APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 23997-23999

FLAT CREEK RESOURCES, LLC



Jawbone Fed Com BS #1H, #2H, #3H Wells

December 7, 2023

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Tab 1.

COMPULSORY FOOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 23997 **APPLICANT'S RESPONSE** Date December 7, 2023 **Applicant** Flat Creek Resources, LLC Designated Operator & OGRID (affiliation if applicable) Flat Creek Resources, LLC, 374034 Montgomery & Andrews, P.A. (Sharon T. Shaheen and Applicant's Counsel: Samantha H. Catalano) Application of Flat Creek Resources, LLC for Compulsory Case Title: Pooling, Eddy County, New Mexico Entries of Appearance/Intervenors: Durango Production Company; Spur Energy Partners LLC Well Family Jawbone Fed Com BS Wells Formation/Pool Formation Name(s) or Vertical Extent: **Bone Spring formation** Primary Product (Oil or Gas): Oil Pooling this vertical extent: **Bone Spring formation** Pool Name and Pool Code: COTTONWOOD DRAW; BONE SPRING (O) [97494] Well Location Setback Rules: Statewide rules Spacing Unit Type (Horizontal/Vertical) Horizontal Size (Acres) 320 acres, more or less **Building Blocks:** Quarter-quarter section (40 ac) Orientation: South - North E/2 E/2 of Section 2, Township 25 South, Range 26 East, Description: TRS/County and E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, NM Standard Horizontal Well Spacing Unit (Y/N), If No, describe and Yes is approval of non-standard unit requested in this application? Other Situations Depth Severance: Y/N. If yes, description n/a Proximity Tracts: If yes, description n/a Proximity Defining Well: if yes, description Applicant's Ownership in Each Tract See Exhibits A-3 Well(s) Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)

Received by OCD: 12/5/2023 6:20:32 PM Well #1	Jawbone Fed Com BS #1H well. API No. Pending. SHL: 200' FSL and 1,050' FEL of Section 2, T25S-R26E, NM. BHL: 50' FNL and 770' FEL of Section 35, T24S-R26E, NM. Completion Target: Bone Spring Formation at approx. 7,691'. Well Orientation: South to North. Completion location expected to be standard.	
Horizontal Well First and Last Take Points	FTP (~100' FSL and 770' FEL of Section 2) LTP (~ 100' FNL and 770' FEL of Section 35)	
Completion Target (Formation, TVD and MD)	Bone Spring Formation TVD: ~7,691' MD: ~17,919'	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000, see Exhibit A at 1, ¶ 22	
Production Supervision/Month \$	\$800, see Exhibit A at 1, ¶ 22	
Justification for Supervision Costs	See AFEs at Exhibit A-4	
Requested Risk Charge	200%, see Exhibit A at 1, ¶ 23	
Notice of Hearing		
Proposed Notice of Hearing	Submitted with online filing of Application	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibits A-3 and A-4	
Tract List (including lease numbers and owners)	Exhibits A-3	
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 Exhibits A-4	
Unlocatable Parties to be Pooled	See Exhibit C and Exhibit A attached thereto	
Ownership Depth Severance (including percentage above & below)	n/a	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-7	
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-4	
onology of Contact with Non-Joined Working Interests Exhibits A-5		
Overhead Rates In Proposal Letter	See Exhibit A-7 at 1	
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7	
Cost Estimate to Equip Well	See AFE at Exhibit A-7	
Cost Estimate for Production Facilities	See AFE at Exhibit A-7	
Geology		
Summary (including special considerations)	See Exhibit B, and Exhibits B-1 through B-6	

Spatengivenites Che Drata 25/2023 6:20:32 PM	Exhibits A-2 and A-3	6 of 1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2	
Well Orientation (with rationale)	See Exhibit B, ¶ 13	
Target Formation	Exhibit B-5	
HSU Cross Section	Exhibits B-4 and B-5	
Depth Severance Discussion	n/a	
Forms, Figures and Tables		
C-102	Exhibit A-6	
Tracts	Exhibits A-2 and A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3 and A-4	
General Location Map (including basin)	Exhibits A-1 and B-1	
Well Bore Location Map	Exhibit B-3; see Exhibit A-6	
Structure Contour Map - Subsea Depth	Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-4	
Cross Section (including Landing Zone)	Exhibit B-5	
Additional Information		
Special Provisions/Stipulations	n/a	1
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen	
Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen	1
Date:	12/5/2023	

CONTULSORY FOOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS **APPLICANT'S RESPONSE** Case: 23998 Date December 7, 2023 **Applicant** Flat Creek Resources, LLC Designated Operator & OGRID (affiliation if applicable) Flat Creek Resources, LLC, 374034 Montgomery & Andrews, P.A. (Sharon T. Shaheen and Applicant's Counsel: Samantha H. Catalano) Application of Flat Creek Resources, LLC for Compulsory Case Title: Pooling, Eddy County, New Mexico Entries of Appearance/Intervenors: Durango Production Company; Spur Energy Partners LLC Well Family Jawbone Fed Com BS Wells Formation/Pool Formation Name(s) or Vertical Extent: Cottonwood Draw; Bone Spring formation Primary Product (Oil or Gas): Oil Pooling this vertical extent: **Bone Spring formation** Pool Name and Pool Code: COTTONWOOD DRAW; BONE SPRING (O) [97494] Well Location Setback Rules: Statewide rules **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 640 acres, more or less **Building Blocks:** Quarter-quarter section (40 ac) Orientation: South - North W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 E/2 and E/2 W/2 of Section Description: TRS/County 35, Township 24 South, Range 26 East, in Eddy County, NM Standard Horizontal Well Spacing Unit (Y/N), If No, describe and Yes is approval of non-standard unit requested in this application? Other Situations Depth Severance: Y/N. If yes, description n/a Yes, E/2 W/2 of Section 2, T25S, R26E and E/2 W/2 of Proximity Tracts: If yes, description Section 35, T24S, R26E Proximity Defining Well: if yes, description Jawbone Fed Com BS #2H Applicant's Ownership in Each Tract See Exhibits A-3 Well(s) Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)

Received by OCD: 12/5/2023 6:20:32 PM	Page 8	
Well #1	Jawbone Fed Com BS #2H well. API No. 30-015-49459. SHL: 200' FSL and 1,070' FEL of Section 2, T25S-R26E, NM. BHL: 50' FNL and 2,501' FEL of Section 35, T24S-R26E, NM. Completion Target: Bone Spring Formation at approx. 7,691'. Well Orientation: South to North. Completion location expected to be standard for a proximity well.	
Horizontal Well First and Last Take Points	FTP (~100' FSL and 2,555' FEL of Section 2, T25S-R26E). LTP (~ 100' FNL and 2,501' FEL of Section 35, T24S, R26E)	
Completion Target (Formation, TVD and MD)	Bone Spring Formation TVD: ~7,691' MD: ~18,185'	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000, see Exhibit A at 1, ¶ 22	
Production Supervision/Month \$	\$800, see Exhibit A at 1, ¶ 22	
Justification for Supervision Costs	See AFEs at Exhibit A-7	
Requested Risk Charge	200%, see Exhibit A at 1, ¶ 23	
Notice of Hearing		
Proposed Notice of Hearing	Submitted with online filing of Application	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibits A-3 and A-4	
Tract List (including lease numbers and owners)	Exhibits A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.		
Pooled Parties (including ownership type)	See Exhibits A-4	
Unlocatable Parties to be Pooled	See Exhibit C and Exhibit A attached thereto	
Ownership Depth Severance (including percentage above & below)	n/a	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-7	
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-4	
Chronology of Contact with Non-Joined Working Interests	Exhibits A-5	
Overhead Rates In Proposal Letter	See Exhibit A-7 at 1	
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7	
Cost Estimate to Equip Well	See AFE at Exhibit A-7	
Cost Estimate for Production Facilities	See AFE at Exhibit A-7	
Geology		
Summary (including special considerations)	See Exhibit B, and Exhibits B-1 through B-6	

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Spatengivedits CNEDiatit/5/2023 6:20:32 PM	Exhibits A-2 and A-3	9 of 1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2	
Well Orientation (with rationale)	See Exhibit B, ¶ 13	
Target Formation	Exhibit B-5	
HSU Cross Section	Exhibits B-4 and B-5	
Depth Severance Discussion	n/a	
Forms, Figures and Tables		
C-102	Exhibit A-6	
Tracts	Exhibits A-2 and A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3 and A-4	
General Location Map (including basin)	Exhibits A-1 and B-1	
Well Bore Location Map	Exhibit B-3; see Exhibit A-6	
Structure Contour Map - Subsea Depth	Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-4	
Cross Section (including Landing Zone)	Exhibit B-5	
Additional Information		
Special Provisions/Stipulations	n/a	1
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen	
Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen	
Date:	12/5/2023	

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23999	APPLICANT'S RESPONSE
Date	December 7, 2023
Applicant	Flat Creek Resources, LLC
Designated Operator & OGRID (affiliation if applicable)	Flat Creek Resources, LLC, 374034
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon T. Shaheen and Samantha H. Catalano)
Case Title:	Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Durango Production Company; Spur Energy Partners LLC
Well Family	Jawbone Fed Com BS Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	COTTONWOOD DRAW; BONE SPRING (O) [97494]
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South - North
Description: TRS/County	W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	n/a
Proximity Tracts: If yes, description	n/a
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	See Exhibits A-3
Well(s)	

Name&vAPb/iOcsDignz/d/2021fa20:302Pb/bttom hole location,	Page 11 of
footages, completion target, orientation, completion status	
Well #1	Jawbone Fed Com BS #3H well. API No. Pending. SHL: 396' FSL and 1,156' FWL of Section 2, T25S-R26E, NM. BHL: 50' FNL and 680' FWL of Section 35, T24S-R26E, NM. Completion Target: Bone Spring Formation at approx. 7,705'. Well Orientation: South to North. Completion location expected to be standard.
Horizontal Well First and Last Take Points	FTP (~100' FSL and 680' FWL of Section 2) LTP (~ 100' FNL and 680' FWL of Section 35)
Completion Target (Formation, TVD and MD)	Bone Spring Formation TVD: ~7,705' MD: ~18,078'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, see Exhibit A at 1, ¶ 3
Production Supervision/Month \$	\$800, see Exhibit A at 1, ¶ 3
Justification for Supervision Costs	See AFEs at Exhibit A-4
Requested Risk Charge	200%, see Exhibit A at 1, ¶ 3
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits A-3 and A-4
Tract List (including lease numbers and owners)	Exhibits A-3
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 Exhibits A-4
Unlocatable Parties to be Pooled	See Exhibit C and Exhibit A attached thereto
Ownership Depth Severance (including percentage above & below)	n/a
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-4
Chronology of Contact with Non-Joined Working Interests	Exhibits A-5
Overhead Rates In Proposal Letter	See Exhibit A-7 at 1
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7

Costeesivada e ega problem e ega militire e e e e e e e e e e e e e e e e e e	See AFE at Exhibit A-7	Page 12 of	
Geology			
Summary (including special considerations)	See Exhibit B, and Exhibits B-1 through	h B-6	
Spacing Unit Schematic	Exhibits A-2 and A-3		
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2		
Well Orientation (with rationale)	See Exhibit B, ¶ 13		
Target Formation	Exhibit B-5		
HSU Cross Section	Exhibits B-4 and B-5		
Depth Severance Discussion	n/a		
Forms, Figures and Tables			
C-102	Exhibit A-6		
Tracts	Exhibits A-2 and A-3		
ummary of Interests, Unit Recapitulation (Tracts) Exhibits A-3 and A-4			
General Location Map (including basin)	Exhibits A-1 and B-1		
Well Bore Location Map	Exhibit B-3; see Exhibit A-6	Exhibit B-3; see Exhibit A-6	
Structure Contour Map - Subsea Depth	Exhibit B-3	Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-4	Exhibit B-4	
Cross Section (including Landing Zone)	Exhibit B-5		
Additional Information			
Special Provisions/Stipulations	n/a		
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and a	ccurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen		
Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen		
Date:	12/5/2023	12/5/2023	

Tab 2.

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No.	

APPLICATION

Flat Creek Resources, LLC, OGRID No. 374034 ("Flat Creek" or "Applicant"), as operator and on behalf of FE Permian Owner I, LLC, as working interest owner, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. In support of its application, Flat Creek states as follows:

- 1. Flat Creek is the operator acting on behalf of FE Permian Owner I, LLC, a working interest owner in the proposed HSU, which has the right to drill thereon.
 - 2. Flat Creek proposes to drill the following 2-mile well in the proposed HSU:
 - **Jawbone Fed Com BS #1H** well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E.
- 3. The completed interval and first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

- 4. Flat Creek has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.
- 5. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. In order to permit Flat Creek to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Flat Creek should be designated the operator of the HSU.

WHEREFORE, Flat Creek requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 320-acre, more or less, HSU comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico;
 - B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the HSU: **Jawbone Fed Com BS #1H** well;
 - D. Designating Flat Creek as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Flat Creek to recover its costs of drilling, equipping and completing the well;
- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Flat Creek in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
Sharon T. Shaheen
Samantha H. Catalano
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com
scatalano@montand.com
ec: wmcginnis@montand.com

Attorneys for Flat Creek Resources, LLC

Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No.	
Case No.	

APPLICATION

Flat Creek Resources, LLC, OGRID No. 374034 ("Flat Creek" or "Applicant"), as operator and on behalf of FE Permian Owner I, LLC, a working interest owner, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. In support of its application, Flat Creek states as follows:

- 1. Flat Creek is the operator acting on behalf of FE Permian Owner I, LLC, a working interest owner in the proposed HSU, which has the right to drill thereon.
 - 2. Flat Creek proposes to drill the following 2-mile well in the proposed HSU:
 - **Jawbone Fed Com BS #2H** well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E.
 - 3. The **Jawbone Fed Com BS #2H** well is a proximity well.

- 4. With the proximity tracts, the completed interval and first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells.
- 5. Flat Creek has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.
- 6. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. In order to permit Flat Creek to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Flat Creek should be designated the operator of the HSU.

WHEREFORE, Flat Creek requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 640-acre, more or less, HSU comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico;
 - B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the HSU: Jawbone Fed ComBS #2H well;
 - D. Designating Flat Creek as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Flat Creek to recover its costs of drilling, equipping and completing the well;

- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% penalty for the risk assumed by Flat Creek in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
Sharon T. Shaheen
Samantha H. Catalano
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com
scatalano@montand.com
ec: wmcginnis@montand.com

Attorneys for Flat Creek Resources, LLC

Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New *Mexico*. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E. With the proximity tracts, the completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

APPLICATION

Flat Creek Resources, LLC, OGRID No. 374034 ("Flat Creek" or "Applicant"), as operator and on behalf of FE Permian Owner I, LLC, as working interest owner, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. In support of its application, Flat Creek states as follows:

- 1. Flat Creek is the operator acting on behalf of FE Permian Owner I, LLC, a working interest owner in the proposed HSU, which has the right to drill thereon.
 - 2. Flat Creek proposes to drill the following 2-mile well in the proposed HSU:
 - **Jawbone Fed Com BS #3H** well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E.
- 3. The completed interval and first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

- 4. Flat Creek has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.
- 5. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. In order to permit Flat Creek to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Flat Creek should be designated the operator of the HSU.

WHEREFORE, Flat Creek requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 320-acre, more or less, HSU comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico;
 - B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the HSU: **Jawbone Fed Com BS #3H** well;
 - D. Designating Flat Creek as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Flat Creek to recover its costs of drilling, equipping and completing the well;
- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Flat Creek in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
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scatalano@montand.com
ec: wmcginnis@montand.com

Attorneys for Flat Creek Resources, LLC

Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Tab 3.

APPLICATIONS OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 23997-23999

<u>AFFIRMATION OF LANDMAN MICHAEL GREGORY</u>

- I, Michael Gregory, make the following self-affirmed statement:
- 1. I am over the age of 18, and have the capacity to execute this affirmation, which is based on my personal knowledge.
- 2. I am employed as the Vice President of Land for Flat Creek Resources, LLC ("Flat Creek" or "Applicant"), and I am familiar with the subject applications and the lands involved.
- 3. This affirmation is submitted in connection with the filing by Flat Creek of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
- 4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My education and work experience are as follows: I graduated from Texas Tech University with a bachelor's degree in Energy Commerce in 2008. After graduation, I worked as a Senior Landman at XTO Energy for approximately ten years. I have worked for Flat Creek since June 2018. I have worked on New Mexico land matters for approximately eight years.
- 5. The purpose of these applications is to force pool working interest owners into the horizontal spacing units ("HSU") described below and in the wells to be drilled in the HSUs.
- 6. The interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interest in the wells.

Exhibit A

Flat Creek Resource

Case Nos. 23997-23999

December 7, 2023

- 7. In Case No. 23997, Applicant seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well (API# 30-015-49457), to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 50' FNL and 770' FEL of Section 2, T25S-R26E. The first take point will be located at approximately 100' FSL and 770' FEL of Section 2, T25S-R26E. The last take point will be located at approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The last take point will be located at approximately 100' FNL and 770' FEL of Section 35, T24S-R26E.
- 8. In Case No. 23998, Applicant seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #2H well (API# 30-015-49459), to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 50' FNL and 2,501' FEL of Section 35, T24S-R26E. The first take point will be located at approximately 100' FSL and 2,555' FEL of Section 2, T25S-R26E. The last take point will be located at approximately 100' FNL and 2,501' FEL of Section 35, T24S-R26E.

- 9. In Case No. 23999, Applicant seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well (API# 30-015-49664), to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 50' FNL and 680' FWL of Section 35, T24S-R26E. The first take point will be located at approximately 100' FSL and 680' FWL of Section 2, T25S-R26E. The last take point will be located at approximately 100' FNL and 680' FWL of Section 35, T24S-R26E.
- 10. Applicant is in the process of changing the well names on the permits from Jawbone Fed Com LW #13H, #14H, and #15H to Jawbone Fed Com BS #1H, #2H, and #3H, respectively. In addition, Applicant has submitted sundry notices changing the depths in the permits from the Wolfcamp formation to the Bone Spring formation. The sundry notices are attached hereto as Exhibit A-9.
- 11. The first and last take points and completed intervals for all proposed wells will meet the setback requirements set forth in the statewide rules for horizontal oil wells and special pool rules or statewide rules, as applicable, for horizontal oil wells.
 - 12. A general location map is attached as **Exhibit A-1**.
 - 13. Maps illustrating the tracts in the proposed HSUs are attached as **Exhibits A-2**.
- 14. Maps illustrating the ownership in each tract are attached as **Exhibits A-3**. FE Permian Owner I, LLC ("FE Permian") is a partnership that Flat Creek manages whereby FE

Permian is the record title owner of Flat Creek and FE Permian's leasehold and minerals. Flat Creek is the designated operator and manager of these assets pursuant to a Management Services Agreement between the parties.

- 15. Unit ownership and lists of pertinent leases are included as **Exhibits A-4**. The parties being forcepooled are highlighted in yellow. There are no depth severances in the formations being pooled.
- 16. A chronology of contacts with the non-joined working interest owners to be pooled is attached as **Exhibits A-5**.
- 17. The locations of the proposed wells within the respective HSUs are depicted in the C-102 forms attached as **Exhibit A-6**. The C-102 forms also indicate the locations of each surface hole, bottom hole, and the first and last take points.
- 18. Flat Creek conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification.
- 19. Flat Creek mailed all parties well proposals, including an Authorization for Expenditure ("AFE") for each well. **Exhibit A-7** includes a copy of each well proposal letter and AFEs for the proposed wells. The estimated costs of the wells set forth in the AFEs are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 20. **Exhibit A-8** is a sample copy of the notice letter that was sent with the applications to the uncommitted working interest owners to be pooled in the proposed HSUs, to the Bureau of Land Management, and to the State Land Office.

- 21. Flat Creek has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.
- 22. Flat Creek requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures.
- 23. Flat Creek requests the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners.
 - 24. Flat Creek requests that it be designated operator of the wells.
- 25. The exhibits hereto were prepared by me or compiled from Flat Creek's business records.
- 26. The granting of the Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
 - 27. The foregoing is correct and complete to the best of my knowledge and belief.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

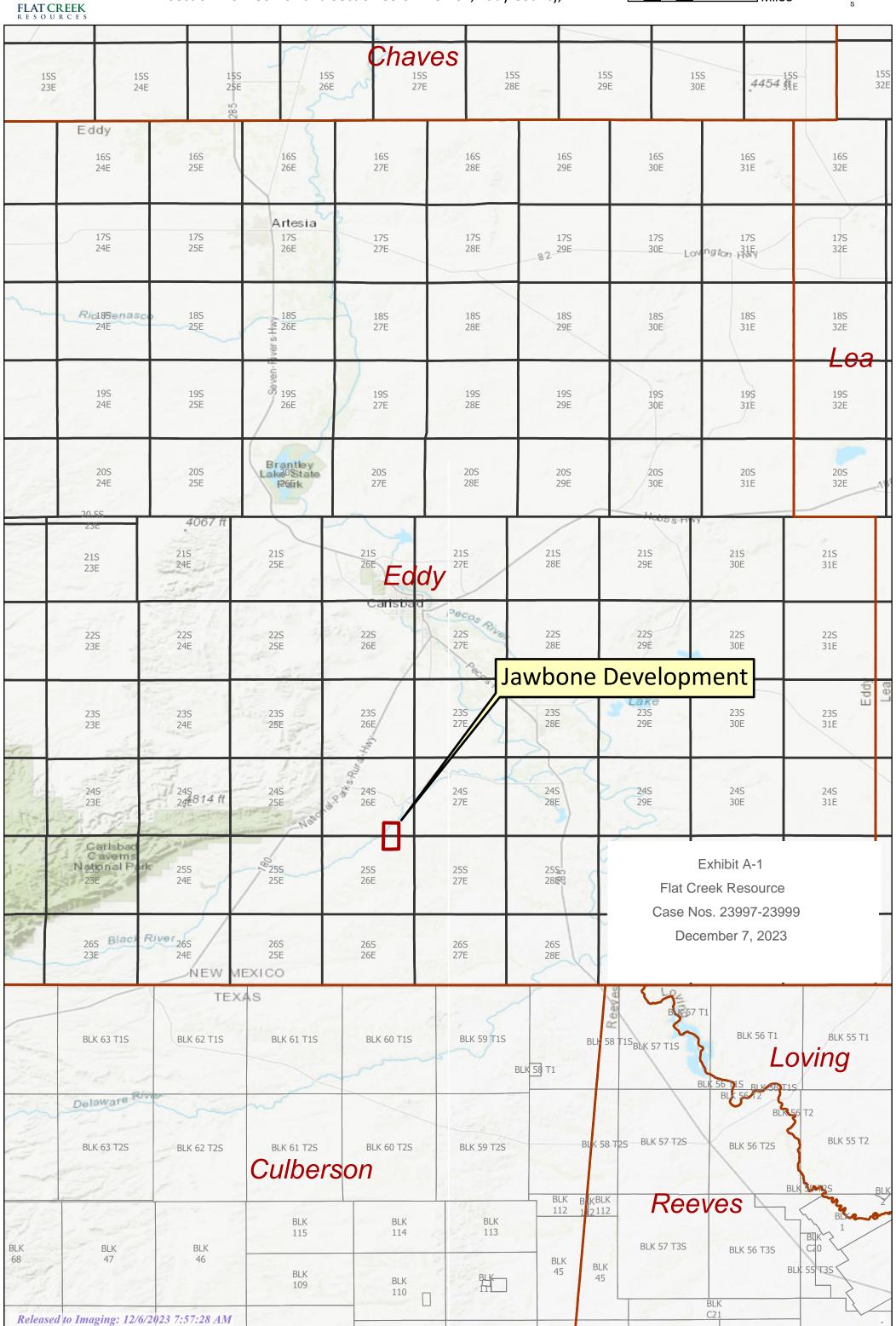
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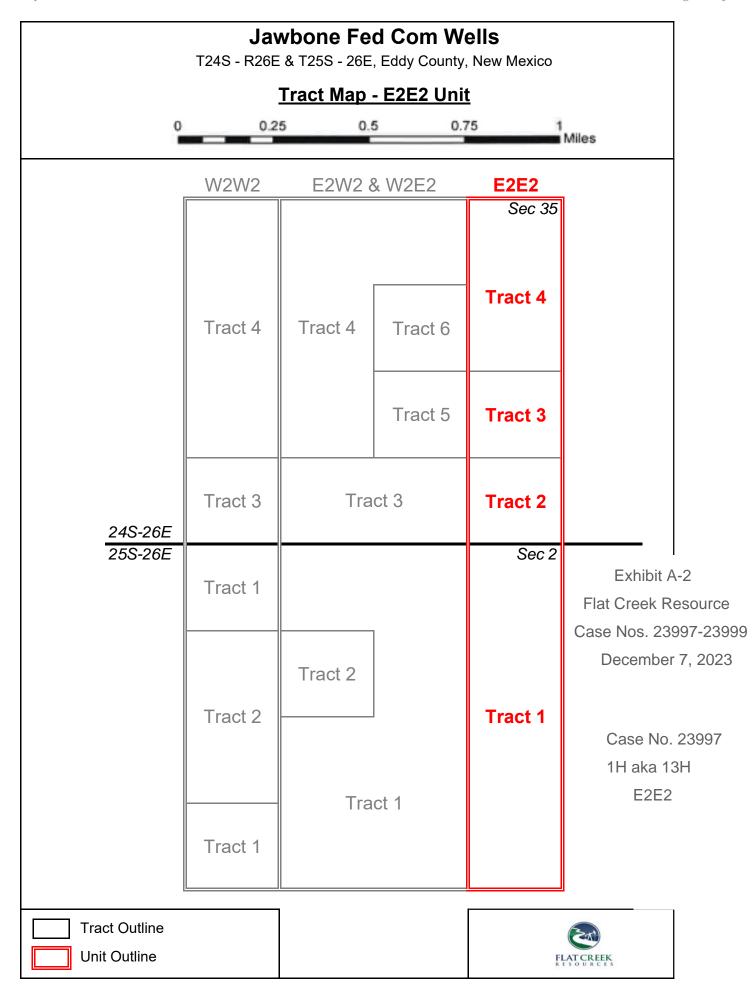
ichael Gregory DATE

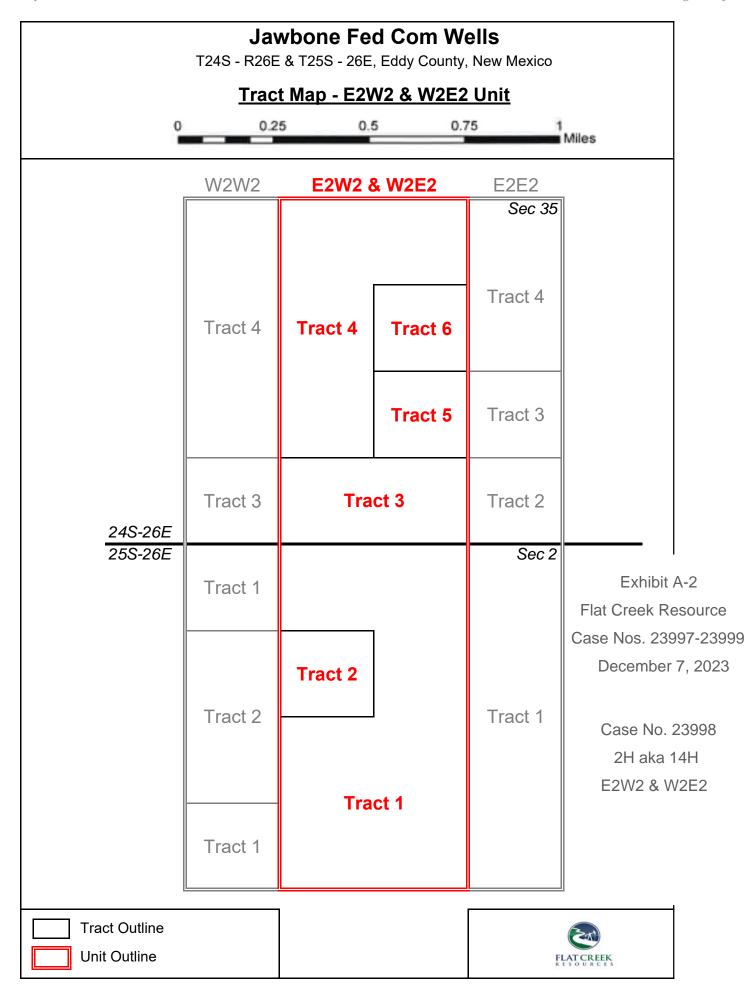
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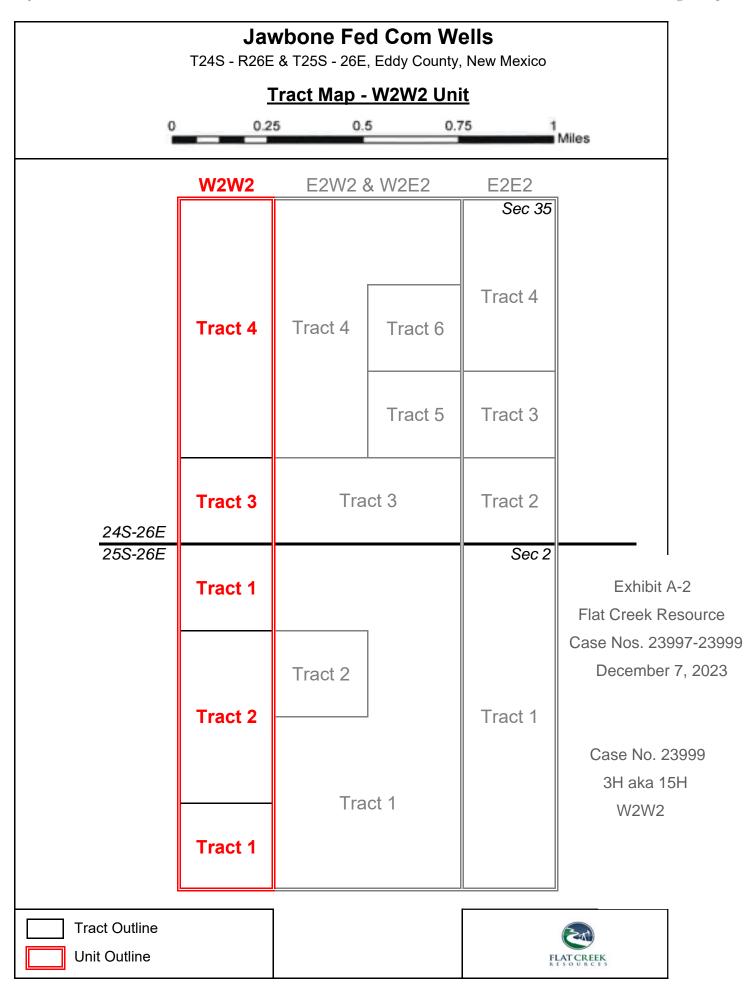
Jawbone Development
Section 2 of 25S-26E and Section 35 of 24S-26E, Eddy County, NM

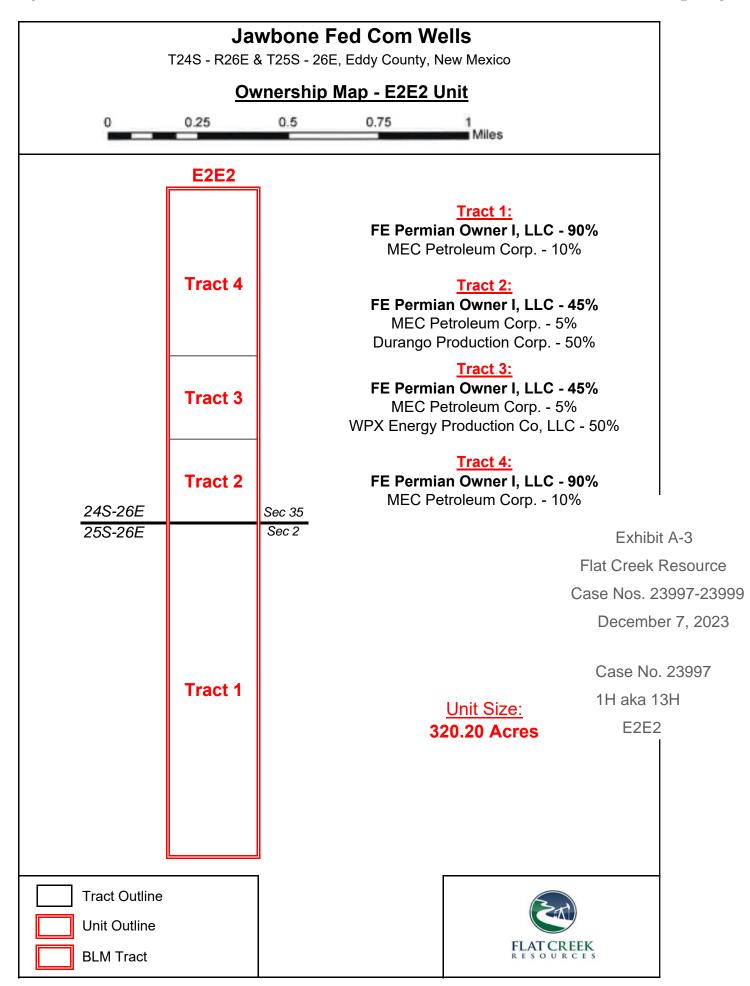
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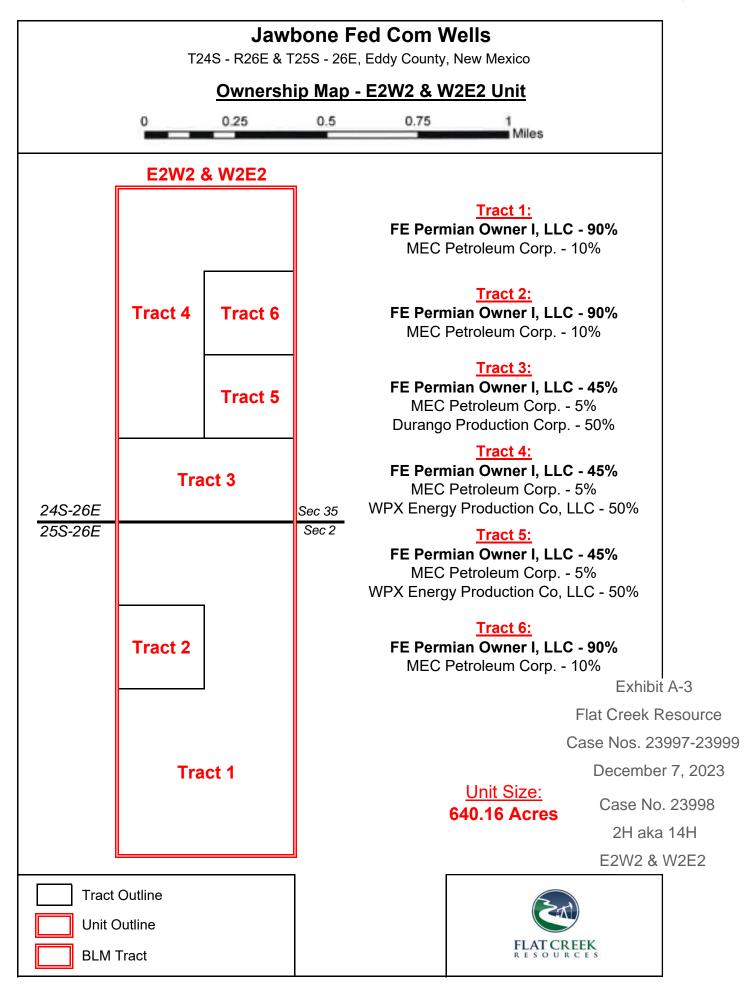


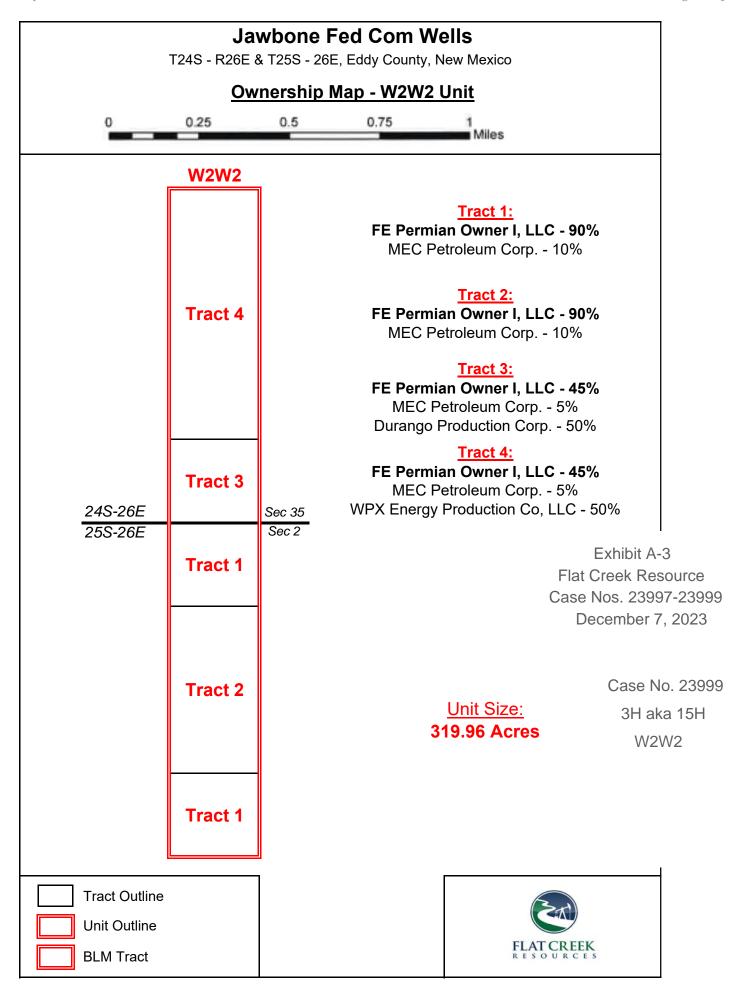












Ownership Breakdown - E2E2 Unit

NOTE: The parties being force pooled are highlighted in yellow.

Owner Name	Address	Ownership Type	Tract(s)	Unit Net Acres	Unit Working Interest	Unit ORRI
FE Permian Owner I, LLC	777 Main Street, Suite 3600 Fort Worth, TX 76102	Leasehold Interest	1, 2, 3, 4	252.18	78.7570%	n/a
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	28.02	8.7508%	n/a
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	2	20.00	6.2461%	n/a
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	3	20.00	6.2461%	n/a
Murchison Oil and Gas, LLC	7250 Dallas Pkwy, Ste 1400 Plano, Texas 75024	Overriding Royalty Interest	1, 2, 3, 4	n/a	n/a	0.7876%
Pegasus Resources II, LLC	P.O. Box 470698 Fort Worth, TX 76147	Overriding Royalty Interest	4	n/a	n/a	0.4963%
SEP Permian Holding Corporation	P.O. Box 79840 Houston, Texas 77279	Overriding Royalty Interest	4	n/a	n/a	0.9089%
Paloma Natural Gas Holdings, LLC	1100 Louisiana, Suite 5100 Houston, Texas 77002	Overriding Royalty Interest	4	n/a	n/a	0.0280%
Permian Basin GIF I, LLC	P.O. Box 470844 Fort Worth, TX 76147	Overriding Royalty Interest	4	n/a	n/a	0.0781%
A. G. Andrikopoulos Resources, Inc.	P.O. Box 788 Cheyenne, WY 82003-0788	Overriding Royalty Interest	4	n/a	n/a	0.2082%
Shogoil & Gas Co., LLC	P.O. Box 209 Hay Springs, NE 69347	Overriding Royalty Interest	4	n/a	n/a	0.1041%
Shogoil & Gas Co. II, LLC	P.O. Box 29450 Santa Fe, NM 87592-9450	Overriding Royalty Interest	4	n/a	n/a	0.1041%
Sydhan, LP	P.O. Box 92349 Austin, TX 78709-2349	Overriding Royalty Interest	4	n/a	n/a	0.2082%
Lisha N. Davila Kovacevic	3481 Hickory Court Marietta, GA 30062	Overriding Royalty Interest	4	n/a	n/a	0.0251%
Summer Lorraine Davila	5326 Blossom Drive Sugar Hill, GA 30518	Overriding Royalty Interest	4	n/a	n/a	0.0251%
Concho Resources, Inc.	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	3	n/a	n/a	0.5934%
Concho Oil & Gas LLC	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	3	n/a	n/a	0.0312%
	·		TOTALS	320.20	100.0000%	3.5983%

Lease Schedule - E2E2 Unit

Lessor	Lessee	Effective Date	S, T, R	County, State	Unit Tract	Vol / Page
State of NM - L 896	Pubco Petroleum Corp	05/21/1968	Sec 2, 25S, 26E	Eddy, NM	1	61 / 512
USA NMNM 0441951	J H Leib, et al	10/01/1963	Sec 35, 24S, 26E	Eddy, NM	2	n/a
USA NMNM 16625	Ruby E Burkhead	09/01/1972	Sec 35, 24S, 26E	Eddy, NM	3	n/a
USA NMNM 21158	WR Carter & Frank W McKinney	06/01/1974	Sec 35, 24S, 26E	Eddy, NM	4	n/a

Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Case No. 23997 1H aka 13H E2E2

Ownership Breakdown - E2W2 & W2E2 Unit

NOTE: The parties being force pooled are highlighted in yellow.

Owner Name	Address	Ownership Type	Tract(s)	Unit Net Acres	Unit Working Interest	Unit ORRI
FE Permian Owner I, LLC	777 Main Street, Suite 3600 Fort Worth, TX 76102	Leasehold Interest	1, 2, 3, 4, 5, 6	450.14	70.3174%	n/a
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4, 5, 6	50.02	7.8130%	n/a
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	40.00	6.2484%	n/a
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4, 5	100.00	15.6211%	n/a
Murchison Oil & Gas, LLC	7250 Dallas Pkwy, Ste 1400 Plano, Texas 75024	Overriding Royalty Interest	1, 2, 3, 4, 5, 6	n/a	n/a	0.7032%
EL Latham Co.	P. O. Box 100912 Fort Worth, Texas 76185	Overriding Royalty Interest	2	n/a	n/a	0.0976%
1B4S Enterprises, LLC	3203 Bowie Street Amarillo, Texas 79109	Overriding Royalty Interest	2	n/a	n/a	0.0586%
Blue Hole Investments	5210 W Verde Circle Benbrook, Texas 76126	Overriding Royalty Interest	2	n/a	n/a	0.0586%
Mumford & Company	11601 Woodmar NE Albuquerque, NM 87111	Overriding Royalty Interest	2	n/a	n/a	0.0586%
Pegasus Resources II, LLC	P.O. Box 470698 Fort Worth, TX 76147	Overriding Royalty Interest	2, 6	n/a	n/a	0.2413%
SEP Permian Holding Corporation	P.O. Box 79840 Houston, Texas 77279	Overriding Royalty Interest	6	n/a	n/a	0.2273%
Paloma Natural Gas Holdings, LLC	1100 Louisiana, Suite 5100 Houston, Texas 77002	Overriding Royalty Interest	6	n/a	n/a	0.0070%
Permian Basin GIF I, LLC	P.O. Box 470844 Fort Worth, TX 76147	Overriding Royalty Interest	6	n/a	n/a	0.0195%
A. G. Andrikopoulos Resources, Inc.	P.O. Box 788 Cheyenne, WY 82003-0788	Overriding Royalty Interest	6	n/a	n/a	0.0521%
Shogoil & Gas Co., LLC	P.O. Box 209 Hay Springs, NE 69347	Overriding Royalty Interest	6	n/a	n/a	0.0260%
Shogoil & Gas Co. II, LLC	P.O. Box 29450 Santa Fe, NM 87592-9450	Overriding Royalty Interest	6	n/a	n/a	0.0260%
Sydhan, LP	P.O. Box 92349 Austin, TX 78709-2349	Overriding Royalty Interest	6	n/a	n/a	0.0521%
Lisha N. Davila Kovacevic	3481 Hickory Court Marietta, GA 30062	Overriding Royalty Interest	6	n/a	n/a	0.0063%
Summer Lorraine Davila	5326 Blossom Drive Sugar Hill, GA 30518	Overriding Royalty Interest	6	n/a	n/a	0.0063%
Concho Resources, Inc.	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	5	n/a	n/a	0.2968%
Concho Oil & Gas LLC	P.O. Box 7500 Bartlesville, OK 74005	Overriding Royalty Interest	5	n/a	n/a	0.0156%
			TOTALS	640.16	100.0000%	1.9529%

Lease Schedule - E2W2 & W2E2 Unit

Lessor	Lessee	Effective Date	S, T, R	County, State	Unit Tract	Vol / Page
State of NM - L 896	Pubco Petroleum Corp	05/21/1968	Sec 2, 25S, 26E	Eddy, NM	1	61 / 512
State of NM - L 6921	EL Latham Jr.	02/01/1972	Sec 2, 25S, 26E	Eddy, NM	2	91 / 290
USA NMNM 0441951	J H Leib, et al	10/01/1963	Sec 35, 24S, 26E	Eddy, NM	3	n/a
Wayne Moore, et al	Earl Whisnand	10/10/1972	Sec 35, 24S, 26E	Eddy, NM	4	91 / 766
USA NMNM 16625	Ruby E Burkhead	09/01/1972	Sec 35, 24S, 26E	Eddy, NM	5	n/a
USA NMNM 21158	WR Carter & Frank W McKinney	06/01/1974	Sec 35, 24S, 26E	Eddy, NM	6	n/a

Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Case No. 23998 2H aka 14H E2W2 & W2E2

Ownership Breakdown - W2W2 Unit

NOTE: The parties being force pooled are highlighted in yellow.

Owner Name	Address	Ownership Type	Tract(s)	Unit Net Acres	Unit Working Interest	Unit ORRI
FE Permian Owner I, LLC	777 Main Street, Suite 3600 Fort Worth, TX 76102	Leasehold Interest	1, 2, 3, 4	215.96	67.4972%	n/a
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	24.00	7.4997%	n/a
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	20.00	6.2508%	n/a
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4	60.00	18.7523%	n/a
Murchison Oil & Gas, LLC	7250 Dallas Pkwy, Ste 1400 Plano, Texas 75024	Overriding Royalty Interest	1, 2, 3, 4	n/a	n/a	0.6750%
EL Latham Co.	P. O. Box 100912 Fort Worth, Texas 76185	Overriding Royalty Interest	2	n/a	n/a	0.3907%
1B4S Enterprises, LLC	3203 Bowie Street Amarillo, Texas 79109	Overriding Royalty Interest	2	n/a	n/a	0.2344%
Blue Hole Investments	5210 W Verde Circle Benbrook, Texas 76126	Overriding Royalty Interest	2	n/a	n/a	0.2344%
Mumford & Company	11601 Woodmar NE Albuquerque, NM 87111	Overriding Royalty Interest	2	n/a	n/a	0.2344%
Pegasus Resources II, LLC	P.O. Box 470698 Fort Worth, TX 76147	Overriding Royalty Interest	2	n/a	n/a	0.4688%
			TOTALS	319.96	100.0000%	2.2377%

Lease Schedule - W2W2 Unit

Lessor	Lessee	Effective Date	S, T, R	County, State	Unit Tract	Vol / Page
State of NM - L 896	Pubco Petroleum Corp	05/21/1968	Sec 2, 25S, 26E	Eddy, NM	1	61 / 512
State of NM - L 6921	EL Latham Jr.	02/01/1972	Sec 2, 25S, 26E	Eddy, NM	2	91 / 290
USA NM 0441951	J H Leib, et al	10/01/1963	Sec 35, 24S, 26E	Eddy, NM	3	n/a
Wayne Moore, et al	Earl Whisnand	10/10/1972	Sec 35, 24S, 26E	Eddy, NM	4	91 / 766

Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Case No. 23999 3H aka 15H W2W2

Chronology of Contacts - E2E2 Unit

Owner Name	Address	Ownership Type	Tract(s)	Contact Summary (2023)
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	9/12 - Introductory phone call 10/3 - Mailed well proposal to MEC 10/10 - Emails addressing questions from MEC 11/6 - Emails regarding development timing
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	2	10/3 - Mailed well proposal to Durango 10/11 - Call w/ Durango to confirm ownership percentages; Durango asked for purchase offer 10/16-17 - Flat Creek delivered purchase offer and Durango countered the offer 10/23 - Call w/ Ron Jackson from Durango to discuss plans; he stated he had no interest in participating and will sell his interest to us or somebody else 10/25 - Email from Ron Jackson; he reiterated that his financial exposure is too great for this project 10/27 - 11/17 - Emails regarding purchase offer; Flat Creek and Durango cannot agree on valuation but Ron Jackson reiterated via email that he will sell his interest
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	3	9/7 - Emails into WPX to find right contact 10/3 - Mailed well proposal to WPX 11/8 - Phone call to discuss WPX's ownership

Exhibit A-5
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Case No. 23997 1H aka 13H E2E2

Chronology of Contacts - E2W2 & W2E2 Unit

Owner Name	Address	Ownership Type	Tract(s)	Contact Summary (2023)
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4, 5, 6	9/12 - Introductory phone call 10/3 - Mailed well proposal to MEC 10/10 - Emails addressing questions from MEC 11/6 - Emails regarding development timing
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	10/3 - Mailed well proposal to Durango 10/11 - Call w/ Durango to confirm ownership percentages; Durango asked for purchase offer 10/16-17 - Flat Creek delivered purchase offer and Durango countered the offer 10/23 - Call w/ Ron Jackson from Durango to discuss plans; he stated he had no interest in participating and will sell his interest to us or somebody else 10/25 - Email from Ron Jackson; he reiterated that his financial exposure is too great for this project 10/27 - 11/17 - Emails regarding purchase offer; Flat Creek and Durango cannot agree on valuation but Ron Jackson reiterated via email that he will sell his interest
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4, 5	9/7 - Emails into WPX to find right contact 10/3 - Mailed well proposal to WPX 11/8 - Phone call to discuss WPX's ownership

Exhibit A-5
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Case No. 23998 2H aka 14H E2W2 & W2E2

Chronology of Contacts - W2W2 Unit

Owner Name	Address	Ownership Type	Tract(s)	Contact Summary (2023)
MEC Petroleum Corp.	PO Box 11265 Midland, Texas 79702-8265	Leasehold Interest	1, 2, 3, 4	9/12 - Introductory phone call 10/3 - Mailed well proposal to MEC 10/10 - Emails addressing questions from MEC 11/6 - Emails regarding development timing
Durango Production Corp.	2663 Plaza Parkway Wichita Falls, TX 76308	Leasehold Interest	3	10/3 - Mailed well proposal to Durango 10/11 - Call w/ Durango to confirm ownership percentages; Durango asked for purchase offer 10/16-17 - Flat Creek delivered purchase offer and Durango countered the offer 10/23 - Call w/ Ron Jackson from Durango to discuss plans; he stated he had no interest in participating and will sell his interest to us or somebody else 10/25 - Email from Ron Jackson; he reiterated that his financial exposure is too great for this project 10/27 - 11/17 - Emails regarding purchase offer; Flat Creek and Durango cannot agree on valuation but Ron Jackson reiterated via email that he will sell his interest
WPX Energy Production Company, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4	9/7 - Emails into WPX to find right contact 10/3 - Mailed well proposal to WPX 11/8 - Phone call to discuss WPX's ownership

Exhibit A-5
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Case No. 23999 3H aka 15H W2W2 <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

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

320.20

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

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

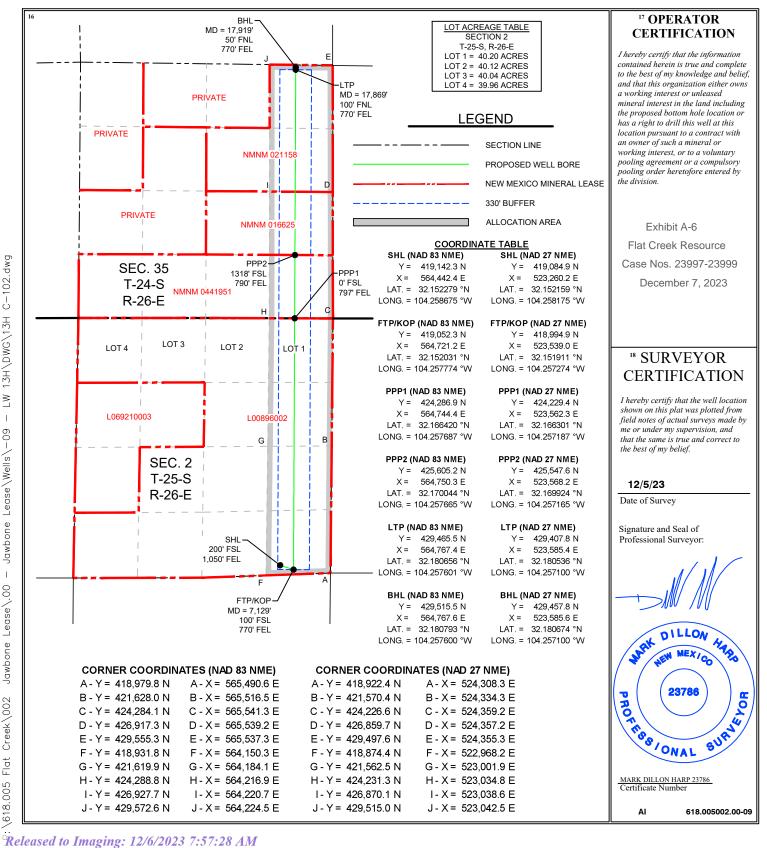
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	r	² Pool Code ³ Pool Name		
30-015-494	57	97494	COTTONWOOD DRAW; BONE SPRING (O)	
⁴ Property Code		⁵ Property Name		⁶ Well Number
		JAWBOI	13H	
⁷ OGRID No.		⁸ Operator Name		⁹ Elevation
374034		FLAT CREE	K RESOURCES, LLC	3,355'

¹⁰ Surface Location UL or lot no. Range North/South line Feet from the East/West line Township Ρ 25 S 26 E SOUTH 1,050 **EAST EDDY** 2 "Bottom Hole Location If Different From Surface UL or lot no. East/West line Section Feet from the County Township Range Lot Idn Feet from the North/South line 35 24 S 26 E 50 **NORTH** 770 **EAST EDDY** Dedicated Acres Joint or Infill 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.



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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Energy, Minerals & Natural Resources Department
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Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

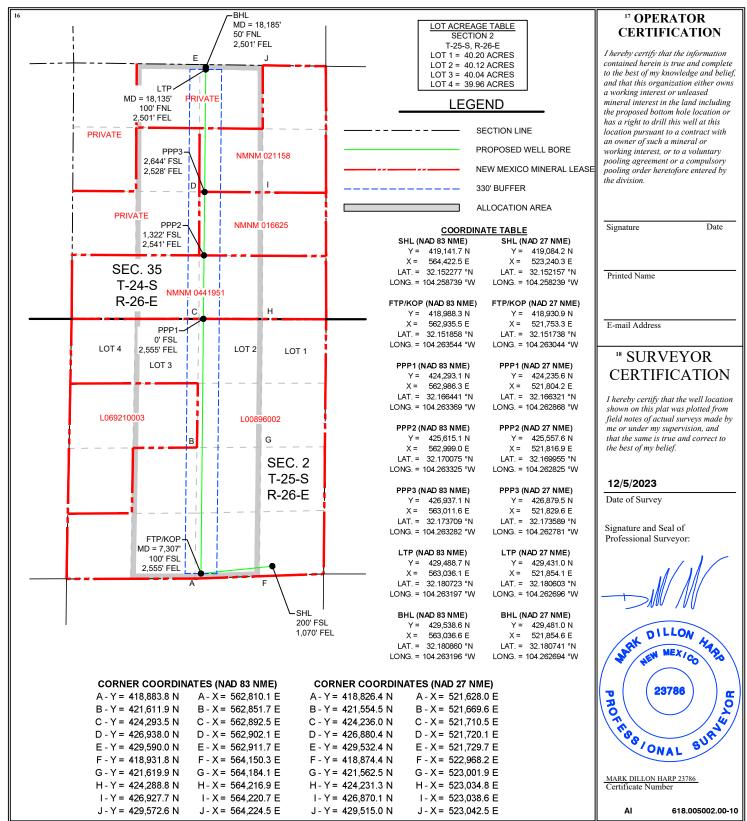
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	r	² Pool Code ³ Pool Name		
30-015-494	159	97494	COTTONWOOD DRAW; BONE SPRING (O)	
⁴ Property Code		⁵ Property Name		⁶ Well Number
		JAWBOI	NE FED COM LW	14H
⁷ OGRID No.		⁸ Operator Name		⁹ Elevation
374034		FLAT CREE	K RESOURCES, LLC	3,356'

¹⁰ Surface Location UL or lot no. Section Township Range North/South line Feet from the East/West line Ρ 25 S 26 E SOUTH 1,070 **EAST EDDY** 2 "Bottom Hole Location If Different From Surface UL or lot no. East/West line Section Feet from the County Township Range Lot Idn Feet from the North/South line В 35 24 S 26 E 50 **NORTH** 2,501 **EAST EDDY** ²Dedicated Acres Joint or Infill Consolidation Code Order No. 640.16

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.



 $\langle 618.005 | Flat Creek \rangle \langle 002 \rangle$ Jawbone Lease $\langle .00 - Jawbone Lease \rangle \langle Wells \rangle \langle -10 \rangle \langle .00 \rangle$

C-102.dwg

14H\DWG\14H

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<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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

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

319.96

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

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

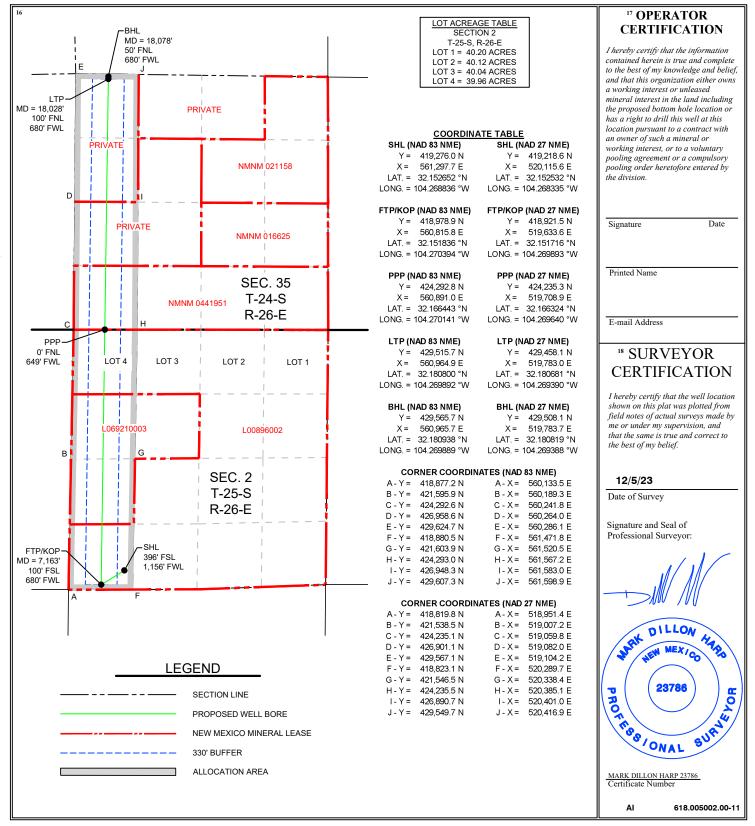
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-496	² Pool Code 97494	³ Pool Name COTTONWOOD DRAW; BONE SPRING (O)	
⁴ Property Code		roperty Name NE FED COM LW	⁶ Well Number 15H
⁷ OGRID No. 374034	*Operator Name FLAT CREEK RESOURCES, LLC		⁹ Elevation 3,381 '

¹⁰ Surface Location UL or lot no. Township Range North/South line Feet from the East/West line 2 25 S 26 E SOUTH 1,156 **WEST EDDY** М 396 "Bottom Hole Location If Different From Surface UL or lot no. East/West line Section Feet from the County Township Range Lot Idn Feet from the North/South line 35 24 S 26 E 50 **NORTH** 680 WEST **EDDY** Dedicated Acres Joint or Infill 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.



\618.005 Flat Creek\002 Jawbone Lease\.00

C-102.dwg

15H\DWG\15H

Jawbone Lease\Wells\-11

ı

Released to Imaging: 12/6/2023 7:57:28 AM



October 3, 2023

SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal

Jawbone Fed Com BS 1H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

Surface Hole Location: 200' FSL and 1,050' FEL of Section 2, 25S-26E
First Take Point: 100' FSL and 770' FEL of Section 2, 25S-26E
Bottom Hole Location: 100' FNL and 770' FEL of Section 35, 24S-26E

Depth: 17,919' Measured Depth and 7,691' True Vertical Depth
 Spacing Unit: E2E2 of Section 2, 25S-26E & Section 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$9,403,782.29, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the East Half of the East Half (E2E2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well.

Exhibit A-7

Flat Creek Resource

Case Nos. 23997-23999

Jawbone Fed Com BS 1H October 3, 2023 Page 2 of 2

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mike Gregory, CPL Vice President - Land

Please select one of the following and return:

______I/We hereby elect TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

______I/We hereby elect NOT TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

______I/We are interested in selling, trading, leasing or farming out our interest. Please contact to discuss further.

COMPANY/OWNER NAME:

By: _______
Name: _______
Title: ______

Date:

FLAT CREEK RESOURCES, LLC AUTHORIZATION FOR EXPENDITURE DRILL & COMPLETE HORIZONTAL BONE SPRING

Date: 10/1/2023 County/State: Eddy, NM

Lease: <u>Jawbone Unit</u>

Surface Location: <u>Sec 2, 25S-26E</u> Proposed Depth: <u>18.000' MD</u>

Objective: Drill Horizontal Well, Complete ~2-Mile Lateral, Production Facility

Objective: Drill Horizontal Well, Con	nplete ~2-Mile Lateral, Production Facility			
Account Code	Account Name		AFE Am	ount
Intangible Driling Costs (310)				
310 / 1	LAND SERVICE & EXP		\$	2,000.00
310 / 4	PERMITS - SURVEY - REGULATORY		\$	2,000.00
310 / 5	LOCATION - DAMAGES - CLEAN UP		\$	150,000.00
310 / 6	RIG - MOB/DEMOB		\$	90,000.00
310 / 7	RIG - DAYWORK		\$	510,000.00
310 / 8	RIG - FOOTAGE		\$	-
310 / 9	RIG - TURNKEY		\$	-
310 / 10	COILED TBG/SNUBBING/NITROGEN		\$	-
310 / 11	FUEL - POWER - WATER		\$	90,750.00
310 / 12	COMMUNICATIONS		\$	2,250.00
310 / 13	TRANSPORTATION		\$	25,000.00
310 / 14	CONSULTING SERVICE/SUPERVISION		\$	90,000.00
310 / 15	CONTRACT LABOR & SERVICES		\$	40,000.00
310 / 16	RENTALS - DOWNHOLE		\$	37,500.00
310 / 17	RENTALS - SURFACE		\$	112,500.00
310 / 18	BITS		\$	75,000.00
310 / 19	CASING CREW & EQUIPMENT		\$	50,000.00
310 / 20	CEMENT & SERVICES		\$	150,000.00
310 / 21	DIRECTIONAL TOOLS & SERVICES		\$	130,000.00
310 / 22	FISHING TOOLS & SERVICE		\$	-
310 / 23	MUD - CHEMICALS - FLUIDS		\$	120,000.00
310 / 24	MUD LOGGING		\$	15,600.00
310 / 25	OPENHOLE LOGGING - FT - SWC		\$	
310 / 26	ELEC/WIRELINE & PERF SERVICE		\$	_
310 / 27	DRILL STEM TESTING - CORING		\$	_
310 / 28	TUBULAR TESTING & INSPECTION		\$	10,000.00
310 / 29	CUTTINGS & FLUID DISPOSAL		Ś	150,000.00
310, 23	60 T 111 65 & T 2015 B 151 65/12	Subtotal	\$	1,852,600.00
310 / 30	MISC & CONTINGENCY		\$	185,260.00
310 / 60	P&A COSTS		\$	-
310 / 70	NON-OP DRILLING - INTANG		\$	_
			Ψ	
		Total Intangibles For Operations Involving Drilling Rig	Ś	2,037,860.00
Tangible Drilling Costs (311)				
311 / 1	DRIVE PIPE - CONDUCTOR		\$	45,000.00
311 / 2	CASING - SURFACE		\$	23,500.00
311/3	CASING - INTERMEDIATE		\$	90,000.00
311 / 4	CASING - PRODUCTION		\$	612,000.00
311 / 5	CASING - LINER/TIEBACK			
311 / 6	HANGER - CSG ACCESSORY		\$	10,000.00
311 / 7	WELLHEAD EQPT		\$	90,000.00
		Subtotal	\$	870,500.00
311 / 8	MISC & CONTINGENCY		\$	87,050.00
311 / 70	NON-OP DRILLING - TANG			
		Total Tangibles For Operations Involving Drilling Rig	\$	957,550
Total Drilling Cost			\$	2,995,410

Intangible Completion Costs (320)				
320 / 1	LAND SERVICE & EXP		\$	15,000
320 / 2	LEGAL FEES & EXP		\$	-
320 / 3	INSURANCE		Ś	_
320 / 4	PERMITS - SURVEY - REGULATORY		\$	_
320 / 5	LOCATION - DAMAGES - CLEAN UP		\$	15,000
320 / 6	RIG - DAYWORK		\$	-
320 / 7	RIG - COMPLETION/WORKOVER		\$	_
320 / 8	COILED TBG/SNUBBING/NITROGEN		\$	139,500
320 / 9			\$ \$	589,232
	FUEL - POWER - WATER COMMUNICATIONS			
320 / 10			\$	5,000
320 / 11	TRANSPORTATION		\$	25,000
320 / 12	CONSULTING SERVICE/SUPERVISION		\$	55,000
320 / 13	CONTRACT LABOR & SERVICES		\$	7,500
320 / 14	RENTALS - DOWNHOLE		\$	25,000
320 / 15	RENTALS - SURFACE		\$	127,875
320 / 16	BITS		\$	5,000
320 / 17	CASING CREW & EQUIPMENT		\$	-
320 / 18	CEMENT & SERVICES		\$	-
320 / 19	FISHING TOOLS & SERVICE		\$	-
320 / 20	MUD - CHEMICALS - FLUIDS		\$	165,000
320 / 21	ELEC/WIRELINE & PERF SERVICE		\$	369,500
320 / 22	TUBULAR TESTING & INSPECTION		\$	-
320 / 23	GRAVEL PACKING		\$	-
320 / 24	FRAC & STIMULATION		\$	2,689,961
320 / 25	SWABBING & WELL TESTING		\$	113,970
320 / 26	CUTTINGS & FLUID DISPOSAL		\$	82,817
320 / 28	FRAC WATER		\$	254,820
320 / 29	FRAC POND		\$	-
320 / 30	WATER TRANSFER		\$	103,400
320 / 60	P&A COSTS		\$	-
		Subtotal	\$	4,788,574
320 / 70	NON-OP COMP - INTANG		\$	-
320 / 27	MISC & CONTINGENCY		\$	359,143
		Total Intangibles For Completions Operations	\$	5,147,717
Tangible Completion Costs (321)				
321 / 1	CASING - LINER/TIEBACK		\$	
321 / 2	HANGER - CSG ACCESSORY		\$	_
321 / 3	PRODUCTION TUBING		\$	125,000.00
321 / 4	TUBINGHEAD & TREE		\$	35,000.00
				33,000.00
321 / 5 321 / 6	PACKERS - SUBSURFACE EQUIP		\$	-
•	RODS - PUMPS - ANCHORS ETC		\$	-
321 / 7	ART LIFT - SURFACE EQUIP		\$	-
321 / 8	PUMPING UNITS - SURFACE EQUIP		\$	10,000,00
321 / 9	VALVES - FITTING - MISC EQUIP		\$	10,000.00
321 / 10	SEPARATOR/HEAT TREATER/DEHY		\$	-
321 / 11	GUN BBL/TANKS & RELATED EQUIP		\$	-
321 / 12	COMPRESSOR & RELATED EQUIP		\$	-
321 / 13	METERS - LACT UNIT		\$	-
321 / 14	SWD PUMPS & EQUIPMENT		\$	-
321 / 15	PIPELINES - TIE-INS		\$	-
321 / 16	PROD FACILITY - FAB & INSTALL		\$	-
		Subtotal	\$	170,000.00
321 / 17	MISC & CONTINGENCY		\$	17,000.00
321 / 60	P&A COSTS		\$	-
321 / 70	NON-OP COMP - TANG		\$	-
			\$	-
		Total Tangibles For Completions Operations	\$	187,000.00

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS		
330 / 1	LAND SERVICE & EXP	\$	4,800.00
330 / 2	LEGAL FEES & EXP	\$	-
330 / 3	CONSULTING SERVICE/SUPERVISION	\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES	\$	43,750.00
	Subtotal	\$	54,800.00
330 / 5	MISC & CONTINGENCY	\$	5,480.00
330 / 70	NON-OP FAC - INTANG	\$, -
		\$	-
	Total Intangibles for Facility Construction	\$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS		
331 / 1	ART LIFT - SURFACE EQUIP	\$	-
331 / 2	PUMPING UNITS - SURFACE EQUIP	\$	-
331/3	VALVES - FITTING - MISC EQUIP	\$	155,000.00
331 / 4	SEPARATOR/HEAT TREATER/DEHY	\$	100,000.00
331/5	GUN BBL/TANKS & RELATED EQUIP	\$	62,500.00
331 / 6	COMPRESSOR & RELATED EQUIP	\$	150,000.00
331 / 7	METERS - LACT UNIT	\$	43,750.00
331 / 8	SWD PUMPS & EQUIPMENT	\$	21,250.00
331/9	PIPELINES - TIE-INS	\$	295,000.00
331 / 10	PROD FACILITY - FAB & INSTALL	\$	93,750.00
	Subtotal	\$	921,250.00
331 / 11	MISC & CONTINGENCY	\$	92,125.00
331 / 70	NON-OP FAC- TANG	\$	-
		\$	-
	Total Tangible for Facility Construction	\$	1,013,375.00
Total Facility Costs		\$	1,073,655.00
Total Estmated Well Cost		\$	9,403,782.29
Flat Creek Resources, LLC			
Approved By:	Title:	Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production	10/3/2023	
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK			
OWNERSHIP:	COST TO COMPLETE:		
DATE:	PARTICIPANTS ESTIMATED COST:		
APPROVED BY:	TITLE:		



October 3, 2023

SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal

Jawbone Fed Com BS 2H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

Surface Hole Location: 200' FSL and 1,070' FEL of Section 2, 25S-26E
First Take Point: 100' FSL and 2,555' FEL of Section 2, 25S-26E
Bottom Hole Location: 100' FNL and 2,555' FEL of Section 35, 24S-26E

Depth: 18,185' Measured Depth and 7,691' True Vertical Depth
Spacing Unit: W2E2 and E2W2 of Sec 2, 25S-26E & Sec 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$9,403,782.29, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the West Half of the East Half (W2E2) and the East Half of the West Half (E2W2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well.

Jawbone Fed Com BS 2H October 3, 2023 Page 2 of 2

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mike Gregory, CPL Vice President - Land

Date:

FLAT CREEK RESOURCES, LLC AUTHORIZATION FOR EXPENDITURE DRILL & COMPLETE HORIZONTAL BONE SPRING

Date: 10/1/2023 County/State: Eddy, NM

Lease: <u>Jawbone Unit</u>

Surface Location: <u>Sec 2, 25S-26E</u> Proposed Depth: <u>18.000' MD</u>

Objective: Drill Horizontal Well, Complete ~2-Mile Lateral, Production Facility

Objective: Drill Horizontal Well, Con	nplete ~2-Mile Lateral, Production Facility			
Account Code	Account Name		AFE Am	ount
Intangible Driling Costs (310)				
310 / 1	LAND SERVICE & EXP		\$	2,000.00
310 / 4	PERMITS - SURVEY - REGULATORY		\$	2,000.00
310 / 5	LOCATION - DAMAGES - CLEAN UP		\$	150,000.00
310 / 6	RIG - MOB/DEMOB		\$	90,000.00
310 / 7	RIG - DAYWORK		\$	510,000.00
310 / 8	RIG - FOOTAGE		\$	-
310 / 9	RIG - TURNKEY		\$	-
310 / 10	COILED TBG/SNUBBING/NITROGEN		\$	-
310 / 11	FUEL - POWER - WATER		\$	90,750.00
310 / 12	COMMUNICATIONS		\$	2,250.00
310 / 13	TRANSPORTATION		\$	25,000.00
310 / 14	CONSULTING SERVICE/SUPERVISION		\$	90,000.00
310 / 15	CONTRACT LABOR & SERVICES		\$	40,000.00
310 / 16	RENTALS - DOWNHOLE		\$	37,500.00
310 / 17	RENTALS - SURFACE		\$	112,500.00
310 / 18	BITS		\$	75,000.00
310 / 19	CASING CREW & EQUIPMENT		\$	50,000.00
310 / 20	CEMENT & SERVICES		\$	150,000.00
310 / 21	DIRECTIONAL TOOLS & SERVICES		\$	130,000.00
310 / 22	FISHING TOOLS & SERVICE		\$	-
310 / 23	MUD - CHEMICALS - FLUIDS		\$	120,000.00
310 / 24	MUD LOGGING		\$	15,600.00
310 / 25	OPENHOLE LOGGING - FT - SWC		\$	
310 / 26	ELEC/WIRELINE & PERF SERVICE		\$	_
310 / 27	DRILL STEM TESTING - CORING		\$	_
310 / 28	TUBULAR TESTING & INSPECTION		\$	10,000.00
310 / 29	CUTTINGS & FLUID DISPOSAL		Ś	150,000.00
310, 23	60 1 111 63 & 1 2013 B131 63/12	Subtotal	\$	1,852,600.00
310 / 30	MISC & CONTINGENCY		\$	185,260.00
310 / 60	P&A COSTS		\$	-
310 / 70	NON-OP DRILLING - INTANG		\$	_
			Ψ	
		Total Intangibles For Operations Involving Drilling Rig	Ś	2,037,860.00
Tangible Drilling Costs (311)				
311 / 1	DRIVE PIPE - CONDUCTOR		\$	45,000.00
311 / 2	CASING - SURFACE		\$	23,500.00
311/3	CASING - INTERMEDIATE		\$	90,000.00
311 / 4	CASING - PRODUCTION		\$	612,000.00
311 / 5	CASING - LINER/TIEBACK			
311 / 6	HANGER - CSG ACCESSORY		\$	10,000.00
311 / 7	WELLHEAD EQPT		\$	90,000.00
		Subtotal	\$	870,500.00
311 / 8	MISC & CONTINGENCY		\$	87,050.00
311 / 70	NON-OP DRILLING - TANG			
		Total Tangibles For Operations Involving Drilling Rig	\$	957,550
Total Drilling Cost			\$	2,995,410

Intangible Completion Costs (320)				
320 / 1	LAND SERVICE & EXP		\$	15,000
320 / 2	LEGAL FEES & EXP		\$	-
320 / 3	INSURANCE		Ś	_
320 / 4	PERMITS - SURVEY - REGULATORY		\$	_
320 / 5	LOCATION - DAMAGES - CLEAN UP		\$	15,000
320 / 6	RIG - DAYWORK		\$	-
320 / 7	RIG - COMPLETION/WORKOVER		\$	_
320 / 8	COILED TBG/SNUBBING/NITROGEN		\$	139,500
320 / 9			\$ \$	589,232
	FUEL - POWER - WATER COMMUNICATIONS			
320 / 10			\$	5,000
320 / 11	TRANSPORTATION		\$	25,000
320 / 12	CONSULTING SERVICE/SUPERVISION		\$	55,000
320 / 13	CONTRACT LABOR & SERVICES		\$	7,500
320 / 14	RENTALS - DOWNHOLE		\$	25,000
320 / 15	RENTALS - SURFACE		\$	127,875
320 / 16	BITS		\$	5,000
320 / 17	CASING CREW & EQUIPMENT		\$	-
320 / 18	CEMENT & SERVICES		\$	-
320 / 19	FISHING TOOLS & SERVICE		\$	-
320 / 20	MUD - CHEMICALS - FLUIDS		\$	165,000
320 / 21	ELEC/WIRELINE & PERF SERVICE		\$	369,500
320 / 22	TUBULAR TESTING & INSPECTION		\$	-
320 / 23	GRAVEL PACKING		\$	-
320 / 24	FRAC & STIMULATION		\$	2,689,961
320 / 25	SWABBING & WELL TESTING		\$	113,970
320 / 26	CUTTINGS & FLUID DISPOSAL		\$	82,817
320 / 28	FRAC WATER		\$	254,820
320 / 29	FRAC POND		\$	-
320 / 30	WATER TRANSFER		\$	103,400
320 / 60	P&A COSTS		\$	-
		Subtotal	\$	4,788,574
320 / 70	NON-OP COMP - INTANG		\$	-
320 / 27	MISC & CONTINGENCY		\$	359,143
		Total Intangibles For Completions Operations	\$	5,147,717
Tangible Completion Costs (321)				
321 / 1	CASING - LINER/TIEBACK		\$	
321 / 2	HANGER - CSG ACCESSORY		\$	_
321 / 3	PRODUCTION TUBING		\$	125,000.00
321 / 4	TUBINGHEAD & TREE		\$	35,000.00
				33,000.00
321 / 5 321 / 6	PACKERS - SUBSURFACE EQUIP		\$	-
•	RODS - PUMPS - ANCHORS ETC		\$	-
321 / 7	ART LIFT - SURFACE EQUIP		\$	-
321 / 8	PUMPING UNITS - SURFACE EQUIP		\$	10.000.00
321 / 9	VALVES - FITTING - MISC EQUIP		\$	10,000.00
321 / 10	SEPARATOR/HEAT TREATER/DEHY		\$	-
321 / 11	GUN BBL/TANKS & RELATED EQUIP		\$	-
321 / 12	COMPRESSOR & RELATED EQUIP		\$	-
321 / 13	METERS - LACT UNIT		\$	-
321 / 14	SWD PUMPS & EQUIPMENT		\$	-
321 / 15	PIPELINES - TIE-INS		\$	-
321 / 16	PROD FACILITY - FAB & INSTALL		\$	-
		Subtotal	\$	170,000.00
321 / 17	MISC & CONTINGENCY		\$	17,000.00
321 / 60	P&A COSTS		\$	-
321 / 70	NON-OP COMP - TANG		\$	-
			\$	-
		Total Tangibles For Completions Operations	\$	187,000.00

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS		
330 / 1	LAND SERVICE & EXP	\$	4,800.00
330 / 2	LEGAL FEES & EXP	\$	-
330 / 3	CONSULTING SERVICE/SUPERVISION	\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES	\$	43,750.00
	Subtotal	\$	54,800.00
330 / 5	MISC & CONTINGENCY	\$	5,480.00
330 / 70	NON-OP FAC - INTANG	\$, -
		\$	-
	Total Intangibles for Facility Construction	\$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS		
331 / 1	ART LIFT - SURFACE EQUIP	\$	-
331 / 2	PUMPING UNITS - SURFACE EQUIP	\$	-
331/3	VALVES - FITTING - MISC EQUIP	\$	155,000.00
331 / 4	SEPARATOR/HEAT TREATER/DEHY	\$	100,000.00
331/5	GUN BBL/TANKS & RELATED EQUIP	\$	62,500.00
331 / 6	COMPRESSOR & RELATED EQUIP	\$	150,000.00
331 / 7	METERS - LACT UNIT	\$	43,750.00
331 / 8	SWD PUMPS & EQUIPMENT	\$	21,250.00
331/9	PIPELINES - TIE-INS	\$	295,000.00
331 / 10	PROD FACILITY - FAB & INSTALL	\$	93,750.00
	Subtotal	\$	921,250.00
331 / 11	MISC & CONTINGENCY	\$	92,125.00
331 / 70	NON-OP FAC- TANG	\$	-
		\$	-
	Total Tangible for Facility Construction	\$	1,013,375.00
Total Facility Costs		\$	1,073,655.00
Total Estmated Well Cost		\$	9,403,782.29
Flat Creek Resources, LLC			
Approved By:	Title:	Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production	10/3/2023	
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK			
OWNERSHIP:	COST TO COMPLETE:		
DATE:	PARTICIPANTS ESTIMATED COST:		
APPROVED BY:	TITLE:		



October 3, 2023

SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal

Jawbone Fed Com BS 3H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

Surface Hole Location: 396' FSL and 1,156' FWL of Section 2, 25S-26E
First Take Point: 100' FSL and 680' FWL of Section 2, 25S-26E
Bottom Hole Location: 100' FNL and 680' FWL of Section 35, 24S-26E

Depth: 18,078' Measured Depth and 7,705' True Vertical Depth
Spacing Unit: W2W2 of Section 2, 25S-26E & Section 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$10,411,128.82, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the West Half of the West Half (W2W2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well.

Jawbone Fed Com BS 3H October 3, 2023 Page 2 of 2

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mike Gregory, CPL Vice President - Land

Please select one of the following and return:

_______I/We hereby elect TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_______I/We hereby elect NOT TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_______I/We are interested in selling, trading, leasing or farming out our interest. Please contact to discuss further.

COMPANY/OWNER NAME:

By: ________
Name: ________
Title: ________

Date:

WC23003

FLAT CREEK RESOURCES, LLC AFE#: **AUTHORIZATION FOR EXPENDITURE** DRILL & COMPLETE HORIZONTAL BONE SPRING

Date: 10/1/2023 County/State: Eddy, NM

Lease: <u>Jawbone Unit</u>

Surface Location: Sec 2, 25S-26E Proposed Depth: 18,000' MD

Objective: Drill Horizontal Well, Com	plete ~2-Mile Lateral, Production Facility				
Account Code	Account Name A		AFE An	AFE Amount	
Intangible Driling Costs (310)					
310 / 1	LAND SERVICE & EXP		\$	2,000.00	
310 / 4	PERMITS - SURVEY - REGULATORY		\$	2,000.00	
310 / 5	LOCATION - DAMAGES - CLEAN UP		\$	330,000.00	
310 / 6	RIG - MOB/DEMOB		\$	110,000.00	
310 / 7	RIG - DAYWORK		\$	510,000.00	
310 / 8	RIG - FOOTAGE		\$	-	
310/9	RIG - TURNKEY		\$	-	
310 / 10	COILED TBG/SNUBBING/NITROGEN		\$	-	
310 / 11	FUEL - POWER - WATER		\$	90,750.00	
310 / 12	COMMUNICATIONS		\$	2,250.00	
310 / 13	TRANSPORTATION		\$	25,000.00	
310 / 14	CONSULTING SERVICE/SUPERVISION		\$	90,000.00	
310 / 15	CONTRACT LABOR & SERVICES		\$	40,000.00	
310 / 16	RENTALS - DOWNHOLE		\$	37,500.00	
310 / 17	RENTALS - SURFACE		\$	112,500.00	
310 / 18	BITS		\$	75,000.00	
310 / 19	CASING CREW & EQUIPMENT		\$	50,000.00	
310 / 20	CEMENT & SERVICES		\$	150,000.00	
310 / 21	DIRECTIONAL TOOLS & SERVICES		\$	130,000.00	
310 / 22	FISHING TOOLS & SERVICE		\$	-	
310 / 23	MUD - CHEMICALS - FLUIDS		\$	120,000.00	
310 / 24	MUD LOGGING		\$	15,600.00	
310 / 25	OPENHOLE LOGGING - FT - SWC		\$	-	
310 / 26	ELEC/WIRELINE & PERF SERVICE		\$		
310 / 27	DRILL STEM TESTING - CORING		\$	_	
310 / 28	TUBULAR TESTING & INSPECTION		\$	10,000.00	
310 / 29	CUTTINGS & FLUID DISPOSAL		\$	150,000.00	
310 / 23	COTTINGS & FEOID DISTOSAL	Subtotal	\$	2,052,600.00	
310 / 30	MISC & CONTINGENCY	Subtotal	\$	205,260.00	
310 / 60	P&A COSTS		\$	203,200.00	
310 / 70	NON-OP DRILLING - INTANG		\$	_	
310 / 70	NON-OF DRILLING - INTANG		ې	_	
		Total Intangibles For Operations Involving Drilling Rig	¢	2,257,860.00	
			Ψ	2,237,000.00	
Tangible Drilling Costs (311)					
311 / 1	DRIVE PIPE - CONDUCTOR		\$	45,000.00	
311/2	CASING - SURFACE		\$	23,500.00	
311/3	CASING - INTERMEDIATE		\$	90,000.00	
311 / 4	CASING - PRODUCTION		\$	612,000.00	
311/5	CASING - LINER/TIEBACK				
311 / 6	HANGER - CSG ACCESSORY		\$	10,000.00	
311 / 7	WELLHEAD EQPT		\$	90,000.00	
		Subtotal	\$	870,500.00	
311 / 8	MISC & CONTINGENCY		\$	87,050.00	
311 / 70	NON-OP DRILLING - TANG		-		
		Total Tangibles For Operations Involving Drilling Rig	\$	957,550	
Total Drilling Cost			\$	3,215,410	

angible Completion Costs (320) 0/1 LAND SERVICE & EXP LEGAL FEES & EXP 1/2 LEGAL FEES & EXP 1/3 INSURANCE PERMITS - SURVEY - REGULATORY LOCATION - DAMAGES - CLEAN UP 1/5 LOCATION - DAMAGES - CLEAN UP 1/6 RIG - COMPLETION/WORKOVER 1/7 COMMUNICATIONS 1/7 COMMUNICATIONS 1/7 TRANSPORTATION 1/7 CONSULTING SERVICE/SUPERVISION 1/7 CONSULTING SERVICE/SUPERVISION 1/7 CONTRACT LABOR & SERVICES 1/7 RENTALS - SURFACE 1/7 BITS 1/7 CASING CREW & EQUIPMENT 1/7 CEMENT & SERVICES 1/7 FISHING TOOLS & SERVICE 1/7 ROLL RESTRICE 1/7 ROLL RESTRICE 1/7 ROLL RESTRICE 1/7 NON-OP COMP - INTANG 1/7 MISC & CONTINGENCY Tot. 1/7 PACKERS - SUBSURFACE EQUIP 1/7 ROLL RESTRICE 1/7 PACKERS - SUBSURFACE EQUIP 1/7 ROLL RESTRICE 1/7 ROLL RESTRICT 1/7 ROLL RESTRICE 1/7 ROLL RESTRICT 1/7 ROLL RESTRI	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	15,000 - 139,500 589,232 5,000 25,000 7,500 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
LEGAL FEES & EXP 1/3	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	15,000 139,500 589,232 5,000 25,000 7,500 25,000 127,875 5,000 - - 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
INSURANCE	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	15,000 - 139,500 589,232 5,000 25,000 25,000 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
PERMITS - SURVEY - REGULATORY 10/5 10/6 RIG - DAYWORK RIG - COMPLETION/WORKOVER 10/7 RIG - COMPLETION/WORKOVER 10/8 COILED TBG/SNUBBING/NITROGEN 10/9 FUEL - POWER - WATER COMMUNICATIONS TRANSPORTATION 10/12 CONSULTING SERVICE/SUPERVISION 10/13 CONTRACT LABOR & SERVICES 10/14 RENTALS - DOWNHOLE RENTALS - SURFACE 10/15 RENTALS - SURFACE 10/16 BITS 10/17 CASING CREW & EQUIPMENT 10/18 CEMENT & SERVICES 11/19 FISHING TOOLS & SERVICE 10/19 FISHING TOOLS & SERVICE 10/10/10/10/10/10/10/10/10/10/10/10/10/1	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	139,500 589,232 5,000 25,000 7,500 25,000 127,875 5,000 - - 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
LOCATION - DAMAGES - CLEAN UP RIG - DAYWORK RIG - DAYWORK RIG - COMPLETION/WORKOVER COLLED TBG/SNUBBING/NITROGEN PUEL - POWER - WATER COMMUNICATIONS COMMUNICATIONS CONSULTING SERVICE/SUPERVISION CONTRACT LABOR & SERVICES CONTRACT LABOR & CONTRACT CONTRACT LABOR & SERVICES CONTRACT LABOR & CONTRACT CONTR	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	139,500 589,232 5,000 25,000 7,500 25,000 127,875 5,000 - - 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
RIG - DAYWORK	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	139,500 589,232 5,000 25,000 7,500 25,000 127,875 5,000 - - 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
RIG - COMPLETION/WORKOVER COILED TBG/SNUBBING/NITROGEN FUEL - POWER - WATER COMMUNICATIONS O/ 11 TRANSPORTATION COMMUNICATIONS O/ 12 CONSULTING SERVICE/SUPERVISION CONTRACT LABOR & SERVICES POLIT CONSULTING SERVICES CONSULTING SERVICES CONSULTING SERVICES CONSULTING SERVICES CONSULTING SERVICES CONSULTING SERVICES CONTRACT LABOR & SERVICE CONTRACT LABOR & SERVICES CONTRACT & SUMPLENT CONTRACT LABOR & SERVICES CONTRACT & CONTRACT LABOR CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CONTRACT & CONTRACT LABOR CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES COMMUNICATION CONTRACT LABOR COMMUNICATION COMMUNICATIO	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	589,232 5,000 25,000 7,500 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
COILED TBG/SNUBBING/NITROGEN PUEL - POWER - WATER COMMUNICATIONS TRANSPORTATION CONSULTING SERVICE/SUPERVISION CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES TENTALS - DOWNHOLE RENTALS - DOWNHOLE RENTALS - SURFACE BITS CASING CREW & EQUIPMENT CASING CREW & EQUIPMENT CASING CREW & SERVICE CONTRACT LINES CASING CREW & EQUIPMENT CEMENT & SERVICES CONTRACT LINES CONTRACT LABOR & SERVICE CASING CREW & EQUIPMENT CASING CREW & EQUIPMENT CEMENT & SERVICE CONTRACT LABOR & SERVICE CONTRACT LABOR & SERVICE CONTRACT LABOR & SERVICES CASING CREW & EQUIPMENT CEMENT & SERVICES CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CASING CREW & EQUIPMENT CEMENT & SERVICES CONTRACT LABOR & SERVICES CASING & WELL TESTING CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CASING & WELL TESTING CONTRACT LABOR & SERVICES CASING & FRAC WATER CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CASING & WELL TESTING CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CASING & FRAC WATER CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CONTRACT LABOR & CONTRACT CONSULTANT CASING LINER/TIEBACK CONTRACT LABOR & CONTRACT CONTRACT LABOR & C	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	589,232 5,000 25,000 7,500 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
FUEL - POWER - WATER COMMUNICATIONS TRANSPORTATION CONSULTING SERVICE/SUPERVISION CONSULTING SERVICE/SUPERVISION CONSULTING SERVICE/SUPERVISION CONTRACT LABOR & SERVICES CONTRACT LABOR & CONTRACT LABOR & SERVICES CONTRACT LABOR & SERVICES CONTRACT LABO	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	589,232 5,000 25,000 7,500 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
COMMUNICATIONS 1/11 TRANSPORTATION 1/12 CONSULTING SERVICE/SUPERVISION 1/13 CONTRACT LABOR & SERVICES 1/14 RENTALS - DOWNHOLE RENTALS - SURFACE BITS 1/17 CASING CREW & EQUIPMENT 1/19 CASING CREW & EQUIPMENT 1/20 MUD - CHEMICALS - FLUIDS 1/21 ELEC/WIRELINE & PERF SERVICE 1/22 TUBULAR TESTING & INSPECTION 1/23 GRAVEL PACKING FRAC & STIMULATION 1/24 FRAC & STIMULATION 1/25 SWABBING & WELL TESTING 1/26 CUTTINGS & FLUID DISPOSAL 1/28 FRAC WATER 1/20 FRAC POND 1/30 WATER TRANSFER 1/30 MON-OP COMP - INTANG 1/27 MISC & CONTINGENCY Tot: 1/21 CASING - LINER/TIEBACK 1/22 HANGER - CSG ACCESSORY 1/3 PRODUCTION TUBING 1/4 TUBINGHEAD & TREE 1/5 PACKERS - SUBSURFACE EQUIP 1/6 RODS - PUMPS - ANCHORS ETC	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	5,000 25,000 7,500 25,000 7,500 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
7/11 TRANSPORTATION 7/12 CONSULTING SERVICE/SUPERVISION 7/13 CONTRACT LABOR & SERVICES 7/14 RENTALS - DOWNHOLE 7/15 RENTALS - SURFACE 8 BITS 7/17 CASING CREW & EQUIPMENT 7/18 CEMENT & SERVICES 7/19 FISHING TOOLS & SERVICE 7/19 FISHING TOOLS & SERVICE 7/20 MUD - CHEMICALS - FLUIDS 7/21 ELEC/WIRELINE & PERF SERVICE 7/22 TUBULAR TESTING & INSPECTION 7/23 GRAVEL PACKING 7/24 FRAC & STIMULATION 7/25 SWABBING & WELL TESTING 7/26 CUTTINGS & FLUID DISPOSAL 7/29 FRAC WATER 7/29 FRAC POND 7/30 WATER TRANSFER 7/30 WATER TRANSFER 7/30 WATER TRANSFER 7/31 NON-OP COMP - INTANG 7/32 MISC & CONTINGENCY 7/31 TOT: 7/32 PRODUCTION TUBING 7/4 TUBINGHEAD & TREE	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	25,000 55,000 7,500 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
CONSULTING SERVICE/SUPERVISION CONTRACT LABOR & SERVICES CONTRACT & SURFACE CONTRACT & SURFACE CONTRACT LABOR & SURFACE CONTRACT LABOR & SERVICES CONTRACT & SURFACE CONTRACT & SERVICES CONTRACT & SERVICE CONTRACT & SERVICES CONTRACT & SERVICE & SERVICE CONTRACT & SERVICE & SERVICES CONTRACT & SERVICE & SERVICE & SERV	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	55,000 7,500 25,000 127,875 5,000 - - 165,000 430,900 - - 3,227,953 113,970 82,817 254,820 - 103,400
CONTRACT LABOR & SERVICES 2/14 RENTALS - DOWNHOLE RENTALS - SURFACE BITS 2/17 CASING CREW & EQUIPMENT CEMENT & SERVICES 1/19 FISHING TOOLS & SERVICE 1/20 MUD - CHEMICALS - FLUIDS 1/21 ELEC/WIRELINE & PERF SERVICE 1/22 TUBULAR TESTING & INSPECTION GRAVEL PACKING 1/25 SWABBING & WELL TESTING 1/26 CUTTINGS & FLUID DISPOSAL FRAC WATER FRAC WATER 1/29 FRAC POND WATER TRANSFER 1/29 FRAC POND WATER TRANSFER 1/20 MISC & CONTINGENCY Total TOTAL	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	7,500 25,000 127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
RENTALS - DOWNHOLE RENTALS - SURFACE BITS CASING CREW & EQUIPMENT CEMENT & SERVICES FISHING TOOLS & SERVICE MUD - CHEMICALS - FLUIDS ELEC/WIRELINE & PERF SERVICE TUBULAR TESTING & INSPECTION GRAVEL PACKING FRAC & STIMULATION SWABBING & WELL TESTING CUTTINGS & FLUID DISPOSAL FRAC WATER FRAC WATER FRAC WATER FRAC POND WATER TRANSFER DO FOR MISC & CONTINGENCY TOTAL TOTAL Rigible Completion Costs (321) L/1 CASING - LINER/TIEBACK HANGER - CSG ACCESSORY PRODUCTION TUBING L/4 TUBINGHEAD & TREE L/5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	25,000 127,875 5,000 - - 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	127,875 5,000 165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
D	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	5,000 165,000 430,900 3,227,953 113,970 82,817 254,820 - 103,400
CASING CREW & EQUIPMENT	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
CEMENT & SERVICES FISHING TOOLS & SERVICE	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	165,000 430,900 - 3,227,953 113,970 82,817 254,820 - 103,400
FISHING TOOLS & SERVICE MUD - CHEMICALS - FLUIDS ELEC/WIRELINE & PERF SERVICE TUBULAR TESTING & INSPECTION GRAVEL PACKING FRAC & STIMULATION SWABBING & WELL TESTING CUTTINGS & FLUID DISPOSAL FRAC WATER FRAC POND WATER TRANSFER P&A COSTS NON-OP COMP - INTANG MISC & CONTINGENCY Total	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	3,227,953 113,970 82,817 254,820
MUD - CHEMICALS - FLUIDS O	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	430,900 - - 3,227,953 113,970 82,817 254,820 - 103,400
D	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	430,900 - - 3,227,953 113,970 82,817 254,820 - 103,400
TUBULAR TESTING & INSPECTION	\$ \$ \$ \$ \$ \$ \$	3,227,953 113,970 82,817 254,820 - 103,400
GRAVEL PACKING	\$ \$ \$ \$ \$ \$	3,227,953 113,970 82,817 254,820 - 103,400
PRAC & STIMULATION	\$ \$ \$ \$ \$	113,970 82,817 254,820 - 103,400
SWABBING & WELL TESTING	\$ \$ \$ \$ \$	113,970 82,817 254,820 - 103,400
CUTTINGS & FLUID DISPOSAL PRAC WATER FRAC WATER FRAC POND WATER TRANSFER P&A COSTS NON-OP COMP - INTANG MISC & CONTINGENCY Total Tota	\$ \$ \$ \$ \$	82,817 254,820 - 103,400
FRAC WATER	\$ \$ \$	254,820 - 103,400 -
FRAC POND WATER TRANSFER P&A COSTS	\$ \$ \$	- 103,400 -
WATER TRANSFER P&A COSTS NON-OP COMP - INTANG MISC & CONTINGENCY Total Agible Completion Costs (321) CASING - LINER/TIEBACK HANGER - CSG ACCESSORY HANGER - CSG ACCESSORY PRODUCTION TUBING TUBINGHEAD & TREE L/5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	\$ \$ \$ Subtotal \$	-
P&A COSTS NON-OP COMP - INTANG MISC & CONTINGENCY Total Agible Completion Costs (321) CASING - LINER/TIEBACK HANGER - CSG ACCESSORY PRODUCTION TUBING TUBINGHEAD & TREE L/5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	\$ Subtotal \$	-
NON-OP COMP - INTANG MISC & CONTINGENCY Total Agible Completion Costs (321) L/1 CASING - LINER/TIEBACK HANGER - CSG ACCESSORY HANGER - CSG ACCESSORY PRODUCTION TUBING TUBINGHEAD & TREE L/5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	Subtotal \$	5,387,966
misc & contingency Total magible Completion Costs (321) L/1 CASING - LINER/TIEBACK L/2 HANGER - CSG ACCESSORY PRODUCTION TUBING L/4 TUBINGHEAD & TREE L/5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	T	2,221,222
misc & contingency Total magible Completion Costs (321) L/1 CASING - LINER/TIEBACK L/2 HANGER - CSG ACCESSORY PRODUCTION TUBING L/4 TUBINGHEAD & TREE L/5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	\$	-
Total Segible Completion Costs (321) L / 1 CASING - LINER/TIEBACK L / 2 HANGER - CSG ACCESSORY L / 3 PRODUCTION TUBING L / 4 TUBINGHEAD & TREE L / 5 PACKERS - SUBSURFACE EQUIP L / 6 RODS - PUMPS - ANCHORS ETC	, \$	404,097
L / 1 CASING - LINER/TIEBACK L / 2 HANGER - CSG ACCESSORY L / 3 PRODUCTION TUBING L / 4 TUBINGHEAD & TREE L / 5 PACKERS - SUBSURFACE EQUIP L / 6 RODS - PUMPS - ANCHORS ETC	I Intangibles For Completions Operations \$	5,792,064
L / 1 CASING - LINER/TIEBACK L / 2 HANGER - CSG ACCESSORY L / 3 PRODUCTION TUBING L / 4 TUBINGHEAD & TREE L / 5 PACKERS - SUBSURFACE EQUIP L / 6 RODS - PUMPS - ANCHORS ETC		
HANGER - CSG ACCESSORY L/3 PRODUCTION TUBING L/4 TUBINGHEAD & TREE L/5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	\$	-
PRODUCTION TUBING TUBINGHEAD & TREE PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	\$	-
TUBINGHEAD & TREE 1 / 5 PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	, \$	125,000.00
PACKERS - SUBSURFACE EQUIP RODS - PUMPS - ANCHORS ETC	\$	35,000.00
RODS - PUMPS - ANCHORS ETC	\$	-
	\$	-
L / I ANT LII I - JONI ACL LUOIF	Ś	-
PUMPING UNITS - SURFACE EQUIP	\$	-
VALVES - FITTING - MISC EQUIP	, \$	10,000.00
L / 10 SEPARATOR/HEAT TREATER/DEHY	\$	-
GUN BBL/TANKS & RELATED EQUIP	, \$	-
L / 12 COMPRESSOR & RELATED EQUIP	\$	_
L / 13 METERS - LACT UNIT	Ś	-
L / 14 SWD PUMPS & EQUIPMENT	\$	-
L/15 PIPELINES - TIE-INS	\$	-
L / 16 PROD FACILITY - FAB & INSTALL	Ś	-
	Subtotal \$	170,000.00
L / 17 MISC & CONTINGENCY	\$	17,000.00
L / 60 P&A COSTS	÷	-
L / 70 NON-OP COMP - TANG	¢	- -
TOTAL OF COMME TANCE	¢	<u>-</u>
Tr		187,000.00
al Completion Costs	tal Tangibles For Completions Operations \$	5,979,063.82

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS			
330 / 1	LAND SERVICE & EXP		\$	4,800.00
330 / 2	LEGAL FEES & EXP		\$	-
330 / 3	CONSULTING SERVICE/SUPERVISION		\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES		\$	43,750.00
		Subtotal	\$	54,800.00
330 / 5	MISC & CONTINGENCY		\$	5,480.00
330 / 70	NON-OP FAC - INTANG		\$	-
			\$	-
	Total Intangibles for Facility Con	struction	\$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS			
331 / 1	ART LIFT - SURFACE EQUIP		\$	-
331 / 2	PUMPING UNITS - SURFACE EQUIP		\$	-
331/3	VALVES - FITTING - MISC EQUIP		\$	155,000.00
331 / 4	SEPARATOR/HEAT TREATER/DEHY		\$	100,000.00
331 / 5	GUN BBL/TANKS & RELATED EQUIP		\$	62,500.00
331 / 6	COMPRESSOR & RELATED EQUIP		\$	150,000.00
331 / 7	METERS - LACT UNIT		\$	43,750.00
331 / 8	SWD PUMPS & EQUIPMENT		\$	21,250.00
331 / 9	PIPELINES - TIE-INS		\$	425,000.00
331 / 10	PROD FACILITY - FAB & INSTALL		\$	93,750.00
		Subtotal	\$	1,051,250.00
331 / 11	MISC & CONTINGENCY		\$	105,125.00
331 / 70	NON-OP FAC- TANG		\$	-
			\$	-
	Total Tangible for Facility Cor	struction	\$	1,156,375.00
Total Facility Costs			\$	1,216,655.00
Total Estmated Well Cost			\$	10,411,128.82
Freedom Energy Permian				
Approved By:	Title:		Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production		10/3/2023	
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK				
OWNERSHIP:	COST TO COMPLETE:			
DATE:	PARTICIPANTS ESTIMATED COST:			
APPROVED BY:	TITLE:			

SHARON T. SHAHEEN

Direct: (505) 986-2678

Email: <u>sshaheen@montand.com</u>

www.montand.com

November 17, 2023

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 23997 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico – Jawbone Fed Com BS #1H

Case No. 23998 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico – Jawbone Fed Com BS #2H

Case No. 23999 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico – Jawbone Fed Com BS #3H

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Flat Creek Resources, LLC ("Flat Creek") has filed applications with the New Mexico Oil Conservation Division seeking compulsory pooling in Eddy County, New Mexico. You are receiving this notice because you may have an interest in one or more of these wells.

Case No. 23997: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL

Exhibit A-8

Flat Creek Resource

Case Nos. 23997-23999

December 7, 2023

All Interest Owners Nov. 17, 2023 Page 2

of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23998: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately100' FNL and 2,555' FEL of Section 35, T24S-R26E. With the proximity tracts, the completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23999: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed interval and first and last take points will

All Interest Owners Nov. 17, 2023 Page 3

meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

The attached applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **December 7**, **2023**, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Failure to appear at that time and become a party of record will preclude you from challenging these applications at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **November 29, 2023**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **November 30, 2023**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these applications.

Very truly yours,

/s/ Sharon T. Shaheen Sharon T. Shaheen

STS/shc Enclosure

cc: Flat Creek Resources, LLC, via email

EXHIBIT A

INTEREST OWNERS

Working Interest Party(ies):

Durango Production Corporation 2663 Plaza Parkway Wichita Falls, TX 76308

Pintail Production Company 6467 Southwest Blvd. Benbrook, TX 76132-2777 MEC Petroleum Corporation P.O. Box 11265 Midland, TX 79702-8265

WPX Energy Production Company, LLC 333 West Sheridan Ave. Oklahoma City, OK 73102-5015

Overriding Royalty Interest Owners:

1B4S Enterprises, LLC 3203 Bowie St. Amarillo, TX 79109

Blue Hole Investments 5210 W. Verde Circle Benbrook, TX 76126

EL Latham Co. P.O. Box 100912 Ft. Worth, TX 76185

Mumford & Company 11601 Woodmar NE Albuquerque, NM 87111

Paloma Gas Holdings, LLC 1100 Louisiana, Suite 5100 Houston, TX 77002

Permian Basin GIF I, LLC P.O. Box 470844 Fort Worth, TX 76147 A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, Wy 82003-0788

Concho Resources, Inc. Concho Oil & Gas LLC P.O. BOX 7500 Barthlesville, OK 74005

Lisha N. Davila Kovacevic 3481 Hickory Court Marietta, GA 30062

Murchison Oil and Gas, LLC 7250 Dallas Parkway, Suite 1400 Plano, TX 75024

Pegasus Resources II, LLC P.O Box 470698 Fort Worth, TX 76147

SEP Permian Holding Corp. P.O. Box 79840 Houston, TX 77279 Shogoil & Gas Co. II, LLC P.O. Box 29450 Santa Fe, NM 87592-9450

Summer Lorraine Davila 5326 Blossom Drive Sugar Hill, GA 30518 Shogoil & Gas Co. LLC P.O. Box 209 Hay Springs, New England 69347

Sydhan, LP P.O. Box 92349 Austin, TX 78709-2349

Additional Party(ies):

Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157 State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State:

SESE /

Well Number: 13H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

US Well Number: 3001549457 Well Status: Approved Application for Operator: FLAT CREEK

Permit to Drill RESOURCES LLC

Notice of Intent

Sundry ID: 2759784

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 12/01/2023

Procedure Description: Well type has changed from gas to oil. Zone has changed from Wolfcamp to Bone Spring. TVD has changed from 9525' to 7691'. MD has changed from 19468' to 17919' BHL was at 330' FNL and 1660' FEL 35-24s-26e. BHL has now moved 933' NE to 50' FNL & 770' FEL 35-24s-26e. No change in SHL. No change in pad footprint. Revised drilling documents attached.

NOI Attachments

Procedure Description

5.5in_Casing_Spec_20231105061924.pdf

Jawbone_LW_13H_Casing_Design_Assumptions_20231105061909.pdf

Jawbone_LW_13H_AntiCollision_Report_20231105061855.pdf

Jawbone_LW_13H_Horizontal_Plan_20231105061842.pdf

Jawbone_LW_13H_C102_20231105061827.pdf

Jawbone_LW_13H_Drill_Plan_20231105061804.pdf

Exhibit A-9
Flat Creek Resource
Case Nos. 23997-23999

December 7, 2023

eceived by OCD: 12/5/2023 6:20:32 PM Well Name: JAWBONE FED COM LW

Well Location: T25S / R26E / SEC 2 /

SESE /

Well Number: 13H Type of Well: CONVENTIONAL GAS

Unit or CA Name: Unit or CA Number: Lease Number: NMNM0441951

US Well Number: 3001549457 Well Status: Approved Application for

Permit to Drill

Operator: FLAT CREEK

Allottee or Tribe Name:

County or Parish/State: Page 70 of

RESOURCES LLC

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRIAN WOOD Signed on: NOV 05, 2023 06:17 AM

Name: FLAT CREEK RESOURCES LLC

Title: President

Street Address: 37 VERANO LOOP

City: SANTA FE State: NM

Phone: (505) 466-8120

Email address: AFMSS@PERMITSWEST.COM

Field

Representative Name:

Street Address:

City: State: Zip:

Phone:

Email address:

Page 2 of 2

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State:

SESE /

Well Number: 14H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

US Well Number: 3001549459 **Well Status:** Approved Application for **Operator:** FLAT CREEK

Permit to Drill RESOURCES LLC

Notice of Intent

Sundry ID: 2761059

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 12/01/2023

Procedure Description: Well type has changed from gas to oil. Zone has changed from Wolfcamp to Bone Spring. TVD has changed from 9350' to 7691'. MD has changed from 19521' to 18185'. BHL was at 330' FNL and 2315' FEL 35-24s-26e. BHL has now moved 336' NW to 50' FNL & 2501' FEL 35-24s-26e. No change in SHL. No change in pad footprint. Revised drilling documents attached.

NOI Attachments

Procedure Description

5.5in_Casing_Spec_20231110132205.pdf

Jawbone_14H_Casing_Design_Assumptions_20231110132148.pdf

Jawbone_14H_Anticollision_Report_20231110132136.pdf

Jawbone_14H_Horizontal_Plan_20231110132124.pdf

Jawbone_14H_C102_20231110132102.pdf

Jawbone_14H_Drill_Plan_20231110132044.pdf

eceived by OCD: 12/5/2023 6:20:32 PM Well Name: JAWBONE FED COM LW

Well Location: T25S / R26E / SEC 2 /

SESE /

Well Number: 14H

Type of Well: CONVENTIONAL GAS

Unit or CA Name: Unit or CA Number: Lease Number: NMNM0441951

US Well Number: 3001549459 Well Status: Approved Application for

Permit to Drill

Operator: FLAT CREEK

Allottee or Tribe Name:

County or Parish/State: Page 72 of

RESOURCES LLC

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRIAN WOOD Signed on: NOV 10, 2023 01:21 PM

Name: FLAT CREEK RESOURCES LLC

Title: President

Street Address: 37 VERANO LOOP

City: SANTA FE State: NM

Phone: (505) 466-8120

Email address: AFMSS@PERMITSWEST.COM

Field

Representative Name:

Street Address:

City: State: Zip:

Phone:

Email address:

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report

Well Name: JAWBONE FED COM LW Well Location: T25S / R26E / SEC 2 / County or Parish/State:

SWSW /

Well Number: 15H Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

US Well Number: 3001549664 Well Status: Approved Application for Operator: FLAT CREEK

Permit to Drill RESOURCES LLC

Notice of Intent

Sundry ID: 2759785

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: Time Sundry Submitted:

Date proposed operation will begin: 12/01/2023

Procedure Description: Well type has changed from gas to oil. Zone has changed from Wolfcamp to Bone Spring. TVD has changed from 9525' to 7705'. MD has changed from 19701' to 18078' BHL was at 330' FNL and 2315' FWL 35-24s-26e. BHL has now moved 1658' NW to 50' FNL & 680' FWL 35-24s-26e. No change in SHL. No change in pad footprint. Revised drilling documents attached.

NOI Attachments

Procedure Description

5.5in_Casing_Spec_20231105062635.pdf

Jawbone_LW_15H_Casing_Design_Assumptions_20231105062621.pdf

Jawbone_LW_15H_AntiCollision_Report_20231105062607.pdf

Jawbone_LW_15H_Horiztonal_Plan_20231105062553.pdf

Jawbone_LW_15H_C102_20231105062539.pdf

Jawbone_LW_15H_Drill_Plan_20231105062524.pdf

Received by OCD: 12/5/2023 6:20:32 PM Well Name: JAWBONE FED COM LW Well L

Well Location: T25S / R26E / SEC 2 /

SWSW /

Well Number: 15H Type of Well:

Type of Well: CONVENTIONAL GAS Allottee or Tribe Name:

WELL

Lease Number: NMNM0441951 Unit or CA Name: Unit or CA Number:

US Well Number: 3001549664 **Well Status:** Approved Application for

Permit to Drill

Operator: FLAT CREEK

County or Parish/State: Page 74 of

RESOURCES LLC

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: BRIAN WOOD Signed on: NOV 05, 2023 06:26 AM

Name: FLAT CREEK RESOURCES LLC

Title: President

Street Address: 37 VERANO LOOP

City: SANTA FE State: NM

Phone: (505) 466-8120

Email address: AFMSS@PERMITSWEST.COM

Field

Representative Name:

Street Address:

City: State: Zip:

Phone:

Email address:

Tab 4.

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

APPLICATIONS OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 23997-23999

AFFIRMATION OF GEOLOGIST THOMAS M. ANDERSON

- I, Thomas M. Anderson, make the following self-affirmed statement:
- 1. I am over the age of 18, and have the capacity to execute this affirmation, which is based on my personal knowledge.
- 2. I am employed as the geologist for Flat Creek Resources, LLC ("Flat Creek" or "Applicant"), and I am familiar with the subject applications and the lands involved.
- 3. This affirmation is submitted in connection with the filing by Flat Creek of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
- 4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record. My education and work experience are as follows: I have a bachelor's degree in geology from the University of South Florida and a master's degree in geology from Florida State University. I have been working continuously as a professional geologist since 1981. I worked at Exxon/ExxonMobil/XTO Energy for 37 years and have been at Flat Creek Resources, LLC for 5 years. Since 2011 I have worked fulltime in the Permian Basin, including the northern portion of the Delaware and the NW Shelf in New Mexico.
- 5. **Exhibit B-1** is a location map of the Delaware Basin highlighting the position of the project area.

Exhibit B

Flat Creek Resource

Case Nos. 23997-23999

December 7, 2023

- 6. **Exhibit B-2** is a gun barrel diagram of the Jawbone development plan. The horizontal well spacing is to scale.
- 7. **Exhibit B-3** is a TVDSS structure map on the top of lower 3rd Bone Spring carbonate/shale ("Harkey"). Contour interval is 50'. The top defines the top of the target interval for the proposed wells. The proposed spacing unit is outlined by the black rectangle and the proposed horizontal wells are shown in blue. There is no evidence of faults, pinch-outs or other significant impediments to the horizontal development in either of the objectives.
- 8. **Exhibit B-4** is a reference map for the cross-section. Horizontal wells on the map are filtered to only those landing in the 1st Bone Spring sand through 3rd Bone Spring carbonate/shale.
- 9. **Exhibit B-5** is a stratigraphic cross-section flattened on the top of the 3rd Bone Spring sand. Log curves for each well on the section consist of a gamma ray/caliper, deep resistivity, and PE, neutron/density porosity. The targeted interval for the proposed wells is shaded yellow.
- 10. An additional exhibit for the benefit of the Division's review is **Exhibit B-6**, a gross isochore of the upper lower 3rd Bone Spring carbonate/shale ("Harkey").
- 11. The measured depths and true vertical depths for each well are approximately as follows:

Case No.:		MD	TVD
23997	Jawbone Fed Com BS #1H	17,919'	7,691'
23998	Jawbone Fed Com BS #2H	18,185'	7,691'
23999	Jawbone Fed Com BS #3H	18,078'	7,705

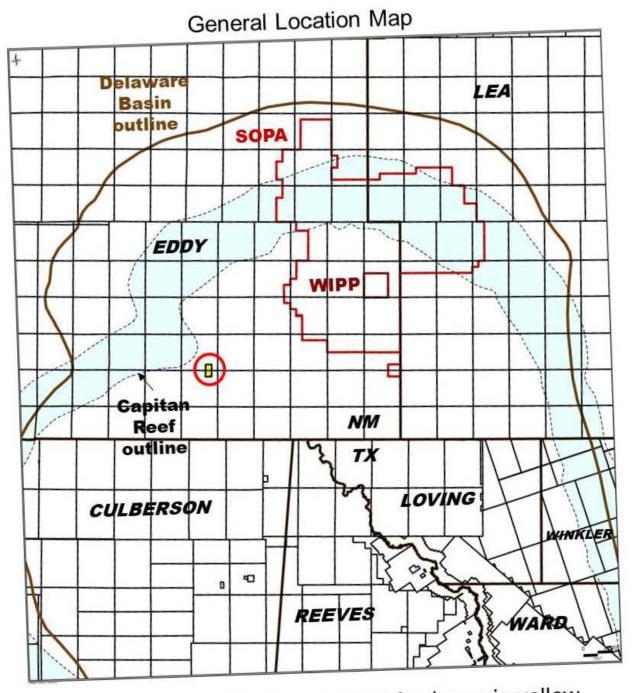
12. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration units ("HSU") are justified from a geologic standpoint.
- There are no structural impediments or faults that will interfere with horizontal development.
- Each quarter-quarter section in the Bone Spring HSUs will contribute more or less equally to production.
- 13. The planned well orientation in this area is north-south to fit with existing development in the immediate area. Older vintage wells targeting the Second Bone Spring sand were drilled both east-west and north-south, with similar results. The measured orientation of the maximum horizontal stress is N43°E (based on 3 high quality measurements within 7 miles of the project area from data tables from Lundstern, JE., Zoback, M.D. Author Correction: Multiscale variations of the crustal stress field throughout North America. *Nat Commun* 14, 1232 (2023). https://doi.org/10.1038/s41467-022-34915-0).
- 14. The subject acreage represents a sizeable percentage of Flat Creek's total acreage and will have the complete attention of the company with the goal of optimizing and accelerating operations.
 - 15. The exhibits attached hereto were prepared by me.
- 16. The granting of the Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

Thomas M. Anderson

 $\frac{(2/05/2023)}{\text{Date}}$



 Location of the Jawbone project is shown in yellow inside the red circle just to the east of the Capitan Reef in Eddy County

Exhibit B-1
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

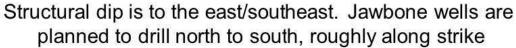
300152406800 MURCHISON 0&G LLC OGDEN STATE 2E

DPLS

CALI

Received by OCD: 12/5/2023 6:20:32 PM

Gun Barrel Diagram



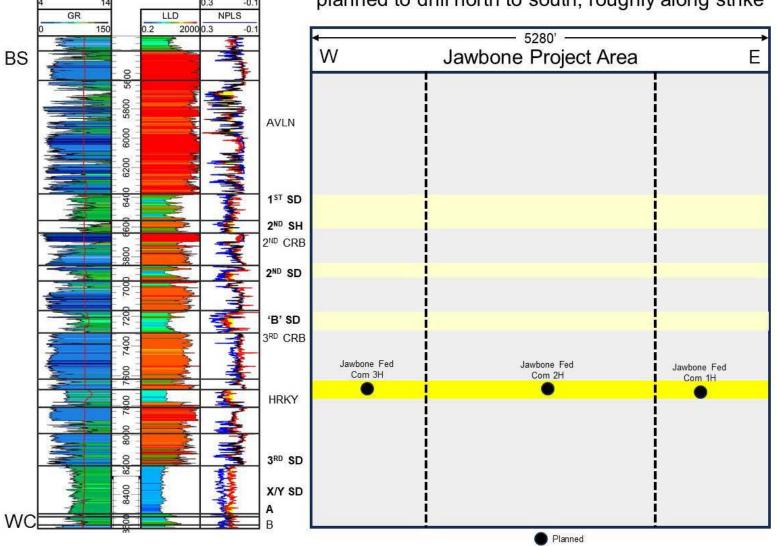


Exhibit B-2
Flat Creek Resource

Case Nos. 23997-23999

Structure Map - Top "Harkey" Zone (TVDSS)

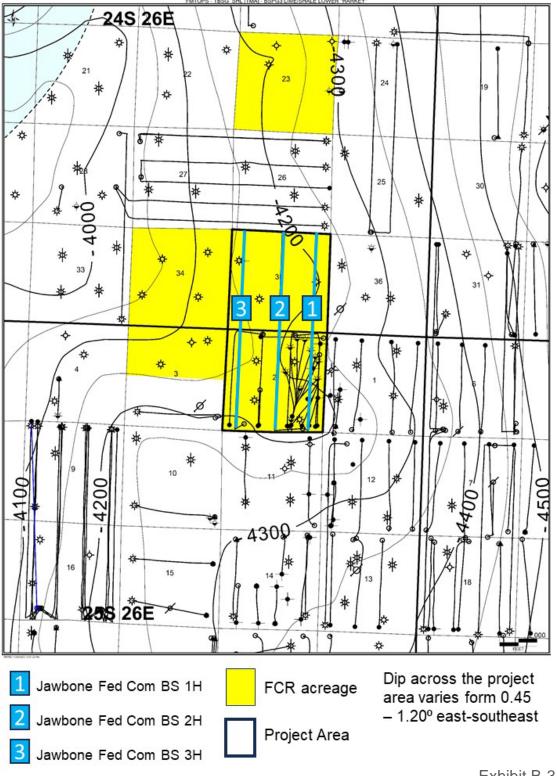


Exhibit B-3
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Cross-section Reference Map

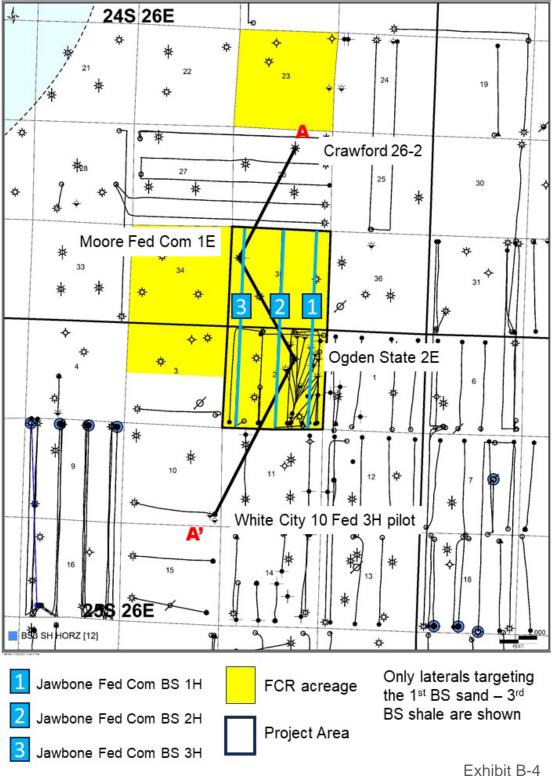
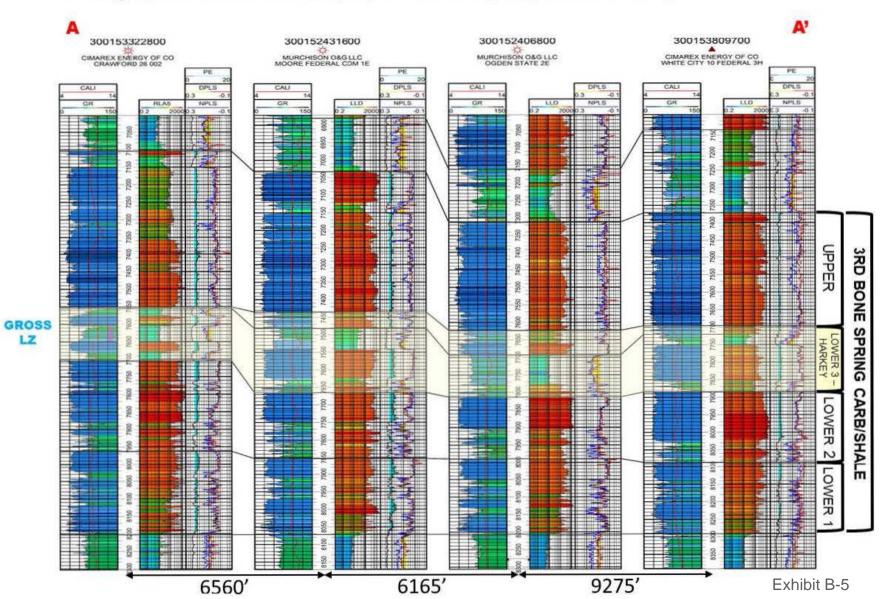


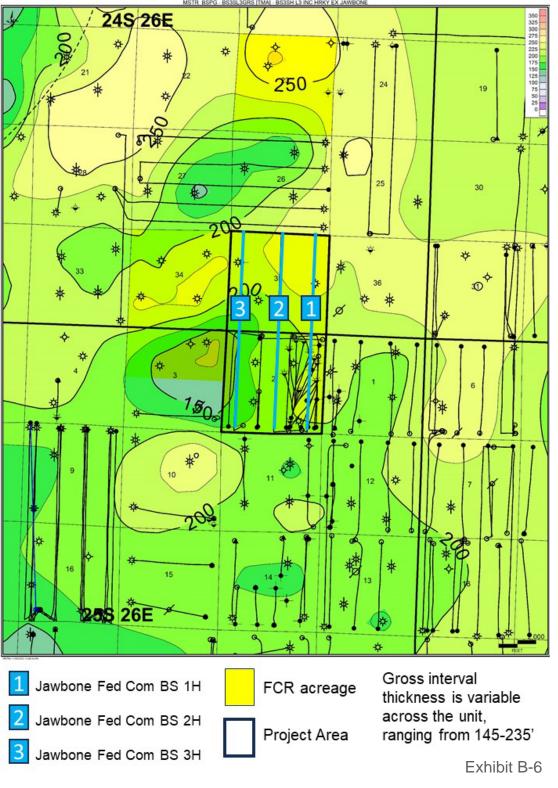
Exhibit B-4
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Stratigraphic Cross-section (Top 3rd Bone Spring Sand Datum)



Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Gross interval Isochore - "Harkey" Zone



Flat Creek Resource

Case Nos. 23997-23999

December 7, 2023

Tab 5.

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

APPLICATIONS OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case Nos. 23997-23999

<u>AFFIRMATION OF NOTICE</u>

I, Sharon T. Shaheen, attorney for Applicant in the above-captioned matter, state the following:

I caused notice of the applications to be sent by certified mail through the United States Postal Service on November 17, 2023, to all interest owners sought to be pooled in this proceeding. Evidence of mailing to all such owners is attached hereto as Exhibit C-1. Notice was also directed to all such owners by publication in the Carlsbad Current-Argus on November 19, 2023, which is reflected in the Affidavit of Publication attached hereto as Exhibit C-2. Exhibit C-2 demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.

Flat Creek Resources, LLC has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

Sharon T. Shaheen

 $\frac{12/5/23}{\text{Date}}$

EXHIBIT C

Flat Creek Resources

Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H) December 7, 2023 Hearing

Entity Date Letter Mailed Certified Mail Number Status of Delivery Date Received WORKING INTEREST OWNERS Durango Production Corporation 2663 Plaza Parkway November 17, 2023 7020 0090 0000 0863 9734 Delivered November 21, 2023 Wichita Falls, TX 76308 **MEC Petroleum Corporation** Moving Through P.O. Box 11265 Network as of November 17, 2023 7020 0090 0000 0863 9741 Midland, TX 79702-8265 November 25, 2023 Pintail Production Company 6467 Southwest Blvd. November 17, 2023 November 21, 2023 7020 0090 0000 0863 9758 Delivered Benbrook, TX 76132-2777 WPX Energy Production Company, LLC 333 West Sheridan Ave. November 17, 2023 7020 0090 0000 0863 9765 Delivered November 22, 2023 Oklahoma City, OK 73102-5015 **ORRI OWNERS** 1B4S Enterprises, LLC 3203 Bowie St. November 17, 2023 7020 0090 0000 0863 9772 Delivered November 27, 2023 Amarillo, TX 79109 A. G. Andrikopoulos Resources, Inc. P.O. Box 788 November 17, 2023 Delivered November 21, 2023 7020 0090 0000 0863 9789 Chevenne, Wy 82003-0788

EXHIBIT C-1 TO AFFIRMATION OF NOTICE Updated: December 5, 2023

Flat Creek Resources

Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H) December 7, 2023 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Blue Hole Investments 5210 W. Verde Circle Benbrook, TX 76126	November 17, 2023	7020 0090 0000 0863 9796	Delivered	November 21, 2023
Concho Oil & Gas LLC P.O. BOX 7500 Barthlesville, OK 74005	November 17, 2023	7020 0090 0000 0863 9802	Delivered	November 21, 2023
Concho Resources, Inc. P.O. BOX 7500 Barthlesville, OK 74005	November 17, 2023	7020 0090 0000 0863 9819	Delivered	November 21, 2023
EL Latham Co. P.O. Box 100912 Ft. Worth, TX 76185	November 17, 2023	7020 0090 0000 0863 9826	Delivered	November 27, 2023
Lisha N. Davila Kovacevic 3481 Hickory Court Marietta, GA 30062	November 17, 2023	7020 0090 0000 0863 9833	Delivery Attempt Notice Left and Reminder to Schedule Redelivery December 3, 2023	
Mumford & Company 11601 Woodmar NE Albuquerque, NM 87111	November 17, 2023	7020 0090 0000 0863 9840	Delivered	November 20, 2023
Murchison Oil and Gas, LLC 7250 Dallas Parkway, Suite 1400 Plano, TX 75024	November 17, 2023	7020 0090 0000 0863 9857	Moving Through Network as of November 24, 2023	

EXHIBIT C-1 TO AFFIRMATION OF NOTICE Updated: December 5, 2023

Flat Creek Resources

Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H) December 7, 2023 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Paloma Gas Holdings, LLC 1100 Louisiana, Suite 5100 Houston, TX 77002	November 17, 2023	7020 0090 0000 0863 9864	Delivered	November 22, 2023
Pegasus Resources II, LLC P.O Box 470698 Fort Worth, TX 76147	November 17, 2023	7020 0090 0000 0863 9871	Delivered	November 22, 2023
Permian Basin GIF I, LLC P.O. Box 470844 Fort Worth, TX 76147	November 17, 2023	7020 0090 0000 0863 9888	Available for Pickup November 21, 2023	
SEP Permian Holding Corp. P.O. Box 79840 Houston, TX 77279	November 17, 2023	7020 0090 0000 0863 9895	Moving Through Network as of November 22, 2023	
Shogoil & Gas Co. II, LLC P.O. Box 29450 Santa Fe, NM 87592-9450	November 17, 2023	7020 0090 0000 0863 9901	Moving Through Network as of November 22, 2023	
Shogoil & Gas Co. LLC P.O. Box 209 Hay Springs, New England 69347	November 17, 2023	7020 0090 0000 0863 9918	Delivered	November 27, 2023
Summer Lorraine Davila 5326 Blossom Drive Sugar Hill, GA 30518	November 17, 2023	7020 0090 0000 0863 9925	Delivered	November 24, 2023

EXHIBIT C-1 TO AFFIRMATION OF NOTICE Updated: December 5, 2023

Flat Creek Resources

Case Nos. 23997-23998 (Jawbone Fed Com BS #1H & Jawbone Fed Com BS #2H)

December 7, 2023 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Syhan, LP P.O. Box 92349 Austin, TX 78709-2349	November 17, 2023	7020 0090 0000 0863 9932	Delivered	November 21, 2023
OTHER INTERESTED PARTIES				
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	November 17, 2023	7020 0090 0000 0863 9949	Delivered	November 22, 2023
State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	November 17, 2023	7020 0090 0000 0863 9956	Delivered	November 20, 2023

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY 92 of 115
Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Durango Production Corporation 2663 Plaza Parkway Wichita Falls, TX 76308	A. Signature B. Received by (Printed Name) D. Is delivery address different fro If YES, enter delivery address	
9590 9402 8530 3186 0599 09 2. 4 7020 0090 0000 0863 5	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Collect on Delivery Collect on Delivery The Collect on Delivery Stricted Delivery (over \$500)	☐ Priority Mall Express® ☐ Registered Mall™ ☐ Registered Mall Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery
. DC Form 3811 July 2020 DCN 7520-02-000-0052		Domestic Peturn Receipt

FAQs >

Tracking Number:

Remove X

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

Latest Update

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

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USPS Tracking Plus®

Delivered

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Out for Delivery

Preparing for Delivery

Moving Through Network

In Transit to Next Facility

November 25, 2023

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER

November 20, 2023, 7:52 pm

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only sps.com/s/article/Where-is-my-package) Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) Postmark Certifled Mail Restricted Delivery Here Adult Signature Required MEC Petroleum Corporation See Less ^ P.O. Box 11265 Midland, TX 79702-8265

FAQs >

Tracking Number:

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Сору

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

Latest Update

Your item was delivered to an individual at the address at 12:26 pm on November 21, 2023 in FORT WORTH, TX 76132.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Left with Individual

FORT WORTH, TX 76132 November 21, 2023, 12:26 pm

See All Tracking History

SENDER: COMPLETE THIS SECTION	ckage)	
Print your name and address on the reverse so that we can return the card to you. Attach this card to the back or the mailpiece, or on the front if space permits. Article Addressed to:	A. Signature A. Signature A. Signature Addressee B. Received by (Printed Name) C. Date of Delivery	~ ~
Pintail Production Company 6467 Southwest Blvd. Benbrook, TX 76132-2777	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	Feedback
9590 9402 8530 3186 0599 23 Article Number (Transfer from service label) 7020 0090 0000 0663 97 Form 3811, July 2020 PSN 7530-02-000-9053	3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail@ ☐ Cellect on Delivery ☐ Collect on Delivery ☐ Collect on Delivery ☐ Restricted Delivery ☐ Restricted Delivery ☐ Restricted Delivery	
== 300-9005	Domestic Return Receipt	

Contact USPS Tracking support for further assistance.

FAQs

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X A. Addressee B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to: WPX Energy Production Company 333 West Sheridan Ave. Oklahoma City, OK 73102-5015	D. Is delivery address different from item 12 ☐ Yes If YES, enter delivery address below. ☐ No
9590 9402 8530 3186 0599 30 7020 0090 0000 0863 976	3. Service Type
PS Form 3811 July 2020 PSN 7530-02-000-9053	Domestic Beturn Receipt

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 1B4S Enterprises, LLC 3203 Bowie St. Amarillo, TX 79109 	A. Signature X. C. Date of Delivery B. Received by (Plinted Name) C. Date of Delivery L
9590 9402 8530 3186 0599 47 2. Article Number (Transfer from service label) 7020 0090 0000 0863 977	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Registered Mail Restricted Delivery □ Signature Confirmation Restricted Delivery □ Restricted Delivery

FAQs >

Tracking Number:

Remove X

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Сору

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

Latest Update

Your item has been delivered and is available at a PO Box at 9:57 am on November 21, 2023 in CHEYENNE, WY 82003.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, PO Box

CHEYENNE, WY 82003 November 21, 2023, 9:57 am

Co- All Tracking History

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION	;kage)
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A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, Wy 82003-0788	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	~
9590 9402 8530 3186 0599 54	3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Signature Confirmation III	Feedback
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Contact USPS Tracking support for further assistance.

FAQs

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FAQs >

Remove X **Tracking Number:** 70200090000008639796 Add to Informed Delivery (https://informeddelivery.usps.com/) Copy **Latest Update** Your item was delivered to an individual at the address at 2:11 pm on November 21, 2023 in FORT WORTH, TX 76126. Get More Out of USPS Tracking: USPS Tracking Plus® **Delivered** Delivered, Left with Individual FORT WORTH, TX 76126 November 21, 2023, 2:11 pm U.S. Postal Service™ CERTIFIED MAIL® RECEIPT ps.com/s/article/Where-is-my-package) Domestic Mail Only For delivery information, visit our website at www.usps.com® Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate)

Rd urn Receipt (hardcopy) Return Receipt (electronic) Postmark Cortified Mail Restricted Delivery Here Adult Signature Required Adult Signature Restricted Delivery \$ Total F See Less ^ Blue Hole Investments 5210 W. Verde Circle Street

Need More Help?

See Reverse for Instructions

Contact USPS Tracking support for further assistance.

FAQs

Released to Imaging: 12/6/2023 7:57:28 AM

Benbrook, TX 76126

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

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Concho Resources, Inc.	
P.O. BOX 7500	
Barthlesville, OK 74005	
Bartillesville, OK 74003	C. Control Toron
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so that we can return the card to you. Attach this card to the back of the mailplece,	B. Received (by (Printed Name) C. Date of Delivery
or on the front if space permits.	Hanlar 11-278
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T	If YES, enter delivery address below:
EL Latham Co.	
P.O. Box 100912	
Ft. Worth, TX 76185	
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PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

FAQs >

Tracking Number:

Remove X

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Сору

Schedule a Redelivery (https://tools.usps.com/redelivery.htm)

Latest Update

This is a reminder to arrange for redelivery of your item before December 12, 2023 or your item will be returned on December 13, 2023. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivery Attempt: Action Needed

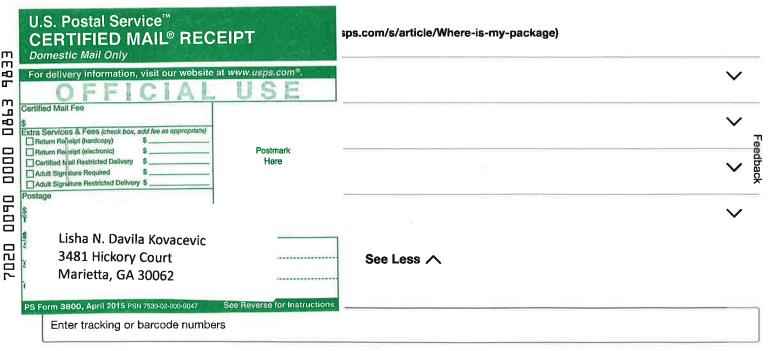
Reminder to Schedule Redelivery of your item before December 12, 2023

December 3, 2023

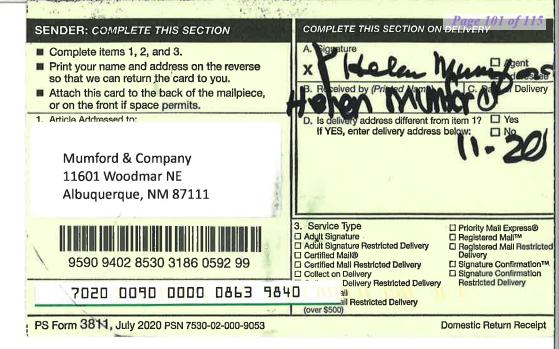
Notice Left (No Authorized Recipient Available)

MARIETTA, GA 30062 November 28, 2023, 2:59 pm

See All Tracking History



Released to Imaging: 12/6/2023 7:57:28 AM



FAQs >

Tracking Number:

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Сору

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

Latest Update

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

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Delivered

Out for Delivery

Preparing for Delivery

Moving Through Network

In Transit to Next Facility

November 24, 2023

Arrived at USPS Regional Facility

COPPELL TX DISTRIBUTION CENTER November 20, 2023, 8:38 am

U.S. Postal Service™

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CERTIFIED MAIL® RECE	EIPT		
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Murchison Oil and Gas, LLC 7250 Dallas Parkway, Suite 14 Plano, TX 75024	00		

See Reverse for Instructions

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X
1. Article Addressed to: Paloma Gas Holdings, LLC 1100 Louisiana, Suite 5100	D. Is delivery address different from item 1? If YES, enter delivery address below: No
Houston, TX 77002	3. Service Type ☐ Priority Mall Express®
9590 9402 8530 3186 0593 12	□ Adult Signature □ Registered Mail TM □ Adult Signature Restricted Delivery □ Registered Mail Restricted Delivery □ Registered Mail Restricted Delivery □ Signature Confirmation TM □ Collect on Delivery □ Signature Confirmation Restricted Delivery
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PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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Adult Signature Required \$
Adult Signature Restricted Delivery \$

FAQs >

Remove X **Tracking Number:** 70200090000008639871 Add to Informed Delivery (https://informeddelivery.usps.com/) Сору **Latest Update** Your item was picked up at the post office at 9:01 am on November 22, 2023 in FORT WORTH, TX 76107. **Get More Out of USPS Tracking:** USPS Tracking Plus® Delivered Delivered, Individual Picked Up at Post Office FORT WORTH, TX 76107 November 22, 2023, 9:01 am See All Tracking History U.S. Postal Service™ sps.com/s/article/Where-is-my-package) **CERTIFIED MAIL® RECEIPT** Domestic Mail Only Extra Services & Fees (check box, add fee as appropriate

Return Receipt (hardcopy)

\$ Postmark Return Receipt (electronic) Certified Mall Restricted Delivery Here

Need More Help?

See Reverse for Instructions

See Less ^

Contact USPS Tracking support for further assistance.

FAQs

Pegasus Resources II, LLC

Fort Worth, TX 76147

P.O Box 470698

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

FAQs >

Tracking Number:

Remove X

70200090000008639888

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

Latest Update

This is a reminder to pick up your item before December 5, 2023 or your item will be returned on December 6, 2023. Please pick up the item at the FORT WORTH, TX 76147 Post Office.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivery Attempt

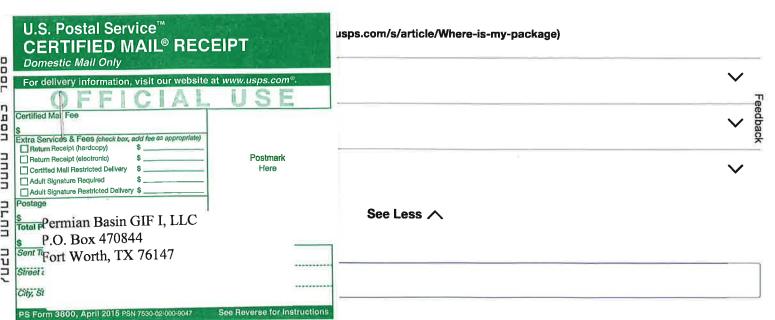
Reminder to pick up your item before December 5, 2023

FORT WORTH, TX 76147 November 26, 2023

Available for Pickup

ARLINGTON HEIGHTS 3101 W 6TH ST ⁵ FORT WORTH TX 76107-2778 M-F 0830-1700 November 21, 2023, 8:53 am

See All Tracking History



Released to Imaging: 12/6/2023 7:57:28 AM

FAQs >

Tracking Number:

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Latest Update

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

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Delivered

Out for Delivery

Preparing for Delivery

Moving Through Network

In Transit to Next Facility

November 22, 2023

Departed USPS Facility

ALBUQUERQUE, NM 87101 November 18, 2023, 10:18 pm

See All Tracking History

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See All Tracking History	
U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only	sps.com/s/article/Where-is-my-package)
For delivery information, visit our website at www.usps.com [®] .	was a second of the second of
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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instruc	tions

FAQs >

USPS Tracking®

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Latest Update Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility. **Get More Out of USPS Tracking:** USPS Tracking Plus® Delivered **Out for Delivery Preparing for Delivery Moving Through Network** In Transit to Next Facility November 22, 2023 **Departed USPS Facility** ALBUQUERQUE, NM 87101 November 18, 2023, 10:18 pm See All Tracking History U.S. Postal Service™ **CERTIFIED MAIL® RECEIPT** ps.com/s/article/Where-is-my-package) Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

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Extra Services & Fees (check box, add fee as appropriate)
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| Adult Signature Reculred | Here
| Adult Signature Reculred | Postage

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Shogoil & Gas Co. II, LLC
P.O. box 29450
Santa Fe, NM 87592-9450

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

FAQs >

Tracking Number:

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

Latest Update

Your item was picked up at the post office at 10:14 am on November 27, 2023 in HAY SPRINGS, NE 69347.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Individual Picked Up at Post Office

HAY SPRINGS, NE 69347 November 27, 2023, 10:14 am

See All Tracking History

Statuees Mean?	https://faq.usps.cor	m/s/article/Where-is-my-package)
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SENDER: COMPLETE THIS SECTION	100	
Print your name and address on the reverse	A. Signature	~
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) Q Date of Delivery	~
Shogoil & Gas Co. LLC P.O. Box 209 Hay Springs, New England 69347	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	Feedback
Article Number (Transfer from service label)	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Restricted Delivery	
3000	Domestic Return Receipt	

Contact USPS Tracking support for further assistance.

FAQs

FAQ6 >

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Tracking Number:

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

Latest Update

Your item was delivered to an individual at the address at 12:18 pm on November 24, 2023 in BUFORD, GA 30518.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Left with Individual

BUFORD, GA 30518 November 24, 2023, 12:18 pm

See All Tracking History

SENDER: COMPLETE		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete items 1, 2 and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if speed. 	A Signature X	<u> </u>
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Summer Lorraine Davila 5326 Blossom Drive Sugar Hill, GA 30518	=	7
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Contact USPS Tracking support for further assistance.

FAQs

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Latest Update

Your item has been delivered and is available at a PO Box at 10:32 am on November 21, 2023 in AUSTIN, TX 78749.

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Delivered, PO Box

AUSTIN, TX 78749 November 21, 2023, 10:32 am

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Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this cord to the	A. Signature	~
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Contact USPS Tracking support for further assistance.

FAQs

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Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	3. Service Type ☐ Priority Mail Express®
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

FAQs >

Tracking Number:

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Latest Update

Your item was picked up at a postal facility at 10:27 am on November 20, 2023 in SANTA FE, NM 87501.

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Delivered, Individual Picked Up at Postal Facility

SANTA FE, NM 87501 November 20, 2023, 10:27 am

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FAQs

Affidavit of Publication Ad # 0005859346 This is not an invoice

MONTGOMERY & ANDREWS P.A. PO BOX 2307

SANTA FE, NM 87504

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:

11/19/2023

Legal Clerk

Subscribed and sworn before me this November 20,

State of WI, County of Brown NOTARY PUBLIC

My commission expires

Ad # 0005859346 PO #: 23997- 23998 # of Affidavits: 1

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KATHLEEN ALLEN Notary Public State of Wisconsin

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Received by OCD: 12/5/2023 6:20:32 PM

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted mineral owners:

Durango Production Corp.; WPX Energy Production Co.; MEC Petroleum Corp.; Pintail Production Company; Concho Oil & Gas LLC; Concho Resources, Inc.; Murchison Oil and Gas, LLC; EL Latham Co.; 1845 Enterprises, LLC; Blue Hole Investments; Mumford & Company; Pegasus Resources II, LLC; SEP Permian Holding Corp.; Paloma Natural Gas Holdings, LLC; Permian Basin GIF I, LLC; A.G. Andrikopoulos Resources, Inc.; Shogoil & Gas Co., LLC; Shogoil & Gas Co. II, LLC; Sydhan, LP; Lisha N. Davila Kovacevic; Summer Lorraine Davila; the New Mexico State Land Office, and the U.S. Bureau of Land Management.

Flat Creek Resources, LLC, has filed applications with the New Mexico Oil Conservation Division as follows:

Case No. 23997: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23998: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com B5 #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E. With the proximity tracts, the completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

23999: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites

City, new mexico.

These applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on December 7, 2023, beginning at 8:15 a.m. Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings. html. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by November 29, 2023, and serve the Division, counsel for the Applicant, and other parties with a prehearing statement by November 30, 2023, in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicant's attorney, Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678. #5859346, Current Argus, November 19, 2023 #5859346, Current Argus, November 19, 2023