

November 22, 2019

NMOCD 1220 S. St. Francis Drive, #3 Santa Fe, NM 87505 ATTN: Florene Davidson

Re: Statement of Estimated Well Costs

Dos Equis 12-13 Fed Corn 86H

E2E2 Section 12, Township 24 South, Range 32 East

Lea County, New Mexico

Dear Ms. Davidson,

Pursuant to Order No. R-20794, ¶10 of the New Mexico Oil Conservation Division, Cimarex Energy Co. hereby submits its estimated schedule of the cost of drilling, completing and equipping its Dos Equis 12-13 Fed Com 73H well. This statement reflects Cimarex's updated AFE, and does not materially change the estimated cost for drilling, competing and equipping the well.

Although Order R-20794 provides that a party has a right to elect to pay its share of estimated well costs within 30 days of the date this scheduled is furnished to them in order to avoid treatment as a non-consenting working interest owner under the Order, the date for doing so has been extended by agreement between the parties.

Please call the undersigned with any questions or comments.

Respectfully,

Cody Elliott 432-571-7806

Authorization For Expenditure Drilling

AFE # 26720027

Company Entity

Date Prepared

				12/3/2019
Exploration Region Permian Basin	Well Name DOS EQUIS 12-13 FEDERAL COM 86H New (Lea)	Prospect Mexico Bone Spring Pros	Property Number 301471-495.01	AFE 26720027
County, State Lea, NM	Location Sec 12-13-T24S-R34E; Lea County, NM		Estimated Spud 8/20/2020	Estimated Completion
X New Supplement Revision	Formation Wolfcamp Upper	Well Type DEV	Ttl Measured Depth 22,327	Ttl Vetical Depth 12,327

Purpose

Drill and complete well

Description

Drill and complete a horizontal test. Drill to 1300', set water string casing. Drill to 11801' (KOP). Drill curve at 12°/100' initial build rate to +/- 75 degrees and set casing at +/- 12426' MD. Finish curve at +/- 3°/100' to +/- 12330' TVD and drill a +/- 9610' long lateral in the Wolfcamp formation. Run and cement production Casing. Stage frac.Drill out plugs. Run production packer, tubing and GLVs.

Total Well Cost	\$4,180,000	\$7,822,820	\$12,002,820
Total Tangible Cost	\$463,000	\$1,785,500	\$2,248,500
Lease Equipment		\$986,500	\$986,500
Well Equipment	\$463,000	\$799,000	\$1,262,000
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Total Intangible Cost	\$3,717,000	\$6,037,320	\$9,754,320
Completion Costs		\$6,037,320	\$6,037,320
Drilling Costs	\$3,717,000		\$3,717,000
Intangible	Dry Hole	After Casing Point	Completed Well Cost

Comments On Well Costs

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

Well Control Insurance

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

I elect to	purchase my	own well	control	insurance	policy.

Marketing Election

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

ī	elect	to	taka	1991/	asc	in	kind
E	elect	fO	take	my	gas	m	KING.

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
This will be selected and the selected a			4
мамением за поможно поможно местам сместам и и и и и и и и и и и и и и и и и и и	от на применения в применения и применения в применения	поточность устронивающей станование по поточность по по поточность по	DE LE CONTRETE DE L'AUTRE DE L'AU

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



total taligiot Cos	4	403,000		340,000		231,000		300,300		17	
Total Tangible Cos	and a constant and an arrangement of	463,000	ACCRECATE OF THE PARTY OF THE P	548,000		251,000	minustri seriotessimi	986,500	of NL Court hands seems constructed by Seminates &	0	2,248,50
-L/GL - Materials FL/GL - Line Pipe							CONT.555	43,500			43,50
Lease Automation Materials							CONT.550	43,500			43,50
ease Automation Materials							CONT.455	60,000			60,00
Meters and Metering Equipment Facility Line Pipe							CONT.445	39,500 37,500		and the same of th	39,50 37,50
Felecommunication Equipment							CONT.426 CONT.445	500			50
Facility Electrical							CONT.425	31,500			31,50
Overhead Power Distribution							CONT.420	49,000			49,00
Secondary Containments						¥ 9	CONT.415	30,000			30,00
Battery Equipment							CONT.410	328,000			328,00
Fanks, Tanks Steps, Stairs							CONT.405	50,000		and the same of th	50,00
N/C Lease Equipment							CONT.400	237,000		1	237,00
Downhole Lift Equipment					STIMT.410	80,000			PCOMT.410	Own	80,00
WALKOVERS							CONT.390	5,000			5,00
PUMPS							CONT.385	23,000		Paul	23,00
SHORT ORDERS							CONT.380	11,500		- Applications	11,50
acker, Nipples			2		STIMT.400	28,000			PCOMT.400	O	28,00
Wellhead, Tree, Chokes	DWEB.115	30,000	DWEA.120	30,000		60,000		To the second	PCOMT.120	0	120,00
Tubing					STIMT.105	83,000			PCOMT.105	O	83,00
Production Casing or Liner			DWEA.100	518,000						- vogetee	518,00
ntermediate Casing 1	DWEB.145	392,000								S. S	392,00
Surface Casing	DWEB.140	41,000			20000000					· · · · · · · · · · · · · · · · · · ·	41,00
Total Intangible Cost	EXCHANGE COM-	3,717,000	The second second second	272,000	STATES THE MEAN AND A SERVICE OF THE	4,565,000	PANCANTA CALIFORNIA CA	735,000	10 NRSS4NNSSSSNANSSANSSS	465,320	9,754,32
Contingency						2	CON.221	26,000			26,00
Contingency	DIDC.435	177,000	DICC.220	13,000	STIM.220	217,000	CON.220	106,500	PCOM.220	30,000	543,50
Survey							CON.515	4,000		8	4,00
L/GL - Supervision							CON.505	18,000			18,00
FL/GL - Labor						-	CON.500	109,500			109,50
FL/GL - ON PAD LABOR						-	CON.495	43,000			43,00
Major Construction Overhead		0,000				1	CON.305	33,500			33,50
Nell Control Insurance	DIDC.300	10,000					2014.500	U			8,00
etimulation Water/Water Transfer/Water Storage	DIDC.300	10,000			STINI S	518,000	CON.300	0			518,0 0 10,00
Stimulation Pumping/Chemicals/Additives/Sand					STIM.210 STIM.395	2,340,000			FCOIVI.2 IU	Omm	2,340,00
Composite Plugs					STIM.390	96,000			PCOM.390 PCOM.210	Own	96,00
Completion Logging/Perforating/Wireline					STIM.200	386,000			PCOM.200 PCOM.390	0	386,00
Coil Tubing Services					STIM.260	368,000			PCOM.260	0	368,00
Completion Rig					S∏M.115	21,000			PCOM.115	0	21,00
Vell Control Equip (Snubbing Services)	DIDC.265	119,000	DICC.240	0	STIM.240	131,000			PCOM.240	0	250,00
olids Control	DIDC.260	102,000									102,00
Directional Drilling Services	DIDC.245	456,000		. ii						- 1	456,00
MOB/DEMOB	DIDC.240	100,000								pyson amelia	100,00
Overhead	DIDC,225	5,000	DICC.195	5,000							10,00
Other Misc Expenses	DIDC.220	5,000	DICC.190	0	STIM.190	100,000	CON.190	10,500	PCOM.190	0	115,50
railer House/Camp/Catering	DIDC.280	40,000	DICC.255	4,000	STIM.280	37,000	CO114	40.00	DCO14465		81,00
upervision	DIDC.210	144,000	DICC.180	16,000	STIM.180	74,000	CON.180	16,500	PCOM.180	0	250,50
rucking/Transportation	DIDC.205	30,000	DICC.175	8,000		4,000		22,500		2,000	66,50
Mechanical Labor	DIDC.200	20,000	DICC.170	3,000	STIM.170 STIM.175	4 000	CON.170 CON.175	195,000	PCOM.170 PCOM.175	2,500	220,50
Casing Crews		22,000	DICC.165	15,000		0	CON 170	105.000	DCOM 170	3.500	37,00
ubular Inspections	DIDC.190 DIDC.195	50,000	DICC.160	8,000	STIM.160 STIM.165	4,000			PCOM.160	0	62,00
Cementing & Float Equipment	DIDC.185	190,000	DICC 160	100,000	STIM 160	4.000			DCOM 150		290,00
PC & EXTERNAL PAINTING	DIDC 105	100.000	DICC 155	100 000			CON.165	29,000			29,000
Aud Logging	DIDC.170	37,000					CON 155	20.000			37,000
automation Labor	D(DC 470	27.000					CON.150	59,000	PCOM.150	0	59,000
lowback Labor					STIM.141	0	CONTIES	F0.000	PCOM.141 PCOM.150	80,000	80,000
Downhole Rentals	DIDC.155	230,000			STIM.145	0			PCOM.145	0	230,000
urface Rentals	DIDC.150	160,000	DICC.140	0	STIM.140	189,000	CON.140	2,500	PCOM.140	120,000	471,50
WD PIPED TO 3RD PARTY 5WD WELL					Character Control				PCOM.257	215,820	215,820
Aud & Additives	DIDC.145	400,000									400,000
Vater for Drilling Rig (Not Frac Water)	DIDC.140	5,000	DICC.135	0	STIM.135	24,000			PCOM.135	0	29,000
uel	DIDC.135	137,000	DICC.130	0					PCOM.130	0	137,00
lits	DIDC.125	150,000	DICC.125	0	STIM.125	0			PCOM.125	ol	150,00
Aisc Preparation	DIDC.120	50,000	DICC. IEO	100,000							50,00
Day Rate	DIDC.115	775,000	DICC.120	100,000	OTHILLESS	33,000		recessor univ		0	875,00
Aud/Fluids Disposal	DIDC.103	10,000			STIM.255	53,000	CON.103	2,500	PCQM.255	0	238,00
loads & Location	DIDC.100 DIDC.105	100,000			STIM.100	3,000	CON.100	57,000	PCOM.100	15,000	175,00 12,50
Description	Codes	Amount	Codes	Amount	Codes	Amount	Codes CON.100	Amount	Codes PCOM.100	Amount	Cos
	BCP - D		ACP - D	None and the same of	Comp	Manches Constitution (NAME of Street, 1987)	de mane in the second	on Equip	Post Com	•	Total
			MANAGEMENT SECTION								
COM 86	ρH										
COM 86		o//po								AFE #	20/2002
CIMAREX Authoriz		or expe	nature	- 003 1	LQUIS I	2-13 FEL	JENAL			AFE#	267200



CIMAREX Auth	anrizat	the second second second second							
CON	10112ац И 86Н	ion For Expenditi	ure - De	OS EQ	uis 12-13 fedei	RAL		AFE # 26	72002
COI	VI 0011	BCP - Drilling			ACP - Drilling			Comp/Stim	
Description	Codes		Amount	Codes	A A A A A A A A A A A A A A A A A A A	Amount	Codes	\$1150.000 PERSONS AND STREET OF THE STREET O	Amour
Roads & Location	DIDC.100		100,000				STIM.100		3,000
Damages	DIDC.105		10,000				0704 4 D F F		
Mud/Fluids Disposal	DIDC.255	20 1 425 220 1	185,000	DICCARA	4 days at \$25 000 (days	400.000	STIM.255		53,000
Day Rate		30 days at \$25,000/day	775,000	DICC.120	4 days at \$25,000/day	100,000			
Misc Preparation Bits	DIDC.120 DIDC.125		50,000 150,000	DICC.125		0	STIM.125		(
Fuel	DIDC.123	1,300 gai/day at \$3.00/gal	137,000	DICC.123		0	511111.725		
Water for Drilling Rig (Not Frac Water)	DIDC.140	1,500 ga, aay at \$5,00, ga.	5,000			0	STIM.135		24,000
Mud & Additives SWD PIPED TO 3RD PARTY SWD WELL	DIDC,145		400,000						
Surface Rentals	DIDC.150	Per Day (BCP)/day	160,000	DICC.140		0	STIM.140		189,000
Downhole Rentals	DIDC.155	Noting and the second s	230,000				STIM.145		(
Flowback Labor							STIM.141		(
Automation Labor									
Mud Logging	DIDC.170	27 days at \$1,200/day	37,000						
IPC & EXTERNAL PAINTING	DIDO			DICCATE		100.000			
Cementing & Float Equipment	DIDC.185		190,000	*		100,000	STIM.160		4,000
Tubular Inspections Casing Crews	DIDC.190 DIDC.195		50,000 22,000			8,000 15,000	STIM.165		4,000
Mechanical Labor	DIDC.193		20,000			3,000	STIM.170		
Trucking/Transportation	DIDC.205		30,000	į		8,000	STIM.175		4,000
Supervision	DIDC.210		144,000	2		16,000	STIM.180		74,000
Trailer House/Camp/Catering	DIDC.280		40,000	X		4,000	STIM.280		37,00
Other Misc Expenses	DIDC.220		5,000	DICC.190		0	STIM.190		100,000
Overhead	DIDC.225		5,000	DICC.195		5,000			
MOB/DEMOB	DIDC.240		100,000	5					
Directional Drilling Services	DIDC.245		456,000	2					
Solids Control	DIDC.260		102,000	1			STIM.240		121.00
Well Control Equip (Snubbing Services) Completion Rig	DIDC.265		119,000	DICC.240		0	STIM.115		131,00
Coil Tubing Services							STIM.260		368,00
Completion Logging/Perforating/Wireline							STIM.200		386,00
Composite Plugs							STIM.390		96,00
Stimulation							STIM.210		2,340,00
Stimulation Water/Water Transfer/Water							STIM.395		518,00
Legal/Regulatory/Curative	DIDC.300		10,000	uudaa sa hii sa					
Well Control Insurance	DIDC.285	\$0.35/ft	8,000	NACIONAL PROPERTY.					
Major Construction Overhead									
FL/GL - ON PAD LABOR FL/GL - Labor									
FL/GL - Labor FL/GL - Supervision									
Survey									
Contingency	DIDC.435	500 % of Drilling Intangibles	177,000	DICC.220		13,000	STIM.220		217,00
Contingency			111,000	00		.5,555			
Total Intangible Cost	É	A SANCO MANAGEMENT DE CONTRACTO	3,717,000	The state of the s	The state of the s	272,000	CARLLETT FAM. 1 (II) ARE MOST AMBREESAAM	A CONTRACTOR OF THE CONTRACTOR	4,565,00
Surface Casing	DWEB.140	10 3/4" - 1,300ft at \$31.30/ft	41,000		O DE CROOKIO PER ANGUNIA MARANTA MERO DERIVATORA DE CENTRA CA CO.	MCCCC	30000000000000000000000000000000000000	The state of the s	gradani sacawasowa anni
Intermediate Casing 1	DWEB.145	7 5/8" - 12,530ft at \$31.00/ft	392,000	ž					
Production Casing or Liner				DWEA.100	5.5" x 5"" - 22,538ft at	518,000			
Tubing				l				2 7/8" - 11,900ft at \$7.00/ft	83,00
Wellhead, Tree, Chokes	DWEB.115		30,000	DWEA.120		30,000			60,00
Packer, Nipples							STIMT.400		28,00
SHORT ORDERS PUMPS									
WALKOVERS									
Downhole Lift Equipment							STIMT.410		80,00
N/C Lease Equipment					}				-5,50
Tanks, Tanks Steps, Stairs									
Battery Equipment									
Secondary Containments									
Overhead Power Distribution									
Facility Electrical									
Telecommunication Equipment									
	0								
Meters and Metering Equipment	la constante								
Meters and Metering Equipment Facility Line Pipe									
Meters and Metering Equipment Facility Line Pipe Lease Automation Materials									
Meters and Metering Equipment Facility Line Pipe									



CIMAREX Authorization For Expenditure - DOS EQUIS 12-13 FEDERAL COM 86H

		Production Equip	Assaulance to the control of	Post Completion		Total
Description	Codes	Amount	Codes		Amount	Cos
Roads & Location	CON.100	57,000	PCOM.100		15,000	175,000
Damages	CON.105	2,500	Official			12,50
Mud/Fluids Disposal		2,300	PCOM.255		0	238,000
			1 CON1.233		U	
Day Rate			ANA MARIA	Dec. personal deservoire de la companie de la compa		875,000
Misc Preparation			Open (free			50,000
Bits			PCOM.125		O	150,000
Fuel			PCOM.130		0	137,000
Water for Drilling Rig (Not Frac Water)			PCOM.135		O	29,000
Mud & Additives						
					24.62	400,000
SWD PIPED TO 3RD PARTY SWD WELL			PCOM.257	3300 BWPD @ \$1.09/bbl for 60 days	215,820	215,820
Surface Rentals	CON.140	2,500	PCOM.140	Flowback Iron and Sand Seperators @	120,000	471,500
Downhole Rentals			PCOM.145		O	230,000
Flowback Labor			PCOM.141	Flowback Hands @ \$2000/day for 40 days	80,000	80,000
Automation Labor	CON.150	59,000			0	59,000
	CON.130	39,000	7 00141.130		U	
Mud Logging			6			37,000
IPC & EXTERNAL PAINTING	CON.165	29,000	14 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6		l	29,000
Cementing & Float Equipment						290,000
Tubular Inspections			PCOM.160		0	62,000
Casing Crews			And the state of t	No. of the contract of the con		37,000
	CON 170	405.000	PCOM.170	Roustabout Crew 2 Days	2 500	
Mechanical Labor	CON.170	195,000			2,500	220,500
Trucking/Transportation	CON.175	22,500	PCOM.175	Cleaning out frac tanks	2,000	66,500
Supervision	CON.180	16,500	PCOM.180		0	250,500
Trailer House/Camp/Catering			e de la company		1	81,000
Other Misc Expenses	CON.190	10,500	PCOM.190		0	115,500
Overhead		10,500	10000			10,000
MOB/DEMOB			de company of the com			100,000
Directional Drilling Services						456,000
Solids Control			100			102,000
Well Control Equip (Snubbing Services)			PCOM.240		0	250,000
Completion Rig			PCOM.115	Bounds as a sentence of the se	0	21,000
and the second contract of the second contrac			PCOM.260		0	
Coil Tubing Services					1	368,000
Completion Logging/Perforating/Wireline			PCOM.200		0	386,000
Composite Plugs			PCOM.390	1	0	96,000
Stimulation Pumping/Chemicals/Additives/Sand			PCOM.210		O	2,340,000
Stimulation Water/Water Transfer/Water					all reports	518,000
Legal/Regulatory/Curative	CON.300	0	4000			10,000
	CO14.500		all units			
Well Control Insurance			E-WELLE .			8,000
Major Construction Overhead	CON.305	33,500	4		1 1	33,500
FL/GL - ON PAD LABOR	CON.495	43,000	1000			43,000
FL/GL - Labor	CON.500	109,500				109,500
FL/GL - Supervision	CON.505	18,000				18,000
Survey	CON.515	4,000				4,000
Contingency	CON.220	106,500			30,000	543,500
Contingency	CON.221	26,000	S S S S S S S S S S S S S S S S S S S		Patitifica.	26,000
Total Intangible Cost		735,000		and the second s	465,320	9,754,320
Surface Casing	000000000000000000000000000000000000000	amananan mananan mananan mananan da a sa	emossus monsus 1	THE RESERVE OF THE PERSON OF T	i i	41,000
					Charles	
Intermediate Casing 1		STATE OF THE STATE			The state of the s	392,000
Production Casing or Liner			E .	\$		518,000
Tubing			PCOMT.105		O	83,000
Wellhead, Tree, Chokes			PCOMT.120		0	120,000
Packer, Nipples			PCOMT.400		0	28,000
SHORT ORDERS	CONT.380	11,500			July 1	11,500
			8			
PUMPS	CONT.385	23,000	A CONTRACTOR OF THE PARTY OF TH		l	23,000
WALKOVERS	CONT.390	5,000	g			5,000
Downhole Lift Equipment			PCOMT.410		0	80,000
N/C Lease Equipment	CONT.400	237,000				237,000
Tanks, Tanks Steps, Stairs	CONT.405	50,000	F	The same of the sa		50,000
A TOTAL AND A STATE AND A DATE OF A STATE OF	CONT.410		E-			
Battery Equipment		328,000	5			328,000
Secondary Containments	CONT.415	30,000				30,000
Overhead Power Distribution	CONT.420	49,000			ST-ST-ST-ST-ST-ST-ST-ST-ST-ST-ST-ST-ST-S	49,000
Facility Electrical	CONT.425	31,500	i i			31,500
Telecommunication Equipment	CONT.426	500	S. Contract of the Contract of	1		500
	CONT.445		S. C.			
Meters and Metering Equipment		39,500	a contract of the contract of		l	39,500
Facility Line Pipe	CONT.450	37,500	grand and an artist of			37,500
Lease Automation Materials	CONT.455	60,000			100	60,000
FL/GL - Materials	CONT.550	43,500				43,500
FL/GL - Line Pipe	CONT.555	40,500	ā		etto.	40,500
		₩,000	Šavarnos en anominos	A STATE OF THE PARTY OF THE PAR		CONTRACTOR DESCRIPTION OF THE OWNER.
Total Tangible Cos		986,500			0	2,248,500