

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

**APPLICATION OF TASCOSA ENERGY
PARTNERS, LLC FOR APPROVAL OF
THE KONG DELAWARE STATE
EXPLORATORY UNIT, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 24181

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

APPLICATION OF TASCOSA ENERGY
PARTNERS, LLC FOR APPROVAL OF
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CASE NO. 24181

SELF-AFFIRMED STATEMENT
OF JOHN SHOBERG

1. I am a Landman for Tascosa Energy Partners, LLC (“Tascosa”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Tascosa’s Application and Proposed Hearing Notice are attached as **Exhibit A-1**.

3. Since this application seeks approval of a voluntary unit, I do not expect any opposition at hearing.

4. Tascosa applies for an order approving the KONG Delaware State Exploratory Unit, a voluntary unit consisting of the following 473.98 acres of State land situated in Eddy County (“Unit Area”):

TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M

Section 19: Lots 1-4 and E/2 NW/4

Section 30: Lots 1-4 and E/2 SW/4

5. Tascosa is the designated operator for the proposed unit.

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit A

6. The unitized interval is the Delaware Sands formation, at a stratigraphic equivalent of the interval between 2,270 feet and 4,475 feet as found in the Compensated Neutron Formation Density well log on the Boscowitz #1 well (API No. 30-015-20777), located in Section 30, Township 21 South, Range 26 East, Eddy County, New Mexico.

7. **Exhibit A-2** is a copy of the proposed Unit Agreement with Exhibits A, B and C. It conforms with the state exploratory unit form.

8. Exhibit A to the Unit Agreement outlines the boundary of the Unit Area in yellow and also identifies in yellow the tracts of state land in which working interest is committed to the Unit.

9. Exhibit B to the Unit Agreement shows the ownership breakdown by tract for the committed working interest in the Unit Area. 100% of the working interest in the state acreage is currently committed to the proposed Unit.

10. Exhibit C to the Unit Agreement is the Schedule of Tract Participation for the 4 tracts of state land committed to the Unit.

11. Tascosa has met with the New Mexico State Land Office regarding the proposed unitized area and Unit Agreement. **Exhibit A-3** is a copy of the preliminary approval email from the New Mexico State Land Office in support of the proposed unitized area and Unit Agreement.

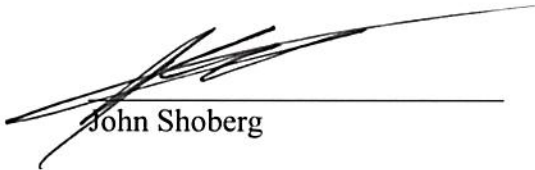
12. This agreement shall become effective on the date of the OCD grants the order approving the Unit Agreement and shall be for a term of five (5) years after such date in accordance with the terms of the Unit Agreement.

13. Tascosa is required by the Unit Agreement to spud a well in the unitized area sixty (60) days after the Unit Agreement becomes effective, pursuant to provisions of paragraph 13 herein.

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

15. In my opinion, the granting of Tascosa's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

16. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.



John Shoberg

3/5/2024
Date

Exhibit "A-1"

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

**APPLICATION OF TASCOSA ENERGY
PARTNERS, LLC FOR APPROVAL OF
THE KONG DELAWARE STATE
EXPLORATORY UNIT, EDDY COUNTY,
NEW MEXICO.**

Case No. 24181

APPLICATION

Tascosa Energy Partners, LLC ("Tascosa" or "Applicant") (OGRID No. 329748), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for an order approving the KONG Delaware State Exploratory Unit. In support of this application, Tascosa states the following.

1. The proposed KONG Delaware State Exploratory Unit area consists of the following 473.98 acres of State land situated in Eddy County ("Unit Area"):

TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M.

Section 19: Lots 1-4 and E/2 NW/4

Section 30: Lots 1-4 and E/2 SW/4

2. Tascosa owns a substantial interest in the Unit Area and is the designated operator under the proposed Unit Agreement.

3. The unitized interval for the KONG Delaware State Exploratory Unit is the Delaware Sands formation, at a stratigraphic equivalent of the interval between 2,270 feet and 4,475 feet as found in the Compensated Neutron Formation Density well log on the Boscowitz #1 well (API No. 30-015-20777), located in Section 30, Township 21 South, Range 26 East, Eddy County, New Mexico.

4. Tascosa expects to obtain New Mexico State Land Office approval of the Unit Agreement prior to the hearing in this matter.

5. Tascosa is meeting with the working interest owners in the Unit Area and expects to obtain approval from a sufficient percentage of the interest owners to provide effective control of unit operations.

6. The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and, after notice and hearing this application be approved.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

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Phone: (505) 982-4554

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Counsel for Tascosa Energy Partners, LLC

Application of Tascosa Energy Partners, LLC for Approval of the KONG Delaware State Exploratory Unit, Eddy County, New Mexico. Tascosa Energy Partners, LLC (“Applicant”) seeks an order approving the KONG Delaware State Exploratory Unit (“Unit”). The proposed Unit consists of the following 473.98 acres of State land in Eddy County (“Unit Area”): Lots 1-4 and E/2 NW/4 of Section 19, and Lots 1-4 and E/2 SW/4 of Section 30, Township 21 South, Range 26 East, N.M.P.M. The unitized interval is the Delaware Sands formation, at the stratigraphic equivalent of the interval between 2,270 feet and 4,475 feet as found in the Compensated Neutron Formation Density well log on the Boscowitz #1 well (API No. 30-015-20777), located in Section 30, Township 21 South, Range 26 East, Eddy County, New Mexico. The Unit Area is located approximately 4 miles northwest of Carlsbad, New Mexico.

Exhibit "A-2"

ONLINE VERSION

**STATE/FEE
EXPLORATORY UNIT**

**UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE**

_____ **KONG Delaware** _____ **UNIT AREA**
_____ **EDDY** _____ **County(ies),**
_____ **NEW MEXICO** _____

ONLINE VERSION

STATE/FEE
EXPLORATORY UNITS
Revised February 12, 2004

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE

_____ KONG Delaware _____ UNIT AREA
_____ EDDY _____ COUNTY(IES), NEW MEXICO

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ONLINE VERSION STATE/FEE
EXPLORATORY UNITS
Revised February 12, 2004

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE

KONG Delaware UNIT AREA

EDDY COUNTY(IES), NEW MEXICO

THIS AGREEMENT, entered into as of the _____ day of January 2024, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto";

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty, or other oil or gas interests in the unit area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Sec. 1 of Chapter 162, Laws of 1951, (Chap. 19, Art. 10, Sec. 45, N.M. Statutes 1978 Annotated), to consent to and approve the development or operation of State Lands under agreements made by lessees of State Land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap. 19, Art. 10, Sec. 47, N.M. Statutes 1978 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State Lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (hereinafter referred to as the "Division"), is authorized by an Act of the Legislature (Chap. 72, Laws 1935, as amended, being Section 70-2-1 et seq. N. M. Statutes Annotated, 1978 Compilation) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the KONG Delaware Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below defined unit area, and agree severally among themselves as follows:

1. **UNIT AREA:** The following described land is hereby designated and recognized as constituting the unit area: [Attach another page if you need more space.]

Township 21S, Range 26E, N.M.P.M.

Section 19 Subdivisions: Lots 1-4, E/2NW/4

Section 30 Subdivisions: Lots 1-4 and E/2SW/4

Section _____ Subdivisions: _____

Section _____ Subdivisions: _____

Containing 473.98 total acres, more or less, in County(ies) EDDY New Mexico

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the unit operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the unit operator the acreage, percentage and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown on said map or schedule as owned by such party. Exhibit "A" and "B" shall be revised by the unit operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner" or the Oil Conservation Division, hereinafter referred to as the "Division".

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

2. **UNITIZED SUBSTANCES:** All oil, gas, natural gasoline, and associated fluid hydrocarbons from the Delaware Sands formation defined as the stratigraphic equivalent of 2,270 feet MD to 4,475 feet MD found in the Compensated Neutron Density log from the Boscowitz #001 well (API No. 30-015-20777) located in Lot 6 of Section 30 in Township 21 South, Range 26 East, N.M.P.M. Eddy County, New Mexico of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

3. **UNIT OPERATOR:** Tascosa Energy Partners, LLC

whose address is 901 W. Missouri Ave., Midland, TX 79701 is hereby designated as unit operator and by signature hereto commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit "B", and agrees and consents to

accept the duties and obligations of unit operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the unit operator, such reference means the unit operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to unit operator as the owner of a working interest when such an interest is owned by it.

4. **RESIGNATION OR REMOVAL OF UNIT OPERATOR:** Unit operator shall have the right to resign at any time but such resignation shall not become effective until a successor unit operator has been selected and approved in the manner provided for in Section 5 of this agreement. The resignation of the unit operator shall not release the unit operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

Unit operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new unit operator. Such removal shall be effective upon notice thereof to the Commissioner and the Division.

The resignation or removal of the unit operator under this agreement shall not terminate his right, title or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of unit operator becoming effective, such unit operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor unit operator, or to the owners thereof if no such new unit operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of wells.

5. **SUCCESSOR UNIT OPERATOR:** Whenever the unit operator shall resign as unit operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor unit operator; provided that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five percent (75%) of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a unit operator so selected shall accept in writing the duties and responsibilities of unit operator, and (b) the selection shall have been approved by the Commissioner. If no successor unit operator is selected and qualified as herein provided, the Commissioner at his election, with notice to the Division, may declare this unit agreement terminated.

6. **ACCOUNTING PROVISIONS:** The unit operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the unit operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the unit operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement". No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the unit operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement shall prevail.

7. **RIGHTS AND OBLIGATIONS OF UNIT OPERATOR:** Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the unitized substances are hereby delegated to and shall be exercised by the unit operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said unit operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of unit operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the unit operator, in its capacity as unit operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. **DRILLING TO DISCOVERY:** The unit operator shall, within sixty (60) days after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to attain the top of the Delaware formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of unit operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that unit operator shall not, in any event, be required to drill said well to a depth in excess of 4750 feet. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) unit operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner or until it is reasonably proven to the satisfaction of the unit operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the unit operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date.

9. **OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES:** Should unitized substances in paying quantities be discovered upon the unit area, the unit operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each twelve months period thereafter, file a report with the Commissioner and Division of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities, unit operator shall proceed with diligence to reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the unit operator should fail to comply with the above covenant for reasonable development this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units, but in such event, the basis of participation by the working interest owners shall remain the same as if this agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the unit operator

and the lessees or record in the manner prescribed by (Sec. 19-10-20 N.M. Statutes 1978 Annotated), of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by (Sec. 19-10-23 N.M. Statutes 1978 Annotated), and, provided further, in any event the unit operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

Notwithstanding any of the provisions of this Agreement to the contrary, all undeveloped regular well spacing or proration unit tracts within the unit boundaries shall be automatically eliminated from this Agreement and shall no longer be a part of the unit or be further subject to the terms of this agreement unless at the expiration of five (5) years after the first day of the month following the effective date of this agreement diligent drilling operations are in progress on said tracts.

10. PARTICIPATION AFTER DISCOVERY: Upon completion of a well capable of producing unitized substances in paying quantities the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein. For the purpose of determining any benefits accruing under this agreement and the distribution of the royalties payable to the State of New Mexico and other lessors, each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this agreement bears to the total number of acres committed hereto.

Notwithstanding any provisions contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the unit operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

11. ALLOCATION OF PRODUCTION: All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tracts of said unitized area.

12. PAYMENT OF RENTALS, ROYALTIES AND OVERRIDING ROYALTIES: The respective lease owners in accordance with the terms of their leases shall pay all rentals due to the State of New Mexico.

All royalties due to the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the unit operator shall make deliveries of such royalty share in accordance with the terms of the respective leases.

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

If the unit operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operation consented to by the Commissioner and approved by the Division as conforming to good petroleum engineering practices; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA: The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the terms of this agreement and the approval of this agreement by the Commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the terms of each such lease as to lands within the unitized area to the provisions and terms of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein as long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the unit operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the unit operator or any of the owners of the respective leasehold interests committed hereto to drill offset to wells as between the leasehold interests committed to this agreement, except as provided in Section 9 hereof.

Any lease embracing lands of the State of New Mexico of which only a portion is committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as two separate leases as to such segregated portions, commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced within the unitized area and committed to this agreement, in accordance with the terms of this agreement. If oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such lease which part is committed to this agreement at the expiration of the fixed term of such lease, such production shall not be considered as production from lands embraced in such lease which are not within the unitized area, and which are not committed thereto, and drilling or reworking operations upon some part of the lands embraced within the unitized area and committed to this agreement shall be considered as drilling and reworking operations only as to lands embraced within the unit agreement and not as to lands embraced within the lease and not committed to this unit agreement; provided, however, as to any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto upon which oil and gas, or either of them, has been discovered is discovered upon that portion of such lands not committed to this agreement, and are being produced in paying quantities prior to the expiration of the fixed term of such

lease, such production in paying quantities shall serve to continue such lease in full force and effect in accordance with its terms as to all of the lands embraced in said lease.

14. **CONSERVATION:** Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulations.

15. **DRAINAGE:** In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, unit operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

16. **COVENANTS RUN WITH LAND:** The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder to the grantee, transferee or other successor in interest. No assignment or transfer or any working, royalty, or other interest subject hereto shall be binding upon unit operator until the first day of the calendar month after the unit operator is furnished with the original, photo static, or certified copy of the instrument of transfer.

17. **EFFECTIVE DATE AND TERM:** This agreement shall become effective upon approval by the Commissioner and the Division and shall terminate in five (5) years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances are being produced in paying quantities from the unitized land and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered are being produced as aforesaid. This agreement may be terminated at any time by not less than seventy-five percent (75%) on an acreage basis of the owners of the working interests, signatory hereto, with the approval of the Commissioner and with notice to the Division. Likewise, the failure to comply with the drilling requirements of Section 8 hereof, may subject this agreement to termination as provided in said section.

18. **RATE OF PRODUCTION:** All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by the Division, and in conformity with all applicable laws and lawful regulations.

19. **APPEARANCES:** Unit operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby, before the Commissioner of Public Lands and the Division, and to appeal from orders issued under the regulations of the Commissioner or Division, or to apply for relief from any of said regulations or in any proceedings on its own behalf relative to operations pending before the Commissioner or Division; provided, however, that any other interest party shall also have the right at his own expense to appear and to participate in any such proceedings.

20. **NOTICES:** All notices, demands, or statements required hereunder to be given or rendered to the parties hereto, shall be deemed fully given, if given in writing and sent by postpaid registered mail, addressed to such party or parties at their respective addresses, set forth in connection with the signatures hereto or to the ratification or consent hereof, or to such other address as any such party may have furnished in writing to party sending the notice, demand, or statement.

21. **LOSS OF TITLE:** In the event title to any tract of unitized land or substantial interest therein shall fail, and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement, or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the unitized area, and the interest of the parties readjusted as a result of such tract being eliminated from the unitized area. In the event of a dispute as to the title to any royalty, working, or other interest subject hereto, the unit operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof, without liability for interest until the dispute is finally settled, provided that no payments of funds due the State of New Mexico shall be withheld. Unit Operator, as such, is relieved from any responsibility for any defect or failure of any title hereunder.

22. **SUBSEQUENT JOINDER:** Any oil or gas interest in lands within the unit area not committed hereto, prior to the submission of the agreement for final approval by the Commissioner and the Division, may be committed hereto by the owner or owners of such rights, subscribing or consenting to this agreement, or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development, and operation. A subsequent joinder shall be effective as of the first day of the month following the approval by the Commissioner and the filing with the Division of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement, but such joining party or parties, before participating in any benefits hereunder, shall be required to assume and pay to unit operator, their proportionate share of the unit expenses incurred prior to such party's or parties joinder in the unit agreement, and the unit operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

23. **COUNTERPARTS:** This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

[Note – Signature pages follow.]

UNIT OPERATOR AND WORKING INTEREST OWNER

Tascosa Energy Partners LLC
BUSINESS ENTITY
901 W Missouri, Midland, TX 79701
Address

By [Signature]
SIGNATURE OF OFFICER
Date of Execution 02/28/2024

STATE OF TEXAS)
COUNTY OF MIDLAND) ss.

Acknowledgment in an Individual Capacity

This instrument was acknowledged before me on _____ Date

by _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity

This instrument was acknowledged before me on February 28, 2024 Date

by KEVIN HERRMANN
Name(s) of Person(s)

as President of Tascosa Energy Partners LLC
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Seal)



[Signature]
Signature of Notarial Officer

My commission expires: 06/02/2025

UNIT OPERATOR AND WORKING INTEREST OWNER

Canyon Draw Resources, LLC By [Signature]
Business Entity SIGNATURE OF OFFICER

Address 3333 Lee Parkway, Suite 750, Dallas, Texas 75219 Date of Execution 2/29/24

STATE OF TEXAS)
)ss.
COUNTY OF DALLAS)

Acknowledgement in an Individual Capacity

This instrument was acknowledged before me on _____ Date

by _____
Name(s) of Person(s)

Signature of Notarial Officer

(Seal)

My commission expires: _____

Acknowledgement in a Representative Capacity

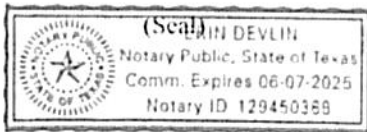
This instrument was acknowledged before me on 2/29/24 Date

By Marc Manzo
Name(s) of Person(s)

as, Managing Director of PetroCap Partners III GP, LLC, general partner of PetroCap Partners III, L.P., Managing Member of CANYON DRAW RESOURCES, LLC, a Texas limited liability company, on behalf of said limited liability company.

[Signature]

Signature of Notarial Officer



My commission expires: 6/7/2025

UNIT OPERATOR AND WORKING INTEREST OWNER

Mewbourne Oil Company By Corey Mitchell
BUSINESS ENTITY SIGNATURE OF OFFICER
Address 500 W. Texas, Suite 1020, Midland, Texas 79701 Date of Execution 2-16-2024

STATE OF TEXAS)
COUNTY OF MIDLAND) ss.

Acknowledgment in an Individual Capacity

This instrument was acknowledged before me on _____ Date

by _____
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

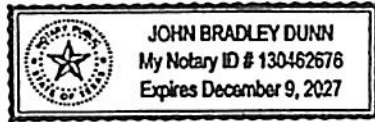
Acknowledgment in a Representative Capacity

This instrument was acknowledged before me on FEBRUARY 16TH 2024 Date

by Corey Mitchell
Name(s) of Person(s)

as Attorney-in-Fact of Mewbourne Oil Company
Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

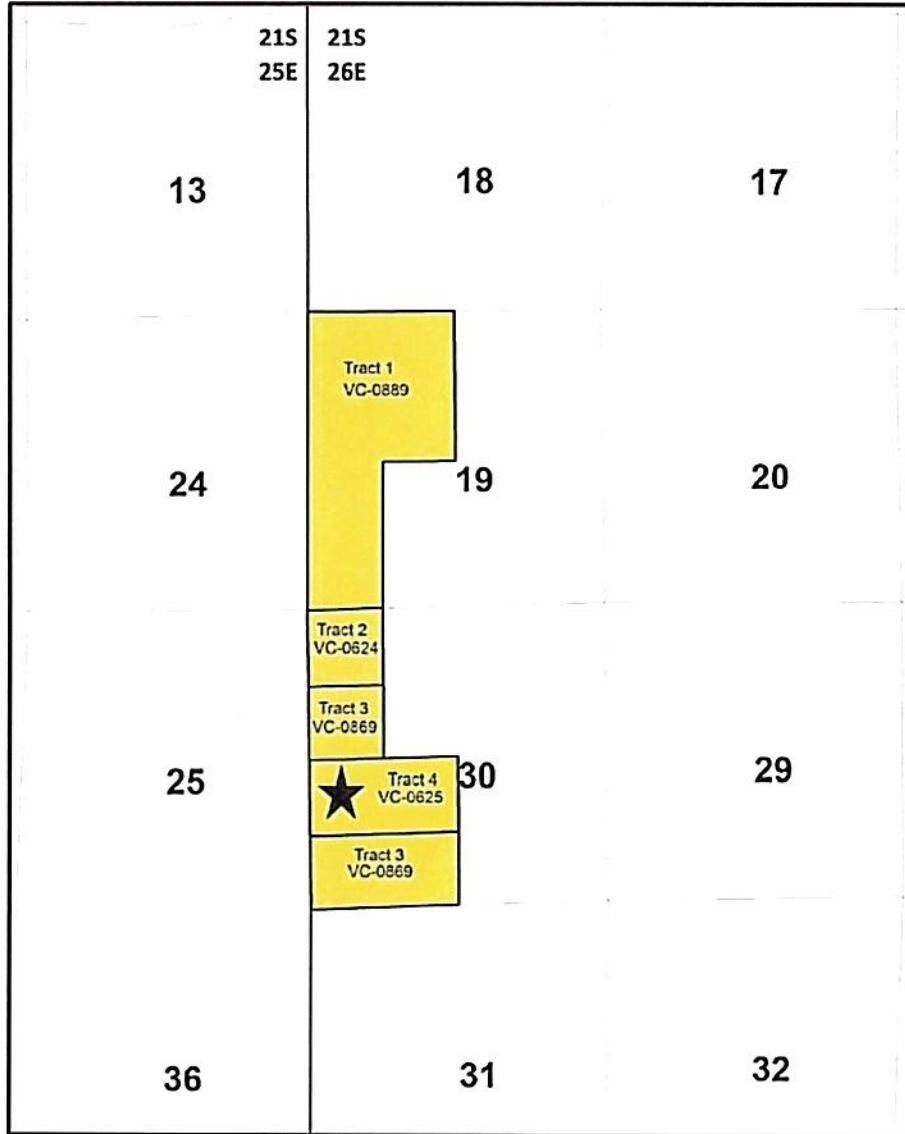
(Seal)



John Bradley Dunn
Signature of Notarial Officer

My commission expires: 12/9/2027

Exhibit "A" Map of Unit Area



Kong Delaware Unit

Eddy County, New Mexico

Operator: Tascosa Energy Partners, LLC

-  Kong Delaware Unit Outline
-  State Lands
-  Tract Number
-  Initial Well

EXHIBIT "B"
KONG UNIT
EDDY COUNTY, NEW MEXICO

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS OF ALNDS IN THE UNIT AREA

Tract No.	Description of Lands	No. of Acres	Tract Participation Factor	Serial No. And Date of Lease Or Application	Commitment Status	Royalty Percentage	Lessee of Record		Overriding Royalty Owner	Working Interest Owner	
1	T21S-26E, N.M.P.M. Section 19: Lots 1-4 and E/2NW/4 (a.k.a NW/4 and W/2SW/4)	236.38	49.87130259%	VC-0889-0000 8/1/2026	Full	20%	Mewbourne Oil Company	100%	None	Mewbourne Oil Company	100.00%
2	T21S-26E, N.M.P.M. Section 30: Lots 1 (a.k.a NW/4NW/4)	39.25	8.28094012%	VC-0624-0000 5/1/2024	Full	20%	Tascosa Energy Partners, LLC	100%	Canyon Draw Royalty, LLC	Canyon Draw Resources, LLC	92.50%
									Tascosa Royalty Company, LLC	Tascosa Energy Partners, LLC	7.50%
3	T21S-26E, N.M.P.M. Section 30: Lot 2, Lot 4 and SE/4SW/4 (a.k.a SW/4NW/4 and S/2SW/4)	118.9	25.08544664%	VC-0869-0000 6/1/2026	Full	20%	Tascosa Energy Partners, LLC	100%	Canyon Draw Royalty, LLC	Canyon Draw Resources, LLC	92.50%
									Tascosa Royalty Company, LLC	Tascosa Energy Partners, LLC	7.50%
4	T21S-26E, N.M.P.M. Section 30: Lot 3, NE/4SW/4 (a.k.a N/2SW/4)	79.45	16.76231065%	VC-0625-0000 5/1/2024	Full	20%	Tascosa Energy Partners, LLC	100%	Canyon Draw Royalty, LLC	Canyon Draw Resources, LLC	92.50%
									Tascosa Royalty Company, LLC	Tascosa Energy Partners, LLC	7.50%

UNIT AREA SUMMARY

	# OF TRACTS	ACREAGE	PERCENTAGE OF UNIT AREA
FEDERAL	0	0	0
STATE	4	473.98	100.00%
FEE	0	0	0
Total		473.98	100.00%

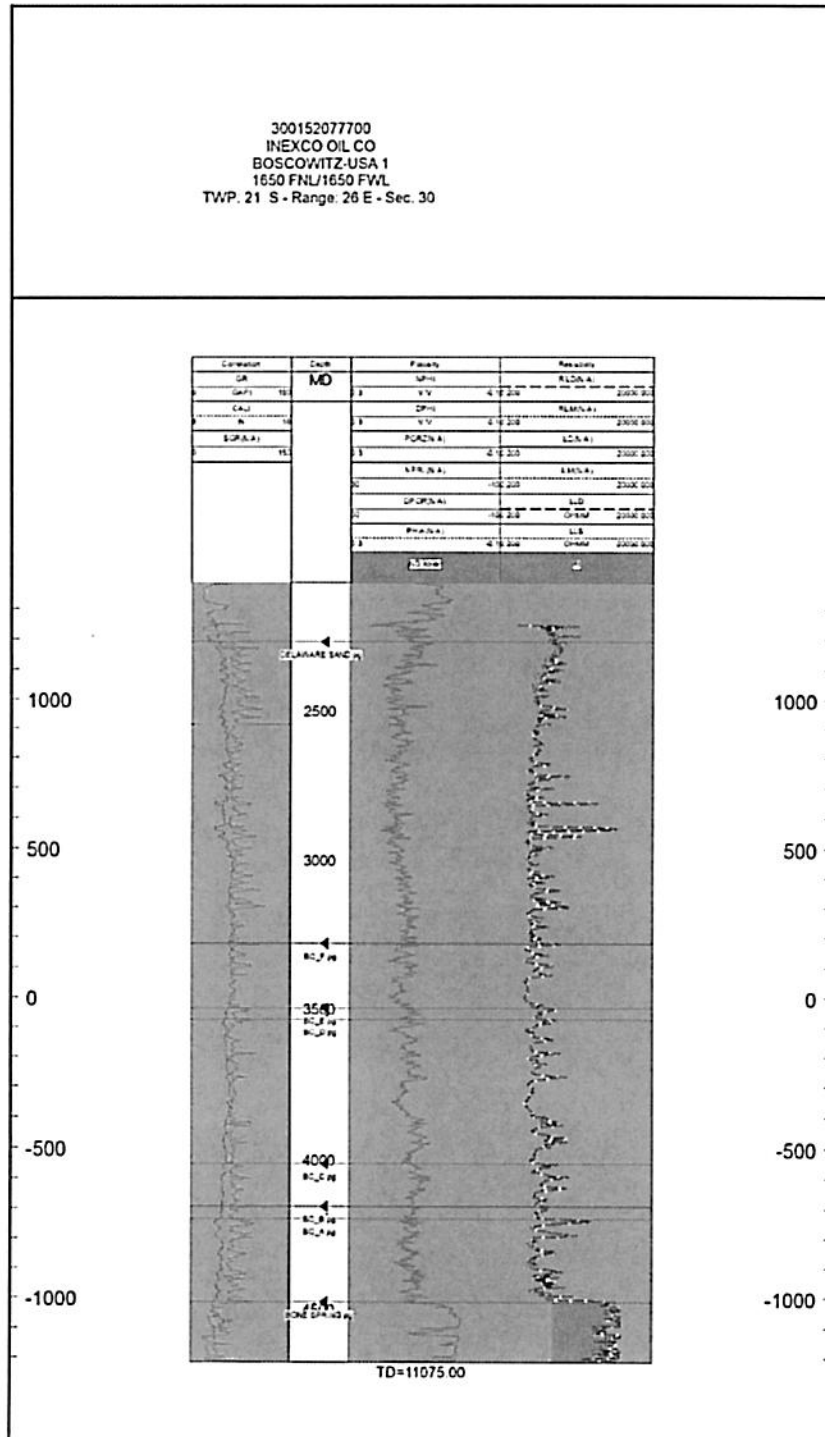
EXHIBIT "C"

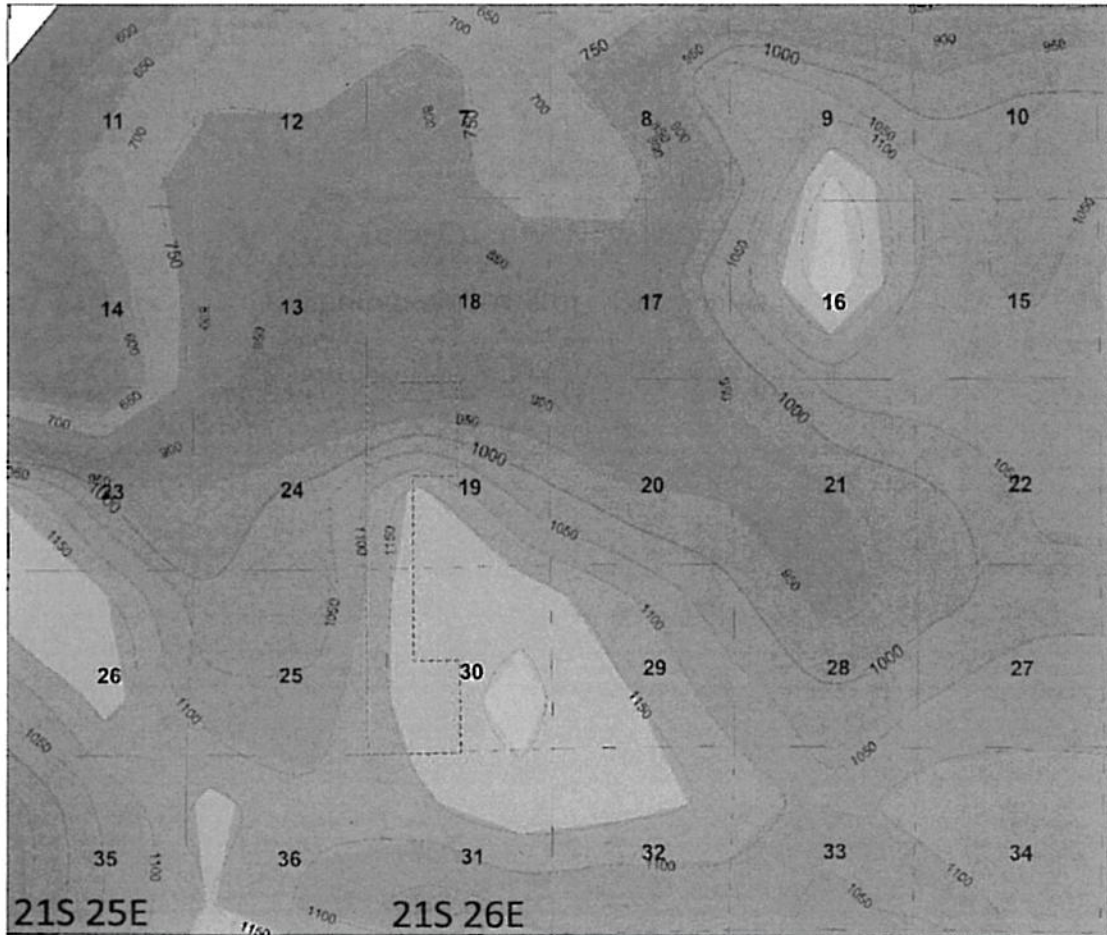
SCHEDULE OF TRACT PARTICIPATION
KONG DELAWARE UNIT

<u>TRACT NO.</u>	<u>UNIT PARTICIPATION PERCENTAGE</u>
1	49.87130%
2	8.28094%
3	25.08545%
4	16.76231%
Total	100.00000%

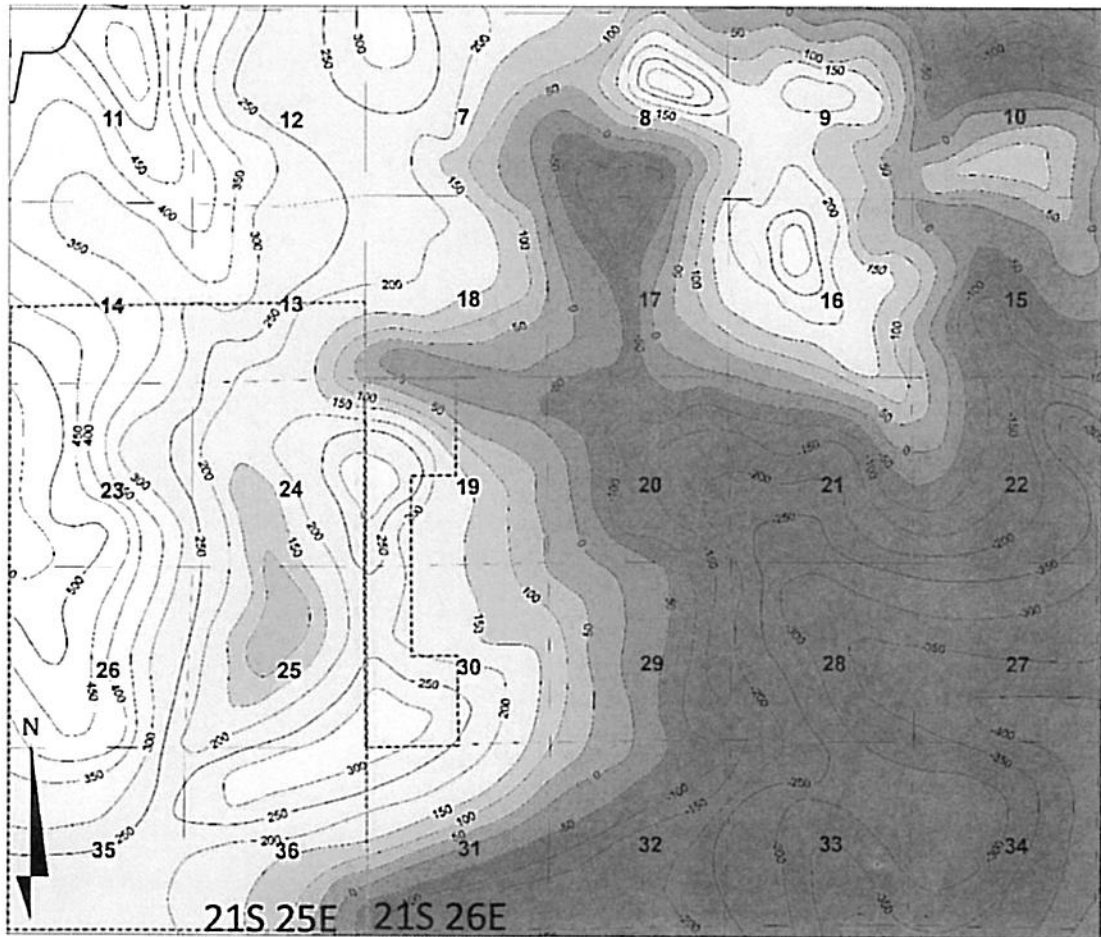
Exhibit D Kong Unit Type Log

300152077700
 INEXCO OIL CO
 BOSCOWITZ-USA 1
 1650 FNL/1650 FWL
 TWP. 21 S - Range. 26 E - Sec. 30

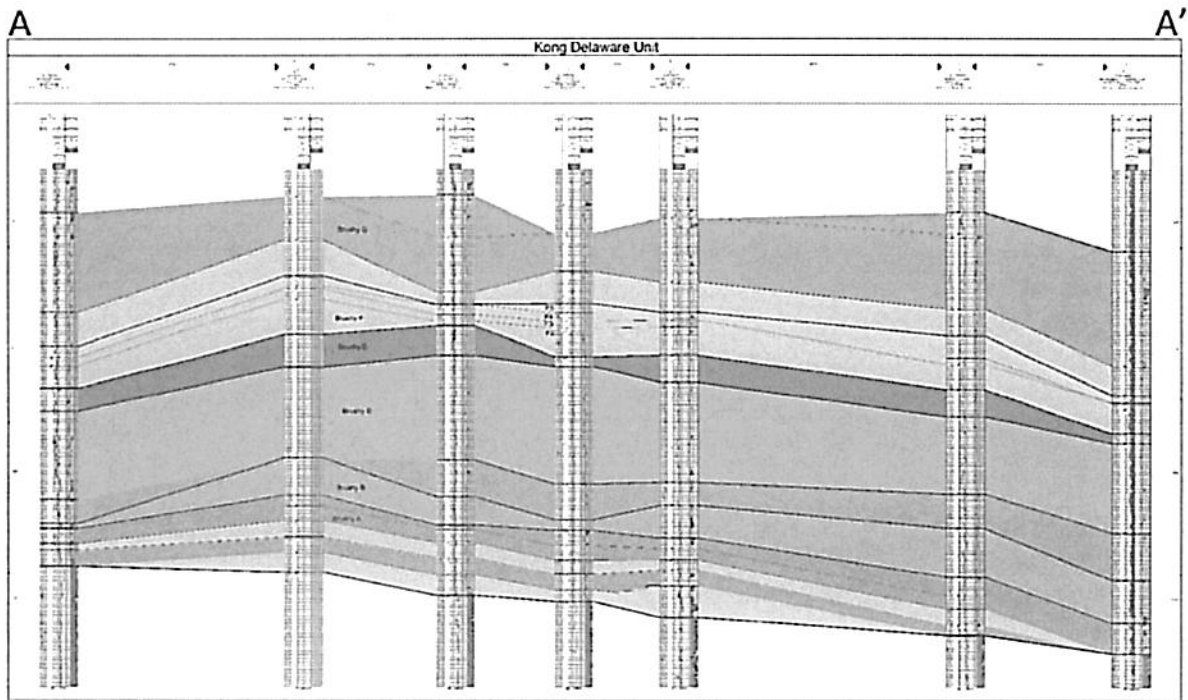




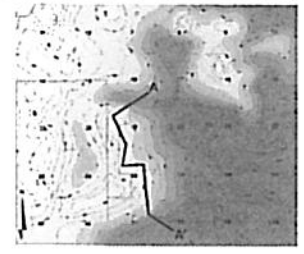
Kong Delaware Unit
Eddy County, New Mexico
Geological Structure Isopach Map:
Top of Brushy Canyon F to Bone Spring
CI: 50"



Kong Delaware Unit
Eddy County, New Mexico
Geological Structure Map: Top of Brushy Canyon F



Kong Delaware Unit
Delaware Sands Cross Section



Geologic Write Up for Kong Delaware Unit Proposal

Tascosa Energy Partners, LLC is formally requesting the formation of an exploratory unit that is comprised by a total of 473.98 acres in Sec 19 & 30 in T21S R26E in Eddy County, New Mexico.

The Kong Delaware Exploratory Unit is proposed to cover the Delaware Sands Formation, corresponding to the interval identified between the logged depths of 2,270 feet and 4,475 feet in the Compensated Neutron Formation Density well log formulated by Schlumberger on the Boscowitz #1 well (API: 3001520777), located in Section 30, Township 21 South, Range 26 East, Eddy County, NM.

The stratigraphic thickness of the Delaware Sands as defined above is consistent across the acreage proposed for unitization. The Delaware Sands are comprised of Guadalupian-age arkosic to subarkosic sandstone, siltstone, and detrital limestone that was deposited in deep water, mainly during lowstand and early transgressive sea-level stages. The Delaware is formally divided into 3 members the Brushy Canyon, Cherry Canyon and the Bell Canyon Formation, the proposed unit has 2 of the 3 members present the Bushy Canyon and Cherry Canyon. Hydrocarbon traps in the Delaware include both structural and stratigraphic, for the proposed unit a structural trap has been identified.

The primary target within in the unit is the Delaware Brushy Canyon F Sand. In this unit the Brushy F sand top ranges from 3075 to 3350 ft deep. Average Gross thickness is roughly 250' with average porosity approximately 16% and average permeability of 2.7 mD. These rock properties were calculated from the Tascosa Energy Partners operated Catclaw Draw East Field located in Sec 9 & 16 in T21S R26E roughly 2-3 miles NE of the proposed Kong Delaware Unit.

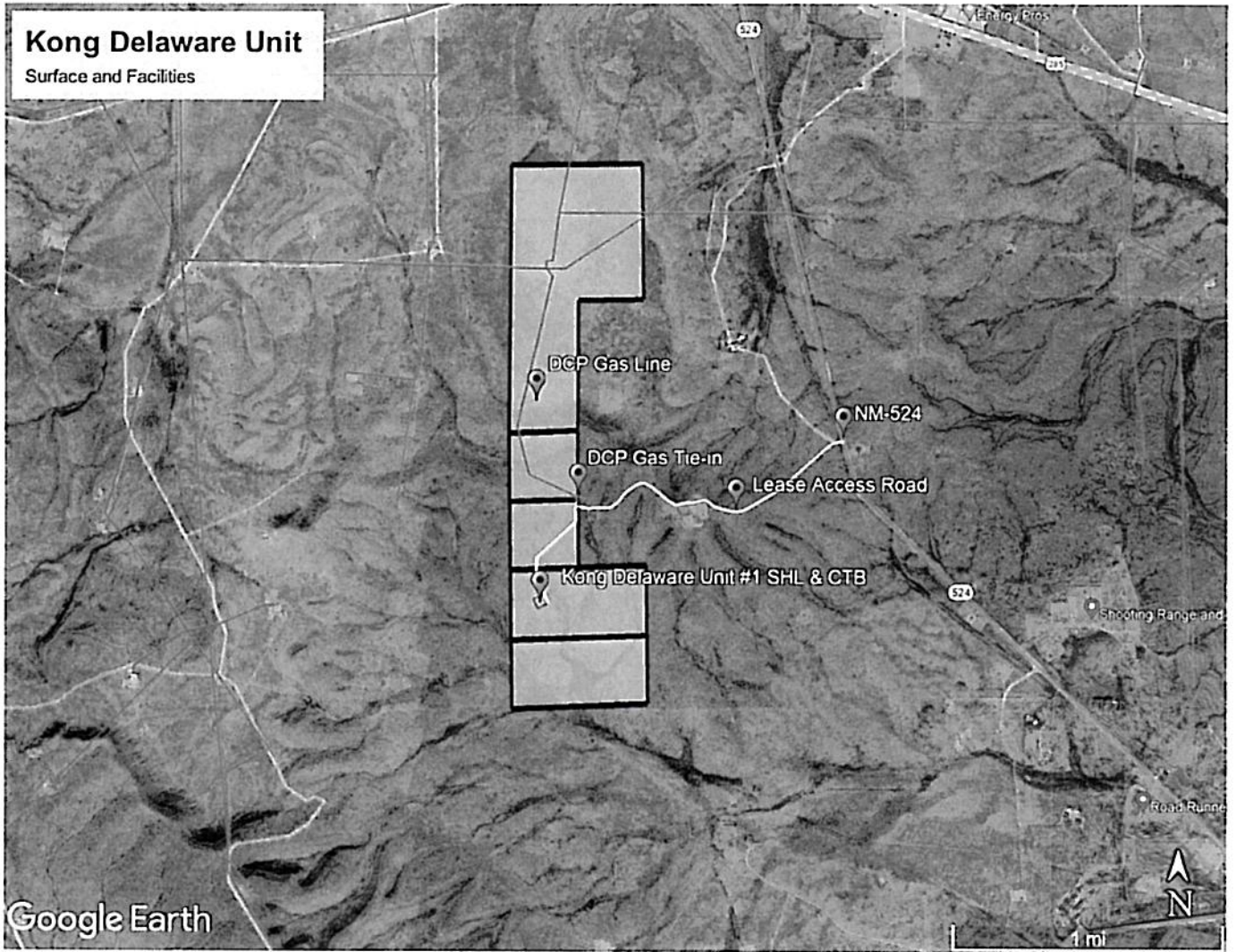
We believe unitization of this acreage is favorable to the State of New Mexico because it will allow these minerals to be produced with maximum revenue to the State and in a manner that will causes the least environmental impact in the area. The proposed unit will build the most cost-efficient and least damaging system of infrastructure.

Future development plans will be submitted each year pursuant to the Unit Agreement and will be a function of geologic understanding and commodity price environment. We respectfully submit this geologic write up as part of our formal proposal to form the exploratory unit in the above stated Section 19 and 30 in T21S: R26E in Eddy County, New Mexico.

Development Plan for Kong Delaware Unit Proposal

Tascosa Energy Partners, LLC is formally requesting the formation of an exploratory unit that is comprised by a total of 473.98 acres in Sec 19 & 30 in T21S R26E in Eddy County, New Mexico.

Our initial test well, Kong Del Unit #001 will be a Delaware (Brushy Canyon) test. The initial location will be placed up-dip of the Boscowitz-USA #1 (API 3001520777) well in Sec 30 T21S R26E. We will drill, complete, test, and connect the well to a gas pipeline. If the completion results in an economically commercial well, we intend to continue to drill and develop the Delaware Sands throughout the Kong Unit.



Kong Facilities and Takeaway:

The Kong Central Tank Battery will be located on the same pad as the initial well, Kong Unit #1, in order to minimize the environmental impact. The CTB will consist of 500 bbl tanks for oil and water, a test separator, a heater treater, a gas compressor, and an emergency flare. A compressor is necessary to sell gas to DCP via their high-pressure system, which operates at a maximum pressure of 400 psi. This system has enough capacity to provide for all the Delaware wells within the Kong Unit. In the event of an emergency, Tascosa will utilize a small flare to prevent harmful gases from venting into the atmosphere. Unless reservoir damage will ensue, Tascosa will shut in all producing Kong wells during surface equipment failures. Until Tascosa has proven the viability of the Kong Unit, produced water will be trucked to a commercial disposal well or a recycling facility.

Exhibit "A-3"

From: Lamkin, Baylen L. <blamkin@slo.state.nm.us>
Sent: Friday, March 1, 2024 10:57 AM
To: Helder Alvarez <halvarez@tascosaep.com>; John Shoberg <JShoberg@tascosaep.com>
Cc: Thompson, Joseph A. <jthompson@slo.state.nm.us>; Martinez, Pete <pmartinez@slo.state.nm.us>
Subject: RE: Kong Delaware Unit

You don't often get email from blamkin@slo.state.nm.us. [Learn why this is important](#)

Good morning Helder,

The approval letter has been drafted and will hopefully be signed early next week. If necessary, you may take this email to hearing as proof the Land Office is in the final stages of approval for the proposed unit. If you need anything else from me please let me know.

Kind regards,

Baylen Lamkin, MBA

Petroleum Specialist Supervisor

Petroleum Engineer

Oil, Gas and Minerals Division

Office 505.827.6628

Cell 505.231.0420

New Mexico State Land Office

310 Old Santa Fe Trail

P.O. Box 1148

Santa Fe, NM 87504-1148

blamkin@slo.state.nm.us

nmstatelands.org

[@NMLandOffice](https://www.facebook.com/NMLandOffice)

.....



Tascosa Energy Partners, LLC
Case No. 24181
Exhibit A-3

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is **STRICTLY PROHIBITED**. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

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

**APPLICATION OF TASCOSA ENERGY
PARTNERS, LLC FOR APPROVAL OF
THE KONG DELAWARE STATE
EXPLORATORY UNIT, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 24181

**SELF-AFFIRMED STATEMENT
OF HELDER ALVAREZ**

1. I am a geologist for Tascosa Energy Partners, LLC (“Tascosa”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case and have conducted a geologic study of the proposed unit area.

3. The objective of the KONG Delaware State Exploratory Unit (“Unit”) and the unitized interval is the Delaware Sands formation, which is 2,205 feet thick and present from 2,270 feet and 4,475 feet as found in the Compensated Neutron Formation Density well log on the Boscowitz #1 well (API No. 30-015-20777), located in Section 30, Township 21 South, Range 26 East. **Exhibit B-1** is a type log of this well identifying in brackets the unitized interval and its proximity to the top of the Bone Springs formation.

4. **Exhibit B-2** is a regional locator map that identifies the Unit area that is the subject of this application.

5. **Exhibit B-3** is a cross section location map for the Unit area, and shows the location of the type log for the Boscowitz #1 well in Section 30, and one cross-section A-A’. Cross-section

**Tascosa Energy Partners, LLC
Case No. 24181
Exhibit B**

A-A' is a north to south cross-section comprised of seven wells depicted with blue circles that were used to create a stratigraphic cross-section in a later exhibit. In my opinion, the well logs from these wells are representative of the geology underlying the unit area.

6. **Exhibit B-4** is the cross-section A-A' I prepared using the logs from the representative wells shown in Exhibit B-3. Each well log on the cross-section contains gamma ray and porosity logs. The cross-section shows that the prospective Brushy Canyon Sand is clearly present across the entire Unit area.

7. **Exhibit B-5** is a Brushy Canyon "F" Structure map in TVD subsea with a contour interval of 50 ft. The map identifies the location of the cross-section running from A-A' in proximity to the proposed wells. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with vertical wells.

8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by vertical wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.

9. In my opinion, the proposed Unit area is prospective for the recovery of oil and gas from the unitized interval and suitable for development under a unit plan.

10. In my opinion, the granting of Tascosa's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under

the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.



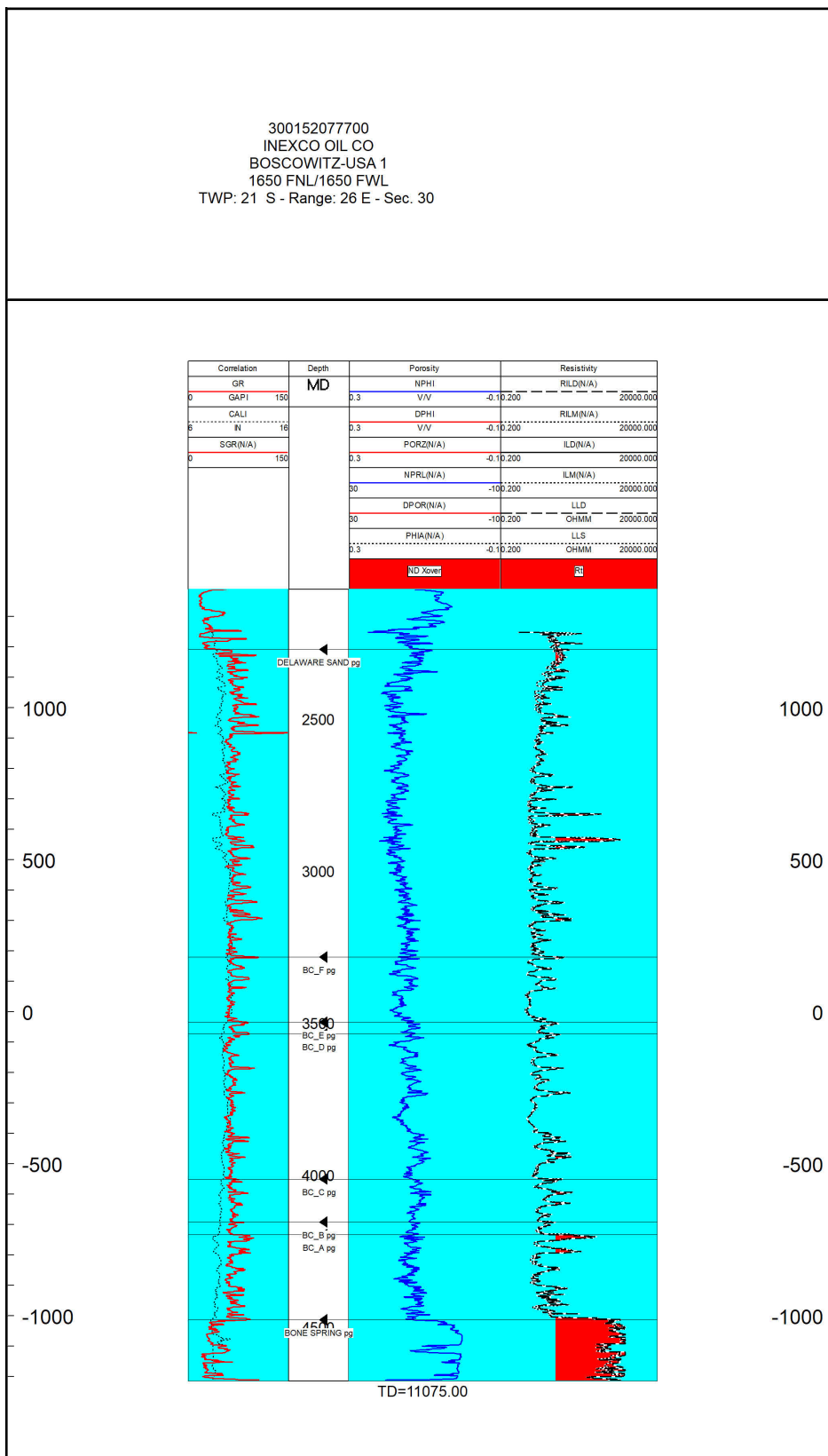
Helder Alvarez



Date

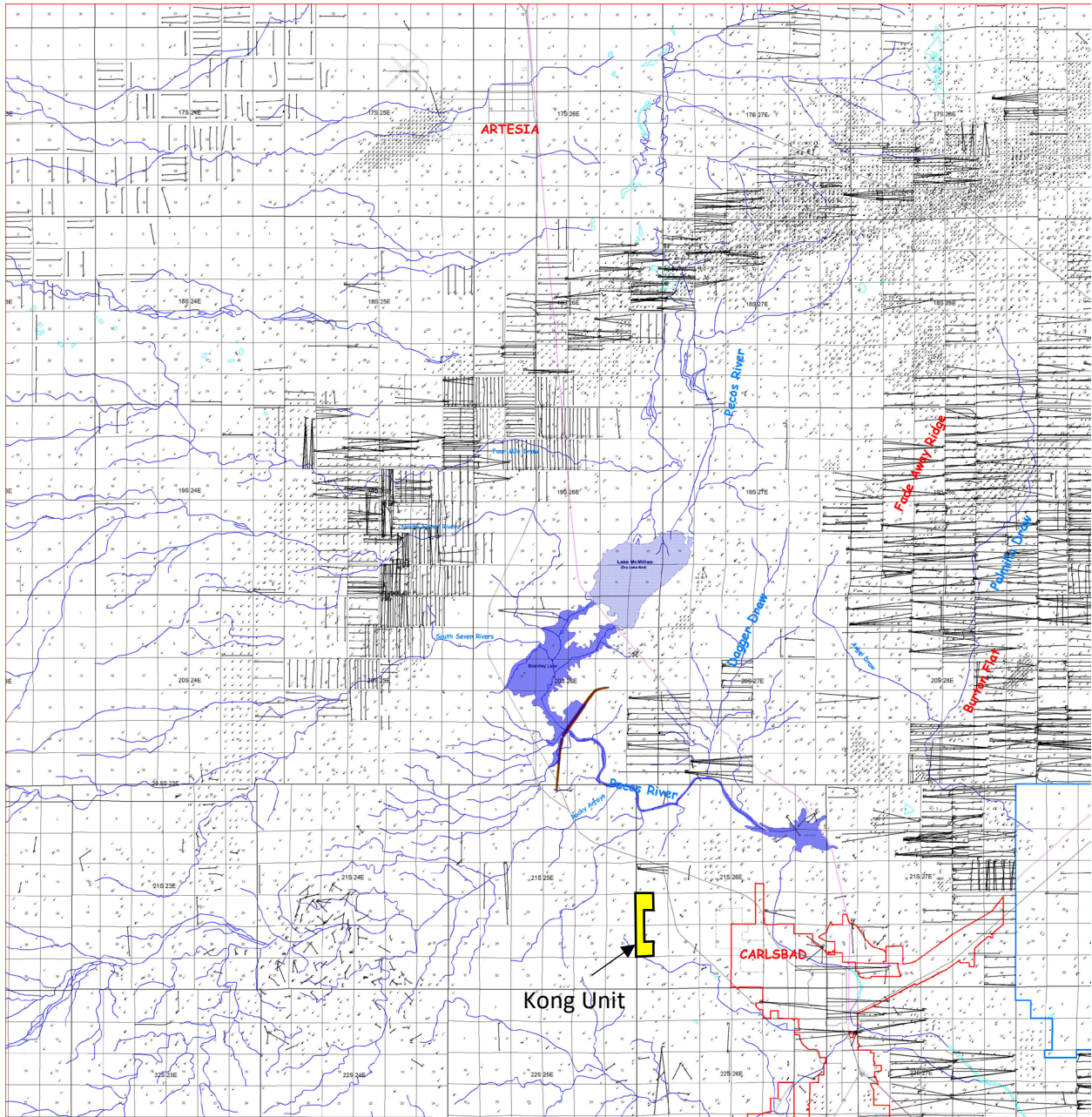
Exhibit B-1 Kong Unit Type Log

300152077700
 INEXCO OIL CO
 BOSCOWITZ-USA 1
 1650 FNL/1650 FWL
 TWP: 21 S - Range: 26 E - Sec. 30



Tascosa Energy Partners, LLC
 Case No. 24181
 Exhibit B-1

Exhibit B-2



Kong Delaware Unit

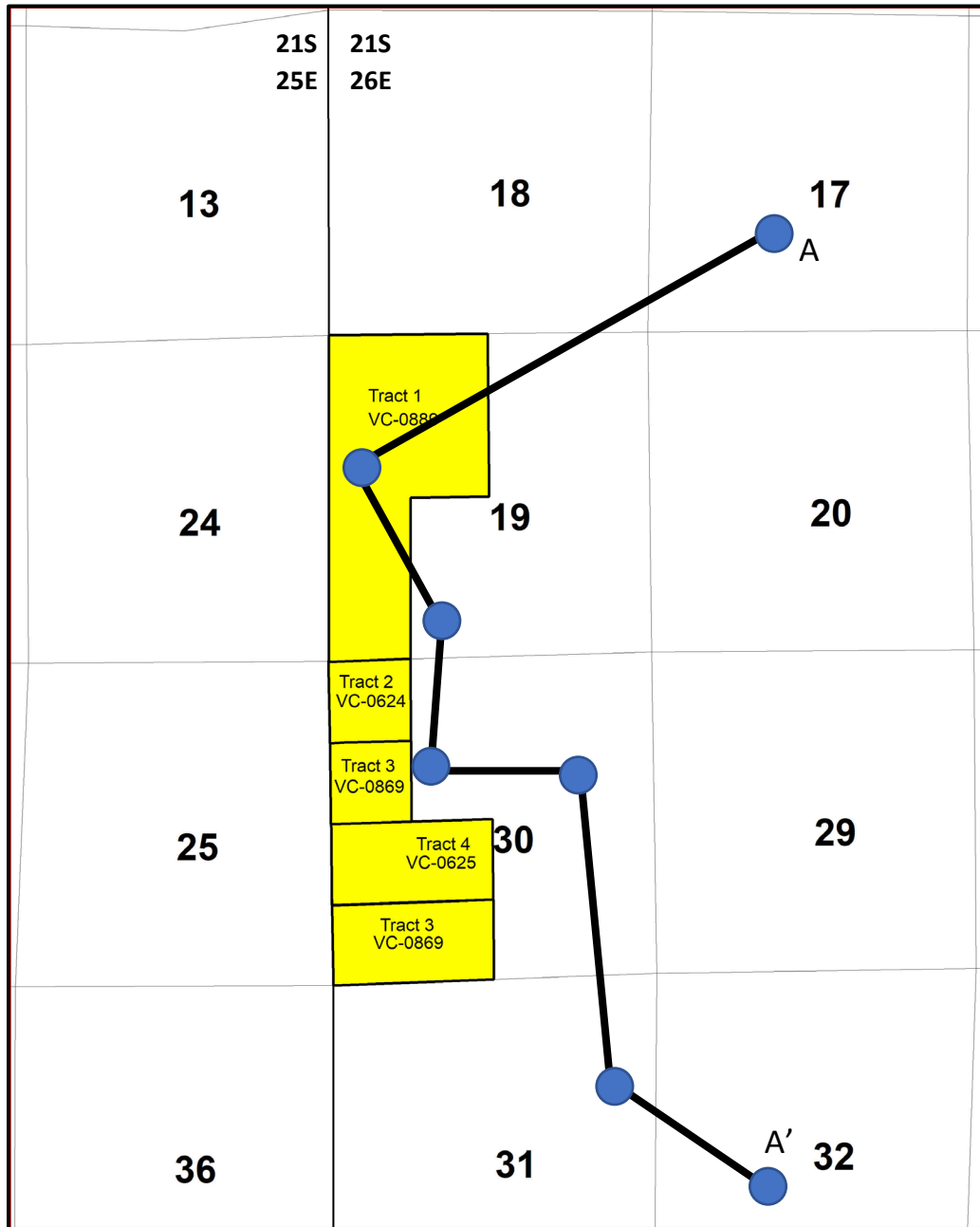
Eddy County, New Mexico

Operator: Tascosa Energy Partners, LLC

Section 19 & 30 T21S R26E

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit B-2

Exhibit B-2



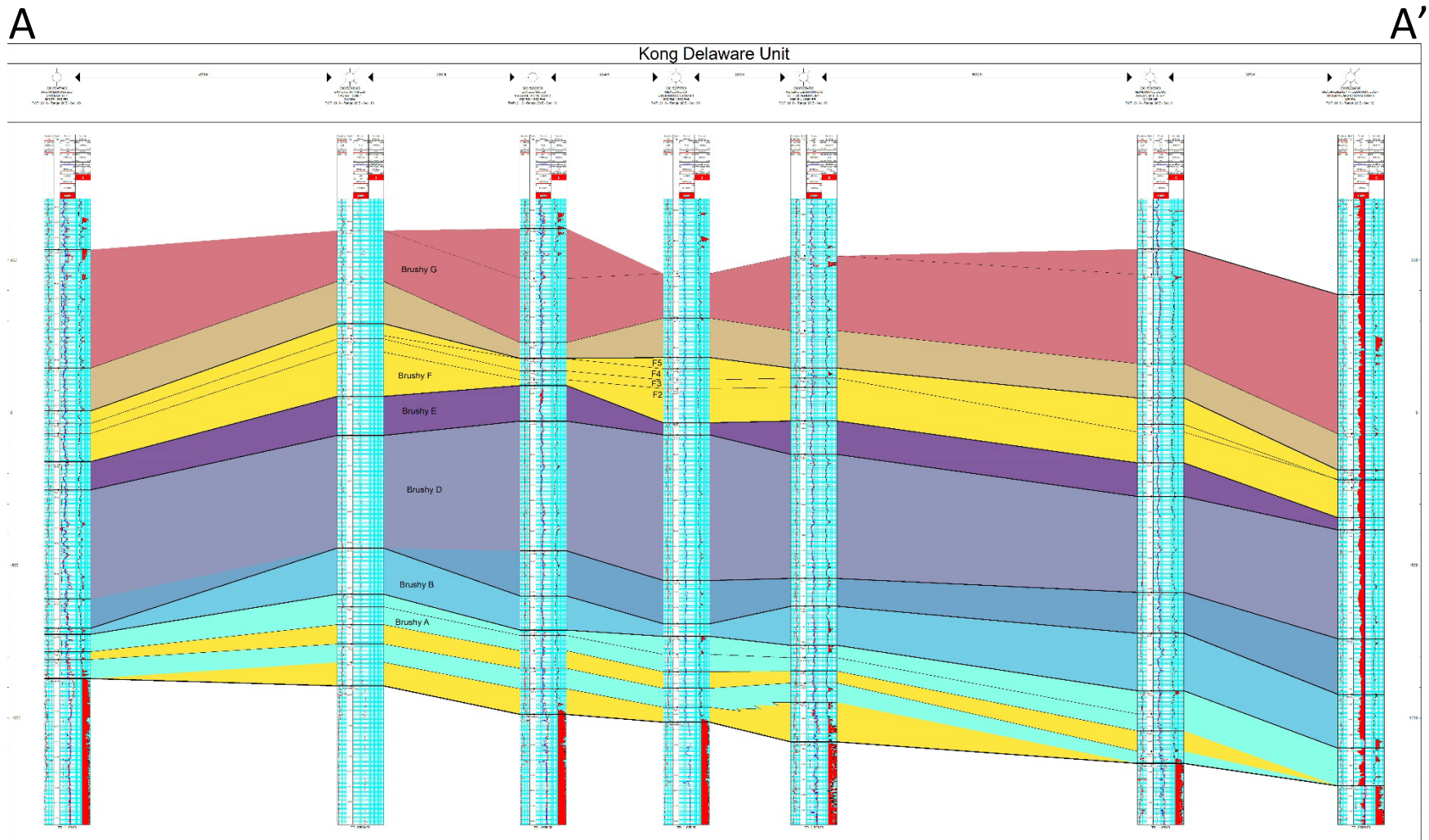
Kong Delaware Unit

Eddy County, New Mexico

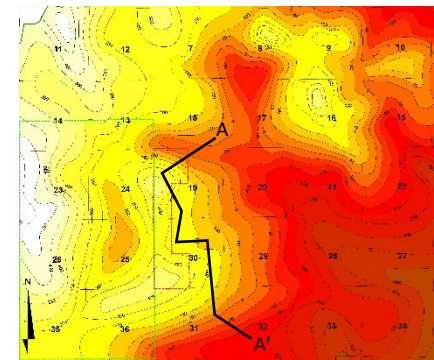
Operator: Tascosa Energy Partners, LLC

Cross Section Locator

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit B-3

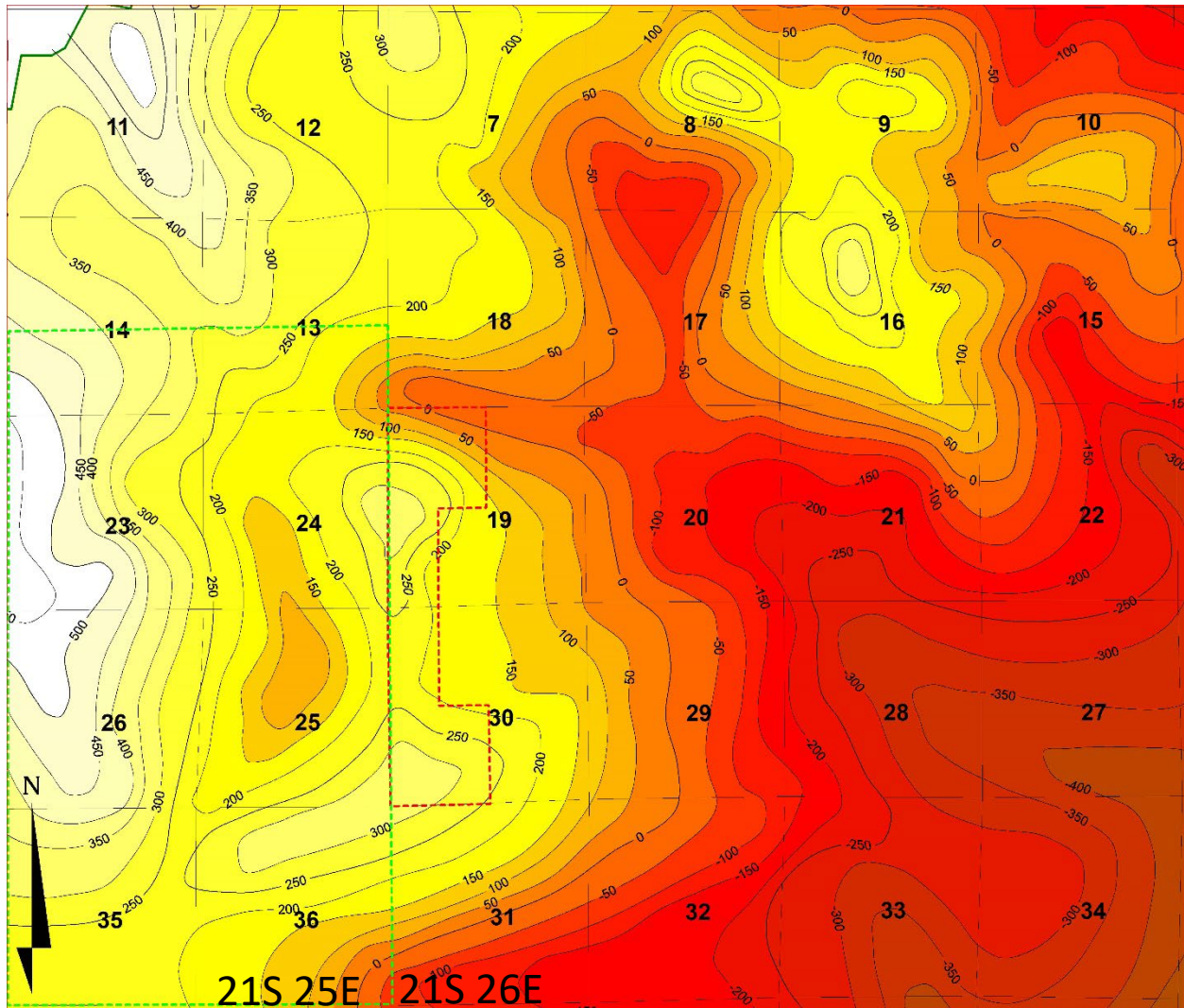


Kong Delaware Unit
Exhibit B-4
Delaware Sands Cross Section



Tascosa Energy Partners, LLC
Case No. 24181
Exhibit B-4

Exhibit B-5



Kong Delaware Unit

Eddy County, New Mexico

Geological Structure Map: Top of Brushy Canyon F

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit B-5

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

APPLICATION OF TASCOSA ENERGY
PARTNERS, LLC FOR APPROVAL OF
THE KONG DELAWARE STATE
EXPLORATORY UNIT, EDDY COUNTY,
NEW MEXICO.

Case No. 24181

SELF-AFFIRMED STATEMENT
OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Tascosa Energy Partners, LLC, the Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit C-1** and caused the Notice Letters, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On February 16, 2024, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

February 27, 2024
Date

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit C



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

February 13, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24181 – Application of Tascosa Energy Partners, LLC for Approval of The Kong Delaware State Exploratory Unit, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 7, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@emnrd.nm.gov 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.

Please contact John Shoberg, Landman, Tascosa Land Resources, at (432) 413-9218, if you have questions regarding these matters.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit C-1

Enclosure

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
FAX) 505-858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

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

**APPLICATION OF TASCOSA ENERGY
PARTNERS, LLC FOR APPROVAL OF
THE KONG DELAWARE STATE
EXPLORATORY UNIT, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 24181

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Canyon Draw Resources, LLC c/o Erin Devlin 333 Lee Parkway, Suite 750 Dallas, Texas 75219	02/13/24	02/20/24
Mewbourne Oil Company c/o Corey Mitchell 500 W. Texas Avenue, Suite 1020 Midland, Texas 79701	02/13/24	02/22/24
State Land Office 310 Old Santa Fe Trl Santa Fe, NM 87501	02/13/24	02/20/24

**Tascosa Energy Partners, LLC
Case No. 24181
Exhibit C-2**

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____


Total Postage and Fees \$ _____

Sent To
 Canyon Draw Resources, LLC
 c/o Erin Devlin
 333 Lee Parkway, Suite 750
 Dallas, Texas 75219
 24181 - Tascosa Kong

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



9589 0710 5270 0725 3429 32

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> ■ 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. <p>1. Article Addressed to:</p> <p style="text-align: center;">Canyon Draw Resources, LLC c/o Erin Devlin 333 Lee Parkway, Suite 750 Dallas, Texas 75219 24181 - Tascosa Kong</p> <div style="text-align: center;">  9590 9402 8561 3186 6099 82 </div> <p>2. Article Number (Transfer from service label) 9589 0710 5270 0725 3429 32</p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Maisha</i></p> <p>C. Date of Delivery <i>2/16/24</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> <div style="text-align: center; font-size: 2em; font-weight: bold; border: 2px solid black; padding: 5px;"> RECEIVED FEB 20 2024 </div> <p style="text-align: center; font-size: 0.8em;">Hinkle Shaner LLP Santa Fe NM 87504</p> <p>3. Service Type Santa Fe NM 87504</p> <table style="width: 100%; border: none;"> <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 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> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</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 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		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input 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																	
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit C-3

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To
Mewbourne Oil Company
c/o Corey Mitchell
500 W. Texas Avenue, Suite 1020
Midland, Texas 79701
24181 - Tascosa Kong

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

9589 0710 5270 0725 3429 49



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ 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. <p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Mewbourne Oil Company c/o Corey Mitchell 500 W. Texas Avenue, Suite 1020 Midland, Texas 79701 <small>24181 - Tascosa Kong</small></p> </div> <div style="text-align: center; margin: 5px 0;"> <p>9590 9402 8561 3186 6099 75</p> </div> <p>2. Article Number (Transfer from service label) 9589 0710 5270 0725 3429 49</p>	<p>A. Signature X <i>Cherie Austin</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <i>2/22/24</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> <div style="text-align: center; border: 2px solid black; padding: 10px; margin: 10px 0;"> <p style="font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="font-size: 1.5em;">FEB 22 2024</p> </div> <p>3. Service Type Hinkle Shanor LLP <input type="checkbox"/> Priority Mail Express® Santa Fe NM 87501 <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

9589 0710 5270 0725 3429 56

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

\$

Sent To

State Land Office
310 Old Santa Fe Trl
Santa Fe, NM 87501

24181 - Tascosa Kong

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



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:

State Land Office
310 Old Santa Fe Trl
Santa Fe, NM 87501

24181 - Tascosa Kong



9590 9402 8561 3186 6099 68

2. Article Number (Transfer from service label)

9589 0710 5270 0725 3429 56

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

Marcus Barola

C. Date of Delivery

2/16/24

- D. Is delivery address different from item 1? Yes
- If YES, enter delivery address below: No

RECEIVED

FEB 20 2024

3. Service Type Hinkle Shanor LLE Priority Mail Express®

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005880339

This is not an invoice

HINKLE SHANOR, LLP
POBOX 2068

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:

02/16/2024



Legal Clerk

Subscribed and sworn before me this February 16, 2024:



State of WI, County of Brown
NOTARY PUBLIC

State of WI, County of Brown
NOTARY PUBLIC

1-2-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005880339
PO #:
of Affidavits 1

This is not an invoice

This is to notify all interested parties, including Canyon Draw Resources, LLC; Mewbourne Oil Company; New Mexico State Land Office; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Tascosa Energy Partners, LLC (Case No. 24181). The hearing will be conducted on March 7, 2024 in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Tascosa Energy Partners, LLC ("Applicant") seeks an order approving the KONG Delaware State Exploratory Unit ("Unit"). The proposed Unit consists of the following 473.98 acres of State land in Eddy County ("Unit Area"): Lots 1-4 and E/2 NW/4 of Section 19, and Lots 1-4 and E/2 SW/4 of Section 30, Township 21 South, Range 26 East, N.M.P.M. The unitized interval is the Delaware Sands formation, at the stratigraphic equivalent of the interval between 2,270 feet and 4,475 feet as found in the Compensated Neutron Formation Density well log on the Boscowitz #1 well (API No. 30-015-20777), located in Section 30, Township 21 South, Range 26 East, Eddy County, New Mexico. The Unit Area is located approximately 4 miles northwest of Carlsbad, New Mexico.
#5880339, Current Argus, February 16, 2024

Tascosa Energy Partners, LLC
Case No. 24181
Exhibit C-4