

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

**APPLICATION OF POWDERHORN ENERGY
PARTNERS FOR COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF A NON-STANDARD
HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25479

AMENDED EXHIBIT PACKET

Benjamin B. Holliday files this notice of amended exhibit packet in Case No. 25479, which includes the following changes:

1. Compulsory Pooling Checklist updated to reflect the correct requested risk charge, amended from 300% to 200% (see Pg. 6), which matches the amounts stated in the amended Exhibit A-2.
2. Exhibit A-2 Self Affirmed Statement amended to reflect the requested 200% risk charge (see Pg. 18).
3. Exhibit A-5 amended to remove the following as Pooled Parties (see Pg. 34):
 - a. William Clark Netherlin
 - b. Sandra K. Vandagriff
 - c. Stephan C. Vandagriff
 - d. Melanie K. Chatterton
 - e. Ronnie S. Vandagriff
 - f. Heirs of Earl R. Emmons
 - g. Heirs of Robert Emmons
4. Exhibit B-4 title amended from Stratigraphic Cross Section to Structural Cross Section (See Pgs. 57-58).

This Amended Exhibit packet has the complete suite of all required exhibits.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC
/s/ Benjamin B. Holliday
Benjamin B. Holliday
107 Katherine Court
San Antonio, Texas 78209
Phone: (210) 469-3197
ben@helg.law
Counsel for Powderhorn Operating, LLC

POWDERHORN

ENERGY PARTNERS

***Fade Away Fed Com Unit
Before the Oil Conservation Division
August 7, 2025
Case No. 25479
640 acres
Sections 21, T19S, R27E, Eddy
Bone Spring Formation***

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

**APPLICATION OF POWDERHORN ENERGY
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EDDY COUNTY, NEW MEXICO**

CASE NO. 25479

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POWDERHORN

ENERGY PARTNERS

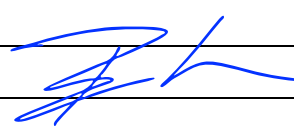
***Fade Away Fed Com Unit
Case No. 25479
Compulsory Pooling Checklist***

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	25479
Date	July 31, 2025
Applicant	Powderhorn Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	332857
Applicant's Counsel:	Ben Holliday, Holliday Energy Law Group
Case Title:	Case No. 25479, Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Fade Away Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	All
Pool Name and Pool Code:	Winchester; Bone Spring West (97569)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks:	40 acre (Quarter Quarter)
Orientation:	East to West
Description: TRS/County	Section 21, Township 19 South, Range 27 East, Eddy
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	No. Powderhorn seeks approval for a 640 acre non-standard spacing unit comprised of entire Section 21, to be dedicated to four initial wells listed below.
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	n/a
Applicant's Ownership in Each Tract	A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	Fade Away Fed Com 301H SHL: 90' FEL & 1,380' FNL Sec. 21 (SE4 NE4) BHL: 100' FWL & 660' FNL Sec. 21 (NW4 NW4) Footage: 5,100.26' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Well #2	Fade Away Fed Com 302H SHL: 90' FEL & 1,410' FNL Sec. 21 (SE4 NE4) BHL: 100' FWL & 1,980' FNL Sec. 21(SW4 NW4) Footage: 5,122.91' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Well #3	Fade Away Fed Com 303H SHL: 120' FEL & 1,360' FSL of Sec. 21 (NE4 SE4) BHL: 100' FWL & 1,980' FSL of Sec. 21 (NW4 SW4) Footage: 5146.69' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Well #4	Fade Away Fed Com 304H SHL: 120' FEL & 1,390' FSL Sec. 21 (NE4 SE4) BHL: 100' FWL & 660' FSL Sec. 21 (SW4 SW4) Footage: 5,169.34' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Horizontal Well First and Last Take Points	A-3
Completion Target (Formation, TVD and MD)	Bone Spring, Exhibit B
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	A-2
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	C-1, C-3, C-4
Proof of Published Notice of Hearing (10 days before hearing)	C-5
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Land Ownership Schematic of the Spacing Unit	A-4
Tract List (including lease numbers and owners)	A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	A-8
Pooled Parties (including ownership type)	A-5
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	A-6
List of Interest Owners (ie Exhibit A of JOA)	A-5
Chronology of Contact with Non-Joined Working Interests	A-7
Overhead Rates In Proposal Letter	\$10,000 Drilling / \$1,000 Producing
Cost Estimate to Drill and Complete	\$5,800,000 (A-6)
Cost Estimate to Equip Well	A-6
Cost Estimate for Production Facilities	\$1,131,000 (A-6)
Geology	
Summary (including special considerations)	B-1
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HSU Cross Section	B-4
Depth Severance Discussion	None
Forms, Figures and Tables	
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Summary of Interests, Unit Recapitulation (Tracts)	A-5
General Location Map (including basin)	B-2
Well Bore Location Map	A-3, A-5
Structure Contour Map - Subsea Depth	B-3
Cross Section Location Map (including wells)	B-2
Cross Section (including Landing Zone)	B-4
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Ben Holliday
Signed Name (Attorney or Party Representative):	
Date:	7/31/25

POWDERHORN

ENERGY PARTNERS

***Fade Away Fed Com Unit
Case No. 25479
Land Exhibits***

Application & Proposed Notice of Hearing

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

**APPLICATION OF POWDERHORN ENERGY
PARTNERS FOR COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF A NON-STANDARD
HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Powderhorn Operating, LLC (OGRID No. 332857) (“Applicant”), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 640.00-acre, more or less, non-standard horizontal well spacing unit comprised of Section 21, located in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within the Bone Spring formation, designated as an oil pool (Winchester; Bone Spring West, Pool Code 97569), underlying said Unit. 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 thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following wells, referred to collectively as the Wells:
 - a. **Fade Away Fed Com 301H**, which is an oil well that will be horizontally drilled from a surface hole location 90’ FEL & 1,380’ FNL of Section 21, to a bottom hole location 100’ FWL & 660’ FNL of Section 21 Township 19 South, Range 27 East;
 - b. **Fade Away Fed Com 302H**, which is an oil well that will be horizontally drilled from a surface hole location 90’ FEL & 1,410’ FNL of Section 21, to a bottom hole location 100’ FWL & 1,980’ FNL of Section 21 Township 19 South, Range 27 East;
 - c. **Fade Away Fed Com 303H**, which is an oil well that will be horizontally drilled from a surface hole location 120’ FEL & 1,360’ FSL of Section 21, to a bottom hole location 100’ FWL & 1,980’ FSL of Section 21 Township 19 South, Range 27 East;

- d. **Fade Away Fed Com 304H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,390' FSL of Section 21, to a bottom hole location 100' FWL & 660' FSL of Section 21 Township 19 South, Range 27 East;
3. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
5. The approval of this Unit and pooling of uncommitted interests within the Unit 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 interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this Application be set for hearing August 7, 2025, and that after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- 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 300% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday

Benjamin B. Holliday

107 Katherine Court, Suite 100

San Antonio, Texas 78209

Phone: (210) 469-3197

ben@helg.law

Counsel for Powderhorn Operating, LLC

Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interest within the Bone Spring formation, underlying a 640.00-acre, more or less, standard horizontal spacing unit comprised of Section 21, located in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells: **Fade Away Fed Com 301H**, which is an oil well that will be horizontally drilled from a surface hole location 90' FEL & 1,380' FNL of Section 21, to a bottom hole location 100' FWL & 660' FNL of Section 21 Township 19 South, Range 27 East; **Fade Away Fed Com 302H**, which is an oil well that will be horizontally drilled from a surface hole location 90' FEL & 1,410' FNL of Section 21, to a bottom hole location 100' FWL & 1,980' FNL of Section 21 Township 19 South, Range 27 East; **Fade Away Fed Com 303H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,360' FSL of Section 21, to a bottom hole location 100' FWL & 1,980' FSL of Section 21 Township 19 South, Range 27 East; **Fade Away Fed Com 304H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,390' FSL of Section 21, to a bottom hole location 100' FWL & 660' FSL of Section 21 Township 19 South, Range 27 East. The 301H, 302H, 303H and 304H Wells are referred to collectively herein as the "Wells." The completed interval of the Wells will be orthodox. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 300% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 15.1 miles Southeast of Artesia, New Mexico.

Self-Affirmed Statement of Landman Mason Maxwell

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

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HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25479

AFFIDAVIT OF MASON MAXWELL

Mason Maxwell, being first duly sworn and upon oath, deposes and states as follows:

1. My name is Mason Maxwell, and I am a landman with Powderhorn Energy Partners (“Powderhorn”), and its subsidiaries, including but not limited to, Powderhorn Operating, LLC (“Powderhorn Operating”). I have previously testified before the Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials have been made a matter of record and I have previously been recognized by the Division as an expert witness.
2. I am submitting this affidavit in support of Powderhorn’s application in the above-referenced case pursuant to 19.15.14.12(A)(1) NMAC.
3. I am familiar with the application filed by Powderhorn in this case, and I am familiar with the status of the lands in the subject area. Copies of Powderhorn’s Application and the Proposed Hearing Notice are attached as Powderhorn’s Exhibit A-1.
4. None of the parties to be pooled in this case have indicated opposition to this matter proceeding by affidavit to the Division, and therefore I do not expect any opposition at the hearing.
5. In this case, Powderhorn seeks an order pooling all uncommitted interest owners in the Bone Spring Formation (“Formation”) within following spacing unit:

- a. 640.00-acre, more or less, non-standard horizontal well spacing unit comprised of Section 21, located in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico ("Spacing Unit").
- b. The Spacing Unit will be initially dedicated to the following wells (collectively the "Wells"):
 - i. **Fade Away Fed Com 301H**, which is an oil well that will be horizontally drilled from a surface hole location 90' FEL & 1,380' FNL of Section 21, to a bottom hole location 100' FWL & 660' FNL of Section 21 Township 19 South, Range 27 East;
 - ii. **Fade Away Fed Com 302H**, which is an oil well that will be horizontally drilled from a surface hole location 90' FEL & 1,410' FNL of Section 21, to a bottom hole location 100' FWL & 1,980' FNL of Section 21 Township 19 South, Range 27 East;
 - iii. **Fade Away Fed Com 303H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,360' FSL of Section 21, to a bottom hole location 100' FWL & 1,980' FSL of Section 21 Township 19 South, Range 27 East;
 - iv. **Fade Away Fed Com 304H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,390' FSL of Section 21, to a bottom hole location 100' FWL & 660' FSL of Section 21 Township 19 South, Range 27 East.

6. Powderhorn Exhibit B-1 contains a general location map outlining the Spacing Unit being pooled in Case No. 25479 in relation to the surrounding area in Eddy County. The acreage in the Spacing Unit contains only federal lands.

7. Powderhorn Exhibit A-3 contains the form C-102s for the Wells. The Oil Conservation Division has placed the Wells in the Winchester; Bone Spring West, (Pool Code 97569). The location of each of the Wells is orthodox and meets the Division's offset requirements.

8. There are no depth severances in the Formation underlying the subject acreage. All parties with an interest in the Formation have been noticed.

9. Powderhorn Exhibit A-4 contains a plat outlining the Spacing Unit being pooled in Case No. 25479. This Exhibit also identifies each tract number, tract percentage interest, and State Lease numbers.

10. Powderhorn Exhibit A-5 provides a Unit Recap depicting ownership totals for the proposed Spacing Unit, including the Spacing Unit percentage interest for the interest owners being pooled and their last known addresses. The unleased mineral interest owners and uncommitted working interest parties that remain to be pooled in this case are marked in yellow. In compiling these addresses, Powderhorn conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, phone directories, internet databases, and performed internet searches to locate the contact information for parties entitled to notification.

11. Powderhorn sent both lease offers and well proposal letters for the Wells, together with corresponding AFEs, to the uncommitted interest owners in this case. Powderhorn Exhibit A-6 is a sample of the well proposal letter, along with the AFEs, sent to these uncommitted interest owners. The estimated costs of the Wells set forth in the AFEs are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

12. All parties Powderhorn seeks to pool were locatable, notice was provided, and various of the parties returned green cards; see Powderhorn Exhibit C-3 for proof of mailing. Out of an abundance of caution, Powderhorn caused notice to be published more than ten (10) business days prior to the compulsory pooling hearing in the Carlsbad Current Argus in accordance with 19.15.4.12(B) NMAC; Powderhorn Exhibit C-4 contains a copy of the legal advertisement, as well as the affidavit of publication. Powderhorn provided the law firm of Holliday Energy Law Group, PC, with the name and addresses for all uncommitted interests.

13. Powderhorn Operating, LLC requests overhead and administrative rates of \$10,000/month for drilling each well and \$1,000/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of New Mexico. Powderhorn respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in this case.

14. Powderhorn requests the maximum cost, plus 200% risk charge, be assessed against the non-consenting working interest owners.

15. Powderhorn requests that Powderhorn Operating, LLC be designated operator of the unit and Wells.

16. Powderhorn has been able to locate contact information for all interest owners that it seeks to pool and has undertaken good faith efforts to reach an agreement with the locatable uncommitted interest owners. Powderhorn Exhibit A-7 contains a chronology of the contacts with the interest owners that Powderhorn seeks to pool. Powderhorn has made a good faith effort to obtain voluntary joinder of the interest owners in the Wells through either lease or joint operating agreement.

17. Powderhorn provided notice to all off-set operators entitled to notice of the proposed non-standard spacing unit, as evidenced by Powderhorn Exhibit A-8.

18. The interest owners being pooled either have been contacted regarding the Wells or have been provided notice by publication as set forth above, but in either case have failed or refused to voluntarily commit their interest in the Wells. If a mutually agreeable Joint Operating Agreement is reached between Powderhorn and an interest owner, I will inform the Division that Powderhorn is no longer seeking to pool that party, and Powderhorn requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent that the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and the protection of correlative rights.

19. Powderhorn Exhibits A-1 through A-8 were either prepared by me or compiled under my direction and supervision.

20. The granting of this application is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

21. I swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of the page intentionally left blank.]

Signature page of Self-Affirmed Statement of MASON MAXWELL:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in above-referenced Case Nos. and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.


MASON MAXWELL

7/29/2025

Date Signed

C102s

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 97569	Pool Name Winchester; Bone Spring
Property Code	Property Name FADE AWAY FED COM	Well Number 301H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,460'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL H	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,380' FNL	Ft. from E/W 90' FEL	Latitude 32.649461°	Longitude -104.275534°	County EDDY
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Bottom Hole Location

UL D	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 660' FNL	Ft. from E/W 100' FWL	Latitude 32.651571°	Longitude -104.292157°	County EDDY
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Dedicated Acres 640	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code C
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL H	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,380' FNL	Ft. from E/W 90' FEL	Latitude 32.649461°	Longitude -104.275534°	County EDDY
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First Take Point (FTP)

UL A	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 660' FNL	Ft. from E/W 100' FEL	Latitude 32.651441°	Longitude -104.275586°	County EDDY
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Last Take Point (LTP)

UL D	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 660' FNL	Ft. from E/W 100' FWL	Latitude 32.651571°	Longitude -104.292157°	County EDDY
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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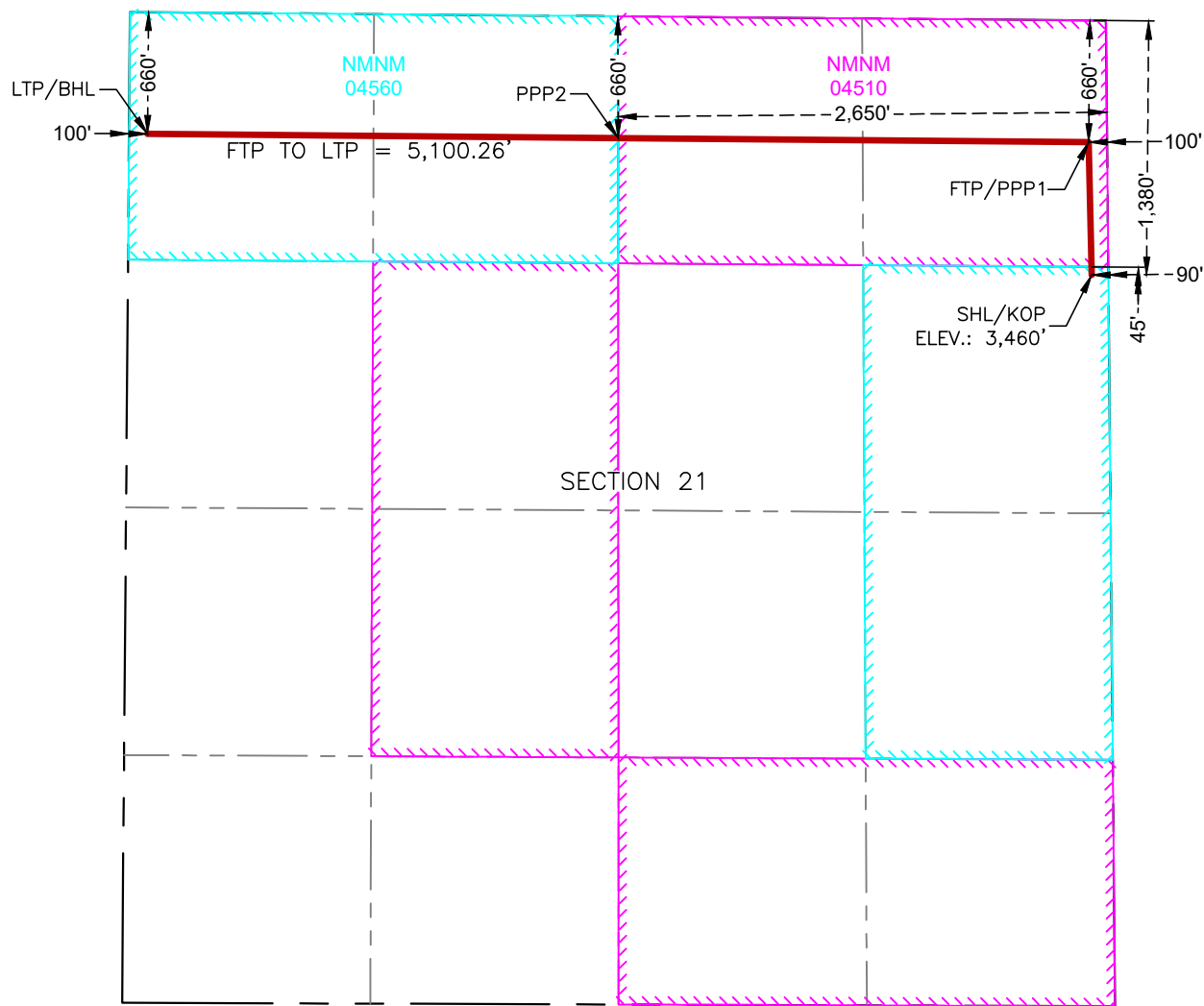
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 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.		SURVEYOR CERTIFICATIONS 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. PRELIMINARY THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number _____	Date of Survey 6/30/2025
Email Address _____			

Note: 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.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



**SURFACE HOLE LOCATION
& KICK-OFF POINT**
1,380' FNL & 90' FEL
ELEV. = 3,460'

NAD 83 X = 559,127.29'
NAD 83 Y = 600,009.84'
NAD 83 LAT = 32.649461°
NAD 83 LONG = -104.275534°

**FIRST TAKE POINT &
PENETRATION POINT 1**
660' FNL & 100' FEL

NAD 83 X = 559,110.68'
NAD 83 Y = 600,730.01'
NAD 83 LAT = 32.651441°
NAD 83 LONG = -104.275586°

PENETRATION POINT 2
660' FNL & 2,650' FEL

NAD 83 X = 556,560.64'
NAD 83 Y = 600,752.48'
NAD 83 LAT = 32.651506°
NAD 83 LONG = -104.283872°

**LAST TAKE POINT &
BOTTOM HOLE LOCATION**
660' FNL & 100' FWL

NAD 83 X = 554,010.62'
NAD 83 Y = 600,774.95'
NAD 83 LAT = 32.651571°
NAD 83 LONG = -104.292157°

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 97569	Pool Name Winchester; Bone Spring
Property Code	Property Name FADE AWAY FED COM	Well Number 302H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,460'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL H	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,410' FNL	Ft. from E/W 90' FEL	Latitude 32.649379°	Longitude -104.275533°	County EDDY
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Bottom Hole Location

UL E	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,980' FNL	Ft. from E/W 100' FWL	Latitude 32.647943°	Longitude -104.292193°	County EDDY
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Dedicated Acres 640	Infill or Defining Well Defining	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code C
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL H	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,410' FNL	Ft. from E/W 90' FEL	Latitude 32.649379°	Longitude -104.275533°	County EDDY
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First Take Point (FTP)

UL H	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,980' FNL	Ft. from E/W 100' FEL	Latitude 32.647812°	Longitude -104.275549°	County EDDY
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Last Take Point (LTP)

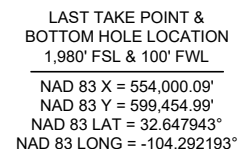
UL E	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,980' FNL	Ft. from E/W 100' FWL	Latitude 32.647943°	Longitude -104.292193°	County EDDY
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
---	---	-------------------------

OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 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.		SURVEYOR CERTIFICATIONS 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. PRELIMINARY THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number _____	Date of Survey 6/30/2025
Email Address _____			

Note: 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.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 97569	Pool Name Winchester; Bone Spring
Property Code	Property Name FADE AWAY FED COM	Well Number 303H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,522'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL I	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,360' FSL	Ft. from E/W 120' FEL	Latitude 32.642309°	Longitude -104.275558°	County EDDY
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Bottom Hole Location

UL L	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,980' FSL	Ft. from E/W 100' FWL	Latitude 32.644069°	Longitude -104.292231°	County EDDY
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Dedicated Acres 640	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code C
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL I	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,360' FSL	Ft. from E/W 120' FEL	Latitude 32.642309°	Longitude -104.275558°	County EDDY
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First Take Point (FTP)

UL I	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,980' FSL	Ft. from E/W 100' FEL	Latitude 32.644013°	Longitude -104.275510°	County EDDY
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Last Take Point (LTP)

UL L	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,980' FSL	Ft. from E/W 100' FWL	Latitude 32.644069°	Longitude -104.292231°	County EDDY
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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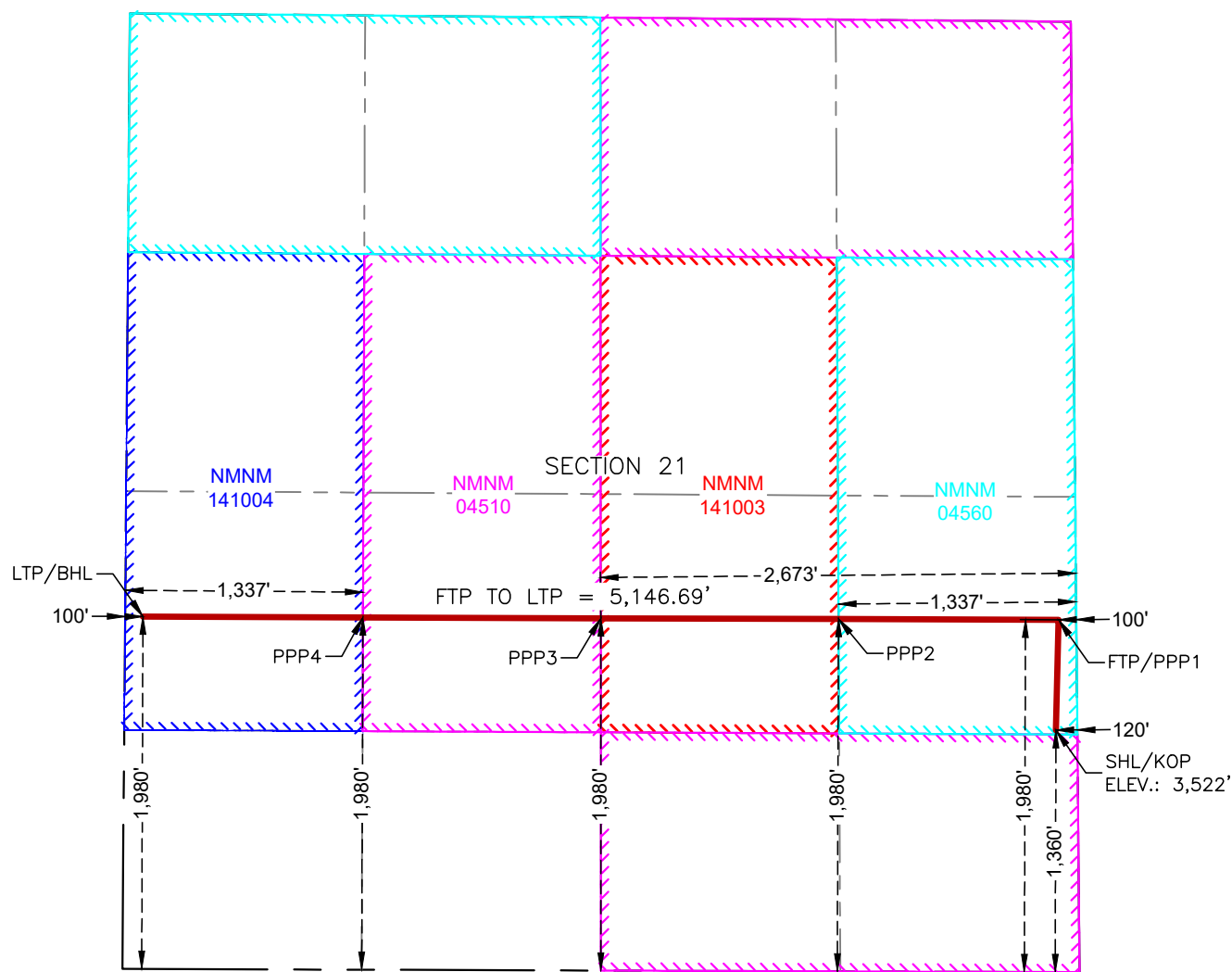
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 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.		SURVEYOR CERTIFICATIONS 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. PRELIMINARY THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.	
Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number _____	Date of Survey 6/30/2025
Email Address _____			

Note: 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.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



SURFACE HOLE LOCATION
& KICK-OFF POINT
1,360' FSL & 120' FEL
ELEV. = 3,522'

NAD 83 X = 559,121.20'
NAD 83 Y = 597,407.88'
NAD 83 LAT = 32.642309°
NAD 83 LONG = -104.275558°

FIRST TAKE POINT &
PENETRATION POINT 1
1,980' FSL & 100' FEL

NAD 83 X = 559,135.50'
NAD 83 Y = 598,027.83'
NAD 83 LAT = 32.644013°
NAD 83 LONG = -104.275510°

PENETRATION POINT 2
1,980' FSL & 1,337' FEL

NAD 83 X = 557,898.88'
NAD 83 Y = 598,032.13'
NAD 83 LAT = 32.644027°
NAD 83 LONG = -104.279528°

PENETRATION POINT 3
1,980' FSL & 2,673' FEL

NAD 83 X = 556,562.22'
NAD 83 Y = 598,036.77'
NAD 83 LAT = 32.644042°
NAD 83 LONG = -104.283871°

PENETRATION POINT 4
1,980' FSL & 1,337' FSL

NAD 83 X = 555,225.55'
NAD 83 Y = 598,041.41'
NAD 83 LAT = 32.644056°
NAD 83 LONG = -104.288213°

LAST TAKE POINT &
BOTTOM HOLE LOCATION
1,980' FSL & 100' FSL

NAD 83 X = 553,988.85'
NAD 83 Y = 598,045.70'
NAD 83 LAT = 32.644069°
NAD 83 LONG = -104.292231°

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	☒ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION

API Number 30-015-PENDING	Pool Code 97569	Pool Name Winchester; Bone Spring
Property Code	Property Name FADE AWAY FED COM	Well Number 304H
OGRID No. 332857	Operator Name POWDERHORN OPERATING, LLC	Ground Level Elevation 3,522'
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL I	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,390' FSL	Ft. from E/W 120' FEL	Latitude 32.642392°	Longitude -104.275559°	County EDDY
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Bottom Hole Location

UL M	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 660' FSL	Ft. from E/W 100' FWL	Latitude 32.640441°	Longitude -104.292267°	County EDDY
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Dedicated Acres 640	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code C
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL I	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 1,390' FSL	Ft. from E/W 120' FEL	Latitude 32.642392°	Longitude -104.275559°	County EDDY
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First Take Point (FTP)

UL P	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 660' FSL	Ft. from E/W 100' FEL	Latitude 32.640385°	Longitude -104.275473°	County EDDY
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Last Take Point (LTP)

UL M	Section 21	Township 19 S	Range 27 E	Lot	Ft. from N/S 660' FSL	Ft. from E/W 100' FWL	Latitude 32.640441°	Longitude -104.292267°	County EDDY
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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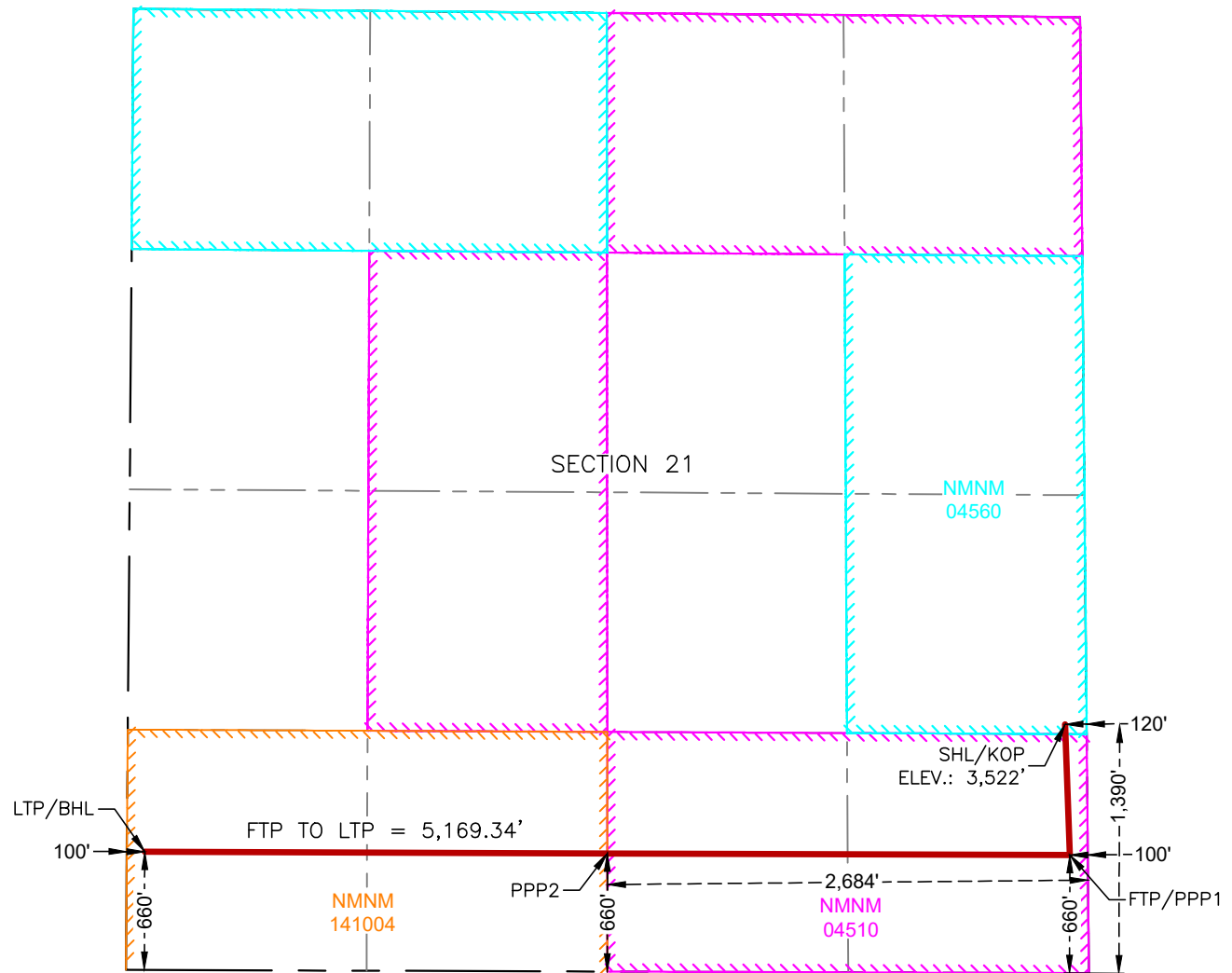
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Signature _____ Date _____		Signature and Seal of Professional Surveyor _____	
Printed Name _____		Certificate Number _____	Date of Survey 6/30/2025
Email Address _____			

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SURFACE HOLE LOCATION
& KICK-OFF POINT
1,390' FSL & 120' FEL
ELEV. = 3,522'

NAD 83 X = 559,120.92'
NAD 83 Y = 597,437.88'
NAD 83 LAT = 32.642392°
NAD 83 LONG = -104.275559°

FIRST TAKE POINT &
PENETRATION POINT 1
660' FSL & 100' FEL

NAD 83 X = 559,147.63'
NAD 83 Y = 596,707.78'
NAD 83 LAT = 32.640385°
NAD 83 LONG = -104.275473°

PENETRATION POINT 2
660' FSL & 2,684' FEL

NAD 83 X = 556,562.99'
NAD 83 Y = 596,716.76'
NAD 83 LAT = 32.640413°
NAD 83 LONG = -104.283870°

LAST TAKE POINT &
BOTTOM HOLE LOCATION
660' FSL & 100' FWL

NAD 83 X = 553,978.32'
NAD 83 Y = 596,725.73'
NAD 83 LAT = 32.640441°
NAD 83 LONG = -104.292267°

**Plat of Tracts
Tract Ownership
Lease Numbers**

Section 21

1	1	2	2
4	2	3	1
4	2	3	1
5	5	2	2

Tract 1 - NMNM-004560
Tract 2 - NMNM-004510
Tract 3 - NMNM-141003
Tract 4 - NMNM-141004
Tract 5 - NMNM-026114

Tract 1 - N/2NW/4, SE/4NE/4, & NE/4SE/4	
Owner	Working Interest
Powderhorn Assets, LLC	40.42494170%
EOG Resources, Inc.	27.21210830%
Sharbro Oil Ltd.	2.92230000%
Oxy Y-1	9.24440000%
Oxy USA	14.64610000%
Jalepeno Corp.	0.30060000%
Yates Eerngy Corporation	0.38230000%
Gus Arnold Ltd.	0.04342500%
AGEM Oil Co LLC	0.13027500%
TD Minerals, LLC	0.22448500%
Blue Star Royalty, LLC	0.01181500%
Slayton Investments, LLC	1.31260000%
Charmar, LLC	0.26250000%
Hanson-Mcbride Petroleum Company	0.52500000%
Axis Energy Corporation	2.01255000%
Rayie, LLC	0.13790000%
William Clark Netherlin	0.05699290%
John C. Emmons	0.01480000%
Shannon Emmons	0.02950000%
Jelene E. Miller	0.02950000%
Marlene L. Miller	0.02950000%
Sandra K. Vandagriff	0.00035119%
Stephan C. Vandagriff	0.00035119%
Melanie K. Chatterton	0.00035119%
Ronnie S. Vandagriff	0.00105357%
Heirs of Earl R. Emmons	0.01480000%
Heirs of Robert Emmons	0.02950000%
TOTAL	100.00%

Tract 2 - N/2NE/4, SE/4NW/4, NE/4SW/4, & S/2SE/4	
Owner	Working Interest
Powderhorn Assets, LLC	40.42494170%
EOG Resources, Inc.	27.21210830%
Sharbro Oil Ltd.	2.92230000%
Oxy Y-1	9.24440000%
Oxy USA	14.64610000%
Jalepeno Corp.	0.30060000%
Yates Eerngy Corporation	0.38230000%
Gus Arnold Ltd.	0.04342500%
AGEM Oil Co LLC	0.13027500%
TD Minerals, LLC	0.22448500%
Blue Star Royalty, LLC	0.01181500%
Slayton Investments, LLC	1.31260000%
Charmar, LLC	0.26250000%
Hanson-Mcbride Petroleum Company	0.52500000%
Axis Energy Corporation	2.01255000%
Rayie, LLC	0.13790000%
William Clark Netherlin	0.05699290%
John C. Emmons	0.01480000%
Shannon Emmons	0.02950000%
Jelene E. Miller	0.02950000%
Marlene L. Miller	0.02950000%
Sandra K. Vandagriff	0.00035119%
Stephan C. Vandagriff	0.00035119%
Melanie K. Chatterton	0.00035119%
Ronnie S. Vandagriff	0.00105357%
Heirs of Earl R. Emmons	0.01480000%
Heirs of Robert Emmons	0.02950000%
TOTAL	100.00%

Section 21

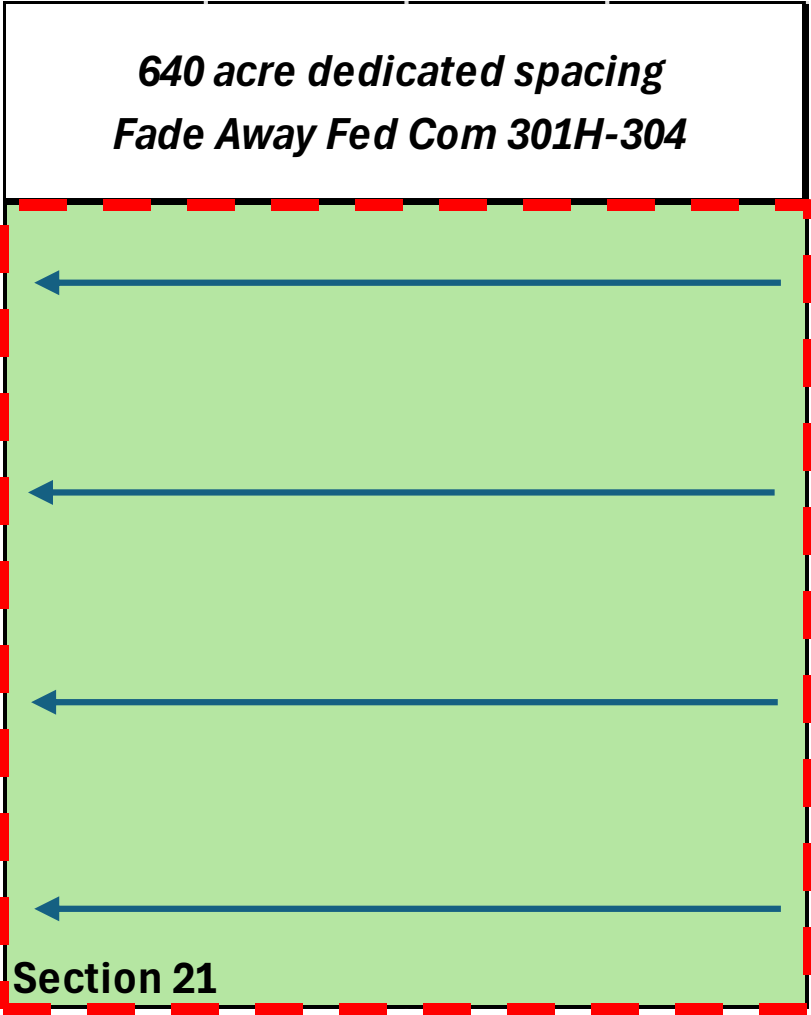
1	1	2	2
4	2	3	1
4	2	3	1
5	5	2	2

Tract 1 - NMNM-004560
Tract 2 - NMNM-004510
Tract 3 - NMNM-141003
Tract 4 - NMNM-141004
Tract 5 - NMNM-026114

Tract 3 - SW/4NE/4 & NW/4SE/4		Tract 5 - S/2SW/4	
Owner	Working Interest	Owner	Working Interest
Powderhorn Assets, LLC	100%	Powderhorn Assets, LLC	40.42494170%
TOTAL	100%	EOG Resources, Inc.	27.21210830%
Tract 4 - SW/4NW/4 & NW/4SW/4		Sharbro Oil Ltd.	2.92230000%
Owner	Working Interest	Oxy Y-1	9.24440000%
Powderhorn Asstets, LLC	100%	Oxy USA	14.64610000%
TOTAL	100%	Jalepeno Corp.	0.30060000%
		Yates Eerngy Corporation	0.38230000%
		Gus Arnold Ltd.	0.04342500%
		AGEM Oil Co LLC	0.13027500%
		TD Minerals, LLC	0.22448500%
		Blue Star Royalty, LLC	0.01181500%
		Slayton Investments, LLC	1.31260000%
		Charmar, LLC	0.26250000%
		Hanson-Mcbride Petroleum Company	0.52500000%
		Axis Energy Corporation	2.01255000%
		Rayie, LLC	0.13790000%
		William Clark Netherlin	0.05699290%
		John C. Emmons	0.01480000%
		Shannon Emmons	0.02950000%
		Jelene E. Miller	0.02950000%
		Marlene L. Miller	0.02950000%
		Sandra K. Vandagriff	0.00035119%
		Stephan C. Vandagriff	0.00035119%
		Melanie K. Chatterton	0.00035119%
		Ronnie S. Vandagriff	0.00105357%
		Heirs of Earl R. Emmons	0.01480000%
		Heirs of Robert Emmons	0.02950000%
		TOTAL	100.00%

Unit Recap

Pooled Parties Highlighted



Unit Capitulation		
Owner	Pooled Party	Working Interest
Powderhorn Assets, LLC	N	55.31870628%
EOG Resources, Inc.	Y	20.40908123%
Sharbro Oil, Ltd.	N	2.19172500%
Oxy Y-1	Y	6.93330000%
Oxy USA	Y	10.98457500%
Jalapeno Corp.	N	0.22545000%
Yates Energy Corporation	Y	0.28672500%
Gus Arnold, Ltd.	Y	0.03256875%
AGEM Oil Co., LLC	Y	0.09770625%
TD Minerals, LLC	Y	0.16836375%
Blue Star Royalty, LLC	Y	0.00886125%
Slayton Investments, LLC	Y	0.98445000%
Charmar, LLC	Y	0.19687500%
Hanson-McBride Petroleum Company	N	0.39375000%
Axis Energy Corporation	N	1.50941250%
Rayie, LLC	Y	0.10342500%
William Clark Netherlin	N	0.04274468%
John C. Emmons	Y	0.01110000%
Shannon Emmons	Y	0.02212500%
Jelene E. Miller	Y	0.02212500%
Marlene L. Miller	Y	0.02212500%
Sandra K. Vandagriff	N	0.00026339%
Stephan C. Vandagriff	N	0.00026339%
Melanie K. Chatterton	Y	0.00026339%
Ronnie S. Vandagriff	N	0.00079018%
Heirs of Earl R. Emmons	N	0.01110000%
Heirs of Robert Emmons	N	0.02212500%
TOTAL		100.000000%

*Parties denoted in yellow Powderhorn seeks to pool

Sample Well Proposal Letter & AFE

POWDERHORN
ENERGY PARTNERS

June 24, 2025

Oxy Y-1 Company
Oxy USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046

Via Certified Mail

RE: Well Proposals / NSP Notice – Fade Away Fed Com
Section 21, T19S – R27E
Eddy County, New Mexico

To Whom it May Concern:

Powderhorn Operating, LLC (“Powderhorn”), as Operator for Powderhorn Assets LLC, hereby proposes the drilling and completion of the following four (4) wells, the Fade Away Fed Com Wells at the following approximate locations within Section 21, Township 19 South, Range 27 East, Eddy County, NM:

1. Fade Away Fed Com 301H

SHL: 90’ FEL & 1,380’ FNL or at a legal location in units A or H of section 21
BHL: 100’ FWL & 660’ FNL of Section 21
FTP: 100’ FEL & 660’ FNL of Section 21
LTP: 100’ FWL & 660’ FNL of Section 21
TVD: 7,760’
TMD: 13,360’
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

2. Fade Away Fed Com 302H

SHL: 90’ FEL & 1,410’ FNL or at a legal location in units A or H of section 21
BHL: 100’ FWL & 1,980’ FNL of Section 21
FTP: 100’ FEL & 1,980’ FNL of Section 21
LTP: 100’ FWL & 1,980’ FNL of Section 21
TVD: 7,760’
TMD: 13,360’
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

[Continued on Next Page]

3. Fade Away Fed Com 303H

SHL: 120' FEL & 1,360' FSL or at a legal location in units I or P of section 21
BHL: 100' FWL & 1,980' FSL of Section 21
FTP: 100' FEL & 1,980' FSL of Section 21
LTP: 100' FWL & 1,980' FSL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

4. Fade Away Fed Com 304H

SHL: 120' FEL & 1,390' FSL or at a legal location in units I or P of section 21
BHL: 100' FWL & 660' FSL of Section 21
FTP: 100' FEL & 660' FSL of Section 21
LTP: 100' FWL & 660' FSL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

Please note, this proposal shall additionally serve as notice of non-standard proration unit encompassing the full 640 acres of Section 21, T19S-R27E.

All the locations, TVD, and target are approximate and subject to change dependent on surface or subsurface issues encountered. Powderhorn is proposing to drill these Wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement will be provided upon request. The Operating Agreement will include the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Powderhorn Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Powderhorn will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well or wells. If you do not wish to participate, or would like to sell down, Powderhorn would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiations.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 325.514.0211 or by email at mmaxwell@powderhornep.com

Respectfully,

Powderhorn Operating, LLC



Mason Maxwell
Landman

Enclosures

Well Elections: (Please indicate your responses in the spaces below)		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Fade Away Fed Com 301H		
Fade Away Fed Com 302H		
Fade Away Fed Com 303H		
Fade Away Fed Com 304H		

By: _____

Printed Name: _____

Title: _____

Date: _____

Powderhorn											
AUTHORIZATION FOR EXPENDITURE											
ENERGY PARTNERS											
WELL NAME				Fade Away Fed Com 301H		AFE TYPE		Development			
LATERAL LOCATION				N/2N/2 of Section 21, T19S-R27E		FIELD		Northern Delaware			
SURFACE LOCATION				Unit H - Section 21		FORMATION		Third Bone Spring Sand			
BOTTOM-HOLE LOCATION				Unit D - Section 21		COUNTY		Eddy			
						DEPTH (TVD/TMD)		7760'/13360'			
						STATE		NM			
PROJECT DESCRIPTION				Drilling, Completion & Facilities costs for 1-mile lateral							
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
301	501			SURVEY/PERMITS/DAMAGES				\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD				\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE				\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE							\$0.00
305	505			DRILLING - DAYWORK				\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG							\$0.00
	507			COIL TUBING/SNUBBING UNIT					\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING							\$0.00
309	509			BITS				\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES				\$243,425.00			\$243,425.00
311	511			CASING CREW				\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL				\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER				\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD				\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST				\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL				\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING				\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING							\$0.00
319	519			CEMENTING				\$139,100.00			\$139,100.00
320	520			PERFORATING					\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS							\$0.00
322	522			DOWNHOLE TOOLS & SERVICE				\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS							\$0.00
	524			FORMATION STIMULATION					\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION				\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES				\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR							\$0.00
329	529			OVERHEAD							\$0.00
330	530			WATER - FRESH				\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS				\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS							\$0.00
333	533			COMMUNICATIONS				\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING				\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN							\$0.00
336	536			FISHING TOOLS & SERVICES							\$0.00
337	537			INSPECTIONS				\$10,700.00			\$10,700.00
338				WIRELINE SERVICES							\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD							\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE							\$0.00
341				MULTISHOT & GYRO							\$0.00
342				RE-ENTRY SERVICES							\$0.00
343	543			CAMPS & TRAILERS				\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S				\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY							\$0.00
346	546			INSURANCE					\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS				\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED							\$0.00
349	549			SAND					\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS					\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK							\$0.00
352	552			WATER - BRINE							\$0.00
	560			FACILITY TRUCKING						\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK							\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION						\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.						\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL						\$2,190.00	\$2,190.00
				SIM-OPS							\$0.00
				TOTAL WELL INTANGIBLE COSTS				\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18
				WELL TANGIBLE COSTS							
		401		CASING - CONDUCTOR				\$32,100.00			\$32,100.00
		402		CASING - SURFACE				\$17,514.90			\$17,514.90
		403		CASING - SALT STRING							\$0.00
		404	604	CASING - INTERMEDIATE				\$76,879.50			\$76,879.50
		405	605	CASING - PRODUCTION / LINER				\$402,409.88			\$402,409.88
		406	606	SUBSURFACE EQUIPMENT							\$0.00
			607	PRODUCTION TUBING					\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT							\$0.00
		409	609	WELLHEAD EQUIPMENT				\$72,794.24			\$72,794.24
			610	FLOWLINES						\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT							\$0.00
		412	612	LINER HANGER & ASSOC EQUIP							\$0.00
			613	VALVES & FITTINGS						\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL						\$149,453.68	\$149,453.68
			615	RODS							\$0.00
		417	617	TRUCKING							\$0.00
		420		RE-ENTRY EQUIPMENT							\$0.00
			634	PRODUCTION EQUIPMENT						\$251,169.19	\$251,169.19
		447	647	MISCELLANEOUS						\$250,000.00	\$250,000.00
		448	648	OUTSIDE OPERATED							\$0.00
			649	TANGIBLE EQUIP-ACQUISITIONS							\$0.00
				TOTAL TANGIBLE COSTS				\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14
							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
TOTAL ESTIMATED WELL COST							\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32	

PREPARED BY:

Brendan Tippen

DATE:

6/20/2025

OPERATOR APPROVAL:

DATE:

OPERATOR APPROVAL:

DATE:

PARTNER COMPANY NAME:

DATE:

PARTNER APPROVAL:

TITLE:

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

Powderhorn											
AUTHORIZATION FOR EXPENDITURE											
ENERGY PARTNERS											
WELL NAME				Fade Away Fed Com 302H		AFE TYPE		Development			
LATERAL LOCATION				S/2N/2 of Section 21, T19S-R27E		FIELD		Northern Delaware			
SURFACE LOCATION				Unit H - Section 21		FORMATION		Third Bone Spring Sand			
BOTTOM-HOLE LOCATION				Unit E - Section 21		COUNTY		Eddy			
PROJECT DESCRIPTION				Drilling, Completion & Facilities costs for 1-mile lateral							
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC	WELL INTANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600								
301	501			SURVEY/PERMITS/DAMAGES				\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD				\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE				\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE							\$0.00
305	505			DRILLING - DAYWORK				\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG							\$0.00
	507			COIL TUBING/SNUBBING UNIT					\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING							\$0.00
309	509			BITS				\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES				\$243,425.00			\$243,425.00
311	511			CASING CREW				\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL				\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER				\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD				\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST				\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL				\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING				\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING							\$0.00
319	519			CEMENTING				\$139,100.00			\$139,100.00
320	520			PERFORATING					\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS							\$0.00
322	522			DOWNHOLE TOOLS & SERVICE				\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS							\$0.00
	524			FORMATION STIMULATION					\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION				\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES				\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR							\$0.00
329	529			OVERHEAD							\$0.00
330	530			WATER - FRESH				\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS				\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS							\$0.00
333	533			COMMUNICATIONS				\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING				\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN							\$0.00
336	536			FISHING TOOLS & SERVICES							\$0.00
337	537			INSPECTIONS				\$10,700.00			\$10,700.00
338				WIRELINE SERVICES							\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD							\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE							\$0.00
341				MULTISHOT & GYRO							\$0.00
342				RE-ENTRY SERVICES							\$0.00
343	543			CAMPS & TRAILERS				\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S				\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY							\$0.00
346	546			INSURANCE					\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS				\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED							\$0.00
349	549			SAND					\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS					\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK							\$0.00
352	552			WATER - BRINE							\$0.00
	560			FACILITY TRUCKING						\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK							\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION						\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.						\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL						\$2,190.00	\$2,190.00
				SIM-OPS							\$0.00
				TOTAL WELL INTANGIBLE COSTS				\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18
				WELL TANGIBLE COSTS							
		401		CASING - CONDUCTOR				\$32,100.00			\$32,100.00
		402		CASING - SURFACE				\$17,514.90			\$17,514.90
		403		CASING - SALT STRING							\$0.00
		404	604	CASING - INTERMEDIATE				\$76,879.50			\$76,879.50
		405	605	CASING - PRODUCTION / LINER				\$402,409.88			\$402,409.88
		406	606	SUBSURFACE EQUIPMENT							\$0.00
			607	PRODUCTION TUBING					\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT							\$0.00
		409	609	WELLHEAD EQUIPMENT				\$72,794.24			\$72,794.24
			610	FLOWLINES						\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT							\$0.00
		412	612	LINER HANGER & ASSOC EQUIP							\$0.00
			613	VALVES & FITTINGS						\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL						\$149,453.68	\$149,453.68
			615	RODS							\$0.00
		417	617	TRUCKING							\$0.00
		420		RE-ENTRY EQUIPMENT							\$0.00
			634	PRODUCTION EQUIPMENT						\$251,169.19	\$251,169.19
		447	647	MISCELLANEOUS						\$250,000.00	\$250,000.00
		448	648	OUTSIDE OPERATED							\$0.00
			649	TANGIBLE EQUIP-ACQUISITIONS							\$0.00
				TOTAL TANGIBLE COSTS				\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14
							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
TOTAL ESTIMATED WELL COST							\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32	

PREPARED BY:	Brendan Tippen	DATE:	6/20/2025
OPERATOR APPROVAL:		DATE:	
OPERATOR APPROVAL:		DATE:	

PARTNER COMPANY NAME:		DATE:	
PARTNER APPROVAL:			
TITLE:			

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

Powderhorn AUTHORIZATION FOR EXPENDITURE											
ENERGY PARTNERS											
WELL NAME				Fade Away Fed Com 303H		AFE TYPE		Development			
LATERAL LOCATION				N/2S/2 of Section 21, T19S-R27E		FIELD		Northern Delaware			
SURFACE LOCATION				Unit I - Section 21		FORMATION		Third Bone Spring Sand			
BOTTOM-HOLE LOCATION				Unit L - Section 21		COUNTY		Eddy			
						DEPTH (TVD/TMD)		7760'/13360'			
						STATE		NM			
PROJECT DESCRIPTION				Drilling, Completion & Facilities costs for 1-mile lateral							
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC	WELL INTANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600								
301	501			SURVEY/PERMITS/DAMAGES				\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD				\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE				\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE							\$0.00
305	505			DRILLING - DAYWORK				\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG							\$0.00
	507			COIL TUBING/SNUBBING UNIT					\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING							\$0.00
309	509			BITS				\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES				\$243,425.00			\$243,425.00
311	511			CASING CREW				\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL				\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER				\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD				\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST				\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL				\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING				\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING							\$0.00
319	519			CEMENTING				\$139,100.00			\$139,100.00
320	520			PERFORATING					\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS							\$0.00
322	522			DOWNHOLE TOOLS & SERVICE				\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS							\$0.00
	524			FORMATION STIMULATION					\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION				\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES				\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR							\$0.00
329	529			OVERHEAD							\$0.00
330	530			WATER - FRESH				\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS				\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS							\$0.00
333	533			COMMUNICATIONS				\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING				\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN							\$0.00
336	536			FISHING TOOLS & SERVICES							\$0.00
337	537			INSPECTIONS				\$10,700.00			\$10,700.00
338				WIRELINE SERVICES							\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD							\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE							\$0.00
341				MULTISHOT & GYRO							\$0.00
342				RE-ENTRY SERVICES							\$0.00
343	543			CAMPS & TRAILERS				\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S				\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY							\$0.00
346	546			INSURANCE					\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS				\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED							\$0.00
349	549			SAND					\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS					\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK							\$0.00
352	552			WATER - BRINE							\$0.00
	560			FACILITY TRUCKING						\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK							\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION						\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.						\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL						\$2,190.00	\$2,190.00
				SIM-OPS							\$0.00
				TOTAL WELL INTANGIBLE COSTS				\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18
				WELL TANGIBLE COSTS							
		401		CASING - CONDUCTOR				\$32,100.00			\$32,100.00
		402		CASING - SURFACE				\$17,514.90			\$17,514.90
		403		CASING - SALT STRING							\$0.00
		404	604	CASING - INTERMEDIATE				\$76,879.50			\$76,879.50
		405	605	CASING - PRODUCTION / LINER				\$402,409.88			\$402,409.88
		406	606	SUBSURFACE EQUIPMENT							\$0.00
			607	PRODUCTION TUBING					\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT							\$0.00
		409	609	WELLHEAD EQUIPMENT				\$72,794.24			\$72,794.24
			610	FLOWLINES						\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT							\$0.00
		412	612	LINER HANGER & ASSOC EQUIP							\$0.00
			613	VALVES & FITTINGS						\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL						\$149,453.68	\$149,453.68
			615	RODS							\$0.00
		417	617	TRUCKING							\$0.00
		420		RE-ENTRY EQUIPMENT							\$0.00
			634	PRODUCTION EQUIPMENT						\$251,169.19	\$251,169.19
		447	647	MISCELLANEOUS						\$250,000.00	\$250,000.00
		448	648	OUTSIDE OPERATED							\$0.00
			649	TANGIBLE EQUIP-ACQUISITIONS							\$0.00
				TOTAL TANGIBLE COSTS				\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14
							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
TOTAL ESTIMATED WELL COST							\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32	

PREPARED BY:

Brendan Tippen

DATE:

6/20/2025

OPERATOR APPROVAL:

DATE:

OPERATOR APPROVAL:

DATE:

PARTNER COMPANY NAME:

DATE:

PARTNER APPROVAL:

TITLE:

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

Powderhorn											
AUTHORIZATION FOR EXPENDITURE											
ENERGY PARTNERS											
WELL NAME				Fade Away Fed Com 304H		AFE TYPE		Development			
LATERAL LOCATION				S/2S/2 of Section 21, T19S-R27E		FIELD		Northern Delaware			
SURFACE LOCATION				Unit I - Section 21		FORMATION		Third Bone Spring Sand			
BOTTOM-HOLE LOCATION				Unit M - Section 21		COUNTY		Eddy			
PROJECT DESCRIPTION				Drilling, Completion & Facilities costs for 1-mile lateral							
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC	WELL INTANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600								
301	501			SURVEY/PERMITS/DAMAGES				\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD				\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE				\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE							\$0.00
305	505			DRILLING - DAYWORK				\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG							\$0.00
	507			COIL TUBING/SNUBBING UNIT					\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING							\$0.00
309	509			BITS				\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES				\$243,425.00			\$243,425.00
311	511			CASING CREW				\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL				\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER				\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD				\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST				\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL				\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING				\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING							\$0.00
319	519			CEMENTING				\$139,100.00			\$139,100.00
320	520			PERFORATING					\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS							\$0.00
322	522			DOWNHOLE TOOLS & SERVICE				\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS							\$0.00
	524			FORMATION STIMULATION					\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION				\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES				\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR							\$0.00
329	529			OVERHEAD							\$0.00
330	530			WATER - FRESH				\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS				\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS							\$0.00
333	533			COMMUNICATIONS				\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING				\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN							\$0.00
336	536			FISHING TOOLS & SERVICES							\$0.00
337	537			INSPECTIONS				\$10,700.00			\$10,700.00
338				WIRELINE SERVICES							\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD							\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE							\$0.00
341				MULTISHOT & GYRO							\$0.00
342				RE-ENTRY SERVICES							\$0.00
343	543			CAMPS & TRAILERS				\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S				\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY							\$0.00
346	546			INSURANCE					\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS				\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED							\$0.00
349	549			SAND					\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS					\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK							\$0.00
352	552			WATER - BRINE							\$0.00
	560			FACILITY TRUCKING						\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK							\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION						\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.						\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL						\$2,190.00	\$2,190.00
				SIM-OPS							\$0.00
				TOTAL WELL INTANGIBLE COSTS				\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18
				WELL TANGIBLE COSTS							
		401		CASING - CONDUCTOR				\$32,100.00			\$32,100.00
		402		CASING - SURFACE				\$17,514.90			\$17,514.90
		403		CASING - SALT STRING							\$0.00
		404	604	CASING - INTERMEDIATE				\$76,879.50			\$76,879.50
		405	605	CASING - PRODUCTION / LINER				\$402,409.88			\$402,409.88
		406	606	SUBSURFACE EQUIPMENT							\$0.00
			607	PRODUCTION TUBING					\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT							\$0.00
		409	609	WELLHEAD EQUIPMENT				\$72,794.24			\$72,794.24
			610	FLOWLINES						\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT							\$0.00
		412	612	LINER HANGER & ASSOC EQUIP							\$0.00
			613	VALVES & FITTINGS						\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL						\$149,453.68	\$149,453.68
			615	RODS							\$0.00
		417	617	TRUCKING							\$0.00
		420		RE-ENTRY EQUIPMENT							\$0.00
			634	PRODUCTION EQUIPMENT						\$251,169.19	\$251,169.19
		447	647	MISCELLANEOUS						\$250,000.00	\$250,000.00
		448	648	OUTSIDE OPERATED							\$0.00
			649	TANGIBLE EQUIP-ACQUISITIONS							\$0.00
				TOTAL TANGIBLE COSTS				\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14
							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
TOTAL ESTIMATED WELL COST							\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32	

PREPARED BY:	Brendan Tippen	DATE:	6/20/2025
OPERATOR APPROVAL:		DATE:	
OPERATOR APPROVAL:		DATE:	

PARTNER COMPANY NAME:		DATE:	
PARTNER APPROVAL:			
TITLE:			

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

Detailed Chronology of Contacts

Fade Away Fed Com (Case No. 25479) - LAND

Exhibit A-7

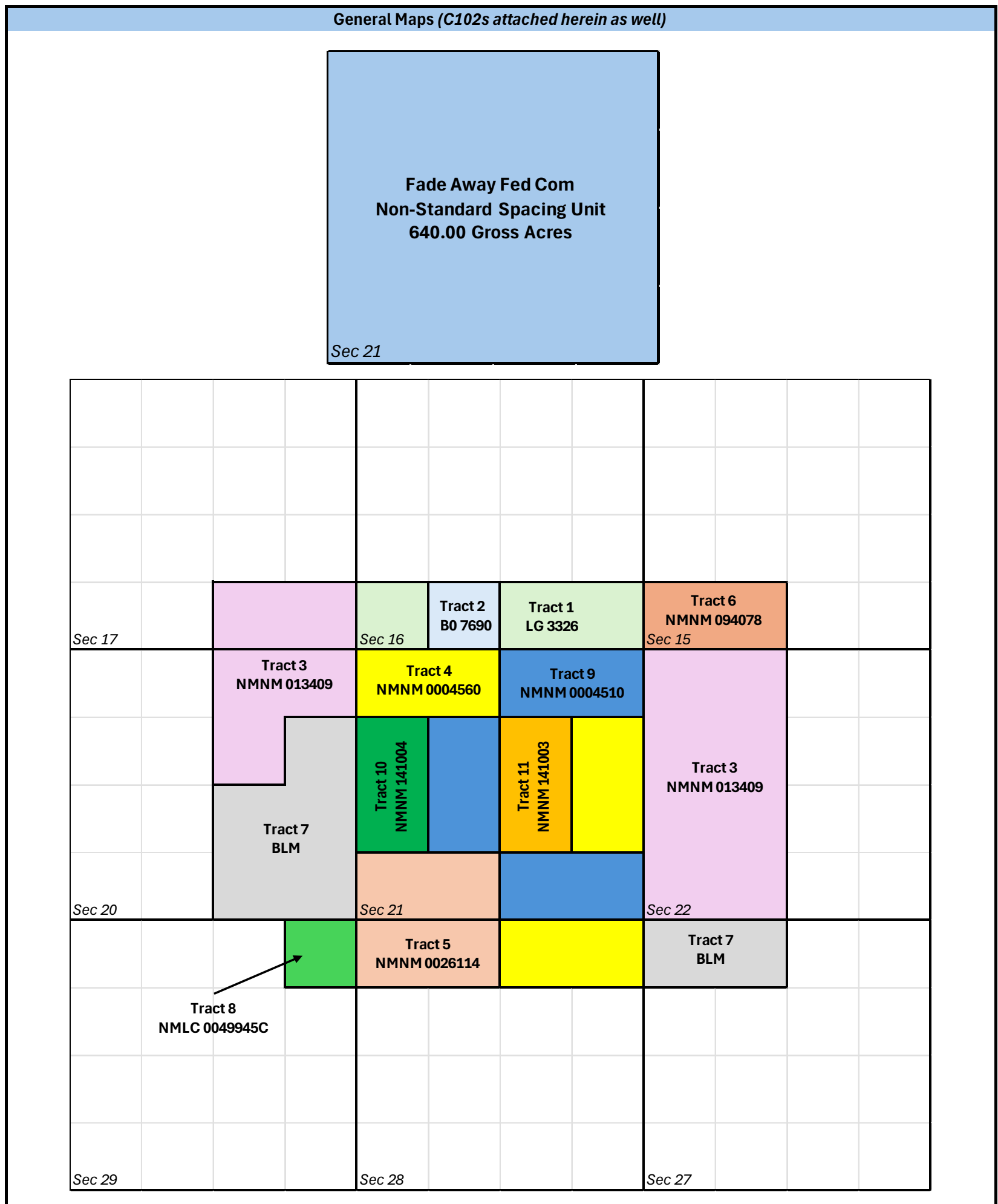
Proposals were mailed to all parties 06/27/2025		
Date	Party	Notes
7/1/2025	Haynie Enterprises, LLC	Communicated via email with Kristen Haynie, regarding source of title and interest in Fade Away wells.
7/1/2025	AGEM Oil Co.	Communicated via email with Jan Bolton, regarding source of title and interest in Fade Away wells.
7/1/2025	Sandra K Vandagriff	Spoke on the phone with Mrs. Vandagriff
7/2/2025	TD Minerals, LLC	Communicated via email with TD Minerals, regarding source of title and interest in Fade Away wells.
7/2/2025	Slayton Investments, LLC	Emailed/Reached out by phone, but no response
7/7/2025	Hanson-Mcbride Oil and Gas Corp	Answered email from the landman regarding their interest in the Fade Away wells.
7/7/2025	William C. Netherlin	Email discussion with Bill regarding interest and JOA
7/7/2025	William C. Netherlin	Spoke on the phone with Bill to answer a few more questions he had
7/8/2025	Charmar, LLC	Spoke on the phone with representative answering a few questions he had
7/8/2025	Jalepeno Corporation	Responded to landmans email regarding interest in project
7/14/2025	Charmar, LLC	Emailed representative to elaborate on questions he had when we spoke over the phone
7/14/2025	Blue Star Royalty	Responded to Blue Star's email regarding interest in the Fade Away wells
7/14/2025	TD Minerals, LLC	Emailed the landman regarding an update to their interest
7/14/2025	Yates Industries, LLC	Responded to an email regarding ownership in the wells
7/15/2025	Hanson-Mcbride Oil and Gas Corp	Received election to participate and sent JOA
7/15/2025	Roy G. Barton	Sent the Fade Away JOA to Roy
7/15/2025	TD Minerals, LLC	Sent the Fade Away JOA to TD
7/15/2025	Axis Energy Corp	Received exucted AFE's
7/15/2025	Axis Energy Corp	Sent the Fade Away JOA
7/15/2025	Jalepeno Corporation	Sent the Fade Away JOA
7/15/2025	EOG Resources	Sent the Fade Away JOA
7/16/2025	Oxy Y-1/Oxy USA	Sent the Fade Away JOA
7/16/2025	William C. Netherlin	Sent the Fade Away JOA
7/18/2025	Blue Star Royalty	Received election to participate and executed AFE's
7/25/2025	Heirs of Robert Emmons	Emailed Mike regarding working interest in the Fade Away DSU
7/28/2025	Heirs of Robert Emmons	Answered emails regarding interest's and potential deal
7/28/2025	Heirs of Robert Emmons	Spoke on the phone
7/28/2025	Oxy Y-1/Oxy USA	Email correspondence with the Landman
7/30/2025	Jalepeno Corporation	Received executed AFE's & OA signature pages
7/31/2025	Heirs of Robert Emmons	Received the election of one of the heirs to participate

*Powderhorn Assets, LLC purchased Roy G. Barton Jr interest, the assignment was executed 7/28/2025

*Voluntary joinder will be offered til spud

Offset Operator Notice List

Non-Standard Proration Unit Notice - Fade Away Fed Com			
Defining Well:	FTP	LTP	LL
Fade Away Fed Com 302H	100’ FEL & 1,980’ FNL of Section 21	100’ FWL & 1,980’ FNL of Section 21	1-Mile
Infill Wells:	FTP	LTP	LL
Fade Away Fed Com 301H	100’ FEL & 660’ FNL of Section 21	100’ FWL & 660’ FNL of Section 21	1-Mile
Fade Away Fed Com 303H	100’ FEL & 1,980’ FSL of Section 21	100’ FWL & 1,980’ FSL of Section 21	1-Mile
Fade Away Fed Com 304H	100’ FEL & 660’ FSL of Section 21	100’ FWL & 660’ FSL of Section 21	1-Mile
*Please note all 4 wells will be drilled and completed simultaneously			
Notice Parties			
Owner	Address	Owner Type	Tract
Oxy USA Inc.	5 Greenway Plaza, Suite 110 Houston, TX 77046	WI and Offset	1, 2, 4, 5, 9
Oxy Y-1 Company	5 Greenway Plaza, Suite 110 Houston, TX 77046	WI and Offset	2, 4, 5, 9
EOG Resources, Inc.	5509 Champions Dr. Midland, TX 79706	WI and Offset	2, 4, 5, 9
Chevron USA Inc.	6301 Deauville Midland, TX 79706	Offset	3
COG Operating LLC	600 W Illinois Ave. Midland, TX 79701	Offset	3
Concho Oil & Gas LLC	600 W Illinois Ave. Midland, TX 79701	Offset	3
Axis Energy Corp	P.O. Box 2107 Roswell, NM 88202	WI and Offset	3, 4, 9
Roy G. Barton	1919 N Turner St. Hobbs, NM 88240	WI Owner	10 & 11
Charmar LLC	4815 Vista Del Oso Ct., NE Albuquerque, NM 87109	WI and Offset	4, 5, 9
Jalapeno Corp.	P.O. Box 1608 Albuquerque, NM 87103	WI and Offset	4, 5, 9
John Charles Emmons	700 County Cork Lane Leander, TX 78641	WI and Offset	4, 5, 9
Rayie LLC	1006 S. Second Artesia, NM 88210	WI and Offset	4, 5, 9
Blue Star Royalty LLC	P.O. Box 470249 Fort Worth, TX 76147	WI and Offset	4, 5, 9
TD Minerals LLC	8111 Westchester Suite 900 Dallas, TX 75225	WI and Offset	4, 5, 9
Haynie Enterprises LLC	P.O. Box 722 Fairacres, NM 88033	WI and Offset	4, 5, 9
Slayton Investments LLC	P.O. Box 2035 Roswell, NM 88202	WI and Offset	4, 5, 9
Betty Jean Emmons	3512 LaCumbre Drive Kerrville, TX 78028	WI and Offset	4, 5, 10
Marlene Lenore Miller	1961 Poplar Ave. Las Cruces, NM 88001	WI and Offset	4, 5, 11
Jelene Emily Miller	1961 Poplar Ave. Las Cruces, NM 88001	WI and Offset	4, 5, 12
Shannon Emmons	17 N. Lancaster Lane Newtown, PA 18940	WI and Offset	4, 5, 13
Hanson-McBride Petroleum Co.	P.O. Box 1515 Roswell, NM 88202	WI and Offset	4, 5, 14
Gus Arnold Ltd	P.O. Box 1608 Whitehouse, TX 75791	WI and Offset	4, 5, 15
AGEM Oil Co. LLC	5420 87th Street Lubbock, TX 79424	WI and Offset	4, 5, 16
Yates Energy Corp.	400 N Pennsylvania Ave Roswell, NM 88201	WI and Offset	4, 5, 17
Marvin Emmons	P.O. Box 3441 Wentachee, WA 98807	WI and Offset	4, 5, 18
BLM	301 Dinosaur Trail Santa Fe, NM 87508	MI/RI	3 to 11
SLO	310 Old Santa Fe Trail Santa Fe, NM 87501	MI/RI	1 & 2



***Fade Away Fed Com Unit
Case No. 25479
Geology Exhibits***

Self-Affirmed Statement of Geologist Leonard Wood

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

**APPLICATION OF POWDERHORN ENERGY
PARTNERS FOR COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF A NON-STANDARD
HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25479

SELF-AFFIRMED STATEMENT OF LEONARD W. WOOD

I, Leonard W. "Lenny" Wood being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Powderhorn Energy Partners ("Powderhorn"), and its subsidiaries, including but not limited to, Powderhorn Operating, LLC ("Powderhorn Operating"). My work includes the Permian Basin and Eddy County, and I am familiar with the subject applications and the geology involved.
3. I have testified previously before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
4. **Exhibit B-2** is a locator map of the Fade Away development. It is comprised of Section 21, T19S R27E in Eddy County, New Mexico which lies in the northwestern portion of the Delaware Basin between the shelf margin of the Northwest Shelf and the Capitan Reed Trend.
5. In my opinion, the stress direction at the Fade Away development favors an east-west orientation. The east-west orientation of the proposed wells is appropriate to efficiently and

effectively develop the subject lands. This is also the orientation most operators have drilled in the area.

6. **Exhibit B-3** is a subsea TVD structure map showing the Top of the Third Bone Spring Sandstone. Structure dips to the southeast throughout the Bone Spring interval. In my opinion, there are no structural impediments that will interfere with horizontal development.

7. **Exhibit B-4** shows a structural cross section from the west northwest (A) to east southeast (A') through the Fade Away development. The displayed logs include Gamma Ray, Neutron and Density Porosities, and Deep Resistivity. As shown on both the structure map and on this cross section, structure through the Bone Spring dips to the southeast. The horizontal target interval is shown by a red arrow.

8. **Exhibit B-5** is a gun barrel plot of Powderhorn's development plan, which will target the Bone Spring formation. The primary Bone Spring target here is the 3rd Bone Spring Sand.

9. I conclude from my geologic study of the Bone Spring formation that:

- a. The horizontal spacing units are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the proposed spacing units will contribute more or less equally to production.

10. The Exhibits to this Statement were prepared by me or compiled from Powderhorn's company business records under my supervision.

11. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

12. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of LEONARD W. WOOD:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in above-referenced Case Nos. and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

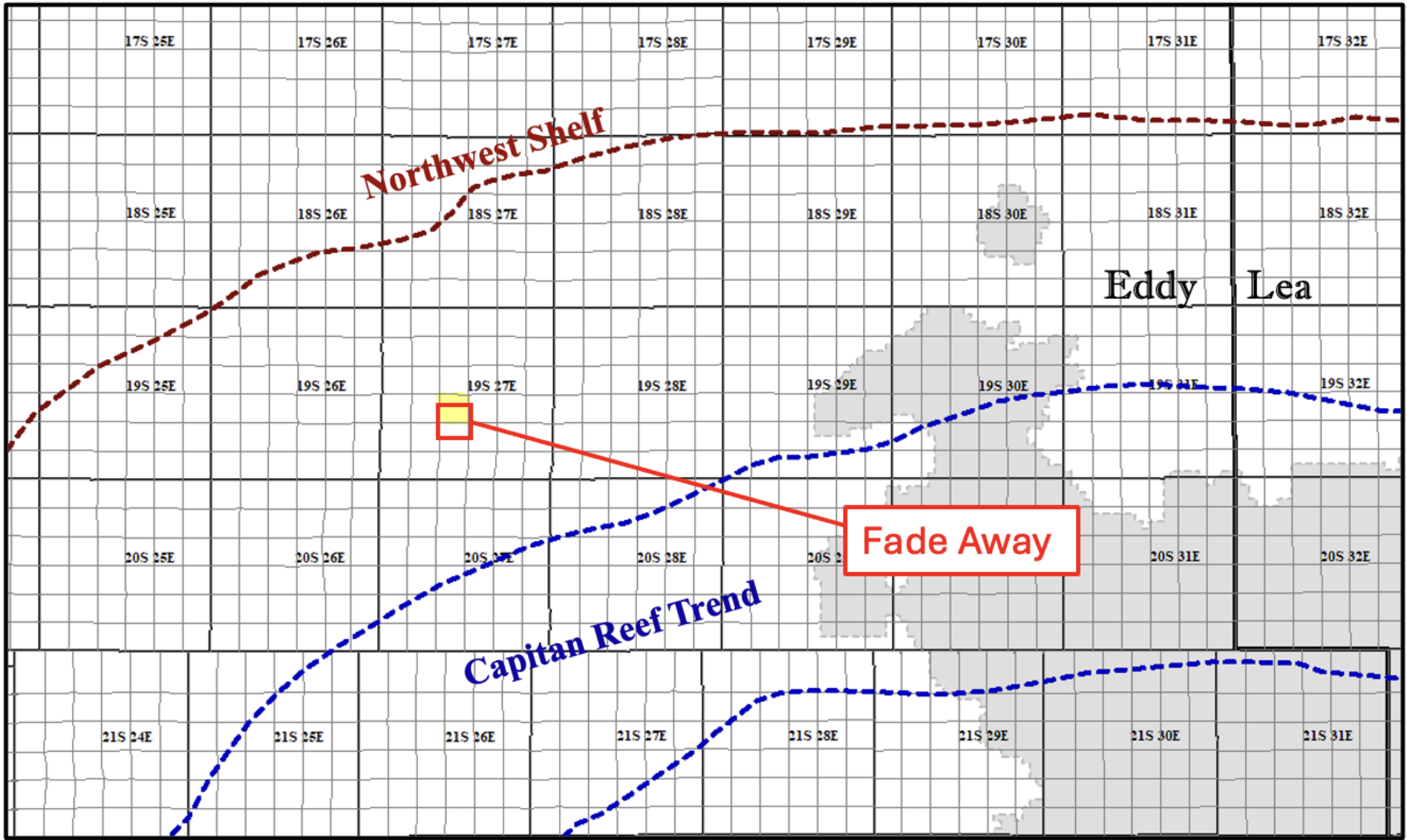
A handwritten signature in black ink, appearing to read "LEWOOD", written over a horizontal line.

LEONARD W. WOOD

July 29, 2025

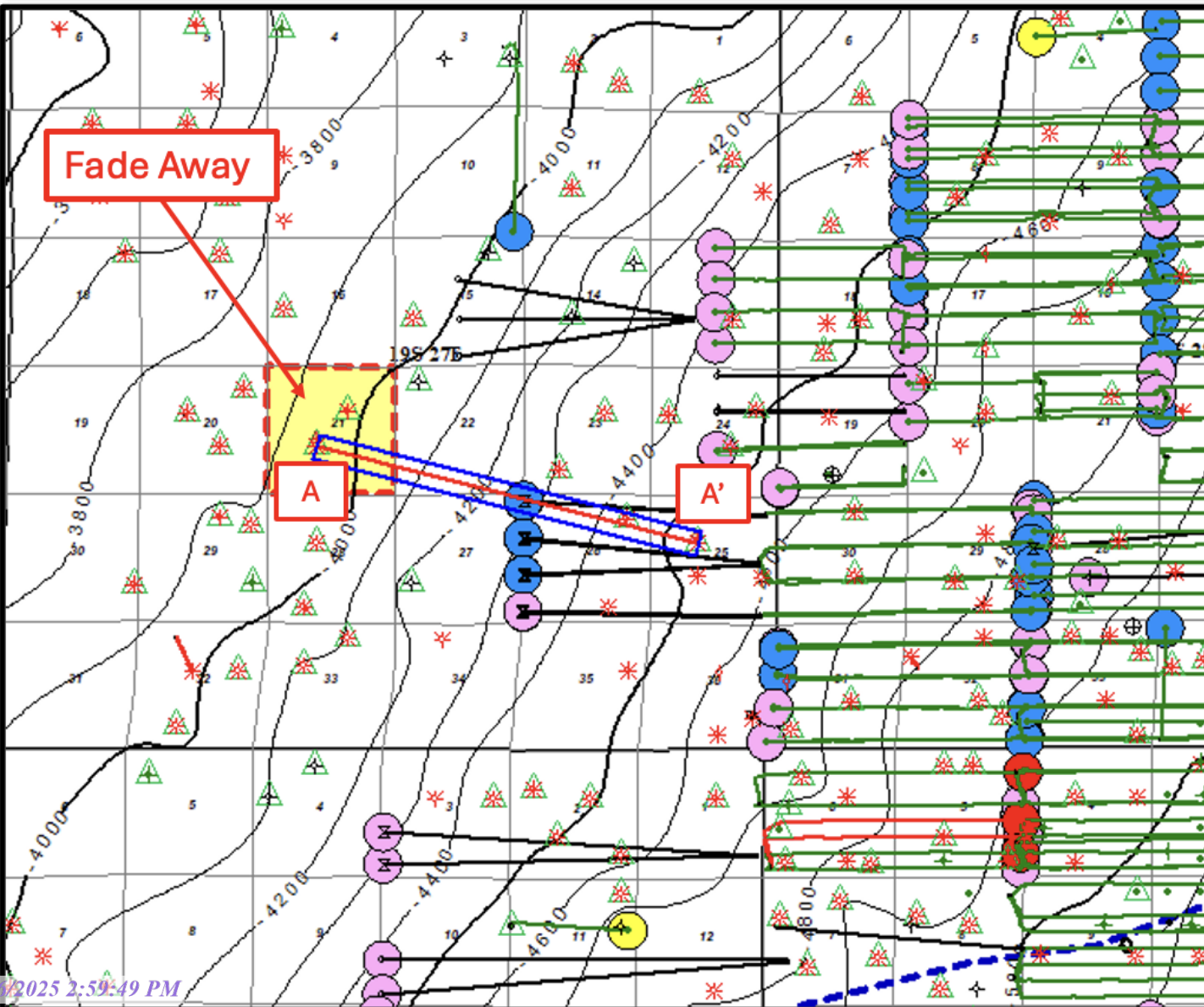
Date Signed

Location Map



Structure Map

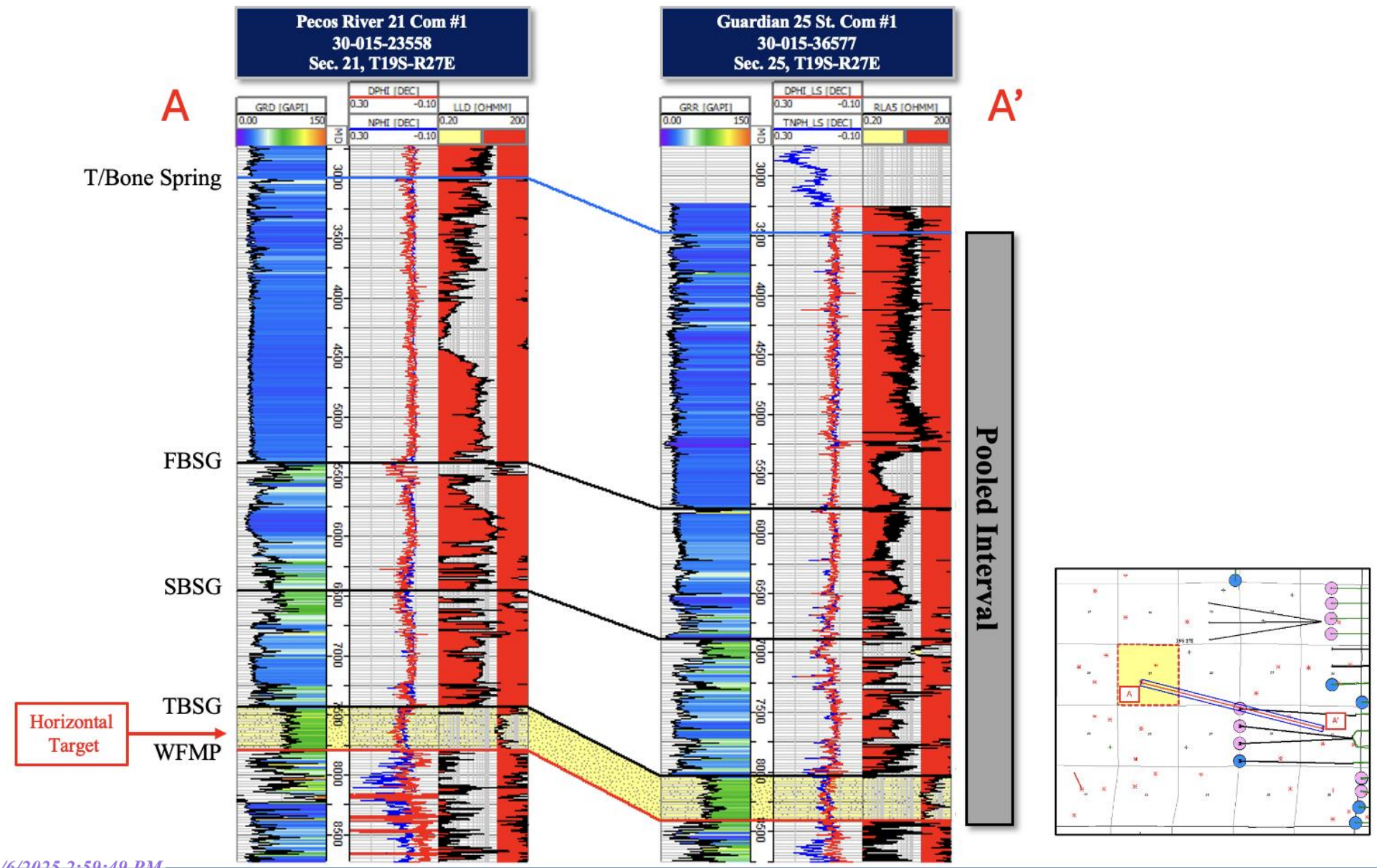
Subsea Structure – Top TBSG Sand



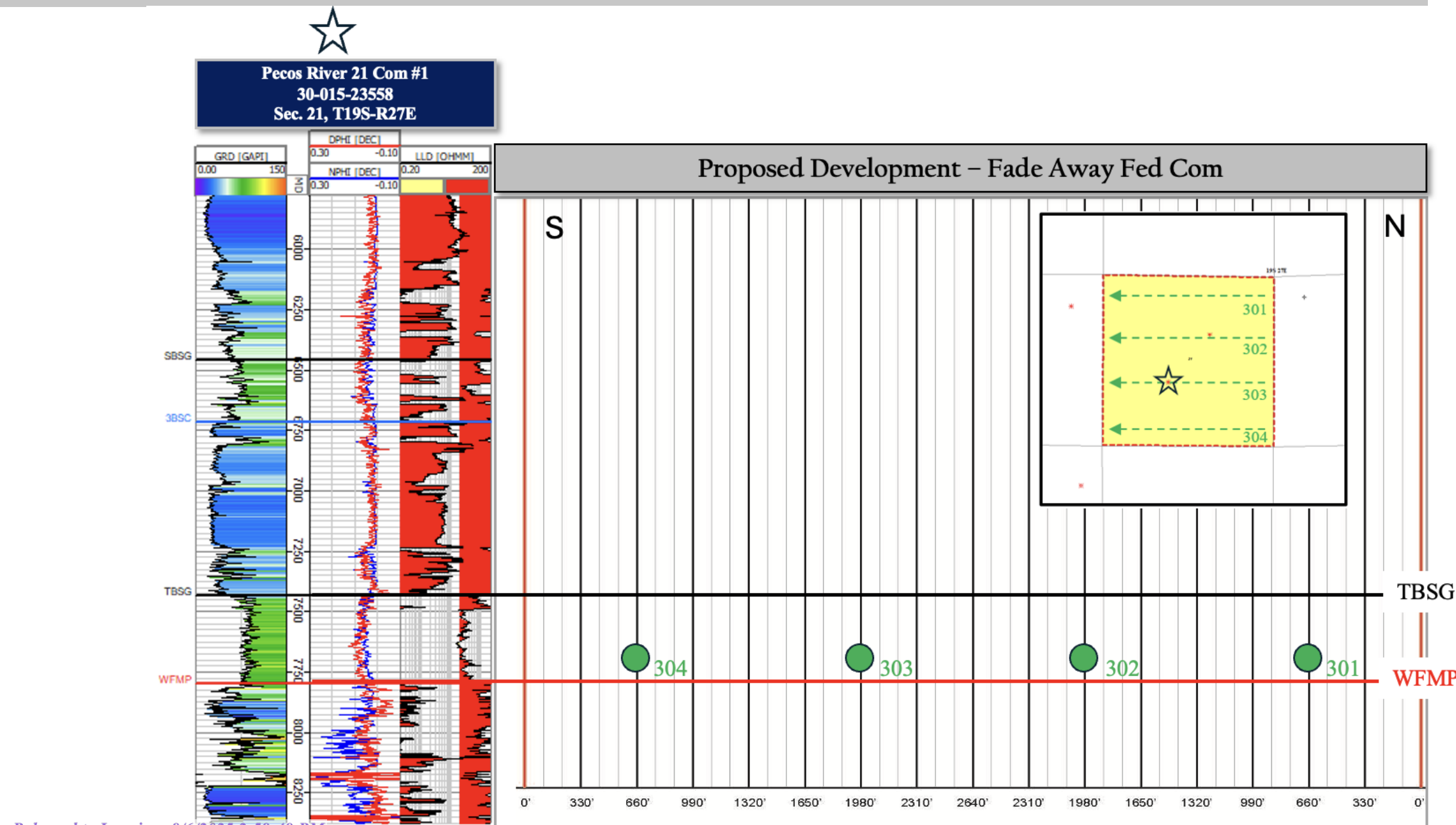
**STRUCTURAL
CROSS-SECTION**

Fade Away Fed Com Structural Cross Section

Exhibit B-4



GUN BARREL DIAGRAM



Fade Away Fed Com Unit
Case No. 25479
Legal Exhibits

Self-Affirmed Statement Benjamin B. Holliday

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

**APPLICATION OF POWDERHORN ENERGY
PARTNERS FOR COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF A NON-STANDARD
HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 25479

SELF AFFIRMED STATEMENT OF BENJAMIN HOLLIDAY

1. I, Benjamin Bryan Holliday, am an attorney for Powderhorn Energy Partners, LLC (“Powderhorn”), and its subsidiaries, including, but not limited to, Powderhorn Operating, LLC (“Powderhorn Operating”) the Applicant in this Case No. 25479. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. I am familiar with the Notice letter attached as Exhibit C-2. I caused the Notice Letter, along with the Applications in these cases, to be sent to the parties identified on the chart attached to Exhibit C-3. This Exhibit C-3, along with Exhibit C-4 (Certified Mail return receipts), demonstrates that these notices were sent June 10-11, 2025.

3. Out of an abundance of caution, notice was also directed to all such owners by publication in the Carlsbad Current-Argus on July 17, 2025, which is reflected in the Affidavit of Publication attached hereto as Exhibit C-5. Exhibit C-5 demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.

4. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct, and it is made under the penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my signature below.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday (July 30, 2025)

Benjamin B. Holliday

107 Katherine Court, Suite 100

San Antonio, Texas 78209

Phone: (210) 469-3197

ben@helg.law

Counsel for Powderhorn Operating, LLC

Sample Notice Letter

HOLLIDAY ENERGY LAW GROUP

July 10, 2025

VIA U.S. CERTIFIED MAIL, RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS ON ATTACHED LIST

RE: Case No. 25479 – Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, NM – Fade Away Fed Com 301-304H Wells

Dear Interest Owner:

This will advise that pursuant to NMSA 1978 § 70-2-17, Powderhorn Operating, LLC (“Powderhorn”) has filed an application with the New Mexico Oil Conservation Division for an order regarding the proposed wells described below; see Application attached as Exhibit A to this letter, and a prior notice letter from Powderhorn attached as Exhibit B. You are receiving this notice because you may have an interest in this well and/or are an offset working interest owner to the proposed non-standard spacing unit.

Case No. 25479. Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interest within the Bone Spring formation, underlying a 640.00-acre, more or less, non-standard horizontal spacing unit comprised of Section 21, located in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the following wells:

1. **Fade Away Fed Com 301H**, which is an oil well that will be horizontally drilled from a surface hole location 90' FEL & 1,380' FNL of Section 21, to a bottom hole location 100' FWL & 660' FNL of Section 21 Township 19 South, Range 27 East;
2. **Fade Away Fed Com 302H**, which is an oil well that will be horizontally drilled from a surface hole location 90' FEL & 1,410' FNL of Section 21, to a bottom hole location 100' FWL & 1,980' FNL of Section 21 Township 19 South, Range 27 East;
3. **Fade Away Fed Com 303H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,360' FSL of Section 21, to a bottom hole location 100' FWL & 1,980' FSL of Section 21 Township 19 South, Range 27 East;
4. **Fade Away Fed Com 304H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,390' FSL of Section 21, to a bottom hole location 100' FWL & 660' FSL of Section 21 Township 19 South, Range 27 East.

The 301H, 302H, 303H and 304H Wells are referred to collectively herein as the "Wells." The completed interval of the Wells will be orthodox. The Wells are located approximately 15.1 miles Southeast of Artesia, New Mexico.

The first and last takepoints for the Wells meet the setback requirements set forth in the statewide rules for horizontal oil wells, and the completed laterals for Wells will comply with the standard setbacks. Also to be considered will be the cost of drilling and completing the Wells and the allocation of costs, the designation of Powderhorn as operator of the Wells, and a 300% charge for the risk involved in drilling and completing the wells.

The attached Application has been set for a hearing on August 7, 2025, before a Division Examiner at the New Mexico Oil Conservation Division. Hearings will be conducted both in

person, and remotely. The hearings will begin at 9:00am. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <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, you may appear and present testimony.

Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by Thursday, July 31, 2025, and serve the Division, counsel for Applicant, and other parties with a pre-hearing statement by 5pm on Thursday, July 31, 2025, in accordance with Division Rule 19.15.4.13. Please feel free to contact me if you have any questions about this Application.

Regards,

Benjamin Holliday

Holliday ENERGY Law Group

107 Katherine Court

San Antonio, Texas 78209

O: 210.469.3187 **M:** 210.219.9126

E: ben@helg.law

W: theENERGYlawgroup.com

ATTACHED OWNER LIST**INTEREST OWNERS**

Oxy USA Inc.	5 Greenway Plaza, Suite 110 Houston, TX 77046
Oxy Y-1 Company	5 Greenway Plaza, Suite 110 Houston, TX 77046
EOG Resources, Inc.	5509 Champions Dr. Midland, TX 79706
Chevron USA Inc.	6301 Deauville Midland, TX 79706
COG Operating LLC	600 W Illinois Ave. Midland, TX 79701
Concho Oil & Gas LLC	600 W Illinois Ave. Midland, TX 79701
Axis Energy Corp	P.O. Box 2107 Roswell, NM 88202
Roy G. Barton	1919 N Turner St. Hobbs, NM 88240
Charmar LLC	4815 Vista Del Oso Ct., NE Albuquerque, NM 87109
Jalapeno Corp.	P.O. Box 1608 Albuquerque, NM 87103
John Charles Emmons	700 County Cork Lane Leander, TX 78641
Rayie LLC	1006 S. Second Artesia, NM 88210
Blue Star Royalty LLC	P.O. Box 470249 Fort Worth, TX 76147
TD Minerals LLC	8111 Westchester Suite 900 Dallas, TX 75225
Haynie Enterprises LLC	P.O. Box 722 Fairacres, NM 88033
Slayton Investments LLC	P.O. Box 2035 Roswell, NM 88202

Betty Jean Emmons	3512 LaCumbre Drive Kerrville, TX 78028
Marlene Lenore Miller	1961 Poplar Ave. Las Cruces, NM 88001
Jelene Emily Miller	1961 Poplar Ave. Las Cruces, NM 88001
Shannon Emmons	17 N. Lancaster Lane Newtown, PA 18940
Hanson-McBride Petroleum Co.	P.O. Box 1515 Roswell, NM 88202
Gus Arnold Ltd	P.O. Box 1608 Whitehouse, TX 75791
AGEM Oil Co. LLC	5420 87th Street Lubbock, TX 79424
Yates Energy Corp.	400 N Pennsylvania Ave Roswell, NM 88201
Marvin Emmons	P.O. Box 3441 Wentachee, WA 98807
BLM (USA)	301 Dinosaur Trail Santa Fe, NM 87501
NM State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501

Exhibit A

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

**APPLICATION OF POWDERHORN ENERGY
PARTNERS FOR COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF A NON-STANDARD
HORIZONTAL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Powderhorn Operating, LLC (OGRID No. 332857) (“Applicant”), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 640.00-acre, more or less, non-standard horizontal well spacing unit comprised of Section 21, located in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within the Bone Spring formation, designated as an oil pool (Winchester; Bone Spring West, Pool Code 97569), underlying said Unit. 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 thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following wells, referred to collectively as the Wells:
 - a. **Fade Away Fed Com 301H**, which is an oil well that will be horizontally drilled from a surface hole location 90’ FEL & 1,380’ FNL of Section 21, to a bottom hole location 100’ FWL & 660’ FNL of Section 21 Township 19 South, Range 27 East;
 - b. **Fade Away Fed Com 302H**, which is an oil well that will be horizontally drilled from a surface hole location 90’ FEL & 1,410’ FNL of Section 21, to a bottom hole location 100’ FWL & 1,980’ FNL of Section 21 Township 19 South, Range 27 East;
 - c. **Fade Away Fed Com 303H**, which is an oil well that will be horizontally drilled from a surface hole location 120’ FEL & 1,360’ FSL of Section 21, to a bottom hole location 100’ FWL & 1,980’ FSL of Section 21 Township 19 South, Range 27 East;

- d. **Fade Away Fed Com 304H**, which is an oil well that will be horizontally drilled from a surface hole location 120' FEL & 1,390' FSL of Section 21, to a bottom hole location 100' FWL & 660' FSL of Section 21 Township 19 South, Range 27 East;
3. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
5. The approval of this Unit and pooling of uncommitted interests within the Unit 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 interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this Application be set for hearing August 7, 2025, and that after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- 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 300% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

/s/ Benjamin B. Holliday

Benjamin B. Holliday

107 Katherine Court, Suite 100

San Antonio, Texas 78209

Phone: (210) 469-3197

ben@helg.law

Counsel for Powderhorn Operating, LLC

Exhibit B

POWDERHORN

ENERGY PARTNERS

July 3, 2025

Addressed to All Parties

Via Certified Mail

RE: Notice of Non-Standard Unit – Administrative Approval

Section 21, T19S – R27E
Eddy County, New Mexico

To Whom it May Concern:

Powderhorn Operating, LLC (“Powderhorn”), as Operator for Powderhorn Assets LLC, previously proposed the drilling and completion of the following four (4) wells, the Fade Away Fed Com Wells at the following approximate locations within Section 21, Township 19 South, Range 27 East, Eddy County, NM.

Whereas the purpose of this letter and its enclosures is notice to internal and offset working interest owners is to serve as formal notice to form a 640.00-acre non-standard unit (“NSP”) encompassing all of Section 21. While all four (4) of the below wells will be drilled and completed simultaneously, the defining well for this unit has been assigned to be the Fade Away Fed Com 302H.

The NSP is being formed in the interest of protection of correlative rights, reduction of facilities and midstream costs, as well as prevention of waste. Should you have any objections please contact the undersigned or the New Mexico Oil Conservation Division.

Pool for all wells: WINCHESTER; BONE SPRING, WEST [97569]

1. Fade Away Fed Com 301H

SHL: 90' FEL & 1,380' FNL or at a legal location in units A or H of section 21
BHL: 100' FWL & 660' FNL of Section 21
FTP: 100' FEL & 660' FNL of Section 21
LTP: 100' FWL & 660' FNL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

2. Fade Away Fed Com 302H – Defining Well

SHL: 90' FEL & 1,410' FNL or at a legal location in units A or H of section 21
BHL: 100' FWL & 1,980' FNL of Section 21
FTP: 100' FEL & 1,980' FNL of Section 21
LTP: 100' FWL & 1,980' FNL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

3. Fade Away Fed Com 303H

SHL: 120' FEL & 1,360' FSL or at a legal location in units I or P of section 21

BHL: 100' FWL & 1,980' FSL of Section 21

FTP: 100' FEL & 1,980' FSL of Section 21

LTP: 100' FWL & 1,980' FSL of Section 21

TVD: 7,760'

TMD: 13,360'

Spacing: All of Section 21

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

4. Fade Away Fed Com 304H

SHL: 120' FEL & 1,390' FSL or at a legal location in units I or P of section 21

BHL: 100' FWL & 660' FSL of Section 21

FTP: 100' FEL & 660' FSL of Section 21

LTP: 100' FWL & 660' FSL of Section 21

TVD: 7,760'

TMD: 13,360'

Spacing: All of Section 21

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 325.514.0211 or by email at mmaxwell@powderhornep.com

Respectfully,

Powderhorn Operating, LLC



Mason Maxwell
Landman

Enclosures

Chart of Notice to All Parties

Line	Date Sent	USPS article number	name	address	city state zip	mailing status	mail delivery date
1	7/10/25	70222410000274453166	Oxy USA Inc.	5 Greenway Plaza, Suite 110	Houston, TX 77046	delivered to an agent	July 14, 2025, 12:01 pm
2	7/10/25	70222410000274453142	Oxy Y-1 Company	5 Greenway Plaza, Suite 110	Houston, TX 77046	delivered to an agent	July 14, 2025, 12:01 pm
3	7/10/25	9589071052702831748783	EOG Resources, Inc.	5509 Champions Dr.	Midland, TX 79706	Postal Facility	July 15, 2025, 8:29 am
4	7/10/25	9589071052702831748790	Chevron USA Inc.	6301 Deauville	Midland, TX 79706	Delivered, Left with Individual	July 16, 2025, 11:45 am
5	7/10/25	9589071052702831748806	COG Operating LLC	600 W Illinois Ave.	Midland, TX 79701	Scheduled for Next Business Day 7/16/25	
6	7/10/25	9589071052702831748813	Concho Oil & Gas LLC	600 W Illinois Ave.	Midland, TX 79701	Postal Facility	July 16, 2025, 7:48 am
7	7/10/25	9589071052702831748820	Axis Energy Corp	P.O. Box 2107	Roswell, NM 88202	Post Office	July 15, 2025, 11:55 am
8	7/10/25	9589071052702831748837	Roy G. Barton	1919 N Turner St.	Hobbs, NM 88240	Delivered, Left with Individual	July 15, 2025, 1:04 pm
9	7/10/25	9589071052702831748844	Charmar LLC	4815 Vista Del Oso Ct., NE	Albuquerque, NM 87109	Delivered, Left with Individual	July 15, 2025, 2:22 pm
10	7/10/25	9589071052702831748851	Jalapeno Corp.	P.O. Box 1608	Albuquerque, NM 87103	Post Office	July 21, 2025, 10:59 am
11	7/10/25	9589071052702831748868	John Charles Emmons	700 County Cork Lane	Leander, TX 78641	Delivered, Left with Individual	July 14, 2025, 3:25 pm
12	7/10/25	9589071052702831748875	Rayie LLC	1006 S. Second	Artesia, NM 88210	Delivered, Left with Individual	July 15, 2025, 3:39 pm
13	7/10/25	9589071052702831748882	Blue Star Royalty LLC	P.O. Box 470249	Fort Worth, TX 76147	Post Office	July 14, 2025, 2:03 pm
14	7/10/25	9589071052702831748899	TD Minerals LLC	8111 Westchester Suite 900	Dallas, TX 75225	Delivered, Left with Individual	July 14, 2025, 11:27 am
15	7/10/25	9589071052702831748905	Haynie Enterprises LLC	P.O. Box 722	Fairacres, NM 88033	Post Office	July 16, 2025, 10:13 am
16	7/11/25	9589071052702831748912	Slayton Investments LLC	P.O. Box 2035	Roswell, NM 88202	Moving Through Network In Transit to Next Facility as of July 27, 2025	
17	7/11/25	9589071052702831748929	Betty Jean Emmons	3512 LaCumbre Drive	Kerrville, TX 78028	Post Office	July 21, 2025, 9:30 am
18	7/11/25	9589071052702831748936	Marlene Lenore Miller	1961 Poplar Ave.	Las Cruces, NM 88001	Recipient Available) 7/20/25	
19	7/11/25	9589071052702831748943	Jelene Emily Miller	1961 Poplar Ave.	Las Cruces, NM 88001	Recipient Available) 7/24/25	
20	7/11/25	9589071052702831748950	Shannon Emmons	17 N. Lancaster Lane	Newtown, PA 18940	Delivered, Left with Individual	July 15, 2025, 5:17 pm
21	7/11/25	9589071052702831748967	Hanson-McBride Petroleum Co.	P.O. Box 1515	Roswell, NM 88202	Delivered, Individual Picked Up at Post Office	July 15, 2025, 10:17 am
22	7/11/25	9589071052702831748974	Gus Arnold Ltd	P.O. Box 1608	Whitehouse, TX 75791	Delivery Attempt 7/22/25	
23	7/11/25	9589071052702831748981	AGEM Oil Co. LLC	5420 87th Street	Lubbock, TX 79424	Post Office	July 17, 2025, 2:34 pm
24	7/11/25	9589071052702831747335	Yates Energy Corp.	400 N Pennsylvania Ave	Roswell, NM 88201	Desk/Reception/Mail Room	July 15, 2025, 11:03 am
25	7/11/25	9589071052702831747342	Marvin Emmons	P.O. Box 3441	Wentachee, WA 98807	In Transit to Next Facility, Arriving Late as of July 29, 2025	
26	7/11/25	9589071052702831747359	BLM (USA)	301 Dinosaur Trail	Santa Fe, NM 87501	Desk/Reception/Mail Room	July 21, 2025, 12:21 pm
27	7/11/25	9589071052702831747366	NM State Land Office	310 Old Santa Fe Trail	Santa Fe, NM 87501	Post Office	July 22, 2025, 7:47 am

**Copies of Certified Mail Receipts and
Returns**

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) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Oxy USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 PS Form 3800, April 2013 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Chevron USA Inc. 6301 Deauville Midland, TX 79706 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Axis Energy Corp P.O. Box 2107 Roswell, NM 88202 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Jalapeno Corp. P.O. Box 1608 Albuquerque, NM 87103 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions
U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Oxy Y-1 Company 5 Greenway Plaza, Suite 110 Houston, TX 77046 PS Form 3800, April 2013 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To COG Operating LLC 600 W Illinois Ave. Midland, TX 79701 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Roy G. Barton 1919 N Turner St. Hobbs, NM 88240 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To John Charles Emmons 700 County Cork Lane Leander, TX 78641 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions
U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To EOG Resources, Inc. 5509 Champions Dr. Midland, TX 79706 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Concho Oil & Gas LLC 600 W Illinois Ave. Midland, TX 79701 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Charmar LLC 4815 Vista Del Oso Ct., NE Albuquerque, NM 87109 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. OFFICIAL USE Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) ☐ Return Receipt (hardcopy) \$ ☐ Return Receipt (electronic) \$ ☐ Certified Mail Restricted Delivery \$ ☐ Adult Signature Required \$ ☐ Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ Sent To Rayle LLC 1006 S. Second Artesia, NM 88210 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Blue Star Royalty LLC P.O. Box 470249 Fort Worth, TX 76147 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Slayton Investments LLC P.O. Box 2035 Roswell, NM 88202 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Jelene Emily Miller 1961 Poplar Ave. Las Cruces, NM 88001 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Gus Arnold Ltd P.O. Box 1608 Whitehouse, TX 75791 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Marvin Emmons P.O. Box 3441 Wentachee, WA 98807 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions
U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To TD Minerals LLC 8111 Westchester Suite 900 Dallas, TX 75225 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Betty Jean Emmons 3512 LaCumbre Drive Kerrville, TX 78028 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Shannon Emmons 17 N. Lancaster Lane Newtown, PA 18940 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To AGEM Oil Co. LLC 5420 87th Street Lubbock, TX 79424 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To BLM (USA) 301 Dinosaur Trail Santa Fe, NM 87501 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions
U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Haynie Enterprises LLC P.O. Box 722 Fairacres, NM 88033 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Marlene Lenore Miller 1961 Poplar Ave. Las Cruces, NM 88001 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Hanson-McBride Petroleum Co. P.O. Box 1515 Roswell, NM 88202 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To Yates Energy Corp. 400 N Pennsylvania Ave Roswell, NM 88201 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com. Official Use Certified Mail Fee \$4.85 Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$0.00 Return Receipt (electronic) \$0.00 Certified Mail Restricted Delivery \$0.00 Adult Signature Required \$0.00 Adult Signature Restricted Delivery \$0.00 Postage \$2.04 Total Postage and \$10.99 Sent To NM State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

Affidavit of Publication

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 75
Ad Number: 55300
Description: 212.107 Fade Away Fed Com
Ad Cost: \$138.22

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

July 17, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

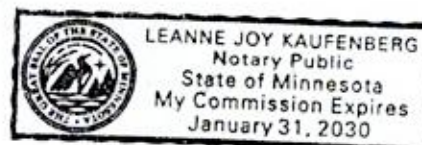
Sherry Groves

Agent

Subscribed to and sworn to me this 17th day of July 2025.

Leanne Kaufenberg
Leanne Kaufenberg, Notary Public, Redwood County
Minnesota

NIEVE LEONOR
HOLLIDAY ENERGY LAW GROUP
107 KATHERINE COURT
SUITE 101
SAN ANTONIO, TX 78209
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This is to notify the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted mineral owners: Oxy USA Inc., Oxy Y-1 Company, EOG Resources, Inc., Chevron USA Inc., COG Operating LLC, Concho Oil & Gas LLC, Axis Energy Corp, Roy G. Barton, Charmar LLC, Jalapeno Corp, John Charles Emmons, Rayie LLC, Blue Star Royalty LLC, TD Minerals LLC, Haynie Enterprises LLC, Slayton Investments LLC, Betty Jean Emmons, Marlene Lenore Miller, Jelene Emily Miller, Shannon Emmons, Hanson-McBride Petroleum Co., Gus Arnold Ltd., AGEM Oil Co. LLC, Yates Energy Corp., Marvin Emmons, BLM (USA), NM State Land Office. Case No. 25479, Application of Powderhorn Operating, LLC for the Compulsory Pooling of all uncommitted interest within the Bone Spring Formation, underlying a 640.00-acre, more or less, non-standard horizontal spacing unit comprised of section 21, located in Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico, as to the Bone Spring Formation is set for hearing on Thursday, August 7, 2025 at 9:00 a.m. before a Division Examiner at the New Mexico Oil Conservation Division. Hearing may be viewed online by going to <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant's attorney is Benjamin Holliday, Holliday Energy Law Group, 107 Katherine Court, San Antonio, TX 78209, ben@theenergylawgroup.com, and the Application is on behalf of Powderhorn Operating, LLC, whose address is 600 N. Marienfeld, Suite 1000, Midland, Texas 79701. Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring Formation underlying a 640-acre, more or less, non-standard horizontal spacing unit comprised of Section 21, located in Township 19 South, Range 27 East, NMPM Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells: a) Fade Away Fed Com 301H well ("301H Well"), which will be horizontally drilled from a surface hole location 90 feet FEL & 1,380 feet FNL of Section 21 to a bottom hole location in Section 21, Township 19 South, Range 27 East, being approximately 100 feet FWL & 660 feet FNL; b) Fade Away Fed Com 302H ("302H Well"), which will be horizontally drilled from a surface hole location 90 feet FEL and 1,410 feet FNL of Section 21 to a bottom hole location 100 feet FWL and 1,980 feet FNL of Section 21 Township 19 South, Range 27 East; c) Fade Away Fed Com 303H well ("303H Well"), which will be horizontally drilled from a surface hole location 120 feet FEL and 1,360 FSL of Section 21 to a bottom hole location 100 feet FWL and 1,980 feet FSL of Section 21 Township 19 South, Range 27 East; and d) Fade Away Fed Com 304H well ("304H Well"), which will be horizontally drilled from a surface hole location 120 feet FEL and 1,390 feet FSL of Section 21, to a bottom hole location 100 feet FWL and 660 feet FSL of Section 21 Township 19 South, Range 27 East. The 301H Well, 302H Well, 303H Well, and 304H Well are referred to collectively herein as the "Wells." The completed interval of the Wells will be orthodox. Also, to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 300% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 15.1 miles South of Artesia, New Mexico.

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