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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 23254** 

# **AMENDED HEARING EXHIBITS**

# **Compulsory Pooling Checklist**

Exhibit A	Self-Affirmed Statement of John Lodge
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Lease Numbers, Unit Recapitulation, Parties to be Pooled
A-4	Non-Standard Spacing Unit Plat of Tracts, Tract Ownership
A-5	Sample Well Proposal Letter & AFEs
A-6	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Jason Lodge
B-1	Location Map
B-2	Second Bone Spring Subsea Structure Map
B-3	Third Bone Spring Subsea 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
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for December 20, 2022

# COMPUESORY POOLING APPLICATION CHECKLIST

Page 2 of 91

#### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 23254 **Date** April 6, 2023 **Applicant** V-F Petroleum Inc. Designated Operator & OGRID (affiliation if applicable) **OGRID # 24010** Applicant's Counsel: Hinkle Shanor LLP Case Title: Application of V-F Petroleum Inc, for Compulsory Pooling and Approval of a Non-Standard Spacing Unit, Eddy County, New Mexico. Entries of Appearance/Intervenors: **Apache Corporation** Well Family **Angell Ranch** 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: Winchester: Bone Spring, West Pool (Code: 97569) Well Location Setback Rules: Statewide **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 480-acre **Building Blocks:** quarter-quarter

West/East

application.

Range 27 East, Eddy County

# Other Situations

Orientation:

Description: TRS/County

Depth Severance: Y/N. If yes, description N/A

Standard Horizontal Well Spacing Unit (Y/N), If No, describe and

is approval of non-standard unit requested in this application?

Proximity Tracts: If yes, description N/A

Proximity Defining Well: if yes, description N/A

Applicant's Ownership in Each Tract Exhibit A-3

#### Well(s)

Well #1

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)

Add wells as needed

Angell Ranch 35/36 Fed Com #223H (API # pending)
SHL: 1831' FNL & 2137' FWL (Unit F), Section 35, T19S, R27E

BHL: 1880' FNL & 100' FEL (Unit H), Section 36, T19S, R27E Completion Target: Second Bone Spring (Approx. 7030' TVD)

NE/4 of Section 35 and the N/2 of Section 36, Township 19 South,

No. Approval of a non-standard unit is being requested with this

WR e # # 200 o CD: 4/4/2023 11:03:15 AM	Angell Ranch 35/36 Fed Com #224H (API # pending)  SHL: 580' FNL & 2520' FEL (Unit B), Section 35, T19S, R27E  BHL: 380' FNL & 100' FEL (Unit A), Section 36, T19S, R27E  Completion Target: Second Bone Spring (Approx. 6930' TVD)	ge 3 of 9
Well #3	Angell Ranch 35/36 Fed Com #233H (API # pending) SHL: 1781' FNL & 2137' FWL (Unit F), Section 35, T19S, R27E BHL: 1830' FNL & 100' FEL (Unit H), Section 36, T19S, R27E Completion Target: Third Bone Spring (Approx. 8130' TVD)	
Well #4	Angell Ranch 35/36 Fed Com #234H (API # pending) SHL: 530' FNL & 2520' FEL (Unit B), Section 35, T19S, R27E BHL: 330' FNL & 100' FEL (Unit A), Section 36, T19S, R27E Completion Target: Third Bone Spring (Approx. 8130' TVD)	
Horizontal Well First and Last Take Points	Exhibit A-2	
Completion Target (Formation, TVD and MD)	Exhibit A-5	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000.00	
Production Supervision/Month \$	\$800.00	
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 the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)  If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice	Exhibit A-3	
requirements.	Exhibit A-4	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-5	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6	
Overhead Rates In Proposal Letter	Exhibit A-5	
Cost Estimate to Drill and Complete	Exhibit A-5	
Cost Estimate to Equip Well	Exhibit A-5	
Cost Estimate for Production Facilities	Exhibit A-5	
Geology		
Summary (including special considerations)	Exhibit B	

D 1 11 00D 111 00 11 12 12		
Space of the company	Exhibit B-1 Page	e 4 of 9.
Gunbarrel/Lateral Trajectory Schematic	N/A	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-1	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit A-2	
Tracts	Exhibit A-3, Exhibit A-4	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3, Exhibit A-4	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2, Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-4	
Cross Section (including Landing Zone)	Exhibit B-4	
Additional Information		
Special Provisions/Stipulations		
CERTIFICATION: I hereby certify that the information pro	ovided 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:	4/3/2023	

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO

**CASE NO. 23254** 

# SELF-AFFIRMED STATEMENT OF JOHN LODGE

- 1. I am a Land and Business Development Consultant with V-F Petroleum Inc. ("V-F"). 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's Application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. V-F applies for an order: (1) establishing a 480-acre, more or less, non-standard horizontal spacing unit comprised of the NE/4 of Section 35 and the N/2 of Section 36, Township 19 South, Range 27 East, Eddy County, New Mexico ("Unit"); and (2) pooling all interests in the Bone Spring formation underlying the Unit.
- 4. The Unit will be dedicated to the following wells ("Wells"), which will be completed in the Winchester: Bone Spring, West Pool (Code: 97569):
  - Angell Ranch 35/36 Fed Com #223H well, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 36;

- Angell Ranch 35/36 Fed Com #224H well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36;
- Angell Ranch 35/36 Fed Com #233H well, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 36; and
- Angell Ranch 35/36 Fed Com #234H well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36.
- 5. The completed intervals of the Wells will be orthodox.
- 6. **Exhibit A-2** contains the C-102s for the Wells.
- 7. **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 seeks to pool highlighted in yellow.
  - 8. None of the parties being pooled in this case have opposed V-F's application.
- 9. **Exhibit A-4** is a map that depicts the non-standard spacing unit in relation to the outline of a standard spacing unit. The map identifies the interest owners in the tracts surrounding the proposed Unit, who were provided notice of V-F's application.
- 10. V-F seeks to fully develop the Bone Spring formation underlying the Unit and will have the ability to coordinate development within the spacing Unit and implement operational efficiencies, such as batch drilling and consolidated surface facilities. V-F's plan to drill one and one-half mile laterals will allow it to efficiently produce the underlying reserves without the setback limitations that would apply if the acreage were developed with shorter laterals, and V-F's

proposal to fully develop the non-standard horizontal spacing unit section from only two (2) well pads will reduce environmental, surface, and economic waste.

- 11. V-F plans to complete four Wells, each 1.5 miles long, in the Unit and proposes to drill and operate the wells from two (2) pads in the N/2 of Section 35/36.
- 12. There will be one (1) central tank battery located in the N/2 of the proposed Unit. This facility will house the Bone Spring production and will be utilized for all of the Wells.
- 13. V-F is seeking approval of non-standard spacing units to obtain flexibility regarding the placement of surface facilities and the ability to consolidate those facilities to the greatest extent possible. Without approval of a non-standard spacing unit, V-F would be required to utilize multiple tank batteries or seek commingling approval, which may or may not be granted. The ability to consolidate surface facilities reduces surface, environmental, and economic waste. A non-standard spacing unit also affords V-F the flexibility to optimally locate its proposed wells. As a result of the above, approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.
- 14. V-F has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate interest owners it seeks to pool. All of the interest owners are locatable.
- 15. **Exhibit A-5** 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.

- 16. In my opinion, V-F 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-6**.
- 17. V-F requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by V-F and other operators in the vicinity.
- 18. In my opinion, the granting of V-F's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 19. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 20. 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.

John Lodge

Apr. 13, 2023

# STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS, AND NATURAL RESOURCES OIL CONSERVASION DIVISON

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 23254** 

## **APPLICATION**

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(5), V-F Petroleum Inc. (OGRID No. 24010) ("V-F" or "Applicant") through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") seeking an order: (1) establishing a 480-acre, more or less, non-standard horizontal spacing unit comprised of the NE/4 of Section 35 and the N/2 of Section 36, Township 19 South, Range 27 East, Eddy County, New Mexico ("Unit"); and (2) pooling all interests in the Bone Spring formation underlying the Unit. In support of this application, V-F states the following:

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
  - 2. The Unit will be dedicated to the following wells ("Wells"):
    - a. The **Angell Ranch 35/36 Fed Com #223H** well, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 36;
    - b. The **Angell Ranch 35/36 Fed Com #224H** well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36;

- c. The **Angell Ranch 35/36 Fed Com #233H** well, to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 36; and
- d. The **Angell Ranch 35/36 Fed Com #234H** well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36.
- 3. The completed intervals of the Wells will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.
- 7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Unit;

- C. Approving the initial Wells in the Unit;
- D. Designating Applicant as the operator of the Unit and the horizontal Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. 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
Yarithza Peña
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
ypena@hinklelawfirm.com
Counsel for V-F Petroleum Inc.

Application of V-F Petroleum, Inc. for Compulsory Pooling and Approval of a Non-Standard Spacing Unit, Eddy County, New Mexico. Applicant seeks an order: (1) establishing a 480-acre, more or less, non-standard horizontal spacing unit comprised of the NE/4 of Section 35 and the N/2 of Section 36, Township 19 South, Range 27 East, Eddy County, New Mexico ("Unit"); and (2) pooling all interests in the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Angell Ranch 35/36 Fed Com #223H and Angell Ranch 35/36 Fed Com #233H wells, which will be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 36; and the Angell Ranch 35/36 Fed Com #234H wells, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36. 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 18 miles southeast of Artesia, New Mexico.

Exhibit A-2

Case 23254

<u>C-102s</u>

**See Attached Documents** 

# 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	Pool Name			
	97569	WINCHESTER; BONE SPI	RING, WEST		
Property Code	Prop	erty Name	Well Number		
	ANGELL RANCH	35/36 FEDERAL COM	223H		
OGRID No.	Oper	ator Name	Elevation		
24010	V-F PE	FROLEUM INC	3446'		

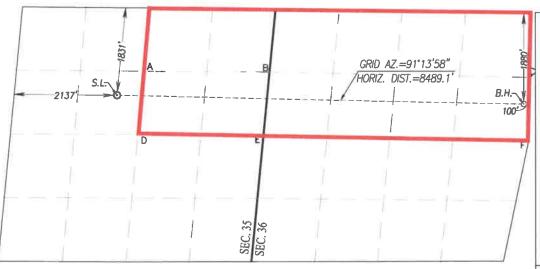
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	35	19 <b>-</b> S	27-E		1831	NORTH	2137	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
Н	36	19 <b>-</b> S	27-E		1880	NORTH	100	EAST	EDDY
Dedicated Acres Joint		Infill (	onsolidation C	ode Ord	er No.				
480									

#### 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



SCALE: 1"=2000 GEODETIC COORDINATES BOTTOM HOLE LOCATION NAD 27 NME CORNER COORDINATES TABLE NAD 27 NME SURFACE LOCATION NAD 27 NME Y= 588786.9 N Y= 588969.6 N A - Y = 589473.5 N, X = 525782.3 EX= 533719.9 E X= 525234.9 E B - Y= 589456.3 N, X= 528419.8 E LAT.=32.618631' N LAT.=32.619155° N C - Y = 589346.0 N, X = 533821.0 ELONG.=104.223816° W LONG.=104.251374" W D - Y= 588152.2 N, X= 525657.3 E - Y= 588139.9 N, X= 528291.3 E - Y= 588027.4 N, X= 533818.4 E GEODETIC COORDINATES CORNER COORDINATES TABLE BOTTOM HOLE LOCATION NAD 83 NME NAD 83 NME NAD 83 NME SURFACE LOCATION A - Y= 589535.1 N, X= 566962.3 E Y= 588848.5 N Y= 589031.1 N - Y= 589517.9 N, X= 569599.7 E X= 574899.9 E X= 566414.8 E - Y= 589407.7 N, X= 575001.0 E C LAT.=32.618748° N D - Y= 588213.7 N, X= 566837.3 E LAT.=32.619271° N LONG.=104.224325° W LONG.=104.251883 W - Y= 588201.5 N, X= 569471.3 E - Y= 588089.0 N, X= 574998.4 E

#### 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.

Signature Date

Jason J. 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 to be a fast at surveys made by me or under rive and errors, and that to same is true and correct to the test of an felief.

Date of Survey 3239 Signature & Seal of Professional Surveyor

 Sonald & Jam 07/18/2022

 Certificate Number
 Gary G. Eidson Ronald J. Eidson 3239

 ACK REV::7/14/2022
 JWSC W.O.: 22.11.0156

# 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 <b>97569</b>	Pool Name WINCHESTER; BONE SPRING, WEST			
Property Code	N. P. S.		Property Name Well Number H 35/36 FEDERAL COM 224H			
OGRID No. 24010			ator Name ΓROLEUM INC	Elevation 3449'		

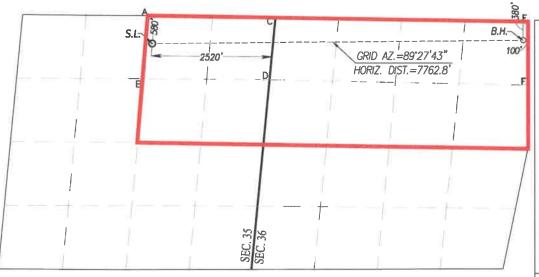
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	35	19-S	27-E		580	NORTH	2520	EAST	EDDY

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	36	19-S	27-E		380	NORTH	100	EAST	EDDY
Dedicated Acres 480	Joint or	Infill C	onsolidation C	ode Ord	er No.				

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



#### SCALE: 1"=2000" GEODETIC COORDINATES BOTTOM HOLE LOCATION NAD 27 NME CORNER COORDINATES TABLE NAD 27 NME SURFACE LOCATION NAD 27 NME Y= 590286.8 N Y= 590213.9 N A - Y= 590794.3 N, X= 525907.3 E X= 533722.9 E X= 525962.4 E В - Y= 589473.5 N, X= 525782.3 E LAT.=32.622754° N LAT.=32.622573° N - Y= 590772.6 N, X= 528548.3 E C LONG.=104.223801" W LONG.=104.249007° W D - Y = 589456.3 N, X = 528419.8 E- Y= 590664.7 N, X= 533823.6 E Y= 589346.0 N, X= 533821.0 E GEODETIC COORDINATES CORNER COORDINATES TABLE BOTTOM HOLE LOCATION NAD 83 NME NAD 83 NME NAD 83 NME SURFACE LOCATION A - Y = 590855.9 N, X = 567087.2 EY= 590348.4 N Y= 590275.5 N - Y= 589535.1 N, X= 566962.3 E X= 574902.9 E X= 567142.3 E - Y= 590834.2 N, X= 569728.2 E LAT.=32.622871° N LAT.=32.622690° N D - Y = 589517.9 N, X = 569599.7 ELONG.=104.224310° W - Y= 590726.3 N, X= 575003.6 E - Y= 589407.7 N, X= 575001.0 E LONG.=104.249517° W

#### **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.

Signature Date

Jason J. Lodge

Printed Name

Jason@vfpetroleum.com

E-mail Address

ACK

#### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field noises of a single strayers made by me or under six on ervision, and that the same is true and correction the test of the felicit.

Date of Survey 3239
Signature & Seal of Professional Surveyor

Ronald Lower 07/2 / 2022
Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239

JWSC W.O.: 22.11.0160

# 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	Pool Name			
	94569	WINCHESTER; BONE SPF	RING, WEST		
Property Code	 Prop	erty Name	Well Number		
	ANGELL RANCH	233H			
OGRID No.	Oper	ator Name	Elevation		
24010	V-F PE	TROLEUM INC	3446'		

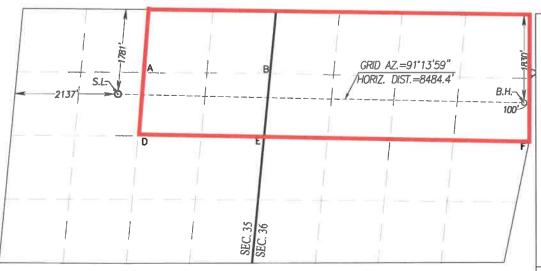
#### **Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	35	19 <b>-</b> S	27-E		1781	NORTH	2137	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
	H	36	19 <b>-</b> S	27-E		1830	NORTH	100	EAST	EDDY
Ì	Dedicated Acres	Joint or	Infill (	onsolidation C	ode Ord	er No.				
1	480									

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



#### SCALE: 1"=2000' GEODETIC COORDINATES BOTTOM HOLE LOCATION NAD 27 NME CORNER COORDINATES TABLE NAD 27 NME SURFACE LOCATION NAD 27 NME Y= 588836.9 N Y= 589019.5 N A - Y = 589473.5 N, X = 525782.3 EX = 533720.0 EX= 525239.8 E B - Y= 589456.3 N, X= 528419.8 E LAT.=32.618769° N C - Y= 589346.0 N, X= 533821.0 E IAT = 32.619292° N LONG.=104.223815° W LONG.=104.251358° W D - Y = 588152.2 N, X = 525657.3 EE - Y = 588139.9 N, X = 528291.3 EY= 588027.4 N, X= 533818.4 E GEODETIC COORDINATES CORNER COORDINATES TABLE BOTTOM HOLE LOCATION NAD 83 NME NAD 83 NME NAD 83 NME SURFACE LOCATION A - Y= 589535.1 N, X= 566962.3 E Y= 588898.5 N Y= 589081.1 N B - Y = 589517.9 N, X = 569599.7 EX= 574900.0 E X= 566419.7 E C - Y = 589407.7 N, X = 575001.0 ELAT.=32.618885" N D - Y = 588213.7 N, X = 566837.3 ELAT.=32.619408° N LONG.=104.224324° W LONG.=104.251867° W E - Y= 588201.5 N, X= 569471.3 E F - Y = 588089.0 N, X = 574998.4 E

#### 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

12/21/22

Signature

Jason J. Lodge

Printed Name

Jason@vfpetroleum.com

E-mail Address

ACK REV.:7/14/2022

#### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field ples of a small singleys made by me or under any energy season, and that it is some is true and correct to the best of any police.

Date of Survey Signature & Seal of Pro. STATE OF THE PARTY OF THE PARTY

Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239 JWSC W.O.: 22.11.0157

# 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					
	97569	RING, WEST				
Property Code	Prop	Well Number				
	ANGELL RANCH 35/36 FEDERAL COM					
OGRID No.	Oper	ator Name	Elevation			
24010	V-F PE	TROLEUM INC	3449'			

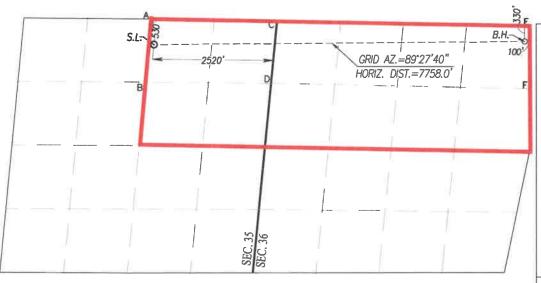
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	35	19-S	27-E		530	NORTH	2520	EAST	EDDY

#### Bottom Hole Location If Different From Surface

ĺ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	A	36	19 <b>-</b> S	27-E		330	NORTH	100	EAST	EDDY
	Dedicated Acres 480	Joint or	Infill	Consolidation C	ode Ord	er No.		H		
Į										

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



#### SCALE: 1"=2000" GEODETIC COORDINATES BOTTOM HOLE LOCATION NAD 27 NME CORNER COORDINATES TABLE NAD 27 NME SURFACE LOCATION NAD 27 NME Y= 590336.7 N Y= 590263.8 N A - Y= 590794.3 N, X= 525907.3 E X= 533723.0 E X= 525967.3 E B - Y= 589473.5 N, X= 525782.3 E LAT.=32.622892° N LAT.=32.622711° N C - Y = 590772.6 N, X = 528548.3 ELONG.=104.223801° W LONG.=104.248991° W D - Y= 589456.3 N, X= 528419.8 E E - Y= 590664.7 N, X= 533823.6 E Y= 589346.0 N, X= 533821.0 E GEODETIC COORDINATES CORNER COORDINATES TABLE BOTTOM HOLE LOCATION NAD 83 NME NAD 83 NME NAD 83 NME SURFACE LOCATION A - Y = 590855.9 N, X = 567087.2 EY= 590398.4 N Y= 590325.4 N B - Y= 589535.1 N, X= 566962.3 E X= 574903.0 E X= 567147.3 E - Y = 590834.2 N, X = 569728.2 E1AT = 32.623008" N D - Y= 589517.9 N, X= 569599.7 E LAT.=32.622827 N LONG.=104.224310° W LONG.=104.249501° W E - Y= 590726.3 N, X= 575003.6 E F - Y= 589407.7 N, X= 575001.0 E

#### **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.

Signature Date

Jason J. Lodge

Printed Name

Jason@vfpetroleum.com

E-mail Address

ACK

#### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of a small strayers made by me or under my enterviews, and that the same is true and corrections best of an polici.

Date of Survey 3239 Signaturo & Seal of Professional Susveyor

Sonald & James O7/21/2002

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

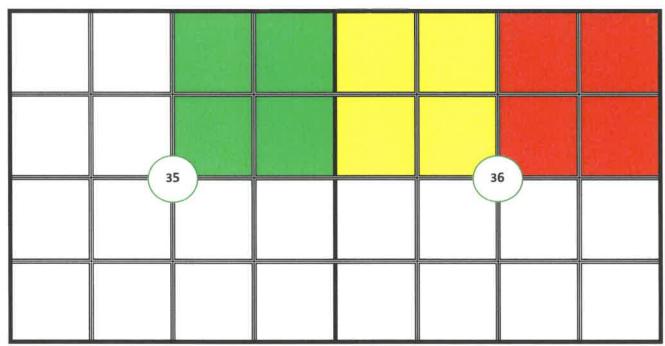
JWSC W.O.: 22.11.0161

Exhibit A-3

Case 23254

**Land Plat** 

Angell Ranch 35/36 Fed Com #223H Well and Angell Ranch 35/36 Fed Com #233H Well Angell Ranch 35/36 Fed Com #224H Well and Angell Ranch 35/36 Fed Com #234H Well



Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico NE/4 of Section 35, and the N/2 of Section 36 480 Acres

Tract 1 - NE/4 of Section 35 - BLM - NMNM 02295

**Tract 2 – NW/4 of Section 36** – State – XO 648-154

Tract 3 - NE/4 of Section 36 - State - VC 818-0000

## Exhibit A-3 Continued - Ownership - Case 23254

Angel Ranch 35/36 Fed Com No. 223 H & Angel Ranch 35/36 Fed Com No. 233 H Angel Ranch 35/36 Fed Com No. 224 H & Angel Ranch 35/36 Fed Com No. 234 H

Well Name Angel Ranch 35/36 Fed Com No. 223 H & Angel Ranch 35/36 Fed Com No. 233 H	NE/4 of Section 35; N/2 of Section 36	Tract 1 - NE/4 of Sec. 35 160 Acres	Tract 2 - NW/4 of Sec.36 160 Acres	Tract 3 - NE/4 of Sec. 36 160 Acres	Total 480 Acres
	480	160	160	160	480
Tract Participation Factor		0.33333333	0.33333333	0.33333334	1.000000
Tract 1 Ownership		DSU Tract Allocation	DSU Tract Allocation	DSU Tract Allocation	
EOG Resources, Inc.	52.0625	17.35416667			
Oxy Y-1 Company	11.8125	3.9375			
Vladin, LLC	8.75	2.916666667			
Osprey Oil and Gas, LLC	9.84375	3.28125			
**Santo Legato, LLC	1.96875	.65625			
**Trigg Oil and Gas LP	1.96875	.65625			
V-F Petroleum Inc.	12.5	4.166666667			
Jo Ann Yates	1.09375	0.364583333			
Total	100	33.3333333			
Tract 2 Ownership					
V-F Petroleum Inc.	18.055556		6.018518667		
ZPZ Delaware I, LLC	50.000000		16.6666667		
Apache Corporation	15.972222		5.324074		
WPX Energy Permian, LLC	15.972222		5.324074		
Total	100		33.33333333		
Tract 3 Ownership					
V-F Petroleum Inc., et al	100			33.3333334	
Total	100			33.33333334	

#### Exhibit A-3 Continued – Recapitulation – Case 23254

Angel Ranch 35/36 Fed Com No. 223 H & Angel Ranch 35/36 Fed Com No. 233 H Angel Ranch 35/36 Fed Com No. 224 H & Angel Ranch 35/36 Fed Com No. 234 H

## Unit Recapitulation

## NE/4 of Section 35; N/2 of Section 36

		Tract 1	Tract 2	Tract 3	Total DSU
		Allocated	Allocated	Allocated	Ownership
		Interest	Interest	Interest	Interest
EOG Resources, Inc.	-	17.35416667			17.35416667
Oxy Y-1 Company		3.9375			3.93750000
Vladin, LLC		2.916666667			2.91666667
Osprey Oil and Gas, LLC		3.28125			3.28125000
**Santo Legato, LLC		.65625			0.65625
**Trigg Oil and Gas LP		.65625			0.65625
V-F Petroleum Inc., et al		4.166666667	6.018518667	33.3333334	43.51851867
Jo Ann Yates		0.364583333			0.364583333
ZPZ Delaware I, LLC			16.6666667		16.6666667
<b>Apache Corporation</b>			5.324074		5.32407400
WPX Energy Permian, LLC			5.324074		5.32407400
Total	100	33.33333333	33.3333333	33.33333334	100.0000000

<sup>\*</sup>Interests V-F Petroleum Inc. seeks to pool\*

<sup>\*\*</sup> Interest previously owned by Santo Legato divided with Trigg Oil and Gas Limited Partnership on a 50/50 basis by Stipulation of Interest recorded in the Official Public Records of Eddy County, New Mexico on February 22, 2023.

## Exhibit A-4

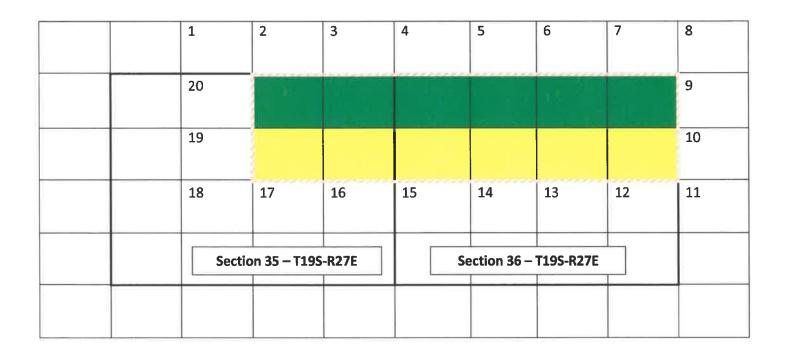
## Case 23254

# **Land Plat**

Angell Ranch 35/36 Fed Com #223H Well, Angell Ranch 35/36 Fed Com #233H Well Angell Ranch 35/36 Fed Com #224H Well, Angell Ranch 35/36 Fed Com #234H Well

# Non-Standard Spacing Unit – 480 Acres

# Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico NE/4 of Section 35, and the N/2 of Section 36



Non-Standard Spacing Unit - 223H, 233H, 224H & 234H 480 Acres

**Standard Spacing Unit 223H and 233H** 

240 Acres

Standard Spacing Unit 224H and 234H

# Exhibit A-4 - Case 23254 - Continued

# **Interest Owner Notification**

CHEVRON USA INC., CANYON DRAW RESOURCES, TASCOSA ENERGY PARTNERS LLC
MEWBOURNE OIL COMPANY, APACHE CORPORATION
APACHE CORPORATION
FASKEN LAND & MINERALS LTD
MARATHON OIL PERMIAN LLC
CROWN OIL PARTNERS VI LLC
COLGATE PRODUCTION LLC
CHEVRON USA INC, PBEX LLC, CROWN OIL PARTNERS VI LLC, CRUMP ENERGY PARTNERS III LLC,
COLGATE PRODUCTION LLC, OXY USA INC, SABINAL ENERGY OPERATING LLC
V-F PETROLEUM INC.
EOG RESOURCES INC., OXY Y-1 COMPANY, VLADIN LLC, OSPREY OIL AND GAS LLC, SANTO LEGATO
LLC, V-F PETROLEUM INC., JO ANN YATES
V-F PETROLEUM INC.

Exhibit A-5

**Case 23254** 

**Sample Letters** 

**See Attached Documents** 

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Office Phone 432/683-3344; Fax 432/683-3352 Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: john@yfpetroleum.com; Cell Phone 432-889-4311

June 13, 2022

# Transmitted Via Hand Delivery and/or United States Postal System - Certified Mail

**EOG Resources, Inc.** 5509 Champions Drive Midland, Texas 79706-2843

Attention: Mr. Matt Smith

Sharbo Energy, LLC P.O. Box 840 Artesia, New Mexico 88211-0840

Peyton Yates 101 S. 4<sup>th</sup> Street, Suite B Artesia, New Mexico 88210 Oxy Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046
Attention: Mr. J. B. Laning

Vladin, LLC

105 South Fourth Street

Artesia, New Mexico 88210

**Betty R. Reddy** % Ms. Carla Reedy Mealey 15739 Dawn Crest San Antonio, Texas 78248

Santo Legato, LLC 101 S. 4<sup>th</sup> Street, Suite B Artesia, New Mexico 88210

RE: Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formations; Sections 35 and 36, T-19 South, R-27 East; Eddy County, New Mexico

Angel Ranch 35/36 Fed Com #221H Well; Angel Ranch 35/36 Fed Com #231H Well; Angel Ranch 35/36 Fed Com #222H Well; Angel Ranch 35/36 Fed Com #232H Well; Angel Ranch 35/36 Fed Com #233H Well; Angel Ranch 35/36 Fed Com #234H Well; Angel Ranch 35/36 Fed Com #234H Well; Angel Ranch 35/36 Fed Com #234H Well;

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 approximate locations indicated respectively on Exhibit "A" attached hereto. Please refer to said Exhibit "A" for the approximate surface and bottom hole location, drilling and spacing unit, primary objective formation, projected total vertical and measured depths, and estimated costs to drill, complete and equip each of the above referenced wells. Additionally, I have enclosed a duplicate original of an Authority for Expenditure for each of the above referenced wells.

Please indicate your intention to either <u>participate</u> or <u>not participate</u> 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 in which you have elected <u>to participate</u>. To facilitate the drilling of the referenced wells, V-F proposes to form a working interest unit comprising the E/2 of Section 35 and all of Section 36. Following this proposal, V-F will propose a Joint Operating Agreement to govern operations of the referenced wells that will designate V-F as operator, contain a 100% / 300% non-consent penalty, and the Copas Accounting Procedure will contain drilling and producing overhead rates in the respective monthly amounts of \$8000.00 and \$800.00 per well.

We hereby request that you respond to this proposal indicating your intention to either <u>participate</u> or <u>not participate</u> in the drilling, completion and equipping of each of the above referenced wells within thirty (30) days after receipt of this letter. Subsequent to said thirty (30) day time period V-F will file an application with the New Mexico Oil Conservation Division for Compulsory Pooling of all non-committed interests. However, should you 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 me by phone or email as indicated above.

Best Regards,

John E. Lodge Enclosures

Participation Elections Articulated on the Following Pages

#### Exhibit "A"

Attached to and made part of that certain multiple well proposal letter dated June 13, 2022 from V-F Petroleum Inc. to EOG Resources, Inc., et al.

#### Proposed Horizontal Wells

Angel Ranch 35/36 Fed Com #221H Well; 2nd Bone Spring;

Drilling & Spacing Unit - S/2 SE/4 of Section 35 and S/2S/2 of Section 36, T-19 South, R-27 East

SL: 330' FSL & 2340' FWL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 330' FSL & 100' FEL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 7020'

Proposed Lateral Length: 7500'

Proposed Total Measured Depth: 14,950'

Estimated Costs to Drill, Complete and Equip: \$7,243,200.00

Angel Ranch 35/36 Fed Com #231H Well; 3rd Bone Spring;

Drilling & Spacing Unit - S/2 SE/4 of Section 35 and S/2S/2 of Section 36, T-19 South, R-27 East

SL: 380' FSL & 2340' FWL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 380' FSL & 100' FEL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 8120'

Proposed Lateral Length: 7500'

Proposed Total Measured Depth: 16,060'

Estimated Costs to Drill, Complete and Equip: \$7,383,475.00

Angel Ranch 35/36 Fed Com #222H Well; 2nd Bone Spring;

Drilling & Spacing Unit - N/2 SE/4 of Section 35 and N/2S/2 of Section 36, T-19 South, R-27 East

SL: 1865' FSL & 2340' FWL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 2450' FSL & 100' FEL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 7020'

Proposed Lateral Length: 7500'

Proposed Total Measured Depth: 14,950'

Estimated Costs to Drill, Complete and Equip: \$7,243,200.00

Angel Ranch 35/36 Fed Com #232H Well; 3rd Bone Spring;

Drilling & Spacing Unit - N/2 SE/4 of Section 35 and N/2S/2 of Section 36, T-19 South, R-27 East

SL: 1915' FSL & 2540' FWL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 1915' FSL & 100' FWL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 8135'

Proposed Lateral Length: 7500'

Proposed Total Measured Depth: 16,050'

Estimated Costs to Drill, Complete and Equip: \$7,383,475.00

Angel Ranch 35/36 Fed Com #223H Well; 2nd Bone Spring;

Drilling & Spacing Unit - S/2 NE/4 of Section 35 and S/2N/2 of Section 36, T-19 South, R-27 East

SL: 2030' FSL & 2540' FWL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 1880' FNL & 100' FEL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 7030'

Proposed Lateral Length: 7500,

Proposed Total Measured Depth: 14,940'

Estimated Costs to Drill, Complete and Equip: \$7,243,200.00

Page 17 of 18

## **EXHIBIT "A" - Continued**

# Angel Ranch 35/36 Fed Com #233H Well; 3rd Bone Spring;

Drilling & Spacing Unit - S/2 NE/4 of Section 35 and S/2N/2 of Section 36, T-19 South, R-27 East

SL: 1980' FNL & 2540' FWL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 1830' FNL & 100' FEL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 8130

Proposed Lateral Length: 7500'

Proposed Total Measured Depth: 16,030,

Estimated Costs to Drill, Complete and Equip: \$7,383,475.00

# Angel Ranch 35/36 Fed Com #224H Well; 2nd Bone Spring;

Drilling & Spacing Unit - N/2 NE/4 of Section 35 and N/2N/2 of Section 36, T-19 South, R-27 East

SL: 480' FNL & 2490' FEL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 330' FNL & 100' FEL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 6930'

Proposed Lateral Length: 7500'

Proposed Total Measured Depth: 14,430'

Estimated Costs to Drill, Complete and Equip: \$7,243,200.00

# Angel Ranch 35/36 Fed Com #234H Well; 3rd Bone Spring;

Drilling & Spacing Unit - N/2 NE/4 of Section 35 and N/2N/2 of Section 36, T-19 South, R-27 East

SL: 430' FNL & 2490' FEL of Section 35, T-19 South, R-27 East, Eddy County, NM BHL: 330' FNL & 100' FEL of Section 36, T-19 South, R-27 East, Eddy County, NM

Projected TVD: 8130'

Proposed Lateral Length: 7500'

Proposed Total Measured Depth: 15,630'

Estimated Costs to Drill, Complete and Equip: \$7,383,475.00

						ım Ir			API No.	TBD
	1 <sub>0.1.2.2</sub> [		_	Jun	e 12, 2022	PENDITUR		7	AFE Number Well Type	Second BS Horizontal Oil Well 1.5 Mile
X	Original Drill Well		Supplemen Workover	ıt	-	Revision Facilities		Re-Entry Plug & Abandon	Projected TD: Proposal	MD 14940' New Drill 7030' TVD
Lease Name/V	Vell #		County / St	tate	Formation	1	Basin	Field or Prospect	SL: 2030 FNL 2540 FW	
Angell Ranch	35/36 Fed Co	m #223H	Eddy	NM	2nd Bon	e Spring	Permian	Travis	PBHL: 1880 FNL 100 F	
Acct Code			INTANO	GIBLE DESC	CRIPTION			COST BEFORE CASING POINT	COMPLETION	TOTAL WELL COST
501	PERMITS &	ENVIROMEN	NTAL SERVI	ICES				\$10,000	\$10,000	\$20,000
516	TITLE OPINI	ION, CURAT	IVE & POOL	ING				\$25,000		\$25,000
501	1	STAKE LO	CATION					\$5,000		\$5,000
501 502/711	DAMAGES &		e i iniede e	TC.				\$25,000	£10,000	\$25,000
503	1	UG MOBILIZ						\$50,000 \$225,000	\$10,000	\$60,000
503	DRILLING -				days @	\$21,000		\$462,000		\$462,000
503	RIG HOUSIN	łG		22	days @	\$1,200		\$26,400	ii.	\$26,400
503	STEERING				days @					
503 517	1	RS & DIRECT				*****		\$130,000		\$130,000
505		OP & DISPOS C CHEMICAL		22	days @	\$4,500		\$99,000	\$105,000	\$99,000
505/716		ne & Fresh); F		R				\$60,000 \$35,000	\$185,000 \$510,000	\$245,000 \$545,000
503	BITS, REAM							\$75,000	\$510,000	\$75,000
503	FUEL			66000	gallons @	\$5		\$330,000		\$330,000
504	CEMENTING							\$18,000		\$18,000
504	CEMENTING							\$35,000		\$35,000
701 509/705	CEMENTING TUBULAR SI								\$78,000	\$78,000
	CASING CRE							\$80,000	\$48,000 \$26,000	\$128,000
	FLOAT EQUI			S, ECP'S, D	/ TOOLS			\$10,000	\$25,000	\$56,000 \$35,000
507	TESTING; CO	OMPLETION,	FLOWBAC	K					\$72,000	\$72,000
	OPEN HOLE	LOGGING								
	MUD LOGGI				days @	\$2,000		\$32,000		\$32,000
	WELDING, I EQUIPMENT		BOR, ROUS	FABOUT CE	REWS, SAF	ETY PAY		\$21,000	\$165,000	
	TRUCKING,		ATION FOR	KUFT				\$35,000 \$55,000	\$95,000	\$130,000
	COMPLETION		-					\$22,000	\$345,000	\$55,000 \$345,000
	FORMATION								\$787,500	\$787,500
	CASED HOLI	E LOGGING,	PERFORAT	ING & FRA	C PLUGS				\$235,000	\$235,000
	GEOLOGIC /							\$25,000	\$45,000	\$70,000
	CONTRACT O DRILLING W				days @	\$3,500		\$84,000	\$52,000	\$136,000
	INSURANCE	-	40)	22	days @	\$200		\$4,400 \$27,000	\$5,000 \$15,000	\$9,400 \$42,000
	MISCELLANI							\$30,000	\$135,000	\$165,000
509/705	CONTINGEN	CY (10%)						\$202,000	\$283,000	\$485,000
	ANGIBLE EST	TMATED CO	ST					\$2,245,800	\$3,126,500	\$5,372,300
Acct Code			TANGIE	BLE DESCR	IPTION			COST BEFORE	COMPLETION	TOTAL
620/820			Length	Grade	Size	Weight	Price/Ft.	CASING POINT	COST	WELL COST
620/820	CONDUCTOR	1	120'	K-55	20		\$350.00	\$42,000		\$42,000
620/820	SURFACE		1,200'	J-55	13 3/8"	48	\$103.00	\$123,600		\$123,600
	INTERMEDIA		3,500	J-55	9 5/8"	40	\$60.00	\$210,000		\$210,000
	INTERMEDIA		14.600				-			
	PRODUCTION PRODUCTION		14,680'	P110	5 1/2"	20	\$35.00		\$513,800	\$513,800
	TUBING (Coat		7,000'	L-80	2.875	6.5	\$12.00		\$84,000	524.000
	WELLHEAD I			200	2.073	0.5	312.00	\$28,000	\$18,000	\$84,000 \$46,000
825	PRODUCTION	N FACILITY I	ENCLOSURI	Е					\$165,000	\$165,000
	POWER SOUP								\$50,000	\$50,000
- 1	RODS AND PU									
	PACKERS, BP HEATER TRE.								0105 000	
	GAS SALES L		-	NO.					\$185,000 \$5,500	\$5,500
1	FLOWLINES,			S					\$125,000	\$125,000
827	TANKS (WAT	ER AND PRO	DUCTION)						\$70,000	\$70,000
	MISCELLANE							\$20,000	\$61,000	\$81,000
	CONTINGEN				_			\$42,000	\$128,000	\$170,000
941-945 F	P&A Costs, Rig			vicee				\$465,600 \$50,000	\$1,405,300	\$1,870,900
ESTIMATED			er, mise., ber	TICCS				\$2,761,400		
TOTAL AFE	ESTIMATED (	COST						\$2,711,400	\$4,531,800	\$7,243,200
WI OWNER _ W.I							AUTHORIZ OPERATIO Prepared by:	ATION SHALL EXTEND TO 1 N SPECIFIED, WHETHER MO Bill Pierce	HE ACTUAL COSTS IN DRE OR LESS THAN TH I	S ONLY AND APPROVAL OF THIS CURRED IN CONDUCTING THE IE HEREIN SET OUT.  Date: 6/12/22
Date_			=			<i>(</i> )	Pleas	EE Insurance ADD \$23,000 to Ale e check if you elect to be included everage as set forth in Paragraph	l in the Operators Extra E	Expense

		J				um I			API No.	TBD
			ATITI		ON FOR EX me 12, 2022	KPENDITUE	RE		AFE Number	1
X	Original		Suppleme		ne 12, 2022	Revision		Re-Entry	Well Type	Third BS Horizontal Oil Well 1.5 mile
X	Drill Well		Workover			Facilities		Plug & Abandon	Projected TD: Proposal	MD 16030' New Drill 8130' TVD
Lease Name/	Well #		County / S		Formation		Basin	Field or Prospect	SL: 1980 FNL 2540 FW	
Angell Ranc	h 35/36 Fed Com #2		Eddy	NM	3rd Bon		Permian	Travis	PBHL: 1830 FNL 100 F	
Acct			INTEAN	GIBLE DES				COST BEFORE	COMPLETION	TOTAL
Code			HALMIA	OIDLE DES	CRITION			CASING POINT	COST	WELL COST
501	PERMITS & ENV	TROMENT	TAL SERV	ICES				\$10,000	\$10,000	\$20,00
516	TITLE OPINION,	CURATIV	/E & POO	LING				\$25,000		\$25,00
501	SURVEYING STA	AKE LOCA	ATION					\$5,000		\$5,00
501	DAMAGES & R-C	O-W'S						\$25,000		\$25,00
502/711	ROADS, LOCATION							\$45,000	\$10,000	\$55,00
503	DRILLING RIG M		TION COS	3T				\$215,000		\$215,00
503	DRILLING - DAY	rs .		24	4 days @	\$21,000		\$504,000		\$504,00
503	RIG HOUSING			24	4 days@	\$1,200		\$28,800		\$28,80
503	STEERING				days @					
503	MUD MOTORS &							\$160,000		\$160,00
517	CLOSED LOOP &			24	days @	\$4,500		\$108_000		\$108,00
505	MUD & FRAC CH							\$65,000	\$200,000	\$265,00
505/716	WATER (Brine & ]		AC WATE	R				\$35,000	\$600,000	\$635,00
503	BITS, REAMERS,	ETC.						\$83,000		\$83,00
503	FUEL			72000	gallons @	\$5		360,000,00		\$360,00
504	CEMENTING SUF							\$16,000		\$16,00
504	CEMENTING INT							\$35,000		\$35,00
701	CEMENTING PRO								\$82,000	\$82,00
509/705	TUBULAR SERVI							\$80,000	\$48,000	\$128,000
509/705	CASING CREWS I							\$30,000	\$32,000	\$62,000
513/708	FLOAT EQUIPME				DLS			\$10,000	\$25,000	\$35,000
507	TESTING; COMPL		LOWBAC	K					\$72,000	\$72,000
508	OPEN HOLE LOG	GING								
508	MUD LOGGING				days @	\$2,000		\$36,000		\$36,000
509/705	WELDING & HO		BOR, ROS	TABOUT C	REWS, SA	FETY PAY		\$21,000	\$165,000	
509/713	EQUIPMENT REN	,						\$45,000	\$105,000	\$150,000
509/714	TRUCKING, TRAN							\$55,000		\$55,000
715	COMPLETION UN								\$40,000	\$40,000
704	FORMATION STIN								\$810,000	\$810,000
702/03	CASED HOLE LOC			ING & FRA	C PLUGS				\$255,000	\$255,000
510/11/706	GEOLOGIC / ENGI							\$30,000	\$47,000	\$77,000
509/705	CONTRACT CONS				days @	\$3,500		\$91,000	\$52,000	\$143,000
514	DRILLING WELL	RATE (A/C	0)	26	days @	\$200		\$5,200	\$5,000	\$10,200
515/705 513/708	INSURANCE							\$17,000	\$15,000	\$32,000
509/705	MISCELLANEOUS CONTINGENCY (1							\$106,000	\$128,000	\$234,000
	ANGIBLE ESTIMAT		-					\$223,000	\$269,000	\$492,000
Acct	TEVOLDED ESTIMA	TED COST	_					\$2,469,000	\$2,970,000	\$5,439,000
Code			TANGII	BLE DESCR	JPTION			COST BEFORE	COMPLETION	TOTAL
620/820			Length	Grade	Size	Weight	Price/Ft,	CASING POINT	COST	WELL COST
620/820	CONDUCTOR		120'	K-55	20	- Wongan	\$350.00	642.000		
620/820	SURFACE		1,200	J-55	13 3/8"	48	\$103.00	\$42,000 \$123,600		\$42,000
620/820	INTERMEDIATE		3,500'	J-55	9 5/8"	40	\$60,00			\$123,600
620/820	INTERMEDIATE				7 010	1	\$00,00	\$210,000		\$210,000
1	PRODUCTION		16,045'	P110	5 1/2"	20	\$35.00		2001.000	
1	PRODUCTION LIN	_	10,010	1110	5 172	20	333.00		\$561,575	\$561,575
	TUBING		8,400'	L-80	2.875	6.5	\$12.00		0100.000	
621/824	WELLHEAD EQUII	PMENT	0,100	2 00	2.075	0.5	\$12.00	£20,000	\$100,800	\$100,800
	PRODUCTION FAC		CLOSURI	Е				\$28,000	\$18,000	\$46,000
	POWER SOURCE			_					\$165,000	\$165,000
	RODS AND PUMP (	(FG & STE	EEL)						\$50,000	\$50,000
- 1	PACKERS, BPS, ES		,	UIPMENT						
	HEATER TREATER								\$195,000	
	GAS SALES LINE &								\$185,000	
	FLOWLINES, VALV			S					\$5,500 \$125,000	\$5,500
	TANKS (WATER A								\$70,000	\$125,000
830	MISCELLANEOUS		,					\$20,000	\$64,000	\$70,000
622/820	CONTINGENCY (10	0%)						\$42,000	\$134,000	\$84,000
TOTAL TAN	GIBLE ESTIMATED	COST						\$465,600	\$1,478,875	\$176,000
941-945	P&A Costs, Rig. Cmt.	, Cleanup,	Misc., Ser	vices				3103,000	\$1,470,073	\$1,944,475
	DRY HOLE COST							\$2,934,600		
TOTAL AFE	ESTIMATED COST							\$2,934,600	\$4,448,875	\$7,383,475
WI OWNER _ W.I	L AND ACCEPTAN						AUTHORIZ	ATION SHALL EXTEND TO TI N SPECIFIED, WHETHER MO	HE ACTUAL COSTS INC RE OR LESS THAN THI	ONLY AND APPROVAL OF THIS CURRED IN CONDUCTING THE E HEREIN SET OUT.  ate: 6/12/22
							*Optional OF	E Insurance ADD \$23,000 to AF		ate:
Date _							Please	E Insurance ADD \$23,000 to AF, check if you elect to be included erage as set forth in Paragraph A	in the Operators Extra Ex	pense

					um I			API No.	TBD
		AUX		on FOR E	XPENDITUR	LI.		AFE Number Well Type	Second BS Horizontal Oil Well 1.5 Mile
X	Original	Suppleme		He IA, AUL	Revision		Re-Entry	Projected TD:	MD 14430'
X	Drill Well	Workover			Facilities		Plug & Abandon	Proposal	New Drill 6930' TVD
Lease Name/		County / S		Formatio	_	Basin	Field or Prospect	SL; 480 FNL 2490 FEL	
Angell Ranc	th 35/36 Fed Com #224H	Eddy	NM	2nd Bor	e Spring	Permian	Travis	PBHL: 380 FNL 100 FE	
Acct		INTAN	GIBLE DES	CRIPTION			COST BEFORE	COMPLETION	TOTAL
Code				ORGI TION			CASING POINT	COST	WELL COST
501	PERMITS & ENVIROM						\$10,000	\$10,000	\$20,00
516	TITLE OPINION, CURA		LING				\$25,000		\$25,00
501	SURVEYING STAKE LO	OCATION					\$5,000		\$5,00
501	DAMAGES & R-O-W'S						\$25,000		\$25,00
502/711	ROADS, LOCATION, PI						\$50,000	\$10,000	\$60,00
503	DRILLING RIG MOBILI	IZATION CO	ST				\$225,000		\$225,00
503	DRILLING - DAYS			2 days @	\$21,000		\$462,000		\$462,00
503	RIG HOUSING		2:	2 days @	\$1,200		\$26,400		\$26,40
503	STEERING			days @					
503	MUD MOTORS & DIRE						\$130,000		\$130,00
517	CLOSED LOOP & DISPO		23	2 days @	\$4,500		\$99,000		\$99,00
505	MUD & FRAC CHEMIC						\$60,000	\$185,000	\$245,00
505/716	WATER (Brine & Fresh);	FRAC WATE	ER				\$35,000	\$510,000	\$545,00
503	BITS, REAMERS, ETC.						\$75,000		\$75,00
503	FUEL		66000	gallons @	\$5		\$330,000		\$330,00
504	CEMENTING SURFACE						\$18,000		\$18,00
504	CEMENTING INTERME						\$35,000		\$35,00
701	CEMENTING PRODUCT							\$78,000	\$78,000
509/705	TUBULAR SERVICES A						\$80,000	\$48,000	\$128,000
509/705	CASING CREWS PU LD						\$30,000	\$26,000	\$56,000
513/708	FLOAT EQUIPMENT, CI			V TOOLS			\$10,000	\$25,000	\$35,000
507	TESTING; COMPLETION	N, FLOWBAC	CK					\$72,000	\$72,000
508	OPEN HOLE LOGGING								
508	MUD LOGGING			days @	\$2,000		\$32,000		\$32,000
509/705	WELDING, HOURLY LA	ABOR, ROUS	TABOUT C	REWS, SAE	ETY PAY		\$21,000	\$165,000	
509/713	EQUIPMENT RENTAL						\$35,000	\$95,000	\$130,000
509/714	TRUCKING, TRANSPOR						\$55,000		\$55,000
715	COMPLETION UNIT; CO							\$345,000	\$345,000
704	FORMATION STIMULA		-					\$787,500	\$787,500
702/03	CASED HOLE LOGGING		TNG & FRA	C PLUGS				\$235,000	\$235,000
510/11/706	GEOLOGIC / ENGINEER						\$25,000	\$45,000	\$70,000
509/705	CONTRACT CONSULTA			days @	\$3,500		\$84,000	\$52,000	\$136,000
514	DRILLING WELL RATE	(A/O)	22	days @	\$200		\$4,400	\$5,000	\$9,400
	INSURANCE						\$27,000	\$15,000	\$42,000
	MISCELLANEOUS						\$30,000	\$135,000	\$165,000
509/705	CONTINGENCY (10%) ANGIBLE ESTIMATED C	0.000					\$202,000	\$283,000	\$485,000
Acct	ANGIBLE ESTIMATED C	031					\$2,245,800	\$3,126,500	\$5,372,300
Code		TANGI	BLE DESCR	IPTION			COST BEFORE	COMPLETION	TOTAL
620/820		Length	Condo	0.	*** *** .		CASING POINT	COST	WELL COST
	CONDUCTOR	120'	Grade K-55	Size 20	Weight	Price/Ft.			
	SURFACE	1,200'	J-55		40	\$350.00	\$42,000		\$42,000
	INTERMEDIATE	3,500	J-55	9 5/8"	48	\$103.00	\$123,600		\$123,600
	INTERMEDIATE	3,500	3-33	7 310	40	\$60.00	\$210,000		\$210,000
	PRODUCTION	14,680'	P110	5.1/02	20	#2.5 an			
	PRODUCTION LINER	14,000	7110	5 1/2"	20	\$35.00		\$513,800	\$513,800
	TUBING (Coated)	7,000'	L-80	2.075					
- 1	WELLHEAD EQUIPMENT		D-90	2.875	6.5	\$12.00		\$84,000	\$84,000
	PRODUCTION FACILITY		С				\$28,000	\$18,000	\$46,000
1	POWER SOURCE	LINCLOSUR	E					\$165,000	\$165,000
	RODS AND PUMP (FG &	QTEET \						\$50,000	\$50,000
	PACKERS, BP'S, ESP, DO		AT ITEM ATTACK						
1	HEATER TREATER, SEPE								
- 1	GAS SALES LINE & MET		KU .					\$185,000	
	FLOWLINES, VALVES, C		TC					\$5,500	\$5,500
1	TANKS (WATER AND PR							\$125,000	\$125,000
	MISCELLANEOUS	ODUCTION)						\$70,000	\$70,000
	CONTINGENCY (10%)						\$20,000	\$61,000	\$81,000
	GIBLE ESTIMATED COST	r			_		\$42,000	\$128,000	\$170,000
	P&A Costs, Rig. Cmt, Clean		.dese				\$465,600	\$1,405,300	\$1,870,900
	DRY HOLE COST	up, Misc., Sci	vices				\$50,000		
	ESTIMATED COST						\$2,761,400 \$2,711,400	\$4,531,800	
WI OWNER _	L AND ACCEPTANCE:					AUTHORIZ	GNIZED THAT AMOUNTS HE	REIN ARE ESTIMATES HE ACTUAL COSTS IN	\$7,243,200 ONLY AND APPROVAL OF THIS CURRED IN CONDUCTING THE E HEREIN SET OUT.
						Prepared by:	Bill Pierce	D	ate: 6/12/22
Signature _									ate:
Date_						Please	EE Insurance ADD \$23,000 to AF e check if you elect to be included verage as set forth in Paragraph A	in the Operators Extra Ex	rpense

					ım II Penditur			API No.	TBD
				re 12, 2022	A A. (3*A ) ( 4A			Well Type	Third BS Horizontal Oil Well 1.5 mile
Х	Original	Supplemen			Revision		Re-Entry	Projected TD:	MD 15630'
X	Drill Well	Workover			Facilities		Plug & Abandon	Proposal	New Drill 8130' TVD
Lease Name		County / S		Formation		Basin	Field or Prospect	SL: 430 FNL 2490 FEL,	
	ch 35/36 Fed Com #234H	Eddy	NM	3rd Bone	Spring	Permian	Travis	PBHL: 330 FNL 100 FE	
Acct		INTAN	GIBLE DES	CRIPTION			COST BEFORE	COMPLETION	TOTAL
Code	Print Gree A Print Of						CASING POINT	COST	WELL COST
501	PERMITS & ENVIRON						\$10,000	\$10,000	\$20,00
516	TITLE OPINION, CUR.		LING				\$25,000		\$25,00
501	SURVEYING STAKE I						\$5,000		\$5,00
501	DAMAGES & R-O-W'S						\$25,000		\$25,00
502/711	ROADS, LOCATION, F						\$45,000	\$10,000	\$55,00
503	DRILLING RIG MOBII	LIZATION COS					\$215,000		\$215,00
503	DRILLING - DAYS		24	days @	\$21,000		\$504,000		\$504,00
503	RIG HOUSING		24	days @	\$1,200		\$28,800		\$28,80
503	STEERING			days @					
503	MUD MOTORS & DIR						\$160,000		\$160,00
517	CLOSED LOOP & DISI	POSAL	24	days @	\$4,500		\$108,000		\$108,00
505	MUD & FRAC CHEMIC	CALS					\$65,000	\$200,000	\$265,00
505/716	WATER (Brine & Fresh)	; FRAC WATE	ER				\$35_000	\$600,000	\$635,00
503	BITS, REAMERS, ETC.						\$83,000		\$83,000
503	FUEL		72000	gallons @	\$5		360,000.00		\$360,000
504	CEMENTING SURFAC	E					\$16,000		\$16,000
504	CEMENTING INTERM	EDIATE					\$35,000		\$35,000
701	CEMENTING PRODUC	TION						\$82,000	\$82,000
509/705	TUBULAR SERVICES	AND TOOLS					\$80,000	\$48,000	\$128,000
509/705	CASING CREWS PU LI						\$30,000	\$32,000	\$62,000
513/708	FLOAT EQUIPMENT, O	Centralizers, EC.	P'S. DV TOO	DLS			\$10,000	\$25,000	\$35,000
507	TESTING; COMPLETIC						010,000	\$72,000	\$72,000
508	OPEN HOLE LOGGING							372,000	\$12,000
508	MUD LOGGING		18	days @	\$2,000		\$36,000		\$36,000
509/705	WELDING & HOURL	VIABOR ROS		_	-			£165,000	\$30,000
509/713	EQUIPMENT RENTAL;		317HOO1 C	ALL WO, SAI	ELITAI		\$21,000	\$165,000	8150.005
509/714	TRUCKING, TRANSPO		DVITET				\$45,000	\$105,000	\$150,000
715	COMPLETION UNIT; C						\$55,000	240,000	\$55,000
704	FORMATION STIMULA							\$40,000	\$40,000
702/03	CASED HOLE LOGGIN			C DI LIGE				\$810,000	\$810,000
510/11/706	GEOLOGIC / ENGINEE		INO & I'KA	CILUGS			820,000	\$255,000	\$255,000
509/705	CONTRACT CONSULT		26	dans @	P2 500		\$30,000	\$47,000	\$77,000
514		-		days @	\$3,500		\$91,000	\$52,000	\$143,000
515/705	DRILLING WELL RATI	c (A/O)	26	days @	\$200		\$5,200	\$5,000	\$10,200
513/708	MISCELLANEOUS						\$17,000	\$15,000	\$32,000
509/705	CONTINGENCY (10%)						\$106,000	\$128,000	\$234,000
-	TANGIBLE ESTIMATED	COOT					\$223,000	\$269,000	\$492,000
Acct	TANOIDLE ESTIMATED	0001					\$2,469,000	\$2,970,000	\$5,439,000
Code		TANGI	BLE DESCR	IPTION			COST BEFORE CASING POINT	COMPLETION	TOTAL
620/820		Length	Grade	Size	Weight	Price/Ft.	CASING FOINT	COST	WELL COST
620/820	CONDUCTOR	120'	K-55	20	Weight	\$350.00	647.000		848 200
620/820	SURFACE	1,200'	J-55	13 3/8"	48	\$103.00	\$42,000		\$42,000
620/820	INTERMEDIATE	3,500	J-55	9 5/8"	40	\$60.00	\$123,600 \$210,000		\$123,600
620/820	INTERMEDIATE	2,200	3-33	- 7 5/0	40	\$00.00	\$210,000		\$210,000
820	PRODUCTION	16,045'	P110	5 1/2"	20	627.00			
820	PRODUCTION LINER	10,043	1110	J 1/2	20	\$35.00		\$561,575	\$561,575
821	TUBING	8,400'	L-80	2 075		010.00			
621/824	WELLHEAD EQUIPMEN		L-00	2.875	6.5	\$12,00	680,000	\$100,800	\$100,800
825			Б				\$28,000	\$18,000	\$46,000
825 825	PRODUCTION FACILIT POWER SOURCE	1 ENCLUSUR	.E					\$165,000	\$165,000
823		a. emercial v						\$50,000	\$50,000
823	PACKERS, BP'S, ESP, D		N 11703 6173 777						
827	HEATER TREATER, SEI		•						
831			KO					\$185,000	
830	GAS SALES LINE & ME		10					\$5,500	\$5,500
827	FLOWLINES, VALVES,							\$125,000	\$125,000
	TANKS (WATER AND P	KODUCTION)	ı					\$70,000	\$70,000
830 622/820	MISCELLANEOUS						\$20,000	\$64,000	\$84,000
	CONTINGENCY (10%)	Om					\$42,000	\$134,000	\$176,000
	NGIBLE ESTIMATED CO						\$465,600	\$1,478,875	\$1,944,475
	P&A Costs, Rig. Cmt, Cle. D DRY HOLE COST	anup, Misc., Sei	rvices						
	E ESTIMATED COST	_					\$2,934,600		
	AL AND ACCEPTANCE:						\$2,934,600	\$4,448,875	\$7,383,475
Title						AUTHORIZ	ZATION SHALL EXTEND TO T ON SPECIFIED, WHETHER MO	HE ACTUAL COSTS IN DRE OR LESS THAN TH	S ONLY AND APPROVAL OF THIS CURRED IN CONDUCTING THE LE HEREIN SET OUT.  Date: 6/12/22
Signature									Date:
						*Optional O	EE Insurance ADD \$23,000 to Al	E Total above.	
Date					ă		se check if you elect to be included overage as set forth in Paragraph	-	xpense

#### **Exhibit A-6 – Case 23254**

#### **Chronology of Contact**

# <u>Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formations;</u> <u>NE/4 of Section 35 and N/2 of Section 36, T-19 South, R-27 East; Eddy County,</u> <u>New Mexico</u>

Angel Ranch 35/36 Fed Com #223H Well; Angel Ranch 35/36 Fed Com #233H Well; Angel Ranch 35/36 Fed Com #224H Well; Angel Ranch 35/36 Fed Com #234H Well;

Reasonable good faith and diligent efforts have been made by V-F Petroleum Inc. over several months to either i) seek voluntary participation in the drilling and completion of the above captioned wells, or ii) purchase the interest of any party who desires not to participate. Communication has been provided by certified mail, email and telephone calls including, but not limited to, those items summarized below:

Well proposal letters proposing the drilling and completion of each of the eight (8) above captioned wells, including an election and an AFE for each respective well, were sent by V-F Petroleum Inc. to EOG Resources, Inc., Sharbro Energy, LLC, Oxy Y-1 Company, Vladin, LLC, Betty R. Reddy, Peyton Yates, Santo Legato, LLC, ZPZ Delaware I, LLC, Apache Corporation, WPX Energy Permian, LLC, Gahr Energy Company, Fuel Products, Inc., Lodge Exploration Company, LLC, HFLP E&P, LLC and Mid-Western Energy, LLC. To facilitate the drilling of the above eight (8) captioned wells, V-F Petroleum Inc. proposed to form a working interest unit comprised of the E/2 of Section 35 and all of Section 36, T-19 South, R-27 East. All letters included a statement advising that V-F Petroleum Inc. is willing to discuss an alternate proposal to acquire their oil and gas interest should any party desire not to participate in the drilling and completion of any well.

6-16-2022	Email between Santo Legato LLC and V-F Petroleum Inc.
6-21-2022	Email between Santo Legato LLC and V-F Petroleum Inc.
6-21-2022	Email between Santo Legato LLC and V-F Petroleum Inc.
6-27-2022	Email between Santo Legato LLC and V-F Petroleum Inc.
6-28-2022	Email between Santo Legato LLC and V-F Petroleum Inc.
7-05-2022	Email between Jay Mealey on behalf of Carla Reddy and V-F Petroleum Inc.
7-14-2022	Email between Carla and Rhonda Reddy and V-F Petroleum Inc.
7-21-2022	Email between Jay Mealey on behalf of Carla Reddy and V-F Petroleum Inc.
8-10-2022	Email between V-F Petroleum Inc. and Sharbro Energy.
8-29-2022	Email between Jay Mealey on behalf of Carla Reddy and V-F Petroleum Inc.
8-29-2022	Email between Santo Legato LLC and V-F Petroleum Inc.

9-09-2022	Email between Santo Legato LLC and V-F Petroleum Inc.
9-21-2022	Letters referencing the above mentioned well proposal letter dated 6-13-2022 were sent by V-F Petroleum Inc. to EOG Resources, Inc., Sharbro Energy, LLC, Oxy Y-1 Company, Vladin, LLC, Betty R. Reddy, Peyton Yates, Santo Legato, LLC, ZPZ Delaware I, LLC, Apache Corporation, WPX Energy Permian, LLC, Gahr Energy Company, Fuel Products, Inc., Lodge Exploration Company, LLC, HFLP E&P, LLC and Mid-Western Energy, LLC., advising that none of the parties had submitted an election to participate in the drilling and completion of the captioned wells. All letters included a proposal to purchase an assignment of their respective leasehold interest should any party desire not to participate in the drilling and completion of any well.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Riker Everett of EOG Resources, Inc.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Blake Johnson of ZPZ Delaware I, LLC, and Apache Corporation.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Andy Bennett of WPX Energy Permian, LLC.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for J. B Lanning of Oxy Y-1 Company.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Alissa Payne of Oxy Y-1 Company.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Norma Daniels of Sharbro Energy, LLC.
9-21-2022	Email between V-F Petroleum Inc. and Sharbro Energy.
9-21-2022	Telephone discussion by V-F Petroleum Inc. and Elisabeth Baker of Sharbro Energy, LLC.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Megan West of Santo Legato LLC .
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Jim Ball of Yates Holdings and Santo Legato LLC .
9-21-2022	Telephone discussion by V-F Petroleum Inc. and Blake Johnson of ZPZ Delaware I, LLC, and Apache Corporation.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Leslie Mullins of ZPZ Delaware I, LLC, and Apache Corporation.
9-21-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Jim Ball Yates Holdings LP, VladinLLC and Santo Legato LLC.
9-22-2022	Telephone discussion by V-F Petroleum Inc. and Brain Pond of EOG Resources, Inc.

9-26-2022 Email from Brandon Gianfala of Osprey Oil and Gas, LLC advising that they had acquired the interest previously owned by Sharbro Energy. 9-26-2022 Telephone discussion with Brandon Gianfala of Osprey Oil and Gas, LLC wherein he acknowledged that they had received the well proposal letter dated June 13, 2022 and associated AFEs previously provided to Sharbro Energy. He advised that it was the desire of Osprey Oil and Gas, LLC to participate in the drilling of the proposed wells. 9-29-2022 Telephone discussion with Alissa Payne of Oxy Y-1 Company as follow-up to the 6-13-2022 and 9-21-2022 letters; she advised that there was no decision from Oxy Y-1 Company regarding an election to either participate or not participate. 10-05-2022 Voice mail message via telephone left by V-F Petroleum Inc. for Brain Pond of EOG Resources, Inc. 10-05-2022 Voice mail message via telephone left by V-F Petroleum Inc. for Andy Bennett of WPX Energy Permian, LLC. 10-05-2022 Voice mail message via telephone left by V-F Petroleum Inc. for Leslie Mullins of ZPZ Delaware I, LLC, and Apache Corporation. 10-05-2022 Voice mail message via telephone by V-F Petroleum Inc. for Blake Johnson of ZPZ Delaware I, LLC, and Apache Corporation. 10-05-2022 Voice mail message via telephone left by V-F Petroleum Inc. for Megan West of Santo Legato LLC 10-05-2022 Telephone discussion with Jim Ball of Yates Holdings and Santo Legato as follow-up to the 6-13-2022 and 9-21-2022 letters; he advised that he had not seen the 6-13-2022 and 9-21-2022 letters, but would further communicate with their Houston office and would they would probably participate. 10-05-2022 Telephone discussion with Andy Bennett of WPX Energy Permian, LLC. as follow-up to the 6-13-2022 and 9-21-2022 letters who acknowledged receipt of same, but no decision at this time. He further advised that they would probably not make a decision until receipt of a Compulsory Pooling Order from the OCD. He advised that if they decided to participate they would probably not execute a JOA, but would prefer to elect participation under an OCD Order. 10-06-2022 Telephone discussion with Gary Waldrip associated with Peyton Yates. He advised that he was aware of the 6-13-2022 and 9-21-2022 letters, but thought Peyton Yates had transferred his interest to Santo Legato. He further advised that the interest of Jo Ann Yates was handled by Sharbro Energy. 10-07-2022 Email with Jim Ball of Yates Holdings and Santo Legato as follow-up to the 6-13-2022 and 9-21-2022 letters. Voice mail message via telephone left by V-F Petroleum Inc. for Elizabeth Baker of Sharbro 10-07-2022 Energy, LLC on behalf of Jo Ann Yates. 10-07-2022 Email with Ms. Singer of Santo Legato as follow-up to the 6-13-2022 and 9-21-2022 letters.

10-10-2022 Telephone discussion by V-F Petroleum Inc. and Blake Johnson of ZPZ Delaware I, LLC, and Apache Corporation, who advised that they were still reviewing the proposals. He advised that if they elect not to participate, they would rather trade acreage as opposed to selling. Telephone discussion by V-F Petroleum Inc. and Elizabeth Baker of Sharbro Energy, LLC on 10-07-2022 behalf of Jo Ann Yates. She confirmed their representation of Jo Ann Yates and that she did not sell her interest to Osprey Oil and Gas, LLC and that they would probably not participate but may sell the interest. Voice mail message via telephone left by V-F Petroleum Inc. for Brain Pond of EOG Resources, 10-11-2022 Email with Jim Ball of Yates Holdings and Santo Legato as follow-up to the 6-13-2022 and 9-21-10-11-2022 2022 letters: 10-12-2022 Email by V-F Petroleum Inc. for Elizabeth Baker of Sharbro Energy, LLC on behalf of Jo Ann Yates. 10-12-2022 Email from Brandon Gianfala of Osprey Oil and Gas, LLC concerning the drilling of the proposed 10-13-2022 Email with Jim Ball of Yates Holdings and Santo Legato as follow-up to the 6-13-2022 and 9-21-2022 letters: Voice mail message via telephone left by V-F Petroleum Inc. for Elizabeth Baker of Sharbro 10-13-2022 Energy, LLC on behalf of Jo Ann Yates. 10-13-2022 Email from Brandon Gianfala of Osprey Oil and Gas, LLC concerning the drilling of the proposed wells. 10-13-2022 Telephone discussion by V-F Petroleum Inc. and Brain Pond of EOG Resources, Inc. who advised that EOG Resources, Inc. did not want to participate and desired to divest their interest. They will review and advise. Email by V-F Petroleum Inc. to Brain Pond of EOG Resources, Inc. to follow-up on potential 10-20-2022 divesture of their interest. Received email response to call for further discussion concerning potential divesture of their interest. Email from Brandon Gianfala of Osprey Oil and Gas, LLC concerning the potential time frame for 10-20-2022 the drilling of the proposed wells. 10-21-2022 Voice mail message via telephone left by V-F Petroleum Inc. for Brain Pond of EOG Resources, Inc. 10-21-2022 Voice mail message via telephone left by V-F Petroleum Inc. for Elizabeth Baker of Sharbro Energy, LLC on behalf of Jo Ann Yates. 10-26-2022 Letters referencing the above mentioned letters dated 6-13-2022 and 9-21-2022 were sent by V-F Petroleum Inc. to EOG Resources, Inc., Sharbro Energy, LLC, Oxy Y-1 Company, Vladin, LLC, Betty R. Reddy, Peyton Yates, Santo Legato, LLC, ZPZ Delaware I, LLC, Apache Corporation,

	WPX Energy Permian, LLC, Gahr Energy Company, Fuel Products, Inc., Lodge Exploration Company, LLC, HFLP E&P, LLC and Mid-Western Energy, LLC A Joint Operating Agreement was transmitted with this letter for consideration to all parties electing to participate in the drilling and completion of any well.
10-26-2022	Letters sent by V-F Petroleum Inc. to Osprey Oil and Gas II, LLC and Jo Ann Yates referencing the above-mentioned letters dated 6-13-2022 and 9-21-2022 that were previously provided to Sharbro Energy, LLC. A Joint Operating Agreement was transmitted with this letter for consideration to any party electing to participate in the drilling and completion of any well.
11-02-2022	Email with Jim Ball of Yates Holdings and Santo Legato as follow-up to the 6-13-2022 and 9-21-2022 letters and the potential drilling of the proposed wells;
11-03-2022	Email with Jim Ball of Yates Holdings and Santo Legato as follow-up to the 6-13-2022 and 9-21-2022 letters and the potential drilling of the proposed wells;
11-07-2022	Voice mail message via telephone left by V-F Petroleum Inc. for Brain Pond of EOG Resources, Inc.
11-08-2022	Email by V-F Petroleum Inc. for Leslie Mullins of ZPZ Delaware I, LLC, and Apache Corporation.
11-10-2022	Telephone discussion by V-F Petroleum Inc. and Brain Pond of EOG Resources, Inc. concerning potential divesture of their interest. Preliminary terms of a potential sale of their interest in Section 36 verbally agreed upon. Follow-up on transactional documents forth coming.
11-11-2022	Email by V-F Petroleum Inc. to Brain Pond of EOG Resources, Inc. to follow-up on potential divesture of their interest.
11-11-2022	Email by V-F Petroleum Inc. for Leslie Mullins of ZPZ Delaware I, LLC, and Apache Corporation.
11-16-2022	Email by V-F Petroleum Inc. to Brain Pond of EOG Resources, Inc. to follow-up on potential divesture of their interest.
11-29-2022	Email from Leslie Mullin at Apache concerning pooling applications and Joint Operating Agreement.
12-2-2022	Letters dated 12-2-2022 were sent by V-F Petroleum Inc. to EOG Resources, Inc., Sharbro Energy, LLC, Oxy Y-1 Company, Vladin, LLC, Peyton Yates, Santo Legato, LLC, Osprey Oil and Gas LLC, ZPZ Delaware I, LLC, Apache Corporation, WPX Energy Permian, LLC, Gahr Energy Company, Fuel Products, Inc., Lodge Exploration Company, LLC, HFLP E&P, LLC and Mid-Western Energy, LLC advising of the dismissal of Case Numbers 23195, 23196, 23197 and 23198, and the intention of V-F Petroleum Inc. to file new applications for Compulsory Pooling and Non-Standard Spacing Units.
12-29-2022	Email from Leslie Mullin at Apache concerning partial review of the Joint Operating Agreement.
1-3-2023	Email from Leslie Mullin at Apache concerning applications for Compulsory Pooling and Non-Standard Spacing Units.

- Letter dated 1-25-2023 was sent by V-F Petroleum Inc. to ZPZ Delaware I, LLC and Apache Corporation, advising of i) the prior dismissal of Case Numbers 23195, 23196, 23197 and 23198, ii) the filing of applications for Compulsory Pooling and Non-Standard Spacing Units in Case Numbers 23254 and 23255 by V-F Petroleum Inc., iii) no ownership by either ZPZ Delaware I, LLC or Apache Corporation in the SE/4 of Section 35 or the S/2 of Section 36, T-19S-R27E, iv) the withdrawal by V-F Petroleum Inc. of prior proposals to drill the Angel Ranch 35/36 Fed Com #221H Well, Angel Ranch 35/36 Fed Com #231H Well, Angel Ranch 35/36 Fed Com #222H Well and the Angel Ranch 35/36 Fed Com #232H Well, and v) the enclosure of an executable Joint Operating Agreement.
- 1-25-2023 Letter dated 1-25-2023 was sent by V-F Petroleum Inc. to WPW Energy Permian, LLC, advising of i) the prior dismissal of Case Numbers 23195, 23196, 23197 and 23198, ii) the filing of applications for Compulsory Pooling and Non-Standard Spacing Units in Case Numbers 23254 and 23255 by V-F Petroleum Inc., iii) no ownership by WPW Energy Permian, LLC in the SE/4 of Section 35 or the S/2 of Section 36, T-19S-R27E, iv) the withdrawal by V-F Petroleum Inc. of prior proposals to drill the Angel Ranch 35/36 Fed Com #221H Well, Angel Ranch 35/36 Fed Com #231H Well, Angel Ranch 35/36 Fed Com #222H Well and the Angel Ranch 35/36 Fed Com #232H Well, and v) the enclosure of an executable Joint Operating Agreement.
- 1-25-2023 Letters dated 1-25-2023 were sent by V-F Petroleum Inc. to EOG Resources, Inc., Oxy Y-1 Company, Vladin, LLC, Jo Ann Yates, Santo Legato, LLC, Osprey Oil and Gas LLC, advising of i) the dismissal of Case Numbers 23195, 23196, 23197 and 23198, ii) the filing of applications for Compulsory Pooling and Non-Standard Spacing Units in Case Numbers 23254 and 23255 by V-F Petroleum Inc., and iii) the enclosure of two (2) revised executable Joint Operating Agreements.
- 2-13-2023 Email from V-F Petroleum Inc. to Leslie Mullin at Apache advising that we reviewed their comments and proposed changes that were submitted associated with the Joint Operating Agreement, and that their comments in same reflected that their analysis was incomplete and that further internal legal review of some of the provisions needed to be obtained. V-F Petroleum Inc. advised that their proposal to make participation in the drilling of the initial well as optional was not acceptable, and deleting the Maintenance of Uniform Interest provision was also unacceptable. Inasmuch as no further comments or proposed changes had been received regarding the Joint Operating Agreement, we re-submitted our revised Joint Operating Agreement covering the NE/4 of Section 35 and the N/2 of Section 36, T-19S-R27E, that rejects their proposal to make participation in the drilling of the initial well as optional, and deleting the Maintenance of Uniform Interest provision.
- 3-2-2023 Email from Leslie Mullin at Apache to V-F Petroleum Inc. transmitting a proposal on behalf of Apache Corporation and ZPZ Delaware I LLC. requesting the ability to i) defer elections to participate in certain wells, and ii) defer the payment of the estimated costs to drill, complete, equip or plug and abandon such wells.
- 3-15-2023 Email from V-F Petroleum Inc. to Leslie Mullin at Apache Corporation advising that it is the intention of V-F Petroleum Inc. to treat all non-committed parties on a similar basis and that V-F Petroleum Inc. does not desire to execute their proposed letter agreement requesting preferential treatment on behalf of Apache Corporation and ZPZ Delaware I LLC. I encouraged them to

execute and return the applicable Authority for Expenditures and Joint Operating Agreement, which has already been accepted by third parties should Apache Corporation and/or ZPZ Delaware I LLC desire to participate in the drilling of the well proposals associated with NMOCD Case 23254.

- 3-24-2023 Email from Brandon Giafala of Osprey Oil and Gas LLC regarding title.
- 3-24-2023 Email from Scott Grifo of Osprey Oil and Gas LLC requesting a time for a telephone conversation.
- 3-24-2023 Email from V-F Petroleum Inc to Scott Grifo of Osprey Oil and Gas LLC advising of availability for a telephone conversation on 3-24-2023 or 3-27-2023.

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO

**CASE NO. 23254** 

## SELF-AFFIRMED STATEMENT OF JASON LODGE

- 1. I am a geologist with V-F Petroleum, Inc. ("V-F"). 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 non-standard spacing unit ("Unit"). The approximate wellbore paths for the proposed Angell Ranch 35/36 Fed Com #223H, Angell Ranch 35/36 Fed Com #224H, Angell Ranch 35/36 Fed Com #233H, and Angell Ranch 35/36 Fed Com #234H 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 2<sup>nd</sup> 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 paths for the Wells are depicted by green dashed lines. 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.

V-F Petroleum Inc. Case No. 23254 Exhibit B

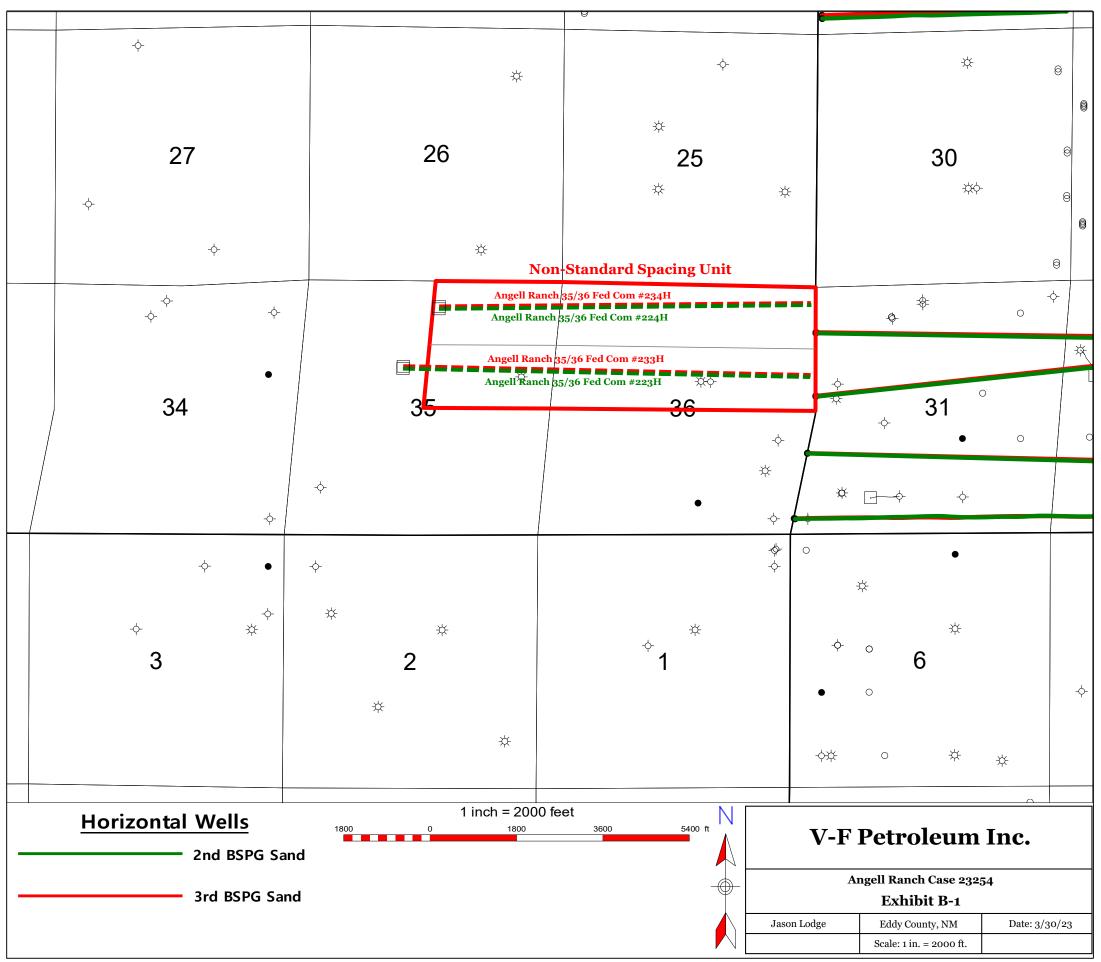
- 5. **Exhibit B-3** is a subsea structure map that is representative of the 3<sup>rd</sup> Bone Spring Sand target interval. The data points are indicated by red crosses along with their corresponding subsea values posted above in blue. The approximate wellbore paths for the Wells are depicted by red dashed lines. 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 production results greatly favoring a laydown orientation.
- 9. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the wells.

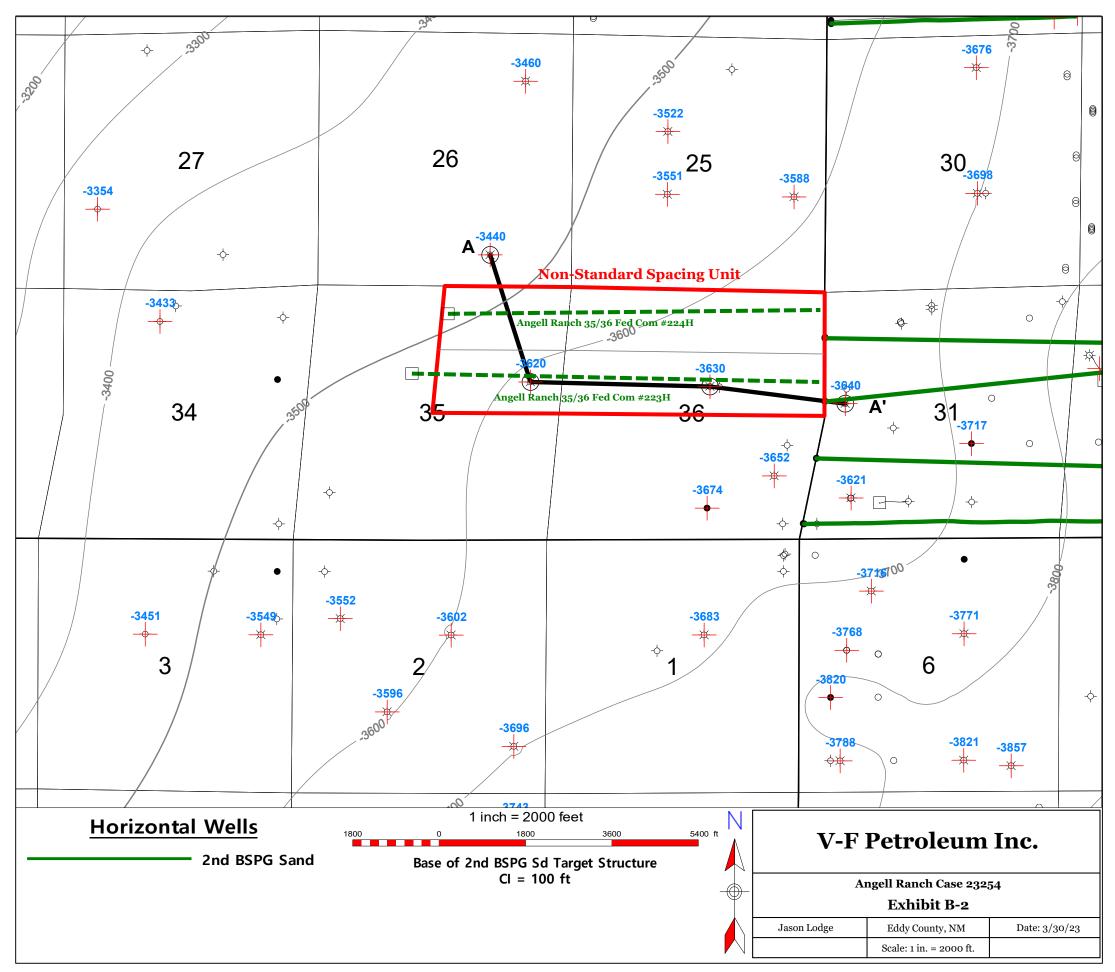
- 10. In my opinion, the granting of V-F's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 11. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 12. I understand 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.

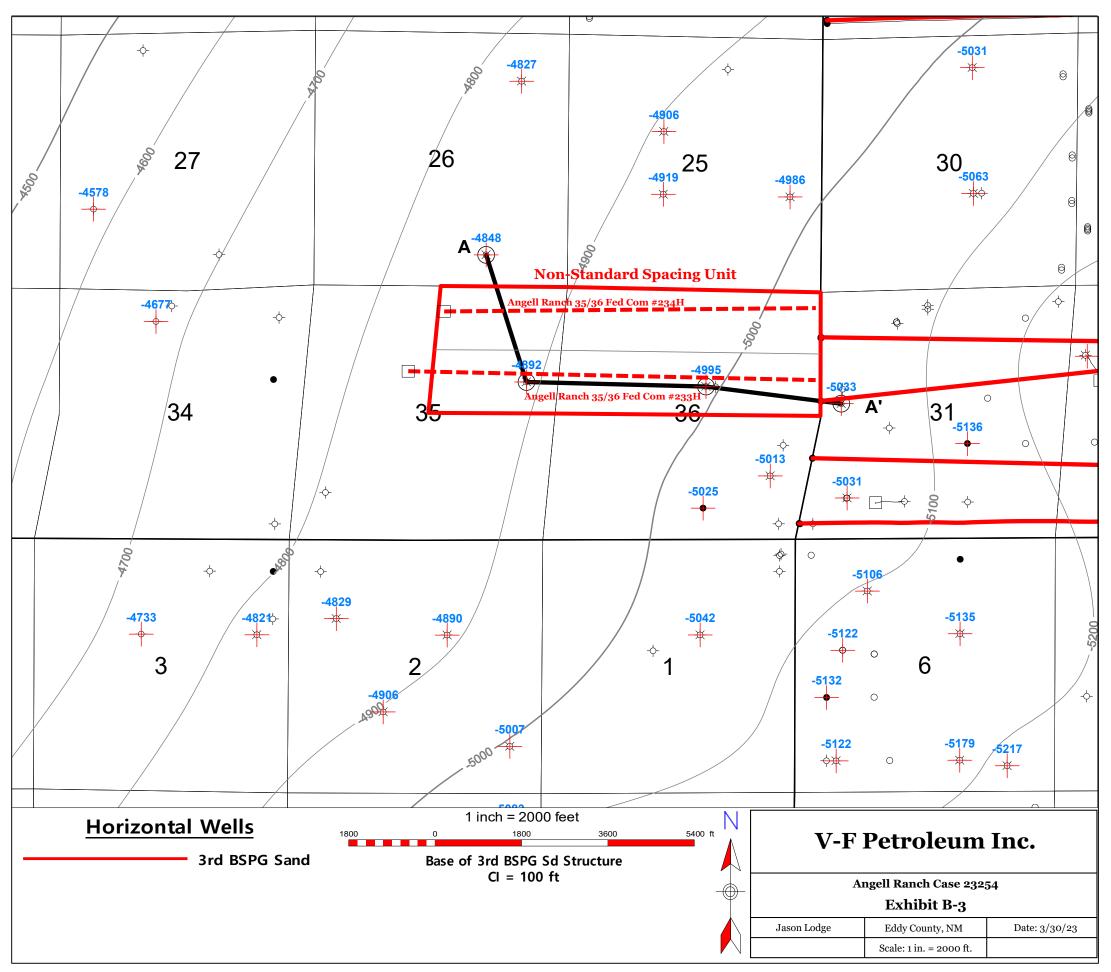
Jam J. Lafa

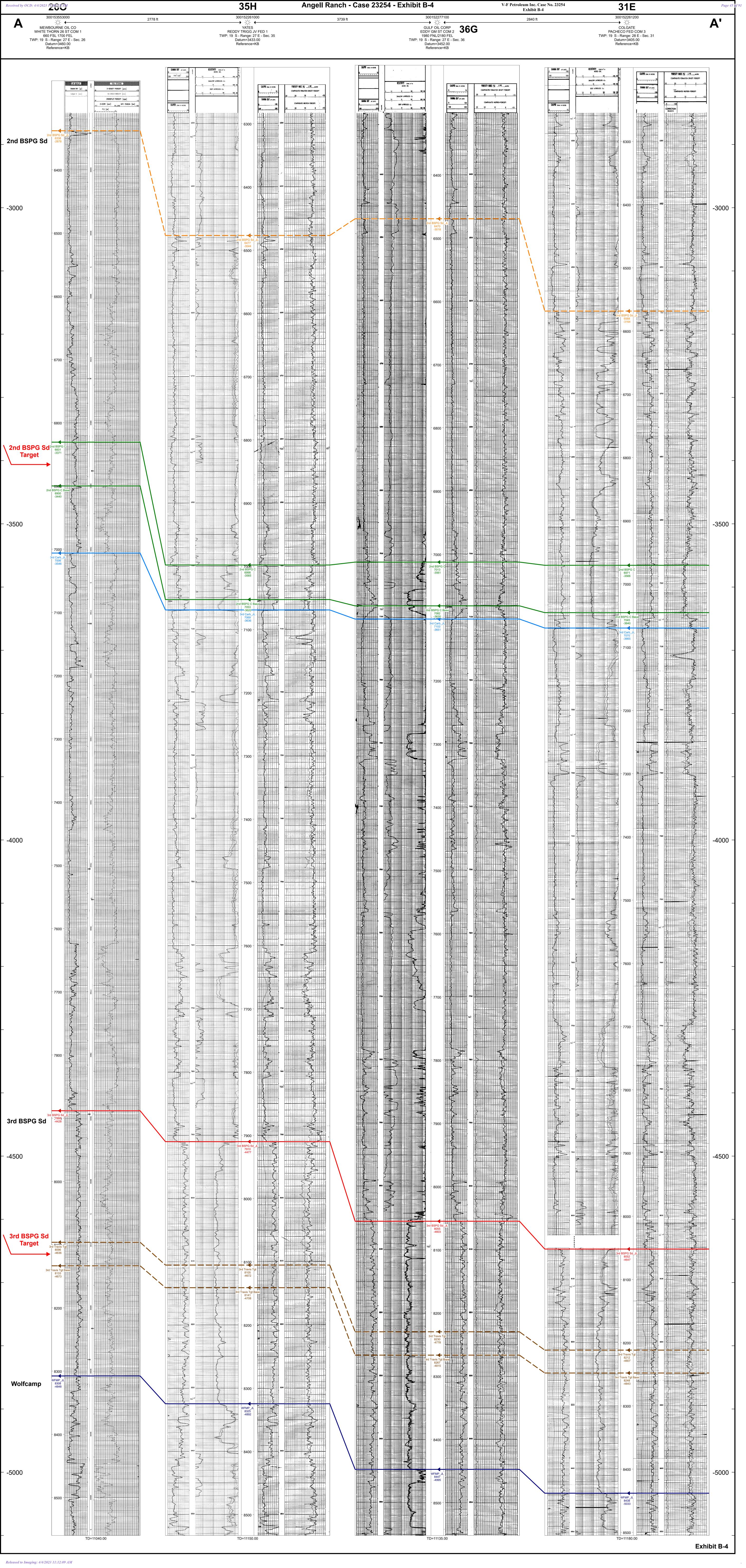
3/30/23

Date









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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 23254** 

# 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 Letters attached as **Exhibit C-1** and caused the Notice Letters, along with a copy of the Application in this case, to be sent to the parties set out in the charts attached as **Exhibit C-2**.
- 3. 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 December 20, 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 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

March 30, 2023
Date

Date

V-F Petroleum Inc. Case No. 23254 Exhibit C



### 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 15, 2022

## <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23254 - Application of V-F Petroleum, Inc. for Compulsory Pooling and Approval of Non-Standard Spacing Unit, 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 **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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 (<a href="https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/">https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/</a>) or via e-mail to 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 contact John Lodge, Land and Business Development Consultant for V-F Petroleum Inc. by phone at (432) 889-4311 if you have any questions regarding this matter.

Sincerely,	
/s/ Dana S. Hardy	
Dana S. Hardy	V-F Petroleum Inc.
	<b>Case No. 23254</b>
	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



### 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 15, 2022

### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL OFFSET INTEREST OWNERS

Re: Case Nos. 23254 - Application of V-F Petroleum, Inc. for Compulsory Pooling and Approval of Non-Standard Spacing Unit, 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 **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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 (<a href="https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/">https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/</a>) or via e-mail to 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 contact John Lodge, Land and Business Development Consultant for V-F Petroleum Inc. by phone at (432) 889-4311 if you have any questions regarding this matter.

Sincerely,	
/s/ Dana S. Hardy	
Dana S. Hardy	

Enclosure

# STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS, AND NATURAL RESOURCES OIL CONSERVASION DIVISON

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 23254** 

### **NOTICE LETTER CHART**

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Apache Corporation	12/15/22	12/27/22
2000 Post Oak Blvd, Suite 100		
Houston, TX 77056		
EOG Resources, Inc.	12/15/22	12/27/22
5509 Champions Drive		
Midland, Texas 79706-2843		
Osprey Oil & Gas II, LLC	12/15/22	Per USPS Tracking (Last
707 N. Carrizo Street		Checked 03/29/23):
Midland, TX 79701		
		12/19/22 – Delivered to an
		individual at address.
Oxy Y-1 Company	12/15/22	12/27/22
5 Greenway Plaza, Suite 110		
Houston, Texas 77046		
Santo Legato, LLC	12/15/22	12/27/22
11 Greenway Plaza, Suite 535		
Houston, Texas 77046		
Vladin, LLC	12/15/22	12/21/22
P.O. Box 100		
Artesia, New Mexico 88210		
WPX Energy Permian, LLC	12/15/22	12/27/22
c/o Devon Energy		
333 West Sheridan Avenue		
Oklahoma City, OK 73102-5015		
Peyton Yates	12/15/22	01/05/23
P. O Box 100		
Artesia, New Mexico 88210		Return to Sender.
Jo Ann Yates	12/15/22	12/21/22
P.O. Box 840		
Artesia, New Mexico 88211-0840		
ZPZ Delaware I, LLC	12/15/22	12/27/22
2000 Post Oak Blvd., Suite 100		
Houston, Texas 77056		

V-F Petroleum Inc. Case No. 23254 Exhibit C-2

# STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS, AND NATURAL RESOURCES OIL CONSERVASION DIVISON

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 23254** 

### OFFSET INTERESTS NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Apache Corporation	12/15/22	01/03/23
2000 Post Oak Blvd, Suite 100		
Houston, TX 77056		
Bureau Of Land Management	12/15/22	12/27/22
301 Dinosaur Trail		
Santa Fe, NM 87508	10/15/00	12/27/22
Canyon Draw Resources	12/15/22	12/27/22
3333 Lee Parkway Ste 750		
Dallas, TX 75219 Chevron USA Inc.	12/15/22	12/27/22
6301 Deauville Blvd	12/13/22	12/2//22
Midland, TX 79706		
Colgate Production, LLC	12/15/22	12/21/22
300 N Marienfeld St. Ste 1000	12/13/22	12/21/22
Midland, TX 79701		
Crown Oil Partners VI, LLC	12/15/22	Per USPS Tracking (Last
4000 N Big Spring St. Ste 310	12/10/22	Checked 03/29/23):
Midland, TX 79710		
		12/20/22 – Delivered to
		front desk, reception, or
		mail room.
Crown Oil Partners VI, LLC	12/15/22	12/27/22
PO Box 50820		
Midland, TX 79710		
Crump Energy Partners III, LLC	12/15/22	12/27/22
PO Box 50820		
Midland, TX 79710		
EOG Resources Inc	12/15/22	12/27/22
5509 Champions Drive		
Midland, TX 79706	10/15/00	D. Mana E. d.
Fasken Land & Minerals Ltd	12/15/22	Per USPS Tracking (Last
6101 Holiday Hill Road		Checked 03/29/23):
Midland, TX 79707		12/22/22 – Item in transit
		to next facility.

# STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS, AND NATURAL RESOURCES OIL CONSERVASION DIVISON

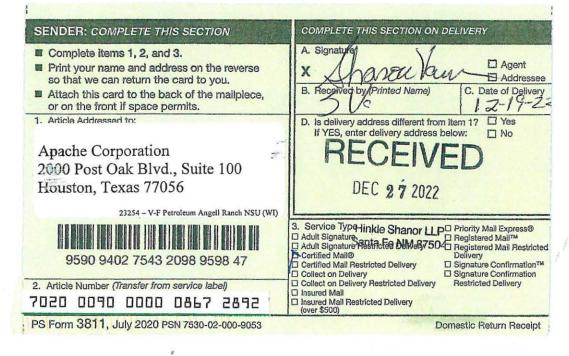
APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 23254** 

### OFFSET INTERESTS NOTICE LETTER CHART

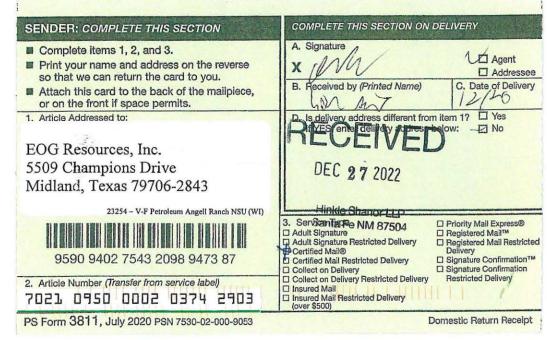
Marathon Oil Permian, LLC 990 Town & Country Blvd	12/15/22	12/27/22
Houston, TX 77024		
Mewbourne Oil Company	12/15/22	01/03/23
PO Box 7698		
Tyler, TX 75711		
Osprey Oil & Gas LLC	12/15/22	Per USPS Tracking (Last
707 N Carrizo St.		Checked 03/29/23):
Midland, TX 79701		
		12/19/22 – Delivered to an
	10/10/0	individual at the address.
Oxy USA Inc	12/15/22	12/27/22
5 Greenway Plz Ste 110		
Houston, TX 77046-0521	10/15/00	12/27/22
OXY Y-1 Company	12/15/22	12/27/22
5 Greenway Plaza Ste 110		
Houston, TX 77046 PBEX, LLC	12/15/22	12/27/22
5600 N May Ave Ste 320	12/13/22	12/2//22
Oklahoma City, OK 73112		
Sabinal Energy Operating, LLC	12/15/22	12/27/22
1780 Hughes Landing Blvd Ste 1200	12/13/22	12/2//22
The Woodlands, TX 77380		
Santo Legato LLC	12/15/22	12/27/22
11 Greenway Plaza Ste 535	12/10/22	12,2,7,22
Houston, TX 77046		
Tascosa Energy Partners LLC	12/15/22	12/27/22
901 W Missouri Ave		
Midland, TX 79701		
Vladin LLC	12/15/22	12/21/22
PO Box 100		
Artesia, NM 88211		
Jo Ann Yates	12/15/22	12/21/22
505 West Main St		
Artesia, NM 88210		





V-F Petroleum Inc. Case No. 23254 Exhibit C-3

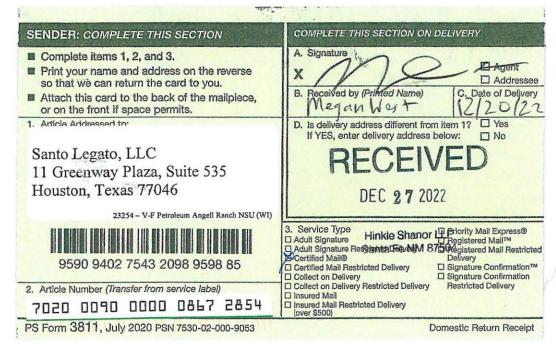




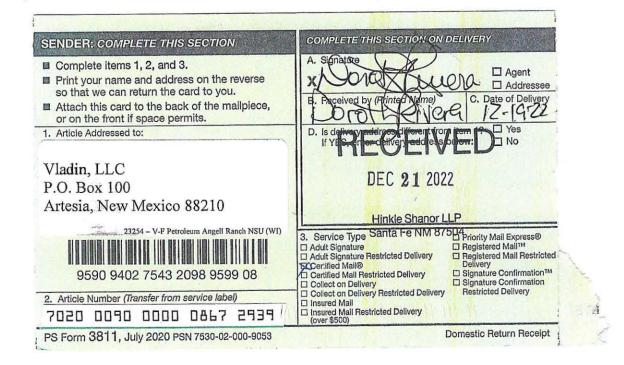




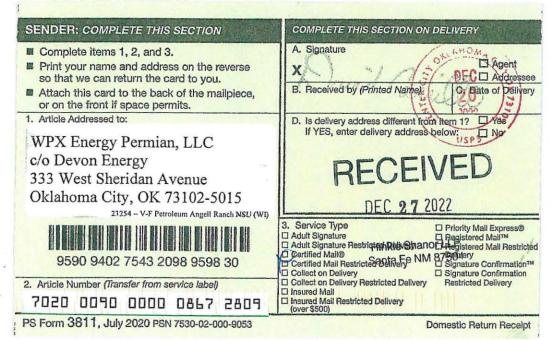








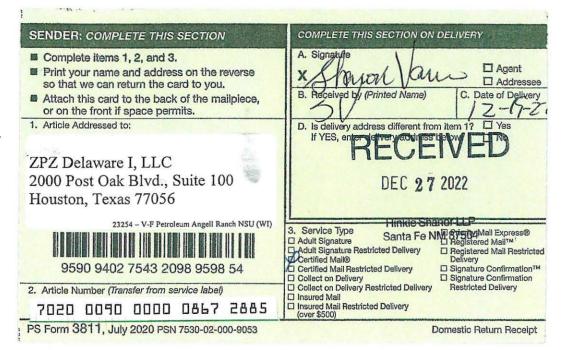




	For delivery information, visit our website at www.ucns.com®			
	OFFICIAL USE			
1	Certified Mail Fee			
	Extra Services & Fees (check box, add fee as appropriate)  Return Receipt (hardcopy)  Return Receipt (electronic)  Certified Mail Restricted Delivery \$  Adult Signature Required  Adult Signature Restricted Delivery \$			
	Postage \$ Total Postage and Fees			
	Sent To  Jo Ann Yates  Street and P.O. Box 840 Artesia, New Mexico 88211-0840  City, State, . 23254 – V-F Petroleum Angell Ranch NSU (WI)			







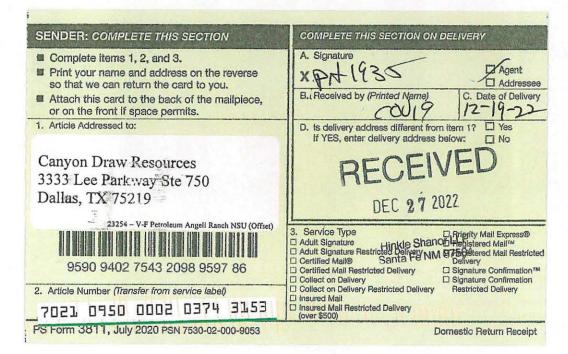






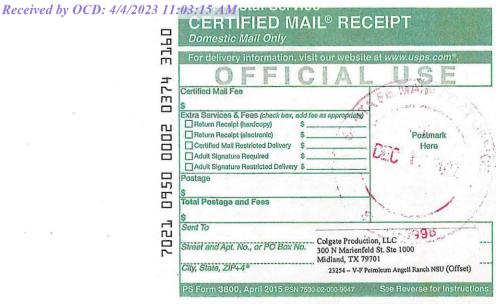




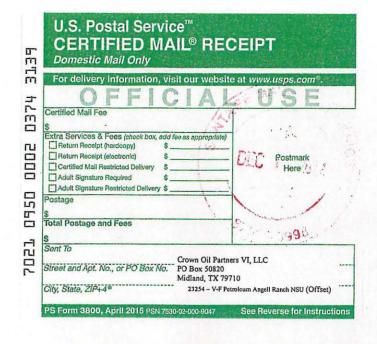






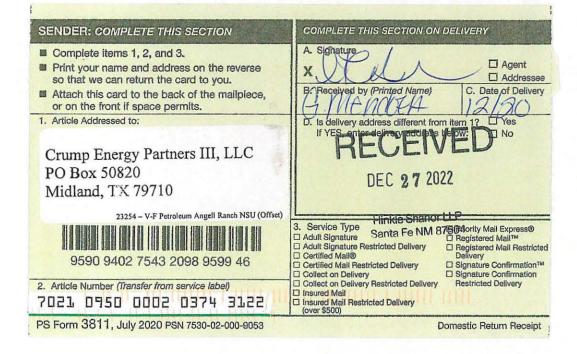




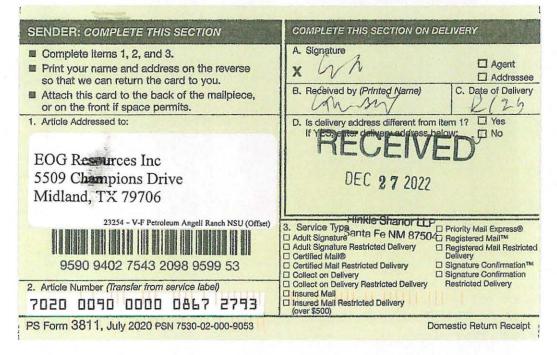












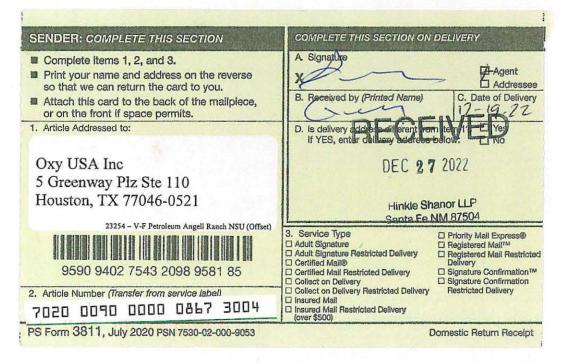








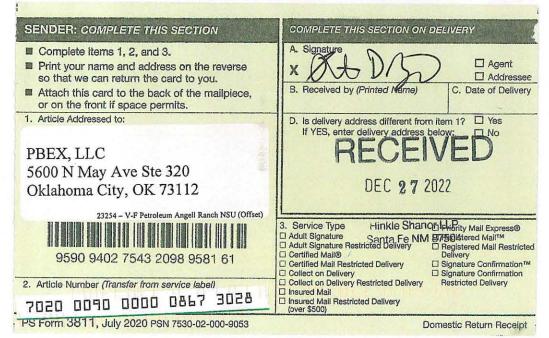








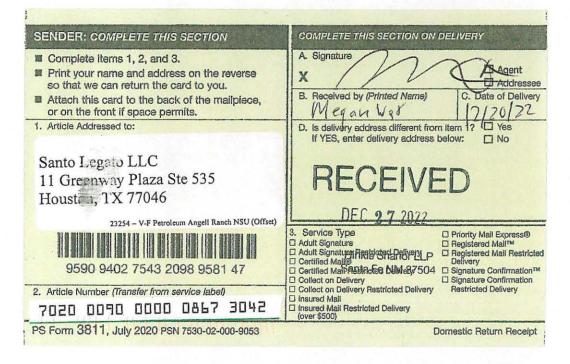












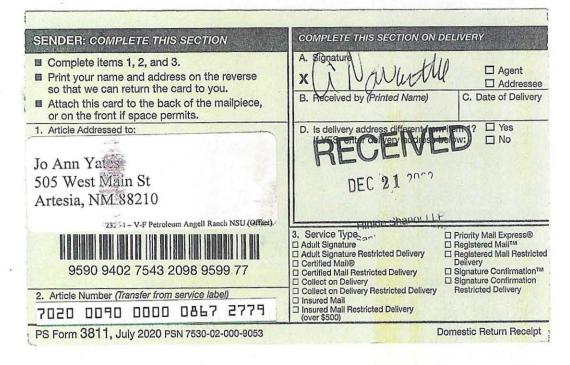


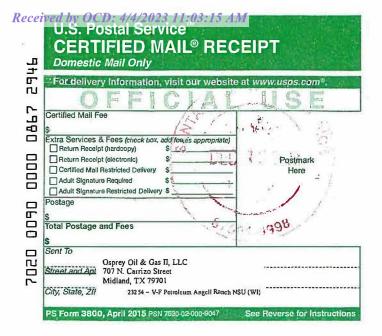












FAQs >

Remove X

## **Tracking Number:**

# 70200090000008672946

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

# **Latest Update**

Your item was delivered to an individual at the address at 9:25 am on December 19, 2022 in MIDLAND, TX 79701.

## **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

## **Delivered**

**Delivered, Left with Individual** 

MIDLAND, TX 79701 December 19, 2022, 9:25 am

## **Departed USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER December 18, 2022, 10:12 pm

## In Transit to Next Facility

December 18, 2022

#### Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER December 17, 2022, 8:01 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 December 16, 2022, 9:34 am

**Arrived at USPS Facility** 

ALBUQUERQUE, NM 87101 December 15, 2022, 10:58 pm

**Hide Tracking History** 

~
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# **Need More Help?**

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

## **Tracking Number:**

# 70200090000008672908

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

# **Latest Update**

Your item was delivered to the front desk, reception area, or mail room at 10:25 am on December 20, 2022 in MIDLAND, TX 79705.

### **Get More Out of USPS Tracking:**

USPS Tracking Plus®

### **Delivered**

## Delivered, Front Desk/Reception/Mail Room

MIDLAND, TX 79705 December 20, 2022, 10:25 am

## In Transit to Next Facility

December 19, 2022

### **Departed USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER December 18, 2022, 8:35 pm

#### **Arrived at USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER December 17, 2022, 8:01 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 December 16, 2022, 9:34 am

### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 December 15, 2022, 10:58 pm

**Hide Tracking History** 

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less 🔨	
Track Another Package	
7020009000008672786	

# **Need More Help?**

Contact USPS Tracking support for further assistance.



FAQs >

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## **Tracking Number:**

# 70200090000008672786

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

# **Latest Update**

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

### **Get More Out of USPS Tracking:**

USPS Tracking Plus®

**Delivered** 

**Out for Delivery** 

**Preparing for Delivery** 

# **Moving Through Network**

In Transit to Next Facility

December 22, 2022

### **Departed USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER December 18, 2022, 8:17 pm

#### Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER December 17, 2022, 8:01 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 December 16, 2022, 9:34 am Feedback

Arrived at USPS Facility
ALBUQUERQUE, NM 87101
December 15, 2022, 10:58 pm

**Hide Tracking History** 

	9
Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Track Another Package	
Enter tracking or barcode numbers	

# **Need More Help?**

Contact USPS Tracking support for further assistance.



FAQs >

Remove X

## **Tracking Number:**

# 70200090000008673097

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

# **Latest Update**

Your item was delivered to an individual at the address at 9:25 am on December 19, 2022 in MIDLAND, TX 79701.

### **Get More Out of USPS Tracking:**

USPS Tracking Plus®

### **Delivered**

Delivered, Left with Individual

MIDLAND, TX 79701 December 19, 2022, 9:25 am

## **Departed USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER December 18, 2022, 10:12 pm

## In Transit to Next Facility

December 18, 2022

#### **Arrived at USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER December 17, 2022, 8:01 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 December 16, 2022, 9:34 am

### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 December 15, 2022, 10:58 pm

**Hide Tracking History** 

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Track Another Package	
Enter tracking or barcode numbers	

# **Need More Help?**

Contact USPS Tracking support for further assistance.



HINKLE SHANOR LLP ATTORNEYS AT LAW

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504

# **RECEIVED**

JAN - 5 20:3

Hinkle Shanor LLP Santa Fe NM 87504





7020 0090 0000 0867 2878



Peyton Yates P. O Box 100

Artesia, New Mexico 88210

NIXIE

23254 - V-F Petre

0012/23/22

NOT DELIVERABLE UNABLE TO AS ADDRESSED FORWARD

BC: 87504205868

\*0268-04354-15-45 

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UTF SERVICE ACCESS 1 1 SERE

# Carlsbad Current Argus.

## Affidavit of Publication Ad # 0005527432 This is not an invoice

HINKLE SHANOR LLP POBOX 10

ROSWELL, NM 88202-0010

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:

12/20/2022

Subscribed and sworn before me this December 20, 2022:

tate of WI, County of Brown

**NOTARY PUBLIC** 

My commission expires

SHELLY HORA Notary Public State of Wisconsin

Ad # 0005527432 PO #: 0005527432 # of Affidavits 1

This is not an invoice

This is to notify all interested parties, including EOG Resources, Inc; Oxy Y-Vladin, LLC; Osprey Oil & Gas LLC; Santo Legado, LLC; Jo Ann Yates; Peyton Delaware I, LLC; Apache Corporation; WPX Energy Permian, LLC; Chevron USA Production LLC; Mewbourne Oil Company; Crown Oil Partners VI LLC; Marathon LLC; Fasken Land & Minerals LTD; PBEX LLC; Canyon Draw Resources; Tascosa I ners; Crump Energy Partners III LLC; OXY USA INC; Sabinal Energy Operating LL successors and assigns, that the New Mexico Oil Conservation Division will conting on an application submitted by V-F Petroleum Inc. (Case No. 23254). The heaconducted remotely on January 5, 2023, beginning at 8:15 a.m. To participate tronic hearing, see the instructions posted on the OCD Hearings website for that I/I/www.emprd.nm.gov/ocd/hearing-info/. Applicant applies for an order: (1) es ://www.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order: (1) es "//www.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order: (1) es 480-acre, more or less, non-standard horizontal spacing unit comprised of the tion 35 and the N/2 of Section 36, Township 19 South, Range 27 East, Eddy C Mexico ("Unit"); and (2) pooling all interests in the Bone Spring formation und Unit. The Unit will be dedicated to the Angell Ranch 35/36 Fed Com #223H Ranch 35/36 Fed Com #223H wells, which will be drilled from a surface hole loc SE/4 NW/4 (Unit F) of Section 35 to a bottom hole location in the SE/4 NE/4 (Unit on 36; and the Angell Ranch 35/36 Fed Com #224H and Angell Ranch 35/36 #234H wells, which will be drilled from a surface hole location in the NW/4 NE/4 Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 36. The interests of the wells will be arthoday. Also to be considered will be the cost of the considered will be the cost of the considered will be the cost of the cost intervals of the wells will be orthodox. Also to be considered will be the cost of completing the wells and the allocation of the cost, the designation of Applican erator of the wells, and a 200% charge for the risk involved in drilling and con wells. The wells are located approximately 18 miles southeast of Artesia, New Mexi #0005527432, Current Argus, December 20, 2022

> V-F Petroleum Inc. Case No. 23254 Exhibit C-4