# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING NOVEMBER 2, 2023

Case No. 23922

Elm Fee #1H Elm Fee #2H Elm Fee #3H Elm Fee #4H

Eddy County, New Mexico



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

APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC TO AMEND ORDER NO. R-22632, EDDY COUNTY, NEW MEXICO

**CASE NO. 23922** (Formerly Case 23346)

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**Legacy Exhibit A:** Filed Application

Legacy Exhibit B: Affidavit of Mark Smith, Senior Landman

• Pooling Application

• Subject Order

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• Notice Letter

• Certified Mail Receipts

Legacy Exhibit D: Affidavit of Publication

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

APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC TO AMEND ORDER NO. R-22632, EDDY COUNTY, NEW MEXICO

Case No.	
(Formerly	Case 23346)

#### **APPLICATION**

Riley Permian Operating Company, LLC, OGRID No. 372290 ("Riley" or "Applicant"), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") to amend Order No. R-22632, issued by the Division on behalf Redwood Operating, LLC, whose interests have been acquired by Applicant, to allow an additional year to commence drilling the proposed initial wells.

In support of its Application, Applicant states the following:

- 1. Division Order No. R-22632, entered on April 16, 2023, in Case No. 23346, pooled all uncommitted mineral interests in the Yeso formation underlying standard 160-acre, more or less, horizontal spacing unit comprised of the S½N½ of Section 15, Township 18 South, Range 26 East, N.M.P.M, Eddy County, New Mexico, and dedicated the unit to the proposed Elm Fee #1H, Elm Fee #2H, Elm Fee #3H, and Elm Fee #4 wells.
- 2. Paragraph 19 of Order No. R-22632 requires Applicant to commence drilling the wells "within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Paragraph 20 of Order No. R-22632 provides that the Order shall terminate if the wells are not timely commenced, unless the operator "obtains an extension by an amendment of this Order for good cause shown."

3. Good cause exists to extend the drilling deadline and Applicant requests that Order R-22632 be amended to allow an additional year to commence drilling the proposed initial wells under the Order. Applicant is currently engaged in negotiations on a new rig contract and is anticipating a delay in relocating the rig from its Texas field location. An extension will enable Applicant to finalize its negotiations and provide additional time for the rig to arrive at the location of the proposed initial wells.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2023, and after notice and hearing as required by law, the Division enter an order extending the time for Applicant to commence drilling the proposed initial wells under Order No. R-22632 to April 16, 2025.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:

James P. Parrot

Beatty & Wozniak, P.C. 1675 Broadway, Suite 600

(303) 407-4499

Fax: 800-886-6566

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Attorneys for

Riley Permian Operating Company,

LLC

Application of Riley Permian Operating Company, LLC to Amend Order No. R-22632, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-22632, issued on April 16, 2023, in Case No. 23346, to extend the wells commencement deadline one year, to April 16, 2025. Order No. R-22632 pooled all mineral interests in the Yeso formation in a 160-acre horizontal spacing unit comprised of the S½N½ of Section 15, Township 18 South, Range 26 East, N.M.P.M, Eddy County, New Mexico, and requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The wells and lands are located approximately 6 miles southeast of Artesia, New Mexico.

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

APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC TO AMEND ORDER NO. R-22632, EDDY COUNTY, NEW MEXICO

**CASE NOS. 23922** (Formerly Case 23346)

#### **AFFIDAVIT OF MARK SMITH**

Mark Smith, being first duly sworn upon oath, deposes and states as follows:

- 1. My name is Mark Smith, and I am employed by Riley Permian Operating Company, LLC ("Riley") as a Senior Landman.
- 2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters. I ask that the Division accept my credentials as those of an expert witness in petroleum land matters and made a matter of record.
- 3. I am submitting this affidavit in support of Riley's applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.
- 4. I am familiar with the application filed by Riley in this case and the status of the lands in the subject lands.
- 5. I do not expect any opposition to the presentation of this case by affidavit because the affected interest owners have been contacted regarding the amending of the subject order, and they have not objected or entered appearances.
- 6. Riley seeks an order extending for an additional year the obligation to commence drilling under Division Order R-22632 issued on April 16, 2023, in Case No. 23346. This order

pooled all uncommitted interest owners in the Yeso formation underlying standard 160-acre horizontal spacing units in the S½N½ of Section 15, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and dedicated the unit to the proposed Elm Fee #1H, Elm Fee #2H, Elm Fee #3H, and Elm Fee #4 wells.

The subject order requires Applicant to commence drilling the wells "within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." The order further provides that the order will terminate if the well is not timely commenced, unless the operator "obtains an extension by an amendment of this Order for good cause shown."

- 7. The subject order is attached Exhibits B-1.
- 8. Good cause exists for Riley's extension of time to commence drilling to allow for Riley to continue its negotiations on a new rig contract and to allow for anticipating delays in relocating a rig from its Texas field location. Riley intends to drill the initial proposed wells for the spacing units approved by Division Order R-22632, but an extension will enable Applicant to maximize productivity, prevent economic waste, and minimize surface and environmental impacts with more efficient planning.
- 9. Applicant therefore requests that the Division amend the existing order to extend the time to commence drilling the proposed wells to April 16, 2025.
- 10. I provided the law firm of Beatty & Wozniak, P.C. with the names and addresses for the working interest owners that remain subject to this pooling order and instructed that each owner be provided notice of the hearing in these matters.
- 11. The granting of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

12. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein are true, correct, and accurate.

[Remainder of page left intentionally blank]

FURTHER AFFIANT SAYETH NOT.

Dated this **3** day of October, 2023.

Mark Smith

Riley Permian Operating Company, LLC

STATE OF OKLAHOMA

) ss.

CITY OF OKLAHOMA CITY AND COUNTY OF OKLAHOMA

The foregoing instrument was subscribed and sworn to before me this 31st day of Ctol (, 2023, by Mark Smith, Senior Landman for Riley Permian Operating Company, LLC

Witness my hand and official seal.

My commission expires: 3-15-2026



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

APPLICATION OF PECOS OIL & GAS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO.	

#### **APPLICATION**

Pecos Oil & Gas, LLC ("Pecos" or "Applicant"), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Yeso formation underlying a standard 160-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Section 15, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of its application, Pecos states:

- 1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to designate Redwood Operating LLC (OGRID No. 330211) as the operator of the proposed horizontal spacing unit.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial Elm Fee #1H, Elm Fee #2H, Elm Fee #3H, and Elm Fee #4H wells, all to be horizontally drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 16, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15.
- 3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

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4. The pooling of interests will allow Applicant to obtain a just and fair share of the

oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste,

and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an

Examiner of the Oil Conservation Division on March 2, 2023, and, after notice and hearing as

required by law, the Division enter an order:

A. Pooling all uncommitted interests in the horizontal spacing unit;

B. Designating Redwood Operating LLC as operator of this horizontal spacing unit

and the horizontal wells to be drilled thereon;

C. Authorizing Applicant to recover its costs of drilling, equipping, and completing

the wells;

D. Approving the actual operating charges and costs of supervision while drilling and

after completion, together with a provision adjusting the rates pursuant to the

COPAS accounting procedures; and

E. Imposing a 200% charge for the risk assumed by Applicant in drilling and

completing the wells against any working interest owner who does not voluntarily

participate in the drilling of the wells.

Case No. 23922 Riley Permian Operating Company, LLC Exhibit B (Case 23346) Respectfully submitted,

**HOLLAND & HART LLP** 

Ву:

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ATTORNEYS FOR PECOS OIL & GAS, LLC

CASE :

Application of Pecos Oil & Gas, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Yeso formation underlying a standard 160-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Section 15, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Elm Fee #1H, Elm Fee #2H, Elm Fee #3H, and Elm Fee #4H wells, all to be horizontally drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 16, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of Redwood Operating LLC as operator of the wells, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 6 miles southeast of Artesia, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY REDWOOD OPERATING, LLC

CASE NO. 23346 ORDER NO. R-22632

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 02, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

#### FINDINGS OF FACT

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

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

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

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23346 ORDER NO. R-22632

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

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

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAN MEDGE DIRECTOR (ACTING)

DMF/hat

Date: 4 16 23

#### Exhibit A

ALL INFORMATION IN THE APPLICATION MUST BI	SUPPORTED BY SIGNED AFFIDAVITS		
Case: 23346	APPLICANT'S RESPONSE		
Date	March 2, 2023		
Applicant	Pecos Oil & Gas, LLC		
Designated Operator & OGRID (affiliation if applicable)	Redwood Operating LLC (OGRID No. 330211)		
Applicant's Counsel:	Holland & Hart LLP		
Case Title:	APPLICATION OF PECOS OIL & GAS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.		
Entries of Appearance/Intervenors:	N/A		
Well Family	Elm Fee		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Yeso Formation		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	N/A		
Pool Name and Pool Code:	Red Lake; Glorieta-Yeso (Pool Code 51120)		
Well Location Setback Rules:	Statewide oil rules		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	160		
Building Blocks:	40 acres		
Orientation:	West-East		
Description: TRS/County	S/2 N/2 of Section 15, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes		
Other Situations			
Depth Severance: Y/N. If yes, description	No		
Proximity Tracts: If yes, description	No		
Proximity Defining Well: if yes, description	N/A		
Applicant's Ownership in Each Tract	See Exhibit A-2		
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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Received by OCD: 2/27/2023 2:49:52 PM	Page 4 of 3
Well #1	Elm Fee #1 well: (API 30-015-49487)
	SHL: 2,455' FSL, 2,080' FEL (Unit J) Section 16
	FTP: 1,750' FNL, 100' FWL (Unit E) Section 15
	LTP: 1,750' FNL, 100' FEL (Unit H) Section 15
	BHL: 1,750' FNL, 1' FEL (Unit H) Section 15 Target: Yeso
	Orientation: West-East
	Completion: Standard
Well #2	Elm Fee #2 well: (API 30-015-49488)
	SHL: 2,435' FSL, 2,080' FEL (Unit J) Section 16
	FTP: 1,750' FNL, 100' FWL (Unit E) Section 15
	LTP: 1,750' FNL, 100' FEL (Unit H) Section 15
	BHL: 1,750' FNL, 1' FEL (Unit H) Section 15
	Target: Yeso
	Orientation: West-East
M-II #2	Completion: Standard
Well #3	Elm Fee #3 well: (API 30-015-49489) SHL: 2,415' FSL, 2,080' FEL (Unit J) Section 16
	FTP: 2,310' FNL, 100' FWL (Unit E) Section 15
	LTP: 2,310' FNL, 100' FEL (Unit H) Section 15
	BHL: 2,310' FNL, 1' FEL (Unit H) Section 15
	Target: Yeso
	Orientation: West-East
	Completion: Standard
Well #4	Elm Fee #4 well: (API 30-015-50110)
	SHL: 2,395' FSL, 2,080' FEL (Unit J) Section 16
	FTP: 2,310' FNL, 100' FWL (Unit E) Section 15
	LTP: 2,310' FNL, 100' FEL (Unit H) Section 15
	BHL: 2,310' FNL, 1' FEL (Unit H) Section 15 Target: Yeso
	Orientation: West-East
	Completion: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit B, B-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	Exhibit A; not seeking supervision costs
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2

Received by OCD: 2/27/2023 2:49:52 PM  If approval of Non-Standard Spacing Unit is requested, Tract Lis	Page 5 of
(including lease numbers and owners) of Tracts subject to notic	
requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	N/A
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-3
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B; B-4
HSU Cross Section	Exhibit B-4
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)	Exhibit B-1, B-2
Well Bore Location Map	Exhibit B-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-3, B-4
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	P. Bollon
Date: Released to Imaging: 2/27/2023 3:00:46 PM	2/23/2023

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

APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC TO AMEND ORDER NO. R-22632, EDDY COUNTY, NEW MEXICO

**CASE NO. 23922** (Formerly Case 23346)

A	F	F	$\mathbf{I}$	D.	A	V	Ί	T

STATE OF COLORADO	)
	) ss
CITY AND COUNTY OF DENVER	)

James P. Parrot, attorney in fact and authorized representative of Riley Permian Operating Company, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letter dated October 13, 2023, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered on or around October 20, 2023, as shown on certified mail receipts attached as Exhibit C.

Applicant also published notice of the Application in the Carlsbad Current Argus on October 18, 2023. Proof of publication is shown on Exhibit D.

James P. Parrot

SUBSCRIBED AND SWORN to before me on October 31, 2023 by James P. Parrot.

My commission expires:

MARY GRACE T. GO-HOVELAND NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20114013519 MY COMMISSION EXPIRES MARCH 4, 2027

Case No. 23922

#### BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW 1675 BROADWAY, SUITE 600 DENVER, CO 80202 TELEPHONE 303-407-4499 FAX 1-800-886-6566 www.bwenergylaw.com

OFFICE LOCATIONS

COLORADO

New Mexico

TEXAS

WYOMING

MIGUEL SUAZO

(505) 946-2090 MSUAZO@BWENERGYLAW.COM

October 13, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of Riley Permian Operating Company, LLC to amend Division Order No. R-22632, to allow an additional year to commence drilling obligations

Elm Fee #1H Well, Elm Fee #2H Well, Elm Fee #3H Well, and Elm Fee #4H

Wells (Case No. 23922)

Dear Interest Owners:

This letter is to advise you that Riley Permian Operating Company, LLC ("Riley") has filed the enclosed application, Case No. 23922 with the New Mexico Oil Conservation Division to request an additional year to commence drilling the proposed Elm Fee #1H Well, Elm Fee #2H Well, Elm Fee #4H Wells.

In Case No. 23922, Riley seeks to amend Division Order No. R-22632, entered on April 16, 2023, in Case No. 23346, to allow an additional year to commence drilling the proposed initial well. The Order pooled all uncommitted mineral interests in the Yeso formation underlying standard 160-acre, more or less, horizontal spacing unit comprised of the S½N½ of Section 15, Township 18 South, Range 26 East, N.M.P.M, Eddy County, New Mexico, and dedicated the unit to the proposed Elm Fee #1H Well, Elm Fee #2H Well, Elm Fee #3H Well, and Elm Fee #4H Wells.

A hearing has been requested before a Division Examiner on November 2, 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, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> or call (505) 476-3441.

You are being notified as an interest owner 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.

#### BEATTY & WOZNIAK, P.C.

October 13, 2023 Case Nos. 23922 Page 2

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 Mark Smith at (405) 415-8925 or at marksmith@rileypermian.com.

Sincerely,

Miguel Suazo

Attorney for Riley Permin Operating Company, LLC

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Riley Permian Operating Company, LLC - Exhibit C

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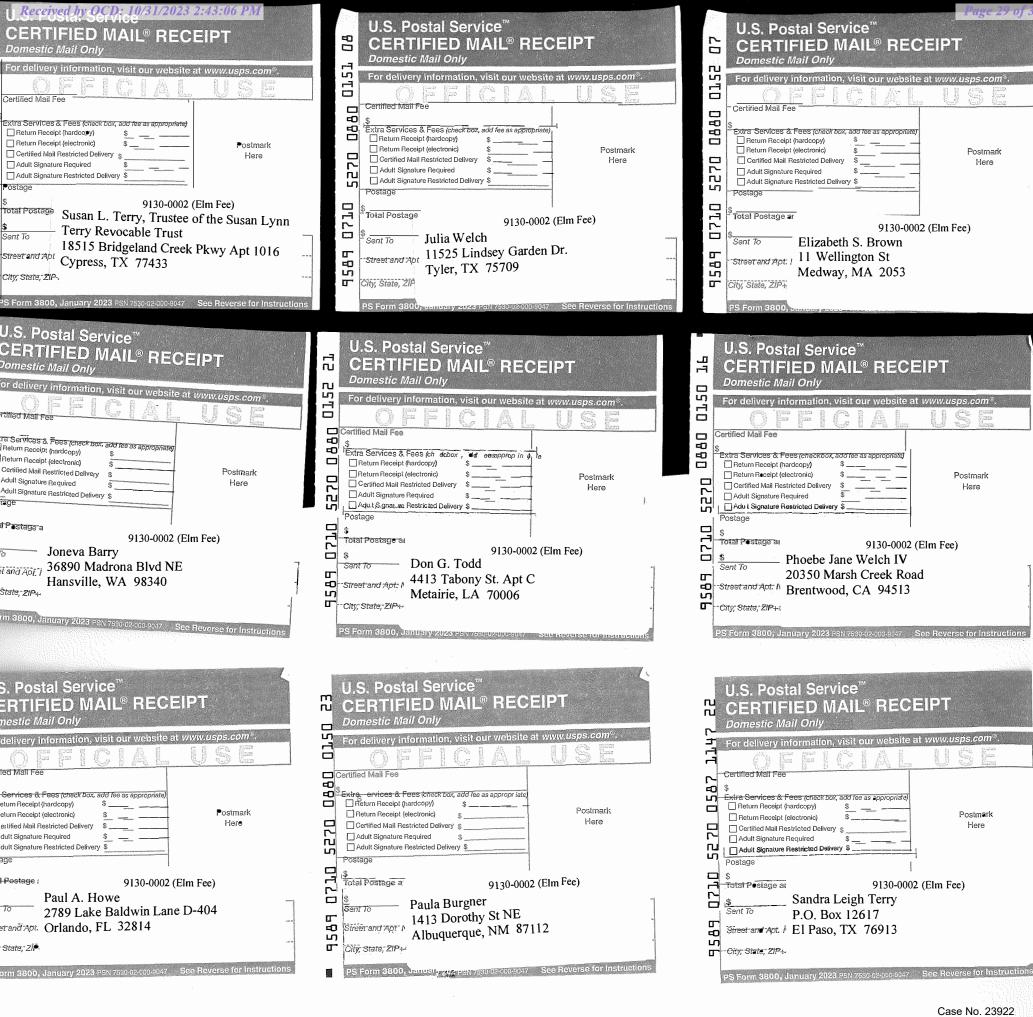
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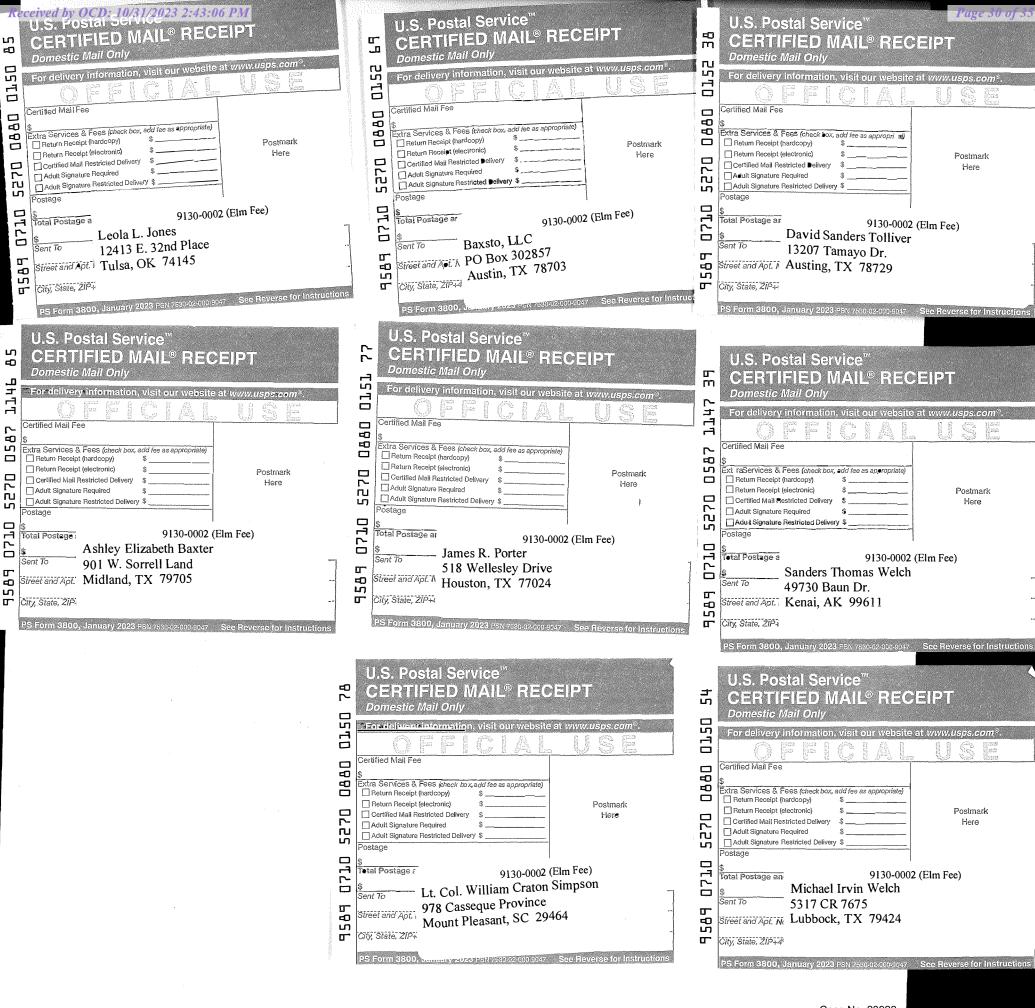
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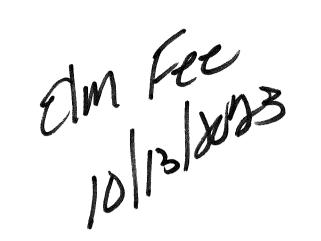
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Case No. 23922

Riley Permian Operating Company, LLC - Exhibit Company

### Carlsbad Current Argus.

### Affidavit of Publication Ad # 0005845412 This is not an invoice

BEATTY & WOZNIAK, P. C. 216 SIXTEENTH STREET, SUITE 11

**DENVER, CO 80202** 

I, a legal clerk of the Carlsbad Current Argus, a newspaper published dally 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:

10/18/2023

gal Clerk

Subscribed and sworn before me this October 26,

2023:

State of WI, County of Brown NOTARY PUBLIC

- 1

My commission expires

Ad # 0005845412 PO #: # of Affidavits: 1

This is not an invoice

RYAN SPELLER Notary Public State of Wisconsin

LEGAL NOTICE October 18, 2023

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. Hearings will be conducted or motely. The hearing will be conducted on Thursday, November 2, 2023, beginning at B:15 A.M. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emnrd.org.ov/OCD/hearing-info/ or obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at https://ocdimage.emnrd.state.nm.us/limaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than October 23, 2023.

j

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated,)

TO: All overriding royalty interest owners and pooled partles, Including: Baxsto, LLC, Blairbax Energy, LLC, Buffy Energy, LLC, David Sanders Tolliver, Don G. Todd, E. C. Moore, Trustee of the Hudson-Taylor Trust, Elizabeth S. Brown, Estate of John Ely Simpson, Isabel Duffy Layton, James R. Porter, Jessany Wilijams, Joneva Barry, Julia F. Brown, Julia Welch, Laura Jane Perry, Leola L. Jones, Lt. Col. William Craton Simpson, Mark Holomon Tolliver, Michael Irvin Welch, Otto J. Mogenschuts, with remainder to Richard D. Clark and Barbara A. Clark, Paul A. Howe, Paula Burgner, Phoebe Jane Welch IV, S. M. Anderson and Marjorie A. Anderson, as Trustees of the Revocable Living Trust Agreement of B.A.M. Trust #1 dated February 9, 1981, Sanders Thomas Welch, Sandra Leigh Terry, Susan L. Terry, Trustee of the Susan Lynn Terry Revocable Trust , ABH Baxter LP, Janet Kay Baxter, Ashley Elizabeth Baxter, Claudia Simpson Hapak, and John E Simpson Estate.

CASE NO. 23922: Application of

CASE NO. 23922: Application of Riley Permian Operating Company, LLCP to Amend Order No. R-22632, Eddy County, New Maxko. Applicant in the above-styled cause seeks an order amending Order No. R-22632, Issued on April 16, 2023, in Case No. 23346, to extend the wells commencement deadline one year, to April 16, 2025. Order No. R-22632 pooled all mineral interests in the Yeso formation in a 160-acre horizontal spacing unit comprised of the 5½N½ of Section 15, Township 18 South, Range 26 East, N.M.P.M, Eddy County, New Mexico, and requires the commencement of drilling within one year of the

erator obtains an extension by amendment of the order for good cause shown. The wells and lands are located approximately 6 miles southeast of Artesia, New Mexico.
#5845412, Current Argus, August 18, 2023