164,00
Completion Logging/Perforating/Wireline		t			STIM.200		250,00
Composite Plugs					STIM.390		45,00
Stimulation					STIM.210		
					STIM.395		1,907,00
Stimulation Water/Water Transfer/Water				1	!		178,00
Cimarex Owned Frac/Rental Equipment					STIM.305		60,00
Legal/Regulatory/Curative	DIDC.300	10,000			j		
Well Control Insurance	DIDC.285	7,000					
Major Construction Overhead							
FL/GL - ON PAD LABOR							
FL/GL - Labor							
FL/GL - Supervision				1			
Survey							
Contingency	DIDC.435	89,000	DICC.220	9,000	STIM.220		156,00
Contingency	ę.						
Total Intangible Cost		2,129,000		191,000	1	· · · · · · · · · · · · · · · · · · ·	3,267,00
Conductor Pipe	DWEB,130	8,000		 			1
Water String	DWEB.135	11,000			i		
Surface Casing	DWEB.140	53,000			į		
Intermediate Casing 1	DWEB.145						
_	5	301,000	DWEA.100	127,000			
Production Casing or Liner	F (agen	DAVEN. 100	127,000	STIMT.105		05.55
Tubing				4			96,00
Wellhead, Tree, Chokes	DWEB.115		DWEA.120	18,000	STIMT.120		45,00
Liner Hanger, Isolation Packer	DWEB 100	D	DWEA.125	55,000	and a		
Packer, Nipples					STIMT.400		28,00
SHORT ORDERS					- Application of the second		
PUMPS]				
WALKOVERS			1				
Downhole Lift Equipment					STIMT.410		80,00
Surface Equipment	1	1		1			
Well Automation Materials				1			
N/C Lease Equipment							
Tanks, Tanks Steps, Stairs							
Battery Equipment							
Secondary Containments							
•							
Overhead Power Distribution	1						
Facility Electrical							
Telecommunication Equipment							
Meters and Metering Equipment							
Facility Line Pipe							
Lease Automation Materials							
FL/GL - Materials	P						
FL/GL - Line Pipe							
				1. m. can calculate and day	_		
Total Tangible Cos	t	411,000		200,000			249,00



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 16H

	Production Equip		Post Completion		Total
Description	Codes	Amount		Amount	Cost
Roads & Location	CON.100	38,860	PCOM.100	10,000	183,860
Damages	CON.105	2,990			32,990
Mud/Fluids Disposal		,	PCOM.255	0	180,000
Day Rate		1 1		1	425,000
Misc Preparation		1			20,000
Bits			PCOM.125	0	62,000
Fuel			PCOM.130	0	43,000
Water for Drilling Rig (Not Frac Water)			PCOM.135	0	46,000
			PCOM.155	u u	150,000
Mud & Additives			PCOM.257	126 270	
SWD PIPED TO 3RD PARTY SWD WELL				126,270	126,270
Surface Rentals	CON.140	1,709	PCOM 140	0	242,709
Flowback Labor			PCOM.141	121,000	121,000
Downhole Rentals			PCOM.145	0	117,000
Automation Labor	CON.150	42,702	PCOM.150	5,000	47,702
Mud Logging		1			21,000
IPC & EXTERNAL PAINTING	CON.165	16,654			16,654
Cementing & Float Equipment			L		165,000
Tubular Inspections			PCOM.160	0	64,000
Casing Crews					30,000
	CON.170	161 415	PCOM.170	15,000	214,415
Mechanical Labor		161,415			
Trucking/Transportation	CON.175	17,081	PCOM.175	2,000	49,081
Supervision	CON.180	11,103	PCOM.180	0	142,103
Trailer House/Camp/Catering					70,000
Other Misc Expenses	CON.190	8,967	PCOM.190	0	79,967
Overhead					15,000
MOB/DEMOB					110,000
Directional Drilling Services					300,000
Solids Control					46,000
Well Control Equip (Snubbing Services)			PCOM.240	o	151,000
Completion Rig			PCOM.115	0,	21,000
Coil Tubing Services			PCOM.260	0	164,000
Completion Logging/Perforating/Wireline		1	PCOM.200	D'	250,000
		-	PCOM.390	0	45,000
Composite Plugs			r		
Stimulation Pumping/Chemicals/Additives/Sand		-	PCOM.210	D.	1,907,000
Stimulation Water/Water Transfer/Water					178,000
Cimarex Owned Frac/Rental Equipment		1	PCOM.305	0	60,000
Legal/Regulatory/Curative	CON.300	0			10,000
Well Control Insurance			§		7,000
Major Construction Overhead	CON.305	24,767			24,767
FL/GL - ON PAD LABOR	CON.495	36,724			36,724
FL/GL - Labor	CON.500	95,653			95,653
FL/GL - Supervision	CON.505	10,676	·		10,676
Survey	CON.515	2,135	1		2,135
Cantingency	CON.220	96,934		0	350,934
	CON.221	24,767	, Toomis		24,767
Contingency Total Intangible Cost				279,270	6,459,407
		593,137		2/9,2/0	
Canductor Pipe			}		8,000
Water String				1	11,000
Surface Casing					53,000
Intermediate Casing 1					301,000
Production Casing or Liner		1			127,000
Tubing			PCOMT,105	0	96,000
Wellhead, Tree, Chokes			PCOMT.120	15,000	116,000
Liner Hanger, Isolation Packer					55,000
Packer, Nipples			PCOMT.400	o.	28,000
SHORT ORDERS	CONT.380	7,259		J.	7,259
PUMPS	CONT.385	17,508			17,508
WALKOVERS					2,989
	CONT.390	2,989		o'	
Downhole Lift Equipment			PCOMT.410		80,000
Surface Equipment			PCOMT.420	25,000	25,000
Well Automation Materials			PCOMT.455	8,000	8,000
N/C Lease Equipment	CONT.400	170,382			170,382
Tanks, Tanks Steps, Stairs	CONT.405	45,692			45,692
Battery Equipment	CONT.410	186,182			186,182
Secondary Containments	CONT.415	20,924			20,924
Overhead Power Distribution	CONT.420	80,280			80,280
Facility Electrical	CONT.425	21,778			21,778
Telecommunication Equipment	CONT.426	427			42
	CONT.425	29,465			29,46
Meters and Metering Equipment					23,48
Facility Line Pipe	CONT.450	23,486			
Lease Automation Materials	CONT.455	40,994			40,994
FL/GL - Materials	CONT.550	30,319			30,319
FL/GL - Line Pipe	CONT.555	69,178	i i		69,17
Total Tangible Cost		746,863		48,000	1,654,86

Authorization For Expenditure Drilling

Company Entity

Date Prepared 3/12/2021

Exploration Region Permian Basin

Well Name

FED COM 18H

Prospect THYME & CORIANDER 1-12 New Mexico Bone Spring Pros

(Lea)

County, State Lea, NM

Location

SEC 1-T23S-R32E, LEA COUNTY, NM

Estimated Spud

Estimated Completion

AFE

Supplement

Revision

X New

Formation 1ST SAND Well Type DEV

Ttl Measured Depth 20,200

Property Number

Ttl Vetical Depth 10,200

Purpose

Drill and complete well

Description

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,129,000		\$2,129,000
Completion Costs		\$4,227,407	\$4,227,407
Total Intangible Cost	\$2,129,000	\$4,227,407	\$6,356,407
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540,000	\$5,471,270	\$8,011,270

Comments On Well Costs

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
NOTICE TO NONOPERATOR: Co	sts shown on this form are estimates only. By executing	g this AFE, the consenting party agrees to pay its proportionate	
	erhead will be charged in accordance with the Joint Op		3/12/2021

^{1.} All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 18H

	BCP - I		ACP - I		Comp		Production		Post Con	· · · · · · · · · · · · · · · · · · ·	Total
Description	Codes	Amount	Codes	Amount	Codes	Amount		Amount		Amount	Cost
Roads & Location	DIDC.100	125,000		5	STIM.100	10,000	CON.100	38,860	PCOM.100	10,000	183,860
Damages	DIDC.105	30,000				- 1	CON.105	2,990		1	32,990
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255	53,000			PCOM.255	0:	178,000
Day Rate	DIDC.115	365,000	DICC.120	60,000		- 1					425,000
Misc Preparation	DIDC.120	20,000		55,000							20,000
-	DIDC.125		DICC 125		STIM.125				PCOM.125	o ⁱ	62,000
Bits		62,000	DICC.125	0	311W.123	0				ď	
Fuel	DIDC 135	43,000	DICC.130	0		J.			PCOM.130	0	43,000
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135	0	STIM.135	20,000			PCOM.135	0	45,000
Mud & Additives	DIDC.145	150,000				Ĩ				1	150,000
SWD PIPED TO 3RD PARTY SWD WELL		i							PCOM.257	126,270	126,270
Surface Rentals	DIDC.150	95,000	DICC.140	0	STIM.140	143,000	CON.140	1,709	PCOM.140	0	239,709
		33,000			STIM.141	1		1,7.03	PCOM.141	121,000	
Flowback Labor				- 1		0					121,000
Downhole Rentals	DIDC.155	82,000		i	STIM.145	35,000			PCOM 145	0	117,000
Automation Labor		J		- 1			CON.150	42,702	PCOM.150	5,000	47,702
Mud Logging	DIDC.170	21,000								1	21,000
IPC & EXTERNAL PAINTING		1				i	CON.165	16,654		1	16,654
	DIDC.185	110.000	DICC.155	EE 000		1		10,05	i		165,000
Cementing & Float Equipment		110,000		55,000					BC014460	- 1	
Tubular Inspections	DIDC.190	50,000	DICC.160	10,000	STIM.160	4,000			PCOM.160	0	64,000
Casing Crews	DIDC.195	15,000	DICC.165	15,000	STIM.165	0:				1	30,000
Mechanical Labor	DIDC.200	28,000	DICC.170	10,000	STIM.170	0	CON.170	161,415	PCOM.170	15,000	214,415
Trucking/Transportation	DIDC.205	18,000	DICC.175	8,000	STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	49,081
	DIDC.210		DICC.180	9,000	STIM.180	49,000	CON.180		PCOM.180	D,000	141,103
Supervision		72,000					2011.100	11,103	. 2011.100	4	
Trailer House/Camp/Catering	DIDC.280	39,000	DICC.255	5,000	STIM.280	25,000					69,000
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	64,000	CON.190	8,967	PCOM.190	0	77,967
Overhead	DIDC.225	10,000	DICC.195	5,000						1	15,000
MOB/DEMOB	DIDC.240	110,000								-	110,000
Directional Drilling Services	DIDC.245	300,000								Į.	300,000
Solids Control	DIDC.260	46,000							00011010		46,000
Well Cantrol Equip (Snubbing Services)	DIDC.265	77,000	DICC.240	5,000	STIM.240	67,000			PCOM.240	0	149,000
Completion Rig		li		1	STIM.115	21,000			PCOM.115	0]:	21,000
Coil Tubing Services		í,			STIM.260	164,000			PCOM.260	0	164,000
Completion Logging /Perforating/Wireline					STIM.200	209,000			PCOM.200	0	209,000
									PCOM.390	0	
Composite Plugs					STIM.390	53,000					53,000
Stimulation Pumping/Chemicals/Additives/Sand		1			STIM.210	1,778,000			PCOM.210	0	1,778,000
Stimulation Water/Water Transfer/Water Storage		î			STIM.395	254,000					254,000
Cimarex Owned Frac/Rental Equipment		į.			STIM.305	60,000			PCOM.305	0	60,000
Legal/Regulatory/Curative	DIDC.300	10,000				,	CON.300	0			10,000
				1	i		20111000	v			
Well Control Insurance	DIDC.285	7,000									7,000
Major Construction Overhead		1					CON.305	24,767			24,767
FL/GL - ON PAD LABOR							CON.495	36,724			36,724
FL/GL - Labor							CON.500	95,653			95,653
FL/GL - Supervision		ı					CON.505	10,676		11	10,676
		į.					CON.515			j.	2,135
Survey								2,135		1	
Contingency	DIDC.435	89,000	DICC.220	9,000	STIM.220	151,000		96,934	PCOM.220	0	345,934
Contingency							CON.221	24,767	ļ	<u></u>	24,767
Total Intangible Cost	'	2,129,000		191,000		3,164,000		593,137	4	279,270	6,356,407
Conductor Pipe	DWEB.130	8,000				20,7				1'	8,000
	li .								1	ļ	11,000
Water String	DWEB.135	11,000									
Surface Casing	DWEB.140	53,000								1	53,000
Intermediate Casing 1	DWEB.145	301,000							1		301,000
Production Casing or Liner			DWEA.100	127,000					L	J	127,000
Tubing					STIMT,105	96,000			PCOMT.105	0	96,000
Weilhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	45,000			PCOMT.120	15,000	116,000
						45,000			5	15,000	
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA 125	55,000							55,000
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,000
SHORT ORDERS							CONT.380	7,259	Î		7,259
PUMPS							CONT.385	17,508			17,508
WALKOVERS							CONT.390	2,989			2,989
					STIME ALD	00.000		2,505	PCOMT.410	0	
Downhole Lift Equipment					STIMT.410	80,000				0	80,000
Surface Equipment		1							PCOMT.420	25,000	25,000
Well Automation Materials									PCOMT.455	8,000	8,000
N/C Lease Equipment							CONT.400	170,382		3	170,382
Tanks, Tanks Steps, Stairs							CONT.405	45,692		Ē.	45,692
										li li	
Battery Equipment							CONT.410	186,182			186,18
Secondary Containments							CONT.415	20,924		B	20,92
Overhead Power Distribution							CONT.420	80,280		9	80,28
Facility Electrical							CONT.425	21,778		н	21,77
							CONT.426	427		Į.	42
Telecommunication Equipment										3	
Meters and Metering Equipment							CONT.445	29,465			29,46
Facility Line Pipe							CONT.450	23,486		Ĭ	23,48
Lease Automation Materials							CONT.455	40,994			40,99
FL/GL - Materials			1				CONT.550	30,319			30,31
	1						CONT.555			į.	
FL/GL - Line Pipe	į.		-					69,178		10.00	69,17
Total Tangible Cos	t	411,000		200,000		249,000	2	746,863		48,000	1,654,86
Total Estimated Cost		2,540,000		391,000		3,413,000		1,340,000		327,270	8,011,27



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 18H

		BCP - Drilling			ACP - Drilling			Comp/Stim	
Description	Codes		Amount	Codes		Amount	Codes		Amoun
Roads & Location	DIDC.100		125,000			1	STIM.100		10,000
Damages	DIDC.105		30,000						1
Mud/Fluids Disposal	DIDC.255		125,000				STIM.255		53,000
Day Rate	DIDC.115			DICC.120		50,000	311111233		33,000
			365,000	DICC.120		60,000			
Misc Preparation	DIDC 120		20,000						
Bits	DIDC.125		62,000	DICC.125		0	STIM.125		(
Fuel	DIDC.135		43,000	DICC.130		0			
Water for Drilling Rig (Not Frac Water)	DIDC.140		25,000	DICC.135		08	STIM.135		20,000
Mud & Additives	DIDC.145		150,000			1			
SWD PIPED TO 3RD PARTY SWD WELL	0.000.00		150,000						
						- 2			
Surface Rentals	DIDC 150		95,000	DICC 140		0	STIM.140		143,000
Flowback Labor				j			STIM.141		(
Downhole Rentals	DIDC.155		82,000				STIM.145		35,000
Automation Labor									
Mud Logging	DIDC.170		21,000						
IPC & EXTERNAL PAINTING			21,000						
Cementing & Float Equipment	DIDC.185		110,000	DICC.155		55,000			
Tubular Inspections	DIDC.190		50,000	DICC.160		10,000	STIM.160		4,000
Casing Crews	DIDC.195		15,000	DICC.165		15,000	STIM.165		(
Mechanical Labor	DIDC.200		28,000	DICC.170		10,000	STIM.170		(
Trucking/Transportation	DIDC.205		18,000	DICC.175		8,000	STIM.175		4,000
Supervision	DIDC.210		72,000			9,000	STIM.180		49,000
Traifer House/Camp/Catering	DIDC.280		39,000	DICC.255		5,000	STIM.280		25,000
Other Misc Expenses	DIDC.220		5,000	DICC.190		0	STIM.190		64,000
Overhead	DIDC.225		10,000	DICC 195		5,000			
MOB/DEMOB	DIDC.240		110,000						
Directional Drilling Services	DIDC.245								
			300,000	1					
Solids Control	DIDC.260		46,000						
Well Control Equip (Snubbing Services)	DIDC.265		77,000	DICC.240		5,000	STIM.240		67,000
Completion Rig				Ž.			STIM.115		21,000
Coil Tubing Services							STIM.260		164,000
Completion Logging/Perforating/Wireline							STIM.200		209,000
Composite Plugs	1						STIM.390		
									53,000
Stimulation							STIM.210		1,778,000
Stimulation Water/Water Transfer/Water							STIM.395		254,000
Cimarex Owned Frac/Rental Equipment							STIM.305		60,000
Legal/Regulatory/Curative	DIDC.300		10,000						
Well Control Insurance	DIDC.285		7,000						
Major Construction Overhead	DIDCLEOS		1,000						
FL/GL - ON PAD LABOR									
FL/GL - Labor									
FL/GL - Supervision									
Survey									
Contingency	DIDC.435		80,000	DICC.220		9 000	STIM.220		151,000
	(Diberso		83,000	DICE.LED		2,000	a miniceo		1.3.1,000
Contingency	i.	_	-,						
Total Intangible Cos			2,129,000	_		191,000			3,164,000
Conductor Pipe	DWEB.130		8,000						
Water String	DWEB.135		11,000						
Surface Casing	DWEB.140		53,000	5					1
Intermediate Casing 1	1 DWEB.145		301,000						
-	1 DWC6.143		301,000						
Production Casing or Liner				DWEA.100		127,000			
Tubing							STIMT.105		96,000
Wellhead, Tree, Chokes	DWEB.115		38,000	DWEA.120		18,000	STIMT.120		45,000
Liner Hanger, Isolation Packer	DWEB,100		0	DWEA.125		55,000			
Packer, Nipples	b		1				STIMT.400°		28,000
SHORT ORDERS	i:								20,000
	i i					1			
PUMPS									
WALKOVERS									1
Dawnhole Lift Equipment							STIMT.410		80,000
Surface Equipment	1								
Well Automation Materials									
	1								ř.
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs	1								
Battery Equipment									
Secondary Containments	1					1			
Overhead Power Distribution									
						"			
Facility Electrical	I								
Telecommunication Equipment	1								
Meters and Metering Equipment	1								1
Facility Line Pipe	1					1			1
Lease Automation Materials	5					1			
	1								
FL/GL - Materials									1
FL/GL - Line Pipe	3		1						
Total Tangible Cos	t		411,000			200,000			249,00



CIMARE Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 18H

	Production Equip			Post Completion	Total
Description	Codes	Amount!	Codes	Amount	Cos
Roads & Location	CON.100	38,860	PCOM.100	10,000	183,86
Damages	CON.105	2,990			32,99
Mud/Fluids Disposal		_,	PCOM.255	0	178,00
Day Rate			1 001111233	9	
		1			425,00
Misc Preparation				20	20,00
Bits .			PCOM.125	0	62,00
Fuel			PCOM.130	0	43,00
Water for Drilling Rig (Not Frac Water)			PCOM.135	0	45,00
Mud & Additives					150,00
			0.0011.057		
SWD PIPED TO 3RD PARTY SWD WELL			PCOM.257	126,270	126,27
Surface Rentals	CON.140	1,709	PCOM 140	0	239,70
Flowback Labor			PCOM.141	121,000	121,00
Downhole Rentals			PCOM.145	0	117,00
Automation Labor	CON.150	42,702	PCOM.150	5,000	47,70
	CO11.150	42,702	1 0011111111111111111111111111111111111	3,000	
Mud Logging					21,00
IPC & EXTERNAL PAINTING	CON.165	16,654		ļ.	16,65
Cementing & Float Equipment					165,00
Tubular Inspections			PCOM.160	o,	64,00
Casing Crews					30,00
	CON.170	1	PCOM,170	45.000	
Mechanical Labor		161,415		15,000	214,41
Trucking/Transportation	CON.175	17,081	PCOM.175	2,000	49,08
Supervision	CON.180 :	11,103	PCOM.180	o'	141,10
Trailer House/Camp/Catering		1 3			69,00
Other Misc Expenses	CON.190	8,967	PCOM.190	o'.	77,96
Overhead		0,557		o,	15,00
MOB/DEMOB					110,00
Directional Drilling Services					300,00
Solids Cantrol					46,00
Well Control Equip (Snubbing Services)			PCOM.240	0	149,00
Completion Rig			PCOM.115	O'	21,00
**** *** *** *** *** *** *** *** *** *					
Coil Tubing Services			PCOM.260	o _.	164,00
Completion Logging/Perforating/Wireline			PCOM.200	0.	209,00
Composite Plugs			PCOM.390	0	53,00
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210	0	1,778,00
Stimulation Water/Water Transfer/Water					254,00
Cimarex Owned Frac/Rental Equipment			PCOM.305	D'	
			PCOIVI.303	u,	60,00
Legal/Regulatory/Curative	CON.300	0			10,00
Well Control Insurance		1			7,00
Major Construction Overhead	CON.305	24,767			24,76
FL/GL - ON PAD LABOR	CON.495	36,724			36,72
FL/GL - Labor	CON.500				95,65
		95,653	,		
FL/GL - Supervision	CON.505	10,676			10,67
Survey	CON.515	2,135			2,13
Contingency	CQN.220	96,934	PCOM.220	0	345,93
Contingency	CON.221	24,767			24,76
Total Intangible Cost		593,137		279,270	6,356,40
the state of the s	TORILE TO A AREA TO A PROPERTY OF THE PARTY	THE R. P. S. P. S. P. L. P. S. P. L.	A. 1000 F	275,270	
Conductor Pipe				*	8,00
Water String					11,00
Surface Casing					53,00
Intermediate Casing 1					301,00
Production Casing or Liner				E.	127,00
Tubing			PCOMT.105	o ^k	96,00
_					
Wellhead, Tree, Chokes			PCOMT.120	15,000	116,00
Liner Hanger, Isolation Packer					55,00
Packer, Nipples			PCOMT.400	0	28,00
SHORT ORDERS	CONT.380	7,259			7.25
PUMPS	CONT.385				
		17,508			17,50
WALKOVERS	CONT.390	2,989			2,98
Downhole Lift Equipment			PCOMT.410	0	80,00
Surface Equipment			PCOMT.420	25,000	25,00
Well Automation Materials			PCOMT.455	8,000	8,00
	CONT.400	170 202		0,000	
N/C Lease Equipment		170,382			170,38
Tanks, Tanks Steps, Stairs	CONT.405	45,692			45,69
Battery Equipment	CONT.410	186,182			186,18
Secondary Containments	CONT.415	20,924			20,92
Overhead Power Distribution	CONT.420	80,280			80,28
Facility Electrical	CONT.425	21,778			21,77
Telecommunication Equipment	CONT.426	427			42
Meters and Metering Equipment	CONT.445	29,465			29,46
Facility Line Pipe	CONT.450	23,486			23,46
Lease Automation Materials	CONT.455	40,994			40,99
FL/GL - Materials	CONT.550	30,319			30,31
FL/GL - Line Pipe	CONT.555	69,178		i	69,17
Total Tangible Cost		746,863		48,000	1,654,86

Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Company Entity

Exploration Region Permian Basin

Well Name

COM 19H

THYME & CORIANDER 1-12 FED

New Mexico Bone Spring Pros

Property Number

AFF

County, State

Location

(Lea)

Estimated Spud

Estimated Completion

Lea, NM

SEC 1-T23S-R32E, LEA COUNTY, NM

Ttl Measured Depth

Ttl Vetical Depth

X New Supplement Revision

Formation **AVALON**

Well Type DEV

Prospect

19,700

9,700

Purpose

Drill and complete well

Description

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,129,000		\$2,129,000
Completion Costs		\$4,194,287	\$4,194,287
Total Intangible Cost	\$2,129,000	\$4,194,287	\$6,323,287
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540,000	\$5,438,150	\$7,978,150

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
AND NO. OF ACCUSED AND ADDRESS OF THE PARTY OF SECURIOR AND ADDRESS OF THE PARTY OF	A STATE OF THE PARTY OF THE PAR		-1- 1-
The same of the sa			
NOTICE TO NONOPERATOR: Co	sts shown on this form are estimates only. By executing	this AFE, the consenting party agrees to pay its proportionate	
share of actual costs incurred. Ou	erhead will be charged in accordance with the Joint Op	erating Agreement.	3/12/2021



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 19H

		Drilling	ACP - I		Comp			ion Equip	Post Con		Total
Description	Codes	Amount	Codes	Amount		Amount		Amount		Amount	Cos
Roads & Location	DIDC.100	125,000			STIM.100	10,000	CON,100	38,860	PCOM.100	10,000	183,86
Damages	DIDC.105	30,000				1	CON.105	2,990		1	32,99
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255	53,000			PCOM.255	0	178,00
Day Rate	DIDC.115	365,000	DICC.120	60,000						¥	425,00
			DICC. IEU	60,000		l l				1	
Misc Preparation	DIDC.120	20,000								1	20,00
lits	DIDC.125	62,000	DICC.125	0	STIM.125	0			PCOM.125	D _i	62,00
-uel	DIDC.135	43,000	DICC.130	0		ļ			PCOM.130	0	43,00
Water for Drilling Rig (Not Frac Water)	DIDC,140	25,000	DICC.135	0	STIM.135	20,000		í	PCOM.135	O ^l	45,00
Mud & Additives	DIDC.145	150,000			i					1	150,00
		130,000							PCOM.257	02.150	
SWD PIPED TO 3RD PARTY SWD WELL										93,150	93,15
Surface Rentals	DIDC.150	95,000	DICC 140	0	STIM.140	143,000	CON.140	1,709	PCOM.140	0	239,70
lowback Labor		ħ			STIM.141	0			PCOM.141	121,000	121,00
Downhole Rentals	DIDC 155	82,000			STIM.145	35,000			PCOM.145	0	117,00
utomation Labor						1	CON.150	42 702	PCOM.150	5,000	47,70
Aud Logging	DIDC.170	21,000						712,1 02		5,000	21,00
	DIDC.170	21,000					CON.165			9	
PC & EXTERNAL PAINTING							CON. 165	16,654		- 1	16,65
Eementing & Float Equipment	DIDC.185	110,000	DICC.155	55,000		i				}	165,00
ubular Inspections	DIDC.190	50,000	DICC.160	10,000	STIM.160	4,000			PCOM.160	0	64,00
asing Crews	DIDC.195	15,000	DICC.165	15,000	STIM.165	0				3	30,00
Mechanical Labor	DIDC.200	28,000	DICC.170	10,000	STIM.170	0:	CON.170	161,415	PCOM.170	15,000	214,41
						1		. 1			
rucking/Transportation	DIDC.205	18,000	DICC.175	8,000	STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	49,08
upervision	DIDC.210	72,000	DICC.180	9,000	STIM.180	49,000	CON.180	11,103	PCOM.180	0	141,10
railer House/Camp/Catering	DIDC.280	39,000	DICC.255	5,000	STIM.280	25,000					69,00
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	64,000	CON.190	8,967	PCOM.190	0.	77,96
Overhead	DIDC.225	10,000	DICC.195	5,000						ij.	15,00
				3,000]	
MOB/DEMOB	DIDC.240	110,000								B	110,00
Directional Drilling Services	DIDC.245	300,000								ł	300,00
iolids Control	DIDC.260	46,000									46,00
Vell Control Equip (Snubbing Services)	DIDC.265	77,000	DICC,240	5,000	STIM.240	67,000			PCOM.240	o o	149,00
Completion Rig					STIM.115	21,000			PCOM.115	o.	21,00
coil Tubing Services					STIM.260	164,000			PCOM.260	o.	164,00
				i	STIM.200					- 0	
Completion Logging/Perforating/Wireline		1				209,000			PCOM.200	O _i	209,00
omposite Plugs		1			5TIM.390	53,000			PCOM.390	0.	53,00
stimulation Pumping/Chemicals/Additives/Sand	1	H			STIM.210	1,778,000			PCOM.210	0	1,778,00
Stimulation Water/Water Transfer/Water Storage		ì		1	STIM.395	254,000				Ę	254,00
Cimarex Owned Frac/Rental Equipment		į.			STIM.305	60,000			PCOM.305	o	60,00
	DIDC 200	******			511111.505	00,000	CON 300		1 0011.505	0	
egal/Regulatory/Curative	DIDC.300	10,000				Ĭ	CON,300	0		I	10,00
Well Control Insurance	DIDC.285	7,000									7,00
Major Construction Overhead							CON.305	24,767		1	24,76
L/GL - ON PAD LABOR							CON.495	36,724		{	36,72
L/GL - Labor							CON.500	95,653		1	95,65
		1					CON.505			1	
FL/GL - Supervision		8						10,676			10,67
Survey							CON.515	2,135			2,13
Contingency	DIDC.435	89,000	DICC.220	9,000	STIM.220	151,000	CON.220	96,934	PCOM.220	0	345,93
Contingency						1	CON.221	24,767	,	ì	24,76
Total Intangible Cost		2,129,000		191,000	,	3,164,000		593,137	H	246,150	5,323,28
Conductor Pipe	DWEB.130	8,000		15,4000				The same baseline			8,00
						1			E	1	
Vater String	DWEB.135	11,000				1				9	11,00
urface Casing	DWEB.140	53,000			!	1				- 1	53,00
ntermediate Casing 1	DWEB.145	301,000			1	8				-	301,00
Production Casing or Liner			DWEA.100	127,000		i				Ĭ	127,00
Tubing				,000	STIMT,105	96,000			PCOMT.105	o	96,00
	DWEB.115	20,000	DWEA 120	10.000					PCOMT.120		
Velihead, Tree, Chokes		38,000		18,000	31001.120	45,000			, CONTLIEU	15,000	116,00
iner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	55,000						1	55,00
acker, Nipples					STIMT.400	28,000			PCOMT.400	0	28,00
SHORT ORDERS						Í	CONT.380	7,259		Ĩ	7,25
UMPS							CONT.385	17,508			17,50
WALKOVERS							CONT.390	2,989			2,98
					CTILAT 44C	00.000	CO141"320	2,989	DCOME 445		
Downhole Lift Equipment					STIMT.410	80,000			PCOMT.410	0	80,00
urface Equipment									PCOMT 420	25,000	25,00
Vell Automation Materials									PCOMT.455	8,000	8,00
I/C Lease Equipment							CONT 400	170,382		-,	170,38
anks, Tanks Steps, Stairs							CONT.405	45,692			45,69
attery Equipment						1	CONT 410	186,182			186,18
econdary Containments							CONT.415	20,924			-20,9
Overhead Power Distribution							CONT.420	80,280			80,2
acility Electrical							CONT.425	21,778			21,7
elecommunication Equipment						1	CONT.426	427			4
feters and Metering Equipment					1		CONT,445	29,465	}		29,4
acility Line Pipe	i						CONT.450	23,486			23,4
ease Automation Materials		ì					CONT.455	40,994	[40,9
FL/GL - Materials					i	h	CONT.S50	30,319		4	30,3
FL/GL - Line Pipe					ļ		CONT.555	69,178		1_	69,17
Total Tangible Cost		411,000		200,000		249,000		746,863		48,000	1,654,86



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 19H

		BCP - Drilling			ACP - Drilling			Comp/Stim	
Description	Codes		Amount	Codes	-, -, -, -, -, -, -, -, -, -, -, -, -, -	Amount	Codes		Amoun
Roads & Location	DIDC.100		125,000				STIM.100		10,00
Damages	DIDC.105		30,000						
Mud/Fluids Disposal	DIDC.255		125,000			1	STIM.255		53,000
Day Rate	DIDC.115			DICC.120		60,000	011111211		33,000
			365,000	DICC. 120		60,000			1
Misc Preparation	DIDC.120		20,000	,					
Bits	DIDC.125		62,000	DICC.125		0	STIM.125		(
Fuel	DIDC.135		43,000	DICC.130		0			
Water for Drilling Rig (Not Frac Water)	DIDC.140		25,000	DICC.135		0	STIM.135		20,000
Mud & Additives	DIDC.145		150,000			٠,			20,000
	DIDC.143		130,000						
SWD PIPED TO 3RD PARTY SWD WELL									
Surface Rentals	DIDC.150		95,000	DICC.140		0	STIM.140		143,000
Flowback Labor	1						STIM.141		(
Downhole Rentals	DIDC.155		82,000				STIM.145		35,000
Automation Labor									
Mud Logging	DIDC.170		24.000						
	DIDC.170		21,000						
IPC & EXTERNAL PAINTING									
Cementing & Float Equipment	DIDC.185		110,000	DICC.155		55,000			
Tubular Inspections	DIDC.190		50,000	DICC.160		10,000	STIM.160		4,000
Casing Crews	DIDC 195		15,000	DICC.165		15,000	STIM.165		
Mechanical Labor	DIDC.200		28,000	DICC.170		10,000	STIM.170		
							STIM.175		1
Trucking/Transportation	DIDC.205		18,000	DICC.175		8,000			4,000
Supervision	DIDC.210		72,000			9,000	STIM.180		49,000
Trailer House/Camp/Catering	DIDC.280		39,000	DICC.255		5,000	STIM.280		25,000
Other Misc Expenses	DIDC.220		5,000	DICC,190		0	STIM.190		64,000
Overhead	DIDC.225		10,000	DICC.195		5,000			
MOB/DEMOB	DIDC.240					3,000			
			110,000						
Directional Drilling Services	DIDC.245		300,000						
Solids Control	DIDC.260		46,000						
Well Control Equip (Snubbing Services)	DIDC.265		77,000	DICC.240		5,000	STIM.240		67,000
Completion Rig						i i	STIM.115		21,000
Coil Tubing Services							STIM.260		164,000
							STIM.200		209,000
Completion Logging/Perforating/Wireline									
Composite Plugs							STIM.390		53,000
Stimulation							STIM.210		1,778,000
Stimulation Water/Water Transfer/Water							STIM.395		254,000
Cimarex Owned Frac/Rental Equipment							STIM.305		60,000
Legal/Regulatory/Curative	DIDC.300		10,000						00,00
				i					
Well Control Insurance	DIDC.285		7,000						
Major Construction Overhead									
FL/GL - ON PAD LABOR									
FL/GL - Labor									
FL/GL - Supervision									
	i								
Survey			i						
Contingency	DIDC.435		89,000	DICC.220		9,000	STIM.220		151,00
Contingency			i						
Total Intangible Cos	t		2,129,000			191,000			3,164,00
Conductor Pipe	DWEB.130		8,000					αα	1
Water String	DWEB.135		11,000	1					1
	3		1						
Surface Casing	DWEB.140		53,000						
Intermediate Casing 1	DWEB.145		301,000						
Production Casing or Liner	1			DWEA.100		127,000			
Tubing							STIMT.105		96,00
Wellhead, Tree, Chokes	DWEB.115		38.000	DWEA.120		18,000	STIMT.120		45,00
Liner Hanger, Isolation Packer	DWEB.100			DWEA.125		55,000			,5,50
			1			33,000	STIMT.400		70.00
Packer, Nipples			Į.				3 (HM) (ADD		28,00
SHORT ORDERS									
PUMPS									
WALKOVERS									
Downhole Lift Equipment			1				STIMT.410		80,00
Surface Equipment									00,50
Well Automation Materials									
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs									
Battery Equipment									
Secondary Containments									
Overhead Power Distribution									
Facility Electrical									
Telecommunication Equipment						1			
Meters and Metering Equipment									
marara and mesering Equipment									
Encility Line Dine									
Facility Line Pipe Lease Automation Materials									
Lease Automation Materials FL/GL - Materials	,								
Lease Automation Materials			411,000			200,000			249,00



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 19H

	Production Equip			Post Completion	Total
Description	Codes	Amount	Codes	Amount	Co
Roads & Location	CON.100	38,860	PCOM.100	10,000	183,86
Damages	CON.105	2,990			32,99
Mud/Fluids Disposal		i i	PCOM.255	o	178,00
Day Rate					425,00
Misc Preparation					20,00
			DC014435	0'	
Bits			PCOM.125	0	62,00
Fuel		1)	PCOM.130	0	43,00
Water for Drilling Rig (Not Frac Water)			PCOM.135	0,	45,00
Mud & Additives					150,000
SWD PIPED TO 3RD PARTY SWD WELL		1	PCOM.257	93,150	93,150
Surface Rentals	CON.140	1,709	PCOM.140	0	239,70
Flowback Labor	COTT.140	1,105	PCOM.141	121,000	121,00
Downhole Rentals			PCOM.145	0	117,00
Automation Labor	CON.150	42,702	PCOM.150	5,000	47,70
Mud Logging				1	21,00
IPC & EXTERNAL PAINTING	CON.165	16,654		<u> </u>	16,65
Cementing & Float Equipment					165,00
Tubular Inspections			PCOM.160	0'	64,000
				,	
Casing Crews	CON 170	,	ECON 177	,	30,000
Mechanical Labor	CON.170	161,415	PCOM.170	15,000	214,41
Trucking/Transportation	CON.175	17,081	PCOM.175	2,000	49,08
Supervision	CON.180	11,103	PCOM.180	0	141,10
Trailer House/Camp/Catering					69,00
Other Misc Expenses	CON.190	8,967	PCOM.190	0''	77,96
Overhead		3,337		ů,	15,00
MOB/DEMOB					110,000
Directional Drilling Services					300,000
Solids Control		1			46,000
Well Control Equip (Snubbing Services)			PCOM.240	0	149,000
Completion Rig			PCOM.115	0.	21,000
Coil Tubing Services			PCOM.260	0	164,000
-			PCOM.200	0	209,000
Completion Logging/Perforating/Wireline					
Composite Plugs			PCOM.390	0	53,000
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210	0	1,778,000
Stimulation Water/Water Transfer/Water					254,000
Cimarex Owned Frac/Rental Equipment			PCOM.305	0	60,000
Legal/Regulatory/Curative	CON.300	0			10,000
Well Control Insurance		ŭ			7,000

Major Construction Overhead	CON.305	24,767			24,76
FL/GL - ON PAD LABOR	CON.495	36,724			36,72
FL/GL - Labor	CON,500	95,653			95,65
FL/GL - Supervision	CON.505	10,676			10,67
Survey	CON.515	2,135			2,13
Contingency	CON.220	96,934	PCOM.220	0	345,93
	CON.221				
Contingency	CON.221	24,767			24,76
Total Intangible Cost		593,137		246,150	6,323,28
Conductor Pipe					8,000
Water String					11,00
Surface Casing					53,00
Intermediate Casing 1					301,00
Production Casing or Liner					127,00
			DCOMT 105		
Tubing			PCOMT.105	0	96,00
Wellhead, Tree, Chokes			PCOMT.12D	15,000	116,00
Liner Hanger, Isolation Packer					55,00
Packer, Nipples			PCOMT.400 ↓	0	28,00
SHORT ORDERS	CONT.380	7,259			7,25
PUMPS	CONT.385	17,508			17,50
WALKOVERS	CONT.390				2,98
	CON1.330	2,989	DOOLUT 455		
Downhole Lift Equipment			PCOMT.410	0	80,00
Surface Equipment			PCOMT.420	25,000	25,00
Well Automation Materials			PCOMT.455	8,000	8,00
N/C Lease Equipment	CONT.400	170,382			170,38
Tanks, Tanks Steps, Stairs	CONT.405	45,692			45,69
Battery Equipment	CONT.410	186,182			186,18
Secondary Containments	CONT.415	20,924			20,92
Overhead Power Distribution	CONT.420	80,280			80,28
Facility Electrical	CONT.425	21,778			21,77
Telecommunication Equipment	CONT.426	427			42
Meters and Metering Equipment	CONT.445	29,465			29,46
Facility Line Pipe	CONT.450				23,48
		23,486			
Lease Automation Materials	CONT.455	40,994			40,99
FL/GL - Materials	CONT.550	30,319			30,31
FL/GL - Line Pipe	CONT.555	69,178			69,17
Total Tangible Cost		746,863		48,000	1,654,86

Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Company Entity

AFF Exploration Region Well Name Prospect Property Number THYME & CORIANDER 1-12 Permian Basin New Mexico Bone Spring Pros FED COM 25H (Lea) County, State Location Estimated Spud **Estimated Completion** Lea, NM SEC 1-T23S-R32E, LEA COUNTY, NM X New Well Type Ttl Measured Depth Ttl Vetical Depth Formation Supplement 3RD SAND DEV 22,230 12,230

Purpose Drill and complete well

Description

Revision

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost
. Drilling Costs	\$2,599,000		\$2,599,000
Completion Costs		\$4,303,407	\$4,303,407
Total Intangible Cost	\$2,599,000	\$4,303,407	\$6,902,407
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$418,000	\$705,000	\$1,123,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$418,000	\$1,451,863	\$1,869,863
Total Well Cost	\$3,017,000	\$5,755,270	\$8,772,270

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Company	Approved By (Print Name)	Approved By (Signature)	Date
==: " = 2 =		LECTION OF PRODUCE	

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

3/12/2021



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 25H

	BCP -			Drilling		/Stim		ion Equip	Post Con	alan artita and to	Total
Description	Codes	Amount	Codes	Amount		Amount	Codes	Amount		Amount	Co
Roads & Location	DIDC.100	100,000			STIM.100	10,000	CON.100	38,860	PCOM.100	10,000	158,86
Damages	DIDC.105	10,000				- 1	CON.105	2,990		ı	12,9
Mud/Fluids Disposal	DIDC.255	160,000			STIM.255	53,000		1	PCOM.255	0	213,00
Day Rate	DIDC.115	480,000	DICC.120	80,000						Ī	560,00
Misc Preparation	DIDC.120	30,000						j			30,00
Bits	DIDC.125	97,000	DICC.125	0	STIM.125	o			PCOM.125	0	97,0
				-	31110.123	v			PCOM.130	- 1	
Fuel	DIDC.135	73,000	DICC.130	0						0	73,0
Nater for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0	STIM.135	20,000			PCOM.135	0	25,0
Mud & Additives	DIDC.145	275,000				1				l.	275,0
SWD PIPED TO 3RD PARTY SWD WELL		ľ							PCOM.257	126,270	126,2
Surface Rentals	DIDC.150	112,000	DICC.140	0	STIM.140	143,000	CON.140	1,709	PCOM.140	0	256,7
lowback Labor		,			STIM.141	0			PCOM.141	121.000	121,0
Downhole Rentals	DIDC.155	143,000			STIM.145	35,000			PCOM.145	0	178,0
	DIDC.133	143,000			511101.145	33,000	CON.150	42.702	PCOM.150	- 1	
Automation Labor							CON.130	42,102	PCOM.130	5,000	47,7
Mud Logging	DIDC 170	29,000								1	29,0
PC & EXTERNAL PAINTING							CON,165	16,654		į.	16,6
Cementing & Float Equipment	DIDC.185	125,000	DICC.155	120,000.						į.	245,0
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000	STIM.160	4,000			PCOM.160	o	50,0
Casing Crews	DIDC.195	22,000	DICC.165	13,000	STIM.165	0					35,0
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000	STIM.170	0	CON.170	161,415	PCOM.170	15,000	199,4
	DIDC.205		DICC.175		STIM.175		CON.175	17,081	PCOM.175	2,000	61,0
Trucking/Transportation		30,000		8,000		4,000					
Supervision	DIDC.210	90,000	DICC.180	12,000	STIM.180	49,000	CON.180	11,103	PCOM.180	0	162,1
Frailer House/Camp/Catering	DIDC.280	42,000	DICC.255	5,000	STIM.280	25,000					72,0
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	64,000	CON.190	8,967	PCOM.190	0	77,9
Overhead	DIDC 225	5,000	DICC.195	5,000						li I	10,0
MOB/DEMOB	DIDC.240	115,000									115,0
Directional Drilling Services	DIDC.245	284,000									284,0
Solids Control	DIDC.260			,		î					59,0
		59,000	B1000040		STIM.240	57.000			PCOM,240	o	
Well Control Equip (Snubbing Services)	DIDC.265	108,000	DICC.240	0		67,000					175,0
Completion Rig		ł	!		STIM.115	21,000			PCOM.115	D,	21,0
Coll Tubing Services					STIM.260	164,000			PCOM.260	0	164,0
Completion Logging/Perforating/Wireline					STIM.200	209,000			PCOM.200	0	209,0
Composite Plugs					STIM.390	53,000			PCOM.390	o	53,0
Stimulation Pumping/Chemicals/Additives/Sand					STIM.210	1,778,000			PCOM.210	0	1,778,0
Stimulation Water/Water Transfer/Water Storage					STIM.395	254,000				-	254,0
					STIM.305				PCOM.305	o¦	60,0
Cimarex Owned Frac/Rental Equipment				1	31 IVI.303	60,000			PCOM.303	υį	
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0		1	10,0
Well Control Insurance	DIDC.285	8,000		1						į.	8,0
Major Construction Overhead							CON.305	24,767			24,7
FL/GL - ON PAD LABOR							CON.495	36,724	1		36,7
FL/GL - Labor							CON.500	95,653			95,6
FL/GL - Supervision							CON.505	10,676	9		10,6
							CON.515	2,135			2,1
Survey											
Contingency	DIDC.435	124,000	DICC.220	13,000	STIM.220	151,000		96,934	PCOM.220	0	384,9
Contingency							CON.221	24,767			24,7
Total Intangible Cost		2,599,000		267,000		3,164,000		593,137	L	279,270	6,902,4
Surface Casing	DWEB.140	34,000							1		34,0
Intermediate Casing 1	DWEB.145	346,000									346,0
Production Casing or Liner		,-50	DWEA.100	390,000						1	390,0
Tubing				230,000	STIMT.105	96,000			PCOMT 105	0	96,0
-	DIAGE 445	20.000	D16/E4 177	40.000					PCOMT.120	-	
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	45,000			P	15,000	116,0
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,0
SHORT ORDERS							CONT,380	7,259			7,2
PUMPS							CONT.385	17,508			17,5
WALKOVERS							CONT.390	2,989			2,9
					STIMT.410	80,000		2,555	PCOMT,410	0	80,0
Downhale Lift Equipment					2	50,000			PCOMT.420	25,000	25,0
Surface Equipment											
Well Automation Materials									PCOMT.455	8,000	8,0
N/C Lease Equipment							CONT.400	170,382	1		170,3
Tanks, Tanks Steps, Stairs							CONT.405	45,692		1:	45,6
Battery Equipment							CONT.410	186,182	1		186,
Secondary Containments							CONT.415	20,924			20,9
Overhead Power Distribution							CONT.420	80,280			80,2
									1		
Facility Electrical							CONT.425	21,778			21,7
Felecommunication Equipment							CONT.426	427	ē.		
Meters and Metering Equipment							CONT.445	29,465			29,
vieters and infetering equipment	ř.						CONT.450	23,486			23,4
Facility Line Pipe							CONT.455				4n c
Facility Line Pipe Lease Automation Materials							CONT 550	40,994			40,9
Facility Line Pipe Lease Automation Materials FL/GL – Materials							CONT.550	40,994 30,319			30,3
Facility Line Pipe Lease Automation Materials		418,000		408,000		249,000		40,994	'.	48,000	40,9 30,3 69,1 1,869,8



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 25H

		BCP - Drilling		ACP - Drilling		Comp/Stim	
Description	Codes	Amount 5	Codes	Acr - Drilling Amounts	Codes	Compysum	Amount
Roads & Location	DIDC.100	100,000		***	STIM.100		10,000
Damages	DIDC.105	10,000]		
Mud/Fluids Disposal	DIDC.255	160,000	ŀ		STIM.255		53,000
Day Rate	DIDC.115	480,000	DICC.120	80,000 .			
Misc Preparation	DIDC 120	30,000					1
Bits	DIDC.125	97,000	DICC.125	0	STIM.125		0
Fuel	DIDC.135	73,000	DICC.130	D.	1		
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0 ::	STIM.135		20,000
Mud & Additives	DIDC.145	275,000					
SWD PIPED TO 3RD PARTY SWD WELL							
Surface Rentals	DIDC.150	112,000	DICC.140	0,	STIM.140		143,000
Flowback Labor		1			STIM.141		0
Downhole Rentals	DIDC.155	143,000			STIM.145		35,000
Automation Labor		I					
Mud Logging	DIDC.170	29,000					
IPC & EXTERNAL PAINTING			1				0
Cementing & Float Equipment	DIDC.185	125,000	DICC.155	120,000	5704450		4.000
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000	STIM.160		4,000
Casing Crews	DIDC 195	22,000	DICC.165	13,000 .	STIM.165		0
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000	STIM.170		0
Trucking/Transportation	DIDC.205	30,000	DICC.175	8,000	STIM.175		4,000
Supervision	DIDC.210 DIDC.280	90,000	DICC.180	12,000	STIM.180		49,000
Trailer House/Camp/Catering		42,000	DICC.255	5,000	STIM.280		25,000
Other Misc Expenses Overhead	DIDC.220 DIDC.225	5,000	DICC.190 DICC.195	5 000	STIM.190		64,000
MOB/DEMOB		5,000	DICC.195	5,000			
Directional Drilling Services	DIDC.240 DIDC.245	115,000		l.			
Solids Control		284,000		£			
Well Control Equip (Snubbing Services)	DIDC.260 DIDC.265	59,000	DICC.240	0	STIM.240		67,000
Completion Riq	DIDC203	108,000	DICC.240	U	STIM.115		21,000
Coll Tubing Services					STIM.260		164,000
Completion Lagging/Perforating/Wireline					STIM.200		209,000
Composite Plugs					STIM.390		53,000
Stimulation					STIM.210		1,778,000
Stimulation Water/Water Transfer/Water		1			STIM.395		254,000
Cimarex Owned Frac/Rental Equipment	1				STIM.305		60,000
Legal/Regulatory/Curative	DIDC.300	10,000					00,000
Well Control Insurance	DIDC.285	8,000					1
Major Construction Overhead		5,000					1
FL/GL - ON PAD LABOR							
FL/GL - Labor							
FL/GL - Supervision							
Survey							
Contingency	DIDC.435	124,000	DICC.220	13,000	STIM.220		151,000
Contingency				;			
Total Intangible Cos	ŧ,	2,599,000		267,000			3,164,000
Surface Casing	DWEB.140	34,000		1			1
Intermediate Casing 1	DWEB.145	346,000		,			10 =
Production Casing or Liner	!		DWEA.100	390,000			
Tubing					STIMT 105		96,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120		45,000
Packer, Nipples					STIMT.400		28,000
SHORT ORDERS							
PUMPS							
WALKOVERS							
Downhole Lift Equipment					STIMT.410		80,000
Surface Equipment							1.
Well Automation Materials							
N/C Lease Equipment				!			
Tanks, Tanks Steps, Stairs							
Battery Equipment							
Secondary Containments							
Overhead Power Distribution							
Facility Electrical							
Telecommunication Equipment							
Meters and Metering Equipment							
Facility Line Pipe							
Lease Automation Materials							
FL/GL - Materials	1						
FL/GL - Line Pipe		1	<u> </u>				0.10.0
Total Tangible Cos		418,000		408,000			249,000
Total Estimated Cost	t	3,017,000		675,000			3,413,000



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 25H

	Production Equip			Post Completion	-	Total
Description	Codes	Amount		Amo		Co
Roads & Location	CON.100	38,860	PCOM.100	10,0	00	158,86
Damages	CON.105	2,990				12,99
Mud/Fluids Disposal			PCOM.255		0	213,00
Day Rate						560,00
Misc Preparation						30,00
Bits			PCOM.125		oʻ	97,00
Fuel		1	PCOM.130		0	73,00
Water for Drilling Rig (Not Frac Water)			PCOM.135		0	25,00
Mud & Additives						275,00
SWD PIPED TO 3RD PARTY SWD WELL			PCOM.257	126,2	70	126,27
Surface Rentals	CON.140	1,709			0	256,70
Flowback Labor			PCOM.141	121,0	00	121,00
Downhole Rentals			PCOM.145		0	178,00
Automation Labor	CON.150	42.702	PCOM.150	5,0		47,70
Mud Logging					i i	29,00
PC & EXTERNAL PAINTING	CON.165	16,654				16,65
	CON.163	10,054				
Cementing & Float Equipment						245,00
Fubular Inspections			PCOM.160		0)	50,00
Casing Crews						35,00
Mechanical Labor	CON.170	161,415	PCOM.170	15,0	00	199,41
Trucking/Transportation	CON.175	17,081	PCOM.175	2,0	00	61,08
Supervision	CON.180	11,103	PCOM.180			162,10
Frailer House/Camp/Catering		,			- "	72,00
Other Misc Expenses	CON.190	8,967	PCOM.190		0	77,96
Overhead	2011.30	0,507	. 00141.730		U,	
			·			10,00
MOB/DEMOB						115,00
Directional Drilling Services						284,00
Solids Control					45	59,00
Well Control Equip (Snubbing Services)			PCOM.240		0	175,00
Completion Rig			PCOM.115	1	0	21,00
Coil Tubing Services			PCOM.260			164,00
Completion Logging/Perforating/Wireline			PCOM.200			209,00
			PCOM.390		0	
Composite Plugs			PCOM.21D			53,00
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.21D			1,778,00
Stimulation Water/Water Transfer/Water					CCC	254,00
Cimarex Owned Frac/Rental Equipment			PCOM.305		0	60,00
Legal/Regulatory/Curative	CON.300	D				10,00
Well Control Insurance			1			8,00
Major Construction Overhead	CON.305	24,767				24,76
FL/GL - ON PAD LABOR	CON.495	36,724				36,72
FL/GL - Labor	CON.500	95,653				95,65
	CON.505					
FL/GL - Supervision		10,676	Í			10,67
Survey	CON.515	2,135			- 22	2,13
Contingency	CON.220	96,934	PCOM.220		0	384,93
Contingency	CON.221	24,767				24,76
Total Intangible Cost		593,137		279,	270 6	6,902,40
Surface Casing						34,00
Intermediate Casing 1						346,00
Production Casing or Liner						390,00
Tubing			PCOMT.105		0	96,00
-			PCOMT.120			
Wellhead, Tree, Chokes			i.	15,0		116,00
Packer, Nipples			PCOMT.400	1	0	28,00
SHORT ORDERS	CONT.380	7,259				7,25
PUMPS	CONT.385	17,508				17,50
WALKOVERS	CONT.390	2,989				2,98
Downhole Lift Equipment			PCOMT.410		0	80,00
Surface Equipment			PCOMT.420	25,0		25,00
Well Automation Materials		1	PCOMT.455		000	8,00
	CONT.400	170 203	9	0,1		
N/C Lease Equipment		170,382				170,38
Tanks, Tanks Steps, Stairs	CONT.405	45,692				45,69
Battery Equipment	CONT.410	186,182				186,18
Secondary Containments	CONT.415	20,924	b			20,92
Overhead Power Distribution	CONT.420	80,280				80,28
Facility Electrical	CONT.425	21,778	1 1			21,77
Felecommunication Equipment	CONT.426	427				42
Meters and Metering Equipment	CONT.445					29,40
		29,465		ī		
Facility Line Pipe	CONT.450	23,486				23,41
Lease Automation Materials	CONT.455	40,994		Î		40,99
FL/GL - Materials	CONT.550	30,319	-	1		30,31
FL/GL - Line Pipe	CONT.555	69,178		3		69,17
Total Tangible Cost	Mari F M. America & Acco	! 746,863		48,	000	1,869,86

Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Company Entity

Exploration Region Permian Basin

Well Name

Prospect New Mexico Bone Spring Pros Property Number

AFE

THYME & CORIANDER 1-12 FED COM 26H

(Lea)

County, State

Location

Estimated Completion

Lea, NM X New

SEC 1-T23S-R32E, LEA COUNTY, NM

Formation

Well Type

Ttl Measured Depth

Estimated Spud

Ttl Vetical Depth

Supplement Revision

WOLFCAMP A1 UPPER

DEV

22,525

12,525

Purpose

Drill and complete well

Description

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,599,000		\$2,599,000
Completion Costs		\$4,316,337	\$4,316,337
Total Intangible Cost	\$2,599,000	\$4,316,337	\$6,915,337
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$418,000	\$705,000	\$1,123,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$418,000	\$1,451,863	\$1,869,863
Total Well Cost	\$3,017,000	\$5,768,200	\$8,785,200

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date _

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

3/12/2021



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 26H

	BCP - D			Drilling	Comp			ion Equip	Post Con		Total
Description	Codes	Amount,	Codes	Amount		Amount	Codes	Amount		Amount	Co.
Roads & Location	DIDC.100	100,000			STIM.100	10,000	CON.100	38,860	PCOM.100	10,000	158,86
Damages	DIDC.105	10,000				i	CON.105	2,990		1	12,99
Mud/Fluids Disposal	DIDC.255	160,000			STIM.255	53,000			PCOM.255	o o	213,00
Day Rate	DIDC.115	480,000	DICC.120	80,000				į		i	560,0
	DIDC.113		DICC. IZU	80,000						1	
Misc Preparation	1	30,000						i		1	30,00
Bits	DIDC.125	97,000		0	STIM.125	0}			PCOM.125	0	97,0
Fuel	DIDC.135	73,000	DICC.130	0					PCOM.130	0	73,00
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0.	STIM.135	20,000			PCOM.135	0:	25,00
Mud & Additives	DIDC.145	275,000		1				i		Î	275,00
SWD PIPED TO 3RD PARTY SWD WELL					Ì	ii			PCOM.257	124,200	124,20
Surface Rentals	DIDC.150	112,000	DICC.140	0	STIM.140	143,000	CON.140	1,709	PCOM.140	0	256,70
	DIDC.150	112,000	DICC.140	· ·	STIM.141	145,000	CO11.1-10	1,105	PCOM.141	-	
Flowback Labor						U				136,000	136,0
Downhole Rentals	DIDC.155	143,000		1	STIM.145	35,000			PCOM.145	0	178,0
Automation Labor							CON.150	42,702	PCOM.150	5,000	47,7
Mud Logging	DIDC.170	29,000				8				1	29,0
PC & EXTERNAL PAINTING	1						CON.165	16,654			16,6
Cementing & Float Equipment	DIDC.185	125,000	DICC.155	120,000		1				[245,0
Tubular Inspections	DIDC.190	38,000		8,000	STIM.160	4,000			PCOM.160	0	50,0
	DIDC.195				STIM.165					U,	35,0
Casing Crews		22,000		13,000		0	CONTR		ECON : 70	45.000	
Mechanical Labor	DIDC.200	20,000		3,000	STIM.170	0;	CON.170		PCOM.170	15,000	199,4
Trucking/Transportation	DIDC.205	30,000	DICC.175	8,000	STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	61,0
Supervision	DIDC.210	90,000	DICC.180	12,000	STIM.180	49,000	CON.180	11,103	PCOM,180	0	162,1
Trailer House/Camp/Catering	DIDC.280	42,000	DICC.255	5,000	STIM.280	25,000				5	72,0
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	64,000	CON.190	8,967	PCOM.190	o	77,9
Overhead	DIDC.225	5,000	DICC.195	5,000		.,		5,55.		1	10,0
MOB/DEMOB	DIDC.240			3,000						ì	115,0
		115,000				ł				Į.	
Directional Drilling Services	DIDC.245	284,000				1				1	284,0
Solids Control	DIDC.260	59,000							!	ļ	59,0
Well Control Equip (Snubbing Services)	DIDC.265	108,000	DICC.240	0	STIM.240	67,000			PCOM.240	O_{χ}^{i}	175,0
Completion Rig					STIM.115	21,000			PCOM.115	O,	21,0
Coil Tubing Services	1				STIM.260	164,000			PCOM.260	o [®]	164,0
Completion Logging/Perforating/Wireline					STIM.200	209,000			PCOM.200	o'	209,0
Composite Plugs	H				STIM.390	53,000			PCOM.390	o	53,0
10.			:		STIM.210	6			PCOM.210	0	
Stimulation Pumping/Chemicals/Additives/Sand						1,778,000			PCOM.210	Ů,	1,778,0
Stimulation Water/Water Transfer/Water Storage					STIM.395	254,000				1	254,0
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,00
Legal/Regulatory/Curative	DIDC.300	10,000				1	CON.300	0	1		10,00
Well Control Insurance	DIDC.285	8,000	j			-					8,0
Major Construction Overhead						į	CON.305	24,767			24,7
FL/GL - ON PAD LABOR							CON.495	36,724	į.	į.	36,7
						1	CON.500				95,6
FL/GL - Labor								95,653		i	
FL/GL - Supervision							CON.505	10,676		l.	10,6
Survey							CON.515	2,135			2,1
Contingency	DIDC.435	124,000	. DICC.220	13,000	STIM.220	151,000	CON.220	96,934	PCOM.220	0	384,9
Contingency							CON.221	24,767		Ţ	24,7
Total Intangible Cos	i	2,599,000		267,000		3,164,000		593,137		292,200	6,915,3
Surface Casing	DWEB.140	34,000		119 11112				= 4000 20000		T T	34,0
Intermediate Casing 1	DWEB.145	346,000								i i	346,0
-	0 00 ED. 143	346,000								- 1	
Production Casing or Liner			DWEA100	390,000					DC0147127	J	390,0
Tubing					STIMT.105	96,000			PCOMT 105	0	96,0
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	45,000			PCOMT.120	15,000	116,0
Packer, Nipples					STIMT.400	28,000			PCOMT.400	D	28,0
SHORT ORDERS							CONT.380	7,259			7,2
PUMPS							CONT.385	17,508			17,5
WALKOVERS							CONT.390	2,989			2,9
					CTIME 440	00.000	2011120	2,509	PCOMT 410		80.0
Downhole Lift Equipment					STIMT.410	80,000			i	0	
Surface Equipment									PCOMT.420	25,000	25,0
Well Automation Materials					I				PCOMT.455	8,000	8,0
N/C Lease Equipment							CONT.400	170,382		Name of the last	170,3
Tanks, Tanks Steps, Stairs							CONT.405	45,692		5	45,6
Battery Equipment			-				CONT.410	186,182			186,1
							CONT.415	20,924			20,9
Secondary Containments						6			2		
Overhead Power Distribution						Ï	CONT.420	80,280	to the second		80,2
Facility Electrical							CONT.425	21,778			21,7
Telecommunication Equipment						- 1	CONT.426	427	i i		4
Meters and Metering Equipment						1	CONT.445	29,465			29,4
Facility Line Pipe					į		CONT.450	23,486		1	23,4
	E				6		CONT.455		•	1	
Lease Automation Materials						1		40,994	E	1	40,9
FL/GL - Materials						1	CONT.550	30,319	9	1	30,3
FL/GL - Line Pipe						- 1	CONT.555	69,178			69,1
Total Tangible Cos	t	418,000	-	408,000		249,000		746,863		48,000	1,869,8
		3,017,000				3,413,000		1,340,000			



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 26H

Total Tangible Co. Total Estimated Cos		418,000		408,000 675,000		249,00 3,413,00
FL/GL - Line Pipe						1 0
FL/GL - Materials				b b		
Lease Automation Materials						
Facility Line Pipe						
Meters and Metering Equipment						
Telecommunication Equipment						
Facility Electrical						
Overhead Power Distribution						
Battery Equipment Secondary Containments						
Tanks, Tanks Steps, Stairs						
N/C Lease Equipment		a de la companya de l				
Well Automation Materials		1				
Surface Equipment						
Downhole Lift Equipment		B. Carrier and Car			STIMT.410	80,000
WALKOVERS						
PUMPS			and the state of t			
Packer, Nipples SHORT ORDERS					2,1111,700	28,000
Wellnead, Tree, Chokes Packer, Nipples	D41EB.113	38,000	DITEN.IEU	10,000	STIMT.400	45,000 28,000
Tubing Wellhead, Tree, Chokes	DWEB.115	20,000	DWEA.120	18,000	STIMT.105 STIMT.120	96,000 45,000
Production Casing or Liner		1	DWEA.IUU	390,000	STIMT.105	05.000
Intermediate Casing 1	DWEB.145	346,000	DWEA.100	200,000		
Surface Casing	DWEB.140	34,000				
Total Intangible Co	- 25	2,599,000		267,000		3,164,000
Contingency						T 222
Contingency	DIDC.435	124,000	DICC.220	13,000	STIM.220	151,000
Survey						
FL/GL - Supervision						
FL/GL - Labor		1				
FL/GL - ON PAD LABOR						
Major Construction Overhead						
Well Control Insurance	DIDC.285	8,000				
Legal/Regulatory/Curative	DIDC.300	10,000				
Cimarex Owned Frac/Rental Equipment			9		STIM.305	60,000
Stimulation Water/Water Transfer/Water					STIM.395	254,000
Stimulation					STIM.210	1,778,000
Composite Plugs					STIM,390	53,000
Completion Logging/Perforating/Wireline					STIM.200	209,000
Coil Tubing Services		1			STIM.260	164,000
Completion Rig		, , , , , , ,		Ĭ	STIM.115	21,000
Well Control Equip (Snubbing Services)	DIDC.265	108,000	DICC.240	0	STIM.240	67,000
Solids Control	DIDC.260	59,000	3			
Directional Drilling Services	DIDC.245	284,000				1
MOB/DEMOB	DIDC.240	115,000		5,000		
Overhead	DIDC.225	5,000		5,000		7-7,000
Other Misc Expenses	DIDC.220	5,000		0.	STIM.190	64,000
Trailer House/Camp/Catering	DIDC.280	42,000	DICC.255	5,000	STIM.280	25,000
Supervision	DIDC.210	90,000	DICC.180	12,000	STIM.180	4,000
Trucking/Transportation	DIDC.205	30,000	DICC.175	8,000	STIM.175	4,000
Mechanical Labor	DIDC.200	20,000		3,000	STIM.170	0
Casing Crews	DIDC.195	22,000	DICC.165	13,000	STIM.165	4,000
Tubular Inspections	DIDC.190	38,000	DICC.160	8,000	STIM.160	4,000
IPC & EXTERNAL PAINTING Cementing & Float Equipment	DIDC.185	125,000	DICC,155	120,000		
Mud Logging	DIDC.170	29,000				
Automation Labor						
Downhole Rentals	DIDC.155	143,000			STIM.145	35,000
Flowback Labor		ļ			STIM.141	0
Surface Rentals	DIDC,150	112,000	DICC.140	0	STIM.140	143,000
SWD PIPED TO 3RD PARTY SWD WELL				1		
Mud & Additives	DIDC.145	275,000				
Water for Drilling Rig (Not Frac Water)	DIDC.140	5,000		0	STIM.135	20,000
Fuel	DIDC.135	73,000	DICC.130	0		
Bits	DIDC.125		DICC.125	0	STIM.125	0
Misc Preparation	DIDC.120	30,000				
Day Rate	DIDC.115	480,000	DICC.120	80,000		33,000
Mud/Fluids Disposal	DIDC.255	160,000			STIM.255	53,000
Damages	DIDC.105	10,000			1	1
	DIDC.100	100,000			STIM.100	10,000
Description Roads & Location	Codes	Amount	Codes	Amount!	Codes	Amount



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 26H

	Production Equip		Post Completion		Total
Description	Codes	Amount	Codes	Amount [®]	Cost
toads & Location	CON.100	38,860	PCOM.100	10,000	158,860
Damages	CON.105	2,990			12,990
/lud/Fluids Disposal			PCOM.255	0	213,000
Day Rate					560,000
Misc Preparation					30,000
Bits			PCOM.125	0	97,000
Fuel			PCOM.130	o	73,000
Water for Drilling Rig (Not Frac Water)			PCOM.135	0	25,000
Mud & Additives		1			275,000
SWD PIPED TO 3RD PARTY SWD WELL			PCOM.257	124,200	124,200
	CON.140	1,709		0	256,709
Surface Rentals	CON.140	1,705	PCOM.141		136,000
Flowback Labor				136,000	178,000
Downhole Rentals			PCOM.145	0	
Automation Labor	CON.150	42,702	PCOM.150	5,000	47,702
Mud Logging					29,000
IPC & EXTERNAL PAINTING	CON.165	16,654			16,654
Cementing & Float Equipment					245,000
Tubular Inspections			PCOM.160	0	50,000
Casing Crews					35,000
Mechanical Labor	CON.170	161,415	PCOM.170	15,000	199,415
Trucking/Transportation	CON.175	17,081		2,000	61,081
Supervision	CON.180		PCOM.180	0	162,103
Trailer House/Camp/Catering		11,103	r	-	72,000
Other Misc Expenses	CON.190	0.067	PCOM.190	0	77,967
	CON.150	0,507	1 6011.130	0	10,000
Overhead		1		1 1	115,000
MOB/DEMOB		1		1 1	
Directional Drilling Services					284,000
Solids Control					59,000
Well Control Equip (Snubbing Services)			PCOM.240	0	175,000
Completion Rig			PCOM.115	0	21,000
Coil Tubing Services			PCOM.260	0	164,000
Completion Logging/Perforating/Wireline			PCOM.200	0	209,000
Composite Plugs			PCOM.390	0	53,000
Stimulation Pumping/Chemicals/Additives/Sand		1	PCOM.210	0	1,778,000
Stimulation Water/Water Transfer/Water					254,000
Cimarex Owned Frac/Rental Equipment			PCOM.305	0	60,000
Legal/Regulatory/Curative	CON.300	0		1	10,000
'Well Control Insurance	6011.300	·			8,000
	CON.305	24,767			24,767
Major Construction Overhead					36,724
FL/GL - ON PAD LABOR	CON.495	36,724			95,653
FL/GL - Labor	CON.500	95,653			
FL/GL - Supervision	CON.505	10,676		1	10,676
Survey	CON.515	2,135		26	2,135
Contingency	CON.220	96,934	PCOM.220	0	384,934
Contingency	CON.221	24,767			24,767
Total Intangible Cost		593,137		292,200	6,915,337
Surface Casing		1			34,000
Intermediate Casing 1					346,000
Production Casing or Liner					390,000
Tubing			PCOMT.105	0	96,000
Wellhead, Tree, Chokes			PCOMT.120	15,000	116,000
Packer, Nipples			PCOMT.400	0	28,000
SHORT ORDERS	CONT.380	7,259			7,259
		17,508			17,508
PUMPS	CONT.385				2,989
WALKOVERS	CONT.390	2,989		0	80,000
Downhole Lift Equipment			PCOMT.410		
Surface Equipment			PCOMT.420	25,000	25,000
Well Automation Materials			PCOMT.455	8,000	8,000
N/C Lease Equipment	CONT.400	170,382			170,38
Tanks, Tanks Steps, Stairs	CONT.405	45,692			45,692
Battery Equipment	CONT.410	186,182	8		186,182
Secondary Containments	CONT.415	20,924			20,924
Overhead Power Distribution	CONT.420	80,280			80,280
Facility Electrical	CONT.425	21,778			21,77
Telecommunication Equipment	CONT-426	427			42
	CONT.445	29,465	f .		29,46
Meters and Metering Equipment					23,48
Facility Line Pipe	CONT.450	23,486			40,99
	CONT.455	40,994			30,31
Lease Automation Materials			P.		
FL/GL - Materials	CONT.550	30,319			
2	CONT.555	30,319 69,178 746,863		48,000	69,17

Authorization For Expenditure Drilling

Date Prepared 3/11/2021

Company Entity

Exploration Region Permian Basin Well Name

THYME & CORIANDER 1-12

Prospect
New Mexico Bone Spring Pros

FED COM 27H

County, State

Location

Estimated Spud

Estimated Completion

Lea, NM X New SEC 1-T23S-R32E, LEA COUNTY, NM

Supplement

Formation 2ND SAND UPPER

Well Type DEV Ttl Measured Depth 20,770

Property Number

Ttl Vetical Depth 10,770

AFE

Revision

Drill and complete well

Description

Purpose

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,129,000		\$2,129,000
. Completion Costs		\$4,330,407	\$4,330,407
Total Intangible Cost	\$2,129,000	\$4,330,407	\$6,459,407
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540,000	\$5,574,270	\$8,114,270

Comments On Well Costs

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
		There are a superior of the su	
OTICE TO NONOPERATOR: C	osts shown on this form are estimates only. By executing	g this AFE, the consenting party agrees to pay its proportional	te
hare of actual costs incurred. C	verhead will be charged in accordance with the Joint On	eratina Aareement	3/11/

^{1.} All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 27H

	BCP_	-		Drilling		o/Stim		on Equip	Post Cor		Total
Description	Codes	Amount	Codes	Amount		Amount		Amount		Amount	Cost
Roads & Location	DIDC.100	125,000			STIM.100	10,000	CON.100		PCOM.100	10,000	183,860
Damages	DIDC.105	30,000		i i		Į.	CON.105	2,990	ļ	1	32,990
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255	55,000		1	PCOM.255	0	180,000
Day Rate	DIDC.115	365,000	DICC,120	60,000					1	1	425,000
Misc Preparation	DIDC.120	20,000		i i							20,000
Bits	DIDC.125	62,000	DICC.125	0	STIM.125	o			PCOM.125	o.	62,000
Fuel	DIDC.135	43,000	DICC.130	0		- 1			PCOM.130	0	43,000
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000		0	STIM.135	21,000			PCOM.135	0	46,000
Mud & Additives	DIDC 145		DICE, IUS	O.		21,000					
SWD PIPED TO 3RD PARTY SWD WELL	DIDC 143	150,000							PCOM.257	425.270	150,000
				725						126,270	126,270
Surface Rentals	DIDC.150	95,000	DICC.140	.0	STIM.140	146,000	CON 140	1,709	PCOM.140	0	242,709
Flowback Labor		Į.			5TIM.141	0			PCOM.141	121,000	121,000
Downhole Rentals	DIDC.155	82,000			STIM.145	35,000			PCOM.145	0	117,000
Automation Labor					ļ		CON.150	42,702	PCOM.150	5,000	47,702
Mud Logging	DIDC 170	21,000									21,000
IPC & EXTERNAL PAINTING			İ				CON.165	16,654			16,654
Cementing & Float Equipment	DIDC.185	110,000	DICC.155	55,000							165,000
Tubular Inspections	DIDC.190	50,000	DICC.160	10,000	STIM.160	4,000			PCOM.160	o	64,000
Casing Crews	DIDC 195	15,000	DICC.165	15,000	STIM.165	0				i i	30,000
	DIDC.200		DICC.170		STIM.170		CON.170	161 415	PCOM.170	15 000	
Mechanical Labor		28,000		10,000		4.000		161,415	j	15,000	214,415
Trucking/Transportation	DIDC 205	18,000	DICC.175	8,000	STIM.175	4,000	CON 175	17,081	PCOM.175	2,000	49,081
Supervision	DIDC.210	72,000	DICC.180	9,000		50,000	CON.180	11,103	PCOM.180	O	142,103
Trailer House/Camp/Catering	DIDC.280	39,000	DICC.255	5,000	STIM.280	26,000					70,000
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	66,000	CON.190	8,967	PCOM.190	O	79,967
Overhead	DIDC.225	10,000	DICC.195	5,000		Ĭ					15,000
MOB/DEMOB	DIDC.240	110,000							}		110,000
Directional Drilling Services	DIDC.245	300,000									300,000
Solids Control	DIDC.260	46,000									46,000
Well Control Equip (Snubbing Services)	DIDC.265	77,000	DICC.240	5,000	STIM.240	69,000			PCOM.240	0.	151,000
Completion Rig	DIDUIDOS	17,000	DIGG.E-10	2,000	STIM.115	21,000			PCOM.115	o'	21,000
Coil Tubing Services					STIM.260				PCOM.260	0	
						164,000					164,000
Completion Logging/Perforating/Wireline					STIM.200	250,000			PCOM.200	0	250,000
Composite Plugs	I I				STIM.390	45,000			PCOM.390	0	45,000
Stimulation Pumping/Chemicals/Additives/Sand	ł				STIM.210	1,907,000			PCOM.210	O	1,907,000
Stimulation Water/Water Transfer/Water Storage					STIM.395	178,000				1	178,000
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,000
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0		1	10,000
Well Control Insurance	DIDC.285	7,000							i l	1	7,000
Major Construction Overhead							CON.305	24,767			24,767
FL/GL - ON PAD LABOR						9	CON.495	36,724	1		36,724
FL/GL - Labor							CON.500	95,653			95,653
						1					
FL/GL - Supervision							CON.505	10,676			10,676
Survey							CON.515	2,135			2,135
Contingency	DIDC.435	89,000	DICC.220	9,000	STIM.220	156,000	CON.220	96,934	PCOM.220	0	350,934
Contingency							CON.221	24,767			24,767
Total Intangible Cost		2,129,000		191,000		3,267,000		593,137		279,270	6,459,407
Conductor Pipe	DWEB.130	8,000									8,000
Water String	DWEB.135	11,000									11,000
Surface Casing	DWEB.140	53,000									53,000
Intermediate Casing 1	DWEB.145	301,000									301,000
Production Casing or Liner		551,000	DWEA.100	127,000							127,000
Tubing				121,000	STIMT.105	96.000			PCOMT.105	0	96,000
-	DWEB.115	20.000	DWEA 130	10.000	STIMT.120				PCOMT.120	15,000	
Wellhead, Tree, Chokes			DWEA.120		311111111	45,000			. COMILIZO	13,000	116,000
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	55,000							55,000
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0	28,000
SHORT ORDERS							CONT.3B0	7,259			7,259
PUMPS							CONT,385	17,508			17,508
WALKOVERS							CONT.390	2,989			2,989
Downhole Lift Equipment					STIMT,410	80,000			PCOMT.410	0.	80,000
Surface Equipment									PCOMT.420	25,000	25,000
Well Automation Materials									PCOMT.455	8,000	8,000
N/C Lease Equipment							CONT.400	170,382		5,000	170,382
Tanks, Tanks Steps, Stairs							CONT.405	45,692		Ĭ.	
											45,692
Battery Equipment					İ		CONT.410	186,182			186,182
Secondary Containments							CONT.415	20,924			20,924
Overhead Power Distribution							CONT.420	80,280			80,280
Facility Electrical							CONT.425	21,778			21,778
Telecommunication Equipment							CONT.426	427			427
Meters and Metering Equipment							CONT.445	29,465			29,465
Facility Line Pipe							CONT.450	23,486			23,486
Lease Automation Materials							CONT.455	40,994			40,994
							CONT.550				
FL/GL - Materials								30,319			30,319
FL/GL - Line Pipe							CONT.555	69,178			69,178
Total Tangible Cost		411,000		200,000		249,000		746,863		48,000	1,654,863
Total Estimated Cost		2,540,000		391,000		3,516,000		1,340,000		327,270	8,114,270



CIWAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 27H

	BCP - Drilling			ACP - Drilling			Comp/Stim	
Description	Codes	Amount	Codes		Amount 1	Codes		Amoun
Roads & Location	DIDC.100	125,000				STIM.100		10,00
Damages	DIDC.105	30,000	1					
Mud/Fluids Disposal	DIDC.255	125,000				STIM.255		55,00
	DIDC.115		DICC.120		60,000			00,00
Day Rate		365,000	DICC.120		60,000			
Misc Preparation	DIDC.120	20,000						
Bits	DIDC.125	62,000	DICC.125		0.	STIM.125		
Fuel	DIDC.135	43,000	DICC.130		0			
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135		0	STIM.135		21,000
Mud & Additives	DIDC.145	150,000			1			
	DIDCIAS	130,000						
SWD PIPED TO 3RD PARTY SWD WELL								
Surface Rentals	DIDC.150	95,000	DICC.140		0	\$TIM.140		146,000
Flowback Labor						STIM.141		(
Downhole Rentals	DIDC.155	82,000				STIM,145		35,000
Automation Labor			Î					
Mud Logging	DIDC.170	21,000						
	DID C.170	21,000			0			
IPC & EXTERNAL PAINTING								
Cementing & Float Equipment	DIDC.185	110,000			55,000			
Tubular Inspections	DIDC.190	50,000	DICC.160		10,000	STIM.160		4,00
Casing Crews	DIDC 195	15,000	DICC.165		15,000	STIM 165		4
Mechanical Labor	DIDC.200	28,000	D.		10,000	STIM.170		
Trucking/Transportation	DIDC.205	18,000			8,000	STIM.175		4,00
						STIM.180		50,00
Supervision	DIDC.210	72,000			9,000			
Trailer House/Camp/Catering	DIDC.280	39,000			5,000	STIM.280		26,00
Other Misc Expenses	DIDC.220	5,000	DICC.190		0	STIM.190		66,000
Overhead	DIDC.225	10,000	DICC.195		5,000			
MOB/DEMOB	DIDC.240	110,000	1					
Directional Drilling Services	DIDC.245	300,000						
Solids Control	DIDC.260	46,000	1					
Well Control Equip (Snubbing Services)	DIDC.265	77,000	DICC.240		5,000	STIM.240		69,00
Completion Rig						STIM.115		21,00
Coil Tubing Services						STIM.260		164,00
Completion Logging/Perforating/Wireline		1			1	STIM.200		250,00
					1	STIM.390		45,00
Composite Plugs								1
Stimulation						STIM,210		1,907,00
Stimulation Water/Water Transfer/Water						STIM.395		178,00
Cimarex Owned Frac/Rental Equipment						STIM.305		60,00
Legal/Regulatory/Curative	DIDC.300	10,000						
Well Control Insurance	DIDC.285	7,000						1
	DIDCLESS	7,000						1
Major Construction Overhead		i			E			
FL/GL - ON PAD LABOR		.j			I	0		
FL/GL - Labor								
FL/GL - Supervision	age to the second secon				1			
Survey	1							
	DIDC.435	00.000	DICC.220		9,000	STIM.220		156,00
Contingency	DIDCASS	69,000	DICC.EZU		5,000	JIM.EZO		130,00
Contingency	<u></u>				14917626			99.0000
Total Intangible Cos	7-7	1 2,129,000	- T- Free 146		191,000			3,267,00
Conductor Pipe	DWEB.130	8,000	1					
Water String	DWEB.135	11,000						
Surface Casing	DWEB.140	53,000						
	DWEB.145							
Intermediate Casing 1	UWCD.143	301,000			427.04			
Production Casing or Liner	8		DWEA.100		127,000			
Tubing	r					STIMT.105		96,00
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120		18,000	STIMT.120		45,00
Liner Hanger, Isolation Packer	DWEB.100		DWEA.125		55,000			
Packer, Nipples						STIMT.400		28,00
								20,00
SHORT ORDERS	1							
PUMPS								
WALKOVERS	1							
Downhole Lift Equipment						STIMT.410		80,00
Surface Equipment								
Well Automation Materials	E .							
	1							
N/C Lease Equipment								
Tanks, Tanks Steps, Stairs					1			
Battery Equipment								
Secondary Containments		1			U.			
Overhead Power Distribution		1						
Facility Electrical								
Telecommunication Equipment								
Meters and Metering Equipment		i						
Facility Line Pipe								
Lease Automation Materials								
FL/GL - Materials	p .							
FL/GL - Line Pipe	ļ					4		
Total Tangible Cos	t	411,000	1		200,000			249,00
Total Talligation Con								



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 27H

	Production Equip			Post Completion	Total
Description	Codes	Amount	Codes	Amount	Cos
Roads & Location	CON.100	38,860	PCOM.100	10,000	183,86
Damages	CON.105	2,990		The state of the s	32,99
Mud/Fluids Disposal		1	PCOM.255	0	180,00
Day Rate					425,00
Misc Preparation					20,000
Bits			PCOM.125	0,	62,000
Fuel			PCOM.130		
				0	43,000
Water for Drilling Rig (Not Frac Water)			PCOM.135	0	46,000
Mud & Additives					150,000
SWD PIPED TO 3RD PARTY SWD WELL		1	PCOM.257	126,270	126,270
Surface Rentals	CON 140	1,709	PCOM.140	0	242,709
Flowback Labor		1	PCOM.141	121,000	121,000
Downhole Rentals			PCOM.145	0	117,000
Automation Labor	CON.150	42 702	PCOM.150	5,000	47,70
Mud Logging		,.		1,	21,000
IPC & EXTERNAL PAINTING	CON.165	16 654			16,65
	CONCIOS	16,654			
Cementing & Float Equipment					165,000
Tubular Inspections			PCOM.160	0	64,000
Casing Crews					30,000
Mechanical Labor	CON.170	161,415	PCOM.170	15,000	214,415
Trucking/Transportation	CON 175	17,081	PCOM.175	2,000	49,08
Supervision	CON.180	11,103	PCOM.180	0.	142,103
Trailer House/Camp/Catering					70,000
Other Misc Expenses	CON.190	9 967	PCOM.190	0	79,96
Overhead		0,507		0	
					15,000
MOB/DEMOB					110,000
Directional Drilling Services					300,000
Solids Control					46,000
Well Control Equip (Snubbing Services)			PCOM.240	0	151,000
Completion Rig			PCOM.115	0'	21,000
Coil Tubing Services			PCOM.260	o o	164,000
Completion Logging/Perforating/Wireline			PCOM.200	O ^t	250,000
Composite Plugs			PCOM.390	0	45,000
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210	0,	
			PCOM.210	O _i	1,907,000
Stimulation Water/Water Transfer/Water					178,000
Cimarex Owned Frac/Rental Equipment			PCOM.305	0	60,000
Legal/Regulatory/Curative	CON.300	0			10,000
Well Control Insurance					7,000
Major Construction Overhead	CON.305	24,767			24,767
FL/GL - ON PAD LABOR	CON.495	36,724			36,724
FL/GL - Labor	CON.500	95,653			95,653
FL/GL - Supervision	CON.505	10,676			10,676
Survey	CON.515	2,135			2,13
Contingency	CON.220	96,934	PCOM.220	0	350,934
Contingency	CON.221	24,767			24,76
Total Intangible Cost		593,137		279,270	6,459,40
Conductor Pipe					8,000
Water String					11,000
Surface Casing					53,000
Intermediate Casing 1					301,000
Production Casing or Liner					127,000
Tubing		1	PCOMT,105	0	96,000
Wellhead, Tree, Chokes			PCOMT.120		116,000
			. 50111.120	15,000	
Liner Hanger, Isolation Packer					55,000
Packer, Nipples			PCOMT.400	0	28,000
SHORT ORDERS	CONT.380	7,259			7,259
PUMPS	CONT.3B5	17,508			17,508
WALKOVERS	CONT.390	2,989			2,989
Downhole Lift Equipment			PCOMT.410	oʻ	80,000
Surface Equipment			PCOMT.420	25,000	25,000
Well Automation Materials			PCOMT.455	8,000	8,000
N/C Lease Equipment	CONT:400	170,382		5,000	170,38
			1		
Tanks, Tanks Steps, Stairs	CONT.405	45,692			45,692
Battery Equipment	CONT.410	186,182			186,18
Secondary Containments	CONT.415	20,924			20,924
Overhead Power Distribution	CONT.420	80,280			80,28
Facility Electrical	CONT.425	21,778			21,778
Telecommunication Equipment	CONT.426	427			42
Meters and Metering Equipment	CONT.445	29,465			29,46
Facility Line Pipe	CONT.450	23,486		1	23,48
Lease Automation Materials	CONT.455	40,994			40,99
FL/GL - Materials	CONT.550	30,319			30,31
FL/GL - Line Pipe	CONT.555	69,178			69,17
Total Tangible Cost		746,863		48,000	1,654,86
Total Estimated Cost		1,340,000		327,270	

Authorization For Expenditure Drilling

Date Prepared 3/11/2021

Estimated Completion

Company Entity

Exploration Region Well Name Prospect Property Number AFE
Permian Basin THYME & CORIANDER 1-12 New Mexico Bone Spring Pros

FED COM 28H (Lea)

County, State Location Estimated Spud

Lea, NM SEC 1-T23S-R32E, LEA COUNTY, NM

X New Formation Well Type Ttl Measured Depth Ttl Vetical Depth
Supplement 2ND SAND LOWER DEV 21,030 11,030
Revision

Purpose Drill and complete well

Description

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,129,000		\$2,129,000
Completion Costs		\$4,330,407	\$4,330,407
Total Intangible Cost	\$2,129,000	\$4,330,407	\$6,459,407
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540,000	\$5,574,270	\$8,114,270

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
1			
1	Manager (1900 and 1911 1911 and annual actions to compare the annual actions and	The second secon	
NOTICE TO NONOPERATOR: C	osts shown on this form are estimates only. By executing	g this AFE, the consenting party agrees to pay its proportionate	
share of actual costs incurred. O	verhead will be charged in accordance with the Joint Op	erating Agreement	3/11/2021



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 28H

	BCP - I		ACP - I			/Stim	Producti		Post Com	Accessed to 1	Total
Description	Codes	Amount	Codes	Amount	Codes !	Amount,	Codes	Amount		Amount	Cos
Roads & Location	DIDC.100	125,000			STIM.100	10,000	CON.100	38,860	PCOM.100	10,000	183,86
Damages	DIDC.105	30,000		į			CON.105	2,990		1	32,99
/lud/Fluids Disposal	DIDC.255	125,000		Î	STIM.255	55,000		i	PCOM.255	0	180,00
Day Rate	DIDC.115	365,000	DICC.120	60,000		1				- 1	425,00
Misc Preparation	DIDC 120	20,000				,				1	20,00
3its #	DIDC.125	62,000	DICC.125	0	STIM.125	0		ï	PCOM.125	o	62,00
	DIDC.135		DICC.130	0	51,111,125	· ·			PCOM.130	0	43,00
Fuel		43,000			CY11 (125						
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135	0	STIM.135	21,000			PCOM.135	0	46,00
Mud & Additives	DIDC.145	150,000									150,00
SWD PIPED TO 3RD PARTY SWD WELL						lį.			PCOM.257	126,270	126,27
Surface Rentals	DIDC.150	95,000	DICC.140	0	STIM.140	146,000	CON.140	1,709	PCOM.140	0	242,70
Flowback Labor		- 1			STIM.141	0			PCOM.141	121,000	121,00
Downhole Rentals	DIDC 155	82,000			STIM.145	35,000			PCOM.145	0	117,00
Automation Labor							CON.150	42,702	PCOM.150	5,000	47,70
Mud Logging	DIDC.170	21,000								ii.	21,00
IPC & EXTERNAL PAINTING		21,000				ii ii	CON.165	16,654		ĺ	16,65
Cementing & Float Equipment	DIDC 185	110,000	DICC.155	55,000		ļ		10,034	4		165,00
	DIDC.190				STIM.160	4.000			PCOM.160	o	
Tubular Inspections		50,000	DICC.160	10,000		4,000			PCOW.100	0	64,00
Casing Crews	DIDC.195	15,000	DICC.165	15,000	STIM.165	0				1	30,00
Mechanical Labor	DIDC.200	28,000		10,000	STIM.170	0	CON.170		PCOM.170	15,000	214,41
Trucking/Transportation	DIDC.205	18,000		8,000	STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	49,08
Supervision	DIDC.210	72,000	DICC.180	9,000	STIM.180	50,000	CON.180	11,103	PCOM.180	0	142,10
Trailer House/Camp/Catering	DIDC.280	39,000	DICC.255	5,000	STIM.280	26,000			i	į	70,00
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	66,000	CON.190	8,967	PCOM.190	0	79,96
Overhead	DIDC.225	10,000	DICC.195	5,000		i.					15,00
MOB/DEMOB	DIDC.240	110,000		5,550		ĺ					110,00
Directional Drilling Services	DIDC.245	300,000									300,00
Solids Control	DIDC.260	46,000		2		ľ					46,00
t e	DIDC.265		DICC 240	F 000	STIM.240	50,000			PCOM.240	0	151,00
Well Control Equip (Snubbing Services)	DIDC.203	77,000	DICC.240	5,000		69,000					
Completion Rig					STIM.115	21,000			PCOM.115	0	21,00
Coil Tubing Services					STIM.260	164,000			PCOM.260	0	164,00
Completion Logging/Perforating/Wireline					STIM.200	250,000			PCOM.200	0	250,00
Composite Plugs					STIM.390	45,000			PCOM.390	0	45,00
Stimulation Pumping/Chemicals/Additives/Sand					STIM.210	1,907,000			PCOM.210	0	1,907,00
Stimulation Water/Water Transfer/Water Storage					STIM.395	178,000				1	178,00
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0.	60,00
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0			10,00
Well Control Insurance	DIDC.285	7,000						Ī			7,00
Major Construction Overhead	DIDC.E03	7,000					CON.305	24,767			24,76
*											
FL/GL - ON PAD LABOR			I				CON.495	36,724			36,72
FL/GL - Labor							CON.500	95,653			95,65
FL/GL - Supervision							CON.505	10,676			10,67
Survey							CON.515	2,135			2,13
Contingency	DIDC,435	89,000	DICC.220	9,000	STIM.220	156,000	CON.220	96,934	PCOM.220	0	350,93
Contingency							CON.221	24,767			24,76
Total Intangible Cost		2,129,000		191,000		3,267,000		593,137		279,270	6,459,40
Conductor Pipe	DWEB.130	8,000						*1			8,00
Water String	DWEB.135	11,000	1			- 1				1	11,00
Surface Casing	DWEB.140	53,000				ĵ					53,00
	DWEB.145										301,00
Intermediate Casing 1	DWC0.143	301,000	DIA/EA 100	137.000		i i				Į.	
Production Casing or Liner			DWEA.100	127,000	FTIN 17 - 27				DCO147.111		127,00
Tubing					STIMT.105	96,000			PCOMT 105	15.000	96,00
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120		STIMT.120	45,000			PCOMT.120	15,000	116,00
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	55,000						- 1	55,00
Packer, Nipples					STIMT.400	28,000			PCOMT.400	0,	28,00
SHORT ORDERS							CONT.380	7,259			7,25
PUMPS							CONT.385	17,508			17,50
WALKOVERS							CONT.390	2,989			2,98
Downhole Lift Equipment					STIMT.410	80,000		2,000	PCOMT.410	o ⁱ	80,00
Surface Equipment						30,000			PCOMT 420	25,000	25,00
Well Automation Materials									PCOMT.455	8,000	8,00
							CONT 400	170 303		0,000	
N/C Lease Equipment							CONT.400	170,382			170,38
Tanks, Tanks Steps, Stairs							CONT.405	45,692			45,69
Battery Equipment							CONT,410	186,182			186,1
Secondary Containments							CONT.415	20,924	ŀ		20,9
Overhead Power Distribution							CONT.420	80,280			80,2
Facility Electrical							CONT.425	21,778			21,7
Telecommunication Equipment							CONT.426	427			4
							CONT.445	29,465			29,4
Meters and Metering Equipment											
Facility Line Pipe							CONT.450	23,486			23,4
Lease Automation Materials							CONT.455	40,994			40,9
FL/GL - Materials							CONT.550	30,319			30,3
FL/GL - Line Pipe							CONT.555	69,178		1,000	69,1
Total Tangible Cost		411,000		200,000		249,000		746,863		48,000	1,654,8
						3,516,000		1,340,000		327,270	8,114,27



CINIAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 28H

1		BCP - Drilling		ACP - Drilling			Comp/Stim	
Description	Codes	Amount	Codes		Amount	Codes		Amoun
Roads & Location	DIDC.100	125,000				STIM.100		10,000
Damages	DIDC.105	30,000	li:	1				
Mud/Fluids Disposal	DIDC.255	125,000	•	,		STIM.255		55,000
Day Rate	DIDC.115	365,000	DICC.120		60,000			25,000
	DIDC.112		, DICC.IEO		00,000			
Misc Preparation		20,000			- 4			
Bits	DIDC.125	62,000			0	STIM.125		0
Fuel	DIDC 135	43,000	DICC.130		0			
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135		0.	STIM.135	1	21,000
Mud & Additives	DIDC.145	, 150,000						
SWD PIPED TO 3RD PARTY SWD WELL			μ					
Surface Rentals	DIDC.150	95,000	DICC.140		0	STIM.140		146,000
	DIDC.130	95,000	i Dicc.140		U			140,000
Flowback Labor						STIM.141		ū
Downhole Rentals	DIDC.155	82,000				STIM.145		35,000
Automation Labor			1					
Mud Logging	DIDC.170	21,000	1					
IPC & EXTERNAL PAINTING				ì				
Cementing & Float Equipment	DIDC.185	110,000	DICC.155		55,000			
ž						CTIM 160		4.000
Tubular Inspections	DIDC.190	50,000			10,000	STIM.160		4,000
Casing Crews	DIDC.195	15,000	DICC.165		15,000	STIM.165		0
Mechanical Labor	DIDC.200	28,000	DICC.170		10,000	STIM.170		0
Trucking/Transportation	DIDC.205	18,000	DICC.175		8,000	STIM.175		4,000
Supervision	DIDC.210	72,000	e e		9,000	STIM.180		50,000
Trailer House/Camp/Catering	DIDC,280	39,000	DICC.255		5,000	STIM.280		26,000
	DIDC.200					STIM.190		
Other Misc Expenses		5,000			0	2116/120		66,000
Overhead	DIDC.225	10,000	DICC.195	1	5,000			
MOB/DEMOB	DIDC.240	110,000	1	į	Ī			
Directional Drilling Services	DIDC.245	300,000						
Solids Control	DIDC.260	46,000		ì				
 Well Control Equip (Snubbing Services)	DIDC.265	77,000		,	5,000	STIM.240		69,000
	DIDCLEGS	11,000	r Dicciga		3,000	STIM.115		
Completion Rig			r					21,000
Coil Tubing Services	1			t		STIM.260		164,000
Completion Logging/Perforating/Wireline	1					STIM.200		250,000
Composite Plugs						STIM.390		45,000
Stimulation						STIM.210		1,907,000
Stimulation Water/Water Transfer/Water						STIM.395		178,000
Cimarex Owned Frac/Rental Equipment						STIM.305		
						31101.303		60,000
Legal/Regulatory/Curative	DIDC.300	10,000						
Well Control Insurance	DIDC.285	7,000	[
Major Construction Overhead								
FL/GL - ON PAD LABOR								
FL/GL - Labor								
FL/GL - Supervision	1			j				
Survey								
Contingency	DIDC.435	89,000	DICC.220		9,000	STIM.220		156,000
Contingency								
Total Intangible Cos	t I	2,129,000			191,000			3,267,000
Conductor Pipe	DWEB.130	8,000	45		11,410,40			7.4.
1								
Water String	DWEB.135	11,000						
Surface Casing	DWEB.140	53,000						
Intermediate Casing 1	DWEB.145	301,000						
Production Casing or Liner			DWEA.100		127,000			
Tubing						STIMT.105		96,000
Wellhead, Tree, Chokes	DWEB.115	20 000	DWEA.120	1	10 000	STIMT.120	t	45,000
,	DWEB.100		DWEA,125					-3,000
Liner Hanger, Isolation Packer	DAAED' 100	O	DALEY 150		55,000	671147 - 22		
Packer, Nipples	A					STIMT.400		28,000
SHORT ORDERS								
PUMPS								
WALKOVERS								
Downhole Lift Equipment	1					STIMT.410		80,000
								60,000
Surface Equipment	1							
Well Automation Materials								
N/C Lease Equipment	1						i	
Tanks, Tanks Steps, Stairs	1							
Battery Equipment								
							İ	
Secondary Containments								
Secondary Containments Overhead Power Distribution								
Secondary Containments Overhead Power Distribution Facility Electrical								
Secondary Containments Overhead Power Distribution								
Secondary Containments Overhead Power Distribution Facility Electrical								
Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment								
Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe								
Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials								
Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials								
Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials FL/GL - Line Pipe								
Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lasse Automation Materials FL/GL - Materials	ē	411,000			200,000			249,000 3,516,000



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 28H

	Production Equip			Post Completion	Total
Description	Codes	Amount;	Codes	Amount	Cos
Roads & Location	CON.100	38,860	PCOM.100	10,000	183,860
Damages	CON.105	2,990			32,990
Mud/Fluids Disposal		· · · · · · · · · · · ·	PCOM.255	0	180,000
Day Rate				ŀ	425,000
Misc Preparation					20,000
Bits			PCOM.125	O'	62,000
Fuel			PCOM.130	0	43,000
Water for Drilling Rig (Not Frac Water)			PCOM.135	0,	46,000
Mud & Additives			7 4 4 111111111111111111111111111111111	o d	
SWD PIPED TO 3RD PARTY SWD WELL			PCOM.257	126 270	150,000
	5011440	4 ====		126,270	126,270
Surface Rentals	CON.140	1,709	PCOM.140	0	242,709
Flowback Labor			PCOM.141	121,000	121,000
Downhole Rentals			PCOM.145	0	117,000
Automation Labor	CON.150	42,702	PCOM.150	5,000	47,702
Mud Logging					21,000
IPC & EXTERNAL PAINTING	CON.165	16,654	1		16,654
Cementing & Float Equipment					165,000
Tubular Inspections		i i	PCOM.160	o'	64,000
Casing Crews		1		7	30,000
Mechanical Labor	CON.170	161,415	PCOM.170	15,000	214,415
Trucking/Transportation	CON.175	17,081	PCOM 175	2,000	49,081
Supervision	CON.180		PCOM.180	2,000	
	5016.100	11,103	. CON. IDO	Į 0,	142,103
Trailer House/Camp/Catering	5011105		Dec. 145-		70,000
Other Misc Expenses	CON.190	8,967	PCOM.190	0,	79,967
Overhead					15,000
MOB/DEMOB					110,000
Directional Drilling Services					300,000
Salids Cantrol				4	46,000
Well Control Equip (Snubbing Services)			PCOM.240	o o	151,000
Completion Rig			PCOM.115	oʻ	21,000
Coil Tubing Services			PCOM.260	0	164,000
Completion Logging/Perforating/Wireline			PCOM.200	0	
			PCOM.390		250,000
Composite Plugs				0	45,000
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210	0	1,907,000
Stimulation Water/Water Transfer/Water					178,000
Cimarex Owned Frac/Rental Equipment			PCOM.305	0	60,000
Legal/Regulatory/Curative	CON.300	0			10,000
Well Control Insurance					7,000
Major Construction Overhead	CON.305	24,767			24,767
FL/GL - ON PAD LABOR	CON,495	36,724			36,724
FL/GL - Labor	CON.500	95,653			95,653
FL/GL - Supervision	CON.505	10,676			10,676
Survey	CON.515	2,135			2,135
Contingency	CON.220		PCOM.220	Ö	
1		96,934	PCOIVI.220	9	350,934
Contingency	CON.Z21	24,767		52752	24,767
Total Intangible Cost		593,137		279,270	6,459,407
Conductor Pipe				la la	8,000
Water String					11,000
Surface Casing		i (53,000
Intermediate Casing 1		1			301,000
Production Casing or Liner				K.	127,000
Tubing			PCOMT.105	o [†]	96,000
Wellhead, Tree, Chokes			PCOMT.120	15,000	116,000
Liner Hanger, Isolation Packer				13,000	55,000
Packer, Nipples			PCOMT.400	0	28,000
SHORT ORDERS	CONT 380	7.250	. 201111-100	U,	
1	CONT.380	7,259			7,259
PUMPS	CONT.385	17,508	1	1 1	17,508
WALKOVERS	CONT.390	2,989			2,989
Downhole Lift Equipment			PCOMT.410	0	80,000
Surface Equipment			PCOMT.420	25,000	25,000
Well Automation Materials			PCOMT.455	8,000	8,000
N/C Lease Equipment	CONT.400	170,382			170,382
Tanks, Tanks Steps, Stairs	CONT.405	45,692			45,692
Battery Equipment	CONT.410	186,182			186,182
Secondary Containments	CONT.415	20,924			20,924
Overhead Power Distribution	CONT.420	80,280			80,280
Facility Electrical	CONT.425	21,778			21,778
Telecommunication Equipment	CONT.426	427		1	427
Meters and Metering Equipment	CONT.445	29,465		1	29,465
Facility Line Pipe	CONT.450	23,486			23,486
Lease Automation Materials	CONT.455	40,994		i	40,994
FL/GL - Materials	CONT.550	30,319		i	30,319
FL/GL - Line Pipe	CONT.555	69,178			69,178
Total Tangible Cost		746,863		48,000	1,654,863
		1,340,000		327,270	8,114,270

Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Company Entity

Exploration Region Well Name Prospect Property Number AFE
Permian Basin THYME & CORIANDER 1-12 FED New Mexico Bone Spring Pros

COM 29H (Lea)

County, State Location Estimated Spud Estimated Completion

Lea, NM SEC 1-T23S-R32E, LEA COUNTY, NM

X New Formation Well Type Ttl Measured Depth Ttl Vetical Depth
Supplement AVALON DEV 19,700 9,700
Revision

Purpose Drill and complete well

Description

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,129,000		\$2,129,000
Completion Costs		\$4,194,287	\$4,194,287
Total Intangible Cost	\$2,129,000	\$4,194,287	\$6,323,287
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540,000	\$5,438,150	\$7,978,150

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

operator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
Company	Approved by (Fillic Name)		

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

3/12/2021



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 29H

	BCP - E	Orilling	ACP -			o/Stim	Producti	on Equip	Post Cor	**	Total
Description	Codes	Amount.	Codes	Amount		Amount	Codes	Amount		Amount	Co
Roads & Location	DIDC.100	125,000			STIM.100	10,000	CON.100	38,860	PCOM.100	10,000	183,86
Damages	DIDC.105	30,000					CON.105	2,990			32,9
Aud/Fluids Disposal	DIDC.255	125,000			STIM.255	53,000		_,	PCOM.255	o	178,0
			DICC 120	50.000	STIMESS	33,000			1 COMILEDS	U	
Day Rate	DIDC.115	365,000	DICC.120	60,000							425,00
disc Preparation	DIDC 120	20,000									20,0
Bits	DIDC.125	62,000	DICC.125	0	STIM.125	0			PCOM.125	0	62,00
Fuel	DIDC.135	43,000	DICC.130	0.					PCOM.130	0	43,00
Nater for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135	0	STIM.135	20,000			PCOM.135	0	45,00
			Dicciros	U	5111111155	20,000				v	
Mud & Additives	DIDC.145	150,000		1							150,00
SWD PIPED TO 3RD PARTY SWD WELL)		1	ļ	JI.			PCOM.257	93,150	93,15
Surface Rentals	DIDC,150	95,000	DICC.140	0	STIM.140	143,000	CON 140	1,709	FCOM.140	0	239,70
Flowback Labor					STIM,141	0.			PCOM.141	121,000	121,00
Downhole Rentals	DIDC.155	82,000		-	STIM.145	35,000			PCOM.145	0	117,00
Automation Labor	p.D.C.133	02,000		1		33,000	CON.150	42 702	PCOM.150	5,000	47,70
							COIV. 130	42,702	r COIVI.130	5,000	
Mud Logging	DIDC.170	21,000									21,00
IPC & EXTERNAL PAINTING		- 1		i			CON.165	16,654	:		16,65
Cementing & Float Equipment	DIDC.185	110,000	DICC.155	55,000				1			165,00
Tubular Inspections	DIDC.190	50,000	DICC.160	10,000	STIM.160	4,000			PCOM,160	0	64,00
Casing Crews	DIDC 195		DICC.165		STIM.165					7.	30,00
		15,000		15,000		0	CON 170	464.44-	PCOM 170	15.000	
Mechanical Labor	DIDC.200	28,000	DICC.170	10,000	STIM.170	0	CON.170		PCOM.170	15,000	214,41
Trucking/Transportation	DIDC.205	18,000	DICC.175	8,000	STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	49,08
Supervision	DIDC.210	72,000	DICC.180	9,000	STIM.180	49,000	CON.180	11,103	PCOM.180	O	141,10
Trailer House/Camp/Catering	DIDC.280	39,000	DICC 255	5,000	STIM.280	25,000				24	69,00
Other Misc Expenses	DIDC.220	5,000	DICC.190	0,000	STIM.190	64,000	CON.190	8,967	PCOM.190	o	77,96
· ·					5	G4,000		0,507		U,	
Overhead	DIDC.225	10,000	DICC.195	5,000		1					15,00
MOB/DEMOB	D1DC.240	110,000				ı			I		110,00
Directional Drilling Services	DIDC,245	300,000				I					300,00
Solids Control	DIDC.260	46,000		1		1					46,00
Well Control Equip (Snubbing Services)	DIDC.265	77,000	DICC.240	5,000	STIM.240	67,000			PCOM.240	0	149,00
		77,000		2,000	STIM.115				PCOM.115	o ^f	21,00
Completion Rig						21,000					
Coil Tubing Services					STIM.260	164,000			PCOM.260	0	164,00
Completion Logging/Perforating/Wireline					STIM.200	209,000			PCOM.200	0	209,00
Composite Plugs					STIM.390	53,000			PCOM.390	0	53,00
Stimulation Pumping/Chemicals/Additives/Sand					STIM.210	1,778,000			PCOM.210	0	1,778,00
Stimulation Water/Water Transfer/Water Storage					STIM.395	- 21				• 1	254,00
						254,000			BC01430F		
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,00
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0		É	10,00
Well Control Insurance	DID C.285	7,000							ı		7,00
Major Construction Overhead							CON.305	24,767		1	24,76
FL/GL - ON PAD LABOR							CON.495	36,724		- 1	36,72
							CON 500			1	
FL/GL - Labor								95,653		1	95,65
FL/GL - Supervision							CON.505	10,676			10,67
Survey							CON.515	2,135			2,13
Contingency	DIDC.435	89,000	DICC.220	9.000	STIM.220	151,000	CON.220	96,934	PCOM.220	0	345,93
Contingency		02,000		3,000		,	CON.221	24,767		1	24,76
Total Intangible Cost		2 420 000		404.000		2.464.000				246 150	6,323,28
		2,129,000		191,000		3,164,000		593,137		246,150	
Conductor Pipe	DWE8.130	8,000				1				1	8,00
Water String	DWEB.135	11,000				- 1					11,00
Surface Casing	DWEB.140	53,000									53,00
Intermediate Casing 1	DWEB,145	301,000									301,00
	21120,170	301,000	DWEY 100	127.000						10	
Production Casing or Liner			DWEA.100	127,000					B001 (= : *)	ų.	127,00
Tubing					STIMT.105	96,000			PCOMT.105	0	96,00
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	45,000			PCOMT.120	15,000	116,00
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	55,000							55,00
Packer, Nipples		ŭ		,	S7IMT.400	28,000			PCOMT.400	0	28,00
					3	20,000	CONT.380	7 250		5	
SHORT ORDERS								7,259		į.	7,25
PUMPS							CONT.385	17,508		ļ.	17,50
WALKOVERS							CONT.390	2,989		ģi Š	2,98
Downhale Lift Equipment					STIMT.410	80,000			PCOMT.410	o	80,00
Surface Equipment						20,000			PCOMT.420	25,000	25,00
									i.		
Well Automation Materials									PCOMT.455	8,000	8,00
N/C Lease Equipment							CONT 400	170,382	,		170,3
Tanks, Tanks Steps, Stairs							CONT.405	45,692			45,69
Battery Equipment							CONT.410	186,182		1	186,18
							CONT.415			1	20,9
Secondary Containments								20,924			
Overhead Power Distribution						0	CONT.420	80,280			80,2
Facility Electrical							CONT.425	21,778			21,7
Telecommunication Equipment						1	CONT.426	427			4
							CONT.445	29,465			29,4
Meters and Metering Equipment						9					
Facility Line Pipe						1	CONT.450	23,486			23,4
Lease Automation Materials						1	CONT.455	40,994		p	40,9
FL/GL - Materials							CONT.550	30,319			30,3
							CONT.555			li li	69,1
FL/GL - Line Pipe								69,178			
Total Tangible Cost		411,000		200,000		249,000		746,863	9	48,000.	1,654,8
				391,000		3,413,000		1,340,000		294,150	7,978,19



CINARE Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 29H

		BCP - Drilling			ACP - Drilling	200) - I	Comp/Stim	
Description	Codes		Amount*	Codes		Amount,	Codes		Amour
Roads & Location	DIDC.100		125,000				STIM.100		10,00
Damages	DIDC.105		30,000						
Mud/Fluids Disposal	DIDC.255		125,000				STIM.255		53,00
Day Rate	DIDC.115	1	365,000	DICC.120		60,000			
Misc Preparation	DIDC.120		20,000						
Bits	DIDC.125	į		DICC.125		0	STIM.125		
Fuel	DIDC.135		43,000	DICC.130		0			
Water for Drilling Rig (Not Frac Water)	DIDC.140		25,000			0.	STIM.135		20,000
Mud & Additives	DIDC 145		150,000			O,			20,000
SWD PIPED TO 3RD PARTY SWD WELL	DIDC 143		130,000			,			
Surface Rentals	DIDC.150		05.000	DICC 140			STIM.140		142.000
	DIDC.150		95,000	DICC.140		0			143,000
Flowback Labor							STIM.141		(
Downhole Rentals	DIDC.155		82,000				STIM.145		35,000
Automation Labor		-	1						
Mud Logging	DIDC.170		21,000						
IPC & EXTERNAL PAINTING									
Cementing & Float Equipment	DIDC 185		110,000	DICC.155		55,000			
Tubular Inspections	DIDC.190		50,000	DICC.160		10,000	STIM.160		4,000
Casing Crews	DIDC.195		15,000	DICC.165		15,000	STIM.165		
Mechanical Labor	DIDC.200		28,000	DICC.170		10,000	STIM.170		i i
Trucking/Transportation	DIDC.205		18,000	DICC.175		8,000	STIM.175		4,000
Supervision	DIDC.210	1	72,000			9,000	STIM.180		49,000
	DIDC.280			DICC.180			STIM.180		
Trailer House/Camp/Catering			39,000			5,000	STIM.280 STIM.190		25,00
Other Misc Expenses	DIDC.220		5,000	DICC.190		0	2 HW. 190		64,00
Overhead	DIDC 225		10,000	DICC 195		5,000			
MOB/DEMOB	DIDC.240		110,000						
Directional Drilling Services	DIDC.245		300,000						
Solids Control	DIDC.260		46,000						
Well Control Equip (Snubbing Services)	DIDC.265		77,000	DICC 240		5,000	STIM.240		67,000
Completion Rig							STIM.115		21,000
Coil Tubing Services							STIM.260		164,000
Completion Logging/Perforating/Wireline							STIM.200		209,000
Composite Plugs				1			STIM.390		53,000
Stimulation							STIM.210		1,778,000
Stimulation Water/Water Transfer/Water						1	STIM.395		254,000
Cimarex Owned Frac/Rental Equipment		į					STIM.305		
	DIDCCOO	1					31IW.503		60,000
Legal/Regulatory/Curative	DIDC.300		10,000						
Well Control Insurance	DIDC.285		7,000						
Major Construction Overhead									
FL/GL - ON PAD LABOR									
FL/GL - Labor		1							
FL/GL - Supervision		1				11			
Survey									
Contingency	DIDC.435		89,000	DICC.220		9,000	STIM.220		151,00
Contingency									
Total Intangible Cost	i		2,129,000			191,000			3,164,00
Conductor Pipe	DWEB.130		8,000						Transition of
Water String	DWEB.135		11,000	1		k.			1
Surface Casing	DWEB.140								
Intermediate Casing 1	DWEB.145		53,000 301.000						
2-14 X Ac. 1	DVVED.143		501,000	DWEA 100		127000			
Production Casing or Liner				DWEA.100		127,000	CTINAT SOF		20.5-
Tubing	mules			Bure: 15			STIMT.105		96,00
Wellhead, Tree, Chokes	DWEB.115		,	DWEA.120		18,000	STIMT.120		45,00
Liner Hanger, Isolation Packer	DWEB.100		0	DWEA.125		55,000			
Packer, Nipples							STIMT,400		28,00
SHORT ORDERS	1								
PUMPS									
WALKOVERS				1					
Downhole Lift Equipment	i			Į			STIMT.410		80,00
Surface Equipment				i					,/*
Well Automation Materials									
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs		1							
Battery Equipment									
									1
Secondary Containments									
Secondary Containments Overhead Power Distribution									
Overhead Power Distribution									
Overhead Power Distribution Facility Electrical									
Overhead Power Distribution Facility Electrical Telecommunication Equipment									
Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment									
Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe									
Overhead Power Distribution Fadility Electrical Telecommunication Equipment Meters and Metering Equipment Fadility Line Pipe Lease Automation Materials		ł							
Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials		1							
Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Autonation Materials			411,000			200,000			249,00



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 29H

Description Codes Roads & Location CON.100 Damages Mud/Fluids Disposal Day Rate Misc Preparation Bits Fuel Water for Drilling Rig (Not Frac Water) Mud & Additives SWD PIPED TO 3RD PARTY SWD WELL Surface Rentals Flowback Labor Downhole Rentals Automation Labor Mud Logging Flo & EXTERNAL PAINTING Cementing & Float Equipment Tubular Inspections Casing Crews Mechanical Labor Trucking/Transportation Supervision CON.150 More Note Con.150 Con.160 Trailer House/Camp/Catering Other Misc Expenses Overhead MOS/DEMOB Directional Drilling Services Solids Control Well Control Equip (Snubbing Services) Completion Logging/Perforating/Wireline Composite Plugs Stimulation Pumping/Chemicals/Additives/Sand Stimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Well Control Insurance Major Construction Overhead Ri/GL - ON PAD Labor Ri/GL - Supervision Con.505 Survey Con.515 Con.220 Contungency Con.221 Conductor Pipe Water String Surface Casing Information Toker Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 CONT.380 CONT.380 CONT.380 CONT.380 CONT.380 CONT.380	Amoun 38,860 2,990 42,700 16,654 161,411 17,08 11,100 8,960	60 PCOM.100 90 PCOM.255 PCOM.255 PCOM.125 PCOM.130 PCOM.135 PCOM.141 PCOM.141 PCOM.145 PCOM.150 PCOM.160 PCOM.170 B1 PCOM.175 B1 PCOM.180 PCOM.190	Amount, 10,000 0 10 0 0 10 0 121,000 0 15,000 15,000 0 15,000	CC 183,8 32,9 178,0 425,0 20,0 62,0,0 43,0 45,0 150,0 93,1,1 239,7 121,0 16,6 165,0 64,0,0 30,0 214,4 49,0 141,1,1 69,0
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ubular Inspections asing Crews fechanical Labor rucking/Transportation upervision CON.170 upervision CON.180 railler House/Camp/Catering ther Misc Expenses CON.190 byerhead GOB/DEMOB irectional Drilling Services olidis Control vell Control Equip (Snubbing Services) ompletion Rig oli Tubing Services ompletion Logging/Perforating/Wireline omposite Plugs timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Water/Water Transfer/Water Imarex Owned Frac/Rental Equipment egal/Regulatory/Curative CON.300 Vell Control Insurance dajor Construction Overhead L/GL - Abp PAD LABOR L/GL - Labor L/GL - Supervision L/GL -	17,08 11,103	15 PCOM.170 81 PCOM.175 03 PCOM.180 67 PCOM.190	15,000 2,000 0	64,0 30,0 214,4 49,0 141,1 69,0
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ther Misc Expenses ther Misc Expenses CON.190 Werhead (0B/DEMOB irrectional Drilling Services olids Control Vell Control Equip (Snubbing Services) ompletion Rig oil Tubing Services ompletion Logging/Perforating/Wireline omposite Plugs timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Con.300 CON.300 L/GL - ON PAD LABOR CON.305 L/GL - Labor CON.505 L/GL - Supervision con.505 con.500 CON.505 con.500 CON.505 con.500 CON.505 con.500 CON.505 con.500 CON.505 con.500 CON.505 con.500 CON.505 con.500 con.50	8,96	1	0	
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Directional Drilling Services olids Control Vell Control Equip (Snubbing Services) Completion Rig foil Tubing Services Completion Logging/Perforating/Wireline Composite Plugs trimulation Pumping/Chemicals/Additives/Sand trimulation Waster/Water Transfer/Water Imarex Owned Frac/Rental Equipment ega/Regulatory/Curative CON.300 Vell Control Insurance Alajor Construction Overhead CON.305 L/GL - On PAD LABOR CON.495 L/GL - Supervision CON.505 L/GL - Supervision CON.505 L/GL - Supervision CON.505 L/GL - Supervision CON.505 Londingency CON.221 Total Intangible Cost Conductor Pipe Vater String purface Casing ntermediate Casing 1 roduction Casing or Liner Tubing Vellhead, Tree, Chokes iner Hanger, Isolation Packer tacker, Nipples HORT ORDERS CONT.385				110,0
loilids Control Vell Control Equip (Snubbing Services) completion Rig completion Rig completion Logging/Perforating/Wireline composite Plugs trimulation Pumping/Chemicals/Additives/Sand trimulation Pumping/Chemicals/Additives/Sand trimulation Water/Water Transfer/Water Climarex Owned Frac/Rental Equipment egal/Regulatory/Curative Vell Control Insurance dajor Construction Overhead CON.305 L/GL - ON PAD LABOR CON.495 L/GL - Labor CON.505 L/GL - Supervision CON.505 L/GL - Supervision CON.505 Lordingency CON.220 Contingency CON.220 Contingency Total Intangible Cost Conductor Pipe Vater String intermediate Casing 1 reduction Casing or Liner rubbing Wellhead, Tree, Chokes iner Hanger, Isolation Packer Packer, Nipples HORT ORDERS CONT.385				
Vell Control Equip (Snubbing Services) Completion Rig Completion Logging/Perforating/Wireline Composite Flugs Completion Logging/Perforating/Wireline Composite Flugs Composit		1	- 1	300,0
completion Rig Completion Rig Coll Tubing Services Completion Logging/Perforating/Wireline Composite Plugs chimulation Pumping/Chemicals/Additives/Sand chimulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment egal/Regulatory/Curative CON.300 Vell Control Insurance Alajor Construction Overhead LCGL - ON PAD LABOR LCGL - Supervision LCGL - Supervision LCGL - Supervision LCON.505 LCGL - Supervision LCON.505 LCGL - Supervision LCON.505 LCON.505 LCON.506 LCON.507 LCON.507 LCON.507 LCON.507 LCON.507 LCON.508				46,0
coll Tubing Services completion Logging/Perforating/Wireline composite Plugs ctimulation Pumping/Chemicals/Additives/Sand ctimulation Pumping/Chemicals/Additives/Sand ctimulation Water/Water Transfer/Water imarex Owned Frac/Rental Equipment egal/Regulatory/Curative CON.300 Vell Control Insurance Algor Construction Overhead CON.305 L/GL - ON PAD LABOR CON.495 L/GL - Supervision CON.505 L/GL - Supervision CON.505 L/GL - Supervision CON.505 L/GL - Supervision CON.201 Contingency CON.221 Total Intangible Cost Conductor Pipe Vater String urface Casing ntermediate Casing 1 roduction Casing or Liner ubling Vellhead, Tree, Chokes iner Hanger, Isolation Packer racker, Nipples HORT ORDERS CONT.385		PCOM.240	0	149,0
completion Logging/Perforating/Wireline composite Plugs timulation Pumping/Chemicals/Additives/Sand timulation Pumping/Chemicals/Additives/Sand timulation Water/Water Transfer/Water Cimarex Owned Frac/Rental Equipment egal/Regulatory/Curative Veil Control Insurance dajor Construction Overhead CON.305 L/GL - ON PAD LABOR CON.495 L/GL - Supervision CON.500 L/GL - Supervision CON.505 Lontingency CON.220 Lontingency CON.221 Lontingency CON.221 Lonductor Pipe Vater String infrace Casing intermediate Casing 1 Induction Casing or Liner Vibring Veilhead, Tree, Chokes iner Hanger, Isolation Packer Vacker, Nipples HORT ORDERS CONT.385		PCOM.115	D	21,0
composite Flugs climulation Pumping/Chemicals/Additives/Sand climulation Water/Water Transfer/Water Consumple Trac/Rental Equipment egal/Regulatory/Curative consumple Trac/Rental Equipment egal/Regulatory/Curative consumple Trac/Rental Equipment egal/Regulatory/Curative consumple Trac/Rental Equipment consumple Con		PCOM.260	0	164,0
Composite Plugs Compos		PCOM.200	0	209,0
trimulation Pumping/Chemicals/Additives/Sand titinulation Water/Water Transfer/Water Transfer Transfer/Water Transfer/Water Transfer/Water Transfer/Water Transfer/Water Transfer/Water Transfer/Water String Water	PCOM.390	O	53,0	
titimulation Water/Water Transfer/Water Timarex Owned Frac/Rental Equipment egal/Regulatory/Curative Voll Control Insurance Asjor Construction Overhead CON.305 L/GL - ON PAD LABOR CON.495 L/GL - Supervision CON.505 L/GL - Supervision CON.505 L/GL - Supervision CON.505 L/GL - Supervision CON.201 L/GL - Supervision CON.202 Contingency CON.221 Total Intangible Cost Conductor Pipe Vater String Uniface Casing Intermediate Casing 1 Troduction Casing or Liner Unbing Veilhead, Tree, Chokes Liner Hanger, Isolation Packer Lacker, Nipples HORT ORDERS CONT.385 CONT.385 CONT.385 CONT.385 CONT.385 CONT.385 CONT.385 CONT.385 CONT.385 CONT.385		PCOM.210	0	1,778,0
Emarex Owned Frac/Rental Equipment Legal/Regulatory/Curative Vell Control Insurance Well Control Insurance Well Control Insurance Well Control Insurance CON.305 L/GL - ON PAD LABOR CON.495 L/GL - Labor CON.500 L/GL - Supervision CON.505 Lontingency CON.201 Lontingency CON.210 Lonductor Pipe Water String Eurape Casing Intermediate Casing 1 Production Casing or Liner Publing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples HONT ORDERS CONT.385 LONT.385 LONT			G ,	254,0
egal/Regulatory/Curative CON.300 Well Control Insurance Walgor Construction Overhead CON.305 RL/GL - CON PAD LABOR CON.495 RL/GL - Supervision CON.500 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision CON.505 RL/GL - Supervision RL/GL - Rupervision RL/GL - Rupervi		DCOM 201		
Well Control Insurance Agior Construction Overhead CON.305 A/GL - ON PAD LABOR CON.500 A/GL - Supervision CON.505 Contingency CON.210 Contingency CON.221 Total Intangible Cost Conductor Pipe Water String Intermediate Casing 1 Production Casing or Liner Tubing Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples HORDT ORDERS CONT.385 CONT.385 CONT.385 CONT.385 CONT.385 CONT.385		PCOM.305	0,	60,0
Adjor Construction Overhead CON.305 RLGL - ON PAD LABOR CON.495 RLGL - Labor CON.500 CON.500 CON.500 CON.505 Contingency CON.515 Contingency CON.220 Contingency Total intangible Cost Conductor Pipe Water String Contended Casing Contended Casing Contended Casing 1 Conduction Casing or Liner Cubling Wellhead, Tree, Chokes Contended Cont		0		10,0
R-/GL - ON PAD LABOR CON.495 R-/GL - Labor CON.500 CON.500 CON.505 CON.505 CON.505 CON.505 CON.505 CON.505 CON.505 CON.200 CON.200 CON.200 CON.201 CON				7,0
A/GL - Labor CON.500 A/GL - Supervision CON.500 A/GL - Supervision CON.500 A/GL - Supervision CON.505 Avery CON.505 Contingency CON.220 CON.221 Total Intangible Cost Conductor Pipe Avater String Forduction Casing or Liner Avater String Avery Con. 201 Avater String Avater String Avery Con. 201 Avater String Avery Con. 201 Avater String Avater String Avater String Avater String Avater String	24,76	67		24,7
A/GL - Supervision CON.505 contingency CON.515 contingency CON.221 Contingency CON.221 Conductor Pipe Water String uturface Casing intermediate Casing 1 ronduction Casing or Liner rubing Wellhead, Tree, Chokes inner Hanger, Isolation Packer Packer, Nipples HORT ORDERS CONT.380 CUMPS CON.515	36,72	24		36,7
A/GL - Supervision CON.505 contingency CON.515 contingency CON.221 Contingency CON.221 Conductor Pipe Water String uturface Casing intermediate Casing 1 ronduction Casing or Liner rubing Wellhead, Tree, Chokes inner Hanger, Isolation Packer Packer, Nipples HORT ORDERS CONT.380 CUMPS CON.515	95,65.			95,6
convey CON.515 Contingency CON.220 CON.220 CON.221 Total Intangible Cost Conductor Pipe Water String Forduction Casing on ther Fubing Wellhead, Tree, Chokes Finer Hanger, Isolation Packer Vacker, Nijpples ValHORT ORDERS CONT.380 CONT.385 CONT.385 CONT.385	10,676		i i	10,6
Contingency CON.220 Contingency CON.220 Contingency CON.221 Total intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Publing Wellhead, Tree, Chokes Janer Hanger, Isolation Packer Packer, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385				2,1
Contingency Total Intangible Cost Conductor Pipe Water String Surface Casing Intermediate Casing 1 Production Casing or Liner Publing Wellhead, Tree, Chokes Janer Hanger, Isolation Packer Packer, Nipples PHORT ORDERS CONT.380 PUMPS CONT.385	2,131			
Total intangible Cost Conductor Pipe Water String Water String warface Casing intermediate Casing 1 roduction Casing or Liner rubing Wellhead, Tree, Chokes iner Hanger, Isolation Packer acker, Nipples SHORT ORDERS CONT.380 PUMPS CONT.385	96,93		0	345,9
Conductor Pipe Water String urface Casing ntermediate Casing 1 roduction Casing or Liner lubing Wellhead, Tree, Chokes iner Hanger, Isolation Packer lacker, Nipples HORT ORDERS CONT.380	24,76	67		24,7
Vater String urface Casing ntermediate Casing 1 roduction Casing or Liner ubing Vellhead, Tree, Chokes iner Hanger, Isolation Packer acker, Nipples HORT ORDERS CONT.380 UMPS CONT.385	593,137	37	246,150	6,323,2
urface Casing 1 remediate Casing 1 roduction Casing or Liner ubing Veilhead, Tree, Chokes iner Hanger, Isolation Packer acker, Nipples HORT ORDERS CONT.380 UMPS CONT.385				8,0
ntermediate Casing 1 roduction Casing or Liner ubing Veilhead, Tree, Chokes iner Hanger, Isolation Packer acker, Nipples HORT ORDERS CONT.380 UMPS CONT.385				11,0
ntermediate Casing 1 roduction Casing or Liner ubing Veilhead, Tree, Chokes iner Hanger, Isolation Packer acker, Nipples HORT ORDERS CONT.380 UMPS CONT.385				53,0
roduction Casing or Liner ubing Veilhead, Tree, Chokes iner Hanger, Isolation Packer acker, Nipples HORT ORDERS CONT.380 UMPS CONT.385				301,0
ubling Wellhead, Tree, Chokes iner Hanger, Isolation Packer Packer, Nipples HORT ORDERS CONT.380 PUMPS CONT.385				127,0
Wellhead, Tree, Chokes iner Hanger, Isolation Packer racker, Nipples HORT ORDERS CONT.380 FUMPS CONT.385		PCOMT.105	0	
iner Hanger, Isolation Packer lacker, Nipples HORT ORDERS CONT.380 UMPS CONT.385				96,0
acker, Nipples HORT ORDERS CONT.380 UMPS CONT.385		PCOMT.120	15,000	116,0
HORT ORDERS CONT.380 CONT.385				55,0
PUMPS CONT.385		PCOMT.400	0	28,0
	7,25	59		7,3
	17,50	08		17,
	2,98			2,9
Downhole Lift Equipment	E.50.	PCOMT.410	oʻ	80,0
		PCOMT.420		
urface Equipment			25,000	25,0
Vell Automation Materials		PCOMT.455	8,000	8,0
I/C Lease Equipment CONT.400				170,
anks, Tanks Steps, Stairs CONT.405	170,38:	92		45,
attery Equipment CONT.410		82		186,
econdary Containments CONT.415	170,38:	24		20,
Overhead Power Distribution CONT.420	170,38. 45,69.			80,
acility Electrical CONT.425	170,38: 45,69 186,18: 20,92			21,
	170,38 45,69 186,18 20,92 80,28	781		۷۱,
	170,38. 45,69 186,18. 20,92 80,28 21,77			
Meters and Metering Equipment CONT.445	170,38 45,69 186,18 20,92 80,28 21,77*	27		29,
acility Line Pipe CONT.450	170,38: 45,69 186,18: 20,92: 80,28: 21,77: 42: 29,46	27 65		23,4
ease Automation Materials CONT.455	170,38. 45,69. 186,18. 20,92. 80,28. 21,77. 42. 29,46. 23,48.	27 65 86		40,
L/GL - Materials CONT.550	170,38: 45,69 186,18: 20,92: 80,28: 21,77: 42: 29,46	27 65 86		30,
L/GL - Line Pipe CONT.555	170,38. 45,69. 186,18. 20,92. 80,28. 21,77. 42. 29,46. 23,48.	27 65 86 94		69,
Total Tangible Cost	170,38. 45,69. 186,18. 20,92. 80,228. 21,77. 42. 29,46. 23,48. 40,99.	27 65 86 94 19		03,

Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Company Entity

Exploration Region Well Name Prospect Property Number AFF Permian Basin THYME & CORIANDER 1-12 FED

New Mexico Bone Spring Pros **COM 30H** (Lea)

County, State Location Estimated Spud Estimated Completion

Lea, NM SEC 1-T23S-R32E, LEA COUNTY, NM

X New Well Type Ttl Vetical Depth Formation Ttl Measured Depth Supplement **AVALON** DEV 19,700 9,700 Revision

Purpose Drill and complete well

Description

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost:
. Drilling Costs	\$2,129,000		\$2,129,000
Completion Costs		\$4,194,287	\$4,194,287
Total Intangible Cost	\$2,129,000	\$4,194,287	\$6,323,287
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540.000	\$5,438,150	\$7.978,150

Comments On Well Costs

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Nonoperator Approval			
Company	Approved By (Print Name)	Approved By (Signature)	Date
		But the start of t	
NOTICE TO NONOPERATOR: Cos	s shown on this form are estimates only. By executing	g this AFE, the consenting party agrees to pay its proportionate	
	head will be charged in accordance with the Joint Opi		3/12/2021

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^{1.} All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 30H

		Drilling		- Drilling		p/Stim		tion Equip	Post Cor		Total
Description	Codes	Amount	Codes	Amount		Amount*		Amount		Amount;	Cos
Roads & Location	DIDC.100	125,000		1	STIM.100	10,000	CON.100	38,860	PCOM,100	10,000	183,860
Damages	DIDC.105	30,000					CON.105	2,990			32,99
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255	53,000			PCOM.255	0	178,000
Day Rate	DIDC.115	365,000	DICC.120	60,000							425,000
Misc Preparation	DIDC,120	20,000								ŀ	20,000
Bits	DIDC.125	62,000		0	STIM.125	0,			PCOM.125	0	62,000
Fuel	DIDC.135	43,000	DICC 130	0		3'			PCOM.130	0	43,000
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135	0	STIM.135	20,000			PCOM.135	0	45,000
Mud & Additives	DIDC.145	150,000)				1	150,000
SWD PIPED TO 3RD PARTY SWD WELL		J		1	1	1			PCOM.257	93,150	93,150
Surface Rentals	DIDC,150	95,000	DICC.140	0	STIM.140	143,000	CON.140	1,709	PCOM.140	0	239,709
Flowback Labor					STIM.141	0			PCOM.141	121,000	121,000
Downhole Rentals	DIDC.155	82,000			STIM.145	35,000			PCOM.145	0	117,000
Automation Labor							CON.150	42,702	PCOM.150	5,000	47,70
Mud Logging	DIDC.170	21,000			!					1	21,000
IPC & EXTERNAL PAINTING							CON.165	16,654		1	16,65
Cementing & Float Equipment	DIDC.18S	110,000	DICC.155	55,000		1;		-			165,000
Tubular Inspections	DIDC.190	50,000	DICC.160	10,000	STIM.160	4,000			PCOM.160	0]	64,000
Casing Crews	DIDC.195	15,000	DICC.165	15,000	STIM.165	0				1	30,000
Mechanical Labor	DIDC.200	28,000	DICC.170	10,000	STIM.170	0	CON.170	161,415	PCOM.170	15,000	214,415
Trucking/Transportation	D1DC.205	18,000	DICC.175	8,000	STIM.175	4,000	CON.175	17,081	PCOM.175	2,000	49,08
Supervision	DIDC.210	72,000		9,000	STIM.180	49,000	CON.180	11,103	PCOM.180	oļi	141,103
Trailer House/Camp/Catering	DIDC.280	39,000	DICC.255	5,000	STIM.280	25,000				Į.	69,000
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	64,000	CON.190	8,967	PCOM.190	0':	77,967
Overhead	DIDC.225	10,000	DICC.195	5,000		Ì				ğ	15,000
MOB/DEMOB	DIDC.240	110,000				ļ				1	110,000
Directional Drilling Services	DIDC.245	300,000								1	300,000
Solids Control	DIDC.260	46,000									46,000
Well Control Equip (Snubbing Services)	DIDC.265	77,000	DICC.240	5,000	STIM.240	67,000			PCOM,240	0	149,000
Completion Rig		i		İ	STIM.115	21,000			PCOM.115	0	21,000
Coil Tubing Services					STIM.260	164,000			PCOM.260	0	164,000
Completion Logging/Perforating/Wireline					STIM.200	209,000			PCOM.200	O.	209,000
Composite Plugs					STIM.390	53,000			PCOM.390	0	53,000
Stimulation Pumping/Chemicals/Additives/Sand					STIM.210	1,778,000			PCOM.210	0.	1,778,000
Stimulation Water/Water Transfer/Water Storage					STIM.395	254,000					254,000
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,000
Legal/Regulatory/Curative	DIDC.300	10,000					CON.300	0			10,000
Well Control Insurance	DIDC.285	7,000									7,000
Major Construction Overhead							CON.305	24,767			24,767
FL/GL - ON PAD LABOR				l l	1		CON.495	36,724			36,724
FL/GL - Labor							CON.500	95,653			95,653
FL/GL - Supervision							CON.505	10,676			10,676
Survey							CON.515	2,135			2,135
Contingency	DIDC.435	89,000	DICC.220	9,000	STIM.220	151,000	CON.220	96,934	PCOM.220	o	345,934
Contingency							CON.221	24,767	_		24,767
Total intangible Cost		2,129,000.		191,000		3,164,000		593,137	i i	246,150	6,323,287
Conductor Pipe	DWEB.130	8,000								F	8,000
Water String	DWEB.135	11,000									11,000
Surface Casing	DWEB.140	53,000									53,000
Intermediate Casing 1	DWEB.145	301,000									301,000
Production Casing or Liner			DWEA.100	127,000							127,000
Tubing					STIMT.105	96,000			PCOMT.105	O :	96,000
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	45,000			PCOMT.120	15,000	116,000
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	55,000						F	55,000
Packer, Nipples				i	STIMT.400	28,000			PCOMT.400	o	28,000
SHORT ORDERS							CONT.380	7,259			7,259
PUMPS							CONT.385	17,508			17,508
WALKOVERS							CONT.390	2,989			2,989
Downhole Lift Equipment					STIMT.410	80,000			PCOMT.410	o	80,000
Surface Equipment									PCOMT.420	25,000	25,000
Well Automation Materials									PCOMT.455	8,000	8,000
N/C Lease Equipment							CONT,400	170,382		_,	170,382
Tanks, Tanks Steps, Stairs							CONT.405	45,692			45,692
Battery Equipment							CONT.410	186,182			186,182
Secondary Containments							CONT.415	20,924			20,924
Overhead Power Distribution							CONT.420	80,280			80,280
Facility Electrical							CONT.425	21,778			21,778
Telecommunication Equipment							CONT.426	427			42
Meters and Metering Equipment							CONT.445	29,465			29,46
Facility Line Pipe							CONT.450	23,486			23,48
Lease Automation Materials							CONT.455	40,994		ğ	40,99
FL/GL - Materials							CONT.550	30,319			30,319
FL/GL - Line Pipe	ľ.						CONT.555	69,178		11 91	69,178
Total Tangible Cost		411,000		200,000		249,000		746,863		48,000	1,654,863
	7-	711,000		000,000		とイフ,ひひひ		, , ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-0,000	1,000,1000



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 30H

		BCP - Drilling			ACP - Drilling			Comp/Stim	
Description	Codes		Amount	Codes	_	Amount	Codes		Amoun
Roads & Location	DIDC 100		125,000				STIM 100		10,00
Damages	DIDC.105		30,000						
Mud/Fluids Disposal	DIDC.255		125,000				STIM.255		53,00
Day Rate	DIDC.115		365,000	DICC.120		60,000			
Misc Preparation	DIDC.120		20,000						
Bits	DIDC.125		62,000	DICC.125		0	STIM.125		
Fuel	DIDC.135		43,000	DICC 130		0			
	DIDC.140					0	STIM.135		20,000
Water for Drilling Rig (Not Frac Water)			25,000	DICC.135		U	21 1141' 122		20,000
Mud & Additives	DIDC 145		150,000						
SWD PIPED TO 3RD PARTY SWD WELL									
Surface Rentals	DIDC.150		95,000	DICC.140		0	STIM.140		143,000
Flowback Labor						5	STIM.141		
Downhole Rentals	DIDC.155		82,000				STIM.145		35,000
Automation Labor									
Mud Lagging	DIDC.170		21,000						
IPC & EXTERNAL PAINTING									
Cementing & Float Equipment	DIDC 185		110,000	DICC 155		55,000			
Tubular Inspections	DIDC.190		50,000	DICC.160		10,000	STIM.160		4,000
	DIDC.195		15,000				STIM.165		4,00
Casing Crews						15,000			
Mechanical Labor	DIDC.200		28,000			10,000	STIM.170		100
Trucking/Transportation	DIDC.205		18,000			8,000	STIM.175		4,000
Supervision	DIDC.210		72,000			9,000	STIM.180		49,00
Trailer House/Camp/Catering	DIDC.280		39,000	DICC.255		5,000	STIM.280		25,00
Other Misc Expenses	DIDC.220		5,000	DICC.190		0	STIM.190		64,00
Overhead	DIDC.225		10,000			5,000			
MOB/DEMOB	DIDC.240		110,000	3					ĺ
Directional Drilling Services	DIDC.245		300,000			1]
Solids Control	DIDC.260		46,000						
						5,000	STIM.240		67.00
Well Control Equip (Snubbing Services)	DIDC.265		77,000	DICC.240		5,000			67,000
Completion Rig							STIM.115		21,00
Coil Tubing Services							STIM 260		164,00
Completion Logging/Perforating/Wireline							STIM.200		209,00
Composite Plugs							STIM.390		53,00
Stimulation							STIM.210		1,778,00
Stimulation Water/Water Transfer/Water							STIM,395		254,00
Cimarex Owned Frac/Rental Equipment							STIM.305		60,000
Legal/Regulatory/Curative	DIDC.300		10,000						
Well Control Insurance	DIDC.285		7,000						
Major Construction Overhead			7,000	1					
FL/GL - ON PAD LABOR									1
			1						
FL/GL - Labor									
FL/GL - Supervision									
Survey									
Contingency	DIDC.435		89,000	DICC.220		9,000	STIM.220		151,000
Contingency						}			
Total intangible Cos	t		2,129,000			191,000			3,164,00
Conductor Pipe	DWEB.130		8,000						
Water String	DWEB.135		11,000						
Surface Casing	DWEB.140		53,000						1
Intermediate Casing 1	DWEB.145								1
	DWED. 143		301,000			177.000			
Production Casing or Liner	8		1	DWEA.100		127,000	CTIL AT ACC		
Tubing	1						STIMT.105		96,00
Wellhead, Tree, Chokes	DWEB.115			DWEA.120		18,000	STIMT.120		45,00
Liner Hanger, Isolation Packer	DWEB.100		0	DWEA.125		55,000			
Packer, Nipples							STIMT.400		28,00
SHORT ORDERS									
PUMPS									
WALKOVERS									
Downhole Lift Equipment							STIMT.410		80,00
Surface Equipment	1								{
									1
Well Automation Materials									
N/C Lease Equipment									i
Tanks, Tanks Steps, Stairs						1			1
						į.			
Battery Equipment									
Battery Equipment									
Battery Equipment Secondary Containments Overhead Power Distribution									
Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical									
Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment									
Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment									
Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe									
Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials									
Battery Equipment Secondary Containments Overhead Power Distribution									
Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials									
Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials	st		411,000			200,000			249,00



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 30H

1		Production Equip		Post Completion		Total
Description	Codes	Amour	t Codes	An	mount	Cost
Roads & Location	CON.100	38,86			0,000	183,860
Damages	CON.105	2,99		į		32,990
Mud/Fluids Disposal			PCOM.255		0	178,000
Day Rate						425,000
Misc Preparation						20,000
Bits		,	PCOM.125		0	62,000
Fuel			PCOM.130		0	43,000
Water for Drilling Rig (Not Frac Water)			PCOM.135		O O	45,000
Mud & Additives					ŭ	150,000
SWD PIPED TO 3RD PARTY SWD WELL			PCOM.257		3,150	93,150
Surface Rentals	CON.140	1,70		,	0.130	
Flowback Labor	COI4.140	1,70	PCOM.141			239,709
1			i	12	21,000	121,000
Downhole Rentals			PCOM.145		0	117,000
Automation Labor	CON.150	42,70	2 PCOM.150		5,000	47,702
Mud Logging			1			21,000
IPC & EXTERNAL PAINTING	CON.165	16,65	4			16,654
Cementing & Float Equipment						165,000
Tubular Inspections			PCOM.160		0	64,000
Casing Crews			i.			30,000
Mechanical Labor	CON.170	161,41			5,000	214,415
Trucking/Transportation	CON.175	17,08			2,000	49,081
Supervision	CON.180	11,10	3 PCOM.180		o	141,103
Trailer House/Camp/Catering			1		l Î	69,000
Other Misc Expenses	CON.190	8,96	7 PCOM.190		0	77,967
Overhead			5			15,000
MOB/DEMOB						110,000
Directional Drilling Services						300,000
Solids Control						46,000
Well Control Equip (Snubbing Services)			PCOM.240		0	149,000
Completion Rig		1	PCOM.115		o'	21,000
Coil Tubing Services			PCOM.260		o	164,000
Completion Logging/Perforating/Wireline			PCOM.200		o'	209,000
Composite Plugs			PCOM.390		0	53,000
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210		o o	1,778,000
Stimulation Water/Water Transfer/Water			FCON.210		Ů,	254,000
			PCOM.305		0	60,000
Cimarex Owned Frac/Rental Equipment	CON 300				Ů,	
Legal/Regulatory/Curative	CON.300		0			10,000
Well Control Insurance						7,000
Major Construction Overhead	CON.305	24,76				24,767
FL/GL - ON PAD LABOR	CON.495	36,72				36,724
FL/GL - Labor	CON.500	95,65				95,653
FL/GL - Supervision	CON.505	10,67	6			10,676
Survey	CON.515	2,13	5			2,135
Contingency	CON.220	96,93	4 PCOM.220		0	345,934
Contingency	CON.221	24,76	7			24,767
Total Intangible Cost		593,13	7	24	46,150	6,323,287
Conductor Pipe			~ /45.7.		1.	8,000
Water String		j.				11,000
Surface Casing						53,000
Intermediate Casing 1						301,000
Production Casing or Liner						127,000
Tubing			PCOMT.105		D.	96,000
Wellhead, Tree, Chokes			PCOMT.120	1	15,000	116,000
Liner Hanger, Isolation Packer						55,000
Packer, Nipples			PCOMT.400		0	28,000
SHORT ORDERS	CONT.380	7,25			o,	7,259
PUMPS	CONT.385	17,50				17,508
WALKOVERS	CONT.390	2,98				2,989
Downhole Lift Equipment	COM1.350	2,98	9 PCOMT.410		0	80,000
i i					- 1	
Surface Equipment			PCOMT.420		25,000	25,000
Well Automation Materials	CONT 400	ı İl	PCOMT.455		8,000	8,000
N/C Lease Equipment	CONT.400	170,38				170,382
Tanks, Tanks Steps, Stairs	CONT.405	45,69	3			45,692
Battery Equipment	CONT.410	186,18				186,182
Secondary Containments	CONT.415	20,92	1			20,924
Overhead Power Distribution	CONT.420	80,28				80,280
Facility Electrical	CONT.425	21,77	8			21,778
Telecommunication Equipment	CONT.426	42	7∜			427
Meters and Metering Equipment	CONT.445	29,46	5			29,465
Facility Line Pipe	CONT.450	23,48		Ţ		23,486
Lease Automation Materials	CONT.455	40,99				40,994
FL/GL - Materials	CONT.550	30,31				30,319
FL/GL - Line Pipe	CONT.555	69,17				69,178
Total Tangible Cost		745,86		4	48,000	1,654,863
		1,340,00			4,150	7,978,150



Authorization For Expenditure Drilling

Date Prepared 3/12/2021

Exploration Region Permian Basin

Company Entity

Well Name

FED COM 31H

Prospect

Property Number

AFE

County, State

Location

New Mexico Bone Spring Pros (Lea)

Estimated Spud

Estimated Completion

Lea, NM

THYME & CORIANDER 1-12

X New

SEC 1-T23S-R32E, LEA COUNTY, NM

Formation

Well Type

Ttl Measured Depth

Ttl Vetical Depth

Supplement Revision

1ST SAND

DEV

20,200

10,200

Purpose

Drill and complete well

Description

Drilling

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,129,000		\$2,129,000
Completion Costs		\$4,227,407	\$4,227,407
Total Intangible Cost	\$2,129,000	\$4,227,407	\$6,356,407
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$411,000	\$497,000	\$908,000
Lease Equipment		\$746,863	\$746,863
Total Tangible Cost	\$411,000	\$1,243,863	\$1,654,863
Total Well Cost	\$2,540,000	\$5,471,270	\$8,011,270

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy.

Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

_		
Approved By (Print Name)	Approved By (Signature)	Date
		- Here

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. By executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.

3/12/2021



CINAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 31H

		Drilling		- Drilling		o/Stim	Productio		Post Con	/ · ·	Total
Description	Codes	Amount	Codes	Amount		Amount(Amount]		Amount]	Co.
Roads & Location	DIDC.100	125,000			STIM.100	10,000	CON.100	38,860	PCOM.100	10,000	183,86
Damages	DIDC.105	30,000					CON.105	2,990		1	32,99
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255	53,000			PCOM.255	0	178,00
Day Rate	DIDC.115	365,000	DICC.120	60,000		1					425,00
Misc Preparation	DIDC.120	20,000		55,555		- 1					20,00
Bits	DIDC.125	62,000	DICC.125	0	STIM.125	0			PCOM.125	o	62,00
Fuel	DIDC.135	43,000	DICC.130	0	311111111111111111111111111111111111111	U.			PCOM.130	o	
					CTUALOR			i			43,00
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135	0:	STIM.135	20,000			PCOM.135	0	45,00
Mud & Additives	DIDC.145	150,000				1					150,00
SWD PIPED TO 3RD PARTY SWD WELL						3			PCOM.257	126,270	126,27
Surface Rentals	DIDC 150	95,000	DICC.140	0.	STIM.140	143,000	CON.140	1,709	PCOM.140	0	239,70
Flowback Labor					STIM.141	0		- 1	PCOM.141	121,000	121,00
Downhole Rentals	DIDC.155	82,000			STIM,145	35,000			PCOM.145	0	117,00
Automation Labor		02,000				35,000	CON.150	42 702	PCOM.150	5,000	47,70
	DIDC.170	24.000					aura.su	42,702		3,000	
Mud Logging	DIDC.170	21,000	10					40.00			21,00
IPC & EXTERNAL PAINTING							CON.165	16,654			16,65
Cementing & Float Equipment	DIDC.185	110,000	DICC.155	55,000						1	165,00
Tubular Inspections	DIDC.190	50,000	DICC.160	10,000	STIM,160	4,000			PCOM.160	0	64,00
Casing Crews	DIDC.195	15,000	DICC.165	15,000	STIM.165	0					30,00
Mechanical Labor	DIDC.200	28,000	DICC.170	10,000	STIM.170	0	CON.170	161.415	PCOM.170	15,000	214,41
Trucking/Transportation	DIDC.205	18,000	DICC.175	8,000	STIM.175	4,000	CON.175	17,081		2,000	49,08
Supervision	DIDC.210	72,000	DICC.180	9,000	STIM.180	49,000	CON.180	11,103		2,000	141,10
52m371			DICC.180		STIM.280		2014.100	11,105		o _z	
Trailer House/Camp/Catering	DIDC.280	39,000		5,000		25,000			nen		69,00
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	64,000	CON.190	8,967	PCOM.190	0	77,96
Overhead	DIDC.225	10,000	DICC,195	5,000							15,00
MOB/DEMOB	DIDC.240	110,000									110,00
Directional Drilling Services	DIDC 245	300,000									300,00
Solids Control	DIDC.260	46,000									46,00
Well Control Equip (Snubbing Services)	DIDC.265	77,000	DICC.240	5,000	STIM.240	67,000			PCOM.240	0	149,00
Completion Rig	DIDCIECO	77,000	JICC.E-10	3,000	STIM.115				PCOM.115	0	21,00
						21,000			PCOM.113		
Coil Tubing Services					STIM.260	164,000				0	164,00
Completion Logging/Perforating/Wireline					STIM.200	209,000			PCOM.200	0	209,00
Composite Plugs					STIM.390	53,000			PCOM.390	0	53,00
Stimulation Pumping/Chemicals/Additives/Sand					STIM.210	1,778,000			PCOM.210	0	1,778,00
Stimulation Water/Water Transfer/Water Storage					STIM.395	254,000					254,00
Cimarex Owned Frac/Rental Equipment					STIM.305	60,000			PCOM.305	0	60,00
Legal/Regulatory/Curative	DIDC.300	10,000				1	CON.300	0		-	10,00
Well Control Insurance	DIDC.285	7,000									7,00
	DIDC.203	7,000					CON 200	24767			
Major Construction Overhead							CON.305	24,767			24,76
FL/GL - ON PAD LABOR							CON.495	36,724			36,72
FL/GL - Labor							CON.500	95,653			95,65
FL/GL - Supervision							CON.505	10,676			10,67
Survey							CON.515	2,135			2,13
Contingency	DIDC.435	89,000	DICC.220	9,000	STIM.220	151,000	CON,220	96,934	PCOM.220	0	345,93
Contingency		05,000		3,000		151,000	CON.221	24,767		-	24,76
Votal Intangible Cost		2,129,000		191,000		3,164,000;		593,137		279,270	6,356,40
No. 1000 No.	Divien 430		_	131,000	.4414	3,104,000		353,137		213,210	2 ,000
Conductor Pipe	DWEB.130	8,000				į.					8,00
Water String	DWEB,135	11,000									11,00
Surface Casing	DWEB.140	53,000									53,00
Intermediate Casing 1	DWEB.145	301,000									301,00
Production Casing or Liner			DWEA.100	127,000							127,00
Tubing					STIMT.105	96,000			PCOMT.105	0	96,00
Wellhead, Tree, Chokes	DWEB.115	38,000	DWEA.120	18,000	STIMT.120	45,000			PCOMT.120	15,000	116,00
Liner Hanger, Isolation Packer	DWEB.100	30,000	DWEA.125			-3,000				. 5,000	55,00
	D11.0.100	U	J WLA. 125	55,000	CTIME 400	20.000			PCOMT.400	0	
Packer, Nipples					STIMT.400	28,000			FCOM1.400	0	28,00
SHORT ORDERS							CONT.380	7,259			7,25
PUMPS							CONT.385	17,508			17,50
WALKOVERS							CONT.390	2,989			2,98
Downhole Lift Equipment					STIMT.410	80,000			PCOMT.410	0	80,00
Surface Equipment						-,			PCOMT.420	25,000	25,00
Well Automation Materials									PCOMT.455	8,000	8,00
N/C Lease Equipment							CONT 400	170 303		0,000	
							CONT.400	170,382			170,38
Tanks, Tanks Steps, Stairs							CONT.405	45,692			45,69
Battery Equipment							CONT.410	186,182			186,18
Secondary Containments							CONT.415	20,924			20,92
Overhead Power Distribution							CONT.420	80,280			80,28
Facility Electrical							CONT.425	21,778			21,77
Telecommunication Equipment							CONT.426	427			42
							CONT.445				
Meters and Metering Equipment								29,465			29,4
Facility Line Pipe							CONT.450	23,486			23,48
Lease Automation Materials							CONT.455	40,994			40,99
FL/GL - Materials							CONT.550	30,319			30,3
FL/GL - Line Pipe						i	CONT.555	69,178			69,17
Total Tangible Cost		411,000		200,000		249,000		746,863		48,000	1,654,86



CIMAREX Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 31H

	BCP -	Drilling		ACP - Drilling		Comp/Stim
Description	Codes	Amount	Codes	Amount	Codes	Amoun
Roads & Location	DIDC.100	125,000			STIM.100	10,00
Damages	DIDC.105	30,000				
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255	53,00
			DICC 120	60.000		55,00
Day Rate	DIDC.115	365,000	DICC.120	60,000	i	
Misc Preparation	DIDC.120	20,000				
Bits	DIDC.125	62,000	DICC.125	0	STIM.125	
Fuel	DIDC.135	43,000	DICC.130	0		
Water for Drilling Rig (Not Frac Water)	DIDC.140	25,000	DICC.135	0	STIM.135	20,00
Mud & Additives	DIDC.145	150,000				20,00
SWD PIPED TO 3RD PARTY SWD WELL	DIDC.143	150,000			,	
		AAA				
Surface Rentals	DIDC.150	95,000	DICC.140	0	STIM_140	143,00
Flowback Labor					STIM.141	
Downhole Rentals	DIDC.155	82,000		i i	STIM.145	35,00
Automation Labor		02,000	1			22,00
	DIDC.170	21.000		l I		
Mud Logging	DIDC.170	21,000				
IPC & EXTERNAL PAINTING				1		i
Cementing & Float Equipment	DIDC.185	110,000	DICC.155	55,000		
Tubular Inspections	DIDC.190	50,000	DICC.160	10,000	STIM.160	4,000
Casing Crews	DIDC.195	15,000		15,000	STIM.165	
Mechanical Labor	DIDC.200		DICC.170			i
				10,000		
Trucking/Transportation	DIDC.205	18,000	DICC.175	8,000	STIM.175	4,00
Supervision	DIDC.210	72,000	DICC.180	i 9,000	STIM.160	49,00
Trailer House/Camp/Catering	DIDC.280	39,000	DICC.255	5,000	STIM.280	25,00
Other Misc Expenses	DIDC.220	5,000		0	STIM.190	64,00
Overhead	DIDC.225	1	DICC.195	5,000		34,00
		10,000		5,000	d	į
MOB/DEMOB	DIDC.240	110,000				ļ
Directional Drilling Services	DIDC.245	300,000				
Solids Control	DIDC.260	46,000				
Well Control Equip (Snubbing Services)	DIDC,265	77,000	DICC.240	5,000	STIM 240	67,00
Completion Rig		. 11,000		3,000	STIM.115	
						21,00
Coil Tubing Services					STIM.260	164,00
Completion Logging/Perforating/Wireline					STIM.200	209,00
Composite Plugs					STIM.390	53,00
Stimulation					STIM.210	1,778,00
Stimulation Water/Water Transfer/Water	i .				STIM.395	254,00
· ·	1				STIM.305	
Cimarex Owned Frac/Rental Equipment	1				51 IIVI.505	60,00
Legal/Regulatory/Curative	DIDC.300	10,000				
Well Control Insurance	DIDC.285	7,000				
Major Construction Overhead						
FL/GL - ON PAD LABOR						
FL/GL - Labor						
FL/GL - Supervision						
Survey						
Contingency	DIDC.435	89,000	DICC.220	9,000	STIM.220	151,000
Contingency						
Total Intangible Cos	t	2,129,000		191,000		3,164,00
- Version - Land	DWEB.130			191,000		3,104,000
Conductor Pipe		8,000				
Water String	DWEB.135	11,000				
Surface Casing	DWEB.140	53,000				
Intermediate Casing 1	DWEB.145	301,000				
Production Casing or Liner		33.,000	DWEA.100	127,000		
			5 IT LT. 100	127,000		
Tubing	1	!			STIMT 105	96,00
Wellhead, Tree, Chokes	DWEB.115		DWEA.120	18,000	STIMT.120	45,00
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	55,000		
Packer, Nipples	1				STIMT.400	28,00
SHORT ORDERS	1					25,00
PUMPS		1				
WALKOVERS		1				
Downhole Lift Equipment					STIMT.410	80,00
Surface Equipment						
Well Automation Materials						
Well Automation Materials						
N/C Lease Equipment						
N/C Lease Equipment						
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment						
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments		i				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution		ì				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical		ì				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution		i				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment		1				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment		1				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe		ì				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Lipe Pipe Lease Automation Materials		i				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe		ı				
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Line Pipe Lease Automation Materials FL/GL - Materials	i	1				1
N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery Equipment Secondary Containments Overhead Power Distribution Facility Electrical Telecommunication Equipment Meters and Metering Equipment Facility Lipe Pipe Lease Automation Materials		411,000		200,000		249,00



CIMARE Authorization For Expenditure - THYME & CORIANDER 1-12 FED COM 31H

	Production Equip			Post Completion	Total
Description	Codes	Amount	Codes	Amoun	
Roads & Location	CON.100	38,860	PCOM.100	10,000	183,860
Damages	CON.105	2,990		1	32,990
Mud/Fluids Disposal		1	PCOM.255		178,000
Day Rate					425,000
Misc Preparation			PCOM.125		20,000
Bits					62,000
Fuel Water for Drilling Rig (Not Frac Water)			PCOM.130 PCOM.135		43,000 45,000
Mud & Additives			PCOM.133		45,000 150,000
SWD PIPED TO 3RD PARTY SWD WELL		1	PCOM.257	126,270	
Surface Rentals	CON.140	1.709			239,709
Flowback Labor		1,703	PCOM.141	121,000	
Downhole Rentals			PCOM.145		117,000
Automation Labor	CON.150	42,702	PCOM.150	5,000	
Mud Logging					21,000
IPC & EXTERNAL PAINTING	CON.165	16,654			16,654
Cementing & Float Equipment			H		165,000
Tubular Inspections			PCOM.160		64,000
Casing Crews			i.		30,000
Mechanical Labor	CON.170	161,415	PCOM.170	15,000	214,415
Trucking/Transportation	CON.175	17,081	PCOM.175	2,000	
Supervision	CON.180	11,103	PCOM.180		141,103
Trailer House/Camp/Catering	5011400				69,000
Other Misc Expenses	CON.190	8,967	PCOM.190		77,967
Overhead					15,000
MOB/DEMOB Directional Drilling Services					110,000
Solids Control					300,000
Well Control Equip (Snubbing Services)			PCOM.240		46,000 149,000
Completion Rig			PCOM.115		21,000
Coil Tubing Services			PCOM.260		164,000
Completion Logging/Perforating/Wireline			PCOM.200		209,000
Composite Plugs			PCOM.390		53,000
Stimulation Pumping/Chemicals/Additives/Sand a			PCOM.210	2	1,778,000
Stimulation Water/Water Transfer/Water					254,000
Cimarex Owned Frac/Rental Equipment			PCOM.305		60,000
Legal/Regulatory/Curative	CON.300	0			10,000
Well Control Insurance			i l		7,000
Major Construction Overhead	CON.305	24,767			24,767
FL/GL - ON PAD LABOR	CON.495	36,724			36,724
FL/GL - Labor	CON.500	95,653			95,653
FL/GL - Supervision	CON.505	10,676			10,676
Survey	CON.515	2,135			2,135
Contingency	CON.220	96,934	PCOM.220		345,934
Contingency	CON.221	24,767			24,767
Total Intangible Cost		593,137		279,270	/
Conductor Pipe					8,000
Water String					11,000
Surface Casing Intermediate Casing 1					53,000
Production Casing or Liner					301,000 127,000
Tubing			PCOMT.105		96,000
Wellhead, Tree, Chokes			PCOMT.120	15,000	
Liner Hanger, Isolation Packer				13,00	55,000
Packer, Nipples			PCOMT.400	4	28,000
SHORT ORDERS	CONT.380	7,259			7,259
PUMPS	CONT.385	17,508			17,508
WALKOVERS	CONT.390	2,989			2,989
Downhole Lift Equipment			PCOMT.410		80,000
Surface Equipment			PCOMT.420	25,000	
Well Automation Materials			PCOMT.455	8,000	
N/C Lease Equipment	CONT.400	170,382		Harrier Control of the Control of th	170,382
Tanks, Tanks Steps, Stairs	CONT.405	45,692		1	45,692
Battery Equipment	CONT.410	186,182			186,182
Secondary Containments	CONT,415	20,924			20,924
Overhead Power Distribution	CONT.420	80,280			80,280
Facility Electrical	CONT.425	21,778			21,778
Telecommunication Equipment	CONT.426	427			427
Meters and Metering Equipment	CONT.445	29,465			29,465
Facility Line Pipe	CONT.450	23,486			23,486
				1	40,994
Lease Automation Materials	CONT.455	40,994		3	
FL/GL - Materials	CONT.550	30,319			30,319
				48,00	30,319 69,178

Summary of Cimarex Contacts

Conoco Phillips/Concho:

- Sent well proposals on March 18, 2021.
- Had multiple, on-going discussions regarding acreage trade.
- A trade has been agreed upon and both parties have been engaged in almost daily discussions in order to finalize the trade.
- A set closing date for our trade is March 23, 2022 at 10:00 AM.

Devon:

- Cimarex sent Devon well proposals on July 21, 2021.
- 7/14/2021: Cimarex (Kelsi Henriques) reached out in regards to potential trade with Devon (Ryan Cloer).
- 7/19/2021: Sneaky Snake proposals received for the E/2W/2 wells.
- 7/20/2021: Devon emails stating Devon is planning Sneaky Snakes development and doesn't see Devon being willing to trade.
- 7/28/2021: Ms. Henriques and Mr. Cloer spoke on the phone where Ms. Henriques presented tracts of land that Devon might be interested in. This included W2 Sec. 26-23S-33E and the W2 Sec. 9-25S-32E.
- 8/9/2021: Ms. Henriques reached out to Devon requesting feedback.
- 8/13/2021: After reaching out to Devon on 8/9/2021 requesting feedback, Devon asked if Cimarex would be open to the W2 of 26 for the NW4 of 12 given that the 2nd BS had been developed and they didn't think they could make a straight swap 160 for 160.
- 8/18/2021: Mr. Cloer emailed stating he was under the impression that Cimarex would also want to include the 40 acres in Section 13 within Devon's Sneaky Snake Development. Ms. Henriques stated "no" as the acreage imbalance is already in Devon's favor but she would have the team also put it in their evaluation.
- 8/26/2021: Mr. Cloer checks in to see if Cimarex has feedback.
- 9/7/2021: Ms. Henriques emailed Mr. Cloer stating that Cimarex is still evaluating but again have reservations regarding the large acreage imbalance. Devon's response 9/7/2021 below:

"I appreciate the update, Kelsi. To give some context behind our proposal:



We assumed that the acreage discrepancy would be unsettling but with the W2 Sec. 26 we are losing significant value with the 2nd BS already developed. Additionally, there is depletion at other primary horizons from our Thistle Federal Unit to the West and our Coachwhip to the East. Devon has unsuccessfully been trying to get the W2 Sec. 26 from Cimarex for several years. We are still interested but it does not have the same value for us as it once did due to the 2nd Bone development and depletion risk at other primary benches."

To be clear: Our 2nd sand development was spud in 2013 and 2017. Any reservations they would have had, they also would have had in previous years where they had been trying to acquire this acreage from XEC.

- 9/23/2021: Hearing notices were received and Ms. Henriques notified Devon that Cimarex would be requesting a continuance due to trade talks.
- 10/15/2021: Ms. Henriques sent the counter response of the following:

"Ryan,

We just had our final meeting with upper management on this trade. We would like to propose the following:

- TO [Cimarex]:
 - o NW/4 of Section 12, T23S-R32E 160 Gross, 140 Net (100% WI/87.5% NRI)
- To DVN:
 - W2 of Section 26, T23S-R33E 320 Gross, 240 Net (100% WI/75% NRI)
 - CTRA will retain an ORRI to balance the acreage multiple seen in Devon's favor.

I know in the past you have brought concern about the BS development in West Bell Lake, but there are still other BS targets available to execute in addition to Wolfcamp and Avalon. There is also an Avalon well we are taking into consideration in the NW/4 of 12. With available targets, well counts, etc. we see the proposed trade as equitable although still slightly more in Devon's favor on a value standpoint. "

- 11/1/2021: Counter proposal received from Devon.
 - Cimarex would receive:
 - o NW Sec. 12-23S-32E (160 Gross/Net); delivering 87.5% NRI
 - Devon would receive:
 - o W2 Sec. 26-23S-33E (320 Gross/Net); delivering 85% NRI
 - o Cimarex's PDP in the West Bell Lake 26 Fed 1H & 2H wells delivering to Devon an 85% NRI

- 11/5/2021: Ms. Henriques sent a response to Mr. Cloer discussing value disconnect and more reasoning on Cimarex proposal trying to further the discussion.
- 11/29/2021: After discussing hearing dates and Devon refusing to move the hearings, Devon sends an email stating that other options on valuations, such as trying to equalize interest with their 1-2% interest in Red Hills would not work. Devon also proposed that the parties agree to 1.5-mile development (Cimarex) and 2.5-mile development (Devon).
- 11/30/2021: Ms. Henriques requested Devon engineer's contact information so that the parties could try to work out differences in valuation and to better understand the other side for both parties.
- 12/2/2021: Eddie Behm (Cimarex engineer) spoke with Karsan Sprague at Devon where they went through development plans. Karsan Sprague stated verbally that the 2.5% ORRI was most likely a "land tactic" and they could offer closer to 7.5% ORRI but with the PDP.
- 12/20/2021: Ms. Henriques reached out to Devon stating that she would like to meet up while she was in Oklahoma City to discuss coming back to the table with a smaller ORRI for Cimarex, but not delivering PDP. Mr. Cloer did not respond until after the 1st of the year and so Ms. Henriques was not able to meet with Devon while she was in Oklahoma City.
- 1/6/2022: Mr. Cloer and Ms. Henriques spoke on the phone where Ms. Henriques proposed that Cimarex could trade the 160 for the 320, retaining a 5% ORRI with NO PDP. Ms. Henriques was always very clear to state that Cimarex is not willing to trade PDP. Ms. Henriques dropped down to 3% ORRI when Ms. Henriques got a firm no all around for no PDP. Mr. Cloer said he would take this back to his team. Ms. Henriques then followed up with an email asking if Devon would be willing to go back to their original proposal of the flat 320 for 160.
- 1/6/2022: Lindsey Miles (Devon) sent their offer to Dylan Park (Cimarex) with 160 for 320 with PDP and no ORRI. This offer was worse than the first and other previous offers Cimarex had received from Devon. Devon increasingly asked for more value to be received on their end while giving up nothing additional to Cimarex.
- 1/11/2022: Devon proposes its 3 mile Sea Snake Wells, which traverse acreage that Cimarex proposed to be traded, the West Bell Lake. Cimarex has 100% WI and already has two 2nd Bone Spring wells drilled. Cimarex also already has facilities in place and all contracts necessary to conduct operations ready to go. Cimarex offered Devon this acreage, which Devon previously expressed they wanted numerous times in the past. In Cimarex's opinion, Devon is trying to force pool Cimarex because Cimarex would not agree to an unbalanced trade in these cases in Devon's favor.

- 1/18/2022: Devon emailed to continue discussing a trade to make a 2.5 mile and 1.5 mile option with Cimarex. However, this would mean that Cimarex would need more time to acquire Conoco's acreage that would be needed in order to make a swap with Devon and make this option feasible. Devon was not willing to give Cimarex additional time to evaluate this option or close a trade with Conoco. Ms. Henriques responded with their previous offers and stated that each offer has progressively gotten worse. If Cimarex were to move forward on the 1.5 mile and 2.5-mile plan, Cimarex would need more time to evaluate as once a hearing is completed, the opportunity to conduct a trade is significantly diminished.
- 2/17/2022: Mr. Cloer sent an email to Ms. Henriques suggesting that Devon and Cimarex revisit the 1.5 and 2.5-mile opportunity that Devon had proposed previously. Ms. Henriques' response was that since there are now proposed wells from Devon in the acreage we were trying to trade them, we would still like to work something to trade them that acreage and would be flexible there if we could come to terms on the acreage delta.
- 2/22/2022: Mr. Cloer responds to Ms. Henriques' request to see if we can still work out a trade in light of their proposals in the subject West Bell Lake trade acreage. He states that Devon can no longer consider 320-acre tract for the 160 in Section 12 due to Devon's own development immediately south of the acreage. Mr. Cloer also states how Devon moved up wells on their schedule to drill here during the time when the Sneaky Snakes were delayed due to the contested hearing and the trade talks concurrently happening.
- 2/22/2022: Ms. Henriques responded to Mr. Cloer's email stating that she understood Devon's position but in light of the impending hearing, [Cimarex] could not make business decisions on another party's development timeline in order to agree to Devon's proposed plan. [Cimarex] still finds value in the West Bell Lake acreage that Devon stated they no longer see value for a trade, but have wells now proposed there. Ms. Henriques proposed other trade opportunities and sent a general map with both parties' acreage.
- 2/22/2022: Mr. Cloer responded saying that they would take a look at the acreage and if they see it as a viable opportunity for Devon. Mr. Cloer requested the WI and NRI in one tract that was presented as an option.
- 3/8/2022: Ms. Henriques sent the WI and NRI for a subject tract to look at a different trade opportunity for the 160 acres in the subject unit.
- 3/14/2022: Ms. Henriques reached out see is Mr. Cloer was available for a call to discuss the new trade opportunities presented. Later that day, both parties discussed on the phone that there is something that could be worked with a combination of previously discussed tracts, the new tracts presented and potentially the tracts within what could be Devon's 2-mile Sneaky Snake wells if the laterals were shortened.
- 3/15/2022: Ms. Henriques reached out requesting an update for feedback from Mr. Cloer and his team at Devon. Mr. Cloer responded saying there most likely would not be an update until Monday 3/21/2022 as a lot of his coworkers are out due to spring break.

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

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

CASE NOS. 22314-22316

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

Deana M. Bennett, attorney in fact and authorized representative of Cimarex Energy Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under a notice letter mailed November 5, 2021, attached, and that proof of receipt is attached hereto. I also state that notice of the hearing was published in the Hobbs News-Sun on November 14, 2021, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 17th day of March, 2022 by Deana M. Bennett.

Notary Public

My commission expires: 02 - 27 - 25

STATE OF NEW MEXICO NOTARY PUBLIC Karlene Schuman Commission No. 1101248 February 27, 2025



MAIL	
ype of Mailing: CERTIFIED MAII	_
: CERT	11/05/2021
Mailing	11
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Firm Mailing Book ID: 217766	Reference Contents	82762.0202. Notice	82762.0202. Notice	82762.0202. Notice	82762.0202. Notice	82762.0202. Notice	82762.0202. Notice		
Firm Maili	Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42.96
	RR Fee	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$11.10	Grand Total:
	Service Fee RR Fee	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$22.50	Grand
877 TIFIED MAII 21	Postage	\$1.56	\$1.56	\$1.56	\$1.56	\$1.56	\$1.56	\$9.36	
arlene Schuman PS Form 3877 Type of Mailing: CERTIFIED MAIL Type of Mailing: CERTIFIED MAIL 11/05/2021	USPS Article Number Name, Street, City, State, Zip	9314 8699 0430 0088 5020 63 Lime Rock Resources A, L.P. 1111 Bagby St., Unit 4600 Houston TX 77002	9314 8699 0430 0088 5020 70 Lime Rock Resources B, L.P. 1111 Bagby St., Unit 4600 Houston TX 77002	9314 8699 0430 0088 5020 87 Lime Rock Resources C, L.P. 1111 Bagby St., Unit 4600 Houston TX 77002	9314 8699 0430 0088 5020 94 Devon Energy Production Company, L.P. 333 West Sheridan Oklahoma City OK 73102	9314 8699 0430 0088 5021 00 COG Operating LLC 600 W. Illinois Ave. Midland TX 79701	9314 8699 0430 0088 5021 17 ConocoPhillips Company 600 W. Illinois Ave. Midland TX 79701	Totals:	
arlene Schuman Fodrall Sperling Roehl H 500 Fourth Street, Suite 10 buy Buquerque NM 87102	7/1:	 7/2022	ч 4:58:31	წ 7 <i>PM</i>	4	ν	9		



Dated:

Postmaster: Name of receiving employee

Total Number of Pieces Received at Post Office

List Number of Pieces Listed by Sender

			Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 217766 Generated: 1/27/2022 8:27:52 AM	ertifiedPro.net :17766 :27:52 AM					
USPS Article Number	Date Created	Reference Number	Name 1	ĊijĊ	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300088502117	2021-11-05 7:21 AM 82762.0202.	82762.0202.	ConocoPhillips Company	Midland	¥	79701	Delivered	Return Receipt - Electronic, Certified Mail	2021-11-09 8:31 AM
9314869904300088502100	2021-11-05 7:21 AM 82762.0202.	82762.0202.	COG Operating LLC	Midland	¥	79701	Delivered	Return Receipt - Electronic, Certified Mail	2021-11-09 8:31 AM
9314869904300088502094	2021-11-05 7:21 AM 82762.0202.	82762.0202.	Devon Energy Production Company, L.P.	Oklahoma City	ŏ	73102	Delivered	Return Receipt - Electronic, Certified Mail	2021-11-08 12:14 PM
9314869904300088502087	2021-11-05 7:21 AM 82762.0202.	82762.0202.	Lime Rock Resources C, L.P.	Houston	¥	77002	Delivered	Return Receipt - Electronic, Certified Mail	2021-11-09 11:47 AM
9314869904300088502070	2021-11-05 7:21 AM 82762.0202.	82762.0202.	Lime Rock Resources B, L.P.	Houston	¥	77002	Delivered	Return Receipt - Electronic, Certified Mail	2021-11-09 11:47 AM
9314869904300088502063	2021-11-05 7:21 AM 82762.0202.	82762.0202.	Lime Rock Resources A, L.P	Houston	¥	77002	Delivered	Return Receipt - Electronic, Certified Mail	2021-11-09 11:47 AM

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated November 14, 2021 and ending with the issue dated November 14, 2021.

Publisher

Sworn and subscribed to before me this 14th day of November 2021.

Business Manager

My commission expires

January 29, 2023

OFFICIAL SEAL

OUSSIE BLACK

Notary Public

State of New Mexico

My Commission Expires

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE November 14, 2021

CASE No. 22313: Notice to all affected parties, as well as the helrs and devisees of Lime Rock Resources, A, L.P.; Lime Rock Resources B, L.P.; Lime Rock Resources C, L.P.; Devon Energy Production Company, L.P.; COG Operating LLC; and ConocoPhillips Company of Cimarex Energy Co.'s Application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division. hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on December 2, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying W/2 of Sections 1 and 12. Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 12H; Coriander 1-12 Fed Com 16H; Coriander 1-12 Fed Com 18H; Coriander 1-12 Fed Com 25H; Corlander 1-12 Fed Com 27H; and Corlander 1-12 Fed Com 28H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 27H well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

CASE NO. 22314: Notice to all affected parties, as well as the heirs and devisees of Lime Rock Resources, A, L.P.; Lime Rock Resources B, L.P.; Lime Rock Resources C, L.P.; Devon Energy Production Company, L.P.; COG Operating LLC; and ConocoPhillips Company of Cimarex Energy Co.'s Application for compulsory pooling, Lea County. New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on December 2, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Corlander 1-12 Fed Com 26H well to be horizontally drilled. The producing area for the Corlander 1-12 Fed Com 26H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Sald area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

CASE NO. 22315: Notice to all affected parties, as well as the heirs and devisees of Lime Rock Resources, A, L.P.; Lime Rock Resources B, L.P.; Lime Rock Resources C, L.P.; Devon Energy Production Company, L.P.; COG Operating LLC; and ConocoPhillips Company of Cimarex Energy Co.'s Application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on December 2, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within an Avalon horizontal spacing unit underlying W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 19H; Coriander 1-12 Fed Com 29H; and Coriander 1-12 Fed Com 30H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 19H well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

CASE NO. 22316: Notice to all affected parties, as well as the heirs and devisess of Lime Rock Resources, A, L.P.; Lime Rock Resources B, L.P.; Lime Rock Resources C, L.P.; Devon Energy Production Company, L.P.; COG Operating LLC; and ConocoPhillips Company of Cimarex Energy Co.'s Application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on December 2, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 13H well to be horizontally drilled. The producing area for the Coriander 1-12 Fed Com 13H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

ALBUQUERQUE, NM 87103-2168



November 5, 2021

Deana M. Bennett 505.848.1834 dmb@modrall.com

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: APPLICATION OF CIMAREX ENERGY CO FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22313

APPLICATION OF CIMAREX ENERGY CO FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22314

APPLICATION OF CIMAREX ENERGY CO FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22315

APPLICATION OF CIMAREX ENERGY CO FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22316

TO: AFFECTED PARTIES

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the above-listed applications.

In Case No. 22313, Cimarex seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 12H; Coriander 1-12 Fed Com 16H; Coriander 1-12 Fed Com 25H; Coriander 1-12 Fed Com 27H; and Coriander 1-12 Fed Com 28H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 27H well is less than 330' from the

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

Page 2

adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

In Case No. 22314, Cimarex seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 26H well to be horizontally drilled. The producing area for the Coriander 1-12 Fed Com 26H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

In Case No. 22315, Cimarex seeks an order from the Division pooling all uncommitted interests within an Avalon horizontal spacing unit underlying W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 19H; Coriander 1-12 Fed Com 29H; and Coriander 1-12 Fed Com 30H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 19H well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

In Case No. 22316, Cimarex seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 13H well to be horizontally drilled. The producing area for the Coriander 1-12 Fed Com 13H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the

Page 3

allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 2, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Melara H. Bennett Deana M. Bennett

Attorney for Applicant

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22314

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the **Coriander 1-12 Fed Com 26H** well to a depth sufficient to test the Wolfcamp formation.
- 4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 5. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Designating Cimarex as operator of this unit and the well to be drilled thereon;
- C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the well;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By: Nebra M. Bennett

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 edebrine@modrall.com dmb@modrall.com jla@modrall.com Attorneys for Applicant CASE NO. ____: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying W/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 26H well to be horizontally drilled. The producing area for the Coriander 1-12 Fed Com 26H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22315

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within an Avalon horizontal spacing unit underlying the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the Coriander 1-12 Fed Com 19H; Coriander 1-12 Fed Com 29H; and Coriander 1-12 Fed Com 30H wells to a depth sufficient to test the Avalon formation.
- 4. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

- 5. The completed interval for the Coriander 1-12 Fed Com 19H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit.
- 6. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Avalon formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Avalon formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted mineral interests in the Avalon formation underlying a horizontal spacing unit within the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Designating Cimarex as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By: Wena M. Bennett

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

dmb@modrall.com

jla@modrall.com

Attorneys for Applicant

CASE NO. ____: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within an Avalon horizontal spacing unit underlying W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 19H; Coriander 1-12 Fed Com 29H; and Coriander 1-12 Fed Com 30H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 19H well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22316

APPLICATION

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the **Coriander 1-12 Fed Com 13H** well to a depth sufficient to test the Wolfcamp formation.
- 4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 5. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;

B. Designating Cimarex as operator of this unit and the well to be drilled thereon;

C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By: Wella M. Bennett

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800
edebrine@modrall.com
dmb@modrall.com
jla@modrall.com
Attorneys for Applicant

CASE NO. ____: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying E/2 W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 13H well to be horizontally drilled. The producing area for the Coriander 1-12 Fed Com 13H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

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

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22313

<u>AFFIDAVIT</u>

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Deana M. Bennett, attorney in fact and authorized representative of Cimarex Energy Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under a notice letter mailed January 13, 2022, attached, and that proof of receipt is attached hereto. I also state that notice of the hearing was published in the Hobbs News-Sun on January 16, 2022, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 17th day of March, 2022 by Deana M. Bennett.

Notary Public

My commission expires: 02 -27 - 25

STATE OF NEW MEXICO NOTARY PUBLIC Karlene Schuman Commission No. 1101248

February 27, 2025



Page 153 of 250 Page 1 Spend Promet Certified Promet Page 1

Total Number of Pieces Received at Post Office List Number of Pieces Listed by Sender

Postmaster: Name of receiving omphoyee

Dated:

\$41.76

Grand Total:

			Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 220881 Generated: J/27/2022 8:05:47 AM	CertifiedPro.net 220881 3:05:47 AM					
USPS Article Number	Date Created	Reference Number	Name 1	Clfy	State		Zip Mailing Status	Service Options	Mail Delivery Date
9314869904300090694725	2022-01-13 2:00 PM 82762.0202.	82762.0202.	ConocoPhillips Company	Midland	X	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-01-19 8:20 AM
9314869904300090694718	2022-01-13 2:00 PM 82762.0202.	82762.0202.	COG Operating LLC	Midland	ĭ	79701	Defivered	Return Receipt - Electronic, Certified Mail	2022-01-19 8:20 AM
9314869904300090694701	2022-01-13 2:00 PM 82762.0202.	82762.0202.	Devon Energy Production Company, L.P.	Oklahoma City	ŏ	73102	Delivered	Return Receipt - Electronic, Certified Mail	2022-01-18 9:15 AM
9314869904300090694695	2022-01-13 2:00 PM 82762.0202.	82762.0202.	Lime Rock Resources C, L.P.	Houston	¥	77002	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300090694688	2022-01-13 2:00 PM 82762.0202.	82762.0202.	Lime Rock Resources B, L.P.	Houston	ĭ	77002	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300090694671	2022-01-13 2:00 PM 82762.0202.	82762.0202.	Lime Rock Resources A, L.P.	Houston	ř	77002	Delivered	Return Receipt - Electronic, Certified Mail	

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated January 16, 2022 and ending with the issue dated January 16, 2022.

Publisher

Sworn and subscribed to before me this 16th day of January 2022.

Business Manager

My commission expires January 29, 2023 (Seal)

> GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE January 16, 2022

CASE NO. 22313: Amended Application of Cimarex Energy Co. for Compulsory Pooling, Lea County, New Mexico. Notice to all affected parties, as well as the heirs and devisees of Lime Rock Resources, A, L.P.; Lime Rock Resources B, L.P.; Lime Rock Resources C, L.P.; Devon Energy Production Company, L.P.; COG Operating LLC; and ConocoPhillips Company of Cimarex Energy Co.'s Amended Application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on February 3, 2022, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 18H; Coriander 1-12 Fed Com 18H; Coriander 1-12 Fed Com 25H; Coriander 1-12 Fed Com 27H; Coriander 1-12 Fed Com 27H; Coriander 1-12 Fed Com 27H; well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

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DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168



January 13, 2022

Deana M. Bennett 505.848.1834 dmb@modrall.com

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Re: AMENDED APPLICATION OF CIMAREX ENERGY CO FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22313

TO: AFFECTED PARTIES

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the above-listed amended application.

In Case No. 22313, Cimarex filed an Amended Application, enclosed, to add the Coriander 1-12 Fed Com 31H well and to include the updated hearing date of February 3, 2022. As amended, and as reflected in the attached Amended Application, in Case No. 22313, Cimarex seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Coriander 1-12 Fed Com 12H; Coriander 1-12 Fed Com 16H; Coriander 1-12 Fed Com 18H; Coriander 1-12 Fed Com 25H; Coriander 1-12 Fed Com 27H; Coriander 1-12 Fed Com 28H; and Coriander 1-12 Fed Com 31H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Coriander 1-12 Fed Com 27H well is less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Cimarex Energy Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles west of Jal, New Mexico, New Mexico.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com Page 2

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on February 3, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely, Means M. Bennett

Deana M. Bennett

Attorney for Applicant

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

AMENDED APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. <u>22313</u>

AMENDED APPLICATION¹

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby submits this *amended* application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this *amended* application, Cimarex states as follows:

- 1. Cimarex has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Cimarex seeks to dedicate the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, horizontal spacing unit.
- 3. Cimarex plans to drill the Coriander 1-12 Fed Com 12H; Coriander 1-12 Fed Com 16H; Coriander 1-12 Fed Com 18H; Coriander 1-12 Fed Com 25H; Coriander 1-12 Fed Com 27H; Coriander 1-12 Fed Com 28H, and Coriander 1-12 Fed Com 31H wells to a depth sufficient to test the Bone Spring formation.

¹ Amended only to add the **Coriander 1-12 Fed Com 31H well** and to include updated hearing date of February 3, 2022.

- 4. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 5. The completed interval for the Coriander 1-12 Fed Com 27H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit.
- 6. Cimarex sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Cimarex requests that this case is set for hearing before an Examiner of the Oil Conservation Division on February 3, 2022, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 of Sections 1 and 12, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Designating Cimarex as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Cimarex to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Earl E. DeBrine, Jr.

Deana M. Bennett

Jamie L. Allen

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 edebrine@modrall.com dmb@modrall.com

jla@modrall.com

Attorneys for Applicant

GEOLOGY

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

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

Case Nos. 22313-22316

APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 22179-22180 & 22382

AFFIDAVIT OF JENNIFER A. BLAKE

Jennifer A. Blake, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am a geologist for Cimarex Energy Co. ("Cimarex"), and have personal knowledge of the matters stated herein.
 - 2. I have not previously testified before the Oil Conservation Division ("Division").
- 3. I attended the Colorado School of Mines where I received a MS in Geology. I attended Texas A&M University for my undergraduate work, where I received a BS in Geology.
- 4. I have worked as a geologist since 2018, beginning as a summer intern, and since June 2020 as a geologist for Cimarex. My resume summarizing my educational and work experience is attached to this affidavit as Exhibit E-2.
 - 5. My work for Cimarex includes the Permian Basin in New Mexico.
- 6. I am familiar with the applications filed by Cimarex in Cases 22313-22316 and with the applications filed by Devon Energy Production Company, L.P. ("Devon") in Cases 22179-22180, and 22382.



- 7. I conducted a geological study of the areas embracing Cimarex's Coriander Fed Com Development Area and Devon's Sneaky Snake Development Area. As Ms. Henriques testified, one of the primary issues in these contested cases is operatorship of Section 12, which is the "Overlap Acreage." While I focus on the Overlap Acreage/Section 12, my testimony applies equally to Devon's development plan in general. Cimarex's development plan for the Overlap Acreage is superior to Devon's because:
 - In this area, three-mile laterals are risky due to the geology of the Avalon because of the volumes of limestone and chert present, which makes drilling and completing wells more difficult, making Devon's plans to develop Section 12 riskier than Cimarex's. Simply put, based on the geology in this area, Devon's 3-mile development plan for the Avalon presents risk that Cimarex's does not and, as a result, Cimarex's plan to develop the Overlap Acreage is superior to Devon's.
 - Cimarex's development plan prevents waste of reserves in the Overlap Acreage while Devon's development plan will result in waste because Cimarex is targeting the First Bone Spring Sand and Devon is not. The First Bone Spring Sand has thick net reservoir—Devon's plan leaves behind all reserves in the First Bone Spring in the Overlap Acreage, as well as along the other two miles at issue in Devon's plan.
 - Cimarex's development plan prevents waste of reserves in the Overlap Acreage while Devon's development plan will result in waste for a second reason—Cimarex is directly targeting the Third Bone Spring Sand and Devon is not. Devon's uppermost Wolfcamp targets likely will not access the entire Third Bone Spring Sands reserves because there is a significant volume of carbonate between Devon's Wolfcamp X Sand landing and the 3rd Bone Spring Sand reservoir, making the likelihood of their Wolfcamp X Sand wells accessing the Third Bone Spring Sand reservoir low. Cimarex's 3rd Bone Spring Sand target is superior to Devon's Wolfcamp X Sand landing because (a) the upper and lower wells have a larger vertical spacing (approximately 300 ft. versus 190 ft.) and (b) Cimarex's planned Third Bone Spring Sand wells have a significantly higher probability of draining the reserves from the Third Bone Spring Sand compared to Devon's planned Wolfcamp X Sand wells.

- 8. Exhibits C-1 and C-2 are relevant to all of the cases. Exhibit C-1 is a locator map, which identifies the general location of the Coriander Fed Com Project Area within the Permian Basin. Exhibit GEO-2 is an excerpt from Snee & Zoback, 2018, identifying the horizontal stress orientation in this area. The preferred well orientation in this area is N-S/S-N, due to the fact that regional max horizontal stress orientation in this area is approximately N80E.
- 9. The exhibits behind Tab C-3 are the geology study I prepared for Case No. 22315, which involves Avalon wells, which are the 19H, 29H, and 30H wells.
 - 10. Exhibit C-3 contains the following exhibits:
 - C-3-A: Wellbore schematic: The proposed unit is identified by a black box and the three Avalon wells proposed in Case No. 22315 are identified by blue lines.
 - C-3-B: Avalon Structure map: The structure map shows that the structure dips to the southeast.
 - C-3-C: Stratigraphic cross section and cross-section well locator map: The inset map on this exhibit identifies three wells in the vicinity of the proposed Avalon wells, shown by a line of cross-section running from D to D'. The well logs on the cross-section give a representative sample of the Avalon formation in the area. A stratigraphic cross section flattened on the base of the Avalon formation (top of the First Bone Spring Sand) shows that the Avalon is geologically complex and complicated by carbonate mass transports and chert, which are not laterally continuous, even over short distances. On a three-well cross section with the wells ranging from 2.6 miles to 3.4 miles apart shows how variable the formation is. This geologic complexity will make drilling and completing a 3-mile lateral into the Avalon in this area more difficult since limestone and chert are dense and "tight" (i.e. very low porosity).
 - C-3-D: Net Reservoir Map: A net reservoir map was created by netting the gamma ray values greater than 55 APIs of the Avalon in order to capture the siltstones and sandstones and eliminate the low-API (<50 API) carbonates that are considered

non-reservoir. The map indicates thick net reservoir within the subject area. The net reservoir thickness within Cimarex's proposed HSU is approximately 425-450 ft.

- C-3-E: Mudlog: Two mudlogs from Cimarex's immediately adjacent Coriander AOC 1-12 State 2H and 3H Avalon wells (identified on the inset map) show that the lithology of the formation is highly variable. While there are high volumes of shale encountered along the wellbore, there are also high volumes of limestone and chert, which make drilling and completing wells more difficult due to the dense and low-porosity nature of the lithology. In my opinion, the geologic complexity in this area means that operational risk increases with increasing lateral length.
- 11. Exhibit C-4 is the geology study I prepared for the First Bone Spring wells, which are the 18H and 31H wells.
 - 12. Exhibit C-4 contains the following exhibits:
 - C-4-A: Wellbore schematic: The proposed unit is identified by a black box and the two proposed First Bone Spring wells are identified by blue lines.
 - C-4-B: First Bone Springs structure map: The structure map shows that the structure dips to the southeast.
 - C-4-C: Stratigraphic cross section and cross-section well locator map: The inset map on this exhibit identifies four wells in the vicinity of the proposed First Bone Spring wells, shown by a line of cross-section running from C to C'. The well logs on the cross-section give a representative sample of the First Bone Spring Sand formation in the area. A stratigraphic cross section flattened on top of the 1st Bone Spring Sand shows that the formation is geologically consistent in the area in terms of lithology and porosity. The formation is predominantly composed of low-resistivity, high-porosity siltstones and sandstones. The formation exhibits consistent thickness across the Area of Interest ("AOI").
 - C-4-D: Net Reservoir Map: A net reservoir map was created by netting the gamma ray values greater than 50 APIs of the 1st Bone Spring Sand in order to capture the siltstones and sandstones and eliminate the low-API (<50 API) carbonates that are considered non-reservoir. The map indicates that there is a similar net reservoir

thickness across the acreage (~200-265 ft.). There are two successful offset wells – one to the west and the other to the northeast of Cimarex's acreage. Both of these wells landed in the First Bone Spring Sand and show similar net reservoir thickness indicating that the First Bone Spring Sand is a viable target in the AOI. By Devon not targeting the First Bone Spring Sand, they are leaving reserves behind.

- 13. Based on my review of the geology studies I prepared for the First Bone Spring wells, there are no structural faults, pinch-outs, or other geological or impediments that would impair or impede the drilling of First Bone Spring horizontal wells in the Coriander Fed Com Development Area.
- 14. Exhibit C-5 is the geology study I prepared for the Second Bone Spring wells, which are the 16H, 27H, and 28H wells.
 - 15. Exhibit C-5 contains the following exhibits:
 - C-5-A: Wellbore schematic: The proposed unit is identified by a black box and the three proposed Second Bone Spring wells are identified by green and blue lines.
 - C-5-B: Second Bone Spring structure map: box. The structure map shows that the structure dips to the southeast.
 - C-5-C: Stratigraphic cross section and cross-section well locator map: The inset map on this exhibit identifies three wells in the vicinity of the proposed Second Bone Spring wells, shown by a line of cross-section running from B to B'. The well logs on the cross-section give a representative sample of the Second Bone Spring Sand formation in the area. A stratigraphic cross sections flattened on the base of the Second Bone Spring Sand (top of the Third Bone Spring Carbonate) indicates that the Second Bone Spring Sand has similar thickness, lithology, and reservoir quality in the subject area. Based on the gamma ray and neutron-porosity curves, the Second Bone Spring Sand is composed of high-porosity sands and siltstones indicating high reservoir quality.
 - C-5-D: Net Reservoir Map: A net reservoir map was created by netting the gamma ray values greater than 55 APIs of the Second Bone Spring Sand in order to capture the siltstones and sandstones and eliminate the low-API (<55 API) carbonates that

are considered non-reservoir. The map indicates that the Second Bone Spring Sand contains ~360-400 ft. of net reservoir within Cimarex's proposed HSU. These thicknesses are similar to offset Second Bone Spring Sand successful developments, indicating that the formation is a viable target in the AOI.

- 16. Exhibit C-6 is the geology study I prepared for the Third Bone Spring wells, which are the 12H and 25 H wells, and the Upper Wolfcamp A wells, which are the 13H and 26H wells. Exhibit C-6-A is the wellbore schematic: The proposed unit is identified by a black box and the two proposed Third Bone Spring wells are identified by green lines and the two proposed Wolfcamp A wells are identified by blue lines.
- 17. My testimony in this section focuses first on the geologic reasons why Cimarex intends to co-develop the Third Bone Spring and Upper Wolfcamp A and includes exhibits highlighting the differences between Cimarex's plan and Devon's plan. These exhibits, in Cimarex's opinion, demonstrate why Cimarex's development plan is superior to Devon's because Cimarex's plan more effectively and efficiently targets reserves, leading to greater production, protection of correlative rights, and the prevention of waste. After the discussion of the comparison of Cimarex's and Devon's plans, my testimony provides the geology studies for each of the Third Bone Spring and Wolfcamp formations.
- 18. Exhibit C-6-B is a wine rack identifying Cimarex's and Devon's proposed laterals. The Third Bone Spring Sand is identified by green shading. As you can see, Cimarex is proposing two Third Bone Spring Sand wells, whereas Devon is not proposing any. In terms of Wolfcamp development, Cimarex is proposing two Upper Wolfcamp A wells (purple shading) whereas Devon is proposing two Wolfcamp XY wells (light blue shading) and two Upper Wolfcamp A wells (purple shading). Cimarex's plan involves co-developing the Third Bone Spring Sand and Upper Wolfcamp A with landings roughly 300 ft. apart (based on structure maps). In contrast,

Devon's plan disregards the Third Bone Spring Sand as a potential landing zone and Devon is staggering their wells between the Wolfcamp X Sand and Upper Wolfcamp A with landings roughly only 190 ft. apart (based on TVDs given in well proposals).

- as Oxy's executed Avogato Third Bone Spring Sand development for comparison. I will discuss this cross section in more detail later in my testimony but I present this comparison now as it highlights the differences between the proposals. Oxy's Avogato Third Bone Spring Sand development is an important analog because they drilled six wells into the middle-lower Third Bone Spring Sand which have proven to be strong performers. Since Oxy did not develop the Third Bone Spring Sand with the Upper Wolfcamp, and the fact that HFTSII pressure gauge data has shown that hydraulic fractures preferentially grow upward, we can conclude that the oil produced from the wells landed in Third Bone Spring Sand is, in fact, being extracted from the Third Bone Spring Sand formation (i.e. the wells are not pulling hydrocarbons from the Upper Wolfcamp). This data point proves that there are significant reserves within the Third Bone Spring Sand, and by Devon not directly targeting this formation, they will likely leave barrels behind.
- 20. Devon's uppermost landing in the Wolfcamp X Sand is roughly 200 ft. below where Oxy landed their Avogato wells and roughly 430 ft. below the top of the Third Bone Spring reservoir (based on the Diamondtail 23 Fed 1H type log). There are also significant volumes of carbonate between Devon's Wolfcamp X Sand landing and the Third Bone Spring Sand reservoir, making the likelihood of their Wolfcamp X Sand wells accessing the entire Third Bone Spring Sand reservoir low. Not only does Devon's plan strand reserves in the Third Bone Spring Sand, but their Wolfcamp Sands and Wolfcamp A landings are redundant as the two landings will be accessing the same reserves. These reserves could be more efficiently captured by only drilling the

Wolfcamp A target (i.e. Cimarex's plan), which makes drilling the additional Wolfcamp Sands wells unnecessary. This is shown in Exhibit C-6-D.

- 21. Exhibit C-6-E is a map of South Lea County that identifies existing Third Bone Spring Sand and existing Wolfcamp X Sand wells in roughly a nine township area in southern Lea County. This map establishes that the Wolfcamp X Sand is not a common target in either southern Lea County as a whole or within the AOI. Many of the Wolfcamp X Sand wells drilled in Lea County are operated by Devon. The fact that other operators only infrequently target the Wolfcamp X in this area suggests to me that those operators, like Cimarex, do not value the Wolfcamp X as an optimal target. There are only two Wolfcamp X Sand wells within the AOI and these are also operated by Devon (their Danger Noodle wells). On the other hand, the Third Bone Spring Sand is a more prevalent and proven target, especially within the AOI.
- 22. Exhibit C-6-F shows Third Bone Spring Sand/Upper Wolfcamp nearby developments. Within the AOI, nearly all of the Third Bone Spring Sand/Upper Wolfcamp developments target the 3rd Bone Spring Sand alone or stagger the Third Bone Spring Sand with the Upper Wolfcamp (i.e. they do not target the Wolfcamp alone). The six closest developments (shown on the slide) land their wells within the Third Bone Spring Sand, and the modern developments with sufficient production data show strong results.
- 23. Exhibit C-6-G is a net reservoir map created from a mudlog from Cimarex's Red Tank 4 Fed 1H well. The map was created by netting the gamma ray values greater than 50 APIs of the Third Bone Spring Sand in order to capture the siltstones and sandstones and eliminate the low-API (<50 API) carbonates that are considered non-reservoir. The mudlog and map show significant oil shows throughout the 3rd Bone Spring Sand, a strong indication that there are hydrocarbons residing within the 3rd Bone Spring Sand. Cimarex's plan incorporates this data and

optimizes landing zone strategy by targeting the interval with great oil shows and thick sand within the Third Bone Spring Sand, whereas Devon's plan excludes this strong oil show. This mudlog also indicates no oil shows in the Wolfcamp X or Y sands, which is what Devon is targeting.

- 24. Exhibit C-6 contains the following additional exhibits:
 - C-6-H: Third Bone Spring structure map: The structure map shows that the structure dips to the southeast.
 - C-6-I: Third Bone Spring Gross Isopach map: In the area of interest, there is a localized thick net reservoir with some of the thickest areas being located over The formation is about 440-460' thick in Cimarex's proposed HSU in Sections 1 and 12 which thins to the south of Section 12 into Devon's proposed HSU.
 - C-6-J: Upper Wolfcamp structure map: The Structure Map shows that the structure dips to the southeast.
 - C-6-K: Upper Wolfcamp Gross Isopach map: A gross isopach of the Upper Wolfcamp A indicates that the interval is approximately 280-295 ft. thick within Cimarex's proposed HSU with the interval thinning to the south where Devon has proposed their HSU.
 - C-6-L: Third Bone Spring/Upper Wolfcamp Stratigraphic cross section and cross-section well locator map: The inset map on this exhibit identifies three wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'. The well logs on the cross-section give a representative sample of the Third Bone Spring and Upper Wolfcamp formations in the area. A stratigraphic cross section flattened on the top of the Third Bone Spring Sand shows that there is a lot of geologic complexity within the formation. In this area, there are high volumes of carbonate mass transport deposits within the Third Bone Spring Sand, especially in the basal portion of the formation. These carbonates can act as frac baffles and barriers to wells landed in the Upper Wolfcamp. In order to efficiently and effectively capture the hydrocarbons in the Third Bone Spring Sand, it is best to land wells within the Third Bone Spring Sand itself, which is what Cimarex plans to do.

- 25. Based upon my study as illustrated in these exhibits, knowledge of the geology in this area, and education and training, it is my expert opinion that:
 - a. Cimarex's 2-mile horizontal spacing units are justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with 2-mile horizontal development.
 - c. Each quarter-quarter section in Cimarex's proposed 2-mile units will contribute more or less equally to production.
- 26. The producing interval for each of these Proposed Wells will be orthodox and will comply with the Division's set back requirements.
- 27. In my opinion, Cimarex's Coriander Fed Com Development plan prevents waste and protects correlative rights.
- 28. To summarize, the difference between Cimarex's proposal and Devon's proposal is Cimarex proposes 2-mile horizontal spacing units that will allow both Cimarex and Devon to efficiently develop the subject acreage while Devon's proposal limits Cimarex to 1-mile wells in Section 1, significantly delaying or possibly entirely preventing development of Section 1. Devon plans to drill two Wolfcamp X Sand wells and two Wolfcamp Upper A wells at tighter vertical spacing while Cimarex plans to drill two Third Bone Spring Sand wells and two Upper Wolfcamp A wells at more optimal vertical spacing. Additionally, Cimarex plans to drill two First Bone Spring Sand wells while Devon does not plan to drill any wells into this formation. In my opinion, Devon's proposal, including its plan to develop the Overlap Acreage, is inferior to Cimarex's development plans because Devon's plan will leave behind reserves in the First Bone Spring Sand and could leave behind reserves in the Third Bone Spring Sand. The fact that Devon's 3-mile

laterals would drill through setback acreage is not actually a benefit because under Devon's 3-mile/1-mile plan, the same amount of acreage would be subject to setbacks, and, in fact, Devon's plan could lead to the stranding of Cimarex's acreage in Section 1. In addition, as discussed above, any potential reserves Devon may access by virtue of drilling through setbacks is offset by the fact that Devon is leaving behind reserves in the First Bone Spring and potentially leaving behind reserves in the Third Bone Spring. Also, as will be discussed by Mr. Behm, 3-mile Wolfcamp laterals in this area of Lea County underperform as compared to shorter laterals, which would also offset any (unlikely) additional reserves Devon might access by drilling through the setbacks.

- 29. In my opinion, the geologic evidence favors Cimarex's overall development plan, and Cimarex will be able to efficiently recover the oil and gas reserves underlying the Overlap Acreage, along with Cimarex's 100% owned acreage in Section 1. Cimarex's development plan presents less risk, and prevents waste. Conversely, the geologic evidence demonstrates that Devon's overall development plan, including its plan to develop the Overlap Acreage, is inefficient, riskier, and will result in waste.
- 30. The attachments to my affidavit were prepared by me or compiled under my direction or supervision.

FURTHER AFFIANT SAYI

) ss.

COUNTY OF MIDLAND

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2022 by Jennifer A. Blake.

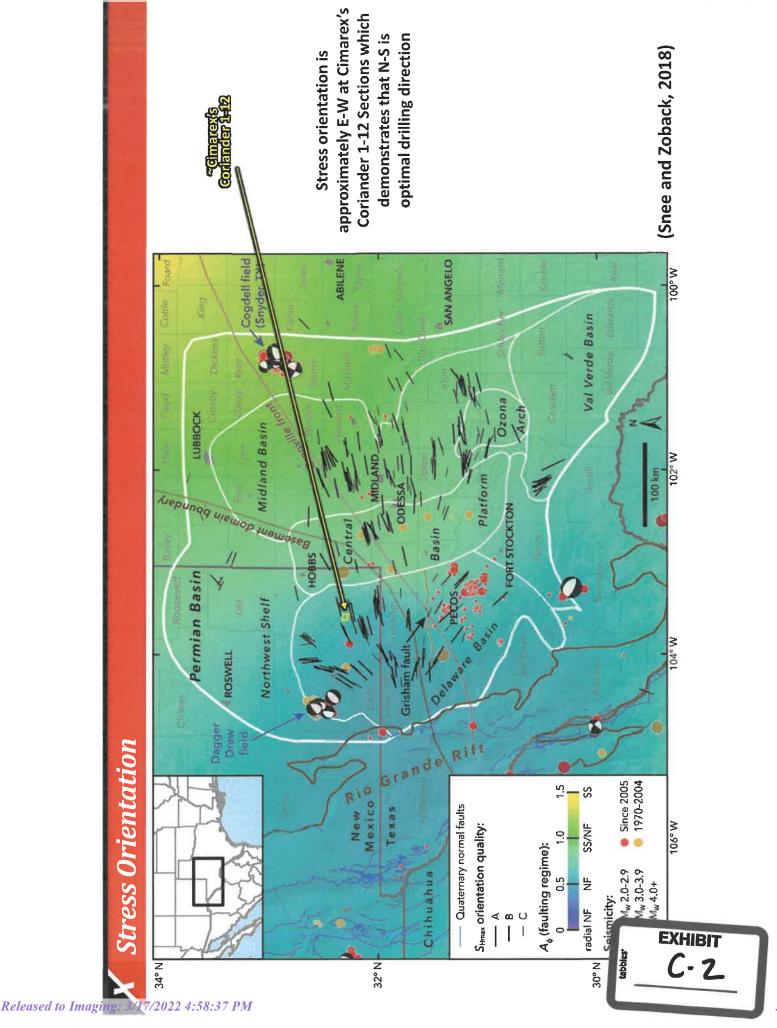
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Locator Map

EXHIBIT

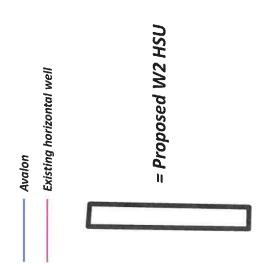
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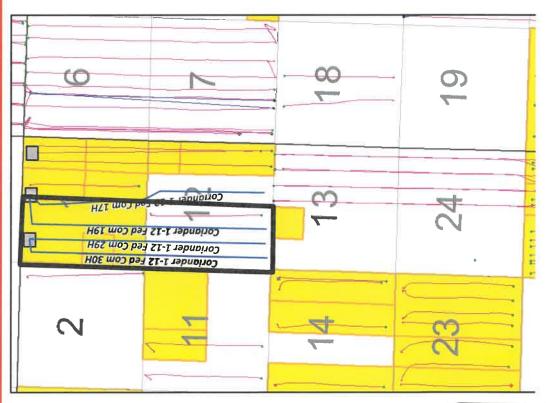


Avalon GEOLOGY

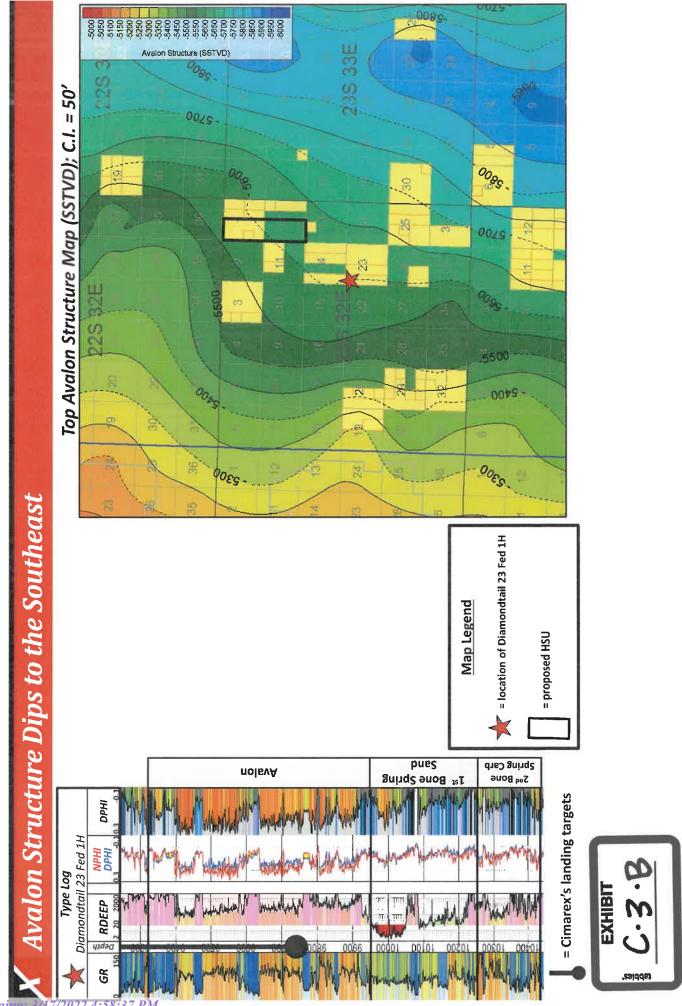








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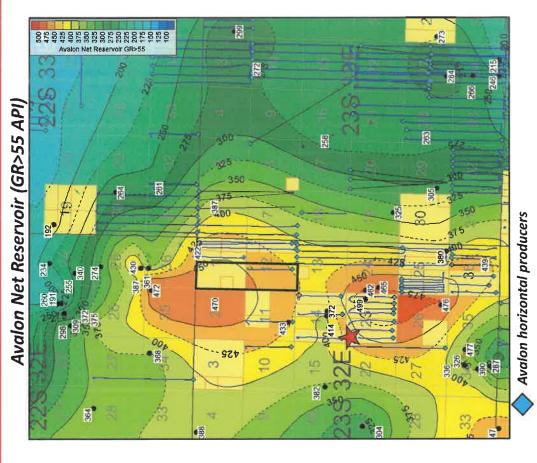


Avalon Net Reservoir Map Indicates Avalon is Prime Target in Cimarex's HSU



proposed HSU where Cimarex drilling 2-mile Avalon wells The Avalon shows thick already has experience reservoir in Cimarex's

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Spring Carb

Suq Bone

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Tat Bone Spring



= Cimarex's landing targets

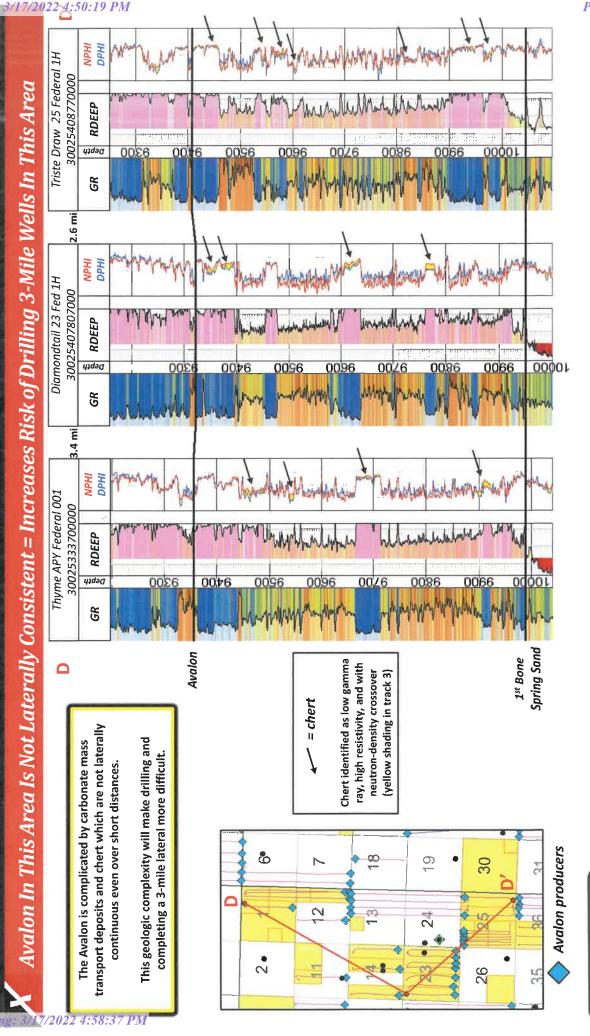
Type Log Diamondtail 23 Fed 1H

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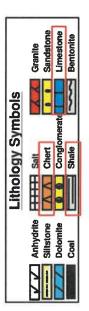
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Avalon Lateral Mudlogs Indicate High Volumes of Limestone and Chert (i.e. Drilling Hazards)

Coriander AOC 1-12 State 2H

Mudlog

Mudlogs from Cimarex's Coriander AOC 1-12 State 2H and 3H Avalon laterals show high volumes of limestone (blue) and chert (orange).







Coriander AOC 1-12 State 3H Mudlog

> **EXHIBIT** C.3.E tabbies*

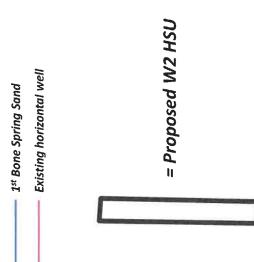
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1st Bone Spring Sand



1st Bone Spring Sand Wellbore Schematic



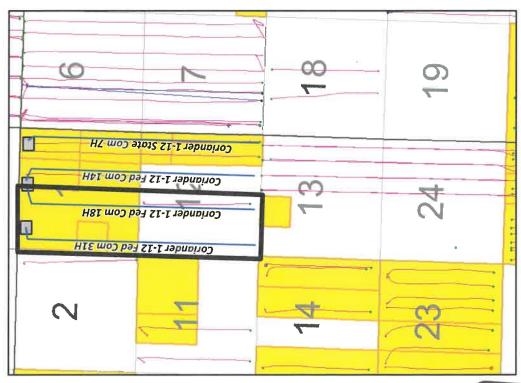


EXHIBIT C.4. A

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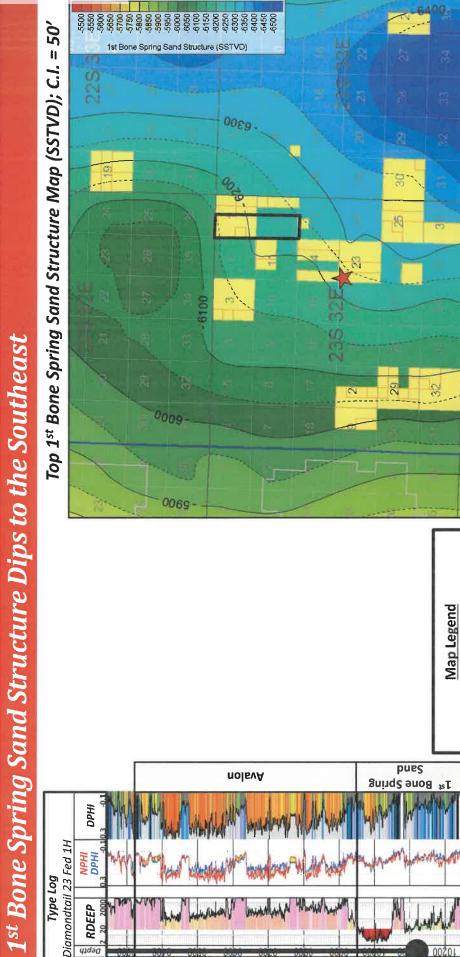
= location of Diamondtail 23 Fed 1H

Spring Carb

= proposed HSU

= Cimarex's landing targets

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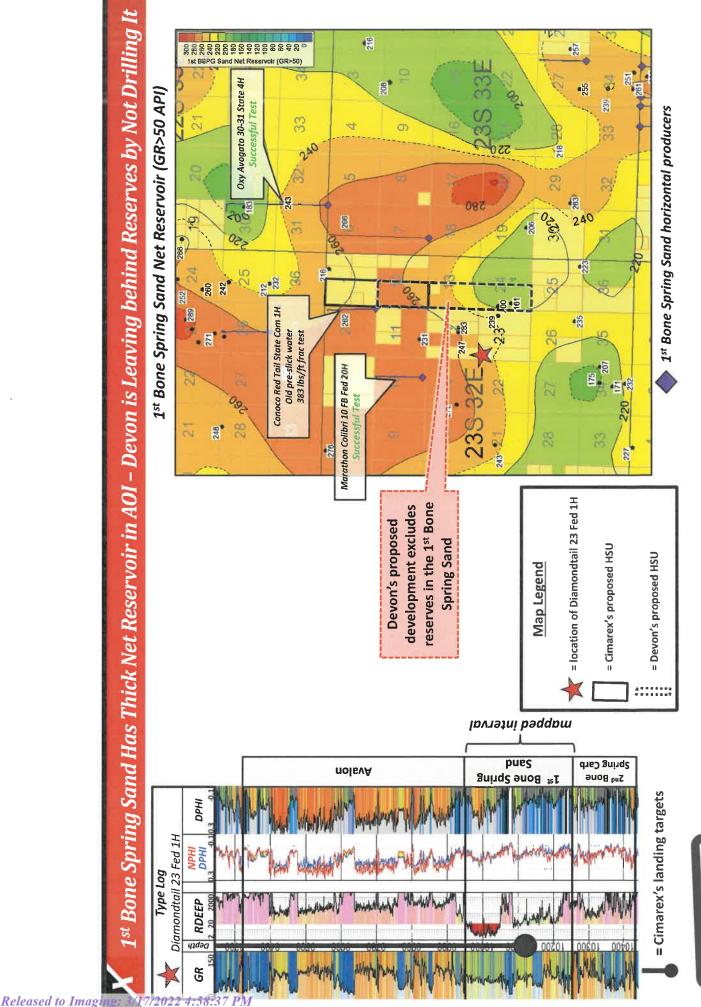


EXHIBIT C.4-C

2nd Bone Spring Sand

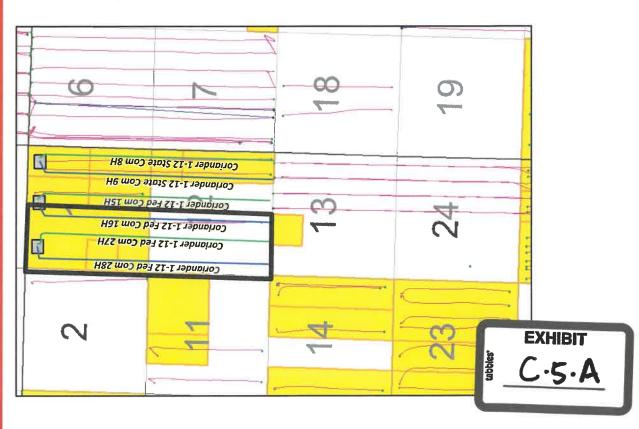
GEOLOGY



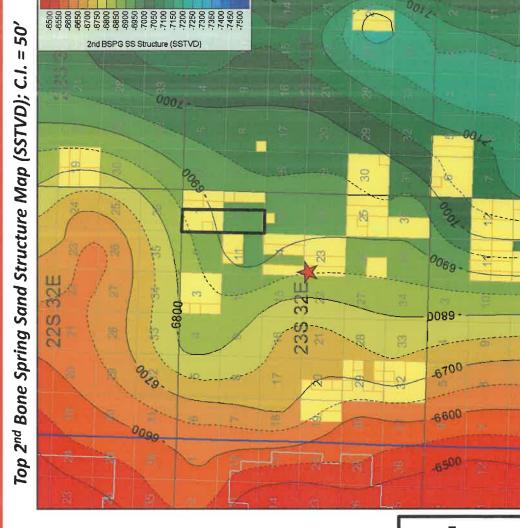
2nd Bone Spring Sand Wellbore Schematic

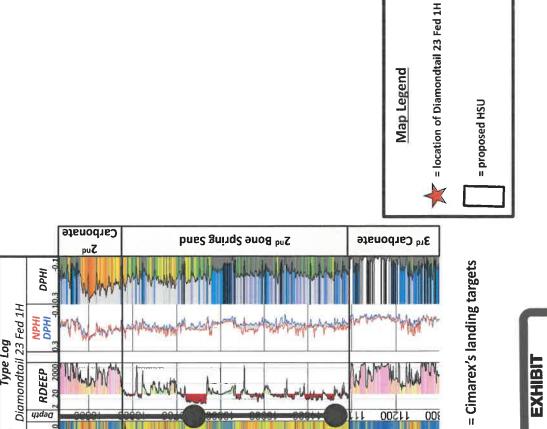
2nd Bone Spring Sand Upper
2nd Bone Spring Sand Lower
Existing horizontal well

= Proposed W2 HSU



2nd Bone Spring Sand Structure Dips to the Southeast





11200

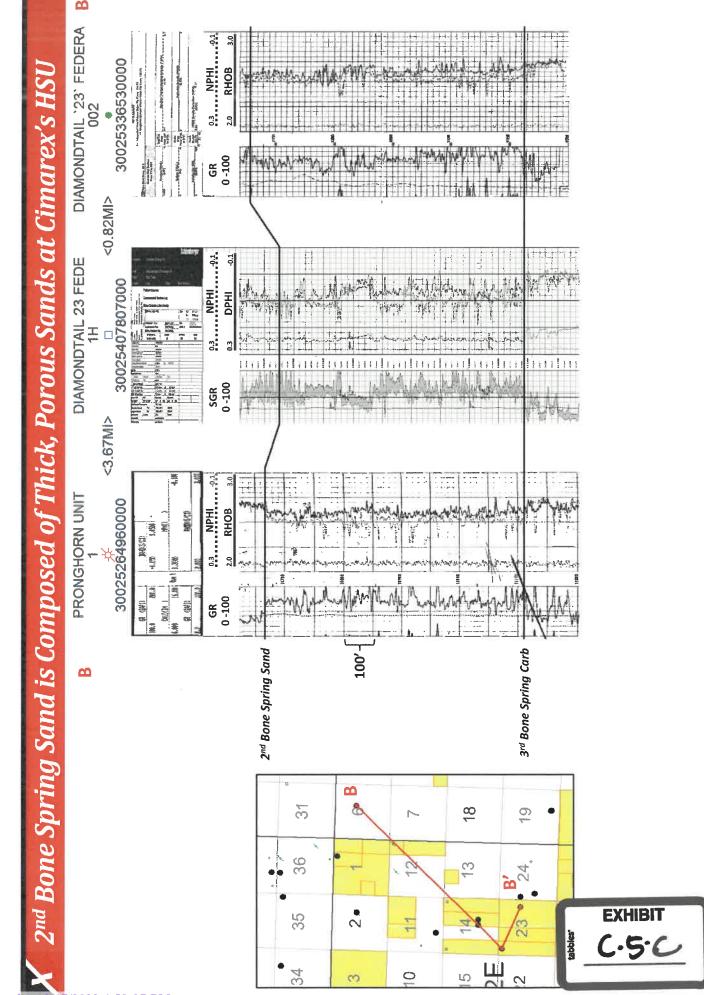


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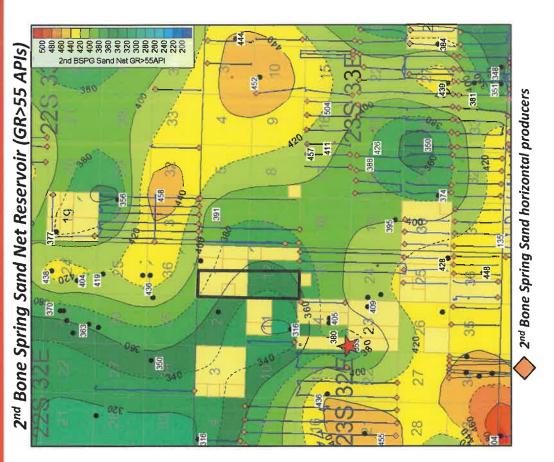
Type Log Diamondtail 23 Fed 1H

RDEEP

Depth

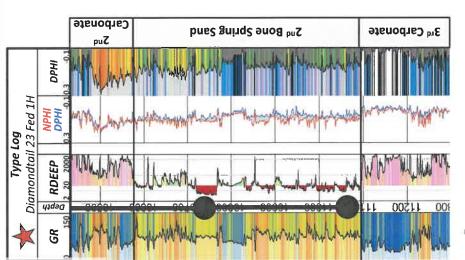


2nd Bone Spring Sand Net Reservoir Map Shows ~360-400′ Thick Reservoir in Cimarex's HSU





= Cimarex's landing targets





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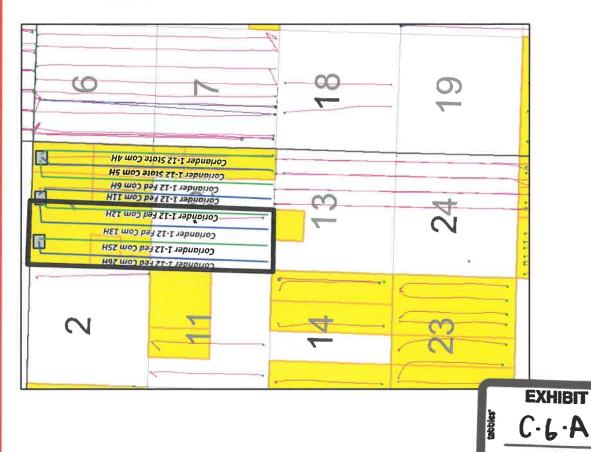
3rd Bone Spring Sand +

EXHIBIT C. 6

3rd Bone Spring Sand + Upper Wolfcamp Wellbore Schematic

3rd Bone Spring Sand
Wolfcamp Upper A
Existing horizontal well

= Proposed W2 HSU



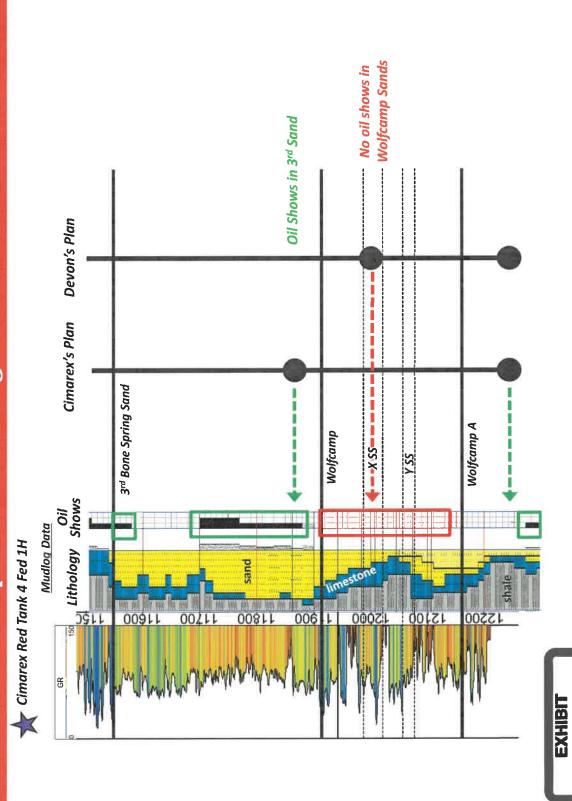
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a Better Target than Devon's Wolfcamp XY Sands	Devon Energy SHL: Sec 24, T235 R32E BHL: Sec 12 (except for 12H), T23S R32E, Lea Co., NM West Half East Half	15H 670'			14H 14H	76H	14 3H 3H 3H - 1320.
is a Better Target t	Cimarex Energy SHL: Sec 1, T23S R32E BHL: Sec 12, T23S R32E, Lea Co., NM it Half East Half	Sec. 1		-(35°	\$75'	,020'	
Cimarex's 3 rd Bone Spring Sand is	Cima SHL: Sec BHL: Sec 12, T2 West Half	Resolver 2H	1330€ 1330€ 31H 18H		27H 645' 620'->	28H 16H	-320' 25H 12H -320' -30' -3
Keleased to Imaging March 19 St. 19 S	= existing well Concho's Resolver 2H Avalon well Radio 1-mile well in Section 12		1st Bone Spring Sand	2 nd Bone Spring Carbonate	2 nd Bone Spring Sand	3 rd Bone Spring Carbonate	3rd Bone Spring Sand Wolfcamp XY Sands Upper Wolfcamp A

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tabbles"

Cimarex's Plan Optimizes Landing Zones Based on Enhanced Oil Shows



3^{rd} Bone Spring Sand is the Preferred, Proven Target in Subject Area

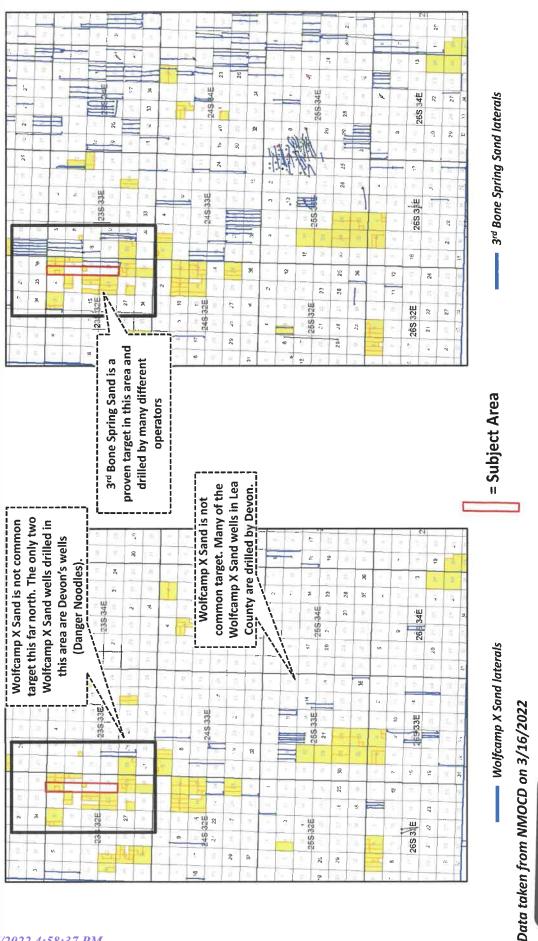


EXHIBIT C.6. E

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spples.

Nearby Offsets Target 3rd Bone Spring Sand



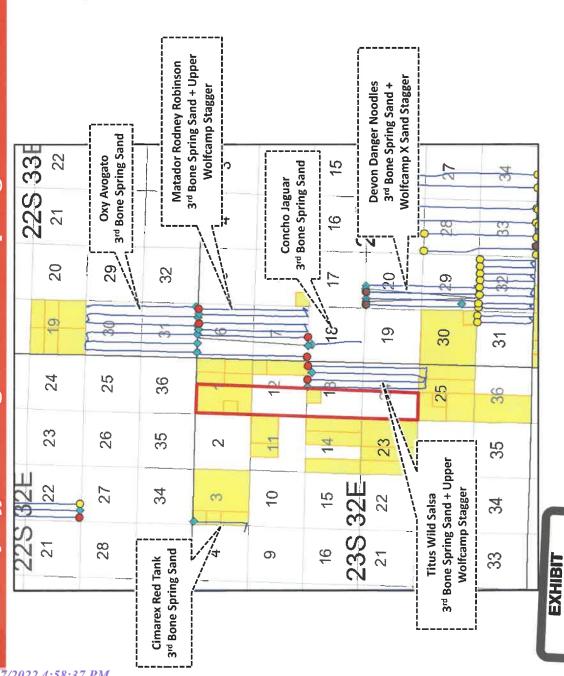
3rd Bone Spring Sand horizontal producers

Wolfcamp X Sand horizontal producers

Wolfcamp Y Sand horizontal producers

Wolfcamp A horizontal producers

= Subject Area

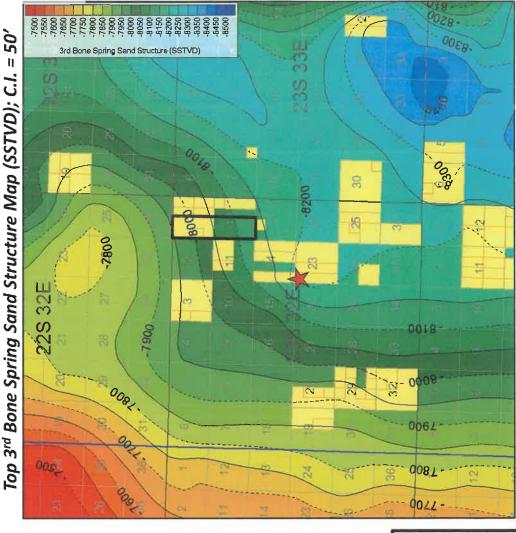


EXHIBIT

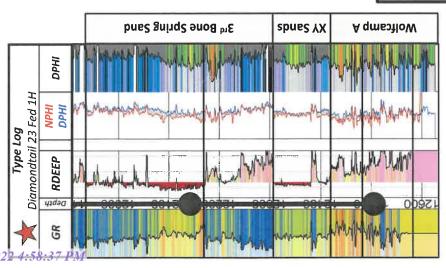
<u>Nearby Mudlog Indicates Oil Shows in the 3rd Bone Spring Sand (not Wolfcamp Sands)</u> 9 8 8 7 8 8 8 7 8 8 3rd BSPG Sand Net GR>50AP 292 3rd Bone Spring Sand Net Reservoir (GR>50 APIs) 427 Oxy's Avogato 3rd Sand Development 3rd Bone Spring Sand horizontal producers 358 28 420 360-350 - 100 m development excludes 3rd 283 **Bone Spring Sand** Devon's proposed Oil Shows in 3rd Sand Nolfcamp Sands No oil shows in Spring Sand Wolfcamp A Wolfcamp 3rd Bone X 55 Shows Cimarex Red Tank 4 Fed 1H Ö Mudlog Data Lithology sand shale 11900 12000 1120 11600 11200 11800 12100 12200

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3rd Bone Spring Sand Structure Dips to the Southeast







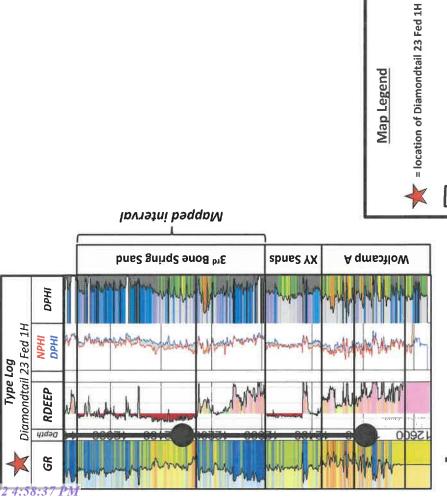


= Cimarex's landing targets

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3rd Bone Spring Sand Gross Isopach – Thicker in Cimarex's Proposed HSU

3rd BS Sand Gross Isopach 3^{rd} Bone Spring Sand Gross Isopach; C.I. = 20' 1222 393 381



Map Legend

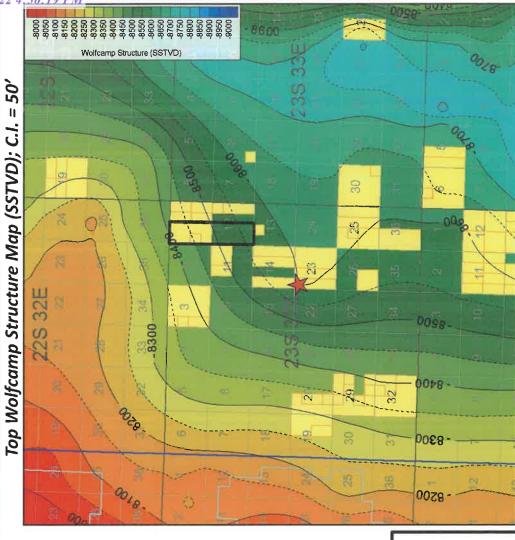
= proposed HSU

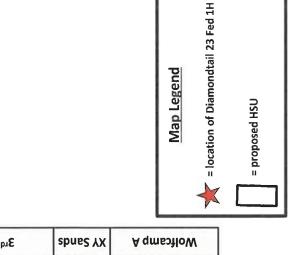
= Cimarex's landing targets

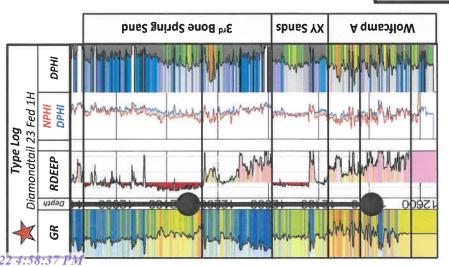


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Wolfcamp Structure Dips to the Southeast







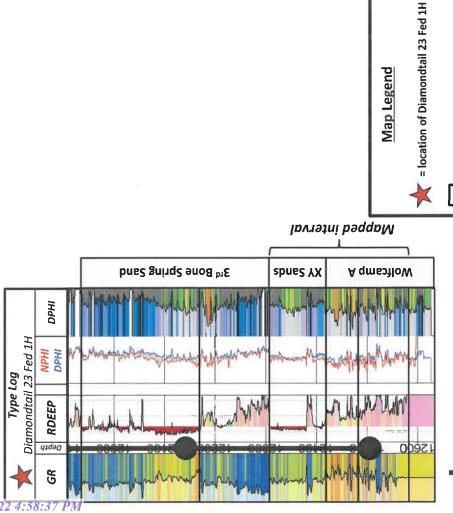


= Cimarex's landing targets

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Upper Wolfcamp A Gross Isopach – Thicker in Cimarex's Proposed DSU

264 236 892 60° 235 Upper Wolfcamp A Gross Isopach; C.I. = 10' 270 280 25 0 a 2 8 207 308 300 340 310 28 33 350 321



Map Legend

= proposed HSU

= Cimarex's landing targets



Released to Imaging: 3/17/2022

Engineering

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

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

Case Nos. 22313-22316

APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 22179-22180 & 22382

AFFIDAVIT OF EDDIE BEHM

Eddie Behm, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am a Reservoir Engineer for Cimarex Energy Co. ("Cimarex"), and have personal knowledge of the matters stated herein.
 - 2. I have not previously testified before the Oil Conservation Division ("Division").
 - 3. I received a Bachelor of Science from the University of Tulsa in 2011.
- 4. Since receiving my BS, I worked as a production operations engineer and reservoir engineer for Oxy for almost 4 years, a senior reservoir engineer for California Resources Corporation for 2 and half years, and since June of 2017 have worked for Cimarex (now part of Coterra Energy) as a production and reservoir engineer. My resume summarizing my educational and work experience is attached to this affidavit as Exhibit E-3.
 - 5. My work for Cimarex includes the Permian Basin in New Mexico.
- 6. I am familiar with the applications filed by Cimarex in Case Nos. 22313-22316 and with the applications filed by Devon Energy Production Company, L.P. ("Devon") in Case Numbers 22179-22180, and 22382.

- 7. The primary takeaways from my testimony are as follows:
 - Cimarex is better prepared to operate the wells and operate on the surface because it is developing acreage immediately adjacent to the proposed units in the E/2 of Sections 1 and 12; it has existing surface facilities; and it has third-party contracts already in place.
 - Cimarex's 2-mile/2-mile development plan (each operator developing 2-mile wells across the acreage) increases production by at least 10% percent over Devon's 3-mile/1-mile plan.
 - Cimarex is targeting the First Bone Spring, which Cimarex predicts could result in 1,522,000 barrels produced from Cimarex's proposed 2-mile wells, while Devon's plan entirely excludes the First Bone Spring. If Devon's plan is approved, the First Bone Spring would not be targeted **for a full three miles** leaving at least 2,403,000 barrels behind. Second, Cimarex is directly targeting the Third Bone Spring sand with two Third Bone Spring wells, while Devon appears to be only indirectly targeting the Third Bone Spring via two Wolfcamp XY wells. Based on my calculations, there are potentially 4,848,000 barrels (on a 2-mile basis) present in the Third Bone Spring sand and Upper Wolfcamp flow unit. By not directly targeting the Third Bone Spring sand, Devon risks losing connection with as much as 75% of the 4,848,000 barrels over the life of the wells.
 - Devon's development plan is riskier than Cimarex's because 3-mile Wolfcamp wells in this area are particularly challenging because of the combination of high reservoir pressure and depth, which has the potential to leave barrels stranded, resulting in waste.
 - Devon's plan would leave Cimarex with the possibility of developing only 1-mile wells in Section 1. 1-mile wells, while developable, are not as high of a priority for Cimarex, and under Cimarex's current schedule, would not be developed until 2029 at the earliest. The regulatory environment and economics in 2029 are obviously uncertain. In Cimarex's view, given the delays and uncertainty with developing 1-mile laterals, Devon's 3-mile/1-mile plan is tantamount to stranding Cimarex's acreage in Section 1. I refer to this scenario as "de facto" stranding.
- 8. In my opinion, Cimarex is better positioned to timely locate well sites, operate the property, and prevent waste.
- 9. Cimarex has experience with drilling wells and operating facilities on these very sections.

- 10. Cimarex is developing the E/2 of Section 1 and 12, and the W/2 development at issue here is part and parcel of Cimarex's overall development plan. Cimarex's E/2 Avalon wells are performing well.
- 11. Exhibit D-1 shows Cimarex's existing and proposed surface facilities. Cimarex has already built Pad 4 and already has an existing battery tank. Thus, Cimarex's development of the W/2 acreage will use some existing facilities, which, in turn, will minimize surface disturbance.
- 12. Cimarex has staked three additional pads, but anticipates only using two of them—Pads 1 and 3. BLM has approved the proposed pad sites and BLM has completed its on-site.
- 13. Cimarex has a contract with Lucid for gas takeaway. Cimarex has a contract in place with NGL to handle produced water. Cimarex also has a contract with Energy Transfer for oil. Cimarex has existing infrastructure in place for take-away of oil, gas, and water, which will reduce operational costs. We partner with Lucid on gas takeaway and are able to sell low pressure reducing emissions and OpEx in the form of compressor rental or purchase. Furthermore if development can be done at 2-miles we plan to use this as our last HP buyback location with Lucid eliminating compression costs all together. Existing 10" SWD line will allow for water disposal without capital and due to third-party partnership with NGL Cimarex will drill no SWDs to handle this volume.
- 14. In terms of methane, Cimarex intends to implement new CVS system with lockdown thief hatches which eliminates traditional thief hatches prone to leakage allowing more gas to be sold to Lucid and less gas to be flared.
- 15. Cimarex plans to utilize produced water in completing and stimulating the wells. Cimarex fracs wells with 100% produced water in this area and I would anticipate the same would occur here.

- 16. Cimarex's goal would be to start drilling as soon as it has all of the necessary permits. Cimarex continues to be actively engaged with BLM regarding this acreage and we would work diligently with BLM to get the permits we need.
- 17. Cimarex is a prudent operator and its track record demonstrates that it is able to timely locate well sites and operate the surface. Cimarex has drilled 100 lateral wells since 2017 in Lea and Eddy Counties, 60 of which are 2-mile wells.
- 18. Cimarex has spud 24 wells in Lea County New Mexico in 2021, has 6 active rigs available, and is continuing to drill and complete wells in New Mexico with 1 to 3 of its contracted Permian rig fleet.
- 19. Cimarex has significant experience drilling 2-mile laterals in the Delaware basin.

 Over the last 5 years, Cimarex has successfully drilled 326 2-mile laterals. These wells have proven to be efficient and economical.
- 20. Another purpose of my testimony is to demonstrate, from a reservoir engineering perspective, why Cimarex's proposed development plan is more efficient and effective than Devon's plan, has less risk than Devon's plan, and will result in the protection of correlative rights and the prevention of waste.
- 21. In my opinion, developing the acreage at issue in these cases with two sets of 2-mile laterals will minimize stranded barrels and result in the maximum recovery from all targets on a 1280-acre basis.
- 22. Exhibit D-2 is a bar chart comparing the total captured reserves under each proposal. This exhibit demonstrates that Cimarex's proposed 2-mile/2-mile development plan allows the most reserves to be captured. The green bar represents captured reserves under Cimarex's proposed 2-mile/2-mile development plan, which amounts to approximately 21,084

million barrels of oil ("MBO"). Devon's proposed 3-mile/1-mile development plan is represented by the yellow bar, which amounts to approximately 19,182 MBO, which assumes Cimarex is able to develop Section 1. The orange bar represents the "de facto" stranding outcome, i.e., Cimarex only able to develop Section 1, if at all, in or after 2029. Under this scenario, the captured reserves would only be approximately 13,555 MBO—stranding nearly 7,500 MBO.

- 23. Cimarex's proposal protects correlative rights and prevents waste because Cimarex is targeting both the First Bone Spring Sand and the Third Bone Spring Sand. Devon is not targeting the First Bone Spring Sand at all and is only indirectly targeting the Third Bone Spring Sand. In Cimarex's opinion, the First and Third Bone Spring Sands are proven targets in this area and are necessary landings to capture the most barrels with highest chance of success. If Devon moves forward with its 3-mile lateral plans, Section 12 (the "Overlapping Acreage") will be impacted, as will the remaining two miles, because the First Bone Spring Sand will be excluded for three full miles, and the Third Bone Spring would be inefficiently targeted for the same three full miles.
 - 24. I have summarized the comparison by target in Exhibit D-3.
- 25. First, Cimarex is targeting the First Bone Spring, which Cimarex predicts could result in 1,522,000 barrels produced from Cimarex's proposed 2-mile wells, while Devon's plan excludes the First Bone Spring. If Devon's plan is approved, the First Bone Spring would not be targeted **for a full three miles** leaving up to 2,400,000 barrels behind. With respect to the Overlapping Acreage, Devon's plan would exclude 761,000 barrels alone.
- 26. Cimarex's proposed plan is also superior to Devon's because Cimarex has a proven, more effective network of take points to best drain the flow unit in our Third Bone Spring/Wolfcamp development plan. The experience of Cimarex and other operators have

demonstrated the Third Bone Spring sand and Upper Wolfcamp XYA sand act as a flow unit. Based on Cimarex's valuation, *see* Exhibit D-4, this flow unit amounts to approximately 50% of the entire lease value, meaning that optimal execution of capturing reserves within this flow unit is critical to realizing the lease value. In addition, OXY's Avogato Third Bone Spring Sand wells' production history (wells adjacent to the acreage at issue in these cases) demonstrates that as much as 75% of the barrels produced from Third Bone Spring Sand only development. In Cimarex's opinion, Devon's decision to not land any wells in the proven Third Bone Spring Sand zone significantly increases the risk of leaving barrels behind, including barrels in the Overlapping Acreage. Conversely, Cimarex's plan directly targets those barrels.

- 27. Devon's plan for 3-mile Wolfcamp laterals in this area has the potential to strand hydrocarbons, because 3-mile Wolfcamp laterals in this part of Lea County are unproven compared to 1- to 2-mile Wolfcamp wells, which I will discuss in more detail below.
- 28. Not only does Cimarex's proposed plan allow for more ultimate recovery of reserves but it also accelerates production at a time when there is a national need for increased domestic oil production because both Cimarex and Devon can now develop 2-mile laterals. Conversely, if Cimarex is left with only 1-mile laterals, Cimarex would spud those wells, if at all, in 2029 due to the fact that 1-mile laterals are not currently in Cimarex's development plan. Thus, Devon's plan has the negative impact of either delaying production from Cimarex's 1-mile laterals or stranding 7.5MM barrels of reserves.
- 29. Exhibits D-5 to D-8 are exhibits I prepared pertaining to the Avalon, First, and Second Bone Spring formations, which I summarize briefly:
 - a. Cimarex is proposing three 2-mile wells into section 12 and will be developing between 7 and 8 wells per section for the Avalon due to the existing 1 mile Resolver Avalon producer. Exhibit D-5 supports Cimarex's proposed Avalon spacing based on production from the adjacent Matador Robby Robinson unit, which has the same

spacing as Cimarex proposes and offsets our existing Coriander wells at the same distance our additional proposed well will offset the Resolver. Cimarex's Avalon type curve tracks the Rodney Robinson 101H production, which is economic and confirms there is no reason to not drill at this spacing adjacent to Concho's existing Resolver well. Additionally, as Ms. Blake testified, Devon's 3-mile Avalon wells in this area are risky, given the presence of chert and limestone discussed in Ms. Blake's testimony.

- b. Exhibits D-6 and D-7 demonstrate that the First Bone Spring Sand is a productive target in this area. Significantly, however, Devon is not targeting the First Bone Spring Sand, resulting in at least 1,522,000 barrels stranded. The adjacent OXY Avogato First Bone Spring Sand well proves incremental barrels are captured by developing the First Sand in this area because both the Second sand and Avalon are developed above and below, which establishes that the First Bone Spring Sand has separate reserves. Cimarex's plan is better because it targets the First Bone Spring compared to Devon's which does not. This also means that Cimarex's recovery in Section 12 would be 761,000 barrels more than Devon's.
- c. D-8 supports Cimarex's proposed Second Bone Spring spacing based on production from adjacent or near-by production. Both Cimarex and Devon are proposing six wells per section.
- 30. My next exhibits relate to the Third Bone Spring Sand and Upper Wolfcamp A, which Cimarex treats as a flow unit. These exhibits demonstrate:
 - a. The Third Bone Spring is a productive target in this area, yet Devon is not directly targeting it.
 - b. That 2-mile or less Wolfcamp laterals are preferred in this area and perform better than 2.5 or 3 mile Wolfcamp laterals in this area.
 - c. Cimarex's development plan protects correlative rights and prevents waste.
- 31. Turning first to the Third Bone Spring, D-9 and D-10 establish that nearby offsets target the Third Bone Spring Sand with very good results. Exhibit D-10 demonstrates Wolfcamp equivalent results have been achieved in the Third Bone Spring Sand at Oxy's Avogato development with 6 wells per section. This strong performance paired with our Red Tank 3 Federal 14H delineation well to the west support that a significant percentage of barrels are present in the Third Bone Spring Sand in this area. These proven development results support staggering wells

in the Third Bone Spring Sand and Wolfcamp A, instead of targeting the Wolfcamp XY Sands and Wolfcamp A, which is what Devon has proposed because as much as 75% of the total oil target could be in the Third Bone Spring Sand. Devon's upper most landing in the Wolfcamp XY is below carbonate frac baffles, which means there is significant risk of closure over time resulting in Devon stranding barrels that Cimarex's proposed Third Bone Spring sand landing is in perfect position to capture in this local Third Bone Spring sand sweet spot. For this reason. Cimarex's Third Bone Spring and Wolfcamp A well spacing is preferable to Devon's Wolfcamp XY and A well spacing.

- 32. Exhibit D-11 illustrates the differences between Cimarex's and Devon's development plans. Cimarex's plan allows for tested 2-mile developments of the 1280 acres in 640 acre units. It allows all parties to develop their just and equitable share of the reserves without waste and through lower risk, timely development, including Wolfcamp development. Devon's 3-mile/1-mile plan is inferior because 3-mile Wolfcamp wells in this area have lower performance and could strand reserves and 1-mile laterals are not currently in Cimarex's near term development plans due to worse economic returns than 2-mile locations. Economic ranking will delay spudding of Wolfcamp mile wells until 2029. Given 2021 started with a fracture moratorium on permits on federal land the ability to frac 1-mile wells in 2029 may very well not exist.
- 33. Exhibit D-12 identifies the number of laterals by length targeting the Wolfcamp that have been drilled to date in Lea County and shows a strong preference for Wolfcamp laterals less than 2.5 miles. Only Devon has drilled 2.5 to 3-mile laterals in this area. EOG, Conoco, Devon, and Cimarex have all drilled 1-mile to 2-mile Wolfcamp laterals in this area.
 - a. My opinion is that executing a successful frac in a lateral longer than two miles is difficult in the Lea County Wolfcamp due to 12,000 foot depth, high treating pressures 11,000 to 12,000 PSI at surface, and high reservoir pressure ~ 9000 psi.

- Combination of depth pressure and friction from additional length will make the most challenging formation to treat even more difficult.
- b. The fact that no operators, other than Devon, have proposed or drilled 2.5 or 3 mile Wolfcamp laterals in this area supports my opinion that the potential benefit of 3-mile Wolfcamp laterals is outweighed by the risks arising from the depth pressure and friction in this area. The performance of Devon's 3-mile Wolfcamp laterals in this area so far confirms the risk.
- c. It is especially telling that EOG has not attempted 3-mile laterals in this area of Lea County, because EOG has the ideal acreage to develop 3-mile laterals, but instead choses to do 1.5 and 2 mile laterals in this area.
- 34. Exhibit D-13 identifies 1-mile to 2-mile laterals normalized within the Area of Review, drilled by Cimarex, Devon as well as Conoco and EOG. The purpose of this exhibit and the next series of exhibits is to demonstrate Cimarex's success in this area, as opposed to Devon's relative lack of success in the most valuable formation relative to Cimarex and 2 other operators with significant well counts and to show that while our Cimarex well count may be lower our results are fantastic.
- 35. Exhibit D-14 demonstrates that Devon's 15 extended Wolfcamp laterals in this area of Lea County underperform proven 1 to 2 mile laterals.
 - a. Exhibit uses Cum/ft type curves for Cimarex and EOG 1 to 2 mile wells that are used to compare against Devon performance and highlight individual well performance.
 - b. Early time average performance of Devon's long laterals is significantly worse than EOG underperforming by ~33% over the first 300 days.
 - c. Immediate underperformance seen on the first year of tests when production should be at its zenith and could indicate many problems that will leave barrels stranded like ineffective stimulation due to inadequate net treating pressure, or loss of contribution from toe of the lateral, etc.
- 36. Exhibit D-15 compares Devon laterals > 2 miles with Cimarex 1- to-2 mile laterals. The takeaways from this slide are:

- a. Cimarex normalized Wolfcamp well average for 1 and 2 mile wells is shown by the green dashed typecurve with EOG's normalized Wolfcamp well average shown by the blue dashed line. Both of these averages are significantly above the majority of the Devon extended laterals. This establishes how far below the median basin performance these wells are and that linear uplift is not occurring.
- b. Devon's loosely spaced Thistle 121H and 108H are drilled at 4 wells per section but still significantly underperform expectations by 12 to 16 BO/ft relative to EOG and Cimarex.
- c. Devon's most three recent Wolfcamp wells, the Thistle 180H, 181H, and 179H are better than prior wells and do follow the blue EOG cum/ft curve for the first 5 months indicating improvement. While performance has improved, only 3 of the 15 wells are meeting early time expectations. The last publically available month shows a drop in rate for two of the three wells.
- d. Cimarex's Dos Equis 6 well per section development plan is called out to highlight recent Cimarex performance in the area and further demonstrates how far below expectations the Devon extended laterals are.
- 37. Exhibit D-16 shows reserves captured and stranded. For Wolfcamp 3-mile wells I assumed that the early time performance of Devon's Thistle program continues to trend. I calculate a 16.5% reduction to cum/ft over time. In my opinion this is the absolute maximum I would promise on these wells because it assumes that:
 - i. no additional issues show up over the life of the wells (we have only seen production for the easy portion of unconventional life when pressures are high, metal is new, lateral is clear of sand, and frac has not healed);
 - ii. no treating issues materialize when going from testing density < 5 to development density of 8.
- 38. To conclude, setting aside ownership of these four sections, the most effective way to develop these four sections is two sets of 2-mile wells, rather than as 3-mile and 1-mile wells. In my opinion, Cimarex is able to prudently operate the property, given its existing surface infrastructure, which will cut down operational costs. Cimarex's plan is overall less risky than Devon's, including as to the Overlapping Acreage, and Cimarex's plan will prevent waste, especially as to the Overlapping Acreage, because Cimarex is directly targeting more formations

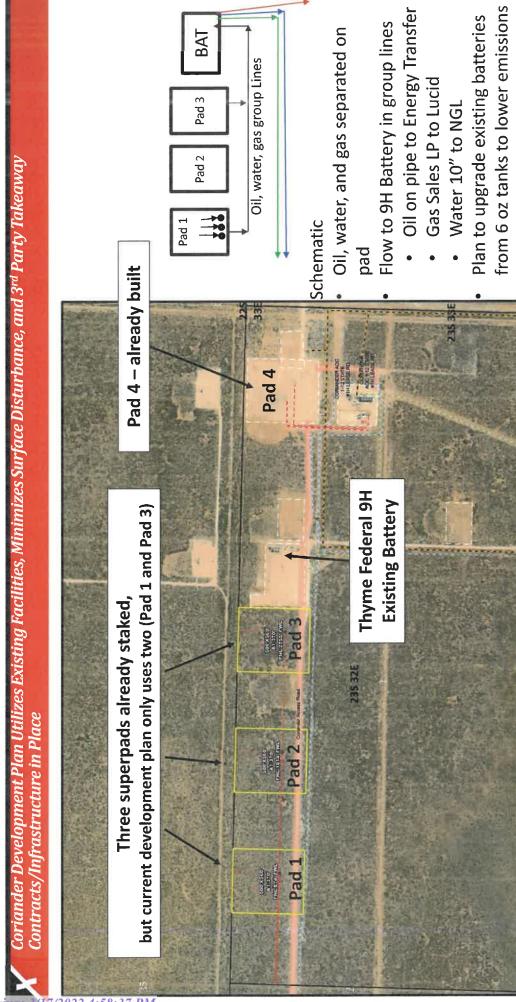
than Devon and 2-mile Wolfcamp laterals are proven to perform better in this area given the depth and pressure of the Wolfcamp in this part of Lea County.

39. The exhibits to my affidavit were prepared by me or under my direction.

FURTHER AFFIANT SAYETH N	OT.	Elli	Bel
		Eddie Behm	
STATE OF TEXAS)		
COUNTY OF MIDLAND) ss.)		

2022 by Eddie Behm.

Notal, Public, State of Texas Com: Expires 03-26-2023 11) 126 152368



One pad already built in E2E2 (Pad 4). Planned development off of Pad 1 and Pad 3 for AOI.



Cimarex Proposal Promotes Efficient Production, Protects Correlative Rights, and Prevents Waste



Comparison of Captured Reserves: Cimarex's plan prevents waste—Devon's does not.

Cimarex Plan Develop AOI with 2 Miles - Captured Reserves 21,084 MBO EUR	erals (MBO) Stranded Reserves (MBO)	0	0	0	0	0
Miles - Capture	Cimarex 2 Mile Lat	2,626	1,522	2,850	4,484	11,482
n Develop AOI with 2 I	Devon 2 Mile Laterals (MBO) Cimarex 2 Mile Laterals (MBO)	2,268	0	2,850	4,484	9,602
Cimarex Plan	Formation	Avalon	1st Bone Spring	2 nd Bone Spring	Wolfcamp / 3rd	Total

development, but more importantly, allows the majority of barrels to be 2-mile wells accelerates all captured. Devon not targeting 1st Sand and poor

~

performance in 3-mile Wolfcamp wells in this area strands barrels.

erves 19,183 MBO EU	Stranded Reserves (MBO)		801		932	1,733
1 1 Mile- Captured Res	Cimarex 1 Mile Laterals (MBO	1,432	721	1,350	2,124	5,627
Devon Plan Develop AOI with 3 Mile and 1 Mile- Captured Reserves 19,183 MBO EU	Devon 3 Mile Laterals (MBO) Cimarex 1 Mile Laterals (MBO) Stranded Reserves (MBO)	3,143	0	4,500	5,912	13,555
Devon Plan Deve	Formation	Avalon	1st Bone Spring	2 nd Bone Spring	Wolfcamp / 3rd	Total

1-mile pushes Cimarex first spud out the ground at low prices or different to 2029. This could strand barrels in regulatory environment.

rives 13,555 MBO EUR	Stranded Reserves MBO	1,432	1,522	1,350	3,056	7,361
d 0 Mile Captured Rese	Devon 3 Mile Laterals (MBO) Cimarex 1 Mile Laterals (MBO)	0	0	0	0	0
Devon Plan Develop AOI with 3 Miles and 0 Mile Captured Reserves 13,555 MBO EUR	Devon 3 Mile Laterals (MBO)	3,143	0	4,500	5,912	13,555
Devon Plan Devo	Formation	Avalon	1st Bone Spring	2 nd Bone Spring	Wolfcamp / 3rd	Total

All cases assume 4500' for 1 mile, 9500' for 2 mile, 15,000' for 3 mile across the AOI

Wolfcamp 3-mile curve run at 16.5% degradation/ft:

Assumes new Thistles continue to perform and poor Thistle outcome still equally likely due to landing zone. 80% of long laterals underperforming average and additional treatment challenges from tighter stacked development add risk to 3 miles



S

Cimarex Wolfcamp/3rd Bone Spring Sand Development Plan

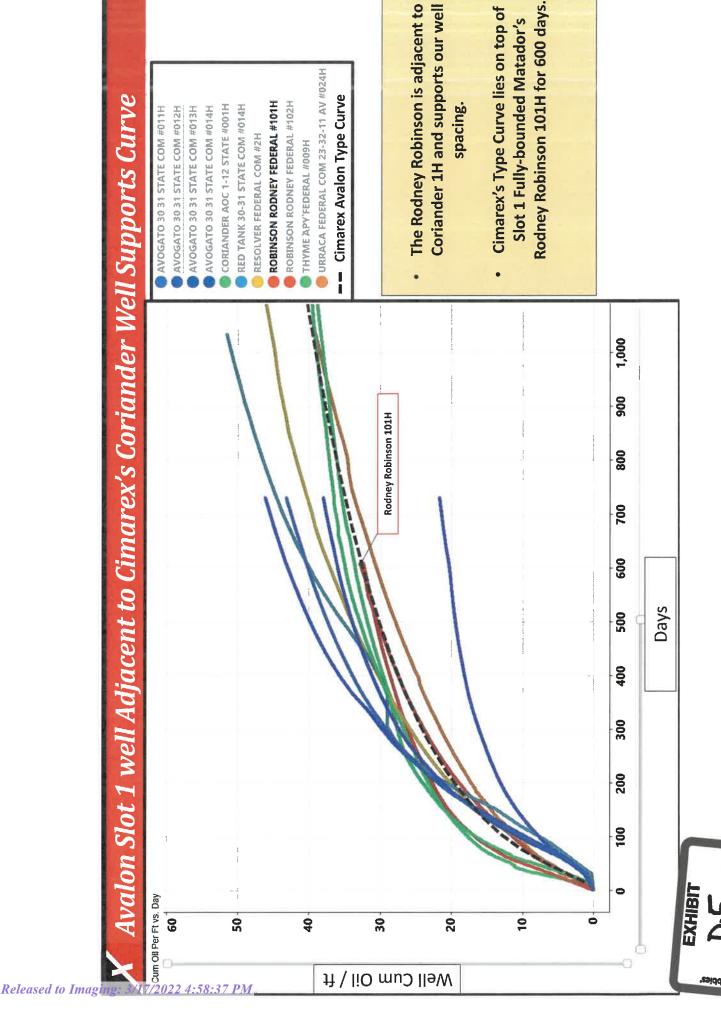
Utilize existing facilities, existing water, oil, gas, and power infrastructure, and existing 3rd party contracts for all phases Full section development is planned platted with 3rd Bone Spring Sand and Wolfcamp permits submitted

FLAT 60	Base Sec	FLAT 60 Base Sec 12 160 acres	es
Lease	Formation	ATax PV10 (\$MM)	Atax Bonus 30 (\$/acre)
Coriander Thyme	Avalon	\$9.54	\$30,257
Coriander Thyme	1st Sand	\$0.00	\$0
Coriander Thyme	2nd Sand	\$9.67	\$29,317
Coriander Thyme	Wolfcamp/3rd	\$16.81	\$52,052
Coriander Thyme	Lease Totai	\$36.01	\$111,627

~50% of lease value. Optimally executing 3rd Sand and Upper Wolfcamp flow Section 12. Cimarex models Upper Wolfcamp XYA & 3rd Sand flow unit as Note: Flat 60 Table from trade negotiations values 160 acres in NW/4 of unit is critical to realizing full lease value.



Avalon ENGINEER



st Bone Spring Sand

ENGINEER





COLIBRI FEDERAL 23-32-10 FB #020H

RED TANK 26 FEDERAL #10H REDTAIL STATE COM #1H

Colibri Federal 20H

Cimarex 1st Sand Type Curve **EOG Avg Wolfcamp**

Red Tank 10H

Avogato 4H

1st Bone Spring Sand is less targeted, but modern completions support developing the formation

supports 1st Sand adds bbls with Avalon and 2nd Oxy's Avogato 30-31 Fed State Com 4H Sand developed

Red Tail 1H

Marathon's Colibri Fed 23-32 10 FB 20H BO/ft is close to Wolfcamp average with 3 years production.

Concho's Redtail State Com 1H is an old, preexperience at the time of completion, not performance is driven by a lack of basin slick water, 336 lb/ft frac well. Poor reservoir quality.

900 1,000 1,100 1,200 1,300 1,400

800

700

900

200

400

300

200

100

Ö

Days

EXHIBIT

Released to Imaging:

m Oil Per Ft vs. Day

20

17/2022 4:58:37 PM

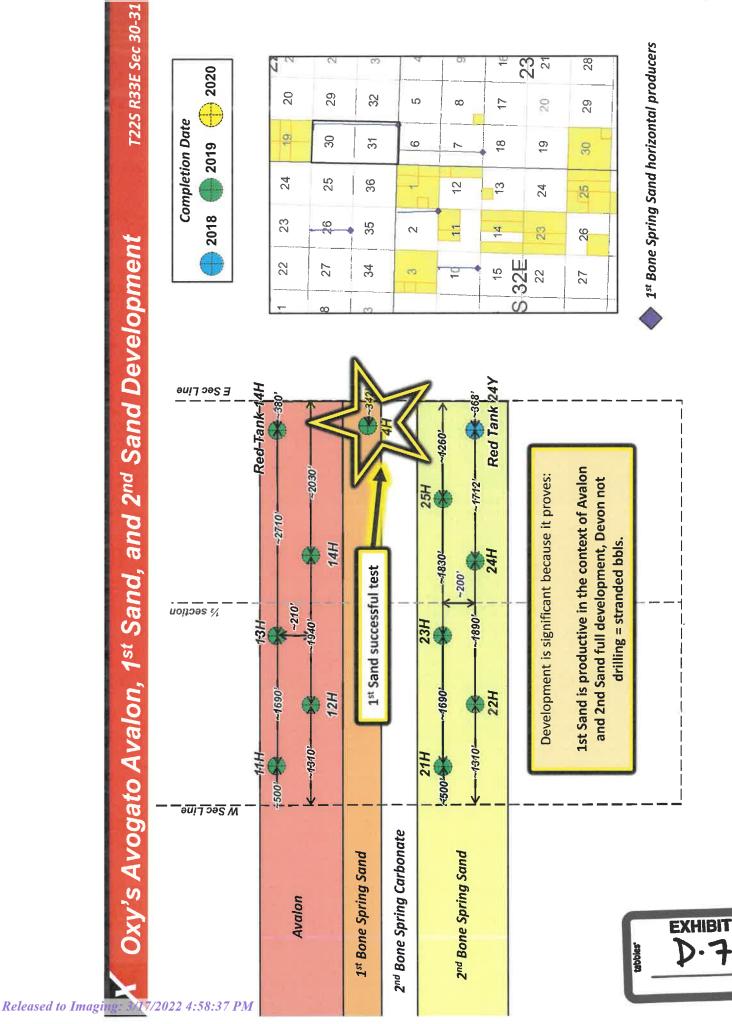
40

30

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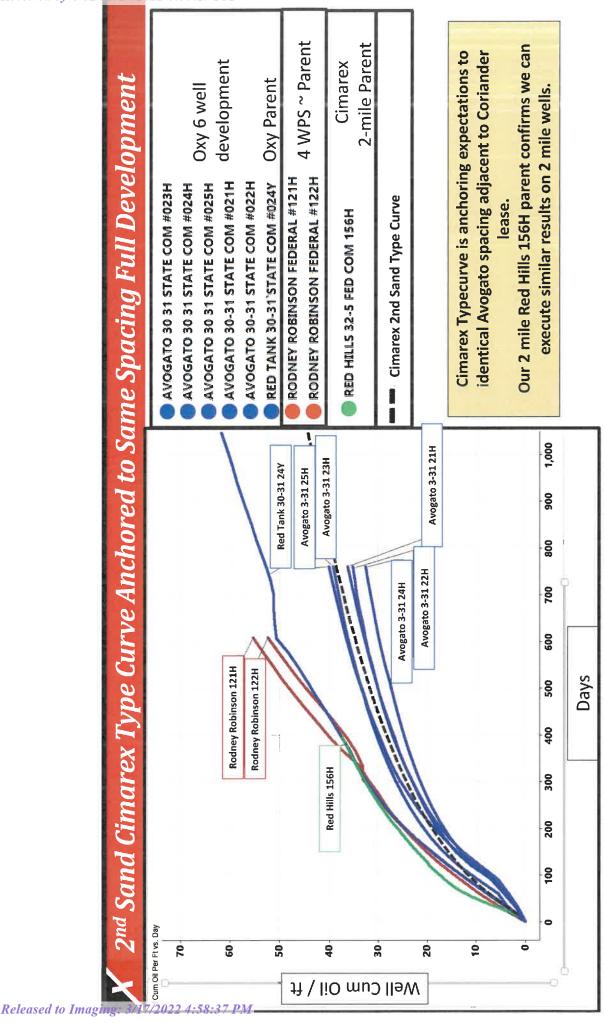
20-

10



2nd Bone Spring Sand

ENGINEER





3rd Bone Spring Sand Wolfcamp

ENGINEER

Vearby Offsets Target 3rd Bone Spring Sand with Good Results

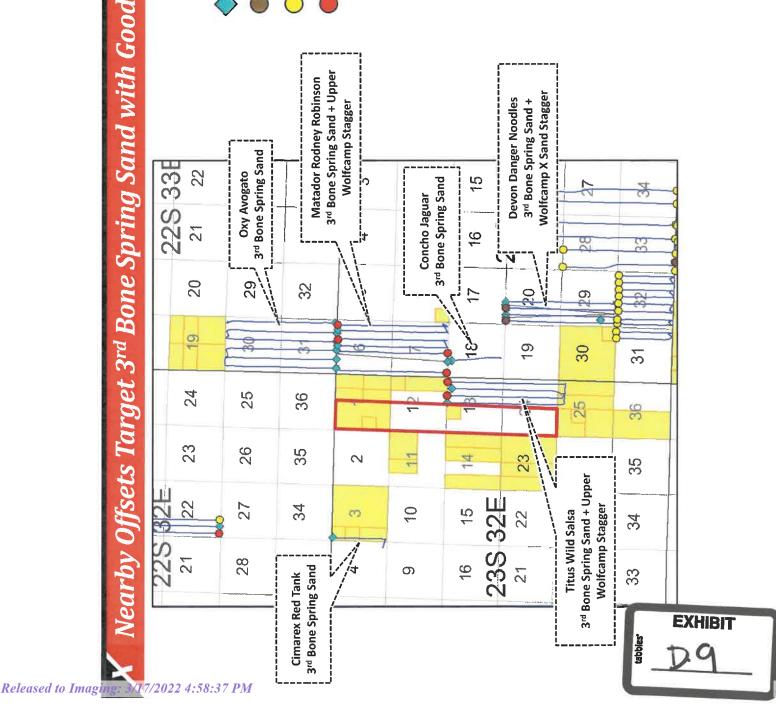
> 3rd Bone Spring Sand horizontal producers

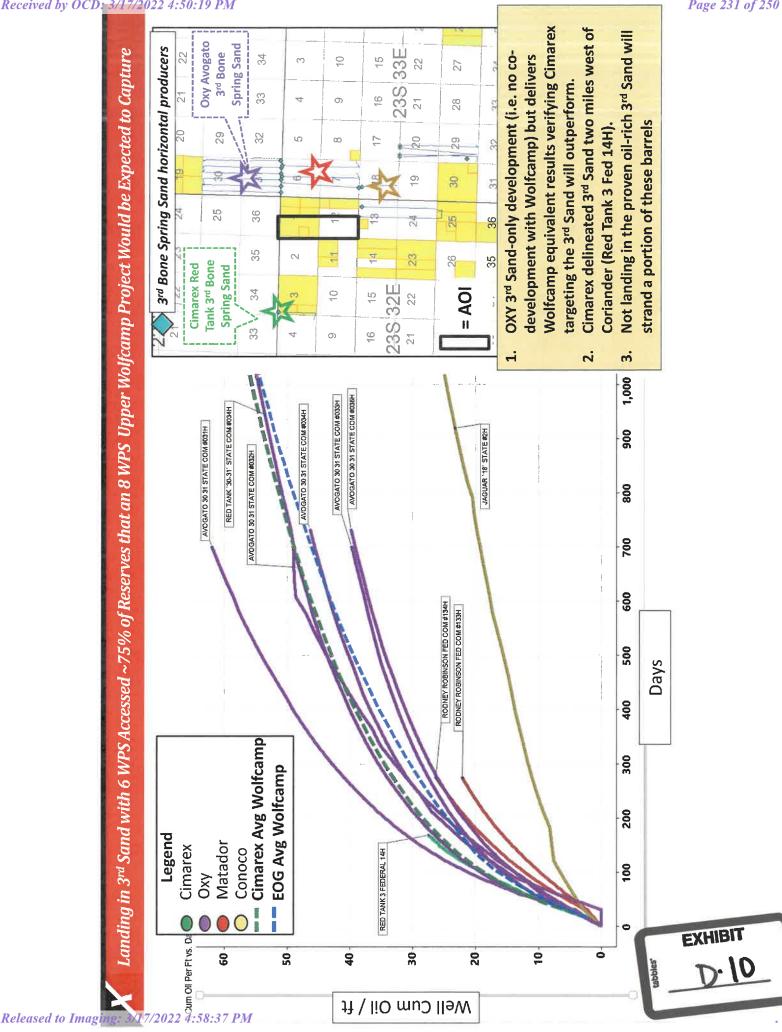
Wolfcamp X Sand horizontal producers

Wolfcamp Y Sand horizontal producers

Wolfcamp A horizontal producers

= Subject Area





increases production and prevents waste.

for both companies.

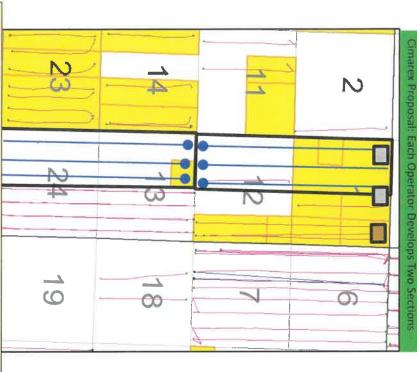
√ Economics support Wolfcamp development over the next two years

First and Third Bone Spring targeted in two of four sections—

√ 2 mile development in two 640 units—less risk.

All parties enjoy timely development.

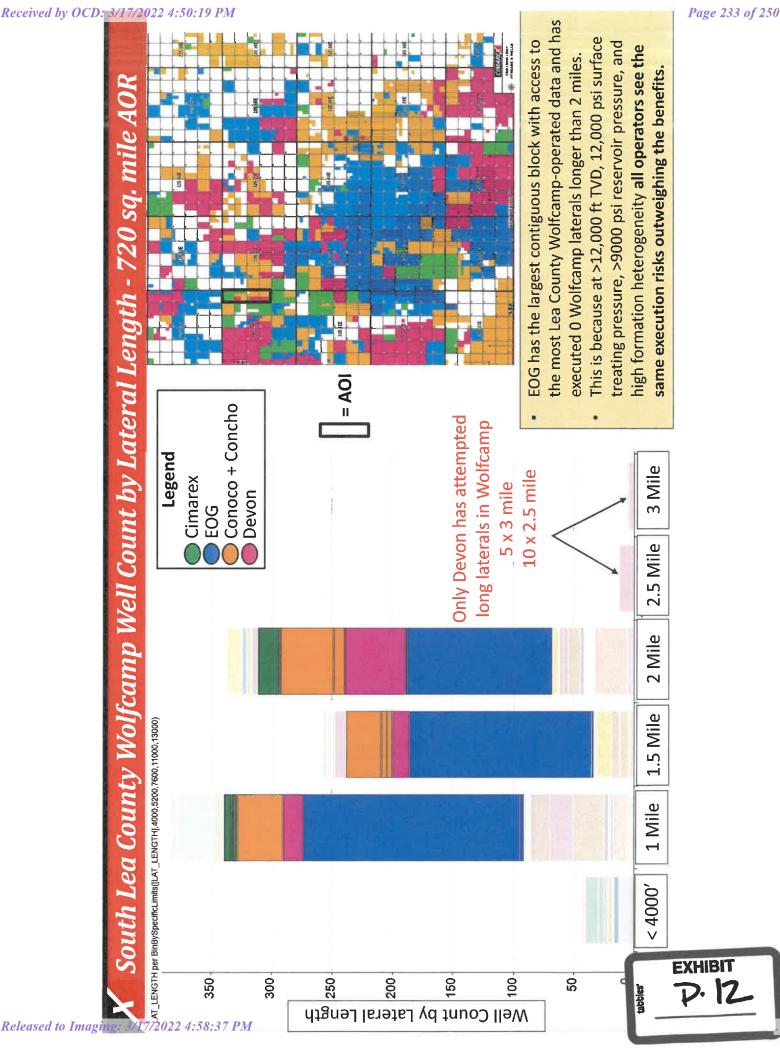




Outcome Comparison: Cimarex's Proposal Maximizes Reserves in the Near Term, Protects Correlative Rights, and Prevents Waste

Cimarex With One Devon Proposal: Devon Develops Three and Leaves

X 3 mile development of 960 acres & 1 mile development of 320 acres—more risk 1 mile economics won't compete with Cimarex 2 mile inventory; delays spud to 2029 which could strand barrels
X Risk of 3-mile Wolfcamp in this area low performance stranding reserves.
X First and Third Bone Spring not targeted over three sections—stranding reserves in 2023 in 202 N 19 00 0)



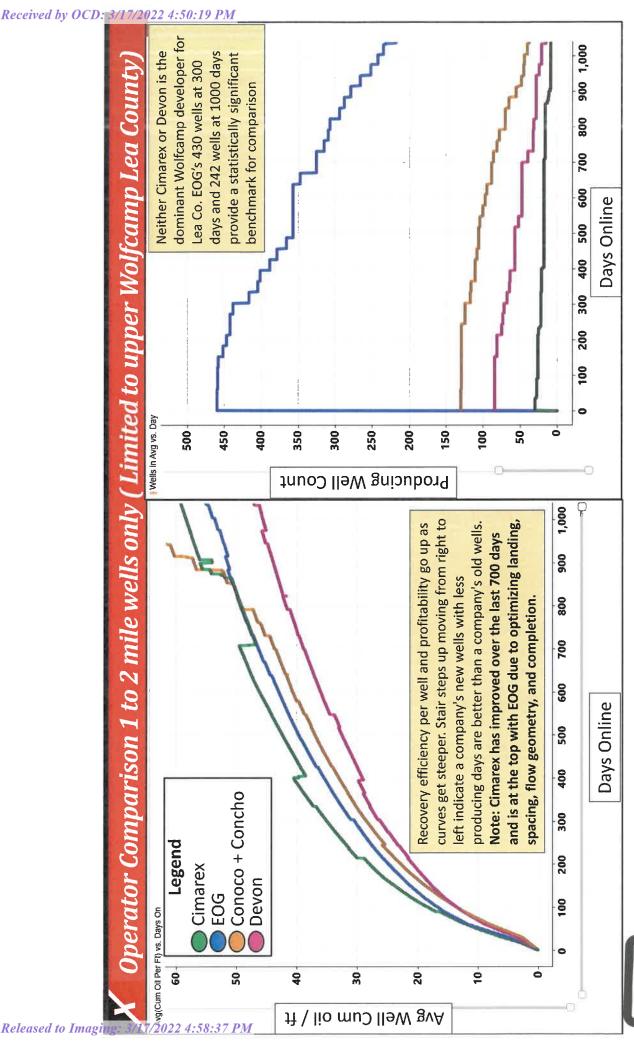


EXHIBIT tabbles.

18

Devon's Extended Wolfcamp Wells in this Area Underperform vs. Proven 1 to 2 Mile Wolfcamp Wells

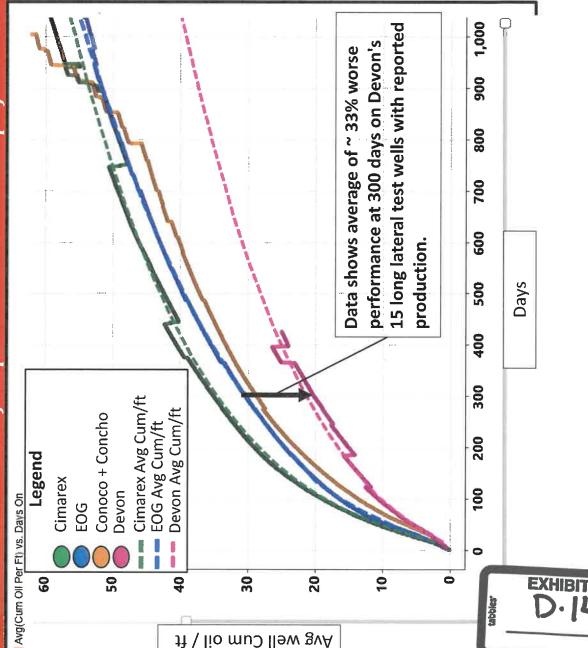
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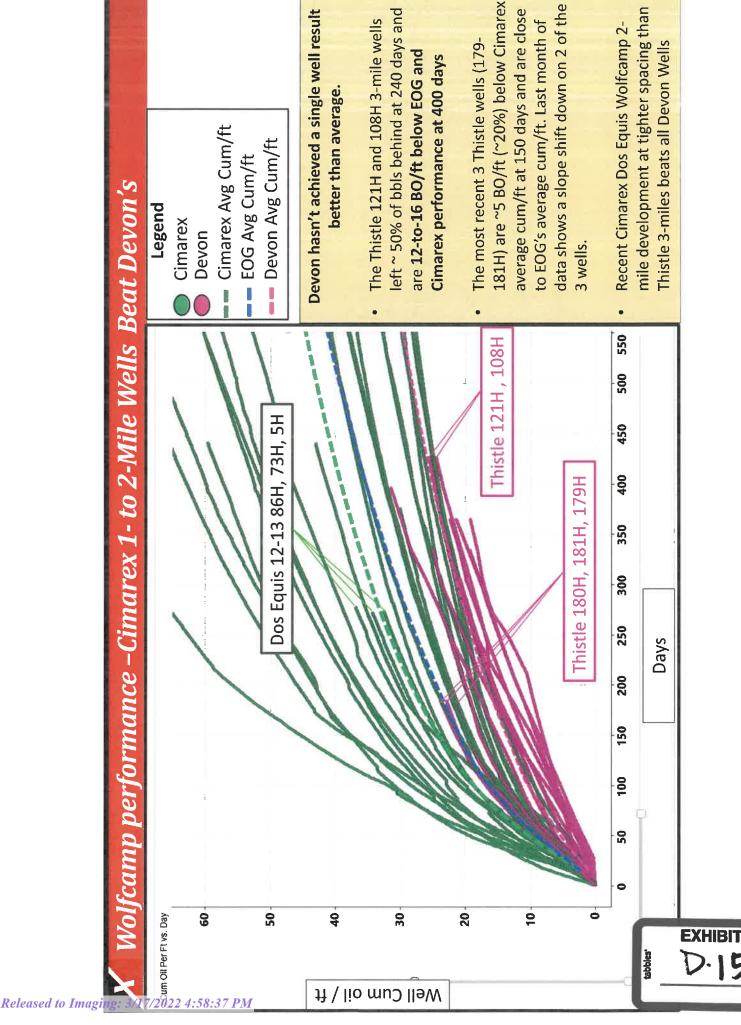
The plot compares Devon's average of 15 Lea County producing 2.5 and 3-mile Wolfcamp extended lateral wells >12,000 ft vs. proven 1 to 2 mile Wolfcamp development. Note: Well EUR and profitability increase on graph with steeper lines moving up and to the left on this plot.

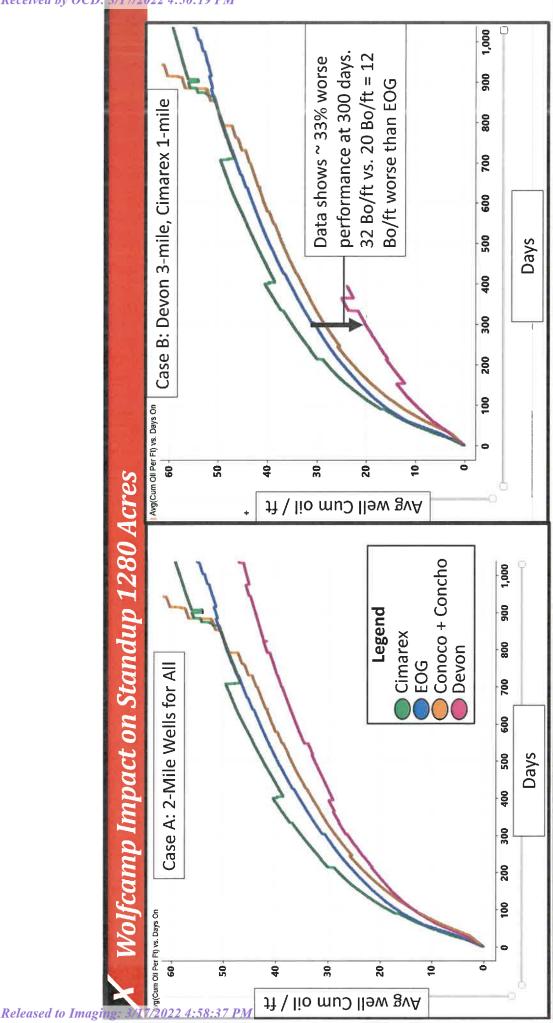
- Cimarex on average is best/ft
- On a cum/ft basis Devon's Wolfcamp wells longer than 2 miles are ~33% worse on average/ft than EOG benchmark shown in blue. Devon's Wolfcamp wells take a year to equal what Cimarex Wolfcamp wells make per foot in the first 4 months.

Remaining unknowns:

 Short long lateral production history in Lea County means long term deliverability of 2.5-miles and 3-mile
 Wolfcamp wells in this area is unproven.







Case A: 9500' was used for 2 x 2 mile wells = 19,000' total completion across the 1280 / well slot. EOG's profile assumed for both Cimarex and Methodology: EOG's profile used for comparison for a statistically significant Wolfcamp type curve. Devon

Case B: 15000' was used for 3 mile wells. Cimarex 1 mile well ranks lower for Capital than Cimarex 2 mile inventory and is deferred to 2029 spud.

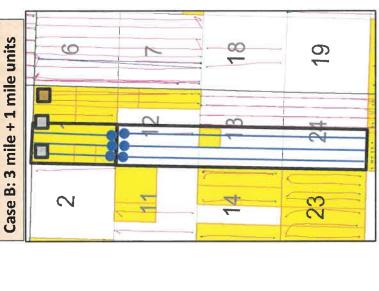


Cimarex Proposal Would Maximize Barrels Developed within the Next 5 Years

Case A: 2 x 2 mile units

9

2



ile units	9			19
Case B: 3 mile + 1 mile units		7	, , , , , , , , , , , , , , , , , , ,	Š.
Case B: 3	7	2 2	4	23

200

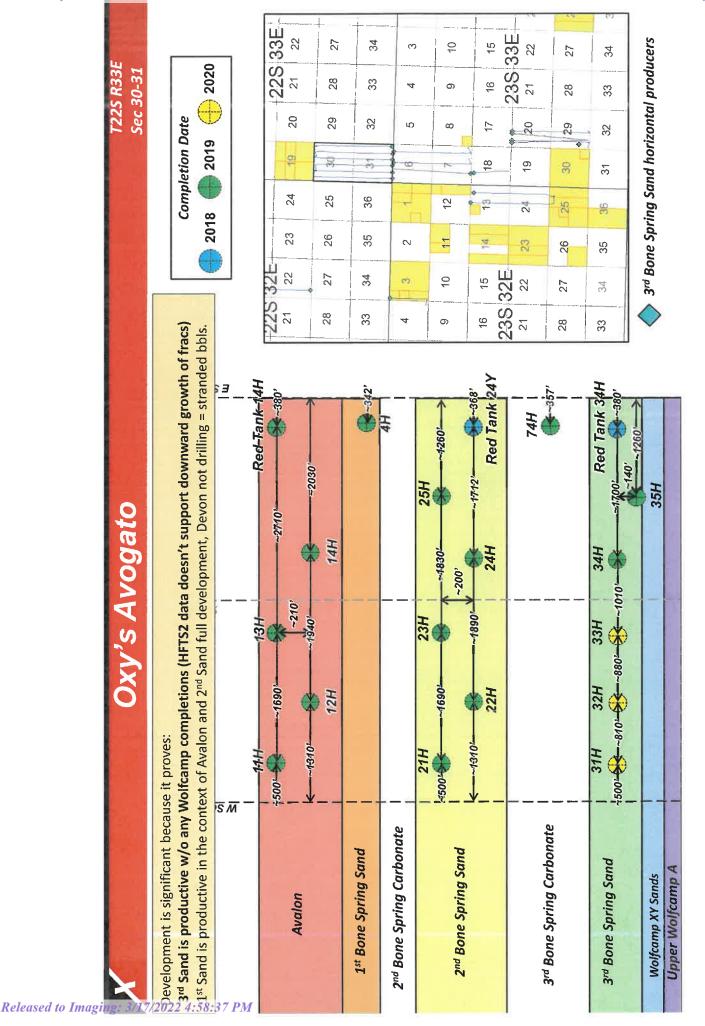
0

	₹ _	0	٥	
/olfcamp	Delta Royal @ \$60/bb flat	\$12,320,000	\$17,480,00	
\$ / well Delta \$ Full Wolfcamp	Delta Royalty @ Delta Revenue at \$60/bbl flat @ \$60/bbl flat flat	\$73,920,000	\$104,880,000 \$17,480,000	
	Delta Royalty @ \$60/bbl flat	\$3,080,000	\$4,370,000	
	Delta Revenue at \$60/bbl flat	\$18,480,000	437,000 \$26,220,000	
	bbl Delta (A-B)	308,000	437,000	
\$ / well	Case B: cum oil Devon 3 mile development of 960	300,000	570,000	
	Case A: cum oil with 2 mile development of Standup 1280	608,000	1,007,000	
	days	300	1000	

maximize barrels developed within the 1 mile Wolfcamp is deferred to 2029 from 2023 vs. our 2 mile inventory next 5 years for all stake holders. Case A Cimarex proposal would



Appendix



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KELSI HENRIQUES

6000 Choctaw Ct • Midland, TX 79705 • 405-301-0977 • kelsihenriques@gmail.com

Experience

Cimarex Energy Co.

November 2020 - Present Landman

- Worked Delaware Basin Assets in Southern Lea County.
- Analyzed trades and worked to negotiate and close acreage trades between companies.
- Reviewing well proposals and working to come to an agreement with other operators on proposed operations.
- Preparing wells to drill by reviewing title, negotiating term assignments, prepping operating agreements and calculating working interests for he proposed projects.

Concho Resources

Landman II October 2018 - October 2020

- Managed roughly 40,000 Gross Acres in the Southern Midland Basin.
- Maintained obligations from leases with continuous development clauses as well as insured that all leases are maintained by current production.
- Assisted the asset team to plan to drill new wells and in two year have contributed to the drilling of roughly 150 new wells and have prepared projects for another 50 for the coming years.
- Negotiated numerous contracts including but not limited to operating agreements, production sharing agreements, leases, well data collection agreements, and data trade agreements.
- Assisted in acquiring various Mineral/Working Interest in "bolt" on areas to expand core asset development.
- Managed a team of brokers and title attorneys.
- Calculated Working Interests, Net Revenue Interests, Overriding Royalty Interests, Non Participating Royalty Interests, etc. to be in line with title opinions and various contractual agreements and longer lateral wells.
- Worked closely with the surface landman to facilitate drilling operations.
- Negotiated leases with mineral owners for favorable terms for both parties.
- Drilled multiple types of wells from allocation, lease, unit, and PSA and curated documents to be in line with each type of well.

Tune 2017 - October 2018 Landman I

- Participated in rotation program in Division Orders and Lease Departments.
- Analyzed oil and gas documents such as leases, operating agreements, production sharing agreements and inputted said documents into internal databases.
- Set up Division Orders, Joint Interest Billing and Revenue Decks while chaining out title.
- Worked on Asset Team starting January 1, 2018.
- Title Research, Reviewed title opinions, Cured requirements for both drilling and division order requirements.
- Conducted prospect reviews to confirm acreage, agreements in place, and interests for both surface and mineral.

Summer 2014, 2015, 2016 Land Intern

- Worked in Lease Records in 2014 and Division Orders in 2015.
- Summer of 2016 worked Eddy County, New Mexico.

Triple Crown Energy, LLC

Land Intern September 2014 - May 2015

- Searched to find contact information of mineral owners.
- Negotiated with mineral owners to buy mineral rights.
- Created Offer Letters, Termination Notices and other legal documents used in buying minerals.
- Managed small projects regarding leases, joint operating agreements, assignments, etc.

Education & Certifications

American Association of Professional Landmen

Registered Professional Landman - Achieved in December 2019

Texas Tech University, August 2019 - Present

- Current Student in the MBA Program.
- GPA: 4.0

The University of Tulsa, August 2013 to May 2017

- Major: Energy Management, double concentration of Upstream and Midstream
- Minor: Finance
- GPA: 3.56, Cum Laude



Key Skills

- Staff Development & Training
- Ability to catch on to new material quickly and create informed decisions
- Adaptable to ever changing environments.
- Proficient in land related programs:
 P2, Quorum, Enertia, Drilling Info,
 ArcMap
- High level analytical skills and ability to problem solve
- Excellent team player with strong numerical and communication skills
- Superb leadership, interpersonal and planning abilities
- Detail oriented with a strong ability to lead, mentor and train staff.

Jennifer A. Blake

<u>iennyblake413@gmail.com</u> (281) 639-4419 • 3217 Elma Dr. • Midland, TX 79707

SUMMARY

Self-motivated petroleum geologist currently working for Cimarex Energy in the Permian Basin. Technical background includes deepwater depositional processes and geologic reservoir characterization of unconventional reservoirs. Enjoys working on a highly-collaborative team of geoscientists and engineers to efficiently plan and develop high rate-of-return projects.

WORK EXPERIENCE

Coterra Energy Inc. (formerly Cimarex Energy Co.) (Geologist) Midland, TX

June 2020 - Present

- Collaborate within a team of geoscientists and engineers to plan executable, multi-section horizontal drilling development plans; determine optimal landing zones and well spacing
- Coordinate with regulatory, engineers, land, and surveyors to plan pad locations and obtain drilling permits
- Generate pre-drill geological prognoses; identify drilling hazards and important casing points
- Lead pre-spud meetings with geoscientists, geosteerers, and engineers to verify drilling plans and discuss stratigraphic complexities and potential drilling hazards (e.g. faults, chert)
- Review daily drilling operations; communicate regularly with mudloggers and geosteerers to ensure drilling plans are correctly executed
- Create regional maps and cross-sections to reconstruct depositional history and to better understand geologic controls on production; de-risk and optimize target zones
- Build inventory by identifying additional landing zones through geological and petrophysical evaluation; analyze relevant offset production data, if available
- Aided in the creation of a salinity model across the Delaware Basin to improve petrophysical model (i.e. refine water saturation calculations)
- Continue to incorporate new maturity data into thermal maturity model that was created during prior internships

Coterra Energy Inc. (formerly Cimarex Energy Co.) (Summer Intern) Midland, TX; (Part-time) Denver, CO

May 2019 - May 2020

- Created a 3D thermal maturity model for the Delaware Basin using Petra and Kingdom
- Utilized a new, innovative approach to create maturity with depth curves; tested the model against production data (IP180 GOR) to determine its accuracy
- Expanded thermal maturity model from the Delaware Basin to the entire Permian Basin as a part-time intern in Denver, CO

Antero Resources Corporation (Summer Intern) Denver, CO

May 2018 - August 2018

- New Ventures study focused on the emerging Knox play in central Ohio
- Studied the depositional history of the Cambrian/Ordovician Knox; reconstructed basin history to define stratigraphic and structural trapping mechanisms; defined limits of the play using geologic software (Petra) and petrophysical analysis

EDUCATION

Colorado School of Mines, Golden, CO

January 2018 - May 2020

GPA: 4.0

Thesis: Geologic Reservoir Characterization of the Avalon Shale and 1st Bone Spring Formation in the Southern Delaware Basin

Texas A&M University, College Station, TX BS Geology, Minor Meteorology

MS Geology; Advisor: Dr. Steve Sonnenberg

August 2013 – August 2016

Overall GPA: 3.96, Geology GPA: 4.0

SKILLS & RELEVANT INDUSTRY COURSES

- Petra, Kingdom Suite, StarSteer, Microsoft Office, Adobe
- The Petroleum System in Unconventional Exploration & Production: Geology, Geochemistry and Basin Modeling – Andy Pepper, Nautilus Training Alliance

May 2021

Petrophysics of Unconventional Reservoirs – The Discovery Group

August 2018

Basic Openhole Log Interpretation – The Discovery Group

July 2018

ORGANIZATIONS & ACHIEVEMENTS

- Colorado School of Mines AAPG Student Chapter Secretary
- AAPG Imperial Barrel Award Program 2018 2nd Place at Regionals

E.2

May 2018 - May 2019

Eddie Behm

Cimarex Energy Co. Reservoir Engineer, Lea County NM 4502 Green Tree Blvd. Midland TX, 79707

Cell# 661-204-3805 email: eddie.behm@cimarex.com

Education:

- BS in Petroleum engineering from the University of Tulsa, 2009-2011, Magna Cum Laude
- Pursuit of Civil engineering degree from UT Austin, 2002-2006

Awards:

- Top ranked employee at Cimarex and Oxy
- Professor selected PE engineering graduate of the year class of 2011

Skills:

10 years planning and executing complex multivariate projects over long time horizons in asset management teams. New well design, spacing and completions, horizontal and vertical multi-stage fracs, competitor analysis, working over 10 to 70 year old wells, multi-zone injector conformance control, primary and waterflood surveillance, primary and waterflood expansion, debottlenecking and optimizing facilities, beam, PCP, and gas lift, economic cash flow analysis/ sensitivities, mentoring early career engineers, proven history of finding and delineating ideas to grow inventory.

Experience:

Reservoir Engineer, Cimarex Energy Co. Lea county NM (February 2019 to present)

- Responsible for multiyear development planning, permitting, and execution of new wells in tier
 1 company acreage position moving Cimarex Lea County assets from primarily the testing
 delineation phase to predominantly development phase with 1 to 2 rigs/year of activity.
- Evaluating participation, farm outs, sales, and trades in Lea County NM.
- Tying competitor results, geology, spacing, completion, lift and landing together

Production Engineer, Cimarex Energy Co. Lea County NM (June 2017 to February 2019)

- Responsible for, Flowback, lift, workovers, chemical, disposal, planning new wells and optimizing production with pumpers and foreman.
- Worked with facilities department to successfully move to bulk gathering from flow lines / well.
- Designed and evaluated first large 3rd party Cimarex deal for SWD to provide up to 140,000 bbls/day disposal and makeup frac water for Red Tank and Red Hills development area.
- Designed and evaluated first two 3rd party Gas LP take away HP gas buy back deals for Red Tank and Red Hills development area.



Asset Development Staff and Senior Reservoir Engineer for Oxy Vintage (Oct 2013 to June 2017)

- Designing / implementing Mt. Poso heavy oil waterflood in Pyramid Hill
- Planned, began, and managed full field expansion with pattern surveillance and optimization.
- Successfully targeted bypassed Vedder attic oil with 300' laterals targeting mini reservoir highs
 where mobile oil had re accumulated due to aquifer influx after Shell abandoned the Vedder
 steam flood in the 80's. Successfully executed 5 reactivations and >30 new drills in 75% RF Darcy
 rock to offset pattern fill up time with high oil IP wells and provide hot make up water for up
 hole Pyramid Hill water flood to increase 18 API oil mobility and maintain hot plate effect.

Asset Development Team Staff Prod/Ops engineer for Oxy Elk hills (May 2011 to Nov 2013)

- Identifying, writing, and executing programs for new drills, workovers, waterflood patterns, idle
 well reactivations, fracing tight shaly sands, managing 45 injectors with Spotfire pattern
 surveillance tool, and designing implementing beginning of 120 pattern expansion.
- Increased waterflood production from 400 to 1400 BOPD peak in a year with surface and down hole work taking Buena Vista from appraisal drilling to a 5 year \$300MM EOR development plan
- Partnered with simulation to optimize near term expansion for ~15% anticipated production improvement and ~30% NPV gain
- Designed, tracked, and Implemented a 130 well pumping unit upsize and reactivation project driven by historic price crashes and acquisition dates

Reservoir Engineering Intern, full and part time for Oxy Elk Hills. (May 2010 to April 2011)

- Summer internship evaluating potential waterflood expansion where I learned to work with geologists, production, reservoir, drilling, surface ops, down hole ops, company experts, and JV partner Chevron.
- Successfully Designed, evaluated, and pitched a 2 phase 10 pattern flood expansion to Oxy and Chevron
- Continued internship part time identifying low pressure gathering system, stimulation, return to production candidates, and effects of completion type and mud system on production.

Assistant Bar Manager of "The Hole in the Wall" in Austin Texas (May 2007- January 2009)

• managed staff of 15, kept books, liquor and beer ordering for 3 full bars, attempted buy out, and designed and implemented strategy to save a failing business. Increased profit from -\$8K/mo. to \$35K/mo. over a 6 month period with manager and staff.