

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

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL INTERESTS
UNDER ORDER NO. R-22844,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24628
ORDER NO. R-22844**

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Eric Unverzagt
A-1	Copy of Resume
A-2	Application and Proposed Hearing Notice
A-3	Order No. R-22844
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Sample Notice Letter to All Interested Parties
B-2	Chart of Notice to All Interested Parties
B-3	Copies of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for July 6, 2024

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

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL INTERESTS
UNDER ORDER NO. R-22844,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24628
ORDER NO. R-22844**

**SELF-AFFIRMED STATEMENT
OF ERIC UNVERZAGT**

1. I am employed by 3R Operating LLC (“3R”) as a landman. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). A copy of my resume is attached as **Exhibit A-1**.

2. I am familiar with 3R’s application and with the land matters involved in this case. Copies of the application and proposed hearing notice are attached as **Exhibit A-2**.

3. None of the parties in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. On August 25, 2023, the Division entered Order No. R-22844 (“Order”) in Case No. 23587, which pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico (“Unit”)¹ and dedicated the Unit to the Rena 7 Fed Com 601H well (“Well”). 3R (OGRID 331569) is the successor in interest to Flat Creek Resources LLC (OGRID 374034), which the Order designated as operator of the Unit and Well.

¹ The Order approved alternative spacing units (640 acres or 600 acres) due to uncertainty regarding federal leases. That uncertainty has been resolved and Applicant will drill and complete the Well within the 640-acre spacing unit.

**3R Operating LLC
Case No. 24628
Exhibit A**

5. A copy of the Order is attached as **Exhibit A-3**.
6. The Order requires 3R to commence drilling the Well within one (1) year of the date of the Order unless it obtains a time extension from the Division Director for good cause shown.
7. 3R's ability to commence drilling the Well has been impacted by delays in the issuance of federal drilling permits and limitations on gas takeaway.
8. Accordingly, 3R requests that the Division extend the deadline to commence drilling the Well until August 25, 2025.
9. Good cause exists for the requested extension.
10. 3R requests the other provisions of the Order remain in force and effect.
11. 3R is in good standing under the statewide rules and regulations.
12. Although 3R's application sought to pool additional uncommitted interests in the Unit, 3R no longer seeks to do so due to the need to engage in negotiations with those parties.
13. In my opinion, the granting of 3R's application would protect correlative rights and prevent waste.
14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my

signature below.


Eric Unverzagt

7/16/24
Date

Eric Unverzagt

3723 Bayou Bend Ct. ◦ Sugar Land, Texas 77479
Eric.Unverzagt@gmail.com ◦ 281.682.5511

3R Operating LLC**Case No. 24628****Exhibit A-1****EDUCATION**

2012 – 2014	RICE UNIVERSITY, JONES GRADUATE SCHOOL OF BUSINESS Master of Business Administration (MBA), May 2014 Energy Club, Finance and Asset Management Club	HOUSTON, TX
2004 – 2008	TRINITY UNIVERSITY Bachelors of Science in Finance, Minor in Economics Founding member of the Honor Council, a student led academic integrity review panel	SAN ANTONIO, TX

EXPERIENCE

2023 – 2024	RIDGE RUNNER RESOURCES II, LLC Landman & Corporate Development– New Mexico <ul style="list-style-type: none"> Progress acquisitions, leasing, trades, and drilling opportunities from inception through drilling and production Perform due diligence from initial land review through title opinions and land clearance for drill site ready Manage Federal, State and Local permitting, Lease Maintenance, Pooling, State and Federal Com's and Leasing 	HOUSTON, TX
2023 – 2024	COKINOS ENERGY LLC Natural Gas Trader <ul style="list-style-type: none"> Developed relationships to create value for customers through structured transactions including oil sales, pipeline connection agreements, gathering agreements, term supply, transportation, and storage. Acquired oil and gas at the well from producers by understanding basis differentials and market trends to identify pricing opportunities and risks, monitored supply and demand factors, pipeline capacity, truck access, and other market influences to inform pricing strategies, and developed and maintained models to forecast basis differentials and support operations strategies. 	HOUSTON, TX
2017 – 2023	BEAM ENERGY US – PRIVATE EQUITY Iskandia Energy Operating Inc. (TEO Portfolio Company of Beam) Director of Land & Business Development <ul style="list-style-type: none"> Landman for six fields with more than 400 wells, negotiating contracts with third parties including Marketing, JOA's, Leases, ROW, Drill Sites, and Damages encompassing the management of all aspects of land including AFEing partners, curing title, ownership changes, division orders, handling complaints, arbitrating disputes Optimized operations by pooling production and unitizing fields to increase operational efficiencies Led due diligence team and all aspects of organization startup, accounting, and land administration Shaped and implemented corporate ESG policy to comply with anticipated legislation and current industry best practices by managed carbon footprint reports through proactive business decisions to limit impact 	HOUSTON, TX
	SLU Enterprise Inc. (SLU Portfolio Company of Beam) Co-Founder - Director of Land <ul style="list-style-type: none"> Established a marketplace to securitize and commoditize drilling units in the Permian Basin Provided C-Suite executives, from a diverse range of oil and gas companies, land education on the process of creating standardized tradeable entities Managed the legal drafting process to create an oil and gas exchange, with the assistance of Baker Botts, Managed drafting of SEC Compliant tax opinion with the assistance of Grant Thornton 	HOUSTON, TX
2009 – 2017	Denbury Resources, Inc. Landman III – Project Developer <u>Business Development and Project Planning</u> <ul style="list-style-type: none"> Led drilling program completing 156 wells that produce 9.7% of Denbury's total production Completed field wide unitization and community leasing projects along the Gulf Coast Managed relationships with several large joint operators to comply with existing JOA Assessed locations for \$2B of facilities and well sites that I acquired through numerous real-estate acquisitions Moved projects though development including town hall meetings with stakeholders, wetlands delectation, local state and federal permitting, local tax abatement and speaking at governmental proceedings Lobbied at state and national level for carbon credit, carbon capture, government grants and DOE funding to increase incentives around low carbon and carbon sequestration oil and gas projects Ran title and probate to perform curative work to solve complex ownership issues related to Unitization Landman for five fields, 150 Denbury employs and 500 contractors along the Gulf Coast, producing 14,000 BPD 	HOUSTON, TX

Volunteer & Interest: BSA Eagle Scout and Den Leader, Master Swimming, HAPL Luncheon Committee – Spearheaded relationships management with speakers

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

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL INTERESTS
UNDER ORDER NO. R-22844,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24628
ORDER NO. R-22844**

APPLICATION

3R Operating LLC (OGRID No. 331569), as successor in interest to Flat Creek Resources, LLC, (“Applicant”) files this application with the Oil Conservation Division (“Division”) requesting a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22844 (“Order”). In support of this application, Applicant states the following.

1. The Division entered the Order in Case No. 23587 on August 25, 2023.
2. The Order pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico (“Unit”)¹ and dedicated the Unit to the Rena 7 Fed Com 601H well (“Well”).
3. The Order designated Applicant as operator of the Unit and Well.
4. The Order requires Applicant to commence drilling the Well within one (1) year of the date of the Order unless Applicant obtains a time extension from the Division Director for good cause shown.

¹ The Order approved alternative spacing units (640 acres or 600 acres) due to uncertainty regarding federal leases. That uncertainty has been resolved and Applicant will drill and complete the Well within the 640-acre spacing unit.

**3R Operating LLC
Case No. 24628
Exhibit A-2**

5. Applicant's ability to commence drilling the Well has been impacted by delays in the issuance of federal drilling permits and limitations on gas takeaway.

6. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Well until August 25, 2025.

7. Good cause exists for the requested extension.

8. Additionally, since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

9. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

10. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on July 11, 2024, and, after notice and hearing, the Division extend the deadline to commence drilling the Well under the Order until August 25, 2025, and pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22844.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Attorneys for 3R Operating, LLC

Application of 3R Operating LLC to Extend Time to Commence Drilling Operations and Pool Additional Interests Under Order No. R-22844, Eddy County, New Mexico. 3R Operating LLC, as successor in interest to Flat Creek Resources, LLC, (“Applicant”) requests a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22844 (“Order”). The Order: (1) pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico (“Unit”); dedicated the Unit to the Rena 7 Fed Com 601H well (“Well”); and designated Applicant as operator of the Unit and Well. Applicant requests the Division extend the deadline to commence drilling the Well until August 25, 2025. Additionally, since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 4 miles southwest of Carlsbad, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING AND APPROVAL
OF NON-STANDARD SPACING UNIT
SUBMITTED BY FLAT CREEK RESOURCES, LLC**

**CASE NO. 23587
ORDER NO. R-22844**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on August 3, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Flat Creek Resources, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A.
2. The Application also seeks approval of a Non-Standard horizontal spacing unit for production from all Division-designated pools underlying the Unit.
3. Operator seeks to be designated the operator of the Unit.
4. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
5. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
6. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
7. Operator identified the owners of interest in the offset oil and gas minerals from the Unit and provided evidence that notice was given.
8. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
10. Operator is the owner of an oil and gas working interest within the Unit.

**3R Operating LLC
Case No. 24628
Exhibit A-3**

11. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
12. Operator has met the notice requirements for approval of non-standard horizontal spacing units in accordance with 19.15.16.15(B)(5) NMAC.
13. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
14. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
15. OCD's rules allow the approval of a non-standard horizontal spacing unit, after notice and opportunity for hearing, "if necessary to prevent waste or protect correlative rights" 19.15.16.15(B)(5)(a) NMAC.
16. While the OCD is authorized to approve a non-standard spacing unit, Rutter & Wilbanks Corp. v. Oil Conservation Comm'n, 1975-NMSC-006, OCD lacks the authority to approve unitization and will disapprove an application if it determines that it is actually unitization. Order R-13554 (May 18, 2012) (disapproving application for a non-standard spacing unit consisting of 16 standard spacing units).
17. Approval of the Non-Standard Spacing Unit promotes effective well spacing and allows the Operator to therefore prevent waste and protect correlative rights.
18. The Unit contains separately owned uncommitted interests in oil and gas minerals.
19. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
20. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
21. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

22. The Unit is approved as a non-standard horizontal spacing unit.
23. Operator shall file Forms C-102 reflecting the correct acreage dedicated for each of the Wells.
24. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
25. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.

CASE NO. 23587
ORDER NO. R-22844

Page 2 of 8

26. Operator is designated as operator of the Unit and the Well(s).
27. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
28. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
29. This Order shall terminate automatically if Operator fails to comply with Paragraph 28 unless Operator obtains an extension by amending this Order for good cause shown.
30. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
31. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
32. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
33. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
34. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the

CASE NO. 23587
ORDER NO. R-22844

Page 3 of 8

Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

35. The reasonable charges for supervision to drill and produce a well (“Supervision Charges”) shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled “Accounting Procedure-Joint Operations.”
36. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well (“Operating Charges”), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
37. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
38. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
39. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 38 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
40. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
41. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

42. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
43. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
44. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M FUGE
DIRECTOR
DMF/hat

Date: 8/25/2023

CASE NO. 23587
ORDER NO. R-22844

Page 5 of 8

Exhibit A

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Page 4 of 183

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23587	APPLICANT'S RESPONSE
Date	July 20, 2023
Applicant	Flat Creek Resources, LLC
Designated Operator & OGRID (affiliation if applicable)	374034
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen)
Case Title:	Application of Flat Creek Resources, LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Rena 7 Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	WC-015 G-04 S232628M; BONE SPRING [98056]
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres, more or less
Alternative Size (Acres)	600 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	North-South
Description: TRS/County	W/2 of Sections 7 and 18 of Township 23 South, Range 26 East in Eddy County, NM
Alternative Description: TRS/County	W/2 of Section 7, the NW/4 of Section 18, the W/2 of the SW/4 of Section 18, and the NE/4 of the SW/4 of Section 18, Township 23 South, Range 26 East in Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N). If No, describe and its approval of non-standard unit requested in this application?	No. Applicant seeks approval of a non-standard HSU. However, the request for approval in this application is withdrawn. Applicant will seek administrative approval.
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	n/a

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CASE NO. 23587
ORDER NO. R-22844


Received by OCD: 7/18/2024 6:39:54 PM

Page 7 of 102

Proximity Defining Well: if yes, description	n/a
Applicant's Ownership in Each Tract	Tract 1: 100.0%; Tract 2: 15.51%; Tract 3: 18.75%; Tract 4: 9.29%; Tract 5: 100.0%; Tract 6: 100.0%; Tract 7: 0.0%; see Exhibits A-3 and A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Rena 7 Fed Com 601H, API No. Pending SHL: 94' FSL and 646' FWL of Section 6, T23S-R26E, NMPM BHL: 100' FSL and 330' FWL of Section 18, T23S-R26E, NMPM Completion Target: Third Bone Spring at approx. 8,409' Well Orientation: North to South Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~385' FNL and 339' FWL of Section 7, T23S-R26E) LTP (~100' FSL and 330' FWL of Section 18, T23S-R26E)
Completion Target (Formation, TVD and MD)	Third Bone Spring - TVD (~8,409'), MD (~18,448')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 24
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 24
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; see Exhibit A, ¶ 25
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 and A-3; see also Exhibit A-4
Tract List (including lease numbers and owners)	See Exhibits A-2 and A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	The request for approval of a non-standard unit in this application is withdrawn. Applicant will seek administrative approval.
Pooled Parties (including ownership type)	See parties highlighted in yellow in Exhibit A-4
Unlocatable Parties to be Pooled	See Exhibit A-5
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
Released by Imaging: 7/18/2024 7:30:00 AM (LWDA)	Exhibit A-4

Received by OCD: 7/18/2023 6:39:51 PM

Page 6 of 182

Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
Geology	
Summary (including special considerations)	Exhibit B, ¶¶ 5-15; see Exhibits B-1 through B-8
Spacing Unit Schematic	See Exhibit A-6
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B, ¶ 13
Target Formation	Exhibits B-2 and B-6
HSU Cross Section	Exhibits B-5 and B-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 17
Forms, Figures and Tables	
C-102	Exhibit A-6
Tracts	Exhibit A-3; see Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3; see Exhibit A-4
General Location Map (including basin)	Exhibits A-1 and B-1
Well Bore Location Map	Exhibit A-6
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (Including Landing Zone)	Exhibits B-5 and B-6
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	
Date:	7/18/2023

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

**APPLICATION OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL INTERESTS
UNDER ORDER NO. R-22844,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24628
ORDER NO. R-22844**

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of 3R Operating LLC, the Applicant herein.

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

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

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

5. On July 6, 2024, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit B-4**.

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

/s/ Dana S. Hardy
Dana S. Hardy

July 17, 2024
Date

**3R Operating LLC
Case No. 24628
Exhibit B**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

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

July 3, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24628 & 24630 – Applications of 3R Operating LLC to Extend Time to Commence Drilling Operations and Pool Additional Interests Under Order Nos. R-22844 & R-22846, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 25, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about these applications, please contact Eric Unverzagt at 3R Operating LLC – eunverzagt@3ROperating.com.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

3R Operating LLC
Case No. 24628
Exhibit B-1

Enclosure

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

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

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

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

**APPLICATIONS OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL**

**INTERESTS UNDER ORDER NOS. R-22844 & R-22846, CASE NOS. 24628 & 24630
EDDY COUNTY, NEW MEXICO. ORDER NOS. R-22844 & R-22846**

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Alliance Land and Minerals, LLC PO Box 809 Artesia, NM 88211-0809	07/03/24	07/10/24
Arroyo Energy Fund II, LP PO Box 3429 Midland, TX 79702	07/03/24	07/10/24
B&J Resources LLC 240 St. Paul St., Suite 501 Denver, CO 80206	07/03/24	Per USPS Tracking (Last Checked 07/17/24): 07/08/24 – Delivered to individual at the address.
Patsy J. Brown PO Box 3429 Midland, TX 79702	07/03/24	07/16/24 Return to sender.
D2 Royalties, LLC PO Box 10187 Midland, TX 79702	07/03/24	07/12/24
Dale Douglas & wife, Renee R. Douglas PO Box 10187 Midland, TX 79702	07/03/24	07/12/24
James E. Geitgey 6804 Island Circle Midland, TX 79707	07/03/24	07/15/24
Timothy D. Lilley & wife, Tashina A. Lilley 7568 Preservation Trl Parker, CO 80134-3213	07/03/24	07/15/24
James R. Smith & wife, Kendall C. Smith PO Box 50601 Midland, TX 79710-0601	07/03/24	Per USPS Tracking (Last Checked 07/17/24): 07/11/24 – Delivery attempted.

**3R Operating LLC
Case No. 24628
Exhibit B-2**

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

**APPLICATIONS OF 3R OPERATING LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL**

**INTERESTS UNDER ORDER NOS. R-22844 & R-22846, CASE NOS. 24628 & 24630
EDDY COUNTY, NEW MEXICO. ORDER NOS. R-22844 & R-22846**

NOTICE LETTER CHART

Solis Resources, LLC 6804 Island Circle Midland, TX 79707	07/03/24	07/17/24
Warrior Exploration, LLC 505 N. Big Spring, Suite 404 Midland, TX 79701	07/03/24	Per USPS Tracking (Last Checked 07/17/24): 07/06/24 – Delivered to individual at the address.
Xplor Resources, LLC 1003 North Shore Dr. Carlsbad, NM 88220	07/03/24	07/10/24

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 JUL 03 2024
 SANTA FE, NM 87501

9589 0710 5270 0415 9524 27

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

☞ Alliance Land and Minerals, LLC
 PO Box 809
 Artesia, NM 88211-0809
 24628 & 24630 - 3R Rena Ext.

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery <i>Lauren Maxwell</i></p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Alliance Land and Minerals, LLC PO Box 809 Artesia, NM 88211-0809 24628 & 24630 - 3R Rena Ex.</p> </div> <p style="text-align: center;">9590 9402 8974 4064 8151 29</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <p style="text-align: center; font-size: 1.5em;">JUL 10 2024</p>
<p>2. Article Number (Transfer from service label) 9589 0710 5270 0415 9524 27</p>	<p>3. Service Type Hinkle Shanon LLP Santa Fe, NM 87501</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

3R Operating LLC
Case No. 24628
Exhibit B-3

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Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Postmark Here
JUL 03 2024

SANTA FE, NM 87501

USPS

Street Arroyo Energy Fund II, LP
PO Box 3429
Midland, TX 79702

City 24628 & 24630 - 3R Rena Ext.

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

9589 0710 5270 0415 9524 10

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p style="text-align: center;">Arroyo Energy Fund II, LP PO Box 3429 Midland, TX 79702</p> <p style="text-align: center; font-size: 0.8em;">24628 & 24630 - 3R Rena Ext.</p> </div> <div style="text-align: center; margin: 5px 0;"> <p style="font-size: 1.2em; font-weight: bold;">9590 9402 8974 4064 8151 36</p> </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0415 9524 10</p>	<p>A. Signature</p> <p style="font-size: 1.5em; color: blue;">x <i>Hinkie Shanor</i></p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Hinkie Shanor</i></p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; border: 2px solid black; padding: 10px; margin: 10px 0;"> <p style="font-size: 3em; font-weight: bold; letter-spacing: 0.5em;">RECEIVED</p> <p style="font-size: 1.5em; font-weight: bold;">JUL 10 2024</p> </div> <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <i>Hinkie Shanor LP</i> <input type="checkbox"/> Priority Mail Express</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <i>Santa Fe, NM 87501</i> <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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JUL 03 2024

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9589 0710 5270 0415 9524 96

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

D2 Royalties, LLC
PO Box 10187
Midland, TX 79702
24628 & 24630 - 3R Rena Ext.

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery DOUGLAS JUL 10 2024</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below. <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; color: red;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em;">JUL 12 2024</p> <p style="text-align: center;">Hinkle Shanor LLP</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 10px; margin: 5px 0;"> <p>D2 Royalties, LLC PO Box 10187 Midland, TX 79702 24628 & 24630 - 3R Rena Ext.</p> </div> <p style="text-align: center;">9590 9402 8974 4064 8151 12</p>	<p>3. Service Type SANTA FE NM 87501</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0415 9524 96</p>	<p>PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt</p>

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Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To: Dale Douglas & wife, Renee R. Douglas
 PO Box 10187
 Midland, TX 79702
 24628 & 24630 - 3R Rena Ext.

Postmark Here: **JUL 03 2024**

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9589 0710 5270 0415 9524 72

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) DOUGLAS</p> <p>C. Date of Delivery JUL 12 2024</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <p>Hinkle Shanor LLP</p>
<p>1. Article Addressed to:</p> <p>Dale Douglas & wife, Renee R. Douglas PO Box 10187 Midland, TX 79702</p> <p>24628 & 24630 - 3R Rena Ext.</p> <p>9590 9402 8974 4064 8150 82</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0415 9524 72</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

9589 0710 5270 0415 9524 89

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Si James E. Geitgey
6804 Island Circle
Midland, TX 79707

C 24628 & 24630 - 3R Rena Ext.

Postmark Here
SANTA FE, NM 87507
JUL 03 2024
 USPS

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery <i>Danley Prods</i></p>
<p>1. Article Addressed to:</p> <p>James E. Geitgey 6804 Island Circle Midland, TX 79707 24628 & 24630 - 3R Rena Ext.</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No</p> <p>RECEIVED JUL 15 2024 Hinkle Shanor LLP Santa Fe NM 87504</p>
<p>2. Article Number (Transfer from service label) 9590 9402 8974 4064 8150 75</p>	<p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>9589 0710 5270 0415 9524 89</p>	<p>Domestic Return Receipt</p>

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent to _____

By _____ Timothy D. Lilley & wife, Tashina A. Lilley

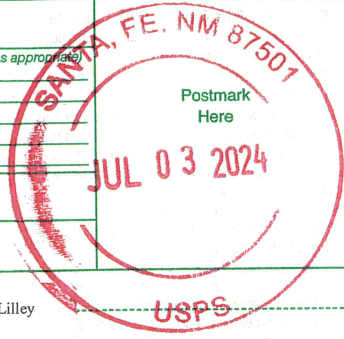
Street _____ 7568 Preservation Trl

City _____ Parker, CO 80134-3213

City _____ 24628 & 24630 - 3R Rena Ext.

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

9589 0710 5270 0415 9524 65



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3 ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery 7-10</p> <p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p> <p style="text-align: center; font-size: 1.5em; font-weight: bold;">RECEIVED</p> <p style="text-align: center; font-size: 1.2em;">JUL 15 2024</p> <p style="text-align: center;">Hinkle Shanor LLP Santa Fe, NM 87504</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Timothy D. Lilley & wife, Tashina A. Lilley 7568 Preservation Trl Parker, CO 80134-3213</p> <p style="text-align: right; font-size: 0.8em;">24628 & 24630 - 3R Rena Ext.</p> </div> <p style="text-align: center;">9590 9402 8974 4064 8150 44</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0415 9524 65</p>	<p style="text-align: right;">Domestic Return Receipt</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Send To:

St Solis Resources, LLC
 6804 Island Circle
 Midland, TX 79707

City 24628 & 24630 - 3R Rena Ext.

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



9589 0710 5270 0415 9524 41

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Solis Resources, LLC 6804 Island Circle Midland, TX 79707 24628 & 24630 - 3R Rena Ext.</p>		<p>B. Received by (Printed Name) <i>Damein Pineda</i> C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label) 9589 0710 5270 0415 9524 41</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p> <p>RECEIVED JUL 17 2024</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail (over \$500)</p>		<p>Hinkle Share Point 9010 Fe N 79707</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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Certified Mail Fee \$ _____	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ _____	
Total Postage and Fees \$ _____	
Sent To Xplor Resources, LLC 1003 North Shore Dr. Carlsbad, NM 88220 24628 & 24630 - 3R Rena Ext.	

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X </p>																
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Xplor Resources, LLC 1003 North Shore Dr. Carlsbad, NM 88220</p> <p style="text-align: right; font-size: 0.8em;">24628 & 24630 - 3R Rena Ext.</p> </div> <p style="text-align: center;">9590 9402 8913 4064 1116 71</p>	<p>B. Received by (Printed Name) C. Date of Delivery</p> <p> 7-6-24</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; font-size: 2em; font-weight: bold; opacity: 0.5;">RECEIVED</div> <p style="text-align: center; font-size: 1.5em; font-weight: bold;">JUL 10 2024</p>																
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0751 2497 62</p>	<p>3. Service Type Hinkle Shanor LLP Santa Fe NM 87504</p> <table style="width: 100%; font-size: 0.8em;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
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<input type="checkbox"/> Collect on Delivery Restricted Delivery																	
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt</p>																	

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Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Si Patsy J. Brown _____

PO Box 3429 _____

Midland, TX 79702 _____

24628 & 24630 - 3R Rena Ext. _____

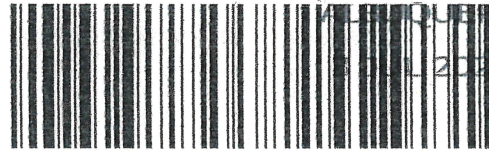
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

26 6256 5T40 0225 0120 6856



HINKLE SHANOR LLP
 ATTORNEYS AT LAW
 POST OFFICE BOX 2068
 SANTA FE, NEW MEXICO 87504

CERTIFIED MAIL®

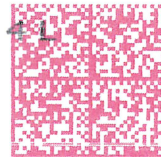


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2024 PM 4 L

FIRST-CLASS



US POSTAGE IMIPITNEY BOWES

ZIP 87501 \$ 008.93⁰
 02 7H
 0006052409 JUL 03 2024

RECEIVED

JUL 16 2024

Hinkle Shanor LLP
 Santa Fe NM 87504

Patsy J. Brown
 PO Box 3429
 Midland, TX 79702

24628 & 24630 - 3R Rena Ext

Ref

NIXIE 799 FE 1 0007/11/24

RETURN TO SENDER
 NOT DELIVERABLE AS ADDRESSED
 UNABLE TO FORWARD

BC: 87504206868 *0693-02605-11-25

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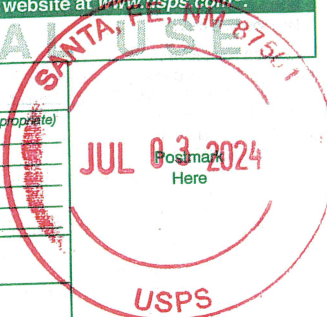
7000200420000

9589 0710 5270 0415 9524 03

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

Postage

\$

Total Postage and Fees

\$

Service

St

B&J Resources LLC
240 St. Paul St., Suite 501
Denver, CO 80206

City

24628 & 24630 - 3R Rena Ext.

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

ALERT: FLOODING AND SEVERE WEATHER IN THE SOUTHERN AND CENTRAL U.S. MAY IMPA...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700415952403

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item was delivered to an individual at the address at 10:48 am on July 8, 2024 in DENVER, CO 80206.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Delivered

Delivered, Left with Individual

DENVER, CO 80206
July 8, 2024, 10:48 am

Redelivery Scheduled for Next Business Day

DENVER, CO 80206
July 5, 2024, 4:15 pm

Departed USPS Regional Facility

DENVER CO DISTRIBUTION CENTER
July 5, 2024, 9:46 am

Arrived at USPS Regional Facility

DENVER CO DISTRIBUTION CENTER
July 4, 2024, 12:09 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101

July 3, 2024, 6:45 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101

July 3, 2024, 5:27 pm

Hide Tracking History

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates



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Product Information



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Track Another Package

Enter tracking or barcode numbers

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FAQs

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



Postage

\$

Total Postage and Fees

\$

Sent To

Street James R. Smith & wife, Kendall C. Smith
PO Box 50601

City Midland, TX 79710-0601
24628 & 24630 - 3R Rena Ext.

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

ALERT: FLOODING AND SEVERE WEATHER IN THE SOUTHERN AND CENTRAL U.S. MAY IMPA...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700415952458

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

This is a reminder to pick up your item before July 20, 2024 or your item will be returned on July 21, 2024. Please pick up the item at the MIDLAND, TX 79710 Post Office.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Delivery Attempt

Reminder to pick up your item before July 20, 2024

MIDLAND, TX 79710
July 11, 2024

Available for Pickup

CLAYDESTA
612 VETERANS AIRPARK LN
MIDLAND TX 79705-9998
M-F 0800-1700
July 6, 2024, 9:03 am

Arrived at Post Office

MIDLAND, TX 79705
July 6, 2024, 9:01 am

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
July 5, 2024, 5:39 pm

In Transit to Next Facility

July 4, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101
July 3, 2024, 6:45 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101
July 3, 2024, 5:27 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (<https://faq.usps.com/s/article/Where-is-my-package>)

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less ^

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

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Certified Mail Fee

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

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

Postage

\$

Total Postage and Fees

\$

Sent To

Street

Warrior Exploration, LLC
505 N. Big Spring, Suite 404
Midland, TX 79701

City

24628 & 24630 - 3R Rena Ext.



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

ALERT: FLOODING AND SEVERE WEATHER IN THE SOUTHERN AND CENTRAL U.S. MAY IMPA...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700751249861

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item was delivered to an individual at the address at 8:24 am on July 6, 2024 in MIDLAND, TX 79701.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Delivered

Delivered, Left with Individual

MIDLAND, TX 79701

July 6, 2024, 8:24 am

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER

July 5, 2024, 5:39 pm

In Transit to Next Facility

July 4, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101

July 3, 2024, 6:45 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101

July 3, 2024, 5:27 pm

● **Hide Tracking History**

What Do USPS Tracking Statuses Mean? (<https://faq.usps.com/s/article/Where-is-my-package>)

Text & Email Updates



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Product Information



See Less ^

Track Another Package

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Need More Help?

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FAQs

AFFIDAVIT OF PUBLICATION

County of Eddy, State of New Mexico

Carlsbad Current-Argus	
102 S. Canyon Street Carlsbad, NM 88220	AD#2440 3R Rena 601H Ext 24628

I, the publisher/agent of Carlsbad Current-Argus of Eddy County, in the State of New Mexico. States that this newspaper is a qualified newspaper, published and of general circulation in said county, was published in regular edition of said paper, and that the notice of which the annexed is a copy was published on the following dates:

PUBLICATION DATES
July 6, 2024

N Bitton

Nicole Bitton, Customer Service Rep

Signed and sworn to before me on 9 July 2024
 this Day Month Year



Kelli Metzger

Signature above, NOTARY NAME, Notary Public
 My commission expires: Oct 19, 2024
 Commission#

Seal

Publication Fee \$ 95.50

Calculation Measurement

Words	Tab lines	Columns	Insertions
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CherryRoad Media

PUBLIC NOTICE

This is to notify all interested parties, including Alliance Land and Minerals, LLC; Arroyo Energy Fund II, L.P; B&J Resources LLC; Patsy J. Brown; D2 Royalties, LLC; Dale Douglas and wife, Renee R. Douglas; James E. Geitgey; Timothy D. Lilley and wife, Tashina A. Lilley; James R. Smith & wife, Kendall C. Smith; Solis Resources, LLC; Warrior Exploration, LLC; Xplor Resources, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by 3R Operating LLC (Case No. 24628). The hearing will be conducted on July 25, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. 3R Operating LLC, as successor in interest to Flat Creek Resources, LLC, ("Applicant") requests a one-year extension of time to commence drilling operations and to pool additional interests under Order No. R-22844 ("Order"). The Order: (1) pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the **Rena 7 Fed Com 601H** well ("Well"); and designated Applicant as operator of the Unit and Well. Applicant requests the Division extend the deadline to commence drilling the Well until August 25, 2025. Additionally, since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 4 miles southwest of Carlsbad, New Mexico.

2440-Published in the Carlsbad Current-Argus on July 6, 2024.

3R Operating LLC
Case No. 24628
Exhibit B-4