

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

**APPLICATION OF CIMAREX  
ENERGY CO. FOR A NON-STANDARD  
OIL SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 16294**

**CIMAREX'S EXHIBIT NOTEBOOK**

Mescalero Ridge 21 Fed 1H

Earl E. DeBrine, Jr.



MODRALL SPERLING  
500 Fourth Street NW, Suite 1000  
P. O. Box 2168 / Albuquerque, NM 87103  
Telephone 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)

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- |            |   |
|------------|---|
| Exhibit 1  | Application   |
| Exhibit 2  | Locator Map   |
| Exhibit 3  | C-102   |
| Exhibit 4  | Lease Tract Map   |
| Exhibit 5  | Mescalero Ridge Well Proposal to Matador, XTO, et al. and<br>Nadel and Gus                                |
| Exhibit 6  | Affidavit, notice letters, proof of mailing   |
| Exhibit 7  | Base of 3 <sup>rd</sup> Bone Spring Sand Structure Map (SSTVD)  |
| Exhibit 8  | Base of 3 <sup>rd</sup> Bone Spring Sand Cross-Section<br>Stratigraphic X-Section hung on top of Wolfcamp |
| Exhibit 9  | 3 <sup>rd</sup> Bone Spring Sand Net Pay Map  |
| Exhibit 10 | Mescalero Ridge 21 Fed 1H Wellbore Diagram  |

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**APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID Number 215099, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/4 of Section 21, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. In support of this application, Cimarex states as follows:

1. Cimarex is an interest owner in the subject lands and has a right to drill a well thereon.
2. Cimarex seeks to dedicate the E/4 of Section 21 to the proposed well to form a non-standard 160-acre, more or less, horizontal oil spacing and proration unit (a/k/a the "project area").
3. Cimarex proposes to drill the **Mescalero Ridge 21 Federal 1H** well to a depth sufficient to test the Bone Spring formation. This well is a horizontal well with a surface

Case No. 16294

**CIMAREX**

Exhibit 1

location 544' FNL and 1980' FEL of Section 21, Township 19 South, Range 34 East, and the intended bottom hole location is 330' FSL and 660' FEL of Section 21, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,810' to the Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location.

4. This well is a wildcat Bone Spring well which is subject to statewide rules. The producing interval that Cimarex seeks to drill will comply with the statewide 330 foot setback requirements established under statewide rules.

5. Cimarex sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.

6. Approval of the non-standard unit and the pooling of all interests in the Bone Spring formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Notice of this application is being given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Cimarex Energy Co. requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 12, 2018, and after notice and hearing as required by law, the Division enter its order:

A. Creating a 160-acre non-standard horizontal oil spacing and proration unit (a/k/a "project area") in the Bone Spring formation comprised of E/4 of Section 21, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico;

- B. Pooling all mineral interests in the Bone Spring formation underlying this non-standard spacing and proration unit/project area;
- C. Designating Cimarex as operator of this unit and the well to be drilled thereon;
- D. Authorizing Cimarex to recover its costs of drilling, equipping and completing this well;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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

By: 

Earl E. DeBrine, Jr.  
Jennifer Bradfute  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[jlb@modrall.com](mailto:jlb@modrall.com)  
*Attorneys for Applicant Cimarex Energy Co.*

CASE NO. \_\_\_\_\_: Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/4 of Section 21, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Mescalero Ridge 21 Federal 1H**, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 21 miles southwest of Hobbs, New Mexico.

15S 30E CHAVES		15S 31E		15S 32E		15S 33E		15S 34E		15S 35E		15S 36E		15S 37E		15S 38E		YOAKUM			
16S 30E	16S 31E	16S 32E	16S 33E	16S 34E	16S 35E	16S 36E	16S 37E	16S 38E	16S 39E	16S 30E	16S 31E	16S 32E	16S 33E	16S 34E	16S 35E	16S 36E	16S 37E	16S 38E	16S 39E	PSL BLK A7	
17S 30E	17S 31E	17S 32E	17S 33E	17S 34E	17S 35E	17S 36E	17S 37E	17S 38E	17S 39E	17S 30E	17S 31E	17S 32E	17S 33E	17S 34E	17S 35E	17S 36E	17S 37E	17S 38E	17S 39E	PSL BLK A8	
18S 30E	18S 31E	18S 32E	18S 33E	18S 34E	18S 35E	18S 36E	18S 37E	18S 38E	18S 39E	18S 30E	18S 31E	18S 32E	18S 33E	18S 34E	18S 35E	18S 36E	18S 37E	18S 38E	18S 39E	PSL BLK A9 GAINES	
19S 30E	19S 31E	19S 32E	19S 33E	Mescalero Ridge 21 Federal 1H ● 19S 34E		19S 35E	19S 36E	19S 37E	19S 38E	19S 39E	19S 30E	19S 31E	19S 32E	19S 33E	19S 34E	19S 35E	19S 36E	19S 37E	19S 38E	19S 39E	PSL BLK A10
20S 30E	20S 31E	20S 32E	20S 33E	20S 34E	20S 35E	20S 36E	20S 37E	20S 38E	20S 39E	20S 30E	20S 31E	20S 32E	20S 33E	20S 34E	20S 35E	20S 36E	20S 37E	20S 38E	20S 39E	20S 30E	PSL BLK A12
EDDY																					
21S 29E	21S 30E	21S 31E	21S 32E	21S 33E	21S 34E	21S 35E	21S 36E	21S 37E	21S 38E	21S 39E	21S 30E	21S 31E	21S 32E	21S 33E	21S 34E	21S 35E	21S 36E	21S 37E	21S 38E	21S 39E	PSL BLK A29 ANDREWS
22S 29E	22S 30E	22S 31E	22S 32E	22S 33E	22S 34E	22S 35E	22S 36E	22S 37E	22S 38E	22S 39E	22S 30E	22S 31E	22S 32E	22S 33E	22S 34E	22S 35E	22S 36E	22S 37E	22S 38E	22S 39E	PSL BLK A39
23S 29E	23S 30E	23S 31E	23S 32E	23S 33E	23S 34E	23S 35E	23S 36E	23S 37E	23S 38E	23S 39E	23S 30E	23S 31E	23S 32E	23S 33E	23S 34E	23S 35E	23S 36E	23S 37E	23S 38E	23S 39E	

Case No. 16294

CIMAREX

LEA

Mescalero Ridge  
21 Federal 1H

EDDY



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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025</b>	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>Wildcat, Bone Spring</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>MESCALERO RIDGE 21 FEDERAL</b>	<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> OGRID No. <b>215099</b>	<sup>8</sup> Operator Name <b>CIMAREX ENERGY CO.</b>	<sup>9</sup> Elevation <b>3760.4'</b>

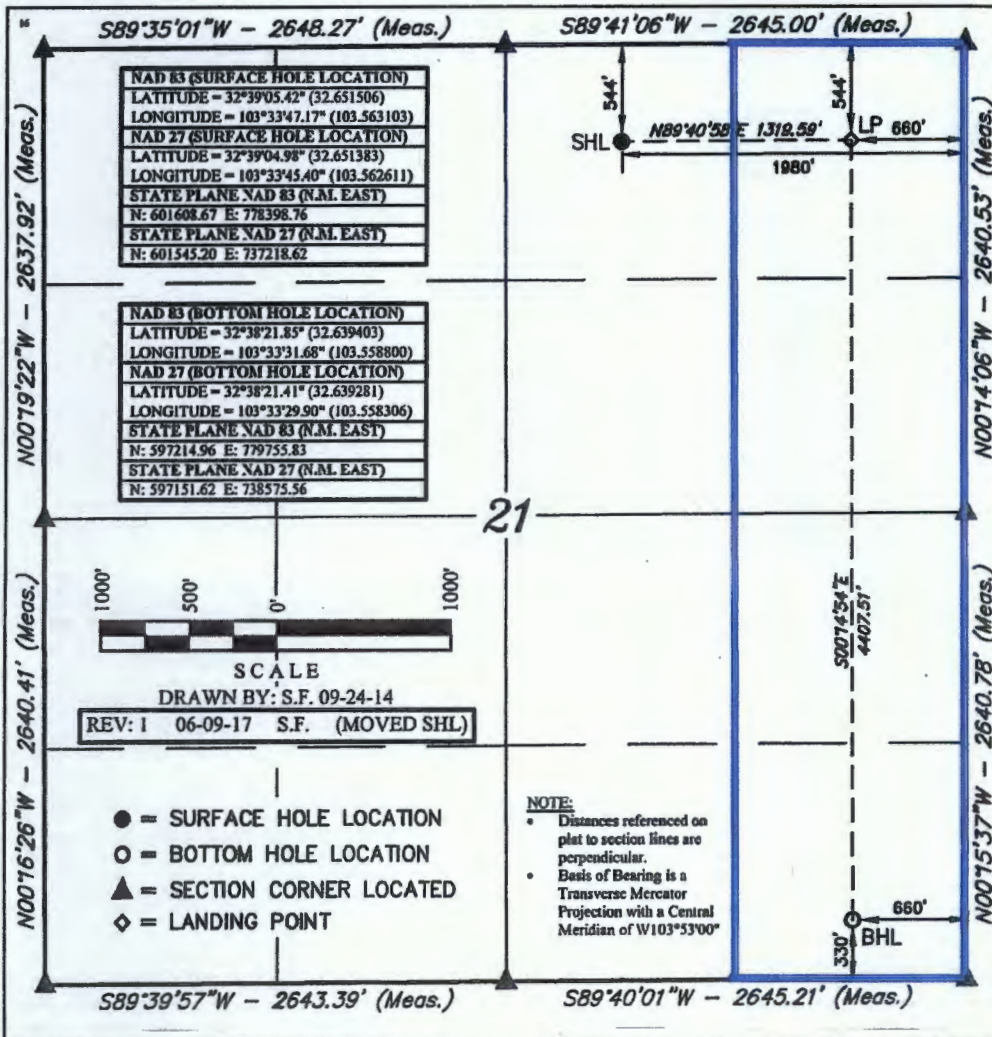
**"Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	19S	34E		544	NORTH	1980	EAST	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
P	21	19S	34E		330	SOUTH	660	EAST	LEA
<sup>11</sup> Dedicated Acres 200	<sup>12</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



**"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.

*Aricka Easterling* 8/2/17  
Signature Date

Aricka Easterling

Printed Name

aeasterling@cimarex.com

E-mail Address

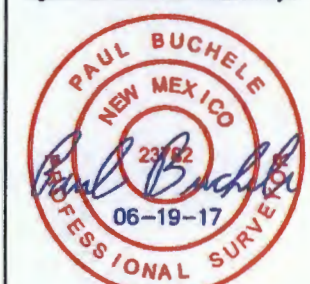
**"SURVEYOR CERTIFICATION**

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.

June 03, 2017

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

Case No. 16294

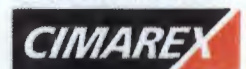


Exhibit 3



Section 21, Range 19 South, Township 34 East, Lea Co., New Mexico

Mescalero Ridge 21 Fed 1H (E/2E/2 – 160.00 acre unit)

Interests to Pool covering Tract 1

OWNER	TYPE	NET ACRES
XTO Energy, Inc. as agent for Exxon Mobil Corporation	Uncommitted Leasehold	20.0000000
Matador Resources Company	Uncommitted Leasehold	28.8000000
XTO Energy Inc.	Uncommitted Leasehold	3.9990000
ExxonMobil Oil Corporation, by its Agent and Attorney-in-Fact, XTO Energy, Inc.	Uncommitted Leasehold	24.8820000
Mobil E&P U.S. Development Corporation, by its Agent and Attorney-in-Fact, XTO Energy Inc.	Uncommitted Leasehold	1.1070000
Exxon Mobil Corporation by its Agent and Attorney-In-Fact, XTO Energy Inc.	Uncommitted Leasehold	.0120000
<b>TOTAL</b>		<b>80.000000</b>
<i>Magnum Hunter Production Inc. (balancing Interest in proration unit)</i>	<i>Working Interest</i>	<i>80.000000</i>

	Section 21-19S-34E		Tract 1 Fed OGL No. 056376
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Case No. 16294

**CIMAREX**

Exhibit 4



May 29, 2018

Matador Resources Company  
One Lincoln Center  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240  
Attention: Chris Carleton

**Re: Proposal to drill  
Mescalero Ridge 21 Federal 1H  
Section 21, Township 19 South, Range 34 East  
Lea County, New Mexico**

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Mescalero Ridge 21 Federal 1H well at a legal location in Section 21, Township 19 South, Range 34 East, NMPM, Lea Co., NM.

The intended surface hole location for the well is 544' FNL and 1980' FEL of Section 21, Township 19 South, Range 34 East, and the intended bottom hole location is 330' FSL and 660' FEL of Section 21, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,810' to the Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total measured depth of the well is proposed to be approximately 16,152' feet from surface to terminus.

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

Enclosed, in duplicate, is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Mescalero Ridge 21 Federal 1H well. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Please call the undersigned with any questions or comments.

Respectfully,

Cody Elliott  
432.571.7806

Case No. 16294



Exhibit 5

**ELECTION TO PARTICIPATE  
Mescalero Ridge 21 Federal 1H**

\_\_\_\_\_ Matador Resources Company elects **TO** participate in the proposed Mescalero Ridge 21 Federal 1H

\_\_\_\_\_ Matador Resources Company elects **NOT** to participate in the proposed Mescalero Ridge 21 Federal 1H

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

If your election above is **TO** participate in the proposed Mescalero Ridge 21 Federal 1H well, then:

\_\_\_\_\_ elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

\_\_\_\_\_ elects **NOT** to be covered by well control insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a certificate of insurance prior to commencement of drilling operations or be deemed to have elected to be covered by well control insurance procured by Cimarex Energy Co.



## Authorization For Expenditure Drilling

Company Entity

Date Prepared  
5/30/2018

Exploration Region	Well Name	Prospect	Property Number	AFE
Permian Basin	MESCALERO RIDGE 21 FEDERAL 1H	New Mexico Bone Spring Pros (Lea)	301471-308.01	2617064
County, State	Location	Estimated Spud	Estimated Completion	
Lea, NM	E2E2 Section 21-T19S-R34E, Lea County, New Mexico	9/5/2018	11/28/2018	
<input checked="" type="checkbox"/> New Supplement Revision	Formation Bone Spring	Well Type DEV	Ttl Measured Depth 16,152	Ttl Vertical Depth 10,810

Purpose Drill and complete well

## Description

Drilling Drill and complete a horizontal test. Drill to 1680 set surface casing. Drill to 5460' set intermediate casing. Drill to 10333' (KOP). Drill curve at 12°/100' initial build rate to +/- 90 degrees and 10810' TVD and drill a +/- 4140' long lateral in the bone spring formation. Run and cement production liner. Stage frac in stages. Drill out plugs. Run production packer, tubing and GLVs.

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,259,000		\$2,259,000
Completion Costs		\$4,486,100	\$4,486,100
<b>Total Intangible Cost</b>	<b>\$2,259,000</b>	<b>\$4,486,100</b>	<b>\$6,745,100</b>
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$266,000	\$484,000	\$750,000
Lease Equipment		\$1,470,500	\$1,470,500
<b>Total Tangible Cost</b>	<b>\$266,000</b>	<b>\$1,954,500</b>	<b>\$2,220,500</b>
<b>Total Well Cost</b>	<b>\$2,525,000</b>	<b>\$6,440,600</b>	<b>\$8,965,600</b>

## Comments On Well Costs

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

## Well Control Insurance

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

**I elect to purchase my own well control insurance policy.**

## Marketing Election

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

**I elect to take my gas in kind.**

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

## Comments on AFE

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

## Nonoperator Approval

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

5/30/2018



BCP - Drilling				ACP - Drilling				Comp/Stim	
Sub Ledger Description	Codes	Amount	Codes	Amount	Codes	Amount		Amount	
Roads & Location Preparation /	DIDC.100	200,000			STIM.100			5,000	
Drilling	DIDC.105	10,000							
Mud/Fluids Disposal	DIDC.255	125,000			STIM.255			21,000	
Day Rate	DIDC.115	20 days at \$23,000/day	DICC.120	4 days at \$23,000/day		81,000			
Misc Preparation Cost (mouse hole, rat	DIDC.120	35,000							
hole pads, pile clusters, misc.)	DIDC.125	60,000	DICC.125		STIM.125			0	
Fuel	DIDC.135	1,300 gal/day at \$2.25/gal	DICC.130			0			
Water for Drilling Rig / Completion Fluids	DIDC.140	3,000	DICC.135		STIM.135			14,000	
Mud & Additives	DIDC.145	100,000							
Surface Rentals	DIDC.150	Per Day (BCP)/day	DICC.140		STIM.140			102,000	
Downhole Rentals	DIDC.155	156,000			STIM.145			0	
Automation Labor									
Formation Evaluation (DST, Coring	DIDC.160	0			STIM.150			0	
and Logging Evaluation, G&G Services)	DIDC.170	16 days at \$1,200/day							
Open Hole Logging	DIDC.180	0							
Cementing & Float Equipment	DIDC.185	90,000	DICC.155			106,000			
Tubular Inspections	DIDC.190	30,000	DICC.160		STIM.160			2,000	
Casing Crews	DIDC.195	10,000	DICC.165		STIM.165			0	
Mechanical Labor	DIDC.200	15,000	DICC.170		STIM.170			0	
Trucking/Transportation	DIDC.205	15,000	DICC.175		STIM.175			2,000	
Supervision	DIDC.210	102,000	DICC.180		STIM.180			30,000	
Trailer House / Camp / Catering	DIDC.280	13,000	DICC.255		STIM.280			12,500	
Other Misc Expenses	DIDC.220	5,000	DICC.190		STIM.190			0	
Overhead	DIDC.225	10,000	DICC.195			5,000			
Remedial Cementing	DIDC.231	0			STIM.215			0	
MOB/DEMOB	DIDC.240	250,000							
Directional Drilling Services	DIDC.245	115,000							
Crane for Construction									
Solids Control	DIDC.260	69,000							
Well Control Equip (Snubbing services)	DIDC.265	81,000	DICC.240		STIM.240			42,000	
Fishing & Sidetrack Services	DIDC.270	0	DICC.245		STIM.245			0	
Completion Rig					STIM.115			13,000	
Coil Tubing Services					STIM.260			173,000	
Completion Logging, Perforating, WL					STIM.200			184,000	
Composite Plugs					STIM.390			43,000	
Stimulation Pumping Charges, Chemicals,					STIM.210			1,796,000	
Stimulation Water/Water Transfer/Water					STIM.395			384,000	
FRAC Owned Frac/Rental Equipment					STIM.305			42,000	
Legal/Regulatory/Curative	DIDC.300	10,000							
Well Control Insurance	DIDC.285	\$0.35/R							
FL/GL - Labor									
FL/GL - Supervision									
FL/GL - NDE(X-Ray)									
FL/GL - Survey									
FL/GL - Hydro Test									
FL/GL - Hydro Vac									
FL/GL - Trucking									
SWD Lines - Intangible									
Gas Sales Lines - Intangible									
Contingency	DIDC.435	500 % of Drilling Intangibles	DICC.220		STIM.220			143,000	
Contingency									
Construction for Flow Lines									
Construction For Sales P/L									
P&A Costs	DIDC.295	0	DICC.275			0			
Total Intangible Cos		2,259,000				256,000		3,008,500	
Drive Pipe	DWEB.150	0							
Conductor Pipe	DWEB.130	0							
Water String	DWEB.135	0							
Surface Casing	DWEB.140	13 3/8" - 1,680ft at \$33.00/ft							
Intermediate Casing 1	DWEB.145	9 5/8" - 5,460ft at \$35.00/ft							
Intermediate Casing 2	DWEB.155	0							
Drilling Liner	DWEB.160	0							
Production Casing or Liner			DWEA.100	5 1/2" - 16,152ft at \$18.00/ft		291,000			
Production Tie-Back			DWEA.165			0	STIMT.101	0	
Tubing					STIMT.105				
Wellhead, Tree, Chokes	DWEB.115	20,000	DWEA.120		STIMT.120		2 7/8" - 10,430ft at \$6.00/ft	63,000	
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125			0		25,000	
Packer, Nipples					STIMT.400			15,000	
Pumping Unit, Engine					STIMT.405			0	
Downhole Lift Equipment (BHP, Rods,					STIMT.410			70,000	
Surface Equipment - PC pump)									
Total Tangible - Well Equipment Cos		266,000				311,000		173,000	
N/C Lease Equipment									
Tanks, Tanks Steps, Stairs									
Battery (Heater Treater, Separator, Gas									
Separation Equipment)									
Overhead Power Distribution (electric line									
and Electrical									
SWD Connection									
Flow Lines (Line Pipe From Wellhead To									
Pipeline to Sales									
Meters and Metering Equipment									
Facility Line Pipe									
Automation Materials									
FL/GL - Valves/Fittings									
FL/GL - Pipe									
SWD Lines - Tangible									
Gas Sales Lines - Tangible									
Total Tangible - Lease Equipment Cos									
Total Estimated Cost		2,525,000				567,000		3,181,500	





## Authorization For Expenditure - Mescalero Ridge 21 Federal 1H

		Production Equip		Post Completion		Total	
Sub Ledger Description	Codes	Amount	Codes	Amount	Cost		
Roads & Location Preparation / Restoration	CON.100	103,500	PCOM.100	Repair Road to Location	15,000	323,500	
Damages	CON.105	38,000				48,000	
Mud/Fluids Disposal			PCOM.255	2000 BWPD for 30 days @ \$0.80/bbl	48,000	194,000	
Day Rate						553,000	
Misc Preparation Cost (mouse hole, rat hole, pits, pile clusters, misc.)			PCOM.125		0	35,000	
Fuel			PCOM.130		0	60,000	
Water for Drilling Rig / Completion Fluids (Not Mud & Additives)			PCOM.135		0	72,000	
Surface Rentals	CON.140	7,000	PCOM.140	Flowback Equipment - \$1200/d for 30 days	36,000	17,000	100,000
Downhole Rentals			PCOM.145		0	218,000	
Automation Labor	CON.150	72,000	PCOM.150		0	156,000	
Formation Evaluation (DST, Coring including Wire Logging)					0	72,000	
Open Hole Logging					0	0	
Cementing & Float Equipment			PCOM.160		0	24,000	
Tubular Inspections					0	196,000	
Casing Crews					0	37,000	
Mechanical Labor	CON.170	272,500	PCOM.170	Flowback Hands (2) - \$1900/d for 30 days	57,000	28,000	347,500
Trucking/Transportation	CON.175	28,000	PCOM.175		0	347,500	
Supervision	CON.180	72,500	PCOM.180		0	55,000	
Trailer House / Camp / Catering					0	218,500	
Other Misc Expenses	CON.190	20,000	PCOM.190		0	27,500	
Overhead					0	25,000	
Remedial Cementing			PCOM.215		0	15,000	
MOB/DEMOB					0	0	250,000
Directional Drilling Services					0	115,000	
Crane for Construction	CON.230				0	0	
Solids Control					0	69,000	
Well Control Equip (Snubbing services)			PCOM.240		0	123,000	
Fishing & Sidetrack Services			PCOM.245		0	0	
Completion Rig			PCOM.115		0	13,000	
Coil Tubing Services			PCOM.260		0	173,000	
Completion Logging, Perforating, WL Units, WL			PCOM.200		0	184,000	
Composite Plugs			PCOM.390		0	43,000	
Stimulation Pumping Charges, Chemicals,			PCOM.210		0	1,796,000	
Stimulation Water/Water Transfer/Water Storage					0	384,000	
Cimarex Owned Frac/Rental Equipment			PCOM.305		0	42,000	
Legal/Regulatory/Curative	CON.300	0			0	10,000	
Well Control Insurance					0	6,000	
FL/GL - Labor	CON.500	57,500			0	57,500	
FL/GL - Supervision	CON.505	46,000			0	46,000	
FL/GL - NDEX-Ray)	CON.510	5,500			0	5,500	
FL/GL - Survey	CON.515	6,000			0	6,000	
FL/GL - Hydro Test	CON.520	7,500			0	7,500	
FL/GL - Hydro Vac	CON.525	5,000			0	5,000	
FL/GL - Trucking	CON.530	3,000			0	3,000	
SWD Lines - Intangible	CON.600	76,500			0	76,500	
Gas Sales Lines - Intangible	CON.700	0			0	0	
Contingency	CON.220	190,000	PCOM.220	10%	15,600	468,600	
Contingency	CON.221	39,500			0	39,500	
Construction for Flow Lines	CON.310				0	0	
Construction For Sales P/L	CON.285				0	0	
P&A Costs					0	0	
Total Intangible Cost		1,050,000			171,600	6,745,100	
Drive Pipe					0	0	
Conductor Pipe					0	0	
Water String					0	0	
Surface Casing					0	55,000	
Intermediate Casing 1					0	191,000	
Intermediate Casing 2					0	0	
Drilling Liner					0	0	
Production Casing or Liner					0	291,000	
Production Tie-Back					0	0	
Tubing			PCOMT.105		0	63,000	
Wellhead, Tree, Chokes			PCOMT.120		0	65,000	
Liner Hanger, Isolation Packer					0	0	
Pecker, Nipples			PCOMT.400		0	15,000	
Pumping Unit, Engine			PCOMT.405		0	0	
Downhole Lift Equipment (BHP, Rods, Anchors, ESP, Gels, PC Pump)			PCOMT.410		0	70,000	
Surface Equipment			PCOMT.420		0	0	
Total Tangible - Well Equipment Cost					0	750,000	
N/C Lease Equipment	CON.400	205,500			0	205,500	
Tanks, Tanks Steps, Stairs	CON.405	99,500			0	99,500	
Battery (Heater Treater, Separator, Gas Treating)	CON.410	363,000			0	363,000	
Storage/Containments	CON.415	61,500			0	61,500	
Overhead Power Distribution (electric line to Facility) Electrical	CON.420	299,000			0	299,000	
SWD Connection	CON.425	129,500			0	129,500	
Flow Lines (Line Pipe From Wellhead To Central)	CON.430				0	0	
Pipeline to Sales	CON.435				0	0	
Meters and Metering Equipment	CON.440				0	0	
Facility Line Pipe	CON.445	26,000			0	26,000	
Automation Materials	CON.450	44,000			0	44,000	
FL/GL - Valves/Fittings	CON.455	94,500			0	94,500	
FL/GL - Pipe	CON.550	11,500			0	11,500	
SWD Lines - Tangible	CON.555	14,000			0	14,000	
Gas Sales Lines - Tangible	CON.650	122,500			0	122,500	
Total Tangible - Lease Equipment Cost		1,470,500			0	1,470,500	
Total Estimated Cost		2,520,500			171,600	8,965,600	



May 29, 2018

XTO Energy, Inc.  
810 Houston Street  
Fort Worth, Texas 76102-6298  
Attention: Keith Sawyer

Cc: XTO Energy, Inc., as agent for Exxon Mobil Corporation  
ExxonMobil Oil Corporation by its Agent and Attorney-in-Fact, XTO Energy, Inc.  
Mobil E&P U.S. Development Corporation, by its Agent and Attorney-in-Fact, XTO Energy, Inc.  
Exxon Mobil Corporation by its Agent and Attorney-in-Fact, XTO Energy, Inc.

Re: Proposal to drill  
Mescalero Ridge 21 Federal 1H  
Section 21, Township 19 South, Range 34 East  
Lea County, New Mexico

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Mescalero Ridge 21 Federal 1H well at a legal location in Section 21, Township 19 South, Range 34 East, NMPM, Lea Co., NM.

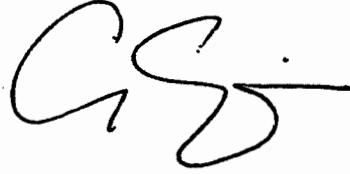
The intended surface hole location for the well is 544' FNL and 1980' FEL of Section 21, Township 19 South, Range 34 East, and the intended bottom hole location is 330' FSL and 660' FEL of Section 21, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,810' to the Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total measured depth of the well is proposed to be approximately 16,152' feet from surface to terminus.

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

Enclosed, in duplicate, is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Mescalero Ridge 21 Federal 1H well. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Please call the undersigned with any questions or comments.

Respectfully,

A handwritten signature in black ink, appearing to be 'CE' followed by a horizontal line.

Cody Elliott  
432.571.7806

**ELECTION TO PARTICIPATE  
Mescalero Ridge 21 Federal 1H**

\_\_\_\_\_ XTO Energy, Inc., as agent for Exxon Mobil Corporation elects **TO** participate in the proposed Mescalero Ridge 21 Federal 1H

\_\_\_\_\_ XTO Energy, Inc., as agent for Exxon Mobil Corporation elects **NOT** to participate in the proposed Mescalero Ridge 21 Federal 1H

Dated this \_\_\_\_ day of \_\_\_\_\_, 2018.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

If your election above is **TO** participate in the proposed Mescalero Ridge 21 Federal 1H well, then:

\_\_\_\_\_ elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

\_\_\_\_\_ elects **NOT** to be covered by well control insurance procured by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a certificate of insurance prior to commencement of drilling operations or be deemed to have elected to be covered by well control insurance procured by Cimarex Energy Co.

**ELECTION TO PARTICIPATE  
Mescalero Ridge 21 Federal 1H**

\_\_\_\_\_ ExxonMobil Oil Corporation by its Agent and Attorney-in-Fact, XTO Energy,  
Inc. elects **TO** participate in the proposed Mescalero Ridge 21 Federal 1H

\_\_\_\_\_ ExxonMobil Oil Corporation by its Agent and Attorney-in-Fact, XTO Energy,  
Inc. elects **NOT** to participate in the proposed Mescalero Ridge 21 Federal 1H

Dated this \_\_\_\_ day of \_\_\_\_\_, 2018.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

If your election above is TO participate in the proposed Mescalero Ridge 21 Federal 1H well, then:

\_\_\_\_\_ elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

\_\_\_\_\_ elects **NOT** to be covered by well control insurance procured  
by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a  
certificate of insurance prior to commencement of drilling operations or be  
deemed to have elected to be covered by well control insurance procured by  
Cimarex Energy Co.



**ELECTION TO PARTICIPATE**  
**Mescalero Ridge 21 Federal 1H**

\_\_\_\_\_ XTO Energy, Inc. elects **TO** participate in the proposed Mescalero Ridge 21  
Federal 1H

\_\_\_\_\_ XTO Energy, Inc. elects **NOT** to participate in the proposed Mescalero Ridge 21  
Federal 1H

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

If your election above is TO participate in the proposed Mescalero Ridge 21 Federal 1H well, then:

\_\_\_\_\_ elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

\_\_\_\_\_ elects **NOT** to be covered by well control insurance procured  
by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a  
certificate of insurance prior to commencement of drilling operations or be  
deemed to have elected to be covered by well control insurance procured by  
Cimarex Energy Co.

**ELECTION TO PARTICIPATE  
Mescalero Ridge 21 Federal 1H**

\_\_\_\_ Mobil E&P U.S. Development Corporation, by its Agent and Attorney-in-Fact,  
XTO Energy, Inc. elects **TO** participate in the proposed Mescalero Ridge 21 Federal 1H

\_\_\_\_ Mobil E&P U.S. Development Corporation, by its Agent and Attorney-in-Fact,  
XTO Energy, Inc. elects **NOT** to participate in the proposed Mescalero Ridge 21 Federal 1H

Dated this \_\_\_\_ day of \_\_\_\_\_, 2018.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

If your election above is TO participate in the proposed Mescalero Ridge 21 Federal 1H well, then:

\_\_\_\_ elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

\_\_\_\_ elects **NOT** to be covered by well control insurance procured  
by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a  
certificate of insurance prior to commencement of drilling operations or be  
deemed to have elected to be covered by well control insurance procured by  
Cimarex Energy Co.

**ELECTION TO PARTICIPATE  
Mescalero Ridge 21 Federal 1H**

\_\_\_\_\_ Exxon Mobil Corporation by its Agent and Attorney-in-Fact, XTO Energy, Inc.  
elects **TO** participate in the proposed Mescalero Ridge 21 Federal 1H

\_\_\_\_\_ Exxon Mobil Corporation by its Agent and Attorney-in-Fact, XTO Energy, Inc.  
elects **NOT** to participate in the proposed Mescalero Ridge 21 Federal 1H

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

If your election above is TO participate in the proposed Mescalero Ridge 21 Federal 1H well, then:

\_\_\_\_\_ elects **TO** be covered by well control insurance procured by Cimarex Energy Co.

\_\_\_\_\_ elects **NOT** to be covered by well control insurance procured  
by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a  
certificate of insurance prior to commencement of drilling operations or be  
deemed to have elected to be covered by well control insurance procured by  
Cimarex Energy Co.



## Authorization For Expenditure Drilling

Company Entity

Date Prepared

5/30/2018

Exploration Region	Well Name	Prospect	Property Number	AFE
Permian Basin	MESCALERO RIDGE 21 FEDERAL 1H	New Mexico Bone Spring Pros (Lea)	301471-308.01	2617064
County, State	Location	Estimated Spud	Estimated Completion	
Lea, NM	EZE2 Section 21-T19S-R34E, Lea County, New Mexico	9/5/2018	11/28/2018	
<input checked="" type="checkbox"/> New <input type="checkbox"/> Supplement <input type="checkbox"/> Revision	Formation Bone Spring	Well Type DEV	Ttl Measured Depth 16,152	Ttl Vertical Depth 10,810

Purpose Drill and complete well

## Description

Drilling Drill and complete a horizontal test. Drill to 1680 set surface casing. Drill to 5460' set intermediate casing. Drill to 10333' (KOP). Drill curve at 12°/100' initial build rate to +/- 90 degrees and 10810' TVD and drill a +/- 4140' long lateral in the bone spring formation. Run and cement production liner. Stage frac in stages. Drill out plugs. Run production packer, tubing and GLVs.

<b>Intangible</b>	<b>Dry Hole</b>	<b>After Casing Point</b>	<b>Completed Well Cost</b>
Drilling Costs	\$2,259,000		\$2,259,000
Completion Costs		\$4,486,100	\$4,486,100
<b>Total Intangible Cost</b>	<b>\$2,259,000</b>	<b>\$4,486,100</b>	<b>\$6,745,100</b>
<b>Tangible</b>	<b>Dry Hole</b>	<b>After Casing Point</b>	<b>Completed Well Cost</b>
Well Equipment	\$266,000	\$484,000	\$750,000
Lease Equipment		\$1,470,500	\$1,470,500
<b>Total Tangible Cost</b>	<b>\$266,000</b>	<b>\$1,954,500</b>	<b>\$2,220,500</b>
<b>Total Well Cost</b>	<b>\$2,525,000</b>	<b>\$6,440,600</b>	<b>\$8,965,600</b>

## Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEP5 guidelines using the Historic Price Multiplier.

## Well Control Insurance

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

☒ I elect to purchase my own well control insurance policy.

## Marketing Election

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

☐ I elect to take my gas in kind.

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

## Comments on AFE

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

## Nonoperator Approval

Company	Approved By (Print Name)	Approved By (Signature)	Date
---------	--------------------------	-------------------------	------

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

5/30/2018



## Authorization For Expenditure - MESCALERO RIDGE 21 FEDERAL 1H

BCP - Drilling			ACP - Drilling			Comp/Sum	
Sub Ledger Description	Codes	Amount	Codes	Amount	Codes	Amount	
Roads & Location Preparation / Drilling	DIDC.100	200,000			STIM.100	5,000	
Mud/Fluids Disposal	DIDC.105	10,000					
Day Rate	DIDC.255	125,000			STIM.255	21,000	
Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.)	DIDC.115 20 days at \$23,000/day	472,000	DICC.120 4 days at \$23,000/day	81,000			
Fuel	DIDC.120	35,000					
Water for Drilling Rig / Completion Fluids	DIDC.125	60,000	DICC.125	0	STIM.125	0	
Mud & Additives	DIDC.135 1,300 gal/day at \$2.25/gal	72,000	DICC.130	0			
Surface Rentals	DIDC.140	3,000	DICC.135	0	STIM.135	14,000	
Downhole Rentals	DIDC.145	100,000					
Automation Labor	DIDC.150 Per Day (BCP)/day	73,000	DICC.140	0	STIM.140	102,000	
Formation Evaluation (DST, Coring, including evaluation, G&G Services)	DIDC.155	156,000			STIM.145	0	
Open Hole Logging	DIDC.160	0			STIM.150	0	
Cementing & Float Equipment	DIDC.170 16 days at \$1,200/day	24,000					
Tubular Inspections	DIDC.180	0					
Casing Crews	DIDC.185	90,000	DICC.155	106,000			
Mechanical Labor	DIDC.190	30,000	DICC.160	5,000	STIM.160	2,000	
Trucking/Transportation	DIDC.195	10,000	DICC.165	18,000	STIM.165	0	
Supervision	DIDC.200	15,000	DICC.170	3,000	STIM.170	0	
Trailer House / Camp / Catering	DIDC.205	15,000	DICC.175	10,000	STIM.175	2,000	
Other Misc Expenses	DIDC.210	102,000	DICC.180	14,000	STIM.180	30,000	
Overhead	DIDC.280	13,000	DICC.255	2,000	STIM.280	12,500	
Remedial Cementing	DIDC.220	5,000	DICC.190	0	STIM.190	0	
MOB/DEMOB	DIDC.225	10,000	DICC.195	5,000			
Directional Drilling Services	DIDC.231	0			STIM.215	0	
Crane for Construction	DIDC.240	250,000					
Solids Control	DIDC.245	115,000					
Well Control Equip (Snubbing services)	DIDC.260	69,000					
Fishing & Sidetrack Services	DIDC.265	81,000	DICC.240	0	STIM.240	42,000	
Completion Rig	DIDC.270	0	DICC.245	0	STIM.245	0	
Coil Tubing Services					STIM.115	13,000	
Completion Logging, Perforating, WI					STIM.260	173,000	
Composite Plugs					STIM.200	184,000	
Stimulation Pumping Charges, Chemicals, Stimulation Water/Water Transfer/Water					STIM.390	43,000	
2100000 Owned Frac/Rental Equipment					STIM.210	1,796,000	
Legal/Regulatory/Curative	DIDC.300	10,000			STIM.395	384,000	
Well Control Insurance	DIDC.285 \$0.35/ft	6,000			STIM.305	42,000	
FL/GL - Labor							
FL/GL - Supervision							
FL/GL - NDE(X-Ray)							
FL/GL - Survey							
FL/GL - Hydro Test							
FL/GL - Hydro Vac							
FL/GL - Trucking							
SWD Lines - Intangible							
Gas Sales Lines - Intangible							
Contingency	DIDC.435 .500 % of Drilling Intangibles	108,000	DICC.220	12,000	STIM.220	143,000	
Construction for Flow Lines							
Construction For Sales P/L							
P&A Costs	DIDC.295	0	DICC.275	0			
Total Intangible Cost		2,259,000		256,000		3,008,500	
Drive Pipe	DWEB.150	0					
Conductor Pipe	DWEB.130	0					
Water String	DWEB.135	0					
Surface Casing	DWEB.140 13 3/8" - 1,680ft at \$33.00/ft	55,000					
Intermediate Casing 1	DWEB.145 9 5/8" - 5,460ft at \$35.00/ft	191,000					
Intermediate Casing 2	DWEB.155	0					
Drilling Liner	DWEB.160	0					
Production Casing or Liner	DWEA.100 5 1/2" - 16,152ft at \$18.00/ft	291,000					
Production Tie-Back	DWEA.165	0			STIMT.101	0	
Tubing					STIMT.105 2 7/8" - 10,430ft at \$6.00/ft	63,000	
Wellhead, Tree, Chokes	DWEB.115	20,000	DWEA.120	20,000	STIMT.120	25,000	
Liner Hanger, Isolation Packer	DWEB.100	0	DWEA.125	0			
Packer, Nipples					STIMT.400	15,000	
Pumping Unit, Engine					STIMT.405	0	
Downhole Lift Equipment (BHP, Rods, Surface ESP, GLV, PC pump)					STIMT.410	70,000	
Total Tangible - Well Equipment Cos		266,000		311,000		173,000	
N/C Lease Equipment							
Tanks, Tanks Steps, Stairs							
Battery (Heater Treater, Separator, Gas Separation Equipment)							
Overhead Power Distribution (electric line & related electrical)							
SWD Connection							
Flow Lines (Line Pipe From Wellhead To Pipeline to Sales)							
Meters and Metering Equipment							
Facility Line Pipe							
Automation Materials							
FL/GL - Valves/Fittings							
FL/GL - Pipe							
SWD Lines - Tangible							
Gas Sales Lines - Tangible							
Total Tangible - Lease Equipment Cos							
Total Estimated Cost		2,525,000		567,000		3,181,500	





## Authorization For Expenditure - MESCALERO RIDGE 21 FEDERAL 1H

		Production Equip		Past Completion		Total	
Sub Ledger Description	Codes	Amount	Codes	Amount	Cost		
Roads & Location Preparation / Restoration	CON.100	103,500	PCOM.100	15,000	323,500		
Damages	CON.105	38,000			48,000		
Mud/Fluids Disposal			PCOM.255	2000 BWPD for 30 days @ \$0.80/bbl	48,000	194,000	
Day Rate						553,000	
Misc Preparation Cost (mouse hole, ret hole, BGS, pile clusters, misc.)			PCOM.125		0	35,000	
Fuel			PCOM.130		0	60,000	
Water for Drilling Rig / Completion Fluids (Not Mud & Additives)			PCOM.135		0	72,000	
Surface Rentals	CON.140	7,000	PCOM.140	Flowback Equipment - \$1200/d for 30 days	36,000	100,000	
Downhole Rentals			PCOM.145		0	218,000	
Automation Labor	CON.150	72,000	PCOM.150		0	156,000	
Formation Evaluation (DST, Coring including well logging, G&G Services)					0	72,000	
Open Hole Logging					0	0	
Cementing & Float Equipment					0	24,000	
Tubular Inspections			PCOM.160		0	196,000	
Casing Crews					0	37,000	
Mechanical Labor	CON.170	272,500	PCOM.170	Flowback Hands (Z) - \$1900/d for 30 days	57,000	28,000	
Trucking/Transportation	CON.175	28,000	PCOM.175		0	347,500	
Supervision	CON.180	72,500	PCOM.180		0	55,000	
Trailer House / Camp / Catering					0	218,500	
Other Misc Expenses	CON.190	20,000	PCOM.190		0	27,500	
Overhead					0	25,000	
Remedial Cementing			PCOM.215		0	15,000	
MOB/DEMOS					0	0	
Directional Drilling Services						250,000	
Crane for Construction	CON.230					115,000	
Solids Control						0	
Well Control Equip (Snubbing services)			PCOM.240		0	69,000	
Fishing & Sidetrack Services			PCOM.245		0	123,000	
Completion Rig			PCOM.115		0	0	
Coil Tubing Services			PCOM.260		0	13,000	
Completion Logging, Perforating, WL Units, WL Composite Plugs			PCOM.200		0	173,000	
Stimulation Pumping Charges, Chemicals, Stimulation Water/Water Transfer/Water Storage			PCOM.390		0	184,000	
Cimarex Owned Frac/Rental Equipment			PCOM.210		0	43,000	
Legal/Regulatory/Curtative	CON.300	0	PCOM.305		0	1,796,000	
Well Control Insurance						384,000	
FL/GL - Labor	CON.500	57,500				42,000	
FL/GL - Supervision	CON.505	46,000				10,000	
FL/GL - NDE(X-Ray)	CON.510	5,500				6,000	
FL/GL - Survey	CON.515	6,000				7,500	
FL/GL - Hydro Test	CON.520	7,500				5,000	
FL/GL - Hydro Vac	CON.525	5,000				3,000	
FL/GL - Trucking	CON.530	3,000				76,500	
SWD Lines - Intangible	CON.600	76,500				0	
Gas Sales Lines - Intangible	CON.700	0				0	
Contingency	CON.220	190,000	PCOM.220	10%	15,600	468,600	
Contingency	CON.221	39,500				39,500	
Construction for Flow Lines	CON.310					0	
Construction For Sales P/L	CON.265					0	
P&A Costs						0	
Total Intangible Cost		1,050,000			171,600	6,745,100	
Drive Pipe						0	
Conductor Pipe						0	
Water String						0	
Surface Casing						55,000	
Intermediate Casing 1						191,000	
Intermediate Casing 2						0	
Drilling Liner						0	
Production Casing or Liner						291,000	
Production Tie-Back						0	
Tubing			PCOMT.105		0	63,000	
Wellhead, Tree, Chokes			PCOMT.120		0	65,000	
Liner Hanger, Isolation Packer						0	
Packer, Nipples			PCOMT.400		0	15,000	
Pumping Unit, Engine			PCOMT.405		0	0	
Downhole Lift Equipment (BHP, Rods, Anchors, S&B, etc.)			PCOMT.410		0	70,000	
Surface Equipment			PCOMT.420		0	0	
Total Tangible - Well Equipment Cost					0	750,000	
N/C Lease Equipment	CON.400	205,500				205,500	
Tanks, Tanks Steps, Stairs	CON.405	99,500				99,500	
Battery (Heater Treater, Separator, Gas Treating)	CON.410	363,000				363,000	
Secondary Containments	CON.415	61,500				61,500	
Overhead Power Distribution (electric line to Facility)	CON.420	299,000				299,000	
Electrical	CON.425	129,500				129,500	
SWD Connection	CON.430					0	
Flow Lines (Line Pipe From Wellhead To Central)	CON.435					0	
Pipeline to Sales	CON.440					0	
Meters and Metering Equipment	CON.445	26,000				26,000	
Facility Line Pipe	CON.450	44,000				44,000	
Automation Materials	CON.455	94,500				94,500	
FL/GL - Valves/Fittings	CON.550	11,500				11,500	
FL/GL - Pipe	CON.555	14,000				14,000	
SWD Lines - Tangible	CON.650	122,500				122,500	
Gas Sales Lines - Tangible	CON.750	0				0	
Total Tangible - Lease Equipment Cost		1,470,500				1,470,500	
Total Estimated Cost		2,520,500			171,600	8,965,600	

Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

ALBUQUERQUE, NEW MEXICO  
JUN 1 2018  
Postmark Here

Certified Mail Fee \$6.88

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$

Matador Resources Company  
 One Lincoln Center  
 5400 LBJ Freeway, Suite 1500  
 Dallas, Texas 75240  
 Attn: Chris Carleton

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

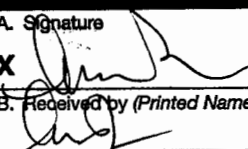
1. Article Addressed to:  
 Matador Resources Company  
 One Lincoln Center  
 5400 LBJ Freeway, Suite 1500  
 Dallas, Texas 75240  
 Attn: Chris Carleton

9590 9402 3381 7227 2754 10

2. Article Number (Transfer from service label)  
 7017 2680 0000 5953 3859

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  ☐ Agent ☐ Address

B. Received by (Printed Name) Chris Carleton C. Date of Delivery 6/22/18

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)

☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation  
☐ Signature Confirmation Restricted Delivery

Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

ALBUQUERQUE, NEW MEXICO  
JUN 22 2018  
Postmark Here

Certified Mail Fee \$6.88

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$

XTO Energy, Inc.  
 810 Houston Street  
 Fort Worth, Texas 76102-6298  
 Attention: Keith Sawyer

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 XTO Energy, Inc.  
 810 Houston Street  
 Fort Worth, Texas 76102-6298  
 Attention: Keith Sawyer

9590 9402 3381 7227 2754 03

2. Article Number (Transfer from service label)  
 7017 2680 0000 5953 3866

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature Lonnie Sanchez ☐ Agent ☐ Address

B. Received by (Printed Name) Lonnie Sanchez C. Date of Delivery JUN 22 2018

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)

☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation  
☐ Signature Confirmation Restricted Delivery

Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

ALBUQUERQUE, NEW MEXICO  
JUN 1 2018  
Postmark Here

Certified Mail Fee \$6.88

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$

Nadel and Gussman Capitan, LLC  
 15 E. 5th Street, Suite 3300  
 Tulsa, OK 74103

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Nadel and Gussman Capitan, LLC  
 15 E. 5th Street, Suite 3300  
 Tulsa, OK 74103

9590 9402 3381 7227 2753 97

2. Article Number (Transfer from service label)  
 7017 2680 0000 5953 3873

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature PLS ☐ Agent ☐ Address

B. Received by (Printed Name) PLS C. Date of Delivery 6-25-18

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)

☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation  
☐ Signature Confirmation Restricted Delivery

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NEW MEXICO  
Postmark Here

Certified Mail Fee \$6.88

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$

Amtex Energy, Inc.  
P.O. Box 3418  
Midland, Texas 79702

PS Form 3800, April 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Amtex Energy, Inc.  
P.O. Box 3418  
Midland, Texas 79702

9590 9402 3381 7227 2753 80

2. Article Number (Transfer from service label)  
7017 2680 0000 5953 3880

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
X *Karel Ann E* ☐ Agent ☐ Address

B. Received by (Printed Name)  
Karel Ann E

C. Date of Delivery  
6/27/11

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery over \$500

☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation  
☐ Signature Confirmation Restricted Delivery

Domestic Mail Only  
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BUENAVISTA, NEW MEXICO  
Postmark Here

Certified Mail Fee \$6.88

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$

Chevron USA, Inc.  
Attn: Permitting Team  
6301 Deauville Blvd.  
Midland, TX 79706

PS Form 3800, April 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA, Inc.  
Attn: Permitting Team  
6301 Deauville Blvd.  
Midland, TX 79706

9590 9402 3381 7227 2753 73

2. Article Number (Transfer from service label)  
7017 2680 0000 5953 3897

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
X *C. Lawrence* ☐ Agent ☐ Address

B. Received by (Printed Name)  
C. Lawrence

C. Date of Delivery  
6/22/11

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery over \$500

☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation  
☐ Signature Confirmation Restricted Delivery

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NEW MEXICO  
Postmark Here

Certified Mail Fee \$6.88

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$

Margaret and Charles J. Peterson  
4817 Newcastle Way  
Anchorage, AK 99503

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

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Margaret and Charles J. Peterson  
4817 Newcastle Way  
Anchorage, AK 99503

9590 9402 3381 7227 2753 59

2. Article Number (Transfer from service label)  
7017 2680 0000 5953 3910

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
X *Deborah J. Gul* ☐ Agent ☐ Address

B. Received by (Printed Name)  
Deborah J. Gul

C. Date of Delivery  
06/25/2011

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery over \$500

☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation  
☐ Signature Confirmation Restricted Delivery



MODRALL SPERLING

Modrall Sperling  
Roehl Harris & Sisk, P.A.  
PO Box 2168  
Albuquerque, NM  
87103-2168

NEOPOST  
06/19/2018  
FIRST-CLASS MAIL  
US POSTAGE \$006.88

ZIP 87102  
041M11283401



Rec'd  
7/13/18

0006/30/13

RETURN TO SENDER  
INSUFFICIENT ADDRESS  
UNABLE TO FORWARD

BC: 87103216868 \*1989-04399-30-28

NIXIE 995 DE 1

99503\$1753 C020

U.S. Postal Service<sup>TM</sup>  
CERTIFIED MAIL<sup>®</sup> RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee \$6.88

Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

James R. Stivason  
1113 W. Firewood Ln.  
Anchorage, AK 99503

SEE REVERSE FOR INSTRUCTIONS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James R. Stivason  
1113 W. Firewood Ln.  
Anchorage, AK 99503

2. Article Number (Transfer from service label)

7017 2680 0000 5953 3903

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent  
☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail <sup>TM</sup>
<input type="checkbox"/> Certified Mail <sup>®</sup>	<input type="checkbox"/> Registered Mail Restricted Delivery
<input checked="" type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation <sup>TM</sup>
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> Insured Mail Restricted Delivery (\$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



MODRALL SPERLING

Modrall Sperling  
Rochi Harris & Sisk, P.A.  
PO Box 2168  
Albuquerque, NM  
87103-2168



7017 2680 0000 5953 3927

NEOPOST FIRST-CLASS MAIL  
06/19/2018  
US POSTAGE \$006.88  
ZIP 87102  
041M11283401



NSR  
7/3/18

Balog Family Trust  
P.O. Box 11890  
Anchorage, AK 99504

NIXIE 995 DE 1 0006/27/18  
RETURN TO SENDER  
NO SUCH NUMBER  
UNABLE TO FORWARD

NSN  
8915942988

BC: 87103216868 \*0968-01761-19-43

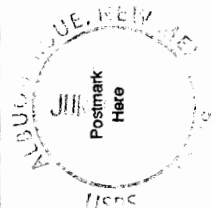
PLACE STICKER TOP OF ENVELOPE TO THE RIGHT

# U.S. Postal Service<sup>TM</sup> CERTIFIED MAIL<sup>®</sup> RECEIPT Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 6.88

Balog Family Trust  
P.O. Box 11890  
Anchorage, AK 99504



for instructions

## SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Balog Family Trust  
P.O. Box 11890  
Anchorage, AK 99504

2. Article Number (Transfer from service label)

7017 2680 0000 5953 3927

## COMPLETE THIS SECTION ON DELIVERY

A. Signature	<input type="checkbox"/> Agent
<input checked="" type="checkbox"/>	<input type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	

3. Service Type	<input type="checkbox"/> Priority Mail Express <sup>®</sup>
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail <sup>TM</sup>
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail Restricted Delivery
<input checked="" type="checkbox"/> Certified Mail <sup>®</sup>	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation <sup>TM</sup>
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail (over \$500)	

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Shogail & Gas Co. LLC  
P.O. Box 209  
Hay Springs, NE 69347

9590 9402 3381 7227 2753 35

## 2. Article Number (Transfer from service label)

7017 2680 0000 5953 3934

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X *Clare Shogail* ☐ Agent ☐ Address

## B. Received by (Printed Name)

Clare Shogail 7/6/15 C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                               | <input type="checkbox"/> Priority Mail Express                      |
| <input type="checkbox"/> Adult Signature Restricted Delivery           | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®                    | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery            | <input checked="" type="checkbox"/> Return Receipt for Merchandise  |
| <input type="checkbox"/> Collect on Delivery                           | <input type="checkbox"/> Signature Confirmation                     |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery       | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail                                  |   |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) |   |

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com).

Certified Mail Fee

\$ 6.88

Extra Services &amp; Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Shogail & Gas Co. II, LLC  
P.O. Box 29450  
Santa Fe, NM 87592



or instructions

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com).

Certified Mail Fee

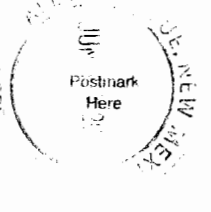
\$ 6.88

Extra Services &amp; Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Shogail & Gas Co. LLC  
P.O. Box 209  
Hay Springs, NE 69347



or instructions

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Shogail & Gas Co. II, LLC  
P.O. Box 29450  
Santa Fe, NM 87592

9590 9402 3381 7227 2755 40

## 2. Article Number (Transfer from service label)

7017 2680 0000 5953 3941

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X *Clare Shogail* ☐ Agent ☐ Address

## B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                               | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery           | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®                    | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery            | <input checked="" type="checkbox"/> Return Receipt for Merchandise  |
| <input type="checkbox"/> Collect on Delivery                           | <input type="checkbox"/> Signature Confirmation                     |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery       | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail                                  |   |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) |   |

Domestic Return Receipt



May 29, 2018

Nadel and Gussman Capitan, LLC  
15 E. 5<sup>th</sup> Street, Suite 3300  
Tulsa, OK 74103

**Re: Proposal to drill  
Mescalero Ridge 21 Federal 1H  
Section 21, Township 19 South, Range 34 East  
Lea County, New Mexico**

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Mescalero Ridge 21 Federal 1H well at a legal location in Section 21, Township 19 South, Range 34 East, NMPM, Lea Co., NM.

The intended surface hole location for the well is 544' FNL and 1980' FEL of Section 21, Township 19 South, Range 34 East, and the intended bottom hole location is 330' FSL and 660' FEL of Section 21, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,810' to the Bone Spring formation and laterally in a southerly direction within the formation to the referenced bottom hole location. Total measured depth of the well is proposed to be approximately 16,152' feet from surface to terminus.

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

Enclosed, in duplicate, is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Mescalero Ridge 21 Federal 1H well. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Please call the undersigned with any questions or comments.

Respectfully,

Cody Elliott  
432.571.7806

A handwritten signature in black ink, appearing to be "Cody Elliott", written over the printed name and phone number.

**ELECTION TO PARTICIPATE  
Mescalero Ridge 21 Federal 1H**

\_\_\_\_\_ Nadel and Gussman Capitan, LLC elects TO participate in the proposed  
Mescalero Ridge 21 Federal 1H

\_\_\_\_\_ Nadel and Gussman Capitan, LLC elects NOT to participate in the proposed  
Mescalero Ridge 21 Federal 1H

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

If your election above is TO participate in the proposed Mescalero Ridge 21 Federal 1H well, then:

\_\_\_\_\_ elects TO be covered by well control insurance procured by Cimarex Energy Co.

\_\_\_\_\_ elects NOT to be covered by well control insurance procured  
by Cimarex Energy Co. and agrees to provide Cimarex Energy Co. with a  
certificate of insurance prior to commencement of drilling operations or be  
deemed to have elected to be covered by well control insurance procured by  
Cimarex Energy Co.



## Authorization For Expenditure Drilling

Company Entity

Date Prepared

5/30/2018

Exploration Region	Well Name	Prospect	Property Number	AFE
Permian Basin	MESCALERO RIDGE 21 FEDERAL 1H	New Mexico Bone Spring Pros (Lea)	301471-308.01	2617064
County, State	Location	Estimated Spud	Estimated Completion	
Lea, NM	E2E2 Section 21-T19S-R34E, Lea County, New Mexico	9/5/2018	11/28/2018	
<input checked="" type="checkbox"/> New Supplement Revision	Formation Bone Spring	Well Type DEV	Ttl Measured Depth 16,152	Ttl Vertical Depth 10,810

Purpose Drill and complete well

## Description

Drilling Drill and complete a horizontal test. Drill to 1680 set surface casing. Drill to Drill to 5460' set intermediate casing. Drill to 10333' (KOP). Drill curve at 12°/100' initial build rate to +/- 90 degrees and 10810' TVD and drill a +/- 4140' long lateral in the bone spring formation. Run and cement production liner. Stage frac in stages. Drill out plugs. Run production packer, tubing and GLVs.

Intangible	Dry Hole	After Casing Point	Completed Well Cost
Drilling Costs	\$2,259,000		\$2,259,000
Completion Costs		\$4,486,100	\$4,486,100
Total Intangible Cost	\$2,259,000	\$4,486,100	\$6,745,100
Tangible	Dry Hole	After Casing Point	Completed Well Cost
Well Equipment	\$266,000	\$484,000	\$750,000
Lease Equipment		\$1,470,500	\$1,470,500
Total Tangible Cost	\$266,000	\$1,954,500	\$2,220,500
Total Well Cost	\$2,525,000	\$6,440,600	\$8,965,600

## Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEP5 guidelines using the Historic Price Multiplier.

## Well Control Insurance

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

**I elect to purchase my own well control insurance policy.**

## Marketing Election

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

**I elect to take my gas in kind.**

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

## Comments on AFE

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

## Nonoperator Approval

Company	Approved By (Print Name)	Approved By (Signature)	Date
---------	--------------------------	-------------------------	------

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

5/30/2018



# Authorization For Expenditure - Mescalero Ridge 21 Federal 1H

Sub Ledger Description	BCP - Drilling			ACP - Drilling			Comp/Stim	Amount
	Codes	Amount		Codes	Amount	Codes		
Roads & Location Preparation /	DIDC.100	200,000				STIM.100		5,000
Bentigation	DIDC.105	10,000						
Mud/Fluids Disposal	DIDC.255	125,000				STIM.255		21,000
Day Rate	DIDC.115	20 days at \$23,000/day	472,000	DICC.120	4 days at \$23,000/day	81,000		
Misc Preparation Cost (mouse hole, rst	DIDC.120	35,000						
Brge, pads, pile clusters, misc.)	DIDC.125	60,000		DICC.125		0	STIM.125	0
Fuel	DIDC.135	1,300 gal/day at \$2.25/gal	72,000	DICC.130		0		
Water for Drilling Rig / Completion Fluids	DIDC.140	3,000		DICC.135		0	STIM.135	14,000
Mud & Additives	DIDC.145	100,000						
Surface Rentals	DIDC.150	Per Day (BCP)/day	73,000	DICC.140		0	STIM.140	102,000
Downhole Rentals	DIDC.155	156,000					STIM.145	0
Automation Labor								
Formation Evaluation (DST, Coring	DIDC.160	0					STIM.150	0
including evaluation, G&G Services)	DIDC.170	16 days at \$1,200/day	24,000					
Open Hole Logging	DIDC.180	0						
Cementing & Float Equipment	DIDC.185	90,000		DICC.155	106,000			
Tubular Inspections	DIDC.190	30,000		DICC.160	5,000	STIM.160		2,000
Casing Crews	DIDC.195	10,000		DICC.165	18,000	STIM.165		0
Mechanical Labor	DIDC.200	15,000		DICC.170	3,000	STIM.170		0
Trucking/Transportation	DIDC.205	15,000		DICC.175	10,000	STIM.175		2,000
Supervision	DIDC.210	102,000		DICC.180	14,000	STIM.180		30,000
Trailer House / Camp / Catering	DIDC.280	13,000		DICC.255	2,000	STIM.280		12,500
Other Misc Expenses	DIDC.220	5,000		DICC.190	0	STIM.190		0
Overhead	DIDC.225	10,000		DICC.195	5,000			
Remedial Cementing	DIDC.231	0				STIM.215		0
MOB/DEMOS	DIDC.240	250,000						
Directional Drilling Services	DIDC.245	115,000						
Crane for Construction								
Solids Control	DIDC.260	69,000						
Well Control Equip (Snubbing services)	DIDC.265	81,000		DICC.240	0	STIM.240		42,000
Fishing & Sidetrack Services	DIDC.270	0		DICC.245	0	STIM.245		0
Completion Rig						STIM.115		13,000
Coil Tubing Services						STIM.260		173,000
Completion Logging, Perforating, WL						STIM.200		184,000
Composite Plugs						STIM.390		43,000
Stimulation Pumping Charges, Chemicals,						STIM.210		1,796,000
Stimulation Water/Water Transfer/Water						STIM.395		384,000
Stimulation Owned Frac/Rental Equipment						STIM.305		42,000
Legal/Regulatory/Curative	DIDC.300	10,000						
Well Control Insurance	DIDC.285	\$0.35/ft	6,000					
FL/GL - Labor								
FL/GL - Supervision								
FL/GL - NDE(X-Ray)								
FL/GL - Survey								
FL/GL - Hydro Test								
FL/GL - Hydro Vac								
FL/GL - Trucking								
SWD Lines - Intangible								
Gas Sales Lines - Intangible								
Contingency	DIDC.435	500 % of Drilling Intangibles	108,000	DICC.220	12,000	STIM.220		143,000
Contingency								
Construction for Flow Lines								
Construction For Sales P/L								
P&A Costs	DIDC.295	0		DICC.275	0			
Total Intangible Cost		2,259,000			256,000			3,008,500
Drive Pipe	DWEB.150	0						
Conductor Pipe	DWEB.130	0						
Water String	DWEB.135	0						
Surface Casing	DWEB.140	13 3/8" - 1,680ft at \$33.00/ft	55,000					
Intermediate Casing 1	DWEB.145	9 5/8" - 5,460ft at \$35.00/ft	191,000					
Intermediate Casing 2	DWEB.155	0						
Drilling Liner	DWEB.160	0						
Production Casing or Liner				DWEA.100	5 1/2" - 16,152ft at \$18.00/ft	291,000		
Production Tie-Back				DWEA.165	0	STIMT.101		0
Tubing						STIMT.105	2 7/8" - 10,430ft at \$6.00/ft	63,000
Wellhead, Tree, Chokes	DWEB.115	20,000		DWEA.120	20,000	STIMT.120		25,000
Liner Hanger, Isolation Packer	DWEB.100	0		DWEA.125	0			
Packer, Nipples						STIMT.400		15,000
Pumping Unit, Engine						STIMT.405		0
Downhole Lift Equipment (BHP, Rods,						STIMT.410		70,000
Surface ESP, GLVs, PC pump)								
Total Tangible - Well Equipment Cos		266,000			311,000			173,000
N/C Lease Equipment								
Tanks, Tanks Steps, Stairs								
Battery (Heater Treater, Separator, Gas								
Separators, etc.)								
Overhead Power Distribution (electric line								
and Electrical								
SWD Connection								
Flow Lines (Line Pipe From Wellhead To								
Pipeline to Sales								
Meters and Metering Equipment								
Facility Line Pipe								
Automation Materials								
FL/GL - Valves/Fittings								
FL/GL - Pipe								
SWD Lines - Tangible								
Gas Sales Lines - Tangible								
Total Tangible - Lease Equipment Cos								
Total Estimated Cost		2,525,000			567,000			3,181,500



## Authorization For Expenditure - MESCALERO RIDGE 21 FEDERAL 1H

Sub Ledger Description	Codes	Production Equip		Post Completion		Total	
		Amount	Codes	Amount	Cost	Amount	Cost
Roads & Location Preparation / Restoration	CON.100	103,500	PCOM.100	Repair Road to Location		15,000	323,500
Damages	CON.105	38,000					48,000
Mud/Fluids Disposal			PCOM.255	2000 BWPD for 30 days @ \$0.80/bbl		48,000	194,000
Day Rate							553,000
Misc Preparation Cost (mouse hole, rat hole, bags, pile clusters, misc.)			PCOM.125			0	35,000
Fuel			PCOM.130			0	60,000
Water for Drilling Rig / Completion Fluids (Not Mud & Additives)			PCOM.135			0	72,000
Surface Rentals	CON.140	7,000	PCOM.140	Flowback Equipment - \$1200/d for 30 days		36,000	17,000
Downhole Rentals			PCOM.145			0	100,000
Automation Labor	CON.150	72,000	PCOM.150			0	156,000
Formation Evaluation (DST, Coring including Wirelogging, G&G Services)						0	72,000
Open Hole Logging							0
Cementing & Float Equipment							24,000
Tubular Inspections			PCOM.180			0	0
Casing Crews							196,000
Mechanical Labor	CON.170	272,500	PCOM.170	Flowback Hands (2) - \$1900/d for 30 days		57,000	37,000
Trucking/Transportation	CON.175	28,000	PCOM.175			0	28,000
Supervision	CON.180	72,500	PCOM.180			0	347,500
Trailer House / Camp / Catering						0	55,000
Other Misc Expenses	CON.190	20,000	PCOM.190			0	218,500
Overhead						0	27,500
Remedial Cementing			PCOM.215			0	25,000
MOB/DEMOS							15,000
Directional Drilling Services							0
Crane for Construction	CON.230						115,000
Solids Control							0
Well Control Equip (Snubbing services)			PCOM.240			0	69,000
Fishing & Sidetrack Services			PCOM.245			0	123,000
Completion Rig			PCOM.115			0	0
Coil Tubing Services			PCOM.260			0	13,000
Completion Logging, Perforating, WL Units, WL			PCOM.200			0	173,000
Composite Plugs			PCOM.390			0	184,000
Stimulation Pumping Charges, Chemicals,			PCOM.210			0	43,000
Stimulation Water/Water Transfer/Water Storage						0	1,796,000
Cimarex Owned Frac/Rental Equipment			PCOM.305			0	384,000
Legal/Regulatory/Curative	CON.300	0					42,000
Well Control Insurance							10,000
FL/GL - Labor	CON.500	57,500					6,000
FL/GL - Supervision	CON.505	46,000					57,500
FL/GL - NDEX-Ray	CON.510	5,500					46,000
FL/GL - Survey	CON.515	6,000					5,500
FL/GL - Hydro Test	CON.520	7,500					6,000
FL/GL - Hydro Vac	CON.525	5,000					7,500
FL/GL - Trucking	CON.530	3,000					5,000
SWD Lines - Intangible	CON.600	76,500					3,000
Gas Sales Lines - Intangible	CON.700	0					76,500
Contingency	CON.220	190,000	PCOM.220	10%		15,600	0
Contingency	CON.221	39,500					468,600
Construction for Flow Lines	CON.310						39,500
Construction For Sales P/L	CON.265						0
P&A Costs							0
Total Intangible Cost		1,050,000				171,600	6,745,100
Drive Pipe							0
Conductor Pipe							0
Water String							0
Surface Casing							55,000
Intermediate Casing 1							191,000
Intermediate Casing 2							0
Drilling Liner							0
Production Casing or Liner							291,000
Production Tie-Back							0
Tubing			PCOMT.105			0	63,000
Wellhead, Tree, Chokes			PCOMT.120			0	65,000
Liner Hanger, Isolation Packer							0
Packer, Nipples			PCOMT.400			0	15,000
Pumping Unit, Engine			PCOMT.405			0	0
Downhole Lift Equipment (BHP, Rods, Anchors, SWD Lines, etc.)			PCOMT.410			0	70,000
SWD Lines - Tangible			PCOMT.420			0	0
Total Tangible - Well Equipment Cos						0	750,000
N/C Lease Equipment	CONT.400	205,500					205,500
Tanks, Tanks Steps, Stairs	CONT.405	99,500					99,500
Battery (Heater Treater, Separator, Gas Treating)	CONT.410	363,000					363,000
Subsidence Containments	CONT.415	61,500					61,500
Overhead Power Distribution (electric line to Facility) Electrical	CONT.420	299,000					299,000
SWD Connection	CONT.425	129,500					129,500
Flow Lines (Line Pipe From Wellhead To Central)	CONT.430						0
Pipeline to Sales	CONT.435						0
Meters and Metering Equipment	CONT.440						0
Facility Line Pipe	CONT.445	26,000					26,000
Automation Materials	CONT.450	44,000					44,000
FL/GL - Valves/Fittings	CONT.455	94,500					94,500
FL/GL - Pipe	CONT.550	11,500					11,500
SWD Lines - Tangible	CONT.555	14,000					14,000
Gas Sales Lines - Tangible	CONT.650	122,500					122,500
Total Tangible - Lease Equipment Cos	CONT.750	0					0
Total Estimated Cost		1,470,500				171,600	8,965,600

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

**APPLICATION OF CIMAREX  
ENERGY CO. FOR A NON-STANDARD  
OIL SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 16294**

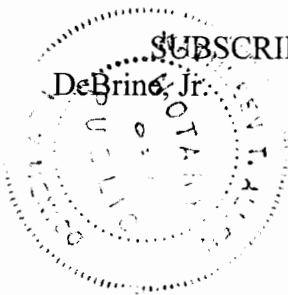
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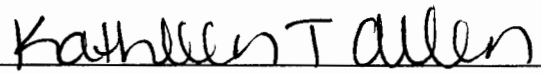
STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF BERNALILLO        )

Earl E. DeBrine, Jr., attorney in fact and authorized representative of Cimarex Energy Co., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and proof of receipt attached hereto.

  
\_\_\_\_\_  
Earl E. DeBrine, Jr.

SUBSCRIBED AND SWORN to before me this 24<sup>th</sup> day of July, 2018 by Earl E. DeBrine, Jr.



  
\_\_\_\_\_  
Kathleen T. Allen  
Notary Public  
My commission expires: 07/22/2022

Y:\dox\client\82762\0163\PLEADING\W3241460.DOCX

Case No. 16294



Exhibit 6

**Cimarex Application Notice**  
**MESCALERO RIDGE 21 Federal 1H**  
**Mailed June 19, 2018**

Parties	Certified Nos.
Matador Resources Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 Attn: Chris Carleton	7017 2680 0000 5953 3859 6/27/18
XTO Energy, Inc. 810 Houston Street Fort Worth, Texas 76102-6298 Attention: Keith Sawyer	7017 2680 0000 5953 3866 6/27/18
Nadel and Gussman Capitan, LLC 15 E. 5th Street, Suite 3300 Tulsa, OK 74103	7017 2680 0000 5953 3873 6/27/18
Amtex Energy, Inc. P.O. Box 3418 Midland, Texas 79702	7017 2680 0000 5953 3880 7/2/18
Chevron USA, Inc. Attn: Permitting Team 6301 Deauville Blvd. Midland, TX 79706	7017 2680 0000 5953 3897 6/26/18
James R. Stivason 1113 W. Firewood Ln. Anchorage, AK 99503	7017 2680 0000 5953 3903 Returned 7/3/18
Margaret and Charles J. Peterson 4817 Newcastle Way Anchorage, AK 99503	7017 2680 0000 5953 3910 7/6/18
Balog Family Trust P.O. Box 11890 Anchorage, AK 99504	7017 2680 0000 5953 3927 Returned 7/3/18
Shogoil & Gas Co. LLC P.O. Box 209 Hay Springs, NE 69347	7017 2680 0000 5953 3941 6/27/18
Shogoil & Gas Co. II, LLC P.O. Box 29450 Santa Fe, NM 87592	7017 2680 0000 5953 3934 7/11/18





MODRALL SPERLING

L A W Y E R S

June 19, 2018

**VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case No. 16294**

**TO: OFFSET OWNERS**

This letter is to advise you that Cimarex Energy Co. of Colorado has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order to create a non-standard 640-acre, more or less, oil spacing and proration unit in the Bone Spring formation for the Mescalero Ridge 21 Federal 1H in Eddy County, New Mexico, described as follows:

**Township 19 South, Range 34 East, N.M.P.M.**

Section 21: E/4

This application has been set for hearing before a Division Examiner at 8:15 a.m. on July 12, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 5:00 PM on July 5, 2018, with a copy delivered to the undersigned.

Sincerely,

Earl E. DeBrine, Jr.  
*Attorney for Applicant*

EED/kta/W3215229.DOCX  
Enclosures  
cc: Jennifer L. Bradfute

Earl E. DeBrine, Jr.  
505.848.1810  
Fax: 505.848.1891  
edebrine@modrall.com

Modrall Sperling  
Roehl Harris & Sisk P.A.

Bank of America Centre  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com



MODRALL SPERLING

L A W Y E R S

June 19, 2018

**VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case No. 16294**

**TO: WORKING INTEREST OWNERS**

This letter is to advise you that Cimarex Energy Co. of Colorado has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order to create a non-standard 640-acre, more or less, oil spacing and proration unit in the Bone Spring formation for the Mescalero Ridge 21 Federal 1H in Eddy County, New Mexico, described as follows:

**Township 19 South, Range 34 East, N.M.P.M.**

**Section 21: E/4**

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Sincerely,

Earl E. DeBrine, Jr.  
*Attorney for Applicant*

EED/kta/W3215229.DOCX

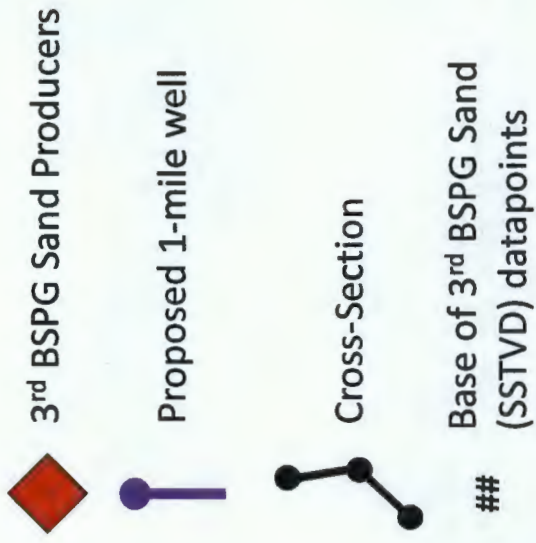
Enclosures

cc: Jennifer L. Bradfute

Earl E. DeBrine, Jr.  
505.848.1810  
Fax: 505.848.1891  
[edebrine@modrall.com](mailto:edebrine@modrall.com)

Modrall Sperling  
Roehl Harris & Sisk P.A.  
  
Bank of America Centre  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102  
  
PO Box 2168  
Albuquerque,  
New Mexico 87103-2168  
  
Tel: 505.848.1800  
[www.modrall.com](http://www.modrall.com)

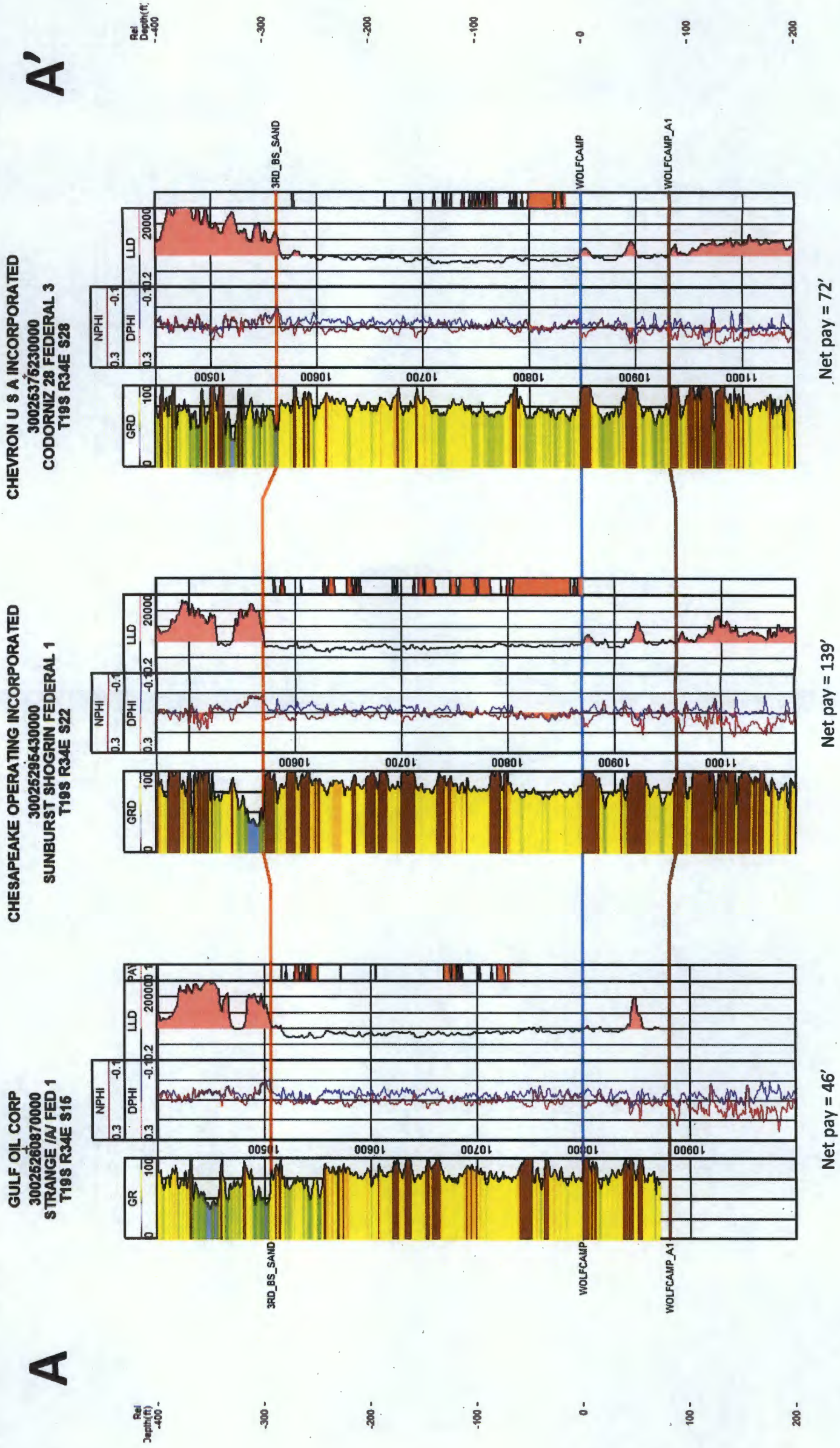
Base of 3<sup>rd</sup> Bone Spring Sand Structure Map (SSTVD)





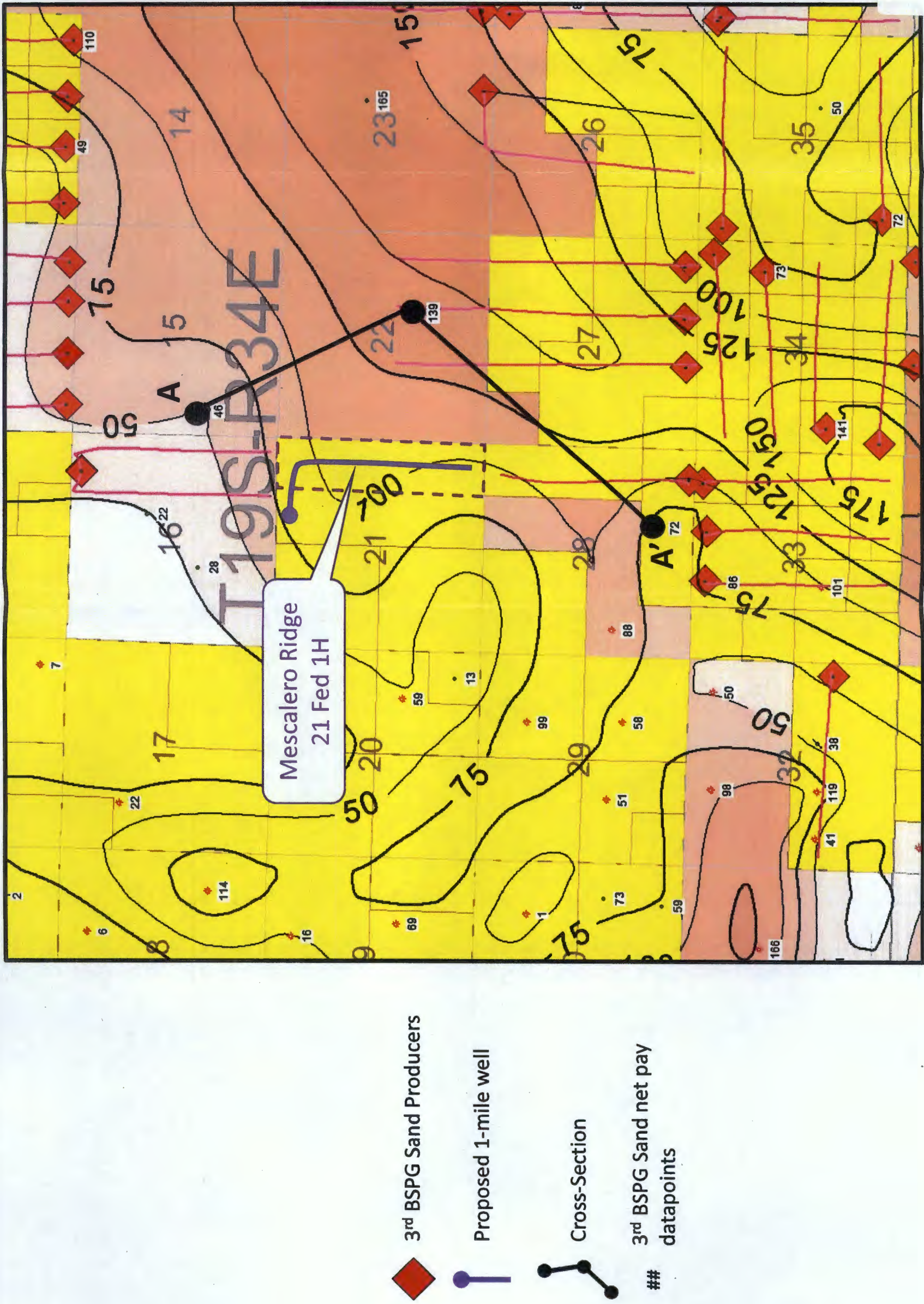
# Base of 3<sup>rd</sup> Bone Spring Sand Cross-Section

## Stratigraphic X-Section hung on top of Wolfcamp





# 3rd Bone Spring Sand Net Pay Map





# Mescalero Ridge 21 Fed 1H Wellbore Diagram

Borehole:		Well:	Field:	Structure:
Original Borehole		Mescalero Ridge 21 Federal 1H	NM Lea County (NAD 83)	Cimarex Mescalero Ridge 21 Federal 1H
Gravity & Magnetic Parameters				
Depth: 100M 2917	Dip: 63.85°	Date: 12-Jul-2017	Surface Location: NAD83 New Mexico State Plane, Eastern Zone, US Feet	Miscellaneous Sht: Mescalero Ridge TVD Ref: NQ237542 above MSL (Plan: Cimarex Mescalero Ridge 21 Federal 1H Rev0 Inn 12Jul17)
MagDec: 0.725°	FR: 48343.826mT	Gravity FB: 984.564m/s² (9.80665 Standard)	Lat: N 32° 28' 5.42"	
			Northings: 491028.571M	
			Grid Conv: 0.418°	
			Long: W 103° 33' 47.17"	Scale Feet: 0.9997345
			Loc: W 103° 33' 47.17"	

