BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 9, 2025

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115:

Rainier 16-15 Fed Com 234H

Consolidated for a Contested Hearing with: Case Nos. 24994, 24995, 25116 & 25117 (V-F Petroleum Inc. Cases) Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)

V-F PETROLEUM INC.

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TAB 1

Reference for Case No. 25115 Application Case No. 25115: Rainier 16-15 Fed Com 234H NMOCD Checklist Case No. 25115

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

APPLICATION OF V-F PETROLEUM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral the Third interests in Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.

V-F Petroleum proposes and dedicates to the HSU the Rainier 16-15 Fed Com
#234H Well, as the initial well, to be drilled to a sufficient depth to test the Third Bone Spring formation.

3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15.

There exists an overlapping unit for the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), that is drilled in the Bone Spring formation underlying the N/2 N/2 of Section 15 for which V-F Petroleum seeks approval for the overlapping unit.

5. The well proposed herein is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring Interval within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In this application, V-F Petroleum is pooling only the Third Bone Spring formation because there is a depth severance between the base on the Second Bone Spring and the top of the Third Bone Spring, and importantly, there is a geological barrier between the Second Bone Spring and Third Bone Spring that maintains the integrity of production within the partitioned zone thereby allowing for the partition. V-F Petroleum will provide notice to adjacent owners in the Second Bone Spring formation, above and adjacent to the Third Bone Spring to account for any concerns the vertical offset owners might have.

9. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

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WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #234H Well** as the well for the HSU.

C. Approving the overlapping unit described above in Paragraph 4.

D. Designating V-F Petroleum as operator of this HSU and the horizontal well to be drilled thereon;

E. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the well;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

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Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com

Attorneys for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #234H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 25115	APPLICANT'S RESPONSE
Date: January 28, 2025 (Scheduled Hearing)	
Applicant	V-F Petroleum Inc.
Designated Operator & OGRID (affiliation if applicable)	24010
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC
Well Family	Rainier 16-15 Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Top of the 3rd Bone Spring Formation to the base of the 3rd Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	N/2 N/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> <u>approval of non-standard unit requested in this application?</u>	Yes, Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	A depth severance does not exist within the vertical extent of the Third Bone Spring being pooled; however, a depth severance exists between the base of the
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership
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

Received by OCD: 1/22/2025 8:04:21 AM Well #1	Rainier 16-15 Fed Com 234H Well (API No. Pending),
	SHL: Unit E, 1517.5' FNL, 728' FWL, Section 16, T18S-R31E BHL: Unit A, 560' FNL, 100' FEL, Section 15, T18S-R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 234H Well: FTP 560' FNL, 100' FWL, Section 16;
	LTP 560' FEL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 234H Well: TVD approx. 9,250'; TMD 19,825'; 3rd Bone Spring formation, See Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
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, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 10
Ownership Depth Severance (including percentage above & below)	N/A
loinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4

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Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-4
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darín Savage
Date:	1/21/25

TAB 2

- Exhibit A: Self-Affirmed Statement of Jordan Shaw, Landman
- Exhibit A-1: C-102 Forms
- Exhibit A-2: Location Plat Map
- Exhibit A-3: Tract Map and Ownership Breakdown
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners
- Exhibit A-5: Well Proposal Letters and AFEs
- Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #214H Well
- Exhibit A-7: Aerial View Map of Surrounding Development

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

APPLICATION OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115

SELF-AFFIRMED STATEMENT OF JORDAN SHAW

I, Jordan Shaw, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.

2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.

3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).

5. V-F seeks an order pooling all uncommitted mineral interest in the Shugart; Bone Spring North, Pool Code 56405, from the top of the Third Bone Spring, at an approximate depth



of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico underlying a standard 320-acre, more or less, spacing and proration unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Rage 31 East, NMPM, Eddy County, New Mexico.

6. Under <u>Case No. 25115</u>, V-F seeks to dedicate the **Rainier 16-15 Fed Com #234H Well**, (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15; approximate TVD of 9,250'; approximate TMD of 20,594'; FTP in Section 16: 560' FNL, 100' FWL; LTP in Section 15: 560' FNL, 100' FEL.

7. The proposed C-102 for each well is attached as **Exhibit A-1**.

8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.

10. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one working interest owner, Legacy Reserves Operating, LP, is listed as In Transit. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

11. There are no depth severances in the Third Bone Spring formation in this acreage.

12. There exists and overlapping unit for the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), that is drilled in the Bone Spring underlying the N/2 N/2 of Section 15 for which V-F Petroleum seeks approval of the overlapping unit.

13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, V-F Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties.

15. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

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16. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. V-F requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

18. V-F requests that it be designated operator of the units and wells.

19. Additionally, although not technically part of <u>Case No. 25115</u>, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role <u>Case No. 25115</u> potentially affects V-F's future development plans underlying the N/2 N/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #214H Well**, (API 30-015-pending) that has been proposed to all working interest owners in the First Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.

20. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands

are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

21. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.

22. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

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

[Signature page follows]

Signature page of Self-Affirmed Statement of Jordan Shaw:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

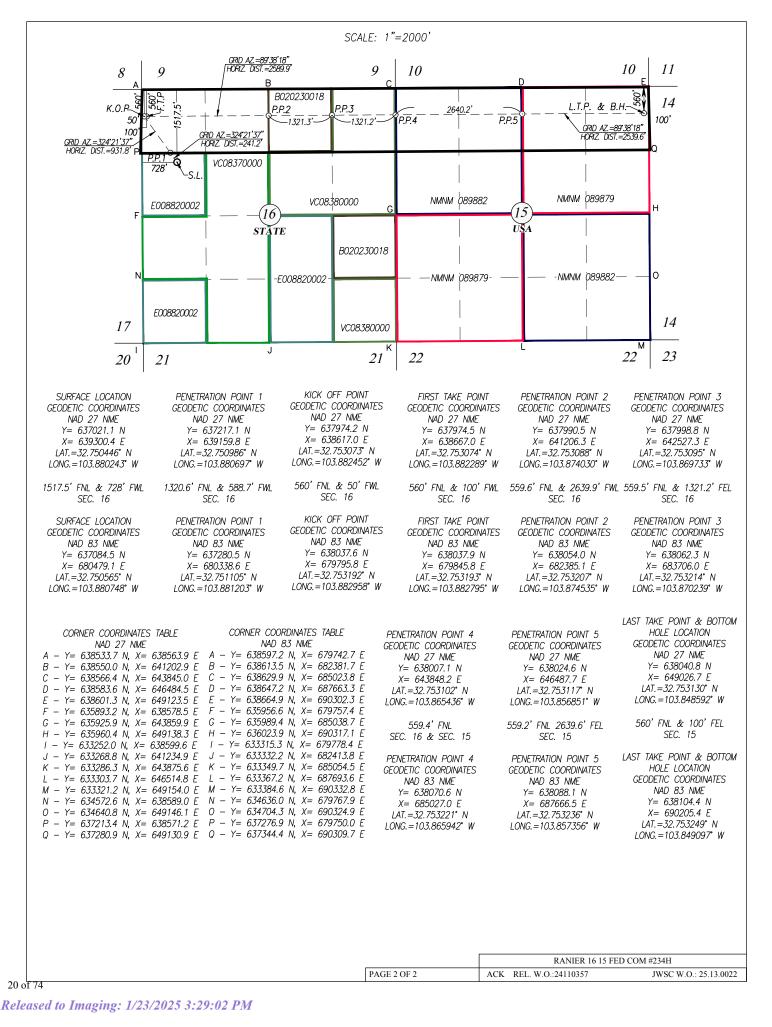
Jordan Shaw

<u>01/21/2025</u> Date Signed

.

<u>C-10</u>	02				State of Ne					Revised July 9, 2024
Submit	Electronically	1	Ene			al Resources Department				
Via OCD Permitting OIL CONSER			ONSERVA	FION DIVISION			□ Initial Sub	omittal		
						Submittal Type:	Amended	Report		
							Type.	As Drilled	1	
					WELLLOCAT	TION INFORMATION	J			
API Nu	umber		Pool Code		WELL LOCAI	Pool Name	•			
Propert	Property Code Property Name							Well Number		
Tiopen	ly Code		Property Na	ame	RANIER 1	6 15 FED COM				234H
OGRIE) No.		Operator N	ame					Ground Leve	
					V-F PETR	OLEUM INC.				3665'
Surface	e Owner: 🗆	State 🗌 Fee 🗌	Tribal 🗆 Fee	leral		Mineral Owner: 🗆 S	State 🗆 Fee [🗆 Tribal 🗖	Federal	
					Surf	ace Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	Longitude	County
E	16	18-S	31-Е	-	1517.5 FNI	728 FWL	32.750	565° 1	03.880748°	EDDY
	-					Hole Location		1		_
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	T	Longitude	County
A	15	18-S	31-E		560 FNL	100 FEL	32.7532		03.849097°	EDDY
11	15	10-5	J1-L		500 T TL	TOOTEE	52.1552		05.047077	LDD I
Dedica	ted Acres	Infill or Defi	ning Well	Defining	g Well API	Overlapping Spacing	Unit (Y/N)	Consolidat	ion Code	
Dealea	ieu neres	mini or Den	ing wen	Denning		Overlapping spacing Onit (1/1v)		consonau	indation Code	
Order N	Numbers.					Well setbacks are under Common Ownership:			es □No	
<u> </u>					Kick O) ff Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	I	Longitude	County
D	16	18-S	31-E		560 FNL	50 FWL	32.753		03.882958°	EDDY
	10	10-5	JI-L	_			52.155		05.002750	LDDT
UL	Section	Township	Bongo	Lot	First 12 Ft. from N/S	Ike Point (FTP)	Latitude	T	Longitude	County
			Range							-
D	16	18-S	31-E	-	560 FNL	100 FWL	32.753193° 103.882795° EDDY			EDDY
		t :				ke Point (LTP)				
	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
A	15	18-S	31-E	-	560 FNL	100 FEL	32.7532	249° 1	03.849097°	EDDY
Unitize	d Area or Are	a of Uniform Inte	erest	Specing	Unit Type 🗆 Hori:	zontal 🗆 Vartical	Grour	nd Floor Elev	vation:	
Cintize				spacing		zontar 🗆 Verticar	Grou		unon.	
OPER		TIFICATIONS				SUBVEVOR CERTIEIO	CATIONS]
I hereby	certify that the	he information co	ontained herein	is true and	complete to the	SURVEYOR CERTIFICATIONS				
that this	organization	e and belief, and, either owns a wo	orking interest of	or unleased	mineral interest	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by				
well at	this location p	the proposed both ursuant to a cont	ract with an ow	mer of a wo	rking interest or	me or under my supervisio and correct to the best of r	on, and that the	same is true	ARY	G.EDSOUL
unlease	d mineral inte	rest, or to a volu	ntary pooling a	greement or	a compulsory		ny bener.		E G', W	MEX
	pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has			was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.				0		
received	d the consent of	of at least one les	see or owner o	f a working	interest or					2641
any par	unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a									
compul	compulsory pooling order from the division.				/		"III POFF	NE OF		
						Dary DE	Woon	01/161	2025	NAL SUK MININ
Signatu	re		Date			Signature and Seal of Prof	essional Surve	yor		
						Gary G. Eidson 12641		SEDTI	EMBER 30, 2	024
Printed	Name					Certificate Number	Date of Surv			
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E-mail A	Address					PAGE 1 OF 2	ACK REL.	W O -2411025	, L	JWSC W.O.: 25.13.0022
f 71						110011012	ACK KEL.		, .	ande m.O., 23.13.0022

19 of 74 Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division Released to Imaging: 1/23/2025 3:29:02 PM



1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT I

DISTRICT IV

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.

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

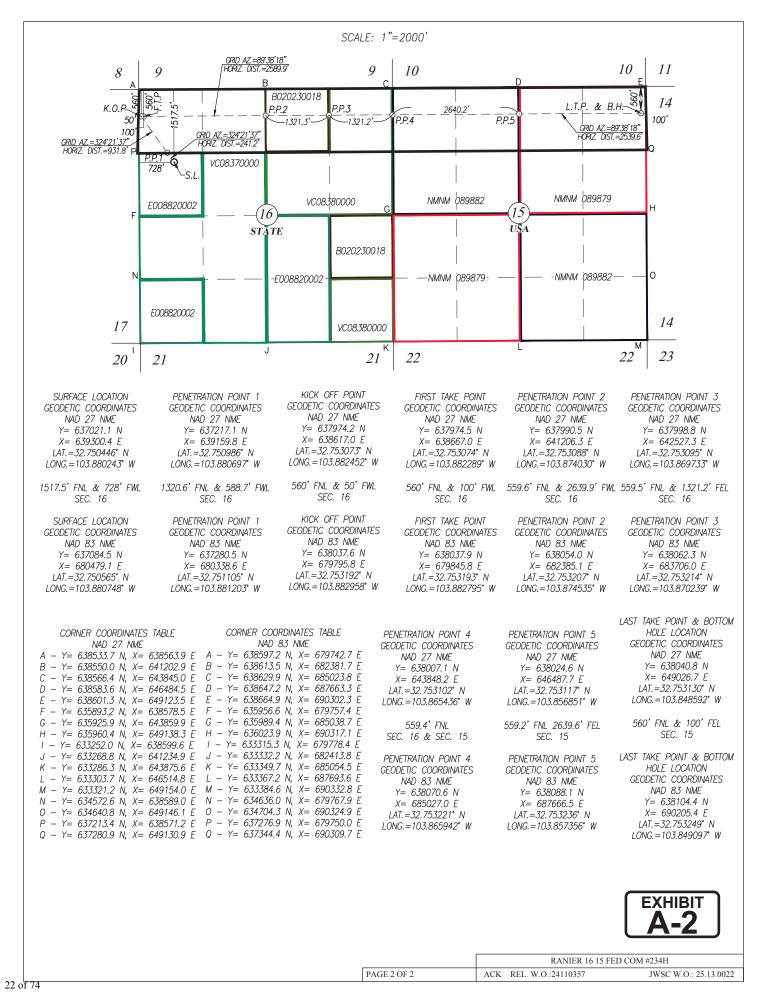
□AMENDED REPORT

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Phone: (505) 476-3460 Fax: (505) 476-3462 WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number Pool Code						Pool Nam	Pool Name		
Property Code Property Name RANIER 16 15 FED COM						Well Number 234H				
OGRID No. Operator Na V-F PETROLE				Operator Nat PETROLE				Elevation 3665'		
					Surface Loca	ation				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Е	16	18-S	31-E		1517.5	NORTH	728	WEST	EDDY	
			1	Bottom Hol	e Location If Dif	ferent From Surface				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
А	15	18-S	31-Е		560	NORTH	100	EAST	EDDY	
Dedicated Acres			onsolidation Co		er No. RESTS HAVE BEEN	CONSOLIDATED OR A N	ION-STANDARD UNI	T HAS BEEN APPROVE	ED BY THE DIVIS	
(E) (I 30.015-27213 (L) 30.015-27213		¢ w30-015-05497 J) 30-015-312		ws30-015-308	09 35 NES 30-015-30443 N	10015-05500 (H) 30-015-3 (1) (1) (1) (2) (2) (3) (3) (3) (3) (3) (3) (3) (3) (3) (3	-30905 _{NWSW} ³			
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млуу90-015-05572,µ 000 5-31728 (9мд 89-015-31505 се (Е ((30-015-05571 , 30-015-05571 , 30-015-05570 ,	WNE (B) 30.015.05 WME (G) 30.015.05575 WSE (J)	30-015-0 NEN-20-015-05576 574) 00-015-05573 52-20-015-26374 (1) #234H-/	5559 30-015-05568 (D) 30-015-055 (E) NWSW (L) -185-31E	30-015-05562 NEN30-015-26317 N (C) 5667 SENW 16731 S (F) 16- 16-	0.015.05499 30.015: W120.015.30954 SESE (0) 30.015.05508 P) 30.0 WNIE 30-015.05566 SENE (B) (A) 30.0 WNIE (B) (H) WNIE (C) (H) WNIE (C) (H) WNIE (C) (H)	30-015-41387 30-015-41387 30-015-41387 30-015-41387 Swrtw (U) SI Increase Si Si Si Si Si Si Si Si Si Si	URVEYOR CER	cation shown on this	
мму ³⁰⁻⁰¹⁵⁻⁰⁵⁵⁷⁷ де 0-05-5-31728 () 	30.015.05571 p 30.015.05571 p 30.015.05570 p F) 17	WNE (B) 30.015.05 (G) 30.015-05575 WSE (J)	30-015-0 NEN-30-015-05576 574) 00-015-05573 SE-30-015-26374 (1) 234H NESE (1) 30-015-31459 SESE	5559 30-015-05568 (D) 30-015-055 (E) NWSW (L) -185-31E	30-015-05562 NEN30-015-26317 N (C) 567 SENW 1072 S (F) 16- 300015-32438	0.015.05499 30.015: 30.015:30954 Spece (0) 30.015:05508 P) 30.0 WINE 30.015:05566 P) 30.0 WINE (A) 30.0 Strange of the second sec	30-015-4+386 NYMWY 30-015-4+386 NYMWY 30-015-4+386 NYMWY 30-015-4+387 SWGWY (L) SWGWY (L) SWGWY SWGWY (L) SWGWY Date	by certify that the well/loc lotted from field norse for under my subcariston an orrest for borbest of the bo SEPTYMBEI of Survey 12641 ature & Sea of Profes	cation shown on this appeal surveys made of that the same is tr tief. 1 30, 2024 syonal Surveyor:	
WWWW NE	SW 30-015-05493 SW 30-015-05571 , C) 30-015-05570 , F) 17	WNE (B) 30.015.05 30.015.05575 (G) 30.015.05575 WSE (J) G	30-015-0 NEN-20-015-05576 574) 10-015-05573 5532-015-26374 (1) 12-2637	5559 30-015-05568 (D) 30-015-05568 (PE) NWSW (L) -18S 31E 	30-015-05562 NEN30-015-26317 N (C) 5667 SENW 1073 S (F) 	0.015.05499 30.015. 30.015.30954 SESE (0) 30.015.05508 P) 30.0 0000 (B) (A) 30.0 (B) (A) 30.0 0000 (B) (B) (A) 30.0 0000 (B)	30-015-4+386 NYMWY 30-015-4+386 NYMWY 30-015-4+386 NYMWY 30-015-4+387 SWGWY (L) SWGWY (L) SWGWY SWGWY (L) SWGWY Date	by certify that the well Not lotted from field notes of under introduction of the orrest for supervision of the SECTOMBET SOT Survey 12641	cation shown on this appeal surveys made of that the same is tr tief. 1 30, 2024 syonal Surveyor:	
NMNU ³⁰ -015-05572,IE 0.00 5-31728 0.00 0.015-31505 <td>SW 30-015-05571 , 2,30-015-05571 , C) 17</td> <td>WNE (B) 30.015.05 WARE (G) 30.015.05575 WVSE (J) SWSE (O) 30.015.30 20,00</td> <td>30-015-0 NEN-20-015-05576 574) 10-015-05573 582-015-26374 (1) 23-015-26374 (1) 23-015-26374 (1) 23-015-26374 (1) 23-015-26374 (1) 23-015-05573 58-58 (1) 23-015-05573 (1) 24-26374 (1) 25-26374 (1) 26-2</td> <td>5559 30.015-05568 (D) 30.015-05568 (D) 30.015-05561 185 31E 185 31E 185 31E 185 31E 185 31E 185 30-015-3 30-015-3 30-015-3 30-015-05592 0</td> <td>30-015-05562 NEN30-015-26317 N (C) 5667 SENW 1073 S (F) </td> <td>0.015.05499 30.015. 30.015.30954 SESE (0) 30.015.05508 P) 30.0 WINE 30.015.05566 ENE (B) (A) 30.0 SW 30.015.05560 ENE (G) (H) WINE NESE (J) (I) SW 30.015.05565 SESE (O) (P) NUME NENE (B) (A)</td> <td>30-015-4+386 30-015-4+386 30-015-4+386 30-015-4+386 30-015-4+386 MWSW (L) SwgW (L) SwgW (L) SwgW (D) Date Sign NWWW (D)</td> <td>by certify that the well loc lotted from your nores if under my supcariston and orrest to the best of the best steps of Survey 12641 ature & Sean of Profes</td> <td>cation shown on this appeal surveys made of that the same is tr tief. 1 30, 2024 syonal Surveyor:</td>	SW 30-015-05571 , 2,30-015-05571 , C) 17	WNE (B) 30.015.05 WARE (G) 30.015.05575 WVSE (J) SWSE (O) 30.015.30 20,00	30-015-0 NEN-20-015-05576 574) 10-015-05573 582-015-26374 (1) 23-015-26374 (1) 23-015-26374 (1) 23-015-26374 (1) 23-015-26374 (1) 23-015-05573 58-58 (1) 23-015-05573 (1) 24-26374 (1) 25-26374 (1) 26-2	5559 30.015-05568 (D) 30.015-05568 (D) 30.015-05561 185 31E 185 31E 185 31E 185 31E 185 31E 185 30-015-3 30-015-3 30-015-3 30-015-05592 0	30-015-05562 NEN30-015-26317 N (C) 5667 SENW 1073 S (F) 	0.015.05499 30.015. 30.015.30954 SESE (0) 30.015.05508 P) 30.0 WINE 30.015.05566 ENE (B) (A) 30.0 SW 30.015.05560 ENE (G) (H) WINE NESE (J) (I) SW 30.015.05565 SESE (O) (P) NUME NENE (B) (A)	30-015-4+386 30-015-4+386 30-015-4+386 30-015-4+386 30-015-4+386 MWSW (L) SwgW (L) SwgW (L) SwgW (D) Date Sign NWWW (D)	by certify that the well loc lotted from your nores if under my supcariston and orrest to the best of the best steps of Survey 12641 ature & Sean of Profes	cation shown on this appeal surveys made of that the same is tr tief. 1 30, 2024 syonal Surveyor:	

Released to Imaging: 1/23/2025 3:29:02 PM



Released to Imaging: 1/23/2025 3:29:02 PM

Rainier 16 15 Fed COM #234H (3rd Bone Spring) N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3

Sec. 16, T-18-S, R-31-E			Sec. 15, T-18-S, R-31-E				
		6				5	

N/2NW/4 Sec. 16 (Unleased)

Working Interest Owners	Decimal
*Unleased	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
*State of New Mexico	0.25000000
* Again ad that this international had baged at a 250/ Bought Internat	

*Assumed that this interest will be leased at a 25% Royalty Interest.

NW/4NE/4 Sec. 16 (State Lease B-2023)

Working Interest Owner	Decimal
Occidental Permian, L.P.	1.00000000
TOTAL	1.00000000

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000



Page 1 of 6

Rainier 16 15 Fed COM #234H (3rd Bone Spring) N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3

NE/4NE/4 Sec. 16 (VC-838)		
Working Interest Owner		Decimal
V-F Petroleum Inc.		1.00000000
	TOTAL	1.00000000
Overriding Royalty Interest Owners		Decimal
V-F Petroleum Inc.		0.00050000
Gahr Ranch & Investments Partnership, Ltd.		0.02343750
Thomas M. Beall		0.02343750
Jason J. Lodge		0.00125000

100000	0100125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

Royalty Interest Owner	Decimal
State of New Mexico	0.2000000

NW/4NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))

Working Interest Owner	Decimal
Permian Resources Operating, LLC	0.90703122
Ard Oil, LTD	0.03718751
Zorro Partners, Ltd.	0.01859376
Javelina Partners	0.03718751
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	
created by Trust Agreement dated September 9, 2002	0.00929688
Zorro Partners, Ltd.	0.00232422
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000
Estate of Josephine T. Hudson	0.00464844

EXHIBIT A-3

Royalty Interest Owner	Decimal
United States of America	0.12500000

NE/4NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))

Working Interest Owners	Decimal
Permian Resources Operating, LLC	0.90703125
Ard Oil, LTD	0.03718750
Zorro Partners, Ltd.	0.01859375
Javelina Partners	0.03718750
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.00929688
Zorro Partners, Ltd.	0.00232422
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000
Estate of Josephine T. Hudson	0.00464844

Royalty Interest Owner	Decimal
United States of America	0.12500000

N/2NE/4 Sec. 15 (Federal Lease NMNM 089879)

Working Interest Owners	Decimal
Permian Resources Operating, LLC	0.79218750
Ard Oil, LTD	0.05312500
Zorro Partners, Ltd.	0.02656250
Javelina Partners	0.05312500
Moore and Shelton Co. Ltd.	0.07500000
TOTAL	1.00000000

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EXHIBIT A-3

Overriding Royalty Interest Owners	Decimal
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	
created by Trust Agreement dated September 9, 2002	0.00796875
Zorro Partners, Ltd.	0.00199219
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994	0.00796875
Gahr Ranch & Investments Partnership, Ltd.	0.05000000
Sarah M. Loudenback	0.03750000
Mid-Western Energy, L.L.C.	0.00398438
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.00398438

Royalty Interest Owner	Decimal
United States of America	0.12500000

UNIT RECAPITULATION

Working Interest Owners	Decimal
Unleased (uncommitted)	0.25000000
Occidental Permian, L.P. (uncommitted)	0.12500000
V-F Petroleum Inc. (committed)	0.12500000
Permian Resources Operating, LLC (uncommitted)	0.42480468
Ard Oil, LTD (uncommitted)	0.02257813
Zorro Partners, Ltd. (uncommitted)	0.01128906
Javelina Partners (uncommitted)	0.02257813
Moore and Shelton Co. Ltd. (uncommitted)	0.01875000
TOTAL	1.00000000

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc. (committed)	0.00006250
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust	
created by Trust Agreement dated September 9, 2002 (uncommitted)	0.00431641
Zorro Partners, Ltd. (uncommitted)	0.00107910
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust	
Agreement dated July 8, 1994 (uncommitted)	0.00431641
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00292969
Thomas M. Beall (committed)	0.00292969

EXHIBIT A-3

Jason J. Lodge (committed)	0.00015625
Sarah M. Loudenback (committed)	0.00015625
Mid-Western Energy, L.L.C. (committed)	0.00001563
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (uncommitted)	0.00124688
Mewbourne, Curtis W., Trustee (uncommitted)	0.00526875
Marathon Oil Permian LLC (uncommitted)	0.02968750
Estate of Josephine T. Hudson (uncommitted)	0.00215821
Hudson, Edward R., Jr., Trustee of the Edward R. Hudson Trust 2	
(uncommitted)	0.00099610

Royalty Interest Owner	Decimal	
United States of America	0.06250000	
State of New Mexico	0.10312500	

LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED

Working Interest Owners					
Unleased					
Occidental Permian, L.P.					
Permian Resources Operating, LLC					
Ard Oil, LTD					
Zorro Partners, Ltd.					
Javelina Partners					
Moore and Shelton Co. Ltd.					

LIST OF ALL UNCOMMITTED ORRI OWNERS TO BE POOLED

Overriding Royalty Interest Owners						
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002						
Zorro Partners, Ltd.						
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994						
Ralph A. Shugart Jr. Trust dated 5/26/1983						
Moore and Shelton Co. Ltd.						
Mewbourne, Curtis W., Trustee						

Rainier 16 15 Fed COM #234H (3rd Bone Spring) N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM Containing 320 acres, more or less

EXHIBIT A-3

Marathon Oil Permian LLC

Estate of Josephine T. Hudson

Hudson, Edward R., Jr., Trustee of the Edward R. Hudson Trust 2

Rainier 16 15 Fed COM #234H

Chronological Contracts with Uncommitted Owners

Occidental Permian, LP

- 9/18/23: Emailed Alissa Payne, Land Negotiator and extended an offer extended offer for an Assignment, Bill of Sale with 75% eNRI;
- 9/18/23: Alissa responded and said that Jonathan Gonzales, Land Negotiator is responsible for this area so Jordan Shaw with V-F sent Jonathan Gonzales an email requesting a day and time this week when we can go over this proposal;
- 9/19/23: Jonathan Gonzales at Oxy called Jordan Shaw with V-F and walked through where Oxy was at with its evaluation. The parties talked about potentially adding Oxy's acreage to a transaction which was currently underway covering other unrelated lands; and
- 11/15/24: Proposed Joint Operating Agreement.

Permian Resources Operating, LLC

- 8/28/24: Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- 8/30/24: Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- 9/5/24: V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- 9/9/24: Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- 9/11/24: Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- 9/24/24: Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- 11/15/24: Proposed Joint Operating Agreement by mail;
- 1/17/25: Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- 1/20/25: V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Ard Oil, LTD

• 11/15/24: Proposed Joint Operating Agreement.

Zorro Partners, Ltd.

• 11/15/24: Proposed Joint Operating Agreement.

Javelina Partners

• 11/15/24: Proposed Joint Operating Agreement.

Moore & Shelton Company, Ltd.

• 11/15/24: Proposed Joint Operating Agreement.



V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 6, 2024

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Occidental Permian, LP P.O. Box 4294 Houston, Tx. 77210 ATTN: Delaware Basin Land Department

RE: <u>Horizontal Well Proposal – 3rd Bone Spring Formation;</u> <u>Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,</u> <u>Eddy County, New Mexico</u>

Rainier 16 15 Fed Com #234H; 3nd Bone Spring

SHL:1,055 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NMFTP:560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NMBHL/LTP:560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip the above referenced horizontal well at the locations so indicated, to test the 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated <u>Rainier 16 15 Fed Com #234H</u> in order to test the 3^{rd} Bone Spring formation is estimated to be 9,250 feet (TVD) with an approximate total measured depth of 19,825 feet. The costs to drill, complete and equip said well are estimated at <u>\$9,596,250.00</u> as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal well, V-F has enclosed an A.A.P.L. Form 610 - 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the North Half (N/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed well.

Please indicate your intention to either <u>participate or not participate</u> in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for the well you have elected <u>to participate</u>, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should desire not to



Page 30 of 74

Rainier 16 15 Fed Com #234H *Permian Resources Operating, LLC* November 6, 2024

participate in the drilling and completion of the well herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #234H Occidental Permian, LP November 6, 2024

ELECTION Rainier 16 15 Fed Com #234H Well

Occidental Permian, LP

Elect to Participate in the Rainier 16 15 Fed Com #234H Well

Elect Not to Participate in the Rainier 16 15 Fed Com #234H Well

By: _____

Title:

Date: _____

.

			roleum I			API No_	
			ION FOR EXPENDITE	RE		AFE Number	
_	-	Oc	tober 14, 2024			Well Type	Third BS Horizontal Oil Well
X	Original	Supplement	Revision	1	Re-Entry	Projected TD:	9,250' TVD 19,825' MD
X	Drill Well	Workover	Facilities	5	Plug & Abandon	Proposal	Two Mile Horizontal Lateral
se Name/W	Well #	County / State	Formation	Basin	Field or Prospect	SHL: 1,055' FNL & 90' I	WL, Section 16, T-18-S, R-31-E
nier 16-15	Federal Com #234H	Eddy NM	3rd Bone Spring	Permian	Shugart; Bone Spring N.		EL, Section 15, T-18-S, R-31-E
Acct	1				COST BEFORE	COMPLETION	TOTAL
		INTANGIBLE DE	SCRIPTION		CASING POINT	COST	
Code					1		WELL COST
501	PERMITS & ENVIRO				\$15,000	\$10,000	\$25,00
516	TITLE OPINION, CUP	ATIVE & POOLING			\$15,000		\$15.00
501					\$7,500		\$7,50
501	DAMAGES & R-O-W	s			\$15,000		\$15,00
501 DAMAGES & R-O-W'S 502/711 ROADS, LOCATION, PITS, LINERS, ETC.					\$1,500	\$25,000	\$26,50
503						325.000	
					\$10,000		\$10.00
503	DRILLING - DAYS		21 days @ \$19,000		\$399,000		\$399,00
503	MUD MOTORS & DI				\$175,000		\$175.00
517	CLOSED LOOP & DIS	SPOSAL	21 days @ \$5,500		\$115,500		\$115,50
505	MUD & FRAC CHEM	ICALS			\$125,000	\$350.000	\$475.00
505/716	WATER (Brine & Fres	h); FRAC WATER			\$58,000	\$400,000	\$458.00
503	BITS, REAMERS, ETG				\$65,000	0.00.000	\$65.00
			00 million (* ***				
503	FUEL		00 gallons @ \$6		\$450,000		\$450.00
504	CEMENTING SURFA				\$25,000		\$25,00
504	CEMENTING INTER	MEDIATE			\$55,000		\$55,00
701	CEMENTING PRODU	ICTION				\$165,000	\$165.00
509/705	TUBULAR SERVICES	S AND TOOLS			\$55,000	\$90,000	\$145.00
509/705	CASING CREWS PU				\$45,000	\$50,000	\$95.00
			DV TOOLS				
513/708		CENTRALIZERS, ECP'S,	DV TOOLS		\$15,000	\$25,000	\$40,00
507	TESTING; COMPLET					\$175,000	\$175,00
508	OPEN HOLE LOGGIN	1G					
508	MUD LOGGING		21 days@ \$3,500		\$73,500	1	\$73,50
509/705	WELDING, HOURLY	LABOR, ROUSTABOUT		•	\$36,000	\$250,000	
509/713	EQUIPMENT RENTA				\$42,000	\$125,000	\$167.00
509/714		ORTATION, FORKLIFT			\$57,000	\$85,000	\$142,00
715	COMPLETION UNIT;	COIL TUBING UNIT			-	\$600,000	\$600,00
704	FORMATION STIMU	LATION (60 STAGES)				\$2,435,500	\$2,435,50
702/03	CASED HOLE LOGG	ING, PERFORATING & F	RAC PLUGS			\$280,000	\$280,00
0/11/706	GEOLOGIC / ENGINI	EERING			\$55,000	\$80,000	\$135.00
509/705	CONTRACT CONSUL	TANTS	21 days @ \$3,500		\$70,000	\$52,000	\$122.00
514					\$10,500		
	DRILLING WELL RA	IE (AO)	21 days @ \$500				\$15,50
515/705	INSURANCE				\$10,000	\$10,000	\$20,00
509/705	CONTINGENCY (8%)			\$100,000		\$516.00
OTAL INT	TANGIBLE ESTIMATE	D COST			\$2,100,500	\$5,628,500	\$7,729.00
Acct		TANGIBLE DES	CRIPTION		COST BEFORE	COMPLETION	TOTAL
Code	1	TANQIBLE DES			CASING POINT	COST	WELL COST
620/820	1				1	1	
620/820	CONDUCTOR				\$42,000		\$42.00
	SURFACE						
620/820					\$96,000		\$96.00
620/820	INTERMEDIATE				\$120,000		\$120,00
620/820	INTERMEDIATE						
820	PRODUCTION					\$609.750	\$609.75
820	PRODUCTION LINE	R					
821	TUBING (Coated)					\$128.000	\$128.00
	. ,	(ENIT			000.000		
621/824	WELLHEAD EQUIPM				\$28,000		
825	PRODUCTION FACIL	LITY ENCLOSURE				\$25,000	
825	POWER SOURCE					\$25,000	\$25,00
822	RODS AND PUMP (F	G & STEEL)					
823		, DOWNHOLE EQUIPME	NT			\$265,000	\$265,0
827	HEATER TREATER,					\$175,000	
831						\$5,500	
	GAS SALES LINE &						
830	FLOWLINES, VALV					\$10,000	
827	TANKS (WATER AN					\$150,000	
622/820	CONTINGENCY (109	(0)			\$29,000	1P	
OTAL TA	NGIBLE ESTIMATED	COST			\$315.000	\$1.552,250	\$1.867,2
941-94	5 P&A Costs, Rig. Cmt.	Cleanup, Misc., Services			\$50,000		
	ED DRY HOLE COST				\$2,465,500		
	FE ESTIMATED COST				\$2,415,500		\$9,596,2
WI AUTHOI OPERAT			ECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS RIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE TION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT. by: Bill Pierce Date: 10/14/2024				

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Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 21, 2025

Transmitted Via United States Postal System - Certified Mail - Return Receipt Requested

Occidental Permian LP P.O. Box 4294 Houston, Texas 77210

RE: <u>Horizontal Well Proposal – 3rd Bone Spring Formation;</u> Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico

Rainier 16 15 Fed Com #234H; 3nd Bone Spring

SHL:1,517 FNL, 728' FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NMFTP:560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NMBHL/LTP:560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") has moved the surface hole location of the proposed well from 1,055 FNL, 90 FWL of Section 16 to 1,517 FNL, 728' FWL of Section 16 and enclosed for your consideration is the updated AFE containing the new surface hole location and updated lateral length. The rest and the remainder of the Proposal and its accompanying AFE remains the same and this supplemental proposal and its accompanying AFE shall be deemed to be retroactively effective for all purposes as of the date the original proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw Landman/Attorney

Enclosures



Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569; Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 20, 2025

Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested

Occidental Permian LP P.O. Box 4294 Houston, Texas 77210

RE: Horizontal Well Proposals – 1st Bone Spring Formation; Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico

Rainier 16 15 Fed Com #214H; 1st Bone Spring

SHL: 1,467 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM 560 FNL, 100' FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM FTP: BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated Rainier 16 15 Fed Com #214H in order to test the 1st Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 19,017 feet. The costs to drill, complete and equip said well are estimated at \$8,016,206.00 as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the North Half (N/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a standard horizontal spacing unit for the proposed wells.

Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected

to participate, one original (1) Joint Operating Agreement body signature page, and one (executed and notarized Memorandum of Operating Agreement signature page. If you should de participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an



35 of 74

Rainier 16 15 Fed Com #214H Occidental Permian LP January 20, 2025

proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,

Jordan Shaw

Landman/Attorney

Enclosures

Election set forth on the following page

Received by OCD: 1/22/2025 8:04:21 AM

Rainier 16 15 Fed Com #214H Occidental Permian LP January 20, 2025

ELECTION Rainier 16 15 Fed Com #214H Well

Occidental Permian LP

Elect to Participate in the Rainier 16 15 Fed Com #214H Well

Elect Not to Participate in the Rainier 16 15 Fed Com #214H Well

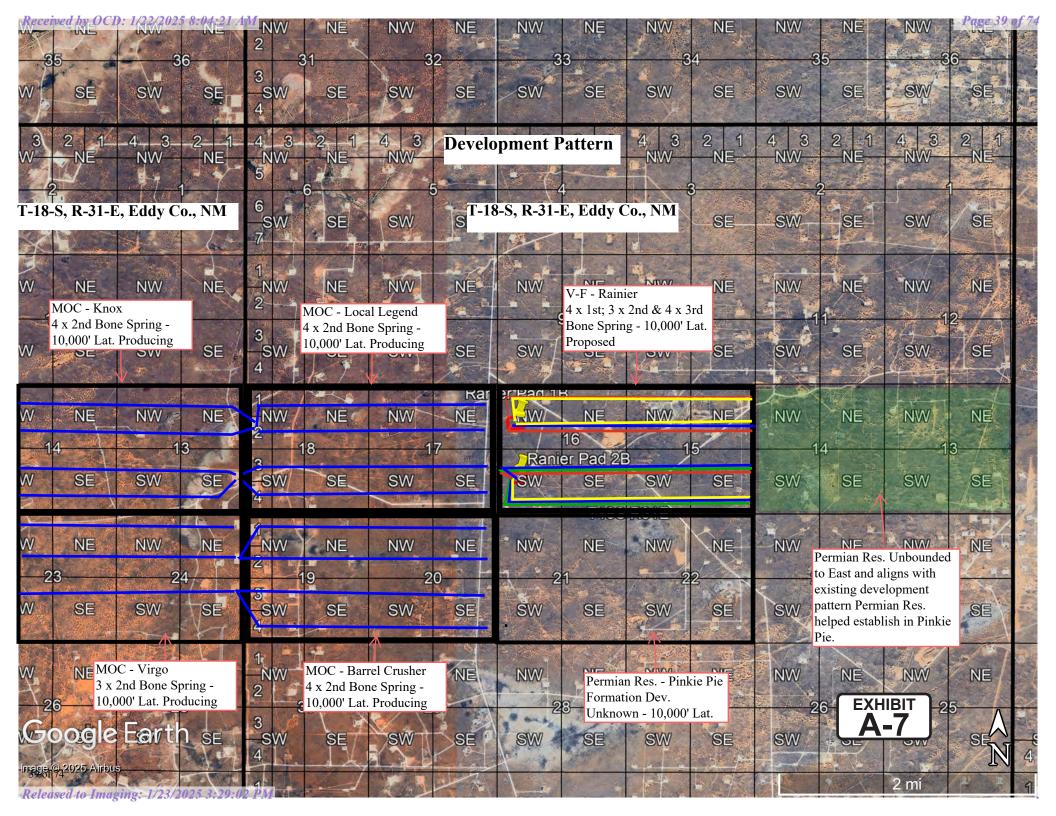
By:_____

Title:

Date:

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		V-F Petro	oteur	n In	<i>ic</i> .		API No.	
X I		AUTHORIZATIO	N FOR EXPE	NDITURE			AFE Number	
X I	· · · · · · · · · · · · · · · · · · ·	Octo	ber 14, 2024			-	Well Type	First BS Horizontal Oil Well
	Original	Supplement	}	Revision		Re-Entry	Projected TD:	7,750' TVD 19,017' MD
ase Name/We	Drill Well	Workover	,	Facilities		Plug & Abandon	Proposal	Two Mile Horizontal Lateral
ase ivanie/ we	ell #	County / State	Formation		Basin	Field or Prospect	SHL: 1,467' FNL & 728'	FWL, Section 16, T-18-S, R-31-E
anier 16-15 F	Federal Com #214H	Eddy NM	1st Bone Sp	oring	Permian	Shugart; Bone Spring N.	BHL: 560' FNL & 100' I	FEL, Section 15, T-18-S, R-31-E
Acct			DIDTION			COST BEFORE	COMPLETION	TOTAL
Code		INTANGIBLE DESC	RIPTION			CASING POINT	COST	WELL COST
1	PERMITS & ENVIROME	ENTAL SERVICES				\$15,000	\$10,000	\$25.0
	TITLE OPINION, CURA					\$15,000	\$10,000	\$25,
	,							
	SURVEYING STAKE LC	JCATION				\$7,500		\$7,:
	DAMAGES & R-O-W'S					\$15,000		\$15,0
502/711 H	ROADS, LOCATION, PI	IS, LINERS, ETC.				\$60,000	\$25,000	\$85,0
503 I	DRILLING RIG MOBILI	ZATION COST				\$10,000		\$10,0
503 I	DRILLING - DAYS	16	days @	\$19,000		\$304,000		\$304,0
503 N	MUD MOTORS & DIRE	CTIONAL				\$150,000		\$150,0
517 0	CLOSED LOOP & DISPO	OSAL 16	days @	\$5,500		\$88,000		\$88,0
505 N	MUD & FRAC CHEMICA		, 0			\$125,000	\$150,000	\$275,0
	WATER (Brine & Fresh);					\$40,000	\$400,000	\$440,0
		TRUE WITTER				\$65,000	\$100,000	\$65,
	BITS, REAMERS, ETC.	45000	aallana 🔿 👘	\$6				
	FUEL		gallons @	\$ 0		\$270,000		\$270,
	CEMENTING SURFACE					\$25,000		\$25,
	CEMENTING INTERME					\$45,000		\$45,
701 0	CEMENTING PRODUCT	LION					\$126,000	\$126,
509/705	TUBULAR SERVICES A	ND TOOLS				\$45,000	\$65,000	\$110,0
509/705	CASING CREWS PU LD	MACHINE				\$35,000	\$45,000	\$80,0
		ENTRALIZERS, ECP'S, D'	V TOOLS			\$10,000	\$18,000	\$28,0
	TESTING; COMPLETIO					÷::,000	\$175,000	\$175,
	OPEN HOLE LOGGING						\$175,000	\$175,
			dar= C	\$2.500				
	MUD LOGGING			\$3,500		\$56,000		\$56,
		ABOR, ROUSTABOUT C	REWS, SAFET	ГҮ РАҮ		\$26,000	\$250,000	
509/713 I	EQUIPMENT RENTAL					\$42,000	\$105,000	\$147,0
509/714	TRUCKING, TRANSPOR	RTATION, FORKLIFT				\$57,000	\$35,000	\$92,0
715 0	COMPLETION UNIT; CO	JIL TUBING UNIT					\$550,000	\$550,1
704 I	FORMATION STIMULA	TION (60 STAGES)					\$2,085,566	\$2,085,:
702/03	CASED HOLE LOGGIN	G, PERFORATING & FRA	C PLUGS				\$260,000	\$260,0
	GEOLOGIC / ENGINEER					\$55,000	\$80,000	\$135,0
	CONTRACT CONSULTA		days @	\$3,500		\$56,000	\$52,000	\$108,0
	DRILLING WELL RATE	. (A/O) 16	days @	\$500		\$8,000	\$5,000	\$13,0
	INSURANCE					\$10,000	\$10,000	\$20,
	CONTINGENCY (8%)					\$81,000	\$355,000	\$436,1
TOTAL INTA	ANGIBLE ESTIMATED (COST				\$1,715,500	\$4,801,566	\$6,517,0
Acct		TANGIBLE DESCH	RIPTION			COST BEFORE	COMPLETION	TOTAL
Code						CASING POINT	COST	WELL COST
620/820								
620/820	CONDUCTOR					\$42,000		\$42,0
620/820	SURFACE					\$96,000		\$96,0
620/820 I	INTERMEDIATE					\$120,000		\$120,0
	INTERMEDIATE							
	PRODUCTION							
620/820 I	I RODUCTION						\$210 640	\$210
620/820 I 820 I	PRODUCTION L DUCC						\$310,640	\$310,0
620/820 I 820 F 820 F	PRODUCTION LINER							· · · · · · · · · · · · · · · · · · ·
620/820 I 820 H 820 H 821 T	TUBING (Coated)						\$112,000	\$112,0
620/820 I 820 I 820 I 821 I 621/824 V	TUBING (Coated) WELLHEAD EQUIPME!					\$28,000	\$112,000 \$18,000	\$112, \$46,
620/820 I 820 I 820 I 821 I 621/824 V	TUBING (Coated)					\$28,000	\$112,000	\$112, \$46,
620/820 I 820 H 820 H 821 T 621/824 Y 825 H	TUBING (Coated) WELLHEAD EQUIPME!					\$28,000	\$112,000 \$18,000	\$112, \$46, \$25,
620/820 I 820 I 820 I 821 T 621/824 V 825 I 825 I	TUBING (Coated) WELLHEAD EQUIPME! PRODUCTION FACILIT	Y ENCLOSURE				\$28,000	\$112,000 \$18,000 \$25,000	\$112, \$46, \$25,
620/820 I 820 I 820 I 821 7 621/824 8 825 I 825 I 825 I	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG &	Y ENCLOSURE & STEEL)				\$28,000	\$112,000 \$18,000 \$25,000 \$25,000	\$112, \$46, \$25, \$25,
620/820 I 820 I 820 I 821 I 621/824 I 825 I 825 I 822 I 822 I 823 I	TUBING (Coated) WELLHEAD EQUIPME! PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, D	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT				\$28,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000	\$112, \$46, \$25, \$25, \$25, \$265,
620/820 I 820 I 820 I 821 I 621/824 I 825 I 825 I 822 I 823 I 823 I 823 I 823 I 823 I	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BPS, ESP, D HEATER TREATER, SEI	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO				\$28,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000	\$112, \$46, \$25, \$25, \$25, \$265, \$175,
620/820 I 820 I 820 I 821 I 621/824 8 825 I 825 I 822 I 823 I 823 I 827 I 831 G	TUBING (Coated) WELLHEAD EQUIPME! PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEI GAS SALES LINE & ME	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO STER RUN				\$28,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000 \$5,500	\$112, \$46, \$25, \$25, \$25, \$25, \$25, \$265, \$175, \$175, \$5,
620/820 1 820 1 820 1 821 1 621/824 1 825 1 825 1 825 1 822 1 823 1 823 1 823 1 821 1 823 1 823 1 831 0	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEI GAS SALES LINE & ME FLOWLINES, VALVES,	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO STER RUN CONNECTIONS				\$28,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000 \$5,500 \$10,000	\$112, \$46, \$25, \$25, \$25, \$175, \$175, \$5, \$10,
620/820 1 820 1 820 1 821 1 621/824 1 825 1 825 1 825 1 822 1 823 1 823 1 823 1 823 1 831 0 830 1 827 1	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEI GAS SALES LINE & ME FLOWLINES, VALVES, TANKS (WATER AND P	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO STER RUN CONNECTIONS					\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000 \$175,000 \$10,000 \$150,000	\$112, \$46, \$25, \$25, \$25, \$175, \$175, \$10, \$10, \$150,
620/820 1 820 1 820 1 821 1 621/824 1 825 1 825 1 825 1 822 1 823 1 823 1 827 1 830 1 827 1 622/820 0	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEI GAS SALES LINE & ME FLOWLINES, VALVES, TANKS (WATER AND F CONTINGENCY (8%)	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO TER RUN CONNECTIONS PRODUCTION)				\$29,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000 \$10,000 \$150,000 \$88,000	\$112, \$46, \$25, \$25, \$25, \$175, \$175, \$10, \$110, \$150, \$117,
620/820 I 820 I 820 I 821 I 621/824 V 825 I 825 I 822 I 823 I 827 I 831 G 830 I 827 I 622/820 G	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEI GAS SALES LINE & ME FLOWLINES, VALVES, TANKS (WATER AND F CONTINGENCY (8%) IGIBLE ESTIMATED CO	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO TER RUN CONNECTIONS PRODUCTION)				\$29,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000 \$175,000 \$10,000 \$150,000	\$112, \$46, \$25, \$25, \$25, \$175, \$175, \$10, \$110, \$150, \$117,
620/820 I 820 I 820 I 821 I 621/824 V 825 I 825 I 822 I 823 I 827 I 831 G 830 I 827 I 622/820 G IOTAL TANI	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEI GAS SALES LINE & ME FLOWLINES, VALVES, TANKS (WATER AND F CONTINGENCY (8%)	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO TER RUN CONNECTIONS PRODUCTION)				\$29,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000 \$10,000 \$150,000 \$88,000	\$112,0 \$112,0 \$46,0 \$25,0 \$25,0 \$25,0 \$12,0 \$25,0 \$12,0 \$10,0\$10,0
620/820 1 820 1 820 1 821 1 621/824 1 825 1 825 1 825 1 822 1 823 1 823 1 823 1 831 0 830 1 827 1 622/820 0	TUBING (Coated) WELLHEAD EQUIPMEN PRODUCTION FACILIT POWER SOURCE RODS AND PUMP (FG & PACKERS, BP'S, ESP, DO HEATER TREATER, SEI GAS SALES LINE & ME FLOWLINES, VALVES, TANKS (WATER AND F CONTINGENCY (8%)	Y ENCLOSURE & STEEL) OWNHOLE EQUIPMENT PERATOR, FWKO TER RUN CONNECTIONS PRODUCTION)				\$29,000	\$112,000 \$18,000 \$25,000 \$25,000 \$265,000 \$175,000 \$10,000 \$150,000 \$88,000	\$1 \$1 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2



TAB 3

- Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist
- Exhibit B-1: Structure Map
- Exhibit B-2: Stratigraphic Cross Section
- Exhibit B-3: Gross Isopach
- Exhibit B-4: Gun Barrel View
- Exhibit B-5: Structural Cross-Section

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

APPLICATION OF V-F PETROLEUM INC., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115

SELF-AFFIRMED STATEMENT OF STEPHEN BURKE

I, Stephen Burke, state and affirm the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.

2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.

3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

 This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.

5. **Exhibit B-1** is a structure map of the top of 3rd Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure



map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

6. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 3rd Bone Spring Sand. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and slight thinning to north of the target zone. The well logs on the cross-section give a representative sample of the 3rd Bone Spring Sand. The landing zone is highlighted by light, brown shading.

7. **Exhibit B-3** is a gross isopach map of the 3rd Bone Spring Sand, this map demonstrates the continuity of the target zone across this vicinity.

8. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of the wellbore.

9. **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 3rd Bone Spring Sand's applications in Cases Nos. 24994, 24955 and 25117.

10. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.

13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

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

[Signature page follows]

Signature page of Self-Affirmed Statement of Stephen Burke:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

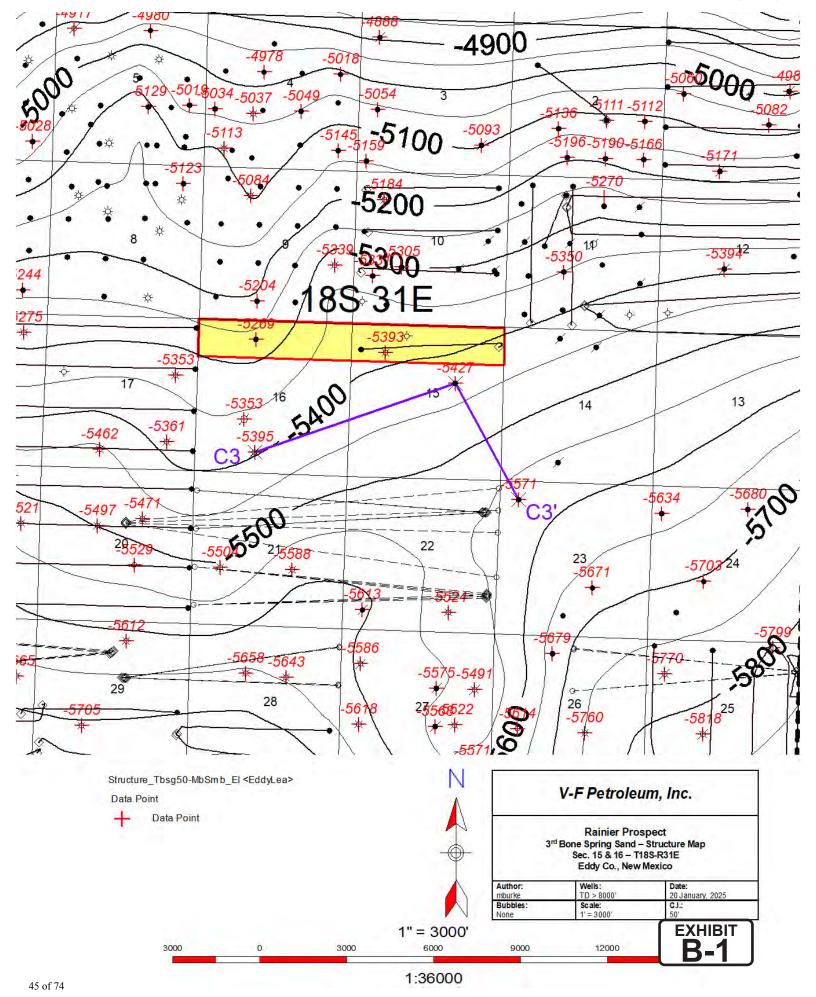
Hupper M. Broke

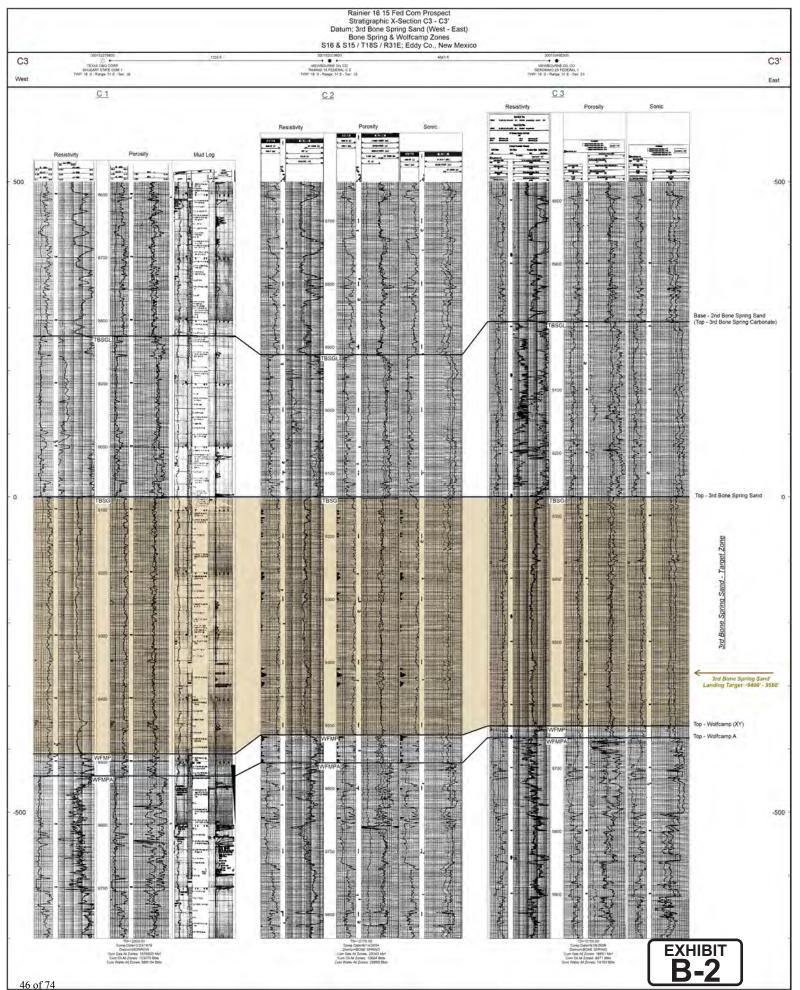
Stephen Burke

1/21/2025

Date Signed

Received by OCD: 1/22/2025 8:04:21 AM



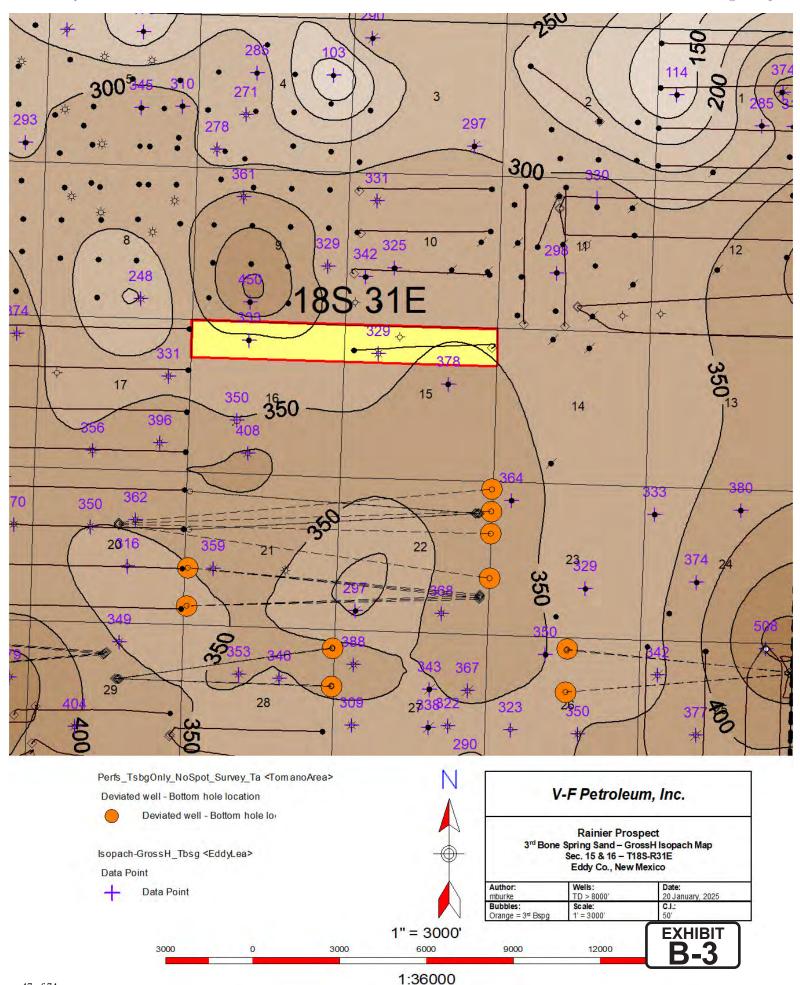


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Received by OCD: 1/22/2025 8:04:21 AM



47 of 74 Released to Imaging: 1/23/2025 3:29:02 PM

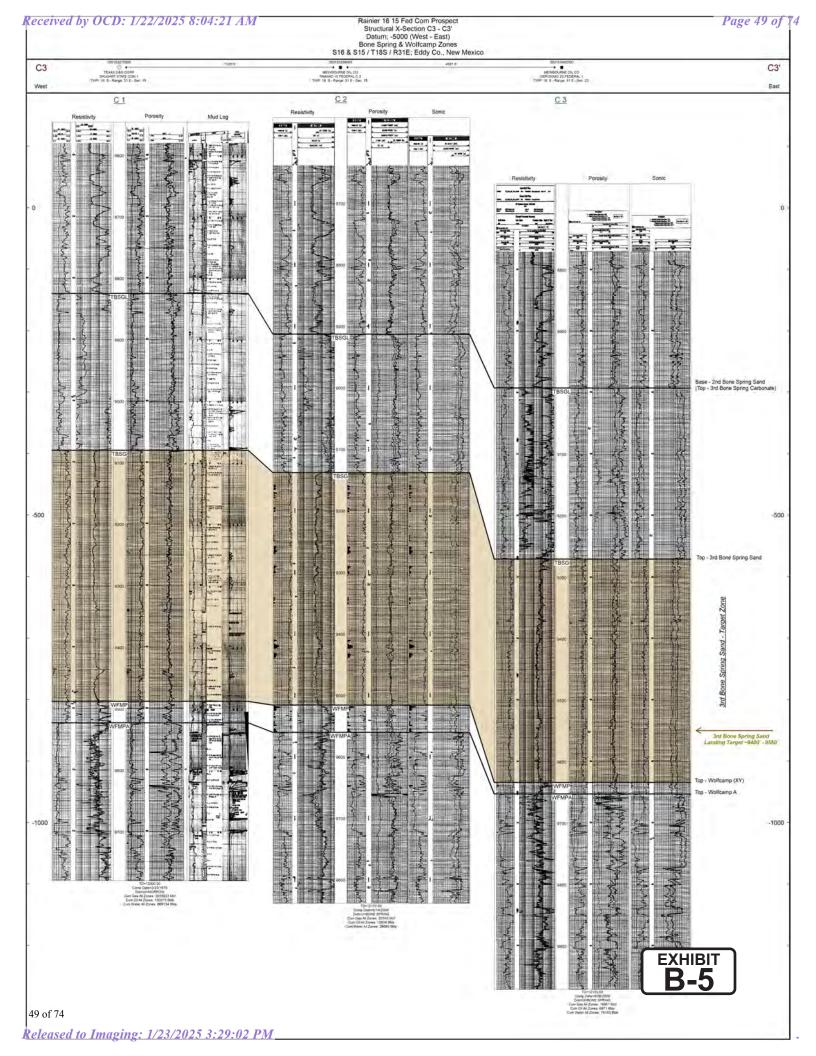
V-F Petroleum Inc.

Rainier 16 15 Fed Com #234H

Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	XXX-MOC	XXX-VE	XXX-VE	XXX-VE
Bspg2	<u>Tomano 1H</u> <u>MOC</u>	<u>Rainier</u> 223H-VE	<u>Rainier</u> 222H-VF	<u>Rainier</u> 221H-VE
Bspg3	Rainier 234H-VE	Rainier 233H-VE	<u>Rainier</u> 232H-VF	<u>Rainier</u> 231H-VE
WfmpXy	XXX-VE	XXX-VF	<u>XXX-VF</u>	XXX-VE
	North			South

	Range 31 East / Section 16					Range 31 East / Section 15		
	D	c	В	A	D	с	В	A
18 South	Е	F	G	н	E	F	G	н
Township 18 South	b P	к	J	J	L	к	L	- 1
	м	N	0	P	м	N	0	P

E	XH	IBIT	
	B	-4	



TAB 4

- Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage
- Exhibit C-1: Notice Letters
- Exhibit C-2: Mailing List
- Exhibit C-3: Affidavits of Publication

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

APPLICATION OF V-F PETROLEUM INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 25115

SELF-AFFIRMED STATEMENT OF NOTICE

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:

1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.



Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

1/20/2025

Date Signed

Page 53 of 74





ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

December 18, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy County, New Mexico Rainier 16-15 Fed Com #234H Well

Case No. 25115:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., ("V-F" or "Applicant"), has filed the enclosed application, Case No.25115, with the New Mexico Oil Conservation Division ("Division") for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico ("Subject Lands").

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division's website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online



214 McKenzie Street, Santa Fe, New Mexico, 87501

Released to Imaging: 1/23/2025 3:29:02 PM

53 of 74

O: 970.385.4401 • **F**: 970.385.4901

access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address 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 matter, please contact Jordan Shaw at (432) 269-0569 or at jordan@vfpetroleum.com.

Sincerely,

Darin C. Savage

Attorney for V-F Petroleum, Inc.

Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Rage 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #234H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

Mail Activity Report - RAINIER 234H 25115 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM

USPS Article Number	Reference Number Date Mailed	Date Mailed Name 1	Name 2	Address 1	City	State	zip	Mailing Status	Service Options
9314869904300129539218	4217.10 - Rainier 234H	9314869904300129539218 4217.10 - Rainier 234H 12/18/24 Kent Production Company, LLC	Land Department	3009 Post Oak Blvd., Suite 1212	Houston 1	TX 77	77056 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129539225 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Nortex Corporation*	Land Department	3009 Post Oak Blvd., Suite 1212	Houston 7	TX 7.	77056 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129539232 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Legacy Reserves Operating, LP	Land Department	1400 16th St., Suite 510	Denver (CO 8(0202 Forwa	Forwarded Re	Return Receipt - Electronic, Certified Mail
9314869904300129539249 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marienfeld St., Suite 1000	Midland 1	TX 75	79701 Delive	Delivered Re	Return Receipt - Electronic, Certified Mail
9314869904300129539256 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Occidental Permian, LP	Delaware Basin Land Department	P.O. Box 4294	Houston 1	TX 7.	7210 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129539263 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Ard Oil, LTD	Joel T. Sawyer, Agent	P.O. Box 101027	Fort Worth 7	TX 76	6185 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129539270 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth 1	TX 76	76102 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129539287 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth 1	TX 76	6102 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129539294 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston 1	TX 77	77552 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129539300 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Bureau of Land Management		620 E. Greene Street	Carlsbad N	NM 85	88220-6292 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129561318 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler 1	TX 75	75711 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129561325 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Delmar Hudson Lewis Living Trust	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas T	TX 75	75283-0308 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129561332	4217.10 - Rainier 234H	12/18/24 Frost Bank,	TTR of Josephine T. Hudson Testamentary Trus P.O. Box 1600	us P.O. Box 1600	San Antonio TX		78296 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129561349 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Hudson, Francis Hill, Trustee	Lindy's Living Trust	4200 South Hulen Street, Suite 302 Fort Worth	Fort Worth	×	76109 To be	e Returnec Re	Fo be Returnec Return Receipt - Electronic, Certified Mail
9314869904300129561356 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard Houston		TX 77	7024 Delivered		Return Receipt - Electronic, Certified Mail
9314869904300129561363 4217.10 - Rainier 234H	4217.10 - Rainier 234H	12/18/24 Ralph A. Shugart Jr. Trust dated 5/26/198: Elizabeth Duncan, Trustee	198: Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver (CO 80	80220-1337 Delivered		Return Receipt - Electronic, Certified Mail



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December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5613 63**.

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	December 24, 2024, 03:21 p.m.
Location:	DENVER, CO 80220
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Ralph A Shugart Jr Trust dated 5 26 1983 Eliza
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	1960 FOREST PKWY
City, State ZIP Code:	DENVER, CO 80220-1337
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5613 56**.

Item Details	
Status: Status Date / Time:	Delivered, Front Desk/Reception/Mail Room December 23, 2024, 03:07 p.m.
Location: Postal Product: Extra Services:	HOUSTON, TX 77024 First-Class Mail [®] Certified Mail [™] Return Receipt Electronic
Recipient Name:	Marathon Oil Permian LLC Chase Rice Permian Lan
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address: City, State ZIP Code:	990 TOWN AND COUNTRY BLVD HOUSTON, TX 77024-2217
Recipient Signature	
Signature of Recipient:	W MA W M F ==
Address of Recipient:	WNFE 990-15UM J&H

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POSTAL SERVICE

December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5613 32**.

Item Details	
Status:	Delivered, PO Box
Status Date / Time:	December 23, 2024, 11:18 a.m.
Location:	SAN ANTONIO, TX 78205
Postal Product:	First-Class Mail [®]
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Frost Bank TTR of Josephine T Hudson Testament
Shipment Details	
Weight:	3.0oz
Recipient Signature	
Signature of Recipient:	Boundary and ALBERT SANCHEZ
Address of Recipient:	Duliny Attrait

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December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5613 25**.

Item Details	
Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	December 24, 2024, 08:54 a.m.
Location:	DALLAS, TX 75260
Postal Product:	First-Class Mail [®]
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Delmar Hudson Lewis Living Trust Bank of America
Shipment Details	
Weight:	3.0oz
Recipient Signature	
Signature of Recipient:	Detry Roll X Banua Culal Real JANICS Labole /
Address of Recipient:	Latery R3

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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5613 18**.

Item Details	
Status: Status Date / Time: Location:	Delivered, PO Box December 23, 2024, 12:03 p.m. TYLER, TX 75711
Postal Product: Extra Services: Recipient Name:	First-Class Mail [®] Certified Mail™ Return Receipt Electronic Curtis W Mewbourne Trustee
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address: City, State ZIP Code:	PO BOX 7698 TYLER, TX 75711-7698
Recipient Signature	
Signature of Recipient:	X Gonzalo Argote Gonzalo Argote
Address of Recipient:	PO Box 769.8

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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5393 00**.

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	December 23, 2024, 01:44 p.m.
Location:	CARLSBAD, NM 88220
Postal Product:	First-Class Mail [®]
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Bureau of Land Management
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	620 E GREENE ST
City, State ZIP Code:	CARLSBAD, NM 88220-6292
Recipient Signature	
Signature of Recipient:	241
Address of Recipient:	CZO

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

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POSTAL SERVICE

December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 94**.

Item Details	
Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	December 28, 2024, 11:50 a.m.
Location:	GALVESTON, TX 77551
Postal Product:	First-Class Mail [®]
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Moore Shelton Company Ltd Michael R Moore
Shipment Details	
Weight:	3.0oz
Recipient Signature	
Signature of Recipient:	SHEVE NIELSEN
Address of Recipient:	POBOK307C

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POSTAL SERVICE

December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 87**.

Item Details		
Status:	Delivered, Left with Individual	
Status Date / Time:	December 23, 2024, 01:17 p.m.	
Location:	FORT WORTH, TX 76102	
Postal Product:	First-Class Mail®	
Extra Services:	Certified Mail™	
	Return Receipt Electronic	
Recipient Name:	Javelina Partners Edward Hudson Land Manager	
Shipment Details		
Weight:	3.0oz	
Destination Delivery Address		
City, State ZIP Code:	FORT WORTH, TX 76102-4662	
Recipient Signature		
Signature of Recipient:	Corricumentos	
Address of Recipient:	616 Texas	

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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 70**.

Item Details		
Status:	Delivered, Left with Individual	
Status Date / Time:	December 23, 2024, 01:17 p.m.	
Location:	FORT WORTH, TX 76102	
Postal Product:	First-Class Mail [®]	
Extra Services:	Certified Mail™	
	Return Receipt Electronic	
Recipient Name:	Zorro Partners Ltd W A Hudson II Agent	
Shipment Details		
Weight:	3.0oz	
Destination Delivery Address		
City, State ZIP Code:	FORT WORTH, TX 76102-4662	
Recipient Signature		
Signature of Recipient:	Corn cumminge	
Address of Recipient:	616 Texas	

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POSTAL SERVICE

December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 63**.

Item Details		
Status:	Delivered, Individual Picked Up at Post Office	
Status Date / Time:	December 27, 2024, 12:10 p.m.	
Location:	FORT WORTH, TX 76109	
Postal Product:	First-Class Mail [®]	
Extra Services:	Certified Mail™	
	Return Receipt Electronic	
Recipient Name:	Ard Oil LTD Joel T Sawyer Agent	
Shipment Details		
Weight:	3.0oz	
Recipient Signature		
Signature of Recipient:	Juro B Fo brue	
Address of Recipient:	0 10 2/,	

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POSTAL SERVICE

December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 56**.

Item Details		
Status:	Delivered, Individual Picked Up at Postal Facility	
Status Date / Time:	December 27, 2024, 04:46 a.m.	
Location:	HOUSTON, TX 77002	
Postal Product:	First-Class Mail [®]	
Extra Services:	Certified Mail™	
	Return Receipt Electronic	
Recipient Name:	Occidental Permian LP Delaware Basin Land Depar	
Shipment Details		
Weight:	3.0oz	
Recipient Signature		
Signature of Recipient:	The contraction of the second	
Address of Recipient:	Man Genoro Mondoza	

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Information in this section provided by Covius Document Services, LLC.

December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 49**.

Item Details		
Status:	Delivered, Left with Individual	
Status Date / Time:	December 23, 2024, 01:18 p.m.	
Location:	MIDLAND, TX 79701	
Postal Product:	First-Class Mail [®]	
Extra Services:	Certified Mail™	
	Return Receipt Electronic	
Recipient Name:	Permian Resources Operating LLC Delaware Basin	
Shipment Details		
Weight:	3.0oz	
Destination Delivery Address		
Street Address:	300 N MARIENFELD ST STE 1000	
City, State ZIP Code:	MIDLAND, TX 79701-4688	
Recipient Signature		
Signature of Recipient:	LKJUNL I.KJush	
Address of Recipient:	300WMaple	

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POSTAL SERVICE

December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 25**.

Item Details		
Status:	Delivered, Front Desk/Reception/Mail Room	
Status Date / Time:	December 23, 2024, 01:44 p.m.	
Location:	HOUSTON, TX 77056	
Postal Product:	First-Class Mail [®]	
Extra Services:	Certified Mail™	
	Return Receipt Electronic	
Recipient Name:	Nortex Corporation Land Department	
Shipment Details		
Weight:	3.0oz	
Destination Delivery Address		
Street Address:	3009 POST OAK BLVD	
City, State ZIP Code:	HOUSTON, TX 77056-6536	
Recipient Signature		
Signature of Recipient:	KWKOUT	
Address of Recipient:	:3009 for Cal #1212	

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

POSTAL SERVICE

December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5392 18**.

Item Details		
Status:	Delivered, Front Desk/Reception/Mail Room	
Status Date / Time:	December 23, 2024, 01:44 p.m.	
Location:	HOUSTON, TX 77056	
Postal Product:	First-Class Mail [®]	
xtra Services: Certified Mail™		
	Return Receipt Electronic	
Recipient Name:	Kent Production Company LLC Land Department	
Shipment Details		
Weight:	3.0oz	
Destination Delivery Address		
Street Address: 3009 POST OAK BLVD STE 412		
City, State ZIP Code:	HOUSTON, TX 77056-6599	
Recipient Signature		
Signature of Recipient:	KW KENT	
Address of Recipient:	:3009 for Cal #1212	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely, United States Postal Service[®] 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



Proof of Acceptance (Electronic)

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129561349 addressed to Hudson, Francis Hill, Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS[®]) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Hudson, Francis Hill, Trustee Lindy's Living Trust 4200 South Hulen Street, Suite 302 Fort Worth, TX 76109

The above information is for the sole use of CertifiedPro.net clients and represents information provided by the United States Postal Service.



Proof of Acceptance (Electronic)

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129539232 addressed to Legacy Reserves Operating, LP Land Department

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

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

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 1227 Ad Number: 27210 Description: 25115 - N2N2 Rainer 234H Ad Cost: \$170.11

Sherry Groves, being first duly sworn, says:

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

December 21, 2024

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

Sperry Denne

Agent

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

ann Khur

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

> KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE, SUITE B-4-180 DURANGO, CO 81301 kaiya@abadieschill.com



PUBLIC NOTICE

CASE No. 25115: Notice - to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether auch parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, KENT PRODUCTION COMPANY, LLC; NORTEX CORPORATION; LEGACY RESERVES OPERATING, LP; PERMIAN RESOURCES OPERATING, LLC; OCCIDENTAL PERMIAN, LP; ARD OIL, LTD; ZORNO PARTNERS, LTD; JAVELINA PARTNERS; CURTIS W. MEWBOURNE, TRUSTE; DELMAR HUDSON LEWIS LIVING TRUST; HUDSON, FRANCIS HILL, TRUSTEF; DELMAR HUDSON LEWIS LIVING TRUST; HUDSON, FRANCIS HILL, TRUSTEF; MARATHON OIL PERMIAN LLC; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTE, HODSON, FRANCIS HILL, TRUSTEF, LINDY'S LIVING TRUST; MARATHON OIL PERMIAN LLC; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEF AND MOORE & SHELTON COMPANY, LTD, of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 am on January 9.2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 37505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote necess and reviewing the status of the case, you can visit the Division you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of \$.914 beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog