BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 18, 2024

Case No. 24077

Hawk 9 Federal Com 3H

Hawk 9 Federal Com 4H

Hawk 9 Federal Com 5H

Hawk 9 Federal Com 7H

Hawk 9 Federal Com 8H

Eddy County, New Mexico



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

APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 24077

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Riley Exhibit B: Filed Application

Riley Exhibit C: Affidavit of Mark Smith, Senior Landman

• Riley Exhibit C-1: General Location Map(s)

• Riley Exhibit C-2: C-102(s)

• Riley Exhibit C-3: Tract and Spacing Unit Depictions

• Riley Exhibit C-4: Interest Calculation for Spacing Units

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• Riley Exhibit D-1: Base Map

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Riley Exhibit E: Notice Affidavit

• Notice Letter

• Certified Mail Receipts

Riley Exhibit F: Affidavit of Publication

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS								
Case:	APPLICANT'S RESPONSE							
Date								
Applicant:	Riley Permian Operating Company, LLC							
Designated Operator & OGRID (affiliation if applicable):	372290							
Applicant's Counsel:	Miguel Suazo, Beatty & Wozniak, P.C.							
Case Title:	Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico							
Entries of Appearance/Intervenors:	None							
Well Family:	Hawk 9 Federal Com							
Formation/Pool								
Formation Name(s) or Vertical Extent:	Yeso							
Primary Product (Oil or Gas):	Oil							
Pooling this vertical extent:	Entire Formation							
Pool Name and Pool Code:	Red Lake; Glorieta-Yeso [51120]							
Well Location Setback Rules:	Statewide Rules							
Spacing Unit								
Type (Horizontal/Vertical)	Horizontal							
Size (Acres)	320 acres, more or less							
Building Blocks:	Quarter-Quarter sections							
Orientation:	East-West							
Description: TRS/County	S/2N/2 and N/2S/2 of Section 9, T-18-S, R-27-E, Eddy County							
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	No							
Proximity Tracts: If yes, description	Yes							
Proximity Defining Well: if yes, description	Hawk 9 Federal Com 5H Well							
Applicant's Ownership in Each Tract	Exhibit C							
Well(s)								
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)								

WR let wed by OCD: 1/16/2024 3:46:39 PM	Hawk 9 Federal Com 3H Well (API No. 30-015-53677)Page 4 of
**Recented by OCD: 1/10/2024 5.40.57 FM	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: NW/4SW/4 (Lot L) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
Wall #3	Completion Location: Standard
Well #2	Hawk 9 Federal Com 4H Well (API No. 30-015-53890)
	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: NW/4SW/4 (Lot L) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Well #3	Hawk 9 Federal Com 5H Well (API No. 30-015-53889)
	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Well #4	Hawk 9 Federal Com 7H Well (API No. 30-015-53809)
vveii #4	
	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Well #5	Hawk 9 Federal Com 8H Well (API No. 30-015-53808)
	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibits C-5, C-6, and D-2
	Case No. 24077
AFE Capex and Operating Costs	Riley Permian Operating Company, LLC - Exhibit A

D. Riffregived Deir M. G. Dri / N. A. B. A. C. S.	\$8,000 Page 5 of
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	\$200
Notice of Hearing	
Proposed Notice of Hearing	Exhibits B and E
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits C-3 and C-4 Exhibits C-3 and C-4
Tract List (including lease numbers and owners) 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)	Exhibits C-4 and C-5
Unlocatable Parties to be Pooled	Exhibits C-4
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibits C-4 and C-5
Chronology of Contact with Non-Joined Working Interests	Exhibit C-7
Overhead Rates In Proposal Letter	Exhibits C-5 and C-6
Cost Estimate to Drill and Complete	Exhibit C-6
Cost Estimate to Equip Well	Exhibit C-6
Cost Estimate for Production Facilities	Exhibit C-6
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibits C-2, C-3, and D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, D-1, and D-3
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-2, D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-4
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-2 and D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-1
Cross Section (including Landing Zone)	Exhibit D-3 Case No. 24077 Riley Permian Operating Company, LLC - Exhibit A

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Additional Informations/2024 3:46:39 PM	Page 6 of
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Miguel Suazo
Signed Name (Attorney or Party Representative):	1/4/1/30
Date:	January 16, 2024

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

APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No.		

APPLICATION

Riley Permian Operating Company, LLC, OGRID No. 372290 ("Riley" or "Applicant"), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) creating a standard 320-acre, more or less, overlapping horizontal well spacing and unit ("HSU") composed of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and (2) an order pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

In support of its Application, Riley states the following:

- 1. Riley is a working interest owner in the subject lands and has a right to drill wells thereon.
- 2. Riley seeks to dedicate the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, spacing unit.
 - 3. Riley seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. Hawk 9 Federal Com 3H Well and Hawk 9 Federal Com 4H Well, which is an oil well that will be horizontally drilled from a surface location in the SW1/4NW1/4 of Section 10 to a bottom hole location in the Yeso Formation in the NW1/4SW1/4 of Section 9; and

- B. Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, which are oil wells that will be horizontally drilled from a surface location in the SW¹/₄NW¹/₄ of Section 10 to a bottom hole location in the Yeso Formation in the SW¹/₄NW¹/₄ of Section 9.
- 4. The wells are orthodox in their location, and the take points and laterals comply with Statewide Rules for setbacks.
- 5. The completed interval for the Hawk 9 Federal Com 5H Well, which is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed standard spacing unit for the wells.
- 6. Riley has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners in the Yeso formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Yeso formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Riley requests that all uncommitted interests in this HSU be pooled and that Riley be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Riley requests this Application be set for hearing on January 4, 2024, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, Eddy County, New Mexico;

- B. Pooling all uncommitted interests in the Yeso formation underlying a horizontal spacing unit within the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico;
- C. Approving the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, as the wells for the HSU.
- D. Designating Riley as operator of the HSU and the horizontal wells to be drilled thereon;
- E. Authorizing Riley to recover its costs of drilling, equipping, and completing the wells;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Riley in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:

Miguel Suazo

James P. Parrot

Sophia Graham

500 Don Gaspar Ave.,

Santa Fe, NM 87505

(505) 946-2090

msuazo@bwenergylaw.com

jparrot@bwenergylaw.com

sgraham@bwenergylaw.com

Attorneys for Riley Permian Operating Company, LLC

Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, N.M.P.M, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Yeso formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Hawk 9 Federal Com 3H Well and Hawk 9 Federal Com 4H Well, which are oil wells that will be horizontally drilled from a surface location in the SW¹/₄NW¹/₄ of Section 10 with a bottom hole location in the Yeso Formation in the NW1/4SW1/4 of Section 9, and the Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, which are oil wells that will be horizontally drilled from a surface location in the SW1/4NW1/4 of Section 10 to a bottom hole location in the Yeso Formation in the SW1/4NW1/4 of Section 9. The wells are orthodox in location and the take points and laterals comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 10 miles from Artesia, New Mexico.

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

APPLICATIONS OF RILEY PERMIAN OPERATING COMPANY, LLC FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24077

AFFIDAVIT OF MARK SMITH

Mark Smith, being first duly sworn upon oath, deposes and states as follows:

- 1. My name is Mark Smith, and I am employed by Riley Permian Operating Company, LLC ("Riley") as a Senior Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my qualifications as an expert in petroleum land matters were accepted and made a matter of record. I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters.
- 3. I am submitting this affidavit in support of Riley's applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.
- 4. I am familiar with the applications filed by Riley in these consolidated cases and the status of the lands in the subject lands.
- 5. Under Case No. 24077, Riley seeks an order (1) creating a standard 320-acre, more or less, horizontal well spacing and unit ("HSU") composed of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) an order

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pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

- 6. **Riley Exhibit C-1** is a general location map showing the proposed Yeso Formation spacing unit. The acreage subject to the applications are federal lands.
- 7. **Riley Exhibit C-2** contains the Form C-102s reflecting that the proposed Yeso wells to be drilled and completed in the subject unit. The location of each well is orthodox and meets the Division's offset requirements.
- 8. A review of the Yeso Formation underlying the subject lands indicated that there are no overlapping spacing units in the Yeso Formation.
 - 9. **Riley Exhibit C-3** outlines the proposed Yeso unit and tracts therein.
- 10. **Riley Exhibit C-4** sets forth the parties being pooled, the nature of their interests, and their last known address. The exhibit identifies the tract number, tract percentage interest, and spacing unit percentage interest for each mineral owner. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All interest owners were locatable and noticed, and there are no unleased mineral interest owners. Riley caused notice to be published in The Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico. I provided the law firm of Beatty & Wozniak, P.C. with the names and addresses for these mineral owners and instructed that each owner be provided notice of the hearing in these matters.
- 11. **Riley Exhibit C-5** contains the well proposal letter(s) sent in October 2023 and the amended well proposal sent in December 2023 to each mineral interest owner. The amended well proposal reflected a change of location for the Hawk 9 Federal Com 5H Well.

- 12. **Riley Exhibit C-6** contains the AFE for each proposed well. The estimated costs of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 13. Riley requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of New Mexico. Riley respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these cases.
- 14. Riley requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.
- 15. **Riley Exhibit C-7** sets forth a chronology of the contacts with owners. Riley has made a good faith effort to obtain voluntary joinder of the interest owners in the proposed wells.
 - 16. Riley requests that it be designated operator of the unit and wells.
- 17. **Exhibit C-1** through **Exhibit C-7** were either prepared by me or compiled from Riley's company business records under my direction and supervision.
- 18. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
- 19. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]

FURTHER AFFIANT SAYETH NOT.

Dated this day of January, 2024.

Mark Smith

Riley Permian Operating Company, LLC

STATE OF OKLAHOMA

)) ss.

CITY OF OKLAHOMA CITY AND COUNTY OF OKLAHOMA

The foregoing instrument was subscribed and sworn to before me this 21/2 day of 2024, by Mark Smith, Senior Landman for Riley Permian Operating Company, LLC.

Witness my hand and official seal.

My commission expires: 3-15-2024



McKenju Shong

Before the Oil Conservation Division Examiner Hearing Case No. 24077

Hawk 9 Federal Com 3H

Hawk 9 Federal Com 4H

Hawk 9 Federal Com 5H

Hawk 9 Federal Com 7H

Hawk 9 Federal Com 8H



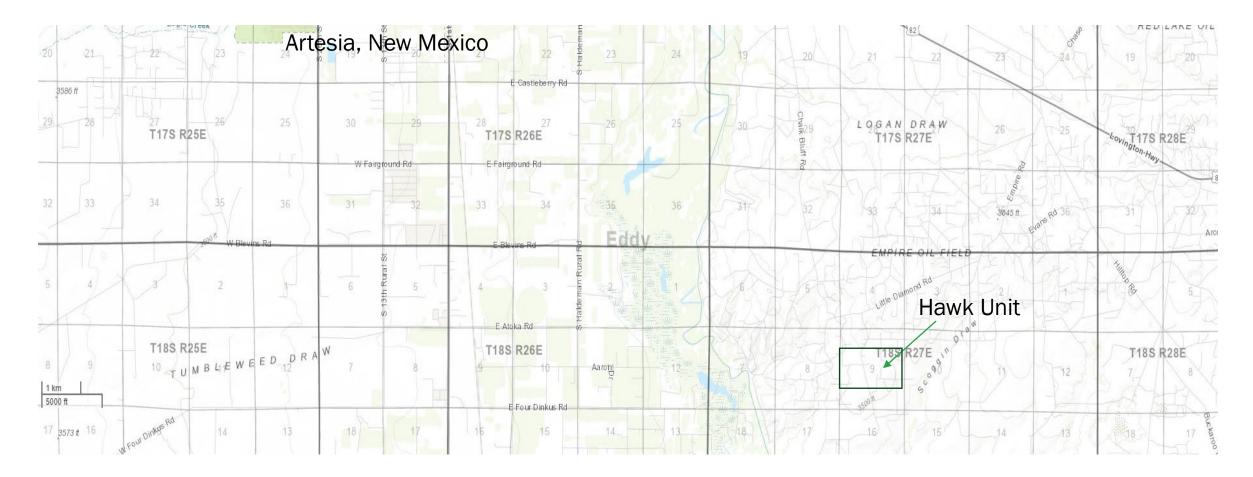


Case No. 24077
Riley Permian Operating Company, LLC - Exhibit C-3

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Land: Exhibit C-1

Locator Map:



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

<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

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

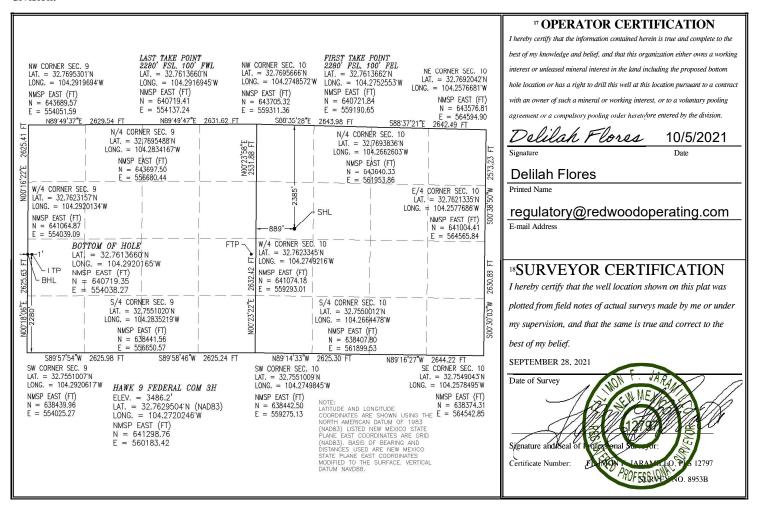
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-53677		² Pool Code ³ Pool Name			
		51120	Red Lake; Glorieta-Yeso		
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number	
329470		HAWK 9	3Н		
⁷ OGRID No.		8 Operator Name			
330211		REDWOOD	OPERATING LLC	3486.2	

Surface Location

					Surrace	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		2385	NORTH	889	WEST	EDDY
	Bottom Hole Location If Different From Surface								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	18 S	27 E		2280	SOUTH	1	WEST	EDDY
12 Dedicated Acre	s ¹³ Joint	or Infill	Consolidation	n Code	¹⁵ Order No.				
160									



District I 1625 N. French Dr., Ho

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

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Revised August 1,
2011
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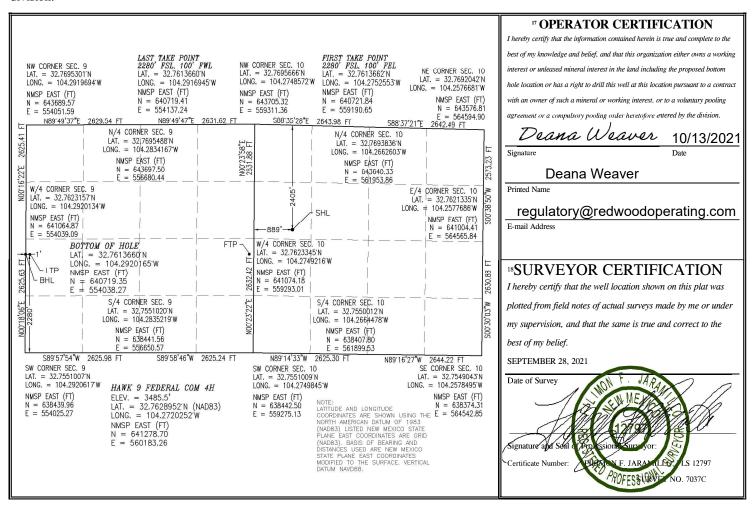
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-53890		² Pool Code				
		51120	Red Lake; Glorieta Yeso			
⁴ Property Code		⁵ Pr	⁶ Well Number			
329470		HAWK 9 FEDERAL COM				
⁷ OGRID No.		8 Operator Name				
330211		REDWOOD	3485.5			

Surface Location

					Durrace	Document			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		2405	NORTH	889	WEST	EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	18 S	27 E		2280	SOUTH	1	WEST	EDDY
12 Dedicated Acre	s ¹³ Joint	or Infill	Consolidation	n Code			15 Order No.		
160									



<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
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<u>District II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III

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

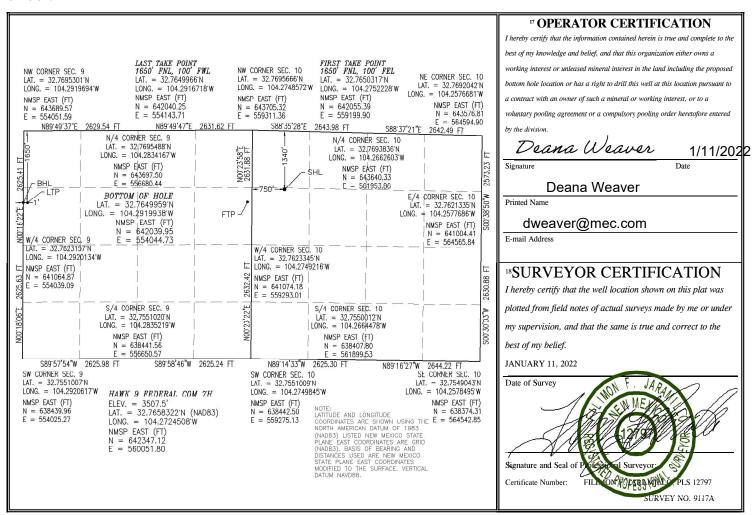
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	nber ² Pool Code ³ Pool Name								
			51	120	R	Red Lake; Glorieta Yeso				
⁴ Property (⁴ Property Code ⁵ Property Name							6 1	Well Number	
				Н	AWK 9 FEDE	FEDERAL COM				
⁷ OGRID 1	No.	8 Operator Name 9 Elevar						⁹ Elevation		
33021	1			REI	WOOD OPE	O OPERATING LLC 3507.5				3507.5
	¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
-	4.0	40.0	A= T		12.10	40 MODELL TO MINGE				

${f E}$	10	18 S	27 E		1340	NORTH	750	WEST	EDDY	
	¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	p Range Lot Idn Feet from the North/South line Feet from the East/West line County					County		
E	9	18 S	27 E		1650	NORTH	1	WEST	EDDY	
12 Dedicated Acre	s ¹³ Joint	or Infill 14	Consolidation	1 Code	15 Order No.					
160										



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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.

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

☐ AMENDED REPORT

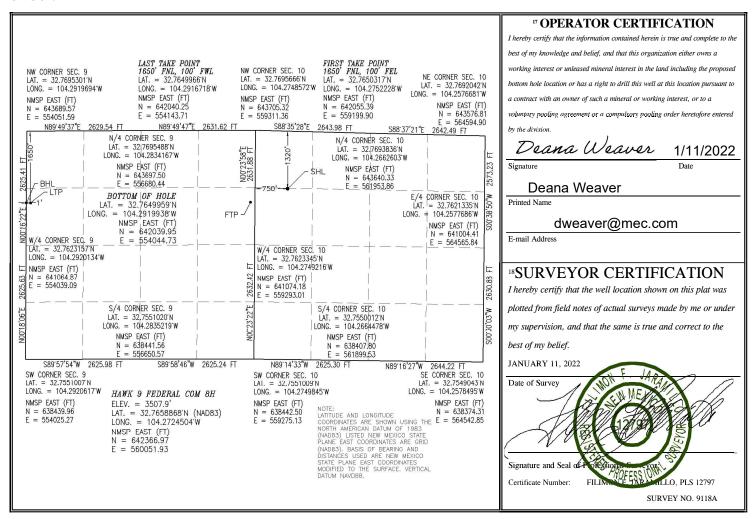
WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, NM 87505

¹ API Number		² Pool Code		
30-015-53808		51120	Red Lake; Glorieta-Yeso	
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number
329470		HAWK 9	8H	
⁷ OGRID No.		⁸ O _I	⁹ Elevation	
330211		REDWOOD	OPERATING LLC	3507.9

■ Surface Location

					" Surface	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		1320	NORTH	750	WEST	EDDY
			пB	ottom Ho	ole Location	If Different Front	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	18 S	27 E		1650	NORTH	1	WEST	EDDY
12 Dedicated Acre	es ¹³ Joint	or Infill 14	Consolidation	1 Code			15 Order No.		
160									



1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia. NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

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

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

AMENDED REPORT

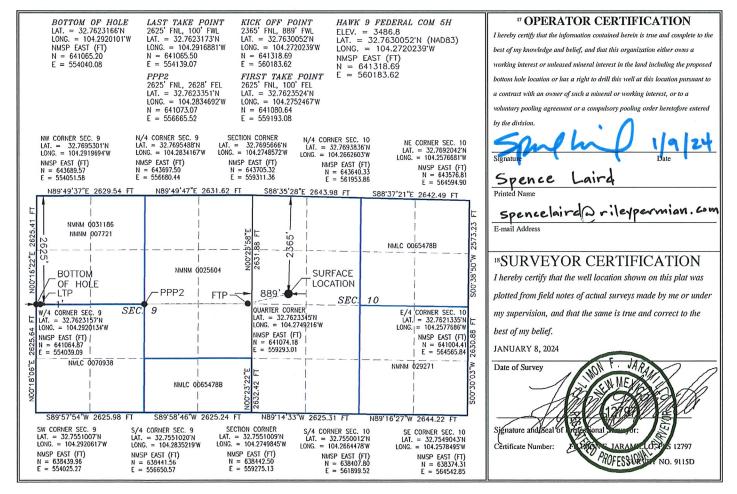
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code ³ Pool Name		
⁴ Property Code	^s Property Name			⁶ Well Number
×		HAWK 9 FEDERAL COM		
⁷ OGRID No.	⁸ Operator Name		⁹ Elevation	
372290	RILEY PERMIAN OPERATING COMPANY, LLC			3486.8

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E	×	2365	NORTH	889	WEST	EDDY
" Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	18 S	27 E		2625	NORTH	1	WEST	EDDY
12 Dedicated Acre	s ¹³ Joint	or Infill 14	Consolidation	1 Code	15 Order No.				

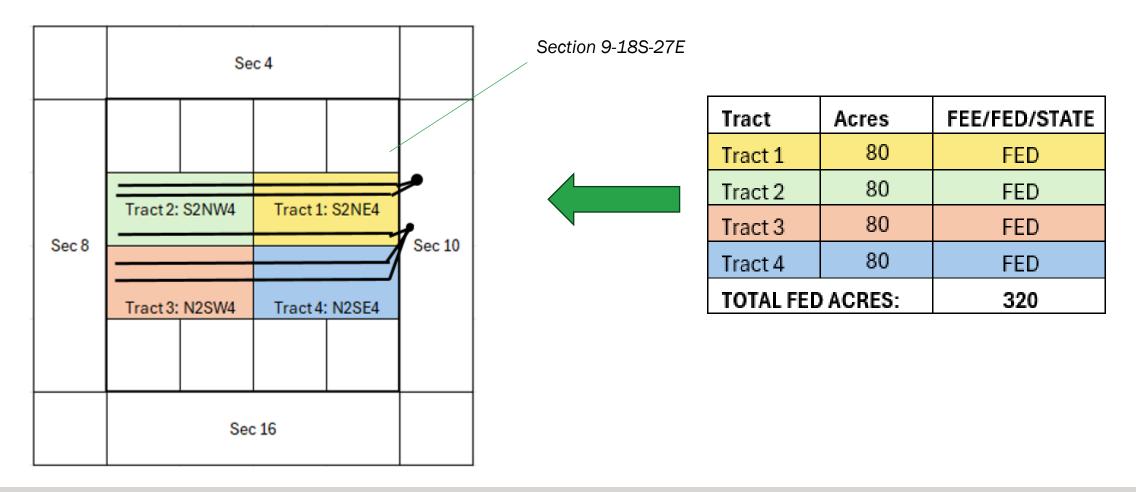
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Released to Imaging: 1/16/2024 4:23:20 PM

Lease Tract Map: Exhibit C-3

S2N2 Section 9-18S-27E as Tracts 1 and 2 and the N2S2 Section 9-18S-27E as Tracts 3 and 4, Eddy County, NM (Red Lake, Glorieta-Yeso Pool); Hawk 9 Federal Com 3H, 4H, 5H, 7H and 8H



Tract 1: NMNM-025604

Owner	Net Acres	Tract WI	Status
Riley Permian	40.000000	0.50000000	Committed
Silverback 0-1, LLC	40.000000	0.50000000	Committed

Tract 2: NMNM-031186

Owner	Net Acres	Tract WI	Status
Riley Permian	80.000000	1.00000000	Committed

Tract 3: NMLC-070938

Owner	Net Acres	Tract WI	Status
FDW, Inc.	80.000000	1.00000000	Uncommitted

Tract 4: NMNM-025604

Owner	Net Acres	Tract WI	Status
Riley Permian	40.000000	0.50000000	Committed
Silverback 0-1, LLC	37.333334	0.46666667	Committed
Todd M. Wilson	2.666665	0.03333333	Uncommitted

[insert footnotes here]

Committed Working Interest:	<u>Percent</u>
Riley Permian	50.000000%
Silverback 0-1, LLC	24.170000%

<u>Uncommitted Working Interest:</u>	<u>Percent</u>
FDW, Inc.	25.000000%
Todd M. Wilson	0.830000%

Received by OCD: 1/16/2024 3:46:39 PM Summary of Interested Parties: Exhibit C-4, continued Hawk 9 Federal Com 3H, 4H, 5H, 7H, & 8H S/2 N/2 & N/2 S/2 Section 9, T18S-27E, Eddy County, NM (Yeso Pool)

Working Interest Owners

Riley Exploration Permian

FDW, Inc.

Silverback O-1, LLC

Todd M. Wilson

Unleased Mineral Owners

None

ORRI Owners

Jane Ann Hudson Davis

Mae Crane

Joan Ann Hudson Moore

ZPZ Delaware I, LLC

Elizabeth L. Cheney, as Trustee of the Elizabeth L. Cheney Irrevocable Trust dated effective December 31, 2020

Alexander K. Cheney, as Trustee of the Mitchel E. Cheney Irrevocable Trust dated effective July 9, 2021

Lynn S. Charuk

Riley Permian

Pecos Royalty, LLC

Record Title Owner

ZPZ Delaware I, LLC



October 12, 2023

FDW, Inc. P.O. Box 823085 Dallas, TX 75382

RE:

Well Proposal

N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or marksmith@rileypermian.com.

Best Regards,

Mark W. Smith Sr. Landman

MWfnith

Received by OCD: 1/16/2024 3:46:39 PM





October 12, 2023

FDW, Inc. P.O. Box 823085 Dallas, TX 75382

RE: Well Proposal

> Hawk 9 Federal Com 3H & 4H N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Hawk 9 Federal Com 3H - Horizontal Yeso Well, Eddy County, NM Proposed Surface Hole Location - 2385' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location - 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,008'

Hawk 9 Federal Com 4H - Horizontal Yeso Well, Eddy County, NM Proposed Surface Hole Location - 2405' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

Released to Imaging: 1/16/2024 4:23:20 PM

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

Option 1: Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

Option 2: Not participate in the proposed wells (an election of "Non-Consent")

Option 3: Term Assignment Option – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

Option 4: Assignment Option – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or marksmith@rileypermian.com.

Best Regards,

Mark W. Smith Sr. Landman

MW.fmith

Hawk 9 Federal Com 3H WI Owner: FDW, Inc. WI Percent: 50.000000%

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Option 1) The undersigned elects to participate in the drilling and of Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms detailed in this proposal, with the cost and maintenance of all surface facilities, including pads, being reapportioned between each well drilled in the DSU.	of the NJOA as
Option 2) The undersigned elects not to participate in the drilling at the Hawk 9 Federal Com 3H well.	nd completion of
Should you elect to participate, please also indicate your Well Insurance election below obtain individual Well Insurance coverage, please provide Riley with a copy of your Cellnsurance.	
Well Insurance:	
The undersigned requests Well Insurance coverage provided by Ri	ley
The undersigned elects to obtain individual Well Insurance coverage	ge.
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
By:	
Name:	
Title:	

Received by OCD: 1/16/2024 3:46:39 PM

Hawk 9 Federal Com 4H

WI Owner: FDW, Inc. WI Percent: 50.000000%	
Option 1) The undersigned elects to participate in the drilling and completion Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJC detailed in this proposal, with the cost and maintenance of all surface facilities, including any shapads, being reapportioned between each well drilled in the DSU.	OA as
Option 2) The undersigned elects not to participate in the drilling and complet the Hawk 9 Federal 4H well.	ion of
Should you elect to participate, please also indicate your Well Insurance election below. If you eleobtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.	ect to
Well Insurance:	
The undersigned requests Well Insurance coverage provided by Riley	
The undersigned elects to obtain individual Well Insurance coverage.	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
By:	
Name:	

Received by OCD: 1/16/2024 3:46:39 PM

Term Assignment Option	
The undersigned hereby elects to assign their working interest in the 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with three (3) years and a bonus consideration of \$750 per net acre, delivering a full net reve (limited to the Yeso formation)	a primary term of
Assignment Option	
Assignment Option	
The undersigned hereby elects to assign their working interest in the 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,0 delivering a full net revenue interest (all rights owned).	N/2 S/2 of Section 000 per net acre,
Agreed to and Accepted this day of	_, 2023.
Company / Individual:	_
By:	
Name:	
Title:	





October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE:

Well Proposal

N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or marksmith@rileypermian.com.

Best Regards,

Mark W. Smith Sr. Landman

MWfnith





October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE: Well Proposal

Hawk 9 Federal Com 3H & 4H N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Hawk 9 Federal Com 3H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,008'

Hawk 9 Federal Com 4H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

Released to Imaging: 1/16/2024 4:23:20 PM

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

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Option 2: Not participate in the proposed wells (an election of "Non-Consent")

Option 3: Term Assignment Option – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

Option 4: Assignment Option – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

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Best Regards,

Mark W. Smith Sr. Landman

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Hawk 9 Federal Com 3H	
WI Owner: Silverback O-1,	LLC
WI Percent: 23.3333335%	

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H well.
Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.
Well Insurance:
The undersigned requests Well Insurance coverage provided by Riley
The undersigned elects to obtain individual Well Insurance coverage.
Agreed to and Accepted this day of, 2023.
Company / Individual:
By:
Name:
Title:

Hawk 9 Federal Com 4H

W	Owner: Silverback O-1,	LLC
W	Percent: 23.3333335%	

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
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The undersigned requests Well Insurance coverage provided by Riley
The undersigned elects to obtain individual Well Insurance coverage.
Agreed to and Accepted this day of, 2023.
Company / Individual:
By:
Name:
Title:

Received by OCD: 1/16/2024 3:46:39 PM

Term Assignment Option

The undersigned hereby elects to assign their working interest in the 19, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a three (3) years and a bonus consideration of \$750 per net acre, delivering a full net reversities to the Yeso formation)	a primary term of
Assignment Option	
The undersigned hereby elects to assign their working interest in the I 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,0 delivering a full net revenue interest (all rights owned).	N/2 S/2 of Section 100 per net acre,
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
Ву:	
Name:	
Title:	



October 12, 2023

Todd M. Wilson 3608 SCR 1184 Midland, TX 79701

RE:

Well Proposal

N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

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Best Regards,

Mark W. Smith Sr. Landman

MWfnith



October 12, 2023

Todd M. Wilson 3608 SCR 1184 Midland, TX 79701

Well Proposal RE:

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Hawk 9 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM Proposed Surface Hole Location - 2405' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location - 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3.817'

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- Limited in depth from the top of the Yeso to the base of the Yeso formation
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Option 4: Assignment Option – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

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Best Regards,

Mark W. Smith Sr. Landman

Received by OCD: 1/16/2024 3:46:39 PM

MWfnith

Case

Permian

Hawk 9 Federal Com 3H WI Owner: Todd M. Wilson WI Percent: 1.6666665%

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Option 1) The undersigned elects to participate in the drilling and completic Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the N detailed in this proposal, with the cost and maintenance of all surface facilities, including any st pads, being reapportioned between each well drilled in the DSU.	'JOA as
Option 2) The undersigned elects not to participate in the drilling and complethe Hawk 9 Federal Com 3H well.	etion of
Should you elect to participate, please also indicate your Well Insurance election below. If you obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.	
Well Insurance:	
The undersigned requests Well Insurance coverage provided by Riley	
The undersigned elects to obtain individual Well Insurance coverage.	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
By:	
Name:	
Title	

Hawk 9 Federal Com 4H WI Owner: Todd M. Wilson WI Percent: 1.6666665%	
Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA a detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared was pads, being reapportioned between each well drilled in the DSU.	as
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H well.	of
Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.	0
Well Insurance:	
The undersigned requests Well Insurance coverage provided by Riley	
The undersigned elects to obtain individual Well Insurance coverage.	
Agreed to and Accepted this day of, 20	23.
Company / Individual:	

Title:

Received by OCD: 1/16/2024 3:46:39 PM

Term Assignment Option
The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation)
Assignment Option
The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Agreed to and Accepted this	day of	, 20)23.
Company / Individual:			
Ву:		-	
Name:			
Title:			





October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE:

Well Proposal

S/2 N/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 7H, 8H, 9H and 10H wells in the S/2 N/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or marksmith@rileypermian.com.

Best Regards,

Mark W. Smith Sr. Landman

MWfnith





October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE: Well Proposal

> Hawk 9 Federal Com 5H, 7H, 8H S/2 N/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Hawk 9 Federal Com 5H – Horizontal Yeso Well, Eddy County, NM Proposed Surface Hole Location - 2365' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location - 2160' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,105'

Hawk 9 Federal Com 7H - Horizontal Yeso Well, Eddy County, NM Proposed Surface Hole Location - 1340' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location - 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3.992'

Hawk 9 Federal Com 8H – Horizontal Yeso Well, Eddy County, NM Proposed Surface Hole Location - 1320' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of S/2 N/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

Option 1: Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

Option 2: Not participate in the proposed wells (an election of "Non-Consent")

Option 3: Term Assignment Option - Assign your working interest in the S/2 N/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

Option 4: Assignment Option - Assign your working interest in the S/2 N/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any guestions regarding this proposal, please contact Mark Smith at 405-415-8925 or marksmith@rileypermian.com.

Best Regards,

MW Snith

Mark W. Smith Sr. Landman

Received by OCD: 1/16/2024 3:46:39 PM

Hawk 9 Federal Com 5H WI Owner: Silverback O-1, LLC WI Percent: 25.000000%
Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 5H well.
Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.
Well Insurance:
The undersigned requests Well Insurance coverage provided by Riley
The undersigned elects to obtain individual Well Insurance coverage.
Agreed to and Accepted this day of, 2023.
Company / Individual:

29 E. Reno Ave. Suite 500 * Oklahoma City, Oklahoma 73104 * Phone (405) 415-8699

Received by OCD: 1/16/2024 3:46:39 PM

Hawk 9 Federal Com 7H
WI Owner: Silverback O-1, LLC
WI Percent: 25.000000%

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Company / Individual:		
Ву:		
Name:		
Title:	- Annatoria (Chia describera	

<u>Ha</u>	wk	9 Fe	dera	al Co	om	81	1
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WI Owner: Silverback O-1, LLC WI Percent: 25.000000%

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
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The undersigned elects to obtain individual Well Insurance coverage.
Agreed to and Accepted this day of, 2023.
Company / Individual:
By:
Name:
Title:

Term Assignment Option

The undersigned hereby elects to assign their working interest in the 39, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with three (3) years and a bonus consideration of \$750 per net acre, delivering a full net reve (limited to the Yeso formation)	a primary term of
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Company / Individual:	-
By:	
Name:	
Title:	



December 4, 2023

FDW, Inc. P.O. Box 823085 Dallas, TX 75382

RE:

Well Proposal

Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H S/2 N/2 & N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

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Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Hawk 9 Federal Com 3H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,008'

Hawk 9 Federal Com 4H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,817'

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- \$8,000 / \$800 drilling and producing monthly overhead rate
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Best Regards,

Mark W. Smith Sr. Landman

MW fruith

Hawk 9 Federal Com 3H WI Owner: FDW, Inc. WI Percent: 25.00%

Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	e NJOA as
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Well Insurance:	
The undersigned requests Well Insurance coverage provided by Riley	
The undersigned elects to obtain individual Well Insurance coverage.	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
Ву:	
Name:	
Title:	

Hawk 9 Federal Com 4H WI Owner: FDW, Inc. WI Percent: 25.00%

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THE	



December 4, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 IH 10 West, Suite 201 San Antonio, TX 78257

RE: Well Proposal

Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H S/2 N/2 & N/2 S/2 Section 9, T18S-R27E

Eddy County, New Mexico

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Best Regards,

Mark W. Smith Sr. Landman

MW Smith

Hawk 9 Federal Com 3H WI Owner: Silverback O-1, LLC WI Percent: 24.17%

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Company / Individual:	
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Company / Individual:	
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December 4, 2023

Todd M. Wilson 3608 SCR 1184 Midland, TX 79701

RE:

Well Proposal

Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H S/2 N/2 & N/2 S/2 Section 9, T18S-R27E

Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Hawk 9 Federal Com 3H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,008'

Hawk 9 Federal Com 4H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,817'

Hawk 9 Federal Com 5H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2640' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,105'

Hawk 9 Federal Com 7H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3.992'

Hawk 9 Federal Com 8H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 and N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e.

micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated January 1, 2024, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2024
- Contract Area consisting of S/2 N/2 & N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

Option 1: Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

Option 2: Not participate in the proposed wells (an election of "Non-Consent")

Option 3: Term Assignment Option – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

Option 4: Assignment Option – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or marksmith@rileypermian.com.

Best Regards,

Mark W. Smith Sr. Landman

MW Smith

Hawk 9 Federal Com 3H WI Owner: Todd M. Wilson

Option 1) The undersigned elects to participate in the drilling and comparts and Pawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	ne NJOA as
Option 2) The undersigned elects not to participate in the drilling and co the Hawk 9 Federal Com 3H well.	empletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certific Insurance.	
Well Insurance:	
The undersigned requests Well Insurance coverage provided by Riley	
The undersigned elects to obtain individual Well Insurance coverage.	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
Ву:	
Name:	
Title:	

Hawk 9 Federal Com 4H WI Owner: Todd M. Wilson

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H well.
Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.
Well Insurance:
The undersigned requests Well Insurance coverage provided by Riley
The undersigned elects to obtain individual Well Insurance coverage.
Agreed to and Accepted this day of, 2023.
Company / Individual:
By:
Name:
Title:

Hawk 9 Federal Com 5H WI Owner: Todd M. Wilson

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared we pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 5H well.
Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.
Well Insurance:
The undersigned requests Well Insurance coverage provided by Riley
The undersigned elects to obtain individual Well Insurance coverage.
Agreed to and Accepted this day of, 2023
Company / Individual:
Ву:
Name:
Title:

Hawk 9 Federal Com 7H WI Owner: Todd M. Wilson

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared we pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 7H well.
Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.
Well Insurance:
The undersigned requests Well Insurance coverage provided by Riley
The undersigned elects to obtain individual Well Insurance coverage.
Agreed to and Accepted this day of, 2023
Company / Individual:
Ву:
Name:
Title:

Hawk 9 Federal Com 8H WI Owner: Todd M. Wilson

WI Percent: 0.83%

	latian at the
Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	e NJOA as
Option 2) The undersigned elects not to participate in the drilling and co the Hawk 9 Federal Com 8H well.	mpletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifical Insurance.	
Well Insurance:	
The undersigned requests Well Insurance coverage provided by Riley	
The undersigned elects to obtain individual Well Insurance coverage.	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
Ву:	
Name:	
Title:	

Term Assignment Option

The undersigned hereby elects to assign their working interest in the S of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assign primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering revenue interest (limited to the Yeso formation)	ment with a
Assignment Option	
The undersigned hereby elects to assign their working interest in the S of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration net acre, delivering a full net revenue interest (all rights owned).	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
By:	
Name:	
Title:	

Released to Imaging: 1/16/2024 4:23:20 PM



Riley Permian Operating Company								Oct 12, 202
WELL NAME & NUMBER		PROPOSED TVD	1	PROPOSED MEA	ASURED DEPTH	FIELD/PR		-,0-
Hawk 9 Federal Com 3H		3,008		9,000		Red Lake		
ounty state Eddy NM				5,200	TERAL	PROPOSED Yeso	FORMATION	
Eddy NM OCATION				5,200 CLASSIFICATION		Surface LAT:	32.76	649500
SHL: 2385 FNL & 889 FWL; BHL: 2280 FSL & 1 FWL				Develop		Surface LONG:		323224
INTANGIBLES		DF	RILLING		PLETION		ILITIES	
DESCRIPTION		ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	TOTAL
Permits & Surveys		850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,0
Drilling Title Opinion		850.020	\$ 50,000					\$ 50,0
ocation, Roads, & Pits		850.030	\$ 85,000		\$ -	825.030		\$ 85,0
nsurance & Bonds		850.040	\$ 4,000	855.040	\$ -			\$ 4,0
Rig Mobilization Dayrate Drilling Rig 12 days @ \$ 16,500 /day		850.050 850.060	\$ 85,000 \$ 198,000	855.050 855.060	\$ - \$ -			\$ 85,0 \$ 198,0
Footage Drilling 10000 feet @ /ft		850.070	\$ 198,000	000.000	Φ -			\$ 190,0
Furnkey Drilling		850.080	\$ -					\$ -
Bits		850.090	\$ 55,000					\$ 55,0
Directional Services		850.095	\$ 87,000					\$ 87,0
Mud & Chemicals		850.100	\$ 44,000					\$ 44,0
Solids Control Services Coil Tbg/Snubbing		850.105	\$ 48,000	855.110	\$ -			\$ 48,0
Fuel 1250 gal/day @ \$ 4.00 /day		850.111	\$ 60,000		\$ 170,000			\$ 230,0
Vater - Fresh		850.120	\$ 10,000		\$ 195,000	825.120		\$ 205,0
Kill Weight Fluids		850.125	\$ 10,000		\$ 5,000			\$ 15,0
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$	78,000	850.130	\$ 95,000					\$ 95,0
Casing Hardware Surf \$ 5,000 Int Prod \$	40,000	850.135	\$ 45,000					\$ 45,0
Open Hole Logs Completion Fluids		850.140	\$ -	0EE 440	ф <u>200</u> 000			\$ -
Completion Fluids Mud Logging		850.150	\$ 22,000	855.140	\$ 280,000			\$ 280,0 \$ 22,0
oring Coring		850.160	\$ 22,000					\$ 22,0
Surface Equip Rentals		850.180	\$ 107,000	855.180	\$ 145,000	825.180		\$ 262,0
Downhole Equip Rentals		850.185	\$ 32,000		\$ 73,000			\$ 105,0
Transportation		850.190	\$ 7,000		\$ 9,000	825.190		\$ 46,0
iving Quarters		850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,0
Safety		850.205	\$ -	055.040	* 05.000	005.040		\$ -
Contract Services Tubular Inspections		850.210 850.215	\$ 80,000 \$ 14,000		\$ 65,000 \$ 10,000	825.210		\$ 210,0 \$ 24,0
Consulting Engineer		850.220	\$ 27,800	000.210	\$ 10,000			\$ 27,8
On-Site Supervision		850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,8
Consulting Geologist		850.230	\$ -		,,,,,,,			\$ -
Company Labor		850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,2
Plug & Abandonment		850.270	\$ -	05-0	_	00-0		\$ -
Surface Damages		850.280	\$ 38,000		\$ -	825.280		\$ 43,0
Fluid Haul & Disposal Water Transfer Services		850.290 850.291	\$ 16,000 \$ -		\$ 45,000 \$ 75,000	825.290		\$ 67,0 \$ 75,0
Overhead		850.291	\$ 2,000		\$ 75,000	825.300		\$ 75,0 \$ 15,5
Completion Unit		000.000	Ψ 2,000		\$ 74,000	020.000		\$ 74,0
Plugs, Perfs & Cased Hole Wireline					\$ 145,000			\$ 145,0
Acidizing				855.340				\$ 10,0
Fracturing 200 Stage Spacing 25 Sta	ages				\$ 1,700,000			\$ 1,700,0
EHS & Regulatory		850.700	\$ -		\$ -			\$ -
Spills & Environmental Response Safety		850.701 850.702	\$ - \$ -	855.701 855.702				\$ - \$ -
Salety Regulatory		850.702	\$ -		\$ -			\$ -
Environmental Compliance		850.704	\$ -		\$ -			\$ -
TOTAL INTA	ANGIBLES		\$ 1,281,600		\$ 3,064,400			\$ 4,471,3
TANGIBLES		DF	RILLING		PLETION	FAC	ILITIES	
	LENGT							TOTAL
DESCRIPTION	LENGTH	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe 16	90	860.010	\$ 19,000					\$ 19,0
Surface Casing 13 3/8 48.0 J-55 78.63 ntermediate Casing 9 5/8 36.0 J-55 60.34	375	860.020 860.030	\$ 29,000					\$ 29,0
ntermediate Casing 9 5/8 36.0 J-55 60.34 Production Casing -top string 7 26.0 L-80 48.91	0 3,250	860.030	\$ - \$ 159,000					\$ 159,0
Production Casing -top string 7 26.0 L-80 46.91 Production Casing -bottom string 5 1/2 17.0 L-80 35.34	5,200	860.041	\$ 184,000					\$ 184,0
Casing Head Spools	0,200	860.050	\$ 24,000					\$ 24,0
iners & Hangers		860.060	\$ -					\$
Production Tubing 2 7/8 6.5 J-55 15.62	3,000				\$ 47,000			\$ 47,0
Other Wellhead Equipment		860.070	\$ -		\$ -			\$ 10.0
Flowline & Connectors					\$ 40,000			\$ 40,0
roduction Wellhead ubing Head		860.130	\$ 29,000	865.100	\$ 24,000			\$ 24,0 \$ 29,0
rtificial Lift -Surface & Downhole Equipment		550.150	23,000	865.155	\$ 138,000			\$ 138,0
Ion-controllable (Well)		860.080	\$ -		, .55,000			\$
Aliscellaneous Equipment		860.090	\$ -	865.090	\$ -	826.090	\$ -	\$
						826.150		\$ 99,5
Fanks, Stairs, & Walkways						826.200		\$ 300,0
Production Facility (pipes, valves, other misc. equipt)						826.210 826.240		\$ 107,0
Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor						■ 876 740	.s 10 000	\$ 10,0
Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs				865 270	\$			\$ 120.0
Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs Electrical & SCADA Automation	ANGIBLES		\$ 444 000		\$ - \$ 249.000	826.270	\$ 120,000	\$ 120,0 \$ 1.329.5
Production Facility (pipes, valves, other misc. equipt) deparators, Heater Treaters, FWKO, Flare, & Combustor deters & Meter Runs deters & SCADA Automation TOTAL TA	ANGIBLES		\$ 444,000 \$ 1,725,600		\$ - \$ 249,000 \$3,313,400		\$ 120,000 \$ 636,500	\$ 120,0 \$ 1,329,5 \$ 5,800,8



operator Riley Permian Operating Company											AFE NO.		0	DATE oct 12 2023
WELL NAME & NUMBER						PROPOSED TVD)		PROPOSED ME	ASURED DEPTH	FIELD/P	ROSPECT		OL 12 2023
Hawk 9 Federal Com 4H						3,817			9,000		Red Lake	•		
COUNTY STATE									COMPLETED LA	TERAL		FORMATION		
Eddy NM									5,200		Yeso	20.7	76.40	E00
LOCATION	0000 FCL (0 4 5144									Surface LAT: Surface LONG:	32.7 -104		
SHL: 2405 FNL & 889 FWL; BHL:	INTANGI					DI	RII I	LING	Develop	PLETION		CILITIES	3Z3	0224
DESCRIPTION	INTAINO	DLLO				ACCOUNT		AMOUNT	ACCOUNT	AMOUN		1		TOTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010		\$	15,00
Drilling Title Opinion						850.020	\$	50,000					\$	50,00
Location, Roads, & Pits						850.030	\$	85,000	855.030	\$	- 825.030	\$ -	\$	85,00
Insurance & Bonds Rig Mobilization						850.040 850.050	\$	4,000 85,000	855.040 855.050	\$	-		\$	4,000 85,000
	days @	\$ 16,500	/dav			850.060	\$	198,000	855.060	\$	-	-	\$	198,00
	feet @		/ft			850.070	\$	-		·			\$	-
Turnkey Drilling						850.080	\$	-					\$	-
Bits Directional Services						850.090 850.095	\$	55,000 87,000				_	\$	55,00 87,00
Mud & Chemicals						850.100	\$	44,000				+	\$	44,00
Solids Control Services						850.105	\$	48,000					\$	48,00
Coil Tbg/Snubbing		÷	/4			050 444	Φ.	00.000	855.110	\$ \$ 170,0	-		\$	- 220 000
Fuel 1250 Water - Fresh	gal/day @	\$ 4.00	/day			850.111 850.120	\$	60,000 10,000	855.111 855.120	\$ 170,0 \$ 195,0		\$ -	\$	230,00
Kill Weight Fluids						850.125	\$	10,000	855.125	\$ 5,0		+	\$	15,00
	\$ 17,000	Int		Prod Csg		850.130	\$	95,000		,			\$	95,00
Casing Hardware Surf Open Hole Logs	\$ 5,000	Int		Prod	\$ 40,000	850.135 850.140	\$	45,000				+	\$	45,00
Completion Fluids						850.140	Ъ	-	855.140	\$ 280,0	00	+	\$	280,00
Mud Logging						850.150	\$	22,000		¥ ====,=			\$	22,00
Coring						850.160	\$	-	05- :				\$	-
Surface Equip Rentals Downhole Equip Rentals						850.180 850.185	\$	107,000 32,000	855.180 855.185	\$ 145,0 \$ 73,0		\$ 10,000	\$	262,00
Transportation						850.185	\$	7,000	855.185	\$ 73,0		\$ 30,000	\$	105,000 46,000
Living Quarters						850.200	\$	17,000	855.200	\$ 8,0		Ψ σσ,σσσ	\$	25,00
Safety						850.205	\$	-					\$	-
Contract Services Tubular Inspections						850.210	\$	80,000	855.210 855.215	\$ 65,0 \$ 10,0		\$ 65,000	\$	210,00
Consulting Engineer						850.215 850.220	\$	14,000 27,800	000.210	\$ 10,0	00	+	\$	24,00 27,80
On-Site Supervision						850.225	\$	22,800	855.225	\$ 42,0	00 825.225	\$ -	\$	64,80
Consulting Geologist						850.230	\$	-					\$	
Company Labor Plug & Abandonment						850.245 850.270	\$	5,000	855.245	\$ 8,0	00 825.245	\$ 1,200	\$	14,20
Surface Damages						850.280	\$	38,000	855.280	\$	- 825.280	\$ 5,000	\$	43,00
Fluid Haul & Disposal						850.290	\$	16,000	855.290	\$ 45,0		\$ 6,000	\$	67,00
Water Transfer Services						850.291	\$		855.291	\$ 75,0			\$	75,00
Overhead Completion Unit						850.300	\$	2,000	855.300 855.310	\$ 5,4 \$ 74,0		\$ 8,100	\$	15,50 74,00
Plugs, Perfs & Cased Hole Wireline									855.325	\$ 145,0		+	\$	145,00
Acidizing									855.340	\$ 10,0	00		\$	10,00
,	Stage Spaci	ng		25	Stages	050 700				\$ 1,700,0	00		\$	1,700,00
EHS & Regulatory Spills & Environmental Response						850.700 850.701	\$	<u> </u>	855.700 855.701	•	-	+	\$	-
Safety						850.702	\$	-	855.702	\$	-	+	\$	_
Regulatory						850.703	\$	-	855.703	\$	-		\$	-
Environmental Compliance						850.704	\$	-	855.704	\$	-		\$	
	TANGIE	I EC		TOTAL II	NTANGIBLES	DI	\$ BIL I	1,281,600 LING	COM	\$ 3,064,4 PLETION	_	\$ 125,300	\$	4,471,30
	IANGIE	ILEO		T		DI	KILL					CILITIES		TOTAL
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AMOUN	ACCOUNT	AMOUNT		
Conductor Pipe	16				90	860.010	\$	19,000					\$	19,00
Surface Casing Intermediate Casing	13 3/8 9 5/8	48.0 36.0	J-55 J-55	78.63 60.34	375 0	860.020 860.030	\$	29,000				+	\$	29,00
Production Casing -top string	7	26.0	J-55 L-80	48.91	3,250	860.030	\$	159,000				+	\$	159,00
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000				1_	\$	184,00
Casing Head Spools	-		-	-		860.050	\$	24,000					\$	24,00
Liners & Hangers Production Tubing	2 7/8	6.5	1.55	15.62	3 000	860.060	\$	-	865.120	¢ 47.0	00		\$	47,00
Other Wellhead Equipment	2110	6.5	J-55	15.62	3,000	860.070	\$	-	865.070	\$ 47,0 \$	-		\$	47,00
							É		865.250	\$ 40,0			\$	40,00
Flowline & Connectors						000 400	•	00.000	865.100	\$ 24,0	00		\$	24,00
Production Wellhead						860.130	\$	29,000	865.155	\$ 138,0	00	+	\$	29,00 138,00
Production Wellhead Tubing Head	pment					860.080	\$	-	555.100	¥ 100,0			\$	100,00
Production Wellhead	pment					860.090	\$	-	865.090	\$	- 826.090		\$	
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment	pment						1				826.150	\$ 99,500		99,50 300,00
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways		24)									000 000	# 200 200		
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe	r misc. equip										826.200 826.210		\$	
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways	r misc. equip										826.200 826.210 826.240	\$ 107,000	\$	107,00
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, F	r misc. equip								865.270	\$	826.210 826.240 - 826.270	\$ 107,000 \$ 10,000 \$ 120,000	\$ \$	107,000 10,000 120,000
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, F Meters & Meter Runs	r misc. equip				TANGIBLES		\$	444,000 1,725,600	865.270	\$ \$ 249,0 \$3,313,4	826.210 826.240 - 826.270	\$ 107,000 \$ 10,000	\$ \$ \$	107,000



Riley Permian Operating Compar	ıy					PROPOSED TVD)		PROPOSED ME	ASURED	ЭЕРТН	FIELD/PR	OSPEC	T .	Oct 1	12 202
Hawk 9 Federal Com 5H						3,105			9,000	ASUKED	JEF III	Red Lake				
COUNTY STATE									COMPLETED LA	ATERAL		PROPOSED	FORM	TION		
Eddy NM									5,200			Yeso	Щ.	20.7/	240500	
OCATION	2460 ENIL 9	2 4 5/4/1							CLASSIFICATIO			Surface LAT: Surface LONG:			349500 323224	
SHL 2365 FNL & 889 FWL, BHL:	INTANG					DI	RILL	ING	Develop	PLETI	ON	FAC	LITI			
DESCRIPTION	11174101					ACCOUNT	T	AMOUNT	ACCOUNT		DUNT	ACCOUNT		MOUNT	то	DTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$	-	825.010	\$	-	\$	15,00
Orilling Title Opinion						850.020	\$	50,000							\$	50,00
Location, Roads, & Pits nsurance & Bonds						850.030 850.040	\$	85,000 4,000	855.030 855.040	\$		825.030	\$		\$	85,0 4,0
Rig Mobilization						850.050	\$	85,000	855.050	\$	-				\$	85,0
	12 days @	\$ 16,500				850.060	\$	198,000	855.060	\$	-					198,0
Footage Drilling 1000 Furnkey Drilling	00 feet @		/ft			850.070 850.080	\$	-					-		\$	
Bits						850.090	\$	55,000							\$	55,0
Directional Services						850.095	\$	87,000							\$	87,0
Mud & Chemicals Solids Control Services						850.100 850.105	\$	44,000 48,000							\$	44,0 48,0
Coil Tbg/Snubbing						000.100	Ψ	10,000	855.110	\$	-				\$	-10,0
Fuel 129	50 gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.111		70,000	00= :::	_		\$	230,0
Vater - Fresh Kill Weight Fluids						850.120 850.125	\$	10,000 10,000	855.120 855.125	\$ 1 \$	95,000 5,000	825.120	\$	-	\$:	205,0
	urf \$ 17,000	Int		Prod Csg	\$ 78,000	850.130	\$	95,000	000.120	Ψ	5,000				\$	95,0
Casing Hardware Su	urf \$ 5,000			Prod		850.135	\$	45,000							\$	45,0
Open Hole Logs Completion Fluids						850.140	\$	-	855.140	\$ 2	80,000		<u> </u>		\$	280,0
Mud Logging						850.150	\$	22,000	000.140	Ψ 2	50,000				\$	22,0
Coring						850.160	\$	-							\$	-
Surface Equip Rentals Downhole Equip Rentals						850.180 850.185	\$	107,000 32,000	855.180 855.185	\$ 1 \$	45,000 73,000	825.180	\$			262,0 105,0
Fransportation						850.185	\$	7,000	855.185	\$	9,000	825.190	\$		\$	46,0
iving Quarters						850.200	\$	17,000	855.200	\$	8,000				\$	25,0
Safety						850.205	\$	- 00.000	055 040	r	CE 000	005.040	•		\$	240.0
Contract Services Fubular Inspections						850.210 850.215	\$	80,000 14,000	855.210 855.215	\$	65,000 10,000	825.210	\$		\$:	210,0
Consulting Engineer						850.220	\$	27,800							\$	27,8
On-Site Supervision						850.225	\$	22,800	855.225	\$	42,000	825.225	\$	-	\$	64,8
Consulting Geologist Company Labor						850.230 850.245	\$	5,000	855.245	\$	8,000	825.245	\$	1,200	\$	14,2
Plug & Abandonment						850.270	\$	-			-,500			,	\$	-
Surface Damages	<u>-</u>	-		-		850.280	\$	38,000	855.280	\$	-	825.280	\$		\$	43,00
Fluid Haul & Disposal Water Transfer Services						850.290 850.291	\$	16,000	855.290 855.291	\$	45,000 75,000	825.290	\$	6,000	\$	67,0 75,0
Overhead						850.300	\$	2,000	855.300	\$	5,400	825.300	\$		\$	15,5
Completion Unit			-						855.310	\$	74,000				\$	74,0
Plugs, Perfs & Cased Hole Wireline Acidizing									855.325 855.340	\$ 1 \$	45,000 10,000				\$	145,0 10,0
	00 Stage Spaci	ing		25	Stages				855.350	\$ 1,7					\$ 1,	,700,0
EHS & Regulatory	-			-		850.700	\$	-	855.700		-				\$	
Spills & Environmental Response Safety						850.701 850.702	\$	-	855.701 855.702		-		_		\$	-
Regulatory						850.703	\$		855.703	\$					\$	-
Environmental Compliance						850.704	\$	-	855.704	\$					\$	
	TANOIT	DI EC		TOTAL II	NTANGIBLES		\$ RILL	1,281,600	0011		64,400	F40			\$ 4,	,471,3
	TANGIE									PLETI		FAC			TΩ	OTAL
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AM	DUNT	ACCOUNT	Al	MOUNT		
Conductor Pipe	16	10.5		70.00	90	860.010	\$	19,000							\$	19,0
Surface Casing ntermediate Casing	13 3/8 9 5/8	48.0 36.0	J-55 J-55	78.63 60.34	375 0	860.020 860.030	\$	29,000					<u> </u>		\$	29,0
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$	159,000								159,00
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000								184,00
Casing Head Spools Liners & Hangers						860.050 860.060	\$	24,000							\$	24,0
Production Tubing	2 7/8	6.5	J-55	15.62	3,000	000.000	Ψ	-	865.120	\$	47,000				\$	47,0
Other Wellhead Equipment		•				860.070	\$	-	865.070	\$	-				\$	
Flowline & Connectors Production Wellhead									865.250 865.100	\$	40,000 24,000		-		\$	40,0 24,0
ubing Head						860.130	\$	29,000	000.100	ψ	∠ + ,∪∪∪				\$	29,0
rtificial Lift -Surface & Downhole Eq	uipment								865.155	\$ 1	38,000				\$	138,0
Ion-controllable (Well) Miscellaneous Equipment						860.080 860.090	\$	-	865.090	\$		826.090	\$		\$	
anks, Stairs, & Walkways						000.090	φ	-	000.080	Ψ	-	826.090	\$		\$	99,5
Production Facility (pipes, valves, oth												826.200	\$	300,000	\$	300,0
	Flare, & Com	nbustor										826.210				107,0
Separators, Heater Treaters, FWKO,									005.070			826.240	\$		\$	10,0
Separators, Heater Treaters, FWKO, ⁄leters & Meter Runs									865.270	\$	-	826.270	- \$	120,000	\$	1ZU.()
					TANGIBLES WELL COST		\$	444,000 1,725,600	865.270		- 49,000	826.270				,329,5



operator Riley Permian Operating Company						AFE NO.		Oct 12	
WELL NAME & NUMBER	PROPOSED TV				ASURED DEPTH	FIELD/PRO			
Hawk 9 Federal Com 7H	3,992	2		9,000 COMPLETED LA	ATERAL	Red Lake			
Eddy NM				5,200		Yeso			
OCATION				CLASSIFICATIO	N	Surface LAT:	32.7	649500	
SHL: 1340 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL				Develop		Surface LONG:		323224	
INTANGIBLES			ILLING		PLETION	4	ILITIES	тот	AL
DESCRIPTION Paramita & Communication	ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT		
Permits & Surveys Drilling Title Opinion	850.010 850.020		\$ 15,000 \$ 50,000	855.010	\$ -	825.010	\$ -		15,00 50,00
Location, Roads, & Pits	850.030		\$ 85,000	855.030	\$ -	825.030	\$ -		85,00
nsurance & Bonds	850.040		\$ 4,000	855.040	\$ -				4,00
Rig Mobilization Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.050 850.060	_	\$ 85,000 \$ 198,000	855.050 855.060	\$ - \$ -			-	85,00 98,00
Dayrate Drilling Rig 12 days @ \$ 16,500 /day Footage Drilling 10000 feet @ /ft	850.000	_	\$ 196,000	655.060	Ф -			\$	90,00
Turnkey Drilling	850.080	_	\$ -					\$	-
Bits	850.090		\$ 55,000						55,00
Directional Services Mud & Chemicals	850.095 850.100	_	\$ 87,000 \$ 44,000						87,00 44,00
Nud & Chemicals Solids Control Services	850.100	_	\$ 44,000 \$ 48,000						44,00 48,00
Coil Tbg/Snubbing				855.110	\$ -			\$	-
Fuel 1250 gal/day @ \$ 4.00 /day	850.111		\$ 60,000	855.111	\$ 170,000	05= 111		\$ 23	30,00
Water - Fresh Kill Weight Fluids	850.120 850.125	_	\$ 10,000 \$ 10,000	855.120 855.125	\$ 195,000 \$ 5.000	825.120	\$ -	-	05,00
KIII Weight Fluids Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,0			\$ 10,000 \$ 95,000	000.125	\$ 5,000				15,00 95,00
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,0		_	\$ 45,000						45,00
Open Hole Logs	850.140	5	\$ -					\$	-
Completion Fluids	050.450	١.	¢ 00.000	855.140	\$ 280,000			-	80,00
Mud Logging Coring	850.150 850.160	_	\$ 22,000 \$ -					\$ 2 \$	22,00
Surface Equip Rentals	850.180		\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000		62,00
Downhole Equip Rentals	850.185		\$ 32,000	855.185	\$ 73,000			\$ 10	05,00
Transportation	850.190	_	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	-	46,00
Living Quarters Safety	850.200 850.205	_	\$ 17,000 \$ -	855.200	\$ 8,000			\$ 2 \$	25,00
Contract Services	850.210	_	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	-	10,00
Tubular Inspections	850.215		\$ 14,000	855.215	\$ 10,000		, ,	\$ 2	24,00
Consulting Engineer	850.220	_	\$ 27,800						27,80
On-Site Supervision Consulting Geologist	850.225 850.230	_	\$ 22,800 \$ -	855.225	\$ 42,000	825.225	\$ -	\$ 6	64,80
Company Labor	850.245		\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	-	14,20
Plug & Abandonment	850.270		\$ -		7 2,000	0.000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$	-
Surface Damages	850.280	_	\$ 38,000	855.280	\$ -	825.280	\$ 5,000		43,00
Fluid Haul & Disposal Water Transfer Services	850.290 850.291	_	\$ 16,000 \$ -	855.290 855.291	\$ 45,000 \$ 75,000	825.290	\$ 6,000		67,00 75,00
Overhead	850.300		\$ 2,000	855.300	\$ 75,000	825.300	\$ 8,100		15,50
Completion Unit	-		,	855.310	\$ 74,000		7 5,122		74,00
Plugs, Perfs & Cased Hole Wireline				855.325	\$ 145,000				45,00
Acidizing Fracturing 200 Stage Spacing 25 Stages				855.340 855.350	\$ 10,000 \$ 1,700,000				10,00 00,00
EHS & Regulatory	850.700		\$ -	855.700				\$	-
Spills & Environmental Response	850.701		\$ -	855.701	\$ -			\$	-
Safety	850.702	_	\$ -	855.702	-			\$	-
Regulatory Environmental Compliance	850.703 850.704		\$ - \$ -	855.703 855.704				\$	-
Environmental Compilance TOTAL INTANGIBL		_	\$ - \$ 1,281,600	000.704	\$ 3,064,400		\$ 125,300		- 71,30
TANGIBLES			ILLING	COMI	PLETION	FAC	ILITIES	, +,+ <i>i</i>	
SIZE WEIGHT GRADE Cost/Et LENGTH	ACCOUNT	1	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	TOT	AL
DESCRIPTION				ACCOUNT	VIAIOOM I	ACCOUNT	AMOUNT	.	10.00
Conductor Pipe 16 90 Surface Casing 13 3/8 48.0 J-55 78.63 375	860.010 860.020	_	\$ 19,000 \$ 29,000					-	19,00 29,00
Intermediate Casing 9 5/8 36.0 J-55 60.34 0	860.030		\$ 29,000					\$	_0,00
Production Casing -top string 7 26.0 L-80 48.91 3,250	860.040	_	\$ 159,000					\$ 15	59,00
Production Casing -bottom string 5 1/2 17.0 L-80 35.34 5,200	860.041	_	\$ 184,000						84,00
Casing Head Spools Liners & Hangers	860.050		\$ 24,000 \$ -						24,00
Iners & Hangers Production Tubing 2 7/8 6.5 J-55 15.62 3,000	860.060		ψ -	865.120	\$ 47,000			\$ \$ 4	47,00
Other Wellhead Equipment	860.070	1	\$ -	865.070	\$ -			\$. ,50
Flowline & Connectors				865.250	\$ 40,000			\$ 4	40,00
Production Wellhead	000 400	١.	¢ 00.000	865.100	\$ 24,000				24,00
	860.130	- 1	\$ 29,000	865.155	\$ 138,000				29,00 38,00
Tubing Head			\$ -	555.155	Ψ 100,000			\$	٥٠,٥١
Fubing Head Artificial Lift -Surface & Downhole Equipment	860.080	_	\$ -	865.090	\$ -	826.090	\$ -	\$	
Fubing Head Artificial Lift -Surface & Downhole Equipment Non-controllable (Well) Miscellaneous Equipment	860.080 860.090					826.150	\$ 99,500		99,50
Fubing Head Artificial Lift -Surface & Downhole Equipment Non-controllable (Well) Miscellaneous Equipment Fanks, Stairs, & Walkways		,				000 000			
Tubing Head Artificial Lift -Surface & Downhole Equipment Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, other misc. equipt)		Ì				826.200 826.210	\$ 300,000 \$ 107,000		
Fubing Head Artificial Lift -Surface & Downhole Equipment Non-controllable (Well) Miscellaneous Equipment Fanks, Stairs, & Walkways Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor						826.200 826.210 826.240	\$ 300,000 \$ 107,000 \$ 10,000	\$ 10	07,00
Tubing Head Artificial Lift -Surface & Downhole Equipment Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs Electrical & SCADA Automation	860.090			865.270	\$ -	826.210	\$ 107,000	\$ 10 \$ 1	07,00 10,00
Tubing Head Artificial Lift -Surface & Downhole Equipment Non-controllable (Well) Miscellaneous Equipment Fanks, Stairs, & Walkways Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs	860.090		\$ 444,000 \$ 1,725,600	865.270	\$ - \$ 249,000 \$3,313,400	826.210 826.240 826.270	\$ 107,000 \$ 10,000	\$ 10 \$ 1 \$ 12 \$ 1,32	00,00 07,00 10,00 20,00 29,50

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OPERATOR Riley Permian Operating Company	/										AFE NO.		0	DATE Oct 12 2023
WELL NAME & NUMBER Hawk 9 Federal Com 8H						PROPOSED TVE			PROPOSED ME 9.000	ASURED DEPTH	FIELD/PR			
COUNTY						0,011			COMPLETED LA	ITERAL	PROPOSED			
Eddy NM LOCATION									5,200	N .	Yeso Surface LAT:	22.5	7640	9500
SHL: 1320 FNL & 750 FWL; BHL:	1650 FNL 8	₹1 FWI							Develop		Surface LONG:			3224
OTIE. 1020 FIVE & 700 FIVE, BITE.	INTANGI					D	RILL	.ING		PLETION		ILITIES	T	
DESCRIPTION						ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT		TOTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010	\$ -	\$	15,000
Drilling Title Opinion Location, Roads, & Pits						850.020 850.030	\$	50,000 85,000	855.030	\$ -	825.030	\$ -	\$	50,000 85,000
Insurance & Bonds						850.040	\$	4,000	855.040	\$ -	0_000	,	\$	4,000
Rig Mobilization	• •	A 40 500				850.050	\$	85,000	855.050	\$ -			\$	85,000
	2 days @ 0 feet @	\$ 16,500	/day /ft			850.060 850.070	\$	198,000	855.060	\$ -			\$	198,000
Turnkey Drilling						850.080	\$	-					\$	-
Bits Directional Services						850.090 850.095	\$	55,000 87,000					\$	55,000 87,000
Mud & Chemicals						850.100	\$	44,000					\$	44,00
Solids Control Services						850.105	\$	48,000					\$	48,00
Coil Tbg/Snubbing	1	÷ 400	/.l			050 444	•	00.000	855.110	\$ -			\$	- 220.000
Fuel 125 Water - Fresh	0 gal/day @	\$ 4.00	luay			850.111 850.120	\$	60,000 10,000	855.111 855.120	\$ 170,000 \$ 195,000	825.120	\$ -	\$	230,000
Kill Weight Fluids						850.125	\$	10,000	855.125	\$ 5,000	020.120	•	\$	15,00
	f \$ 17,000	Int		Prod Csg		850.130	\$	95,000					\$	95,00
Casing Hardware Sur Open Hole Logs	f \$ 5,000	Int		Prod	\$ 40,000	850.135 850.140	\$	45,000					\$	45,00
Completion Fluids									855.140	\$ 280,000			\$	280,00
Mud Logging	-		-	-	-	850.150	\$	22,000				1	\$	22,00
Coring Surface Equip Rentals						850.160 850.180	\$	107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$	262,00
Downhole Equip Rentals						850.185	\$	32,000	855.185	\$ 73,000	020.100	Ψ 10,000	\$	105,00
Transportation						850.190	\$	7,000	855.190	\$ 9,000	825.190	\$ 30,000	_	46,00
Living Quarters Safety						850.200 850.205	\$	17,000	855.200	\$ 8,000			\$	25,000
Contract Services						850.210	\$	80,000	855.210	\$ 65,000	825.210	\$ 65,000		210,00
Tubular Inspections				-		850.215	\$	14,000	855.215	\$ 10,000			\$	24,00
Consulting Engineer On-Site Supervision						850.220 850.225	\$	27,800 22,800	855.225	\$ 42,000	825.225	\$ -	\$	27,80 64,80
Consulting Geologist						850.230	\$	-	033.223	Ψ 42,000	023.223	Ψ -	\$	-
Company Labor						850.245	\$	5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$	14,200
Plug & Abandonment Surface Damages						850.270 850.280	\$	38,000	855.280	\$ -	825.280	\$ 5,000	\$	43,000
Fluid Haul & Disposal						850.290	\$	16,000	855.290	\$ 45,000	825.290	\$ 6,000		67,00
Water Transfer Services						850.291	\$	-	855.291	\$ 75,000			\$	75,00
Overhead Completion Unit						850.300	\$	2,000	855.300 855.310	\$ 5,400 \$ 74,000	825.300	\$ 8,100	\$	15,500 74,00
Plugs, Perfs & Cased Hole Wireline									855.325	\$ 145,000			\$	145,000
Acidizing									855.340				\$	10,000
Fracturing 200 EHS & Regulatory	Stage Spaci	ng		25	Stages	850.700	\$		855.350 855.700	\$ 1,700,000 \$ -			\$	1,700,000
Spills & Environmental Response						850.701	\$		855.701	\$ -			\$	-
Safety						850.702	\$	-	855.702				\$	-
Regulatory Environmental Compliance						850.703 850.704	\$	-	855.703 855.704	\$ - \$ -			\$	-
Environmental Compilance				TOTAL II	NTANGIBLES	000.704	\$	1,281,600	000.704	\$ 3,064,400		\$ 125,300	_	4,471,30
	TANGIE	BLES				D		ING	COMI	PLETION	FAC	ILITIES	Ť	
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	1	TOTAL
Conductor Pipe	16	+			90	860.010	\$	19,000					\$	19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$	29,000					\$	29,00
Intermediate Casing Production Casing -top string	9 5/8 7	36.0 26.0	J-55 L-80	60.34 48.91	0 3,250	860.030 860.040	\$	159,000				1	\$	159,00
Production Casing -top string Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000					\$	184,000
Casing Head Spools				•		860.050	\$	24,000					\$	24,00
Liners & Hangers Production Tubing	2 7/8	6.5	1 5 5	15.62	2 000	860.060	\$	-	865.120	\$ 47,000			\$	47,00
Other Wellhead Equipment	2110	0.0	J-55	10.02	3,000	860.070	\$	-	865.070	\$ 47,000 \$ -			\$	47,00
Flowline & Connectors		-				- 21-	Ĺ		865.250	\$ 40,000			\$	40,00
Production Wellhead Tubing Head						860.130	\$	29,000	865.100	\$ 24,000			\$	24,00 29,00
Artificial Lift -Surface & Downhole Equ	ipment					000.130	φ	28,000	865.155	\$ 138,000			\$	138,00
Non-controllable (Well)						860.080	\$	-					\$	
Miscellaneous Equipment						860.090	\$	-	865.090	\$ -	826.090		\$	00.50
Tanks, Stairs, & Walkways Production Facility (pipes, valves, other	er misc. equi	pt)									826.150 826.200	\$ 99,500 \$ 300,000		99,50
Separators, Heater Treaters, FWKO,											826.210	\$ 107,000	\$	107,00
									865.270	¢	826.240 826.270	\$ 10,000 \$ 120,000		10,000
Meters & Meter Runs									005.270	. J	■ 0∠0.∠/U	ı ı⊅ 1∠U.UUU	Ф	1∠0,00
				TOTAL	TANGIBLES		\$	444,000		\$ 249,000		\$ 636,500	_	1,329,500
Meters & Meter Runs	:Hart				TANGIBLES WELL COST		\$	444,000 1,725,600					\$	1,329,50 5,800,80



Constitution of Constitution (CCC) and Constitution (CCC)											1		ı
OPERATOR											AFE NO.		DATE
Riley Permian Operating Compan	ıy												Dec 4, 2023
WELL NAME & NUMBER						PROPOSED TVD)		PROPOSED ME	ASURED DEPTH	FIELD/PR	ROSPECT	
Hawk 9 Federal Com 3H						3,008			9.000		Red Lake	:	
COUNTY STATE						-,			COMPLETED LA	TERAL		FORMATION	
Eddy NM									5,200		Yeso	1	
LOCATION									CLASSIFICATION	N.	Surface LAT:	32.7	649500
SHL: 2385 FNL & 889 FWL; BHL									Develop		Surface LONG:		.323224
	INTANGI	BLES					KIL	LING	COMP	PLETION	FAC	LITIES	TOTAL
DESCRIPTION	Process Opinion adds, & Pits Sonds ion Interpretation in adds, & Pits Sonds ion Ing Rig 12 days @ \$ 16,500 /day Ing					ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	101742
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion						850.020	\$	50,000					\$ 50,000
Location, Roads, & Pits						850.030	\$	85,000	855.030	\$	825.030	\$ -	\$ 85,000
Insurance & Bonds						850.040	\$	4,000	855.040	\$ -			\$ 4,000
Rig Mobilization						850.050	\$	85,000	855.050	\$			\$ 85,000
Dayrate Drilling Rig 1	l 2 days @	\$ 16,500	/day			850.060	\$	198,000	855.060	\$ -			\$ 198,000
Footage Drilling 1000	00 feet @		/ft			850.070	\$	-					\$ -
Turnkey Drilling						850.080	\$	-					\$ -
Bits						850.090	\$						\$ 55,000
Directional Services						850.095	\$						\$ 87,000
Mud & Chemicals						850.100	\$						\$ 44,000
Solids Control Services						850.105	\$	48,000					\$ 48,000
Coil Tbg/Snubbing									855.110				\$ -
	50 gal/day @	\$ 4.00	/day			850.111	\$		855.111	\$ 170,000			\$ 230,000
Water - Fresh						850.120	\$		855.120	\$ 195,000		\$ -	\$ 205,000
Kill Weight Fluids						850.125	\$		855.125	\$ 5,000	1		\$ 15,000
				Prod Csg		850.130	\$					ļ	\$ 95,000
- J	urf \$ 5,000	Int		Prod	\$ 40,000	850.135	\$					-	\$ 45,000
Open Hole Logs						850.140	\$	-					\$ -
Completion Fluids						050 450		00.000	855.140	\$ 280,000	1		\$ 280,000
Mud Logging						850.150	\$				_		\$ 22,000
Coring						850.160	\$		055 400		005 400		\$ -
Surface Equip Rentals						850.180	\$		855.180	\$ 145,000		\$ 10,000	\$ 262,000
Downhole Equip Rentals						850.185	\$		855.185	\$ 73,000			\$ 105,000
Transportation						850.190	\$,	855.190	\$ 9,000		\$ 30,000	\$ 46,000
Living Quarters						850.200	\$,	855.200	\$ 8,000	4		\$ 25,000
Safety						850.205	\$		055.040	Φ 05.000	005.040	A 05 000	\$ -
Contract Services						850.210	\$		855.210	\$ 65,000		\$ 65,000	\$ 210,000
Tubular Inspections						850.215 850.220	\$		855.215	\$ 10,000			\$ 24,000 \$ 27,800
Consulting Engineer On-Site Supervision						850.225	\$,	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist						850.230	\$		055.225	\$ 42,000	025.225	ъ -	\$ 64,600
Company Labor						850.245	\$		855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment						850.270	\$		055.245	Φ 0,000	023.243	φ 1,200	\$ 14,200
Surface Damages						850.280	\$		855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal						850.290	\$,	855.290	\$ 45,000		\$ 6,000	\$ 67,000
Water Transfer Services						850.291	\$,	855.291	\$ 75,000		Ψ 0,000	\$ 75,000
Overhead						850.300	\$		855.300	\$ 5,400		\$ 8,100	\$ 15,500
Completion Unit						000.000	_	2,000	855.310	\$ 74,000		Ψ 0,100	\$ 74,000
Plugs, Perfs & Cased Hole Wireline									855.325	\$ 145,000			\$ 145,000
Acidizing									855.340	\$ 10,000			\$ 10,000
	00 Stage Spacir	ng		25	Stages					\$ 1,700,000			\$ 1,700,000
EHS & Regulatory		•				850.700	\$; -	855.700				\$ -
Spills & Environmental Response						850.701	\$		855.701				\$ -
Safety						850.702	\$	-	855.702	\$ -			\$ -
Regulatory						850.703	\$	-	855.703	\$ -			\$ -
Environmental Compliance						850.704	\$; -	855.704	\$ -			\$ -
				TOTAL II	NTANGIBLES		\$	1,281,600		\$ 3,064,400		\$ 125,300	\$ 4,471,300
	TANGIB	LES				DI	RIL	LING	COME	PLETION	FAC	ILITIES	
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	TOTAL
Conductor Pipe	16				90	860.010	\$	19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$					1	\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$,					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$						\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$						\$ 184,000
Casing Head Spools			•	•		860.050	\$						\$ 24,000
Liners & Hangers						860.060	\$						\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000				865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$	-	865.070				\$ -
Flowline & Connectors									865.250				\$ 40,000
Production Wellhead									865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$	29,000					\$ 29,000
Artificial Lift -Surface & Downhole Eq	uipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$					L	\$ -
Miscellaneous Equipment						860.090	\$	-	865.090	\$ -	826.090		\$ -
Tanks, Stairs, & Walkways		. 1)					-				826.150		\$ 99,500
Production Facility (pipes, valves, oth							-				826.200		\$ 300,000
Separators, Heater Treaters, FWKO,	rıare, & Com	pustor										\$ 107,000	\$ 107,000
Meters & Meter Runs									005.070	.	826.240		\$ 10,000
Electrical & SCADA Automation				TO=	TANOIS: ==		-		865.270		826.270		\$ 120,000
					TANGIBLES		\$			\$ 249,000		\$ 636,500	\$ 1,329,500
prepared by: Monnie D	eHart			TOTAL	WELL COST		\$	_ , ,		\$3,313,400		\$ 761,800	\$ 5,800,800
							ח	ATE		APPROVED	BY	APPROVED	RY
PARTNER COMPANY:		NAME / TI	ILE				υ,						.



											AFE NO.		ļ	Dε	DATE ec 4, 2023
					PROPOSED TVD)		PROPOSED ME	ASURE	D DEPTH	FIELD/PR	OSPEC.	Т	De	, , , ∠U∠3
					3,817			9,000			Red Lake				
									TERAL			FORMA	TION		
								-,				<u> </u>	20.7	C 401	F00
2000 FCL 9	2 4 514/1														
					DI	RII I	ING					II ITII		.323.	224
INTANOI	DLLO					\ILL						1		1	TOTAL
						\$				-			_	\$	15,00
					850.020	\$	50,000	000.010	•		020.010	-		\$	50,00
					850.030	\$	85,000	855.030	\$	-	825.030	\$	-	\$	85,00
										-					4,00
dave @	\$ 16 500	/day					,			-					85,00 198,00
		•			850.070	\$	-	000.000	Ψ					\$	-
					850.080	\$	-							\$	-
															55,00
															87,00 44,00
					850.105	\$	48,000							\$	48,00
								855.110	\$	-				\$	-
gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.111	\$	170,000	005 400			\$	230,000
							,				825.120	\$	-		205,00 15,00
\$ 17,000	Int		Prod Csa	\$ 78,000	850.130	\$	95,000	000.120	Ψ	3,000				\$	95,00
	Int				850.135	\$	45,000							\$	45,00
					850.140	\$	-	055 : : :						\$	-
					950 150	¢.	22.000	855.140	\$	280,000					280,00
					850.150 850.160		∠∠,UUU -								22,00
					850.180	\$	107,000	855.180	\$	145,000	825.180	\$	10,000	\$	262,00
					850.185	\$	32,000	855.185	\$	73,000				\$	105,00
											825.190	\$	30,000		46,00
							17,000	855.200	Ъ	8,000					25,00
					850.210	\$	80,000	855.210	\$	65,000	825.210	\$	65,000	\$	210,000
					850.215	\$	14,000	855.215	\$	10,000				\$	24,00
								055.005	•	40.000	005.005	•			27,800
							22,800	855.225	\$	42,000	825.225	\$	-		64,800
					850.245		5,000	855.245	\$	8,000	825.245	\$	1,200	\$	14,200
					850.270	\$	-							\$	-
							,		\$	-		\$		\$	43,000
							16,000				825.290	\$	6,000		67,000 75,000
							2.000				825.300	\$	8.100		15,50
					000.000	_	2,000	855.310	\$	74,000	020.000	Ť	0,100	\$	74,00
								855.325	\$	145,000				\$	145,00
Ctana Canain			ne.	Ctanan										\$	10,00
Stage Spacif	ıg	-	25	Stages	850 700	\$	-			,700,000					1,700,00
					850.701	\$	-			-				\$	-
					850.702	\$	-	855.702	\$	-				\$	-
							-			-					-
			TOTAL II	ITANGIRI ES	850.704		1 281 600	855.704		-		e .	125 300		4,471,30
TANGIR	II FS		TOTAL	TANGIBLES	DI	_		COMI			FΔC			, p	4,47 1,30
														1	TOTAL
	WEIGHT	GRADE	Cost/Ft.					ACCOUNT	Α	MOUNT	ACCOUNT	AM	IOUNT	_	
16	10.5		70.00	90	860.010	\$	19,000							\$	19,00
							29,000								29,000
7	26.0	L-80	48.91	3,250	860.040	\$	159,000							\$	159,00
5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000							\$	184,00
-			-		860.050	\$	24,000							\$	24,00
0.7/0	G E	1 55	15.60	2 000	860.060	\$	-	06E 400	ď	47.000					47.00
2118	0.0	J-55	15.62	3,000	860 070	\$				47,000					47,00
					550.010	Ψ	-	865.250	\$	40,000				\$	40,00
								865.100	\$	24,000				\$	24,00
					860.130	\$	29,000	005.455	•	100.000					29,00
pment					860 080	¢		გინ.155	\$	138,000					138,00
					860.090	\$	-	865.090	\$	-	826.090	\$		\$	
						É					826.150	\$	99,500	\$	99,50
misc. equip			·	-							826.200		300,000	\$	300,00
	bustor										826.210 826.240		107,000	\$	107,00 10,00
lare, & Com														0	10 00
lare, & Com								865.270	\$	-					
lare, & Com			TOTAL	. TANGIBLES		\$	444,000	865.270	\$	249,000	826.270	\$ 1		\$ \$	120,00 1,329,50
	days @ feet @ \$ 17,000 \$ 5,000	gal/day @ \$ 4.00 \$ 17,000	Stage Spacing	Stage Spacing Stage Spacin	Stage Spacing 25 Stages Stage Stage	2280 FSL & 1 FWL INTANGIBLES	DRILL INTANGIBLES	2280 FSL & 1 FWL	3,817	3,817	3,817 9,000 Constitution 5,200 Constitution 5,200 Constitution 5,200 Constitution 5,200 Constitution 6,000 Cons	3,817 9,000 Red Lake 5,200 September 5,200 Red Lake 5,200 September 5,200 September	3,817	Red Lake	PROPOSED TO S. 187 PROPOSED TO S. 187 PROPOSED TO S. 187 PROPOSED TO P



operator Riley Permian Operating Company	v											AFE NO.			Dε	DATE ec 4, 2023
WELL NAME & NUMBER	<u>, </u>					PROPOSED TVD)		PROPOSED ME	ASURE	D DEPTH	FIELD/PR	OSPEC	Т	De	,, <u>,</u> , , , , , , , , , , , , , , , , ,
Hawk 9 Federal Com 5H						3,105			9,000			Red Lake				
COUNTY									COMPLETED LA	ATERAL		PROPOSED	FORMA	TION		
Eddy NM									5,200			Yeso	<u></u>	20.7	6401	E00
LOCATION	0040 ENIL 1	0 4 5\4/1										Surface LAT: Surface LONG:		32.70 -104.		
SHL: 2365 FNL & 889 FWL; BHL:	INTANGI					DI	RILL	ING	Develop COMI				ILITII		.323.	224
DESCRIPTION	INTANO	DEEO				ACCOUNT		AMOUNT	ACCOUNT		MOUNT	ACCOUNT		MOUNT	1	TOTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$	-	825.010	\$	-	\$	15,00
Drilling Title Opinion						850.020	\$	50,000	000.010	•		020.010	_		\$	50,00
Location, Roads, & Pits						850.030	\$	85,000	855.030	\$	-	825.030	\$	-	\$	85,00
Insurance & Bonds						850.040	\$	4,000	855.040	\$	-				\$	4,00
Rig Mobilization Dayrate Drilling Rig 12	2 days @	\$ 16,500	/day			850.050 850.060	\$	85,000 198,000	855.050 855.060	\$	-				\$	85,00 198,00
	0 feet @		/ft			850.070	\$	-	000.000	Ψ					\$	-
Turnkey Drilling						850.080	\$	-							\$	-
Bits Directional Services						850.090 850.095	\$	55,000					-		\$	55,00
Mud & Chemicals						850.095	\$	87,000 44,000							\$	87,00 44,00
Solids Control Services						850.105	\$	48,000							\$	48,00
Coil Tbg/Snubbing								·	855.110	\$	-				\$	-
	0 gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.111	\$	170,000	005 400	-		\$	230,00
Water - Fresh Kill Weight Fluids						850.120 850.125	\$	10,000 10,000	855.120 855.125	\$	195,000 5,000	825.120	\$	-	\$	205,00
	f \$ 17,000	Int		Prod Csg	\$ 78,000	850.130	\$	95,000	000.120	Ψ	5,000				\$	95,00
	f \$ 5,000	Int		Prod		850.135	\$	45,000							\$	45,00
Open Hole Logs						850.140	\$	-	055 1 11	_	000 000		<u> </u>		\$	-
Completion Fluids						950 150	¢.	22.000	855.140	\$	280,000		-		\$	280,00
Mud Logging Coring						850.150 850.160	\$	22,000							\$	22,00
Surface Equip Rentals						850.180	\$	107,000	855.180	\$	145,000	825.180	\$	10,000	\$	262,00
Downhole Equip Rentals						850.185	\$	32,000	855.185	\$	73,000				\$	105,00
Transportation						850.190	\$	7,000	855.190	\$	9,000	825.190	\$	30,000	\$	46,00
Living Quarters Safety						850.200 850.205	\$	17,000	855.200	\$	8,000				\$	25,00
Contract Services						850.210	\$	80,000	855.210	\$	65,000	825.210	\$	65,000	\$	210,000
Tubular Inspections						850.215	\$	14,000	855.215	\$	10,000				\$	24,00
Consulting Engineer						850.220	\$	27,800							\$	27,800
On-Site Supervision Consulting Geologist						850.225 850.230	\$	22,800	855.225	\$	42,000	825.225	\$	-	\$	64,800
Company Labor						850.245	\$	5,000	855.245	\$	8,000	825.245	\$	1,200	\$	14,200
Plug & Abandonment			-			850.270	\$	-			2,222		Ť	.,	\$	-
Surface Damages						850.280	\$	38,000	855.280	\$	-	825.280	\$	5,000	\$	43,000
Fluid Haul & Disposal Water Transfer Services						850.290	\$	16,000	855.290 855.291	\$	45,000 75,000	825.290	\$	6,000	\$	67,000
Overhead						850.291 850.300	\$	2,000	855.300	\$	5,400	825.300	\$	8,100	\$	75,000 15,500
Completion Unit						000.000	Ψ	2,000	855.310	\$	74,000	020.000	Ψ	0,100	\$	74,00
Plugs, Perfs & Cased Hole Wireline									855.325	\$	145,000				\$	145,00
Acidizing	• • • •				21				855.340		10,000		-		\$	10,000
Fracturing 200 EHS & Regulatory	Stage Spacia	ng		25	Stages	850.700	\$		855.350 855.700		,700,000		-		\$	1,700,00
Spills & Environmental Response						850.701	\$	-	855.701						\$	
Safety						850.702	\$	-	855.702		-				\$	-
Regulatory						850.703	\$	-	855.703	\$	-				\$	-
Environmental Compliance				TOTAL II	ITANCIDI FO	850.704	\$ \$	4 004 000	855.704	\$	-		•	125,300	\$ \$	4 474 20
	TANGIE	I EC		TOTAL	NTANGIBLES	DI	RILL	1,281,600	COMI		,064,400	EAC	ILITII		<u> </u>	4,471,30
							VILL.									TOTAL
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	Α	MOUNT	ACCOUNT	AN	MOUNT	1	
Conductor Pipe	16				90	860.010	\$	19,000							\$	19,00
Surface Casing Intermediate Casing	13 3/8 9 5/8	48.0 36.0	J-55	78.63	375	860.020	\$	29,000					 		\$	29,00
Production Casing -top string	9 5/8	26.0	J-55 L-80	60.34 48.91	0 3,250	860.030 860.040	\$	159,000							\$	159,00
Production Casing -top string Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000					†		\$	184,00
Casing Head Spools					.,	860.050	\$	24,000							\$	24,00
Liners & Hangers				1 4= 65		860.060	\$	-	00= :::		4= -::		ļ		\$	
Production Tubing Other Wellhead Equipment	2 7/8	6.5	J-55	15.62	3,000	860.070	ď		865.120 865.070	\$	47,000				\$	47,00
Other Wellnead Equipment Flowline & Connectors						000.070	\$	-	865.250	\$	40,000				\$	40,00
Production Wellhead							L		865.100	\$	24,000				\$	24,00
Tubing Head						860.130	\$	29,000							\$	29,00
Artificial Lift -Surface & Downhole Equ	ipment					000.000	•		865.155	\$	138,000		 		\$	138,00
						860.080 860.090	\$	-	865.090	\$		826.090	\$		\$	
Non-controllable (Well)						550.030	Ψ	-	555.050	Ψ		826.150		99,500	\$	99,50
												826.200	\$ 3	300,000	\$	300,00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe		1										826.210 826.240		107,000	\$	107,00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I		bustor								1		■ U.16: ()A∩	\$	10,000	\$	10,00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I Meters & Meter Runs		ibustor							865 270	Ф						120 00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I		nbustor		TOTAL	. TANGIBLES		\$	444.000	865.270	\$	249.000	826.270	\$ ^	120,000	\$	120,000 1,329,500
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I Meters & Meter Runs	Flare, & Com	ndustor			TANGIBLES		\$	444,000 1,725,600	865.270	\$	249,000 313,400		\$ 6		\$ \$	120,000 1,329,500 5,800,800



Riley Permian Operating Company					AFE NO.		Dec 4, 202
ELL NAME & NUMBER	PROPOSED TVI			ASURED DEPTH	FIELD/PR		, _ 3_
Hawk 9 Federal Com 7H	3,992		9,000		Red Lake		
OUNTY STATE Eddy NM			COMPLETED LA	ITERAL	PROPOSED Yeso	FORMATION	
Eddy NM DOATION			CLASSIFICATIO	N	Surface LAT:	32.7	649500
			Develop		Surface LONG:		323224
GHL: 1340 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL INTANGIBLES		RILLING		PLETION		ILITIES	323224
ESCRIPTION INTERMEDIAL STATES	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	TOTAL
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,00
Drilling Title Opinion	850.020	\$ 50,000	000.010	Φ -	023.010	φ -	\$ 50,0
ocation. Roads. & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,0
nsurance & Bonds	850.040	\$ 4,000	855.040	\$ -		7	\$ 4,0
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,0
Payrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,0
ootage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
urnkey Drilling bits	850.080 850.090	\$ - \$ 55,000					\$ - \$ 55,0
Directional Services	850.095	\$ 87,000					\$ 87,0
Mud & Chemicals	850.100	\$ 44,000					\$ 44,0
Solids Control Services	850.105	\$ 48,000					\$ 48,0
Coil Tbg/Snubbing			855.110	\$ -			\$ -
fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000	005 (55		\$ 230,0
Vater - Fresh Gill Weiaht Fluids	850.120	\$ 10,000	855.120	\$ 195,000 \$ 5.000	825.120	\$ -	\$ 205,0 \$ 15.0
ull Weight Fluids Sementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.125 850.130	\$ 10,000 \$ 95,000	855.125	\$ 5,000			\$ 15,0 \$ 95,0
Casing Hardware Surf \$ 5,000 Int Prod Csg \$ 70,000		\$ 45,000	1				\$ 95,0
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,0
Mud Logging	850.150	\$ 22,000					\$ 22,0
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,0 \$ 105.0
Ownhole Equip Rentals Transportation	850.185 850.190	\$ 32,000 \$ 7,000	855.185 855.190	\$ 73,000 \$ 9,000	825.190	\$ 30,000	\$ 105,0 \$ 46,0
iving Quarters	850.200	\$ 7,000	855.200	\$ 8,000	020.180	ψ 50,000	\$ 46,0
Safety	850.205	\$ -	230.200	, 3,000			\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,0
ubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,0
Consulting Engineer	850.220	\$ 27,800					\$ 27,8
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,8
Consulting Geologist Company Labor	850.230 850.245	\$ - \$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ - \$ 14,20
ompany Labor Pug & Abandonment	850.245	\$ 5,000	000.245	φ σ,υυυ	020.245	φ 1,∠00	\$ 14,2
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,0
luid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,0
Vater Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,0
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,5
Completion Unit			855.310	\$ 74,000			\$ 74,0
Plugs, Perfs & Cased Hole Wireline			855.325 855.340	\$ 145,000 \$ 10,000			\$ 145,0 \$ 10,0
racturing 200 Stage Spacing 25 Stages				\$ 10,000			\$ 1,700,0
HS & Regulatory	850.700	\$ -	855.700				\$ 1,700,0
pills & Environmental Response	850.701	\$ -	855.701	\$ -			\$
afety	850.702	\$ -	855.702				\$ -
Regulatory	850.703	\$ -	855.703				\$ -
invironmental Compliance	850.704	\$ -	855.704				\$ -
TANCIDLES TANCIDLES		\$ 1,281,600	1 00***	\$ 3,064,400	F 4 2	\$ 125,300	\$ 4,471,3
TANGIBLES	D	RILLING	COMI	PLETION	FAC	ILITIES	TOTAL
SIZE WEIGHT GRADE Cost/Ft. LENGTH	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	IOIAL
Conductor Pipe 16 90	860.010	\$ 19,000					\$ 19,0
Surface Casing 13 3/8 48.0 J-55 78.63 375	860.020	\$ 29,000					\$ 29,0
ntermediate Casing 9 5/8 36.0 J-55 60.34 0	860.030	\$ -					\$
Production Casing -top string 7 26.0 L-80 48.91 3,250	860.040	\$ 159,000					\$ 159,0
Production Casing -bottom string 5 1/2 17.0 L-80 35.34 5,200	860.041	\$ 184,000					\$ 184,0
	860.050	\$ 24,000					\$ 24,0
Casing Head Spools	860.060	\$ -	865.120	\$ 47,000			\$ \$ 47,0
Casing Head Spools iners & Hangers		1	865.070	\$ 47,000			\$ 47,0
Casing Head Spools iners & Hangers 2 7/8 6.5 J-55 15.62 3,000		\$ -					\$ 40,0
Casing Head Spools iners & Hangers Production Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment	860.070	\$ -	865.250	\$ 40,000			\$ 24,0
Casing Head Spools iners & Hangers Production Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Flowline & Connectors		\$ -		\$ 40,000 \$ 24,000			
Sasing Head Spools iners & Hangers roduction Tubing 2 7/8 6.5 J-55 15.62 3,000 bither Wellhead Equipment lowline & Connectors roduction Wellhead ubing Head		\$ -	865.250 865.100	\$ 24,000			
Casing Head Spools iners & Hangers roduction Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment roduction Wellhead fubing Head utificial Lift -Surface & Downhole Equipment	860.070 860.130	\$ 29,000	865.250				\$ 138,0
Casing Head Spools iners & Hangers roduction Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Clowline & Connectors Production Wellhead Ubing Head Artificial Lift -Surface & Downhole Equipment Ion-controllable (Well)	860.070 860.130 860.080	\$ 29,000	865.250 865.100 865.155	\$ 24,000 \$ 138,000	920.000	e e	\$ 138,0 \$
Casing Head Spools iners & Hangers Production Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Production Wellhead P	860.070 860.130	\$ 29,000	865.250 865.100	\$ 24,000	826.090 826.150	\$ -	\$ 138,0 \$ \$
Casing Head Spools iners & Hangers Production Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Howline & Connectors Production Wellhead Production Wellhead Production Wellhead Production Unit - Surface & Downhole Equipment Howline & Connectors Production Wellhead Production W	860.070 860.130 860.080	\$ 29,000	865.250 865.100 865.155	\$ 24,000 \$ 138,000	826.150	\$ 99,500	\$ 138,0 \$ \$ \$ 99,5
Casing Head Spools iners & Hangers Production Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Production Wellhead P	860.070 860.130 860.080	\$ 29,000	865.250 865.100 865.155	\$ 24,000 \$ 138,000			\$ 138,0 \$ \$ \$ 99,5 \$ 300,0
Casing Head Spools iners & Hangers roduction Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Towline & Connectors Production Wellhead Tubing Head Tubin	860.070 860.130 860.080	\$ 29,000	865.250 865.100 865.155	\$ 24,000 \$ 138,000	826.150 826.200	\$ 99,500 \$ 300,000	\$ 138,0 \$ \$ \$ 99,5 \$ 300,0 \$ 107,0
Casing Head Spools iners & Hangers roduction Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Idowline & Connectors Production Wellhead Ubing Head Virtificial Lift -Surface & Downhole Equipment Idon-controllable (Well) Miscellaneous Equipment Ianks, Stairs, & Walkways Production Facility (pipes, valves, other misc. equipt) Production Facility (pipes, valves, other misc. expressions)	860.070 860.130 860.080 860.090	\$ 29,000 \$ - \$ -	865.250 865.100 865.155	\$ 24,000 \$ 138,000 \$ -	826.150 826.200 826.210	\$ 99,500 \$ 300,000 \$ 107,000 \$ 10,000	\$ 138,0 \$ \$ \$ 99,5 \$ 300,0 \$ 107,0 \$ 10,0 \$ 120,0
Casing Head Spools iners & Hangers roduction Tubing 2 7/8 6.5 J-55 15.62 3,000 Other Wellhead Equipment Clowline & Connectors Production Wellhead Subing Head Subi	860.070 860.130 860.080 860.090	\$ 29,000	865.250 865.100 865.155 865.090 865.270	\$ 24,000 \$ 138,000 \$ -	826.150 826.200 826.210 826.240	\$ 99,500 \$ 300,000 \$ 107,000 \$ 10,000	\$ 138,00 \$ \$ \$ 99,50 \$ 300,00 \$ 107,00 \$ 10,00



OPERATOR Riley Permian Operating Company								AFE NO.			De	DATE ec 4, 2020
WELL NAME & NUMBER		PROPOSED TVD)		PROPOSED ME	ASURE	D DEPTH	FIELD/PR	OSPEC	CT	De	:0 4, 202
Hawk 9 Federal Com 8H		3,314			9,000			Red Lake				
COUNTY STATE					COMPLETED LA	ATERAL		PROPOSED	FORM	ATION		
Eddy NM					5,200			Yeso		20.7		F00
LOCATION					CLASSIFICATIO			Surface LAT:			6495	
SHL: 1320 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL INTANGIBLES		DI	RILLIN	NG.	Develop COM			Surface LONG: FAC	IIT	-104.	.3234	224
DESCRIPTION		ACCOUNT		MOUNT	ACCOUNT		MOUNT	ACCOUNT		MOUNT	Ι.	TOTAL
Permits & Surveys		850.010	\$	15,000	855.010	\$	-	825.010	\$	-	\$	15,00
Drilling Title Opinion		850.020	\$	50,000							\$	50,00
Location, Roads, & Pits		850.030	\$	85,000	855.030	\$	-	825.030	\$	-	\$	85,00
Insurance & Bonds Rig Mobilization		850.040 850.050	\$	4,000 85,000	855.040 855.050	\$	-				\$	4,00 85,00
Dayrate Drilling Rig 12 days @ \$ 16,500 /day		850.060	\$	198,000	855.060	\$	-				\$	198,00
Footage Drilling 10000 feet @ /ft		850.070	\$	-							\$	-
Turnkey Drilling		850.080	\$	-					 		\$	-
Bits Directional Services		850.090 850.095	\$	55,000 87,000							\$	55,00 87,00
Mud & Chemicals		850.100	\$	44,000							\$	44,00
Solids Control Services		850.105	\$	48,000							\$	48,00
Coil Tbg/Snubbing		0E0 444	¢.	60.000	855.110		170.000		l —		\$	
Fuel 1250 gal/day @ \$ 4.00 /day Water - Fresh		850.111 850.120	\$	60,000 10,000	855.111 855.120	\$	170,000 195,000	825.120	\$		\$	230,00
Kill Weight Fluids		850.125	\$	10,000	855.125	\$	5,000	020.120	<u>Ψ</u>		\$	15,00
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$		850.130	\$	95,000			,				\$	95,00
Casing Hardware Surf \$ 5,000 Int Prod \$	\$ 40,000	850.135	\$	45,000					<u> </u>		\$	45,00
Open Hole Logs Completion Fluids		850.140	\$	-	855.140	\$	280,000				\$	280,00
Mud Logging		850.150	\$	22,000	550.170	*	_55,550				\$	22,00
Coring		850.160	\$	-							\$	-
Surface Equip Rentals		850.180	\$	107,000	855.180	\$	145,000	825.180	\$	10,000	\$	262,00
Downhole Equip Rentals Transportation		850.185 850.190	\$	32,000 7,000	855.185 855.190	\$	73,000 9,000	825.190	\$	30,000	\$	105,00 46,00
Living Quarters		850.200	\$	17,000	855.200	\$	8,000	020.100	Ų.	30,000	\$	25,00
Safety		850.205	\$	-			Í				\$	-
Contract Services		850.210	\$	80,000	855.210	\$	65,000	825.210	\$	65,000	\$	210,00
Tubular Inspections Consulting Engineer		850.215 850.220	\$	14,000 27,800	855.215	\$	10,000		_		\$	24,00 27,80
On-Site Supervision		850.225	\$	22,800	855.225	\$	42,000	825.225	\$	-	\$	64,80
Consulting Geologist		850.230	\$	-			í				\$	-
Company Labor		850.245	\$	5,000	855.245	\$	8,000	825.245	\$	1,200	\$	14,20
Plug & Abandonment Surface Damages		850.270 850.280	\$	38,000	855.280	\$		825.280	\$	5,000	\$	43,00
Fluid Haul & Disposal		850.290	\$	16,000	855.290	\$	45,000	825.290	\$	6,000	\$	67,00
Water Transfer Services		850.291	\$	-	855.291	\$	75,000				\$	75,00
Overhead		850.300	\$	2,000	855.300	\$	5,400	825.300	\$	8,100	\$	15,50
Completion Unit Plugs, Perfs & Cased Hole Wireline					855.310 855.325	\$	74,000 145,000				\$	74,00 145,00
Acidizing					855.340	-	10,000				\$	10,00
0 1 0	stages				855.350		,700,000				\$	1,700,00
EHS & Regulatory		850.700 850.701	\$	-	855.700	\$	-		<u> </u>		\$	
Spills & Environmental Response Safety		850.701	\$		855.701 855.702		-				\$	-
Regulatory		850.703	\$	-	855.703		-				\$	-
Environmental Compliance		850.704	\$	-	855.704		-				\$	-
	TANGIBLES		\$	1,281,600			,064,400			125,300	\$	4,471,30
TANGIBLES		וט	RILLIN	NG	COM	PLE	IION	FAC	LIII	IES		TOTAL
DESCRIPTION SIZE WEIGHT GRADE Cost/Ft.	LENGTH	ACCOUNT	Α	MOUNT	ACCOUNT	Α	MOUNT	ACCOUNT	A	MOUNT	1	
Conductor Pipe 16	90	860.010	\$	19,000							\$	19,00
Surface Casing 13 3/8 48.0 J-55 78.63	375	860.020	\$	29,000					_		\$	29,00
ntermediate Casing 9 5/8 36.0 J-55 60.34 Production Casing -top string 7 26.0 L-80 48.91	0 3,250	860.030 860.040	\$	159,000							\$	159,00
Production Casing -top string / 25.0 L-80 48.91 Production Casing -bottom string 5 1/2 17.0 L-80 35.34	5,200	860.040	\$	184,000							\$	184,00
Casing Head Spools	-,=00	860.050	\$	24,000							\$	24,00
iners & Hangers		860.060	\$	-							\$	
Production Tubing 2 7/8 6.5 J-55 15.62 Other Wellhead Equipment	3,000	860.070	¢.		865.120 865.070		47,000				\$	47,00
other vveilnead Equipment Flowline & Connectors		000.070	\$	-	865.250		40,000				\$	40,00
Production Wellhead			L		865.100		24,000				\$	24,00
Tubing Head	-	860.130	\$	29,000			100 000		_		\$	29,00
Artificial Lift -Surface & Downhole Equipment Non-controllable (Well)		960 000	¢.		865.155	\$	138,000				\$	138,00
Non-controllable (Well) Miscellaneous Equipment		860.080 860.090	\$		865.090	\$	_	826.090	\$	_	\$	
Tanks, Stairs, & Walkways		550.000	-		550.550	*	-	826.150	\$	99,500	\$	99,50
								826.200	\$	300,000	\$	300,0
Production Facility (pipes, valves, other misc. equipt)								826.210 826.240	\$	107,000		107,0
Separators, Heater Treaters, FWKO, Flare, & Combustor								×25 740			\$	10 ()
Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs					865 270	\$						
Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs Electrical & SCADA Automation	TANGIBLES		\$	444,000	865.270	\$ \$	249,000	826.270	\$	120,000 636,500	\$	120,00
Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs Electrical & SCADA Automation TOTAL 1	TANGIBLES			444,000 1,725,600	865.270	\$	249,000 313,400		\$ \$	120,000	\$ \$	120,00 1,329,5 0 5,800,8 0

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Chronology of Contact, Exhibit C-7

Summary of Contacts

- Riley retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Riley searched public records, phone directory, and various different types of internet searches.
- Riley sent well proposal letters to the working interest owners on or around October 5, 2023 and revised well proposal letters on or around December 4, 2023.
- Riley proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Riley sent the working interest owners JOAs.
- Riley had multiple communications with the uncommitted working interest owners, which are outlined in the chart below.
- Riley filed the application to force pool working interest owners who had not entered into an agreement.
- Riley's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners.
- Riley also published notice in a newspaper of general circulation in the county where the wells will be located.

Chronology of Contact, Exhibit C-7 continued

Date	Recipient	Description
10/5/2023	Silverback 0-1, LLC Attn: Austin Frye	Proposals_Hawk 9 Fed Com 7H-10H (S/2 N/2) and JOA
10/5/2023	FDW, Inc.	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/5/2023	Silverback O-1, LLC Attn: Austin Frye	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/5/2023	Todd M. Wilson	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/12/2023	Silverback O-1, LLC Attn: Austin Frye	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	FDW, Inc.	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	Todd M. Wilson	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	Silverback O-1, LLC Attn: Austin Frye	Revised Proposal_Hawk 9 Fed Com 5H 7H 8H & JOA S2 N2
10/12/2023	Silverback 0-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/13/2023	Silverback O-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/14/2023	Silverback 0-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/26/2023	Silverback 0-1, LLC, Austin Frye and Chris Yonker	Email correspondence with Austin regarding proposals and form JOA
11/15/2023	Silverback 0-1, LLC, Austin Frye and Chris Yonker	Email correspondence with Austin regarding proposals and form JOA
11/28/2023	Silverback O-1, LLC, Chris Yonker	Phone call with Chris Yonker concerning JOA and unrelated matters
12/4/2023	Todd M. Wilson	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/4/2023	FDW, Inc.	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/4/2023	Silverback O-1, LLC Attn: Austin Frye	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/14/2023	Silverback O-1, LLC, Chris Yonker	Email correspondence regarding JOA changes
12/19/2023	Silverback O-1, LLC, Chris Yonker	Email correspondence regarding JOA changes (accepting changes)

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

APPLICATIONS OF RILEY PERMIAN OPERATING COMPANY LLC FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 24077

AFFIDAVIT OF JOE STONE

Joe Stone, being first duly sworn upon oath, deposes and states as follows:

- 1. My name is Joe Stone, and I am employed by Riley Permian Operating Company, LLC ("Riley") as an Operations Geologist.
- 2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have several years of experience in petroleum geological matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters. I ask that the Division accept my credentials as those of an expert witness in petroleum geology and made a matter of record.
- 3. I am submitting this affidavit in support of Riley's applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.
- 4. I am familiar with the application filed by Riley in this case and the geology involved.
- 5. **Riley Exhibit D-1** is a base map of the lands showing the proposed Yeso formation spacing unit and wells.
- 6. **Riley Exhibit D-2** is a structure map showing the depth (subsea) to the top of the Yeso formation, a marker that defines the top of the target interval for the proposed wells. Contour

interval of 100'. The unit being pooled is outlined in bold, and the proposed wells are identified. The structure map shows regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this target interval.

- 7. **Riley Exhibit D-3** is a stratigraphic cross-section flattened on the top of the Yeso formation. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and consistent thickness across the target zone, and the well logs on the cross-section give a representative sample of the targeted interval. The landing zone is highlighted on the exhibit.
 - 8. Based on the attached exhibits, I hereby conclude as follows:
 - a. The target formation is present and continuous throughout the lands subject to the applications.
 - b. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - c. There are no structural impediments or faulting that will interfere with horizontal development.
 - d. Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production.
 - e. The preferred well orientation in this area is East-West so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.
- 9. **Exhibit D-1** through **Exhibit D-3** were prepared by me or compiled from Riley's company business records under my direct supervision.

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10. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

11. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]

		AYETH NOT.
PURIHER	APPIANTS	AYFIHNULL

Dated this day of January, 2024.

Joe Stone

Riley Permian Operating Company, LLC

STATE OF OKLAHOMA

)) ss.

CITY OF OKLAHOMA CITY AND COUNTY OF OKLAHOMA

The foregoing instrument was subscribed and sworn to before me this day of day of 2024, by Joe Stone, Operations Geologist for Riley Permian Operating Company,

Witness my hand and official seal.

My commission expires: 3-15-2026_



Joseph D. Stone IV 864-351-9397, joestone@rileypermian.com 9017 N University Avenue, Oklahoma City, OK 73114

<u>Summary:</u> Geologist with 7+ years of experience in business development, operations, management, and data analytics.

Work History

Riley Exploration Permian	Rile	√Exp	loration	Permian
---------------------------	------	------	----------	---------

Operations Geologist - Oklahoma City, OK

Sept 2022 - Present

Keyrock Energy

Operations Manager - Johnson City, TN

Nov 2020 - Sept 2022

Marathon Oil Corporation

Geologist - Houston, TX

May 2019 – May 2020

Geoscience Technician - Oklahoma City, OK

June 2018 - May 2019

Excellence Logging

Regional Field Manager - Oklahoma City, OK

March 2017 – May 2018

Logging Geologist II – Anadarko, Permian, Appalachian Basins

Oct 2016 – March 2017

Cline Group

Keyrock Energy - Intern - Kingsport, TN

Feb 2015 – July 2015

Cutlass Collieries – Intern - Sydney, Nova Scotia

Jan 2015 - Feb 2015

Academic Achievements

University of Houston, MS Geology, Emphasis in Petroleum Geology

December 2021

University of South Carolina, BS Geological Science, Geophysics Minor

May 2016

USC Geosciences Field School

Summer 2014

Short Courses

Schlumberger, NExT Oil & Gas Training and Competency Development

February 2017

Petrel Geophysics: Seismic Visualization and Interpretation

Geological Society of America, Columbia South Carolina Co-Instructor, Seismic reflection processing short course March 2016

Leadership - Affiliations

Board Member & Treasurer, Oklahoma City Geological Society
 Exhibitor and Sponsorship committee member for the AAPG MCS meeting held Oct 2023
 Member, Society of Exploration Geophysicists
 Member, American Association of Petroleum Geologists
 Member, Carolina Finance, and Investment Association (2014)
 Geology Club (2012-2016); President (2014)
 Scuba Club (2013)
 Kappa Sigma Fraternity (2012-2016).

Before the Oil Conservation Division Examiner Hearing Case No. 24077

Hawk 9 Federal Com 3H

Hawk 9 Federal Com 4H

Hawk 9 Federal Com 5H

Hawk 9 Federal Com 7H

Hawk 9 Federal Com 8H





GOO OSY 12 PAWW DSU - Base Map

Exhibit D-1

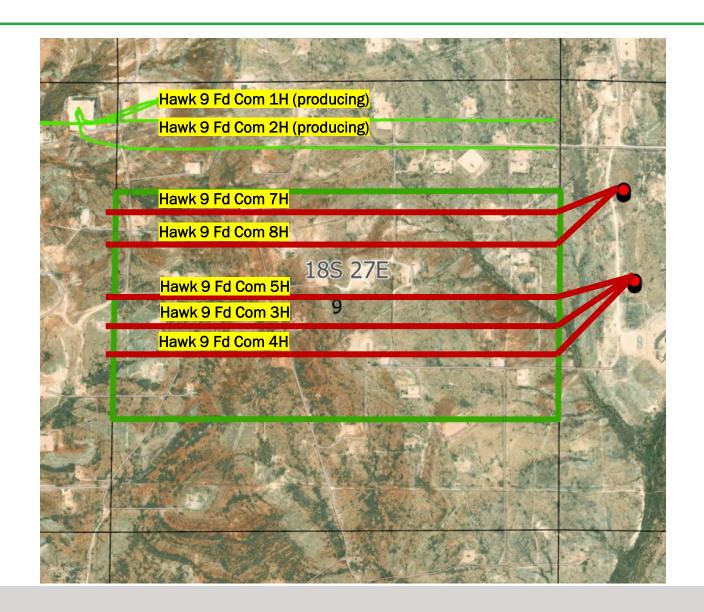
Proposing a 320 acre HSU in 18S 27E Sec 9, Eddy Co NM

Proposing the drilling and completion of 5 wells in the Yeso interval.

- Hawk 9 Fed Com 7H
- Hawk 9 Fed Com 8H
- Hawk 9 Fed Com 5H
- Hawk 9 Fed Com 3H
- Hawk 9 Fed Com 4H

Proposed Unit outline:





Recommendation Structure Map

Exhibit D-2

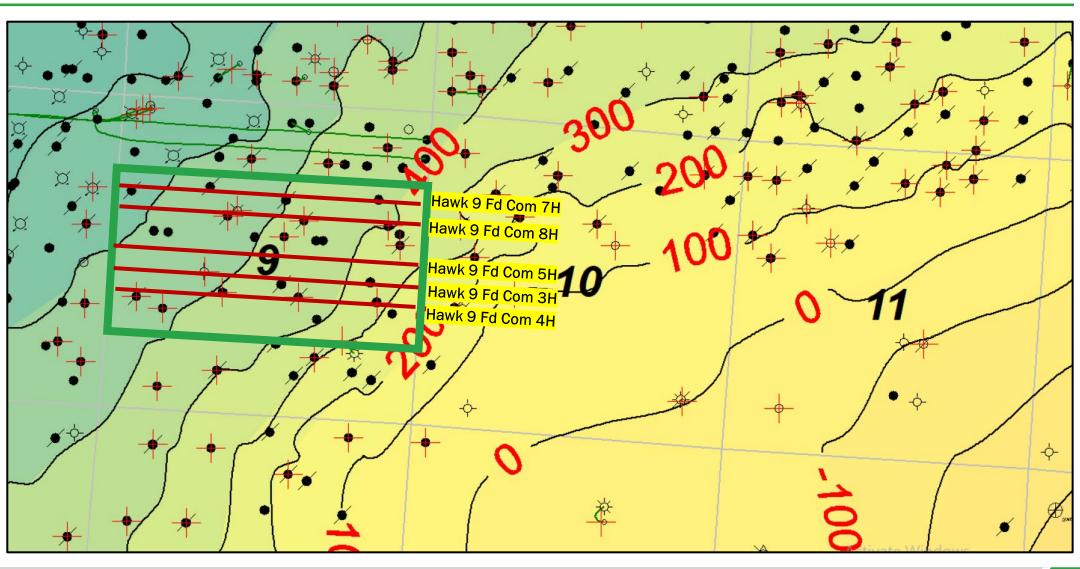
PDCK TVD SS Structure Map

100' Contour Intervals.

Data Point

Proposed Unit outline:

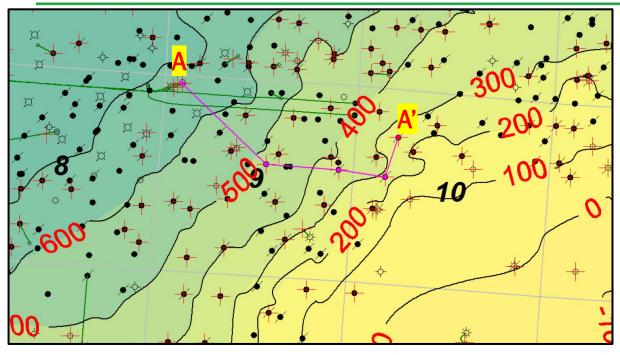


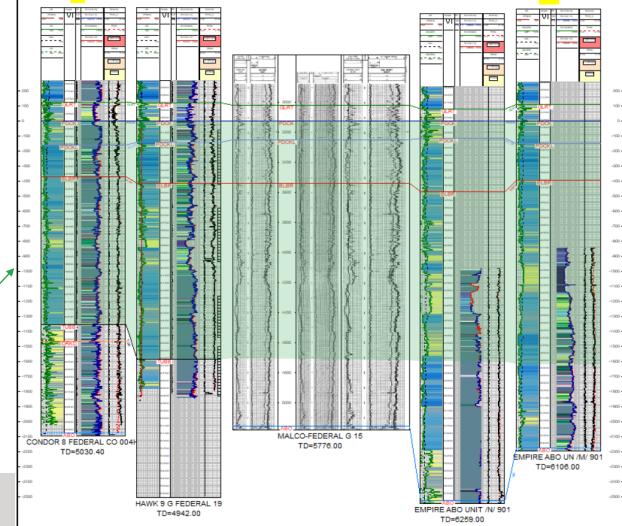


ATLANTIC RICHFIELD

RecCondition of the American Section RecCondition of the American Section RecCondition of the American Section 1988 of the American

Exhibit D-3





30015205230000

AMOCÓ PROD CO

0.4 miles

REDWOOD OPER INC LIME ROCK RES HALP

0.2 miles

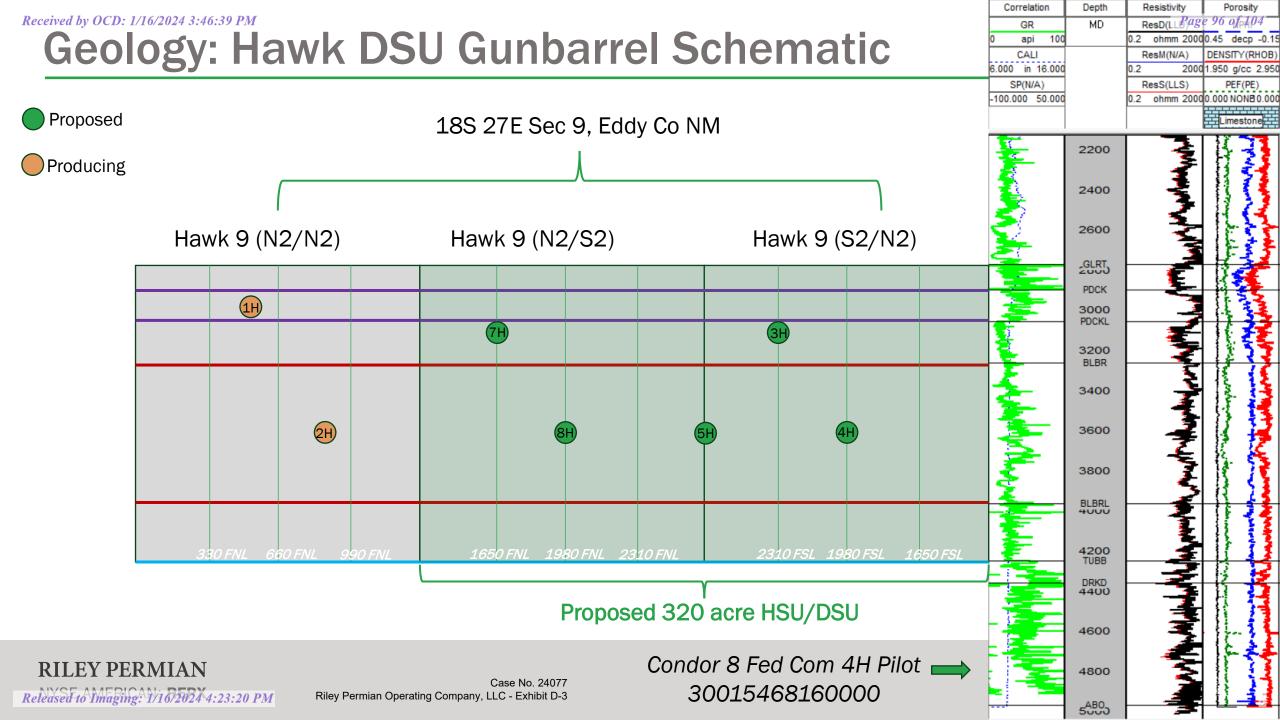
ATLANTIC RICHFIELD

Yeso Target Interval

RILEY PERMIAN

Case No. 24077
Riley Permian Operating Company, LLC - Exhibit D-3

Released to Imaging. 1/16/2024 4:23:20 PM



Location Indicator Relative to Nearest Major City/Town

The Hawk proposed DSU is ~9 miles from Artesia, 4.5 miles from Riverside, and 6.5 miles from Atoka, NM.



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

APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 24077

AFFID	AVIT
--------------	-------------

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

James P. Parrot, attorney in fact and authorized representative of Riley Permian Operating Company, LLC ("Riley"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated December 14, 2023, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about December 19, 2023, as shown on certified mail receipts attached as Exhibit E.

Applicant also published notice of the Application in the Carlsbad Current Argus on December 20, 2023. Proof of receipts is shown on Exhibit F.

James P. Parrot

SUBSCRIBED AND SWORN to before me on January 2, 2024 by James P. Parrot.

My commission expires:

TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026

MY COMMISSION EXPIRES OCTOBER 4, 2025

NOTARY PUBLIC

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW 500 DON GASPAR AVENUE SANTA FE, NEW MEXICO 87505 TELEPHONE 505-983-8545 FAX 1-800-886-6566 www.bwenergylaw.com

OFFICE LOCATIONS COLORADO

NEW MEXICO

TEXAS

WYOMING

MIGUEL SUAZO

(505) 946-2090 MSUAZO@BWENERGYLAW.COM

December 14, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of Riley Permian Operating Company, LLC for horizontal spacing

and compulsory pooling, Eddy County, New Mexico

Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H

Wells (Case No. 24077)

Dear Interest Owners:

This letter is to advise you that Riley Permian Operating Company, LLC ("Riley") has filed the enclosed application, Case No. 24077, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Yeso formation involving the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Wells.

In Case No. 24077, Riley plans to space and pool the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Wells.

A hearing has been requested before a Division Examiner on January 4, 2024, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

BEATTY & WOZNIAK, P.C.

December 14, 2023 Case Nos. 24077 Page 2

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Mark Smith at (405) 415-8925 or at marksmith@rileypermian.com.

Sincerely,

Miguel Suazo

Attorney for Riley Permin Operating Company, LLC

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BEATTY & WOZNIAK, P. C. 1675 BROADWAY # 600

DENVER, CO 80202-4692

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:

12/20/2023

Legal Clerk

Subscribed and sworn before me this December 20,

2023:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

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LEGAL NOTICE December 20, 2023

STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPART-MENT OIL CONSERVATION DIVI-SION, SANTE FE, NEW MEXICO

SION, SANTE FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. Hearings will be conducted remotely. The hearing will be conducted on Thursday, January 4, 2024, beginning at 8:15 A.M. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emprd.nm.gov/OCD/hearing-info/ or obtained from Shella Apodaca at Shella. Apodaca@em. nrd.nm.gov. Documents filed in the case may be viewed at https://ocdimage.emprd.state.nm.us/imagling/CasefileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Shella Apodaca at Shella. Apodaca@emnrd.nm.gov, on the New Mexico Relay Network at 1-800-659-1779, no later than December 26, 2023.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO: All overriding royalty interest owners and pooled parties, including: FDW, Inc., Silverback O-1, LLC and Todd M. Wilson.

CASE NO. 24077: Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Yeso formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Hawk 9 Federal Com 4H Well, which are oil wells that will be horizontally drilled from a surface location in the Yeso Formation in the NW/4SW/W of Section 10 with a bottom hole location in the NW/4SW/W of Section 9, and the Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 7H Well, which are oil wells that will be horizontally drilled from a surface location in the YW/M/W/W of Section 10 to a bottom hole location in the YW/M/W/W of Section 10 to a bottom hole location in the Yeso Formation in Y

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drilling and completing the wells. The wells and lands are located approximately 10 miles from Artesia, New Mexico. #5867418, Current Argus, December 20, 2023