

**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

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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

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:	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
Building Blocks:	Quarter Section
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 <u>and is approval of non-standard unit requested in this application?</u>	No. A non-standard spacing unit was approved administratively.
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, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
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
Unlocatable Parties to be Pooled	N/A

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.

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

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.

7. 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

12/10/2024

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.

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.

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

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

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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

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

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

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

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M FUGE

DIRECTOR
DMF/hat

Date: 8/25/2023

CASE NO. 23589
ORDER NO. R-22846

Exhibit A

Received by OCD: 7/18/2023 6:41:09 PM

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
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
Proximity Tracts: If yes, description	n/a
Proximity Defining Well: if yes, description	n/a

Released to Imaging: 7/19/2023 8:00:53 AM

CASE NO. 23589
ORDER NO. R-22846

Applicant's Ownership in Each Tract	Tract 1: 100.0%; Tract 2: 15.51%; Tract 3: 18.75%; Tract 4: 9.29%; Tract 5: 100.0%; Tract 6: 100.0%; Tract 7: 0.0%; see Exhibits A-3 and A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Rena 7 Fed Com 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%; see Exhibit A, ¶ 25
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 and A-3; see also Exhibit A-4
Tract List (including lease numbers and owners)	See Exhibits A-2 and A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	See parties highlighted in yellow in Exhibit A-4
Unlocatable Parties to be Pooled	See Exhibit A-5
Ownership Depth Severance (including percentage above & below)	None
Joinder	

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

**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.

ORDER

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**



GERASIMOS RAZATOS
DIRECTOR (Acting)
GR/jag

Date: 9/19/2024

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

Page 2 of 2

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

1	1		7
2	2		
3	3		
3	3		
4	4		18
4	5		
6	6		
6	7		

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

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. Geitgev – 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%

*Parties to be pooled are highlighted in yellow.

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%

TRACT 7 – SE/4 SW/4 of Section 18, T23S-R26E – 40.00 acres

XTO Holdings, LLC – 50.00%
Apache Corporation – 50.00%

*Parties to be pooled are highlighted in yellow.

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 bvanstaveren@3roperating.com.

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%)

Well	Rena 7 Fed Com 702H
Field	
County, State:	Eddy
BHL:	Horizontal WCXY
Proposed TD:	19,000 MD 8,500 TVD
Normal Pressure?	Yes

PROP #: _____
 WI #: _____
 NRI #: _____
 AFE #: 124001

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

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

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

Approved by: _____
 Brian Cassens / Scott German

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____

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. 06/06/2024 - Made lease offer. 10/17/2024 - Reproposed wells. 10/21/2024 - Reproposal received.	Leased by RRR. Currently recording in Eddy County.
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 the phone. 06/13/2024 - Made offer to buy or lease. 10/17/2024 - Reproposed wells. No response.	Unleased and Unpooled.
James E. Geitgey	4/10/2024	4/24/2024	Unleased/Unpooled	06/11/2024 - Spoke on the phone. 06/13/2024 - Made offer to buy or lease. 10/17/2024 - Reproposed wells. 10/29/2024 - Reprosoal received; no response.	Unleased and Unpooled.
James R. Smith and wife, Kendall C. Smith	4/10/2024	5/7/2024	Unleased/Unpooled	05/14/2024 - Signed Post Office Tracking Number 9589071052700313509112. 06/10/2024 - Called. 10/17/2024 - Reprosed wells. 10/29/2024 - Reproposal received; no response.	Unleased and Unpooled.
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 call and follow-up email. 04/25/2024 - Sent lease as requested by owner; no response. 10/17/2024 - Reproposed wells; no response.	Unleased and Unpooled.
Warrior Exploration, LLC	4/10/2024	4/24/2024	Unleased/Unpooled	04/17/2024 - Received email from Maner Shaw. Ownership 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.	Unleased and Unpooled.
Xplor Resources, LLC	N/A	N/A	Unleased/Unpooled	10/10/2023 - Agreed to be compulsory pooled. 10/29/2024 - Agreed to Term Assignment with RRR, recorded at 1189/1146.	Acquired by RRR via Term Assignment.

**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**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

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

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: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

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

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

3R Operating LLC

Case No. 25022

Exhibit B-1

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

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

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

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

**APPLICATIONS OF 3R OPERATING LLC
TO POOL ADDITIONAL INTERESTS**

UNDER ORDER NOS. R-22844, R-22845, R-22846, & R-22847 EDDY COUNTY, NEW MEXICO. CASE NOS. 25020, 25021, 25022, & 25023

NOTICE LETTER CHART

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

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

9589 0710 5270 2305 9863 45

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

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

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____

Street James E. Geitgey
 6804 Island Circle

City, St Midland, TX 79707

25020-25023 3R - Rena

SANTA, FE, NM 87501
DEC 11 2024
USPS

Postmark

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

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

ALERT: CANADA POST ADVISES THAT THE STRIKE BY ITS EMPLOYEES HAS ENDED. HOWEV...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052702305986345

Copy

Add to Informed Delivery (<https://informedelivery.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®

Feedback

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? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

9589 0710 5270 2305 9863 52

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

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

OFFICIAL USE

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$



Postage \$

Total Postage and Fees \$

Sent To _____

Street or _____

City, State _____

James R. Smith and wife.
Kendall C. Smith
PO Box 50601
Midland, TX 79710

25020-25023 3R - Rena

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

ALERT: CANADA POST ADVISES THAT THE STRIKE BY ITS EMPLOYEES HAS ENDED. HOWEV...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052702305986352

Copy

Add to Informed Delivery (<https://informedelivery.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®

Feedback

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? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

9589 0710 5270 2305 9863 69

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

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

OFFICIAL RECEIPT

Certified Mail Fee \$ _____

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

<input type="checkbox"/> Return Receipt (hardcopy)	\$ _____
<input type="checkbox"/> Return Receipt (electronic)	\$ _____
<input type="checkbox"/> Certified Mail Restricted Delivery	\$ _____
<input type="checkbox"/> Adult Signature Required	\$ _____
<input type="checkbox"/> Adult Signature Restricted Delivery	\$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____

Street or PO Box _____

City, State, and ZIP+4® _____

25020-25023 3R - Rena

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



ALERT: CANADA POST ADVISES THAT THE STRIKE BY ITS EMPLOYEES HAS ENDED. HOWEV...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052702305986369

Copy

Add to Informed Delivery (<https://informedelivery.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®

Feedback

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

9589 0710 5270 2305 9863 76

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

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

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____

Street and / Dale Douglas and wife, _____

Renee R. Douglas _____

1 Saddle Club Drive _____

City, State, Midland, TX 79705 _____

25020-25023 3R - Rena

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



ALERT: CANADA POST ADVISES THAT THE STRIKE BY ITS EMPLOYEES HAS ENDED. HOWEV...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052702305986376

Copy

Add to Informed Delivery (<https://informedelivery.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

Feedback

9589 0710 5270 2305 9869 83

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

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

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____

Street and _____

City, State _____

Warrior Exploration, LLC
 505 N. Big Springs. Ste. 404
 Midland, TX 79701
 25020-25023 3R - Rena

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



ALERT: CANADA POST ADVISES THAT THE STRIKE BY ITS EMPLOYEES HAS ENDED. HOWEV...

USPS Tracking[®]

FAQs >

Tracking Number:

Remove X

9589071052702305986383

Copy

Add to Informed Delivery (<https://informedelivery.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](#)

Feedback

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

Text & Email Updates



USPS Tracking Plus[®]



Product Information



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 Groves

Agent

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

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

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

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 participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.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 the Order was entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of the Order.

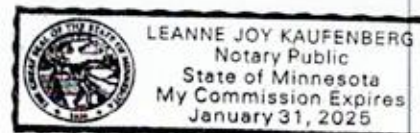
In Case No. 25021, Applicant seeks to pool additional interests under Order No. R 22845 ("Order"). The Order: (1) pooled uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 7 and 18, Township 23 South, 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 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 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 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 7 and 18, Township 23 South, Range 26 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Rena 7 Fed Com 704H well ("Well"); and designated Applicant as operator of the Unit and Well. 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 Current-Argus December 14, 2024. #25930



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