

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

APPLICATION OF RILEY PERMIAN OPERATING
COMPANY, LLC FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO

CASE NO. 24093

NOTICE OF SUPPLEMENT TO PRE-HEARING STATEMENT

Riley Permian Operating Company, LLC (“Riley”), the Applicant herein, provides notice that it is supplementing the evidentiary record in this case by submitting the attached Exhibits to Riley’s Pre-Hearing Statement in the above-referenced case. Good cause exists to allow Riley to include the Exhibits since it relied on the language of the Pre-Hearing Order which requested a narrative of the testimony and exhibits. Supplementing the Pre-Hearing Statement to include the Exhibits will afford the Hearing Examiner the opportunity to review the materials prior to the contested hearing and make determinations that will promote development, avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

Dated this 26th day of January, 2024.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: _____



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*Attorneys for Riley Permian Operating
Company, LLC*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was served to counsel of record by electronic mail this 26th day of January 2024, as follows:

New Mexico Oil Conservation Division Hearings
ocd.hearings@state.nm.us

Dana S. Hardy (dhardy@hinklelawfirm.com)
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Hinkle Law Firm

Attorneys for Spur Energy Partners LLC


Tracy L. Peterson

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 1, 2024**

Case No. 24093

Walter 182710111 #11H

Walter 182710111 #13H

Walter 182710111 #15H

Walter 182710111 #22H

Walter 182710111 #24H

Eddy County, New Mexico



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

**APPLICATION OF RILEY PERMIAN OPERATING
COMPANY, LLC FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

CASE NO. 24093

**HEARING PACKAGE
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- Riley Exhibit C-3: Interest Calculation for Spacing Units
- Riley Exhibit C-4: C-102(s)
- Riley Exhibit C-5: Proposal Letters
- Riley Exhibit C-6: AFEs
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Riley Exhibit D: Prepared by Joe Stone, Operations Geologist

- Riley Exhibit D-1: Base Map
- Riley Exhibit D-2: Yeso Structure Map
- Riley Exhibit D-3: Yeso Cross Section
- Riley Exhibit D-4: Reservoir Structure Edge Map

Riley Exhibit E: Prepared by Wes McAlister, Reservoir Engineer

- Riley Exhibit E: Project Recoverable Reserves Table

Riley Exhibit F: Prepared by Dan Doherty, Senior Vice President of Operations and Engineering

- Riley Exhibit F: Infrastructure Map

Riley Exhibit G: Notice Affidavit

- Notice Letter
- Certified Mail Receipts

Riley Exhibit H: Affidavit of Publication


COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	APPLICANT'S RESPONSE
Date	
Applicant:	Riley Permian Operating Company, LLC
Designated Operator & OGRID (affiliation if applicable):	372290
Applicant's Counsel:	Miguel Suazo, Beatty & Wozniak, P.C.
Case Title:	Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family:	Hawk 9 Federal Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yeso
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Formation
Pool Name and Pool Code:	Red Lake; Glorieta-Yeso [51120]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	400 acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	East-West
Description: TRS/County	N/2 of Section 10 and W/2NW/4 of Section 11, T-18-S, R-27-E, Eddy County
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	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Walter 182719111 #24H Well
Applicant's Ownership in Each Tract	Exhibit C
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

<p>Well #1 <i>Received by OCD: 1/26/2024 1:05:02 PM</i></p>	<p>Walter 182710111 #11H Well (API No. Pending) <i>Page 6 of 57</i> SHL: NE/4NE/4 (Lot A) of Section 9, Township 18 South, Range 27 East, N.M.P.M. BHL: NW/4NW/4 (Lot D) of Section 11, Township 18 South, Range 27 East, N.M.P.M. Completion Target: Yeso Formation Well Orientation: East to West Completion Location: Standard</p>
<p>Well #2</p>	<p>Walter 182710111 #22H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 9, Township 18 South, Range 27 East, N.M.P.M. BHL: NW/4NW/4 (Lot D) of Section 11, Township 18 South, Range 27 East, N.M.P.M. Completion Target: Yeso Formation Well Orientation: East to West Completion Location: Standard</p>
<p>Well #3</p>	<p>Walter 182710111 #13H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 9, Township 18 South, Range 27 East, N.M.P.M. BHL: SW/4NW/4 (Lot E) of Section 11, Township 18 South, Range 27 East, N.M.P.M. Completion Target: Yeso Formation Well Orientation: East to West Completion Location: Standard</p>
<p>Well #4</p>	<p>Walter 182710111 #15H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 9, Township 18 South, Range 27 East, N.M.P.M. BHL: SW/4NW/4 (Lot E) of Section 11, Township 18 South, Range 27 East, N.M.P.M. Completion Target: Yeso Formation Well Orientation: East to West Completion Location: Standard</p>
<p>Well #5</p>	<p>Walter 182710111 #24H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 9, Township 18 South, Range 27 East, N.M.P.M. BHL: SW/4NW/4 (Lot E) of Section 11, Township 18 South, Range 27 East, N.M.P.M. Completion Target: Yeso Formation Well Orientation: East to West Completion Location: Standard</p>
<p>Horizontal Well First and Last Take Points</p>	<p>Exhibit C-4</p>
<p>Completion Target (Formation, TVD and MD)</p>	<p>Exhibits C-5, C-6, and D-2</p>
<p>AFE Capex and Operating Costs</p>	<p style="text-align: right;">Case No. 24093 Riley Permian Operating Company, LLC - Exhibit A</p>

<i>Received by: OCD; 1/26/2024 1:05:02 PM</i> Drilling Supervision/Month \$	\$8,000	<i>Page 7 of 57</i>
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit C	
Requested Risk Charge	\$200	
Notice of Hearing		
Proposed Notice of Hearing	Exhibits B and G	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit G	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit H	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibits C-2 and C-3	
Tract List (including lease numbers and owners)	Exhibits C-4 and C-5	
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)	Exhibits C-3 and C-5	
Unlocatable Parties to be Pooled	Exhibits C-3	
Ownership Depth Severance (including percentage above & below)	None	
Joinder		
Sample Copy of Proposal Letter	Exhibit C-5	
List of Interest Owners (ie Exhibit A of JOA)	Exhibits C-3 and C-5	
Chronology of Contact with Non-Joined Working Interests	Exhibit C-7	
Overhead Rates In Proposal Letter	Exhibits C-5 and C-6	
Cost Estimate to Drill and Complete	Exhibit C-6	
Cost Estimate to Equip Well	Exhibit C-6	
Cost Estimate for Production Facilities	Exhibit C-6	
Geology		
Summary (including special considerations)	Exhibit D	
Spacing Unit Schematic	Exhibits C-2, C-3, C-4 and D-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibits D-1, and D-3	
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D	
HSU Cross Section	Exhibit D-2, D-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit C-4	
Tracts	Exhibit C-2	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-3	
General Location Map (including basin)	Exhibit C-1	
Well Bore Location Map	Exhibit C-4 and D-1	
Structure Contour Map - Subsea Depth	Exhibit D-2	
Cross Section Location Map (including wells)	Exhibit D-1	
Cross Section (including Landing Zone)	Exhibit D-3	Case No. 24093 Riley Permian Operating Company, LLC - Exhibit A

Additional Information	Received by ODA on 1/26/2024 1:05:02 PM	Page 8 of 57
Special Provisions/Stipulations		
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Miguel Suazo	
Signed Name (Attorney or Party Representative):		
Date:	January 25, 2024	

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

AMENDED APPLICATION OF RILEY
PERMIAN OPERATING COMPANY,
LLC FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 24093

AMENDED APPLICATION

Riley Permian Operating Company, LLC, OGRID No. 372290 (“Riley” or “Applicant”), through its undersigned attorneys, hereby files this Amended Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) creating a standard 400-acre, more or less, horizontal well spacing and unit (“HSU”) composed of the N/2 of Section 10 and the W/2NW/4 of Section 11, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and (2) an order pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

In support of its Amended Application, Riley states the following:

1. Riley is a working interest owner in the subject lands and has a right to drill wells thereon.
2. Riley seeks to dedicate the N/2 of Section 10 and the W/2NW/4 of Section 11, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 400-acre, more or less, spacing unit.
3. Riley seeks to dedicate the above-referenced HSU to the following proposed wells:
 - A. **Walter 182710111 #11H and Walter 182710111 #22H Wells**, which are oil wells that will be horizontally drilled from a surface location in the NE¼NE¼ of Section 9 to a bottom hole location in the Yeso Formation in the NW¼NW¼ of Section 11; and

B. **Walter 182710111 #13H, Walter 182710111 #15H, and Walter 182710111 #24H**, which are oil wells that will be horizontally drilled from a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 9 to a bottom hole location in the Yeso Formation in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11.

4. The wells are orthodox in their location, and the take points and laterals comply with Statewide Rules for setbacks.

5. The completed interval for the Walter 182710111 #24H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed standard spacing unit for the wells.

6. Riley has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners in the Yeso formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Yeso formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Riley requests that all uncommitted interests in this HSU be pooled and that Riley be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Riley requests this Amended Application be set for hearing on February 1, 2024, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 400-acre, more or less, spacing and proration unit comprised of the N/2 of Section 10 and the W/2NW/4 of Section 11, Township 18 South, Range 27 East, Eddy County, New Mexico;

- B. Pooling all uncommitted interests in the Yeso formation underlying a horizontal spacing unit within the N/2 of Section 10 and the W/2NW/4 of Section 11, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico;
- C. Approving the Walter 182710111 #11H, Walter 182710111 #22H, Walter 182710111 #13H, Walter 182710111 #15H, and Walter 182710111 #24H, as the wells for the HSU.
- D. Designating Riley as operator of the HSU and the horizontal wells to be drilled thereon;
- E. Authorizing Riley to recover its costs of drilling, equipping, and completing the wells;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Riley in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

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Attorneys for Riley Permian Operating Company, LLC

Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 400-acre, more or less, spacing and proration unit comprised of the N/2 of Section 10 and the W/2NW/4 of Section 11, Township 18 South, Range 27 East, N.M.P.M, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Yeso formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Walter 182710111 #11H and Walter 182710111 #22H Wells, which are oil wells that will be horizontally drilled from a surface location in the NE¹/₄NE¹/₄ of Section 9 to a bottom hole location in the Yeso Formation in the NW¹/₄NW¹/₄ of Section 11, and the Walter 182710111 #13H, Walter 182710111 #15H, and Walter 182710111 #24H, which are oil wells that will be horizontally drilled from a surface location in the NE¹/₄NE¹/₄ of Section 9 to a bottom hole location in the Yeso Formation in the SW¹/₄NW¹/₄ of Section 11. The wells are orthodox in location and the take points and laterals comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 10 miles from Artesia, New Mexico.

*Before the Oil Conservation Division
Examiner Hearing
Case No. 24093*



Walter 182710111 #11H
Walter 182710111 #13H
Walter 182710111 #15H
Walter 182710111 #22H
Walter 182710111 #24H

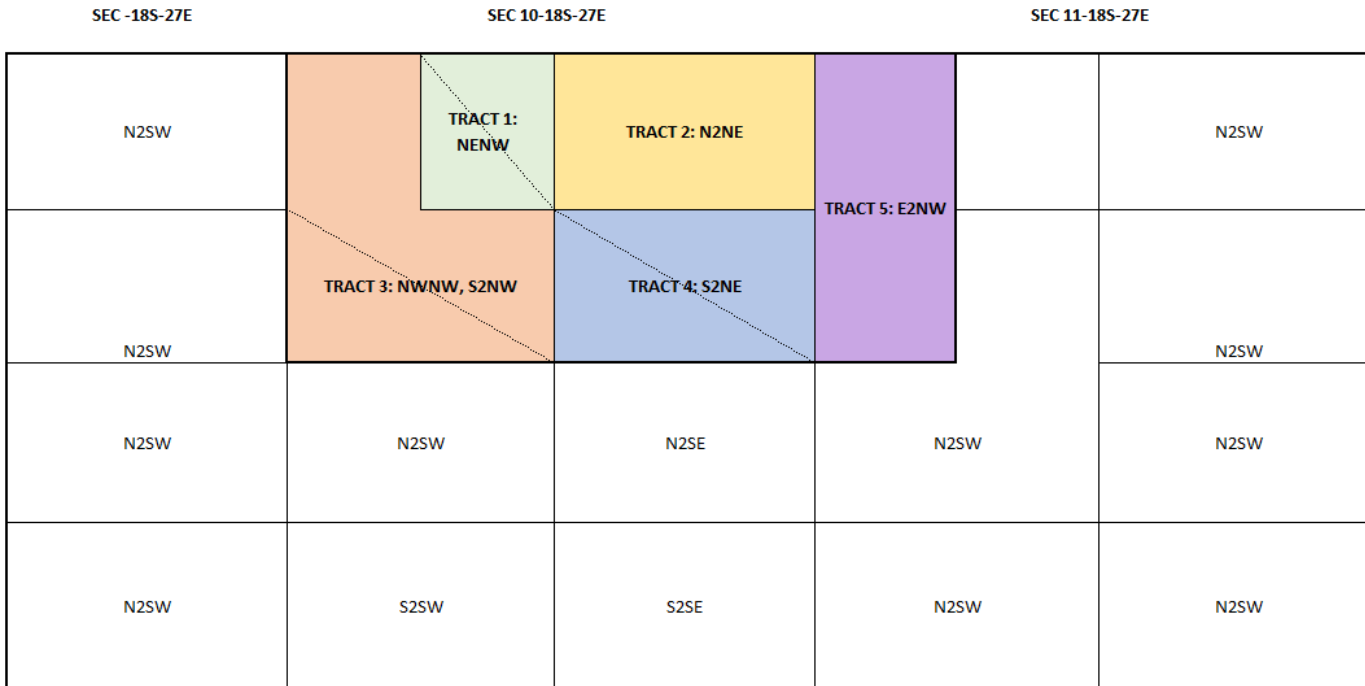
Locator Map: Exhibit C-1



RILEY PERMIAN

Lease Tract Map: Exhibit C-2

N2 of Section 10 and W2NW4 Section 11-18S-27E as Tracts 1, 2, 3, 4 and 5.
 (Red Lake, Glorieta-Yeso Pool); *Walter 182710111 #11H, #13H, #15H, #22H, #24H*



RILEY DSU	
TRACT	ACRES
TRACT 1	40
TRACT 2	80
TRACT 3	120
TRACT 4	80
TRACT 5	80
TOTAL FED ACRES:	

Tract Ownership: Exhibit C-3

Walter 182710111 #11H, #13H, #15H, #22H, #24H

N/2 Section 10 and W/2NW/4 Section 11 , T18S-27E, Eddy County, NM (Yeso Pool)

Tract 1: NMNM-0025604

Owner	Net Acres	Tract WI	Status
SEP Permian Holding Corp.	40.000000	1.00000000	Uncommitted

Tract 2: NMLC-0065478B

Owner	Net Acres	Tract WI	Status
Riley Exploration Permian, Inc.	40.000000	0.50000000	Committed
SEP Permian Holding Corp.	40.000000	0.50000000	Uncommitted

Tract 3: NMNM-0025604

Owner	Net Acres	Tract WI	Status
Riley Exploration Permian, Inc.	60.000000	0.50000000	Committed
SEP Permian Holding Corp.	60.000000	0.50000000	Uncommitted

Tract 4: NMLC-0065478B

Owner	Net Acres	Tract WI	Status
Riley Exploration Permian, Inc.	40.000000	0.50000000	Committed
SEP Permian Holding Corp.	40.000000	0.50000000	Uncommitted

Tract 5: NMLC-0067858

Owner	Net Acres	Tract WI	Status
Riley Permian	80.000000	1.00000000	Committed

Summary of Unit Working Interests: Exhibit C-3, continued

Walter 182710111 #11H, #13H, #15H, #22H, #24H

S N/2 Section 10 and W/2NW/4 Section 11 , T18S-27E, Eddy County, NM (Yeso Pool)

MAJORITY WORKING INTEREST OWNER IN THE WALTER 400-ACRE HSU

Riley	55.00% working interest	220 net acres
Spur	45.00% working interest	180 net acres

MAJORITY WORKING INTEREST OWNER IN THE RED SKIES 320-ACRE HSU

Riley	43.75% working interest	140 net acres
Spur	56.25% working interest	180 net acres

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
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, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-015-), Pool Code (51120), Pool Name (RED LAKE; GLORIETA-YESO), Property Code, Property Name (WALTER 182710111), Well Number (11H), OGRID No. (7377), Operator Name (RILEY EXPLORATION PERMIAN, INC.), Elevation (3532')

Surface Location

Table with 10 columns: UL or lot no. (A), Section (9), Township (18 S), Range (27 E), Lot Idn, Feet from the (296), North/South line (NORTH), Feet from the (596), East/West line (EAST), County (EDDY)

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (D), Section (11), Township (18 S), Range (27 E), Lot Idn, Feet from the (330), North/South line (NORTH), Feet from the (1310), East/West line (WEST), County (EDDY)

Table with 4 columns: Dedicated Acres (400), Joint or Infill, Consolidated Code, Order No. (PENDING COM AGREEMENT)

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.

Main plat diagram showing well location, acreage dedication, and survey data. Includes coordinates for Surface Location, First Take Point, and Bottom Hole Location. Also includes Operator Certification and Surveyors Certification sections.

DISTRICT I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
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DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 51120	Pool Name RED LAKE; GLORIETA-YESO
Property Code	Property Name WALTER 182710111	Well Number 13H
OGRID No. 7377	Operator Name RILEY EXPLORATION PERMIAN, INC.	Elevation 3518'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	18 S	27 E		1210	NORTH	567	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
D	11	18 S	27 E		990	NORTH	1310	WEST	EDDY

Dedicated Acres 400	Joint or Infill	Consolidated Code	Order No. PENDING COM AGREEMENT
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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.

SURFACE LOCATION
NEW MEXICO EAST
NAD 1983
X=558736' Y=642493'
LAT=N32.766236°
LONG=W104.276730°
NAD 1927
X=517557' Y=642431'
LAT=N32.766121°
LONG=W104.276217°
1210' FNL 567' FEL

FIRST TAKE POINT
NEW MEXICO EAST
NAD 1983
X=559404' Y=642713'
LAT=N32.766839°
LONG=W104.274556°
NAD 1927
X=518225' Y=642650'
LAT=N32.766724°
LONG=W104.274042°
990' FNL 100' FWL

FED PERF. POINT
NEW MEXICO EAST
NAD 1983
X=561944' Y=642668'
LAT=N32.766710°
LONG=W104.266295°
NAD 1927
X=520765' Y=642605'
LAT=N32.766595°
LONG=W104.265782°
973' FNL

FED PERF. POINT
NEW MEXICO EAST
NAD 1983
X=564584' Y=642621'
LAT=N32.766576°
LONG=W104.257706°
NAD 1927
X=523405' Y=642558'
LAT=N32.766461°
LONG=W104.257192°
956' FNL

LOWER MOST PERF.
NEW MEXICO EAST
NAD 1983
X=565794' Y=642599'
LAT=N32.766514°
LONG=W104.253770°
NAD 1927
X=524615' Y=642536'
LAT=N32.766399°
LONG=W104.253257°
990' FNL 1210' FWL

BOTTOM HOLE LOCATION
NEW MEXICO EAST
NAD 1983
X=565894' Y=642600'
LAT=N32.766516°
LONG=W104.253444°
NAD 1927
X=524715' Y=642537'
LAT=N32.766402°
LONG=W104.252931°
990' FNL 1310' FWL

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Print Name _____

E-mail Address _____

SURVEYORS CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
DECEMBER 5, 2023
Date of Survey
Signature and Seal of Professional Surveyor:

Job No.: REPX B230001 BRANDON A. MOSER N.M.P.L.S. Certificate Number 22502

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 51120	Pool Name RED LAKE; GLORIETA-YESO
Property Code	Property Name WALTER 182710111	Well Number 15H
OGRID No. 7377	Operator Name RILEY EXPLORATION PERMIAN, INC.	Elevation 3516'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	18 S	27 E		1300	NORTH	566	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
E	11	18 S	27 E		1650	NORTH	1310	WEST	EDDY

Dedicated Acres 400	Joint or Infill	Consolidated Code	Order No. PENDING COM AGREEMENT
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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.

<p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=558736' Y=642403' LAT=N32.765988° LONG=W104.276731° NAD 1927 X=517557' Y=642341' LAT=N32.765874° LONG=W104.276217° 1300' FNL 566' FEL</p> <p>FIRST TAKE POINT NEW MEXICO EAST NAD 1983 X=559400' Y=642053' LAT=N32.765024° LONG=W104.274572° NAD 1927 X=518221' Y=641990' LAT=N32.764909° LONG=W104.274059° 1650' FNL 100' FWL</p> <p>FED PERF. POINT NEW MEXICO EAST NAD 1983 X=561937' Y=642007' LAT=N32.764895° LONG=W104.266319° NAD 1927 X=520758' Y=641945' LAT=N32.764781° LONG=W104.265805° 1633' FNL</p>		<p>FED PERF. POINT NEW MEXICO EAST NAD 1983 X=564577' Y=641960' LAT=N32.764761° LONG=W104.257731° NAD 1927 X=523397' Y=641898' LAT=N32.764646° LONG=W104.257218° 1617' FNL</p> <p>LOWER MOST PERF. NEW MEXICO EAST NAD 1983 X=565786' Y=641939' LAT=N32.764700° LONG=W104.253796° NAD 1927 X=524607' Y=641876' LAT=N32.764585° LONG=W104.253283° 1650' FNL 1210' FWL</p> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=565886' Y=641940' LAT=N32.764702° LONG=W104.253470° NAD 1927 X=524707' Y=641877' LAT=N32.764587° LONG=W104.252957° 1650' FNL 1310' FWL</p>
<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Print Name _____</p> <p>E-mail Address _____</p>	<p>SURVEYORS CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. DECEMBER 5, 2023</p> <p>Date of Survey _____ Signature and Seal of Professional Surveyor: _____</p> <div style="text-align: center;"> </div>	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
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, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-015-), Pool Code (51120), Pool Name (RED LAKE; GLORIETA-YESO), Property Code, Property Name (WALTER 182710111), Well Number (22H), OGRID No. (7377), Operator Name (RILEY EXPLORATION PERMIAN, INC.), Elevation (3531')

Surface Location

Table with 10 columns: UL or lot no. (A), Section (9), Township (18 S), Range (27 E), Lot Idn, Feet from the (326), North/South line (NORTH), Feet from the (596), East/West line (EAST), County (EDDY)

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (D), Section (11), Township (18 S), Range (27 E), Lot Idn, Feet from the (660), North/South line (NORTH), Feet from the (1310), East/West line (WEST), County (EDDY)

Table with 4 columns: Dedicated Acres (400), Joint or Infill, Consolidated Code, Order No. (PENDING COM AGREEMENT)

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.

Main plat diagram showing well location, surface location, bottom hole location, and various survey points with coordinates and bearings. Includes sections for SURFACE LOCATION, FIRST TAKE POINT, FED PERF. POINT, LOWER MOST PERF., BOTTOM HOLE LOCATION, OPERATOR CERTIFICATION, and SURVEYORS CERTIFICATION. A surveyor's seal for Brandon Moser is present.

DISTRICT I
1625 N French Dr., Hobbs, NM 88240
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Phone: (505) 334-6178 Fax: (505) 334-6170
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, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 51120	Pool Name RED LAKE; GLORIETA-YESO
Property Code	Property Name WALTER 182710111 Prox Tract Well	Well Number 24H
OGRID No. 7377	Operator Name RILEY EXPLORATION PERMIAN, INC.	Elevation 3517'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	18 S	27 E		1240	NORTH	566	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
E	11	18 S	27 E		1320	NORTH	1310	WEST	EDDY

Dedicated Acres 400	Joint or Infill	Consolidated Code	Order No. PENDING COM AGREEMENT
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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.

<p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=558736' Y=642463' LAT=N32.766153° LONG=W104.276730° NAD 1927 X=517557' Y=642401' LAT=N32.766039° LONG=W104.276217° 1240' FNL 566' FEL</p> <p>FIRST TAKE POINT NEW MEXICO EAST NAD 1983 X=559402' Y=642383' LAT=N32.765931° LONG=W104.274564° NAD 1927 X=518223' Y=642320' LAT=N32.765816° LONG=W104.274050° 1320' FNL 100' FWL</p> <p>FED PERF. POINT NEW MEXICO EAST NAD 1983 X=561940' Y=642337' LAT=N32.765803° LONG=W104.266307° NAD 1927 X=520761' Y=642275' LAT=N32.765688° LONG=W104.265793° 1303' FNL</p>		<p>FED PERF. POINT NEW MEXICO EAST NAD 1983 X=564580' Y=642290' LAT=N32.765668° LONG=W104.257719° NAD 1927 X=523401' Y=642228' LAT=N32.765554° LONG=W104.275205° 1286' FNL</p> <p>LOWER MOST PERF. NEW MEXICO EAST NAD 1983 X=565790' Y=642269' LAT=N32.765607° LONG=W104.253783° NAD 1927 X=524611' Y=642206' LAT=N32.765492° LONG=W104.253270° 1320' FNL 1210' FWL</p> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=565890' Y=642270' LAT=N32.765609° LONG=W104.253457° NAD 1927 X=524711' Y=642207' LAT=N32.765494° LONG=W104.252944° 1320' FNL 1310' FWL</p>
<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Print Name _____</p> <p>E-mail Address _____</p>	<p>SURVEYORS CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. DECEMBER 5, 2023 Date of Survey Signature and Seal of Professional Surveyor: </p>	



December 14, 2023

Spur Energy Partners LLC
Attn: Mark Hicks
9655 Katy Freeway, Suite 500
Houston, TX 77024

RE: Well Proposal
Walter 182710111 11H, 13H, 15H, 22H, & 24H
N/2 of Section 10, T18S-R27E & W/2 NW/4 of Section 11, T18S-R27E
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Walter 182710111 11H, 13H, 15H, 22H, and 24H wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Walter 182710111 11H – Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 296' FNL & 609' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location – 330' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Walter 182710111 13H – Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1010' FNL & 748' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location – 990' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Walter 182710111 15H – Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1100' FNL & 747' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location – 1650' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Walter 182710111 22H – Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 326' FNL & 609' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location – 660' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Walter 182710111 24H – Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1040' FNL & 747' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location – 1320' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Riley

29 E. Reno Ave. Suite 500 * Oklahoma City, Oklahoma 73104 * Phone (405) 415-8699

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

Option 1: Participate in the drilling and completion of the proposed wells

Option 2: Not participate in the proposed wells (an election of "Non-Consent")

Option 3: Term Assignment Option – Assign your working interest in the N/2 of Section 10-T18S-R27E & W/2 NW/4 of Section 11-18S-27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

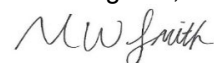
Option 4: Assignment Option – Assign your working interest in the N/2 of Section 10-T18S-R27E & W/2 NW/4 of Section 11-18S-27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Should you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or marksmith@rileypermian.com.

Best Regards,



Mark W. Smith
Sr. Landman

Walter 182710111 11H

WI Owner: Spur Energy Partners

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Walter 182710111 11H well.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Walter 182710111 11H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Riley*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2023.

Company / Individual: _____

By: _____

Name: _____

Title: _____

Walter 182710111 13H

WI Owner: Spur Energy Partners

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Walter 182710111 13H well.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Walter 182710111 13H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Riley*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2023.

Company / Individual: _____

By: _____

Name: _____

Title: _____

Walter 182710111 15H

WI Owner: Spur Energy Partners

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Walter 182710111 15H well.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Walter 182710111 15H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Riley*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2023.

Company / Individual: _____

By: _____

Name: _____

Title: _____

Walter 182710111 22H

WI Owner: Spur Energy Partners

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Walter 182710111 22H well.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Walter 182710111 22H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Riley*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2023.

Company / Individual: _____

By: _____

Name: _____

Title: _____

Walter 182710111 24H

WI Owner: Spur Energy Partners

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Walter 182710111 24H well.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Walter 182710111 24H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Riley*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2023.

Company / Individual: _____

By: _____

Name: _____

Title: _____

Term Assignment Option

_____ The undersigned hereby elects to assign their working interest in the N/2 of Section 10-T18S-R27E & W/2 NW/4 of Section 11-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation)

Assignment Option

_____ The undersigned hereby elects to assign their working interest in the N/2 of Section 10-T18S-R27E & W/2 NW/4 of Section 11-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Agreed to and Accepted this _____ day of _____, 2023.

Company / Individual: _____

By: _____

Name: _____

Title: _____



AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company			AFE NO.	DATE 12/8/2023
WELL NAME & NUMBER Walter 182710111 11H		PROPOSED TVD 3,600	PROPOSED MEASURED DEPTH 10,250	FIELD/PROSPECT Red Lake
COUNTY Eddy	STATE NM	COMPLETED LATERAL 6,250		PROPOSED FORMATION Yeso
LOCATION		CLASSIFICATION Development	Surface LAT: Surface LONG:	

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 25,000	855.010	\$ -	825.010	\$ -	\$ 25,000
Drilling Title Opinion	850.020	\$ 65,000					\$ 65,000
Location, Roads, & Pits	850.030	\$ 125,000	855.030	\$ -	825.030	\$ 10,000	\$ 135,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 13 days @ \$ 20,000 /day	850.060	\$ 260,000	855.060	\$ -			\$ 260,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 34,500					\$ 34,500
Directional Services	850.095	\$ 155,000					\$ 155,000
Mud & Chemicals	850.100	\$ 35,000					\$ 35,000
Solids Control Services	850.105	\$ 45,000					\$ 45,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1400 gal/day @ \$ 3.50 /day	850.111	\$ 63,700	855.111	\$ 153,000			\$ 216,700
Water - Fresh	850.120	\$ 10,000	855.120	\$ 241,800	825.120	\$ 2,000	\$ 253,800
Kill Weight Fluids	850.125	\$ 25,000	855.125	\$ 2,000			\$ 27,000
Cementing Svcs Surf \$ 16,000 Int \$ 14,000 Prod Csg \$ 80,000	850.130	\$ 110,000					\$ 110,000
Casing Hardware Surf \$ 2,500 Int \$ 2,500 Prod \$ 35,000	850.135	\$ 40,000					\$ 40,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 269,000			\$ 269,000
Mud Logging	850.150	\$ 13,400					\$ 13,400
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 29,700	855.180	\$ 157,000	825.180	\$ 12,000	\$ 198,700
Downhole Equip Rentals	850.185	\$ 30,000	855.185	\$ 75,000			\$ 105,000
Transportation	850.190	\$ 20,000	855.190	\$ 20,000	825.190	\$ 20,000	\$ 60,000
Living Quarters	850.200	\$ 50,000	855.200	\$ 2,500			\$ 52,500
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 43,000	855.210	\$ 187,000	825.210	\$ 55,000	\$ 285,000
Tubular Inspections	850.215	\$ 13,000	855.215	\$ 8,000			\$ 21,000
Consulting Engineer	850.220	\$ 35,300					\$ 35,300
On-Site Supervision	850.225	\$ 57,600	855.225	\$ 54,000	825.225	\$ -	\$ 111,600
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 5,000	\$ 18,000
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ -	\$ 38,000
Fluid Haul & Disposal	850.290	\$ 75,000	855.290	\$ 25,000	825.290	\$ 3,000	\$ 103,000
Water Transfer Services	850.291	\$ -	855.291	\$ 86,000			\$ 86,000
Overhead	850.300	\$ 2,300	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,800
Completion Unit			855.310	\$ 132,000			\$ 132,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 188,000			\$ 188,000
Acidizing			855.340	\$ 9,500			\$ 9,500
Fracturing 200 Stage Spacing 31 Stages			855.350	\$ 1,203,000			\$ 1,203,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ 8,000			\$ 8,000
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
TOTAL INTANGIBLES		\$ 1,494,500		\$ 2,826,200		\$ 115,100	\$ 4,435,800

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 25,000					\$ 25,000
Surface Casing	13 3/8	48.0	J-55	79.00	375	860.020	\$ 30,000					\$ 30,000
Intermediate Casing	9 5/8	36.0	J-55	61.00	1,230	860.030	\$ 75,000					\$ 75,000
Production Casing -top string	7	32.0	L-80	50.00	3,200	860.040	\$ 160,000					\$ 160,000
Production Casing -bottom string	5 1/2	20.0	L-80	37.00	6,970	860.041	\$ 258,000					\$ 258,000
Casing Head Spools						860.050	\$ 5,000					\$ 5,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	L-80	10.20	3,000			865.120	\$ 31,000			\$ 31,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 20,000			\$ 20,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 28,000					\$ 28,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 145,000			\$ 145,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ 2,000	865.090	\$ -	826.090	\$ -	\$ 2,000
Tanks, Stairs, & Walkways										826.150	\$ 109,000	\$ 109,000
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 210,000	\$ 210,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 128,000	\$ 128,000
Meters & Meter Runs										826.240	\$ 65,000	\$ 65,000
Electrical & SCADA Automation								865.270	\$ 50,000	826.270	\$ 65,000	\$ 115,000
TOTAL TANGIBLES							\$ 583,000		\$ 270,000		\$ 577,000	\$ 1,430,000

prepared by: <i>Monnie DeHart</i>	TOTAL WELL COST	\$ 2,077,500		\$ 3,096,200		\$ 692,100	\$ 5,865,800
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PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY
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AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company			AFE NO.	DATE 12/8/2023
WELL NAME & NUMBER Walter 182710111 13H		PROPOSED TVD 3,600	PROPOSED MEASURED DEPTH 10,250	FIELD/PROSPECT Red Lake
COUNTY Eddy	STATE NM	COMPLETED LATERAL 6,250		PROPOSED FORMATION Yeso
LOCATION		CLASSIFICATION Development	Surface LAT: Surface LONG:	

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 25,000	855.010	\$ -	825.010	\$ -	\$ 25,000
Drilling Title Opinion	850.020	\$ 65,000					\$ 65,000
Location, Roads, & Pits	850.030	\$ 125,000	855.030	\$ -	825.030	\$ 10,000	\$ 135,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 13 days @ \$ 20,000 /day	850.060	\$ 260,000	855.060	\$ -			\$ 260,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 34,500					\$ 34,500
Directional Services	850.095	\$ 155,000					\$ 155,000
Mud & Chemicals	850.100	\$ 35,000					\$ 35,000
Solids Control Services	850.105	\$ 45,000					\$ 45,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1400 gal/day @ \$ 3.50 /day	850.111	\$ 63,700	855.111	\$ 153,000			\$ 216,700
Water - Fresh	850.120	\$ 10,000	855.120	\$ 241,800	825.120	\$ 2,000	\$ 253,800
Kill Weight Fluids	850.125	\$ 25,000	855.125	\$ 2,000			\$ 27,000
Cementing Svcs Surf \$ 16,000 Int \$ 14,000 Prod Csg \$ 80,000	850.130	\$ 110,000					\$ 110,000
Casing Hardware Surf \$ 2,500 Int \$ 2,500 Prod \$ 35,000	850.135	\$ 40,000					\$ 40,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 269,000			\$ 269,000
Mud Logging	850.150	\$ 13,400					\$ 13,400
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 29,700	855.180	\$ 157,000	825.180	\$ 12,000	\$ 198,700
Downhole Equip Rentals	850.185	\$ 30,000	855.185	\$ 75,000			\$ 105,000
Transportation	850.190	\$ 20,000	855.190	\$ 20,000	825.190	\$ 20,000	\$ 60,000
Living Quarters	850.200	\$ 50,000	855.200	\$ 2,500			\$ 52,500
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 43,000	855.210	\$ 187,000	825.210	\$ 55,000	\$ 285,000
Tubular Inspections	850.215	\$ 13,000	855.215	\$ 8,000			\$ 21,000
Consulting Engineer	850.220	\$ 35,300					\$ 35,300
On-Site Supervision	850.225	\$ 57,600	855.225	\$ 54,000	825.225	\$ -	\$ 111,600
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 5,000	\$ 18,000
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ -	\$ 38,000
Fluid Haul & Disposal	850.290	\$ 75,000	855.290	\$ 25,000	825.290	\$ 3,000	\$ 103,000
Water Transfer Services	850.291	\$ -	855.291	\$ 86,000			\$ 86,000
Overhead	850.300	\$ 2,300	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,800
Completion Unit			855.310	\$ 132,000			\$ 132,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 188,000			\$ 188,000
Acidizing			855.340	\$ 9,500			\$ 9,500
Fracturing 200 Stage Spacing 31 Stages			855.350	\$ 1,203,000			\$ 1,203,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ 8,000			\$ 8,000
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
TOTAL INTANGIBLES		\$ 1,494,500		\$ 2,826,200		\$ 115,100	\$ 4,435,800

DESCRIPTION	TANGIBLES					DRILLING		COMPLETION		FACILITIES		TOTAL
	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 25,000					\$ 25,000
Surface Casing	13 3/8	48.0	J-55	79.00	375	860.020	\$ 30,000					\$ 30,000
Intermediate Casing	9 5/8	36.0	J-55	61.00	1,230	860.030	\$ 75,000					\$ 75,000
Production Casing -top string	7	32.0	L-80	50.00	3,200	860.040	\$ 160,000					\$ 160,000
Production Casing -bottom string	5 1/2	20.0	L-80	37.00	6,970	860.041	\$ 258,000					\$ 258,000
Casing Head Spools						860.050	\$ 5,000					\$ 5,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	L-80	10.20	3,000			865.120	\$ 31,000			\$ 31,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 20,000			\$ 20,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 28,000					\$ 28,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 145,000			\$ 145,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ 2,000	865.090	\$ -	826.090	\$ -	\$ 2,000
Tanks, Stairs, & Walkways										826.150	\$ 109,000	\$ 109,000
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 210,000	\$ 210,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 128,000	\$ 128,000
Meters & Meter Runs										826.240	\$ 65,000	\$ 65,000
Electrical & SCADA Automation								865.270	\$ 50,000	826.270	\$ 65,000	\$ 115,000
TOTAL TANGIBLES							\$ 583,000		\$ 270,000		\$ 577,000	\$ 1,430,000

prepared by: <i>Monnie DeHart</i>	TOTAL WELL COST	\$ 2,077,500		\$ 3,096,200		\$ 692,100	\$ 5,865,800
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY			



AUTHORITY FOR EXPENDITURE

Table with header information including OPERATOR (Riley Permian Operating Company), WELL NAME & NUMBER (Walter 182710111 22H), PROPOSED TVD (3,600), PROPOSED MEASURED DEPTH (10,250), FIELD/PROSPECT (Red Lake), COUNTY (Eddy), STATE (NM), COMPLETED LATERAL (6,250), PROPOSED FORMATION (Yeso), and DATE (12/8/2023).

Main table for Intangibles, Drilling, Completion, and Facilities. Columns include Description, Account, Amount, and Total. Rows list various services such as Permits & Surveys, Drilling Title Opinion, Location, Roads, & Pits, etc., with associated costs.

Main table for Tangibles, Drilling, Completion, and Facilities. Columns include Description, Size, Weight, Grade, Cost/Ft., Length, Account, Amount, and Total. Rows list physical equipment and materials like Conductor Pipe, Surface Casing, Intermediate Casing, etc.

Summary row: TOTAL WELL COST \$ 2,077,500. Completion: \$3,096,200. Facilities: \$692,100. Grand Total: \$5,865,800.

Partner Company section with fields for NAME / TITLE, DATE, and APPROVED BY.



AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company			AFE NO.	DATE 12/8/2023
WELL NAME & NUMBER Walter 182710111 22H		PROPOSED TVD 3,600	PROPOSED MEASURED DEPTH 10,250	FIELD/PROSPECT Red Lake
COUNTY Eddy	STATE NM	COMPLETED LATERAL 6,250		PROPOSED FORMATION Yeso
LOCATION			CLASSIFICATION Development	Surface LAT: Surface LONG:

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 25,000	855.010	\$ -	825.010	\$ -	\$ 25,000
Drilling Title Opinion	850.020	\$ 65,000					\$ 65,000
Location, Roads, & Pits	850.030	\$ 125,000	855.030	\$ -	825.030	\$ 10,000	\$ 135,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 13 days @ \$ 20,000 /day	850.060	\$ 260,000	855.060	\$ -			\$ 260,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 34,500					\$ 34,500
Directional Services	850.095	\$ 155,000					\$ 155,000
Mud & Chemicals	850.100	\$ 35,000					\$ 35,000
Solids Control Services	850.105	\$ 45,000					\$ 45,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1400 gal/day @ \$ 3.50 /day	850.111	\$ 63,700	855.111	\$ 153,000			\$ 216,700
Water - Fresh	850.120	\$ 10,000	855.120	\$ 241,800	825.120	\$ 2,000	\$ 253,800
Kill Weight Fluids	850.125	\$ 25,000	855.125	\$ 2,000			\$ 27,000
Cementing Svcs Surf \$ 16,000 Int \$ 14,000 Prod Csg \$ 80,000	850.130	\$ 110,000					\$ 110,000
Casing Hardware Surf \$ 2,500 Int \$ 2,500 Prod \$ 35,000	850.135	\$ 40,000					\$ 40,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 269,000			\$ 269,000
Mud Logging	850.150	\$ 13,400					\$ 13,400
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 29,700	855.180	\$ 157,000	825.180	\$ 12,000	\$ 198,700
Downhole Equip Rentals	850.185	\$ 30,000	855.185	\$ 75,000			\$ 105,000
Transportation	850.190	\$ 20,000	855.190	\$ 20,000	825.190	\$ 20,000	\$ 60,000
Living Quarters	850.200	\$ 50,000	855.200	\$ 2,500			\$ 52,500
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 43,000	855.210	\$ 187,000	825.210	\$ 55,000	\$ 285,000
Tubular Inspections	850.215	\$ 13,000	855.215	\$ 8,000			\$ 21,000
Consulting Engineer	850.220	\$ 35,300					\$ 35,300
On-Site Supervision	850.225	\$ 57,600	855.225	\$ 54,000	825.225	\$ -	\$ 111,600
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 5,000	\$ 18,000
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ -	\$ 38,000
Fluid Haul & Disposal	850.290	\$ 75,000	855.290	\$ 25,000	825.290	\$ 3,000	\$ 103,000
Water Transfer Services	850.291	\$ -	855.291	\$ 86,000			\$ 86,000
Overhead	850.300	\$ 2,300	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,800
Completion Unit			855.310	\$ 132,000			\$ 132,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 188,000			\$ 188,000
Acidizing			855.340	\$ 9,500			\$ 9,500
Fracturing 200 Stage Spacing 31 Stages			855.350	\$ 1,203,000			\$ 1,203,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ 8,000			\$ 8,000
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
TOTAL INTANGIBLES				\$ 2,826,200		\$ 115,100	\$ 4,435,800

DESCRIPTION	TANGIBLES					DRILLING		COMPLETION		FACILITIES		TOTAL
	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 25,000					\$ 25,000
Surface Casing	13 3/8	48.0	J-55	79.00	375	860.020	\$ 30,000					\$ 30,000
Intermediate Casing	9 5/8	36.0	J-55	61.00	1,230	860.030	\$ 75,000					\$ 75,000
Production Casing -top string	7	32.0	L-80	50.00	3,200	860.040	\$ 160,000					\$ 160,000
Production Casing -bottom string	5 1/2	20.0	L-80	37.00	6,970	860.041	\$ 258,000					\$ 258,000
Casing Head Spools						860.050	\$ 5,000					\$ 5,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	L-80	10.20	3,000			865.120	\$ 31,000			\$ 31,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 20,000			\$ 20,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 28,000					\$ 28,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 145,000			\$ 145,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ 2,000	865.090	\$ -	826.090	\$ -	\$ 2,000
Tanks, Stairs, & Walkways										826.150	\$ 109,000	\$ 109,000
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 210,000	\$ 210,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 128,000	\$ 128,000
Meters & Meter Runs										826.240	\$ 65,000	\$ 65,000
Electrical & SCADA Automation								865.270	\$ 50,000	826.270	\$ 65,000	\$ 115,000
TOTAL TANGIBLES						\$ 583,000		\$ 270,000		\$ 577,000		\$ 1,430,000

prepared by: <i>Monnie DeHart</i>	TOTAL WELL COST	\$ 2,077,500		\$ 3,096,200		\$ 692,100	\$ 5,865,800
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY			

Chronology of Contact, Exhibit C-7

- Summary of Contacts

- Riley retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Riley searched public records, phone directory, and various different types of internet searches.
- Riley sent well proposal letters to the working interest owners on or around December 14, 2023.
- Riley proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Riley sent the working interest owners JOAs.
- Riley had multiple communications with the uncommitted working interest owners, which are outlined in the chart below.
- Riley filed the application to force pool working interest owners who had not entered into an agreement.
- Riley's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners.
- Riley also published notice in a newspaper of general circulation in the county where the wells will be located.

Chronology of Contact, Exhibit C-7 continued

Date	Recipient	Description
11/13/2023	Mark Hicks - Spur	Email correspondence regarding possible trade Red Skies/Walter unit for Baffin Unit
11/17/2023	Mark Hicks - Spur	Email correspondence regarding possible trade Red Skies/Walter unit for Baffin Unit
11/20/2023	Mark Hicks - Spur	Email correspondence regarding possible trade Red Skies/Walter unit for Baffin Unit
11/21/2023	Mark Hicks - Spur	Email correspondence regarding possible trade Red Skies/Walter unit for Baffin Unit
11/28/2023	Mark Hicks - Spur	Email correspondence regarding possible trade Red Skies/Walter unit for Baffin Unit
12/11/2023	Mark Hicks - Spur	Email correspondence regarding possible trade Red Skies/Walter unit for Baffin Unit
12/14/2023	Mark Hicks - Spur	Emailed Walter well proposals and AFE's ; Lance Young confirmed receipt
12/15/2023	Mark Hicks - Spur	Walter well proposals and AFE's

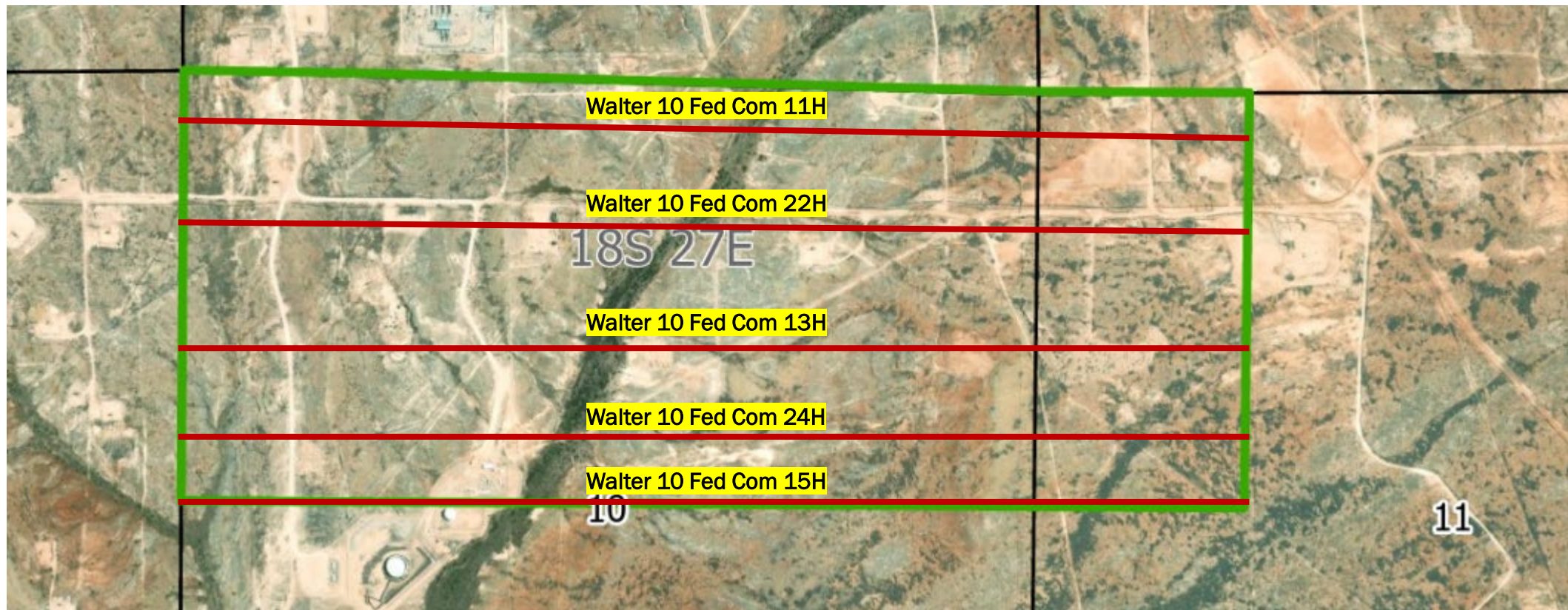
Geology: Walter HSU - Base Map

Exhibit D-1

Proposing a 400 acre HSU in 18S 27E Sec 10 & 11, Eddy Co NM.

Proposing the drilling and completion of 5, 1.25 mile HZ wells in the Yeso interval.

Proposed Unit outline:



Geology: Walter DSU Formation Structure Map

Exhibit D-2

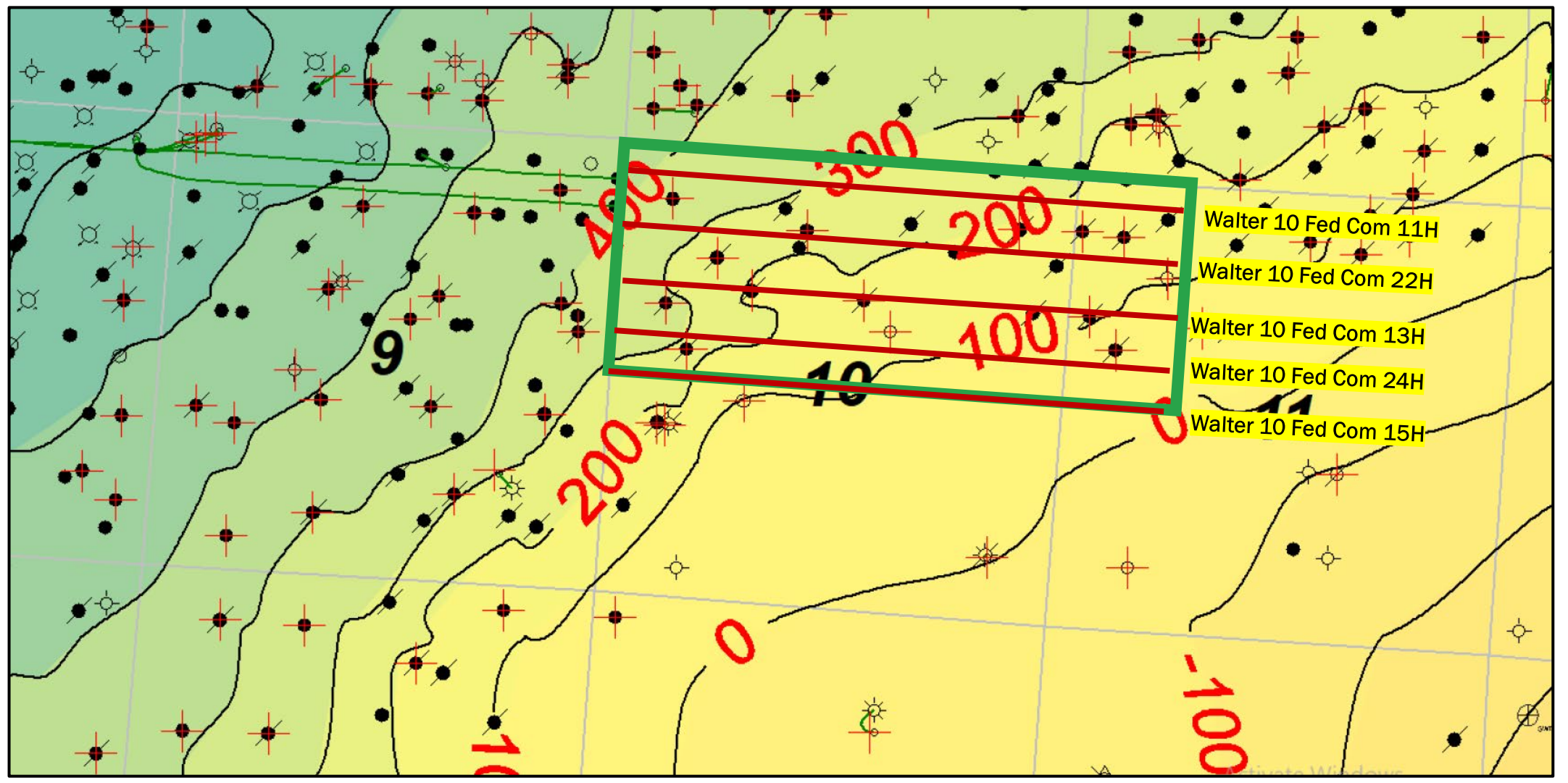
PDCK TVD SS
Structure Map

100' Contour
Intervals.

+

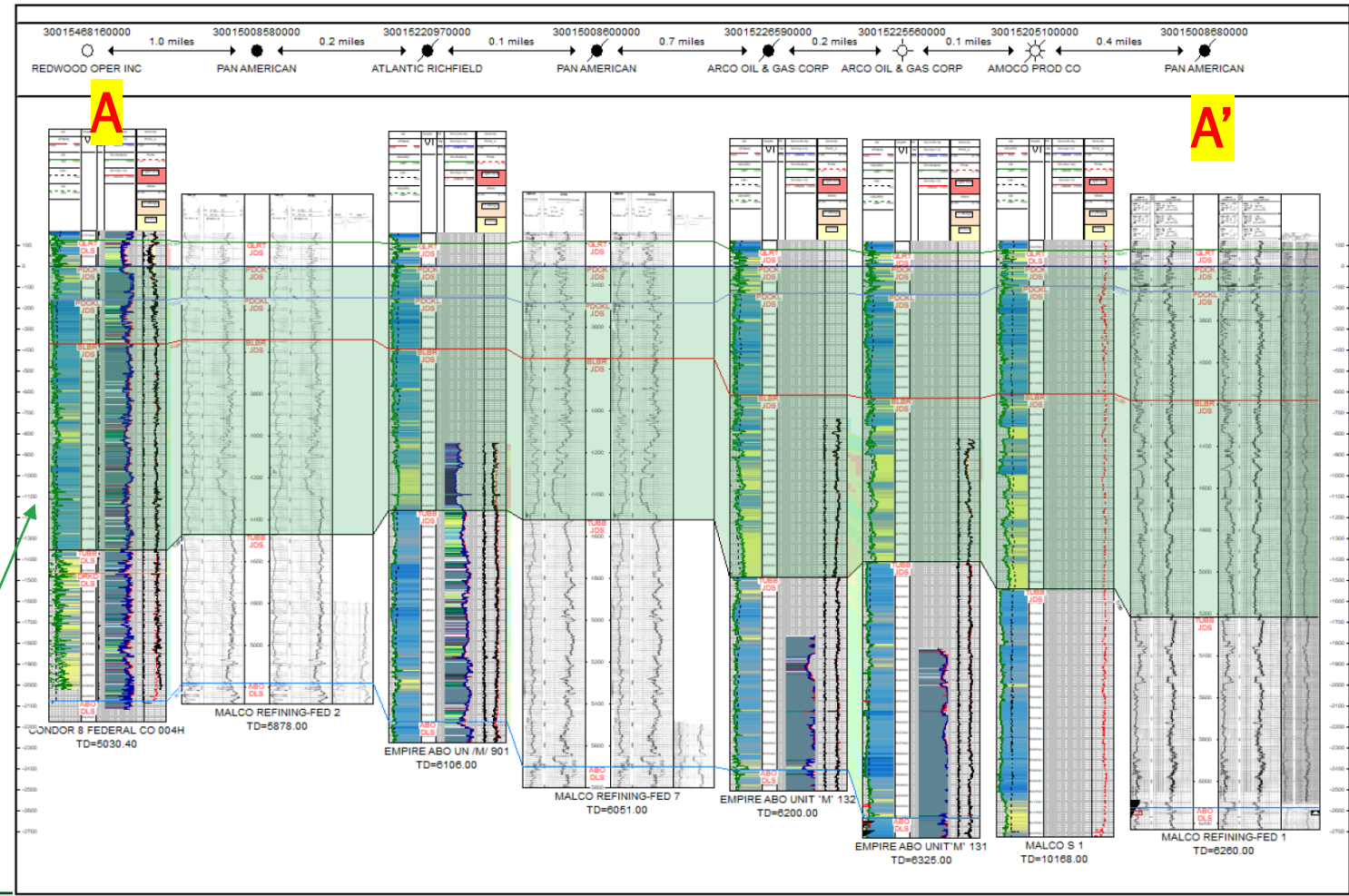
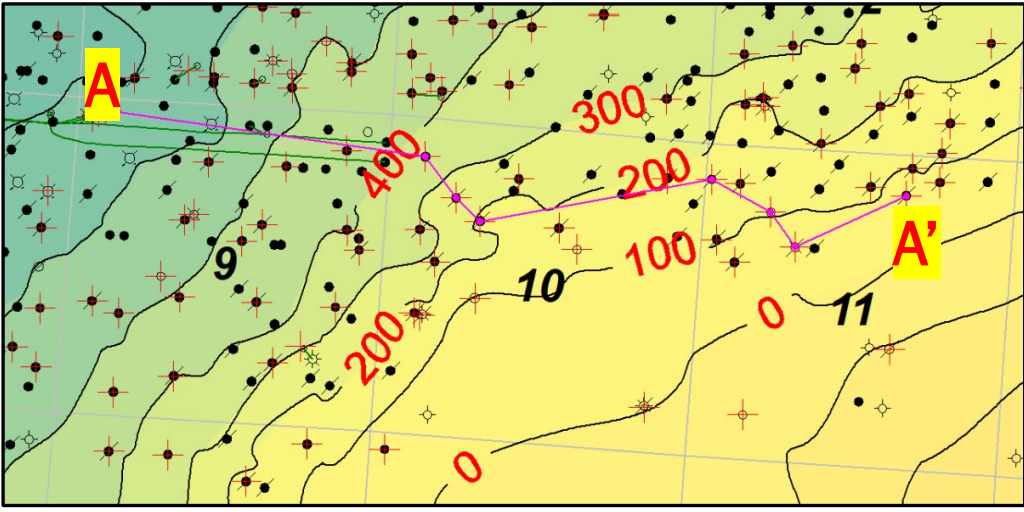
Data Point

Proposed Unit outline:



RILEY PERMIAN

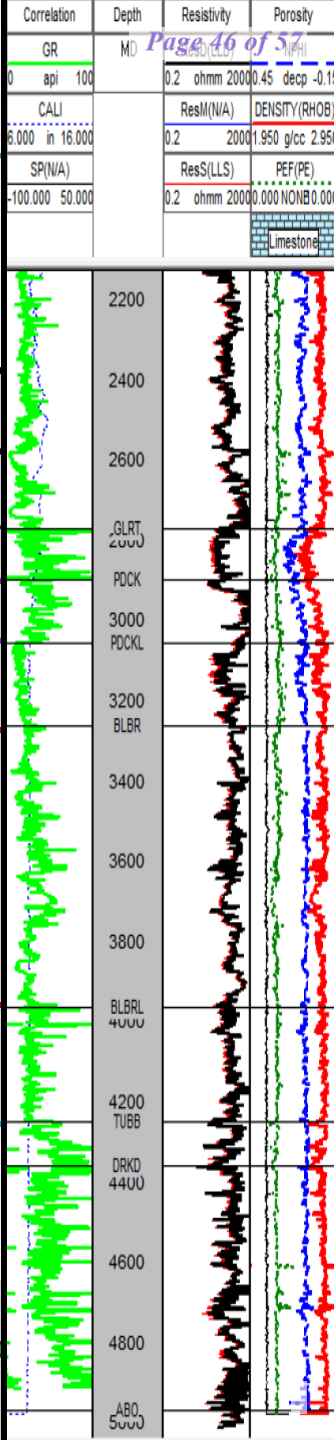
Exhibit D-3



Yeso Target Interval

RILEY PERMIAN

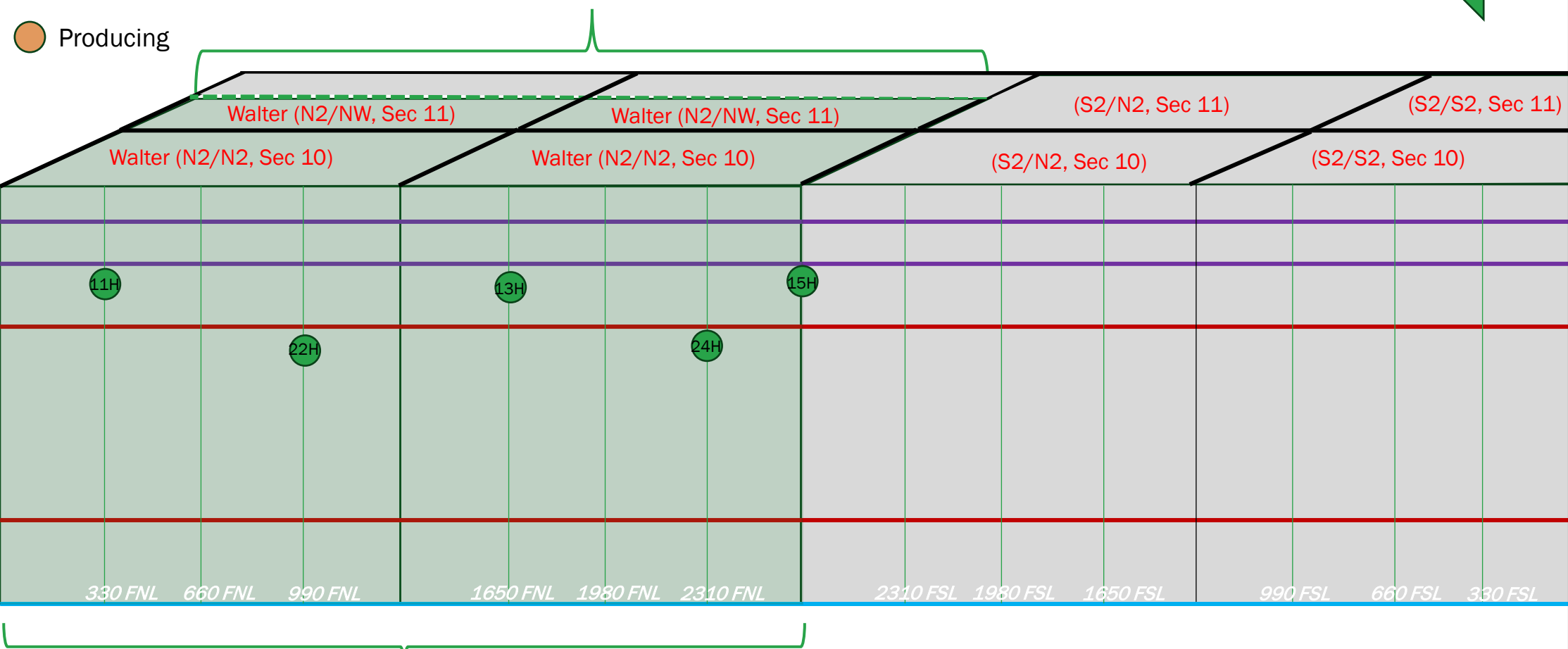
Geology: Hawk DSU Gunbarrel Schematic



18S 27E Sec 10 & 11, Eddy Co NM



- Proposed
- Producing



Proposed 400 acre HSU/DSU

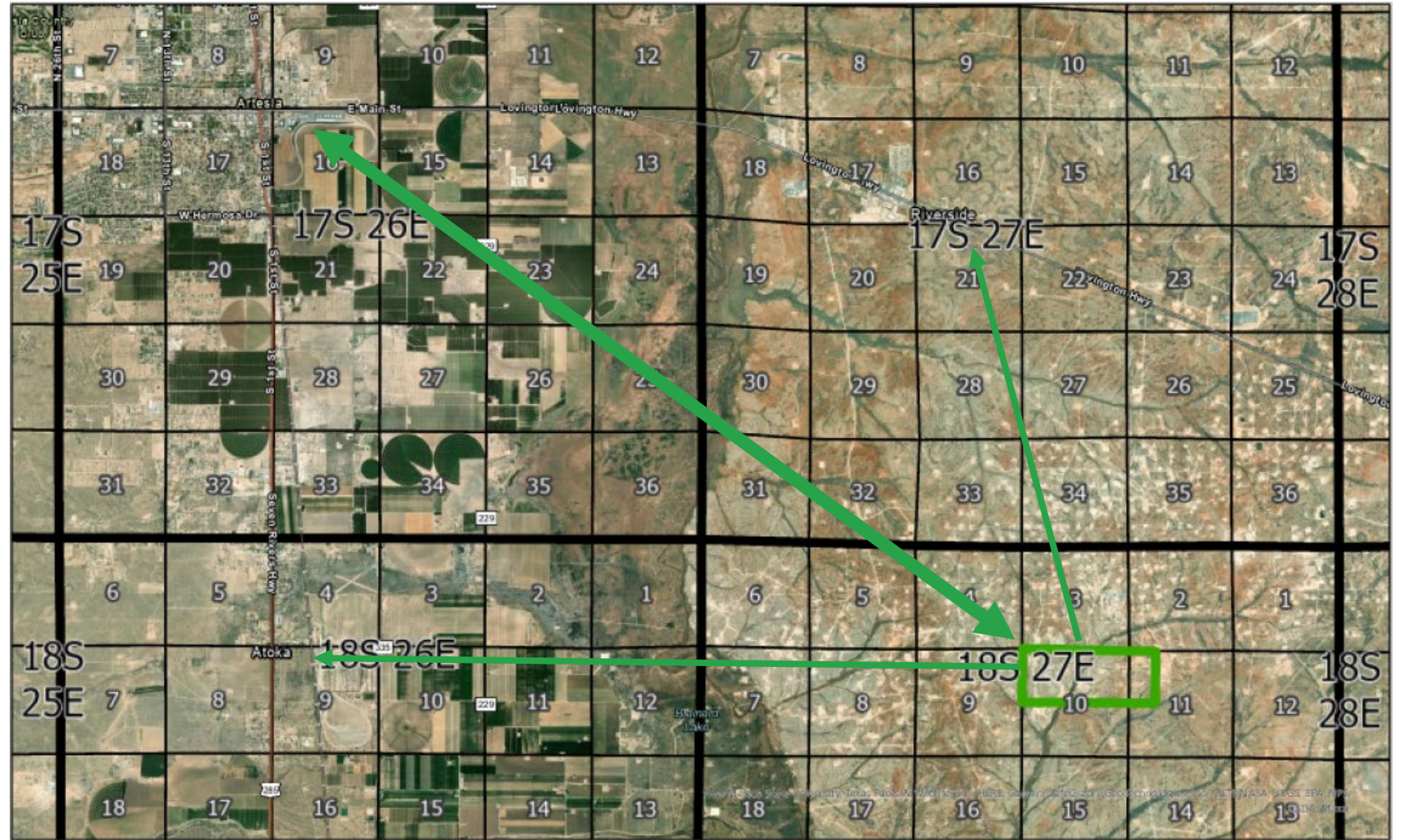
RILEY PERMIAN

Condor 8 Fed Com 4H Pilot
30015468160000



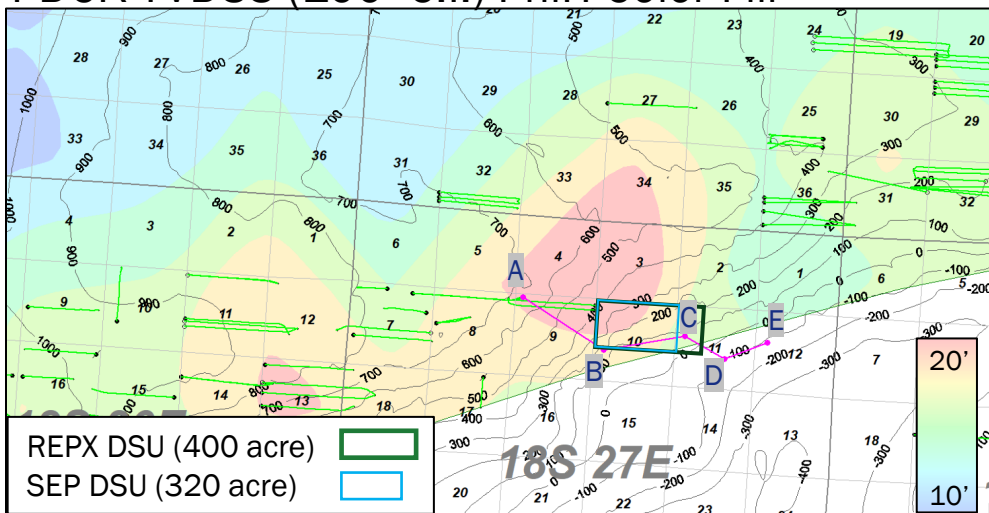
Location Indicator Relative to Nearest Major City/Town

The Walter proposed DSU is ~10 miles from Artesia, 4.5 miles from Riverside, and 7 miles from Atoka, NM.

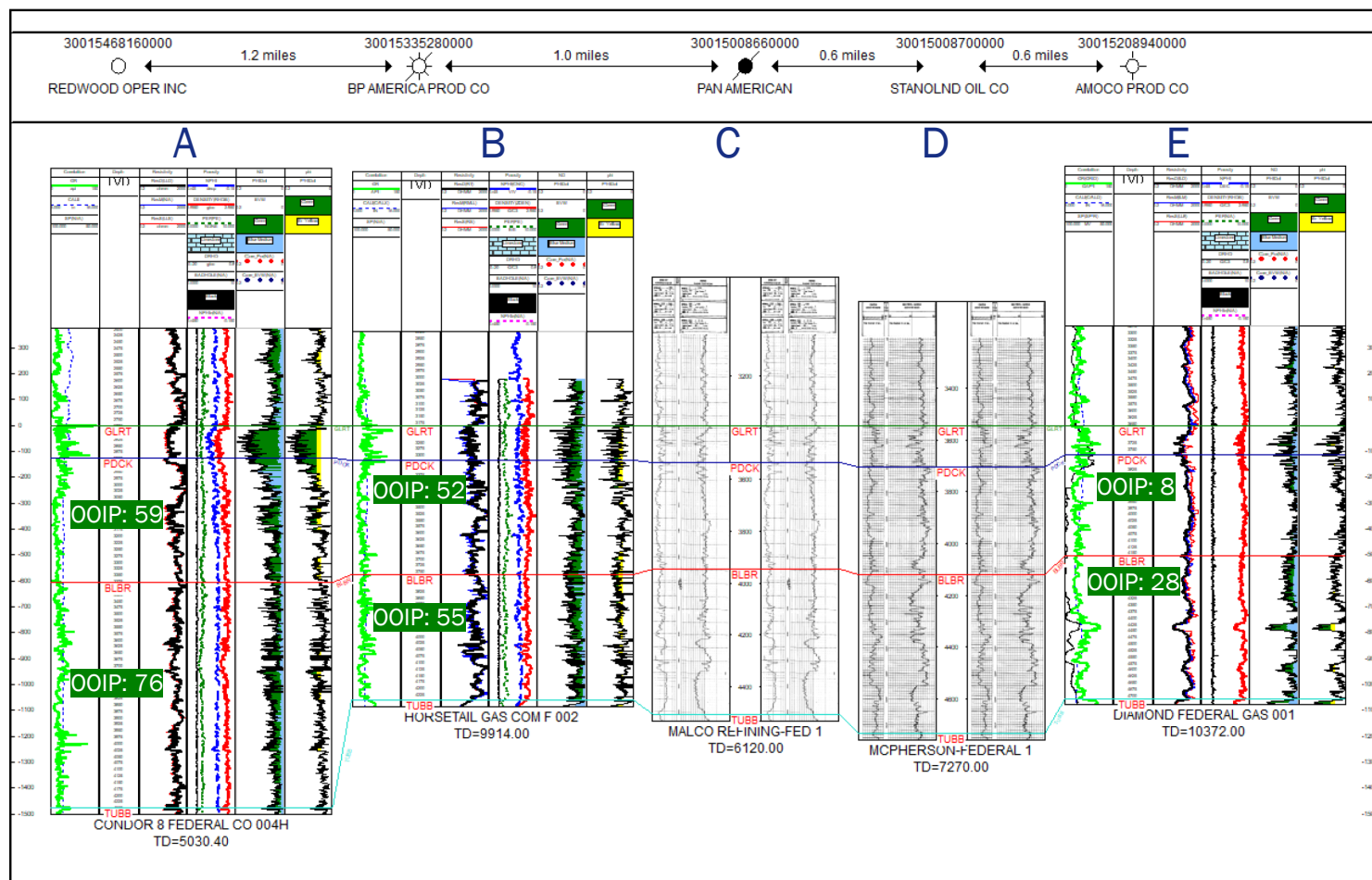


Volumetrics

PDCK TVDSS (100' C.I.) PhiH Color Fill



Reservoir presence & quality in the Yeso interval decreases as you move SE away from the shelf margin or structural high. The correlation across the proposed DSUs show the Yeso interval losing porosity and oil saturation as you move South and East.



Landing Target & OOIP

Engineering: Walter HSU

Exhibit E – Recoverable Reserves

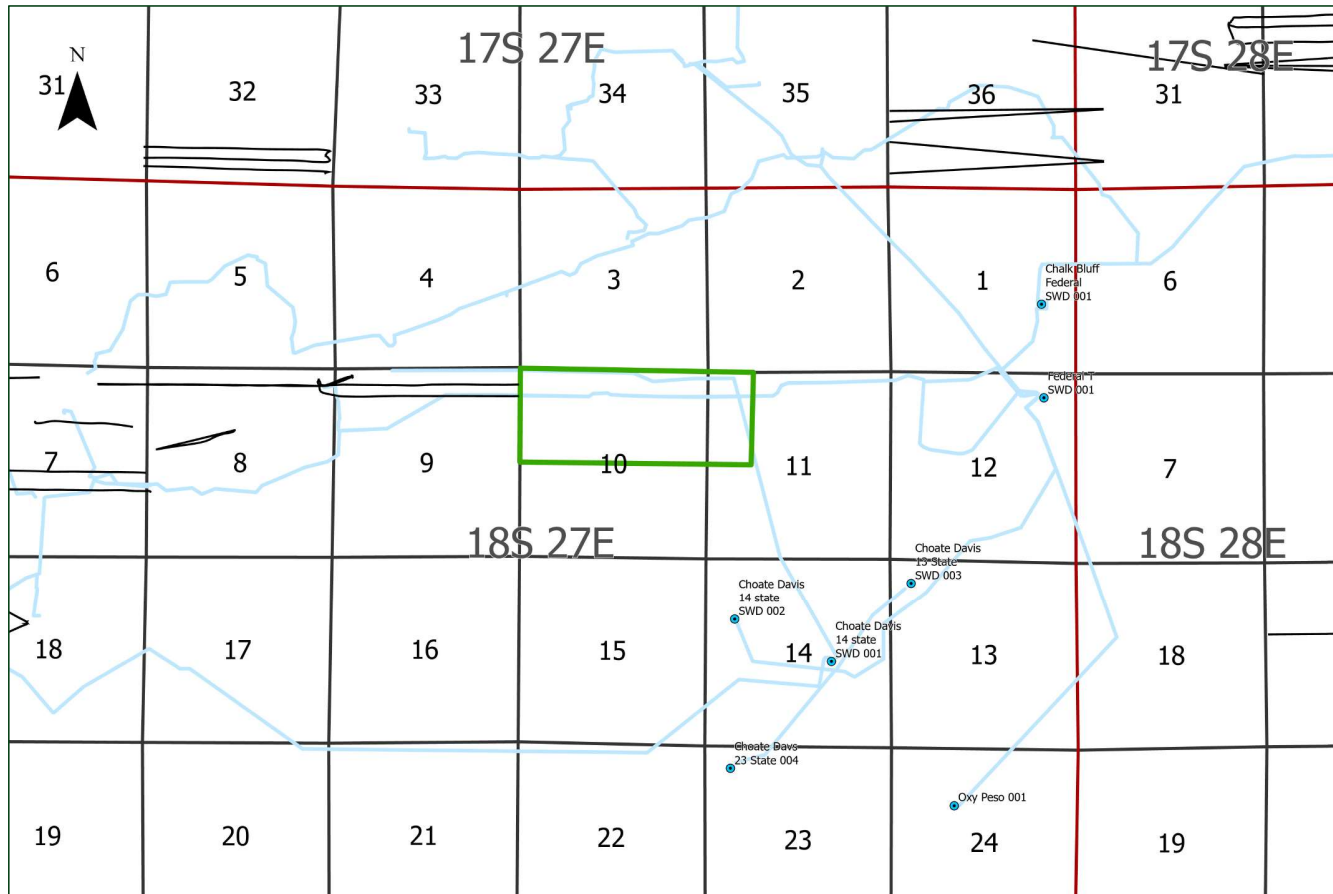
	Unit size, acres	OIP of the unit, mmbbls	Anticipated Recovery Factor	Recoverable Reserves, mmbbls	Recoverable Reserves Difference, mmbbls	# of wells	Completed Lateral Length	EUR/well (mmbbl)
1.25 mile horizontal wells	400	66.88	5.0%	3.344	0.669	5	31,250	0.669
1 mile horizontal wells	320	53.50	5.0%	2.675		5	25,000	0.535

	Unit size, acres	OIP of the unit, mmbbls	Anticipated Recovery Factor	Recoverable Reserves, mmbbls	Recoverable Reserves Difference, mmbbls	# of wells	Completed Lateral Length	EUR/well (mmbbl)
1.25 mile horizontal wells	400	66.88	7.5%	5.016	1.003	5	31,250	1.003
1 mile horizontal wells	320	53.50	7.5%	4.013		5	25,000	0.803

	Unit size, acres	OIP of the unit, mmbbls	Anticipated Recovery Factor	Recoverable Reserves, mmbbls	Recoverable Reserves Difference, mmbbls	# of wells	Completed Lateral Length	EUR/well (mmbbl)
1.25 mile horizontal wells	400	66.88	2.5%	1.672	0.334	5	31,250	0.334
1 mile horizontal wells	320	53.50	2.5%	1.338		5	25,000	0.268

Engineering: Walter HSU

Exhibit F – Infrastructure and Operations



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

APPLICATION OF RILEY PERMIAN OPERATING
COMPANY, LLC FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO

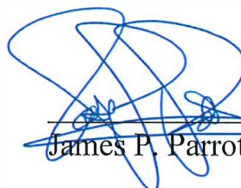
CASE NO. 24093

AFFIDAVIT

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

James P. Parrot, attorney in fact and authorized representative of Riley Permian Operating Company, LLC ("Riley"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated December 15, 2023, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about December 19, 2023, as shown on certified mail receipts attached as Exhibit G.

Applicant also published notice of the Application in the Carlsbad Current Argus on December 20, 2023. Proof of receipts is shown on Exhibit H.


James P. Parrot

SUBSCRIBED AND SWORN to before me on January 26, 2024 by James P. Parrot.

My commission expires:

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCTOBER 4, 2025


NOTARY PUBLIC

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW
500 DON GASPAR AVENUE
SANTA FE, NEW MEXICO 87505
TELEPHONE 505-983-8545
FAX 1-800-886-6566
www.bwenergylaw.com

OFFICE LOCATIONS
COLORADO
NEW MEXICO
TEXAS
WYOMING

MIGUEL SUAZO

(505) 946-2090
MSUAZO@BWENERGYLAW.COM

December 15, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of Riley Permian Operating Company, LLC for horizontal spacing and compulsory pooling, Eddy County, New Mexico
Walter 182710111 #11H, Walter 182710111 #22H, Walter 182710111 #13H, Walter 182710111 #15H, Walter 182710111 #24H, and Walter 182710111 #28H Wells (Case No. 24093)

Dear Interest Owners:

This letter is to advise you that Riley Permian Operating Company, LLC (“Riley”) has filed the enclosed application, Case No. 24093, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Yeso formation involving the Walter 182710111 #11H, Walter 182710111 #22H, Walter 182710111 #13H, Walter 182710111 #15H, Walter 182710111 #24H, and Walter 182710111 #28H Wells.

In Case No. 24093, Riley plans to space and pool the N/2 of Section 10 and the W/2NW/4 of Section 11, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, a standard unit encompassing 400 acres, more or less, dedicated to the Walter 182710111 #11H, Walter 182710111 #22H, Walter 182710111 #13H, Walter 182710111 #15H, Walter 182710111 #24H, and Walter 182710111 #28H Wells.

A hearing has been requested before a Division Examiner on January 4, 2024, and the status of the hearing can be monitored through the Division’s website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division’s Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, the hearing will be conducted remotely. For information about remote access, you can visit the Division’s website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

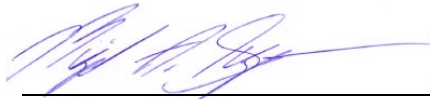
BEATTY & WOZNIAK, P.C.

December 15, 2023
Case Nos. 24093
Page 2

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.


If you have any questions about this matter, please contact Mark Smith at (405) 415-8925 or at marksmith@rileypermian.com.

Sincerely,



Miguel Suazo

Attorney for Riley Permin Operating Company,
LLC

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY												
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to: 9310-03</p> <p>SEP Permian LLC Spur Energy Partners LLC 9655 Katy Freeway, Suite 500 Houston, TX 77024</p>  <p>9590 9402 8362 3156 4607 50</p>	<p>A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Levine Ann Mercant</i></p> <p>C. Date of Delivery <i>12/20/23</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery	
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Affidavit of Publication

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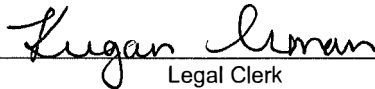
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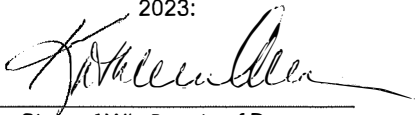
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

12/20/2023

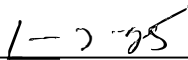


Legal Clerk

Subscribed and sworn before me this December 20, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005867754

PO #:

of Affidavits 1

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LEGAL NOTICE
December 20, 2023

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. Hearings will be conducted remotely. The hearing will be conducted on Thursday, January 4, 2024, beginning at 8:15 A.M. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/OCD/hearing-info/> or obtained from Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov. Documents filed in the case may be viewed at <https://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than December 26, 2023.

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

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

TO: All overriding royalty interest owners and pooled parties, including: SEP Permian LLC and Spur Energy Partners LLC

CASE NO. 24093: Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 400-acre, more or less, spacing and proration unit comprised of the N/2 of Section 10 and the W/2NW/4 of Section 11, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Yeso formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Walter 182710111 #11H and Walter 182710111 #22H Wells, which are oil wells that will be horizontally drilled from a surface location in the NE1/4NE1/4 of Section 9 to a bottom hole location in the Yeso Formation in the NW1/4NW1/4 of Section 11, and the Walter 182710111 #13H, Walter 182710111 #15H, Walter 182710111 #24H, and Walter 182710111 #28H Wells, which are oil wells that will be horizontally drilled from a surface location in the NE1/4NE1/4 of Section 9 to a bottom hole location in the Yeso Formation in the SW1/4NW1/4 of Section 11. The wells are orthodox in location and the take points and laterals comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of

the wells and unit; and a 20% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 10 miles from Artesia, New Mexico. #5867754, Current Arqus, December 20, 2023