

**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-22847,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24631
ORDER NO. R-22847**

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-22847 |
| A-4 | Plat of Tracts, Tract Ownership, Additional Pooled Parties |
| A-5 | Sample Well Proposal Letter and AFEs |
| A-6 | Chronology of Contact |
| 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-22847,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24631
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**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 proposed to be pooled 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-22847 (“Order”) in Case No. 23590, which pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/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 704H 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. 24631
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. Additionally, since the Order was entered, 3R has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.
13. **Exhibit A-4** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of the Order, which are highlighted in yellow. The additional interest owners to be pooled are locatable.
14. **Exhibit A-5** is a sample well proposal letter and AFEs that I sent to the additional parties to be pooled under the terms of the Order.
15. In my opinion, 3R made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-6**.
16. 3R requests the additional uncommitted interests be pooled under the terms of the Order.

17. In my opinion, the granting of 3R's application would protect correlative rights and prevent waste.

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

19. 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 it 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. 24631****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-22847,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24631
ORDER NO. R-22847**

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-22847 (“Order”). In support of this application, Applicant states the following.

1. The Division entered the Order in Case No. 23590 on August 25, 2023.
2. The Order pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/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 704H 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 480 acres) due to uncertainty regard 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. 24631
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-22847.

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-22847, 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-22847 (“Order”). The Order: (1) pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/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 704H 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 SUBMITTED BY
FLAT CREEK RESOURCES, LLC**

**CASE NO. 23590
ORDER NO. R-22847**

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. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. 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

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. 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.

**3R Operating LLC
Case No. 24631
Exhibit A-3**

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. 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

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. 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.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. 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.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. 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").
24. 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

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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."

25. 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.
26. 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 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.
27. 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."
28. 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.
29. 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.

30. 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.
31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
32. 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.
33. 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.
34. 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.*
35. 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.
36. 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

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Exhibit A

Received by OCD: 7/18/2023 6:41:54 PM

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| COMPULSORY POOLING APPLICATION CHECKLIST | |
|--|---|
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
| Case: 23590 | 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, 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: | Wolfcamp Formation |
| Primary Product (Oil or Gas): | Gas |
| Pooling this vertical extent: | Wolfcamp Formation |
| Pool Name and Pool Code: | PURPLE SAGE; WOLFCAMP (GAS) [98220] |
| Well Location Setback Rules: | Purple Sage special pool rules and statewide rules, as applicable |
| Spacing Unit Size: | 640 acres, more or less |
| Alternative Unit Size: | 480 acres, more or less |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 640 acres, more or less |
| Alternative Size (Acres) | 480 acres, more or less |
| Building Blocks: | Quarter section (160 ac) |
| Orientation: | North-South |
| Description: TRS/County | E/2 of Sections 7 and 18, Township 23 South, Range 26 East in Eddy County, NM |
| Alternative Description: TRS/County | E/2 of Section 7, and the NE/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 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 | n/a |

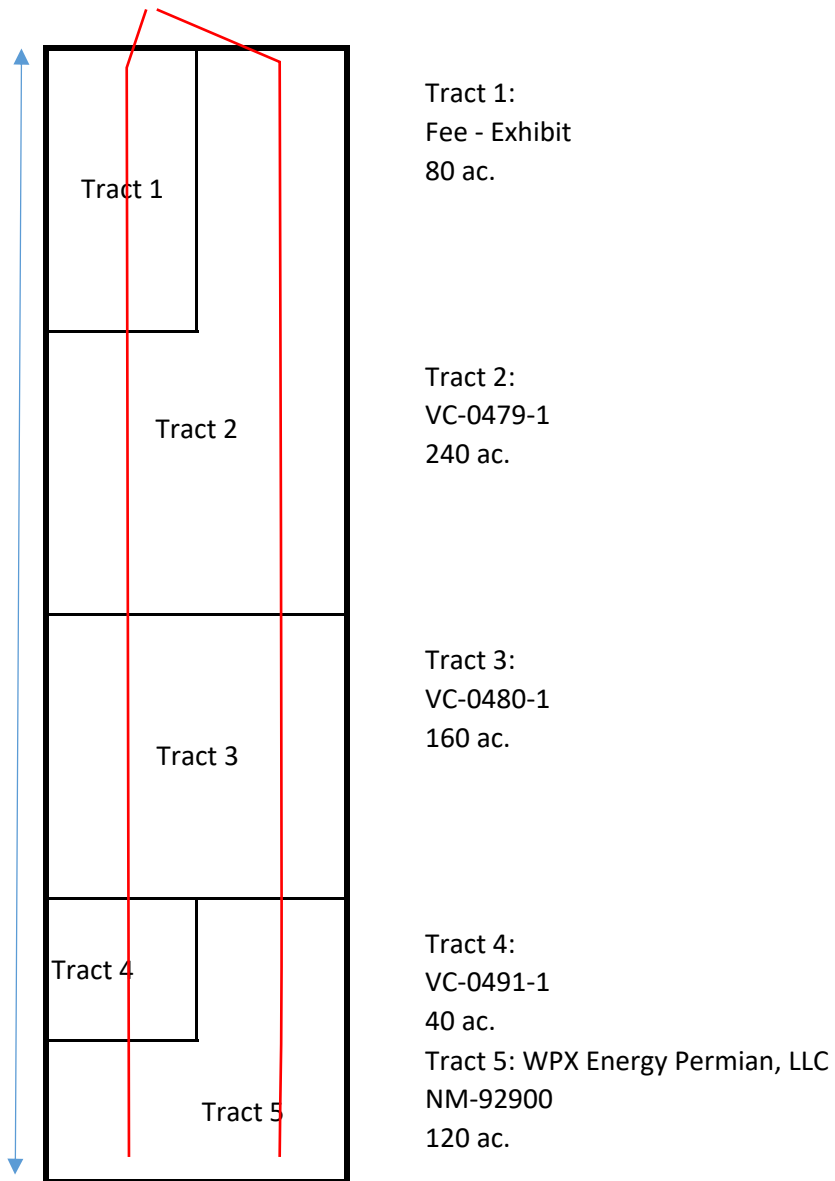
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| | |
|--|---|
| Proximity Defining Well: if yes, description | n/a |
| Applicant's Ownership in Each Tract | Tract 1: 0.0%; Tract 2: 100.0%; Tract 3: 100.0%; Tract 4: 100.0%; Tract 5: 0.0%; see Exhibits A-2 and A-4 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |
| Well #1 | Rena 7 Fed Com 704H, API No. Pending SHL: 309' FSL and 1777' FEL of Section 6, T23S-R26E, NMPM BHL: 330' FSL and 330' FEL of Section 18, T23S-R26E, NMPM Completion Target: Wolfcamp X at approx. 8,587' Well Orientation: North to South Completion location expected to be standard |
| Horizontal Well First and Last Take Points | FTP (~485' FNL and 330' FEL of Section 7, T23S-R26E) LTP (~330' FSL and 330' FEL of Section 18, T23S-R26E) |
| Alternative Well #1 | Rena 7 State Com 704H, API No. Pending SHL: 309' FSL and 1777' FEL of Section 6, T23S-R26E, NMPM BHL: 2970' FSL and 330' FEL of Section 18, T23S-R26E, NMPM Completion Target: Wolfcamp X at approx. 8,587' Well Orientation: North to South Completion location expected to be standard |
| Horizontal Well First and Last Take Points | FTP (~485' FNL and 330' FEL of Section 7, T23S-R26E) LTP (~2970' FSL and 330' FEL of Section 18, T23S-R26E) |
| Completion Target (Formation, TVD and MD) | Wolfcamp X - TVD (~8,587'), MD (~18,471') |
| 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. | N/A |
| Pooled Parties (including ownership type) | See Exhibit A-5 |
| 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 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-4 |
| 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 | Exhibit 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): | <i>Sharon T. Shaheen</i> |
| Date: | 7/18/2023 |

RENA 7 FEDERAL COM 603H & 704H
Plat of communitized area covering E/2 of Section 7 and E/2 of Section 18,
Township 23 South, Range 26 East, N.M.P.M., Eddy County, New Mexico



3R Operating LLC
Case No. 24631
Exhibit A-4

| Lease Hold Ownership Tract 1 | | |
|---|-----------|---------------------|
| W. Matthew Bradshaw | .02619048 | Leased |
| David L. Bradshaw | .02619048 | Leased |
| Phyllis L'Hommediet | .00982143 | Leased |
| Roger Hill | .00982143 | Leased |
| Jerry Hill | .00982143 | Leased |
| Cheryl Wilson | .00982143 | Leased |
| American Heart Association, Inc. | .14285714 | Leased |
| Marie Elizabeth Casabonne | .02380952 | Leased |
| Peter J. Langenegger | .00264550 | Leased |
| James B. Taylor | .00132275 | Leased |
| Scott Alan Taylor | .00132275 | Leased |
| Margaret L. Choat, R. Roy and Margaret L. Choat Revocable Trust u/t/a dated November 23, 1983 | .00793651 | Leased |
| Justin Reeves | .00793651 | Leased |
| Jan Mayberry a/k/a Jan Mayberry-Briggs | .00198413 | Leased |
| Marilyn Mayberry | .00198413 | Leased |
| KAB Acquisition LLLP-IX | .07071429 | Leased |
| Cherri Snyder | .02380952 | Leased |
| Julann H. Curlee | .00264550 | Leased |
| Ridge Runner AssetCo II, LLC | .15833333 | Leased |
| B&J Resources LLC | .07071429 | Unleased - Unpooled |
| MDC Partners LLC | .01571429 | Pooled |
| Estate of John Hill, Deceased | .01309524 | Leased |
| Montego Capital Fund 3, Ltd. | .00833333 | Pooled |
| Pete M. Turner | .03392857 | Pooled |
| Michael C. Currier and Missi Currier Bartons, JTWROS | .03392857 | Pooled |
| Jackie Louise Reid and husband, Johnny L. Reid | .02544643 | Pooled |
| William Benjamin Baldwir | .00848214 | Pooled |
| Paulette Burkham | .03392857 | Pooled |
| James Alvin Davis | .03392857 | Pooled |
| Patricia Ann Davis | .03392857 | Pooled |
| Charlotte Susan Baxley | .03392857 | Pooled |
| Robert Allen Davis | .03392857 | Pooled |
| First Baptist Church of Carlsbad | .01428571 | Pooled |
| Arroyo Energy Fund II, LP (Patsy J. Brown) | .00595238 | Unleased - Unpooled |
| Arroyo Energy Fund II, LP | .01785714 | Pooled |
| David Charles Krattiger | .02380952 | Pooled |
| Paul Julian Casabonne | .00198413 | Pooled |
| Regina Casabonne | .00198413 | Pooled |
| Melinda Nell Jones | .00198413 | Pooled |
| John Larry Casabonne | .00099206 | Pooled |
| Jane Kneubuhl, as Trustee of the Chelsea Casabonne Trust | .00049603 | Pooled |
| Jane Kneubuhl, as Trustee of the Alana Casabonne Trust | .00049603 | Pooled |
| Helen Disque | .00793651 | Pooled |
| Warrior Exploration, LLC | .00066138 | Unleased - Unpooled |
| Dale Douglas and wife, Renee R. Douglas | .00099206 | Unleased - Unpooled |
| James E. Geitgey | .00099206 | Unleased - Unpooled |
| James R. Smith and wife, Kendall C. Smith | .00066138 | Unleased - Unpooled |
| Timothy D. Lilley and wife, Tashina A. Lilley | .00033069 | Unleased - Unpooled |
| Alliance Land and Minerals, LLC | .00033069 | Leased |

| Unit Capitation | | |
|---|-----------|---------------------|
| Ridge Runner AssetCo II, LLC | .78460483 | Leased & Pooled |
| Juniper Investments, LLC | .00089286 | Leased |
| COLEMAN OIL AND GAS, INC. | .00714286 | Leased |
| JMJ LAND AND MINERALS COMPANY | .00446429 | Leased |
| AVENTJNE INVESTMENTS, LLC | .00178571 | Leased |
| NORTH CANADIAN MANAGEMENT, LLC | .00089286 | Leased |
| BPP SOLUTIONS, LLC | .00089286 | Leased |
| Exemplar Non-Op, LLC | .00089286 | Leased |
| Aztek Petroleum Company, LLC | .00044643 | Leased |
| Camancheria Consulting LLC | .00044643 | Leased |
| B&J Resources LLC | .00883929 | Unleased - Unpooled |
| Arroyo Energy Fund II, LP (Patsy J. Brown) | .00074405 | Unleased - Unpooled |
| Warrior Exploration, LLC (Consent) | .00008267 | Unleased - Unpooled |
| Dale Douglas and wife, Renee R. Douglas | .00012401 | Unleased - Unpooled |
| James E. Geitgey | .00012401 | Unleased - Unpooled |
| James R. Smith and wife, Kendall C. Smith | .00008267 | Unleased - Unpooled |
| Timothy D. Lilley and wife, Tashina A. Lilley | .00004134 | Unleased - Unpooled |
| WPX Energy Permian, LLC (Consent) | .18750000 | Leased |

Parties to be pooled are highlighted in yellow.



<Date>

Via Certified Mail

<Address>

Re: Rena 7 Fed Com 704H
309' FSL & 1777' FEL - Sec. 6 / T23S - R26E
330' FSL & 330' FEL - Sec.18 / T23S - R26E
Section 7 & 18, 23S-26E
Eddy County, New Mexico

Ladies and Gentlemen,
3R Operating, LLC ("3R") as Operator hereby proposes to drill the following horizontal well(s):

Rena 7 Fed Com 704H well located at a surface location of 309' FSL & 1777' FEL - Sec. 6 / T23S - R26E, and a bottom hole location of 330' FSL & 330' FEL - Sec.18 / T23S - R26E. We anticipate drilling to an approximate total vertical depth of 8,600' and plan to continue drilling horizontally to the South to the proposed bottom hole location at an approximate total measured depth of 19,000'. The Rena 7 Fed Com 704H will target the Wolfcamp formation and the E/2 of Sec. 7 & the E/2 of Sec. 18, 23S-26E will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFE's dated 5/2/2024 for the proposed wells. In the event you elect to participate in the proposed wells, please execute the enclosed AFE's and return to 3R at their mailing address, attn: Eric Unverzagt. We are happy to furnish you with a proposed Joint Operating Agreement upon request, should you be inclined to elect to participate. Please respond within 30 days of receiving this notice.

Should you have any questions regarding the above, please email me at Eunverzagt@3ROperating.com or call me at 281-682-5511.

Sincerely,
3R Operating, LLC

Eric Unverzagt
Landman

3R Operating LLC
Case No. 24631
Exhibit A-5

20405 State Highway 249
Suite 820
Houston, TX 77070

Ridge Runner Resources II

Statement of Estimated Well Cost (100%)

| | |
|-------------------------|--------------------------|
| Well | Rena 7 Fed Com 704H |
| Field | |
| County, State: | Eddy |
| BHL: | Horizontal WCXY |
| Proposed TD: | 19,000 MD 8,500 TVD |
| Normal Pressure? | Yes |

PROP #: _____
WI #: _____
NRI #: _____
AFE #: 124003

| | | BCP | ACP | TOTAL |
|----------|---|--------------------|-----------|--------------------|
| | COSTS TO CASING POINT: TANGIBLES | | | |
| 2510-400 | Conductor Casing or Drive Pipe | \$42,000 | | \$42,000 |
| 2510-405 | Surface Casing | \$49,500 | | \$49,500 |
| 2510-410 | Intermediate Casing/Drlg Liner | \$141,543 | | \$141,543 |
| 2510-415 | Wellhead Equipment - Surface & MLS | \$80,000 | | \$80,000 |
| 2510-420 | Other Sub-Surface Equipment | \$0 | | |
| 2510-425 | Cementing Equipment | \$50,000 | | \$50,000 |
| 2510-500 | Production Casing | \$442,320 | | \$442,320 |
| 2510-600 | Nonoperated | \$0 | | |
| 2510-700 | Impairment | \$0 | | |
| 2510-999 | Accruals | \$0 | | |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$805,363 | | \$805,363 |
| | COSTS TO CASING POINT: INTANGIBLES | | | |
| 2500-100 | Roads/Location | \$100,000 | | \$100,000 |
| 2500-105 | Drilling Turnkey | \$0 | | |
| 2500-110 | Drilling Daywork | \$826,700 | | \$826,700 |
| 2500-115 | Fuel/Power | \$217,500 | | \$217,500 |
| 2500-125 | Equipment Rental | \$187,025 | | \$187,025 |
| 2500-130 | Legal Fees | \$0 | | |
| 2500-135 | Bonds, Permits and Inspection | \$40,000 | | \$40,000 |
| 2500-155 | Mud and Chemicals | \$350,000 | | \$350,000 |
| 2500-160 | Cementing Services | \$210,000 | | \$210,000 |
| 2500-170 | Supervision/Consulting | \$58,000 | | \$58,000 |
| 2500-175 | Casing and Other Tangible Crew | \$60,000 | | \$60,000 |
| 2500-180 | Damages/Penalties | \$0 | | |
| 2500-185 | Coring and Analysis | \$0 | | |
| 2500-190 | Cuttings/Fluids Disposal | \$175,000 | | \$175,000 |
| 2500-195 | Directional Drilling Services | \$352,500 | | \$352,500 |
| 2500-200 | Drill Bits | \$150,000 | | \$150,000 |
| 2500-210 | Surface Damages/ROW | \$0 | | |
| 2500-215 | Contract Labor and Services | \$60,000 | | \$60,000 |
| 2500-220 | Mud Logging | \$0 | | |
| 2500-235 | Reclamation | \$0 | | |
| 2500-240 | Rig Mobilization/Demob | \$85,000 | | \$85,000 |
| 2500-245 | Fishing Tools and Services | \$0 | | |
| 2500-250 | Testing-Drill Stem/Production | \$0 | | |
| 2500-260 | Wireline Services | \$0 | | |
| 2500-265 | Water | \$36,250 | | \$36,250 |
| 2500-270 | Camp Expenses | \$62,725 | | \$62,725 |
| 2500-285 | Contingencies | \$188,803 | | \$188,803 |
| 2500-290 | Environmental | \$0 | | |
| 2500-300 | Overhead | \$0 | | |
| 2500-350 | Insurance | \$0 | | |
| 2500-600 | Nonoperated | \$0 | | |
| 2500-700 | Impairment | \$0 | | |
| 2500-999 | Accruals | \$0 | | |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$3,159,503 | | \$3,159,503 |
| | COMPLETION COSTS: TANGIBLES | | | |
| 2530-415 | Wellhead | | \$35,000 | \$35,000 |
| 2530-420 | Subsurface Equipment | | \$0 | |
| 2530-510 | Tubing | | \$80,000 | \$80,000 |
| 2530-515 | Rods | | \$0 | |
| 2530-525 | Artificial Lift Equipment | | \$120,000 | \$120,000 |
| 2530-530 | Gas Metering Equipment | | \$35,000 | \$35,000 |
| 2530-531 | Electrical | | \$100,000 | \$100,000 |
| 2530-535 | LACT Unit | | \$25,000 | \$25,000 |
| 2530-540 | Production Facilities and Flowlines | | \$350,000 | \$350,000 |
| 2530-545 | Pumping Unit | | \$0 | |
| 2530-550 | Separator, Heater, Treater | | \$275,000 | \$275,000 |
| 2530-555 | Tank Battery | | \$175,000 | \$175,000 |
| 2530-560 | Vapor Recovery Unit | | \$0 | |
| 2530-590 | Other Misc Equipment | | \$125,000 | \$125,000 |
| 2530-600 | Nonoperated | | \$0 | |
| 2530-700 | Impairment | | \$0 | |
| 2530-999 | Accruals | | \$0 | |

| | | | | | |
|----------|--|--|--------------------|--------------------|---------------------|
| | TOTAL COMPLETION COST - TANGIBLES | | | \$1,320,000 | \$1,320,000 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 2520-100 | Roads/Location | | | \$5,000 | \$5,000 |
| 2520-120 | Perforating Services | | | \$267,000 | \$267,000 |
| 2520-125 | Equipment Rental | | | \$120,000 | \$120,000 |
| 2520-135 | Bonds, Permits and Inspection | | | \$2,000 | \$2,000 |
| 2520-145 | Completion Unit | | | \$250,000 | \$250,000 |
| 2520-150 | Frac Plugs | | | \$54,000 | \$54,000 |
| 2520-155 | Mud and Chemicals | | | \$30,000 | \$30,000 |
| 2520-160 | Cementing Services | | | \$0 | |
| 2520-165 | Acidizing and Fracturing | | | \$3,024,000 | \$3,024,000 |
| 2520-170 | Supervision/Consulting | | | \$100,000 | \$100,000 |
| 2520-175 | Casing and Other Tangible Crew | | | \$0 | |
| 2520-190 | Cuttings/Fluids Disposal | | | \$15,000 | \$15,000 |
| 2520-200 | Drill Bits | | | \$40,000 | \$40,000 |
| 2520-210 | Surface Damages/ROW | | | \$0 | |
| 2520-215 | Contract Labor and Services | | | \$150,000 | \$150,000 |
| 2520-230 | Pump/Vacuum Trucks | | | \$10,000 | \$10,000 |
| 2520-235 | Reclamation | | | \$0 | |
| 2520-245 | Fishing Tools and Services | | | \$0 | |
| 2520-250 | Well Testing | | | \$112,000 | \$112,000 |
| 2520-255 | Trucking and Hauling | | | \$0 | |
| 2520-260 | Wireline Services | | | \$5,500 | \$5,500 |
| 2520-270 | Camp Expenses | | | \$15,000 | \$15,000 |
| 2520-275 | Coiled Tubing Services | | | \$0 | |
| 2520-280 | Frac Water | | | \$950,000 | \$950,000 |
| 2520-285 | Contingencies | | | \$325,975 | \$325,975 |
| 2520-290 | Environmental | | | \$50,000 | \$50,000 |
| 2520-300 | Overhead | | | \$0 | |
| 2520-350 | Insurance | | | \$0 | |
| 2520-600 | Nonoperated | | | \$0 | |
| 2520-700 | Impairment | | | \$0 | |
| 2520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$5,525,475 | \$5,525,475 |
| | TOTAL WELL COST | | \$3,964,866 | \$6,845,475 | \$10,810,341 |

AFE is for a 2mi WCXY lateral w/ 54 stages; 2500#/ft and 2500 gals/ft



Approved by: _____
 Brian Cassens / Scott German

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Certified Mail / Communications

| Owner | Mailed On | Received On | Lease | Notes |
|---|-----------|-------------------|---------------------|---|
| Arroyo Energy Fund II, LP (Patsy J. Brown) | 4/10/2024 | 4/24/2024 | Unleased - Unpooled | Delivered to Patsy Brown and latter acquired by Arroyo. Arroyo is already a pooled party. |
| B&J Resources LLC | 5/2/2024 | 5/13/2024 | Unleased - Unpooled | 1/9/24 Started conversation with title concern 6/6/24 Made lease offer |
| Dale Douglas and wife, Renee R. Douglas (D2 Royalties, LLC) | 5/2/2024 | 5/21/2024 | Unleased - Unpooled | 4/18/24 Received email and returned email and spoke on the phone 6/13/24 made offer to buy or lease |
| James E. Geitgey (Solis Resources, LLC) | 5/2/2024 | 5/13/2024 | Unleased - Unpooled | 6/11/24 Spoke on the phone. 6/13/24 made offer to buy or lease |
| James R. Smith and wife, Kendall C. Smith | 5/2/2024 | 5/14/2024 | Unleased - Unpooled | 5/14/24 Signed for at post office Tracking 9589071052700313509112. 6/10/24 Called. |
| Timothy D. Lilley and wife, Tashina A. Lilley | 5/2/2024 | 5/21/2024 | Unleased - Unpooled | 4/15/24 Received email that was returned by phone call and email. 4/25/24 Sent lease as requested by owner. Never returned. |
| Warrior Exploration, LLC | 5/2/2024 | Signed AFE 5/7/24 | Unleased - Unpooled | 4/17/24 Received email from Maner Shaw. After discussions owner transferred interest to Warrior effective 4/4/24 and Signed all AFE's to participate. |

Tracking Number:

9589071052700313509112

 Copy  Add to Informed Delivery

Latest Update

Your item was picked up at a postal facility at 11:16 am on May 14, 2024 in MIDLAND, TX 79705.

Get More Out of USPS Tracking:

 USPS Tracking Plus®

 **Delivered**

Delivered, Individual Picked Up at Postal Facility

MIDLAND, TX 79705
May 14, 2024, 11:16 am

[See All Tracking History](#)

[What Do USPS Tracking Statuses Mean?](#)

3R Operating LLC
Case No. 24631
Exhibit A-6

**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-22847,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24631
ORDER NO. R-22847**

**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. 24631
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. 24629 & 24631 – Applications of 3R Operating LLC to Extend Time to Commence Drilling Operations and Pool Additional Interests Under Order Nos. R-22845 & R-22847, 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. 24631
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-22845 & R-22847, CASE NOS. 24629 & 24631
EDDY COUNTY, NEW MEXICO. ORDER NOS. R-22845 & R-22847**

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 | 07/10/24 |
| 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. |
| Solis Resources, LLC 6804 Island Circle Midland, TX 79707 | 07/03/24 | 07/15/24 |

**3R Operating LLC
Case No. 24631
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-22845 & R-22847, CASE NOS. 24629 & 24631
EDDY COUNTY, NEW MEXICO. ORDER NOS. R-22845 & R-22847**

NOTICE LETTER CHART

| | | |
|---|----------|--|
| Warrior Exploration, LLC 505 N. Big Spring, Suite 404 Midland, TX 79701 | 07/03/24 | Per USPS Tracking (Last Checked 07/17/24): 07/11/24 – Delivered to individual at the address. |
|---|----------|--|

9589 0710 5270 0751 2498 78

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

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

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Street and Apt. No., or PO Box No. Alliance Land and Minerals, LLC
 PO Box 809

City, State, ZIP+4® Artesia, NM 88211-0809
 24629 & 24631 - 3R Rena Ext.

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

SANTA FE, NM 87507
JUL 03 2024
 Postmark Here
USPS

| 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) <i>Caren Marsden</i></p> <p>C. Date of Delivery 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>1. Article Addressed to:</p> <p>Alliance Land and Minerals, LLC PO Box 809 Artesia, NM 88211-0809 24629 & 24631 - 3R Rena Ext.</p> <p>9590 9402 8913 4064 1124 63</p> | <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on 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><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0751 2498 78</p> | <p>RECEIVED JUL 10 2024</p> <p>Santa Fe NM 87504</p> |
| <p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p> | <p>Domestic Return Receipt</p> |

3R Operating LLC
Case No. 24631
Exhibit B-3

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

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

OFFICIAL

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
\$ _____

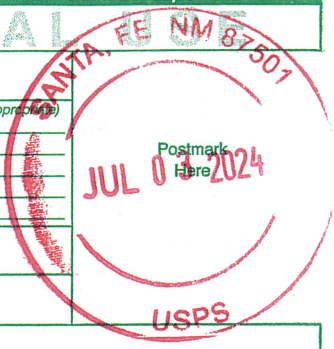
Total Postage and Fees
\$ _____

Sent To

Street and Apt. No., or PO Box No. Arroyo Energy Fund II, LP
PO Box 3429
City, State, ZIP+4® Midland, TX 79702
24629 & 24631 - 3R Rena Ext.

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

9589 0710 5270 0751 2499 60



| 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; text-align: center;"> <p>Arroyo Energy Fund II, LP PO Box 3429 Midland, TX 79702</p> <p style="font-size: 0.8em;">24629 & 24631 - 3R Rena Ext.</p> </div> <div style="text-align: center;"> <p>9590 9402 8913 4064 1124 70</p> </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0751 2499 60</p> | <p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) Lauren Prince</p> <p>C. Date of Delivery 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> <div style="text-align: center; border: 2px solid black; padding: 10px; font-size: 2em; font-weight: bold;"> RECEIVED JUL 10 2024 </div> <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> |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt |

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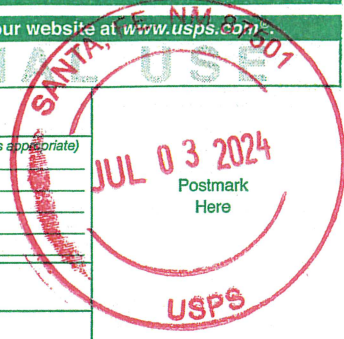
OFFICIAL USE


9589 0710 5270 0751 2499 53

| | |
|--|----|
| 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
 Street and Apt. No., or PO Box No. B&J Resources LLC
 240 St. Paul St., Suite 501
 Denver, CO 80206
 City, State, ZIP+4® 24629 & 24631 - 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"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>NAUGHAN</u></p> <p>C. Date of Delivery <u>7-8-24</u></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>1. Article Addressed to:</p> <p style="text-align: center;">B&J Resources LLC 240 St. Paul St., Suite 501 Denver, CO 80206</p> <p style="text-align: right; font-size: small;">24629 & 24631 - 3R Rena Ext.</p>  <p style="text-align: center;">9590 9402 8913 4064 1124 87</p> | <p>RECEIVED</p> <p>JUL 10 2024</p> |
| <p>2. Article Number (Transfer from service label)</p> <p style="font-size: large; font-weight: bold;">9589 0710 5270 0751 2499 53</p> | <p>3. Service Type <u>Hinkle Shanor</u></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 |

9589 0710 5270 0751 2499 39

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OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Street and Apt. No., or PO Box No. D2 Royalties, LLC
 PO Box 10187

City, State, ZIP+4® Midland, TX 79702
 24629 & 24631 - 3R Rena Ext.

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

SANTA FE, NM 87501
JUL 03 2024
 Postmark Here
USPS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

D2 Royalties, LLC
 PO Box 10187
 Midland, TX 79702
 24629 & 24631 - 3R Rena Ext.

2. Article Number (Transfer from service label)
 9589 0710 5270 0751 2499 39

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) **DOUGLAS** C. Date of Delivery **JUL 10 2024**

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

RECEIVED
JUL 12 2024
 Middle Shamer LLC

3. Service Type **Santa Fe NM 87501**

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

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

9589 0710 5270 0751 2499 22

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OFFICIAL USE

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Street and Apt. No., or PO Box No. Dale Douglas & wife, Renee R. Douglas
 PO Box 10187

City, State, ZIP+4® Midland, TX 79702
 24629 & 24631 - 3R Rena Ext.

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

SANTA FE, NM 87504
JUL 03 2024
USPS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dale Douglas & wife, Renee R. Douglas
 PO Box 10187
 Midland, TX 79702
 24629 & 24631 - 3R Rena Ext.

9590 9402 8913 4064 1123 57

2. Article Number (Transfer from service label)
 9589 0710 5270 0751 2499 22

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) **DOUGLAS** C. Date of Delivery **JUL 10 2024**

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

RECEIVED
JUL 12 2024

3. Service Type **Hinkie Shanon LLP**
 Adult Signature **Santa Fe NM 87504** Priority Mail Express®
 Adult Signature Restricted Delivery Registered Mail™
 Certified Mail® Registered Mail Restricted Delivery
 Certified Mail Restricted Delivery Signature Confirmation™
 Collect on Delivery Signature Confirmation Restricted Delivery
 Collect on Delivery Restricted Delivery
 Insured Mail
 Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

9589 0710 5270 0751 2499 84

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OFFICIAL USE

SANTA FE NM
JUL 03 2024
Postmark Here
USPS

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

Street and Apt. No., or PO Box No. James E. Geitgey
6804 Island Circle
Midland, TX 79707

City, State, ZIP+4® 24629 & 24631 - 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 checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery</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> |
| <p>1. Article Addressed to:</p> <p>James E. Geitgey 6804 Island Circle Midland, TX 79707</p> <p>24629 & 24631 - 3R Rena Ext.</p>  <p>9590 9402 8913 4064 1123 64</p> | <p>RECEIVED</p> <p>JUL 15 2024</p> <p>Hinkle Shanor LLP Santa Fe NM 87504</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0751 2499 84</p> <p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p> | <p>3. Service Type <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</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> |

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SANTA FE 507
JUL 03 2024
Postmark Here
USPS

9589 0710 5270 0751 2499 77

| | |
|--|---|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fees 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 | |
| Street and Apt. No., or PO Box No. | Timothy D. Lilley & wife, Tashina A. Lilley 7568 Preservation Trl Parker, CO 80134-3213 |
| City, State, ZIP+4® | 24629 & 24631 - 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>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;">24629 & 24631 - 3R Rena Ext.</p> </div> <div style="text-align: center; margin: 5px 0;"> <p>9590 9402 8913 4064 1123 71</p> </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0751 2499 77</p> | <p>A. Signature</p> <p><input checked="" type="checkbox"/> X <input type="checkbox"/> Agent</p> <p>B. Received by (Printed Name)</p> <p> <input checked="" type="checkbox"/> Addressee</p> <p>C. Date of Delivery</p> <p>7-10</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p> <div style="text-align: center; font-size: 2em; font-weight: bold; opacity: 0.5;">RECEIVED</div> <p style="font-size: 1.5em; font-weight: bold; margin: 10px 0;">JUL 15 2024</p> <p style="text-align: center; font-size: 0.8em;">Linkle Shanor LLP</p> <p>3. Service Type 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 | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation™ | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | | | | | | | | | | | | | | | | | |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt | | | | | | | | | | | | | | | | |

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OFFICIAL USE

SANTA FE, NM 87504
JUL 03 2024
Postmark Here
USPS

9589 0710 5270 0752 4586 82

| | |
|---|---|
| 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 | |
| Street and Apt. No., or PO Box No. _____ | Solis Resources, LLC 6804 Island Circle Midland, TX 79707 |
| City, State, ZIP+4® _____ | 24629 & 24631 - 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>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Solis Resources, LLC 6804 Island Circle Midland, TX 79707 <small>24629 & 24631 - 3R Rena Ext.</small></p> </div> <div style="text-align: center; margin: 5px 0;"> <p>9590 9402 8913 4064 1123 95</p> </div> <p>2. Article Number (Transfer from service label) 9589 0710 5270 0752 4586 82</p> | <p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Daniela Pineda</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; font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <p style="text-align: center; font-size: 1.5em;">JUL 15 2024</p> <p style="text-align: center;">Hinkle Shanor LLP <small>Santa Fe NM 87504</small></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> |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt |

94 6642 T520 0225 0720 6956

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OFFICIAL USE

| | |
|--|----|
| 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 | \$ |

Postmark
Here

| | |
|------------------------------------|--|
| Sent To | |
| Street and Apt. No., or PO Box No. | Patsy J. Brown PO Box 3429 Midland, TX 79702 |
| City, State, ZIP+4® | 24629 & 24631 - 3R Rena Ext. |

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

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

CERTIFIED MAIL®



9589 0710 5270 0751 2499 46

ALBUQUERQUE NM 870
3 JUL 2024 PM 4 11

FIRST-CLASS



US POSTAGE™PITNEY 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

Res

24629
NIXIE 799 FE 1 0007/11/24
RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD
BC: 87504206868 *0768-07122-03-36
8750002200020

beh

9589 0710 5270 0752 4586 99

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

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

OFFICIAL

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 \$ _____

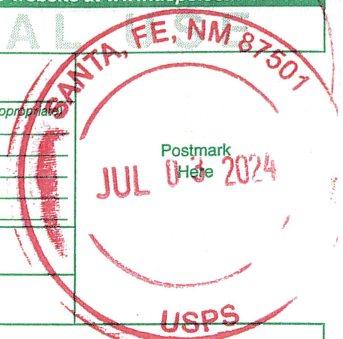
Total Postage and Fees \$ _____

Sent To

Street and Apt. No., or PO Box No. James R. Smith & wife, Kendall C. Smith
 PO Box 50601

City, State, ZIP+4® Midland, TX 79710-0601
 24629 & 24631 - 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

9589071052700752458699

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®

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, 9:00 am

Arrived at USPS Regional Facility

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

In Transit to Next Facility

Feedback

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, 5:25 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

9589 0710 5270 0752 4586 75

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OFFICIAL USE

| | |
|--|----|
| 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

| | |
|------------------------------------|---|
| Street and Apt. No., or PO Box No. | Warrior Exploration, LLC 505 N. Big Spring, Suite 404 Midland, TX 79701 |
| City, State, ZIP+4® | 24629 & 24631 - 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

9589071052700752458675

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July 6, 2024, 8:24 am

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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

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ALBUQUERQUE, NM 87101

July 3, 2024, 5:26 pm

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AFFIDAVIT OF PUBLICATION

County of Eddy, State of New Mexico

| Carlsbad Current-Argus | |
|--|-----------------------------------|
| 102 S. Canyon Street Carlsbad, NM 88220 | AD#2470 3R Rena 704H Ext 24631 |

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

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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, LP; 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; 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. 24631). 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/ocd/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-22847 ("Order"). The Order: (1) pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/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 704H** 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.

2470-Published in the Carlsbad Current-Argus on July 6, 2024.

3R Operating LLC
Case No. 24631
Exhibit B-4