

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

**APPLICATION OF READ & STEVENS  
ENERGY CO. FOR A NON-STANDARD  
OIL SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 16503**

**READ & STEVENS' EXHIBIT NOTEBOOK**

North Lea 3 Federal Com #4H

Thursday, November 1, 2018

Read & Stevens, Inc.

Earl E. DeBrine, Jr.

 **MODRALL SPERTING**

500 Fourth Street NW, Suite 1000  
P. O. Box 2168 / Albuquerque, NM 87103  
Telephone 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)

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

AMENDED APPLICATION OF  
READ & STEVENS, INC. FOR A  
HORIZONTAL SPACING AND  
PRORATION UNIT AND  
COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 16503

AFFIDAVIT OF MARK W. COMPTON

STATE OF NEW MEXICO        )  
                                      ) ss.  
COUNTY OF CHAVES         )

Mark W. Compton, being duly sworn, deposes and states:

1. I am a landman for Read & Stevens, Inc. ("Read & Stevens"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the above referenced compulsory pooling application:

- (a) Read & Stevens seeks in this case an order from the Division for compulsory pooling of working interest owners who have refused to enter into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.
- (b) No opposition is expected. The interest owners being pooled have been contacted regarding the proposed well; they have failed or refused to voluntarily commit their interests in the well; and none have entered an appearance in opposition to Read &

Stevens' application. A copy of Read & Stevens' Amended Application is attached to my affidavit as Exhibit "A."

(c) A plat outlining the unit being pooled is attached to my Affidavit as Exhibit "B." This exhibit also includes the ownership of each separate tract in the proposed unit and the proposed well's location within the unit.

(d) In its Application, Read & Stevens seeks an order from the Division: (i) creating a 160-acre, more or less, horizontal spacing and proration unit covering the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (ii) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **North Lea 3 Federal Com #4H** well, being horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Read & Stevens as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west of Hobbs, New Mexico.

(e) There are no depth severances within the Bone Spring formation underlying the proposed unit.

(f) Attached as Exhibit "C" to my Affidavit is a proposed C-102 for the well. The proposed TVD for the well is approximately 10,818 feet. The well will develop the Quail Ridge South; Bone Spring Pool (Pool Code 50461), which is designated as an oil pool.

(g) The parties being pooled, their last known address, and the nature and percent of their interests are set forth in Exhibit "D" to my Affidavit.

(h) I have conducted a diligent search of the public records in the county where the well is located, searched phone directories and conducted computer searches to locate contact information for parties entitled to notification.

(i) Exhibit "E" attached to my Affidavit is a summary my attempts to contact the interest owners. There were some un-locatable interest owners or returned mailings.

(j) Read & Stevens has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.

(k) There are no overriding royalty interests in the acreage at issue.

(l) Exhibit "F" attached to my Affidavit is a copy of the well proposal letter and Authorization for Expenditure for the proposed well sent to the interest owners in seeking their voluntary joinder in the unit. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

(m) Read & Stevens requests overhead and administrative rates of \$7000/month during drilling and \$700/month while producing. 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. Read & Stevens requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

(n) Read & Stevens requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

(o) Read & Stevens requests that it be designated operator of the well.


3. The attachments to my Affidavit were prepared by me or compiled from company business records.

4. I attest that the information provided herein is true, correct and complete to the best of my knowledge and belief.

5. The granting of Read and Stevens' application is in the interests of conservation and the prevention of waste.

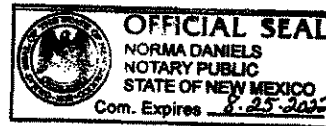
  
Mark W. Compton

SUBSCRIBED AND SWORN to before me this 31<sup>st</sup> day of October, 2018 by Mark W. Compton.

  
Notary Public

My commission expires: August 25, 2022

W3303266.DOCX



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

**AMENDED APPLICATION OF  
READ & STEVENS, INC. FOR A  
HORIZONTAL SPACING AND  
PRORATION UNIT AND  
COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16503

**AMENDED APPLICATION**

Read & Stevens, Inc. ("Read & Stevens"), OGRID Number 18917, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) creating a 160-acre, more or less, horizontal spacing unit and proration unit covering the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. In support of this application, Read & Stevens states as follows:

1. Read & Stevens is an interest owner in the subject lands and has a right to drill a well thereon.
2. Read & Stevens seeks to dedicate the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico to the proposed well to form a 160-acre, more or less, horizontal oil spacing and proration unit.
3. Read & Stevens plans to drill the **North Lea 3 Federal Com #4H** well to a depth sufficient to test the Bone Spring formation.
4. The well that Read & Stevens seeks to drill will comply with the setback requirements established under the Division's rules.

Read & Stevens, Inc. CASE NO. 16503 EXHIBIT A
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5. Read & Stevens sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Read & Stevens requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 4, 2018, and after notice and hearing as required by law, the Division enter its order:

A. Creating a spacing and proration unit in the Bone Spring formation comprised of the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.;

B. Pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit;

C. Designating Read & Stevens as operator of this unit and the wells to be drilled thereon;

D. Authorizing Read & Stevens to recover its costs of drilling, equipping and completing these wells;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.

Jennifer Bradfute

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

[edebrine@modrall.com](mailto:edebrine@modrall.com)

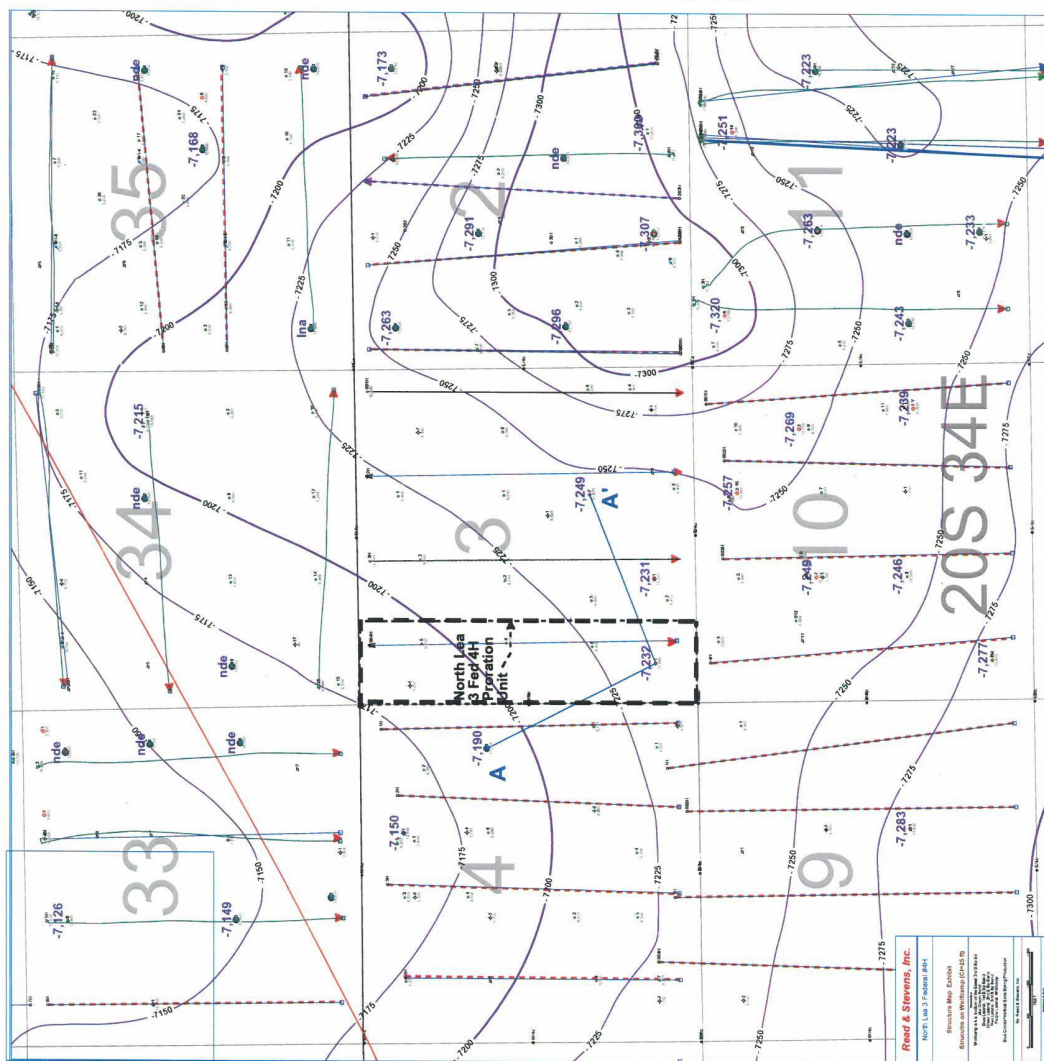
[jlb@modrall.com](mailto:jlb@modrall.com)

*Attorneys for Applicant*

Y:\dax\client\60806\0113\PLEADING\W3284982.DOCX

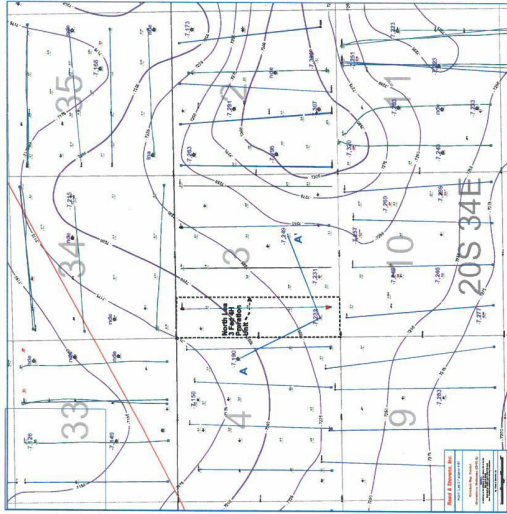


**CASE NO. 16503: Amended Application of Read & Stevens, Inc. for a horizontal spacing unit and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, horizontal spacing and proration unit covering the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the **North Lea 3 Federal Com #4H** well, being horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Read & Stevens as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west of Hobbs, New Mexico.



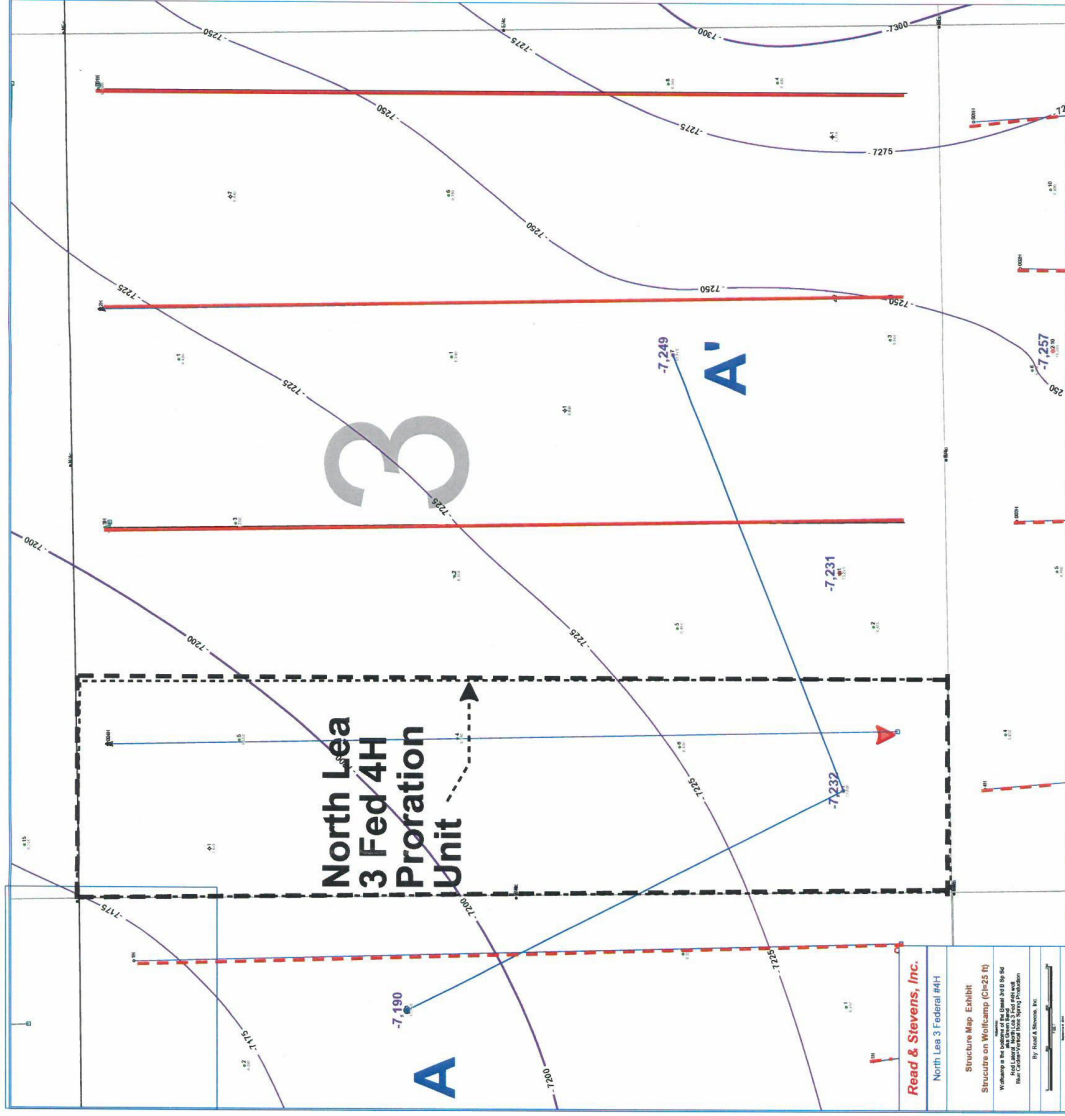
Read & Stevens, Inc.

CASE NO. 16503  
 EXHIBIT A



Structure Map Exhibit : Top of Wolfcamp  
(a.k.a. base of 3<sup>rd</sup> B. Sp. Sand)  
CI = 25 ft.

Red Lateral: Green Sand Target  
(Dashed line is permit, Solid line is drilled)  
Red Arrow: North Lea 3 Fed #4H well



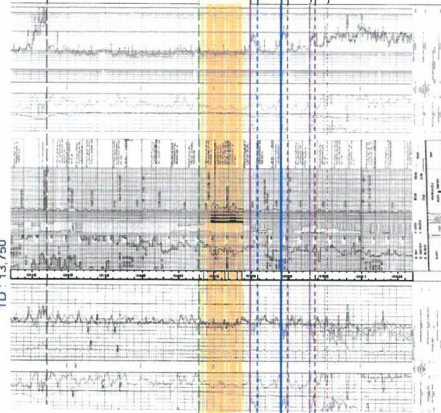




A

READ & STEVENS INC  
HUDSON FEDERAL

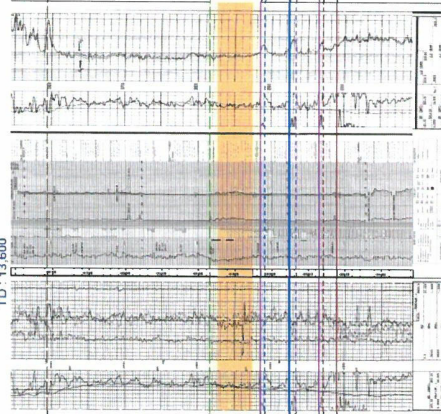
ST 1  
ELEV. 1025281 3.658  
3025281 100000  
T20S R34E S4  
TD 13.750



20S/24E/4-READ & HUDSON F/1  
4/6/1995  
6:25:11 P  
1025281

READ & STEVENS INC  
MARK FEDERAL

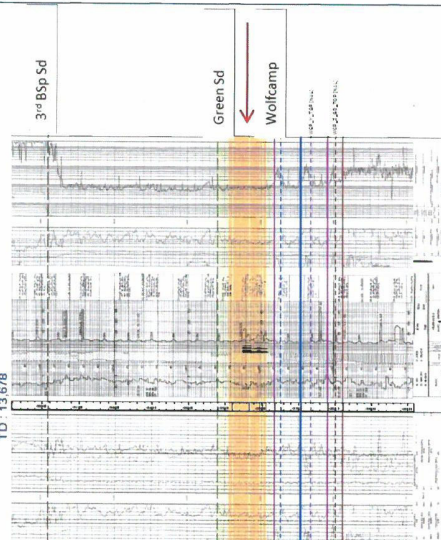
ST 1  
ELEV. 1025281 3.653  
3025281 100000  
T20S R34E S3  
TD 13.600



20S/24E/3-READ & MARK FED/1  
4/23/1998  
6:25:11 P  
1025281

READ & STEVENS INC  
MARK FEDERAL

ST 1  
ELEV. 1025281 3.659  
3025281 100000  
T20S R34E S3  
TD 13.678



20S/24E/2-READ & MARK FED/7  
12/27/1994  
6:25:11 P  
1025281

CROSS SECTION EXHIBIT:  
Cross Section hung on 3rd Bone Spring Sand  
Target Sand:  
Basal 3rd Bone Spring Sand (Green Sand)

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT C

N. Lea 3 Fed Com #4


NMNM 84902

	Interest in Tract	Interest in Well
Chevron U.S.A., Inc.	0.189	0.09505778
MRC Permian Co.	0.0599998	0.06817392
Bruce A. McNaughton	0.01562513	0.00940764
Lauritz Christian Jensen, Successor Trustee of the Joann E. Jensen Family Trust u/a/d 8/30/96	0.002	0.01005902
Laura K. Read, LLC	0.002	0.01005902
M.P.S., Inc.	0.01000025	0.00502964
Stuart E. Keay	0.00333342	0.00375665
S.N.S. Oil & Gas Properties	0.005882	0.00707665
Weimer, Inc.	0.0049997	0.00251461
Ameredev, New Mexico	0.0178211	0.00896314

NMNM 54432

Abby Corporation	0.077179	0.03836173
Loveless Land Holdings LLC	0.00603167	0.00299803
Lucinda Loveless, single woman	0.00303473	0.00150841
Lucinda Loveless, Trustee of the Lucinda Loveless Revocable Trust dated 12/21/06	0.00318881	0.00158499
MRC Permian Co.	0.0764451	
Nancy Peacock Mackey	0.00314139	0.00156142
Stuart E. Keay	0.0041849	
Justin McClelland	0.30015455	0.00076819
S.N.S. Oil & Gas Properties	0.01049615	
Andrea M. Bunnett, sep prop	0.00167528	0.0008327
Wesley Merrick Miller, sep prop	0.0006182	0.00030728

NMNM 54432

Abby Corporation	0.077179	
Loveless Land Holdings LLC	0.00603167	
Lucinda Loveless, single woman	0.00303473	
Lucinda Loveless, Trustee of the Lucinda Loveless Revocable Trust dated 12/21/06	0.00318881	
MRC Permian Co.	0.0764451	
Bruce A. McNaughton	0.00301163	
Nancy Peacock Mackey	0.00314139	
Stuart E. Keay	0.0041849	
Justin McClelland	0.30015455	
S.N.S. Oil & Gas Properties	0.00607482	
Susan Bonner Mead, Trustee of the Virginia Cole Houston New Mexico Property Revocable Trust	0.006182	0.00153638
Andrea M. Bunnett, sep prop	0.00167528	
Wesley Merrick Miller, sep prop	0.0006182	

0.2695572

Total Pooled Interest

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT B

HOBBS OCD  
SECRETARY'S POTASH  
JUL 10 2015

FORM APPROVED  
OMB No 1004-0137  
Expires July 31, 2010



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>BHL NM-84902 NMNM 54432</b>
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>Read and Stevens, Inc</b> <b>(18917)</b>		7. If Unit or CA Agreement, Name and No.
3a. Address <b>400 N. Pennsylvania Ave #1000 Roswell, NM 88201</b>		8. Lease Name and Well No. <b>North Lea 3 Fed Corn #4H (313633)</b>
3b. Phone No. (include area code) <b>575-622-3770</b>		9. API Well No. <b>30-025-42684 (50461)</b>
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface <b>200' FNL 970' FWL (D4)</b> At proposed prod. zone <b>330' FSL 970' FWL (M)</b>		10. Field and Pool, or Exploratory <b>QUAIL RIDGE AS, SOUTH</b>
14. Distance in miles and direction from nearest town or post office* <b>26 miles WSW of Hobbs</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>Sec. 3 T-20S R-34E</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>200'</b>	16. No. of acres in lease <b>602.45</b>	17. Spacing Unit dedicated to this well <b>160</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>See radius maps attached.</b>	19. Proposed Depth <b>10,918TVD/ 15,467MD</b>	20. BLM/BIA Bond No. on file <b>NM-2310</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>GL - 3660.5' RKB - 3682.5'</b>	22. Approximate date work will start* <b>09/01/2014</b>	23. Estimated duration <b>60 days until completion</b>

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature 	Name (Printed/Typed) <b>Steve Morris</b>	Date <b>05/30/2014</b>
Title <b>Sr. Drilling Engineer</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>Steve Caffey</b>	<b>JUL 2 - 2015</b>
Title <b>FIELD MANAGER</b>		
Office <b>CARLSBAD FIELD OFFICE</b>		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

**APPROVAL FOR TWO YEARS**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

\*(Instructions on page 2)

Capitan Controlled Water Basin

**Ka**  
**07/10/15**

**JUL 13 2015**

Approval Subject to General Requirements  
& Special Stipulations Attached

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT C

**Ka**



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: (505) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Bruzard Road, Aztec, NM 87410  
Phone: (505) 334-6175 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

HOBBS OCD

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-42684</b>		<sup>2</sup> Pool Code <b>50461</b>		<sup>3</sup> Pool Name <b>QUAL RIGGE; B-5; SOUTH</b>	
<sup>4</sup> Property Code <b>313633</b>		<sup>5</sup> Property Name <b>NORTH LEA 3 FED COM</b>			<sup>6</sup> Well Number <b>4H</b>
<sup>7</sup> OGRID No. <b>18917</b>		<sup>8</sup> Operator Name <b>READ &amp; STEVENS, INC.</b>			<sup>9</sup> Elevation <b>3660.5</b>

<sup>10</sup> Surface Location

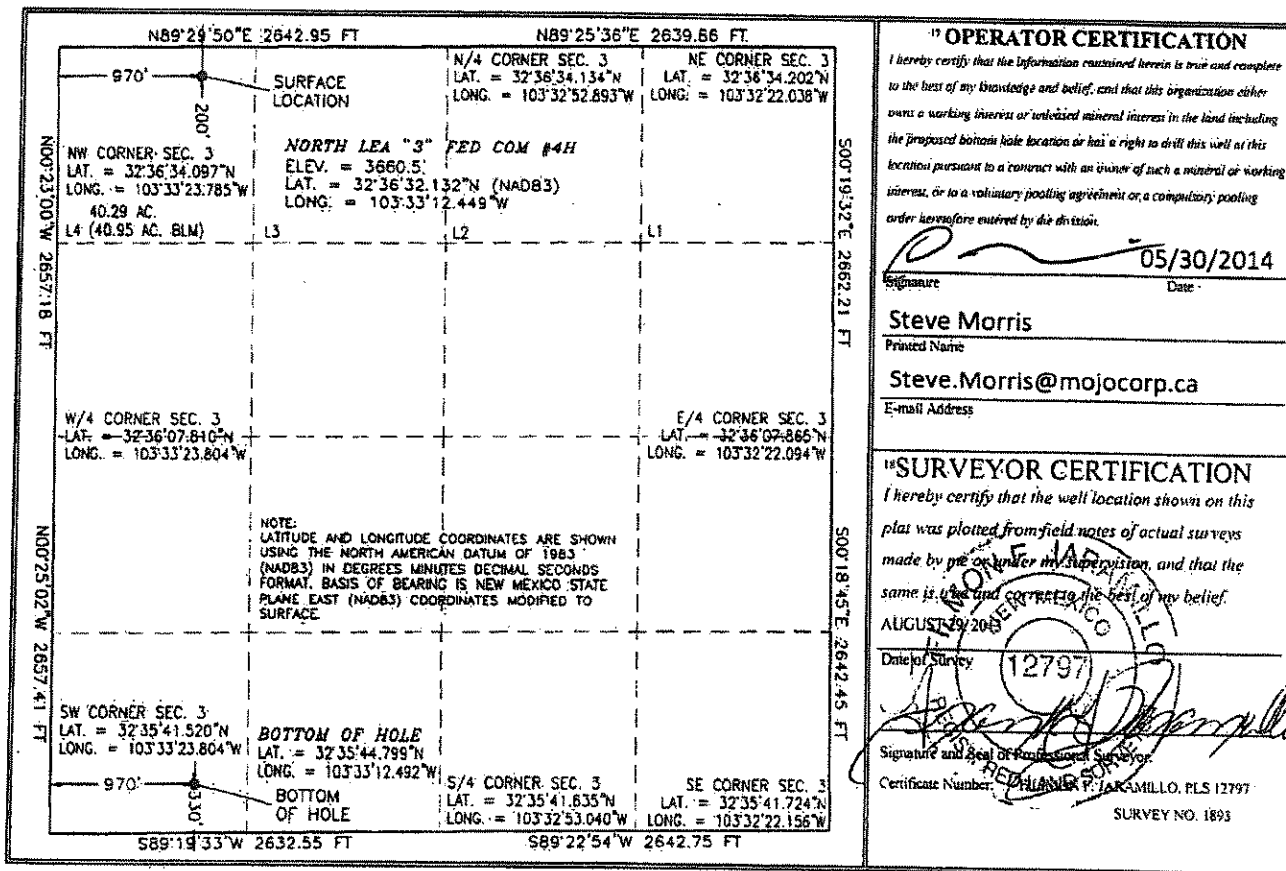
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	20 S	34 E		200	NORTH	970	WEST	LEA

<sup>11</sup> 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
M	3	20 S	34 E		330	SOUTH	970	WEST	LEA

<sup>12</sup> Dedicated Acres <b>160.96</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: **05/30/2014**

Printed Name: **Steve Morris**  
E-mail Address: **Steve.Morris@mojocorp.ca**

<sup>18</sup> SURVEYOR CERTIFICATION

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.

AUGUST 29, 2013  
Date of Survey: **12797**  
Signature and Seal of Registered Surveyor: *[Signature]*  
Certificate Number: **12797**  
SURVEY NO. 1893

JUL 13 2015



OWNER NAME	ADDRESS	CITY/STATE	ZIP	INTEREST IN WELL
AMEREDEV New Mexico, LLC	5707 SOUTHWEST PARKWAY, BLD 1, STE 275	AUSTIN, TX	78735	0.00896314
Bruce Alan McNaughton	P.O. BOX 1227	LOS GATOS, CA	95031	0.00940764
Laura K. Read, LLC	1217 W. THIRD STREET	ROSWELL, NM	88201	0.01005902
MP5, Inc	P.O. BOX 1227	LOS GATOS, CA	95031	0.00502964
Stuart E. Keay	2420 HUGO STREET, APT 1	DALLAS, TX	75204	0.00375665
Loveless Land Holdings	P.O. BOX 12454	DALLAS, TX	75225	0.00299803
Lucinda Loveless	P.O. BOX 8	HONDO, NM	88336	0.00150841
Lucinda Loveless Rev Trust	P.O. BOX 8	HONDO, NM	88336	0.00158499
Nancy P. Mackey	4818 S. ZUNIS AVENUE	TULSA, OK	74105	0.00156142
Justin McClelland	126 POPPY ROAD	ROSWELL, NM	88201	0.00076819
Susan Bonner Mead, Tstee of Houston Rev Tst	5938 ELDERWOOD DRIVE	DALLAS, TX	75230	0.00153638
Abby Corporation	P.O. BOX 2899	GRAND JUNCTION, CO	81502	0.03836173
Weimer, Inc	3020 PRESTONWOOD DR.	PLANO, TX	75093	0.00251461
Jensen Family Trust	1702 NW RIDGE RD	ANKENY, IA	50023-6704	0.01005902
Andrea Bunnett, sep property	4329 GLENWICK LANE	DALLAS, TX	75205	0.0008327
Chevron USA, Inc	P.O. BOX 2100	HOUSTON, TX	77252	0.09505778
Wesley Miller	300 FALCON RIDGE	ALEDO, TX	76008	0.00030728
SNS Oil & Gas	P.O. BOX 2234	ARDMORE, OK	73402	0.00707665
				<b>0.20138328</b>
			<b>Total Pooled Interest</b>	

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT D

## **Summary of Contacts with Interest Owners**

- Read and Stevens sent well proposal letters to interest owners on July 30, 2018.
- Read and Stevens then contacted parties to see if they would participate in the well and/or execute a joint operating agreement.
- Read and Stevens conducted updated record searches and internet searches for contact information for parties it seeks to pool.
- Read and Stevens continued to attempt to contact the parties who had not executed an agreement.
- Read and Stevens filed an application to force pool parties who had not entered in to an agreement.
- Read and Stevens sent notices of the force pooling application to the addresses of record.
- Read and Stevens continued to negotiate and reached agreement with additional interest owners.
- Read and Stevens also published notice in a newspaper of general circulation in the county where the wells will be located.

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT E

READ & STEVENS, I. C.  
OIL PRODUCERS

Mailing address  
P. O. Box 1518  
Roswell, New Mexico 88202

400 Penn Plaza, Suite 1000  
Roswell, New Mexico 88201

Phone: 575/622-3770  
Fax: 575/622-8643

July 30, 2018

RE: North Lea 3 Federal Com #4H Well  
Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico  
SHL; 330' FNL & 970' FWL; BHL: 330' FSL & 970' FWL, Section 3

Dear Working Interest Owner:

Read & Stevens, Inc., as Operator, hereby proposes the drilling and completing of the above described well to test the 3<sup>rd</sup> Bone Spring formation at a Total Vertical Depth of 10,838' and a Total Measured Depth of 15,317'. The estimated costs are \$8,438,729, as outlined in the enclosed AFE.

Enclosed is the proposed Operating Agreement for your review. If you elect to participate, please return the signature pages for the Operating Agreement, a copy of the AFE and the election form. If you elect not to participate, Read & Stevens Inc. would be interest in acquiring your interest in the W/2W/2 of Section 3, T-20S-R-34E, either through a Farmout or an Assignment.

Due to permit requirements, time is of the essence. If you have any questions, please don't hesitate to call me at 575-622-3770. We look forward participating in this operation with you.

Respectfully,



Mark Compton  
Landman

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT F

**READ & STEVENS, L.L.C.**  
**OIL PRODUCERS**

Mailing address  
P. O. Box 1518  
Roswell, New Mexico 88202

400 Penn Plaza, Suite 1000  
Roswell, New Mexico 88201

Phone: 575/622-3770  
Fax: 575/622-8643

**NORTH LEA 3 FEDERAL COM #4H**  
**ELECTION FORM**

\_\_\_\_\_ elects **TO** participate in the drilling of the above described well and will participate under Read & Stevens, Inc. insurance.

\_\_\_\_\_ elects **TO** participate in the drilling of the above described well and will provide proof of insurance.

AUTHORITY FOR EXPENDITURE  
READ & STEVENS, INC.  
08/01/2018

PAGE 13

AFE: 201 DRILL & COMPLETE  
Property: 010707 NORTH LEA 3 FEDERAL #4H  
Location: BHL: 330' FSL & 970' FWL  
Operator: 9999900 READ & STEVENS, INC.  
Begin Date: 08/15/2018

Field: 50461  
ST/County: NM/LEA  
Well Type:  
Obj Zones: D&C IN QUAIL RIDGE BONE SPRING  
SOUTH

CATEGORY	DESCRIPTION	DRY HOLE/ DRILLING	COMPLETION	RECOMPLETION	TOTAL
<b>INTANGIBLE COSTS</b>					
FUEL, POWER, WATER:		151,300.00	0.00	0.00	151,300.00
LOC PREP & DMGE(ROADS,LOC,APD)	LOCATION,ROADS,PITS,SURVEY	148,000.00	0.00	0.00	148,000.00
	PERMITS,CLEANUP,DAMAGES				
	TITLE OPINION				
MOB/DEMOB:		214,000.00	0.00	0.00	214,000.00
DRILL RATE DAYWORK:	26 DAYS DRILLING	510,000.00	0.00	0.00	510,000.00
BITS,CORING,DST:		92,500.00	0.00	0.00	92,500.00
CLOSED LOOP HAUL OFF/DISPOSAL:	FLUIDS & CUTTING	462,000.00	0.00	0.00	462,000.00
	DISPOSAL				
MUD & CHEMICALS:	DRILLING MUD,CHEMICALS	134,400.00	0.00	0.00	134,400.00
	& COMPLETION FLUIDS				
CORING & TESTING:	OPEN HOLE LOGGING	18,500.00	0.00	0.00	18,500.00
	AND SIDE WALL CORING				
MUD LOGGING:		59,000.00	0.00	0.00	59,000.00
HAULING & FREIGHT:		67,500.00	7,500.00	0.00	75,000.00
ENGINEER,GEOLOGY,CONSULT,SUP	WELLSIDE: ENGINEERING,GEO,	136,000.00	0.00	0.00	136,000.00
	CONSULTANTS				
CEMENT/SVCS(CENT,DV,ECP,CREW):		153,956.00	0.00	0.00	153,956.00
INSURANCE/BLOWOUT/GA/UMBRELL		25,040.00	0.00	0.00	25,040.00
DRILLING OVERHEAD:		10,000.00	5,000.00	0.00	15,000.00
CONTINGENCIES:		313,479.00	0.00	0.00	313,479.00
SAFTEY & ENVIRONMENTAL:		1,000.00	0.00	0.00	1,000.00
NIPPLE UP,CASIG INSPECT,OTHER:	OTHER WELL SERVICES,	58,235.00	0.00	0.00	58,235.00
	NU/BOB,CASING INSPECTION				
DIRECTIONAL DRL PKG,GR/MWD/PD		392,550.00	0.00	0.00	392,550.00
OTHER SERVICES:		36,000.00	0.00	0.00	36,000.00
FUEL & POWER, WATER:		0.00	484,652.00	0.00	484,652.00
LOCATION,ROADS,SURFACE DAMAG		0.00	20,000.00	0.00	20,000.00
COMPLETION DAYWORK RATE:		0.00	68,000.00	0.00	68,000.00
BITS & REAMERS, CORING & DST:		0.00	8,000.00	0.00	8,000.00
FLUIDS & CUTTING DISPOSAL:		0.00	5,500.00	0.00	5,500.00
MUD & CHEMICALS, FLUIDS:		0.00	18,000.00	0.00	18,000.00
SUPERVISION:		0.00	37,000.00	0.00	37,000.00
CEMENT & SERVICES:		0.00	93,069.00	0.00	93,069.00
CASED HOLE LOGGING,PERFORATIO	CASED HOLE LOGGING AND	0.00	147,403.00	0.00	147,403.00
	PERFORATING				
ACIDIZING, STIMULATION:	STIMULATION TREATMENT	0.00	2,338,471.00	0.00	2,338,471.00
	24 STAGES (336K LBS/STAGE)				
COMPLETION UNIT:	COMPLETION RIG, POWER SWIVEL	0.00	336,450.00	0.00	336,450.00
	AND REVERSE UNIT ETC.				
CONTINGENCY:		0.00	488,391.00	0.00	488,391.00
PUMP IN TESTS:		0.00	1,000.00	0.00	1,000.00
NU/BOP,CASING INSPECT,OTHER SV:		0.00	77,100.00	0.00	77,100.00
DIRECTIONAL DRILLING PACKAGE:	EQUIPMENT RENTAL INCL	0.00	102,250.00	0.00	102,250.00
	SOLIDS CONTROL,CLOSED				
	LOOP & DIRECTIONAL SVC				
OTHER SERVICES, CONTRACT SVC:		0.00	16,000.00	0.00	16,000.00
<b>TOTAL INTANGIBLE COSTS</b>		<b>2,981,460.00</b>	<b>4,253,786.00</b>	<b>0.00</b>	<b>7,235,246.00</b>
<b>TANGIBLE COSTS</b>					
SURFACE CASING:	1620' 13 3/8" 54.5#	72,414.00	0.00	0.00	72,414.00
	H40 \$38.97/FT				
PROTECTIVE/INTERMEDIATE CSG:	5505' 9 5/8" 40#	214,089.00	0.00	0.00	214,089.00
	J55 \$38.89/FT				
WELLHEAD/SURFACE EQUIPMENT:	CASING HEAD/	20,350.00	8,850.00	0.00	29,200.00
	CHRISTMAS TREE				

Initial: \_\_\_\_\_

AUTHORITY FOR EXPENDITURE  
READ & STEVENS, INC.  
08/01/2018

PAGE 14

AFE: 201 DRILL & COMPLETE  
Property: 010707 NORTH LEA 3 FEDERAL #4H  
Location: BHL: 330' FSL & 970' FWL  
Operator: 9999900 READ & STEVENS, INC.  
Begin Date: 08/15/2018

Field: 50461  
ST/County: NM/LEA  
Well Type:  
Obj Zones: D&C IN QUAIL RIDGE BONE SPRING  
SOUTH

CATEGORY	DESCRIPTION	DRY HOLE/ DRILLING	COMPLETION	RECOMPLETION	TOTAL
TANGIBLE COSTS (CONTINUED)					
CONDUCTOR:	120' 20" 94# H40 67.50/FT	10,680.00	0.00	0.00	10,680.00
PIPELINE:	SALES LINE EQUIPMENT	0.00	42,500.00	0.00	42,500.00
PRODUCTION CASING:	15317' 5.5" 20# P110 \$18.95/FT	0.00	290,257.00	0.00	290,257.00
TUBING:	10250' 2 7/8" 6.6# N80 \$6.35/FT	0.00	65,088.00	0.00	65,088.00
OTHER NON-CONTROLLABLE EQUIP:	OTHER LEASE & WELL EQUIPMENT	0.00	9,505.00	0.00	9,505.00
DOWNHOLE EQUIPMENT,SUBSURF:	SUBSURFACE WELL EQUIP. PACKERS/BOTTOM HOLE PUMP	0.00	9,500.00	0.00	9,500.00
FLOWLINES, VALVES, FITTINGS:		0.00	20,750.00	0.00	20,750.00
LINE PIPE:	FLOWLINES	0.00	15,000.00	0.00	15,000.00
PUMPING EQUIPMENT:	PUMPING UNIT OR SUB PUMP	0.00	91,500.00	0.00	91,500.00
TANKAGE, STORAGE FACILITIES:		0.00	148,650.00	0.00	148,650.00
SEPARATOR:		0.00	50,850.00	0.00	50,850.00
INSTALL SURFACE EQUIP, ELECTRI:	INSTALLATION OF SURFACE LEASE EQUIPMENT	0.00	133,500.00	0.00	133,500.00
TOTAL TANGIBLE COSTS		317,533.00	885,950.00	0.00	1,203,483.00
TOTAL DEVELOPMENT COSTS		3,298,993.00	5,139,736.00	0.00	8,438,729.00

	AFE Estimate		Your Share
DRILLING	3,298,993.00	0.00609841	20,118.61
COMPLETION	5,139,736.00	0.00609841	31,344.22
TOTAL	\$8,438,729.00		\$51,462.83

- ☐ I elect to purchase insurance provided by the Operator  
☐ I elect to provide my own insurance. I will provide a certificate of insurance upon request.

Joint Interest Approval - It is recognized that amounts provided for 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 herein set out, including cost of Operator's Well Control & Extra Expense Insurance.

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Tax Id: 85-0211268

READ & STEVENS, INC.  
P.O. BOX 1518  
ROSWELL NM 88202-1518

Owner ID: 9999900

Initial: \_\_\_\_\_

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

**AMENDED APPLICATION OF  
READ & STEVENS, INC. FOR A  
HORIZONTAL SPACING AND  
PRORATION UNIT AND  
COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 16503**

**AFFIDAVIT OF NORMAN LOVAN**

STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF CHAVES            )

Norman Lovan, being duly sworn, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein. I have previously testified before the New Mexico Oil Conservation Division and my qualifications accepted by the Division as an expert petroleum geologist.

2. I have been retained by Read & Stevens, Inc. in connection with the above-captioned application to provide a geological study of the target formation in the proposed horizontal spacing unit for the well and I am familiar with the geological matters involved in this case.

3. The following geological exhibits are attached to my Affidavit:

- a. Exhibit "A" is a structure map on the top of the Wolfcamp formation. It forms the base on which the basal 3<sup>rd</sup> Bone Spring Sand sits. It also shows that the structure dips gently to the South-Southeast, vertical Bone Spring

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT B

wells in the vicinity of the proposed North Lea 3 Federal #4H well, and a line of Cross-Section A-A.

- b. Exhibit B is an Interval Isopach Map of the Basal 3rd Bone Spring Sand (Green sand). It shows that the Bone Spring formation is uniform across the proposed well unit.
- c. Exhibit C consists of a stratigraphic cross section hung on the top of the 3<sup>rd</sup> Bone Spring Sand. The well logs on the cross-section give a representative sample of the Bone Spring formation in the area. The target zone for the well is the basal 3<sup>rd</sup> Bone Spring Sand (Green Sand), and that zone is continuous across the well unit.
- d. The surface hole location is approximately 220 ft. FNL and 970 ft. FWL and the well will be drilled to TVD of 10,918 ft. with a measured depth of 15,407 ft. The bottom hole location is at 330 ft. FSL and 970 ft. FWL.

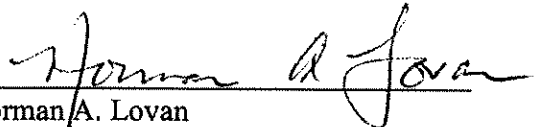
4. Based upon my experience, training and geological study as represented in these Exhibits, I conclude the following:

- 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.

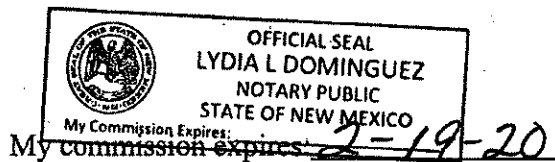


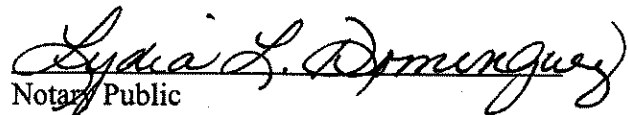
5. The preferred well orientation in this area is North-South. This is because the regional induced fractures trend northeast-southwest allowing near perpendicular intersection by the drilled lateral.

6. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.

  
Norman A. Lovan

SUBSCRIBED AND SWORN to before me this 31<sup>st</sup> day of October, 2018 by Norman A. Lovan.



  
Notary Public

W3303350.DOCX

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

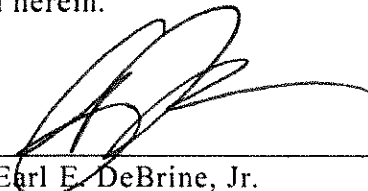
AMENDED APPLICATION OF  
READ & STEVENS, INC. FOR A  
HORIZONTAL SPACING AND  
PRORATION UNIT AND  
COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 16503

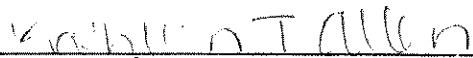
AFFIDAVIT

STATE OF NEW MEXICO       )  
  ) ss.  
COUNTY OF BERNALILLO    )

Earl E. DeBrine, attorney in fact and authorized representative of Read & Stevens, Inc. ("Read & Stevens"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and that proof of receipt is attached hereto. Read & Stevens, Inc. has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the application filed herein.

  
\_\_\_\_\_  
Earl E. DeBrine, Jr.

SUBSCRIBED AND SWORN to before me this 31<sup>st</sup> day of October, 2018 by  
Earl E. DeBrine, Jr.

  
\_\_\_\_\_  
Notary Public

My commission expires: 07-22-2022

W3303092.DOCX

Read & Stevens, Inc.

CASE NO. 16503  
EXHIBIT C



MODRALL SPERLING

LAWYERS

October 11, 2018

**VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF READ & STEVENS, INC. FOR A  
HORIZONTAL SPACING AND PRORATION UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Earl E. DeBrine, Jr.  
505.848.1810  
Fax: 505.848.1891  
edebrine@modrall.com

**Case No.: 16503**

**TO: AFFECTED PARTIES**

This letter is to advise you that Read & Stevens, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order to create a 160-acre, more or less, horizontal spacing unit and proration unit covering the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the unit for the **North Lea 3 Federal Com #4H well**, to be horizontally drilled.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on November 1, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Earl E. DeBrine, Jr.  
*Attorney for Applicant*

EED/hta/W3291636.DOCX  
Enclosures  
cc: Jennifer L. Bradfute

Modrall Sperling  
Roehl Harris & Sisk P.A.

Bank of America Centre  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com

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

**AMENDED APPLICATION OF  
READ & STEVENS, INC. FOR A  
HORIZONTAL SPACING AND  
PRORATION UNIT AND  
COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16503

**AMENDED APPLICATION**

Read & Stevens, Inc. ("Read & Stevens"), OGRID Number 18917, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) creating a 160-acre, more or less, horizontal spacing unit and proration unit covering the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. In support of this application, Read & Stevens states as follows:

1. Read & Stevens is an interest owner in the subject lands and has a right to drill a well thereon.
2. Read & Stevens seeks to dedicate the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico to the proposed well to form a 160-acre, more or less, horizontal oil spacing and proration unit.
3. Read & Stevens plans to drill the **North Lea 3 Federal Com #4H** well to a depth sufficient to test the Bone Spring formation.
4. The well that Read & Stevens seeks to drill will comply with the setback requirements established under the Division's rules.

5. Read & Stevens sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Read & Stevens requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 4, 2018, and after notice and hearing as required by law, the Division enter its order:

A. Creating a spacing and proration unit in the Bone Spring formation comprised of the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.:

B. Pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit;

C. Designating Read & Stevens as operator of this unit and the wells to be drilled thereon;

D. Authorizing Read & Stevens to recover its costs of drilling, equipping and completing these wells;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: 

\_\_\_\_\_  
Earl E. DeBrine, Jr.  
Jennifer Bradfute  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[jlb@modrall.com](mailto:jlb@modrall.com)  
*Attorneys for Applicant*

Y:\dox\client\60806\0113\PLEADING\W3284982.DOCX

Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 153226  
Generated: 10/30/2018 9:07:05 AM

Date Created	Name 1	Address	City	State	Zip	Certified Mailing Status	Service Options	Mail Delivery Date
2018-10-11 10:22 AM	SMS Oil & Gas	P.O. BOX 2234	ARDMORE	OK	73402	Delivered	Return Receipt - Electronic	10-18-2018
2018-10-11 10:22 AM	Wesley Miller	300 FALCON RIDGE	ALEDO	TX	76008	To be Returned	Return Receipt - Electronic	10-16-2018
2018-10-11 10:22 AM	Chevron USA, Inc	P.O. BOX 2100	HOUSTON	TX	77252	Delivered	Return Receipt - Electronic	10-15-2018
2018-10-11 10:22 AM	Andrea Bunnnett, sep property	4329 GLENWICK LANE	DALLAS	TX	75205	Delivered	Return Receipt - Electronic	10-15-2018
2018-10-11 10:22 AM	Jensen Family Trust	1702 NW RIDGE RD	ANKENY	IA	50023-6704	Undelivered	Return Receipt - Electronic	10-15-2018
2018-10-11 10:22 AM	Weimer, Inc	3020 PRESTONWOOD DR.	PLANO	TX	75093	Delivered	Return Receipt - Electronic	10-15-2018
2018-10-11 10:22 AM	Abby Corporation	P.O. BOX 2899	GRAND JUNCTION	CO	81502	Delivered	Return Receipt - Electronic	10-15-2018
2018-10-11 10:22 AM	Susan Bonner Mead, Tstee of Houston Rev Tst	5938 ELDERWOOD DRIVE	DALLAS	TX	75230	Delivered	Return Receipt - Electronic	10-15-2018
2018-10-11 10:22 AM	Osprey Oil & Gas	3404 BRANGUS ROAD	GEORGETOWN	TX	78628	Delivered	Return Receipt - Electronic	10-19-2018
2018-10-11 10:22 AM	Justin McClelland	126 POPPY ROAD	ROSWELL	NM	88201	Delivered	Return Receipt - Electronic	10-22-2018
2018-10-11 10:22 AM	Nancy P. Mackey	4818 S. ZUNIS AVENUE	TULSA	OK	74105	Mailed	Return Receipt - Electronic	10-16-2018
2018-10-11 10:22 AM	Lucinda Loveless Rev Trust	P.O. BOX 8	HONDO	NM	88336	Delivered	Return Receipt - Electronic	10-16-2018
2018-10-11 10:22 AM	Loveless Land Holdings	P.O. BOX 12454	DALLAS	TX	75225	Delivered	Return Receipt - Electronic	10-18-2018
2018-10-11 10:22 AM	Stuart E. Keay	2420 HUGO STREET, APT 1	DALLAS	TX	75204	Delivered	Return Receipt - Electronic	10-16-2018
2018-10-11 10:22 AM	MPS, Inc	P.O. BOX 1227	LOS GATOS	CA	95031	Delivered	Return Receipt - Electronic	10-16-2018
2018-10-11 10:22 AM	Laura K. Read, LLC	1217 W. THIRD STREET	ROSWELL	NM	88201	Delivered	Return Receipt - Electronic	10-15-2018
2018-10-11 10:22 AM	Bruce Alan McNaughton	P.O. BOX 1227	LOS GATOS	CA	95031	Delivered	Return Receipt - Electronic	10-16-2018
2018-10-11 10:22 AM	AMEREDEV New Mexico, LLC	5707 SOUTHWEST PARKWAY, I AUSTIN	TX	78735	Undelivered	Return Receipt - Electronic	Return Receipt - Electronic	10-16-2018

## Transaction Details

**Recipient:**

Nancy P. Mackey  
4613 S. ZUNIS AVENUE  
TULSA, OK 74105

**Sender:**

Kathleen Allen  
Modali Spelling Racht Harris & Sisk, P.A.  
P.O. Box 2768  
Albuquerque, NM 87103-2768

Transaction created by: Kathleen

User ID: 20619

Firm Mailing Book ID: 153226

Batch ID: 147315

Certified Mail Article Number:

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Return Receipt Article Number:

Service Options:

Return Receipt - Electronic

Mail Service:

Certified

Reference #:

60506-0113

Postage:

\$1.21

Fees:

\$4.95

Status:

Mailed

Custom Field 1:

60506-0113

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Custom Field 3:

60506-0113

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## Transaction History

**Event Description****Event Date****Details**

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USPS® Certified Mail	10-12-2018 07:33 AM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE, NM
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USPS® Certified Mail	10-16-2018 07:44 AM	[USPS] - SORTING/PROCESSING COMPLETE at TULSA, OK
USPS® Certified Mail	10-16-2018 07:54 AM	[USPS] - OUT FOR DELIVERY at TULSA, OK
USPS® Certified Mail	10-16-2018 10:16 AM	[USPS] - NO AUTHORIZED RECIPIENT AVAILABLE at TULSA, OK



# Transaction Details

<b>Recipient:</b> Jensen Family Trust 1702 NW RIDGE RD ANN ARBOR MI 48103-6754	<b>Certified Mail Article Number:</b> 9314452954300051837020 <b>Return Receipt Article Number:</b>
<b>Sender:</b> Kat Allen Mortali Spentini Roel Haris & Sons P.A. P.O. Box 2168 Albuquerque NM 87103-2168	<b>Service Options:</b> Return Receipt - Electronic <b>Mail Service:</b> Certified <b>Reference #:</b> 60806-0113 <b>Postage:</b> \$1.21 <b>Fees:</b> \$1.95 <b>Status:</b> Undelivered <b>Custom Field 1:</b> 60806-0113 <b>Custom Field 2:</b> 60806-0113 <b>Custom Field 3:</b> 60806-0113
<b>Transaction created by:</b> KatAllen <b>User ID:</b> 20619 <b>Firm Mailing Book ID:</b> 153226 <b>Batch ID:</b> 147315	

# Transaction History

Event Description	Event Date	Details
Mailbook Generated	10-11-2018 10:43 AM	[WALZ] - Firm Mailing Book 153226 generated by: KatAllen
USPS® Certified Mail	10-11-2018 03:44 PM	[USPS] - FRESHMENT INFO SENT - USPS AWAITS ITEM at TELLECH, ALA
USPS® Certified Mail	10-11-2018 10:12 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE, NM
USPS® Certified Mail	10-11-2018 11:02 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE, NM
USPS® Certified Mail	10-12-2018 07:38 AM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE, NM
USPS® Certified Mail	10-13-2018 07:47 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at DES MOINES, IA
USPS® Certified Mail	10-13-2018 08:54 AM	[USPS] - DEPART USPS FACILITY at DES MOINES, IA
USPS® Certified Mail	10-13-2018 09:52 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at DES MOINES, IA

## Transaction Details

**Recipient:**

Wesley Miller  
300 FALCON RIDGE  
ALEDO, TX 76008

**Sender:**

Kathleen Allen  
Madraff Spiering Roehl Harris & Sisk, P.A.  
P.O. Box 2108  
Albuquerque, NM 87103-2108

Transaction created by: Kathleen

User ID: 20010

Firm Mailing Book ID: 153226

Batch ID: 147315

Certified Mail Article Number: 6914869904300051637051

Return Receipt Article Number:

**Service Options:**

Return Receipt - Electronic

**Mail Service:**

Certified

**Reference #:**

60605-0113

**Postage:**

\$1.21

**Fees:**

\$4.95

**Status:**

To be Returned

**Custom Field 1:**

60605-0113

**Custom Field 2:**

60605-0113

**Custom Field 3:**

60605-0113

## Transaction History

**Event Description****Event Date****Details**

Mailbook Generated

10-11-2018 10:48 AM

[WALZ] - Firm Mailing Book 153226 generated by - Kathleen

USPS® Certified Mail

10-11-2018 05:44 PM

[USPS] - PRESHIPMENT INFO SENT - USPS AVANTS ITEM at TEMECULA, CA

USPS® Certified Mail

10-11-2018 10:12 PM

[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE, NM

USPS® Certified Mail

10-12-2018 07:38 AM

[USPS] - DEPART USPS FACILITY at ALBUQUERQUE, NM

USPS® Certified Mail

10-13-2018 06:16 PM

[USPS] - PROCESSED THROUGH USPS FACILITY at FORT WORTH, TX

USPS® Certified Mail

10-13-2018 09:35 PM

[USPS] - DEPART USPS FACILITY at FORT WORTH, TX

USPS® Certified Mail

10-15-2018 09:01 AM

[USPS] - ARRIVAL AT UNIT at ALEDO, TX

USPS® Certified Mail

10-15-2018 09:34 AM

[USPS] - NO ACCESS at ALEDO, TX

Transaction Details

Recipient:	Certified Mail Article Number:	55119690243702415168837
AMEREDDEV New Mexico LLC	Return Receipt Article Number:	
5707 SOUTHWEST PARKWAY BLD 1, STE 277		
AUSTIN, TX 78735		
Sender:	Service Options:	Return Receipt - Electronic
Kathleen Allen	Mail Service:	Certified
Mudrall Spurling Roshl Harris & Sisk P.A.	Reference #:	60905-0113
P.O. Box 2168	Postage:	\$1.21
Albuquerque, NM 87103-2168	Fees:	\$1.55
Transaction created by: KatAllen	Status:	Undelivered
User ID: 20619	Custom Field 1:	60905-0113
Firm Mailing Book ID: 151226	Custom Field 2:	60905-0113
Batch ID: 147315	Custom Field 3:	60905-0113

Transaction History

Event Description	Event Date	Details
Mailbox Generated	10-11-2018 10:43 AM	[WALZ] - Firm Mailing Book 151226 generated by: KatAllen
USPS® Certified Mail	10-11-2018 09:44 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITING PICKUP AT TELEGRAPH CA
USPS® Certified Mail	10-11-2018 10:12 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE NM
USPS® Certified Mail	10-12-2018 07:38 AM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE NM
USPS® Certified Mail	10-13-2018 05:48 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at AUSTIN, TX
USPS® Certified Mail	10-14-2018 04:01 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at AUSTIN, TX

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

Beginning with the issue dated  
October 17, 2018  
and ending with the issue dated  
October 17, 2018.



Publisher

Sworn and subscribed to before me this  
17th day of October 2018.

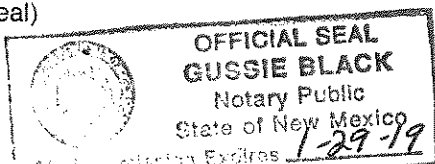


Business Manager

My commission expires

January 29, 2019

(Seal)



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

## LEGAL NOTICE OCTOBER 17, 2018

CASE NO. 16503: Notice to all affected parties, as well as the heirs and devisees of AMEREDEV New Mexico, LLC, Bruce Alan McNaughton, Laura K. Read, LLC, MPS, Inc., Stuart E. Keay, Loveless Land Holdings, Lucinda Loveless, Lucinda Loveless Rev Trust, Nancy P. Mackey, Justin McClelland, Deprey Oil & Gas, Susan Bonner Mead, Tstee of Houston Rev Tst, Abby Corporation, Welmer, Inc., Jensen Family Trust, Andrea Bunnett, sep property, Chevron USA, Inc., Wesley Miller, SNS Oil & Gas of Read & Stevens, Inc.'s Amended Application for a horizontal spacing unit and proration unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on November 1, 2018 to consider this amended application. Applicant seeks an order from the Division: (1) creating a 160-acre, more or less, horizontal spacing and proration unit covering the W/2W/2 of Section 3, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the North Lea 3 Federal Com #4H well, being horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Read & Stevens as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles west of Hobbs, New Mexico.  
#33331

01104570

00219450

DOLORES SERNA  
MODRALL, SPERLING, ROEHL, HARRIS &  
P. O. BOX 2168  
ALBUQUERQUE, NM 87103-2168