### 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. 24077** 

#### **NOTICE OF SUPPLEMENTAL EXHIBITS**

Riley Permian Operating Company, LLC ("Riley") provides notice that it is supplementing the evidentiary record in this case by submitting the attached replacement Exhibit A ("Compulsory Pooling Application Checklist") to Riley's Exhibit Packet in the above-referenced case. The replacement Exhibit A corrects an inadvertent scrivener's error in the risk charge so as to make the risk charge consistent with the application and notices.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:

Miguel A .Suazo James P. Parrot Sophia A. Graham Beatty & Wozniak, P.C. 500 Don Gaspar Ave., Santa Fe, NM 87505 (505) 946-2090

Fax: 800-886-6566 msuazo@bwenergylaw.com jparrot@bwenergylaw.com sgraham@bwenergylaw.com

Attorneys for Riley Permian Operating Company, LLC

# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 18, 2024

Case No. 24077

Hawk 9 Federal Com 3H

Hawk 9 Federal Com 4H

Hawk 9 Federal Com 5H

Hawk 9 Federal Com 7H

Hawk 9 Federal Com 8H

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. 24077** 

### HEARING PACKAGE TABLE OF CONTENTS

**Riley Exhibit A:** Compulsory Pooling Application Checklist

**Riley Exhibit B:** Filed Application

**Riley Exhibit C:** Affidavit of Mark Smith, Senior Landman

• Riley Exhibit C-1: General Location Map(s)

• Riley Exhibit C-2: C-102(s)

• Riley Exhibit C-3: Tract and Spacing Unit Depictions

• Riley Exhibit C-4: Interest Calculation for Spacing Units

• Riley Exhibit C-5: Proposal Letters

• Riley Exhibit C-6: AFEs

• Riley Exhibit C-7: Chronology of Contact

**Riley Exhibit D:** Affidavit of 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 E:** Notice Affidavit

Notice Letter

• Certified Mail Receipts

**Riley Exhibit F:** Affidavit of Publication

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)	320 acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	East-West
Description: TRS/County	S/2N/2 and N/2S/2 of Section 9, 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	Hawk 9 Federal Com 5H Well
Applicant's Ownership in Each Tract	Exhibit C
Well(s)	
Name & API (if assigned), surface and bottom hole location,	

(standard or non-standard)

footages, completion target, orientation, completion status

N. H. u.e.	u 10= 1 10 2
WRece wed by OCD: 4/25/2024 9:32:29 AM	Hawk 9 Federal Com 3H Well (API No. 30-015-53677) Page 5 of
	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: NW/4SW/4 (Lot L) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Vell #2	Hawk 9 Federal Com 4H Well (API No. 30-015-53890)
	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: NW/4SW/4 (Lot L) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Well #3	Hawk 9 Federal Com 5H Well (API No. 30-015-53889)
· ·	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Well #4	Hawk 9 Federal Com 7H Well (API No. 30-015-53809)
Weil H	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Vell #5	Hawk 9 Federal Com 8H Well (API No. 30-015-53808)
	SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South,
	Range 27 East, N.M.P.M.
	BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South,
	Range 27 East, N.M.P.M.
	Completion Target: Yeso Formation
	Well Orientation: East to West
	Completion Location: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibits C-5, C-6, and D-2
AFE Capex and Operating Costs	
, , , , , , , , , , , , , , , , , , , ,	

DANKREITE GARAGA NASKAR 9:32:29 AM	\$8,000 Page 6 p	f 10
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit C	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibits B and E	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit Tract List (including lease numbers and owners)	Exhibits C-3 and C-4 Exhibits C-3 and C-4	
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-4 and C-5	
Unlocatable Parties to be Pooled	Exhibits C-4	
Ownership Depth Severance (including percentage above & below)	Nana	
,	None	
Joinder Sample Copy of Proposal Letter	Exhibit C-5	
List of Interest Owners (ie Exhibit A of JOA)	Exhibits C-4 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, and D-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, 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-2	
Tracts	Exhibit C-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-4	
General Location Map (including basin)	Exhibit C-1	
Well Bore Location Map	Exhibit C-2 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	
	1	

Released to Imaging: 4/25/2024 9:51:28 AM

Additional syfocmations/2024 9:32:29 AM	Page 7 of 10
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Miguel Suazo
Signed Name (Attorney or Party Representative):	My 1. Jan
Date:	January 16, 2024

# 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.	
Case 110.	

#### **APPLICATION**

Riley Permian Operating Company, LLC, OGRID No. 372290 ("Riley" or "Applicant"), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) creating a standard 320-acre, more or less, overlapping horizontal well spacing and unit ("HSU") composed of the S/2N/2 and N/2S/2 of Section 9, 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 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 S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, spacing unit.
  - 3. Riley seeks to dedicate the above-referenced HSU to the following proposed wells:
  - A. Hawk 9 Federal Com 3H Well and Hawk 9 Federal Com 4H Well, which is an oil well that will be horizontally drilled from a surface location in the SW1/4NW1/4 of Section 10 to a bottom hole location in the Yeso Formation in the NW1/4SW1/4 of Section 9; and

- B. Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, which are oil wells that will be horizontally drilled from a surface location in the SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 10 to a bottom hole location in the Yeso Formation in the SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 9.
- 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 Hawk 9 Federal Com 5H Well, which 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 Application be set for hearing on January 4, 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 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, 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 S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico;
- C. Approving the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, 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.

3y:

Miguel Suazo

James P. Parrot

Sophia Graham

500 Don Gaspar Ave.,

Santa Fe, NM 87505

(505) 946-2090

msuazo@bwenergylaw.com

jparrot@bwenergylaw.com

sgraham@bwenergylaw.com

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 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, 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 Hawk 9 Federal Com 3H Well and Hawk 9 Federal Com 4H Well, which are oil wells that will be horizontally drilled from a surface location in the SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 10 with a bottom hole location in the Yeso Formation in the NW1/4SW1/4 of Section 9, and the Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, which are oil wells that will be horizontally drilled from a surface location in the SW1/4NW1/4 of Section 10 to a bottom hole location in the Yeso Formation in the SW1/4NW1/4 of Section 9. 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.

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

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

Case No. 24077

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

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

- 1. My name is Mark Smith, and I am employed by Riley Permian Operating Company, LLC ("Riley") as a Senior Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my qualifications as an expert in petroleum land matters were accepted and made a matter of record. I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters.
- 3. I am submitting this affidavit in support of Riley's applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.
- 4. I am familiar with the applications filed by Riley in these consolidated cases and the status of the lands in the subject lands.
- 5. Under Case No. 24077, Riley seeks an order (1) creating a standard 320-acre, more or less, horizontal well spacing and unit ("HSU") composed of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) an order

Received by OCD: 4/25/2024 9:32:29 AM

Released to Imaging: 4/25/2024 9:51:28 AM

pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

- 6. **Riley Exhibit C-1** is a general location map showing the proposed Yeso Formation spacing unit. The acreage subject to the applications are federal lands.
- 7. **Riley Exhibit C-2** contains the Form C-102s reflecting that the proposed Yeso wells to be drilled and completed in the subject unit. The location of each well is orthodox and meets the Division's offset requirements.
- 8. A review of the Yeso Formation underlying the subject lands indicated that there are no overlapping spacing units in the Yeso Formation.
  - 9. **Riley Exhibit C-3** outlines the proposed Yeso unit and tracts therein.
- 10. Riley Exhibit C-4 sets forth the parties being pooled, the nature of their interests, and their last known address. The exhibit identifies the tract number, tract percentage interest, and spacing unit percentage interest for each mineral owner. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All interest owners were locatable and noticed, and there are no unleased mineral interest owners. Riley caused notice to be published in The Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico. I provided the law firm of Beatty & Wozniak, P.C. with the names and addresses for these mineral owners and instructed that each owner be provided notice of the hearing in these matters.
- 11. **Riley Exhibit C-5** contains the well proposal letter(s) sent in October 2023 and the amended well proposal sent in December 2023 to each mineral interest owner. The amended well proposal reflected a change of location for the Hawk 9 Federal Com 5H Well.

- 12. **Riley Exhibit C-6** contains the AFE for each proposed well. The estimated costs of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 13. Riley requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of New Mexico. Riley respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these cases.
- 14. Riley requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.
- 15. **Riley Exhibit C-7** sets forth a chronology of the contacts with owners. Riley has made a good faith effort to obtain voluntary joinder of the interest owners in the proposed wells.
  - 16. Riley requests that it be designated operator of the unit and wells.
- 17. **Exhibit C-1** through **Exhibit C-7** were either prepared by me or compiled from Riley's company business records under my direction and supervision.
- 18. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
- 19. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]

FURTHER AFFIANT SAYETH NOT.

Dated this day of January, 2024.

Mark Smith

Riley Permian Operating Company, LLC

STATE OF OKLAHOMA

) ) ss.

CITY OF OKLAHOMA CITY AND COUNTY OF OKLAHOMA

The foregoing instrument was subscribed and sworn to before me this 21/2 day of 2024, by Mark Smith, Senior Landman for Riley Permian Operating Company, LLC.

Witness my hand and official seal.

My commission expires: 3 - 15 - 2024



McKenju Shong

# Before the Oil Conservation Division Examiner Hearing Case No. 24077

Hawk 9 Federal Com 3H

Hawk 9 Federal Com 4H

Hawk 9 Federal Com 5H

Hawk 9 Federal Com 7H

Hawk 9 Federal Com 8H





Case No. 24077
Riley Permian Operating Company, LLC - Exhibit C-3

# Received by OCD: 4/25/2024 9:32:29 AM Land: Exhibit C-1

# Locator Map:



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

District IV

Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

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

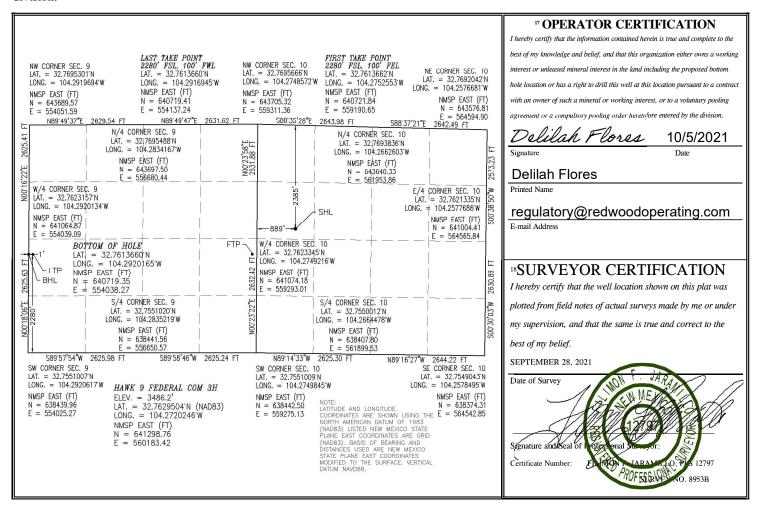
☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-53677		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name		
		51120	Red Lake; Glorieta-Yeso		
<sup>4</sup> Property Code		<sup>5</sup> Pr	operty Name	<sup>6</sup> Well Number	
329470		HAWK 9	3Н		
<sup>7</sup> OGRID No.		8 Operator Name			
330211		REDWOOD	3486.2		

■ Surface Location

	" Surface Location								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		2385	NORTH	889	WEST	EDDY
	<sup>11</sup> 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
L	9	18 S	27 E		2280	SOUTH	1	WEST	EDDY
12 Dedicated Acre	<sup>12</sup> Dedicated Acres			n Code	15 Order No.				
160									



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240

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

<u>District III</u> 1000 Rio Brazos Road, 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.

1220 South St. Francis Dr Santa Fe, NM 87505 Form C-102
Revised August 1,
2011
Submit one copy to appropriate
District Office

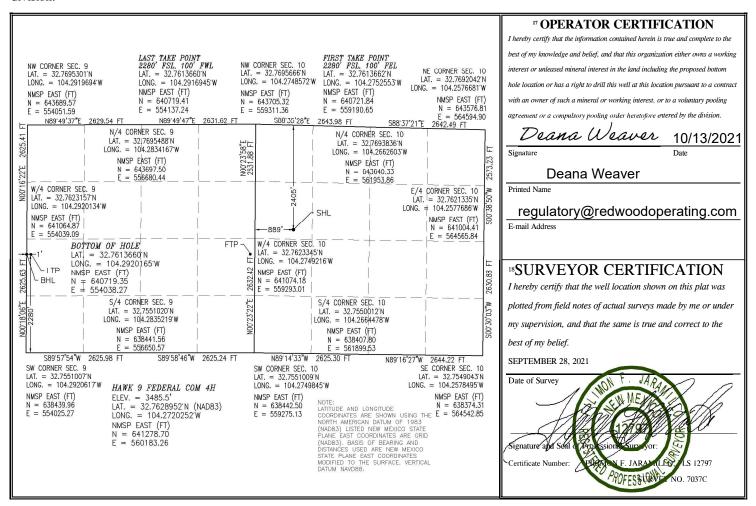
☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-53890		<sup>2</sup> Pool Code	
		51120	Red Lake; Glorieta Yeso
<sup>4</sup> Property Code		<sup>5</sup> Pr	<sup>6</sup> Well Number
329470		HAWK 9	<b>4</b> H
<sup>7</sup> OGRID No.		8 O]	<sup>9</sup> Elevation
330211		REDWOOD	3485.5

■ Surface Location

" Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		2405	NORTH	889	WEST	EDDY
	<sup>11</sup> 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
${f L}$	9	18 S	27 E		2280	SOUTH	1	WEST	EDDY
12 Dedicated Acre	s 13 Joint	or Infill 14	Consolidation	n Code			15 Order No.		
160									



<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

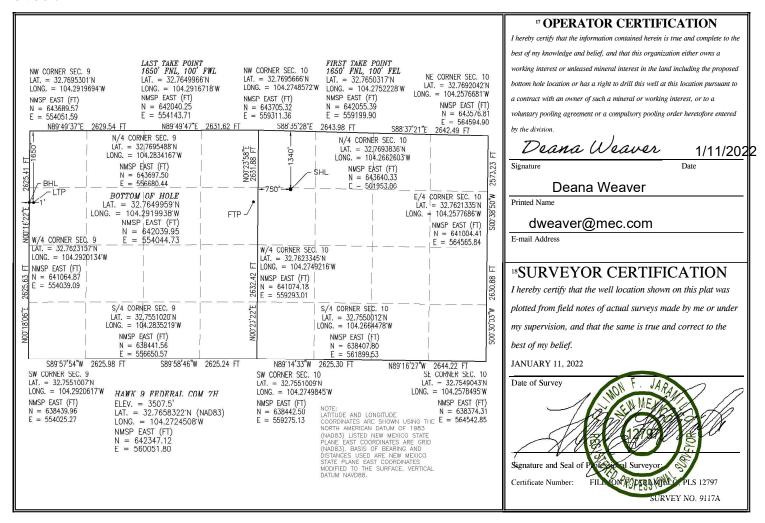
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number	er		<sup>2</sup> Pool Code <sup>3</sup> Poo		<sup>3</sup> Pool Name				
			51	120		Red Lake; Glorieta Yeso				
<sup>4</sup> Property	Code	<sup>5</sup> Property Name						6 1	Well Number	
				Н	AWK 9 FEDI	AWK 9 FEDERAL COM				
<sup>7</sup> OGRID	No.	8 Operator Name							<sup>9</sup> Elevation	
33021	1	REDWOOD OPERATING LLC						3507.5		
<sup>10</sup> Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
						1				

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
E	10	18 S	27 E		1340	NORTH	750	WEST	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	9	18 S	27 E		1650	NORTH	1	WEST	EDDY	
12 Dedicated Acre	s <sup>13</sup> Joint	or Infill	<sup>4</sup> Consolidation	1 Code			15 Order No.			
160										



<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III

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

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

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

Santa Fe, NM 87505

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

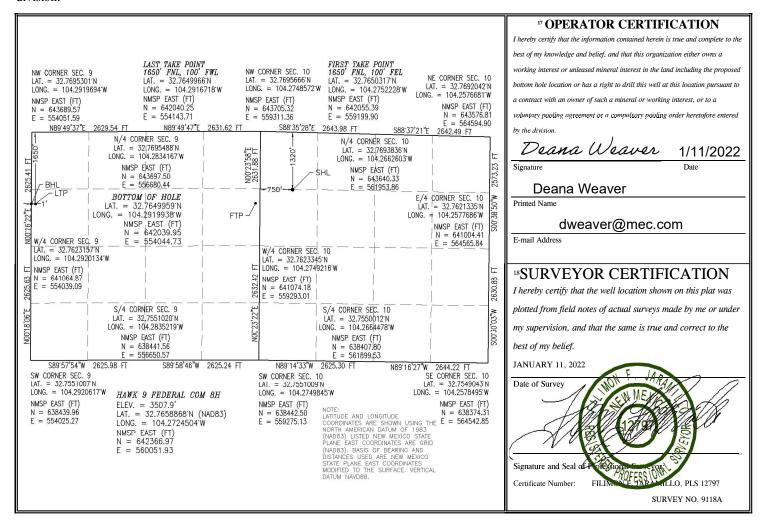
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

WEEE ECCRITION AND MERENGE DEDICATION LEAT							
<sup>1</sup> API Numb		<sup>2</sup> Pool Code <sup>3</sup> Pool Name					
30-015-5380	8 51120	Red Lake; Glorieta-Yeso					
<sup>4</sup> Property Code	<sup>5</sup> Pro	<sup>5</sup> Property Name					
329470	HAWK 9 I	HAWK 9 FEDERAL COM					
<sup>7</sup> OGRID No.	<sup>8</sup> Op	8 Operator Name					
330211	REDWOOD	REDWOOD OPERATING LLC					

■ Surface Location

					Durrace	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		1320	NORTH	750	WEST	EDDY
		-	11 Be	ottom Ho	ole Location	If Different Fro	om Surface		-
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	18 S	27 E		1650	NORTH	1	WEST	EDDY
12 Dedicated Acre	s <sup>13</sup> Joint	or Infill	4 Consolidation	1 Code			15 Order No.		
160									



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 Road, 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, NM 87505

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

AMENDED REPORT

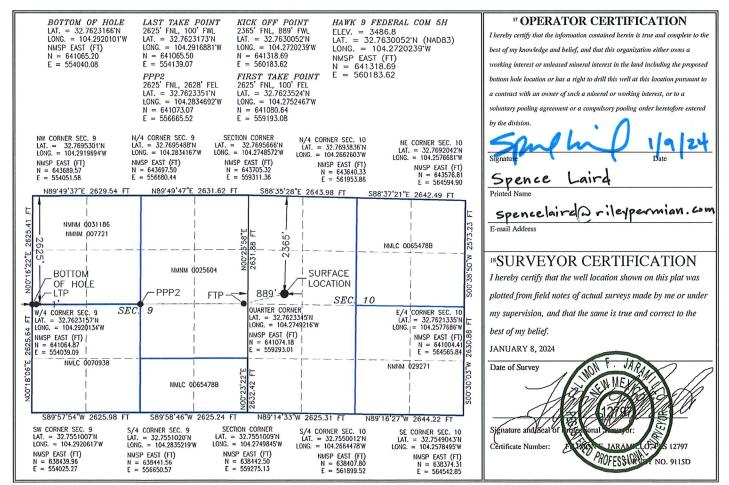
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Numbe	er	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Pr	operty Name	<sup>6</sup> Well Number
×		HAWK 9	FEDERAL COM	5H
<sup>7</sup> OGRID No.		8 OI	perator Name	<sup>9</sup> Elevation
372290		RILEY PERMIAN OP	ERATING COMPANY, LLC	3486.8

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E	×	2365	NORTH	889	WEST	EDDY
			пB	ottom H	ole Location	If Different Fr	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	18 S	27 E		2625	NORTH	1	WEST	EDDY
12 Dedicated Acre	s <sup>13</sup> Joint	or Infill 14	Consolidation	1 Code		•	15 Order No.		

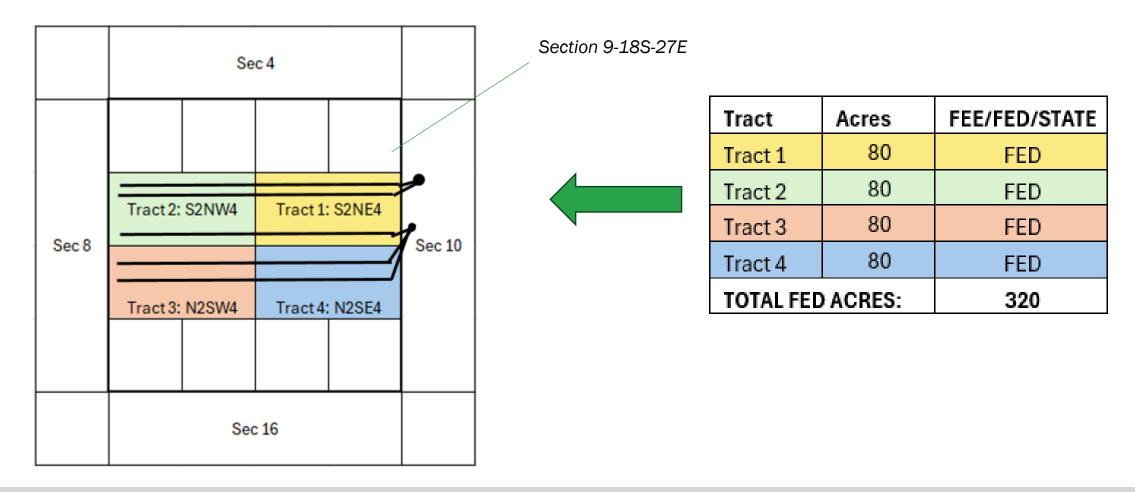
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Released to Imaging: 4/25/2024 9:51:28 AM

# Lease Tract Map: Exhibit C-3

S2N2 Section 9-18S-27E as Tracts 1 and 2 and the N2S2 Section 9-18S-27E as Tracts 3 and 4, Eddy County, NM (Red Lake, Glorieta-Yeso Pool); Hawk 9 Federal Com 3H, 4H, 5H, 7H and 8H



Tract 1: NMNM-025604

Owner	Net Acres	Tract WI	Status
Riley Permian	40.000000	0.50000000	Committed
Silverback 0-1, LLC	40.000000	0.50000000	Committed

### Tract 2: NMNM-031186

Owner	Net Acres	Tract WI	Status
Riley Permian	80.000000	1.00000000	Committed

# Tract 3: NMLC-070938

Owner	Net Acres	Tract WI	Status
FDW, Inc.	80.000000	1.00000000	Uncommitted

## Tract 4: NMNM-025604

Owner	Net Acres	Tract WI	Status
Riley Permian	40.000000	0.50000000	Committed
Silverback 0-1, LLC	37.333334	0.46666667	Committed
Todd M. Wilson	2.666665	0.03333333	Uncommitted

Committed Working Interest:	<u>Percent</u>
Riley Permian	50.00000%
Silverback 0-1, LLC	24.170000%

<u>Uncommitted Working Interest:</u>	<u>Percent</u>
FDW, Inc.	25.000000%
Todd M. Wilson	0.830000%

Received by OCD: 4/25/2024 9:32:29 AM ties: Exhibit C-4, continued Hawk 9 Federal Com 3H, 4H, 5H, 7H, & 8H S/2 N/2 & N/2 S/2 Section 9, T18S-27E, Eddy County, NM (Yeso Pool)

#### **Working Interest Owners**

**Riley Exploration Permian** 

FDW, Inc.

Silverback O-1, LLC

Todd M. Wilson

#### **Unleased Mineral Owners**

None

#### **ORRI Owners**

Jane Ann Hudson Davis

Mae Crane

Joan Ann Hudson Moore

ZPZ Delaware I, LLC

Elizabeth L. Cheney, as Trustee of the Elizabeth L. Cheney Irrevocable Trust dated effective December 31, 2020

Alexander K. Cheney, as Trustee of the Mitchel E. Cheney Irrevocable Trust dated effective July 9, 2021

Lynn S. Charuk

Riley Permian

Pecos Royalty, LLC

#### **Record Title Owner**

ZPZ Delaware I, LLC



October 12, 2023

FDW, Inc. P.O. Box 823085 Dallas, TX 75382

RE:

Well Proposal

N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

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

MWfnith



October 12, 2023

FDW, Inc. P.O. Box 823085 Dallas, TX 75382

RE: Well Proposal

Hawk 9 Federal Com 3H & 4H N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com 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).

Hawk 9 Federal Com 3H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,008'

Hawk 9 Federal Com 4H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

Released to Imaging: 4/25/2024 9:51:28 AM

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 well and agree to enter into the NJOA with the terms specified above.

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 S/2 of Section 9-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).

**Option 4: Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-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).

In the event 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 <a href="marksmith@rileypermian.com">marksmith@rileypermian.com</a>.

Best Regards,

MW.fmith

Mark W. Smith Sr. Landman

•
-
- 4
0
$\approx$
. 4
C
3
- 41
6
_ ,
4
C)
9
5.1
10
30
$\mathcal{O}$
/
4
-
73
$\sim$
0
-
6
-
~
3
2
- paris
e.
- 30
2
2
-

Hawk 9 Federal Com 3H WI Owner: FDW, Inc. WI Percent: 50.000000%
Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H 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:

:32:29 AM
32:29 AN
32:29 A
32:2
32:2
32:2
32:
8
8
1
0
4
$\sim$
9
$\mathcal{O}$
16
3
7.
4
$\stackrel{\sim}{\sim}$
5
$\sim$
~
0
0
y 0
by 00
y 0
by 00
ed by Oc
ved by O
ived by Oc
ived by Oc
ived by Oc

Hawk 9 Federal Com 4H WI Owner: FDW, Inc. WI Percent: 50.000000%	
Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared we pads, being reapportioned between each well drilled in the DSU.	•
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H 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	3.
Company / Individual:	
By:	
Name:	
Title:	

Received by OCD: 4/25/2024 9:32:29 AM	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 AN	
Received by OCD: 4/25/2024 9:32:29 A	
Received by OCD: 4/25/2024 9:32:29	7
Received by OCD: 4/25/2024 9:32:	
Received by OCD: 4/25/2024 9:32	2
Received by OCD: 4/25/2024 9:3.	
Received by OCD: 4/25/2024 9	
Received by OCD: 4/25/2024	ä
Received by OCD: 4/25/20.	_
Received by OCD: 4/25/20	2
Received by OCD: 4/25/.	0
Received by OCD: 4/2.	√.
Received by $OC_1$	5
Received by $OC_1$	Q
Received by $OC_1$	4
Received by $OC_1$	ä
Received $b$	7
Received $b$	$\approx$
Received $b$	9
Received	6
Receive	-
چ	6
چ	Ē.
چ	e
~	_
	$\sim$

Term Assignment Option
The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, 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 S/2 of Section 9, 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:





October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE:

Well Proposal

N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

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

MWfnith





October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE: Well Proposal

Hawk 9 Federal Com 3H & 4H N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com 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).

Hawk 9 Federal Com 3H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,008'

Hawk 9 Federal Com 4H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

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 well and agree to enter into the NJOA with the terms specified above.

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 S/2 of Section 9-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).

**Option 4: Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-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).

In the event 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

MWfmith

-	
$\mathbf{z}$	
-	
~	
~	
$\sim$	
Ci	
0	
2.7	
and .	
0	
_ `	
4	
ci.	
0	
C	
~	
5	
6	
5.4	
-	
4	
٠.	
~	
7.7	
$\sim$	
0	
-	
6	
-	
~	
0	
-=	
07	
~	
9	
0	

Hawk 9 Federal Com 3H WI Owner: Silverback O-1, LLC WI Percent: 23.3333335%

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H 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:

<b>M</b>
7
- 4
-
9
0.0
٠.
C
9
~
0
- 1
No.
1
0
7.4
0
2.7
1
10
4.9
5.4
5
4
4
<u></u>
0:
Ö
0:
CD:
CD:
Ö
OCD:
v OCD:
v OCD:
OCD:
1 by OCD:
d by OCD:
d by OCD:
ed by OCD:
ed by OCD:
ived by OCD:
ived by OCD:
eived by OCD:
eived by OCD:
ived by OCD:
eived by OCD:
Received by OCD:
eived by OCD:

Hawk 9 Federal Com 4H WI Owner: Silverback O-1, LLC WI Percent: 23.3333335%

Option 1) The undersigned electron 4H well and agrees to the for detailed in this proposal, with the cost and mainten pads, being reapportioned between each well drilled.	nance of all surface facilities, including any shared	as
Option 2) The undersigned ele the Hawk 9 Federal 4H well.	cts not to participate in the drilling and completion	of
Should you elect to participate, please also indicat obtain individual Well Insurance coverage, please Insurance.	e your Well Insurance election below. If you elect to provide Riley with a copy of your Certificate of	to
Well Insurance:		
The undersigned requests Well	I Insurance coverage provided by Riley	
The undersigned elects to obta	ain individual Well Insurance coverage.	
Agreed to and Accepted this	_day of, 20	)23.
Company / Individual:		
Ву:	<del></del>	
Name:		
Title:		

# **Term Assignment Option**

The undersigned hereby elects to assign their working interest in the 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with three (3) years and a bonus consideration of \$750 per net acre, delivering a full net reve (limited to the Yeso formation)	a primary term of
Assignment Option	
The undersigned hereby elects to assign their working interest in the 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,0 delivering a full net revenue interest (all rights owned).	N/2 S/2 of Section 000 per net acre,
Agreed to and Accepted this day of	_, 2023.
Company / Individual:	_
By:	
Name:	
Title:	





October 12, 2023

Todd M. Wilson 3608 SCR 1184 Midland, TX 79701

RE:

Well Proposal

N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

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

MWfnith



October 12, 2023

Todd M. Wilson 3608 SCR 1184 Midland, TX 79701

RE: Well Proposal

Hawk 9 Federal Com 3H & 4H N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com 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).

Hawk 9 Federal Com 3H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,008'

Hawk 9 Federal Com 4H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E
TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

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 well and agree to enter into the NJOA with the terms specified above.

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 S/2 of Section 9-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).

**Option 4: Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-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).

In the event 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.

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

Best Regards,

Mark W. Smith

MWfnith

Sr. Landman

Hawk 9 Federal Com 3H	
WI Owner: Todd M. Wilso	1
WI Percent: 1 6666665%	

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H 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:
Ву:
Name:
Title:

L .
-
-
_
4
~
_
0
_ `
$\sim$
• •
. 4
$\sim$
• •
9
No.
4
0
. 4
C
2.4
43
0
5.4
-
4
4
. 4
0:4
D: 4
.D: 4
D: 4
.D: 4
CD: 4
.D: 4
CD: 4
, OCD: 4
v OCD: 4
v OCD: 4
v OCD: 4
by OCD: 4
( by OCD: 4
d by OCD: 4
( by OCD: 4
ed by OCD: 4
ved by OCD: 4
ved by OCD: 4
ved by OCD: 4
ved by OCD: 4
ved by OCD: 4
ved by OCD: 4
ved by OCD: 4
eceived by OCD: 4
eceived by OCD: 4
ved by OCD: 4

Hawk 9 Federal Com 4H WI Owner: Todd M. Wilson WI Percent: 1.6666665%
Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H 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:

Name:

Title:

**Term Assignment Option** 

Received by OCD: 4/25/2024 9:32:29 AM

The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, 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 S/2 of Section 9, 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:





October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE:

Well Proposal

S/2 N/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 7H, 8H, 9H and 10H wells in the S/2 N/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

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

MWfnith



October 12, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 West 1H 10, Suite 201 San Antonio, TX 78257

RE: Well Proposal

Hawk 9 Federal Com 5H, 7H, 8H S/2 N/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com 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).

Hawk 9 Federal Com 5H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 2160' FNL & 1' FWL, Section 9, T18S-R27E
TVD: 3,105'

Hawk 9 Federal Com 7H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E
TVD: 3,992'

Hawk 9 Federal Com 8H – <u>Horizontal Yeso Well, Eddy County, NM</u>

Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E

Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E

TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

Released to Imaging: 4/25/2024 9:51:28 AM

- Effective Date of November 1, 2023
- Contract Area consisting of S/2 N/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

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 well and agree to enter into the NJOA with the terms specified above.

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

**Option 3: Term Assignment Option** – Assign your working interest in the S/2 N/2 of Section 9-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).

**Option 4: Assignment Option** – Assign your working interest in the S/2 N/2 of Section 9-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).

In the event 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,

MW.fmith

Mark W. Smith Sr. Landman

Received by OCD: 4/25/2024 9:32:29 AM

Ha	wk 9 Federal Com 5H	
WI	Owner: Silverback O-1,	LLC
WI	Percent: 25.000000%	

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 5H 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:

Title: \_

Hawk 9 Federal Com 7H WI Owner: Silverback O-1, LLC WI Percent: 25.000000%

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 7H 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:

Hawk 9 Federal Com 8H	
WI Owner: Silverback O-1, LLC	;
WI Percent: 25.000000%	

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.
Option 2) The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 8H 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:

T	er	'n	1	Α	S	S	į	q	1	1	n	n	е	r	1	t	0	p	t	ic	)	n

The undersigned hereby elects to assign their working interest in 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment three (3) years and a bonus consideration of \$750 per net acre, delivering a full necessity (limited to the Yeso formation)	t with a primary term of
Assignment Option	
The undersigned hereby elects to assign their working interest in 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of delivering a full net revenue interest (all rights owned).	in the S/2 N/2 of Section of \$1,000 per net acre,
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
By:	
Name:	
Title:	



December 4, 2023

FDW, Inc. P.O. Box 823085 Dallas, TX 75382

RE:

Well Proposal

Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H S/2 N/2 & N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com 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).

# Hawk 9 Federal Com 3H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,008'

## Hawk 9 Federal Com 4H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,817'

# Hawk 9 Federal Com 5H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2640' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,105'

# Hawk 9 Federal Com 7H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,992'

# Hawk 9 Federal Com 8H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 and N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e.

micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated January 1, 2024, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2024
- Contract Area consisting of S/2 N/2 & N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

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 well and agree to enter into the NJOA with the terms specified above.

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

**Option 3: Term Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-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).

**Option 4: Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-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).

In the event 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 <a href="marksmith@rileypermian.com">marksmith@rileypermian.com</a>.

Best Regards,

Mark W. Smith Sr. Landman Hawk 9 Federal Com 3H WI Owner: FDW, Inc. WI Percent: 25.00%

Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	e NJOA as
Option 2) The undersigned elects not to participate in the drilling and co the Hawk 9 Federal Com 3H well.	mpletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifical 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:	
Ву:	
Name:	
Title:	

Hawk 9 Federal Com 4H WI Owner: FDW, Inc. WI Percent: 25.00%

Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	ne NJOA as
Option 2) The undersigned elects not to participate in the drilling and co the Hawk 9 Federal 4H well.	mpletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifical 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:	
Ву:	
Name:	
Title:	

Hawk 9 Federal Com 5H WI Owner: FDW, Inc. WI Percent: 25.00%

Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	ne NJOA as
Option 2) The undersigned elects not to participate in the drilling and co the Hawk 9 Federal Com 5H well.	empletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifical 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:	
Ву:	
Name:	
Title:	

Hawk 9 Federal Com 7H WI Owner: FDW, Inc. WI Percent: 25.00%

Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	ne NJOA as
Option 2) The undersigned elects not to participate in the drilling and co the Hawk 9 Federal 7H well.	empletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifical 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:	
Ву:	
Name:	
Title:	

Hawk 9 Federal Com 8H WI Owner: FDW, Inc. WI Percent: 25.00%

Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	ne NJOA as
<b>Option 2)</b> The undersigned elects not to participate in the drilling and co the Hawk 9 Federal Com 8H well.	mpletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certific 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:	
Ву:	
Name:	
Title:	

**Term Assignment Option** 

The undersigned hereby elects to assign their working interest in the S of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assign primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering revenue interest (limited to the Yeso formation)	ment with a
Assignment Option	
The undersigned hereby elects to assign their working interest in the S of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus considerant acre, delivering a full net revenue interest (all rights owned).	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	-
By:	
Name:	
Title:	



December 4, 2023

Silverback O-1, LLC Attn: Austin Frye 19707 IH 10 West, Suite 201 San Antonio, TX 78257

RE: Well Proposal

Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H S/2 N/2 & N/2 S/2 Section 9, T18S-R27E Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com 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).

# Hawk 9 Federal Com 3H – <u>Horizontal Yeso Well, Eddy County, NM</u> Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,008'

Hawk 9 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E

Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E

TVD:3.817'

Hawk 9 Federal Com 5H – Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E

Proposed Bottom Hole Location – 2640' FNL & 1' FWL, Section 9, T18S-R27E

TVD: 3,105'

Hawk 9 Federal Com 7H – <u>Horizontal Yeso Well, Eddy County, NM</u>
Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E
TVD: 3,992'

Hawk 9 Federal Com 8H – <u>Horizontal Yeso Well, Eddy County, NM</u>

Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E

Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E

TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 and N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations

for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated January 1, 2024, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2024
- Contract Area consisting of S/2 N/2 & N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

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 well and agree to enter into the NJOA with the terms specified above.

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

**Option 3: Term Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-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).

**Option 4: Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-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).

In the event 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 <a href="marksmith@rileypermian.com">marksmith@rileypermian.com</a>.

Best Regards,

Mark W. Smith Sr. Landman

MW Smith

Hawk 9 Federal Com 3H WI Owner: Silverback O-1, LLC WI Percent: 24.17%

Option 1) The undersigned elects to participate in the drilling and complete Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including any spads, being reapportioned between each well drilled in the DSU.	VJOA as
Option 2) The undersigned elects not to participate in the drilling and comp the Hawk 9 Federal Com 3H well.	oletion of
Should you elect to participate, please also indicate your Well Insurance election below. If you obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate 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:	

Hawk 9 Federal Com 4H WI Owner: Silverback O-1, LLC WI Percent: 24.17%

Option 1) The undersigned elects to participate in the drilling and complete Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including any pads, being reapportioned between each well drilled in the DSU.	NJOA as
Option 2) The undersigned elects not to participate in the drilling and corthe Hawk 9 Federal 4H well.	npletion of
Should you elect to participate, please also indicate your Well Insurance election below. If yo obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifica 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:	

Hawk 9 Federal Com 5H WI Owner: Silverback O-1, LLC WI Percent: 24.17%

— Option 1) The undersigned elects to participate in the drilling and complete Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including any pads, being reapportioned between each well drilled in the DSU.	NJOA as
Option 2) The undersigned elects not to participate in the drilling and conthe Hawk 9 Federal Com 5H well.	npletion of
Should you elect to participate, please also indicate your Well Insurance election below. If yo obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificat 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:	

Hawk 9 Federal Com 7H WI Owner: Silverback O-1, LLC WI Percent: 24.17%

Option 1) The undersigned elects to participate in the drilling and complete Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the I detailed in this proposal, with the cost and maintenance of all surface facilities, including any spads, being reapportioned between each well drilled in the DSU.	VJOA as
Option 2) The undersigned elects not to participate in the drilling and comp the Hawk 9 Federal 7H well.	letion of
Should you elect to participate, please also indicate your Well Insurance election below. If you obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate 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:	

Hawk 9 Federal Com 8H WI Owner: Silverback O-1, LLC WI Percent: 24.17%

Option 1) The undersigned elects to participate in the drilling and completic Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the N detailed in this proposal, with the cost and maintenance of all surface facilities, including any suppads, being reapportioned between each well drilled in the DSU.	IJOA as
Option 2) The undersigned elects not to participate in the drilling and comp the Hawk 9 Federal Com 8H well.	letion of
Should you elect to participate, please also indicate your Well Insurance election below. If you obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate 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:	
Ву:	
Name:	
Title:	

Term Assignment Option	
The undersigned hereby elects to assign their working interest in the S of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assign primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering revenue interest (limited to the Yeso formation)	ment with a
Assignment Option	
The undersigned hereby elects to assign their working interest in the S of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration net acre, delivering a full net revenue interest (all rights owned).	
Agreed to and Accepted this day of	, 2023.
Company / Individual:	
By:	
Name:	



December 4, 2023

Todd M. Wilson 3608 SCR 1184 Midland, TX 79701

RE: \

Well Proposal

Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H S/2 N/2 & N/2 S/2 Section 9, T18S-R27E

Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com 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).

# Hawk 9 Federal Com 3H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,008'

## Hawk 9 Federal Com 4H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E TVD:3,817'

# Hawk 9 Federal Com 5H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 2640' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,105'

# Hawk 9 Federal Com 7H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3.992'

# Hawk 9 Federal Com 8H - Horizontal Yeso Well, Eddy County, NM

Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 and N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e.

micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated January 1, 2024, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2024
- Contract Area consisting of S/2 N/2 & N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

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 well and agree to enter into the NJOA with the terms specified above.

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

**Option 3: Term Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-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).

**Option 4: Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-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).

In the event 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 <a href="marksmith@rileypermian.com">marksmith@rileypermian.com</a>.

Best Regards,

Mark W. Smith Sr. Landman

MW Smith

Hawk 9 Federal Com 3H WI Owner: Todd M. Wilson

WI Percent: 0.83%

Option 1) The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA and detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared pads, being reapportioned between each well drilled in the DSU.	as
Option 2) The undersigned elects not to participate in the drilling and completion the Hawk 9 Federal Com 3H well.	of
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.	:o
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, 20	)23.
Company / Individual:	
By:	
Name:	
Title:	

Hawk 9 Federal Com 4H WI Owner: Todd M. Wilson

WI Percent: 0.83%

Option 1) The undersigned elects to participate in the drilling and completion Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJC detailed in this proposal, with the cost and maintenance of all surface facilities, including any shall pads, being reapportioned between each well drilled in the DSU.	DA as
Option 2) The undersigned elects not to participate in the drilling and complete the Hawk 9 Federal 4H well.	ion of
Should you elect to participate, please also indicate your Well Insurance election below. If you election below below that individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.	ect to
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:	

Hawk 9 Federal Com 5H WI Owner: Todd M. Wilson

WI Percent: 0.83%

	lation of the
Doption 1) The undersigned elects to participate in the drilling and complete Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	e NJOA as
Option 2) The undersigned elects not to participate in the drilling and counthe Hawk 9 Federal Com 5H well.	mpletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifica 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:	
Ву:	
Name:	
Title:	

Hawk 9 Federal Com 7H WI Owner: Todd M. Wilson

WI Percent: 0.83%

Option 1) The undersigned elects to participate in the drilling and complete Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the I detailed in this proposal, with the cost and maintenance of all surface facilities, including any spads, being reapportioned between each well drilled in the DSU.	VJOA as
Option 2) The undersigned elects not to participate in the drilling and compathe Hawk 9 Federal 7H well.	letion of
Should you elect to participate, please also indicate your Well Insurance election below. If you obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate 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:	

Hawk 9 Federal Com 8H WI Owner: Todd M. Wilson

WI Percent: 0.83%

	latian at the
Option 1) The undersigned elects to participate in the drilling and comp Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the detailed in this proposal, with the cost and maintenance of all surface facilities, including an pads, being reapportioned between each well drilled in the DSU.	e NJOA as
Option 2) The undersigned elects not to participate in the drilling and co the Hawk 9 Federal Com 8H well.	mpletion of
Should you elect to participate, please also indicate your Well Insurance election below. If y obtain individual Well Insurance coverage, please provide Riley with a copy of your Certifical 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:	
Ву:	
Name:	
Title:	

**Term Assignment Option** 

The undersigned hereby elects to assign their working interest in the of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assign primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering revenue interest (limited to the Yeso formation)	nment with a
Assignment Option	
The undersigned hereby elects to assign their working interest in the of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus considerant acre, delivering a full net revenue interest (all rights owned).	
	0000
Agreed to and Accepted this day of  Company / Individual:	_, 2023.
By:	_
Name:	
Title:	



Riley Permian Operating Company						T								Oct	t 12, 202
well name & number Hawk 9 Federal Com 3H						PROPOSED TVE 3,008			PROPOSED ME 9.000	ASURED DEPTH	FIELD/PR Red Lake				
COUNTY STATE						3,000			COMPLETED LA	ATERAL	PROPOSED		TION		
Eddy NM									5,200		Yeso				
LOCATION	0000 FOL	0.4.514//							CLASSIFICATIO		Surface LAT:			6495	
SHL: 2385 FNL & 889 FWL; BHL:	INTANG					D	RILL	ING	Develop	PLETION	Surface LONG:	ILITIE	-104. E <b>S</b>		
DESCRIPTION	1117410	<b>D</b>				ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT		IOUNT	T	TOTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010	\$	-	\$	15,00
Drilling Title Opinion				1		850.020	\$	50,000	055.000	•	205 200			\$	50,00
Location, Roads, & Pits Insurance & Bonds						850.030 850.040	\$	85,000 4,000	855.030 855.040	\$ - \$ -	825.030	\$		\$	85,00 4,00
Rig Mobilization						850.050	\$	85,000	855.050	\$ -				\$	85,00
	days @	\$ 16,500				850.060	\$	198,000	855.060	\$ -				\$	198,00
Footage Drilling 10000 Turnkey Drilling	feet @		/ft			850.070 850.080	\$	-						\$	-
Bits						850.090	\$	55,000						\$	55,00
Directional Services						850.095	\$	87,000						\$	87,00
Mud & Chemicals Solids Control Services						850.100 850.105	\$	44,000 48,000						\$	44,00
Coil Tbg/Snubbing						000.100	Ψ	10,000	855.110	\$ -				\$	-
Fuel 1250	gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.111	\$ 170,000	00= :::			\$	230,00
Water - Fresh Kill Weight Fluids						850.120 850.125	\$	10,000 10,000	855.120 855.125	\$ 195,000 \$ 5,000	825.120	\$	-	\$	205,00 15,00
	\$ 17,000	Int		Prod Csg	\$ 78,000	850.130	\$	95,000	000.120	ψ 3,000		-		\$	95,00
Casing Hardware Surf	\$ 5,000			Prod		850.135	\$	45,000						\$	45,00
Open Hole Logs Completion Fluids						850.140	\$	-	855.140	\$ 280,000				\$	280,00
Mud Logging						850.150	\$	22,000	000.140	ψ 200,000				\$	22,00
Coring						850.160	\$	-						\$	-
Surface Equip Rentals  Downhole Equip Rentals						850.180 850.185	\$	107,000 32,000	855.180 855.185	\$ 145,000 \$ 73,000	825.180	\$	10,000	\$	262,00 105,00
Transportation						850.190	\$	7,000	855.190	\$ 9,000	825.190	\$	30,000	\$	46,00
Living Quarters						850.200	\$	17,000	855.200	\$ 8,000				\$	25,00
Safety						850.205	\$	- 00.000	0EE 010	¢ 65,000	925 240	•	6E 000	\$	210.00
Contract Services Tubular Inspections						850.210 850.215	\$	80,000 14,000	855.210 855.215	\$ 65,000 \$ 10,000	825.210	\$	65,000	\$	210,000
Consulting Engineer						850.220	\$	27,800						\$	27,80
On-Site Supervision						850.225	\$	22,800	855.225	\$ 42,000	825.225	\$	-	\$	64,80
Consulting Geologist Company Labor						850.230 850.245	\$	5,000	855.245	\$ 8,000	825.245	\$	1,200	\$	14,20
Plug & Abandonment						850.270	\$	-		Ψ 0,000	020.210		1,200	\$	-
Surface Damages	-			-		850.280	\$	38,000	855.280	\$ -	825.280	\$		\$	43,00
Fluid Haul & Disposal Water Transfer Services						850.290 850.291	\$	16,000	855.290 855.291	\$ 45,000 \$ 75,000	825.290	\$	6,000	\$	67,000 75,000
Overhead						850.300	\$	2,000	855.300	\$ 5,400	825.300	\$	8,100	\$	15,50
Completion Unit									855.310	\$ 74,000				\$	74,00
Plugs, Perfs & Cased Hole Wireline Acidizing									855.325 855.340	\$ 145,000 \$ 10,000		-		\$	145,00
	Stage Space	ing		25	Stages				855.350	\$ 1,700,000				•	1,700,00
EHS & Regulatory						850.700	\$		855.700	\$ -				\$	-
Spills & Environmental Response Safety						850.701 850.702	\$	-	855.701 855.702	\$ - \$ -				\$	-
Regulatory						850.703	\$	-	855.703	\$ -				\$	-
Environmental Compliance						850.704	\$	-	855.704	\$ -				\$	
	TANOT	OI EC		TOTAL II	NTANGIBLES	-	\$ DII I	1,281,600	0011	\$ 3,064,400	<u> </u>		125,300	\$	4,471,30
	TANGIE						KILL	ING		PLETION		ILITIE		7	TOTAL
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AM	IOUNT	L	
Conductor Pipe	16	10 -		70.00	90	860.010	\$	19,000						\$	19,000
Surface Casing Intermediate Casing	13 3/8 9 5/8	48.0 36.0	J-55 J-55	78.63 60.34	375 0	860.020 860.030	\$	29,000				-		\$	29,00
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$	159,000						\$	159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000						\$	184,00
Casing Head Spools Liners & Hangers						860.050 860.060	\$	24,000				-		\$	24,00
Production Tubing	2 7/8	6.5	J-55	15.62	3,000	550.000	ψ	-	865.120	\$ 47,000		-		\$	47,00
Other Wellhead Equipment	•			•		860.070	\$	-	865.070	\$ -				\$	
Flowline & Connectors Production Wellhead									865.250 865.100	\$ 40,000 \$ 24,000		-		\$	40,000
Tubing Head						860.130	\$	29,000	000.100	φ ∠4,000				\$	24,000
Artificial Lift -Surface & Downhole Equ	ipment							,	865.155	\$ 138,000				\$	138,00
Non-controllable (Well)						860.080 860.090	\$	-	865.090	¢	826.090	œ.		\$	
Miscellaneous Equipment Tanks, Stairs, & Walkways						000.090	\$	-	000.090	\$ -	826.090 826.150	\$	99,500	\$	99,50
Production Facility (pipes, valves, other											826.200	\$ 3	300,000	\$	300,00
	lare, & Con	ıbustor									826.210			\$	107,00
Separators, Heater Treaters, FWKO, F											826.240			\$	10,00
Meters & Meter Runs									865.270	\$ -	826.270	\$ 1	120,000	1.5	720 00
				TOTAL	TANGIBLES		\$	444,000	865.270	\$ - \$ 249,000	826.270			\$ <b>\$</b>	120,000 <b>1,329,50</b>



operator Riley Permian Operating Company											AFE NO.		0	DATE oct 12 2023
WELL NAME & NUMBER						PROPOSED TVD	)		PROPOSED ME	ASURED DEPTH	FIELD/P	ROSPECT	_ 0	OL 12 2023
Hawk 9 Federal Com 4H						3,817			9,000		Red Lake	•		
COUNTY STATE									COMPLETED LA	TERAL		FORMATION		
Eddy NM									5,200		Yeso	20.7	76.40	E00
LOCATION	0000 FCL (	0 4 5144									Surface LAT: Surface LONG:	32.7 -104		
SHL: 2405 FNL & 889 FWL; BHL:	INTANGI					DI	RII I	LING	Develop	PLETION		CILITIES	3Z3	0224
DESCRIPTION	INTANO	DLLO				ACCOUNT		AMOUNT	ACCOUNT	AMOUN		1		TOTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010		\$	15,00
Drilling Title Opinion						850.020	\$	50,000					\$	50,00
Location, Roads, & Pits						850.030	\$	85,000	855.030	\$	- 825.030	\$ -	\$	85,00
Insurance & Bonds Rig Mobilization						850.040 850.050	\$	4,000 85,000	855.040 855.050	\$	-		\$	4,000 85,000
	days @	\$ 16,500	/dav			850.060	\$	198,000	855.060	\$	-	-	\$	198,00
	feet @		/ft			850.070	\$	-		·			\$	-
Turnkey Drilling						850.080	\$	-					\$	-
Bits Directional Services						850.090 850.095	\$	55,000 87,000				_	\$	55,00 87,00
Mud & Chemicals						850.100	\$	44,000				+	\$	44,00
Solids Control Services						850.105	\$	48,000					\$	48,00
Coil Tbg/Snubbing		÷	/4			050 444	Φ.	00.000	855.110	\$ \$ 170,0	-		\$	- 220 000
Fuel 1250 Water - Fresh	gal/day @	\$ 4.00	/day			850.111 850.120	\$	60,000 10,000	855.111 855.120	\$ 170,0 \$ 195,0		\$ -	\$	230,00
Kill Weight Fluids						850.125	\$	10,000	855.125	\$ 5,0		+	\$	15,00
	\$ 17,000	Int		Prod Csg		850.130	\$	95,000		,			\$	95,00
Casing Hardware Surf Open Hole Logs	\$ 5,000	Int		Prod	\$ 40,000	850.135 850.140	\$	45,000				+	\$	45,00
Completion Fluids						850.140	Ъ	-	855.140	\$ 280,0	00	+	\$	280,00
Mud Logging						850.150	\$	22,000		¥ ====,=			\$	22,00
Coring						850.160	\$	-	05- :				\$	-
Surface Equip Rentals  Downhole Equip Rentals						850.180 850.185	\$	107,000 32,000	855.180 855.185	\$ 145,0 \$ 73,0		\$ 10,000	\$	262,00
Transportation						850.185	\$	7,000	855.185	\$ 73,0		\$ 30,000	\$	105,000 46,000
Living Quarters						850.200	\$	17,000	855.200	\$ 8,0		Ψ σσ,σσσ	\$	25,00
Safety						850.205	\$	-					\$	-
Contract Services Tubular Inspections						850.210	\$	80,000	855.210 855.215	\$ 65,0 \$ 10,0		\$ 65,000	\$	210,00
Consulting Engineer						850.215 850.220	\$	14,000 27,800	000.210	\$ 10,0	00	+	\$	24,00 27,80
On-Site Supervision						850.225	\$	22,800	855.225	\$ 42,0	00 825.225	\$ -	\$	64,80
Consulting Geologist						850.230	\$	-					\$	
Company Labor Plug & Abandonment						850.245 850.270	\$	5,000	855.245	\$ 8,0	00 825.245	\$ 1,200	\$	14,20
Surface Damages						850.280	\$	38,000	855.280	\$	- 825.280	\$ 5,000	\$	43,00
Fluid Haul & Disposal						850.290	\$	16,000	855.290	\$ 45,0		\$ 6,000	\$	67,00
Water Transfer Services						850.291	\$		855.291	\$ 75,0		<del></del>	\$	75,00
Overhead Completion Unit						850.300	\$	2,000	855.300 855.310	\$ 5,4 \$ 74,0		\$ 8,100	\$	15,50 74,00
Plugs, Perfs & Cased Hole Wireline									855.325	\$ 145,0		+	\$	145,00
Acidizing									855.340	\$ 10,0	00		\$	10,00
,	Stage Spaci	ng		25	Stages	050 700				\$ 1,700,0	00		\$	1,700,00
EHS & Regulatory Spills & Environmental Response						850.700 850.701	\$	<u> </u>	855.700 855.701	•	-	+	\$	-
Safety						850.702	\$	-	855.702	\$	-	+	\$	_
Regulatory						850.703	\$	-	855.703	\$	-		\$	-
Environmental Compliance						850.704	\$	-	855.704	\$	-		\$	
	TANGIE	I EC		TOTAL II	NTANGIBLES	DI	\$	1,281,600 LING	COM	\$ 3,064,4 PLETION	_	\$ 125,300	\$	4,471,30
	IANGIE	ILEO		T		DI	KILL					CILITIES		TOTAL
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AMOUN	ACCOUNT	AMOUNT		<b></b>
Conductor Pipe	16				90	860.010	\$	19,000					\$	19,00
Surface Casing Intermediate Casing	13 3/8 9 5/8	48.0 36.0	J-55 J-55	78.63 60.34	375 0	860.020 860.030	\$	29,000				+	\$	29,00
Production Casing -top string	7	26.0	J-55 L-80	48.91	3,250	860.030	\$	159,000				+	\$	159,00
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000				1_	\$	184,00
Casing Head Spools	-		-	-		860.050	\$	24,000					\$	24,00
Liners & Hangers Production Tubing	2 7/8	6.5	1.55	15.62	3 000	860.060	\$	-	865.120	¢ 47.0	00		\$	47,00
Other Wellhead Equipment	2110	6.5	J-55	15.62	3,000	860.070	\$	-	865.070	\$ 47,0 \$	-		\$	47,00
							É		865.250	\$ 40,0			\$	40,00
Flowline & Connectors						000 400	•	00.000	865.100	\$ 24,0	00		\$	24,00
Production Wellhead						860.130	\$	29,000	865.155	\$ 138,0	00	+	\$	29,00 138,00
Production Wellhead Tubing Head	pment					860.080	\$	-	555.100	¥ 100,0			\$	100,00
Production Wellhead	pment					860.090	\$	-	865.090	\$	- 826.090		\$	
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment	pment						1				826.150	\$ 99,500		99,50 300,00
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways		24)									000 000	<b>#</b> 200 200		
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe	r misc. equip										826.200 826.210		\$	
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways	r misc. equip										826.200 826.210 826.240	\$ 107,000	\$	107,00
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, F	r misc. equip								865.270	\$	826.210 826.240 - 826.270	\$ 107,000 \$ 10,000 \$ 120,000	\$ \$	107,000 10,000 120,000
Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equi Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, F Meters & Meter Runs	r misc. equip				TANGIBLES		\$	444,000 1,725,600	865.270	\$ \$ 249,0 \$3,313,4	826.210 826.240 - 826.270	\$ 107,000 \$ 10,000	\$ \$ \$	107,000



AFE NO. DATE Riley Permian Operating Company Oct 12 2023 ROPOSED TVD OPOSED MEASURED DEPTH FIELD/PROSPECT Hawk 9 Federal Com 5H 3,105 9,000 Red Lake Eddy Yeso NM 5,200 32.7649500 OCATION ASSIFICATION urface LAT SHL 2365 FNL & 889 FWL, BHL: 2160 FNL & 1 FWI INTANGIBLES Development -104.323224 COMPLETION **FACILITIES** DRILLING TOTAL ACCOUNT ACCOUNT AMOUNT ACCOUNT AMOUNT AMOUNT 855.010 \$ Permits & Surveys 850.010 15,000 825.010 Drilling Title Opinion 850.020 50.000 50.000 ocation, Roads, & Pits 855.030 \$ 825.030 85,000 nsurance & Bonds 850.040 4.000 855.040 \$ 4.000 85,000 855.050 \$ 198,000 855.060 \$ Rig Mobilization Dayrate Drilling Rig **12** days @ **\$ 16,500** /day 850.060 198,000 10000 feet @ 850.070 ootage Drilling Turnkey Drilling 850.080 55,000 55,000 Directional Services 850.095 87,000 87.000 Mud & Chemic Solids Control Services 850.105 48.000 48.000 Coil Tbg/Snubbing 855.110 \$ 230.000 4.00 /day 850.111 60.000 170.000 uel **1250** gal/day @ \$ 855.111 \$ Water - Fresh 855.120 \$ \$ 850.120 10,000 195,000 825.120 205,000 Kill Weight Fluids 850.125 10.000 855.125 \$ 5,000 15.000 78,000 850.130 95.000 95.000 Cementing Svcs uf **\$ 17,000** Prod Csg \$ Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000 850.135 45.000 45,000 Open Hole Logs 850.140 280,000 ompletion Fluids 855.140 \$ 280,000 Mud Logging 22,000 22,000 Coring 850.160 Surface Equip Rentals 107,000 262,000 850.180 145,000 825.180 \$ 10,000 Downhole Equip Rentals 850.185 32,000 855.185 73,000 105.000 Transportation 825.190 iving Quarters 850.200 17,000 855.200 8.000 25,000 afety 850.205 Contract Services 210,000 80.000 855.210 \$ 850.210 \$ 65.000 825.210 \$ 65.000 24,000 27,800 Tubular Inspections 14,000 855.215 \$ 10,000 Consulting Engineer 850.220 \$ 27.800 On-Site Supervision 22,800 855.225 42,000 825.225 64,800 Consulting Geologist Company Labor 850.230 850.245 5,000 855.245 \$ 8,000 825.245 \$ 1,200 14,200 Plug & Abandonment 850.270 43,000 urface Damages 855.280 \$ Fluid Haul & Disposal 850.290 16,000 855.290 \$ 45.000 825.290 6,000 67.000 Water Transfer Services 850.291 855.291 75,000 75,000 2.000 8.100 Overhead 850.300 \$ 855.300 5.400 825,300 15.500 Completion Unit 74,000 74,000 855.310 Plugs, Perfs & Cased Hole Wireline 855.325 \$ 145.000 145.000 855.340 855.340 \$ 10,000 855.350 \$ 1,700,000 Acidizing racturing 1,700,000 200 Stage Spacing 25 Stages EHS & Regulatory 855.700 850.700 Spills & Environmental Response 850.701 855.701 afety 850.702 855.702 \$ Regulatory 850.703 855.703 \$ Environmental Compliance 850.704 855.704 \$ TOTAL INTANGIBLES 1,281,600 \$ 3,064,400 125,300 4,471,300 **TANGIBLES** DRILLING COMPLETION **FACILITIES** TOTAL SIZE WEIGHT GRADE Cost/Ft. LENGTH ACCOUNT AMOUNT ACCOUNT AMOUNT ACCOUNT AMOUNT DESCRIPTION 860.010 19,000 19,000 Conductor Pipe 13 3/8 9 5/8 J-55 48.0 78.63 375 860.020 29,000 29,000 J-55 ntermediate Casing 36.0 0 860.030 60.34 Production Casing -top string
Production Casing -bottom string L-80 26.0 48.91 3,250 860.040 159,000 159.000 5 1/2 17.0 L-80 35.34 5,200 860.041 184,000 184,000 860.050 Casing Head Spools 24,000 24,000 Liners & Hangers Production Tubing 860.060 \$ 865.120 \$ 2 7/8 6.5 J-55 15.62 47,000 47,000 860.070 \$ Other Wellhead Equipment 865.070 \$ lowline & Connectors 865.250 40,000 40,000 Production Wellhead 865.100 24,000 24,000 Tubing Head
Artificial Lift -Surface & Downhole Equipment 860.130 29,000 865.155 \$ 138,000 138,000 Non-controllable (Well) 860.080 865.090 \$ Miscellaneous Equipment 860.090 826.090 \$ Tanks, Stairs, & Walkways 826.150 \$ 99,500 99,500 Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combu 826.200 \$ 300,000 300,000 826.210 107,000 107.000 Meters & Meter Runs 826.240 \$ 10,000 10,000 826.270 \$ Electrical & SCADA Automation 865.270 \$ 120,000 120,000 TOTAL TANGIBLES 444,000 249,000 636,500 1,329,500 prepared by: PARTNER COMPANY Monnie DeHart 1.725.600 \$3.313.400 \$ 761.800 \$ 5.800.800 TOTAL WELL COST NAME / TITLE

Case No. 24077



Riley Permian Operating Company						1			T					Oc	ct 12 2023
well name & number Hawk 9 Federal Com 7H						PROPOSED TVE 3,992			PROPOSED ME 9.000	EASURED DEPTH	Red Lake		СТ		
COUNTY STATE						3,992			COMPLETED LA	ATERAL	PROPOSEI		IATION		
Eddy NM									5,200		Yeso				
LOCATION	16E0 EN	0 4 5147							CLASSIFICATIO		Surface LAT: Surface LONG			76495 1.3232	
SHL: 1340 FNL & 750 FWL; BHL:	INTANG					l D	RII I	ING	Develop	PLETION		ILIT		.3232	224
DESCRIPTION						ACCOUNT		AMOUNT	ACCOUNT	AMOUNT		_	MOUNT	1 '	TOTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010	\$	-	\$	15,00
Drilling Title Opinion				1		850.020	\$	50,000	055.000		205.000			\$	50,00
Location, Roads, & Pits Insurance & Bonds						850.030 850.040	\$	85,000 4,000	855.030 855.040	\$	- 825.030	\$	-	\$	85,00 4,00
Rig Mobilization						850.050	\$	85,000	855.050	\$	-			\$	85,00
	days @	\$ 16,500				850.060	\$	198,000	855.060	\$	-			\$	198,00
Footage Drilling 10000 Turnkey Drilling	feet @		/ft			850.070 850.080	\$	-						\$	
Bits						850.090	\$	55,000						\$	55,00
Directional Services						850.095	\$	87,000						\$	87,00
Mud & Chemicals Solids Control Services						850.100 850.105	\$	44,000 48,000						\$	44,00 48,00
Coil Tbg/Snubbing						000.100	Ψ	10,000	855.110	\$	-			\$	-
	gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.111	\$ 170,00				\$	230,00
Water - Fresh Kill Weight Fluids						850.120 850.125	\$	10,000 10,000	855.120 855.125	\$ 195,00 \$ 5,00		\$	-	\$	205,00 15,00
	\$ 17,000	Int		Prod Csg	\$ 78,000	850.130	\$	95,000	000.120	ψ 5,00	,,			\$	95,00
Casing Hardware Surf	\$ 5,000	Int		Prod		850.135	\$	45,000						\$	45,00
Open Hole Logs Completion Fluids						850.140	\$	-	855.140	\$ 280,0	00			\$	280,00
Mud Logging						850.150	\$	22,000	000.140	ψ 200,00	,,			\$	22,00
Coring						850.160	\$	-						\$	-
Surface Equip Rentals  Downhole Equip Rentals						850.180 850.185	\$	107,000 32,000	855.180 855.185	\$ 145,00 \$ 73,00		\$	10,000	\$	262,00 105,00
Transportation						850.190	\$	7,000	855.190	\$ 73,00		\$	30,000	\$	46,00
Living Quarters						850.200	\$	17,000	855.200	\$ 8,00				\$	25,00
Safety						850.205	\$	- 00.000	055 040	ф <u>С</u> ГО	005 040	•	CE 000	\$	- 240.00
Contract Services Tubular Inspections						850.210 850.215	\$	80,000 14,000	855.210 855.215	\$ 65,00 \$ 10,00		\$	65,000	\$	210,000
Consulting Engineer						850.220	\$	27,800						\$	27,80
On-Site Supervision						850.225	\$	22,800	855.225	\$ 42,00	00 825.225	\$	-	\$	64,80
Consulting Geologist Company Labor						850.230 850.245	\$	5,000	855.245	\$ 8,00	00 825.245	\$	1,200	\$	14,20
Plug & Abandonment						850.270	\$	-						\$	-
Surface Damages	-			-		850.280	\$	38,000	855.280	\$	- 825.280	\$	5,000	\$	43,00
Fluid Haul & Disposal Water Transfer Services						850.290 850.291	\$	16,000	855.290 855.291	\$ 45,00 \$ 75,00		\$	6,000	\$	67,00 75,00
Overhead						850.300	\$	2,000	855.300	\$ 5,40	00 825.300	\$	8,100	\$	15,50
Completion Unit									855.310	\$ 74,00				\$	74,00
Plugs, Perfs & Cased Hole Wireline Acidizing									855.325 855.340	\$ 145,00 \$ 10,00				\$	145,00
Fracturing 200	Stage Spaci	ing		25	Stages				855.350	\$ 1,700,00				\$	1,700,00
EHS & Regulatory						850.700	\$		855.700	\$	-			\$	-
Spills & Environmental Response Safety						850.701 850.702	\$	-	855.701 855.702	\$	-			\$	
Regulatory						850.703	\$	-	855.703		-			\$	-
Environmental Compliance						850.704	\$	-	855.704	\$	-			\$	-
	TANOT	DI EC		TOTAL II	NTANGIBLES		\$ DII I	1,281,600	0011	\$ 3,064,40			125,300	\$	4,471,30
	TANGIE						KILL	ING		PLETION		CILIT			TOTAL
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT	1	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	Α	MOUNT	L	
Conductor Pipe	16				90	860.010	\$	19,000						\$	19,000
Surface Casing Intermediate Casing	13 3/8 9 5/8	48.0 36.0	J-55 J-55	78.63 60.34	375 0	860.020 860.030	\$	29,000			-			\$	29,00
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$	159,000						\$	159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000						\$	184,00
Casing Head Spools Liners & Hangers						860.050 860.060	\$	24,000			-			\$	24,00
Production Tubing	2 7/8	6.5	J-55	15.62	3,000	000.000	Ф	-	865.120	\$ 47,00	00			\$	47,00
Other Wellhead Equipment	1	1		-	,	860.070	\$	-	865.070	\$	-			\$	
Flowline & Connectors									865.250	\$ 40,00				\$	40,000
Production Wellhead Tubing Head						860.130	\$	29,000	865.100	\$ 24,00	JU			\$	24,00 29,00
Artificial Lift -Surface & Downhole Equ	ipment							,	865.155	\$ 138,00	00			\$	138,00
Non-controllable (Well)						860.080	\$	-	965 000	¢.	000.000	_		\$	
Miscellaneous Equipment Tanks, Stairs, & Walkways						860.090	\$	-	865.090	\$	- 826.090 826.150		99,500	\$	99,50
										<u> </u>	826.200	\$	300,000	\$	300,00
Production Facility (pipes, valves, other	lare, & Con	nbustor	-	-	·						826.210		107,000		107,00
Separators, Heater Treaters, FWKO, F							1				826.240	\$	10,000	\$	10,00
Separators, Heater Treaters, FWKO, F Meters & Meter Runs									865 270	\$	- 826 270			2.	120 00
Separators, Heater Treaters, FWKO, F				TOTAL	. TANGIBLES		\$	444,000	865.270	\$ \$ 249,0	- 826.270 <b>00</b>	\$	120,000 <b>636,500</b>		120,00 <b>1,329,50</b>



Riley Permian Operating Company						AFE NO.		Oct 12 202
WELL NAME & NUMBER		PROPOSED TVD	1	PROPOSED MEA	ASURED DEPTH	FIELD/PR		3_
Hawk 9 Federal Com 8H		3,314		9,000		Red Lake		
OUNTY STATE Eddy NM				5,200	TERAL	PROPOSED Yeso	FORMATION	
Eddy NM ocation				5,200 CLASSIFICATION		Surface LAT:	32.76	649500
SHL: 1320 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL				Develop		Surface LONG:		323224
INTANGIBLES		DF	RILLING		PLETION		ILITIES	
DESCRIPTION		ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	TOTAL
Permits & Surveys		850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,0
Drilling Title Opinion		850.020	\$ 50,000					\$ 50,0
ocation, Roads, & Pits		850.030	\$ 85,000		\$ -	825.030		\$ 85,0
nsurance & Bonds		850.040	\$ 4,000	855.040	\$ -			\$ 4,0
Rig Mobilization  Dayrate Drilling Rig  12 days @ \$ 16,500 /day		850.050 850.060	\$ 85,000 \$ 198,000	855.050 855.060	\$ - \$ -			\$ 85,0 \$ 198,0
Footage Drilling 10000 feet @ /ft		850.070	\$ 190,000	655.000	Φ -			\$ 190,0
Furnkey Drilling		850.080	\$ -					\$ -
Bits		850.090	\$ 55,000					\$ 55,0
Directional Services		850.095	\$ 87,000					\$ 87,0
Mud & Chemicals		850.100	\$ 44,000					\$ 44,0
Solids Control Services Coil Tbg/Snubbing		850.105	\$ 48,000	855.110	\$ -			\$ 48,0 \$ -
Fuel 1250 gal/day @ \$ 4.00 /day		850.111	\$ 60,000		\$ 170,000			\$ 230,0
Vater - Fresh		850.120	\$ 10,000		\$ 195,000	825.120		\$ 205,0
(ill Weight Fluids		850.125	\$ 10,000		\$ 5,000			\$ 15,0
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$		850.130	\$ 95,000					\$ 95,0
Casing Hardware Surf \$ 5,000 Int Prod \$	40,000	850.135	\$ 45,000					\$ 45,0
Open Hole Logs Completion Fluids		850.140	\$ -	0EE 440	ф <u>200</u> 000			\$ -
Completion Fluids  Mud Logging		850.150	\$ 22,000	855.140	\$ 280,000			\$ 280,0 \$ 22,0
oring Coring		850.160	\$ 22,000					\$ 22,0
Surface Equip Rentals		850.180	\$ 107,000	855.180	\$ 145,000	825.180		\$ 262,0
Downhole Equip Rentals		850.185	\$ 32,000		\$ 73,000			\$ 105,0
Transportation		850.190	\$ 7,000		\$ 9,000	825.190		\$ 46,0
iving Quarters		850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,0
Safety		850.205	\$ -	055.040	<b>*</b> 05.000	005.040		\$ -
Contract Services		850.210	\$ 80,000 \$ 14,000		\$ 65,000 \$ 10,000	825.210		\$ 210,0
Fubular Inspections Consulting Engineer		850.215 850.220	\$ 14,000 \$ 27,800	000.210	ψ 10,000			\$ 24,0 \$ 27,8
On-Site Supervision		850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,8
Consulting Geologist		850.230	\$ -		,,,,,,,			\$ -
Company Labor		850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,2
Plug & Abandonment		850.270	\$ -	055.55	_	00-0		\$ -
Surface Damages		850.280	\$ 38,000		\$ -	825.280		\$ 43,0
Fluid Haul & Disposal  Water Transfer Services		850.290 850.291	\$ 16,000 \$ -		\$ 45,000 \$ 75,000	825.290		\$ 67,0 \$ 75,0
Overhead		850.300	\$ 2,000		\$ 75,000	825.300		\$ 75,0
Completion Unit		550.500	2,000		\$ 74,000	525.500		\$ 74,0
Plugs, Perfs & Cased Hole Wireline				855.325	\$ 145,000			\$ 145,0
Acidizing				855.340	\$ 10,000			\$ 10,0
Fracturing 200 Stage Spacing 25 Stage	ages				\$ 1,700,000			\$ 1,700,0
EHS & Regulatory		850.700	\$ -		\$ -			\$ -
Spills & Environmental Response Safety		850.701 850.702	\$ - \$ -	855.701 855.702				\$ - \$ -
Salety Regulatory		850.702	\$ -		\$ -			\$ -
Environmental Compliance		850.703	\$ -		\$ -			\$ -
TOTAL INTA	ANGIBLES		\$ 1,281,600		\$ 3,064,400			\$ 4,471,3
TANGIBLES		DF	RILLING		PLETION	FAC	ILITIES	
	I ENOT:							TOTAL
DESCRIPTION	LENGTH	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe 16	90	860.010	\$ 19,000					\$ 19,0
Surface Casing         13 3/8         48.0         J-55         78.63           ntermediate Casing         9 5/8         36.0         J-55         60.34	375	860.020 860.030	\$ 29,000					\$ 29,0
ntermediate Casing         9 5/8         36.0         J-55         60.34           Production Casing -top string         7         26.0         L-80         48.91	0 3,250	860.030	\$ - \$ 159,000					\$ 159,0
Production Casing -top string 7 26.0 L-60 46.91  Production Casing -bottom string 5 1/2 17.0 L-80 35.34	5,200	860.041	\$ 184,000					\$ 184,0
Casing Head Spools	5,200	860.050	\$ 24,000					\$ 24,0
iners & Hangers		860.060	\$ -					\$
Production Tubing 2 7/8 6.5 J-55 15.62	3,000				\$ 47,000			\$ 47,0
Other Wellhead Equipment		860.070	\$ -		\$ -			\$ 10.0
Flowline & Connectors					\$ 40,000			\$ 40,0
roduction Wellhead ubing Head		860.130	\$ 29,000	865.100	\$ 24,000			\$ 24,0 \$ 29,0
rtificial Lift -Surface & Downhole Equipment		000.100	ψ 29,000	865.155	\$ 138,000			\$ 138,0
Ion-controllable (Well)		860.080	\$ -	22000	, .55,000			\$
/iscellaneous Equipment		860.090	\$ -	865.090	\$ -	826.090	\$ -	\$
						826.150		\$ 99,5
Fanks, Stairs, & Walkways						826.200		\$ 300,0
Production Facility (pipes, valves, other misc. equipt)						826.210 826.240		\$ 107,0
Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor						■ 87b 740	as 10.000	\$ 10,0
Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs				865 270	\$			\$ 120.0
Production Facility (pipes, valves, other misc. equipt) Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs Electrical & SCADA Automation	ANGIBLES		\$ 444 000		\$ - \$ 249.000	826.270	\$ 120,000	\$ 120,0 <b>\$ 1.329.5</b>
Production Facility (pipes, valves, other misc. equipt) deparators, Heater Treaters, FWKO, Flare, & Combustor deters & Meter Runs deters & SCADA Automation  TOTAL TA	ANGIBLES		\$ 444,000 \$ 1,725,600		\$ - \$ 249,000 \$3,313,400		\$ 120,000 <b>\$ 636,500</b>	\$ 120,0 \$ 1,329,5 \$ 5,800,8



Riley Permian Operating Company	/					ı			T					Dec	4, 2023
WELL NAME & NUMBER Hawk 9 Federal Com 3H						PROPOSED TVE			PROPOSED ME 9.000	ASURED DEPTH	FIELD/PR			_	-
COUNTY STATE						3,008			9,000 COMPLETED LA	ATERAL	PROPOSED		ON		
Eddy NM									5,200		Yeso				
LOCATION									CLASSIFICATIO	DN	Surface LAT:			64950	
SHL: 2385 FNL & 889 FWL; BHL:							<b></b>		Develop		Surface LONG:			32322	24
DESCRIPTION	INTANG	IBLES				ACCOUNT	RILL	ING AMOUNT	ACCOUNT	PLETION AMOUNT	ACCOUNT	ILITIE	S DUNT	TO	OTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010	\$	JUN1 -	\$	15,00
Drilling Title Opinion						850.020	\$	50,000	000.010	Ψ	020.010	Ψ		\$	50,00
Location, Roads, & Pits						850.030	\$	85,000	855.030	\$ -	825.030	\$	-	\$	85,00
Insurance & Bonds Rig Mobilization						850.040 850.050	\$	4,000 85,000	855.040 855.050	\$ - \$ -	+			\$	4,00 85,00
	2 days @	\$ 16,500	/day			850.060	\$	198,000	855.060	\$ -				\$	198,00
,	feet @		/ft			850.070	\$	-						\$	
Turnkey Drilling Bits						850.080 850.090	\$	55,000			-			\$	55,00
Directional Services						850.095	\$	87,000						\$	87,00
Mud & Chemicals						850.100	\$	44,000						\$	44,00
Solids Control Services Coil Tbg/Snubbing						850.105	\$	48,000	855.110	¢				\$	48,00
ů	gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.110	\$ - \$ 170,000				\$	230,00
Water - Fresh	- 70		•			850.120	\$	10,000	855.120	\$ 195,000	825.120	\$	-	\$	205,00
Kill Weight Fluids	f @ 47.000	1		Dec d O-	¢ 70.000	850.125 850.130	\$	10,000 95,000	855.125	\$ 5,000				\$	15,00 95,00
	f \$ 17,000 f \$ 5,000	Int Int		Prod Csg Prod		850.130 850.135	\$	45,000						\$	45,00
Open Hole Logs	,				,	850.140	\$							\$	-
Completion Fluids						050 450	Ф.	22.000	855.140	\$ 280,000	-			\$	280,00
Mud Logging Coring						850.150 850.160	\$	22,000						\$	22,00
Surface Equip Rentals						850.180	\$	107,000	855.180	\$ 145,000	825.180	\$ 1	10,000	\$	262,00
Downhole Equip Rentals						850.185	\$	32,000	855.185	\$ 73,000	005.400		20.000	\$	105,00
Transportation Living Quarters						850.190 850.200	\$	7,000 17,000	855.190 855.200	\$ 9,000 \$ 8,000	825.190	\$ 3	30,000	\$	46,00 25,00
Safety						850.205	\$	-	000.200	ψ 0,000				\$	-
Contract Services						850.210	\$	80,000	855.210	\$ 65,000	825.210	\$ 6	65,000	\$	210,000
Tubular Inspections Consulting Engineer						850.215 850.220	\$	14,000 27,800	855.215	\$ 10,000				\$	24,00
On-Site Supervision						850.225	\$	22,800	855.225	\$ 42,000	825.225	\$		\$	64,80
Consulting Geologist						850.230	\$	-						\$	-
Company Labor Plug & Abandonment						850.245 850.270	\$	5,000	855.245	\$ 8,000	825.245	\$	1,200	\$	14,20
Surface Damages						850.280	\$	38,000	855.280	\$ -	825.280	\$	5,000	\$	43,00
Fluid Haul & Disposal						850.290	\$	16,000	855.290	\$ 45,000	825.290	\$	6,000	\$	67,00
Water Transfer Services						850.291	\$	2,000	855.291	\$ 75,000	925 200	œ	9 100	\$	75,00
Overhead Completion Unit						850.300	Ф	2,000	855.300 855.310	\$ 5,400 \$ 74,000	825.300	\$	8,100	\$	15,500 74,000
Plugs, Perfs & Cased Hole Wireline									855.325	\$ 145,000				\$	145,00
Acidizing	O Ctarra Crassi			25	Channe				855.340	\$ 10,000	-			\$	10,00
Fracturing 200 EHS & Regulatory	Stage Space	ing		25	Stages	850.700	\$	-	855.350 855.700	\$ 1,700,000 \$ -				\$ 1 \$	1,700,00
Spills & Environmental Response						850.701	\$	-	855.701	\$ -				\$	-
Safety						850.702	\$	-	855.702 855.703					\$	-
Regulatory Environmental Compliance						850.703 850.704	\$	-	855.703 855.704	\$ - \$ -				\$	-
				TOTAL II	NTANGIBLES	23004	\$	1,281,600	22007	\$ 3,064,400		\$ 12	25,300	•	4,471,30
	TANGIE	BLES				DI	RILL	.ING	COM	PLETION	FAC	ILITIE	S		
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMO	TNUC	TO	OTAL
DESCRIPTION Conductor Pipe	16	1			90	860.010	\$	19,000						\$	19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$	29,000						\$	29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$	450.000						\$	450.00
Production Casing -top string Production Casing -bottom string	7 5 1/2	26.0 17.0	L-80 L-80	48.91 35.34	3,250 5,200	860.040 860.041	\$	159,000 184,000						\$	159,00 184,00
Casing Head Spools	J 1/12				3,200	860.050	\$	24,000						\$	24,00
Liners & Hangers	1		. =-	1 4		860.060	\$	-	00- :::					\$	
Production Tubing Other Wellhead Equipment	2 7/8	6.5	J-55	15.62	3,000	860.070	\$		865.120 865.070					\$	47,00
Flowline & Connectors						000.070	φ	-	865.250	\$ 40,000				\$	40,00
Production Wellhead									865.100	\$ 24,000				\$	24,00
Tubing Head Artificial Lift -Surface & Downhole Equ	inment					860.130	\$	29,000	865.155	\$ 138,000				\$	29,00 138,00
Non-controllable (Well)	"husur					860.080	\$	-	000.100	ψ 130,000				\$	130,00
Miscellaneous Equipment						860.090	\$	-	865.090	\$ -	826.090	\$	-	\$	
Tanks, Stairs, & Walkways	ormico	nt\									826.150		,	\$	99,50
Production Facility (pipes, valves, other Separators, Heater Treaters, FWKO,											826.200 826.210			\$	300,00 107,00
ocparators, ricator ricators, r vvito.	,										826.240	\$ 1	10,000	\$	10,00
Meters & Meter Runs							1		865.270	\$ -	826.270	r 40	20 000	\$	120,00
				TOTAL	TANCIE! FO			444.000	003.270						
Meters & Meter Runs	Hart				TANGIBLES		\$	444,000 1,725,600	005.270	\$ 249,000 \$3,313,400		\$ 63		\$ 1	1,329,50 ,800,80



											AFE NO.		ļ	Dε	DATE ec 4, 2023
					PROPOSED TVD	)		PROPOSED ME	ASURE	D DEPTH	FIELD/PR	OSPEC.	Т	De	, <del>,</del> , ∠U∠3
					3,817			9,000			Red Lake				
									TERAL			FORMA	TION		
								-,				<u> </u>	20.7	C 401	F00
2000 FCL 9	2 4 514/1														
					DI	RII I	ING					II ITII		.323.	224
INTANOI	DLLO					\ILL						1		1	TOTAL
						\$				-			_	\$	15,00
					850.020	\$	50,000	000.010	•		020.010	•		\$	50,00
					850.030	\$	85,000	855.030	\$	-	825.030	\$	-	\$	85,00
										-					4,00
dave @	\$ 16 500	/day					,			-					85,00 198,00
		•			850.070	\$	-	000.000	Ψ					\$	-
					850.080	\$	-							\$	-
															55,00
															87,00 44,00
					850.105	\$	48,000							\$	48,00
								855.110	\$	-				\$	-
gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.111	\$	170,000	005 400			\$	230,000
							,				825.120	\$	-		205,00 15,00
\$ 17,000	Int		Prod Csa	\$ 78,000	850.130	\$	95,000	000.120	Ψ	3,000				\$	95,00
	Int				850.135	\$	45,000							\$	45,00
					850.140	\$	-	055 : : :		000				\$	-
					950 150	¢.	22.000	855.140	\$	280,000					280,00
					850.150 850.160		∠∠,UUU -								22,00
					850.180	\$	107,000	855.180	\$	145,000	825.180	\$	10,000	\$	262,00
					850.185	\$	32,000	855.185	\$	73,000				\$	105,00
											825.190	\$	30,000		46,00
							17,000	855.200	Ъ	8,000					25,00
					850.210	\$	80,000	855.210	\$	65,000	825.210	\$	65,000	\$	210,000
					850.215	\$	14,000	855.215	\$	10,000				\$	24,00
								055.005	•	40.000	005.005	•			27,800
							22,800	855.225	\$	42,000	825.225	\$	-		64,800
					850.245		5,000	855.245	\$	8,000	825.245	\$	1,200	\$	14,200
					850.270	\$	-							\$	-
							,		\$	-		\$		\$	43,000
							16,000				825.290	\$	6,000		67,000 75,000
							2.000				825.300	\$	8.100		15,50
					000.000	_	2,000	855.310	\$	74,000	020.000	Ť	0,100	\$	74,00
								855.325	\$	145,000				\$	145,00
Ctana Canain			ne.	Ctanan										\$	10,00
Stage Spacif	ıg	-	25	Stages	850 700	\$	-			,700,000					1,700,00
					850.701	\$	-			-				\$	-
					850.702	\$	-	855.702	\$	-				\$	-
							-			-					-
			TOTAL II	ITANGIRI ES	850.704		1 281 600	855.704		-		e .	125 300		4,471,30
TANGIR	II FS		TOTAL	TANGIBLES	DI	_		COMI			FΔC			, <del>p</del>	4,47 1,30
															TOTAL
	WEIGHT	GRADE	Cost/Ft.					ACCOUNT	Α	MOUNT	ACCOUNT	AM	IOUNT	_	
16	10.5		70.00	90	860.010	\$	19,000							\$	19,00
							29,000								29,000
7	26.0	L-80	48.91	3,250	860.040	\$	159,000							\$	159,00
5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000							\$	184,00
-			-		860.050	\$	24,000							\$	24,00
0.7/0	G E	1 55	15.60	2 000	860.060	\$	-	06E 400	ď	47.000					47.00
2118	0.0	J-55	15.62	3,000	860 070	\$				47,000					47,00
					550.010	Ψ	-	865.250	\$	40,000				\$	40,00
								865.100	\$	24,000				\$	24,00
					860.130	\$	29,000	005.455	•	100.000					29,00
pment					860 080	¢		გინ.155	\$	138,000					138,00
					860.090	\$	-	865.090	\$	-	826.090	\$		\$	
						É					826.150	\$	99,500	\$	99,50
misc. equip			·	-							826.200		300,000	\$	300,00
	bustor										826.210 826.240		107,000	\$	107,00 10,00
lare, & Com														0	10 00
lare, & Com								865.270	\$	-					
lare, & Com			TOTAL	. TANGIBLES		\$	444,000	865.270	\$	249,000	826.270	\$ 1		\$ \$	120,00 <b>1,329,50</b>
	days @ feet @ \$ 17,000 \$ 5,000	gal/day @ \$ 4.00 \$ 17,000	Stage Spacing	Stage Spacing   Stage Spacin	Stage Spacing   25 Stages   Stage   Stage	2280 FSL & 1 FWL   INTANGIBLES	DRILL   INTANGIBLES	2280 FSL & 1 FWL	3,817	3,817	3,817   9,000   Constitution   5,200   Constitution   5,200   Constitution   5,200   Constitution   5,200   Constitution   6,000   Cons	3,817   9,000   Red Lake   5,200   September   5,200   Red Lake   5,200   September   5,200   September	3,817	Red Lake	PROPOSED TO   S. 187   PROPOSED TO   S. 187   PROPOSED TO   S. 187   PROPOSED TO   P



operator Riley Permian Operating Company	<b>v</b>											AFE NO.			Dε	DATE ec 4, 2023
WELL NAME & NUMBER	<u>,                                      </u>					PROPOSED TVD	)		PROPOSED ME	ASURE	D DEPTH	FIELD/PR	OSPEC	Т	De	,, <u>,</u> , , , , , , , , , , , , , , , , ,
Hawk 9 Federal Com 5H						3,105			9,000			Red Lake				
COUNTY									COMPLETED LA	ATERAL		PROPOSED	FORMA	TION		
Eddy NM									5,200			Yeso	<u></u>	20.7	6401	E00
LOCATION	0040 ENIL 1	0 4 5\4/1										Surface LAT: Surface LONG:		32.70 -104.		
SHL: 2365 FNL & 889 FWL; BHL:	INTANGI					DI	RILL	ING	Develop COMI				ILITII		.323.	224
DESCRIPTION	INTANO	DEEO				ACCOUNT		AMOUNT	ACCOUNT		MOUNT	ACCOUNT		MOUNT	1	TOTAL
Permits & Surveys						850.010	\$	15,000	855.010	\$	-	825.010	\$	-	\$	15,00
Drilling Title Opinion						850.020	\$	50,000	000.010	•		020.010	_		\$	50,00
Location, Roads, & Pits						850.030	\$	85,000	855.030	\$	-	825.030	\$	-	\$	85,00
Insurance & Bonds						850.040	\$	4,000	855.040	\$	-				\$	4,00
Rig Mobilization  Dayrate Drilling Rig  12	2 days @	\$ 16,500	/day			850.050 850.060	\$	85,000 198,000	855.050 855.060	\$	-				\$	85,00 198,00
	0 feet @		/ft			850.070	\$	-	000.000	Ψ					\$	-
Turnkey Drilling						850.080	\$	-							\$	-
Bits Directional Services						850.090 850.095	\$	55,000					-		\$	55,00
Mud & Chemicals						850.095	\$	87,000 44,000							\$	87,00 44,00
Solids Control Services						850.105	\$	48,000							\$	48,00
Coil Tbg/Snubbing								·	855.110	\$	-				\$	-
	<b>0</b> gal/day @	\$ 4.00	/day			850.111	\$	60,000	855.111	\$	170,000	005 400	-		\$	230,00
Water - Fresh Kill Weight Fluids						850.120 850.125	\$	10,000 10,000	855.120 855.125	\$	195,000 5,000	825.120	\$	-	\$	205,00
	f \$ 17,000	Int		Prod Csg	\$ 78,000	850.130	\$	95,000	000.120	Ψ	5,000				\$	95,00
	f \$ 5,000	Int		Prod		850.135	\$	45,000							\$	45,00
Open Hole Logs						850.140	\$	-	055 1 11	_	000 000		<u> </u>		\$	-
Completion Fluids						950 150	¢.	22.000	855.140	\$	280,000		-		\$	280,00
Mud Logging Coring						850.150 850.160	\$	22,000							\$	22,00
Surface Equip Rentals						850.180	\$	107,000	855.180	\$	145,000	825.180	\$	10,000	\$	262,00
Downhole Equip Rentals						850.185	\$	32,000	855.185	\$	73,000				\$	105,00
Transportation						850.190	\$	7,000	855.190	\$	9,000	825.190	\$	30,000	\$	46,00
Living Quarters Safety						850.200 850.205	\$	17,000	855.200	\$	8,000				\$	25,00
Contract Services						850.210	\$	80,000	855.210	\$	65,000	825.210	\$	65,000	\$	210,000
Tubular Inspections						850.215	\$	14,000	855.215	\$	10,000				\$	24,00
Consulting Engineer						850.220	\$	27,800							\$	27,800
On-Site Supervision Consulting Geologist						850.225 850.230	\$	22,800	855.225	\$	42,000	825.225	\$	-	\$	64,800
Company Labor						850.245	\$	5,000	855.245	\$	8,000	825.245	\$	1,200	\$	14,200
Plug & Abandonment			-			850.270	\$	-			2,222		Ť	.,	\$	-
Surface Damages						850.280	\$	38,000	855.280	\$	-	825.280	\$	5,000	\$	43,00
Fluid Haul & Disposal Water Transfer Services						850.290	\$	16,000	855.290 855.291	\$	45,000 75,000	825.290	\$	6,000	\$	67,000
Overhead						850.291 850.300	\$	2,000	855.300	\$	5,400	825.300	\$	8,100	\$	75,000 15,500
Completion Unit						000.000	Ψ	2,000	855.310	\$	74,000	020.000	Ψ	0,100	\$	74,00
Plugs, Perfs & Cased Hole Wireline									855.325	\$	145,000				\$	145,00
Acidizing	• • • •				21				855.340		10,000		-		\$	10,000
Fracturing 200 EHS & Regulatory	Stage Spacia	ng		25	Stages	850.700	\$		855.350 855.700		,700,000		-		\$	1,700,00
Spills & Environmental Response						850.701	\$	-	855.701						\$	
Safety						850.702	\$	-	855.702		-				\$	-
Regulatory						850.703	\$	-	855.703	\$	-				\$	-
Environmental Compliance				TOTAL II	ITANCIDI FO	850.704	\$ <b>\$</b>	4 004 000	855.704	\$	-		•	125,300	\$ \$	4 474 20
	TANGIE	I EC		TOTAL	NTANGIBLES	DI	RILL	1,281,600	COMI		,064,400	EAC	ILITII		<u> </u>	4,471,30
							VILL.									TOTAL
DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	Α	MOUNT	ACCOUNT	AN	MOUNT	1	
Conductor Pipe	16				90	860.010	\$	19,000							\$	19,00
Surface Casing Intermediate Casing	13 3/8 9 5/8	48.0 36.0	J-55	78.63	375	860.020	\$	29,000					<b> </b>		\$	29,00
Production Casing -top string	9 5/8	26.0	J-55 L-80	60.34 48.91	0 3,250	860.030 860.040	\$	159,000							\$	159,00
Production Casing -top string  Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000					<b>†</b>		\$	184,00
Casing Head Spools					.,	860.050	\$	24,000							\$	24,00
Liners & Hangers				1 4= 65		860.060	\$	-	00= :::		4= -::		ļ		\$	
Production Tubing Other Wellhead Equipment	2 7/8	6.5	J-55	15.62	3,000	860.070	ď		865.120 865.070	\$	47,000				\$	47,00
Other Wellnead Equipment Flowline & Connectors						000.070	\$	-	865.250	\$	40,000				\$	40,00
Production Wellhead							L		865.100	\$	24,000				\$	24,00
Tubing Head						860.130	\$	29,000							\$	29,00
Artificial Lift -Surface & Downhole Equ	ipment					000 000	•		865.155	\$	138,000		<b> </b>		\$	138,00
						860.080 860.090	\$	-	865.090	\$		826.090	\$		\$	
Non-controllable (Well)						550.030	Ψ	-	555.030	Ψ		826.150		99,500	\$	99,50
												826.200	\$ 3	300,000	\$	300,00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe		1										826.210 826.240		107,000	\$	107,00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I		bustor								1		■ U.16: ()A∩	\$	10,000	\$	10,00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I Meters & Meter Runs		ibustor							865 270	Ф						120 00
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I		nbustor		TOTAL	. TANGIBLES		\$	444.000	865.270	\$	249.000	826.270	\$ ^	120,000	\$	120,000 1,329,500
Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I Meters & Meter Runs	Flare, & Com	idustor			TANGIBLES		\$	444,000 1,725,600	865.270	\$	249,000 313,400		\$ 6		\$ <b>\$</b>	120,000 1,329,500 5,800,800



operator Riley Permian Operating Company	<b>v</b>										AFE NO.		Dec 4,	
WELL NAME & NUMBER	<u> </u>					PROPOSED TVD	)		PROPOSED ME	ASURED DEPTH	FIELD/PR	OSPECT	DEC 4,	2023
Hawk 9 Federal Com 7H						3,992			9,000		Red Lake			
COUNTY									COMPLETED LA	TERAL	PROPOSED	FORMATION		
Eddy NM									5,200		Yeso	20.7	C40500	
LOCATION	4050 ENIL (	0 4 5\4/1									Surface LAT: Surface LONG:		649500 .323224	
SHL: 1340 FNL & 750 FWL; BHL:	INTANGI					DI	RII I	ING	Develop	PLETION		-104. ILITIES	323224	
DESCRIPTION	INTANOI	DLLO				ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	TOT	AL
Permits & Surveys						850.010	\$	15,000	855.010	\$ -	825.010	\$ -	\$	15,00
Drilling Title Opinion						850.020	\$	50,000						50,00
Location, Roads, & Pits						850.030	\$	85,000	855.030	\$ -	825.030	\$ -		85,00
Insurance & Bonds Rig Mobilization						850.040 850.050	\$	4,000 85,000	855.040 855.050	\$ - \$ -			\$	4,00 85,00
	2 days @	\$ 16,500	/dav			850.060	\$	198,000	855.060	\$ -				98,00
	0 feet @		/ft			850.070	\$	-		7			\$	-
Turnkey Drilling						850.080	\$	-					\$	-
Bits Directional Services						850.090 850.095	\$	55,000 87,000						55,00 87,00
Mud & Chemicals						850.100	\$	44,000						44,00
Solids Control Services						850.105	\$	48,000						48,00
Coil Tbg/Snubbing									855.110	\$ -			\$	-
Fuel 1250 Water - Fresh	<b>0</b> gal/day @	\$ 4.00	/day			850.111 850.120	\$	60,000 10,000	855.111 855.120	\$ 170,000 \$ 195,000		\$ -		30,00
Kill Weight Fluids						850.125	\$	10,000	855.125	\$ 195,000	_	Φ -		15,00
Cementing Svcs Sur	f \$ 17,000	Int		Prod Csg	\$ 78,000	850.130	\$	95,000		, 3,000				95,00
- 3	f \$ 5,000	Int	-	Prod		850.135	\$	45,000						45,00
Open Hole Logs						850.140	\$	-	855.140	\$ 280,000			\$ 28	-
Completion Fluids Mud Logging						850.150	\$	22,000	000.140	\$ 280,000			-	80,00 22,00
Coring						850.160	\$	,000					\$	-
Surface Equip Rentals						850.180	\$	107,000	855.180	\$ 145,000		\$ 10,000		62,00
Downhole Equip Rentals Transportation						850.185 850.190	\$	32,000	855.185 855.190	\$ 73,000 \$ 9,000		\$ 30,000		05,00
Living Quarters						850.200	\$	7,000 17,000	855.200	\$ 9,000		\$ 30,000		46,00 25,00
Safety						850.205	\$	-	000.200	Ψ 0,000			\$	-
Contract Services						850.210	\$	80,000	855.210	\$ 65,000		\$ 65,000		10,00
Tubular Inspections						850.215	\$	14,000	855.215	\$ 10,000				24,00
Consulting Engineer On-Site Supervision						850.220 850.225	\$	27,800 22,800	855.225	\$ 42,000	825.225	\$ -		27,800 64,800
Consulting Geologist						850.230	\$	-	055.225	Ψ 42,000	023.223	Ψ -	\$	-
Company Labor						850.245	\$	5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$	14,200
Plug & Abandonment						850.270	\$	-	055.000	•	005.000	<b>A</b> 5.000	\$	-
Surface Damages Fluid Haul & Disposal						850.280 850.290	\$	38,000 16,000	855.280 855.290	\$ - \$ 45,000	825.280 825.290	\$ 5,000 \$ 6,000		43,000 67,000
Water Transfer Services						850.291	\$	10,000	855.291	\$ 75,000		ψ 0,000		75,00
Overhead						850.300	\$	2,000	855.300	\$ 5,400		\$ 8,100		15,50
Completion Unit									855.310	\$ 74,000				74,00
Plugs, Perfs & Cased Hole Wireline									855.325	\$ 145,000 \$ 10,000				45,00
Acidizing Fracturing 200	Stage Spacir	na		25	Stages				855.340 855.350	\$ 1,700,000			\$ 1,70	10,00
EHS & Regulatory	g	-5			9	850.700	\$	-	855.700				\$	-
Spills & Environmental Response						850.701	\$	-	855.701				\$	-
Safety						850.702	\$	-	855.702	\$ -			\$	-
Regulatory Environmental Compliance						850.703 850.704	\$		855.703 855.704	\$ -			\$	-
Environmental compilation				TOTAL II	NTANGIBLES	000.701	\$	1,281,600	000.101	\$ 3,064,400		\$ 125,300	-	71,30
	TANGIB	BLES				DI	RILL	_ING	COMI	PLETION		ILITIES		
	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	ACCOUNT		AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	тот	AL
DESCRIPTION		VV LIGITI	ONADE	OUSUI L.			Φ.		ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	<u>e</u>	10.00
Conductor Pipe Surface Casing	16 13 3/8	48.0	J-55	78.63	90 375	860.010 860.020	\$	19,000 29,000					-	19,000 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$	-0,000					\$	_0,00
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$	159,000					\$ 1	59,00
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$	184,000						84,00
Casing Head Spools Liners & Hangers						860.050 860.060	\$	24,000					\$ :	24,00
Production Tubing	2 7/8	6.5	J-55	15.62	3,000	000.000	Ψ		865.120	\$ 47,000				47,00
Other Wellhead Equipment						860.070	\$	-	865.070	\$ -			\$	
									865.250	\$ 40,000				40,00
Flowline & Connectors						860.130	\$	29,000	865.100	\$ 24,000				24,00
Flowline & Connectors Production Wellhead						550.100	Ψ	25,000	865.155	\$ 138,000				38,00
Flowline & Connectors	upment	-				860.080	\$	-					\$	
Flowline & Connectors Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equ Non-controllable (Well)	ııpmenı					860.090	\$	-	865.090	\$ -	826.090	\$ -	\$	
Flowline & Connectors Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equ Non-controllable (Well) Miscellaneous Equipment	шртепі										826.150	\$ 99,500		99,50
Flowline & Connectors Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equ Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways		at)									876 700		O'	
Flowline & Connectors Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equ Non-controllable (Well) Miscellaneous Equipment	er misc. equip										826.200 826.210	\$ 300,000 \$ 107,000		
Flowline & Connectors Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equ Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, Meters & Meter Runs	er misc. equip										826.210 826.240	\$ 107,000 \$ 10,000	\$ 10 \$	07,00 10,00
Flowline & Connectors Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equ Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, I	er misc. equip			T07**	TANOIS				865.270	\$ -	826.210 826.240 826.270	\$ 107,000 \$ 10,000 \$ 120,000	\$ 10 \$ \$ 12	07,000 10,000 20,000
Flowline & Connectors Production Wellhead Tubing Head Artificial Lift -Surface & Downhole Equ Non-controllable (Well) Miscellaneous Equipment Tanks, Stairs, & Walkways Production Facility (pipes, valves, othe Separators, Heater Treaters, FWKO, Meters & Meter Runs	er misc. equip Flare, & Com				TANGIBLES		\$	444,000 1,725,600	865.270	\$ - \$ 249,000 \$3,313,400	826.210 826.240 826.270	\$ 107,000 \$ 10,000	\$ 10 \$ \$ 12	07,000 10,000 20,000 <b>29,50</b>



OPERATOR Riley Permian Operating Company								AFE NO.			De	DATE ec 4, 2020
WELL NAME & NUMBER		PROPOSED TVD	)		PROPOSED ME	ASURE	D DEPTH	FIELD/PR	OSPEC	CT	De	:0 4, 202
Hawk 9 Federal Com 8H		3,314			9,000			Red Lake				
COUNTY STATE					COMPLETED LA	ATERAL		PROPOSED	FORM	ATION		
Eddy NM					5,200			Yeso		20.7		F00
LOCATION					CLASSIFICATIO			Surface LAT:			6495	
SHL: 1320 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL INTANGIBLES		DI	RILLIN	NG.	Develop COM			Surface LONG: FAC	IIT	-104.	.3234	224
DESCRIPTION		ACCOUNT		MOUNT	ACCOUNT		MOUNT	ACCOUNT		MOUNT	Ι.	TOTAL
Permits & Surveys		850.010	\$	15,000	855.010	\$	-	825.010	\$	-	\$	15,00
Drilling Title Opinion		850.020	\$	50,000							\$	50,00
Location, Roads, & Pits		850.030	\$	85,000	855.030	\$	-	825.030	\$	-	\$	85,00
Insurance & Bonds Rig Mobilization		850.040 850.050	\$	4,000 85,000	855.040 855.050	\$	-				\$	4,00 85,00
Dayrate Drilling Rig 12 days @ \$ 16,500 /day		850.060	\$	198,000	855.060	\$	-				\$	198,00
Footage Drilling 10000 feet @ /ft		850.070	\$	-							\$	-
Turnkey Drilling		850.080	\$	-					<b> </b>		\$	-
Bits Directional Services		850.090 850.095	\$	55,000 87,000							\$	55,00 87,00
Mud & Chemicals		850.100	\$	44,000							\$	44,00
Solids Control Services		850.105	\$	48,000							\$	48,00
Coil Tbg/Snubbing		0E0 444	¢.	60.000	855.110		170.000		l —		\$	
Fuel 1250 gal/day @ \$ 4.00 /day  Water - Fresh		850.111 850.120	\$	60,000 10,000	855.111 855.120	\$	170,000 195,000	825.120	\$		\$	230,00
Kill Weight Fluids		850.125	\$	10,000	855.125	\$	5,000	020.120	<u>Ψ</u>		\$	15,00
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$		850.130	\$	95,000			,				\$	95,00
Casing Hardware Surf \$ 5,000 Int Prod \$	\$ 40,000	850.135	\$	45,000					<u> </u>		\$	45,00
Open Hole Logs Completion Fluids		850.140	\$	-	855.140	\$	280,000				\$	280,00
Mud Logging		850.150	\$	22,000	550.170	*	_55,550				\$	22,00
Coring		850.160	\$	-							\$	-
Surface Equip Rentals		850.180	\$	107,000	855.180	\$	145,000	825.180	\$	10,000	\$	262,00
Downhole Equip Rentals Transportation		850.185 850.190	\$	32,000 7,000	855.185 855.190	\$	73,000 9,000	825.190	\$	30,000	\$	105,00 46,00
Living Quarters		850.200	\$	17,000	855.200	\$	8,000	020.100	ų –	30,000	\$	25,00
Safety		850.205	\$	-			Í				\$	-
Contract Services		850.210	\$	80,000	855.210	\$	65,000	825.210	\$	65,000	\$	210,00
Tubular Inspections Consulting Engineer		850.215 850.220	\$	14,000 27,800	855.215	\$	10,000		_		\$	24,00 27,80
On-Site Supervision		850.225	\$	22,800	855.225	\$	42,000	825.225	\$	-	\$	64,80
Consulting Geologist		850.230	\$	-			í				\$	-
Company Labor		850.245	\$	5,000	855.245	\$	8,000	825.245	\$	1,200	\$	14,20
Plug & Abandonment Surface Damages		850.270 850.280	\$	38,000	855.280	\$		825.280	\$	5,000	\$	43,00
Fluid Haul & Disposal		850.290	\$	16,000	855.290	\$	45,000	825.290	\$	6,000	\$	67,00
Water Transfer Services		850.291	\$	-	855.291	\$	75,000				\$	75,00
Overhead		850.300	\$	2,000	855.300	\$	5,400	825.300	\$	8,100	\$	15,50
Completion Unit Plugs, Perfs & Cased Hole Wireline					855.310 855.325	\$	74,000 145,000				\$	74,00 145,00
Acidizing					855.340	-	10,000				\$	10,00
0 1 0	stages				855.350		,700,000				\$	1,700,00
EHS & Regulatory		850.700 850.701	\$	-	855.700	\$	-		<u> </u>		\$	
Spills & Environmental Response Safety		850.701	\$		855.701 855.702		-				\$	-
Regulatory		850.703	\$	-	855.703		-				\$	-
Environmental Compliance		850.704	\$	-	855.704		-				\$	-
	TANGIBLES		\$	1,281,600			,064,400			125,300	\$	4,471,30
TANGIBLES		וט	RILLIN	NG	COM	PLE	IION	FAC	LIII	IES		TOTAL
DESCRIPTION SIZE WEIGHT GRADE Cost/Ft.	LENGTH	ACCOUNT	Α	MOUNT	ACCOUNT	Α	MOUNT	ACCOUNT	A	MOUNT	1	
Conductor Pipe 16	90	860.010	\$	19,000							\$	19,00
Surface Casing 13 3/8 48.0 J-55 78.63	375	860.020	\$	29,000					_		\$	29,00
ntermediate Casing         9 5/8         36.0         J-55         60.34           Production Casing -top string         7         26.0         L-80         48.91	0 3,250	860.030 860.040	\$	159,000							\$	159,00
Production Casing -top string / 25.0 L-80 48.91  Production Casing -bottom string 5 1/2 17.0 L-80 35.34	5,200	860.040	\$	184,000							\$	184,00
Casing Head Spools	-,=00	860.050	\$	24,000							\$	24,00
iners & Hangers		860.060	\$	-							\$	
Production Tubing         2 7/8         6.5         J-55         15.62           Other Wellhead Equipment	3,000	860.070	r.		865.120 865.070		47,000				\$	47,00
other vveilnead Equipment Flowline & Connectors		000.070	\$	-	865.250		40,000				\$	40,00
Production Wellhead			L		865.100		24,000				\$	24,00
Tubing Head	-	860.130	\$	29,000			100 000		_		\$	29,00
Artificial Lift -Surface & Downhole Equipment  Non-controllable (Well)		960 000	r.		865.155	\$	138,000				\$	138,00
Non-controllable (Well) Miscellaneous Equipment		860.080 860.090	\$		865.090	\$	_	826.090	\$	_	\$	
Tanks, Stairs, & Walkways		550.000	-		550.550	*	-	826.150	\$	99,500	\$	99,50
								826.200	\$	300,000	\$	300,0
Production Facility (pipes, valves, other misc. equipt)								826.210 826.240	\$	107,000		107,0
Separators, Heater Treaters, FWKO, Flare, & Combustor								×25 740			\$	10 ()
Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs					865 270	\$						
Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs Electrical & SCADA Automation	TANGIBLES		\$	444,000	865.270	\$ <b>\$</b>	249,000	826.270	\$	120,000 <b>636,500</b>	\$	120,00
Separators, Heater Treaters, FWKO, Flare, & Combustor Meters & Meter Runs Electrical & SCADA Automation TOTAL 1	TANGIBLES			444,000 1,725,600	865.270	\$	249,000 313,400		\$ <b>\$</b>	120,000	\$ <b>\$</b>	120,00 <b>1,329,5</b> 0 <b>5,800,8</b> 0

Received by OCD: 4/25/2024 9:32:29 AM

# **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 October 5, 2023 and revised well proposal letters on or around December 4, 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
10/5/2023	Silverback 0-1, LLC Attn: Austin Frye	Proposals_Hawk 9 Fed Com 7H-10H (S/2 N/2) and JOA
10/5/2023	FDW, Inc.	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/5/2023	Silverback O-1, LLC Attn: Austin Frye	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/5/2023	Todd M. Wilson	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/12/2023	Silverback O-1, LLC Attn: Austin Frye	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	FDW, Inc.	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	Todd M. Wilson	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	Silverback O-1, LLC Attn: Austin Frye	Revised Proposal_Hawk 9 Fed Com 5H 7H 8H & JOA S2 N2
10/12/2023	Silverback 0-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/13/2023	Silverback O-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/14/2023	Silverback 0-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/26/2023	Silverback 0-1, LLC, Austin Frye and Chris Yonker	Email correspondence with Austin regarding proposals and form JOA
11/15/2023	Silverback 0-1, LLC, Austin Frye and Chris Yonker	Email correspondence with Austin regarding proposals and form JOA
11/28/2023	Silverback O-1, LLC, Chris Yonker	Phone call with Chris Yonker concerning JOA and unrelated matters
12/4/2023	Todd M. Wilson	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/4/2023	FDW, Inc.	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/4/2023	Silverback O-1, LLC Attn: Austin Frye	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/14/2023	Silverback O-1, LLC, Chris Yonker	Email correspondence regarding JOA changes
12/19/2023	Silverback O-1, LLC, Chris Yonker	Email correspondence regarding JOA changes (accepting changes)

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

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

Case No. 24077

#### **AFFIDAVIT OF JOE STONE**

Joe Stone, being first duly sworn upon oath, deposes and states as follows:

- 1. My name is Joe Stone, and I am employed by Riley Permian Operating Company, LLC ("Riley") as an Operations Geologist.
- 2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have several years of experience in petroleum geological matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters. I ask that the Division accept my credentials as those of an expert witness in petroleum geology and made a matter of record.
- 3. I am submitting this affidavit in support of Riley's applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.
- 4. I am familiar with the application filed by Riley in this case and the geology involved.
- 5. **Riley Exhibit D-1** is a base map of the lands showing the proposed Yeso formation spacing unit and wells.
- 6. **Riley Exhibit D-2** is a structure map showing the depth (subsea) to the top of the Yeso formation, a marker that defines the top of the target interval for the proposed wells. Contour

interval of 100'. The unit being pooled is outlined in bold, and the proposed wells are identified. The structure map shows regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this target interval.

- 7. **Riley Exhibit D-3** is a stratigraphic cross-section flattened on the top of the Yeso formation. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and consistent thickness across the target zone, and the well logs on the cross-section give a representative sample of the targeted interval. The landing zone is highlighted on the exhibit.
  - 8. Based on the attached exhibits, I hereby conclude as follows:
  - a. The target formation is present and continuous throughout the lands subject to the applications.
  - b. The horizontal spacing and proration unit is justified from a geologic standpoint.
  - c. There are no structural impediments or faulting that will interfere with horizontal development.
  - d. Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production.
  - e. The preferred well orientation in this area is East-West so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.
- 9. **Exhibit D-1** through **Exhibit D-3** were prepared by me or compiled from Riley's company business records under my direct supervision.

- 10. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.
- 11. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]

Dated this \_\_\_day of January, 2024.

Joe Stone

Riley Permian Operating Company, LLC

STATE OF OKLAHOMA

) ) ss.

CITY OF OKLAHOMA CITY AND COUNTY OF OKLAHOMA

The foregoing instrument was subscribed and sworn to before me this day of day of LLC.

The foregoing instrument was subscribed and sworn to before me this day of day of day.

Witness my hand and official seal.

My commission expires: 3-15-2026



#### Joseph D. Stone IV 864-351-9397, joestone@rileypermian.com 9017 N University Avenue, Oklahoma City, OK 73114

<u>Summary:</u> Geologist with 7+ years of experience in business development, operations, management, and data analytics.

#### **Work History**

Riley Exploration Permia
--------------------------

Operations Geologist - Oklahoma City, OK

Sept 2022 - Present

**Keyrock Energy** 

Operations Manager - Johnson City, TN

Nov 2020 - Sept 2022

**Marathon Oil Corporation** 

Geologist - Houston, TX

May 2019 – May 2020

Geoscience Technician - Oklahoma City, OK

June 2018 - May 2019

Excellence Logging

Regional Field Manager - Oklahoma City, OK

March 2017 – May 2018

Logging Geologist II – Anadarko, Permian, Appalachian Basins

Oct 2016 – March 2017

**Cline Group** 

**Keyrock Energy** – *Intern - Kingsport, TN* 

Feb 2015 – July 2015

Cutlass Collieries – Intern - Sydney, Nova Scotia

Jan 2015 - Feb 2015

#### **Academic Achievements**

University of Houston, MS Geology, Emphasis in Petroleum Geology

December 2021

University of South Carolina, BS Geological Science, Geophysics Minor

May 2016

**USC Geosciences Field School** 

Summer 2014

#### **Short Courses**

Schlumberger, NExT Oil & Gas Training and Competency Development

February 2017

Petrel Geophysics: Seismic Visualization and Interpretation

**Geological Society of America, Columbia South Carolina** 

March 2016

Co-Instructor, Seismic reflection processing short course

#### **Leadership - Affiliations**

Board Member & Treasurer, Oklahoma City Geological Society
 Exhibitor and Sponsorship committee member for the AAPG MCS meeting held Oct 2023
 Member, Society of Exploration Geophysicists
 Member, American Association of Petroleum Geologists
 Member, Carolina Finance, and Investment Association (2014)
 Geology Club (2012-2016); President (2014)
 Scuba Club (2013)
 Kappa Sigma Fraternity (2012-2016).

# Before the Oil Conservation Division Examiner Hearing Case No. 24077

Hawk 9 Federal Com 3H

Hawk 9 Federal Com 4H

Hawk 9 Federal Com 5H

Hawk 9 Federal Com 7H

Hawk 9 Federal Com 8H





## Geologys/2014 BAWW DSU - Base Map

## Exhibit D-1

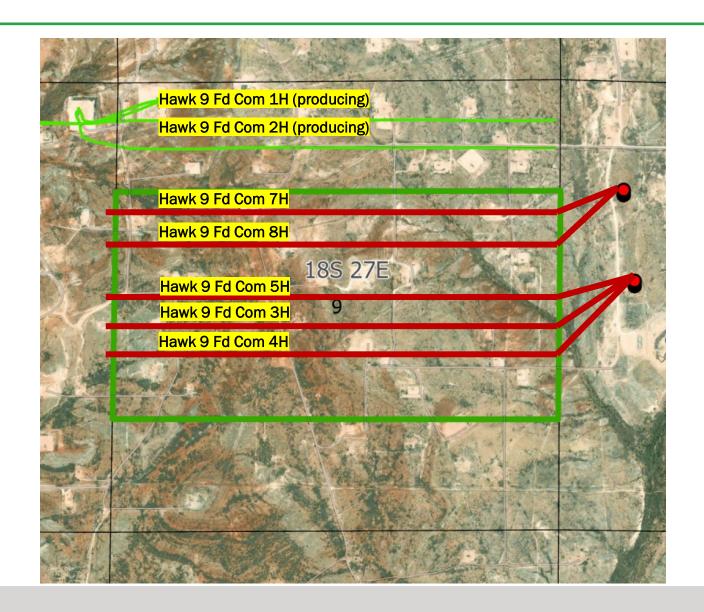
Proposing a 320 acre HSU in 18S 27E Sec 9, Eddy Co NM

Proposing the drilling and completion of 5 wells in the Yeso interval.

- Hawk 9 Fed Com 7H
- Hawk 9 Fed Com 8H
- Hawk 9 Fed Com 5H
- Hawk 9 Fed Com 3H
- Hawk 9 Fed Com 4H

Proposed Unit outline:





## Recommendation Structure Map

## Exhibit D-2

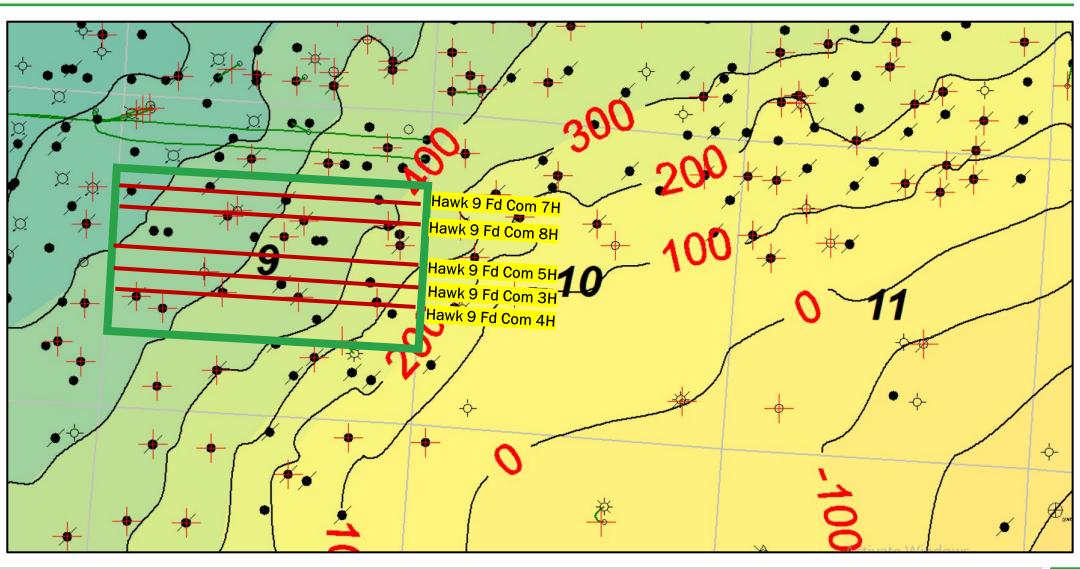
PDCK TVD SS Structure Map

100' Contour Intervals.

Data Point -

**Proposed Unit outline:** 

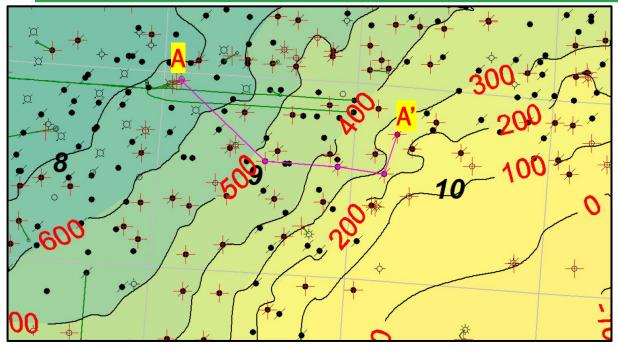




ATLANTIC RICHFIELD

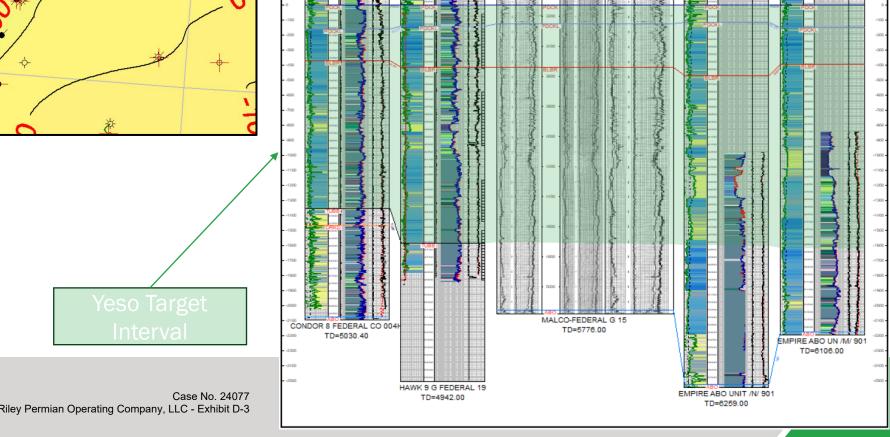
## Record Old Stratigraphic Cross Section

## Exhibit D-3



**RILEY PERMIAN** 

Riley Permian Operating Company, LLC - Exhibit D-3



30015205230000

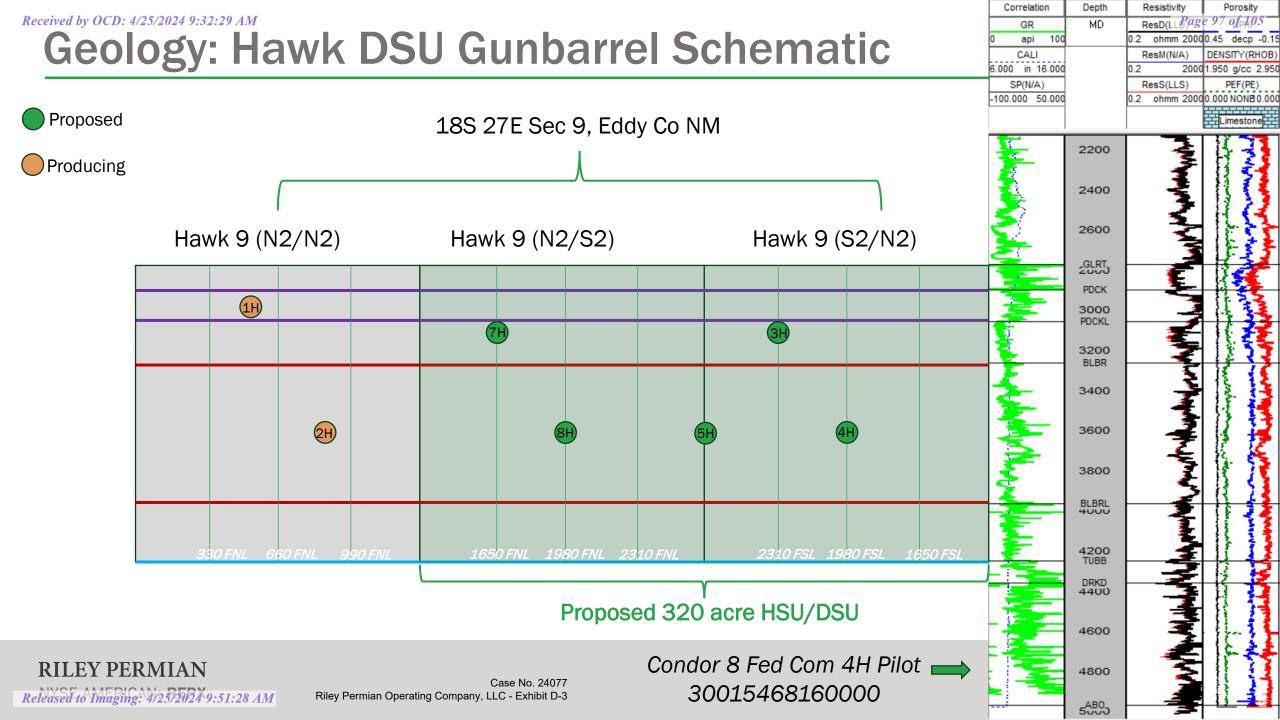
AMOCÓ PROD CO

0.4 miles

REDWOOD OPER INC LIME ROCK RES HALP

0.2 miles

ATLANTIC RICHFIELD



# **Location Indicator Relative to Nearest Major City/Town**

The Hawk proposed DSU is ~9 miles from Artesia, 4.5 miles from Riverside, and 6.5 miles from Atoka, NM.



# 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. 24077** 

AFF	<b>IDA</b>	VIT

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 14, 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 E.

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

James P. Parrot

SUBSCRIBED AND SWORN to before me on January 2, 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 14, 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

Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H

Wells (Case No. 24077)

Dear Interest Owners:

This letter is to advise you that Riley Permian Operating Company, LLC ("Riley") has filed the enclosed application, Case No. 24077, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Yeso formation involving the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Wells.

In Case No. 24077, Riley plans to space and pool the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H 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/ocd/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 14, 2023 Case Nos. 24077 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 <a href="marksmith@rileypermian.com">marksmith@rileypermian.com</a>.

Sincerely,

Miguel Suazo

Attorney for Riley Permin Operating Company, LLC

: 4/23/21	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		U.S. Postal Service™	Page 102 of
	Complete items 1, 2, and 3.	A. Signature		CERTIFIED MAIL® F	PEOFID-
	Print your name and address on the reverse so that we can return the card to you.	X Agent Addresse	ee l	G Only	
	<ul><li>Attach this card to the back of the mailpiece,</li></ul>	B. Received by (Printed Name) C. Date of Deliver		For delivery information, visit our w	ebsite at www.usps.com®
	or on the front if space permits.  1. Article Addressed to:	13591 12/19/20	3_		
	1. Atticle Addressed in	D. Is delivery address different from item 1?	1	Certified Mail Fee	V_5/ Std Rens
	,		1	Ex trtra Se rvinces & Fees (abtter, add fee as appro)  Return Receipt (hardcopy)	Priate)
	FDW, Inc.		1	Return Receipt (electronic) \$  Certified Mail Restricted Delivery \$	Postmark
	P.O. Box 823085 Dallas, TX 75382	1	j	Adult Signature Required \$Adult Signature Restricted Delivery \$	Here
	Dallas, 171 100	164	_]	Postage	
		3. Service Type ☐ Priority Mail Express® ☐ Adult Signature ☐ Registered Mail™	1	\$ Total Postage	1
	912	☐ Mult Signature Restricted Delivery ☐ Registered Mail Restricted Mail® ☐ Registered Mail Restricted Delivery		Sent Te	9310-04
	9590 9402 8362 3156 4607 29	☐ Certified Mail Restricted Delivery ☐ Signature Confirmation ☐ Collect on Delivery ☐ Signature Confirmation ☐ Signature ☐ Signature Confirmation ☐ Signature Confirmation ☐ Signature ☐ Signature Confirmation ☐ Signature	7	Street and Apt. FDW, Inc.	
	9589 0710 5270 0587 552	1 □ Collect on Delivery Restricted Delivery Restricted Delivery 1		P.O. Box 823085 City, State, ZIP Dallas, TX 75382	
	PS Form 3811, July 2020 PSN 7530-02-000-9053	(over 4000)	_	PS Form 3800, January 2023 PSN 7530-02-000-9	
	1 0 1 0 m 0 0 1 1, sury 2 0 2 0 F 3N 7 3 0 0 2 - 0 0 0 - 9 0 3 3	Domestic Return Receip	π	) = 0.20 L2/L2/L430 -02-000-0	047 See Reverse for Instruct
<u>'</u>	CENDED CONTINUE TO SECTION	COMPLETE THIS SECTION ON DELIVERY		U.S. Postal Service <sup>™</sup>	
94	SENDER: COMPLETE THIS SECTION	A. Signature	<b>B</b>	CERTIFIED MAIL® REC	EIPT
	<ul><li>■ Complete items 1, 2, and 3.</li><li>■ Frint your name and address on the reverse</li></ul>	☐ Agent		Domestic Mail Only	
	so that we can return the card to you.	B. Received by (Printed Name) C. Date of Delivery	S U	For delivery information, visit our website	eat www.usps.com®.
MA/Sur record to	Attach this card to the back of the mailpiece, or on the front if space permits.	122/23	ហ	Certified Mail Fee	
,—	1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	-B	\$	
	9310-04	II 123, enter delivery address below.	0.5	Extra Services & Fees (check box, add fee as appropriate)  Return Receipt (hardcopy)  Return Receipt (electronic)	Postmark
	Silverback O-1, LLC		2	Certified Mail Restricted Delivery \$	Here
	19707 IH 10 West		57.	Adult Signature Required \$  Adult Signature Restricted Delivery \$	
	Suite 201 San Antonio, TX 78257	l del	-	Postage \$	includent and the second secon
	e de la companya del companya de la companya del companya de la co	3. Service Type ☐ Priority Mail Express®	7.10	Total Postage a	9310-04
		☐ Adult Signature ☐ Registered Mail™ ☐ Registered Mail™ ☐ Registered Mail Restricted ☐ Certified Mail® ☐ Delivery		Silverback O-1, LLC	
	9590 9402 8362 3156 4607 36	☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Signature Confirmation ☐ Signature Confirmation ☐ Signature Confirmation	ā	Street and Apt. 19707 IH 10 West	
_	2. Article Number (Transfier firomesvice label)	☐ Collect on Delivery Restricted Delivery Restricted Delivery	95	Suite 201 City, State, ZIP San Antonio, TX 78257	
,	9589 0710 5270 0587 5529	Mail Restricted Delivery		PS Form 3866, January 2023 PSN 7530-02-000-9047	See Reverse for Instruction
1	PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt			
1					
S	ENDER; COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		U.S. Postal Service <sup>™</sup>	
	Complete items 1, 2, and 3.		27	CERTIFIED MAIL® REC	EIPT
	Print your name and address on the reverse so that we can return the card to you.	X orla M ( ) Oran - Agent	<b>.</b>	Domestic Mail Only	-kvoro somi
8	Attach this card to the back of the mailpiece,	B. Received by (Printed Name)   C. Date of Delivery	52	For delivery information, visit our website	at www.usps.com .
-	or on the front if space permits.  Article Addressed to:	Todd M. Wilson 12-20-23	- N	Certified Mail Fee	
	. Attione Addressed to.	D. Is delivery address different from item 1? Thes	587	\$ Extra Services & Fees (check box, add fee as appropriate)	
	9310-04		6	Return Receipt (hardcopy) \$	Postmark
	Todd M. Wilson		문	Certified Mail Restricted Delivery \$	Here
	3608 SCR 1184 Midland, TX 79701		52	Adult Signature Restricted Delivery \$	
		LOT	밁	Postage \$	
		□ Adult Signature □ Priority Mail Express®	~	Tetal Postage	9310-04
	n : es pou em seu : p mar : seu a	Adult Signature Restricted Delivery Registered Mail Restricted Delivery Registered Mail Restricted Delivery		Sent To	
-	<del></del>	☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Collect on Delivery ☐ Signature Confirmation	3.89	Street and Apt. Todd M. Wilson 3608 SCR 1184	
	0000 0010 0000 0000	☐ Collect on Delivery Restricted Delivery Restricted Delivery  - ¬ Mail	75	City, State, ZIP Midland, TX 79701	
	Form 3811, July 2020 PSN 7530-02-000-9053	(0.0. 000)		PS Form 3800,	Constant of the second of the
aí . C		Domestic Return Receipt			Case No. 24077

### Carlsbad Current Argus.

# Affidavit of Publication Ad # 0005867418 This is not an invoice

BEATTY & WOZNIAK, P. C. 1675 BROADWAY # 600

**DENVER, CO 80202-4692** 

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

U 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 # 0005867418 PO #: 24077 # of Affidavits1

This is not an invoice

#### LEGAL NOTICE December 20, 2023

STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPART-MENT OIL CONSERVATION DIVI-SION, SANTE FE, NEW MEXICO

SION, 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 http://www.emprd.nm.gov/OCD/hearing-info/ or obtained from Shella Apodaca at Shella. Apodaca@em. nrd.nm.gov. Documents filed in the case may be viewed at https://ocdimage.emprd.state.nm.us/imagling/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 Shella Apodaca at Shella. Apodaca@emnrd.nm.gov, on 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: FDW, Inc., Silverback O-1, LLC and Todd M. Wilson.

CASE NO. 24077: 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 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, 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 Hawk 9 Federal Com 4H Well, which are oil wells that will be horizontally drilled from a surface location in the Yeso Formation in the NW/4SW/W of Section 10 with a bottom hole location in the NW/4SW/W of Section 9, and the Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 7H Well, which are oil wells that will be horizontally drilled from a surface location in the YW/M/W/W of Section 10 to a bottom hole location in the YW/M/W/W of Section 10 to a bottom hole location in the Yeso Formation in Y

Released to Imaging: 4/25/2024 9:51:28 AM

Received by OCD: 4/25/2024 9:32:29 AM

drilling and completing the wells. The wells and lands are located approximately 10 miles from Artesia, New Mexico. #5867418, Current Argus, December 20, 2023