

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

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC FOR  
EXTENSION TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23281  
ORDER NO. R-21610-A**

**EXHIBIT INDEX**

|           |  |
|-----------|--|
| Exhibit A | Self-Affirmed Statement of Michael Burke       |
| A-1       | Application and Proposed Notice of Hearing     |
| A-2       | Order No. R-21609                              |
| A-3       | Order No. R-21610                              |
| A-4       | Order No. R-21609-A                            |
| A-5       | Order No. R-21610-A                            |
| Exhibit B | Self-Affirmed Statement of Dana S. Hardy       |
| B-1       | Sample Notice Letter to All Interested Parties |
| B-2       | Chart of Notice to All Interested Parties      |
| B-3       | Copies of Certified Mail Receipts and Returns  |
| B-4       | Affidavit of Publication for December 21, 2022 |

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

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC FOR  
EXTENSION TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23280  
ORDER NO. R-21609-A**

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC FOR  
EXTENSION TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23281  
ORDER NO. R-21610-A**

**SELF-AFFIRMED STATEMENT  
OF MICHAEL BURKE**

1. I am a geologist with Ridge Runner Resources Operating, LLC (“Ridge Runner”). 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 Division, and my qualifications as an expert in petroleum geology matters were accepted. I am familiar with the above-referenced application and the matters involved. Copies of the applications and proposed hearing notices are attached as **Exhibit A-1**.

2. The Division entered Order No. R-21609 in Case No. 21635 on February 23, 2021. Order No. R-21609 pooled all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 2 and 11, Township 20 South, Range 35 East in Lea County, New Mexico and dedicated the unit to the Zeus 2-11 Fed Com #1H well. A copy of the order is attached as **Exhibit A-2**.

3. The Division entered Order No. R-21610 in Case No. 21636 on February 23, 2021. Order No. R-21610 pooled all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of

Sections 2 and 11, Township 20 South, Range 35 East in Lea County, New Mexico, and dedicated the unit to the Zeus 2-11 Fed Com #2H well. A copy of the order is attached as **Exhibit A-3**.

4. Order Nos. R-21609 and R-21610 designated Ridge Runner as operator of the Units and the Zeus 2-11 Fed Com #1H and Zeus 2-11 Fed Com #2H wells.

5. The Division entered Order No. R-21609-A on January 26, 2022, a copy of which is attached as **Exhibit A-4**. The Order extended the deadline to commence drilling the Zeus 2-11 Fed Com #1H well until February 23, 2023.

6. The Division entered Order No. R-21610-A on January 26, 2022, a copy of which is attached as **Exhibit A-5**. The Order extended the deadline to commence drilling the Zeus 2-11 Fed Com #2H well until February 23, 2023.

7. Paragraph 8 of Order Nos. R-21609-A and R-21610-A provides that the Orders shall terminate automatically if Ridge Runner fails to commence drilling the Wells by February 23, 2023, unless good cause is shown.

8. Good cause exists for an extension to commence drilling the wells due to delays in the issuance of drilling permits, supply chain delays, and limited rig availability. In addition, the Wells are located near Lesser Prairie Chicken habitat, where drilling is now prohibited between March 1<sup>st</sup> and July 15<sup>th</sup>. Ridge Runner is currently in the process of requesting a business lease for an off-site location so it can drill the Wells during the Lesser Prairie Chicken habitat pause. This process has resulted in additional delay. Ridge Runner intends to commence drilling the wells in the second half of 2023.

9. Accordingly, Ridge Runner requests that the Division extend the deadline to commence drilling the Zeus 2-11 Fed Com #1H and Zeus 2-11 Fed Com #2H wells to one-year from the date an amended order is entered.

10. Ridge Runner further requests the other provisions of Order Nos. R-21609-A and R-21610-A remain in force and effect.

11. Ridge Runner is in good standing under the statewide rules and regulations.

12. In my opinion, the granting of Ridge Runner's applications would best serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

13. The exhibits to my Self-Affirmed Statement were either prepared by me or under my supervision or were compiled from company business records.

14. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 14 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.

  
Michael Burke

1-2-2023  
Date

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

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC FOR  
EXTENSION TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**CASE NO. 23281  
ORDER NO. R-21610-A**

**APPLICATION**

Ridge Runner Resources Operating, LLC (“Applicant”) (OGRID No. 373013) files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21610-A to extend the deadline to commence drilling operations to one-year from the date of the amended order. In support of its application, Applicant states the following.

1. The Division entered Order No. R-21610 in Case No. 21636 on February 23, 2021.
2. Order No. R-21610 pooled all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2W/2 of Sections 2 and 11, Township 20 South, Range 35 East in Lea County, New Mexico (“Unit”) and dedicated the unit to the Zeus 2-11 Fed Com #2H (“Well”).
3. The Order designated Applicant as the operator of the Unit and the Well.
4. The Division entered Order No. R-21610-A on January 26, 2022. The Order extended the deadline to commence drilling the Well until February 23, 2023.
5. Paragraph 8 of Order No. R-21610-A provides that the Order shall terminate automatically if Operator fails to commence drilling the Well by February 23, 2023, unless good cause is shown.
6. Applicant’s ability to commence drilling the Well has been impacted by delays in the issuance of drilling permits and limited rig availability. Applicant intends to commence drilling the Well in the second half of 2023.

**Ridge Runner Resources Operating, LLC  
Case No. 23281  
Exhibit A-1**

7. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Well to one-year from the date an amended order is entered.

8. Good cause exists for the requested extension.

WHEREFORE, Applicant requests this application be set for hearing on January 5, 2023, and after notice and hearing, the Division amend Order No. R-21610-A to extend the deadline to commence drilling the Well to one-year from the date an amended order is entered.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

*Attorneys for Ridge Runner Resources Operating, LLC*

This is to notify all interested parties, including James W. Adams, Trustee; American Standard Energy; Blue Ruby Operating, LLC; Nortex Corporation; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Ridge Runner Resources Operating, LLC (Case No. 23281). The hearing will be conducted remotely on January 5, 2023, 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/ocd/hearing-info/>. Applicant applies for an order amending Order No. R-21610-A to extend the deadline to commence drilling operations to one-year from the date of the amended order. Order No. R-21610 pooled all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 2 and 11, Township 20 South, Range 35 East in Lea County, New Mexico ("Unit") and dedicated the unit to the Zeus 2-11 Fed Com #2H ("Well"). Order No. R-21610-A extended the deadline to commence drilling the Well until February 23, 2023. Applicant requests the Division amend Order No. R-21610-A to extend the time to commence drilling the Well to one-year from the date an amended order is entered. The Well is located approximately 16 miles southwest of Hobbs, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
RIDGE RUNNER RESOURCES OPERATING, LLC**

**CASE NO. 21635  
ORDER NO. R-21609**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 18, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Ridge Runner Resources Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

**Ridge Runner Resources Operating, LLC  
Case No. 23281  
Exhibit A-2**



10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

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ORDER NO. R-21609

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election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
  31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
  32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
  33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
  34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
  35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 2/23/2021

CASE NO. 21635  
ORDER NO. R-21609

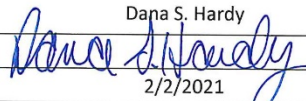
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**Exhibit A**

| <b>COMPULSORY POOLING APPLICATION CHECKLIST</b>   |   |
|---|---|
| <b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>  |   |
| <b>Case:</b> 21635  | <b>APPLICANT'S RESPONSE</b>   |
| <b>Date:</b> 2/2/21   |   |
| <b>Applicant</b>  | Ridge Runner Resources Operating, LLC   |
| <b>Designated Operator &amp; OGRID (affiliation if applicable)</b>  | Ridge Runner Resources Operating, LLC, OGRID 373013   |
| <b>Applicant's Counsel:</b>   | Dana S. Hardy   |
| <b>Case Title:</b>  | APPLICATION OF RIDGE RUNNER RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO |
| <b>Entries of Appearance/Intervenors:</b>   | None  |
| <b>Well Family</b>  | Zeus  |
| <b>Formation/Pool</b>   |   |
| <b>Formation Name(s) or Vertical Extent:</b>  | Bone Spring Formation   |
| <b>Primary Product (Oil or Gas):</b>  | Oil   |
| <b>Pooling this vertical extent:</b>  | Bone Spring formation   |
| <b>Pool Name and Pool Code:</b>   | Pearl Bone Spring South Pool, Code 49685  |
| <b>Well Location Setback Rules:</b>   | Standard  |
| <b>Spacing Unit Size:</b>   | 40 acres  |
| <b>Spacing Unit</b>   |   |
| <b>Type (Horizontal/Vertical)</b>   | Horizontal  |
| <b>Size (Acres)</b>   | 320 acres   |
| <b>Building Blocks:</b>   | 40 acre   |
| <b>Orientation:</b>   | North-South   |
| <b>Description: TRS/County</b>  | W/2 W/2 of Sections 2 and 11, Township 20 South, Range 35 East, Lea County                          |
| <b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>   | Yes   |
| <b>Other Situations</b>   |   |
| <b>Depth Severance: Y/N. If yes, description</b>  | No  |
| <b>Proximity Tracts: If yes, description</b>  | No  |
| <b>Proximity Defining Well: if yes, description</b>   | N/A   |
| <b>Applicant's Ownership in Each Tract</b>  | Exhibit A-3   |
| <b>Well(s)</b>  |   |
| <b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b> |   |

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|  |   |
|--|---|
| Well #1  | Zeus 2-11 Fed Com #1H (API unassigned)<br>SHL: 108' FNL and 330' FWL of Section 2-T20S-R35E<br>BHL: 100' FSL and 330' FWL of Section 11-T20S-R35E |
| Horizontal Well First and Last Take Points                     | FTP: 675' FNL & 330' FWL of Section 2-T20S-R35E<br>LTP: 100' FSL & 330' FWL of Section 11-T20S-R35E   |
| Completion Target (Formation, TVD and MD)                      | Bone Spring Formation, 19,544' TMD<br>9,430'  |
| <b>AFE Capex and Operating Costs</b>                           |   |
| Drilling Supervision/Month \$                                  | \$8000.00, Exhibit A  |
| Production Supervision/Month \$                                | \$800, Exhibit A  |
| Justification for Supervision Costs                            | Exhibit A   |
| Requested Risk Charge  | Cost plus 200%, Exhibit A   |
| <b>Notice of Hearing</b>                                       |   |
| Proposed Notice of Hearing                                     | Exhibit A-8   |
| Proof of Mailed Notice of Hearing (20 days before hearing)     | Exhibit A-9   |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit A-10  |
| <b>Ownership Determination</b>                                 |   |
| Land Ownership Schematic of the Spacing Unit                   | Exhibit A-3   |
| Tract List (including lease numbers and owners)                | Exhibit A-3   |
| Pooled Parties (including ownership type)                      | Exhibit A-3   |
| Unlocatable Parties to be Pooled                               | Exhibit A-3   |
| Ownership Depth Severance (including percentage above & below) | None, Exhibit A   |
| <b>Joinder</b>   |   |
| Sample Copy of Proposal Letter                                 | Exhibit A-5   |
| List of Interest Owners (ie Exhibit A of JOA)                  | Exhibits A-3, A-7   |

|  |  |
|--|--|
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-6  |
| Overhead Rates in Proposal Letter  | \$800/\$8,000, Exhibit A-5   |
| Cost Estimate to Drill and Complete  | Exhibit A-11   |
| Cost Estimate to Equip Well  | Exhibit A-11   |
| Cost Estimate for Production Facilities  | Exhibit A-11   |
| <b>Geology</b>   |  |
| Summary (including special considerations)   | Exhibit B  |
| Spacing Unit Schematic   | Exhibit B-1  |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-3  |
| Well Orientation (with rationale)  | Exhibit B  |
| Target Formation   | Bone Spring, Exhibit B   |
| HSU Cross Section  | Exhibit B-6  |
| Depth Severance Discussion   | None, Exhibit A  |
| <b>Forms, Figures and Tables</b>   |  |
| C-102  | Exhibit A-2  |
| Tracts   | Exhibit A-3  |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibits A-3, A-4  |
| General Location Map (including basin)   | Exhibit B-1  |
| Well Bore Location Map   | Exhibits B-1, B-3  |
| Structure Contour Map - Subsea Depth   | Exhibit B-4  |
| Cross Section Location Map (including wells)   | Exhibit B-1  |
| Cross Section (including Landing Zone)   | Exhibit B-6  |
| <b>Additional Information</b>  |  |
| Special Provisions/Stipulations  | None   |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |  |
| Printed Name (Attorney or Party Representative):   | Dana S. Hardy  |
| Signed Name (Attorney or Party Representative):  |  |
| Date:  | 2/2/2021   |

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
RIDGE RUNNER RESOURCES OPERATING, LLC**

**CASE NO. 21636  
ORDER NO. R-21610**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 18, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Ridge Runner Resources Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

**Ridge Runner Resources Operating, LLC  
Case No. 23281  
Exhibit A-3**

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

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ORDER NO. R-21610

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election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 2/23/2021

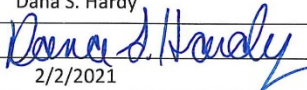
CASE NO. 21636  
ORDER NO. R-21610

**Exhibit A**

| <b>COMPULSORY POOLING APPLICATION CHECKLIST</b>  |   |
|--|---|
| <b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>   |   |
| <b>Case:</b> 21636   | <b>APPLICANT'S RESPONSE</b>   |
| <b>Date:</b> 2/2/21  |   |
| Applicant  | Ridge Runner Resources Operating, LLC   |
| Designated Operator & OGRID (affiliation if applicable)  | Ridge Runner Resources Operating, LLC, OGRID 373013   |
| Applicant's Counsel:   | Dana S. Hardy   |
| Case Title:  | APPLICATION OF RIDGE RUNNER RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO |
| Entries of Appearance/Intervenors:   | None  |
| Well Family  | Zeus  |
| <b>Formation/Pool</b>  |   |
| Formation Name(s) or Vertical Extent:  | Bone Spring Formation   |
| Primary Product (Oil or Gas):  | Oil   |
| Pooling this vertical extent:  | Bone Spring formation   |
| Pool Name and Pool Code:   | Pearl Bone Spring South Pool, Code 49685  |
| Well Location Setback Rules:   | Standard  |
| Spacing Unit Size:   | 40 acres  |
| <b>Spacing Unit</b>  |   |
| Type (Horizontal/Vertical)   | Horizontal  |
| Size (Acres)   | 320 acres   |
| Building Blocks:   | 40 acre   |
| Orientation:   | North-South   |
| Description: TRS/County  | E/2 W/2 of Sections 2 and 11, Township 20 South, Range 35 East, Lea County                          |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe   | Yes   |
| <b>Other Situations</b>  |   |
| Depth Severance: Y/N. If yes, description  | No  |
| Proximity Tracts: If yes, description  | No  |
| Proximity Defining Well: if yes, description   | N/A   |
| Applicant's Ownership in Each Tract  | Exhibit A-3   |
| <b>Well(s)</b>   |   |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) |   |

CASE NO. 21636  
ORDER NO. R-21610

|  |   |
|--|---|
| Well #1  | Zeus 2-11 Fed Com #2H (API unassigned)<br>SHL: 108' FNL and 2310' FWL of Section 2-T20S-R35E<br>BHL: 100' FSL and 2310' FWL of Section 11-T20S-R35E |
| Horizontal Well First and Last Take Points                     | FTP: 675' FNL & 2310' FWL of Section 2-T20S-R35E<br>LTP: 100' FSL & 2310' FWL of Section 11-T20S-R35E   |
| Completion Target (Formation, TVD and MD)                      | Bone Spring Formation, 19,544' TMD<br>9,430'  |
| <b>AFE Capex and Operating Costs</b>                           |   |
| Drilling Supervision/Month \$                                  | \$8000.00, Exhibit A  |
| Production Supervision/Month \$                                | \$800, Exhibit A  |
| Justification for Supervision Costs                            | Exhibit A   |
| Requested Risk Charge  | Cost plus 200%, Exhibit A   |
| <b>Notice of Hearing</b>                                       |   |
| Proposed Notice of Hearing                                     | Exhibit A-8   |
| Proof of Mailed Notice of Hearing (20 days before hearing)     | Exhibit A-9   |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit A-10  |
| <b>Ownership Determination</b>                                 |   |
| Land Ownership Schematic of the Spacing Unit                   | Exhibit A-3   |
| Tract List (including lease numbers and owners)                | Exhibit A-3   |
| Pooled Parties (including ownership type)                      | Exhibit A-3   |
| Unlocatable Parties to be Pooled                               | Exhibit A-3   |
| Ownership Depth Severance (including percentage above & below) | None, Exhibit A   |
| <b>Joinder</b>   |   |
| Sample Copy of Proposal Letter                                 | Exhibit A-5   |
| List of Interest Owners (ie Exhibit A of JOA)                  | Exhibits A-3, A-7   |

|  |  |
|--|--|
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-6  |
| Overhead Rates In Proposal Letter  | \$800/\$8,000, Exhibit A-5   |
| Cost Estimate to Drill and Complete  | Exhibit A-11   |
| Cost Estimate to Equip Well  | Exhibit A-11   |
| Cost Estimate for Production Facilities  | Exhibit A-11   |
| <b>Geology</b>   |  |
| Summary (including special considerations)   | Exhibit B  |
| Spacing Unit Schematic   | Exhibit B-1  |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-3  |
| Well Orientation (with rationale)  | Exhibit B  |
| Target Formation   | Bone Spring, Exhibit B   |
| HSU Cross Section  | Exhibit B-6  |
| Depth Severance Discussion   | None, Exhibit A  |
| <b>Forms, Figures and Tables</b>   |  |
| C-102  | Exhibit A-2  |
| Tracts   | Exhibit A-3  |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibits A-3, A-4  |
| General Location Map (including basin)   | Exhibit B-1  |
| Well Bore Location Map   | Exhibits B-1, B-3  |
| Structure Contour Map - Subsea Depth   | Exhibit B-4  |
| Cross Section Location Map (including wells)   | Exhibit B-1  |
| Cross Section (including Landing Zone)   | Exhibit B-6  |
| <b>Additional Information</b>  |  |
| Special Provisions/Stipulations  | None   |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |  |
| Printed Name (Attorney or Party Representative):   | Dana S. Hardy  |
| Signed Name (Attorney or Party Representative):  |  |
| Date:  | 2/2/2021   |

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
RIDGE RUNNER RESOURCES OPERATING, LLC**

**CASE NO. 22379  
ORDER NO. R-21609-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Ridge Runner Resources Operating, LLC (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-21609.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

**ORDER**

7. The period to drill the well(s) is extended until February 23, 2023.
8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21609 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**Ridge Runner Resources Operating, LLC  
Case No. 23281  
Exhibit A-4**

10. The remaining provisions of Order R-21609 remain in force or effect.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 1/26/2022

CASE NO. 22379  
ORDER NO. R-21609-A

Page 2 of 2

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
RIDGE RUNNER RESOURCES OPERATING, LLC**

**CASE NO. 22380  
ORDER NO. R-21610-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Ridge Runner Resources Operating, LLC (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-21610.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

**ORDER**

7. The period to drill the well(s) is extended until February 23, 2023.
8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21610 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**Ridge Runner Resources Operating, LLC  
Case No. 23281  
Exhibit A-5**



10. The remaining provisions of Order R-21610 remain in force or effect.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 1/26/2022

CASE NO. 22380  
ORDER NO. R-21610-A

Page 2 of 2

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

APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC FOR  
EXTENSION TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.

CASE NO. 23281  
ORDER NO. R-21610-A

SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Ridge Runner Resources Operating, LLC, the Applicant herein.

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

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit B-2.

4. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.

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

6. On December 21, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit B-4**.

7. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it 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

January 2, 2023  
Date

**Ridge Runner Resources Operating, LLC**  
**Case No. 23281**  
**Exhibit B**



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

December 16, 2022

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case Nos. 23280 and 23281 – Applications of Ridge Runner Resources Operating, LLC for Extension to Commence Drilling Operations under Order Nos. R-21609-A and R-21610-A, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **January 5, 2023** 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@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) 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

Enclosure

**Ridge Runner Resources Operating, LLC**  
**Case No. 23281**  
**Exhibit B-1**

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

**APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING, LLC FOR  
EXTENSION TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 23280 & 23281  
ORDER NOS. R-21609-A & R-21610-A**

**NOTICE LETTER CHART**

| <b>PARTY</b>  | <b>NOTICE LETTER SENT</b> | <b>RETURN RECEIVED</b>  |
|---|---------------------------|---|
| James W. Adams, Trustee<br>Adams Family Trust<br>7740 El Pastel<br>Dallas, TX 75248 | 12/16/22                  | Per USPS Tracking (Last Checked 12/29/22):<br><br>12/28/22 – In transit to next facility. |
| American Standard Energy<br>400 W. Illinois St., #950<br>Midland, TX 79701          | 12/16/22                  | 12/29/22<br>Return to sender.   |
| Blue Ruby Operating, LLC<br>7201 East CR 112<br>Midland, TX 79706                   | 12/16/22                  | 12/29/22<br>Return to sender.   |
| Nortex Corporation<br>3009 Post Oak Blvd., Ste. 1212<br>Houston, TX 77056           | 12/16/22                  | 12/27/22  |

**Ridge Runner Resources Operating, LLC  
Case No. 23281  
Exhibit B-2**

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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

Nortex Corporation  
 3009 Post Oak Blvd., Ste. 1212  
 Houston, TX 77056

23280-23281 - Ridge Runner Zeus

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

| SENDER: COMPLETE THIS SECTION  | COMPLETE THIS SECTION ON DELIVERY   |
|--|---|
| <ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>                                 | <p>A. Signature<br/> <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>12-20-22</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/>         If YES, enter delivery address below: <b>RECEIVED</b><br/> <b>DEC 27 2022</b><br/> <i>[Signature]</i></p>  |
| <p>1. Article Addressed to:</p> <p>Nortex Corporation<br/>         3009 Post Oak Blvd., Ste. 1212<br/>         Houston, TX 77056</p> <p>23280-23281 - Ridge Runner Zeus</p>  <p>9590 9402 7543 2098 9305 56</p> | <p>3. Service Type <b>Santa Fe NM 87504</b></p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0865 8896</p>   |   |
| PS Form 3811, July 2020 PSN 7530-02-000-9053   | Domestic Return Receipt   |

**Ridge Runner Resources Operating, LLC**  
 Case No. 23281  
 Exhibit B-3

7021 0950 0002 0374 1357

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- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postmark  
Here

Postage

\$

Total Postage and Fees

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Sent To

James W. Adams, Trustee  
Adams Family Trust  
7740 El Pastel  
Dallas, TX 75248

23280-23281 - Ridge Runner Zeus

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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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                                       | \$ |
| Sent To  |    |
| American Standard Energy                                     |    |
| 400 W. Illinois St., #950                                    |    |
| Midland, TX 79701  |    |
| 23280-23281 - Ridge Runner Zeus                              |    |

Postmark Here  
 SAN FERNANDO STATION  
 DEC 15 2022

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

**HINKLE SHANOR LLP**  
 ATTORNEYS AT LAW  
 POST OFFICE BOX 2068  
 SANTA FE, NEW MEXICO 87504

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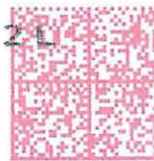


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US POSTAGE™ PITNEY BOWES

ZIP 87501 \$ 008.06<sup>0</sup>  
 02 7H  
 0006052409 DEC 16 2022

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DEC 29 2022

Hinkle Shanor LLP  
 Santa Fe NM 87504

ANKK1: 9352289921

American Standard Energy  
 400 W. Illinois St., #950  
 Midland, TX 79701

23280-23281

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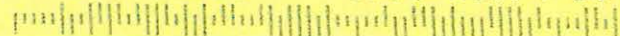
7530-02-000-9047

NIXIE 799 FE 1 0012/22/22

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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 \$ \_\_\_\_\_

Postmark Here

7020 0090 0000 0865 8872

Blue Ruby Operating, LLC  
 7201 East CR 112  
 Midland, TX 79706

23280-23281 - Ridge Runner Zeus

PS Form 3800, April 2015 PSN 7630-02-000-9047 See Reverse for Instructions

**HINKLE SHANOR LLP**  
 ATTORNEYS AT LAW  
 POST OFFICE BOX 2068  
 SANTA FE, NEW MEXICO 87504

**CERTIFIED MAIL®**



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ALBUQUERQUE NM 870

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US POSTAGE™ PITNEY BOWES

ZIP 87501 \$ 008.06<sup>0</sup>  
02 7H  
0006052409 DEC 16 2022

**RECEIVED**

DEC 29 2022

Hinkle Shanor LLP  
Santa Fe NM 87504

Blue Ruby Operating, LLC  
7201 East CR 112  
Midland, TX 79706

ANK

NIXIE 799 FEB 1 0012/22/22

RETURN TO SENDER  
ATTEMPTED - NOT KNOWN  
UNABLE TO FORWARD

ANK  
87504206868

BC: 87504206868 \*0768-07372-16-47



# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

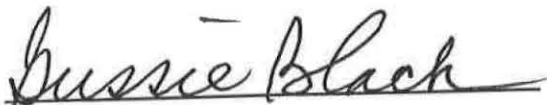
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
December 21, 2022  
and ending with the issue dated  
December 21, 2022.



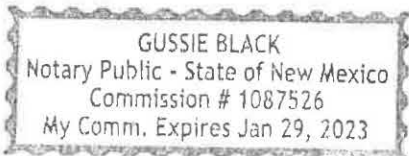
Publisher

Sworn and subscribed to before me this  
21st day of December 2022.



Business Manager

My commission expires  
January 29, 2023  
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE**  
December 21, 2022

This is to notify all interested parties, including James W. Adams, Trustee; American Standard Energy; Blue Ruby Operating, LLC; Nortex Corporation; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Ridge Runner Resources Operating, LLC (Case No. 23281). The hearing will be conducted remotely on January 5, 2023, 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/ocd/hearing-info/>. Applicant applies for an order amending Order No. R-21610-A to extend the deadline to commence drilling operations to one-year from the date of the amended order. Order No. R-21610 pooled all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 2 and 11, Township 20 South, Range 35 East in Lea County, New Mexico ("Unit") and dedicated the unit to the Zeus 2-11 Fed Com #2H ("Well"). Order No. R-21610-A extended the deadline to commence drilling the Well until February 23, 2023. Applicant requests the Division amend Order No. R-21610-A to extend the time to commence drilling the Well to one-year from the date an amended order is entered. The Well is located approximately 16 miles southwest of Hobbs, New Mexico.  
#00274072

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GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

Ridge Runner Resources Operating, LLC  
Case No. 23281  
Exhibit B-4