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

January 4, 2024

Revised Exhibits (Exhibits A4)

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Tab 1.

COMPULSORY POOLING 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 | |
| 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 | E/2 E/2 of Section 2, Township 25 South, Range 26 East, 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 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 & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | | |

| Received by OCD: 12/29/2023 3:17:11 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 | |
| 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 | |
| | | |

| Spatengivenites Che Drate 29/2023 3:17:11 PM | Exhibits A-2 and A-3 | e 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 | |
| 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 | |

CONTULSORY POOLING 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)

| Jawbone Fed Com BS #2H well. API No. 30-015-SHL: 200' FSL and 1,070' FEL of Section 2, T25S-FBHL: 50' FNL and 2,501' FEL of Section 35, T24S-Completion Target: Bone Spring Formation at ap 7,691'. Well Orientation: South to North. Complexion expected to be standard for a proximity | | |
|--|--|--|
| 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. | 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 | |
| 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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| Spatengived to Check that it 29/2023 3:17:11 PM | 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 | |
| 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 | |
| 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 & APb (i DasDig Ned)/2015 and Bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Page 11 of |
|--|--|
| 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. | |
| 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 |

| Collesitadhe PGP berelifor 3-3 dhidesPM | See AFE at Exhibit A-7 | Page 12 of | |
|--|--|------------------------------|--|
| Geology | | | |
| Summary (including special considerations) | See Exhibit B, and Exhibits B-1 throug | 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 | | |
| pepth Severance Discussion n/a | | | |
| Forms, Figures and Tables | | | |
| C-102 | Exhibit A-6 | | |
| Tracts | Exhibits A-2 and A-3 | 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 | 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 | | |
| 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 | | | |

Tab 2.

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 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

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
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 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.

Michael Gregory

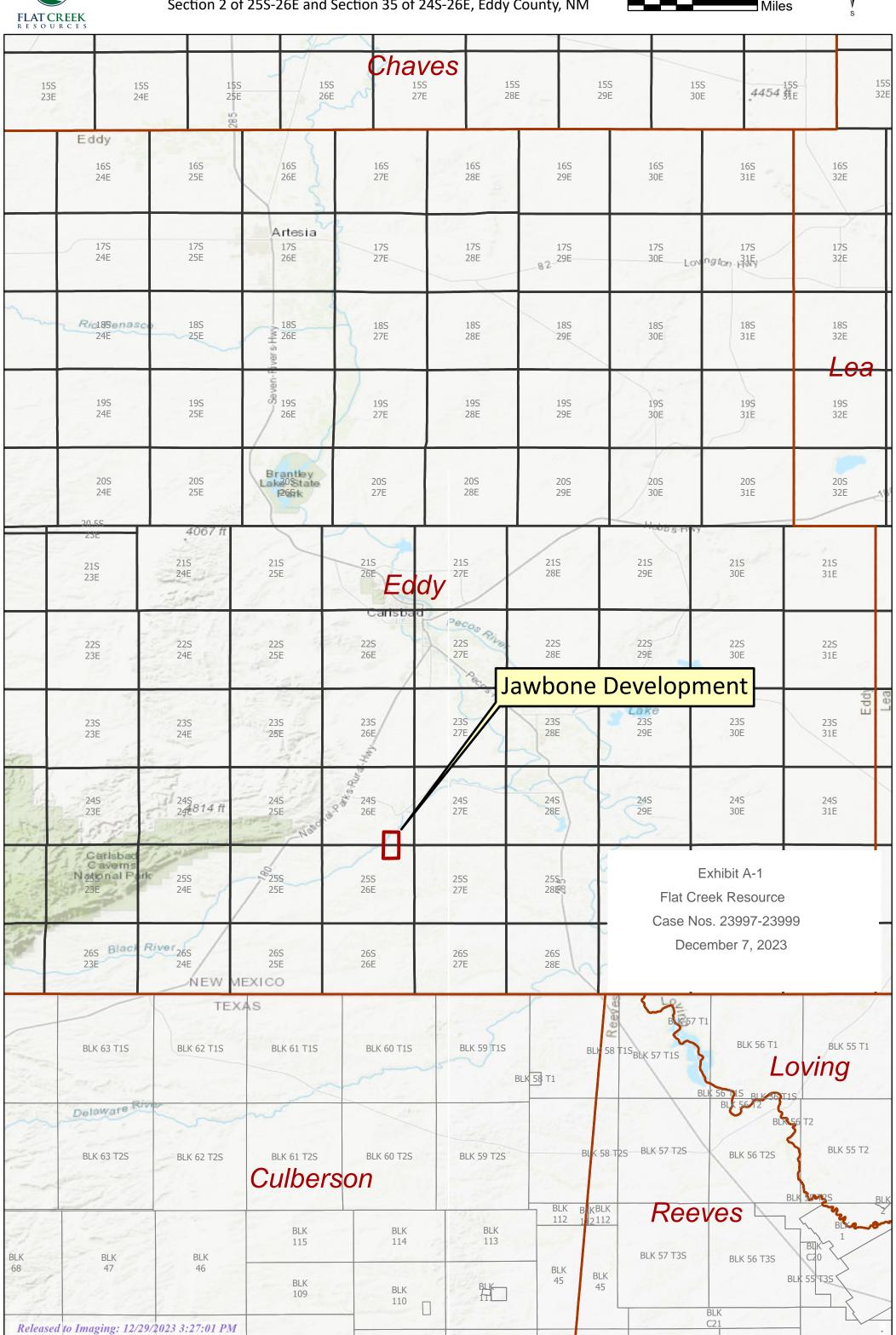
12/5/2023

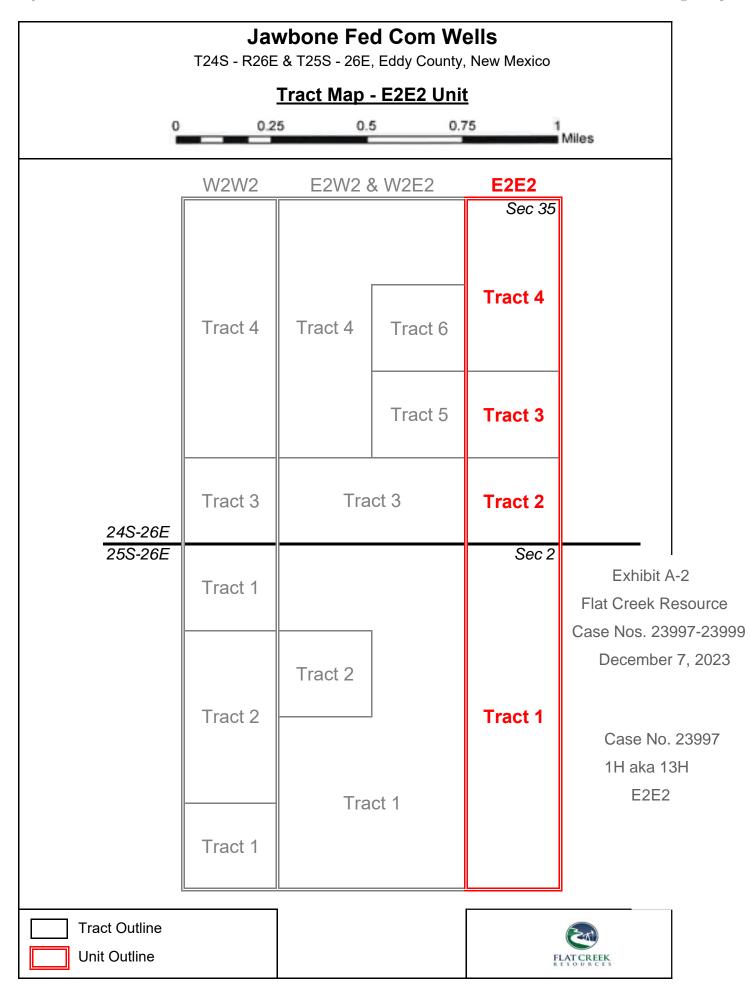
DATE

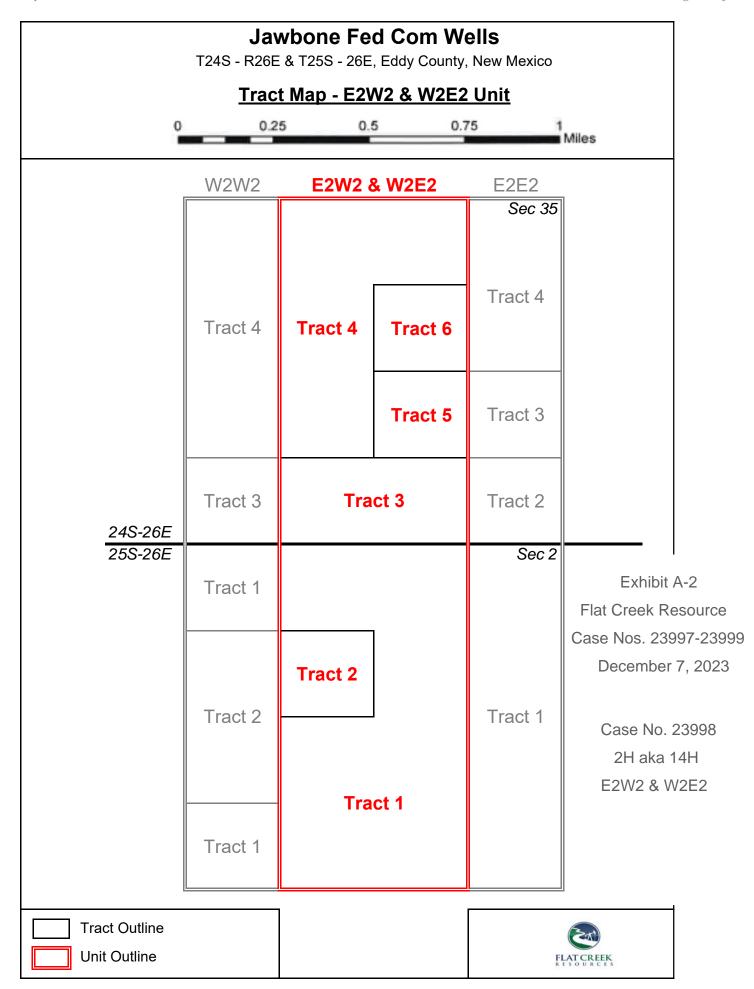
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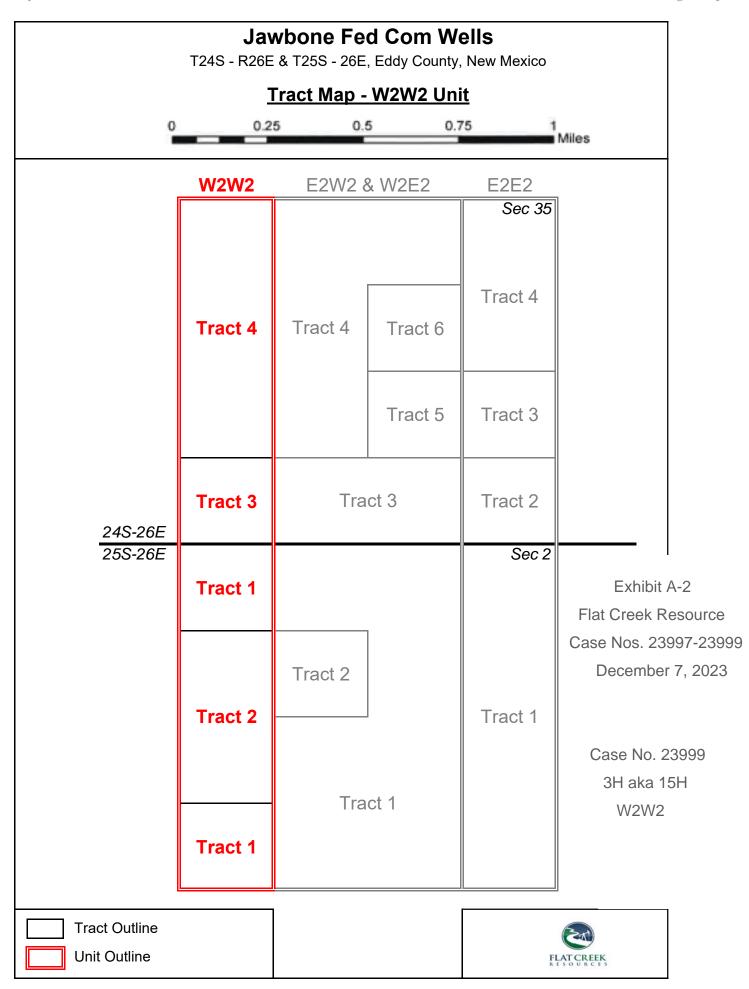
Jawbone Development
Section 2 of 25S-26E and Section 35 of 24S-26E, Eddy County, NM

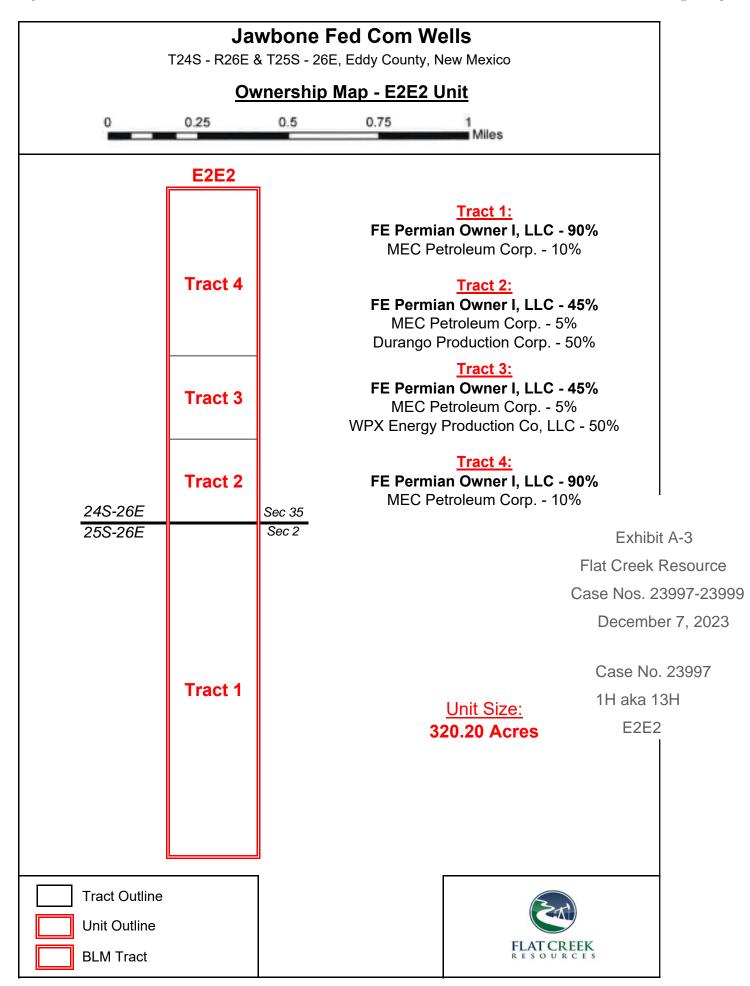
0 2.5 5 10 W E Miles

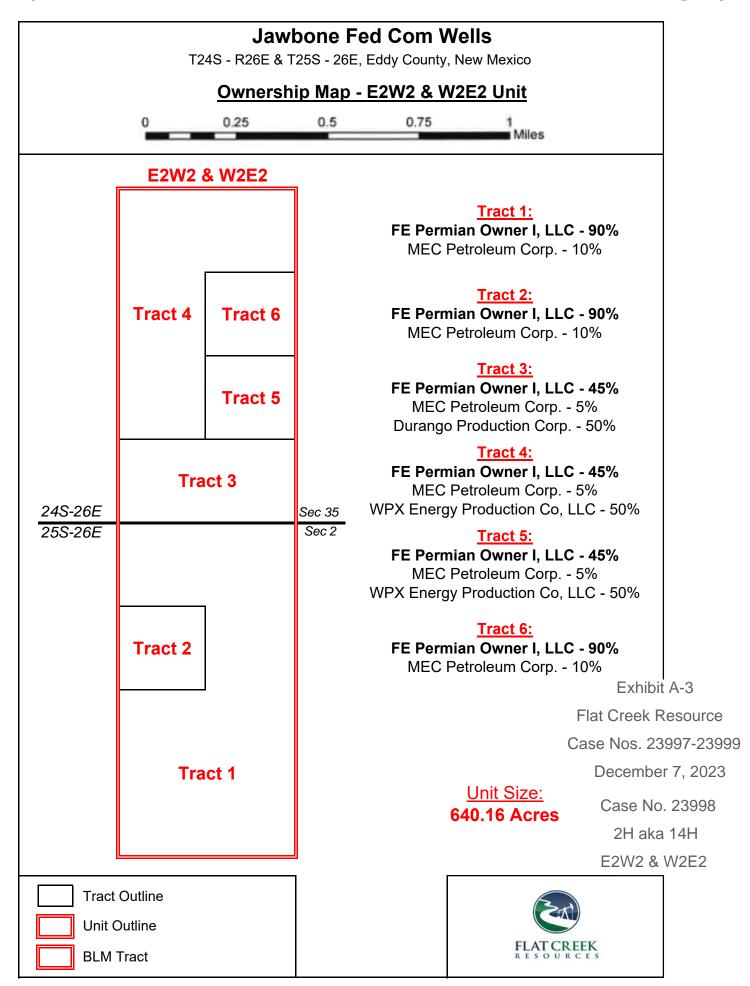


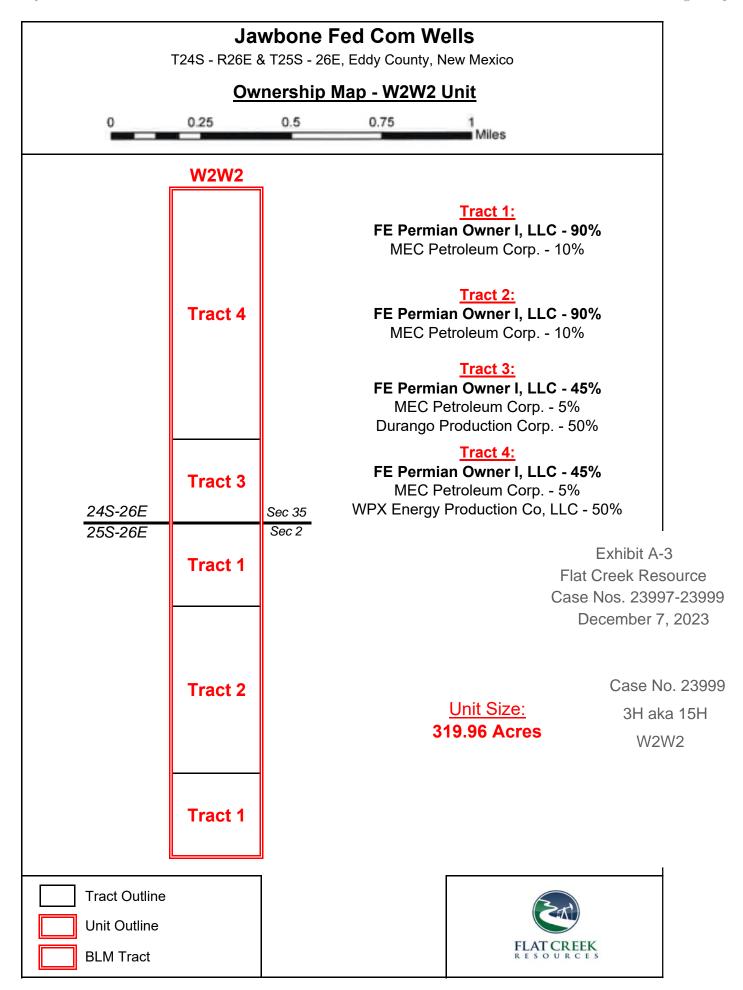












Ownership Breakdown - E2E2 Unit

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 |

Revised Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

Case No. 23997 1H aka 13H E2E2

Ownership Breakdown - E2W2 & W2E2 Unit

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

| Owner Name | Owner Name Address | | 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 |

Revised Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

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 | Mumford & Company 11601 Woodmar NE Albuquerque, NM 87111 | | 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 |

Revised Exhibit A-4
Flat Creek Resource
Case Nos. 23997-23999
January 4, 2024

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. | Midland, Texas 79702-8265 | 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. | | 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 III</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 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

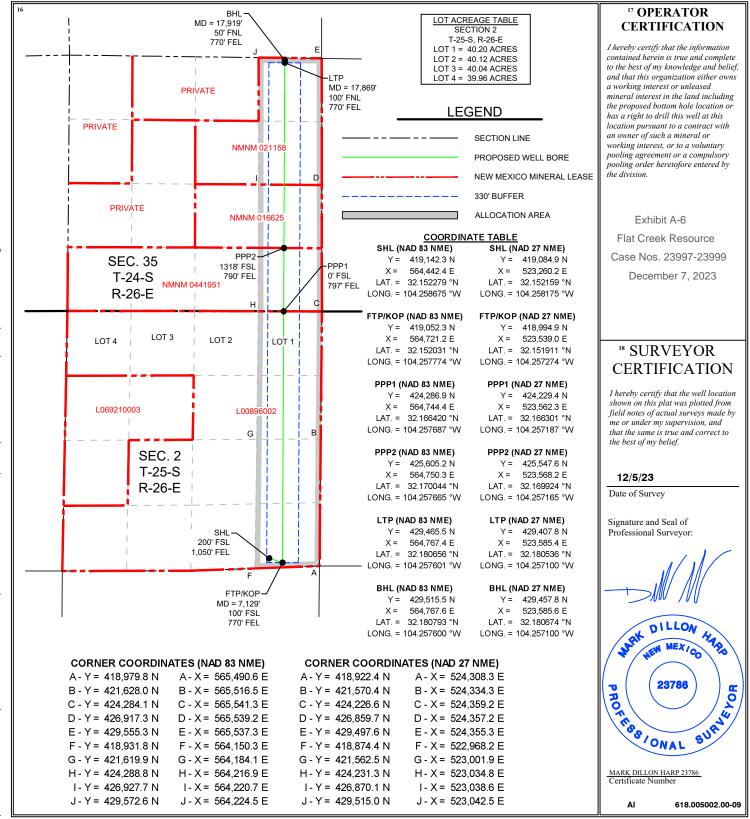
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

¹⁰ Surface Location UL or lot no. Township Rang North/South line Feet from the East/West lin Ρ 2 25 S 26 E **SOUTH** 1,050 **EAST EDDY** "Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------------|------------------------|------------|----------------|------------|---------------|------------------|---------------|----------------|--------|
| Α | 35 | 24 S | 26 E | | 50 | NORTH | 770 | EAST | EDDY |
| 12 Dedicated Acres | ¹³ Joint or | Infill 14C | onsolidation (| Code 15 Or | der No. | | | | |
| 320.20 | | | | | | | | | |

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

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Jawbone Lease\.00

<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

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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

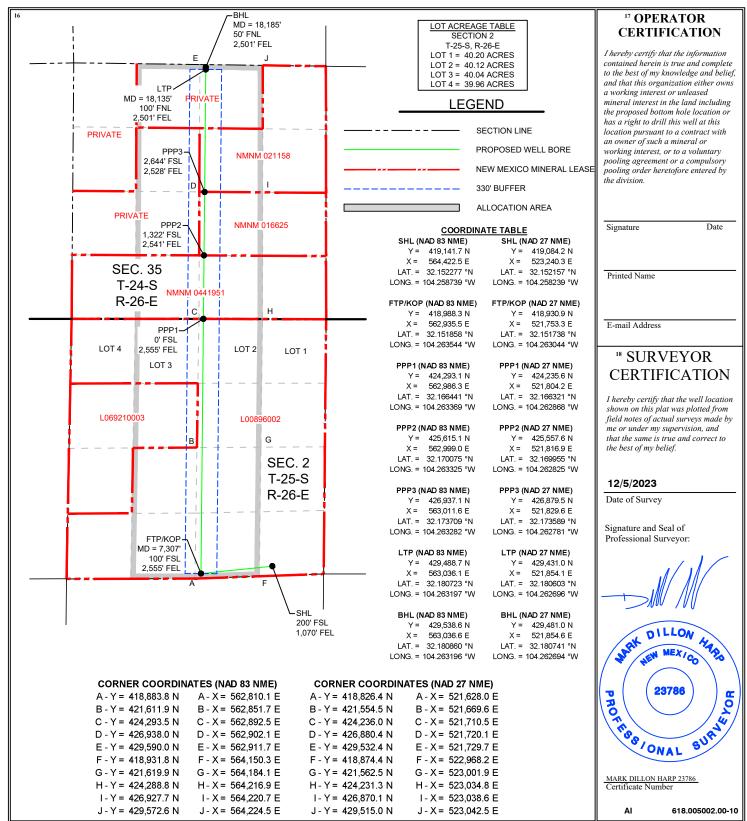
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number 30-015-494 | ² Pool Code 97494 | ³ Pool Name COTTONWOOD DRAW; BONE SPRING (O) | |
|--|--|--|--|
| ⁴ Property Code | | roperty Name **Well Number** NE FED COM LW 14H | |
| ⁷ OGRID No. 374034 | | perator Name K RESOURCES, LLC | ⁹ Elevation 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.



<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

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

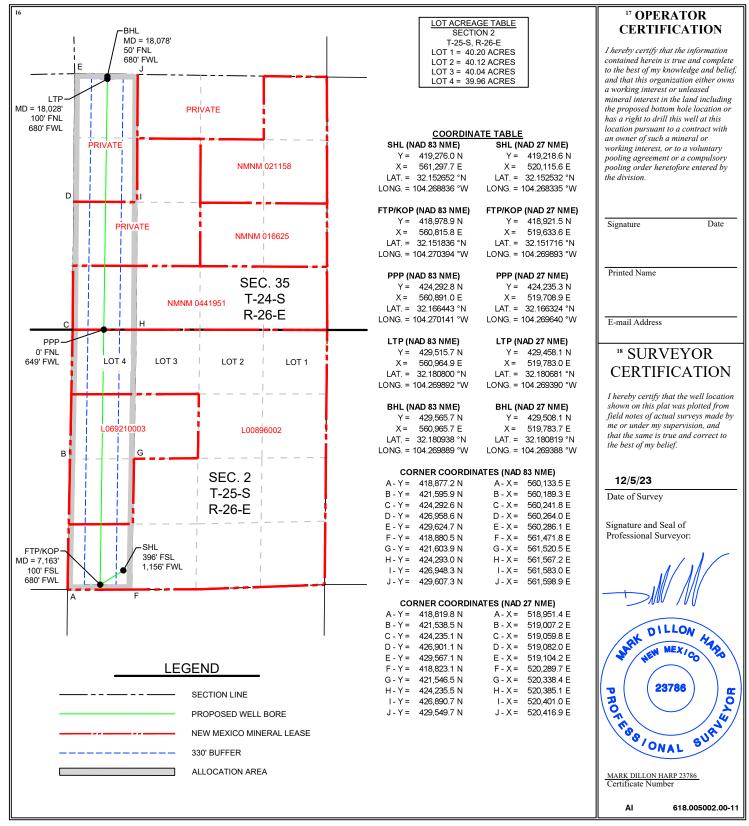
☐ AMENDED REPORT

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 | | perator Name K 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

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15H\DWG\15H

Jawbone Lease\Wells\-11

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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.

Page 1 of 2

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

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

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

| Objective: Drill Horizontal Well, Cor | nplete ~2-Mile Lateral, Production Facility | | | |
|---------------------------------------|---|---|--------|--------------|
| Account Code | Account Name | | AFE Am | nount |
| 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 | | \$ | 150,000.00 |
| | | Subtotal | \$ | 1,852,600.00 |
| 310 / 30 | MISC & CONTINGENCY | | \$ | 185,260.00 |
| 310 / 60 | P&A COSTS | | \$ | - |
| 310 / 70 | NON-OP DRILLING - INTANG | | \$ | - |
| | | Total Intangibles For Operations Involving Drilling Rig | \$ | 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 |
| Total Dinning Cost | | | 7 | 2,333,410 |

| 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

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 AFE#: WC23001 **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 | | AFE Ar | nount |
| 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 | | \$ | 150,000.00 |
| 310 / 23 | 60 1 111 C3 & 1 E 61 B 151 C3/1E | Subtotal | \$ | 1,852,600.00 |
| 310 / 30 | MISC & CONTINGENCY | Subtotal | \$ | 185,260.00 |
| 310 / 60 | P&A COSTS | | \$ | - |
| 310 / 70 | NON-OP DRILLING - INTANG | | \$ | _ |
| 310 / 70 | NOW OF BINELING INTIME | | 7 | |
| | | Total Intangibles For Operations Involving Drilling Rig | \$ | 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 |
| | | | | |

| ### TUBINGHEAD & TREE | sts (320) | . <u></u> | | |
|--|-----------|--------------|-----------|-----------------|
| 120 | (525) | | Ś | 15,000 |
| 120 3 | | | | - |
| PERMITS - SURVEY - REGULATORY \$ | | | Ś | _ |
| 120 | | | Ś | _ |
| RIG - DAYWORK S | | | \$ | 15,000 |
| 120 | | | Ś | - |
| COLED TBC/SNUBBING/MITROGEN S S S S S S S S S | | | \$ | _ |
| FUEL - POWER - WATER \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | Ś | 139,500 |
| COMMUNICATIONS S COMMUNI | | | - | 589,232 |
| TRANSPORTATION \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | - | 5,000 |
| CONSULTING SERVICE/SUPERVISION S S S S S S S S S | | | | 25,000 |
| CONTRACT LABOR & SERVICES \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | | 55,000 |
| RENTALS - DOWNHOLE | | | • | 7,500 |
| RENTALS - SURFACE \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | | 25,000 |
| 120 16 BITS \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | | 127,875 |
| CASING CREW & EQUIPMENT S CEMENT & SERVICES S CEMENT & SERVICE S CEMENT & SERVICE S CEMENT & SERVICE S CEMENT & SERVICE S CEMENT & CEMENT & SERVICE S CEMENT & CEMENT & SERVICE S CEMENT & C | | | | 5,000 |
| CADO 18 | | | | - |
| SINING TOOLS & SERVICE S SINING TESTING & INSPECTION S SINING TESTING & INSPECTION TO SINING TESTING & INSPECTION TESTING & | | | • | _ |
| MUD - CHEMICALS - FLUIDS \$ | | | | _ |
| | | | | 165,000 |
| 200 22 | | | | 369,500 |
| 200 / 23 GRAVEL PACKING \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | - | - |
| 200 24 | | | \$ | _ |
| 200 / 25 SWABBING & WELL TESTING \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | \$ | 2,689,961 |
| 202 26 | | | • | 113,970 |
| 220 / 28 | | | \$ | 82,817 |
| Second S | | | \$ | 254,820 |
| Second | | | Ś | - |
| P&A COSTS Subtotal Subtotal | | | Ś | 103,400 |
| Subtotal Subtotal | | | \$ | - |
| NON-OP COMP - INTANG S NON-OP COMP - INTAN | | Subtotal | \$ | 4,788,574 |
| MISC & CONTINGENCY STOTAL Intangibles For Completions Operations Stotal Intangible For Completions Operations Stotal Intangibles For Completions Stotal Intangibles For Completions | | Subtotal | - | - |
| Total Intangibles For Completions Operations \$ | | | Ś | 359,143 |
| CASING - LINER/TIEBACK \$ \$ \$ \$ \$ \$ \$ \$ \$ | | Operations | \$ | 5,147,717 |
| CASING - LINER/TIEBACK \$ \$ \$ \$ \$ \$ \$ \$ \$ | rs (321) | | | |
| PRODUCTION TUBING \$ 1 1 1 1 1 1 1 1 1 | • | | \$ | - |
| SECONTINGENCY SECONTINGENC | | | | - |
| SECONTINGENCY SECONTINGENC | | | \$ 1 | 25,000.00 |
| PACKERS - SUBSURFACE EQUIP \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | \$ | 35,000.00 |
| RODS - PUMPS - ANCHORS ETC \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | \$ | - |
| S21 | | | | - |
| S21 | | | \$ | - |
| VALVES - FITTING - MISC EQUIP \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | \$ | - |
| SEPARATOR/HEAT TREATER/DEHY \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | | 10,000.00 |
| S21 11 GUN BBL/TANKS & RELATED EQUIP \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | \$ | - |
| S21 12 COMPRESSOR & RELATED EQUIP \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | | - |
| METERS - LACT UNIT \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | - | _ |
| SWD PUMPS & EQUIPMENT \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | \$ | _ |
| 221 / 15 PIPELINES - TIE-INS \$ \$ \$ \$ \$ \$ \$ \$ \$ | | | \$ | - |
| S21 16 | | | \$ | - |
| Subtotal \$ 1 321 / 17 MISC & CONTINGENCY \$ \$ 321 / 60 P&A COSTS \$ | | | \$ | - |
| \$21 / 17 MISC & CONTINGENCY \$ \$21 / 60 P&A COSTS \$ | | Subtotal | \$ 1 | 70,000.00 |
| 221 / 60 P&A COSTS \$ | | | | 17,000.00 |
| · | | | \$ | _,,550.00 |
| | | | Ś | - |
| ė | | | Ś | - |
| Total Tangibles For Completions Operations \$ 1 | | Onerations | γ \$ 1 | - .87,000.00 |
| | | CPC: ULIOI13 | | 34,717.29 |

| 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:

FLAT CREEK RESOURCES, LLC AFE#: WC23003 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, Complete ~2-Mile Lateral, Production Facility

| Objective: Drill Horizontal Well, Con | nplete ~2-Mile Lateral, Production Facility | | | |
|---------------------------------------|---|---|--------|--------------|
| Account Code | Account Name | | AFE An | nount |
| 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 |
| | | Subtotal | \$ | 2,052,600.00 |
| 310 / 30 | MISC & CONTINGENCY | | \$ | 205,260.00 |
| 310 / 60 | P&A COSTS | | \$ | - |
| 310 / 70 | NON-OP DRILLING - INTANG | | \$ | - |
| | | Total Intangibles For Operations Involving Drilling Rig | \$ | 2,257,860.00 |
| 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 | | | \$ | 3,215,410 |
| Total Dillillig Cost | | | Ą | 3,213,410 |

| 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 CASING & FRAC WATER CONTRACT LABOR & SERVICES CONTRACT LABOR & CONTRACT CONSULTATIONS CONTRACT LABOR & CONTRACT CONTRACT LAB | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 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 1/10 CASING CREW & EQUIPMENT 1/11 CASING CREW & EQUIPMENT 1/1 | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 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 Ingible 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: 12/29/2023 3:17:11 PM Well Name: JAWBONE FED COM LW We

Well Location: T25S / R26E / SEC 2 /

SESE /

Well Number: 13H

Type of Well: CONVENTIONAL GAS

/FI I

Allottee or Tribe Name:

County or Parish/State: Page 70 of

Lease Number: NMNM0441951

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001549457

Well Status: Approved Application for Permit to Drill

Operator: FLAT CREEK

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

Received by OCD: 12/29/2023 3:17:11 PM
Well Name: JAWBONE FED COM LW Well

Well Location: T25S / R26E / SEC 2 /

SESE /

Well Number: 14H

Type of Well: CONVENTIONAL GAS

WELL

Lease Number: NMNM0441951

Unit or CA Name:

Permit to Drill

Allottee or Tribe Name:

County or Parish/State: Page 72 of

Unit or CA Number:

US Well Number: 3001549459

Well Status: Approved Application for

Operator: FLAT CREEK

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:

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:

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

eceived by OCD: 12/29/2023 3:17:11 PM Well Name: JAWBONE FED COM LW

Well Location: T25S / R26E / SEC 2 /

SWSW /

Well Number: 15H

Type of Well: CONVENTIONAL GAS

Unit or CA Name: Lease Number: NMNM0441951

Allottee or Tribe Name:

County or Parish/State: Page 74 of

Unit or CA Number:

US Well Number: 3001549664

Well Status: Approved Application for

Permit to Drill

Operator: FLAT CREEK

RESOURCES LLC

Zip:

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

State:

Field

Representative Name:

Street Address:

City:

Phone:

Email address:

Page 2 of 2

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 |

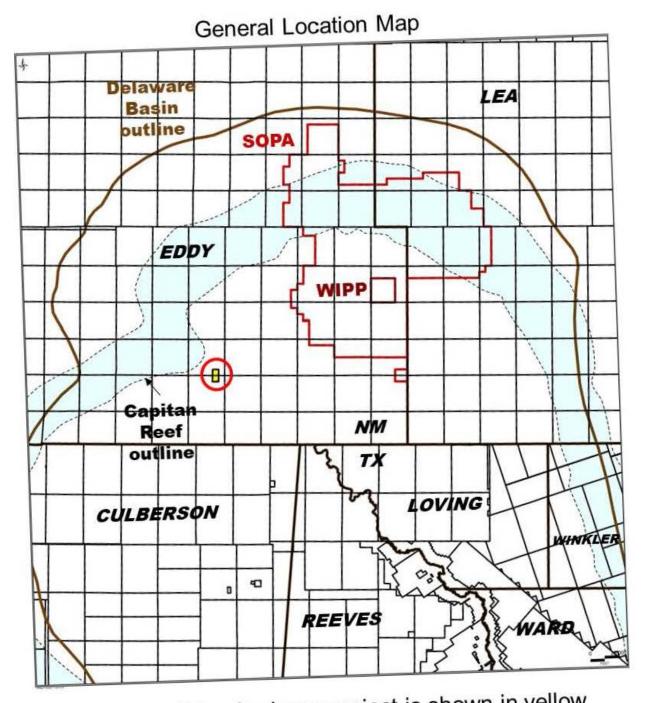
12. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration units ("HSU") are justified from a geologic standpoint.
- b. 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

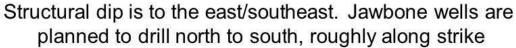
300152406800 MURCHISON 0&G LLC OGDEN STATE 2E

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Gun Barrel Diagram



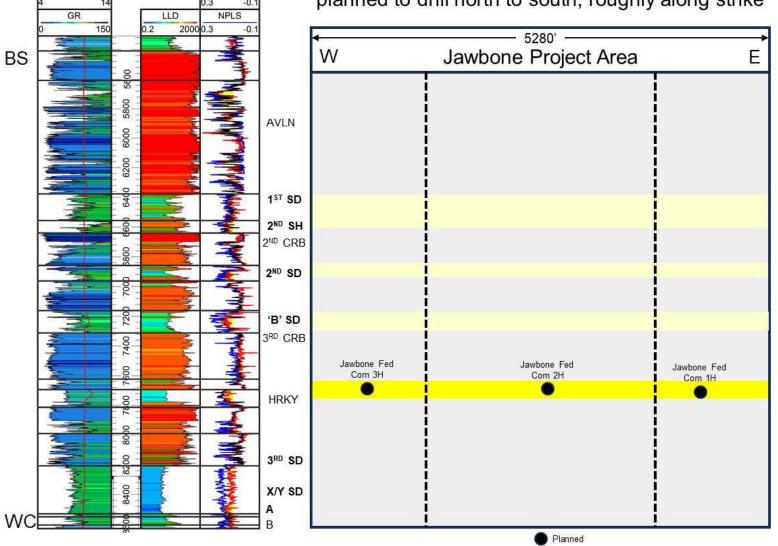


Exhibit B-2

Flat Creek Resource

Case Nos. 23997-23999

Structure Map - Top "Harkey" Zone (TVDSS)

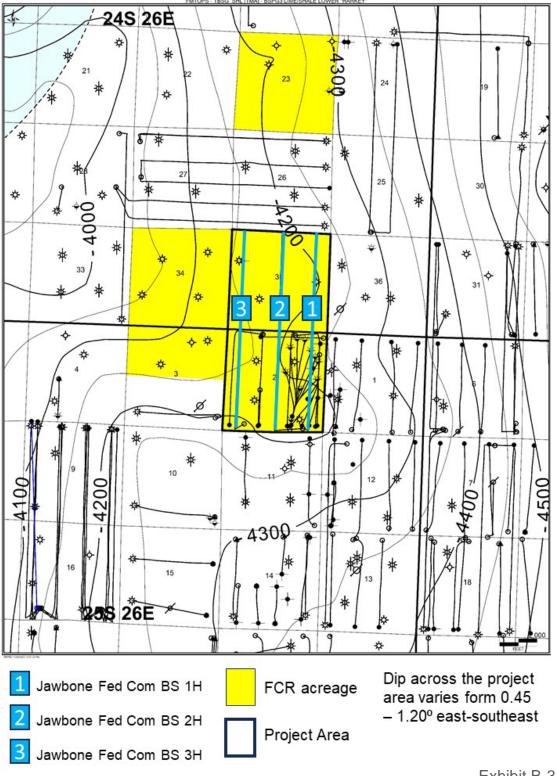
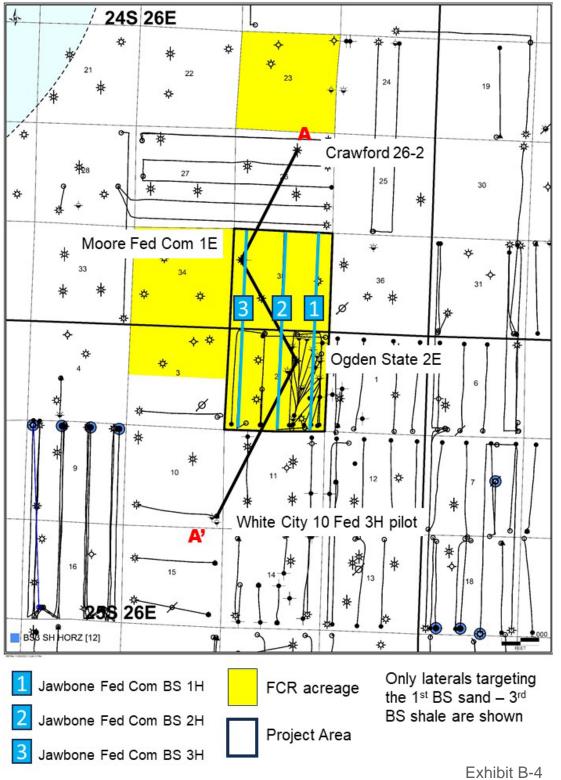


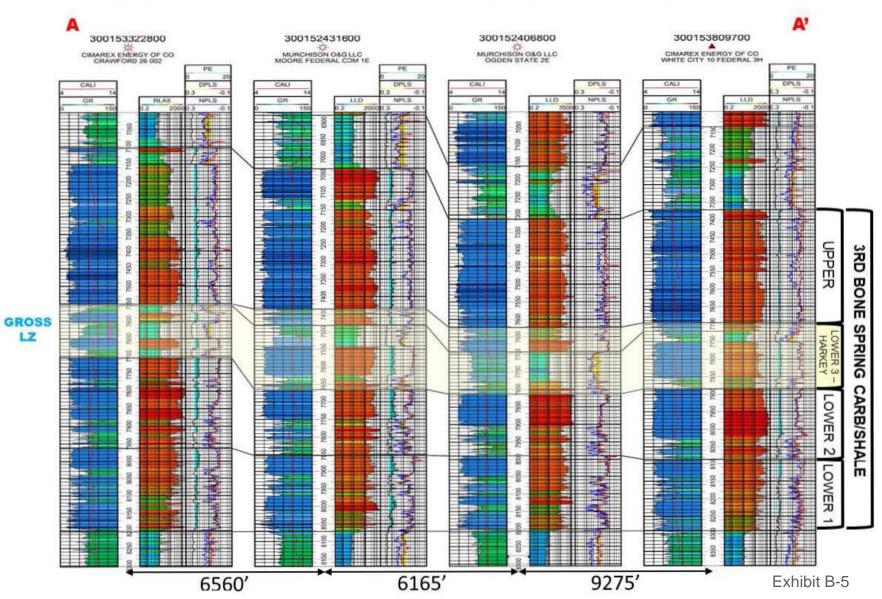
Exhibit B-3
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

Cross-section Reference Map



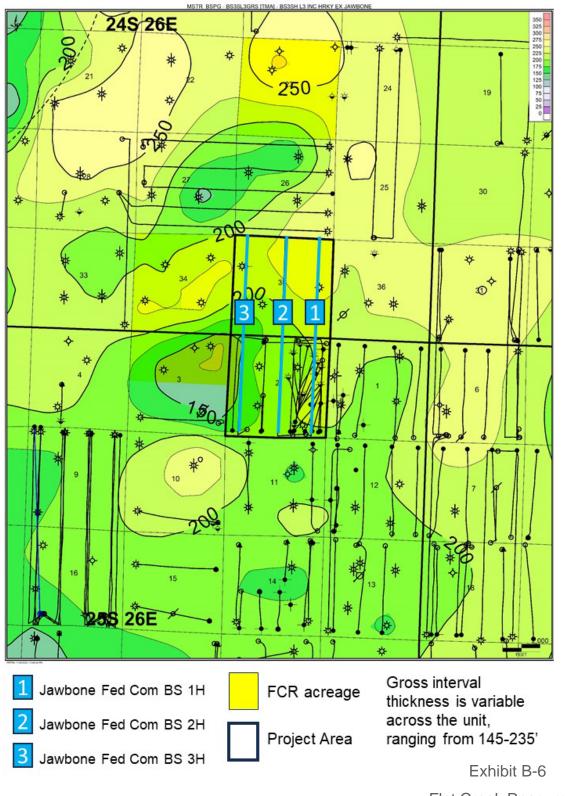
Flat Creek Resource
Case Nos. 23997-23999
December 7, 2023

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

AFFIRMATION OF NOTICE

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 |
|--|--------------------|--------------------------|--|-------------------|
| | WORKIN | G INTEREST OWNERS | | |
| Durango Production Corporation 2663 Plaza Parkway Wichita Falls, TX 76308 | November 17, 2023 | 7020 0090 0000 0863 9734 | Delivered | November 21, 2023 |
| MEC Petroleum Corporation P.O. Box 11265 Midland, TX 79702-8265 | November 17, 2023 | 7020 0090 0000 0863 9741 | Moving Through Network as of November 25, 2023 | |
| Pintail Production Company 6467 Southwest Blvd. Benbrook, TX 76132-2777 | November 17, 2023 | 7020 0090 0000 0863 9758 | Delivered | November 21, 2023 |
| WPX Energy Production Company, LLC 333 West Sheridan Ave. Oklahoma City, OK 73102-5015 | November 17, 2023 | 7020 0090 0000 0863 9765 | Delivered | November 22, 2023 |
| | (| ORRI OWNERS | | |
| 1B4S Enterprises, LLC 3203 Bowie St. Amarillo, TX 79109 | November 17, 2023 | 7020 0090 0000 0863 9772 | Delivered | November 27, 2023 |
| A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, Wy 82003-0788 | November 17, 2023 | 7020 0090 0000 0863 9789 | Delivered | November 21, 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 |
|--|--------------------|--------------------------|---|-------------------|
| 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 |
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| Syhan, LP P.O. Box 92349 Austin, TX 78709-2349 | November 17, 2023 | 7020 0090 0000 0863 9932 | Delivered | November 21, 2023 |
| | OTHER I | NTERESTED 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 |

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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

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Delivered, Left with Individual

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

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| or on the front if space permits. Article Addressed to: | D. Is delivery address different from item 1? Yes | ~ |
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| . 1020 00.11 00.11 | (over \$500) | |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | D | Iomestic Return Receipt |
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FAQs >

Tracking Number:

Remove X

70200090000008639833

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

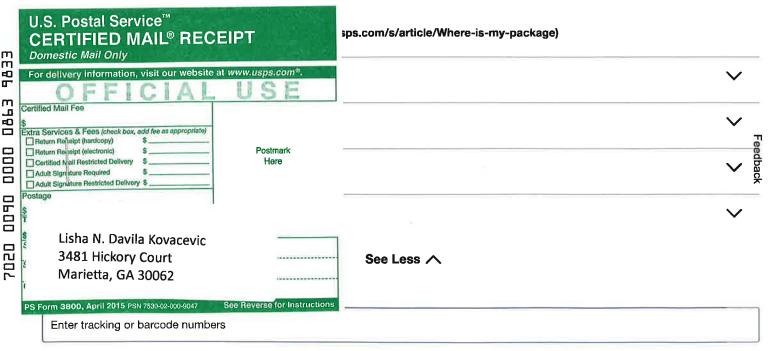
Reminder to Schedule Redelivery of your item before December 12, 2023

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: 12/29/2023 3:27:01 PM

COMPLETE THIS SECTION ON DELIVER SENDER: COMPLETE THIS SECTION 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: D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: Mumford & Company 11601 Woodmar NE Albuquerque, NM 87111 3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery ☐ Priority Mail Express®☐ Registered Mall™☐ Registered Mall Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery 9590 9402 8530 3186 0592 99 ☐ Collect on Delivery Delivery Restricted Delivery 9840 7020 0090 0000 0863 (over \$500) Restricted Delivery PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

FAQs >

Tracking Number:

Remove X

70200090000008639857

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.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

9857

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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™ CERTIFIED MAIL® RECEIPT Domestic Mail Only | | |
|--|---------------------------------------|-------------|
| For delivery information, visit our website at www.usps.com®. | ps.com/s/article/Where-is-my-package) | |
| Certified Mall Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$ | | > |
| Return Receipt (electronic) \$ Postmark Gertified Mail Restricted Delivery \$ Here Adult Signature Required \$ Here Adult Signature Restricted Delivery \$ | | ~ |
| Postage | | ~ |
| Murchison Oil and Gas, LLC 7250 Dallas Parkway, Suite 1400 Plano, TX 75024 | | |
| S Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions | 15 | |

| Sales Shirt of the Mark | Page 102 of 115 |
|--|---|
| 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: | D. Is delivery address different from item 1? If YES, enter delivery address below: No |
| Paloma Gas Holdings, LLC | |
| 1100 Louisiana, Suite 5100 | |
| Houston, TX 77002 | |
| 1 1 10 10 10 10 10 10 1 | 3. Service Type ☐ Priority Mall Express® ☐ Registered Mail™ ☐ Registered Mail™ |
| 9590 9402 8530 3186 0593 12 | □ Adult Signature Restricted Delivery □ Registered Mail Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation™ |
| 9090 9402 0000 0100 0090 12 | ☐ Collect on Delivery ☐ Signature Confirmation ☐ Collect on Delivery Restricted Delivery Restricted Delivery |
| 7020 0090 0000 0863 9864 | i Mail I Mail Restricted Delivery Tover = 500) |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt |

987J

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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 Adult Signature Required Adult Signature Restricted Delivery \$ See Less ^

Need More Help?

See Reverse for Instructions

Contact USPS Tracking support for further assistance.

FAQs

Released to Imaging: 12/29/2023 3:27:01 PM

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

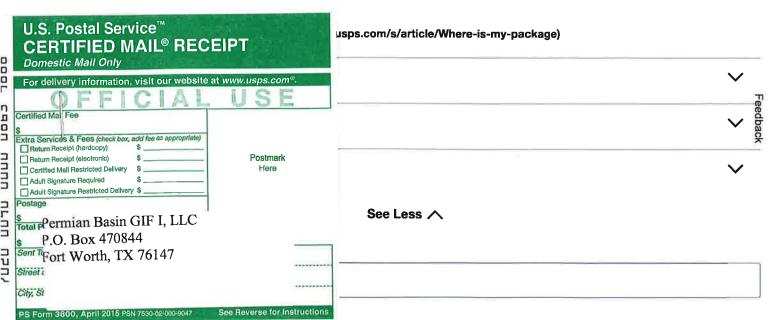
Reminder to pick up your item before December 5, 2023

FORT WORTH, TX 76147 November 26, 2023

Available for Pickup

ARLINGTON HEIGHTS 3101 W 6TH ST ³ FORT WORTH TX 76107-2778 M-F 0830-1700 November 21, 2023, 8:53 am

See All Tracking History



Released to Imaging: 12/29/2023 3:27:01 PM

FAQs >

Tracking Number:

Remove X

70200090000008639895

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

Latest Update

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

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Out for Delivery

Preparing for Delivery

Moving Through Network

In Transit to Next Facility

November 22, 2023

Departed USPS Facility

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

See All Tracking History

9895

0863

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0600

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| See All Iracking restory | | | |
|--|-------------------|--|----------|
| U.S. Postal Service [™] CERTIFIED MAIL [®] REC Domestic Mail Only | EIPT | sps.com/s/article/Where-is-my-package) | |
| For delivery information, visit our website | at www.usps.com®. | | ed |
| OFFICIAL | USE | | Feedback |
| Certified Itali Fee \$ Extra Servi > es & Fees (check box, add fee as appropriate) Return Receipt (electronic) Certified Mall Restricted Delivery \$ Adult Signature Regulred Adult Signature Restricted Delivery \$ Postage | Postmark Here | | / |
| SEP Permian Holding Corp P.O. Box 79840 Houston, TX 77279 | | See Less ^ | |
| | | | |

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

FAQs >

Tracking Number:

Remove X

70200090000008639901

Copy

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

Latest Update

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

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

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0863

7020 0600 0202

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 [®] REC Domestic Mail Only | EIPT | ps.com/s/article/Where-is-my-package) | |
| For delivery information, visit our website a | at www.usps.com®. | • | e |
| OFFICIAL | HSE | | ✓ 2 |
| Certified Mail Fe | O O Im | | 9 |
| xtra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) | | | ~ |
| Return Receipt (electronic) \$ | Postmark | | |
| Certified Mail Restricted Delivery \$ | Here | | |
| Adult Signature Restricted Delivery \$ | | | ~ |
| ostage | | | |
| | | | |
| | | See Less 🔨 | |
| Shogoil & Gas Co. II, LLC | - | | |
| P.O. box 29450 | | | |
| | | | |
| Santa Fe, NM 87592-9450 | ******* | _ | |

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

FAQs >

Tracking Number:

Remove X

70200090000008639918

Copy

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

| | Evantiede Mean? | Inttps://taq.usps.com | /s/article/wnere-i | s-my-package |
|-----------------|--|-----------------------|--------------------|--------------|
| | | | | |
| SENDED, COLLEGE | ATE AND DESCRIPTION OF THE PERSON OF THE PER | 141 lp-1 | | |

| 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. Agent 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 | |
| Article Number (Transfer from service label) | 3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Restricted Delivery I Registered Mail™ Restricted Delivery Signature Confirmation Restricted Delivery Domestic Return Receipt | . 10 |

Contact USPS Tracking support for further assistance.

FAQs

FAQ6 >

Remove X

Tracking Number:

70200090000008639925

Сору

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

| /// | com/s/article/Where-is-my-packa | ge) |
|-----|---------------------------------|-----|
|-----|---------------------------------|-----|

| SENDER: COMPLETE THIS SECTION | | |
|--|---|------|
| Complete items 1, 2 and 3. Print your name and address on the way. | COMPLETE THIS SECTION ON DELIVERY A Signature | ~ |
| Attach this card to the back of the mailpiece, or on the front if space permits. | B. Received by (Printed Name) C. Date of Delivery | ~ |
| 1. Article Addressed to: | D. Is delivery address different from item 1? | ~ |
| Summer Lorraine Davila 5326 Blossom Drive Sugar Hill, GA 30518 | | ī |
| 9590 9402 1258 5246 3436 69 | 3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery | dack |
| 7020 0090 0000 0863 9925 Form 3811, July 2015 PSN 7530-02-000-9053 | ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Mail Restricted Delivery ☐ Mail Restricted Delivery ☐ Cover\$500) ☐ Restricted Delivery ☐ Restricted Delivery | |
| 7, 5dly 2010 PSN 7530-02-000-9053 | Domestic Return Receipt | |

Contact USPS Tracking support for further assistance.

FAQs

Released to Imaging: 12/29/2023 3:27:01 PM

FAQs >

Tracking Number:

Remove X

70200090000008639932

Сору

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

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.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, PO Box

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

See All Tracking History

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | kage) |
|--|---|----------|
| Complete items 1, 2, and 3. Print your name and ad tress on the reverse so that we can return the card to you. Attach the card to the back of the mailpiece, | A. Signature | ~ |
| or on the front if space permits. 1. Article Addressed to: | B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from Item 1? Yes If YES, enter delivery address below: | V |
| Syhan, LP P.O. Box 92349 Austin, TX 78709-2349 | | ~ |
| 000 0000 0863 99: | 3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Collect on Delivery Restricted Delivery □ Restricted Delivery □ Restricted Delivery □ Restricted Delivery | Feedback |
| S Form 3811, July 2015 PSN 7530-02-000-9053 | Comestic Return Receipt | |
| | Need More Help: | |

Contact USPS Tracking support for further assistance.

FAQs

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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. Ou Dule Agent Addressee B. Received by (Printed Name) C. Date of Delivery W (33/3) |
| 1. Article Addressed to: | D. Is delivery address different from item 1? |
| Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157 | |
| 9590 9402 1258 5246 3431 88 | 3. Service Type ☐ Priority Mail Express® ☐ Adult Signature ☐ Registered Mail™ ☐ Registered Mail™ ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation™ |
| 2. Article Number (Transfer from service label) 7020 0090 0000 0863 99 | ☐ Insured Mail |
| PS Form 3811, July 2015 PSN 7530-02-000-9053 | Domestic Return Receipt |

FAQs >

Tracking Number:

Remove X

70200090000008639956

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

Latest Update

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

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Individual Picked Up at Postal Facility

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

See All Tracking History

| SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address St. thete. | (https://faq.usps.com/s/article/Where-is-my-package) COMPLETE THIS SECTION ON DELIVERY | ~ |
|--|--|----------|
| Altach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: | B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes | <u> </u> |
| State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501 | If YES, enter delivery address below: | Feedback |
| 9590 9402 1258 5246 3431 95 9566 E980 0000 0600 0202 | 3. Service Type Adult Signature Adult Signature Priority Mail Express® Registered Mailman Restricted Delivery Return Receipt for Merchandise Registered Mailman Registered Mail | |
| Со | ntact USPS Tracking Comestic Return Receipt sistance. | |

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

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin Received by OCD: 12/29/2023 3:17:11 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 85 #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