

| | | | | | |
|----------------------|----------|-------------------|------------------------|-------------|---------------------------|
| 5/08/2016 DATE IN | SUSPENSE | in Am ENGINEER | 5/04/2016 LOGGED IN | PLC TYPE | PMAM1612558125 APP NO. |
|----------------------|----------|-------------------|------------------------|-------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

PLC-448

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

Cimarex Energy Co of Colorado- 215099
 Well: Hornsby 35 Fed Com
 #2 015-42165
 #3 015-42208

Pools:

Hay Hallow;BS
 30215

WC-015-S262728A;WC
 (GAS)
 98017

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Rhonda Sheldon

Rhonda Sheldon

Regulatory Technician

4-28-16

Print or Type Name

Signature

Title

Date

rsheldon@cimarex.com
 e-mail Address

Cimarex Energy Co.

202 S Cheyenne Ave

Suite 1000

Tulsa, Oklahoma 74103-4346

Phone 918.585.1100

Fax 918.749.8059

RECEIVED OOD

2016 MAY -4 P 2:1



April 28, 2016

NMOCD

1220 South St. Francis Drive

Santa Fe, NM 87505

RE: Request for a Commingle Gas Production
Hornsby 35 Fed Com 2H API# 30-015-42165
Hornsby 35 Fed Com 3H API# 30-015-42208
Pools: Hay Hallow; Bone Spring & WC-015 S262728A; WC
Eddy County, New Mexico

Mr. McMillian:

Cimarex Energy Company respectfully requests approval to surface commingle gas production from Hornsby 35 Fed Com lease. The Hornsby 35 2H produces from the Hay Hallow; Bone Spring. The Hornsby 35 3H produces from the WC-015 S2362728A; Wolfcamp. Each well has its own allocation meter before custody transfer at the sales point.

Both wells have identical working and revenue interests.

Please contact me should you have any questions or need anything further.

Thank you in advance for your time.

Sincerely,

A handwritten signature in black ink that reads "Rhonda Sheldon". The signature is written in a cursive, flowing style.

Rhonda Sheldon

Regulatory Technician

Enclosure.

Cimarex Energy Co.
600 N. Marientfeld St.
Suite 600
Midland, TX 79701
MAIN 432.571.7800



April 6, 2016

OCD
Attn: Michael A. McMillian
1220 South St. Francis Dr.
Santa Fe, NM 87505

**RE: Ownership of Developed Lands – Surface Commingling
 Hornsby 35 Federal 2H & 3H Wells
 All of Section 26, Lots 1-4, N/2N/2 of Section 35
 Township 26 South, Range 27 East, NMPM
 Eddy County, New Mexico**

Dear Sir,

The above referenced wells have been drilled under Federal Lease NM120350 and NM 117116 and each proration unit for the above referenced well has the exact same WI, RI, and ORRI owners. If you need any further information, you may contact me directly at 432.620.1966 or kreesec@cimarex.com

Sincerely,

A handwritten signature in cursive script that reads "Kelly Reese".

Kelly Reese, CPL
Landman, Permian Basin Region
Office: (432) 620-1966

APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Proposal for Hornsby 35 Federal Com :

Cimarex Energy Co. is requesting approval for PLC:

Federal Lease:

NMNM117116 & NMNM120350

Federal Com:

NM134622 & NM134466

| Well Name | Location | API # | Pool | MCFPD | BTU |
|-------------------|----------|--------------|-------|--------|-------|
| Hornsby 35 Fed 2H | SWNW | 30-015-42165 | 30215 | 1086.7 | 1.229 |
| Hornsby 35 Fed 3H | SWNW | 30-015-42208 | 98017 | 1463.5 | 1.229 |

The attached map shows the federal leases and well locations in Section 35-26S-27E.

The BLM's interest in all wells is common. Lease NMNM117116 royalty rate is 12.5% and involves 1364.69 acres, lease NMNM120350 royalty rate is 12.5% and involves 1560.0 acres. Oil production is not commingled.

Gas Metering:

The off pad battery is located in Sec. 35-26S-27E on federal lease NMNM117116 in Eddy County, New Mexico. The gas production from each wellhead will be measured separately by flowing through an allocation meter prior to DCP's sales point. Gas sales are allocated based upon allocation meters' monthly volume. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes at the facility.

Oil Production:

Oil is produced into separate facilities for each well.

Process and Flow Descriptions:

The flow of production is shown in detail on enclosed facilities diagram. BLM bas map depicts location of well and Lease & Com Agreement boundaries. The commingling of this gas production is the most effective economical means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

Cimarex Energy Co. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners are common for each well.

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240
Phone (505) 393-0101 Fax: (505) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 740-1203 Fax: (505) 740-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 534-6170 Fax: (505) 534-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3160 Fax: (505) 476-3162

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|---------------------------|---|--------------------------------------|
| API Number 30015-42165 | Pool Code 30215 | Pool Name Hay Hallow; Bone Spring |
| Property Code 40444 | Property Name HORNSBY 35 FEDERAL COM | Well Number 2H |
| OGRID No. 215099 | Operator Name CIMAREX ENERGY CO. | Elevation 3275' |

Surface Location

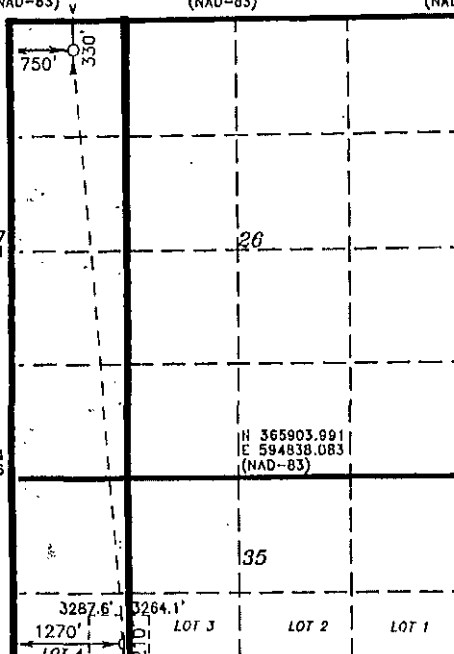
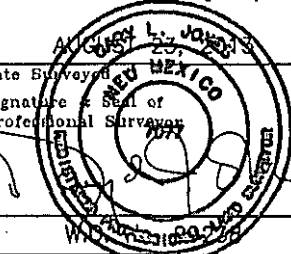
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| LOT 4 | 35 | 26 S | 27 E | | 210 | SOUTH | 1270 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 26 | 26 S | 27 E | | 330 | NORTH | 750 | WEST | EDDY |

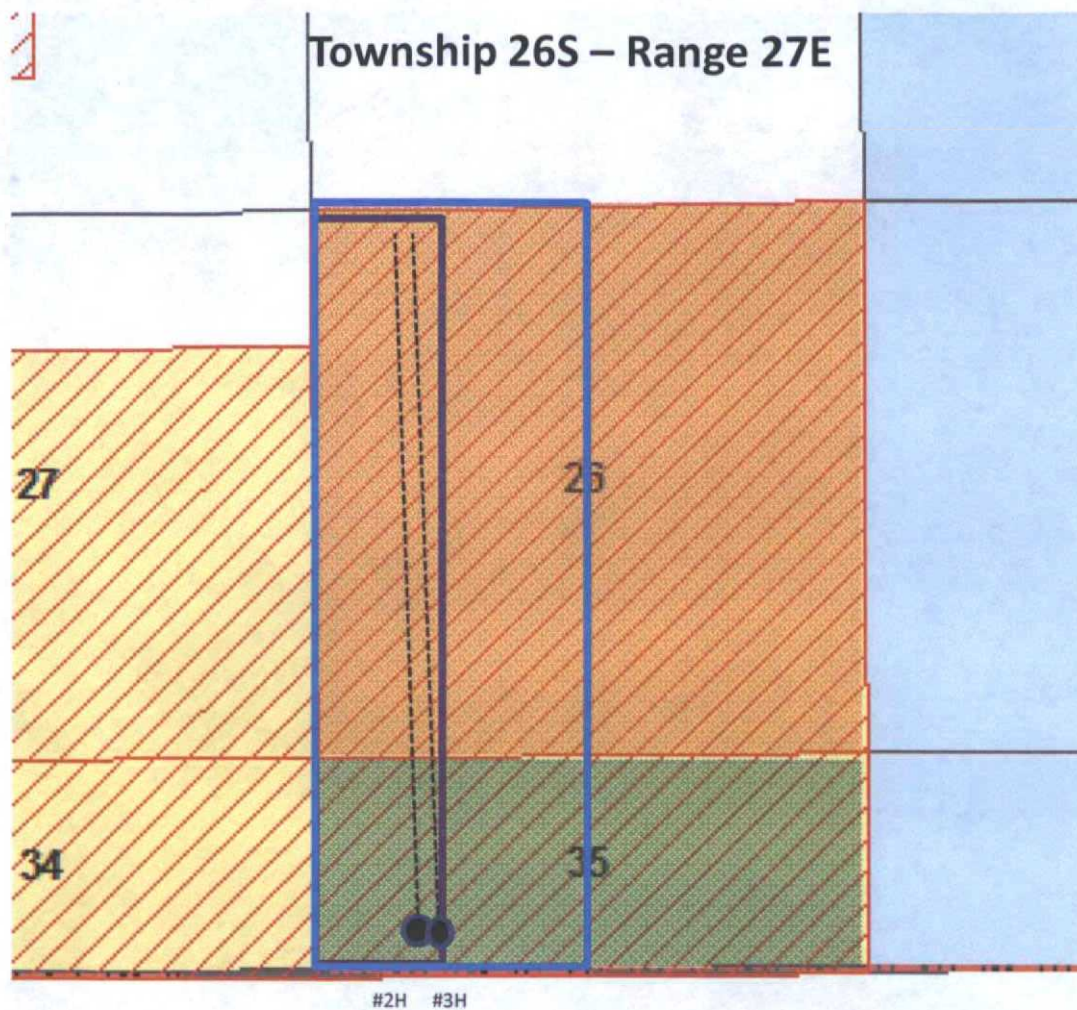
| | | | |
|---------------------------|-----------------|--------------------|----------------------|
| Dedicated Acres 224.02 | Joint or Infill | Consolidation Code | Order No. NSL/NSP |
|---------------------------|-----------------|--------------------|----------------------|

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

| | | |
|---|---|--|
| <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°01'09.92" Long - W 104°10'00.89" NMSPC- N 370844.2 E 592914.4 (NAD-83)</p> |  | <p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Cristen Burdell</i> 1-16-15 Signature Date Printed Name Email Address</p> |
| <p>SURFACE LOCATION Lat - N 32°00'02.08" Long - W 104°08'54.45" NMSPC- N 363991.246 E 593479.548 (NAD-83)</p> | | <p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><i>Gary L. Jones</i> Date Surveyed Signature & Seal of Professional Surveyor</p> <p></p> <p>Certificate No. Gary L. Jones 7977 BASIN SURVEYS 29238</p> |

DISTRICT IV
1220 E. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3160 Fax (505) 476-9162

[illegible]



NMNM120350



NMNM117116



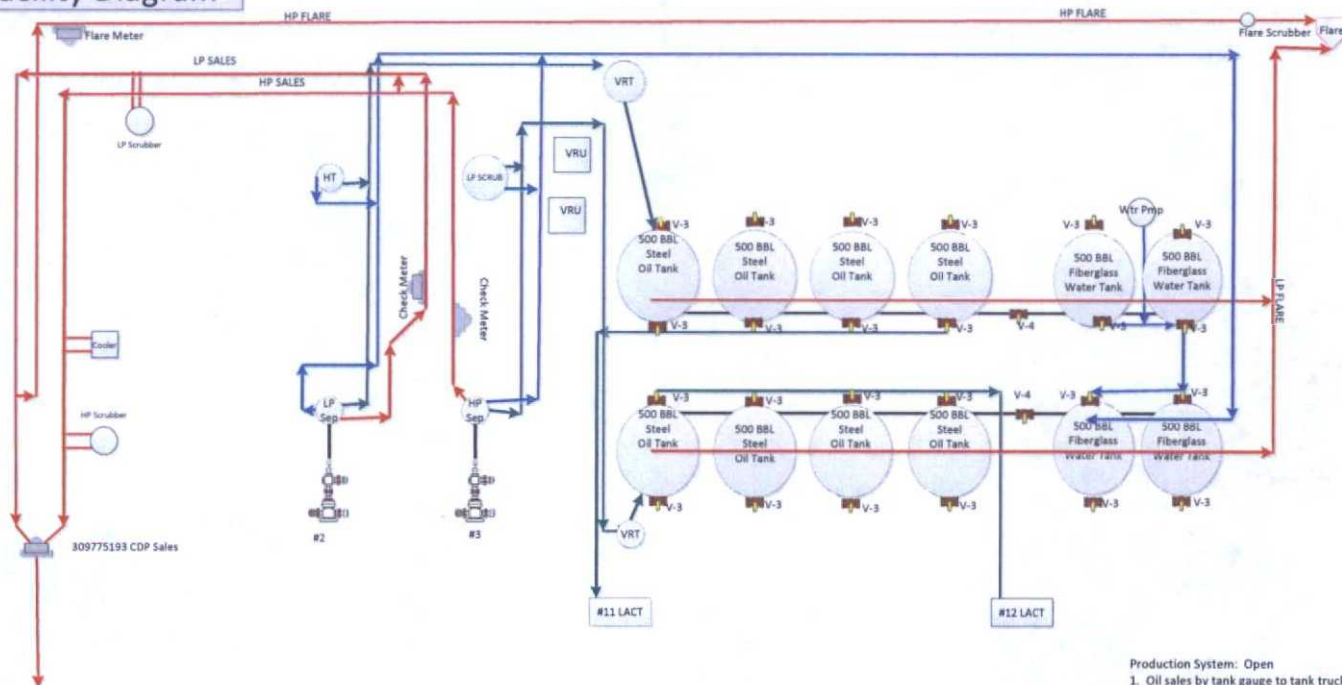
NMNM134466
448.09 Acres



NMNM134622
224.02 Acres

Site Facility Diagram

Hornsby 35 Federal 2 & 3



Cimarex Energy Co.

Lease: Hornsby 35 Federal 2 & 3
 ULSTR: 35-265-27E
 #2 210 FSL 1270 FWL, #3 210 FSL 1310 FWL
 Eddy County, NM
 BLM # NMNM120350



- Production System: Open
- Oil sales by tank gauge to tank truck
 - Seal Requirements:
 - Production Phase
 - All valves 1 open
 - All valves 4 open
 - All valves 5 closed
 - Sales Phase
 - All valves 1 closed
 - All valves 3 closed
 - All valves 4 closed
 - All valves 5 open



Hornsby 35 Federal Com Battery Economic Justification
Sec. 35-26S-27E
Eddy County, NM

CTB Commingling proposal for leases: NMNM117116, NMNM120350

Federal Lease NMNM117116 & NMNM120350 Royalty Rate 12-1/2%

| Well Name | MCFPD | BTU DRY | VALVE/MCF |
|----------------------|--------------|----------------|------------------|
| Hornsby 35 Fed Com 2 | 1086.7 | 1.228 | 2.1004 |
| Hornsby 35 Fed Com 3 | 1463.5 | 1.261 | 2.1004 |

Economic combined production

Federal Lease NMNM117116 & NMNM120350 Royalty Rate 12-1/2%

| Facility Name | MCFPD | BTU DRY | VALVE/MCF |
|----------------------|--------------|----------------|------------------|
| Hornsby 35 Fed Com | 2550.2 | 1.244 | 2.1004 |

Signed:

A handwritten signature in cursive script that reads "Rhonda Sheldon".

Printed Name: Rhonda Sheldon

Title: Regulatory Technician

Phone: 918-295-1709

Date:

Natural Gas Analysis Report

AKM Measurement Services

Sample Information

| Sample Information | |
|--------------------|----------------------------|
| Sample Name | Hornsby 35-2 (NCWP9775192) |
| Injection Date | 2015-06-19 18:56:13 |

Component Results

| Component Name | Norm% | GPM (Dry) (Gal. / 1000 cu.ft.) |
|----------------|----------|-----------------------------------|
| Nitrogen | 0.6760 | 0.000 |
| Methane | 81.8690 | 0.000 |
| CO2 | 0.1259 | 0.000 |
| Ethane | 10.7338 | 2.880 |
| H2S | 0.0000 | 0.000 |
| Propane | 4.0295 | 1.114 |
| iso-Butane | 0.2679 | 0.088 |
| n-Butane | 0.2547 | 0.081 |
| iso-Pentane | 0.6012 | 0.221 |
| n-Pentane | 1.0756 | 0.391 |
| Hexanes Plus | 0.3664 | 0.159 |
| Water | 0.0000 | 0.000 |
| Total: | 100.0000 | 4.933 |

Results Summary

| Result | Dry | Sat. |
|---|--------|--------|
| Pressure Base (psia) | 14.730 | |
| Flowing Temperature (Deg. F) | 80.0 | |
| Flowing Pressure (psia) | 133.0 | |
| Gross Heating Value (BTU / Real cu.ft.) | 1228.1 | 1207.2 |
| Relative Density (G), Real | 0.7008 | 0.6997 |
| Total GPM | 4.933 | 4.948 |
| Total Molecular Weight | 20.238 | 20.199 |

Natural Gas Analysis Report

AKM Measurement Services

Sample Information

| Sample Information | |
|--------------------|-------------------------------------|
| Sample Name | Hornsby 35 Fed 3 Alloc (NCW0001011) |
| Injection Date | 2016-04-25 20:23:19 |

Component Results

| Component Name | Norm% | GPM (Dry) (Gal. / 1000 cu.ft.) |
|----------------|----------|-----------------------------------|
| Nitrogen | 0.7494 | 0.000 |
| Methane | 79.4474 | 0.000 |
| CO2 | 0.1868 | 0.000 |
| Ethane | 11.4185 | 3.064 |
| H2S | 0.0000 | 0.000 |
| Propane | 4.6339 | 1.281 |
| iso-Butane | 0.7484 | 0.246 |
| n-Butane | 1.4427 | 0.456 |
| iso-Pentane | 0.3904 | 0.143 |
| n-Pentane | 0.3826 | 0.139 |
| Hexanes Plus | 0.5999 | 0.261 |
| Water | 0.0000 | 0.000 |
| Total: | 100.0000 | 5.590 |

Results Summary

| Result | Dry | Sat. |
|---|--------|--------|
| Pressure Base (psia) | 14.730 | |
| Flowing Temperature (Deg. F) | 80.0 | |
| Flowing Pressure (psia) | 67.0 | |
| Gross Heating Value (BTU / Real cu.ft.) | 1261.6 | 1240.2 |
| Relative Density (G), Real | 0.7241 | 0.7226 |
| Total GPM | 5.590 | 5.595 |
| Total Molecular Weight | 20.905 | 20.854 |

Well_Name: HORNSBY 35 FEDERAL COM # 002H API: 3001542165
 Location: E-35-26.0S-27E 210 FSL 1270 FWL
 Lat: 32.00071712 Long: -104.165
 Operator Name: CIMAREX ENERGY CO. County: Eddy
 Land Type: Federal Well Type: Gas
 Spud Date: 8/16/2014 Plug Date:
 Elevation GL: 3275 Depth TVD: 7699

Year: 2015

Pool Name: HAY HOLLOW;BONE SPRING

| Month | Oil(BBLS) | Gas(MCF) | Water(BBLS) | Days Produced |
|-----------|-----------|----------|-------------|---------------|
| January | 0 | 0 | 0 | 0 |
| February | 0 | 0 | 0 | 0 |
| March | 0 | 0 | 0 | 0 |
| April | 0 | 0 | 0 | 0 |
| May | 8379 | 64517 | 13582 | 29 |
| June | 7983 | 61802 | 14319 | 30 |
| July | 7309 | 57752 | 12586 | 31 |
| August | 7278 | 61126 | 13540 | 31 |
| September | 5605 | 58045 | 12935 | 30 |
| October | 5723 | 55518 | 12441 | 31 |
| November | 4997 | 50272 | 10270 | 30 |
| December | 3589 | 35036 | 6125 | 23 |

Year: 2016

Pool Name: HAY HOLLOW;BONE SPRING

| Month | Oil(BBLS) | Gas(MCF) | Water(BBLS) | Days Produced |
|-----------|-----------|----------|-------------|---------------|
| January | 4124 | 33689 | 7687 | 28 |
| February | 4616 | 37187 | 7744 | 28 |
| March | 0 | 0 | 0 | 0 |
| April | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 |
| June | 0 | 0 | 0 | 0 |
| July | 0 | 0 | 0 | 0 |
| August | 0 | 0 | 0 | 0 |
| September | 0 | 0 | 0 | 0 |
| October | 0 | 0 | 0 | 0 |
| November | 0 | 0 | 0 | 0 |
| December | 0 | 0 | 0 | 0 |

Well_Name: HORNSBY 35 FEDERAL COM # 003H API: 3001542208
 Location: E-35-26.0S-27E 210 FSL 1310 FWL
 Lat: 32.00071713 Long: -104.165
 Operator Name: CIMAREX ENERGY CO. County: Eddy
 Land Type: Federal Well Type: Gas
 Spud Date: 6/5/2014 1 Plug Date: .
 Elevation GL: 3274 Depth TVD: 10160

Year: 2014

Pool Name: WC-015 S262728A;WOLFCAMP (GAS)

| Month | Oil(BBLS) | Gas(MCF) | Water(BBLS) | Days Produced |
|-----------|-----------|----------|-------------|---------------|
| January | 0 | 0 | 0 | 0 |
| February | 0 | 0 | 0 | 0 |
| March | 0 | 0 | 0 | 0 |
| April | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 |
| June | 0 | 0 | 0 | 0 |
| July | 0 | 0 | 0 | 0 |
| August | 0 | 0 | 0 | 0 |
| September | 0 | 0 | 0 | 0 |
| October | 0 | 0 | 0 | 0 |
| November | 7074 | 99418 | 30813 | 24 |
| December | 16234 | 198489 | 53091 | 31 |

Year: 2015

Pool Name: WC-015 S262728A;WOLFCAMP (GAS)

| Month | Oil(BBLS) | Gas(MCF) | Water(BBLS) | Days Produced |
|-----------|-----------|----------|-------------|---------------|
| January | 11678 | 170814 | 38926 | 31 |
| February | 1288 | 11541 | 3133 | 4 |
| March | 10258 | 110854 | 31104 | 29 |
| April | 6185 | 71662 | 20778 | 30 |
| May | 7086 | 82019 | 21835 | 31 |
| June | 5738 | 72766 | 18713 | 30 |
| July | 4819 | 60995 | 15699 | 31 |
| August | 5464 | 70419 | 16926 | 31 |
| September | 4770 | 64274 | 15517 | 30 |
| October | 4520 | 59380 | 13782 | 31 |
| November | 4365 | 56235 | 14412 | 30 |
| December | 3158 | 40584 | 9663 | 25 |

Year: 2016

Pool Name: WC-015 S262728A;WOLFCAMP (GAS)

| Month | Oil(BBLS) | Gas(MCF) | Water(BBLS) | Days Produced |
|-----------|-----------|----------|-------------|---------------|
| January | 3497 | 45371 | 9824 | 31 |
| February | 3486 | 46192 | 10513 | 28 |
| March | 0 | 0 | 0 | 0 |
| April | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 |
| June | 0 | 0 | 0 | 0 |
| July | 0 | 0 | 0 | 0 |
| August | 0 | 0 | 0 | 0 |
| September | 0 | 0 | 0 | 0 |
| October | 0 | 0 | 0 | 0 |
| November | 0 | 0 | 0 | 0 |
| December | 0 | 0 | 0 | 0 |

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 07:52 AM

Page 1 of 1

Run Date: 04/28/2016

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

224.020

NMNM-- - 134622

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 134622

| Name & Address | | | Int Rel | % Interest |
|-------------------|-----------------------------|----------------------|------------------|---------------|
| BLM CARLSBAD FO | 620 E GREENE ST | CARLSBAD NM 88220 | OFFICE OF RECORD | 0.000000000 |
| CIMAREX ENERGY CO | 600 N MARIENFELD ST STE 600 | MIDLAND TX 797014405 | OPERATOR | 100.000000000 |

Serial Number: NMNM-- - 134622

| Mer Twp | Rng | Sec | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency |
|----------|-------|-----|------|----------|-------------|-----------------------|--------|---------------------|
| 23 02605 | 0270E | 026 | ALIQ | | W2W2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 02605 | 0270E | 035 | ALIQ | | NWNW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 02605 | 0270E | 035 | LOTS | | 4; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

Serial Number: NMNM-- - 134622

| Act Date | Code | Action | Action Remark | Pending Office |
|------------|------|--------------------------|------------------|----------------|
| 06/01/2014 | 387 | CASE ESTABLISHED | | |
| 06/01/2014 | 516 | FORMATION | BONE SPRING | |
| 06/01/2014 | 526 | ACRES-FED INT 100% | 224.02; 100% | |
| 06/01/2014 | 868 | EFFECTIVE DATE | 30-015-42165 | |
| 11/10/2014 | 654 | AGRMT PRODUCING | /1/ | |
| 11/10/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /1/ 30-015-42165 | |
| 06/04/2015 | 643 | PRODUCTION DETERMINATION | /1/ | |

Serial Number: NMNM-- - 134622

| Line Nr | Remarks |
|---------|---|
| 0001 | RECAPITULATION EFFECTIVE 06/01/2014 |
| 0002 | TRACT # LEASE SERIAL # AC COMMITTED % INT |
| 0003 | 1 NM120350 160.00 71.42 |
| 0004 | 2 NM117116 64.02 28.58 |
| 0005 | TOTAL 224.02 100.00 |

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 09:14 AM

Page 1 of 2

Run Date: 03/21/2016

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres 1,364.690
Serial Number NMNM-- - 117116

| Name & Address | | Serial Number: NMNM-- - 117116 | | Int Rel | % Interest |
|-------------------|--------------------------|--------------------------------|------------------|---------------|------------|
| CHEVRON USA INC | 1400 SMITH ST | HOUSTON TX 770027327 | LESSEE | 100.000000000 | |
| CHEVRON USA INC | 1400 SMITH ST | HOUSTON TX 770027327 | OPERATING RIGHTS | 0.000000000 | |
| CIMAREX ENERGY CO | 1700 LINCOLN ST STE 1800 | DENVER CO 802034518 | OPERATING RIGHTS | 0.000000000 | |
| MEWBOURNE OIL CO | 500 W TEXAS ST #1020 | MIDLAND TX 79701 | OPERATING RIGHTS | 0.000000000 | |

| Serial Number: NMNM-- - 117116 | | | | | | | | |
|--------------------------------|-------|-----------|------|----------|-------------|-----------------------|--------|---------------------|
| Mer Twp | Rng | Sec | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency |
| 23 | 0260S | 0270E 023 | ALIQ | | N2N2,SENE; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 031 | ALIQ | | N2NE,NENW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 031 | LOTS | | 1-4; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 032 | ALIQ | | N2NE,NENW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 032 | LOTS | | 2,3; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 033 | ALIQ | | N2N2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 033 | LOTS | | 1-4; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 034 | ALIQ | | N2N2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 034 | LOTS | | 1-4; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 035 | ALIQ | | N2N2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0260S | 0270E 035 | LOTS | | 1-4; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

| Serial Number: NMNM-- - 117116 | | | | |
|--------------------------------|------|--------------------------|-----------------------|----------------|
| Act Date | Code | Action | Action Remark | Pending Office |
| 10/17/2006 | 387 | CASE ESTABLISHED | 200610021; | |
| 10/18/2006 | 143 | BONUS BID PAYMENT RECD | \$2730.00; | |
| 10/18/2006 | 191 | SALE HELD | | |
| 10/18/2006 | 267 | BID RECEIVED | \$1092000.00; | |
| 10/31/2006 | 143 | BONUS BID PAYMENT RECD | \$1089270.00; | |
| 11/16/2006 | 237 | LEASE ISSUED | | |
| 11/16/2006 | 974 | AUTOMATED RECORD VERIF | LBO | |
| 12/01/2006 | 496 | FUND CODE | 05;145003 | |
| 12/01/2006 | 530 | RLTY RATE - 12 1/2% | | |
| 12/01/2006 | 868 | EFFECTIVE DATE | | |
| 03/22/2007 | 963 | CASE MICROFILMED/SCANNED | | |
| 06/11/2008 | 817 | MERGER RECOGNIZED | CHESA LLC/CHESA LP | |
| 08/22/2008 | 817 | MERGER RECOGNIZED | | |
| 11/27/2012 | 140 | ASGN FILED | CHESAPEAK/CHEVRON U;1 | |
| 03/09/2013 | 643 | PRODUCTION DETERMINATION | /1/ | |
| 03/09/2013 | 650 | HELD BY PROD - ACTUAL | /1/ | |
| 04/11/2013 | 139 | ASGN APPROVED | EFF 12/01/12; | |
| 04/11/2013 | 974 | AUTOMATED RECORD VERIF | ANN | |
| 08/13/2013 | 932 | TRF OPER RGTS FILED | CHEVRON U/MEWBOURNE;1 | |
| 08/15/2013 | 246 | LEASE COMMITTED TO CA | NMNM133038; | |
| 09/01/2013 | 246 | LEASE COMMITTED TO CA | NMNM133048; | |
| 11/04/2013 | 932 | TRF OPER RGTS FILED | CHEVRON U/CIMAREX E;1 | |
| 11/25/2013 | 246 | LEASE COMMITTED TO CA | NMNM132432; | |

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| | | | |
|------------|-----|--------------------------|----------------|
| 02/04/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /3/NMNM133048; |
| 02/17/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /2/NMNM133038; |
| 03/06/2014 | 933 | TRF OPER RGTS APPROVED | EFF 09/01/13; |
| 03/06/2014 | 933 | TRF OPER RGTS APPROVED | EFF 12/01/13; |
| 03/06/2014 | 974 | AUTOMATED RECORD VERIF | BTM |
| 03/06/2014 | 974 | AUTOMATED RECORD VERIF | MJD |
| 04/10/2014 | 393 | DEC ISSUED | STIP WAIVER; |
| 04/10/2014 | 974 | AUTOMATED RECORD VERIF | LBO |
| 04/16/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /1/NMNM132432; |
| 05/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134487; |
| 05/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134491; |
| 06/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134466; |
| 06/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134622; |
| 07/30/2014 | 643 | PRODUCTION DETERMINATION | /2/ |
| 08/01/2014 | 643 | PRODUCTION DETERMINATION | /3/ |
| 11/09/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /4/NMNM134466; |
| 11/10/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /7/NMNM134622; |
| 12/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134759; |
| 12/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134772; |
| 01/23/2015 | 658 | MEMO OF 1ST PROD-ACTUAL | /6/NMNM134491; |
| 01/28/2015 | 658 | MEMO OF 1ST PROD-ACTUAL | /5/NMNM134487; |
| 04/29/2015 | 643 | PRODUCTION DETERMINATION | /4/ |
| 05/06/2015 | 643 | PRODUCTION DETERMINATION | /5/ |
| 05/07/2015 | 643 | PRODUCTION DETERMINATION | /6/ |
| 05/10/2015 | 658 | MEMO OF 1ST PROD-ACTUAL | /8/NMNM134759; |
| 05/11/2015 | 658 | MEMO OF 1ST PROD-ACTUAL | /9/NMNM134772; |
| 06/04/2015 | 643 | PRODUCTION DETERMINATION | /7/ |
| 07/08/2015 | 643 | PRODUCTION DETERMINATION | /8/ |
| 07/09/2015 | 643 | PRODUCTION DETERMINATION | /9/ |

Serial Number: NMNM-- - 117116

| Line Nr | Remarks |
|---------|--|
| 0002 | STIPULATIONS ATTACHED TO LEASE: |
| 0003 | NM-11-LN SPECIAL CULTURAL RESOURCE |
| 0004 | SENM-S-5 THREATENED PLANT SPECIES |
| 0005 | (GYPSUM WILD-BUCKWHEAT) |
| 0006 | SENM-S-15 WILDLIFE HABITAT PROJECTS |
| 0007 | SENM-S-17 SLOPES OR FRAGILE SOILS |
| 0008 | SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS |
| 0009 | SENM-S-20 SPRINGS, SEEPS AND TANKS |
| 0010 | - |
| 0011 | 04/11/2013 - RENT PAID 12/01/12 PER ONRR |
| 0012 | 03/05/2014 - RENT PAID 12/1/13 - 11/30/2014 PER ONRR |
| 0013 | PER DECISION DTD 04/10/14: |
| 0014 | SENM-S-5 THREATENED PLANT SPECIES WAS ATTACHED |
| 0015 | IN ERROR - REMOVED; |

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01 12-22-1987;101STAT1330;30USC181 ET SE

Case Type 312021: O&G LSE COMP PD -1987

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres
1,560.000

Serial Number
NMNM-- - 120350

| Name & Address | | | Serial Number: NMNM-- - 120350 | Int Rel | % Interest |
|-------------------|--------------------------|----------------------|--------------------------------|---------------|------------|
| CHEVRON USA INC | 1400 SMITH ST | HOUSTON TX 770027327 | OPERATING RIGHTS | 0.000000000 | |
| CHEVRON USA INC | 1400 SMITH ST | HOUSTON TX 770027327 | LESSEE | 100.000000000 | |
| CIMAREX ENERGY CO | 1700 LINCOLN ST STE 1800 | DENVER CO 802034518 | OPERATING RIGHTS | 0.000000000 | |

| Serial Number: NMNM-- - 120350 | | | | | | | | |
|--------------------------------|-------|-----------|------|----------|----------------|-----------------------|--------|---------------------|
| Mer Twp | Rng | Sec | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency |
| 23 | 02605 | 0270E 001 | ALIQ | | W2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 02605 | 0270E 012 | ALIQ | | E2NE,NW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 02605 | 0270E 013 | ALIQ | | SENE,S2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 02605 | 0270E 026 | ALL | | ENTIRE SECTION | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

| Serial Number: NMNM-- - 120350 | | | | |
|--------------------------------|------|-------------------------|------------------------|----------------|
| Act Date | Code | Action | Action Remark | Pending Office |
| 02/28/2008 | 387 | CASE ESTABLISHED | 200804009; | |
| 04/01/2008 | 299 | PROTEST FILED | /1/W ENVR LAW CTR | |
| 04/01/2008 | 299 | PROTEST FILED | /2/WILDEARTH GUARDIAN | |
| 04/01/2008 | 299 | PROTEST FILED | /3/NMDGF | |
| 04/16/2008 | 143 | BONUS BID PAYMENT RECD | \$3120.00; | |
| 04/16/2008 | 191 | SALE HELD | | |
| 04/16/2008 | 267 | BID RECEIVED | \$3432000.00; | |
| 04/28/2008 | 143 | BONUS BID PAYMENT RECD | \$3428880.00; | |
| 06/11/2008 | 817 | MERGER RECOGNIZED | CHESA LLC/CHESA LP | |
| 07/11/2008 | 298 | PROTEST DISMISSED | /1/ | |
| 07/11/2008 | 298 | PROTEST DISMISSED | /2/ | |
| 07/15/2008 | 298 | PROTEST DISMISSED | /3/ | |
| 07/21/2008 | 237 | LEASE ISSUED | | |
| 07/21/2008 | 974 | AUTOMATED RECORD VERIF | BCO | |
| 08/01/2008 | 496 | FUND CODE | 05;145003 | |
| 08/01/2008 | 530 | RLTY RATE - 12 1/2% | | |
| 08/01/2008 | 868 | EFFECTIVE DATE | | |
| 10/03/2008 | 140 | ASGN FILED | UPLAND/CHESAPEAKE E;1 | |
| 12/05/2008 | 139 | ASGN APPROVED | EFF 11/01/08; | |
| 12/05/2008 | 974 | AUTOMATED RECORD VERIF | ANN | |
| 11/27/2012 | 140 | ASGN FILED | CHESAPEAKE/CHEVRON U;1 | |
| 04/10/2013 | 139 | ASGN APPROVED | EFF 12/01/12; | |
| 04/10/2013 | 974 | AUTOMATED RECORD VERIF | ANN | |
| 11/04/2013 | 932 | TRF OPER RGTS FILED | CHEVRON U/CIMAREX E;1 | |
| 03/06/2014 | 933 | TRF OPER RGTS APPROVED | EFF 12/01/13; | |
| 03/06/2014 | 974 | AUTOMATED RECORD VERIF | MJD | |
| 06/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134466; | |
| 06/01/2014 | 246 | LEASE COMMITTED TO CA | NMNM134622; | |
| 11/09/2014 | 650 | HELD BY PROD - ACTUAL | /4/ | |
| 11/09/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /4/NMNM134466; | |
| 11/10/2014 | 658 | MEMO OF 1ST PROD-ACTUAL | /5/NMNM134622; | |

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| | | | |
|------------|-----|--------------------------|-----|
| 04/29/2015 | 643 | PRODUCTION DETERMINATION | /4/ |
| 06/04/2015 | 643 | PRODUCTION DETERMINATION | /5/ |

| Line Nr | Remarks | Serial Number: NMNM-- - 120350 |
|---------|---------|--------------------------------|
|---------|---------|--------------------------------|

| | | |
|------|---|--|
| 0001 | STIPULATIONS ATTACHED TO LEASE: | |
| 0002 | NM-11-LN SPECIAL CULTURAL RESOURCE | |
| 0003 | SENM-LN-1 CAVE - KARST OCCURRENCE AREA | |
| 0004 | SENM-S-17 SLOPES OR FRAGILE SOILS | |
| 0005 | SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS | |
| 0006 | FLOODPLAIN NOT IN PARCEL, BUT WITHIN 200 METERS | |
| 0007 | RENTAL PAID 08/01/2008 PER MRM | |
| 0008 | 04/10/2013 - RENTAL PAID 08/01/2013 PER ONRR | |