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

APPLICATION OF 3R OPERATING LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22846, EDDY COUNTY, NEW MEXICO.

CASE NO. 25022 ORDER NO. R-22846

NOTICE OF AMENDED EXHIBITS

3R Operating LLC provides the attached amended exhibit packet, which includes a new

Compulsory Pooling Checklist.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com *Counsel for 3R Operating LLC*

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

APPLICATION OF 3R OPERATING LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22846, EDDY COUNTY, NEW MEXICO.

CASE NO. 25022 ORDER NO. R-22846

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Brian Van Staveren
A-1	Application and Proposed Notice of Hearing
A-2	Order Nos. R-22846 and R-22846-A
A-3	Plat of Tracts, Ownership Interests, Pooled Parties
A-4	Sample Well Proposal Letter and AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Notice Letter Sent December 11, 2024
B-2	Chart of Notice to All Interested Parties
B-3	Copies of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for December 14, 2024

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 25022	APPLICANT'S RESPONSE
Date: January 9, 2025	
Applicant	3R Operating LLC
Designated Operator & OGRID (affiliation if applicable)	3R Operating LLC (OGRID No. 331569)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of 3R Operating LLC to Pool Additional Interests
	Under Order No. R-22846, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	N/A
Well Family	Rena
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	
Pooling this vertical extent.	Wolfcamp
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Gas) Pool (Code 98220)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
	Quarter Section
Building Blocks:	
Orientation:	North to South
Description: TRS/County	W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is	No. A non-standard spacing unit was approved administratively.
approval of non-standard unit requested in this application?	
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
	Add wells as fielded
footages, completion target, orientation, completion status	
(standard or non-standard)	
Well #1	Rena 7 Fed Com 702H (API # pending)
	SHL: 309' FSL & 1837' FEL of Section 6, T23S-R26E
	BHL: 330' FSL & 1900' FWL of Section 18, T23S-R26E
	Completion Target: Wolfcamp (Approx. 8,511' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits B-1, B-2, B-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List	
(including lease numbers and owners) of Tracts subject to notice	
requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3

Ownership Depth Severance (including percentage above & below)	
	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B in Case No. 23589
Spacing Unit Schematic	Exhibit A-6 in Case No. 23589
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2 in Case No. 23589
Well Orientation (with rationale)	Exhibit B in Case No. 23589
Target Formation	Exhibits B-2, B-6 in Case No. 23589
HSU Cross Section	Exhibits B-5 and B-6 in Case No. 23589
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-6 in Case No. 23589
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1 in Case No. 23589
Well Bore Location Map	Exhibit A-6 in Case No. 23589
Structure Contour Map - Subsea Depth	Exhibit B-3 in Case No. 23589
Cross Section Location Map (including wells)	Exhibit B-5 in Case No. 23589
Cross Section (including Landing Zone)	Exhibits B-5 and B-6 in Case No. 23589
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in	this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	1/9/2025

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

APPLICATION OF 3R OPERATING LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22846, EDDY COUNTY, NEW MEXICO.

CASE NO. 25022 ORDER NO. R-22846

SELF-AFFIRMED STATEMENT OF BRIAN VAN STAVEREN

1. I am employed by 3R Operating LLC ("3R") as a landman. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with 3R's application and with the land matters involved in this case.

Copies of the application and proposed hearing notice are attached as Exhibit A-1.

- 3. None of the parties in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
 - 4. The Division entered Order No. R-22846 in Case No. 23589 on August 25, 2023.
- 5. The order pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, non-standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit")¹ and dedicated the Unit to the Rena 7 Fed Com 702H well ("Well").

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

6. On September 19, 2024, the Division issued Order No. R-22846-A, extending the deadline to commence drilling the Well until August 25, 2025.

Copies of Order No. R-22846 and Order No. R-22846-A are attached as Exhibit
 A-2.

8. Since the orders were entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled under the terms of Order No. R-22846.

9. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of Order No. R-22846, which are highlighted in yellow.

10. **Exhibit A-4** is a sample well proposal letter and AFE that I sent to the additional parties to be pooled under the terms of Order No. R-22846.

11. Applicant has conducted a diligent search of county public records, including phone directories, computer databases, and internet searches, to identify addresses and contact information for each interest owner it seeks to pool.

12. In my opinion, 3R has made a good-faith effort to reach voluntary joinder as indicated by the chronology of contacts described in **Exhibit A-5**.

13. 3R requests that the additional uncommitted interests be pooled into the Unit pursuant to the terms of Order No. R-22846.

14. 3R requests the other provisions of Order No. R-22846 remain in force and effect.

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

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

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

Brian van Staveren

 $\frac{12/10}{\text{Date}}$

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

APPLICATION OF 3R OPERATING LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22846, EDDY COUNTY, NEW MEXICO.

CASE NO. 25022 ORDER NO. R-22846

APPLICATION

3R Operating LLC (OGRID No. 331569), as successor in interest to Flat Creek Resources, LLC, ("Applicant") files this application with the Oil Conservation Division ("Division") seeking to pool additional interests under Order No. R-22846. In support of this application, Applicant states the following.

1. The Division entered Order No. R-22846 in Case No. 23589 on August 25, 2023.

2. The Order pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, non-standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit")¹ and dedicated the Unit to the Rena 7 Fed Com 702H well ("Well").

3. Order No. R-22846 designated Applicant as operator of the Unit and Well.

4. On September 19, 2024, the Division issued Order No. R-22846-A, pooling additional uncommitted interests under the terms of Order No. R-22846 and extending the deadline to commence drilling the Well until August 25, 2025.

5. Since Order No. R-22846-A was entered, Applicant has identified additional uncommitted interests in the Unit that have not been pooled.

3R Operating LLC Case No. 25022 Exhibit A-1

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

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

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of Order No. R-22846.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on January 9, 2025, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Order No. R-22846.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com *Attorneys for 3R Operating LLC* Application of 3R Operating LLC to Pool Additional Interests Under Order No. R-22846, Eddy County, New Mexico. 3R Operating LLC, as successor in interest to Flat Creek Resources,

LLC, ("Applicant") seeks to pool additional interests under Order No. R-22846 ("Order"). The Order: (1) pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, non-standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Rena 7 Fed Com 702H well ("Well"); and designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 4 miles southwest of Carlsbad, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY FLAT CREEK RESOURCES, LLC

CASE NO. 23589 ORDER NO. R-22846

ORDER

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

FINDINGS OF FACT

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

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

3R Operating LLC Case No. 25022 Exhibit A-2

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
- 22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23589 ORDER NO. R-22846 Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

CASE NO. 23589 ORDER NO. R-22846

- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAŇM FIGE

Date: 8/25/2023

DYLANM EV DIRECTOR DMF/hat

CASE NO. 23589 ORDER NO. R-22846

Exhibit A

ALL INFORMATION IN THE APPLICATION MUST	RE SUPPORTED BY SIGNED AFEIDAVITS
Case: 23589	APPLICANT'S RESPONSE
Date	July 20, 2023
Applicant	Flat Creek Resources, LLC
Designated Operator & OGRID (affiliation if applicable)	374034
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen)
Case Title:	Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Rena 7 Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	PURPLE SAGE; WOLFCAMP (GAS) [98220]
Well Location Setback Rules:	Purple Sage special pool rules and statewide rules, as applicable
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres, more or less
Alternative Size (Acres)	600 acres, more or less
Building Blocks:	Quarter section (160 ac)
Orientation:	North-South
Description: TRS/County	W/2 of Sections 7 and 18, Township 23 South, Range 26 East in Eddy County, NM
Alternative Description: TRS/County	W/2 of Section 7, the NW/4 of Section 18, the W/2 of the SW4 of Section 18, and the NE/4 of the SW/4 of Section 18, Township 23 South, Range 26 East in Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No. Approval of a non-standard unit is not requested in this application. Applicant will seek administrative approval.
Other Situations	
Depth Severance: Y/N. If yes, description	No

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Applicant's Ownership in Each Tract	Tract 1: 100.0%; Tract 2: 15.51%; Tract 3: 18.75%; Tract 4: 9.29%; Tract 5: 100.0%; Tract 6: 100.0%; Tract 7: 0.0%; see Exhibits A-3 and 4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Rena 7 Fed Com 702H, API No. Pending SHL: 309' FSL and 1837' FEL of Section 6, T23S-R26E, NMPM BHL: 330' FSL and 1900' FWL of Section 18, T23S-R26E, NMPM Completion Target: Wolfcamp X at approx. 8,511' Well Orientation: North to South Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~385' FNL and 1900' FWL of Section 7, T23S-R26E) LTP (~330' FSL and 1900' FWL of Section 18, T23S-R26E)
Alternative Well #1	Rena 7 State Com 702H, API No. Pending SHL: 309' FSL and 1837' FEL of Section 6, T23S-R26E, NMPM BHL: 1420' FSL and 1645' FEL of Section 18, T23S-R26E, NMPM Completion Target: Wolfcamp X at approx. 8,511' Well Orientation: North to South Completion location expected to be standard
Alternative Horizontal Well First and Last Take Points	FTP (~385' FNL and 1900' FWL of Section 7, T23S-R26E) LTP (~1650' FSL and 1900' FWL of Section 18, T23S-R26E)
Completion Target (Formation, TVD and MD)	Wolfcamp X - TVD (~8,511'), MD (~18,384')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 24
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 24
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; <i>see</i> Exhibit A, ¶ 25
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 and A-3; see also Exhibit A-4
Tract List (including lease numbers and owners)	See Exhibits A-2 and A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	See parties highlighted in yellow in Exhibit A-4
Unlocatable Parties to be Pooled	See Exhibit A-5
Ownership Depth Severance (including percentage above & below)	None
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y OCD: 7/18/2023 6:41:09 PM		Page 1.
Sample Copy of Proposal Letter	Exhibit A-7	
ist of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	n/a	
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7	
Cost Estimate to Equip Well	See AFE at Exhibit A-7	
Cost Estimate for Production Facilities	See AFE at Exhibit A-7	
Geology		
Summary (including special considerations)	Exhibit B, ¶¶ 5-15; see Exhibits B-1 through B-8	
Spacing Unit Schematic	See Exhibit A-6	
Sunbarrel/Lateral Trajectory Schematic	Exhibit B-2	
Well Orientation (with rationale)	Exhibit B, ¶ 13	
Target Formation	Exhibits B-2 and B-6	
HSU Cross Section	Exhibits B-5 and B-6	
Depth Severance Discussion	n/a; see Exhibit A, ¶ 17	
Forms, Figures and Tables		
C-102	Exhibit A-6	
Fracts	Exhibit A-3; see Exhibit A-4	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3; see Exhibit A-4	
General Location Map (including basin)	Exhibits A-1 and B-1	
Well Bore Location Map	Exhibit A-6	
Structure Contour Map - Subsea Depth	Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-5	
Cross Section (including Landing Zone)	Exhibits B-5 and B-6	
Additional Information		
Special Provisions/Stipulations	None	
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen	
Signed Name (Attorney or Party Representative):	Shown I Shakeen	
Date:	7/18/2023	

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CASE NO. 23589 ORDER NO. R-22846

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY 3R OPERATING LLC

CASE NO. 24630 ORDER NO. R-22846-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 25, 2024, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. 3R Operating, LLC ("Operator") submitted an application ("Application") requesting an extension to drill the well(s) as required by Order R-22846, as amended ("Order").
- 2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
- 3. Operator has demonstrated good cause to extend the deadlines in the Order.
- 4. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

<u>ORDER</u>

- 8. The period to drill the well(s) is extended until August 25. 2025.
- 9. This Order shall terminate automatically if Operator fails to comply with Paragraph 8 unless prior to termination Operator applies, and OCD grants, to amend the Order for good cause shown.
- 10. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

11. The remaining provisions of the Order remain in force or effect.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

 \subset France

Date: <u>9/19/2024</u>

GERASIMOS RAZATOS DIRECTOR (Acting) GR/jag

CASE NO. 24630 ORDER NO. R-22846-A

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EXHIBIT A-3 W/2 of Sections 7 and 18, T23S-R26E Eddy County, New Mexico

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3R Operating LLC Case No. 25022 Exhibit A-3

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TRACT 1 – Lot 1 and the NE/4 NW/4 of Section 7, T23S-R26E – 79.23 acres

Ridge Runner AssetCo II, LLC - 100%

TRACT 2 – Lot 2 and the SE/4 NW/4 of Section 7, T23S-R26E – 79.30 acres

Ridge Runner AssetCo II, LLC – 23.777778% Juniper Investments, LLC – 14.285714% Ridge Runner AssetCo II, LLC – 7.071430% MDC Partners, LLC – 1.571429% Estate of John Hill, deceased – 1.309524% Ridge Runner AssetCo II, LLC – 15.833333% Montego Capital Fund 3, Ltd. – 0.833333% Pete M. Turner – 3.392857% Michael C. Currier and Missi Currier Barton - 3.392857% Jackie Louise Reid and husband, Johnny L. Reid – 2.544643% William Benjamin Baldwin – 0.848214% Paulette Burkham - 3.392857% Estate of James Alvin Davis, deceased – 3.392857% Patricia Ann Davis – 3.392857% Charlotte Susan Baxley – 3.392857% Robert Allen Davis – 3.392857% First Baptist Church of Carlsbad - 1.428571% Ridge Runner AssetCo II, LLC – 0.595238% Ridge Runner AssetCo II, LLC – 1.339286% David Charles Krattiger – 2.380952% Estate of Paul Julian Casabonne, deceased – 0.198413% Regina Casabonne – 0.198413% Melinda Nell Jones – 0.198413% Estate of John Larry Casabonne, deceased – 0.099206% Chelsea Casabonne Trust – 0.049603% Alana Casabonne Trust - 0.049603% Helen Disque – 0.793651% Warrior Exploration, LLC – 0.066138% Dale Douglas and wife, Renee R. Douglas – 0.099206% James E. Geitgey – 0.099206% James R. Smith and wife, Kendall C. Smith - 0.066138% Timothy D. Lilley and wife, Tashina A. Lilley – 0.033069% Ridge Runner AssetCo II, LLC – 0.033069%

TRACT 3 – Lots 3 and 4 and the E/2 SW/4 of Section 7, T23S-R26E – 159.84 acres

Ridge Runner AssetCo II, LLC – 19.50% Ridge Runner AssetCo II, LLC – 18.750% Springbrook Energy Partners II, LLC – 36.750% Estate of Henry H. Grandi, deceased – 25.00%

TRACT 4 - Lots 1 and 2 and the NE/4 NW/4 of Section 18, T23S-R26E - 119.01 acres

Ridge Runner AssetCo II, LLC – 55.481481% Ridge Runner AssetCo II, LLC – 1.388889% Ridge Runner AssetCo II, LLC – 4.166667% David Charles Krattiger - 5.555556% Estate of Paul Julian Casabonne, deceased – 0.308642% Regina Casabonne - 0.308642% Melinda Nell Jones – 0.308642% Estate of John Larry Casabonne, deceased – 0.308642% Chelsea Casabonne Trust – 0.308642% Alana Casabonne Trust – 0.308642% Helen Disque - 1.851852% Ridge Runner AssetCo II, LLC – 0.077160% **Timothy D. Lilley and wife, Tashina A Lilley – 0.077160%** James R. Smith and wife, Kendall C. Smith – 0.154321% Warrior Exploration, LLC – 0.154321% Dale Douglas and wife, Renee R. Douglas – 0.231481% James R. Geitgey – 0.231481% Montego Capital Fund 3, Ltd. – 0.277778% Ridge Runner AssetCo II, LLC – 5.277778% Estate of John Hill, deceased – 3.055556% Ridge Runner AssetCo II, LLC – 16.50% MDC Partners, LLC – 3.666667%

TRACT 5 - SE/4 NW/4 of Section 18, T23S-R26E - 40.00 acres

Ridge Runner AssetCo II, LLC - 100%

TRACT 6 – Lots 3 and 4 and the NE/4 SW/4 of Section 18, T23S-R26E – 119.15 acres Ridge Runner AssetCo II, LLC – 100%

<u>TRACT 7 – SE/4 SW/4 of Section 18, T23S-R26E – 40.00 acres</u> XTO Holdings, LLC – 50.00% Apache Corporation – 50.00%

*Parties to be pooled are highlighted in yellow. *Released to Imaging: 1/10/2025 3:16:00 PM*

RECAPITULATION

W/2 of Sections 7 and 18, T23S-R26E Eddy County, New Mexico

Ridge Runner AssetCo II, LLC – 68.669523% Juniper Investments, LLC – 1.779739% MDC Partners, LLC - 0.881316% Estate of John Hill, deceased – 0.734430% Montego Capital Fund 3, Ltd. – 0.155753% Pete M. Turner – 0.422688% Michael C. Currier and Missi Currier Barton - 0.4422688% Jackie Louise Reid and husband, Johnny L. Reid - 0.317016% William Benjamin Baldwin – 0.105672% Paulette Burkham – 0.422688% Estate of James Alvin Davis, deceased – 0.422688% Patricia Ann Davis – 0.422688% Charlotte Susan Baxley – 0.422688% Robert Allen Davis – 0.422688% First Baptist Church of Carlsbad – 0.177974% David Charles Krattiger - 1.335328% Estate of Paul Julian Casabonne, deceased – 0.082424% Regina Casabonne – 0.082424% Melinda Nell Jones – 0.082424% Estate of John Larry Casabonne, deceased – 0.070065% Chelsea Casabonne Trust – 0.063885% Alana Casabonne Trust – 0.063885% Helen Disque - 0.445109% Warrior Exploration, LLC – 0.037092% Dale Douglas and wife, Renee R. Douglas – 0.055639% James E. Geitgey – 0.055639% James R. Smith and wife, Kendall C. Smith – 0.037092% Timothy D. Lilley and wife, Tashina A. Lilley – 0.018546% Springbrook Energy Partners II, LLC – 9.228347% Estate of Henry H. Grandhi, deceased – 6.277787% XTO Holdings, LLC – 3.142036% Apache Corporation – 3.142036% Total – 100%

Brian van Staveren Land Advisor bvanstaveren@3ROperating.com



20405 State Highway 249 Suite 820 Houston, TX 77070

October 14, 2024

James E. Geitgey 6804 Island Circle Midland, TX 79707

Re: Well Proposal Rena 7 Fed Com 702H Sections 7 and 18, Township 23 South, Range 26 East Eddy County, New Mexico

Dear Working Interest Owner,

3R Operating, LLC, as Operator and on behalf of Ridge Runner Resources II, LLC, proposes to drill and complete the Rena 7 Fed Com 702H well (the "Well") as a horizontal well to an approximate True Vertical Depth of 8,500', and an approximate Total Measured Depth of 19,000', as a Wolfcamp formation horizontal test.

The estimated cost of drilling, completing and equipping the Well is \$10,810,341 (the "Estimated Well Costs"), as itemized on the enclosed Authorization for Expenditure (the "AFE").

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to 3R Operating, LLC within thirty (30) days following receipt of this Well Proposal.

3R Operating, LLC is also willing to discuss alternatives such as leasing your minerals to 3R Operating, LLC instead of participating with your interest in the Well.

If you have any questions concerning this proposal please do not hesitate to contact me at (432) 254-8866 or at <u>bvanstaveren@3roperating.com</u>.

3R Operating LLC Case No. 25022 Exhibit A-4 Brian van Staveren Land Advisor bvanstaveren@3ROperating.com



20405 State Highway 249 Suite 820 Houston, TX 77070

Sincerely,

3R Operating, LLC

Brian van Staveren Land Advisor

Ridge Runner Resources II

Statement of Estimated Well Cost (100%)

Field junct junct <th< th=""><th></th><th>Well</th><th>Rena 7 Fed Com</th><th>702H</th><th></th><th>PROP #:</th><th></th></th<>		Well	Rena 7 Fed Com	702H		PROP #:	
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2530-600 Nonoperated \$0							£135.000
							\$125,000
	2530-000						

2530-999	Accruals		\$0	
	TOTAL COMPLETION COST - TANGIBLES		\$1,320,000	\$1,320,000
	COMPLETION COSTS: INTANGIBLES			
2520-100	Roads/Location		\$5,000	\$5,000
2520-120	Perforating Services		\$267,000	\$267,000
2520-125	Equipment Rental		\$120,000	\$120,000
2520-135	Bonds, Permits and Inspection		\$2,000	\$2,000
2520-145	Completion Unit		\$250,000	\$250,000
2520-150	Frac Plugs		\$54,000	\$54,000
2520-155	Mud and Chemicals		\$30,000	\$30,000
2520-160	Cementing Services		\$0	
2520-165	Acidizing and Fracturing		\$3,024,000	\$3,024,000
2520-170	Supervision/Consulting		\$100,000	\$100,000
2520-175	Casing and Other Tangible Crew		\$0	
2520-190	Cuttings/Fluids Disposal		\$15,000	\$15,000
2520-200	Drill Bits		\$40,000	\$40,000
2520-210	Surface Damages/ROW		\$0	,
2520-215	Contract Labor and Services		\$150,000	\$150,000
2520-230	Pump/Vacuum Trucks		\$10,000	\$10,000
2520-235	Reclamation		\$0	
2520-245	Fishing Tools and Services		\$0	
2520-250	Well Testing		\$112,000	\$112,000
2520-255	Trucking and Hauling		\$0	,
2520-260	Wireline Services		\$5,500	\$5,500
2520-270	Camp Expenses		\$15,000	\$15,000
2520-275	Coiled Tubing Services		\$0	
2520-280	Frac Water		\$950,000	\$950,000
2520-285	Contingencies		\$325,975	\$325,975
2520-290	Environmental		\$50,000	\$50,000
2520-300	Overhead		\$0	
2520-350	Insurance		\$0	
2520-600	Nonoperated		\$0	
2520-700	Impairment		\$0	
2520-999	Accruals		\$0	
	TOTAL COMPLETION COST - INTANGIBLES		\$5,525,475	\$5,525,475
	TOTAL WELL COST	\$3,964,866	\$6,845,475	\$10,810,341
AFE is for	TOTAL WELL COST	. , ,	Ф 0,0-5 , -7 5	010,010,341

Approved by:

Brian Cassens / Scott German

Approved by:

Approved by:

Date:

Date:

Date:

EXHIBIT A-5 Contact Log

Owner Name	Date Mailed	Date Received	Former Status	Notes	Current Status
Arroyo Energy Fund II, LP	4/10/2024	4/24/2024	Unleased/Unpooled	Delivered to Patsy Brown and later acquired by Arroyo.	Leased by RRR. Recorded at 1189/1144
B&J Resources, LLC	4/10/2024	4/24/2024	Unleased/Unpooled	01/09/2024 - Started conversation with title concern.	Leased by RRR. Currently recording in
				06/06/2024 - Made lease offer.	Eddy County.
				10/17/2024 - Reproposed wells.	
				10/21/2024 - Reproposal received.	
Dale Douglas and wife, Renee R. Douglas	4/10/2024	4/24/2024	Unleased/Unpooled	04/18/2024 - Received email and returned email; spoke on	Unleased and Unpooled.
				the phone.	
				06/13/204 - Made offer to buy or lease.	
				10/17/2024 - Reproposed wells. No response.	
James E. Geitgey	4/10/2024	4/24/2024	Unleased/Unpooled	06/11/2024 - Spoke on the phone.	Unleased and Unpooled.
				06/13/2024 - Made offer to buy or lease.	
				10/17/2024 - Reproposed wells.	
				10/29/2024 - Reprosoal received; no response.	
James R. Smith and wife, Kendall C. Smith	4/10/2024	5/7/2024	Unleased/Unpooled	05/14/2024 - Signed Post Office Tracking Number	Unleased and Unpooled.
				9589071052700313509112.	
				06/10/2024 - Called.	
				10/17/2024 - Reprosed wells.	
				10/29/2024 - Reproposal received; no response.	
Timothy D. Lilley and wife, Tashina A. Lilley	4/10/2024	4/24/2024	Unleased/Unpooled	04/15/2024 - Received email that was returned by phone	Unleased and Unpooled.
				call and follow-up email.	
				04/25/2024 - Sent lease as requested by owner; no	
				response.	
				10/17/2024 - Reproposed wells; no response.	
Warrior Exploration, LLC	4/10/2024	4/24/2024	Unleased/Unpooled	04/17/2024 - Received email from Maner Shaw. Ownership	Unleased and Unpooled.
				transferred to Warrior Exploration effective 04/04/2024;	
				signed AFEs to participate.	
				12/10/2024 - Spoke with Maner Shaw by phone; agreed to	
				be compulsory pooled.	
Xplor Resources, LLC	N/A	N/A	Unleased/Unpooled	10/10/2023 - Agreed to be compulsory pooled.	Acquired by RRR via Term Assignment.
				10/29/2024 - Agreed to Term Assignment with RRR, recorded	
				at 1189/1146.	

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

APPLICATION OF 3R OPERATING LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22846, EDDY COUNTY, NEW MEXICO.

CASE NO. 25022 ORDER NO. R-22846

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

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

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

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

4. Copies of the certified mail green cards and white slips are attached as **Exhibit B**-

3 as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On December 14, 2024, I caused a notice to be published in the Carlsbad Current -Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current - Argus along with a copy of the notice publication, is attached as **Exhibit B-4**.

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

/s/ Dana S. Hardy Dana S. Hardy December 26, 2024 Date

> 3R Operating LLC Case No. 25022 Exhibit B



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

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

hinklelawfirm.com

December 11, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 25020, 25021, 25022, and 25023 – Applications of 3R Operating LLC to Pool Additional Interests Under Order Numbers R-22844, R-22845, R-22846, and R-22847, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. A hearing on these applications will be conducted on **January 9**, 2025, beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.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 by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

If you have any questions about this application, please contact Brian van Staveren, Landman at 3R Operating LLC, via e-mail at bvanstaveren@3ROperating.com.

Sincerely, **3R Operating LLC** /s/ Dana S. Hardy Case No. 25022 Dana S. Hardy Exhibit B-1 PO BOX 10 7601 JEFFERSON ST NE · SUITE 180 PO BOX 2068 ROSWELL, NEW MEXICO 88202 ALBUQUERQUE, NEW MEXICO 87109 SANTA FE, NEW MEXICO 87504 (505) 982-4554 (575) 622-6510 505-858-8320 FAX (575) 623-9332 (FAX) 505-858-8321 FAX (505) 982-8623

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

APPLICATIONS OF 3R OPERATING LLC TO POOL ADDITIONAL INTERESTS UNDER ORDER NOS. R-22844, R-22845, R-22846, & CASE NOS. 25020, 25021, R-22847 EDDY COUNTY, NEW MEXICO. 25022, & 25023

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
James E. Geitgey	12-11-2024	USPS Tracking 12-26-
6804 Island Circle	9589071052702305986345	2024: Item delivered
Midland, TX 79707		12-14-2024
James R. Smith and wife, Kendall C.	12-11-2024	USPS Tracking 12-26-
Smith	9589071052702305986352	2024: Item delivered
PO Box 50601		12-23-2024
Midland, TX 79710		
Timothy D. Lilley and wife, Tashina A.	12-11-2024	USPS Tracking 12-26-
Lilley	9589071052702305986369	2024: Redelivery
7568 Preservation Trail		scheduled.
Parker, CO 80134		
Dale Douglas and wife, Renee R.	12-11-2024	USPS Tracking 12-26-
Douglas	9589071052702305986376	2024: Item in transit.
1 Saddle Club Drive		
Midland, TX 79705		
Warrior Exploration, LLC	12-11-2024	USPS Tracking 12-26-
505 N. Big Springs, Ste. 404	9589071052702305986383	2024: Item delivered
Midland, TX 79701		12-14-2024

3R Operating LLC Case No. 25022 Exhibit B-2



3R Operating LLC Case No. 25022 Exhibit B-3

FAQs >

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Remove X

Tracking Number: 9589071052702305986345

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 1:47 pm on December 14, 2024 in MIDLAND, TX 79707.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered Delivered, Left with Individual MIDLAND, TX 79707 December 14, 2024, 1:47 pm

In Transit to Next Facility December 13, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 December 11, 2024, 10:26 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101

December 11, 2024, 9:38 pm

Hide Tracking History

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

Feedback

22	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
9	For delivery information, visit our website at www.usps.com .
9863	Certified Mail Fee
2305	Extra Services & Fees (check bax, add fee at appropriate) Return Receipt (hardcopy)
5270	Return Roceipt (electronic) S Certified Mail Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery S Adult Signature Restricted Delivery
	s
DILO	Total Postage and Fees \$ USPS
1589	Sent To James R. Smith and wife, Street ar, Kendall C. Smith PO Box 50601 City, Stat Midland, TX 79710 25020-25023 3R - Rena
	PS Form 3800, January 2023 PSN 7830-02-000-9047 See Reverse for Instructions

FAQs >

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Remove X

Tracking Number: 9589071052702305986352

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was picked up at a postal facility at 1:05 pm on December 23, 2024 in MIDLAND, TX 79705.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered Delivered, Individual Picked Up at Postal Facility MIDLAND, TX 79705 December 23, 2024, 1:05 pm

In Transit to Next Facility December 15, 2024

Departed USPS Facility ALBUQUERQUE, NM 87101 December 11, 2024, 10:26 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101

December 11, 2024, 9:38 pm

Hide Tracking History

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

Feedback

64	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
m	For delivery information, visit our website at www.usps.com
96	
5	FE, NM
S	Certified Mail Fee
	s in the second s
m	Extra Services & Fees icheck bas, add fee as aparophate)
LU.	Return Receipt (hardcopy) S Postmark
-	Certified Mail Restricted Delivery 5 DEC 1 11-2024
5270	Adult Signature Restricted Delivery \$
5	Postage
	s i i i i i i i i i i i i i i i i i i i
0770	Total Postage and Fees
2	11005
	Sent To
0	Timothy D. Lilley and wife. Street an Tashina A. Lilley
589	Street an Tashina A. Lilley 7568 Preservation Trail
5	City, Stai Parker, CO 80134
	25020-25023 3R - Rena
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

FAQs >

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Remove X

Tracking Number: 9589071052702305986369

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

The customer has requested that the Postal Service redeliver this item on December 18, 2024 in PARKER, CO 80134.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Processing at Destination Redelivery Scheduled

PARKER, CO 80134 December 17, 2024

Available for Pickup

PARKER 18695 PONY EXPRESS DR PARKER CO 80134-9992 M-F 0830-1800; SAT 0900-1200 December 14, 2024, 4:10 pm

Notice Left (No Authorized Recipient Available)

PARKER, CO 80134 December 14, 2024, 11:28 am

In Transit to Next Facility December 13, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101

Feedback

76	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
E	For delivery information, visit our website at www.usus.com
9863	OFFICIAL
ŝ	Certified Mail Fee
BB	Extra Services & Fees (check box, add fae as appropriate)
ru	Return Receipt (hardcopy) \$
	Certified Mail Restricted Delivery \$
r	Adult Signature Required \$
5270	Adult Signature Restricted Delivery \$
	Postage
	S Total Postage and Fees
0770	USPS
	Sent To
	Dale Douglas and wife, Street and A Renee R. Douglas
9589	1 Saddle Club Drive
5	City, State, . Midland, TX 79705 25020-25023 3B - Rena
	PS Form 3800, January 2023 PSN 7530 02:000-9047 See Reverse for Instructions

FAQs >

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Remove X

Feedback

Tracking Number: 9589071052702305986376

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered

Out for Delivery

Preparing for Delivery

Moving Through Network

In Transit to Next Facility

December 15, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 December 11, 2024, 10:26 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 December 11, 2024, 9:38 pm

Hide Tracking History



FAQs >

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Remove X

Feedback

Tracking Number: 9589071052702305986383

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 9:41 am on December 14, 2024 in MIDLAND, TX 79701.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered Delivered, Left with Individual MIDLAND, TX 79701 December 14, 2024, 9:41 am

See All Tracking History

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

Text & Email Updates	\checkmark
USPS Tracking Plus®	\checkmark
Product Information	\checkmark
See Less 🔨	
Track Another Package	

AFFIDAVIT OF PUBLICATION

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

STATE OF NEW MEXICO SS COUNTY OF EDDY

Account Number: 94

Ad Number:	25930
Description:	3R - Rena
Ad Cost:	\$173.19

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 14, 2024

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

Sherry Dances Agent

Subscribed to and sworn to me this 14th day of December 2024.

Laun Vau Santas

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

PUBLIC NOTICE

This is to notify all interested parties, including James E. Geitgey; James R. Smith and wife, Kendall C. Smith; Timothy D. Lilley and wife, Tashina A. Lilley; Dale Douglas and wife, Renee R. Douglas; Warrior Exploration, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on the applications submitted by 3R Operating, LLC (Case Numbers 25020, 25021, 25022, and 25023). The hearing will be conducted on January 9, 2025, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505, To Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emrd.nm.gov/ocd/hearing-info/. In Case No. 25020, 3R Operating LLC, as successor in interest to Flat Creek Resources, LLC, ("Applicant") seeks to pool additional interests under Order No. R 22844 ("Order"). The Order: (1) pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit"): dedicated the Unit to the Rena 7 Fed Com 601H well ("Well"); and designated Applicant as operator of the Unit and Well. Since and designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the

terms of the Order. In Case No. 25021, Applicant seeks to pool additional interests under Order No. R 22845 ("Order"). The Order: (1) pooled uncommitted interests in the Bone Spring formation underlying a uncommuted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Rena 7 Fed Com 603H well ("Well"); and designated Applicant as operator of the Unit and Well. Since the Order was entered Applicant has identified additional uncommitted interests entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

In Case No. 25022, Applicant seeks to pool additional interests under Order No. R 22846 ("Order"). The Order: (1) pooled uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, non-standard horizontal spacing unit commissed of the W/2 of Sequence 7 and 18. Tournethin 23 South comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Rena 7 Fed Com 702H well ("Well"); and designated Applicant as operator of the Unit and Well. Since the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

In Case No. 25023, Applicant seeks to pool additional interests under Order No. R 22847 ("Order"). The Order: (1) pooled uncommitted interests in the Wolfcamp formation underlying a of the E/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Rena 7 Fed Com 704H well ("Well"); and designated Applicant as operator of the Unit and Well. Since the Order was entered. Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

The Wells are located approximately 4 miles southwest of Carlsbad, New Mexico.

Published in the Carlsbad Curent-Argus December 14, 2024. #25930



LEANNE JOY KAUFENBERG Notary Public State of Minnesota My Commission Expires January 31, 2025

3R Operating LLC Case No. 25022 Exhibit B-4

CARA DOUGLAS HINKLE SHANOR, LLP PO BOX 2068 Santa Fe, NM 87504 cdouglas@hinklelawfirm.com