

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

**APPLICATION OF V-F PETROLEUM, INC.
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 23041

HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Sean Johnson
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFEs
A-5	Summary of Communications
Exhibit B	Self-Affirmed Statement of Jason Lodge
B-1	Location Map
B-2	Second Bone Spring Structure Map
B-3	Third Bone Spring Structure Map
B-4	Structural Cross Section
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties and Certified Mail Receipts
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for September 11, 2022

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	23041
Hearing Date:	10/6/2022
Applicant	V-F Petroleum, Inc.
Designated Operator & OGRID	OGRID # 24010
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of V-F Petroleum, Inc. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors	Fasken Oil & Ranch, Ltd.
Well Family	Burns
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring
Pool Name and Pool Code	Travis; Bone Spring Pool (Code 97257)
Well Location Setback Rules	Statewide
Spacing Unit Size	160-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acre
Building Blocks	quarter-quarter
Orientation	West/East
Description: TRS/County	N/2 NE/4 of Section 34 and the N/2 NW/4 of Section 35, Township 18 South, Range 28 East, Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
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	Burns 34/35 State Com #222H (API # pending) SHL: 405' FNL & 2260' FWL (Unit C), Section 34, T18S-R28E BHL: 330' FNL & 2540' FWL (Unit C), Section 35, T18S-R28E Completion Target: Second Bone Spring (Approx. 7362' TVD) Well Orientation: West to East
Well #2	Burns 34/35 State Com #232H (API # pending) SHL: 330' FNL & 2260' FWL (Unit C), Section 34, T18S-R28E BHL: 330' FNL & 2540' FWL (Unit C), Section 35, T18S-R28E Completion Target: Third Bone Spring (Approx. 8416' TVD) Well Orientation: West to East
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000.00
Production Supervision/Month \$	\$700.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, C-2, C-3

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2, Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-2, Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-2, Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	10/4/2022

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23041

**SELF-AFFIRMED STATEMENT
OF SEAN JOHNSON**

1. I am a landman with V-F Petroleum, Inc. ("V-F Petroleum"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of V-F Petroleum's Application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. V-F Petroleum applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2 NE/4 of Section 34 and the N/2 NW/4 of Section 35, Township 18 South, Range 28 East, Eddy County, New Mexico ("Unit").

5. The Unit will be dedicated to the following wells, which will be completed in the Travis; Bone Spring Pool (Code 97257):

- **Burns 34/35 State Com #222H**, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 34, Township 18 South, Range

V-F Petroleum, Inc.
Case No. 23041
Exhibit A

28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35, Township 18 South, Range 28 East; and

- **Burns 34/35 State Com #232H**, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 34, Township 18 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35, Township 18 South, Range 28 East.
6. The completed intervals of the Wells will be orthodox.
 7. **Exhibit A-2** contains the C-102s for the Wells.
 8. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests V-F Petroleum seeks to pool highlighted in yellow. All of the interest owners are locatable.
 9. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to the working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
 10. V-F Petroleum has conducted a diligent search of all county public records including phone directories and computer databases.
 11. In my opinion, V-F Petroleum made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
 12. V-F Petroleum requests overhead and administrative rates of \$7,000 per month while the Well is being drilled and \$700 per month while the Wells is producing. These rates are fair and are comparable to the rates charged by V-F Petroleum and other operators in the vicinity.

13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

14. In my opinion, the granting of V-F Petroleum's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. 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 is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.


Sean Johnson

9/29/2022
Date

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 23041

APPLICATION

In accordance with NMSA 1978, § 70-2-17, V-F Petroleum Inc. (“V-F Petroleum” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) for an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2 NE/4 of Section 34 and the N/2 NW/4 of Section 35, Township 18 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of this application, V-F Petroleum states the following.

1. Applicant (OGRID No. 24010) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells:
 - a. The **Burns 34/35 State Com #222H** well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 34, Township 18 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35, Township 18 South, Range 28 East; and
 - b. The **Burns 34/35 State Com #232H** well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 34, Township 18 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35, Township 18 South, Range 28 East.
3. The completed intervals of the wells will be orthodox.

V-F Petroleum, Inc.
Case No. 23041
Exhibit A-1

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit 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 proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge 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,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 98208623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for V-F Petroleum Inc.

Application of V-F Petroleum, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring Formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2 NE/4 of Section 34 and the N/2 NW/4 of Section 35, Township 18 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Burns 34/35 State Com #222H** and the **Burns 34/35 State Com #232H** wells, which will be drilled from surface hole locations in the NE/4 NW/4 (Unit C) of Section 34, Township 18 South, Range 28 East, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 35, Township 18 South, Range 28 East. The completed intervals 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 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 17.4 miles southeast of Artesia, New Mexico.

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

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97257	Pool Name Travis; Bone Spring
Property Code	Property Name BURNS 34/35 STATE COM	Well Number 222H
OGRID No. 24010	Operator Name V-F PETROLEUM	Elevation 3545'

Surface Location

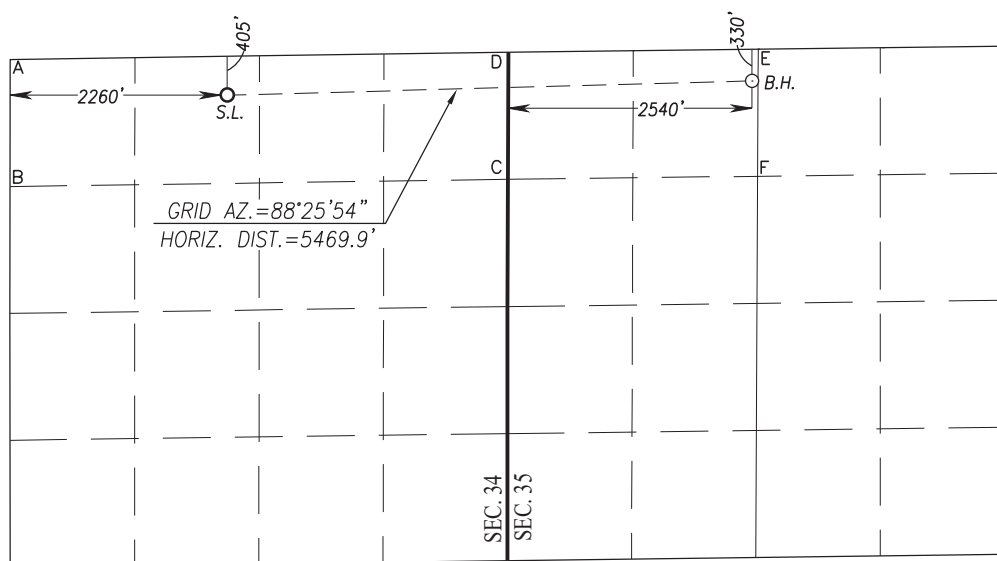
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	18-S	28-E		405	NORTH	2260	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	18-S	28-E		330	NORTH	2540	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jason L. Lodge 7/18/22
Signature Date
Jason Lodge
Printed Name
jason@vfpetroleum.com
E-mail Address

SURVEYOR CERTIFICATION

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

DATE: FEBRUARY 4, 2019
Date of Survey
Signature & Seal of Professional Surveyor
3239
REGISTERED PROFESSIONAL SURVEYOR
Ronald J. Eidson 05/20/2019
Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239
LSL Rel.: 19.11.0102 JWSC W.O.: 19.13.0664

GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y= 622169.7 N
X= 551927.3 E
LAT.=32.710328° N
LONG.=104.164509° W

CORNER COORDINATES TABLE
NAD 27 NME

A - Y= 622541.5 N, X= 549668.2 E
B - Y= 621219.5 N, X= 549666.9 E
C - Y= 621293.5 N, X= 554851.3 E
D - Y= 622618.2 N, X= 554855.4 E
E - Y= 622650.0 N, X= 557458.2 E
F - Y= 621325.9 N, X= 557452.0 E

BOTTOM HOLE LOCATION
NAD 27 NME
Y= 622319.3 N
X= 557393.8 E
LAT.=32.710714° N
LONG.=104.146735° W

GEODETIC COORDINATES
NAD 83 NME
SURFACE LOCATION
Y= 622232.2 N
X= 593106.7 E
LAT.=32.710444° N
LONG.=104.165019° W

CORNER COORDINATES TABLE
NAD 83 NME

A - Y= 622604.0 N, X= 590847.6 E
B - Y= 621281.9 N, X= 590846.3 E
C - Y= 621356.0 N, X= 596030.7 E
D - Y= 622680.7 N, X= 596034.8 E
E - Y= 622712.6 N, X= 598637.7 E
F - Y= 621388.5 N, X= 598631.4 E

BOTTOM HOLE LOCATION
NAD 83 NME
Y= 622381.8 N
X= 598573.2 E
LAT.=32.710831° N
LONG.=104.147245° W

V-F Petroleum, Inc.
Case No. 23041
Exhibit A-2

DISTRICT I
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Phone: (575) 748-1283 Fax: (575) 748-9720

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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97257	Pool Name Travis; Bone Spring
Property Code	Property Name BURNS 34/35 STATE COM	Well Number 232H
OGRID No. 24010	Operator Name V-F PETROLEUM	Elevation 3547'

Surface Location

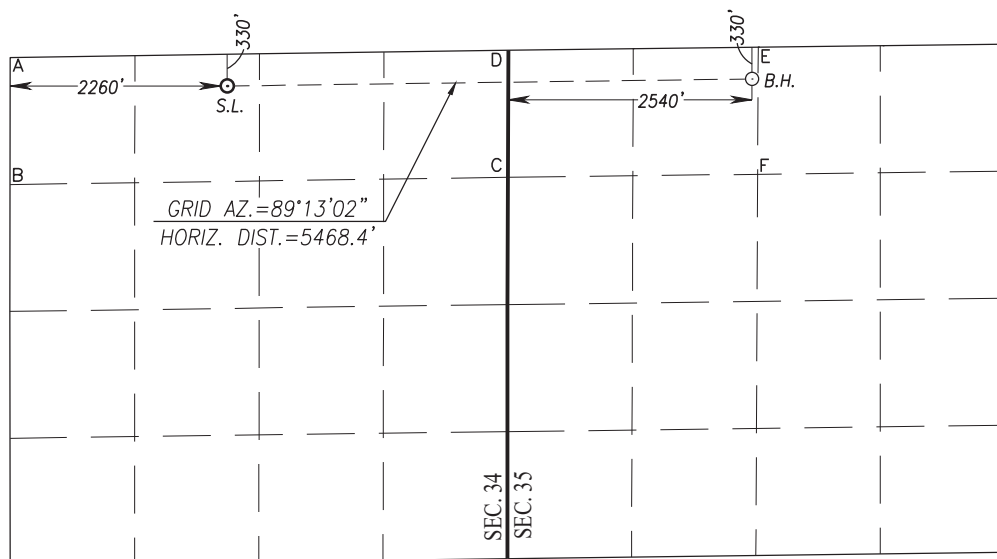
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	18-S	28-E		330	NORTH	2260	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	18-S	28-E		330	NORTH	2540	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jason L. Lodge
Signature

8/15/22

Date

Jason Lodge

Printed Name

jason@vfpetroleum.com

E-mail Address

SURVEYOR CERTIFICATION

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

FEBRUARY 4, 2019

Date of Survey
Signature & Seal of Professional Surveyor

3239

Ronald J. Eidson 04/03/2019

Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239

LSL

JWSC W.O.: 19.11.0104

GEODETIC COORDINATES
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BOTTOM HOLE LOCATION

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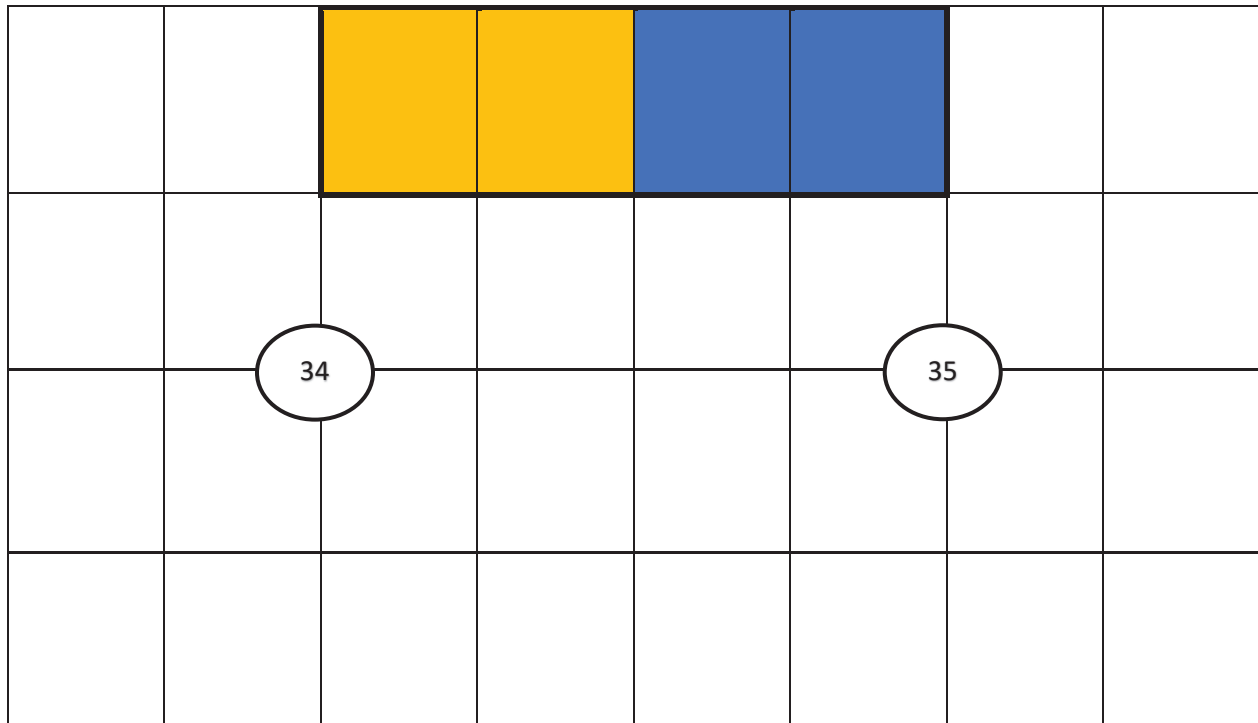
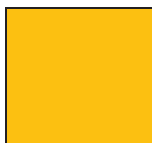
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BOTTOM HOLE LOCATION

NAD 83 NME
Y= 622381.8 N
X= 598573.2 E
LAT.=32.710831° N
LONG.=104.147245° W

Burns 34-35 State Com 222H and 232H
N2NE Section 34, T18S-R28E, NMPM & N2NW Section 35, T18S-R28E NMPM
Eddy County, New Mexico
EXHIBIT A-3

**Tract 1**

State Lease
X0-0647-305

Tract 2

State Lease
V0-6201-0002

V-F Petroleum, Inc.
Case No. 23041
Exhibit A-3

Burns 34-35 State Com 222H and 232H
N2NE Section 34, T18S-R28E, NMPM & N2NW Section 35, T18S-R28E NMPM
Eddy County, New Mexico
EXHIBIT A-3

Continue Exhibit

Unit Working Interest

* V-F Petroleum Inc.	3.40300000%
* Gahr Energy Company	11.87167600%
* Fuel Products, Inc.	11.87167600%
* Lodges Exploration Company	7.46736400%
Marathon Oil Permian LLC	10.50000000%
Raptor Partnership, Ltd.	2.50000000%
Mizel Resources, a Trust	2.00000000%
Fasken Oil and Ranch, Ltd.	10.00000000%
J.Cleo Thompson and James Cleo Thompson, Jr. Oil Producers	10.00000000%
Roy G. Barton, Jr. Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA 1/28/1982	0.39062500%
Chevron U.S.A. Inc.	22.11371600%
EOG Resources, Inc.	4.99132000%
Read & Stevens, Inc.	0.39062500%
Mewbourne Oil Company	2.50000000%
Total	100.0000000%

* denotes collective interest of V-F Petroleum Inc.

Tract 1- N2NE Section 34

* Gahr Energy Company	14.81618900%
* Fuel Products, Inc.	14.81618900%
* Lodges Exploration Company	14.59505200%
Roy G. Barton, Jr. Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA 1/28/1982	0.78125000%
Chevron U.S.A. Inc.	44.22743100%
EOG Resources, Inc.	9.98263900%
Read & Stevens, Inc.	0.78125000%
Total	100.0000000%

* denotes collective interest of V-F Petroleum Inc.

Burns 34-35 State Com 222H and 232H
N2NE Section 34, T18S-R28E, NMPM & N2NW Section 35, T18S-R28E NMPM
Eddy County, New Mexico
EXHIBIT A-3

Continue Exhibit

Tract 2- N2NW Section 35

* V-F Petroleum Inc.	6.80600000%
* Gahr Energy Company	8.92716250%
* Fuel Products, Inc.	8.92716250%
* Lodges Exploration Company	0.33967500%
Marathon Oil Permian LLC	21.00000000%
Raptor Partnership, Ltd.	5.00000000%
Mizel Resources, a Trust	4.00000000%
Fasken Oil and Ranch, Ltd.	20.00000000%
J.Cleo Thompson and James Cleo	
Thompson, Jr. Oil Producers	20.00000000%
Mewbourne Oil Company	5.00000000%
Total	100.0000000%

* denotes collective interest of V-F Petroleum Inc.

Pooling Notification List/ Pooled Parties

Chevron U.S.A. Inc.- evaluating
Read & Stevens, Inc.-rec'd AFE, awaiting JOA page
Marathon Permian, LLC-email stating will not contest, to pool and repropose under order
Roy G. Barton, Jr. Trustee of the
Roy G. Barton, Sr. and Opal Barton-rec'd signed AFEs, awaiting JOA sig
Revocable Trust UTA 1/28/1982
Mizel Resources, a Trust
EOG Resources, Inc.
J.Cleo Thompson and James Cleo
Thompson, Jr. Oil Producers- agreed to sign JOA, awaiting signature pages
Mewbourne Oil Company

End of Exhibit

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-683-3344;
 Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: sean@vfpetroleum.com

August 8, 2022

Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested

Gahr Energy Company
 500 W. Texas, Suite 350
 Midland, Texas 79701
 Attention: Mr. Jerry Gahr

Fuel Products, Inc.
 500 W. Texas, Suite 350
 Midland, Texas 79701
 Attention: Mr. Tom Beall

Read & Stevens, Inc.
 400 Penn Plaza, Suite 1000
 Roswell, New Mexico 88201
 Attention: Ms. Betty Young

Lodge Exploration Company, LLC
 500 West Texas, Suite 350
 Midland, Texas 79701
 Attention: Mr. John Lodge

S.K. Lawlis
 500 West Texas, Suite 350
 Midland, Texas 79701
 Attention: Mrs. Sandy Lawlis

Chevron U.S.A. Inc.
 1400 Smith Street, Room 44198
 Houston, Texas 77002
 Attention: Logan Hulett

EOG Resources Inc.
 5509 Champions Drive
 Midland, Texas 79706-2843
 Attention: Ms. Katie McBryde

Roy G. Barton, Sr. and Opal
 Barton Revocable Trust
 1919 N. Turner St.
 Hobbs, New Mexico 88240
 Attention: Mr. Roy Barton, Jr.

Marathon Oil Permian, LLC
 5555 San Felipe St.
 Houston, Texas 77056
 Attention: Steven Thompson

J. Cleo Thompson and James Cleo
 Thompson, Jr. Oil Producers
 325 N. St. Paul, Suite 4300
 Dallas, Texas 75201-3993
 Attention: Curt Kneese

Fasken Oil and Ranch, Ltd.
 6101 Holiday Hill Rd.
 Midland, Texas 79707-1631
 Attention: Mike Wallace

Raptor Partnership, Ltd.
 2320 Mount Auburn Rd.
 Evansville, Indiana 47720
 Attention: Dennis Corkran

Mizel Resources, a Trust
 3600 South Yosemite, Suite 810
 Denver, Colorado 80237
 Attention: Carrie DeLima

V-F Petroleum Inc.
 500 W. Texas, Suite 350
 Midland, Texas 79701
 Attention: Mrs. Sandy Lawlis

RE: **Horizontal Well Proposals – 2nd and 3rd Bonespring Formations;**
Horizontal Spacing Unit – N2NE/4 of Section 34 and N2NW/4 Section 35, T-18 South, R-28 East
Eddy County, New Mexico

Burns 34/35 State Com #222H Well: 2nd Bone Spring

SL: 405' FNL & 2260' FWL of Section 34, T-18 South, R-28 East, Eddy County, NM
 BHL: 330' FNL & 2540' FWL of Section 35, T-18 South, R-28 East, Eddy County, NM

Burns 34/35 State Com #232H Well: 3rd Bone Spring

SL: 330' FNL & 2260' FWL of Section 34, T-18 South, R-28 East, Eddy County, NM
 BHL: 330' FNL & 2540' FWL of Section 35, T-18 South, R-28 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as herein articulated. Please note that the first take point and last take point of each respective well will be located at a legal or approved location.

V-F Petroleum, Inc.
 Case No. 23041
 Exhibit A-4

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
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The projected total vertical depth of the above stated Burns 34/35 State Com #222H Well in order to test the 2nd Bone Spring formation is estimated to be 7,362 feet with a total measured depth of 12,570 feet. The costs to drill, complete and equip said well are estimated at \$6,480,975.00 as indicated on the enclosed AFE.

The projected total vertical depth of the above stated Burns 34/35 State Com #232H Well in order to test the 3rd Bone Spring formation is estimated to be 8,416 feet with a total measured depth of 13,680 feet. The costs to drill, complete and equip said well are estimated at \$6,658,440.00 as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F will be proposing an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating V-F Petroleum Inc. as Operator, covering the North Half Northeast Quarter (N2NE) of Section 34 and North Half Northwest Quarter (N2NW/4) of Section 35, T-18 South, R-28 East, N.M.P.M, Eddy County, New Mexico, containing approximately 160 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$7,000/\$700 Drilling and Producing Rate; and
- V-F Petroleum Inc. named Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed wells.

Please indicate your intention to either participate or not participate in the drilling, completion and equipping of each of the above referenced wells by placing an “X” in the appropriate spaces provided below, and return one (1) executed copy of this letter and one (1) executed AFE for each well you have elected to participate. If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Sean Johnson, Land Manager for V-F Petroleum Inc. by phone at (432) 683-3344 or by email at sean@vfpetroleum.

Best Regards,

Sean Johnson
Land Manager

Enclosures

Elections set forth on the following pages

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
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ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Gahr Energy Company

_____ Elect **to** Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #222H Well**

Gahr Energy Company

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #232H Well**

Gahr Energy Company

By: _____ Title: _____ Date: _____

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Fuel Products, Inc.

_____ Elect **to** Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #222H Well**

Fuel Products, Inc.

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #232H Well**

Fuel Products, Inc.

By: _____ Title: _____ Date: _____

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
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ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Lodge Exploration Company, LLC

_____ Elect **to** Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #222H Well**

Lodge Exploration Company, LLC

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #232H Well**

Lodge Exploration Company, LLC

By: _____ Title: _____ Date: _____

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

S.K. Lawlis

_____ Elect **to** Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #222H Well**

S.K. Lawlis

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #232H Well**

S.K. Lawlis

By: _____ Title: _____ Date: _____

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
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ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

EOG Resources Inc.

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

EOG Resources Inc.

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

EOG Resources Inc.

By: _____ Title: _____ Date: _____

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Roy G. Barton, Sr. and Opal Barton Revocable Trust

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

Roy G. Barton, Sr. and Opal Barton Revocable Trust

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

Roy G. Barton, Sr. and Opal Barton Revocable Trust

By: _____ Title: _____ Date: _____

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
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ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Read & Stevens, Inc.

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

Read & Stevens, Inc.

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

Read & Stevens, Inc.

By: _____ Title: _____ Date: _____

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Chevron U.S.A. Inc.

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

Chevron U.S.A. Inc.

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

Chevron U.S.A. Inc.

By: _____ Title: _____ Date: _____

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
Page 7 of 9

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Marathon Oil Permian, LLC

_____ Elect **to** Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #222H Well**

Marathon Oil Permian, LLC

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #232H Well**

Marathon Oil Permian, LLC

By: _____ Title: _____ Date: _____

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers

_____ Elect **to** Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #222H Well**

J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect **Not to** Participate in the **Burns 34/35 State Com #232H Well**

J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers

By: _____ Title: _____ Date: _____

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
Page 8 of 9

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Fasken Oil and Ranch, Ltd.

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

Fasken Oil and Ranch, Ltd.

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

Fasken Oil and Ranch, Ltd.

By: _____ Title: _____ Date: _____

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Raptor Partnership, Ltd.

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

Raptor Partnership, Ltd.

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

Raptor Partnership, Ltd.

By: _____ Title: _____ Date: _____

Burns 34/35 State Com #222H and #232H
Gahr Energy Company, et al
August 8, 2022
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ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

Mizel Resources, a Trust

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

Mizel Resources, a Trust

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

Mizel Resources, a Trust

By: _____ Title: _____ Date: _____

ELECTIONS -
Burns 34/35 State Com #222H Well; and Burns 34/35 State Com #232H Well

V-F Petroleum Inc.

_____ Elect to Participate in the **Burns 34/35 State Com #222H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #222H Well**

Mizel Resources, a Trust

By: _____ Title: _____ Date: _____

_____ Elect to Participate in the **Burns 34/35 State Com #232H Well**

_____ Elect Not to Participate in the **Burns 34/35 State Com #232H Well**

Mizel Resources, a Trust

By: _____ Title: _____ Date: _____

V-F Petroleum Inc.										API No.	
AUTHORIZATION FOR EXPENDITURE										AFE Number Burns 34/35 State Com #222H	
August 8, 2022										Well Type Second BS Horizontal Oil Well 1 Mile	
Original		Supplement		Revision		Re-Entry		Project TD: MD 12,570'		Proposal New Drill 7,362' TVD	
X		X		X		X		X		X	
Drill Well		Workover		Facilities		Plug & Abandon		Field or Prospect		Travis	
Lease Name/Well #		County / State		Formation		Basin		Field or Prospect		Travis	
Burns 34/35 State Com #222H		Eddy NM		2nd Bone Spring		Permian		SH1.: 405 FNI. 2260 FWL, Sec. 34 T1RS R2RE		BH1.: 330 FNI. 2540 FWL, Sec. 35 T1RS R2RE	
Acct Code	TANGIBLE DESCRIPTION						COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST		
501	PERMITS & ENVIROMENTAL SERVICES						\$10,000	\$10,000	\$20,000		
516	TITLE OPINION, CURATIVE & POOLING						\$25,000		\$25,000		
501	SURVEYING STAKE LOCATION						\$5,000		\$5,000		
501	DAMAGES & R-O-W'S						\$25,000		\$25,000		
502/711	ROADS, LOCATION, PITS, LINERS, ETC.						\$100,000	\$10,000	\$110,000		
503	DRILLING RIG MOBILIZATION COST						\$95,000		\$95,000		
503	DRILLING - DAYS 20 days @ \$18,000						\$360,000		\$360,000		
503	RIG HOUSING 20 days @ \$1,250						\$25,000		\$25,000		
503	STEERING days @										
503	MUD MOTORS & DIRECTIONAL						\$130,000		\$130,000		
517	CLOSED LOOP & DISPOSAL 20 days @ \$5,500						\$110,000		\$110,000		
505	MUD & FRAC CHEMICALS						\$60,000	\$275,000	\$335,000		
505/716	WATER (Brine & Fresh), FRAC WATER						\$30,000	\$475,000	\$505,000		
503	BITS, REAMERS, ETC.						\$75,000		\$75,000		
503	FUEL 40000 gallons @ \$5						\$180,000		\$180,000		
504	CEMENTING SURFACE						\$19,500		\$19,500		
504	CEMENTING INTERMEDIATE						\$32,000		\$32,000		
701	CEMENTING PRODUCTION							\$105,000	\$105,000		
509/705	TUBULAR SERVICES AND TOOLS						\$80,000	\$48,000	\$128,000		
509/705	CASING CREWS PU LD MACHINE						\$30,000		\$30,000		
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS						\$35,000	\$25,000	\$60,000		
507	TESTING, COMPLETION, FLOWBACK							\$52,000	\$52,000		
508	OPEN HOLE LOGGING										
508	MUD LOGGING 14 days @ \$2,000						\$28,000		\$28,000		
509/705	WELDING, HOURLY LABOR, SAFETY PAY						\$21,000		\$21,000		
509/713	EQUIPMENT RENTAL						\$35,000	\$95,000	\$130,000		
509/714	TRUCKING, TRANSPORTATION, FORKLIFT						\$55,000		\$55,000		
715	COMPLETION UNIT; COIL TUBING UNIT							\$280,000	\$280,000		
704	FORMATION STIMULATION (30 STAGES)							\$850,000	\$850,000		
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS							\$200,000	\$200,000		
510/11/706	GEOLOGIC / ENGINEERING						\$25,000	\$45,000	\$70,000		
509/705	CONTRACT CONSULTANTS 20 days @ \$3,000						\$60,000	\$52,000	\$112,000		
514	DRILLING WELL RATE (A/O) 20 days @ \$200						\$4,000	\$5,000	\$9,000		
515/705	INSURANCE						\$36,325	\$18,135	\$54,460		
513/708	MISCELLANEOUS						\$30,000	\$126,000	\$156,000		
509/705	CONTINGENCY (10%)						\$168,000	\$265,000	\$433,000		
TOTAL INTANGIBLE ESTIMATED COST							\$1,888,825	\$2,936,135	\$4,824,960		
Acct Code	TANGIBLE DESCRIPTION						COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST		
620/820	CONDUCTOR										
620/820	Length	Grade	Size	Weight	Price/Ft						
620/820	120'	K-55	20		\$165.00	\$19,800		\$19,800			
620/820	1,200'	J-55	13 3/8"	48	\$70.00	\$84,000		\$84,000			
620/820	3,500'	J-55	9 5/8"	40	\$62.00	\$217,000		\$217,000			
620/820	INTERMEDIATE										
820	11,855'	P110	5 1/2"	20	\$33.00		\$391,215	\$391,215			
820	PRODUCTION LINER										
821	7,000'	L-80	2.875	6.5	\$9.50		\$66,500	\$66,500			
621/824	WELLHEAD EQUIPMENT						\$58,000	\$46,000	\$104,000		
825	PRODUCTION FACILITY ENCLOSURE							\$150,000	\$150,000		
825	POWER SOURCE							\$100,000	\$100,000		
822	RODS AND PUMP (FG & STEEL)										
823	PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT							\$80,000	\$80,000		
827	HEATER TREATER, SEPERATOR, FWKO							\$95,000	\$95,000		
831	GAS SALES LINE & METER RUN							\$5,500	\$5,500		
830	FLOWLINES, VALVES, CONNECTIONS							\$55,000	\$55,000		
827	TANKS (WATER AND PRODUCTION)							\$65,000	\$65,000		
830	MISCELLANEOUS						\$19,000	\$53,000	\$72,000		
622/820	CONTINGENCY (10%)						\$40,000	\$111,000	\$151,000		
TOTAL TANGIBLE ESTIMATED COST							\$437,800	\$1,218,215	\$1,656,015		
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services							\$50,000		\$50,000		
ESTIMATED DRY HOLE COST							\$2,376,625		\$2,376,625		
TOTAL AFE ESTIMATED COST							\$2,376,625	\$4,154,350	\$6,480,975		
APPROVAL AND ACCEPTANCE:											
WI OWNER _____						<p>IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT.</p> <p>Prepared by: WAP Date: 08/08/2022</p> <p>Date: _____</p> <p>*Optional OEE Insurance ADD \$23,000 to AFE Total above.</p> <p>Please check if you elect to be included in the Operators Extra Expense Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA</p>					
W I _____											
Title _____											
Signature _____											
Date _____											

V-F Petroleum Inc.										AUTHORIZATION FOR EXPENDITURE	
August 8, 2022										API No.	
										AFE Number Burns 34/35 State Com #232H	
										Well Type Third BS Horizontal Oil Well 1 Mile	
										Projected TD: MD 13,680'	
										Proposal New Drill 8,416' TVD	
Lease Name/Well # Burns 34/35 State Com #232H										Field or Prospect Travis	
County / State Eddy NM										SHH: 330 FNL 2260 FWL, Sec. 34 T18S R28E	
Formation 3rd Bone Spring										HHH: 330 FNL 2540 FWL, Sec. 35 T18S R28E	
Basin Permian											
Acct Code	TANGIBLE DESCRIPTION					COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST			
501	PERMITS & ENVIROMENTAL SERVICES					\$10,000	\$10,000	\$20,000			
516	TITLE OPINION, CURATIVE & POOLING					\$25,000		\$25,000			
501	SURVEYING STAKE LOCATION					\$5,000		\$5,000			
501	DAMAGES & R-O-W'S					\$25,000		\$25,000			
502/711	ROADS, LOCATION, PITS, LINERS, ETC.					\$100,000	\$10,000	\$110,000			
503	DRILLING RIG MOBILIZATION COST					\$95,000		\$95,000			
503	DRILLING - DAYS 23 days @ \$18,000					\$414,000		\$414,000			
503	RIG HOUSING 23 days @ \$1,250					\$28,750		\$28,750			
503	STEERING days @										
503	MUD MOTORS & DIRECTIONAL					\$195,625		\$195,625			
517	CLOSED LOOP & DISPOSAL 23 days @ \$5,500					\$126,500		\$126,500			
505	MUD & FRAC CHEMICALS					\$63,000	\$275,000	\$338,000			
505/716	WATER (Brine & Fresh), FRAC WATER					\$35,000	\$475,000	\$510,000			
503	BITS, REAMERS, ETC.					\$83,000		\$83,000			
503	FUEL 46000 gallons @ \$5					\$230,000		\$230,000			
504	CEMENTING SURFACE					\$18,750		\$18,750			
504	CEMENTING INTERMEDIATE					\$30,750		\$30,750			
701	CEMENTING PRODUCTION						\$115,000	\$115,000			
509/705	TUBULAR SERVICES AND TOOLS					\$30,000	\$48,000	\$78,000			
509/705	CASING CREWS PU LD MACHINE					\$30,000		\$30,000			
513/708	FLOAT EQUIPMENT, Centralizers, ECP'S, DV TOOLS					\$35,000	\$25,000	\$60,000			
507	TESTING, COMPLETION, FLOWBACK						\$52,000	\$52,000			
508	OPEN HOLE LOGGING										
508	MUD LOGGING 16 days @ \$2,000					\$32,000		\$32,000			
509/705	WELDING & HOURLY LABOR					\$21,000					
509/713	EQUIPMENT RENTAL;					\$38,000	\$95,000	\$133,000			
509/714	TRUCKING, TRANSPORTATION, FORKLIFT					\$55,000		\$55,000			
715	COMPLETION UNIT; COIL TUBING UNIT						\$100,000	\$100,000			
704	FORMATION STIMULATION (30 STAGES)						\$1,000,000	\$1,000,000			
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS						\$225,000	\$225,000			
510/11/706	GEOLOGIC / ENGINEERING					\$30,000	\$45,000	\$75,000			
509/705	CONTRACT CONSULTANTS 23 days @ \$3,000					\$69,000	\$52,000	\$121,000			
514	DRILLING WELL RATE (A/O) 23 days @ \$200					\$4,600	\$5,000	\$9,600			
515/705	INSURANCE					\$40,000	\$18,000	\$58,000			
513/708	MISCELLANEOUS					\$91,000	\$137,000	\$228,000			
509/705	CONTINGENCY (10%)					\$192,000	\$287,000	\$479,000			
TOTAL INTANGIBLE ESTIMATED COST						\$2,152,975	\$3,174,000	\$5,326,975			
Acct Code	TANGIBLE DESCRIPTION						COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST		
	Length	Grade	Size	Weight	Price/Ft						
620/820	CONDUCTOR										
620/820	120'	K-55	20		\$165.00	\$19,800		\$19,800			
620/820	SURFACE										
620/820	1,200'	J-55	13 3/8"	48	\$70.00	\$84,000		\$84,000			
620/820	INTERMEDIATE										
620/820	3,500'	J-55	9 5/8"	40	\$62.00	\$217,000		\$217,000			
620/820	INTERMEDIATE										
820	PRODUCTION										
820	13,405'	P110	5 1/2"	20	\$33.00		\$442,365	\$442,365			
820	PRODUCTION LINER										
821	TUBING										
821	8,400'	1-80	2.875	6.5	\$9.50		\$79,800	\$79,800			
621/824	WELLHEAD EQUIPMENT						\$58,000	\$46,000	\$104,000		
825	PRODUCTION FACILITY ENCLOSURE							\$65,000	\$65,000		
825	POWER SOURCE										
822	RODS AND PUMP (FG & STEEL)										
823	PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT							\$80,000			
827	HEATER TREATER, SEPERATOR, FWKO										
831	GAS SALES LINE & METER RUN							\$5,500	\$5,500		
830	FLOWLINES, VALVES, CONNECTIONS							\$55,000	\$55,000		
827	TANKS (WATER AND PRODUCTION)										
830	MISCELLANEOUS						\$19,000	\$39,000	\$58,000		
622/820	CONTINGENCY (10%)						\$40,000	\$81,000	\$121,000		
TOTAL TANGIBLE ESTIMATED COST							\$437,800	\$893,665	\$1,331,465		
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services											
ESTIMATED DRY HOLE COST							\$2,590,775				
TOTAL AFE ESTIMATED COST							\$2,590,775	\$4,067,665	\$6,658,440		

Exhibit A-5 "Communication Summary"

Valid and diligent efforts have been made to all parties that V-F Petroleum Inc. ("V-F") seeks to compulsory pool. All AFEs, election letters, and JOAs were provided certified mail. Contact by V-F was undertaken within a week after AFEs were sent and communication was established by phone and email multiple times for each party inquiring around acquiring acreage, development plans, or signing provided JOA for voluntary joinder to participate and providing technical answers to questions for further non-op evaluations. Some parties indicated that they were not adverse to our pooling application, but want to be pooled and repropose to under order. Most all parties that are being pooled have communicated they are wanting to participate and will sign a JOA once form final and agreed upon by all parties, form final JOA is being circulated for execution in short term and parties that sign will be removed from pooling order.

End Exhibit A-5

V-F Petroleum, Inc.
Case No. 23041
Exhibit A-5

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23041

**SELF-AFFIRMED STATEMENT
OF JASON LODGE**

1. I am a geologist with V-F Petroleum, Inc. ("V-F Petroleum"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a location map of the proposed horizontal spacing unit ("Unit"). The approximate wellbore paths for the proposed **Burns 34/35 State Com #222H** and the **Burns 34/35 State Com #232H** wells are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines.

4. **Exhibit B-2** is a subsea structure map that is representative of the 2nd Bone Spring Sand target interval. The data points are indicated by red crosses along with their corresponding subsea values posted above in blue. The approximate wellbore path for the Well is depicted by a dashed line. The map demonstrates the formation is gently dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells.

5. **Exhibit B-3** is a subsea structure map that is representative of the 3rd Bone Spring Sand target interval. The data points are indicated by red crosses along with their corresponding

V-F Petroleum, Inc.
Case No. 23041
Exhibit B

subsea values posted above in blue. The approximate wellbore path for the Well is depicted by a dashed line. The map demonstrates the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells.

6. **Exhibits B-2 and B-3** also identify four wells penetrating the targeted intervals used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

7. **Exhibit B-4** is a structural cross-section using the representative Wells identified on **Exhibits B-2 and B-3**. It contains gamma ray, resistivity and porosity logs. The proposed landing zones for the Wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the Units.

8. In my opinion, a laydown orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Units and the preference to be perpendicular to the maximum horizontal stress of the area. Laydown orientation is also supported by a study of the production of stand-up vs laydown orientation in the area, with laydown well results being significantly better.

9. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal Well and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

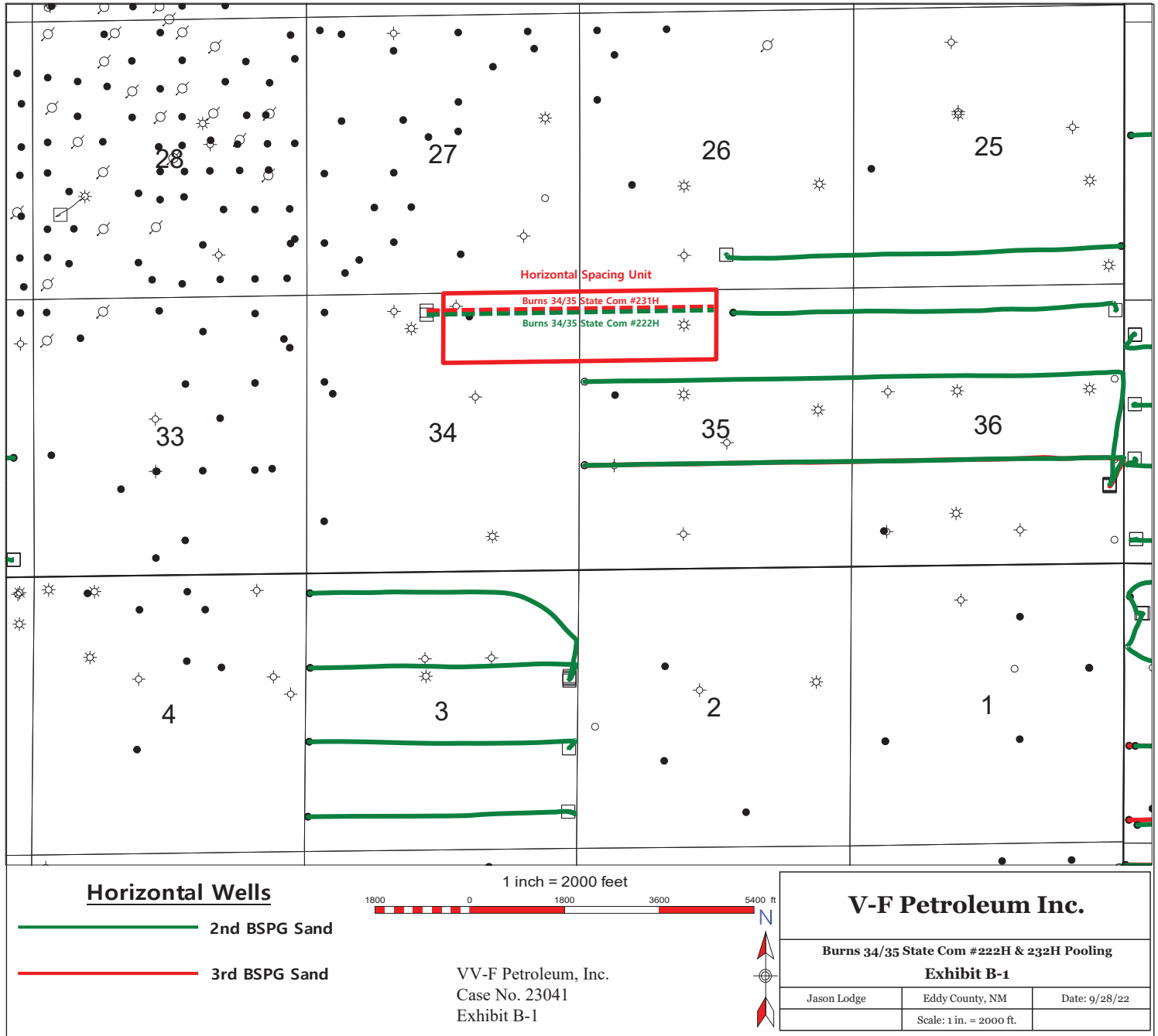
10. In my opinion, the granting of V-F Petroleum's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

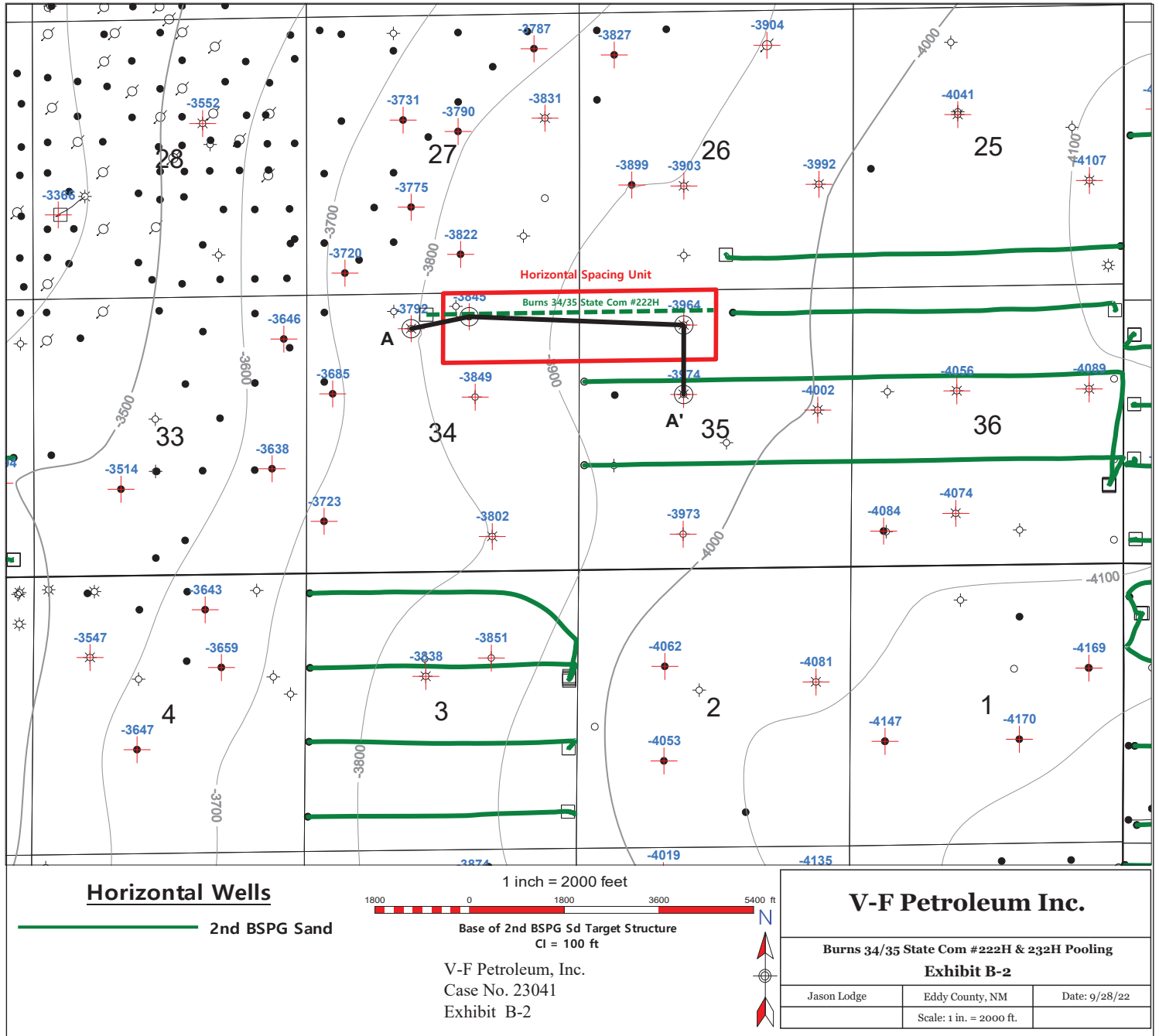
11. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

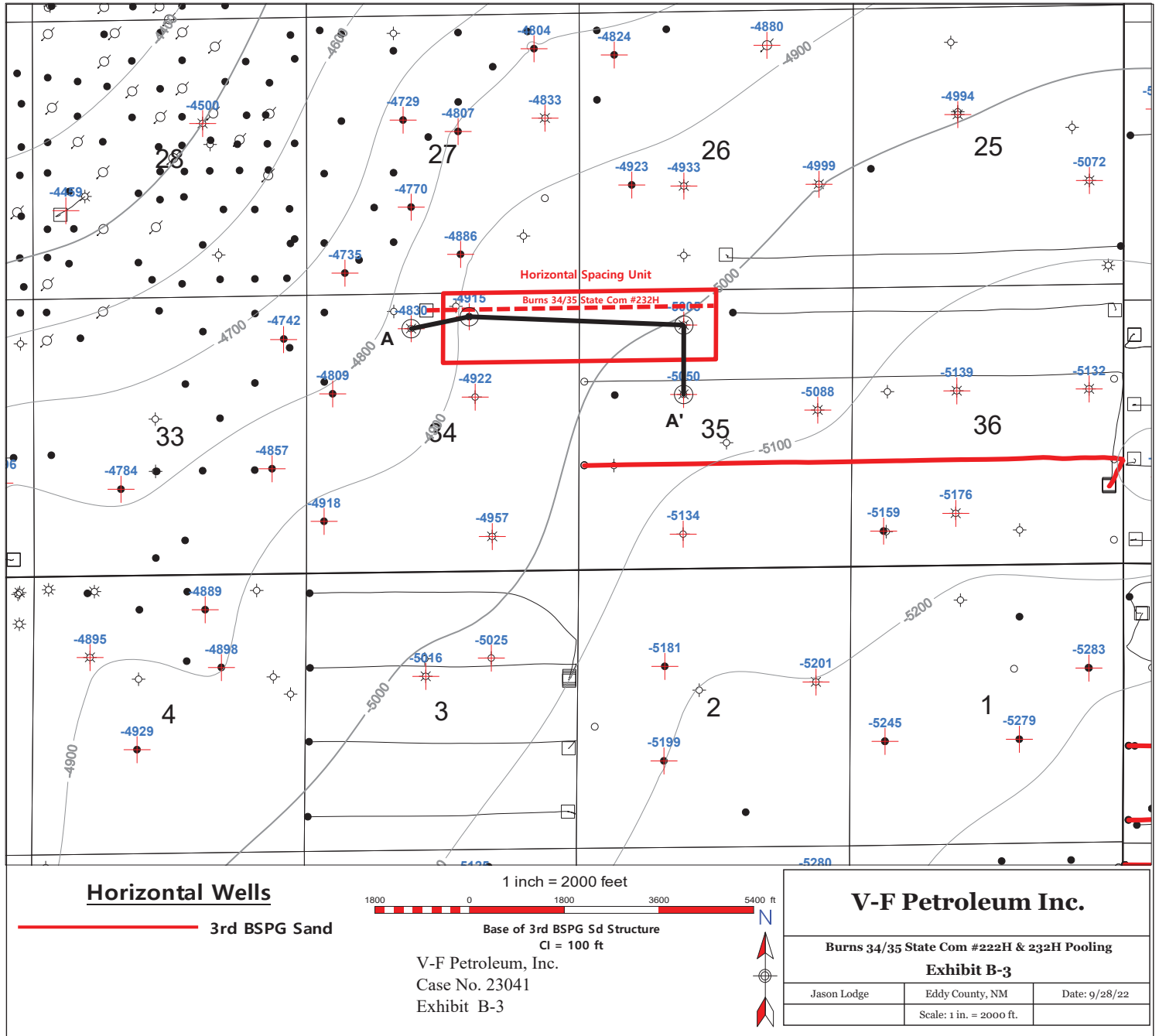
12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.


Jason J. Lodge

9-28-22
Date





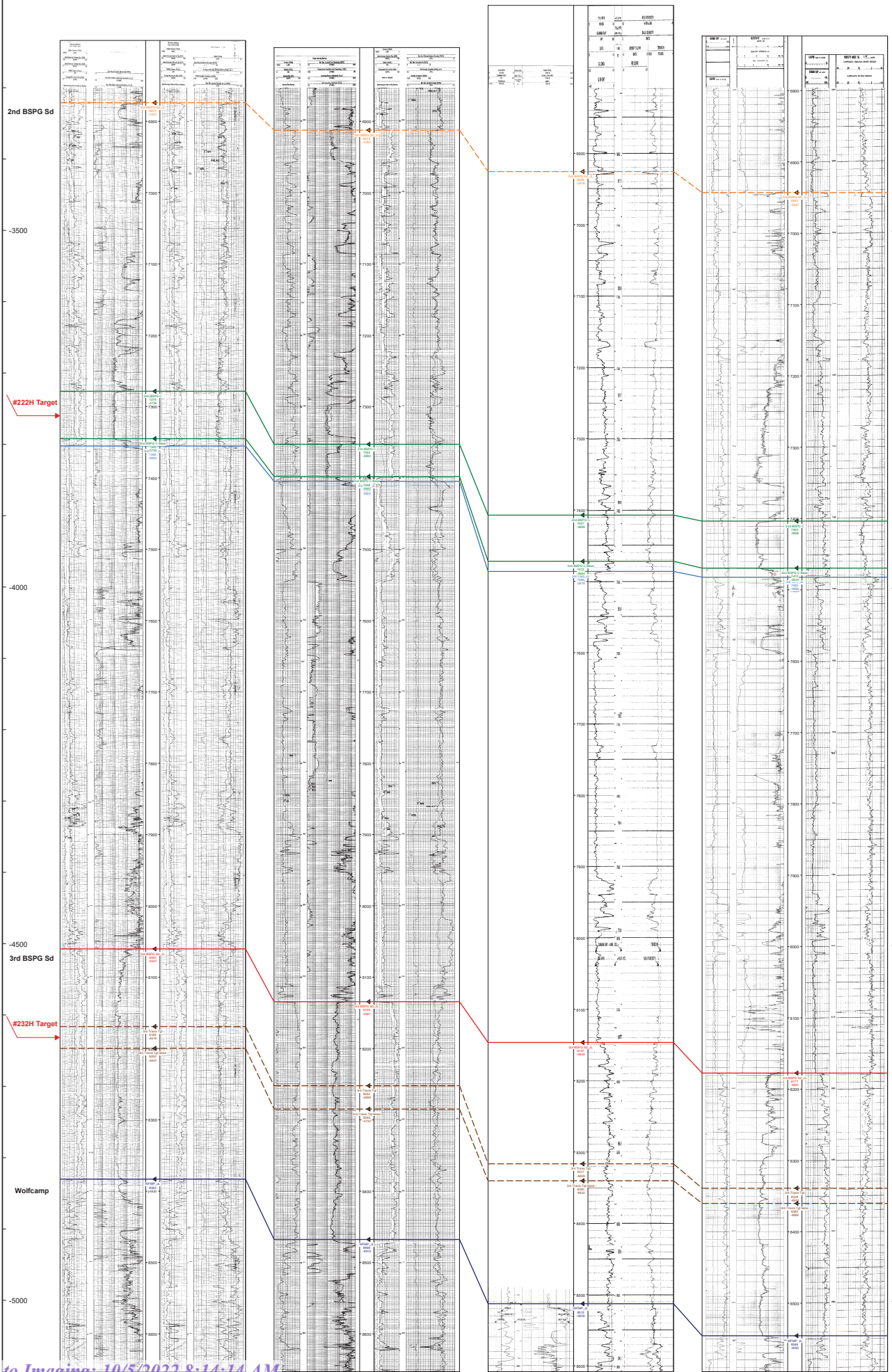


34C

34B

35C

35F



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

**APPLICATIONS OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23041

**SELF-AFFIRMED STATEMENT OF
DANA S. HARDY**

1. I am attorney in fact and authorized representative of V-F Petroleum, Inc., the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On September 11, 2022, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy

Dana S. Hardy

October 4, 2022

Date

V-F Petroleum, Inc.
Case No. 23041
Exhibit C



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

September 7, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

**Re: Case No. 23041 - Application of V-F Petroleum, Inc. for Compulsory Pooling,
Eddy County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 6, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

V-F Petroleum, Inc.
Case No. 23041
Exhibit C-1

Enclosure

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

7601 JEFFERSON ST NE - SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

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

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 23041

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Roy G. Barton, Sr. and Opal Barton Revocable Trust Attention: Mr. Roy Barton, Jr. 1919 N. Turner St. Hobbs, New Mexico 88240	09/07/22	09/16/22
Chevron U.S.A. Inc. Attention: Logan Hulett 1400 Smith Street, Room 44198 Houston, Texas 77002	09/07/22	09/22/22
EOG Resources Inc. Attention: Ms. Katie McBryde 5509 Champions Drive Midland, Texas 79706-2843	09/07/22	09/20/22
Fasken Oil and Ranch, Ltd. Attention: Mike Wallace 6101 Holiday Hill Rd. Midland, Texas 79707-1631	09/07/22	09/14/22
J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers Attention: Curt Kneese 325 N. St. Paul, Suite 4300 Dallas, Texas 75201-3993	09/07/22	USPS Tracking's Latest Update (last checked 09/29/22) 09/14/22 Item in transit to next facility.
Marathon Oil Permian, LLC Attention: Steven Thompson 5555 San Felipe St. Houston, Texas 77056	09/07/22	09/19/22
Mewbourne Oil Company P.O Box 7698 Tyler, Tx 75711	09/07/22	09/19/22
Mizel Resources, a Trust Attention: Carrie DeLima 3600 South Yosemite, Suite 810 Denver, Colorado 80237	09/07/22	USPS Tracking's Latest Update (last checked 09/29/22) 09/13/22 Item in transit to next facility.

V-F Petroleum, Inc.
Case No. 23041
Exhibit C-2

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 23041

NOTICE LETTER CHART

Read & Stevens, Inc. Attention: Ms. Betty Young 400 Penn Plaza, Suite 1000 Roswell, New Mexico 88201	09/07/22	09/14/22
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7018 3090 0001 4741 6599

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Certified Mail Fee
\$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$

Total Postage and Fees
\$

Postmark
SEP 07 2022

87501-9998

Roy G. Barton, Sr. and Opal
Barton Revocable Trust
Attention: Mr. Roy Barton, Jr.
1919 N. Turner St.
Hobbs, New Mexico 88240

23041
V-F Petroleum
Burns

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Roy G. Barton, Sr. and Opal
Barton Revocable Trust
Attention: Mr. Roy Barton, Jr.
1919 N. Turner St.
Hobbs, New Mexico 88240

23041 V-F Petroleum - Burns

9590 9402 6746 1074 4004 63

2. Article Number (Transfer from service label)
7018 3090 0001 4741 6599

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *Debra Barton* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
Debra Barton

C. Date of Delivery
9-12-22

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

RECEIVED
SEP 16 2022

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Collect on Delivery Restricted Delivery	
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

Hinkle Shanor
Santa Fe NM 87501

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

V-F Petroleum, Inc.
Case No. 23041
Exhibit C-3

7018 3090 0001 4741 6674

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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 U.S.A. Inc.
Attention: Logan Hulett
1400 Smith Street, Room 44193
Houston, Texas 77002
23041 V-F Petroleum - Burns

Postmark
SEP 07 2022
87501-9998

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron U.S.A. Inc.
Attention: Logan Hulett
1400 Smith Street, Room 44198
Houston, Texas 77002
23041 V-F Petroleum - Burns

9590 9402 6746 1074 4004 32

2. Article Number (Transfer from service label)
7018 3090 0001 4741 6674

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X  ☐ Agent
☐ Addressee

B. Received by (Printed Name)
Amy Alley

C. Date of Delivery
9-13-22

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

RECEIVED
SEP 22 2022

3. Service Type
Hinkle, Sharon LLP
Santa Fe NM 87501

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)

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

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

7018 3090 0001 4741 6704

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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 \$
 EOG Resources Inc.
 Attention: Ms. Katie McBryde
 5509 Champions Drive
 Midland, Texas 79706-2843
 23041 V-F Petroleum - Burns

Postmark Here
 SEP 07 2022
 87501-9998

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 EOG Resources Inc.
 Attention: Ms. Katie McBryde
 5509 Champions Drive
 Midland, Texas 79706-2843
 23041 V-F Petroleum - Burns

2. Article Number (Transfer from service label)
 7018 3090 0001 4741 6704

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
 X *[Signature]*

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *9/12*

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

RECEIVED
 SEP 20 2022

3. Service Type *Priority Mail Express®*
☐ Adult Signature *Santa Fe NM 87501*
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☐ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)

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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 \$

Fasken Oil and Ranch, Ltd.
Attention: Mike Wallace
6101 Holiday Hill Rd.
Midland, Texas 79707-1631
23041 V-F Petroleum - Burns

PS Form 3800, April 2015 PSN 7530-02-000-0047 See Reverse for Instructions

SEP 07 2022
87501-9998

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Fasken Oil and Ranch, Ltd. Attention: Mike Wallace 6101 Holiday Hill Rd. Midland, Texas 79707-1631 23041 V-F Petroleum - Burns</p> <p>9590 9402 6746 1074 4005 17</p> <p>2. Article Number (Transfer from service label) 7018 3090 0001 4741 6605</p>		<p>A. Signature x Cynthia Moreno <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) Cynthia Moreno</p> <p>C. Date of Delivery 9/12/22</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center;">RECEIVED SEP 14 2022</p>	
<p>3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>		<p>Hinkle Shanor Santa Fe NM 87501</p> <p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	

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Extra Services & Fees (check box, add fee if appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

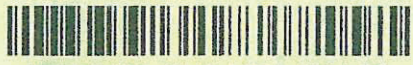
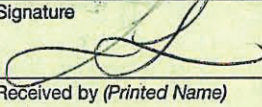
Postage
\$

Total Postage and Fees
\$

Sent To
Marathon Oil Permian, LLC
Attention: Steven Thompson
5555 San Felipe St.
Houston, Texas 77056

23041 V-F
Petroleum - Burns

PS Form 3800, April 2015 PSN 7530-02-000-6047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Marathon Oil Permian, LLC Attention: Steven Thompson 5555 San Felipe St. Houston, Texas 77056</p> <p style="text-align: right; font-size: small;">23041 V-F Petroleum - Burns</p> <div style="text-align: center;">  9590 9402 6746 1074 4004 87 </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: large; font-weight: bold;">7018 3090 0001 4741 6728</p>	<p>A. Signature X </p> <p style="text-align: right;"><input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) L</p> <p>C. Date of Delivery 09/14/22</p> <p>D. Is delivery address different from item 12? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; padding: 10px;"> <p style="font-size: large; font-weight: bold;">RECEIVED</p> <p style="font-size: large;">SEP 19 2022</p> </div> <p>3. Service Type Santa Fe NM 3504</p> <table border="0" style="width: 100%; font-size: small;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery		<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail™																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Collect on Delivery																	
<input type="checkbox"/> Collect on Delivery Restricted Delivery																	
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	

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

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OFFICIAL USE POST OFFICE

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

Mewbourne Oil Company
P.O. Box 7698
Tyler, Tx 75711

23041 V-F Petroleum - Bums

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

7018 3090 0001 4741 6698

SEP 07 2022
87501-9998

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="text-align: center;">Mewbourne Oil Company P.O. Box 7698 Tyler, Tx 75711</p> <p style="text-align: right; font-size: small;">23041 V-F Petroleum - Bums</p> <div style="text-align: center;">  9590 9402 6746 1074 4004 56 </div> <p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">7018 3090 0001 4741 6698</p>	<p>A. Signature</p> <p><input checked="" type="checkbox"/>  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p style="text-align: center;">G. Argote 9-16-22</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em;">SEP 19 2022</p> <p style="text-align: center;">Hinkle Shanor LLP</p> <p style="text-align: center; font-size: small;">Santa Fe NM 87504</p> <p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) </div> <div style="width: 45%;"> <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery </div> </div>

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

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Extra Services & Fees (check box, add fee as appropriate)


<input type="checkbox"/> Return Receipt (hardcopy)	\$
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<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$

Total Postage and Fees
\$

Read & Stevens, Inc.
Attention: Ms. Betty Young
400 Penn Plaza, Suite 1000
Roswell, New Mexico 88201
23041 V-F Petroleum - Burns

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Read & Stevens, Inc. Attention: Ms. Betty Young 400 Penn Plaza, Suite 1000 Roswell, New Mexico 88201</p> <p style="text-align: right; font-size: small;">23041 V-F Petroleum - Burns</p> <div style="text-align: center;">  9590 9402 6746 1074 4004 49 </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: large; font-weight: bold;">7018 3090 0001 4741 6681</p>	<p>A. Signature</p> <p style="font-size: large; font-weight: bold; text-align: center;">X</p> <p style="text-align: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; border: 2px solid black; padding: 10px; margin: 10px 0;"> <p style="font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="font-size: 1.2em;">SEP 14 2022</p> </div> <p>3. Service Type</p> <table border="0" style="width: 100%;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
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Domestic Return Receipt

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<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers Attention: Curt Kneese 325 N. St. Paul, Suite 4300 Dallas, Texas 75201-3993	
23041	V-F Petroleum Bums
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	



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For delivery information, visit our website at www.usps.com ®.	
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Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Mizel Resources, a Trust Attention: Carrie DeLima 3600 South Yosemite, Suite 810 Denver, Colorado 80237	
23041	V-F Petroleum - Bums
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Carlsbad Current Argus.

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Affidavit of Publication

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HINKLE SHANOR LLP
218 MONTEZUMA

SANTA FE, NM 87501

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

09/11/2022

Lana Kamitz
Legal Clerk

Subscribed and sworn before me this September 11, 2022:

Kathleen Allen
State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005406803

PO #:

of Affidavits 1

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This is to notify all interested parties, including Read & Stevens, Inc.; Chevron U.S.A. Inc.; EOG Resources Inc.; Roy G. Barton, Sr. and Opal Barton Revocable Trust; Marathon Oil Permian, LLC; J. Cleo Thompson and James Cleo Thompson, Jr. Oil Producers; Fasken Oil and Ranch, Ltd.; Mizel Resources, a Trust; Mewbourne Oil Company; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by V-F Petroleum, Inc. (Case No. 23041). The hearing will be conducted remotely on October 6, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2 NE/4 of Section 34 and the N/2 NW/4 of Section 35, Township 18 South, Range 28 East, Eddy County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the following wells: Burns 34/35 State Com #222H and the Burns 34/35 State Com #222H, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 34, Township 18 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35, Township 18 South, Range 28 East. The completed intervals 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 V-F Petroleum as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 17.4 miles southeast of Artesia, New Mexico. #5406803, Current Argus, Sept. 11, 2022

V-F Petroleum, Inc.
Case No. 23041
Exhibit C-4