

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

**APPLICATION OF RILEY PERMIAN OPERATING  
COMPANY, LLC FOR APPROVAL OF NONSTANDARD  
HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO**

**CASE NO. 25047**

**NOTICE OF SECOND AMENDED EXHIBIT PACKET**

Riley Permian Operating Company, LLC, (“Riley”) provides notice that it is amending the evidentiary record in this case, pursuant to a request from Oil Conservation Division Technical Staff member, Mr. Dean McClure, with respect to the following application materials:

- Amending Exhibit C, Affidavit of Landman Mark Smith, to describe Riley’s relationship with Pecos Oil & Gas, LLC; as well as clearly outlining the parties subject to compulsory pooling under this application.
- Amending Exhibit C-4 to clearly reflect the parties subject to compulsory pooling under this application.

Riley also submitted a First Amended Exhibit Packet on February 12, 2025 that reflected the following materials:

- Amending the Compulsory Pooling Application Checklist “Pool Name and Pool Code” field to reflect the RED LAKE;GLORIETA-YESO (51120).
- Amending the Compulsory Pooling Application Checklist to reflect that the proposed horizontal spacing unit is standard instead of non-standard.
- Providing a higher resolution Stratigraphic Cross-Section Locater Map copy of Exhibit D-4.
- Providing an amended Exhibit E notice spreadsheet that includes certified mail tracking numbers.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

Miguel A. Suazo

James P. Parrot

Jacob L. Everhart

Beatty & Wozniak, P.C.

500 Don Gaspar Ave.,

Santa Fe, NM 87505

(505) 946-2090

Fax: 800-886-6566

[msuazo@bwenergylaw.com](mailto:msuazo@bwenergylaw.com)

[jparrot@bwenergylaw.com](mailto:jparrot@bwenergylaw.com)

[jeverhart@bwenergylaw.com](mailto:jeverhart@bwenergylaw.com)

*Attorneys for Riley Permian Operating  
Company, LLC*

**BEFORE THE OIL CONSERVATION DIVISION**  
**EXAMINER HEARING FEBRUARY 13, 2025**

**Case No. 25047**

Eagle 33 Fed Com #004H

Eagle 33 Fed Com #005H

Eddy County, New Mexico



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

**APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC FOR APPROVAL OF NON-STANDARD HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

**CASE NO. 25047**

**HEARING PACKAGE**  
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**Riley Exhibit B:** Filed Application & Proposed Notice of Hearing

**Riley Exhibit C:** Prepared by Mark Smith, Senior Landman

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- Riley Exhibit C-2: C-102(s)
- Riley Exhibit C-3: Depiction of Spacing Unit
- Riley Exhibit C-4: Interest Calculations for Yeso Spacing Unit
- Riley Exhibit C-5: Map of Non-Standard Spacing Unit
- Riley Exhibit C-6: Sample Proposal Letter
- Riley Exhibit C-7: AFEs
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**Riley Exhibit D:** Prepared by Doug Standart, Senior Geologist

- Riley Exhibit D-1: Base Map, Stress Orientation Map, and Proposed Development Plan
- Riley Exhibit D-2: Yeso Structure Map
- Riley Exhibit D-3: Cross Section Locator Map
- Riley Exhibit D-4: Stratigraphic Cross-Section
- Riley Exhibit D-5: Gunbarrel Diagram

**Riley Exhibit E:** Notice Affidavit


- Notice Letter to Interested Parties
- Certified Mail Receipts

**Riley Exhibit F:** Affidavit of Publication

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 25047</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	
Applicant	<b>Riley Permian Operating Company, LLC</b>
Designated Operator & OGRID (affiliation if applicable)	<b>372290</b>
Applicant's Counsel:	Miguel Suazo, Beatty & Wozniak P.C.
Case Title:	Application of Riley Permian Operating Company, LLC for Approval of Non-Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Spur Energy Partners LLC
Well Family	Eagle 33 Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Yeso
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	The top of Yeso formation to the base of the Yeso formation.
Pool Name and Pool Code:	Red Lake; Glorieta-Yeso [51120]
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 acres, more or less
Building Blocks:	Quarter-Quarter Sections
Orientation:	East to West
Description: TRS/County	N/2 S/2 of Section 33, T-17-S, R-27-E, Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

<p>Well #1  <i>Received by OCD: 2/14/2025 3:35:58 PM</i></p>	<p><b>Eagle 33 Fed Com #004H Well (API No. 30-015-49329)</b>          SHL: NW/4 SW/4 (Unit L) of Section 34, Township 17 South, Range 27 East, N.M.P.M.          BHL: Lot 12 (Unit L) of Section 33, Township 17 South, Range 27 East, N.M.P.M.</p> <p>Completion Target: Yeso Formation          Well Orientation: East-West          Completion Location: Standard</p>
<p>Well #2</p>	<p><b>Eagle 33 Fed Com #005H Well (API No. 30-015-49711)</b>          SHL: NW/4 SW/4 (Unit L) of Section 34, Township 17 South, Range 27 East, N.M.P.M.          BHL: Lot 12 (Unit L) of Section 33, Township 17 South, Range 27 East, N.M.P.M.</p> <p>Completion Target: Yeso Formation          Well Orientation: East-West          Completion Location: Standard</p>
<p>Horizontal Well First and Last Take Points</p>	<p>Exhibit C-2</p>
<p>Completion Target (Formation, TVD and MD)</p>	<p>Exhibits C-6, C-7, and D-2</p>
<p></p>	<p></p>
<p><b>AFE Capex and Operating Costs</b></p>	<p></p>
<p>Drilling Supervision/Month \$</p>	<p>\$8,000</p>
<p>Production Supervision/Month \$</p>	<p>\$800</p>
<p>Justification for Supervision Costs</p>	<p>Exhibit C</p>
<p>Requested Risk Charge</p>	<p>200%</p>
<p><b>Notice of Hearing</b></p>	<p></p>
<p>Proposed Notice of Hearing</p>	<p>Exhibit B</p>
<p>Proof of Mailed Notice of Hearing (20 days before hearing)</p>	<p>Exhibit E</p>
<p>Proof of Published Notice of Hearing (10 days before hearing)</p>	<p>Exhibit F</p>
<p><b>Ownership Determination</b></p>	<p></p>
<p>Land Ownership Schematic of the Spacing Unit</p>	<p>Exhibits C-3 and C-4</p>
<p>Tract List (including lease numbers and owners)</p>	<p>Exhibits C-3 and C-4</p>
<p>If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.</p>	<p>Exhibits C-4 and C-5</p>
<p>Pooled Parties (including ownership type)</p>	<p>Exhibit C-3 and C-4</p>

Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-8
Overhead Rates In Proposal Letter	Exhibits C-6 and C-7
Cost Estimate to Drill and Complete	Exhibit C-7
Cost Estimate to Equip Well	Exhibit C-8
Cost Estimate for Production Facilities	Exhibit C-9
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibits C-2, C-3, D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-5
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibits C-1 and D-1
Well Bore Location Map	Exhibit C-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Miguel Suazo
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	1/22/2025

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

**APPLICATION OF RILEY PERMIAN  
OPERATING COMPANY, LLC FOR  
APPROVAL OF NON-STANDARD  
HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_

**APPLICATION**

Riley Permian Operating Company, LLC, OGRID No. 372290 (“Riley” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and 19.15.16.15(B)(5) NMAC, for an order (1) approving a 160-acre, more or less, non-standard horizontal spacing unit (“HSU”) composed of the N/2 S/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M. (the “Application Lands”), and (2) pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

In support of its Application, Riley states the following:

1. Riley is a working interest owner in the Application Lands and has a right to drill wells thereon as the designated Operator of the Application Lands.
2. Riley seeks to dedicate all of the Application Lands to form a 160-acre, more or less, HSU.
3. Riley seeks to dedicate the above-referenced HSU to the following proposed wells:
  - A. **Eagle 33 Fed Com #004H** (API No. 30-015-49329), which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of



Section 34, Township 17 South, Range 27 East, to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33, Township 17 South, Range 27 East;

B. **Eagle 33 Fed Com #005H** (API No. 30-015-49711), which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34, Township 17 South, Range 27 East, to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33, Township 17 South, Range 27 East;

4. The wells are orthodox in their location as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.(C) NMAC.

5. Riley has sought in good faith but has been unable to obtain voluntary agreement from all interest owners in the Yesso Formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Yesso Formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

8. To provide for its just and fair share of the oil and gas underlying the subject lands, Riley requests that all uncommitted interests in this HSU be pooled and that Riley be designated as the operator of the proposed horizontal wells and HSU.

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

- A. Approving the creation of an approximately 160-acre non-standard HSU, composed of the Application Lands, pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Yeso Formation underlying the HSU within the Application Lands;
- C. Approving the **Eagle 33 Fed Com #004H** and **Eagle 33 Fed Com #005H** as the wells for the HSU.
- D. Designating Riley as operator of the HSU and the horizontal wells to be drilled thereon;

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:  \_\_\_\_\_

Miguel A. Suazo  
James P. Parrot  
500 Don Gaspar Ave.,  
Santa Fe, NM 87505  
(505) 946-2090

[msuazo@bwenergylaw.com](mailto:msuazo@bwenergylaw.com)

[jparrot@bwenergylaw.com](mailto:jparrot@bwenergylaw.com)

*Attorneys for Riley Permian Operating Company*

***Application of Riley Permian Operating Company, LLC for Approving a Non-Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) approving a 160-acre, more or less, non-standard horizontal spacing and proration unit composed of all of the N/2 S/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M.; and (2) pooling all uncommitted mineral interests in the Yesso Formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the: **Eagle 33 Fed Com #004H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34 to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33; and the **Eagle 33 Fed Com #005H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34 to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 7.5 miles southeast from Artesia, New Mexico.

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
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**APPLICATION OF RILEY PERMIAN  
OPERATING, LLC FOR APPROVAL OF NON-  
STANDARD HORIZONTAL SPACING UNIT  
AND COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO**

**CASE NO. 25047**

**AFFIDAVIT OF MARK SMITH**

Mark Smith, being first duly sworn upon oath, deposes and states as follows:

1. My name is Mark Smith, and I am employed by Riley Permian Operating Company, LLC (“Riley”) as a Senior Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my qualifications as an expert in petroleum land matters were accepted and made a matter of record. I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of this matter.

3. I am familiar with the application filed by Riley in the above-referenced case and the status of the lands in the subject lands.

4. I am submitting this affidavit in support of Riley’s application in the above-referenced case, as required by the Pre-Hearing Order issued by the Division. I intend to present this case by affidavit pursuant to 19.15.4.12.(A)(1) NMAC.

5. Under Case No. 25047, Riley seeks an order (1) approving a non-standard 160 - acre, more or less, horizontal spacing unit (“HSU”) underlying the Application Lands, and (2) pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

6. **Riley Exhibit C-1** is a general location map showing the proposed Yeso formation spacing unit. The acreage subject to the applications are federal and state lands.

7. **Riley Exhibit C-2** contains the Form C-102s reflecting that the proposed Yeso wells to be drilled and completed in the subject unit. The location of each well is orthodox and meets the Division’s offset requirements.

8. A review of the Yeso formation underlying the subject lands indicated that there are no overlapping spacing units in this formation.

9. **Riley Exhibit C-3** outlines the proposed Yeso units and tracts therein.

10. **Riley Exhibit C-4** sets forth the ownership of the parties being pooled in the Yeso Formation and the nature of their interests; Uncommitted and Committed parties that are being pooled and/or subject to a Joint Operating Agreement. These exhibits identify the tract number and spacing unit percentage interest for each mineral owner. Exhibit C-4 also sets forth Riley’s relationship with Pecos Oil & Gas, LLC (“Pecos”). Riley Permian Operating, LLC and Riley Exploration-Permian, LLC are the successor-in-interest to certain operating rights of Pecos within the Application lands. Riley purchased these certain operating rights from Pecos in 2023. However, the lease records maintained by the BLM still shows Pecos as the operating rights owner as to certain leases. As such, Exhibit C-4 reflects Pecos as the WI interest owner as to certain interests in accordance with BLM records; but based upon the contractual agreements and other assignments between Pecos and Riley, Riley has obtained all the operating rights and interests of Pecos in the Application Lands.

The parties being pooled as shown on this Exhibit are SEP Permian Holding Corp. (Spur Energy Partners), and XTO Holdings LLC.

11. **Riley Exhibit C-5** is a map depicting the non-standard spacing unit in relation to the outline of a standard spacing unit. The map also identified the interest owners in the tracts surrounding the proposed units, who were also provided notice of the applications.

12. Riley's request for approval of non-standard spacing unit will allow it to consolidate surface facilities and will consequently prevent surface, environmental, and economic waste. As a result, approval of the proposed non-standard spacing unit is necessary to prevent waste and protect correlative rights.

13. **Riley Exhibit C-6** contains a sample well proposal letter sent in October of 2024 to each mineral interest owner and/or working interest owner.

14. **Riley Exhibit C-7** contains the AFE for each proposed well. The estimated costs of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

15. Riley requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/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 New Mexico. Riley respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these cases.

16. Riley requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

17. **Riley Exhibit C-8** sets forth a chronology of the contacts with owners. Riley has made a good faith effort to obtain voluntary joinder of the interest owners in the proposed wells.

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 interest owners were locatable and noticed, and there are no unleased mineral interest owners. Riley caused notice to be published in the Carlsbad-Current Argus, a newspaper of general circulation in Eddy County, New Mexico. I provided the law firm of Beatty & Wozniak, P.C., with the names and addresses for these mineral owners and instructed that each owner be provided notice of the hearing in these matters.

18. **Riley Exhibit C-9** provides a map of existing vertical wells in the proposed HSU. Riley provided notice of the application in this case to the operators of those wells, as required by 19.15.16.15.(B)(9) NMAC.

19. Riley requests that it be designated operator of the unit and wells.

20. **Exhibit C-1** through **Exhibit C-9** were either prepared by me or compiled from Riley's company business records under my direction and supervision.

21. The granting of this application for compulsory pooling and approval of non-standard spacing unit is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

22. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

*[Remainder of page left intentionally blank]*





# Land: Exhibit C-1

Locator Map:



RILEY PERMIAN

District I  
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 IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-49711</b>	<sup>2</sup> Pool Code 51120	<sup>3</sup> Pool Name Red Lake; Glorieta Yeso
<sup>4</sup> Property Code <b>332344</b>	<sup>5</sup> Property Name <b>EAGLE 33 FEDERAL COM</b>	
<sup>7</sup> OGRID No. <b>330211</b>	<sup>8</sup> Operator Name <b>REDWOOD OPERATING LLC</b>	
		<sup>6</sup> Well Number <b>5H</b>
		<sup>9</sup> Elevation <b>3547.6</b>

<sup>10</sup> Surface Location

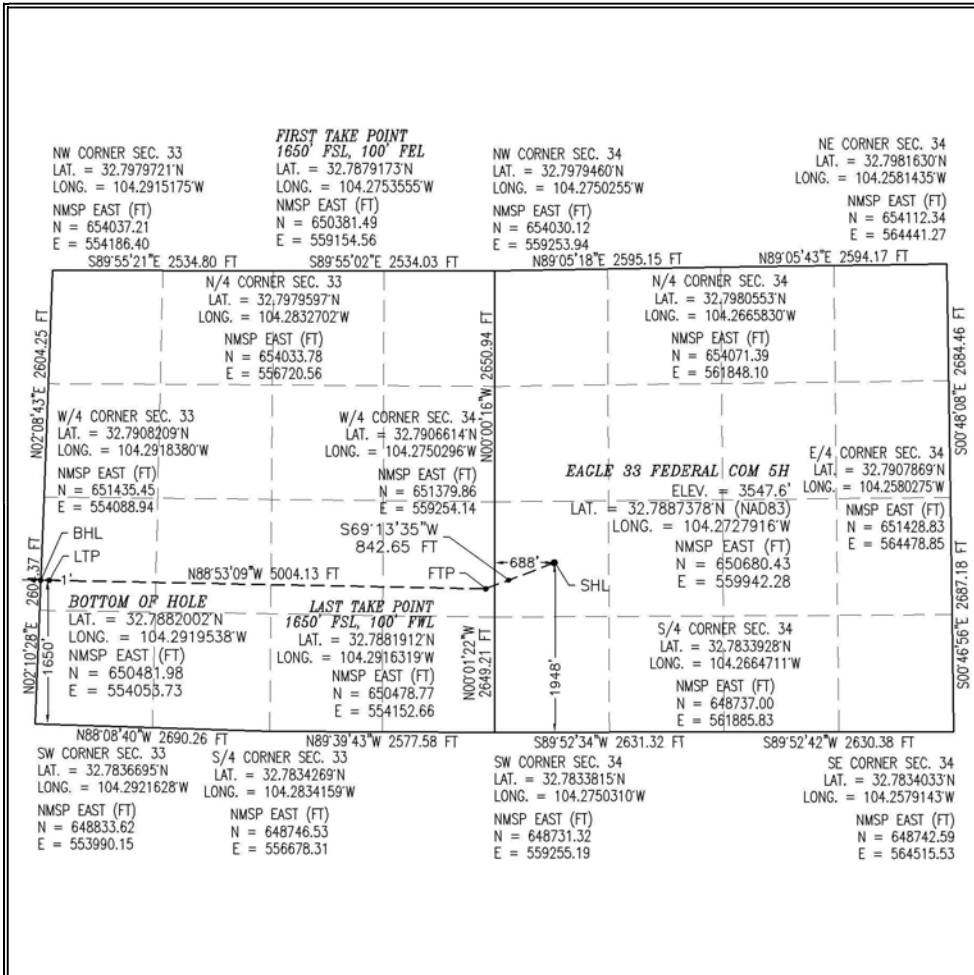
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	34	17 S	27 E		1948	SOUTH	688	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	33	17 S	27 E		1650	SOUTH	1	WEST	EDDY

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Deana Weaver* 12/3/21  
Signature Date

Deana Weaver  
Printed Name

dweaver@mec.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat 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.

DECEMBER 1, 2021  
Date of Survey

*[Signature]*  
Signature and Seal of Professional Surveyor:  
Certificate Number: 12797  
JARAMILLO, FREDERICK PROFESSIONAL SURVEYOR NO. 9093

District I  
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 IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-49329</b>	<sup>2</sup> Pool Code <b>51120</b>	<sup>3</sup> Pool Name <b>Red Lake; Glorieta Yeso</b>
<sup>4</sup> Property Code <b>332344</b>	<sup>5</sup> Property Name <b>EAGLE 33 FEDERAL COM</b>	
<sup>7</sup> OGRID No. <b>330211</b>	<sup>8</sup> Operator Name <b>REDWOOD OPERATING LLC</b>	<sup>6</sup> Well Number <b>4H</b>
		<sup>9</sup> Elevation <b>3547.2</b>

<sup>10</sup> Surface Location

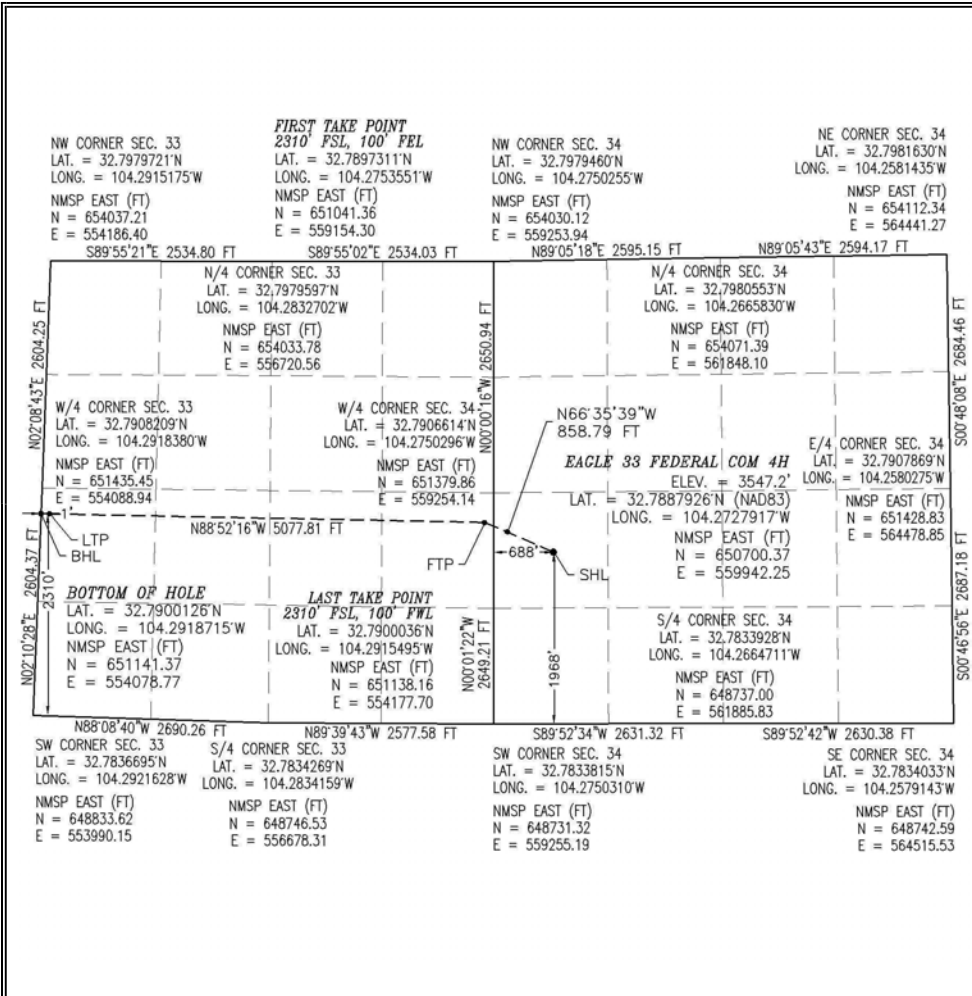
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>34</b>	<b>17 S</b>	<b>27 E</b>		<b>1968</b>	<b>SOUTH</b>	<b>688</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>33</b>	<b>17 S</b>	<b>27 E</b>		<b>2310</b>	<b>SOUTH</b>	<b>1</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Deana Weaver* 12/3/2021  
Signature Date

Deana Weaver  
Printed Name

dweaver@mec.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat 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.

DECEMBER 1, 2021  
Date of Survey

*[Signature]*  
Signature and Seal of Professional Surveyor

Certificate Number: **PLS 12797**  
SURVEY NO. 9092

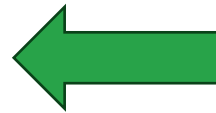
# Land: Exhibit C-3

## Lease Tract Map:

Section 33-17S-27E: N2N2 as DSU 1 containing Eagle Fed Com 10H and 11H, the S2N2 as DSU 2 containing the Eagle Fed Com 4H and 5H and N2S2 as DSU 3 containing Eagle Fed Com 7H and 8H, Eddy County, NM (Red Lake, Glorieta-Yeso Pool).

Section 33-17S-27E

DSU 1	TRACT 1: N2NW	TRACT 2: N2NE
DSU 2	TRACT 3: S2NW	TRACT 4: S2NE
DSU 3	TRACT 5: N2SW	TRACT 6: N2SE
	S2SW	S2SE



TRACT	ACRES	FEE/FED/STATE
TRACT 1	80	FED
TRACT 2	80	FED
TRACT 3	80	FED
TRACT 4	80	FED
TRACT 5	80	FED
TRACT 6	80	FED
<b>TOTAL FED ACRES:</b>		<b>480</b>



All of Section 33-17S-27East, NM PM , Eddy County, New Mexico

Working Interest Summary

UNIT A: N/2 N/2 (BPO)

Limited from the base of the San Andres formation to the base of the Yeso formation

OPERATING RIGHTS					
Lease(s)	WI Owners	Net Acres	GWI	Unit NRI	Avg. Lease NRI
NMNM-025528	Pecos Oil & Gas, LLC	78.000000	0.48750000	0.39000000	0.80000000
NMNM-025528	Chanas Partners LLC	2.000000	0.01250000	0.00937500	0.75000000
NMLC-026874F	Term: SEP Permian Holding Corp. Reversion: XTO Holdings LLC	80.000000	0.50000000	0.34552813	0.69105625
	<b>TOTAL LEASEHOLD</b>	<b>160.000000</b>	<b>1.00000000</b>	<b>0.74490313</b>	

Parties with Uncommitted Interests Shown that are Subject to Compulsory Pooling:

SEP Permian Holding Corp. (Spur Energy Partners)  
XTO Holdings LLC



Parties with Committed Interests Shown that are Subject to Pooling:

Chanas Partners LLC  
Pecos Oil & Gas, LLC (Riley Permian Operating Company, LLC / Riley Exploration-Permian, LLC)

UNIT A: N/2 N/2 (APO)

Limited from the base of the San Andres formation to the base of the Yeso formation

OPERATING RIGHTS					
Lease(s)	WI Owners	Net Acres	GWI	Unit NRI	Avg. Lease NRI
NMNM-025528	Pecos Oil & Gas, LLC	78.000000	0.48750000	0.39000000	0.80000000
NMNM-025528	Chanas Partners LLC	2.000000	0.01250000	0.00937500	0.75000000
NMLC-026874F	Term: Nearburg Exploration Company, L.L.C. Reversion: XTO Holdings LLC	3.854000	0.02408750	0.01646276	0.68345638
NMLC-026874F	Term: SEP Permian Holding Corp. Reversion: XTO Holdings LLC	76.146000	0.47591250	0.32526543	0.68345638
	<b>TOTAL LEASEHOLD</b>	<b>160.000000</b>	<b>1.00000000</b>	<b>0.74110319</b>	

All of Section 33-17S-27East, NM PM , Eddy County, New Mexico

Working Interest Summary

UNIT B: S/2 N/2 (BPO)

Limited from the base of the San Andres formation to the base of the Yeso formation

OPERATING RIGHTS					
Lease(s)	WI Owners	Net Acres	GWl	Unit NRI	Avg. Lease NRI
NMNM-056122, NMNM-025528	Pecos Oil & Gas, LLC	78.000000	0.48750000	0.39000000	0.80000000
NMNM-056122, NMNM-025528	Chanas Partners LLC	2.000000	0.01250000	0.00937500	0.75000000
NMLC-026874F	Term: SEP Permian Holding Corp. Reversion: XTO Holdings LLC	80.000000	0.50000000	0.34552813	0.69105625
	<b>TOTAL LEASEHOLD</b>	<b>160.000000</b>	<b>1.00000000</b>	<b>0.74490313</b>	

Parties with Uncommitted Interests Shown that are Subject to Compulsory Pooling:

SEP Permian Holding Corp. (Spur Energy Partners)  
XTO Holdings LLC



Parties with Committed Interests Shown that are Subject to Pooling:

Chanas Partners LLC  
Pecos Oil & Gas, LLC (Riley Permian Operating Company, LLC / Riley Exploration-Permian, LLC)

UNIT B: S/2 N/2 (APO)

Limited from the base of the San Andres formation to the base of the Yeso formation

OPERATING RIGHTS					
Lease(s)	WI Owners	Net Acres	GWl	Unit NRI	Avg. Lease NRI
NMNM-056122, NMNM-025528	Pecos Oil & Gas, LLC	78.000000	0.48750000	0.39000000	0.80000000
NMNM-056122, NMNM-025528	Chanas Partners LLC	2.000000	0.01250000	0.00937500	0.75000000
NMLC-026874F	Term: Nearburg Exploration Company, L.L.C. Reversion: XTO Holdings LLC	3.854000	0.02408750	0.01646276	0.68345638

NMLC-026874F	Term: SEP Permian Holding Corp. Reversion: XTO Holdings LLC	76.146000	0.47591250	0.32526543	0.68345638
	<b>TOTAL LEASEHOLD</b>	<b>160.000000</b>	<b>1.00000000</b>	<b>0.74110319</b>	

All of Section 33-17S-27East, NM PM , Eddy County, New Mexico

Working Interest Summary

UNIT C: N/2 S/2 (BPO)

Limited from the base of the San Andres formation to the base of the Yeso formation

OPERATING RIGHTS					
Lease(s)	WI Owners	Net Acres	GWl	Unit NRI	Avg. Lease NRI
NMNM-033865	Pecos Oil & Gas, LLC	40.000000	0.25000000	0.17187500	0.68750000
NMLC-049648B, NMLC-026874F	Term: SEP Permian Holding Corp. Reversion: XTO Holdings LLC	80.000000	0.50000000	0.34552813	0.69105625
NMNM-033865	SEP Permian Holding Corp.	40.000000	0.25000000	0.17187500	0.68750000
	<b>TOTAL LEASEHOLD</b>	<b>160.000000</b>	<b>1.00000000</b>	<b>0.68927813</b>	

UNIT C: N/2 S/2 (APO)

Limited from the base of the San Andres formation to the base of the Yeso formation

OPERATING RIGHTS					
Lease(s)	WI Owners	Net Acres	GWl	Unit NRI	Avg. Lease NRI
NMNM-033865	Pecos Oil & Gas, LLC	40.000000	0.25000000	0.17187500	0.68750000
NMLC-049648B, NMLC-026874F	Term: Nearburg Exploration Company, L.L.C. Reversion: XTO Holdings LLC	3.854000	0.02408750	0.01652043	0.68585085
NMLC-049648B, NMLC-026874F	Term: SEP Permian Holding Corp. Reversion: XTO Holdings LLC	76.146000	0.47591250	0.32640499	0.68585085
NMNM-033865	SEP Permian Holding Corp.	40.000000	0.25000000	0.17187500	0.68750000
	<b>TOTAL LEASEHOLD</b>	<b>160.000000</b>	<b>1.00000000</b>	<b>0.68667542</b>	



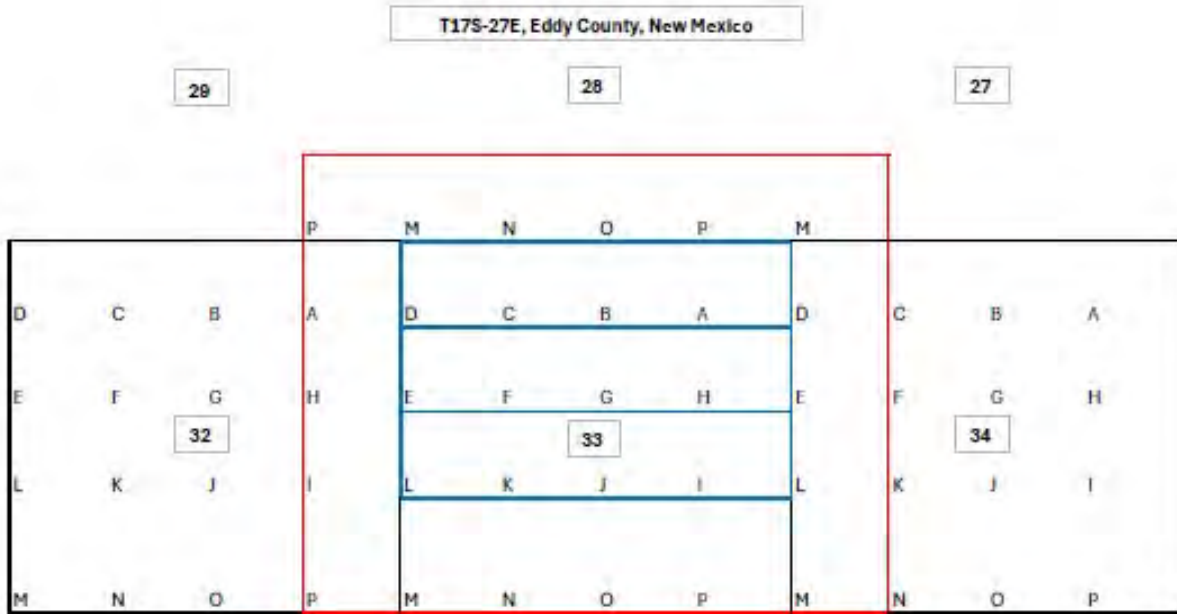
All of Section 33-17S-27East, NM PM , Eddy County, New Mexico

**Working Interest Summary**

**UNIT D: S/2 S/2**

Limited from the base of the San Andres formation to the base of the Yeso formation

OPERATING RIGHTS					
Lease(s)	WI Owners	Net Acres	GWl	Unit NRI	Avg. Lease NRI
NMLC-026874B, NMNM-025528	Pecos Oil & Gas LLC	118.000000	0.73750000	0.59000000	0.80000000
NMLC-055383B	ZPZ Delaware I LLC	40.000000	0.25000000	0.20625000	0.82500000
NMNM-025528	Chanas Partners LLC	2.000000	0.01250000	0.00937500	0.75000000
	<b>TOTAL LEASEHOLD</b>	<b>160.000000</b>	<b>1.00000000</b>	<b>0.80562500</b>	



Proration Unit

Affected Tracts



October 30, 2024

SEP Permian Holding Corp.  
P.O. Box 650823  
Dallas, TX 75265

RE: Well Proposal  
Eagle 33 Federal Com 4H & Eagle 33 Federal Com 5H  
N/2 S/2 Section 33, T17S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Permian Operating Company, LLC ("Riley"), hereby proposes to drill and complete the Eagle 33 Federal Com 4H and 5H wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

**Eagle 33 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 1968' FSL & 688' FWL, Section 34, T17S-R27E  
Proposed Bottom Hole Location – 2310' FSL & 1' FWL, Section 33, T17S-R27E  
TVD:3,400'

**Eagle 33 Federal Com 5H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 1948' FSL & 688' FWL, Section 34, T17S-R27E  
Proposed Bottom Hole Location – 1650' FSL & 1' FWL, Section 33, T17S-R27E  
TVD:3,100'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 33-T-17S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, limited to the Yeso Formation, ("Contract Area"). Portions of these lands may be governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation, and which may govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new Joint Operating Agreement dated November 1, 2024, being a modified 2015 Horizontal AAPL Form 610 Operating Agreement ("NJOA") to govern proposals and operations within the DSU.

The NJOA shall supersede and replace any existing operating agreements covering any or all of the same Contract Area, and shall be expressly limited however, to horizontal well development and operations, and any related concept wells (i.e. micro seismic wells and pilot hole wells) within the DSU. The NJOA has the following general provisions:

Eagle 33 Federal Com 4H & 5H  
N/2 S/2 of Section 33, T17S, R27E  
Eddy County, New Mexico  
October 29, 2024

- Effective Date of November 1, 2024
- Contract Area consisting of the N/2 S/2 of Section 33-T17S-27E
- Limited to the Yeso formation
- 100% / 300% / 300% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following three options with regard to your interest in the proposed wells. Please make an election for each such well:

**Option 1:** Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

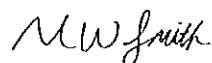
**Option 2:** Not participate in the proposed wells (an election of "Non-Consent")

Should you election Option 1 or Option 2, Riley will send the NJOA for your review and execution. If you prefer to review the NJOA prior to making an election, please request a copy by email and Riley will supply the NJOA. In the event you are interested in selling your interest in the DSU to Riley, please contact the undersigned.

Riley looks forward to working with you on this matter. However, if a voluntary agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-694-9053 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com). Thank you very much for your assistance and cooperation.

Best Regards,



Mark W. Smith  
Sr. Landman

Eagle 33 Federal Com 4H & 5H  
N/2 S/2 of Section 33, T17S, R27E  
Eddy County, New Mexico  
October 29, 2024

**Eagle 33 Federal Com 4H**

Owner: SEP Permian Holding Corp.  
Estimated Working Interest: 0.25000000

\_\_\_\_\_ **Option 1)** The undersigned elects to participate in the drilling and completion of the Eagle 33 Federal Com 4H well. Enclosed please find our share of the payment of the estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit.

\_\_\_\_\_ **Option 2)** The undersigned elects not to participate in the drilling and completion of the proposed Eagle 33 Federal Com 4H well.

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ The undersigned requests Well Insurance coverage provided by Riley

\_\_\_\_\_ The undersigned elects to obtain individual Well Insurance coverage.

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**Company / Individual:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Eagle 33 Federal Com 4H & 5H  
N/2 S/2 of Section 33, T17S, R27E  
Eddy County, New Mexico  
October 29, 2024

**Eagle 33 Federal Com 5H**

Owner: SEP Permian Holding Corp.  
Estimated Working Interest: 0.25000000

\_\_\_\_\_ **Option 1)** The undersigned elects to participate in the drilling and completion of the Eagle 33 Federal Com 5H well. Enclosed please find our share of the payment of the estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit.

\_\_\_\_\_ **Option 2)** The undersigned elects not to participate in the drilling and completion of the proposed Eagle 33 Federal Com 5H well.

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ The undersigned requests Well Insurance coverage provided by Riley

\_\_\_\_\_ The undersigned elects to obtain individual Well Insurance coverage.

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**Company / Individual:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# AUTHORITY FOR EXPENDITURE



Released to Imaging: 2/14/2025 3:35:58 PM

Received by OCD: 2/14/2025 3:35:58 PM

OPERATOR Riley Permian Operating Company LLC				WELL NAME & NUMBER Eagle 33 Federal Com 4H	PROPOSED TVD 3,400	PROPOSED MEASURED DEPTH 9,700	FIELD/PROSPECT Red Lake	AFE NO.	DATE Oct 30 2024
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,100		PROPOSED FORMATION Yeso		CLASSIFICATION Development			
LOCATION W/2 S/2 Section 33, T17S-R27E				Surface LAT: 32.7887926		Surface LONG: -104.2727917			

DESCRIPTION	INTANGIBLES		DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 25,000	855.010	\$-	825.010	\$-			\$ 25,000
Drilling Title Opinion	850.020	\$ 50,000							\$ 50,000
Location, Roads, & Pits	850.030	\$ 55,000	855.030	\$-	825.030	\$-			\$ 55,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$-					\$ 4,000
Rig Mobilization	850.050	\$ 100,000	855.050						\$ 100,000
Dayrate Drilling Rig 8 days @ \$ 19,875 /day	850.060	\$ 198,788	855.060						\$ 198,788
Footage Drilling 10000 feet @ /ft	850.070	\$ -							\$ -
Turnkey Drilling	850.080	\$ -							\$ -
Bits	850.090	\$ 25,500							\$ 25,500
Directional Services	850.095	\$ 128,360							\$ 128,360
Mud & Chemicals	850.100	\$ 40,000							\$ 40,000
Solids Control Services	850.105	\$ 35,000							\$ 35,000
Coil Tbg/Snubbing			855.110	\$-					\$ -
Fuel 1400 gal/day @ \$ 3.20 /day	850.111	\$ 35,840	855.111	\$209,000					\$ 244,840
Water - Fresh	850.120	\$ 6,667	855.120	\$179,000	825.120	\$-			\$ 185,667
Kill Weight Fluids	850.125	\$ 6,667	855.125	\$-					\$ 6,667
Cementing Svcs Surf \$ 16,000 Int ##### Prod Csg \$ 75,000	850.130	\$ 107,000							\$ 107,000
Casing Hardware Surf \$ 3,000 Int \$ 3,000 Prod \$ 25,000	850.135	\$ 31,000							\$ 31,000
Open Hole Logs	850.140	\$ -							\$ -
Completion Fluids			855.140	\$331,000					\$ 331,000
Mud Logging	850.150	\$ 15,000							\$ 15,000
Coring	850.160	\$ -							\$ -
Surface Equip Rentals	850.180	\$ 40,000	855.180	\$82,000	825.180	\$3,800			\$ 125,800
Downhole Equip Rentals	850.185	\$ 19,000	855.185	\$15,000					\$ 34,000
Transportation	850.190	\$ 15,000	855.190	\$20,000	825.190	\$20,000			\$ 55,000
Living Quarters	850.200	\$ 37,000	855.200	\$-					\$ 37,000
Safety	850.205	\$ 2,500							\$ 2,500
Contract Services	850.210	\$ 65,000	855.210	\$76,000	825.210	\$30,000			\$ 171,000
Tubular Inspections	850.215	\$ 5,000	855.215	\$15,000					\$ 20,000
Consulting Engineer	850.220	\$ 25,000							\$ 25,000
On-Site Supervision	850.225	\$ 38,000	855.225	\$52,800	825.225	\$-			\$ 90,800
Consulting Geologist	850.230	\$ -							\$ -
Company Labor	850.245	\$ 5,000	855.245	\$-	825.245	\$-			\$ 5,000
Plug & Abandonment	850.270	\$ -							\$ -
Surface Damages	850.280	\$ 30,000	855.280	\$-	825.280	\$-			\$ 30,000
Fluid Haul & Disposal	850.290	\$ 85,000	855.290	\$20,000	825.290	\$-			\$ 105,000
Water Transfer Services	850.291	\$ -	855.291	\$123,500					\$ 123,500
Overhead	850.300	\$ 3,000	855.300	\$5,000	825.300	\$5,000			\$ 13,000
Completion Unit			855.310	\$79,800					\$ 79,800
Plugs, Perfs & Cased Hole Wireline			855.325	\$128,000					\$ 128,000
Acidizing			855.340	\$10,000					\$ 10,000
Fracturing 141 Stage Spacing 55 Stages			855.350	\$711,000					\$ 711,000
Flowback Services			855.380	\$40,000					\$ 40,000
EHS & Regulatory	850.700	\$ -	855.700						\$ -
Soils & Environmental Response	850.701	\$ -	855.701						\$ -
Safety	850.702	\$ -	855.702						\$ -
Regulatory	850.703	\$ -	855.703						\$ -
Environmental Compliance	850.704	\$ -	855.704						\$ -
<b>TOTAL INTANGIBLES</b>			\$ 1,233,322		\$ 2,097,100		\$ 58,600		\$ 3,389,022

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 25,000					\$ 25,000
Surface Casing	13 3/8	48.0	J-55	77.67	400	860.020	\$ 31,000					\$ 31,000
Intermediate Casing	9 5/8	36.0	J-65	48.83	1,250	860.030	\$ 61,000					\$ 61,000
Production Casing -top string	7	26.0	L-80	54.50	4,000	860.040	\$ 218,000					\$ 218,000
Production Casing -bottom string	5 1/2	17.0	L-80	34.46	5,425	860.041	\$ 187,000					\$ 187,000
Casing Head Spools						860.050	\$ 12,000					\$ 12,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	4.75	3,250			865.120	\$16,364			\$ 16,364
Other Wellhead Equipment						860.070	\$ -	865.070	\$-			\$ -
Flowline & Connectors								865.250	\$16,000	826.250	\$100,000	\$ 116,000
Production Wellhead								865.100	\$16,000			\$ 16,000
Tubing Head						860.130	\$ 24,000					\$ 24,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$190,000			\$ 190,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ 2,000	865.090	\$-	826.090	\$-	\$ 2,000
Tanks, Stairs, & Walkways										826.150	\$75,075	\$ 75,075
Production Facility (pipes, valves, other misc. equipt)										826.200	\$60,000	\$ 60,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$54,000	\$ 54,000
LACT Units										826.220	\$17,000	\$ 17,000
Compressor & Dehydrators										826.230	\$-	\$ -
Meters & Meter Runs										826.240	\$5,000	\$ 5,000
Electrical & SCADA Automation								865.270	\$115,000	826.270	\$50,000	\$ 165,000
<b>TOTAL TANGIBLES</b>						\$ 560,000		\$ 353,364		\$ 361,075		\$ 1,274,439

prepared by: <i>Kim Kremer</i>	NAME / TITLE	TOTAL WELL COST	\$ 1,793,322	DATE	APPROVED BY	APPROVED BY	\$ 2,450,464	\$ 419,675	\$ 4,663,460
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Dan Doherty	SVP of Engineering & Operations	Signature	Date
Corey Riley	CIO & CCO	Signature	Date
John Suter	COO	Signature	Date
Philip Riley	CFO	Signature	Date
Bobby Riley	CEO	Signature	Date

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# AUTHORITY FOR EXPENDITURE



Returned to Imaging: 2/14/2025 3:35:58 PM

Received by OCD: 2/14/2025 3:35:58 PM

OPERATOR Riley Permian Operating Company LLC				AFE NO.	DATE Oct 30 2024
WELL NAME & NUMBER Eagle 33 Federal Com 5H		PROPOSED TVD 3,100	PROPOSED MEASURED DEPTH 9,700	FIELD/PROSPECT Red Lake	
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,100	PROPOSED FORMATION Yeso		
LOCATION N/2 S/2 Section 33, T17S-R27E		CLASSIFICATION Development	Surface LAT: 32.7887378 Surface LONG: -104.2727916		

DESCRIPTION	INTANGIBLES		DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 25,000	855.010	\$-	825.010	\$-		\$ 25,000	
Drilling Title Opinion	850.020	\$ 50,000						\$ 50,000	
Location, Roads, & Pits	850.030	\$ 55,000	855.030	\$-	825.030	\$-		\$ 55,000	
Insurance & Bonds	850.040	\$ 4,000	855.040	\$-				\$ 4,000	
Rig Mobilization	850.050	\$ 100,000	855.050					\$ 100,000	
Dayrate Drilling Rig 8 days @ \$ 19,875 /day	850.060	\$ 198,788	855.060					\$ 198,788	
Footage Drilling 10000 feet @ /ft	850.070	\$ -						\$ -	
Turnkey Drilling	850.080	\$ -						\$ -	
Bits	850.090	\$ 25,500						\$ 25,500	
Directional Services	850.095	\$ 128,360						\$ 128,360	
Mud & Chemicals	850.100	\$ 40,000						\$ 40,000	
Solids Control Services	850.105	\$ 35,000						\$ 35,000	
Coil Tbg/Snubbing			855.110	\$-				\$ -	
Fuel 1400 gal/day @ \$ 3.20 /day	850.111	\$ 35,840	855.111	\$209,000				\$ 244,840	
Water - Fresh	850.120	\$ 6,667	855.120	\$179,000	825.120	\$-		\$ 185,667	
Kill Weight Fluids	850.125	\$ 6,667	855.125	\$-				\$ 6,667	
Cementing Svcs Surf \$ 16,000 Int ##### Prod Csg \$ 75,000	850.130	\$ 107,000						\$ 107,000	
Casing Hardware Surf \$ 3,000 Int \$ 3,000 Prod \$ 25,000	850.135	\$ 31,000						\$ 31,000	
Open Hole Logs	850.140	\$ -						\$ -	
Completion Fluids			855.140	\$331,000				\$ 331,000	
Mud Logging	850.150	\$ 15,000						\$ 15,000	
Coring	850.160	\$ -						\$ -	
Surface Equip Rentals	850.180	\$ 40,000	855.180	\$82,000	825.180	\$3,800		\$ 125,600	
Downhole Equip Rentals	850.185	\$ 19,000	855.185	\$15,000				\$ 34,000	
Transportation	850.190	\$ 15,000	855.190	\$20,000	825.190	\$20,000		\$ 55,000	
Living Quarters	850.200	\$ 37,000	855.200	\$-				\$ 37,000	
Safety	850.205	\$ 2,500						\$ 2,500	
Contract Services	850.210	\$ 65,000	855.210	\$76,000	825.210	\$30,000		\$ 171,000	
Tubular Inspections	850.215	\$ 5,000	855.215	\$15,000				\$ 20,000	
Consulting Engineer	850.220	\$ 25,000						\$ 25,000	
On-Site Supervision	850.225	\$ 38,000	855.225	\$52,800	825.225	\$-		\$ 90,800	
Consulting Geologist	850.230	\$ -						\$ -	
Company Labor	850.245	\$ 5,000	855.245	\$-	825.245	\$-		\$ 5,000	
Plug & Abandonment	850.270	\$ -						\$ -	
Surface Damages	850.280	\$ 30,000	855.280	\$-	825.280	\$-		\$ 30,000	
Fluid Haul & Disposal	850.290	\$ 85,000	855.290	\$20,000	825.290	\$-		\$ 105,000	
Water Transfer Services	850.291	\$ -	855.291	\$123,500				\$ 123,500	
Overhead	850.300	\$ 3,000	855.300	\$5,000	825.300	\$5,000		\$ 13,000	
Completion Unit			855.310	\$79,800				\$ 79,800	
Plugs, Perfs & Cased Hole Wireline			855.325	\$128,000				\$ 128,000	
Acidizing			855.340	\$10,000				\$ 10,000	
Fracturing 141 Stage Spacing 55 Stages			855.350	\$711,000				\$ 711,000	
Flowback Services			855.380	\$40,000				\$ 40,000	
EHS & Regulatory	850.700	\$ -	855.700					\$ -	
Spills & Environmental Response	850.701	\$ -	855.701					\$ -	
Safety	850.702	\$ -	855.702					\$ -	
Regulatory	850.703	\$ -	855.703					\$ -	
Environmental Compliance	850.704	\$ -	855.704					\$ -	
<b>TOTAL INTANGIBLES</b>			\$ 1,233,322	\$ 2,097,100	\$ 58,600			\$ 3,389,022	

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Fl.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 25,000					\$ 25,000
Surface Casing	13 3/8	48.0	J-55	77.67	400	860.020	\$ 31,000					\$ 31,000
Intermediate Casing	9 5/8	36.0	J-55	48.83	1,250	860.030	\$ 61,000					\$ 61,000
Production Casing -top string	7	26.0	L-80	54.50	4,000	860.040	\$ 218,000					\$ 218,000
Production Casing -bottom string	5 1/2	17.0	L-80	34.46	5,425	860.041	\$ 187,000					\$ 187,000
Casing Head Spools						860.050	\$ 12,000					\$ 12,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	4.75	3,250			865.120	\$16,364			\$ 16,364
Other Wellhead Equipment						860.070	\$ -	865.070	\$-			\$ -
Flowline & Connectors								865.250	\$16,000	826.250	\$100,000	\$ 116,000
Production Wellhead								865.100	\$16,000			\$ 16,000
Tubing Head						860.130	\$ 24,000					\$ 24,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$190,000			\$ 190,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ 2,000	865.090	\$-	826.090	\$-	\$ 2,000
Tanks, Stairs, & Walkways										826.150	\$75,075	\$ 75,075
Production Facility (pipes, valves, other misc. equip)										826.200	\$80,000	\$ 60,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$54,000	\$ 54,000
LACT Units										826.220	\$17,000	\$ 17,000
Compressor & Dehydrators										826.230	\$-	\$ -
Meters & Meter Runs										826.240	\$5,000	\$ 5,000
Electrical & SCADA Automation								865.270	\$115,000	826.270	\$50,000	\$ 165,000
<b>TOTAL TANGIBLES</b>							\$ 960,000	\$ 353,364	\$ 361,075			\$ 1,274,439

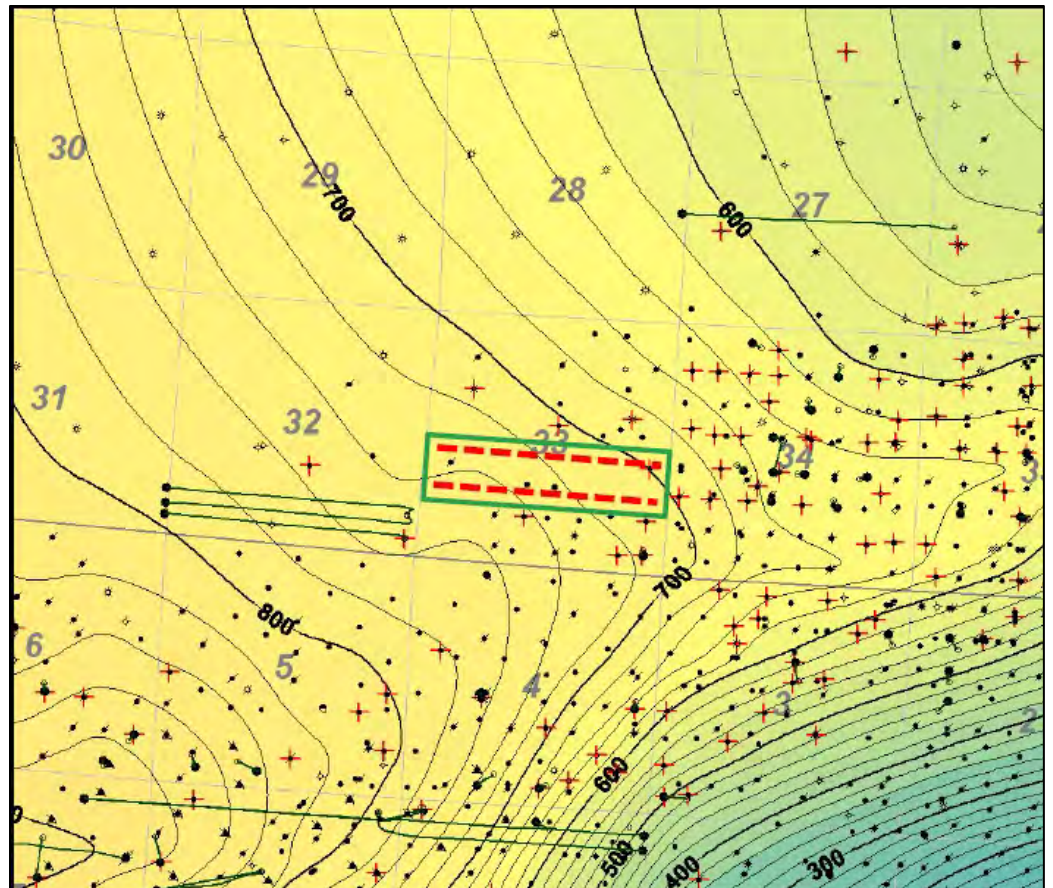
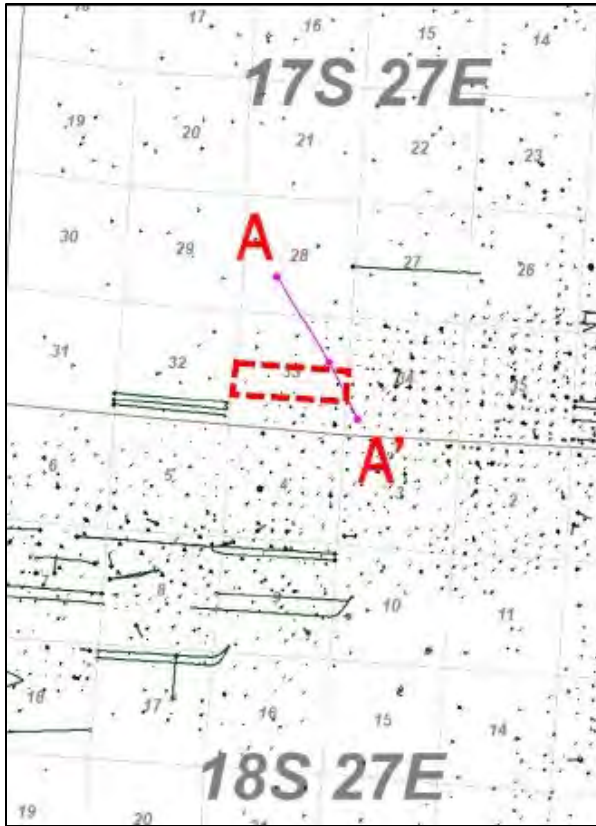
Prepared by: <i>Kim Kremer</i>	NAME / TITLE	TOTAL WELL COST	\$ 1,793,322	DATE	APPROVED BY	APPROVED BY
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Dan Doherty	SVP of Engineering & Operations	Signature	Date
Corey Riley	CIO & CCO	Signature	Date
John Suter	COO	Signature	Date
Philip Riley	CFO	Signature	Date
Bobby Riley	CEO	Signature	Date

Page 32 of 59



<b>Date</b>	<b>Recipient</b>	<b>Description</b>	<b>Certified Tracking Number</b>	<b>Delivered</b>
10/30/2024	Spur Energy Partners	Proposal_Eagle 33 Federal 4H & 5H	7021 0950 0000 6339 0047	11/6/2024
10/30/2024	XTO Holdings, LLC	Proposal_Eagle 33 Federal 4H & 5H	7021 0950 0000 6339 0030	11/4/2024
10/30/2024	Nearburg Exploration Company	Proposal_Eagle 33 Federal 4H & 5H	7021 0950 0000 6339 0016	11/4/2024
10/30/2024	Spur Energy Partners	Proposal_Eagle 33 Federal 7H & 8H	7021 0950 0000 6339 0085	11/5/2024
10/30/2024	XTO Holdings, LLC	Proposal_Eagle 33 Federal 7H & 8H	7021 0950 0000 6339 0078	11/4/2024
10/30/2024	Nearburg Exploration Company	Proposal_Eagle 33 Federal 7H & 8H	7021 0950 0000 6339 0061	11/4/2024
10/30/2024	Chanas Partners LLC	Proposal_Eagle 33 Federal 7H & 8H	7021 0950 0000 6339 0054	11/5/2024
10/30/2024	Spur Energy Partners	Proposal_Eagle 33 Federal 10H & 11H	7021 0950 0000 6339 0122	11/5/2024
10/30/2024	XTO Holdings, LLC	Proposal_Eagle 33 Federal 10H & 11H	7021 0950 0000 6339 0115	11/4/2024
10/30/2024	Nearburg Exploration Company	Proposal_Eagle 33 Federal 10H & 11H	7021 0950 0000 6339 0108	11/4/2024
10/30/2024	Chanas Partners LLC	Proposal_Eagle 33 Federal 10H & 11H	7021 0950 0000 6339 0092	11/6/2024
11/19/2024	Spur Energy Partners	Email with Mark Hicks proposing trade		
11/25/2024	Spur Energy Partners	Email with Mark Hicks proposing trade		
12/2/2024	Spur Energy Partners	Email with Mark Hicks proposing trade		
12/11/2024	Spur Energy Partners	Email with Mark Hicks stating trade is not approved.		



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

APPLICATION OF RILEY PERMIAN  
OPERATING COMPANY, LLC FOR  
APPROVAL OF NON-STANDARD  
HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

CASE NO. 25047

AFFIDAVIT OF DOUG STANDART

Doug Standart, being first duly sworn upon oath, deposes and states as follows:

1. My name is Doug Standart, and I am employed by Riley Permian Operating Company, LLC (“Riley”) as a Senior Geologist.
2. I have not testified before the New Mexico Oil Conservation Division (“Division”), and my qualifications as an expert in petroleum geology have not been accepted and made a matter of record. I have 10 years of experience in petroleum geological matters, and I have worked directly or in a supervisory role with the properties that are the subject of this matter.
3. I am familiar with the applications filed by Riley in this case and the geology involved.
4. I am submitting this affidavit in support of Riley’s application in the above-referenced case, as required by the Pre-Hearing Order issued by the Division. I intend to present this case by affidavit pursuant to 19.15.4.12.(A)(1) NMAC.
5. **Riley Exhibit D-1** includes a base map of the lands showing the proposed Yeso formation spacing unit and wells, as well as a stress orientation map and the proposed well development plan.

6. **Riley Exhibit D-2** is a structure map showing the depth (subsea) to the top of the Yeso formation, a marker that defines the top of the target interval for the proposed wells. Contour interval of 20'. The unit being pooled is outlined in bold, and the proposed wells are identified. The structure map shows regional down-dip to the south. I do not observe any faulting, pinchouts, or other geologic impediments to developing this target interval.

7. **Riley Exhibit D-3** provides a cross section locator map that identifies wells penetrating the targeted interval used to construct a structural cross-section from A to A'. These wells penetrate the targeted interval, are of good quality, and are representative of the geology in the area.

8. **Riley Exhibit D-4** includes stratigraphic cross-section flattened on the top of the proposed Yeso formation. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-sections demonstrate continuity and consistent thickness across the target zone, and the well logs on the cross-section give a representative sample of the targeted interval. The landing zone is highlighted on the exhibit.

9. **Riley Exhibit D-5** shows horizontal development within the Yeso formation in the vicinity of the proposed unit.

10. Based on the attached exhibits, I hereby conclude as follows:

a. The target formation is present and continuous throughout the lands subject to the applications.

b. The non-standard horizontal spacing and proration unit is justified from a geologic standpoint.

c. There are no structural impediments or faulting that will interfere with horizontal development.

d. Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production.

e. The preferred well orientation in this area is East-West so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress. The standup orientation will efficiently and effectively develop the subject acreage.

11. **Exhibit D-1** through **Exhibit D-5** were prepared by me or compiled from Riley's company business records under my direct supervision.

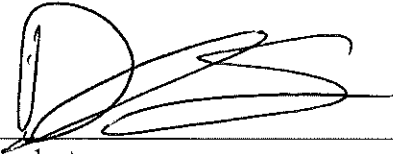
12. The granting of these applications is in the best interest of conservation, the prevention of waste, the protection of correlative rights, and will avoid the drilling of unnecessary wells.

13. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

*[Remainder of page left intentionally blank]*

FURTHER AFFIANT SAYETH NOT.

Dated this 7th day of January, 2025.



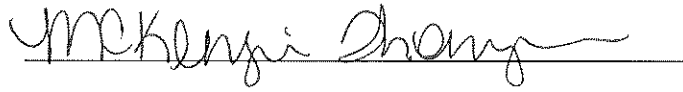
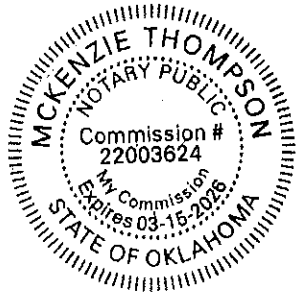
Doug Standart  
Riley Permian Operating Company, LLC

STATE OF OKLAHOMA            )  
  ) ss.  
CITY OF OKLAHOMA            )

The foregoing instrument was subscribed and sworn to before me this 7th day of January, 2025, by Doug Standart, Senior Geologist for Riley Permian Operating Company, LLC.

Witness my hand and official seal.

My commission expires: 3-15-2026





**DOUGLAS L. STANDART, PHD****SENIOR PETROLEUM GEOLOGIST**

(208) 419-8827 | douglstandart@gmail.com | 8009 Pear St. Edmond, OK 73034

linkedin.com/in/dougstandart

**QUALIFICATIONS**

- Software
  - Petrel
  - StarSteer
  - Enverus (Prism and DI)
  - Geographix
  - ArcPro
  - Spotfire
  - Power BI
  - Whitson
  - MS Office Suite
- Databases
  - S&P Energy
  - TGS
  - Pason
  - Wellview
- Programming Languages
  - Python
  - Visual Basic
  - SQL
  - MATLAB

**EDUCATION  
& EXTRACURRICULAR**

University of Texas at El Paso  
PhD in Geology  
Dec. 2014, GPA: 3.91

Utah State University  
Bachelor of Science in Geology  
Dec. 2010, GPA: 3.14/3.45

- 2013 AAPG Imperial Barrel Award - UTEP Team Leader
  - Identified 13 prospects in the North Viking Graben using Petrel
- Participating Scientist in the NASA Desert Research and Technology Studies
  - Simulation to evaluate technology and risks of geologic exploration on Near-Earth Asteroids.
- Hurricane Harvey Rescue and Cleanup Volunteer
- 2013 Bruce Davidson Award recipient

**PROFILE**

Senior petroleum geologist with operational and development experience in multiple onshore U.S. basins (Permian, Oklahoma, North Dakota, and Gulf Coast), as well as shallow and deep-water plays in West Africa. Excel at leveraging the skills of a multidisciplinary team to efficiently develop assets while maximizing returns. Passionate about applying new ideas to old plays and challenging conventional thinking.

**WORK EXPERIENCE****Senior Geologist**

Riley Exploration Permian

Apr. 2021 - Current

- Focused on maximizing IRR and finding upside in the Permian Basin and Western Gulf Coast.
- Utilized advanced geologic mapping, play assessment, and geomodelling techniques to identify and evaluate drilling prospects in heavily faulted environments or complex shelf-slope interfaces.
- Spearheaded multiple data acquisition programs in the Permian involving geochemical sampling, specialty log suites (NMR, dipole sonic, etc.), and core acquisition/analysis (whole and side wall).
  - Acquisitions helped create a robust petrophysical model for the Delaware Slope leading to a 25% increase in inventory where resource density is high, and a better understanding of drained rock volume in the Yeso.
- Heavily involved in A&D looking for opportunities that achieve strategic goals and maximize 3-year CAGR.
  - Led efforts to establish type curves, effectively communicate risk, and identify remaining inventory in Riley's 11,700-acre acquisition in Eddy County, NM. Team's work led to adding +100 gross locations with 22 more locations being added post-closing through bolt-on and trade efforts. +72 MMBO in recoverable reserves.
  - Built Geographix and ArcPro projects from scratch to evaluate data rooms in plays across the lower 48 (Permian, Tobosa, Gulf Coast, Bakken, Haynesville, Powder, DJ, San Juan, Uintah).
- Employ Enverus to optimize learnings from competitor intelligence efforts and monitoring permitting activity.
  - Analysis of fluid and proppant intensity of slickwater jobs on Yeso Trend has led to a 6% reduction in well costs through more efficient stimulation.
- Mentored junior geologists and ensured effective knowledge transfer within the team.

**Oklahoma Development/Exploration Geologist**

Marathon Oil

Mar. 2018 - Feb. 2021

- Led the development of the East STACK and North SCOOP plays, utilizing time-lapse geochemistry to optimize well spacing and targeting strategies.
  - Leveraged Spotfire to visualize production allocation data, leading to a better understanding of reservoir behavior through time and a recommendation to reduce completion sizes that reduced well costs by over 5%.
  - Generated geologic model in East STACK using Petrel. Integrated 3D seismic, core, and well log data to understand rock type distribution and optimal landing targets in the Meramec.
- Developed resource in place, isopach, structure, and reservoir quality maps to identify high resource potential while prioritizing areas with efficient operational costs to maximize ROR and NPV. Analyzed production data to generate area specific type curves for multiple formations and phase windows. Work led to the identification of over 6,000 contiguous acres with co-development potential in the Sycamore and Woodford.
- Collaborated with reservoir engineers to evaluate leasing opportunities and develop accurate economic models for multiple Pennsylvanian, Mississippian, and Woodford prospects.

**North Dakota Development/Operations Geologist**

Marathon Oil

Jan. 2015 - Mar. 2018

- Achieved a +95% in-zone percentage while steering over 50 horizontal wells in the Bakken and Three Forks using StarSteer, maximizing wellbore exposure to optimize production.
- Utilized 3D seismic and core data to build geological models that identified top-tier acreage with significant unconventional resource potential (Three Forks benches). Added +12 Second Bench locations on flanks of Nesson and Antelope structural highs with EURs over 700M BO.
- Proposed and executed a time-lapse geochemistry project in the Bakken and Three Forks benches, leading to a better understanding of stimulated rock volume and optimized well spacing.
- Developed an algorithm using Python and VBA to identify parent-child well relationships, facilitating efficient production forecasting for unconventional assets. Algorithm estimated reservoir depletion as a function of distance and total fluid drained. Work was adopted corporate wide for all unconventional infill forecasting.
- Mentored intern in a project that involved the petrophysical evaluation of the Pronghorn member.

**Geoscience Intern**

Marathon Oil

May - Aug. 2014

- Evaluated hydrocarbon potential of the offshore Madiela Play (Gabon) using seismic interpretation, structural reconstructions, and basin modeling techniques.
- Performed well correlations and distinguished various members of the Madiela Formation, contributing to the identification of 3 post-salt exploration prospects.
- Generated a play fairway analysis map, assisting the team in risk assessment and exploration prioritization.

Case No. 25047

Riley Permian Operating Co, LLC - Exhibit D

# Geology: Eagle 33 N2/S2 DSU - Base Map

Proposing a 160-acre DSU in 17S 27E Sec 33, Eddy Co NM.

Proposed Unit outline:



Proposing the drilling and completion of 2, 1 mile HZ wells in the Yeso interval.





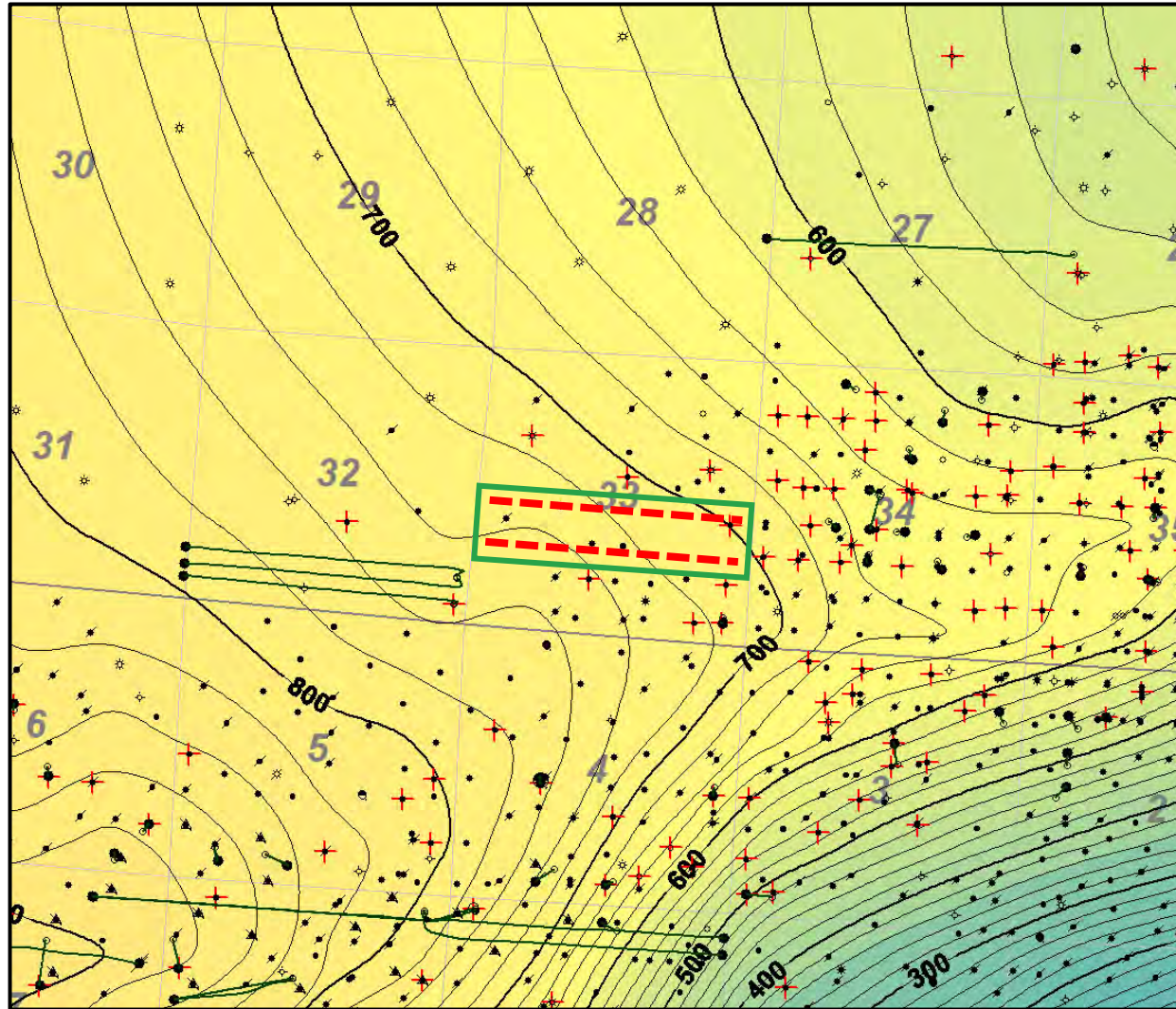
# Geology: Eagle 33 N2/S2 DSU Formation Structure Map

PDCK TVDSS  
Structure Map

20' Contour  
Intervals.

+ Data Point

Proposed Unit outline:

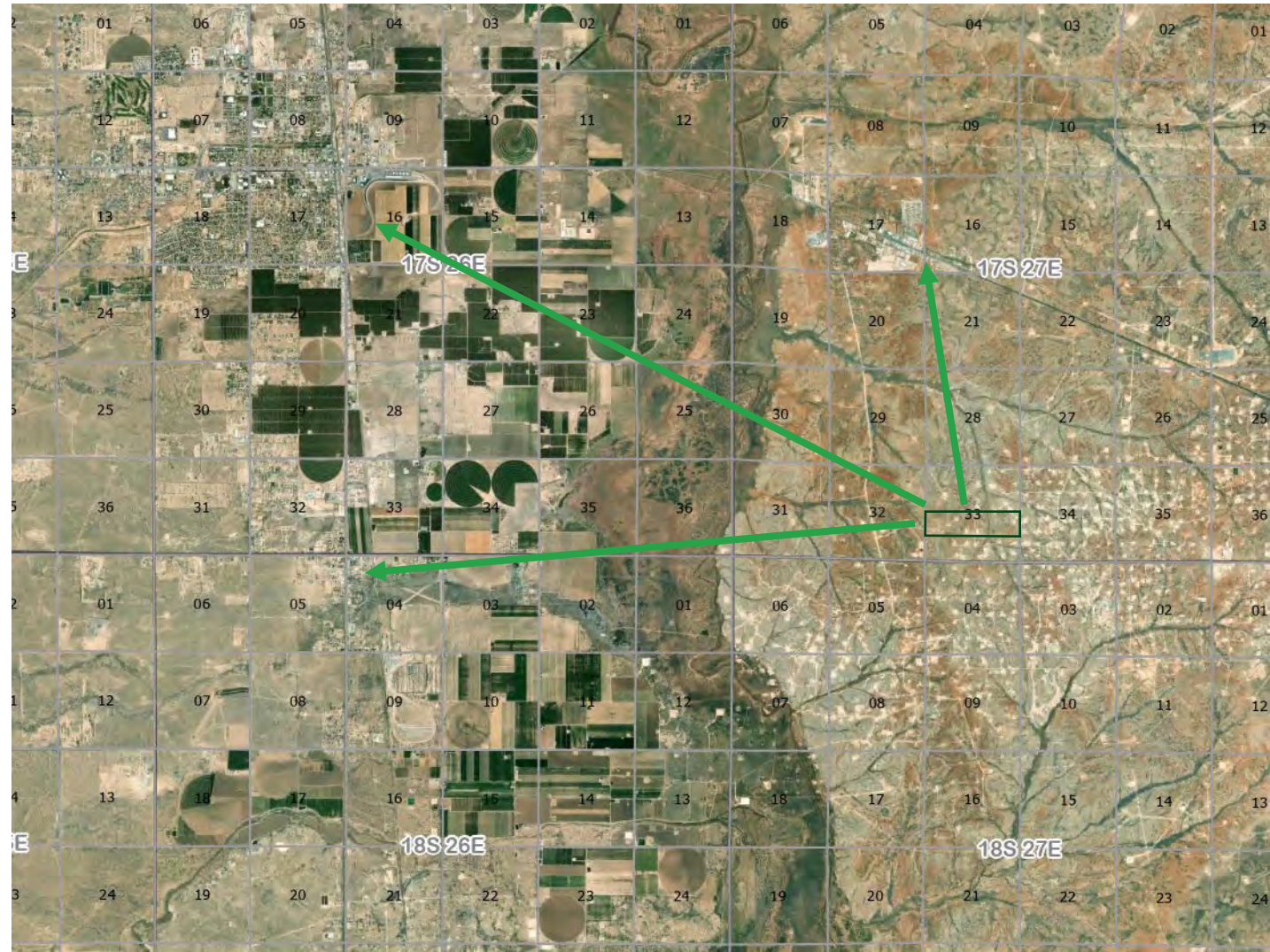


RILEY PERMIAN



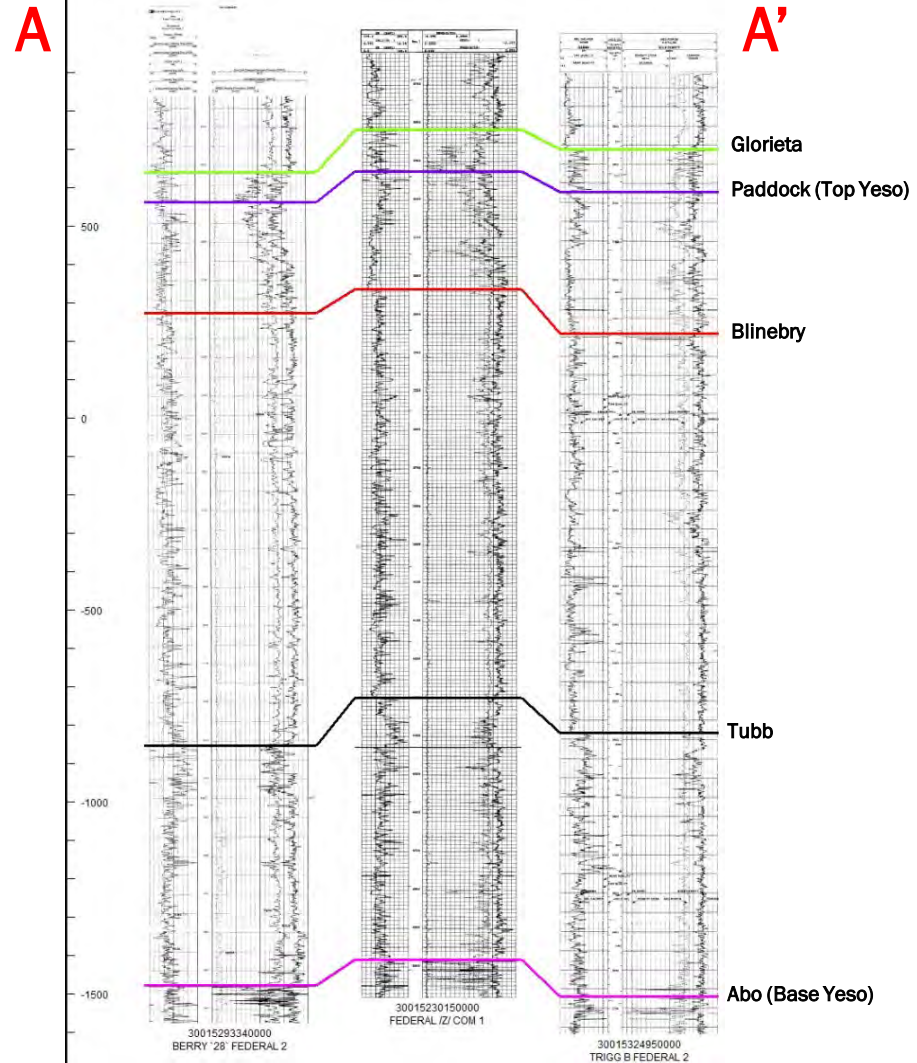
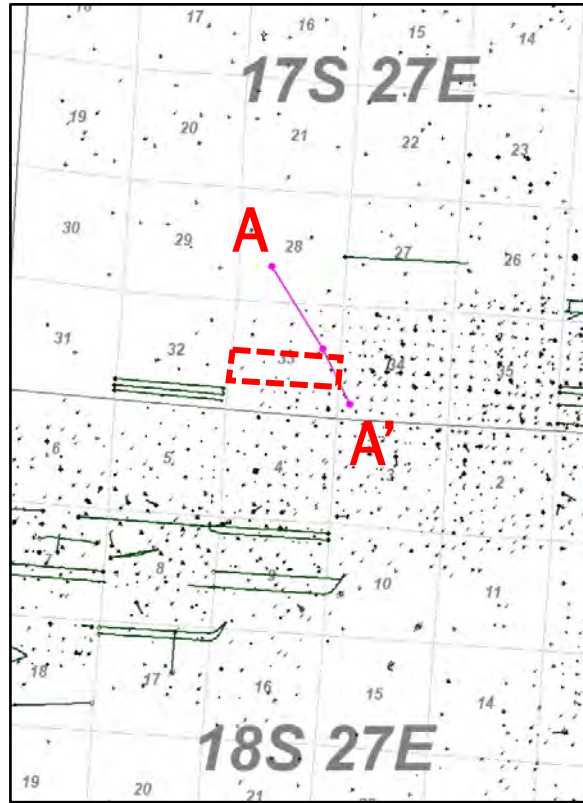
# Location Indicator Relative to Nearest Major City/Town

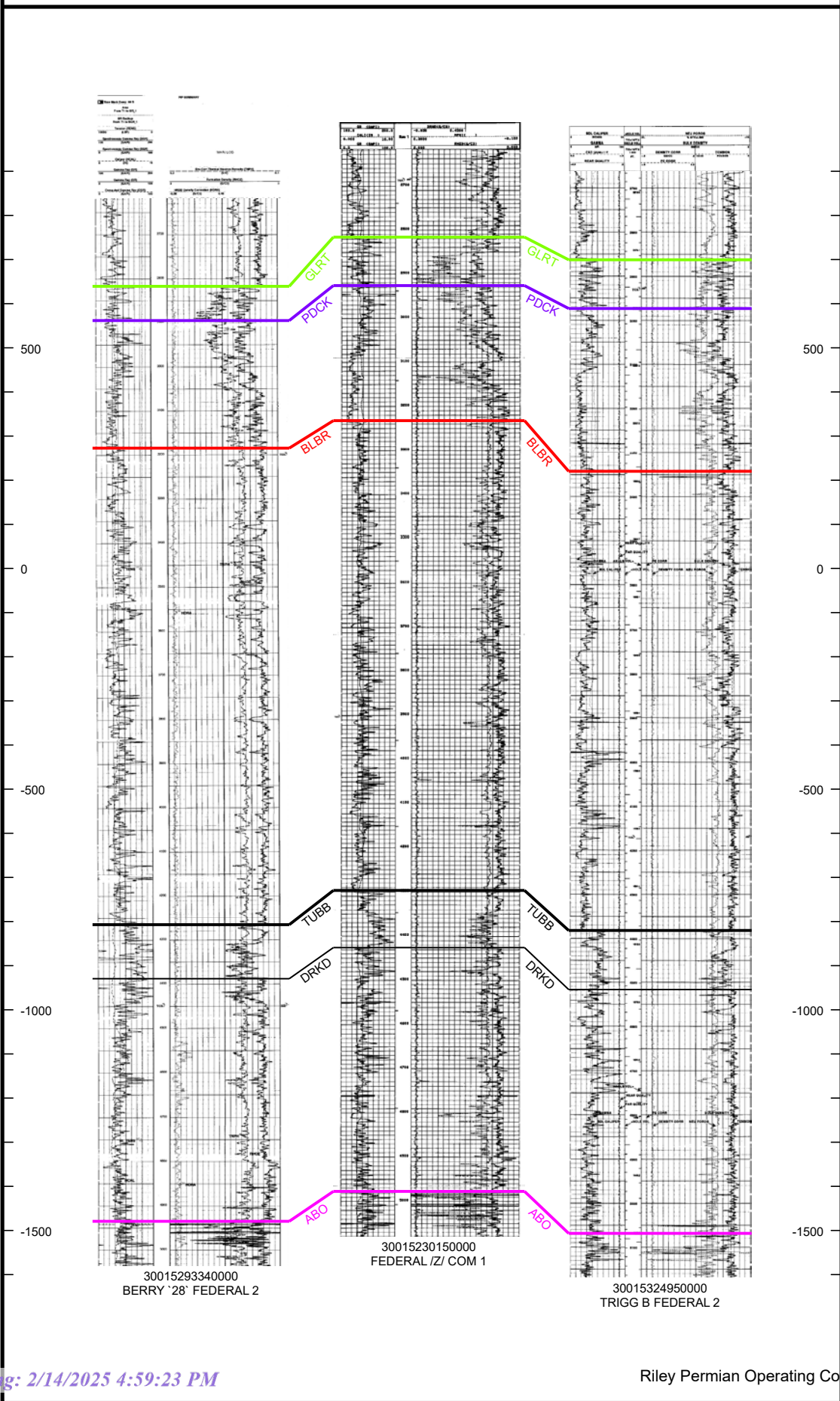
The Eagle 33 proposed DSU is ~8 miles from Artesia, 2.7 miles from Riverside, and 6.5 miles from Atoka, NM.



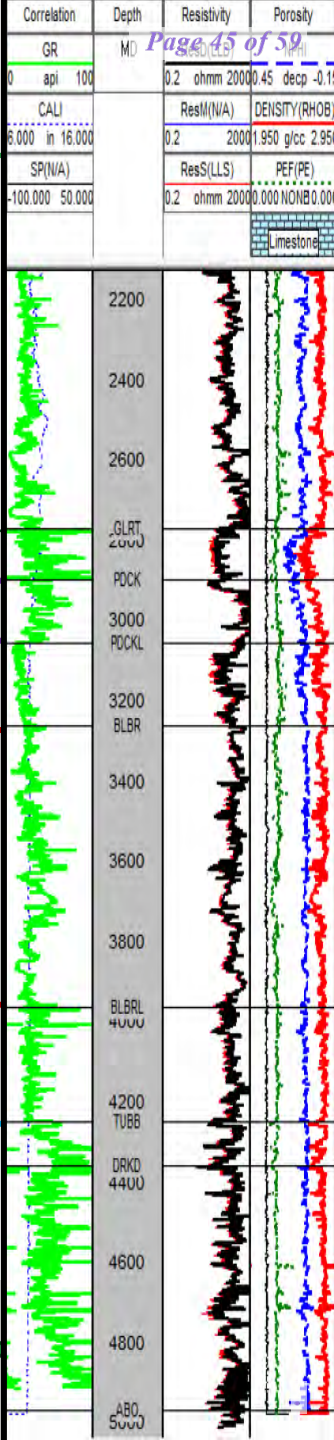


# Geology: Eagle 33 N2/S2 DSU Stratigraphic Cross Section





# Geology: Eagle 33 DSU Gunbarrel Schematic



- Proposed
- Producing

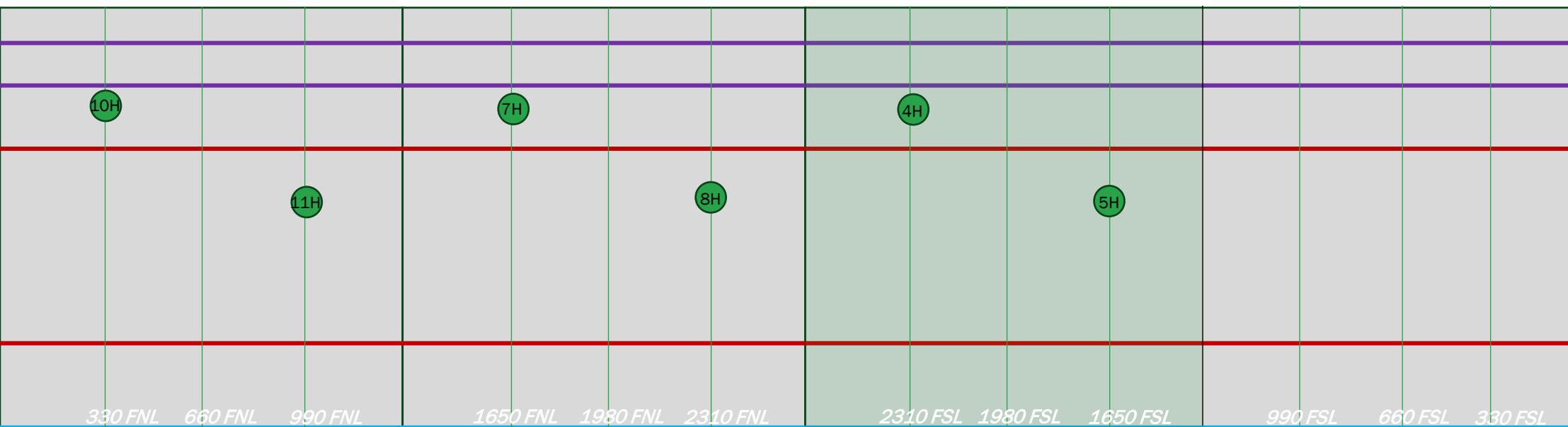
17S 27E Sec 33, Eddy Co NM

Eagle 33 N2/N2

Eagle 33 S2/N2

Eagle 33 N2/S2

Eagle 33 S2/S2



Proposed 160-acre HSU/DSU

RILEY PERMIAN

Case No. 25047

Condor 8 Fed Com 4H Pilot  
30015468160000



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

**APPLICATION OF RILEY PERMIAN  
OPERATING, LLC FOR APPROVAL OF NON-  
STANDARD HORIZONTAL SPACING UNIT  
AND COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO**

**CASE NO. 25047**

**AFFIDAVIT**

STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

Rachael Ketchledge, legal assistant and authorized representative of Riley Permian Operating Company, LLC (“Riley”), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated December 13, 2024, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about December 18, 2024, as shown on certified mail receipts attached as Exhibit E.

Applicant also published notice of the Application in the Carlsbad Current-Argus on December 21, 2024. Proof of receipts is shown on Exhibit F.

  
\_\_\_\_\_  
Rachael Ketchledge

SUBSCRIBED AND SWORN to before me on December 26, 2024, by Rachael Ketchledge.

My commission expires:

*March 4, 2027*

*[Signature]*  
NOTARY PUBLIC

MARY GRACE T. GO-HOVELAND  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20114013519  
MY COMMISSION EXPIRES MARCH 4, 2027

**BEATTY & WOZNAK, P.C.**

ATTORNEYS AT LAW  
500 DON GASPAR AVENUE  
SANTA FE, NEW MEXICO 87505  
TELEPHONE 505-983-8545  
FACSIMILE 800-886-6566  
www.bwenergylaw.com

COLORADO  
NEW MEXICO  
WYOMING

MIGUEL SUAZO

505-946-2090  
MSUAZO@BWENERGYLAW.COM

December 13, 2024

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of Riley Permian Operating Company, LLC for Approval of a Non-Standard Horizontal Spacing Unit and Compulsory Pooling in Eddy County, New Mexico (Case No. 25047)

Dear Interest Owners:

This letter is to advise you that Riley Permian Operating Company, LLC (“Riley”) has filed the enclosed application, Case No. 25047, with the New Mexico Oil Conservation Division for Approval of a Non-Standard Spacing Unit and Compulsory Pooling in Eddy County, New Mexico.

In Case No. 25047, Riley seeks an Order from the Division to: approve a 160-acre, more or less, non-standard horizontal spacing and proration unit composed of all of the N/2 S/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M. Eddy County, New Mexico; and (2) to pool all uncommitted mineral interests in the Yeso formation, designated as an oil pool, underlying said unit.

A hearing has been requested before a Division Examiner on January 9, 2025, and the status of the hearing can be monitored through the Division’s website. Division hearings will commence at 9:00 a.m MST. and will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the Microsoft Teams virtual meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Division’s website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner 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 contesting the matter at a later date.

Parties appearing in cases who intend to present evidence 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



**BEATTY & WOZNIAK, P.C.**

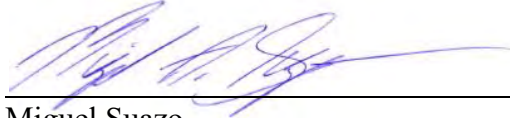
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December 13, 2024  
Case No. 25047  
Page 2

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 submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) 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. The statement must also be provided to the attorney for the applicant, Miguel Suazo at [msuazo@bwenergylaw.com](mailto:msuazo@bwenergylaw.com).

If you have any questions about this matter, please contact Mark Smith at [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Sincerely,



---

Miguel Suazo

*Attorney for Riley Permian Operating Company,  
LLC*

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

APPLICATION OF RILEY PERMIAN  
OPERATING COMPANY, LLC FOR  
APPROVAL OF NON-STANDARD  
HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO

Case No. \_\_\_\_\_

APPLICATION

Riley Permian Operating Company, LLC, OGRID No. 372290 (“Riley” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17 and 19.15.16.15(B)(5) NMAC, for an order (1) approving a 160-acre, more or less, non-standard horizontal spacing unit (“HSU”) composed of the N/2 S/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M. (the “Application Lands”), and (2) pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

In support of its Application, Riley states the following:

1. Riley is a working interest owner in the Application Lands and has a right to drill wells thereon as the designated Operator of the Application Lands.
2. Riley seeks to dedicate all of the Application Lands to form a 160-acre, more or less, HSU.
3. Riley seeks to dedicate the above-referenced HSU to the following proposed wells:
  - A. **Eagle 33 Fed Com #004H** (API No. 30-015-49329), which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of

Section 34, Township 17 South, Range 27 East, to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33, Township 17 South, Range 27 East;

B. **Eagle 33 Fed Com #005H** (API No. 30-015-49711), which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34, Township 17 South, Range 27 East, to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33, Township 17 South, Range 27 East;

4. The wells are orthodox in their location as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.(C) NMAC.

5. Riley has sought in good faith but has been unable to obtain voluntary agreement from all interest owners in the Yesso Formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Yesso Formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

8. To provide for its just and fair share of the oil and gas underlying the subject lands, Riley requests that all uncommitted interests in this HSU be pooled and that Riley be designated as the operator of the proposed horizontal wells and HSU.

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

- A. Approving the creation of an approximately 160-acre non-standard HSU, composed of the Application Lands, pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Yeso Formation underlying the HSU within the Application Lands;
- C. Approving the **Eagle 33 Fed Com #004H** and **Eagle 33 Fed Com #005H** as the wells for the HSU.
- D. Designating Riley as operator of the HSU and the horizontal wells to be drilled thereon;

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:  \_\_\_\_\_

Miguel A. Suazo  
James P. Parrot  
500 Don Gaspar Ave.,  
Santa Fe, NM 87505  
(505) 946-2090  
[msuazo@bwenergylaw.com](mailto:msuazo@bwenergylaw.com)  
[jparrot@bwenergylaw.com](mailto:jparrot@bwenergylaw.com)  
*Attorneys for Riley Permian Operating Company*

***Application of Riley Permian Operating Company, LLC for Approving a Non-Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) approving a 160-acre, more or less, non-standard horizontal spacing and proration unit composed of all of the N/2 S/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M.; and (2) pooling all uncommitted mineral interests in the Yesso Formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the: **Eagle 33 Fed Com #004H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34 to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33; and the **Eagle 33 Fed Com #005H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34 to a bottom hole location in the Yesso Formation in Lot 12 (Unit L) of Section 33. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 7.5 miles southeast from Artesia, New Mexico.

## Case No. 25047 Certified Mailing Status

MAIL DATE	OWNER	ADDRESS	TYPE_INT	MAIL CLASS	TRACKING NUMBER
December 13, 2024	Nearburg Exploration Company, LL	PO Box 823085 Dallas, TX 75382	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 22
December 13, 2024	SEP Permian Holding Corp.	9655 Katy Freeway, Suite 500 Houston, TX 77024	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 15
December 13, 2024	XTO Holdings LLC	PO Box 840780 Dallas, TX 75284	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7127 08
December 13, 2024	Chanas Partners LLC	1106 Witte Rd., Suite 100 Houston, TX 77055	WI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 92
December 13, 2024	United States of America	PO Box 25627 Denver, CO 80225	RI	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 85
December 13, 2024	3R Operating, LLC	PO Box 692229 Houston, TX 77269	Offest	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 78
December 13, 2024	Amtex Energy, Inc.	190 W State Hwy 114#F Southlake, TX 76092	Offest	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 61
December 13, 2024	APA Corp	2000 W. Same Houston Pkwy S, Suite 200 Houston, TX 77042	Offest	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 54
December 13, 2024	Chi Energy, Inc.	PO Box 1799 Midland, TX 79701	Offest	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 47
December 13, 2024	PHX Energy, LLC	PO Box 990 Artesia, NM 88211	Offest	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 30
December 13, 2024	Silverback Operating II, LLC	1001 W. Wilshire Blvd, Suite 206 Oklahoma City, OK 73112	Offest	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 23
December 13, 2024	Spur Energy Partners	9655 Katy Freeway, Suite 500 Houston, TX 77024	Offest	Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 16
December 13, 2024	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508		Certified w/ Return Receipt (Signature)	9589 0710 5270 1506 7126 09



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1. Article Addressed to: 9310.8

SEP Permian Holding Corp.  
9655 Katy Freeway, Suite 500  
Houston, TX 77024



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2. Article Number (Transfer from service label)  
9589 0710 5270 1506 7127 15

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A. Signature  Agent  Addressee

X *[Signature]*

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3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
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1. Article Addressed to: 9310.8

Chanas Partners LLC  
1106 Witte Rd, Suite 100  
Houston, TX 77055



9590 9402 8974 4064 3760 71

2. Article Number (Transfer from service label)  
9589 0710 5270 1506 7126 92

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X *[Signature]*

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Hunter Smith 12/17/24

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If YES, enter delivery address below:  No

3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
 Adult Signature Restricted Delivery  Registered Mail Restricted Delivery  
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1. Article Addressed to: 9310.8

XTO Holdings LLC  
P.O. Box 840780  
Dallas, TX 75284



9590 9402 8974 4064 3760 88

2. Article Number (Transfer from service label)  
9589 0710 5270 1506 7127 08

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A. Signature  Agent  Addressee

X *[Signature]*

B. Received by (Printed Name) C. Date of Delivery

Waymond Harvey DEC 17 2024

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

3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
 Adult Signature Restricted Delivery  Registered Mail Restricted Delivery  
 Certified Mail®  Signature Confirmation™  
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 Collect on Delivery  Signature Confirmation Restricted Delivery

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1. Article Addressed to: 9310.8

United States of America  
P.O. Box 25627  
Denver, CO 80225



9590 9402 8974 4064 3760 64

2. Article Number (Transfer from service label)  
9589 0710 5270 1506 7126 85

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A. Signature  Agent  Addressee

X *[Signature]*

B. Received by (Printed Name) C. Date of Delivery

J. Gunn DEC 16 2024

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

3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
 Adult Signature Restricted Delivery  Registered Mail Restricted Delivery  
 Certified Mail®  Signature Confirmation™  
 Certified Mail Restricted Delivery  Signature Confirmation Restricted Delivery  
 Collect on Delivery  Signature Confirmation Restricted Delivery


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

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- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to: 9310.8

Silverback Operating II, LLC  
1001 W. Wilshire Blvd, Suite 206  
Oklahoma City, OK 73112



9590 9402 8974 4064 3760 02

2. Article Number (Transfer from service label)  
9589 0710 5270 1506 7126 23

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**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee

X *[Signature]*

B. Received by (Printed Name) C. Date of Delivery

Ashley Fox 12/19/24

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

3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
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1. Article Addressed to: 9310.8

Nearburg Exploration Company, LLC  
P.O. Box 823085  
Dallas, TX 75382



9590 9402 8974 4064 3757 60

2. Article Number (Transfer from service label)  
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A. Signature  Agent  Addressee

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B. Received by (Printed Name) C. Date of Delivery

A. Hunt 12/19/24

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

3. Service Type  Priority Mail Express®  
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 Adult Signature Restricted Delivery  Registered Mail Restricted Delivery  
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1. Article Addressed to:

9310.8

Spur Energy Partners  
9655 Katy Freeway, Suite 500  
Houston, TX 77024



9590 9402 8974 4064 3759 99

2. Article Number (Transfer from service label)

9589 0710 5270 1506 7126 16

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) *Escalas* C. Date of Delivery *12/19/24*

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

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Signature Confirmation™  
 Collect on Delivery  Signature Confirmation Restricted Delivery  
 Collect on Delivery Restricted Delivery

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1. Article Addressed to:

9310.8

PHX Energy, LLC  
P.O. Box 990  
Artesia, NM 88211



9590 9402 8974 4064 3760 19

2. Article Number (Transfer from service label)

9589 0710 5270 1506 7126 30

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) *Lean Boone* C. Date of Delivery

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

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Signature Confirmation™  
 Collect on Delivery  Signature Confirmation Restricted Delivery  
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1. Article Addressed to:

9310.8

APA Corp  
2000 W. Same Houston Pkwy S, Suite 200  
Houston, TX 77042



9590 9402 8974 4064 3760 33

2. Article Number (Transfer from service label)

9589 0710 5270 1506 7126 54

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A. Signature  
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B. Received by (Printed Name) C. Date of Delivery *12/17/24*

D. Is delivery address different from item 1?  Yes  
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3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
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Bureau of Land Management  
301 Dinosaur Trail  
Santa Fe, NM 87508



9590 9402 8974 4064 3759 82

2. Article Number (Transfer from service label)

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A. Signature  
X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery *12-16-24*

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

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
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3R Operating, LLC  
P.O. Box 692229  
Houston, TX 77269

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

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1. Article Addressed to:

9310.8

Chi Energy, Inc.  
P.O. Box 1799  
Midland, TX 79701



9590 9402 8974 4064 3760 26

2. Article Number (Transfer from service label)

9589 0710 5270 1506 7126 47

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A. Signature  
X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) *Grant B.* C. Date of Delivery

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

3. Service Type  
 Adult Signature  Priority Mail Express®  
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 Certified Mail Restricted Delivery  Signature Confirmation™  
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Amtex Energy, Inc.  
190 W State Hwy 114 #F  
Southlake, TX 76092

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City, State, ZIP+4®

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ZIP 80202  
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034A 0081801095

93108

Amtex Energy, Inc.  
190 W State Hwy 114 #F  
Southlake, TX 76092

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Amtex Energy, Inc.  
190 W State Hwy 114 #F  
Southlake, TX 76092



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2. Article Number (Transfer from service label)

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 Addressee

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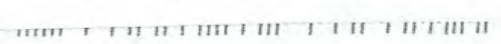
3. Service Type
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail®
  - Certified Mail Restricted Delivery
  - Collect on Delivery
  - Collect on Delivery Restricted Delivery
  - Mail Restricted Delivery
  - Priority Mail Express®
  - Registered Mail™
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STATE OF NEW MEXICO }  
COUNTY OF EDDY } SS

Account Number: 96  
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Description: Reley 4-5H  
Ad Cost: \$188.48

Sherry Groves, being first duly sworn, says:

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

December 21, 2024

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

SIGNED:

*Sherry Groves*

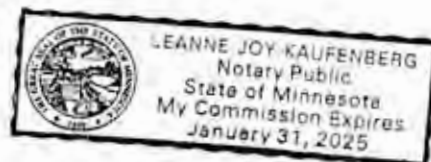
Agent

Subscribed to and sworn to me this 21<sup>st</sup> day of December 2024.

*Leanne Kaufenberg*

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

Beatty & Wozniak, P.C.  
BEATTY & WOZNIAK, P.C.  
1675 Broadway # 600  
Denver, CO 80202-4692  
rketchledge@bwenergyllaw.com





LEGAL NOTICE  
DECEMBER 21, 2024

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case.

The hearing will be conducted on **Thursday, January 9, 2025, beginning at 9:00 A.M. MST** in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the Microsoft Teams meeting platform. To view the hearing docket and to determine how to participate in the electronic hearing, visit the Division's website at: <http://www.emnrd.state.nm.us/OCD/hearing-info/> or contact Sheila Apodaca at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov). Documents filed in the case may also be viewed at <https://oedimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Sheila Apodaca or the New Mexico Relay Network at 1-800-659-1779, no later than **January 2, 2025**.

STATE OF NEW MEXICO TO:

All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**TO: All interested parties, including:** Nearburg Exploration Company LLC; SEP Permian Holding Corp.; XTO Holdings LLC; Chanas Partners LLC; United States of America; 3R Operating, LLC; Amtex Energy, Inc.; APA Corp; Chi Energy, Inc.; PHX Energy, LLC; Silverback Operating II, LLC; Spur Energy Partners; Bureau of Land Management.

**CASE NO. 25047: Application of Riley Permian Operating Company, LLC for Approval of a Non-Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) approving a 160-acre, more or less, non-standard horizontal spacing and proration unit composed of all of the N/2 S/2 of Section 33, Township 17 South, Range 27 East, N.M.P.M.; and (2) pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the: **Eagle 33 Fed Com #004H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34 to a bottom hole location in the Yeso Formation in Lot 12 (Unit L) of Section 33; and the **Eagle 33 Fed Com #005H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 34 to a bottom hole location in the Yeso Formation in Lot 12 (Unit L) of Section 33. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. The wells and lands are located approximately 7.5 miles southeast of Artesia, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

Published in the Carlsbad Current-Argus December 21, 2024.  
#26980