

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 RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

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	Pool Code	Pool Name
Property Code	Property Name PINEHURST	Well Number 5H
OGRID No.	Operator Name HADAWAY CONSULTING & ENGINEERING, LLC	Elevation 3663.7'

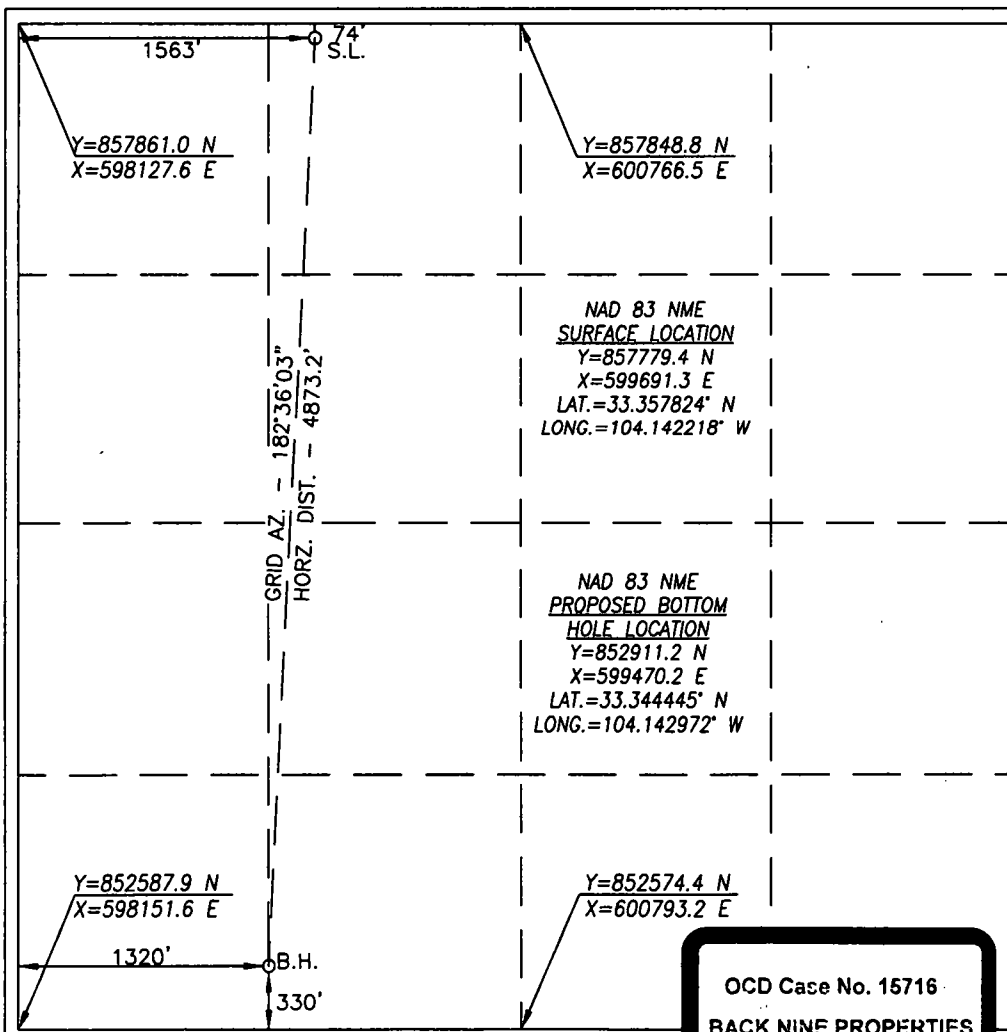
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	11-S	28-E		74	NORTH	1563	WEST	CHAVES

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	21	11-S	28-E		330	SOUTH	1320	WEST	CHAVES
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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 _____ Date _____

Printed Name _____

E-mail Address _____

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.

MAY 26, 2017

Date of Survey

Signature & Seal of Professional Surveyor

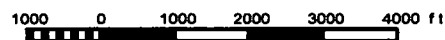
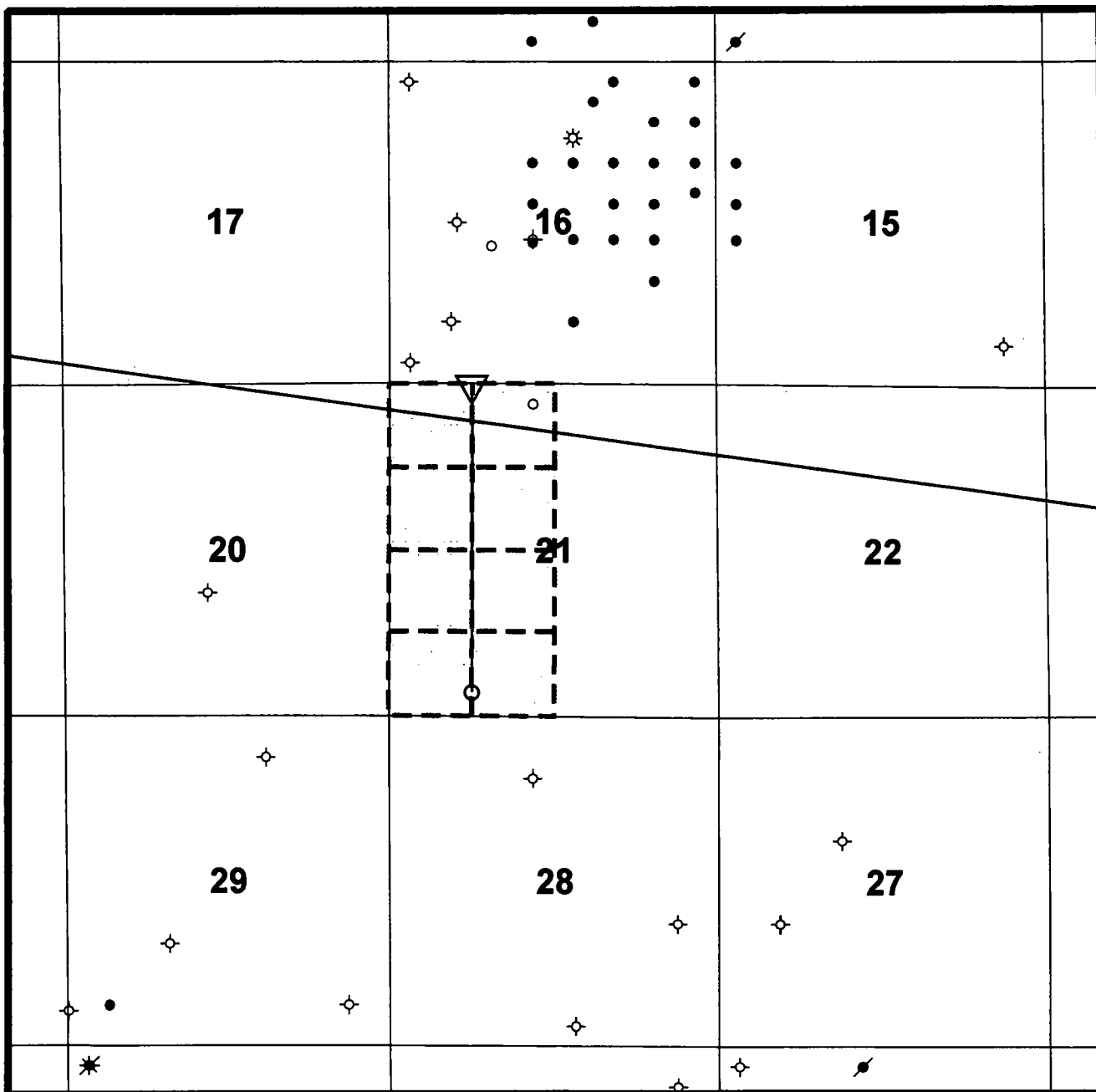



00/00/17
Certificate No. CHAD HARCROW 17777
W.O. # 17-501 DRAWN BY: JH

OCD Case No. 15716

BACK NINE PROPERTIES
Pinehurst #5H

Exhibit #1



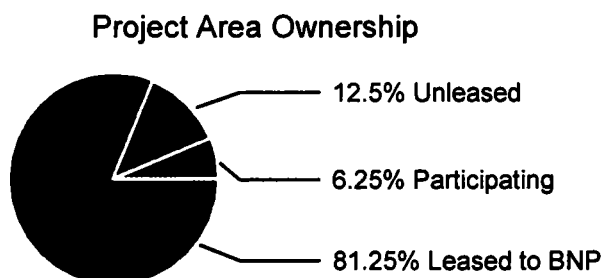


Back Nine Properties, LLC

Pinehurst 5H

Sec 21 - 11S - 28E
Chaves County, New Mexico

Author: DLC Jr. Horizontal Scale: 1 in = 2500 ft
Date: 2 June, 2017



OCD Case No. 15716

BACK NINE PROPERTIES

Pinehurst #5H

Exhibit #2

BACK NINE PROPERTIES, LLC

5949 Sherry Lane, Suite 835
Dallas, Texas 75225
(972) 781-8668

April 17, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Working Interest Owners

RE: Well Proposal
Pinehurst 5H
W2W2 Section 21-T11S-R28E
Chaves County, New Mexico

Dear Working Interest Owner:

Back Nine Properties, LLC ("Back Nine") proposes to drill the **Pinehurst 5H** well as a horizontal well from a surface hole location 50' FNL & 1320' FWL, Section 21-T11S-R28E and a bottom hole location of 330' FNL & 1320' FWL, Section 6-T10S-R28E, or at a legal location as approved by the governing regulatory agency, to a total vertical depth of approximately 2,100' and a measured depth of 6,700' to test the San Andres Formation ("Operation"). The total cost of the Operation is estimated to be \$1,637,556.00. A detailed description of the cost is set out in the enclosed Hadaway Consulting & Engineering, LLC Authority for Expenditure ("AFE").

Please indicate your participation election in the space provided below and return this letter, along with an executed AFE and a copy of your geological well requirements to the corporation address listed above, Attention: David L. Cherry, Jr (DJ). Should you have any questions, please do not hesitate to contact myself or Mr. DJ Cherry at the telephone number listed above.

Very truly yours,

BACK NINE PROPERTIES, LLC



Diana L. Millsap,
Landman

OCD Case No. 15716
BACK NINE PROPERTIES
Pinehurst #5H
Exhibit #3

Pinehurst 5H Well Proposal
W2W2 Section 21-T11S-R28E
Chaves County, New Mexico
Date April 17, 2017
Page Two

_____ I/We hereby elect to participate in the Pinehurst 5H.

_____ I/We hereby elect **not** to participate in the Pinehurst 5H.

_____ (Company or Individual Name)

By: _____

Printed Name: _____

Title: _____

Date: _____

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>Santech Royalty Corporation 1001 Noble Energy Way Houston, TX 77070</p> <p>9590 9402 2868 7069 5983 78</p>		<p>A. Signature X <i>Monica Wallace</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Monica Wallace</i> C. Date of Delivery <i>4/24/17</i></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>APR 26 2017 <i>Pinehurst 5H</i></p>	
<p>2. Article Number (Transfer from service label) 7014 0510 0000 6746 2562</p> <p>PS Form 3811, July 2015 PSN 7530-02-000-6053</p>		<p>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"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	

COMPLETE THIS SECTION ON DELIVERY	
<p>A. Signature X <i>Monica Wallace</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Monica Wallace</i> C. Date of Delivery <i>4/24/17</i></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>4. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

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>Brace Studio, Inc. LLC P O Box 2243 Longview, TX 75606-2243</p> <p>9590 9403 0663 8183 3684 04</p>		<p>A. Signature X <i>Deisy Chavez</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Deisy Chavez</i> C. Date of Delivery <i>4/24/17</i></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>APR 24 2017 <i>Pinehurst 5H</i></p>	
<p>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"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>		<p>4. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	

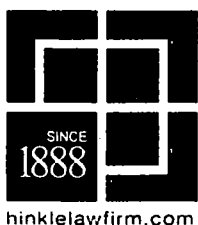
COMPLETE THIS SECTION ON DELIVERY	
<p>A. Signature X <i>Deisy Chavez</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Deisy Chavez</i> C. Date of Delivery <i>4/24/17</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	<p>4. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

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<p>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"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>		<p>4. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	

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HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER

Gary W. Larson,
Partner

glarson@hinklelawfirm.com

May 11, 2017

VIA CERTIFIED MAIL

34T Holding LLC
P.O. Box 11351
Midland, TX 79702

Re: Back Nine Properties LLC NMOCD Application

Dear Sir or Madam:

Enclosed is a copy of an application for approval of a 320-acre, non-standard spacing and proration unit and compulsory pooling that Back Nine Properties LLC ("Back Nine") has filed with the New Mexico Oil Conservation Division ("the Division"). The proposed non-standard spacing and proration unit is comprised of the W/2 of Section 21, Township 11 South, Range 28 East, NMPM, Chaves County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, June 8, 2017 in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. 34T Holding LLC ("34T") is not required to attend this hearing, but as an owner of an interest that may be affected by Back Nine's application, it may appear at the hearing and present testimony. If 34T 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, June 1, 2017. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, 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.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

GWL:sm
Enclosure

OCD Case No. 15716
BACK NINE PROPERTIES
Pinehurst #5H
Exhibit #4

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

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:

34T Holding LLC
P.O. Box 11351
Midland, TX 79702

9590 9402 2703 6351 7664 82

2. Article Number (Transfer from service label)

7017 0660 0000 6477 0005

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Cory Bird

C. Date of Delivery

5-7-17

- 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
☐ Insured Mail

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

all Restricted Delivery

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:

Black Shale Minerals, LLC
P.O. Box 2243
Longview, TX 75606-2243

9590 9402 2703 6351 7663 76

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9894

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Daisy Sarma

C. Date of Delivery

5/1/17

- 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
☐ Insured Mail

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

all Restricted Delivery

Domestic Return Receipt

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1. Article Addressed to:

Chisos, Ltd.
670 Dona Ana Road, SW
Deming, NM 88030

9590 9402 2703 6351 7663 83

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9900

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

B. Jacobsen

C. Date of Delivery

5/1/17

- 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
☐ Insured Mail

- ☐ Priority Mail Express®
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☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

all Restricted Delivery

Domestic Return Receipt

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Samedan Royalty Corporation
1001 Noble Energy Way
Houston, TX 77070

9590 9402 2703 6351 7663 90

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9917

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ☐ Agent
☐ 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
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail®
- ☐ Mail Restricted Delivery

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

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:

Selma Andrews Charitable Trust
c/o Bank of America, NA
P.O. Box 830308
Dallas, TX 75283

9590 9402 2703 6351 7664 06

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9924

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ☐ Agent
☐ 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
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail®
- ☐ Mail Restricted Delivery

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

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:

Selma Andrews Trust fbo P. Barrett
c/o Bank of America, NA
P.O. Box 830308
Dallas, TX 75283

9590 9402 2703 6351 7664 13

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9931

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ☐ Agent
☐ 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
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail®
- ☐ Mail Restricted Delivery

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

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:

Spool Holding LLC
P.O. Box 11351
Midland, TX 79702

9590 9402 2703 6351 7664 20

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9948

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Clay B. B. B.

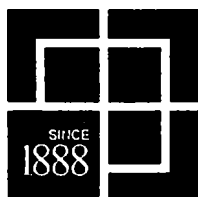
C. Date of Delivery

5-17-77

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

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 checked="" 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"/> Collect on Delivery Restricted Delivery (Mail) | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Restricted Delivery | |



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER

Gary W. Larson,
Partner

glarson@hinklelawfirm.com

May 11, 2017

VIA CERTIFIED MAIL

DK Boyd
P.O. Box 11351
Midland, TX 79702

Re: Back Nine Properties LLC NMOCD Application

Dear Mr. Boyd:

Enclosed is a copy of an application for approval of a 320-acre, non-standard spacing and proration unit and compulsory pooling that Back Nine Properties LLC ("Back Nine") has filed with the New Mexico Oil Conservation Division ("the Division").

The proposed non-standard spacing and proration unit is comprised of the W/2 of Section 21, Township 11 South, Range 28 East, NMPM, Chaves County, New Mexico. The location of the proposed project area is orthodox. Your interests are not being pooled, but as the owner of an interest in an offsetting tract, you are entitled to receive notice of Back Nine's application.

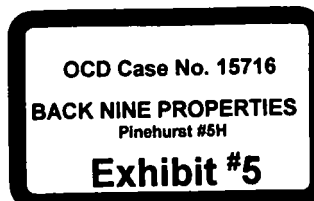
This matter is scheduled for hearing at 8:15 a.m. on Thursday, June 8, 2017 in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest in an offset tract, you have the right to appear at the hearing and present testimony. If you do not appear at the hearing, you will be precluded from contesting the matter at a later date.

A party appearing in the 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, June 1, 2017. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, 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.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson



GWL:sm
Enclosure

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

PO BOX 1720
ARTESIA, NEW MEXICO 88210
575-622-6510
(FAX) 575-746-6316

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

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:

DK Boyd
P.O. Box 11351
Midland, TX 79702

9590 9402 2703 6351 7664 44

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9962

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:

State of New Mexico
c/o New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

9590 9402 2703 6351 7664 75

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9993

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:

Ponderosa Petroleum Corporation
P.O. Box 132
Roswell, NM 88202

9590 9402 2703 6351 7664 68

2. Article Number (Transfer from service label)

7017 0660 0000 6476 9986

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Clay Boyce

C. Date of Delivery

5-19-17

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Clay Boyce

C. Date of Delivery

5-19-17

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Clay Boyce


C. Date of Delivery

5-19-17

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p> <input checked="" type="checkbox"/> Complete items 1, 2, and 3. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits. </p> <p>1. Article Addressed to:</p> <p style="margin-left: 20px;"> E & S Petroleum LLC P.O. Box 2825 Amarillo, TX 79105 </p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 10px;"></div> <p style="text-align: center; margin-top: 5px;">9590 9402 2703 6351 7664 51</p> <p>2. Article Number (Transfer from service label)</p> <p style="text-align: center; margin-top: 5px;">7017 0660 0000 6476 9979</p>	<p>A. Signature</p> <p style="margin-left: 20px;"> <input checked="" type="checkbox"/> <i>Shannon Korman</i> <input type="checkbox"/> Agent </p> <p style="margin-left: 20px;"> <input type="checkbox"/> Addresssee </p> <p>B. Received by (Printed Name)</p> <p style="margin-left: 20px;"> <i>Shannon Korman</i> </p> <p>C. Date of Delivery</p> <p style="margin-left: 20px;"> <i>05-16-17</i> </p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes</p> <p style="margin-left: 20px;">If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; margin-top: 10px;">  </div> <p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Mail Restricted Delivery </div> <div style="width: 45%;"> <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery </div> </div>

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p> <input checked="" type="checkbox"/> Complete items 1, 2, and 3. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits. </p> <p>1. Article Addressed to:</p> <p style="margin-left: 20px;"> Black Crown Energy Partners, LP P.O. Box 50820 Midland, TX 79710 </p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 10px;"></div> <p style="text-align: center; margin-top: 5px;">9590 9402 2703 6351 7664 37</p> <p>2. Article Number (Transfer from service label)</p> <p style="text-align: center; margin-top: 5px;">7017 0660 0000 6476 9955</p>	<p>A. Signature</p> <p style="margin-left: 20px;"> <input checked="" type="checkbox"/> <i>R. Franco</i> <input type="checkbox"/> Agent </p> <p style="margin-left: 20px;"> <input type="checkbox"/> Addresssee </p> <p>B. Received by (Printed Name)</p> <p style="margin-left: 20px;"> <i>Lauren Franco</i> </p> <p>C. Date of Delivery</p> <p style="margin-left: 20px;"> <i>5/16/17</i> </p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes</p> <p style="margin-left: 20px;">If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Mail Restricted Delivery </div> <div style="width: 45%;"> <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery </div> </div>

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

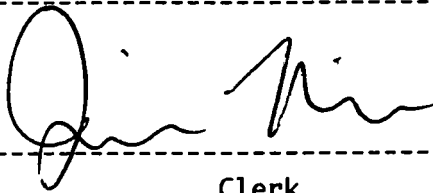
AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Jenny Martinez
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

One time with the issue dated

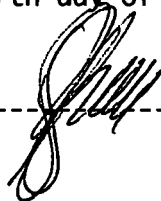
May 17th, 2017



Clerk

Sworn and subscribed to before me

this 17th day of May, 2017



Notary Public

My Commission expires
June 13, 2018

Publication Notice...

Publish May 17, 2017

PUBLICATION NOTICE
Pinehurst #5H

This is to notify all interested parties, including 34T Holding LLC, Black Shale Minerals, LLC, Chisos, Ltd, the Samedan Royalty Corporation, the Selma Andrews Perpetual Charitable Trust, the Selma E. Andrews Trust fbo Peggy Barrett, Spool Holding LLC, DK Boyd, the New Mexico State Land Office, Ponderosa Petroleum Corporation, E & S Petroleum LLC, and Black Crown Energy Partners, LP, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Back Nine Properties LLC (Case No. 15716) at 8:15 a.m. on June 8, 2017 in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico. Back Nine Properties LLC seeks an order (i) approving a 320-acre, non-standard oil spacing and proration unit (project area) comprised of the W/2 of Section 21, Township 11 South, Range 28 East, NMPM, in Chaves County, and (ii) pooling all mineral interests in the San Andres formation underlying this acreage. The project area is to be dedicated to the Pinehurst #5H well, which will be horizontally drilled from a surface location in Unit D to a bottom hole location in Unit M of Section 21, Township 11 South, Range 28 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Hadaway Consulting and Engineering, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately 21 miles east of Roswell, New Mexico.

OCD Case No. 15716

BACK NINE PROPERTIES
Pinehurst #5H

Exhibit #6

AUTHORITY FOR EXPENDITURE
 OPERATOR: Back Nine properties
 LEASE: Pinehurst 5H
 LOCATION: Sec. 21, Twp. 11S, Rng. 28E
 COUNTY, STATE: CHAVES COUNTY, NEW MEXICO
 COMMENTS: By A.C. Hadaway
 Day Work Drilling Contract
 TVD 2,100
 MD 6,700
 ZONE: SAN ANDRES

DATE: 3/7/2017

DRLG. DAYS:
 COMPL. DAYS:
 TOTAL DAYS:

INTANGIBLE				TD	P&A	COMPL	Total
Code	Days	\$/day	Days				
IT-1 Location, Road, Damages	-	-	-	\$25,000		\$3,600	\$28,500
IT-2 Permits, Survey	-	-	-	\$3,000			\$3,000
IT-3 Rig Move In/Out	-	-	-	\$90,000			\$90,000
IT-4 Drilling							
IT-5 Day Work w/ DP:	14	\$14,000	0	\$196,000		\$0	\$196,000
IT-6 TOP DRIVE SYSTEM	0	\$0	0	\$0		\$0	\$0
IT-7 Directional Drilling:	8200	\$12.00	0	\$98,400		\$0	\$98,400
IT-8 Drill RH & MH & Cmt Cond	-	-	-	\$10,000		\$0	\$10,000
IT-9 W/O Rig:	0	\$3,500	5	\$0		\$17,500	\$17,500
IT-10 Bits & Stabilizers	-	-	-	\$12,000		\$0	\$12,000
IT-11 Mud & Chemicals/Oil	-	-	-	\$45,000		\$0	\$45,000
IT-12 Fresh Water	-	-	-	\$5,000		\$0	\$5,000
IT-13	0	\$0	-	\$0		\$0	\$0
IT-14 FLOWBACK TANK	0	\$1,100	10	\$0		\$11,000	\$11,000
IT-15 Rental Surface:----	FORK LIFT / TRASH TRAILER / PORTA Potty			\$10,000		\$5,000	\$15,000
IT-16 Rental Downhole:-----	SHOCK SUB / DRLG JARS			\$5,000		\$0	\$5,000
IT-17 Casing Crew & Tool	-	-	-	\$4,000		\$6,000	\$10,000
IT-18 Cement Surface Cag.	-	-	-	\$15,000		\$0	\$15,000
IT-19 KICK OFF PLUG	-	-	-	\$15,000			\$15,000
IT-20 Cement Long String Cag.	-	-	-	\$0		\$25,000	\$25,000
IT-21 Packers Plus System	-	-	-	\$0		\$0	\$0
IT-22 Mud Logger:	7	\$900	-	\$6,300		\$0	\$6,300
IT-23 ROTARY CORE	-	-	-	\$20,000		\$0	\$20,000
IT-24 Nu/Nd/Test	-	-	-	\$5,000		\$0	\$5,000
IT-25 Fuel	15	1250	\$2.25	\$42,188		\$0	\$42,188
IT-26 Trucking	-	-	-	\$5,500			\$5,500
IT-27 Contract Labor/Inspections	-	-	-	\$15,000			\$15,000
IT-28 Welding	-	-	-	\$1,800		\$2,000	\$3,800
IT-29 Engineering/Supervision:	16	\$1,200	10	\$18,000		\$12,000	\$30,000
IT-30 Geological	2	\$750	0	\$1,500		\$0	\$1,500
IT-31 Insurance	-	-	-	\$6,000		\$0	\$6,000
IT-32 Wireline services	-	-	-	\$0		\$0	\$0
IT-33 Open Hole Logs	-	-	-	\$5,000		\$0	\$5,000
IT-34 COIL TUBING DRILL OUT	-	-	-			\$80,000	\$80,000
IT-35 Internal Professional Origination Fee	-	-	-	\$0		\$0	\$0
IT-36	-	-	-	\$0		\$0	\$0
IT-38 Stimulation 16 STAGE P&P	-	-	-	0		\$350,000	\$350,000
Contingency @ 10.00%	-	-	-	\$62,249		\$49,200	\$111,449
TOTAL:				\$684,736	\$0	\$541,200	\$1,225,936

AUTHORITY FOR EXPENDITURE

LEASE: Pinehurst 5H				TD	P&A	Compl	Total
TANGIBLE	In. OD	feet	@ \$/ft				
T-1 Conductor: 20"	0		\$40.00	\$0			\$0
T-2 Surface: 13-3/8"	0		\$28.00	\$0			\$0
T-3 Intermediate 1: 9-5/8"	1,500		\$15.00	\$22,500			\$22,500
T-4 Intermediate 2: 7"	0		\$30.00	\$0			\$0
T-5 Production:	5.6	6,700	\$12.00			\$80,400	\$80,400
T-6 Liner:	0		\$9.75			\$0	\$0
T-7 Tubing: 2.875	2,100		\$3.00			\$6,300	\$6,300
T-8 Packers Plus System	-	-	-			\$0	\$0
T-9 Wellhead:	-	-	-	\$6,500		\$10,000	\$16,500
T-10 Float Equipment - DV Tool:	-	-	-	\$2,500		\$8,000	\$10,500
T-11 Contingency @ 10.00%	-	-	-	\$3,150		\$10,270	\$13,420
Total Tangible:				\$34,650		\$112,670	\$147,320
Total Drill & Complete:				\$719,386		\$654,170	\$1,373,556

ARTIFICIAL LIFT

T-12 ESP PUMP						\$80,000	\$80,000
Rods:	0					\$0	\$0
T-13 MISC FOR ESP PUMP	-	-	-			\$5,000	\$5,000
T-14 Installation	-	-	-			\$5,000	\$5,000
T-15 Electrical	-	-	-			\$10,000	\$10,000
T-16 Contingency @ 10.00%	-	-	-			\$5,000	\$5,000
Total Artificial Lift:						\$88,000	\$88,000

TANK BATTERY

T-17 Gas/Water Lines, Meters	-	-	-			\$5,000	\$5,000
T-18 Valves & Connection	-	-	-			\$20,000	\$20,000
T-19 SEP/HT/Etc.	-	-	-			\$20,000	\$20,000
T-20 Oil Tank	-	-	-			\$90,000	\$90,000
T-21 SW Tank	-	-	-			\$0	\$0
T-22 Labor	-	-	-			\$15,000	\$15,000
T-23 Miscellaneous	-	-	-			\$10,000	\$10,000
T-24 Contingency @ 10.00%	-	-	-			\$16,000	\$16,000
Total Tank Battery:						\$176,000	\$176,000

Total D&C, Art Lift & SE: \$719,386 \$918,170 \$1,637,556

WI = 100 % Drilling & Completion \$719,386 \$918,170 \$1,637,556

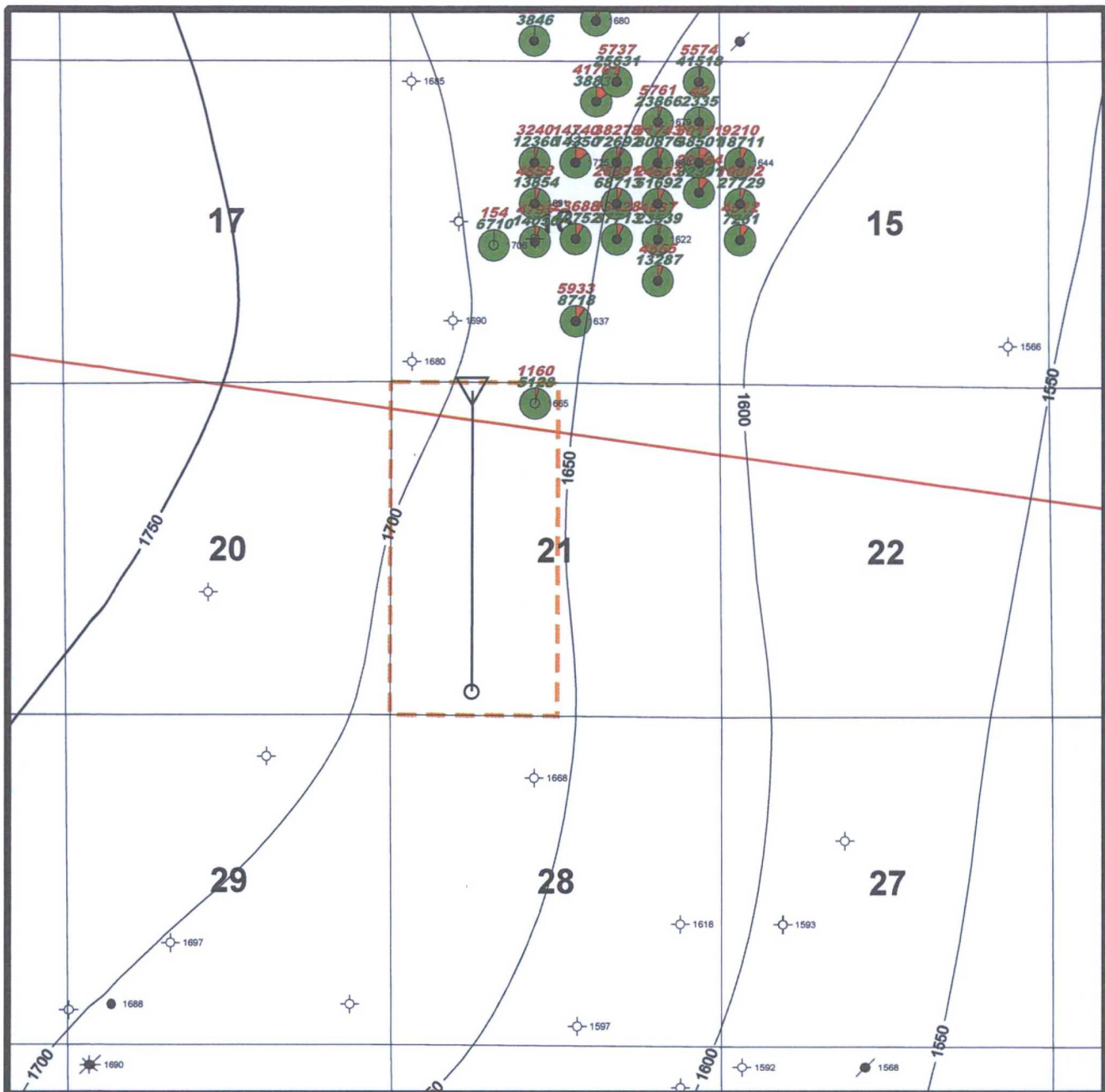
Grand Total:

This AFE is based on present day prices. Final costs could be higher or lower than those shown in this AFE, due to fluctuations in prices during the time of drilling and completion or unanticipated problems.

APPROVED BY: _____ DATE: _____

COMPANY: _____

OCD Case No. 15716
BACK NINE PROPERTIES
 Pinehurst #5H
Exhibit #7



Back Nine Properties, LLC

Pinehurst 5H

Sec 21 - 11S - 28E
Chaves County, New Mexico

Author: WCB

Horizontal Scale: 1 in = 2500 ft

Date: 1 June, 2017

Contour Interval: 50 ft

1000 0 1000 2000 3000 4000 ft

Project Area



San Andres Producer

-  Gas Production
-  Oil Production
-  Pi Mkr Depth Sub Sea

N



OCD Case No. 15716

BACK NINE PROPERTIES
Pinehurst #5H

Exhibit #8

Pinehurst 5H Project Area

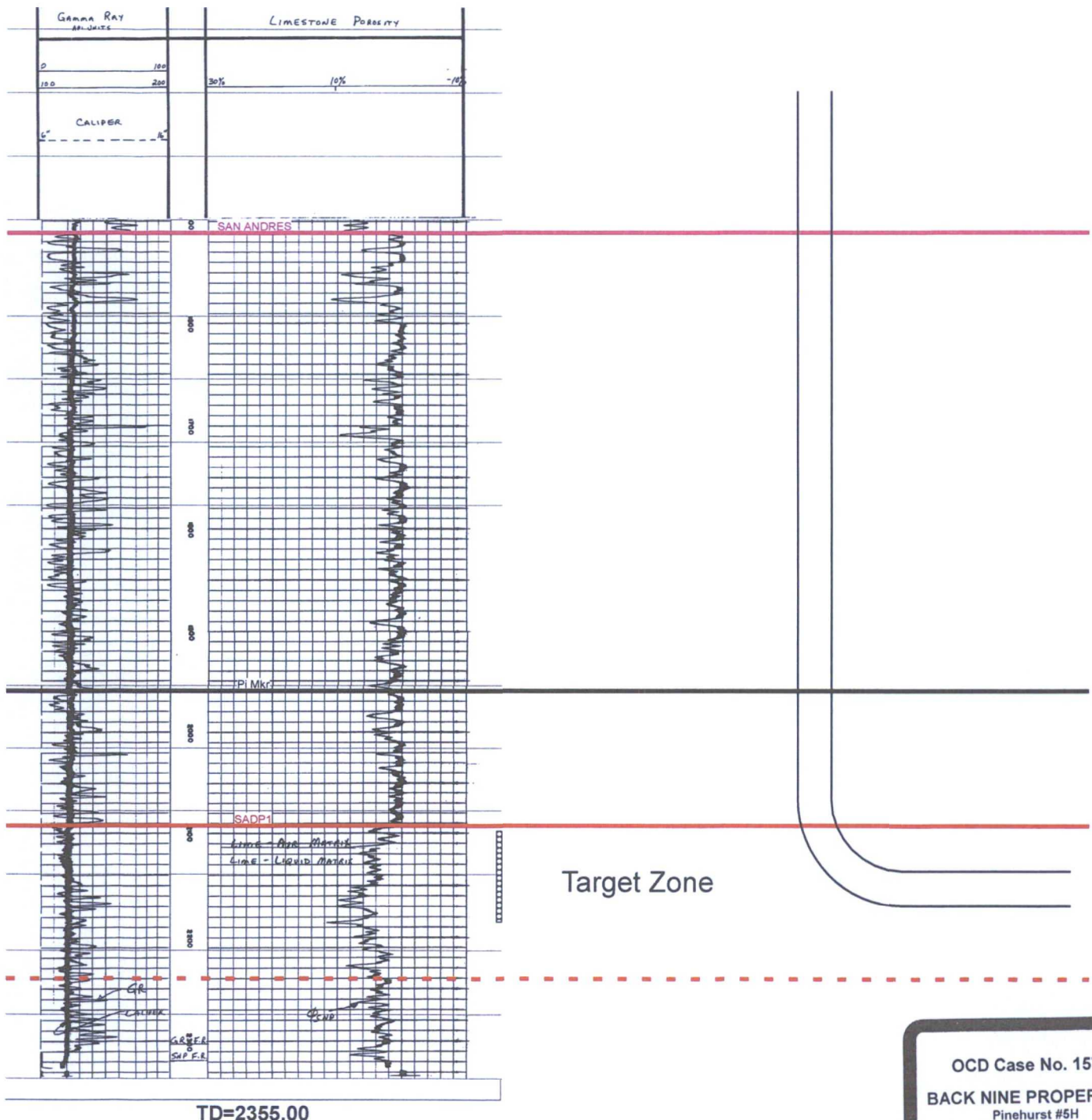
Stratigraphic Cross Section

30005604270000

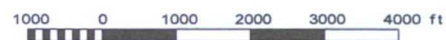
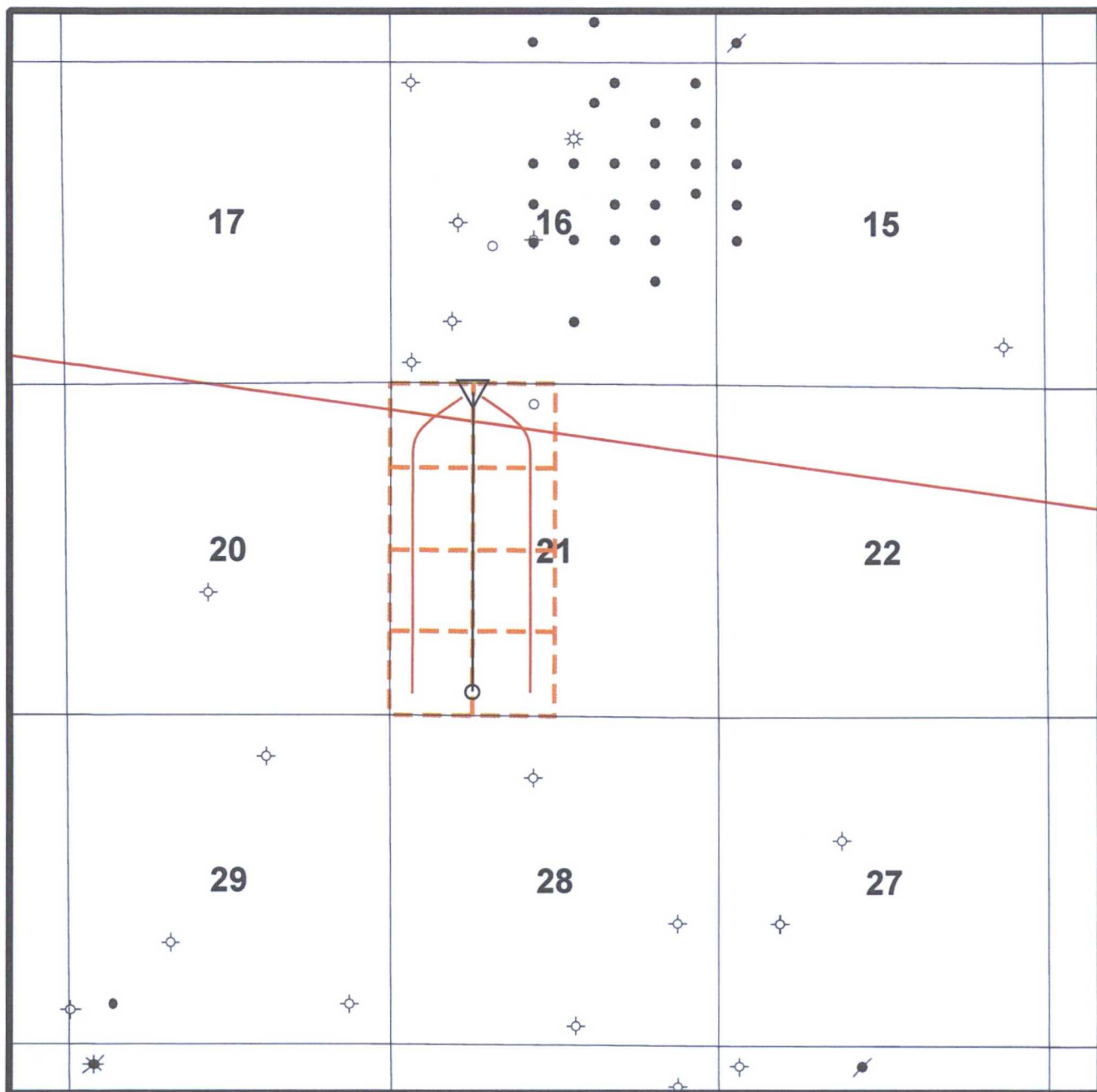
Proposed Location

● ← 1110 FT → ○
PONDEROSA PETROLEUM CORP
WHITE PLAINS 1
330 FNL/2310 FWL
TWP: 11 S - Range: 28 E - Sec. 21
Field=CHISUM EAST

BACK NINE PARTNERS, LLC
PINEHURST 5H
74 FNL/1563 FWL
TWP: 11 S - Range: 28 E - Sec. 21



OCD Case No. 15716
BACK NINE PROPERTIES
 Pinehurst #5H
Exhibit #9



Back Nine Properties, LLC

Pinehurst 5H
 Sec 21 - 11S - 28E
 Chaves County, New Mexico

Author: DLC Jr. Horizontal Scale: 1 in = 2500 ft
 Date: 2 June, 2017



OCD Case No. 15716
BACK NINE PROPERTIES
 Pinehurst #5H
Exhibit #10

San Andres Fields of Southeastern NM

Back Nine/Hadaway

Rock Cliff

Milnesand Cased Horizontal Project

Apache

Nemo

Slaughter Fairway

Bottomless Lakes
Recharge Area

Roswell Fairway

Special Development Corp

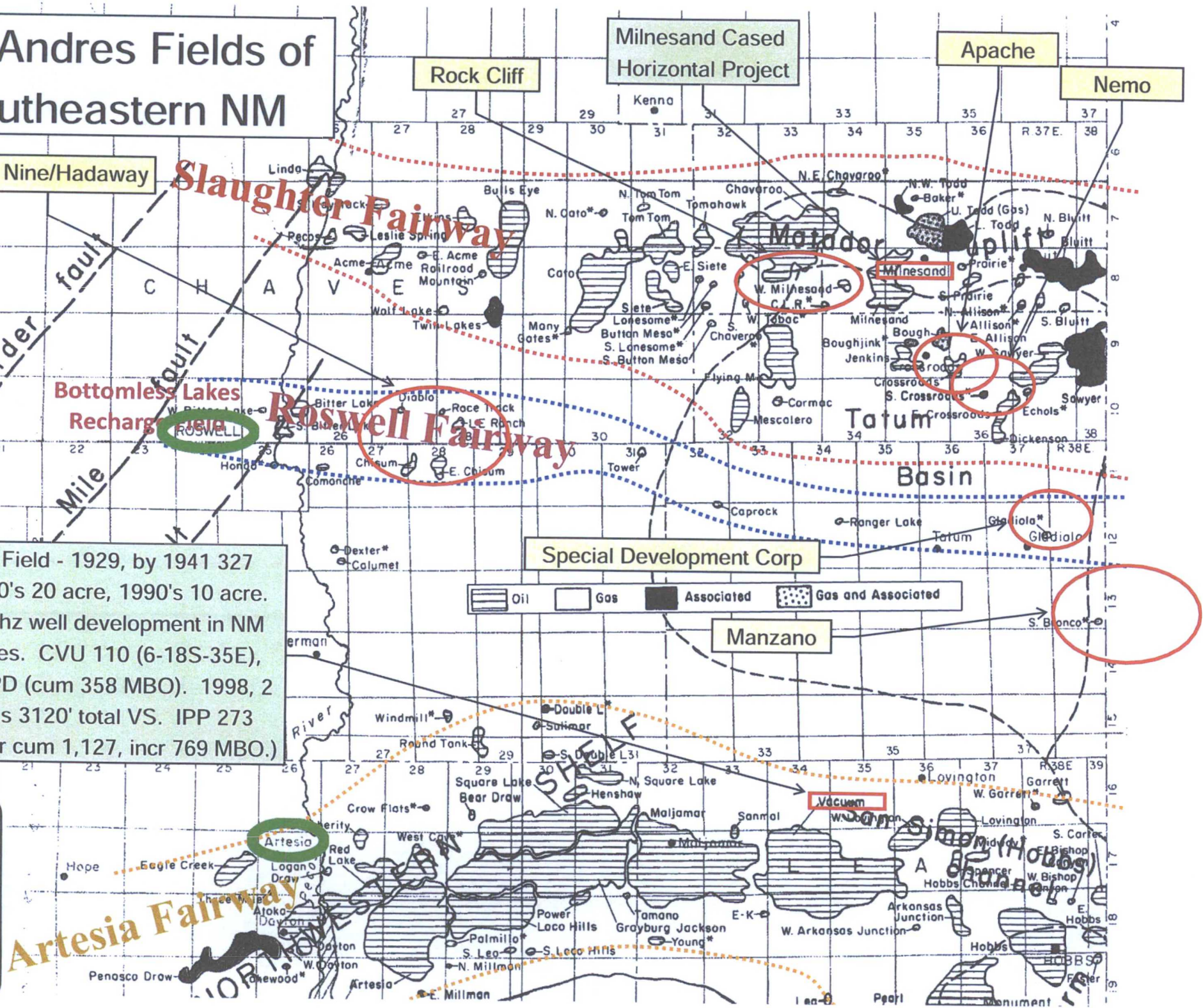
Manzano

Oil Gas Associated Gas and Associated

Vacuum Field - 1929, by 1941 327 wells. 1970's 20 acre, 1990's 10 acre. 1998 first hz well development in NM San Andres. CVU 110 (6-18S-35E), 10-15 BOPD (cum 358 MBO). 1998, 2 hz laterals 3120' total VS. IPP 273 BOPD (curr cum 1,127, incr 769 MBO.)

OCD Case No. 15716
BACK NINE PROPERTIES
Pinelust #5H
Exhibit #11

Artesia Fairway

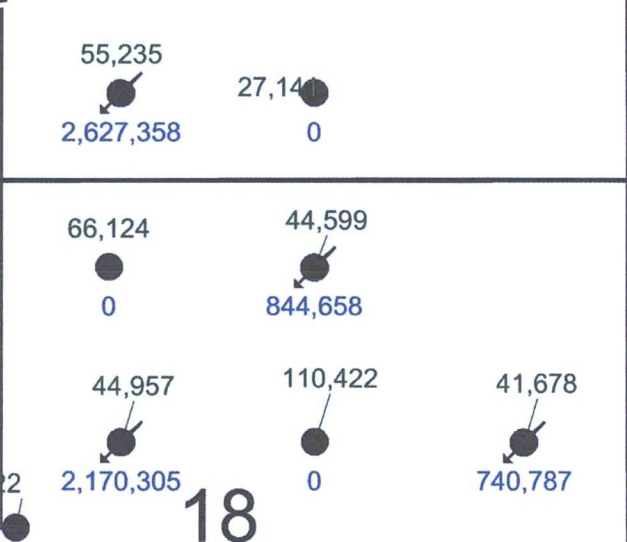
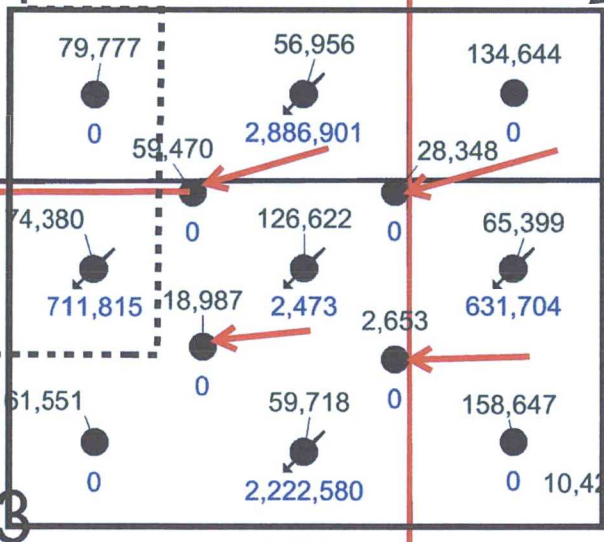
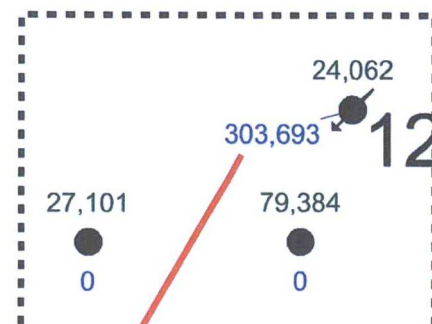


8S 34E

Portions of Milnesand San Andres Unit Drilled 1961 - Waterflood Commenced 1978

8S 35E

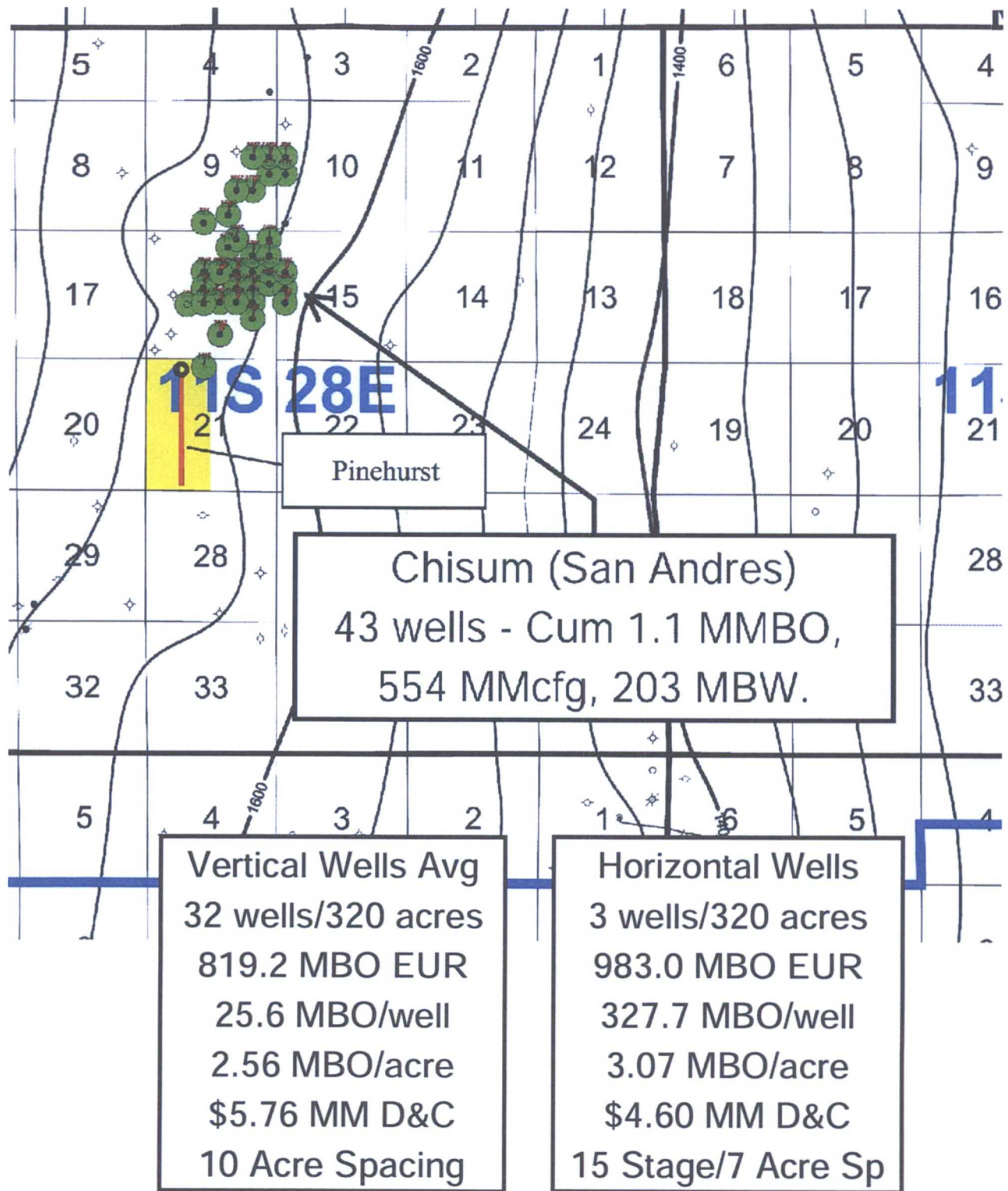
4 vert infills (red arrows) drilled in 1983 made 34% of incremental (86 MBO of 253 MBO) in solid box.



Area produced 556 MBO thru 2011 final rate 5 BOPD, then drilled 2 Hz 2,200' laterals w/ 6 acid stages each. Area rate went to 90 BOPD, 46 MBO incremental cum.

Exhibit #12

OCD Case No. 15716
 BACK NINE PROPERTIES
 Pinehurst #5H



OCD Case No. 15716

BACK NINE PROPERTIES
Pinehurst #5H

Exhibit #13