### **CASE NO. 23088**

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

### **EXHIBIT LIST**

- 1. Pooling Checklist
- 2. Landman's Affidavit
  - 2-A: Land Plat and C-102
  - 2-B: Ownership List
  - 2-C: Summary of Contacts and Proposal Letter
  - 2-D: AFE
- 3. Geologist's Affidavit
  - 3-A: Structure Map
  - 3-B: Gross Isopach
  - 3-C: Cross-Section
  - 3-D: Wine Rack
  - 3-E: Horizontal Drilling Plan
- 4. Affidavit of Mailing
  - 4-A: Notice List
  - 4-B: Notice Letter
  - 4-C: Notice Letter
- 5. Certified Notice Spreadsheet
- 6. Affidavit of Publication
- 7. Application and Proposed Notice

COMPULSORY POOLING APPLICATION CHECKLIST						
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS						
Case: 23088	APPLICANT'S RESPONSE					
Date: November 2, 2023						
Applicant	Cimarex Energy Co.					
Designated Operator & OGRID (affiliation if applicable)	Cimarex Energy Co./OGRID 215099					
Applicant's Counsel:	James Bruce					
Case Title:	Application of Cimarex Energy Co. for Compulsory Pooling, etc., Eddy County, New Mexico					
Entries of	Chevron U.S.A. Inc./Holland and Hart LLP					
Appearance/Intervenors:	MRC Permian Co./Kyle Perkins					
Well Family	White City Bone Spring wells					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Bone Spring					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	Limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M.					
Pool Name and Pool Code:	Cotton Draw; Bone Spring/Pool Code 13367					
Well Location Setback Rules:	Statewide RuleS					
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	320 acres					
Building Blocks:	40 acres					
Orientation:	North-South					
Description: TRS/County	County W/2W/2 §8 and W/2W/2 §17, Township 25 South, Range 27 East, NMPM, Eddy County					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-	Yes					
standard unit requested in this application?	EXHIBIT /					

Other Situations	
Depth Severance: Y/N. If yes, description	Not in zone being pooled
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	Add wells as needed
Well #1	White City 8-17 Fed. Com. Well No. 2H API No. 30-015-Pending SHL: 390 FNL & 2360 FWL §8 BHL: 100 FSL & 792 FWL §17 FTP: 100 FNL & 792 FWL §8 LTP: 100 FSL & 792 FWL §17 Bone Spring/TVD 8050 feet/MD feet
Well #2	
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision	
Costs	Exhibit 2, page 2
Requested Risk Charge	Cost plus 200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 7
Proof of Mailed Notice of	
Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 6

Ownership Determination	
Land Ownership Schematic of	
the Spacing Unit	Exhibit 2-B
Tract List (including lease	
numbers and owners)	Exhibit 2-B
If approval of Non-Standard	
Spacing Unit is requested, Tract	
List (including lease numbers	
and owners) of Tracts subject to	
notice requirements.	
Pooled Parties (including	
ownership type)	Exhibit 2-B; Working Interest Owners
Unlocatable Parties to be Pooled	Yes
Ownership Depth Severance	
(including percentage above &	
below)	
Delow)	
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e.	
Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with	
Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal	
Letter	
Cost Estimate to Drill and	
Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production	
Facilities	Exhibit 2-D
Saalami	
Geology	
Summary (including special	Fullilla 2
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibits 2-A and 3-A
Gunbarrel/Lateral Trajectory Schematic	
Well Orientation (with	Exhibit 3-B
rationale)	North South, Exhibite 2 A and 2
Target Formation	North-South; Exhibits 2-A and 3
HSU Cross Section	Harkey zone of the Bone Spring formation
	Exhibit 3-C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A

Tracts	Exhibit 2-B
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits 2-B
General Location Map (including	
basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea	
Depth	Exhibit 3-A
Cross Section Location Map	
(including wells)	Exhibits 3-A and 3-B
Cross Section (including Landing	
Zone)	Exhibit 3-C
Additional Information	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify</b>	
that the information provided	
in this checklist is complete and	
accurate.	
<b>Printed Name</b> (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party	James Burce
Representative):	Lalues Durce
Date:	October 31, 2023

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

EXHIBIT 2

APPLICATION OF CIMAREX ENERGY CO. FOR COMPULSORYPOOLING, EDDY COUNTY, NEW MEXICO.

Case No. 23088

### SELF-AFFIRMED STATEMENT OF PAT GRAY

Pat Gray deposes and states:

1. I am a landman for Cimarex Energy Co. ("Cimarex"), and I have personal knowledge of the matters stated herein. I have not been qualified by the Division as an expert petroleum landman. My educational and employment background is as follows:

B.A., Political Science University of Texas, Permian Basin 2001 Doctor of Jurisprudence Texas Tech University School of Law 2005 Landman Doug Ferguson August 2006 - Feb 2009 Associate Attorney Canon & Sumner, P.C. Feb 2009 - Sept 2013 PTRRC Agent ConocoPhillips Company Sept 2013 - Jan 2017 Staff Landman Callon Petroleum Jan 2017 - May 2023 Senior Landman Cimarex Energy Co. May 2023 - Current

- 2. Pursuant to Division Rules, the following information is submitted in support of thisapplication.
- 3. The purpose of this application is to pool working interest owners into the Bone Springhorizontal spacing unit described below, and in wells to be drilled in the unit. No opposition is expected.
- 4. In this case Cimarex seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 8 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17 Fed. Com. Well No. 2H, with a first take point in the NW/4NW/4 of Section 8 and a last take point in the SW/4SW/4 of Section 17. Applicant also requests approval

of the proposed well unit overlapping the well units for the following wells, and to allow two operators in the well unit:

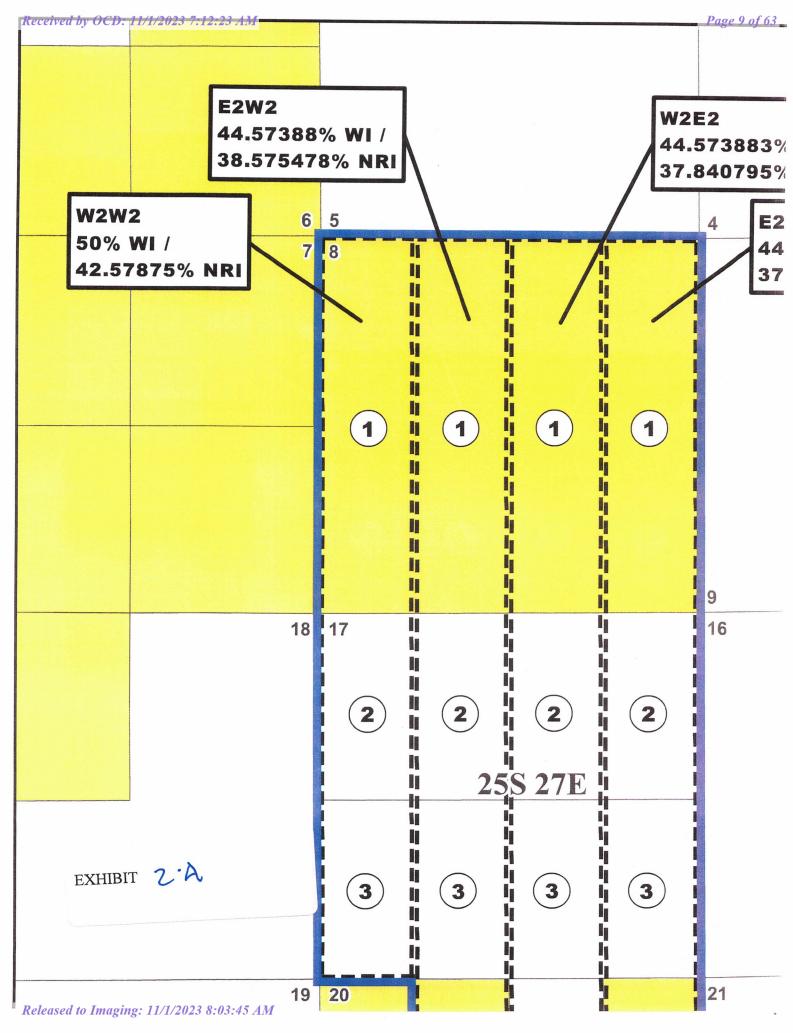
Well	Well unit	<u>Operator</u>
White City 8 Fed. Well No. 2H	W/2W/2 §8	Cimarex Energy Co.
Hayhurst 17 Fed. Well No. 1H	W/2W/2 §17	Chevron U.S.A. Inc.

- 5. There is no depth severance in the Bone Spring zone being pooled.
- 6. A plat showing the well unit is submitted as Exhibit 2-12. A Form C-102 for the well is also part of Exhibit 2-A.
- 7. The tracts in the unit and the interest owners are set forth in Exhibit 2-B. The persons being pooled are also identified in the exhibit.
- 8. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well.
- 9. In order to locate the interest owners, Cimarex examined the county and federal records, performed internet searches, and checked telephone record. The names and addresses were supplied to Cimarex's attorney for notice purposes.
- 10. Exhibit 2-C contains a sample copy of the proposal letter sent to the interest owners being pooled. It also contains a summary of communications with the locatable parties. Cimarex has made a good faith effort to locate and obtain the voluntary joinder of the working interest owners in the proposed wells. An updated AFE has also been sent to the interest owners.
- 11. Exhibit 2-D is the Authorization for Expenditure for the proposed well. The estimated costs of the well set forth therein are fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Eddy County.
- 12. Cimarex requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the proposed Joint Operating Agreement for the well unit. Cimarex requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 13. Cimarex requests that the maximum cost plus 200% risk charge be assessed against a non-consenting working interest owner.
  - 14. Cimarex requests that it be designated operator of the well.
- 15. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

Granting this application is in the interests of conservation and the prevention of 16. waste.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 16 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 10/31/2023



District I (452 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, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fc, NM 87505 Phone: (505) 476-3460 Fax: (503) 476-3462

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

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

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-	13367 Pool Code	Cotton Draw; Bone Spring		
4 Property Code		5 Property Name WHITE CITY 8-17≇ FEDERAL COM		
<sup>7</sup> OGRID No. 215099		Operator Name REX ENERGY CO.	9 Elevation 3324.4'	

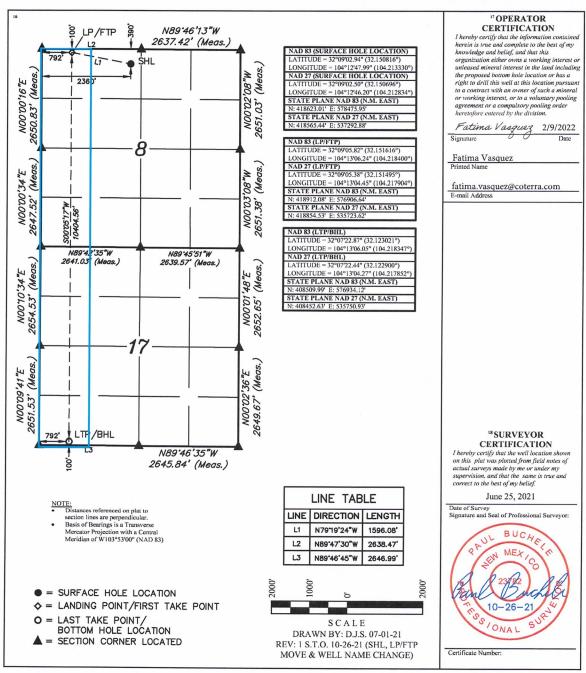
Surface Location

UL or lot no.	Section 8	Township 25S	Range 27E	Lot Idn	Feet from the 390	North/South line NORTH	Feet from the 2360	East/West line WEST	County EDDY

"Bottom Hole Location If Different From Surface

UL or lot no. M	Section 17	Township 25S	Range 27E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 792	East/West line WEST	County EDDY
12 Dedicated Acre 320	es 1	<sup>3</sup> Joint or Infill	14 Conse	olidation Code	15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Blended Ownership W2W2 of Sections 8, 17 & 20, T2SS-R27E, Eddy County, NM Limited to the Bone Spring Formation

Tract Factor	0.50000000	0.25000000	0.25000000		000000000	
Gross Acres Tra	H	t	+		320.00000000 1.0	
Depth Limitation	0' to 12,405'	Above top Wolfcamp	Above top Wolfcamp		Totals:	
Legal	W2W2	WZNW	W2SW			
Sec.	8	17	17			
Rng.	R27E	R27E	R27E			
Twn.	T25S	T25S	T25S			
Tract	1	2	3			

	e botton		usidered			RIT		0			6			6				_
	nitations at the		should be con			Total Unit N	0.42578750	0.43110000	0.43750000		000000000	0.00000000	0.00000000	0.00000000	0.00000000			0.86328750
	***See Comments & Limitations at the botton		Interests set out herein should be considered			Unit NRI   Unit ORRI/RI   Total Unit WI Total Unit NRI	0.50000000		0.50000000		0.00000000	0.00000000	0.00000000	0.00000000	0.00000000			1.00000000
	***See		Intere			Unit ORRI/RI	0.00531250		0.000000000	0.00000000	0.00125000	0.00125000	0.00250000	0.00125000	0.06250000	0.03125000	0.03125000	0.13656250
						Unit NRI	0.42578750	1	0.21875000	0.21875000	0.00000000		0.000000000	0.00000000	0.00000000	0.00000000	0.000000000	0.86328750
						Unit WI	0.50000000		0.25000000	0.25000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	1.000000000
0.50000000	0.25000000	0.25000000			1.000000000	Tract	1		2	3	-	-	-	-	1	2	3	TOTALS:
160.0000000 0.50000000	80.00000000	80.00000000			320.00000000	Tract ORRI/RI	0.01062500		0.00000000	0.00000000	0.00250000	0.00250000	0.00500000	0.00250000	0.12500000	0.12500000	0.12500000	
0.10 12,405	Above top Wolfcamp	Above top Wolfcamp			Totals:	Tract NRI	0.85157500		0.87500000	0.87500000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	
WZWZ	W2NW	W2SW				Tract WI	1.00000000		1.00000000	1.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	
0	17	17					Ste. 600					/		00				
TATA	R27E	R27E				Address	600 N. Marienfeld St., Ste. (		1400 Smith Street	1400 Smith Street	3150 McMasters Rd.	c/o Samuel H. Jolliffe V	P.O. Box 4	15 East 5th St., Ste. 3200	301 Dinosaur Trail	301 Dinosaur Trail	301 Dinosaur Trail	
0071	T25S	T25S											3	LLC	rica	rica	rica	
	2	3				Owner	Cimarex Energy Co.		Chevron USA Inc.	Chevron USA Inc.	Sam H. Jolliffe IV	Teresa H. Jolliffe	Westall Oil & Gas, LLC	Allegro Royalty Pool LLC	United States of America	United States of America	United States of America	

Total Unit ORRI/RI

1.00000000 0.86328750

2-13 EXHIBIT

### Timeline of Contact with Working Interest Owners

### White City 8-17-20 Fed Com Wells

Landman: Pat Gray

### **All Working Interest Owners:**

- Proposal to Drill letter sent on June 1, 2021 outlining the proposed operations of the White City
   8-17-20 Fed Com 15H and 16H. JOA and AFE included with well proposal packet.
- Update Letter Proposal to Drill letter sent on June 17, 2021 to correct some scriveners errors related to the legal description set out in the body of the letter.
- Cimarex makes application for Compulsory Pooling on August 10, 2021 on the White City 8-17-20 Fed Com 15H and 16H wells.
- Cimarex makes application for Compulsory Pooling on October 19, 2021 on the White City 8-17-20 Fed Com 15H and 16H wells. This is required by the OCD in order to denote the overlapping spacing units within the proposed spacing units.
- Cimarex makes application for Compulsory Pooling on March 8, 2022 on the White City 8-17-20
   Fed Com 15H and 16H wells. This is required by the OCD in order to denote the overlapping spacing units within the proposed spacing units.
- Cimarex makes application for Compulsory Pooling on January 4, 2022 on the White City 8-17-20 Fed Com 1H and 2H wells.
- Cimarex makes application for Compulsory Pooling on March 8, 2022 on the White City 8-17-20
   Fed Com 1H and 2H wells. This is required by the OCD in order to denote the overlapping spacing units within the proposed spacing units.
- Updated AFE's letter sent on July 19, 2022 to update estimated costs from the previously proposed operations.
- Updated AFE TVD letter sent on July 21, 2022 to advise of discrepancy between AFE footages for the TVD of the 15H and 16H. AFE reflected 7,950 for each well; accurate information for the 15H is 8,098 and 16H is 8,083.
- Letter sent on October 27, 2023 to advise of update to Uncontested Hearing as well as notice that updated AFE and election to participate will be sent soon.

### Premier Oil & Gas, Inc.:

- Email from Ken Jones on June 22, 2021 advising of receipt of the White City 8-17-20 Fed Com 15H and 16H well proposals. Mr. Jones inquired if we had these wells on the drill schedule yet to which I replied on June 23, 2021 that we in fact had them slated for spud in December 2021.
- Email from Ken Jones on June 28, 2021 regarding the proposed JOAs and how Premier's interest was calculated in both W/2 and E/2 Contract Areas. We worked to address his concerns and adjust the calculation to match the correct figure for all affected parties.
- Email from Ken Jones on June 30, 2021 that served as an election to participate in the wells in question. I posed the question about signing the JOA and we set a time to discuss.

EXHIBIT 2-C

- Email from Ken Jones on August 18, 2021 inquiring on the status of Chevron's execution of the
  proposed JOA. I advised that Chevron had not executed the JOA and that we planned to file for
  pooling the coming weeks with an expected spud date of March 2022.
- Email chain beginning on October 14, 2021 regarding multiple issues surrounding the hearing dates for the wells in question and the status of any continuances.
- Email chain beginning on November 18, 2021 with Ken Jones to furnish the proposed JOA for the wells in question and discuss next steps for these proposals. The outcome of these conversations on November 30, 2021 ended with Premier's stance to abstain from taking a side on the Operatorship issue and let the OCD decide if Coterra or Chevron should Operate the lands in question.
- Email from Ken Jones on February 18, 2022 advising of his current mailing address.
- Email from Ken Jones on July 19, 2022 requesting a copy of the proposed JOA for the wells in question. Copies sent via email that day.
- Email to Ken Jones on July 25, 2022 to make Premier aware of the Updated AFE's letter and
  Updated AFE TVD letters that were sent by Certified Mail. In addition, Ken was notified of two
  errors related to the naming convention of the "White City 8-17-20 Fed Com 2H" was
  inadvertently referred to as the "White City 8-17 Fed Com 2H" and the TMD on the AFE for the 2H
  well needing to be revised to 18,841".
- Email correspondence with Ken Jones on October 26, 2023 to provide an update on development and check on the status of the JOA. Sent E/2 JOA and he indicated they would not be contesting.

### MRC Permian Company and MRC Permian LKE Company, LLC ('Matador'):

- Email chain beginning on September 16, 2021 and concluding on June 6, 2022 from David
  Johnsregarding a trade proposal in which MRC would trade out of all of their interest within the
  wells in question. No trade resolution has been reached between Matador and Cimarex at this
  time.
- Matador has not formally objected to or supported our plan of development.
- Email correspondence with Reece Clarkn on October 26, 2023 to provide an update on development and check on their intention or desire for a JOA. He is forwarding to David Johns.

### Chevron:

- Email from myself to Bennett Massie on June 17, 2021 inquiring to the status of receipt of the White City 8-17-20 Fed Com 15H and 16H well proposals. Mr. Massie advised that he had not received them as of yet and requested that we send over new copies. Copies of the Well proposals and JOA were sent to Mr. Bennett the same day.
- Email from Bennett Massie on June 21, 2021 requesting technical related questions regarding
  the development we are proposing the in the White City 8-17-20 Fed Com 15H and 16H wells.
  Mr. Bennett's email was forwarded to my technical team for their review. Jacob Kremers,
  Cimarex Reservoir Engineer responded to this request on June 21, 2021.
- Email from Bennett Massie on September 1, 2021 in which Chevron proposed a trade of all of Cimarex's Wolfcamp ownership in the N/2 of Section 17, 25S, 27E for all of Chevron's Bone Spring interest within the same tract. Mr. Bennett also advised that Chevron planned to seek a

- continuance of our pooling status conferenceset for September 9, 2021 to evaluate the trade offer received from Chevron. Cimarex agreed to the continuance.
- Status conference on October 21, 2021 while trade proposals are evaluated by Cimarex and Chevron.
- Email from Chris Cooper in which Chevron proposes the Wildcatter 17 Fed Com 47 1H,
   Wildcatter 17 20 Fed Com 47 2H, Wildcatter 17 20 Fed Com 47 3H, Wildcatter 17 20 Fed Com 47 4H wells on November 4, 2021.
- Trade negotiations are on-going with Robert Endicott at Chevron before and after the proposals and subsequent notice letters are received. Mr. Endicott leaves the trade negotiations in October 2021. Mr. Endicott advises that Chris Cooper will be taking over trade negotiations and this area in general for Chevron.
- Chevron sends two separate update letters regarding the SHL and BHL of the Wildcatter wells on November 18, 2021 and December 2, 2021.
- Chevron sends a Notice of Overlapping Spacing Units letter on April 21, 2022 regarding the Wildcatter wells in which all Bone Spring wells within Section 20, 25S, 27E are listed. In addition, Chevron advises that they plan to drill all four (4) Wildcatter wells from a single pad in Section 20, instead of two (2) pads in Section 17.
- Chevron send a Notice of Overlapping Spacing Units letter on May 5, 2022 regarding the
  Wildcatter wells in which all Bone Spring wells within Section 20, 25S, 27E are listed. In addition,
  Chevron advises that they plan to drill all four (4) Wildcatter wells from a single pad in Section
  20, instead of two (2) pads in Section 17.
- Cimarex and Chevron exchange multiple trade options with one another from November 2021 to May 2022. Chris Cooper is the main point of contact and I am the main point of contact for Cimarex.
- Chris Cooper leaves the trade negotiations on or around May 5, 2022 when Cimarex is advised Gregg Pazer will take over negotiations.
- Email correspondence with Gregg Pazer from May 5, 2022 to June 28, 2022 regarding trade negotiations between Cimarex and Chevron. A trade resolution was never reached.
- Email correspondence to Scott Sabrsula from July 20, 2022 to July 25, 2022 inquiring if Chevron has any questions around the development plans for the subject wells.
- Email correspondence between Gregg Pazer of Chevron and Will Sirgo and Dylan Park of Coterra from May 30, 2023 to June 20, 2023 discussing potential trade opportunities to alleviate the need for the contested hearings.
- Email correspondence between Gregg Pazer of Chevron and Will Sirgo and Dylan Park of Coterra from June 30, 2023 agreeing to a trade that would alleviate the need for contested hearings.
- Email correspondence between Gregg Pazer of Chevron and Will Sirgo and Dylan Park of Coterra from July 10, 2023 wherein Chevron agrees to drop their protest of Coterra's Bone Spring Cases and Coterra agrees to drop their protest of Chevron's Wolfcamp cases.
- Email correspondence between Gregg Pazer of Chevron and Pat Gray of Coterra from October 26, 2023 discussing Chevron entering into Coterra's Bone Spring JOA

### Parties Agreeing to Lease to Cimarex:

- The Beveridge Company
- Zia Royalty, LLC

Carmex, Inc.

Cimarex Energy Co. 600 N. Marienfeld St. Suite 600 Midland, TX 79701

Main: 432.571.7800



October 13, 2021

Premier Oil & Gas Inc. Attn: Kenneth Jones 901 Waterfall Way, Suite 201 Richardson, TX 75080

Re:

**Proposal to Drill** 

White City 8-17-20 Fed Com 1H & 2H

W/2 of Sections 8, 17 & 20, Township 25 South, Range 27 East

**Eddy County, NM** 

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the White City 8-17-20 Fed Com wells at a legal location in Section 8, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

White City 8-17-20 Fed Com 1H - The intended surface hole location for the well is 390'FNL & 2400'FWL of Section 8, Township 25 South, Range 27 East, and the intended bottom hole location 100'FSL & 2178'FWL of Section 20, Township 25 South, Range 27 East. The well is proposed to be drilled vertically to the 3<sup>rd</sup> Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 8,050'.

White City 8-17-20 Fed Com 2H - The intended surface hole location for the well is 390'FNL & 2380'FWL of Section 8, Township 25 South, Range 27 East, and the intended bottom hole location 100'FSL & 792'FWL of Section 17, Township 25 South, Range 27 East. The well is proposed to be drilled vertically to the 3<sup>rd</sup> Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 8,050'.

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 (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the W/2 White City 8-17-20 Fed Com wells. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, 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 well.

Please call the undersigned with any questions or comments.

Respectfully,

Riley C. Morris

Riley C. Morris Sr. Landman 432.620.1966 rmorris@cimarex.com

# **ELECTION TO PARTICIPATE**White City 8-17-20 Fed Com 1H

	Premier Oil & Gas Inc. elects <b>TO</b> participate in the proposed White City 8-17-20 Fed Com 1H well.
	Premier Oil & Gas Inc. elects <b>NOT</b> to participate in the proposed White City 8-17-20 Fed Com 1H well.
Dated this day	of, 2021.
Signature:	· · · · · · · · · · · · · · · · · · ·
Title:	
If your election above	e is TO participate in the proposed White City 8-17-20 Fed Com 1H well, then:
	Premier Oil & Gas Inc. elects <b>TO</b> be covered by well control insurance procured by Cimarex Energy Co.
	Premier Oil & Gas Inc. elects <b>NOT</b> 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 <b>or</b> be deemed to have elected to be covered by well control insurance procured by Cimarex Energy Co.

D. 11/1/2023 /	• 12 AMPLIANTE DIT	illing		AIL # 02002201
Company Entity  CIMAREX ENERGY CO (	999901)			Date Prepared 10/31/2023
Exploration Region PERMIAN BASIN	Well Name WHITE CITY 8-17-20 FED COM 2H	Prospect	Property Number 411354825	AFE <b>026822017</b>
County, State Eddy, NM	Location W2W2 Sections 8, 17 and 20, Township 2: Eddy County, NM	5 South, Range 27 East,	Estimated Spud 11/1/2022	Estimated Completion
X New Supplement Revision	Formation Harkey	Well Type	Ttl Measured Depth 0	Ttl Vetical Depth 8,050
Description  Drilling Drill and	omplete well  complete a 2 mile Harkey well with an 8x25'x2400 lb/i liate to 75°. 5.5"x5"tapered production long string.	ft x 45 bbl/ft frac design. 13	-3/8" water string, 9-5/8" sui	face casing, 7-5/8"
Intangible		Cost		
Drilling Costs		\$2,732,000		
Completion Cos	ts	\$5,756,125		
Total Intangible Cost		\$8,488,125		
Tangible		Cost		
Tangible		\$2,754,000		
Total Tangible Cost		\$2,754,000		
Total Well Cost		\$11,242,125		
Comments On Well Control or least	osts se equipment is priced by COPAS and CEPS guidelines	using the Historic Price Mu	ltiplier.	
Well Control Insurance				
Unless otherwise indicated Operator so long as Opera control insurance, you mu	Holow, you, as a non-operating working interest own stor conducts operations hereunder and to pay your p st provide a certificate of such insurance acceptable to mencement of drilling operations. You agree that fail	rorated share of the premiu Operator, as to form and li	ms therefore. If you elect to mits, at the time this AFE is r	purchase your own well eturned, if available, but
I elect to pur	chase my own well control insurance policy.			
Marketing Election				
Cimarex sells its gas under	arm's-length contracts with third party purchasers. Si	uch contracts may include for	ees. In addition, penalties m	ay be incurred for

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: share of actual costs incurred.	Costs shown on this form are estimates only. By executing Overhead will be charged in accordance with the Joint Ope	this AFE, the consenting party agrees to pay its proportionate rating Agreement.	10/31/2023

EXHIBIT  $\gamma$ 

310,500

14,500

119,500

500

32,500

11,242,125

214,125

310,500 14,500

119,500

500 32,500 ,261,000

1,986,000

0336.0335

0336.0336

0336.0337

0336.0338

0336.0339

5,153,000

	Dril	ling	Comp	p/Stim	Production	on Equip	Post Corr	pletion	Total
Description	Codes	Amount	Codes	Amount	Codes	Amount	Codes	Amount	Co
LAND/LEGAL/CURATIVE	0331.0002	10,000			0336.0002	0			10,00
DAMAGES	0331.0005	35,000			0336.0005	500			35,50
PAD CLEANUP	0331.0024	0	0333.0024	25,000			0334.0024	14,500	39,50
ROAD/PAD CONSTRUCTION	0331.0030	150,000			0336.0030	37,500			187,50
CONDUCTOR, MOUSE HOLE & CELLAR	0331.0031	20,000							20,00
RIG MOBILIZE/DEMOBILIZE	0331.0035	80,000							80,00
SUPERVISION	0331.0040	81,000	0333.0040	38,000	0336.0040	21,000	0334.0040	3,000	143,00
DRILLING RIG	0331.0050	630,000		50,000		2 1/000		3,000	630,00
ASING CREW	0331.0055	35,000	0333.0055	0					35,00
UBULAR INSPECTIONS	0331.0056	68,000	0333.0056	4,000			0334.0056	0	72,00
VELDING/ROUSTABOUTS/LEASE CREWS	0331.0059		0333.0059				0334.0059		
NG FUEL		38,000		0			0334.0039	15,500	53,50
	0331.0071	53,000	0333.0071	0				0	53,00
VATER & TRANSFER/TRUCKING (NOT DRLG	0331.0073	5,000	0333.0073	20,000			0334.0073	500	25,50
ORILL BITS	0331.0080	80,000							80,00
PRILLING MUD & ADDITIVES	0331,0082	343,000							343,0
DIRECTIONAL DRILLING SERVICES	0331.0090	321,000							321,00
OOWNHOLE RENTALS	0331.0095	121,000	0333.0095	45,000			0334.0095	0	166,00
URFACE RENTALS	0331.0096	140,000	0333.0096	122,000	0336.0096	2,000	0334.0096	40,900	304,9
OLIDS CONTROL EQUIP/SERVICES	0331.0097	47,000				747 (100.0)			47,0
THER RIG/MISC EXPENSES	0331.0116	5,000	0333.0116	135,000	0336.0116	25,000	0334.0116	12,000	177,0
RIMARY CEMENTING	0331.0120	180,000		133,000		23,000		12,000	180,0
VELL CONTROL EQUIP/SERVICES	0331.0120	85,000	0333.0130	122,000			0334.0130	0	
OVERHEAD	0331.0142		0333.0130	133,000	0336.0142	27,000	0334.0130	0	218,0
VELL CONTROL INSURANCE		15,000	0333.0142	0	0336.0142	37,000			52,0
	0331.0143	6,000							6,0
MUD DISPOSAL LABOR/EQUIP	0331.0165	67,000	0333.0165	53,000					120,0
ONTINGENCY - DRLG, COMP, PCOM, FAC	0331.0190	117,000	0333.0190	230,000	0336.0190	162,000	0334.0190	0	509,0
TIMULATION FLUID			0333.0083	282,000			0334.0083	0	282,0
RAC TREE RENTAL			0333.0098	60,000			0334.0098	0	60,0
LOWBACK SERVICES			0333.0102	0			0334.0102	17,800	17,8
RIDGE PLUGS/FRAC PLUGS			0333.0110	41,000			0334.0110	0	41,00
TIMULATION/FRACTURING			0333.0135	3,192,000			0334.0135	10,000	3,202,00
ERFORATING & WIRELINE SERVICES			0333.0136	277,000			0334.0136	0	277,00
OMPLETION RIG/WORKOVER RIG			0333.0150	11,000			0334.0150	0	11,00
OIL TUBING SERVICES			0333.0151				0334.0151	0	
WD - PIPED TO 3RD PARTY SWD WELL			0333.0131	171,000			0334.0172		171,0
					0225 0042		0334.0172	71,925	71,9
MECHANICAL LABOR					0336.0042	193,500			193,5
UTOMATION LABOR					0336.0043	71,000	0334.0043	6,000	77,0
PC & EXTERNAL PAINTING					0336.0106	17,000			17,0
L/GL - ON PAD LABOR					0336.0107	25,000			25,0
L/GL - LABOR					0336.0108	74,500			74,5
L/GL - SUPERVISION					0336.0109	10,500			10,50
URVEY					0336.0112	1,000			1,00
ID IN CONSTRUCT/3RD PARTY CONNECT					0336.0144	31,500			31,50
ONTINGENCY - PIPELINE					0336.0191	16,000			16,00
Total Intangible Cost		2,732,000		4,839,000		725,000		192,125	3,488,12
/ELLHEAD EQUIPMENT SURFACE	0331.0202	56,000	0333.0202	45,000	-	723,000	0334.0202		
ONDUCTOR PIPE	0331.0206		0555.02.02	43,000			0334.0202	9,000	110,00
		7,000							7,00
URFACE CASING	0331.0207	80,000							80,00
ITERMEDIATE CASING I	0331.0208	450,000							450,00
RODUCTION CSG/TIE BACK	0331.0211	508,000	0333.0211	0					508,00
UBULAR FREIGHT	0331.0212	26,000	0333.0212	0			0334.0212	500	26,50
ERMANENT DOWNHOLE EQUIPMENT	0331.0215	0	0333.0215	28,000			0334.0215	0	28,00
ATER STRING CASING	0331.0221	30,000							30,00
JBING			0333.0201	161,000			0334.0201	0	161,00
FT EQUIP (GLV,ESP,PC PUMP,RODS)			0333.0311	80,000			0334.0311	2,500	82,50
JRFACE EQUIPMENT				- 1111			0334.0203	10,000	10,00
C LEASE EQUIPMENT					0336.0303	252,000	0334.0303		
ATHERING/FLOWLINES					0336.0315		0334.0305	0	252,00
ANKS, STEPS, STAIRS						27,000	UJJ4.UJ 13	0	27,00
ETERING EQUIPMENT					0336.0317	133,500			133,50
					0336.0321	21,500			21,5
ASE AUTOMATION MATERIALS					0336.0322	73,000			73,0
ACILITY ELECTRICAL					0336.0324	165,000			165,00
RODUCTION EQUIPMENT FREIGHT					0336.0327	27,000			27,00
/GL - MATERIALS					0336.0331	18,500			18,50
HORT ORDERS					0336.0332	8,500			8,50
JMPS					0336.0333	49,000			49.00
ALKOVERS					0336.0334	8,500			
ATTERY (HTR TRTR, SEPAR, GAS T)					0336.0335	310 500			8,50

BATTERY (HTR TRTR, SEPAR, GAS T)

OVERHEAD POWER DISTR (TO FACILITY)

Total Tangible Cost **Total Estimated Cost** 

3,889,000

TELECOMMUNICATION EQUIPMENT

SECONDARY CONTAINMENTS

FACILITY LINE PIPE

Description	211	***************************************					
JANDICEARCUMATIVE			Drilling			Comp/Stim	
DAMAGES   DASI 1005   S.5000   DASI 1006		2			Codes		Amoun
BAD CLEARUP		A CONTRACTOR OF THE PARTY OF TH					
MOADPAC CONSTRUCTION							
CONDUCTOR, MOUSE HOLE RELEAR PLANS 10310035 DEC.275 20,000		A COLUMN TOWN			0333.0024	CON.100	25,000
BIR MORBIZZIONMORBIZZE   0311095   01CC 120   5TM 150   6330040   00C 180   530000   0330075   00C 180				The second second			
SUPPRINCION   03110050   DECC102   STIM.190   S10,000   0313,005   CON.180   S10,000   DECC102   S10,000   CON.180   S10,000   S11,0055   DECC105   STIM.195   S50,000   0313,005   SIM.195   S10,000   S11,005   S11,000   S11,			DICC.275				
DBILLING RIG		A contract to the contract to		80,000			
CASHING CREW  TURBULAR INSPECTIONS  WELDING/ROUSTABOUTS/LEASE CREWS  BIRE GUE  WELDING/ROUSTABOUTS/LEASE CREWS  BIRE GUE  MATER TRANSFER/TEUCKING MOT  0331 0073 DICC.115  0331 0075 DICC.125 STML170  0331 0075 DICC.125 STML170  0331 0075 DICC.125 STML170  0330 0073 0330 0073  DICC.125 STML170  DRULLING MUD & ADDITIVES  0331 0075 DICC.125 STML175  DRULLING MUD & ADDITIVES		No ASSESSMENT OF THE		81,000	0333.0040	CON.180	38,000
TIBBULAR MPRECIONS  WELDHOR/ROUSE/ADEL CRERNS  BIG FUEL  MERCENER  MATER RETARRESPET/FUECKING INOT  DISTABLE  STATUS  DISTABLE  DISTABLE  STATUS  DISTABLE  STATUS  DISTABLE  STATUS  DISTABLE  DISTABLE  DISTABLE  STATUS  DISTABLE  DIST		0331.0050	DICC.120	630,000			
MEDINARQUISTABOUTS/CLASE GERVIS  INGI GIFL  MATER TRANSFER/TRUCKING INOT  03310073 DICC.155  \$5,000  03330073  DICLIANS  \$5,000  03330073  DICLIANS  \$5,000  03330073  DICLIANS  \$5,000  03330073  DICLIANS  \$6,000  DICLIANS  DICLIANS  DICLIANS  DICLIANS  03310082 STM.125  03310083  DICLIANS  DICLI	CASING CREW	0331.0055	DICC.165 STIM.165	35,000	0333.0055		(
MICHAEL  MATER TRANSFERVITUCIONS MOST  DRILL BTS  DRILL	TUBULAR INSPECTIONS	0331.0056	STIM.160 DICC.160	68,000	0333.0056		4,000
MATER TRANSPERTEUCINE NOT DRILLIANS TRANSPERTEUCINE NOT DRILLIANS TRANSPERTEUCINE NOT DRILLIANS MAD & ADDITIVES DRILLIANS MAD & ADDITIVES DRILLIANS MAD & ADDITIVES DRILLIANS CREMENTALS 03310082 STIM-125 343,000 DOWNHICH ENRYALS 03310085 DICC.255 DICC.140 121,000 0333,0095 CON 140 12,000 0333,0095 CON 140 13,000 0333,0095 CON 140 14,000 0333,0095 CON 140 15,000 0333,0095 CON 140 15,000 0333,0015 CON 190 15,000 0333,015 CON 190 16,000 0333,015 CON 190 17,000 0333,015 CON 190 0333,015 CON 190 17,000 0333,015 CON 190 17,000 0333,015 CON 190 0333,015 CON 190 17,000 0333,015 CON 190 0333,015 CON 190 17,000 0333,015 CON 190 033,015 CON 190 0333,015 CON 190	WELDING/ROUSTABOUTS/LEASE CREWS	0331.0059	DICC.170 STIM.170	38,000	0333.0059	CON.170	(
DRILLING MUD & ADDITIVES  DIRECTIONAL DRILLING SERVICES  DIREC	RIG FUEL	0331.0071	DICC.130	53,000	0333.0071		(
DRILLING MUD & ADDITIVES  0831 0080  DOWNHOLD RENTALS  0831 0080  SURFACE RENTALS  0831 0080  ODWNHOLD RENTALS  0831 0080  0831 0080  CON 140  11  OTHER RENTALS  0831 0080  OTHER RENTALS  OTHER REN	WATER & TRANSFER/TRUCKING (NOT	0331.0073	DICC.135	5,000	0333.0073		20,000
DIRECTIONAL DRILLING SERVICES   0831 0096   0831 009	DRILL BITS	0331.0080	DICC.125 STIM.125	80,000			
DOMANDEL RENTALS  0831 0095  DOMANDEL RENTALS  0831 0095  SURFACE RENTALS  SOLIDES CONTROL EQUIPSERVICES  0831 0097  OTHER REGAMS COPPASES  0831 0107  OTHER REGAMS COPPASES  0831 0107  DICC.190  STIM.190  SD.000  333 0116  CON.190  11  18  180,000  333 0116  CON.190  11  18  180,000  333 0116  CON.190  333 0116  CON	DRILLING MUD & ADDITIVES	0331.0082	STIM.135	343,000			
SUBPEACE RENTALS OB31096 DICC.255 DICC.140 140,000 0333.0996 CON.140 17 SOURCE CONTROL EQUIPPSENICES 03310116 DICC.190 STIM.190 0331016 DICC.190 STIM.190 0333.0116 CON.190 18,000 0333.0116 CON.190 0333.0110 CON.190 0333.011	DIRECTIONAL DRILLING SERVICES	0331.0090		321,000			
SOLIDES CONTROL EQUIPPSERVICES 03310979 03310120 DICC.155 1800.00 03330116 CON.190 115 00000 03310120 DICC.155 1800.00 03330116 CON.190 115 000000 03330116 DICC.155 1800.00 03330116 DICC.155 1800.00 03330116 DICC.155 1800.00 03330112 DICC.190 STIM.240 DICC.240 115,000 03330112 DICC.190 STIM.240 DICC.240 115,000 03330112 DICC.190 STIM.240 DICC.240 115,000 03330112 DICC.190 STIM.240 DICC.240 03330112 DICC.240 03330112 DICC.240 03330112 DICC.240 DICC.240 DICC.240 03330112 DICC.240 03330112 DICC.240 DICC.240 DICC.240 DICC.240 03330112 DICC.240 03330112 DICC.240 DICC.2	DOWNHOLE RENTALS	0331.0095		121,000	0333.0095		45,000
SOLIDIS CONTROL EQUIPPERIVES 03310105 033101105 033101105 0CCC 190 STIM.190 5,000 033301105 0CC 190 STIM.190 5,000 033301105 004EL CONTROL EQUIPPERIVES 033101104 033101105 0CCC 190 STIM.290 033101105 0CCC 190 STIM.290 03301105 0CCC 190 STIM.290 053301105	SURFACE RENTALS	0331.0096	DICC.255 DICC.140	140,000	0333.0096	CON.140	122,000
OTHER RIGAMIC EXPENSES   03110116   DEC 1995   STIM 190   0310102   031010	SOLIDS CONTROL EQUIP/SERVICES	0331.0097					
PRIMARY CEMENTING	OTHER RIG/MISC EXPENSES	0331.0116	DICC.190 STIM.190		0333.0116	CON.190	135,000
MELL CONTROL EQUIPYSERVICES   03310130   031	PRIMARY CEMENTING	0331.0120	DICC.155				
OVERHEAD 03310142 03310142 0ECC.195 15,000 0338.0142 60000 03310165 03310142 67,000 0338.0165 03310165 07,000 0338.0165 07,000 07,000 07,000 07,000 07,000 07,0		STATE OF THE OWNER.			0333.0130		133,000
WELL CONTROL INSURANCE MID DISPOSAL LABOR/CQUIP CONTINGENCY - PORIG COMP PCOM, STIMULATION FLUID FRACT TER RENTAL FLOWBACK SERVICES SIMULATION FLUID FRACT TER RENTAL FLOWBACK SERVICES SIMULATION/FRACTURING STIMULATION/FRACTURING STIMULATION/FRACTURING CONFILITION RENOVER OR CONFILITION FLOWFRACT PRINTING A WIRELING SERVICES CONFILITION RENOVER OR CONFILITION CONFILITION RENOVER OR CONFILITION FLOWFRACT CONFIRM FLOWFRACT FLOWFRACT FLOWFRACT CONFIRM FLOWFRACT FLOWFRACT FLOWFRACT FLOWFRACT FLOWFRACT F							133,000
MUD DISPOSAL LABOR/RCUIP CONTINGENCY - DRUG, COMP, PCOM, STIMULATION FLUID FRAC TREE REITHAL FRAC TREE TREE TREE TREE FRAC TREE							
COMTINGENCY - DRUG, COMP, PCOM. STIMULATION FLUID FRACE TREE RENTAL FROWARCK SERVICES BIDIGE PLUGSFACE PLUGS STIMULATION FACTURING PERFORATING & WIRELINE SERVICES COMPLETION RICK/WORKOVER RIG COIL TUBING SERVICES COMPLETION RICK/WORKOVER RIG COIL TUBING SERVICES COMPLETION SERVICES STIMULATION FACTURING PERFORATING & WIRELINE SERVICES COMPLETION RICK/WORKOVER RIG COIL TUBING SERVICES SURVEY AND IN PERFORATING AND PROPER SWID WELL MECHABICAL LABOR FLUGL - LABOR FLUGL - LABOR FLUGL - SUBFERVISION SURVEY AND IN CONSTRUCT/SRD PARTY CONNECT CONTINUENCY - PIPELINE TOTAL MEMORY FLUGL - CASING BISTORY MELLHEAD COUPMENT SURFACE OSSIDOZO SURVEY AND IN CONSTRUCT/SRD PARTY CONNECT CONDUCTOR PIPE  OSSIDOZO SURFACE CASING OSSIDOZO SURFACE CASING OSSIDOZO SURFACE CASING OSSIDOZO TODO SURFACE CASING OSSIDOZO SURFACE CASING OSSIDOZO TODO SURFACE CASING OSSIDOZO SURFACE CASING OSSIDOZO SURFACE CASING OSSIDOZO SURFACE CASING OSSIDOZO TODO SURFACE CASING OSSIDOZO SURFACE CONTINUENTO OSSIDOZO SURFACE CONTINUENTO OSSIDOZO SURFACE CONTINUENTO OSSIDOZO SURFACE CASING OSSIDOZO SURFA					0333.0165		53,000
STIMULATION FLUID  PRAC TREE RENTAL  FRAC TREE RENTAL  FLOWBACK SERVICES  BIRDIGE PLUGS/FRAC PLUGS  STIMULATION/PACTURING  PERFORATING & WIFELINE SERVICES  COMPLETION RIGHWORKOVER RIG  COIL TUBINS SERVICES  SWID - PIPED TO 3RD PARTY SWD WELL  MICHANICAL JASOR  AUTOMATION LABOR  PLG & EJETERNIA PARTY HOR SWD MELL  MICHANICAL JASOR  AUTOMATION LABOR  PLG & EJETERNIA PARTY CONNECT  CONTINUERNOY - PIPELINE  Total intangible Cort  WELHEAD EQUIPMENT SURFACE  0331 0202  MELHEAD EQUIPMENT SURFACE  0331 0203  333 0202  4.8:  WELHEAD EQUIPMENT SURFACE  0331 0206  7,000  SURVEY  WELHEAD EQUIPMENT SURFACE  0331 0207  NITEEMBOLATE CASING  0331 0207  NITEEMBOLATE CASING  0331 0207  NITEEMBOLATE CASING  0331 0207  NITEEMBOLATE CASING  0331 0207  0333 0211  STIMT 101  SOBRODUCTION CSG/TIE BACK  TUBULAR FREIGHT  PERMANENT DOWNHOLE EQUIPMENT  AUTHER STRING CASING  0331 0215  DWEA 125  0033 0211  STIMT 101  SOBRODUCTION CSG/TIE BACK  1031 0215  DWEA 125  0033 0211  STIMT 101  SOBRODUCTION CSG/TIE BACK  1031 0215  DWEA 125  00333 0211  STIMT 101  SOBRODUCTION CSG/TIE BACK  1031 0215  DWEA 125  00333 0211  STIMT 101  SOBRODUCTION CSG/TIE BACK  1031 0215  DWEA 125  00333 0211  STIMT 101  SOBRODUCTION CSG/TIE BACK  0333 0211  STIMT 101  SOBRODUCTION CSG/TIE BACK			DICC 220 STIM 220			CON 220	230,000
FRACTERE RENTAL   HOWBACK SERVICES   0333.0098   0333.		055110150	Diedielo Sinvillo	117,000		CONTED	
REOWBACK SERVICES BRIDGE PLUSYFRACTRING BRID							282,000
SRIDGE PLUGS/FRAC PLUGS STIMULATION/FRACTURING STIMULATION/FRACTURING STIMULATION/FRACTURING STRIVE WRIELINE SERVICES COMPLETION RIGMORKOVER RIG COIL TUBING SERVICES COIL TUBING							60,000
STIMULATION/FRACTURING PERFORATING & WIRELINE SERVICES COMPETION REKNORKOVER RIG COULTURING SERVICES COMPETION REKNORKOVER RIG RUGG - LABOR RUGG				DESCRIPTION OF			
DERFORATING & WIRELINE SERVICES   03330136   27							41,000
COMPLETION RIG/WORKOVER RIG COIL TUBING SERVICES  O 333.0150  17  WELLHAD COUPENING SERVICES  O 333.0151  17  WELLHAD EQUIPMENT SURFACE CONNINGENCY - PIPELINE  Total Intangible Cot  WELLHAD EQUIPMENT SURFACE CONDUCTOR PIPE  9331.0202  SURFACE CASING 9331.021  SITT.101  SIDERMANEATE CASING PRODUCTION CSG/TIE BACK 9331.021  STIMT.101  SOB,000  333.021  STIMT.101  SOB,000  333.021  STIMT.101  SOB,000  333.021  STIMT.101  SOB,000  333.021  SOB,000  SOB,							3,192,000
COIL TUBING SERVICES SWID - PIPED TO 3RD PARTY SWD WELL MICHANICAL LABOR AUTOMATION LABOR PCR & EXTERNAL PAINTING PL/GL - ON PPA LABOR PL/GL - LABOR PL/GL - LABOR PL/GL - LABOR FL/GL - LABOR FL/GL - LABOR SURVEY AID IN CONSTRUCT/3RD PARTY CONNECT CONTINGENCY - PIPELINE Total Intangible Cost WELLHEAD EQUIPMENT SURFACE 03310,200 SURFACE CASING 0331,0207 SURFACE CASING 0331,0217 SIMIT.101 SOB,000 0333,0212 CON.175  PERMANENT DOWNHOLE EQUIPMENT WATER STRING CASING 0331,0215 SURFACE EQUIPMENT SURFACE EQUIPMENT ON CLEASE EQUIPMENT NC LEASE EQUIPMENT RACE STRING MATERIALS FACILITY ELECTRICAL PRODUCTION EQUIPMENT SURFACE EQUIPMENT NC LEASE EQUIPMEN							277,000
SWD - PIPED TO 3RD PARTY SWD WELL MECHANICAL LABOR AUTOMATION LABOR IPC & EXTERNAL PAINTING FLYGL - ON PAD LABOR FLYGL - SUPERVISION SURVEY AID IN CONSTRUCT/3RD PARTY CONNECT CONTINGENCY - PIPELINE Total intangible Cost  WELLHEAD EQUIPMENT SURFACE 0331,0205 SURFACE CASING SURFACE CASING 0331,0207 SURFACE CASING 0331,0211 STIMT.101 SOB,000 0333,0211 CON.175  DWEA 125 00 0333,0215 CON.175  26,000 0333,0217 CON.175  27,000 0333,0217 CON.175  28,000 0333,0217 CON.175  28,000 0333,0217 CON.175  28,000 0333,0217 CON.175  29,000 0333,0217 CON.175  20,000 0333,0217 CON.175  20,000 0333,0217 CON.175  20,000 0333,0217 CON.175 CON.17							11,000
MECHANICAL LABOR AUTOMATION LABOR IFUG L. SUPERVISION SURVEY AID IN CONSTRUCT/SRD PARTY CONNECT CONTINGENCY - PIPELINE Total Intangible Cost WELLHEAD EQUIPMENT SURFACE OS31.0202 SURFACE CASING O331.0207 SURFACE CASING O331.0207 SURFACE CASING O331.0207 INTERNEDIATE CASING O331.0210 SUBJULAR PREIGHT O331.0215 SURFACE CASING O331.0217 SUBJULAR PREIGHT O331.0215 SURFACE CASING O331.0217 SUBJULAR PREIGHT O331.0215 SURFACE CASING O331.0217 SURFACE CASING O331.0217 SURFACE CASING O331.0217 SURFACE CASING O333.0217 SUBJULAR PREIGHT O331.0215 SURFACE EQUIPMENT O331.0216 SURFACE CASING O333.0211 SUBJULAR PREIGHT O331.0217 SURFACE EQUIPMENT OATHERING FOLUMENT GATHERING FOLUMENT FACILITY ELECTRICAL PRODUCTION EQUIPMENT EASE AUTOMATION MATERIALS SHORT ORDERS PUMPS WALKOVERS BALTIERY (HTR TRITR.SEPAR.GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT ELECTRICAL FOLUMENT TELECOMMUNICATION EQUIPMENT ELECTRICAL FOLUMENT FACILITY ELECTRICAL SALTERY (HTR TRITR.SEPAR.GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE  Total Tangible Cost  1,157,000  333.0210  333.0210  333.0211  333.0211  30333.0212  30333.0212  30333.0212  30333.0212  30333.0212  30333.0212  30333.0212  30333.0212  30333.0213  30333.0					0333.0151		171,000
AUTOMATION LABOR  PIC & EXTERNAL PAINTING    FUGL - ON PAD LABOR    FUGL - CAN PAD LABOR    FUGL - CAN PAD LABOR    FUGL - CAN PAD LABOR    FUGL - SUPERVISION    SURVEY    AID IN CONSTRUCT/3RD PARTY CONNECT    CONTINGENCY - PIPELINE    Total Transplake Cost   0331,0202    AUTOMATION CONSTRUCT/3RD PARTY CONNECT    CONDUCTOR PIPE   0331,0206    AUTOMATICAL EQUIPMENT SURFACE    AUTOMATICAL EQUIPMENT SURFACE    AUTOMATICAL EQUIPMENT SURFACE    AUTOMATICAL EQUIPMENT SURFACE    AUTOMATICAL EQUIPMENT    AUTOMATICAL EQUIPME							
PC & EXTERNAL PAINTING							
FL/GL - ON PAD LABOR FL/GL - LABOR FL/GL - SUPERVISION SURVEY AID IN CONSTRUCT/3RD PARTY CONNECT CONTINGENCY - PIPELINE  Total Intangible Cost  WELLHEAD EQUIPMENT SURFACE 0331.0202 CONDUCTOR PIPE 0331.0205 SURFACE CASING 0331.0206 NITERMEDIATE CASING I 0331.0207 INTERMEDIATE CASING I 0331.0215 SIMT.101 SOB,000 SURFACE CASING 0331.0217 STIMT.101 SOB,000 0333.0211 STIMT.101 SOB,000 0333.0212 CON.175 STIMT.175 26,000 0333.0215  DWEA.125 0 0333.0215 2 DWEA.125 0 0333.0211 STIMT.101 SOB,000 0333.0211 SOB,000 0333.021 SOB,000 0333.0211 SOB,000 0333.0211 SOB,000 0333.0211 SOB,000							
FL/GL - LABOR FL/GL - SUPERVISION SURVEY AID IN CONSTRUCT/3RD PARTY CONNECT CONTINGENCY - PIPELINE  Total intangible Cost  WELLHEAD EQUIPMENT SURFACE 0331.0202  WELLHEAD EQUIPMENT SURFACE 0331.0203  WELLHEAD EQUIPMENT SURFACE 0331.0206  WELLHEAD EQUIPMENT SURFACE 0331.0207  WELLHEAD EQUIPMENT 0331.0215  WELLHEAD EQUIPMENT WATER STRING CASING 0331.0215  WELLET EQUIPMENT WATER STRING CASING 0331.0217  WELL EQUIPMENT WATER STRING							
FL/GL - SUPERVISION SURVEY AID IN CONSTRUCT/3RD PARTY CONNECT CONTINGENCY - PIPELINE  Total Intangible Cost  WELLHEAD EQUIPMENT SURFACE 0331.0202 CONDUCTOR PIPE 0331.0206 SURFACE CASING 0331.0207 80,0000 INTERNEDIATE CASING 1 0331.0215 SURFACE CASING 0331.0215 TUBULAR REIGHT 0331.0215 DECC.175 STIM.175 26,0000 0333.0211 TUBULAR REIGHT 0331.0215 DECC.175 STIM.175 0333.0211  DICC.175 STIM.175	FL/GL - ON PAD LABOR						
SURVEY AID IN CONSTRUCT/3RD PARTY CONNECT CONTINGENCY - PIPELINE  Total Intangible Cost  WELLHEAD EQUIPMENT SURFACE 0331.0202 0331.0206 0331.0207 0331.0206 0331.0207 0331.0206 0331.0207 0331.0208 0331.0207 0331.0208 0331.0207 0331.0208 0331.0211 0331.0208 0331.0211 0331.0212 0331.0213 0331.0211 0331.0213 0331.0211 0331.0215 0333.0211 0000 0333.0211 0000 0333.0211 0000 0333.0212 0000 0333.0212 0000 0333.0212 0000 0333.0212 0000 0333.0212 0000 0333.0212 0000 0333.0212 0000 0333.0212 0000 0333.0212 0000 0333.0213 0333.0211							
AID IN CONSTRUCT/3RD PARTY CONNECT CONTINGENCY - PIPELINE  Total Intanglible Cost  WELLHEAD EQUIPMENT SURFACE  0331.0202  WELLHEAD EQUIPMENT SURFACE  0331.0207  WELLHEAD EQUIPMENT SURFACE  0331.0207  80,000  SURFACE CASING  0331.0207  80,000  PRODUCTION CSG/TIE BACK  0331.0211  STIMT.101  S08,000  PRODUCTION CSG/TIE BACK  0331.0212  DICC.175  STIMT.101  S08,000  0333.0211  TUBLIAR FREIGHT  0331.0215  DWEA.125  0  0333.0215  2  WEAL 125  0  0333.0215  2  WEAL 125  0  0333.0211  16  LIFT EQUIPMENT  N/C LEASE EQUIPMENT  LEASE AUTOMATION MATERIALS  FACILITY ELECTRICAL  PRODUCTION EQUIPMENT FREIGHT  FINGL MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BALTIERY (HTR TRITS.SEPAR.GAS.T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tanglible Cost  1,157,000  14,83  2,732,060  2333.0202  4,80  4,81  4,000  450,000  4	FL/GL - SUPERVISION						
CONTINGENCY - PIPELINE  Total Intangible Cost  Total Intangible Cost  Total Intangible Cost  Total Intangible Cost  District Conductor Pipe  0331,0205  SURFACE CASING 0331,0207  SURFACE CASING 0331,0207  SURFACE CASING 0331,0208  VA50,000  VA50,0	SURVEY						
Total Intangible Cost   2,732,000   4,88	AID IN CONSTRUCT/3RD PARTY CONNECT						
WELHEAD EQUIPMENT SURFACE CONDUCTOR PIPE 0331.0205 SURFACE CASING 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0207 0331.0217 STIMT.101 0331.0212 DICC.175 STIM.175 0333.0211 0ICC.175 STIM.175 0333.0212 0ICC.175 STIM.175 0333.0212 0ICC.175 00333.0215 0ICC.175 00333.0217 0ICC.175 0ICC.17	CONTINGENCY - PIPELINE						
WELLHEAD EQUIPMENT SURFACE O331.0205 CONDUCTOR PIPE O331.0206 O331.0206 O331.0207 SURFACE CASING O331.0208 PRODUCTION CSG/TIE BACK O331.0211 TUBULAR FREIGHT O331.0212 OICC.175 STIM.175 OICC.17	Total intangible Cost			2,732,000			4,839,000
CONDUCTOR PIPE  SURFACE CASING  UNTERMEDIATE CASING 1  0331.0206  SURFACE CASING  0331.0207  PRODUCTION CSG/TIE BACK  0331.0211  TUBULAR FREIGHT  0331.0212  DICC.175 STIM.175  26,000  0333.0212  CON.175  PERMANENT DOWNHOLE EQUIPMENT  WATER STRING CASING  0331.0221  TUBING  LIFT EQUIP (GLV,ESP,PC PUMP,RODS)  SURFACE EQUIPMENT  N/C LEASE EQUIPMENT  GATHERING/FLOWLINES  TANKS, STEPS, STAIRS  METERING EQUIPMENT  GATHERING/FLOWLINES  TANKS, STEPS, STAIRS  METERING EQUIPMENT  FL/GL - MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BATTERY (HTR TRTR,SEPAR,GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost  1,157,000  1331.020  1333.0211  CON.175  20  0333.0211  0333.0211  16  0333.0211  16  0333.0211  16  0333.0211  17  18  18  18  18  18  18  18  18	WELLHEAD EQUIPMENT SURFACE	0331.0202	DWEA.120 STIMT.120	56,000	0333.0202		45,000
SURFACE CASING	CONDUCTOR PIPE	0331.0206					12,000
INTERMEDIATE CASING   0331.0208   0331.0208   0331.0211   STIMT.101   S08,000   0333.0211   STIMT.101   S08,000   0333.0212   CON.175	SURFACE CASING	0331.0207					
PRODUCTION CSG/TIE BACK 0331.0211 TUBULAR FREIGHT 0331.0212 DICC.175 STIM.175 26,000 0333.0212 CON.175  26,000 0333.0215 0333.0215 0333.0215 0333.0215 0333.0216 0333.0216 0333.0217 TUBING UIFT EQUIP (GLV,ESP,PC PUMP,RODS) SURFACE EQUIPMENT N/C LEASE EQUIPMENT GATHERING/FLOWLINES TANKS, STEPS, STAIRS METERING EQUIPMENT LEASE AUTOMATION MATERIALS FACILITY ELECTRICAL PRODUCTION EQUIPMENT FREIGHT FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR,SEPAR,GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE Total Tangible Cost  1,157,000 1333.0211 160 0333.0211 0333.0211 160 0333.0211 0333.0211 160 0333.0211 033.	INTERMEDIATE CASING I			1			
TUBULAR FREIGHT 0331.0212 DICC.175 STIM.175 26,000 0333.0212 CON.175  PERMANENT DOWNHOLE EQUIPMENT 0331.0215 DWEA 125 0 0333.0215 20  WEA 125 0 0333.0215 20  WEA 125 0 0333.0215 30,000  TUBING 0333.0211 16  LIFT EQUIP (GLV,ESP,PC PUMP,RODS)  SURFACE EQUIPMENT N,VC LEASE EQUIPMENT OGATHERING/FLOWLINES  TANKS, STEPS, STAIRS  METERING EQUIPMENT LEASE AUTOMATION MATERIALS  FACILITY ELECTRICAL  PRODUCTION EQUIPMENT FREIGHT  FL/GL - MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BATTERY (HTR TRTR,SEPAR,GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost 1,157,000 333.0212  TON.175  26,000 0333.0212  O333.0212  O333.0215  0333.0211  16  0333.0311  88  TOTAL 175  TOT	PRODUCTION CSG/TIE BACK	0331.0211	STIMT 101		0333 0211		
PERMANENT DOWNHOLE EQUIPMENT   0331.0215   DWEA 125   0 0333.0215   2 0 0333.0215   0333.0215   0333.0215   0333.0201   0333.0201   0333.0201   0333.0201   0333.0201   0333.0201   0333.0301   0333	TUBULAR FREIGHT					CON 175	0
WATER STRING CASING TUBING 10333.0201 116 LIFT EQUIP (GLV,ESP,PC PUMP,RODS) SURFACE EQUIPMENT N/C LEASE EQUIPMENT GATHERING/FLOWLINES TANKS, STEPS, STAIRS METERING EQUIPMENT LEASE AUTOMATION MATERIALS FACILITY ELECTRICAL PRODUCTION EQUIPMENT FREIGHT FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR.SEPAR.GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE Total Tangible Cost 1,157,000 1333.0201 168 1780.0333.0201 1780.0333						-514.113	20,000
TUBING  O333.0201 166  LIFT EQUIP (GLV,ESP,PC PUMP,RODS)  SURFACE EQUIPMENT  GATHERING/FLOWLINES  TANKS, STEPS, STAIRS  METERING EQUIPMENT  LEASE AUTOMATION MATERIALS  FACILITY ELECTRICAL  PRODUCTION EQUIPMENT FREIGHT  FL/GL - MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BATTERY (HTR TRTR,SEPAR,GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost  1,157,000  333.0201  168  8333.0201  188  188  188  188  188  188  188					0333.0215		28,000
LIFT EQUIP (GLV,ESP,PC PUMP,RODS)  SURFACE EQUIPMENT  N/C LEASE EQUIPMENT  N/C LEASE EQUIPMENT  GATHERING/FLOWLINES  TANKS, STEPS, STAIRS  METERING EQUIPMENT  LEASE AUTOMATION MATERIALS  FACILITY ELECTRICAL  PRODUCTION EQUIPMENT FREIGHT  FL/GL - MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BATTERY (HTR TRTR.SEPAR.GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost  1,157,000  333.0311  8  0.333.0311		JUD 1.0GE 1		30,000	0222 0204		
SURFACE EQUIPMENT N/C LEASE EQUIPMENT A/C LEASE EQUIPMENT GATHERING/FLOWLINES TANKS, STEPS, STAIRS METERING EQUIPMENT LEASE AUTOMATION MATERIALS FACILITY ELECTRICAL PRODUCTION EQUIPMENT FREIGHT FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR.SEPAR.GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE Total Tangible Cost 1,157,000 31							161,000
N/C LEASE EQUIPMENT GATHERING/FLOWLINES TANKS, STEPS, STAIRS METERING EQUIPMENT LEASE AUTOMATION MATERIALS FACILITY ELECTRICAL PRODUCTION EQUIPMENT FREIGHT FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR.SEPAR.GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31					0555.0311		80,000
GATHERING/FLOWLINES TANKS, STEPS, STAIRS METERING EQUIPMENT LEASE AUTOMATION MATERIALS FACILITY ELECTRICAL PRODUCTION EQUIPMENT FREIGHT FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR.SEPAR.GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE Total Tangible Cost 1,157,000 31							
TANKS, STEPS, STAIRS  METERING EQUIPMENT  LEASE AUTOMATION MATERIALS  FACILITY ELECTRICAL  PRODUCTION EQUIPMENT FREIGHT  FL/GL - MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BATTERY (HTR TRTR, SEPAR, GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost  1,157,000  31							
METERING EQUIPMENT LEASE AUTOMATION MATERIALS FACILITY ELECTRICAL PRODUCTION EQUIPMENT FREIGHT FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR,SEPAR,GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE Total Tangible Cost 1,157,000 31							
LEASE AUTOMATION MATERIALS  FACILITY ELECTRICAL  PRODUCTION EQUIPMENT FREIGHT  FLYGL - MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BATTERY (HTR TRTR.SEPAR.GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost  1,157,000  31							
FACILITY ELECTRICAL  PRODUCTION EQUIPMENT FREIGHT  FL/GL - MATERIALS  SHORT ORDERS  PUMPS  WALKOVERS  BATTERY (HTR TRTR.SEPAR.GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost  1,157,000  31				PER DELL'			
PRODUCTION EQUIPMENT FREIGHT FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR.SEPAR.GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE Total Tangible Cost 1,157,000 31				-			
FL/GL - MATERIALS SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR,SEPAR,GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31							
SHORT ORDERS PUMPS WALKOVERS BATTERY (HTR TRTR,SEPAR,GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31							
PUMPS  WALKOVERS  BATTERY (HTR TRTR.SEPAR.GAS T)  SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31							
WALKOVERS BATTERY (HTR TRTR,SEPAR,GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31				1			
BATTERY (HTR TRTR,SEPAR,GAS T) SECONDARY CONTAINMENTS OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31				The state of the s			
SECONDARY CONTAINMENTS  OVERHEAD POWER DISTR (TO FACILITY)  TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31				Property Control			
OVERHEAD POWER DISTR (TO FACILITY) TELECOMMUNICATION EQUIPMENT FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31	BATTERY (HTR TRTR, SEPAR, GAS T)						
TELECOMMUNICATION EQUIPMENT  FACILITY LINE PIPE  Total Tangible Cost 1,157,000 31	SECONDARY CONTAINMENTS			-			
FACILITY LINE PIPE    Total Tangible Cost	OVERHEAD POWER DISTR (TO FACILITY)			1			
Total Tangible Cost         1,157,000         31	TELECOMMUNICATION EQUIPMENT						
Total Tangible Cost         1,157,000         31	FACILITY LINE PIPE						
	Total Tangible Cost			1,157,000			314,000
3.003.000	Total Estimated Cost			3,889,000			5,153,000

	Production	Equip		Post Completion		Total
Description	Codes	Amount	Codes		Amount	Cos
LAND/LEGAL/CURATIVE	0336.0002	0			-	10,00
DAMAGES	0336.0005	500				35,50
PAD CLEANUP	Market Control of the		0334.0024	Road Repair	14,500	39,500
ROAD/PAD CONSTRUCTION	0336.0030	37,500				187,500
CONDUCTOR, MOUSE HOLE & CELLAR						20,000
RIG MOBILIZE/DEMOBILIZE						80,000
SUPERVISION	0336.0040	21,000	0334.0040	3 days choke monitoring @ \$250/d, 15 days	3,000	143,000
DRILLING RIG	1					630,000
CASING CREW						35,000
TUBULAR INSPECTIONS			0334.0056		0	72,000
WELDING/ROUSTABOUTS/LEASE CREWS			0334.0059	Roustabout labor	15,500	53,500
RIG FUEL			0334.0071		0	53,000
WATER & TRANSFER/TRUCKING (NOT DRLG			0334.0073	Misc. Disposal	500	25,500
DRILL BITS						80,000
DRILLING MUD & ADDITIVES						343,000
DIRECTIONAL DRILLING SERVICES					-	321,000
DOWNHOLE RENTALS			0334.0095		0	166,000
SURFACE RENTALS	0336.0096	2,000	0334.0096	Flowback equipment (15 days)	40,900	304,900
SOLIDS CONTROL EQUIP/SERVICES						47,000
OTHER RIG/MISC EXPENSES	0336.0116	25,000	0334.0116	Parts and fittings	12,000	177,000
PRIMARY CEMENTING		-5,000			, 000	180,000
WELL CONTROL EQUIP/SERVICES			0334.0130		0	218,000
OVERHEAD	0336.0142	37,000			J	52,000
WELL CONTROL INSURANCE		37,000				
MUD DISPOSAL LABOR/EQUIP						6,000
CONTINGENCY - DRLG, COMP, PCOM, FAC	0336.0190	162,000	0334.0190		0	120,000
STIMULATION FLUID	STREET, STREET	102,000	0334.0190		0	509,000
FRAC TREE RENTAL	the state of the s		0334.0098			282,000
FLOWBACK SERVICES	LOCAL DESCRIPTION OF THE PARTY		0334.0098	Flourback hands (15 days)	0	60,000
BRIDGE PLUGS/FRAC PLUGS				Flowback hands (15 days)	17,800	17,800
STIMULATION/FRACTURING	CONTRACTOR OF THE PROPERTY OF THE PARTY OF T		0334.0110	2-6	0	41,000
PERFORATING & WIRELINE SERVICES	THE RESERVE OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN THE PERSON NAMED IN THE PERSON NAMED IN THE PERSON NAMED IN THE PERSON NA		0334.0135	Defoamer - surface	10,000	3,202,000
COMPLETION RIG/WORKOVER RIG			0334.0136		0	277,000
COIL TUBING SERVICES			0334.0150		0	11,000
			0334.0151		0	171,000
SWD - PIPED TO 3RD PARTY SWD WELL			0334.0172	Anticipated 87,500 BW during first 60 days @	71,925	71,925
MECHANICAL LABOR	0336.0042	193,500				193,500
AUTOMATION LABOR	0336.0043	71,000	0334.0043	Flowback automation	6,000	77,000
IPC & EXTERNAL PAINTING	0336.0106	17,000				17,000
FL/GL - ON PAD LABOR	0336.0107	25,000				25,000
FL/GL - LABOR	0336.0108	74,500				74,500
FL/GL - SUPERVISION	0336.0109	10,500				10,500
SURVEY	0336.0112	1,000				1,000
AID IN CONSTRUCT/3RD PARTY CONNECT	0336.0144	31,500				31,500
CONTINGENCY - PIPELINE	0336.0191	16,000				16,000
Total Intangible Cost		725,000			192,125	8,488,125
WELLHEAD EQUIPMENT SURFACE			0334.0202	WH & flowback related valves and fittings.	9,000	110,000
CONDUCTOR PIPE					2,000	7,000
SURFACE CASING		La recording to the second				80,000
INTERMEDIATE CASING I						450,000
PRODUCTION CSG/TIE BACK						
TUBULAR FREIGHT			0334.0212	Transport costs	500	508,000
PERMANENT DOWNHOLE EQUIPMENT			0334.0212	To applicate	500	26,500
WATER STRING CASING		Martin Land Company	0334.0213		0	28,000
TUBING			0334.0201			30,000
LIFT EQUIP (GLV,ESP,PC PUMP,RODS)				Al aquipment	0	161,000
SURFACE EQUIPMENT				AL equipment	2,500	82,500
N/C LEASE EQUIPMENT	0336.0303	250	0334.0203		10,000	10,000
GATHERING/FLOWLINES		252,000	0334.0303		0	252,000
TANKS, STEPS, STAIRS	0336.0315	27,000	0334.0315		0	27,000
	0336.0317	133,500				133,500
METERING EQUIPMENT	0336.0321	21,500				21,500
LEASE AUTOMATION MATERIALS	0336.0322	73,000				73,000
FACILITY ELECTRICAL	0336.0324	165,000				165,000
PRODUCTION EQUIPMENT FREIGHT	0336.0327	27,000				27,000
FL/GL - MATERIALS	0336.0331	18,500				18,500
SHORT ORDERS	0336.0332	8,500			-	8,500
PUMPS	0336.0333	49,000				49,000
WALKOVERS	0336.0334	8,500				8,500
BATTERY (HTR TRTR,SEPAR,GAS T)	0336.0335	310,500				310,500
SECONDARY CONTAINMENTS	0336.0336	14,500				14,500
OVERHEAD POWER DISTR (TO FACILITY)	0336.0337	119,500				119,500
TELECOMMUNICATION EQUIPMENT	0336.0338	500				
FACILITY LINE PIPE	0336.0339	32,500				500 32,500
Total Tangible Cost						2,754,000
Total ranging Cost		1,261,000			22,000	

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

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

Case Nos. 23088 - 23091

### SELF-AFFIRMED STATEMENT OF MEERA RAMOUTAR

COUNTY OF MIDLAND	)
	) ss
STATE OF TEXAS	)

Meera Ramoutar deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for Cimarex Co. ("Cimarex"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
- 3. These cases involve a portion of the Bone Spring formation, from the top of the Harkey formation to the base of the Bone Spring formation, in the following well units.

<u>Case No. 23088</u>: Cimarex seeks an order pooling all uncommitted mineral interests in the depths above underlying a horizontal spacing unit comprised of the W/2W/2 of Section 8 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, NMPM.

Case No. 23089: Cimarex seeks an order pooling all uncommitted mineral interests in the depths above underlying a horizontal spacing unit comprised of the E/2W/2 of Section 8, the E/2W/2 of Section 17, and the E/2W/2 of Section 20, Township 25 South, Range 27 East, NMPM.

Case No. 23090: Cimarex seeks an order pooling all uncommitted mineral interests in the depths above underlying a horizontal spacing unit comprised of the W/2E/2 of Section 8, the W/2E/2 of Section 17, and the W/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM.

<u>Case No. 23091</u>: Cimarex seeks an order pooling all uncommitted mineral interests in the depths above formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 8, the E/2E/2 of Section 17, and the E/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM

ехнівіт 3

- 4. The following geological plats are attached hereto:
- (a) Exhibit 3-A is a structure map on the base of the Bone Spring formation. It shows that structure dips gently to the east. I do not observe any faulting or pinchouts which would impair developing the target interval. It also shows a line of cross-section.
- (b) Exhibit 3-B is a gross isopach of the zone to be tested in the wells. The map shows the target interval has an average thickness of 90-120 feet in this area.
- (c) Exhibit 3-C is a cross section showing the Harkey Sand, the target zone for the proposed wells. The well logs on the cross-section give a representative sample of the Harkey Sand in this area. Each log on the cross-section contains gamma ray, neutron density, photo electric effect, and resistivity logs. Based on Exhibits 3-B and 3-C the sand is continuous and uniformly thick across the well units.
- (d) Exhibit 3-D is a wine rack representation of existing and proposed wells. The existing wells will not be affected by the proposed wells because of geologic barriers between the zones being tested.
- 5. I conclude from the maps that:
- (a) The horizontal spacing units are justified from a geologic standpoint.
- (b) The target zone is continuous and of relatively uniform thickness across each well unit.
- (c) Each quarter-quarter section in the well units will contribute more or less equally to production.
- (d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.
- 6. The Harkey wells in this area are standup wells. Based on our geological examination and information from offsetting wells, Cimarex believes standup well units are reasonable.
- 7. Attachment 3-E contains horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 7 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

10/26/23 Date

Meera Ramoutar

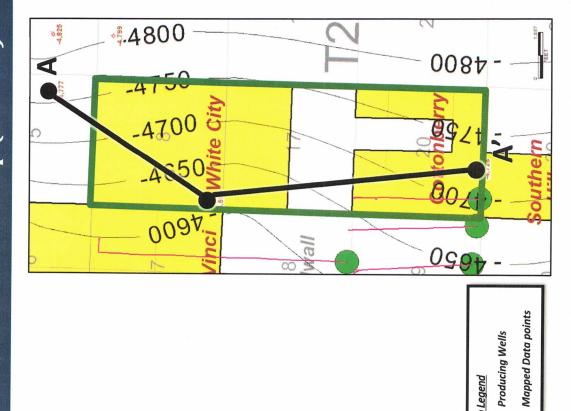
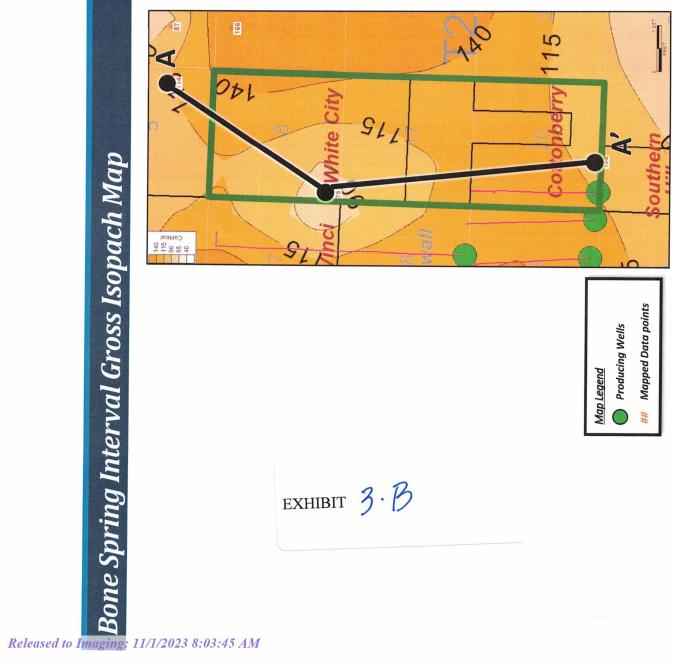


EXHIBIT 3.A

**Producing Wells** 

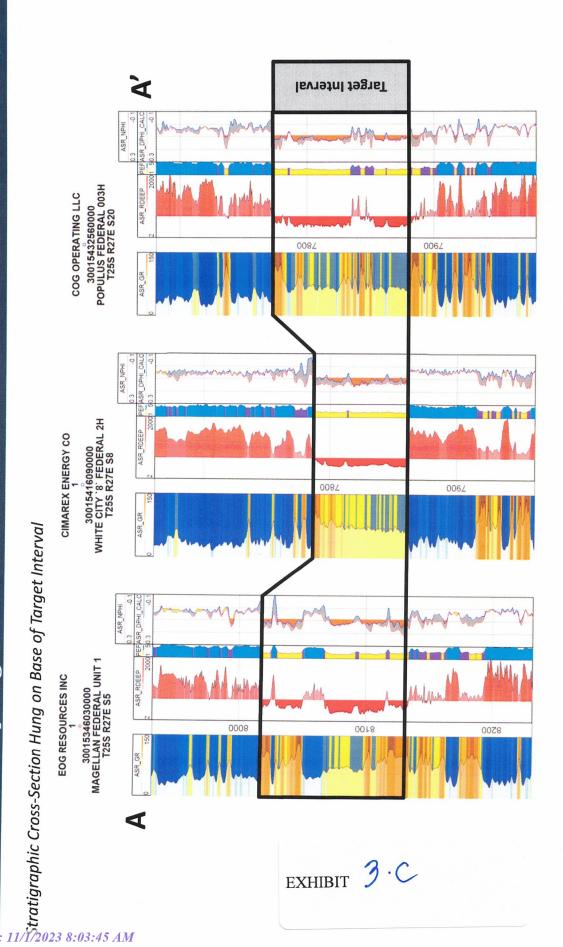
Map Legend



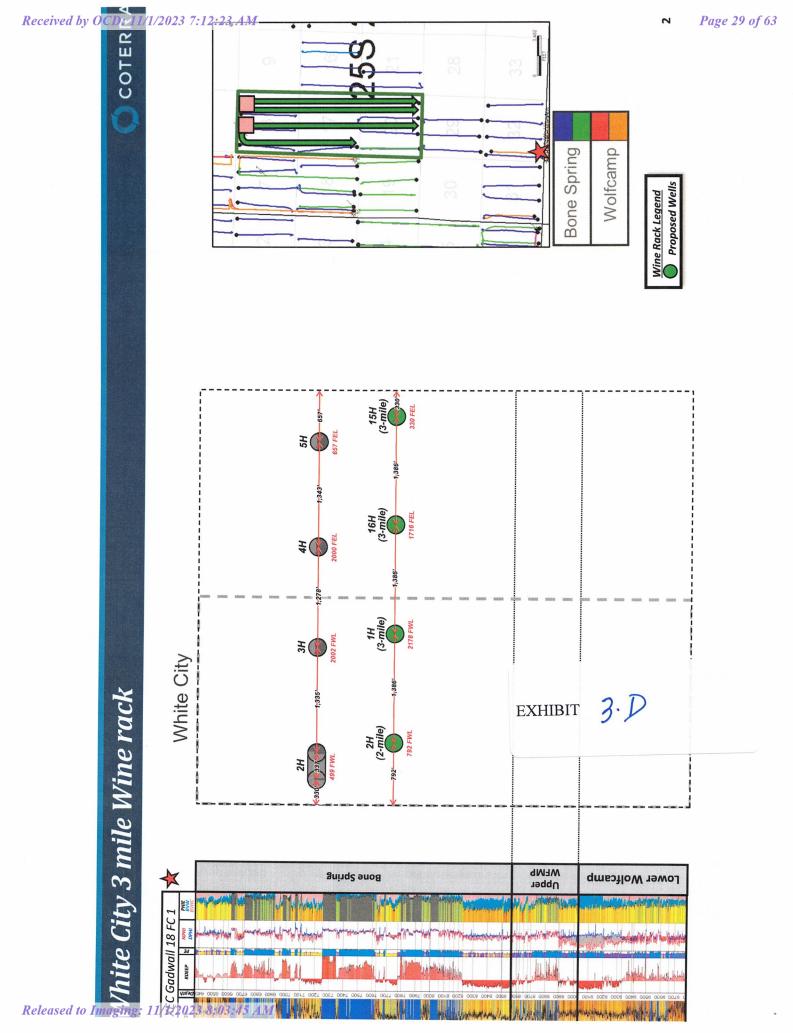
Mapped Data points **Producing Wells** Map Legend

EXHIBIT 3.B

# White City Bone Spring Cross-Section



Released to Imaging:



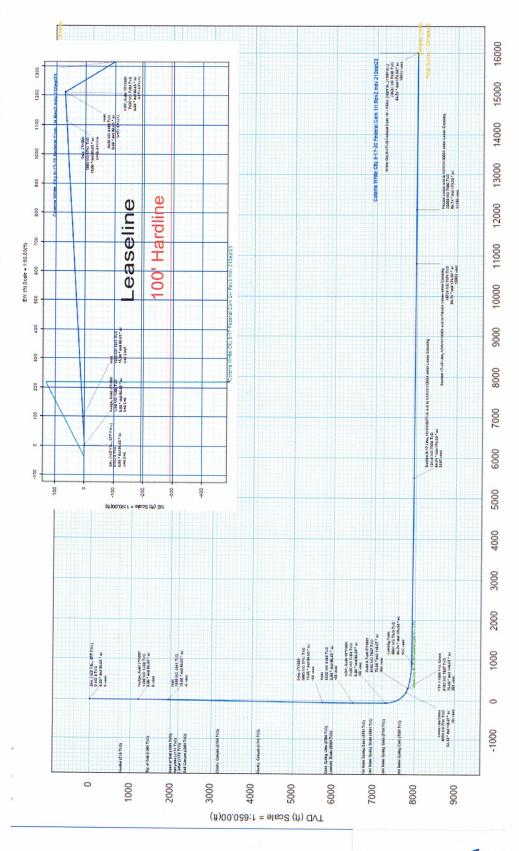
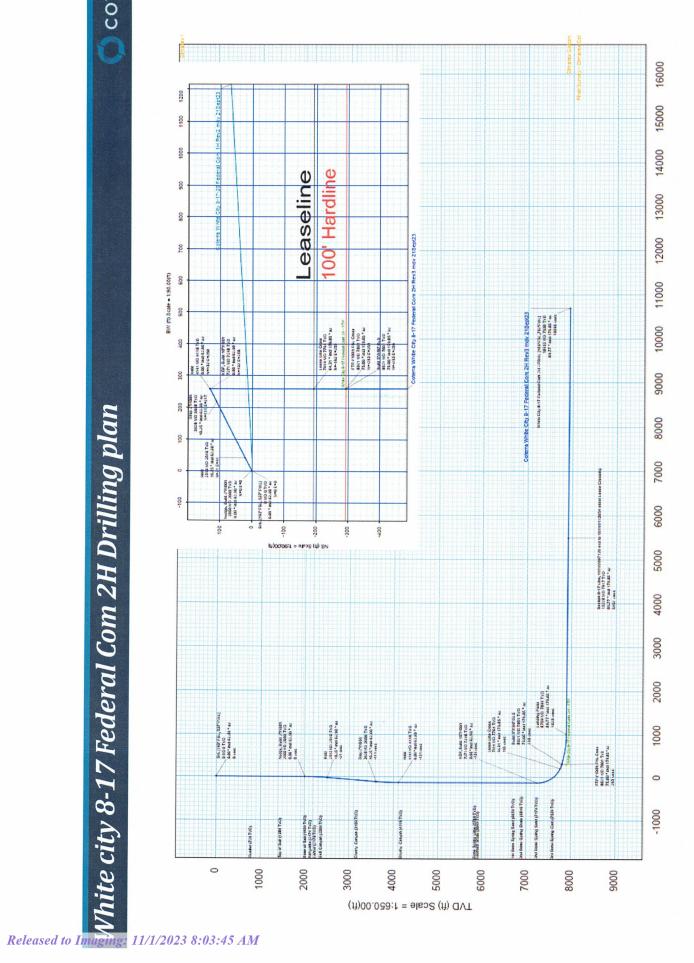
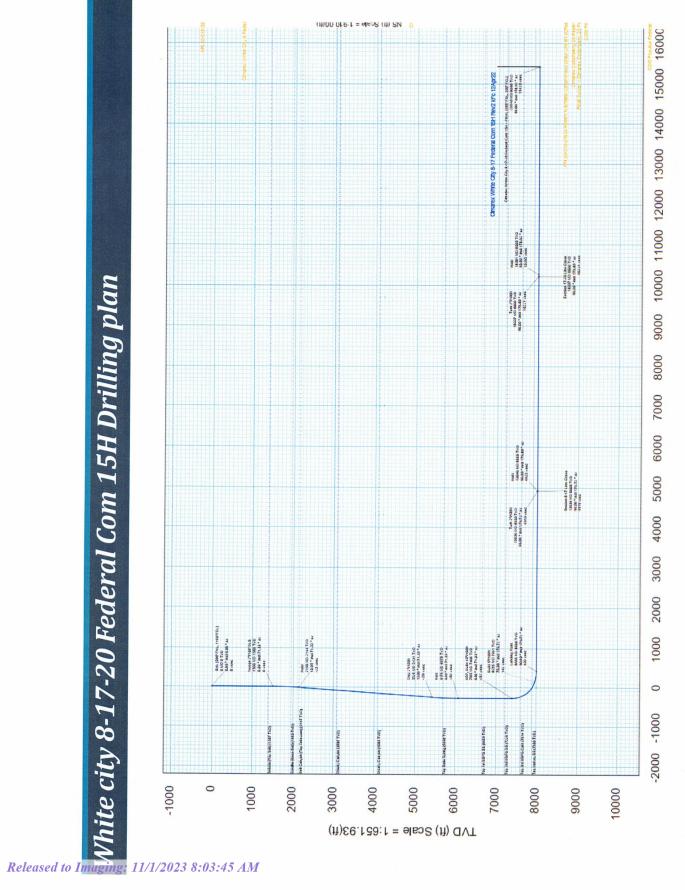
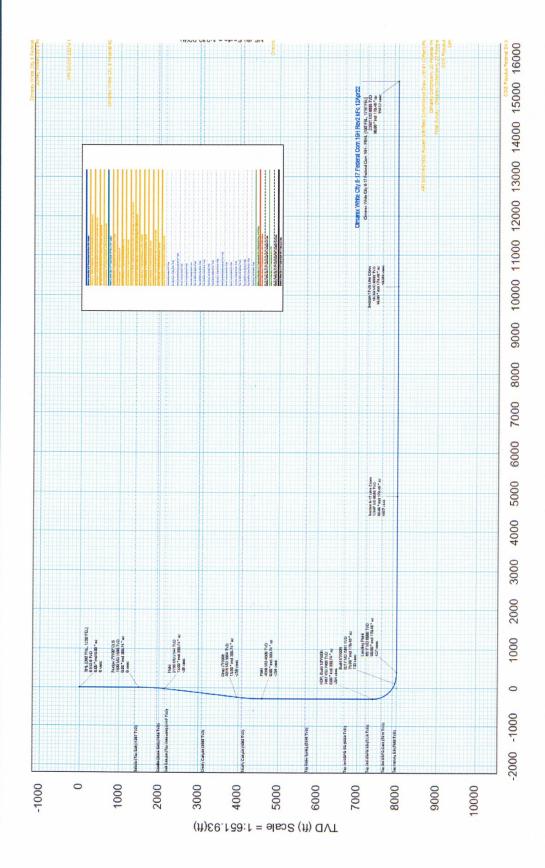


EXHIBIT 3.E







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

APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, *ETC.*, EDDY COUNTY, NEW MEXICO.

Case No. 23088 - 23091

### **SELF-AFFIRMED STATEMENT OF NOTICE**

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

James Bruce deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Cimarex Energy Co.
- 3. Cimarex Energy Co. has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein. The list of parties to be pooled provided to me is attached as Exhibit 4-A.
- 4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Exhibits 4-B and 4-C.
  - 5. Cimarex Energy Co. has complied with the notice provisions of Division Rules.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 10/3/23

ames Bruce

**EXHIBIT** 

White City 8-17 2H (Case No. 23088)

Chevron U.S.A. Inc. Permitting Team 6301 Deauville Boulevard Midland, TX 79706 MRC Permian Company MRC Permian LKE Company LLC Land Department 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Premier Oil and Gas Kenneth Jones 901 Waterfall Way, Suite 201 Richardson, TX 75080 White City 8-17-20 1H (Case No. 23089)
Chevron U.S.A. Inc.
MRC Permian Company
MRC Permian LKE Company LLC
Premier Oil and Gas

White City 8-17-20 16H (Case No. 23090)
Chevron U.S.A. Inc.
MRC Permian Company
MRC Permian LKE Company LLC
Premier Oil and Gas

White City 8-17-20 15H (Case No. 23091)
Chevron U.S.A. Inc.
MRC Permian Company
MRC Permian LKE Company LLC
Premier Oil and Gas

EXHIBIT 4.

# White City 8-17-2015H (Case No. 23091)

Chevron U.S.A. Inc. Permitting Team 6301 Deauville Boulevard Midland, TX 79706 MRC Permian Company MRC Permian LKE Company LLC Land Department 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Premier Oil and Gas Kenneth Jones 901 Waterfall Way, Suite 201 Richardson, TX 75080

Del Rey Holdings LLC 10601 Clarence Dr. Suite 250

Frisco, TX 75033

John E. Hall, III 4709 State Hwy. 121, Suite 132 The Colony , TX 75056

Klipstine & Hantratty c/o James W. Klipstine 310 N. Canyon St. Carlsbad, NM 88220

Eric Benally 9010 Magnolia Avenue Riverside, CA 92503 Mark Anthony Matekovic 434 Lever Hill Rd. Chapin, SC 29036

Amber Davis 104 Manchester Ave. Hagerman , NM 88232

Heather Davis 21 E. Blevins Rd. Artesia, NM 88210 Estate of Clarence W Ervin and Mary I Ervin c/o Ruby Lillian Weldon 1105 S County Club Circle Carlsbad, NM 88220

Neville Manning 2122 Indiana Lubbock, TX 79410 Chastity Garza 1410 East Broadway Brownfield, TX 79316

Robert Scott Pace P.O. Box 1015 Wofforth, TX 79382 John Edward Hall, IV 4836 Sunnyvale St #275 Dallas, TX 75216

Mary Lee Hall Stewart 201 Rodriguez Rd. Yoakum, TX 77995 Robert Craig Sandman c/o Ware State Prison 3620 Harris Rd Waycross, GA 31503

Tim Paige 622 Chesterfield Circle San Marcos, CA 92069

Stacy M. Ridge Davis P.O. Box 178 Hagerman, NM 88232

Houston, TX 88232

Margaret Stribling 520 Ranchitos Rd NW Los Ranchos, NM 87114 Robert Duncan Cain, Jr. 4301 The 25 Way, Suite B Albuquerque, NM 87109

Salem Pecos Stribling 7319 ViaContena NE Albuquerque, NM 87113

Arturo Carrillo 914 Ahrens St JAMES BRUCE ATTORNEY AT LAW

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

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

jamesbruc@aol.com

October 12, 2023

# CERTIFIED MAIL - RETURN RECEIPT REQUESTED

EXHIBIT  $4 \cdot \beta$ 

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following four applications for compulsory pooling, *etc.* filed with the New Mexico Oil Conservation Division by Cimarex Energy Co.:

Case No. 23088: Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 8 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17 Fed. Com. Well No. 2H, with a first take point in the NW/4NW/4 of Section 8 and a last take point in the SW/4SW/4 of Section 17. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells, and to allow two operators in the well unit:

White City 8 Fed. Well No. 2H Hayhurst 17 Fed. Well No. 1H

W/2W/2 §8 W/2W/2 §17

Cimarex Energy Co. Chevron U.S.A. Inc.

Case No. 23089: Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 8, the E/2W/2 of Section 17, and the E/2W/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit

will be dedicated to the White City 8-17-20 Fed. Com. Well No. 1H, with a first take point in the NE/4NW/4 of Section 8 and a last take point in the SE/4SW/4 of Section 20. Applicant also requests approval of the proposed well unit overlapping the well unit for the following well:

Cottonberry 20 Fed. Com. Well No. 2H E/2W/2 §20 Cimarex Energy Co.

Case No. 23090: Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 8, the W/2E/2 of Section 17, and the W/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17-20 Fed. Com. Well No. 16H, with a first take point in the NW/4NE/4 of Section 8 and a last take point in the SW/4SE/4 of Section 20. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

White City 8 Fed. Well No. 4H W/2E/2 §8 Cimarex Energy Co. Cottonberry 20 Fed. Com. Well No. 3H W/2E/2 §20 Cimarex Energy Co.

Case No. 23091: Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 8, the E/2E/2 of Section 17, and the E/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17-20 Fed. Com. Well No. 15H, with a first take point in the NE/4NE/4 of Section 8 and a last take point in the SE/4SE/4 of Section 20. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

White City 8 Fed. Well No. 5H E/2E/2 §8 Cimarex Energy Co. Cottonberry 20 Fed. Com. Well No. 4H E/2E/2 §20 Cimarex Energy Co.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, November 2, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>, or contact Marlene Salvidrez at <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">Marlene Salvidrez at Marlene Salvidrez@emnrd.nm.gov</a>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at <a href="https://ocd.hearings@emnrd.nm.gov">ocd.hearings@emnrd.nm.gov</a>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need

to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Cimarex Energy Co.

## EXHIBIT A

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

MRC Permian Company MRC Permian LKE Company LLC Land Department 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Premier Oil and Gas Kenneth Jones 901 Waterfall Way, Suite 201 Richardson, TX 75080

U.S. Postal Service"  CERTIFIED MAIL® RECEIPT  Domestic Mail Only  For delivery information, visit our website at www.usps.com*  Certified Mail Fee  Extra Services & Fees (check box, add fee as appropriate)  Extra Services & Fees (check box, add fee as appropriate)  Cartified Mail Restricted Delivery \$  Adult Signature Required  Postage  Postage  The state and Fees  Cartified Mail Restricted Delivery \$  Carti	OST TO THE REAL PROPERTY.	CTION  A. Signature  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  C. Date of Delivery  B. Received by (Printed Name)  C. Date of Delivery  C. Date o	3. Service Type  1. Adut Signature  2. Adut Signature Restricted Delivery  2. 6740 12  1. Collect on Delivery  1. Collect on Delivery  2. 6740 12  2. 6740 12  3. Service Type  3. Service Type  4. Adut Signature Restricted Delivery  5. Grandle Mail Restricted Mail Restricted Mail Restricted Delivery  6. Confined Mail Restricted Delivery  7. Collect on Delivery  8. Signature Confirmation  8. Signature Confirmation  9. Signature Confirmation  9. Signature Confirmation  9. Signature Confirmation  1. Collect on Delivery  2. Collect on Delivery  3. Collect on Delivery  4. TS30-02-000-9053  C. X. Domestic Return Receipt
A. Signature  A. Signature  A. Signature  C. Date of Delivery of Printed Name)  D. Is delivery address different from item 1?  If YES, enter delivery address below:	3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Adult Signature Restricted Delivery  Certified Mail@  Certified Mail@  Certified Mail@  Certified Mail@  Signature Confirmation  Confirmation  Signature Confirmation  Signature Confirmation  Delivery  Cover \$5000	SENI SENI S S S S S S S S S S S S S S S S S S S	2. Article Minimum Promoter from P. 2. Article Minimum P. 2. POPUL 1019 2020 PSI
SENDER: COMPLET THIS SECTION  Complete items 1, 2, and 3.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  Chevron U.S.A. Inc.  Chevron U.S.A. Inc.  Somitting Team Midland, TX 19706  Midland, TX 19706  Complete the second of the second of the mailpiece, or on the front if space permits.	m	U.S. Postal Service"  CERTIFIED MAIL® RECEIPT  Domestic Mail Only  For delivery information, visit our website at www.usps.com  Certified Mail Fee  Stra Services & Fees (check box, add fee as appropriate)  Stra Services & Fees (check box, add fee as appropriate)  Stra Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Certified Mail Fee  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)  Strata Services & Fees (check box, add fee as appropriate)	

A. Signature  X. A. Signature  Addressee  B. Received by (Printed Name)  C. Date of Delivery  D. Is delivery address different from item 1?  I. YES, enter delivery address below:  In No	3. Service Type  Adult Signature Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Restricted Delivery CAS Domestic Return Rece
Complete items 1, _, and 3.  Complete items 1, _, and 3.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  Article Addressed to:  Remath Jones Kerneth Jones Returned Jones Jones Returned Jones Jones Returned Jones	9590 9402 7635 2122 6733 67 effective Number (Transfer from service label) 7 D Z D D D D D D D D B B 3 Form 3811, July 2020 PSN 7530-02-000-9053

Pr	at www.usps.com*.	Postmark Here		See Reverse for Instructions
U.S. Postal Service"  CERTIFIED MAIL® RECEI	For delivery information, visit our website at www.usps.com.  Certified Mail Fee	EXtra Services & Fees (check box, add fee as appropriate)    Extra Services & Fees (check box, add fee as appropriate)   Return Receipt (electronic) \$   Certified Mail Restricted Delivery \$   Adult Signature Required   Adult Signature Restricted Delivery \$	Postage  Total Postage and Fees	Sent To   Premier Oil and Gas   Kemeth Jones   Ke

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

October 12, 2023

# CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, *etc.* filed with the New Mexico Oil Conservation Division by Cimarex Energy Co. regarding the following:

EXHIBIT //

Case No. 23091: Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 8, the E/2E/2 of Section 17, and the E/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17-20 Fed. Com. Well No. 15H, with a first take point in the NE/4NE/4 of Section 8 and a last take point in the SE/4SE/4 of Section 20. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

Well NameWell Unit<br/>E/2E/2 §8Operator<br/>Cimarex Energy Co.White City 8 Fed. Well No. 5HE/2E/2 §8Cimarex Energy Co.Cottonberry 20 Fed. Com. Well No. 4HE/2E/2 §20Cimarex Energy Co.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, November 2, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>, or contact Marlene Salvidrez at <a href="mailto:Marlene.Salvidrez@emnrd.nm.gov">Marlene.Salvidrez@emnrd.nm.gov</a>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this

Released to Imaging: 11/1/2023 8:03:45 AM

matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at <u>ocd.hearings@emnrd.nm.gov</u>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Cimarex Energy Co.

## **EXHIBIT A**

Realeza Del Spear, LP P.O. Box 1684 Midland, TX 79702

Del Rey Holdings LLC 10601 Clarence Dr. Suite 250 Frisco, TX 75033

John E. Hall, III 4709 State Hwy. 121, Suite 132 The Colony, TX 75056

Klipstine & Hantratty c/o James W. Klipstine 310 N. Canyon St. Carlsbad, NM 88220

Eric Benally 9010 Magnolia Avenue Riverside, CA 92503

Mark Anthony Matekovic 434 Lever Hill Rd. Chapin, SC 29036

Amber Davis 104 Manchester Ave. Hagerman, NM 88232

Heather Davis 21 E. Blevins Rd. Artesia, NM 88210

Estate of Clarence W. Ervin and Mary I. Ervin c/o Ruby Lillian Weldon 1105 S. County Club Circle Carlsbad, NM 88220

Neville Manning 2122 Indiana Lubbock, TX 79410

Chasity Garza 1410 East Broadway Brownfield, TX 79316

Robert Scott Pace P.O. Box 1015 Wofforth, TX 79382 John Edward Hall, IV 4836 Sunnyvale St No. 275 Dallas, TX 75216

Mary Lee Hall Stewart 201 Rodriguez Rd. Yoakum, TX 77995

Robert Craig Sandman c/o Ware State Prison 3620 Harris Rd. Waycross, GA 31503

Tim Paige 622 Chesterfield Circle San Marcos, CA 92069

Arturo Carrillo 914 Ahrens St. Houston, TX 88232

Stacy M. Ridge Davis P.O. Box 178 Hagerman, NM 88232

Margaret Stribling 520 Ranchitos Rd. NW Los Ranchos, NM 87114

Robert Duncan Cain, Jr. 4301 The 25 Way, Suite B Albuquerque, NM 87109

Salem Pecos Stribling 7319 Via Contenta NE Albuquerque, NM 87113

Domestic Return Receipt

(over \$500) 3350

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

See Reverse for Instructions

PS Form 3800, April 2015 PSN 7530-02-000-9047

City, State, ZIP+4®

Neville Manning 2122 Indiana Street and Apt. No., o Lubbock, TX 79410

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2. Article

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CERTIFIED MAIL® RECEIPT	Certified Mail Fee  Date of Delivery  Extra Services & Fees (check box, add fee as appropriate)  Addressee  Lateum Receivit (hardcopy)	elivery	Priority Mail Express® Registered Mail To Arturo Carrillo 914 Alvers St. 88232 Registered Mail Restricted Delivery Signature Confirmation* Restricted Delivery Restricted Delivery Restricted Delivery Restricted Delivery	SENDER: COMPLETE THIS SECTION  COMPLETE THIS SECTION ON DELIVERY  Complete items 1, 2, and 3.  E complete items 1, 2, and 3.  So that we can return the card to you.  So that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  Attach this card to the back of the mailpiece, or on the front if space permits.  Attach daressed to:  Anticle Addressed to:	3. Service Type  Adut Signature  Adut Signature  Adut Signature  Adut Signature  Adut Signature  Certified Mail Restricted Delivery  Certified Mail Restricted Delivery  Certified Mail Restricted Delivery  Confect on Del
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PS Form 3800, April 2013 (3)	

# CASE NOS. 23088 - 23091

# STATUS OF CERTIFIED NOTICE

INTEREST OWNER	MAILING DATE	RECEIPT DATE	CARD RETURNED
Chevron U.S.A. Inc.	10/12/23	Unknown	Yes
MRC Permian Company and MRC Permian LKE Company LLC	10/12/23	10/16/23	Yes
Premier Oil and Gas	10/12/23	Unknown	Yes
Del Rey Holdings LLC	10/12/23	10/19/23	Yes
John E. Hall, III	10/12/23	Not returned	No
Klipstine & Hanratty c/o James W. Klipstine	10/12/23	Not returned	No
Eric Benally	10/12/23	10/19/23	Yes
Mark Anthony Matekovic	10/12/23	Not returned	No
Amber Davis	10/12/23	10/21/23	Yes
Heather Davis	10/12/23	Not returned	No
Estate of Clarence W. Ervin and Mary I Ervin c/o Ruby Lillian Weldon	10/12/23	10/19/23	Yes
Neville Manning	10/12/23	10/19/23	Yes
Chastity Garza	10/12/23	Not returned	No
Robert Scott Pace	10/12/23	Not returned	No
John Edward Hall, IV	10/12/23	Not returned	No
Mary Lee Hall Stewart	10/12/23	Not returned	No
Robert Craig Sandman	10/12/23	Unknown	Yes

EXHIBIT 5

Tim Paige	10/12/23	10/20/23	Yes
Arturo Carrillo	10/12/23	Unknown	Yes
Stacy M. Ridge Davis	10/12/23	10/21/23	Yes
Margaret Stribling	10/12/23	Not returned	No
Robert Duncan Cain, Jr.	10/12/23	Not returned	No
Salem Pecos Stribling	10/12/23	Not returned	No

# Carlsbad Current Argus.

## **Affidavit of Publication** Ad # 0005845971 This is not an invoice

JAMES BRUCE ATTORNEY AT LAW **POBOX 1056** 

SANTA FE, NM 87504

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

10/18/2023

Legal Clerk

Subscribed and sworn before me this October 18,

State of WI, County of Brown

**NOTARY PUBLIC** 

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005845971 PO#: 0005845971 # of Affidavits1

This is not an invoice

#### NOTICE

To: Chevron USA Inc., Premier Oil & Gas, Inc., MRC Permian Company, and MRC I Company LLC, or your successors or assigns. Cimarex Energy Co. has filed the fol cases at the New Mexico Oil Conservation Division, seeking the relief specified belo

Case No. 23088, seeking an order pooling all uncommitted mineral interests i Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, NMPM, limite below the stratigraphic equivalent of 7,745 feet subsurface, being the top of formation as seen in the Schlumberger Platform Express Three Detector Litho-D pensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is loca of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedit White City 8-17 Fed. Com. Well No. 2H, with a first take point in the NW/4NW/4 and a last take point in the SW/4SW/4 of Section 17. Applicant also requests app proposed well unit overlapping the well units for the following wells, and to all erators in the well unit: erators in the well unit:

White City 8 Fed. Well No. 2H Hayhurst 17 Fed. Well No. 1H

Well Unit W/2W/2 §8 W/2W/2 §17

Chevron U.S.A.

Case No. 23089, seeking an order pooling all uncommitted mineral interests i Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of the E/2W/2 of Section 17, and the E/2W/2 of Section 20, Township 25 South, Rail Section 20, Township 25 South Rail Section 20, Towns the E/2W/2 of Section 17, and the E/2W/2 of Section 20, Township 25 South, Rai NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsu the top of the Harkey formation as seen in the Schlumberger Platform Express T tor Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Fe Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring forn Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N unit will be dedicated to the White City 8-17-20 Fed. Com. Well No. 1H, with point in the NE/4NW/4 of Section 8 and a last take point in the SE/4SW/4 of Sec plicant also requests approval of the proposed well unit overlapping the well following well:

Well Unit Operator

Cottonberry 20 Fed. Com. Well No. 2H

E/2W/2 §20

Cimarex Energy

Case No. 23090, seeking an order pooling all uncommitted mineral interests i Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 17, and the W/2E/2 of Section 20, Township 25 South, Rai NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsu the top of the Harkey formation as seen in the Schlumberger Platform Express 1 tor Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Fe Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring for Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N unit will be dedicated to the White City 8-17-20 Fed. Com. Well No. 16H, with point in the NW/4NE/4 of Section 8 and a last take point in the SW/4SE/4 of Sec plicant also requests approval of the proposed well unit overlapping the well to following wells: following wells:

White City 8 Fed. Well No. 4H Cottonberry 20 Fed. Com. Well No. 3H W/2E/2 §8 W/2E/2 §20

Cimarex Energy Cimarex Energy

Also to be considered will be the cost of drilling and completing the wells and tion of the cost thereof, as well as actual operating costs and charges for superv nation of applicant as operator of the wells, and a 200% charge for risk involve completing, and equipping the wells. The applications are scheduled to be he a.m. on November 2, 2023. During the COVID-19 Public Health Emergency, starter closed to the public and the hearing will be conducted semestal. are closed to the public and the hearing will be conducted remotely. To determi tion of the hearing or to participate in an electronic hearing emprd.state.nm.us/OCD/hearings or see the instructions posted on the Division's tp://emnrd.state.nm.us/OCD/announcements.html. You are not required to atter ing, but as an owner of an interest who may be affected by the applications, y pear and present testimony. Failure to appear at that time and become a par will preclude you from contesting this matter at a later date. The attorney for James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, james! m. The units are located approximately 5-1/2 miles south-southeast of Black R #0005845971, Current Argus, October 18, 2023

**EXHIBIT** 

### **NOTICE**

To: Chevron USA Inc., Premier Oil & Gas, Inc., MRC Permian Company, and MRC Permian LKE Company LLC, or your successors or assigns. Cimarex Energy Co. has filed the following here cases at the New Mexico Oil Conservation Division, seeking the relief specified below:

Case No. 23088, seeking an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 8 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17 Fed. Com. Well No. 2H, with a first take point in the NW/4NW/4 of Section 8 and a last take point in the SW/4SW/4 of Section 17. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells, and to allow two operations.

White City 8 Fed. Well No. 2H Hayhurst 17 Fed. Well No. 1H <u>Well Unit</u> W/2W/2 §8 W/2W/2 §17

<u>Operator</u> Cimarex Energy Co. Chevron U.S.A. Inc.

Cottonberry 20 Fed. Com. Well No. 2H

Well Unit E/2W/2 §20

Operator Cimarex Energy Co.

Case No. 23090, seeking an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 8, the W/2E/2 of Section 17, and the W/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17-20 Fed. Com. Well No. 16H, with a first take point in the NW/4NE/4 of Section 8 and a last take point in the SW/4SE/4 of Section 20. Applicant also requests approval of the proposed well unit overlapping the well units for the Well Unit

White City 8 Fed. Well No. 4H Cottonberry 20 Fed. Com. Well No. 3H Well Unit W/2E/2 §8 W/2E/2 §20 Operator

V/2E/2 §8 Cimarex Energy Co. Cimarex Energy Co.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling completing, and equipping the wells. The applications are scheduled to be heard at 8:15 a.m. on November 2, 2023. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to the public and the hearings or see the instructions posted on the Division's website, http://emnrd.state.nm.us/OCD/announcements.html. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, jamesbruc@aol.co New Mexico.

### BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CIMAREX ENERGY
CO. FOR COMPULSORY POOLING,
APPROVAL OF OVERLAPPING WELL
UNITS, AND TO ALLOW TWO OPERATORS
IN A WELL UNIT, EDDY COUNTY, NEW MEXICO.

Case No. 23088

## **APPLICATION**

Cimarex Energy Co. applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation, limited to the depths described in Paragraph 2 below, underlying a horizontal spacing unit comprised of the W/2W/2 of Section 8 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and for approval of overlapping well units and allowing two operators in the well unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2W/2 of Section 8, and has the right to drill a well in the proposed well unit.
- 2. Applicant proposes to drill the White City 8-17 Fed. Com. Well No. 2H, with a first take point in the NW/4NW/4 of Section 8 and a last take point in the SW/4SW/4 of Section 17, to a depth sufficient to test the Bone Spring formation, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The W/2W/2 of Section 8 and the W/2W/2 of Section 17 will be dedicated to the well.

**EXHIBIT** 

- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 8 and the W/2W/2 of Section 17 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 8 and the W/2W/2 of Section 17, pursuant to NMSA 1978 §70-2-17.
  - 5. The proposed well unit overlaps the following existing, producing well units:

Well Name	Well Unit	Operator
White City 8 Fed. Well No. 2H	W/2W/2 §8	Cimarex Energy Co.
Hayhurst 17 Fed. Well No. 1H	W/2W/2 §17	Chevron U.S.A. Inc.

6. The pooling of all uncommitted mineral interest owners in the Bone Spring formation, as to the depths described above, and approval of the overlapping well units, underlying the W/2W/2 of Section 8 and the W/2W/2 of Section 17, and approval of the overlapping well units and allowing two operators in the well unit, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 8 and the W/2W/2 of Section 17, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density

Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation;

- B. Designating applicant as operator of the well;
- C. Approving the overlapping well units and two operators in the well unit;
- D. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Cimarex Energy Co.

Application of Cimarex Energy Co. for compulsory pooling, approval of overlapping well units, and to allow two operators in a well unit, Eddy County, New Mexico. Cimarex Energy Co. seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 8 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation. The Pilot Hole is located in Lot 1 of Section 31, Township 25 South, Range 27 East, N.M.P.M. The unit will be dedicated to the White City 8-17 Fed. Com. Well No. 2H, with a first take point in the NW/4NW/4 of Section 8 and a last take point in the SW/4SW/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells, and to allow two operators in the well unit:

White City 8 Fed. Well No. 2H W/2W/2 §8 Cimarex Energy Co. Hayhurst 17 Fed. Well No. 1H W/2W/2 §17 Chevron U.S.A. Inc. The unit is located approximately 7 miles south-southeast of Black River Village, New Mexico.