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

APPLICATION OF INVITO OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22925

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22925	APPLICANT'S RESPONSE
Date: Hearing Date-October 6, 2022	
Applicant	Invito Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Invito Operating, LLC (329337)
Applicant's Counsel:	Modrall Sperling (Earl DeBrine, Deana Bennett, Bryce Smith)
Case Title:	Application of Invito Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	TIERRA OIL COMPANY, LLC J BAR CANE ROYALTY, LLC TREVOR S. TURMELLE SPINNAKER INVESTMENTS LP DAVID W. HEAD NORMA G. HEAD
Well Family	Wagoneer
Formation/Pool	
Formation Name(s) or Vertical Extent:	San Andres
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	San Andres
Pool Name and Pool Code:	CLR; San Andres (12450)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	160 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2 E/2 of Section 12, Township 9 South, Range 33 East, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N EXHID
Proximity Defining Well: if yes, description	N/A Exhibit P 2
Applicant's Ownership in Each Tract NMOCD Hearing 1	EXHIBIT B.S.
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Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See C-102, Exhibit B.2.
Well #1	Wagoneer #1H SHL: 745' feet from the South line and 660 feet from the East line of Section 1, Township 9 South, Range 33 East, NMPM, Lea County, New Mexico. BHL: 100 feet from the South line and 660 feet from the East line of Section 12, Township 9 South, Range 33 East, NMPM, Lea County, New Mexico. Completion Target: San Andres Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.
Horizontal Well First and Last Take Points	See Exhibit B.2 for C-102 and Exhibit B.5.
Completion Target (Formation, TVD and MD)	San Andres/ TVD~4,664, MVD~10,199. See also Exhibit B.5.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000/month; see also Exhibit B.5.
Production Supervision/Month \$	\$800 per month; see also Exhibit B.5.
Justification for Supervision Costs	See Exhibit B, Para. 18
Requested Risk Charge	200%; Exhibit B.5.
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2/D.4-5
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3.
Tract List (including lease numbers and owners)	Exhibit B.3.
Pooled Parties (including ownership type)	Exhibit B.3.
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	Exhibit B.3 and and B.4 N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.5.
NMOCD Hearing 10	1-6-2022

Received by OCD. 10/4/2022 4.21.07 114	1 480 7 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3.
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4.
Overhead Rates In Proposal Letter	Exhibit B.5.
Cost Estimate to Drill and Complete	Exhibit B.5.
Cost Estimate to Equip Well	Exhibit B.5.
Cost Estimate for Production Facilities	Exhibit B.5.
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Tab C, para 7
Target Formation	Tab C
HSU Cross Section	Exhibit C-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1/C.2
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.2
Cross Section Location Map (including wells)	Exhibit C.2
Cross Section (including Landing Zone)	Exhibit C.3
Additional Information	
CERTIFICATION: I hereby certify that the information p	rovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative): Date: October 4, 2022	Mean Menns

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

APPLICATION OF INVITO OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22925

SELF-AFFIRMED STATEMENT OF JARED CHRISTIANSON

- 1. I am the Managing Member of Invito Operating, LLC ("Invito"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.
- 2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I graduated from the University of Tulsa in 2004 with a degree in Mechanical Engineering. I have worked as Petroleum Engineer since 2004. I have worked at Invito for three years overseeing Invito's technical and operational matters, which includes land matters. My resume is attached as **Exhibit B.6.**
- 3. I am familiar with the application filed by Invito in this case, which is attached as **Exhibit B.1**.
 - 4. I am familiar with the status of the lands that are subject to the application.
- 5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
- 6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the well to be drilled in the unit.
- 7. Invito has reached an agreement with the parties who originally objected to this case and is no longer seeking to pool them.



- 8. None of the other parties Invito is seeking to pool in this case has indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 9. In this case, Invito seeks an order pooling all uncommitted mineral interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 E/2 of Section 12, Township 9 South, Range 33 East, Lea County, New Mexico.
- 10. The Unit will be dedicated to the Wagoneer #1H well ("Well") to be horizontally drilled. The completed interval of the Well will be orthodox.
 - 11. **Exhibit B-2** contains the C-102 for the Well.
- 12. **Exhibit B-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Invito seeks to pool. The exhibit also identifies any unlocatable parties.
- 13. Invito has contracted with Forza Resources ("Forza") to handle land matters relating to Invito's application in this case.
- 14. Forza, on behalf of Invito, has conducted a diligent search of all county public records including phone directories and computer databases.
- 15. I directed Forza regarding negotiations with uncommitted interest owners, including the negotiations with the parties that originally objected to this case, but have now reached agreement with Invito. Mr. Jarod Poteet of Forza previously testified before the Division and his credentials were accepted as a matter of record.

- 16. In my opinion, Invito made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit B-4**.
- 17. **Exhibit B-5** contains a sample well proposal letter and AFEs sent to the working interest owners for the Well. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 18. Invito requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Invito and other operators in the vicinity.
 - 19. Invito requests that it be designated operator of the well.
 - 20. The parties Invito is seeking to pool were notified of this hearing.
- 21. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 22. In my opinion, the granting of Invito's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 23. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

[Signature page follows]

Dated: October 4th, 2022

Jared Christianson

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

APPLICATION OF INVITO OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No.

APPLICATION

Pursuant to NMSA § 70-2-17, Invito Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 E/2 of Section 12, Township 9 South, Range 33 East, Lea County, New Mexico. In support of its application, Applicant states the following.

- 1. Applicant (OGRID No. 329337) is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the Wagoneer #1H well, which will be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 9 South, Range 33 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12, Township 9 South, Range 33 East.
 - 3. The completed interval of the Well will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all of the interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

EXHIBIT

B - 1

NMOCD Hearing 10-6-2022

Invitor Operating Case No. 22925

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Page 2 of 2

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on August 4, 2022 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the
 Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Jeremy Ian Martin

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

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imclean@hinklelawfirm.com

jmartin@hinklelawfirm.com

Counsel for Invito Operating, LLC

2

Application of Invito Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted mineral interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 E/2 of Section 12, Township 9 South, Range 33 East, Lea County, New Mexico. The Unit will be dedicated to the Wagoneer #1H well ("Well") to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 9 South, Range 33 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12, Township 9 South, Range 33 East. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well are located approximately 10.35 miles west of Crossroads, New Mexico.

1 API Number

District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District 11
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District 111
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

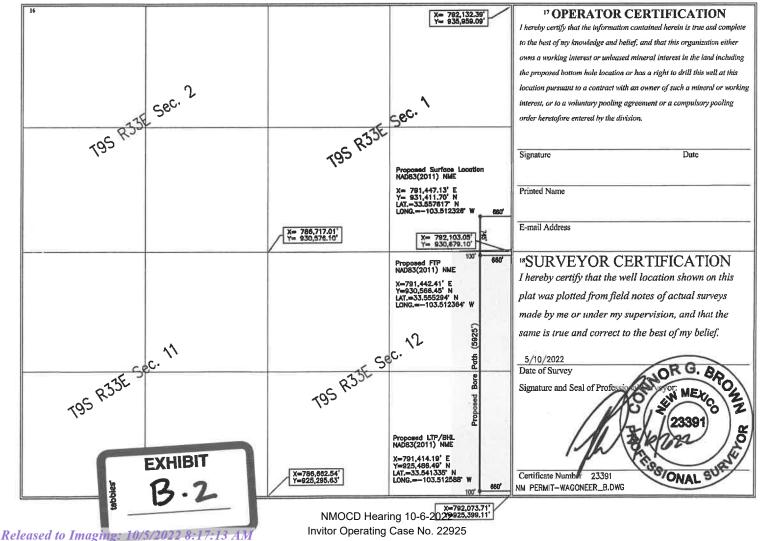
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

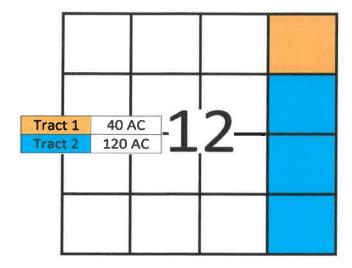
ĺ	ifi Mulikijei			12450		CLR; San Andres						
⁴ Property C	code				5 Property No Wagone			6 A	Vell Number 1 H			
⁷ ОGRID М 32933 7				Ir	* Operator N nvito Opera			4	Elevation 323.5			
					¹⁰ Surface L	ocation						
UL or lot no.	Section 1	Township 9-S	Range 33-E	Lot Idn	Feet from the 745	North/South line South	Feet from the 660'	East/West line	County Lea			
,			" Bott	tom Hole	e Location If	Different From	Surface	*				
UL or lot no.	Section 12	Township 9-S	Range 33-E	Lot Idn	Feet from the 100'	North/South line South	Feet from the 660'	East/West line	County Lea			
12 Dedicated Acres	13 Joint or	Infill 14 C	Consolidation C	ode 15 Ord	ler 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.



11

Wagoneer Unit (160.0 AC); E/4 of Section 12, T9S, R33E, Lea Co., NM



Wagoneer Unit, Section 12 WI Reca	apitulation				
OWNER Working Interest					
Invito Operating, LLC	68.44%				



Wagoneer Unit (160.00 AC); E/4 of Section 12, T9S, R33E, Lea Co., NM

	>	wagoneel		section 12	Unit, Section 12 Parties to Pool	
S-T-R	QUARTER CALLS ACRES	ACRES	NMA	UNIT INT %	NAME	STATUS
12-9S-33E	NE4NE4	40	0.83333333	0.00520833	Lorenzo Lozano-Molina	FORCE POOLING
12-9S-33E	NE4NE4	40	0.83333333	0.00520833	Maria Molina	FORCE POOLING
12-9S-33E	NE4NE4	40	0.83333333	0.00520833	Miguel Lozano-Molina	FORCE POOLING
12-9S-33E	E2SE4 & SE4NE4	120	18.00000000	0.11250000	Jerry T. Carlisle, a widower	FORCE POOLING
12-9S-33E	E2SE4 & SE4NE4	120	6.00000000	0.03750000	Anthem Oil & Gas, Inc.	FORCE POOLING
12-9S-33E	E2SE4 & SE4NE4	120	24.00000000	0.15000000	Estate of Jo Ann Duncan, Dec'd	FORCE POOLING

Summary of Tracts and Tract Interests, Recapitulation, Locatable and Unlocatable Pooled Parties

<u>Tract 1</u> NE/4 NE/4, Sec. 12, T9S, R33E, 40 AC

Owner	<u>Туре</u>	Ownership	<u>Status</u>
CHARLENE CALLOWAY, WIDOW OF TOMMY LYNN CALDWELL	Mineral Interest	34.3750%	Leased
RONALD LEE CALDWELL	Mineral Interest	34.3750%	Leased
MARIA SARA CALDWELL GARCIA	Mineral Interest	11.4583%	Leased
VICKI CALDWELL AGUILAR	Mineral Interest	11.4583%	Leased
CARMEN MOLINA	Mineral Interest	2.0833%	Leased
LORENZO LOZANO-MOLINA*	Mineral Interest	2.0833%	Pool
MARIA MOLINA*	Mineral Interest	2.0833%	Pool
MIGUEL LOZANO-MOLINA*	Mineral Interest	2.0833%	Pool
		100.0000%	
Total Leased		93.7500%	Leased
Total Unreachable Parties to Pool (*)		6.2500%	Pool*
		100.0000%	
Invito Energy Partners	Working Interest	93.7500%	

<u>Tract 2</u> E/2 SE/4 & SE/4 NE/4, Sec. 12, T9S, R33E, 120 AC

Owner	Туре	Ownership	<u>Status</u>
TIERRA OIL COMPANY, LLC	Mineral Interest	21.4583%	Leased
WRALDO PRESLEY DUNCAN	Mineral Interest	20.0000%	Leased
SHERRY GLENN	Mineral Interest	7.5000%	Leased
BETTY VON DUNCAN TRUST	Mineral Interest	5.0000%	Leased
SPINNAKER INVESTMENTS LP	Mineral Interest	2.2917%	Leased
J-BAR CANE ROYALTY, LLC	Mineral Interest	1.7188%	Leased
TURMELLE TREVOR S	Mineral Interest	1.7188%	Leased
DAVID W. HEAD & NORMA G. HEAD (JTWROS)	Mineral Interest	0.3125%	Leased
JO ANN DUNCAN	Mineral Interest	20.0000%	Pool
JERRY T. CARLISLE, A WIDOWER	Mineral Interest	15.0000%	Pool
ANTHEM OIL & GAS, INC.	Mineral Interest	5.0000%	Pool
		100.0000%	
Total Leased		60.0000%	Leased
Total Parties to Pool		40.0000%	Pool
		100.0000%	
Invito Energy Partners	Working Interest	60.0000%	

Section 12 – T9S – R33E; Chronological Communication Log

<u>2/16/2022 – Present</u>: Multiple call attempts made to each party on the list for which we could find contact information. First round of calls completed in approx. 2 weeks, but we continued to field calls and negotiate leases up to present day. A number of parties have not responded to the proposals that were received and several parties were completely unlocatable.

4/19/2022: Sent out lease offer packets to each party on the list for which we have contact information.

<u>5/27/2022</u>: Sent out Election Letters to each party on the list for which we have contact information.

Various times following original order – The following actions were taken for bad delivery or unknown parties/updated title parties

- Non deliverable proposals were resent to any additional addresses we could source
- Invito utilized a number of resources to locate parties or new addresses
 - Employed land brokers to research online and county records
 - Utilized Lexis Nexis which is a subscription based online investigative search tool to locate last known addresses and other information about parties
 - Searched obituaries to identify possible heirs to send notice to
 - Searched Secretary of State website for details regarding entities that had bad delivery or were not locatable



<u>Section 12 – T9S – R33E; Steps Taken to Find Unlocatable Parties</u>

1) Lorenzo Lozano-Molina

<u>2/15/2022</u>: Reviewed Probate Proceedings for the Estate of Maria Ines Lozano Alvarado, Dec'd, filed in Roosevelt County, NM (Ref: 82-PB-12), wherein this party was named a beneficiary, with no address information given.

<u>2/23/2022</u>: Spoke with party's sister, Carmen Molina. She informed us that her mother brought her to Mexico about 50 years ago, and this party stayed behind with their father. She never saw them again after this time, and did not know how to contact them. <u>4/15/2022</u>: Searched party's name and last known address using Accruint.com from LexisNexis Risk Solutions, a reputable subscription website for locating contact information. No Contact information found.

2) Maria Molina

<u>2/15/2022</u>: Reviewed Probate Proceedings for the Estate of Maria Ines Lozano Alvarado, Dec'd, filed in Roosevelt County, NM (Ref: 82-PB-12), wherein this party was named a beneficiary, with no address information given.

2/23/2022: Spoke with party's sister, Carmen Molina. She informed us that her mother brought her to Mexico about 50 years ago, and this party stayed behind with their father. She never saw them again after this time, and did not know how to contact them.

4/15/2022: Searched party's name and last known address using Accruint.com from LexisNexis Risk Solutions, a reputable subscription website for locating contact information. No Contact information found.

3) Miguel Lozano-Molina

<u>2/15/2022</u>: Reviewed Probate Proceedings for the Estate of Maria Ines Lozano Alvarado, Dec'd, filed in Roosevelt County, NM (Ref: 82-PB-12), wherein this party was named a beneficiary, with no address information given.

2/23/2022: Spoke with party's sister, Carmen Molina. She informed us that her mother brought her to Mexico about 50 years ago, and this party stayed behind with their father. She never saw them again after this time, and did not know how to contact them. 4/15/2022: Searched party's name and last known address using Accruint.com from LexisNexis Risk Solutions, a reputable subscription website for locating contact information. No Contact information found.

4) Jerry T. Carlisle

4/28/2022 - Left message at last known phone number.

4/22/2022 - Left message at last known phone number.

4/17/2022 - Left message at last known number, and mailed out lease packet to last known address.

<u>4/15/2022</u>: Searched party's name and last known address using Accruint.com from LexisNexis Risk Solutions, a reputable & reliable subscription website for locating contact information.

4/12/2022: Researched party's name in Google, & Ancestry.com based on all known information, including last known address from 2022 Vesting deed filed in Lea Co., NM in Volume 1147 at Page 537

5) Estate of Jo Ann Duncan, Dec'd

4/27/2022: Called San Juan County Clerk, and had them do a probate search. No probate on file.

<u>4/25/2022</u>-Spoke with decedent's Estranged brother, Wraldo Presley Duncan. and he informed us that Jo Ann died "about a year or so ago". They did not talk much and he did say she was living in Farmington when she died.

 $\underline{4/15/2022}$: Searched party's name and last known address using Accruint.com from LexisNexis Risk Solutions, a reputable & reliable subscription website for locating contact information.

4/12/2022: Researched party's name in Google, & Ancestry.com based on all known information, including last known address from 2022 Vesting deed filed in Lea Co., NM in Volume 1147 at Page 537

A-7 Summary of Parties with Uncommitted Interests

ANTHEM OIL & GAS, INC. 2) 601 W. Teass Ave. Midland, TX 79702 See Address 1 See Address 2 See Address 2 See Address 3 See Address 3 See Address 3 See Address 3 See Address 4 See Address 6 See Address 6 See Address 7 See Address 7 See Address 7 See Address 7 See Address 8 See Address 9 See Addr	Pool	THE STATE OF THE S	ALC: NO. OF THE PERSON NAMED IN COLUMN 1		
1) PO Box 1015 Addined, TX 79702 2) GOT WARNING, TX 79702 2) GOT WARNING, TX 79703 4) PO Box 234 Lovington, NM 88250 2) See Address 1 See Address 1 See Address 2 2) 215 E. Davion Rd. Artaila, NM 88210 None Found None Found None Found None Found Outstood 24,00000000				COMMUNICATION AT EMPLS	NOIES
1) PO Box 32A Lonington, NM 88250 See Address 1 See Address 1 See Address 1 Lonington, NM 88250 18.00000000 2) 22S E. Daylon Rd. Artesia, MM 88210 Artesia, MM 88210 18.00000000 18.00000000 Mone Found None Found None Found None Found 0.15000000 24.00000000	х s/27,	Address 1 7022041000264789165 5/27/2022 70220410000264789158	5,31,2022 6/6/2022	6/1/2022 - Received email from Anthon and they want to lease for 1/4. Informed hin we are holding at 15% and they are going to lease the property using their leasing company \$1000 and 1/4.	
None Found None Found None Found None Found 0.15000000 24.00000000	х s/27/	0.1202/12/2	5/31/2022	4/28/2022 - Now the Mail Box is full/ Generic and not sure if we have the correct number. Lease packet is in the mail. 4/22/2022 - Left message 4/32/2022 - Left message and mailed out	
	×	N/A N/A	NIA	4/24/2022. Stoke with Wraido and he Informed me that to hand alide about a very or so ago. They did not talk much and he did say she was living in and he did say she was living in and he did say she was living in 24/2/2022 - Looking for good contact. PO Box that is listed on lease does not sperar to have her name associated with it is losted to have her name associated with it is 24/2/2022 - Working to located any good contact you working to located any good contact you would be aligned.	Party is Deceased
DLINA None Found Nane Found Nane Found 0.00520833 0.83333333	×	N/A N/A	N/A	N/A	
	×	N/A N/A	N/A	N/A	
MIGUEL LOZANO-MOLINA None Found None Found None Found 0.00520833 0.83333333	×	N/A N/A	N/A	N/A	



Invito Operating LLC 6401 El Dorado Pkwy, #92 McKinney, Texas 75070

May 20th, 2022

Attn: Tierra Oil Company, LLC PO Box 700968 San Antonio, TX 78270 Via: Certified Mail Return Receipt Requested

Drilling and completion proposal

To Whom it May Concern:

Invito Operating LLC ("IO"), as operator, hereby proposes to drill and complete the subject horizontal well below, to be drilled to the San Andres formation in Lea County, NM. Anticipated spud is September 15th, 2022 with Ensign Rig # 436.

- Unit E/2 E/2 of Section 12, Township 9 South, Range 33 East (Wagoneer #1H)
- SHL: 745' FSL, 660' FEL, or at a legal location in unit P of Section 1
- BHL: 100' FSL & 660' FEL of Section 12
- FTP: 100' FNL & 660' FEL of Section 12
- LTP: 100' FSL & 660' FEL of Section 12
- TVD: ~ 4,664'
- TMD: ~ 10,190'
- Targeted Interval: San Andres
- Total Cost: See attached AFE

The total cost to drill and complete each well is estimated and a detailed description of the cost is set out in the enclosed Authority for Expenditures ("AFE"). Attached for your review is the plat depicting the proposed location of the Well for the estimated 160-acre Unit.

Based on a title examination, we understand that you may own an interest that may be affected by the Well and the Unit: therefore, IO hereby requests your participation in the drilling of the Well and the Unit by offering the following options for your consideration:

Agree to Participate – You agree to participate in the cost and risk of the well by agreeing to
pay your proportionate share of the actual cost to drill, complete, and operate the well. You
agree to execute and return the enclosed AFE. You agree to execute and return an Operating
Agreement (A.A.P.L. - 1989 Model Form), which we will prepare and submit for your review





Invito Operating LLC 6401 El Dorado Pkwy, #92 McKinney, Texas 75070

and acceptance. The Operating Agreement will include, among other terms and conditions, the following: (1) A 200% / 500% non-consent penalty; (2) a prepayment provision (advanced billing) which provides that all actual costs must be pre-paid within twenty (20) days of the receipt of such request to pay (unless a drilling rig is on location) or said owners shall be subject to the Operator's right and remedies under the Operating Agreement and applicable law; (3) and a 2005 COPAS Accounting Procedure providing for a monthly fixed overhead rate per well equal to \$8,000.00 for the drilling well and \$800.00 for a producing well. The estimated cost to drill, test, complete and equip the Well is approximately \$2,950,000.00. The Well's total estimated dry hole cost is approximately \$1,463,000.00. Please note that these costs are estimates only and should you agree to participate in the well, you shall be responsible and agree to pay for your proportionate share of all of the actual costs incurred.

- Agree to Lease –
- Choose to Not Participate or Lease IO plans to pursue compulsory polling for the Unit with the New Mexico Oil Conservation Division ("OCD"). IO will request the OCD compulsory polling of all non-consenting owners in the Unit with alternate risk charges as provide by the applicable statutes of the State of New Mexico. This will apply to those who have chosen to not participate or who have not responded to this letter.

On the attached election page, please indicate your election of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned at the letterhead address using the enclosed self-addressed, stamped envelope.

Please acknowledge your election by signing and indicating your chosen option on the attached election page and returning one original of this letter to the attention of the undersigned at the letterhead address in the enclosed self-addressed and stamped envelope within thirty (30) days of post mark. Since time is of the essence in preparation to drill the Well, if you have not promptly responded in writing, IO will consider you a non-consenting owner who does not agree to participate, to farmout or lease and will proceed with compulsory pooling of your interest.

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at 903-906-0030 or by email at eddie.graham10@gmail.com.

		NVITO OPERATING				Date:	4	/1/2022
Well Name	e	Wagoneer #1H	AFE#	WAG1H001	Т			
County, S	tate	Lea County, New Mexico	Well Type	Horizontal				
Field/Pros		CLR / Fantail	Formation	San Andres	4	OPERATI	IT	O)
TVD / MD	poor	4.200' / 8.900	T Offination	out i i i i i i i i i i i i i i i i i i i	-	OPERATI	NG, I	TC
					-			
Descriptio		Drill, frac, equip, 1-mile hor	izontai San Andre	S Well	_	-		
	t Codes					Intan		
Ortilling 9806	Completion		GG	emments		Drilling		mpletic
9701	9601	Land / Curative / Opinion Cement & Cementing			\$	52,000		05.00
9702	9602	Casing Jewelry	Shifting sleeves		\$	20,000		35,80
9703	9603	Contingencies	Similarly sieeves		3	2,500	\$	150,00
9704	9604	Surface Rental Equip.			1 \$	15,000		100.00
9705	9605	Damages			8	12,500		100,00
9706	9606	Welding			3	5,000		
9707	9607	Day Working / Workover Rig	_		\$			5,00
9708	9608	Rig Mob. & Demob.			\$	98,000 65,000		17,50
9708	9609	Drill Stem / Frac & Stimulation	+		\$			700 52
9710	9610	Downhole Rental Equip:	-		\$	7,500	\$	798,53
9711	9611	Drilling / Completion Permits	-					45,00
9712	9612	Inspection			\$	1,500		1,00
9713	9613	Conductor & Mousehole			\$	10,000		-
9714	9614	Repairs			\$	19,500		
9714	9615					5,000		5,00
		Geologic Services			\$	11,000		8,00
9716	9616	Casing Crew			\$	7,500		15,00
9717	9617	Insurance			\$	2,500		2,50
9718	9618	Coring / Flowback Analysis			\$	-	\$	30,00
9719	9619	Bits			\$	17,000	\$	4,00
9720	9620	Directional Equip. / Pipeline			\$	47,000		
9721	9621	Miscellaneous			\$		\$	
9722	9622	Coil Tubing Unit	+		\$	-	\$	60,00
9723	9623	Drilling / Completion Fluids	-		\$	30,000		15,00
9724	9624	Disposal			\$		\$	20,00
9725	2002	Mud Logging			\$	8,000		
9726	9626	Pump Services			\$	2,500		4,00
9727	9627	Logging & Wireline			\$		\$	
9728	9628	Safety	-		\$	1,500		1,50
9729	9629	Overhead	-		\$		\$	1,00
9730	9630	Environmental	_		\$		\$	•
9731	9631	Road & Location			\$	65,000	\$	•
9732	9632	Reclamation / P&A			\$		\$	-
9733	9633	Supervision	1		\$		\$	35,00
9734	9634	Lost in Hole			\$		\$	
9735	9635	Supplies			\$	1,000		1,00
9736	9636	Water			\$	5,000		50,00
9737	9637	Surveying			\$		\$	1,00
9738	9638	Power & Fuel			\$	20,000		21,50
9739	9639	Trucking	-		\$		\$	12,00
9740	9640	Fishing	+		\$		5	-
0740	9641	Electrical & Construction			\$		\$	35,00
9742	9642	Transportation			\$	-	\$	
9743	9643	Regulatory	1		\$	-	\$	494.00
				Subtota Total Intangibi		603,250 67.2%		

Account Codes					Tan	gib	e
Equipa	ent Gode Description	Comm	ents		Drilling	C	ompletio
981	Packers & CIBP						
9816	Meters & Messurement					\$	18.000
9817	Automation Equip.					\$	18,00
9818	Wellhead			\$	15,000	\$	15,00
9819	Safety Systems					\$	10,00
9820	Treating Facilities						
982	Compressor						
9822	Gas Sales Line						
9823	Separator					\$	15,00
9824	Non-Controlable Equip.	Fittings				\$	4,00
9825	Containment					\$	20,00
9826	Controlable Valves					\$	2,50
9827	Flow Lines					S	3,50
9830	Downhold Pump					1	
9833	Heater Treater					S	10,00
9836	Intermediate Casing	7" L-80 BTC				S	162,00
9839	Miscellaneous	SWD transfer pumps				\$	15,00
9842	Oil Tanks	2 oil tanks				8	10,00
9845	Production Casing	5.5" L-80 BTC				\$	224,00
9848				_		Ť	
9849							
9850	ESP Downhole	PCP				\$	85,00
9851	Sucker Rods	Continuous rods				\$	60,00
9854	Surface Casing	9 5/8" J-55 LTC		\$	206,800	Ť	
9857				Ť		\$	22,00
9860				_		\$	10,00
9863		4 water tanks		_		\$	12,00
9866				_		\$	12,00
			Subtotal	S	221,800	ŝ	716,00
		I	Total Tangible	Ť	32.8%		937,80
_	.00	_					
(10	(00)	T.	Total Well Cost	\$			3,015,38

NMOCD Hearing 10-6-2022 Invitor Operating Case No. 22925

X Partner name, title

JARED CHRISTIANSON

EXPERIENCE

Oct 2019 – Present

Invito Energy Partners

Mckinney,

TX

President/Managing Member

- Co-Founder and Managing Member of Invito Energy Partners LLC
- Lead all technical investment strategy
- Oversee all Operational and Engineering teams
- Manage all Operated & Non-operated assets
- Develop all corporate risk and business strategies

Nov 2017 – Oct 2019 TX US Energy Development Corp.

Arlington,

IX

VP of Operations/Chief Operating Officer

- VP of Operations & Chief Operating Officer, responsible for corporate systems operation, staff development, acquisition & divestiture, land, EH&S, regulatory & compliance, project operations, & marketing operations of company
- Lead divesture of six company legacy assets
- Lead corporate investment strategy efforts
- Manage all Operated & Non-operated assets & Partners
- Develop overall company reporting
- Deploy \$150M partnership funding of project
- Oversee all corporate risk and business strategy

March 2013 - April 2016

Petromax Operating Company, Inc.

Garland, TX

VP of Operations

- Operations manager, responsible of engineering design, overall project execution, & CAPEX of ETX Eagleford shale projects
- Vertically integrate operational supply chain & logistics, by de-bundling frac, mud, transportation, & chemical programs
- Assist in divesture of \$340M of company assets
- Manage all Non-operated assets & partner relations
- Develop overall company production gathering & reporting
- Negotiate all marketing, MSA, service agreements, & contracts
- Create and implement overall company safety programs
- Streamline all accounting codes & controls
- Oversee local/state/federal regulatory & compliance program
- Assist in \$100M private equity funding of project

EXHIBIT
B.6

Oversee all environmental compliance & phase 1 reporting

May 2012 - Feb 2013

Inpetro Energy Inc.

Dallas, TX

US Operations Manager

- Senior consulting engineer, in charge of engineering design & project management of drilling, completion, and production projects for oil & gas operators
- Contract consulting projects in Barrett Shale
- Business development of US Operations for directional, tool, and consulting companies
- Set & recommend annual operating budget
- Spearhead accounting system development for 4 different companies

Nov 2010 - May 2012

Encana Oil & Gas (USA)

Dallas, TX

Drilling Engineer

- Managed \$100M CAPEX projects in a calendar year
- Responsible for drilling rig operations & well design in LA & TX areas. Drilled 10,000 to 15,000 TVD HPHT horizontal Bossier/Haynesville wells, including 25,000+ MD extended reach laterals (8,000+ LL)
- Designed up to 6 well multi-pad designs
- Gained experience in over 50 HPHT wells, involving advanced well control, optimization, multi well pad, and extended reach projects

June 2004 – Nov 2010

Unit Petroleum Company

Tulsa, OK

Drilling/Completion/Production Engineer

- Managed \$250M CAPEX projects in a calendar year.
- Responsible for recommending, evaluation, executing on full well life cycle to P&A
- Responsible for drilling/completion/production 150+ wells in Texas Panhandle
- Managed SWOKC laminated Prue waterflood (50+ wells, 10 injectors). Reccomended
 and executed new drilling locations, surface equipment upgrades, rod pump
 optimizations, tracer program, and chemical treatment programs, while doubling oil
 production in less than 1 year.
- Recommended & executed workovers/optimizations (stimulation treatments, fracturing, coil tubing cleanouts), surface facility projects, artificial lift equipment (rod pump, ESP, plunger lift, gas lift, capillary strings, & compressors)
- Worked w/ a team of 15 in the field to manage district. Gained experience in production optimization, reservoir modeling w/ WellFlow, payout calculations w/ PowerTools, and advanced decline curve analysis
- Responsible for drilling/completion operations & well design in Permian, Mid Continent, Ark-la-tex, and East Texas basins

- Have drilled 5,000' 13,000' TVD vertical/horizontal wells in Granite Wash, Morrow, Marmaton, Spiro, Red Fork, Bone Springs & Haynesville Shale
- Managed a team of 10. Frac'd horizontal wells using sleeves, perf & plug, hybrid, and slickwater simulation methods
- Managed a drilling team of 20. Gained experience in comprehensive well design of over 250 wells (evaluation, construction, drilling, completion, production, & artificial lift)
- Championed various corporate information system projects (Peloton Wellview reporting, electronic well files, accounting systems, & land systems)

EDUCATION

1999 - 2004 Un

Univ. of Tulsa

Tulsa, OK

- Bachelor of Science Mechanical Engineering, GPA 3.0
- 4 year Cross Country/Track scholarship at Univ. of Tulsa

REFERENCES

Available upon request

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

APPLICATION OF INVITO OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22925

SELF-AFFIRMED STATEMENT OF CANDICE CARRELL

- I am a geologist at Invito Operating, LLC ('Invito") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials were accepted as a matter of record.
 - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. Exhibit C-1 is a location map for the proposed horizontal spacing unit ("Unit") within the San Andres formation. The approximate wellbore path for the proposed Wagoneer #1H well ("Well") is represented by a dashed line.
- 4. Exhibit C-2 is a subsea structure map for the Pi Marker within the San Andres formation that is representative of the targeted interval within the formation. The data points are indicated by triangles. The approximate wellbore path for the Well is depicted by a dashed line. The map demonstrates the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal well.
- 5. Exhibit C-2 identifies four wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area.

EXHIBIT C

- 6. **Exhibit C-3** is a stratigraphic cross-section using the representative wells identified on Exhibit B-3. The proposed target interval ("Target") for the Well is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.
- 7. In my opinion, a standup orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and equivalent orientation to other horizontal San Andres wells in the trend.
- 8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.
- 9. In my opinion, the granting of Invito's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 11 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

[Signature page follows]

Dated: October 4, 2022

Candice Carrell

Exhibit C-1

Regional Location Map

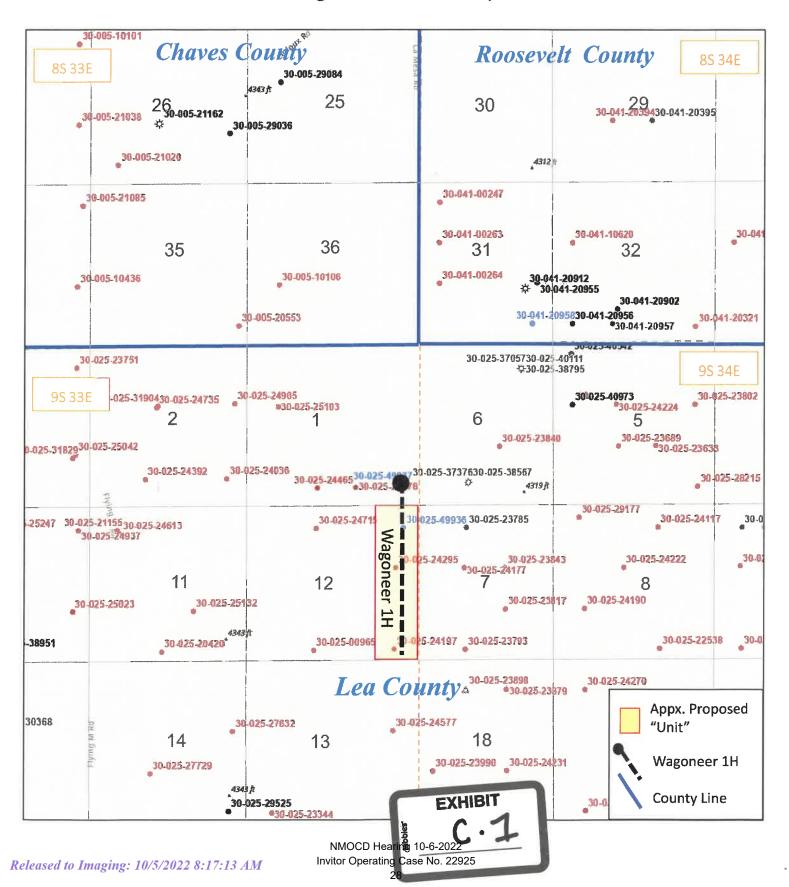


Exhibit C-2

Pi Marker Structure Map (C.I. = 20)

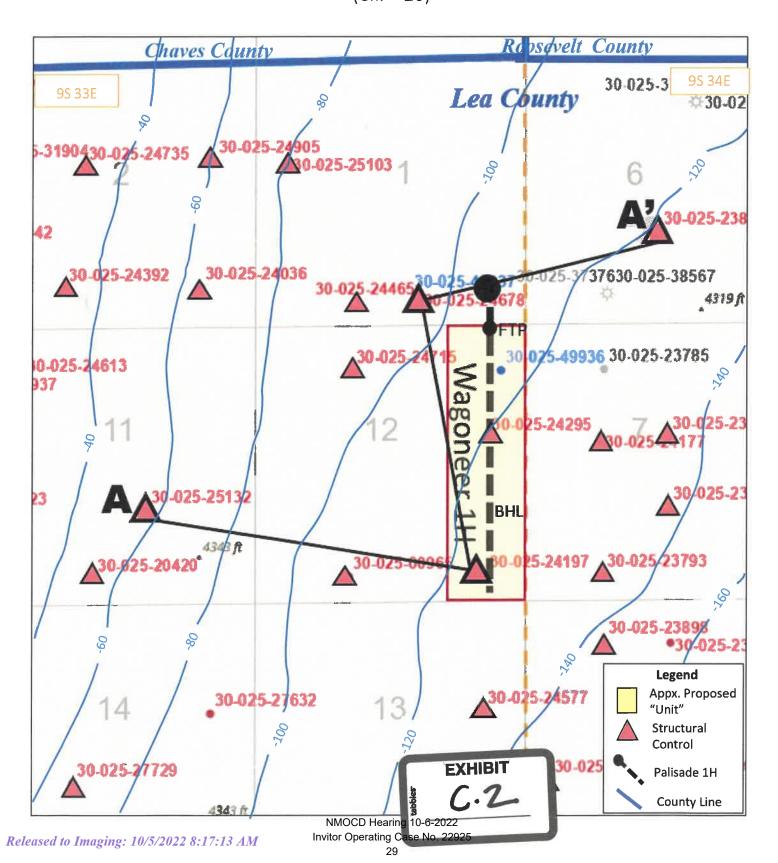
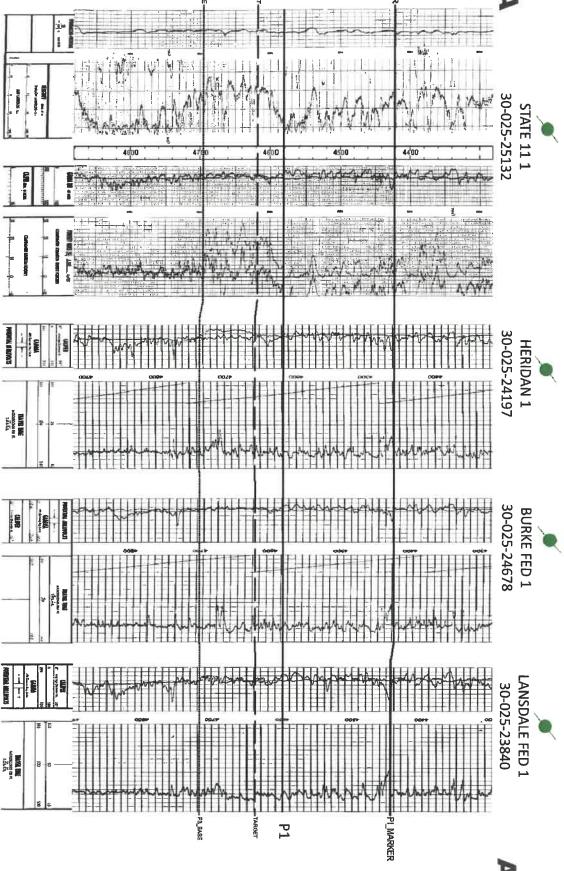


Exhibit C-3

Stratigraphic Cross Section A to A' Flatten on top P1





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

APPLICATION OF INVITO OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22925

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Invito Operating, LLC, the Applicant herein, declares as follows:

- 1) I have reviewed the notice materials provided to me by Invito Operatting, LLC's prior counsel in this case, Hinkle Shanor.
- 2) The notice materials provided to me consist of a the Notice Letter, attached as **Exhibit D-1**, the chart of addressees to whom the notice letter was sent and the status of such notice, attached as **Exhibit D-2**, and the affidavit of publication, from the Hobbs News-Sun, attached as **Exhibit D-3**.
 - 3) Based on my review of the materials provided, notice was timely.
 - a. The Notice Letter is dated July 5, 2022 and the certified letter green cards confirm the notice letter was sent on July 5, 2022.
 - b. Notice was published in the Hobbs Sun-News no July 15, 2022, per the attached affidavit of publication.
- 4) Based on my review of the materials provided, and notice efforts undertaken after I became involved in this matter, the parties Invito seeks to pool were given notice of this hearing, either by virtue of the Notice Letter, by virtue of publication, or a follow up Notice Letter.
- 5) After the Application was filed, Anthem Oil and Gas Inc. ("Anthem") notified Invito that it had leased its interests to Magnolia Royalty Company Inc. ("Magnolia"), and JM Mineral & Land Co. ("JM") and indicated that Invito's records should be updated to reflect the percentage of acreage and

royalty for the purposes of this pooling application. According to information provided by Anthem, the lease was recorded on July 6, 2022. Out of an abundance of caution, Invito sent a proposal letter to Magnolia and JM, as well as provided them notice of the October 6 hearing, along with a copy of Invito's application. *See* Exhibit D-4. Both notice letters were delivered on September 15, 2022 as evidenced by the tracking information attached as Exhibit D-5.

6) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: October 4, 2022

Deana M. Bennett



HINKLE SHANOR LLP

ATTORNEYS AT LAW
PO BOX 2088
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

July 5, 2022

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 22925 - Application of Invito Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on August 4, 2022 beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/) or via e-mail to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions about this matter.

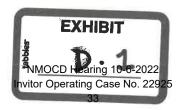
Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 576-623-9332



7601 JEFFERSON ST NE • SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321

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

APPLICATION OF INVITO OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 22925

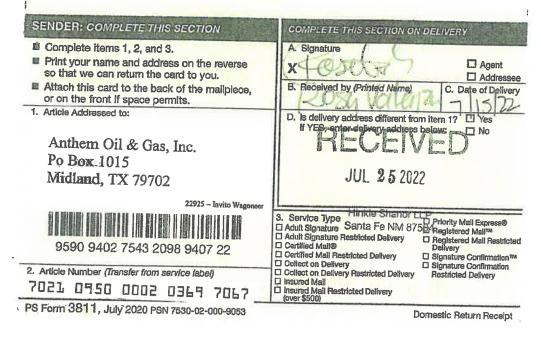
NOTICE LETTER LIST

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Anthem Oil & Gas, Inc.	07/05/22	07/25/22
Po Box 1015		
Midland, TX 79702		
Anthem Oil & Gas, Inc.	07/05/22	Per USPS Tracking:
601 W. Texas Ave.		
Midland, TX 79701		07/11/22 Item delivered
		to an individual at
		address.
Jerry T. Carlisle	07/05/22	07/13/22
PO Box 324		
Lovington, NM 88260		
Jerry T. Carlisle	07/05/22	07/15/22
129 E. Dayton Rd.		
Artesia, NM 88210		Return to sender.
David W. Head & Norma G. Head	07/05/22	08/24/22
(JTWROS)		
13980 Fort Defiance Drive		
El Paso, Texas 79935		Return to sender.
J-Bar Cane Royalty, LLC	07/05/22	07/14/22
Agent: Jack Austin Richardson		
3660 Highway 41		
Stanley, NM 87056		
Spinnaker Investments LP	07/05/22	07/25/22
PO Drawer 3488		
Midland, TX 79702		
Tierra Oil Company, LLC	07/05/22	07/18/22
ATTN: Chris Barnhill, President		
Po Box 700968		
San Antonio, TX 78270		
Turmelle Trevor S	07/05/22	08/24/22
17521 Arratia		
El Paso, TX 79938		Return to sender.

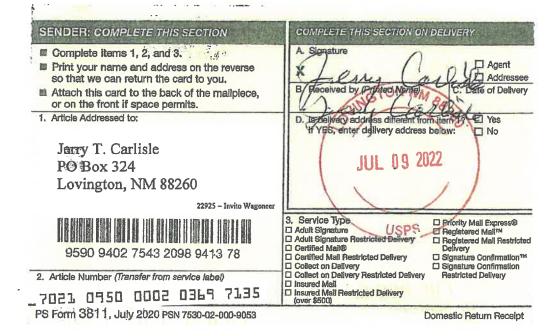














CERTIFIED MAIL

FIRST-CLASS

US POSTAGE MPITHEY BOWES

Jerry T. Carlisle

22925 - Invito Wagoneer

Artesia, NM 88210 129 E. Dayton Rd.

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Hinkle Shanor LLP Santa Fe NM 87504 JUL 15 2022

NMOCD Hearing 10-6-2022 Invitor Operating Case No. 22925 38

HINKLE SHANOR LLP

ATTORNEYS AT LAW

SANTA FE, NEW MEXICO 87504

POST OFFICE BOX 2068



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David W. Head & Norma G. Head 13980 Fort Defiance Drive (JTWROS)

El Paso, Texas 79935

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22925 - Invito Wagoneer

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Santa Fe NM 87504 Hinkle Shanor LLP

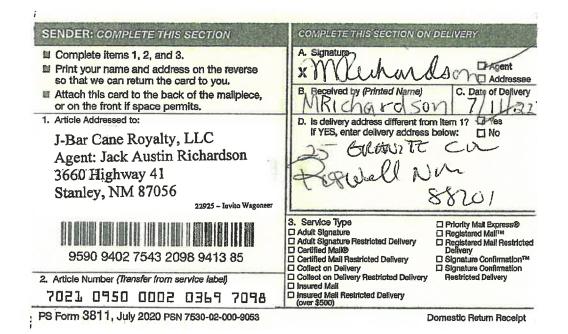
NMOCD Hearing 10-6-2022 Invitor Operating Case No. 22925

HINKLE SHANOR LLP

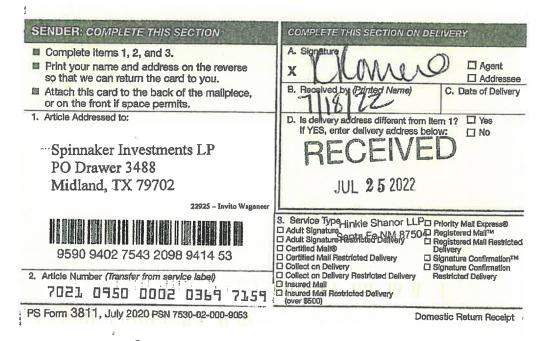
ATTCRNEYS AT LAW

SANTA FE, NEW MEXICO 87504 POST OFFICE BOX 2088

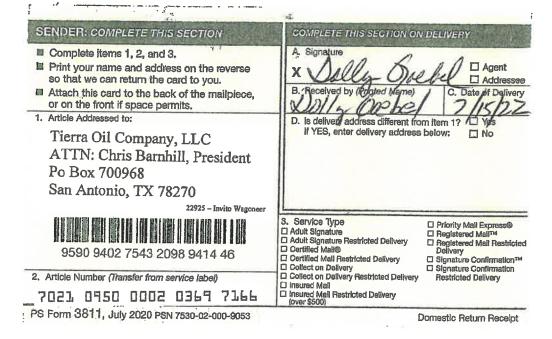


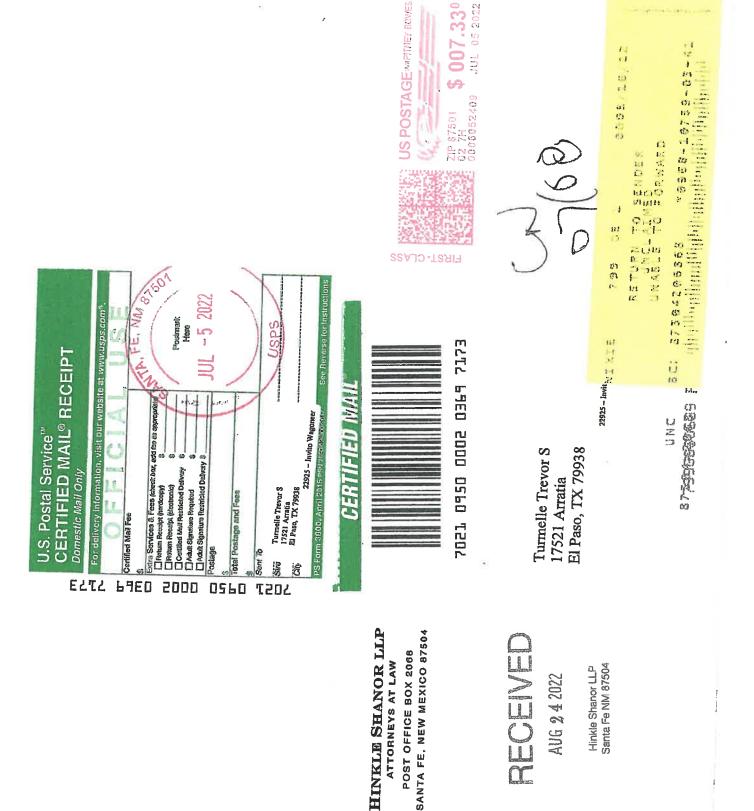












Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I. Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated July 15, 2022 and ending with the issue dated July 15, 2022.

Publisher

Swom and subscribed to before me this 15th day of July 2022.

Business Manager

My commission expires January 29, 2023 (Seal)

> **GUSSIE BLACK** Notary Public - State of New Mexico **Commission # 1087526** My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE July 15, 2022

This is to notify all interested parties, including Anthem Oil & Gas; David W. Head & Norma G. Head (JTWROS); J-Bar Cane Royatty, LLC; Jerry T. Carilsle; Estate of Jo Ann Duncan; Lorenzo Lozano-Molina; Maria Molina; Miguel Lozano-Molina; Spinnaker Investments LP; Tierra Oil Company, LLC; Turmell, Trevor S; and their succeasors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Invito Operating, LLC (Case No. 22925). The hearing will be conducted remotely on August 4, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date; https://www.emprd.nm.gov/ord/hearing-info/. Applicant applies for an order pooling all uncommitted mineral interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 E/2 of Section 12, Township 9 South, Range 33 East, Lea County, New Mexico. The Unit will be dedicated to the Wagoneer #1H well ("Well") to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 9 South, Range 33 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12, Township 9 South, Range 33 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12, Township 9 South, Range 33 East, the completed interval of the Well will be orthodox, Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.35 miles west of Crossroade, New Mexico.



02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504

00268912

EXHIBIT

NMOCD Hearing 10-6-2022 Invitor Operating Case No. 22925



August 29, 2022

JM Mineral & Land Co., Inc. P.O Box 1015 Midland, TX 79702 Via: Certified Mail Return Receipt Requested

Re: Drilling and completion proposal

To Whom it May Concern:

Invito Operating LLC ("IO"), as operator, hereby proposed on May 20, 2022 to Anthem Oil and Gas, Inc. ("Anthem") to drill and complete the Wagoneer #1H well to be drilled to the San Andres formation in Lea County, NM as follows.

- Unit E/2 E/2 of Section 12, Township 9 South, Range 33 East (Wagoneer #1H)
- SHL: 745' FSL, 660' FEL, or at a legal location in unit P of Section 1
- BHL: 100' FSL & 660' FEL of Section 12
- FTP: 100' FNL & 660' FEL of Section 12
- LTP: 100' FSL & 660' FEL of Section 12
- TVD: ~ 4,664'
- TMD: ~ 10,190'
- Targeted Interval: San Andres
- Total Cost: See attached AFE

By letter dated July 12, 2022, Anthem informed IO that it had entered into a Paid Up Oil and Gas Lease with Magnolia Royalty Company Inc. ("Magnolia") and JM Mineral & Land Co. ("JM"). Anthem requested that IO update its information to reflect the percentage of acreage and royalty share for Anthem, Magnolia, and JM, including the information related to IO's pending pooling application in Case No. 22925. I have enclose a copy of the application in pooling Case No. 22925 for you. Case No. 22925 is currently set for hearing on October 6, 2022.

As discussed above, IO previously proposed the Wagoneer #1H well to Anthem. IO now hereby requests your participation in the drilling of the Well and the Unit by offering the following options (revised since the 5/20/2022 offer with revisions shown in **bold**) for your consideration:

Agree to Participate – You agree to participate in the cost and risk of the well by agreeing to
pay your proportionate share of the actual cost to drill, complete and the well. You

EXHIBIT



agree to execute and return the enclosed AFE. You agree to execute and return an Operating Agreement (A.A.P.L. - 1989 Model Form), which we will prepare and submit for your review and acceptance. The updated Operating Agreement will include, among other terms and conditions, the following: (1) A 200% / ______ non-consent penalty; (2)

and applicable law; (3) and a 2005 COPAS Accounting Procedure providing for a monthly fixed overhead rate per well equal to \$8,000.00 for the drilling well and \$800.00 for a producing well.

The estimated cost to drill, test, complete and equip the Well is approximately \$2,950,000.00. The Well's total estimated dry hole cost is approximately \$1,463,000.00. Please note that these costs are estimates only and should you agree to participate in the well, you shall be responsible and agree to pay for your proportionate share of all of the actual costs incurred.

 <u>Choose to Not Participate</u>— IO plans to pursue compulsory polling for the Unit with the New Mexico Oil Conservation Division ("OCD"). IO will request the OCD compulsory polling of all non-consenting owners in the Unit with alternate risk charges as provide by the applicable statutes of the State of New Mexico. This will apply to those who have chosen to not participate or who have not responded to this letter.

On the attached election page, please indicate your election of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned at the letterhead address using the enclosed self-addressed, stamped envelope.

We look forward to hearing from you soon. We would appreciate a response within 30-days of the date of this letter.

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at (512) 656 - 5380 or by email at jarod.poteet@forzaresources.com.

Look forward to hearing from you, Oxbow acquisitions, LLC



Jarod Poteet
As Agent for Invito Operating LLC

Enclosures



ELECTION

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I/we agree to PARTICIPATE in the Well under the term letter under the option entitled "Agree to Participate". (Expression to the Well). I hereby contractually agree to pay the Well.	inclosed is an approved copy of the AFE
I/we choose to NOT PARTICIPATE my interest in the lin the foregoing letter, and I acknowledge that Invito Open my interest.	
Acceptance of any of the above options constitutes a bind valid and sufficient consideration.	ding contract between the parties hereto for
Executed this day of, 2022.	
	(Signature)
	(Printed Name)



August 29, 2022

Attn: Magnolia Royalty Company Inc.

P.O Box 10703

Midland, TX 79702

Via: Certified Mail Return Receipt Requested

Re: Drilling and completion proposal

To Whom it May Concern:

Invito Operating LLC ("IO"), as operator, hereby proposed on May 20, 2022 to Anthem Oil and Gas, Inc. ("Anthem") to drill and complete the Wagoneer #1H well to be drilled to the San Andres formation in Lea County, NM as follows.

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As discussed above, IO previously proposed the Wagoneer #1H well to Anthem. IO now hereby requests your participation in the drilling of the Well and the Unit by offering the following options (revised since the 5/20/2022 offer with revisions shown in **bold**) for your consideration:

Agree to Participate – You agree to participate in the cost and risk of the well by agreeing to
pay your proportionate share of the actual cost to drill, complete, and operate the well. You



agree to execute and return the enclosed AFE. You agree to execute and return an Operating Agreement (A.A.P.L. - 1989 Model Form), which we will prepare and submit for your review and acceptance. The updated Operating Agreement will include, among other terms and conditions, the following: (1) A 200% / á non-consent penalty; (2)

v; (3) and a 2005 COPAS Accounting Procedure providing for a monthly fixed overhead rate per well equal to \$8,000.00 for the drilling well and \$800.00 for a producing well.

The estimated cost to drill, test, complete and equip the Well is approximately \$2,950,000.00. The Well's total estimated dry hole cost is approximately \$1,463,000.00. Please note that these costs are estimates only and should you agree to participate in the well, you shall be responsible and agree to pay for your proportionate share of all of the actual costs incurred.

 <u>Choose to Not Participate</u>— IO plans to pursue compulsory polling for the Unit with the New Mexico Oil Conservation Division ("OCD"). IO will request the OCD compulsory polling of all non-consenting owners in the Unit with alternate risk charges as provide by the applicable statutes of the State of New Mexico. This will apply to those who have chosen to not participate or who have not responded to this letter.

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We look forward to hearing from you soon. We would appreciate a response within 30-days of the date of this letter.

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Look forward to hearing from you, Oxbow acquisitions, LLC



Jarod Poteet
As Agent for Invito Operating LLC

Enclosures



ELECTION

PLEASE SLECT ONE OPTION

I/we agree to PARTICIPATE in the Well under the tern letter under the option entitled "Agree to Participate". (Er relating to the Well). I hereby contractually agree to pay n the Well.	nclosed is an approved copy of the AFE
I/we choose to NOT PARTICIPATE my interest in the Line in the foregoing letter, and I acknowledge that Invito Oper my interest.	
Acceptance of any of the above options constitutes a bind valid and sufficient consideration.	ling contract between the parties hereto for
Executed this day of, 2022.	
	(Signature)
	(Printed Name)

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

APPLICATION OF INVITO OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case 110.	Case	No.				
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APPLICATION

Pursuant to NMSA § 70-2-17, Invito Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 E/2 of Section 12, Township 9 South, Range 33 East, Lea County, New Mexico. In support of its application, Applicant states the following.

- 1. Applicant (OGRID No. 329337) is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the Wagoneer #1H well, which will be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 9 South, Range 33 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12, Township 9 South, Range 33 East.
 - 3. The completed interval of the Well will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all of the interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on August 4, 2022 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- Authorizing Applicant to recover its costs of drilling, equipping and completing the
 Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Jeremy Ian Martin

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

jmartin@hinklelawfirm.com

Counsel for Invito Operating, LLC

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For delivery information, visit our website at www.usps.com

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Adult Signature Restricted Delivery Certified Mail Restricted Deliver Return Receipt (electronic) Adult Signature Required

MAGNOLIA ROYALTY COMPANY, INC MIDLAND, TX 79702 P O BOX 10703

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

See Reverse for Instructions

NMOCD Hearing 10-6-2022 Invitor Operating Case No. 22925 55

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Delivered

Delivered, Individual Picked Up at Post Office

MIDLAND, TX 79701 September 15, 2022, 11:42 am

Available for Pickup

MIDLAND, TX 79702 September 13, 2022, 4:44 pm

Arrived at Post Office

MIDLAND, TX 79701 September 13, 2022, 4:41 pm

Reminder to pick up your item before September 22, 2022

MIDLAND, TX 79702 September 13, 2022

Available for Pickup

MIDLAND, TX 79701 September 8, 2022, 6:20 pm

Departed USPS Regional Origin Facility

COPPELL TX DISTRIBUTION CENTER

September 7, 2022, 12:54 am

NMOCD Hearing 10-6-2022

Feedbac

Arrived at USPS Regional Origin Facility

COPPELL TX DISTRIBUTION CENTER September 7, 2022, 12:51 am

Departed Post Office

FLINT, TX 75762 September 6, 2022, 6:24 pm

USPS in possession of item

FLINT, TX 75762 September 6, 2022, 11:46 am

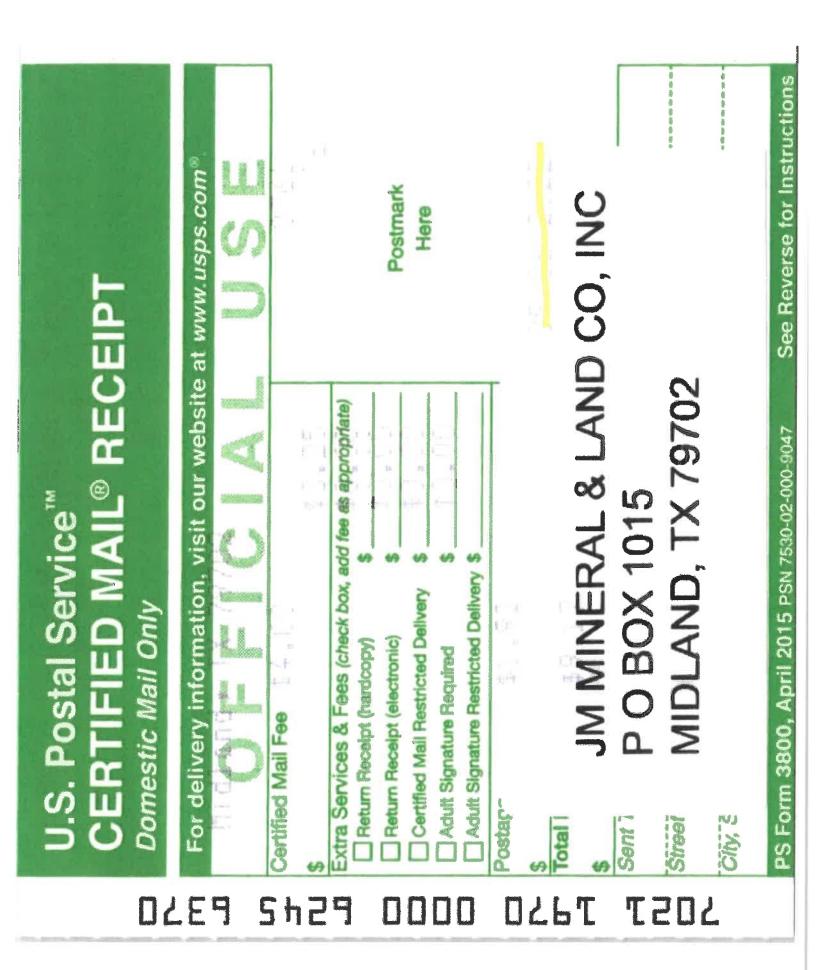
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FAQs



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Latest Update

Your item was picked up at the post office at 11:42 am on September 15, 2022 in MIDLAND, TX 79701.

Delivered

Delivered, Individual Picked Up at Post Office

MIDLAND, TX 79701

September 15, 2022, 11:42 am

Available for Pickup

MIDLAND, TX 79702 September 13, 2022, 4:44 pm

Arrived at Post Office

MIDLAND, TX 79701 September 13, 2022, 4:41 pm

Reminder to pick up your item before September 22, 2022

MIDLAND, TX 79702 September 13, 2022

Available for Pickup

MIDLAND, TX 79701 September 8, 2022, 6:19 pm

Departed USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER

September 8, 2022, 12:29 am

NMOCD Hearing 10-6-2022

reed

Arrived at USPS Regional Destination Facility

MIDLAND TX DISTRIBUTION CENTER September 7, 2022, 9:12 pm

Departed USPS Regional Origin Facility

COPPELL TX DISTRIBUTION CENTER September 7, 2022, 12:53 am

Arrived at USPS Regional Origin Facility

COPPELL TX DISTRIBUTION CENTER September 7, 2022, 12:50 am

Departed Post Office

FLINT, TX 75762 September 6, 2022, 6:24 pm

USPS in possession of item

FLINT, TX 75762 September 6, 2022, 11:48 am

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NMOCD Hearing 10-6-2022

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