

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

APPLICATION OF FLAT CREEK RESOURCES, LLC  
FOR APPROVAL OF A NON-STANDARD HORIZONTAL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

Case No. 25255

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# FLAT CREEK RESOURCES, LLC



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*Case No. 25255*  
**Jurnegan Fed Com BS2 #1H and #2H  
(N/2 Wells)**

Supplemental Exhibits Requested by the Division

March 26, 2026 Hearing

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

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FOR APPROVAL OF A NON-STANDARD HORIZONTAL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 25255**

**SUPPLEMENTAL SELF-AFFIRMED STATEMENT OF  
LANDMAN MICHAEL GREGORY**

I, Michael Gregory, make the following supplemental self-affirmed statement:

1. I am over the age of 18 and have the capacity to execute this statement.
2. I am employed as the Vice President of Land for Flat Creek Resources, LLC (“Flat Creek” or “Applicant”), and I am familiar with the subject application and the lands involved.
3. I previously submitted a self-affirmed statement in the above-referenced matter.

This statement provides supplemental information requested by the Division.

4. A depth severance exists at 8,062’ (being 300’ above the top of the Wolfcamp Formation, or 8,362’) (“Depth Severance”). The Depth Severance was created by the conveyance document attached hereto as **Exhibit A-6** (the “Assignment”), when Applicant’s subsidiary, FE Permian Owner I, L.L.C., first acquired its interests in the proposed unit. In that same transaction, the Assignor who retained interest below the Depth Severance contractually agreed not to develop or otherwise consent to development in, for, or with respect to its interest in the Bone Spring formation below the Depth Severance. Neither the Assignor nor Flat Creek desired to develop the interval below the Depth Severance since it would damage other more productive intervals and cause waste. Civitas DE Basin Resources, LLC (“Civitas”) is the successor to the Assignor in the Assignment and is the only other owner with an interest below the Depth Severance that differs from its interest above the Depth Severance. As of the date of the hearing, Civitas’ predecessor owned a 16.875% below the depth severance and 0.00% above the depth severance. Civitas

subsequently acquired a 0.66% interest from Alvand Resources LLC (“Alvand”) above and below the depth severance. Flat Creek owns 29.4% above and 12.5% below the Depth Severance. Flat Creek does not seek to pool Civitas or its predecessor in this proceeding except for the interest acquired from Alvand. The remainder of the interests below the Depth Severance is owned by the other owners in the proposed spacing unit in the same percentage that the other owners have above the Depth Severance. Marathon Oil Permian, LLC owns the majority of the interest below the Depth Severance and is participating under a Joint Operating Agreement with Flat Creek named as operator.

5. Flat Creek has a voluntary agreement with Civitas, as successor in interest to the Assignor in the Assignment, in which Civitas has agreed not to develop or otherwise consent to development in, for, or with respect to its interest in the Bone Spring formation below the depth severance.

6. As explained by Flat Creek’s engineering witness, Flat Creek’s co-development of the Bone Spring and Wolfcamp intervals will prevent waste and result in recovery of hydrocarbons throughout the Bone Spring and Wolfcamp. *See Exhibit C (Engineering Statement); see also Order No. R-24044 (Oct. 11, 2025), Case No. 25256 (order pooling the Wolfcamp formation in the same acreage proposed for pooling in the instant case).* Allocation of production will be attributed to each interest owner based on surface acreage.

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

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

  
\_\_\_\_\_  
Michael Gregory

3/19/2026  
\_\_\_\_\_  
DATE

*Execution Version*

**ASSIGNMENT AND BILL OF SALE**

STATE OF NEW MEXICO §  
  §  
COUNTY OF EDDY                         §

KNOW ALL MEN BY THESE PRESENTS:

This Assignment and Bill of Sale (this “*Assignment*”), dated August 25, 2023 (the “*Closing Date*”) but effective as of 12:01 a.m., Central Time, on July 1, 2023 (the “*Effective Time*”), is between **MURCHISON OIL AND GAS, LLC**, a Delaware limited liability company, whose mailing address is Legacy Tower One, 7250 Dallas Parkway, Suite 1400, Plano, Texas 75024 (“*Assignor*”), and **FE PERMIAN OWNER I, L.L.C.**, a Delaware limited liability company, whose mailing address is 777 Main Street, Suite 3600, Fort Worth, Texas 76102 (“*Assignee*”). Assignor and Assignee are sometimes referred to herein individually as a “*Party*” and collectively as the “*Parties*.” Capitalized terms used herein and not otherwise defined shall have the meanings set forth in that certain Purchase and Sale Agreement dated effective as of July 1, 2023, by and between Assignor and Assignee (as may be amended, restated, supplemented or otherwise modified from time to time, the “*Purchase Agreement*”).

For adequate consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor, subject to the terms and provisions set forth herein, does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto Assignee all of Assignor’s right, title, and interest in and to the following described assets and properties (the “*Assets*”), save and except the Excluded Assets:

- (a) the oil and gas, oil, gas, and mineral leases and subleases, royalties, overriding royalties (except for the Reserved ORRI (defined below)), net profits interests, carried interests, and, without limiting the foregoing, other rights described on Exhibit A (of whatever character, whether legal or equitable, and whether vested or contingent) to the Hydrocarbons in, on, under, and that may be produced therefrom, and from the lands expressly described in Exhibit A (the “*Lands*”), and any contractual rights to production relating thereto described on Exhibit A, together with all other rights in the Lands (collectively, the “*Leases*”), but INsofar AS AND ONLY INsofar AS the Leases cover the Lands and the stratigraphic equivalent of the subsurface depths from the surface of the earth down to 8,062’ (being 300’ above the top of the Wolfcamp Formation or 8,362’) as seen on the Baker Hughes Gamma Ray Log of the Ringer Federal Com 4 well (API # 30015323430000), located in Section 3, Township 25S, Range 26E, Eddy County, New Mexico operated by Murchison Oil and Gas, LLC (the “*Assigned Depths*”); *provided, however,* with respect to the Lands located in Section 2, Township 25S, Range 26E, in Eddy County, New Mexico which are operated by Seller the term “*Assigned Depths*” shall only include those depths from the base of the Delaware mountain group at 5,230’ down to a depth of 8,062’ (being 300’ above the top of the Wolfcamp Formation or 8362’) as seen on the Baker Hughes Gamma Ray Log of the Ringer Federal Com 4 well (30015323430000) located in Section 3, Township 25S, Range 26E, Eddy County, New Mexico;
- (b) only to the extent they produce from the Assigned Depths, any and all Hydrocarbon wells used or held for use in connection with the operation or development of the Leases and located on the Lands or on any Units, including the wells described on Exhibit B, whether producing, non-producing, temporarily or permanently plugged and abandoned or shut-in, and whether or not fully described on any exhibit or schedule hereto but excluding any Hydrocarbon wells located on expired leases (the “*Wells*”);
- (c) only to the extent they cover the Assigned Depths, all pooled, communitized, or unitized acreage, which includes all or any part of the Lands, together with all tenements, hereditaments, and appurtenances belonging thereto or to the Leases described on Exhibit A (collectively, the “*Units*,” and, together with the Wells, Leases, and Lands, the “*Properties*”);

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Reception: 2309597 Book: 1174 Page: 0597 Pages: 19  
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Eddy County, New Mexico ~ Cara Cooke, County Clerk  
eRecorded Document



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- (d) all currently existing contracts (including any amendments thereto), agreements, and instruments that relate to the Properties or by which the Properties are bound, but only to the extent applicable to the Properties or to the production of Hydrocarbons from the Properties, including licenses, operating agreements or joint venture agreements; unitization, pooling, and communitization agreements, declarations and orders, area of mutual interest agreements, joint venture agreements, farmin and farmout agreements, bottom hole agreements, participation agreements, exchange agreements, balancing agreements, Hydrocarbon gathering and transportation agreements, agreements for the sale and purchase of Hydrocarbons and processing agreements; *provided that the term “Contracts” shall not include (i) any contracts, agreements or instruments to the extent they relate to any of the Excluded Assets, (ii) any contracts, agreements or instruments to the extent that the transfer thereof is restricted by a third Person agreement or applicable Law and the necessary consents or approvals thereof have not been obtained or (iii) the Leases, Assigned Permits or other instruments creating or evidencing an interest in the ownership of the Properties (subject to such exclusion and proviso, the “Contracts”);*
- (e) all easements, licenses, servitudes, rights-of-way, surface leases, right of use and easement, and other rights to use the surface and subsurface appurtenant thereto, to the extent located on the Leases or Units or used or held for use in connection with the Properties, but excluding in all such instances, any of the foregoing and other appurtenances to the extent that transfer is restricted by a third Person agreement or by applicable Law and the necessary consents or approvals thereof have not been obtained;
- (f) the Permits described on Exhibit C (the “*Assigned Permits*”);
- (g) all equipment, machinery, fixtures, supplies, pipelines, piping, gathering systems, flowlines, compressors, tanks, treatment facilities, injection facilities, disposal facilities, compression facilities and other tangible personal property and improvements located on, used or held for use in connection with the operation of the Properties or the production, storage, transportation, treatment, or processing, marketing, or disposition of Hydrocarbons from the Properties (whether located on or off the Properties);
- (h) all (i) trade credits, accounts receivable, notes receivable, take-or-pay amounts receivable, and other receivables and general intangibles, attributable to the Assets with respect to periods of time from and after the Effective Time, (ii) liens and security interests in favor of Assignor or its Affiliate, whether choate or inchoate, under any Law or Contract to the extent arising from, or relating to, the ownership, operation, or sale or other disposition on or after the Effective Time of any of the Assets or to the extent arising in favor of Assignor as to the operator or non-operator of any Property and (iii) any claim of indemnity contribution or reimbursement relating to any Assumed Obligations;
- (i) all rights of Assignor to audit the records of any Person and to receive refunds or payments of any nature, and all amounts of money relating thereto, in each case to the extent arising from, or relating to the ownership, operation or sale of the other Assets at or after the Effective Time, to the extent relating to obligations assumed by Assignee pursuant to this Assignment;
- (j) all Hydrocarbons produced from, or attributable to, the Properties from and after the Effective Time; and, to the extent related or attributable to the Properties, all production, plant, and transportation imbalances as of the Effective Time; and all make-up rights with respect to take-or-pay payments;
- (k) all Hydrocarbons produced from or allocable to the Properties that are in storage tanks or other processing or storage facilities as of the Closing Date (including inventory and line fill);

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- (l) all claims, rights (including rights of set-off), demands, complaints, causes of action, suits, actions, judgments, damages, awards, fines, penalties, recoveries, settlements, appeals, duties, obligations, liabilities, losses, debts, costs and expenses (including court costs, expert witness fees and reasonable attorneys' fees) in favor of Assignor arising from acts, omissions or events, or damage to or destruction of the Properties occurring from and after the Effective Time (excluding items that relate to matters for which Assignor is required to provide indemnification to Assignee under the Purchase Agreement);
- (m) all intangible rights, inchoate rights, transferable rights under warranties made by prior owners, manufacturers, vendors and third Persons, and rights accruing under applicable statute of limitation or prescription, to the extent related to or attributable to the Assets; and
- (n) electronic copies of all lease files, land files, well files, division order files, abstracts, title opinions, contract files, well and production records, surveys, maps, property ownership reports, logs, regulatory records, test results and related records, Property Tax information, records and Tax Returns, engineering data and other books, records, files, and maps, in each case to the extent (A) in the possession or control of Assignor on the Closing Date, (B) relating to the Properties or other Assets set forth above, and (C) not subject to any confidentiality restriction in favor of any third party or any legal privilege in favor of Assignor or its Affiliate (other than title opinions) (provided that Assignor uses its commercially reasonable efforts to obtain a waiver of any such confidentiality restriction, but without the obligation to spend any amount of money or otherwise incur any obligation in connection therewith (unless Assignee agrees in writing to pay such amount or assume such obligation)).

To the extent the items enumerated in Section (d) and (e) above relate to both the Assets and certain of the Excluded Assets, such items shall be jointly owned by Assignor, to the extent related to, and as a part of, the Excluded Assets, and by Assignee, to the extent related to, and as part of, the Assets.

For the avoidance of doubt, Assignee shall not have a right to deepen, extend, complete or recomplete any Well in any depth or formation outside of the Assigned Depths.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, privileges, contracts and appurtenances, in anyway appertaining or belonging thereto unto Assignee, its successors and assigns forever, subject to the following terms and conditions:

(1) **Excluded Assets**. The Assets shall not include, and Assignor hereby reserves and retains, the following (the "***Excluded Assets***"):

- (a) all powerlines, overhead lines, or other electrical transmission lines and related equipment located on or used in connection with the Assets;
- (b) all Hydrocarbons produced from, or attributable to, the Properties prior to the Effective Time;
- (c) Assignor's intellectual property used in developing or operating the Assets, including proprietary computer software, computer software licensed from third Persons, patents, pending patent applications, trade secrets, copyrights, names, marks and logos;
- (d) any of Assignor's employee information, internal valuation data, future work plans, business plans, transaction proposals and related information and correspondence, business studies, bids, documents protected by any privilege and any documents which Assignor cannot provide to Assignee because of third Person restrictions;

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- (e) all data and Contracts that cannot be disclosed to Assignee as a result of confidentiality arrangements under agreements with third Persons (provided that Assignor uses its commercially reasonable efforts to obtain a waiver of any such confidentiality restriction, but without the obligation to spend any amount of money in connection therewith);
- (f) whether or not relating to the Assets, all master services agreements, drilling contracts, procurement agreements, engineering and procurement contracts or similar service contracts and any work orders thereunder or relating thereto;
- (g) except for Imbalances, all (i) trade credits, carbon dioxide emission reduction credits, accounts receivable, notes receivable, take-or-pay amounts receivable, and other receivables and general intangibles, attributable to the Assets with respect to periods of time prior to the Effective Time and (ii) liens and security interests in favor of Assignor or its Affiliate, whether choate or inchoate, under any Law or Contract to the extent arising from, or relating to, the ownership, operation, or sale or other disposition prior to the Effective Time of any of the Assets;
- (h) all deposits, cash, checks in process of collection, cash equivalents, accounts and notes receivable and any income, revenues, cash or other funds attributable to any periods before the Effective Time, and security or other deposits made with third Persons prior to the Effective Time;
- (i) Assignor's area-wide bonds, permits and licenses or other permits, licenses or authorizations generally used in the conduct of Assignor's business, and those bonds and/or guarantees set forth on Schedule 5.21 of the Purchase Agreement;
- (j) solely to the extent relating to Assignor's indemnity obligations under the Purchase Agreement, all claims, rights and causes of action (including any claims for insurance proceeds) in favor of Assignor arising, occurring or existing prior to the Effective Time with respect to the Assets or production from the Assets (including any and all royalties, contract rights, insurance claims, receivables, revenues, recoupment rights, recovery rights, accounting adjustments, mispayments, erroneous payments or other claims of any nature in favor of Assignor and relating and accruing to any time period prior to the Effective Time);
- (k) subject to Section 9.2 of the Purchase Agreement, any Tax refunds, Tax credits, or Tax carry-forward amounts attributable to Seller Taxes;
- (l) all work product of Assignor's attorneys (other than title opinions), records relating to the negotiation and consummation of the transactions contemplated hereby and documents and instruments that are subject to an attorney-client privilege;
- (m) for the avoidance of doubt, any and all Hydrocarbon, water, CO<sub>2</sub>, disposal or injection wells of Assignor that are not located within the lands covered by the Leases;
- (n) subject to Section 9.6 of the Purchase Agreement, all corporate, financial and Tax data and records of Assignor insofar as they relate to Assignor's business generally and are not required for the future ownership or operation of the Assets;
- (o) all right, title and interest to the properties (including personal property) and the wells (i) set forth on Exhibit D, (ii) as to depths and formations in and to the Leases except the

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Assigned Depths, or (iii) that are not specifically described or included in the definition of "Assets";

- (p) Hedges;
- (q) all of Assignor's (i) seismic, geological, geochemical or geophysical data, and (ii) interpretations of seismic, geological, geochemical or geophysical data, whether belonging to Assignor or licensed from third Persons;
- (r) all proceeds paid to Assignor or its Affiliate in connection with the Settlement Agreement, regardless of whether received before or after the Effective Time;
- (s) all Permits other than the Assigned Permits; and
- (t) the Ringer Federal Com No. 6 SWD, API No. 30-015-33187, together with associated facilities, equipment, pipelines, gathering lines, and appurtenances, and those pipelines and associated facilities described on Exhibit E attached hereto.

(2) **Reserved Overriding Royalty Interest.**

- (a) Save and except the Wells described on Exhibit B, and the Lease dated June 1, 1974, Lease No. 30287017 (NM 21158), between the United States of America as Lessor, and W.R. Carter and Frank W. McKinney as Lessee, Assignor hereby reserves from the Leases an overriding royalty interest equal to one percent (1%) payable out of all Hydrocarbons produced, saved and sold from the Leases and the Lands (the "**Reserved ORRI**").
- (b) As to each Lease, the Reserved ORRI shall be subject to proportionate reduction if such Lease covers less than one hundred percent (100%) of the oil and gas mineral estate in the lands described in such Lease, or if Assignor owns less than all interest in such Lease. As to each Lease, the Reserved ORRI shall bear those costs that are borne by the royalty reserved to the lessor under such Lease.
- (c) The Reserved ORRI shall apply to all renewals, extensions, and replacements taken by Assignee of the Leases insofar as they cover the Assigned Depths. A renewal, extension or replacement is defined as any renewal, extension, or replacement taken before the expiration, termination, or release of the existing Lease which it renewed, extended, or replaced, or within six months after expiration, termination, or release of such Lease.
- (d) Assignor shall, at all times, upon sixty (60) days prior written notice to Assignee, have the option to take production of the Hydrocarbons attributable to the Reserved ORRI (or any portion thereof) in kind at its sole cost. Assignee may market production attributable to the Reserved ORRI to the extent it has not received a notice from Assignor that it will take in kind. Unless Assignor has elected to take its share of production attributable to the Reserved ORRI in kind in accordance with this Section 2(d), Assignee shall market or cause to be marketed such production as a reasonable and prudent operator, **on an arm's** length basis, to a non-affiliated third party purchaser processing a credit standing that a prudent operator would find acceptable.
- (e) As used in this Assignment, "**Hydrocarbons**" means crude oil, natural gas, casinghead gas, condensate, natural gas liquids, and other gaseous or liquid hydrocarbons of any type and chemical composition, including sulphur and any and all other minerals extracted from or

produced from the foregoing such as scrubber liquid, CO<sub>2</sub>, ethane, propane, iso-butane, nor-butane and gasoline inventories.

(3) **Special Warranty.**

- (a) Subject to the limitations set forth in Section 10.5 of the Purchase Agreement, Assignor warrants Defensible Title to its interest in the Leases and Wells unto Assignee against every Person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Assignor but not otherwise, subject, however, to the Permitted Encumbrances (the "*Special Warranty*").
- (b) Assignee is hereby specifically assigned, and subrogated to, all warranties of title which Assignor may have from predecessors in interest (other than Assignor or any Affiliate of Assignor) to the extent applicable with respect to the Assets and to the extent Assignor or such Affiliates may legally assign such rights and grant such subrogation.

(4) **Disclaimers of Warranties and Representations.** EXCEPT AS AND TO THE EXTENT EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE V OF THE PURCHASE AGREEMENT, THE CERTIFICATE OF ASSIGNOR TO BE DELIVERED AT CLOSING PURSUANT TO SECTION 8.2(G) OF THE PURCHASE AGREEMENT OR THE SPECIAL WARRANTY CONTAINED HEREIN, ASSIGNEE HAS NOT RELIED UPON, AND ASSIGNOR EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, STATUTORY, ORAL OR WRITTEN OR OTHERWISE (INCLUDING ANY THAT MAY HAVE BEEN COMMUNICATED TO ASSIGNEE OR REPRESENTATIVES BY ASSIGNOR OR ANY OF ITS AFFILIATES OR REPRESENTATIVES), AS TO (I) TITLE TO ANY OF THE ASSETS, (II) THE QUANTITY, QUALITY OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM THE ASSETS, (III) THE ABILITY OF THE PROPERTIES TO PRODUCE HYDROCARBONS, INCLUDING PRODUCTION RATES, DECLINE RATES, AND RECOMPLETION OPPORTUNITIES; (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), (VI) ANY INFRINGEMENT BY ASSIGNOR OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, OR (VII) THE ENVIRONMENTAL CONDITION OF THE ASSETS. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT, EXCEPT AS PROVIDED TO THE CONTRARY IN THIS ASSIGNMENT, THE ASSETS ARE BEING TRANSFERRED "AS IS, WHERE IS," WITH ALL FAULTS AND DEFECTS.

(5) **Assumed Assignee Obligations.** Subject to the terms of the Purchase Agreement, including Assignee's rights to defense and indemnity and to be held harmless under Article X thereof, and the Special Warranty contained herein, Assignee hereby assumes and agrees to fulfill, perform, pay and discharge (or cause to be timely fulfilled, performed, paid or discharged) all of the Assumed Obligations.

(6) **Miscellaneous.**

(a) **Purchase Agreement.** This Assignment is delivered pursuant to, and hereby made subject to, the terms and conditions of the Purchase Agreement. In the event that any provision of this Assignment is construed to conflict with any provision of the Purchase Agreement, the provisions of the Purchase Agreement shall be deemed controlling to the extent of such conflict. Assignor and Assignee intend that the terms of the Purchase Agreement remain separate and distinct from, not merge into the terms and survive the delivery of this Assignment to the extent provided for in the Purchase Agreement. The provisions of Section 11.2, 11.7, 11.8, 11.12 and 11.19 of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*.

(b) **Further Assurances.** The Parties agree to take such further actions and to execute, acknowledge and deliver all such further documents as are reasonably requested by the other Party for carrying out the purposes of this Assignment.

(c) **Exhibits.** Exhibits referred to herein are hereby incorporated and made a part of this Assignment for all purposes by such reference.

(d) **Counterparts.** This Assignment may be executed in any number of counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(e) **Governing Law.** This Assignment and the legal relations between the Parties shall be governed by and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to any choice of law principles.

(f) **Waivers.** Any failure by any Party to comply with any of its representations, warranties, covenants, agreements or conditions herein contained may be waived by the Party to whom such compliance is owed by an instrument signed by the Party to whom compliance is owed and expressly identified as a waiver, but not in any other manner. No other action taken pursuant to this Assignment, including any investigation by or on behalf of any Party hereto, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or agreement contained in this Assignment. The waiver by any Party hereto of a breach of any provision of this Assignment shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by Law.

(g) **Assignment; Successors and Assigns.** This Assignment shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their successors and assigns.

(h) **Severability.** Whenever possible, each provision or portion of any provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable Law, but, if any provision or portion of any provision of this Assignment is held to be invalid, illegal, or unenforceable in any respect under any applicable Law, then such invalidity, illegality, or unenforceability shall not affect the validity, legality, or enforceability of any other provision or portion of any provision in such jurisdiction, and this Assignment shall be reformed, construed, and enforced in such jurisdiction in such manner as will effect as nearly as lawfully possible the purposes and intent of such invalid, illegal, or unenforceable provision.

(i) **Construction.** This Assignment is the result of arm's-length negotiations from equal bargaining positions. It is expressly agreed that this Assignment shall not be construed against any Party, and no consideration shall be given or presumption made, on the basis of who drafted this Assignment or any particular provision thereof.

[Signature and Acknowledgement Pages Follow]

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Exhibit A-6

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IN WITNESS WHEREOF, Assignor has executed this instrument on the date of the acknowledgment below, but effective for all purposes as of the Effective Time.

**ASSIGNOR:**


**MURCHISON OIL AND GAS, LLC**

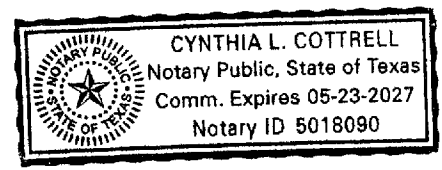
By:   
Name: J.D. Murchison, III  
Title: President

ACKNOWLEDGMENT

STATE OF TEXAS           §  
  §  
COUNTY OF ~~DALLAS~~     §  
                                  COLLIN CO

This foregoing instrument was acknowledged before me this 25th day of August, 2023, by J.D. Murchison, III, as President of **Murchison Oil and Gas, LLC**, a Delaware limited liability company, on behalf of said limited liability company.

  
Notary Public, State of Texas



**ASSIGNEE:**

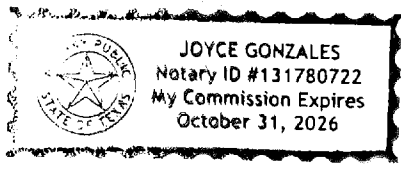
**FE PERMIAN OWNER I, L.L.C.**

By: Mike Gregory  
Name: Mike Gregory  
Title: Vice President of Land

ACKNOWLEDGMENT

STATE OF TEXAS                   §  
   §  
COUNTY OF Tarrant           §

This foregoing instrument was acknowledged before me this 25<sup>th</sup> day of August, 2023, by Mike Gregory, as Vice President of Land of **FE PERMIAN OWNER I, L.L.C.**, a Delaware limited liability company, on behalf of said limited liability company.



Joyce Gonzales  
Notary Public, State of Texas

**EXHIBIT A  
LEASES**

*[see attached]*

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Exhibit A-6

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EXHIBIT A



EXHIBIT A

LEASES

Lease Number	Grantor/Lessor	Grantee/Lessee	Lease Date	Sec	Twn	Rng	Legal	County	State	Assigned Depths	Vol	Pg
30287002	ST OF NM L-896	PUBCO PETROLEUM CORP	5/21/1968	2	25S	26E	Lots 1-4; SWNE; N2SE; NESW; S2S2	Eddy	NM	5,230' - 8,062'	61	512
30287002	ST OF NM L-896	PUBCO PETROLEUM CORP	5/21/1968	2	25S	26E	SENE	Eddy	NM	5,230' - 8,062'	61	512
30287003	ST OF NM L-6921	E L LATHAM JR.	2/1/1972	2	25S	26E	S2NW; NWSW	Eddy	NM	5,230' - 8,062'	91	290
30287006	USA NM 15296	ROBERT C MOREN	3/1/1972	3	25S	26E	SWNE	Eddy	NM	Surface - 8,062'	95	857
30287008	USA NM 19836	NEWMAN, MORRIS W	1/1/1974	3	25S	26E	Lot 1; SENE	Eddy	NM	Surface - 8,062'	NO REC	
30287009	LESTER PARKS ET AL	EARL WHISNAND	10/10/1972	3	25S	26E	Lots 2,3; S2NW	Eddy	NM	Surface - 8,062'	90	926
30287009	R N THOMAS & VELMA THOMAS	EARL WHISNAND	10/10/1972	3	25S	26E	Lots 2,3; S2NW	Eddy	NM	Surface - 8,062'	90	936
30287009	WILLIAM S MILLER & NELL MILLER	EARL WHISNAND	10/10/1972	3	25S	26E	Lots 2,3; S2NW	Eddy	NM	Surface - 8,062'	90	916
30287021	LESTER PARKS ET AL	EARL WHISNAND	10/10/1972	34	24S	26E	SWSE	Eddy	NM	Surface - 8,062'	90	926
30287021	R N THOMAS & VELMA THOMAS	EARL WHISNAND	10/10/1972	34	24S	26E	SWSE	Eddy	NM	Surface - 8,062'	90	936
30287021	WILLIAM S MILLER & NELL MILLER	EARL WHISNAND	10/10/1972	34	24S	26E	SWSE	Eddy	NM	Surface - 8,062'	90	916
30287017	USA NM 21158	W. R. CARTER & FRANK MCKINNEY	6/1/1974	35	24S	26E	S2NE; NENE	Eddy	NM	Surface - 8,062'	NO REC	
30287018	WAYNE MOORE ET AL	EARL WHISNAND	10/10/1972	34	24S	26E	NE	Eddy	NM	Surface - 8,062'	91	766
30287018	WAYNE MOORE ET AL	EARL WHISNAND	10/10/1972	35	24S	26E	NW; NWNE; N2SW	Eddy	NM	Surface - 8,062'	91	766
30287018	WAYNE MOORE ET AL	EARL WHISNAND	10/10/1972	23	24S	26E	W2	Eddy	NM	Surface - 8,062'	91	766
30287019	USA NM 16625	RUBY E BURKHEAD	9/1/1972	23	24S	26E	S2NE	Eddy	NM	Surface - 8,062'	NO REC	
30287019	USA NM 16625	RUBY E BURKHEAD	9/1/1972	35	24S	26E	N2SE	Eddy	NM	Surface - 8,062'	NO REC	
30287020	USA NM 0441951	J H LEIB	10/1/1963	35	24S	26E	S2S2	Eddy	NM	Surface - 8,062'	NO REC	
30287024	WAYNE MOORE & JO ANN MOORE ET AL	MESA PETROLEUM CO.	9/16/1977	34	24S	26E	N2SE	Eddy	NM	Surface - 8,062'	152	686
30287024	A.J.CRAWFORD AND WIFE MINNIE	UNION OIL CO OF CALIFORNIA	2/13/1957	34	24S	26E	N2SE	Eddy	NM	Surface - 8,062'	82	317
30287029	USA NM 19593	MARGARET ANN H BOND	12/1/1973	34	24S	26E	NW; SESE; W2SW	Eddy	NM	Surface - 8,062'	NO REC	

\*The conveyance of the above described Leases is limited to the Assigned Depths and lands described above.

Flatcreek/Jurnegan

Case No. 25255

Exhibit A-6

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**EXHIBIT B  
WELLS**

*[see attached]*

Flatcreek/Jurnegan

Case No. 25255

Exhibit A-6

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*Released to Imaging: 3/20/2026 10:24:11 AM*

EXHIBIT B

Exhibit B

WELLS

<u>Well Name</u>	<u>Well No.</u>	<u>API No.</u>	<u>S</u>	<u>T</u>	<u>R</u>	<u>County</u>	<u>State</u>
Jawbone State	001H	3001543987	2	25S	26E	Eddy	NM
Jawbone State	002H	3001543984	2	25S	26E	Eddy	NM
Jawbone State Com	003H	3001543985	2	25S	26E	Eddy	NM
Jawbone State Com	004H	3001543986	2	25S	26E	Eddy	NM

Flatcreek/Jurnegan

Case No. 25255

Exhibit A-6

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Exhibit B to Assignment and Bill of Sale

**EXHIBIT C  
ASSIGNED PERMITS**

*[see attached]*

Flatcreek/Jurnegan

Case No. 25255

Exhibit A-6

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EXHIBIT C

Exhibit C  
ASSIGNED PERMITS

<u>Well Name</u>	<u>Well No.</u>	<u>API No.</u>	<u>S</u>	<u>T</u>	<u>R</u>	<u>County</u>	<u>State</u>
Jawbone Fed Com LW	13H	30-015-49457	2	25S	26E	Eddy	NM
Jawbone Fed Com LW	14H	30-015-49459	2	25S	26E	Eddy	NM
Jawbone Fed Com LW	15H	30-015-49664	2	25S	26E	Eddy	NM
Jawbone Fed Com LW	16H	30-015-49665	2	25S	26E	Eddy	NM

**EXHIBIT D  
EXCLUDED ASSETS**

*[see attached]*

Exhibit D

EXCLUDED ASSETS

All wells located on the lands covered by the Assets as of the Effective Time that are not listed in Exhibit B, including, but not limited to, the following wells:

<u>Well Name</u>	<u>Well No.</u>	<u>API No.</u>	<u>Operator Name</u>	<u>Sec</u>	<u>Twn</u>	<u>Rng</u>	<u>County</u>	<u>State</u>
Ringer Fed Com	1	30-015-00410	Murchison Oil & Gas Inc	3	25S	26E	Eddy	NM
Ringer Fed Com	4	30-015-32343	Murchison Oil & Gas Inc	3	25S	26E	Eddy	NM
Ogden State	1	30-015-21967	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State	3	30-015-29271	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State	4	30-015-32479	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State	5A	30-015-37264	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State	5H	30-015-3999302, 30-015-3999305, 30-015-3999304, 30-015-3999301, 30-015-3999303, 30-015-3999300, and 30-015-3999306	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State	7H	30-015-40696	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State	8H	30-015-40793	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State	9H	30-015-37701	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Ogden State Com	2	30-015-24068	Murchison Oil & Gas Inc	2	25S	26E	Eddy	NM
Black River Fed	1	30-015-31188	Murchison Oil & Gas Inc	34	24S	26E	Eddy	NM
Strong Fed Com	1	30-015-22153	Murchison Oil & Gas Inc	34	24S	26E	Eddy	NM
Strong Fed Com	1E	30-015-24094	Murchison Oil & Gas Inc	34	24S	26E	Eddy	NM
Strong Fed Com	3	30-015-33007	Murchison Oil & Gas Inc	34	24S	26E	Eddy	NM
Moore Fed Com	1	30-015-21751	Murchison Oil & Gas Inc	35	24S	26E	Eddy	NM
Moore Fed Com	1E	30-015-24316	Murchison Oil & Gas Inc	35	24S	26E	Eddy	NM
Moore Fed Com	4	30-015-33906	Murchison Oil & Gas Inc	35	24S	26E	Eddy	NM
Ringer Federal SWD	6	30-015-33187	Murchison Oil & Gas Inc	3	25S	26E	Eddy	NM

**EXHIBIT E**  
**CERTAIN EXCLUDED FACILITIES AND SWD LINES**

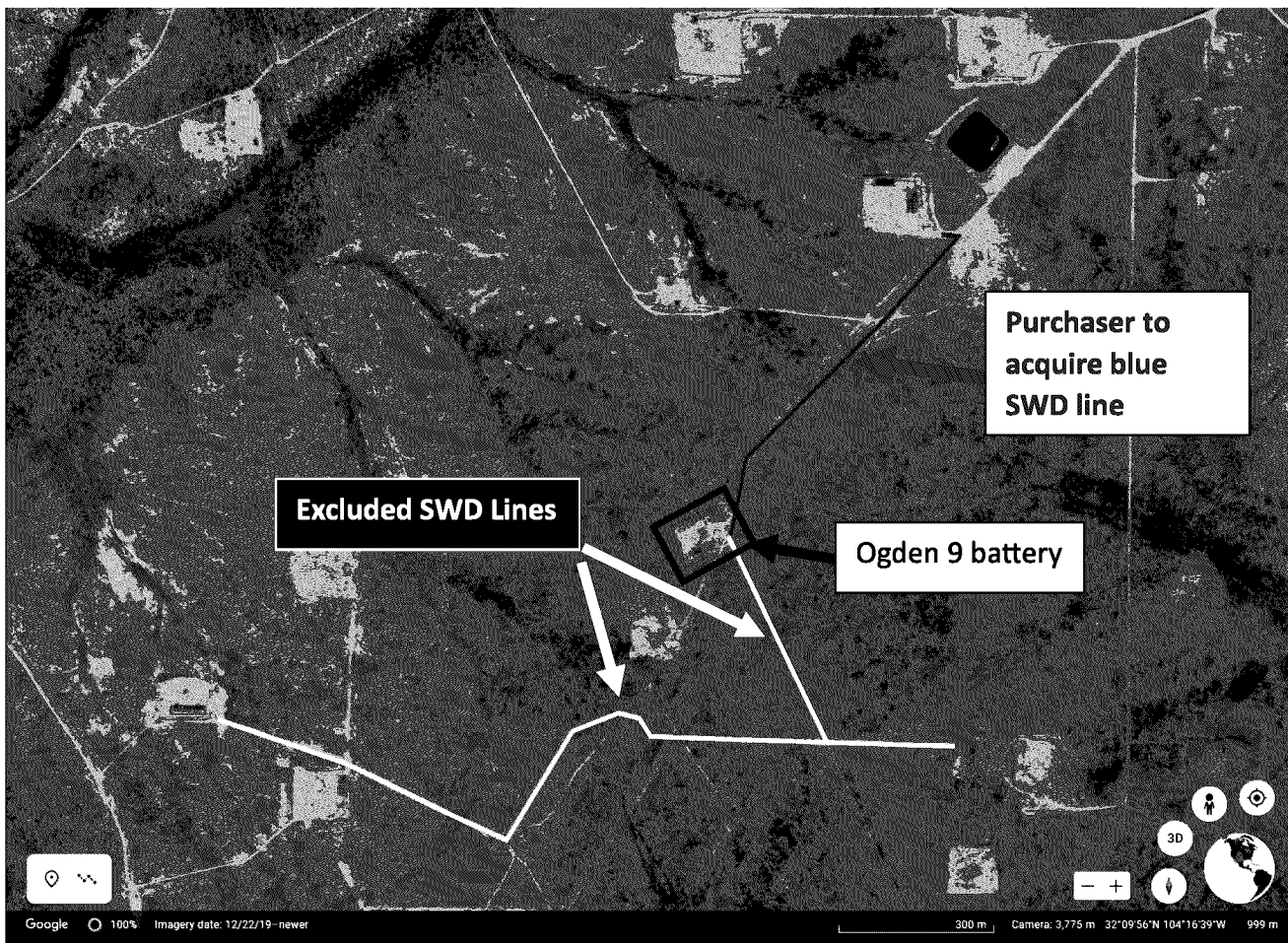
*[see attached]*



Exhibit E

CERTAIN EXCLUDED FACILITIES AND SWD LINES

The Ogden 9 battery, and all pipelines downstream of the entrance to the Ogden 9 battery as further indicated by the white lines shown in the plat below:



# Tab 2

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

**APPLICATIONS OF FLAT CREEK RESOURCES, LLC  
FOR APPROVAL OF A NON-STANDARD HORIZONTAL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 25255**

**SELF-AFFIRMED STATEMENT OF GEOLOGIST MARSHALL D. DAVIS**

I, Marshall D. Davis, do hereby state and affirm the following:

1. I am over the age of 18 and have the capacity to execute this statement.
2. I am employed as Vice President, Geology for Flat Creek Resources, LLC (“Flat Creek” or “Applicant”). I have held this position since November 2025. In this capacity, I am responsible for overseeing all geologic subsurface evaluation and operations, including reservoir characterization and subsurface mapping, well planning and execution, and development planning for Flat Creek’s operations in southeastern New Mexico.
3. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering matters. - A summary of my education and work experience is as follows: I graduated from Sam Houston State University in 2013 with a Bachelor of Science degree in Geology and I graduated from the University of Texas at Arlington in 2014 with a Master’s of Science degree in Petroleum Geology. I have worked as a geologist in the oil and gas industry for 13 years. I have been employed with Flat Creek in its geology department since 2025. I have worked on New Mexico oil and gas matters since 2013. Further details regarding my education and work experience are reflected in my resume, appended hereto.
4. **Exhibit B-6** is a subsea structure map showing that the depth severance corresponds to the top of the 3<sup>rd</sup> Bone Spring Sandstone Formation. The contour interval is 25’.

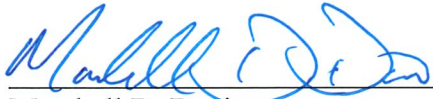
5. **Exhibit B-7** is a stratigraphic cross section for the Top 3<sup>rd</sup> Bone Spring Carbonate. The depth severance corresponds to the Top 3<sup>rd</sup> Bone Spring Sandstone marker. Log curves for each well on the section consist of a gamma ray, and deep resistivity. The targeted interval for the proposed wells is shaded yellow.

6. The Jurnegan Fed Com BS #1H and #2H wells are specifically targeting the BS 1 Sand/2 Shale/2 Sand flow unit in the upper Bone Spring. Future development will include the middle flow unit (3<sup>rd</sup> BS Shale) and lower flow unit (WC A/XY/3<sup>rd</sup> Sand). This development approach is specifically designed to effectively drain the zones located across the depth severance and eliminate waste in the Bone Spring.

7. There is no evidence of faults, pinch-outs or other existing structural features that would impede or prevent production from the proposed Bone Spring and Wolfcamp well locations to the zones below the depth severance.

8. The planned development program for the Jurnegan Unit aligns with the interests of conservation, the prevention of waste and the protection of correlative rights. All flow units in the BS will be developed and effectively drained optimized based on well count, well spacing, targeting and well orientation.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

  
\_\_\_\_\_  
Marshall D. Davis

March 19<sup>th</sup>, 2026  
Date

# MARSHALL D. DAVIS

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[mdavis@freedomenergy.com](mailto:mdavis@freedomenergy.com) | [marshall.davis14@gmail.com](mailto:marshall.davis14@gmail.com) | cell: 972-207-5110

## SUMMARY

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Petroleum Geologist with 13yrs of industry experience prospecting and developing conventional and unconventional assets in the Permian Basin.

## PROFESSIONAL EXPERIENCE

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Freedom Energy Permian I (November 2025 – present)

- Vice President of Geology

ExxonMobil (March, 2017 – October 2025)

- Geoscience Technical Team Lead; Midland Basin; Unconventionals (August 2025 – October 2025)
- Geoscientist – Guyana Stabroek Block; Exploration and New Ventures (August 2023 – August 2025)
- Geoscience Technical Team Lead; Delaware Basin & Central Basin Platform; Unconventionals (January 2021 – August 2023)
- Geoscientist – Delaware Basin; Unconventionals (March 2017 – January 2021)

BOPCO, L. P. (August 2013 – March 2017)

- Geologist/Petrophysicist – Delaware Basin (October 2014 – March 2017)
- Intern Geologist – Delaware Basin (August 2013 – October 2014)

## EDUCATION

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University of Texas at Arlington, Arlington, TX

*Master of Science, Environmental and Earth Science/Petroleum Geoscience, December, 2014*

- Thesis: “Petroleum Geology of Leonardian Age, Harkey Mills Sandstone: A New Horizontal Target in the Permian Bone Spring Formation, Eddy and Lea Counties, Southeast New Mexico.”
- Graduate Advisor: Dr. John Wickham

Sam Houston State University, Huntsville, TX

*Bachelor of Science, Geology*

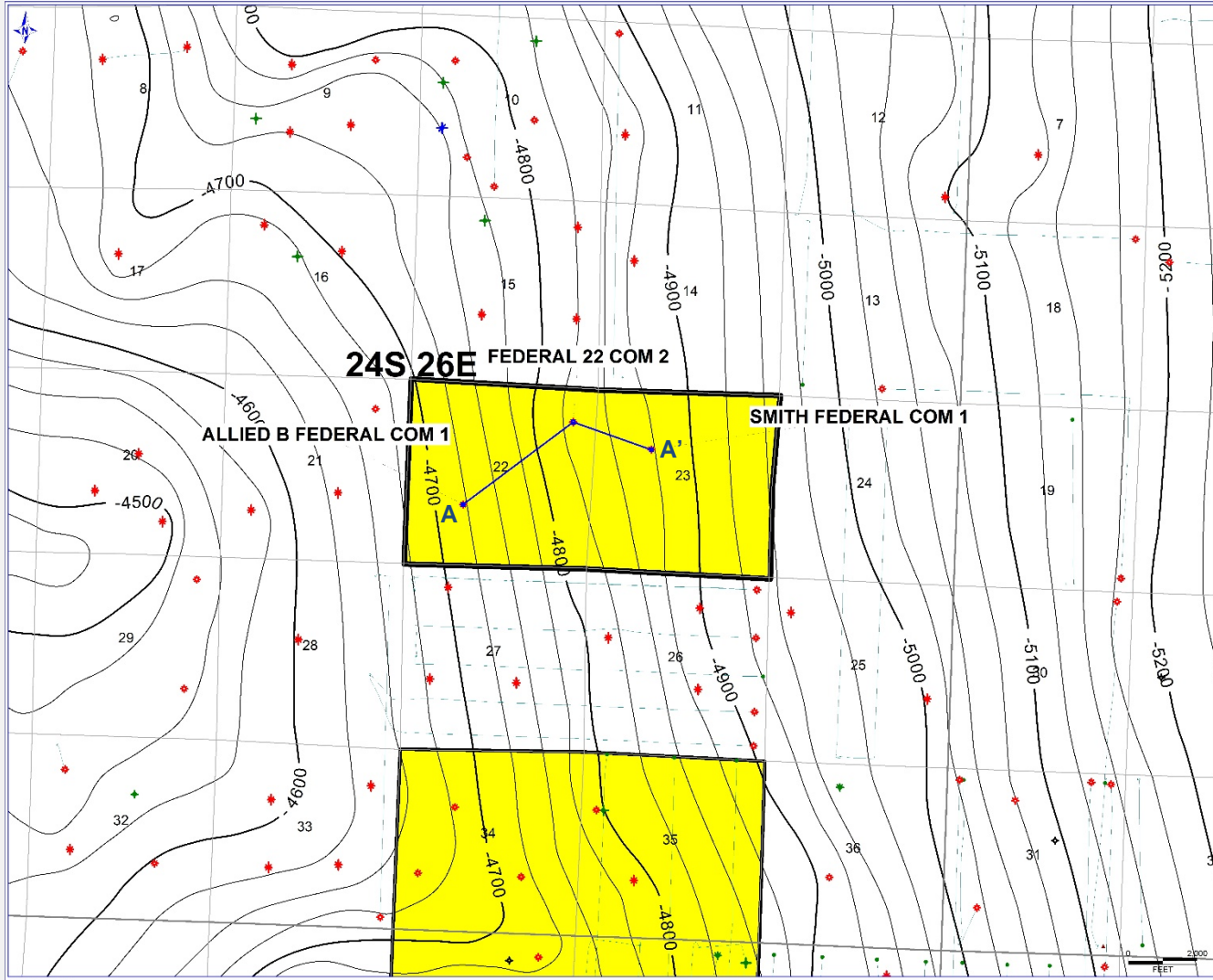
*-Cum Laude - August 2013*







# Subsea Structure Map

Top of 3<sup>rd</sup> Bone Spring Sand Subsea Structure Map



-  FCR Acreage
-  Cross Section Reference

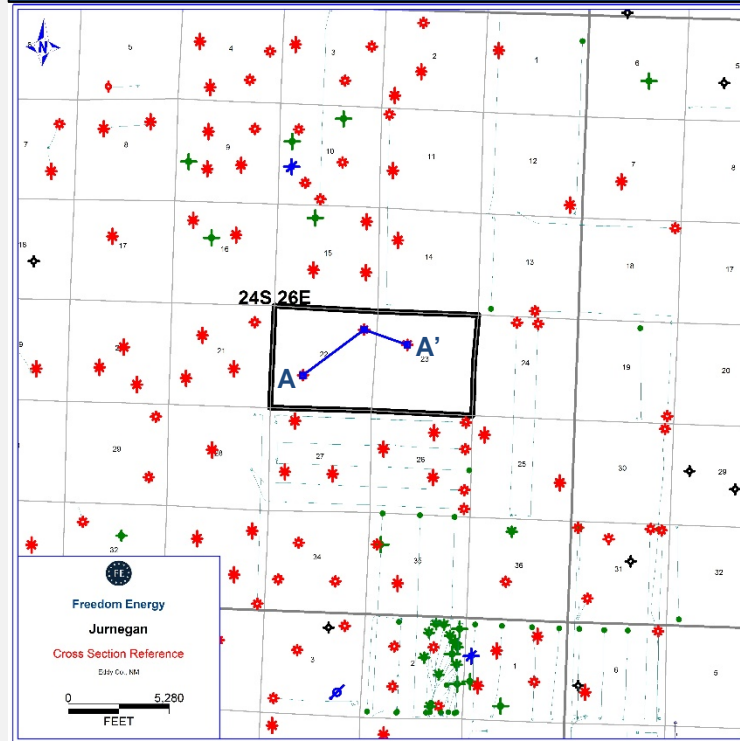
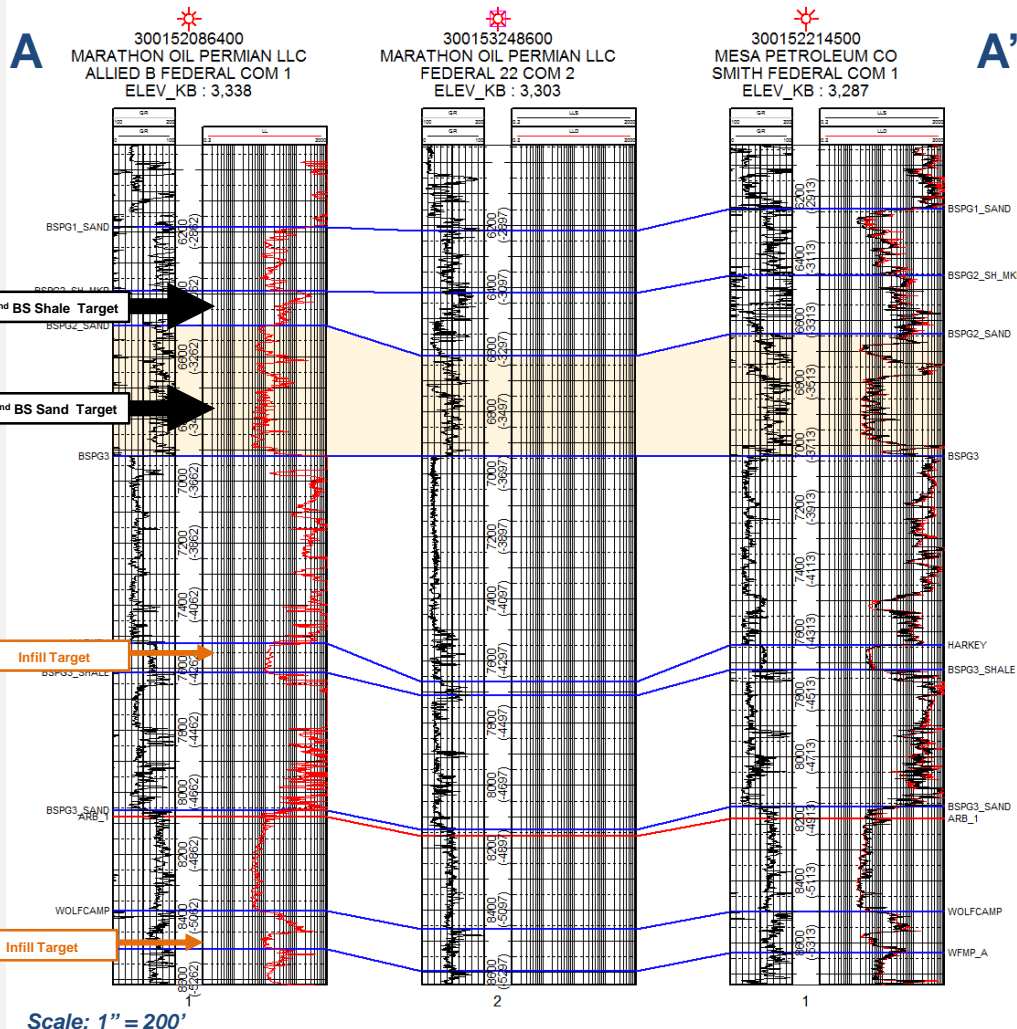
# Stratigraphic Cross Section

Datum = 3<sup>rd</sup> Bone Spring Carbonate



Bone Spring Stratigraphic Cross Section (A – A')

Reference Map



- Depth severance (ARB\_1; red marker) 300' above the Wolfcamp Formation is roughly equivalent to the top of the 3<sup>rd</sup> Bone Springs Sand marker.
- Jurnegan 2<sup>nd</sup> Bone Springs Sand/Shale development is approximately 1200' – 1600' above the depth severance.
- Future infill targets are approximately 500' above the depth severance and 400' below the depth severance.



# Tab 3

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

**APPLICATION OF FLAT CREEK RESOURCES, LLC  
FOR APPROVAL OF A NON-STANDARD HORIZONTAL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 25255**

**SELF-AFFIRMED STATEMENT OF ENGINEER ANAND KOTE**

I, Anand Kote, do hereby state and affirm the following:

1. I am over the age of 18 and have the capacity to execute this statement.

2. I am employed as Sr. Reservoir Engineer for Flat Creek Resources, LLC (“Flat Creek” or “Applicant”). I have held this position since April 2025. In this capacity, I am responsible for overseeing all engineering and operations, including reservoir engineering, drilling and completion design, well performance analysis, AFE preparation, production forecasting, and development planning for Flat Creek’s operations in southeastern New Mexico.

3. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering matters. A summary of my education and work experience is as follows: I graduated from University of Texas at Arlington in 2016 with a Master in Industrial Engineering. I have worked as a petroleum engineer in the oil and gas industry for 9 years. I have been employed with Flat Creek in its engineering department since November 2019. I have worked on New Mexico oil and gas matters since November 2019.

4. I am familiar with the above-referenced application and engineering related thereto.

5. – The Jurnegan BS Fed Com 1H and 2H wells will test the 2<sup>nd</sup> Bone Spring and should drain 400 ft of interval as there are no frac barriers (carbonate interval) present within the 2<sup>nd</sup> Bone Spring sand interval. Due to the lack of frac barriers (carbonate interval), slick water fractures should grow within the interval to effectively access the hydrocarbons. Since 2<sup>nd</sup> BS

sand/shale development is approximately 1200'-1600' above depth severance and fracture tends to grow up rather than down it will not be possible to drain 3<sup>rd</sup> BS sand with 2<sup>nd</sup> BS sand/shale development. See Exhibit C-1, attached hereto (2<sup>nd</sup> Bone Spring Drainage).

6. As stated, Flat Creek anticipates that the Jurnegan BS Fed Com 1H and 2H will drain the 2<sup>nd</sup> BS sand interval. Flat Creek plans on drilling an additional 3 wells in the 2<sup>nd</sup> BS shale interval to recover hydrocarbons from the 2<sup>nd</sup> BS shale and 1<sup>st</sup> BS sand since there are no frac barriers (carbonate interval) between 2<sup>nd</sup> BS shale and 1<sup>st</sup> BS sand as observed on the logs. Future infill target 3<sup>rd</sup> BS shale is 500 ft above depth severance with presence of thick 3<sup>rd</sup> carbonate below the landing point which prevents fractures to grow down and drain 3<sup>rd</sup> BS sand interval. Based on offset operator activity, the efficient way to drain the 3<sup>rd</sup> BS sand is to land in WC XY/A as it is treated as one flow unit due to lack of frac barrier as observed on logs. Treating 3<sup>rd</sup> BS sand and WC XY/A as separate flow units would result in over drilling creating competition among wells to drain hydrocarbons, thereby creating waste. See Exhibits C-2 (Waste & Development rights) and C-3 (Waste and Development rights Example).

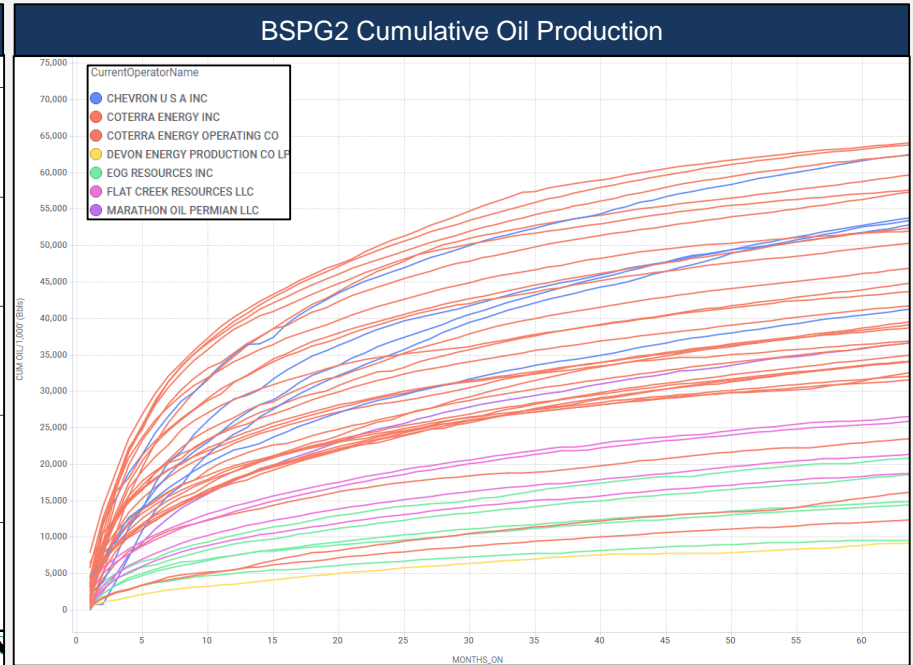
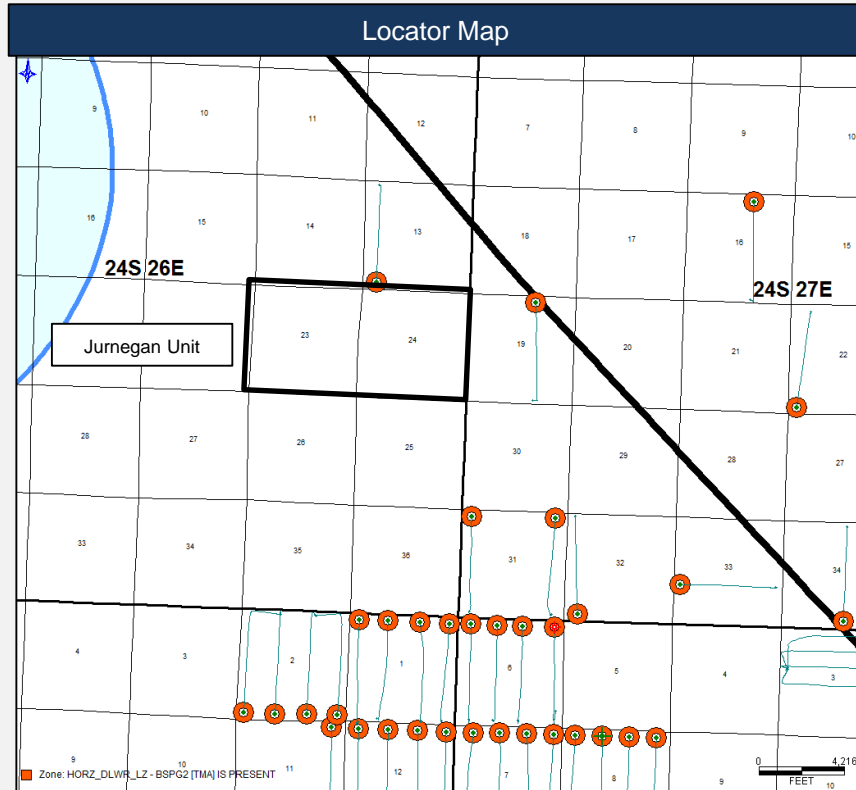
I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

  
\_\_\_\_\_  
Anand Kote

03/19/2026  
\_\_\_\_\_  
Date



# 2<sup>nd</sup> Bone Spring Drainage



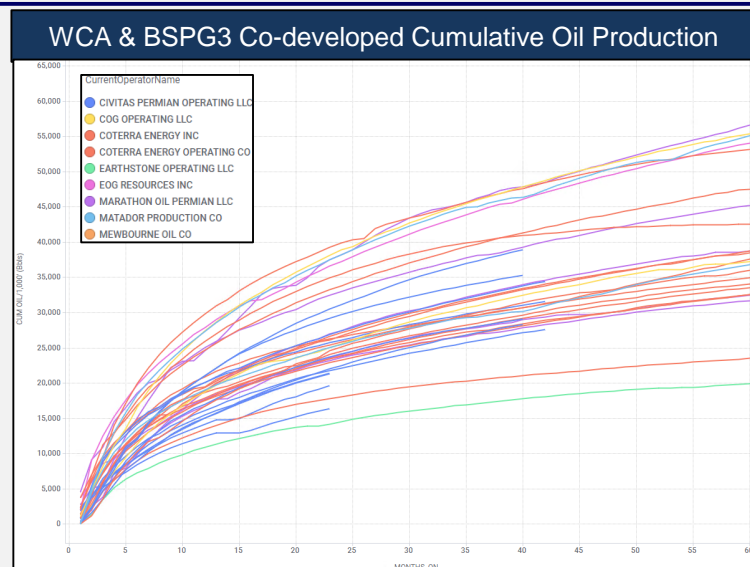
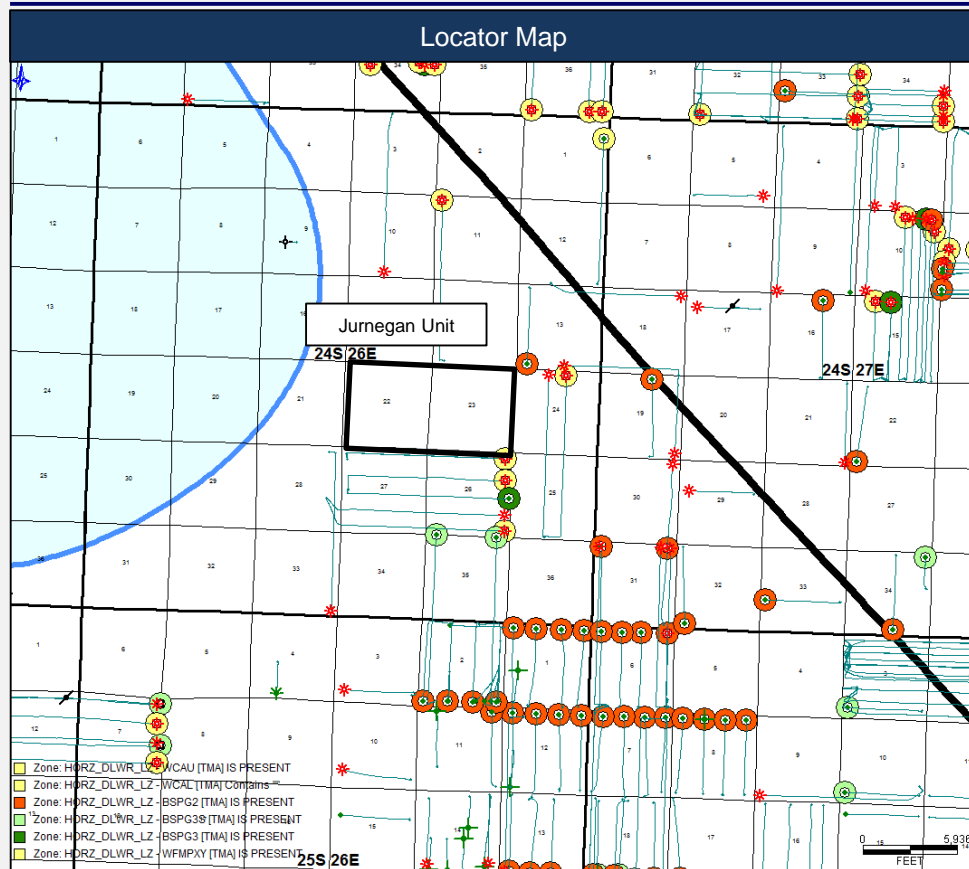
- 2<sup>nd</sup> BS analog Wells draining 2<sup>nd</sup> BS formation
- Operators developing 4WPS to effectively drain the acreage
- Type log for 2<sup>nd</sup> BS shows the landing point where Freedom Energy plans to land the 2<sup>nd</sup> BS wells
- 2<sup>nd</sup> BS wells should effectively drain XXX ft of 2<sup>nd</sup> BS interval with out any waste

Flatcreek/Jurnegan  
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## Exhibit C-1



# Waste & Development rights

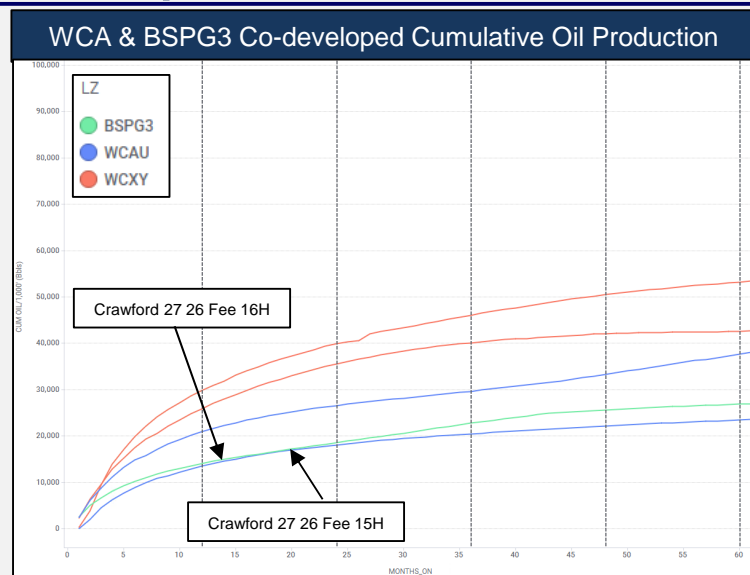
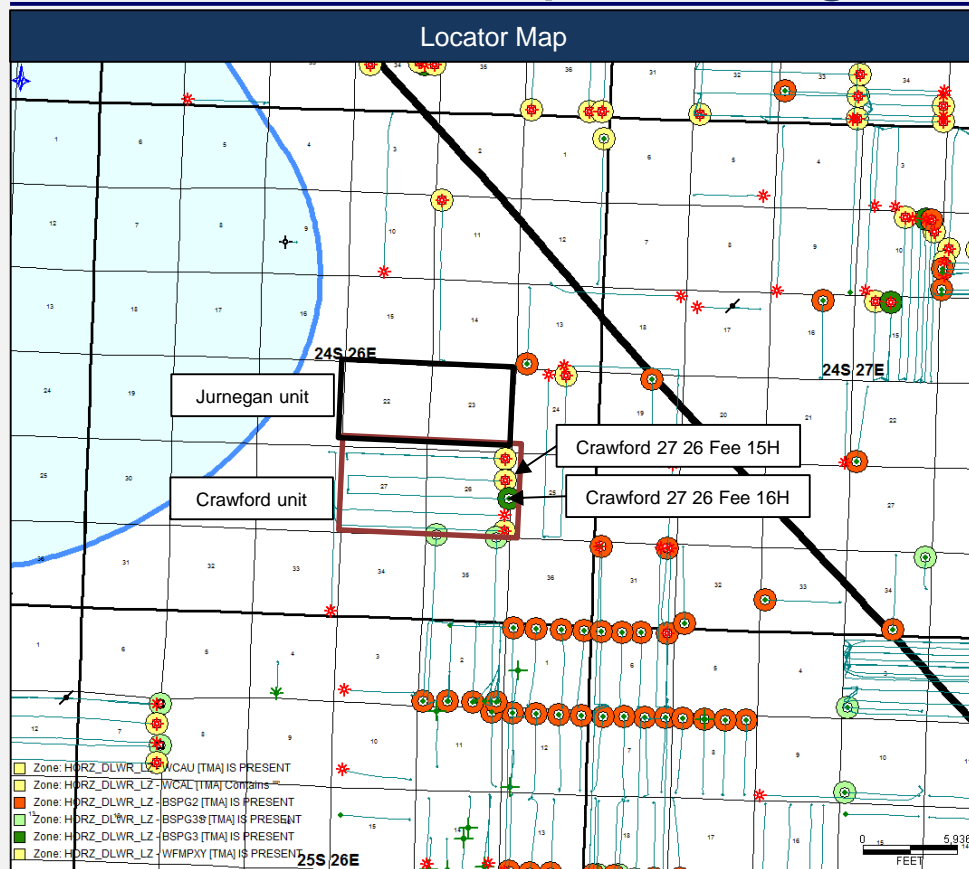


- Yellow and dark green represents wells landed in WCA and BSPG3 respectively
- Operators are landing in WCA (upper/lower/XY) to effectively drain 3<sup>rd</sup> BS along with WCA due to lack of frac barrier between two zones
- WCA and 3<sup>rd</sup> BS is one flow unit and landing wells in WCA to access both the zones prevents capital waste, surface waste

Flatcreek/Jurnegan  
Case No. 25255



# Waste & Development rights Example



- Crawford 27 26 Fee was developed with 2 wells in WCXY, 2 wells in WCA upper and 1 well in 3<sup>rd</sup> BS sand
- Drilling additional well in same flow unit with no frac barrier resulted in drainage competition and production degradation in both Crawford 27 26 Fee 15H (WCA upper) and Crawford 27 26 Fee 16H (3<sup>rd</sup> BS Sand) compared to other WCA upper and WCXY wells in same unit

Exhibit C-3

Flatcreek/Jurnegan  
Case No. 25255