BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING OCTOBER 19, 2023

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

Case No. 23728:

Courtman 4 State Com #222H Well Courtman 4 State Com #232H Well

V-F PERTOLEUM INC.

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TAB 1

Reference for Case No. 23728 Application Case No. 23728: Courtman 4 State Com #222H Well Courtman 4 State Com #232H Well Pre-hearing Statement with List of Facts/Issues NMOCD Checklist Case No. 23728

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

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

Case No. _23728

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum" or "Applicant"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Sections 4 and 5 are irregular Sections which contain correction lots.

In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

2. V-F Petroleum proposes and dedicates to the HSU the **Courtman 4 State Com** #222H Well and the **Courtman 4 State Com** #232H Well as initial wells to be drilled to a sufficient depth to test the Bone Spring formation.

3. V-F Petroleum proposes the **Courtman 4 State Com #222H Well**, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5.

4. V-F Petroleum proposes the **Courtman 4 State Com #232H Well**, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5.

5. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith but has been unable to obtain a voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on September 7, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU.

C. Approving the Courtman 4 State Com #222H Well and the Courtman 4 StateCom #232 Well as the wells for the HSU.

D. Designating V-F Petroleum as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for V-F Petroleum Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Sections 4 and 5 are irregular Sections which contain correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Courtman 4 State Com #222H Well, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5; and the Courtman 4 State Com #232 Well, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 18.5 miles southeast of Artesia, New Mexico.

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

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

Case No. 23728

UPDATED PREHEARING STATEMENT

V-F Petroleum Inc. ("V-F Petroleum" or "Applicant"), OGRID No. 24010, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division").

APPEARANCES

APPLICANT

V-F Petroleum Inc.

ATTORNEY

Darin C. Savage Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com

INTERESTED PARTIES

Permian Resources Operating, LLC

ATTORNEY

Michael H. Feldewert Adam G. Rankin Paula M. Vance Holland & Hart, LLP Post Office Box 2208 Santa Fe, NM 87504 505-988-4421 Facsimile: 505-983-6043 mfeldewert@hollandhart.com agrankin@hollandhart.com EOG Resources, Inc.

Jordan L. Kessler 125 Lincoln Avenue, Suite 213 Santa Fe, NM 87501 432-488-6108 Jordan_kessler@eogresources.com

APPLICANT'S STATEMENT OF THE CASE

In Case No. 23728, V-F Petroleum seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. V-F Petroleum proposes and dedicates to the unit the **Courtman 4 State Com #222H Well** and the **Courtman 4 State Com #232H Well** as initial wells to be drilled to a sufficient depth to test the Bone Spring formation.

V-F Petroleum proposes the **Courtman 4 State Com #222H Well,** an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5.

V-F Petroleum proposes the **Courtman 4 State Com #232H Well,** an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 5.

All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS | ESTIMATED TIME | EXHIBITS | | | | |
|---|----------------|-----------|--|--|--|--|
| Landman: Sean Johnson | Approx. 30 min | Approx. 6 | | | | |
| See Landman Statement Exhibit A for credentials | | | | | | |

| Geologist: Jason Lodge | Approx. 30 min | Approx. 5 |
|---------------------------------|-----------------|-----------|
| See Geology Statement Exhibit B | for credentials | |

PROCEDURAL MATTERS

Permian Resources Operating, LLC ("Permian Resources") made an entry of appearance in this case and objected to the case going forward by affidavit. Consequently, the Division set a hearing date for October 19, 2023, pursuant to the Pre-hearing Order dated September 7, 2023. Witnesses will be available at the time of the hearing to address questions.

MATERIAL FACTS NOT IN DISPUTE

1. V-F Petroleum is a majority Working Interest ("WI") owner in the proposed unit with individual ownership of 57.7% interest in the unit. *See* Unit Recapitulation in V-F Petroleum's Exhibit A-2, included in the Hearing Packet. With owners supporting V-F Petroleum through JOA Joinder, V-F Petroleum controls approximately 64.6% interest in the proposed unit. *See id.*

2. V-F Petroleum has experience as an operator drilling horizontal wells comparable to the Courtman 4 State Com #222H and #232H Wells in this general area of development.

3. V-F Petroleum's witnesses have been recognized as expert witnesses by the Division, and their credentials have been accepted as a matter of record.

4. The laydown orientation is the preferred orientation of the proposed unit given the nature of the geology.

LIST OF DISPUTED FACTS AND ISSUES

Relevant disputed facts and issues were addressed and ruled on by the Division at the Status Conference held on October 5, 2023, which allowed V-F Petroleum to go forward with the hearing of its application for compulsory pooling on October 19, 2023. V-F Petroleum is not aware of

additional disputed facts and/or issues besides those previously addressed.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com

Attorneys for V-F Petroleum Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico

Oil Conservation Division and was served on counsel of record via electronic mail on October 12,

2023:

Michael H. Feldewert – mfeldewert@hollandhart.com Adam G. Rankin – agrankin@hollandhart.com Julia Broggi – jbroggi@hollandhart.com Paula M. Vance – pmvance@hollandhart.com *Attorneys for Permian Resources Operating, LLC*

Jordan L. Kessler – Jordan_kessler@eogresources.com *Attorney for EOG Resources, Inc.*

/s/ Darin C. Savage

Darin C. Savage

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

| Case: 23728 | APPLICANT'S RESPONSE |
|--|---|
| Date of hearing: October 19, 2023 | |
| Applicant | V-F Pertoleum, Inc. |
| Designated Operator & OGRID (affiliation if applicable) | 24010 |
| Applicant's Counsel: Case Title: | Darin C. Savage, Abadie & Schill, P.C. APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO |
| Entries of Appearance/Intervenors: | Permian Resources Operating, LLC; EOG Resources, Inc. |
| Well Family | Courtman 4 State Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring formation |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Bone Spring formation; See Exhibit A, Para. 8 |
| Pool Name and Pool Code: | TRAVIS; BONE SPRING [97257] |
| Well Location Setback Rules: | Statewide Rules |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 324.84, more or less |
| Building Blocks: | Quarter-Quarter Sections (40 Acre Blocks) |
| Orientation: | East to West |
| Description: TRS/County | Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application? | Yes, Standard Spacing Unit |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit A-2, Ownership Breakdown |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed |

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|--|--|
| Well #1 | Courtman 4 State Com #222H Well (API No. Pending), SHL: Lot 1, 1310' FNL, 250' FEL, Section 4, T19S- R28E; BHL: Lot 4, 810' FNL, 100' FWL, Section 5, |
| | T19S-R28E, NMPM; Eddy County, New Mexico; laydown, standard location. |
| Horizontal Well First and Last Take Points | Courtman 4 State Com #222H Well: FTP: Lot 1, 810' FNL, 100' FEL, Section 4, T19S-R28E LTP: Lot 4, 810' FNL, 100' FWL, Section 5, T19S-R28E |
| Completion Target (Formation, TVD and MD) | Courtman 4 State Com #222H Well: TVD approx. 7255', TMD 17,225'; Bone Spring formation, See Exhibit A |
| Well #2 | Courtman 4 State Com #232H Well (API No. Pending), SHL: Lot 1, 1285' FNL, 250' FEL, Section 4, T19S- R28E; BHL: Lot 4, 750' FNL, 100' FWL, Sections 5, T19S-R28E, NMPM; Eddy County, New Mexico; laydown, standard location. |
| Horizontal Well First and Last Take Points | Courtman 4 State Com #232H Well: FTP: Lot 1, 750' FNL, 100' FEL, Section 4, T19S-R28E LTP: Lot 4, 750' FNL, 100' FWL, Section 5, T19S-R28E |
| Completion Target (Formation, TVD and MD) | Courtman 4 State Com #232H Well: TVD approx. 8355', TMD 18,325'; Bone Spring formation, See Exhibit A, Paras. 5-7 |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8500, Exhibit A |
| Production Supervision/Month \$ | \$850, Exhibit A |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200%, Exhibit A |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit C, C-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C-2 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-3 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A-2 |
| Tract List (including lease numbers and owners) | Exhibit A-2 |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A |
| Pooled Parties (including ownership type) | See Exhibit A-2 |
| Unlocatable Parties to be Pooled | Exhibit A, Para. 14; all parites locatable |
| Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| | |

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|---|---|
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-2 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit A-4 |
| Overhead Rates In Proposal Letter | Exhibit A-3 |
| Cost Estimate to Drill and Complete | Exhibit A-3 |
| Cost Estimate to Equip Well | Exhibit A-3 |
| Cost Estimate for Production Facilities | Exhibit A-3 |
| Geology | |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibits B-1, B-2, A-2 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B-5 |
| Well Orientation (with rationale) | Exhibits B, B-1, B-2, B-3 |
| Target Formation | Exhibit B-4, B-5 |
| HSU Cross Section | Exhibit B-4, B-5 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit A-1 |
| Tracts | Exhibit A-2 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-2 |
| General Location Map (including basin) | Exhibits A-2, B-1, B-2, B-3 |
| Well Bore Location Map | Exhibit A-1, B-5 |
| Structure Contour Map - Subsea Depth | Exhibit B-3 |
| Cross Section Location Map (including wells) | Exhibit B-4, B-5 |
| Cross Section (including Landing Zone) | Exhibit B-4, B-5 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information pro- | vided in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative): | Darin C. Savage |
| Signed Name (Attorney or Party Representative): | Darín C. Savage |
| Date: | October 12, 2023 |

TAB 2

- Exhibit A: Self-Affirmed Statement of Sean Johnson, Landman
- Exhibit A-1: C-102 Forms
- Exhibit A-2: Ownership and Sectional Map
- Exhibit A-3: Well Proposal Letters and AFEs
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners

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

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

Case No. 23728

SELF-AFFIRMED STATEMENT OF SEAN JOHNSON

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Statement, which is based on my personal knowledge.

2. I am employed as a Landman with V-F Petroleum Inc., ("V-F Petroleum"), and I am familiar with the subject application and the lands involved.

3. I graduated in 2009 from Texas Tech University with a bachelor's degree in Energy Commerce. I have worked at V-F Petroleum for approximately 1 year, and I have been working in New Mexico for (12) Twelve years. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as a petroleum landman have been accepted by the Division as a matter of record.

4. This Statement is submitted in connection with the filing by V-F Petroleum of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1).

5. V-F Petroleum seeks an order pooling all uncommitted mineral interest in the Bone Spring formation (Travis; Bone Springs; Pool Code: [97257]) underlying a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico.



6. Under Case <u>No. 23728</u>, V-F Petroleum seeks to dedicate to the HSU two initial oil wells: the **Courtman 4 State Com #222H Well** and the **Courtman 4 State Com #232H Well**.

7. The **Courtman 4 State Com #222H Well,** an oil well, API No. pending, is to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) (1,310' FNL, 250' FEL) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) (810' FNL, 100' FWL) of Section 5; approximate TVD of 7,255'; approximate TMD of 17,225'; FTP in Section 4: 810' FNL, 100' FEL; LTP in Section 5: 810' FNL, 100' FWL.

8. The **Courtman 4 State Com #232H Well,** an oil well, API No. pending, is to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) (1,285' FNL, 250' FEL) of Section 4 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) (750' FNL, 100' FWL) of Section 5; approximate TVD of 8,355'; approximate TMD of 18,325'; FTP in Section 4: 750' FNL, 100' FEL; LTP in Section 5: 750' FNL, 100' FWL.

9. The proposed C-102 for each well is attached as **Exhibit A-1**.

10. A general location plat and a plat outlining the unit being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed wells within the unit. The well locations are orthodox, and they meet the Division's setback requirements.

The parties being pooled and the nature of their interests, are listed on Exhibit A-2 attached hereto. Exhibit A-2 includes information regarding the working interest owners, and the record title owners to be pooled.

12. There are no depth severances in the Bone Spring formation in this acreage.

13. A good faith review of records did not reveal any overlapping units.

14. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I

conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All the owners were locatable. Three letters to Working Interest owners are still listed as In Transit: White, Theodore P. whose wife is Marianne White; Pamela Ann Evans; and Anne S. Johnson; however, V-F Petroleum has been in contact with these owners, as shown in Exhibit A-4. V-F Petroleum published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

15. V-F Petroleum has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

16. V-F Petroleum has made good faith effort to contact the interest owners being pooled, but said owners have failed or refused to voluntarily commit their interest in the wells. However, V-F Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between V-F Petroleum and another interest owner or owners, V-F Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

17. **Exhibit A-3** is a sample proposal letter and the AFEs for the proposed wells. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

18. V-F Petroleum requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F Petroleum requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

19. V-F Petroleum is knowledgeable and has current, localized experience in the immediate area drilling horizontal wells comparable to the Courtman 4 State Com 222H and 232H.

20. V-F Petroleum requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

21. V-F Petroleum requests that it be designated operator of the unit and wells.

22. The Exhibits to this Statement were prepared by me or compiled from V-F Petroleum's company business records under my direct supervision.

23. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

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

[Signature page follows]

Signature page of Self-Affirmed Statement of Sean Johnson:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23728 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Sean Johnson

Lo/11/2023 Date Signed

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

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

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

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

DISTRICT I

DISTRICT II

DISTRICT III

DISTRICT IV

324.84

Exhibit A-1

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

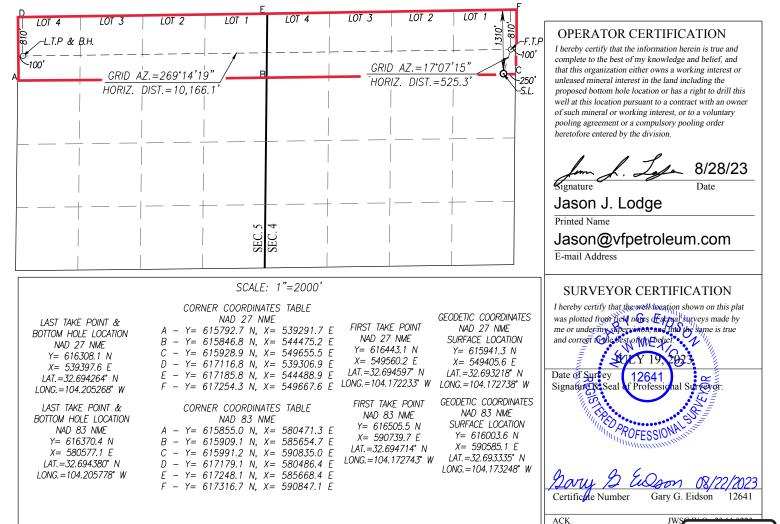
□AMENDED REPORT

EXHIBIT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| А | PI Number | | | Pool Code 97257 | | TRAVIS; BONE SPRING | | | | | |
|-----------------|-----------|--|------------------------------|--------------------|--------------------|---------------------|---------------|----------------|-------------|--|--|
| Property Code | | | | | Property Nam | e | | | Well Number | | |
| | | | | COURT | MAN 4 ST | ATE COM | | | 222H | | |
| OGRID 1 | | | | | Operator Nam | ie | | | Elevation | | |
| 24010 | | | V-F PETROLEUM INC | | | | | | 3549' | | |
| | | • | | | Surface Locat | ion | | · | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | | |
| 1 | 4 | 19-S | 28-Е | | 1310 | NORTH | 250 | EAST | EAST EDDY | | |
| | | | | Bottom Hol | e Location If Diff | erent From Surface | | | | | |
| UL or lot No. | Section | Township Range Lot Idn Feet from the North/South line Feet from the East/West line | | | | | County | | | | |
| 4 | 5 | 19-S | 28-Е | | 810 | NORTH | 100 | WEST | WEST EDDY | | |
| Dedicated Acres | Joint or | Infill C | Consolidation Code Order 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



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

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

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

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

DISTRICT I

DISTRICT II

DISTRICT III

DISTRICT IV

Dedicated Acres

324.84

Joint or Infill

Consolidation Code

Exhibit A-1 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

| Al | | Pool Code Pool Name 97257 TRAVIS; BONE SPRING | | | | | | | | | |
|--------------------|--|--|---------------------------------------|---------|---------------|------------------|---------------|---------------------|-----------|--------|--|
| Property Code | | | Property Name COURTMAN 4 STATE COM | | | | | Well Number 232H | | | |
| OGRID No. 24010 | | | Operator Name V-F PETROLEUM INC | | | | | Elevation 3550' | | | |
| | Surface Location | | | | | | | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/ | West line | County | |
| 1 | 4 | 19-S | 28-Е | | 1285 | NORTH | 250 | E | AST | 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 | |
| 4 | 5 | 19-S | 28-Е | | 750 | NORTH | 100 | W | WEST EDDY | | |

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

Order No.

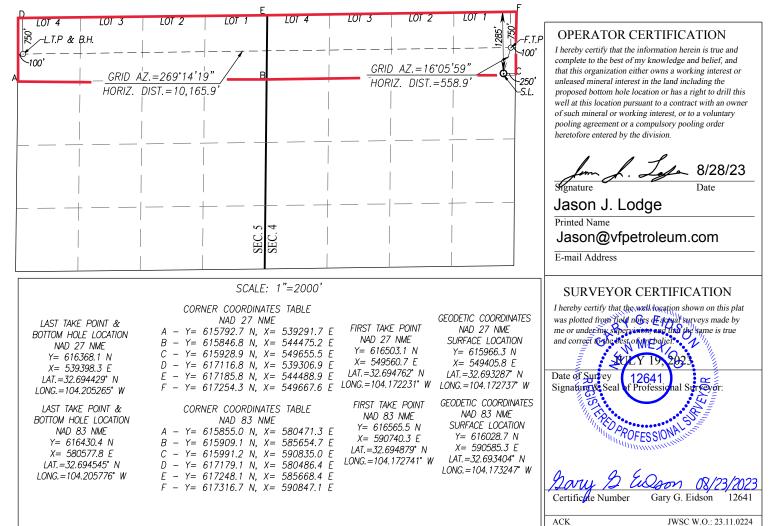
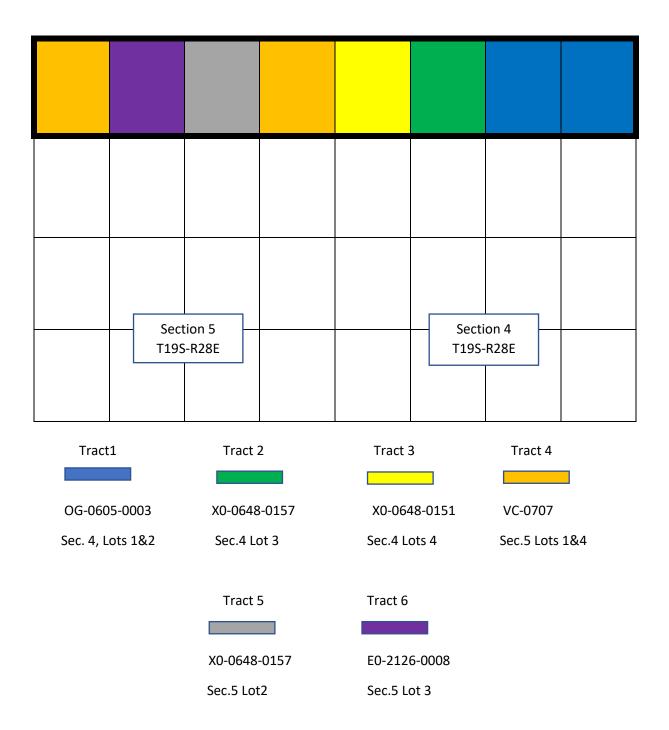


EXHIBIT A-2

COURTMAN 4 STATE COM 222H AND 232H



Tract Ownership Next Page



EXHIBIT A-2

Tract 1 Ownership:

| V-F Petroleum Inc. | .706072818 |
|---|------------|
| Gahr Energy Company | .013142351 |
| Fuel Products, Inc. | .013142351 |
| Lodge Exploration Company, LLC | .013142351 |
| EOG Resources, Inc. | .2024051 |
| Read & Stevens, Inc. (Permian Resources Operating, LLC) | .044282529 |
| Roy G. Barton, Sr.& Opal Barton Revocable Trust, Roy G. Barton, Jr., Trustee | .0078125 |
| Total: | 1.0 |
| Tract 2 Ownership: | |
| V-F Petroleum Inc. | .609316844 |
| EOG Resources, Inc. | .099269863 |
| Read & Stevens, Inc. (Permian Resources Operating, LLC) | .009821231 |
| Roy G. Barton, Sr.& Opal Barton Revocable Trust, Roy G. Barton, Jr., Trustee | .003831651 |
| Harvard Petroleum Company, LLC | .03125 |
| New Mexico Western Minerals | .03125 |
| Rockwood Resources, LLC | .02125 |
| Bean Family Limited Company | .015625 |
| Linda E. Schwarz | .00260417 |
| WD Minerals, LLC | .015625 |
| James R. Gebel Revocable Living Trust, UTA dated March20, 2013 | .00130208 |
| Andersen-Malone, LLC | .00520833 |

EXHIBIT A-2

| Pamela Anne Evans | .00130208 |
|--|-------------|
| Eaton Family Trust | .00520833 |
| Red River Energy Partners, LLC | .01041667 |
| Theodore P. White, and wife, Marianne White | .015625 |
| Hanagan Investments, LLC | .07421875 |
| DML Revocable Trust | .01041667 |
| Slash Exploration Limited Partnership | .0234375 |
| Gilbert J. Eaton | .00520833 |
| Charles F. Malone Living Trust Jane M. Stockton Katherine Ann Malone Charles F. Malone, Jr. | .00520833 |
| Anne S. Johnson | .00260417 |
| Total: | 1.0 |
| Tract 3 Ownership: | |
| V-F Petroleum Inc. | .597894299 |
| EOG Resources, Inc. | .115434159 |
| Read & Stevens, Inc. (Permian Resources Operating, LLC) | .004455566 |
| Roy G. Barton, Sr.& Opal Barton Revocable Trust, Roy G. Barton, Jr., Trustee | . 004455566 |
| James R. Gebel Revocable Living Trust, UTA dated March20, 2013 | .00130208 |
| Harvard Petroleum Company, LLC | .03125 |

EXHIBIT A-2

| New Mexico Western Minerals | .03125 |
|--|-----------|
| WD Minerals, LLC | .015625 |
| Linda E. Schwarz | .00260417 |
| Rockwood Resources, LLC | .02125 |
| Bean Family Limited Company | .015625 |
| Pamela Ann Evans | .00130208 |
| Eaton Family Trust | .00520833 |
| Andersen-Malone, LLC | .00520833 |
| Red River Energy Partners, LLC | .01041667 |
| Theodore P. White, and wife, Marianne White | .015625 |
| Hanagan Investments, LLC | .07421875 |
| DML Revocable Trust | .01041667 |
| Slash Exploration Limited Partnership | .0234375 |
| Gilbert J. Eaton | .00520833 |
| Charles F. Malone Living Trust Jane M. Stockton Katherine Ann Malone Charles F. Malone, Jr. | .00520833 |
| Anne S. Johnson | .00260417 |
| Total: | 1.0 |
| Tract 4 Ownership: | |
| V-F Petroleum Inc. | 1.0 |
| Total | 1.0 |

EXHIBIT A-2

Tract 5 Ownership:

| Marathon Oil Company | .159722222 |
|---|------------|
| EOG Resources, Inc. | .840277782 |
| Total: | 1.0 |
| <u>Tract 6 Ownership:</u> | |
| Marathon Oil Permian LLC | .125 |
| Marathon Oil Company | .07986111 |
| EOG Resources, Inc. | .46701389 |
| Santo Legado, LLC | .0625 |
| Jalapeno Corporation | .02999268 |
| Sharbro Energy, LLC | .140625 |
| MRC Delaware Resources, LLC | .07135634 |
| Yates Energy Corporation | .02365098 |
| Total: | 1.0 |
| Unit Recapitulation: | |
| V-F Petroleum Inc. | .577333023 |
| Gahr Energy Company | .003278710 |
| Fuel Products, Inc. | .003278710 |
| Lodge Exploration Company, LLC | .003278710 |
| EOG Resources, Inc. | .240893028 |
| Read & Stevens, Inc. (Permian Resources Operating, LLC) | .012833100 |

EXHIBIT A-2

| Roy G. Barton, Sr.& Opal Barton Revocable Trust, Roy G. Barton, Jr., Trustee | .002985889 |
|---|------------|
| Harvard Petroleum Company, LLC | .007819234 |
| New Mexico Western Minerals | .007819234 |
| Rockwood Resources, LLC | .005317079 |
| Bean Family Limited Company | .003909617 |
| Linda E. Schwarz | .000651604 |
| WD Minerals, LLC | .003909617 |
| James R. Gebel Revocable Living Trust | .000325801 |
| Andersen-Malone, LLC | .001303205 |
| Pamela Anne Evans | .000325801 |
| Eaton Family Trust | .001303205 |
| Red River Energy Partners, LLC | .002606412 |
| Theodore P. White, and wife, Marianne White | .003909617 |
| Hanagan Investments, LLC | .018570681 |
| DML Revocable Trust | .002606412 |
| Slash Exploration Limited Partnership | .005864426 |
| Gilbert J. Eaton | .001303205 |
| Charles F. Malone Living Trust Jane M. Stockton | .001303205 |
| Katherine Ann Malone Charles F. Malone, Jr. | |
| Anne S. Johnson | .000651604 |

| Santo Legado, LLC | .007813462 |
|-----------------------------|------------|
| Jalapeno Corporation | .003749547 |
| Sharbro Energy, LLC | .017580290 |
| MRC Delaware Resources, LLC | .008920641 |
| Yates Energy Corporation | .002956737 |
| Marathon Oil Permian LLC | .015626924 |
| Marathon Oil Company | .029971272 |
| Total WI: | 1.0 |

Collective V-F Interest Plus JOA joinder in favor of Courtman 4 State Com 222H and 232H Development: <u>64.6449889%</u>

Record Title Owners:

COG Operating LLC EOG Resources Inc. Marathon Oil Permian LLC

Parties seeking to compulsory pool highlighted in yellow

V-F Petroleum Inc.

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

June 14, 2023

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

Read & Stevens, Inc. (Permian Resources Operating, LLC) 300 N. Marienfeld Street, Suite 1000 Midland, TX 79701

RE: <u>Horizontal Well Proposals -2nd and 3rd Bonespring Formation;</u> N2N2 of Sections 4 and 5, T-19 South, R-28 East Eddy County, New Mexico

Courtman 4 State Com #222H Well; 2nd Bone Spring

- SL: 990' FNL & 100' FEL of Section 4, T-19 South, R-28 East, Eddy County, NM (or approved location in Unit letter A)
- BHL: 810' FNL & 100' FWL of Section 5, T-19 South, R-28 East, Eddy County, NM

Courtman 4 State Com #232H Well; 3rd Bone Spring

- SL: 930' FNL & 100' FEL of Section 4, T-19 South, R-28 East, Eddy County, NM (or approved location in Unit letter A)
- BHL: 750' FNL & 100' FWL of Section 5, T-19 South, R-28 East, Eddy County, NM

Ladies and/or Gentlemen:

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

The projected total vertical depth of the above stated <u>Courtman 4 State Com #222H Well</u> in order to test the 2nd Bone Spring formation is estimated to be 7,255 feet with an approximate total measured depth of 17,225 feet. The costs to drill, complete and equip said well are estimated at <u>\$8,765,700.00</u> as indicated on the enclosed AFE.

The projected total vertical depth of the above stated <u>Courtman 4 State Com #232H Well</u> in order to test the 3rd Bone Spring formation is estimated to be 8,355 feet with an approximate total measured depth of 18,325 feet. The costs to drill, complete and equip said well are estimated at <u>\$9,141,600.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the N2N2 of Sections 4 and 5, T-19 South, R-28 East, N.M.P.M, Eddy County, New Mexico, containing approximately 324.84 acres, more or less, further limited in depths as described on Exhibit A to the Operating Agreement ("Contract Area") with the following general provisions:



Courtman 4 State Com 222H and 232H Gahr Energy Company, et al June 14, 2023 Page **2** of **3**

- 100/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named Operator.

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

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

Best Regards,

fel

Sean Johnson, CPL V-F Petroleum Inc.

Enclosures

Elections set forth on the following pages

ELECTIONS -<u>Courtman 4 State Com #222H and Courtman 4 State Com #232H</u>

| Elect to Participate in the Courtman | 4 State Com #222H | |
|--|--------------------------|-------|
| Elect Not to Participate in the Court | nan 4 State Com #222H | |
| Read & Stevens, Inc. (Permian Resources Operating, LLC) By: | Title: | Date: |
| | | |
| Elect to Dorticipate in the Countman | 1 State Com #22211 | |
| Elect to Participate in the Courtman | <u>4 State Com #232H</u> | |
| Elect <u>Not to</u> Participate in the <u>Courtr</u> | nan 4 State Com #232H | |
| Read & Stevens, Inc. (Permian Resources Operating, LLC) By: | Title: | Date: |

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V-F Petroleum Inc.

| V-F Petroleum Inc. | | | | | | API No. | | | | |
|--------------------|--|------------------------|-----------|--------------------|--|-------------|---|---------------------------|--|--|
| | AUTHORIZATION FOR EXPENDITURE | | | | | | | AFE Number | | |
| v | | | | e 1, 2023 | Well Type Second BS Horizontal Oil Well 2.0 Mile | | | | | |
| X X | Original Drill Well | Supplement Workover | | | Revision Facilities | | Re-Entry Plug & Abandon | Projected TD: Proposal | 7,255' TVD 17,225' MD | |
| A Lease Name/W | | County / Sta | te | Formation | Facilities | Basin | Field or Prospect | Toposar | | |
| Courtman | | Eddy | NM | 2nd Bone | Spring | Permian | Travis | | | |
| Acct | | INTANG | IBLE DESC | RIPTION | | | COST BEFORE | COMPLETION | TOTAL | |
| Code | | | | | | | CASING POINT | COST | WELL COST | |
| 501 | PERMITS & ENVIROM | | | | | | \$10,000 | \$10,000 | \$20,000 | |
| 516 | TITLE OPINION, CURA | | NG | | | | \$25,000 \$5,000 | | \$25,000 \$5,000 | |
| 501 501 | SURVEYING STAKE L DAMAGES & R-O-W'S | | | | | | \$3,000 | | \$3,000 | |
| | ROADS, LOCATION, P | | TC. | | | | \$50,000 | \$10,000 | \$60,000 | |
| 503 | DRILLING RIG MOBIL | | | | | | \$225,000 | , | \$225,000 | |
| 503 | DRILLING - DAYS | | 26 | days @ | \$23,000 | | \$598,000 | | \$598,000 | |
| 503 | RIG HOUSING | | 26 | days @ | \$1,200 | | \$31,200 | | \$31,200 | |
| | STEERING | | | days @ | | | | | | |
| 503 | MUD MOTORS & DIRI | | | | C 4 500 | | \$142,000 | | \$142,000 | |
| | CLOSED LOOP & DISH | | 26 | days @ | \$4,500 | | \$117,000 | 6225.000 | \$117,000 \$295,000 | |
| 505 505/716 | MUD & FRAC CHEMIC WATER (Brine & Fresh) | | , | | | | \$60,000 | \$235,000 \$680,000 | \$295,000 | |
| | BITS, REAMERS, ETC. | | C C | | | | \$83,000 | \$080,000 | \$83,000 | |
| | FUEL | | 78000 | gallons @ | \$5 | | \$390,000 | | \$390,000 | |
| 504 | CEMENTING SURFAC | E | | • | | | \$18,000 | | \$18,000 | |
| 504 | CEMENTING INTERM | EDIATE | | | | | \$35,000 | | \$35,000 | |
| 701 | CEMENTING PRODUC | TION | | | | | | \$105,000 | \$105,000 | |
| 509/705 | TUBULAR SERVICES | | | | | | \$80,000 | \$56,000 | \$136,000 | |
| | CASING CREWS PU LI | | | | | | \$30,000 | \$40,000 | \$70,000 | |
| | FLOAT EQUIPMENT, O | | | / TOOLS | | | \$10,000 | \$38,000 | \$48,000 | |
| 507 | TESTING; COMPLETIC | | s. | | | | | \$72,000 | \$72,000 | |
| 508 | OPEN HOLE LOGGING MUD LOGGING | ì | 20 | dava @ | \$2.000 | | \$40,000 | | \$40,000 | |
| 508 509/705 | WELDING, HOURLY | ABOR ROUS | | days @ REWS SAF | \$2,000 FTY PAY | | \$26,000 | \$165,000 | \$40,000 | |
| | EQUIPMENT RENTAL | | IADOUT CI | CL W 5, 574 | LIIIAI | | \$42,000 | \$95,000 | \$137,000 | |
| 509/714 | TRUCKING, TRANSPO | | RKLIFT | | | | \$57,000 | \$75,000 | \$57,000 | |
| 715 | COMPLETION UNIT; C | | | | | | | \$450,000 | \$450,000 | |
| 704 | FORMATION STIMUL | ATION (60 STA | GES) | | | | | \$1,250,000 | \$1,250,000 | |
| 702/03 | CASED HOLE LOGGIN | G, PERFORAT | ING & FRA | C PLUGS | | | | \$300,000 | \$300,000 | |
| | GEOLOGIC / ENGINE | | | | | | \$35,000 | \$45,000 | \$80,000 | |
| | CONTRACT CONSULT | | | days @ | \$3,500 | | \$91,000 | \$52,000 | \$143,000 | |
| | DRILLING WELL RAT | E (A/O) | 26 | days @ | \$200 | | \$5,200 | \$5,000 | \$10,200 | |
| | INSURANCE | | | | | | \$32,000 | \$15,000 | \$47,000 | |
| | MISCELLANEOUS CONTINGENCY (15%) | | | | | | \$57,000 \$349,000 | \$90,000 \$370,000 | \$147,000 \$719,000 | |
| | ANGIBLE ESTIMATED | | | | | | \$2,706,400 | \$4,083,000 | \$6,789,400 | |
| Acct | | | | IDTION | | | COST BEFORE | COMPLETION | TOTAL | |
| Code | | TANGI | BLE DESCR | IFTION | | | CASING POINT | COST | WELL COST | |
| 620/820 | | Length | Grade | Size | Weight | Price/Ft. | | | | |
| 620/820 | CONDUCTOR | 120' | K-55 | 20 | | \$350.00 | \$42,000 | | \$42,000 | |
| | SURFACE | 1,200' | J-55 | 13 3/8" | 48 | \$103.00 | \$123,600 | | \$123,600 | |
| 620/820 | INTERMEDIATE | 3,500' | J-55 | 9 5/8" | 40 | \$60.00 | \$210,000 | | \$210,000 | |
| | INTERMEDIATE | 17 220 | D110 | 5 1/2" | 20 | \$35.00 | | \$606,200 | \$606.200 | |
| 820 820 | PRODUCTION PRODUCTION LINER | 17,320' | P110 | 5 1/2" | 20 | \$55.00 | 1 | \$000,200 | \$000,200 | |
| 820 | TUBING (Coated) | 7,000' | L-80 | 2.875 | 6.5 | \$12.00 | 1 | \$84,000 | \$84,000 | |
| 621/824 | WELLHEAD EQUIPME | | | | . 0.0 | ÷12.00 | \$28,000 | \$18,000 | \$46,000 | |
| 825 | PRODUCTION FACILI | | E | | | | | \$165,000 | \$165,000 | |
| | POWER SOURCE | | | | | | | \$50,000 | \$50,000 | |
| 822 | RODS AND PUMP (FG | & STEEL) | | | | | | | | |
| | PACKERS, BP'S, ESP, I | | - | | | | | | | |
| | HEATER TREATER, SH | | КО | | | | | \$185,000 | | |
| | GAS SALES LINE & M | | 10 | | | | | \$5,500 | \$5,500 | |
| | FLOWLINES, VALVES | | | | | | | \$125,000 | \$125,000 | |
| 827 830 | TANKS (WATER AND MISCELLANEOUS | FRODUCTION) | , | | | | \$20,000 | \$70,000 \$65,000 | \$70,000 \$85,000 | |
| | CONTINGENCY (10%) | | | | | | \$20,000 | \$137,000 | \$179,000 | |
| - | NGIBLE ESTIMATED CO | OST | | | | | \$465,600 | \$1,510,700 | \$1,976,300 | |
| 941-945 | P&A Costs, Rig, Cmt, Cl | eanup, Misc., Se | rvices | | | | \$50,000 | | | |
| ESTIMATEI | D DRY HOLE COST | | | | | | \$3,222,000 | | | |
| | E ESTIMATED COST | | | | | | \$3,172,000 | \$5,593,700 | \$8,765,700 | |
| WI OWNER | AL AND ACCEPTANCI | | | | _ | AUTHORI | | THE ACTUAL COSTS I | S ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE HE HEREIN SET OUT. | |
| | | | | | _ | Prepared by | : | | Date: 6/1/2023 | |
| | | | | | _ | - | DEE Insurance ADD \$23,000 to Anse check if you elect to be include | AFE Total above. | Date: | |
| Date | | | | | _ | | soverage as set forth in Paragraph | | rapense | |

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| X Drill Lease Name/Well # Courtman Acct Courtman 501 PERI 516 TITL 501 DAN 502/711 ROA 503 DRII 503 DRII 503 RIG 503 RIG 503 BTIS 505/716 WAT 503 FUE 504 CEM 509/705 TUB 509/705 TUB 507705 TUB 507 FLO 507 TES 508 OPE | iginal ill Well # RMITS & ENVIROMEN ILE OPINION, CURATT IRVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZA RILLING - DAYS G HOUSING EERING JD MOTORS & DIRECT | Supplement Workover County / Sta Eddy INTANG TAL SERVIO | Jun ate <u>NM</u> iBLE DESC | Formation 3rd Bone | Revision Facilities Spring | Basin | Re-Entry Plug & Abandon Field or Prospect | AFE Number Well Type Projected TD: Proposal | Third BS Horizontal Oil Well 2.0 Mile 8,355' TVD 18,325' MD |
|---|--|--|--------------------------------------|-----------------------|----------------------------------|--------------|---|--|--|
| X Drill Lease Name/Well # Courtman Acct Code 501 PERI 516 TITL 501 DAN 502/711 ROA 503 DRII 503 DRII 503 RIG 503 MUI 517 CLO 505 MUI 505/716 WAT 503 FUE 504 CEM 509/705 TUB 509/705 TUB 509/705 CAS 513/708 FLO 507 TES 508 OPE | ill Well # RMITS & ENVIROMEN FLE OPINION, CURATT IRVEYING STAKE LOC MAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZA RILLING - DAYS G HOUSING EERING | Workover County / Sta Eddy INTANG TAL SERVIO | ate <u>NM</u> HBLE DESC | Formation 3rd Bone | Facilities | | Plug & Abandon | Projected TD: | |
| X Drill Lease Name/Well # Courtman Acct Code 501 PERI 516 TITL 501 DAN 502/711 ROA 503 DRII 503 DRII 503 RIG 503 MUI 517 CLO 505 MUI 505/716 WAT 503 FUE 504 CEM 509/705 TUB 509/705 TUB 509/705 CAS 513/708 FLO 507 TES 508 OPE | ill Well # RMITS & ENVIROMEN FLE OPINION, CURATT IRVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZA RILLING - DAYS G HOUSING EERING | Workover County / Sta Eddy INTANG TAL SERVIO | nte <u>NM</u> IBLE DESCI | 3rd Bone | Facilities | | Plug & Abandon | 0 | 8,355' TVD 18,325' MD |
| Lease Name/Well # Courtman Acct Code 501 PERI 516 TITL 501 DAN 502/711 ROA 503 DRII 503 DRII 503 RIG 503 RIG 503 BTIS 505 MUI 505/716 WAT 503 FUE 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO 507 TES 508 OPE | # RMITS & ENVIROMEN FLE OPINION, CURATT RVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZA RILLING - DAYS G HOUSING EERING | County / Sta Eddy INTANG TAL SERVIO VE & POOLI | NM IBLE DESC | 3rd Bone | | | | Proposal | |
| Courtman Acct Code 501 PERJ 516 TITL 501 SUR 501 DAN 502/711 ROA 503 DRII 503 DRII 503 RIG 503 RIG 503 RIG 503 MUI 517 CLO 505 MUI 505/716 WAT 503 FUE 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO 507 TES' 508 OPE 508 MUI | RMITS & ENVIROMEN FLE OPINION, CURATT IRVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZA RILLING - DAYS G HOUSING EERING | Eddy INTANG TAL SERVIO VE & POOL | NM IBLE DESC | 3rd Bone | Spring | | Field or Prospect | | |
| Acct Code S01 PERI 516 TITL 501 SUR 501 DAN 502/711 ROA 503 DRII 503 DRII 503 RIG 503 RIG 503 STEI 503 MUI 517 CLO 505/716 WAT 503 FUE 504 CEM 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES' 508 OPE 508 MUI | TLE OPINION, CURATT IRVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZ RILLING - DAYS G HOUSING EERING | INTANG TAL SERVIO | IBLE DESC | | Spring | | | | |
| Code 501 PERI 516 TITL 501 DAN 502/711 ROA 503 DRII 503 DRII 503 DRII 503 RIG 503 STEI 503 MUI 517 CLO 505/716 WAT 503 FUE 504 CEM 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES' 508 OPE 508 MUI | TLE OPINION, CURATT IRVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZ RILLING - DAYS G HOUSING EERING | TAL SERVI VE & POOLI | | RIPTION | | Permian | Travis | | |
| 501 PERI 516 TITL 501 SUR 501 DAN 502/711 ROA 503 DRII 503 DRII 503 DRII 503 RIG 503 STEI 503 MUI 517 CLO 505 MUI 505/716 WAT 503 FUE 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES' 508 OPE 508 MUI | TLE OPINION, CURATT IRVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZ RILLING - DAYS G HOUSING EERING | VE & POOL | CES | | | | COST BEFORE CASING POINT | COMPLETION COST | TOTAL WELL COST |
| 516 TITL 501 SUR 501 DAM 502/711 ROA 503 DRII 503 DRII 503 DRII 503 RIG 503 STEI 503 MUI 517 CLO 505/716 WAT 503 FUE 504 CEM 504 CEM 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES' 508 OPE 508 MUI | TLE OPINION, CURATT IRVEYING STAKE LOC AMAGES & R-O-W'S DADS, LOCATION, PITS RILLING RIG MOBILIZ RILLING - DAYS G HOUSING EERING | VE & POOL | CES | | | | \$10,000 | \$10,000 | \$20,000 |
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| 503 STEI 503 MUI 517 CLO 505 MUI 505/716 WAT 503 BITS 503 FUE 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO 507 TES 508 OPE 508 MUI | EERING | | | days @ | \$23,000 | | \$690,000 | | \$690,000 |
| 503 MUI 517 CLO 505 MUI 505/716 WAT 503 BITS 503 FUE 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO 507 TES 508 OPE 508 MUI | | | | days @ | \$1,200 | | \$36,000 | | \$36,000 |
| 517 CLO 505 MUI 505/716 WA1 503 BITS 503 FUE 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO 508 OPE 508 MUI | ID MOTORS & DIRECT | | | days @ | | | | | |
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| 505/716 WA1 503 BITS 503 FUE 504 CEM 504 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES 508 OPE 508 MUI | OSED LOOP & DISPOS | AL | 30 | days @ | \$4,500 | | \$135,000 | | \$135,000 |
| 503 BITS 503 FUE 504 CEM 504 CEM 701 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES 508 OPE 508 MUI | UD & FRAC CHEMICAL | LS | | | | | \$65,000 | \$235,000 | \$300,000 |
| 503 FUE 504 CEM 504 CEM 701 CEM 509/705 TUB 509/705 CAS 513/708 FLO 507 TES 508 OPE 508 MUI | ATER (Brine & Fresh); FI | RAC WATE | R | | | | \$40,000 | \$680,000 | \$720,000 |
| 504 CEM 504 CEM 701 CEM 509/705 TUB 509/705 CAS 513/708 FLO 507 TES 508 OPE 508 MUI | TS, REAMERS, ETC. | | | | | | \$87,000 | | \$87,000 |
| 504 CEM 701 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES 508 OPE 508 MUI | | | 90000 | gallons @ | \$5 | | \$450,000 | | \$450,000 |
| 701 CEM 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES 508 OPE 508 MUI | EMENTING SURFACE | | | | | | \$18,000 | | \$18,000 |
| 509/705 TUB 509/705 CAS 513/708 FLO. 507 TES' 508 OPE 508 MUI | MENTING INTERMEDI | | | | | | \$35,000 | | \$35,000 |
| 509/705 CAS 513/708 FLO. 507 TES' 508 OPE 508 MUI | MENTING PRODUCTIO | | | | | | | \$110,000 | \$110,000 |
| 513/708 FLO. 507 TES' 508 OPE 508 MUI | BULAR SERVICES AND | | | | | | \$80,000 | \$58,000 | \$138,000 |
| 507 TES 508 OPE 508 MUI | ASING CREWS PU LD M | | | TOOL ~ | | | \$30,000 | \$42,000 | \$72,000 |
| 508 OPE 508 MUI | OAT EQUIPMENT, CEN | | | TOOLS | | | \$10,000 | \$38,000 | \$48,000 |
| 508 MUI | STING; COMPLETION, | FLOWBAC | ĸ | | | | | \$72,000 | \$72,000 |
| | PEN HOLE LOGGING | | 24 | dama (C) | 62.000 | | \$48,000 | | £48.000 |
| 309/703 WEL | UD LOGGING ELDING, HOURLY LAI | DOD DOUG | | days @ | \$2,000 | | \$48,000 | \$165,000 | \$48,000 |
| 509/713 EQU | UIPMENT RENTAL | BOR, ROUS | IABOUICF | LE W 5, SAF | EIIFAI | | \$45,000 | \$105,000 | \$140,000 |
| - | UCKING, TRANSPORT | ATION FOR | RELIFT | | | | \$59,000 | \$95,000 | \$59,000 |
| | OMPLETION UNIT; COI | | | | | | \$57,000 | \$450,000 | \$450,000 |
| | RMATION STIMULATI | | | | | | | \$1,300,000 | \$1,300,000 |
| | ASED HOLE LOGGING, | | · · | C PLUGS | | | | \$300,000 | \$300,000 |
| | EOLOGIC / ENGINEERI | | | | | | \$40,000 | \$45,000 | \$85,000 |
| | ONTRACT CONSULTAN | | 30 | days @ | \$3,500 | | \$105,000 | \$52,000 | \$157,000 |
| | RILLING WELL RATE (A | | | days @ | \$200 | | \$6,000 | \$5,000 | \$11,000 |
| | SURANCE | , | | | | | \$34,000 | \$15,000 | \$49,000 |
| 513/708 MISO | SCELLANEOUS | | | | | | \$62,000 | \$92,000 | \$154,000 |
| 509/705 CON | ONTINGENCY (15%) | | | | | | \$383,000 | \$376,000 | \$759,000 |
| TOTAL INTANG | GIBLE ESTIMATED CO | OST | | | | | \$2,968,000 | \$4,150,000 | \$7,118,000 |
| Acct | | TANGI | BLE DESCR | IPTION | | | COST BEFORE | COMPLETION | TOTAL |
| Code | | | | | | | CASING POINT | COST | WELL COST |
| 620/820 | | Length | Grade | Size | Weight | Price/Ft. | | | |
| | ONDUCTOR | 120' | K-55 | 20 | | \$350.00 | \$42,000 | | \$42,000 |
| | IRFACE | 1,200' | J-55 | 13 3/8" | 48 | \$103.00 | \$123,600 | | \$123,600 |
| | TERMEDIATE | 3,500' | J-55 | 9 5/8" | 40 | \$60.00 | \$210,000 | | \$210,000 |
| | TERMEDIATE | 10.2001 | D 110 | 6.1.(0) | 20 | 625.00 | | ¢< 10,500 | ¢<40.500 |
| | ODUCTION UNER | 18,300' | P110 | 5 1/2" | 20 | \$35.00 | | \$640,500 | \$640,500 |
| | ODUCTION LINER JBING (Coated) | 7,500' | L-80 | 2.875 | 6.5 | \$12.00 | 1 | \$90,000 | \$90,000 |
| | ELLHEAD EQUIPMENT | | L-0U | 2.073 | 0.0 | \$12.00 | \$28,000 | \$18,000 | \$90,000 \$46,000 |
| | ODUCTION FACILITY | | E | | | | \$28,000 | \$165,000 | \$46,000 \$165,000 |
| | WER SOURCE | CL050K | | | | | | \$50,000 | \$50,000 |
| | DDS AND PUMP (FG & S | STEEL) | | | | | | φυσ,σσσ | \$30 <u>5</u> 000 |
| | CKERS, BP'S, ESP, DOV | · · · · | QUIPMENT | | | | | | |
| | EATER TREATER, SEPE | | - | | | | | \$185,000 | |
| | AS SALES LINE & METH | | | | | | | \$5,500 | \$5,500 |
| | OWLINES, VALVES, CO | | NS | | | | | \$125,000 | \$125,000 |
| | NKS (WATER AND PRO | | | | | | | \$70,000 | \$70,000 |
| | SCELLANEOUS | | | | | | \$20,000 | \$67,000 | \$87,000 |
| 622/820 CON | ONTINGENCY (10%) | | | | | | \$42,000 | \$142,000 | \$184,000 |
| | BLE ESTIMATED COST | | | | | | \$465,600 | \$1,558,000 | \$2,023,600 |
| | A Costs, Rig, Cmt, Clean | up, Misc., Se | rvices | | | | \$50,000 | | |
| ESTIMATED DR | | | | | | | \$3,483,600 | | |
| TOTAL AFE EST | | | | | | | \$3,433,600 | \$5,708,000 | \$9,141,600 |
| WI OWNER W.I | AND ACCEPTANCE: | | | | | AUTHORI | ZATION SHALL EXTEND TO ON SPECIFIED, WHETHER M | THE ACTUAL COSTS II | S ONLY AND APPROVAL OF THIS NCURRED IN CONDUCTING THE HE HEREIN SET OUT. Date: 6/1/2023 |
| | | | | | _ | r repared by | | | Dute. 0/1/2023 |
| Date | | | | | _ | | DEE Insurance ADD <u>\$23,000</u> to A | | Date: |

Exhibit A-4 "Communication Summary"

Valid and diligent efforts have been made to all parties that V-F Petroleum Inc. ("V-F") seeks to compulsory pool. All AFEs, election letters, and JOAs were sent certified mail. Contact by V-F was undertaken and communication was established by phone and email multiple times for locatable parties and diligence search efforts for those others. Some parties received their information to a P.O. Box but refused to pick up from the P.O. Box. Communication was had inquiring around acquiring acreage, development plans, or signing provided JOA for voluntary joinder to participate and providing technical answers to questions for further non-op evaluations. Some parties indicated that they were not adverse to our pooling application, but want to be pooled and reproposed to under order. Most all parties that are being pooled have communicated they are wanting to participate and will sign a JOA, just waiting on signature pages.

EOG Resources Inc.- Multiple phone calls, in person discussion, and multiple deal offers proposed to EOG. Follow ups on status of offer 7/6/23, 7/ 7/23, 7/18/23, 8/10/23, 9/6/23 and multiple phone conversations. Indication wants to work some type of deal, still working through details.

Read & Stevens, Inc. (Permian Resources Operating, LLC)- Discussions on which direction they want to go, ie, sign, JOA, joining in wells, entertain alternative idea 8/2/23. Responded back they are developing section 5 and 6 N2N2, currently VF shows Permian Resources with ZERO interest in their proposal to even have right to develop their wells. Follow up on 8/8, 8/9, 8/14, 8/24 on potential trade discussion. In person meeting held on 8/23 to discuss.

Andersen-Malone, LLC- Stated signed JOA is in the mail prior to hearing, have not currently received.

Pamela Evans, Anne S. Johnson, Eaton Family Trust, Theodore P. White et ux- Multiple phone call attempts on numbers associated with each party, unsuccessful., will continue to reach out.

Gilbert Eaton- Received signed elections back to not participate, ok to be compulsory pooled

Hanagan Investments, LLC- Offer made to work a deal, still pending a decision.

Slash Exploration Limited Partnership- Discussed and met in person. Indicated will participate, and will be returning the JOA signed. Still awaiting signed JOA.

Charles F. Malone Living Trust, Jane M. Stockton, Katherine Ann Malone, Charles F. Malone, Jr- Spoke with Charles F. Malone, Jr. and Jane above that indicates that speaks on behalf of all interest. JOA was sent to distribute out, communication began 6/23,6/26,7/7 and phone call with both Charles and Jane during this time frame as well.

Santo Legado- Stated they will await to elect under the pooling order

MRC- Stated they are sitting back until V-F and Permian development plays out

Yates Energy awaiting responses back on decisions

Marathon Oil Company and Permian indicated multiple times after follow up 6/23, 8/4, and 8/7 that they were reviewing and revert with decision, still to date no decision has been made.

End Exhibit A-4



TAB 3

- Self-Affirmed Statement of Jason J. Lodge, Geologist Exhibit B:
- Exhibit B-1: Location Map
- Subsea Structure Map -2^{nd} BS Sand Subsea Structure Map -3^{rd} BS Sand Exhibit B-2:
- Exhibit B-3:
- Structural Cross-Section Exhibit B-4:
- Exhibit B-5: Gun Barrel View

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

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

CASE NO. 23728

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. This affidavit is submitted in connection with the filing by V-F of the above referenced compulsory pooling.

4. Exhibit B-1 is a location map of the proposed horizontal spacing unit ("Unit") that is outlined by a dark blue rectangle. The planned wellbore path for the proposed Courtman 4 State Com #222H is represented by a green dashed line, and the planned wellbore path for the proposed Courtman 4 State Com #232H well is represented by a red dashed line. Existing producing wells in the targeted intervals are represented by green and red solid lines. Green wells are horizontals that produce from the 2nd Bone Spring formation, and red wells are horizontals that produce from the 3rd Bone Spring formation.

5. **Exhibit B-2** is a subsea structure map with a contour interval of 100 feet that is representative of the 2nd Bone Spring Sand target interval. The data points are indicated by red crosses along with their corresponding subsea values posted above in blue. The planned wellbore



path for the 2nd Bone Spring Sand well is depicted by a green dashed line. The map demonstrates the formation is 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. Also identified on this exhibit are five wells that were used to construct a structural cross-section from A to A'. I used these particular well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. **Exhibit B-3** is a subsea structure map with a contour interval of 100 feet that is representative of the 3rd Bone Spring Sand target interval. The data points are indicated by red crosses along with their corresponding subsea values posted above in blue. The planned wellbore path for the 3rd Bone Spring Sand well is depicted by a red dashed line. The map demonstrates the formation is 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. As with **Exhibit B-2**, the same path of the five well structural cross section A to A' is included.

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 is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.

8. **Exhibit B-5** is a gun barrel representation of the Unit depicting vertical and horizontal distances between each planned well.

9. In my opinion, a laydown orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and the preference to be perpendicular to the inferred 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.

10. Based on my geologic study of the area, the targeted intervals 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.

11. 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.

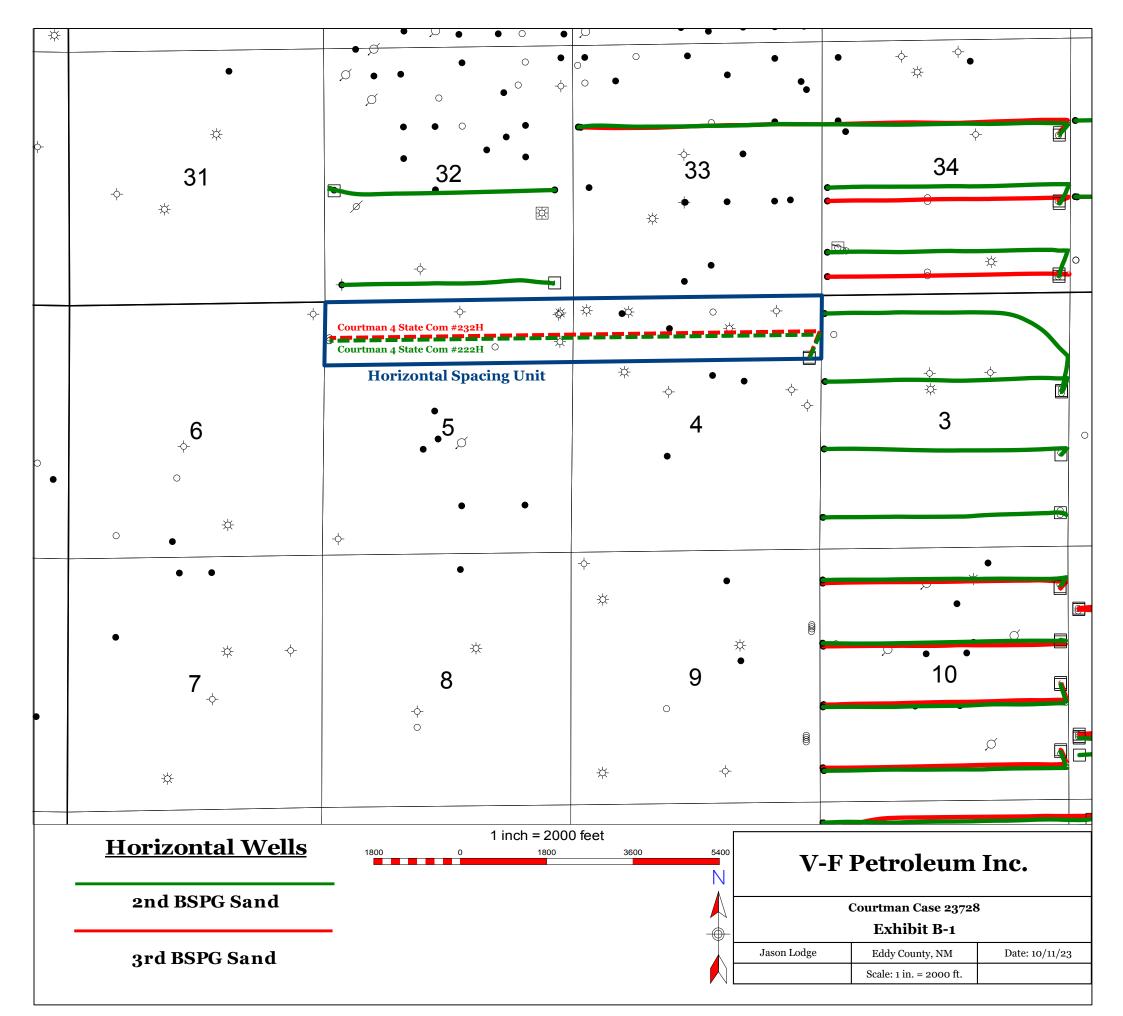
12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

13. 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.

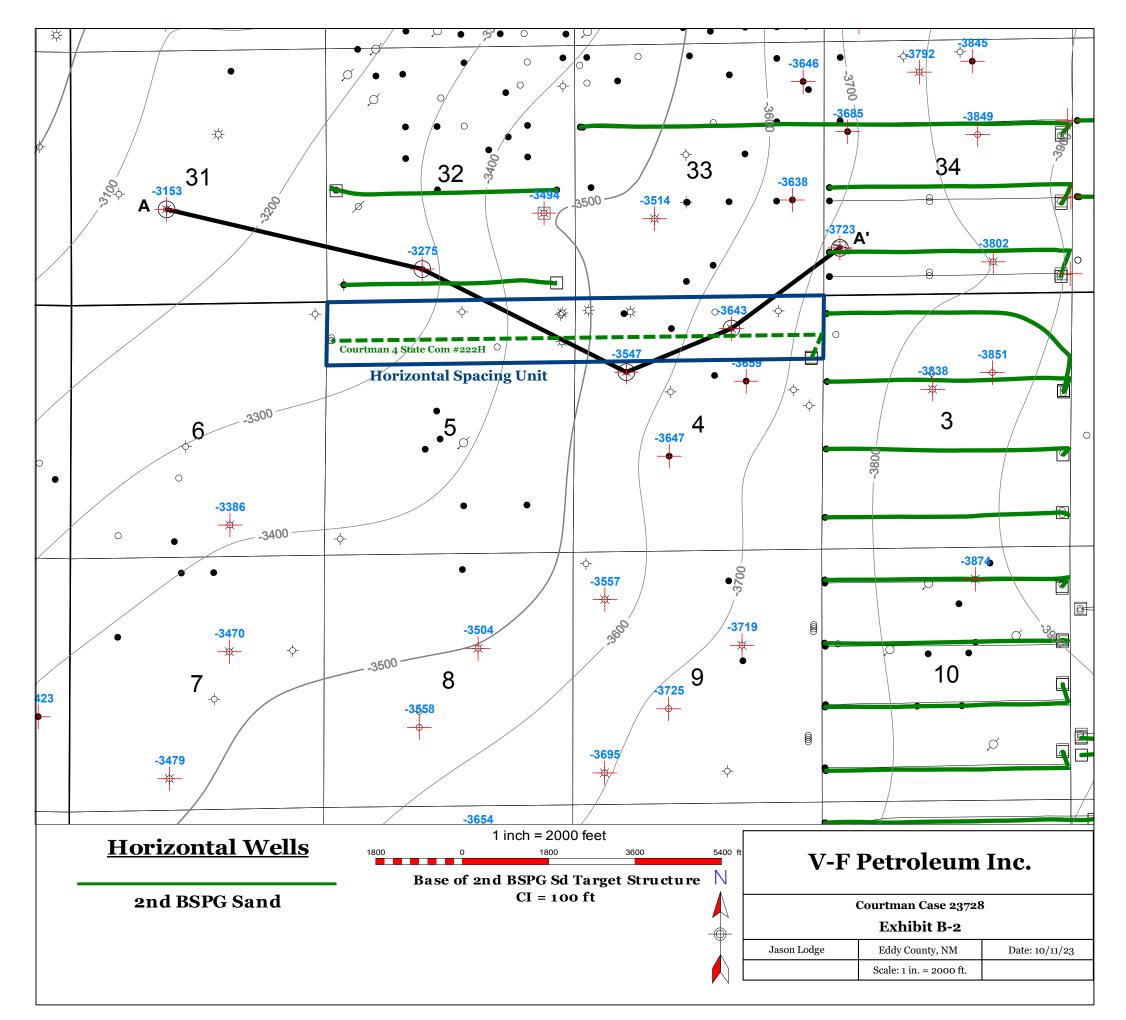
em f. Ispa

Jason J. Lodge

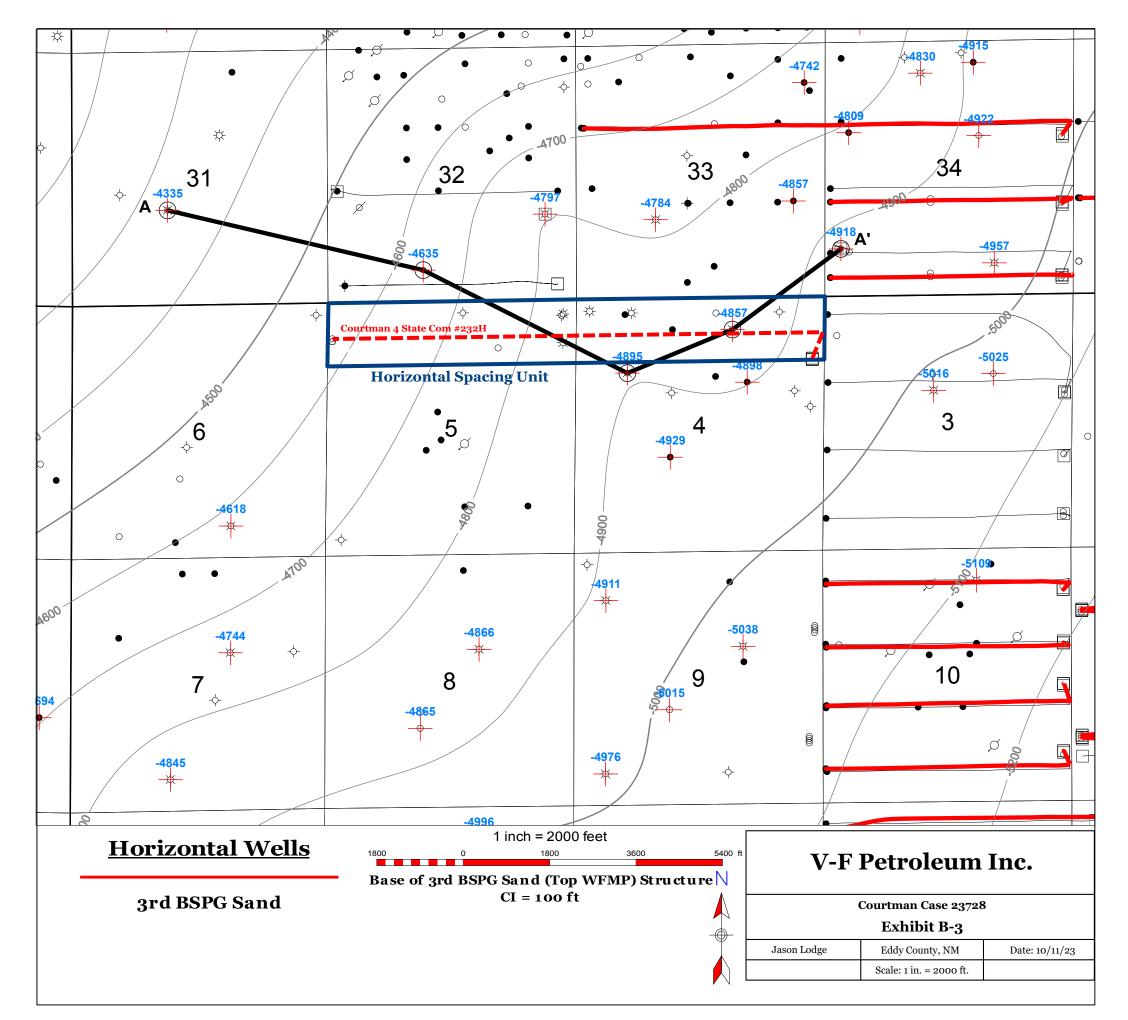
10/11/23 Date



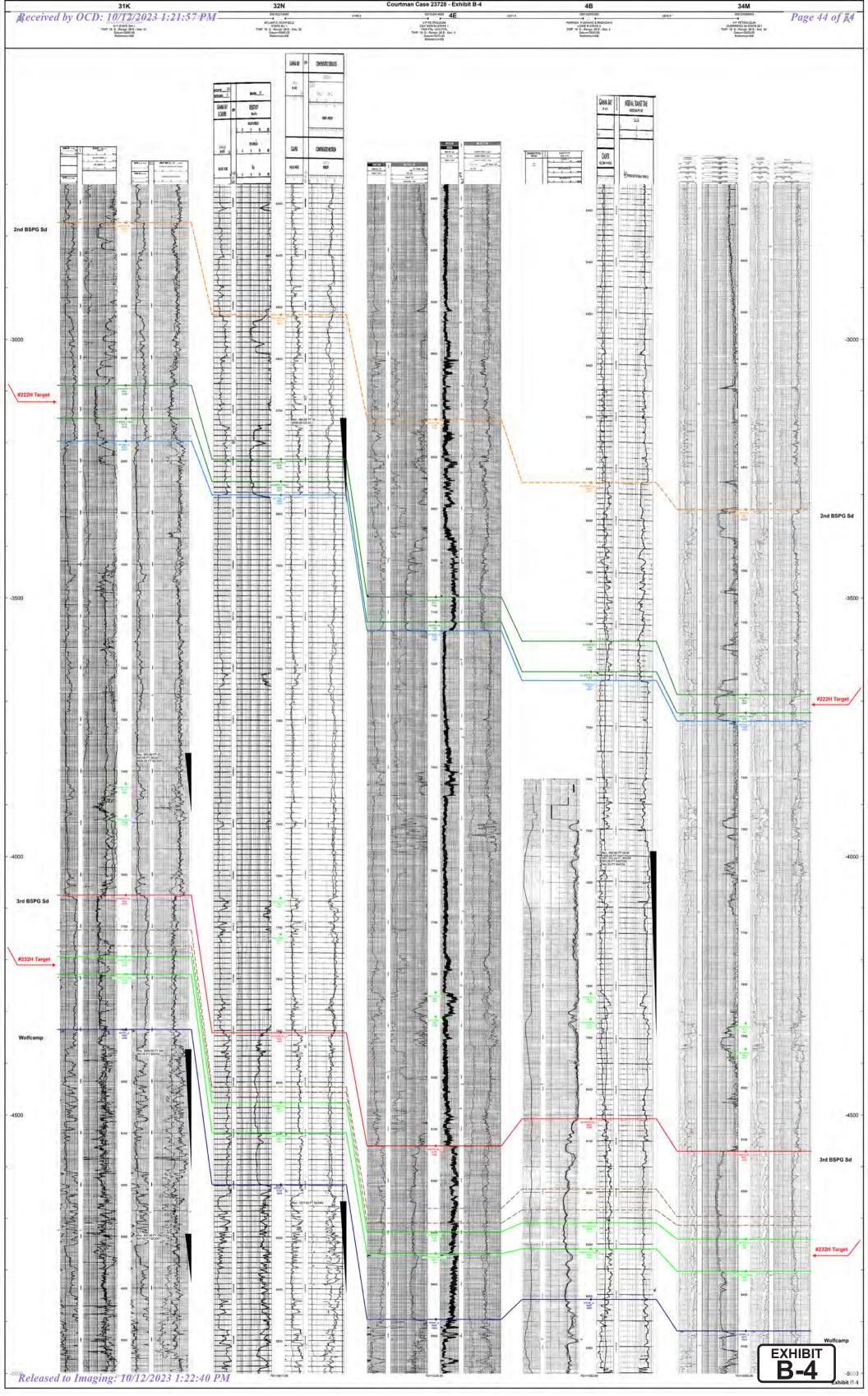












| 1/4 Sec 3200 _ | Section Line | n Line 3200 |
|----------------------|---|----------------|
| ∃ -3300 ⁻ | 2nd BSPG Sand | -3300 = |
| ∃-3400∃ | | -3400 = |
| Ξ -3500 Ξ | | -3500 Ξ |
| = -3600 = | | -3600 Ξ |
| ∃ -3700 ∃ | → 510 ft ← 222H → 810 ft ← 3rd BSPG Carb | -3700 = |
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| = -4700 = | | -4700 = |
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| = -4900 = | Wolfcamp | -4900 = |
| = -5000 = | | -5000 = |

| ٢ | EXHIBIT |
|---|------------|
| | B-5 |
| | |

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TAB 4

- Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage
- Exhibit C-1: Notice Letter
- Exhibit C-2: Mailing List
- Exhibit C-3: Affidavit of Publication

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

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

Case No. 23728

SELF-AFFIRMED STATEMENT OF NOTICE

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F Petroleum"), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on August 17, 2023, to all uncommitted interest owners sought to be pooled in this proceeding. See Exhibit C-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice was sent to the Carlsbad Current Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on August 20, 2023. See Exhibit C-3.

[Signature page follows]



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23728 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

10/11/2023

• •

Date Signed

Received by OCD: 10/12/2023 1:21:57 PM



ABADIE | SCHILL PC

Page 49 of 74

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

EXHIBIT

August 17, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for a horizontal spacing unit and compulsory pooling, Eddy County, New Mexico <u>Courtman 4 State Com 222H Well</u> (Case No. 23728) <u>Courtman 4 State Com 232H Well</u> (Case No. 23728)

Case No. 23728:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc. ("V-F Petroleum"), has filed the enclosed application, Case No. 23728, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of a unit in the Bone Spring formation.

In Case No. 23728, V-F Petroleum seeks to pool the Bone Spring formation underlying a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, dedicated to the above-referenced **Courtman 4 State Com 222H** and **Courtman 4 State Com 232H Wells**.

A hearing has been requested before a Division Examiner on September 7, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online.

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • **F**: 970.385.4901

For information about remote access and status of the case, you can visit the Division's website at: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter, please contact Sean Johnson at (432) 683-3344 or at sean@vfpetroleum.com.

Sincerely,

Darin C. Savage

Attorney for V-F Petroleum Inc.

| Mail Activity Report - CertifiedPro.net Mailed from 8/13/2023 to 8/19/2023 User Name: abadieschill Generated: 10/11/2023 6:03:24 AM | | | | | | | | | | | |
|--|-------------|-----------|---------------------------------------|--|--------------------------|-----------|---------------|-------|------------|----------------|----------------------|
| USPS Article Number | Date Mailed | Ownership | Name 1 | Name 2 | Address 1 | Address 2 | City | State | Zip | Mailing Status | Service Options |
| 9314869904300111135695 | 8/17/23 | WI | Andersen-Malone, LLC | | P.O. Box 87 | | Roswell | NM | 88202 | Delivered | REE - Certified Mail |
| 9314869904300111135718 | 8/17/23 | WI | White, Theodore P. | whose wife is Marianne White | P.O. Box 533 | | Roswell | NM | 88202-0533 | In Transit | REE - Certified Mail |
| 9314869904300111135725 | 8/17/23 | WI | Hanagan Investment, LLC | a New Mexico Limited Liability Company | P.O. Box 1737 | | Roswell | NM | 88202 | Delivered | REE - Certified Mail |
| 9314869904300111135756 | 8/17/23 | WI | Slash Exploration Limited Partnership | | P.O. Box 1973 | | Roswell | NM | 88202 | Delivered | REE - Certified Mail |
| 9314869904300111135770 | 8/17/23 | WI | Charles F. Malone Living Trust, | dated 8/01/1987 | 2701 Chrysler Drive | | Roswell | NM | 88201 | Delivered | REE - Certified Mail |
| 9314869904300111135787 | 8/17/23 | WI | Jane M. Stockton | | 6756 Chisum Trail | | Dexter | NM | 88230 | Delivered | REE - Certified Mail |
| 9314869904300111135800 | 8/17/23 | WI | Charles F. Malone | | 2701 Chrysler Dr. | | Roswell | NM | 88201 | Delivered | REE - Certified Mail |
| 9314869904300111135824 | 8/17/23 | WI | Yates Energy Corporation | | P.O. Box 2323 | | Roswell | NM | 88201 | Delivered | REE - Certified Mail |
| 9314869904300111135831 | 8/17/23 | WI | Jalapeno Corporation | | P.O. Box 1608 | | Albuquerque | NM | 87103 | Delivered | REE - Certified Mail |
| 9314869904300111135855 | 8/17/23 | WI | Santo Legado, LLC | | P.O. Box 1020 | | Artesia | NM | 88211 | Delivered | REE - Certified Mail |
| 9314869904300111135862 | 8/17/23 | WI | Sharbro Energy, LLC | | P.O. Box 840 | | Artesia | NM | 88202 | Delivered | REE - Certified Mail |
| 9314869904300111135664 | 8/17/23 | WI | Read & Stevens, Inc. | (Permian Resources Operating, LLC) | 300 N. Marienfeld Street | | Midland | ΤX | 79701 | Delivered | REE - Certified Mail |
| 9314869904300111135671 | | WI | Pamela Ann Evans | | 7625 Parkview Circle | | Austin | ΤX | 78731 | In Transit | REE - Certified Mail |
| 9314869904300111135701 | 8/17/23 | WI | RED RIVER ENERGY PARTNERS, LLC | | P.O. Box 2455 | | Midland | TX | 79702 | Delivered | REE - Certified Mail |
| 9314869904300111135749 | | WI | DML Revocable Trust dated 1/10/2007 | Dan M. Leonard, Trustee | P.O. Box 3422 | | Midland | ΤX | 79702 | Delivered | REE - Certified Mail |
| 9314869904300111135794 | 8/17/23 | WI | Katherine Ann Malone | | 4104 24th St. | Suite 551 | San Francisco | CA | 94114 | Delivered | REE - Certified Mail |
| 9314869904300111135817 | -, , - | WI | Anne S. Johnson | | 14511 W. Selma | | Wichita | KS | 67227 | In Transit | REE - Certified Mail |
| 9314869904300111135848 | | WI | Marathon Oil Company | | 990 Town & Country Blvd | | Houston | TX | 77024 | Delivered | REE - Certified Mail |
| 9314869904300111135886 | | WI/RT | EOG Resources Inc. | | 5509 Champions Dr. | | Midland | TX | 79706 | Delivered | REE - Certified Mail |
| 9314869904300111135893 | | WI/RT | Marathon Oil Permian LLC | | 990 Town & Country Blvd | | Houston | TX | 77024 | Delivered | REE - Certified Mail |
| 9314869904300111135909 | | RT | COG Operating, LLC | | 600 W. Illinois Ave | | Midland | TX | 79701 | Delivered | REE - Certified Mail |
| 9314869904300111135916 | 8/17/23 | RI | State of New Mexico | | 314 N. Canal Street | | Carlsbad | NM | 88220 | Delivered | REE - Certified Mail |



.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1359 16**.

| Item Details | | | | |
|------------------------------|---|--|--|--|
| Status: | Delivered, Front Desk/Reception/Mail Room | | | |
| Status Date / Time: | August 21, 2023, 03:39 p.m. | | | |
| Location: | CARLSBAD, NM 88220 | | | |
| Postal Product: | First-Class Mail [®] | | | |
| Extra Services: | Certified Mail™ | | | |
| | Return Receipt Electronic | | | |
| Recipient Name: | State of New Mexico | | | |
| Shipment Details | | | | |
| Weight: | 2.0oz | | | |
| Destination Delivery Address | | | | |
| Street Address: | 314 N CANAL ST | | | |
| City, State ZIP Code: | CARLSBAD, NM 88220-5832 | | | |
| Recipient Signature | | | | |
| | Bithom | | | |
| Signature of Recipient: | Barra Thorn | | | |
| | 314 N' canal | | | |
| Address of Recipient: | i canal | | | |
| | | | | |

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 23, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1359 09**.

| Item Details | | | | | |
|------------------------------|---|--|--|--|--|
| Status: | Delivered, Front Desk/Reception/Mail Room | | | | |
| Status Date / Time: | August 22, 2023, 08:00 a.m. | | | | |
| Location: | MIDLAND, TX 79701 | | | | |
| Postal Product: | First-Class Mail [®] | | | | |
| Extra Services: | Certified Mail™ | | | | |
| | Return Receipt Electronic | | | | |
| Recipient Name: | COG Operating LLC | | | | |
| Shipment Details | | | | | |
| Weight: | 2.0oz | | | | |
| Destination Delivery Address | | | | | |
| Street Address: | 600 W ILLINOIS AVE | | | | |
| City, State ZIP Code: | MIDLAND, TX 79701-4882 | | | | |
| Recipient Signature | | | | | |
| Signature of Recipient: | Dullaper | | | | |
| Address of Recipient: | 6WW Illinois | | | | |

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 93**.

| Item Details | |
|------------------------------|---|
| Status: | Delivered, Front Desk/Reception/Mail Room |
| Status Date / Time: | August 21, 2023, 11:38 a.m. |
| Location: | HOUSTON, TX 77024 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail [™] |
| | Return Receipt Electronic |
| Recipient Name: | Marathon Oil Permian LLC |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: | 990 TOWN AND COUNTRY BLVD |
| City, State ZIP Code: | HOUSTON, TX 77024-2217 |
| Recipient Signature | |
| Signature of Recipient: | KVAKS |
| Address of Recipient: | 990 Town + Lo Bligh |

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 23, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 86**.

| Item Details | | | |
|-------------------------|---|--|--|
| Status: | Delivered, Front Desk/Reception/Mail Room | | |
| Status Date / Time: | August 22, 2023, 08:24 a.m. | | |
| Location: | MIDLAND, TX 79701 | | |
| Postal Product: | First-Class Mail [®] | | |
| Extra Services: | Certified Mail™ | | |
| | Return Receipt Electronic | | |
| Recipient Name: | EOG Resources Inc | | |
| Shipment Details | | | |
| Weight: | 2.0oz | | |
| Recipient Signature | | | |
| Signature of Recipient: | "UN R/" | | |
| Address of Recipient: | EOG | | |

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 79**.

| Item Details | |
|------------------------------|---|
| Status: | Delivered, Front Desk/Reception/Mail Room |
| Status Date / Time: | August 21, 2023, 12:39 p.m. |
| Location: | DALLAS, TX 75240 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | MRC Delaware Resources LLC |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: | 5400 LYNDON B JOHNSON FWY STE 1500 |
| City, State ZIP Code: | DALLAS, TX 75240-1017 |
| Recipient Signature | |
| Signature of Recipient: | L R ~ ~ |
| Address of Recipient: | ZY = + 1500 |

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 23, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 62**.

| Item Details | | | | |
|---|---|--|--|--|
| Status: Status Date / Time: Location: Postal Product: Extra Services: | Delivered, Individual Picked Up at Post Office August 22, 2023, 10:55 a.m. ARTESIA, NM 88210 First-Class Mail [®] Certified Mail [™] Return Receipt Electronic | | | |
| Recipient Name: | Sharbro Energy LLC | | | |
| Shipment Details | | | | |
| Weight: | 2.0oz | | | |
| Recipient Signature | | | | |
| Signature of Recipient: | Krister | | | |
| Address of Recipient: | 84C | | | |

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

UNITED STATES POSTAL SERVICE

August 23, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 55**.

| Item Details | | | |
|-------------------------|--|--|--|
| Status: | Delivered, Individual Picked Up at Post Office | | |
| Status Date / Time: | August 22, 2023, 10:43 a.m. | | |
| Location: | ARTESIA, NM 88210 | | |
| Postal Product: | First-Class Mail [®] | | |
| Extra Services: | Certified Mail™ | | |
| | Return Receipt Electronic | | |
| Recipient Name: | Santo Legado LLC | | |
| Shipment Details | | | |
| Weight: | 2.0oz | | |
| Recipient Signature | | | |
| | Sher Puto | | |
| Signature of Recipient: | Shen Pitt: | | |
| | 10 tox 1020 | | |
| Address of Recipient: | Arlash Nm 88211 | | |

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 48**.

| Item Details | | | | |
|------------------------------|---|--|--|--|
| Status: | Delivered, Front Desk/Reception/Mail Room | | | |
| Status Date / Time: | August 21, 2023, 11:38 a.m. | | | |
| Location: | HOUSTON, TX 77024 | | | |
| Postal Product: | First-Class Mail [®] | | | |
| Extra Services: | Certified Mail™ | | | |
| | Return Receipt Electronic | | | |
| Recipient Name: | Marathon Oil Company | | | |
| Shipment Details | | | | |
| Weight: | 2.0oz | | | |
| Destination Delivery Address | | | | |
| Street Address: | 990 TOWN AND COUNTRY BLVD | | | |
| City, State ZIP Code: | HOUSTON, TX 77024-2217 | | | |
| Recipient Signature | | | | |
| Signature of Recipient: | KUCKS | | | |
| Address of Recipient: | 990 Town + Lo Bligh | | | |

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August 21, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 31**.

| Item Details | | | | |
|-------------------------|--|--|--|--|
| Status: | Delivered, Individual Picked Up at Post Office | | | |
| Status Date / Time: | August 18, 2023, 10:59 a.m. | | | |
| Location: | ALBUQUERQUE, NM 87102 | | | |
| Postal Product: | First-Class Mail [®] | | | |
| Extra Services: | Certified Mail™ | | | |
| | Return Receipt Electronic | | | |
| Recipient Name: | Jalapeno Corporation | | | |
| Shipment Details | | | | |
| Weight: | 2.0oz | | | |
| Recipient Signature | | | | |
| | Mar | | | |
| Signature of Recipient: | Maja Slavnic | | | |
| | PO BOX 1608 | | | |
| Address of Recipient: | ALBUQUERQUE, NM 87103-1608 | | | |

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Information in this section provided by Covius Document Services, LLC.

August 23, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 24**.

| Item Details | |
|-------------------------|--|
| Status: | Delivered, Individual Picked Up at Post Office |
| Status Date / Time: | August 22, 2023, 10:21 a.m. |
| Location: | ROSWELL, NM 88201 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail [™] |
| | Return Receipt Electronic |
| Recipient Name: | Yates Energy Corporation |
| Shipment Details | |
| Weight: | 2.0oz |
| Recipient Signature | |
| Signature of Recipient: | Kato Ediyer Kate Edwer |
| Address of Recipient: | 2323 |

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Information in this section provided by Covius Document Services, LLC.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1358 00**.

| Item Details | |
|--|--|
| Status: Status Date / Time: Location: Postal Product: Extra Services: Recipient Name: | Delivered, Left with Individual August 21, 2023, 04:22 p.m. ROSWELL, NM 88201 First-Class Mail [®] Certified Mail [™] Return Receipt Electronic Charles F Malone |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: City, State ZIP Code: | 2701 CHRYSLER DR ROSWELL, NM 88201-5207 |
| Recipient Signature | |
| Signature of Recipient: | CANT CILI |
| Address of Recipient: | 2701 (7) er At - Ford (M. |

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Information in this section provided by Covius Document Services, LLC.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 94**.

| Item Details | |
|------------------------------|---------------------------------|
| Status: | Delivered, Left with Individual |
| Status Date / Time: | August 21, 2023, 07:51 a.m. |
| Location: | SAN FRANCISCO, CA 94114 |
| Postal Product: | First-Class Mail® |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | Katherine Ann Malone |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: | 4104 24TH ST |
| City, State ZIP Code: | SAN FRANCISCO, CA 94114-3615 |
| Recipient Signature | |
| Signature of Recipient: | M M |
| Address of Recipient: | 4104 |

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 24, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 87**.

| Item Details | |
|--|--|
| Status: Status Date / Time: Location: Postal Product: Extra Services: Recipient Name: | Delivered, Left with Individual August 23, 2023, 09:22 a.m. DEXTER, NM 88230 First-Class Mail [®] Certified Mail [™] Return Receipt Electronic Jane M Stockton |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: City, State ZIP Code: | 6756 OLD CHISUM TRL DEXTER, NM 88230-9651 |
| Recipient Signature | |
| Signature of Recipient: | gm Stadston 3m Stockton |
| Address of Recipient: | 6756 par chisum the |

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 70**.

| Item Details | |
|---|--|
| Status: Status Date / Time: Location: Postal Product: Extra Services: | Delivered, Left with Individual August 21, 2023, 04:22 p.m. ROSWELL, NM 88201 First-Class Mail [®] Certified Mail [™] Return Receipt Electronic |
| Recipient Name: | Charles F Malone Living Trust dated 8 01 1987 |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: City, State ZIP Code: | 2701 CHRYSLER DR ROSWELL, NM 88201-5207 |
| Recipient Signature | |
| Signature of Recipient: | Affre all |
| Address of Recipient: | 0701 (7, entr - Ford Lang |

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

UNITED STATES POSTAL SERVICE

September 8, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 63**.

| Item Details | |
|------------------------------|---|
| Status: | Delivered, Left with Individual |
| Status Date / Time: | September 1, 2023, 05:32 p.m. |
| Location: | NEWARK, DE 19713 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | Eaton Gilbert J SSP |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: | 48 ARIZONA STATE DR |
| City, State ZIP Code: | NEWARK, DE 19713-1144 |
| Recipient Signature | |
| Signature of Recipient: | Delivery Section ure RD Etter ed Get et |
| Address of Recipient: | ery 48 Aryzons St |

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 24, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 56**.

| Item Details | |
|-------------------------|--|
| Status: | Delivered, Individual Picked Up at Post Office |
| Status Date / Time: | August 23, 2023, 10:08 a.m. |
| Location: | ROSWELL, NM 88201 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | Slash Exploration Limited Partnership |
| Shipment Details | |
| Weight: | 2.0oz |
| Recipient Signature | |
| Signature of Recipient: | Av~ |
| | VAlvorado |
| | PO BOX 1973 |
| Address of Recipient: | ROSWELL, NM 88202-1973 |

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 23, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 49**.

| Item Details | |
|-------------------------|---|
| Status: | Delivered, Front Desk/Reception/Mail Room |
| Status Date / Time: | August 22, 2023, 11:17 a.m. |
| Location: | MIDLAND, TX 79701 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | DML Revocable Trust dated 1 10 2007 Dan M Leona |
| Shipment Details | |
| Weight: | 2.0oz |
| Recipient Signature | |
| Signature of Recipient: | Ditte Cleanur |
| Address of Recipient: | PUBY 3422 74702 |

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

UNITED STATES POSTAL SERVICE

August 23, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 25**.

| Item Details | |
|-------------------------|---|
| Status: | Delivered, Individual Picked Up at Post Office |
| Status Date / Time: | August 22, 2023, 08:57 a.m. |
| Location: | ROSWELL, NM 88201 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | Hanagan Investment LLC a New Mexico Limited Lia |
| Shipment Details | |
| Weight: | 2.0oz |
| Recipient Signature | |
| Signature of Recipient: | A.S |
| | Ama |
| | PO BOX 1737 |
| Address of Recipient: | ROSWELL, NM 88202-1737 |

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

UNITED STATES POSTAL SERVICE

August 24, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1357 01**.

| Item Details | |
|---|---------------------------------------|
| Status: | Delivered to Agent for Final Delivery |
| Status Date / Time: | August 23, 2023, 10:49 a.m. |
| Location: | MIDLAND, TX 79701 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | RED RIVER ENERGY PARTNERS LLC |
| Shipment Details | |
| Weight: | 2.0oz |
| Recipient Signature | |
| Signature of Recipient: (Authorized Agent) | Jon M Forth |
| Address of Recipient: | P.O. 95x 2455 |

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 29, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1356 95**.

| Item Details | |
|-------------------------|--|
| Status: | Delivered, Individual Picked Up at Post Office |
| Status Date / Time: | August 28, 2023, 01:54 p.m. |
| Location: | ROSWELL, NM 88201 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | Andersen Malone LLC |
| Shipment Details | |
| Weight: | 2.0oz |
| Recipient Signature | |
| Signature of Recipient: | Septer Karnes Wishi M. KARNES |
| Address of Recipient: | PO BOX 87 ROSWELL, NM 88202-0087 |

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service[®] for your mailing needs. If you require additional assistance, please contact your local Post Office[™] or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1356 88**.

| Item Details | |
|---|---------------------------------------|
| Status: | Delivered to Agent for Final Delivery |
| Status Date / Time: | August 21, 2023, 12:06 p.m. |
| Location: | LITTLETON, CO 80120 |
| Postal Product: | First-Class Mail [®] |
| Extra Services: | Certified Mail™ |
| | Return Receipt Electronic |
| Recipient Name: | Eaton Family Trust |
| Shipment Details | |
| Weight: | 2.0oz |
| Recipient Signature | |
| Signature of Recipient: (Authorized Agent) | |
| Address of Recipient: | |

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

UNITED STATES POSTAL SERVICE

August 22, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0111 1356 64**.

| Item Details | |
|---|--|
| Status: Status Date / Time: Location: Postal Product: Extra Services: | Delivered, Left with Individual August 21, 2023, 12:33 p.m. MIDLAND, TX 79701 First-Class Mail [®] Certified Mail [™] Return Receipt Electronic |
| Recipient Name: | Read Stevens Inc Permian Resources Operatin |
| Shipment Details | |
| Weight: | 2.0oz |
| Destination Delivery Address | |
| Street Address: City, State ZIP Code: | 300 N MARIENFELD ST STE 150 MIDLAND, TX 79701-4558 |
| Recipient Signature | |
| Signature of Recipient: | L Kalah L Kaliseh |
| Address of Recipient: | 367 MMM |

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service[®] for your mailing needs. If you require additional assistance, please contact your local Post Office[™] or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005803492 This is not an invoice

ABADIE SCHILL P.C. 555 RIVERGATE # B 4-180

DURANGO, CO 81301-7485

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:

08/20/2023

Legal Clerk

Subscribed and sworn before me this August 20,

2023: allen

State of WI, County of Brown NOTARY PUBLIC

My commission expires

<u>CASE No. 23728</u>: Notice – to all parties and persons having any right, title, interest or daim in this case, including owners of work-ing interest, overriding royalty interest, and record title, among oth-ers, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include COG OPERATING, LLC; MARATHON OIL PERMIAN LLC; EOG RESOURCES INC.; READ & STEVENS, INC. (PER-MIAN RESOURCES OPERATING, LLC; PAMELA ANN EVANS; EATON FAMILY TRUST; ANDERSEN-MALONE, LLC; RED RIVER ENERGY PART-NERS, LLC; WHITE, THEODORE P., WHOSE WIFE IS MARIANNE WHITE; HANAGAN INVESTMENT, LLC, A NEW MEXICO LIMITED LIA-BILITY COMPANY; DML REVOCABLE TRUST DATED 1/10/2007, DAN M. LEONARD, TRUSTEE; SLASH EXPLORATION LIMITED PARTNER-SHIP; EATON, GILBERT J. (SSP); CHARLES F. MALONE LIVING TRUST, DATED 8/01/1987; JANE M. STOCKTON; KATHERINE ANN MALONE; CHARLES F. MALONE; ANNE S. JOHNSON; YATES ENERGY CORPORA-TION; JALAPENO CORPORATION; MARATHON OIL PERMIAN LLC; MARATHON OIL COMPANY; SANTO LEGADO, LLC; SHARBRO ENER-GY, LLC; and MRC DELAWARE RESOURCES, LLC – of V-F.Petroleum, Inc.'s application for approval of a compulsory pooling underlying a MARATHON OIL COMPANY: SANTO LEGADO, LLC; SHARBRO ENER-GY, LLC; and MRC DELAWARE RESOURCES, LLC - of V-F-Petroleum, Inc.'s application for approval of a compulsory pooling underlying a standard spacing unit, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on September 7, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about re-mote access and the status of the case, you can visit the Division's website at: https://www.emrd.nm.gov/ocd/hearing-info/ or call (SOS) 476-3441. V-F Petroleum, Inc., (Corporate office at S00 W. Texas Ave., Suite 350, Midland, TX 79701) seeks an order from the Division pool-ing all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 324.84-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (N/2 N/2 equivalent) of Sections 4 and 5, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Sections 4 and 5 are irregu-lar Sections which contain correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Courtman 4 State Com #222H Well, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of Section 4 to a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of Section 5; and the Courtman 4 State Com #232H Well, an oil well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of Section 5. The wells will be orthodox, and the take points and com-pleted intervals will comply with the setback requirements under the Division's Statewide Rules; also to be considered will be the cost of Section 5. The wells will be orthodox, and the take points and com-pleted intervals will comply with the setback requirements under the Division's Statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the des-ignation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 18.5 miles southeast of Artesia, New Mexico. #5803492, Current Argus, August 20, 2023

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005803492 PO #: 23728 # of Affidavits1

This is not an invoice