

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY NEW MEXICO

CASE NO. 23618

SELF-AFFIRMED STATEMENT
OF NICK C. MCCLELLAND

1. I am the Land Manager of Manzano LLC (“Manzano”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.
2. I am familiar with the land matters involved in the above-referenced case. Copies of the application and proposed hearing notice in this case are attached as **Exhibit A-1**.
3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
4. Manzano seeks an order pooling all uncommitted mineral interests in the Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico.
5. The Unit will be dedicated to the Mia 64 Fee #2H well (“Well”) to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4.

6. The completed interval of the Well is orthodox.
7. **Exhibit A-2** contains the C-102 for the Well.
8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Manzano seeks to pool highlighted in yellow.
9. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
10. Manzano has conducted a diligent search of all county public records including phone directories and computer databases.
11. All interest owners Manzano seeks to pool are locatable.
12. In my opinion, Manzano made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described at **Exhibit A-5**.
13. Manzano requests overhead and administrative rates of \$7,500 per month while the Well is being drilled and \$750 per month while the well is producing. These rates are fair and are comparable to the rates charged by Manzano and other operators in the vicinity.
14. Notice of this application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letters and associated green cards are attached as **Exhibit A-6**.

- 15. The attached exhibits were either prepared by me or under by supervision or were compiled from company business records.
- 16. In my opinion, the granting of Manzano's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 17. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 16 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.



Nick C. McClelland



Date

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY NEW MEXICO

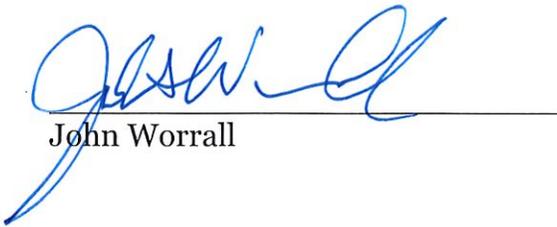
CASE NO. 23618

SELF-AFFIRMED STATEMENT
OF JOHN WORRALL

1. I am a geologist at Manzano LLC (“Manzano”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.
2. I am familiar with the geological matters involved in the above-referenced case.
3. **Exhibit B-1** is a location map for the proposed horizontal spacing unit shown in yellow (“Unit”) within the Bone Spring formation. The location of the **Mia 64 Fee #2H** (“Well”) is shown with a black line, the horizontal spacing unit of the well is shown with a red box, and the blue line shows the three wells used to make the stratigraphic cross section.
4. **Exhibit B-2** is a subsea structure map for the top of the Third Bone Spring sandstone. Across the map area, the sandstone dips eastward at approximately 100 feet per mile to the ESE. It shows that the Well should encounter the top of the Third Bone Spring sandstone at -3305 feet relative to sea level. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells across this spacing unit.

5. **Exhibit B-3** is a stratigraphic cross-section A-A' using the representative wells identified on **Exhibit B-2**. It contains gamma ray, resistivity and porosity logs. The proposed landing zone for the Well is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Horizontal Spacing Unit. The cross section shows the porosity and resistivity of the three wells shown on the maps, laid out with west on the left and east on the right. It is a stratigraphic cross section hung on the top of the Third Bone Spring sandstone as a datum. The bottom of the Third Bone Spring sandstone is the top of the Wolfcamp formation shown with a blue line.
6. Manzano is drilling the lateral along the red line, 1/3 of the way between the top and bottom of the specific targeted sandstone bed shown with black lines.
7. In my opinion, a lay down orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.
8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.
9. In my opinion, the granting of Manzano's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 10 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.


John Worrall

4/30/2023
Date

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

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

CASE NO. 23618

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A Self-Affirmed Statement of Nick C. McClelland

- A-1 Application and Proposed Notice of Hearing
- A-2 C-102
- A-3 Plat of Tracts, Tract Ownership, Pooled Party, Unit Recapitulation
- A-4 Sample Well Proposal Letter and AFE
- A-5 Summary of Communications
- A-6 Hearing Notice Letter and Return Receipts

Exhibit B Self-Affirmed Statement of John Worrall

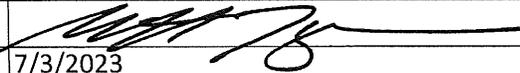
- B-1 Location Map
- B-2 Structure Map
- B-3 Cross Section

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23618	APPLICANT'S RESPONSE
Date: 07/06/2023	
Applicant	Manzano, LLC
Designated Operator & OGRID (affiliation if applicable)	Manzano, LLC * 231429
Applicant's Counsel:	Cavin & Ingram, PA
Case Title:	Application of Manzano LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None other than Applicant.
Well Family	Mia 64
Formation/Pool	
Formation Name(s) or Vertical Extent:	AVALON; BONE SPRING
Primary Product (Oil or Gas):	OIL
Pooling this vertical extent:	YES
Pool Name and Pool Code:	AVALON; BONE SPRING
Well Location Setback Rules:	STATEWIDE
Spacing Unit	
Type (Horizontal/Vertical)	HORIZONTAL
Size (Acres)	320
Building Blocks:	QUARTER SECTION
Orientation:	EW
Description: TRS/County	SE/4NE/4 OF S6, S/2S/2 OF S5, SW/4NE/4, S/2NW/4 OF S4, T20S-R26E, EDDY COUNTY, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	YES
Other Situations	
Depth Severance: Y/N. If yes, description	NO
Proximity Tracts: If yes, description	NO
Proximity Defining Well: if yes, description	NO
Applicant's Ownership in Each Tract	Tract 1 - 100%; Tract 2 - 93.75%; Tract 3 - 100%; Tract 4 - 100%; Tract 5 - 89.583325%
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	MIA 64 FEE #2H & 30-015-53460; SHL - 2530' FNL and 996' FEL; BHL 2200' FNL and 500' FEL; Avalon; Bone Spring; EW laydown; standard
Well #1	MIA 64 FEE NO. 2H, API NO. 30-015-53460 SHL: 2530 FNL AND 996 FEL (UNIT H), S6-T20S-R26E, NMPM BHL: 2200 FNL AND 1375 FEL (UNIT G), S4-T20S-R26E, NMPM COMPLETION TARGET: AVALON; BONE SPRING AT APPROX. 6815 TVD. WELL ORIENTATION EAST TO WEST. COMPLETION EXPECTED TO BE STANDARD.

Well #2	
Horizontal Well First and Last Take Points	FTP: Section 6: 2,200' FNL & 500' FEL LTP: Section 4: 2,200' fnl & 1,420' FEL
Completion Target (Formation, TVD and MD)	AVALON; BONE SPRING, TVD ~6,815', MD: ~16,820
AFE Capex and Operating Costs	
Drilling Supervision/Month \$7,500	See Exhibit A
Production Supervision/Month \$750	See Exhibit A
Justification for Supervision Costs	See Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit A-6
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 and A-3
Tract List (including lease numbers and owners)	See Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	See Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	See Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	See Exhibit A-5
Overhead Rates In Proposal Letter	See Exhibit A-4
Cost Estimate to Drill and Complete	See Exhibit A-4
Cost Estimate to Equip Well	See Exhibit A-4
Cost Estimate for Production Facilities	See Exhibit A-4
Geology	
Summary (including special considerations)	See Exhibit B
Spacing Unit Schematic	See Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	See Exhibit B-1
Well Orientation (with rationale)	See Exhibit B

Target Formation	See Exhibit B
HSU Cross Section	See Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit A-2
Tracts	See Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit A-3
General Location Map (including basin)	See Exhibit B-1
Well Bore Location Map	See Exhibit B-2
Structure Contour Map - Subsea Depth	See Exhibit B-2
Cross Section Location Map (including wells)	See Exhibit B-3
Cross Section (including Landing Zone)	See Exhibit B-3
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Scott S. Morgan, Cavin & Ingram, PA
Signed Name (Attorney or Party Representative):	
Date:	7/3/2023

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY NEW MEXICO

CASE NO. 23618

SELF-AFFIRMED STATEMENT
OF NICK C. MCCLELLAND

1. I am the Land Manager of Manzano LLC (“Manzano”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.
2. I am familiar with the land matters involved in the above-referenced case. Copies of the application and proposed hearing notice in this case are attached as **Exhibit A-1**.
3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
4. Manzano seeks an order pooling all uncommitted mineral interests in the Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico.
5. The Unit will be dedicated to the Mia 64 Fee #2H well (“Well”) to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4.

Exhibit A

6. The completed interval of the Well is orthodox.
7. **Exhibit A-2** contains the C-102 for the Well.
8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Manzano seeks to pool highlighted in yellow.
9. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
10. Manzano has conducted a diligent search of all county public records including phone directories and computer databases.
11. All interest owners Manzano seeks to pool are locatable.
12. In my opinion, Manzano made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described at **Exhibit A-5**.
13. Manzano requests overhead and administrative rates of \$7,500 per month while the Well is being drilled and \$750 per month while the well is producing. These rates are fair and are comparable to the rates charged by Manzano and other operators in the vicinity.
14. Notice of this application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letters and associated green cards are attached as **Exhibit A-6**.

- 15. The attached exhibits were either prepared by me or under by supervision or were compiled from company business records.
- 16. In my opinion, the granting of Manzano's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 17. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 16 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.



Nick C. McClelland



Date

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 23018

APPLICATION

Pursuant to NMSA §70-2-17, Manzano, LLC (“Applicant”) (OGRID No. 231429), through its undersigned attorneys, hereby files this application with the New Mexico Oil Conservation Division for an order pooling all uncommitted mineral interests in the Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico. In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Mia 64 Fee #2H** well (“Well”) to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4.
3. The completed interval of the Well is orthodox.

Exhibit A-1

4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all the mineral interest owners.

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 Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on July 6, 2023, and that after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAs accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

RESPECTFULLY SUBMITTED,

CAVIN & INGRAM, P.A.

By: 

Sealy H. Cavin, Jr.
Scott S. Morgan
Brandon D. Hajny
P. O. Box 1216
Albuquerque, NM 87103
(505) 243-5400
scavin@cilawnm.com
smorgan@cilawnm.com
bhajny@cilawnm.com

ATTORNEYS FOR APPLICANT

Application of Manzano, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit ("Unit") comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Mia 64 Fee #2H** well, to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6, Township 20 South, Range 26 East, to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4, Township 20 South, Range 26 East. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located adjacent to Seven Rivers, New Mexico and neighboring Brantley Lake.

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

District II
 311 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) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-102
 August 1, 2011
 Permit 334652

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 96381	3. Pool Name AVALON; BONE SPRING
4. Property Code 333807	5. Property Name MIA 64 FEE	6. Well No. 002H
7. OGRID No. 231429	8. Operator Name MANZANO LLC	9. Elevation 3301

10. Surface Location

JL - Lot H	Section 6	Township 20S	Range 26E	Lot Idn	Feet From 2530	N/S Line N	Feet From 996	EW Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

JL - Lot H	Section 6	Township 20S	Range 26E	Lot Idn	Feet From 2200	N/S Line N	Feet From 500	EW Line E	County Eddy
12. Dedicated Acres 0.00 320.0		13. Joint or Infill		14. Consolidation Code			15. 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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Michael Hanagan Title: Manager Date: 2/18/2023</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: JAMES TOPKINS Date of Survey: 1/24/2023 Certificate Number: 27177</p>

DISTRICT I
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 Phone (605) 334-6178 Fax: (605) 334-6170

DISTRICT IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone (605) 478-3480 Fax: (605) 478-3482

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 1, 2011

Submit one copy to appropriate
 District Office

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name MIA 64 FEE	Well Number 2H
OGRID No. 231429	Operator Name MANZANO LLC	Elevation 3301'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	6	20 S	26 E		2530	NORTH	996	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	4	20 S	26 E		2200	NORTH	1375	EAST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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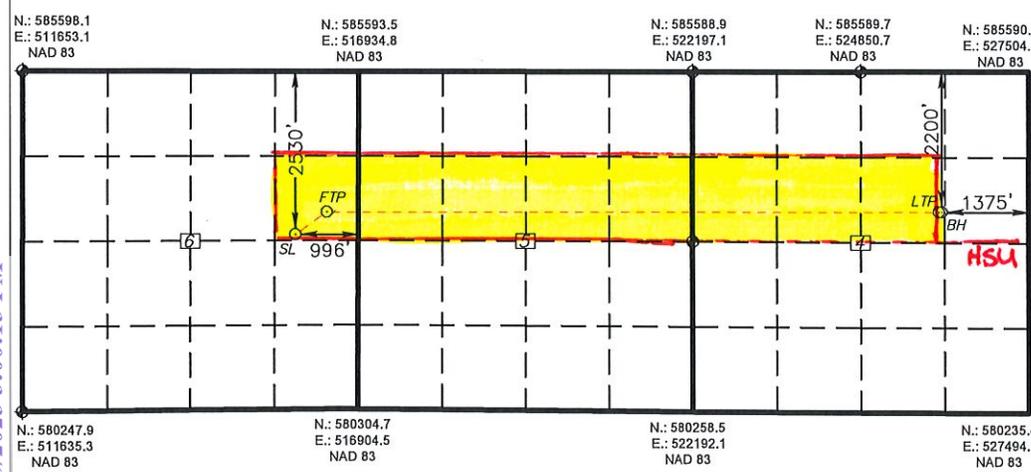
SURFACE LOCATION	FIRST TAKE POINT 2200' FNL & 500' FEL	LAST TAKE POINT 2200' FNL & 1420' FEL	PROPOSED BOTTOM HOLE LOCATION
Lat - N 32.602791° Long - W 104.415856° NMSPC E 515925.3 (NAD-83)	Lat - N 32.603776° Long - W 104.414243° NMSPC E 516422.2 (NAD-83)	Lat - N 32.603782° Long - W 104.382893° NMSPC E 526076.0 (NAD-83)	Lat - N 32.603782° Long - W 104.382747° NMSPC E 526121.0 (NAD-83)
Lat - N 32.602677° Long - W 104.415339° NMSPC E 474746.4 (NAD-27)	Lat - N 32.603619° Long - W 104.413726° NMSPC E 475243.3 (NAD-27)	Lat - N 32.603667° Long - W 104.382378° NMSPC E 484896.9 (NAD-27)	Lat - N 32.603667° Long - W 104.382232° NMSPC E 484941.9 (NAD-27)

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

Mike Hanagan 2/15/23
 Signature Date

MIKE HANAGAN
 Printed Name

MIKE@MANZANOENERGY.COM
 Email Address

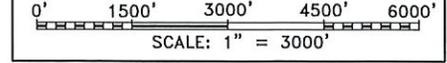


SURVEYORS CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 24, 2023
 Date of Survey

Signature and Seal of Professional Surveyor

Job No.: 55803 Draft: FH!
 JAMES C. TOMPKINS 27117 DATE: 02/05/2023
 Certificate Number



MIA 64 Fee #2H - SPACING UNIT

T20S-R26E

WI OWNER	Tract 1	Tract 2	Tract 3	Tract 4	Tract 5	UNIT	
Gross Acres	SENE-6	S2NW-5	S2NE-5	S2NW-4	SWNE-4	RECAPITULATION	WI
MANZANO	40	80	80	80	40	320	WI
EOG Y	0	5	0	0	4.166667	9.166667	2.864583%
EOG A	0	5	0	0	4.166667	9.166667	2.864583%
EOG M	0	5	0	0	4.166667	9.166667	2.864583%
OXY	0	5	0	0	4.166667	9.166667	2.864583%
						320	100.000000%

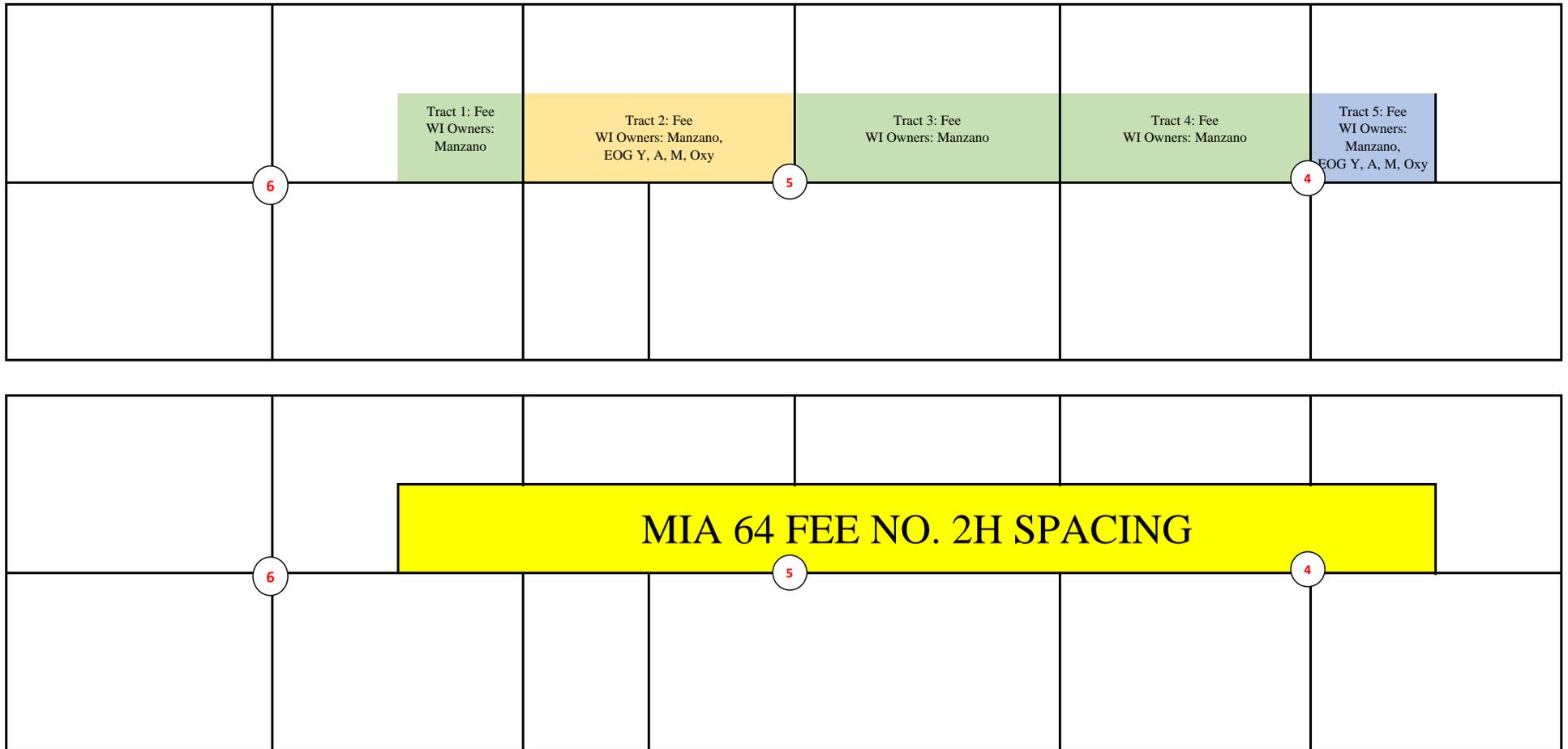


Exhibit A-3



April 17, 2023

SENT VIA EMAIL AND CERTIFIED MAIL

EOG Resources, Inc.
104 S. 4th Street
Artesia, NM 88210

Attention: Terry Gant

RE: **Well Proposal Letter**
Mia 64 Fee #2H (“Well”)
Surface Location: 2530’ FNL & 996’ FEL of Section 6-T20S-R26E
Bottom Hole Location: 2200’ FNL & 1375’ FEL of Section 4-T20S-R26E
Eddy County, New Mexico

Manzano, LLC (“Manzano”), as Operator, hereby proposes to drill the captioned Well at the referenced Surface Location to the referenced Bottom Hole Location. The proposed Well will be drilled to a true vertical depth of ~7,000 feet from surface and drilled horizontally to a measured depth of ~16,850 feet and will test the Third Bone Springs formation.

The SE/4NE/4 of Section 6, the S/2N/2 of Section 5, the S/2NW/4 and SW/4NE/4 of Section 4 will be dedicated to the Well as the Horizontal Spacing Unit.

We plan to drill this well in the 2nd quarter of 2023.

Enclosed herewith, please find our Authority for Expenditure (“AFE”) in the amount of \$12,275,000.00, which represents the total cost to drill, complete and equip the Well. Our information indicates that EOG would have a 8.59375% working interest.

We propose to use a modified 1989H AAPL form of Operating Agreement, with a 100/400 non-consent penalty provision, the form of which will be provided to you upon request.

Upon receipt of your election to participate in the Well, but not sooner than 30 days from the spud of the Well, we will invoice for your proportionate share of the cost to drill the Well to casing point.

If EOG wishes to participate in the proposed Well, please execute and return a copy of the enclosed AFE. Should EOG not wish to participate in the Well, Manzano is willing to acquire EOG Leasehold interests, working interests and overriding royalty interests in Sections 28, 32 & 33 of T19S-R26E, as well as EOG’s leasehold interests in Sections 4 & 5 of T20S-R26E, Eddy County, New Mexico . If you are interested in a detailed offer for these interests, please let me know.

Thank you and I look forward to hearing from you.

Sincerely,

MANZANO, LLC

Mike Hanagan

Exhibit A-4



March 8, 2023

Oxy Y-1 Company
ATTN: Alissa Payne
5 Greenway Plaza
Houston, Texas 77046

SENT VIA EMAIL AND CERTIFIED MAIL

RE: **Well Proposal Letter**
Mia 64 Fee #2H ("Well")
Surface Location: 2530' FNL & 996' FEL of Section 6-T20S-R26E
Bottom Hole Location: 2200' FNL & 1375' FEL of Section 4-T20S-R26E
Eddy County, New Mexico

Manzano, LLC ("Manzano"), as Operator, hereby proposes to drill the captioned Well at the referenced Surface Location to the referenced Bottom Hole Location. The proposed Well will be drilled to a true vertical depth of ~7,000 feet from surface and drilled horizontally to a measured depth of ~16,850 feet and will test the Third Bone Springs formation.

The SE/4NE/4 of Section 6, the S/2N/2 of Section 5, the S/2NW/4 and SW/4NE/4 of Section 4 will be dedicated to the Well as the Horizontal Spacing Unit.

We plan to drill this well in the 2nd quarter of 2023.

Enclosed herewith, please find our Authority for Expenditure ("AFE") in the amount of \$12,275,000.00, which represents the total cost to drill, complete and equip the Well.

We propose to use a modified 1989H AAPL form of Operating Agreement, with a 100/400 non-consent penalty provision, the form of which will be provide to you upon request.

Upon receipt of your election to participate in the Well, but not sooner than 30 days from the spud of the Well, we will invoice for your proportionate share of the cost to drill the Well to casing point.

If OXY wishes to participate in the proposed Well, please execute and return a copy of the enclosed AFE. Should OXY not wish to participate in the Well, Manzano is will to acquire a 3-year Term Assignment from OXY for \$2,000 per net acre with OXY delivering a 75% NRI lease.

If you have any questions or wish to discuss this proposal in further detail, please do not hesitate to give me a call at 575-623-1996 extension 309 or my cell phone number is 575-840-3207 (email is nick@manzanoenergy.com). Thank you and I look forward to hearing from you.

Sincerely,

MANZANO, LLC

Nick McClelland, Land Manager

MANZANO, LLC
Authority For Expenditure

PAGE 1 of 1

OPERATOR MANZANO, LLC	AFE # 1	DATE 3/1/2023
WELL NAME AND NUMBER MIA 64 FEE 2H	FIELD OR PROSPECT 7 RIVERS	
SURFACE LOCATION - 2530' FNL & 996' FEL of Section 6		
BHL: 2200' FNL & 1375' FEL of Section 4		
PROJECT DESCRIPTION AND LOCATION DRILL & COMPLETE 1.75-MILE LATERAL IN 3rd BONE SPRING SAND w/FULL BATTERY		
COUNTY EDDY	STATE NEW MEXICO	
PROPOSED FORMATION 3rd BONE SPRING	PROPOSED DEPTH (tvd/md) 7000'TVD/16800'MD	

COMMENTS:
3 Casing Strings - 50 -200' Stages/25mm#'s 100 mesh sand (2500#/ft)

INTANGIBLES	Cost To Casing Point	Completion Costs	TOTAL
Footage			
Drilling on Day Work - BCP	\$660,000		\$660,000
Drilling on Day Work - ACP			
Drilling Rig - Move In/Move Out & Rig Up/Rig Down	\$425,000		\$425,000
Completion Rig & Coiled Tubing Unit		\$250,000	\$250,000
Survey, Permit, Damages, ROW & Legal	\$75,000	\$75,000	\$150,000
Road, Location, Pits, Fencing	\$150,000	\$150,000	\$300,000
Bits & Casing Tools	\$100,000		\$100,000
Rig Fuel	\$200,000	\$300,000	\$500,000
Mud and Chemicals	\$475,000		\$475,000
Drilling & Completion Water	\$50,000	\$175,000	\$225,000
Cementing and Cement Equipment	\$80,000	\$135,000	\$215,000
Mud Logging, Coring & DST's	\$50,000		\$50,000
Open Hole Logging			
Cased Hole Logging & Wireline Services		\$425,000	\$425,000
Equipment Rentals	\$350,000	\$175,000	\$525,000
Directional Services	\$275,000		\$275,000
Acidizing, Fracing & Stimulation		\$3,950,000	\$3,950,000
Tubular Inspection/Repair, Nipple Up	\$60,000	\$25,000	\$85,000
Casing Crews, Tools and Services	\$50,000	\$25,000	\$75,000
Labor & Installation		\$375,000	\$375,000
Supervision	\$100,000	\$80,000	\$180,000
Well Control Insurance	\$10,000		\$10,000
Administrative Overhead	\$6,250	\$6,250	\$12,500
Production Testing & Flowback		\$100,000	\$100,000
Abandonment Expense			
Disposal of Fluids/Cuttings	\$250,000	\$25,000	\$275,000
Miscellaneous Costs, Contingencies @ 5%	\$72,145	\$168,545	\$240,690
TOTAL INTANGIBLES	\$3,438,395	\$6,439,795	\$9,878,190

TANGIBLES						Drilling	Completion	TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	COST/FT			
Conductor					\$ -			
Surface	600	13 3/8"	54.5	J55-BTC	\$ 80.00	\$48,000		\$48,000
Surface					\$ -			
Intermediate	2100	9 5/8"	40	L80-BTC	\$ 80.00	\$168,000		\$168,000
Intermediate					\$ -			
Liner					\$ -			
Production	17000	5 1/2"	20	110HC-TL	\$ 40.00		\$680,000	\$680,000
Production					\$ -			
Tubing	6500	2 7/8'	6.5#	L80	\$ 14.00		\$91,000	\$91,000
Subsurface Equipment & Pumps							\$300,000	\$300,000
Wellhead Equipment						\$25,000	\$50,000	\$75,000
Pumping Unit							\$150,000	\$150,000
Flowlines							\$260,000	\$260,000
Tanks & Storage							\$300,000	\$300,000
Separation Equipment							\$25,000	\$25,000
Gas Sales Line & Equipment							\$150,000	\$150,000
Electrical, Instrumentation & Monitoring							\$150,000	\$150,000
Valves, Connections, Pumps & Meters							\$150,000	\$150,000
TOTAL TANGIBLES						\$241,000	\$2,156,000	\$2,397,000
TOTAL WELL COSTS						\$3,679,395	\$8,595,795	\$12,275,190
ROUNDED PROJECT COST						\$3,679,000	\$8,596,000	\$12,275,000

JOINT INTEREST SHARE

COMPANY NAME Oxy Y-1 Company	Signature BY:	DATE
COMPANY OWNERSHIP-% WI-BCP 2.0833% WI-ACP 2.0833%	COMPANY COST-COST TO CASING POINT \$76,646	COMPANY COST-COMPLETION COST \$179,083

Chronology Exhibit

3/8/2023- Well proposal with AFE for the Mia 64 Fee #2H sent via email Oxy.

3/8/2023- Well Proposal and AFE for the Mia 64 Fee #2H sent via certified mail to Oxy. Received 3/11/2023.

3/14/2023 – Email correspondence from Oxy asking questions about Well Proposal and AFE.

3/15/2023 – Email correspondence from Manzano answering questions from 3/14/2023 email.

4/11/2023 – Email correspondence from Manzano asking for update on participation.

4/18/2023 – Email correspondence from Oxy saying there has been no decision and there likely will not be until Oxy has been compulsory pooled.

5/18/2023 – Email correspondence from Manzano increase offer to acquire lease.

5/18/2023- Email correspondence from Oxy saying they will review.

6/27/2023 – Phone correspondence by Mike Hanagan with OXY saying OXY will not contest the application.

Exhibit A-5

SEALY H. CAVIN, JR. *
STEPHEN D. INGRAM †
SCOTT S. MORGAN
BRANDON D. HAJNY †

CAVIN & INGRAM, P.A.
ATTORNEYS & COUNSELORS AT LAW
40 FIRST PLAZA NW
SUITE 610
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE
(505) 243-5400

MAILING ADDRESS
P.O. BOX 1216
ALBUQUERQUE, NM 87103-1216

NMOILGASLAW@CILAWNM.COM
WWW.CILAWNM.COM

†Also Admitted in Texas
*Also Admitted in Colorado

June 14, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

*Re: Application of Manzano, LLC for Compulsory Pooling, Eddy County,
New Mexico: Mia 64 #2H well*

Ladies and Gentlemen:

This letter is to provide notice to you that Manzano LLC has filed the enclosed Application for Compulsory Pooling with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 6, 2023, beginning at 8:15 AM. More information about the hearing, and to participate via Webex Meeting platform, please see information available on the Division's website at <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-Hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

Any questions concerning this matter should be directed to Nick McClelland at Manzano LLC at (575) 673-1996 or by email to nick@manzanoenergy.com.

Sincerely,

CAVIN & INGRAM, PA


Scott S. Morgan
Attorney for Manzano LLC

Enclosures

Exhibit A-6

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

For delivery information, visit our website at 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 \$ _____

Postmark Here

OXY Y-1 Company
 5 Greenway Plaza, Suite 110
 Houston, TX 77046

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

0914 5842 0000 0490 0202

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:

OXY Y-1 Company
 5 Greenway Plaza, Suite 110
 Houston, TX 77046

9590 9402 7415 2055 4127 96

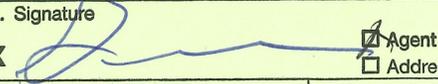
2. Article Number (Transfer from service label)

7020 0640 0000 7485 4160

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X  Agent Addressee

B. Received by (Printed Name)  C. Date of Delivery 6/26/23

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 type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<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	

Domestic Return Receipt

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. _____

APPLICATION

Pursuant to NMSA §70-2-17, Manzano, LLC (“Applicant”) (OGRID No. 231429), through its undersigned attorneys, hereby files this application with the New Mexico Oil Conservation Division for an order pooling all uncommitted mineral interests in the Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico. In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Mia 64 Fee #2H** well (“Well”) to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6 to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4.
3. The completed interval of the Well is orthodox.

4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all the mineral interest owners.

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 Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on July 6, 2023, and that after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAs accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

RESPECTFULLY SUBMITTED,

CAVIN & INGRAM, P.A.

By: 

Sealy H. Cavin, Jr.
Scott S. Morgan
Brandon D. Hajny
P. O. Box 1216
Albuquerque, NM 87103
(505) 243-5400
scavin@cilawnm.com
smorgan@cilawnm.com
bhajny@cilawnm.com

ATTORNEYS FOR APPLICANT

Application of Manzano, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in Avalon, Bone Spring formation underlying a 320 acre, more or less, standard horizontal spacing unit ("Unit") comprised of the SE/4NE/4 of Section 6, the S/2S/2 of Section 5, the SW/4NE/4 and S/2NW/4 of Section 4, Township 20 South, Range 26 East, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Mia 64 Fee #2H** well, to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 6, Township 20 South, Range 26 East, to a bottom hole location in the SW/4NE/4 (Unit G) of Section 4, Township 20 South, Range 26 East. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located adjacent to Seven Rivers, New Mexico and neighboring Brantley Lake.

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY NEW MEXICO

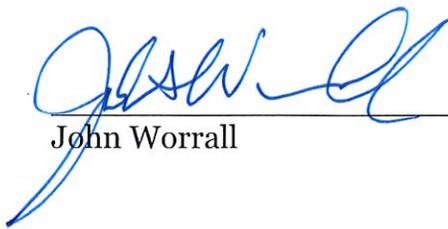
CASE NO. 23618

SELF-AFFIRMED STATEMENT
OF JOHN WORRALL

1. I am a geologist at Manzano LLC (“Manzano”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.
2. I am familiar with the geological matters involved in the above-referenced case.
3. **Exhibit B-1** is a location map for the proposed horizontal spacing unit shown in yellow (“Unit”) within the Bone Spring formation. The location of the **Mia 64 Fee #2H** (“Well”) is shown with a black line, the horizontal spacing unit of the well is shown with a red box, and the blue line shows the three wells used to make the stratigraphic cross section.
4. **Exhibit B-2** is a subsea structure map for the top of the Third Bone Spring sandstone. Across the map area, the sandstone dips eastward at approximately 100 feet per mile to the ESE. It shows that the Well should encounter the top of the Third Bone Spring sandstone at -3305 feet relative to sea level. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells across this spacing unit.

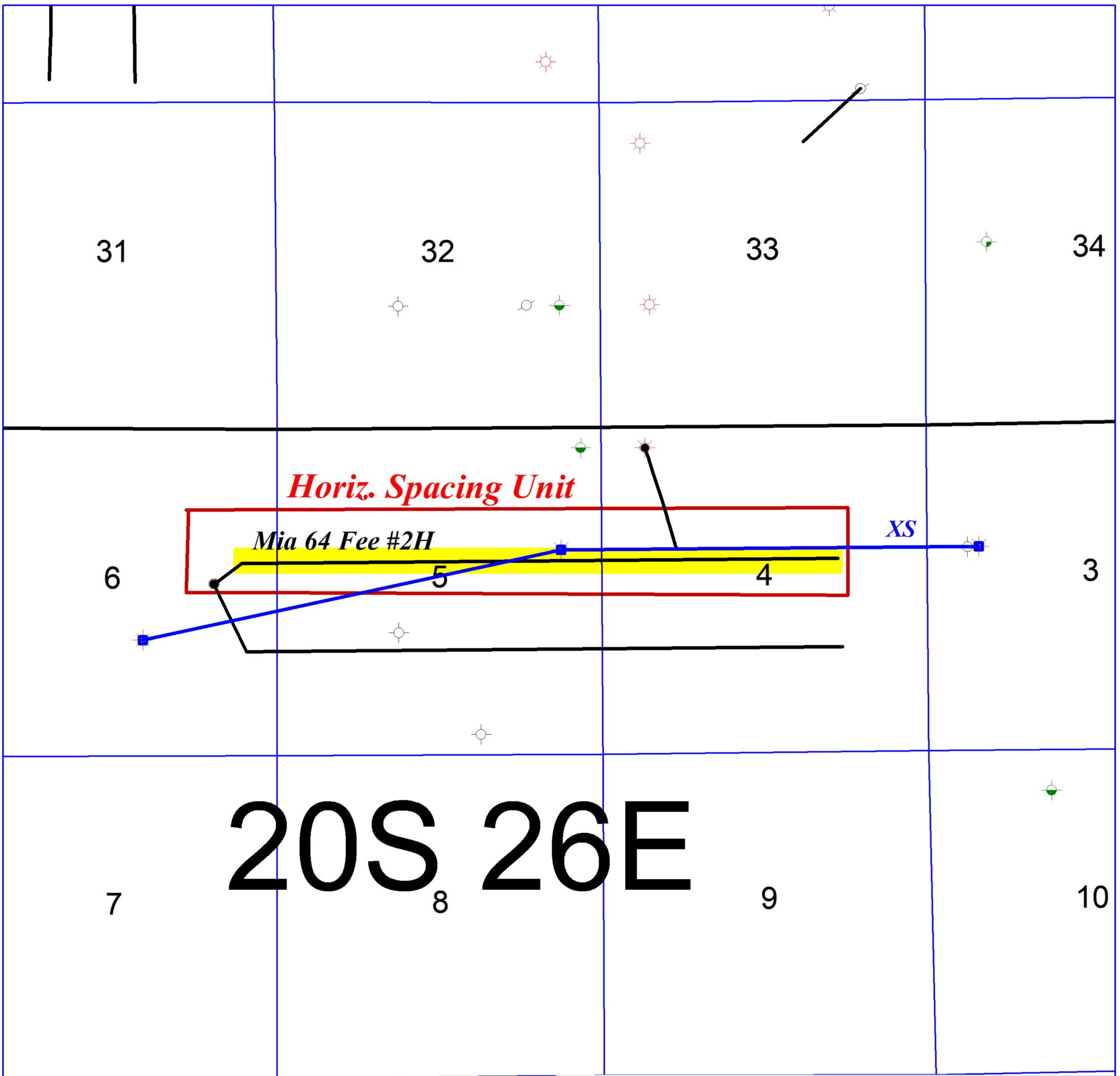
5. **Exhibit B-3** is a stratigraphic cross-section A-A' using the representative wells identified on **Exhibit B-2**. It contains gamma ray, resistivity and porosity logs. The proposed landing zone for the Well is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Horizontal Spacing Unit. The cross section shows the porosity and resistivity of the three wells shown on the maps, laid out with west on the left and east on the right. It is a stratigraphic cross section hung on the top of the Third Bone Spring sandstone as a datum. The bottom of the Third Bone Spring sandstone is the top of the Wolfcamp formation shown with a blue line.
6. Manzano is drilling the lateral along the red line, 1/3 of the way between the top and bottom of the specific targeted sandstone bed shown with black lines.
7. In my opinion, a lay down orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.
8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.
9. In my opinion, the granting of Manzano's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 10 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.



John Worrall

4/30/2023
Date



20S 26E

MANZANO LLC

EXHIBIT B-1

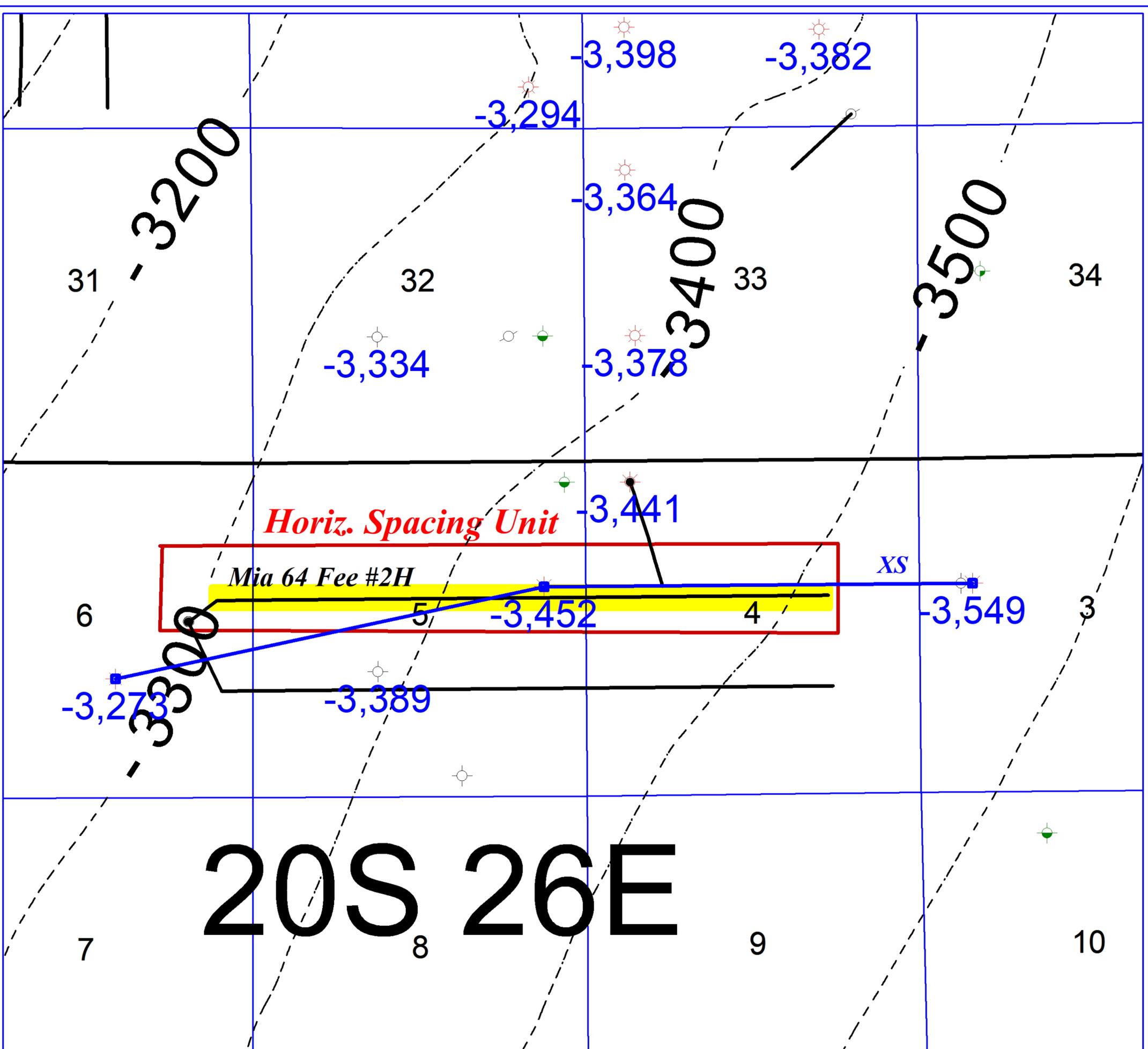
LOCATION MAP

Force Pool Application - Mia 64 Fee 2H

REMARKS
Red Box = Horizontal Spacing Unit
XS Location identified in blue

By: John Worrall

June 30, 2023



MANZANO LLC	
EXHIBIT B-2	
Force Pool Application - Mia 64 Fee 2H	
STRUCTURE MAP	
Top of the Third Bone Spring Sand	
<small>Red Box = Horizontal Spacing Unit XS Location identified in blue</small>	REMARKS
<small>By: John Worrall</small>	
<small>June 30, 2023</small>	

NORTHERN NATURAL GAS
 MOU TRAY
 1
 T20S R26E S6
 1880 FSL 2180 FEL
 400

MOU TRAY
 1
 T20S R26E S5
 1980 FNL 660 FEL
 353

LLANO
 SOUTH LAKEWOOD Y
 1X
 T20S R26E S3
 1980 FNL 840 FWL
 438

Stratigraphic Datum: Top of the 3rd BSP SS

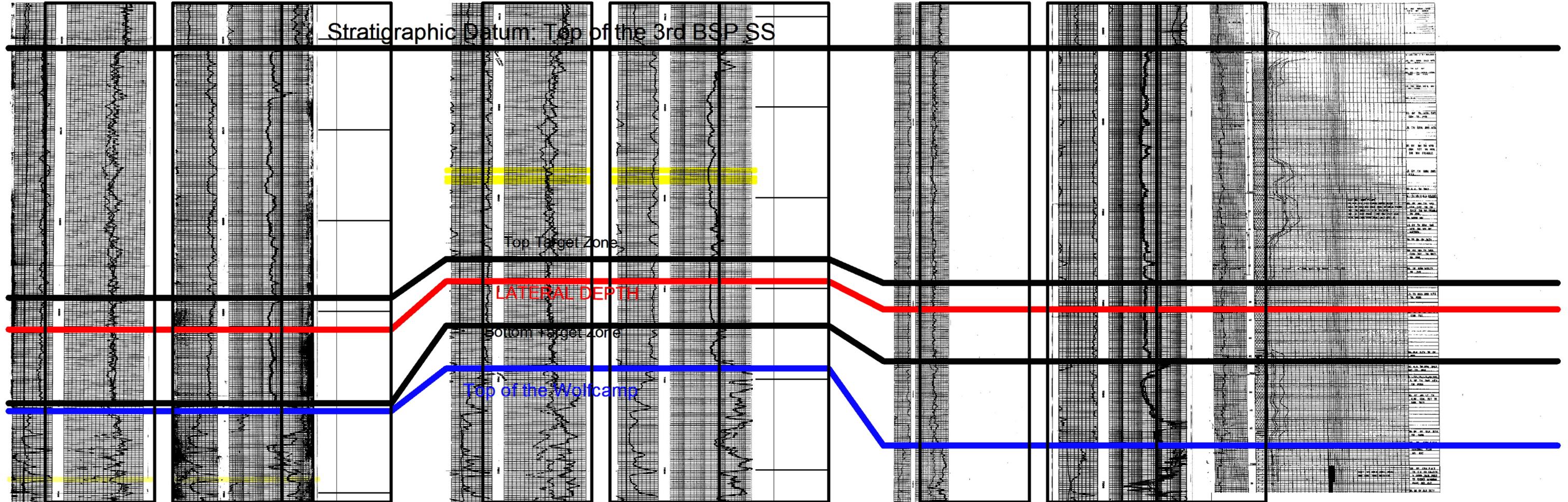


Exhibit B-3