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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO

Case No. 25046

FLAT CREEK RESOURCES, LLC



NMOCD Case No. 25046

Jawbone Fed Com BS #1H well Jawbone Fed Com BS #2H well Jawbone Fed Com BS #3H well

January 9, 2025 Hearing

.

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Tab 1

Α В **COMPULSORY POOLING APPLICATION CHECKLIST** 1 ² ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS **3 25046 APPLICANT'S RESPONSE** January 9, 2025 Date 4 5 Applicant Flat Creek Resources, LLC Flat Creek Resources, LLC, 374034 ⁶ Designated Operator & OGRID (affiliation if applicable) 7 Applicant's Counsel: Spencer Fane LLP (Sharon T. Shaheen) Case Title: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico 8 None at this time Entries of Appearance/Intervenors: 9 Well Family Jawbone Fed Com BS wells 10 ¹¹ Formation/Pool Formation Name(s) or Vertical Extent: **Bone Spring** 12 Primary Product (Oil or Gas): Oil 13 Pooling this vertical extent: **Bone Spring formation** 14 Pool Name and Pool Code (Only if NSP is requested): N/A (NSP approved administratively) 15 Well Location Setback Rules (Only if NSP is Requested): N/A (NSP approved administratively) 16 17 **Spacing Unit** Type (Horizontal/Vertical) Horizontal 18 Size (Acres) 1280 acres 19 **Building Blocks:** 40 acres 20 South-North **Orientation:** 21

22	Description: TRS/County	Section 2, Township 25 South, Range 26 East, and Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico
	Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this	No and no. NSP was administratively approved in NSP-2231 (Dec. 11, 2024). See Exhibit a at 2, ¶ 10.
23	application?	
24	Other Situations	
25	Depth Severance: Y/N. If yes, description	No
26	Proximity Tracts: If yes, description	No
27	Proximity Defining Well: if yes, description	No
28	Applicant's Ownership in Each Tract	Tract 1 (90%); Tract 2 (90%); Tract 3 (95%); Tract 4 (45%); Tract 5 (45%); Tract 6 (90%).
29	Well(s)	
30	Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

	A	В
31	Well #1	Jawbone BS Fed Com #1H well, API# 30-015-49457. SHL: 200' FSL and 1,020' FEL of Section 2, T25S-R26E. BHL: 19' FNL and 769' FEL of Section 35, T24S-R26E. Completion Target: Bone Spring Formation at ~7,691'. Well Orientation: South to North. Completion location is standard.
32	Well #2	Jawbone BS Fed Com #2H well, API#30-015-49459.SHL: 200' FSL and 1,050' FEL of Section 2, T25S-R26E.BHL: 22' FNL and 2,580' FEL of Section 35, T24S-R26E.Completion Target: Bone Spring Formation at ~ 7,691'.Well Orientation: South to North.Completion location is standard.
33	Well #3	Jawbone BS Fed Com #3H well, API# 30-015-49664. SHL: 396' FSL and 1,156' FWL of Section 2, T25S-R26E. BHL: 23' FNL and 690' FWL of Section 35, T24S-R26E. Completion Target: Bone Spring Formation at ~7,705'. Well Orientation: South to North. Completion location is standard.
34	Horizontal Well First and Last Take Points	Well #1: FTP: 100' FSL and 752' FEL Sec. 2, T25S-R26E. LTP: 198' FNL and 765' FEL Sec. 35, T24S-R26E. Well #2: FTP: 127' FSL and 2,537' FEL Sec. 2, T25S-R26E. LTP: 172' FNL and 2,580' FEL Sec. 35, T24S-R26E. Well #3: FTP: 100' FSL and 671' FWL Sec. 2, T25S-R26E. LTP: 100' FSL and 671' FWL Sec. 2, T25S-R26E.
35	Completion Target (Formation, TVD and MD)	Well #1: Bone Spring (TVD: ~7,691', MD: ~17,919'); Well #2: Bone Spring (TVD: ~7,691'', MD: ~18,185'); Well #3: Bone Spring (TVD: ~7,705', MD: ~18,078')
36	AFE Capex and Operating Costs	
37	Drilling Supervision/Month \$	\$8,000/month. Ex. A at 4, ¶ 21
38	Production Supervision/Month \$	\$800/month. Ex. A at 4, ¶ 21
39	Justification for Supervision Costs	See AFEs attached to Exhibit A-4.
40	Requested Risk Charge	200%; <i>see</i> Exhibit A at 4, ¶ 22
41	Notice of Hearing	
42	Proposed Notice of Hearing	Submitted with filing of application
43	Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibits C, C-1, C-2, and C-3
44	Proof of Published Notice of Hearing (10 days before hearing)	Exhibits C and C-4
45	Ownership Determination	
46	Land Ownership Schematic of the Spacing Unit	See Exhibit A-2
47	Tract List (including lease numbers and owners)	Exhibit A-2
48	If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
49	Pooled Parties (including ownership type)	Exhibit A-3
50	Unlocatable Parties to be Pooled	See Exhibit C-2
51	Ownership Depth Severance (including percentage above & below)	N/A
52	Joinder	

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	A	В
53	Sample Copy of Proposal Letter	Exhibit A-4
54	List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
55	Chronology of Contact with Non-Joined Working Interests	N/A; see Exhibit A at 3, ¶ 17
56	Overhead Rates In Proposal Letter	Exhibit A-4
57	Cost Estimate to Drill and Complete	See AFEs attached to Exhibit A-4.
58	Cost Estimate to Equip Well	See AFEs attached to Exhibit A-4.
59	Cost Estimate for Production Facilities	See AFEs attached to Exhibit A-4.
60	Geology	
61	Summary (including special considerations)	Exhibit B, ¶¶ 5-12
62	Spacing Unit Schematic	Exhibit B-2; see Exhibit A-1
63	Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
64	Well Orientation (with rationale)	Exhibit B at 3, ¶ 12
65	Target Formation	Exhibit B-4
66	HSU Cross Section	Exhibit B-3
67	Depth Severance Discussion	N/A; see Exhibit A at 4, ¶ 18
68	Forms, Figures and Tables	
69	C-102	Exhibit A-1
70	Tracts	Exhibit A-2
71	Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
72	General Location Map (including basin)	Exhibit B-1
73	Well Bore Location Map	Exhibit B-2; <i>see</i> Exhibit A-1
74	Structure Contour Map - Subsea Depth	Exhibit B-5
75	Cross Section Location Map (including wells)	Exhibit B-3
76	Cross Section (including Landing Zone)	Exhibit B-3
77	Additional Information	
78	Special Provisions/Stipulations	N/A
79	CERTIFICATION: I hereby certify that the information provide	ded in this checklist is complete and accurate.
80	Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
81	Signed Name (Attorney or Party Representative):	Sharon T. Shaheen
82	Date:	1/2/2025

Tab 2

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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25046

APPLICATION

Flat Creek Resources, LLC, OGRID No. 374034 ("Flat Creek" or "Applicant"), as operator

and on behalf of FE Permian Owner I, LLC, as working interest owner, files this application with

the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order

pooling all mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O)

[97494]) in a non-standard 1280-acre, more or less, horizontal spacing and proration unit ("HSU"),

comprised of Section 2, Township 25 South, Range 26 East, and Section 35, Township 24 South,

Range 26 East, in Eddy County, New Mexico. In support of its application, Flat Creek states,

1. Flat Creek is the operator acting on behalf of FE Permian Owner I, LLC, a working

interest owner in the proposed HSU, which has the right to drill thereon.

- 2. Flat Creek proposes to drill the following 2-mile wells in the proposed HSU:
 - Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E.
 - Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E.
 - Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E.

3. Flat Creek will seek administrative approval of the non-standard unit.

4. This non-standard unit will be comprised of spacing units for three wells that were previously pooled in separate standard spacing units in Order Nos. R-23053, R-23054, and R-23055 issued in Case Nos. 23997, 23998, and 23999, respectively.

5. In order to construct and use common facilities in compliance with the regulatory requirements of the Bureau of Land Management, Flat Creek seeks to pool all three wells in a non-standard spacing unit.

6. The completed intervals and first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

7. Flat Creek has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

8. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells and related facilities, prevent waste, and protect correlative rights.

9. In order to permit Flat Creek to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Flat Creek should be designated the operator of the HSU.

WHEREFORE, Flat Creek requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025 and that, after notice and hearing as required by law, the Division enter an order:

Creating a non-standard 1280-acre, more or less, HSU comprised of Section 2,
 Township 25 South, Range 26 East, and Section 35, Township 24 South, Range 26 East, in Eddy
 County, New Mexico;

2

B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;

C. Allowing the drilling of the following 2-mile wells in the HSU: Jawbone Fed Com

BS #1H well; Jawbone Fed Com BS #2H well; and Jawbone Fed Com BS #3H well.

D. Designating Flat Creek as operator of the HSU and the wells to be drilled thereon;

E. Authorizing Flat Creek to recover its costs of drilling, equipping and completing the well;

F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Flat Creek in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

SPENCER FANE, LLP

<u>/s/ Sharon T. Shaheen</u> Sharon T. Shaheen Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 986-2678 <u>sshaheen@spencerfane.com</u> <u>ec: dortiz@spencerfane.com</u>

Attorneys for Flat Creek Resources, LLC

Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a non-standard 1280-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of Section 2, Township 25 South, Range 26 East, and Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E; Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E; and Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Applicant will seek administrative approval of the non-standard spacing unit. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Tab 3

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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25046

SELF-AFFIRMED STATEMENT OF LANDMAN MICHAEL GREGORY

I, Michael Gregory, make the following self-affirmed statement:

1. I am over the age of 18, and have the capacity to execute this affirmation, which is based on my personal knowledge.

2. I am employed as the Vice President of Land for Flat Creek Resources, LLC ("Flat Creek" or "Applicant"), and I am familiar with the subject applications and the lands involved.

3. This affirmation is submitted in connection with the filing by Flat Creek of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.

4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My education and work experience are as follows: I graduated from Texas Tech University with a bachelor's degree in Energy Commerce in 2008. After graduation, I worked as a Senior Landman at XTO Energy for approximately ten years. I have worked for Flat Creek since June 2018. I have worked on New Mexico land matters for approximately eight years.

5. The purpose of these applications is to force pool working interest owners into the horizontal spacing unit ("HSU") described below and in the wells to be drilled therein.

6. The interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interest in the wells.

Exhibit A

7. Applicant seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a non-standard 1280-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of Section 2, Township 25 South, Range 26 East, and Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico.

8. These wells were previously pooled in separate standard spacing units in Order Nos. R-23053, R-23054, and R-23055 issued in Case Nos. 23997, 23998, and 23999, respectively ("Previous Orders"). The wells were drilled under the Previous Orders.

9. Thereafter, Flat Creek determined that a larger non-standard spacing unit would be required to construct and use common facilities in compliance with the regulatory requirements of the Bureau of Land Management.

10. On December 11, 2024, the Division issued NSP-2231, which administratively approved the non-standard spacing unit.

11. Applicant proposes that the following 2-mile wells be included in the proposed

HSU:

- Jawbone BS Fed Com 1H well, API# 30-015-49457, horizontally drilled from a surface hole location approximately 200' FSL and 1,020' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 19' FNL and 769' FEL of Section 35, T24S-R26E. The first take point is located approximately 100' FSL and 752' FEL of Section 2, T25S-R26E. The last take point is located at approximately 198' FNL and 765' FEL of Section 35, T24S-R26E.
- Jawbone BS Fed Com #2H well, API# 30-015-49459, horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 22' FNL and 2,580' FEL of Section 35, T24S-R26E. The first take point is located at approximately 127' FSL and 2,537' FEL of Section 2, T25S-R26E. The last take point is located at approximately 172' FNL and 2,580' FEL of Section 35, T24S-R26E.
- Jawbone BS Fed Com #3H well, API# 30-015-49664, horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2,

T25S-R26E, to a bottom hole location approximately 23' FNL and 690' FWL of Section 35, T24S-R26E. The first take point is located at approximately 100' FSL and 671' FWL of Section 2, T25S-R26E. The last take point is located at approximately 100' FNL and 685' FWL of Section 35, T24S-R26E.

12. The first and last take points and completed intervals for all proposed wells meet the setback requirements set forth in the statewide rules for horizontal oil wells and special pool rules or statewide rules, as applicable, for horizontal oil wells.

13. The locations of the proposed wells within the respective HSUs are depicted in the C-102 forms attached as **Exhibit A-1**. The C-102 forms also indicate the locations of each surface hole, bottom hole, and the first and last take points.

14. A plat of tracts, tract ownership, and applicable lease numbers is attached as **Exhibit A-2**.

15. FE Permian Owner I, LLC ("FE Permian") is a partnership that Flat Creek manages whereby FE Permian is the record title owner of Flat Creek and FE Permian's leasehold and minerals. Flat Creek is the designated operator and manager of these assets pursuant to a Management Services Agreement between the parties.

16. Unit recap is included as **Exhibit A-3**. The parties being forcepooled are highlighted in yellow.

17. A sample well proposal letter for each well, with the corresponding Authorization for Expenditure ("AFE"), was originally sent on October 3, 2023, prior to the filing of applications in Case Nos. 23997, 23998, and 23999. *See* **Exhibit A-4**. The estimated costs of the wells set forth in the AFEs are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico. Since the orders were issued in the foregoing cases, all working interest owners have executed, or committed to executing, a joint operating

3

agreement. Flat Creek does not seek to pool any working interest in this proceeding. A chronology of contact with non-joined working interests is therefore not applicable.

18. There are no depth severances in the formations being pooled.

19. Flat Creek conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification.

20. Flat Creek has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

21. Flat Creek requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures.

22. Flat Creek requests the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners.

23. Flat Creek requests that it be designated operator of the wells.

24. The exhibits hereto were prepared by me or compiled from Flat Creek's business records.

25. The granting of the Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

26. The foregoing is correct and complete to the best of my knowledge and belief.

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I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

Michael Gregory

12/30/2024 DATE

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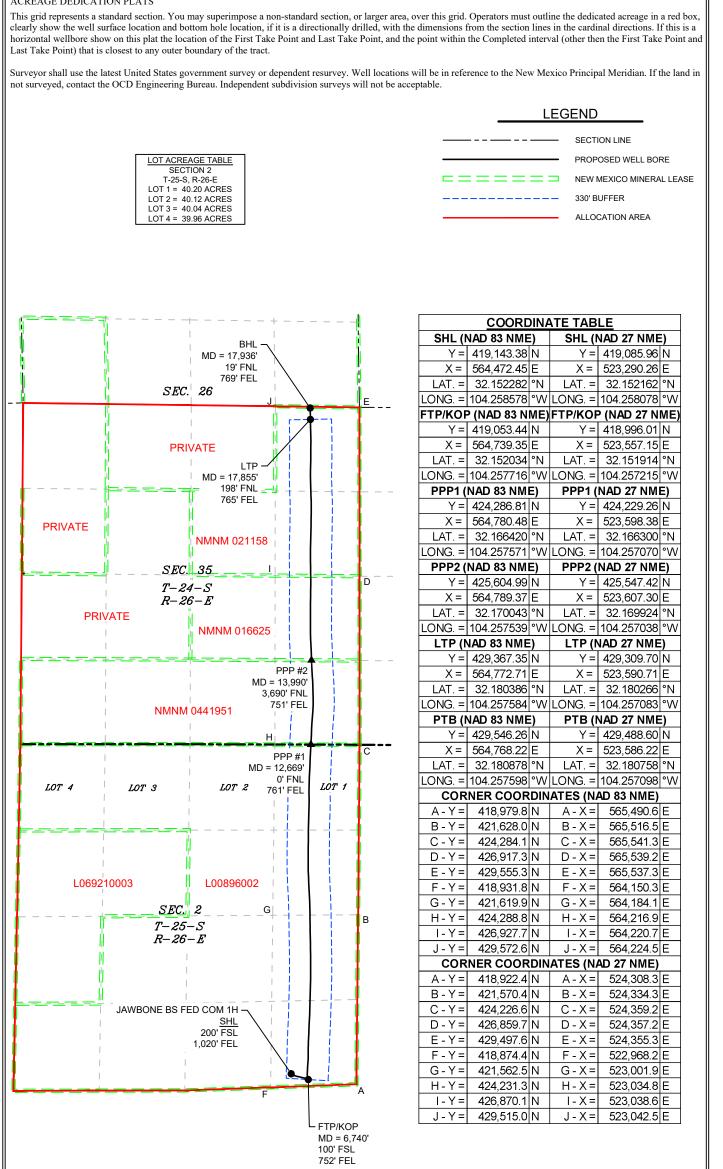
Exhibit A-1

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OCDID				r	JAWBON	E BS FED COM				1H
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					First Ta	Take Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude]	Longitude	County
Р	2	25S	26E		100 FSL	752 FEL	32.152	.034 -	104.257716	EDD
					Last Ta	ke Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude]	Longitude	County
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- .	ney Litt	eton				MARK DILLON HARP 23 Certificate Number		f Survey	10/11/2024	
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ACREAGE DEDICATION PLATS



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API Nu	ımber		Pool Code			TON INFORMATION Pool Name				
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Propert	y Code		Property N	ame					Well Number	
OGRID) No		Operator N	ame	JAWBON	IE BS FED COM			Ground Level	2H Elevation
oolub	37403	34	operator		FLAT CREEK	K RESOURCES, LLC 3,35				
Surface	Owner: 🛛 S	State □Fee □]Tribal □Fe	leral		Mineral Owner:	State □Fee	🗆 Tribal 🔲	Federal	
UL	Section	Township	Range	Lot	Surface Ft. from N/S	Hole Location Ft. from E/W	Latitude	I	Longitude	County
Р	2	25S	26E		200 FSL	1,050 FEL	32,152		104.258675	EDI
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UL	Section	Township	Range	Lot	Bottom Ft. from N/S	Hole Location Ft. from E/W	Latitude	T	Longitude	County
B	35	24S	26E	LUI	22 FNL	2,580 FEL	32.180		104.263476	EDI
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Dedicat	ted Acres	Infill or Defi	ning Well	Defining	, Well API	Overlapping Spacing	Unit (V/N)	Consolidat	ion Code	
	280.32		ning wen	Denning		overlapping spacing	, Omit (1714)	Consolidat	ion code	
-						Well Setbacks are under Common Ownership:				
Order N	Numbers.					well Setbacks are un	ider Common C	wnersnip:	□Yes □No	
					Kick O	ff Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Ι	Longitude	County
0	2	25S	26E		127 FSL	2,537 FEL	32.151	933 -	104.263484	EDI
		ļ			First Ta	ke Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	Longitude	County
0	2	25S	26E		127 FSL	2,537 FEL	32.151	933 -	104.263484	EDI
					Last Ta	ke Point (LTP)		I		
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Ι	Longitude	County
В	35	24S	26E		172 FNL	2,580 FEL	32.180	9723 -	104.263463	EDI
		•		-				ł		
Unitize	d Area of Are	ea of Interest		Spacing U	nit Type : 🛛 Horizo	rizontal 🗌 Vertical Ground Elevation 3,356 '				
									0,000	
OPER A	ATOR CERTI	FICATIONS				SURVEYOR CERTIFIC	CATIONS			
OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the</i> best of my knowledge and belief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or a voluntary pooling agreement or a compulsory						I hereby certify that the actual surveys made by correct to the best of my	me or under m			e is true and
that this in the la at this l unlease		pooling order of heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or information) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.								
that this in the la at this l unlease pooling If this w received unlease which a	g order of here vell is a horize d the consent ed mineral inte any part of the	of at least one l erest in each tro well's complet	lessee or owne act (in the targ ed interval wil	r of a workii et pool or in	ng interest or formation) in			PROFE	23786	EUP HOA
that this in the la at this l unlease pooling If this w received unlease which a	g order of here vell is a horize d the consent ed mineral inte any part of the	of at least one l erest in each tro well's complet	lessee or owne act (in the targ ed interval wil	r of a workii et pool or in	ng interest or formation) in or obtained a	Signature and Seal of Pr	rofessional Surv	/eyor	23786 23786 23786 23786 23786	SULUTI
that this in the la at this I unlease pooling If this w received unlease which a compul. Signatu	g order of hero vell is a horiz d the consent d mineral inti iny part of the sory pooling sory pooling <u>ney L</u> ure	of at least one l erest in each tro well's complet	lessee or owne act (in the targ ed interval wil division.	r of a workin et pool or in l be located	ng interest or formation) in or obtained a	Signature and Seal of Provide the Seal of Prov	786	reyor f Survey	23786 23786 23786 23786 23786 23786 23786 23786 23786 23786 23786	BURNE
that this in the la at this l unlease pooling If this w received unlease which a compul. Signatu ROC Printed	g order of here vell is a horiz d the consent d mineral inti inty part of the sory pooling MEY L re dney Li Name	of at least one to erest in each tra e well's complet order from the d	lessee or owne act (in the targ ed interval wil division. M Date	r of a workin et pool or in l be located	ng interest or formation) in or obtained a	MARK DILLON HARP 23	786	/eyor		

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other then the First Take Point and Last Take Point) that is closest to any outer boundary of the tract. Surveyor shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land in not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable. LEGEND SECTION LINE LOT ACREAGE TABLE SECTION 2 T-25-S, R-26-E LOT 1 = 40.20 ACRES LOT 2 = 40.12 ACRES LOT 3 = 40.04 ACRES PROPOSED WELL BORE _____ NEW MEXICO MINERAL LEASE 330' BUFFER ALLOCATION AREA LOT 4 = 39.96 ACRES **COORDINATE TABLE** SEC. 26 SHL (NAD 83 NME) SHL (NAD 27 NME) Y = 419,142.32 N Y = 419,084.89 N BHL X = 564.442.44 E X = 523,260,25 E MD = 18,222' LAT. = 32.152279 °N LAT. = 32.152159 °N 22' FNL LONG. = 104.258675 °W LONG. = 104.258175 °W 2 580' FEI FTP/KOP (NAD 83 NME) FTP/KOP (NAD 27 NME) Y = 419,015.58 N Y = 418,958.18 N LTP X = 562,954.09 E X = 521,771.92 E MD = 18,144' PRIVATE LAT. = 32.151933 °N LAT. = 32.151813 °N 172' FNL ľ LONG. = 104.263484 °W LONG. = 104.262984 °W 2,580' FEL PPP1 (NAD 27 NME) PPP1 (NAD 83 NME) Y = 424,293.14 N Y = 424,235.63 N X = 562,984.85 E X = 521,802.78 E LAT. = 32.166441 °N LAT. = 32.166321 °N PRIVATE LONG. = 104.263374 °W LONG. = 104.262873 °W NMNM 021158 PPP2 (NAD 83 NME) PPP2 (NAD 27 NME) Y = 425,615.25 N Y = 425,557.71 N D <u>SEC. 35</u> X = 562,979.53 E X = 521.797.48 E T–24–S R–26–E PPP #3 LAT. = 32.170075 °N LAT. = 32.169955 °N MD = 15,591' 2,561' FNL LONG. = 104.263388 °W LONG. = 104.262887 °W PPP3 (NAD 83 NME) PPP3 (NAD 27 NME) PRIVATE 2,561' FEL Y = 426,937.37 N Y = 426,879.81 N NMNM 016625 X = 562,977.93 E X = 521,795.91 E LAT. = 32.173709 °N LAT. = 32.173590 °N PPP #2 LONG. = 104.263391 °W LONG. = 104.262890 °W MD = 14.268'LTP (NAD 27 NME) LTP (NAD 83 NME) 3,973' FNL Y = 429.488.81 N Y = 429,431,19 N 2.561' FEL X = 562,953.78 E X = 521,771.81 E NMNM 0441951 LAT. = 32.180723 °N LAT. = 32.180604 °N С Н LONG. = 104.263463 °W LONG. = 104.262962 °W PTB (NAD 83 NME) PTB (NAD 27 NME) PPP #1 MD = 12.945' Y = 429.567.15 N Y = 429,509.53 N 0' FNL X = 562.949.68 E X = 521,767.71 E 2,556' FEL LOT 4 LOT 2 LOT 1 LAT. = 32.180939 °N LAT. = 32.180819 °N LONG. = 104.263476 °W LONG. = 104.262975 °W CORNER COORDINATES (NAD 83 NME) A - Y = 418,883.8 N A - X = 562,810.1 E Ľ. B - Y = 421,611.9 N B - X = 562,851.7 E 424.293.5 N C - X = C - Y = 562.892.5 E μ 426,938.0 N D - X = 562,902.1 E D - Y = 1069210003 L00896002 F - Y =429,590.0 N E - X = 562,911.7 E B G SEC. 2 F - Y = 418,931.8 N F - X = 564,150.3 E 421,619.9 N G - X = 564,184.1 E T-25-S G - Y = R-26-E H-Y= 564,216.9 E 424,288.8 N H - X = Ú. I-Y= 426,927.7 N I - X = 564,220.7 E I J - Y = 429.572.6 N J - X = 564,224.5 E ļ, CORNER COORDINATES (NAD 27 NME) A - Y = 418,826.4 N A-X= 521,628.0 E B - Y = 421,554.5 N B - X = 521,669.6 E 424,236.0 N C - X = 521,710.5 E C - Y = FTP/KOP D - Y = 426,880.4 N D - X = 521,720.1 E MD = 7.465' 127' FSL E - Y = 429,532.4 N 521,729.7 E E - X = 2,537' FEL F - X = F - Y = 418,874.4 N 522,968.2 E G - Y = 421,562.5 N G - X = 523.001.9 E H - Y =424,231.3 N H - X = 523,034.8 E A I-Y= 426,870.1 N I - X = 523,038.6 E J - Y = 429,515.0 N J - X = 523,042.5 E JAWBONE BS FED COM 2H <u>SHL</u> 200' FSL 1,050' FEL

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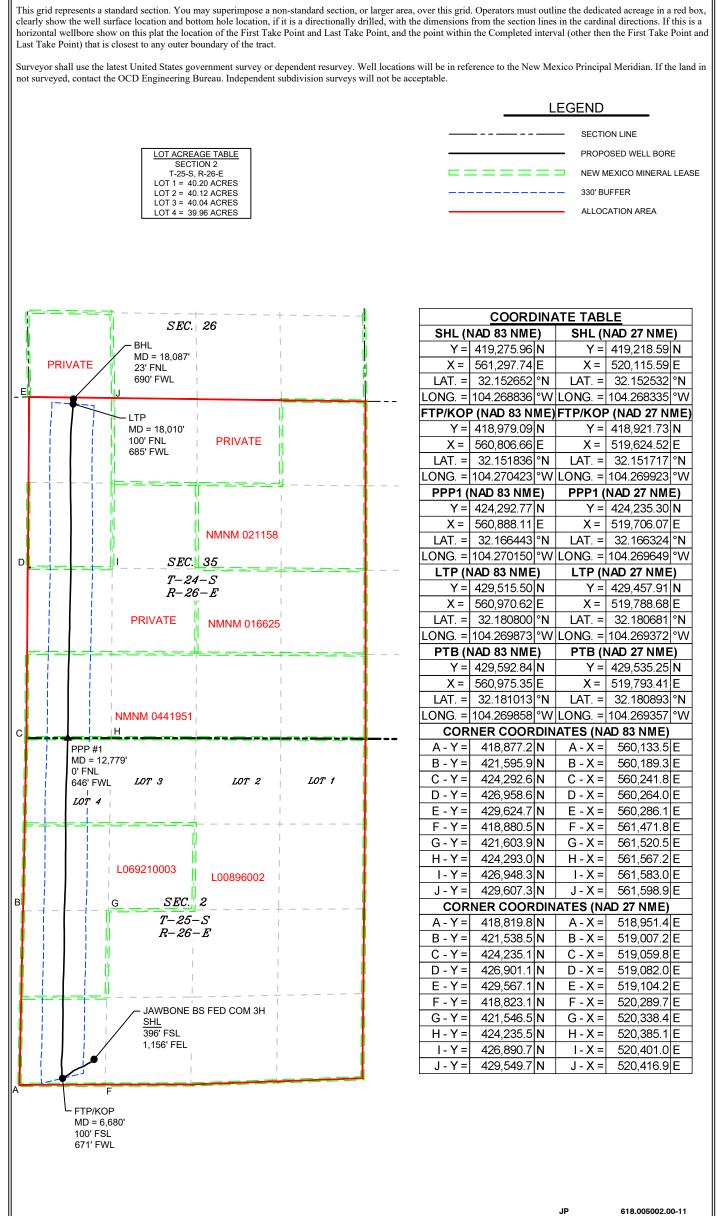
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Receiver	1 111		1/2/2023	4.1.7.1	

	2 electronically D Permitting				State of New Inerals & Natural CONVERSIC	Resources Departmen	nt		R	evised July, 0
V1a OC	D Permitting								Initial Sub	mittal
								Submital Type:	l Amended I	Report
								Type.	As Drilled	
API Nu	mber		Pool Code			ION INFORMATION				
	30-015-4	9664		97494	۱ I	сотто	NWOOD D	RAW;BC	ONE SPRING	(0)
Property Code Property Name						E BS FED COM			Well Number	ЗН
OGRID No. Operator Name					JAWBON	E B3 FED COM			Ground Level	
374034					FLAT CREEK	RESOURCES, LL	С		3	8,381'
Surface	Owner: 🛛 S	tate □Fee □]Tribal 🗌 Fee	leral		Mineral Owner:	State □Fee	□Tribal □	Federal	
						ł				
UL	Section	Township	Range	Lot	Surface Ft. from N/S	Hole Location	Latitude		Longitude	County
M	2	25S	26E	200	396 FSL	1,156 FWL	32.152		-104.268836	EDD
	2	230	202		550 T OL		02.102		-104.200000	
UL	Section	Township	Range	Lot	Bottom Triangle Ft. from N/S	Hole Location Ft. from E/W	Latitude		Longitude	County
D	35	24S	26E	LOI	23 FNL	690 FWL	32.181		-104.269858	EDD
U		243	202		23 FINL	630 FWL	32.101	013	-104.209090	EDL
Dadiaat	ed Acres	Infill or Defi	ning Wall	Defining	Well API	Overlanning Specing	Unit (V/NI)	Canaalida	tion Code	
	280.32		ning wen	Denning	well AFI	Overlapping Spacing	Ollit (17N)	Consolida	uion Code	
Order N	lumbers.					Well Setbacks are un	der Common C	wnership:	□Yes □No	
					Kick Of	f Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
М	2	25S	26E		100 FSL	671 FWL	32.151	836	-104.270423	EDD
					First Tal	Take Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
М	2	25S	26E		100 FSL	671 FWL	32.151	836	-104.270423	EDD
					Last Tal	ke Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
D	35	24S	26E		100 FNL	685 FWL	32.180	0080	-104.269873	EDD
		1		1	1					
Unitize	d Area of Are	a of Interest		Spacing U	nit Type : 🛛 Horizo	orizontal Uvertical Ground Elevation				
									3,381'	
OPERA	TOR CERTI	FICATIONS				SURVEYOR CERTIFIC	CATIONS			
I hereby	v certify that i	the information	contained her	ein is true an	nd complete to the	I hereby certify that the				
that this	s organization	i either owns a	working intere	st or unlease	lirectional well, ed mineral interest	actual surveys made by correct to the best of my		supervision	n, and that the sam	ie is true and
at this l	ocation pursu	ant to a contra	ct with an own	er of a work					DILLON	
		erest, or a volur etofore entered			a compulsory				WARK EN MEXI	HARS
		ontal well, I fur of at least one l								
unlease	d mineral inte	erest in each tra well's complete	ct (in the targ	et pool or in	formation) in			PR	23786 23786 23786 23786) წ
		order from the d				. /	1/			
_ ^	h								SONAL	SURI
Roc	iney L	_ittletc	W Date	10/1	15/2024	Signature and Seal of Pr	0 fessional S-	19310*		
Signatu	10		Date			Signature and Seal of Pr	oressional Surv	cyor		
Roc	lney Li	ttleton				MARK DILLON HARP 237	/86		10/11/2024	
Rodney Littleton Printed Name						Certificate Number		f Survey		
rlittleton@freedomenergy.com										
rlittle Email A									618.005002.00-11	
						JP			618.00500	2.00-11

ACREAGE DEDICATION PLATS



15H\DWG\3H C-102 ASD.dwg

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Lease \Wells \-11

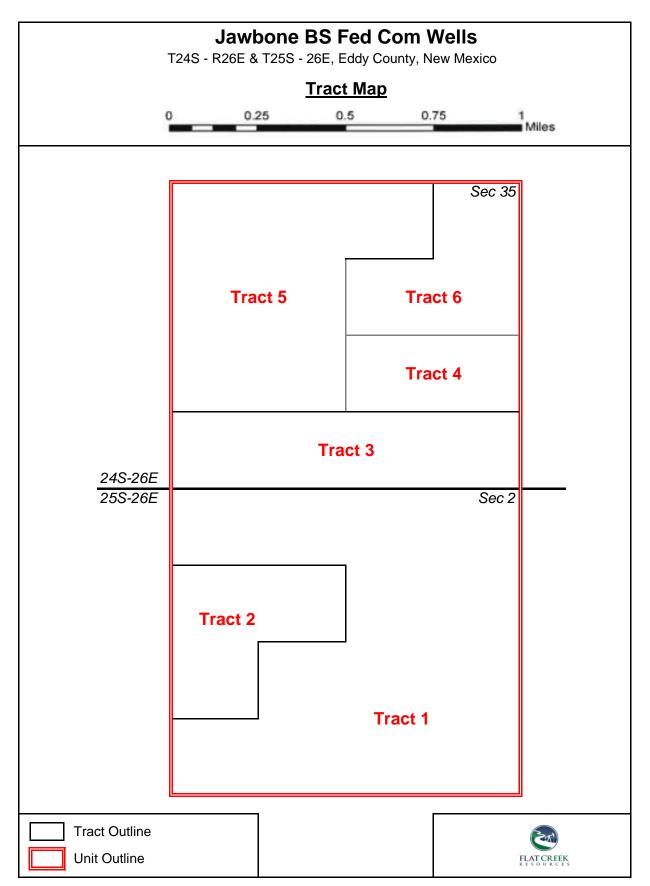
Jawbone

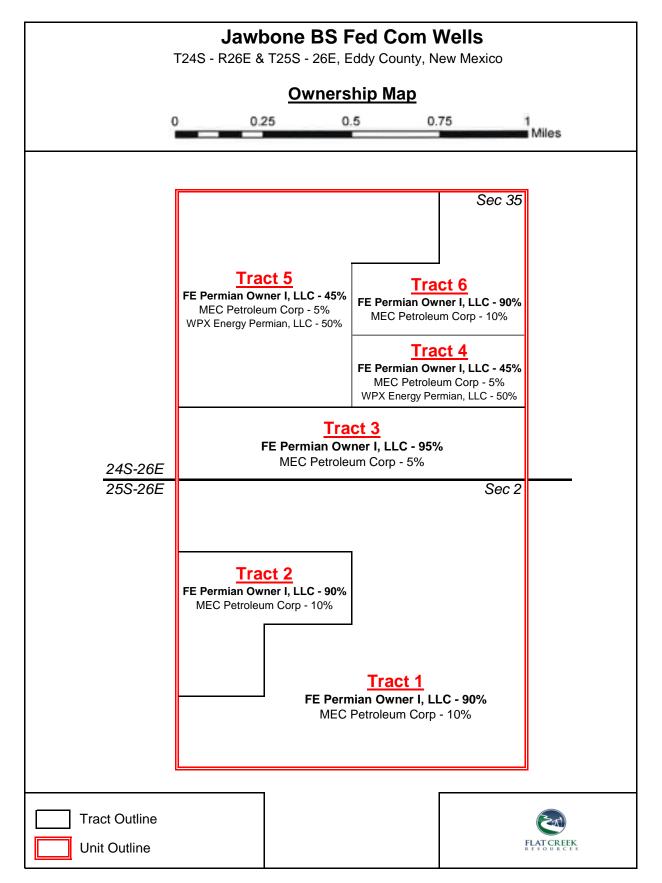
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Jawbone Lease/.00

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618.005 Flat





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Lease Schedule

Lessor	Lessee	Effective Date	S, T, R	County, State	Unit Tract	Vol / Page
State of NM - L 896	Pubco Petroleum Corp	05/21/1968	2, 25S, 26E	Eddy, NM	1	61 / 512
State of NM - L 6921	EL Latham Jr.	02/01/1972	2, 25S, 26E	Eddy, NM	2	91 / 290
USA NM 0441951	J H Leib, et al	10/01/1963	35, 24S, 26E	Eddy, NM	3	n/a
USA NMNM 16625	Ruby E Burkhead	09/01/1972	35, 24S, 26E	Eddy, NM	4	n/a
Wayne Moore, et al	Earl Whisnand	10/10/1972	35, 24S, 26E	Eddy, NM	5	91 / 766
USA NMNM 21158	WR Carter & Frank W McKinney	06/01/1974	35, 24S, 26E	Eddy, NM	6	n/a

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Ownership Breakdown

<u>NOTE:</u> The parties being force pooled are highlighted in yellow.

Owner Name	Owner Address	Ownership Type	Tract(s)	Unit Net Acres	Unit Working Interest	Unit ORRI
FE Permian Owner I, LLC	777 Main St., Ste. 3200 Fort Worth, TX 76102	Leasehold Interest	1, 2, 3, 4, 5, 6	998.2880	0.77971757	
WPX Energy Permian, LLC	333 West Sheridan Avenue Oklahoma City, OK 73102	Leasehold Interest	4, 5	180.0000	0.14058985	
MEC Petroleum Corporation	PO Box 11265 Midland, TX 79702-8265	Leasehold Interest	1, 2, 3, 4, 5, 6	102.0320	0.07969258	
Murchison Oil & Gas, LLC	7250 Dallas Pkwy, Ste 1400 Plano, Texas 75024	Overriding Royalty Interest	1, 2, 3, 4, 5			0.00632879
EL Latham Co.	P. O. Box 100912 Fort Worth, Texas 76185	Overriding Royalty Interest	2			0.00146448
1B4S Enterprises, LLC	3203 Bowie Street Amarillo, Texas 79109	Overriding Royalty Interest	2			0.00087869
Blue Hole Investments	5210 W Verde Circle Benbrook, Texas 76126	Overriding Royalty Interest	2			0.00087869
Mumford & Company	11601 Woodmar NE Albuquerque, NM 87111	Overriding Royalty Interest	2			0.00087869
Pegasus Resources II, LLC	P.O. Box 470698 Fort Worth, TX 76147	Overriding Royalty Interest	2, 6			0.00361935
SEP Permian Holding Corporation	9655 Katy Freeway, Suite 500, Houston, Texas 77024	Overriding Royalty Interest	6			0.00340977
Paloma Natural Gas Holdings, LLC	1100 Louisiana, Suite 5100 Houston, Texas 77002	Overriding Royalty Interest	6			0.00010497
Permian Basin GIF I, LLC	P.O. Box 470844 Fort Worth, TX 76147	Overriding Royalty Interest	6			0.00029290
A. G. Andrikopoulos Resources, Inc.	P.O. Box 788 Cheyenne, WY 82003-0788	Overriding Royalty Interest	6			0.00078105
Lenox Mineral Title Holdings, Inc	4614 590th Rd Hay Springs, NE 69347	Overriding Royalty Interest	6			0.00039053
Shogoil & Gas Co. II, LLC	P.O. Box 29450 Santa Fe, NM 87592-9450	Overriding Royalty Interest	6			0.00039053
Sydhan, LP	P.O. Box 92349 Austin, TX 78709-2349	Overriding Royalty Interest	6			0.00078105
Lisha N. Davila Kovacevic	3481 Hickory Court Marietta, GA 30062	Overriding Royalty Interest	6			0.00009414
Summer Lorraine Davila	5326 Blossom Drive Sugar Hill, GA 30518	Overriding Royalty Interest	6			0.00009414
Concho Resources, Inc.	600 W. Illinois Avenue Midland, Texas 79701	Overriding Royalty Interest	4			0.00296801
Concho Oil & Gas LLC	600 W. Illinois Avenue Midland, Texas 79701	Overriding Royalty Interest	4			0.00015621
Sitio Permian, LLC	1401 Lawrence Street, Ste 1750 Denver, CO 80202	Royalty Interest	5			0.01708557
Post Oak Crown Minerals, LLC	34 S. Wynden Drive, Suite 210 Houston, TX 77056	Royalty Interest	5			0.01248614
Sortida Resources, LLC	4000 N Big Spring St, Ste 310 Midland, TX 79705	Royalty Interest	5			0.00203660
Oak Valley Mineral and Land, LP	PO Box 50820 Midland, TX 79710	Royalty Interest	5	1,280.32	100%	0.00256284 0.05768314

Received by OCD: 1/2/2025 4:13:17 PM

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Exhibit A-4

Released to Imaging: 1/2/2025 4:27:02 PM



October 3, 2023

SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal Jawbone Fed Com BS 1H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

٠	Surface Hole Location:	200' FSL and 1,050' FEL of Section 2, 25S-26E
٠	First Take Point:	100' FSL and 770' FEL of Section 2, 25S-26E
٠	Bottom Hole Location:	100' FNL and 770' FEL of Section 35, 24S-26E
٠	<u>Depth</u> :	17,919' Measured Depth and 7,691' True Vertical Depth
٠	Spacing Unit:	E2E2 of Section 2, 25S-26E & Section 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$9,403,782.29, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the East Half of the East Half (E2E2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well. Jawbone Fed Com BS 1H October 3, 2023 Page **2** of **2**

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mile

Mike Gregory, CPL Vice President - Land

Please select one of the following and return:

_____ I/We hereby elect **TO PARTICIPATE** for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_____ I/We hereby elect <u>NOT</u> TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_____ I/We are interested in selling, trading, leasing or farming out our interest. Please contact to discuss further.

COMPANY/OWNER NAME:

By:	
Name:	
Title:	
Date:	

FLAT CREEK RESOURCE		AFE#:	WC23001
AUTHORIZATION FOR EX	(PENDITURE RIZONTAL BONE SPRING		
ate: 10/1/2023	AZONTAL BONE SI KING	County/State: Eddy, NM	
ease: <u>Jawbone Unit</u>		County/State: <u>Eddy, NW</u>	
Surface Location: <u>Sec 2, 25S-26E</u>			
Proposed Depth: <u>18,000' MD</u>			
	plete ~2-Mile Lateral, Production Facility		
Account Code	Account Name	Δ.	E Amount
ntangible Driling Costs (310)	Account Name	Ar	LAMOUNT
	LAND SERVICE & EXP	\$	2,000.0
310 / 1 310 / 4	PERMITS - SURVEY - REGULATORY	\$	
•			2,000.0
310/5	LOCATION - DAMAGES - CLEAN UP	\$	150,000.0
310/6	RIG - MOB/DEMOB	\$	90,000.0
10 / 7	RIG - DAYWORK	\$	510,000.0
10 / 8	RIG - FOOTAGE	\$	-
10/9	RIG - TURNKEY	\$	-
10 / 10	COILED TBG/SNUBBING/NITROGEN	\$	-
10/11	FUEL - POWER - WATER	\$	90,750.0
10 / 12	COMMUNICATIONS	\$	2,250.0
10 / 13	TRANSPORTATION	\$	25,000.0
10 / 14	CONSULTING SERVICE/SUPERVISION	\$	90,000.0
10 / 15	CONTRACT LABOR & SERVICES	\$	40,000.0
10 / 16	RENTALS - DOWNHOLE	\$	37,500.0
210 / 17	RENTALS - SURFACE	\$	112,500.0
10/18	BITS	\$	75,000.0
10/19	CASING CREW & EQUIPMENT	\$	50,000.0
10/20	CEMENT & SERVICES	\$	150,000.0
		\$	
10/21	DIRECTIONAL TOOLS & SERVICES		130,000.0
310/22	FISHING TOOLS & SERVICE	\$	-
310 / 23	MUD - CHEMICALS - FLUIDS	\$	120,000.0
310 / 24	MUD LOGGING	\$	15,600.0
310 / 25	OPENHOLE LOGGING - FT - SWC	\$	-
10 / 26	ELEC/WIRELINE & PERF SERVICE	\$	-
10 / 27	DRILL STEM TESTING - CORING	\$	-
10 / 28	TUBULAR TESTING & INSPECTION	\$	10,000.0
10 / 29	CUTTINGS & FLUID DISPOSAL	\$	150,000.0
		Subtotal \$	1,852,600.0
10/30	MISC & CONTINGENCY	\$	185,260.0
10 / 60	P&A COSTS	\$	-
10 / 70	NON-OP DRILLING - INTANG	\$	-
		Total Intangibles For Operations Involving Drilling Rig \$	2,037,860.0
			2,037,800.0
angible Drilling Costs (311)			
11/1	DRIVE PIPE - CONDUCTOR	\$	45,000.0
11/2	CASING - SURFACE	\$	23,500.0
11/3	CASING - INTERMEDIATE	\$	90,000.0
11/4	CASING - PRODUCTION	\$	612,000.0
11/5	CASING - LINER/TIEBACK		
11/6	HANGER - CSG ACCESSORY	\$	10,000.0
11/7	WELLHEAD EQPT	\$	90,000.0
		Subtotal \$	870,500.0
11/8	MISC & CONTINGENCY	\$	87,050.0
11 / 70	NON-OP DRILLING - TANG	-	- ,
		Total Tangibles For Operations Involving Drilling Rig \$	957,55
otal Drilling Cost		\$	2,995,42

Intangible Completion Costs (320)				
320 / 1	LAND SERVICE & EXP		\$	15,00
320 / 2	LEGAL FEES & EXP		\$	-
320 / 3	INSURANCE		\$	-
320 / 4	PERMITS - SURVEY - REGULATORY		\$	-
320 / 5	LOCATION - DAMAGES - CLEAN UP		\$	15,00
320 / 6	RIG - DAYWORK		\$	-
320 / 7	RIG - COMPLETION/WORKOVER		\$	-
320 / 8	COILED TBG/SNUBBING/NITROGEN		\$	139,50
320 / 9	FUEL - POWER - WATER		\$	589,23
320 / 10	COMMUNICATIONS		\$	5,00
320 / 11	TRANSPORTATION		\$	25,00
320 / 12	CONSULTING SERVICE/SUPERVISION		\$	55,00
320 / 13	CONTRACT LABOR & SERVICES		\$	7,50
320 / 14	RENTALS - DOWNHOLE		\$	25,00
320 / 15	RENTALS - SURFACE		\$	127,87
320 / 16	BITS		\$	5,00
320 / 17	CASING CREW & EQUIPMENT		\$	-
320 / 18	CEMENT & SERVICES		\$	-
320 / 19	FISHING TOOLS & SERVICE		\$	-
320 / 20	MUD - CHEMICALS - FLUIDS		\$	165,00
320 / 21	ELEC/WIRELINE & PERF SERVICE		\$	369,50
320 / 22	TUBULAR TESTING & INSPECTION		\$	-
320 / 23	GRAVEL PACKING		\$	-
320 / 24	FRAC & STIMULATION		\$	2,689,96
320 / 25	SWABBING & WELL TESTING		\$	113,97
320 / 26	CUTTINGS & FLUID DISPOSAL		\$	82,81
320 / 28	FRAC WATER		\$	254,82
320 / 29	FRAC POND		\$	-
320 / 30	WATER TRANSFER		\$	103,40
320 / 60	P&A COSTS		\$	-
		Subtotal	\$	4,788,57
320 / 70	NON-OP COMP - INTANG		\$	-
320 / 27	MISC & CONTINGENCY		\$	359,14
		Total Intangibles For Completions Operations	\$	5,147,71
Tangible Completion Costs (321)				
321/1	CASING - LINER/TIEBACK		\$	-
321/2	HANGER - CSG ACCESSORY		\$	-
321/3	PRODUCTION TUBING		\$	125,000.0
321/4	TUBINGHEAD & TREE		\$	35,000.0
321 / 5	PACKERS - SUBSURFACE EQUIP		\$	-
321/6	RODS - PUMPS - ANCHORS ETC		\$	-
321 / 7	ART LIFT - SURFACE EQUIP		\$	-
321/8	PUMPING UNITS - SURFACE EQUIP		\$	-
321/9	VALVES - FITTING - MISC EQUIP		\$	10,000.0
321/10	SEPARATOR/HEAT TREATER/DEHY		\$	-
321/11	GUN BBL/TANKS & RELATED EQUIP		\$	-
321 / 12	COMPRESSOR & RELATED EQUIP		\$	-
321 / 13	METERS - LACT UNIT		\$	-
321 / 14	SWD PUMPS & EQUIPMENT		\$	-
321 / 15	PIPELINES - TIE-INS		\$	-
321 / 16	PROD FACILITY - FAB & INSTALL		\$	-
		Subtotal	\$	170,000.0
321 / 17	MISC & CONTINGENCY		\$	17,000.0
321 / 60	P&A COSTS		\$	-
321 / 70	NON-OP COMP - TANG		\$	-
			\$	-
			1	
		Total Tangibles For Completions Operations	\$	187,000.0

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS		
330/1	LAND SERVICE & EXP	\$	4,800.00
330 / 2	LEGAL FEES & EXP	\$	-
330 / 3	CONSULTING SERVICE/SUPERVISION	\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES	\$	43,750.00
	Su	btotal \$	54,800.00
330 / 5	MISC & CONTINGENCY	\$	5,480.00
330 / 70	NON-OP FAC - INTANG	\$	-
		\$	-
	Total Intangibles for Facility Constru	uction \$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS		
331/1	ART LIFT - SURFACE EQUIP	\$	-
331/2	PUMPING UNITS - SURFACE EQUIP	\$	-
331/3	VALVES - FITTING - MISC EQUIP	\$	155,000.00
331/4	SEPARATOR/HEAT TREATER/DEHY	\$	100,000.00
331/5	GUN BBL/TANKS & RELATED EQUIP	\$	62,500.00
331/6	COMPRESSOR & RELATED EQUIP	\$	150,000.00
331/7	METERS - LACT UNIT	\$	43,750.00
331/8	SWD PUMPS & EQUIPMENT	\$	21,250.00
331/9	PIPELINES - TIE-INS	\$	295,000.00
331 / 10	PROD FACILITY - FAB & INSTALL	\$	93,750.00
	Su	btotal \$	921,250.00
331/11	MISC & CONTINGENCY	\$	92,125.00
331 / 70	NON-OP FAC- TANG	\$	-
		\$	-
	Total Tangible for Facility Constru	uction \$	1,013,375.00
Total Facility Costs		\$	1,073,655.00
Total Estmated Well Cost		\$	9,403,782.29
Flat Creek Resources, LLC			
Approved By:	Title:	Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production	10/3/202	23
VIEL2WIECH: PIEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK			
OWNERSHIP:	COST TO COMPLETE:		
DATE:	PARTICIPANTS ESTIMATED COST:		
APPROVED BY:	TITLE:		



October 3, 2023

SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal Jawbone Fed Com BS 2H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

•	Surface Hole Location:	200' FSL and 1,070' FEL of Section 2, 25S-26E
٠	First Take Point:	100' FSL and 2,555' FEL of Section 2, 25S-26E
٠	Bottom Hole Location:	100' FNL and 2,555' FEL of Section 35, 24S-26E
٠	<u>Depth</u> :	18,185' Measured Depth and 7,691' True Vertical Depth
•	Spacing Unit:	W2E2 and E2W2 of Sec 2, 25S-26E & Sec 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$9,403,782.29, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the West Half of the East Half (W2E2) and the East Half of the West Half (E2W2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well.

Page 1 of 2

Jawbone Fed Com BS 2H October 3, 2023 Page **2** of **2**

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mile

Mike Gregory, CPL Vice President - Land

Please select one of the following and return:

_____ I/We hereby elect **TO PARTICIPATE** for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_____ I/We hereby elect <u>NOT</u> TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_____ I/We are interested in selling, trading, leasing or farming out our interest. Please contact to discuss further.

COMPANY/OWNER NAME:

By:	
Name:	
Title:	
Date:	

FLAT CREEK RESOUR		AFE#:	WC23001
	EXPENDITURE		
ate: 10/1/2023	IORIZONTAL BONE SPRING	County/State: Eddy, NM	
ease: Jawbone Unit		County/State. Eudy, MM	
Surface Location: <u>Sec 2, 25S-26E</u>	E		
Proposed Depth: <u>18,000' MD</u>	–		
	Complete ~2-Mile Lateral, Production Facility		
Account Code	Account Name	AF	E Amount
ntangible Driling Costs (310)			
10/1	LAND SERVICE & EXP	\$	
310 / 4	PERMITS - SURVEY - REGULATORY	\$	2,000.0
10/5	LOCATION - DAMAGES - CLEAN UP	\$	150,000.0
10/6	RIG - MOB/DEMOB	\$	90,000.0
10 / 7	RIG - DAYWORK	\$	510,000.0
10/8	RIG - FOOTAGE	\$	-
10/9	RIG - TURNKEY	\$	-
10 / 10	COILED TBG/SNUBBING/NITROGEN	\$	-
10/11	FUEL - POWER - WATER	\$	90,750.0
10/12	COMMUNICATIONS	\$	2,250.0
10/13	TRANSPORTATION	Ś	25,000.0
10 / 14	CONSULTING SERVICE/SUPERVISION	\$	90,000.0
10 / 15	CONTRACT LABOR & SERVICES	\$	40,000.0
10 / 16	RENTALS - DOWNHOLE	\$	37,500.0
10 / 17	RENTALS - SURFACE	\$	112,500.0
10 / 18	BITS		75,000.0
		\$	
10/19	CASING CREW & EQUIPMENT	\$	50,000.0
10/20	CEMENT & SERVICES	\$	
10/21	DIRECTIONAL TOOLS & SERVICES	\$	130,000.0
10/22	FISHING TOOLS & SERVICE	\$	-
10/23	MUD - CHEMICALS - FLUIDS	\$	120,000.0
10 / 24	MUD LOGGING	\$	15,600.0
10 / 25	OPENHOLE LOGGING - FT - SWC	\$	-
10 / 26	ELEC/WIRELINE & PERF SERVICE	\$	-
10 / 27	DRILL STEM TESTING - CORING	\$	-
10 / 28	TUBULAR TESTING & INSPECTION	\$	10,000.0
10/29	CUTTINGS & FLUID DISPOSAL	\$	150,000.0
		Subtotal \$	1,852,600.0
10/30	MISC & CONTINGENCY	Ś	185,260.0
10 / 60	P&A COSTS	\$	-
10 / 70	NON-OP DRILLING - INTANG	\$	-
		Total Intangibles For Operations Involving Drilling Rig \$	2,037,860.0
angible Drilling Costs (311)			
11/1	DRIVE PIPE - CONDUCTOR	\$	
11/2	CASING - SURFACE	\$	
11/3	CASING - INTERMEDIATE	\$	90,000.0
11/4	CASING - PRODUCTION	\$	612,000.0
11/5	CASING - LINER/TIEBACK		
11/6	HANGER - CSG ACCESSORY	\$	10,000.0
11/7	WELLHEAD EQPT	\$	90,000.0
		Subtotal \$	870,500.0
11/8	MISC & CONTINGENCY	\$	87,050.0
11 / 70	NON-OP DRILLING - TANG		·
		Total Tangibles For Operations Involving Drilling Rig \$	957,55
otal Drilling Cost		\$	2,995,42

Intangible Completion Costs (320)			
320 / 1	LAND SERVICE & EXP		\$ 15,00
320 / 2	LEGAL FEES & EXP		\$ -
320 / 3	INSURANCE		\$ -
320 / 4	PERMITS - SURVEY - REGULATORY		\$ -
320 / 5	LOCATION - DAMAGES - CLEAN UP \$		\$ 15,00
320 / 6	RIG - DAYWORK		\$ -
320 / 7	RIG - COMPLETION/WORKOVER		\$ -
320 / 8	COILED TBG/SNUBBING/NITROGEN		\$ 139,50
320 / 9	FUEL - POWER - WATER		\$ 589,23
320 / 10	COMMUNICATIONS		\$ 5,00
320 / 11	TRANSPORTATION		\$ 25,00
320 / 12	CONSULTING SERVICE/SUPERVISION		\$ 55,00
320 / 13	CONTRACT LABOR & SERVICES		\$ 7,50
320 / 14	RENTALS - DOWNHOLE		\$ 25,00
320 / 15	RENTALS - SURFACE		\$ 127,87
320 / 16	BITS		\$ 5,00
320 / 17	CASING CREW & EQUIPMENT		\$ -
320 / 18	CEMENT & SERVICES		\$ -
320 / 19	FISHING TOOLS & SERVICE		\$ -
320 / 20	MUD - CHEMICALS - FLUIDS		\$ 165,00
320 / 21	ELEC/WIRELINE & PERF SERVICE		\$ 369,50
320 / 22	TUBULAR TESTING & INSPECTION		\$ -
320 / 23	GRAVEL PACKING		\$ -
320 / 24	FRAC & STIMULATION		\$ 2,689,96
320 / 25	SWABBING & WELL TESTING		\$ 113,97
320 / 26	CUTTINGS & FLUID DISPOSAL		\$ 82,83
320 / 28	FRAC WATER		\$ 254,82
320 / 29	FRAC POND		\$ -
320 / 30	WATER TRANSFER		\$ 103,40
320 / 60	P&A COSTS		\$ -
		Subtotal	\$ 4,788,57
320 / 70	NON-OP COMP - INTANG		\$ -
320 / 27	MISC & CONTINGENCY		\$ 359,14
		Total Intangibles For Completions Operations	\$ 5,147,71
Tangible Completion Costs (321)			
321/1	CASING - LINER/TIEBACK		\$ -
321/2	HANGER - CSG ACCESSORY		\$ -
321/3	PRODUCTION TUBING		\$ 125,000.0
321/4	TUBINGHEAD & TREE		\$ 35,000.0
321 / 5	PACKERS - SUBSURFACE EQUIP		\$ -
321/6	RODS - PUMPS - ANCHORS ETC		\$ -
321 / 7	ART LIFT - SURFACE EQUIP		\$ -
321/8	PUMPING UNITS - SURFACE EQUIP		\$ -
321/9	VALVES - FITTING - MISC EQUIP		\$ 10,000.0
321/10	SEPARATOR/HEAT TREATER/DEHY		\$ -
321/11	GUN BBL/TANKS & RELATED EQUIP		\$ -
321 / 12	COMPRESSOR & RELATED EQUIP		\$ -
321 / 13	METERS - LACT UNIT		\$ -
321 / 14	SWD PUMPS & EQUIPMENT		\$ -
321 / 15	PIPELINES - TIE-INS		\$ -
321 / 16	PROD FACILITY - FAB & INSTALL		\$ -
		Subtotal	\$ 170,000.0
321 / 17	MISC & CONTINGENCY		\$ 17,000.0
321 / 60	P&A COSTS		\$ -
321 / 70	NON-OP COMP - TANG		\$ -
			\$ -
		Total Tangibles For Completions Operations	\$ 187,000.

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS		
330/1	LAND SERVICE & EXP	\$	4,800.00
330 / 2	LEGAL FEES & EXP	\$	-
330 / 3	CONSULTING SERVICE/SUPERVISION	\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES	\$	43,750.00
	9	Subtotal \$	54,800.00
330 / 5	MISC & CONTINGENCY	\$	5,480.00
330 / 70	NON-OP FAC - INTANG	\$	-
		\$	-
	Total Intangibles for Facility Cons	truction \$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS		
331/1	ART LIFT - SURFACE EQUIP	\$	-
331/2	PUMPING UNITS - SURFACE EQUIP	\$	-
331/3	VALVES - FITTING - MISC EQUIP	\$	155,000.00
331/4	SEPARATOR/HEAT TREATER/DEHY	\$	100,000.00
331/5	GUN BBL/TANKS & RELATED EQUIP	\$	62,500.00
331/6	COMPRESSOR & RELATED EQUIP	\$	150,000.00
331 / 7	METERS - LACT UNIT	\$	43,750.00
331/8	SWD PUMPS & EQUIPMENT	\$	21,250.00
331/9	PIPELINES - TIE-INS	\$	295,000.00
331 / 10	PROD FACILITY - FAB & INSTALL	\$	93,750.00
		Subtotal \$	921,250.00
331/11	MISC & CONTINGENCY	\$	92,125.00
331 / 70	NON-OP FAC- TANG	\$	-
		\$	-
	Total Tangible for Facility Cons	truction \$	1,013,375.00
Total Facility Costs		\$	1,073,655.00
Total Estmated Well Cost		\$	9,403,782.29
Flat Creek Resources, LLC			
Approved By:	Title:	Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production	10/3/202	23
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK			_
OWNERSHIP:	COST TO COMPLETE:		
DATE:	PARTICIPANTS ESTIMATED COST:		
APPROVED BY:	TITLE:		



October 3, 2023

SENT VIA CERTIFIED MAIL

Working Interest Owner

RE: Well Proposal Jawbone Fed Com BS 3H (the "Well") Section 2, 25S-26E & Section 35, 24S-26E Eddy County, New Mexico

Dear Working Interest Owner,

Flat Creek Resources, LLC ("Flat Creek"), as Operator and on behalf of FE Permian Owner I, LLC, as working interest owner, proposes to horizontally drill and complete the Well, as further described below, to test the Bone Spring formation.

Surface Hole Location: 396' FSL and 1,156' FWL of Section 2, 25S-26E
First Take Point: 100' FSL and 680' FWL of Section 2, 25S-26E
Bottom Hole Location: 100' FNL and 680' FWL of Section 35, 24S-26E
Depth: 18,078' Measured Depth and 7,705' True Vertical Depth W2W2 of Section 2, 25S-26E & Section 35, 24S-26E

The estimated cost of drilling, completing and equipping the Well is \$10,411,128.82, as itemized on the enclosed Authorization for Expenditure ("AFE"). The proposed location and drilling plans described above are subject to change if permitting, surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Flat Creek within thirty (30) days. Flat Creek proposes the drilling of the Well under the terms of a modified 1989 AAPL form of Operating Agreement, with Horizontal Modifications, ("JOA"), which will be provided upon request. The JOA will have the following general provisions:

- Flat Creek Resources, LLC named as Operator
- Contract Area covering the West Half of the West Half (W2W2) of Section 2, 25S-26E & Section 35, 24S-26E, limited to the Bone Spring formation
- 100%/300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Production Rates

Flat Creek is also willing to discuss possible trades or other deal structures related to your interest in the Well and proration unit. If an agreement cannot be reached within thirty (30) days from the date of this letter, Flat Creek reserves the right to apply to the New Mexico Oil Conservation District for compulsory pooling of your interest into a spacing unit for the Well. Jawbone Fed Com BS 3H October 3, 2023 Page **2** of **2**

If you have any questions concerning this proposal, you may contact me at (817) 310-8572 or mike.gregory@flatcreekresources.com.

Sincerely,

Flat Creek Resources, LLC

Mile

Mike Gregory, CPL Vice President - Land

Please select one of the following and return:

_____ I/We hereby elect **TO PARTICIPATE** for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_____ I/We hereby elect <u>NOT</u> TO PARTICIPATE for our proportionate share of the costs detailed in the enclosed AFE associated with the Well.

_____ I/We are interested in selling, trading, leasing or farming out our interest. Please contact to discuss further.

COMPANY/OWNER NAME:

By:	
Name:	
Title:	
Date:	

FLAT CREEK RESOUR		AFE#:	WC23003
	EXPENDITURE ORIZONTAL BONE SPRING		
ate: 10/1/2023	URIZUNTAL BUNE SPRING	County/State: Eddy, NM	
ease: Jawbone Unit		County/State. Eudy, MM	
ease. <u>Jawbone Onit</u> Surface Location: <u>Sec 2, 25S-26E</u>	-		
	<u> </u>		
Proposed Depth: <u>18,000' MD</u>			
	omplete ~2-Mile Lateral, Production Facility		
Account Code	Account Name	AF	E Amount
ntangible Driling Costs (310)			
10/1	LAND SERVICE & EXP	\$	2,000.0
10/4	PERMITS - SURVEY - REGULATORY	\$	2,000.0
10/5	LOCATION - DAMAGES - CLEAN UP	\$	330,000.0
10/6	RIG - MOB/DEMOB	Ś	110,000.0
10 / 7	RIG - DAYWORK	\$	510,000.0
10/8	RIG - FOOTAGE	\$	-
10/9	RIG - TURNKEY	ć	_
10/10	COILED TBG/SNUBBING/NITROGEN	\$	
			-
10/11	FUEL - POWER - WATER	\$	90,750.0
10/12	COMMUNICATIONS	\$	2,250.0
10 / 13	TRANSPORTATION	\$	25,000.0
10 / 14	CONSULTING SERVICE/SUPERVISION	\$	90,000.0
10 / 15	CONTRACT LABOR & SERVICES	\$	40,000.0
10/16	RENTALS - DOWNHOLE	\$	37,500.0
10 / 17	RENTALS - SURFACE	\$	112,500.0
10 / 18	BITS	\$	75,000.0
10 / 19	CASING CREW & EQUIPMENT	\$	50,000.0
10/20	CEMENT & SERVICES	\$	150,000.0
10/21		\$	130,000.0
	DIRECTIONAL TOOLS & SERVICES		150,000.0
10/22	FISHING TOOLS & SERVICE	\$	-
10 / 23	MUD - CHEMICALS - FLUIDS	\$	120,000.0
10 / 24	MUD LOGGING	\$	15,600.0
10 / 25	OPENHOLE LOGGING - FT - SWC	\$	-
10 / 26	ELEC/WIRELINE & PERF SERVICE	\$	-
10 / 27	DRILL STEM TESTING - CORING	\$	-
10 / 28	TUBULAR TESTING & INSPECTION	Ś	10,000.0
10 / 29	CUTTINGS & FLUID DISPOSAL	Ś	150,000.0
,		Subtotal \$	2,052,600.0
10 / 30	MISC & CONTINGENCY	\$	205,260.0
10 / 60	P&A COSTS	\$	205,200.
			-
10 / 70	NON-OP DRILLING - INTANG	\$	-
		Total Intangibles For Operations Involving Drilling Rig \$	2,257,860.0
angible Drilling Costs (311)			
11/1	DRIVE PIPE - CONDUCTOR	\$	45,000.0
11/2	CASING - SURFACE	\$	23,500.0
11/3	CASING - INTERMEDIATE	\$	90,000.0
11/4	CASING - PRODUCTION	\$	612,000.0
11/5	CASING - LINER/TIEBACK	Ŷ	
11/6	HANGER - CSG ACCESSORY	\$	10,000.0
	WELLHEAD EQPT	ې \$	
11/7			90,000.0
		Subtotal \$	870,500.0
11/8 11/70	MISC & CONTINGENCY NON-OP DRILLING - TANG	\$	87,050.0
	NON-OF DRILLING - TANG		
		Total Tangibles For Operations Involving Drilling Rig \$	957,5
otal Drilling Cost		\$	3,215,4

Intangible Completion Costs (320)			
320 / 1	LAND SERVICE & EXP		\$ 15,00
320 / 2	LEGAL FEES & EXP		\$ -
320 / 3	INSURANCE		\$ -
320 / 4	PERMITS - SURVEY - REGULATORY		\$ -
320 / 5	LOCATION - DAMAGES - CLEAN UP \$		\$ 15,00
320 / 6	RIG - DAYWORK		\$ -
320 / 7	RIG - COMPLETION/WORKOVER		\$ -
320 / 8	COILED TBG/SNUBBING/NITROGEN		\$ 139,50
320 / 9	FUEL - POWER - WATER		\$ 589,23
320 / 10	COMMUNICATIONS		\$ 5,00
320 / 11	TRANSPORTATION		\$ 25,00
320 / 12	CONSULTING SERVICE/SUPERVISION		\$ 55,00
320 / 13	CONTRACT LABOR & SERVICES		\$ 7,50
320 / 14	RENTALS - DOWNHOLE		\$ 25,00
320 / 15	RENTALS - SURFACE		\$ 127,87
320 / 16	BITS		\$ 5,00
320 / 17	CASING CREW & EQUIPMENT		\$ -
320 / 18	CEMENT & SERVICES		\$ -
320 / 19	FISHING TOOLS & SERVICE		\$ -
320 / 20	MUD - CHEMICALS - FLUIDS		\$ 165,00
320 / 21	ELEC/WIRELINE & PERF SERVICE		\$ 430,90
320 / 22	TUBULAR TESTING & INSPECTION		\$ -
320 / 23	GRAVEL PACKING		\$ -
320 / 24	FRAC & STIMULATION		\$ 3,227,95
320 / 25	SWABBING & WELL TESTING		\$ 113,97
320 / 26	CUTTINGS & FLUID DISPOSAL		\$ 82,83
320 / 28	FRAC WATER		\$ 254,82
320 / 29	FRAC POND		\$ -
320 / 30	WATER TRANSFER		\$ 103,40
320 / 60	P&A COSTS		\$ -
		Subtotal	\$ 5,387,96
320 / 70	NON-OP COMP - INTANG		\$ -
320 / 27	MISC & CONTINGENCY		\$ 404,09
		Total Intangibles For Completions Operations	\$ 5,792,06
Tangible Completion Costs (321)			
321/1	CASING - LINER/TIEBACK		\$ -
321/2	HANGER - CSG ACCESSORY		\$ -
321/3	PRODUCTION TUBING		\$ 125,000.0
321/4	TUBINGHEAD & TREE		\$ 35,000.0
321/5	PACKERS - SUBSURFACE EQUIP		\$ -
321/6	RODS - PUMPS - ANCHORS ETC		\$ -
321 / 7	ART LIFT - SURFACE EQUIP		\$ -
321/8	PUMPING UNITS - SURFACE EQUIP		\$ -
321/9	VALVES - FITTING - MISC EQUIP		\$ 10,000.0
321 / 10	SEPARATOR/HEAT TREATER/DEHY		\$ -
321/11	GUN BBL/TANKS & RELATED EQUIP		\$ -
321 / 12	COMPRESSOR & RELATED EQUIP		\$ -
321 / 13	METERS - LACT UNIT		\$ -
321 / 14	SWD PUMPS & EQUIPMENT		\$ -
321 / 15	PIPELINES - TIE-INS		\$ -
321 / 16	PROD FACILITY - FAB & INSTALL		\$ -
		Subtotal	\$ 170,000.
321 / 17	MISC & CONTINGENCY		\$ 17,000.0
321/60	P&A COSTS		\$ -
321 / 70	NON-OP COMP - TANG		\$ -
			\$ -
		Total Tangibles For Completions Operations	\$ 187,000.0

Intangible Facility Costs (330)	INTANGIBLE FACILITY COSTS			
330/1	LAND SERVICE & EXP		\$	4,800.00
330 / 2	LEGAL FEES & EXP		\$	-
330 / 3	CONSULTING SERVICE/SUPERVISION		\$	6,250.00
330 / 4	CONTRACT LABOR & SERVICES		\$	43,750.00
		Subtotal	\$	54,800.00
330 / 5	MISC & CONTINGENCY		\$	5,480.00
330 / 70	NON-OP FAC - INTANG		\$	-
			\$	-
		Total Intangibles for Facility Construction	\$	60,280.00
Tangible Facility Costs (331)	TANGIBLE FACILITY COSTS			
331/1	ART LIFT - SURFACE EQUIP		\$	-
331/2	PUMPING UNITS - SURFACE EQUIP		\$	-
331/3	VALVES - FITTING - MISC EQUIP		\$	155,000.00
331/4	SEPARATOR/HEAT TREATER/DEHY		\$	100,000.00
331/5	GUN BBL/TANKS & RELATED EQUIP		\$	62,500.00
331/6	COMPRESSOR & RELATED EQUIP		\$	150,000.00
331 / 7	METERS - LACT UNIT		\$	43,750.00
331/8	SWD PUMPS & EQUIPMENT		\$	21,250.00
331/9	PIPELINES - TIE-INS		\$	425,000.00
331 / 10	PROD FACILITY - FAB & INSTALL		\$	93,750.00
		Subtotal	\$	1,051,250.00
331/11	MISC & CONTINGENCY		\$	105,125.00
331 / 70	NON-OP FAC- TANG		\$	-
			\$	-
		Total Tangible for Facility Construction	\$	1,156,375.00
Total Facility Costs			\$	1,216,655.00
Total Estmated Well Cost			\$	10,411,128.82
Freedom Energy Permian				
Approved By:	Title:		Date:	
Authorization Requested From: John Wierzowiecki	VP Completions & Production		10/3/2023	
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO FLAT CREEK				
OWNERSHIP:	COST TO COMPLETE:			
DATE:	PARTICIPANTS ESTIMATED COST:			
APPROVED BY:	TITLE:			

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Tab 4

Released to Imaging: 1/2/2025 4:27:02 PM

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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25046

SELF-AFFIRMED STATEMENT OF GEOLOGIST THOMAS M. ANDERSON

I, Thomas M. Anderson, make the following self-affirmed statement:

1. I am over the age of 18, and have the capacity to execute this affirmation, which is based on my personal knowledge.

2. I am employed as the geologist for Flat Creek Resources, LLC ("Flat Creek" or "Applicant"), and I am familiar with the subject applications and the lands involved.

3. This statement is submitted in connection with the filing by Flat Creek of the abovereferenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.

4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record. My education and work experience are as follows: I have a bachelor's degree in geology from the University of South Florida and a master's degree in geology from Florida State University. I have been working continuously as a professional geologist since 1981. I worked at Exxon/ExxonMobil/XTO Energy for 37 years and have been at Flat Creek Resources, LLC for 5 years. Since 2011 I have worked fulltime in the Permian Basin, including the northern portion of the Delaware and the NW Shelf in New Mexico.

5. **Exhibit B-1** is a location map of the Delaware Basin highlighting the position of the project area.

Exhibit B

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6. **Exhibit B-2** is a subsea structure map and reference map for the cross section. The TVDSS structure map reflects the top of the lower 3rd Bone Spring carbonate/shale ("Harkey"). Contour interval is 50'. The top defines the top of the target interval for the proposed wells. The proposed spacing unit is outlined by the black rectangle and the proposed horizontal wells are shown in blue. There is no evidence of faults, pinch-outs or other significant impediments to the horizontal development in either of the objectives. Horizontal wells on the reference map are filtered to only those landing in the 1st Bone Spring sand through 3rd Bone Spring carbonate/shale.

7. **Exhibit B-3** is a stratigraphic cross-section flattened on the top of the 3rd Bone Spring sand. Log curves for each well on the section consist of a gamma ray/caliper, deep resistivity, and PE, neutron/density porosity. The targeted interval for the proposed wells is shaded yellow.

8. **Exhibit B-4** is a gunbarrel diagram.

9. **Exhibit B-5** is a gross isopach map of the upper lower 3rd Bone Spring carbonate/shale ("Harkey").

10. The measured depths and true vertical depths for each well are approximately as follows:

	MD	TVD
Jawbone BS Fed Com #1H	17,919'	7,691'
Jawbone BS Fed Com #2H	18,185'	7,691'
Jawbone BS Fed Com #3H	18,078'	7,705'

11. Based on my geologic study of the area, I conclude the following:

a. The horizontal spacing and proration units ("HSU") are justified from a geologic standpoint.

- b. There are no structural impediments or faults that will interfere with horizontal development.
- c. Each quarter-quarter section in the Bone Spring HSUs will contribute more or less equally to production.

12. The planned well orientation in this area is north-south to fit with existing development in the immediate area. Older vintage wells targeting the Second Bone Spring sand were drilled both east-west and north-south, with similar results. The measured orientation of the maximum horizontal stress is N43°E (based on 3 high quality measurements within 7 miles of the project area from data tables from Lundstern, JE., Zoback, M.D. Author Correction: Multiscale variations of the crustal stress field throughout North America. *Nat Commun* **14**, 1232 (2023). https://doi.org/10.1038/s41467-022-34915-0).

13. The subject acreage represents a sizeable percentage of Flat Creek's total acreage and will have the complete attention of the company with the goal of optimizing and accelerating operations.

14. The exhibits attached hereto were prepared by me.

15. The granting of the Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

I affirm under penalty of perjury under the laws of the State of New Mexico that this

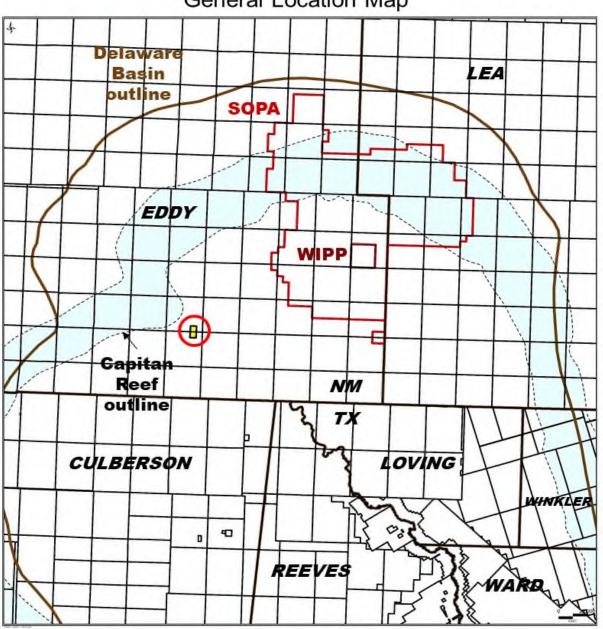
statement is true and correct.

Σ rames I had nor

Thomas M. Anderson

<u>12/27/2024</u> Date

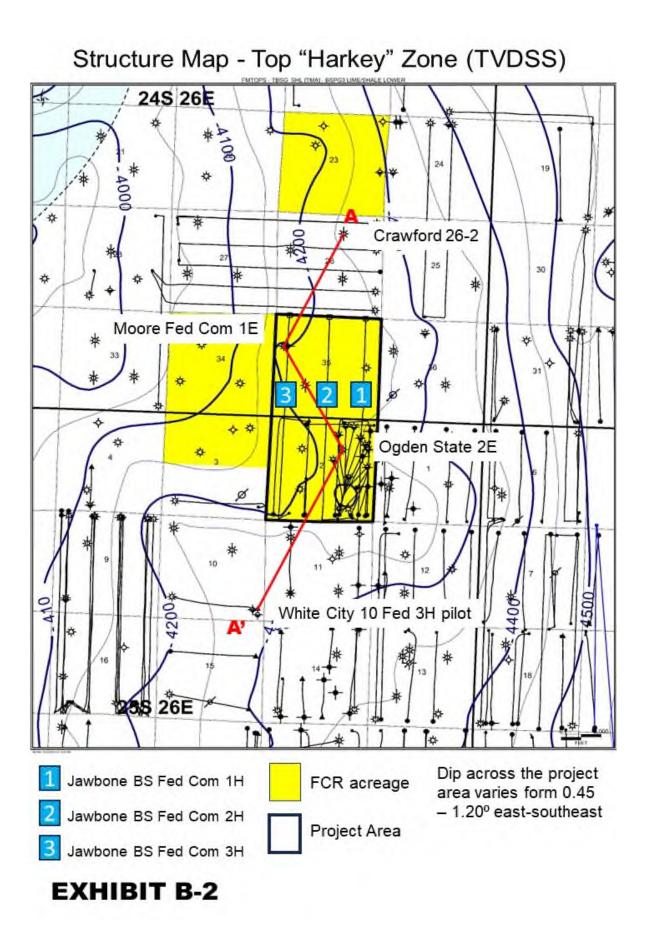
.

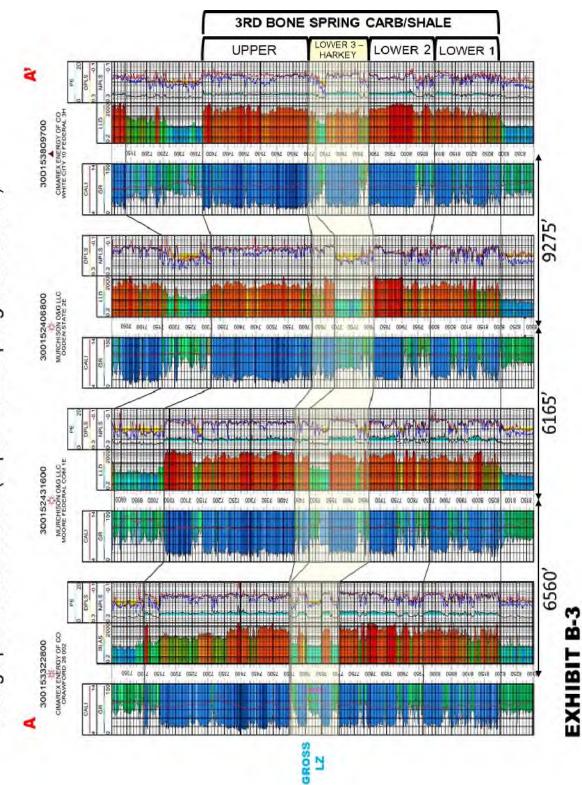


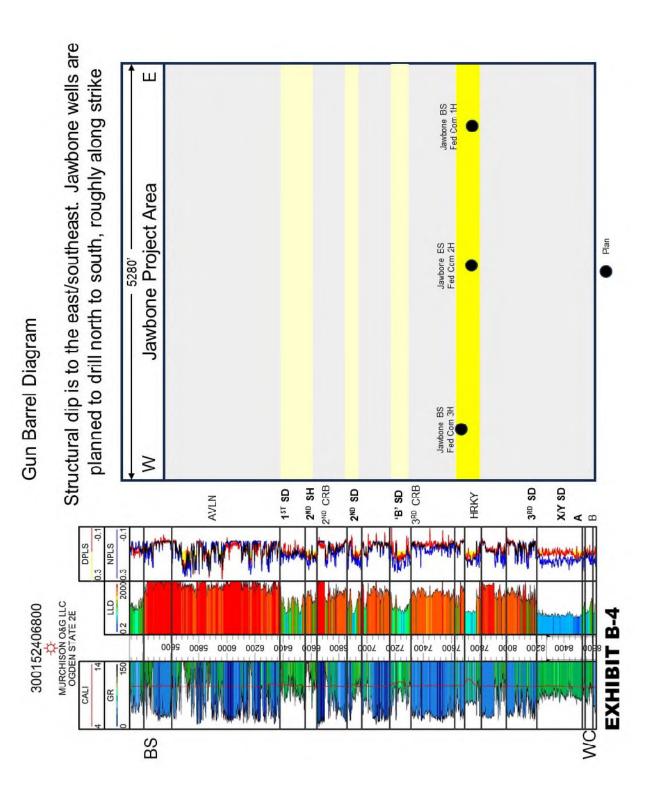
General Location Map

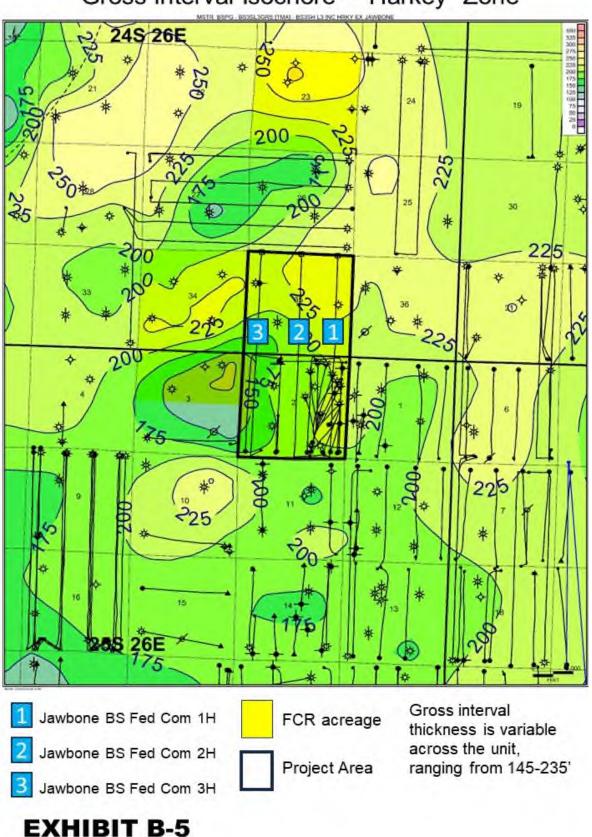
 Location of the Jawbone project is shown in yellow inside the red circle just to the east of the Capitan Reef in Eddy County

EXHIBIT B-1









Gross interval Isochore - "Harkey" Zone

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Tab 5

Released to Imaging: 1/2/2025 4:27:02 PM

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

APPLICATION OF FLAT CREEK RESOURCES, LLC FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO

Case No. 25046

AFFIRMATION OF NOTICE

I, Sharon T. Shaheen, attorney for FLAT CREEK RESOURCES, LLC ("Flat Creek"), the Applicant in the above-captioned matter, state and affirm the following:

I caused notice of the applications to be sent by certified mail through the United States Postal Service on December 17, 2024, to all interest owners sought to be pooled in these proceedings. A sample notice letter to all interested parties is attached hereto as Exhibit C-1. A chart showing the results of certified mailing of the notice letters to all interested parties is attached as Exhibit C-2, and copies of received green cards and USPS online status are attached as Exhibit C-3. Notice was also directed to all interested parties by publication in the Carlsbad Current Argus on December 21, 2024, as shown in the Affidavit of Publication attached hereto as Exhibit C-4. The attached exhibits demonstrate to my satisfaction that all owners sought to be pooled were properly served.

Flat Creek has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Applications filed herein.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

<u>/s/ Sharon T. Shaheen</u> SHARON T. SHAHEEN January 2, 2024 Date





Sharon T. Shaheen Direct Dial: 505-986-2678 sshaheen@spencerfane.com

December 17, 2024

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 25046 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico.

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Flat Creek Resources, LLC ("Flat Creek") has filed the following application with the New Mexico Oil Conservation Division for compulsory pooling. You are receiving this notice because you may have an interest in the proposed wells.

Case No. 25046 – Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a non-standard 1280-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of Section 2, Township 25 South, Range 26 East, and Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E; Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E; and Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Applicant will seek administrative approval of the nonstandard spacing unit. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

The attached application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. Hearings are currently conducted remotely. The hearing will be conducted on **January 9, 2025,** beginning at 9:00 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. You are not

SPENCER FANE LLP | 325 PASEO DE PERALTA, SANTA FE, NM 87501 | 505.982.3873 | FAX 505.982.4289 | spencerfane.com

EXHIBIT C-1

All Interest Owners December 17, 2024 Page 2



required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or evidence at the hearing, you should enter your appearance by **December 31, 2024**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **January 2, 2025**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about this application.

Very truly yours,

/s/ Sharon T. Shaheen Sharon T. Shaheen

Enclosure cc: Flat Creek Resources, *via email*

EXHIBIT A

INTEREST OWNERS

Working Interest Party(ies):

WPX Energy Permian, LLC 333 West Sheridan Avenue Oklahoma City, OK 73102

Overriding Royalty Interest Owners:

EL Latham Co. P.O. Box 100912 Fort Worth, TX 76185

Blue Hole Investments 5210 West Verde Circle Benbrook, TX 76126

Shogoil & Gas Co. II, LLC P.O. Box 29450 Santa Fe, NM 87592-9450

Concho Resources, Inc. 600 W. Illinois Avenue Midland, TX 79701

Sortida Resources, LLC 4000 N. Big Spring Street, Suite 310 Midland, TX 79705

Additional Party(ies):

Bureau of Land Management 620 East Greene Street Carlsbad, NM 88220 1B4S Enterprises, LLC 3203 Bowie Street Amarillo, TX 79109

A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, WY 82003-0788

Lisha N. Davila Kovacevic 3481 Hickory Court Marietta, GA 30062

Concho Oil & Gas LLC 600 W. Illinois Avenue Midland, TX 79701

Oak Valley Mineral and Land, LP P.O. Box 50820 Midland, TX 79710

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

Flat Creek Resources, LLC

Jawbone Federal Com BS #1H, #2H, #3H (Case No. 25046)

January 9, 2025 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received / Misc. Information
	W	ORKING INTERESTS	- ·	
WPX Energy Permian, LLC 333 West Sheridan Avenue Oklahoma City, OK 73102	December 17, 2024	9314 7699 0430 0129 4756 01	Delivered	December 21, 2024
	OVERRID	ING ROYALTY INTERESTS	- ·	
EL Latham Co. P. O. Box 100912 Fort Worth, Texas 76185	December 17, 2024	9314 7699 0430 0129 4756 18	Delivered	December 28, 2024
1B4S Enterprises, LLC 3203 Bowie Street Amarillo, Texas 79109	December 17, 2024	9314 7699 0430 0129 4756 25	Delivered	December 20, 2024
Blue Hole Investments 5210 W Verde Circle Benbrook, Texas 76126	December 17, 2024	9314 7699 0430 0129 4756 32	Delivered	December 21, 2024
A. G. Andrikopoulos Resources, Inc. P.O. Box 788 Cheyenne, WY 82003-0788	December 17, 2024	9314 7699 0430 0129 4756 49	Delivered	December 20, 2024
Shogoil & Gas Co. II, LLC P.O. Box 29450 Santa Fe, NM 87592-9450	December 17, 2024	9314 7699 0430 0129 4756 56	Undelivered / Forwarded	December 19, 2024

Flat Creek Resources, LLC

Jawbone Federal Com BS #1H, #2H, #3H (Case No. 25046)

January 9, 2025 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received / Misc. Information
Lisha N. Davila Kovacevic 3481 Hickory Court Marietta, GA 30062	December 17, 2024	9314 7699 0430 0129 4756 63	Undelivered	December 29, 2024
Concho Resources, Inc. 600 W. Illinois Avenue Midland, Texas 79701	December 17, 2024	9314 7699 0430 0129 4756 70	Delivered	December 23, 2024
Concho Oil & Gas LLC 600 W. Illinois Avenue Midland, Texas 79701	December 17, 2024	9314 7699 0430 0129 4756 87	Delivered	December 23, 2024
Sortida Resources, LLC 4000 N Big Spring Street, Suite 310 Midland, TX 79705	December 17, 2024	9314 7699 0430 0129 4756 94	Delivered	December 30, 2024
Oak Valley Mineral and Land, LP P.O. Box 50820 Midland, TX 79710	December 17, 2024	9314 7699 0430 0129 4757 00	Undelivered	December 20, 2024
	OTHEI	R INTERESTED PARTIES		
Bureau of Land Management 620 East Greene Street Carlsbad, NM 88220	December 17, 2024	9314 7699 0430 0129 4757 17	Delivered	December 23, 2024
New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	December 17, 2024	9314 7699 0430 0129 4757 24	Delivered	December 20, 2024

EXHIBIT C-2 Updated: January 2, 2025

Received by OCD: 1/2/2025 4:13:17 PM

Transaction Details

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Sender: Sharon T. Shaheen	Service Options:	Return Receipt Certified Mail
Flat Creek (9015326.2302) Jawbone Well	Mail Service:	Certified
Spencer Fane, LLP	Reference #:	001
325 Paseo de Peralta	Postage:	\$1.77
Santa Fe, NM 87501-1860	Certified Mail Fees:	\$8,95
	Status:	Delivered
Transaction created by: Dortiz	Sender:	S_Shaheen
User ID: 32565	Contents:	Notice Letter
Firm Mailing Book ID: None	Custom Field 2:	Flat Creek
Batch ID: 299150	Custom Field 3:	Jawbone Well

Page 62 of 76

Transaction History

Event Description	Event Date	Details
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USPS® Certified Mail	12-21-2024 09:57 AM	[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT USPS at OKLAHOMA
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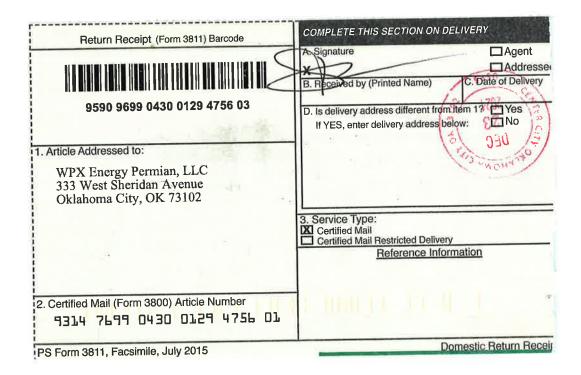


EXHIBIT C-3

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Fort Worth, TX 76185			000000000000000000000000000000000000000		
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Sender:			Certified Mail		
Sharon T. Shaheen		Mail Service:	Certified		
Flat Creek (9015326.23	02) Jawbone Well	Reference #:	002		1
Spencer Fane, LLP		Postage:	\$1.77	a ⁵⁵	
325 Paseo de Peralta		Certified Mail Fees:	\$8.95		ю.
Santa Fe, NM 87501-18	60	Status:	Undelivered		
		Sender:	S. Shaheen	еr,	1
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Batch ID:	299150				

Page 63 of 76

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5.5	D. Is delivery address different from item 1? Yes If YES, enter delivery address below:
1. Article Addressed to:	
EL Latham Co. P.O. Box 100912 Fort Worth, TX 76185	
	3. Service Type: X Certified Mail Certified Mail Restricted Delivery
	Reference Information
2. Certified Mail (Form 3800) Article Number 9314 7699 0430 0129 4756 18	man ration worth "
PS Form 3811, Facsimile, July 2015	Domestic Return Receip

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Transaction Details

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Amarillo, TX 79109	Return Receipt Article Number:	9590969904300129475627
Sender:	Service Options:	Return Receipt
Sharon T. Shaheen		Certified Mail
Flat Creek (9015326.2302) Jawbone Well	Mail Service:	Certified
Spencer Fane, LLP	Reference #:	003
325 Paseo de Peralta	Postage:	\$1.77
Santa Fe, NM 87501-1860	Certified Mail Fees:	\$8.95
	Status:	Delivered
Transaction created by: Dortiz	Sender:	S, Shaheen
User ID: 32565	Contents:	Notice Letter
Firm Mailing Book ID: None	Custom Field 2:	Flat Creek
Batch ID: 299150	Custom Field 3:	Jawbone Well

A FE,NM
UE,NM
JE,NM
X DISTRIBUTION CENTER
AMARILLO, TX
))

Return Receipt (Form 3811) Barcode	COMPLETE THIS SECTION ON DELIVERY
9590 9699 0430 0129 4756 27	A. Signature X. M. Market Mar
1. Article Addressed to:	
1B4S Enterprises, LLC 3203 Bowie Street Amarillo, TX 79109	
	3. Service Type: XI Certified Mail Certified Mail Restricted Delivery
	Reference Information
2. Certified Mail (Form 3800) Article Number 9314 7699 0430 0129 4756 25	
PS Form 3811, Facsimile, July 2015	Domestic Return Receipt

Received by OCD: 1/2/2025 4:13:17 PM

Transaction Details

5210 West Verde Circle USPS Article Number: 9314769904300129475632 Benbrook, TX 76126 Return Receipt Article Number: 9590969904300129475634 Sender: Service Options: Return Receipt Sharon T. Shaheen Mail Service: Certified Mail Flat Creek (9015326,2302) Jawbone Well Mail Service: Certified Spencer Fane, LLP Reference #: 004 325 Paseo de Peralta Postage: \$1.77 Santa Fe, NM 87501-1860 Certified Mail Fees: \$8.95 Status: Delivered
Sharon T, Shaheen Certified Mail Flat Creek (9015326,2302) Jawbone Well Mail Service: Certified Spencer Fane, LLP Reference #: 004 325 Paseo de Peralta Postage: \$1.77 Santa Fe, NM 87501-1860 Certified Mail Fees: \$8.95 Status: Delivered
Spencer Fane, LLP Reference #: 004 325 Paseo de Peralta Postage: \$1.77 Santa Fe, NM 87501-1860 Certified Mail Fees: \$8.95 Status: Delivered
325 Paseo de Peralta Postage: \$1.77 Santa Fe, NM 87501-1860 Certified Mail Fees: \$8.95 Status: Delivered
Santa Fe, NM 87501-1860 Certified Mail Fees: \$8.95 Status: Delivered
Status: Delivered
Transaction analysis Dedin
Transaction created by: Dortiz Sender: S. Shaheen
User ID: 32565 Contents: Notice Letter
Firm Mailing Book ID: None Custom Field 2: Flat Creek
Batch ID: 299150 Custom Field 3: Jawbone Well

Transaction History

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USPS® Certified Mail	12-21-2024 04:21 PM	[USPS] - CERTIFIED MAIL DELIVERED LEFT WITH INDIVIDUAL at FORT WORTH, TX

Return Receipt (Form 3811) Barcode	COMPLETE THIS SECTION ON DELIVERY
	A. Signature Agent X Addressee B. Received by (Printed Name) C. Date of Delivery
9590 9699 0430 0129 4756 34	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
Blue Hole Investments 5210 West Verde Circle Benbrook, TX 76126	
	3. Service Type: X Certified Mail Certified Mail Restricted Delivery <u>Reference Information</u>
2. Certified Mail (Form for) Article Number 1. 여러파 7699 0430 0129 4756 32	
PS Form 3811, Facsimile, July 2015	Domestic Return Rec.

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Page 65 of 76

Recipient:		Date Created:	12/17/2024 10:26 AM
A. G. Andrikopoulos Res	sources, Inc.	Date Mail Delivered:	12/20/2024 11:53 AM
P.O. Box 788		USPS Article Number:	9314769904300129475649
Cheyenne, WY 82003-0	788	Return Receipt Article Number:	959096990430012947564
Sender:		Service Options:	Return Receipt
Sharon T. Shaheen			Certified Mail
Flat Creek (9015326.23	02) Jawbone Well	Mail Service:	Certified
Spencer Fane, LLP		Reference #:	005
325 Paseo de Peralta		Postage:	\$1.77
Santa Fe, NM 87501-18	60	Certified Mail Fees:	\$8.95
		Status:	Delivered
Transaction created by:	Dortiz	Sender:	S. Shaheen
User ID:	32565	Contents:	Notice Letter
Firm Mailing Book ID:	None	Custom Field 2:	Flat Creek
Batch ID:	299150	Custom Field 3:	Jawbone Well

Page 66 of 76

Event Description	Event Date	Details
USPS® Return Receipt	12-17-2024 11:14 AM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
USPS® Certified Mail	12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM
USPS® Certified Mail	12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-19-2024 11:16 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at CHEYENNE WY DISTRIBUTION
USPS® Certified Mail	12-19-2024 05:29 PM	CENER PROCESSED THROUGH USPS FACILITY at CHEYENNE WY DISTRIBUTION
USPS® Certified Mail	12-20-2024 11:53 AM	CESPERCERTIFIED MAIL DELIVERED PO BOX at CHEYENNE, WY

USP 9314 769	S® ARTICLE NUMBER 1 04 30 0124 4755 44
Certified Mail Fee Return Receipt (Hardcopy) Return Receipt (Electronic) Certified Mail Restricted Deliver Postage Total Postage and Fees Sent to: Andrikopould P.O. Box 788 Cheyenne, WY 820	\$ 10.72 \$ 10.72 \$ 20.72 \$ 2
Re	eference Information

Received by OCD: 1/2/2025 4:13:17 PM

Transaction Details

Concho Resources, IncDate Mail Delivered:12/23/2024 9:06 AM600 W. Illinois AvenueUSPS Article Number:9314769904300129475670Midland, TX 79701Return Receipt Article Number:9590969904300129475672
Midland, TX 79701 Return Receipt Article Number: 9590969904300129475672
Sender: Service Options: Return Receipt
Sharon T. Shaheen Certified Mail
Flat Creek (9015326.2302) Jawbone Well Mail Service: Certified
Spencer Fane, LLP Reference #: 008
325 Paseo de Peralta Postage: \$1.77
Santa Fe, NM 87501-1860 Certified Mail Fees: \$8.95
Status: Delivered
Transaction created by: Dortiz Sender: S. Shaheen
User ID: 32565 Contents: Notice Letter
Firm Mailing Book ID: None Custom Field 2: Flat Creek
Batch ID:299150Custom Field 3:Jawbone Well

Transaction History

Event Description	Event Date	Details
USPS® Return Receipt	12-17-2024 11:14 AM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
USPS® Certified Mail	12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at SANTA FE, NM
USPS® Certified Mail	12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS [®] Certified Mail	12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2024 12:21 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
USPS® Certified Mail	12-23-2024 09:06 AM	[USPS] - CERTIFIED MAIL DELIVERED PO BOX at MIDLAND, TX
USPS® Certified Mail USPS® Certified Mail USPS® Certified Mail USPS® Certified Mail	12-17-2024 09:36 PM 12-17-2024 10:51 PM 12-17-2024 10:52 PM 12-20-2024 12:21 AM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM AT SANTA FE,NM [USPS] - ORIGIN ACCEPTANCE AT SANTA FE,NM [USPS] - PROCESSED THROUGH USPS FACILITY AT ALBUQUERQUE,NM [USPS] - DEPARTED USPS REGIONAL FACILITY AT ALBUQUERQUE,NM [USPS] - PROCESSED THROUGH USPS FACILITY AT MIDLAND TX DISTRIBUTION CENTER

ЧЭЦЧ 76 Certified Mail Fee Return Receipt (Hardcopy) Return Receipt (Electronic) Certified Mail Restricted Deliv Postage Total Postage and Fees Sent to: Concho Resource 600 W. Illinois A Midland, TX 7970	\$ 4.85 \$ 4.10 \$ 0.00 \$ 0.00 \$ 0.00 \$ 0.00 \$ 0.00 Postmark Here \$ 10.72 \$ 202 Postmark Here \$ 10.72
	Reference Information

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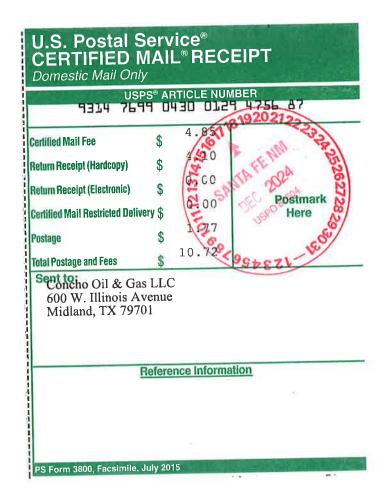
Received by OCD: 1/2/2025 4:13:17 PM

Transaction Details

Recipient: Concho Oil & Gas LLC 600 W. Illinois Avenue Midland, TX 79701		Date Created: Date Mail Delivered: USPS Article Number: Return Receipt Article Number:	12/17/2024 10:26 AM 12/23/2024 9:06 AM 9314769904300129475687 9590969904300129475689
Sender:		Service Options:	Return Receipt
Sharon T. Shaheen			Certified Mail
Flat Creek (9015326.23)	02) Jawbone Well	Mail Service:	Certified
Spencer Fane, LLP		Reference #:	009
325 Paseo de Peralta		Postage:	\$1.77
Santa Fe, NM 87501-18	60	Certified Mail Fees:	\$8.95
		Status:	Delivered
Transaction created by:	Dortiz	Sender:	S. Shaheen
User ID:	32565	Contents:	Notice Letter
Firm Mailing Book ID:	None	Custom Field 2:	Flat Creek
Batch ID:	299150	Custom Field 3:	Jawbone Well

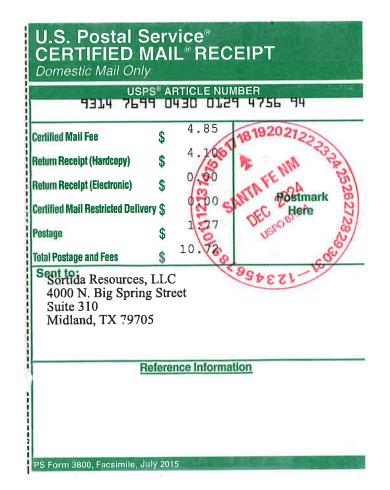
Page 68 of 76

Event Date	Details
12-17-2024 11:14 AM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT_USPS AWAITS ITEM at SANTA FE,NM
12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
12-20-2024 12:21 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
12-20-2024 03:53 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
12-23-2024 09:06 AM	[USPS] - CERTIFIED MAIL DELIVERED PO BOX at MIDLAND, TX
	12-17-2024 11:14 AM 12-17-2024 01:42 PM 12-17-2024 09:36 PM 12-17-2024 10:51 PM 12-17-2024 10:52 PM 12-20-2024 12:21 AM 12-20-2024 03:53 AM



Recipient:	Date Created: 12/17/2024 10:26 AM
Sortida Resources, LLC	Date Mail Delivered: 12/30/2024 11:17 AM
4000 N. Big Spring Street	USPS Article Number: 9314769904300129475694
Suite 310	Return Receipt Article Number: 9590969904300129475696
Midland, TX 79705	
	Service Options: Return Receipt
Sender:	Certified Mail
Sharon T. Shaheen	Mail Service: Certified
Flat Creek (9015326 2302) Jawbone V	fell 010
Spencer Fane, LLP	Postage: \$1.77
325 Paseo de Peralta	Certified Mail Fees: \$8.95
Santa Fe, NM 87501-1860	Status: Delivered
	Sender: S. Shaheen
Transaction created by: Dortiz	Contents: Notice Letter
User ID: 32565	Custom Field 2: Flat Creek
Firm Mailing Book ID: None Batch ID: 299150	Custom Field 3: Jawbone Well

Event Description	Event Date	Details
USPS® Return Receipt	12-17-2024 11:14 AM	USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE, NM
USPS® Certified Mail	12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM
USPS® Certified Mail	12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2024 12:21 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
USPS® Certified Mail	12-20-2024 02:07 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
USPS® Certified Mail	12-20-2024 12:21 PM	[USPS] - NO AUTHORIZED RECIPIENT AVAILABLE at MIDLAND, TX
USPS® Certified Mail	12-25-2024 04:21 AM	[USPS] - REMINDER TO SCHEDULE REDELIVERY at MIDLAND, TX
USPS® Certified Mail	= 12-30-2024 11:17 AM	[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT USPS at MIDLAND, TX



Received by OCD: 1/2/2025 4:13:17 PM

Transaction Details

Recipient: Bureau of Land Manage 620 East Greene Street Carlsbad, NM 88220		Date Created: Date Mail Delivered: USPS Article Number: Return Receipt Article Number:	12/17/2024 10:26 AM 12/23/2024 2:44 PM 9314769904300129475717 9590969904300129475719
Sender:		Service Options:	Return Receipt
Sharon T. Shaheen			Certified Mail
Flat Creek (9015326.23)	02) Jawbone Well	Mail Service:	Certified
Spencer Fane, LLP		Reference #:	012
325 Paseo de Peralta		Postage:	\$1.77
Santa Fe, NM 87501-18	60	Certified Mail Fees:	\$8.95
		Status:	Delivered
Transaction created by:	Dortiz	Sender:	S, Shaheen
User ID:	32565	Contents:	Notice Letter
Firm Mailing Book ID:	None	Custom Field 2:	Flat Creek
Batch ID:	299150	Custom Field 3:	Jawbone Well

Transaction History

Event Description	Event Date	Details
USPS® Return Receipt	12-17-2024 11:14 AM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
USPS® Certified Mail	12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM AT SANTA FE,NM
USPS® Certified Mail	12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-18-2024 03:22 AM	USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2024 08:56 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK TX DISTRIBUTION CENTER
USPS® Certified Mail	12-20-2024 10:08 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK TX DISTRIBUTION CENTER
USPS® Certified Mail	12-21-2024 04:03 AM	[USPS] - DEPARTED USPS REGIONAL FACILITY at LUBBOCK TX DISTRIBUTION CENTER
USPS® Certified Mail	12-21-2024 09:58 AM	[USPS] - RESCHEDULED TO NEXT DELIVERY DAY at CARLSBAD,NM
USPS® Certified Mail	12-23-2024 02:44 PM	[USPS] - CERTIFIED MAIL DELIVERED LEFT WITH INDIVIDUAL at CARLSBAD, NM

Return Receipt (Form 3811) Barcode	COMPLETE THIS SECTION ON DELIVERY
9590 9699 0430 0129 4757 19	A. Signature Agent A. Signature Agent B. Received by (Printed Name) C. Date of Deliver D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
1. Article Addressed to: Bureau of Land Management 620 East Greene Street Carlsbad, NM 88220	
	3. Service Type: XI Certified Mail Certified Mail Restricted Delivery <u>Reference Information</u>
2. Certified Mail (Form 3800) Article Number 9314 7699 0430 0129 4757 17	
PS Form 3811, Facsimile, July 2015	Domestic Return Rece

Page 70 of 76

Recipient:		Date Created:	12/17/2024 10:26 AM
State Land Office		Date Mail Delivered:	12/20/2024 8:57 AM
310 Old Santa Fe Trail		USPS Article Number:	9314769904300129475724
Santa Fe, NM 87501		Return Receipt Article Number:	9590969904300129475726
Sender:		Service Options:	Return Receipt
Sharon T, Shaheen		·	Certified Mail
Flat Creek (9015326,230	02) Jawbone Weil	Mail Service:	Certified
Spencer Fane, LLP		Reference #:	013
325 Paseo de Peralta		Postage:	\$1.77
Santa Fe, NM 87501-18	60	Certified Mail Fees:	\$8.95
		Status:	Delivered
Transaction created by:	Dortiz	Sender:	S, Shaheen
User ID:	32565	Contents:	Notice Letter
Firm Mailing Book ID:	None	Custom Field 2:	Flat Creek
Batch ID:	299150	Custom Field 3:	Jawbone Well

Page 71 of 76

Transaction History

Event Description	Event Date	Details
USPS® Return Receipt	12-17-2024 11:14 AM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
USPS® Certified Mail	12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM
USPS® Certified Mail	12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS [®] Certified Mail	12-18-2024 04:54 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-19-2024 10:20 AM	[USPS] RESCHEDULED TO NEXT DELIVERY DAY at SANTA FE, NM
USPS® Certified Mail	12-20-2024 08:57 AM	[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT USPS at SANTA FE,NM

Return Receipt (Form 3811) Barcode	COMPLETE THIS SECTION ON DELIVERY
9590 9699 0430 0129 4757 26	A. Signature Agent A. Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
1. Article Addressed to: State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	
	3. Service Type: Certified Mail Certified Mail Restricted Delivery Reference Information
2. Certified Mail (Form 3800) Article Number 9314 7699 0430 0129 4757 24	*.
PS Form 3811, Facsimile, July 2015	Domestic Return Receip

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Returned / Undeliverable

Recipient:		Date Created:	12/17/2024 10:26 AM
Shogoil & Gas Co. II	, LLC	USPS Article Number:	9314769904300129475656
P.O. Box 29450		Return Receipt Article Number:	9590969904300129475658
Santa Fe, NM 87592	-9450		
		Service Options:	Return Receipt
Sender:			Certified Mail
Sharon T. Shaheen		Mail Service:	Certified
Flat Creek (9015326	.2302) Jawbone Well	Reference #:	006
Spencer Fane, LLP		Postage:	\$1.77
325 Paseo de Peralta	а	Certified Mail Fees:	\$8.95
Santa Fe, NM 87501	-1860	Status:	Undelivered - Forwarded
		Sender:	S. Shaheen
Transaction created	by: Dortiz	Contents:	Notice Letter
User ID:	32565	Custom Field 2:	Flat Creek

Custom Field 3:

Jawbone Well

Transaction History

299150

Firm Mailing Book ID: None

Batch ID:

Event Description	Event Date	Details
USPS® Return Receipt	12-17-2024 11:14 AM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
USPS® Certified Mail	12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM
USPS® Certified Mail	12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-18-2024 04:54 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-19-2024 10:39 AM	[USPS] - ARRIVAL AT UNIT at SANTA FE,NM
USPS® Certified Mail	12-19-2024 10:39 AM	[USPS] - ARRIVAL AT UNIT at SANTA FE,NM
USPS® Certified Mail	12-19-2024 10:40 AM	[USPS] - FORWARDED at SANTA FE,NM

Recipient: Lisha N. Davila Kovacev 3481 Hickory Court Marietta, GA 30062	<i>v</i> ic	Date Created: USPS Article Number: Return Receipt Article Number:	12/17/2024 10:26 AM 9314769904300129475663 9590969904300129475665
		Service Options:	Return Receipt
Sender:			Certified Mail
Sharon T. Shaheen		Mail Service:	Certified
Flat Creek (9015326.23	02) Jawbone Well	Reference #:	007
Spencer Fane, LLP		Postage:	\$1.77
325 Paseo de Peralta		Certified Mail Fees:	\$8.95
Santa Fe, NM 87501-18	60	Status:	Undelivered
		Sender:	S. Shaheen
Transaction created by:	Dortiz	Contents:	Notice Letter
User ID:	32565	Custom Field 2:	Flat Creek
Firm Mailing Book ID:	None	Custom Field 3:	Jawbone Well
Batch ID:	299150		

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Recipient: Oak Valley Mineral and P.O. Box 50820 Midland, TX 79710	Land, LP	Date Created: USPS Article Number: Return Receipt Article Number:	12/17/2024 10:26 AM 9314769904300129475700 9590969904300129475702
Sender:		Service Options:	Return Receipt Certified Mail
Sharon T. Shaheen		Mail Service:	Certified
Flat Creek (9015326.23)	02) Jawbone Well	Reference #:	011
Spencer Fane, LLP		Postage:	\$1.77
325 Paseo de Peralta		Certified Mail Fees:	\$8.95
Santa Fe, NM 87501-18	60	Status:	Undelivered
		Sender:	S. Shaheen
Transaction created by:	Dortiz	Contents:	Notice Letter
User ID:	32565	Custom Field 2:	Flat Creek
Firm Mailing Book ID:	None	Custom Field 3:	Jawbone Well
Batch ID:	299150		

Event Date	Details
12-17-2024 11:14 AM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
12-17-2024 01:42 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM
12-17-2024 09:36 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
12-17-2024 10:51 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
12-17-2024 10:52 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
12-20-2024 12:21 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
12-20-2024 02:07 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
	12-17-2024 11:14 AM 12-17-2024 01:42 PM 12-17-2024 09:36 PM 12-17-2024 10:51 PM 12-17-2024 10:52 PM 12-20-2024 12:21 AM

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 1006

Ad Number:	26860
Description:	Flat Creek Jawbone Wells
Ad Cost:	\$159.16

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

Sherry Dances

Agent

Subscribed to and sworn to me this 21th day of December 2024.

Leanne Kaufenberg, Netary Public, Redwood County

Leanne Kaufenberg, Netary Public (Redwood County Minnesota

> DAVID ORTIZ SPENCER FANE LLP 325 PASEO DE PERALTA SANTA FE, NM 87501-1860 dortiz@spencerfane.com

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted mineral owners:

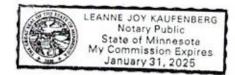
representatives, trustees, successors or assigns, and any other uncommitted mineral owners: WPX Energy Permian, LLC; EL Latham Co.; 1B4S Enterprises, LLC; Blue Hole Investments; A. G. Andrikopoulos Resources, Inc.; Shogoil & Gas Co. II, LLC; Lisha N. Davila Kovacevic; Concho Resources, Inc.; Concho Oil & Gas LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Bureau of LAT (PEEEV BECOURCES LLC her Gild as application with

FLAT CREEK RESOURCES, LLC has filed an application with the New Mexico Oil Conservation Division as follows:

Case No. 25046. Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a non-standard 1280-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of Section 2. Township 25 South, Range 26 East, and Section 35. Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: Jawbone Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1.050' FEL of Section 2. T25S-R26E, to a bottom hole location approximately 100' FNL and 770' FEL of Section 35, T24S-R26E; Jawbone Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1.070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2.55' FEL of Section 35, T24S-R26E; and Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1.156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2.55' FEL of Section 35, T24S-R26E; and Jawbone Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1.156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Applicant will seek administrative approval of the non-standard spacing unit. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the we

Mexico. These applications are set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on January 9, 2025, beginning at 9:00 a.m. Hearings are currently conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <u>https://www.emmrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or evidence at the hearing, you should enter your appearance by December 31, 2024, nine (9) days before the hearing due to the holiday, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicati's attorney, Sharon T. Shaheen, Spencer Fane LLP, 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678.

Published in the Carlsbad Current-Argus December 21, 2024. #26850



Released to Imaging: 1/2/2025 4:27:02 PM