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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 23997-23999

## FLAT CREEK RESOURCES, LLC



## Jawbone Fed Com BS #1H, #2H, #3H Wells

January 4, 2024

Revised Exhibits (Exhibits A4 and A5)

### **Table of Contents**

	Tab
Checklists	
Applications	2
Affirmation of Landma	n Michael Gregory – Exhibit A
Exhibit A-1:	General Location Map
Exhibits A-2:	Tract Maps
Exhibits A-3:	Tract Ownership Maps
Exhibits A-4:	Revised Ownership Breakdowns, Parties to be Pooled, and Leases
Exhibits A-5:	Revised Chronologies of Contacts
Exhibit A-6:	C-102s
Exhibit A-7:	Well Proposal Letters and AFEs
Exhibit A-8:	Notice Letter
Exhibit A-9:	Sundry Notices
Affirmation of Geologi	st Thomas M. Anderson – Exhibit B4
Exhibit B-1:	Location Map with Delaware Basin
Exhibit B-2:	Gun Barrel diagram
Exhibit B-3:	Third Bone Spring TVDSS Structure Map
Exhibit B-4:	Cross Section Reference Map
Exhibit B-5:	Stratigraphic Cross-Section
Exhibit B-6:	Third Bone Spring Gross Isochore
Affirmation of Notice -	- Exhibit C5
Exhibit C-1:	Certified Mailings
Exhibit C-2:	Affidavit of Publication

Tab 1.

### COMPULSORY POOLING APPLICATION CHECKLIST

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 23997 **APPLICANT'S RESPONSE** Date December 7, 2023 **Applicant** Flat Creek Resources, LLC Designated Operator & OGRID (affiliation if applicable) Flat Creek Resources, LLC, 374034 Montgomery & Andrews, P.A. (Sharon T. Shaheen and Applicant's Counsel: Samantha H. Catalano) Application of Flat Creek Resources, LLC for Compulsory Case Title: Pooling, Eddy County, New Mexico Entries of Appearance/Intervenors: Durango Production Company; Spur Energy Partners LLC Well Family Jawbone Fed Com BS Wells Formation/Pool Formation Name(s) or Vertical Extent: Bone Spring formation Primary Product (Oil or Gas): Oil Pooling this vertical extent: **Bone Spring formation** Pool Name and Pool Code: COTTONWOOD DRAW; BONE SPRING (O) [97494] Well Location Setback Rules: Statewide rules Spacing Unit Type (Horizontal/Vertical) Horizontal Size (Acres) 320 acres, more or less **Building Blocks:** Quarter-quarter section (40 ac) Orientation: South - North E/2 E/2 of Section 2, Township 25 South, Range 26 East, Description: TRS/County and E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, NM Standard Horizontal Well Spacing Unit (Y/N), If No, describe and Yes is approval of non-standard unit requested in this application? Other Situations Depth Severance: Y/N. If yes, description n/a Proximity Tracts: If yes, description n/a Proximity Defining Well: if yes, description Applicant's Ownership in Each Tract See Exhibits A-3 Well(s) Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)

Received by OCD: 1/2/2024 5:16:41 PM  Well #1	Jawbone Fed Com BS #1H well. API No. Pending. SHL: 200' FSL and 1,050' FEL of Section 2, T25S-R26E, NM. BHL: 50' FNL and 770' FEL of Section 35, T24S-R26E, NM. Completion Target: Bone Spring Formation at approx. 7,691'. Well Orientation: South to North. Completion location expected to be standard.	
Horizontal Well First and Last Take Points	FTP (~100' FSL and 770' FEL of Section 2) LTP (~ 100' FNL and 770' FEL of Section 35)	
Completion Target (Formation, TVD and MD)	Bone Spring Formation TVD: ~7,691' MD: ~17,919'	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000, see Exhibit A at 1, ¶ 22	
Production Supervision/Month \$	\$800, see Exhibit A at 1, ¶ 22	
Justification for Supervision Costs	See AFEs at Exhibit A-4	
Requested Risk Charge	200%, see Exhibit A at 1, ¶ 23	
Notice of Hearing		
Proposed Notice of Hearing	Submitted with online filing of Application	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibits A-3 and A-4	
Tract List (including lease numbers and owners)	Exhibits A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	n/a	
Pooled Parties (including ownership type)	See Exhibits A-4	
Unlocatable Parties to be Pooled	See Exhibit C and Exhibit A attached thereto	
Ownership Depth Severance (including percentage above & below)	n/a	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-7	
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-4	
Chronology of Contact with Non-Joined Working Interests	Exhibits A-5	
Overhead Rates In Proposal Letter	See Exhibit A-7 at 1	
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7	
Cost Estimate to Equip Well	See AFE at Exhibit A-7	
Cost Estimate for Production Facilities	See AFE at Exhibit A-7	
Geology		
Summary (including special considerations)	See Exhibit B, and Exhibits B-1 through B-6	

Spatengivenite Chemiatia/2024 5:16:41 PM	Exhibits A-2 and A-3 Page	6 of 1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2	
Well Orientation (with rationale)	See Exhibit B, ¶ 13	
Target Formation	Exhibit B-5	
HSU Cross Section	Exhibits B-4 and B-5	
Depth Severance Discussion	n/a	
Forms, Figures and Tables		
C-102	Exhibit A-6	
Tracts	Exhibits A-2 and A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3 and A-4	
General Location Map (including basin)	Exhibits A-1 and B-1	
Well Bore Location Map	Exhibit B-3; see Exhibit A-6	
Structure Contour Map - Subsea Depth	Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-4	
Cross Section (including Landing Zone)	Exhibit B-5	
Additional Information		
Special Provisions/Stipulations	n/a	1
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen	
Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen	1
Date:	12/5/2023	

### CONTRUCTORY POOLING APPLICATION CHECKLIST

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS **APPLICANT'S RESPONSE** Case: 23998 Date December 7, 2023 **Applicant** Flat Creek Resources, LLC Designated Operator & OGRID (affiliation if applicable) Flat Creek Resources, LLC, 374034 Montgomery & Andrews, P.A. (Sharon T. Shaheen and Applicant's Counsel: Samantha H. Catalano) Application of Flat Creek Resources, LLC for Compulsory Case Title: Pooling, Eddy County, New Mexico Entries of Appearance/Intervenors: Durango Production Company; Spur Energy Partners LLC Well Family Jawbone Fed Com BS Wells Formation/Pool Formation Name(s) or Vertical Extent: Cottonwood Draw; Bone Spring formation Primary Product (Oil or Gas): Oil Pooling this vertical extent: **Bone Spring formation** Pool Name and Pool Code: COTTONWOOD DRAW; BONE SPRING (O) [97494] Well Location Setback Rules: Statewide rules **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 640 acres, more or less **Building Blocks:** Quarter-quarter section (40 ac) Orientation: South - North W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 E/2 and E/2 W/2 of Section Description: TRS/County 35, Township 24 South, Range 26 East, in Eddy County, NM Standard Horizontal Well Spacing Unit (Y/N), If No, describe and Yes is approval of non-standard unit requested in this application? Other Situations Depth Severance: Y/N. If yes, description n/a Yes, E/2 W/2 of Section 2, T25S, R26E and E/2 W/2 of Proximity Tracts: If yes, description Section 35, T24S, R26E Proximity Defining Well: if yes, description Jawbone Fed Com BS #2H Applicant's Ownership in Each Tract See Exhibits A-3 Well(s) Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)

Received by OCD: 1/2/2024 5:16:41 PM  Well #1	Page & of Jawbone Fed Com BS #2H well. API No. 30-015-49459.  SHL: 200' FSL and 1,070' FEL of Section 2, T25S-R26E, NM. BHL: 50' FNL and 2,501' FEL of Section 35, T24S-R26E, NM. Completion Target: Bone Spring Formation at approx. 7,691'. Well Orientation: South to North. Completion location expected to be standard for a proximity well.	
Horizontal Well First and Last Take Points	FTP (~100' FSL and 2,555' FEL of Section 2, T25S-R26E). LTP (~ 100' FNL and 2,501' FEL of Section 35, T24S, R26E)	
Completion Target (Formation, TVD and MD)	Bone Spring Formation TVD: ~7,691' MD: ~18,185'	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000, see Exhibit A at 1, ¶ 22	
Production Supervision/Month \$	\$800, see Exhibit A at 1, ¶ 22	
Justification for Supervision Costs	See AFEs at Exhibit A-7	
Requested Risk Charge	200%, see Exhibit A at 1, ¶ 23	
Notice of Hearing		
Proposed Notice of Hearing	Submitted with online filing of Application	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibits A-3 and A-4	
Tract List (including lease numbers and owners)	Exhibits A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	n/a	
Pooled Parties (including ownership type)	See Exhibits A-4	
Unlocatable Parties to be Pooled	See Exhibit C and Exhibit A attached thereto	
Ownership Depth Severance (including percentage above & below)	n/a	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-7	
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-4	
Chronology of Contact with Non-Joined Working Interests	Exhibits A-5	
Overhead Rates In Proposal Letter	See Exhibit A-7 at 1	
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7	
Cost Estimate to Equip Well	See AFE at Exhibit A-7	
Cost Estimate for Production Facilities	See AFE at Exhibit A-7	
Geology		
Summary (including special considerations)	See Exhibit B, and Exhibits B-1 through B-6	

Released to Imaging: 1/3/2024 11:40:00 AM

Spatengived by Chatile/2024 5:16:41 PM	Exhibits A-2 and A-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	See Exhibit B, ¶ 13
Target Formation	Exhibit B-5
HSU Cross Section	Exhibits B-4 and B-5
Depth Severance Discussion	n/a
Forms, Figures and Tables	
C-102	Exhibit A-6
Tracts	Exhibits A-2 and A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3 and A-4
General Location Map (including basin)	Exhibits A-1 and B-1
Well Bore Location Map	Exhibit B-3; see Exhibit A-6
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	n/a
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen
Date:	12/5/2023

## COMPULSORY POOLING APPLICATION CHECKLIST

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23999	APPLICANT'S RESPONSE
Date	December 7, 2023
Applicant	Flat Creek Resources, LLC
Designated Operator & OGRID (affiliation if applicable)	Flat Creek Resources, LLC, 374034
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon T. Shaheen and Samantha H. Catalano)
Case Title:	Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Durango Production Company; Spur Energy Partners LLC
Well Family	Jawbone Fed Com BS Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	COTTONWOOD DRAW; BONE SPRING (O) [97494]
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South - North
Description: TRS/County	W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	n/a
Proximity Tracts: If yes, description	n/a
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	See Exhibits A-3
Well(s)	

Nathe & AP by i Daspig ned) 24 of a ceranic Woottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Page 11 of
Well #1	Jawbone Fed Com BS #3H well. API No. Pending. SHL: 396' FSL and 1,156' FWL of Section 2, T25S-R26E, NM. BHL: 50' FNL and 680' FWL of Section 35, T24S-R26E, NM. Completion Target: Bone Spring Formation at approx. 7,705'. Well Orientation: South to North. Completion location expected to be standard.
Horizontal Well First and Last Take Points	FTP (~100' FSL and 680' FWL of Section 2) LTP (~ 100' FNL and 680' FWL of Section 35)
Completion Target (Formation, TVD and MD)	Bone Spring Formation TVD: ~7,705' MD: ~18,078'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, see Exhibit A at 1, ¶ 3
Production Supervision/Month \$	\$800, see Exhibit A at 1, ¶ 3
Justification for Supervision Costs	See AFEs at Exhibit A-4
Requested Risk Charge	200%, see Exhibit A at 1, ¶ 3
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits A-3 and A-4
Tract List (including lease numbers and owners)	Exhibits A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	n/a
Pooled Parties (including ownership type)	See Exhibits A-4
Unlocatable Parties to be Pooled	See Exhibit C and Exhibit A attached thereto
Ownership Depth Severance (including percentage above & below)	n/a
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-4
Chronology of Contact with Non-Joined Working Interests	Exhibits A-5
Overhead Rates In Proposal Letter	See Exhibit A-7 at 1
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7

Costeesingthe PGP backton Flatifities	See AFE at Exhibit A-7	Page 12 of
Geology		
Summary (including special considerations)	See Exhibit B, and Exhibits B-1 through	B-6
Spacing Unit Schematic	Exhibits A-2 and A-3	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2	
Well Orientation (with rationale)	See Exhibit B, ¶ 13	
Target Formation	Exhibit B-5	
HSU Cross Section	Exhibits B-4 and B-5	
Depth Severance Discussion	n/a	
Forms, Figures and Tables		
C-102	Exhibit A-6	
Tracts	Exhibits A-2 and A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3 and A-4	
General Location Map (including basin)	Exhibits A-1 and B-1	
Well Bore Location Map	Exhibit B-3; see Exhibit A-6	
Structure Contour Map - Subsea Depth	Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-4	
Cross Section (including Landing Zone)	Exhibit B-5	
Additional Information		
Special Provisions/Stipulations	n/a	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and ac	curate.
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen	
Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen	
Date:	12/5/2023	

Tab 2.

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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No.
----------

#### **APPLICATION**

Flat Creek Resources, LLC, OGRID No. 374034 ("Flat Creek" or "Applicant"), as operator and on behalf of FE Permian Owner I, LLC, as working interest owner, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. In support of its application, Flat Creek states as follows:

- 1. Flat Creek is the operator acting on behalf of FE Permian Owner I, LLC, a working interest owner in the proposed HSU, which has the right to drill thereon.
  - 2. Flat Creek proposes to drill the following 2-mile well in the proposed HSU:
    - **Jawbone Fed Com BS #1H** well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E.
- 3. The completed interval and first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

- 4. Flat Creek has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.
- 5. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. In order to permit Flat Creek to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Flat Creek should be designated the operator of the HSU.

WHEREFORE, Flat Creek requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 320-acre, more or less, HSU comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico;
  - B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the HSU: **Jawbone Fed Com BS #1H** well;
  - D. Designating Flat Creek as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Flat Creek to recover its costs of drilling, equipping and completing the well;
- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Flat Creek in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
Sharon T. Shaheen
Samantha H. Catalano
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com
scatalano@montand.com
ec: wmcginnis@montand.com

Attorneys for Flat Creek Resources, LLC

Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No.	
Case No.	

#### **APPLICATION**

Flat Creek Resources, LLC, OGRID No. 374034 ("Flat Creek" or "Applicant"), as operator and on behalf of FE Permian Owner I, LLC, a working interest owner, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. In support of its application, Flat Creek states as follows:

- 1. Flat Creek is the operator acting on behalf of FE Permian Owner I, LLC, a working interest owner in the proposed HSU, which has the right to drill thereon.
  - 2. Flat Creek proposes to drill the following 2-mile well in the proposed HSU:
    - **Jawbone Fed Com BS #2H** well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E.
  - 3. The **Jawbone Fed Com BS #2H** well is a proximity well.

- 4. With the proximity tracts, the completed interval and first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells.
- 5. Flat Creek has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.
- 6. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. In order to permit Flat Creek to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Flat Creek should be designated the operator of the HSU.

WHEREFORE, Flat Creek requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 640-acre, more or less, HSU comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico;
  - B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the HSU: Jawbone Fed ComBS #2H well;
  - D. Designating Flat Creek as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Flat Creek to recover its costs of drilling, equipping and completing the well;

- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% penalty for the risk assumed by Flat Creek in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
Sharon T. Shaheen
Samantha H. Catalano
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com
scatalano@montand.com
ec: wmcginnis@montand.com

Attorneys for Flat Creek Resources, LLC

Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New *Mexico*. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E. With the proximity tracts, the completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No.	

#### **APPLICATION**

Flat Creek Resources, LLC, OGRID No. 374034 ("Flat Creek" or "Applicant"), as operator and on behalf of FE Permian Owner I, LLC, as working interest owner, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. In support of its application, Flat Creek states as follows:

- 1. Flat Creek is the operator acting on behalf of FE Permian Owner I, LLC, a working interest owner in the proposed HSU, which has the right to drill thereon.
  - 2. Flat Creek proposes to drill the following 2-mile well in the proposed HSU:
    - **Jawbone Fed Com BS #3H** well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E.
- 3. The completed interval and first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

- 4. Flat Creek has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.
- 5. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. In order to permit Flat Creek to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Flat Creek should be designated the operator of the HSU.

WHEREFORE, Flat Creek requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 320-acre, more or less, HSU comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico;
  - B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the HSU: **Jawbone Fed Com BS #3H** well;
  - D. Designating Flat Creek as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Flat Creek to recover its costs of drilling, equipping and completing the well;
- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Flat Creek in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
Sharon T. Shaheen
Samantha H. Catalano
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com
scatalano@montand.com
ec: wmcginnis@montand.com

Attorneys for Flat Creek Resources, LLC

Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Tab 3.

Received by OCD: 1/2/2024 5:16:41 PM

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

APPLICATIONS OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, **EDDY COUNTY, NEW MEXICO** 

Case Nos. 23997-23999

**AFFIRMATION OF LANDMAN MICHAEL GREGORY** 

I, Michael Gregory, make the following self-affirmed statement:

1. I am over the age of 18, and have the capacity to execute this affirmation, which is

based on my personal knowledge.

2. I am employed as the Vice President of Land for Flat Creek Resources, LLC ("Flat

Creek" or "Applicant"), and I am familiar with the subject applications and the lands involved.

3. This affirmation is submitted in connection with the filing by Flat Creek of the

above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.

4. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum land matters. My education and work experience are as follows: I

graduated from Texas Tech University with a bachelor's degree in Energy Commerce in 2008.

After graduation, I worked as a Senior Landman at XTO Energy for approximately ten years. I

have worked for Flat Creek since June 2018. I have worked on New Mexico land matters for

approximately eight years.

5. The purpose of these applications is to force pool working interest owners into the

horizontal spacing units ("HSU") described below and in the wells to be drilled in the HSUs.

6. The interest owners being pooled have been contacted regarding the proposed

wells, but have failed or refused to voluntarily commit their interest in the wells.

Exhibit A

Flat Creek Resource

Case Nos. 23997-23999

- 7. In Case No. 23997, Applicant seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well (API# 30-015-49457), to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 50' FNL and 770' FEL of Section 2, T25S-R26E. The first take point will be located at approximately 100' FSL and 770' FEL of Section 2, T25S-R26E. The last take point will be located at approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The last take point will be located at approximately 100' FNL and 770' FEL of Section 35, T24S-R26E.
- 8. In Case No. 23998, Applicant seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #2H well (API# 30-015-49459), to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 50' FNL and 2,501' FEL of Section 35, T24S-R26E. The first take point will be located at approximately 100' FSL and 2,555' FEL of Section 2, T25S-R26E. The last take point will be located at approximately 100' FNL and 2,501' FEL of Section 35, T24S-R26E.

- 9. In Case No. 23999, Applicant seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well (API# 30-015-49664), to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 50' FNL and 680' FWL of Section 35, T24S-R26E. The first take point will be located at approximately 100' FSL and 680' FWL of Section 2, T25S-R26E. The last take point will be located at approximately 100' FNL and 680' FWL of Section 35, T24S-R26E.
- 10. Applicant is in the process of changing the well names on the permits from Jawbone Fed Com LW #13H, #14H, and #15H to Jawbone Fed Com BS #1H, #2H, and #3H, respectively. In addition, Applicant has submitted sundry notices changing the depths in the permits from the Wolfcamp formation to the Bone Spring formation. The sundry notices are attached hereto as Exhibit A-9.
- 11. The first and last take points and completed intervals for all proposed wells will meet the setback requirements set forth in the statewide rules for horizontal oil wells and special pool rules or statewide rules, as applicable, for horizontal oil wells.
  - 12. A general location map is attached as **Exhibit A-1**.
  - 13. Maps illustrating the tracts in the proposed HSUs are attached as **Exhibits A-2**.
- 14. Maps illustrating the ownership in each tract are attached as **Exhibits A-3**. FE Permian Owner I, LLC ("FE Permian") is a partnership that Flat Creek manages whereby FE

Permian is the record title owner of Flat Creek and FE Permian's leasehold and minerals. Flat Creek is the designated operator and manager of these assets pursuant to a Management Services Agreement between the parties.

- 15. Unit ownership and lists of pertinent leases are included as **Exhibits A-4**. The parties being forcepooled are highlighted in yellow. There are no depth severances in the formations being pooled.
- 16. A chronology of contacts with the non-joined working interest owners to be pooled is attached as **Exhibits A-5**.
- 17. The locations of the proposed wells within the respective HSUs are depicted in the C-102 forms attached as **Exhibit A-6**. The C-102 forms also indicate the locations of each surface hole, bottom hole, and the first and last take points.
- 18. Flat Creek conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification.
- 19. Flat Creek mailed all parties well proposals, including an Authorization for Expenditure ("AFE") for each well. **Exhibit A-7** includes a copy of each well proposal letter and AFEs for the proposed wells. The estimated costs of the wells set forth in the AFEs are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 20. **Exhibit A-8** is a sample copy of the notice letter that was sent with the applications to the uncommitted working interest owners to be pooled in the proposed HSUs, to the Bureau of Land Management, and to the State Land Office.

- 21. Flat Creek has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.
- 22. Flat Creek requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures.
- 23. Flat Creek requests the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners.
  - 24. Flat Creek requests that it be designated operator of the wells.
- 25. The exhibits hereto were prepared by me or compiled from Flat Creek's business records.
- 26. The granting of the Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 27. The foregoing is correct and complete to the best of my knowledge and belief.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

12/5/2023

ichael Gregory DATE

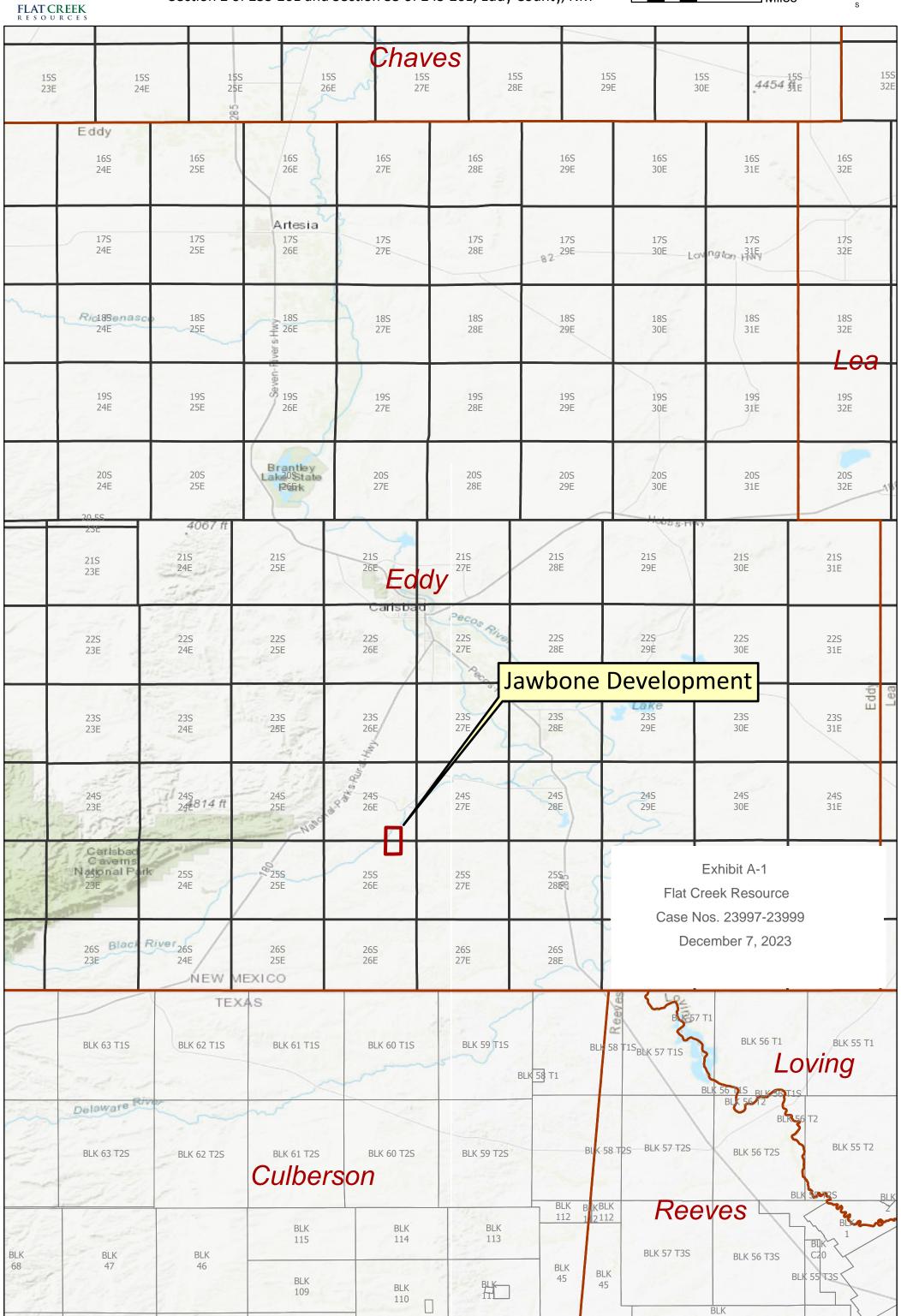
Received by OCD: 1/2/2024 5:16:41 PM

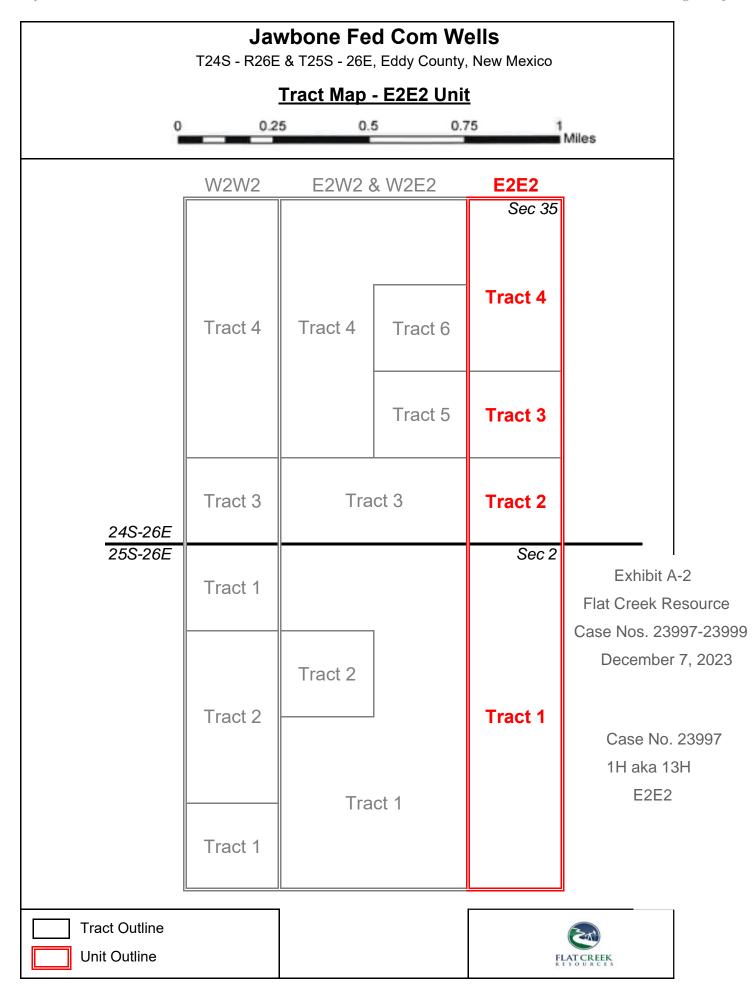
Released to Imaging: 1/3/2024 11:40:00 AM

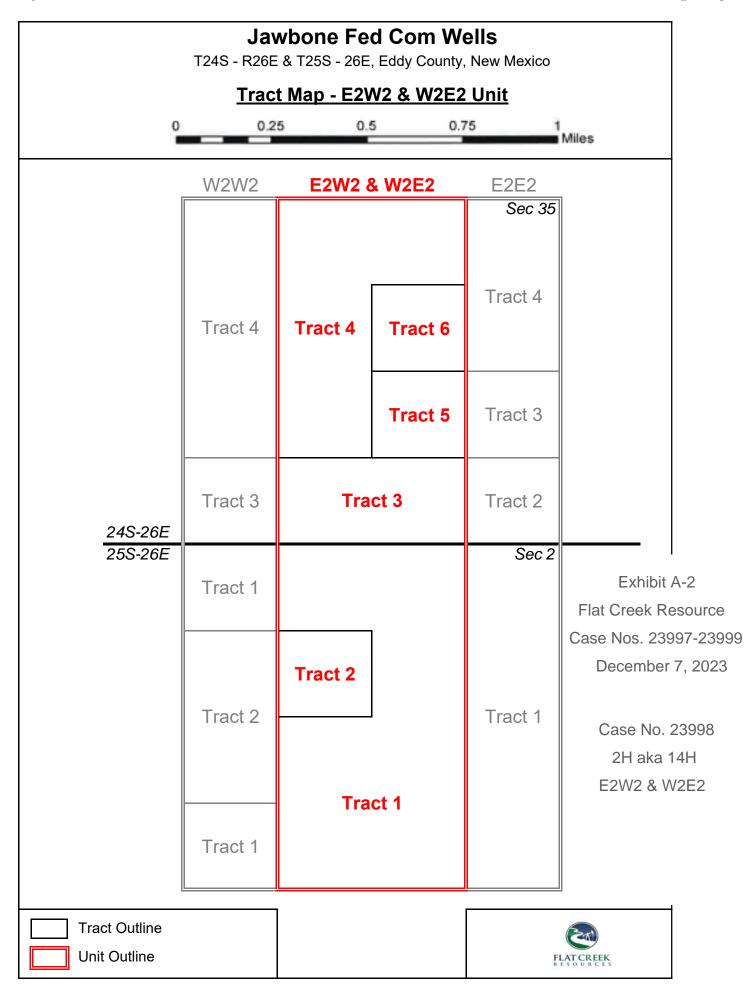
Jawbone Development
Section 2 of 25S-26E and Section 35 of 24S-26E, Eddy County, NM

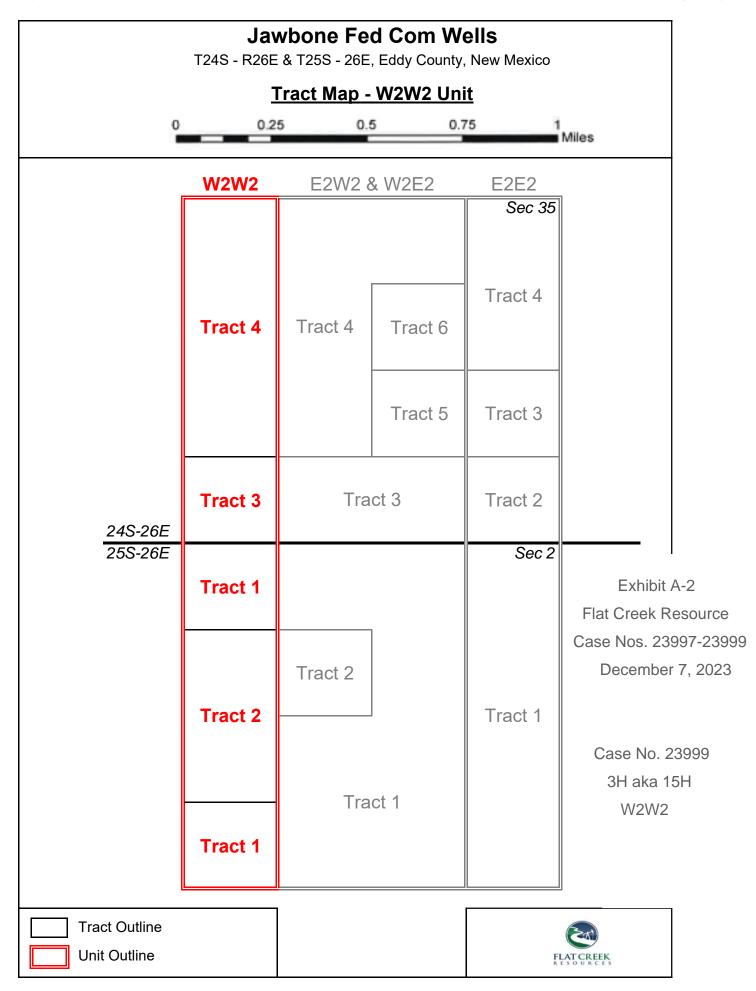
0 2.5 5 10 W E Miles

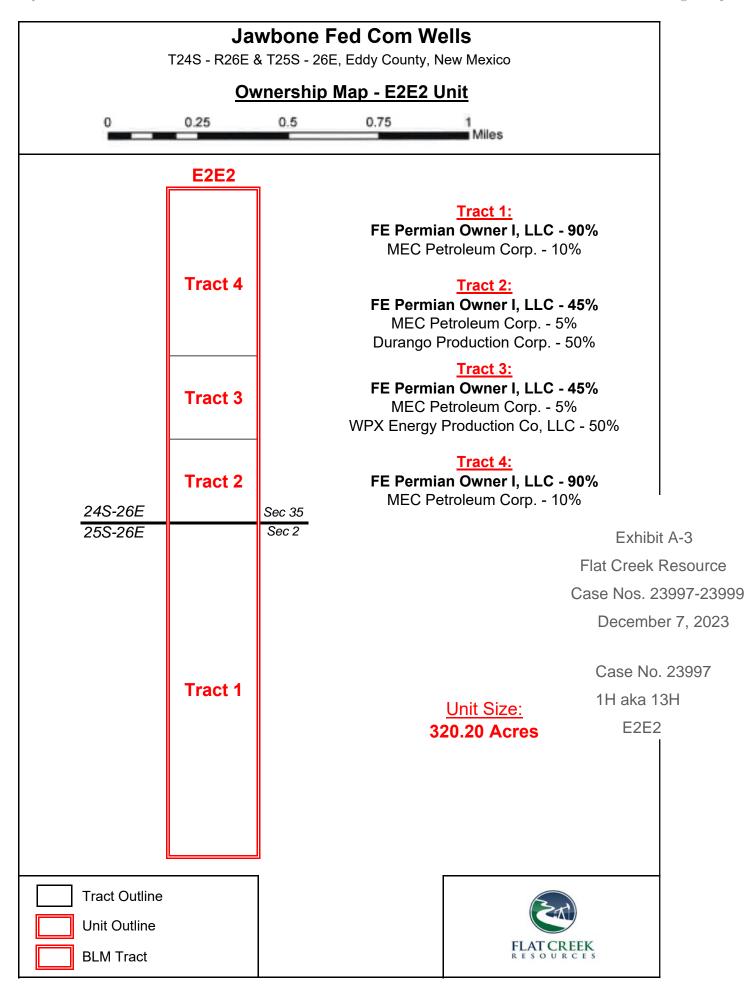
C21

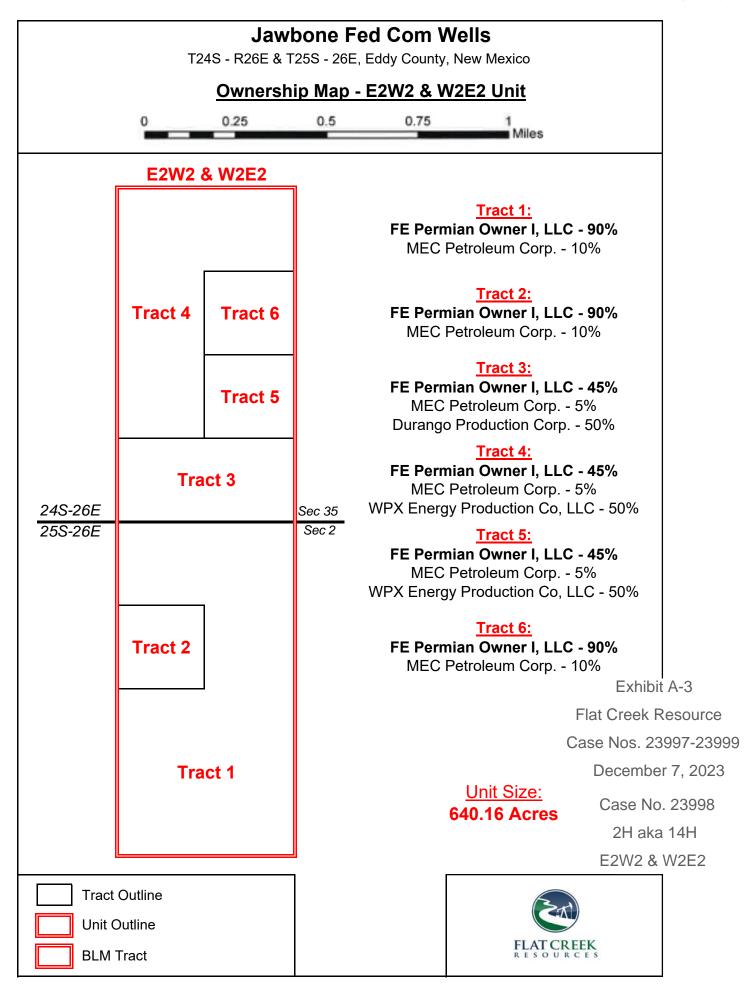


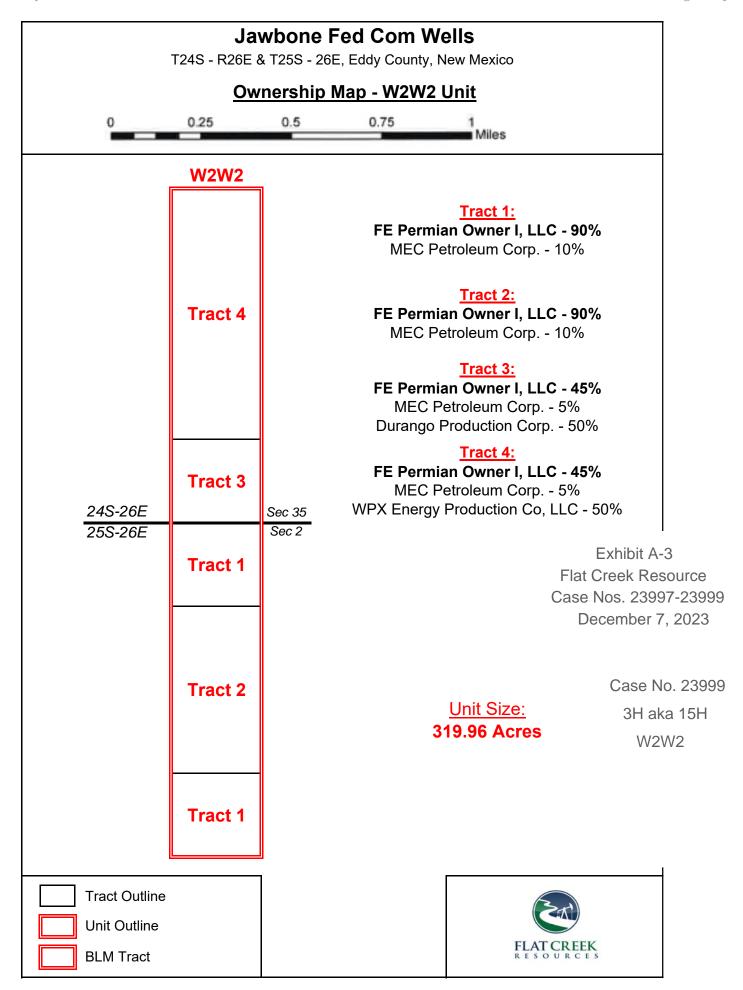












## Ownership Breakdown - E2E2 Unit

NOTE: The parties being force pooled are highlighted in yellow.

Owner Name	Address	Ownership Type Tract(s)		Unit Net Acres	Unit Working Interest	Unit ORRI
FE Permian Owner I, LLC	777 Main Street, Suite 3600 Fort Worth, TX 76102	Leasehold Interest	1, 2, 3, 4	252.18	78.7570%	n/a
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	28.02	8.7508%	n/a
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	2	20.00	6.2461%	n/a
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	3	20.00	6.2461%	n/a
Murchison Oil and Gas, LLC	7250 Dallas Pkwy, Ste 1400 Plano, Texas 75024	Overriding Royalty Interest	1, 2, 3, 4	n/a	n/a	0.7876%
Pegasus Resources II, LLC	P.O. Box 470698 Fort Worth, TX 76147	Overriding Royalty Interest	4	n/a	n/a	0.4963%
SEP Permian Holding Corporation	P.O. Box 79840 Houston, Texas 77279	Overriding Royalty Interest	4	n/a	n/a	0.9089%
Paloma Natural Gas Holdings, LLC	1100 Louisiana, Suite 5100 Houston, Texas 77002	Overriding Royalty Interest	4	n/a	n/a	0.0280%
Permian Basin GIF I, LLC	P.O. Box 470844 Fort Worth, TX 76147	Overriding Royalty Interest	4	n/a	n/a	0.0781%
A. G. Andrikopoulos Resources, Inc.	P.O. Box 788 Cheyenne, WY 82003-0788	Overriding Royalty Interest	4	n/a	n/a	0.2082%
Shogoil & Gas Co., LLC	P.O. Box 209 Hay Springs, NE 69347	Overriding Royalty Interest	4	n/a	n/a	0.1041%
Shogoil & Gas Co. II, LLC	P.O. Box 29450 Santa Fe, NM 87592-9450	Overriding Royalty Interest	4	n/a	n/a	0.1041%
Sydhan, LP	P.O. Box 92349 Austin, TX 78709-2349	Overriding Royalty Interest	4	n/a	n/a	0.2082%
Lisha N. Davila Kovacevic	3481 Hickory Court Marietta, GA 30062	Overriding Royalty Interest	4	n/a	n/a	0.0251%
Summer Lorraine Davila	5326 Blossom Drive Sugar Hill, GA 30518	Overriding Royalty Interest	4	n/a	n/a	0.0251%
Concho Resources, Inc.	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	3	n/a	n/a	0.5934%
Concho Oil & Gas LLC	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	3	n/a	n/a	0.0312%
			TOTALS	320.20	100.0000%	3.5983%

#### Lease Schedule - E2E2 Unit

Lessor	Lessee	Effective Date	S, T, R	County, State	Unit Tract	Vol / Page
State of NM - L 896	Pubco Petroleum Corp	05/21/1968	Sec 2, 25S, 26E	Eddy, NM	1	61 / 512
USA NMNM 0441951	J H Leib, et al	10/01/1963	Sec 35, 24S, 26E	Eddy, NM	2	n/a
USA NMNM 16625	Ruby E Burkhead	09/01/1972	Sec 35, 24S, 26E	Eddy, NM	3	n/a
USA NMNM 21158	WR Carter & Frank W McKinney	06/01/1974	Sec 35, 24S, 26E	Eddy, NM	4	n/a

Revised Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

Case No. 23997 1H aka 13H E2E2

#### Ownership Breakdown - E2W2 & W2E2 Unit

#### NOTE: The parties being force pooled are highlighted in yellow.

Owner Name	Address	Ownership Type	Tract(s)	Unit Net Acres	Unit Working Interest	Unit ORRI
FE Permian Owner I, LLC	777 Main Street, Suite 3600 Fort Worth, TX 76102	Leasehold Interest	1, 2, 3, 4, 5, 6	450.14	70.3174%	n/a
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4, 5, 6	50.02	7.8130%	n/a
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	40.00	6.2484%	n/a
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4, 5	100.00	15.6211%	n/a
Murchison Oil & Gas, LLC	7250 Dallas Pkwy, Ste 1400 Plano, Texas 75024	Overriding Royalty Interest	1, 2, 3, 4, 5, 6	n/a	n/a	0.7032%
EL Latham Co.	P. O. Box 100912 Fort Worth, Texas 76185	Overriding Royalty Interest	2	n/a	n/a	0.0976%
1B4S Enterprises, LLC	3203 Bowie Street Amarillo, Texas 79109	Overriding Royalty Interest	2	n/a	n/a	0.0586%
Blue Hole Investments	5210 W Verde Circle Benbrook, Texas 76126	Overriding Royalty Interest	2	n/a	n/a	0.0586%
Mumford & Company	11601 Woodmar NE Albuquerque, NM 87111	Overriding Royalty Interest	2	n/a	n/a	0.0586%
Pegasus Resources II, LLC	P.O. Box 470698 Fort Worth, TX 76147	Overriding Royalty Interest	2, 6	n/a	n/a	0.2413%
SEP Permian Holding Corporation	P.O. Box 79840 Houston, Texas 77279	Overriding Royalty Interest	6	n/a	n/a	0.2273%
Paloma Natural Gas Holdings, LLC	1100 Louisiana, Suite 5100 Houston, Texas 77002	Overriding Royalty Interest	6	n/a	n/a	0.0070%
Permian Basin GIF I, LLC	P.O. Box 470844 Fort Worth, TX 76147	Overriding Royalty Interest	6	n/a	n/a	0.0195%
A. G. Andrikopoulos Resources, Inc.	P.O. Box 788 Cheyenne, WY 82003-0788	Overriding Royalty Interest	6	n/a	n/a	0.0521%
Shogoil & Gas Co., LLC	P.O. Box 209 Hay Springs, NE 69347	Overriding Royalty Interest	6	n/a	n/a	0.0260%
Shogoil & Gas Co. II, LLC	P.O. Box 29450 Santa Fe, NM 87592-9450	Overriding Royalty Interest	6	n/a	n/a	0.0260%
Sydhan, LP	P.O. Box 92349 Austin, TX 78709-2349	Overriding Royalty Interest	6	n/a	n/a	0.0521%
Lisha N. Davila Kovacevic	3481 Hickory Court Marietta, GA 30062	Overriding Royalty Interest	6	n/a	n/a	0.0063%
Summer Lorraine Davila	5326 Blossom Drive Sugar Hill, GA 30518	Overriding Royalty Interest	6	n/a	n/a	0.0063%
Concho Resources, Inc.	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	5	n/a	n/a	0.2968%
Concho Oil & Gas LLC	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	5	n/a	n/a	0.0156%
			TOTALS	640.16	100.0000%	1.9529%

#### Lease Schedule - E2W2 & W2E2 Unit

Lessor	Lessee	Effective Date	S, T, R	County, State	Unit Tract	Vol / Page
State of NM - L 896	Pubco Petroleum Corp	05/21/1968	Sec 2, 25S, 26E	Eddy, NM	1	61 / 512
State of NM - L 6921	EL Latham Jr.	02/01/1972	Sec 2, 25S, 26E	Eddy, NM	2	91 / 290
USA NMNM 0441951	J H Leib, et al	10/01/1963	Sec 35, 24S, 26E	Eddy, NM	3	n/a
Wayne Moore, et al	Earl Whisnand	10/10/1972	Sec 35, 24S, 26E	Eddy, NM	4	91 / 766
USA NMNM 16625	Ruby E Burkhead	09/01/1972	Sec 35, 24S, 26E	Eddy, NM	5	n/a
USA NMNM 21158	WR Carter & Frank W McKinney	06/01/1974	Sec 35, 24S, 26E	Eddy, NM	6	n/a

Revised Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

Case No. 23998 2H aka 14H E2W2 & W2E2

#### Ownership Breakdown - W2W2 Unit

#### NOTE: The parties being force pooled are highlighted in yellow.

Owner Name	Address	Ownership Type	Tract(s)	Unit Net Acres	Unit Working Interest	Unit ORRI
FE Permian Owner I, LLC	777 Main Street, Suite 3600 Fort Worth, TX 76102	Leasehold Interest	1, 2, 3, 4	215.96	67.4972%	n/a
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	24.00	7.4997%	n/a
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	20.00	6.2508%	n/a
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4	60.00	18.7523%	n/a
Murchison Oil & Gas, LLC	7250 Dallas Pkwy, Ste 1400 Plano, Texas 75024	Overriding Royalty Interest	1, 2, 3, 4	n/a	n/a	0.6750%
EL Latham Co.	P. O. Box 100912 Fort Worth, Texas 76185	Overriding Royalty Interest	2	n/a	n/a	0.3907%
1B4S Enterprises, LLC	3203 Bowie Street Amarillo, Texas 79109	Overriding Royalty Interest	2	n/a	n/a	0.2344%
Blue Hole Investments	5210 W Verde Circle Benbrook, Texas 76126	Overriding Royalty Interest	2	n/a	n/a	0.2344%
Mumford & Company	11601 Woodmar NE Albuquerque, NM 87111	Overriding Royalty Interest	2	n/a	n/a	0.2344%
Pegasus Resources II, LLC	P.O. Box 470698 Fort Worth, TX 76147	Overriding Royalty Interest	2	n/a	n/a	0.4688%
			TOTALS	319.96	100.0000%	2.2377%

#### Lease Schedule - W2W2 Unit

Lessor	Lessee	Effective Date	S, T, R	County, State	Unit Tract	Vol / Page
State of NM - L 896	Pubco Petroleum Corp	05/21/1968	Sec 2, 25S, 26E	Eddy, NM	1	61 / 512
State of NM - L 6921	EL Latham Jr.	02/01/1972	Sec 2, 25S, 26E	Eddy, NM	2	91 / 290
USA NM 0441951	J H Leib, et al	10/01/1963	Sec 35, 24S, 26E	Eddy, NM	3	n/a
Wayne Moore, et al	Earl Whisnand	10/10/1972	Sec 35, 24S, 26E	Eddy, NM	4	91 / 766

Revised Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

Case No. 23999 3H aka 15H W2W2

# **Chronology of Contacts - E2E2 Unit**

Owner Name	Address	Ownership Type	Tract(s)	Contact Summary (2023)
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	9/12 - Introductory phone call 10/3 - Mailed well proposal to MEC 10/10 - Emails addressing questions from MEC 11/2 - MEC advised Flat Creek that it will participate 11/6 - Emails regarding development timing 12/7 - 12/8 - Emails regarding status conference, JOA, and information requested by MEC 12/12 - Email providing information requested by MEC 12/13 - Email providing additional information requested by MEC 12/21 - Email to MEC regarding JOA to be provided after Christmas 12/29 - Flat Creek emailed a draft JOA to MEC
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	2	10/3 - Mailed well proposals to Durango 10/11 - Call w/ Durango to confirm ownership percentages; Durango asked for purchase offer 10/16-17 - Flat Creek delivered purchase offer and Durango countered the offer 10/23 - Call w/ Ron Jackson from Durango to discuss plans; he stated he had no interest in participating and will sell his interest to us or somebody else 10/25 - Email from Ron Jackson; he reiterated that his financial exposure is too great for this project 10/27 - 11/17 - Emails regarding purchase offer; Flat Creek and Durango cannot agree on valuation but Ron Jackson reiterated via email that he will sell his interest 12/4 - Flat Creek emailed Ron Jackson to understand his concerns so we can try to address them 12/5 - Flat Creek provided additional information to Durango to address its concerns 12/20 - Call and email regarding revised purchase offer 12/22 - Durango called Flat Creek to verbally accept Flat Creek's purchase offer 12/26 - Email from Durango to Flat Creek to confirm acceptance of purchase offer; Flat Creek informed Durango that it is seeking board approval 12/28 - Flat Creek emailed Durango stating that board approval has been obtained and will close the deal in mid-January.
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	3	9/7 - Emails into WPX to find right contact 10/3 - Mailed well proposal to WPX 11/8 - Phone call to discuss WPX's ownership 12/20 - Call with WPX to inform them of the pooling status and to confirm their support of our development plans.

Revised Exhibit A-5
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

Case No. 23997 1H aka 13H E2E2

# Chronology of Contacts - E2W2 & W2E2 Unit

Owner Name	Address	Ownership Type	Tract(s)	Contact Summary (2023)
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4, 5, 6	9/12 - Introductory phone call 10/3 - Mailed well proposal to MEC 10/10 - Emails addressing questions from MEC 11/2 - MEC advised Flat Creek that it will participate 11/6 - Emails regarding development timing 12/7 - 12/8 - Emails regarding status conference, JOA, and information requested by MEC 12/12 - Email providing information requested by MEC 12/13 - Email providing additional information requested by MEC 12/11 - Email to MEC regarding JOA to be provided after Christmas 12/29 - Flat Creek emailed a draft JOA to MEC
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	10/3 - Mailed well proposals to Durango 10/11 - Call w/ Durango to confirm ownership percentages; Durango asked for purchase offer 10/16-17 - Flat Creek delivered purchase offer and Durango countered the offer 10/23 - Call w/ Ron Jackson from Durango to discuss plans; he stated he had no interest in participating and will sell his interest to us or somebody else 10/25 - Email from Ron Jackson; he reiterated that his financial exposure is too great for this project 10/27 - 11/17 - Emails regarding purchase offer; Flat Creek and Durango cannot agree on valuation but Ron Jackson reiterated via email that he will sell his interest 12/4 - Flat Creek emailed Ron Jackson to understand his concerns so we can try to address them 12/5 - Flat Creek provided additional information to Durango to address its concerns 12/20 - Call and email regarding revised purchase offer 12/22 - Durango called Flat Creek to verbally accept Flat Creek's purchase offer 12/26 - Email from Durango to Flat Creek to confirm acceptance of purchase offer; Flat Creek informed Durango that it is seeking board approval 12/28 - Flat Creek emailed Durango stating that board approval has been obtained and will close the deal in mid- January.
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4, 5	9/7 - Emails into WPX to find right contact 10/3 - Mailed well proposal to WPX 11/8 - Phone call to discuss WPX's ownership 12/20 - Call with WPX to inform them of the pooling status and to confirm their support of our development plans.

Revised Exhibit A-5
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

Case No. 23998 2H aka 14H E2W2 & W2E2

# **Chronology of Contacts - W2W2 Unit**

Owner Name	Address	Ownership Type	Tract(s)	Contact Summary (2023)
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	9/12 - Introductory phone call 10/3 - Mailed well proposal to MEC 10/10 - Emails addressing questions from MEC 11/2 - MEC advised Flat Creek that it will participate 11/6 - Emails regarding development timing 12/7 - 12/8 - Emails regarding status conference, JOA, and information requested by MEC 12/12 - Email providing information requested by MEC 12/13 - Email providing additional information requested by MEC 12/21 - Email to MEC regarding JOA to be provided after Christmas 12/29 - Flat Creek emailed a draft JOA to MEC
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	10/3 - Mailed well proposals to Durango 10/11 - Call w/ Durango to confirm ownership percentages; Durango asked for purchase offer 10/16-17 - Flat Creek delivered purchase offer and Durango countered the offer 10/23 - Call w/ Ron Jackson from Durango to discuss plans; he stated he had no interest in participating and will sell his interest to us or somebody else 10/25 - Email from Ron Jackson; he reiterated that his financial exposure is too great for this project 10/27 - 11/17 - Emails regarding purchase offer; Flat Creek and Durango cannot agree on valuation but Ron Jackson reiterated via email that he will sell his interest 12/4 - Flat Creek emailed Ron Jackson to understand his concerns so we can try to address them 12/5 - Flat Creek provided additional information to Durango to address its concerns 12/20 - Call and email regarding revised purchase offer 12/22 - Durango called Flat Creek to verbally accept Flat Creek's purchase offer 12/26 - Email from Durango to Flat Creek to confirm acceptance of purchase offer; Flat Creek informed Durango that it is seeking board approval 12/28 - Flat Creek emailed Durango stating that board approval has been obtained and will close the deal in mid- January.
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4	9/7 - Emails into WPX to find right contact 10/3 - Mailed well proposal to WPX 11/8 - Phone call to discuss WPX's ownership 12/20 - Call with WPX to inform them of the pooling status and to confirm their support of our development plans.

Revised Exhibit A-5
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

Case No. 23999 3H aka 15H W2W2 <u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District III</u>
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

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

C-102.dwg

13H\DWG\13H

⋈

Lease\Wells\-09

Jawbone

1

Jawbone Lease\.00

\0002

Creek

Flat

005

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

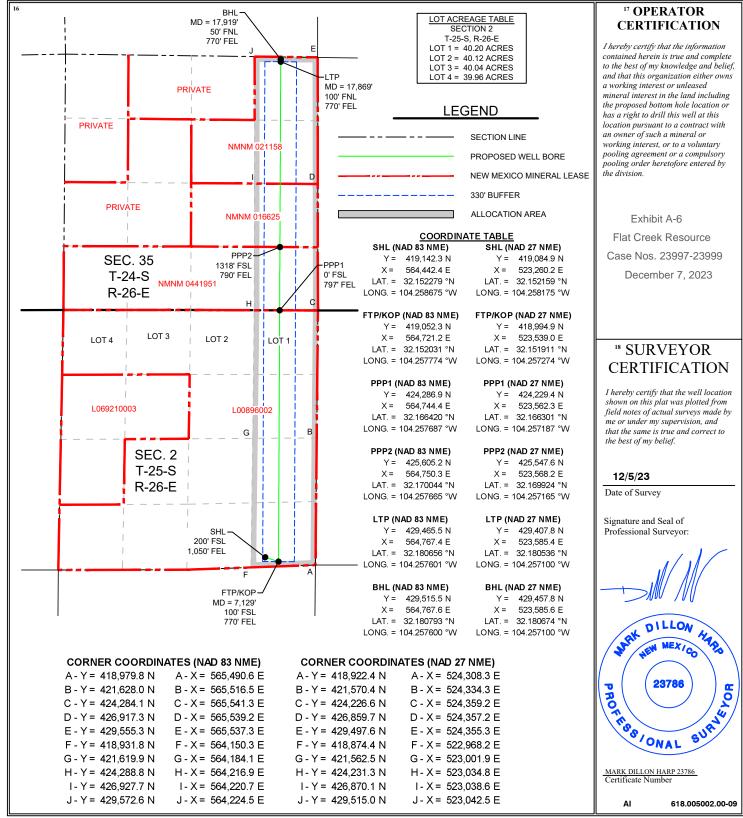
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-494</b>	<sup>2</sup> Pool Code <b>97494</b>	<sup>3</sup> Pool Name COTTONWOOD DRAW; BONE SPRING (O)	
<sup>4</sup> Property Code		roperty Name NE FED COM LW	<sup>6</sup> Well Number 13H
<sup>7</sup> OGRID No. <b>374034</b>	*Operator Name FLAT CREEK RESOURCES, LLC		<sup>9</sup> Elevation <b>3,355</b> '

<sup>10</sup> Surface Location UL or lot no. Range North/South line Feet from the East/West line Township Ρ 25 S 26 E **SOUTH** 1,050 **EAST EDDY** 2 "Bottom Hole Location If Different From Surface UL or lot no. East/West line Section Feet from the County Township Range Lot Idn Feet from the North/South line 35 24 S 26 E 50 **NORTH** 770 **EAST EDDY** Dedicated Acres Joint or Infill Consolidation Code Order No. 320.20

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.



J-Y= 429,572.6 N J-X= 564,224

Released to Imaging: 1/3/2024 11:40:00 AM

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

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

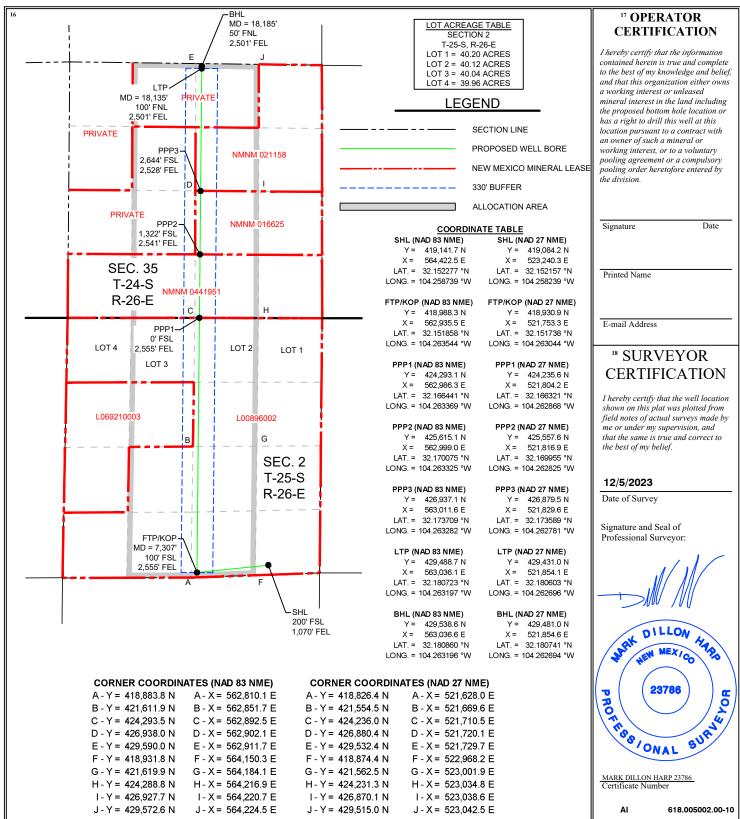
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	r	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name		
30-015-494	159	97494	COTTONWOOD DRAW; BONE SPRING (O)		
<sup>4</sup> Property Code		<sup>5</sup> Property Name		<sup>6</sup> Well Number	
		JAWBOI	NE FED COM LW	14H	
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name		<sup>9</sup> Elevation	
374034		FLAT CREE	K RESOURCES, LLC	3,356'	

<sup>10</sup> Surface Location UL or lot no. Section Township Range North/South line Feet from the East/West line Ρ 25 S 26 E **SOUTH** 1,070 **EAST EDDY** 2 "Bottom Hole Location If Different From Surface UL or lot no. East/West line Section Feet from the County Township Range Lot Idn Feet from the North/South line В 35 24 S 26 E 50 **NORTH** 2,501 **EAST EDDY** <sup>2</sup>Dedicated Acres Joint or Infill Consolidation Code Order No. 640.16

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.



J- Y = 42

C-102.dwg

14H\DWG\14H

` | | |

Lease\Wells\-10

Jawbone

1

Jawbone Lease\.00

\0002

Creek

Flat

005

Released to Imaging: 1/3/2024 11:40:00 AM

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 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

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

319.96

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

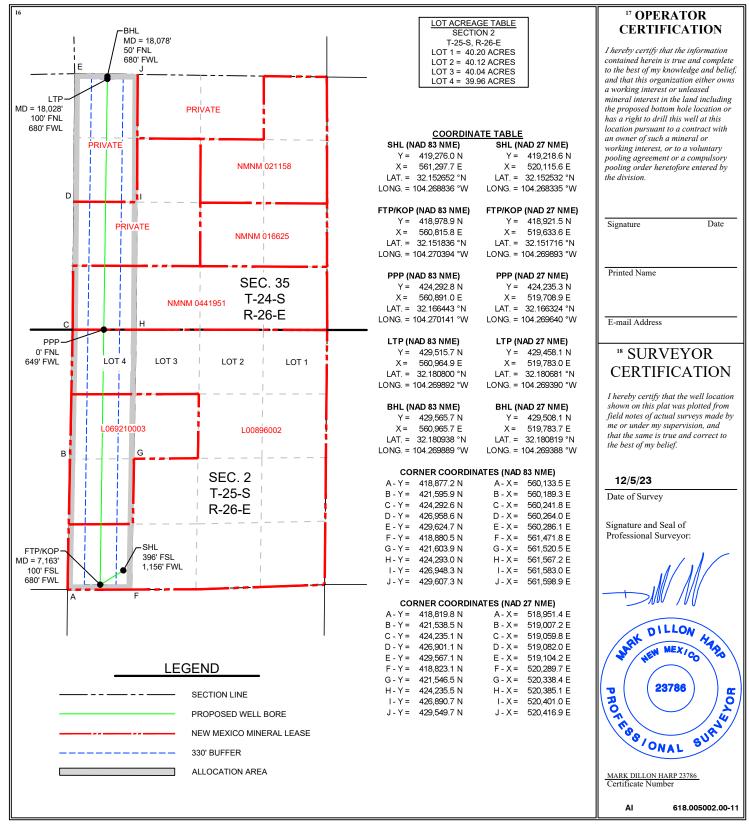
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	r	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name		
30-015-496	664	97494	COTTONWOOD DRAW; BONE SPRING (O)		
<sup>4</sup> Property Code		5 P	<sup>6</sup> Well Number		
		JAWBOI	15H		
<sup>7</sup> OGRID No.		8 O	<sup>9</sup> Elevation		
374034		FLAT CREE	FLAT CREEK RESOURCES, LLC		

<sup>10</sup> Surface Location UL or lot no. Township Range North/South line Feet from the East/West line 2 25 S 26 E **SOUTH** 1,156 **WEST EDDY** М 396 "Bottom Hole Location If Different From Surface UL or lot no. East/West line Section Feet from the County Township Range Lot Idn Feet from the North/South line 35 24 S 26 E 50 **NORTH** 680 WEST **EDDY** Dedicated Acres Joint or Infill Consolidation Code 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.



\618.005 Flat Creek\002 Jawbone Lease\.00

C-102.dwg

15H\DWG\15H

Jawbone Lease\Wells\-11

ı

Released to Imaging: 1/3/2024 11:40:00 AM



October 3, 2023

#### SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal

Jawbone Fed Com BS 1H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E

Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

Surface Hole Location: 200' FSL and 1,050' FEL of Section 2, 25S-26E
First Take Point: 100' FSL and 770' FEL of Section 2, 25S-26E
Bottom Hole Location: 100' FNL and 770' FEL of Section 35, 24S-26E

Depth: 17,919' Measured Depth and 7,691' True Vertical Depth
 Spacing Unit: E2E2 of Section 2, 25S-26E & Section 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$9,403,782.29, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the East Half of the East Half (E2E2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well.

Exhibit A-7

Flat Creek Resource

Case Nos. 23997-23999

Jawbone Fed Com BS 1H October 3, 2023 Page 2 of 2

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mike Gregory, CPL Vice President - Land

Please select one of the following and return:

\_\_\_\_\_\_I/We hereby elect TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

\_\_\_\_\_\_I/We hereby elect NOT TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

\_\_\_\_\_\_I/We are interested in selling, trading, leasing or farming out our interest. Please contact to discuss further.

COMPANY/OWNER NAME:

\_\_\_\_\_\_\_

By: \_\_\_\_\_\_\_
Name: \_\_\_\_\_\_\_
Title: \_\_\_\_\_\_\_

Date:

# FLAT CREEK RESOURCES, LLC AUTHORIZATION FOR EXPENDITURE DRILL & COMPLETE HORIZONTAL BONE SPRING

Date: 10/1/2023 County/State: Eddy, NM

Lease: <u>Jawbone Unit</u>

Surface Location: Sec 2, 25S-26E
Proposed Depth: 18,000' MD

Objective: Drill Horizontal Well, Complete ~2-Mile Lateral, Production Facility

Objective: Drill Horizontal Well, Cor	nplete ~2-Mile Lateral, Production Facility			
Account Code	Account Name		AFE Am	nount
Intangible Driling Costs (310)				
310 / 1	LAND SERVICE & EXP		\$	2,000.00
310 / 4	PERMITS - SURVEY - REGULATORY		\$	2,000.00
310 / 5	LOCATION - DAMAGES - CLEAN UP		\$	150,000.00
310 / 6	RIG - MOB/DEMOB		\$	90,000.00
310 / 7	RIG - DAYWORK		\$	510,000.00
310 / 8	RIG - FOOTAGE		\$	-
310/9	RIG - TURNKEY		\$	-
310 / 10	COILED TBG/SNUBBING/NITROGEN		\$	-
310 / 11	FUEL - POWER - WATER		\$	90,750.00
310 / 12	COMMUNICATIONS		\$	2,250.00
310 / 13	TRANSPORTATION		\$	25,000.00
310 / 14	CONSULTING SERVICE/SUPERVISION		\$	90,000.00
310 / 15	CONTRACT LABOR & SERVICES		\$	40,000.00
310 / 16	RENTALS - DOWNHOLE		\$	37,500.00
310 / 17	RENTALS - SURFACE		\$	112,500.00
310 / 18	BITS		\$	75,000.00
310 / 19	CASING CREW & EQUIPMENT		\$	50,000.00
310 / 20	CEMENT & SERVICES		\$	150,000.00
310 / 21	<b>DIRECTIONAL TOOLS &amp; SERVICES</b>		\$	130,000.00
310 / 22	FISHING TOOLS & SERVICE		\$	-
310 / 23	MUD - CHEMICALS - FLUIDS		\$	120,000.00
310 / 24	MUD LOGGING		\$	15,600.00
310 / 25	OPENHOLE LOGGING - FT - SWC		\$	-
310 / 26	ELEC/WIRELINE & PERF SERVICE		\$	-
310 / 27	DRILL STEM TESTING - CORING		\$	-
310 / 28	TUBULAR TESTING & INSPECTION		\$	10,000.00
310 / 29	<b>CUTTINGS &amp; FLUID DISPOSAL</b>		\$	150,000.00
		Subtotal	\$	1,852,600.00
310 / 30	MISC & CONTINGENCY		\$	185,260.00
310 / 60	P&A COSTS		\$	-
310 / 70	NON-OP DRILLING - INTANG		\$	-
		Total Intangibles For Operations Involving Drilling Rig	\$	2,037,860.00
Tangible Drilling Costs (311)				
311 / 1	DRIVE PIPE - CONDUCTOR		\$	45,000.00
311 / 2	CASING - SURFACE		\$	23,500.00
311/3	CASING - INTERMEDIATE		\$	90,000.00
311 / 4	CASING - PRODUCTION		\$	612,000.00
311 / 5	CASING - LINER/TIEBACK			
311 / 6	HANGER - CSG ACCESSORY		\$	10,000.00
311 / 7	WELLHEAD EQPT		\$	90,000.00
		Subtotal	\$	870,500.00
311 / 8	MISC & CONTINGENCY		\$	87,050.00
311 / 70	NON-OP DRILLING - TANG			
		Total Tangibles For Operations Involving Drilling Rig	\$	957,550
Total Drilling Cost			\$	2,995,410
Total Dinning Cost			7	2,333,410

### TUBINGHEAD & TREE	sts (320)	. <u></u>		
120	(525)		Ś	15,000
120   3				-
PERMITS - SURVEY - REGULATORY   \$			Ś	_
120			Ś	_
RIG - DAYWORK   S			\$	15,000
120			Ś	-
COLED TBC/SNUBBING/MITROGEN   S   S   S   S   S   S   S   S   S			\$	_
FUEL - POWER - WATER   \$   \$   \$   \$   \$   \$   \$   \$   \$			Ś	139,500
COMMUNICATIONS   S   COMMUNI			-	589,232
TRANSPORTATION   \$   \$   \$   \$   \$   \$   \$   \$   \$			-	5,000
CONSULTING SERVICE/SUPERVISION   S   S   S   S   S   S   S   S   S				25,000
CONTRACT LABOR & SERVICES   \$   \$   \$   \$   \$   \$   \$   \$   \$				55,000
RENTALS - DOWNHOLE			•	7,500
RENTALS - SURFACE   \$   \$   \$   \$   \$   \$   \$   \$   \$				25,000
120   16   BITS   \$   \$   \$   \$   \$   \$   \$   \$   \$				127,875
CASING CREW & EQUIPMENT   S   CEMENT & SERVICES   S   CEMENT & SERVICE   S   CEMENT & SERVICE   S   CEMENT & SERVICE   S   CEMENT & SERVICE   S   CEMENT & CEMENT & SERVICE   S   CEMENT & CEMENT & SERVICE   S   CEMENT & C				5,000
CADO   18				-
SINING TOOLS & SERVICE   S   SINING TESTING & INSPECTION   S   SINING TESTING & INSPECTION TO SINING TESTING & INSPECTION TESTING &			•	_
MUD - CHEMICALS - FLUIDS   \$				_
				165,000
200   22				369,500
200 / 23   GRAVEL PACKING   \$   \$   \$   \$   \$   \$   \$   \$   \$			-	-
200   24			\$	_
200 / 25   SWABBING & WELL TESTING   \$   \$   \$   \$   \$   \$   \$   \$   \$			\$	2,689,961
202   26			•	113,970
220 / 28			\$	82,817
Second   S			\$	254,820
Second			Ś	-
P&A COSTS   Subtotal   Subtotal			Ś	103,400
Subtotal   Subtotal			\$	-
NON-OP COMP - INTANG   S   NON-OP COMP - INTAN		Subtotal	\$	4,788,574
MISC & CONTINGENCY   STOTAL Intangibles For Completions Operations   Stotal Intangible For Completions Operations   Stotal Intangibles For Completions   Stotal Intangibles For Completions		Subtotal	-	-
Total Intangibles For Completions Operations   \$			Ś	359,143
CASING - LINER/TIEBACK   \$   \$   \$   \$   \$   \$   \$   \$   \$		Operations	\$	5,147,717
CASING - LINER/TIEBACK   \$   \$   \$   \$   \$   \$   \$   \$   \$	rs (321)			
PRODUCTION TUBING   \$   1   1   1   1   1   1   1   1   1	•		\$	-
SECONTINGENCY   SECONTINGENC				-
SECONTINGENCY   SECONTINGENC			\$ 1	25,000.00
PACKERS - SUBSURFACE EQUIP   \$   \$   \$   \$   \$   \$   \$   \$   \$			\$	35,000.00
RODS - PUMPS - ANCHORS ETC   \$   \$   \$   \$   \$   \$   \$   \$   \$			\$	-
S21				-
S21			\$	-
VALVES - FITTING - MISC EQUIP   \$   \$   \$   \$   \$   \$   \$   \$   \$			\$	-
SEPARATOR/HEAT TREATER/DEHY   \$   \$   \$   \$   \$   \$   \$   \$   \$				10,000.00
S21   11   GUN BBL/TANKS & RELATED EQUIP   \$   \$   \$   \$   \$   \$   \$   \$   \$			\$	-
S21   12   COMPRESSOR & RELATED EQUIP   \$   \$   \$   \$   \$   \$   \$   \$   \$				-
METERS - LACT UNIT			-	_
SWD PUMPS & EQUIPMENT   \$   \$   \$   \$   \$   \$   \$   \$   \$			\$	_
221 / 15			\$	-
S21   16			\$	-
Subtotal \$ 1 321 / 17 MISC & CONTINGENCY \$ \$ 321 / 60 P&A COSTS \$			\$	-
\$21 / 17 MISC & CONTINGENCY \$ \$21 / 60 P&A COSTS \$		Subtotal	\$ 1	70,000.00
221 / 60 P&A COSTS \$				17,000.00
·			\$	_,,550.00
			Ś	-
ė			Ś	-
Total Tangibles For Completions Operations \$ 1		Onerations	γ \$ 1	- .87,000.00
		CPC: ULIOI13		34,717.29

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS		
330 / 1	LAND SERVICE & EXP	\$	4,800.00
330 / 2	LEGAL FEES & EXP	\$	-
330/3	CONSULTING SERVICE/SUPERVISION	\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES	\$	43,750.00
	Subtotal	\$	54,800.00
330 / 5	MISC & CONTINGENCY	\$	5,480.00
330 / 70	NON-OP FAC - INTANG	\$	-
		\$	-
	Total Intangibles for Facility Construction	\$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS		
331 / 1	ART LIFT - SURFACE EQUIP	\$	-
331 / 2	PUMPING UNITS - SURFACE EQUIP	\$	-
331/3	VALVES - FITTING - MISC EQUIP	\$	155,000.00
331 / 4	SEPARATOR/HEAT TREATER/DEHY	\$	100,000.00
331/5	GUN BBL/TANKS & RELATED EQUIP	\$	62,500.00
331 / 6	COMPRESSOR & RELATED EQUIP	\$	150,000.00
331 / 7	METERS - LACT UNIT	\$	43,750.00
331 / 8	SWD PUMPS & EQUIPMENT	\$	21,250.00
331/9	PIPELINES - TIE-INS	\$	295,000.00
331 / 10	PROD FACILITY - FAB & INSTALL	\$	93,750.00
	Subtotal	\$	921,250.00
331 / 11	MISC & CONTINGENCY	\$	92,125.00
331 / 70	NON-OP FAC- TANG	\$	-
		\$	-
	Total Tangible for Facility Construction	\$	1,013,375.00
Total Facility Costs		\$	1,073,655.00
Total Estmated Well Cost		\$	9,403,782.29
Flat Creek Resources, LLC			
Approved By:	Title:	Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production	10/3/2023	
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK			
OWNERSHIP:	COST TO COMPLETE:		
DATE:	PARTICIPANTS ESTIMATED COST:		
APPROVED BY:	TITLE:		



October 3, 2023

# SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal

Jawbone Fed Com BS 2H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

Surface Hole Location: 200' FSL and 1,070' FEL of Section 2, 25S-26E
First Take Point: 100' FSL and 2,555' FEL of Section 2, 25S-26E
Bottom Hole Location: 100' FNL and 2,555' FEL of Section 35, 24S-26E

Depth: 18,185' Measured Depth and 7,691' True Vertical Depth
Spacing Unit: W2E2 and E2W2 of Sec 2, 25S-26E & Sec 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$9,403,782.29, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the West Half of the East Half (W2E2) and the East Half of the West Half (E2W2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well.

contact

Jawbone Fed Com BS 2H October 3, 2023 Page 2 of 2

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mike Gregory, CPL Vice President - Land

Please select one of the following and return:
I/We hereby elect <b>TO PARTICIPATE</b> for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.
I/We hereby elect <b>NOT TO PARTICIPATE</b> for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.
I/We are interested in selling, trading, leasing or farming out our interest. Please contact to discuss further.
COMPANY/OWNER NAME:
By:
Name:
Title:

Date:

# FLAT CREEK RESOURCES, LLC AUTHORIZATION FOR EXPENDITURE DRILL & COMPLETE HORIZONTAL BONE SPRING

Date: 10/1/2023 County/State: Eddy, NM

Lease: <u>Jawbone Unit</u>

Surface Location: Sec 2, 25S-26E
Proposed Depth: 18,000' MD

Objective: Drill Horizontal Well, Complete ~2-Mile Lateral, Production Facility

Objective: Drill Horizontal Well, Cor	nplete ~2-Mile Lateral, Production Facility			
Account Code	Account Name		AFE Am	nount
Intangible Driling Costs (310)				
310 / 1	LAND SERVICE & EXP		\$	2,000.00
310 / 4	PERMITS - SURVEY - REGULATORY		\$	2,000.00
310 / 5	LOCATION - DAMAGES - CLEAN UP		\$	150,000.00
310 / 6	RIG - MOB/DEMOB		\$	90,000.00
310 / 7	RIG - DAYWORK		\$	510,000.00
310/8	RIG - FOOTAGE		\$	-
310/9	RIG - TURNKEY		\$	-
310 / 10	COILED TBG/SNUBBING/NITROGEN		\$	-
310 / 11	FUEL - POWER - WATER		\$	90,750.00
310 / 12	COMMUNICATIONS		\$	2,250.00
310 / 13	TRANSPORTATION		\$	25,000.00
310 / 14	CONSULTING SERVICE/SUPERVISION		\$	90,000.00
310 / 15	CONTRACT LABOR & SERVICES		\$	40,000.00
310 / 16	RENTALS - DOWNHOLE		\$	37,500.00
310 / 17	RENTALS - SURFACE		\$	112,500.00
310 / 18	BITS		\$	75,000.00
310 / 19	CASING CREW & EQUIPMENT		\$	50,000.00
310 / 20	CEMENT & SERVICES		\$	150,000.00
310 / 21	<b>DIRECTIONAL TOOLS &amp; SERVICES</b>		\$	130,000.00
310 / 22	FISHING TOOLS & SERVICE		\$	-
310 / 23	MUD - CHEMICALS - FLUIDS		\$	120,000.00
310 / 24	MUD LOGGING		\$	15,600.00
310 / 25	OPENHOLE LOGGING - FT - SWC		\$	-
310 / 26	ELEC/WIRELINE & PERF SERVICE		\$	-
310 / 27	DRILL STEM TESTING - CORING		\$	-
310 / 28	TUBULAR TESTING & INSPECTION		\$	10,000.00
310 / 29	<b>CUTTINGS &amp; FLUID DISPOSAL</b>		\$	150,000.00
		Subtotal	\$	1,852,600.00
310 / 30	MISC & CONTINGENCY		\$	185,260.00
310 / 60	P&A COSTS		\$	-
310 / 70	NON-OP DRILLING - INTANG		\$	-
		Total Intangibles For Operations Involving Drilling Rig	\$	2,037,860.00
Tangible Drilling Costs (311)				
311 / 1	DRIVE PIPE - CONDUCTOR		\$	45,000.00
311 / 2	CASING - SURFACE		\$	23,500.00
311/3	CASING - INTERMEDIATE		\$	90,000.00
311 / 4	CASING - PRODUCTION		\$	612,000.00
311 / 5	CASING - LINER/TIEBACK			
311 / 6	HANGER - CSG ACCESSORY		\$	10,000.00
311 / 7	WELLHEAD EQPT		\$	90,000.00
		Subtotal	\$	870,500.00
311 / 8	MISC & CONTINGENCY		\$	87,050.00
311 / 70	NON-OP DRILLING - TANG			
		Total Tangibles For Operations Involving Drilling Rig	\$	957,550
Total Drilling Cost			\$	2,995,410
Total Dinning Cost			7	2,333,410

Intangible Completion Costs (320)				
320 / 1	LAND SERVICE & EXP		\$	15,000
320 / 2	LEGAL FEES & EXP		\$	-
320 / 3	INSURANCE		Ś	_
320 / 4	PERMITS - SURVEY - REGULATORY		\$	_
320 / 5	LOCATION - DAMAGES - CLEAN UP		\$	15,000
320 / 6	RIG - DAYWORK		\$	-
320 / 7	RIG - COMPLETION/WORKOVER		\$	_
320 / 8	COILED TBG/SNUBBING/NITROGEN		\$	139,500
320 / 9			\$ \$	589,232
	FUEL - POWER - WATER COMMUNICATIONS			
320 / 10			\$	5,000
320 / 11	TRANSPORTATION		\$	25,000
320 / 12	CONSULTING SERVICE/SUPERVISION		\$	55,000
320 / 13	CONTRACT LABOR & SERVICES		\$	7,500
320 / 14	RENTALS - DOWNHOLE		\$	25,000
320 / 15	RENTALS - SURFACE		\$	127,875
320 / 16	BITS		\$	5,000
320 / 17	CASING CREW & EQUIPMENT		\$	-
320 / 18	CEMENT & SERVICES		\$	-
320 / 19	FISHING TOOLS & SERVICE		\$	-
320 / 20	MUD - CHEMICALS - FLUIDS		\$	165,000
320 / 21	ELEC/WIRELINE & PERF SERVICE		\$	369,500
320 / 22	TUBULAR TESTING & INSPECTION		\$	-
320 / 23	GRAVEL PACKING		\$	-
320 / 24	FRAC & STIMULATION		\$	2,689,961
320 / 25	SWABBING & WELL TESTING		\$	113,970
320 / 26	CUTTINGS & FLUID DISPOSAL		\$	82,817
320 / 28	FRAC WATER		\$	254,820
320 / 29	FRAC POND		\$	-
320 / 30	WATER TRANSFER		\$	103,400
320 / 60	P&A COSTS		\$	-
		Subtotal	\$	4,788,574
320 / 70	NON-OP COMP - INTANG		\$	-
320 / 27	MISC & CONTINGENCY		\$	359,143
		Total Intangibles For Completions Operations	\$	5,147,717
Tangible Completion Costs (321)				
321 / 1	CASING - LINER/TIEBACK		\$	
321 / 2	HANGER - CSG ACCESSORY		\$	_
321 / 3	PRODUCTION TUBING		\$	125,000.00
321 / 4	TUBINGHEAD & TREE		\$	35,000.00
				33,000.00
321 / 5 321 / 6	PACKERS - SUBSURFACE EQUIP		\$	-
•	RODS - PUMPS - ANCHORS ETC		\$	-
321 / 7	ART LIFT - SURFACE EQUIP		\$	-
321 / 8	PUMPING UNITS - SURFACE EQUIP		\$	10.000.00
321 / 9	VALVES - FITTING - MISC EQUIP		\$	10,000.00
321 / 10	SEPARATOR/HEAT TREATER/DEHY		\$	-
321 / 11	GUN BBL/TANKS & RELATED EQUIP		\$	-
321 / 12	COMPRESSOR & RELATED EQUIP		\$	-
321 / 13	METERS - LACT UNIT		\$	-
321 / 14	SWD PUMPS & EQUIPMENT		\$	-
321 / 15	PIPELINES - TIE-INS		\$	-
321 / 16	PROD FACILITY - FAB & INSTALL		\$	-
		Subtotal	\$	170,000.00
321 / 17	MISC & CONTINGENCY		\$	17,000.00
321 / 60	P&A COSTS		\$	-
321 / 70	NON-OP COMP - TANG		\$	-
			\$	-
		<b>Total Tangibles For Completions Operations</b>	\$	187,000.00

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS		
330 / 1	LAND SERVICE & EXP	\$	4,800.00
330 / 2	LEGAL FEES & EXP	\$	-
330/3	CONSULTING SERVICE/SUPERVISION	\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES	\$	43,750.00
	Subtotal	\$	54,800.00
330 / 5	MISC & CONTINGENCY	\$	5,480.00
330 / 70	NON-OP FAC - INTANG	\$	-
		\$	-
	Total Intangibles for Facility Construction	\$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS		
331 / 1	ART LIFT - SURFACE EQUIP	\$	-
331 / 2	PUMPING UNITS - SURFACE EQUIP	\$	-
331/3	VALVES - FITTING - MISC EQUIP	\$	155,000.00
331 / 4	SEPARATOR/HEAT TREATER/DEHY	\$	100,000.00
331/5	GUN BBL/TANKS & RELATED EQUIP	\$	62,500.00
331 / 6	COMPRESSOR & RELATED EQUIP	\$	150,000.00
331 / 7	METERS - LACT UNIT	\$	43,750.00
331 / 8	SWD PUMPS & EQUIPMENT	\$	21,250.00
331/9	PIPELINES - TIE-INS	\$	295,000.00
331 / 10	PROD FACILITY - FAB & INSTALL	\$	93,750.00
	Subtotal	\$	921,250.00
331 / 11	MISC & CONTINGENCY	\$	92,125.00
331 / 70	NON-OP FAC- TANG	\$	-
		\$	-
	Total Tangible for Facility Construction	\$	1,013,375.00
Total Facility Costs		\$	1,073,655.00
Total Estmated Well Cost		\$	9,403,782.29
Flat Creek Resources, LLC			
Approved By:	Title:	Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production	10/3/2023	
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK			
OWNERSHIP:	COST TO COMPLETE:		
DATE:	PARTICIPANTS ESTIMATED COST:		
APPROVED BY:	TITLE:		



October 3, 2023

# SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal

Jawbone Fed Com BS 3H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E

Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

Surface Hole Location: 396' FSL and 1,156' FWL of Section 2, 25S-26E
First Take Point: 100' FSL and 680' FWL of Section 2, 25S-26E
Bottom Hole Location: 100' FNL and 680' FWL of Section 35, 24S-26E

Depth: 18,078' Measured Depth and 7,705' True Vertical Depth
 Spacing Unit: W2W2 of Section 2, 25S-26E & Section 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$10,411,128.82, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the West Half of the West Half (W2W2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well.

Jawbone Fed Com BS 3H October 3, 2023 Page 2 of 2

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mike Gregory, CPL Vice President - Land

Date:

WC23003

# FLAT CREEK RESOURCES, LLC AUTHORIZATION FOR EXPENDITURE DRILL & COMPLETE HORIZONTAL BONE SPRING

Date: 10/1/2023 County/State: Eddy, NM

Lease: <u>Jawbone Unit</u>

Surface Location: Sec 2, 25S-26E
Proposed Depth: 18,000' MD

Objective: Drill Horizontal Well, Complete ~2-Mile Lateral, Production Facility

Objective: Drill Horizontal Well, Con	nplete ~2-Mile Lateral, Production Facility			
Account Code	Account Name		AFE An	nount
Intangible Driling Costs (310)				
310 / 1	LAND SERVICE & EXP		\$	2,000.00
310 / 4	PERMITS - SURVEY - REGULATORY		\$	2,000.00
310 / 5	LOCATION - DAMAGES - CLEAN UP		\$	330,000.00
310 / 6	RIG - MOB/DEMOB		\$	110,000.00
310 / 7	RIG - DAYWORK		\$	510,000.00
310/8	RIG - FOOTAGE		\$	-
310/9	RIG - TURNKEY		\$	-
310 / 10	COILED TBG/SNUBBING/NITROGEN		\$	-
310 / 11	FUEL - POWER - WATER		\$	90,750.00
310 / 12	COMMUNICATIONS		\$	2,250.00
310 / 13	TRANSPORTATION		\$	25,000.00
310 / 14	CONSULTING SERVICE/SUPERVISION		\$	90,000.00
310 / 15	CONTRACT LABOR & SERVICES		\$	40,000.00
310 / 16	RENTALS - DOWNHOLE		\$	37,500.00
310 / 17	RENTALS - SURFACE		\$	112,500.00
310 / 18	BITS		\$	75,000.00
310 / 19	CASING CREW & EQUIPMENT		\$	50,000.00
310 / 20	CEMENT & SERVICES		\$	150,000.00
310 / 21	<b>DIRECTIONAL TOOLS &amp; SERVICES</b>		\$	130,000.00
310 / 22	FISHING TOOLS & SERVICE		\$	-
310 / 23	MUD - CHEMICALS - FLUIDS		\$	120,000.00
310 / 24	MUD LOGGING		\$	15,600.00
310 / 25	OPENHOLE LOGGING - FT - SWC		\$	-
310 / 26	ELEC/WIRELINE & PERF SERVICE		\$	-
310 / 27	DRILL STEM TESTING - CORING		\$	-
310 / 28	TUBULAR TESTING & INSPECTION		\$	10,000.00
310 / 29	<b>CUTTINGS &amp; FLUID DISPOSAL</b>		\$	150,000.00
		Subtotal	\$	2,052,600.00
310 / 30	MISC & CONTINGENCY		\$	205,260.00
310 / 60	P&A COSTS		\$	-
310 / 70	NON-OP DRILLING - INTANG		\$	-
		Total Intangibles For Operations Involving Drilling Rig	\$	2,257,860.00
Tangible Drilling Costs (311)				
311 / 1	DRIVE PIPE - CONDUCTOR		\$	45,000.00
311/2	CASING - SURFACE		\$	23,500.00
311/3	CASING - INTERMEDIATE		\$	90,000.00
311 / 4	CASING - PRODUCTION		\$	612,000.00
311/5	CASING - LINER/TIEBACK			
311 / 6	HANGER - CSG ACCESSORY		\$	10,000.00
311 / 7	WELLHEAD EQPT		\$	90,000.00
		Subtotal	\$	870,500.00
311 / 8	MISC & CONTINGENCY		\$	87,050.00
311 / 70	NON-OP DRILLING - TANG			
		Total Tangibles For Operations Involving Drilling Rig	\$	957,550
Total Drilling Cost			\$	3,215,410
Total Dillillig Cost			Ą	3,213,410

Intangible Completion Costs (320)				
320 / 1	LAND SERVICE & EXP		\$	15,000
320 / 2	LEGAL FEES & EXP		\$	-
320 / 3	INSURANCE		\$	-
320 / 4	PERMITS - SURVEY - REGULATORY		\$	-
320 / 5	LOCATION - DAMAGES - CLEAN UP		\$	15,000
320 / 6	RIG - DAYWORK		\$	-
320 / 7	RIG - COMPLETION/WORKOVER		\$	-
320 / 8	COILED TBG/SNUBBING/NITROGEN		\$	139,500
320 / 9	FUEL - POWER - WATER		\$	589,232
320 / 10	COMMUNICATIONS		\$	5,000
320 / 11	TRANSPORTATION		\$	25,000
320 / 12	CONSULTING SERVICE/SUPERVISION		\$	55,000
320 / 13	CONTRACT LABOR & SERVICES		\$	7,500
320 / 14	RENTALS - DOWNHOLE		\$	25,000
320 / 15	RENTALS - SURFACE		\$	127,875
320 / 16	BITS		\$	5,000
320 / 17	CASING CREW & EQUIPMENT		\$	-
320 / 18	CEMENT & SERVICES		\$	-
320 / 19	FISHING TOOLS & SERVICE		\$	_
320 / 20	MUD - CHEMICALS - FLUIDS		\$	165,000
320 / 21	ELEC/WIRELINE & PERF SERVICE		\$	430,900
320 / 22	TUBULAR TESTING & INSPECTION		\$	-
320 / 23	GRAVEL PACKING		\$	_
320 / 24	FRAC & STIMULATION		\$	3,227,953
320 / 25	SWABBING & WELL TESTING		\$	113,970
320 / 26	CUTTINGS & FLUID DISPOSAL		\$	82,817
320 / 28	FRAC WATER		\$	254,820
320 / 29	FRAC POND		\$	-
320 / 30	WATER TRANSFER		\$	103,400
320 / 60	P&A COSTS		\$	-
		Subtotal	\$	5,387,966
320 / 70	NON-OP COMP - INTANG		\$	-
320 / 27	MISC & CONTINGENCY		\$	404,097
		Total Intangibles For Completions Operations	\$	5,792,064
Tangible Completion Costs (321)				
321 / 1	CASING - LINER/TIEBACK		\$	-
321 / 2	HANGER - CSG ACCESSORY		\$	_
321 / 3	PRODUCTION TUBING		Ś	125,000.00
321 / 4	TUBINGHEAD & TREE		\$	35,000.00
321 / 5	PACKERS - SUBSURFACE EQUIP		\$	-
321 / 6	RODS - PUMPS - ANCHORS ETC		\$	_
321 / 7	ART LIFT - SURFACE EQUIP		\$	_
321 / 8	PUMPING UNITS - SURFACE EQUIP		\$	_
321 / 9	VALVES - FITTING - MISC EQUIP		\$	10,000.00
321 / 10	SEPARATOR/HEAT TREATER/DEHY		\$	
321 / 11	GUN BBL/TANKS & RELATED EQUIP		\$	-
321 / 12	COMPRESSOR & RELATED EQUIP		\$	-
321 / 13	METERS - LACT UNIT		\$	-
321 / 14	SWD PUMPS & EQUIPMENT		\$	-
321 / 15	PIPELINES - TIE-INS		\$	-
321 / 16	PROD FACILITY - FAB & INSTALL		, \$	-
		Subtotal	\$	170,000.00
321 / 17	MISC & CONTINGENCY		\$	17,000.00
321 / 60	P&A COSTS		\$	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	NON-OP COMP - TANG		\$	-
321 / 70			ċ	-
321 / 70				
321 / 70		Total Tangibles For Completions Operations	\$	187.000.00
Total Completion Costs		Total Tangibles For Completions Operations	\$ <b>\$</b>	187,000.00 <b>5,979,063.82</b>

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS			
330 / 1	LAND SERVICE & EXP		\$	4,800.00
330 / 2	LEGAL FEES & EXP		\$	-
330 / 3	CONSULTING SERVICE/SUPERVISION		\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES		\$	43,750.00
		Subtotal	\$	54,800.00
330 / 5	MISC & CONTINGENCY		\$	5,480.00
330 / 70	NON-OP FAC - INTANG		\$	-
			\$	-
	Total Intangibles for Facility Con	struction	\$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS			
331 / 1	ART LIFT - SURFACE EQUIP		\$	-
331 / 2	PUMPING UNITS - SURFACE EQUIP		\$	-
331/3	VALVES - FITTING - MISC EQUIP		\$	155,000.00
331 / 4	SEPARATOR/HEAT TREATER/DEHY		\$	100,000.00
331 / 5	GUN BBL/TANKS & RELATED EQUIP		\$	62,500.00
331 / 6	COMPRESSOR & RELATED EQUIP		\$	150,000.00
331 / 7	METERS - LACT UNIT		\$	43,750.00
331 / 8	SWD PUMPS & EQUIPMENT		\$	21,250.00
331 / 9	PIPELINES - TIE-INS		\$	425,000.00
331 / 10	PROD FACILITY - FAB & INSTALL		\$	93,750.00
		Subtotal	\$	1,051,250.00
331 / 11	MISC & CONTINGENCY		\$	105,125.00
331 / 70	NON-OP FAC- TANG		\$	-
			\$	-
	Total Tangible for Facility Cor	struction	\$	1,156,375.00
Total Facility Costs			\$	1,216,655.00
Total Estmated Well Cost			\$	10,411,128.82
Freedom Energy Permian				
Approved By:	Title:		Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production		10/3/2023	
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK				
OWNERSHIP:	COST TO COMPLETE:			
DATE:	PARTICIPANTS ESTIMATED COST:			
APPROVED BY:	TITLE:			

**SHARON T. SHAHEEN** 

Direct: (505) 986-2678

Email: <u>sshaheen@montand.com</u>

www.montand.com

November 17, 2023

Via U.S. Certified Mail, return receipt requested

#### TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 23997 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico – Jawbone Fed Com BS #1H

Case No. 23998 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico – Jawbone Fed Com BS #2H

Case No. 23999 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico – Jawbone Fed Com BS #3H

#### Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Flat Creek Resources, LLC ("Flat Creek") has filed applications with the New Mexico Oil Conservation Division seeking compulsory pooling in Eddy County, New Mexico. You are receiving this notice because you may have an interest in one or more of these wells.

Case No. 23997: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL

Exhibit A-8

Flat Creek Resource

Case Nos. 23997-23999

December 7, 2023

All Interest Owners Nov. 17, 2023 Page 2

of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23998: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately100' FNL and 2,555' FEL of Section 35, T24S-R26E. With the proximity tracts, the completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23999: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed interval and first and last take points will

All Interest Owners Nov. 17, 2023 Page 3

meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

The attached applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **December 7**, **2023**, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Failure to appear at that time and become a party of record will preclude you from challenging these applications at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **November 29, 2023**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **November 30, 2023**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these applications.

Very truly yours,

/s/ Sharon T. Shaheen Sharon T. Shaheen

STS/shc Enclosure

cc: Flat Creek Resources, LLC, via email

### **EXHIBIT A**

#### INTEREST OWNERS

# **Working Interest Party(ies):**

Durango Production Corporation 2663 Plaza Parkway Wichita Falls, TX 76308

Pintail Production Company 6467 Southwest Blvd. Benbrook, TX 76132-2777 MEC Petroleum Corporation P.O. Box 11265 Midland, TX 79702-8265

WPX Energy Production Company, LLC 333 West Sheridan Ave. Oklahoma City, OK 73102-5015

# Overriding Royalty Interest Owners:

1B4S Enterprises, LLC 3203 Bowie St. Amarillo, TX 79109

Blue Hole Investments 5210 W. Verde Circle Benbrook, TX 76126

EL Latham Co. P.O. Box 100912 Ft. Worth, TX 76185

Mumford & Company 11601 Woodmar NE Albuquerque, NM 87111

Paloma Gas Holdings, LLC 1100 Louisiana, Suite 5100 Houston, TX 77002

Permian Basin GIF I, LLC P.O. Box 470844 Fort Worth, TX 76147 A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, Wy 82003-0788

Concho Resources, Inc. Concho Oil & Gas LLC P.O. BOX 7500 Barthlesville, OK 74005

Lisha N. Davila Kovacevic 3481 Hickory Court Marietta, GA 30062

Murchison Oil and Gas, LLC 7250 Dallas Parkway, Suite 1400 Plano, TX 75024

Pegasus Resources II, LLC P.O Box 470698 Fort Worth, TX 76147

SEP Permian Holding Corp. P.O. Box 79840 Houston, TX 77279 Shogoil & Gas Co. II, LLC P.O. Box 29450 Santa Fe, NM 87592-9450

Summer Lorraine Davila 5326 Blossom Drive Sugar Hill, GA 30518 Shogoil & Gas Co. LLC P.O. Box 209 Hay Springs, New England 69347

Sydhan, LP P.O. Box 92349 Austin, TX 78709-2349

# **Additional Party(ies):**

Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157 State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State:

SESE /

Well Number: 13H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

**US Well Number:** 3001549457 **Well Status:** Approved Application for **Operator:** FLAT CREEK

Permit to Drill RESOURCES LLC

## **Notice of Intent**

**Sundry ID: 2759784** 

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 12/01/2023

**Procedure Description:** Well type has changed from gas to oil. Zone has changed from Wolfcamp to Bone Spring. TVD has changed from 9525' to 7691'. MD has changed from 19468' to 17919' BHL was at 330' FNL and 1660' FEL 35-24s-26e. BHL has now moved 933' NE to 50' FNL & 770' FEL 35-24s-26e. No change in SHL. No change in pad footprint. Revised drilling documents attached.

# **NOI Attachments**

## **Procedure Description**

5.5in\_Casing\_Spec\_20231105061924.pdf

Jawbone\_LW\_13H\_Casing\_Design\_Assumptions\_20231105061909.pdf

Jawbone\_LW\_13H\_AntiCollision\_Report\_20231105061855.pdf

Jawbone\_LW\_13H\_Horizontal\_Plan\_20231105061842.pdf

Jawbone\_LW\_13H\_C102\_20231105061827.pdf

Jawbone\_LW\_13H\_Drill\_Plan\_20231105061804.pdf

Exhibit A-9
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State: Page 70 of

SESE /

Well Number: 13H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WĖLL

US Well Number: 3001549457 Well Status: Approved Application for Operator: FLAT CREEK

**Unit or CA Name:** 

Permit to Drill

RESOURCES LLC

**Unit or CA Number:** 

# **Operator**

Lease Number: NMNM0441951

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRIAN WOOD Signed on: NOV 05, 2023 06:17 AM

Name: FLAT CREEK RESOURCES LLC

Title: President

Street Address: 37 VERANO LOOP

City: SANTA FE State: NM

Phone: (505) 466-8120

Email address: AFMSS@PERMITSWEST.COM

# **Field**

**Representative Name:** 

**Street Address:** 

City: State: Zip:

Phone:

**Email address:** 



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State:

SESE /

Well Number: 14H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

US Well Number: 3001549459 Well Status: Approved Application for Operator: FLAT CREEK

Permit to Drill RESOURCES LLC

## **Notice of Intent**

**Sundry ID: 2761059** 

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 12/01/2023

**Procedure Description:** Well type has changed from gas to oil. Zone has changed from Wolfcamp to Bone Spring. TVD has changed from 9350' to 7691'. MD has changed from 19521' to 18185'. BHL was at 330' FNL and 2315' FEL 35-24s-26e. BHL has now moved 336' NW to 50' FNL & 2501' FEL 35-24s-26e. No change in SHL. No change in pad footprint. Revised drilling documents attached.

# **NOI Attachments**

## **Procedure Description**

5.5in\_Casing\_Spec\_20231110132205.pdf

 $Jawbone\_14H\_Casing\_Design\_Assumptions\_20231110132148.pdf$ 

Jawbone\_14H\_Anticollision\_Report\_20231110132136.pdf

Jawbone\_14H\_Horizontal\_Plan\_20231110132124.pdf

Jawbone\_14H\_C102\_20231110132102.pdf

Jawbone\_14H\_Drill\_Plan\_20231110132044.pdf

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State: Page 72 of

SESE /

Well Number: 14H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

VĖLL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

**US Well Number:** 3001549459 **Well Status:** Approved Application for **Operator:** FLAT CREEK

Permit to Drill RESOURCES LLC

# **Operator**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRIAN WOOD Signed on: NOV 10, 2023 01:21 PM

Name: FLAT CREEK RESOURCES LLC

Title: President

Street Address: 37 VERANO LOOP

City: SANTA FE State: NM

Phone: (505) 466-8120

Email address: AFMSS@PERMITSWEST.COM

# **Field**

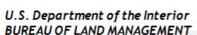
**Representative Name:** 

**Street Address:** 

City: State: Zip:

Phone:

**Email address:** 



Sundry Print Report

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State:

SWSW /

Well Number: 15H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

US Well Number: 3001549664 Well Status: Approved Application for Operator: FLAT CREEK

Permit to Drill RESOURCES LLC

#### **Notice of Intent**

**Sundry ID:** 2759785

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 12/01/2023

**Procedure Description:** Well type has changed from gas to oil. Zone has changed from Wolfcamp to Bone Spring. TVD has changed from 9525' to 7705'. MD has changed from 19701' to 18078' BHL was at 330' FNL and 2315' FWL 35-24s-26e. BHL has now moved 1658' NW to 50' FNL & 680' FWL 35-24s-26e. No change in SHL. No change in pad footprint. Revised drilling documents attached.

#### **NOI Attachments**

#### **Procedure Description**

5.5in\_Casing\_Spec\_20231105062635.pdf

Jawbone\_LW\_15H\_Casing\_Design\_Assumptions\_20231105062621.pdf

Jawbone\_LW\_15H\_AntiCollision\_Report\_20231105062607.pdf

Jawbone\_LW\_15H\_Horiztonal\_Plan\_20231105062553.pdf

Jawbone\_LW\_15H\_C102\_20231105062539.pdf

Jawbone\_LW\_15H\_Drill\_Plan\_20231105062524.pdf

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State: Page 74 of

SWSW /

Well Number: 15H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

US Well Number: 3001549664 Well Status: Approved Application for Operator: FLAT CREEK

Permit to Drill RESOURCES LLC

#### **Operator**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRIAN WOOD Signed on: NOV 05, 2023 06:26 AM

Name: FLAT CREEK RESOURCES LLC

Title: President

Street Address: 37 VERANO LOOP

City: SANTA FE State: NM

Phone: (505) 466-8120

Email address: AFMSS@PERMITSWEST.COM

#### **Field**

**Representative Name:** 

**Street Address:** 

City: State: Zip:

Phone:

**Email address:** 

Tab 4.

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

APPLICATIONS OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 23997-23999

AFFIRMATION OF GEOLOGIST THOMAS M. ANDERSON

I, Thomas M. Anderson, make the following self-affirmed statement:

1. I am over the age of 18, and have the capacity to execute this affirmation, which is

based on my personal knowledge.

2. I am employed as the geologist for Flat Creek Resources, LLC ("Flat Creek" or

"Applicant"), and I am familiar with the subject applications and the lands involved.

3. This affirmation is submitted in connection with the filing by Flat Creek of the

above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.

4. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum land matters. My credentials as a petroleum geologist have been

accepted by the Division and made a matter of record. My education and work experience are as

follows: I have a bachelor's degree in geology from the University of South Florida and a master's

degree in geology from Florida State University. I have been working continuously as a

professional geologist since 1981. I worked at Exxon/ExxonMobil/XTO Energy for 37 years and

have been at Flat Creek Resources, LLC for 5 years. Since 2011 I have worked fulltime in the

Permian Basin, including the northern portion of the Delaware and the NW Shelf in New Mexico.

5. **Exhibit B-1** is a location map of the Delaware Basin highlighting the position of

the project area.

Exhibit B

Flat Creek Resource

Case Nos. 23997-23999

December 7, 2023

- 6. **Exhibit B-2** is a gun barrel diagram of the Jawbone development plan. The horizontal well spacing is to scale.
- 7. **Exhibit B-3** is a TVDSS structure map on the top of lower 3rd Bone Spring carbonate/shale ("Harkey"). Contour interval is 50'. The top defines the top of the target interval for the proposed wells. The proposed spacing unit is outlined by the black rectangle and the proposed horizontal wells are shown in blue. There is no evidence of faults, pinch-outs or other significant impediments to the horizontal development in either of the objectives.
- 8. **Exhibit B-4** is a reference map for the cross-section. Horizontal wells on the map are filtered to only those landing in the 1<sup>st</sup> Bone Spring sand through 3<sup>rd</sup> Bone Spring carbonate/shale.
- 9. **Exhibit B-5** is a stratigraphic cross-section flattened on the top of the 3<sup>rd</sup> Bone Spring sand. Log curves for each well on the section consist of a gamma ray/caliper, deep resistivity, and PE, neutron/density porosity. The targeted interval for the proposed wells is shaded yellow.
- 10. An additional exhibit for the benefit of the Division's review is **Exhibit B-6**, a gross isochore of the upper lower 3<sup>rd</sup> Bone Spring carbonate/shale ("Harkey").
- 11. The measured depths and true vertical depths for each well are approximately as follows:

Case No.:		MD	TVD
23997	Jawbone Fed Com BS #1H	17,919'	7,691'
23998	Jawbone Fed Com BS #2H	18,185'	7,691'
23999	Jawbone Fed Com BS #3H	18,078'	7,705

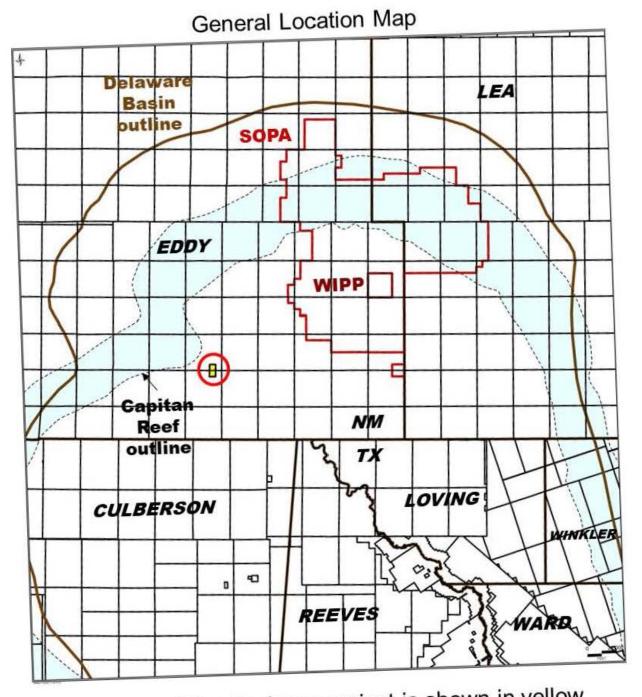
12. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration units ("HSU") are justified from a geologic standpoint.
- b. There are no structural impediments or faults that will interfere with horizontal development.
- c. Each quarter-quarter section in the Bone Spring HSUs will contribute more or less equally to production.
- 13. The planned well orientation in this area is north-south to fit with existing development in the immediate area. Older vintage wells targeting the Second Bone Spring sand were drilled both east-west and north-south, with similar results. The measured orientation of the maximum horizontal stress is N43°E (based on 3 high quality measurements within 7 miles of the project area from data tables from Lundstern, JE., Zoback, M.D. Author Correction: Multiscale variations of the crustal stress field throughout North America. *Nat Commun* 14, 1232 (2023). https://doi.org/10.1038/s41467-022-34915-0).
- 14. The subject acreage represents a sizeable percentage of Flat Creek's total acreage and will have the complete attention of the company with the goal of optimizing and accelerating operations.
  - 15. The exhibits attached hereto were prepared by me.
- 16. The granting of the Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

Thomas M. Anderson

 $\frac{(2/05/2023)}{\text{Date}}$ 



 Location of the Jawbone project is shown in yellow inside the red circle just to the east of the Capitan Reef in Eddy County

Exhibit B-1
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

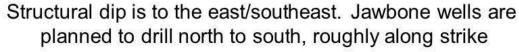
300152406800 MURCHISON O&G LLC OGDEN STATE 2E

DPLS

CALI

Received by OCD: 1/2/2024 5:16:41 PM

## Gun Barrel Diagram



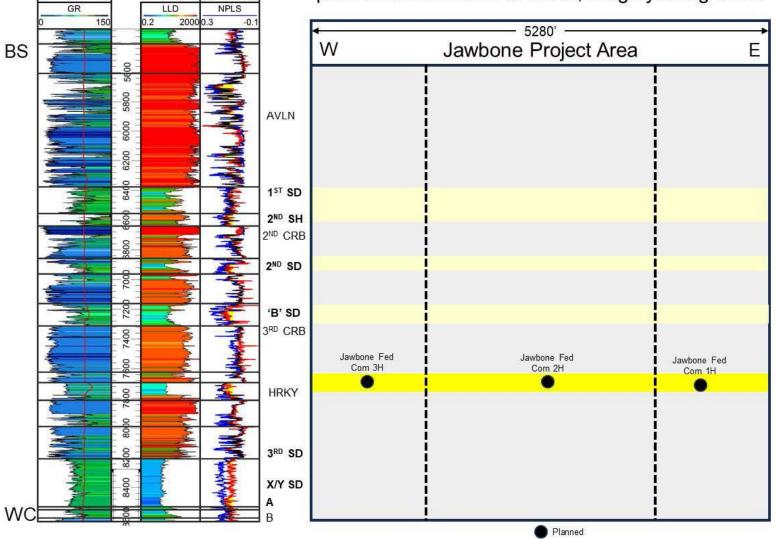


Exhibit B-2

Flat Creek Resource

Case Nos. 23997-23999

## Structure Map - Top "Harkey" Zone (TVDSS)

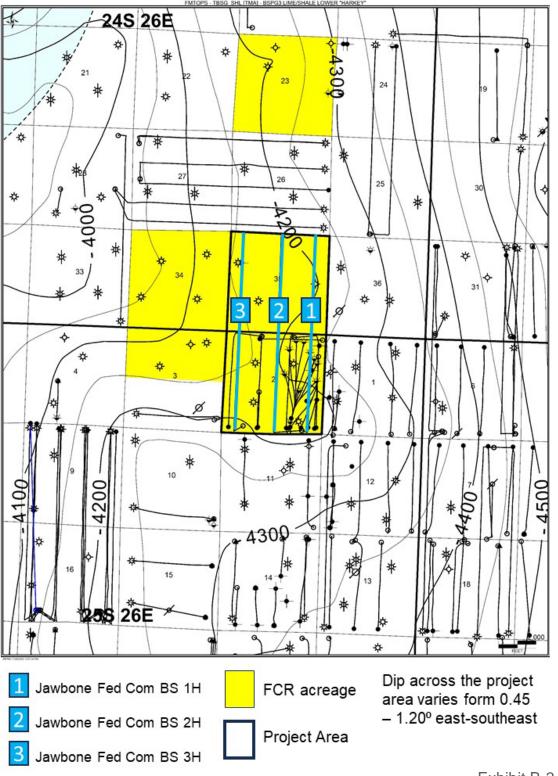


Exhibit B-3
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

## Cross-section Reference Map

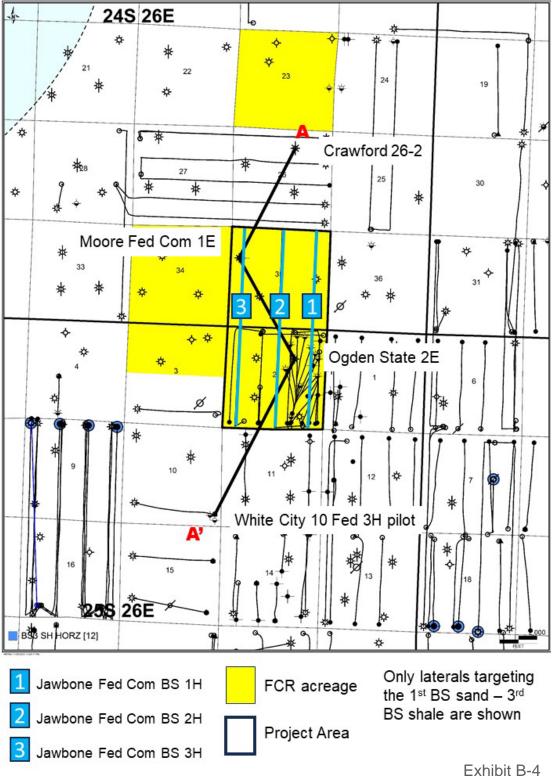
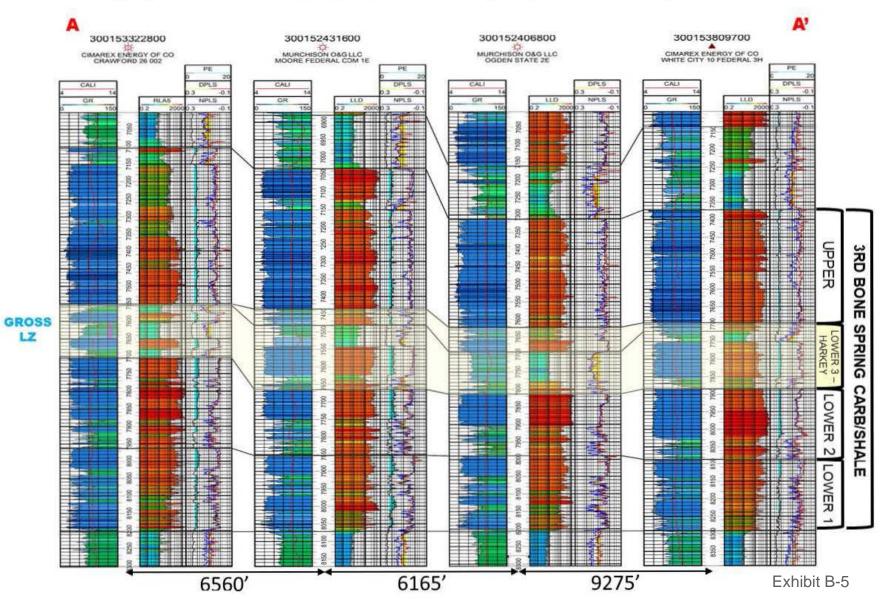


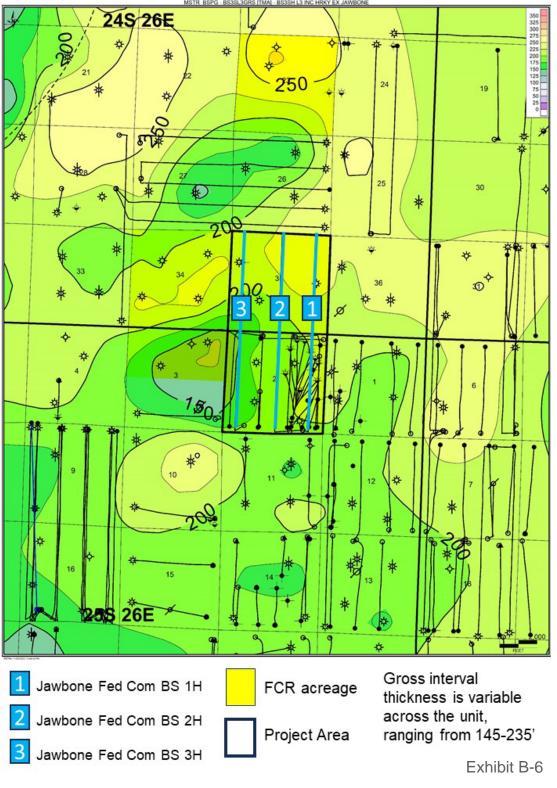
Exhibit B-4
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

## Stratigraphic Cross-section (Top 3rd Bone Spring Sand Datum)



Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

## Gross interval Isochore - "Harkey" Zone



Flat Creek Resource Case Nos. 23997-23999

December 7, 2023

Tab 5.

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

APPLICATIONS OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 23997-23999

#### <u>AFFIRMATION OF NOTICE</u>

I, Sharon T. Shaheen, attorney for Applicant in the above-captioned matter, state the following:

I caused notice of the applications to be sent by certified mail through the United States Postal Service on November 17, 2023, to all interest owners sought to be pooled in this proceeding. Evidence of mailing to all such owners is attached hereto as Exhibit C-1. Notice was also directed to all such owners by publication in the Carlsbad Current-Argus on November 19, 2023, which is reflected in the Affidavit of Publication attached hereto as Exhibit C-2. Exhibit C-2 demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.

Flat Creek Resources, LLC has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

Sharon T. Shaheen

12 5 23 Date

**EXHIBIT C** 

#### **Flat Creek Resources**

## Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H)

## **December 7, 2023 Hearing**

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
	WORKIN	G INTEREST OWNERS		
Durango Production Corporation 2663 Plaza Parkway Wichita Falls, TX 76308	November 17, 2023	7020 0090 0000 0863 9734	Delivered	November 21, 2023
MEC Petroleum Corporation P.O. Box 11265 Midland, TX 79702-8265	November 17, 2023	7020 0090 0000 0863 9741	Moving Through Network as of November 25, 2023	
Pintail Production Company 6467 Southwest Blvd. Benbrook, TX 76132-2777	November 17, 2023	7020 0090 0000 0863 9758	Delivered	November 21, 2023
WPX Energy Production Company, LLC 333 West Sheridan Ave. Oklahoma City, OK 73102-5015	November 17, 2023	7020 0090 0000 0863 9765	Delivered	November 22, 2023
	(	ORRI OWNERS		
1B4S Enterprises, LLC 3203 Bowie St. Amarillo, TX 79109	November 17, 2023	7020 0090 0000 0863 9772	Delivered	November 27, 2023
A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, Wy 82003-0788	November 17, 2023	7020 0090 0000 0863 9789	Delivered	November 21, 2023

EXHIBIT C-1 TO AFFIRMATION OF NOTICE Updated: December 5, 2023

1

#### **Flat Creek Resources**

# Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H) December 7, 2023 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Blue Hole Investments 5210 W. Verde Circle Benbrook, TX 76126	November 17, 2023	7020 0090 0000 0863 9796	Delivered	November 21, 2023
Concho Oil & Gas LLC P.O. BOX 7500 Barthlesville, OK 74005	November 17, 2023	7020 0090 0000 0863 9802	Delivered	November 21, 2023
Concho Resources, Inc. P.O. BOX 7500 Barthlesville, OK 74005	November 17, 2023	7020 0090 0000 0863 9819	Delivered	November 21, 2023
EL Latham Co. P.O. Box 100912 Ft. Worth, TX 76185	November 17, 2023	7020 0090 0000 0863 9826	Delivered	November 27, 2023
Lisha N. Davila Kovacevic 3481 Hickory Court Marietta, GA 30062	November 17, 2023	7020 0090 0000 0863 9833	Delivery Attempt Notice Left and Reminder to Schedule Redelivery December 3, 2023	
Mumford & Company 11601 Woodmar NE Albuquerque, NM 87111	November 17, 2023	7020 0090 0000 0863 9840	Delivered	November 20, 2023
Murchison Oil and Gas, LLC 7250 Dallas Parkway, Suite 1400 Plano, TX 75024	November 17, 2023	7020 0090 0000 0863 9857	Moving Through Network as of November 24, 2023	

EXHIBIT C-1 TO AFFIRMATION OF NOTICE Updated: December 5, 2023

#### **Flat Creek Resources**

# Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H) December 7, 2023 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Paloma Gas Holdings, LLC 1100 Louisiana, Suite 5100 Houston, TX 77002	November 17, 2023	7020 0090 0000 0863 9864	Delivered	November 22, 2023
Pegasus Resources II, LLC P.O Box 470698 Fort Worth, TX 76147	November 17, 2023	7020 0090 0000 0863 9871	Delivered	November 22, 2023
Permian Basin GIF I, LLC P.O. Box 470844 Fort Worth, TX 76147	November 17, 2023	7020 0090 0000 0863 9888	Available for Pickup November 21, 2023	
SEP Permian Holding Corp. P.O. Box 79840 Houston, TX 77279	November 17, 2023	7020 0090 0000 0863 9895	Moving Through Network as of November 22, 2023	
Shogoil & Gas Co. II, LLC P.O. Box 29450 Santa Fe, NM 87592-9450	November 17, 2023	7020 0090 0000 0863 9901	Moving Through Network as of November 22, 2023	
Shogoil & Gas Co. LLC P.O. Box 209 Hay Springs, New England 69347	November 17, 2023	7020 0090 0000 0863 9918	Delivered	November 27, 2023
Summer Lorraine Davila 5326 Blossom Drive Sugar Hill, GA 30518	November 17, 2023	7020 0090 0000 0863 9925	Delivered	November 24, 2023

EXHIBIT C-1 TO AFFIRMATION OF NOTICE Updated: December 5, 2023

#### **Flat Creek Resources**

## Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H)

## December 7, 2023 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Syhan, LP P.O. Box 92349 Austin, TX 78709-2349	November 17, 2023	7020 0090 0000 0863 9932	Delivered	November 21, 2023
	OTHER I	NTERESTED PARTIES		
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	November 17, 2023	7020 0090 0000 0863 9949	Delivered	November 22, 2023
State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	November 17, 2023	7020 0090 0000 0863 9956	Delivered	November 20, 2023

	D 00 C110
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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.  Durango Production Corporation 2663 Plaza Parkway	A. Signature    Agent   Addressee     B. Received by (Printed Name)   C. Date of Delivery     S. De us (use   1.2  )   D. Is delivery address different from item 1?   Yes     If YES, enter delivery address below:   No
Wichita Falls, TX 76308	
9590 9402 8530 3186 0599 09	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery
2.7 7020 0000 0000 0863 5	1734  stricted Delivery  stricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639741

Copy

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

**Get More Out of USPS Tracking:** 

USPS Tracking Plus®

Delivered

1963

コレコロ

**Out for Delivery** 

**Preparing for Delivery** 

#### **Moving Through Network**

In Transit to Next Facility

November 25, 2023

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER

November 20, 2023, 7:52 pm

#### U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only sps.com/s/article/Where-is-my-package) Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) Postmark Certifled Mail Restricted Delivery Here Adult Signature Required MEC Petroleum Corporation See Less ^ P.O. Box 11265 Midland, TX 79702-8265

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639758

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item was delivered to an individual at the address at 12:26 pm on November 21, 2023 in FORT WORTH, TX 76132.

**Get More Out of USPS Tracking:** 

USPS Tracking Plus®

#### **Delivered**

**Delivered, Left with Individual** 

FORT WORTH, TX 76132 November 21, 2023, 12:26 pm

See All Tracking History

SENDER: COMPLETE THIS SECTION	COMPLETE THE STATE	ickage)
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits</li> </ul>	A. Signature  A. Signature  A. Signature  Agent  Addressee  B. Received by (Printed Name)  C. Date of Delivery	~
Article Addressed to:	D. Is delivery address different to it.	~
Pintail Production Company 6467 Southwest Blvd. Benbrook, TX 76132-2777	If YES, enter delivery address below:	Feedback
9590 9402 8530 3186 0599 23  Article Number (Transfer from service label)	3. Service Type  Adult Signature Adult Signature Restricted Delivery Certified Mail® Collect on Delivery Collect Type Collect	*
7020 0090 0000 D863 97	Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery	
Form 3811, July 2020 PSN 7530-02-000-9053	Restricted Delivery  Domestic Return Receipt	
	Need More Help?	

Contact USPS Tracking support for further assistance.

			D 08 0118
SENDER: COMPLETE THIS	SECTION	COMPLETE THIS SECTION OF	N DELIVERY 5 of 113
<ul> <li>Complete items 1, 2, and</li> <li>Print your name and address that we can return the</li> <li>Attach this card to the bacor on the front if space pe</li> </ul>	ess on the reverse card to you. ck of the mailpiece,	A. Signature CULC X  B. Received by (Printed Name)	Addressee
1. Article Addressed to:  WPX Energy Product 333 West Sheridan Oklahoma City, OK	Ave.	D. Is delivery address different for If YES, enter delivery address.	
9590 9402 8530 3	186 0599 30 000 0863 97	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mall® Certified Mall Restricted Delivery Collect on Delivery I call Jail Jail Restricted Delivery (over \$500)	☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricter Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery☐
PS Form 3811, July 2020 PS	SN 7530-02-000-9053	IW WALL SALES AND	Domestic Return Receipt

G.C. A CAME	THE STATE OF STATE
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X. C. C. C. Agent  B. Received by (Printed Name)  C. Date of Delivery  C. Lland Brown  11-27-23
1. Article Addressed to:  1B4S Enterprises, LLC 3203 Bowie St. Amarillo, TX 79109	D. Is delivery address different from item 1?
9590 9402 8530 3186 0599 47  2. Article Number (Transfer from service label) 7020 0090 0000 0863 977	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery □ Signature Confirmation Restricted Delivery □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639789

Copy

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item has been delivered and is available at a PO Box at 9:57 am on November 21, 2023 in CHEYENNE, WY 82003.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

**Delivered** 

Delivered, PO Box

CHEYENNE, WY 82003

November 21, 2023, 9:57 am

Con All Tracking History

SENDER: COMPLETE THIS SECTION	COMPLETE THE CONTRACTOR	ge)
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	A. Signature  X. Setty Stuelas Agent  B. Received by Printed No.	~
or on the front if space permits.  Article Addressed to:	D. Is delivery address different from item 1? Yes	~
A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, Wy 82003-0788	No	~
9590 9402 8530 3186 0599 54	3. Service Type    Adult Signature   Priority Mail Express®   Registered Mail™   Restricted Delivery   Registered Mail Restricted Delivery   Signature Confised	Feedback
7020 0000 0000 0863 978°		
Form 3811, July 2020 PSN 7530-02-000-9053		
	Need More Help:	

Contact USPS Tracking support for further assistance.

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639796

Copy

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item was delivered to an individual at the address at 2:11 pm on November 21, 2023 in FORT WORTH, TX 76126.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

#### **Delivered**

9296

0863

7020 090 0000

Delivered, Left with Individual

FORT WORTH, TX 76126 November 21, 2023, 2:11 pm

U.S. Postal Service™ CERTIFIED MAIL® RECEIP Domestic Mail Only	T	ps.com/s/article/Where-is-my-package)	
For delivery information, visit our website at ww	w.usps.com <sup>∞</sup> .		~
xtra Services & Fees (check box, add fee as appropriate)  Rd um Receipt (hardcopy)  Refum Receipt (electronic)			~
Cortified Mall Restricted Delivery  Adult Signature Required \$  Adult Signature Restricted Delivery \$  ostage	Postmark Here		~
otal i		See Less ^	
Blue Hole Investments 5210 W. Verde Circle Benbrook, TX 76126			Feedback
Form 3800, April 2015 BCN 3500 00 000			

## **Need More Help?**

Contact USPS Tracking support for further assistance.

**FAQs** 

Released to Imaging: 1/3/2024 11:40:00 AM

		D
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY 99 OF 113
■ Complete items 1, 2, and 3.	& Signaturo Co Phi	lins
■ Print your name and address on the reverse	XOLIOCOL III	Agent
so that we can return the card to you.	B. Received OVPrinted Name3	C. Date of Delivery
Attach this card to the back of the mailpiece, or on the front if space permits.	Di tiocon di Cari Cari	or baile or belivery
Article Addressed to:	D. Is delivery address different from	n item 17  Yes
	If YES, enter delivery address?	below: 🔲 No
·		
Concho Oil & Gas LLC	i c	
P.O. BOX 7500		
Barthlesville, OK 74005		
	3. Service Type	☐ Priority Mail Express®
	□ Adult Signature     □ Adult Signature Restricted Delivery	☐ Registered Mail™ ☐ Registered Mail Restricted
9590 9402 8530 3186 0599 78	☐ Certified Mail® ☐ Certified Mall Restricted Delivery	Delivery ☐ Signature Confirmation™
	☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation Restricted Delivery
<del>-</del> '	Restricted Delivery	ricalitated Bonvery
	111111111111111111111111111111111111111	
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
Complete items 1, 2, and 3.	A. Signature	hillins
Print your name and address on the reverse	X COLLOCOL	Agent Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by (Ninted Narie) 2	
or on the front if space permits.		
Article Addressed to:	D. Is delivery address different in	frem 1? 🗆 Yes
T	If YES, enter delivery address	Below: No
7		
Concho Resources, Inc.	li .	
P.O. BOX 7500		
Barthlesville, OK 74005	Landa and the second	
ON AN AN AND THE PART OF A WARREN BY A WARREN OF A PART OF THE	3. Service Type ☐ Adult Signature	☐ Priority Mall Express® ☐ Registered Mail™
	☐ Adult Signature Restricted Delivery	☐ Registered Mall Restricted
9590 9402 8530 3186 0599 85	☐ Certified Mail® ☐ Certified Mail Restricted Delivery	Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation
7070 Confer from convice label)	☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation Restricted Delivery
7020 0090 0000 0863 981	Mail Restricted Delivery	
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
	A. Signature	W. F
Complete items 1, 2, and 3.  Print your name and address on the reverse	111	☐ Agent
so that we can return the card to you.	X	☐ Addressee
Attach this card to the back of the mailplece,	B. Received (by (Printed Name)	C. Date of Delivery
or on the front if space permits.	Tankac	1-610
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address	
₹C		
EL Latham Co.		5
P.O. Box 100912		
	M	
Ft. Worth, TX 76185	O. Consider Type	188-16400 ps. (1882 50 ) 1882 58.
B	3. Service Type  Adult Signature	☐ Priority Mall Express® ☐ Registered Mail™
	☐ Adult Signature Restricted Delivery ☐ Certified Mail®	☐ Registered Mail Restricted Delivery
9590 9402 8530 3186 0599 92	☐ Certified Mail Restricted Delivery ☐ Collect on Delivery	☐ Signature Confirmation™ ☐ Signature Confirmation
2. Article Number (Transfer from service label)	Collect on Delivery Restricted Delivery	Restricted Delivery
7020 0090 0000 0863 9826	sured Mall Restricted Delivery (over \$500)	
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639833

Copy Schedule a Redelivery (https://tools.usps.com/redelivery.htm)

#### **Latest Update**

This is a reminder to arrange for redelivery of your item before December 12, 2023 or your item will be returned on December 13, 2023. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

**Delivery Attempt: Action Needed** 

Reminder to Schedule Redelivery of your item before December 12, 2023

December 3, 2023

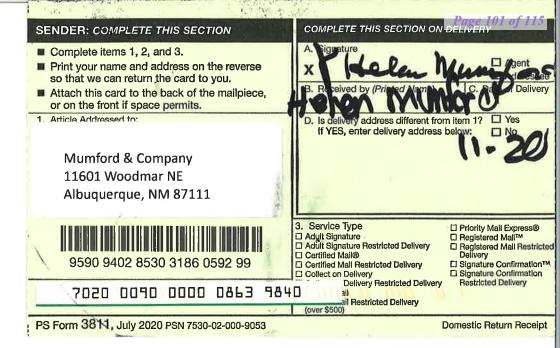
Notice Left (No Authorized Recipient Available)

MARIETTA, GA 30062 November 28, 2023, 2:59 pm

See All Tracking History



Released to Imaging: 1/3/2024 11:40:00 AM



FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639857

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

Delivered

9857

0863

7020 0090 0000

**Out for Delivery** 

**Preparing for Delivery** 

#### **Moving Through Network**

In Transit to Next Facility

November 24, 2023

Arrived at USPS Regional Facility

COPPELL TX DISTRIBUTION CENTER November 20, 2023, 8:38 am

U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com®.  Certified Mall Fee  Extra Services & Fees (check box, add fee as appropriate)	ps.com/s/article/Where-is-my-package)
Return Receipt (hardcopy)   Return Receipt (electronic)   Postmark     Certified Mail Restricted Delivery   Here     Adult Signature Required   Adult Signature Restricted Delivery     Adult Signature Restricted Delivery   Postage     Adult Signature Restricted Delivery   Postage   Postage     Adult Signature Restricted Delivery   Postage   Po	~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~
Murchison Oil and Gas, LLC 7250 Dallas Parkway, Suite 1400 Plano, TX 75024  S Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	See Less ^

San Shirt of the San	Page 102 of 115
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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:  Paloma Gas Holdings, LLC 1100 Louisiana, Suite 5100 Houston, TX 77002	A. Signature  X
9590 9402 8530 3186 0593 12 7020 0090 0000 0863 9864	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ I Mail □ Mail Restricted Delivery □ Signature Confirmation □ Restricted Delivery □ Signature Confirmation □ Restricted Delivery □ Signature Confirmation □ Restricted Delivery □ Signature Confirmation
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

987J

0863

0600

7020

FAQs >

Remove X **Tracking Number:** 70200090000008639871 Add to Informed Delivery (https://informeddelivery.usps.com/) Сору **Latest Update** Your item was picked up at the post office at 9:01 am on November 22, 2023 in FORT WORTH, TX 76107. **Get More Out of USPS Tracking:** USPS Tracking Plus® Delivered Delivered, Individual Picked Up at Post Office FORT WORTH, TX 76107 November 22, 2023, 9:01 am See All Tracking History U.S. Postal Service™ sps.com/s/article/Where-is-my-package) **CERTIFIED MAIL® RECEIPT** Domestic Mail Only Extra Services & Fees (check box, add fee as appropriate

Return Receipt (hardcopy)

\$ Postmark Return Receipt (electronic) Certified Mall Restricted Delivery Here Adult Signature Required Adult Signature Restricted Delivery \$ See Less ^ Pegasus Resources II, LLC P.O Box 470698

#### **Need More Help?**

See Reverse for Instructions

Contact USPS Tracking support for further assistance.

**FAQs** 

Fort Worth, TX 76147

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

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639888

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

This is a reminder to pick up your item before December 5, 2023 or your item will be returned on December 6, 2023. Please pick up the item at the FORT WORTH, TX 76147 Post Office.

#### **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

#### **Delivery Attempt**

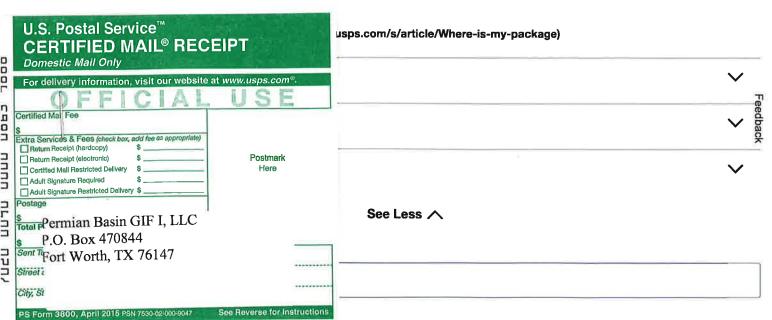
Reminder to pick up your item before December 5, 2023

FORT WORTH, TX 76147 November 26, 2023

#### **Available for Pickup**

ARLINGTON HEIGHTS 3101 W 6TH ST <sup>5</sup> FORT WORTH TX 76107-2778 M-F 0830-1700 November 21, 2023, 8:53 am

See All Tracking History



Released to Imaging: 1/3/2024 11:40:00 AM

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639895

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

Delivered

**Out for Delivery** 

**Preparing for Delivery** 

#### Moving Through Network

In Transit to Next Facility

November 22, 2023

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 18, 2023, 10:18 pm

See All Tracking History

9895

0863

0000

0600

7020

See All Iracking History			
U.S. Postal Service™ CERTIFIED MAIL® RECEIF Domestic Mail Only	PT	sps.com/s/article/Where-is-my-package)	7
For delivery information, visit our website at we	vw.usps.com®.		ed
OFFICIAL	USE		> eedback
Certified fiall Fee  \$ Extra Services & Fees (check box, add fee as appropriate)    Return Riccipt (electronic) \$   Certified Mail Restricted Delivery \$   Adult Signature Required \$   Adult Signature Restricted Delivery \$   Postage	Postmark Here		<b>×</b>
SEP Permian Holding Corp. P.O. Box 79840 Houston, TX 77279		See Less ^	
City			

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639901

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

# Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility. Get More Out of USPS Tracking:

Delivered

**Out for Delivery** 

**Preparing for Delivery** 

**Latest Update** 

#### **Moving Through Network**

**USPS Tracking Plus®** 

In Transit to Next Facility

November 22, 2023

9901

0863

0000

7020 0090

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 18, 2023, 10:18 pm

See All Tracking History  U.S. Postal Service™  CERTIFIED MAIL® RECE  Domestic Mail Only	EIPT	ps.com/s/article/Where-is-my-package)	
For delivery information, visit our website at	www.usps.com*.		> reedback
xtra Services & ees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic)	Postmark		~
☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ ☐ Postage	Here		~
Shogoil & Gas Co. II, LLC P.O. box 29450 Santa Fe. NM 87592-9450	-	See Less ^	

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639918

Copy

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item was picked up at the post office at 10:14 am on November 27, 2023 in HAY SPRINGS, NE 69347.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

#### **Delivered**

Delivered, Individual Picked Up at Post Office

HAY SPRINGS, NE 69347 November 27, 2023, 10:14 am

See All Tracking History

	" Statuees Mean?	(https://faq.usps.co	om/s/article/Where-is-my-pa	ckage)
--	------------------	----------------------	-----------------------------	--------

Complete items 1, 2, and 3.  Print your name and address on the reverse so that we can return the call d to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature  X Agent  B. Received by (Printed Name)  Addressee  Date of Delivery	<b>~</b>
Shogoil & Gas Co. LLC P.O. Box 209 Hay Springs, New England 69347	D. Is delivery address different from item 1?  If YES, enter delivery address below:  No	Feedback
9590 9402 8530 3186 0596 64 Article Number (Transfer from service label)	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail ⊕ □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Collect on Delivery Restricted Delivery □ If Restricted Delivery □ Signature Confirmation □ Signature Confirmation □ Restricted Delivery □ Domestic Return Receipt	. 60

Contact USPS Tracking support for further assistance.

FAQ6 >

Remove X

Tracking Number:

#### 70200090000008639925

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item was delivered to an individual at the address at 12:18 pm on November 24, 2023 in BUFORD, GA 30518.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

#### **Delivered**

Delivered, Left with Individual

BUFORD, GA 30518 November 24, 2023, 12:18 pm

See All Tracking History

-/Mar vene	com/s/article/	Where-is-m	y-package
------------	----------------	------------	-----------

TO THE RESIDENCE OF THE PARTY O		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul> <li>Complete items 1, 2 and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> </ul>	A Signature	<b>V</b>
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)  C. Date of Delivery	~
Article Addressed to:		
	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No	~
Summer Lorraine Davila 5326 Blossom Drive Sugar Hill, GA 30518		T
9590 9402 1258 5246 3436 69	3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Certified Mail®  Certified Mail®  Collect on Delivery  Registered Mail Restricted Delivery  Registered Mail Restricted Delivery  Registered from Receipt for	eedback
7765	☐ Collect on Delivery  Id Mail  Id Mai	
S Form 3811, July 2015 PSN 7530-02-000-9053	(070)	
	Domestic Return Receipt	

Contact USPS Tracking support for further assistance.

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639932

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item has been delivered and is available at a PO Box at 10:32 am on November 21, 2023 in AUSTIN, TX 78749.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

**Delivered** 

**Delivered, PO Box** 

AUSTIN, TX 78749 November 21, 2023, 10:32 am

See All Tracking History

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	;kage)
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and ad fress on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the frent if</li> </ul>	A. Signature	~
or on the front if space permits.  1. Article Addressed to:	D. Is delivery address different from Item 1? Yes	~
Syhan, LP P.O. Box 92349 Austin, TX 78709-2349	No	~
9590 9402 1258 5246 3431 71	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Registered Mail Restricted Delivery □ Return Receipt for Merchandise	Feedback
7 D 7 D Service label)	☐ Coffect on Delivery Restricted Delivery ☐ Signature Confirmation ☐ Signature ☐ Signature Confirmation ☐ Signature ☐ Si	
	Need More Help:	

Contact USPS Tracking support for further assistance.

19 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X. Ou Dule Agent  Addressee  B. Received by (Printed Name)  C. Date of Delivery  W. (33/33)
Article Addressed to:	D. Is delivery address different from item 1?  If YES, enter delivery address below:  No
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	
9590 9402 1258 5246 3431 88	3. Service Type
2. Article Number (Transfer from service label) 7020 0090 0000 0863 99	☐ Insured Mail ☐ Signature Confirmation Restricted Delivery
PS Form 3811 July 2015 PSN 7530-02-000-9053	Domestic Beturn Receipt

FAQs >

**Tracking Number:** 

Remove X

#### 70200090000008639956

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item was picked up at a postal facility at 10:27 am on November 20, 2023 in SANTA FE, NM 87501.

**Get More Out of USPS Tracking:** 

**USPS Tracking Plus®** 

#### **Delivered**

**Delivered, Individual Picked Up at Postal Facility** 

SANTA FE, NM 87501 November 20, 2023, 10:27 am

See All Tracking History

SENDER: COMPLETE TO	n? (https://faq.usps.com/s/article/Where-is-my-package)	
Print your name and address on the reverse	COMPLETE THIS SECTION ON DELIVERY	~
Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:	O Del Addressee	~
	D. Is delivery address different from item 1?  Yes	<b>√</b>
State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	If YES, enter delivery address below:	eedback
9590 9402 1258 5240	3. Service Type  Adult Signature  Adult Signature   Priority Mail Express®   Registered Mail®    Certified Mail®   Priority Mail Express®   Registered Mail™   Regist	
9566 E980 0000 B	Collect on D. Restricted Deliver Deliver Deliver	
	on Delivery on Delivery on Peturn Receipt for Mail Mail Restricted Delivery  Mail Restricted Delivery  (over \$500)  Signature Confirmation Restricted Delivery	
Co	ontact USPS Tracking Domestic Return Receipt sistance.	

## Affidavit of Publication Ad # 0005859346 This is not an invoice

**MONTGOMERY & ANDREWS P.A.** PO BOX 2307

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

11/19/2023

Legal Clerk

Subscribed and sworn before me this November 20,

State of WI, County of Brown NOTARY PUBLIC

My commission expires

Ad # 0005859346 PO #: 23997- 23998 # of Affidavits: 1

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin Received by OCD: 1/2/2024 5:16:41 PM

#### NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted mineral owners:

Durango Production Corp.; WPX Energy Production Co.; MEC Petroleum Corp.; Pintail Production Company; Concho Oil & Gas LLC; Concho Resources, Inc.; Murchison Oil and Gas, LLC; EL Latham Co.; 1845 Enterprises, LLC; Blue Hole Investments; Mumford & Company; Pegasus Resources II, LLC; SEP Permian Holding Corp.; Paloma Natural Gas Holdings, LLC; Permian Basin GIF I, LLC; A.G. Andrikopoulos Resources, Inc.; Shogoil & Gas Co. II, LLC; Sydhan, LP; Lisha N. Davila Kovacevic; Summer Lorraine Davila; the New Mexico State Land Office, and the U.S. Bureau of Land Management.

Flat Creek Resources, LLC, has filed applications with the New Mexico Oil Conservation Division as follows:

Case No. 23997: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23998: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com B5 #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E. With the proximity tracts, the completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

23999: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites

City, new mexico.

These applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on December 7, 2023, beginning at 8:15 a.m. Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings. html. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by November 29, 2023, and serve the Division, counsel for the Applicant, and other parties with a prehearing statement by November 30, 2023, in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicant's attorney, Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678. #5859346, Current Argus, November 19, 2023 #5859346, Current Argus, November 19, 2023