

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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.

 Print or Type Name

Pakula

 Signature

Date

Phone Number

e-mail Address



Paula M. Vance
Associate Attorney
Phone (505) 954-7286
PMVance@hollandhart.com

September 22, 2025

VIA ONLINE FILING

Albert Chang, Division Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Cimarex Energy Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of Lots 3-4, S/2 NW/4 and the SW/4 (W/2 equivalent) of irregular Section 5 and the W/2 of Section 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico (the “Lands”)

Dear Mr. Chang:

Cimarex Energy Company (“Cimarex”) (OGRID No. 215099), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (lease) diversely owned oil and gas production at the **Grama Ridge 8-5 Central Tank Battery** *insofar as all existing and future infill wells drilled in the following spacing units:*

(a) The 320.6-acre spacing unit comprised of Lot 3, SE/4 NW/4 and the E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 5 and the E/2 W/2 of Section 8, in the Grama Ridge; Bone Spring, West [28432] – currently dedicated to the **West Grama Ridge 8-5 Federal Com 2H** (API. No. 30-025-43554) and **West Grama Ridge 8-5 Federal Com 354H** (API. No. 30-025-54458);

(b) The 320.46-acre spacing unit comprised of Lot 4, SW/4 NW/4 and the W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 5 and the W/2 W/2 of Section 8, in the Grama Ridge; Bone Spring, West [28432] – currently dedicated to the **West Grama Ridge 8-5 Federal Com 3H** (API. No. 30-025-44840) and **West Grama Ridge 8-5 Federal Com 353H** (API. No. 30-025-54727); and

(c) Pursuant to 19.15.12.10.C(4)(g), *from all future additions of pools, leases or leases and pools connected to the West Grama Ridge 8-5 Central Tank Battery* with notice provided only to the interest owners whose interest in the production is to be added.

Oil and gas production from these spacing units will be commingled and sold at the West Grama Ridge 8-5 Central Tank Battery (“CTB”), located in the SW/4 of Section 8, Township 22 South,

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Paula M. Vance
Associate Attorney
Phone (505) 954-7286
PMVance@hollandhart.com

Range 34 East. Each well is equipped with a three-phase separator and metered on lease before production is transferred to the CTB. Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to AGA specifications. Oil production from the separator will be separately metered using Coriolis meters.

Exhibit 1 is a land plat showing Cimarex’s current development plan, flow lines, well pads, and central tank battery (“Facility Pad”) in the subject area. The plat also identifies the wellbores and lease/spacing unit boundaries.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Andrew Hanson, Engineer with Cimarex, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Attachment A to the statement).

Exhibit 3 is a well list and C-102 for each of the wells currently permitted or drilled within the existing spacing units.

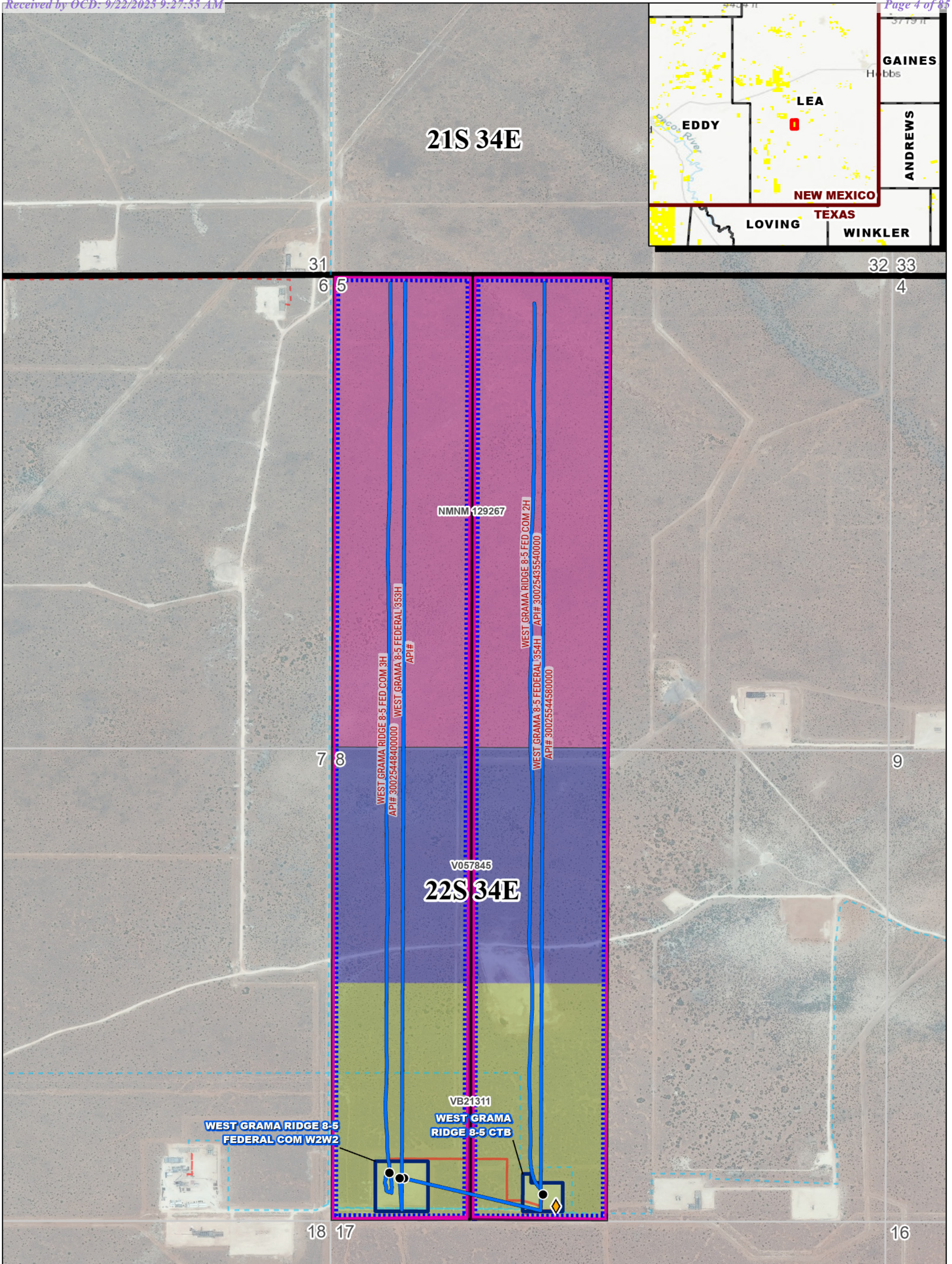
Exhibit 4 includes relevant communitization agreements.

Ownership is diverse between the above-described spacing units, each of which are either subject to a pooling agreement or a pooling order and are therefore considered “leases” as defined by 19.15.12.7(C) NMAC. **Exhibit 5** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the New Mexico State Land Office and Bureau of Land Management since state and federal lands are involved.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,

Paula M. Vance
ATTORNEY FOR CIMAREX ENERGY COMPANY



COTERRA

**West Grama Ridge 8-5 Fed Com
2H, 3H, 353H, 354H
LEA COUNTY, NM**

Scale: 1:12,000
CRS: NAD 1983 StatePlane New Mexico East
Date: 7/7/2025
Author: Holland-LR

● OPERATED WELLS - SL	FACILITIES	LEASEHOLD
— BONE SPRING	□ BUILT	■ NMNM 129267
PIPELINES	METER LOCATIONS	■ V057845
— GAS	◇ FMP	■ VB21311
- - - PROPOSED GAS	□ COMMUNITIZATION AGREEMENT	
- - - PROPOSED WATER	□ C-102	

EXHIBIT
2

Santa Fe Main Office
Phone: (505) 476-3441
General Information
Phone: (505) 629-6116

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

Online Phone Directory Visit:
<https://www.emnrd.nm.gov/ocd/contact-us/>

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Coterra Energy Operating Co.

OPERATOR ADDRESS: 6001 Deaville Blvd 300N Midland, TX 79706

APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
X Yes No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Grama Ridge; Bone Spring West (28432)	40.19 deg/1393 btu	40.19 deg/1393 btu	\$64.77/bbl (Q2 2025) and \$3.56/mcf (Q2 2025)	3,326 bopd
				1428 mcf/d

(2) Are any wells producing at top allowables? Yes No

(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.

(4) Measurement type: Metering Other (Specify)

(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? Yes No

(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No

(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Phillip Levasseur

TITLE: Regulatory Compliance Manager DATE: 09/05/2025

TYPE OR PRINT NAME: Phillip Levasseur

TELEPHONE NO.: 432-620-1642

E-MAIL ADDRESS: phillip.levasseur@coterra.com

July 22, 2025

Andrew Hanson
Production Engineer

New Mexico Department of Energy, Minerals and Natural Resource
 1220 South Saint Francis Drive
 Santa Fe, New Mexico 87505

Re: Application of Coterra Energy Operating Co. for administrative approval to surface commingle (lease) oil and gas production from spacing units underlying Sections 5 and 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico (the “Lands”)

To Whom This May Concern,

Pursuant to this application, Coterra seeks approval to commingle production from the Grama Ridge, Bone Spring West (28432) formation in Sections 5 and 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, as set forth herein.

Specifically, Coterra requests approval to commingle oil and gas production from four (4) wells on the lands listed as follows:

COTERRA											
Application for Commingling and Allocation Approval											
Exhibit 1											
Lease Table											
WEST GRAMA RIDGE 8-5 FED COM WELLS											
W2 Section 5 and 8, Township 22 South, Range 34 East											
Well Name	Well Number	API	Field/Formation	Legal Description	Comm Agreement Status	Interest Type	Lease(s)	Royalty Rate	Acres Committed in CA	% of Interest in Commingled Area	Product(s) Commingled
WEST GRAMA RIDGE 8-5 FED COM	353H	30-025-54727	GRAMA RIDGE; BONE SPRING WEST (28432)	W2W2 SEC. 5 AND 8 T225-R34E BEING 320.46 ACRES	APPROVED: NMMN138940	FED	NMMN129267	1/8	160.46	50.0718%	Oil, Gas, Water
					APPROVED: 203830	STATE	VO-57845-5	1/6	80.00	24.9641%	
					APPROVED: 203830	STATE	VB-2131-1	3/16	80.00	24.9641%	
WEST GRAMA RIDGE 8-5 FED COM	354H	30-025-54458	GRAMA RIDGE; BONE SPRING WEST (28432)	E2W2 SEC. 5 AND 8 T225-R34E BEING 320.60 ACRES	APPROVED: NMMN137147	FED	NMMN129267	1/8	160.60	50.0936%	Oil, Gas, Water
					APPROVED: 203599	STATE	VO-57845-5	1/6	80.00	24.9532%	
					APPROVED: 203599	STATE	VB-2131-1	3/16	80.00	24.9532%	
WEST GRAMA RIDGE 8-5 FED COM	2H	30-025-43554	GRAMA RIDGE; BONE SPRING WEST (28432)	E2W2 SEC. 5 AND 8 T225-R34E BEING 320.60 ACRES	APPROVED: NMMN137147	FED	NMMN129267	1/8	160.60	50.0936%	Oil, Gas, Water
					APPROVED: 203599	STATE	VO-57845-5	1/6	80.00	24.9532%	
					APPROVED: 203599	STATE	VB-2131-1	3/16	80.00	24.9532%	
WEST GRAMA RIDGE 8-5 FED COM	3H	30-025-44840	GRAMA RIDGE; BONE SPRING WEST (28432)	W2W2 SEC. 5 AND 8 T225-R34E BEING 320.46 ACRES	APPROVED: NMMN138940	FED	NMMN129267	1/8	160.46	50.0718%	Oil, Gas, Water
					APPROVED: 203830	STATE	VO-57845-5	1/6	80.00	24.9641%	
					APPROVED: 203830	STATE	VB-2131-1	3/16	80.00	24.9641%	

Coterra Energy Inc. is the result of the merger of Cimarex Energy Co. and Cabot Oil & Gas Corporation on October 1, 2021.

This request for commingling will not negatively affect the royalty revenue of the federal or state government. Coterra will utilize electronic automated measurements at the wellhead to measure oil, gas, and water separately from each well prior to commingling the production. The allocation meters will meet the relevant regulations and standards as outlined below. Commingling the reserve is the most effective means of production.

Oil & gas production from these spacing units will be commingled and sold at the **West Grama 8-5 Central Tank Battery** (“CTB”), which is located in the SW/4 of Section 8, Township

July 22, 2025

Page 2

22 South, Range 34 East, N.M.P.M., Lea County, NM. The oil and gas metering point for the units is located on-lease at the CTB.

Each well is equipped with a three-phase separator and metered on-lease before production is transferred to the CTB and commingled prior to the sales meter(s). Gas production from the separator will be individually metered with a calibrated orifice meter that is manufactured to meet AGA specifications and API 14.3.2 standards. Coterra certifies that gas sales will occur via a connected natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the wells(s). Oil production from the separator will be separately metered using Coriolis meters that meet industry standards. Please see **Attachment A, Production Flow Diagram**, for the associated CTB facility diagram.

All primary and secondary Electronic Flow Measurement (“EFM”) equipment is tested and calibrated in accordance with industry specifications.

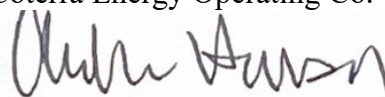
Gas samples are obtained at the time of the meter testing and calibration, and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (“API”) specifications to ensure accurate volume and energy (MMBTU) determinations.

The **West Grama 8-5 Central Tank Battery CTB** requires no additional surface disturbance. The BLM and OCD will be notified of any changes to the CTB.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard,

Very truly yours,

Coterra Energy Operating Co.



Andrew Hanson
Production Engineer



COTERRA

MIDLAND, TX

WEST GRAMA 8-5 CTB METERED PROCESS FLOW DIAGRAMS

TABLE 1							
FACILITY NAME	VESSEL NAME	TEST	BULK	WELLHEAD NAME	OIL METER	GAS METER	WATER METER
WEST GRAMA 8-5 CTB	V-8000	X		WEST GRAMA 8-5 2H	WG-8000-PO	WG-8000-PG	WG-8000-PW
WEST GRAMA 8-5 CTB	V-8010	X		WEST GRAMA 8-5 3H	WG-8010-PO	WG-8010-PG	WG-8010-PW
WEST GRAMA 8-5 353H SATELLITE	V-8100	X		WEST GRAMA 8-5 FEDERAL COM 353H	WG-8100-PO	WG-8100-PG	WG-8100-PW
WEST GRAMA 8-5 354H SATELLITE	V-8105	X		WEST GRAMA 8-5 FEDERAL COM 354H	WG-8105-PO	WG-8105-PG	WG-8105-PW

NOTE:

ISSUED
JUNE 6, 2025
FOR CONSTRUCTION

REFERENCE DRAWINGS		REVISIONS					
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.
0		0	02/24/25	ISSUED AS-BUILT	EG	JM	
1		1	06/06/25	IFC 3S PROJ 250226	BM	VG	

Midland, Texas 79705
Arlington, Texas 75011
Katy, Texas 77449
www.3sengineeringdesign.com
TExE FIRM REG. #13009
NM FIRM REG. #4545320

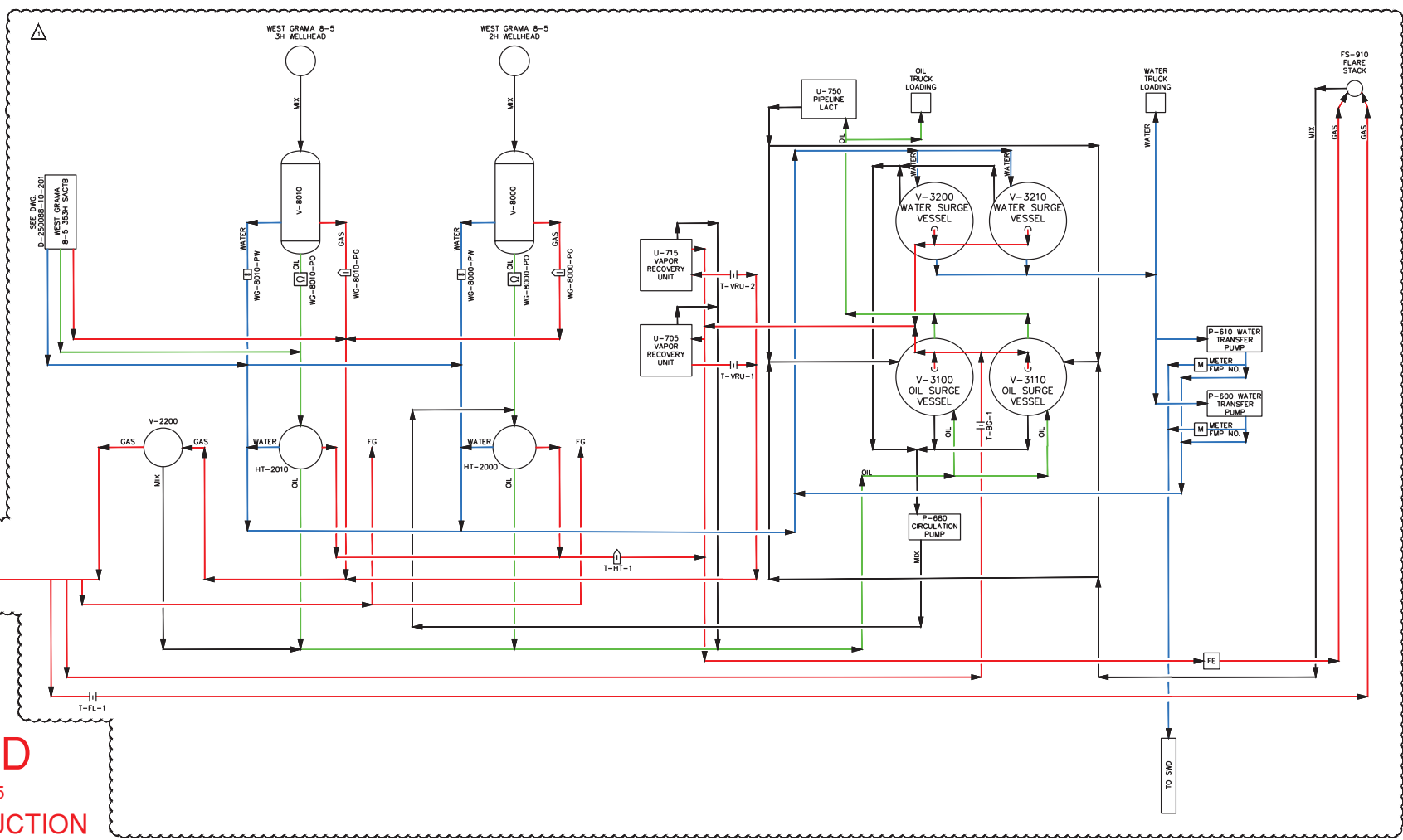
NOTE
THIS DRAWING HAS NOT BEEN PUBLISHED BUT RATHER HAS BEEN PREPARED BY 3S ENGINEERING & DESIGN FOR USE BY THE CLIENT NAMED IN THE TITLE BLOCK FOR THE OPERATION, CONSTRUCTION, OPERATION AND MAINTENANCE OF FACILITY NAMED IN THE TITLE BLOCK AND SHALL NOT BE USED FOR ANY OTHER PURPOSE, OR FURNISHED TO ANY OTHER PARTY WITHOUT THE WRITTEN PERMISSION OF 3S ENGINEERING & DESIGN.

ENGINEERING RECORD	
BY	DATE
DRN: BM	05/07/25
DES: NM	
CHK:	
APP:	
AFE No.	
FACILITY ENGR:	C. BOYLE
PROJ. ENGR:	V. GONI
SCALE:	NONE

WEST GRAMA 8-5 CTB
METERED PROCESS FLOW DIAGRAM - COVER SHEET
LEA COUNTY
PLOT SCALE: NONE
DWG. NO. D-250088-10-000
CAD NO.

A B C D E F

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33



ISSUED
 JUNE 6, 2025
FOR CONSTRUCTION

NOTE:

	SR GAS METER		WATER:
	SR GAS METER		GAS:
	CORIOLIS METER		MIX:
	MAG METER		OIL:
	THERMAL MASS METER		
	TURBINE METER		

REFERENCE DRAWINGS		REVISIONS					
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.
0		0	02/24/25	ISSUED AS-BUILT	EG	JM	
1		1	06/06/25	IFC 3S PROJ 250226	BM	VC	

Midland, Texas 79705
 Midland, Texas 79705
 Katy, Texas 77449
 WWW.3SENGINEERINGDESIGN.COM
 TEPF FIRM REG. #13009
 NM FIRM REG. #4545320

NOTICE

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ENGINEERING RECORD	
BY	DATE
DRN: EG	03/20/25
DES: NR	
CHK:	
APP:	
AFE No.	
FACILITY ENGR. C. BOYLE	
PROJ. ENGR. J. MCNEELY	
SCALE: NONE	

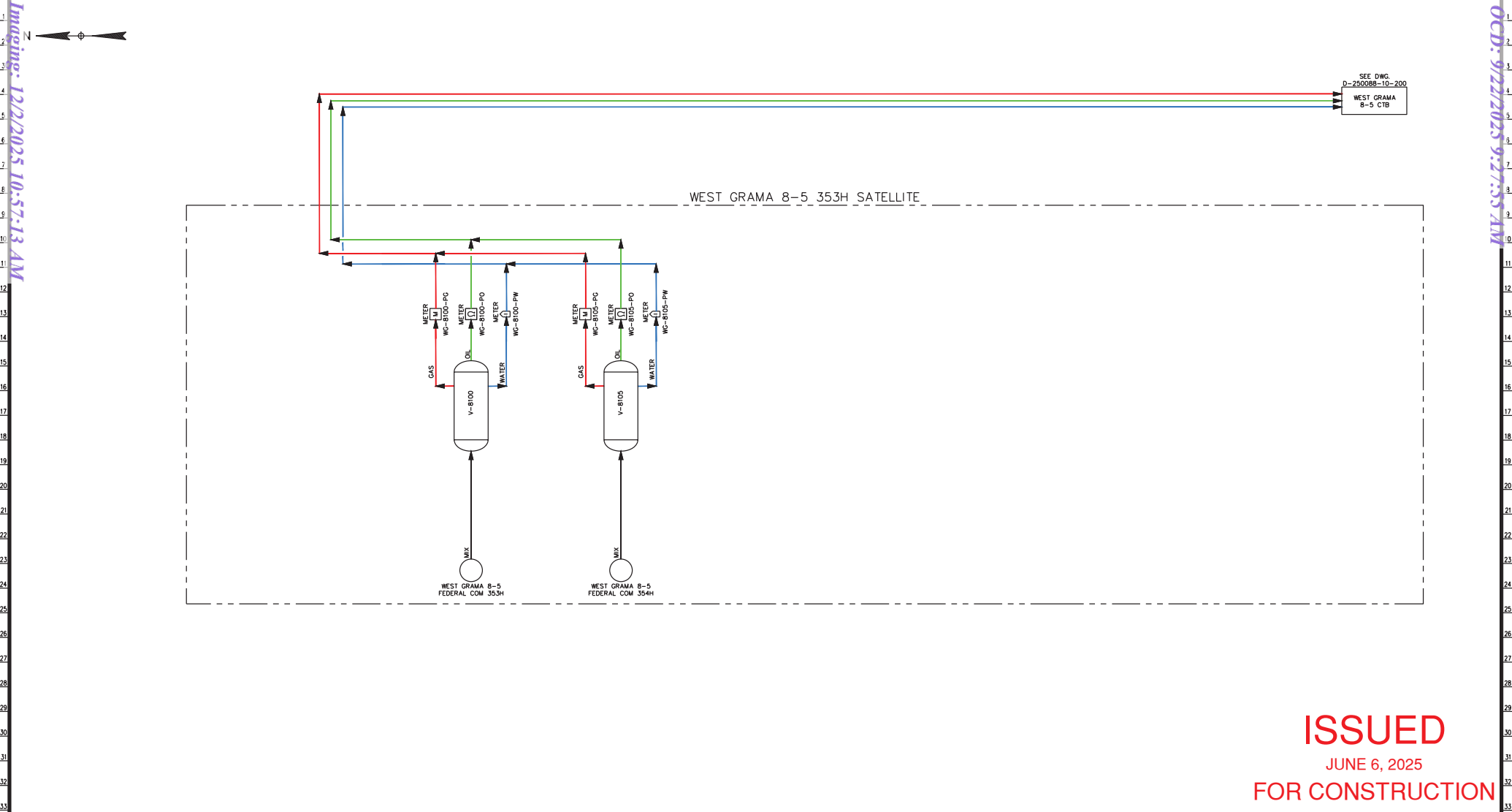
WEST GRAMA 8-5 CTB
 METERED PROCESS FLOW DIAGRAM

LEA COUNTY	PLOT SCALE NONE	DWG. NO. D-250088-10-200
CAD NO.		

NM 1
 REV

A B C D E F

A B C D E F



ISSUED
 JUNE 6, 2025
FOR CONSTRUCTION

NOTE:

	JR. GAS METER	WATER:	
	SR. GAS METER	GAS:	
	TURBINE METER	MIX:	
	CORIOLIS METER	OIL:	
	MAG METER	SEALABLE VALVE:	
	THERMAL MASS METER		

REFERENCE DRAWINGS		REVISIONS					
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	CHK.	APP.
		0	06/06/25	IFC 3S PROJ 250226			

Midland, Texas 79705
 Arlington, Texas 76011
 Katy, Texas 77449
 WWW.3SENGINEERINGDESIGN.COM
 TBPE FIRM REG. #13809
 NM FIRM REG. #4545320

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ENGINEERING RECORD	
BY	DATE
DRN: BM	05/07/25
DES: NM	
CHK:	
APP:	
AFE NO.	
FACILITY ENGR.	C. BOYLE
PROJ. ENGR:	V. GONI
SCALE:	NONE

WEST GRAMA 8-5 CTB
 METERED PROCESS FLOW DIAGRAM

LEA COUNTY			
PLOT SCALE	NONE	DWG. NO.	D-250088-10-201
CAD NO.			

API	Well Name & Number	UL or Q/Q	S-T-R	Pool Code
30-025-43554	West Grama Ridge 8-5 Federal 2H	E/2 W/2 E/2 W/2	5-22S-34E 8-22S-34E	Grama Ridge; Bone Spring, West [28432]
30-025-54458	West Grama Ridge 8-5 Federal 354H	E/2 W/2 E/2 W/2	5-22S-34E 8-22S-34E	Grama Ridge; Bone Spring, West [28432]
30-025-44840	West Grama Ridge 8-5 Federal 3H	W/2 W/2 W/2 W/2	5-22S-34E 8-22S-34E	Grama Ridge; Bone Spring, West [28432]
30-025-54727	West Grama Ridge 8-5 Federal 353H	W/2 W/2 W/2 W/2	5-22S-34E 8-22S-34E	Grama Ridge; Bone Spring, West [28432]

EXHIBIT
3

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

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

HOBBS
JUN 16 2017
RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-43554	² Pool Code 28432	³ Pool Name Grama Ridge; Bone Spring, West
⁴ Property Code 317301	⁵ Property Name WEST GRAMMA RIDGE 8-5 FEDERAL COM	
⁷ OGRID No. 215099	⁸ Operator Name CIMAREX ENERGY CO.	⁶ Well Number 2H ⁹ Elevation 3531.0

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	8	22S	34E		280	SOUTH	2000	WEST	LEA

¹¹ 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
LOT 3	5	22S	34E		330	NORTH	1882	WEST	LEA

¹² Dedicated Acres 320.6	¹³ Joint or Infill	¹⁴ Consolidation 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.

¹⁶ NOTE:
Distances referenced on plat to section lines are perpendicular.

NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32°23'59.06" (32.399739)	
LONGITUDE = 103°29'38.81" (103.494114)	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32°23'58.61" (32.399614)	
LONGITUDE = 103°29'37.07" (103.493631)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 510172.70 E: 800354.63	
STATE PLANE NAD 27 (N.M. EAST)	
N: 510112.03 E: 759171.89	

NAD 83 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°25'37.73" (32.427147)	
LONGITUDE = 103°29'39.97" (103.494436)	
NAD 27 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°25'37.28" (32.427022)	
LONGITUDE = 103°29'38.24" (103.493956)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 520143.35 E: 800176.36	
STATE PLANE NAD 27 (N.M. EAST)	
N: 520082.37 E: 758993.84	

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N11°15'02"W	611.76'

SCALE
DRAWN BY: S.O. 09-29-16

- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- ◆ = LANDING POINT

¹⁷ 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.

Kimberleigh Rhodes 6/12/17
Signature Date

Kimberleigh Rhodes
Printed Name

kirhodes@cmarex.com
E-mail Address

¹⁸ 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.

September 28, 2016
Date of Survey

Signature and Seal of Professional Surveyor:
Nelson J. Marshall

Certificate Number:

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

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

HOBBS OCD
JAN 22 2019

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

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number 30-025-44840	² Pool Code 28432	³ Pool Name Grama Ridge; Bone Spring, West
⁴ Property Code 317301	⁵ Property Name WEST GRAMA RIDGE 8-5 FEDERAL COM	
⁶ OGRIN No. 216099	⁷ Operator Name CIMAREX ENERGY CO.	⁸ Well Number 3H
		⁹ Elevation 3524.8'

"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	22S	34E		517.5	SOUTH	540.8	WEST	LEA

"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
4	5	22S	34E		100	NORTH	518	WEST	LEA

¹⁰ Dedicated Acres 320	¹¹ Joint or Infill	¹² Consolidation Code	¹³ 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.

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°24'01.41" (32.400392°)
LONGITUDE = 103°29'55.83" (103.498842°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°24'00.97" (32.400269°)
LONGITUDE = 103°29'54.09" (103.498359°)
STATE PLANE NAD 83 (N.M. EAST)
N: 510399.18' E: 798893.41'
STATE PLANE NAD 27 (N.M. EAST)
N: 510338.40' E: 757710.74'

NOTE:
• Distances referenced on plat to section lines are perpendicular.
• Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00"

SCALE
REV: 2 07-25-18 S.S. (BHL CHANGE)

- = SURFACE HOLE LOCATION
- ◆ = LANDING POINT/FIRST TAKE POINT
- = BOTTOM HOLE LOCATION/LAST TAKE POINT
- ▲ = SECTION CORNER LOCATED

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°43'09"W	29.84'

"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, such as mineral or working interest, or royalty pooling agreement, or a compulsory pooling of the heretofore leased lands.

Signature: *Terri Stathem* Date: 12-28-18
Printed Name: Terri Stathem
E-mail Address: tstathem@cimarex.com

"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.

October 17, 2017
Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number:

C-102	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
Submit Electronically Via OCD Permitting		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 28432	Pool Name Grama Ridge; Bone Spring West
Property Code	Property Name WEST GRAMA RIDGE 8-5 FEDERAL COM	Well Number 353H
OGRID No. 215099	Operator Name CIMAREX ENERGY CO.	Ground Level Elevation 3525.5'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL M	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
	8	22S	34E		457 SOUTH	640 WEST	32.400226°	-103.498517°	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
4	5	22S	34E		100 NORTH	660 WEST	32.427768°	-103.498389°	LEA

Dedicated Acres 320.46	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.		Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No		

Kick Off Point (KOP)

UL M	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
	8	22S	34E		100 SOUTH	660 WEST	32.399246°	-103.498455°	LEA



First Take Point (FTP)

UL M	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
	8	22S	34E		100 SOUTH	660 WEST	32.399246°	-103.498455°	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
4	5	22S	34E		100 NORTH	660 WEST	32.427768°	-103.498389°	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> <div style="text-align: center;">  Signature Date 8/26/2024 </div>	SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from the 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.</i> <div style="text-align: center;">  </div>
Signature Shelly Bowen Printed Name shelly.bowen@coterra.com Email Address	Signature and Seal of Professional Surveyor 23782 March 21, 2024 Certificate Number Date of Survey

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

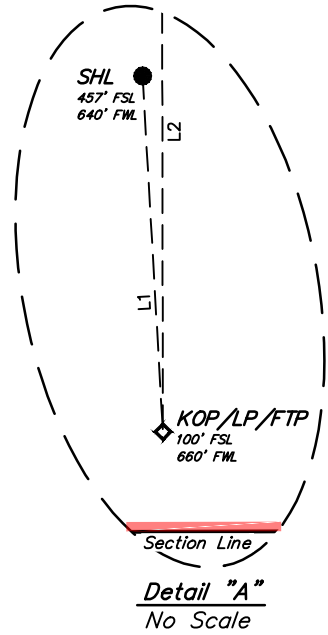
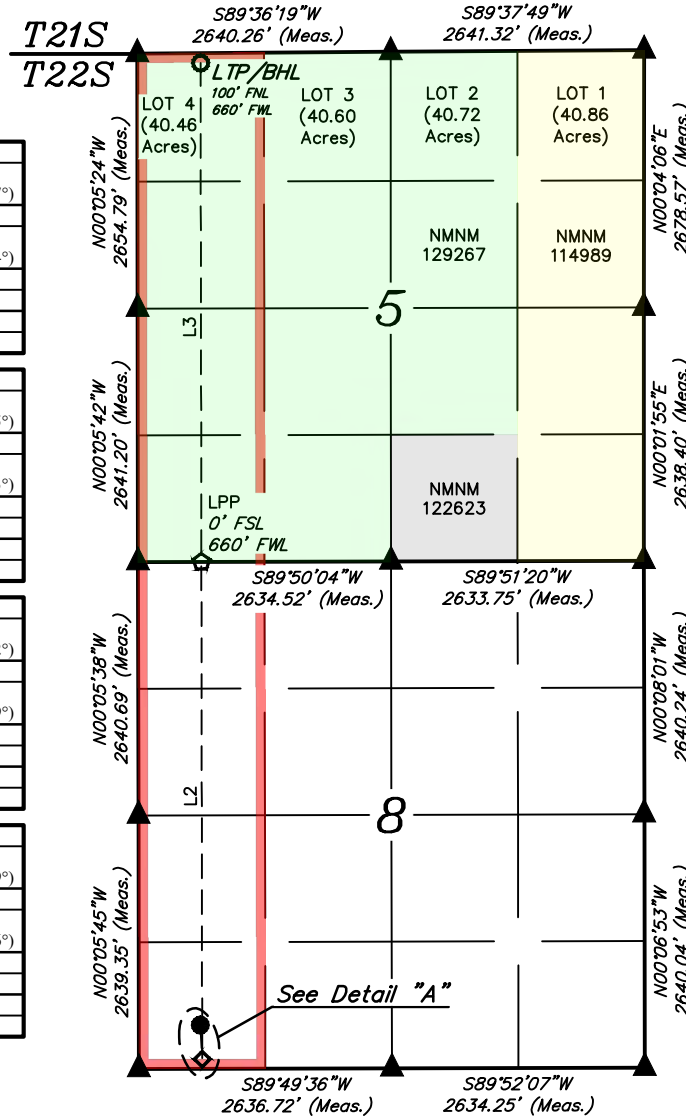
Property Name WEST GRAMA RIDGE 8-5 FEDERAL COM	Well Number 353H	Drawn By Z.L. 03-25-24	Revised By REV. 4 T.I.R. 08-07-24 (UPDATE FORMAT & ADD ACREAGE)
---	---------------------	---------------------------	--

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°24'00.81" (32.400226°)
LONGITUDE = -103°29'54.66" (-103.498517°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°24'00.37" (32.400102°)
LONGITUDE = -103°29'52.92" (-103.498034°)
STATE PLANE NAD 83 (N.M. EAST)
N: 510339.47' E: 798994.19'
STATE PLANE NAD 27 (N.M. EAST)
N: 510278.77' E: 757811.51'

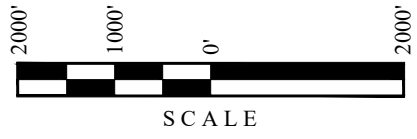
NAD 83 (KOP/LP/FTP)
LATITUDE = 32°23'57.29" (32.399246°)
LONGITUDE = -103°29'54.44" (-103.498455°)
NAD 27 (KOP/LP/FTP)
LATITUDE = 32°23'56.84" (32.399122°)
LONGITUDE = -103°29'52.70" (-103.497973°)
STATE PLANE NAD 83 (N.M. EAST)
N: 509983.05' E: 799016.00'
STATE PLANE NAD 27 (N.M. EAST)
N: 509922.36' E: 757833.31'

NAD 83 (LPP)
LATITUDE = 32°24'48.53" (32.413481°)
LONGITUDE = -103°29'54.32" (-103.498422°)
NAD 27 (LPP)
LATITUDE = 32°24'48.09" (32.413358°)
LONGITUDE = -103°29'52.58" (-103.497939°)
STATE PLANE NAD 83 (N.M. EAST)
N: 515162.06' E: 798985.73'
STATE PLANE NAD 27 (N.M. EAST)
N: 515101.22' E: 757803.15'

NAD 83 (LTP/BHL)
LATITUDE = 32°25'39.97" (32.427768°)
LONGITUDE = -103°29'54.20" (-103.498389°)
NAD 27 (LTP/BHL)
LATITUDE = 32°25'39.52" (32.427644°)
LONGITUDE = -103°29'52.46" (-103.497906°)
STATE PLANE NAD 83 (N.M. EAST)
N: 520359.76' E: 798955.34'
STATE PLANE NAD 27 (N.M. EAST)
N: 520298.76' E: 757772.86'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S03°15'38"E	357.15'
L2	N00°05'37"W	5179.95'
L3	N00°05'37"W	5198.64'



- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
 - Colored areas within section lines represent oil & gas leases.

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- ☆ = LEASE PENETRATION POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = HORIZONTAL SPACING UNIT

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 28432	Pool Name Grama Ridge; Bone Spring West
Property Code	Property Name WEST GRAMA RIDGE 8-5 FEDERAL COM	Well Number 354H
OGRID No. 215099	Operator Name CIMAREX ENERGY CO.	Ground Level Elevation 3525.6'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL M	Section 8	Township 22S	Range 34E	Lot	Ft. from N/S 457 SOUTH	Ft. from E/W 680 WEST	Latitude (NAD 83) 32.400226°	Longitude (NAD 83) -103.498387°	County LEA
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Bottom Hole Location

UL 3	Section 5	Township 22S	Range 34E	Lot	Ft. from N/S 100 NORTH	Ft. from E/W 1980 WEST	Latitude (NAD 83) 32.427780°	Longitude (NAD 83) -103.494112°	County LEA
------	-----------	--------------	-----------	-----	------------------------	------------------------	------------------------------	---------------------------------	------------

Dedicated Acres 320.60	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
------------------------	-------------------------	-------------------	--------------------------------	--------------------

Order Numbers. Well setbacks are under Common Ownership: Yes No

Kick Off Point (KOP)

UL N	Section 8	Township 22S	Range 34E	Lot	Ft. from N/S 100 SOUTH	Ft. from E/W 1980 WEST	Latitude (NAD 83) 32.399244°	Longitude (NAD 83) -103.494179°	County LEA
------	-----------	--------------	-----------	-----	------------------------	------------------------	------------------------------	---------------------------------	------------


First Take Point (FTP)

UL N	Section 8	Township 22S	Range 34E	Lot	Ft. from N/S 100 SOUTH	Ft. from E/W 1980 WEST	Latitude (NAD 83) 32.399244°	Longitude (NAD 83) -103.494179°	County LEA
------	-----------	--------------	-----------	-----	------------------------	------------------------	------------------------------	---------------------------------	------------

Last Take Point (LTP)

UL 3	Section 5	Township 22S	Range 34E	Lot	Ft. from N/S 100 NORTH	Ft. from E/W 1980 WEST	Latitude (NAD 83) 32.427780°	Longitude (NAD 83) -103.494112°	County LEA
------	-----------	--------------	-----------	-----	------------------------	------------------------	------------------------------	---------------------------------	------------

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p style="text-align: center;"><i>Shelly Bowen</i> 8/26/2024</p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>I hereby certify that the well location shown on this plat was plotted from the 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.</i></p> <div style="text-align: center;">  </div>
Signature: Shelly Bowen	Signature and Seal of Professional Surveyor: Paul Buchele
Date: 8/26/2024	Date of Survey: March 21, 2024
Printed Name: Shelly Bowen	Certificate Number: 23782
Email Address: shelly.bowen@coterra.com	Date of Survey: March 21, 2024

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

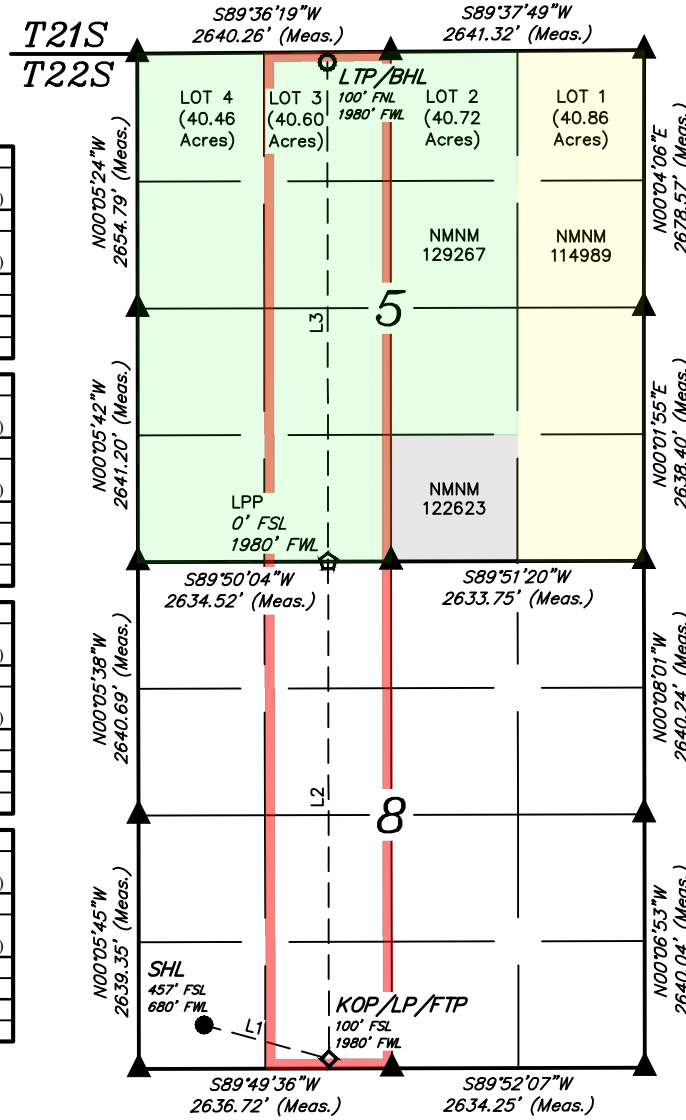
Property Name WEST GRAMA RIDGE 8-5 FEDERAL COM	Well Number 354H	Drawn By Z.L. 03-25-24	Revised By REV. 4 T.I.R. 08-07-24 (UPDATE FORMAT & ADD ACREAGE)
---	---------------------	---------------------------	--

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°24'00.81" (32.400226°)
LONGITUDE = -103°29'54.19" (-103.498387°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°24'00.37" (32.400102°)
LONGITUDE = -103°29'52.46" (-103.497905°)
STATE PLANE NAD 83 (N.M. EAST)
N: 510339.76' E: 799034.18'
STATE PLANE NAD 27 (N.M. EAST)
N: 510279.06' E: 757851.50'

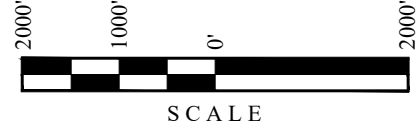
NAD 83 (KOP/LP/FTP)
LATITUDE = 32°23'57.28" (32.399244°)
LONGITUDE = -103°29'39.05" (-103.494179°)
NAD 27 (KOP/LP/FTP)
LATITUDE = 32°23'56.83" (32.399120°)
LONGITUDE = -103°29'37.31" (-103.493697°)
STATE PLANE NAD 83 (N.M. EAST)
N: 509992.60' E: 800335.75'
STATE PLANE NAD 27 (N.M. EAST)
N: 509931.90' E: 759153.03'

NAD 83 (LPP)
LATITUDE = 32°24'48.52" (32.413479°)
LONGITUDE = -103°29'38.92" (-103.494146°)
NAD 27 (LPP)
LATITUDE = 32°24'48.08" (32.413355°)
LONGITUDE = -103°29'37.19" (-103.493663°)
STATE PLANE NAD 83 (N.M. EAST)
N: 515171.43' E: 800305.48'
STATE PLANE NAD 27 (N.M. EAST)
N: 515110.58' E: 759122.86'

NAD 83 (LTP/BHL)
LATITUDE = 32°25'40.01" (32.427780°)
LONGITUDE = -103°29'38.80" (-103.494112°)
NAD 27 (LTP/BHL)
LATITUDE = 32°25'39.56" (32.427656°)
LONGITUDE = -103°29'37.06" (-103.493629°)
STATE PLANE NAD 83 (N.M. EAST)
N: 520374.42' E: 800275.06'
STATE PLANE NAD 27 (N.M. EAST)
N: 520313.41' E: 759092.55'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S74°49'27"E	1347.29'
L2	N00°05'37"W	5179.77'
L3	N00°05'37"W	5203.92'



NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
- Colored areas within section lines represent oil & gas leases.

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- ☆ = LEASE PENETRATION POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = HORIZONTAL SPACING UNIT



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico

EXHIBIT
4

IN REPLY REFER TO:

NMNM138940
3105.2 (NM920)

NOV 20 2018

Reference:
Communitization Agreement
West Gramma Ridge 8-5 Fed #3H
Section 05: Lot 4, SWNW, W2SW,
Section 08: W2W2.
T. 22 S., R. 34 E., N.M.P.M.
Lea County, NM

Cimarex Energy Co.
600 N. Marienfeld St., Suite 600
Midland, TX 79701-9925

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138940 involving 160.46 acres of Federal land in lease NMNM 129267, and 160 acres of State land, Lea County, New Mexico, which comprise a 320.46 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the of Lot 4, SWNW, W2SW of Sec. 05, and W2W2 of Sec. 08, T. 22 S., R. 34 E., NMPM, Lea County, NM, and is effective August 21, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.


It is recognized that modifications to the Federal communitization agreement form to include State of New Mexico Lands and references to the Land Commissioner in the language of this agreement have been submitted voluntarily by Cimarex Energy Co. and that such language shall not adversely affect Federal lands or limit or alter the jurisdiction and responsibilities of the BLM Authorized Officer established by the Mineral Leasing Act of 1920, as amended, and regulations promulgated at 43 CFR 3100, 43 CFR 3160, or 43 CFR 3170.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,


Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:
1 - Communitization Agreement

cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (9200)
NM (P0220-CFO, File Room)
NMSO (NM925, File)
NM STATE LAND COMM.

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

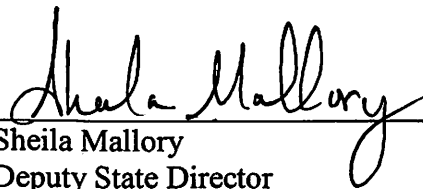
- B. Approve the attached Communitization Agreement covering the of Lot 4, SWNW, W2SW of sec. 05 and W2W2 of sec. 08, T. 22 S., R. 34 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Calrsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

NOV 20 2018



 Sheila Mallory
 Deputy State Director
 Division of Minerals

Effective: August 21, 2018

Contract No.: Com. Agr. NMNM138940

COMMUNITIZATION AGREEMENT

Contract No. NMNM 138940

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorized communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreement by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows, and as depicted on "Exhibit "A".

West Gramma Ridge 8-5 Federal 3H
Township 22 South, Range 34 East, N.M.P.M
 Section 5: W/2W/2
 Section 8: W/2 W/2
 Lea County, New Mexico

Township 22 South, Range 34 East, Lea County, New Mexico

Section 5: W/2 W/2

Section 8: W/2 W/2

containing **320.46 acres**, and this agreement shall include the **Bone Spring Formation** underlying said lands and the crude oil, natural gas and associated hydrocarbons, hereinafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commission.

4. Operator shall furnish the Secretary of the Interior, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or Fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas

West Gramma Ridge 8-5 Federal 3H

Township 22 South, Range 34 East, N.M.P.M

Section 5: W/2W/2

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Lea County, New Mexico

leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operations, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as a commencement, completion, continued operations, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. This agreement is effective **August 21, 2018**, upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of

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the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioners, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period. As to lands owned by the State of New Mexico, there shall be no cessation of more than twenty (20) consecutive days; provided, however, that as to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.


West Gramma Ridge 8-5 Federal 3H
Township 22 South, Range 34 East, N.M.P.M
Section 5: W/2W/2
Section 8: W/2 W/2
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15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written and have set opposite their respective names the date of execution.


OPERATOR:

Cimarex Energy Co.

Date: _____ By:  CTE
Title: Roger Alexander, Attorney in Fact RM

OPERATING RIGHTS/RECORD TITLE OWNERS:

Cimarex Energy Co.

Date: _____ By:  CTE
Title: Roger Alexander, Attorney in Fact RM

Marathon Oil Permian LLC.

Date: _____ By: _____
Title: _____

West Gramma Ridge 8-5 Federal 3H
Township 22 South, Range 34 East, N.M.P.M
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Cimarex Energy Co.

Date: _____

By: _____

Title: Roger Alexander, Attorney in Fact

OPERATING RIGHTS/RECORD TITLE OWNERS:

Cimarex Energy Co.

Date: _____

By: _____

Title: Roger Alexander, Attorney in Fact

Marathon Oil Permian LLC.

Date: 8/28/2018

By: Milton D Fe

Title: Attorney-in-Fact

MRG

West Gramma Ridge 8-5 Federal 3H
Township 22 South, Range 34 East, N.M.P.M
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Section 8: W/2 W/2
Lea County, New Mexico

ACKNOWLEDGEMENTS

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 10th day of September 2018 by Roger Alexander, Attorney in Fact for **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: 3/26/2019 Kaimi Brownlee
Notary Public



STATE OF TEXAS)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2018 by _____, as _____ for **Marathon Oil Permian LLC**.

My Commission Expires: _____
Notary Public

West Gramma Ridge 8-5 Federal 3H
Township 22 South, Range 34 East, N.M.P.M
Section 5: W/2W/2
Section 8: W/2 W/2
Lea County, New Mexico

ACKNOWLEDGEMENTS

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this ___ day of _____, 2018 by Roger Alexander, Attorney in Fact for **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: _____ Notary Public _____

STATE OF TEXAS)
)
COUNTY OF Harris)

The foregoing instrument was acknowledged before me this 28th day of August, 2018 by Matthew D Brown, as Attorney-in-Fact for **Marathon Oil Permian LLC**.

My Commission Expires: 1/23/2019 Jessica Gorman
Notary Public



West Gramma Ridge 8-5 Federal 3H
Township 22 South, Range 34 East, N.M.P.M
Section 5: W/2W/2
Section 8: W/2 W/2
Lea County, New Mexico

EXHIBIT "A"

PLAT OF COMMUNITIZED AREA COVERING THE W/2 W/2 OF SECTION 5 AND 8, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

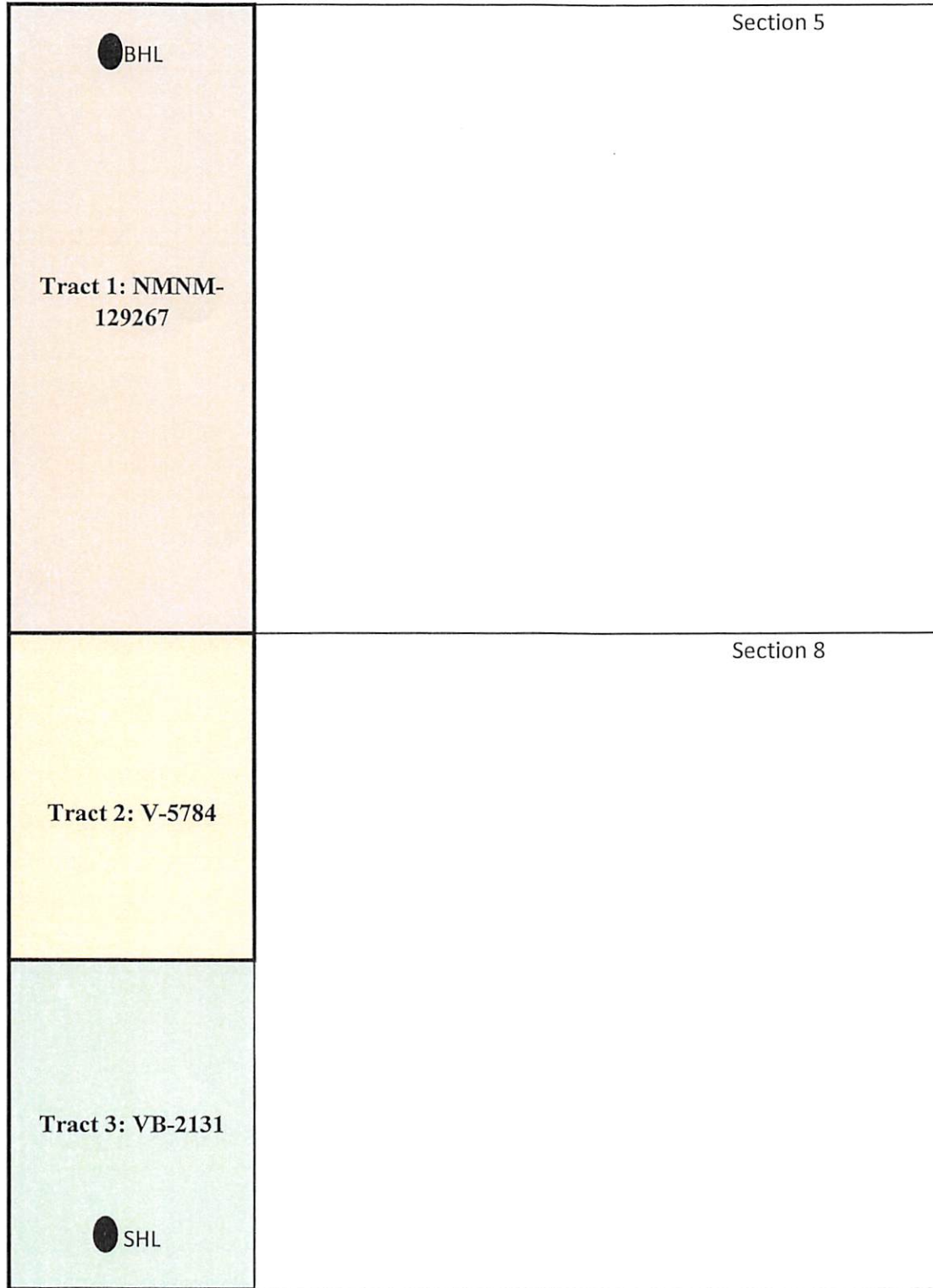


EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN COMMUNITIZATION AGREEMENT DATED AUGUST 21, 2018, COVERING THE W/2W/2 OF SECTIONS 5 AND 8, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

Tract 1:

Lease Serial No: NMNM-129267
 Lease Date: January 1, 2013
 Term: 10 years
 Lessor: United States of America
 Original Lessee: Ronald Miles
 Current Lessee: Cimarex Energy Co.
 Description of
 Lands Committed: Township 22 South, Range 34 East, N.M.P.M.
 Section 5: W/2 W/2
 Lea County, New Mexico
 Number of Acres: 160.46 acres
 Royalty Rate: 12.5%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

Tract 2:

Lease Serial No: VB-5784
 Lease Date: April 1, 2000
 Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: KHL, Inc.
 Current Lessee: Marathon Oil Permian LLC
 Lands Committed: Township 22 South, Range 34 East NMPM
 Section 8: W/2 NW/4
 Lea County, New Mexico
 Containing 80 acres, more or less, in total
 Royalty Rate: 18.75%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

Tract 3:

Lease Serial No: VB-2131
 Lease Date: February 1, 2012
 Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Ronald Miles
 Current Lessee: Cimarex Energy Co.
 Lands Committed: Township 22 South, Range 34 East NMPM
 Section 8: W/2 SW/4
 Lea County, New Mexico
 Containing 80 acres, more or less, in total
 Royalty Rate: 18.75%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

RECAPITULATION

Tract No.	Acreage Committed	Percentage of Interest
Tract 1	160.46 acres	50.0717718%
Tract 2	80 acres	24.9641141%
Tract 3	80 acres	24.9641141%
Total	320.46 acres	100%



Commissioner

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

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

April 24th, 2019

Re: Communitization Agreement Approval
West Grama Ridge 8-5 Federal #3H
Vertical Extent: Bone Spring
Township: 22 South, Range 34 East, NMPM
Section 5: W2W2
Section 8: W2W2
Lea County, New Mexico

Dear Ms. Brownlee,

The Commissioner of Public Lands has this date approved the West Grama Ridge 8-5 Federal #3H Communitization Agreement for the Bone Spring formation effective 8/21/2018. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard
COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

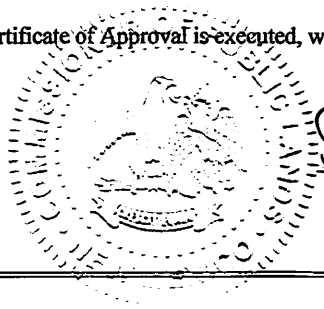
**Cimarex Energy Co.
West Grama Ridge 8-5 Federal #3H
Vertical Extent: Bone Spring
Township: 22 South, Range: 34 East, NMPM
Section 5 : W2W2
Section 8: W2W2
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **August 21, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 24th Day of April, 2019.



Stephanie Garcia Richards/TK

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

[Faint, illegible text covering the majority of the page, likely bleed-through from the reverse side.]

Handwritten signature and illegible text.



LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
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12/14/2018 10:17 AM
BY KELLI WILLIAMS

COMMUNITIZATION AGREEMENT

Contract No. NMNM 138940

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorized communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreement by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows, and as depicted on "Exhibit "A".

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Section 8: W/2 W/2
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BY KELLI WILLIAMS

Township 22 South, Range 34 East, Lea County, New Mexico

Section 5: W/2 W/2

Section 8: W/2 W/2

containing **320.46 acres**, and this agreement shall include the **Bone Spring Formation** underlying said lands and the crude oil, natural gas and associated hydrocarbons, hereinafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commission.

4. Operator shall furnish the Secretary of the Interior, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or Fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas

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7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operations, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as a commencement, completion, continued operations, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. This agreement is effective **August 21, 2018**, upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of

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BY KELLI WILLIAMS

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11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

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BY KELLI WILLIAMS

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BY KELLI WILLIAMS


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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

Cimarex Energy Co.

Date: _____


By:  CTE
RM

Title: Roger Alexander, Attorney in Fact

OPERATING RIGHTS/RECORD TITLE OWNERS:

Cimarex Energy Co.

Date: _____

By:  CTE
RM

Title: Roger Alexander, Attorney in Fact

Marathon Oil Permian LLC.

Date: _____

By: _____

Title: _____

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BY KELLI WILLIAMS

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Date: _____

By: _____

Title: Roger Alexander, Attorney in Fact

OPERATING RIGHTS/RECORD TITLE OWNERS:

Cimarex Energy Co.

Date: _____

By: _____

Title: Roger Alexander, Attorney in Fact

Marathon Oil Permian LLC.

Date: 8/28/2018

By: *Matthew D. Fe...*

Title: *Attorney-in-Fact*

MRG

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KEITH MANES, COUNTY CLERK
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Book 2143 Page 520
8 of 11
12/14/2018 10:17 AM
BY KELLI WILLIAMS

ACKNOWLEDGEMENTS

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

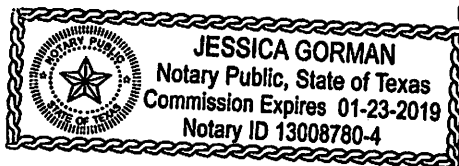
The foregoing instrument was acknowledged before me this ___ day of _____, 2018 by Roger Alexander, Attorney in Fact for **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: _____
Notary Public

STATE OF TEXAS)
)
COUNTY OF Harris)

The foregoing instrument was acknowledged before me this 28th day of August, 2018 by Matthew D Brown, as Attorney-in-Fact for **Marathon Oil Permian LLC**.

My Commission Expires: 1/23/2019
Jessica Gorman
Notary Public





West Gramma Ridge 8-5 Federal 3H
Township 22 South, Range 34 East, N.M.P.M
Section 5: W/2 W/2
Section 8: W/2 W/2
Lea County, New Mexico

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
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Book 2143 Page 520
9 of 11
12/14/2018 10:17 AM
BY KELLI WILLIAMS

EXHIBIT "A"

PLAT OF COMMUNITIZED AREA COVERING THE W/2 W/2 OF SECTION 5 AND 8, TOWNSHIP 22
SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

<p> BHL</p> <p>Tract 1: NMNM-129267</p>	<p>Section 5</p>
<p>Tract 2: V-5784</p>	<p>Section 8</p>
<p>Tract 3: VB-2131</p> <p> SHL</p>	

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
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Book2143 Page 520
10 of 11
12/14/2018 10:17 AM
BY KELLI WILLIAMS

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN COMMUNITIZATION AGREEMENT DATED AUGUST 21, 2018, COVERING THE W/2W/2 OF SECTIONS 5 AND 8, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

Tract 1:

Lease Serial No: NMNM-129267
Lease Date: January 1, 2013
Term: 10 years
Lessor: United States of America
Original Lessee: Ronald Miles
Current Lessee: Cimarex Energy Co.
Description of Lands Committed: Township 22 South, Range 34 East, N.M.P.M.
Section 5: W/2 W/2
Lea County, New Mexico
Number of Acres: 160.46 acres
Royalty Rate: 12.5%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

Tract 2:

Lease Serial No: VB-5784
Lease Date: April 1, 2000
Term: 5 years
Lessor: State of New Mexico
Original Lessee: KHL, Inc.
Current Lessee: Marathon Oil Permian LLC
Lands Committed: Township 22 South, Range 34 East NMPM
Section 8: W/2 NW/4
Lea County, New Mexico
Containing 80 acres, more or less, in total
Royalty Rate: 18.75%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000034440
Book 2143 Page 520
11 of 11
12/14/2018 10:17 AM
BY KELLI WILLIAMS

Tract 3:

Lease Serial No: VB-2131
Lease Date: February 1, 2012
Term: 5 years
Lessor: State of New Mexico
Original Lessee: Ronald Miles
Current Lessee: Cimarex Energy Co.
Lands Committed: Township 22 South, Range 34 East NMPM
Section 8: W/2 SW/4
Lea County, New Mexico
Containing 80 acres, more or less, in total
Royalty Rate: 18.75%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

RECAPITULATION

Tract No.	Acreage Committed	Percentage of Interest
Tract 1	160.46 acres	50.0717718%
Tract 2	80 acres	24.9641141%
Tract 3	80 acres	24.9641141%
Total	320.46 acres	100%



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Carlsbad Field Office
620 E. Greene

Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM137147
3105.2 (P0220)

Reference:
Communitization Agreement
West Grama Ridge 8-5 Fed Com 2H
Section 5: E2W2
Section 8: E2W2
T. 22 S., R. 34 E., N.M.P.M.
Lea County, NM

06/20/2017

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

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM137147 involving 160.60 acres of Federal land in lease NMNM129268 and 160 acres of State land, Lea County, New Mexico, which comprise a 320.60 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath Sec.5, E2W2 and Sec. 8, E2W2, T. 22 S., R. 34 E., NMPM, Lea County, NM and is effective 12/13/2016. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cody R. Layton", with a horizontal line above it.

Cody R. Layton
Acting Assistant Field Manager,
Lands and Minerals

1 Enclosure:

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

- B. Approve the attached Communitization Agreement covering sec. 5, E2W2 and sec. 8, E2W2, T. 22 S., R. 34 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 06/20/2017



Cody R. Layton
Acting Assistant Field Manager
Lands and Minerals

Effective: 12/13/2016

Contract No.: Com. Agr. NM137147

COMMUNITIZATION AGREEMENT

Contract No. NM137147

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorized communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreement by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows, and as depicted on "Exhibit "A".

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M
 Section 5: E/2W/2
 Section 8: E/2 W/2
 Lea County, New Mexico

Township 22 South, Range 34 East, Lea County, New Mexico

Section 5: E/2 W/2

Section 8: E/2 W/2

containing ~~320.00~~⁶⁰ acres, and this agreement shall include the **Bone Spring Formation** underlying said lands and the crude oil, natural gas and associated hydrocarbons, hereinafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commission.

4. Operator shall furnish the Secretary of the Interior, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State, or Fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas

West Gramma Ridge 8-5 Federal 2H

Township 22 South, Range 34 East, N.M.P.M

Section 5: E/2W/2

Section 8: E/2 W/2

Lea County, New Mexico

leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operations, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as a commencement, completion, continued operations, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. This agreement is effective **December 13, 2016**, upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M
Section 5: E/2W/2
Section 8: E/2 W/2
Lea County, New Mexico

the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioners, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period. As to lands owned by the State of New Mexico, there shall be no cessation of more than twenty (20) consecutive days; provided, however, that as to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M
Section 5: E/2W/2
Section 8: E/2 W/2
Lea County, New Mexico

15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

Cimarex Energy Co.

Date: 12-19-2016

By: 

Title: Roger Alexander, Attorney in Fact

10 CTE

OPERATING RIGHTS/RECORD TITLE OWNERS:

Cimarex Energy Co.

Date: 12-19-2016

By: 

Title: Roger Alexander, Attorney in Fact

10 CTE

Black Mountain Operating, LLC.

Date: _____

By: _____

Title: _____

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M
Section 5: E/2W/2
Section 8: E/2 W/2
Lea County, New Mexico

15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

Cimarex Energy Co.

Date: _____

By: _____

Title: Roger Alexander, Attorney in Fact

OPERATING RIGHTS/RECORD TITLE OWNERS:

Cimarex Energy Co.

Date: _____

By: _____

Title: Roger Alexander, Attorney in Fact

Black Mountain Operating, LLC.

Date: December 23, 2014

By: 

Title: Phett Bennett, CEO

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M
Section 5: E/2W/2
Section 8: E/2 W/2
Lea County, New Mexico

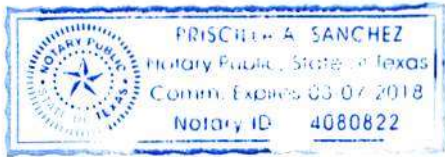
ACKNOWLEDGEMENTS

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 19th day of December, 2016 by Roger Alexander, Attorney in Fact for **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: 03-07-2018

Priscilla Sanchez
Notary Public



STATE OF TEXAS)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2016 by _____, as _____ for **Black Mountain Operating, LLC.**

My Commission Expires: _____
Notary Public

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M
Section 5: E/2W/2
Section 8: E/2 W/2
Lea County, New Mexico

ACKNOWLEDGEMENTS

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this ___ day of _____, 2016 by Roger Alexander, Attorney in Fact for **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: _____ Notary Public

STATE OF TEXAS)
)
COUNTY OF Tarrant)

The foregoing instrument was acknowledged before me this 23rd day of December, 2016 by Phett Bennett, as CEO for **Black Mountain Operating, LLC**.

My Commission Expires: 6/8/20 Ashley Evans
Notary Public

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M
Section 5: E/2W/2
Section 8: E/2 W/2
Lea County, New Mexico

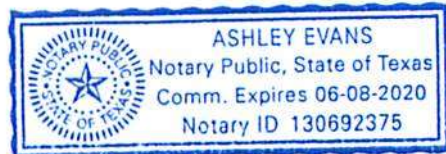


EXHIBIT "A"

PLAT OF COMMUNITIZED AREA COVERING THE E/2 W/2 OF SECTION 5 AND 8, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO



	 BHL Tract 1: NMNM-129267	Section 5
	Tract 2: V-5784	Section 8
	Tract 3: VB-2131  SHL	

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN COMMUNITIZATION AGREEMENT DATED DECEMBER 13, 2016, COVERING THE E/2W/2 OF SECTIONS 5 AND 8, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

Tract 1:

Lease Serial No: NMNM-129267
 Lease Date: January 1, 2013
 Term: 10 years
 Lessor: United States of America
 Original Lessee: Ronald Miles
 Current Lessee: Cimarex Energy Co.
 Description of Lands Committed: Township 22 South, Range 34 East, N.M.P.M.
 Section 5: E/2 W/2
 Lea County, New Mexico
 Number of Acres: ~~160~~ acres *160.60*
 Royalty Rate: 12.5%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

Tract 2:

Lease Serial No: VB-5784
 Lease Date: April 1, 2000
 Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: KHL, Inc.
 Current Lessee: Black Mountain Operating, LLC
 Lands Committed: Township 22 South, Range 34 East NMPM
 Section 8: E/2 NW/4
 Lea County, New Mexico
 Containing 80 acres, more or less, in total
 Royalty Rate: 18.75%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

Tract 3:

Lease Serial No: VB-2131
 Lease Date: February 1, 2012
 Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Ronald Miles
 Current Lessee: Cimarex Energy Co.
 Lands Committed: Township 22 South, Range 34 East NMPM
 Section 8: E/2 SW/4
 Lea County, New Mexico
 Containing 80 acres, more or less, in total
 Royalty Rate: 18.75%

Operating Rights Owner:

Cimarex Energy Co.....100.00%

RECAPITULATION

Tract No.	Acreage Committed	Percentage of Interest
Tract 1	160 160.60 acres	50%
Tract 2	80 acres	25%
Tract 3	80 acres	25%
Total	320 320.60 acres	100%

CONTRACT BRIEF

Prospect Name: New Mexico Bone Spring (Lea) Prospect No: 301471

Well /Unit Name: West Gramma Ridge 8-5 Fed Com 2H

Contract Type: Communitization Agreement (State of NM Form) Effective Date: 9/21/2016 Term: See Remarks
Expires: See Remarks

Operator Cimarex Energy Co

State: New Mexico County: Lea

Contract Provisions: (check all that apply)

Consent to Assign: n/a Non-Consent Penalty: n/a
Preferential Right: n/a Other: n/a

Execution of Agreement:

In Counterpart: Yes No
All Parties Signed: Yes No

Lands Covered by Contract:

Township 22 South, Range 34 East, N.M.P.M.
Section 5: E/2 W/2
Section 8: E/2 W/2
Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the **Bone Spring** formation(s) underlying said lands, and the oil, natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation(s)/

Associated Leases: 1) NMNM 129267 dated 01/01/2013 - Lessor: USA Original Lessee: Ronald Miles, Current Lessee: XEC;
2) V-5787 dated 04/01/2000 - Lessor: State of New Mexico, Original Lessee: KHL, Inc., Current Lessee: Black Mountain Operating, LLC; and
3) VB-2131 dated 02/01/2012 - Lessor: State of New Mexico, Original Lessee: Ronald Miles, Current Lessee: XEC.

Associated Contracts:

Associated Wells: West Gramma Ridge 8-5 Fed Com 2H

Remarks / Comments / Unusual Terms of Deal: *ME*

Tract 1 - E/2 W/2 of Section 5, T22S, R34E, N.M.P.M., 160 acres
Tract 2 - E/2 NW/4 of Section 8, T22S, R34E, N.M.P.M., 80 acres, more or less, in total
Tract 3 - E/2 SW/4 of Section 8, T22S, R34E, N.M.P.M., 80 acres, more or less, in total

Communitization Agreement will remain in effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized are in paying quantities

Prepared by: Priscilla Sanchez Date: 12/19/2016

Telephone: 432.620.1968

(To be entered by Land Administration)
Contract Number: _____ BA Number: _____



AUBREY DUNN
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

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

January 24th, 2017

Re: Communitization Agreement Approval
West Grama Ridge 8-5 Federal Well #2H
Vertical Extent: Bone Spring
Township: 22 South, Range 34 East, NMPM
Section 5: E2W2
Section 8 : E2W2
Lea County, New Mexico

Dear Ms. Sanchez,

The Commissioner of Public Lands has this date approved the West Grama Ridge 8-5 Federal Well #2H Communitization Agreement for the Bone Spring formation effective 9/21/2016. Enclosed are three Certificates of Approval.

The agreement shall remain in full force and effect until the midnight of February 01, 2017 and as long thereafter as either drilling operations are conducted or communitized substances are produced from the communitized area in paying quantities.

If we may be of further service, please contact Niranjan Khalsa at (505) 827-6628.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aubrey Dunn", is written over the printed name.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Cimarex Energy Co.
West Grama Ridge 8-5 Federal Well #2H
Vertical Extent: Bone Spring
Township: 22 South, Range: 34 East, NMPM
Section 5 : E2W2
Section 8 : E2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 21, 2016**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 24th day of January, 2017.



A handwritten signature in blue ink, appearing to read 'A. L. D.', is written over a horizontal line.

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**Cimarex Energy Co.
West Grama Ridge 8-5 Federal Well #2H
Vertical Extent: Bone Spring
Township: 22 South, Range: 34 East, NMPM
Section 5 : E2W2
Section 8 : E2W2
Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 21, 2016**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **24th** day of **January**, 2017.





COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Cimarex Energy Co.
West Grama Ridge 8-5 Federal Well #2H
Vertical Extent: Bone Spring
Township: 22 South, Range: 34 East, NMPM
Section 5 : E2W2
Section 8 : E2W2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 21, 2016**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **24th day of January, 2017**.



[Handwritten Signature]

COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT is entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner" is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest, and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M.
Section 5: E/2 W/2
Section 8: E/2 W/2
Lea County, New Mexico

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Township 22 South, Range 34 East, N.M.P.M.

Section 5: E/2 W/2

Section 8: E/2 W/2

Lea County, New Mexico

Containing 320.00 acres, and this agreement shall include only the **Bone Spring** formation(s) underlying said lands, and the oil, natural gas and associated liquid hydrocarbons, hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein

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West Gramma Ridge 8-5 Federal 2H
Township 22 South, Range 34 East, N.M.P.M.
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Section 8: E/2 W/2
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modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production; provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-communitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules, or regulations.
10. The date of this agreement is **September 21, 2016**, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier,, upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities; provided that, prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated

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West Gramma Ridge 8-5 Federal 2H
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at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, and as to the State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1)

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Lea County, New Mexico


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to (7) inclusive of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written and have set opposite their respective names the date of execution.

Cimarex Energy Co.
(Record Title Owner and Operator)

Date: _____

By: 

Title: Roger Alexander, Attorney in Fact *RA* *CTE*

Black Mountain Operating, LLC.
(Record Title Owner)

Date: _____

By: _____

Title: _____

West Gramma Ridge 8 Federal 1H
Township 22 South, Range 34 East, N.M.P.M.
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Section 8: E/2 W/2
Lea County, New Mexico

to (7) inclusive of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written and have set opposite their respective names the date of execution.

Cimarex Energy Co.
(Record Title Owner and Operator)

Date: _____

By:  _____

Title: Roger Alexander, Attorney in Fact

Black Mountain Operating, LLC.
(Record Title Owner)

Date: 12/9/16

By:  _____

Title: Rhett Bennett, CEO

West Gramma Ridge 8 Federal 1H
Township 22 South, Range 34 East, N.M.P.M.
Section 5: E/2 W/2
Section 8: E/2 W/2
Lea County, New Mexico

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 5th day of December, 2016 by Roger Alexander, Attorney in Fact for **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: 03-07-2018

Priscilla Sanchez
Notary Public



STATE OF TEXAS)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2016 by _____, as _____ for _____.

My Commission Expires: _____

Notary Public

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West Gramma Ridge 8 Federal 1H
Township 22 South, Range 34 East, N.M.P.M.
Section 5: E/2 W/2
Section 8: E/2 W/2
Lea County, New Mexico

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

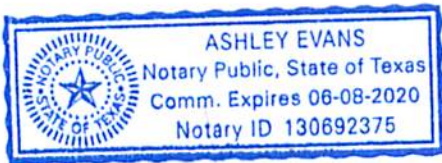
The foregoing instrument was acknowledged before me this ___ day of _____, 2016 by Roger Alexander, Attorney in Fact for **Cimarex Energy Co.**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: _____
Notary Public

STATE OF TEXAS)
)
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me this 9th day of December, 2016 by Rhett Bennett, as CEO for Black Mountain Operating LLC.

My Commission Expires: 6/8/2020
Ashley Evans
Notary Public

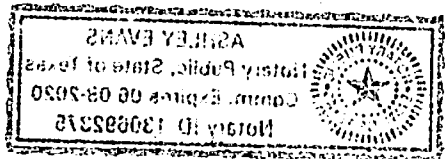


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West Gramma Ridge 8 Federal 1H
Township 22 South, Range 34 East, N.M.P.M.
Section 5: E/2 W/2
Section 8: E/2 W/2
Lea County, New Mexico

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EXHIBIT "A"

PLAT OF COMMUNITIZED AREA COVERING THE E/2 W/2 OF SECTIONS 5 AND 8,
TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA
COUNTY, NEW MEXICO

West Gramma Ridge 8-5 Fed 2H

	○ BHL		5
	Tract 1: NMNM 129267		
	Tract 2: V-5784		8
	Tract 3: VB-2131		
		○ SHL	

WEST GRAMMA RIDGE 8-5 FED 2H
Township 22 South, Range 34 East, N.M.P.M.
Section 5: E/2 W/2
Section 8: E/2 W/2
Lea County, New Mexico

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN COMMUNITIZATION AGREEMENT DATED SEPTEMBER 21, 2016, COVERING THE E/2 W/2 OF SECTIONS 5 AND 8, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lessor: United State of America
Original Lessee: Ronald Miles
Current Lessee: Cimarex Energy Co.
Description: T22S-R34E
Sec. 5: E/2 W/2
Date: January 1, 2013
Lease #: NMNM-129267

Working Interest Owner:
Cimarex Energy Co. 100.00%

Tract No. 2

Lessor: State of New Mexico
Original Lessee: KHL, Inc.
Current Lessee: Black Mountain Operating, LLC
Description: T22S-R34E
Sec. 8: E/2 NW/4
Date: April 1, 2000
Lease #: V-5784

Working Interest Owner:
Cimarex Energy Co. 100.00%

Tract No. 3

Lessor: State of New Mexico
Original Lessee: Ronald Miles
Current Lessee: Cimarex Energy Co.
Description: T22S-R34E
Sec. 8: E/2 SW/4
Date: February 1, 2012
Lease #: VB-2131

Working Interest Owner:
Cimarex Energy Co. 100.00%

WEST GRAMMA RIDGE 8 FED 1H
Township 22 South, Range 34 East, N.M.P.M.
Section 5: E/2 W/2
Section 8: E/2 W/2
Lea County, New Mexico

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN COMMUNITIZATION AGREEMENT DATED SEPTEMBER 21, 2016, COVERING THE E/2 W/2 OF SECTIONS 5 AND 8, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest In Communitized Area
1	160.00	50.00%
2	80.00	25.00%
3	80.00	25.00%
Total	320.00	100.0%

WEST GRAMMA RIDGE 8 FED 1H
Township 22 South, Range 34 East, N.M.P.M.
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Section 8: E/2 W/2
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B & V Royalty LLC	PO Box 568	Artesia	NM	88211
Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220
Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508
Elk Range Royalties II Lp	2110 Farrington St.	Dallas	TX	75207
Gary & Seree Whitlow Rev Mineral Trst	PO Box 410	Hawkins	TX	75765
Gayna Lea Whitlow Smith	13095 Fieldstone Loop	Austin	TX	78737
Linda Kay Whitlow	315 John Price	Blanco	TX	78606
New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501
New Mexico State Land Office	P.O. Box 1148	Santa Fe	NM	87504
Oak Valley Mineral And Land Lp	PO Box 50820	Midland	TX	79710
ONRR	PO Box 25627	Denver	CO	80225
Post Oak Mavros II LLC	34 S. Wynden Drive, Ste. 210	Houston	TX	77056
Sitio Permian Lp	1401 Lawrence Street, Ste. 1750	Denver	CO	80202
Sortida Resources LLC	PO Box 50820	Midland	TX	79710
State of New Mexico	1220 South Saint Francis Drive	Santa Fe	NM	87505
Wing Resources VI LLC	2100 MCKinney Ave., Ste. 1540	Dallas	TX	75201



Paula M. Vance
Associate Attorney
Phone (505) 954-7286
PMVance@hollandhart.com

September 11, 2025

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Cimarex Energy Company for administrative approval to surface commingle (lease) oil and gas production from spacing units comprised of Lots 3-4, S/2 NW/4 and the SW/4 (W/2 equivalent) of irregular Section 5 and the W/2 of Section 8, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico (the "Lands")

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Division rules require that a copy of this application be provided to you (there are no documents in this notice packet for you to sign). Any objection to this application must be filed in writing within twenty days from the date the Division receives the application at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Phillip Levasseur
Coterra Energy Inc.
(432) 620-1642
Phillip.levasseur@coterra.com

Sincerely,

Paula M. Vance
ATTORNEY FOR CIMAREX ENERGY COMPANY

Coterra - West Grama Ridge 8-5 - Commingling
Postal Delivery Report

9414811898765474594448	B & V Royalty LLC	PO Box 568	Artesia	NM	88211-0568	Your item was picked up at the post office at 10:05 am on September 16, 2025 in ARTESIA, NM 88210.
9414811898765474594486	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to the front desk, reception area, or mail room at 11:56 am on September 16, 2025 in CARLSBAD, NM 88220.
9414811898765474594431	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to an individual at the address at 12:59 pm on September 15, 2025 in SANTA FE, NM 87508.
9414811898765474594516	Elk Range Royalties II Lp	2110 Farrington St	Dallas	TX	75207-6502	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765474594554	Gary & Seree Whitlow Rev Mineral Trst	PO Box 410	Hawkins	TX	75765-0410	Your item arrived at the HAWKINS, TX 75765 post office at 1:42 pm on September 17, 2025 and is ready for pickup. Your item may be picked up at HAWKINS, 969 N BEAULAH ST, HAWKINS, TX 757659998, M-F 0800-1600; SAT 1000-1130.
9414811898765474594561	Gayna Lea Whitlow Smith	13095 Fieldstone Loop	Austin	TX	78737-9632	Your item was delivered to an individual at the address at 12:50 pm on September 16, 2025 in AUSTIN, TX 78737.
9414811898765474594523	Linda Kay Whitlow	315 John Price	Blanco	TX	78606-4415	Your item was picked up at the post office at 8:53 am on September 18, 2025 in BLANCO, TX 78606.
9414811898765474594509	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at the post office at 7:54 am on September 16, 2025 in SANTA FE, NM 87501.
9414811898765474594592	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at the post office at 7:51 am on September 15, 2025 in SANTA FE, NM 87501.

Coterra - West Grama Ridge 8-5 - Commingling
Postal Delivery Report

9414811898765474594547	Oak Valley Mineral And Land Lp	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 10:19 am on September 18, 2025 in MIDLAND, TX 79705.
9414811898765474594585	ONRR	PO Box 25627	Denver	CO	80225-0627	Your item was picked up at the post office at 9:07 am on September 15, 2025 in DENVER, CO 80225.
9414811898765474594530	Post Oak Mavros II LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to the front desk, reception area, or mail room at 2:13 pm on September 15, 2025 in HOUSTON, TX 77056.
9414811898765474594578	Sitio Permian Lp	1401 Lawrence St Ste 1750	Denver	CO	80202-3074	Your item was delivered to the front desk, reception area, or mail room at 10:51 am on September 13, 2025 in DENVER, CO 80202.
9414811898765474595254	Sortida Resources LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 10:19 am on September 18, 2025 in MIDLAND, TX 79705.
9414811898765474595261	State of New Mexico	1220 S Saint Francis Dr	Santa Fe	NM	87505-4225	Your item was delivered to the front desk, reception area, or mail room at 11:08 am on September 15, 2025 in SANTA FE, NM 87505.
9414811898765474595223	Wing Resources VI LLC	2100 McKinney Ave Ste 1540	Dallas	TX	75201-2140	Your item was delivered to the front desk, reception area, or mail room at 11:25 am on September 15, 2025 in DALLAS, TX 75201.

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COTERRA ENERGY OPERATING CO. ORDER NO. CTB-1174**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Coterra Energy Operating Co. (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.

CONCLUSIONS OF LAW

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.

6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
9. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 11/26/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1174
Operator: Coterra Energy Operating Company (215099)
Central Tank Battery: West Grama Ridge 8-5 Central Tank Battery
Central Tank Battery Location: UL N, Section 8, Township 22 South, Range 34 East
Gas Title Transfer Meter Location: UL N, Section 8, Township 22 South, Range 34 East

Pools

Pool Name	Pool Code
GRAMA RIDGE;BONE SPRINGS, WEST	28432

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105696565 (138940)	W2W2	05-22S-34E
	W2W2	08-22S-34E
CA Bone Spring NMNM 105689220 (137147)	E2W2	05-22S-34E
	E2W2	08-22S-34E
CA Bone Spring SLO 203830 PUN 1374063	W2W2	05-22S-34E
	W2W2	08-22S-34E
CA Bone Spring SLO 203599 PUN 1356536	E2W2	05-22S-34E
	E2W2	08-22S-34E
CA Bone Spring SLO 203599 PUN 1409131	E2W2	05-22S-34E
	E2W2	08-22S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-43554	WEST GRAMA RIDGE 8 5 FEDERAL	E2W2	05-22S-34E	28432
	#002H	E2W2	08-22S-34E	
30-025-54458	WEST GRAMA RIDGE 8 5 FEDERAL	E2W2	05-22S-34E	28432
	COM #354H	E2W2	08-22S-34E	
30-025-44840	WEST GRAMA RIDGE 8 5 FEDERAL	W2W2	05-22S-34E	28432
	#003H	W2W2	08-22S-34E	
30-025-54727	WEST GRAMA RIDGE 8 5 FEDERAL	W2W2	05-22S-34E	28432
	COM #353H	W2W2	08-22S-34E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 507841

CONDITIONS

Operator: Coterra Energy Operating Co. 6001 Deauville Blvd Midland, TX 79706	OGRID: 215099
	Action Number: 507841
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov .	12/2/2025