

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF CAZA PETROLEUM, LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 16360 (re-opened)

VERIFIED STATEMENT OF JOHN E. BROWN

John E. Brown, being duly sworn upon his oath, deposes and states:

1. I am a landman for Caza Petroleum, LLC ("Caza"), and have personal knowledge of the matters set forth 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 compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Wolfcamp horizontal spacing unit described below, and in the wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have simply failed or refused to voluntarily commit their interests to the wells.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Caza seeks an order pooling all mineral interests in a 640 acre horizontal spacing unit in the Wolfcamp formation comprised of the N/2 of Section 22 and the N/2 of Section 21, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. The unit will be dedicated to the Forehand Ranch 22-21 State Com. Well No. 2H and the Forehand Ranch 22-21 State Com. Well No. 4H, to be drilled to a depth sufficient to test the Wolfcamp formation. They are horizontal wells, with a first and last take points shown on the C-102a attached as Attachment A.

Applicant seeks to make each well the "first" well under a pooling order so that it can drill both wells and then frac them simultaneously.

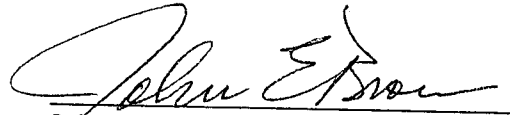
EXHIBIT /

- (d) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth. Caza has searched public records and internet records to determine these addresses. None of the letters sent to the interest owners have been returned as undeliverable.
- (e) Attachment C is a copy of the proposal letter sent to the working interest owners for Well No. 4H. In addition to this letter, I have had numerous phone calls and e-mails with the interest owners except for Haycor, Inc., which has not responded to our contacts. Also, a form Joint Operating Agreement has been sent to all working interest owners.
- (f) Caza has made a good faith effort to locate all interest owners and to obtain the voluntary joinder of the working interest owners in the proposed wells.
- (g) Caza has the right to pool the overriding royalty owners in the well unit.
- (h) Attachment D contains the Authorizations for Expenditure for Well No. 4H. The estimated cost of the well set forth therein is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Eddy County.
- (i) Caza requests overhead and administrative rates of \$7500/month for a drilling well and \$750/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Caza requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (j) Caza requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (k) Caza requests that it be designated operator of the wells.
- (l) The attachments to this affidavit were prepared by me, or compiled from company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION


STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

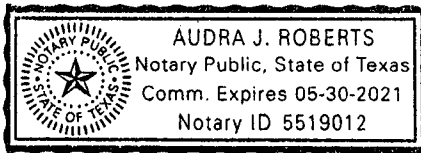
John E. Brown, being duly sworn upon his oath, deposes and states that: He is a landman for Caza Petroleum, LLC; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


John E. Brown

SUBSCRIBED AND SWORN TO before me this 9th day of January, 2019 by John E. Brown.

My Commission Expires: 5-30-21


Notary Public



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

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

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
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, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45372	Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code 320546	Property Name FOREHAND RANCH NORTH 22-21 STATE COM	Well Number 4H
OGRID No. 299049	Operator Name CAZA OPERATING, LLC	Elevation 3140'

Surface Location

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	22	23-S	27-E		1440	NORTH	250	EAST	EDDY

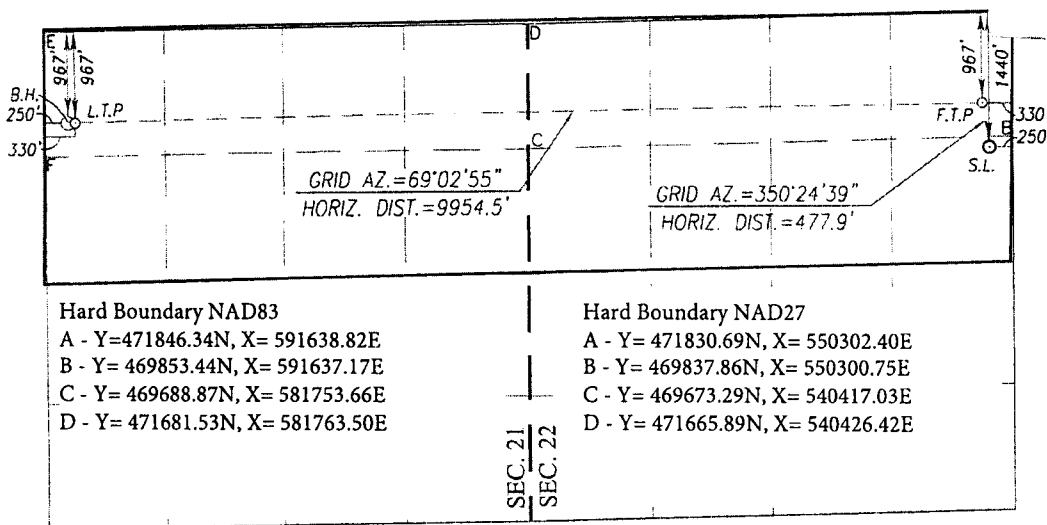
Bottom Hole Location If Different From Surface

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	23-S	27-E		967	NORTH	250	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NC

ATTACHMENT A



OPERATOR CERTIFICATION

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

Signature: *Steve Morris* Date: 12/24/2018

Printed Name: Steve Morris

E-mail Address: steve.morris@morcorengineering.com

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.

SEPTEMBER 21, 2018

Date of Survey
Signature & Seal of Professional Surveyor:

Ronald J. Eidson 11/17/2018
Certificate Number: 12641
Ronald J. Eidson 3239
LSI Rel 18.11.1057 JWSC W.O. 18.13.1228

BOTTOM HOLE LOCATION
NAD 27 NME
Y = 470983.9 N
X = 540585.4 E
LAT. = 32.294783° N
LONG. = 104.201989° W

LAST TAKE POINT
NAD 27 NME
Y = 470983.1 N
X = 540505.4 E
LAT. = 32.294781° N
LONG. = 104.202248° W

FIRST TAKE POINT
NAD 27 NME
Y = 471148.3 N
X = 550456.0 E
LAT. = 32.295198° N
LONG. = 104.170044° W

GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y = 470677.1 N
X = 550535.6 E
LAT. = 32.293902° N
LONG. = 104.169789° W

BOTTOM HOLE LOCATION
NAD 83 NME
Y = 471042.7 N
X = 581767.6 E
LAT. = 32.294902° N
LONG. = 104.202488° W

LAST TAKE POINT
NAD 83 NME
Y = 471041.9 N
X = 581687.6 E
LAT. = 32.294900° N
LONG. = 104.202747° W

FIRST TAKE POINT
NAD 83 NME
Y = 471207.1 N
X = 591638.3 E
LAT. = 32.295317° N
LONG. = 104.170542° W

GEODETIC COORDINATES
NAD 83 NME
SURFACE LOCATION
Y = 470736.0 N
X = 591717.9 E
LAT. = 32.294022° N
LONG. = 104.170287° W

CORNER COORDINATES TABLE
NAD 27 NME

A - Y = 469470.1 N, X = 550784.5 E
B - Y = 470796.6 N, X = 550785.6 E
C - Y = 470675.2 N, X = 545534.6 E
D - Y = 472000.5 N, X = 545537.5 E
E - Y = 471947.4 N, X = 540253.0 E
F - Y = 470621.0 N, X = 540256.4 E

CORNER COORDINATES TABLE
NAD 83 NME

A - Y = 469528.9 N, X = 591966.9 E
B - Y = 470855.4 N, X = 591968.0 E
C - Y = 470734.0 N, X = 586716.9 E
D - Y = 472059.4 N, X = 586719.8 E
E - Y = 472006.1 N, X = 581435.1 E
F - Y = 470679.7 N, X = 581438.6 E

FOREHAND RANCH NORTH 22-21 #4H WORKING INTEREST OWNERS

11/30/2018

Caza Petroleum, LLC Attn: Rich Albro 4 Greenspoint Place 16945 Northchase Drive, Suite 1430 Houston, Texas 77060	53.750000%
Chevron USA Inc. Attn: Kristin Hunter, Land Representative OBO MCBU Land Dept. 6301 Deauville Blvd. Midland, Texas 79706	24.203311%
MRC Explorers Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	1.035195%
MRC Spiral Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	1.035195%
Heyco Development Corporation P. O. Box 1933 Roswell, New Mexico	10.046016%
Yates Energy Corporation P. O. Box 2323 Roswell, New Mexico 88201	3.406931%
D. Van Matthew, MSU 2200 S. W. Freeway, Suite 500 Houston, Texas 77089	2.762500%
Harold Hees, MSU P. O. Box 7638 Corpus Christi, Texas	1.062500%
Howard Lorch, MSU 2203 Chilton Road Houston, Texas 77019	0.250000%
Tim Hogan, MSU 2 Michelle Lane Warren, New Jersey 07059	0.250000%

ATTACHMENT *B*

FOREHAND RANCH NORTH 22-21 #4H WORKING INTEREST OWNERS (con't)
11/30/2018

Haycor, Inc. 15723 Hermitage Oaks Drive Tomball, Texas 77375	0.01250%
Marathon Oil Permian, LLC Attn: Matt Brown 5555 San Felipe Room 3720 Houston, Texas 77056	0.510465%
Black Stone Energy Company Attn: Luke Mildren 1001 Fannin, Suite 2020 Houston, Texas 77002	0.510465%
Black Stone Natural Resources III-B, LP Attn: Luke Mildren 1001 Fannin, Suite 2020 Houston, Texas 77002	0.416667%
Roadrunner Oil & gas, LLC Attn: Cathy Green 1401 Ballinger Street Fort Worth, Texas 76102	0.012500%
Poco Oil Company 13103 Holston Hills Drive Houston, Texas 77069	0.170155%
Shyla Corporation 3101 Richmond Avenue, Suite 210 Houston, Texas 77098	0.127616%
Frederick W. Zimmerman, d/b/a Island Resources 6760 Portwest Drive Houston, Texas 77024	0.127617%



November 30, 2017

To: All Working Interest Owners
(See Attached Owner and Interest List)

Re: WELL PROPOSAL
Forehand Ranch North 22-21 #4H Well
Sections 22 and 21, T23S-R27E
Eddy County, New Mexico


Ladies and Gentlemen:

Caza Petroleum, LLC, ("Caza") hereby proposes the drilling of the Forehand Ranch North 22-21 #4H Well as a 9,705' total vertical depth, 19,750' measured depth horizontal Wolfcamp test from a surface location 1,440' FSL and 250' FEL of Section 22 to a bottom hole location 1,694' FNL and 270' FWL of Section 21, T23S-R27E, Eddy County, New Mexico. This well is proposed as an infill well to the Forehand Ranch North 22-21 #2H Well which was force pooled at the NMOCD Hearing on September 6, 2018, for the N/2 Section 22 and N/2 Section 21 unit. Caza's AFE dated November 26, 2018, is enclosed estimating the completed well cost as \$14,643,149.

If you agree to participate in the drilling of the Forehand Ranch North 22-21 #4H Well, please so indicate in the space provided below and return the following to Jeannie Roberts at jroberts@cazapetro.com 1) an executed copy of this letter and 2) an executed copy of the enclosed AFE.

All operational questions should be addressed to Tony Sam, Caza Vice President of Operations at 832-381-3851 or tsam@cazapetro.com

Very truly yours,
CAZA-PETROLEUM, LLC


John E. Brown, CPL
Land Manager

I/We elect this _____ day of December, 2018, as follows:

_____ Elect to participate in the drilling and completion of the Forehand Ranch North 22-21 #4H Well,
or
_____ Elect NOT to participate in the drilling and completion of the Forehand Ranch North 22-21 #4H Well.

Company: _____

By: _____

Name: _____

Title: _____

ATTACHMENT C

FOREHAND RANCH NORTH 22-21 #4H WORKING INTEREST OWNERS

11/30/2018

Caza Petroleum, LLC Attn: Rich Albro 4 Greenspoint Place 16945 Northchase Drive, Suite 1430 Houston, Texas 77060	53.750000%
Chevron USA Inc. Attn: Kristin Hunter, Land Representative OBO MCBU Land Dept. 6301 Deauville Blvd. Midland, Texas 79706	24.203311%
MRC Explorers Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	1.035195%
MRC Spiral Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	1.035195%
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Yates Energy Corporation P. O. Box 2323 Roswell, New Mexico 88201	3.406931%
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Harold Hees, MSU P. O. Box 7638 Corpus Christi, Texas	1.062500%
Howard Lorch, MSU 2203 Chilton Road Houston, Texas 77019	0.250000%
Tim Hogan, MSU 2 Michelle Lane Warren, New Jersey 07059	0.250000%

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Black Stone Natural Resources III-B, LP Attn: Luke Mildren 1001 Fannin, Suite 2020 Houston, Texas 77002	0.416667%
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Shyla Corporation 3101 Richmond Avenue, Suite 210 Houston, Texas 77098	0.127616%
Frederick W. Zimmerman, d/b/a Island Resources 6760 Portwest Drive Houston, Texas 77024	0.127617%



AUTHORITY FOR EXPENDITURE
New Drilling, Recompletion & Re-Entry

AFE Number: 52115
AFE Date: 11/26/2018

Well Name:	Forehand Ranch N. 22-21-4H	County, State:	Eddy, New Mexico	New Drill:	X	Oil:	
Location:	Sect 22 - T23S - R27E	Field:	Purple Sage Wolfcamp	Recompletion:		Gas:	
SHL:	1440'FNL 250'FEL Sec 22	Horizon:	Wolfcamp 2	Re-Entry:		Injector:	
Well:	1694'FNL 270'FWL Sec 21	Projected Depth:	9,705'TVD -19,750'MD	Development:	X	Exploratory:	

Drilling/Completion Description	Code	Drilling Intangible	Code	Completion Intangible	Total Cost
Permits and Signs	1-01	\$7,931			\$7,931
Damages	1-02	\$33,311	3-02	\$17,449	\$50,760
Road/Pipeline Easement and ROW	1-03		3-49		
Location and Roads	1-04	\$157,817	3-78	\$16,391	\$174,208
Pits and Liner	1-05	\$49,914	3-74		\$49,914
Spill Clean up and Restoration	1-06		3-81	\$26,438	\$26,438
Drilling Turnkey	1-07				
Drilling Footage	1-08				
Drilling Daywork	1-09	\$648,448	3-39		\$648,448
Bits	1-10	\$102,578	3-80	\$5,288	\$107,865
Transport Rig In and Out	1-11	\$19,564			\$19,564
Well Testing Equipment/ Flowback			1-40	\$104,693	\$104,693
Coring	1-13				
Mud Logging	1-14	\$47,696			\$47,696
Overhead Engineering Planning/ W ell	1-93	\$5,711	3-04		\$5,711
Water	1-16	\$78,837	3-72	\$522,141	\$600,977
Fuel	1-17	\$347,651	3-48	\$447,423	\$795,084
Mud and Chemicals	1-18	\$195,638	3-71	\$179,775	\$375,413
Pipe Inspection and Tests	1-19	\$28,146	3-59	\$10,657	\$38,803
Rental Equipment	1-20	\$90,109	3-47		\$90,109
Casing Crew Surface	1-21	\$8,291			\$8,291
Welding	1-22	\$8,989	3-77	\$26,438	\$35,426
Surface Hole Cement	1-23	\$29,084			\$29,084
Directional Drilling	1-24	\$367,702			\$367,702
Engineering Supervisor	1-25	\$28,041			\$28,041
Geological Supervisors	1-26	\$4,759			\$4,759
Insurance	1-27	\$10,007	3-67	\$15,863	\$25,869
Consultants	1-28	\$126,184	3-52	\$112,624	\$238,808
Miscellaneous	1-29	\$6,345	3-90	\$26,438	\$32,783
Equipment Repairs	1-30		3-20	\$8,989	\$8,989
Plugging	1-31		3-85		
Survey and Stake Location	1-32	\$8,460	3-43		\$8,460
Cement Intermediate Casing	1-33	\$25,338			\$25,338
Special Services	1-34		3-58		
Title Curative	1-35		3-34		
Wireline	1-36	\$15,499	3-43	\$297,158	\$312,656
Contingency 10%	1-37	\$365,365	3-31	\$846,303	\$1,211,668
Fishing Service	1-38		3-05		
Forklift	1-39	\$6,134	3-68	\$27,759	\$33,893
Fishing Equipment	1-40		3-06		
OCD Hearings	1-41				
Title Opinion	1-42	\$16,900	3-35		\$16,900
Whipstock Service	1-43		3-07		
Completion Unit			3-38	\$53,933	\$53,933
Closed Loop System	1-45	\$79,448	3-09		\$79,448
Unitization - Geological	1-46		3-10		
Unitization - Legal	1-47		3-11	\$10,575	\$10,575
Whipstock Service	1-43		3-70	\$296,100	\$296,100
Casing Crew Intermediate	1-49	\$15,630			\$15,630
Casing Crew Production	1-50	\$15,646	3-73		\$15,646
Water Well	1-51				
Arch Survey	1-52		3-60		
Swab Unit/ Snubbing Unit			3-01	\$53,933	\$53,933
Perforating	1-54		3-42		
BOPE Testing	1-55	\$14,276	3-45	\$17,360	\$31,636
Contract Service and Equipment	1-56	\$43,364	3-70	\$296,100	\$339,464
Telecommunications	1-84	\$5,082	3-82	\$539	\$5,622
Repairs - Labor and Material	1-58		3-87		
Potable Water	1-96	\$15,773	3-68		\$15,773
Roustabout Service	1-60		3-76	\$148,896	\$148,896
Water Disposal	1-61		3-66	\$105,750	\$105,750
Safety Equipment Rental	1-82		3-66		
Onsite Housing	1-63	\$21,031	3-68	\$12,584	\$33,615
Waterline Rental	1-84		3-12	\$177,660	\$177,660
Mud Disposal	1-66	\$82,503	3-13	\$105,750	\$188,253
Downhole Rental Equipment	1-68		3-86	\$51,500	\$51,500
Surface Rental Equipment	1-67	\$99,921	3-03	\$76,140	\$176,061
Mud Cleaning Equipment	1-68	\$137,475	3-14		\$137,475
Cement Uner/Production Casing	1-69	\$102,234	3-37		\$102,234
Transportation/ Trucking	1-70	\$35,955	3-63	\$17,015	\$52,970
Abstract	1-71		3-33		
Light Towers and Generators	1-72	\$63,092	3-15	\$16,656	\$79,748
Frac Tank Rental	1-74	\$4,584	3-21	\$24,428	\$29,012
Coil Tubing Unit			3-85		
Hydrotesting			3-88		
Reverse Unit			3-17	\$89,348	\$89,348
Tubing Rental/ Repairs			3-18	\$14,805	\$14,805
Manlift	1-48		3-46	\$17,766	\$17,766
Pressure Control			3-19	\$211,500	\$211,500
Crane or Mast Truck	1-44		3-79		
Cement Squeeze	1-83		3-16		
Laydown Truck	1-80		3-88	\$19,035	\$19,035
Pumping Service	1-81		3-49		
Stimulation	1-86		3-45	\$4,441,500	\$4,441,500
Acidization			3-44	\$12,690	\$12,690
Float Equipment	1-91	\$39,614	3-81		\$39,614
Legal and Professional Service	1-92		3-82	\$10,575	\$10,575
Chemicals and Treating			3-81	\$132,188	\$132,188
Completion Fluids			3-82	\$21,150	\$21,150
Total Intangibles		\$3,616,084		\$9,127,298	\$12,743,382

ATTACHMENT D



Caza
Petroleum

AUTHORITY FOR EXPENDITURE
New Drilling, Recompletion & Re-Entry

AFE Number: 52115
AFE Date: 11/26/18

Well Name:	Forehand Ranch N. 22-21-4H	County, State:	Eddy, New Mexico	New Drill	x	Oil	
Location:	Sect 22 - T23S - R27E	Field:	Purple Sage Wolfcamp	Recompletion		Gas	
SHL:	1440'FSL 250'FEL Sec 22	Horizon	Wolfcamp 2	Re-Entry		Injector	
BHL:	1694'FNL 270'FWL Sec 21	Projected Depth:	9,705'TVD -19,750'MD	Development	x	Exploratory	

Tangibles Description	Code	Drilling Tangibles	Code	Completion Tangibles	Total Cost
Production Casing	2-31	\$373,853	4-56		\$373,853
Conductor	2-32	\$8,502			\$8,502
Surface Casing	2-33	\$85,721			\$85,721
Intermediate Casing	2-34	\$304,481			\$304,481
Tubing			4-58	\$54,853	\$54,853
Well Head	2-36	\$33,311	4-63		\$33,311
Other Tangible Equipment	2-37				
Liner	2-40		4-80		
Packers/ Bridge Plugs	2-43		4-66	\$109,610	\$109,610
Whipstock	2-57		4-57		
Couplings and Fittings	2-61		4-69	\$237,938	\$237,938
Turnkey Battery Installation			4-01		
Scab Liner			4-35		
Labor Construction			4-36	\$5,288	\$5,288
Sleeves			4-37		
Meter Station			4-38	\$5,816	\$5,816
Tank Containment			4-39	\$37,013	\$37,013
Gas Production Unit			4-40		
In Line Heater			4-41	\$11,633	\$11,633
Tubing Subs			4-42		
Gas Measurement Equipment			4-43		
Dehydrator			4-45		
SWD System			4-52	\$26,438	\$26,438
Tree, Tubing Wellhead Assembly			4-64	\$9,042	\$9,042
Downhole Equipment			4-59	\$5,816	\$5,816
Rods			4-62		
Pumping Unit			4-61		
Treater			4-60	\$11,685	\$11,685
Flowline and Fittings			4-64	\$10,575	\$10,575
Tankage			4-65	\$206,213	\$206,213
Separator			4-66	\$11,685	\$11,685
Downhole Pump			4-63		
Gas Lift			4-68	\$10,681	\$10,681
Compressors			4-67	\$14,805	\$14,805
Miscellaneous			4-68	\$10,575	\$10,575
Fencing			4-71	\$5,816	\$5,816
Gas Pipeline			4-92	\$2,644	\$2,644
Flare System			4-83	\$14,805	\$14,805
Transfer Pump			4-85	\$10,575	\$10,575
Liner Hanger			4-81		
Meters and Controls			4-70	\$63,450	\$63,450
Total Drilling Tangibles		\$805,868		\$876,953	\$1,682,821
		\$4,421,952		\$10,004,251	\$14,426,203

Prepared By: Tony B. Sam

Date: 11/27/18

Tony B. Sam

Company Approval:

Date:

Land:

COO:

Acct:

Pres:

Joint Owner Interest:

Amount:

Joint Owner:

Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By:

Date:

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

**APPLICATION OF CAZA PETROLEUM, LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 16360 (re-opened)

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

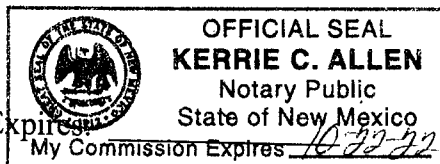
James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Caza Petroleum, LLC.
3. Caza Petroleum, LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owner, at its last known address, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Regulations.


James Bruce

SUBSCRIBED AND SWORN TO before me this 9th day of January, 2019 by
James Bruce.

My Commission Expires:



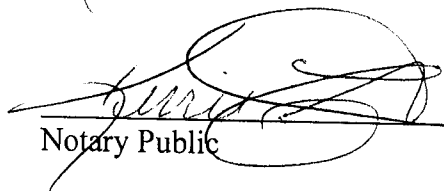

Notary Public

EXHIBIT 2

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

December 19, 2018

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

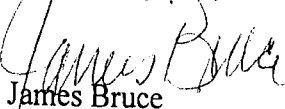
Ladies and gentlemen:

Enclosed is a copy of are-opened application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Caza Petroleum, LLC, regarding two Wolfcamp wells the N½ of Section 22 and the N½ of Section 21, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, January 10, 2019, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, January 3, 2019. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Caza Petroleum, LLC

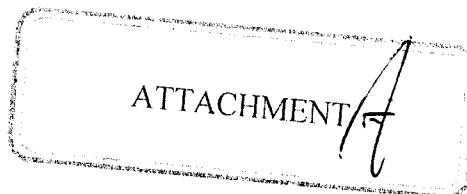


Exhibit A

Chevron USA Inc.
Attn: Kristin Hunter
MCBU Land Dept.
6301 Deauville Blvd.
Midland, Texas 79706

MRC Explorers Resources, LLC
MRC Spiral Resources, LLC
MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Yates Energy Corporation
400 N. Pennsylvania Ave., Suite 550
Roswell, New Mexico 88201

D. Van Matthew, MSU
c/o Keller Energy LLC
20714 Sunrise Point Ct.
Spring, Texas 77379

Harold Hees, MSU
102 Bay Court
Aransas Pass, Texas 78336

Howard Lorch, MSU
2203 Chilton Road
Houston, Texas 77019

Tim Hogan, MSU
3753 N. Pine Grove Ave., Unit 2
Chicago, Illinois 60613

Haycor, Inc.
507 W. Forest Drive
Houston, Texas 77079-6913

Marathon Oil Permian, LLC
Attn: Matt Brown
5555 San Felipe
Room 3720
Houston, Texas 77056

Roadrunner Oil & Gas, LLC
Attn: Cathy Green
3724 Hulen Street
Fort Worth, Texas 76107

Poco Oil Company
13103 Holston Hills Drive
Houston, Texas 77069

Shyla Corporation
3101 Richmond Avenue, Suite 210
Houston, Texas 77098

Frederick W. Zimmerman
d/b/a Island Resources
6760 Portwest Drive
Houston, Texas 77024

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MRC Explorers Resources, LLC
MRC Spiral Resources, LLC
MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ X

B. Received by (Printed Name)

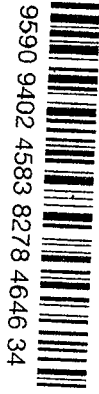
Davidson

☐ Agent
☐ Addressee

C. Date of Delivery

12/26/18

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:



9590 9402 4583 8278 4646 34

2. Article Number (Transfer from mailpiece, if any)

7018 1130 0001 5003 4271

PS Form 3811, July 2015 PSN 7530-02-000-9053

(over \$500)

Restricted Delivery

Signature Confirmation™
Restricted Delivery

Domestic Return Receipt

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
Here

Total Postage and Fees

MRC Explorers Resources, LLC
MRC Spiral Resources, LLC
MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

City, State, ZIP+4®

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

See Reverse for Instructions

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
Here

Total Postage and Fees

Yates Energy Corporation
400 N. Pennsylvania Ave., Suite 550
Roswell, New Mexico 88201

Street and Apt. No., or P.O. Box

City, State, ZIP+4®

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Energy Corporation
400 N. Pennsylvania Ave., Suite 550
Roswell, New Mexico 88201

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

Davidson

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:



3. Service Type

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Restricted Delivery

9590 9402 4583 8278 4647 26



2. Article 1

7018 1130 0001 5003 4288

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

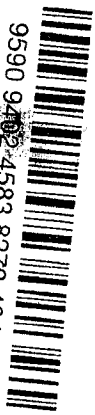
- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Roadrunner Oil & Gas, LLC
Attn: Cathy Green
3724 Hulien Street
Fort Worth, Texas 76107

COMPLETE THIS SECTION ON DELIVERY

- A. Signature [Signature] ☐ Agent
- B. Received by (Printed Name) C. Hays ☐ Addressee
- C. Date of Delivery _____
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below: _____



9590 9402 4583 8278 4646 72

2. Article Number (Transfer from service label)
7018 1130 0001 5003 4233

PS Form 3811, July 2015 PSN 7530-02-000-9053

22.4

Domestic Return Receipt

**U.S. Postal Service™
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Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
- ☐ Return Receipt (electronic) \$ _____
- ☐ Certified Mail Restricted Delivery \$ _____
- ☐ Adult Signature Required \$ _____
- ☐ Adult Signature Restricted Delivery \$ _____

Postage

Total Postage and Fee

Sent To
Roadrunner Oil & Gas, LLC
Attn: Cathy Green
3724 Hulien Street
Fort Worth, Texas 76107

City, State, ZIP+4®

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

See Reverse for Instructions

7018 1130 0001 5003 4233

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Shyla Corporation
3101 Richmond Avenue, Suite 210
Houston, Texas 77098



9590 9402 4583 8278 4647 02

2. Article Number (Transfer from service label)
7018 1130 0001 5003 4239

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

- A. Signature [Signature] ☐ Agent
- B. Received by (Printed Name) Shyla Corporation ☐ Addressee
- C. Date of Delivery _____
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below: _____

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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

See Reverse for Instructions

22.4

Domestic Return Receipt

**U.S. Postal Service™
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Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
- ☐ Return Receipt (electronic) \$ _____
- ☐ Certified Mail Restricted Delivery \$ _____
- ☐ Adult Signature Required \$ _____
- ☐ Adult Signature Restricted Delivery \$ _____

Total Postage and Fees

Sent To
Shyla Corporation
3101 Richmond Avenue, Suite 210
Houston, Texas 77098

City, State, ZIP+4®

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

See Reverse for Instructions

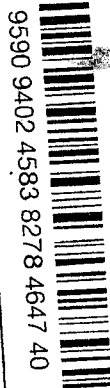
7018 1130 0001 5003 4239

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Harold Hees, MSU
102 Bay Court
Arlansas Pass, Texas 78336



9590 9402 4583 8278 4647 40

2. Article #

7018 1130 0001 5003 4301

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent
☐ Addressee
X *Harold Hees*
B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Delivery

Domestic Return Receipt

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

Total Postage and Fees

Sent To: Harold Hees, MSU
102 Bay Court
Arlansas Pass, Texas 78336

Street and Apt. No.

City, State, ZIP+4®

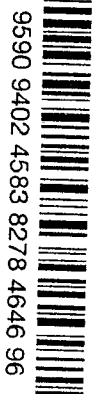
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Frederick W. Zimmerman
d/b/a Island Resources
6760 Portwest Drive
Houston, Texas 77024



9590 9402 4583 8278 4646 96

7018 1130 0001 5003 4202

PS Form 3811, July 2015 PSN 7530-02-000-9053

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Certified Mail Fee

- Extra Services & Fees (check box, add fee as appropriate)
- ☐ Return Receipt (hardcopy) \$
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

Total Postage

Sent To: Frederick W. Zimmerman
d/b/a Island Resources
6760 Portwest Drive
Houston, Texas 77024

City, State, ZIP+4®

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X *Frederick W. Zimmerman* ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

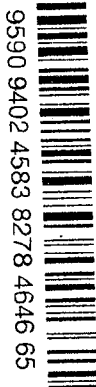
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian, LLC
Attn: Matt Brown
5555 San Felipe
Room 3720
Houston, Texas 77056



9590 9402 4583 8278 4646 65

2. Article No 7018 1130 0001 5003 4240

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Richard Vargas* C. Date of Delivery *10/28/18*

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

C2-4

Domestic Return Receipt

**U.S. Postal Service™
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Domestic Mail Only

For delivery information, visit our website at www.usps.com®

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fee \$

Sent To Marathon Oil Permian, LLC

Attn: Matt Brown

5555 San Felipe

Room 3720

Street and Apt. No., or

City, State, ZIP+4®

Houston, Texas 77056

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

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Howard Lorch, MSU
2203 Chilton Road
Houston, Texas 77019



9590 9402 4583 8278 4647 57

2. Article 7018 1130 0001 5003 4318

PS Form 3811, July 2015 PSN 7530-02-000-9053

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For delivery information, visit our website at www.usps.com®

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Howard Lorch, MSU
2203 Chilton Road

Street and Apt. No., or Houston, Texas 77019

City, State, ZIP+4®

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

See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Howard Lorch*

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:



9590 9402 4583 8278 4647 57

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

C2-4

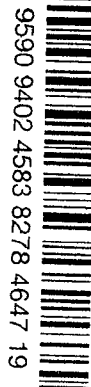
Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Inc.
Attn: Kristin Hunter
MCBU Land Dept.
6301 Deauville Blvd.
Midland, Texas 79706



9590 9402 4583 8278 4647 19

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Kristin Hunter* ☒ Agent ☐ Addressee

B. Received by (Printed Name) Claire C. Date of Delivery 12/26/18

D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

(over \$500) Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 **c 2 y** Domestic Return Receipt

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
- ☐ Return Receipt (electronic) \$ _____
- ☐ Certified Mail Restricted Delivery \$ _____
- ☐ Adult Signature Required \$ _____
- ☐ Adult Signature Restricted Delivery \$ _____

Postage

Total Postage at

Sent to Chevron USA Inc.

Attn: Kristin Hunter
MCBU Land Dept.
6301 Deauville Blvd.
Midland, Texas 79706

City, State, ZIP+4®

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

See Reverse for Instructions

7018 1130 0001 5003 4325

7018 1130 0001 5003 4226

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Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

Sent To

 POCO Oil Company
 13103 Holston Hills Drive
 Houston, Texas 77069

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

Postmark
Here

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

See Reverse for Instructions

7018 1130 0001 5003 4257

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

Sent To

 Haycor, Inc.
 507 W. Forest Drive
 Houston, Texas 77079-6913

Street and Apt. No., or

City, State, ZIP+4®

Postmark
Here

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

See Reverse for Instructions

7018 1130 0001 5003 4295

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

Sent To

 D. Van Matthew, MSU
 c/o Keller Energy LLC
 20714 Sunrise Point Ct.
 Spring, Texas 77379

Street and Apt. No., or

City, State, ZIP+4®

Postmark
Here

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

See Reverse for Instructions

7018 1130 0001 5003 4264

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

Sent To

 Tim Hogan, MSU
 3753 N. Pine Grove Ave., Unit 2
 Chicago, Illinois 60613

Street and Apt. No., or

City, State, ZIP+4®

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

See Reverse for Instructions

CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

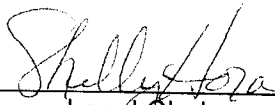
Ad No.
0001272454

JAMES BRUCE ATTORNEY AT LAW
PO BOX 1056

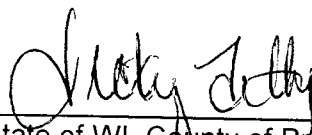
SANTA FE NM 87504

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

12/25/18


Legal Clerk

Subscribed and sworn before me this
26th of December 2018.


State of WI, County of Brown
NOTARY PUBLIC

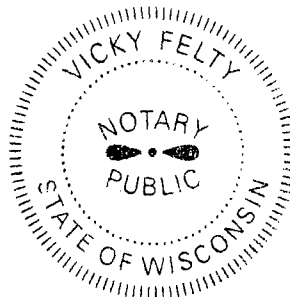
9-14-21
My Commission Expires

NOTICE

To: Marathon Oil Permian LLC, Haycor, Inc., Chevron U.S.A. Inc., MRC Explorers Resources, LLC, MRC Spiral Resources, LLC, MRC Delaware Resources, LLC, Yates Energy Corporation, D. Van Matthew, Harold Hees, Howard Lorch, and Tim Hogan, or your heirs, devisees, successors or assigns: Caza Petroleum, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in the Wolf camp formation underlying a 640 acre horizontal spacing unit comprised of the N/2 of Section 22 and the N/2 of Section 21, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to (i) the Forehand Ranch 22-21 State Well No. 2H, and (ii) the Forehand Ranch 22-21 State Well No. 4H, horizontal wells drilled from surface locations in the SE/4NE/4 of Section 22 with last take points in the SW/4NW/4 of Section 21. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Caza Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling and completing the wells. The application is scheduled to be heard at 8:15 a.m. on January 10, 2019 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 6-1/2 miles north-northwest of Black River Village, New Mexico.

December 25, 2018

EXHIBIT 3



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

**APPLICATION OF CAZA PETROLEUM, LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 16360 (re-opened)

VERIFIED STATEMENT OF RICHARD CARROLL

Richard Carroll, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum geologist.
2. I am a geologist for Caza Petroleum, LLC ("Caza"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
 - (a) Attachment A is a structure map of the Wolfcamp Z. It shows that structure dips gently to the east. It also shows Wolfcamp Sand and Wolfcamp Shale wells in the vicinity of the proposed wells, and a line of cross-section.
 - (b) Attachment B is an isopach of the Wolfcamp Z zone. The Wolfcamp Z has consistent thickness across the well unit.
 - (c) Attachment C is a west-to-east cross section. The well logs on the cross-section give a representative sample of the Wolfcamp formation in this area. The target zone for the well is an upper Wolfcamp sand.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) The target Wolfcamp Z zone is continuous across the well unit.
 - (c) Each quarter section in the unit will contribute more or less equally to production.
 - (d) There is no faulting or other geologic impediment which will affect the drilling of the subject well.

EXHIBIT 

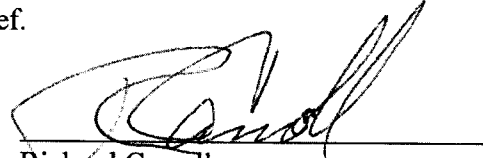
5. Other Wolfcamp wells drilled in this area are drilled with both standup and laydown units. Caza sees no difference in production whether wells are standup or laydown.

6. Attachment D is the proposed horizontal well plan for the 4H well. The producing interval of the well will be orthodox.

VERIFICATION

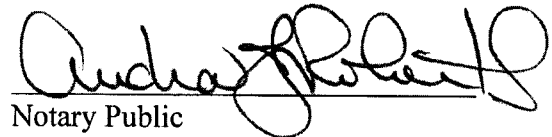
STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

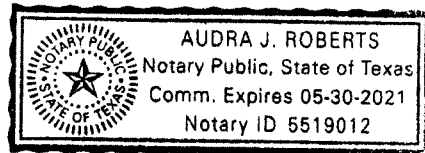
Richard Carroll, being duly sworn upon his oath, deposes and states that: He is a geologist for Caza Petroleum, LLC; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


Richard Carroll

SUBSCRIBED AND SWORN TO before me this 9th day of January, 2019 by Richard Carroll.

My Commission Expires: 5-30-21


Notary Public





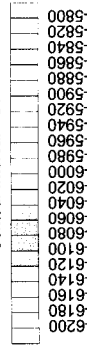
Forehand Ranch North
Eddy County, New Mexico
Wolfcamp Z Target Centerline Structure

TVDS

CONTOURS

WOLF Z TARGET (RFC) - WOLF CAMP Z TARGET
FM TOPSWAMP Z TARGET RFC.GRD

Contour Interval = 20



By RFC

0 1,000 2,000

FEET

0 250 500

METERS

January 7, 2019

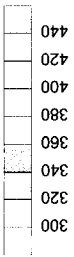
ATTACHMENT A



Forehand Ranch North
Eddy County, New Mexico
Wolfcamp A Isopach

CONTOURS

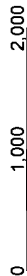
OUTLINES - WOLF CAMP A ISOPACH (RFC) - WOLF CAMP B OR
SPRINGS AND ISOLITHS WOLF CAMP A ISOPACH RFC GRID
Contour Interval = 20



REMARKS

Top of Wolfcamp to Top of Wolfcamp B

By: RFC

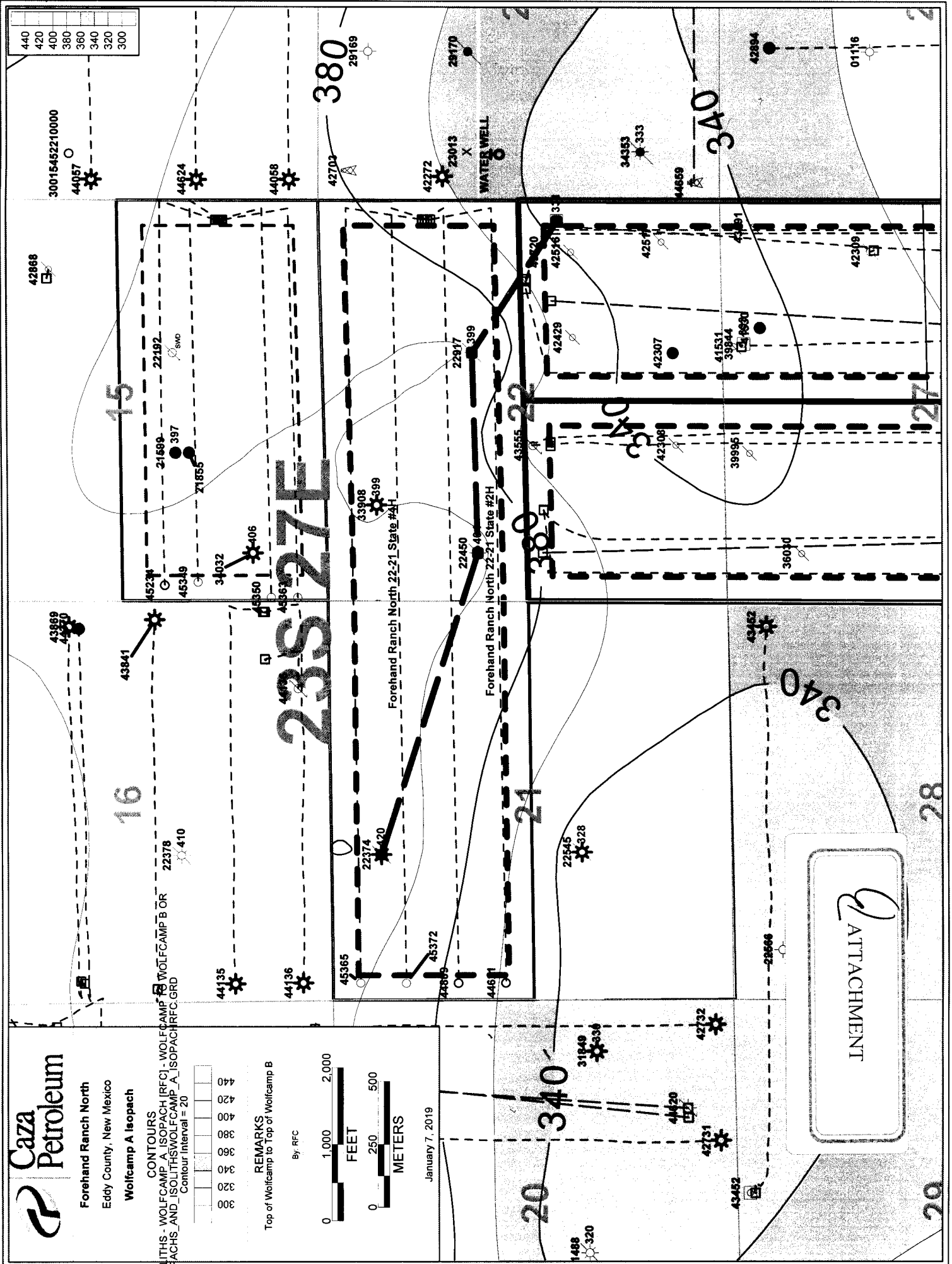


FEET



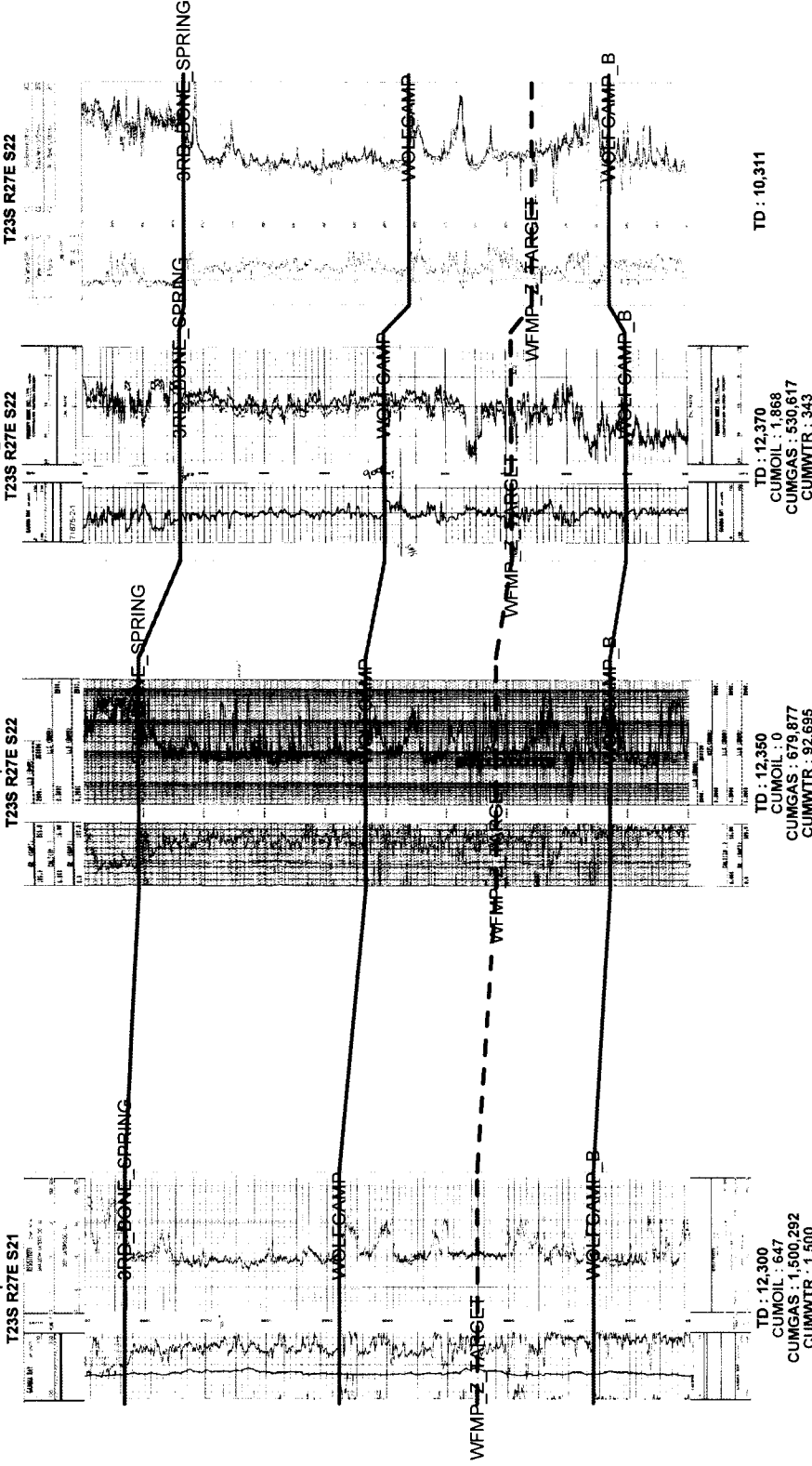
METERS

January 7, 2019



ATTACHMENT

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 YATES HARVEY E COMPANY
 AMOCO STATE 22
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 YATES HARVEY E COMPANY
 AMOCO 22 STATE
 2
 30015437200000
 ELEV_KB : 3,170
 CAZA OPERATING LLC
 FOREHAND 22 FEDERAL COM
 006H



Forehand Ranch North
 Eddy County, New Mexico

Xsection of the Wolfcamp Z Target

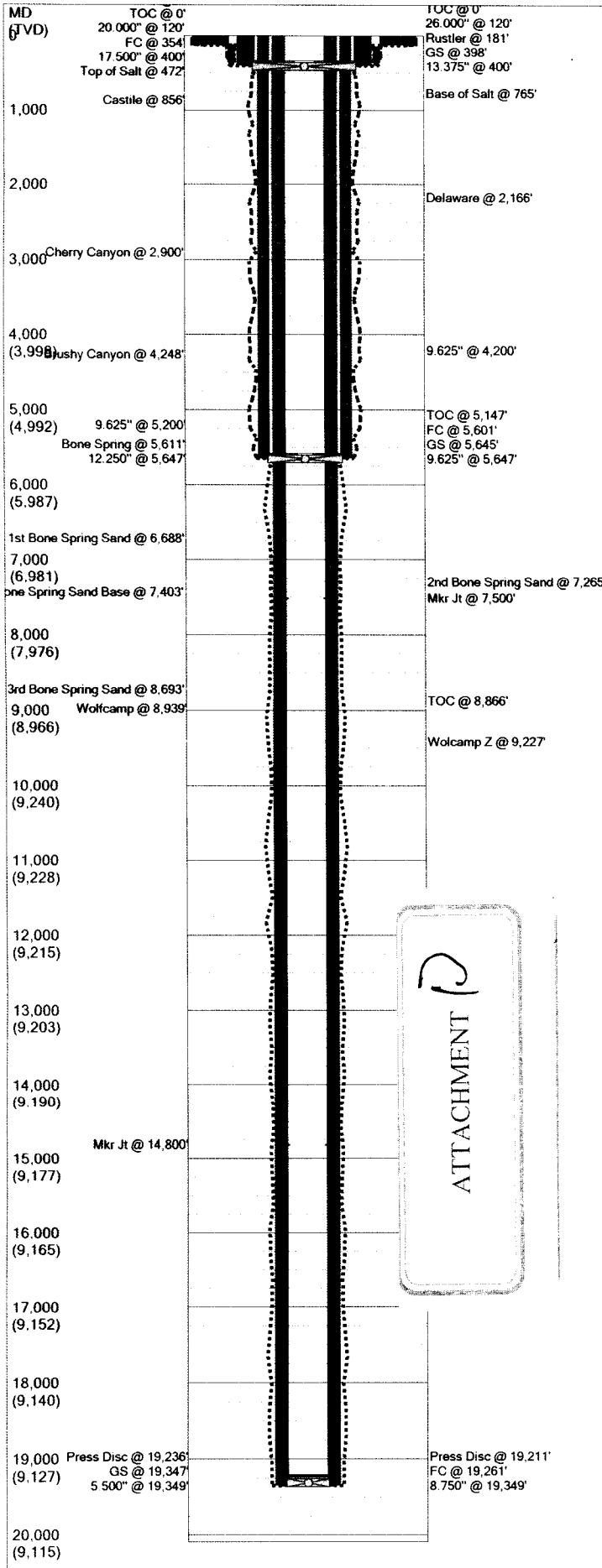
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 Vertical Scale = 50.0
 Vertical Exaggeration = 4.9x

By: RFC

September 4, 2018 2:08 PM

Exhibit _____ Page _____

ATTACHMENT C



Last Updated: 12/24/2018 09:38 AM



Field Name		Lease Name		Well No.	
Forehand Ranch North		Forehand Ranch North 22-21 State Com		4H	
County		State		API No.	
Eddy		New Mexico		30-015-45372	
Version	Version Tag				
1	Planned				
GL (ft)	KB (ft)	Section	Township/Block		Range/Survey
3,140.0	3,162.0	22	23S		27E
Operator		Well Status		Latitude	Longitude
Caza Operating		Planned		32.294022	-104.170287
Dist. N/S (ft)	N/S Line	Dist. E/W (ft)	E/W Line	Footage From	
1440	FNL	250	FEL	SECTION	
Prop Num			Spud Date		Comp. Date
320546					
Additional Information					
OGRID		Pool Name and Code		Well Type	Dedicated Acres
249099		Purple Sage; Wolfcamp (98220)		Hz, Oil	640
Prepared By		Updated By		Last Updated	
Steve Morris		Steve Morris		12/24/2018 9:38 AM	

Hole Summary

Date	Diam. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	26.000	0	120	
	17.500	120	400	
	12.250	400	5,647	
	8.750	5,647	19,349	

Tubular Summary

Date	Description	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)
	Conductor Casing	20.000	94.00	H40	0	120
	Surface Casing	13.375	54.50	J55	0	400
	Intermediate Casing	9.625	40.00	J55	0	4,200
	Intermediate Casing	9.625	40.00	L80	4,200	5,200
	Intermediate Casing	9.625	40.00	HCL80	5,200	5,647
	Production Casing	5.500	20.00	P110	0	19,349

Casing Cement Summary

C	Date	No. Sx	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
		100	20.000	0	120	
		420	13.375	0	400	100% Excess
		1,723	9.625	0	5,147	100% Excess
		232	9.625	5,147	5,647	100% Excess
		1,605	5.500	0	8,866	100% Excess
		1,761	5.500	8,866	19,349	50% Excess

Tools/Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)
	FC	13.375	0.000	354	0
	GS	13.375	0.000	398	0
	FC	9.625	0.000	5,601	0
	GS	9.625	0.000	5,645	0
	Mkr Jt	5.500	0.000	7,500	7,521
	Mkr Jt	5.500	0.000	14,800	14,821

Last Updated: 12/24/2018 09:38 AM

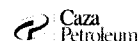


Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)
	Press Disc	5.500	0.000	19,211	0
	Press Disc	5.500	0.000	19,236	0
	FC	5.500	0.000	19,261	0
	GS	5.500	0.000	19,347	0

Formation Tops Summary

Formation	Top (TVD ft)	Comments
Rustler	181	
Top of Salt	472	
Base of Salt	765	
Castile	856	
Delaware	2,166	
Cherry Canyon	2,900	
Brushy Canyon	4,248	
Bone Spring	5,611	
1st Bone Spring Sand	6,688	
2nd Bone Spring Sand	7,265	
2nd Bone Spring Sand Base	7,403	
3rd Bone Spring Sand	8,693	
Wolfcamp	8,939	
Wolfcamp Z	9,227	

Last Updated: 12/24/2018 09:38 AM



Field Name		Lease Name	Well No.	County	State	API No.		
Forehand Ranch North		Forehand Ranch North 22-21 State Com	4H	Eddy	New Mexico	30015453720000		
Version	Version Tag			Spud Date		Comp. Date	GL (ft)	KB (ft)
1	Planned						3,140.0	3,162.0
Section	Township/Block	Range/Survey	Dist. N/S (ft)	N/S Line	Dist. E/W (ft)	E/W Line	Footage From	
22	23S	27E	1,440	FNL	250	FEL	SECTION	
Operator		Well Status		Latitude		Longitude		Prop Num
Caza Operating		Planned		32.294022		-104.170287		320546
OGRID		Pool Name and Code		Well Type			Dedicated Acres	
249099		Purple Sage; Wolfcamp (98220)		Hz, Oil			640	
Last Updated		Prepared By			Updated By			
12/24/2018 9:38 AM		Steve Morris			Steve Morris			

Additional Information

Hole Summary

Date	Diam. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	26.000	0	120	
	17.500	120	400	
	12.250	400	5,647	
	8.750	5,647	19,349	

Tubular Summary

Date	Description	No. Jts	O.D. (in)	Wt (lb/ft)	Grade	Coupling	Top (MD ft)	Bottom (MD ft)	Comments
	Conductor Casing	5	20.000	94.00	H40		0	120	
	Surface Casing	51	13.375	54.50	J55	STC	0	400	
	Intermediate Casing	91	9.625	40.00	J55	LTC	0	4,200	
	Intermediate Casing	34	9.625	40.00	L80	LTC	4,200	5,200	
	Intermediate Casing	45	9.625	40.00	HCL80	LTC	5,200	5,647	
	Production Casing	476	5.500	20.00	P110	GBCD	0	19,349	

Casing Cement Summary

C	Date	No. Sx	Yield (ft3/sk)	Vol. (ft3)	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
		100	1.35	135	20.000	0	120		
		420	1.35	416	13.375	0	400	14.8ppg Class C HalCem	100% Excess
		1,723	1.87	3,222	9.625	0	5,147	12.9ppg Class C EconoCem	100% Excess
		232	1.35	313	9.625	5,147	5,647	14.8ppg Class C HalCem	100% Excess
		1,605	2.79	4,548	5.500	0	8,866	11.5ppg Class H EconoCem H	100% Excess
		1,761	2.16	3,804	5.500	8,866	19,349	14.5ppg Class H NeoCem AS	50% Excess

Tools/Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	Float Collar	13.375	0.000	354	0		
	Guide Shoe	13.375	0.000	398	0		
	Float Collar	9.625	0.000	5,601	0		
	Guide Shoe	9.625	0.000	5,645	0		
	Marker Joint	5.500	0.000	7,500	7,521		
	Marker Joint	5.500	0.000	14,800	14,821		
	Pressure Disc	5.500	0.000	19,211	0		
	Pressure Disc	5.500	0.000	19,236	0		
	Float Collar	5.500	0.000	19,261	0		
	Guide Shoe	5.500	0.000	19,347	0		

Formation Top Summary

Formation Name	Top(TVD ft)	Comments
Rustler	181	
Top of Salt	472	

Last Updated: 12/24/2018 09:38 AM



Formation Name	Top(TVD ft)	Comments
Base of Salt	765	
Castile	856	
Delaware	2,166	
Cherry Canyon	2,900	
Brushy Canyon	4,248	
Bone Spring	5,611	
1st Bone Spring Sand	6,688	
2nd Bone Spring Sand	7,265	
2nd Bone Spring Sand Base	7,403	
3rd Bone Spring Sand	8,693	
Wolfcamp	8,939	
Wolfcamp Z	9,227	

Last Updated: 12/24/2018 09:38 AM

Field Name		Lease Name		Well No.		County		State		API No.	
Forehand Ranch North		Forehand Ranch North 22-21 State Com		4H		Eddy		New Mexico		30015453720000	
Version	Version Tag			Spud Date		Comp. Date		G.L. (ft)		K.B. (ft)	
1	Planned							3,140.0		3,162.0	
Sec.	Township/Block	Range/Survey		Dist. N/S (ft)		N/S Line		Dist. E/W (ft)		E/W Line	
22	23S	27E		1440		FNL		250		FEL	
										Footage From	
										Latitude	
										Longitude	
										-104.170287	
Well Status		PropNum		Operator		Last Updated		Prepared By		Updated By	
Planned		320546		Caza Operating		12/24/2018 9:38:11 AM		Steve Morris		Steve Morris	
Additional Information											

