

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

**APPLICATION OF V-F PETROLEUM INC.,  
FOR A COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 25151**

**NOTICE OF FILING: REVISED HEARING PACKET**

V-F Petroleum Inc., (“V-F”) through its undersigned attorneys, hereby submits for filing the following Revised Hearing Packet. V-F’s Exhibit A, the Self-Affirmed Landman Statement, contains an updated Paragraph 5 to describe the vertical extent of the spacing unit being pooled in the Bone Spring formation. V-F’s Exhibit B-2 and V-F’s Exhibit B-5 provide clearer resolution of the exhibit and labeling of API numbers and major text designations.

- **V-F Exhibit A:** Revised Self-Affirmed Statement of Jordan Shaw, Landman
- **V-F Exhibit B-2:** Revised Stratigraphic Cross Section
- **V-F Exhibit B-5:** Revised Structural Cross-Section

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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***Attorneys for V-F Petroleum Inc.***

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on April 16, 2025:

Dana S. Hardy – dhardy@hinklelawfirm.com  
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***Attorneys for Marathon Oil Permian, LLC,***  
***COG Operating LLC & Concho Oil & Gas LLC***

*/s/ Darin C. Savage*

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Darin C. Savage

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING APRIL 10, 2025**

**APPLICATION OF V-F PETROLEUM INC, FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 25151:**

**WALKER 35-34-33 STATE COM #224H WELL  
WALKER 35-34-33 STATE COM #234H WELL**

**V-F PETROLEUM INC.**

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

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## TAB 1

### V-F Reference for Case No. 25151

- **Application Case No. 25151:**
  - Walker 35-34-33 State Com #224H Well
  - Walker 35-34-33 State Com #234H Well
- **NMOCD Checklist Case No. 25151**

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

APPLICATION OF V-F PETROLEUM INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

Case No. 25151

APPLICATION

V-F Petroleum Inc. (“V-F Petroleum” or “Applicant”), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division” or “OCD”) pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 400-acre, more or less, spacing unit comprised of the N/2 NW/4 of Section 35 and the N/2 N/2 of Sections 34 and 33, all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing unit (“HSU”) and has a right to drill a well thereon.
2. V-F Petroleum proposes and dedicates to the HSU the **Walker 35-34-33 State Com #224H Well** and the **Walker 35-34-33 State Com #234H Well** as initial wells to be drilled to a sufficient depth to test the Bone Spring formation.
3. V-F Petroleum proposes the **Walker 35-34-33 State Com #224H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33.

4. V-F Petroleum proposes the **Walker 35-34-33 State Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33.

5. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith but has been unable to obtain a voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on February 13, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed standard 400-acre, more or less, spacing and proration unit comprised of the N/2 NW/4 of Section 35 and the N/2 N/2 of Sections 34 and 33, all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Approving the **Walker 35-34-33 State Com #224H Well** and the **Walker 35-34-33 State Com #234H Well** as the wells for the HSU.

C. Designating V-F Petroleum as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the wells;

E. 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

F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

\_\_\_\_\_  
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***Attorneys for V-F Petroleum Inc.***



***Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division: pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 400-acre, more or less, horizontal spacing and proration unit comprised of the N/2 NW/4 of Section 35 and the N/2 N/2 of Sections 34 and 33, all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Walker 35-34-33 State Com #224H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33; and the **Walker 35-34-33 State Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules; 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 17.4 miles southeast of Artesia, New Mexico.

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 25151</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: April 10, 2025 (Scheduled hearing)</b>	
Applicant	V-F Petroleum Inc.
Designated Operator & OGRID (affiliation if applicable)	24010
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Permian Resources Operating, LLC Fasken Oil & Ranch, LTD. Apache Corporation Marathon Oil Permian, LLC, COG Operating LLC & Concho Oil & Gas LLC
Well Family	Walker 35-34-33 State Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	Travis; Bonespring [97257]
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	400-acre, more or less
Building Blocks:	Quarter-Quarter Sections (40 Acre Blocks)
Orientation:	East to West
Description: TRS/County	N/2 NW/4 of Section 35, and the N/2 N/2 of Sections 34 and 33, all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Exhibit A-2, breakdown of ownership
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	Walker 35-34-33 State Com 224H Well (API No. 30-015-48133) SHL: Unit C, 233' FNL, 1,824' FWL, Section 35, T18S-R28E, BHL: Unit D, 330' FNL, 100' FWL, Section 33, T18S-R28E, Eddy County, NMPPM, laydown, standard location
Horizontal Well First and Last Take Points	Walker 35-34-33 State Com 224H Well: FTP approx. 330' FNL, 1,298' FWL, Section 35, T18S-R28E LTP approx. 330' FNL, 100' FWL, Section 33, T18S-R28E
Completion Target (Formation, TVD and MD)	Walker 35-34-33 State Com 224H Well: TVD 7,315', TMD 20,970'; 2nd Bone Spring formation See Exhibit A, A-1 & B-2
Well #2	Walker 35-34-33 State Com 234H Well (API No. 30-015-48135) SHL: Unit C, 263' FNL, 1,824' FWL, Section 35, T18S-R28E, BHL: Unit D, 330' FNL, 100' FWL, Section 33, T18S-R28E, Eddy County, NMPPM, laydown, standard location
Horizontal Well First and Last Take Points	Walker 35-34-33 State Com 234H Well: FTP approx. 330' FNL, 1,298' FWL, Section 35, T18S-R28E LTP approx. 330' FNL, 100' FWL, Section 33, T18S-R28E
Completion Target (Formation, TVD and MD)	Walker 35-34-33 State Com 234H Well: TVD 7,850', TMD 21,912'; 3rd Bone Spring formation, See Exhibit A, A-1 & B-2
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
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)	All uncommitted WI owners; including as shown on Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, Para. 12
Ownership Depth Severance (including percentage above & below)	N/A

<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-5
HSU Cross Section	Exhibit B-2, B-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-3
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-5
Cross Section (including Landing Zone)	Exhibit B-2, B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Darin C. Savage
<b>Signed Name</b> (Attorney or Party Representative):	/s/ <i>Darin Savage</i>
<b>Date:</b>	3-Apr-25

## TAB 2

Case No. 25151

**V-F Exhibit A:** REVISED Self-Affirmed Statement of Jordan Shaw, Landman

- V-F Exhibit A-1: C-102 Forms
- V-F Exhibit A-2: Ownership and Sectional Map
- V-F Exhibit A-3: Well Proposal Letters and AFEs
- V-F Exhibit A-4: Chronology of Contacts with Uncommitted Owners

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

**APPLICATION OF V-F PETROLEUM, INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

Case No. 25151

**REVISED SELF-AFFIRMED STATEMENT OF JORDAN SHAW**

I, Jordan Shaw, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).

5. V-F seeks an order pooling all uncommitted mineral interest in the Bone Spring formation in the Travis; Bonespring, Pool Code 97257, from the top of the First Bone Spring, at an approximate depth of 6,010' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 8,380' beneath the surface, as shown in that certain Gr-Resistivity & Neutron-Density well log in the Samuel Burns 34 State #001 (API: 30-015-30159), located 660' FNL and 1,980' FWL in Sec. 34, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, underlying a standard 400-acre, more or less, spacing and proration unit comprised of the N/2 NW/4 of Section 35, N/2 N/2 of Sections 34 and 33, all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

6. Under Case No. 25151, V-F seeks to dedicate the **Walker 35-34-33 State Com #224H Well**, (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33; approximate TVD of 7,315'; approximate TMD of 18,899'; FTP in Section 35: 330' FNL, 1,296' FWL; LTP in Section 33: 330' FNL, 100' FWL.

7. Under Case No. 25151, V-F also seeks to dedicate the **Walker 35-34-33 State Com #224H Well**, (API 30-015-pending) as an in-fill well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33; approximate TVD of 7,850'; approximate TMD of 19,434'; FTP in Section 35: 330' FNL, 1,296' FWL; LTP in Section 33: 330' FNL, 100' FWL.

8. The proposed C-102 for each well is attached as **Exhibit A-1**.

9. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of each proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

10. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners and royalty interest owners.

11. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. 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 working interest owners and royalty interest owners were locatable and noticed. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

12. There are no depth severances in the Bone Spring formation in this acreage.

13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except



to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

15. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

16. V-F 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 southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

18. V-F requests that it be designated operator of the units and wells.

19. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.

20. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

21. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Jordan Shaw:*

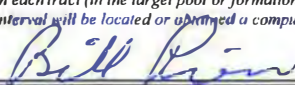
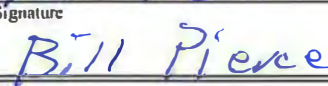
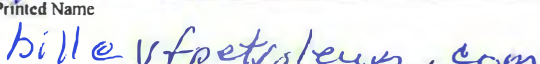


I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25151 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



\_\_\_\_\_  
Jordan Shaw

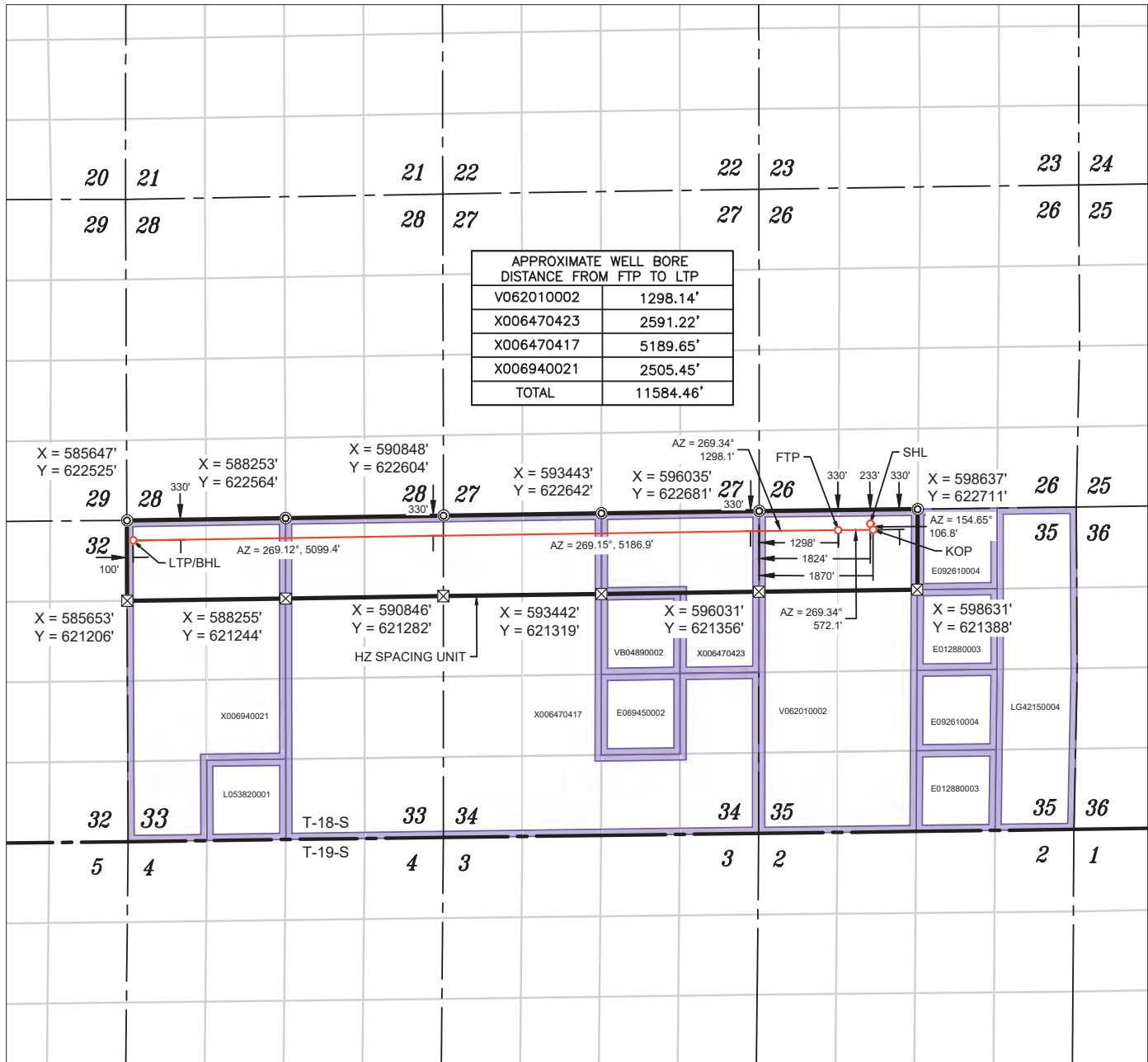
04/16/2025

\_\_\_\_\_  
Date Signed

<b>C-102</b>  Submit Electronically Via OCD Permitting	<b>State of New Mexico</b> <b>Energy, Minerals &amp; Natural Resources Department</b> <b>OIL CONSERVATION DIVISION</b>		Revised July 9, 2024						
			Submittal Type:	<input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled					
<b>WELL LOCATION INFORMATION</b>									
API Number <b>30-015-48133</b>		Pool Code <b>97257</b>	Pool Name <b>TRAVIS; BONESPRING</b>						
Property Code		Property Name <b>WALKER 35-34-33 STATE COM</b>	Well Number <b>#224H</b>						
OGRID No.		Operator Name <b>V-F PETROLEUM INC</b>	Ground Level Elevation <b>3497'</b>						
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal			Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal						
<b>Surface Location</b>									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	35	18 S	28 E		233' FNL	1824' FWL	32.711073°	-104.149569°	EDDY
<b>Bottom Hole Location</b>									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	33	18 S	28 E		330' FNL	100' FWL	32.710375°	-104.188942°	EDDY
Dedicated Acres <b>400.00</b>		Infill or Defining Well		Defining Well API		Overlapping Spacing Unit (Y/N)		Consolidation Code	
Order Numbers.						Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>Kick Off Point (KOP)</b>									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	35	18 S	28 E		330' FNL	1870' FWL	32.710808°	-104.149421°	EDDY
<b>First Take Point (FTP)</b>									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	35	18 S	28 E		330' FNL	1298' FWL	32.710792°	-104.151281°	EDDY
<b>Last Take Point (LTP)</b>									
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	33	18 S	28 E		330' FNL	100' FWL	32.710375°	-104.188942°	EDDY
Unitized Area or Area of Uniform Interest		Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical			Ground Floor Elevation: <b>3497'</b>				
<b>OPERATOR CERTIFICATIONS</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or entered a compulsory pooling order from the division.</i>   <b>02-28-25</b> Signature Date   Printed Name   Email Address					<b>SURVEYOR CERTIFICATIONS</b>  <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>   <b>17 Jan 2025</b> Signature and Seal of Professional Surveyor   <b>21209</b> <b>JANUARY 16, 2025</b> Certificate Number Date of Survey				

Note: 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.

**EXHIBIT**  
**A-1**



WELL NAME: WALKER 35-34-33 STATE COM #224H  
ELEVATION: 3497'

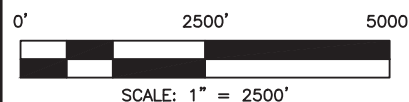
NAD 83 (SHL) 233' FNL & 1824' FWL
LATITUDE = 32.711073°
LONGITUDE = -104.149569°
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32.710956°
LONGITUDE = -104.149059°
STATE PLANE NAD 83 (N.M. EAST)
N: 622468.79' E: 597858.26'
STATE PLANE NAD 27 (N.M. EAST)
N: 622406.25' E: 556678.84'

NAD 83 (KOP) 330' FNL & 1870' FWL
LATITUDE = 32.710808°
LONGITUDE = -104.149421°
NAD 27 (KOP)
LATITUDE = 32.710691°
LONGITUDE = -104.148911°
STATE PLANE NAD 83 (N.M. EAST)
N: 622372.31' E: 597903.96'
STATE PLANE NAD 27 (N.M. EAST)
N: 622309.77' E: 556724.54'

NAD 83 (FTP) 330' FNL & 1298' FWL
LATITUDE = 32.710792°
LONGITUDE = -104.151281°
NAD 27 (FTP)
LATITUDE = 32.710675°
LONGITUDE = -104.150771°
STATE PLANE NAD 83 (N.M. EAST)
N: 622365.68' E: 597331.94'
STATE PLANE NAD 27 (N.M. EAST)
N: 622303.15' E: 556152.52'

NAD 83 (LTP/BHL) 330' FNL & 100' FWL
LATITUDE = 32.710375°
LONGITUDE = -104.188942°
NAD 27 (LTP/BHL)
LATITUDE = 32.710259°
LONGITUDE = -104.188431°
STATE PLANE NAD 83 (N.M. EAST)
N: 622196.01' E: 585748.72'
STATE PLANE NAD 27 (N.M. EAST)
N: 622133.56' E: 544569.28'

- FOUND MONUMENT  
 CALC. CORNER  
 SHL/ KOP/ FTP / PPP/ LTP / BHL  
 HORIZONTAL SPACING UNIT  
 STATE OIL & GAS LEASE  
 BLM OIL & GAS LEASE




### NOTES

1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001).

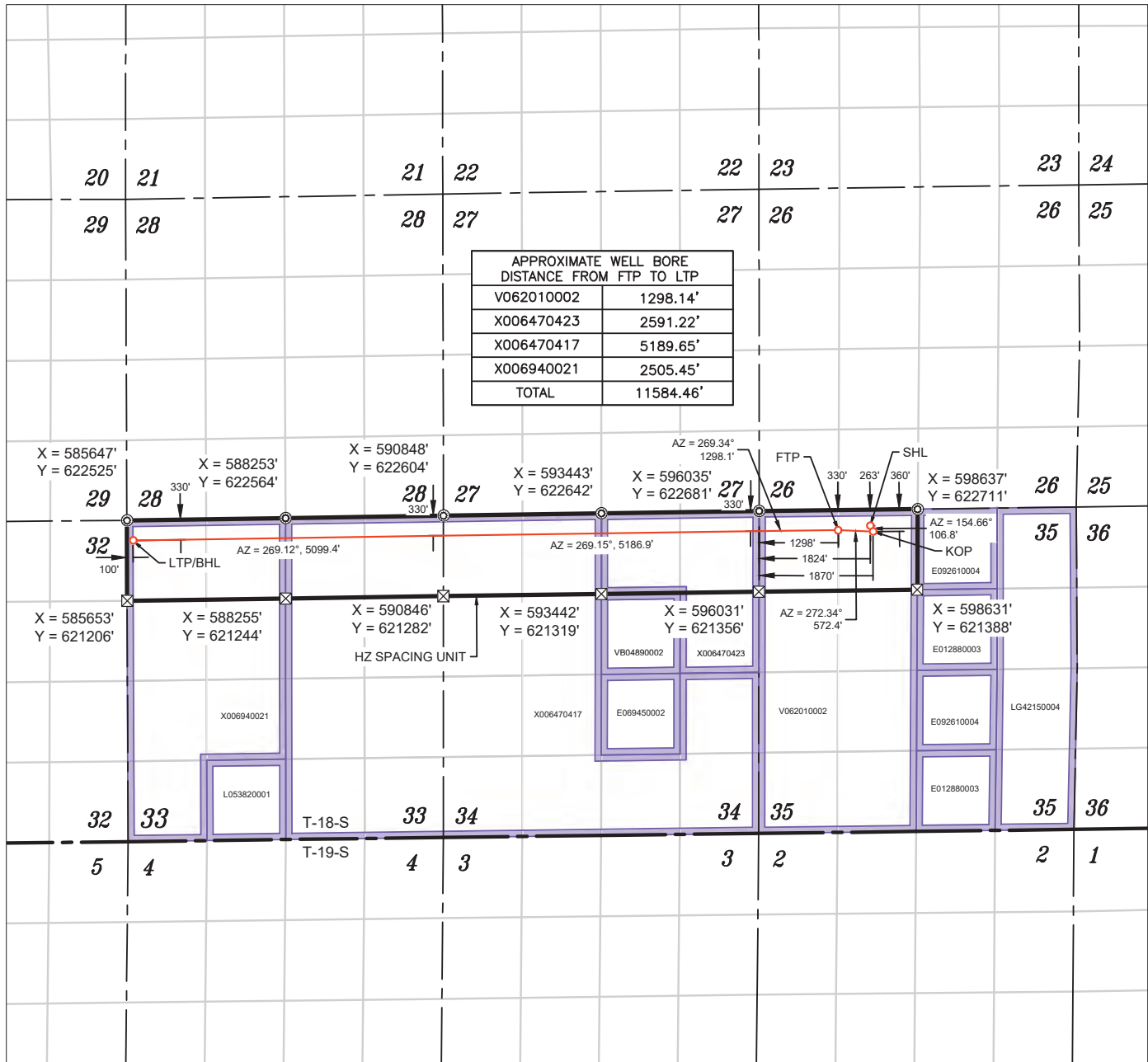
2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING JANUARY, 2025. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.

3. ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024  Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled							
<b>WELL LOCATION INFORMATION</b>									
API Number <b>30-015-48135</b>	Pool Code <b>97257</b>	Pool Name <b>TRAVIS; BONESPRING</b>							
Property Code	Property Name <b>WALKER 35-34-33 STATE COM</b>	Well Number <b>#234H</b>							
OGRID No.	Operator Name <b>V-F PETROLEUM INC</b>	Ground Level Elevation <b>3497'</b>							
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal							
<b>Surface Location</b>									
UL <b>C</b>	Section <b>35</b>	Township <b>18 S</b>	Range <b>28 E</b>	Lot	Ft. from N/S <b>263' FNL</b>	Ft. from E/W <b>1824' FWL</b>	Latitude <b>32.710991°</b>	Longitude <b>-104.149570°</b>	County <b>EDDY</b>
<b>Bottom Hole Location</b>									
UL <b>D</b>	Section <b>33</b>	Township <b>18 S</b>	Range <b>28 E</b>	Lot	Ft. from N/S <b>330' FNL</b>	Ft. from E/W <b>100' FWL</b>	Latitude <b>32.710375°</b>	Longitude <b>-104.188942°</b>	County <b>EDDY</b>
Dedicated Acres <b>400.00</b>	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)		Consolidation Code				
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No						
<b>Kick Off Point (KOP)</b>									
UL <b>C</b>	Section <b>35</b>	Township <b>18 S</b>	Range <b>28 E</b>	Lot	Ft. from N/S <b>360' FNL</b>	Ft. from E/W <b>1870' FWL</b>	Latitude <b>32.710725°</b>	Longitude <b>-104.149421°</b>	County <b>EDDY</b>
<b>First Take Point (FTP)</b>									
UL <b>D</b>	Section <b>35</b>	Township <b>18 S</b>	Range <b>28 E</b>	Lot	Ft. from N/S <b>330' FNL</b>	Ft. from E/W <b>1298' FWL</b>	Latitude <b>32.710792°</b>	Longitude <b>-104.151281°</b>	County <b>EDDY</b>
<b>Last Take Point (LTP)</b>									
UL <b>D</b>	Section <b>33</b>	Township <b>18 S</b>	Range <b>28 E</b>	Lot	Ft. from N/S <b>330' FNL</b>	Ft. from E/W <b>100' FWL</b>	Latitude <b>32.710375°</b>	Longitude <b>-104.188942°</b>	County <b>EDDY</b>
Unitized Area or Area of Uniform Interest		Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical				Ground Floor Elevation: <b>3497'</b>			
<b>OPERATOR CERTIFICATIONS</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>					<b>SURVEYOR CERTIFICATIONS</b>  <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>				
Signature <i>Bill Pierce</i> Date <i>02-28-25</i>					Signature and Seal of Professional Surveyor 				
Printed Name <i>Bill Pierce</i>					21209 JANUARY 16, 2025				
Email Address <i>bill@vfpetroleum.com</i>					Certificate Number		Date of Survey		

Note: 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.





WELL NAME: WALKER 35-34-33 STATE COM #234H  
ELEVATION: 3497'

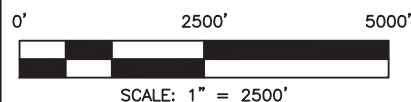
NAD 83 (SHL) 263' FNL & 1824' FWL
LATITUDE = 32.710991°
LONGITUDE = -104.149570°
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32.710874°
LONGITUDE = -104.149060°
STATE PLANE NAD 83 (N.M. EAST)
N: 622438.78' E: 597858.17'
STATE PLANE NAD 27 (N.M. EAST)
N: 622376.24' E: 556678.75'

NAD 83 (KOP) 360' FNL & 1870' FWL
LATITUDE = 32.710725°
LONGITUDE = -104.149421°
NAD 27 (KOP)
LATITUDE = 32.710608°
LONGITUDE = -104.148911°
STATE PLANE NAD 83 (N.M. EAST)
N: 622342.31' E: 597903.87'
STATE PLANE NAD 27 (N.M. EAST)
N: 622279.77' E: 556724.45'

NAD 83 (FTP) 330' FNL & 1298' FWL
LATITUDE = 32.710792°
LONGITUDE = -104.151281°
NAD 27 (FTP)
LATITUDE = 32.710675°
LONGITUDE = -104.150771°
STATE PLANE NAD 83 (N.M. EAST)
N: 622365.68' E: 597331.94'
STATE PLANE NAD 27 (N.M. EAST)
N: 622303.15' E: 556152.52'

NAD 83 (LTP/BHL) 330' FNL & 100' FWL
LATITUDE = 32.710375°
LONGITUDE = -104.188942°
NAD 27 (LTP/BHL)
LATITUDE = 32.710259°
LONGITUDE = -104.188431°
STATE PLANE NAD 83 (N.M. EAST)
N: 622196.01' E: 585748.72'
STATE PLANE NAD 27 (N.M. EAST)
N: 622133.56' E: 544569.28'

- FOUND MONUMENT  
 CALC. CORNER  
 SHL/ KOP/ FTP / PPP/ LTP / BHL  
 HORIZONTAL SPACING UNIT  
 STATE OIL & GAS LEASE  
 BLM OIL & GAS LEASE



### NOTES

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3. ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

**N/2NW/4 Sec. 35 (State Lease V0-6201-002)**

Royalty Interest Owner	Decimal
State of New Mexico	0.16666667

**NE/4NE/4 Sec. 34 (State Lease X0-647-423)**

**EXHIBIT  
A-2**

Permian Resources Operating LLC	0.05059141
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000

<b>NW/4NE/4 Sec. 34 (State Lease X0-647-423)</b>
--

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.01333333
Gahr Energy Company	0.24483685
Fuel Products, Inc.	0.24483685
Mid-Western Energy, L.L.C.	0.01198862
Lodge Exploration Company, LLC	0.02710504
Roy G. Barton, Sr. and Opal Barton Revocable Trust	0.00781250
Read & Stevens, Inc.	0.00781250
Permian Resources Operating LLC	0.44227431
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000

<b>N/2NW/4 Sec. 34 (State Lease X0-647-417)</b>
---

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.01333333
Gahr Energy Company	0.25543273
Fuel Products, Inc.	0.25543273
Mid-Western Energy, L.L.C.	0.01223784
Lodge Exploration Company, LLC	0.02823350
Roy G. Barton, Sr. and Opal Barton Revocable Trust	0.00781250
Read & Stevens, Inc.	0.00781250
Permian Resources Operating LLC	0.41970487
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000



**N/2NE/4 Sec. 33 (State Lease X0-647-417)**

<b>Working Interest Owner</b>	<b>Decimal</b>
Gahr Energy Company	0.46486084
Fuel Products, Inc.	0.46486084
Mid-Western Energy, L.L.C.	0.00543457
Lodge Exploration Company, LLC	0.04921875
Roy G. Barton, Sr. and Opal Barton Revocable Trust	0.00781250
Read & Stevens, Inc.	0.00781250
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000

**N/2NW/4 Sec. 33 (State Lease X0-694-021)**

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.01333333
Gahr Energy Company	0.43180990
Fuel Products, Inc.	0.43180990
Mid-Western Energy, L.L.C.	0.01143750
Lodge Exploration Company, LLC	0.02215625
Roy G. Barton, Sr. and Opal Barton Revocable Trust	0.00781250
Read & Stevens, Inc.	0.08164062
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000

**UNIT RECAPITULATION**

(Yellow denotes Parties to be Pooled)

<b>Working Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.02161200
Gahr Energy Company (committed)	0.31587450
Fuel Products, Inc. (committed)	0.31587451
Mid-Western Energy, L.L.C. (committed)	0.00817160
Lodge Exploration Company, LLC (committed)	0.02937888
Fasken Oil and Ranch, Ltd. (committed)	0.04000000
Penroc Oil Corporation (committed)	0.01000000
Roy G. Barton, Sr. and Opal Barton Revocable Trust (committed)	0.00554767
Mizel Resources, a Trust (uncommitted)	0.00800000
Northern Oil and Gas, Inc. (uncommitted)	0.01000000
Marathon Oil Permian LLC (uncommitted)	0.04200000
J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers (uncommitted)	0.04000000
Read & Stevens, Inc. (uncommitted)	0.02031330
Permian Resources Operating LLC (uncommitted)	0.13322754
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.13333333

**LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED**

<b>Working Interest Owners</b>
Mizel Resources, a Trust
Northern Oil and Gas, Inc.
Marathon Oil Permian LLC
J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers
Read & Stevens, Inc.
Permian Resources Operating LLC

### ADDRESSES OF UNCOMMITTED WORKING INTEREST OWNERS

Working Interest Owner	Attn	Address	City	State	Zip Code
J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers	Curt Kneese	325 N. St. Paul, Suite 4300	Dallas	TX	75201-3993
Mizel Resources, a Trust	Carrie DeLima	3600 South Yosemite, Suite 810	Denver	CO	80237
Marathon Oil Permian LLC	Land Department	990 Town & County Blvd.	Houston	TX	77024
Northern Oil and Gas, Inc.	Land Department	4350 Baker Rd., Suite 400	Minnetonka	MN	55343
Read & Stevens, Inc.	Land Department	300 N. Marienfeld St., Suite 1000	Midland	TX	79701
Permian Resources Operating LLC	Land Department	300 N. Marienfeld St., Suite 1000	Midland	TX	79701

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone (432) 269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; E-mail: jordan@vfpetroleum.com

July 5, 2024

**Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested**

Penroc Oil Corporation  
P.O. Box 2769  
Hobbs, NM 88241  
Attn: M.Y. Merchant

RE: **Horizontal Well Proposals – 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring Sub-Formations;**  
**Horizontal Spacing Unit – N/2NW/4 of Section 35, N/2N/2 Section 34 and N/2N/2 Section 33, T-18**  
**South, R-28 East, Eddy County, New Mexico**

**Walker 35-34-33 State COM #224H Well; 2<sup>nd</sup> Bone Spring**

SHL: 280' FNL, 1,810' FWL Section 35, T-18 South, R-28 East, Eddy County, NM (or at a legal location in Unit letter C)

BHL: 330' FNL, 100' FWL Section 33, T-18 South, R-28 East, Eddy County, NM

**Walker 35-34-33 State COM #234H Well; 3<sup>rd</sup> Bone Spring**

SHL: 320' FNL, 1,810' FWL Section 35, T-18 South, R-28 East, Eddy County, NM (or at a legal location in Unit letter C)

BHL: 330' FNL, 100' FWL Section 33, T-18 South, R-28 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as herein articulated. Please note that the first take point and last take point of each respective well will be located at a legal or approved location.

The projected total vertical depth of the above stated **Walker 35-34-33 State Com #224H Well** in order to test the 2<sup>nd</sup> Bone Spring formation is estimated to be TVD 7,315 feet with a total measured depth of 20,970 feet. The costs to drill, complete and equip said well are estimated at **\$12,257,900.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Walker 35-34-33 State Com #234H Well** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be TVD 7,850 feet with a total measured depth of 21,912 feet. The costs to drill, complete and equip said well are estimated at **\$12,876,198.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half Northwest Quarter (N/2NW/4) of Section 35, North Half of the North Half (N/2N/2) of Section 34 and North Half of the North Half (N/2N/2) of Section 33, T-18 South, R-28 East, N.M.P.M, Eddy County, New Mexico, containing approximately 400 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$8,000/\$800 Drilling and Producing Rate; and
- V-F Petroleum Inc. named Operator.

EXHIBIT  
**A-3**

Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided

Walker 35-34-33 State Com 224H and 234H  
July 5, 2024  
Page 2 of 3

below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected to participate, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized memorandum H signature page of the enclosed Joint Operating Agreement. If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
V-F Petroleum, Inc.

Enclosures

Walker 35-34-33 State Com 224H and 234H  
July 5, 2024  
Page 3 of 3

**ELECTIONS -**  
**Walker 35-34-33 State Com #224H Well; and Walker 35-34-33 State Com #234H Well**

*Penroc Oil Company*

☒ Elect **to** Participate in the **Walker 35-34-33 State Com #224H Well**

☐ Elect **Not to** Participate in the **Walker 35-34-33 State Com #224H Well**

By: *[Signature]*

Title: *Principal*

Date: *July 12, 2024*

☒ Elect **to** Participate in the **Walker 35-34-33 State Com #234H Well**

☐ Elect **Not to** Participate in the **Walker 35-34-33 State Com #234H Well**

By: *[Signature]*

Title: *Principal*

Date: *July 12, 2024*

<b>V-F Petroleum Inc.</b>										APINo.					
AUTHORIZATION FOR EXPENDITURE										AFE Number					
Date of Preparation / Revision: July 5, 2024										Well Type					
<input checked="" type="checkbox"/> Original <input type="checkbox"/> Supplement <input checked="" type="checkbox"/> Revision <input type="checkbox"/> Re-Entry <input checked="" type="checkbox"/> Drill Well <input type="checkbox"/> Workover <input type="checkbox"/> Facilities <input type="checkbox"/> Plug & Abandon										Third BS Horizontal Oil Well 2.5 Mile					
Lease Name/Well #										Projected TD:					
Walker 35 34 33 State Com #234H										MD 21,912					
County / State										Proposal					
Eddy NM										New Drill 7,850' TVD					
Formation										Field or Prospect					
3rd Bone Spring										Travis					
Basin										SHL: 320' FNL, 1810' FWL; Sec. 35 - T18S - R28E, N.M.P.M. BHL: 330' FNL, 100' FWL; Sec. 33 - T18S - R28E, N.M.P.M.					
Acct Code										COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
INTANGIBLE DESCRIPTION															
501	PERMITS & ENVIRONMENTAL SERVICES									\$10,000	\$10,000		\$20,000		
516	TITLE OPINION, CURATIVE & POOLING									\$25,000			\$25,000		
501	SURVEYING STAKE LOCATION									\$5,000			\$5,000		
501	DAMAGES & R-O-W'S									\$25,000			\$25,000		
502/711	ROADS, LOCATION, PITS, LINERS, ETC.									\$55,000	\$10,000		\$65,000		
503	DRILLING RIG MOBILIZATION COST									\$225,000			\$225,000		
503	DRILLING - DAYS 45 days @ \$20,000									\$900,000			\$900,000		
503	RIG HOUSING 45 days @ \$800									\$36,000			\$36,000		
503	STEERING days @														
503	MUD MOTORS & DIRECTIONAL									\$218,000			\$218,000		
517	CLOSED LOOP & DISPOSAL 45 days @ \$4,000									\$180,000			\$180,000		
505	MUD & FRAC CHEMICALS									\$100,000	\$500,000		\$600,000		
505/716	WATER (Brine & Fresh), FRAC WATER									\$50,000	\$800,000		\$850,000		
503	BITS, REAMERS, ETC.									\$160,000			\$160,000		
503	FUEL 100216 gallons @ \$3									\$300,648			\$300,648		
504	CEMENTING SURFACE									\$28,000			\$28,000		
504	CEMENTING INTERMEDIATE (Shallow & Deep)									\$65,000			\$65,000		
701	CEMENTING PRODUCTION LINER										\$155,000		\$155,000		
509/705	TUBULAR SERVICES AND TOOLS									\$25,000	\$65,000		\$90,000		
509/705	CASING CREWS PU LD MACHINE									\$30,000	\$50,000		\$80,000		
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS									\$35,000	\$85,000		\$120,000		
507	TESTING, COMPLETION, FLOWBACK										\$144,500		\$144,500		
508	OPEN HOLE LOGGING														
508	MUD LOGGING 35 days @ \$1,850									\$64,750			\$64,750		
509/705	WELDING, HOURLY LABOR, SAFETY PAY									\$35,000					
509/713	EQUIPMENT RENTAL									\$53,000	\$163,000		\$216,000		
509/714	TRUCKING, TRANSPORTATION, FORKLIFT									\$62,000			\$62,000		
715	COMPLETION UNIT, COIL TUBING UNIT										\$250,000		\$250,000		
704	FORMATION STIMULATION (80 STAGES)										\$3,750,000		\$3,750,000		
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS										\$286,000		\$286,000		
510/11/706	GEOLOGIC / ENGINEERING									\$25,000	\$45,000		\$70,000		
509/705	CONTRACT CONSULTANTS 45 days @ \$3,000									\$135,000	\$52,000		\$187,000		
514	DRILLING WELL RATE (A/O) 45 days @ \$200									\$9,000	\$5,000		\$14,000		
515/705	INSURANCE									\$41,000	\$15,000		\$56,000		
513/708	MISCELLANEOUS									\$30,000	\$319,000		\$349,000		
509/705	CONTINGENCY (10%)									\$289,000	\$669,000		\$958,000		
TOTAL INTANGIBLE ESTIMATED COST										\$3,216,398	\$7,373,500		\$10,589,898		
Acct Code										COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
TANGIBLE DESCRIPTION															
620/820															
620/820	CONDUCTOR	Length	Grade	Size	Weight	Price/Ft.									
620/820		120'	K-55	20		\$350.00		\$42,000				\$42,000			
620/820	SURFACE	1,200'	J-55	13 3/8"	48	\$98.00		\$117,600				\$117,600			
620/820	INTERMEDIATE	3,500'	J-55	9 5/8"	40	\$54.00		\$189,000				\$189,000			
620/820	INTERMEDIATE	8,300'	PI 10HC	7.00"	29	\$48.75		\$404,625				\$404,625			
820	PRODUCTION														
820	PRODUCTION LINER	13,300'	PI 10HC	4.50"	13.5	\$28.75			\$382,375			\$382,375			
821	TUBING (Coated)	7,900'	L-80	2.875	6.5	\$18.00			\$142,200			\$142,200			
621/824	WELLHEAD EQUIPMENT							\$28,000	\$18,000			\$46,000			
825	PRODUCTION FACILITY ENCLOSURE								\$150,000			\$150,000			
825	POWER SOURCE								\$50,000			\$50,000			
822	RODS AND PUMP (FG & STEEL)														
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT														
827	HEATER TREATER, SEPARATOR, FWKO								\$185,000						
831	GAS SALES LINE & METER RUN								\$5,500			\$5,500			
830	FLOWLINES, VALVES, CONNECTIONS								\$125,000			\$125,000			
827	TANKS (WATER AND PRODUCTION)								\$140,000			\$140,000			
830	MISCELLANEOUS							\$39,000	\$60,000			\$99,000			
622/820	CONTINGENCY (10%)							\$82,000	\$126,000			\$208,000			
TOTAL TANGIBLE ESTIMATED COST										\$902,225	\$1,384,075		\$2,286,300		
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc. Services										\$50,000					
ESTIMATED DRY HOLE COST										\$4,168,623					
TOTAL AFE ESTIMATED COST										\$4,118,623	\$8,757,575		\$12,876,198		
APPROVAL AND ACCEPTANCE:															
W.I. OWNER <u>Penroc Oil Corporation</u>															
Title <u>President</u>															
Signature <u>[Signature]</u>															
Date <u>July 12, 2024</u>															
IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT.															
Prepared by: WAP      Date: 07-05-2024 Comm AFE Only															
Date: <u>07-12-2024</u>															
*Optional OEE Insurance ADD \$23,000 to AFE Total above. <input checked="" type="checkbox"/> Please check if you elect to be included in the Operators Extra Expense Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA															



<b>V-F Petroleum Inc.</b>										<b>AUTHORIZATION FOR EXPENDITURE</b>		
Date of Preparation / Revision: July 5, 2024										API No.		
X Original Supplement X Revision Re-Entry										AFE Number		
X Drill Well Workover Facilities Plug & Abandon										Well Type Second BS Horizontal Oil Well 2.5 Mile		
Lease Name/Well # County / State Formation Basin Field or Prospect										Projected TD: MD 20,970		
Walker 35 34 33 State Com #22411 Eddy NM 2nd Bone Spring Permian Travis										Proposal New Drill 7,315' TVD		
SIII.: 280' FNL, 1810' FWL; Sec. 35 - T18S - R28E, N.M.P.M										SIII.: 330' FNL, 100' FWL; Sec. 33 - T18S - R28E, N.M.P.M.		
BIII.: 330' FNL, 100' FWL; Sec. 33 - T18S - R28E, N.M.P.M.												
Acct Code	INTANGIBLE DESCRIPTION									COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIRONMENTAL SERVICES									\$10,000	\$10,000	\$20,000
516	TITLE OPINION, CURATIVE & POOLING									\$25,000		\$25,000
501	SURVEYING STAKE LOCATION									\$5,000		\$5,000
501	DAMAGES & R-O-W'S									\$25,000		\$25,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.									\$55,000	\$10,000	\$65,000
503	DRILLING RIG MOBILIZATION COST									\$225,000		\$225,000
503	DRILLING - DAYS 37 days @ \$20,000									\$740,000		\$740,000
503	RIG HOUSING 37 days @ \$800									\$29,600		\$29,600
503	STEERING days @											
503	MUD MOTORS & DIRECTIONAL									\$218,000		\$218,000
517	CLOSED LOOP & DISPOSAL 37 days @ \$4,000									\$148,000		\$148,000
505	MUD & FRAC CHEMICALS									\$85,000	\$500,000	\$585,000
505/716	WATER (Brine & Fresh), FRAC WATER									\$42,000	\$750,000	\$792,000
503	BITS, REAMERS, ETC.									\$125,000		\$125,000
503	FUEL 82400 gallons @ \$3									\$247,200		\$247,200
504	CEMENTING SURFACE									\$28,000		\$28,000
504	CEMENTING INTERMEDIATE (Shallow & Deeo)									\$65,000		\$65,000
701	CEMENTING PRODUCTION										\$125,000	\$125,000
509/705	TUBULAR SERVICES AND TOOLS									\$25,000	\$55,000	\$80,000
509/705	CASING CREWS PU LD MACHINE									\$30,000	\$42,000	\$72,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS, LINER HANGER									\$35,000	\$85,000	\$120,000
507	TESTING, COMPLETION, FLOWBACK										\$144,500	\$144,500
508	OPEN HOLE LOGGING											
508	MUD LOGGING 27 days @ \$1,850									\$49,950		\$49,950
509/705	WELDING, HOURLY LABOR, SAFETY PAY									\$30,000		\$30,000
509/713	EQUIPMENT RENTAL									\$45,000	\$163,000	\$208,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT									\$55,000		\$55,000
715	COMPLETION UNIT; COIL TUBING UNIT										\$250,000	\$250,000
704	FORMATION STIMULATION (80 STAGES)										\$3,750,000	\$3,750,000
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS										\$286,000	\$286,000
510/11/706	GEOLOGIC / ENGINEERING									\$25,000	\$45,000	\$70,000
509/705	CONTRACT CONSULTANTS 37 days @ \$3,000									\$111,000	\$52,000	\$163,000
514	DRILLING WELL RATE (AO) 37 days @ \$200									\$7,400	\$5,000	\$12,400
515/705	INSURANCE									\$37,000	\$15,000	\$52,000
513/708	MISCELLANEOUS									\$30,000	\$314,000	\$344,000
509/705	CONTINGENCY (10%)									\$252,000	\$659,000	\$911,000
<b>TOTAL INTANGIBLE ESTIMATED COST</b>										<b>\$2,805,150</b>	<b>\$7,260,500</b>	<b>\$10,065,650</b>
Acct Code	TANGIBLE DESCRIPTION									COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820												
620/820	CONDUCTOR	Length 120'	Grade K-55	Size 20	Weight	Price/Ft. \$350.00				\$42,000		\$42,000
620/820	SURFACE	1,200'	J-55	13 3/8"	48	\$98.00				\$117,600		\$117,600
620/820	INTERMEDIATE	3,500'	J-55	9 5/8"	40	\$54.00				\$189,000		\$189,000
620/820	INTERMEDIATE	7,400'	PI 10HC	7"	29	\$48.75				\$360,750		\$360,750
820	PRODUCTION											
820	PRODUCTION LINER	13,900'	PI 10HC	4 5/8"	13.5	\$26.00				\$361,400		\$361,400
821	TUBING (Coated)	7,000'	L-80	2.875	6.5	\$18.00				\$126,000		\$126,000
621/824	WELLHEAD EQUIPMENT								\$28,000	\$18,000	\$46,000	
825	PRODUCTION FACILITY ENCLOSURE									\$150,000	\$150,000	
825	POWER SOURCE									\$50,000	\$50,000	
822	RODS AND PUMP (FG & STEEL)											
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT											
827	HEATER TREATER, SEPARATOR, FWKO									\$185,000		
831	GAS SALES LINE & METER RUN									\$5,500	\$5,500	
830	FLOWLINES, VALVES, CONNECTIONS									\$125,000	\$125,000	
827	TANKS (WATER AND PRODUCTION)									\$140,000	\$140,000	
830	MISCELLANEOUS								\$37,000	\$58,000	\$95,000	
622/820	CONTINGENCY (10%)								\$77,000	\$122,000	\$199,000	
<b>TOTAL TANGIBLE ESTIMATED COST</b>										<b>\$851,350</b>	<b>\$1,340,900</b>	<b>\$2,192,250</b>
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services										\$50,000		
<b>ESTIMATED DRY HOLE COST</b>										<b>\$3,706,500</b>		
<b>TOTAL AFE ESTIMATED COST</b>										<b>\$3,656,500</b>	<b>\$8,601,400</b>	<b>\$12,257,900</b>
<b>APPROVAL AND ACCEPTANCE:</b>												
W1 OWNER <u>Penroc Oil Corporation</u>												
W1 _____												
Title <u>President</u>												
Signature <u>[Signature]</u>												
Date <u>July 12, 2024</u>												
Prepared by: WAP Date: 07-05-2024												
Comm AFE Only Date: <u>07-12-2024</u>												
*Optional OEE Insurance ADD \$23,000 to AFE Total above.												
✓ Please check if you elect to be included in the Operators Extra Expense												
Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA												



## Chronolgy of Contact

Owner	Address	City	State	Zip Code	Correspondance
Penroc Oil Corporation	P.O. Box 2769	Hobbs	NM	88241	<ul style="list-style-type: none"> <li>7/10/24: Sent JOA</li> <li>7/13/24: Responded to Aggie Alexiev's question about the JOA</li> </ul>
J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers	325 N. St. Paul, Suite 4300	Dallas	TX	75201-3993	<ul style="list-style-type: none"> <li>7/10/24: Sent JOA</li> <li>7/15/24: Call Curt Kneese an answered questions about proposals replacing the Burns 34 35 224H &amp; 234H proposals and answered questions about JOA</li> <li>9/16/24: Followed up by phone to see if J. Cleo would consider signing JOA</li> </ul>
Fasken Oil and Ranch, Ltd.	6101 Holiday Hill Rd.	Midland	TX	79707-1631	<ul style="list-style-type: none"> <li>7/10/24: Sent JOA</li> <li>7/13/24: Responded to Mike Wallace's email answering half a dozen question and stated that V-F can put together an offer for Fasken should it wish not to participate</li> <li>8/12/24: Received Fasken's proposed markups to JOA</li> <li>10/17/24: Mike Wallace requested changes to JOA and V-F sent form previously executed between parties for another project</li> <li>11/20/24: V-F sent follow up email and jumped on a call later that day with Mike Wallace to walk through proposed changes Fasken had</li> <li>1/31/25: Parties finalized JOA</li> </ul>
Mizel Resources, a Trust	3600 South Yosemite, Suite 810	Denver	CO	80237	<ul style="list-style-type: none"> <li>11/13/24: Sent JOA</li> <li>11/18/24: Received email from Carrie DeLima requesting working interest and responded the same day with information and asked whether Mizel would consider signing JOA or selling (no response)</li> </ul>
Marathon Oil Permian LLC	990 Town & County Blvd.	Houston	TX	77024	<ul style="list-style-type: none"> <li>7/10/24: Sent JOA</li> </ul>
Northern Oil and Gas, Inc.	4350 Baker Rd., Suite 400	Minnetonka	MN	55343	<ul style="list-style-type: none"> <li>7/10/24: Sent JOA</li> <li>8/13/24: Received email from Haley Loech containing signed AFEs and Elections to Participate. Responded when could I expect JOA to be signed</li> <li>8/14/24: Received email from Andrew Voelker stating that he was reviewing JOA</li> <li>9/17/24: Called Andrew and left message regarding JOA</li> </ul>
Gahr Energy Company	P.O. Box 1889	Midland	TX	79702	Signed JOA
Fuel Products, Inc.	P.O. Box 1889	Midland	TX	79702	Signed JOA

Owner	Address	City	State	Zip Code	Correspondance
Mid-Western Energy, L.L.C.	201 Rolling Winds Cir.	Odessa	TX	79765	Signed JOA
Lodge Exploration Company, LLC	203 W. Wall St., Suite 200	Midland	TX	79701	Signed JOA
Roy G. Barton, Sr. and Opal Barton Revocable Trust	1919 N. Turner St.	Hobbs	NM	88240	7/10/24: Sent JOA
Read & Stevens, Inc.	300 N. Marienfeld St., Suite 1000	Midland	TX	79701	7/10/24: Sent JOA
Permian Resources Operating LLC	300 N. Marienfeld St., Suite 1000	Midland	TX	79701	7/10/24: Sent JOA

## TAB 3

Case No. 25151

**V-F Exhibit B:** Self-Affirmed Statement of Stephen Burke, Geologist

- V-F Exhibit B-1: Structure Map
- V-F Exhibit B-2: REVISED Stratigraphic Cross Section
- V-F Exhibit B-3: Gross Isochore
- V-F Exhibit B-4: Gun Barrel View
- V-F Exhibit B-5: REVISED Structural Cross-Section

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

**APPLICATION OF V-F PETROLEUM INC.,  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 25151**

**SELF-AFFIRMED STATEMENT OF STEPHEN BURKE**

I, Stephen Burke, state and affirm the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
4. **Exhibit B-1** are two (2) structure maps of the top of 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring Sands with contour intervals of 50'. The unit being pooled is outlined by a red rectangle and shaded yellow. The structure map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

**EXHIBIT  
B**

5. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 2<sup>nd</sup> Bone Spring Sand which also illustrates the 3<sup>rd</sup> Bone Spring Sand located ~800' deeper. The x-section index line is located on the structure & isopach maps and labeled A – A'. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity of the sands with slight thinning to the northwest. The well logs on the cross-section give a representative sample of the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring Sands. The landing zone is annotated with a blue arrow at the left first log of the x-section with the overall producing intervals shaded in yellow.

6. **Exhibit B-3** are two (2) gross isopach maps of the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring Sands, this map demonstrates the continuity of the target zones across this vicinity. Nearby horizontal wells targeting these zones have a red bubble at the BHL for the 2<sup>nd</sup> sand and an orange bubble at the BHL for the 3<sup>rd</sup> sand.

a. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of both wellbores.

b. **Exhibit B-5** is a structural cross section built along the wellbore trajectories with the same logs used in Exhibit 2.

7. I conclude from the attached exhibits that:

a. The horizontal spacing and proration unit is justified from a geologic standpoint.

b. There are no structural impediments or faulting that will interfere with horizontal development.

c. Each quarter-quarter section in the unit will contribute more or less equally to production.

8. The preferred well orientation in this area is east to west so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

9. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.

10. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

11. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

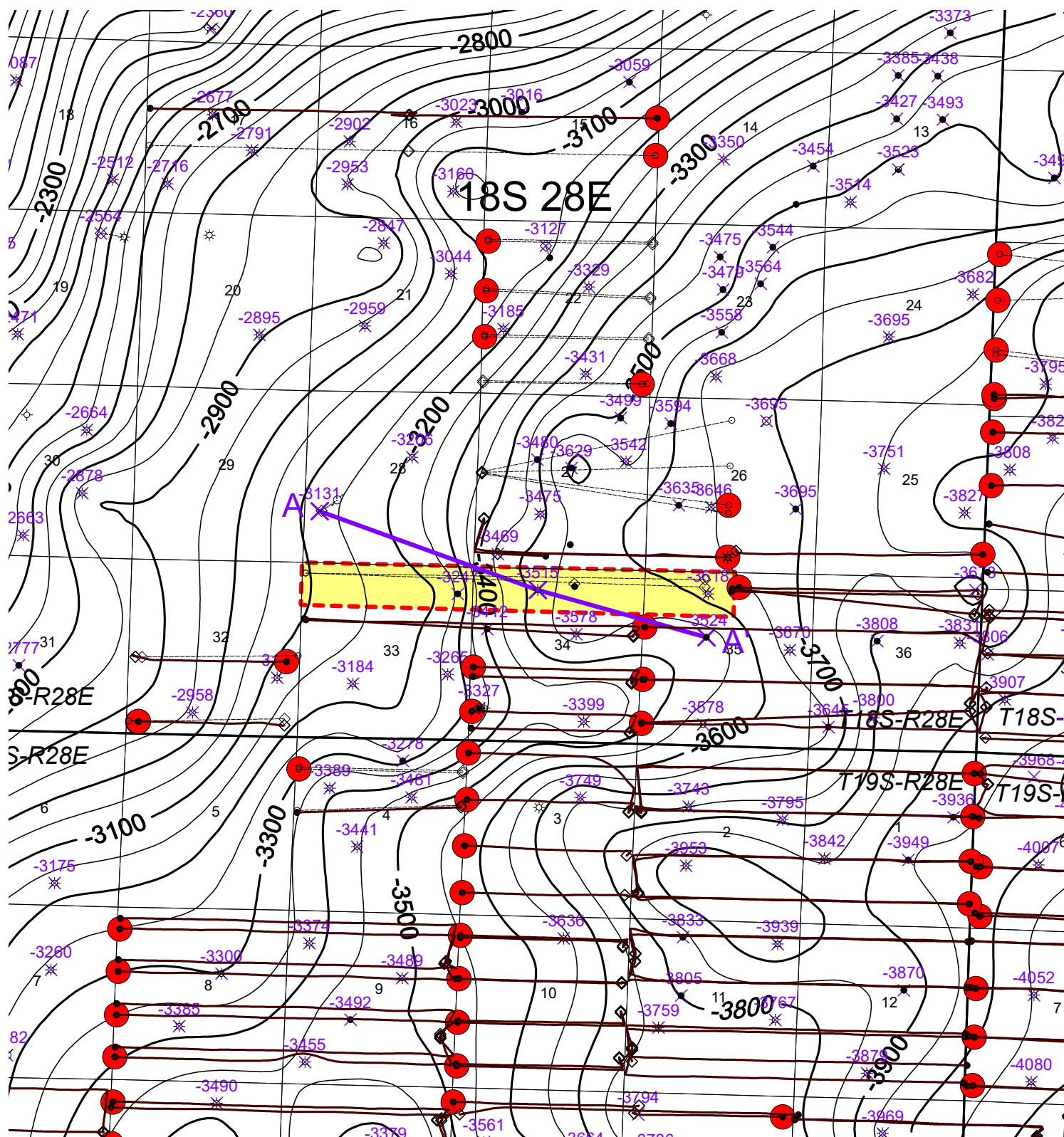
*Signature page of Self-Affirmed Statement of Stephen Burke:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25151 and affirm that my testimony herein is accurate and correct, to the best of my knowledge and belief, and made under penalty of perjury under the laws of the State of New Mexico.

A handwritten signature in black ink, appearing to read "Stephen M. Burke", written over a horizontal line.

Stephen Burke

3/6/2025  
Date Signed



WalkerArea\_35-34-33\_HearingX-Section &lt;WalkerArea&gt;

Cross Section IndexLine

Cross Section IndexLine

Perfs\_SbsgAll\_Survey\_EI &lt;EddyLea&gt;

Deviated well - Bottom hole location

Deviated well - Bottom hole lo

Structure\_Sbsg50-MbSmb\_EI &lt;EddyLea&gt;

Data Point

Data Point

Page 40 of 63

DSU Outline

1" = 4000'

3000 0 3000 6000 ft

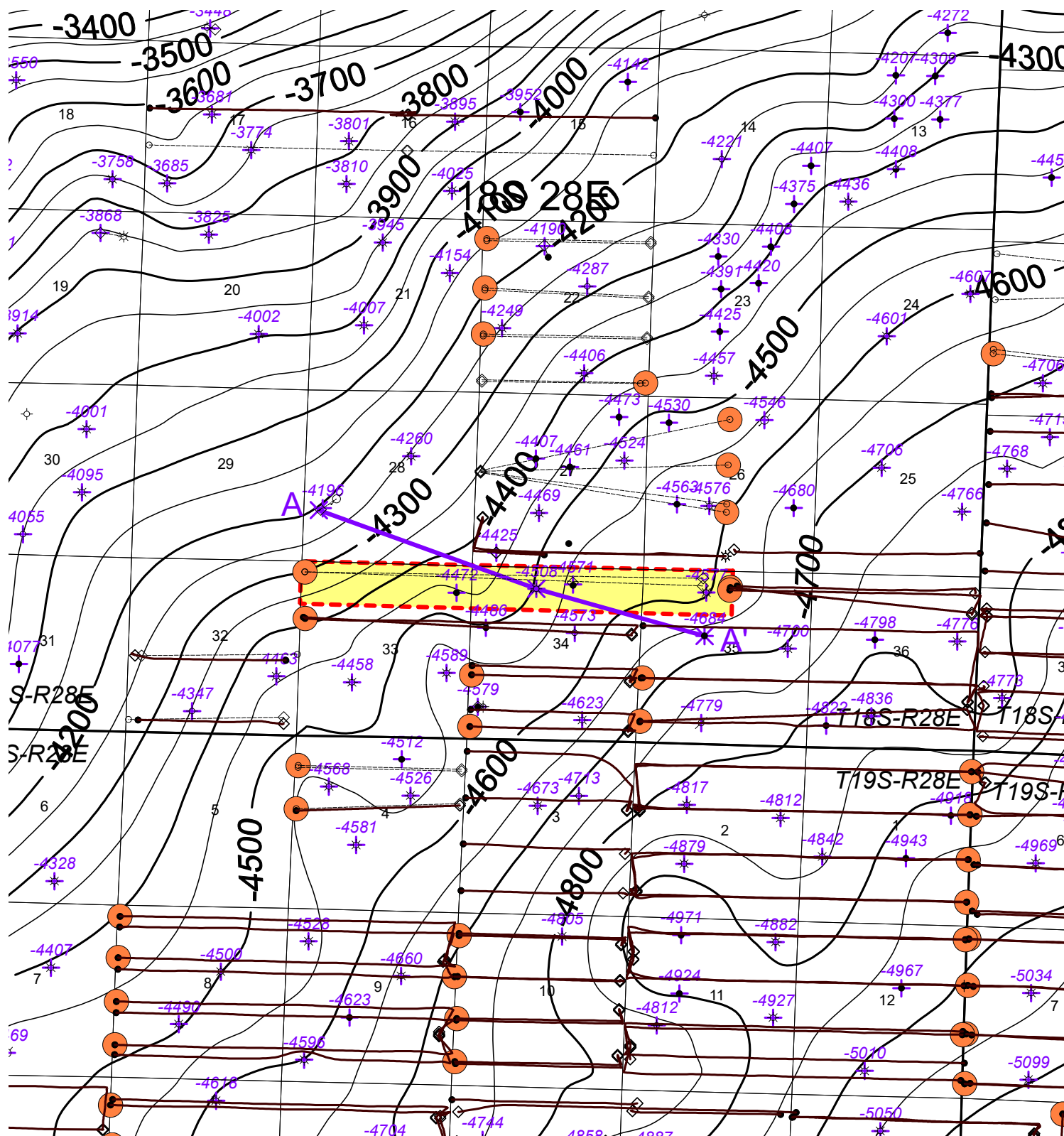
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**V-F Petroleum Inc.**

Walker 35-34-33 State Com Prospect  
2<sup>nd</sup> Bone Spring Sand Structure Map  
Eddy Co., New Mexico

Geologist:  
mburkeBHL Bubbles:  
Red = Sbsg LateralDate:  
March 5, 2025Wells:  
TD > 8000'Scale:  
1" = 4000'C.I.:  
50'**EXHIBIT  
B-1**





WalkerArea\_35-34-33\_HearingX-Section &lt;WalkerArea&gt;

Cross Section Index Line

Cross Section Index Line

Perfs\_Tbgs\_Survey\_EI &lt;EddyLea&gt;

Deviated well - Bottom hole location

Deviated well - Bottom hole loc

Structure\_Tbgs50-MbSmb\_EI &lt;EddyLea&gt;

Data Point

Data Point

1" = 4000'

1:48000



## V-F Petroleum Inc.

Walker 35-34-33 State Com Prospect  
3<sup>rd</sup> Bone Spring Sand Structure Map  
Eddy Co., New Mexico

Geologist:

mburke

BHL Bubbles:

Orange = Tbgs Lateral

Date:

March 5, 2025

Wells:

TD &gt; 8000'

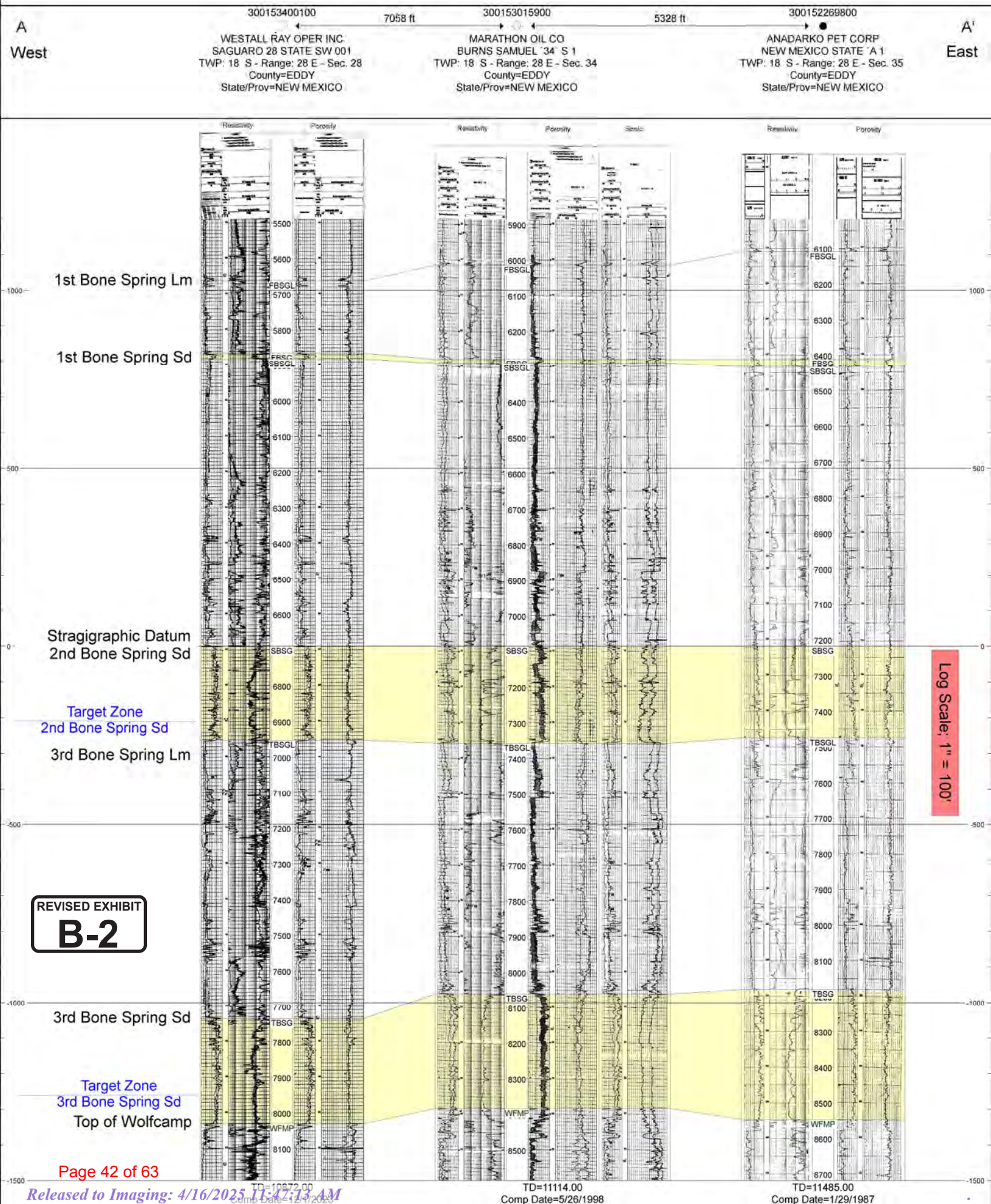
Scale:

1" = 4000'

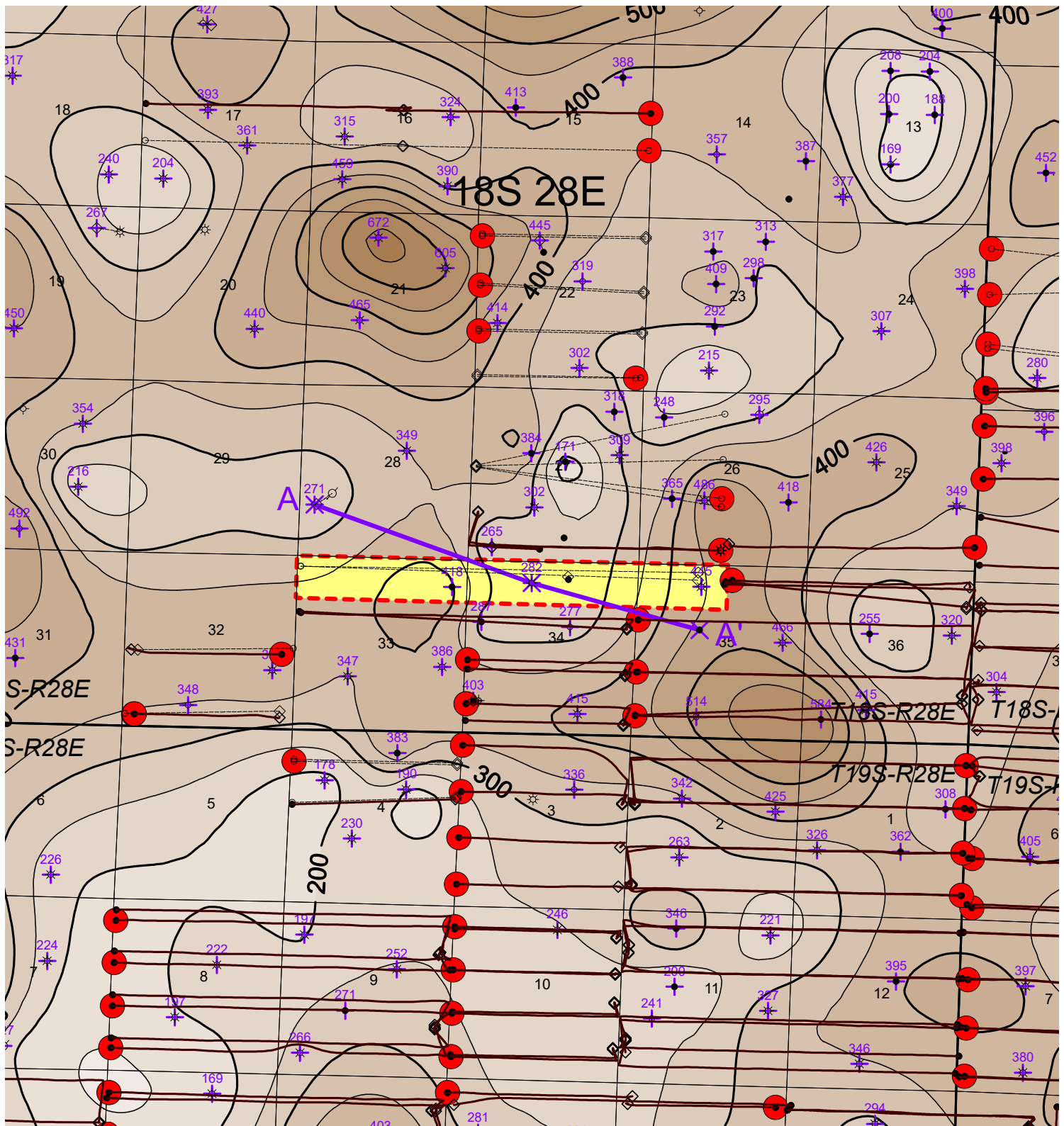
C.I.:

50'









WalkerArea\_35-34-33\_HearingX-Section &lt;WalkerArea&gt;

Cross Section Index Line

— Cross Section Index Line

Perfs\_SbsgAll\_Survey\_EI &lt;EddyLea&gt;

Deviated well - Bottom hole location

● Deviated well - Bottom hole loc

Isopach-GrossH\_Sbsg &lt;EddyLea&gt;

Data Point

+ Data Point

Page 43 of 63

DSU Outline

1" = 4000'

3000 0 3000 6000 ft

1:48000



## V-F Petroleum Inc.

Walker 35-34-33 State Com Prospect  
2<sup>nd</sup> Bone Spring Gross Sand Isopach Map  
Eddy Co., New Mexico

Geologist:  
mburke

BHL Bubbles:  
Red = Sbsg Lateral

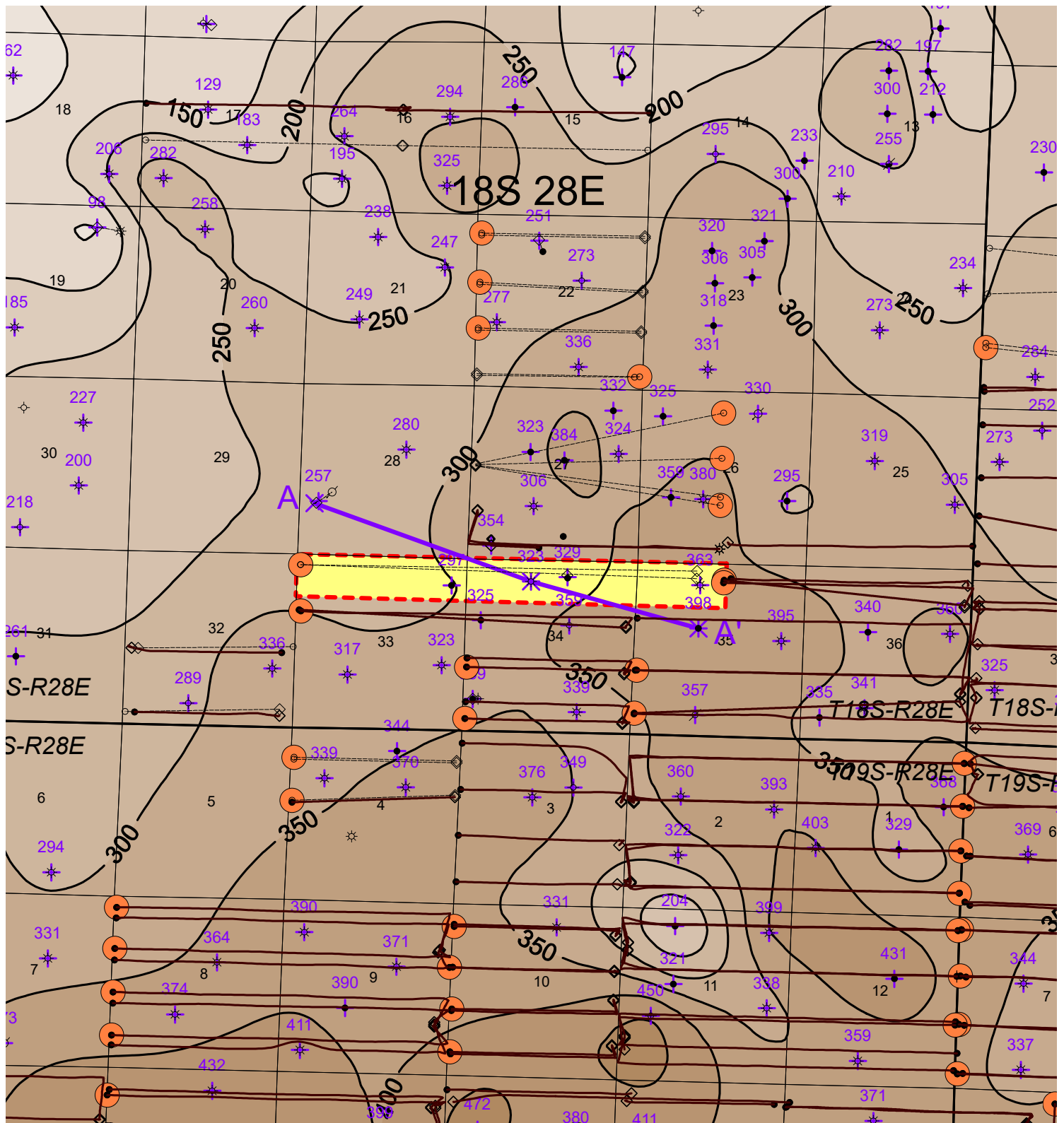
Date:  
March 5, 2025

Wells:  
TD > 8000'

Scale:  
1" = 4000'

C.L.:  
20'

**EXHIBIT  
B-3**



WalkerArea\_35-34-33\_HearingX-Section &lt;WalkerArea&gt;

Cross Section Index Line

Cross Section Index Line

Perfs\_Tbsg\_Survey\_EI &lt;EddyLea&gt;

Deviated well - Bottom hole location

Deviated well - Bottom hole location

Isopach-GrossH\_Tbsg &lt;EddyLea&gt;

Data Point

Data Point

Page 44 of 63

DSU Outline

1" = 4000'

3000 0 3000 6000 ft

1:48000



## V-F Petroleum Inc.

Walker 35-34-33 State Com Prospect  
3<sup>rd</sup> Bone Spring Gross Sand Isopach Map  
Eddy Co., New Mexico

Geologist:  
mburkeBHL Bubbles:  
Orange = Tbsg LateralDate:  
March 5, 2025Wells:  
TD > 8000'Scale:  
1" = 4000'C.I.:  
20'

**V-F Petroleum Inc.**

**Walker 35-34-33 State Com #224H & 234H**

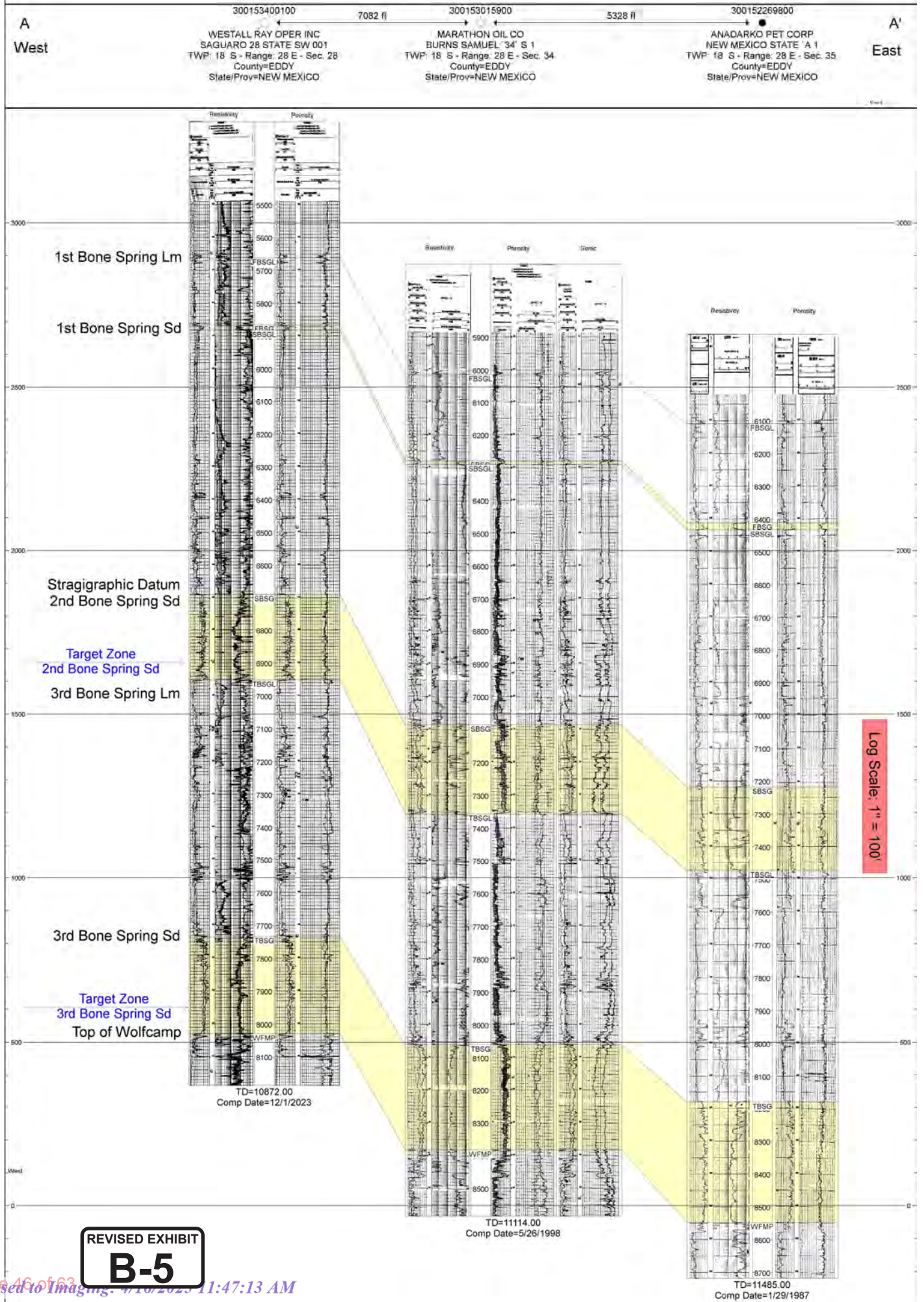
**T18S - R28E / Eddy Co., New Mexico**

Zone Vertical Depth	Well # N/2 - N/2 C35 - D33	Well # S/2 - N/2	Well # N/2 - S/2	Well # S/2 - S/2
Bspg1				
Bspg2	Walker State Com #224H			
Bspg3	Walker State Com #234H			
WfmpXy				
	North	Township 18S	South	

	Range 28 East / Section 33				Range 28 East / Section 34				Range 28 East / Section 35			
Township 18 South	D	C	B	A	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P	M	N	O	P

EXHIBIT  
**B-4**





## TAB 4

### **V-F Exhibit C:** Self-Affirmed Statement of Notice, Darin C. Savage

- V-F Exhibit C-1: Notice Letters
- V-F Exhibit C-2: Mailing List
- V-F Exhibit C-3: Affidavits of Publication

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

**APPLICATION OF V-F PETROLEUM INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

Case No. 25151

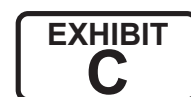
**SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on January 23, 2025, to all uncommitted working interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice was sent to the Carlsbad Current Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on January 25, 2025. *See* Exhibit C-3.

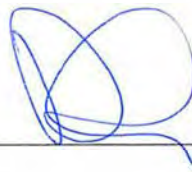
*[Signature page follows]*



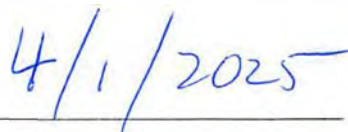


*Signature page of Self-Affirmed Statement of Darin C. Savage:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25151 and affirm that my testimony herein is accurate and correct, to the best of my knowledge and belief, and made under penalty of perjury under the laws of the State of New Mexico.



---

Darin Savage

---

Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

January 23, 2025

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc. for Compulsory Pooling,  
Eddy County, New Mexico  
Walker 35-34-33 State Com #224H Well  
Walker 35-34-33 State Com #234H Well

Case No. 25151:

Dear Interest Owner:

This letter is to advise you that V-F Petroleum Inc. ("V-F"), has filed the enclosed application, Case No. 25151, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of a unit in the Bone Spring formation.

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on February 13, 2025. The status of the hearing, including any continuances, can be monitored through the Division's website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1<sup>st</sup> Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, 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 (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this

[abadieschill.com](http://abadieschill.com)

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing 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 nature of any protests or objections; 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 Jordan Shaw at (432) 269-0569 or at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

***Attorney for V-F Petroleum, Inc.***

Transaction Report Details - CertifiedPro.net											
Date Mailed - 1/23/2025											
Reference Number= 4217.02.1 - 25151 Walker - WI											
Generated: 3/14/2025 12:21:53 PM											
USPS Article Number	Date Mailed	Reference Number	Name 1	Name 2	Address1	Address2	City	State	Zip	Mailing Status	
9314869904300130621841	1/23/25	4217.02.1 - 25151 Walker - WI	Permian Resources Operating LLC	Land Department	300 N. Marientfeld St.	Suite 1000	Midland	TX	79701	Delivered	
9314869904300130621834	1/23/25	4217.02.1 - 25151 Walker - WI	Read & Stevens, Inc.	Land Department	300 N. Marientfeld St.	Suite 1000	Midland	TX	79701	Delivered	
9314869904300130621827	1/23/25	4217.02.1 - 25151 Walker - WI	Roy G. Barton, Sr. and Opal Barton Revocable Trust	Roy Barton, Jr.	1919 N. Turner St.		Hobbs	NM	88240	Delivered	
9314869904300130621810	1/23/25	4217.02.1 - 25151 Walker - WI	Lodge Exploration Company, LLC	Jason Lodge	203 W. Wall St.	Suite 200	Midland	TX	79701	Delivered	
9314869904300130621803	1/23/25	4217.02.1 - 25151 Walker - WI	Northern Oil and Gas, Inc.	Land Department	4350 Baker Rd.	Suite 400	Minnetonka	MN	55343	Delivered	
9314869904300130621797	1/23/25	4217.02.1 - 25151 Walker - WI	Mewbourne Oil Company	Land Department	500 W. Texas Ave.	Suite 1020	Midland	TX	79701	Delivered	
9314869904300130621780	1/23/25	4217.02.1 - 25151 Walker - WI	Mizel Resources, a Trust	Carrie DeLima	3600 South Yosemite	Suite 810	Denver	CO	80237	Delivered	
9314869904300130621773	1/23/25	4217.02.1 - 25151 Walker - WI	Fasken Oil and Ranch, Ltd.	Mike Wallace	6101 Holiday Hill Rd.		Midland	TX	79707-1631	Delivered	
9314869904300130621766	1/23/25	4217.02.1 - 25151 Walker - WI	J. Cleo & James Cleo Thompson, Jr.	Curt Kneese	325 N. St. Paul	Suite 4300	Dallas	TX	75201-3993	Delivered	





January 28, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6218 41.**

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	January 27, 2025, 01:09 p.m.
<b>Location:</b>	MIDLAND, TX 79701
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Permian Resources Operating LLC Land Department



**Shipment Details**

<b>Weight:</b>	3.0oz
----------------	-------

**Destination Delivery Address**

<b>Street Address:</b>	300 N MARIENFELD ST STE 1000
<b>City, State ZIP Code:</b>	MIDLAND, TX 79701-4688

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

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United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI



January 28, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6218 34.**

#### Item Details

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	January 27, 2025, 01:09 p.m.
<b>Location:</b>	MIDLAND, TX 79701
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Read Stevens Inc Land Department



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	300 N MARIENFELD ST STE 1000
<b>City, State ZIP Code:</b>	MIDLAND, TX 79701-4688

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI



January 31, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6218 27.**

#### Item Details

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	January 30, 2025, 02:21 p.m.
<b>Location:</b>	HOBBS, NM 88240
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Roy G Barton Sr and Opal Barton Revocable Tru

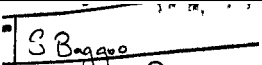
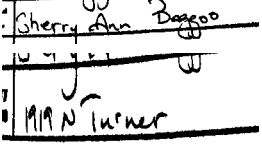
#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	1919 N TURNER ST
<b>City, State ZIP Code:</b>	HOBBS, NM 88240-2712

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI



January 28, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6218 10.**

#### Item Details

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	January 27, 2025, 02:18 p.m.
<b>Location:</b>	MIDLAND, TX 79701
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Lodge Exploration Company LLC Jason Lodge



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	203 W WALL ST STE 200
<b>City, State ZIP Code:</b>	MIDLAND, TX 79701-4510

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI





January 29, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6218 03.**

**Item Details**

**Status:** Delivered, Front Desk/Reception/Mail Room  
**Status Date / Time:** January 28, 2025, 10:29 a.m.  
**Location:** HOPKINS, MN 55343  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Northern Oil and Gas Inc Land Department

**Shipment Details**

**Weight:** 3.0oz

**Destination Delivery Address**

**Street Address:** 4350 BAKER RD STE 400  
**City, State ZIP Code:** HOPKINS, MN 55343-8628

**Recipient Signature**

Signature of Recipient:

Address of Recipient:

4350 BAKER RD STE 400,  
HOPKINS, MN 55343

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI



January 28, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6217 97.**

#### Item Details

<b>Status:</b>	Delivered, Front Desk/Reception/Mail Room
<b>Status Date / Time:</b>	January 27, 2025, 11:29 a.m.
<b>Location:</b>	MIDLAND, TX 79701
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Mewbourne Oil Company Land Department

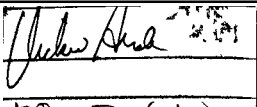
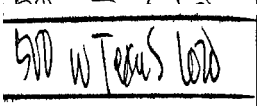
#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	500 W TEXAS AVE STE 1020
<b>City, State ZIP Code:</b>	MIDLAND, TX 79701-4279

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.02.1 - 25151 Walker - WI



January 29, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6217 80.**

#### Item Details

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	January 28, 2025, 10:09 a.m.
<b>Location:</b>	DENVER, CO 80237
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Mizel Resources a Trust Carrie DeLima



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	3600 S YOSEMITE ST STE 810
<b>City, State ZIP Code:</b>	DENVER, CO 80237-1830

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI



January 28, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6217 73.**

#### Item Details

<b>Status:</b>	Delivered, Front Desk/Reception/Mail Room
<b>Status Date / Time:</b>	January 27, 2025, 12:45 p.m.
<b>Location:</b>	MIDLAND, TX 79707
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Fasken Oil and Ranch Ltd Mike Wallace



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	6101 HOLIDAY HILL RD
<b>City, State ZIP Code:</b>	MIDLAND, TX 79707-1631

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI



February 11, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0130 6217 66.**

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	February 10, 2025, 03:39 p.m.
<b>Location:</b>	DALLAS, TX 75219
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	J Cleo James Cleo Thompson Jr Curt Kneese

**Shipment Details**

<b>Weight:</b>	3.0oz
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**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.02.1 - 25151 Walker - WI

## AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS  
PO BOX 507  
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

Account Number: 1227  
Ad Number: 31310  
Description: Walker 224 234 BS Case 25151  
Ad Cost: \$164.75

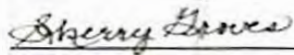
Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

January 25, 2025

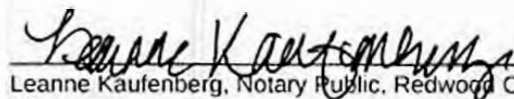
That said newspaper was regularly issued and circulated on those dates,

SIGNED:



Agent

Subscribed to and sworn to me this 25<sup>th</sup> day of January 2025.



Leanne Kaufenberg, Notary Public, Redwood County  
Minnesota

KAIYA TOOP  
ABADIE SCHILL  
555 RIVERGATE LANE, SUITE B-4-180  
DURANGO, CO 81301  
kaiya@abadieschill.com

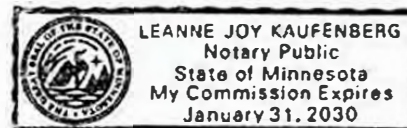


EXHIBIT  
C-3

## PUBLIC NOTICE

**CASE NO. 25151:** Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include J. CLEO THOMPSON AND JAMES CLEO THOMPSON, JR. OIL PRODUCERS; FASKEN OIL AND RANCH, LTD.; MIZEL RESOURCES, A TRUST; MEWBORNE OIL COMPANY; NORTHERN OIL AND GAS, INC.; LODGE EXPLORATION COMPANY, LLC; ROY G. BARTON, SR. AND OPAL BARTON REVOCABLE TRUST; READ & STEVENS, INC.; AND PERMIAN RESOURCES OPERATING LLC - of V-F Petroleum Inc.'s Application for Compulsory Pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. February 13, 2025, in Pecos Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/oed/hearinginfo/> or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. Applicant in the above-styled cause seeks an order from the Division: pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 400-acre, more or less, horizontal spacing and proration unit comprised of the N/2 NW/4 of Section 35 and the N/2 N/2 of Sections 34 and 33, all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Walker 35-34-33 State Com #224H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33; and the Walker 35-34-33 State Com #234H Well, an oil well, to be horizontally drilled from a

surface location in the NE/4 NW/4 (Unit C) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules; 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 17.4 miles southeast of Artesia, New Mexico.

Published in the Carlsbad Current-Argus January 25, 2025.  
#31310