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

APPLICATIONS OF 3R OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 25323, 25324

CONSOLIDATED PRE-HEARING STATEMENT

3R Operating, LLC ("3R" or "Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT ATTORNEYS

3R Operating, LLC Dana S. Hardy

Jaclyn M. McLean Daniel B. Goldberg Hardy McLean LLC 125 Lincoln Ave, Ste. 223 Santa Fe, NM 87501 Phone: (505) 230-4410

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dgoldberg@hardymclean.com

INTERESTED PARTY ATTORNEYS

Case No. 25323

None.

Case No. 25324

Flat Creek Resources, LLC Sharon T. Shaheen Spencer Fane, LLP

P.O. Box 2307

Santa Fe, NM 87504-2307 Phone: (505) 986-2678 sshaheen@spencerfane.com

STATEMENT OF THE CASE

In Case No. 25323, Applicant applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizonal spacing unit comprised of N/2 of Sections 34 and 35, Township 24 South, Range 26 East, Eddy County, New Mexico. The Unit will be dedicated to the **McMuffin 34 35 Fed Com 701H** well, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 33 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 35.

In Case No. 25324, Applicant applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizonal spacing unit comprised of S/2 of Sections 34 and 35, Township 24 South, Range 26 East, Eddy County, New Mexico. The Unit will be dedicated to the **McMuffin 34 35 Fed Com 703H** well, which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 35.

The completed intervals of the wells will be orthodox.

Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs, the designation of Applicant as operator of the units and the wells, and a 200% charge for the risk involved in drilling and completing the wells.

PROPOSED EVIDENCE

| Witness | Occupation | Estimated Time | Exhibits |
|-----------------------|------------|-----------------------|-----------------|
| Brian Van Staveren | Landman | Affidavit | Approx. 5 |
| Brian Atwell | Geologist | Affidavit | Approx. 5 |

PROCEDURAL MATTERS

Applicant intends to consolidate these matters for presentation at hearing, and will present the cases by affidavit if there is no opposition to its applications.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy
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Counsel for 3R Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Prehearing Statement was sent to the following counsel by electronic mail on this 1st day of May, 2025.

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/s/ Dana S. Hardy

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 457610

QUESTIONS

| Operator: | OGRID: |
|-------------------------|--|
| 3R Operating, LLC | 331569 |
| 20405 State Highway 249 | Action Number: |
| Houston, TX 77070 | 457610 |
| | Action Type: |
| | [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| Testimony | | |
|---|---------------|--|
| Please assist us by provide the following information about your testimony. | | |
| Number of witnesses | Not answered. | |
| Testimony time (in minutes) | Not answered. | |