## State of New Mexico Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham** Governor

Melanie A. Kenderdine Deputy Secretary – Designate

Ben Shelton Deputy Secretary (Acting) **Gerasimos "Gerry" Razatos** Division Director (Acting) Oil Conservation Division



Mike Gregory mgregory@freedomenergy

Administrative Order NSP – 2246

## ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Flat Creek Resources, LLC [OGRID 374034] Cardigan Federal Com Well No. 132H [30-015-56003] Cardigan Federal Com Well No. 133H [30-015-56004] Cardigan Federal Com Well No. 134H [30-015-56005] SW/4, S/2 NW/4 SEC 13, S/2, S/2 N/2 SEC 14, & SE/4, S/2 NE/4 SEC 15, T19S R27E, Eddy County, N.M.

Reference is made to your application received on January 17th, 2025.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

#### **Proposed Horizontal Spacing Unit:**

Description	Acres	Pool	Pool Code
SW/4, S/2 NW/4 SEC 13	960	Winchester; Bone Spring, West	97569
S/2, S/2 N/2 SEC 14			
SE/4, S/2 NE/4 SEC 15			

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a nonstandard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(1)(C) NMAC. NSP - 2246 Flat Creek Resources, LLC Page 2 of 2

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Eddy County, New Mexico.

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are being excluded.

You have requested this non-standard horizontal spacing unit to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines, and promote effective well spacing. This approval will prevent waste within the proposed spacing unit within the SW/4, S/2 NW/4 SEC 13, S/2, S/2 N/2 SEC 14 and the SE/4, S/2 NE/4 SEC 15 underlying the Bone Spring formation.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the abovedescribed **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following email address: <u>ocd.engineer@emnrd.nm.gov</u> of notice for additional wells.

#### **General Provisions**

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Date: 3/6/2025

Gerasimos Razatos Division Director (Acting) GR/lrl

ID NO. 421989		NSP - 2246		Revised March 23, 2017
RECEIVED: 01/17/25	REVIEWER:	TYPE:	APP NO: pLE	L2502249646
1	- Geologi	ABOVE THIS TABLE FOR OCD DIVIS CO OIL CONSERVA cal & Engineering rancis Drive, Santa	<b>FION DIVISION</b> Bureau –	- THE MARK
	t is mandatory for a	RATIVE APPLICATIO	ONS FOR EXCEPTIONS TO DI	VISION RULES AND
Applicant: Flat Creek Resource	es, LLC			Number: <u>374034</u>
Well Name: Cardigan Fed Co		I	API: 30-015	
Pool: WINCHESTER; BONE SPH	RING, WEST		Pool Co	de: 97569
1) TYPE OF APPLICATIO	N: Check those	<b>INDICATED BELOV</b> which apply for [A]	V	
	cing Unit – Simul		(PRORATION UNIT)	
DHC [   II] Injection –	ng – Storage – M	PLC PC OL Ure Increase – Enhar	iced Oil Recovery	FOR OCD ONLY
C. Application D. Notification E. Notification F. Surface owr	ators or lease ho erriding royalty o requires publish and/or concurr and/or concurr ner e above, proof c	lders wners, revenue own	I	Notice Complete Application Content Complete
3) <b>CERTIFICATION:</b> I her administrative appro- understand that <b>no</b> notifications are sub	oval is <b>accurate</b> <b>action</b> will be ta	and <b>complete</b> to the ken on this applicati	e best of my knowl	edge. I also
Note: State	ment must be comple	eted by an individual with m	anagerial and/or supervi	sory capacity.
Mike Gregory			1/17/2025 Date	

817-310-8570

Phone Number

e-mail Address

mgregory@freedomenergy.com

Mike Gregory

Signature

Print or Type Name

Digitally signed by Mike Gregory Date: 2025.01.17 13:49:40 -06'00'

.



January 14, 2025

#### SENT VIA CERTIFIED MAIL

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Attn: Mr. Leonard Lowe, Petroleum Engineer

RE: Application for Non-Standard Proration Unit Cardigan Fed Com 132H, 133H and 134H Wells <u>Horizontal Spacing Unit (the "*HSU*"):</u> Section 13, 19S-27E (SW4 & S2 NW4), Section 14, 19S-27E (S2 & S2 N2), & Section 15, 19S-27E (SE4 & S2 NE4) Eddy County, New Mexico, containing 960 acres

Dear Mr. Lowe,

Pursuant to 19.15.16.15(B)(5) Flat Creek Resources, LLC's ("*Flat Creek*") respectfully requests administrative approval of a non-standard proration unit for the following horizontal oil wells in the Winchester; Bone Spring, West pool (97569) (the "*Wells*"):

#### • Cardigan Fed Com 132H (API No. 30-015-56003)

Surface Hole Location:	2,083' FSL and 1,766' FWL of Section 13, 19S-27E
First Take Point:	1,652' FNL and 2,567' FWL of Section 13, 19S-27E
Last Take Point:	1,730' FNL and 2,547' FEL of Section 15, 19S-27E

# Cardigan Fed Com 133H (API No. 30-015-56004) <u>Surface Hole Location</u>: 2,053' FSL and 1,766' FWL of Section 13, 198-27E <u>First Take Point</u>: 1,978' FSL and 2,548' FWL of Section 13, 198-27E Last Take Point: 1,883' FSL and 2,545' FEL of Section 15, 198-27E

#### • Cardigan Fed Com 134H (API No. 30-015-56005)

Surface Hole Location:	2,023' FSL and 1,765' FWL of Section 13, 19S-27E
First Take Point:	478' FSL and 2,531' FWL of Section 13, 19S-27E
Last Take Point:	383' FSL and 2,543' FEL of Section 15, 19S-27E

The Wells and HSU are included in OCD Case No. 25053 for compulsory pooling which was presented by affidavit on January 9, 2025.

Flat Creek seeks administrative approval of a non-standard spacing unit to develop the HSU as a single communitized area. Doing so allows Flat Creek to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines, and promote effective well

NSP Application – Cardigan Unit January 14, 2025 Page **2** of **2** 

spacing, thereby promoting conservation and preventing waste. A single surface facility also reduces emissions from multiple tank batteries. The N/2 N/2 of the sections included in this HSU are being excluded because i) Flat Creek owns a minority interest in that spacing unit at this time and ii) another working interest owner currently owning a larger interest than Flat Creek has requested to operate that spacing unit.

Enclosed you will find the Well Location and Acreage Dedication Plat (C-102) for each Well, a plat showing the notice tracts for the proposed non-standard spacing unit, and the notice letter delivered to all affected parties along with a copy of this application.

If you have any questions concerning this application, you may contact me at (817) 310-8572 or mgregory@freedomenergy.com.

Sincerely,

Flat Creek Resources, LLC

Mile 400

Mike Gregory, CPL Vice President - Land

Page 6 of 18

C-102     State of New       State of New     Energy, Minerals & Natura						y Mexico Revised July 9, 7				ed July 9, 202
Submit Electronic Via OCD Permitt						I Resources	1	Submittal	Amended Report	
								Type:	As Drilled	
		W		OCATIO	i		<b>EDICATION</b>	PLAT		
API Number	30-015-	56003		97569	Pool N		ESTER; BON	NE SPRIN	NG, WEST	
Property Code			Property Name Operator Name		CARDIGAI	N FED COM				132H
			operator Hume		T CREEK RE	ESOURCES,	LLC.			3479'
urface Owner:	State Fee	Tribal 🗌 Federal	•			Mineral Owner:	State Fee Tribal	Federal		
					Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude	County
K	13	19-S	27-E	-	2083' S	1766' W	N 32.65879	59 W 1	04.2351447	EDDY
UL or lot no.	Section	Township	Range	Lot Idn	Bottom Ho Feet from the N/S	le Location	Latitude		Longitude	County
G	15	19-S	27-E	-	1728' N	2632' E	N 32.66318	77 W 1	04.2666819	EDDY
	1				1	1		<b>I</b>		
Dedicated Acres         Infill or Defining Well         Defining Well API           960 </td <td>Overlapping Spacing</td> <td>, Unit (Y/N)</td> <td>Consolida</td> <td>ted Code</td> <td></td>						Overlapping Spacing	, Unit (Y/N)	Consolida	ted Code	
Order Numbers						Well Setbacks are un	der Common Ownership	: Yes N	lo	
					Kick Off P	oint (KOP)				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude	County
F	13	19-S	27-E	-	1651' N	2652' W	N 32.66297	40 W 1	04.2323484	EDDY
						Point (FTP)				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W			Longitude	
F	13	19-S	27-E	-	1652' N	2567' W	N 32.66297	57 1 1	04.2326247	EDDY
			-			Point (LTP)				
UL or lot no. <b>G</b>	Section 15	Township 19-S	Range 27-E	Lot Idn	Feet from the N/S 1730' N	Feet from the E/W <b>2547' E</b>	Latitude N 32.66318	60 W 1	Longitude 04.2664055	County EDDY
G	15	19-3	27-2	-	1730 1	2347 E	IN 32.00310		04.2004055	EDDT
nitized Area or A	rea of Uniform I	ntrest		Spacing Unity	/ Type		Ground	Floor Elevation		
intized Filed of Fi		nirest		Spacing Onity	Horizont	al Vertical	Ground I	loor Elevatori		
I hereby certi- best of my kn that this orga in the land in well at this lo or unleased m pooling order	fy that the in nowledge and nization eith ncluding the ocation pursu nineral interes heretofore ent	belief; and, if er owns a wor proposed botton ant to a contro st, or to a volu ered by the di	the well is a king interest n hole location act with an o untary pooling vision.	i vertical or o or unleased n n or has a ri wner of a wo g agreement o	complete to the directional well, nineral interest ght to drill this rking interest or a compulsory ation has	I hereby certify notes of actual	rect to the best of a	ion shown on te or under m my belief	24508	
If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.							12	2/12/2024 3:01	CONAL SURVICES	Numining Solution
Signature			Date						e	
Print Name						Certificate Number	Date of	Survey		
E-mail Address								02/01/2024		

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100' 15' -KOP

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DETAIL VIEW A

SCALE: 1" = 400'

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• FAX (432) 682-1743

Page 9 of 18

<u>C-102</u>			Eneros		State of Nev ls & Natura		Department		Revise	ed July 9, 202
Submit Electronic Via OCD Permitt							ON DIVISION			
								Submittal	Initial Submittal	
								Type:	As Drilled	
		W	I /FLLLC		N AND AC	REAGE DE	EDICATION	PLAT		
API Number			Pool Code		Pool N	ame			14/EOT	
	30-015-	56004		97569		WINCH	ESTER; BONE	SPRING,		
Property Code			Property Name		CARDIGA	N FED COM				133H
OGRID No.			Operator Name		T CREEK RI	ESOURCES,	LLC.		Ground Level Elev	3479'
urface Owner:	State Fee	Tribal 🗌 Federal	1			Mineral Owner:	State Fee Tribal	Federal	<b>I</b>	
					Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude	County
К	13	19-S	27-E	-	2053' S	1766' W	N 32.65871	33   W 1	04.2351444	EDDY
I		·	·	•	Bottom Ho	le Location		I		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude	County
J	15	19-S	27-E	-	1885' S	2630' E	N 32.65856	44   W 1	04.2665352	EDDY
Dedicated Acres	Infill or Defi	ining Well Defin	ing Well API			Overlapping Spacing	Unit (Y/N)	Consolida	ted Code	
960										
order Numbers						Well Setbacks are ur	der Common Ownership	: Yes N	0	
					Kick Off P	oint (KOP)				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude	County
К	13	19-S	27-E	-	1979' S	2633' W	N 32.65846	40 W 1	04.2323199	EDDY
					First Take	Point (FTP)				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude	County
K	13	19-S	27-E	-	1978' S	2548' W	N 32.65846	48 W 1	04.2325961	EDDY
					Last Take ]	Point (LTP)				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude	County
J	15	19-S	27-E	-	1883' S	2545' E	N 32.65856	36   W 1	04.2662588	EDDY
Unitized Area or An	rea of Uniform I	ntrest		Spacing Unity	y Type	al Vertical	Ground F	Floor Elevation		
OPERATC I hereby certif			tained herein	is true and	complete to the	SURVEYOF	RS CERTIFICAT	FION	this plat @ag plotte	d from field
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Signature			Date			Signature and Seal	of Professional Surveyor	Dat	e	
Print Name						Certificate Number	Date of	Survey		
								02/01/2024		

Page 10 of 18



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BRASS CAP, G.L.O. SUR.

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• FAX (432) 682-1743

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Topographic

JEW MEXIC



**FLAT CREEK** 

EDDY COUNTY, NEW MEXICO

T-19-S, R-28-E 👯

T-19-S, R-27-E m

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Page 12 of 18

Print Name						Certificate Number	Date o	f Survey			
Signature			Date			Signature and Seal	of Professional Surveyo	r Date			
best of my kn that this orga in the land ir well at this lo or unleased m pooling order If this well is received The c unleased mine	fy that the in owledge and nization eithe woulding the coation pursue ineral interes heretofore ent a horizontal onsent of at ral interest i te well's com	formation cont belief; and, if rr owns a works proposed bottom int to a contra it, or to a volu ered by the dir well, I furthe: least one lessee n each tract (i beted interval	the well is a sing interest a hole location and an o many pooling vision. r certify that or owner of in the target	vertical or a or unleased n i or has a ri wner of a wa agreement o this organiz a working i pool or forma		SURVEYOF I hereby certify notes of actual is true and cor	RS CERTIFICA that the well loca surveys made by r rect to the best of	tion shown on t ne or under my my belief.	Add plat Days plots Noternisian dra New MEX 24508 Solona L SUR 11 PM		
ODEDATO						CUDVEVO		TION			
Unitized Area or A	rea of Uniform I	ntrest		Spacing Unity	Type	al Vertical	Ground	Floor Elevation			
0	15	19-S	27-E	-	383' S	2543' E	N 32.65444	11 W 10	04.2661280	EDDY	
UL or lot no.	Section	Township	Range	Lot Idn		Point (LTP) Feet from the E/W	Latitude		Longitude	County	
N	13	19-S	27-E	-	478' S	2531' W	N 32.65434	104   10	04.2325700	EDDY	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude		Longitude		
					First Take	Point (FTP)					
Ν	13	19-S	27-E	-	479' S	2616' W	N 32.65433	96 W 10	04.2322938	EDDY	
UL or lot no.	Section	Township	Range	Lot Idn	Kick Off P Feet from the N/S	oint (KOP) Feet from the E/W	Latitude		Longitude	County	
Order Numbers						I	der Common Ownershi	p: Yes No			
Dedicated Acres 960	Infill or Defi	ning Well Defini	ng Well API			Overlapping Spacing	Unit (Y/N)	Consolidate	d Code		
0	15	19-S	27-E	-	385' S	2628' E	N 32.65444		04.2664043	EDDY	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W			Longitude		
I						le Location					
UL or lot no. K	Section 13	Township 19-S	Range 27-E	Lot Idn -	Feet from the N/S 2023' S	Location Feet from the E/W 1765' W	Latitude N 32.65863		Longitude )4.2351446	County EDDY	
Surface Owner:	State Fee				Coorde e e		State Fee Tribal	Federal			
				FLA	T CREEK RI	ESOURCES,				3480'	
OGRID No.			Operator Name		CARDIGAI	N FED COM			Ground Level Elev	134H vation	
Property Code			Property Name						Well Number		
API Number	30-015-		Pool Code	)7569	Pool N	ame	ESTER; BON		WEST		
						REAGE DEDICATION PLAT					
								Submittal Type:	Amended Report		
Via OCD Permitt			(	DIL CO	NSERVAT	TON DIVIS	SION		Initial Submittal		
C-102     State of New       Submit Electronically     Energy, Minerals & Natural							Department		Revised July 9, 2024		

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## **Proposed Non-Standard Horizontal Spacing Unit**

Cardigan Fed Com Nos. 132H, 133H and 134H Wells

Section 13 (SW4 & S2 NW4), Section 14 (S2 & S2 N2), and Section 15 (SE4 & S2 NE4) 19S-27E, Eddy County, NM



Type	Certified Mail Tracking No.	Plat Tract	Legal Description (All in 19S-27E, Eddy Co., NM)	Owner	Address	City	State	Zip
BLM	9589 0710 5270 2175 1371 51	9 11 13 13	N/2 NE/4 of Section 22 NE/4 NW/4 of Section 22 E/2 W/2 of Section 15 NW/4 NE/4 of Section 15 NE/4 NE/4 of Section 15 ( <i>Uhleased</i> )	Bureau of Land Management	301 Dinosaur Trail	Santa Fe	MN	87508
State	9589 0710 5270 2175 1371 68	- 2 6 4 9 9 7 8 4	NE/4 NW/4 of Section 14 N/2 NE/4 of Section 14 N/2 NW/4 of Section 13 W/2 E/2 of Section 13 NW/4 NE/4 of Section 24 N/2 NW/4 of Section 24 N/2 NW/4 of Section 24 N/2 NW/4 NW/4 of Section 23 NW/4 NW/4 of Section 23 NW/4 NW/4 of Section 14	New Mexico State Land Office	310 Old Santa Fe Trail	Santa Fe	WN	87504- 1148
VC 0538-0001 Lessee of Record	9589 0710 5270 2175 1371 75	-	NE/4 NW/4 of Section 14	Tap Rock Resources III, LLC	523 Park Point Drive, Suite 200	Golden	co	80401
VC 1205-0000 Lessee of Record		2	N/2 NE/4 of Section 14		300 N Marienfield Street.			
<b>Operator</b> Red Eagle State Com 131H - 134H	9589 0710 5270 2175 1371 82	4	W/2 E/2 of Section 13	Permian Resources Operating, LLC	Suite 1000	Midland	TX	79701
LG 2676-0002 Lessee of Record		3	N/2 NW/4 of Section 13					
L0 4053-0002 Lessee of Record		٢	N/2 NE/4 & NE/4 NW/4 of Section 23		1111 Bachv Street Sky Lobby			
V0 5688-0003 Lessee of Record	9589 0710 5270 2175 1371 99	∞	NW/4 NW/4 of Section 23	EOG Resources Inc.	2	Houston	TX	77002
NMNM 001530 Lessee of Record		9 12	N/2 NE/4 of Section 22 NW/4 NE/4 of Section 15					
<b>V0 1652-0000</b> Lessee of Record		5	NW/4 NE/4 of Section 24	) - - - -		:		
<b>X0 0648-0144</b> Lessee of Record	9589 0710 5270 2175 1372 05	9	N/2 NW/4 of Section 24	Harvard Petroleum Company, LLC	PO Box 936	Koswell	MM	88202
NMNM 001530 Lessee of Record	9589 0710 5270 2175 1372 12	9 12	N/2 NE/4 of Section 22 NW/4 NE/4 of Section 15	Oxy Y-1 Co	5 Greenway Plaza, Suite 110	Houston	TX	77046- 0521
NMNM 013409 Lessee of Record	9589 0710 5270 2175 1372 29	10	NE/4 NW/4 of Section 22	Chevron USA Inc	6301 Deauville	Midland	TX	79706- 2964
NMNM 094078 Lessee of Record	9589 0710 5270 2175 1372 36	11	E/2 W/2 of Section 15	Tascosa Energy Partners LLC	901 W Missouri Avenue	Midland	TX	79701
X0 2029-0073 Lessee of Record	9589 0710 5270 2175 1372 43	14	NW/4 NW/4 of Section 14	OXY USA WTP Limited Partnership	5 Greenway Plaza, Suite 110	Houston	TX	77046- 0521

Page 1 of 1



January 14, 2025

#### SENT VIA CERTIFIED MAIL

#### TO: Affected Persons

RE: Application for Non-Standard Proration Unit Cardigan Fed Com 132H, 133H and 134H Wells <u>Horizontal Spacing Unit (the "*HSU*"):</u> Section 13, 19S-27E (SW4 & S2 NW4), Section 14, 19S-27E (S2 & S2 N2), & Section 15, 19S-27E (SE4 & S2 NE4) Eddy County, New Mexico, containing 960 acres

To Whom It May Concern,

Enclosed is a copy of Flat Creek Resources, LLC's ("*Flat Creek*") application for a Non-Standard Proration Unit (the "*NSP Application*") for the following wells (the "*Wells*"):

- Cardigan Fed Com 132H (API No. 30-015-56003)
- Cardigan Fed Com 133H (API No. 30-015-56004)
- Cardigan Fed Com 134H (API No. 30-015-56005)

The NSP Application was filed with the New Mexico Oil Conservation Division ("*OCD*") on this date. You are being sent a copy of the NSP Application per OCD's requirements to notify the interest owners in the offset acreage. Any objection to this application must be filed in writing within twenty (20) days from this date with the applicant and the OCD. If no objection is received within this twenty-day period, this application may be administratively approved by the OCD.

Please note that the Wells and HSU are included in OCD Case No. 25053 for compulsory pooling which was presented by affidavit on January 9, 2025.

If you have any questions concerning this application, you may contact me at (817) 310-8572 or mgregory@freedomenergy.com.

Sincerely,

Flat Creek Resources, LLC

Mile

Mike Gregory, CPL Vice President - Land

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Operator:	OGRID:
Flat Creek Resources, LLC	374034
777 Main St.	Action Number:
Fort Worth, TX 76102	421989
	Action Type:
	[UF-NSP] Non-Standard Proration (NSP)

#### CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/22/2025

CONDITIONS

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