

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

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 21478**

**RIDGE RUNNER RESOURCES OPERATING, LLC'S  
HEARING EXHIBITS**

**Compulsory Pooling Checklist**

Exhibit A	Self-Affirmed Statement of Bob Shelton
A-1	Application
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, and Pooled Parties
A-4	Unit Recapitulation
A-5	Well Proposal Letter
A-6	Summary of Communications
A-7	Exhibit A to Joint Operating Agreement
A-8	Proposed Notice of Hearing
A-9	Hearing Notice Letter and Return Receipts
A-10	Affidavit of Publication
A-11	Authorization for Expenditures

Exhibit B	Self-Affirmed Statement of Michael Burke
B-1	General Location and Cross Section Map
B-2	Gun Barrel Schematic

B-3	Structure Map
B-4	Gross Interval Isopach Map
B-5	Cross Section



**COMPULSORY POOLING APPLICATION CHECKLIST**

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case:</b> 21478	<b>APPLICANT'S RESPONSE</b>
<b>Date:</b> 11/19/2020	
<b>Applicant</b>	Ridge Runner Resources Operating, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Ridge Runner Resources Operating, LLC, OGRID 373013
<b>Applicant's Counsel:</b>	Dana S. Hardy
<b>Case Title:</b>	APPLICATION OF RIDGE RUNNER RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
<b>Entries of Appearance/Intervenors:</b>	XTO Energy, Inc.
<b>Well Family</b>	Thunderbird
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Wolfcamp formation
<b>Pool Name and Pool Code:</b>	Klein Ranch Field, 96989
<b>Well Location Setback Rules:</b>	Standard
<b>Spacing Unit Size:</b>	40 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	480 acres
<b>Building Blocks:</b>	40 acre
<b>Orientation:</b>	North-South
<b>Description: TRS/County</b>	SW/4 Section 3 and W/2 Section 10, Township 20 South, Range 35 East, Lea County
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	Yes - W/2 SW/4 Section 3 and W/2 W/2 Section 10
<b>Proximity Defining Well: if yes, description</b>	Thunderbird 3-10 Fed Com W #2H
<b>Applicant's Ownership in Each Tract</b>	Exhibit A-3
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	



Well #1	Thunderbird 3-10 Fed Com W #1H (API unassigned) Target: Wolfcamp 'A' 11,450' TVD SHL: 2543' FSL (100' from N LL) & 1110' FWL of Section 3-T20S-R35E FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E
Well #2	Thunderbird 3-10 Fed Com W #2H (API unassigned) Target: Wolfcamp 'A' 11,450' TVD SHL: 2543' FSL (100' from N LL) & 1140' FWL of Section 3-T20S-R35E FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000.00, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	Cost plus 200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-9
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-10
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	EOG & XTO, Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None, Exhibit A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-3, A-7
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	\$800/\$8,000, Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-11
Cost Estimate to Equip Well	Exhibit A-11
Cost Estimate for Production Facilities	Exhibit A-11
<b>Geology</b>	
Summary (including special considerations)	Exhibit B



Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Wolfcamp, Exhibit B
HSU Cross Section	Exhibit B-5
Depth Severance Discussion	None, Exhibit A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3, A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits B-1, B-3
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	11/17/2020



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

APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

Case No. 21478

SELF-AFFIRMED STATEMENT  
OF BOB SHELTON

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am the Vice President of Land Ridge Runner Resources Operating, LLC ("Ridge Runner"). I have had direct involvement with Ridge Runner's development of the 480-acre, more or less, standard (proximity tract) horizontal spacing unit ("HSU") that is the subject of Ridge Runner's application in this case. A copy of the application is attached as Exhibit A-1.

3. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.

**A. Proposed Wells and HSU**

4. The proposed HSU is comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County.

5. Ridge Runner seeks to pool all uncommitted interests in the Wolfcamp formation underlying the HSU.

6. The horizontal spacing unit will be dedicated to the following wells.

- (a) The Thunderbird 3-10 Fed Com W #1H will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10. The first take point is 2,940' FNL and 330' FWL in Section 3, and the

Case No. 21478

**RIDGE RUNNER**  
**Exhibit A**



last take point is 100' FSL and 330' FWL in Section 10. The TMD is 19,415', and the TVD is 11,450'.

- (b) The Thunderbird 3-10 Fed Com W #2H will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10. The first take point is 2,940' FNL and 1,650' FWL in Section 3, and the last take point is 100' FSL and 1,650' FWL in Section 10. The TMD is 19,415', and the TVD is 11,450'.

7. The proposed wells will be completed from North to South, and the completed intervals of the wells will be orthodox.

8. The proposed wells are located in the Klein Ranch Wolfcamp Pool, Code 96989. The primary product in the pool is oil. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15. Spacing in this pool is based on quarter-quarter sections, and the HSU is constructed based on quarter-quarter sections.

9. The Thunderbird 3-10 Fed Com W #2H is located in the E/2 SW/4 of Section 3 and the E/2 W/2 of Section 10, within 330 feet of the quarter-quarter section line. The proposed HSU includes as proximity tracts the W/2 SW/4 of Section 3 and the W/2 W/2 of Section 10.

10. The C-102s for the proposed wells are attached as Exhibit A-2.

11. A plat of the tracts included in the HSU is attached as Exhibit A-3. Exhibit A-3 identifies the ownership interests in each tract, provides the applicable lease numbers,<sup>1</sup> and identifies the pooled parties.

12. There are no unlocatable interests.

13. A recapitulation is attached as Exhibit A-4.

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<sup>1</sup> Ridge Runner purchased lease No. NMNM 141418 from the Bureau of Land Management in February 2020. The final lease is pending, and it is Ridge Runner's understanding that the lease will be issued by December 31, 2020.



14. There is no depth severance in the Bone Spring formation in the proposed HSU.
15. Ridge Runner has the right to pool any overriding royalty owners in the HSU.

### **C. Joinder**

16. I sent well proposal letters to the uncommitted interests on May 5, 2020 and subsequently had follow-up communication with them. A sample of my well proposal letter is attached as Exhibit A-5. A summary of my follow-up contacts with the uncommitted interests is attached as Exhibit A-6.

17. A list of interest owners (Exhibit A to Joint Operating Agreement) is attached as Exhibit A-7.

18. Ridge Runner's working interest in the proposed spacing unit will be 33.33%. There are no other working interests committed to the proposed wells.

19. In my opinion, Ridge Runner has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed wells.

### **D. Notice of Hearing**

20. Ridge Runner's proposed notice of hearing is attached as Exhibit A-8.

21. Notice of Ridge Runner's application and the Division hearing was provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letter and the associated green cards are attached as Exhibit A-9.

22. Notice of Ridge Runner's application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as Exhibit A-10.



### **E. Drilling and Operating Costs**

23. The AFEs for the proposed wells are attached as Exhibit A-11. The estimated cost of the wells is fair and reasonable and is comparable to the cost of other wells of similar depth and length drilled in Lea County.

24. Ridge Runner requests overhead and administrative rates of \$8,000 per month while the wells are being drilled and \$800 per month while the wells are producing. These rates are fair and are comparable to the rates charged by Ridge Runner and by other operators in the vicinity. They are also the rates set forth in the Joint Operating Agreement for the HSU. Ridge Runner further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

25. Ridge Runner requests that it be designated the operator of the wells.

26. Ridge Runner also requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.

27. The attached exhibits were either prepared by me or under my supervision, or were compiled from company business records.

28. In my opinion, the granting of Ridge Runner's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

29. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 28 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Bob Shelton  
Bob Shelton

11/16/20  
Date

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

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

Case No. 21478

**APPLICATION**

Pursuant to NMSA § 70-2-17, Ridge Runner Resources Operating, LLC ("Ridge Runner") applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County, New Mexico. In support of its application, Ridge Runner state the following.

1. Ridge Runner (OGRID No. 373013) is a working interest owner in the horizontal spacing unit and has the right to drill wells thereon.
2. The horizontal spacing unit will be dedicated to following wells:
  - a. Thunderbird 3-10 Fed Com W #1H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; and
  - b. Thunderbird 3-10 Fed Com W #2H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10.
3. The completed intervals of the wells will be orthodox.
4. Ridge Runner has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells but has been unable to obtain voluntary agreements from all of the mineral interest owners.

Case No. 21478

**RIDGE RUNNER  
Exhibit A-1**



5. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Ridge Runner to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled.

WHEREFORE, Ridge Runner requests that this application be set for hearing on November 5, 2020 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County;

B. Authorizing Ridge Runner to recover its costs of drilling, equipping, and completing the Thunderbird 3-10 Fed Com W #1H and #2H wells;

C. Considering the cost of drilling and completing the wells and allocating the cost among the uncommitted mineral interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by Ridge Runner in drilling and completing the Thunderbird 3-10 Fed Com W #1H and #2H wells against any mineral interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

[dhardy@hinklelawfirm.com](mailto:dhardy@hinklelawfirm.com)

*Counsel for Ridge Runner Resources Operating, LLC*



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
911 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Artesia, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-10  
Revised August 1, 201  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

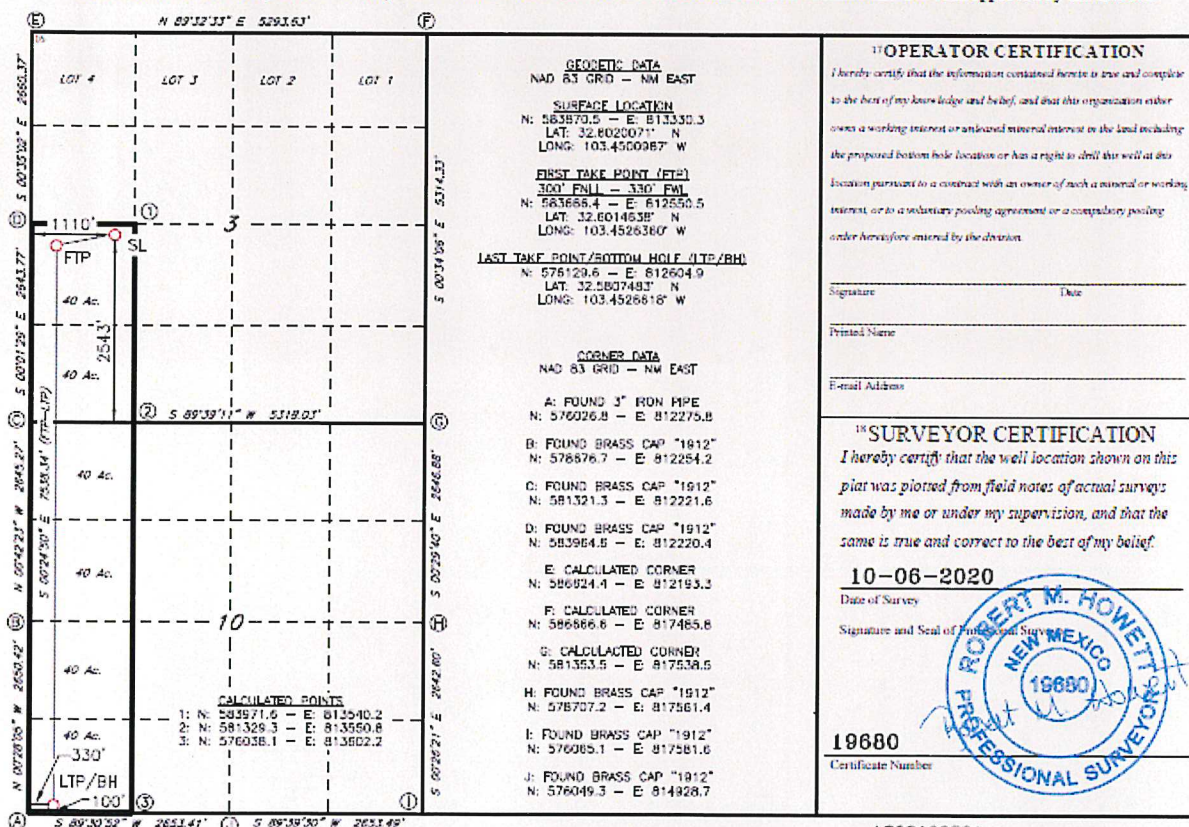
<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name THUNDERBIRD 3-10 FED COM W	
<sup>7</sup> GRID NO.	<sup>8</sup> Operator Name RIDGE RUNNER RESOURCES OPERATING, LLC.	<sup>6</sup> Well Number 1H
		<sup>9</sup> Elevation 3283'

<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
L	3	20S	35E		2543	SOUTH	1110	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	10	20S	35E		100	SOUTH	330	WEST	LEA

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

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



Case No. 21478

RIDGE RUNNER  
Exhibit A-2



District I  
1635 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
411 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-16  
Revised August 1, 201  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name THUNDERBIRD 3-10 FED COM W	<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID NO.	<sup>8</sup> Operator Name RIDGE RUNNER RESOURCES OPERATING, LLC.	<sup>9</sup> Elevation 3283'

<sup>10</sup> Surface Location

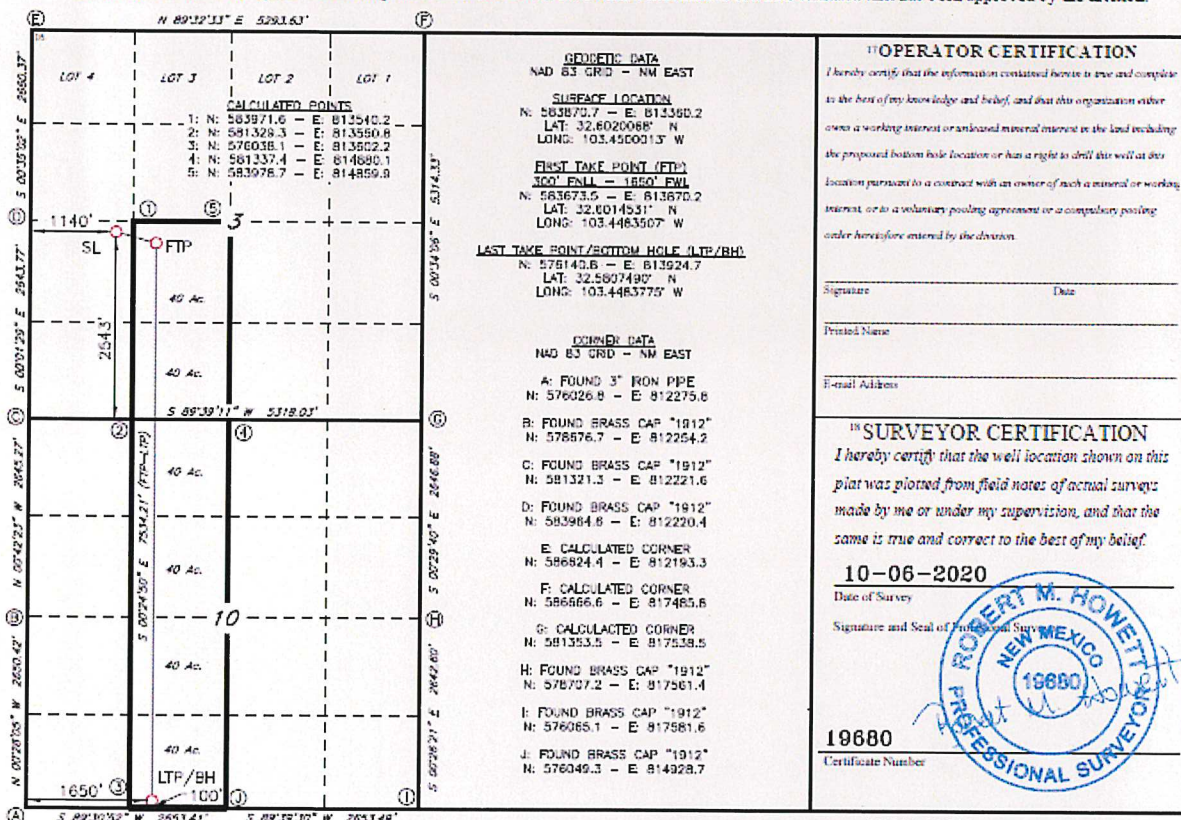
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
L	3	20S	35E		2543	SOUTH	1140	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	10	20S	35E		100	SOUTH	1650	WEST	LEA

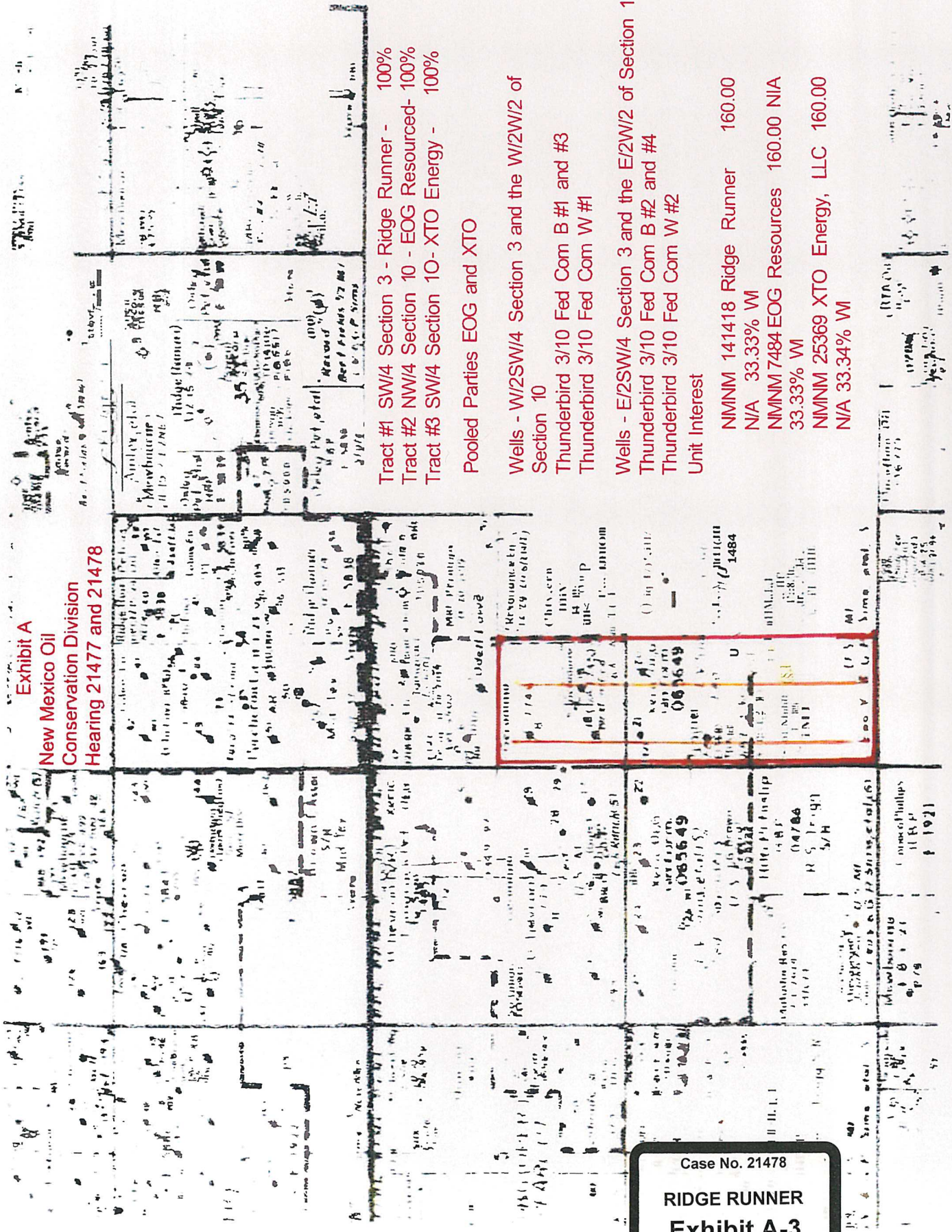
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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





**Exhibit A**  
**New Mexico Oil**  
**Conservation Division**  
**Hearing 21477 and 21478**



Tract #1 SW/4 Section 3 - Ridge Runner - 100%  
 Tract #2 NW/4 Section 10 - EOG Resourced-100%  
 Tract #3 SW/4 Section 10- XTO Energy - 100%

Pooled Parties EOG and XTO

Wells - W/2SW/4 Section 3 and the W/2W/2 of Section 10

Thunderbird 3/10 Fed Com B #1 and #3  
 Thunderbird 3/10 Fed Com W #1

Wells - E/2SW/4 Section 3 and the E/2W/2 of Section 10  
 Thunderbird 3/10 Fed Com B #2 and #4  
 Thunderbird 3/10 Fed Com W #2

Unit Interest

NMNM 141418 Ridge Runner	160.00
N/A 33.33% W	
NMNM 7484 EOG Resources	160.00 N/A
33.33% W	
NMNM 25369 XTO Energy, LLC	160.00
N/A 33.34% W	



## Tamarack Prospect - Thunderbird wells

11/4/2020

Bone Spring and Wolfcamp formations

Unit - SW/4 Section 3-20/35 and the W/2 of Section 10-20/35

<u>Tract</u>	<u>Working Interest Owner</u>	<u>Net acres</u>	<u>Tract Interest</u>	<u>Unit Interest</u>
SW/4 Section 3	Ridge Runner Resources, Agent, Inc.	160	100%	33.33%
NW/4 Section 10	EOG Resources	160	100%	33.33%
SW/4 Section 10	XTO Energy, Inc	160	100%	<u>33.34%</u>
Total Unit Ownership				100.00%

Case No. 21478

RIDGE RUNNER  
Exhibit A-4



Robert (Bob) Shelton  
Vice President of Land  
bshelton@3ROperating.com



1004 N. Big Spring Street  
Suite 325  
Midland, TX 79701  
(432) 684-7877

May 5, 2020

Mr. W. Greg Davis  
XTO Holdings, LLC  
22777 Spring Woods Parkway  
Spring, Texas 77389

Re: Section 3: SW/4 and Section 10: W/2,  
T-20-S, R-35-E,  
Lea County, New Mexico  
Tamarack Prospect

Via: Certified Mail Return Receipt

Gentlemen,

Ridge Runner Resources, Agent, Inc., "RRR", hereby proposes the drilling of wells as set forth below and as identified on the enclosed AFE's. RRR's title information reflects XTO Holding, Inc. "XTO", owns a Leasehold/Working interest in SW/4 of Section 10, T-20-S, R-35-E, Lea County, New Mexico. XTO may elect to voluntarily participate in the drilling and completion of these 6 horizontal wells, for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to XTO's voluntary participation, XTO may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a Compulsory Pooling order.

Proposed Locations:

Thunderbird 3-10 Fed Com B #1H  
Target: 2<sup>nd</sup> BS 10,480' TVD  
SHL: 2540' FSL (100' from N LL) & 990' FWL of Section 3-T20S-R35E  
FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E  
LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #2H  
Target: 2<sup>nd</sup> BS 10,480' TVD  
SHL: 2540' FSL (100' from N LL) & 1020' FWL of Section 3-T20S-R35E  
FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E  
LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

Case No. 21478

**RIDGE RUNNER**  
**Exhibit A-5**



Thunderbird 3-10 Fed Com B #3H

Target: 1<sup>st</sup> BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1050' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #4H

Target: 1<sup>st</sup> BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1080' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #1H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1110' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #2H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1140' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

If XTO elects to voluntarily participate, please execute the Enclosed AFE's, Operating Agreement and Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,

Bob Shelton  
Vice President of Land



Robert (Bob) Shelton  
Vice President of Land  
BShelton@3roperating.com



1004 N. Big Spring Street  
Suite 325  
Midland, TX 79701  
(432) 684-7877

May 5, 2020

Ms. Laci Stretcher  
EOG Resources  
5509 Champions Drive  
Midland, Texas 79706

Re: Section 3: SW/4 and Section 10: W/2,  
T-20-S, R-35-E,  
Lea County, New Mexico  
Tamarack Prospect

Via: Certified Mail Return Receipt

Dear Ms. Stretcher,

Ridge Runner Resources, Agent, Inc., "RRR", hereby proposes the drilling of the wells as set forth below and as identified on the enclosed AFE's. RRR's title information reflects EOG Resources, "EOG" owns a Leasehold/Working interest in the NW/4 of Section 10, T-20-S, R-35-E, Lea County, New Mexico. EOG may elect to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to EOG's voluntary election of participation, EOG may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a Compulsory Pooling order.

Proposed Locations:

Thunderbird 3-10 Fed Com B #1H  
Target: 2<sup>nd</sup> BS 10,480' TVD  
SHL: 2540' FSL (100' from N LL) & 990' FWL of Section 3-T20S-R35E  
FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E  
LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #2H  
Target: 2<sup>nd</sup> BS 10,480' TVD  
SHL: 2540' FSL (100' from N LL) & 1020' FWL of Section 3-T20S-R35E  
FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E  
LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E



Thunderbird 3-10 Fed Com B #3H

Target: 1<sup>st</sup> BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1050' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #4H

Target: 1<sup>st</sup> BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1080' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #1H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1110' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #2H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1140' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

If EOG elects to voluntarily participate, please have the enclosed AFE's, Operating Agreement and Exhibit H executed, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,

Bob Shelton  
Vice President of Land



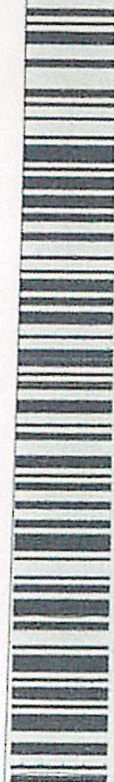
Thunderbird 3-10

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:

Ms. Laci Stretcher  
EOG Resources  
5509 Champions Drive  
Midland, Texas 79706



9590 9402 4617 8323 0453 95

2 Article Number (Transfer from service label)

7018 0360 0000 3085 9552

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

*[Handwritten Signature]*

☒ Agent

☐ Addressee

B. Received by (Printed Name)

*[Handwritten Signature]*

C. Date of Delivery

*5-8-20*

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

Mail

Mail Restricted Delivery

0)

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

☐ Restricted Delivery

Domestic Return Receipt



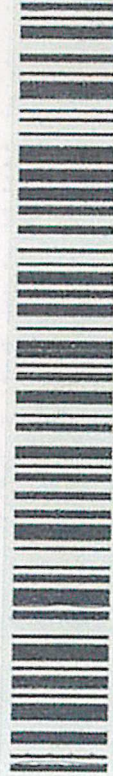
Thunderbird 3-10

**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:

Mr. W. Greg Davis  
XTO Holdings, LLC  
22777 Spring Woods Parkway  
Spring, Texas 77389



9590 9402 4617 8323 0453 88

2. Article Number (Transfer from service label)

7018 0360 0000 3085 9545

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

*W. Greg Davis*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

*W. Greg Davis*

C. Date of Delivery

*5/12/2008*

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

Domestic Return Receipt



**Thunderbird 3-10 Fed Com B # 1H, #2H, #3H & #4H and W #1H & #2H**  
**As of 11/13/2020**

Date of Contact	From	To	Regarding
5/18/2020	Vincent Cuccerre (XTO)	Bob Shelton	Questions regarding XTO's interest and spud dates on proposals
5/18/2020	Bob Shelton	Vincent Cuccerre (XTO)	Answer to interest question and no APO filed
6/2/2020	Damon Weger (EOG)	Bob Shelton	EOG Ownership questions on proposals
6/2/2020	Bob Shelton	Damon Weger (EOG)	Answer to ownership questions
9/10/2020	Bob Shelton	Katie McBryde (EOG)	Follow up on well proposals made by RRR
9/11/2020	Katie McBryde (EOG)	Bob Shelton	Setting up a call regarding well proposals/trade
-	Bob Shelton	Katie McBryde (EOG)	Going over information discussed in their meeting
-	Bob Shelton	Katie McBryde (EOG)	Follow up on EOG's decision on a trade
-	Bob Shelton	Katie McBryde (EOG)	Follow up on well proposals made by RRR
10/15/2020	Bob Shelton	Damon Weger (EOG)	Discuss trade arrangement
10/19/2020	Bob Shelton	Vincent Cuccerre (XTO)	Discussing pooling information/timing of wells
11/4/2020	Vincent Cuccerre (XTO)	Bob Shelton	XTO reviewing proposed TA terms and considering other options/looking into FOA terms
11/4/2020	Bob Shelton	Vincent Cuccerre (XTO)	Following up on FOA terms proposed by XTO/Term Assignment offer
11/4/2020	Vincent Cuccerre (XTO)	Bob Shelton	Response to FOA terms proposed by XTO
11/10/2020	Vincent Cuccerre (XTO)	Bob Shelton	Following up on previous proposal
11/10/2020	Bob Shelton	Vincent Cuccerre (XTO)	Bob's response on XTO's previous proposal
11/12/2020	Bob Shelton	Vincent Cuccerre (XTO)	Offering XTO a trade
11/12/2020	Bob Shelton	Vincent Cuccerre (XTO)	Call supporting RRR's offer to a Farmout trade

Case No. 21478

**RIDGE RUNNER**  
**Exhibit A-6**



**Exhibit "A"**

Attached to and made a part of that certain Operating Agreement  
dated April 24, 2020, by and between Ridge Runner Resources Operating, LLC  
and XTO Holdings, LLC, Et Al

**1) Lands Subject to this agreement: Contract Area**

The South West Quarter (SW/4) of Section 3 and the West One Half (W/2) of Section 10, all in Township 20 South, Range 35 East, Lea County, New Mexico, containing 480 acres more or less.

**2) Depth Restrictions and Exclusions:**

This agreement is limited from the top of the Bone Spring formation to the base of the Wolfcamp formation. The top of the Bone Spring formation, being the stratigraphic equivalent of 8,232' found in the Amoco Federal 'BT' Gas Company#1 well, located 1980 FSL and 1980' FEL of Section 15, T-20S, R-35E, Lea County New Mexico, API Number 30-025-27230. The base of the Wolfcamp formation being the stratigraphic equivalent of 11,900 in the Amoco Federal 'BT' Gas Company#1 well, located 1980 FSL and 1980' FEL of Section 15, T-20S, R-35E, Lea County New Mexico, API Number 30-025-27230.

**3) Addresses of Parties to this Agreement:**

Operator: Ridge Runner Resources Operating, LLC  
1004 North Big Spring Street, Suite 325  
Midland, Texas 79701  
E-Mail: [Bshelton@3ROperating.com](mailto:Bshelton@3ROperating.com)

XTO Holdings, LLC  
22777 Spring Woods Parkway  
Spring, Texas 77389  
E-Mail:

EOG Resources, Inc  
PO Box 2267  
Midland, Texas 79702  
E-Mail:



4) **Percentages of Parties to this Agreement:**

Ridge Runner Resources Operating, LLC	.333334%
XTO Holdings, LLC	.333333%
EOG Resources, INC	<u>.333333%</u>
Total:	1.000000%

5) **Oil and Gas Leases Subject to this Agreement:**

**Lease number:** NM-7484  
**Lessor:** The United States of America  
**Lessee:** Southern Union Production Company  
**Date:** March 1, 1951  
**Description:** As to the NW/4 of Section 10, Township 20 South, Range 35 East, Lea County, New Mexico  
**Recording:** Not recorded

**Lease number:** NM-25369  
**Lessor:** The United States of America  
**Lessee:** Weldon S. Abbott  
**Date:** June 1, 1975  
**Description:** As to the SW/4 of Section 10, Township 20 South, Range 35 East, Lea County, New Mexico  
**Recording:** Not recorded

**Lease number:** NMNM-141418  
**Lessor:** The United States of America  
**Lessee:** Ridge Runner Resources Agent, Inc  
**Date:** March 1, 2020  
**Description:** SW/4 of Section 3, Township 20 South, Range 35 East, Lea County, New Mexico  
**Recording:** Not recorded

6) **Burdens on Production**

Of Record



**Application of Ridge Runner Resources Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County. The horizontal spacing unit will be dedicated to the following wells: (1) Thunderbird 3-10 Fed Com W #1H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; and (2) Thunderbird 3-10 Fed Com W #2H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10. The completed intervals of the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Ridge Runner Resources Operating, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Monument, New Mexico.

Case No. 21478

**RIDGE RUNNER  
Exhibit A-8**





# HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

October 6, 2020

## VIA CERTIFIED MAIL

W. Greg Davis  
XTO Holdings, LLC  
22777 Spring Woods Parkway  
Spring, TX 77389

Case No. 21478

**RIDGE RUNNER**  
**Exhibit A-9**

Re: Ridge Runner Resources Operating, LLC New Mexico Oil Conservation Division Applications

Dear Mr. Davis:

Enclosed are copies of two applications that Ridge Runner Resources Operating, LLC ("Ridge Runner") has filed with the New Mexico Oil Conservation Division ("the Division").

In Case No. 21477, Ridge Runner requests an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County.

In Case No. 21478, Ridge Runner requests an order pooling all uncommitted mineral interests in the Wolfcamp formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. XTO Holdings, LLC ("XTO") is not required to attend the hearing, but as an owner of an interest that may be affected by Ridge Runner's application, it may appear at the hearing and present testimony. If XTO does not appear at that time and become a party of record, it will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, October 29, 2020. The Pre-Hearing Statement must be filed with the Division and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
575-622-6510  
(FAX) 575-623-9332

PO BOX 1720  
ARTESIA, NEW MEXICO 88211  
575-622-6510  
(FAX) 575-746-6316

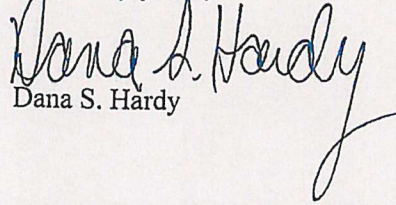
PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554  
(FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321



Thank you for your attention to this matter.

Very truly yours,

  
Dana S. Hardy

Enclosures

HINKLE SHANOR LLP



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature   <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>W. Greg Davis  XTO Holdings, LLC  22777 Spring Woods Parkway  Spring, TX 77389</p>		<p>B. Received by (Printed Name)  Jesse Pacheco</p>	<p>C. Date of Delivery</p>
<p>2. Article Number (Transfer from service label)  7019 2970 0000 7643 2669</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p>		<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	

9590 9402 5554 9249 4983 56

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

Domestic Return Receipt

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee  
\$

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

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage  
\$

Total Postage and Fees  
\$

Sent To  
EOG Resources  
5509 Champions Dr  
Midland, TX 79706

Street and Apt. No., or PO Box #  
City, State, ZIP+4®

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

7019 2970 0000 7643 2652

Postmark Here  
OCT 06 2020



# Affidavit of Publication

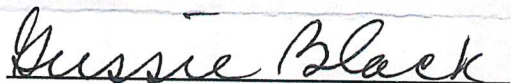
STATE OF NEW MEXICO  
COUNTY OF LEA

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 07, 2020  
and ending with the issue dated  
October 07, 2020.

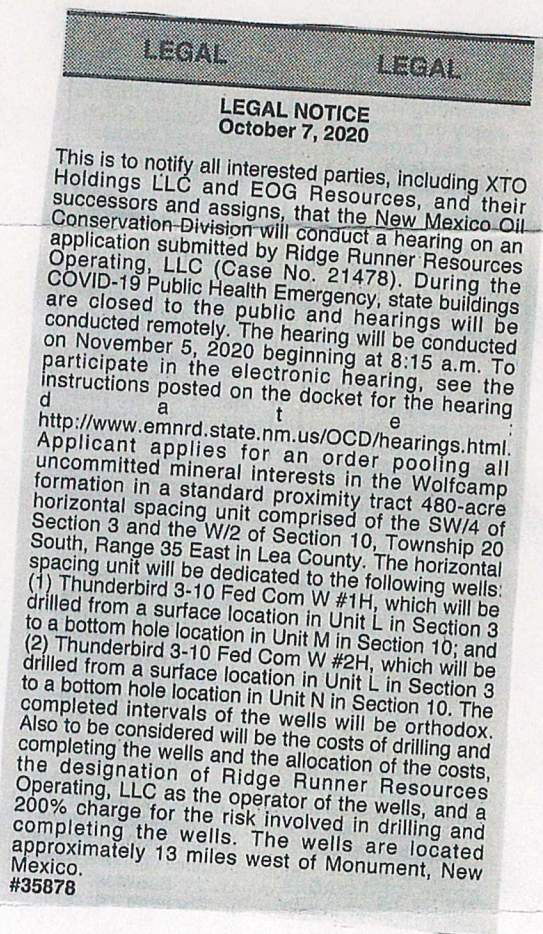
  
Publisher

Sworn and subscribed to before me this  
7th day of October 2020.

  
Business Manager



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



02107475

00247217

HINKLE, HENSLEY, SHANOR & MARTIN, LLP  
PO BOX 2068  
SANTA FE, NM 87504

Case No. 21478

**RIDGE RUNNER  
Exhibit A-10**



Project: Tamarack Prospect

Field: T80 (Wolfcamp)

Well: Thunderbird 3-10 Fed Com W #1H

Location: SHL 2540' FSL (100' from N LI) &amp; 1110' FWL (L) of Section 3-205-35E

BHL 100' FSL &amp; 330' FWL of Section 10-205-35E

Lea Co., NM

Authority For Expenditure (AFE)

TD (MD): 19,415 ft MD

TVD: 11,450 ft

Drilled Lateral Length: 7,720 ft vs

Comp. Lateral Length: 7,520 ft

Target: Wolfcamp 'A'

AFE #

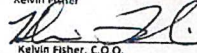
Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well. Closed loop Completion: 7520 perf interval x 2500 lb/ft (18.8 MM lb), 2500 gal/ft (448k bbl), 90 bpm. 150' stages = 50 stages, plug & perf frac. Rigless prep w/ acid crew. CT drill-out. Flow up tubing and packer, then gas lift	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Total Cost
Permits/ Well Signs	149	8,000					8,000
Damages/ Right of Way	179	20,000	379				20,000
Title & Abstracts, Drilling Title Opinion	142	10,000					10,000
Survey and Stake Location	181	5,000	341				5,000
Locations and Roads, Frac Pit	143	50,000	343	50,000		15,000	115,000
Pit Lining	142		335	10,000			10,000
Conductor (drilled & set)	121	20,000					20,000
Mobilization / Demobilization	107	34,500	357				34,500
Drilling (Day Work)	104	432,000	304				432,000
Blitz	115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool	128	50,000					50,000
Mud Logging	147	28,000					28,000
Open Hole Surveys Gyro	148						0
Water well, pump & line	190	5,000		10,000			15,000
Water/Brine/Mud Hauling	189	10,000	389	20,000			30,000
Fresh Water	190	15,000		805,725			820,725
Brine Water	118	10,000	318				10,000
Fuel	108	81,600	308	250,000			331,600
Mud & Chemicals	146	150,000	346	25,000			175,000
Tubular Inspection	139	40,000	339				40,000
Oni string rental	128						0
Casing Crew & L.D. Machine, CRT	117	35,000	317				35,000
Welding	191	1,500	391				1,500
Cementing	118	225,000	318				225,000
Directional Drilling	127	234,000					234,000
Wellsite Supervisor	106	60,000	306	40,000			100,000
Open Hole Logs	144						0
Solids Control Equipment	172	72,000					72,000
Cuttings Haul-off & Disposal	141	150,000					150,000
Surface Rental Equipment	132	95,000	332	300,000			395,000
ROP Rental: stripper head	190		389				0
Pulling Unit			354	20,000	354	12,000	32,000
Acidizing			313	20,000			20,000
Frac			334	1,600,000			1,600,000
Water Transfer			306	120,000			120,000
Completion Tools			321	73,500			73,500
Cased Hole Wireline & Perforating			344	370,000			370,000
Cased Tubing + Tools, Nitrogen			313	250,000			250,000
Flowback & Well Testing			333	120,000			120,000
Trucking	187	30,000	387	30,000			60,000
Environmental, Pit Closure			348	25,000			25,000
Materials & Supplies	176	5,000	376				5,000
Contract Labor, Roustabouts	169	10,000	369	10,000	369	75,000	95,000
		0		0		0	0
<b>TOTAL INTANGIBLES</b>		<b>2,007,600</b>		<b>4,152,225</b>		<b>102,000</b>	<b>6,261,825</b>

Prognosis: 13-3/8" surface, deep 9-5/8" intermediate near KOP, 14"/100' Build & Turn, 5-1/2" longstring. Single well tank battery allocation	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
<b>Tubulars</b>							
Surface	204	98,050					98,050
1st Intermediate	206						0
2nd Intermediate	208	417,361					417,361
Production	408		408				0
Tubing	408	321,318	408				321,318
Wellhead Equipment			412	71,110			71,110
Float Equipment & Centralizers, Well Shoe	293	30,000	493	10,000			40,000
Liner hanger, Packer, TAC, other downhole tools	235,240	40,000	410				40,000
Flowlines, Valves, Fillings	254		454	8,500			8,500
Tanks			434,432	45,000			45,000
Battery Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/L ACT					460	200,000	200,000
Separation Equipment					478	300,000	300,000
Gas Lift Valves and surface equipment			430	25,000		125,000	125,000
Compressors/Dehydrators					438		0
Gas Meter Run			450	15,000			15,000
Downhole Pumping Equipment & Rods			462,470				0
Pumping Unit, base and prime mover			465				0
Electrical Installation					428	20,000	20,000
<b>TOTAL TANGIBLES</b>		<b>906,729</b>		<b>174,610</b>		<b>645,000</b>	<b>1,726,339</b>
<b>TOTAL WELL COST</b>		<b>2,914,329</b>		<b>4,326,835</b>		<b>747,000</b>	<b>7,988,164</b>

Prepared By: Kelvin Fisher Date: 4/24/2020

Drill &amp; Complete 7,241,164

Approval:  Date: 4/24/2020

Kelvin Fisher, C.O.O.

Partner Approval

Amount:

Joint Owner:

Joint Owner Approval:

Working Interest:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the times 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 names of subcontractors prior to start date and agree to hold Operator harmless for any loss in 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 \_\_\_\_\_

Case No. 21478

**RIDGE RUNNER**  
**Exhibit A-11**



Project: Tamarack Prospect  
 Field: TBD (Wolfcamp)  
 Well: Thunderbird 3-10 Fed Com W #2H  
 Location: SHL 2540' FSL (100' from N LI) & 1140' FWL (L) of Section 3-205-35E  
 BHL 100 FSL & 1650' FWL of Section 10-205-35E  
 Lea Co., NM

Authority For Expenditure (AFE)  
 TD (MD): 19,415 ft MD  
 TVD: 11,450 ft  
 Drilled Lateral Length: 7,720 ft VS  
 Compl Lateral Length: 7,520 ft  
 Target: Wolfcamp 'A'

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well. Closed loop. Completion: 7520 perf interval x 2500 lb/ft (18 8 MM lb), 2500 gal/ft (448k bbl), 90 bpm. 150' stages = 50 stages, plug & perf frac. Rigless prep w/ acid crew. CT drill-out. Flow up tubing and packer, then gas lift.					Code		Drilling	Code		Completion	Code		Production	Total Cost
							Intangibles			Intangibles			Intangibles	
Permit/ Well Signs					140		8,000							8,000
Damages/ Right of Way					170		20,000		370					20,000
Title & Abstracts. Drilling Title Opinion					142		10,000							10,000
Survey and Stake Location					181		5,000		301					5,000
Locations and Roads, Frac Pit			Partial allocation		143		50,000		343		50,000		15,000	115,000
Pit Lining			Closed loop drilling (no reserve pit), frac pit		143				335		10,000			10,000
Conductor (drilled & set)					121		20,000							20,000
Mobilization / Demobilization			Partial allocation		167		34,500		307					34,500
Drilling (Day Work)			24 days spud - RR \$18,000 per day		104		432,000		304					432,000
Bits					115		120,000		315		3,000			123,000
Downhole drilling tools & stabilization, survey tool					120		50,000							50,000
Mud Logging			14 days \$2,000 per day		147		28,000							28,000
Open Hole Surveys/ Gyro					148									0
Water well, pump & line					190		5,000				10,000			15,000
Water/Brine/Mud Hauling					109		10,000		309		20,000			30,000
Fresh Water	\$ 1.50	10,000	1000 bbl drilling	\$37,150 bbl compl (20% excess)	190		15,000				805,725			820,725
Brine Water					110		10,000		310					10,000
Fuel	\$ 2.00	1,700	gal/day		108		81,600		308		250,000			331,600
Mud & Chemicals			Oil based mud in lateral		140		150,000		340		25,000			175,000
Tubular Inspection			DP: Cat IV on 1 strings. Casing clean, drift, visual 3 strings		130		40,000		330					40,000
Drill string rental					120									0
Casing Crew & LD Machine, CRT					117		35,000		317					35,000
Welding					101		1,500		301					1,500
Cementing					118		225,000		318					225,000
Directional Drilling			10 days \$13,000 per day		127		234,000							234,000
Wellsite Supervisor					106		60,000		306		40,000			100,000
Open Hole Logs					144									0
Solids Control Equipment			\$3,000 per day		172		72,000							72,000
Cuttings Haul-off & Disposal					141		150,000							150,000
Surface Rental Equipment			\$4,000 /d Drilling. Frac stack, light towers, generators, housing		122		96,000		322		300,000			396,000
BOP Rental, stripper head					160				300					0
Pulling Unit			5 days, 4000/d		154				354		20,000		12,000	32,000
Acidizing			Acid crew to prep toe		110				310		20,000			20,000
Frac			Frac: see Prognosis above		134				334		1,600,000			1,600,000
Water Transfer					105				305		120,000			120,000
Completion Tools			49 frac plugs		121				321		73,500			73,500
Cased Hole Wireline & Perforating			50 stages, 10k tube		144				344		370,000			370,000
Coiled Tubing + Tools, Nitrogen					119				319		250,000			250,000
Flowback & Well Testing					133				333		120,000			120,000
Trucking					107		30,000		307		30,000			60,000
Environmental, Pit Closure					148				348		25,000			25,000
Materials & Supplies					176		5,000		376					5,000
Contract Labor, Roustabouts			Wellhead field service, NU crews, pit cleaning, battery construction		169		10,000		369		10,000		75,000	95,000
TOTAL INTANGIBLES							2,007,800				4,152,225		102,000	6,261,825

Prognosis: 13-3/8" surface, deep 9-5/8" intermediate near KOP, 14"/100' Build & Turn, 5-1/2" longstring. Single well tank battery allocation					Code		Drilling	Code		Completion	Code		Production	Total Cost
							Intangibles			Intangibles			Intangibles	
Tubulars	Length	Size	Description	Picuff/ FOR Loc										
Surface	1,850	13 3/8	68w J55 BTC	553 00	204		98,050							98,050
1st Intermediate					205									0
2nd Intermediate	10,040	9 5/8	47w 160 DTAC	538 15	206		417,361							417,361
Production					408				408					0
Production	19,415	5 1/2	20w CY P110 CDC HTG	510 35	408		321,310		408					321,310
Tubing	10,040	2 7/8	6.5w 160 EUE	58 50					412		71,110			71,110
Wellhead Equipment					293		30,000		493		10,000			40,000
Float Equipment & Centralizers, Wet Shoe					233 210		40,000		410					40,000
Liner hanger, Packer, TAC, other downhole tools			AS1X packer		254				454		8,500			8,500
Flowlines, Valves, Fittings									414 432		45,000			45,000
Tanks														0
Battery Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rac 484/LACT														0
Separation Equipment			Inlet sep, HT gas scrubber, VRT											0
Gas Lift Valves and surface equipment														0
Compressor/Dehydrators			Rental gas lift compressor						438		25,000			25,000
Gas Meter Run														0
Downhole Pumping Equipment & Rods														0
Pumping Unit, base and prime mover														0
Electrical Installation			Partial allocation											0
TOTAL TANGIBLES							908,725				174,610		645,000	1,728,335
TOTAL WELL COST							2,914,328				4,326,835		747,000	7,988,164

Prepared By: Kelvin Fisher Date: 4/24/2020  
 Approval: [Signature] Date: 4/24/2020  
 Kelvin Fisher, C.O.O.

Drill & Complete 7,241,164

Partner Approval  
 Joint Owner:  
 Working Interest:  
 Amount:  
 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 terms 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 sign date and agree in most Operating Agreement 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  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 21478**

**SELF-AFFIRMED STATEMENT OF  
MICHAEL BURKE**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
2. I am a geologist at Ridge Runner Resources Operating, LLC ("Ridge Runner"). I am familiar with the geological matters that pertain to Ridge Runner's application.
3. I have previously testified before the New Mexico Oil Conservation Division as an expert in geology, and my qualifications were accepted.
4. A general location map of the proposed horizontal spacing unit ("HSU") is attached as Exhibit B-1. This map depicts both vertical & horizontal wells that have been completed in or permitted to the Wolfcamp Formation. They are marked with a green dot at the bottom hole location. The horizontal wells vary in length from 1 mile to 2 miles. The map also shows a line of cross section for the proposed Thunderbird 3-10 Fed Com W #1H and #2H wells.
5. A gun barrel diagram of the proposed Thunderbird 3-10 Fed Com W #1H and #2H wells is attached as Exhibit B-2.
6. A structure map of the Wolfcamp formation is attached as Exhibit B-3. The map shows that in this vicinity the subsurface is uniformly underlain by this formation at a depth of ~11,300' - ~11,900' (H = ~600'). The formation consists of alternating and continuous beds of

**Case No. 21478**

**RIDGE RUNNER  
Exhibit B**



sandstone, shale, & limestone, all of which have value as reservoirs and source rocks for oil and gas accumulations. The structural dip is to the southwest at ~100' per mile (~1 degree). There are no significant structural or stratigraphic interruptions (faults, truncation, etc.). The various individual stratigraphic zones do exhibit local thickness and reservoir quality variations.

7. Attached as Exhibit B-4 is a gross interval isopach map of the Wolfcamp formation, which contains the target zones for the proposed wells. It shows that the Wolfcamp formation across the HSU is continuous.

8. Attached as Exhibit B-5 is a north to south cross section. The well logs on the cross section provide a representative sample of the Wolfcamp formation in this area. The target zone(s) for the proposed wells are continuous across the HSU.

9. A north to south well orientation is preferred in this area based on horizontal stress.

10. The wells' producing intervals will be orthodox.

11. Based on the information discussed above, I am able to conclude that:

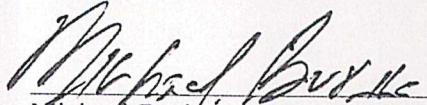
- (a) the HSU is justified from a geologic standpoint;
- (b) there is no faulting or other geologic impediment that could adversely affect the drilling of the proposed wells; and
- (c) each quarter-quarter section in the HSU will contribute more or less equally to production.

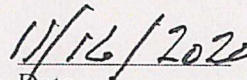
12. In my opinion, the granting of Ridge Runner's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

13. Exhibits B-1 through B-5 were either prepared by me or compiled from company records.

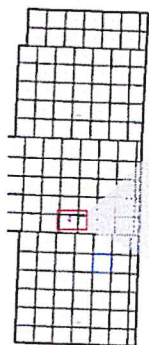
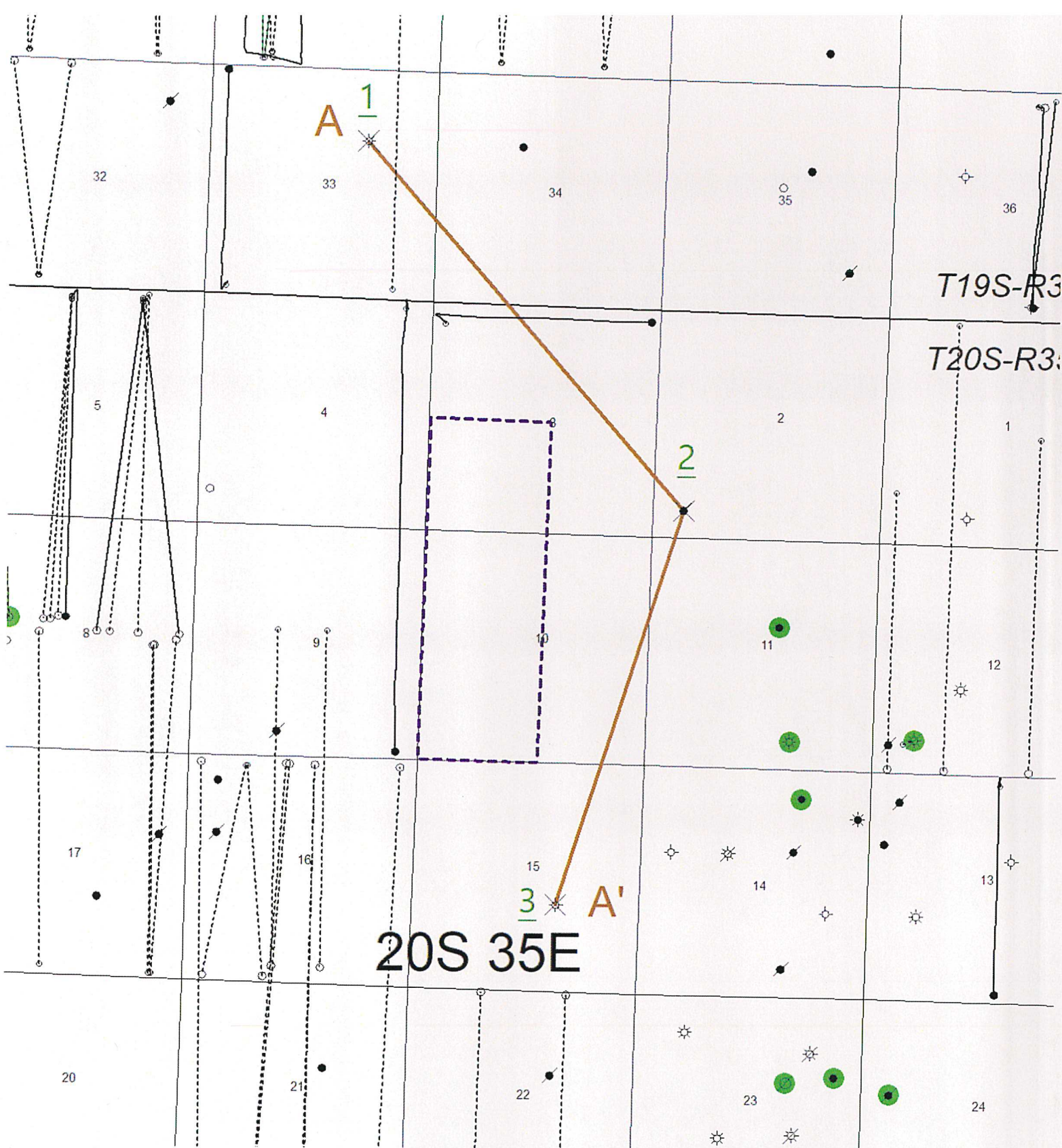


14. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 13 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
Michael Burke


  
Date





Case No. 21478  
**RIDGE RUNNER**  
**Exhibit B-1**

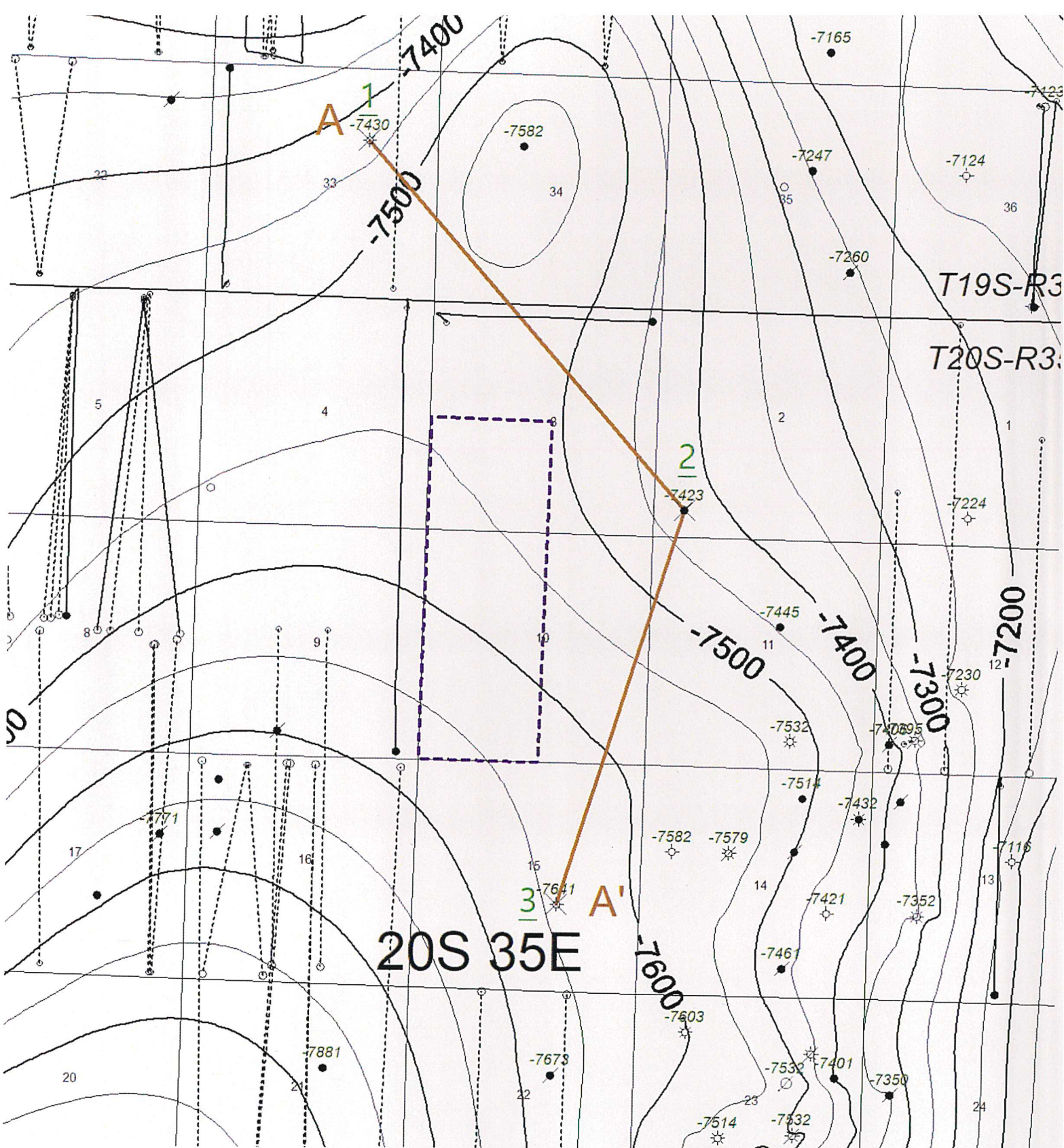


		
<b>Wolfcamp Well &amp; X-Section Index Map</b> Thunderbird 3-10 Fed Com Area Lea Co., New Mexico		
Author: rmburke	Bubbles: Green Wolfcamp Wells	Date: 15 November, 2020
Wells: > 9000'	Scale: 1" = 3000'	C.I.: N/A

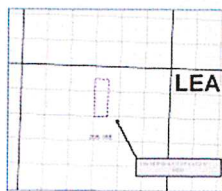
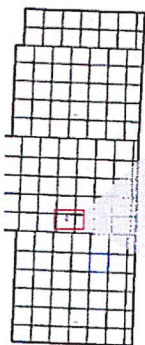








20S 35E



Case No. 21478

**RIDGE RUNNER**  
**Exhibit B-3**

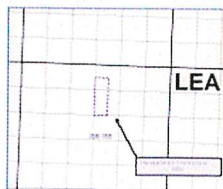
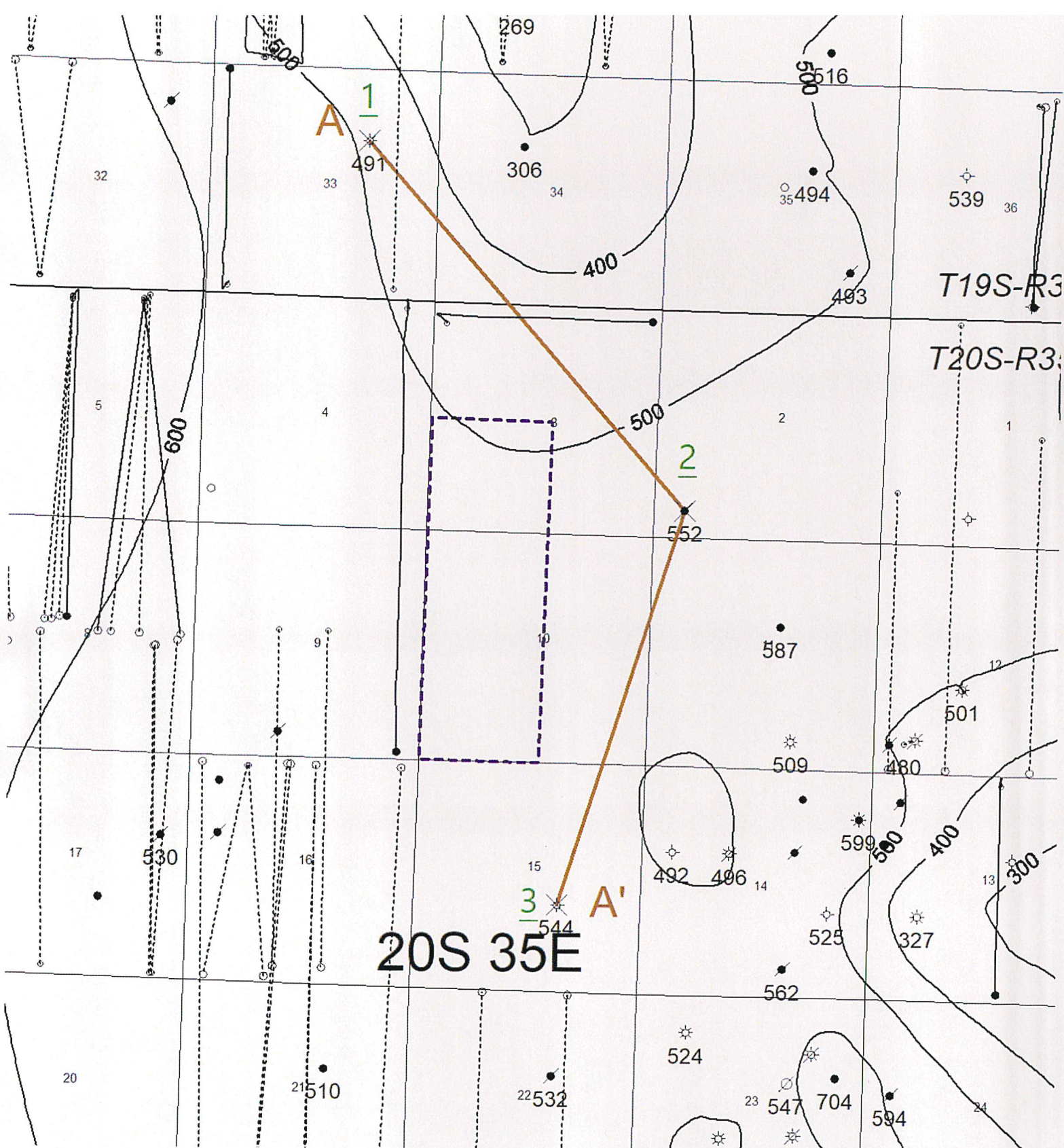


**RRR** **RIDGE RUNNER**  
RESOURCES

**Wolfcamp Structure Map**  
**Thunderbird 3-10 Fed Com Area**  
**Lea Co., New Mexico**


Author: mburke	Bubbles: N/A	Date: 15 November, 2020
Wells: > 9000'	Scale: 1" = 3000'	C.I.: 50'





Case No. 21478  
**RIDGE RUNNER**  
**Exhibit B-4**



		
<b>Wolfcamp Gross Isopach Map</b> <i>(Top Wolfcamp - Top Cisco Penn)</i> <b>Thunderbird 3-10 Fed Com Area</b> <b>Lea Co., New Mexico</b>		
Author: mburke	Bubbles: N/A	Date: 15 November, 2020
Wells: > 9000'	Scale: 1" = 3000'	C.I.: 100'



A

300253442300

11268 ft

300253480700

9616 ft

300252713000

A'

LOUIS DREYER US NATURAL  
GAS CORP  
TWP. 19 S. Range. 35 E. - Sec. 33

THRESHOLD DEV CO  
STATE 2-M. 1  
TWP. 20 S. Range. 35 E. - Sec. 2

AMOCO PROD CO  
FEDERAL ET AL CO. 1  
TWP. 20 S. Range. 35 E. - Sec. 15

Resistivity

1

Porosity

Resistivity

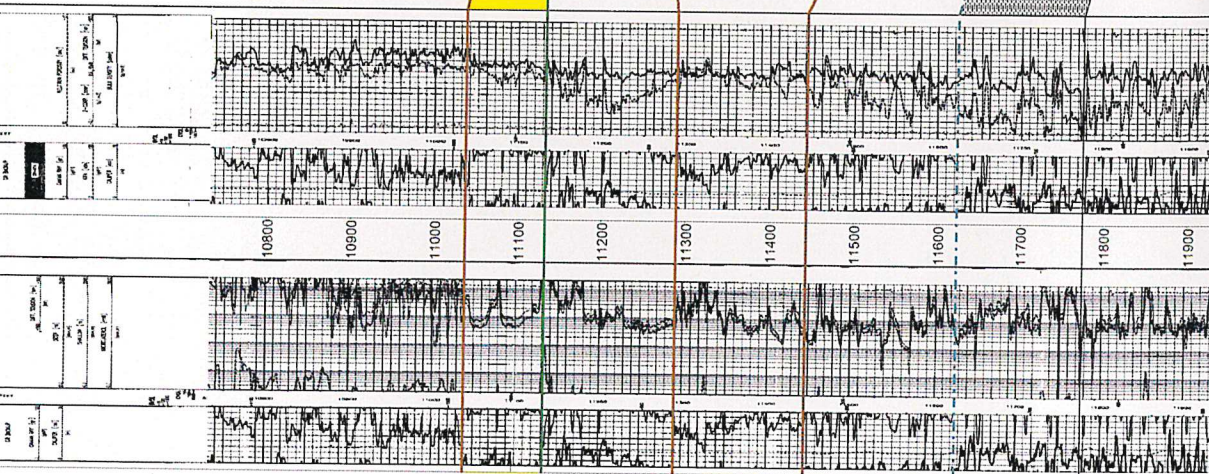
2

Porosity

Resistivity

3

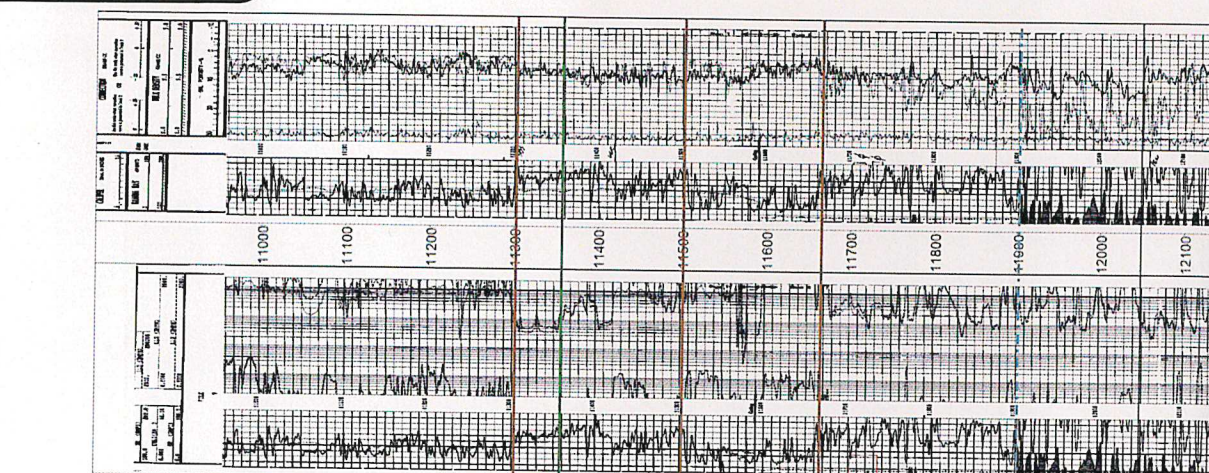
Porosity



TD=13322.00  
Comp Date=2/25/1993

TD=13370.00  
Comp Date=7/14/2000

TD=13800.00  
Comp Date=11/6/1992



Case No. 21478  
RIDGE RUNNER  
Exhibit B-5

0

-500

0

-500