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

**IN THE MATTER OF PENDING APPLICATIONS CONCERNING INJECTION INTO THE SAN ANDRES FORMATION IN AND NEAR THE EUNICE MONUMENT SOUTH UNIT, LEA COUNTY, NEW MEXICO**

**Case Nos.: 24491, 26255, 26264, 26267, 26269, 26273, 26274, 26275, 26277, 26278, 26279, 26280, 26281, 26284**

**GOODNIGHT MIDSTREAM PERMIAN, LLC'S RESPONSE TO SHOW CAUSE ORDER**

Goodnight Midstream Permian, LLC ("Goodnight") responds to the Hearing Examiner's October 13, 2026 Order to Show Cause (the "Order") and requests that the Division dismiss without prejudice, or alternatively stay, matters involving disposal wells inside and outside the Eunice Monument South Unit ("EMSU") that turn on alleged impacts within EMSU, and proceed only with matters that turn on alleged impacts within the Arrowhead Grayburg Unit ("AGU").

## I. INTRODUCTION

The Order asks whether the New Mexico Oil Conservation Division ("Division") or the Oil Conservation Commission ("Commission") should defer final adjudication of fourteen pending matters until the First Judicial District Court rules on the consolidated appeals in Case No. D-101-CV-2026-00177 ("Appeals"). The Division should dismiss without prejudice, or alternatively stay, the matters that seek to adjudicate issues presented in the Appeals and proceed only with those that do not. The cases fall into three categories.

First, the Division should dismiss without prejudice, or alternatively stay, the cases requiring it to determine whether disposal at the subject wells impairs Empire's ability to recover hydrocarbons within the EMSU. *See* Case Nos. 26267, 26273, 26274, 26278, 26279, 26280, and

26281. Second, it should proceed with the cases requiring the same determination as to the AGU. *See* Case Nos. 26255, 26264, 26269, 26275, 26277, and 26284. Third, it should proceed with Goodnight's application in Case No. 24491, involving the Rocket SWD, which no issue on appeal implicates. A chart summarizing Goodnight's position on each case is attached as Addendum 1.

## II. BACKGROUND

### A. Commission Order Nos. R-24004, R-24004-A, and the Appeals relate to impacts within the EMSU.

The Commission entered Order No. R-24004 in September 2025 and amended Order No. R-24004-A in December 2025, addressing Empire's allegations of impacts within the EMSU. *See* Order No. R-24004, attached as Ex. A, and Order No. R-24004-A, attached as Ex. B. The Commission found that a residual oil zone ("ROZ") exists in the Grayburg and San Andres formations within the EMSU and that Empire, as EMSU operator, holds the exclusive right to pursue production there. Order No. R-24004 at 12. Critically, however, it found insufficient evidence that (a) Goodnight's SWD operations currently impair Empire's Grayburg production within the EMSU, and (b) the ROZ is recoverable in the EMSU. *Id*. Among other things, the Commission denied Goodnight's applications for new SWD wells, suspended injection authority for its four existing SWDs, and allowed Empire up to three years to attempt a CO2 enhanced oil recovery ("EOR") pilot project to determine whether the ROZ is recoverable. *Id.* at 12-13. It directed the Division to implement steps for Empire to seek approval for its pilot project and required Goodnight to prepare and execute a shut-in plan upon Empire's activation notice so that no SWD injection occurs during Empire's "active" operations. *Id*. at 7. The Division's Implementation Letter then directed Empire to take specific steps "to amend the existing [waterflood] order No. R-7766," and to file a hearing application for a CO2 EOR pilot project by December 17, 2026. OCD Implementation Letter (1/15/2026) at 1-3 (requiring Empire to file an

application for a CO2 EOR pilot project within twelve months of Order No. R-24004-A), attached as Ex. C. Empire has not commenced those implementation steps, and instead filed forms that do not follow the Division's instructions, and has done nothing to amend the underlying EMSU waterflood or unitization orders, as necessary. *See infra* Section II.C (for a description of Empire's non-compliant filings).

Empire and Goodnight each appealed Order No. R-24004-A to the First Judicial District Court, and the appeals were consolidated as Case No. D-101-CV-2026-00177. All appellate issues are framed in relation to the EMSU. Empire's Statement of Appellate Issues confirms that the Appeals concern only the Commission's findings regarding ROZ recoverability and allegations of impairment within the EMSU. *See, e.g.*, Empire's Statement of Appellate Issues (5/4/2026) at 19 (arguing that "[t]he Commission erred in failing to revoke Goodnight's existing permits because Goodnight's injection activities within the EMSU are causing waste and impairing correlative rights"), attached as Ex. D; *see also* Goodnight's Statement of Appellate Issues (5/4/2026) at 1 ("Resolution of the various applications required the [Commission] to decide whether Goodnight's SWD wells interfere with or impair Empire's oil and gas operations and alleged future plans to develop [an ROZ] in the EMSU"), attached as Ex. E. The district court's resolution will therefore be limited to the EMSU. The Appeals are fully briefed, and the parties await an oral argument setting. *See* Goodnight's Request for Oral Argument (10/5/2026).

### B. The Commission did not address impacts outside the EMSU, including alleged impacts to the AGU.

The Commission limited the evidentiary hearing on Empire's applications to cases involving SWD wells within the EMSU and stayed the remaining applications. Joint Order on Motion to Limit Scope of Hearing (7/2/2024) at 2. It ordered that "[a]t said hearing, the parties shall submit all evidence, testimony, and legal argument on the issue of the existence, extent of

and possible interference with a residual oil zone [in] the [EMSU] by produced water injection activities undertaken by Goodnight. Such evidence, testimony, and legal argument shall be limited to applications and wells by Goodnight or by Empire New Mexico LLC within the EMSU." *Id*. (emphases added). The parties therefore developed no record regarding the AGU, and the Commission made no findings as to impacts there.

### C. Empire cannot pursue a pilot project to gather evidence of a recoverable ROZ in the EMSU due to its widespread noncompliance.

Empire has not obtained the permits needed to commence the CO2 EOR pilot project. Empire incorrectly filed a Form C-101 rather than the required C-108, and the Division promptly rejected it because Empire remains out of compliance with Division regulations, particularly 19.15.5.9 NMAC and 19.15.16.9 NMAC. *See* OCD Response to Submission ID 581181 (July 17, 2026) (citing 25 wells out of compliance). Empire's record has since worsened to 39 inactive, noncompliant wells. *See* Ex. F (list of Empire's inactive wells as of October 14, 2026). Empire cannot obtain approval for a pilot project until it cures these deficiencies. *See, e.g.*, 19.15.14.10.A NMAC; *see also* 19.15.26.8.A(1)(c) NMAC ("The division shall grant a permit for injection under 19.15.26.8 NMAC only to an operator who is in compliance with Subsection A of 19.15.5.9 NMAC").

Empire's ability to fund its operations is also in doubt. Empire has apparently failed to pay several New Mexico oil field service vendors, and its Texas and North Dakota operating companies have been sued for nonpayment. In New Mexico, at least two companies have filed Claims of Lien against Empire for unpaid goods and services. *See* Ex. G (Claims of Liens filed in New Mexico). Expanse Electrical Company, LLC filed five Claims of Lien against Empire in July 2025, seeking to recover **$48,503.30**. *Id*. Similarly, in March 2026, Richard's Energy Compression, LLC filed four Claims of Lien against Empire's parent, Empire Petroleum

Corporation, seeking to recover **$153,049.30** for goods and services provided within the EMSU and AGU. *Id*. In March 2026, Schlumberger Technology Corporation sued Empire Texas Operating, LLC in Madison County, Texas, alleging unpaid invoices totaling **$352,092.20**. *See* Original Petition, *Schlumberger Tech. Corp. v. Empire Texas Operating, LLC et al.*, Cause No. 26-18378 (12th Judicial Dist. Ct. Mar. 5, 2026), attached as Ex. H. In April 2026, Empire Texas Operating, LLC was sued in Leon County, Texas for refusing to pay invoices totaling **$65,191.50**. Original Petition, *R Construction Co., Inc., v. Empire Texas Operating, LLC*, Cause No. 26-145-DCCV-001234 (369th Judicial Dist. Ct. April 15, 2026), attached as Ex. I. In November 2025, Antech Oilfield Services Inc. sued Empire North Dakota LLC in Bottineau County, North Dakota for **$1,174,974.78** in unpaid services and equipment. *See* Complaint, *Antech Oilfield Services Inc. v. Empire North Dakota LLC et al*., Case No. 05-2025-cv-00143 (March 19, 2025), attached as Ex. J. Given Empire's compliance status and apparent financial condition, which cast serious doubt on its ability to cure the deficiencies blocking a pilot project, it makes no sense to proceed to hearing on matters already heard by the Commission and pending appeal.

**D. Empire's civil case against Goodnight is proceeding in the Fifth Judicial District Court.**

Empire has also sued Goodnight in the Fifth Judicial District Court (Case No. D-506-CV-2023-01180) for damages and injunctive relief, alleging, *inter alia*, that Goodnight's disposal operations impair Empire's operations within the EMSU and the AGU. The court initially stayed the case under the primary jurisdiction doctrine but lifted the stay after the Commission postponed its hearing by several months. *See* Order Staying Litigation Pursuant to Primary Jurisdiction Doctrine (8/29/2024); Order Lifting Stay of Litigation (1/27/2025), attached as Exs. K & L. After Order No. R-24004-A issued, the court granted in part Goodnight's motion for summary judgment, dismissing with prejudice on collateral estoppel grounds Empire's claims "arising from

Goodnight's development operations related to the [SWDs] located in the [EMSU]," while allowing claims "arising from Goodnight's SWD and operations outside the EMSU, including the [AGU]" to proceed. Order Granting in Part and Denying in Part Goodnight's Amended Motion for Summary Judgment (8/17/2026) at 1-2 (emphases added), attached as Ex. M. The civil case (now limited to operations outside the EMSU, including the AGU) is in discovery and pretrial motions, has not been stayed, and remains set for trial in April 2027.

## III. ARGUMENT

### A. The Division should dismiss the cases that rest on alleged impacts within the EMSU.

Empire's new applications to revoke Goodnight's injection authority based on alleged impacts within the EMSU—Case Nos. 26267, 26273, 26274, 26278, 26279, 26280, and 26281—should be dismissed without prejudice or, alternatively, stayed until a final appellate ruling favors Empire or Empire demonstrates a recoverable ROZ in the EMSU through a pilot project. Each alleges that disposal into the subject wells "impairs the ability of Empire to recover hydrocarbons within the EMSU Unitized Interval." Case Nos. 26267 ¶ 9, 26273 ¶ 9, 26274 ¶ 9, 26278 ¶ 9, 26279 ¶ 8, 26280 ¶ 8, and 26281 ¶ 8 (emphasis added). These cases are a second generation of EMSU revocation applications raising claims the Commission already found premature and that are now on appeal.

Empire previously sought revocation in Division Case Nos. 24018, 24019, 24020, and 24025 (the "First EMSU Cases"). After hearing, the Commission did not resolve whether a recoverable ROZ exists in the EMSU; it concluded revocation was "premature" because "there was insufficient evidence presented at hearing to prove whether the ROZ is recoverable." Ex. A, Order No. R-24004 at ¶ III.D. It granted Empire the opportunity to pursue a CO2 EOR pilot project to develop that data. *Id*. at ¶¶ 61 & 63. Following a rehearing, the Commission issued an amended

order, which incorporated Order No. R-24004 in full and clarifying that "Empire must follow all relevant and applicable regulations and permitting processes" to pursue a pilot project. *See* Ex. B, Order No. R-24004-A at ¶ 25. More than ten months after Order No. R-24004-A, Empire has not taken the first regulatory step toward permitting a pilot project or generated any new data showing a recoverable ROZ, choosing instead to challenge the Commission's orders in the Appeals.

The new EMSU cases should be dismissed for the same reason.[1] Adjudicating them would require the Division to revisit the same contested ROZ recoverability questions on the same undeveloped record the Commission already weighed, while the district court reviews the Commission's final order and Empire takes no steps toward a pilot project—wasting resources and risking inconsistent results. Dismissal without prejudice or a stay of these cases is appropriate until a final appellate ruling favors Empire or Empire demonstrates a recoverable ROZ in the EMSU through a pilot project.

Any stay, however, should be conditioned on Empire's periodic reporting on its pilot project progress, including its efforts to achieve regulatory compliance. A stay tied only to the Appeals would reward Empire's inaction, letting its applications cloud Goodnight's existing permits for years while the factual predicate for revocation goes ungathered. Goodnight therefore asks that any stay be conditioned on (i) Empire filing status reports every 30 days describing its progress toward obtaining Division compliance, submitting a C-108 application for a pilot project, and timing to amend the underlying waterflood and unitization orders; and (ii) leave for any party

[1] For the same reasons, Goodnight has requested a dismissal or continued stay of six additional cases currently stayed before the Commission: Case Nos. 24021-24024 and 24026-24027. These cases concern Goodnight SWD wells outside the EMSU, but that are alleged by Empire to impact its operations within the EMSU. As an alternative to dismissal, Goodnight—joined by Rice Operating Company and Permian Line Service—moved to remand these stayed cases to the Division for hearing and adjudication with the new cases. The Commission set these cases for hearing on pending motions to dismiss, stay, or remand on November 12, 2026.

to move to dismiss for failure to prosecute if Empire fails to make demonstrable progress in accordance with the timeline set forth in the Division's Implementation Letter at the Commission's directive.

### B. The Division should proceed with the cases that rest on alleged impacts to hydrocarbons outside the EMSU and inside the AGU.

By contrast, Empire's applications premised on alleged impacts within the AGU—Case Nos. 26255, 26264, 26269, 26275, 26277, and 26284 (the "Non-EMSU Cases")—should proceed. Neither the Commission nor the Division has decided any question regarding the AGU, and no issue on appeal asks the district court to do so.

Because the Commission hearing was expressly limited to the EMSU, Joint Order on Motion to Limit Scope of Hearing (7/2/2024) at 2, and the Appeals are confined to that record, the district court cannot resolve whether a recoverable ROZ exists, or is impaired, outside the EMSU. Empire must instead develop a site-specific record for each application and well it seeks to revoke.

Impacts outside the EMSU are, however, being litigated in the Fifth Judicial District Court, which allowed Empire's claims "as to wells and the impact of Goodnight's operations on the AGU [to] remain pending." Ex. M, Order Granting in Part and Denying in Part Goodnight's Amended Motion for Summary Judgment (8/17/2026) at 2. Two wells in the civil case are also at issue in cases identified in the Show Cause Order: Penroc State E TR 27 #002 (API 30-025-26491) and Scully SWD Well No. 1 (API 30-025-46398). Because these claims are moving forward toward a 2027 trial, the Non-EMSU Cases should proceed before the Division as well, and the Division should promptly reset status conferences and prehearing schedules in those matters.

The primary jurisdiction doctrine confirms that the Division should decide the Non-EMSU Cases in the first instance rather than cede its technical expertise to the district court. The doctrine "comes into play whenever enforcement of the claim requires the resolution of issues which, under

a regulatory scheme, have been placed within the special competence of an administrative body." *State ex rel. Norvell v. Ariz. Pub. Serv. Co.*, 1973-NMSC-051, ¶ 31, 85 N.M. 165 (quotation omitted). The Non-EMSU Cases turn on geology, petrophysical and log analysis, reservoir pressure data, and water chemistry and compatibility—evidence the Division's engineers, geologists, and hearing examiners evaluate daily in administering the State's injection program. The Fifth Judicial District Court itself recognized the Commission's primary jurisdiction when it initially stayed the civil litigation. *See* Ex. K, Order Staying Litigation Pursuant to Primary Jurisdiction Doctrine (8/29/2024). A stay would leave the district court to find these facts without the agency the Legislature charged with resolving them, inverting the statutory design. Proceeding, by contrast, lets the Division develop the technical record and render findings the court may consider, promoting uniform regulation and reducing the risk that a court of general jurisdiction resolves regulatory questions inconsistently with the Division's statewide program. These issues are too important to the State's oil and gas industry for the Division to opt out.

Finally, a stay of the Non-EMSU Cases would substantially prejudice Goodnight, which has invested more than $300 million in disposal infrastructure these proceedings directly threaten. *See* Goodnight, FOF ¶ 5 (Case Nos. 23614-23617, 23775, 24018-24020, 24025, 24123). That infrastructure meets industry demand for disposal capacity, which is so limited in New Mexico that 41 percent of the State's produced water was transported to Texas for disposal in 2023.[2] Amid acute pressure on Permian Basin disposal capacity, open-ended delay imposes concrete costs on Goodnight and the operators it serves. Such a stay would cloud a substantial portion of existing

[2] New Mexico Environment Department and Eastern Research Group, Inc., New Mexico Strategic Water Supply Feasibility Study, Final, November 22, 2024, at 15, 24, available at https://www.env.nm.gov/wp-content/uploads/2024/11/NMED-Revised-Draft-Feasibility-Study-112224.pdf, accessed on October 22, 2026.

San Andres disposal operations and effectively impose a misguided moratorium on future disposal development in the State's preeminent produced water disposal field.

**C. The Division should proceed with Goodnight's application in Case No. 24491.**

Case No. 24491 should proceed for different reasons. It is Goodnight's application for a one-year extension of time to commence injection at the Rocket SWD No. 1 well, located outside the EMSU. After dissolving its stay, the Division reset the case for hearing on whether Goodnight has shown good cause to extend Order No. R-22506 (SWD-2392)—a narrow issue presenting none of the questions raised in the Appeals. The Division should proceed to hearing in Case No. 24491 or, if it defers the matter, expressly toll the commencement deadline under Order No. R-22506 for the duration of any deferral.

## IV. CONCLUSION

For the foregoing reasons, Goodnight respectfully requests that the Division:

1. Dismiss without prejudice or, alternatively, stay adjudication of Empire's revocation applications premised on alleged impacts within the EMSU, including Case Nos. 26267, 26273, 26274, 26278, 26279, 26280, and 26281, until a final appellate ruling favors Empire or Empire demonstrates a recoverable ROZ in the EMSU through a pilot project, with any stay conditioned on (i) Empire filing status reports every 30 days describing its progress toward obtaining Division compliance, submitting a C-108 application for a pilot project, and timing to amend the underlying waterflood and unitization orders; and (ii) leave for any party to move to dismiss for failure to prosecute if Empire fails to make demonstrable progress in accordance with the timeline set forth in the Division's Implementation Letter;

2. Proceed to adjudicate the Non-EMSU Cases, Empire's revocation applications premised on alleged impacts inside the AGU, including Case Nos. 26255, 26264, 26269, 26275, 26277, and 26284, and promptly reset status conferences and prehearing schedules in those matters;

3. Proceed to hearing in Case No. 24491 on the limited issue of whether Goodnight has shown good cause to extend Order No. R-22506 (SWD-2392), or, in the alternative, expressly toll the commencement deadline under Order No. R-22506 for the duration of any deferral; and

4. Grant such further relief as the Division deems just and proper.

Dated: October 26, 2026

Respectfully submitted,

**HOLLAND & HART LLP**

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**CERTIFICATE OF SERVICE**

I hereby certify that on October 26, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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# ADDENDUM 1

| | Case No. | Well Name | API No. | EMSU | AGU | Stay/Dismissal w/o Prejudice? | Allegation in application |
|---|---|---|---|---|---|---|---|
| **1** | 26267 | Owl SWD Operating, P 15 #1 | 30-025-46579 | Inside | | Yes | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU** Unitized Interval |
| **2** | 26273 | Rice Operating/Permian Line Service, EME #21 | 30-025-21852 | Inside | | Yes | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU** Unitized Interval |
| **3** | 26274 | Permian Line Service, N 11 #1 | 30-025-46577 | Inside | | Yes | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU** Unitized Interval |
| **4** | 26278 | Rice Operating, EME SWD #33M | 30-025-12786 | Outside | | Yes | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU** Unitized Interval |
| **5** | 26279 | Rice Operating, EME SWD #20 | 30-025-12800 | Outside | | Yes | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU** Unitized Interval |
| **6** | 26280 | Rice Operating, N 7 #001 | 30-025-46576 | Outside | | Yes | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU** Unitized Interval |
| **7** | 26281 | Rice Operating, State E Tract 27 #001 | 30-025-26317 | Outside | | Yes | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU** Unitized Interval |

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# ADDENDUM 1

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|---|---|---|---|---|---|---|---|
| **8** | 26255 | Goodnight, Penroc State E Tr 27 SWD #2 | 30-025-26491 | Outside | Outside | No | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU and AGU** Unitized Intervals |
| **9** | 26264 | Goodnight, Scully State #1 | 30-025-46398 | Outside | Outside | No | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU and AGU** Unitized Intervals |
| **10** | 26269 | Parker Energy, Parker SWD #5 | 30-025-38789 | Outside | Outside | No | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **EMSU and AGU** Unitized Intervals |
| **11** | 26275 | Rice Operating, Blinebry Drinkard #18 | 30-025-25616 | Outside | Inside | No | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **AGU** Unitized Interval |
| **12** | 26277 | Rice Operating, Blinebry Drinkard #32 | 30-025-38528 | Outside | Outside | No | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **AGU** Unitized Interval |
| **13** | 26284 | Rice Operating, Blinebry Drinkard #20 | 30-025-37168 | Outside | Outside | No | Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the **AGU** Unitized Interval |
| **14** | 24491 | Rocket SWD No. 1 | Pending | Outside (not drilled) | | No (application for permit extension should go forward) | |

# EXHIBIT A

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

**OCC ORDER NO. R-24004**

| | |
|---|---|
| APPLICATION OF GOODNIGHT MIDSTREAM PERMIAN, LLC FOR APPROVAL OF A SALTWATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO | DE NOVO APPEAL OF DENIAL OF PROPOSED NEW WELL CASE NO. 24123 (PIAZZA) |
| APPLICATION OF GOODNIGHT MIDSTREAM PERMIAN, LLC FOR APPROVAL OF A SALTWATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO | PROPOSED NEW WELLS CASE NO. 23614 (GOODEN) CASE NO. 23615 (HERNANDEZ) CASE NO. 23616 (HODGES) CASE NO. 23617 (SEAVER) |
| APPLICATION OF GOODNIGHT MIDSTREAM PERMIAN, LLC TO AMEND ORDER NO. R-2206/SWD-2403 TO INCREASE THE APPROVED INJECTION RATE IN ITS ANDRE DAWSON SWD #1 LEA COUNTY, NEW MEXICO | INCREASE EXISTING WELL CASE NO. 23775 (DAWSON) |
| APPLICATIONS OF EMPIRE NEW MEXICO LLC TO REVOKE INJECTION AUTHORITY, LEA COUNTY, NEW MEXICO | REVOKE EXISTING WELLS CASE NO. 24018 (DAWSON) CASE NO. 24019 (BANKS) CASE NO. 24020 (SOSA) CASE NO. 24025 (RYNO) |

**Order Denying Goodnight's Applications & Partially Granting/Partially Denying Empire's Applications**

**COMES NOW**, the New Mexico Oil Conservation Commission ("Commission") and issues this ORDER in the adjudicatory hearing in the above-cited case numbers. Pursuant to NMSA 1978, Section 70-2-13 and 19.15.4 NMAC, the hearing occurred on approximately 18 days distributed between February 20, February 24-28, April 7-11, April 21-25, May 19-21, 2025. The hearing was presided over by Hearing Officer Rip Harwood, Esq. and attended by the Commissioners. Pursuant to 19.15.4.24 NMAC, the Commission upon reviewing the legal arguments, hearing testimony, exhibits, proposed Findings of Fact and Conclusions of Law, issues the following ORDER containing its statement of reasons:

## I. Introduction: Parties & Wells at Issue:

1. PARTIES -Goodnight Midstream Permian, LLC is a midstream company that takes oil operation produced water (a/k/a salt water disposal) from operators from around the Permian Basin and injects it into salt water disposal (SWD) wells.
2. PARTIES -Empire New Mexico LLC is an oil production company that operates the Eunice Monument South Unit (EMSU).
3. INTERESTED PARTIES -Rice Operating Company is an operator of produced water injections wells in and around the EMSU. On 6/20/24, it filed an Entry of Appearance and Notice of Intervention.
4. INTERESTED PARTIES- Permian Line Service LLC is an operator of produced water injections wells in and around the EMSU. On 6/20/24, it filed an Entry of Appearance and Notice of Intervention.
5. INTERESTED PARTIES -Pilot Water Solutions SWD LLC is an operator of produced water injections wells within the EMSU. On 6/17/24, it filed an Entry of Appearance and Notice of Intervention.
6. PARTY THAT WITHDREW -The New Mexico Oil Conservation Division (Division) initially appeared but withdrew after Goodnight agreed to implement a monitoring program within and around the Capitan Reef Aquifer System that "satisfies the requirements upon [OCD] by the" U.S. EPA. Goodnight's FOF #23 citing to the Division's 5/15/25 Notice of Dismissal.
7. Goodnight Has Applied to Amend its Existing Permit with an Increased Disposal Rate Authorization for the Following SWD Well:

| SWD Well Name | Date Applied for Expansion | Disposal Zone | Maximum Disposal rate | Case No. | Citations in the Record |
|---|---|---|---|---|---|
| **Dawson** | 4/10/23 | -4375 to -5,420 feet | Go from 25,000 Barrels of Water Per Day (bwpd) up to 40,000 bwpd | **Case No. 23775** | Goodnight Ex. A-9 |

8. Goodnight Has Applied for a Permit for a New Well (that was previously rejected by the Oil Conservation Division staff):

| Name | Date Applied | Disposal Zone | Maximum Disposal rate | Case No. | Citations in the Record |
|---|---|---|---|---|---|
| **Piazza** | 9/16/21. Date of Division hearing date: 9/15/22. Division Denied on: 11/29/23 | -4,125 to -5,400 feet | 40,000 bwpd | **Case No. 24123** | Goodnight Ex. A-2 Goodnight Ex. A-3 Goodnight Ex. A-8 Empire Ex. A-2 |

9. Goodnight Has Applied for a Permit for New Wells:

| Name | Date Applied | Disposal Zone | Maximum Disposal rate | Case No. | Citations in the Record |
|---|---|---|---|---|---|
| **Gooden** | 5/12/23 | -4,200 to -4,900 feet | 42,000 bwpd | **Case No. 23614** | Goodnight Ex. A-4, Empire Ex. A-2. |
| **Hernandez** | 5/12/23 | -4,200 to -5,300 feet | 42,000 bwpd | **Case No. 23615** | Goodnight Ex. A-5, Empire Ex. A-2. |
| **Hodges** | 5/12/23 | -4,100 to -5,200 feet | 42,000 bwpd | **Case No. 23616** | Goodnight Ex. A-6, Empire Ex. A-2. |
| **Seaver** | 5/12/23 | -4,200 to -5,300 feet | 42,000 bwpd | **Case No. 23617** | Goodnight Ex. A-7, Empire Ex. A-2. |

10. Empire has Applied to OCC to Revoke Goodnight's Injection Authority/Permit for Following SWD Wells:

| SWD Well Name | Date of OCD hearing date granting approval | Disposal Zone | Maximum Disposal rate | Case No. | Citations in the Record |
|---|---|---|---|---|---|
| **Dawson** | 1/21/21 | -4375 to -5,420 feet | 25,000 (bwpd) | **Case No. 24018** | Alleman TR. 4/25/25 at 58:20-21 |

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|---|---|---|---|---|---|
| | | | | | Goodnight Ex. A-9 Goodnight Ex. B, para. 38 |
| **Banks** | 1/21/21 | -4490 to -5420 feet | 25,000 bwpd | **Case No. 24019** | Alleman TR. 4/25/25 at 68:16 Goodnight Ex. B, para. 38 |
| **Sosa** | 9/19/19 | -4,592 to- 5,330 feet | 29,477 bwpd | **Case No. 24020** | Alleman TR. 4/25/25 at 72:6-7 Goodnight Ex. B, para. 38 |
| **Ryno** | None. It was administratively approved without a hearing. It started operations on 10/1/21. | -4,380 to- 5,560 feet. | 16,441 bwpd | **Case No. 24025** | Alleman TR. 4/25/25 at 73:21 Empire Ex. A-3 Goodnight Ex. B, para. 38 |

11. Empire presented expert witnesses including: (a) Jack Wheeler, (b) Dr. Robert Lindsay, (c) Laurence Melzer, (d) Dr. Robert Trentham, (e) Dr. James Buchwalter, (f) Galen Dillewyn, (g) Joseph McShane, (h) Frank Marek, (i) William West, (j) Stanley Birkhead and (k) Ryan Bailey.
12. Goodnight presented expert witnesses including: (a) Preston McGuire, (b) Tom Tomastik, (c) James Davidson, (d) Nathan Alleman, (e ) William Knights, (f) John McBeath, (g) Dr. Larry Lake.
13. The Commission heard and weighed expert witnesses and exhibits on topics ranging from, including but not limited to, economics, engineering, geology, hydrology and petrophysics, but the items listed below constitute the evidence that was most compelling and to which the Commission assigned the greatest weight as substantial evidence.

## II. Grounds for Denying Goodnight's Applications:

### A. Based on the 1984 Commission Order, Empire has the exclusive rights to produce the ROZ in the EMSU.

14. In Township 20-21 (South), Range 36-37 (East) in Lea County, comprising about 14,000 acres, approximately 15 miles southwest from Hobbs, New Mexico, an oil "field was discovered in 1929, and within ten years, it had already produced over a million barrels of oil." Wheeler TR. 4/8/25 at 142: 12-13.
15. From that time forward, generally, various operators extracted oil in the upper underground region of the field (Grayburg formation) and various operators used the lower underground region of the field (San Andres formation) to extract water (i.e. for use in oil water flood operations) or to inject oil production waste water (i.e. produced water or salt water) into disposal wells.
16. In the early 1980s, Gulf Oil Corporation (Gulf) applied to the New Mexico Oil Conservation Commission to request an Order to get the field organized as a "Unit" pursuant to the New Mexico Statutory Unitization Act, NMSA 1978, Sections 70-7-1 to -21.
17. On June 22, 1984, Gulf finalized an Unit Agreement among "the parties [who] are the owners of working, royalty, or other oil and gas interests in the Unit Area…." Empire Ex. A-4. The State of New Mexico State Land Office and United States BLM own 58% and 20% of the minerals in the Unit Area, respectively, and were included in the agreement. Empire's FOF #1 citing to Wheeler TR. 4/8/25 at 142:21-25.
18. The Unit Agreement, in section 10, gave the authority to Gulf, as the Unit operator: "exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator." Empire Ex. A-4.
19. The Agreement stated the San Andres was intended to be used initially for make-up water for water flooding operations for oil operations.
20. On November 7, 1984, the Commission held a public hearing on Gulf's request for the Commission to approve the Unit Agreement. Empire Ex. A-6.
21. On December 27, 1984, the Commission issued Order R-7765 approving the creation of the Eunice Monument South Unit Area ("EMSU"). Empire Ex. A-6
22. The Commission's Order established the vertical limits of the EMSU and put several formations into the EMSU. The top of the EMSU was set at: "100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher." Empire Ex. A-6.
23. The bottom of the EMSU as "a lower limit at the base of the San Andres formation." Empire Ex. A-6.

24. On August 1, 2004, Gulf became part of Chevron USA. Chevron USA later sold its property status to ExxonMobil/XTO. Wheeler TR. 4/9/25 at 13:5-7.
25. On March 12, 2021, Empire purchased the EMSU from ExxonMobil/XTO. Empire's FOF #3 citing to Wheeler TR. 4/8/25 at 144:13-16. Empire also purchased the adjoining AGU and EMSU-B properties.
26. Empire purchased the EMSU to continue the current extraction of oil from the Grayburg formation but also to start a new project to extract oil from the San Andres formation via a CO2 flood as part of an Enhanced Oil Recovery (EOR) project.
27. Based on the 1984 Commission Order, Empire has the exclusive rights to decide how to best extract oil in the EMSU.

**B. <u>The Commission finds that there was substantial evidence presented at the hearing to establish the existence of a ROZ in the Grayburg and San Andres, especially the core analysis evidence.</u>**

28. Empire's witness, Dr. Lindsay, provided slides of the coring of two wells in the EMSU (EMSU 679 well and RR Bell well) that show there is oil saturation that is visible to the naked eye. Empire's FOF #31 citing to Lindsay TR. 2/24/25 at 18:17-24, 37:4-7.
29. The coring started above the Grayburg and extended down into the San Andres. Empire's FOF #31.
30. One slide showed with pictures of core samples "EMS-679 San Andres core" which the slide states is "from 95 ft to 105ft beneath top of the San Andres." The oil saturation (SO) measurement on the samples has eight readings of 18.3%, 19.9%, 21%, 22.8%, 25.4%, 30.2% 30.7%, 32.4%, 33%, 38.4%. Empire Ex. B-7.
31. One slide showed pictures of core samples "EMSU R.R. Bell #4 core" which the slide describes as "fair to good oil saturation." Empire Ex. B-9.
32. Cores of the EMSU 679 and the RR Bell Number 4 wells show oil stain in the San Andres, including right at the base of both cores, which indicates that oil saturations exist deeper into the San Andres. Empire FOF #82a citing to Lindsay TR. 2/24/25 at 20:11-21:2, 22:25-23:4.
33. These were the only cores presented in this hearing.
34. The well logs for the EMSU 679 and EMSU R.R. Bell #4 corroborated the core data. Empire Ex. B-23, B-25, B-26.
35. Empire's witnesses testified that a ROZ exists. Empire's FOF #82s citing to Lindsay TR. 2/24/25 at 37:4-5, Bailey TR. 2/25/25 at 277:20-278:18, Birkhead TR. 2/25/25 at 458:23-459:3, Birkhead TR. 2/26/25 at 647:5-13, Trentham TR. 2/27/25 at 829:18-22, Melzer TR. 2/27/25 at 845:23-846:3, 858:18-20, 863:18-20, Marek TR. 4/7/25 at 122:6-10, 21-23.

36. Goodnight's witnesses, Dr. Davidson, Mr. Knights, Dr. Lake and Mr. Tomastik agreed that a ROZ exists. Empire's FOF #82t citing to Davidson TR. 4/21/25 at 232:8-18, Tomastik TR. 4/25/25 at 104:19-21, Knights TR. 4/22/25 at 28:3-5, Lake TR. 4/24/25 at 223:4-21.
37. Goodnight's witness, Dr. Davidson, confirmed that oil saturation exists throughout the San Andres stating: "there's some up to 30 to 40 percent in there. They show up periodically up and down the system. So yes, there's oil down in there...." Empire's Response to Rice, p.3 citing to Davidson TR. 4/21/25 at 242:17-243:14.
38. Since there was substantial evidence presented at the hearing to establish the existence of a ROZ in the Grayburg and San Andres, New Mexico law authorizes the Commission to allow companies to have an opportunity to pursue oil discoveries so the oil is not left wasted or untapped underground. NMSA 1978, Section 70-2-11.
39. Goodnight's application for proposed four new wells (Gooden, Hernandez, Hodges, Seaver) at 42,000 barrels a day each AND a fifth new well (Piazza) at 40,000 barrels a day AND an increase to an existing well (Dawson) up to 40,000 barrels a day will result in an addition of hundreds of thousands of barrels a day injected into the San Andres. Wheeler TR. 4/8/25 at 43:18-44:7.
40. Goodnight's six applications must be denied because the injection of hundreds of thousands of barrels a day conflicts with Empire's exclusive rights to extract oil in the EMSU because in order to perform a successful CO2 flood EOR project, the injection of CO2 and water must be monitored closely and adjustments made based upon design. Goodnight's SWD wells cannot dispose of water when Empire's active CO2 flood is being performed without adversely effecting economics. Empire's Ex. I. at 12.
41. Goodnight's six applications must be denied because the injection of hundreds of thousands of barrels a day conflicts with Empire's exclusive rights to extract oil in the EMSU because approval of the proposed new wells would contradict the responsibility of the Commission and Division to prevent the drowning by water of any stratum or part thereof capable of producing oil. Goodnight Ex. A-3, Conclusion of Law # 11.
42. This denial is consistent with the Division's conclusion in its order in the Piazza well application. Goodnight Ex. A-3.

## III. Grounds for Partially Granting/Partially Denying Empire's Applications:

### A. Empire DID adduce substantial evidence of the possibility of FUTURE impairment of correlative rights or waste in the EMSU.

43. Empire's witness, Dr. Lindsay, provided a map titled: "EMSU-679 Lower Grayburg Fracture Study" and described it as "A Chevron in-house fracture study was performed on EMSU-679 oriented core (120 ft). Fractures were measured in the Lower Grayburg reservoir and upper San Andres residual oil zone (ROZ)." Empire Ex. B-12.
44. The Chevron fracture study is titled: "Eunice Monument South Unit Expansion Area B (EMSUB), Eunice Monument South Unit (EMSU) and Arrowhead Grayburg Unit (AGU) Fracture Study." Empire Rebuttal Exhibit J, Appendix 1.
45. Empire's witness, Dr. Lindsay, is familiar with the study because he worked for Chevron USA at the EMSU location from 1988-2002. Empire Ex. B
46. In the fracture study of the upper 36 feet of the San Andres in EMSU 679, there were 129 vertical fractures. Empire's FOF #33 citing to Lindsay TR. 2/24/25 at 28:10-30:21, 37:8-20. This could lead to communication between the Grayburg and San Andres.
47. Empire's witness, Dr. Buchwalter, built a model and the model shows to a reasonable degree that water is moving from the San Andres into the Grayburg. Empire's Closing Brief p. 20 citing to Buchwalter TR. 2/27/25 at 766:11. This could lead to communication between the Grayburg and San Andres.
48. Dr. Buchwalter's model is titled: "Empire Eunice Monument Study Presentation." Empire, Ex. M-1 to M-20.
49. Goodnight did not prepare any subsurface modeling to support their argument that the water influx from the San Andres to the Grayburg will not occur in the future. Empire's FOF #88c citing to Buchwalter TR. 2/27/25 at 767:3-8.

**B. <u>Goodnight DID NOT adduce substantial evidence of the existence of a continuous barrier between the Grayburg and the San Andres and therefore DID NOT refute the potential for FUTURE impairment or waste in the EMSU.</u>**

50. Goodnight asserted that there is a containment barrier that is located above Goodnight's disposal zones. Goodnight's FOF #19 citing to Goodnight Ex. B, para. 38-43.
51. This led to some witnesses to use the term Grayburg (above barrier) and San Andres (below barrier). This led others witnesses to use the term Upper San Andres (above barrier) and Lower San Andres (below the barrier) when testifying about the containment barrier.
52. Mr. McGuire prepared Goodnight Exhibit B-9 to draw a containment barrier across the EMSU. Goodnight Ex. B, para. 50. Goodnight Exhibit B-9 was unable to map a containment barrier continuously across the EMSU. Empire FOF #85q.

a. Exhibit B-9 shows the Ryno well, but it shows no barrier between Goodnight's injection zone and Empire's producing Grayburg zone. Empire's Closing Brief, p. 17 citing to McGuire TR. 5/19/25 at 266: 6-14.
b. The barriers shown in the Well EMSU 462 do not correlate with the barriers in the EMSU 460 Well. Empire's Closing Brief, p. 17.
c. The barriers shown in the Banks well do not correlate with the barriers in the EMSU 462 Well. Empire's Closing Brief, p. 17.
d. The barriers shown in the Banks well do not correlate with the barriers in the Ryno well. Empire's Closing Brief, p. 17.
e. The barriers shown in the Sosa well do not correlate with the barriers in the Ryno well. Empire's Closing Brief, p. 17.
f. There was no barrier that was radially/laterally mappable across these wells, let alone across the 14,000+ acres of the EMSU. Empire's Closing Brief, p. 17.
g. Even Goodnight's witness, Mr. Knights, testified there was not a continual containment barrier. Instead, it was "a number of those barriers in amalgamation." Rice's FOF #10 citing to Knights TR. 4/22/25 at 212:11-20.

53. Empire's witness, Dr. Lindsay, testified on the lack of continuous barrier: "And then, when the Grayburg -- when the EMSU anticline formed and you take this flat-line strata and you flex it and make the asymmetric anticline, because it's dolomitized, dolomite is a brittle mineral, you fracture that and you break it. So even if you do have something there that is acting like a seal, now it's fractured. And then you get Mother Nature's Waterflood sweeping through and solution enhancing those vertical fractures and making them wider. And so to have a continuous barrier there, yes, you kind of start out with one, but you don't end up with one. And it doesn't look laterally continuous on logs." Lindsay TR. 2/24/25 at 153:15-154:3.

**C. <u>However, the Commission concluded it is premature at present to grant Empire's applications to permanently revoke the injection authority of the existing wells because the Commission found Empire DID NOT adduce substantial evidence that their correlative rights in the Grayburg are CURRENTLY impaired by Goodnight's injection into the San Andres.</u>**

54. The EMSU currently produces about 800 barrels of oil per day from the Grayburg. Goodnight's FOF #87 citing to Empire's Ex. I at 2, Ex. I-18.
55. Empire has not identified production data from any particular well within EMSU that shows evidence of impacts from Goodnight's disposal operations in its production or operation. Goodnight's FOF #89 citing to Goodnight Ex. B, para. 9, Ex. F at 33.
56. "[T]he strongest evidence" for no communication between the San Andres and Grayburg "is material balance, which is volumes and pressure" and the limited

change in pressures in the San Andres for the volumes of water that were both extracted and injected "is just amazing" and "a unique situation[.]" Goodnight's FOF #58 citing to Knights TR. 4/22/25 at 251:7-252:2.

**D. In addition, the Commission concluded it is premature at present to grant Empire's applications to permanently revoke the injection authority of the existing wells because the Commission found there was insufficient evidence presented at hearing to prove whether the ROZ is recoverable.**

57. Empire pointed to other EOR recovery projects within the San Andres formation:
    a. Seminole field, which is 45 miles from EMSU, yielded 68 million barrels from a ROZ.
    b. Tall Cotton Field, which is also 45 miles from EMSU, yielded 2,000 bopd. Empire's Closing Brief, p. 24 citing to Trentham TR. 2/27/25 at 802:9-804:19, Melzer TR. 848:20-849:9, 856:14-857:7.
58. Recovery, however, is site-specific and is based on the conditions at the EMSU.
59. Empire did not compare the oil-in-place calculations done to the oil-in-place calculations at the other ROZ sites it referenced throughout its testimony, including the Seminole Field, Tall Cotton or Goldsmith. Rice's FOF #115.
60. Goodnight's witness, Dr. Lake, testified that Empire relied on a dimensionless curve that projects 18% oil recovery after 4 hydrocarbon pore volumes of CO2, which is two standard deviations about the mean for oil recovery for a CO2 flood in a conventional reservoir. Goodnight's FOF #162 citing to Lake TR. 4/24/25 at 175:10-17.

***E*. Therefore, it is premature at present to grant Empire's applications to permanently revoke the injection authority of the existing wells. Instead, the Commission will suspend the injection authority to provide Empire with the opportunity to establish a pilot project.**

61. The Commission will provide Empire with the opportunity to establish a CO2 EOR pilot project within a period of 3 years to ascertain the recoverability of the ROZ.
62. To perform a successful CO2 flood, the injection of CO2 and water must be monitored closely and adjustments made based upon design. Goodnight's SWD wells cannot dispose of water when an active CO2 flood is being performed. Empire's Ex. I. at 12.
63. Empire will then return to the Commission and present the further data/analysis.
64. The Commission's rationale is grounded in the exchange between Commissioner Ampomah and Empire's witness Mr. Wheeler. Wheeler TR. 4/9/25 at 52:7 to 53:2 (emphasis added).

> Q. So if I flip that and then ask you -- and let's say if Empire will be willing to say that, okay, Commission should suspend, like you said, all the saltwater injection that is going on in the EMSU right now, give Empire time to prove that the oil, the ROZ, if it is there, is recoverable, will you be open to that?
> A. That is the most fabulous suggestion I've heard this whole ten days of hearing.
> Q. And how many years will Empire be open to that?
> A. You know, you're getting me in more and more trouble with Mr. West. But I would think we could do it within a couple of years.
> Q. So within that couple of years, Empire will have the opportunity to drill the other wells?
> A. Yes, sir.
> Q. And prove to see that if any of these claims -- you know, real evidence that the ROZ indeed exists and it's recoverable?
> A. Yes, sir.

65. The Commission's rationale is also grounded in the exchange between Commissioner Lamkin and Empire's witness, Mr. Wheeler. Wheeler TR. 4/9/25 at 56:11-23 (emphasis added).

> Q. I'm mainly speaking about if you -- if you guys had consent from the Commission to establish an EOR project and you had committed capital from your company, what do you think the timeline is in reference to Commissioner Ampomah's question about performing a pilot to verify that the ROZ is there and it's producible?
> A. If you just do a small, small pilot project and the Commission requests it, I believe that we can get it and do it within that two-year period, where we're talking about drilling the wells and coring and then the analysis and everything of that to present to the Commission.

## IV. Pending Motion:

**Goodnight's Motion to Amend the 1984 Order to exclude a portion of the San Andres is premature.**

66. On July 3, 2025, Goodnight filed "Renewed Motion for Judgment of Exclusion of San Andres Formation Within EMSU." The motion asked the Commission to exclude the San Andres from the EMSU.
67. Goodnight had previously filed requests to exclude the San Andres from the EMSU in Case Nos. 24277 and 24278 and following briefing by the parties, on July 2, 2024, the Commission issued an order staying those cases and excluding them from the scope

of this hearing. Empire's Response to Renewed Motion, p. 2 citing to the Commission's Joint Order on Goodnight's Motion to Limit Scope of Hearing on Cases within the EMSU and the Oil Conservation Division Motion Concerning the Scope of the Evidentiary Hearing Set for September 23-27, 2024 (July 2, 2024).

68. But even after the Commission stayed Goodnight's applications, Goodnight raised the same exclusion theory in a January 2025 Motion for Partial Summary Judgment. Empire's Response to Renewed Motion, p. 3 citing to Goodnight's Motion for Partial Summary Judgment (Jan. 23, 2025).
69. On February 14, 2025, the Commission denied the Motion and held that Goodnight's Motion was "'precluded by issues of fact' and 'otherwise not well-taken.'" Empire's Response to Renewed Motion, p. 4
70. On March 4, 2025, the Commission entered an Order regarding the scope of the hearing, but did not include anything about Goodnight's request to exclude the San Andres from the EMSU.
71. Any debate over the exclusion of the San Andres would require notice to, and likely participation from, multiple additional parties.
72. Unitization is "federally and state-approved contract that binds multiple entities and stakeholders, including Empire, the Bureau of Land Management and the New Mexico State Land Office." Empire's Response to Renewed Motion, p. 6.
73. Therefore, Goodnight's Motion request was previously stayed and denied and remains outside the scope of this proceeding and cannot be taken up at this time. The Motion is DENIED.

**ORDER**

The Commission finds that there was substantial evidence presented at the hearing to establish the existence of a ROZ in the Grayburg and San Andres, especially the core analysis evidence. Based on the 1984 Commission Order, Empire has the exclusive rights to produce the ROZ in the EMSU. However, there was insufficient evidence presented at the hearing to prove whether the ROZ is recoverable.

The Commission therefore will provide Empire the opportunity to establish a CO2 EOR pilot project within a period of 3 years to ascertain the recoverability of the ROZ and return to the Commission with further data/analysis.

Based on the above summaries the Commission:

1. Denies Goodnight's applications to drill new wells Case No. 23614 (Gooden), Case No. 23615 (Hernandez), Case No. 23616 (Hodges), Case No. 23617 (Seaver), Case No. 24123 (Piazza);
2. Denies Goodnight's application to request existing increase in Case No. 23775 (Dawson);

3. Suspends existing Goodnight's injection wells Case No. 24018 (Dawson), Case No. 24019 (Banks), Case No. 24020 (Sosa), Case No. 24025 (Ryno) in order to provide Empire with the opportunity to establish the CO2 EOR pilot project.

The vote for this Order was unanimous. The Division will implement this Order.

William Ampomah

William Ampomah, Ph.D.
On behalf of the Commission

September 12, 2025
Date

# EXHIBIT B

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

| | |
|---|---|
| **APPLICATION OF GOODNIGHT MIDSTREAM PERMIAN, LLC FOR APPROVAL OF A SALTWATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO** | **DE NOVO APPEAL OF DENIAL OF PROPOSED NEW WELL CASE NO. 24123 (PIAZZA)** |
| **APPLICATION OF GOODNIGHT MIDSTREAM PERMIAN, LLC FOR APPROVAL OF A SALTWATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO** | **PROPOSED NEW WELLS CASE NO. 23614 (GOODEN) CASE NO. 23615 (HERNANDEZ) CASE NO. 23616 (HODGES) CASE NO. 23617 (SEAVER)** |
| **APPLICATION OF GOODNIGHT MIDSTREAM PERMIAN, LLC TO AMEND ORDER NO. R-2206/SWD-2403 TO INCREASE THE APPROVED INJECTION RATE IN ITS ANDRE DAWSON SWD #1 LEA COUNTY, NEW MEXICO** | **INCREASE EXISTING WELL CASE NO. 23775 (DAWSON)** |
| **APPLICATIONS OF EMPIRE NEW MEXICO, LLC, TO REVOKE INJECTION AUTHORITY, LEA COUNTY, NEW MEXICO** | **REVOKE EXISTING WELLS CASE NO. 24018 (DAWSON) CASE NO. 24019 (BANKS) CASE NO. 24020 (SOSA) CASE NO. 24025 (RYNO)** |

**OCC Order R-24004-A**

**AMENDED ORDER DENYING GOODNIGHT'S APPLICATIONS & PARTIALLY GRANTING/PARTIALLY DENYING EMPIRE'S APPLICATIONS**

THIS MATTER came before the New Mexico Oil Conservation Commission ("Commission" or "OCC") upon Goodnight Midstream Permian LLC's ("Goodnight") and Empire NM LLC's ("Empire") respective applications pursuant to 19.15.4.25 NMAC for rehearing of the above captioned cases originally decided via OCC Order R-24004, issued on September 12, 2025 ("September Order"). The Commission denied both applications in so far as they seek to reopen the factual record for this matter, or to relitigate the Commission's findings of fact; however, the

Commission issued an order granting a limited rehearing in these matters on October 17, 2025. The Commission's October 17 order granted rehearing of only the following two questions of law:

I. Does the Commission have the legal authority to suspend existing Goodnight's injection wells in order to provide Empire with the opportunity to establish the CO2 EOR pilot project, given that there was insufficient evidence presented at hearing to prove whether the ROZ [Residual Oil Zone] is recoverable?

II. Does Commission Order R-24004 provide OCD [Oil Conservation Division] with discretion in managing the suspension of existing Goodnight injection wells and to provide Empire with the opportunity to establish a CO2 EOR pilot project?

Having considered post-hearing briefing from the parties, and having held a rehearing of the above captioned cases on November 13, 2025, the Commission issues this instant AMENDED ORDER. This AMENDED ORDER incorporates the September Order in full, and provides the following as clarifying addenda:

**Rehearing Issue I: The Commission Can Order the Suspension of Water Injection into a ROZ to Facilitate an EOR Pilot Project to Determine Recoverability.**

1. The Commission reiterates its conclusion that "New Mexico law authorizes the Commission to allow companies to have an opportunity to pursue oil discoveries so the oil is not left wasted or untapped underground. NMSA 1978, Section 70-2-11." September Order, ¶ 38.

2. In the parties' respective relevant pleadings, the parties generally cite to the same body of law. No party introduced any authorities that convincingly alter either existing statute or case law.

3. The parties do not dispute the general proposition that the "Commission has broad authority under the Oil and Gas Act, NMSA 1978, §§ 70-2-1 to -39." Rice Rehearing Brief-in-Chief at 2.

*See also,* Goodnight Rehearing Response Brief at 2, ("the Oil & Gas Act undoubtedly grants broad powers"); Empire Rehearing Brief-in-Chief at 3, ("The Commission…has broad authority to regulate injection."); OCD Rehearing Brief-in-Chief at 3 ("OCC's jurisdiction is broad").[1]

4. The parties also all cite *Cont'l Oil Co. v. Oil Conservation Comm'n*, 1962-NMSC-062. *See e.g.*, Goodnight Rehearing Brief-in-Chief at 9; Empire Rehearing Brief-in-Chief Footnote 44; OCD Rehearing Brief-in-Chief at 3, Rice Rehearing Brief-in-Chief at 4-5.

5. *Cont'l Oil Co.* ruled that "The Oil Conservation Commission is a creature of statute, expressly defined, limited and empowered by the laws creating it. The . . . basis of its powers is founded on the duty to prevent waste and to protect correlative rights." *Id.* at ¶ 11.

6. All parties also cite the definition of 'waste' as found in NMSA Section 70-2-3. *See e.g.,* Goodnight Rehearing Brief-in-Chief at 10-11; Empire Rehearing Brief-in-Chief at 11, Footnote 46; OCD Rehearing Brief-in-Chief at 6, Rice Rehearing Brief-in-Chief at 5.

7. The parties disagree as to how NMSA Section 70-2-3 applies to the specific facts of this case, given the Commission's existing finding that "there was insufficient evidence presented at [the] hearing to prove whether the ROZ is recoverable." September Order, heading D.

8. Goodnight asserts that "The critical language here is 'reduce or tend to reduce the total quantity of crude petroleum oil or natural gas ultimately recovered.' If no oil or natural gas can be 'ultimately recovered,' then no activity can be characterized as waste." Goodnight Rehearing Brief-in-Chief at 11, (emphasis omitted). Goodnight asserts that the Commission "must first find that the alleged ROZ is both physically and economically recoverable" before the Commission can

[1] Pilot did not timely submit a rehearing brief-in-chief, but did file a short statement by the rebuttal deadline noting that it "agrees with Rice's positions and analysis and [] incorporates them by reference." Pilot filing submitted November 6, 2025, at 3.

exercise its power to prevent waste and protect correlative rights. Goodnight Rehearing Brief-in-Chief at 2, (internal citations omitted).

9. Rice similarly asserts that since "the Commission found Empire failed to prove the ROZ is recoverable, there is nothing in evidence before the commission tending to support a finding of waste or the prevention of waste by suspending Goodnight's injection wells, then the Commission's suspension of Goodnight's injection wells is void, because the commission order contains no finding as to the existence of waste, or that suspension would prevent waste." Rice Rehearing Response Brief at 5, (internal citations omitted).

10. Empire, on the other hand, asserts that "Waste is integral to correlative rights, which afford the 'opportunity . . . to produce without waste the owner's just and equitable share of the oil or gas or both.' Deprivation of an owner's opportunity to recover its equitable share of oil and/or gas causes waste if it reduces or tends to reduce the total hydrocarbons ultimately recovered. Likewise, Section 70-2-12(B)(4) obligates the Commission 'to prevent the premature and irregular encroachment of water or any other kind of water encroachment that reduces or tends to reduce the total ultimate recovery of crude petroleum oil or gas or both oil and gas from any pool.'" Empire Rehearing Response Brief at 8.

11. Goodnight and Rice's arguments hinge on a crucial misinterpretation of the Commission's September Order. The Commission found that "there was insufficient evidence presented at hearing to prove whether the ROZ is recoverable." September Order, heading D. Conversely, the Commission also did not find sufficient evidence presented at hearing to prove that the ROZ is **not** recoverable.

12. Empire did "point[] to other EOR recovery projects within the San Andres formation" that were able to recover hydrocarbons by injecting carbon dioxide [CO2]. The Commission found

that recovery "is site-specific and is based on the [specific] conditions at the EMSU," which may be unique due to the geologic history and the large volume of water injection that has happened at this site over decades. September Order at ¶ 57, 58.

13. The Commission recognized a realistic possibility that the ROZ could contain oil that could be both physically and economically recovered. Therefore, it granted Empire "the opportunity to establish a CO2 EOR [Carbon Dioxide Enhanced Oil Recovery] pilot project" for the purpose of ascertaining the recoverability of the ROZ. September Order, ¶ 61, heading E.

14. Goodnight and Rice argue that the Commission is powerless to act until waste is proven. But that position is inconsistent with Rice's own assertion that the "exercise of the Commission's power, including suspension of injection authority, must be predicated on the **prevention** of waste." Rice Rehearing Response Brief at 5, (internal citations omitted and emphasis added).

15. Prevention is defined as "the action of keeping from happening or making impossible an **anticipated** event or intended act."[2] The word 'prevent' is at the root of prevention, and the plain meaning of the word 'prevent' is "to keep [something] from happening by taking action **in advance**."[3] The etymology of both 'prevention' and 'prevent' traces back to the Latin term *praevenire,* which means to 'come before' or to 'anticipate.'[4]

16. The plain meaning of the word 'prevention' requires the Commission to proactively keep waste from happening. The Commission would be abdicating its responsibility to **prevent** waste if the Commission refused to take any action where the existence of a ROZ has been established, and there is no evidence presented to prove that it cannot be recovered. Waiting until waste is proven would at best be mitigating waste, not preventing waste.

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[2] *Prevention*, Oxford English Dictionary https://doi.org/10.1093/OED/2153726666 (emphasis added).
[3] *Prevent,* Merriam-Webster.com Thesaurus, www.merriam-webster.com/thesaurus/prevent (emphasis added).
[4] *Prevent*, Online Etymology Dictionary, https://www.etymonline.com/word/prevent.

17. In addition, the definition of 'waste' under NMSA 70-2-3(A) also includes the phrase: "tend to reduce the total quantity . . . ultimately recovered." This phrase supports the idea that waste doesn't need to be proven first – "tends to reduce" modifies the term "reduce" to be a possibility and "ultimately recovered" includes possible future recovery.

18. Furthermore, Goodnight and Rice's position would hinder the only way for the Commission to address its finding of insufficient evidence. The Commission has already determined that the only practical way to prove for certain, whether there might be recoverable hydrocarbons in this ROZ, is to conduct a CO2 enhanced oil recovery pilot project, because recovery "is site-specific and is based on the conditions at the EMSU." September Order, ¶ 58. And the Commission has also already found, as a technical matter, that a CO2 EOR pilot cannot be successfully performed while wastewater is being disposed into the same region. September Order, ¶ 40, 62.

19. Waiting for waste to have definitely and provably occurred before allowing the Commission to exercise its broad powers to prevent waste is inconsistent with both the spirit and text of New Mexico's Oil and Gas Act.

**Rehearing Issue II -- OCD Can and Should Manage Suspension of Water Injection 'In Order To' Facilitate the EOR Pilot Project Granted by the Commission.**

20. The Commission finds that the Oil Conservation Division "possesses broad authority over the oil and gas industry in New Mexico." OCD Brief-in-Chief at 7. "The division shall have, and is hereby given, jurisdiction and authority over all matters relating to the conservation of oil and gas [ ]. It shall have jurisdiction, authority and control of and over all persons, matters or things necessary or proper to enforce effectively the provisions of this act or any other law of this state relating to the conservation of oil or gas and the prevention of waste of potash as a result of oil or gas operations." 70-2-6(A) NMSA; *see also*, Rice Rehearing Response Brief at 12.

21. Nevertheless, the OCD sought additional "guidance on the [Commission]'s intentions regarding said suspension." OCD Rehearing Brief-in-Chief at 11.

22. The Commission reiterates its finding that "[t]o perform a successful CO2 flood, the injection of CO2 and water must be monitored closely and adjustments made based upon design. Goodnight's SWD [Salt-Water Disposal] wells cannot dispose of water when an active CO2 flood is being performed." September Order, ¶ 40, 62.

23. The Commission further reiterates and emphasizes its September Order suspending "existing Goodnight's injection wells Case No. 24018 (Dawson), Case No. 24019 (Banks), Case No. 24020 (Sosa), Case No. 24025 (Ryno) **in order to** provide Empire with the opportunity to establish the CO2 EOR pilot project." September Order, #3 at page 13, (emphasis added).

24. The Commission hereby concludes that OCD has the authority, and may at its discretion, implement the "suspension" ordered on page 13 of the Commission's September Order "in order to provide Empire with the opportunity to establish the CO2 EOR pilot project." September Order, #3 at page 13. The commission also concludes that the OCD has the authority to impose the suspension ordered by September Order, #3 at page 13, on any schedule OCD deems necessary "in order to provide Empire with the opportunity to establish the CO2 EOR pilot project." *Id.*

**Additional Clarifications.**

25. The Commission further clarifies that none of the orders in this case preempt any relevant or applicable regulatory requirements for any party. Empire must follow all relevant and applicable regulations and permitting processes if it chooses to exercise the opportunity the Commission has provided for it to establish a CO2 EOR pilot project.

**Disposition of Associated Motions**

26. The stay issued on October 17, 2025 is lifted upon issuance of this amended order.

27. Empire's Emergency Motion to Enforce Order R-24004 or Order to Show Cause and Expedited Hearing filed on September 23, 2025 is hereby denied as moot.

IT IS SO ORDERED.

Albert Chang

**Albert C.S. Chang**, Chair
New Mexico Oil Conservation Commission

DATE: 12/17/2025

# EXHIBIT C

State of New Mexico
Energy, Minerals and Natural Resources Department

**Michelle Lujan-Grisham**
Governor

**Erin Taylor**
Acting Cabinet Secretary

**Ben Shelton**
Deputy Secretary

**Albert C.S. Chang**
Division Director
Oil Conservation Division

# Implementation of OCC Orders 24004 and 24004-A

**January 15, 2026**

Greetings,

In accordance with OCC orders 24004 and 24004-A (Orders), OCD is providing the below directions on the execution of the Orders requiring the suspension of Goodnights injection in the area to facilitate a pilot CO2 EOR project by Empire. These directions were created taking the OCC findings and orders into account. In accordance with the findings these directions will allow Empire to plan and execute a timely pilot project and will ensure produced water is not being injected once that pilot project is active. In consideration of the findings OCD is determining "**active CO2 flood**" is the physical injection and withdrawal of fluids into the formation. Be advised this letter does not alleviate either party of general compliance with OCD's rules and regulations throughout compliance of these directions.

R-24004 findings

> "C. However, the Commission concluded it is premature at present to grant Empire's applications to permanently revoke the injection authority of the existing wells because the **Commission found Empire DID NOT adduce substantial evidence that their correlative rights in the Grayburg are CURRENTLY impaired by Goodnight's injection into the San Andres." (emphasis added)**

R-24004-A findings

> "The Commission reiterates its finding that "[t]o perform a successful CO2 flood, the injection of CO2 and water must be monitored closely and adjustments made based upon design. **Goodnight's SWD [Salt-Water Disposal] wells cannot dispose of water when an active CO2 flood is being performed**" (**emphasis added**)
>
> "The Commission herby concludes that OCD has the authority, and may at its discretion, implement the "suspension" ordered on page 13 of the Commission's September Order "in order to provide Empire with the opportunity to establish the CO2 EOR pilot Project" September Order #3 at page 14. The commission also concludes that the OCD has the authority to impose the suspension ordered by September Order, #3 at page 13, **on any schedule OCD deems necessary "in order to provide Empire the opportunity to establish the CO2 EOR pilot project"" (emphasis added)**

"The Commission further clarifies that none of the orders in this case preempt any relevant or applicable regulatory requirements for any party. **Empire must follow all relevant and applicable regulations and permitting processes if it chooses to exercise the opportunity the Commission has provided for it to establish a CO2 EOR pilot project."** (**emphasis added**)

## Directions for Empire

For a CO2 EOR pilot in EMSU to be established Empire must take the following steps to amend the existing order No. R-7766:

1. Submittal of hearing application from Empire to the OCD requesting to establish a CO2 EOR, this submittal must include:
    a. Summary of scope for the project including the area of the pilot project within the existing EOR project and the proposed use of existing wells or development of new wells.
    b. C-108 application for each proposed injection including the AOR reviews for each well.
    c. Request for the use of CO2 including anticipated maximum surface injection pressures for each fluid (CO2, water, produced gas)
    d. Corrosion plan for well construction, well monitoring and a procedure for how mechanical issues will be mitigated.
    e. H2S contingency plan (if applicable)
    f. Notice as required for Division hearings
    g. Planned or existing infrastructure supporting the injection and production
    h. Anticipated schedules for development of key items of the CO2 EOR pilot project
    i. The division will review the applications to ensure compliance with OCD's rules and regulations
2. If the Division grants an order for the CO2 EOR
    a. Empire will ensure Goodnight is provided notice of an approved order.
3. Empire will provide an infrastructure implementation plan with a detailed schedule for tie-ins.
4. Empire must then submit identified C-101s, change of plans for existing wells or new wells APDs
    a. The division will review the applications to ensure compliance with the CO2 EOR order and the OCD's rules and regulations.
5. The operator will provide OCD and Goodnight with a 30-day notice when they mobilize to drill or work over the proposed wells.
6. Empire will provide Goodnight and the OCD a 90day "activation notice" of their anticipated commencement of the CO2 flood. Commencement is identified as the first CO2 injection and production. Empire will provide Goodnight and OCD notice of any extended delays.

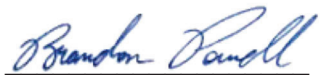
Be advised for the project to be successful Item #1 should be submitted within 12 months and item #4 should be submitted within 18 months from the date of Order #24004-A. If these timelines are not met and communicated with the OCD, OCD may advise the OCC that Empire is not likely to be able to perform an adequate pilot project as allowed by order.

## Directions for Goodnight

To ensure there is no injection in the EMSU during the "Active" portion of the implementation of the CO2 EOR pilot Goodnight will perform the following:

- Within 90days of receiving these directions, Goodnight will develop a 60-day shut-in plan and submit it to the Division on how the wells will be shut-in. The plan must include at a minimum:
  - How the wells will be scaled down and shut-in
  - A temporary abandonment (T/A) plan for the wells for an extended shut-in period
    - Goodnight will need to request an exception to the 12-month continuous injection clause of their SWD orders to maintain injection authority as the pilot project proceeds during the T/A period.
  - Curtailment and redirection plan for the produced water
  - A reimplementation plan if the pilot is unsuccessful
  - A long-term plan if the pilot project is successful

Once Goodnight receives the 90 day "activation notice" from Empire they will be required to immediately implement the 60day shut-in plan. This will ensure no injection overlaps with the pilot program. This will provide Empire the opportunity to establish the CO2 flood without offset injection.



Brandon Powell
Deputy Director

# EXHIBIT D

FILED 1st JUDICIAL DISTRICT COURT
Santa Fe County
5/4/2026 4:51 PM
KATHLEEN VIGIL CLERK OF THE COURT
Shana Stewart

**STATE OF NEW MEXICO**
**COUNTY OF SANTA FE**
**FIRST JUDICIAL DISTRICT**

**EMPIRE NEW MEXICO, LLC,**

**Appellant,**

**v.** **No. D-101-CV-2026-00177**

**NEW MEXICO OIL CONSERVATION COMMISSION,**

**Appellee.**

**Consolidated with:**

**GOODNIGHT MIDSTREAM PERMIAN, LLC,**

**Appellant,**

**v.** **No. D-101-CV-2026-00269**

**NEW MEXICO OIL CONSERVATION COMMISSION,**

**Appellee.**

# EMPIRE NEW MEXICO, LLC'S STATEMENT OF APPELLATE ISSUES

XC: Appellate Supervisor

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## CITATIONS TO RECORD PROPER

The record proper is cited in this brief as "**[volume RP page #]**." If the record citation is to a hearing transcript, the page and line number will be included in parentheses after the record proper, *e.g.*, "**[volume RP page # (transcript page:line)]**."

## I. INTRODUCTION

Pursuant to Rule 1-074 NMRA, Empire New Mexico, LLC ("Empire") submits its Statement of Appellate Issues in support of its Appeal of the New Mexico Oil Conservation Commission's ("OCC" or "Commission") December 17, 2025 Amended Order Denying Goodnight's Applications & Partially Granting/Partially Denying Empire's Applications, OCC Order R-24004-A ("December Order"). **[*See generally* 135 RP 20197-20204]**

This Appeal concerns a series of consolidated cases involving Goodnight Midstream Permian LLC's ("Goodnight") unlawful and continuing injection of foreign and incompatible produced saltwater into the San Andres formation underlying the Eunice Monument South Unit ("EMSU" or "Unit"), which is exclusively operated by Empire, an oil and gas operator. Although the Commission recognized that Empire has exclusive rights within the Unit and that Goodnight's operations were creating waste and negatively impacting the correlative rights of interest owners, the Commission failed to revoke Goodnight's permits.

As demonstrated herein, the portion of the December Order failing to revoke Goodnight's injection authority for its existing wells within the EMSU should be reversed on the grounds that it is arbitrary and capricious, not supported by substantial evidence, and not otherwise in accordance with New Mexico law.

## II. STATEMENT OF THE ISSUES

1. *Whether the Commission correctly applied the requirements of the Statutory Unitization Act, NMSA 1978, §§ 70-7-1 to -21 (1975, as amended through 2024) when it failed to revoke Goodnight's existing permits and required Empire to prove recoverability of hydrocarbon resources through a carbon dioxide ("CO2") enhanced oil recovery ("EOR") pilot project despite also finding that Empire has the exclusive*

*right to operate wells within the Unit?*

2. *Whether the Commission erred in failing to revoke Goodnight's existing permits when it found that Goodnight's wastewater disposal operations in the Unit are causing waste and impairing correlative rights under the Oil and Gas Act, NMSA 1978, §§ 70-2-1 to -39 (1935, as amended through 2019)?*
3. *Whether the Commission erred in failing to revoke Goodnight's existing permits based on Goodnight's incorrect and misleading statements in its Applications for Authorization to Inject?*

## III. SUMMARY OF PROCEEDINGS

### A. Nature of the Case

1. Empire's Acquisition of the Unit

On December 27, 1984, the Commission issued an order approving the unitization of the EMSU, located in Lea County, New Mexico. **[48 RP 7153-7164; *see generally* 48 RP 7073 (EMSU Unit Area Map)]** The EMSU is comprised of 14,189.94 acres, approximately 58 percent of which are owned by the New Mexico State Land Office ("SLO") and approximately 20 percent by the United States Bureau of Land Management ("BLM"). **[47 RP 7033-7034, ¶ 11; 96 RP 14396]** In Order No. R-7765, the Commission defined the "Unitized Formation"—the interval from which oil and gas would be produced—as "100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation." **[48 RP 7154-7155, ¶ 8; 48 RP 7161, ¶ 3]** The Commission also extended the vertical limits of the Eunice Monument Oil Pool within the EMSU. **[48 RP 7166-7169]** Additionally, the Commission approved a waterflood project within the EMSU. **[8 RP 1166-1177]** Since 1984, the Grayburg and San Andres formations have been recognized by the Commission as a single source of supply and

one pool within the EMSU. **[8 RP 1154-1181]**

The Unit was first operated by Gulf Oil Corporation, subsequently rebranded as Chevron U.S.A. Inc. **[7 RP 987, ¶ 10]** In 2004, Exxon Mobil, doing business as XTO ("XTO"), acquired Chevron's interests. **[7 RP 987, ¶¶ 9-10]** In March 2021, Empire acquired the Unit from XTO for $17.8 million. **[7 RP 987, ¶ 10; 47 RP 7033, ¶ 10]** Empire purchased the EMSU to continue the ongoing extraction of oil from the Grayburg formation but also to start a new project to extract oil from the San Andres formation via a CO2 flood as part of an EOR project. **[47 RP 7034, ¶ 13; 47 RP 7038, ¶ 22]** XTO's literature estimated 965 million barrels of oil-in-place in the residual oil zone underlying the EMSU. **[70 RP 10395]**

The EMSU Unit Agreement, which was approved by the Commission, SLO, and BLM in 1984, vests Empire with the "*exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances*." **[48 RP 7058, § 10 (emphasis added); *see generally* 48 RP 7051-7081]** "Unitized Substances" are defined in the Unit Agreement as "all oil, gas, gaseous substances, Sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons, other than outside substances, within and produced from the Unitized Formation." **[47 RP 7037, ¶ 18; 48 RP 7054, § 2(i)]**

2. <u>The Residual Oil Zone Within the EMSU</u>

A meteoric recharge in late Eocene to early Miocene Period created a "residual oil interval," now called "residual oil zone ("ROZ")." **[8 RP 1215; 82 RP 12237 (16:7-23)]** This is the mechanism that created residual oil zones in the Permian Basin, including in the EMSU. **[82 RP 12237 (16:7-23)]** A ROZ is defined as:

> [T]hat interval beneath the main pay interval (MPZ) within an oil field where water production exceeds 85%[] during the primary

> phase of production
>
> That depth where the ROZ begins is now defined to be equal to the historically defined producing oil/water contact (POWC)
>
> Almost always in the Permian Basin's San Andres formation, the ROZ extends several hundreds of feet below the POWC and contains a huge oil resource that is immobile under primary or secondary (water flood) recovery.

**[8 RP 1255 (footnote omitted)]** "[T]he ROZ intervals possess huge volumes of residual oil but produce only water in primary or secondary phases of production. For this reason, the oil and gas industry avoided their exploitation until the last two decades." **[8 RP 1243, ¶ 8]** Below, the Commission found that there was substantial evidence to establish the existence of a ROZ in the Grayburg and San Andres formations underlying the EMSU. **[129 RP 19238, ¶ B]**

The existence of a ROZ within the EMSU was undisputed by the parties below. **[*See, e.g.*, 118 RP 17691 (110:12-15) (Commissioner Ampomah recognizing that "Empire's experts and also even Goodnight's experts, they've all – they've all presented to the Commission, at least based on the evidence, there is an ROZ.")]** Empire's expert geologists, Dr. Robert Lindsay and Dr. Robert Trentham, and engineer, Steve Melzer, demonstrated through core analysis and log data that the EMSU has oil saturations between 20-40 percent throughout the San Andres. **[82 RP 12242-12243 (21:23 – 22:8); 89 RP 13340-13342 (822:12 – 824:1); 90 RP 13375-13376 (857:22 – 858:20)]** At hearing, Dr. Lindsay provided slides of the coring of two wells in the EMSU (*i.e.*, the EMSU 679 and the RR Bell wells), along with the actual, physical cores, that show oil saturation is visible to the naked eye. **[82 RP 12239-12252 (18:17-31:8); 48 RP 7187-7192; 49 RP 7211-7223]** Likewise, Empire's expert petrophysicist Stanley Birkhead's petrophysical analysis of unmodified and corrected data ranges confirmed a "very continuous level of ROZ throughout the entire San Andres," including the depths designated by Goodnight as "Lower San

Andres." **[85 RP 12750 – 86 RP 12751 (458:3 – 459:3); *see also* 87 RP 13015 (647:10-13) ("[T]here are definite indications [of a ROZ] going through Lower San Andres.")]** A ROZ is detectable all the way down "to the base of the cores, so we know it has to go deeper." **[82 RP 12259 (38:1-11)]**

Goodnight's witnesses, Dr. Davidson, Mr. Knights, Dr. Lake, and Mr. Tomastik all agreed that a ROZ exists. **[109 RP 16250 (232:8-18); 111 RP 16650 (28:3-5); 117 RP 17508 (223:4-21); 118 RP 17691 (110:7-22)]** In fact, Dr. Davidson confirmed at hearing that oil saturation exists throughout the San Andres stating: "[T]here's some up to 30 to 40 percent in there. They show up periodically up and down the system. So yes, there's oil down in there[.]" **[109 RP 16260 (242:17-22]**

Significantly, revenue of $6.7 billion can be expected from the San Andres ROZ, less $1.2 billion in capital expenditures, leaving a net recovery of $5.5 billion. **[51 RP 7526; 99 RP 14728-14729 (154:17-155:30)]** Based on these figures, the State of New Mexico would receive approximately $1.1 billion in royalties plus another half billion dollars in tax, and the federal government would receive about $370 million. **[99 RP 14729 (155:3-7)]**

3. Goodnight's Operations in the EMSU

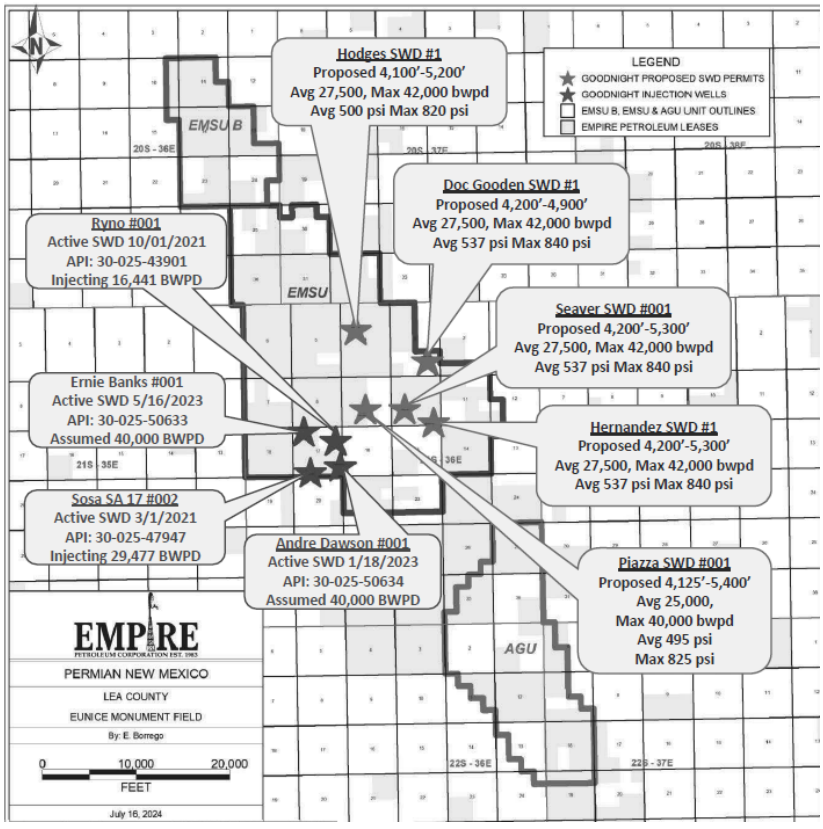
Goodnight "is a midstream company that takes oil operation produced water (a/k/a saltwater disposal) from operators from around the Permian Basin and injects it into saltwater disposal (SWD) wells." **[129 RP 19234, ¶ 1]** This appeal concerns a number of consolidated cases before the Commission involving Goodnight's operations within the EMSU (discussed further below).

In Oil Conservation Division ("OCD") Case Nos. 23614-23617, Goodnight sought approval for new SWD wells within the EMSU: Doc Gooden SWD #1, Hernandez SWD #1,

Hodges SWD #1, and Seaver SWD #1. **[129 RP 19235, ¶ 9]** By contrast, Empire sought orders *revoking* Goodnight's existing permits to inject produced water into the San Andres formation for the following wells: Andre Dawson SWD #1 (Case No. 24018), Ernie Banks SWD #1 (Case No. 24019), Sosa SA 17 SWD #2 (Case No. 24020), and the Ryno SWD #1 (Case No. 24025). **[129 RP 19235-19236, ¶ 10]**

Additionally, in OCD Case No. 23775, Goodnight sought authorization to increase the rate of injection into the Andre Dawson SWD #1, an existing well within the EMSU. **[129 RP 19234, ¶ 7]** Lastly, in OCC Case No. 24123, Goodnight sought a de novo hearing on OCD Order No. R-22869-A, which denied Goodnight's Application for the Piazza SWD #1 well. **[129 RP 19234-19235, ¶ 8]**

The map below illustrates Goodnight's active wells and applications for new wells within Empire's EMSU:



**[50 RP 07495]**

Goodnight also operates an additional five SWD wells within approximately one mile of the EMSU and two SWD wells in the San Andres within 2.5 miles of EMSU. **[21 RP 3013, ¶ 5]** Additionally, Goodnight has an additional well within approximately 1.25 miles of the EMSU, which has not been drilled (Rocket SWD #1). **[25 RP 3660-3661]** Goodnight drilled the Verlander SWD #1 well, also located within approximately 1.25 miles of the Unit, during the pendency of the OCC proceedings below. **[120 RP 17986-17987 (170:23 – 171:15)]**

Goodnight made incorrect and misleading statements in its Applications for Authorization to Inject, and OCD relied on those statements in granting the permits. First, Goodnight was aware it was injecting into the EMSU Unitized Formation but chose not to disclose that information anywhere in its applications. **[116 RP 17339-17343 (54:11 – 58:14), 17357-17358 (72:9 – 73:5), 17366-17367 (81:9 – 82:13)]** Goodnight's applications also stated that Goodnight would inject into the San Andres SWD Pool and omitted the Eunice Monument Oil Pool, leading the Division to believe the injection would not impact hydrocarbon-bearing zones. **[*See id.*]**

Additionally, Goodnight represented that the proposed SWDs would "be injecting water into the San Andres Formation which is a non-productive zone known to be compatible with formation water from . . . Wolfcamp and Bone Springs." **[35 RP 5133; *see generally* 35 RP 5104 – 36 RP 5293]** In reality, the Unitized Formation is hydrocarbon bearing and includes the San Andres, which Goodnight's experts have conceded includes a ROZ. **[116 RP 17387-17391 (102:23 – 106:20); *see also* 109 RP 16250 (232:8-18); 111 RP 16650 (28:3-5); 117 RP 17508 (223:4-21); 118 RP 17691 (110:7-22); 123 RP 18384 (146:2-11)]**

Lastly, Goodnight stated the injected water would be compatible with the San Andres water when that is not the case. **[35 RP 5133]** In reality, there are significant water chemistry differences

between the Delaware Basin water that Goodnight is injecting into the EMSU and the San Andres and Grayburg water. **[99 RP 14734 (160:7-17), 14754-14762 (180:20 – 188:18)]** As a result, the injection is causing scale and damaging the formations. **[*See id.; see also* 82 RP 12259-12260 (38:13 – 39:22)]** Additionally, water from the San Andres is being produced at both the EMSU and AGU to be used for make-up water for the waterflood. **[99 RP 14771-14772 (197:24 – 198:8)]** Goodnight's disposal water will reach these water supply wells and be produced into Empire's production facilities. **[82 RP 12259-12260 (38:13 – 39:22); 99 RP 14771-14772 (197:24 – 198:20)]** This will cause major scaling and corrosion in the facilities. **[70 RP 10368-10369, 10372-10373; 99 RP 14772 (198:5-10)]** By 2029, if Goodnight's unlawful operations are not stopped, it is estimated that approximately 58.4 million barrels of incompatible saltwater will be injected by Goodnight into the EMSU. **[51 RP 7517]**

At hearing, Empire's evidence demonstrated that Goodnight's injection to date and proposed injection into the future adversely impacts Empire's ability to recover hydrocarbons in the unitized interval, including both the Grayburg and the San Andres. **[51 RP 7527; 70 RP 10391; 99 RP 14751-14753 (177:17 – 179:22)]** Specifically, Empire demonstrated that water from the San Andres moved through natural fractures and low permeability rock prior to the waterflood in 1986, thus verifying that there is communication between the two zones. **[50 RP 7499; 51 RP 7502; 99 RP 14730-14732 (156:19 – 158:1), 14732 (158:14-20), 14733 (159:3-17)]** With Goodnight's disposal the San Andres is pressuring up and increasing water influx into the Grayburg, prematurely watering out Grayburg producers and interfering with Empire's Grayburg production. **[99 RP 14732 (158:2-13), 14733-14734 (159:18 – 160:6), 14745-14746 (171:9 – 172:9), 14762-14763 (188:3 – 189:6)]** For example, Goodnight's injection reduces oil recovery and increases corrosion rates on the producers, thus accelerating the time when the wells become

uneconomic and increasing operating cost due to well failures. **[50 RP 7497, 7500; 70 RP 10392, 10398; 99 RP 14734-14736 (160:21-162:22), 14751-14752 (177:17 – 178:15), 14764-14766 (190:13 – 192:4)]** Pressuring up the San Andres reservoir to levels above original reservoir pressure will also require that Empire operate its CO2 tertiary recovery project at a higher pressure than necessary, and requires Empire to inject the produced water into another zone to make room for the CO2 to prevent fracturing of the formation. **[50 RP 7497; 51 RP 7527; 70 RP 10391-10392; 99 RP 14732 (158:2-13), 14737-14741 (163:24 – 167:4), 14752-14753 (178:18 – 179:22)]** Injection of this produced "off lease" Delaware Basin saltwater into other zones will add significant costs to Empire's operations and could render the CO2 project uneconomic. **[99 RP 14732 (158:2-13), 14752-14753 (178:18 – 179:22), 14762-14763 (188:3 – 189:6)]**

**B. Course of Proceedings and Disposition Below**

The applications filed by Goodnight and Empire with the Division were eventually referred to the Commission pursuant to 19.15.4.20(B) NMAC. **[25 RP 3660-3661]** A hearing on Empire's and Goodnight's respective applications occurred over approximately 18 days on February 20, February 24-28, April 7-11, April 21-25, and May 19-21, 2025. On September 12, 2025, the OCC entered an Order Denying Goodnight's Applications & Partially Granting/Partially Denying Empire's Applications (OCC Order No. R-24004) ("September Order"). **[*See generally* 129 RP 19233-19245]**

The September Order denied all of Goodnight's applications to drill new disposal wells in Case No. 24123 (Piazza), Case No. 23614 (Gooden), Case No. 23615 (Hernandez), Case No. 23616 (Hodges), and Case No. 23617 (Seaver). **[129 RP 19244, Decretal ¶ 1]** The September Order further denied Goodnight's application to increase injection in the existing Dawson well in Case No. 23775**. [*Id.*, Decretal ¶ 2]** Finally, the September Order suspended permits associated

with Goodnight's existing injection wells in Case No. 24018 (Dawson), Case No. 24019 (Banks), Case No. 24020 (Sosa), and Case No. 24025 (Ryno). **[129 RP 19245, Decretal ¶ 3]** Collectively, Dawson, Banks, Sosa, and Ryno are referred to as the "Suspended Wells."

In reaching its decision to deny Goodnight's applications and order the suspension of injection into the Suspended Wells, OCC made, among others, the following findings:

- "**The Commission finds that there was substantial evidence presented at the hearing to establish the existence of a ROZ in the Grayburg and San Andres, especially the core analysis evidence**." **[129 RP 19238, ¶ II.B]**

- "**Based on the 1984 Commission Order, Empire has the exclusive rights to produce the ROZ in the EMSU**." **[129 RP 19237, ¶ II.A]**

- The Unit Agreement gives Empire the "exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator." **[129 RP 19237, ¶ 18]**

- "Empire purchased the EMSU to continue the current extraction of oil from the Grayburg formation but also to start a new project to extract oil from the San Andres formation via a CO2 flood as part of an Enhanced Oil Recovery (EOR) project." **[129 RP 19238, ¶ 26]**

- "Based on the 1984 Commission Order, Empire has the exclusive rights to decide how to best extract oil in the EMSU." **[129 RP 19238, ¶ 27]**

- "[T]he injection of hundreds of thousands of barrels a day conflicts with Empire's exclusive rights to extract oil in the EMSU[.]" **[129 RP 19239, ¶ 41]**

- "**Empire DID adduce substantial evidence of the possibility**

> **<u>of FUTURE impairment of correlative rights or waste in the EMSU</u>**." **[129 RP 19239, ¶ III.A]**
>
> - "Empire's witness, Dr. Buchwalter, built a model and the model shows to a reasonable degree that water is moving from the San Andres into the Grayburg." **[129 RP 19240, ¶ 47]**

The Commission denied Empire's Applications to revoke Goodnight's injection authority for the active wells in the EMSU on the grounds that, in the Commission's view, Empire did not "adduce substantial evidence that their correlative rights in the Grayburg are CURRENTLY impaired by Goodnight's injection into the San Andres." **[129 RP 19241, ¶ C (emphasis omitted)]** The Commission further concluded that "it is premature at present to grant Empire's applications . . . because the Commission found there was insufficient evidence presented at hearing to prove whether the ROZ is recoverable." **[129 RP 19242, ¶ D (emphasis omitted)]** For that reason, the Commission opted to suspend Goodnight's injection authority "to provide Empire with the opportunity to establish a pilot project." **[129 RP 19243, ¶ E (emphasis omitted)]**

Following entry of the September Order, Goodnight and Empire each filed motions for re-hearing. **[*See generally* 129 RP 19316-19329; 129 RP 19330 – 131 RP 19593; 131 RP 19642 – 132 RP 19659; 132 RP 19660-19675]** The OCC issued an order granting a limited rehearing on October 17, 2025, to consider two questions of law:

> (1) whether the Commission had the legal authority to suspend existing Goodnight's injection wells in order to provide Empire with the opportunity to establish the CO2 EOR pilot project, given that there was insufficient evidence presented at hearing to prove whether the ROZ [Residual Oil Zone] is recoverable; and
>
> (2) whether Commission Order R-24004 provided the OCD with discretion in managing the suspension of existing Goodnight injection wells and to provide Empire the opportunity to establish a CO2 EOR pilot project.

**[132 RP 19698; *see generally* 132 RP 19696-19700]**

After considering the briefing of the parties, and having held oral arguments on November 13, 2025, the Commission issued the December Order. **[*See generally* 135 RP 20197-20204]**

In its December Order, the OCC upheld its determinations and findings in the September Order and ultimately determined the Commission can order the suspension of water injection into a ROZ. **[135 RP 20101-20102, ¶¶ 13-19]** This includes suspension to allow Empire to plan and execute an EOR pilot project to determine recoverability. **[*Id.*]** Additionally, the OCC determined that OCD can and should manage suspension of Goodnight's injection to facilitate the EOR pilot project granted by the Commission. **[135 RP 20202-20203, ¶¶ 20-24]**

In the December Order, the Commission reiterated its conclusion that "New Mexico law authorizes the Commission to allow companies to have an opportunity to pursue oil discoveries so the oil is not left wasted or untapped underground." **[135 RP 20198, ¶ 1]** The Commission also acknowledged that Goodnight's arguments at rehearing surrounding the Commission's authority to prevent waste hinged on a "crucial misinterpretation of the Commission's September Order" as "the Commission also did not find sufficient evidence presented at hearing to prove that the ROZ is **not** recoverable." **[135 RP 20200, ¶ 11]**

The Commission further confirmed it "recognized a realistic possibility that the ROZ could contain oil that could be both physically and economically recovered" and therefore, by way of entry of the September Order, granted Empire the opportunity to establish a CO2 EOR pilot project "for the purpose of ascertaining the recoverability of the ROZ." **[135 RP 20201, ¶ 13]** The Commission held that it "would be abdicating its responsibility to **prevent** waste if the Commission refused to take any action where the existence of a ROZ has been established, and there is no evidence presented to prove that it cannot be recovered." **[*Id.*, ¶ 16]** Specifically, the December Order provides:

> The Commission hereby concludes that OCD has the authority, and may at its discretion, implement the "suspension" ordered on page 13 of the Commission's September Order "in order to provide Empire with the opportunity to establish the CO2 EOR pilot project." September Order, #3 at page 13. The [C]ommission also concludes that the OCD has the authority to impose the suspension ordered by September Order, #3 at page 13, on any schedule OCD deems necessary "in order to provide Empire with the opportunity to establish the CO2 EOR pilot project."

**[135 RP 20203, ¶ 24]**

Following the OCC's issuance of the December Order, the OCD issued a letter implementing the OCC's Orders on January 15, 2026, which was challenged by Empire, and is now before the Commission on motion by Empire.

## IV. STANDARD OF REVIEW

This Court's review of the Commission's decision is governed by Section 39-3-1.1 and Rule 1-074. *Lewis v. City of Santa Fe*, 2005-NMCA-032, ¶ 20, 137 N.M. 152, 108 P.3d 558. If the Commission "acted fraudulently, arbitrarily, or capriciously; if the decision was not supported by substantial evidence in the whole record; or if the [Commission] did not act in accordance with the law[,]" the district court must reverse the decision. *Gallup Westside Dev., LLC v. City of Gallup*, 2004-NMCA-010, ¶ 10, 135 N.M. 30, 84 P.3d 78.

"A ruling by an administrative agency is arbitrary and capricious if it is unreasonable or without a rational basis, when viewed in light of the whole record." *Rio Grande Chapter of Sierra Club v. New Mexico Mining Comm'n*, 2003-NMSC-005, ¶ 16, 133 N.M. 97, 61 P.3d 806. Substantial evidence "is relevant evidence that a reasonable mind might accept as adequate to support a conclusion." *Gallup Westside Dev.*, LLC, 2004-NMCA-010, ¶ 11. Questions of law are generally reviewed *de novo*, although the court may recognize agency expertise. *Archuleta v. Santa Fe Police Dep't ex rel. City of Santa Fe*, 2005-NMSC-006, ¶ 18, 137 N.M. 161, 108 P.3d 1019.

"However, the court is not bound by the agency's interpretation and may substitute its own independent judgment for that of the agency because it is the function of the courts to interpret the law." *Morningstar Water Users Ass'n v. New Mexico Pub. Util. Comm'n*, 1995-NMSC-062, ¶ 11, 120 N.M. 579, 904 P.2d 28.

## V. ARGUMENT

At hearing, the Commission was charged with determining whether Goodnight's produced water injection activities are interfering with Empire's recovery of hydrocarbons within the EMSU. In its Order, the Commission correctly denied Goodnight's applications for increased injection into the Dawson well and applications for additional saltwater disposal wells because, among other reasons, "the injection of hundreds of thousands of barrels a day conflicts with Empire's exclusive rights to extract oil in the EMSU." **[129 RP 19239, ¶¶ 40-41]** This decision was supported by the evidence and consistent with the Division's prior order denying Goodnight's application for authorization to inject into its proposed Piazza SWD. **[*Id.*, ¶ 42; *see generally* 34 RP 5003-5011 (Order No. R-22869, OCD Case No. 22626)]**

Where the Commission erred, however, is by declining to permanently revoke the permits for the Suspended Wells. Instead, despite finding that Empire has exclusive rights to operate wells within the EMSU under the Statutory Unitization Act, NMSA 1978, §§ 70-7-1 to -21 (1975, as amended through 2024) ("SUA") and also that Goodnight's operations are causing waste and impairment of correlative rights, the Commission declined to revoke or immediately suspend Goodnight's permits. Under the SUA and the Oil and Gas Act, NMSA 1978, §§ 70-2-1 to -39 (1935, as amended through 2019) ("OGA"), the Commission should have permanently revoked Goodnight's permits on the same grounds as used for its denial of Goodnight's applications for new wells. Rather, the Commission purportedly suspended the permits but delegated

implementation to the Division and required that Empire prove recoverability of the ROZ through a pilot project before the existing permits could be revoked. Such a decision is arbitrary and capricious, not supported by substantial evidence, not otherwise in accordance with New Mexico law, and should therefore be reversed. Additionally, the Commission failed to make findings regarding Goodnight's misrepresentations on its permit applications, which provided a separate basis for revocation of Goodnight's permits.

Empire will outline the rules of statutory construction and the requirements of the SUA and OGA, including definitions of "waste" and "correlative rights." In so doing, Empire demonstrates that the Commission's findings below mandated revocation of Goodnight's existing SWD permits and that the Commission's failure to do so is arbitrary, capricious, and contrary to law. Empire will also address the misrepresentations made by Goodnight in its applications to OCD, which support revocation of Goodnight's permits independently, without any need for consideration of evidence of present waste or impact to correlative rights. For all of these reasons, the Commission's decision related to the Suspended Wells should be reversed and Goodnight's existing well permits should be permanently revoked.

**A. New Mexico Rules of Statutory Construction**

In discerning the Legislature's intent, the Court should "examine the plain language of the statute as well as the context in which it was promulgated, including the history of the statute and the object and purpose the Legislature sought to accomplish." *Maes v. Audubon Indem. Ins. Grp.*, 2007-NMSC-046, ¶ 11, 142 N.M. 235, 164 P.3d 934*; see also N.M. Mining Ass'n v. N.M. Water Quality Control Comm'n*, 2007-NMCA-010, ¶ 12, 141 N.M. 41, 150 P.3d 991 ("We also consider the history and background of the statute, as we harmonize the language in a manner that facilitates the operation of the statute and the achievement of its goals."). In general, the plain language of a

statute is the "primary indicator of legislative intent." *Baker v. Hedstrom*, 2013-NMSC-043, ¶ 11, 309 P.3d 1047 (internal quotation marks and citation omitted). However, "[i]f the plain meaning of the statute is doubtful, ambiguous, or [if] an adherence to the literal use of the words would lead to injustice, absurdity or contradiction, we will construe the statute according to its obvious spirit or reason." *Id.* (internal quotation marks and citation omitted). It is well recognized that these "canons of statutory construction apply to regulatory and rule interpretation as well." *Johnson v. N.M. Oil Conservation Comm'n*, 1999-NMSC-021, ¶ 27, 127 N.M. 120, 978 P.2d 327; *N.M. Mining Ass'n*, 2007-NMCA-010, ¶ 12.

Based on these principles of statutory construction, the SUA and OGA must be applied in a manner that effectuates the legislature's intent to protect oil and gas resources, and the Commission was required to take all steps reasonably necessary to do so, which included revoking Goodnight's existing permits.

**B. The Commission erred in failing to revoke Goodnight's existing permits because only Empire, as the designated operator of the EMSU, may lawfully operate wells within the Unitized Formation.**

The Commission is required to enforce the provisions of the SUA, which provides "for the unitized management, operation and further development of . . . oil and gas properties . . . to the end that greater ultimate recovery may be had therefrom, waste prevented, and correlative rights protected of all owners and mineral interests in each unitized area." §§ 70-7-1, -3.

As summarized above, the EMSU was approved on December 27, 1984. **[48 RP 7153-7164]** The Commission defined the unitized area or formation as "100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation." **[48 RP 7154-7155, ¶ 8; 48 RP 7161, ¶ 3]** The Commission also extended the vertical limits of the Eunice Monument Oil Pool within the Unit. **[48 RP 7166-7169]** As such, the Unitized Formation (as defined in the Unit Agreement) consists of both the Grayburg and the San

Andres formations. **[48 RP 7054, § 2(h)]** Section 2(i) of the Unit Agreement defines "Unitized Substances" to include all "oil, gas, gaseous substances . . . within and produced from the Unitized Formation." **[47 RP 7037, ¶ 18; 48 RP 7054, § 2(i)]** Thus, Unitized Substances include the oil and gas within the Grayburg and San Andres formations in the EMSU.

Empire acquired the Unit in March of 2021. **[7 RP 987, ¶ 10; 47 RP 7033, ¶ 10]** As a result, the EMSU Unit Agreement vests Empire with the "exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances." **[48 RP 7058, § 10]** Thus, Empire alone is lawfully authorized to operate wells within the EMSU's Unitized Formation. Significantly, no witness has been able to identify any other oil unit, in the history of New Mexico, where commercial saltwater disposal wells have been authorized for injection within the unit by the Division. **[83 RP 12387 (166:16-22); 98 RP 14612-14613 (38:21 – 39:18); 103 RP 15322-15323 (182:3 – 183:11); 112 RP 16739 (117:10-16); 116 RP 17342 (57:14-23), 17373 (88:12-21); 123 RP 18376 (138:9-24)]** And for good reason: Goodnight is disposing of water that has total dissolved solids (TDS) averaging 140,000 mg/L with 86,000 mg/L chlorides, with TDS as high as 340,000 md/L with 245,000 mg/L chlorides, while Empire's San Andres make-up water has TDS of only 21,200 mg/L and 10,200 mg/L chlorides. **[51 RP 7502; 70 RP 10394; 99 RP 14737 (160:7-17), 14754-14762 (180:20-188:18)**] When the Goodnight disposal water is produced by Empire's water supply wells, it will contaminate Empire's facilities, creating scale and corrosion problems. **[50 RP 7498; 70 RP 10368-10369, 10372-10382; 82 RP 12259-12260 (38:13 – 39:22); 99 RP 14771-14772 (197:24 – 198:20)]** In fact, Goodnight's injected water has already shown to be very corrosive to the tubulars in its own Ryno SWD well. **[70 RP 10398; 99 RP 14764-14766 (190:13 – 92:4)]**

The Commission's decision below appropriately recognized Empire's exclusive rights under the Unit Agreement:

> - The "exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator."
>
> - "Empire purchased the EMSU . . . to start a new project to extract oil from the San Andres formation via a CO2 flood as part of an Enhanced Oil Recovery (EOR) project."
>
> - "Based on the 1984 Commission Order, Empire has the exclusive rights to decide how to best extract oil in the EMSU."

**[129 RP 19237, ¶ 18; 129 RP 19238, ¶¶ 26-27]** Based on these findings, which are supported by the evidentiary record, the Commission also correctly found that Goodnight's "injection of hundreds of thousands of barrels a day" of wastewater conflicts with Empire's exclusive rights under the Unit Agreement. **[129 RP 19239, ¶ 41]**

Notably, the Division made similar findings in its denial of Goodnight's application for authority to inject produced water into the San Andres formation using the proposed Piazza SWD #1 well. **[34 RP 5003-5011]** In that matter, the Division found that the Commission's approval of the Unit Agreement was

> …concordant with the authority provided to the OCC under the provisions of NMSA 1978, §70-7-7(J) which states that the Division order providing for unitization and unit operation of a pool or part of a pool shall include '*such additional provisions as are found to be appropriate for carrying on the unit operations and for the protection of correlative rights and the prevention of waste.*'

**[34 RP 5010, Conclusions of Law ¶ 9]** Such approval was further "consistent with the OCC recognition of this formation as critical element for a successful waterflood operation and for the potential of undeveloped hydrocarbon resources." **[*Id.*]**

Further, the recoverability of hydrocarbons within the EMSU has already been recognized by the Commission in its orders approving the EMSU. [**48 RP 7156, ¶¶ 18-22; 48 RP 7167, ¶ 4; 48 RP 7172, ¶ 5]** In the *Piazza* case, OCD similarly recognized the recoverability of hydrocarbons within the EMSU, concluding that "Empire has provided sufficient evidence for continued assessment of the Unitized Interval for potential recovery of any additional hydrocarbon resources remaining in place." **[34 RP 5010, Conclusions of Law ¶ 10]**

The SUA requires the Commission to protect the interests of the State, BLM, and interest owners by revoking the operations of Goodnight within the EMSU, as only Empire is lawfully authorized to operate wells within the EMSU's Unitized Formation. § 70-7-1. **[129 RP 19237-19239, ¶¶ 18, 26-27, 40-41]** Indeed, the Commission correctly found that Goodnight's "injection of hundreds of thousands of barrels a day" of wastewater conflicts with Empire's exclusive rights under the Unit Agreement. **[129 RP 19239, ¶¶ 40-41]** However, rather than immediately and permanently revoking Goodnight's existing SWD permits, the Commission instead suspended the permits, delegated implementation of the suspension to OCD (which it has not done), and required Empire to prove recoverability of the hydrocarbons in the ROZ. This determination is inconsistent with the SUA. *Duran v. Xerox Corp.*, 1986-NMCA-124, ¶ 17, 105 N.M. 277, 731 P.2d 973 ("This court should not add language to statutes that the legislature has seen fit to omit."). For these reasons, the Commission's decision should be reversed and Goodnight's existing SWD permits should be revoked.

**C. The Commission erred in failing to revoke Goodnight's existing permits because Goodnight's injection activities within the EMSU are causing waste and impairing correlative rights in violation of the New Mexico Oil and Gas Act.**

1. <u>The Oil and Gas Act requires the Commission to prevent waste, protect correlative rights, and prevent the encroachment of water into strata capable of producing hydrocarbons.</u>

"The Oil Conservation Commission is a creature of statute, expressly defined, limited and

empowered by the laws creating it." *Continental Oil Co. v. Oil Conservation Comm'n*, 1962-NMSC-062, ¶ 11, 70 N.M. 310, 373 P.2d 809. Under the OGA, the Commission is duty bound to prevent waste and protect correlative rights. § 70-2-11. More specifically, the Commission has authority to:

- prevent crude petroleum oil, natural gas or water from escaping from strata in which it is found into other strata.
- prevent the drowning by water of any stratum or part thereof capable of producing oil or gas or both oil and gas in paying quantities *and to prevent the premature and irregular encroachment of water or any other kind of water encroachment that reduces or tends to reduce the total ultimate recovery of crude petroleum oil or gas or both oil and gas from any pool.*
- require wells to be drilled, operated and produced in such manner as to prevent injury to neighboring leases or properties.
- regulate the disposition, handling, transport, storage, recycling, treatment and disposal of produced water during, or for reuse in, the exploration, drilling, production, treatment or refinement of oil or gas, including disposal by injection pursuant to authority delegated under the federal Safe Drinking Water Act, in a manner that protects public health, the environment and fresh water resources.

§§ 70-2-12(B)(2), (B)(4), (B)(7), & (B)(15) (emphasis added).

Section 70-2-11 of the OGA empowers the Commission to "do whatever may be reasonably necessary to carry out the purpose of this act," which necessarily includes the broad discretion to prevent waste and protect correlative rights, and to remedy injuries thereto. §§ 70-2-6 and 70-2-11; *see also Continental Oil Co.,* 1962-NMSC-062, ¶ 27 ("Our legislature has explicitly defined both 'waste' and 'correlative rights' and placed upon the commission the duty of preventing one and protecting the other.").

"Underground waste" is defined in Section 70-2-3(A) as:

> …those words are generally understood in the oil and gas business, and in any event to embrace the inefficient, excessive or improper, use or dissipation of the reservoir energy, including gas energy and water drive, of any pool, and the locating, spacing, drilling, equipping, operating or producing, of any well or wells in a manner *to reduce or tend to reduce* the total quantity of crude petroleum oil or natural gas ultimately recovered from any pool, and the use of inefficient underground storage of natural gas.

(emphasis added).

Waste is integral to correlative rights, which are defined in the OGA as follows:

> *[T]he opportunity afforded*, so far as it is practicable to do so, to the owner of each property in a pool *to produce without waste* the owner's just and equitable share of the oil or gas or both in the pool, being an amount, so far as can be practicably determined and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas or both under the property bears to the total recoverable oil or gas or both in the pool and, for such purpose, to use the owner's just and equitable share of the reservoir energy.

§ 70-2-33(H) (emphasis added). Deprivation of an owner's opportunity to recover its equitable share of oil and/or gas causes waste if it reduces or tends to reduce the total hydrocarbons ultimately recovered. § 70-2-3(A).

Additionally, Section 70-2-12(B)(4) obligates the Commission "*to prevent* the premature and irregular encroachment of water or any other kind of *water encroachment that* reduces or *tends to reduce* the total ultimate recovery of crude petroleum oil or gas or both oil and gas from any pool." (emphasis added).

The operative phrase in the definitions of the above terms is "tends to reduce." The ordinary meaning of "tend" is "to lead or conduce, as to some result or resulting condition." https://www.dictionary.com/browse/tend (last accessed April 16, 2026). Case law echoes this construction, *i.e.*, that to "tend to" something is to move in that direction. *See, e.g.*, *State v. James*,

1990-NMCA-135, ¶ 15, 111 N.M. 473, 806 P.2d 1063 (finding that the word "tend" means that the conduct at issue need not result in an actual harm, but merely the potential to cause harm); *State v. Hogie*, 454 N.W.2d 501, 503 (N.D. 1990) ("'[T]ends' indicates tendency, not certainty."); *Chandler v. State*, 232 S.W. 318, 318 (Tex. 1921), *aff'd sub nom. Chandler v. State of Texas*, 260 U.S. 708, 43 S. Ct. 247, 67 L. Ed. 474 (1923) ("When we look to the dictionary for a definition of the word 'tend,' we find it means: 'To move in a certain direction;' 'to have a leaning;' 'to contribute to.'"). As applied to the OGA, the mere *possibility* of future waste meets the definition of "waste" under the OGA as well as the standard for prevention of water encroachment under Section 70-2-12(B).

2. Empire demonstrated that Goodnight's injection into the San Andres formation is causing, and will continue to cause, waste in the EMSU.

This case presents a prime example of the reasons the Legislature chose to empower the Commission to take all steps reasonably necessary to protect the *future* possibility of harm to the State's hydrocarbon resources. As demonstrated at hearing, injected wastewater is undisputably migrating throughout the unitized formations, resulting in scale, corrosion, and pressure increases. **[102 RP 15183 (43:7-25)]** This has significant, irreversible long-term impacts, as Goodnight's current operations are adding economic barriers that may be prohibitive to a future tertiary recovery project, and beyond that, threaten to close off the ROZ entirely if wastewater operations are allowed to continue. **[82 RP 12259-12260 (38:13 – 39:15); 99 RP 14734 (160:7-17), 14754-14762 (180:20 – 188:18), 14764-14765 (190:15 – 191:17); 102 RP 15183 (43:7-25)]**

These negative impacts within the Grayburg and San Andres formations are occurring, and will continue to occur, because Goodnight's injection of commercial volumes pressurizes the San Andres and forces wastewater to migrate upwards through vertical plumes from the San Andres formation into the Grayburg formation. **[110 RP 16414; 102 RP 15202-15204 (62:25 – 64:25)]** The evidence established that Goodnight's wastewater is communicating out of the permitted

injection interval and into the Grayburg through fractures **[110 RP 16414-16415; *see also* 82 RP 12250-12251 (29:22 – 30:3), 12255 (34:18-21); 99 RP 14737-14741 (163:5 – 167:4); 102 RP 15219-15222 (79:2 – 82:25)]** and via the waterflood that is currently being conducted by Empire to produce the Grayburg. **[99 RP 14735-14736 (161:8 – 162:22), 14470-14772 (196:24 – 198:20)]**

Grayburg producers have extracted more water than expected, and the additional unanticipated volumes are unquestionably coming from the San Andres as evidenced by Chevron's water chemistry work and modeling, and as shown from studies done by Empire witnesses. **[68 RP 10344; 82 RP 12249-12251 (28:16 – 30:13), 12255 (34:11-21); 89 RP 13284 (766:6-11); 99 RP 14737 (163:3-16)]** The wastewater disposal rates create higher pressures in the ROZ and increase the potential for hydraulic fracturing and vertical communication, which have a negative impact on current field operations in the traditional Grayburg producing zone as well as future ROZ operations. **[94 RP 13973-13974 (38:24 – 39:13)]**

Moreover, there are significant water chemistry differences between the Delaware Basin water that Goodnight is injecting and the water within the San Andres and Grayburg formations. **[99 RP 14734 (160:7-17), 14754-14762 (180:20 – 188:18)]** As a result, the injection is causing scale and damaging the formations. **[*Id.*; *see also* 82 RP 12259-12260 (38:13 – 39:15)]** The off-lease produced water has high saline content that creates scale when it reacts with the sulfates in the unitized formations, which will irreparably "block off" and "cement up" the ROZ and Grayburg and reduce both reservoirs' potential. **[82 RP 12259-12260 (38:13 – 39:15); 99 RP 14734 (160:7-17), 14754-14762 (180:20 – 188:18)]** Additionally, scale and corrosion (caused by iron in the injected wastewater) has damaged Goodnight's own wells and will damage Empire's wells and equipment. **[99 RP 14760 (186:16-23), 14764-14766 (190:15 – 192:4)]**

Goodnight's operations threaten the recoverability of the ROZ by, *inter alia*, increasing the

costs to operate a field by causing equipment wear and tear, requiring Empire to operate its CO2 tertiary recovery at a higher pressure than necessary, and requiring Empire to inject the produced water into another zone to make room for the CO2 to avoid fracturing the formation. **[94 RP 13974 (39:9-13), 14063-14064 (128:23 – 129:16); 99 RP 14732 (158:2-13)]**

As summarized above, the evidence is overwhelming that Goodnight's continued injection of wastewater hinders, and *tends to* hinder, Empire's ability to recover hydrocarbons from the Grayburg and the ROZ within the EMSU, which is precisely the type of "underground waste" the Commission is tasked with preventing. Indeed, the Commission expressly found that "**Empire DID adduce substantial evidence of the possibility of FUTURE impairment of correlative rights or waste in the EMSU**." **[129 RP 19239, ¶ III.A (emphasis in original)]** However, despite finding "waste," as defined in the statute, the Commission nonetheless failed to prevent waste and protect correlative rights when it declined to permanently revoke Goodnight's permits and instead require that Empire demonstrate recoverability of hydrocarbons from the ROZ through a pilot project. Because the Commission's decision is not in accordance with the OGA, it must be reversed.

The Commission and OCD have each found that a ROZ exists in the San Andres and Grayburg. **[*See* 34 RP 5003-5011; 48 RP 7153-7164; 48 RP 7166-7169; 129 RP 19238, ¶ II.B]** As thoroughly discussed in Empire's briefing below (and previously acknowledged by both the Commission and OCD), the ROZ is both technically and economically recoverable. **[89 RP 13320-13322 (802:9 – 804:19); 90 RP 13366-13367 (848:20 – 849:25), 13374-13365 (856:14 – 857:10), 13380-13382 (862:16 – 864:6); 92 RP 13747 (1164:2-25); 99 RP 14728-14730 (154:17 – 156:18); 102 RP 15197 (57:11-20); 103 RP 15309 (169:11-20), 15311 (171:3-10), 15311-15312 (171:23 – 172:3), 15326-15328 (186:25 – 188:1), 15328 (188:13-15); 114 RP 17099 (137:13-22);**

**115 RP 17130-17131 (168:24 – 169:3)]** However, in Goodnight's and ostensibly the Commission's view, it is immaterial that wastewater injection is presently negatively impacting the unitized formations—Goodnight's operations should continue wholly unconstrained unless Empire makes some sort of additional, nebulous "recoverability" showing beyond what has already been demonstrated at hearing and largely conceded by Goodnight's witnesses. **[*See id.*]** This is not what the law states or requires and the Commission erred by reading additional language into the OGA and/or SUA to effectively limit its broad authority and discretion. The Legislature entrusted and charged the Commission with its mission to protect the State's natural resources and prevent waste. Here, the Commission has made all the findings required by the law to revoke Goodnight's permits and should have acted accordingly by immediately revoking Goodnight's existing well permits.

New Mexico law is clear that precise proof of a specific volume of hydrocarbons is not required to establish waste, § 70-2-17(A); *Grace v. Oil Conservation Comm'n*, 1975-NMSC-001, ¶ 27, 87 N.M. 205, 531 P.2d 939, and evidence demonstrating that wastewater operations will *tend to reduce* recovery meets the definition of waste. § 70-2-3(A). Thus, waste includes not only actual, ongoing waste, but any practice that prevents an interest owner from producing without waste his just and equitable share of oil in the pool. §§ 70-2-3(A), -33(H). "[T]he primary concern of [the Oil and Gas Act is] eliminating and preventing waste in the pool so far as it can practicably be done, and next the protection of the correlative rights of producers from the pool." *El Paso Natural Gas Co. v. Oil Conservation Comm'n*, 1966-NMSC-092, ¶ 4, 76 N.M. 268. Further, confining waste or prevention of water encroachment solely to some sort of present or current recoverability standard ignores technological advances and changes making previously inaccessible hydrocarbons recoverable.

The Commission's failure to revoke Goodnight's permits threatens to entomb $5.5 billion in oil and gas resources underground, sealed and unavailable in perpetuity. This Court has the ability to remedy that error and protect these resources. For these reasons, the Commission's decision regarding the Suspended Wells should be reversed.

**D. The Commission erred in failing to revoke Goodnight's existing permits when the evidence demonstrated that Goodnight's permit applications failed to disclose that it was injecting into the EMSU's Unitized Formation.**

Pursuant to the Division's own orders approving the wells, Goodnight's injection permits must be revoked if: (1) Goodnight's permit applications contained a material mistake; (2) Goodnight's permit applications include an incorrect statement on which the Division relied; (3) injected fluid is escaping from the approved injection interval; or (4) the injection could lead to waste. *See, e.g.*, Division Order R-22027, UIC CLASS II PERMIT SWD-2404, ¶¶ I.B.1, 2, 3, 6, I.C.2, I.H.3.[1] Goodnight made incorrect and misleading statements in its Applications for Authorization to Inject, and OCD relied on those statements in granting the permits. *See* Order No. R-22027 (Ernie Banks SWD)[2]; Order No. R-22026 (Andre Dawson SWD)[3]; Order No. R-21190 (Sosa SWD)[4]; Order SWD-2261 (Ryno SWD).[5] As a result, Goodnight's permits should have been revoked.

First, Goodnight was aware it was injecting into the EMSU Unitized Formation but chose not to disclose that information anywhere in its applications. **[116 RP 17339-17343 (54:11 – 58:14), 17357-17358 (72:9 – 73:5); 17366-17367 (81:9 – 82:13)]** Goodnight's applications stated that Goodnight would inject into the San Andres SWD Pool and omitted the Eunice Monument

[1] 21570_02_08_2022_01_46_45.pdf
[2] 21570_02_08_2022_01_46_45.pdf
[3] 21569_02_08_2022_01_45_26.pdf
[4] 20721_11_cf.pdf
[5] 2571.pdf

Oil Pool, leading the Division to believe the injection would not impact hydrocarbon-bearing zones. **[*See id.*]**

Second, Goodnight stated that the proposed SWDs would "be injecting water into the San Andres Formation which is a non-productive zone known to be compatible with formation water from the Wolfcamp and Bone Springs." **[35 RP 5133; 35 RP 5104 – 36 RP 5293]** As previously discussed, however, the Unitized Formation is hydrocarbon bearing and includes the San Andres, which indisputably contains a ROZ. **[116 RP 17387-17391 (102:23-106:20); *see also* 109 RP 16250 (232:8-18); 111 RP 16650 (28:3-5); 117 RP 17508 (223:4-21); 118 RP 17691 (110:7-22); 123 RP 18384 (146:2-11)]** Goodnight allegedly interpreted this section of the C-108 as only applying to existing production, which is nonsensical, would not prevent waste, and ignores that the San Andres is productive in the vicinity of the EMSU. **[70 RP 10398; 116 RP 17387-17391 (102:23 – 106:20)]**

Third, Goodnight stated the injected water would be compatible with the San Andres water when that is not the case. As Empire demonstrated at hearing, there are significant water chemistry differences between the Delaware Basin water that Goodnight is injecting and the San Andres and Grayburg water. **[99 RP 14734 (160:7-17), 14754-14762 (180:20 – 188:18)]** As a result, the injection is causing scale and damaging the formation**. [*See id.; see also* 82 RP 12259-12260 (38:13 – 39:22)**]** As demonstrated above, Goodnight's wastewater injection in the EMSU is migrating from the San Andres up into the Grayburg and causing waste because it is reducing recovery of the existing secondary recovery oil zone in the Grayburg Formation. Goodnight made no effort whatsoever to identify where radially its wastewater is presently going, or will go. **[123 RP 18381 (143:4-13)]**

The evidence shows that Goodnight omitted material information from its applications and

made inaccurate statements, on which the Division relied in granting Goodnight's applications. **[116 RP 17339-17343 (54:11 – 58:14), 17357-17358 (72:9 – 73:5); 17366-17367 (81:9 – 82:13)]** Goodnight knowingly failed to disclose in its applications the hydrocarbon bearing zones and that it was injecting into the EMSU. **[*Id.*]** Because Goodnight intentionally failed to disclose material information in its applications, provided inaccurate information on which the Division relied, and injection fluid is escaping from the San Andres into the Grayburg, the Commission should have permanently revoked Goodnight's existing permits. The Commission's failure to do so, or even make any findings on these issues, is arbitrary and capricious.

## VI. STATEMENT OF THE RELIEF SOUGHT

For the reasons discussed above, Empire seeks reversal of the Commission's decision to suspend Goodnight's existing wells pending Empire's initiation of a pilot project and demonstration that the hydrocarbons in the ROZ are recoverable. At hearing, Empire demonstrated, by a preponderance of the evidence, and the Commission recognized, that Goodnight's current and proposed injection of wastewater into the EMSU is causing waste and impairing Empire's correlative rights. As demonstrated above, Empire's evidence at hearing demonstrated that Goodnight's injection to date and proposed injection into the future adversely impacts Empire's ability to recover hydrocarbons by:

- Washing out and reducing secondary recovery of oil in the Grayburg Formation;
- Washing out and reducing future tertiary development of oil in the Grayburg Formation;
- Washing out and reducing future tertiary recovery of oil in the San Andres Formation; and
- Damaging surface facilities and wells by production of

contaminated San Andres water.

Neither statute nor regulation requires that Empire demonstrate recoverability; however, even if it did, the evidence adduced at hearing demonstrated that the ROZ is recoverable. **[89 RP 13320-13322 (802:9 – 804:19); 90 RP 13366-13367 (848:20 – 849:25), 13374-13365 (856:14 – 857:10), 13380-13382 (862:16 – 864:6); 92 RP 13747 (1164:2-25); 99 RP 14728-14730 (154:17 – 156:18); 102 RP 15197 (57:11-20); 103 RP 15309 (169:11-20), 15311 (171:3-10), 15311-15312 (171:23 – 172:3), 15326-15328 (186:25 – 188:1), 15328 (188:13-15); 114 RP 17099 (137:13-22); 115 RP 17130-17131 (168:24 – 169:3)]** Further, without even addressing waste, correlative rights, or recoverability, the Commission should have revoked Goodnight's permits based on the misrepresentations made during the application process.

## VII. CONCLUSION

For these reasons, Empire respectfully requests that this Court reverse the Commission's decision to suspend Goodnight's permits in the Suspended Wells and order that Goodnight's permits for the Andre Dawson, Ernie Banks, Sosa, and Ryno wells be permanently revoked.

Respectfully submitted,

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# EXHIBIT E

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**STATE OF NEW MEXICO**
**COUNTY OF SANTA FE**
**FIRST JUDICIAL DISTRICT**

**EMPIRE NEW MEXICO, LLC,**

**Appellant,**

**v.**

**NEW MEXICO OIL CONSERVATION COMMISSION,**

**Appellee**.

**No. D-101-CV-2026-00269**

Consolidated with:

**GOODNIGHT MIDSTREAM PERMIAN, LLC,**

**Appellant**,

**v.**

**NEW MEXICO OIL CONSERVATION COMMISSION,**

**Appellee**.

**No. D-101-CV-2026-00177**

**OCC Order No. R-24004-A**

# GOODNIGHT MIDSTREAM PERMIAN, LLC'S STATEMENT OF APPELLATE ISSUES

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Pursuant to Rule 1-074(K) NMRA, Goodnight Midstream Permian, LLC ("Goodnight") hereby files its Statement of Appellate Issues in its appeal of the New Mexico Oil Conservation Commission's ("OCC") December 17, 2025 Amended Order Denying Goodnight's Applications & Partially Granting/Partially Denying Empire's Applications.

## I. INTRODUCTION AND STATEMENT OF THE ISSUES

This case arises from a dispute between Goodnight and Empire New Mexico, LLC ("Empire"), each an operator of different types of wells within the same statutory oil and gas unit in Lea County, New Mexico known as the Eunice Monument South Unit ("EMSU"). Goodnight operates four commercial saltwater disposal wells ("SWDs") in the EMSU, disposing of produced water from oil and gas operations elsewhere in the Delaware Basin by injecting the produced water into an interval that has been designated for water management, including produced water management, for over sixty years known as the San Andres. Empire is the current operator of the EMSU and operates oil and gas exploration and production wells targeting the overlying Grayburg formation within the unit through a waterflood operation. The source of water for the EMSU Grayburg waterflood is the San Andres.

In the consolidated proceedings before the OCC, Goodnight and Empire have been litigating various applications for new and existing wells in the EMSU. The resolution of the various applications required the OCC to decide whether Goodnight's SWD wells interfere with or impair Empire's oil and gas operations and alleged *future* plans to develop a residual oil zone ("ROZ") in the EMSU through carbon dioxide enhanced oil recovery.

After an 18-day final hearing, the OCC issued its original Order ("Order"), **[RP 19233-19245]**, which was subsequently amended on rehearing ("Amended Order"), **[RP 020197-020204]**. The OCC found that an ROZ exists in the Grayburg and San Andres formations in the EMSU and that Empire, as EMSU operator, holds the exclusive right to pursue production.

However, the OCC acknowledged that there was insufficient evidence that (a) there is current impairment of Empire's Grayburg production from Goodnight's SWD operations, or (b) the ROZ is recoverable in the EMSU. Among other things in the Amended Order, the OCC denied Goodnight's applications for new SWD wells, suspended injection authority for its four existing SWDs, and allowed Empire up to three years to attempt a carbon dioxide pilot project to determine whether the ROZ is recoverable in the EMSU. As to Empire's pilot project, the OCC directed the New Mexico Oil Conservation Division ("OCD" or "Division") to implement steps and timelines for Empire to seek approval for its pilot project and required Goodnight to prepare and execute a 60-day shut-in plan upon Empire's activation notice to ensure no SWD injection occurs during Empire's "active" operations.[1]

Goodnight's appeal of the Amended Order presents the following issues:

(1) Whether the Court should set aside, reverse, or remand the Amended Order where the OCC did not act in accordance with law because:

(a) the San Andres formation is an aquifer and, thus, is not subject to unitization under the New Mexico Statutory Unitization Act and New Mexico Constitution, and

(b) the Amended Order constitutes an improper regulatory taking.

(2) Whether the Court should set aside, reverse, or remand the Amended Order because the OCC did not act in accordance with law and acted arbitrarily and capriciously when:

(a) the OCC applied a new, heightened evidentiary standard for reviewing Class II injection applications and improperly shifted the burden of proof to Goodnight to meet that standard, and

(b) the OCC relied on findings that actually weigh against an ordered shut-in and improperly prioritized protection against a theoretical risk of waste over actual

[1] The OCD's directions for implementation are not a part of this appeal.

waste resulting from the impact of the shut-in of existing Delaware Basin operations; and

(3) Whether the Court should set aside, reverse, or remand the Amended Order as not supported by substantial evidence where the OCC's determination that an ROZ exists in the San Andres disposal zone[2] and its finding of potential future impairment of correlative rights or waste lack any evidentiary support.

## II. SUMMARY OF THE PROCEEDINGS

### A. Nature of the Case

This case arises from a dispute between an oil and gas exploration and production company (Empire) and a produced water management company (Goodnight) where both operate in the same oil and gas unit, the EMSU, in Lea County, New Mexico.

The EMSU was formed on December 27, 1984, is comprised of 14,189.94 acres, and is authorized by the OCC under the Statutory Unitization Act, NMSA 1978, Section 70-7-1 et seq., for field-wide waterflood operations.[3] **[RP 07033-07034 ¶11; RP 14396 at 142:21-25]**. The EMSU runs from the top of the Grayburg formation to the bottom of the San Andres formation. **[RP 07154]**. The Grayburg formation is immediately above the San Andres formation.

The San Andres was included in the EMSU solely because it was the only water source sufficient to supply the waterflood—not because it was productive of or had actually produced hydrocarbons. **[RP 14421-14422 at 167:23-168:2; RP 05307-05308 ¶¶ 30-32; RP 01778; RP 01775; RP 18394 at 156:7-17]**. Indeed, the San Andres is an aquifer. **[RP 01750 ¶ 2; RP 01762 ¶ 44]**. At the time the EMSU was created, "[n]o wells ha[d] produced from the San Andres at EMSU[.]" **[RP 07478 ¶ 6; RP 07497; RP 14740 at 166:2-3; RP 14792 at 218:11-12; RP 15171**

[2] The "Disposal Zone" as used herein refers to Goodnight's disposal zone in the lower San Andres below Goodnight's confining layer (permeability barrier) starting at approximately -672 feet subsea as identified in the EMSU-679 well log.

[3] Waterflooding is a process for enhanced oil recovery where water is injected into the oil producing formation to drive oil into pumping wells, resulting in the recovery of additional oil.

**at 31:6-8]**. OCD records confirm no primary production from the San Andres at the EMSU has ever been reported. **[RP 05305 ¶ 25; RP 14792 at 218:11-12; RP 06160 ¶ 10** ("There is no oil production from the San Andres aquifer in the EMSU.")**]**. No accumulations of conventional oil exist within what Empire defines as the San Andres in the EMSU. **[RP 14792 at 218:13-18; RP 10396]**. All oil and gas recovery efforts within the EMSU have occurred within the Grayburg formation; and no recovery efforts have ever taken place within the San Andres formation. **[RP 05306-05307 ¶ 29** (oil column limited to Grayburg and Lower Penrose formations)**; RP 14792 at 218:7-12; RP 06160 ¶ 10** (no production from San Andres formation)**]**.

Goodnight provides saltwater management services to oil and gas operators in the Delaware Basin through a large, high-pressure pipeline network in Lea County known as the Llano System. **[RP 05298-05300 ¶¶ 7–10; RP 18771 ¶¶ 1, 3]**. Goodnight's SWD wells are vital to its customers and the oil and gas industry operations within the state. **[RP 05299-05300 ¶ 10; RP 16274 at 256:10-11; RP 16272 at 254:22-25]**. There is a substantial and growing demand for disposal capacity in southeastern New Mexico to support oil and gas development. **[RP 17974-17979; RP 18414-18415 at 176:5-177:1; RP 18439-18441 at 201:22-203:19]**. In 2023 alone, Delaware Basin wells connected to the Llano System produced 48.4 million barrels of oil, 110.7 billion cubic feet of gas, and 100.6 million barrels of water, nearly 53.9 million barrels of which were delivered to Goodnight for disposal. **[RP 05299 ¶ 10; RP 16274 at 256:10-11; RP 16272 at 254:22-25** (testifying that Goodnight's injection is valuable to the producers in New Mexico because "[t]hey've got to have somewhere to put the water they're producing or they're going to have to shut wells in.")**]**. Without Goodnight's disposal capacity, Delaware Basin producers will have insufficient options for disposing produced water, which could force producers to rely on out-of-state disposal that may be subject to restriction. **[RP 05298-05300 ¶¶ 7–10; RP 17974-17979**

**at 158:6–163:17; RP 18414 at 176:5–177:1** (growing demand and disposal necessity)**; RP 19576-19578 ¶¶ 3, 13** (lack of alternative disposal capacity)**]**.

Four of Goodnight's saltwater disposal wells in the Llano System (the Dawson, Banks, Ryno, and Sosa wells) dispose of produced water within the EMSU. **[RP 05298 ¶ 8; RP 05361; RP 18771 ¶ 2]**. Those existing wells inject produced water into the San Andres formation **[RP 05298; RP 05304 ¶ 8, 22]**, as authorized by validly executed lease agreements that Goodnight executed with third-party private owners of the pore space within the EMSU, **[RP 19547-19554]**. Goodnight's current injection capacity for its disposal wells within the EMSU is approximately 105,000 barrels of produced water per day, which directly supports the production of approximately 34,000 barrels of crude oil production per day. **[RP 19575-19576 ¶ 2]**. Moreover, it would cost Goodnight approximately $40 million to relocate its four existing wells inside the EMSU to locations at least two miles outside the EMSU. **[RP 17866 at 50:8-24]**. Goodnight also applied for authority to drill five new injection wells within the EMSU. **[RP 00001-00162; RP 000565-00594; RP 05012-05266]**. And Goodnight is not the only company, and was not the first, operating commercial SWD wells within the EMSU. **[RP 05312-05313 ¶ 46]**.

Empire is the operator of the EMSU. **[RP 00987 ¶ 10; RP 00988 ¶ 16]**. Empire acquired the EMSU from XTO Energy Inc. ("XTO") in March 2021 "sight unseen," unaware of Goodnight's longstanding SWD operations and other third-party water management companies operating in the San Andres until a site visit in 2023—two years after acquisition. **[RP 00986 ¶ 7; RP 14665 at 91:18-20; RP 07033 ¶ 10; RP 14495 at 241:11-19; RP 15552-15555; RP 14583 at 9:9-22]**. Empire purchased XTO's assets in the EMSU without conducting on-site due diligence. **[RP 14587 at 13:5-7; RP 19238 ¶ 25; RP 14425-14426 at 171:7-172:1; RP 14495 at 241:11-19;**

**RP 14665 at 91:21-24; RP 14428 at 174:1-4; RP 15552-15555]**. Nonetheless, Empire acquired the EMSU with twelve active disposal wells in and around the unit. **[RP 05308-05309 ¶ 34]**.

Empire claims that it cannot commence activities to support development of the ROZ until Goodnight's injection ceases, despite readily admitting that Empire was not even aware of any commercial San Andres disposal operations in the EMSU, including Goodnight's operations, until August 2023. **[RP 14583 at 9:9-22; RP 14603-14605 at 29:22-31:8]**. Yet an ROZ, by definition, contains only oil that cannot be mobilized by injection waters, meaning Goodnight's permitted injection does not and could not reduce the total volume of residual oil in the alleged ROZ. **[RP 19699 ¶ 16; RP 16274 at 256:3-20]**.[4]

Since purchasing assets in the EMSU, Empire has made no effort to identify or further delineate an ROZ within the EMSU. **[RP 14666-14667 at 92:10-93:10]**. It has not drilled or cored any new wells and has not collected any mud logs. **[RP 14600 at 26:4-25; RP 14665-14667 at 91:25-93:10]**. It has not provided any core samples from the San Andres interval where Goodnight is disposing water, choosing instead to provide decades old samples from only the Grayburg and the upper reaches of the San Andres formation. **[RP 19238 ¶ 32]**. No evidence indicates it has invested in any relevant seismic data. And it has not provided any evidence of comparable wells in the area. **[RP 19242 ¶ 57]**.

Also, since purchasing assets in the EMSU, Empire has suffered significant financial setbacks, with increasing losses to net income and working capital. **[RP 15636; RP 15651-15652; RP 15757; RP 15760; RP 15770-15771]**. Between 2023 and 2025, Empire reported "substantial

[4] As mentioned earlier, the EMSU was created to permit waterflood operations, which is a type of secondary recovery using water to move oil from producing formations to producing wells. **[RP 7155]**. At the end of a waterflood operation any oil remaining is so tightly bound to the formation that it is not capable of being moved or produced through continued waterflood and may require a CO2 flood to produce additional volumes. **[*See* RP 13318 at 800:3-22]**.

doubt" about whether it could maintain itself as a "going concern." *Id.* In other words, there is no reason to believe that Empire could invest in the efforts required to identify any commercially producible hydrocarbons, much less outlay the capital required to implement any drilling plan. As of the date of this filing, more than 230 days have elapsed since the OCC's original Order and Empire has yet to file an application to obtain a permit to conduct a CO2 EOR pilot in the EMSU.

## B. Course of Proceedings

### 1. The Applications and Wells at Issue

a. Piazza (New Well Previously Denied)

On September 17, 2021, Goodnight filed an administrative application for Piazza Well No. 1 in the EMSU. **[RP 05003 ¶ 3; RP 05223]**. On September 22, 2021, Empire protested the Piazza Application. **[RP 05003 ¶ 4]**. On November 29, 2023, the OCD denied authority to inject, and on December 21, 2023, Goodnight filed an Application for Hearing De Novo to the OCC. **[RP 19235 ¶ 8; RP 03003-03004]**.

b. Dawson, Banks, Sosa, and Ryno (Existing Wells)

The OCD held hearings that granted approval of Goodnight's applications for its Dawson (1/21/2021), Banks (1/21/2021), and Sosa (9/19/2019) wells. **[RP 19235-19236 ¶ 10; RP 05270-05271** (Dawson approval February 7, 2022)**; RP 05309-05310 ¶ 38]**. On November 2, 2017, Goodnight's application for the Ryno well was approved, but did not start disposal operations into the San Andres until October 2021. **[RP 19193; RP 19235-19236 ¶ 10** (starting operations on 10/1/21)**; RP 08730]**. On November 7, 2023, Empire filed applications to revoke Goodnight's injection permits for these four existing wells. **[RP 01952-01967]**.

c. Dawson (Expansion)

On April 10, 2023, Goodnight applied to amend its existing Dawson well permit to increase the authorized disposal rate. **[RP 19234 ¶ 7; RP 05267]**.

d. Gooden, Seaver, Hodges, and Hernandez (New Wells)

On May 12, 2023, Goodnight filed applications for administrative approval from the OCD for four prospective EMSU SWDs—Gooden, Seaver, Hodges, and Hernandez ("Upper Deck SWDs"). **[RP 00001-00162; RP 19235 ¶ 9]**. On May 24, 2023, Empire protested Goodnight's Upper Deck SWD Applications. **[RP 01537]**.

All of the cases above proceeded before the OCC, including (i) Empire's challenge to Goodnight's applications for new four wells (Case Nos. 23614-23617), (ii) Empire's applications to revoke four of Goodnight's existing wells (Case No. 24018-24020, 24025), (iii) the Piazza Application on a de novo hearing (Case No. 24123), and (iv) Goodnight's application to amend its existing permit with an increased disposal rate authorization for the Dawson well within the EMSU (Case No. 23775). **[RP 19233** (case caption)**; RP 19234-19236 ¶¶ 7-10]**.

**2. The Hearing and Original Order**

Following approximately two years of discovery and motion practice, the OCC held an 18-day final hearing in 2025. **[RP 19233]**. Each party submitted closing briefs. **[RP 18741-18769** (Empire Closing Brief)**; RP 18801-19035** (Goodnight Closing Brief)**]**.

Empire argued that: (i) the OCC is required to prevent waste and protect correlative rights **[RP 18748]**; (ii) as the EMSU operator, only Empire may lawfully operate wells within the EMSU **[RP 18750]**; (iii) Goodnight's existing SWD permits must be revoked for failure to disclose injection into the EMSU unitized interval and failure to notify XTO **[RP 18752-18753]**; (iv) Goodnight's injection reduces or tends to reduce hydrocarbon recovery and impairs correlative rights by watering out the Grayburg and interfering with Empire's proposed tertiary recovery **[RP 18755]**; (v) a recoverable ROZ exists within the San Andres in the EMSU **[RP 18756-18757]**; and (vi) Goodnight's injection causes waste by watering out the Grayburg **[RP 18762]**.

Goodnight argued that approving its applications would avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights. **[RP 12047-12048]**. Goodnight further maintained that the San Andres aquifer is not a reasonable or proven target for oil recovery and that Empire's claim of a viable ROZ project is unsupported. **[RP 01764 ¶ 47; RP 01767-01768 ¶ 60]**. Specifically, Goodnight's testimony established that: (i) Goodnight's Disposal Zone does not meet any reasonable definition of an ROZ **[RP 05595 ¶ 9]**; (ii) the intervals of residual oil in the San Andres are too thin, too widely spaced, and not likely continuous enough to support efficient enhanced recovery (*id.*); (iii) oil saturations in the San Andres migration pathway are not concentrated enough to be considered a recovery target **[RP 05685]**; (iv) the San Andres and Grayburg are distinct geologic zones separated by permeability barriers extending across the EMSU **[RP 05595 ¶ 9; RP 05685]**; (v) there is a lack of significant oil concentration below -500 feet subsea, making the San Andres disposal zone an unreasonable enhanced oil recovery ("EOR") target **[RP 05692]**; and (vi) Goodnight's wells are cased and cemented to isolate disposal operations in the San Andres from Empire's Grayburg production **[RP 05721 ¶ 7]**.

Following the hearing related to the parties' various applications in this matter, the OCC entered the Order on September 12, 2025. **[RP 19233-19245]**. Empire had full opportunity with hundreds of exhibits and weeks of direct and rebuttal testimony to present evidence of a recoverable ROZ. In the Order, the OCC found as follows:

> (1) Empire did adduce substantial evidence of the possibility of future impairment of correlative rights or waste in EMSU;
>
> (2) Goodnight did not adduce substantial evidence of the existence of a continuous barrier between the Grayburg and the San Andres and therefore did not refute the potential for future impairment or waste in the EMSU;
>
> (3) It is premature at present to grant Empire's applications to permanently revoke the injection authority of the existing wells because the OCC found Empire did not adduce

substantial evidence that their correlative rights in the Grayburg are currently impaired by Goodnight's injection into the San Andres;

(4) It is premature at present to grant Empire's application to permanently revoke the injection authority of the existing wells because the OCC found there was insufficient evidence presented at the hearing to prove whether the ROZ is recoverable; and

(5) Therefore, it is premature to grant Empire's applications to permanently revoke the injection authority of the existing wells. Instead, the OCC will suspend the injection authority to provide Empire with the opportunity to establish a pilot project to determine whether the ROZ is recoverable.

**[RP 19233-19245 at III.A, B, C, D, E]**.

Despite these and other findings, the OCC ordered injection through Goodnight's four existing disposal wells within the EMSU to be suspended (and applications for new permits be denied), while also "provid[ing] Empire the opportunity to establish a CO2 EOR pilot project within a period of 3 years to ascertain the recoverability of the ROZ[.]" **[RP 19244–19245]**. The OCC further explained that "[t]he Division will implement this Order." **[RP 19245]**.

After the OCC issued the original Order, Goodnight was contractually obligated to notify its customers in the affected area of a force majeure event, resulting in irreparable and continuing damage to existing customer relationships and business reputation. **[RP 19576 ¶ 7]**. One of Goodnight's customers terminated prior ongoing negotiations for a future disposal opportunity due to concern about the viability of New Mexico injection as a result of the OCC's ordered three-year suspension. **[RP 19577 ¶ 8]**. Goodnight expects that if the three-year suspension moves forward, additional business opportunities will be impaired and the company will continue to suffer irrevocable impacts to its goodwill, among other cognizable injuries. **[RP 19577-19578 ¶¶ 8-14]**.

### 3. Rehearing Application

Both Goodnight and Empire filed competing applications for rehearing with the OCC. **[RP 19330-19593** (Goodnight)**; RP 19642-19659** (Empire)**]**. On October 17, 2025, the OCC granted

Goodnight's requested rehearing in part, denied in full Empire's requested rehearing, granted Goodnight's Motion for Stay, and entered the Rehearing Order. **[RP 19696-19700]**. The Rehearing Order, which noted there would be no "relitigat[ion] of the OCCs' findings of fact," granted a "limited rehearing" on an expedited basis for the following two questions:

> Does the Commission have the legal authority to "Suspend[] existing Goodnight[] injection wells . . . in order to provide Empire with the opportunity to establish the CO2 EOR pilot project" given that "there was insufficient evidence presented at hearing to prove whether the ROZ is recoverable?" Commission Order R-24004 pages 13 and 10, respectively.
>
> Does Commission Order R-24004 provide OCD with discretion in managing the "Suspen[sion of] existing Goodnight[] injection wells . . . [and] to provide Empire with the Opportunity to establish the CO2 EOR pilot project"? Commission Order R-24004 page 13.

**[RP 19698]**.

Each party submitted a Rehearing Brief in Chief on October 31, 2025, on the two limited questions for rehearing. **[RP 19857-19880** (Goodnight Rehearing Brief in Chief)**; RP 19832-19856** (Empire Rehearing Brief in Chief)**]**.

### C. The Disposition of the Agency—the Amended Order

Upon completion of briefing and the Rehearing, the OCC issued the Amended Order on December 17, 2025 denying Goodnight's Applications and partially granting and partially denying Empire's Applications. **[RP 20197-20204]**. The Amended Order incorporates the Original Order, but clarifies: (1) the OCC can order the suspension of water injection into an ROZ to facilitate an EOR pilot project to determine recoverability, and (2) the OCD should manage suspension of water injection in order to facilitate the EOR pilot project granted by the OCC. **[RP 20198, 20202]**. Both Goodnight and Empire appealed the Amended Order. **[RP 20288-20298; RP 20310-20335]**.[5]

[5] Empire also continues to make filings in the OCC asking them to revisit the Amended Order (in contravention of procedure), notwithstanding this appeal.

## III. ARGUMENT

Under New Mexico law, a court reviewing an administrative agency's decision may reverse such agency on four independent grounds. Rule 1-074(R) NMRA. The Court should reverse the OCC's Amended Order because (A) the OCC did not act in accordance with law, (B) the OCC acted arbitrarily and capriciously, and (C) the Amended Order is not supported by substantial evidence. *See* Rule 1-074(R)(1), (2), (4) NMRA.

### A. The OCC Did Not Act in Accordance with Law Because the Amended Order Creates Constitutional Conflicts.

The Amended Order creates constitutional conflicts in two independent ways. First, it improperly unitizes public waters by treating a water-bearing formation (an aquifer) as though it were an oil and gas reservoir subject to joint development. Second, it constitutes an impermissible regulatory taking of both Goodnight's property interest and the surface owners' property interests in and to the pore space underlying the EMSU without just compensation in violation of the New Mexico Constitution and the Fifth Amendment to the U.S. Constitution.

#### 1. The Amended Order's Conclusion That There is Insufficient Evidence to Conclude There Are Recoverable Hydrocarbons in the San Andres Confirms It is an Aquifer Under the N.M. Constitution Not Subject to Unitization.

The OCC did not act in accordance with law when it issued the Amended Order because the OCC lacks statutory authority to include the San Andres aquifer in an oil and gas unit. Under New Mexico's Statutory Unitization Act ("Unitization Act"), NMSA 1978, § 70-7-1 through -21, a formation may be included in a unit only if it has been "reasonably defined by development"—meaning operators have actually produced oil or gas from the formation. NMSA 1978, § 70-7-5(B). But the San Andres aquifer has no history of hydrocarbon production and it is undisputed that it has never been reasonably defined by primary production, as required under the Unitization Act. The Unitization Act further limits the OCC's unitization power to formations that qualify as

a "pool"—a defined underground accumulation of oil or gas. The Unitization Act does not authorize the OCC to unitize formations or reservoirs that are not a "pool or part of [a] pool," as defined. *Id.* § 70-7-7. In particular, the Unitization Act does not vest the OCC with authority to unitize non-hydrocarbon-producing formations, such as aquifers. An aquifer is not an oil and gas property, does not give rise to claims under the correlative rights doctrine, and is not subject to statutory unitization. *Id.* § 70-2-33(H) (providing that correlative rights apply only to oil and gas rights). As a non-hydrocarbon-producing aquifer, the San Andres does not qualify for inclusion in a "pool." Unitization of an aquifer, geologically distinct from a pool, is not "reasonably necessary" to protect the correlative rights of owners with an interest in the oil and gas minerals. *Id.* § 70-2-11(A). Critically, because the San Andres is an aquifer that has never been "reasonably defined by development[,]" the OCC lacked statutory authority to unitize it or to include it as part of a pool. *Id.* at § 70-7-5(B). The San Andres is not subject to unitization by the OCC for any purpose.

Further, unitizing an aquifer that has no proven recoverable hydrocarbons capable of being produced in paying quantities is prohibited by the New Mexico Constitution, which declares all underground waters of the state belong to the public and thus are precluded from unitization. N.M. Const. Art. XVI, § 2; *see also McBee v. Reynolds*, 1965-NMSC-007, ¶ 14, 399 P.2d 110 (confirming that "waters of underground streams, channels, artesian basins, reservoirs and lakes, the boundaries of which may be reasonably ascertained, are public" and "included within the term 'water' as used in Art. XVI, §§ 1-3, of our Constitution.").[6]

[6] Unitizing an aquifer that has no proven recoverable hydrocarbons also contravenes the express provisions of the New Mexico Oil and Gas Act, NMSA 1978, §§ 70-2-1 – 70-2-39 ("Oil and Gas Act"), and the Unitization Act because each applies to and gives the OCC authority to only unitize formations with recoverable hydrocarbons capable of being produced in paying quantities. *See, e.g.*, § 70-7-1 through -21; § 70-2-12(B)(4).

The OCC's findings confirm the San Andres aquifer should never have been included in the EMSU as a unitized interval. The Amended Order contains two findings that confirm the inclusion of the San Andres aquifer within the EMSU's unitized interval is legally invalid and require (1) its inclusion to be deemed void ab initio, and (2) the EMSU Order (i.e., the OCC order approving the formation of the EMSU) to be amended to exclude the San Andres from the EMSU. First, the OCC properly found the San Andres was included within the unitized interval of the EMSU—not because it was a producing oil zone that had been reasonably defined by primary production and properly subject to statutory unitization—but because the San Andres "was intended to be used initially for make-up water for water flooding operations for oil operations." **[RP 19237 ¶ 19]**. Second, the OCC found hydrocarbons within the EMSU's purported ROZ, including within Goodnight's Disposal Zone, have not been proven to be recoverable. **[RP 19242 at III(D)** (concluding "there was insufficient evidence . . . to prove whether the ROZ is recoverable.")**]**.

Notwithstanding these determinations—each of which separately foreclose inclusion of the San Andres within the EMSU as a statutory unit—the Amended Order doubles down on the OCC's original legally invalid unitization of the San Andres aquifer within the EMSU. **[RP 19243 at IV]**. Instead of correcting the error, the OCC mistakenly determined that "any debate over the exclusion of the San Andres would require notice to, and likely participation from, multiple additional parties," ostensibly because the underlying Unit Agreement and Unit Operating Agreement include the U.S. Bureau of Land Management ("BLM"), State Land Office, and other working interest owners. **[RP 19244 ¶¶ 71-73]**. In other words, the OCC deemed it too much work to fix the error. But the OCC did not cite legal authority in support of this determination. The OCC, instead, cited Empire's arguments raised in its response to Goodnight's renewed motion to exclude the San

Andres from the EMSU's Unitized Interval. **[RP 19244 ¶ 72]**. The OCC's conclusion that it could not immediately act on this fundamental legal error is misplaced and erroneous for three main reasons. **[RP 19244 ¶ 73]**.

First, as with all OCC and OCD orders, jurisdiction over the EMSU Order—and all orders governing the EMSU—was retained by the OCC "for entry of such further orders as the Commission may deem necessary." **[*See, e.g.*, RP 19393 ¶ 11]**. Because the EMSU is a creature of statute—created under and entirely subject to the authority of the OCC and the requirements of the Unitization Act—the OCC has a continuing obligation to determine whether further orders are necessary, including to cure legal defects to align the EMSU Order with New Mexico law, including the Unitization Act and the New Mexico Constitution.

Second, both the Unit Agreement and Unit Operating Agreement include, as they must, express provisions making them subject to and automatically consistent with subsequent, duly authorized OCC orders. **[*See* RP 19455 at § 39** (EMSU Unit Agreement) (providing that it "shall automatically be revised and/or amended" "to conform to the [OCC's] order[.]")**]**. In particular, the parties to the Unit Agreement agreed that both the Unit Agreement "and/or the Unit Operating Agreement shall be amended in any and all respects necessary to conform to the [OCC's] order approving statutory unitization" and that "[a]ny and all" such amendments "shall be deemed to be hereby approved in writing by the parties hereto without any necessity for further approval by said parties[.]" *Id.* Similarly, the Unit Operating Agreement expressly provides that it is "subject to all valid laws . . . and orders of all regulatory bodies having jurisdiction . . . and to all other applicable federal, state, and local laws, ordinances, rules, regulations and orders; and any provision of this Agreement found to be contrary to or inconsistent with any such law, ordinance, rule, regulation or order shall be deemed modified accordingly[.]" **[RP 19528 at Art. 21.1]**. The parties to the Unit

Agreement also agreed that Empire, as unit operator, has the right "to appear for or on behalf of any interests affected hereby before the . . . Division, and to appeal from any order issued under the rules and regulations of the . . . Division, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the . . . Division[.]" **[RP 19452 § 27]**. The parties have thus delegated to Empire the right to appear on their behalf at the OCC for all purposes. In sum, no notice is required to any other party.

Third, and finally, the Unit Agreement and the Unit Operating Agreement, and all terms and provisions therein, are binding on all parties who executed and ratified them, including the BLM, State Land Office, and all working interest owners. **[RP 19452 § 27]**. Under federal law, a unit agreement "is a binding contract between the United States and the participating parties." *Rio de Viento, Inc.*, 153 IBLA 32, 38 (2000). Similarly, under New Mexico law, the Commissioner is bound by the terms of the agreements and has no discretion or authority to avoid its mandatory requirements. *See* NMSA 1978, § 19-10-54; *see generally ConocoPhillips Company v. Lyons*, 2013-NMSC-009, 299 P.3d 844. Having executed the agreements, all parties are bound by their provisions, including the acknowledgement that the EMSU and the Unit Agreement and Unit Operating Agreement are governed by, subject to, and automatically amended to conform with OCC orders implementing the Unitization Act. The OCC had no basis to assert it is powerless to immediately effect the mandatory requirements of the Unitization Act or to issue orders necessary to comply with the New Mexico Constitution.

The OCC's refusal to act to exclude the San Andres aquifer from the EMSU is contrary to the express requirements of the Unitization Act and renders the EMSU Order and the OCC's Amended Order unconstitutional.

**2. The OCC's Amended Order Is an Unconstitutional Regulatory Taking.**

The Amended Order is a regulatory taking because it deprives Goodnight of its exclusive rights to use and enjoy the pore space it leased within the EMSU without just compensation. The United States Constitution and the New Mexico Constitution guarantee that private property may not be taken without just compensation. U.S. Const. amend. V.; N.M. Const., Art. II, § 20. A regulatory taking occurs when the government regulates the use of private property but does not take title to it. *Moongate Water Co. v. City of Las Cruces*, 2013-NMSC-018, ¶ 18, 302 P.3d 405. In New Mexico, a regulation, or in this case a regulatory action, does not constitute a taking if it "(1) is reasonably related to a proper purpose and (2) does not unreasonably deprive the property owner of all, or substantially all, of the beneficial use of his property." *Temple Baptist Church, Inc. v. City of Albuquerque,* 1982-NMSC-055, ¶ 27, 646 P.2d 565. Under the Fifth Amendment of the U.S. Constitution, a taking by the government must be accompanied by adequate compensation, and to be compensable, the taking must impact some substantive aspect of the landowner's use and enjoyment of their property. *Santa Fe Pac. Tr., Inc. v. City of Albuquerque*, 2014-NMCA-093, ¶ 37, 335 P.3d 232; *Manning v. Mining & Minerals Div. of the Energy, Minerals & Nat. Res. Dep't*, 2006-NMSC-027, ¶ 21, 144 P.3d 87.

a. Goodnight, and the Surface Owners Who Leased Their Surface Rights to Goodnight, Have a Constitutionally Protected Interest in the San Andres Disposal Pore Space.

The property taken by the Amended Order is the pore space that third-party surface owners leased to Goodnight through validly[7] executed lease agreements. **[*See generally* RP 19547-19554]**. To establish a violation under the Constitution's takings clause, Goodnight must demonstrate it has a property interest that is constitutionally protected. *Phillips v. Wash. Legal Found.*, 524 U.S. 156,

[7] The validity of the lease agreements is uncontested.

164 (1998). Under New Mexico law, surface owners have a property interest in the pore space underlying their lands, and it may be conveyed as other real property conveyances. NMSA 1978, § 74-14-7(A), (D); *see also Jones-Noland Drilling Co. v. Bixby*, 1929 NMSC 91, ¶ 11, 282 P. 382 ("The fee in the soil, except the oil and gas, remains in the lessor unincumbered with those rights of the lessee."). Accordingly, when the landowners of the surface estate located within the EMSU executed lease agreements with Goodnight, each of them granted Goodnight the exclusive right to enter into and utilize that pore space. **[*See generally* RP 19547-19554]**.

b. The Amended Order Does Not Serve a Proper Purpose, and Unreasonably Deprives Goodnight and the Surface Owners of All Beneficial Use of the Pore Space Under the Lease Agreements.

The Amended Order to suspend Goodnight's injection is not "reasonably related to a proper purpose" because the Amended Order was issued without proper jurisdiction, primarily based on a new, improper standard, and does not constitute a valid use of the police power because it does not protect correlative rights or prevent waste. *See infra* at § B.

The Amended Order unreasonably deprives Goodnight of all, or substantially all, of the beneficial use of its property under the lease agreements, because it grants Empire the exclusive rights in and to the pore space leased by Goodnight. **[*See* RP 19239 ¶¶ 40-41]**. The Amended Order did not differentiate between the portion of the San Andres that purportedly contains an ROZ from the portion of the San Andres that Goodnight utilizes for its operations. The Amended Order therefore precludes Goodnight's use of the entirety of its pore space property interest without evidence that the ROZ is recoverable, or even that it exists in the portion of the San Andres that Goodnight utilizes for its operations. Because the Amended Order prohibits Goodnight's beneficial use of its interests in the land, the OCC's actions constitute a taking. Goodnight executed and paid for these lease agreements specifically for the use of the San Andres, and Goodnight has established extensive infrastructure to support its injection operations into the leased pore space in

substantial reliance on its previously issued injection permits. **[*See* RP 19269 ¶ 12]**. The Amended Order thus deprives Goodnight of those tangible assets, as well as the profits Goodnight was earning and would have earned through its continued usage under the lease agreements. The Amended Order entirely prevents Goodnight from receiving any economic benefit for its interest in the pore space and deprives the surface owners of their exclusive and existing right to lease their pore space for produced water disposal wells. **[*Cf.* RP 19522 ¶ 13.1]**. The Amended Order constitutes an unconstitutional regulatory taking in violation of the state and federal constitutions.

## B. The OCC Acted Arbitrarily and Capriciously and Not in Accordance with Law by Improperly Shifting the Burden of Proof and Prioritizing Theoretical Risk of Waste Over Actual Waste.

The OCC did not act in accordance with law and acted arbitrarily and capriciously by (1) applying the wrong test to suspend Goodnight's injections improperly shifting the burden of proof to Goodnight and (2) improperly prioritizing the theoretical risk of waste over actual waste.

### 1. The OCC Applied a Wrong, Newly Created Test to Suspend Injection and Improperly Shifted the Burden of Proof.

Despite finding that Empire failed to meet its burden of proof regarding waste and impairment of correlative rights, the OCC nevertheless concluded Goodnight failed to refute the possibility of future waste or impairment by not proving the existence of a single "continuous barrier" between the Grayburg and its Disposal Zone across more than 14,000 acres. **[RP 19240 at III(B)]**. The OCC's analysis relied on the wrong test to suspend injection—erroneously adopting a new standard urged upon it by Empire in its closing brief and findings of fact—and improperly shifts the burden of proof from Empire to Goodnight before Empire met its initial burden to prove that Goodnight's injection fluids are not being confined within the disposal interval as required by the OCC's own governing regulations. **[RP 19049-19050, 19053-19055,**

**19060 ¶¶ 75, 81, 85(q), (r), L (3), (4); RP 18756, 18762-18763; *compare* RP 19240 at III(B) *with* 19.15.26.10(E) NMAC]**.

a. The Amended Order Erroneously Relies on a New, Invalid Evidentiary Standard.

Neither the legislature nor OCC regulations impose a requirement that an operator of injection wells like Goodnight prove the existence of a single "continuous barrier" between formations at any point in an Underground Injection Control ("UIC") Class II permit review process, either at the initial permitting stage or in response to a challenge of an existing permit, let alone across an area in excess of 14,000 acres. For injection operations, the regulations require only that injection wells be operated "in such a manner as will confine the injected fluids to the interval or intervals approved and prevent surface damage or pollution resulting from leaks, breaks or spills." 19.15.26.10(B) NMAC. As to suspension of injection, the regulations provide that the OCC "may" shut in injections wells only after such wells "have exhibited failure to confine injected fluids to the authorized injection zone or zones[.]" 19.15.26.10(E) NMAC.

Agencies are bound by their own regulations, *Saenz v. N.M. Dep't of Human Servs., Income Support Div.*, 1982-NMCA-159, ¶ 14, 653 P.2d 181, and an agency's failure to follow its own governing regulations is both arbitrary and capricious *and* not in accordance with law. Under the regulations governing injection of fluids, a movant seeking to revoke or suspend an existing permit must show a "failure to confine liquids to the authorized injection zone." 19.15.26.10(E) NMAC.

As the applicant to revoke or suspend Goodnight's injection permits, the burden belonged to Empire to show a "failure to confine liquids to the authorized injection zone." *See infra* § B(1)(b). Empire failed to make that necessary showing because the "Commission found Empire DID NOT adduce substantial evidence that their correlative rights are CURRENTLY impaired by Goodnight's injection in the San Andres." **[RP 19241-19242 ¶¶ 54-56** (emphasis in original)**]**.

Likewise, the OCC's finding that Goodnight failed to show the existence of a single continuous barrier across 14,000 acres does not justify suspending Goodnight's existing injection operations because that is not the test to suspend injection operations. ***Compare* 19.15.26.10(E) NMAC *with* [RP 19241 ¶ 53]**. Under the regulations, proving that no single "continuous barrier" exists is neither necessary nor sufficient to suspend an injection permit because the confinement test requires a showing of actual intrusion of fluids. *See* 19.15.26.10(E) NMAC. And the OCC fails to identify substantial evidence to support suspending Goodnight's injection under its controlling regulations. *See infra* § B(1)(c).

Similarly, failure to prove the existence of a single "continuous barrier" is not a proper basis to deny new injection applications. Nothing in the regulations, OCD guidance, or the Form C-108[8] application for injection, requires proof of a single continuous barrier—let alone one that extends over more than 14,000 acres—as a condition for obtaining authority to inject. The regulations provide that injection wells must be "operate[d] and maintain[ed] at all times . . . in such a manner as will confine the injected fluids to the interval or intervals approved[.]" 19.15.26.10(B) NMAC. The C-108 form requires a statement based on review of the available geologic and engineering data affirming there is "no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water."[9] Based on its findings and conclusions, the OCC determined there is substantial evidence that there is no loss of confinement of injection fluids from Goodnight's existing injection. **[*See* RP 19241-19242 ¶¶ 54-56]**. Those findings are sufficient to authorize Goodnight's continued

[8] https://www.emnrd.nm.gov/ocd/wp-content/uploads/sites/6/C-108.pdf.
[9] *See, supra*, fn. 6.

injection in its existing four disposal wells and to approve Goodnight's proposed new injection through its five new proposed wells. *See* 19.15.26.10(B) NMAC.

b. The OCC Improperly Shifted the Burden of Proof to Goodnight, Despite No Finding that Empire had Met its Burden.

In partially granting Empire's applications, the OCC relied on its finding that "Goodnight DID NOT adduce substantial evidence of the existence of a continuous barrier between the Grayburg and the San Andres and therefore DID NOT refute the potential for FUTURE impairment or waste in the EMSU." **[RP 19240 at § III(B)** (emphasis in original)**]**. Not only is this finding based on the application of an improper evidentiary standard, it also improperly, and prematurely, shifts the burden of proof from Empire to Goodnight.

As the applicant seeking to shut in Goodnight's injection, it was Empire's burden to prove Goodnight's injection wells "exhibited failure to confine injected fluids" to the San Andres. 19.15.26.10(E) NMAC. It was not Goodnight's burden to prove the existence of a single "continuous barrier," especially given the OCD's prior approval for each of the wells means Goodnight has already shown injected fluid will be properly confined to its zone. *See Duke City Lumber Co. v. N.M. Envt'l Improvement Bd.*, 1980-NMCA-160, ¶ 4, 622 P.2d 709 (explaining the common-law rule that a moving party bears the burden of proof); *see also* **[RP 18818-18820** (addressing burdens of proof to overturn an administrative agency's adjudicatory order)**]**.

Even applying the improper standard, Empire failed to first prove or otherwise evidence the lack of a continuous barrier. *See infra* § B(1)(C). In fact, the OCC's findings explicitly state that Empire has not provided evidence proving Goodnight's activities in the San Andres have harmed or impaired Empire's rights within the Grayburg. **[RP 19241-19242 ¶¶ 54-56]**. Stated another way, Empire has failed to prove that: (1) Goodnight's injection wells have exhibited failure to confine injected fluids to the Disposal Zone and (2) Goodnight's injection has drowned out,

encroached upon, or otherwise reduced ultimate recovery from the Grayburg. This evidentiary shortcoming alone establishes that Goodnight's activities do not meet the standards for shutting in injection under the OCC's regulations.

Having failed to establish its prima facie case, a requirement under the governing regulations and administrative law, the evidentiary burden never shifted to Goodnight. There was nothing for Goodnight to refute. That Empire was unable to prove lack of confinement after more than six decades of continuous injection into the San Andres in and around the EMSU is substantial evidence that injection is, and continues to be, confined to the Disposal Zone. **[*See, e.g.*, RP 18776-18779, 18780, 18777-18778, 18780 ¶¶ 48-59, 74-75, 53, 68]**.

c. The OCC's Application of a Single "Continuous Barrier" Standard Contravenes Controlling Regulations and the Basis for UIC Primacy Authority.

The OCD applied for, and was granted, primacy from the U.S. EPA for the UIC Class II injection program under the standards promulgated in the administrative code, including the standards adopted under 19.15.26.10(B) and (E) NMAC. Nothing under the promulgated regulations, or even OCD guidance, establishes a basis for requiring a conclusive showing of a single continuous barrier across more than 14,000 acres for issuance of a UIC Class II disposal permit or, as applicable here, to prevent suspension of previously approved injection operations. Indeed, nothing in the OCD's application for UIC Class II primacy supports imposition of such a heightened standard. *See* New Mexico Energy and Minerals Department, Oil Conservation Division, Underground Injection Control Program, Class II Demonstration, Submitted to U.S. EPA, Sept. 15, 1981.[10] The OCC's sudden use of a new, more stringent "continuous barrier" standard contradicts the basis on which the OCD was granted primacy to regulate UIC Class II

[10] https://ocdimage.emnrd.nm.gov/Imaging/FileStore/santafeadmin/ao/77478/pcjc0919650740_2_ao.pdf.

injection and its current governing regulations. *See* https://www.epa.gov/uic/class-ii-oil-and-gas-related-injection-wells; *see also* 19.15.26.10(B) & (E) NMAC. In addition, imposition of this heightened and unpromulgated standard establishes a new precedent that will have far-reaching negative consequences on the OCD's administration of its UIC program, including existing and future disposal operations, risking the stability and reliability of the State's critical permitting program. Applied universally, imposition of this standard would put at risk produced water injection in New Mexico.

19.15.26.10(B) and (E) NMAC partially implement both the OCD's UIC regulatory authority, as well as the OCC's statutory authority to prevent waste and protect correlative rights by preventing the drowning by water of any stratum capable of producing oil or gas in paying quantities and preventing premature and irregular encroachment of water in any zone capable of producing commercial quantities of oil and gas. *See* NMSA 1978, § 70-2-12(B)(4); **[RP 18908 ¶¶ 4, 6** (approving disposal where injection "into the proposed disposal interval will not cause the premature drowning by water of any zone capable of producing commercial quantities of oil and gas in the area.")**]**. In construing its authority to prevent waste and protect correlative rights under Section 70-2-12(B)(4), the OCC promulgated 19.15.26.10(E) NMAC, providing that it "may" shut in injections wells only after such wells "have exhibited failure to confine injected fluids to the authorized injection zone or zones[.]" 19.15.26.10(E) NMAC. No other regulation incorporates standards addressing the basis for orders to restrict injection volumes or shut in injection wells.

Without the evidentiary showing required by 19.15.26.10(E) NMAC, neither the OCC nor OCD have discretion to suspend or shut in Goodnight's injection. Doing so in contravention of its governing regulations and UIC primacy authority is arbitrary and capricious and not in accordance

with the law. *See* https://www.epa.gov/uic/class-ii-oil-and-gas-related-injection-wells; *see also* 19.15.26.10(B) & (E) NMAC.

**2. The OCC Improperly Prioritized Theoretical Risk of Waste Over Actual Waste.**

The Oil and Gas Act charges the OCC with preventing "waste," which is the loss or inefficient recovery of oil and gas resources. NMSA 1978, § 70-2-11. But the Oil and Gas Act limits the OCC's authority to situations involving oil, gas, or other hydrocarbons that are actually recoverable in commercial quantities; the OCC cannot invoke its waste-prevention powers to protect resources that have not been shown to be recoverable. *See* NMSA 1978, §§ 70-2-3 & 70-2-12(B)(4); *Cont'l Oil Co.*, 1962-NMSC-062, ¶ 11. Here, the OCC's Amended Order creates the paradox of causing actual, immediate waste to guard against a theoretical, unproven risk of future waste. The OCC's jurisdiction, broad as it may be, is still confined to instances involving commercial quantities of recoverable oil and gas. The OCC found that there is no proof that the hydrocarbons Empire claims are at risk of impairment and waste are recoverable or commercial, but then temporarily suspends Goodnight's valid injection permits and applications for five new injection wells on the grounds that Goodnight failed to refute the potential for future impairment or waste in the EMSU. **[RP 19239-19241 at III(A)-(B); RP 19244-19245]**. The OCC then goes one step further, finding that while future waste and impairment of correlative rights are possible, Empire has not shown that Goodnight's activity is currently causing waste or impairing its rights. **[RP 19241 at III(C)]**.

Because the OCC's authority to act requires a finding that hydrocarbons are recoverable and economic, the OCC erred in prioritizing impacts to an unproven ROZ over impacts to existing production. Protecting against potential future waste or impairment of unproven resources at the expense of existing production violates the Oil and Gas Act. In prioritizing protecting against a

theoretical risk for "potential" "future impairment," the Amended Order unreasonably and improperly risks immediate impact to the 34,000 barrels of daily oil production that may not be produced without Goodnight's disposal. **[*See generally*, RP 19246]**. Contrary to the law, its statutorily imposed duty, and public interest, the OCC's Amended Order substantially increases the risk of waste rather than protects against it.

## C. The OCC's Amended Order is Not Supported by Substantial Evidence.

The OCC's Amended Order is not supported by substantial evidence for two independent reasons. First, the OCC's finding that an ROZ exists in Goodnight's Disposal Zone is not supported by substantial evidence. Second, the OCC's finding that there is potential future impairment of correlative rights or waste is not based on substantial evidence.

### 1. The OCC's Finding that an ROZ Exists in Goodnight's Disposal Zone is Not Supported by Substantial Evidence.

The central factual question at the OCC hearing was whether an ROZ—a subsurface interval containing oil left behind after natural migration—exists at the depth where Goodnight disposes of produced water. The most direct way to determine whether oil is present at a given depth is from core samples: cylindrical rock samples drilled from the formation and analyzed for oil saturation. **[RP 12385 at 164:8-15]**. The OCC found "that there was substantial evidence presented at the hearing to establish the existence of a ROZ in the Grayburg and San Andres, especially the core analysis evidence." **[RP 19240 at III.B]**. That finding is not supported by substantial evidence for a straightforward reason: the core samples do not show oil at Goodnight's disposal depth or at the threshold level required by Empire's own experts. The cores stop hundreds of feet above Goodnight's Disposal Zone, and none of the OCC's findings (Nos. 28-37) support the conclusion that an ROZ exists below -652 feet subsea, let alone below the top of Goodnight's confining zone (the low permeability zone that isolates Goodnight's Disposal Zone from the

overlying Grayburg and Upper San Andres formations) at -672 feet subsea. **[*See* RP 19386]**. While the OCC in the Amended Order recognizes a distinction between Goodnight's Disposal Zone in the San Andres and the formations above **[*see* RP 19240 ¶ 51]**, it fails to identify substantial evidence that an ROZ exists at Goodnight's disposal depth.

Moreover, the OCC's findings fail to identify where, across more than 1,700 vertical feet of the Grayburg and San Andres formations, the purported ROZ is located. **[*See, e.g.*, RP 10209]**. This omission is significant: Empire's experts testified that the thickest known ROZ (in the Tall Cotton field) is no more than 400 feet thick[11] **[RP 07359]**, and the San Andres disposal zone is an aquifer because the identified oil saturations are concentrated above Goodnight's confining zone at -672 feet subsea. **[RP 13015-13044; RP 18788 ¶ 126]**.

When the sufficiency of an agency's findings is at issue, "the following must appear: (A) Findings of ultimate facts which are material to the issues . . . [and] (B) Sufficient findings to disclose the reasoning of the OCC in reaching its ultimate findings." *Fasken v. Oil Conservation Comm'n*, 1975-NMSC-009, ¶ 8, 532 P.2d 588. "Administrative findings by an expert administrative commission should be sufficiently extensive to show the basis of the commission's order." *Id.* (citing *Cont'l Oil Co.*, 1962-NMSC-062, ¶ 16). Here, no findings of ultimate fact identify the interval within which the potential ROZ is located. To the extent the OCC's Amended Order finds a potential ROZ across the entire 1,700 vertical feet of the EMSU—more than four times thicker than the thickest known ROZ—it is not supported by substantial evidence.

Empire's own experts define an ROZ as a zone with oil saturations of at least 20%, decreasing with depth.[12] The two core samples in the EMSU do not meet that threshold at

[11] **[*See also* RP 13334** (not aware of any ROZs thicker than what is listed on Table D-1)**]**.
[12] **[*See, e.g.*, RP 12246** ("[W]hat a residual oil zone would look like is, in a conventional core analysis, would be anything with 20 percent or greater percent oil would be considered a residual

Goodnight's disposal depth. The R.R. Bell #4 core extends only to -455 feet subsea—more than 200 feet above Goodnight's confining zone at -672 feet subsea—and provides no evidence of oil saturations in Goodnight's Disposal Zone. **[RP 07211-07212; RP 19386; RP 05481-05483]**. The EMSU-679 core, the deepest available, extends to -762 feet subsea, but the deepest consecutive oil saturations above 20% occur at -652 feet subsea. **[RP 07209-07210; RP 07246; RP 05346 ¶ 144; RP 05483; RP 19386]**. Below that depth, only two isolated one-foot samples measured at or above 20%, and no samples within Goodnight's disposal interval below -762 feet subsea showed oil saturations above 20%. **[RP 07246-07250; RP 05482-05483]**.

The average core oil saturation above -672 feet subsea is approximately 18%, but drops to just 7.11% below that depth. **[RP 05483]**. Under Empire's own experts' definition—requiring saturations above 20% that decrease with depth—there is no basis to conclude saturations would increase below the cored interval. **[RP 05481-05483; RP 07279; RP 12413; RP 17905 at 89:6-9** ("ROZs, by definition, have a decreasing oil saturation, so it is unfounded to assume that oil saturations would be higher[.]")**]**. XTO's own sales materials placed the base of a potential ROZ at no deeper than -700 feet subsea, and Empire has acquired no new data to justify a different conclusion. **[RP 07087; RP 18773-18774 ¶¶ 26, 31]**. Therefore, no substantial evidence supports the OCC's finding that an ROZ exists below -652 feet subsea, let alone below Goodnight's confining zone at -672 feet subsea.

The OCC's specific findings (Nos. 28-37) do not alter this conclusion. Finding Nos. 28 and 29 (that coring shows visible oil saturation and extends into the San Andres) do not establish that an ROZ exists below the top of Goodnight's confining interval at -672 feet subsea. Finding Nos.

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oil zone."); **RP 07304-07305** (ROZs contain between 20-40% oil saturation); **RP 18788 ¶ 126; RP 12413** (ROZ profile shows higher oil saturations decreasing to lower oil saturations); **RP 07279]**.

30 and 31 identify oil saturations at depths substantially shallower than Goodnight's Disposal Zone: Finding No. 30 identifies saturations from -643 to -653 feet subsea, all above Goodnight's confining zone, and Finding No. 31 describes saturations from -445 to -451 feet subsea in the R.R. Bell #4—more than 200 feet shallower. **[*See* RP 19386]**.[13]

Finding No. 32 relies on Dr. Lindsay's testimony that oil staining at the base of the cores "indicates that oil saturations exist deeper into the San Andres." But this supposition contradicts Empire's other experts' conclusion that ROZs have decreasing oil saturations with depth. **[RP 12413 at 192:8-10; RP 07279]**. With the bottom 110 feet of the EMSU-679 core averaging only 7.11% oil saturation, it is unreasonable to conclude saturations above 20% exist below that depth. **[RP 17903-17905 at 87:20-89:21; RP 05483]**. Dr. Lindsay himself conceded: "We got the logs and then we got logs deeper in the section, but we don't know the oil saturations. That's the problem." **[RP 12415-12416 at 194:22-195:11; RP 18796 ¶ 168]**.

Finding No. 34 states that well logs presented by Dr. Lindsay corroborate the core data, citing Empire Exhibits B-23 through B-26. However, none of those exhibits show oil saturations within Goodnight's Disposal Zone. Empire's Exhibit B-23 depicts the base of the San Andres ROZ at a depth shallower than Goodnight's disposal interval. **[*See* RP 05482-05483; RP 07225]**. The remaining exhibits address the R.R. Bell #4 well, where the deepest data is more than 200 feet above Goodnight's confining zone. **[RP 07226-07228]**. These exhibits provide no support for an ROZ within Goodnight's Disposal Zone.

As to Finding No. 35, while Empire's witnesses testified that an ROZ exists, none testified that an ROZ exists within Goodnight's Disposal Zone below -672 feet subsea. Empire expert

[13] Empire's ROZ expert, Dr. Trentham, agreed with Goodnight's placement of the base of a potential ROZ based on the EMSU-679 core data and a 20% oil saturation cutoff shown in **RP 05481-05483**. **[*See* RP 09544-09547, 09554-09558]**.

Dr. Trentham testified that Empire has not "done enough analysis to solidify the argument about the existence of . . . potential recoverable ROZ in the San Andres." **[RP 13340 at 822-23:6-5]** Dr. Trentham also testified that he did not know if a recoverable ROZ existed in the San Andres where Goodnight's Disposal Zone is located. **[RP 13340, 13347 at 822:6-18, 829:18-22]**. Empire expert Mr. Melzer similarly testified that "by itself [petrophysics] is not enough to say that it is going to tell you where the ROZ is[.]" **[RP 13362-13363 at 844:21-845:15]**. None of Empire's experts offered more than speculation as to the existence of an ROZ in Goodnight's Disposal Zone.

The OCC in the Amended Order also relies on testimony from Empire experts, Mr. Bailey and Mr. Birkhead, whose petrophysical interpretations—not direct evidence—purport to show a potential ROZ extending to the base of the San Andres. This testimony cannot constitute substantial evidence. Neither Mr. Bailey nor Mr. Birkhead are ROZ experts **[RP 12587 at 295:16-19; RP 12938-12940 at 570:6-12 and 572:9-14]**, and their analyses are based entirely on Mr. Birkhead's petrophysical model, which Empire's own ROZ expert Mr. Melzer stated "is not enough to say that it is going to tell you where the ROZ is[.]" **[RP 13362-13363 at 844:21-845:15]**. Moreover, their analysis excluded approximately one-third of the core-calibrated data without scientific justification, inflating average San Andres oil saturations from 14.34% to 19.5%—a 36% increase. **[RP 16380-16381; RP 13011-13012 at 643:18-644:12; RP 18793 ¶ 152]**. The resulting model predicted movable oil in EMSU San Andres water supply wells that have never produced reported oil despite producing more than 350 million barrels of water, confirming the model's unreliability. **[*See* RP 18776-18793 ¶¶ 42, 156; RP 12640-12646 at 348:23-354:12; RP 12698 at 406:8-25; RP 13210]**.

Finally, Finding Nos. 36 and 37 erroneously state that four of Goodnight's witnesses agreed that an ROZ exists. In context, each witness testified that any potential ROZ is limited to intervals

above Goodnight's Disposal Zone. Specifically, Dr. Davidson identified indications of an ROZ only "in the Upper San Andres above what I call the gamma ray marker" and clarified he does not believe one exists in the San Andres disposal zone. **[RP 16252 at 234:3-5; RP 16261-16263 at 243:21-245:9]**. Dr. Lake agreed an ROZ might exist in the lower Grayburg and Upper San Andres but maintained none exists in Goodnight's Disposal Zone. **[RP 17508, 17462 at 223:4-21, 177:20-24]**. Mr. Knights testified no ROZ exists below -500 feet subsea—well above Goodnight's confining zone. **[RP 16649 at 27:3-21]**. And Mr. Tomastik testified he had "not done any studies" on an ROZ and stated only that "there might be an ROZ in the San Andres directly below the base of the Grayburg[,]" **[RP 17685 at 104:19-21]**, but affirmatively testified that he did not believe one existed in Goodnight's Disposal Zone. **[RP 17686 at 105:3-7]**.

**2. The OCC's Finding that there is Potential Future Impairment of Correlative Rights or Waste is Not Based on Substantial Evidence.**

Under New Mexico law, "correlative rights" refers to each owner's right to a fair opportunity to recover the minerals beneath its property, and "waste" refers to the inefficient or destructive use of a hydrocarbon resource. 19.15.2 NMAC. The OCC found that Empire adduced substantial evidence of the possibility of future impairment of correlative rights or waste in the EMSU. **[*See* RP 19239-19240 at III.A]**. That conclusion, however, is not based on substantial evidence. And because the OCC's finding on possible future waste or impairment conflicts with its finding that there is no current waste or impairment **[RP 19241-19242 ¶¶ 54-56]**, the OCC did not provide sufficient explanation regarding what conditions are expected to change that could give rise to possible future impairment or waste.

The OCC found that "'[t]he strongest evidence' for no communication between the San Andres and Grayburg 'is material balance, which is volumes and pressure.'" **[RP 19241-19242 ¶ 56]**. Notwithstanding this finding, the OCC's findings about possible future communication rest

on Empire expert Dr. Lindsay's fracture study and Dr. Buchwalter's model simulation. **[*See* RP 19240 ¶¶ 43-48]**. Neither provides substantial evidence for future harm or waste and neither provides an explanation about what might change that could lead to future impairment or waste.

The OCC specifically relies on Dr. Lindsay's fracture study that shows 129 vertical fractures in the upper 36 feet of what Empire defines as the San Andres. **[RP 19240 ¶ 46]**. The OCC concluded that "[t]his could lead to communication between the Grayburg and the San Andres." *Id.* Fundamentally, Dr. Lindsay's fracture study cannot be substantial evidence of possible future communication because his fracture study does not extend into or through Goodnight's identified confining zone. The deepest rock analyzed for fractures by Dr. Lindsay in the EMSU-679 core is no deeper than 4,180 feet, about 88 feet above the confining zone that starts at 4,268 feet isolating the Grayburg from Goodnight's Disposal Zone. **[RP 12375-12376; RP 10136** ("The remainder of the EMSU-679 cored interval . . . from 4180' to 4258' (178' total) were not oriented and were not included in the fracture study."**); RP 05340-05341 ¶¶ 126-128; RP 05471** (showing measured depths and location of Goodnight's confining zone in the core**); RP 09794; RP 09682 ¶ 19; RP 05670** (679 well showing San Andres top**); RP 18779 ¶ 64].**

Moreover, the largest vertical fractures observed in Dr. Lindsay's fracture study were only three feet in length, which are not long enough to connect to Goodnight's Disposal Zone 90 feet below. **[RP 18779 ¶ 65]**. The fact that Dr. Lindsay's testimony fails to explain how communication could occur through fractures across Goodnight's confining interval nearly 90 feet below the deepest rock analyzed in his fracture study is not surprising. He testified that he never reviewed Goodnight's testimony or exhibits and did not know where Goodnight's Disposal Zone interval was located or at what depth Goodnight had identified a confining zone. **[*See* RP 18779 ¶ 63]**. Dr. Lindsay's fracture study therefore cannot constitute substantial evidence supporting the OCC's

finding of potential future communication between the San Andres and the Grayburg, as it fails to address—let alone establish—any basis for fluid migration across Goodnight's confining interval out of its Disposal Zone.

To the extent the OCC relies on Dr. Lindsay's testimony that dolomite (a type of rock) in the San Andres is brittle and therefore may have vertical fractures, this testimony also provides no substantial evidence for the OCC's finding that there is potential future impairment of correlative rights or waste. **[*See* RP 19241 ¶ 53]**. Dr. Lindsay's generalized testimony is mere supposition and not supported by any scientific methodology, let alone direct or indirect evidence of communication or fractures. The OCC's finding that there could be fluid communication in the future is also directly contradicted by the OCC's finding that no current communication is occurring between the San Andres and Grayburg based on direct evidence of injection volumes and pressures. **[*See* RP 19241-19242 ¶ 56]**. If fractures exist in the San Andres that could lead to future communication between the Grayburg and San Andres formations, as the OCC found, the OCC provided no evidentiary support for why communication has not been observed after more than 60 years of injection into the San Andres formation. **[*See* RP 19237 ¶¶ 14-15** (finding that from discovery of the field in 1929 to the present there has been injection for disposal into the San Andres)**; RP 19241-19242 ¶¶ 54-56** (finding no evidence of communication to date)**]**. Nor has the OCC provided evidentiary support for what it expects may change that would possibly result in communication when no communication has been observed to date. Stated simply, OCC Finding Nos. 43-46 provide no substantial evidence for a conclusion that future communication resulting in impairment or waste is possible.

Nor can Empire expert Dr. Buchwalter's model provide substantial evidence for the OCC's findings. The model is fundamentally unreliable and speculative because it does not account for

substantial volumes of water produced from and injected into the San Andres over the timeframe of the model. As Dr. Buchwalter admitted, he did not confirm the validity or accuracy of the data or input ranges Empire provided for his model. **[RP 13502, 13633 at 919:6-13, 1050:10-18]**. Dr. Buchwalter also admitted that if all water supply wells and withdrawal volumes were included in the model that he left out, the model "would never work, not even close." **[RP 13607-13610 at 1027:4-7, 1026:18-1027:7, 1024:19-25, 1025:1-1026:5; RP 13691 at 1108:15-19; RP 01810]**. This admission renders Dr. Buchwalter's analysis useless. Similarly, based on the exclusion of substantial volumes of nearby disposal wells, Dr. Buchwalter testified "[Y]ou're not going to come up with the pressure in the San Andres in 1986 and currently if you put in all these wells. So that is real data that needs to be matched." **[RP 13614-13619 at 1031:4-21, 1032:2-15, 1034:10-20, 1035:17-1036:14; RP 13691 at 1108:15-19]**. Dr. Buchwalter's model never matched that data because it was not included, making his model and conclusions unreliable and invalid.

Proof that Dr. Buchwalter's model is unreliable is demonstrated by its inability to predict simple volumes and pressure responses. His model predicts that 23,000-24,000 barrels of water per day are currently moving into the Grayburg from Goodnight's San Andres injection, but actual production data shows the EMSU consistently injects and produces about 70,000 barrels of water per day from the Grayburg—showing no predicted influx response. **[RP 18785 ¶ 103(i)]**. Similarly, the model predicts San Andres pressure will increase by about 4 psi per million barrels injected, but bottom-hole shut-in pressure data shows an actual increase of only about 0.25 psi per million barrels—orders of magnitude off. **[RP 17889-890 at 73:10-74:9; RP 16835-16836 at 213:6-214:5, 214:14-15; RP 13875-13876 ¶¶ 8-9; RP 18785 ¶ 103(i)]**. His model is wildly unreliable and provides no basis for substantial evidence.

The OCC's conclusion that "the model shows to a reasonable degree that water is moving from the San Andres into the Grayburg" is not substantiated by any direct evidence in the record and is mere speculation based on unreliable testimony. The OCC merely cites to Empire's closing brief and a single line in Dr. Buchwalter's testimony in support of this conclusion where he states he does not see how water could not be migrating from the San Andres into the Grayburg but includes no basis for the opinion. **[*See* RP 19240 ¶ 47 (citing RP 13284 at 766:11)]**. Empire's closing brief is argument of counsel, not evidence and cannot, therefore, serve as substantial evidence. "The mere assertions and arguments of counsel are not evidence." *Garcia v. Garcia*, 2010-NMCA-14, ¶ 75, 227 P.2d 621 (citing *Muse v. Muse*, 2009-NMCA-3, ¶ 51, 200 P.3d 104); *see also Henning v. Rounds*, 2007-NMCA-139, ¶ 2, 171 P.3d 317 ("[A]rguments of counsel are not evidence."); *G & G Servs., Inc. v. Agora Syndicate, Inc.*, 2000-NMCA-3, ¶ 51, 993 P.2d 751; *Fitzsimmons v. Fitzsimmons*, 1986-NMCA-029, ¶ 25, 722 P.2d 671 ("[C]ounsel's beliefs and statements cannot be considered as evidence."). The OCC's conclusion is further contradicted by the record evidence and the OCC's own subsequent findings that "Empire has not identified production data from any particular well within the EMSU that shows evidence of impacts from Goodnight's disposal operations in its production or operation[,]" **[RP 19241 ¶ 55]**, and that there is "no communication between the San Andres and Grayburg" based on the material balance evidence of "volumes and pressure." **[RP 19241-19242 ¶ 56]**. Accordingly, the OCC's Amended Order is not supported by substantial evidence and should be reversed.

## IV. STATEMENT OF THE RELIEF SOUGHT

For the foregoing reasons, Goodnight respectfully requests that the Court reverse the Amended Order and remand with instructions to deny Empire's applications and reinstate Goodnight's injection authority.

Dated: May 4, 2026.

Respectfully submitted,

By: */s/ Adam G. Rankin*

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**CERTIFICATE OF SERVICE**

I hereby certify that on May 4, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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# EXHIBIT F

# Inactive Well List

**Total Well Count: 670 Inactive Well Count: 39**
**Printed On: Wednesday, October 14 2026**

| District | API | Well | ULSTR | OCD Unit | Ogrid | Operator | Lease Type | Surface Owner | Well Type | Last Production | Formation/Notes | Status | TA Exp Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 30-025-25624 | A L CHRISTMAS NCT C #012 | 2-18-22S-37E | E | 330679 | Empire New Mexico LLC | P | P | O | 05/2025 | 06/16/11 ACIDIZED | | |
| 1 | 30-025-23949 | ARROWHEAD GRAYBURG UNIT #108 | I-25-21S-36E | I | 330679 | Empire New Mexico LLC | P | P | O | 09/2023 | | | |
| 1 | 30-025-08733 | ARROWHEAD GRAYBURG UNIT #149 | 4-01-22S-36E | D | 330679 | Empire New Mexico LLC | F | F | O | 03/2025 | GRAYBURG | | |
| 1 | 30-025-34842 | ARROWHEAD GRAYBURG UNIT #329 | M-36-21S-36E | M | 330679 | Empire New Mexico LLC | S | S | O | 04/2025 | GRAYBURG | | |
| 1 | 30-025-35423 | ARROWHEAD GRAYBURG UNIT #359 | P-02-22S-36E | P | 330679 | Empire New Mexico LLC | S | S | O | 05/2025 | GRAYBURG | | |
| 1 | 30-025-37284 | ARROWHEAD GRAYBURG UNIT #391 | 4-07-22S-37E | M | 330679 | Empire New Mexico LLC | P | P | O | 10/2024 | GRAYBURG | | |
| 1 | 30-025-32956 | COOPER LOVE #002 | 1-05-20S-37E | A | 330679 | Empire New Mexico LLC | P | P | G | 05/2025 | QUEEN | | |
| 1 | 30-025-30320 | DAURON #004 | 7-01-21S-37E | G | 330679 | Empire New Mexico LLC | P | P | O | 07/2024 | ABO 04/08/2010 PLUGBACK DHC 430 | | |
| 1 | 30-025-09511 | EUGENE COATES #007 | L-03-24S-36E | L | 330679 | Empire New Mexico LLC | P | P | O | 10/2004 | | T | 12/13/2024 |
| 1 | 30-025-04324 | EUNICE MONUMENT SOUTH UNIT #109 | H-25-20S-36E | H | 330679 | Empire New Mexico LLC | P | P | O | 05/2025 | | | |
| 1 | 30-025-04427 | EUNICE MONUMENT SOUTH UNIT #165 | L-36-20S-36E | L | 330679 | Empire New Mexico LLC | S | S | O | 04/2009 | | T | 9/26/2025 |
| 1 | 30-025-04513 | EUNICE MONUMENT SOUTH UNIT #184 | 1-05-21S-36E | A | 330679 | Empire New Mexico LLC | S | S | O | 07/2025 | GRAYBURG | | |
| 1 | 30-025-04506 | EUNICE MONUMENT SOUTH UNIT #224 | 13-05-21S-36E | E | 330679 | Empire New Mexico LLC | S | S | O | 06/2025 | GRAYBURG SAN ANDRES | | |
| 1 | 30-025-04527 | EUNICE MONUMENT SOUTH UNIT #246 | I-06-21S-36E | I | 330679 | Empire New Mexico LLC | S | S | O | 06/2025 | GRAYBURG SAN ANDRES | | |
| 1 | 30-025-04500 | EUNICE MONUMENT SOUTH UNIT #254 | M-05-21S-36E | U | 330679 | Empire New Mexico LLC | S | S | O | 06/2025 | GRAYBURG | | |
| 1 | 30-025-04603 | EUNICE MONUMENT SOUTH UNIT #276 | C-10-21S-36E | C | 330679 | Empire New Mexico LLC | P | P | O | 06/2025 | GRAYBURG SAN ANDRES | | |
| 1 | 30-025-21902 | EUNICE MONUMENT SOUTH UNIT #282 | A-08-21S-36E | A | 330679 | Empire New Mexico LLC | S | S | O | 06/2025 | | | |
| 1 | 30-025-04590 | EUNICE MONUMENT SOUTH UNIT #317 | K-10-21S-36E | K | 330679 | Empire New Mexico LLC | P | P | O | 06/2025 | GRAYBURG SAN ANDRES | | |
| 1 | 30-025-04630 | EUNICE MONUMENT SOUTH UNIT #353 | A-14-21S-36E | A | 330679 | Empire New Mexico LLC | F | P | O | 06/2025 | GRAYBURG SAN ANDRES | | |
| 1 | 30-025-04636 | EUNICE MONUMENT SOUTH UNIT #355 | C-14-21S-36E | C | 330679 | Empire New Mexico LLC | P | P | O | 06/2025 | GRAYBURG/SAN ANDRES | | |
| 1 | 30-025-04676 | EUNICE MONUMENT SOUTH UNIT #369 | A-18-21S-36E | A | 330679 | Empire New Mexico LLC | F | F | O | 06/2025 | GRAYBURG SAN ANDRES | | |
| 1 | 30-025-29622 | EUNICE MONUMENT SOUTH UNIT #462 | L-09-21S-36E | L | 330679 | Empire New Mexico LLC | S | S | O | 06/2025 | CONVERT FROM W TO OIL 05/2/2012 | | |
| 1 | 30-025-35461 | EUNICE MONUMENT SOUTH UNIT #560 | O-36-20S-36E | O | 330679 | Empire New Mexico LLC | S | S | O | 06/2024 | GRAYBURG-SAN ANDRES | | |
| 1 | 30-025-35454 | EUNICE MONUMENT SOUTH UNIT #622 | K-05-21S-36E | S | 330679 | Empire New Mexico LLC | S | S | I | 05/2025 | GRAYBURG-SA WFX 858 03/16/10 CONVT TO IN | | |
| 1 | 30-025-35205 | EUNICE MONUMENT SOUTH UNIT #688 | L-08-21S-36E | L | 330679 | Empire New Mexico LLC | F | P | O | 06/2025 | GRAYBURG-SA | | |
| 1 | 30-025-35168 | EUNICE MONUMENT SOUTH UNIT #750 | H-16-21S-36E | H | 330679 | Empire New Mexico LLC | S | S | O | 06/2025 | GRAYBURG-SAN ANDRES | | |
| 1 | 30-025-35459 | EUNICE MONUMENT SOUTH UNIT #775 | J-15-21S-36E | J | 330679 | Empire New Mexico LLC | S | S | O | 06/2025 | GRAYBURG-SA PLUGBACK 04/6/11 | | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 30-025-04206 | EUNICE MONUMENT SOUTH UNIT B #863 | P-10-20S-36E | P | 330679 | Empire New Mexico LLC | F | F | O | 02/2019 | | T | 3/21/2025 |
| 1 | 30-025-04262 | EUNICE MONUMENT SOUTH UNIT B #871 | B-14-20S-36E | B | 330679 | Empire New Mexico LLC | F | P | O | 06/2025 | GRAYBURG SAN ANDRES | | |
| 1 | 30-025-04266 | EUNICE MONUMENT SOUTH UNIT B #890 | P-14-20S-36E | P | 330679 | Empire New Mexico LLC | F | P | O | 05/2025 | | | |
| 1 | 30-025-04292 | EUNICE MONUMENT SOUTH UNIT B #902 | D-23-20S-36E | D | 330679 | Empire New Mexico LLC | F | P | O | 10/2023 | | | |
| 1 | 30-025-31013 | H T MATTERN NCT A #005 | M-24-21S-36E | M | 330679 | Empire New Mexico LLC | S | P | G | 06/2025 | YATES-7R-QUEEN / RECLASSIFY OIL TO GAS | | |
| 1 | 30-025-25081 | H T MATTERN NCT D #014 | C-07-22S-37E | C | 330679 | Empire New Mexico LLC | P | P | O | 04/2025 | DRINKARD/TUBB/BLINEBRY | | |
| 1 | 30-025-10131 | J L GREENWOOD #010 | P-09-22S-37E | P | 330679 | Empire New Mexico LLC | P | P | O | 03/2025 | BLINEBRY | | |
| 1 | 30-025-10136 | J L GREENWOOD #015 | M-09-22S-37E | M | 330679 | Empire New Mexico LLC | P | P | O | 04/2025 | BLINEBRY | | |
| 1 | 30-025-30455 | J L GREENWOOD #016 | N-09-22S-37E | N | 330679 | Empire New Mexico LLC | P | P | O | 03/2025 | BLINEBRY | | |
| 1 | 30-025-20331 | JOHN D KNOX #010 | G-10-21S-36E | G | 330679 | Empire New Mexico LLC | P | P | O | 06/2025 | INT TO SURFACE COMMGLE 07/13/2010 | | |
| 1 | 30-025-34560 | MONUMENT 36 STATE #001 | P-36-18S-36E | P | 330679 | Empire New Mexico LLC | S | P | O | 11/2015 | ABO - 12/11/2009 PLGBCK DRINKARD | T | 12/18/2025 |
| 1 | 30-025-34561 | MONUMENT 36 STATE #002 | I-36-18S-36E | I | 330679 | Empire New Mexico LLC | S | P | O | 12/2024 | ABO INT REPAIR PUMP 10/5/2011 | | |

WHERE Operator:330679, County:All, District:All, Township:All, Range:All, Section:All, Production(months):14, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

# EXHIBIT G

# CLAIM OF LIEN

**NOTICE IS HEREBY GIVEN THAT**:

**Expanse Electrical Company, LLC**, ("**Claimant**") whose address is P. O. Box 842751, Dallas, Texas 75284-2751 pursuant to 70-4-1, et. seq., NMSA 1978, **CLAIMS A LIEN** upon the following described lands together with all Oil and Gas Leases covering all or any portion of the same and located in Lea County, New Mexico, described as follows:

**AL Christmas NCTC NMOCD Lease No. 331226, which has 10 wells listed with the New Mexico Oil Conservation Division within numerous Sections of Township 24 South-Range 37 East NMPM.**

This Claim of Lien arises from the performance of labor and/or the furnishing or hauling of material, equipment, tools, machinery, and/or oil or gas well supplies used or employed in the digging, drilling, torpedoing, completing, maintaining, equipping, electrifying, operating, or repairing the following described and/or gas well located upon the above described lands and lease, to wit:

**Electrical Services for the A L Christmas NCT C (AL Christmas TB) Tank Battery oil and gas property. Specifically located at latitude 32.233 longitude -103.123 in Section 12, Township 24 South-Range 37 East NMPM.**

The lien Claimant additionally claims a lien on all production of oil and/or gas from the above-described well, together with all other oil and/or gas wells located upon the described lands, together with all proceeds from the sale of oil and gas produced therefrom inuring to the working interest, the whole of the above-described lands and oil and gas lease, leasehold estate, and any rights-of-way therefor, together with all of the equipment,

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CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

fixtures, machinery, tools, appliances, buildings or improvements, located upon said lease and lands and employed in the operating and developing of the above-described well, and situated upon the lease and lands.

**Empire Petroleum Corp./Empire New Mexico LLC** or reputed owners of the working interest under the above-described Lease # 331226, **A L Christmas NCT C (AL Christmas TB) Tank Battery**, gas lease, lands, and oil and gas well or wells, to the best knowledge, information and belief of Claimant is the owner of the producing oil and gas assets.

The labor performed and the furnishing or hauling of material, equipment, tools, machinery, or oil well or gas well supplies furnished to and for the benefit of the lease and well are more perfectly itemized on **Exhibit "A"**, attached hereto and incorporated by reference. The said items were performed and furnished at the request of Danny Gonzalez, Senior Electrician.

The total amount claimed which is due and owing to the lien Claimant is **$2,720.71**, and said sum remains unpaid after all just credits and offsets have been applied. The last date of performance of labor or other services pursuant to which this lien is claimed was April 9, 2025, and was invoiced on that date as reflected by **Exhibit "A"**. Said amount was due and payable on or before 30 days from the date of invoice. Lien Claimant claims interest either as provided by the invoice for services or by other existing contract between Claimant and obligor, or alternatively at the rate prescribed by law. Lien Claimant further claims a reasonable attorney's fee for the preparation and recording of this lien and all other costs, including any future attorneys' fees in the trial and appellate courts.

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

**IN WITNESS WHEREOF**, I have placed my hand and seal this 17 day of July, 2025.

**Expanse Electrical Company, LLC**

By: _____
Steven Vuici
Accounts Receivable Supervisor



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CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

# AFFIDAVIT

STATE OF TEXAS )
)
COUNTY OF HARRIS )

Steven Vutci, being first duly sworn upon his oath, states:

I am the Accounts Receivable Supervisor, of Expanse Electrical Company, LLC. I have read and understand the contents of the foregoing Claim Of Lien. I hereby declare under penalty of perjury that the information given is true and correct to the best of my knowledge.

(Signature)

**SUBSCRIBED AND SWORN** to before me this 17 day of July, 2025.

Notary Public

My Commission Expires:
6-12-2029

KELLY LANDRAM
Notary Public, State of Texas
Comm. Expires 06-12-2029
Notary ID 128024724

STATE OF Texas )
)
COUNTY OF Harris )

The foregoing instrument was acknowledged before me this ___ day of _____, 20__, by _____ (Title of Office), of _____.

Notary Public

My Commission Expires:

_____

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

# EXHIBIT "A"

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BY CYNTHIA RAMIREZ

EXPANSE
ELECTRICAL CO

# INVOICE CD10053583

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *238116 | 231594 | 4/15/25 |
| | Work Location | | Service Dates |
| | AL CHRISTMAS TB | | 4/9/25<br>4/9/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX 75284 | Purchase Order | AFE | Due Date<br>5/15/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|

Ordered by: DANNY GONZALES
Job Number: 25EDS00038
REMOVE TRANSFORMER AND REPLACE WITH 25 KVA TRANSFORMERS

DATE 4/9/2025
JOB#25EDS00038

| | | | | | | |
|---|---|---|---|---|---|---|
| SL | LINEMAN | 11573 | | 5 HR | 70.00 | 350.00 |
| SMO | MACHINE OPERATOR | 11824 | | 5 HR | 62.00 | 310.00 |
| SMO | MACHINE OPERATOR | 11869 | | 5 HR | 62.00 | 310.00 |
| SL | LINEMAN | 12212 | | 5 HR | 70.00 | 350.00 |
| SL | LINEMAN | 549 | | 5 HR | 70.00 | 350.00 |
| BT | BOOM TRUCK | 612 | | 5 HR | 74.00 | 370.00 |
| ST | SERVICE TRUCK | 1363 | | 3 HR | 35.00 | 105.00 |
| ST | SERVICE TRUCK | 1389 | | 2 HR | 35.00 | 70.00 |
| LBT | BUCKET TRUCK | 2033 | | 5 HR | 74.00 | 370.00 |
| | | | | | Labor, Equipment, and Other | 2,585.00 |

## HOW TO PAY

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to:<br><br>Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Please mail to:<br><br>Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 2,585.00 |
| Sales Tax | 135.71 |
| Total | 2,720.71 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

25-9

# CLAIM OF LIEN

**NOTICE IS HEREBY GIVEN THAT**:

**Expanse Electrical Company, LLC**, ("**Claimant**") whose address is P. O. Box 842751, Dallas, Texas 75284-2751 pursuant to 70-4-1, et. seq., NMSA 1978, **CLAIMS A LIEN** upon the following described lands together with all Oil and Gas Leases covering all or any portion of the same and located in Lea County, New Mexico, described as follows:

**Eunice Monument South Unit B (EMSU B) NMOCD Lease No. 330843, which has 75 wells listed with the New Mexico Oil Conservation Division within numerous Sections of Township 20 South-Range 36 East NMPM.**

This Claim of Lien arises from the performance of labor and/or the furnishing or hauling of material, equipment, tools, machinery, and/or oil or gas well supplies used or employed in the digging, drilling, torpedoing, completing, maintaining, equipping, electrifying, operating, or repairing the following described and/or gas well located upon the above described lands and lease, to wit:

**Electrical Services for the Eunice Monument South Unit B (EMSU B) oil and gas property. Specifically located at latitude 32.585 longitude -103.319 in Section 11, Township 20 South-Range 36 East NMPM.**

The lien Claimant additionally claims a lien on all production of oil and/or gas from the above-described well, together with all other oil and/or gas wells located upon the described lands, together with all proceeds from the sale of oil and gas produced therefrom inuring to the working interest, the whole of the above-described lands and oil and gas lease, leasehold estate, and any rights-of-way therefor, together with all of the equipment,

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CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

fixtures, machinery, tools, appliances, buildings or improvements, located upon said lease and lands and employed in the operating and developing of the above-described well, and situated upon the lease and lands.

**Empire Petroleum Corp./Empire New Mexico LLC** or reputed owners of the working interest under the above-described Lease # 330843, **Eunice Monument South Unit B (EMSU B)**, gas lease, lands, and oil and gas well or wells, to the best knowledge, information and belief of claimant is the owner of the producing oil and gas assets.

The labor performed and the furnishing or hauling of material, equipment, tools, machinery, or oil well or gas well supplies furnished to and for the benefit of the lease and well are more perfectly itemized on **Exhibit "A"**, attached hereto and incorporated by reference. The said items were performed and furnished at the request of Danny Gonzalez, Senior Electrician.

The total amount claimed which is due and owing to the lien Claimant is **$8,051.19**, and said sum remains unpaid after all just credits and offsets have been applied. The last date of performance of labor or other services pursuant to which this lien is claimed was March 28, 2025, and was invoiced on that date as reflected by **Exhibit "A"**. Said amount was due and payable on or before 30 days from the date of invoice. Lien Claimant claims interest either as provided by the invoice for services or by other existing contract between Claimant and obligor, or alternatively at the rate prescribed by law. Lien Claimant further claims a reasonable attorney's fee for the preparation and recording of this lien and all other costs, including any future attorneys' fees in the trial and appellate courts.



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CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

**IN WITNESS WHEREOF**, I have placed my hand and seal this 17 day of July, 2025.

**Expanse Electrical Company, LLC**

By: _____
Steven Vutcl
Accounts Receivable Supervisor



LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

**AFFIDAVIT**

STATE OF TEXAS )
)
COUNTY OF HARRIS )

Steven Vutci, being first duly sworn upon his oath, states:

I am the Accounts Receivable Supervisor, of Expanse Electrical Company, LLC. I have read and understand the contents of the foregoing Claim Of Lien. I hereby declare under penalty of perjury that the information given is true and correct to the best of my knowledge.

(Signature)

**SUBSCRIBED AND SWORN** to before me this 17 day of July, 2025.

Kelly Landram
Notary Public

My Commission Expires:
6-12-2029

KELLY LANDRAM
Notary Public, State of Texas
Comm. Expires 06-12-2029
Notary ID 128024724

STATE OF Texas )
)
COUNTY OF Harris )

The foregoing instrument was acknowledged before me this ___ day of _____, 20__, by _____ (Title of Office), of _____.

_____
Notary Public

My Commission Expires:

_____

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

# EXHIBIT "A"

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BY CYNTHIA RAMIREZ

EXPANSE
ELECTRICAL CO

# INVOICE CD10053064

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *237698 | 231162 | 4/1/25 |
| | Work Location | | Service Dates |
| | EMSU B | | 3/28/25<br>3/28/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX 75284 | Purchase Order | AFE | Due Date<br>5/1/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|

Ordered by: DANNY GONZALES
Job Number: 25EDS00034
DE ENERGIZED POWERLINE TO BE ABLE TO REMOCE AND REPLACE BROKEN POLES AND THEN ENERGIZED LINE AND CLEANED WORK AREA

JOB#25EDS00034

| | | | | | | |
|---|---|---|---|---|---|---|
| OL | LINEMAN O.T. | 11573 | | 1 HR | 105.00 | 105.00 |
| SL | LINEMAN | 11573 | | 8 HR | 70.00 | 560.00 |
| SMO | MACHINE OPERATOR | 11824 | | 8 HR | 62.00 | 496.00 |
| OMO | MACHINE OPERATOR O.T. | 11824 | | 1 HR | 93.00 | 93.00 |
| OMO | MACHINE OPERATOR O.T. | 11869 | | 1 HR | 93.00 | 93.00 |
| SMO | MACHINE OPERATOR | 11869 | | 8 HR | 62.00 | 496.00 |
| OL | LINEMAN O.T. | 12212 | | 1 HR | 105.00 | 105.00 |
| SL | LINEMAN | 12212 | | 8 HR | 70.00 | 560.00 |
| OLF | LINE FOREMAN O.T. | 549 | | 1 HR | 115.50 | 115.50 |
| SLF | LINE FOREMAN | 549 | | 8 HR | 77.00 | 616.00 |
| ST | SERVICE TRUCK | 208 | | 9 HR | 35.00 | 315.00 |
| BT | BOOM TRUCK | 612 | | 9 HR | 74.00 | 666.00 |
| ST | SERVICE TRUCK | 1389 | | 3 HR | 35.00 | 105.00 |
| ST | SERVICE TRUCK | 1363 | | 6 HR | 35.00 | 210.00 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

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CARRIE SANDOVAL, COUNTY CLERK
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## Invoice CD10053064 (continued)

| Work Location | Customer Order | Work Order | Invoice Date | Due Date |
|---|---|---|---|---|
| EMSU B | *237698 | 231162 | 4/1/25 | 5/1/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| LBT | BUCKET TRUCK | 660 | | 9 | HR | 74.00 | 666.00 |
| | | | | | | **Labor, Equipment, and Other** | **5,201.50** |
| POL430 | POLE 40' CLASS 4 | | | 2 | EA | 1,100.28 | 2,200.56 |
| BRA203 | CROSSARM WOOD BRACE STRD 5' (PER PAIR) | | | 1 | PR | 67.39 | 67.39 |
| BOL210 | 1/2 X 6" MACHINE BOLT | | | 4 | EA | 12.26 | 49.04 |
| LOK282 | 1/2" MF LOCKNUT | | | 4 | EA | 0.40 | 1.60 |
| | | | | | | **Material Total** | **2,318.59** |

### HOW TO PAY

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to: | Please mail to: |
| Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 7,520.09 |
| Sales Tax | 531.10 |
| Total | 8,051.19 |

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TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

EXPANSE
ELECTRICAL CI

# WORK TICKET 231162

Invoice Address
EMPIRE NEW MEXICO LLC
2200 S. Utica Place Ste 150
Tulsa, OK 74114

Order Date
03/30/2025

Order Number
*237698

Ordered By
DANNY GONZALES

Service Dates
3/30/25 - 3/31/25

Purchase Order

AFE

REMIT TO ADDRESS
P.O. Box 842751
Dallas, TX 75284

Location
EMSU B CTB

**Sales**

| Part No | Description | Emp/Equip Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|
| | | Ordered By: DANNY GONZALES<br>Job Number: 25EDS00034 | | | | |
| | | DE ENERGIZED POWERLINE TO BE ABLE TO REMOCE AND REPLACE BROKEN POLES AND THEN ENERGIZED LINE AND CLEANED WORK AREA | | | | |
| | | JOB#25EDS00034 | | | | |
| OL | LINEMAN O.T. | 11573 | 1 | HR | 105.00 | 105.00 |
| SL | LINEMAN | 11573 | 8 | HR | 70.00 | 560.00 |
| OMO | MACHINE OPERATOR O.T. | 11824 | 1 | HR | 93.00 | 93.00 |
| SMO | MACHINE OPERATOR | 11824 | 8 | HR | 62.00 | 496.00 |
| OMO | MACHINE OPERATOR O.T. | 11869 | 1 | HR | 93.00 | 93.00 |
| SMO | MACHINE OPERATOR | 11869 | 8 | HR | 62.00 | 496.00 |
| SL | LINEMAN | 12212 | 8 | HR | 70.00 | 560.00 |
| OL | LINEMAN O.T. | 12212 | 1 | HR | 105.00 | 105.00 |
| OLF | LINE FOREMAN O.T. | 549 | 1 | HR | 115.50 | 115.50 |
| SLF | LINE FOREMAN | 549 | 8 | HR | 77.00 | 616.00 |
| LBT | BUCKET TRUCK | 660 | 9 | HR | 74.00 | 666.00 |
| ST | SERVICE TRUCK | 1363 | 6 | HR | 35.00 | 210.00 |
| BT | BOOM TRUCK | 612 | 9 | HR | 74.00 | 666.00 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A.



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CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

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## WORK TICKET (continued)

| Part No | Description | Emp/Equip Employee Name | Sales Qty | UOM | Unit Price | Ext Amount |
|---|---|---|---|---|---|---|
| | | **Ordered By: DANNY GONZALES** | | | | |
| | | **Job Number: 25EDS00034** | | | | |
| ST | SERVICE TRUCK | 208 | | 9 HR | 35.00 | 315.00 |
| ST | SERVICE TRUCK | 1389 | | 3 HR | 35.00 | 105.00 |
| | | | | | **Labor, Equipment and Other Total** | **5,201.50** |
| LOK282 | 1/2" MF LOCKNUT<br>S/N : * | | | 4 EA | 0.40 | 1.60 |
| BRA203 | CROSSARM WOOD BRACE STRD 5' (PER PAIR)<br>S/N : * | | | 1 PR | 67.39 | 67.39 |
| POL430 | POLE 40' CLASS 4<br>S/N : * | | | 2 EA | 1,100.28 | 2,200.56 |
| BOL210 | 1/2 X 6" MACHINE BOLT<br>S/N : * | | | 4 EA | 12.26 | 49.04 |
| | | | | | **Material Total** | **2,318.59** |

Danny Gonzales 4-1-25

| | |
|---|---|
| Sub Total | 7,520.09 |
| Sales Tax | 531.13 |
| Total | 8,051.22 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A



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BY CYNTHIA RAMIREZ

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25-1

# CLAIM OF LIEN

**NOTICE IS HEREBY GIVEN THAT**:

**Expanse Electrical Company, LLC**, ("**Claimant**") whose address is P. O. Box 842751, Dallas, Texas 75284-2751 pursuant to 70-4-1, et. seq., NMSA 1978, **CLAIMS A LIEN** upon the following described lands together with all Oil and Gas Leases covering all or any portion of the same and located in Lea County, New Mexico, described as follows:

**Eunice Monument South Unit NMOCD Lease No. 330840, which has 502 wells listed with the New Mexico Oil Conservation Division within numerous Sections of Township 21 South-Range 36 East NMPM.**

This Claim of Lien arises from the performance of labor and/or the furnishing or hauling of material, equipment, tools, machinery, and/or oil or gas well supplies used or employed in the digging, drilling, torpedoing, completing, maintaining, equipping, electrifying, operating, or repairing the following described and/or gas well located upon the above described lands and lease, to wit:

**Electrical Services for the Eunice Monument South Unit (EMSU) Satelite 11 oil and gas property. Specifically located at latitude 32.484 longitude -103.251 in Section 15, Township 21 South-Range 36 East NMPM and latitude 32.483 longitude -103.292 in Section 17, Township 21 South-Range 36 East NMPM.**

The lien Claimant additionally claims a lien on all production of oil and/or gas from the above-described well, together with all other oil and/or gas wells located upon the described lands, together with all proceeds from the sale of oil and gas produced therefrom inuring to the working interest,

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BY CYNTHIA RAMIREZ

the whole of the above-described lands and oil and gas lease, leasehold estate, and any rights-of-way therefor, together with all of the equipment, fixtures, machinery, tools, appliances, buildings or improvements, located upon said lease and lands and employed in the operating and developing of the above-described well, and situated upon the lease and lands.

**Empire Petroleum Corp./Empire New Mexico LLC** or reputed owners of the working interest under the above-described Lease # 330840, **Eunice Monument South Unit (EMSU) Satelite 11**, gas lease, lands, and oil and gas well or wells, to the best knowledge, information and belief of Claimant is the owner of the producing oil and gas assets.

The labor performed and the furnishing or hauling of material, equipment, tools, machinery, or oil well or gas well supplies furnished to and for the benefit of the lease and well are more perfectly itemized on **Exhibit "A"**, attached hereto and incorporated by reference. The said items were performed and furnished at the request of Danny Gonzalez, Senior Electrician.

The total amount claimed which is due and owing to the lien Claimant is **$4,476.33**, and said sum remains unpaid after all just credits and offsets have been applied. The last date of performance of labor or other services pursuant to which this lien is claimed was March 25, 2025, and was invoiced on that date as reflected by **Exhibit "A"**. Said amount was due and payable on or before 30 days from the date of invoice. Lien Claimant claims interest either as provided by the invoice for services or by other existing contract between Claimant and obligor, or alternatively at the rate prescribed by law. Lien Claimant further claims a reasonable attorney's fee for the preparation and recording of this lien and all other costs, including any future attorneys' fees in the trial and appellate courts.



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BY CYNTHIA RAMIREZ

**IN WITNESS WHEREOF**, I have placed my hand and seal this 17 day of July, 2025.

**Expanse Electrical Company, LLC**

By: _____
Steven Vutci
Accounts Receivable Supervisor



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BY CYNTHIA RAMIREZ

**AFFIDAVIT**

STATE OF TEXAS )
)
COUNTY OF HARRIS )

Steven Vutci, being first duly sworn upon his oath, states:

I am the Accounts Receivable Supervisor, of Expanse Electrical Company, LLC. I have read and understand the contents of the foregoing Claim Of Lien. I hereby declare under penalty of perjury that the information given is true and correct to the best of my knowledge.

(Signature)

**SUBSCRIBED AND SWORN** to before me this 17 day of July, 2025.

Notary Public

My Commission Expires:
6-12-2029

KELLY LANDRAM
Notary Public, State of Texas
Comm. Expires 06-12-2029
Notary ID 128024724

STATE OF Texas )
)
COUNTY OF Harris )

The foregoing instrument was acknowledged before me this ___ day of _____, 20__, by _____ (Title of Office), of _____.

Notary Public

My Commission Expires:

_____



C7160\1006741\282790598.v1

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CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

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BY CYNTHIA RAMIREZ

EXPANSE
ELECTRICAL CO

# INVOICE CD10054349

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *237167 | 230631 | 4/30/25 |
| | Work Location | | Service Dates |
| | EMSU SAT #11 | | 3/17/25<br>3/17/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX 75284 | Purchase Order | AFE | Due Date<br>5/30/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| | Ordered by: DANNY GONZALES<br>Job Number: 25EDS00024<br>DE ENERGIZE POWER LINE, TESTED POWERLINE TO START TO REPAIR FLOWING PHASE | | | | | | |
| | DATE 3/17/2025<br>JOB#25EDS00024 | | | | | | |
| CRO258 | CROSSARM UTILITY 10' TRTD 3.5 X 4.5 | | | 4 | EA | 69.51 | 278.04 |
| POL430 | POLE 40' CLASS 4 | | | 1 | EA | 1,100.28 | 1,100.28 |
| INS374 | LARGE PIN-TYPE INSULATOR 55-5 | | | 12 | EA | 16.30 | 195.60 |
| BRA203 | CROSSARM WOOD BRACE STRD 5' (PER PAIR) | | | 8 | PR | 67.39 | 539.12 |
| | | | | | | Material Total | 2,113.04 |

## HOW TO PAY

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to:<br><br>Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Please mail to:<br><br>Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 2,113.04 |
| Sales Tax | 149.23 |
| Total | 2,262.27 |

Danny Gonzales 5-9-25

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A.



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BY CYNTHIA RAMIREZ

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EXPANSE
ELECTRICAL CO

# INVOICE CD10053062

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *237568 | 231039 | 4/1/25 |
| | Work Location | | Service Dates |
| | EMSU SAT #11 | | 3/25/25<br>3/25/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX 75284 | Purchase Order | AFE | Due Date<br>5/1/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|

Ordered by: DANNY GONZALES
Job Number: 25EDS00032
WENT TO LOCATION, BEGAN TO FRAME INLINE POLE AND REMOVE AND REPLACE BROKEN POLE

DATE 3-25-2025
JOB#25EDS00032

| | | | | | | |
|---|---|---|---|---|---|---|
| SL | LINEMAN | 11573 | | 4 HR | 70.00 | 280.00 |
| SMO | MACHINE OPERATOR | 11824 | | 4 HR | 62.00 | 248.00 |
| SMO | MACHINE OPERATOR | 11869 | | 4 HR | 62.00 | 248.00 |
| SL | LINEMAN | 12212 | | 4 HR | 70.00 | 280.00 |
| SL | LINEMAN | 549 | | 4 HR | 70.00 | 280.00 |
| BT | BOOM TRUCK | 612 | | 4 HR | 74.00 | 296.00 |
| ST | SERVICE TRUCK | 1363 | | 2 HR | 35.00 | 70.00 |
| ST | SERVICE TRUCK | 1389 | | 2 HR | 35.00 | 70.00 |
| LBT | BUCKET TRUCK | 660 | | 4 HR | 74.00 | 296.00 |
| | | | | | **Labor, Equipment, and Other** | **2,068.00** |

## HOW TO PAY

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to:<br><br>Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Please mail to:<br><br>Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 2,068.00 |
| Sales Tax | 146.06 |
| Total | 2,214.06 |

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BY CYNTHIA RAMIREZ

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

25-16

# CLAIM OF LIEN

**NOTICE IS HEREBY GIVEN THAT**:

**Expanse Electrical Company, LLC**, ("**Claimant**") whose address is P. O. Box 842751, Dallas, Texas 75284-2751 pursuant to 70-4-1, et. seq., NMSA 1978, **CLAIMS A LIEN** upon the following described lands together with all Oil and Gas Leases covering all or any portion of the same and located in Lea County, New Mexico, described as follows:

**Eunice Monument South Unit NMOCD Lease No. 330840, which has 502 wells listed with the New Mexico Oil Conservation Division within numerous Sections of Township 21 South-Range 36 East NMPM.**

This Claim of Lien arises from the performance of labor and/or the furnishing or hauling of material, equipment, tools, machinery, and/or oil or gas well supplies used or employed in the digging, drilling, torpedoing, completing, maintaining, equipping, electrifying, operating, or repairing the following described and/or gas well located upon the above-described lands and lease, to wit:

**Electrical Services for the oil Eunice Monument South Unit (EMSU) Central Tank Battery and gas property. Specifically located at latitude 32.507 longitude -103.273 in Section 4, Township 21 South-Range 36 East NMPM.**

The lien Claimant additionally claims a lien on all production of oil and/or gas from the above-described well, together with all other oil and/or gas wells located upon the described lands, together with all proceeds from the sale of oil and gas produced therefrom inuring to the working interest, the whole of the above-described lands and oil and gas lease, leasehold estate, and any rights-of-way therefor, together with all of the equipment,

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fixtures, machinery, tools, appliances, buildings or improvements, located upon said lease and lands and employed in the operating and developing of the above-described well, and situated upon the lease and lands.

**Empire Petroleum Corp./Empire New Mexico LLC** or reputed owners of the working interest under the above-described Lease # 330840, **Eunice Monument South Unit (EMSU) Central Tank Battery**, gas lease, lands, and oil and gas well or wells, to the best knowledge, information and belief of claimant is the owner of the producing oil and gas assets.

The labor performed and the furnishing or hauling of material, equipment, tools, machinery, or oil well or gas well supplies furnished to and for the benefit of the lease and well are more perfectly itemized on **Exhibit "A"**, attached hereto and incorporated by reference. The said items were performed and furnished at the request of Danny Gonzalez, Senior Electrician.

The total amount claimed which is due and owing to the lien claimant is **$15,381.75**, and said sum remains unpaid after all just credits and offsets have been applied. The last date of performance of labor or other services pursuant to which this lien is claimed was April 8, 2025, and was invoiced on that date as reflected by **Exhibit "A"**. Said amount was due and payable on or before 30 days from the date of invoice. Lien Claimant claims interest either as provided by the invoice for services or by other existing contract between Claimant and obligor, or alternatively at the rate prescribed by law. Lien Claimant further claims a reasonable attorney's fee for the preparation and recording of this lien and all other costs, including any future attorneys' fees in the trial and appellate courts.



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CARRIE SANDOVAL, COUNTY CLERK
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BY CYNTHIA RAMIREZ

**IN WITNESS WHEREOF**, I have placed my hand and seal this 17 day of July, 2025.

**Expanse Electrical Company, LLC**

By: _____
Steven Vutci
Accounts Receivable Supervisor



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BY CYNTHIA RAMIREZ

# AFFIDAVIT

STATE OF TEXAS )
)
COUNTY OF HARRIS )

Steven Vutci, being first duly sworn upon his oath, states:

I am the Accounts Receivable Supervisor, of Expanse Electrical Company, LLC. I have read and understand the contents of the foregoing Claim Of Lien. I hereby declare under penalty of perjury that the information given is true and correct to the best of my knowledge.

(Signature)

**SUBSCRIBED AND SWORN** to before me this 17 day of July, 2025.

Notary Public

My Commission Expires:
6-12-2029

KELLY LANDRAM
Notary Public, State of Texas
Comm. Expires 06-12-2029
Notary ID 128024724

STATE OF Texas )
)
COUNTY OF Harris )

The foregoing instrument was acknowledged before me this ___ day of _____, 20__, by _____ (Title of Office), of _____.

Notary Public

My Commission Expires:

_____

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# EXHIBIT "A"

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BY CYNTHIA RAMIREZ

EXPANSE
ELECTRICAL CO

# INVOICE CD10053065

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *237569 | 231040 | 4/1/25 |
| | Work Location<br>EMSU CTB | | Service Dates<br>3/25/25<br>3/25/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX .75284 | Purchase Order | AFE | Due Date<br>5/1/25 |

| Part No | Description | Emp/Equip Employee Name | Sales Qty UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|

Ordered by: DANNY GONZALES
Job Number: 25EDS00033
DE ENERGIZE MAIN FEEDER LINE TO BE ABLE TO INSTALL POLYMER DEAD END BELLS AND TERMIANTE JUMPERS ON RECLOSER

DATE 3-25-2025
JOB#25EDS00033

| | | | | | |
|---|---|---|---|---|---|
| SL | LINEMAN | 11573 | 7 HR | 70.00 | 490.00 |
| SMO | MACHINE OPERATOR | 11824 | 7 HR | 62.00 | 434.00 |
| SMO | MACHINE OPERATOR | 11869 | 7 HR | 62.00 | 434.00 |
| SL | LINEMAN | 12212 | 7 HR | 70.00 | 490.00 |
| SLF | LINE FOREMAN | 549 | 7 HR | 77.00 | 539.00 |
| ST | SERVICE TRUCK | 1363 | 4 HR | 35.00 | 140.00 |
| ST | SERVICE TRUCK | 1389 | 3 HR | 35.00 | 105.00 |
| BT | BOOM TRUCK | 612 | 5 HR | 74.00 | 370.00 |
| LBT | BUCKET TRUCK | 2033 | 4 HR | 74.00 | 296.00 |
| LBT | BUCKET TRUCK | 660 | 7 HR | 74.00 | 518.00 |
| | | | | Labor, Equipment, and Other | 3,816.00 |
| CUT698 | 15 KV 100A CUTOUT | | 3 EA | 204.20 | 612.60 |
| COM524 | CONNECTOR COMPRN 3/0-4/0 400 | | 6 EA | 3.48 | 20.88 |
| FUP434 | 100A TYPE QA PRIMARY FUSE | | 3 EA | 18.20 | 54.60 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

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## Invoice CD10053065 (continued)

| Work Location | Customer Order | Work Order | Invoice Date | Due Date |
|---|---|---|---|---|
| EMSU CTB | *237569 | 231040 | 4/1/25 | 5/1/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|

**Material Total** **688.08**

### *HOW TO PAY*

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to: | Please mail to: |
| Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 4,504.08 |
| Sales Tax | 318.10 |
| Total | 4,822.18 |

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TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

EXPANSE
ELECTRICAL CO

# WORK TICKET 231040

Invoice Address
EMPIRE NEW MEXICO LLC
2200 S. Utica Place Ste 150
Tulsa, OK 74114

Order Date
03/27/2025

Order Number
*237569

Ordered By
DANNY GONZALES

Service Dates
3/28/25 - 3/28/25

Purchase Order

AFE

REMIT TO ADDRESS
P.O. Box 842751
Dallas, TX 75284

Location
EMSU CTB

**Sales**

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| | Ordered By: DANNY GONZALES<br>Job Number: 25EDS00033 | | | | | | |
| | DE ENERGIZE MAIN FEEDER LINE TO BE ABLE TO INSTALL POLYMER DEAD END BELLS AND TERMIANTE JUMPERS ON RECLOSER | | | | | | |
| | | | DATE 3-25-2025<br>JOB#25EDS00033 | | | | |
| SL | LINEMAN | 11573 | | 7 HR | | 70.00 | 490.00 |
| SMO | MACHINE OPERATOR | 11824 | | 7 HR | | 62.00 | 434.00 |
| SMO | MACHINE OPERATOR | 11869 | | 7 HR | | 62.00 | 434.00 |
| SL | LINEMAN | 12212 | | 7 HR | | 70.00 | 490.00 |
| SLF | LINE FOREMAN | 549 | | 7 HR | | 77.00 | 539.00 |
| ST | SERVICE TRUCK | 1363 | | 4 HR | | 35.00 | 140.00 |
| ST | SERVICE TRUCK | 1389 | | 3 HR | | 35.00 | 105.00 |
| BT | BOOM TRUCK | 612 | | 5 HR | | 74.00 | 370.00 |
| LBT | BUCKET TRUCK | 2033 | | 4 HR | | 74.00 | 296.00 |
| LBT | BUCKET TRUCK | 660 | | 7 HR | | 74.00 | 518.00 |
| | | | | | Labor, Equipment and Other Total | | 3,816.00 |
| CUT698 | 15 KV 100A CUTOUT<br>S/N : * | | | 3 EA | | 204.20 | 612.60 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A



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BY CYNTHIA RAMIREZ

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## WORK TICKET (continued)

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| | Ordered By: DANNY GONZALES<br>Job Number: 25EDS00033 | | | | | | |
| COM524 | CONNECTOR COMPRN 3/0-4/0 400<br>S/N : * | | | 6 | EA | 3.48 | 20.88 |
| FUP434 | 100A TYPE QA PRIMARY FUSE<br>S/N : * | | | 3 | EA | 18.20 | 54.60 |
| | | | | | | Material Total | 688.08 |

Danny Gonzales 4-1-25

| | |
|---|---|
| Sub Total | 4,504.08 |
| Sales Tax | 318.11 |
| Total | 4,822.19 |

TERMS NET DUE 30 DAYS THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS U.S.A



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BY CYNTHIA RAMIREZ

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EXPANSE
ELECTRICAL CO

# INVOICE CD10054289

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *238065 | 231542 | 4/30/25 |
| | Work Location | | Service Dates |
| | EMSU CTB | | 4/8/25<br>4/8/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX 75284 | Purchase Order | AFE | Due Date<br>5/30/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|

Ordered by: DANNY GONZALES
Job Number: 25EDS00036
DE ENERGIZE RECLOSURE TO BE ABLE TO REMOVE AND REPLACE. ALSO REPLACE JUMPERS ON CAP BANK.

DATE 4/8/2025
JOB#25EDS00036

| | | | | | | |
|---|---|---|---|---|---|---|
| SL | LINEMAN | 11573 | | 10 HR | 70.00 | 700.00 |
| SMO | MACHINE OPERATOR | 11824 | | 10 HR | 62.00 | 620.00 |
| SMO | MACHINE OPERATOR | 11869 | | 10 HR | 62.00 | 620.00 |
| SL | LINEMAN | 12212 | | 10 HR | 70.00 | 700.00 |
| SLF | LINE FOREMAN | 549 | | 10 HR | 77.00 | 770.00 |
| ST | SERVICE TRUCK | 1389 | | 4 HR | 35.00 | 140.00 |
| ST | SERVICE TRUCK | 1363 | | 5 HR | 35.00 | 175.00 |
| BT | BOOM TRUCK | 612 | | 6 HR | 74.00 | 444.00 |
| LBT | BUCKET TRUCK | 2033 | | 10 HR | 74.00 | 740.00 |
| | | | 4/9/2025 | | | |
| SL | LINEMAN | 11573 | | 6 HR | 70.00 | 420.00 |
| SMO | MACHINE OPERATOR | 11824 | | 6 HR | 62.00 | 372.00 |
| SMO | MACHINE OPERATOR | 11869 | | 6 HR | 62.00 | 372.00 |
| SL | LINEMAN | 12212 | | 6 HR | 70.00 | 420.00 |
| SLF | LINE FOREMAN | 549 | | 6 HR | 77.00 | 462.00 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A



LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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## Invoice CD10054289 (continued)

| Work Location | Customer Order | Work Order | Invoice Date | Due Date |
|---|---|---|---|---|
| EMSU CTB | *239065 | 231542 | 4/30/25 | 5/30/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| ST | SERVICE TRUCK | 1363 | | 4 | HR | 35.00 | 140.00 |
| LBT | BUCKET TRUCK | 2033 | | 6 | HR | 74.00 | 444.00 |
| BT | BOOM TRUCK | 612 | | 3 | HR | 74.00 | 222.00 |
| ST | SERVICE TRUCK | 1389 | | 2 | HR | 35.00 | 70.00 |
| | | | | | | **Labor, Equipment, and Other** | **7,831.00** |
| BOL234 | BOLT MACHINE 5/8 X 14" | | | 1 | EA | 6.95 | 6.95 |
| CAP124 | GUARD SNAP ON WILDLIFE PROTECTOR 25KV | | | 6 | EA | 33.30 | 199.80 |
| SCR652 | 1/2" LAG SCREW | | | 1 | EA | 1.19 | 1.19 |
| CLS376 | STIRRUP CLAMP 2/0 H/L | | | 3 | EA | 34.76 | 104.28 |
| CLH370 | CLAMP SM HOT LINE | | | 3 | EA | 26.70 | 80.10 |
| WIT586 | #2 5KV TRANSFORMER RISER WIRE | | | 78 | ft | 3.73 | 290.94 |
| CUT720 | CUTOUT ASSEMBLY 27 KV 100A WPG | | | 3 | EA | 132.10 | 396.30 |
| LOK282 | 1/2" MF LOCKNUT | | | 2 | EA | 0.40 | 0.80 |
| WAS602 | 1/2" ROUND, GALVANIZED, FLAT | | | 2 | EA | 0.24 | 0.48 |
| BOL210 | 1/2 X 6" MACHINE BOLT | | | 2 | EA | 12.26 | 24.52 |
| BRA203 | CROSSARM WOOD BRACE STRD 5' (PER PAIR) | | | 1 | PR | 67.39 | 67.39 |
| CRO240 | CROSSARM UTILITY 8 FT TREATED | | | 1 | EA | 52.68 | 52.68 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

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BY CYNTHIA RAMIREZ

## Invoice CD10054289 (continued)

| Work Location | Customer Order | Work Order | Invoice Date | Due Date |
|---|---|---|---|---|
| EMSU CTB | *238065 | 231542 | 4/30/25 | 5/30/25 |

| Part No. | Description | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|
| WAS614 | WASHER 2-1/4" SQ 5/8" | | 2 | EA | 1.29 | 2.58 |
| ARP212 | ARRESTER 15 KV PDV DH SURGE W/ BRKT HDW | | 3 | EA | 134.06 | 402.18 |
| ARP212 | ARRESTER 15 KV PDV DH SURGE W/ BRKT HDW | | 3 | EA | 134.06 | 402.18 |
| | | | | | **Material Total** | **2,032.37** |

### HOW TO PAY

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to: | Please mail to: |
| Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 9,863.37 |
| Sales Tax | 696.60 |
| Total | 10,559.97 |

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TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

EXPANSE
ELECTRICAL SERVICE

# WORK TICKET 231542

| Invoice Address | Order Date | Order Number |
|---|---|---|
| EMPIRE NEW MEXICO LLC | 04/09/2025 | 238065 |
| 2200 S. Utica Place Ste 150 | Ordered By | Service Dates |
| Tulsa, OK 74114 | DANNY GONZALES | 4/9/25 - 4/10/25 |
| | Purchase Order | AFE |

REMIT TO ADDRESS
P.O. Box 842751
Dallas, TX 75284

Location
EMSU CTB

**Sales**

| Part No | Description | Emp/Equip/ Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|

Ordered By: DANNY GONZALES
Job Number: 25EDS00036

DE ENERGIZE RECLOSURE TO BE able TO REMOVE AND REPLACE. ALSO REPLACE JUMPERS ON CAP BANK.

DATE 4/8/2025
JOB#25EDS00036

| | | | | | |
|---|---|---|---|---|---|
| SL | LINEMAN | 11573 | 10 HR | 70.00 | 700.00 |
| SMO | MACHINE OPERATOR | 11824 | 10 HR | 62.00 | 620.00 |
| SMO | MACHINE OPERATOR | 11869 | 10 HR | 62.00 | 620.00 |
| SL | LINEMAN | 12212 | 10 HR | 70.00 | 700.00 |
| SLF | LINE FOREMAN | 549 | 10 HR | 77.00 | 770.00 |
| ST | SERVICE TRUCK | 1383 | 5 HR | 35.00 | 175.00 |
| ST | SERVICE TRUCK | 1389 | 4 HR | 35.00 | 140.00 |
| LBT | BUCKET TRUCK | 2033 | 10 HR | 74.00 | 740.00 |
| BT | BOOM TRUCK | 612 | 6 HR | 74.00 | 444.00 |

4/9/2025

| | | | | | |
|---|---|---|---|---|---|
| SL | LINEMAN | 11573 | 6 HR | 70.00 | 420.00 |
| SMO | MACHINE OPERATOR | 11824 | 6 HR | 62.00 | 372.00 |
| SMO | MACHINE OPERATOR | 11869 | 6 HR | 62.00 | 372.00 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS
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## WORK TICKET (continued)

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| | | Ordered By: DANNY GONZALES | | | | | |
| | | Job Number: 25EDS00036 | | | | | |
| SL | LINEMAN | 12212 | | 6 | HR | 70.00 | 420.00 |
| SLF | LINE FOREMAN | 549 | | 6 | HR | 77.00 | 462.00 |
| ST | SERVICE TRUCK | 1369 | | 2 | HR | 35.00 | 70.00 |
| ST | SERVICE TRUCK | 1363 | | 4 | HR | 35.00 | 140.00 |
| BT | BOOM TRUCK | 612 | | 3 | HR | 74.00 | 222.00 |
| LDT | BUCKET TRUCK | 2033 | | 6 | HR | 74.00 | 444.00 |
| | | | Labor, Equipment and Other Total | | | | 7,831.00 |
| ARP212 | ARRESTER 15 KV PDV DH SURGE W/ BRKT HDW S/N : * | | | 3 | EA | 134.06 | 402.18 |
| BRA203 | CROSSARM WOOD * BRACE STRD 5' (PER PAIR) S/N : * | | | 1 | PR | 67.39 | 67.39 |
| BOL210 | 1/2 X 6" MACHINE BOLT S/N : * | | | 2 | EA | 12.26 | 24.52 |
| WAS602 | 1/2" ROUND, GALVANIZED, FLAT S/N : * | | | 2 | EA | 0.24 | 0.48 |
| LOK262 | 1/2" MF LOCKNUT S/N : * | | | 2 | EA | 0.40 | 0.80 |
| CUT720 | CUTOUT ASSEMBLY 27 KV 100A WPG S/N : * | | | 3 | EA | 132.10 | 396.30 |
| WIT586 | #2 5KV | | | 78 | ft | 3.73 | 290.94 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS
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## WORK TICKET (continued)

Ordered By: DANNY GONZALES
Job Number: 25EDS00036

| Part No | Description | Emp/Equip Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|
| | TRANSFORMER RISER WIRE S/N : * | | | | | |
| CLH370 | CLAMP SM HOT LINE S/N : * | | 3 | EA | 26.70 | 80.10 |
| CLS376 | STIRRUP CLAMP 2/0 H/L S/N : * | | 3 | EA | 34.76 | 104.28 |
| SCR652 | 1/2" LAG SCREW S/N : * | | 1 | EA | 1.19 | 1.19 |
| CAP124 | GUARD SNAP ON WILDLIFE PROTECTOR 25KV S/N : * | | 6 | EA | 33.30 | 199.80 |
| BOL234 | BOLT MACHINE 5/8 X 14" S/N : * | | 1 | EA | 6.95 | 6.95 |
| WAS614 | WASHER 2-1/4" SQ 5/8" S/N : * | | 2 | EA | 1.29 | 2.58 |
| CRO240 | CROSSARM UTILITY 8 FT TREATED S/N : * | | 1 | EA | 52.66 | 52.66 |
| ARP212 | ARRESTER 15 KV PDV DH SURGE W/ BRKT HDW S/N : * | | 3 | EA | 134.06 | 402.18 |

Material Total 2,032.37

| | |
|---|---|
| Sub Total | 9,863.37 |
| Sales Tax | 696.67 |
| Total | 10,560.04 |

Danny Gonzales 7-29-25

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
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# CLAIM OF LIEN

**NOTICE IS HEREBY GIVEN THAT**:

**Expanse Electrical Company, LLC**, ("**Claimant**") whose address is P. O. Box 842751, Dallas, Texas 75284-2751 pursuant to 70-4-1, et. seq., NMSA 1978, **CLAIMS A LIEN** upon the following described lands together with all Oil and Gas Leases covering all or any portion of the same and located in Lea County, New Mexico, described as follows:

**Arrowhead Grayburg Unit NMOCD Lease No. 330839, which has 145 wells listed with the New Mexico Oil Conservation Division within numerous Sections of Township 21 South-Range 36 East NMPM.**

This Claim of Lien arises from the performance of labor and/or the furnishing or hauling of material, equipment, tools, machinery, and/or oil or gas well supplies used or employed in the digging, drilling, torpedoing, completing, maintaining, equipping, electrifying, operating, or repairing the following described and/or gas well located upon the above-described lands and lease, to wit:

**Electrical Services for the Arrowhead Grayburg Unit (AGU) Well # 127 oil and gas property. Specifically located at latitude 32.436 longitude -103.221 in Section 36, Township 21 South-Range 36 East NMPM.**

The lien Claimant additionally claims a lien on all production of oil and/or gas from the above-described well, together with all other oil and/or gas wells located upon the described lands, together with all proceeds from the sale of oil and gas produced therefrom inuring to the working interest, the whole of the above-described lands and oil and gas lease, leasehold estate, and any rights-of-way therefor, together with all of the equipment,

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fixtures, machinery, tools, appliances, buildings or improvements, located upon said lease and lands and employed in the operating and developing of the above-described well, and situated upon the lease and lands.

**Empire Petroleum Corp./Empire New Mexico LLC** or reputed owners of the working interest under the above-described Lease # 330839, **Arrowhead Grayburg Unit (AGU) Well # 127** API# 30-025-04933, gas lease, lands, and oil and gas well or wells, to the best knowledge, information and belief of Claimant is the owner of the producing oil and gas assets.

The labor performed and the furnishing or hauling of material, equipment, tools, machinery, or oil well or gas well supplies furnished to and for the benefit of the lease and well are more perfectly itemized on **Exhibit "A"**, attached hereto and incorporated by reference. The said items were performed and furnished at the request of Danny Gonzalez, Senior Electrician.

The total amount claimed which is due and owing to the lien Claimant is **$17,873.32**, and said sum remains unpaid after all just credits and offsets have been applied. The last date of performance of labor or other services pursuant to which this lien is claimed was March 26, 2025, and was invoiced on that date as reflected by **Exhibit "A"**. Said amount was due and payable on or before 30 days from the date of invoice. Lien Claimant claims interest either as provided by the invoice for services or by other existing contract between Claimant and obligor, or alternatively at the rate prescribed by law. Lien Claimant further claims a reasonable attorney's fee for the preparation and recording of this lien and all other costs, including any future attorneys' fees in the trial and appellate courts.



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**IN WITNESS WHEREOF**, I have placed my hand and seal this 17 day of July, 2025.

**Expanse Electrical Company, LLC**

By: _____
Steven Vutci
Accounts Receivable Supervisor



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# AFFIDAVIT

STATE OF TEXAS )
)
COUNTY OF HARRIS )

Steven Vutci, being first duly sworn upon his oath, states:

I am the Accounts Receivable Supervisor, of Expanse Electrical Company, LLC. I have read and understand the contents of the foregoing Claim Of Lien. I hereby declare under penalty of perjury that the information given is true and correct to the best of my knowledge.

(Signature)

**SUBSCRIBED AND SWORN** to before me this 17 day of July, 2025.

Notary Public

My Commission Expires:
6-12-2029

KELLY LANDRAM
Notary Public, State of Texas
Comm. Expires 06-12-2029
Notary ID 128024724

STATE OF Texas )
)
COUNTY OF Harris )

The foregoing instrument was acknowledged before me this ___ day of _____, 20__, by _____ (Title of Office), of _____.

Notary Public

My Commission Expires:

_____

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# EXHIBIT "A"

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EXPANSE
ELECTRICAL CO

# INVOICE CD10053368

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *237168 | 230632 | 4/9/25 |
| | Work Location | | Service Dates |
| | AGU 127 | | 3/17/25<br>3/19/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX 75284 | Purchase Order | AFE | Due Date<br>5/9/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|

Ordered by: DANNY GONZALES
Job Number: 25EDS00025
DE ENERGIZE POWERLINE THEN CUT PHASE OFF BROKEN BANK POLE. PICK UP HARDWARE AND POLES AND TAKE TO LOCATION

JOB#25EDS00025

| | | | | | |
|---|---|---|---|---|---|
| SMO | MACHINE OPERATOR | 11824 | 6 HR | 62.00 | 372.00 |
| SMO | MACHINE OPERATOR | 11869 | 6 HR | 62.00 | 372.00 |
| SL | LINEMAN | 12212 | 6 HR | 70.00 | 420.00 |
| SLF | LINE FOREMAN | 549 | 6 HR | 77.00 | 462.00 |
| ST | SERVICE TRUCK | 1389 | 3 HR | 35.00 | 105.00 |
| ST | SERVICE TRUCK | 208 | 4 HR | 35.00 | 140.00 |
| BT | BOOM TRUCK | 612 | 6 HR | 74.00 | 444.00 |
| ST | SERVICE TRUCK | 1363 | 3 HR | 35.00 | 105.00 |
| SL | LINEMAN | 11573 | 8 HR | 70.00 | 560.00 |
| OMO | MACHINE OPERATOR O.T. | 11869 | 3 HR | 93.00 | 279.00 |
| SMO | MACHINE OPERATOR | 11869 | 8 HR | 62.00 | 496.00 |
| OL | LINEMAN O.T. | 12212 | 3 HR | 105.00 | 315.00 |
| SL | LINEMAN | 12212 | 8 HR | 70.00 | 560.00 |
| SLF | LINE FOREMAN | 549 | 8 HR | 77.00 | 616.00 |
| OLF | LINE FOREMAN O.T. | 549 | 3 HR | 115.50 | 346.50 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
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## Invoice CD10053368 (continued)

| Work Location | Customer Order | Work Order | Invoice Date | Due Date |
|---|---|---|---|---|
| AGU 127 | *237168 | 230632 | 4/9/25 | 5/9/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| LBT | BUCKET TRUCK | 2033 | | 8 | HR | 74.00 | 592.00 |
| ST | SERVICE TRUCK | 1363 | | 6 | HR | 35.00 | 210.00 |
| BT | BOOM TRUCK | 612 | | 10 | HR | 74.00 | 740.00 |
| ST | SERVICE TRUCK | 1389 | | 5 | HR | 35.00 | 175.00 |
| | | | | | | **Labor, Equipment, and Other** | **7,309.50** |
| CRO239 | CROSSARM 10FT FGLS TANGENT 6 XHD | | | 2 | EA | 573.23 | 1,146.46 |
| | | | | | | **Material Total** | **1,146.46** |

### *HOW TO PAY*

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to: | Please mail to: |
| Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 8,455.96 |
| Sales Tax | 597.20 |
| Total | 9,053.16 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

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EXPANSE
ELECTRICAL CI

# WORK TICKET 230632

Invoice Address
EMPIRE NEW MEXICO LLC
2200 S. Utica Place Ste 150
Tulsa, OK 74114

Order Date
03/18/2025

Order Number
*237168

Ordered By
DANNY GONZALES

Service Dates
3/18/25 - 3/25/25

Purchase Order

AFE

REMIT TO ADDRESS
P.O. Box 842751
Dallas, TX 75284

Location
AGU 127

Sales

| Part No | Description | Emp/Equip Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|
| | | **Ordered By: DANNY GONZALES** | | | | |
| | | **Job Number: 25EDS00025** | | | | |
| | | **DE ENERGIZE POWERLINE THEN CUT PHASE OFF BROKEN BANK POLE. PICK UP HARDWARE AND POLES AND TAKE TO LOCATION** | | | | |
| | | **JOB#25EDS00025** | | | | |
| SMO | MACHINE OPERATOR | 11824 | 6 | HR | 62.00 | 372.00 |
| SMO | MACHINE OPERATOR | 11869 | 6 | HR | 62.00 | 372.00 |
| SL | LINEMAN | 12212 | 6 | HR | 70.00 | 420.00 |
| SLF | LINE FOREMAN | 549 | 6 | HR | 77.00 | 462.00 |
| ST | SERVICE TRUCK | 1353 | 3 | HR | 35.00 | 105.00 |
| ST | SERVICE TRUCK | 1389 | 3 | HR | 35.00 | 105.00 |
| ST | SERVICE TRUCK | 208 | 4 | HR | 35.00 | 140.00 |
| BT | BOOM TRUCK | 612 | 6 | HR | 74.00 | 444.00 |
| SL | LINEMAN | 11573 | 8 | HR | 70.00 | 560.00 |
| OMO | MACHINE OPERATOR O.T. | 11869 | 3 | HR | 93.00 | 279.00 |
| SMO | MACHINE OPERATOR | 11869 | 8 | HR | 62.00 | 496.00 |
| OL | LINEMAN O.T. | 12212 | 3 | HR | 105.00 | 315.00 |
| SL | LINEMAN | 12212 | 8 | HR | 70.00 | 560.00 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
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## WORK TICKET (continued)

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| | | | Ordered By: DANNY GONZALES | | | | |
| | | | Job Number: 25EDS00025 | | | | |
| OLF | LINE FOREMAN O.T. | 549 | | 3 | HR | 115.50 | 346.50 |
| SLF | LINE FOREMAN | 549 | | 8 | HR | 77.00 | 616.00 |
| BT | BOOM TRUCK | 612 | | 10 | HR | 74.00 | 740.00 |
| ST | SERVICE TRUCK | 1389 | | 5 | HR | 35.00 | 175.00 |
| LBT | BUCKET TRUCK | 2033 | | 8 | HR | 74.00 | 592.00 |
| ST | SERVICE TRUCK | 1363 | | 6 | HR | 35.00 | 210.00 |
| | | | | | | Labor, Equipment and Other Total | 7,309.50 |
| CRO239 | CROSSARM 10FT FGLS TANGENT 6 XHD S/N : * | | | 2 | EA | 573.23 | 1,146.46 |
| | | | | | | Material Total | 1,146.46 |

Danny Gonzales 4-9-25

| | |
|---|---|
| Sub Total | 8,455.96 |
| Sales Tax | 0.00 |
| Total | 8,455.96 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A



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EXPANSE
ELECTRICAL CO

# INVOICE CD10054810

| Invoice Address | Customer Order | Work Order | Invoice Date |
|---|---|---|---|
| EMPIRE NEW MEXICO<br>2200 S. Utica Place Ste<br>Tulsa, OK 74114 | *237495 | 230952 | 5/12/25 |
| | Work Location | | Service Dates |
| | AGU 127 | | 3/26/25<br>3/26/25 |
| Remit To Address<br>P.O. Box 842751<br>Dallas, TX 75284 | Purchase Order | AFE | Due Date<br>6/11/25 |

| Part No | Description | Emp/Equip Employee Name | Sales Qty UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|
| | Ordered by: DANNY GONZALES<br>Job Number: 25EDS00031<br>MATERIAL FOR STORM DAMAGE | | | | |
| | JOB#25EDS00031 | | | | |
| CRO258 | CROSSARM UTILITY 10' TRTD 3.5 X 4.5 | | 3 EA | 69.51 | 208.53 |
| POL430 | POLE 40' CLASS 4 | | 2 EA | 1,100.28 | 2,200.56 |
| LOK282 | 1/2" MF LOCKNUT | | 14 EA | 0.40 | 5.60 |
| WAS602 | 1/2" ROUND, GALVANIZED, FLAT | | 14 EA | 0.24 | 3.36 |
| PIN507 | PIN CROSS ARM 5/8X12-1/2 | | 8 EA | 13.90 | 111.20 |
| INS374 | LARGE PIN-TYPE INSULATOR 55-5 | | 8 EA | 16.30 | 130.40 |
| BOL172 | 5/8 X 20" DOUBLE ARMING BOLT | | 3 EA | 12.47 | 37.41 |
| WAS614 | WASHER 2-1/4" SQ 5/8" | | 55 EA | 1.29 | 70.95 |
| WIT586 | #2 5KV TRANSFORMER RISER WIRE | | 100 ft | 3.73 | 373.00 |
| WIT586 | #2 5KV TRANSFORMER RISER WIRE | | 65 ft | 3.73 | 242.45 |
| INS327 | ROD FIBERGLASS 1/2-15X120 | | 6 EA | 59.60 | 357.60 |
| WIB460 | CABLE #6 CU BARE | | 315 ft | 1.67 | 526.05 |

TERMS: NET DUE 30 DAYS, THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
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## Invoice CD10054810 (continued)

| Work Location | Customer Order | Work Order | Invoice Date | Due Date |
|---|---|---|---|---|
| AGU 127 | *237495 | 230952 | 5/12/25 | 6/11/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|
| STP400 | STAPLES GALV 1-3/4" | | | 1 lb | 6.12 | 6.12 |
| COM564 | CONNECTOR COMPRESSION #2/0-#2/0 | | | 10 EA | 3.23 | 32.30 |
| SLV301 | SPLICE TENSION 4-2 ACSR | | | 6 EA | 47.94 | 287.64 |
| NUT500 | 5/8" EYE NUT 6502 | | | 9 EA | 4.45 | 40.05 |
| INS381 | INSULATOR 25KV POLYMER DEADEND | | | 9 EA | 32.60 | 293.40 |
| CLD322 | #6 - #3/0 BOLTED DEADEND CLAMP | | | 9 EA | 18.31 | 164.79 |
| BOL234 | BOLT MACHINE 5/8 X 14" | | | 6 EA | 6.95 | 41.70 |
| CLE450 | #468 STANDARD CLEVIS | | | 2 EA | 5.08 | 10.16 |
| INS400 | 3" SPOOL INSULATOR | | | 3 EA | 2.56 | 7.68 |
| WIG562 | 3/8" GUY WIRE S. M. | | | 250 ft | 0.94 | 234.23 |
| GRI516 | GUY GRIP 3/8" PREFORMED | | | 6 EA | 6.38 | 38.28 |
| CLS376 | STIRRUP CLAMP 2/0 H/L | | | 3 EA | 34.76 | 104.28 |
| ROD670 | ROD GROUND 5/8"X8' | | | 1 EA | 35.25 | 35.25 |
| CLG360 | CLAMP 5/8" GROUND ROD | | | 1 EA | 4.33 | 4.33 |
| BRA222 | BRACKET LG TRANSF CLUSTER | | | 1 EA | 614.02 | 614.02 |
| CLG346 | 3/8" TUBE, 5/8-3/4" ROD GROUND | | | 6 EA | 88.10 | 528.60 |
| CLH370 | CLAMP SM HOT LINE | | | 3 EA | 26.70 | 80.10 |
| BOL283 | BOLT OE 5/8 X14 | | | 12 EA | 17.29 | 207.48 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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11 of 12
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BY CYNTHIA RAMIREZ

## Invoice CD10054810 (continued)

| Work Location | Customer Order | Work Order | Invoice Date | Due Date |
|---|---|---|---|---|
| AGU 127 | *237495 | 230952 | 5/12/25 | 6/11/25 |

| Part No | Description | Emp/Equip | Employee Name | Sales Qty | UOM | Unit Price | Net Amount |
|---|---|---|---|---|---|---|---|
| ARP212 | ARRESTER 15 KV PDV DH SURGE W/ BRKT HDW | | | 3 | EA | 134.06 | 402.18 |
| CUT720 | CUTOUT ASSEMBLY 27 KV 100A WPG | | | 3 | EA | 132.10 | 396.30 |
| ATT200 | ATTACHMENT GUY HD 21K | | | 2 | EA | 16.14 | 32.28 |
| BOL232 | 5/8 X 12" MACHINE BOLT | | | 7 | EA | 3.74 | 26.18 |
| FUP414 | 15A TYPE QA PRIMARY FUSE | | | 5 | EA | 23.24 | 116.20 |
| FUP416 | FUSE 20A TYPE QA | | | 5 | EA | 16.38 | 81.90 |
| GRI502 | #2 PREFORMED DEADEND GRIP | | | 3 | EA | 4.71 | 14.13 |
| BOL210 | 1/2 X 6" MACHINE BOLT | | | 14 | EA | 12.26 | 171.64 |
| | | | | | | **Material Total** | **8,238.33** |

### HOW TO PAY

| ACH (Preferred) | By Check |
|---|---|
| Please deposit to: | Please mail to: |
| Bank of America<br>Routing Number - [redacted]<br>Account - [redacted] | Expanse Electrical, Co<br>P.O. Box 842751<br>Dallas, TX 75284-2751 |

| | |
|---|---|
| Subtotal | 8,238.33 |
| Sales Tax | 581.83 |
| Total | 8,820.16 |

TERMS: NET DUE 30 DAYS. THE MAXIMUM LEGAL RATE OF INTEREST WILL BE APPLIED ON PAST DUE ACCOUNTS.
ALL ACCOUNTS DUE AND PAYABLE IN DALLAS, TEXAS, U.S.A

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK Page 3 (3)
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Book2243 Page 259
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BY CYNTHIA RAMIREZ

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CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 11:20 AM
BY Angie Beauchamp

# *CLAIM OF LIEN UNDER OIL AND GAS LIEN ACT*

**RICHARD'S ENERGY COMPRESSION**, LLC, a New Mexico limited liability company, ("Claimant"), whose address is P. O. Box 2250, Hobbs, New Mexico 88241, does hereby claim the benefits of the New Mexico Oil and Gas Lien Act, NMSA Section 70-4-1 through 15 (1987) (the "Act"), and in support thereof, states:

1. Claimant, as an original contractor within the meaning of the Act, to improve the property described below under a continuous contract with **EMPIRE PETROLEUM CORPORATION, a Delaware corporation, for itself or as Manager of Empire New Mexico LLC** (or its unknown affiliates) (collectively "Empire"), which contract did not have any lapses of time between the provision of goods and services exceeding 120 days, provided certain goods, materials, tools, machinery, equipment and supplies and rendered services pursuant to and in accordance with the copies of invoices attached hereto as **Exhibit A** and incorporated herein by reference to certain central tank batteries ("CTBs"), and wells feeding those batteries in Lea County, New Mexico. Claimant rented equipment on a monthly, continuous basis to Empire at multiple oil and gas lease locations in Lea County, New Mexico. Each invoice includes amounts due from Empire for equipment delivered by Claimant to multiple locations at the direction of Empire, all of which are located within the Property described below. After deducting all just credits and offsets, Claimant is entitled to and hereby claims a lien on the Property described below in the amount of **$18,439.75**, plus interest and costs thereon.

2. Upon information and belief, the Property upon which the lien is claimed includes but is not limited to:

(A) the whole of the lands and leases located in **Lea County**, New Mexico more fully described as:

**Township 21 South, Range 36 East, NMPM**

**Section 27 : NE/4 NW/4**
**Section 34 : NW/4 NE/4 ; SE/4 NW/4 ; SE/4 SW/4**

**Township 22 South, Range 36 East, NMPM**

**Section 3: NW/4 NE/4**

covering all leases and lessors, set forth in that certain Assignment and Bill of Sale filed on June 7, 2021, in the Lea County Records under Book 2181, Page 482, incorporated here by reference, between XTO Holdings, LLC as

LEA COUNTY, NM
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3/19/2026 11:20 AM
BY Angie Beauchamp

Assignor and Empire New Mexico LLC, as Assignee, to the extent and only to the extent said leases cover the lands described above;

(B) the whole of said oil, gas and mineral lease(s) and leasehold estate benefitted and any and all interests in the above-described lands and any other leases of the above-described lands;

(C) all buildings, fixtures, improvements and appurtenances located thereon;

(D) the materials, tools, machinery, and supplies owned by such owner, operator or contractor that were used in drilling and operating for oil, gas and other minerals upon such leaseholds;

(E) all oil wells, gas wells, fixtures, machinery, tools, equipment, buildings, appurtenances, pipelines, leasehold interests and lands used in operating for oil, gas and other minerals upon such leaseholds or lands, including all wells and CTBs listed and further described on **Exhibit B**, attached hereto;

(F) the oil, gas and other minerals produced from or upon said lands, including all accounts created thereby and proceeds payable thereon, under and by virtue of the Act; and

(G) all other property upon which a lien may be asserted as allowed by the Act.

3. The person to whom the goods, tools, materials, machinery, equipment, supplies, services and labor was furnished and performed was:

Empire Petroleum Corporation
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

and via CT Corporation System
Registered Agent for Empire Petroleum Corporation
1833 South Morgan Rd.
Oklahoma City, OK 73128

4. Claimant is informed that some of the owners (or reputed owners) of the above-described Property against which this lien is asserted are:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

and other owners as may be determined, including current lessees identified in **Exhibit B**.

5. Claimant is informed that the Operator (or the successor or affiliate of the actual unknown operator) of the wells described in **Exhibit B**, is:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

6. The performance of the last labor or the furnishing or hauling of the last item or material, tools, machinery, equipment or supplies on said property occurred on or about **February 1, 2026.**

7. This lien is asserted pursuant to the Act. Claimant is owed all amounts set forth in the Invoices attached in **Exhibit A**.

8. Claimant reserves the right to file an amended lien.

DATED this 19th day of March 2026.

RICHARD'S ENERGY COMPRESSION, LLC

By: _____
KYLE CAMPBELL
Manager

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

STATE OF NEW MEXICO )
)SS.
COUNTY OF LEA )

This record was acknowledged before me this 19th day of March 2026 by Kyle Campbell, as Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of such limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Notary Public

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

# VERIFICATION

STATE OF NEW MEXICO )
) ss.
COUNTY OF LEA )

Kyle Campbell, first being duly sworn upon his oath, states that he is over the age of eighteen years old, is otherwise competent to testify to the matters set forth in the attached Claim of Lien, is a Manager of Richard's Energy Compression, LLC with personal knowledge of the matters contained in the Claim of Lien, is authorized and makes this verification on Claimant's behalf; that he has read the foregoing Claim of Lien and knows and understands the contents thereof; that the matters stated therein are true and correct except those matters stated on information and belief, and as to those, he verily believes them to be true.

Kyle Campbell, Manager

SUBSCRIBED, SWORN TO (OR AFFIRMED) AND ACKNOWLEDGED before me this 19th day of March 2026, by Kyle Campbell, Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of said limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Notary Public

4926-3060-1624, v. 1

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
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BY Angie Beauchamp

# EXHIBIT A TO RICHARD'S ENERGY COMPRESSION, LLC LIEN SUMMARY OF UNPAID INVOICES OWED BY EMPIRE PETROLEUM CORPORATION

**See attached**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 11:20 AM
BY Angie Beauchamp

# Statement

RICHARDS ENERGY COMPRESSION, LLC
Hobbs NM 88241

| Date |
|---|
| 2/12/2026 |

| To: |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Amount Due | Amount Enc. |
|---|---|
| $153,049.30 | |

| Date | Transaction | Amount | Balance |
|---|---|---|---|
| 09/15/2025 | INV #182935. Orig. Amount $2,526.00. | 2,526.00 | 2,526.00 |
| 09/15/2025 | INV #182936. Orig. Amount $28,399.61. | 28,399.61 | 30,925.61 |
| 10/15/2025 | INV #184326. Orig. Amount $2,526.00. | 2,526.00 | 33,451.61 |
| 10/15/2025 | INV #184327. Orig. Amount $28,399.61. | 28,399.61 | 61,851.22 |
| 11/15/2025 | INV #185700. Orig. Amount $2,526.00. | 2,526.00 | 64,377.22 |
| 11/15/2025 | INV #185701. Orig. Amount $28,399.61. | 28,399.61 | 92,776.83 |
| 12/15/2025 | INV #187241. Orig. Amount $2,526.00. | 2,526.00 | 95,302.83 |
| 12/15/2025 | INV #187242. Orig. Amount $28,399.61. | 28,399.61 | 123,702.44 |
| 01/15/2026 | INV #188475. Orig. Amount $2,526.00. | 2,526.00 | 126,228.44 |
| 01/15/2026 | INV #188476. Orig. Amount $28,399.61. | 28,399.61 | 154,628.05 |
| 02/12/2026 | CREDMEM #190174. | -1,578.75 | 153,049.30 |

| CURRENT | 1-30 DAYS PAST DUE | 31-60 DAYS PAST DUE | 61-90 DAYS PAST DUE | OVER 90 DAYS PAST DUE | Amount Due |
|---|---|---|---|---|---|
| 0.00 | 30,925.61 | 30,925.61 | 30,925.61 | 60,272.47 | $153,049.30 |

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
8 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182935 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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9 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | Payments/Credits | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |
| | | Payments/Credits | $0.00 |
| Thank you for your business! | Ordered By: | TOBY HOLLAND | **Total** $28,399.61 |

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184326 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** $2,526.00

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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12 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

Payments/Credits

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
13 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 12 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 13 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 16 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 17 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 15 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 14 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

| Ordered By: | TOBY HOLLAND | Total | $28,399.61 |
|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
14 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185700 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
15 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 | |
|---|---|---|
| Lease | Well No. | Unit No. | County | Order Date |
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | Payments/Credits | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
16 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

| Thank you for your business! | Ordered By: | TOBY HOLLAND | Total | $28,399.61 |
|---|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
17 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187241 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 12/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
18 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 12/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

Payments/Credits

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
19 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 12/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
20 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188475 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
21 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 1/15/2026 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

**Payments/Credits**

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19176
Book 2253 Page 409
22 of 25
3/19/2026 11:20 AM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |
| | | Payments/Credits | $0.00 |
| Thank you for your business! | Ordered By: | TOBY HOLLAND | Total $28,399.61 |

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CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241
575-392-1006

# Credit Memo

| Date | Credit No. |
|---|---|
| 2/12/2026 | 190174 |

| Customer | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| WELL NO. | LEASE | UNIT NO. | COMPANY MAN |
|---|---|---|---|
| #17 | WA RAMSEY WELL A | 1035 | |

| Description | Qty | Rate | Amount |
|---|---|---|---|
| Monthly Preventative Maintenance Fee On 270 Compressor | -5 | 300.00 | -1,500.00T |
| CREDIT BEING CREATED DUE TO NO MAINTENANCE HAS BEEN DONE ON UNIT 1035, PER KYLE CAMPBELL.<br>REFERENCE INVOICE NUMBERS:<br>182935<br>184326<br>185700<br>187241<br>188475 | | | |

Thank you for your business!

| | |
|---|---|
| **Subtotal** | -$1,500.00 |
| **Sales Tax (5.25%)** | -$78.75 |
| **Total** | -$1,578.75 |
| **Invoices** | $0.00 |
| **Balance Credit** | -$1,578.75 |

| Phone # |
|---|
| (575) 392-1006 |

Released to Imaging: 10/26/2026 4:11:21 PM

Received by OCD: 10/26/2026 4:10:48 PM

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 11:20 AM
BY Angie Beauchamp

## Empire Petroleum Corporation

| # | Skid # | Amount Owed | API Number / Section-Township | Well Location from NMOCD | NMOCD Name | Lease Name |
|---|---|---|---|---|---|---|
| 1 | 1092 | $ 5,412.45 | 30-025-04893 | J-33-21S-36E | Arnott Ramsay NCT D #12 | Arnott Ramsay Station D #5 |
| 2 | 1113 | $ 5,412.45 | 30-025-08762 | B-3-22S-36E | HARRY LEONARD NCT D #005 | HARRY LEONARD (NCT-D) #5 |
| 3 | 1115 | $ 5,412.45 | 30-025-30990 | F-36-20S-36E | R.R. BELL (NCT-F) #003 | RR BELL F #3 |
| 4 | 1142 | $ 5,412.45 | 30-025-04052 | F-24-19S-36E | NEW MEXICO J STATE #003 | NM STATE J #3 |
| 5 | 1175 | $ 5,412.45 | 30-025-04898 | F-34-21S-36E | W A RAMSAY NCT A #014 | W A RAMSEY #14 |
| 6 | 1185 | $ 6,049.25 | 30-025-04913 | M-35-21S-36E | W A RAMSAY NCT A #012 | WA Ramsey #12 |
| 7 | 1200 | $ 6,049.25 | 30-025-32131 | C-14-21S-36E | H C COLLINS #006 | HC Collins #6 |
| 8 | 1291 | $ 6,049.25 | EMSU-B SEC. 23, T20S, R36E / Federal Lease# 62666 | | Eunice Monument South Unit B Satellite #13 | EMSU B SAT #13 |
| 9 | 1300 | $ 6,049.25 | SEC. 12, T22S, R36E | | Arrowhead Grayberg Unit Satellite #4 | AGU Satellite #4 |
| 10 | 1427 | $ 6,049.25 | 30-025-08775 | M-4-22S-36E | SEVEN RIVERS QUEEN WATERFLOOD, NORTH #001 | Seven Rivers Queen Waterflood North Battery |
| 11 | 1572 | $ 6,049.25 | SEC. 11, T21S, R36E | | Eunice Monument South Unit Satellite #7 | EMSU Satellite 7 |
| 12 | 1897 - A | $ 4,457.35 | 30-025-08720 | B-34-21S-36E | W A RAMSAY NCT A #027 | WA Ramsay A #27 |
| 13 | 1914 | $ 4,457.35 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Battery |
| 14 | 2173 | $ 6,049.25 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Satellite #14 |
| 15 | 2194 | $ 6,049.25 | 30-025-08783 | H-4-22S-36E | J F JANDA NCT F #016 | JF Janda 16 |
| 16 | 2272 | $ 6,049.25 | SEC. 7, T21S, R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #8 | EMSU Satellite #8 |
| 17 | 2287 | $ 4,457.35 | SEC. 36, T21S, R36E | | Arrowhead Grayberg Unit Satellite #1 | AGU Satellite #1 |
| 18 | 2317 | $ 4,457.35 | SEC. 18, T22S, R37E | | Arrowhead Grayberg Unit Satellite #5 | AGU Satellite #5 |
| 19 | 2318 | $ 4,457.35 | Coordinates-32.5208715, -103.2742876 | | Eunice Monument South Unit Satellite #3 | EMSU Satellite #3 |
| 20 | 2321 | $ 4,457.35 | SEC. 30, T20S, R37E | | Eunice Monument South Unit Satellite #1 | EMSU Satellite #1 |
| 21 | 2322 | $ 4,457.35 | SEC. 2, T22S, R36E | | Arrowhead Grayberg Unit Satellite #2 | AGU Satellite #2 |
| 22 | 2325 | $ 4,457.35 | SEC. 3, T21S, R36E | | Eunice Monument South Unit Satellite #6 | EMSU Satellite #6 |
| 23 | 2326 | $ 4,457.35 | UNIT G, SEC. 21, T21S-R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #12 | EMSU Satellite #12 |
| 24 | 2337 | $ 6,049.25 | 30-025-30932 | L-32-19S-37E | STATE H #003 | State H #3 |
| 25 | 2342 | $ 5,412.45 | SEC. 15, T21S, R36E | | Eunice Monument South Unit Satellite #11 | EMSU Satellite #11 |
| 26 | 2346 | $ 4,457.35 | SEC. 18, T21S, R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #9 | EMSU Satellite #9 |
| 27 | 2351 | $ 4,457.35 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $141,998.05 | | | | |
| | | | | | | |
| 28 | 1033 | $ 1,578.75 | 30-025-04802 | C-27-21S-36E | W A RAMSAY NCT A #043 | W A RAMSEY WELL #43 |
| 29 | 1034 | $ 1,578.75 | 30-025-04899 | N-34-21S-36E | W A RAMSAY NCT A COM #036 | W A RAMSEY WELL #36 |
| 30 | 1084 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 31 | 1237 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 32 | 2214 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 33 | 2224 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 34 | XT106 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $ 11,051.25 | | | | |

**SUMMARY OF AMOUNTS OWED PER SKID/UNIT**

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Received by OCD: 10/26/2026 4:10:48 PM

# EXHIBIT B

## WELLS LOCATED ON LANDS SUBJECT TO LIEN OF RICHARD'S ENERGY COMPRESSION, LLC AGAINST EMPIRE PETROLEUM CORPORATION INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING

| | API Number | Well Location from NMOCD | NMOCD Name | Lease Name | Lessor per Assignment from XTO to Empire | Current Lessee |
|---|---|---|---|---|---|---|
| 2 | 30-025-08762 | B-3-22S-36E | HARRY LEONARD NCT D #005 | HARRY LEONARD (NCT-D) #5 | State of NM B-1732-0001 | Chevron USA, Inc. |
| 5 | 30-025-04898 | F-34-21S-36E | W A RAMSAY NCT A #014 | W A RAMSEY #14 | State of NM B-1732-0001 | Chevron USA, Inc. |
| 12 | 30-025-08720 | B-34-21S-36E | W A RAMSAY NCT A #027 | WA Ramsay A #27 | State of NM B-1732-0001 | Chevron USA, Inc. |
| 28 | 30-025-04802 | C-27-21S-36E | W A RAMSAY NCT A #043 | W A RAMSEY WELL #43 | State of NM B-1732-0001 | Chevron USA, Inc. |
| 29 | 30-025-04899 | N-34-21S-36E | W A RAMSAY NCT A COM #036 | W A RAMSEY WELL #36 | State of NM B-1732-0001 | Chevron USA, Inc. |

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BY Angie Beauchamp

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BY Angie Beauchamp

# *CLAIM OF LIEN UNDER OIL AND GAS LIEN ACT*

**RICHARD'S ENERGY COMPRESSION**, LLC, a New Mexico limited liability company, ("Claimant"), whose address is P. O. Box 2250, Hobbs, New Mexico 88241, does hereby claim the benefits of the New Mexico Oil and Gas Lien Act, NMSA Section 70-4-1 through 15 (1987) (the "Act"), and in support thereof, states:

1. Claimant, as an original contractor within the meaning of the Act, to improve the property described below under a continuous contract with **EMPIRE PETROLEUM CORPORATION, a Delaware corporation, for itself or as Manager of Empire New Mexico LLC** (or its unknown affiliates) (collectively "Empire"), which contract did not have any lapses of time between the provision of goods and services exceeding 120 days, provided certain goods, materials, tools, machinery, equipment and supplies and rendered services pursuant to and in accordance with the copies of invoices attached hereto as **Exhibit A** and incorporated herein by reference to certain central tank batteries ("CTBs"), and wells feeding those batteries in Lea County, New Mexico. Claimant rented equipment on a monthly, continuous basis to Empire at multiple oil and gas lease locations in Lea County, New Mexico. Each invoice includes amounts due from Empire for equipment delivered by Claimant to multiple locations at the direction of Empire, all of which are located within the Property described below. After deducting all just credits and offsets, Claimant is entitled to and hereby claims a lien on the Property described below in the amount of **$22,578.80**, plus interest and costs thereon.

2. Upon information and belief, the Property upon which the lien is claimed includes but is not limited to:

(A) the whole of the lands and leases located in **Lea County**, New Mexico more fully described as:

**Township 21 South, Range 36 East, NMPM**

**Section 36 : All**

**Township 22 South, Range 36 East, NMPM**

**Section 1: All**
**Section 2: All**
**Section 12: NE/4; NW/4; E/2 SW/4 ; SE/4**

**Township 22 South, Range 37 East, NMPM**

**Section 18: All**

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CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

covering all leases and lessors, set forth in that certain Assignment and Bill of Sale filed on June 7, 2021, in the Lea County Records under Book 2181, Page 482, incorporated here by reference, between XTO Holdings, LLC as Assignor and Empire New Mexico LLC, as Assignee, to the extent and only to the extent said leases cover the lands described above;

(B) the whole of said oil, gas and mineral lease(s) and leasehold estate benefitted and any and all interests in the above-described lands and any other leases of the above-described lands, including all leases and lands within the Arrowhead Grayburg Unit, which is further described in **Exhibit C** attached hereto;

(C) all buildings, fixtures, improvements and appurtenances located thereon;

(D) the materials, tools, machinery, and supplies owned by such owner, operator or contractor that were used in drilling and operating for oil, gas and other minerals upon such leaseholds;

(E) all oil wells, gas wells, fixtures, machinery, tools, equipment, buildings, appurtenances, pipelines, leasehold interests and lands used in operating for oil, gas and other minerals upon such leaseholds or lands, including all wells and CTBs listed and further described on **Exhibit B**, attached hereto;

(F) the oil, gas and other minerals produced from or upon said lands, including all accounts created thereby and proceeds payable thereon, under and by virtue of the Act; and

(G) all other property upon which a lien may be asserted as allowed by the Act.

3. The person to whom the goods, tools, materials, machinery, equipment, supplies, services and labor was furnished and performed was:

Empire Petroleum Corporation
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

and via CT Corporation System
Registered Agent for Empire Petroleum Corporation
1833 South Morgan Rd.
Oklahoma City, OK 73128

LEA COUNTY, NM
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BY Angie Beauchamp

4. Claimant is informed that some of the owners (or reputed owners) of the above-described Property against which this lien is asserted are:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

and other owners as may be determined, including current lessees identified in **Exhibit B**.

5. Claimant is informed that the Operator (or the successor or affiliate of the actual unknown operator) of the wells described in **Exhibit B**, is:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

6. The performance of the last labor or the furnishing or hauling of the last item or material, tools, machinery, equipment or supplies on said property occurred on or about **February 1, 2026.**

7. This lien is asserted pursuant to the Act. Claimant is owed all amounts set forth in the Invoices attached in **Exhibit A**.

8. Claimant reserves the right to file an amended lien.

DATED this 19 day of March 2026.

RICHARD'S ENERGY COMPRESSION, LLC

By: _____
KYLE CAMPBELL
Manager

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CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

STATE OF NEW MEXICO )
)SS.
COUNTY OF LEA )

This record was acknowledged before me this 19th day of March 2026 by Kyle Campbell, as Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of such limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Notary Public

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

# VERIFICATION

STATE OF NEW MEXICO )
) ss.
COUNTY OF LEA )

Kyle Campbell, first being duly sworn upon his oath, states that he is over the age of eighteen years old, is otherwise competent to testify to the matters set forth in the attached Claim of Lien, is a Manager of Richard's Energy Compression, LLC with personal knowledge of the matters contained in the Claim of Lien, is authorized and makes this verification on Claimant's behalf; that he has read the foregoing Claim of Lien and knows and understands the contents thereof; that the matters stated therein are true and correct except those matters stated on information and belief, and as to those, he verily believes them to be true.

Kyle Campbell, Manager

SUBSCRIBED, SWORN TO (OR AFFIRMED) AND ACKNOWLEDGED before me this 19th day of March 2026, by Kyle Campbell, Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of said limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Notary Public

4930-9341-7624, v. 1

LEA COUNTY, NM
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BY Angie Beauchamp

**EXHIBIT A TO RICHARD'S ENERGY COMPRESSION, LLC LIEN SUMMARY OF UNPAID INVOICES OWED BY EMPIRE PETROLEUM CORPORATION**

**See attached**

**4930-9341-7624, v. 1**

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BY Angie Beauchamp

# Statement

RICHARDS ENERGY COMPRESSION, LLC
Hobbs NM 88241

| Date |
|---|
| 2/12/2026 |

To:
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Amount Due | Amount Enc. |
|---|---|
| $153,049.30 | |

| Date | Transaction | Amount | Balance |
|---|---|---|---|
| 09/15/2025 | INV #182935. Orig. Amount $2,526.00. | 2,526.00 | 2,526.00 |
| 09/15/2025 | INV #182936. Orig. Amount $28,399.61. | 28,399.61 | 30,925.61 |
| 10/15/2025 | INV #184326. Orig. Amount $2,526.00. | 2,526.00 | 33,451.61 |
| 10/15/2025 | INV #184327. Orig. Amount $28,399.61. | 28,399.61 | 61,851.22 |
| 11/15/2025 | INV #185700. Orig. Amount $2,526.00. | 2,526.00 | 64,377.22 |
| 11/15/2025 | INV #185701. Orig. Amount $28,399.61. | 28,399.61 | 92,776.83 |
| 12/15/2025 | INV #187241. Orig. Amount $2,526.00. | 2,526.00 | 95,302.83 |
| 12/15/2025 | INV #187242. Orig. Amount $28,399.61. | 28,399.61 | 123,702.44 |
| 01/15/2026 | INV #188475. Orig. Amount $2,526.00. | 2,526.00 | 126,228.44 |
| 01/15/2026 | INV #188476. Orig. Amount $28,399.61. | 28,399.61 | 154,628.05 |
| 02/12/2026 | CREDMEM #190174. | -1,578.75 | 153,049.30 |

| CURRENT | 1-30 DAYS PAST DUE | 31-60 DAYS PAST DUE | 61-90 DAYS PAST DUE | OVER 90 DAYS PAST DUE | Amount Due |
|---|---|---|---|---|---|
| 0.00 | 30,925.61 | 30,925.61 | 30,925.61 | 60,272.47 | $153,049.30 |

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BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182935 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

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BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Lease | Well No. | Terms-Net 30 | Net 30 | |
|---|---|---|---|---|
| | | Unit No. | County | Order Date |
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | **Payments/Credits** | |

| Thank you for your business! | Ordered By: | TOBY HOLLAND | **Total** |
|---|---|---|---|

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CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

| Thank you for your business! | Ordered By: | TOBY HOLLAND | Total | $28,399.61 |
|---|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
11 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184326 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** $2,526.00

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
12 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

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P O Box 2250
Hobbs NM 88241 MAIN OFFICE
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cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

Payments/Credits

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
13 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

| Ordered By: | TOBY HOLLAND | Total | $28,399.61 |
|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
14 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185700 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
15 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | Payments/Credits | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
16 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

**Bill To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

| Ordered By: | TOBY HOLLAND | Total | $28,399.61 |
|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
17 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187241 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No: | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 12/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
18 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 12/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | Payments/Credits | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19190
Book 2253 Page 423
19 of 27
3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 12/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188475 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
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BY Angie Beauchamp

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P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
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nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 1/15/2026 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | Payments/Credits | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

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CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

**Bill To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 12:16 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241
575-392-1006

# Credit Memo

| Date | Credit No. |
|---|---|
| 2/12/2026 | 190174 |

| Customer | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| WELL NO. | LEASE | UNIT NO. | COMPANY MAN |
|---|---|---|---|
| #17 | WA RAMSEY WELL A | 1035 | |

| Description | Qty | Rate | Amount |
|---|---|---|---|
| Monthly Preventative Maintenance Fee On 270 Compressor | -5 | 300.00 | -1,500.00T |
| CREDIT BEING CREATED DUE TO NO MAINTENANCE HAS BEEN DONE ON UNIT 1035, PER KYLE CAMPBELL.<br>REFERENCE INVOICE NUMBERS:<br>182935<br>184326<br>185700<br>187241<br>188475 | | | |

Thank you for your business!

| | |
|---|---|
| **Subtotal** | -$1,500.00 |
| **Sales Tax (5.25%)** | -$78.75 |
| **Total** | -$1,578.75 |
| **Invoices** | $0.00 |
| **Balance Credit** | -$1,578.75 |

| Phone # |
|---|
| (575) 392-1006 |

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BY Angie Beauchamp

## Empire Petroleum Corporation

| # | Skid # | Amount Owed | API Number / Section-Township | Well Location from NMOCD | NMOCD Name | Lease Name |
|---|---|---|---|---|---|---|
| 1 | 1092 | $ 5,412.45 | 30-025-04893 | J-33-21S-36E | Arnott Ramsay NCT D #12 | Arnott Ramsay Station D #5 |
| 2 | 1113 | $ 5,412.45 | 30-025-08782 | B-3-22S-36E | HARRY LEONARD NCT D #005 | HARRY LEONARD (NCT-D) #5 |
| 3 | 1115 | $ 5,412.45 | 30-025-30990 | F-36-20S-36E | R.R. BELL (NCT-F) #003 | RR BELL F #3 |
| 4 | 1142 | $ 5,412.45 | 30-025-04052 | F-24-19S-36E | NEW MEXICO J STATE #003 | NM STATE J #3 |
| 5 | 1175 | $ 5,412.45 | 30-025-04898 | F-34-21S-36E | W A RAMSAY NCT A #014 | W A RAMSEY #14 |
| 6 | 1185 | $ 6,049.25 | 30-025-04913 | M-35-21S-36E | W A RAMSAY NCT A #012 | WA Ramsey #12 |
| 7 | 1200 | $ 6,049.25 | 30-025-32131 | C-14-21S-36E | H C COLLINS #006 | HC Collins #6 |
| 8 | 1291 | $ 6,049.25 | EMSU-B SEC. 23, T20S, R36E / Federal Lease# 62666 | | Eunice Monument South Unit B Satellite #13 | EMSU B SAT #13 |
| 9 | 1300 | $ 6,049.25 | SEC. 12, T22S, R36E | | Arrowhead Grayberg Unit Satellite #4 | AGU Satellite #4 |
| 10 | 1427 | $ 6,049.25 | 30-025-08775 | M-4-22S-36E | SEVEN RIVERS QUEEN WATERFLOOD, NORTH #001 | Seven Rivers Queen Waterflood North Battery |
| 11 | 1572 | $ 6,049.25 | SEC. 11, T21S, R36E | | Eunice Monument South Unit Satellite #7 | EMSU Satellite 7 |
| 12 | 1897 - A | $ 4,457.35 | 30-025-08720 | B-34-21S-36E | W A RAMSAY NCT A #027 | WA Ramsay A #27 |
| 13 | 1914 | $ 4,457.35 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Battery |
| 14 | 2173 | $ 6,049.25 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Satellite #14 |
| 15 | 2194 | $ 6,049.25 | 30-025-08783 | H-4-22S-36E | J F JANDA NCT F #016 | JF Janda 16 |
| 16 | 2272 | $ 6,049.25 | SEC. 7, T21S, R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #8 | EMSU Satellite #8 |
| 17 | 2287 | $ 4,457.35 | SEC. 36, T21S, R36E | | Arrowhead Grayberg Unit Satellite #1 | AGU Satellite #1 |
| 18 | 2317 | $ 4,457.35 | SEC. 18, T22S, R37E | | Arrowhead Grayberg Unit Satellite #5 | AGU Satellite #5 |
| 19 | 2318 | $ 4,457.35 | Coordinates-32.5208715, -103.2742876 | | Eunice Monument South Unit Satellite #3 | EMSU Satellite #3 |
| 20 | 2321 | $ 4,457.35 | SEC. 30, T20S, R37E | | Eunice Monument South Unit Satellite #1 | EMSU Satellite #1 |
| 21 | 2322 | $ 4,457.35 | SEC. 2, T22S, R36E | | Arrowhead Grayberg Unit Satellite #2 | AGU Satellite #2 |
| 22 | 2325 | $ 4,457.35 | SEC. 3, T21S, R36E | | Eunice Monument South Unit Satellite #6 | EMSU Satellite #6 |
| 23 | 2326 | $ 4,457.35 | UNIT G, SEC. 21, T21S-R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #12 | EMSU Satellite #12 |
| 24 | 2337 | $ 6,049.25 | 30-025-30932 | L-32-19S-37E | STATE H #003 | State H #3 |
| 25 | 2342 | $ 5,412.45 | SEC. 15, T21S, R36E | | Eunice Monument South Unit Satellite #11 | EMSU Satellite #11 |
| 26 | 2346 | $ 4,457.35 | SEC. 18, T21S, R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #9 | EMSU Satellite #9 |
| 27 | 2351 | $ 4,457.35 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $141,998.05 | | | | |
| | | | | | | |
| 28 | 1033 | $ 1,578.75 | 30-025-04802 | C-27-21S-36E | W A RAMSAY NCT A #043 | W A RAMSEY WELL #43 |
| 29 | 1034 | $ 1,578.75 | 30-025-04899 | N-34-21S-36E | W A RAMSAY NCT A COM #036 | W A RAMSEY WELL #36 |
| 30 | 1084 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 31 | 1237 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 32 | 2214 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 33 | 2224 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 34 | XT106 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $ 11,051.25 | | | | |

SUMMARY OF AMOUNTS OWED PER SKID/UNIT

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BY Angie Beauchamp

# EXHIBIT B

## WELLS LOCATED ON LANDS SUBJECT TO LIEN OF RICHARD'S ENERGY COMPRESSION, LLC AGAINST EMPIRE PETROLEUM CORPORATION INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING

| | API Number | Well Location from NMOCD | NMOCD Name | Lease Name | Lessor per Assignment from XTO to Empire | Current Lessee |
|---|---|---|---|---|---|---|
| 9 | | SEC. 12, T22S, R36E | Arrowhead Grayburg Unit Satellite #4 | AGU Satellite #4 | State of NM B0-1506-0008 | ZPZ DELAWARE I, LLC |
| 17 | | SEC. 36, T21S, R36E | Arrowhead Grayburg Unit Satellite #1 | AGU Satellite #1 | State of NM B0-1732-0006 | SOUTHWEST ROYALTIES, INC. |
| 18 | | SEC. 18, T22S, R37E | Arrowhead Grayburg Unit Satellite #5 | AGU Satellite #5 | State of NM B0-934-047<br>State of NM B0-934-048 | XTO HOLDINGS, LLC<br>HILLCORP ENERGY |
| 21 | | SEC. 2, T22S, R36E | Arrowhead Grayburg Unit Satellite #2 | AGU Satellite #2 | State of NM B0-1534-0000 | CONOCOPHILLIPS COMPANY |
| 30 | | SEC. 1, T22S, R36E | Arrowhead Grayburg Unit Central Battery | AGU CTB | Private Lease—H. T. Mattern et al. to Gypsy Oil Company lease dated 9/22/1928 | |
| 33 | | SEC. 1, T22S, R36E | Arrowhead Grayburg Unit Central Battery | AGU CTB | Private Lease—H. T. Mattern et al. to Gypsy Oil Company lease dated 9/22/1928 | |



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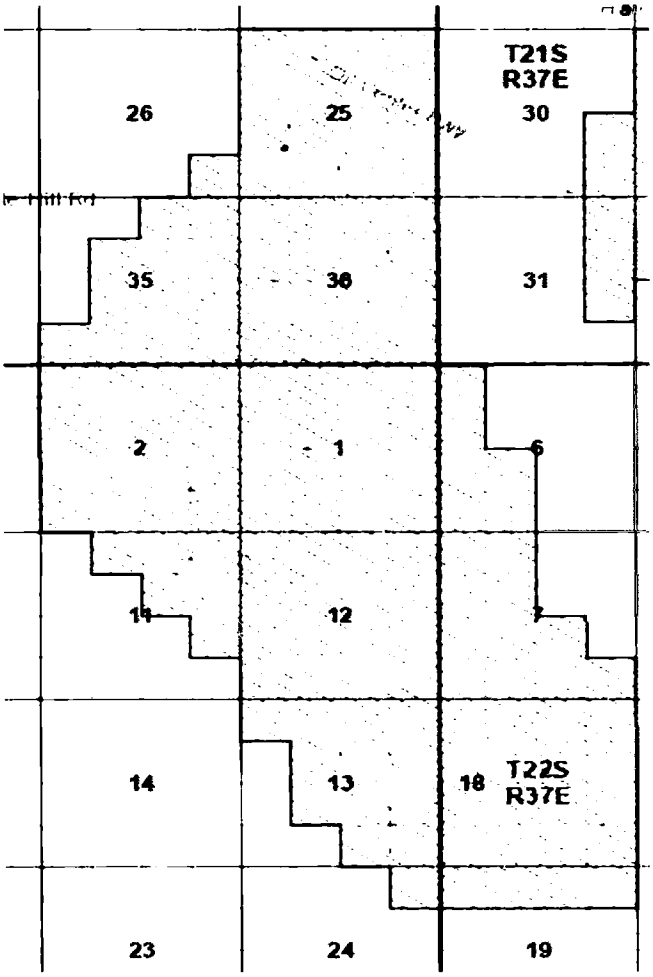
# EXHIBIT C

## DESCRIPTION OF LAND AND LEASES WITHIN

## ARROWHEAD-GRAYBURG UNIT

LEA COUNTY, NM
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BY Angie Beauchamp

Arrowhead-Grayburg Unit.




Unit Acreage Details

| Unit Tract Owner Code | Unit Tract Acreage Amount |
|---|---|
| FEDERAL | 554.30 |
| FEE | 1770.33 |
| STATE | 3597.63 |

4934-9542-2871, v. 1

LEA COUNTY, NM
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# *CLAIM OF LIEN UNDER OIL AND GAS LIEN ACT*

**RICHARD'S ENERGY COMPRESSION**, LLC, a New Mexico limited liability company, ("Claimant"), whose address is P. O. Box 2250, Hobbs, New Mexico 88241, does hereby claim the benefits of the New Mexico Oil and Gas Lien Act, NMSA Section 70-4-1 through 15 (1987) (the "Act"), and in support thereof, states:

1. Claimant, as an original contractor within the meaning of the Act, to improve the property described below under a continuous contract with **EMPIRE PETROLEUM CORPORATION, a Delaware corporation, for itself or as Manager of Empire New Mexico LLC** (or its unknown affiliates) (collectively "Empire"), which contract did not have any lapses of time between the provision of goods and services exceeding 120 days, provided certain goods, materials, tools, machinery, equipment and supplies and rendered services pursuant to and in accordance with the copies of invoices attached hereto as **Exhibit A** and incorporated herein by reference to certain central tank batteries ("CTBs"), and wells feeding those batteries in Lea County, New Mexico. Claimant rented equipment on a monthly, continuous basis to Empire at multiple oil and gas lease locations in Lea County, New Mexico. Each invoice includes amounts due from Empire for equipment delivered by Claimant to multiple locations at the direction of Empire, all of which are located within the Property described below. After deducting all just credits and offsets, Claimant is entitled to and hereby claims a lien on the Property described below in the amount of **$77,008.85**, plus interest and costs thereon.

2. Upon information and belief, the Property upon which the lien is claimed includes but is not limited to:

(A) the whole of the lands and leases located in **Lea County**, New Mexico more fully described as:

**Township 20 South, Range 36 East, NMPM**

**Section 14: SE/4 SE/4**
**Section 23: NW/4 NE/4**
**Section 36: SE/4 NW/4**

**Township 21 South, Range 36 East, NMPM**

**Section 3: All**
**Section 4: All**
**Section 7: All**
**Section 11: NW/4; SW/4; NE/4; E/2SE/4**
**Section 14 : NE/4 NW/4**
**Section 15 : All**
**Section 18 : All**
**Section 21: SW/4 NE/4**

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BY Angie Beauchamp

**Township 20 South, Range 37 East, NMPM**

**Section 30: All**

covering all leases and lessors, set forth in that certain Assignment and Bill of Sale filed on June 7, 2021, in the Lea County Records under Book 2181, Page 482, incorporated here by reference, between XTO Holdings, LLC as Assignor and Empire New Mexico LLC, as Assignee, to the extent and only to the extent said leases cover the lands described above;

(B) the whole of said oil, gas and mineral lease(s) and leasehold estate benefitted and any and all interests in the above-described lands and any other leases of the above-described lands within the **Eunice Monument South Unit**;

(C) all buildings, fixtures, improvements and appurtenances located thereon;

(D) the materials, tools, machinery, and supplies owned by such owner, operator or contractor that were used in drilling and operating for oil, gas and other minerals upon such leaseholds;

(E) all oil wells, gas wells, fixtures, machinery, tools, equipment, buildings, appurtenances, pipelines, leasehold interests and lands used in operating for oil, gas and other minerals upon such leaseholds or lands, including all wells and CTBs listed and further described on **Exhibit B**, attached hereto;

(F) the oil, gas and other minerals produced from or upon said lands, including all accounts created thereby and proceeds payable thereon, under and by virtue of the Act; and

(G) all other property upon which a lien may be asserted as allowed by the Act.

3. The person to whom the goods, tools, materials, machinery, equipment, supplies, services and labor was furnished and performed was:

Empire Petroleum Corporation
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

and via CT Corporation System
Registered Agent for Empire Petroleum Corporation
1833 South Morgan Rd.
Oklahoma City, OK 73128

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

4. Claimant is informed that some of the owners (or reputed owners) of the above-described Property against which this lien is asserted are:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

and other owners as may be determined, including current lessees identified in **Exhibit B**.

5. Claimant is informed that the Operator (or the successor or affiliate of the actual unknown operator) of the wells described in **Exhibit B**, is:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

6. The performance of the last labor or the furnishing or hauling of the last item or material, tools, machinery, equipment or supplies on said property occurred on or about **February 1, 2026.**

7. This lien is asserted pursuant to the Act. Claimant is owed all amounts set forth in the Invoices attached in **Exhibit A**.

8. Claimant reserves the right to file an amended lien.

DATED this 19 day of March 2026.

RICHARD'S ENERGY COMPRESSION, LLC

By: _____
KYLE CAMPBELL
Manager

4915-7730-7288, v. 1

LEA COUNTY, NM
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BY Angie Beauchamp

STATE OF NEW MEXICO )
)SS.
COUNTY OF LEA )

This record was acknowledged before me this 19th day of March 2026 by Kyle Campbell, as Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of such limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Angela M Feaselman
Notary Public

4915-7730-7288, v. 1

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

**VERIFICATION**

STATE OF NEW MEXICO )
) ss.
COUNTY OF LEA )

Kyle Campbell, first being duly sworn upon his oath, states that he is over the age of eighteen years old, is otherwise competent to testify to the matters set forth in the attached Claim of Lien, is a Manager of Richard's Energy Compression, LLC with personal knowledge of the matters contained in the Claim of Lien, is authorized and makes this verification on Claimant's behalf; that he has read the foregoing Claim of Lien and knows and understands the contents thereof; that the matters stated therein are true and correct except those matters stated on information and belief, and as to those, he verily believes them to be true.

Kyle Campbell, Manager

SUBSCRIBED, SWORN TO (OR AFFIRMED) AND ACKNOWLEDGED before me this 19th day of March 2026, by Kyle Campbell, Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of said limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Notary Public

4915-7730-7288, v. 1

LEA COUNTY, NM
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BY Angie Beauchamp

**EXHIBIT A TO RICHARD'S ENERGY COMPRESSION, LLC LIEN SUMMARY OF UNPAID INVOICES OWED BY EMPIRE PETROLEUM CORPORATION**

**See attached**

4915-7730-7288, v. 1

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BY Angie Beauchamp

# Statement

RICHARDS ENERGY COMPRESSION, LLC
Hobbs NM 88241

| Date |
|---|
| 2/12/2026 |

| To: |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Amount Due | Amount Enc. |
|---|---|
| $153,049.30 | |

| Date | Transaction | Amount | Balance |
|---|---|---|---|
| 09/15/2025 | INV #182935. Orig. Amount $2,526.00. | 2,526.00 | 2,526.00 |
| 09/15/2025 | INV #182936. Orig. Amount $28,399.61. | 28,399.61 | 30,925.61 |
| 10/15/2025 | INV #184326. Orig. Amount $2,526.00. | 2,526.00 | 33,451.61 |
| 10/15/2025 | INV #184327. Orig. Amount $28,399.61. | 28,399.61 | 61,851.22 |
| 11/15/2025 | INV #185700. Orig. Amount $2,526.00. | 2,526.00 | 64,377.22 |
| 11/15/2025 | INV #185701. Orig. Amount $28,399.61. | 28,399.61 | 92,776.83 |
| 12/15/2025 | INV #187241. Orig. Amount $2,526.00. | 2,526.00 | 95,302.83 |
| 12/15/2025 | INV #187242. Orig. Amount $28,399.61. | 28,399.61 | 123,702.44 |
| 01/15/2026 | INV #188475. Orig. Amount $2,526.00. | 2,526.00 | 126,228.44 |
| 01/15/2026 | INV #188476. Orig. Amount $28,399.61. | 28,399.61 | 154,628.05 |
| 02/12/2026 | CREDMEM #190174. | -1,578.75 | 153,049.30 |

| CURRENT | 1-30 DAYS PAST DUE | 31-60 DAYS PAST DUE | 61-90 DAYS PAST DUE | OVER 90 DAYS PAST DUE | Amount Due |
|---|---|---|---|---|---|
| 0.00 | 30,925.61 | 30,925.61 | 30,925.61 | 60,272.47 | $153,049.30 |

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182935 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
9 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

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nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

| Bill To | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 | |
|---|---|---|
| Lease | Well No. | Unit No. | County | Order Date |
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | Payments/Credits | |

| Thank you for your business! | Ordered By: | TOBY HOLLAND | Total |
|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
10 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
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432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
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nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

| Thank you for your business! | Ordered By: | TOBY HOLLAND | Total | $28,399.61 |
|---|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
11 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

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P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184326 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|
| **Total** | **$2,526.00** |

Thank you for your business!

Ordered By: TOBY HOLLAND

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
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3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

**Bill To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

**Payments/Credits**

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
13 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

**Bill To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

Terms-Net 30 | Net 30

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

**Payments/Credits** $0.00

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
14 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

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P O Box 2250
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575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
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cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185700 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|
| **Total** | **$2,526.00** |

Thank you for your business!

Ordered By: TOBY HOLLAND

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
15 of 26
3/19/2026 12:40 PM
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nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

| Bill To | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 | |
|---|---|---|
| Lease | Well No. | Unit No. | County | Order Date |
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | Payments/Credits | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
16 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

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nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
17 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187241 |

| Bill To | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 12/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
18 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

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Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
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cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 | |
|---|---|---|
| Lease / Well No. | Unit No. | County | Order Date |
| | RENTALS | LEA | 12/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | **Payments/Credits** | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
19 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

**Bill To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 12/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | | Subtotal | | 26,983.00 |
| | | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

**Payments/Credits** $0.00

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
20 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188475 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
21 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 1/15/2026 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

**Payments/Credits**

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
22 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

**Bill To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

Terms-Net 30 | Net 30

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

**Payments/Credits** $0.00

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
23 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241
575-392-1006

# Credit Memo

| Date | Credit No. |
|---|---|
| 2/12/2026 | 190174 |

| Customer | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| WELL NO. | LEASE | UNIT NO. | COMPANY MAN |
|---|---|---|---|
| #17 | WA RAMSEY WELL A | 1035 | |

| Description | Qty | Rate | Amount |
|---|---|---|---|
| Monthly Preventative Maintenance Fee On 270 Compressor | -5 | 300.00 | -1,500.00T |
| CREDIT BEING CREATED DUE TO NO MAINTENANCE HAS BEEN DONE ON UNIT 1035, PER KYLE CAMPBELL.<br>REFERENCE INVOICE NUMBERS:<br>182935<br>184326<br>185700<br>187241<br>188475 | | | |

Thank you for your business!

| | |
|---|---|
| **Subtotal** | -$1,500.00 |
| **Sales Tax (5.25%)** | -$78.75 |
| **Total** | -$1,578.75 |
| **Invoices** | $0.00 |
| **Balance Credit** | -$1,578.75 |

| Phone # |
|---|
| (575) 392-1006 |

Released to Imaging: 10/26/2026 4:11:21 PM

Received by OCD: 10/26/2026 4:10:48 PM

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19192
Book 2253 Page 425
24 of 26
3/19/2026 12:40 PM
BY Angie Beauchamp

## Empire Petroleum Corporation

| # | Skid # | Amount Owed | API Number / Section-Township | Well Location from NMOCD | NMOCD Name | Lease Name |
|---|---|---|---|---|---|---|
| 1 | 1092 | $ 5,412.45 | 30-025-04893 | J-33-21S-38E | Arnott Ramsay NCT D #12 | Arnott Ramsay Station D #5 |
| 2 | 1113 | $ 5,412.45 | 30-025-08762 | B-3-22S-36E | HARRY LEONARD NCT D #005 | HARRY LEONARD (NCT-D) #5 |
| 3 | 1115 | $ 5,412.45 | 30-025-30990 | F-36-20S-36E | R.R. BELL (NCT-F) #003 | RR BELL F #3 |
| 4 | 1142 | $ 5,412.45 | 30-025-04052 | F-24-19S-36E | NEW MEXICO J STATE #003 | NM STATE J #3 |
| 5 | 1175 | $ 5,412.45 | 30-025-04898 | F-34-21S-36E | W A RAMSAY NCT A #014 | W A RAMSEY #14 |
| 6 | 1185 | $ 6,049.25 | 30-025-04913 | M-35-21S-36E | W A RAMSAY NCT A #012 | WA Ramsey #12 |
| 7 | 1200 | $ 6,049.25 | 30-025-32131 | C-14-21S-36E | H C COLLINS #006 | HC Collins #6 |
| 8 | 1291 | $ 6,049.25 | EMSU-B SEC. 23, T20S, R36E / Federal Lease# 62666 | | Eunice Monument South Unit B Satellite #13 | EMSU B SAT #13 |
| 9 | 1300 | $ 6,049.25 | SEC. 12, T22S, R36E | | Arrowhead Grayberg Unit Satellite #4 | AGU Satellite #4 |
| 10 | 1427 | $ 6,049.25 | 30-025-08775 | M-4-22S-36E | SEVEN RIVERS QUEEN WATERFLOOD, NORTH #001 | Seven Rivers Queen Waterflood North Battery |
| 11 | 1572 | $ 6,049.25 | SEC. 11, T21S, R36E | | Eunice Monument South Unit Satellite #7 | EMSU Satellite 7 |
| 12 | 1897 - A | $ 4,457.35 | 30-025-08720 | B-34-21S-36E | W A RAMSAY NCT A #027 | WA Ramsay A #27 |
| 13 | 1914 | $ 4,457.35 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Battery |
| 14 | 2173 | $ 6,049.25 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Satellite #14 |
| 15 | 2194 | $ 6,049.25 | 30-025-08783 | H-4-22S-36E | J F JANDA NCT F #016 | JF Janda 16 |
| 16 | 2272 | $ 6,049.25 | SEC. 7, T21S, R36E / Federal ID# NMLCO31740B | | Eunice Monument South Unit Satellite Battery #8 | EMSU Satellite #8 |
| 17 | 2287 | $ 4,457.35 | SEC. 36, T21S, R36E | | Arrowhead Grayberg Unit Satellite #1 | AGU Satellite #1 |
| 18 | 2317 | $ 4,457.35 | SEC. 18, T22S, R37E | | Arrowhead Grayberg Unit Satellite #5 | AGU Satellite #5 |
| 19 | 2318 | $ 4,457.35 | Coordinates-32.5208715, -103.2742876 | | Eunice Monument South Unit Satellite #3 | EMSU Satellite #3 |
| 20 | 2321 | $ 4,457.35 | SEC. 30, T20S, R37E | | Eunice Monument South Unit Satellite #1 | EMSU Satellite #1 |
| 21 | 2322 | $ 4,457.35 | SEC. 2, T22S, R36E | | Arrowhead Grayberg Unit Satellite #2 | AGU Satellite #2 |
| 22 | 2325 | $ 4,457.35 | SEC. 3, T21S, R36E | | Eunice Monument South Unit Satellite #6 | EMSU Satellite #6 |
| 23 | 2326 | $ 4,457.35 | UNIT G, SEC. 21, T21S-R36E / Federal ID# NMLCO31740B | | Eunice Monument South Unit Satellite Battery #12 | EMSU Satellite #12 |
| 24 | 2337 | $ 6,049.25 | 30-025-30932 | L-32-19S-37E | STATE H #003 | State H #3 |
| 25 | 2342 | $ 5,412.45 | SEC. 15, T21S, R36E | | Eunice Monument South Unit Satellite #11 | EMSU Satellite #11 |
| 26 | 2346 | $ 4,457.35 | SEC. 18, T21S, R36E / Federal ID# NMLCO31740B | | Eunice Monument South Unit Satellite Battery #9 | EMSU Satellite #9 |
| 27 | 2351 | $ 4,457.35 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $141,998.05 | | | | |
| | | | | | | |
| 28 | 1033 | $ 1,578.75 | 30-025-04802 | C-27-21S-36E | W A RAMSAY NCT A #043 | W A RAMSEY WELL #43 |
| 29 | 1034 | $ 1,578.75 | 30-025-04899 | N-34-21S-36E | W A RAMSAY NCT A COM #036 | W A RAMSEY WELL #36 |
| 30 | 1084 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 31 | 1237 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 32 | 2214 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 33 | 2224 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 34 | XT106 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $ 11,051.25 | | | | |

SUMMARY OF AMOUNTS OWED PER SKID/UNIT

Released to Imaging: 10/26/2026 4:11:21 PM

Received by OCD: 10/26/2026 4:10:48 PM

# EXHIBIT B

## WELLS LOCATED ON LANDS SUBJECT TO LIEN OF RICHARD'S ENERGY COMPRESSION, LLC AGAINST EMPIRE PETROLEUM CORPORATION INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING

| | API Number | Well Location from NMOCD | NMOCD Name | Lease Name | Lessor per Assignment from XTO to Empire | Current Lessee |
|---|---|---|---|---|---|---|
| 3 | 30-025-30990 | F-36-20S-36E | R.R. BELL (NCT-F) #003 | RR BELL F #3 | State of NM B0-230-0001 | Chevron USA, Inc. |
| 7 | 30-025-32131 | C-14-21S-36E | H C COLLINS #006 | HC Collins #6 | | |
| 8 | | B-23-20S-36E | Eunice Monument South Unit B Satellite #13 | EMSU B Satellite #13 | Legacy Serial No. NMNM 070948X | Secondary Unit |
| 11 | | SEC. 11, T21S, R36E | Eunice Monument South Unit Satellite #7 | EMSU Satellite 7 | State of NM B0-0230-0005 | Southwest Royalties, Inc. |
| 13 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Battery | | |
| 14 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Satellite #14 | | |
| 16 | | 7-21S-36E | Eunice Monument South Unit Satellite Battery #8 | EMSU Satellite #8 | | |
| 19 | | | Eunice Monument South Unit Satellite #3 | EMSU Satellite #3 | | |
| 20 | | 30-20S-37E | Eunice Monument South Unit Satellite #1 | EMSU Satellite #1 | | |
| 22 | | 3-21S-36E | Eunice Monument South Unit Satellite #6 | EMSU Satellite #6 | | |
| 23 | | G-21-21S-36E | Eunice Monument South Unit Satellite Battery #12 | EMSU Satellite #12 | State of NM B0-0229-0001 | Chevron USA, Inc. |
| 25 | | 15-21S-36E | Eunice Monument South Unit Satellite #11 | EMSU Satellite #11 | State of NM B0-0229-0001 | Chevron USA, Inc. |

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

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19192
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BY Angie Beauchamp

| | API Number | Well Location from NMOCD | NMOCD Name | Lease Name | Lessor per Assignment from XTO to Empire | Current Lessee |
|---|---|---|---|---|---|---|
| 26 | | 18-21S-36E | Eunice Monument South Unit Satellite Battery #9 | EMSU Satellite #9 | | |
| 27 | | SEC. 4, T21S, R36E / Federal ID# NM-70948A | Eunice Monument South Unit Central Tank Battery | EMSU CTB | State of NM B0-230-0001 | Chevron USA, Inc. |
| 31 | | SEC. 4, T21S, R36E / Federal ID# NM-70948A | Eunice Monument South Unit Central Tank Battery | EMSU CTB | State of NM B0-230-0001 | Chevron USA, Inc. |
| 32 | | SEC. 4, T21S, R36E / Federal ID# NM-70948A | Eunice Monument South Unit Central Tank Battery | EMSU CTB | State of NM B0-230-0001 | Chevron USA, Inc. |
| 34 | | SEC. 4, T21S, R36E / Federal ID# NM-70948A | Eunice Monument South Unit Central Tank Battery | EMSU CTB | State of NM B0-230-0001 | Chevron USA, Inc. |

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 12:54 PM
BY Angie Beauchamp

***CLAIM OF LIEN UNDER OIL AND GAS LIEN ACT***

**RICHARD'S ENERGY COMPRESSION**, LLC, a New Mexico limited liability company, ("Claimant"), whose address is P. O. Box 2250, Hobbs, New Mexico 88241, does hereby claim the benefits of the New Mexico Oil and Gas Lien Act, NMSA Section 70-4-1 through 15 (1987) (the "Act"), and in support thereof, states:

1. Claimant, as an original contractor within the meaning of the Act, to improve the property described below under a continuous contract with **EMPIRE PETROLEUM CORPORATION, a Delaware corporation, for itself or as Manager of Empire New Mexico LLC** (or its unknown affiliates) (collectively "Empire"), which contract did not have any lapses of time between the provision of goods and services exceeding 120 days, provided certain goods, materials, tools, machinery, equipment and supplies and rendered services pursuant to and in accordance with the copies of invoices attached hereto as **Exhibit A** and incorporated herein by reference to certain central tank batteries ("CTBs"), and wells feeding those batteries in Lea County, New Mexico. Claimant rented equipment on a monthly, continuous basis to Empire at multiple oil and gas lease locations in Lea County, New Mexico. Each invoice includes amounts due from Empire for equipment delivered by Claimant to multiple locations at the direction of Empire, all of which are located within the Property described below. After deducting all just credits and offsets, Claimant is entitled to and hereby claims a lien on the Property described below in the amount of **$17,510.95**, plus interest and costs thereon.

2. Upon information and belief, the Property upon which the lien is claimed includes but is not limited to:

(A) the whole of the lands and leases located in **Lea County**, New Mexico more fully described as:

**Township 21 South, Range 36 East, NMPM**

**Section 33 : NW/4 SE/4**

**Township 22 South, Range 36 East, NMPM**

**Section 4: SW/4 SW/4; SE/4 NE/4**

covering all leases and lessors, set forth in that certain Assignment and Bill of Sale filed on June 7, 2021, in the Lea County Records under Book 2181, Page 482, incorporated here by reference, between XTO Holdings, LLC as

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

Assignor and Empire New Mexico LLC, as Assignee, to the extent and only to the extent said leases cover the lands described above;

(B) the whole of said oil, gas and mineral lease(s) and leasehold estate benefitted and any and all interests in the above-described lands and any other leases of the above-described lands;

(C) all buildings, fixtures, improvements and appurtenances located thereon;

(D) the materials, tools, machinery, and supplies owned by such owner, operator or contractor that were used in drilling and operating for oil, gas and other minerals upon such leaseholds;

(E) all oil wells, gas wells, fixtures, machinery, tools, equipment, buildings, appurtenances, pipelines, leasehold interests and lands used in operating for oil, gas and other minerals upon such leaseholds or lands, including all wells and CTBs listed and further described on **Exhibit B**, attached hereto;

(F) the oil, gas and other minerals produced from or upon said lands, including all accounts created thereby and proceeds payable thereon, under and by virtue of the Act; and

(G) all other property upon which a lien may be asserted as allowed by the Act.

3. The person to whom the goods, tools, materials, machinery, equipment, supplies, services and labor was furnished and performed was:

Empire Petroleum Corporation
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

and via CT Corporation System
Registered Agent for Empire Petroleum Corporation
1833 South Morgan Rd.
Oklahoma City, OK 73128

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

4. Claimant is informed that some of the owners (or reputed owners) of the above-described Property against which this lien is asserted are:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

and other owners as may be determined, including current lessees identified in **Exhibit B**.

5. Claimant is informed that the Operator (or the successor or affiliate of the actual unknown operator) of the wells described in **Exhibit B**, is:

Empire New Mexico LLC
2200 S. Utica Place, Suite 150
Tulsa, OK 74114

6. The performance of the last labor or the furnishing or hauling of the last item or material, tools, machinery, equipment or supplies on said property occurred on or about **February 1, 2026.**

7. This lien is asserted pursuant to the Act. Claimant is owed all amounts set forth in the Invoices attached in **Exhibit A**.

8. Claimant reserves the right to file an amended lien.

DATED this ___ day of March 2026.

RICHARD'S ENERGY COMPRESSION, LLC

By: _____
KYLE CAMPBELL
Manager

4933-8694-8248, v. 1

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

# VERIFICATION

STATE OF NEW MEXICO )
) ss.
COUNTY OF LEA )

Kyle Campbell, first being duly sworn upon his oath, states that he is over the age of eighteen years old, is otherwise competent to testify to the matters set forth in the attached Claim of Lien, is a Manager of Richard's Energy Compression, LLC with personal knowledge of the matters contained in the Claim of Lien, is authorized and makes this verification on Claimant's behalf; that he has read the foregoing Claim of Lien and knows and understands the contents thereof; that the matters stated therein are true and correct except those matters stated on information and belief, and as to those, he verily believes them to be true.

Kyle Campbell, Manager

SUBSCRIBED, SWORN TO (OR AFFIRMED) AND ACKNOWLEDGED before me this 19th day of March 2026, by Kyle Campbell, Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of said limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Notary Public

4933-8694-8248, v. 1

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
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BY Angie Beauchamp

STATE OF NEW MEXICO )
)SS.
COUNTY OF LEA )

This record was acknowledged before me this 19th day of March 2026 by Kyle Campbell, as Manager of Richard's Energy Compression, LLC, a New Mexico limited liability company, on behalf of such limited liability company.

STATE OF NEW MEXICO
NOTARY PUBLIC
ANGELA M. FEASELMAN
COMMISSION# 1126635
EXP. 09-08-2027

Notary Public

4933-8694-8248, v. 1

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

**EXHIBIT A TO RICHARD'S ENERGY COMPRESSION, LLC LIEN SUMMARY OF UNPAID INVOICES OWED BY EMPIRE PETROLEUM CORPORATION**

**See attached**

4933-8694-8248, v. 1

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

# Statement

RICHARDS ENERGY COMPRESSION, LLC
Hobbs NM 88241

| Date |
|---|
| 2/12/2026 |

To:
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Amount Due | Amount Enc. |
|---|---|
| $153,049.30 | |

| Date | Transaction | Amount | Balance |
|---|---|---|---|
| 09/15/2025 | INV #182935. Orig. Amount $2,526.00. | 2,526.00 | 2,526.00 |
| 09/15/2025 | INV #182936. Orig. Amount $28,399.61. | 28,399.61 | 30,925.61 |
| 10/15/2025 | INV #184326. Orig. Amount $2,526.00. | 2,526.00 | 33,451.61 |
| 10/15/2025 | INV #184327. Orig. Amount $28,399.61. | 28,399.61 | 61,851.22 |
| 11/15/2025 | INV #185700. Orig. Amount $2,526.00. | 2,526.00 | 64,377.22 |
| 11/15/2025 | INV #185701. Orig. Amount $28,399.61. | 28,399.61 | 92,776.83 |
| 12/15/2025 | INV #187241. Orig. Amount $2,526.00. | 2,526.00 | 95,302.83 |
| 12/15/2025 | INV #187242. Orig. Amount $28,399.61. | 28,399.61 | 123,702.44 |
| 01/15/2026 | INV #188475. Orig. Amount $2,526.00. | 2,526.00 | 126,228.44 |
| 01/15/2026 | INV #188476. Orig. Amount $28,399.61. | 28,399.61 | 154,628.05 |
| 02/12/2026 | CREDMEM #190174. | -1,578.75 | 153,049.30 |

| CURRENT | 1-30 DAYS PAST DUE | 31-60 DAYS PAST DUE | 61-90 DAYS PAST DUE | OVER 90 DAYS PAST DUE | Amount Due |
|---|---|---|---|---|---|
| 0.00 | 30,925.61 | 30,925.61 | 30,925.61 | 60,272.47 | $153,049.30 |

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
8 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182935 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

| Bill To | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | Payments/Credits | |

| Thank you for your business! | Ordered By: | TOBY HOLLAND | Total |
|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
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3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 9/15/2025 | 182936 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 9/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184326 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |
| | | Payments/Credits | $0.00 |
| Thank you for your business! | Ordered By: TOBY HOLLAND | **Total** | **$2,526.00** |

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
12 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

**Bill To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**
EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |
| | | | **Payments/Credits** | |

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
13 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 10/15/2025 | 184327 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 10/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 17 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 13 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
14 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185700 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
15 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

**Bill To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

**Ship To**

EMPIRE PETROLEUM CORPORATION
2200 S UTICA PLACE
SUITE 150
TULSA, OK 74114

| Terms-Net 30 | Net 30 | |
|---|---|---|
| Lease | Well No. | Unit No. | County | Order Date |
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

**Payments/Credits**

Thank you for your business!

**Ordered By:** TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
16 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 11/15/2025 | 185701 |

| Bill To | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 11/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

| Thank you for your business! | Ordered By: | TOBY HOLLAND | Total | $28,399.61 |
|---|---|---|---|---|

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
17 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187241 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 12/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 28 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 29 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 30 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 31 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 32 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 33 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 34 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
18 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 12/15/2025 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

**Payments/Credits**

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
19 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

# Invoice

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

| Date | Invoice # |
|---|---|
| 12/15/2025 | 187242 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | RENTALS | LEA | 12/15/2025 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 19 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 20 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 21 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 22 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 23 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 26 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 27 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 25 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 24 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$28,399.61**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
20 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188475 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 |
|---|---|

| Lease | Well No. | Unit No. | County | Order Date |
|---|---|---|---|---|
| | | MAINTENAN... | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | WA RAMSEY A 43- UNIT 1033 | 300.00 | 300.00T |
| 1 | WA RAMSEY 36- UNIT 1034 | 300.00 | 300.00T |
| 1 | WA RAMSEY A WELL #17- UNIT 1035 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 1084 | 300.00 | 300.00T |
| 1 | EMSU CENTRAL BATTERY- UNIT 1237 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT 2214 | 300.00 | 300.00T |
| 1 | AGU CTB- UNIT 2224 | 300.00 | 300.00T |
| 1 | EMSU CTB- UNIT EMSU CTB | 300.00 | 300.00T |
| | Subtotal | | 2,400.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 126.00 |

| Payments/Credits | $0.00 |
|---|---|

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total** **$2,526.00**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
21 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 | |
|---|---|---|
| Lease | Well No. | Unit No. | County | Order Date |
| | | RENTALS | LEA | 1/15/2026 |

| Quantity | | Description | Rate | Amount |
|---|---|---|---|---|
| 1 | 1 | ARNOTT RAMSEY STATION D #5- UNIT 1092, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 4 | NEW MEXICO STATE J3- UNIT 1142, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 2 | HARRY LEONARD (NCT-D) #5- UNIT 1113, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 13 | EMSU B BATTERY- UNIT 1914, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 3 | RR BELL F3- UNIT 1115, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 5 | WA RAMSEY NCT A 14- UNIT 1175, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | 10 | SEVEN RIVERS QUEENS WATERFLOOD NORTH- UNIT 1427, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 6 | WA RAMSEY NCT A #12- UNIT 1185, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 7 | HC COLLINS #6- UNIT 1200, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 8 | EMSU B SATELLITE 13- UNIT 1291, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 9 | AGU SATELLITE 4- UNIT 1300, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 12 | WA RAMSEY A #27- UNIT- 1897-A, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 14 | EMSU SATELLITE #14- UNIT 2173, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 15 | JF JANDA 16- UNIT 2194, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 16 | EMSU SATELLITE 8- UNIT 2272, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 11 | EMSU SATELLITE 7- UNIT 1572, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| 1 | 17 | AGU SATELLITE #1- UNIT 2287, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | 18 | AGU SATELLITE 5- UNIT 2317, 240 COMPRESSOR | 847.00 | 847.00T |

Payments/Credits

Thank you for your business!

Ordered By: TOBY HOLLAND

**Total**

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
19193
Book 2253 Page 426
22 of 25
3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241 MAIN OFFICE
575-392-1006 MAIN OFFICE
432-704-5520 MIDLAND TX OFFICE
Email addresses for invoice copies
cstinnett@rec-us.com
nsimoneaux@rec-us.com

| Phone # |
|---|
| (575) 392-1006 |
| Fax # |
| 575-392-0377 |

# Invoice

| Date | Invoice # |
|---|---|
| 1/15/2026 | 188476 |

| Bill To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Ship To |
|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| Terms-Net 30 | Net 30 | |
|---|---|---|
| Lease / Well No. | Unit No. | County | Order Date |
| | RENTALS | LEA | 1/15/2026 |

| Quantity | Description | Rate | Amount |
|---|---|---|---|
| 1 | EMSU SATELLITE 3- UNIT 2318, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 1- UNIT 2321, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | AGU SATELLITE 2- UNIT 2322, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 6- UNIT 2325, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 12- UNIT 2326, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SATELLITE 9- UNIT 2346, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU UNIT- UNIT 2351, 240 COMPRESSOR | 847.00 | 847.00T |
| 1 | EMSU SAT 11- UNIT 2342, 270 COMPRESSOR | 1,028.50 | 1,028.50T |
| 1 | STATE H3-UNIT 2337, 4125 COMPRESSOR | 1,149.50 | 1,149.50T |
| | Subtotal | | 26,983.00 |
| | NM-Lea Cty Sales Tax 07/01/23 | 5.25% | 1,416.61 |
| | **Payments/Credits** | | $0.00 |
| | **Total** | | **$28,399.61** |

Thank you for your business!

Ordered By: TOBY HOLLAND

LEA COUNTY, NM
CARRIE SANDOVAL, COUNTY CLERK
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3/19/2026 12:54 PM
BY Angie Beauchamp

Richards Energy Compression, LLC
P O Box 2250
Hobbs NM 88241
575-392-1006

# Credit Memo

| Date | Credit No. |
|---|---|
| 2/12/2026 | 190174 |

| Customer | Ship To |
|---|---|
| EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 | EMPIRE PETROLEUM CORPORATION<br>2200 S UTICA PLACE<br>SUITE 150<br>TULSA, OK 74114 |

| WELL NO. | LEASE | UNIT NO. | COMPANY MAN |
|---|---|---|---|
| #17 | WA RAMSEY WELL A | 1035 | |

| Description | Qty | Rate | Amount |
|---|---|---|---|
| Monthly Preventative Maintenance Fee On 270 Compressor | -5 | 300.00 | -1,500.00T |
| CREDIT BEING CREATED DUE TO NO MAINTENANCE HAS BEEN DONE ON UNIT 1035, PER KYLE CAMPBELL.<br>REFERENCE INVOICE NUMBERS:<br>182935<br>184326<br>185700<br>187241<br>188475 | | | |

Thank you for your business!

| | |
|---|---|
| **Subtotal** | -$1,500.00 |
| **Sales Tax (5.25%)** | -$78.75 |
| **Total** | -$1,578.75 |
| **Invoices** | $0.00 |
| **Balance Credit** | -$1,578.75 |

| Phone # |
|---|
| (575) 392-1006 |

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BY Angie Beauchamp



**Empire Petroleum Corporation**

| # | Skid # | Amount Owed | API Number / Section-Township | Well Location from NMOCD | NMOCD Name | Lease Name |
|---|---|---|---|---|---|---|
| 1 | 1092 | $ 5,412.45 | 30-025-04893 | J-33-21S-36E | Arnott Ramsay NCT D #12 | Arnott Ramsay Station D #5 |
| 2 | 1113 | $ 5,412.45 | 30-025-08762 | B-3-22S-36E | HARRY LEONARD NCT D #005 | HARRY LEONARD (NCT-D) #5 |
| 3 | 1115 | $ 5,412.45 | 30-025-30990 | F-36-20S-36E | R.R. BELL (NCT-F) #003 | RR BELL F #3 |
| 4 | 1142 | $ 5,412.45 | 30-025-04052 | F-24-19S-36E | NEW MEXICO J STATE #003 | NM STATE J #3 |
| 5 | 1175 | $ 5,412.45 | 30-025-04898 | F-34-21S-36E | W A RAMSAY NCT A #014 | W A RAMSEY #14 |
| 6 | 1185 | $ 6,049.25 | 30-025-04913 | M-35-21S-36E | W A RAMSAY NCT A #012 | WA Ramsey #12 |
| 7 | 1200 | $ 6,049.25 | 30-025-32131 | C-14-21S-36E | H C COLLINS #006 | HC Collins #6 |
| 8 | 1291 | $ 6,049.25 | EMSU-B SEC. 23, T20S, R36E / Federal Lease# 62666 | | Eunice Monument South Unit B Satellite #13 | EMSU B SAT #13 |
| 9 | 1300 | $ 6,049.25 | SEC. 12, T22S, R36E | | Arrowhead Grayberg Unit Satellite #4 | AGU Satellite #4 |
| 10 | 1427 | $ 6,049.25 | 30-025-08775 | M-4-22S-36E | SEVEN RIVERS QUEEN WATERFLOOD, NORTH #001 | Seven Rivers Queen Waterflood North Battery |
| 11 | 1572 | $ 6,049.25 | SEC. 11, T21S, R36E | | Eunice Monument South Unit Satellite #7 | EMSU Satellite 7 |
| 12 | 1897 - A | $ 4,457.35 | 30-025-08720 | B-34-21S-36E | W A RAMSAY NCT A #027 | WA Ramsay A #27 |
| 13 | 1914 | $ 4,457.35 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Battery |
| 14 | 2173 | $ 6,049.25 | 30-025-04266 | P-14-20S-36E | EUNICE MONUMENT SOUTH UNIT B #890 | EMSU B Satellite #14 |
| 15 | 2194 | $ 6,049.25 | 30-025-08783 | H-4-22S-36E | J F JANDA NCT F #016 | JF Janda 16 |
| 16 | 2272 | $ 6,049.25 | SEC. 7, T21S, R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #8 | EMSU Satellite #8 |
| 17 | 2287 | $ 4,457.35 | SEC. 36, T21S, R36E | | Arrowhead Grayberg Unit Satellite #1 | AGU Satellite #1 |
| 18 | 2317 | $ 4,457.35 | SEC. 18, T22S, R37E | | Arrowhead Grayberg Unit Satellite #5 | AGU Satellite #5 |
| 19 | 2318 | $ 4,457.35 | Coordinates-32.5208715, -103.2742876 | | Eunice Monument South Unit Satellite #3 | EMSU Satellite #3 |
| 20 | 2321 | $ 4,457.35 | SEC. 30, T20S, R37E | | Eunice Monument South Unit Satellite #1 | EMSU Satellite #1 |
| 21 | 2322 | $ 4,457.35 | SEC. 2, T22S, R36E | | Arrowhead Grayberg Unit Satellite #2 | AGU Satellite #2 |
| 22 | 2325 | $ 4,457.35 | SEC. 3, T21S, R36E | | Eunice Monument South Unit Satellite #6 | EMSU Satellite #6 |
| 23 | 2326 | $ 4,457.35 | UNIT G, SEC. 21, T21S-R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #12 | EMSU Satellite #12 |
| 24 | 2337 | $ 6,049.25 | 30-025-30932 | L-32-19S-37E | STATE H #003 | State H #3 |
| 25 | 2342 | $ 5,412.45 | SEC. 15, T21S, R36E | | Eunice Monument South Unit Satellite #11 | EMSU Satellite #11 |
| 26 | 2346 | $ 4,457.35 | SEC. 18, T21S, R36E / Federal ID# NMLC031740B | | Eunice Monument South Unit Satellite Battery #9 | EMSU Satellite #9 |
| 27 | 2351 | $ 4,457.35 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $141,998.05 | | | | |
| | | | | | | |
| 28 | 1033 | $ 1,578.75 | 30-025-04802 | C-27-21S-36E | W A RAMSAY NCT A #043 | W A RAMSEY WELL #43 |
| 29 | 1034 | $ 1,578.75 | 30-025-04899 | N-34-21S-36E | W A RAMSAY NCT A COM #036 | W A RAMSEY WELL #36 |
| 30 | 1084 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 31 | 1237 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 32 | 2214 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| 33 | 2224 | $ 1,578.75 | SEC. 1, T22S, R36E | | Arrowhead Grayberg Unit Central Battery | AGU CTB |
| 34 | XT106 | $ 1,578.75 | SEC. 4, T21S, R36E / Federal ID# NM-70948A | | Eunice Monument South Unit Central Tank Battery | EMSU CTB |
| | | $ 11,051.25 | | | | |

**SUMMARY OF AMOUNTS OWED PER SKID/UNIT**

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## EXHIBIT B

## WELLS LOCATED ON LANDS SUBJECT TO LIEN OF RICHARD'S ENERGY COMPRESSION, LLC AGAINST EMPIRE PETROLEUM CORPORATION INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING

| | API Number | Well Location from NMOCD | NMOCD Name | Lease Name | Lessor per Assignment from XTO to Empire | Current Lessee |
|---|---|---|---|---|---|---|
| 1 | 30-025-04893 | J-33-21S-36E | Arnott Ramsay NCT D #12 | Arnott Ramsay Station D #5 | State of NM B0-0229-0001 | Chevron USA, Inc. |
| 10 | 30-025-08775 | M-4-22S-36E | SEVEN RIVERS QUEEN WATERFLOOD, NORTH #001 | Seven Rivers Queen Waterflood North Battery | State of NM B0-0229-0001 | Chevron USA, Inc. |
| 15 | 30-025-08783 | H-4-22S-36E | J F JANDA NCT F #016 | JF Janda 16 | State of NM B0-0229-0001 | Chevron USA, Inc. |

# EXHIBIT H

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Filed 10/26/2026 12:09:14 PM
Rhonda Savage
District Clerk
Madison County, Texas

Garrett Burditt

**CAUSE NO.** 26-18378

| | | |
|---|---|---|
| **SCHLUMBERGER TECHNOLOGY CORPORATION** | § | **IN THE DISTRICT COURT** |
| **Plaintiff,** | § | |
| **v.** | § | **MADISON COUNTY, TEXAS** |
| **EMPIRE TEXAS OPERATING LLC, BPX OPERTAING COMPANY, and WILDFIRE MADISON LLC** | § | |
| | § | 12th |
| **Defendants.** | § | **_____ JUDICIAL DISTRICT** |

## PLAINTIFF'S ORIGINAL PETITION

**TO THE HONORABLE JUDGE OF SAID COURT:**

**COMES NOW,** Schlumberger Technology Corporation ("Schlumberger" or "Plaintiff"), plaintiff in the above-captioned case, complaining of defendant Empire Texas Operating LLC ("Empire"), BPX Operating Company ("BPX"), and WildFire Madison LLC ("WildFire") (Collectively Empire, BPS, and Wildfire are referred to as "Defendants"), and, in support of its claims, demonstrates as follows:

## DISCOVERY CONTROL PLAN: DISCLOSURE

1. Pursuant to Rule 47 of the Texas Rules of Civil Procedure, Schlumberger states that it seeks monetary relief over $250,000 but not more than $1,000,000, excluding interest, statutory or punitive damages and penalties, attorneys' fees and costs, and, therefore, this is not an Expedited Action under Rule 169 of the Texas Rules of Civil Procedure. Pursuant to Rule 190.4 of the Texas Rules of Civil Procedure, Plaintiffs seeks to conduct discovery under Level 3 of this Rule.

2. Pursuant to Rule 194.2 of the Texas Rules of Civil Procedure, Defendants are required to disclose, within 30 days of filing an answer, the information or material described in Rule 194.2.

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## PARTIES

3. Plaintiff. Schlumberger Technology Corporation is a Texas corporation authorized to do business in Texas with its offices in Houston, Harris County, Texas.

4. Defendant. Empire Texas Operating LLC is a Texas corporation authorized to do business in Texas and may be served with process by serving its registered agent and/or its members, officers or directors as follows:

Empire Texas Operating LLC
c/o C T Corporation System, Registered Agent
1999 Bryan Street, Suite 900
Dallas, TX 75201

5. Defendant. BPX Operating Company is a Texas corporation authorized to do business in Texas and may be served with process by serving its registered agent and/or its members, officers or directors as follows:

BPX Operating Company
c/o C T Corporation System, Registered Agent
1999 Bryan Street, Suite 900
Dallas, TX 75201

6. Defendant. WildFire Madison LLC is a Delaware corporation authorized to do business in the State of Texas and may be served with process by serving its registered agent and/or its members, officers or directors as follows:

WildFire Madison LLC
c/o C T Corporation System, Registered Agent
1999 Bryan Street, Suite 900
Dallas, TX 75201

## JURISDICTION AND VENUE

7. Jurisdiction. This is a suit for damages in excess of $500.00, exclusive of interest. Accordingly, this Court has subject matter jurisdiction of this action pursuant to TEX. GOV'T CODE § 24.007.


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8. Venue. Venue of this action in Madison County, Texas is proper pursuant to TEX. CIV. PRAC. & REM. CODE §§ 15.002(a), 15.004, and 15.011. Venue is proper in Madison County, Texas because, *inter alia*, it is the county in which all or a substantial part of the events or omissions giving rise to Schlumberger's claims occurred and the county where Defendant's leasehold interests subject of this lawsuit are located.

**INTRODUCTION**

9. This is a suit by Schlumberger against Empire for (i) breach of contract with respect to sums due and owing on an open trade account, (ii) for declaratory judgment that certain funds owed to or held by Empire are statutory trust funds under Chapter 162 of the Texas Property Code which Empire was to hold for the benefit of Schlumberger as statutory trust beneficiary (the "Chapter 162 Trust Funds"), (iii) foreclosure of mineral liens filed November 11, 2025 described below, and (iv) alternatively for quantum meruit.

10. The following four Statements and Affidavits in Support of Liens on Mineral Property were perfected on November 11, 2025, when recorded in the Madison County property records:

- Document number 127727 against the Forrest No. 2H Well and its associated leasehold interests, located in Madison County, Texas ("Forrest Well Lien") in the amount of $168,635.19, plus interest, attorneys' fees, and expenses;
- Document number 127724 against the Forrest A No. 5 Well and its associated leasehold interests, located in Madison County, Teas ("Forrest A Well Lien") in the amount of $75,168.32, plus interest, attorneys' fees, and expenses;
- Document number 127725 against the Forrest D State Unit No. 701 Well and its associated leasehold interest, located in Madison County, Texas ("Forrest D Well Lien") in the amount of $166,633.59, plus interest, attorneys' fees, and expenses; and


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- Document number 127726 against the W Forrest No. 4 Well and its associated leasehold interests, located in Madson County, Texas ("W Forrest Well Lien") in the amount of $163,496.65, plus interest, attorneys' fees, and expenses.

Collectively, the Forrest Well Lien, Forrest A Well Lien, Forrest D Well Lien and the W Forrest Well Lien are referred to as the "Liens".

## STATEMENT OF CLAIMS

### Breach of Contract

11. Contract. Plaintiff incorporates paragraphs 1-10 above. Empire filled out Schlumberger's Request for Business Credit Approval and Customer Information—Schlumberger Limited (SLB) and its Divisions, Subsidiaries and Affiliates ("Credit Agreement"), under the terms of which Empire agreed to be bound by Schlumberger's Terms of Sale. *See* **Exhibit 1**, a true and correct copy of the Credit Application. Empire requested Schlumberger to provide goods and services in connection with Empire's oil and gas operations in Madison County, Texas. Schlumberger provided such goods and services and issued invoices to Empire. Below is a summary of the unpaid invoices ("Invoices") due to Schlumberger from Empire:

| Location/reference | Invoice Date | Invoice # | Invoice Total |
|---|---|---|---|
| Forrest No. 2H Well, Madison County, TX | 12/13/2024 | 991026758 | $127,001.46 |
| | 2/20/2025 | 991094591 | $4,808.25 |
| | 5/21/2025 | 991187676 | $4,954.10 |
| | 6/27/2025 | 991227931 | $4,954.10 |
| | 6/27/2025 | 991229132 | $21,963.18 |
| | 7/17/2025 | 991247838 | $4,954.10 |
| | 8/11/2025 | 991272718 | $4,665.41 |
| | 9/10/2025 | 991304362 | $4,547.50 |
| | 10/14/2025 | 991338216 | $4,547.50 |
| | 11/17/2025 | 991373156 | $4,547.50 |
| Forrest No. A5 Well, Madison County, TX | 12/31/2024 | 991043593 | $12,366.95 |
| | 12/31/2024 | 991044262 | $28,703.32 |
| | 4/10/2025 | 991146972 | $1,816.50 |


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| | | | |
|---|---|---|---|
| | 4/10/2025 | 991146990 | $17,419.25 |
| | 5/16/2025 | 991182926 | $4,954.10 |
| | 6/27/2025 | 991227921 | $4,954.10 |
| | 7/17/2025 | 991247827 | $4,954.10 |
| | 8/11/2025 | 991272711 | $4,665.41 |
| | 9/10/2025 | 991304352 | $4,547.50 |
| | 10/14/2025 | 991338212 | $4,547.50 |
| | 11/17/2025 | 991373139 | $4,547.50 |
| Forrest D State Unit 201 Well, Madison County, TX | 1/30/2025 | 991072842 | $123,893.58 |
| | 2/11/2025 | 991084794 | $18,323.38 |
| | 4/10/2014 | 991146960 | $9,554.33 |
| | 5/21/2025 | 991187684 | $4,954.10 |
| | 6/27/2025 | 991227994 | $4,954.10 |
| | 7/17/20025 | 991247848 | $4,954.10 |
| | 8/11/2025 | 991272742 | $4,665.41 |
| | 9/10/2025 | 991304375 | $4,547.50 |
| | 10/17/2025 | 991341505 | $4,547.50 |
| | 11/17/2025 | 991373185 | $4,547.50 |
| W Forest 4 Well, Madison County, TX | 12/13/2024 | 991026728 | $127,001.46 |
| | 4/4/2025 | 991142066 | $21,632.89 |
| | 5/21/2025 | 991187680 | $4,954.10 |
| | 6/27/2025 | 991227946 | $4,954.10 |
| | 7/17/2025 | 991247844 | $4,954.10 |
| | 8/11/2025 | 991272723 | $4,665.41 |
| | 9/10/2025 | 991304368 | $4,547.50 |
| | 10/14/2025 | 991338243 | $4,547.50 |
| | 11/17/2025 | 991373178 | $4,547.50 |
| | | Paid | ($295,073.19) |
| | | **Total Due** | **$352,092.20** |

A true and correct copy of the Invoices and backup tickets are attached hereto as **Exhibit 2**. Together the Credit Agreement and Invoices with backup tickets form an enforceable contract between the parties ("Contract"). Under the terms of the Contract, agreed to pay specified rates. The Contract was valid, binding, and enforceable at the time of the breach by Empire.

12. Schlumberger's Performance. Schlumberger performed its obligations under the Contract. Specifically, Schlumberger furnished to Empire requested goods and services at a


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reasonable and agreed upon price. The principal balance outstanding, **after application of all credits,** is $352,092.20.

13. Empire's Breach. Empire breached the agreement in the Contract by refusing and failing to pay all Schlumberger's Invoices in full when due.

14. Interest. Schlumberger is entitled to recover interest on the outstanding balance of the Invoices at the rate of 1.5% per month (18% per annum) or the maximum allowable rate by applicable state or federal law, if such laws limit interest to a lesser amount, beginning 30 days after the respective invoice date. *See* Exhibit 1, p. 5 and *see also,* TEX. FIN. CODE § 302.002.

15. Attorneys' Fees. But for the failure of Empire to pay the amount due and owing on the Invoices identified above, Schlumberger would not have been required to retain the services of the undersigned firm of attorneys. Schlumberger is entitled to recover its reasonable attorneys' fees by virtue of the Contract and TEX. CIV. PRAC. & REM. CODE § 38.001, *et seq*. *See* Exhibit 1, p. 5.

16. Demand. The total amount due under the Contract between Schlumberger and Empire, after deducting all payments, credits, and lawful offsets, is $352,092.20, plus contract interest, attorneys' fees, and expenses. Despite the Contract and repeated demands by Schlumberger to Empire, Empire has refused and failed to pay the amount due. Schlumberger made demand for payment in accordance with TEX. CIV. PRAC. & REM. CODE § 38.002 prior to filing suit.

**Quantum Meruit**

17. Plaintiff incorporates paragraphs 1-16 above. In the alternative, Schlumberger is entitled to recover under the equitable theory of *quantum meruit*, also sometimes referred to as unjust enrichment against Empire. Schlumberger furnished valuable goods and services to Empire, who accepted the goods and services. Further Empire had reasonable notice when it


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accepted those goods and services that Schlumberger expected compensation for such goods and services.

18. The total amount due on Schlumberger's *quantum meruit* claim against Empire, after deducting all payments, credits, and lawful offsets, is $352,092.20, plus interest and attorneys' fees. Despite the repeated demands by Schlumberger to Empire, Empire has refused and failed to pay the amount due. Schlumberger made demand for payment in accordance with TEX. CIV. PRAC. & REM. CODE ANN. § 38.002 prior to filing suit.

**Mineral Lien Foreclosure**

19. Forrest Well Lien. Plaintiff incorporates paragraphs 1-18 above. As a result of Empire's failure to pay the foregoing indebtedness, Schlumberger sent a subcontractor lien notice letter dated October 31, 2025, notifying BPX Operating Company, WildFire Madison LLC and non-party Jade Oil & Gas Co of its intent to file the Forrest Well Lien ("Forrest Well Lien Notice Letter"). True and correct copy of the Forrest Well Lien Notice Letter is attached to the Forrest Well Lien as Exhibit C thereto. *See* **Exhibit 3,** a true and correct copy of the Forrest Well Lien.

20. At least ten (10) days passed after the October 31st Forrest Well Lien Notice Letter was sent before Schlumberger caused the Forrest Well Lien to be recorded in Madison County, Texas, asserting liens against the interests of the property described therein. In addition, Schlumberger provided Empire, BPX and WildFire with a copy of the Forrest Well Lien when it sent the Forrest Well Lien to the county clerk for recording. All conditions precedent to the proper perfection of the Forrest Well Lien and Schlumberger's right to recover on all of its causes of action under Chapter 56 of the Texas Property Code as asserted herein have occurred, including the proper perfection of the Forrest Well Lien and Schlumberger's right to recover attorneys' fees pursuant to Chapter 56 of the Texas Property Code.


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21. The services, materials and/or equipment provided by Schlumberger pursuant to the Contract constituted "mineral activities" as defined in § 56.001 of the Tex. Prop. Code.

22. The Forrest Well Lien Notice Letter complied with all requirements of Chapter 56 of the Tex. Prop. Code.

23. The Forrest Well Lien was timely recorded and satisfies all requirements of § 56.022 of the Tex. Prop. Code.

24. The Forrest Well Lien attaches to and encumbers (i) the Forrest Well and any other wells on the same leasehold; (ii) the oil and gas leases that comprise the leasehold; (iii) the personal property, equipment, buildings appurtenances, and pipelines on the leasehold; (iv) the oil, gas, and minerals produced from the leasehold; and (v) any other property provided for in Tex. Prop. Code § 56.003 ((i)-(v) together are the ("Forrest Well Leasehold Estate") in the minimum amount of the sums due and owing by Empire to Schlumberger. Further the lien established by the Forrest Well Lien encumbers any funds owed by or paid to Empire on or subsequent to the date BPX and/or WildFire received the Forrest Well Lien Notice Letter ("Trapped Funds"). The property described in this paragraph is collectively referred to as the "Forrest Well Encumbered Property".

25. The Forrest Well Lien secures the principal amount owed, plus interest thereon, costs, and attorneys' fees. After application of all credits, the principal amount due under the Forrest Well Lien is not less than $41,633.73.

26. The Forrest Well Lien attaches to and encumbers the working interests of Empire, BPX, Wildfire, and other persons who own working interests in the Leasehold Estate, but whose interests were not recorded in the real property records of Madison County, Texas prior to the inception date of Schlumberger's Lien Affidavits. Pursuant to §§ 56.041 and 53.154 of the Tex. Prop. Code, Schlumberger is entitled to judgment ordering the foreclosure of the Forrest Well Lien and directing the Sheriff of Madison County, Texas to sell the Forrest Well, including the interests


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of Empire, BPX and WildFire, at a foreclosure sale to the highest bidder, with the proceeds thereof to be applied against the Sherriff's costs, the principal indebtedness, interest, attorneys' fees and costs owed to Schlumberger.

27. Forrest A Well Lien. As a result of Empire's failure to pay the foregoing indebtedness, Schlumberger sent a subcontractor lien notice letter dated October 31, 2025, notifying BPX Operating Company of its intent to file the Forrest A Well Lien ("Forrest A Well Lien Notice Letter"). True and correct copy of the Forrest A Well Lien Notice Letter is attached to the Forrest A Well Lien as Exhibit C thereto. *See* **Exhibit 4**, a true and correct copy of the Forrest A Well Lien.

28. At least ten (10) days passed after the October 31st Forrest A Well Lien Notice Letter was sent before Schlumberger caused the Forrest A Well Lien to be recorded in Madison County, Texas, asserting liens against the interests of the property described therein. In addition, Schlumberger provided Empire and BPX with a copy of the Forrest A Well Lien when it sent the Forrest A Well Lien to the county clerk for recording. All conditions precedent to the proper perfection of the Forrest A Well Lien and Schlumberger's right to recover on all of its causes of action under Chapter 56 of the Texas Property Code as asserted herein have occurred, including the proper perfection of the Forrest Well Lien and Schlumberger's right to recover attorneys' fees pursuant to Chapter 56 of the Texas Property Code.

29. The services, materials and/or equipment provided by Schlumberger pursuant to the Contract constituted "mineral activities" as defined in § 56.001 of the Tex. Prop. Code.

30. The Forrest A Well Lien Notice Letter complied with all requirements of Chapter 56 of the Tex. Prop. Code.

31. The Forrest A Well Lien was timely recorded and satisfies all requirements of § 56.022 of the Tex. Prop. Code.


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32. The Forrest A Well Lien attaches to and encumbers (i) the Forrest A Well and any other wells on the same leasehold; (ii) the oil and gas leases that comprise the leasehold; (iii) the personal property, equipment, buildings appurtenances, and pipelines on the leasehold; (iv) the oil, gas, and minerals produced from the leasehold; and (v) any other property provided for in Tex. Prop. Code § 56.003 ((i)-(v) together are the ("Forrest A Well Leasehold Estate") in the minimum amount of the sums due and owing by Empire to Schlumberger. Further the lien established by the Forrest A Well Lien encumbers any funds owed by or paid to Empire on or subsequent to the date BPX received the Forrest A Well Lien Notice Letter ("Forrest A Well Trapped Funds"). The property described in this paragraph is collectively referred to as the "Forrest A Well Encumbered Property".

33. The Forrest A Well Lien secures the principal amount owed, plus interest thereon, costs, and attorneys' fees. After application of all credits, the principal amount due under the Forrest A Well Lien is not less than $34,098.05.

34. The Forrest A Well Lien attaches to and encumbers the working interests of Empire, BPX, and other persons who own working interests in the Forrest A Well Leasehold Estate, but whose interests were not recorded in the real property records of Madison County, Texas prior to the inception date of Schlumberger's Forrest A Well Lien. Pursuant to §§ 56.041 and 53.154 of the Tex. Prop. Code, Schlumberger is entitled to judgment ordering the foreclosure of the Forrest A Well Lien and directing the Sheriff of Madison County, Texas to sell the Forrest A Well, including the interests of Empire and BPX at a foreclosure sale to the highest bidder, with the proceeds thereof to be applied against the Sherriff's costs, the principal indebtedness, interest, attorneys' fees and costs owed to Schlumberger.

35. Forrest D Well Lien. As a result of Empire's failure to pay the foregoing indebtedness, Schlumberger caused the Forrest D Well Lien to be recorded in Madison County,


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Texas, asserting liens against the interests of the property described therein. *See* **Exhibit 5**, a true and correct copy of the Forrest D Well Lien. Schlumberger provided Empire with a copy of the Forrest D Well Lien when it sent the Forrest D Well Lien to the county clerk for recording. All conditions precedent to the proper perfection of the Forrest D Well Lien and Schlumberger's right to recover on all of its causes of action under Chapter 56 of the Texas Property Code as asserted herein have occurred, including the proper perfection of the Forrest Well Lien and Schlumberger's right to recover attorneys' fees pursuant to Chapter 56 of the Texas Property Code.

36. The services, materials and/or equipment provided by Schlumberger pursuant to the Contract constituted "mineral activities" as defined in § 56.001 of the Tex. Prop. Code.

37. The Forrest D Well Lien was timely recorded and satisfies all requirements of § 56.022 of the Tex. Prop. Code.

38. The Forrest D Well Lien attaches to and encumbers (i) the Forrest D Well and any other wells on the same leasehold; (ii) the oil and gas leases that comprise the leasehold; (iii) the personal property, equipment, buildings appurtenances, and pipelines on the leasehold; (iv) the oil, gas, and minerals produced from the leasehold; and (v) any other property provided for in Tex. Prop. Code § 56.003 ((i)-(v) together are the ("Forrest D Well Leasehold Estate") in the minimum amount of the sums due and owing by Empire to Schlumberger. The property described in this paragraph is collectively referred to as the "Forrest D Well Encumbered Property".

39. The Forrest D Well Lien secures the principal amount owed, plus interest thereon, costs, and attorneys' fees. After application of all credits, the principal amount due under the Forrest D Well Lien is not less than $166,633.59.

40. The Forrest D Well Lien attaches to and encumbers the working interests of Empire, and other persons who own working interests in the Forrest D Well Leasehold Estate, but whose interests were not recorded in the real property records of Madison County, Texas prior to


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the inception date of Schlumberger's Forrest D Well Lien. Pursuant to §§ 56.041 and 53.154 of the Tex. Prop. Code, Schlumberger is entitled to judgment ordering the foreclosure of the Forrest D Well Lien and directing the Sheriff of Madison County, Texas to sell the Forrest D Well, including the interests of Empire at a foreclosure sale to the highest bidder, with the proceeds thereof to be applied against the Sherriff's costs, the principal indebtedness, interest, attorneys' fees and costs owed to Schlumberger.

41. W Forrest Well Lien. As a result of Empire's failure to pay the foregoing indebtedness, Schlumberger caused the W Forrest Well Lien to be recorded in Madison County, Texas, asserting liens against the interests of the property described therein. *See* **Exhibit 6**, a true and correct copy of the W Forrest Well Lien. Schlumberger provided Empire with a copy of the W Forrest Well Lien when it sent the W Forrest Well Lien to the county clerk for recording. All conditions precedent to the proper perfection of the W Forrest Well Lien and Schlumberger's right to recover on all of its causes of action under Chapter 56 of the Texas Property Code as asserted herein have occurred, including the proper perfection of the Forrest Well Lien and Schlumberger's right to recover attorneys' fees pursuant to Chapter 56 of the Texas Property Code.

42. The services, materials and/or equipment provided by Schlumberger pursuant to the Contract constituted "mineral activities" as defined in § 56.001 of the Tex. Prop. Code.

43. The W Forrest Well Lien was timely recorded and satisfies all requirements of § 56.022 of the Tex. Prop. Code.

44. The W Forrest Well Lien attaches to and encumbers (i) the W Forrest Well and any other wells on the same leasehold; (ii) the oil and gas leases that comprise the leasehold; (iii) the personal property, equipment, buildings appurtenances, and pipelines on the leasehold; (iv) the oil, gas, and minerals produced from the leasehold; and (v) any other property provided for in Tex. Prop. Code § 56.003 ((i)-(v) together are the ("W Forrest Well Leasehold Estate") in the minimum


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amount of the sums due and owing by Empire to Schlumberger. The property described in this paragraph is collectively referred to as the "W Forrest Well Encumbered Property".

45. The W Forrest Well Lien secures the principal amount owed, plus interest thereon, costs, and attorneys' fees. After application of all credits, the principal amount due under the W Forrest Well Lien is not less than $36,495.19.

46. The W Forrest Well Lien attaches to and encumbers the working interests of Empire, and other persons who own working interests in the W Forrest Well Leasehold Estate, but whose interests were not recorded in the real property records of Madison County, Texas prior to the inception date of Schlumberger's W Forrest Well Lien. Pursuant to §§ 56.041 and 53.154 of the Tex. Prop. Code, Schlumberger is entitled to judgment ordering the foreclosure of the W Forrest Well Lien and directing the Sheriff of Madison County, Texas to sell the W Forrest Well, including the interests of Empire at a foreclosure sale to the highest bidder, with the proceeds thereof to be applied against the Sherriff's costs, the principal indebtedness, interest, attorneys' fees and costs owed to Schlumberger.

**Declaratory Judgment Regarding Trust Funds**

47. Plaintiff incorporates paragraphs 1-46 above. Plaintiff asserts a claim against Empire for misapplication of trust funds under the Texas Construction Trust Fund Act, Tex. Prop. Code Chapter 162

48. To the extent BPX and/or WildFire paid Empire for operations on the Forrest Well, Forrest A Well, Forrest D Well and/or W Forrest Well and to the extent Empire received and/or is owed funds under contracts with BPX and/or WildFire those funds are trust funds (collectively "Trust Funds") as defined in Section 162 of the Texas Property Code and should be paid to subcontractors, including Schlumberger. Empire is a trustee of the Trust Funds, and Schlumberger is a beneficiary of the Trust Funds. *See* Tex. Prop. Code §§ 162.002 & 162.003. As trustee of the


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Trust Funds, Empie is required to use the same to pay the obligations Empire owes Schlumberger. *See* Tex. Prop. Code § 162.031.

49. The foregoing facts and transactions present an actual controversy and fall within the subject matter of relief provided in Tex. Civ. Prac. & Rem. Code § 37.009.

50. Schlumberger requests that the Court issue judgment:

a. Declaring that Empire is a statutory trustee of the Trust Funds under Tex. Prop. Code § 162.001, *et seq*.;

b. Declaring that Schlumberger is a statutory beneficiary of the Trust Funds under Tex. Prop. Code § 162.001, *et seq*.;

c. Declaring that Empire must use the Trust Funds to fully pay obligations owed to Schlumberger and other Trust Fund beneficiaries; and

d. Awarding Schlumberger its attorneys' fees and such other and further relief which it may be justly entitled to receive.

**PRAYER**

WHEREFORE, PREMISES CONSIDERED, Schlumberger Technology Corporation prays that Empire Texas Operating LLC, BPX Operating Company, and WildFire Madison LLC be cited to appear and answer herein as required by law, and that upon final hearing, Schlumberger be awarded judgment from the Defendants for the relief requested herein as follows:

(a) Damages as to Empire. The collective principal sum of $352,092.20, representing the amount owed on the Invoices.

(b) Pre-Judgment Interest. Pre-judgment interest at 18% per annum or at the highest lawful rate (whichever is lower) beginning 30 days after each Invoice.

(c) Costs. All costs of court expended in this action.

(d) Attorneys' Fees. Reasonable attorneys' fees and expenses.


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(e) Post-Judgment Interest. Interest on judgment in favor of Schlumberger from the date of judgment until the date paid at the highest lawful rate.

(f) Foreclosure of the Liens as to Empire, BPX Operating Company and WildFire. Order of foreclosure of the Liens and directing the Sheriff of Madison County, Texas to sell the Forrest Well, Forrest A Well, Forrest D Well and W Forrest Well and associated Leasehold Estate, including the interests of Empire, BPX Operating Company and WildFire Madison LLC, at a foreclosure sale to the highest bidder, with the proceeds thereof (up to the amounts owed for each lien) to be applied against the Sherriff's costs, the principal indebtedness, interest, attorneys' fees and costs owed to Schlumberger.

(g) Declaratory Relief. An order declaring that Empire is a statutory trustee of the Trust Funds under Tex. Prop. Code § 162.001, *et seq*.; declaring that Schlumberger is a statutory beneficiary of the Trust Funds under Tex. Prop. Code § 162.001, *et seq*.; and declaring that Empire must use the Trust Funds to fully pay obligations owed to Schlumberger and other Trust Fund beneficiaries

(h) Additional Relief. All other and further relief, special or general, legal or equitable as Schlumberger may be shown justly entitled to receive.

Respectfully submitted,

**MEHAFFY WEBER, P.C.**



By: _____

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**ATTORNEYS FOR PLAINTIFF**


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# Automated Certificate of eService

This automated certificate of service was created by the efiling system. The filer served this document via email generated by the efiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Brenda Brewton on behalf of Holly Hamm
Bar No. 24036713
brendabrewton@mehaffyweber.com
Envelope ID: 112045569
Filing Code Description: Petition
Filing Description: Plaintiff's Original Petition
Status as of 3/5/2026 1:31 PM CST

Case Contacts

| Name | BarNumber | Email | TimestampSubmitted | Status |
|---|---|---|---|---|
| Holly C.Hamm | | HollyHamm@mehaffyweber.com | 3/5/2026 12:41:31 PM | SENT |
| Brenda Brewton | | brendabrewton@mehaffyweber.com | 3/5/2026 12:41:31 PM | SENT |


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# EXHIBIT I

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Filed 4/15/2026 5:05 PM
Cassandra Noey Wilson
District Clerk
Leon County, Texas

Carol Johnson

CAUSE NO: 26-145-DCCV-00123

| | | |
|---|---|---|
| **R CONSTRUCTION CO., INC.,** | § | **IN THE DISTRICT COURT** |
| | § | |
| ***Plaintiff,*** | § | |
| | § | |
| **v.** | § | **LEON COUNTY, TEXAS** |
| | § | |
| **EMPIRE TEXAS OPERATING, LLC,** | § | |
| | § | 369TH |
| ***Defendant.*** | § | ___ **JUDICIAL DISTRICT COURT** |

## PLAINTIFF'S ORIGINAL PETITION

Plaintiff, R Construction Co., Inc. ("R Construction" and/or "Plaintiff"), files this Original Petition against Empire Texas Operating, LLC ("Empire" and/or "Defendant").

## DISCOVERY CONTROL PLAN AND RULE 47 STATEMENT

1. Pursuant to Texas Rule of Civil Procedure 190, R Construction intends to conduct discovery in this case under Level 1. This is an expedited action or Rule 169. R Construction seeks monetary relief of $250,000 or less, excluding interest, statutory or punitive damages and penalties, and attorney fees and costs.

## PARTIES

2. R Construction is a Texas corporation duly authorized to conduct business in this state with a principal place of business at PO Box 189, Buffalo, Texas 75831.

3. Empire is a Texas limited liability company with its last known principal place of business located at 2200 S. Utica Place, Tulsa, Oklahoma 74114-7006. Empire may be served with process through its registered agent, C T Corporation System, at 1999 Bryan Street, Suite 900, Dallas, Texas 75201. Citation is requested at this time.

## JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this matter because the damages R

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Construction seeks are within the jurisdictional limits of this Court.

5. This Court has personal jurisdiction over Empire because it is registered and operates in Texas, and it purposefully availed itself of the privileges and benefits of conducting business in Texas. Empire entered into a contractual relationship with R Construction in Texas, and the contract was wholly performed in Texas.

6. Venue is proper in this county under Texas Civil Practice and Remedies Code § 15.002(a)(1) because all or a substantial part of the events or omissions giving rise to R Construction's claims occurred in Leon County.

## FACTS

7. On or about January 24, 2024, Empire and R Construction entered into a master service agreement (the "Agreement"). The Agreement is attached as **Exhibit 1**. Under the Agreement, Empire may request through work orders that R Construction provide work for the benefit or account of Empire. If R Construction agrees to provide the work requested in a work order, the terms of the Agreement govern.

8. Under the Agreement, payments for work performed were to be made to R Construction within forty-five (45) days of Empire's receipt of the invoice for the work or the date the work is found to be satisfactory by Empire, whichever is sooner.

9. From October of 2024 to March of 2025, pursuant to Empire's work orders, R Construction provided goods and services to Empire valued at $179,146.00 and invoiced Empire accordingly. Although R Construction upheld its end of the bargain, to date, a total value of $65,191.50 remains outstanding and unpaid. A true and correct copy of R Construction's statement of open invoices to Empire (the "Statement") is attached to this petition as **Exhibit 2**.



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## CAUSES OF ACTION

### A. Breach of Contract

10. R Construction incorporates by reference all preceding paragraphs as if fully set forth herein.

11. The Agreement between R Construction and Empire is a valid and enforceable contract.

12. R Construction provided, which Empire accepted, goods, materials, and services pursuant to the Agreement. Defendant breached the Agreement by failing and refusing to pay the invoiced balance of $65,191.50, which is the amount due and owing to R Construction after applying all just and lawful offsets, payments, and credits. Defendant's breaches were material because payment is the very consideration R Construction bargained for in exchange for its material and labor.

13. Defendant's failure and refusal to pay R Construction for the invoiced goods and services R Construction provided has resulted in damages to R Construction in the amount of no less than $65,191.50, plus statutory interest and attorney's fees.

### B. Quantum Meruit

14. R Construction incorporates by reference all preceding paragraphs as if fully set forth herein.

15. R Construction additionally and/or alternatively pleads to recover in quantum meruit. Empire, with full knowledge and consent, received and accepted the benefits of R Construction's work, material, and/or services described herein, which were provided by R Construction and incorporated into the real property. Empire, expressly and by implication, agreed to pay a reasonable value for R Construction's work, material, and services it sold and delivered. The total value of material, goods, and services is no less than $65,191.50, plus interest and attorney's fees.



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## ATTORNEY'S FEES

16. R Construction incorporates by reference all preceding paragraphs as if fully set forth herein.

17. As a result of Empire's conduct as described above, R Construction was required to retain the services of the undersigned attorneys and has agreed to pay their reasonable and necessary fees in connection with the prosecution of this action, including reasonable and necessary fees necessitated by any appeal from the judgment of this action.

18. R Construction is entitled to recover reasonable and necessary attorney's fees pursuant to Texas Civil Practice and Remedies Code § 38.001 because this is a suit on a contract and a suit for rendered services, performed labor, and furnished material.

## CONDITIONS PRECEDENT

19. All conditions precedent to R Construction's entitlement to the relief requested herein have been performed, occurred, or been waived.

## PRAYER

R Construction Co., Inc., respectfully prays that Defendant, Empire Texas Operating, LLC, be cited to appear and answer herein, and that upon summary judgment, final hearing, or trial of this cause, judgment be entered for R Construction and against Empire as follows:

a. Actual damages in an amount within the jurisdictional limits of this Court;
b. Attorney's fees at the trial level and through all appeals;
c. Pre-and post-judgment interest at the maximum rate allowed by law;
d. Costs of court; and
e. All such other and further relief to which R Construction is justly entitled.



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Respectfully Submitted,

**COKINOS | YOUNG**

By: */s/ John C. Warren*
JOHN C. WARREN
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**COUNSEL FOR PLAINTIFF,**
**R CONSTRUCTION CO., INC.**



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# EXHIBIT 1

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# MASTER SERVICE AGREEMENT

**THIS DOCUMENT INCLUDES PROVISIONS REQUIRING ONE PARTY TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY OR FAULT OF THE OTHER PARTY**

THIS MASTER SERVICE AGREEMENT (this "Agreement") is made and entered into this _24th__ day of January, 20_24__ (the "Effective Date"), by and between Empire Texas Operating LLC, a Delaware limited liability company ("Company"), and R Construction Company, a Texas Corporation ("Contractor").

1. Definitions. As used in this Agreement, the following capitalized terms shall have the following meanings, and singular forms, plural forms and derivative forms thereof shall be interpreted accordingly:

(a) "Affiliate" means, with respect to a party, any individual, partnership, corporation, limited liability company or other entity directly or indirectly controlling, controlled by, or under common control with such party.

(b) "Business Day" means any day other than Saturday, Sunday, any day that is a legal holiday under the laws of the State of Oklahoma, and any day on which banking institutions located in the State of Oklahoma are authorized or required by law or other governmental action to close.

(c) "Claims" means, collectively, any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses of every kind and nature, including, but not limited to, fines, penalties, remedial obligations, attorneys' fees and court costs, whether arising in warranty, tort, contract, voluntary settlement, in law or in equity, or if any other character whatsoever, including, but not limited to, indemnification obligations contained in other contracts.

(d) "Company Group" means Company, and its Affiliates, co-owners at the Site, joint venturers, partners, contractors (other than Contractor), and its and their respective directors, officers, employees, representatives and agents.

(e) "Contract Price" means the compensation for the Work that Company and Contractor agree will be paid to Contractor at the time and in the manner provided for in the applicable Work Order.

(f) "Contractor Group" means Contractor, and its Affiliates and Subcontractors, and its and their respective directors, officers, employees, representatives and agents.

(g) "Defect" means an error, fault or nonconformance with relevant specifications and/or warranties for goods, materials or equipment sold, supplied or rented, or services provided, by Contractor or its Affiliate or Subcontractor.

(h) "Indemnitee" means any Person entitled to be indemnified, defended and/or held harmless under the terms and conditions of this Agreement.

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(i) "Indemnitor" means a party required to indemnify, defend and/or hold harmless a Person under the terms and conditions of this Agreement.

(j) "Indemnitor's Group" means (i) the Company Group in a context where Company is the Indemnitor, and (ii) the Contractor Group in a context where Contractor is the Indemnitor.

(k) "Other Party's Group" means the group in which the other party belongs (*i.e.*, the Company Group or Contractor Group, as applicable).

(l) "Person" means any governmental authority, natural person, corporation, company, limited or general partnership, joint stock company, joint venture, association, limited liability company, trust, bank, trust company, business trust or other entity or organization.

(m) "Proprietary Information" means information which Contractor or a Subcontractor acquires from Company, directly or indirectly, and all information which arises out of or is related to the Work, and all proprietary processes involved in the Work, including, but not limited to, information concerning Company's present and future business plans and information about Company's operations. Proprietary Information does not include information which (i) was in the public domain prior to disclosure by Contractor or a Subcontractor, except where such entry is the result of disclosure in breach of this Agreement, (ii) prior to disclosure, was already in Contractor's or a Subcontractor's possession, or (iii) was obtained by Contractor or a Subcontractor from a third party who or that was lawfully in possession of the information and was not subject to a contractual or fiduciary relationship with Company with respect to the information at the time of disclosure to Contractor or the Subcontractor.

(n) "Site" means the location at which Contractor is performing the Work for Company.

(o) "Subcontractor" means a Person, other than Contractor and its employees, who or that Contractor engages to perform all or a part of the Work.

(p) "Warranty Period" means (i) in the case of goods, materials or equipment supplied or sold, the period commencing on the date the goods, materials or equipment are received by Company or, if installed by Contractor, the date of such installation, and ending 12 months thereafter, (ii) in the case of goods, materials or equipment rented to Company, the applicable rental period, and (iii) in the case of services provided, the period commencing the date Contractor completes such services and ending 12 months thereafter.

(q) "Work" means, collectively, the performance of work, provision of services and/or the sale, supply or rental of goods, materials or equipment by Contractor to Company from time to time under a particular Work Order; provided, however, that, for purposes of Sections 6(b) and 6(c), the term "Work" shall be deemed to not include goods, materials or equipment rented to Company.

(r) "Work Order" means the directions from Company to Contractor, which may be oral or written, to provide Company with Work at a specific time, place and cost.



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(s) "Work Product" means all designs, discoveries, creations, works, devices, masks, models, works in progress, deliverables, inventions, products, computer programs, procedures, improvements, developments, drawings, notes, documents, business processes, information and materials made, conceived or developed by Contractor or a Subcontractor resulting from or relating to the Work.

2. Applicability and Effect of Agreement. From time to time during the term of this Agreement, Company may request through Work Orders that Contractor provide Work for the benefit or account of Company. In the event that Contractor agrees to provide the Work for Company, the provisions of this Agreement shall govern and be fully applicable to the performance of all such Work and the relationship of the parties relating to or arising out of the performance of such Work shall be controlled and regulated hereby, except as may be specifically provided in writing to the contrary by both parties. This Agreement shall become effective as of the Effective Date. This Agreement (a) is not an exclusive arrangement, (b) does not obligate Company to order or request any goods, materials, equipment or services from Contractor, and (c) does not obligate Contractor to accept orders or requests for goods, materials, equipment or services from Company.

3. Conduct of Work. Contractor, at its sole cost, risk and expense, shall:

(a) Furnish the services of all personnel and supervisors required to complete the Work.

(b) Supply all machinery, equipment, tools, materials, transportation and supplies required to complete the Work, and store all such machinery, equipment, tools and supplies in an orderly manner in a designated storage area at the Site.

(c) Provide all necessary safeguards, as in accordance with current industry standards, for the protection of all aspects of the Work and all Persons involved in the Work.

(d) Obtain all permits and licenses that are required to perform the Work.

(e) Timely pay (i) all occupation or similar taxes and all sales, use or consumer taxes related to the Work, (ii) all payroll taxes, and charges for social security, unemployment compensation, retirement pensions or benefits that are required to be made with respect to the wages and salaries of Persons employed by Contractor that are imposed by federal or state laws, (iii) all charges for labor and materials furnished by Contractor for the Work, and (iv) all charges of Subcontractors.

(f) Take such other action as may be requested by Company and agreed to by Contractor. Contractor shall be responsible for Work performed, and goods, materials and equipment sold, supplied or rented, by Contractor and/or its Affiliates, Subcontractors, vendors and suppliers.

(g) Upon termination of the Work, promptly return to Company any equipment, supplies and tools owned by Company and in Contractor's possession.



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4. Payment of Contract Price; Invoicing; Shipping Terms. The Contract Price shall be due the later of (a) the date the Work is found to be satisfactory by Company, or (b) 45 days after Company's receipt of an invoice for the Work. Contractor shall submit invoices no later than 45 days following the completion of Work under a specific Work Order. If invoices are received more than 60 days after the date of service, Company reserves the right to reduce or reject payment. All Work to be shipped shall be shipped FOB, Company's facility. Company's payment of Contractor's invoices shall not prevent Company from later filing claims against Contractor or waive Company's rights to recover money previously paid to Contactor.

5. Warranties.

(a) Contractor shall perform the Work with due diligence and in a good, workmanlike and timely manner, in accordance with the best industry practices.

(b) As to services provided by Contractor or a Subcontractor, Contractor warrants for the Warranty Period that the services will be in accordance with the specifications set forth in the applicable Work Order and will be completed in a good and workmanlike manner and in accordance with sound engineering practices and applicable laws, rules and regulations.

(c) As to goods sold or materials and equipment manufactured or supplied by Contractor or a Subcontractor, Contractor warrants for the Warranty Period (i) good and merchantable title to such goods, materials or equipment, (ii) that such goods will be free from Defects in materials and workmanship and be of merchantable quality, (iii) that such goods will conform to applicable specifications and drawings set forth in the applicable Work Order, and (iv) that such goods comply with all applicable laws, rules and regulations. In addition, Contractor shall cause all manufacturer warranties on all goods sold and materials and equipment supplied by Contractor or a Subcontractor to be transferred to Company upon completion of the Work.

(d) As to goods, materials and equipment rented to Company by Contractor or a Subcontractor, Contractor warrants for the Warranty Period that the goods, materials and equipment will (i) be free of Defects in materials and workmanship and be of merchantable quality, (ii) be in good working order, (iii) include operating manuals, supplies and spare parts, and (iv) comply with all applicable laws, rules and regulations.

(e) In addition to all other remedies at law or in equity, Company may require Contractor to replace, repair or reperform any Work that does not comply with any of the warranties contained in this Section 5. If Contractor fails to replace, repair or reperform any Work that does not comply with the warranties contained in this Section 5 within a reasonable time after being notified thereof by Company, Company may cure the breach of warranty directly or through another contractor, vendor or supplier. What constitutes a "reasonable time" for purposes of this Section 5(e) shall depend upon the circumstances, but in no event exceed three days from the date of notice to Contractor. Within 30 days after receipt of an invoice, Contractor shall reimburse Company for the cost incurred by Company for such warranty work.



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6. Inspection and Acceptance; Changes to Work Order.

(a) Contractor shall be responsible for inspecting and testing all materials and equipment that constitute part of the Work. Company shall have the right at any time to inspect and test the Work at all places and stages of production and installation, without such action being treated as either discharging Contractor's responsibility or constituting acceptance of the Work. If any of the Work is covered contrary to the written request of Company and, if requested by Company, Contractor shall, at Contractor's expense, uncover the Work for Company's inspection and testing and re-cover the Work once appropriate action, if any, has been taken pursuant to this Agreement.

(b) When Contractor determines that the Work or a portion of the Work is ready for initial start-up operation or service, Contractor shall advise Company in writing and the care, custody or control of the Work or a portion thereof, if applicable, shall pass to Company unless Company advises Contractor within five days thereafter that the Work or the portion of the Work is not ready for initial start-up operation or service. Company shall assume risk of loss or damage from and after the date of transfer. Transfer of the care, custody and control of the Work or a portion of it to Company pursuant to this Section 6(b) shall not constitute acceptance pursuant to Section 6(c) below.

(c) Within 15 days after either performance tests are completed or the transfer of the care, custody and control of all of the Work to Company, Company shall advise Contractor in writing of any Defects in the Work Company has discovered. If Company does not provide notice of any Defects within such 15-day period, or if after Contractor corrects the Defects and Company does not advise Contractor in writing within 10 days of Contractor's completion of such corrective action of any further Defects, Company shall be deemed to have accepted the Work; provided, however, that Contractor shall remain responsible for any Defects discovered during the Warranty Period pursuant to Section 5 above.

(d) Company may make changes to the applicable Work Order at any time for its convenience upon written notice to Contractor. Such changes shall be subject to an equitable adjustment in the performance schedule and/or Contract Price based on reasonable and unavoidable costs and delays incurred by Contractor prior to notice of the change. Any claim of Contractor for such an adjustment shall be waived if not submitted in writing to Company within 30 days of Contractor's receipt of Company's change notice.

7. Intellectual Property. Contractor shall defend, indemnify and hold the Company Group harmless from and against any and all Claims arising in connection with any infringement or alleged infringement of U.S. Letters Patent, trademark or copyright laws relating to the Work.

8. Proprietary Information. Contractor shall not use any Proprietary Information except in connection with the Work and shall not disclose any Proprietary Information or details of the Work to any Subcontractor or third party except to those Subcontractors who or that are to perform the Work, and then only to the extent that such disclosure is required to perform the particular portion of the Work and only if the Subcontractor agrees in writing to keep such Proprietary Information confidential. Contractor shall take all reasonable precautions to safeguard any documents containing Proprietary Information which Company provides to



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Contractor under this Agreement. Contractor must obtain Company's prior written approval of any photographs and the text of any announcement or publication concerning the Work that either Contractor or any Subcontractor wishes to make. In the event that Contractor, a Subcontractor, or any of their employees or agents, becomes legally compelled to disclose any Proprietary Information, Contractor shall provide to Company prompt, prior written notice of such requirement so that Company may seek a protective order or other remedy. In the event that such a protective order or other remedy is not obtained, Contractor or the Subcontractor, as applicable, shall furnish only that portion of the Proprietary Information that it is legally required to disclose, and shall make reasonable efforts to obtain assurance that confidential treatment shall be accorded the Proprietary Information.

9. Work Product. All Work Product shall at all times be and remain the sole and exclusive property of Company. Contractor hereby agrees to irrevocably assign and transfer to Company and does hereby assign and transfer to Company all of its worldwide right, title and interest in and to the Work Product, including, but not limited to, all associated intellectual property rights. Company shall have the sole right to determine the treatment of any Work Product, including, but not limited to, the right to keep it as trade secret, execute and file patent applications on it, to use and disclose it without prior patent application, to file registrations for copyright or trademark in its own name or to follow any other procedure that Company deems appropriate. Contractor agrees (a) to disclose promptly in writing to Company all Work Product in its possession, (b) to assist Company in every reasonable way, at Company's expense, to secure, perfect, register, apply for, maintain and defend for Company's benefit all copyrights, patent rights, mask work rights, trade secret rights, and all other proprietary rights or statutory protections in and to the Work Product in Company's name, and (c) to otherwise treat all Work Product as Proprietary Information. Contractor will ensure that the Contractor Group irrevocably waives any and all claims and assign to Company any and all rights or any interests in any Work Product or original works created in connection with this Agreement. The foregoing obligations shall survive the expiration or termination of this Agreement. Notwithstanding the foregoing, Company shall not have rights to any works owned or purchased by Contractor or to any works conceived or reduced to practice by Contractor that were developed entirely on Contractor's own time without using equipment, supplies, facilities or trade secret or Proprietary Information, unless such works (a) relate to Company's business, or Company's actual or demonstrably anticipated research or development, or (b) result from any Work performed by Contractor for Company.

10. Risk of Loss; Liens; Clean-Up; Storage.

(a) Contractor shall be responsible for and shall replace, repair or reconstruct and shall furnish such material, equipment or supplies that it furnishes for the Work which are lost, stolen, damaged or destroyed prior to the time that the care, custody and control thereof are transferred to Company pursuant to Section 6(b) above, regardless of the cause of such loss, theft, damage or destruction.

(b) Contractor shall make timely payments to all workmen, materialmen and Subcontractors and take all other action necessary to keep the Site and the Work free of third party liens caused by any action or inaction of the Contractor Group. Company may withhold payment of amounts due to Contractor until it has been furnished with proof satisfactory to it that



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either all amounts have been paid or Contractor has provided for satisfactory payment. If a third party lien attaches to the Site as a result of any action or inaction by the Contractor Group, Company may make any payment necessary to discharge the lien, and it may offset the amount of the lien, together with damages, attorneys' fees and court costs, that it incurs because of the lien or its discharge, against any payment owing or to be owed to Contractor. Notwithstanding the foregoing, Company shall not pay any such claim or indebtedness as long as the same is being actively contested by Contractor and Contractor has taken all actions necessary, including, but not limited to, the posting of a bond, to protect the property interests of Company and any other party affected by such claim or indebtedness. Contractor shall defend, indemnify and hold the Company Group harmless from and against any third party liens arising out of or connected with the Work as a result of any action or inaction of the Contractor Group, including, but not limited to, attorneys' fees and court costs incurred as a result of such third party liens.

(c) Contractor shall remove its materials and equipment from the Site upon completion of the Work and shall clean up the Site in a good and workmanlike manner. If Contractor fails to remove its materials and equipment and clean up the Site within 30 days after completion of the Work at the Site, Company may remove the materials and equipment and clean up the Site at Contractor's expense and deduct its costs from sums that Company owes Contractor. Contractor shall be responsible for immediately responding to and remediating all spills on Company property or leases resulting from the Work in consultation with Company as directed by Company.

(d) Contractor shall be responsible for providing secondary containment structures to prevent chemical leaks or spills from contacting soils. Contractor shall ensure that all chemicals used in connection with the Work are stored in appropriate containers and that all chemical drums are stored on pallets or other suitable structures in accordance with storm water and other applicable regulations. Contractor shall reimburse Company for costs incurred to repair storm water structures or to reclaim environmental damage resulting from or relating to the Work.

11. Maintenance and Audit of Records. Contractor shall maintain for not less than two years after the Work is completed, complete and accurate records, including invoices, payroll sheets and supporting documentation, of all costs which have been charged or are chargeable to Company. Company shall have the right at any reasonable time to inspect and audit Contractor's records related to the Work. If errors are found in billings or payments, the parties shall promptly adjust and correct the errors.

12. **Indemnification.**

**(a) Contractor hereby agrees to release, defend, indemnify and hold the Company Group harmless from and against any and all Claims on account of bodily injury to Persons in the Contractor Group, including, but not limited to, sickness or death, or loss or destruction of property or interests in property of the Contractor Group, in any manner caused by, directly or indirectly resulting from, incident to, connected with or arising out of, the Work, WHETHER OR NOT RESULTING IN WHOLE OR IN PART FROM THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE OR STRICT LIABILITY OF THE COMPANY GROUP, OR ANY DEFECT IN THE PREMISES, EQUIPMENT OR TOOLS OWNED, OPERATED OR CONTROLLED BY THE COMPANY GROUP.**



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**Contractor agrees to consult and cooperate in good faith with the Company Group in the selection and retention of legal counsel to represent the Company Group in any action, claim, suit, litigation, arbitration or government investigation (each, an "Action") with respect to each Claim. Notwithstanding the foregoing, the Company Group may select its own counsel to participate in any Action at its sole cost and expense; provided, however, the Company Group's right to participate in any Action shall not limit Contractor's obligations under this Section 12(a).**

**(b) Company hereby agrees to release, defend, indemnify and hold the Contractor Group harmless from and against any and all Claims on account of bodily injury to Persons in the Company Group, including, but not limited to, sickness or death, or loss or destruction of property or interests in property of the Company Group, in any manner caused by, directly or indirectly resulting from, incident to, connected with, or arising out of, the Work, WHETHER OR NOT RESULTING IN WHOLE OR IN PART FROM THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE OR STRICT LIABILITY OF THE CONTRACTOR GROUP, OR ANY DEFECT IN THE PREMISES, EQUIPMENT OR TOOLS OWNED, OPERATED OR CONTROLLED BY THE CONTRACTOR GROUP. Company agrees to consult and cooperate in good faith with the Contractor Group in the selection and retention of legal counsel to represent the Contractor Group in any Action with respect to each Claim. Notwithstanding the foregoing, the Contractor Group may select its own counsel to participate in any Action at its sole cost and expense; provided, however, the Contractor Group's right to participate in any Action shall not limit Company's obligations under this Section 12(b).**

**(c) Subject to Sections 12(a) and 12(b) above, each party hereby agrees to release, defend, indemnify and hold the Other Party's Group harmless from and against any and all Claims by individuals and entities not included in the Other Party's Group to the extent arising out of (i) the negligence and/or willful misconduct of the Indemnitor's Group, or (ii) the breach of this Agreement by the Indemnitor.**

**(d) Each party shall be responsible for, and hereby agrees to defend, indemnify and hold the other party harmless from and against, any and all Claims arising out of or with respect to, the emission, discharge or release by the Indemnitor's Group in connection with the Work, or transportation to and from the Site, of chemical pollutants, contaminants, waste, petroleum waste, used oil, toxic substances, hazardous substances or any other substances that are regulated by any governmental entity under environmental laws.**

**(e) Each party agrees to support its respective mutual indemnity obligations in Sections 12(a) and (b) above, as applicable, by furnishing mutual liability insurance coverage for the benefit of the Other Party's Group in accordance with Schedule 12 attached hereto. Notwithstanding anything in this Agreement to the contrary, (A) in the event enforcement of Sections 12(a) or 12(b) above is governed by the Texas Anti-Indemnity Statute (Tex. Civ. Prac. & Rem. Code Ann. §§127.001-127.007 (1986 & Supp. 1996), as amended from time to time) or similar statute in another jurisdiction restricting indemnification of negligent parties, and (B) to the extent the indemnified losses under such Section 12(a) or 12(b) above, as applicable, arise or result from the Indemnitee's**



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negligence, (Y) the obligations of the Indemnitor under Sections 12(a) or 12(b), as applicable, shall be limited to the extent of insurance obtained by the Indemnitor for the benefit of the Indemnitee (or any such greater amount allowed by law), and (Z) if the Indemnitor fails to carry insurance in the minimum amounts specified in Schedule 12 to support the mutual indemnification obligations in Sections 12(a) and 12(b) above, the Indemnitor's insurer becomes insolvent, the Indemnitor's insurer refuses to cover a claim based on breach of the insurance contract by the Indemnitor, or the Indemnitor's insurance is exhausted for any reason below the minimum levels required by this Agreement (even on the same incident paid on behalf of the Indemnitor or any Person other than the Indemnitee), it is agreed that the Indemnitor has approved self-insurance under the Texas Anti-Indemnification Statute to cover the amount of indemnification owed to the Indemnitee up to the minimum amounts as stated in Schedule 12. It is the intention of the parties that the Indemnitee will receive the benefit of such indemnification regardless of what may happen subsequent to the Effective Date that might affect the insurance required to be obtained by the Indemnitor hereunder.

(f) Claims against Company Group for indemnification under a separate contract with a Person (other than a member of Contractor Group) shall be included within the indemnification requirements of Section 12(a) above if such Claim against Company Group arises out of Claim made against such other Person by a member of Contractor Group on account of bodily injury to Persons in the Contractor Group or loss or destruction of property or interests in property of the Contractor Group. Claims against Contractor Group for indemnification under a separate contract with a Person (other than a member of Company Group) shall be included within the indemnification requirements of Section 12(b) above if such Claim against Contractor Group arises out of Claim made against such other Person by a member of Company Group on account of bodily injury to Persons in the Company Group or loss or destruction of property or interests in property of the Company Group.

(g) In the event that any Claim is asserted against any Indemnitee by a third party for which indemnification is available under this Section 12 (or the Indemnitee believes such a Claim is reasonably likely to be asserted against it), the Indemnitee shall promptly notify the Indemnitor of such Claim (and, in any event, within 30 days after becoming aware of such Claim); provided, however, that the failure to so notify the Indemnitor shall not limit the rights of an Indemnitee to indemnification hereunder except to the extent that such failure materially increases the dollar amount of any such Claim for indemnification or materially prejudices the ability of the Indemnitor to defend such Claim. In any such proceeding, following receipt of notice properly given, the Indemnitor shall be entitled, at its sole discretion, to assume the entire defense of such Claim (with counsel selected by it which is reasonably satisfactory to the Indemnitee), and the Indemnitor shall bear the entire cost of defending such Claim; provided, however, that the Indemnitor shall not be entitled to defend any such Claim if (i) such Claim relates to or arises in connection with any criminal action, (ii) injunctive or other equitable relief is sought in connection with such Claim, or (iii) the Indemnitee in good faith determines that the defense of such Claim by the Indemnitor would be reasonably likely to result in the Indemnitor having a conflict of interest. The Indemnitor shall not have the right to settle any such Claim without the written consent of the Indemnitee. In the event of the



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**assumption of the defense by the Indemnitor, the Indemnitor shall not be liable for any further legal or other expenses subsequently incurred by the Indemnitee in connection with such defense unless otherwise agreed to in writing by the Indemnitor or as provided herein; provided, however, that the Indemnitee shall have the right to participate in such defense, at its own cost, and the obligation to cooperate therewith.**

13. Insurance.

(a) Contractor shall secure and maintain, and shall require all Subcontractors to secure and maintain, during the term of this Agreement, the insurance policies set forth in Schedule 12. Contractor and all Subcontractors shall keep such policies in effect for at least three years following the termination of this Agreement.

(b) **All liability coverage carried by Contractor and any Subcontractor shall extend to and protect the Company Group to the full extent and amount of such coverage, including, but not limited to, excess or umbrella insurance policies, and shall be primary to, and receive no contribution from, any other insurance or self-insurance programs maintained by or on behalf of or benefiting the Company Group. The limits and coverages of the insurance obtained by Contractor or any Subcontractor, except as otherwise provided herein and to the extent prohibited or required by law, shall in no way limit the liabilities or obligations assumed by Contractor or any Subcontractor. All of Contractor's and each Subcontractor's liability insurance policies shall name the Company Group as an additional insured and contain a waiver on the part of the insurer of all rights against the Company Group, including, but not limited to, a waiver of subrogation.**

(c) Each of Contractor's and any Subcontractor's insurance policies required hereunder shall be issued by reputable and reliable insurance carriers that are satisfactory to Company, authorized to do business in the jurisdiction where the Work is to be performed and have an A.M. Best rating of at least A- and an A.M. Best financial rating of at least VII. Each of Contractor's and any Subcontractor's insurance policies shall provide that it cannot be cancelled, materially altered or allowed to lapse without at least 30 days' prior written notice by the insurance carrier to Company. All premiums, deductibles and self insured retentions under Contractor's and any Subcontractor's insurance policies shall be for the account of Contractor or Subcontractor, as applicable. Contractor shall, and shall cause each Subcontractor to, cause its respective insurance carriers to provide to Company, prior to their performance of any Work, a certificate of insurance on an industry standard form (i) evidencing that the coverages required hereunder are in full force and effect, (ii) reflecting the amount of any deductibles and self insured retentions, (iii) containing endorsements for the additional insured and waiver of subrogation requirements set forth above, (iv) evidencing the cancellation/alteration notice requirement set forth above, and (v) evidencing that no member of Company Group shall be responsible for any premiums, deductibles or self insured retentions. Company's acceptance of an incomplete, incorrect or noncompliant certificate, or the commencement of Work, shall not be deemed to be a waiver by Company of the insurance obligations of Contactor or any Subcontractor set forth in this Agreement. Company shall not be obligated to make any payments to Contractor until



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properly and fully executed certificates in accordance with the foregoing requirements have been provided to Company; provided, however, that payment by Company shall not constitute a waiver by Company of any of its rights in this Agreement. Upon the written request from Company, Contractor shall, and shall cause each Subcontractor to, immediately provide Company with copies of policies providing the insurance required hereunder.

(d) Contractor shall defend, indemnify and hold the Company Group harmless from and against any and all Claims that the Company Group may suffer due to Contractor's or any Subcontractor's failure to comply with all of the insurance requirements contained in this Section 13 and elsewhere in this Agreement.

(e) The provisions of this Section 13 shall be independent of any obligations Contractor has under Section 12 above.

14. Independent Contractor. Contractor shall be an independent contractor with respect to the Work, and neither Contractor or any Subcontractor, or their respective officers, employees or agents, shall be deemed an agent, representative, employee or servant of Company. Contractor and any Subcontractor shall have complete and sole control over their respective employees and the details of the Work performed and the methods by which the Work is accomplished, it being understood that Company is interested only in the results that Contractor obtains.

15. Compliance with Applicable Laws and Policies. Contractor shall comply with, and shall cause all Subcontractors and its and their respective employees and agents to comply with, all Company policies in effect from time to time that are applicable to the Work, and all federal, state and local laws that are applicable to the Work, including, but not limited to, (a) the Fair Labor Standards Act, (b) all laws relating to occupational health and safety, and (c) all laws relating to the disclosure and transportation of hazardous and toxic substances. Company shall provide Contractor with a copy of any applicable Company policies within a reasonable time after receiving a written request for the same from Contractor.

16. Default and Termination.

(a) The provisions of Section 16(b) below shall apply if any of the following events occur (each, an "Event of Default"):

(i) Contractor becomes insolvent, or insolvency, receivership or bankruptcy proceedings are commenced by or against Contractor;

(ii) Contractor violates laws or ordinances applying to the Work or disregards instructions of Company;

(iii) except as provided in Section 19 below, Contractor fails, neglects, refuses or is unable to provide ample supervision, labor, materials or equipment to perform the Work at a rate and in a manner reasonably deemed sufficient by Company;



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(iv) Contractor allows any third party liens to be placed against the Work or the Site; or

(v) Contractor defaults in its performance of any provision of this Agreement.

(b) If an Event of Default occurs, the following shall apply:

(i) Company, without prejudice to any other right or remedy, may terminate this Agreement by providing notice of termination to Contractor.

(ii) Contractor shall, if requested, withdraw from the Site and assign to Company such of Contractor's subcontracts as Company requests and shall remove from the Site all materials, equipment, tools and instruments of Contractor and all Subcontractors.

(iii) Company shall have the right to finish the Work as it deems appropriate.

(iv) Within 30 days of such event, Company shall pay to Contractor the amount to which Contractor is entitled for its performance of the Work that was satisfactorily performed up to the date of such termination, less any costs and expenses suffered by Company as a result of the Event of Default.

(c) Company may, in its sole discretion, suspend or terminate the Work, in whole or in part, without cause at any time by providing written notice of suspension or termination to Contractor. If the Work is suspended or terminated by Company pursuant to this Section 16(c), Company shall pay Contractor, as Contractor's sole compensation for the Work performed prior to such suspension or termination, for (i) the reasonable costs committed to by Contractor that are not cancelable or recoverable, and (ii) the Work satisfactorily performed prior to the date of termination or suspension.

17. Title. Title to the Work completed or in the course of construction at the Site and to all materials, equipment and supplies that become a part of the Work or are used in the construction thereof, except Contractor's tools, equipment and supplies, shall pass to Company at such time as they are installed in their permanent positions and Company accepts the care, custody and control of the Work pursuant to Section 6(b) above. Transfer of title shall not otherwise affect the parties' rights hereunder.

18. Term and Termination. Except as otherwise provided herein, this Agreement shall be for a term of one year from the Effective Date and from year-to-year thereafter until terminated. Either party may terminate this Agreement at any time, with or without cause, on not less than 30 days' prior written notice of such termination. Any such termination shall not affect any rights or obligations which have accrued under this Agreement, except as otherwise provided herein.

19. Force Majeure. Any delay in or failure to perform by a party, other than the payment of money, shall not constitute a default that exposes it to liability for breach if and to the extent the delay or failure to perform is caused by an occurrence beyond the reasonable control of the party, including, but not limited to, an act of God or the public enemy;



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expropriation or confiscation of facilities; compliance with any order or requirement or any governmental authority; act of war, rebellion or sabotage or damage resulting therefrom; fire, flood, explosion or accident; riots or strikes or other concerted acts of workmen; inability after diligent effort to obtain necessary licenses or permits; or any other cause, whether or not of the same class or kind as those specifically above named, which is not within the control of the party and which, by the exercise of reasonable diligence, the party is unable to prevent or remedy. In the event of force majeure, the party claiming force majeure shall furnish the other party with written notice or by telephone immediately confirmed in writing, setting forth the full particulars of the force majeure claimed, as soon as possible after the occurrence of the force majeure, and the obligations of that party, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer. The party relying upon such force majeure shall use due diligence and all reasonable efforts, including, but not limited to, reasonable expenditure of money, to overcome the cause of force majeure. If a force majeure event exceeds 30 days, either party may cancel the Work under the applicable Work Order.

20. Rebates. Contractor shall not, and shall cause each Subcontractor not to, pay any commission, rebate, fee or other remuneration to any employee, representative or agent of the Company Group, or each other, in connection with the Work.

21. Assignments and Subcontractors. Contractor shall not assign, delegate or subcontract its rights or duties under this Agreement without the prior consent of Company. Any assignment, delegation or subcontracting in violation of this Section 21 shall be void. Consent to assign given by Contractor shall not relieve it of responsibility for performance of its obligations under this Agreement. Upon Company's request, Contractor shall supply Company with a list of the names and contact information for all Subcontractors performing the Work, and if so requested, Contractor shall update the list as additional Subcontractors are engaged by Contractor to perform any of the Work.

22. Waiver. The waiver by either party of a breach by the other party shall not be deemed a waiver of any different or subsequent breach.

23. Conflicts. In the event of a conflict, this Agreement shall control over all Work Orders.

24. Applicable Law; Venue. The provisions of this Agreement shall be governed by the laws of the State of Oklahoma, notwithstanding its conflict of law provisions. Any judicial proceeding brought hereunder shall be brought exclusively in a state or federal court located in Tulsa County, Oklahoma. Each party hereby consents to the jurisdiction of such court and waives any defense or objection to such jurisdiction or venue.

25. Notices. All notices provided hereunder shall be in writing and delivered by hand or overnight courier service, mailed by certified or registered mail or sent by e-mail to the address or e-mail address specified for such party on the signature page hereof. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices sent by e-mail shall be deemed to have been given when sent, provided that, if not given during normal business hours for the receiving party, shall be deemed to have been given at the opening of business on the next Business Day for such



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party. A party may change the address for notices by providing the other party written notice of such change.

26. Headings. The headings and other captions herein are for convenience and reference only and shall not be used in interpreting, construing or enforcing any of the provisions hereof.

27. Entire Agreement. This Agreement and any Work Order between Company and Contractor constitute the entire agreement between the parties on the subject matter referred to herein and supersede all prior negotiations, agreements and correspondence. This Agreement may be modified only by a written instrument signed by the parties. Any additional, different, inconsistent or conflicting terms or conditions contained in any form or document provided to Company by Contractor shall constitute a material alteration of this Agreement that Company hereby rejects, and none of such terms and conditions shall apply to any of the Work.

28. Severability. If any clause or provision of this Agreement is held to be void, illegal or unenforceable, the other clauses and provisions hereof shall remain in full force and effect, and the clauses or provisions that are determined to be void, illegal or unenforceable shall be limited so that they remain in effect to the extent permitted by law.

29. Survival. The terms and conditions contained herein which by their nature should survive the termination of this Agreement shall so survive, including, but not limited to, all confidentiality and indemnity obligations. Except as otherwise provided herein, the termination of this Agreement shall not relieve a party from any obligation accruing or accrued as of the date of such termination.

30. Execution. This Agreement may be executed in multiple counterparts (including execution by facsimile or scanned email signature), each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

*[Signatures appear on following page.]*



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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

EMPIRE TEXAS OPERATING LLC

By: Signed by: William West
71DD2BEB0970404...
Name: William West
Title: Senior Vice President of Operations

Address for Notice:

Empire Texas Operating LLC
2200 S. Utica Place, Suite 150
Tulsa Oklahoma 74114
Attention: Michael Morrisett, President & CEO
Email: mike@empirepetrocorp.com

R Construction Company

By: Joey M Brewer
Name: Joey M Brewer
Title: CEO

Address for Notice:

P O Box 189
Buffalo, TX 75831
Attn:Terra Huffman
e-mail: terra.huffman@rconstrucitoninc.com



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# SCHEDULE 12
# INSURANCE REQUIREMENTS

In accordance with this Agreement, Contractor shall, and shall cause each Subcontractor to, at its sole cost and expense, obtain and continuously carry, during the term of this Agreement and for three years following the termination thereof, the following insurance coverages:

## 1. Commercial General Liability Insurance

Commercial General Liability Insurance covering blanket contractual liability, broad form property damage, liability arising from premises, personal and advertising injury, independent contractors, products/completed operations, explosion, collapse, blowout, cratering, underground damage, underground equipment, underground resources and sudden and accidental pollution (including wet and dry), with minimum limits of:

(a) one million dollars ($1,000,000) per occurrence,
(b) one million dollars ($1,000,000) products/completed operations aggregate,
(c) one million dollars ($1,000,000) personal and advertising injury limit, and
(d) two million dollars ($2,000,000) general aggregate.

## 2. Business Automobile Liability Insurance

Business Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Contactor or Subcontractor, as applicable, with minimum limits of liability for injury, death or property damage of one million dollars ($1,000,000) combined single limit per occurrence.

## 3. Workers' Compensation Insurance

Workers' Compensation Insurance covering Contractor or Subcontractor, as applicable, and all of its personnel involved with the Work in accordance with the statutory requirements of federal and state laws.

## 4. Employer's Liability Insurance

Employer's Liability Insurance covering Contractor or Subcontractor, as applicable, and all of its personnel involved with the Work, with minimum limits of:

(a) five hundred thousand dollars ($500,000) for bodily injury per accident,
(b) five hundred thousand dollars ($500,000) for bodily injury by disease (policy limits), and
(c) five hundred thousand dollars ($500,000) for bodily injury by disease per employee.

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**5. Umbrella Liability Insurance**

Umbrella Liability Insurance with a minimum combined single limit of ten million dollars ($10,000,000) for each occurrence, which shall be (a) in excess of the coverages required by Sections 1 through 4 above, and (b) at least as broad as the coverages required by Sections 1 through 4 above.

**NOTE: SECTIONS 12 AND 13 OF THIS AGREEMENT CONTAIN ADDITIONAL PROVISIONS REGARDING INSURANCE REQUIREMENTS.**

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# EXHIBIT 2


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R Construction Company
PO Box 189
Buffalo, TX 75831 US

| Account No. | Page |
|---|---|
| 1487 | 1 |
| Statement Date | |
| 04/15/26 | |

| Account Name | | |
|---|---|---|
| Empire Texas Operating | | |
| Statement Date | Account Number | Page |
| 04/15/26 | 1487 | 1 |

Empire Texas Operating
2200 S. Utica Pl. Ste. 150
Cong@empirepetrocorp.com
Tulsa, OK 74114

**To ensure proper credit, please return this portion with your remittance.**

| Date | Cd | Invoice | Description | Amount | Balance |
|---|---|---|---|---|---|
| 03/05/25 | I | 281641 | Empire T&M 1-13 - 1-2 | 4,080.00 | 4,080.00 |
| 03/06/25 | I | 281802 | Empire T&M 1-13 - 1-2 | 9,675.00 | 9,675.00 |
| 03/06/25 | I | 281803 | Empire T&M 1-13 - 1-2 | 1,785.00 | 1,785.00 |
| 03/06/25 | I | 281804 | Empire T&M 1-27 - 2-1 | 21,680.00 | 21,680.00 |
| 03/06/25 | I | 281821 | 1-30 | 435.00 | 435.00 |
| 03/14/25 | I | 282451 | 2-17 - 3-3 | 14,031.50 | 14,031.50 |
| 03/18/25 | I | 282534 | 11-8-24 - 1-20 Lance L | 8,047.50 | 8,047.50 |
| 03/18/25 | I | 282535 | 1-16 - 1-23 Lance Lee | 2,862.50 | 2,862.50 |
| 03/18/25 | I | 282536 | 1-17 Lance Lee | 1,345.00 | 1,345.00 |
| 01/23/26 | I | 308989 | | 1,250.00 | 1,250.00 |

| Current | 31-60 Days | Over 60 Days | Retainage | Balance Due |
|---|---|---|---|---|
| 0.00 | 1,250.00 | 63,941.50 | 0.00 | 65,191.50 |

| Invoice | Cd | Amount |
|---|---|---|
| 281641 | I | 4,080.00 |
| 281802 | I | 9,675.00 |
| 281803 | I | 1,785.00 |
| 281804 | I | 21,680.00 |
| 281821 | I | 435.00 |
| 282451 | I | 14,031.50 |
| 282534 | I | 8,047.50 |
| 282535 | I | 2,862.50 |
| 282536 | I | 1,345.00 |
| 308989 | I | 1,250.00 |
| | | Balance Due |
| | | 65,191.50 |


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# Automated Certificate of eService

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Wanda Bolton on behalf of John Warren
Bar No. 24066264
wbolton@CokinosLaw.com
Envelope ID: 113709559
Filing Code Description: Petition
Filing Description: Plaintiff's Original Petition
Status as of 4/16/2026 8:17 AM CST

Case Contacts

| Name | BarNumber | Email | TimestampSubmitted | Status |
|---|---|---|---|---|
| Wanda Bolton | | wbolton@cokinoslaw.com | 4/15/2026 5:05:24 PM | NOT SENT |
| John C.Warren | | jwarren@cokinoslaw.com | 4/15/2026 5:05:24 PM | NOT SENT |
| Jacob A. Walsh | | jwalsh@cokinoslaw.com | 4/15/2026 5:05:24 PM | NOT SENT |


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# EXHIBIT J

| STATE OF NORTH DAKOTA | IN DISTRICT COURT |
|---|---|
| COUNTY OF BOTTINEAU | NORTHEAST JUDICIAL DISTRICT |
| AnTech Oilfield Services Inc.,<br>Plaintiff,<br>v.<br>Empire North Dakota LLC, and Empire Petroleum Corporation,<br>Defendants. | Case No. 05-2025-CV-00143<br>**COMPLAINT AND JURY DEMAND** |

[¶1] Plaintiff, AnTech Oilfield Services Inc. ("AnTech"), for its Complaint against Defendants, Empire North Dakota LLC and Empire Petroleum Corporation (collectively, "Empire"), states as follows:

**PARTIES, JURISDICTION, AND VENUE**

1. AnTech Oilfield Services Inc. is a foreign corporation licensed to do business within North Dakota.

2. Empire North Dakota LLC ("Empire North Dakota") is a Delaware limited liability company doing business in North Dakota.

3. Empire Petroleum Corporation ("Empire Petroleum") is a foreign corporation doing business in North Dakota.

4. The services performed by AnTech on behalf of Empire North Dakota and Empire Petroleum were performed in Bottineau County, North Dakota.

5. Venue is proper in this Court pursuant to N.D. Cent. Code. Ann. § 28-04-01.

EXHIBIT B

6. This Court has jurisdiction over the parties to, and the subject matter of, this action.

## FACTUAL BACKGROUND

7. AnTech is an oilfield services company that performs directional coiled tubing drilling ("DCTD") services on oil and gas wells.

8. Empire operates certain oil and gas wells in, among other places, North Dakota.

9. AnTech and Empire North Dakota entered into a Master Service Agreement on July 6, 2022 (the "MSA").

10. On July 24, 2023, AnTech provided Empire Petroleum a budgetary proposal for its DCTD services, which included the bottom hole assembly, peripheral accessories, and necessary backup for the directional drilling services (the "Proposal").

11. On August 9, 2023, Empire Petroleum accepted AnTech's Proposal.

12. On August 16, 2023, AnTech and Empire Petroleum executed a letter agreement acknowledging Empire Petroleum's acceptance of the work and affirming that the work would be performed pursuant to the MSA (the "Order Acknowledgment") (the MSA, Proposal, and Order Acknowledgement are collectively referred to as the "Agreements").

13. Under the Agreements, AnTech agreed to provide certain DCTD services for, and equipment to, Empire Petroleum in exchange for payment.

14. AnTech performed its DCTD services for, and provided certain equipment to, Empire Petroleum for the following oil and gas wells located in North Dakota: Bufflehead 29-3A 1H, Chinook 32-5 1H, and Woodpecker 29-11 1H (the "Wells").



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15. AnTech issued multiple invoices to Empire for the DCTD services performed and equipment provided totaling One Million One Hundred Seventy-Four Thousand Nine Hundred Seventy-Four Dollars and Ninety-Eight Cents ($1,174,974.98).

16. Empire refuses to pay for the DCTD services performed or equipment provided by AnTech.

17. Under the Order Acknowledgement, Empire further agreed to hire AnTech to perform its DCTD services on eleven to fourteen wells located in North Dakota. Empire, in breach of the Order Acknowledgment, only used AnTech's DCTD services on a total of four wells.

18. Of the $1,174,974.98 owed by Empire, the principal amount of One Million One Hundred Thirty-Eight Thousand Two Hundred Twenty-Four Dollars and Fifteen Cents ($1,138,224.15), plus interest on that principal amount from the date the same was due, is secured by three amended "Statement(s) of Oil and Gas Lien(s)" filed of record with the Bottineau County Clerk on October 6, 2025, as Document Numbers 438076, 438077, and 438078 (the "Liens") granting AnTech an interest in and to the oil, gas, and minerals in Wells that are the subject of this foreclosure. Copies of the Liens are attached hereto as **Exhibit 1**.

## CAUSES OF ACTION

### Count I – Lien Foreclosure

19. The preceding allegations are fully incorporated by reference.

20. AnTech is the rightful holder of the Liens.

21. Pursuant to North Dakota law, upon default, the Liens may be foreclosed by AnTech.

22. Empire is in default, and therefore, AnTech is entitled to foreclose the Liens.

23. AnTech is entitled to its reasonable attorney's fees pursuant to N.D. Cent. Code Ann. § 35-24-19.

24. As of the date of filing, there is due and owing to AnTech the sum of $1,138,224.15 under the Liens, together with interest and attorneys' fees allowed by law until such balance is paid in full.

[¶2] WHEREFORE, AnTech requests that this Court enter judgment in favor of AnTech in excess of $1,138,224.15 plus attorneys' fees, pre- and post-judgment interest, and costs.

**DEMAND FOR JURY TRIAL**

[¶3] WHEREFORE, AnTech demands a jury trial in this matter, with the maximum amount of jurors allowable under applicable law.

**PRAYER FOR RELIEF**

[¶4] WHEREFORE, AnTech respectfully requests that this Court:

1. Enter judgment in favor of AnTech and against Empire;

2. Award damages in the amount of AnTech's actual damages plus pre-judgment and post-judgment interest at the rate allowed by law;

3. Award AnTech all costs, expenses, and attorneys' fees incurred by AnTech, any and all other relief, both special and general, at law and/or in equity, to which it shows itself justly entitled.



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DATED this 14th day of October 2025.

Respectfully submitted,

*/s/ Robert J. Pathroff*

Robert J. Pathroff (#07759)
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**ATTORNEYS FOR ANTECH OILFIELD SERVICES INC.**



Released to Imaging: 10/26/2026 4:11:21 PM

# EXHIBIT K

FILED
5th JUDICIAL DISTRICT COURT
Lea County
8/29/2024 11:00 AM
NELDA CUELLAR
CLERK OF THE COURT
Cory Hagedoorn

**STATE OF NEW MEXICO**
**COUNTY OF LEA**
**FIFTH JUDICIAL DISTRICT COURT**

**EMPIRE NEW MEXICO, LLC,**

**Plaintiff,**

**No. D-506-CV-2023-01180**

**v.**

**GOODNIGHT MIDSTREAM PERMIAN, LLC,**

**Defendant.**

**ORDER STAYING LITIGATION PURSUANT TO PRIMARY JURISDICTION DOCTRINE**

**THIS MATTER** comes before the Court on Defendant Goodnight Midstream Permian, LLC ("Goodnight")'s *Motion to Stay Litigation Under the Primary Jurisdiction Doctrine or to Dismiss For Failure to State a Claim* (the "Motion"), filed March 4, 2024. The Court has reviewed the Motion, the response in opposition filed by Empire New Mexico, LLC ("Empire"), and Goodnight's reply, along with the authorities cited in each of the foregoing. The Court also heard arguments of counsel on May 29, 2024. The Court, being otherwise fully advised in the premises, finds that the Motion is well taken and should be **GRANTED IN PART**. For the reasons described below, the Court will not dismiss this action, but pursuant to the doctrine of primary jurisdiction this action will be stayed pending a resolution of proceedings before the New Mexico Oil Conservation Commission ("OCC").

1. The claims presented by Plaintiff Empire New Mexico call for application of the unique expertise of the New Mexico Oil Conservation Division ("OCD") and/or OCC. The Court finds that the agency has unique expertise regarding the issues presented in this case, including whether certain formations contain produceable hydrocarbons and whether produced water can

migrate from one formation to another. There is a need for the expertise of the OCD and/or OCC on these questions, and these issues fall within the special competence of these agencies.

2. The Court has also considered the fact that there are already cases pending before the administrative agency. This is one of the strongest factors in the Court's mind. Many of the cases cited by the parties involve situations in which a matter would need to be referred to agency. Here, cases are already pending before the agency and action is already going forward on those.

3. Given that matters are pending before the OCD and have been moved up to the OCC, a stay of these matters will not cause undue delay.

4. Both parties will have a full and fair opportunity to litigate before the administrative agency. OCD and/or OCC may be able to give some resolution on the issue of permits granted to Goodnight that Empire seeks to revoke, and how the denial of Piazza #1 well permit that was not granted may have an impact in this matter. These questions go to the issue of res judicata as raised by Goodnight.

5. The Court finds that the Legislature intended for the OCD to have the primary jurisdiction over these kinds of issues.

6. The Court also has concern that proceeding here may yield an inconsistent decision that may have an impact on other saltwater disposal wells.

7. After resolution of critical factual issues presented by Empire's claims by the administrative agency, both parties may return to this Court for resolution of the common law claims, including for damages and for injunctive relief if appropriate. This Order is not a dismissal of the action, but only a stay. The OCD and/or OCC do not have authority to make a final determination on the common law claims, but their determinations on the factual issues over which they have jurisdiction are more appropriately made by the OCD and/or OCC.

8. The Court has set a status conference in this matter for September 24, 2024.

9. Pursuant to NMSA 1978, § 39-3-4, the Court further finds that the matters decided herein involve a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order or decision may materially advance the ultimate termination of the litigation.

**IT IS SO ORDERED**.

HONORABLE LEE A. KIRKSEY
District Court Judge

SUBMITTED BY:

**HOLLAND & HART LLP**

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**~AND~**

By */s/ Jeffrey J. Wechsler* (via email 08/22/2024)
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**~AND~**

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***Counsel for Plaintiff Empire New Mexico, LLC***

32682157_v1

# EXHIBIT L

FILED
5th JUDICIAL DISTRICT COURT
Lea County
1/27/2025 8:28 AM
NELDA CUELLAR
CLERK OF THE COURT
Rebecca Sanchez

**STATE OF NEW MEXICO**
**COUNTY OF LEA**
**FIFTH JUDICIAL DISTRICT**

**EMPIRE NEW MEXICO, LLC,**

**Plaintiff,**

**v.** **No. D-506-CV-2023-01180**

**GOODNIGHT MIDSTREAM PERMIAN, LLC**

**Defendant.**

# ORDER LIFTING STAY OF LITIGATION

THIS MATTER comes before the Court upon Plaintiff Empire New Mexico, LLC's ("Empire") Emergency Motion to Lift Stay of Litigation (Oct. 2, 2024) ("Motion"). The Court, having heard the arguments of the parties, considered the pleadings, and being otherwise advised, finds that the Motion is well taken and should be GRANTED. The Court further FINDS as follows:

1. On August 29, 2024, the Court entered a stay of this litigation to allow the New Mexico Oil Conservation Commission ("OCC" or "Commission") to conduct a hearing on related matters. *See* Order Staying Litigation Pursuant to Primary Jurisdiction (Aug. 29, 2024). Good cause existed for the stay in order to give the Court the benefit of the Commission's expertise.

2. At the time the Court issued the stay, the Commission proceedings were scheduled to begin on September 23, 2024, and the Court found that the stay would not cause undue delay. *Id*. at ¶ 3.

3. On August 30, 2024, the Commission continued the related proceedings until February 20, 2025. Although the continuance of the Commission case may have been appropriate, the delay constitutes a substantial change in circumstances that warrants lifting the stay.

4. In addition, lifting the stay allows the Commission proceeding and this litigation to proceed in parallel. The Court will adopt a schedule that sets trial after the anticipated decision from the Commission. This approach will allow the litigation to make progress and will put the Court in the position to act expeditiously once the Commission enters its order. It will also provide the Court with the benefit of the Commission's insight, as applicable, without delaying the litigation.

IT IS HEREBY ORDERED that the stay is lifted, and the case shall proceed according to a scheduling order to be issued by the Court.

Lee A. Kirksey

HONORABLE LEE A. KIRKSEY
District Court Judge

Submitted by:

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*Attorneys for Empire New Mexico LLC*

Approved as to Form:

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By: *electronically approved on 01/02/2025*

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# EXHIBIT M

FILED
5th JUDICIAL DISTRICT COURT
Lea County
8/17/2026 4:12 PM
NELDA CUELLAR
CLERK OF THE COURT
Samira Barajas

**STATE OF NEW MEXICO**
**COUNTY OF LEA**
**FIFTH JUDICIAL DISTRICT**

**EMPIRE NEW MEXICO, LLC,**

**Plaintiff,**

**v.** **No. D-506-CV-2023-01180**

**GOODNIGHT MIDSTREAM PERMIAN, LLC**

**Defendant.**

**~~[PROPOSED]~~ ORDER GRANTING IN PART AND DENYING IN PART GOODNIGHT'S AMENDED MOTION FOR SUMMARY JUDGMENT**

**THIS MATTER** comes before the Court on Defendant Goodnight Midstream Permian, LLC's ("Goodnight") Amended Motion for Summary Judgment (the "Motion"). The Court, having considered the Motion, the Response of Plaintiff Empire New Mexico, LLC ("Empire"), Goodnight's Reply, the exhibits, authorities and briefing submitted by the parties, and having heard oral arguments presented by counsel at a hearing held on July 29, 2026, and being otherwise fully advised of the premises, finds that the Motion is well-taken and should be granted in part, and denied in part, as specifically set forth below. Additionally, on June 1, 2026, the Court ordered a stay of all discovery and other deadlines in this matter until thirty days after the Court issued its ruling on the Motion ("Stay Order"). The stay is hereby lifted, as specifically set forth below.

**IT IS HEREBY ORDERED** that Goodnight's Amended Motion for Summary Judgment is **GRANTED IN PART** and **DENIED IN PART**, as follows:

The Motion is **GRANTED** as to all claims brought by Empire arising from Goodnight's development and operations related to the salt water disposal wells ("SWDs") located in the

Eunice Mountain South Unit field ("EMSU"). All of Empire's causes of action brought herein arising out of Goodnight's operations and development of SWDs in the EMSU are hereby **DISMISSED WITH PREJUDICE**, including Empire's causes of action for (1) negligence, (2) gross negligence per se, (3) common law trespass and continuing trespass, (4) trespass to chattels, (5) common law nuisance and continuing nuisance, (6) conversion, (7) tortious interference with contract and prospective contract, and Empire's claims for (8) damages and injunctive relief. For the avoidance of doubt, this summary judgment is specifically **GRANTED** in connection with Empire's claims arising from Goodnight's development and operations of the following SWDs: Andre Dawson SWD #001 (API # 30-025-50634); Ernie Banks SWD No. 1 Well (API # 30-025-50633); Ryno SWD #001 f/k/a Snyder SWD (API # 30-025-43901); Sosa SA 17 SWD #002 (API # 30-025-47947); Piazza SWD #001 (NMOCD Case No. 22626); Doc Gooden SWD #1 (NMOCD Case No. 26314); Hernandez SWD #1 (NMOCD Case No. 23615); Hodges SWD #1 (NMOCD Case No. 23616); and Seaver SWD #001 (NMOCD Case No. 23617).

The Motion is **DENIED** as to all claims by Empire arising from Goodnight's SWD and operations outside the EMSU, including the Arrowhead Grayburg Unit ("AGU"). For the avoidance of doubt, the Motion is **DENIED** as to the following SWDs: Verlander SWD No. 1 (API # 30-025-50632); Nolan Ryan SWD #001 (API # 30-025-45349); Pedro SWD #001 (API # 30-025-50079); Penroc State E TR 27 #002 (API # 30-025-26491); Robinson State SWD #001 (API # 30-025-46397); Scully SWD Well No. 1 (API # 30-025-46398); Ted 28 SWD #001 (API # 30-025-44386); and Yaz 28 SWD #001 (API # 30-025-46382). Empire's claims as to these wells and the impact of Goodnight's operations on the AGU shall remain pending before this Court.

Nothing in this Order shall be construed to preclude any party from seeking or contesting reconsideration or other relief under applicable rules with respect to the claims addressed by this Order should the Oil Conservation Commission or the Oil Conservation Division issue subsequent orders or findings that may serve as the basis for such requested reconsideration or relief.

**IT IS HEREBY ORDERED** that the Court's Stay Order is lifted, and all discovery may resume, effective as of the issuance of this Order. The parties shall confer and submit a proposed scheduling order for the Court's approval within 14 days of this Order.

HONORABLE MARK SÁNCHEZ
District Court Judge

Submitted by:

By: */s/ Richard S. Krumholz*

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