Initial Application Part I

Received 03/14/22

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

UKHPH-220314-C-1080

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
3/14/2022		SWD	pJZT2208854789

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Geological & Engineering Bureau –
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: 3Bear Field Services, LLC **OGRID Number: 372603**
Well Name: Kodiak SWD No. 1 **API: 30-025-45391**
Pool: SWD; Devonian-Silurian **Pool Code: 97869**

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

SWD-2473

1) **TYPE OF APPLICATION:** Check those which apply for [A]
A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP(PROJECT AREA) ☐ NSP(PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]
[I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ■ SWD ☐ IPI ☐ EOR ☐ PPR

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

2) **NOTIFICATION REQUIRED TO:** Check those which apply.
A. ■ Offset operators or lease holders
B. ☐ Royalty, overriding royalty owners, revenue owners
C. ■ Application requires published notice
D. ■ Notification and/or concurrent approval by SLO
E. ■ Notification and/or concurrent approval by BLM
F. ■ Surface owner
G. ■ For all of the above, proof of notification or publication is attached, and/or,
H. ☐ No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Chris Weyand – Agent of 3Bear Field Service
Print or Type Name

Signature

February 22, 2022
Date

(512) 600-1764
Phone Number

chris@lonquist.com
e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ___X___Disposal _____Storage
Application qualifies for administrative approval? ___X___Yes _____No

II. OPERATOR: 3Bear Field Services, LLC

ADDRESS: 1512 Larimer St., Suite 540, Denver, CO 80202

CONTACT PARTY: Mike Solomon PHONE: 303-862-3962

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes ___X___No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Christopher Weyand  TITLE: Consulting Engineer – Agent for 3Bear Field Service

SIGNATURE: _____ DATE: 02/22/2022

E-MAIL ADDRESS: chris@lonquist.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: 3Bear Field Services, LLC

WELL NAME & NUMBER: Kodiak SWD No. 1

WELL LOCATION:	736 FSL & 771' FWL	M	8	19S	33E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Conductor Casing

Hole Size: 26.000"

Casing Size: 20.00"

Cemented with: 328 sacks

or 361 ft^3

Top of Cement: surface

Method Determined: circulation

Surface Casing

Hole Size: 17.500"

Casing Size: 13.375"

Cemented with: 1,374 sacks.

or 1,752 ft^3

Top of Cement: surface

Method Determined: circulation

Production Casing

Hole Size: 12.250"

Casing Size: 9.625"

Cemented with: 2,079 sacks

or 4,548 ft^3

Top of Cement: surface

Method Determined: circulation

Liner

Hole Size: 8.500"

Casing Size: 7.625"

Cemented with: 703 sacks.

or 850 ft^3

Top of Cement: 7,440'

Method Determined: logged

Total Depth: 14,751'

Injection Interval

14,751 feet to 16,400 feet

(Open Hole)

INJECTION WELL DATA SHEET

Tubing Size: 5.5", 17 lb/ft, HCL-80, BTC from 0' – 14,651'

Lining Material: Duoline

Type of Packer: 7-5/8" X 5-1/2" Permanent Packer with High Temperature Elastomer and Full Inconel 925 Trim

Packer Setting Depth: 14,651'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? ___X___Yes _____No

   If no, for what purpose was the well originally drilled?

   _____

2. Name of the Injection Formation: Devonian, Siluran, Fusselman,

3. Name of Field or Pool (if applicable): _SWD; Devonian-Silurian (Pool Code: 97869)_

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

   No, new drill.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Yates-Seven Rivers: 3,487'
   Delaware: 5,714'
   Bone Spring: 7,723'
   Wolfcamp: 10,771'
   Strawn: 12,093'
   Atoka: 12,470'

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazon Road, Artec, NM 87410
District IV
1220 S. St Francis Dr., NM 87505
Phone: (505) 476-3460 Fax (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-45391	97869	SWD; Silurian-Devonian

[4] Property Code	[5] Property Name	[6] Well Number
	KODIAK SWD	#1

[7] OGRID No.	[8] Operator Name	[9] Elevation
372603	3BEAR FIELD SERVICES, LLC	3655.32'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	8	19 S	33 E		736	SOUTH	771	WEST	LEA

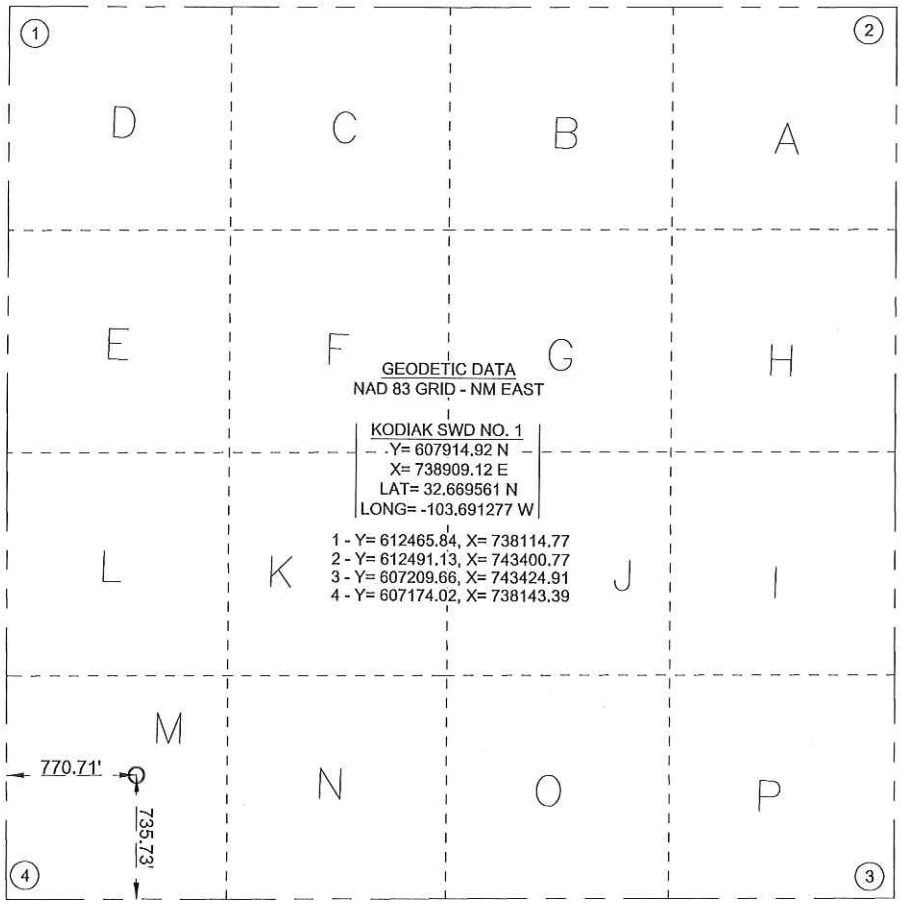
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

[16]



[17] OPERATOR CERTIFICATION

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

11/12/2018
Signature Date

Tyler Moehlman 11/12/2018
Printed Name Date

tyler.moehlman@lonquist.com 11/12/2018
Email Address Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on thi plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

12 Nov 2018
Date of Survey Date

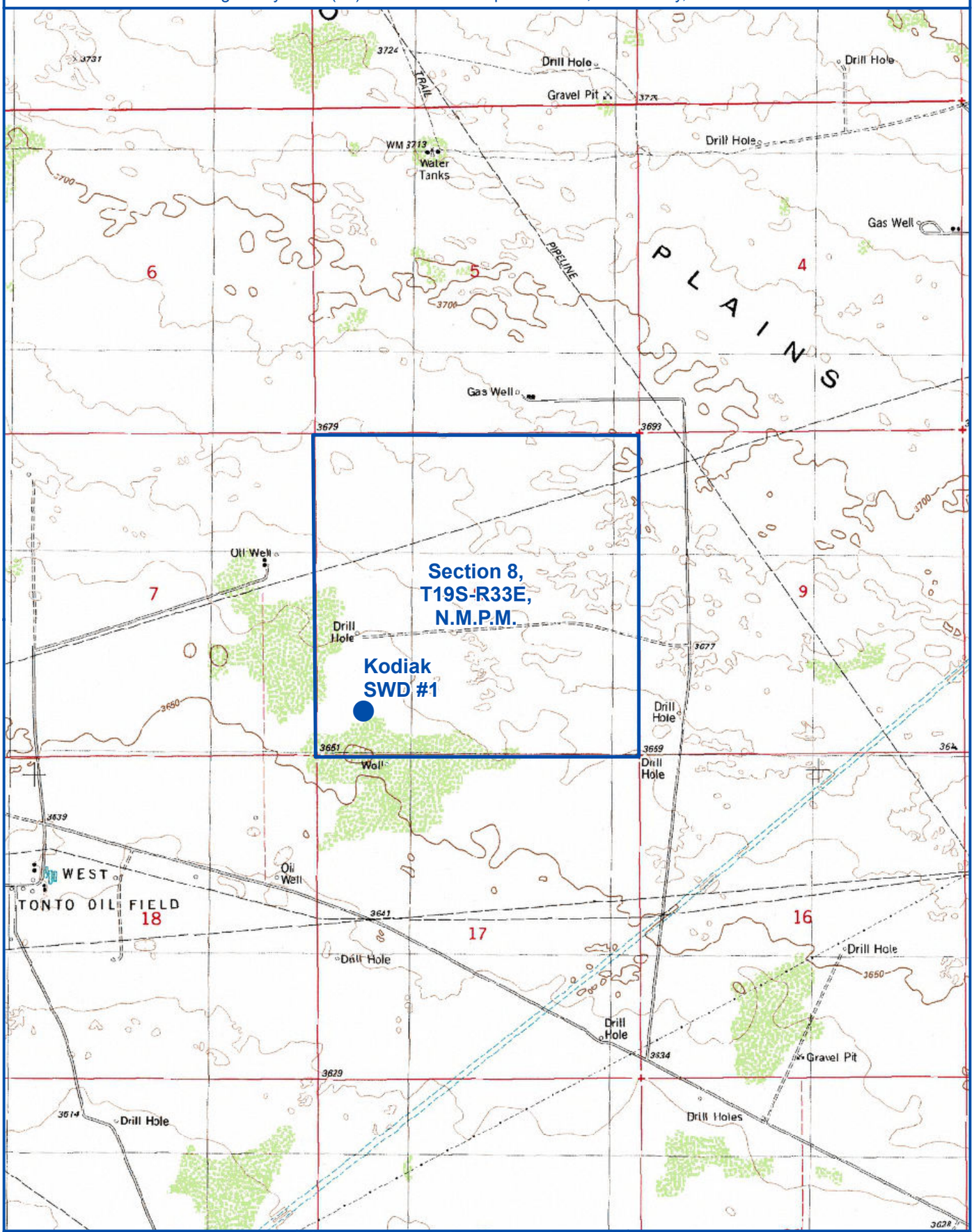
Signature and Seal of Professional Surveyor:

JEFFREY E. HUDSON
NEW MEXICO
20559
PROFESSIONAL SURVEYOR

Certificate Number
20559

LOCATION VERIFICATION MAP

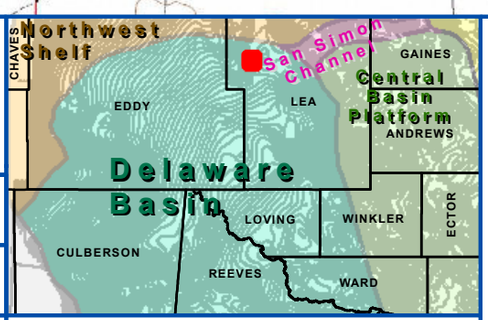
Section eight (8), Township nineteen (19) South,
Range thirty-three (33) East of the Principal Meridian, Lea County, New Mexico



Miles
0.2 0.1 0 0.2 0.4

Feet
1,000 500 0 1,000 2,000

Map Tech: VKV	1 " = 2,000 '
Date: 11/8/2018	1:24,000



Coordinate System:
NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Projection: Transverse Mercator
Datum: North American 1983
False Easting: 541,337.5000
False Northing: 0.0000
Central Meridian: -104.3333
Scale Factor: 0.9999
Latitude Of Origin: 31.0000
Units: Foot US

N
W E
S

KODIAK SWD #1

SHL Location & Penetration Point:
736' FSL & 771' FWL
Section 8, Township 19 South,
Range 33 East of P.M.
Lea County, New Mexico

OPERATOR:
3BEAR FIELD SERVICES, LLC

TRANSGLOBAL SERVICES LLC
1100 Macon Street
Fort Worth,Texas 76102

3Bear Energy

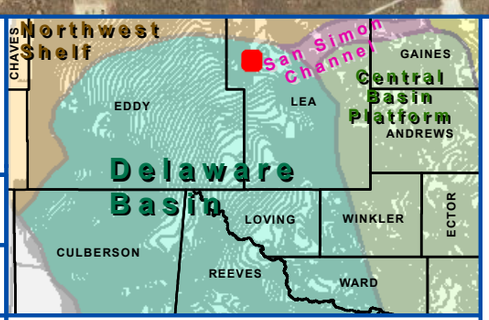
AERIAL MAP

Section eight (8), Township nineteen (19) South,
Range thirty-three (33) East of the Principal Meridian, Lea County, New Mexico

Miles
0.2 0.1 0 0.2 0.4

Feet
1,000 500 0 1,000 2,000

Map Tech: VKV	1 " = 2,000 '
Date: 11/8/2018	1:24,000



TRANSGLOBAL SERVICES LLC
1100 Macon Street
Fort Worth,Texas 76102

Coordinate System:
NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Projection: Transverse Mercator
Datum: North American 1983
False Easting: 541,337.5000
False Northing: 0.0000
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W E
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KODIAK SWD #1

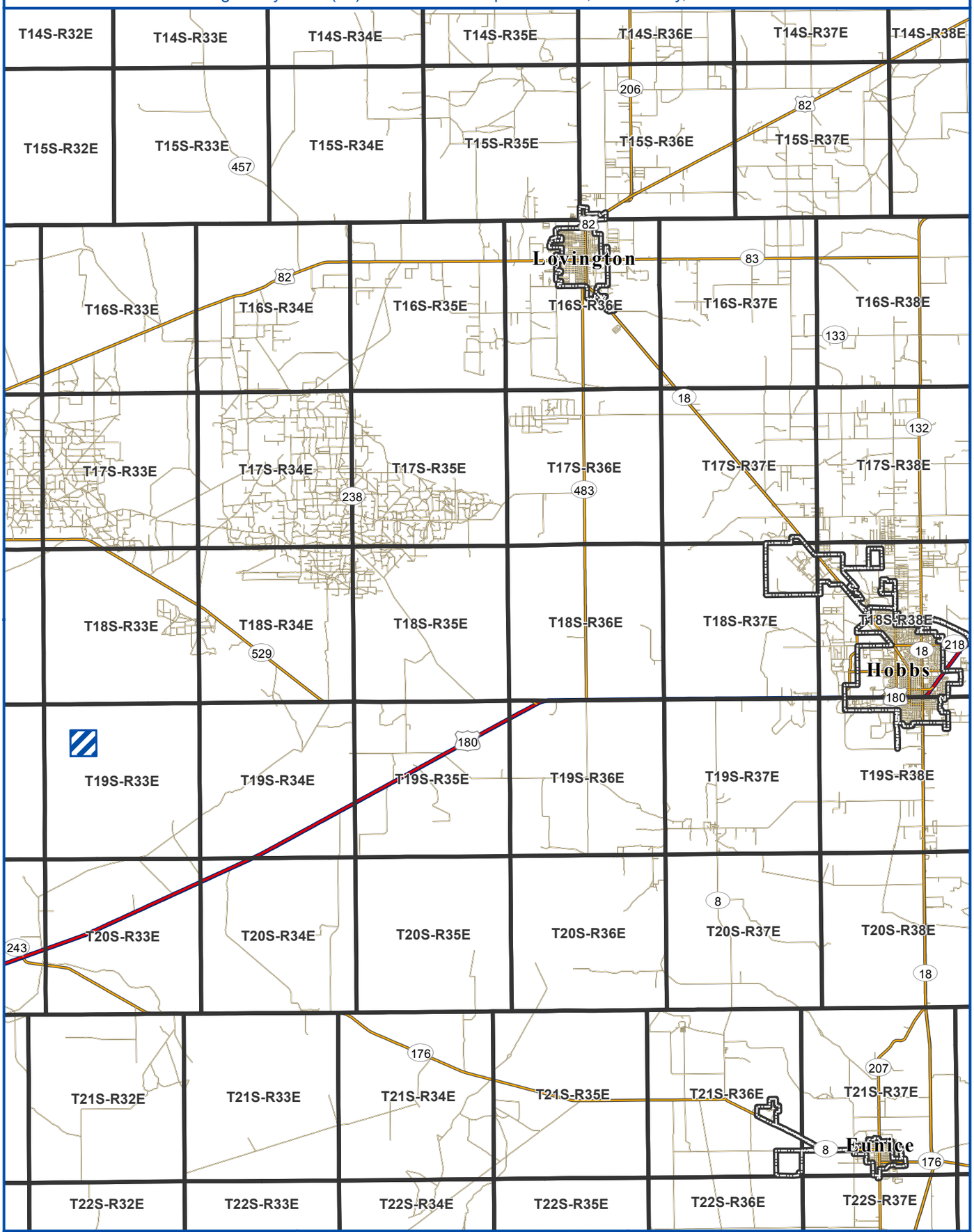
SHL Location & Penetration Point:
736' FSL & 771' FWL
Section 8, Township 19 South,
Range 33 East of P.M.
Lea County, New Mexico

OPERATOR:
3BEAR FIELD SERVICES, LLC

3Bear Energy

VICINITY MAP

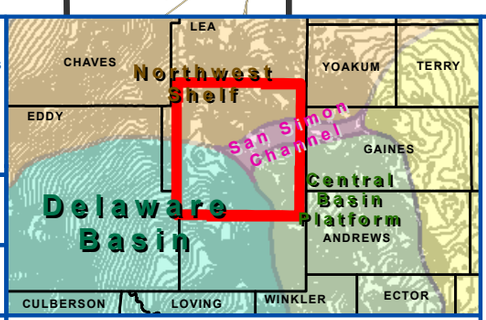
Section eight (8), Township nineteen (19) South,
Range thirty-three (33) East of the Principal Meridian, Lea County, New Mexico



Miles
5 2.5 0 5

Feet
25,000 12,500 0 25,000

Map Tech: VKV	1 " = 25,000 '
Date: 11/8/2018	1:300,000



Coordinate System:
NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Projection: Transverse Mercator
Datum: North American 1983
False Easting: 541,337.5000
False Northing: 0.0000
Central Meridian: -104.3333
Scale Factor: 0.9999
Latitude Of Origin: 31.0000
Units: Foot US

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W E
S

TRANSGLOBAL SERVICES LLC

1100 Macon Street
Fort Worth,Texas 76102

KODIAK SWD #1

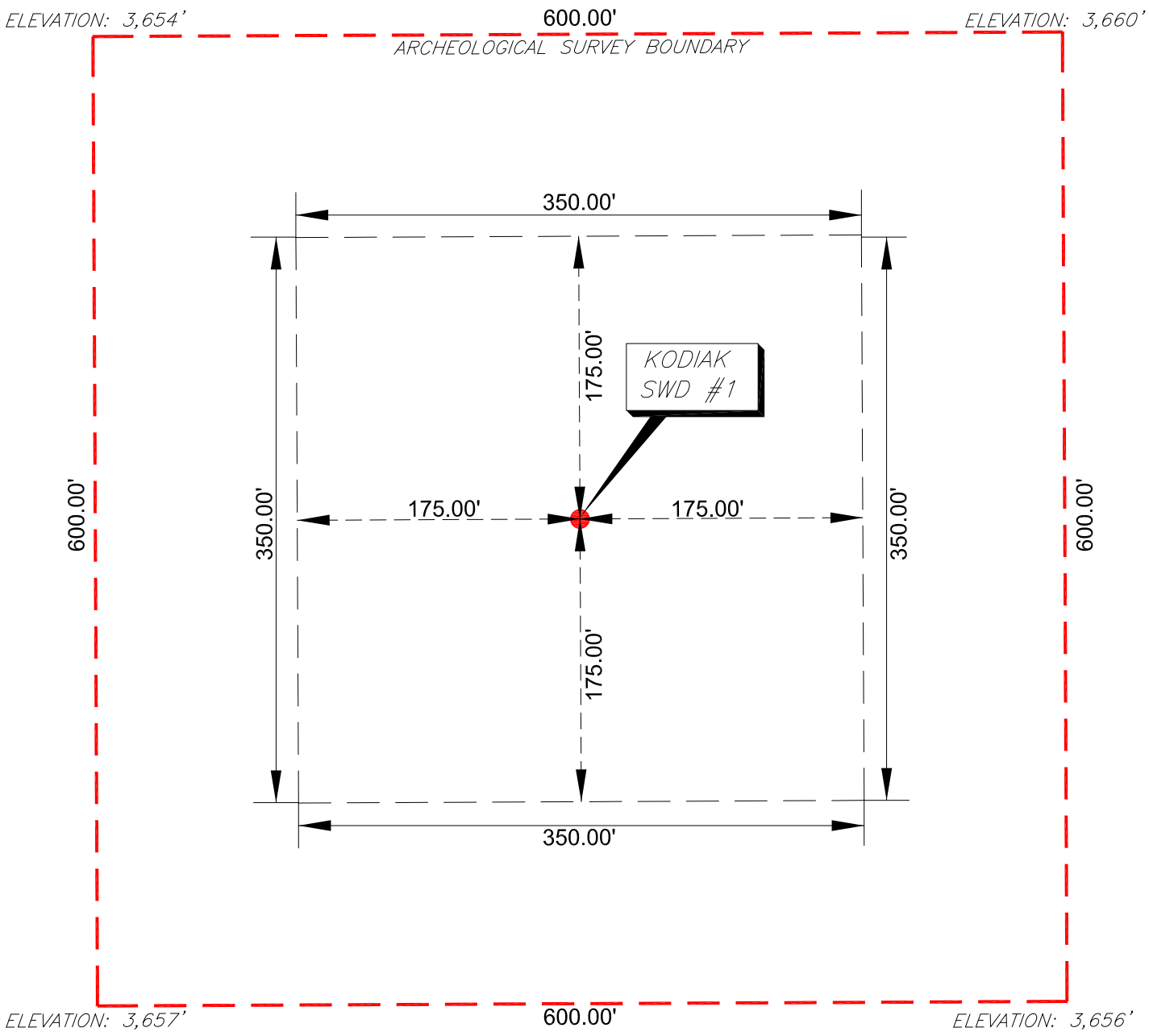
SHL Location & Penetration Point:
736' FSL & 771' FWL
Section 8, Township 19 South,
Range 33 East of P.M.
Lea County, New Mexico

OPERATOR:
3BEAR FIELD SERVICES, LLC

3Bear Energy

LEA COUNTY, NEW MEXICO

SECTION EIGHT (8), TOWNSHIP NINETEEN (19) SOUTH, RANGE THIRTY-THREE (33) EAST OF THE PRINCIPAL MERIDIAN



COORDINATE TABLE				
WELL NAME	NORTHING (N.A.D. 27)	EASTING (N.A.D. 27)	NORTHING (N.A.D. 83)	EASTING (N.A.D. 83)
KODIAK SWD #1 SURFACE LOCATION & PENETRATION POINT	*607851.67*	*697729.56*	*607914.92*	*738909.12*
ELEVATION	LATITUDE (N.A.D. 27)	LONGITUDE (N.A.D. 27)	LATITUDE (N.A.D. 83)	LONGITUDE (N.A.D. 83)
3,655.32'	*32.669439*	*–103.690778*	*32.669561*	*–103.691277*

THE KODIAK SWD #1 IS LOCATED APPROXIMATELY 25 MILES NORTHWEST OF MONUMENT, NEW MEXICO

100' 0' 100' 200 FEET

SCALE: 1" = 100'

NOTES:

1.) BEARINGS & COORDINATES SHOWN HEREON ARE REFERENCED TO THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, N.A.D. 27 & 83 DATUM (NEW MEXICO EAST ZONE) DERIVED FROM GPS OBSERVATIONS AND ARE BASED REFERENCE STATIONS - "E 148" - MALJAMAR NE (1985)

2.) LATITUDE & LONGITUDE ARE NAD 83 & 27 GEOGRAPHIC.

3.) THIS IS AN WELL PLAT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND EASEMENT INFORMATION PROVIDED BY APACHE CORPORATION. SURVEYOR DID NOT ABSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCUMBRANCES THAT AFFECT THE SUBJECT TRACT THAT ARE NOT SHOWN HEREON.

TRANSGLOBAL SERVICES LLC

1100 Macon Street
Fort Worth, Texas 76102
(817) 529-1180 ~ Fax (817) 529-1181

3Bear Energy

Location of

KODIAK SWD #1

Surface Location & Penetration Point: 736' FSL & 771' FWL

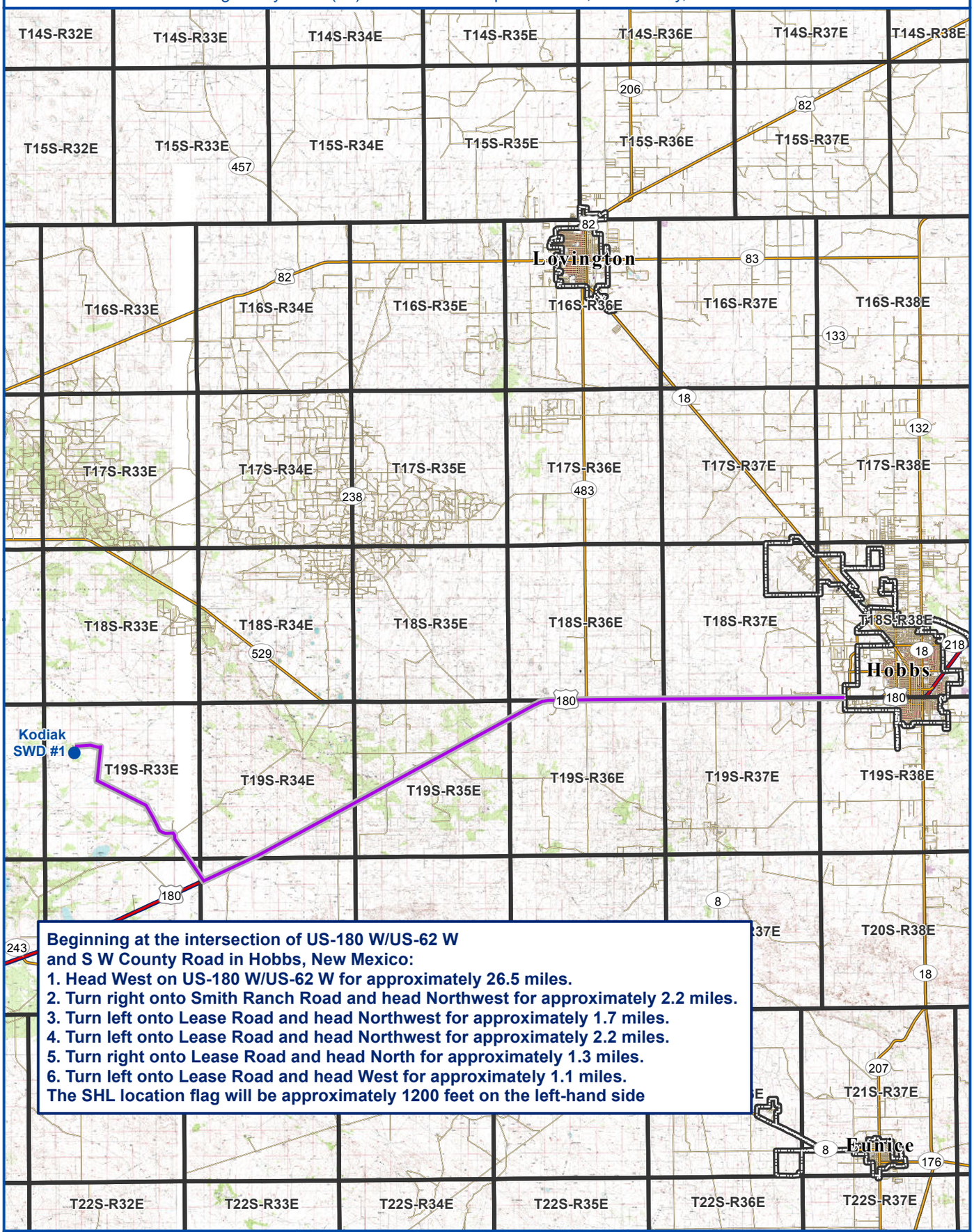
Section 8, Township 19 South, Range 33 East of P.M.

Lea County, New Mexico

DRAWN BY: JWP	DATE: 11-7-2018	DWG. NO. D:\Dropbox (Tide Resources)\Tide Resources Team Folder\Lonquist\1810011_Kodiak SWD #1\Exhibits	REV. 1
CHECKED BY: JLW	DATE: 11-7-2018		
SCALE: 1" = 100'	APP.:	PAGE 1 OF 1	

ROAD ROUTE MAP

Section eight (8), Township nineteen (19) South,
Range thirty-three (33) East of the Principal Meridian, Lea County, New Mexico



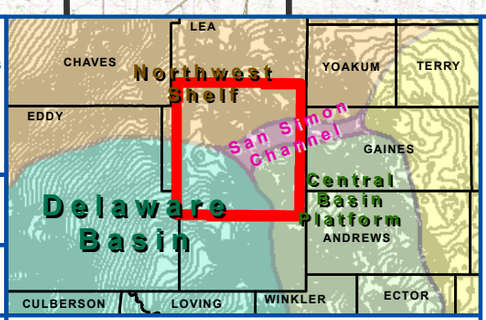
Beginning at the intersection of US-180 W/US-62 W and S W County Road in Hobbs, New Mexico:

1. Head West on US-180 W/US-62 W for approximately 26.5 miles.
2. Turn right onto Smith Ranch Road and head Northwest for approximately 2.2 miles.
3. Turn left onto Lease Road and head Northwest for approximately 1.7 miles.
4. Turn left onto Lease Road and head Northwest for approximately 2.2 miles.
5. Turn right onto Lease Road and head North for approximately 1.3 miles.
6. Turn left onto Lease Road and head West for approximately 1.1 miles.

The SHL location flag will be approximately 1200 feet on the left-hand side

Miles: 5 2.5 0 5
Feet: 25,000 12,500 0 25,000

Map Tech: VKV	1 " = 25,000 '
Date: 11/8/2018	1:300,000



Coordinate System:
NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
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False Easting: 541,337.5000
False Northing: 0.0000
Central Meridian: -104.3333
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Latitude Of Origin: 31.0000
Units: Foot US

N W E S

TRANSGLOBAL SERVICES LLC
1100 Macon Street
Fort Worth,Texas 76102

KODIAK SWD #1

SHL Location & Penetration Point:
736' FSL & 771' FWL
Section 8, Township 19 South,
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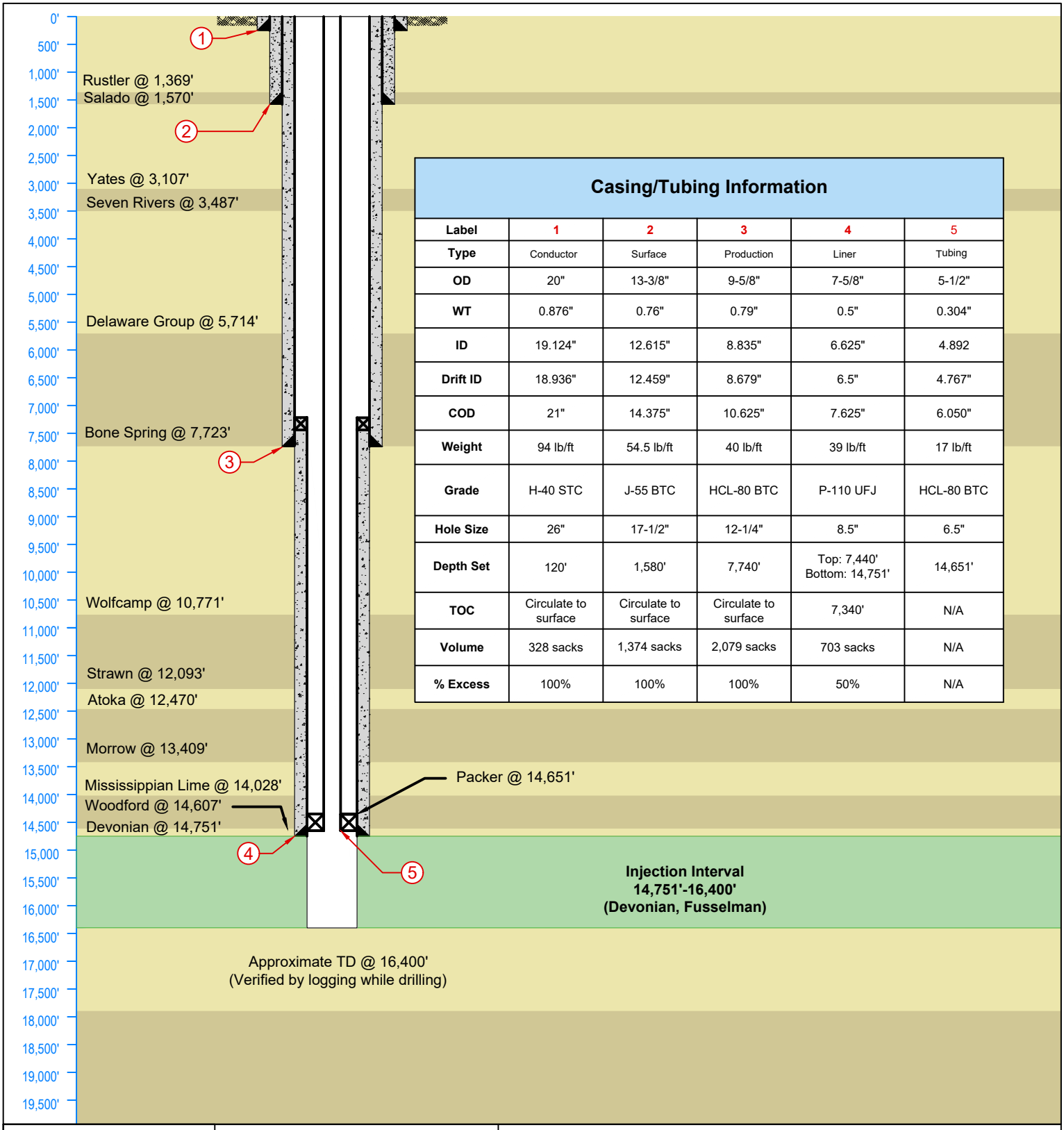
OPERATOR:
3BEAR FIELD SERVICES, LLC

3Bear Energy



Casing/Tubing Information

Label	1	2	3	4	5
Type	Conductor	Surface	Production	Liner	Tubing
OD	20"	13-3/8"	9-5/8"	7-5/8"	5-1/2"
WT	0.876"	0.76"	0.79"	0.5"	0.304"
ID	19.124"	12.615"	8.835"	6.625"	4.892
Drift ID	18.936"	12.459"	8.679"	6.5"	4.767"
COD	21"	14.375"	10.625"	7.625"	6.050"
Weight	94 lb/ft	54.5 lb/ft	40 lb/ft	39 lb/ft	17 lb/ft
Grade	H-40 STC	J-55 BTC	HCL-80 BTC	P-110 UFJ	HCL-80 BTC
Hole Size	26"	17-1/2"	12-1/4"	8.5"	6.5"
Depth Set	120'	1,580'	7,740'	Top: 7,440' Bottom: 14,751'	14,651'
TOC	Circulate to surface	Circulate to surface	Circulate to surface	7,340'	N/A
Volume	328 sacks	1,374 sacks	2,079 sacks	703 sacks	N/A
% Excess	100%	100%	100%	50%	N/A

LONQUIST & CO. LLC
PETROLEUM ENGINEERS | ENERGY ADVISORS
HOUSTON | CALGARY
AUSTIN | WICHITA | DENVER

Texas License F-9147

12912 Hill Country Blvd. Ste F-200
Austin, Texas 78738
Tel: 512.732.9812
Fax: 512.732.9816

3Bear Field Services, LLC

Kodiak SWD No. 1

Country: USA	**State/Province:** New Mexico	**County/Parish:** Lea
Location:	**Site:** 2,291 FNL 841 FWL	**Survey:** S17-T19S-R33E
API No: NA	**Field:**	**Well Type/Status:** SWD
NMOCD District No: 1	**Project No:** 1773	**Date:** 11/20/2019
Drawn: TFM	**Reviewed:**	**Approved:**
Rev No: 1	**Notes:** Amended injection interval and tubing depth	

3Bear Field Services, LLC

Kodiak SWD No. 1

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

Well information	
Lease Name	Kodiak SWD
Well No.	1
Location	S-8 T-19S R-33E
Footage Location	736’ FSL & 771’ FWL

2.

a. Wellbore Description

Casing Information				
Type	Conductor	Surface	Production	Liner
OD	20”	13-3/8”	9-5/8”	7-5/8”
WT	0.876”	0.76”	0.79”	0.5”
ID	19.124”	12.615”	8.835”	6.625”
Drift ID	18.936”	12.459”	8.679”	6.5”
COD	21”	14.375”	10.625”	7.625”
Weight	94 lb/ft	54.5 lb/ft	40 lb/ft	39 lb/ft
Grade	H-40 STC	J-55 BTC	HCL-80 BTC	P-110 UFJ
Hole Size	26”	17.5"	12.25”	8.5"
Depth Set	120’	1,580’	7,740’	7,440’-14,751’

Note: The openhole section, from the base of the production liner to total depth (TD) of 16,400’ will be drilled with a 6-1/2” bit.

b. Cementing Program

Cement Information				
Casing String	Surface	Intermediate	Production	Liner
Lead Cement	Class H	HalCem	Stage 1: NeoCem Stage 2: NeoCem Stage 3: ExtendaCem	VERSACEM w/ gas migration control additives
Lead Cement Volume	328 sks	1,017 sks	Stage 1: 375 sks Stage 2: 782 sks Stage 3: 375 sks	703 sks
Tail Cement	-	HalCem	Stage 1: HalCem Stage 2: HalCem	Halcem
Tail Cement Volume	-	357 sks	Stage 1: 500 sks Stage 2: 47 sks	
Cement Excess	100%	100%	100%	50%
TOC	Surface	Surface	Surface	7,340’
Method	Circulate to Surface	Circulate to Surface	Circulate to Surface	Logged

3. Tubing Description

OD	5.5"
WT	0.304”
ID	4.892"
Drift ID	4.767”
Weight	17 lb/ft
Grade	HCL-80 BTC
Depth Set	0’-14,651’

Tubing will be lined with Duoline.

4. Packer Description

7-5/8” x 5-1/2” TCPC Permanent Packer with High Temp Elastomer and Full Inconel 925 trim, will be set at a depth of 14,651’.

B. Completion Information

1. Injection Formation: Devonian, Silurian, Fusselman

2. Gross Injection Interval: 14,751’ – 16,400’

   Completion Type: Open Hole

3. Drilled for injection.

4. See the attached wellbore schematic.

5. Oil and Gas Bearing Zones within area of well:

Formation	Depth
Yates-Seven Rivers	3,487’
Delaware	5,714’
Bone Spring	7,723’
Wolfcamp	10,771’
Strawn	12,093’
Atoka	12,470’

VI. Area of Review

No wells within the area of review penetrate the proposed injection zone.

VII. Proposed Operation Data

1. Proposed Daily Rate of Fluids to be Injection:

   Average Volume: 20,000 BPD
   Maximum Volume: 25,000 BPD

   The proposed Kodiak SWD No. 1 will be utilized as a commercial injection salt water disposal well.

2. Closed System

3. Anticipated Injection Pressure:

   Average Injection Pressure: 2,213 PSI (surface pressure)
   Maximum Injection Pressure: 2,950 PSI (surface pressure)

4. The injection fluid is to be locally produced water. It is expected that the source water will predominantly be from the Bone Spring and Wolfcamp formations. Attached are produced water sample analyses taken from the closest wells that feature samples from the Delaware, Bone Spring, Wolfcamp, and Strawn formations.

5. The disposal interval is non-productive. No water samples are available from the surrounding area.

VIII. Geological Data

Devonian Formation Lithology:

The Devonian formation is a dolomitic ramp carbonate that occurs below the Woodford shale and above the Fusselman formation. Strata found in the Devonian formation include two major groups, the Wristen Buildups and the Thirtyone Deepwater Chert, with the Wristen being more abundant. The Wristen Groups is composed of mixed limestone and dolomites with mudstone to grainstone and boundstone textures. Porosity in the Wristen group is a result of both primary and secondary development. Present are moldic, vugular, karstic (including collapse breccia) features that allow for higher porosities and permeabilities. The Thirtyone Formation contains two end-member reservoir facies, skeletal packstones/grainstones and spiculitic chert, with most of the porosity and permeability found in the coarsely crystalline cherty dolomite. These particular characteristics allow for this formation to be a tremendous Salt Water Disposal horizon.

Fusselman Formation Lithology:

The Silurian/Ordovician Fusselman Formation is stratigraphically below the Wristen Group and is above and separated from the Montoya Formation by the Sylvan Shale. The Sylvan Shale is the lower confining layer for the proposed Kodiak SWD No. 1 well. Fusselman facies include a laminated skeletal wackestone in the upper part and a buildup complex in the lower part composed of ooid and bryozoan grainstones. These grainstones can also be potentially prolific zones for disposal.

A. Injection Zone: Devonian-Silurian Formation

Formation	**Depth**
Rustler	1,369’
Salado	1,570
Yates	3,107’
Seven Rivers	3,487’
Delaware	5,714’
Bone Spring	7,723’
Wolfcamp	10,771’
Strawn	12,093’
Atoka	12,470’
Morrow	13,409’
Mississippian Lime	14,028’
Woodford	14,607’
Devonian	14,751’

B. Underground Sources of Drinking Water

Within 1-mile of the proposed Kodiak SWD No. 1 location, there is one water well. The water well has been reported of having a depth of 110 ft. Water wells in the surrounding area have an average depth of 265 ft and an average water depth of 182 ft. Additionally, the Rustler (top @ ~1,369') will be protected with surface casing set at 1,580' (just into the Salado Salt) and cemented to surface.

IX. Proposed Stimulation Program

No stimulation program planned.

X. Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run. It shall be noted that the top of cement for the liner will be determined through logging the liner section upon completion of running casing.

XI. Chemical Analysis of Fresh Water Wells

Attached is a map of all water wells that exist within one mile of the well location. One water well lies within a 1-mile radius of the Kodiak SWD No. 1. A Water Right Summary from the New Mexico Office of the State Engineer is attached for water well CP-00810-POD1. Water samples for the CP-00810-POD1 were attempted to be retrieved but the sample test was a dry run.

AFFIRMATIVE STATEMENT OF EXAMINATION OF GEOLOGIC AND ENGINEERING DATA

Based on the available engineering and geologic data, we find no evidence of open faults or any other hydrologic connection between the disposal zone (in the proposed **Kodiak SWD No. 1**) and any underground sources of drinking water.

NAME: Jerry D. Ferguson TITLE: Geologist

SIGNATURE: J D Ferguson DATE: 10/23/2018

Kodiak SWD No. 1
Water Wells within 1-Mile
3 Bear Field Services LLC

Lea Co., NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)

Drawn by: ASG	Date: 2/14/2022	Approved by: ELR

LONQUIST & CO. LLC

PETROLEUM ENGINEERS | ENERGY ADVISORS

AUSTIN · HOUSTON · WICHITA · DENVER · CALGARY

KODIAK SWD NO. 1
-103.691277
32.669561

CP-00810-POD1
-103.691692
32.669322

T19S R32E

T19S R33E

- Kodiak SWD No. 1
- 1-Mile Radius
- Water Well (1)
- QQ-Section (NM-PLSS 2nd Div.)
- Section (NM-PLSS 1st Div.)
- Township/Range (NM-PLSS)

1 " = 1,083 '

1:13,000

0 ¼ ½ ¾ 1 2 Miles

Source: Well SHL Data - NM-OCD (2022)

New Mexico Office of the State Engineer
Water Right Summary

get image list

WR File Number: CP 00810 **Subbasin:** CP **Cross Reference:** -

Primary Purpose: PLS NON 72-12-1 LIVESTOCK WATERING

Primary Status: DCL DECLARATION

Total Acres: 0 **Subfile:** -

Total Diversion: 3 **Cause/Case:** -

Owner: KENNETH SMITH

Documents on File

	Trn #	Doc	File/Act	Status 1	Status 2	Transaction Desc.	From/ To	Acres	Diversion	Consumptive
get images	563319	DCL	1993-08-04	DCL	PRC	CP 00810	T	0	3	

Current Points of Diversion

(NAD83 UTM in meters)

POD Number	Source	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Other Location Desc
CP 00810 POD1	Shallow	3	3		08	19S	33E	622675	3615385*	

***An (*) after northing value indicates UTM location was derived from PLSS - see Help**

Priority Summary

Priority	Status	Acres	Diversion	Pod Number	Source
12/31/1965	DCL	0	3	CP 00810 POD1	Shallow

Place of Use

Q 256	Q 64	Q 16	Q 4	Sec	Tws	Rng	Acres	Diversion	CU	Use	Priority	Status	Other Location Desc
							0	3		PLS	12/31/1965	DCL	NO PLACE OF USE GIVEN

Source

Acres	Diversion	CU	Use	Priority	Source	Description
0	3		PLS	12/31/1965	GW	

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

Kodiak SWD No. 1							
3Bear Field Services, LLC							
S-T-R	**LEASE ID**	**SURFACE LANDOWNER(S)**	**MAILING ADDRESS**	**PHONE NO**	**TRACKING #**	**DATE SHIPPED**	**DATE RECEIVED**
		KENNETH SMITH INC	267 SMITH RANCH ROAD, HOBBS, NM 88240		FEDEX - 7761 3081 8838	2/24/2022	2/28/2022
		MINERAL OWNER(S)					
		BUREAU OF LAND MGMT	301 Dinosaur Trail, Santa Fe, NM 87508	(505) 954-2000	FEDEX - 7761 3086 4480	2/24/2022	2/28/2022
		NEW MEXICO STATE LAND OFFICE	P.O. Box 1148, Santa Fe, NM 87504	(505) 827-5760	USPS - 9314869904300092297757	2/24/2022	3/2/2022
		OFFSET OPERATORS					
05-T19S-R33E 06-T19S-R33E 08-T19S-R33E		LEGACY RESERVES OPERATING LP	15 SMITH ROAD, SUITE 3000, MIDLAND, TX 79705	432-689-5200	FEDEX - 7761 3093 6510	2/24/2022	2/28/2022
05-T19S-R33E 08-T19S-R33E 09-T19S-R33E		CHISHOLM ENERGY OPERATING LLC	801 CHERRY STREET, FORT WORTH, TX 76102	817-953-3728	FEDEX - 7761 3095 8319	2/24/2022	2/28/2022
05-T19S-R33E 17-T19S-R33E 18-T19S-R33E		MEWBOURNE OIL CO	PO BOX 5270, HOBBS, NM 88241	575-393-5905	USPS - 9314869904300092297764	2/24/2022	2/28/2022
07-T19S-R33E		COG OPERATING LLC	600 W ILLINOIS AVE, MIDLAND, TX 79701	432-683-7443	FEDEX - 7761 3098 5183	2/24/2022	2/28/2022
07-T19S-R33E		EOG RESOURCES INC, ATTN.: KAY MADDOX	5509 CHAMPIONS DRIVE, MIDLAND, TX 79706	432-686-3689	FEDEX - 7761 3107 7349	2/24/2022	3/1/2022
16-T19S-R33E		YATES ENERGY CORP	PO BOX 2323, ROSWELL, NM 88202	575-623-4935	USPS - 9314869904300092297771	2/24/2022	3/1/2022
		MINERAL LESSEE					
06-T19S-R33E 09-T19S-R33E	NMNM0077002 NMLC0060549	CONOCOPHILLIPS CO	315 S JOHNSTONE, BARTLESVILLE, OK 74005		FEDEX - 7761 3110 1553	2/24/2022	3/2/2022
06-T19S-R33E 09-T19S-R33E	NMNM0077002 NMLC0060549	OCCIDENTAL PERMIAN LP	5 GREENWAY PLZ, STE 110, HOUSTON, TX 77046		FEDEX - 7761 3194 7476	2/24/2022	2/28/2022
07-T19S-R33E	NMNM063026	PAUL CRESSON C/O ROBERT P CRESON	2678 COUNTY ROAD 376, ANNA TX 75409		FEDEX - 7762 2397 7234	3/7/2022	3/9/2022
07-T19S-R33E	NMNM063026	LOS SIETE EXPL INC	200 W 1ST ST #648, ROSWELL, NM 88201		FEDEX - 7761 2457 2246	2/24/2022	2/28/2022
		LOS SIETE EXPL INC	215 W 3RD ST, ROSWELL, NM 88201	575-622-5891	FEDEX - 7761 2465 6253	2/24/2022	2/28/2022
07-T19S-R33E	NMNM063026	MICHAEL SAUNDERS SHEARN JR	2931 THOUSAND OAKS DR, AUSTIN, TX 78746		FEDEX - 7761 8198 7923	2/24/2022	3/4/2022
07-T19S-R33E	NMNM063026	GEORGE L SCOTT III	200 W 1ST ST #648, ROSWELL, NM 88201		FEDEX - 7761 2457 2246	2/24/2022	2/28/2022
		GEORGE L SCOTT	215 W 3RD ST, ROSWELL, NM 88201	575-622-5891	FEDEX - 7761 2465 6253	2/24/2022	2/28/2022
07-T19S-R33E	NMNM063026	JUDITH A WEST	500 MAIN AVE SW3 1948, CULLMAN AL 35056		FEDEX 7761 8187 4092	3/2/2022	3/4/2022
07-T19S-R33E	NMNM063026	SEALY H CAVIN INC	PO BOX 1125 ROSWELL NM 88202		USPS - 9314869904300092297818	2/24/2022	3/1/2022
18-T19S-R33E	NMLC0064790	FROST BANK TRUSTEE JT HUDSON FBO JT ARD	PO BOX 1600, SAN ANTONIO TX, 78296		USPS - 9314869904300092297825	2/24/2022	3/1/2022
18-T19S-R33E	NMLC0064790	LINDY'S LIVING TRUST	4713 Oak Trl, Fort Worth, TX 76109		FEDEX - 7762 6359 4700	2/24/2022	3/11/2022
18-T19S-R33E	NMLC0064790	EDWARD R HUDSON TRUST 4	616 TEXAS STREET, FT WORTH, TX 76102		FEDEX - 7761 3122 6608	2/24/2022	2/28/2022
18-T19S-R33E	NMLC0064790	DELMAR HUDSON LEWIS	616 TEXAS STREET, FT WORTH, TX 76102		FEDEX - 7761 3122 6608	2/24/2022	2/28/2022
18-T19S-R33E	NMLC0064790	JAVELINA PARTNERS	616 TEXAS STREET, FT WORTH, TX 76102		FEDEX - 7761 3122 6608	2/24/2022	2/28/2022
18-T19S-R33E	NMLC0064790	ZORRO PARTNERS LTD	616 TEXAS STREET, FT WORTH, TX 76102		FEDEX - 7761 3122 6608	2/24/2022	2/28/2022
		OPERATING RIGHTS					
06-T19S-R33E	NM0077002	ISRAMCO ENERGY LLC	1001 WEST LOOP SOUTH #750, HOUSTON TX 77027		FEDEX - 9882 8235 1800	3/7/2022	3/11/2022
06-T19S-R33E 09-T19S-R33E	NM0077002 NMLC0060549	SW ROYALTIES INC	407 N BIG SPRING, MIDLAND, TX 79701		FEDEX - 7761 3150 1598	2/24/2022	2/28/2022
06-T19S-R33E	NM0077002	MOURNE OIL & GAS	1500 FOUR MILE LN, CANON CITY, CO 81212		FEDEX - 7761 3153 5910	2/24/2022	3/1/2022
07-T19S-R33E	NMNM063026	ZPZ DELAWARE I LLC	2000 POST OAK BLVD, STE 100, HOUSTON, TX 77056		FEDEX - 7762 2380 0675	03/07/2022	3/8/2022
07-T19S-R33E	NMNM063026	WESTALL OIL & GAS LLC	PO BOX 4, LOCO HILLS, NM 88255		USPS - 9314869904300092297832	2/24/2022	3/1/2022
07-T19S-R33E	NMNM063026	TRITEX ENERGY A LP	15455 DALLAS PKWY, STE 600, ADDISON, TX 75001		FEDEX - 7761 3160 1031	2/24/2022	2/28/2022
07-T19S-R33E	NMNM063026	HARRIS RANDALL	439 W JAMES FUNK RD, LAKE ARTHUR, NM 88253		FEDEX - 7761 3164 4777	2/24/2022	2/27/2022
07-T19S-R33E	NMNM063026	ENDURANCE PROPERTIES INC	15455 DALLAS PKWY, STE 1050, ADDISON, TX 75001		FEDEX - 7761 3167 9495	2/24/2022	2/28/2022
09-T19S-R33E	NMLC0060549	SANDEL ENERGY INC	PO BOX 1917, HUNTSVILLE, TX 77342		USPS - 9314869904300092297849	2/24/2022	3/8/2022
09-T19S-R33E	NMLC0060549	OXY USA WTP LP	5 GREENWAY PLAZA #110, HOUSTON, TX 77046		FEDEX - 7761 3170 6610	2/24/2022	2/28/2022
09-T19S-R33E	NMLC0060549	DEVON ENERGY CO LP	333 W SHERIDAN AVE, OKLAHOMA CITY, OK 73102		FEDEX - 7761 3173 3717	2/24/2022	3/2/2022
18-T19S-R33E	NMLC0064790	CHI ENERGY INC	212 N MAIN, MIDLAND, TX 79702		FEDEX - 7761 3175 6214	2/24/2022	2/28/2022
18-T19S-R33E	NMLC0064790	CHASE MACK C TRUSTEE	2103 W MAIN ST, ARTESIA, NM 88210		FEDEX - 7761 3177 9693	2/24/2022	2/28/2022
18-T19S-R33E	NMLC0064790	MACK ENERGY CORP	PO BOX 960, ARTESIA, NM 88211		USPS - 9314869904300092297856	2/24/2022	2/28/2022

Proof of delivery is enclosed for all notice parties listed above. All notices were delivered by March, 11, 2022.

UNITED STATES POSTAL SERVICE

March 11, 2022

Dear Chris Weyand:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2977 57**.

Item Details

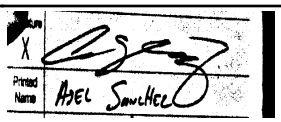
Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	March 2, 2022, 6:43 am
Location:	SANTA FE, NM 87501
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	NEW MEXICO STATE LAND OFFICE

Shipment Details

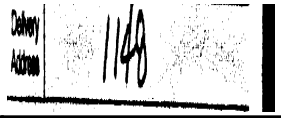
Weight:	6.0oz

Recipient Signature

Signature of Recipient:



Address of Recipient:



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Washington, D.C. 20260-0004

UNITED STATES POSTAL SERVICE

March 11, 2022

Dear Chris Weyand:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2977 64**.

Item Details

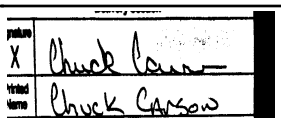
Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	February 28, 2022, 1:24 pm
Location:	HOBBS, NM 88240
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	MEWBOURNE OIL CO

Shipment Details

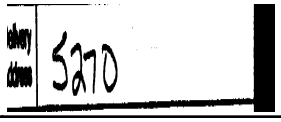
Weight:	6.0oz

Recipient Signature

Signature of Recipient:



Address of Recipient:



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UNITED STATES POSTAL SERVICE

March 11, 2022

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The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2977 71**.

Item Details

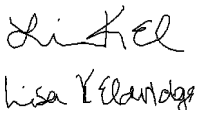
Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	March 1, 2022, 10:24 am
Location:	ROSWELL, NM 88201
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	YATES ENERGY CORP

Shipment Details

Weight:	6.0oz

Recipient Signature

Signature of Recipient:



Address of Recipient:

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475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

UNITED STATES POSTAL SERVICE

March 11, 2022

Dear Chris Weyand:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2978 18**.

Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	March 1, 2022, 4:16 pm
Location:	ROSWELL, NM 88201
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	SEALY H CAVIN INC

Shipment Details

Weight:	6.0oz

Recipient Signature

Signature of Recipient: C McClelland

Address of Recipient: PO BOX 1125
ROSWELL, NM 88202-1125

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

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
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475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

UNITED STATES POSTAL SERVICE

March 11, 2022

Dear Chris Weyand:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2978 25**.

Item Details

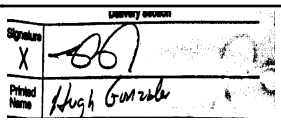
Status:	Delivered, PO Box
Status Date / Time:	March 1, 2022, 9:27 am
Location:	SAN ANTONIO, TX 78205
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	FROST BANK TRUSTEE JT HUDSON FBO JT ARD

Shipment Details

Weight:	6.0oz

Recipient Signature

Signature of Recipient:



Address of Recipient:

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Sincerely,
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475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

UNITED STATES POSTAL SERVICE

March 11, 2022

Dear Chris Weyand:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2978 32**.

Item Details

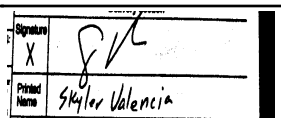
Status:	Delivered
Status Date / Time:	February 28, 2022, 10:47 am
Location:	LOCO HILLS, NM 88255
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	WESTALL OIL GAS LLC

Shipment Details

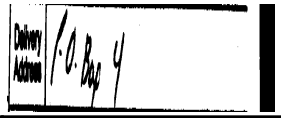
Weight:	6.0oz

Recipient Signature

Signature of Recipient:



Address of Recipient:



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

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

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

UNITED STATES POSTAL SERVICE

March 11, 2022

Dear Chris Weyand:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2978 49**.

Item Details

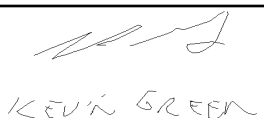
Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	March 8, 2022, 9:58 am
Location:	HUNTSVILLE, TX 77320
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	SANDEL ENERGY INC

Shipment Details

Weight:	6.0oz

Recipient Signature

Signature of Recipient:



KEVIN GREEN

Address of Recipient:

PO BOX 1917

HUNTSVILLE, TX 77342-1917

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

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

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

UNITED STATES POSTAL SERVICE

March 11, 2022

Dear Chris Weyand:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0092 2978 56**.

Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	February 28, 2022, 11:30 am
Location:	ARTESIA, NM 88210
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	MACK ENERGY CORP

Shipment Details

Weight:	6.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

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

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

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

March 11, 2022

Dear Customer:

Proof-of-delivery letters are being provided for the following shipments:

7761 2457 2246	ROSWELL, NM
7761 2465 6253	ROSWELL, NM
7761 3081 8838	Hobbs, NM
7761 3086 4480	Santa Fe, NM
7761 3093 6510	Midland, TX
7761 3095 8319	Fort Worth, TX
7761 3098 5183	Midland, TX
7761 3107 7349	Midland, TX
7761 3110 1553	Bartlesville, OK
7761 3122 6608	Fort Worth, TX
7761 3150 1598	Midland, TX
7761 3153 5910	Canon City, CO
7761 3160 1031	Addison, TX
7761 3164 4777	Lake Arthur, NM
7761 3167 9495	Addison, TX
7761 3170 6610	Houston, TX
7761 3173 3717	Oklahoma City, OK
7761 3175 6214	Midland, TX
7761 3177 9693	Artesia, NM
7761 3194 7476	Houston, TX
7761 8198 7923	AUSTIN, TX
7762 2380 0675	HOUSTON, TX
7762 2397 7234	ANNA, TX
7762 6359 4700	FORT WORTH, TX
9882 8235 1800	HOUSTON, TX
7761 8187 4092	CULLMAN, AL

You may save or print this Batch Signature Proof of Delivery file for your records.

Thank You For Choosing Fedex.

FedEx

1.800.GoFedEx 1.800.463.3339

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 2457 2246

Delivery Information:

Status:	Delivered	**Delivered To:**	FedEx Location
Signed for by:	S.SCOTT	**Delivery Location:**	
Service type:	FedEx 2Day		
Special Handling:	Deliver Weekday; Direct Signature Required		ROSWELL, NM,
		Delivery date:	Feb 28, 2022 17:20

Shipping Information:

Tracking number:	7761 2457 2246	**Ship Date:**	Feb 23, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
ROSWELL, NM, US,	HOUSTON, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 2465 6253

Delivery Information:

Status:	Delivered	**Delivered To:**	FedEx Location
Signed for by:	S.SCOTT	**Delivery Location:**	
Service type:	FedEx 2Day		
Special Handling:	Deliver Weekday; Direct Signature Required		ROSWELL, NM,
		Delivery date:	Feb 28, 2022 17:20

Shipping Information:

Tracking number:	7761 2465 6253	**Ship Date:**	Feb 23, 2022
		Weight:	2.0 LB/0.91 KG

Recipient:	**Shipper:**
ROSWELL, NM, US,	Houston, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3081 8838

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	SSMITHS	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Hobbs, NM,
		Delivery date:	Feb 28, 2022 10:51

Shipping Information:

Tracking number:	7761 3081 8838	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
HOBBS, NM, US,	HOUSTON, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3086 4480

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	DDURAN	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Santa Fe, NM,
		Delivery date:	Feb 28, 2022 12:02

Shipping Information:

Tracking number:	7761 3086 4480	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
SANTA FE, NM, US,	HOUSTON, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3093 6510

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	TFORESTER	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Midland, TX,
		Delivery date:	Feb 28, 2022 12:06

Shipping Information:

Tracking number:	7761 3093 6510	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
MIDLAND, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3095 8319

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	LLINDA	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Fort Worth, TX,
		Delivery date:	Feb 28, 2022 10:20

Shipping Information:

Tracking number:	7761 3095 8319	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
FORT WORTH, TX, US,	AUSTIN, TX, US,

Reference	1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3098 5183

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	EESPARSA	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Midland, TX,
		Delivery date:	Feb 28, 2022 14:25

Shipping Information:

Tracking number:	7761 3098 5183	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
MIDLAND, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3107 7349

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	HVARGAS	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Midland, TX,
		Delivery date:	Mar 1, 2022 15:42

Shipping Information:

Tracking number:	7761 3107 7349	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
MIDLAND, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3110 1553

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	GHG	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Bartlesville, OK,
		Delivery date:	Mar 2, 2022 11:48

Shipping Information:

Tracking number:	7761 3110 1553	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
BARTLESVILLE, OK, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3122 6608

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	GGIOERT	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Fort Worth, TX,
		Delivery date:	Feb 28, 2022 12:38

Shipping Information:

Tracking number:	7761 3122 6608	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
FORT WORTH, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3150 1598

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	LLEWIZ	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Midland, TX,
		Delivery date:	Feb 28, 2022 16:32

Shipping Information:

Tracking number:	7761 3150 1598	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
MIDLAND, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3153 5910

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	DJONES	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Canon City, CO,
		Delivery date:	Mar 1, 2022 10:31

Shipping Information:

Tracking number:	7761 3153 5910	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
CANON CITY, CO, US,	AUSTIN, TX, US,

Reference	1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3160 1031

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	ADAVID	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Addison, TX,
		Delivery date:	Feb 28, 2022 15:50

Shipping Information:

Tracking number:	7761 3160 1031	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
ADDISON, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3164 4777

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:		**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Lake Arthur, NM,
		Delivery date:	Feb 27, 2022 09:39

Shipping Information:

Tracking number:	7761 3164 4777	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
LAKE ARTHUR, NM, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3167 9495

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	AJAKE	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Addison, TX,
		Delivery date:	Feb 28, 2022 15:50

Shipping Information:

Tracking number:	7761 3167 9495	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
ADDISON, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3170 6610

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	JRICHARD	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Houston, TX,
		Delivery date:	Feb 28, 2022 12:00

Shipping Information:

Tracking number:	7761 3170 6610	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
HOUSTON, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3173 3717

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	MWELLS	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Oklahoma City, OK,
		Delivery date:	Mar 2, 2022 12:32

Shipping Information:

Tracking number:	7761 3173 3717	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
OKLAHOMA CITY, OK, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3175 6214

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	XENERGY	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Midland, TX,
		Delivery date:	Feb 28, 2022 16:35

Shipping Information:

Tracking number:	7761 3175 6214	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
MIDLAND, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3177 9693

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	DCHASE	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Artesia, NM,
		Delivery date:	Feb 28, 2022 13:27

Shipping Information:

Tracking number:	7761 3177 9693	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
ARTESIA, NM, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 3194 7476

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	JRICHARD	**Delivery Location:**	
Service type:	FedEx Ground		
Special Handling:	Direct Signature Required		Houston, TX,
		Delivery date:	Feb 28, 2022 12:00

Shipping Information:

Tracking number:	7761 3194 7476	**Ship Date:**	Feb 25, 2022
		Weight:	1.0 LB/0.45 KG

Recipient:	**Shipper:**
HOUSTON, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 8198 7923

Delivery Information:

Status:	Delivered	**Delivered To:**	Shipping/Receiving
Signed for by:	S.IGNATURE NOT REQ	**Delivery Location:**	
Service type:	FedEx 2Day		
Special Handling:	Deliver Weekday		AUSTIN, TX,
		Delivery date:	Mar 3, 2022 15:05

Shipping Information:

Tracking number:	7761 8198 7923	**Ship Date:**	Mar 2, 2022
		Weight:	0.5 LB/0.23 KG

Recipient:	**Shipper:**
AUSTIN, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7762 2380 0675

Delivery Information:

Status:	Delivered	**Delivered To:**	Receptionist/Front Desk
Signed for by:	S.VANN	**Delivery Location:**	
Service type:	FedEx Standard Overnight		
Special Handling:	Deliver Weekday; Direct Signature Required		HOUSTON, TX,
		Delivery date:	Mar 8, 2022 09:35

Shipping Information:

Tracking number:	7762 2380 0675	**Ship Date:**	Mar 7, 2022
		Weight:	0.5 LB/0.23 KG

Recipient:	**Shipper:**
HOUSTON, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD#1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7762 2397 7234

Delivery Information:

Status:	Delivered	**Delivered To:**	Residence
Signed for by:	R.CRESON	**Delivery Location:**	
Service type:	FedEx 2Day		
Special Handling:	Deliver Weekday; Residential Delivery; Direct Signature Required		ANNA, TX,
		Delivery date:	Mar 9, 2022 13:25

Shipping Information:

Tracking number:	7762 2397 7234	**Ship Date:**	Mar 7, 2022
		Weight:	0.5 LB/0.23 KG

Recipient:	**Shipper:**
ANNA, TX, US,	AUSTIN, TX, US,

Reference 1773-KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7762 6359 4700

Delivery Information:

Status:	Delivered	**Delivered To:**	Residence
Signed for by:	Signature not required	**Delivery Location:**	
Service type:	FedEx Priority Overnight		
Special Handling:	Deliver Weekday; Residential Delivery		FORT WORTH, TX,
		Delivery date:	Mar 11, 2022 11:41

Shipping Information:

Tracking number:	7762 6359 4700	**Ship Date:**	Mar 10, 2022
		Weight:	0.5 LB/0.23 KG

Recipient:	**Shipper:**
FORT WORTH, TX, US,	Austin, TX, US,

Reference 1773 KODIAK SWD #1/LN

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 9882 8235 1800

Delivery Information:

Status:	Delivered	**Delivered To:**	
Signed for by:	Signature release on file	**Delivery Location:**	
Service type:	FedEx Standard Overnight		
Special Handling:	Deliver Weekday		HOUSTON, TX,
		Delivery date:	Mar 11, 2022 09:11

Shipping Information:

Tracking number:	9882 8235 1800	**Ship Date:**	Mar 10, 2022
		Weight:	0.5 LB/0.23 KG

Recipient:	**Shipper:**
HOUSTON, TX, US,	HOUSTON, TX, US,

Reference 776221206917

Thank you for choosing FedEx

March 11, 2022

Dear Customer,

The following is the proof-of-delivery for tracking number: 7761 8187 4092

Delivery Information:			
Status:	Delivered	**Delivered To:**	Receptionist/Front Desk
Signed for by:	J.BLACKMAN	**Delivery Location:**	
Service type:	FedEx 2Day		
Special Handling:	Deliver Weekday		CULLMAN, AL,
		Delivery date:	Mar 4, 2022 11:42

Shipping Information:			
Tracking number:	7761 8187 4092	**Ship Date:**	Mar 2, 2022
		Weight:	0.5 LB/0.23 KG

Recipient:	**Shipper:**
CULLMAN, AL, US,	AUSTIN, TX, US,

Thank you for choosing FedEx

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 23, 2022
and ending with the issue dated
February 23, 2022.

Publisher

Sworn and subscribed to before me this
23rd day of February 2022.

Business Manager

My commission expires
January 29, 2023
(Seal)

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL LEGAL

LEGAL NOTICE
February 23, 2022

3Bear Field Services, LLC, 1512 Larimer St., Suite 540, Denver, CO 80202, is filling Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division for administrative approval for its salt water disposal well Kodiak SWD No. 1. The proposed well will be located at 736' FSL & 771' FWL in Section 8, Township 19S, Range 33E in Lea County, New Mexico. Disposal water will be sourced from area production, and will be injected into the Devonian and Silurian Formations (determined by offset log analysis) through an open hole completion between an applied for top of 14,751' feet to a maximum depth of 16,400' feet. The maximum surface injection pressure will not exceed 2,950 psi with a maximum rate of 25,000 BWPD. Interested parties opposing the action must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days. Additional information can be obtained from the applicant's agent, Lonquist & Co., LLC, at (512) 600-1764.
#37351

67112661 00263976

LONQUIST & CO., LLC
12912 HILL COUNTRY BLVD, STE F200
AUSTIN, TX 78738

Kodiak SWD No. 1
2-Mile Area of Review
3 Bear Field Services LLC
Lea Co., NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)

Drawn by: ASG	Date: 2/14/2022	Approved by: ELR

LONQUIST & CO. LLC
PETROLEUM ENGINEERS | ENERGY ADVISORS
AUSTIN · HOUSTON · WICHITA · DENVER · CALGARY

- Kodiak SWD No. 1
- 1/2-Mile
- 1-Mile
- 2-Mile
- Surface Ownership
- QQ-Section (NM-PLSS 2nd Div.)
- Section (NM-PLSS 1st Div.)
- Township/Range (NM-PLSS)
- Lateral

API (30-025-...) SHL Status - Type (Count)

- Horizontal Surface Location (31)
- Active - Gas (8)
- Active - Oil (28)
- Active - SWD (2)
- Cancelled Location (32)
- Permitted - Oil (1)
- Permitted - SWD (1)
- Plugged (site released) - Gas (6)
- Plugged (site released) - Oil (34)
- Plugged (site released) - SWD (1)
- Temporary Abandonment - Oil (2)

API (30-025-...) BHL Status - Type (Count)

- Active - Oil (18)
- Cancelled Location (3)
- Permitted - Oil (9)
- Plugged (site released) - Oil (1)

Source: Well SHL Data - NM-OCD (2022)

KODIAK SWD NO. 1
-103.691277
32.669561

T18S R32E
T18S R33E
T19S R32E
T19S R33E

1 " = 3,208 '
1:38,500
0 — ¼ — ½ — ¾ — 1 — 2 Miles

Kodiak SWD No. 1

1-Mile Offset Operator (s) - OCD

3 Bear Field Services LLC

Lea Co., NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)

Drawn by: ASG	Date: 2/15/2022	Approved by: ELR

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- Kodiak SWD No. 1
- 1-Mile
- Surface Ownership
- QQ-Section (NM-PLSS 2nd Div.)
- Section (NM-PLSS 1st Div.)
- Township/Range (NM-PLSS)
- Lateral

API (30-025-...) SHL Status - Type (Count)

- Horizontal Surface Location (11)
- Active - Gas (3)
- Active - SWD (1)
- Cancelled Location (3)
- Permitted - SWD (1)
- Plugged (site released) - Gas (1)
- Plugged (site released) - Oil (9)

API (30-025-...) BHL Status - Type (Count)

- Active - Oil (3)
- Cancelled Location (1)
- Permitted - Oil (7)

Offset Operators

- -3BEAR FIELD SERVICES, LLC; -CHISHOLM ENERGY OPERATING, LLC
- -CHISHOLM ENERGY OPERATING, LLC
- -CHISHOLM ENERGY OPERATING, LLC; -LEGACY RESERVES OPERATING, LP
- -CHISHOLM ENERGY OPERATING, LLC; -LEGACY RESERVES OPERATING, LP; -MEWBOURNE OIL CO
- -COG OPERATING LLC
- -EOG RESOURCES INC
- -LEGACY RESERVES OPERATING, LP
- -MEWBOURNE OIL CO
- -YATES ENERGY CORP
- -NO ACTIVE WELLS

Source: Well SHL Data - NM-OCD (2022)

1 " = 1,083 '

1:13,000

0 ¼ ½ ¾ 1 2 Miles

Kodiak SWD No. 1

1-Mile Lessee(s) - SLO/BLM

3 Bear Field Services LLC

Lea Co., NM

PCS: NAD 1983 SPCS NM-E FIPS 3001 (US Ft.)

Drawn by: ASG	Date: 2/15/2022	Approved by: ELR

LONQUIST & CO. LLC

PETROLEUM ENGINEERS | ENERGY ADVISORS

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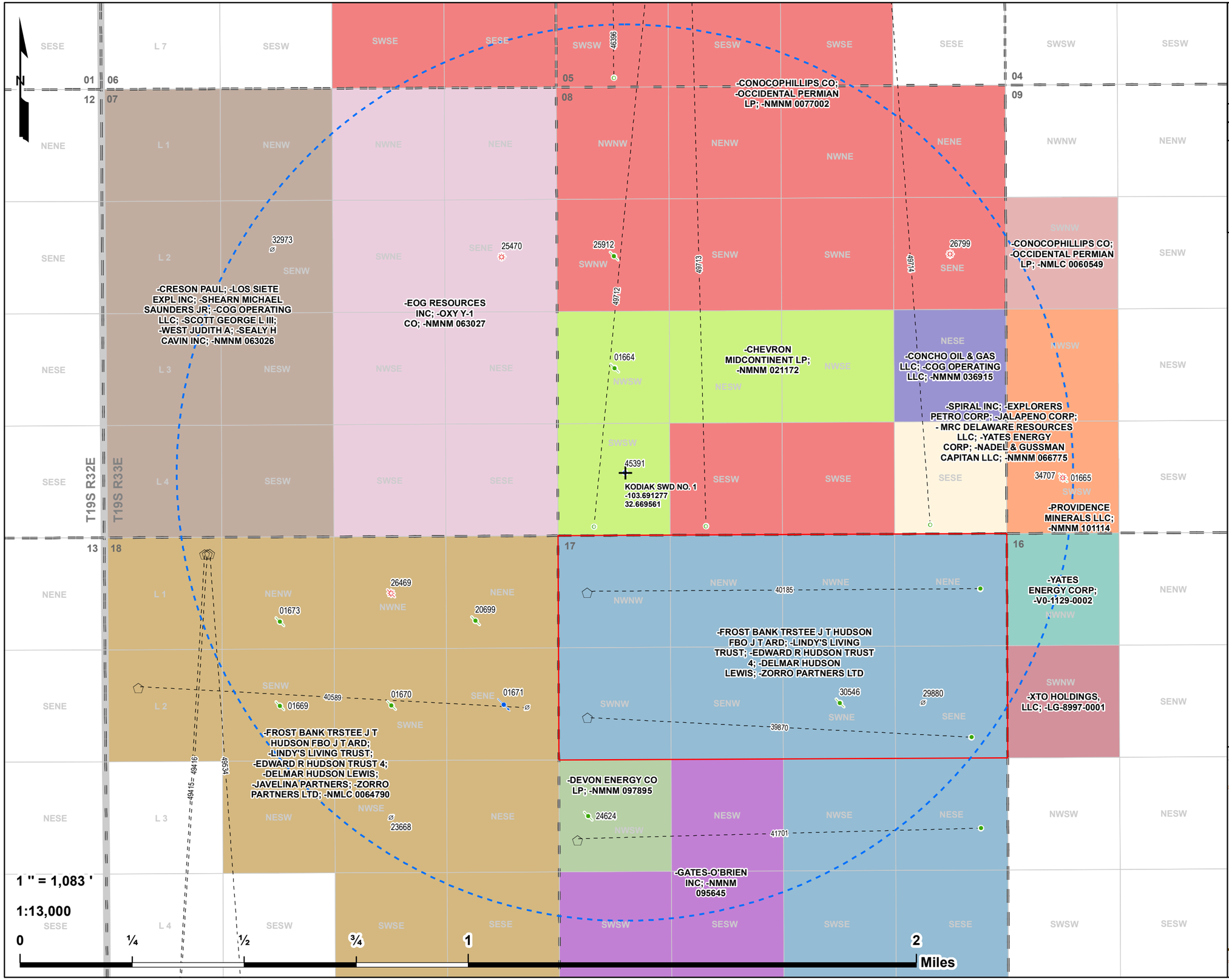

- Kodiak SWD No. 1
- 1-Mile

API (30-025-...) SHL Status - Type (Count)

- Horizontal Surface Location (11)
- Active - Gas (3)
- Active - SWD (1)
- Cancelled Location (3)
- Permitted - SWD (1)
- Plugged (site released) - Gas (1)
- Plugged (site released) - Oil (9)

API (30-025-...) BHL Status - Type (Count)

- Active - Oil (3)
- Cancelled Location (1)
- Permitted - Oil (7)
- Lateral
- Surface Ownership
- QQ-Section (NM-PLSS 2nd Div.)
- Section (NM-PLSS 1st Div.)
- Township/Range (NM-PLSS)

Lessee(s)

- -CHEVRON MIDCONTINENT LP; -NMNM 021172
- -CONCHO OIL & GAS LLC; -COG OPERATING LLC; -NMNM 036915
- -CONOCOPHILLIPS CO; -OCCIDENTAL PERMIAN LP; -NMLC 0060549
- -CONOCOPHILLIPS CO; -OCCIDENTAL PERMIAN LP; -NMNM 0077002
- -CRESON PAUL; -LOS SIETE EXPL INC; -SHEARN MICHAEL SAUNDERS JR; -COG OPERATING LLC; -SCOTT GEORGE L III; -WEST JUDITH A; -SEALY H CAVIN INC; -NMNM 063026
- -DEVON ENERGY CO LP; -NMNM 097895
- -EOG RESOURCES INC; -OXY Y-1 CO; -NMNM 063027
- -FROST BANK TRSTEE J T HUDSON FBO J T ARD; -LINDY'S LIVING TRUST; -EDWARD R HUDSON TRUST 4; -DELMAR HUDSON LEWIS; -JAVELINA PARTNERS; -ZORRO PARTNERS LTD; -NMLC 0064790
- -FROST BANK TRSTEE J T HUDSON FBO J T ARD; -LINDY'S LIVING TRUST; -EDWARD R HUDSON TRUST 4; -DELMAR HUDSON LEWIS; -ZORRO PARTNERS LTD
- -GATES-O'BRIEN INC; -NMNM 095645
- -PROVIDENCE MINERALS LLC; -NMNM 101114
- -SPIRAL INC; -EXPLORERS PETRO CORP; -JALAPENO CORP; - MRC DELAWARE RESOURCES LLC; -YATES ENERGY CORP; -NADEL & GUSSMAN CAPITAN LLC; -NMNM 066775
- -XTO HOLDINGS, LLC; -LG-8997-0001
- -YATES ENERGY CORP; -V0-1129-0002

Source: Well SHL Data - NM-OCD (2022)

Kodiak SWD No. 1
1 Mile Area of Review List

API (30-025-...)	WELL NAME	WELL TYPE	STATUS	OPERATOR	TVD (FT.)	LATITUDE (NAD83 DD)	LONGITUDE (NAD83 DD)	DATE DRILLED	FIELD
01664	PRE-ONGARD WELL #001	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	3591	32.6729507000	-103.691658000	1/1/1900	
01665	PRE-ONGARD WELL #001	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	3610	32.6693077000	-103.674514800	1/1/1900	
01669	FEDERAL 18 #002	Oil	Plugged (site released)	MACK ENERGY CORP	3275	32.6620750000	-103.704544100	12/31/9999	[59490] TONTO, YATES-SEVEN RIVERS, WEST
01670	PRE-ONGARD WELL #003	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	3283	32.6620712000	-103.700271600	1/1/1900	[59490] TONTO, YATES-SEVEN RIVERS, WEST
01671	FEDERAL 18 #004	Salt Water Disposal	Active	Spur Energy Partners LLC	3450	32.6620674000	-103.695983900	5/4/1995	[59490] TONTO, YATES-SEVEN RIVERS, WEST; [96131] SWD, SEVEN RIVERS
01673	PRE-ONGARD WELL #006	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	3330	32.6647949000	-103.704528800	1/1/1900	
20699	PRE-ONGARD WELL #008	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	3330	32.6647911000	-103.697044400	1/1/1900	
23668	PRE-ONGARD WELL #001	Oil	Cancelled	PRE-ONGARD WELL OPERATOR	0	32.6584462000	-103.700310360	12/31/9999	
24624	PRE-ONGARD WELL #001	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	3500	32.6584473000	-103.692771900	1/1/1900	
25470	INEXCO AHY FEDERAL #001	Gas	Active	EOG RESOURCES INC	13649	32.6765785000	-103.695945700	12/31/9999	[73000] BUFFALO, PENN (GAS)
25912	PRE-ONGARD WELL #004	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	13700	32.6765747000	-103.691650400	1/1/1900	[59475] TONTO, BONE SPRING
26469	PRE-ONGARD WELL #001	Gas	Plugged (site released)	PRE-ONGARD WELL OPERATOR	13670	32.6656990000	-103.700264000	1/1/1900	[73000] BUFFALO, PENN (GAS)
26799	NELLIS C FEDERAL GAS COM #001	Gas	Active	LEGACY RESERVES OPERATING, LP	13701	32.6765671000	-103.678779600	4/28/1980	[73000] BUFFALO, PENN (GAS)
29880	PRE-ONGARD WELL #001	Oil	Cancelled	PRE-ONGARD WELL OPERATOR	0	32.6620510700	-103.679911030	12/31/9999	
30546	HUDSON FEDERAL #001	Oil	Plugged (site released)	YATES ENERGY CORP	13720	32.6620560000	-103.683113100	12/31/9999	[27210] GEM, WOLFCAMP, NORTH
32973	FEDERAL 7 #004	Oil	Cancelled	RAY WESTALL	0	32.6768552300	-103.704718890	12/31/9999	
34707	KUDU 9 FEDERAL COM #001	Gas	Active	CHISHOLM ENERGY OPERATING, LLC	13770	32.6693077000	-103.674514800	11/3/1999	[73000] BUFFALO, PENN (GAS); [77370] GEM, MORROW (GAS)
39870	SPYGLASS 17 FEDERAL COM #001H	Oil	Active	MEWBOURNE OIL CO	9966	32.6616364000	-103.692764300	1/1/2011	[59475] TONTO, BONE SPRING
40185	SPYGLASS 17 FEDERAL #002H	Oil	Active	MEWBOURNE OIL CO	9973	32.6656914000	-103.692749000	8/2/2011	[59475] TONTO, BONE SPRING
40589	NORTE 18 FEDERAL #001C	Oil	Cancelled	MEWBOURNE OIL CO	0	32.6626854000	-103.709953300	12/31/9999	[59475] TONTO, BONE SPRING
41701	EXCALIBUR 17 LI FEDERAL COM #001H	Oil	Active	MEWBOURNE OIL CO	9967	32.6576767000	-103.693168600	7/2/2014	[59475] TONTO, BONE SPRING
45391	KODAK SWD #001	Salt Water Disposal	New	3BEAR FIELD SERVICES, LLC	0	32.6695610000	-103.691277000	12/31/9999	[97869] SWD, DEVONIAN-SILURIAN
46396	NIGHT HAWK 5 B2DM FEDERAL COM #001H	Oil	New	MEWBOURNE OIL CO	0	32.6961030000	-103.691617100	12/31/9999	[13160] CORBIN, BONE SPRING, SOUTH
49415	SPANISH BAY 18 19 B1DM FEDERAL COM #001H	Oil	New	MEWBOURNE OIL CO	0	32.6670106000	-103.707382800	12/31/9999	[59476] TONTO, BONE SPRING, SOUTH
49416	SPANISH BAY 18 19 B2DM FEDERAL COM #001H	Oil	New	MEWBOURNE OIL CO	0	32.6670105000	-103.707285400	12/31/9999	[59476] TONTO, BONE SPRING, SOUTH
49534	SPANISH BAY 18 19 B2CN FEDERAL COM #001H	Oil	New	MEWBOURNE OIL CO	0	32.6670107000	-103.707188000	12/31/9999	[59476] TONTO, BONE SPRING, SOUTH
49712	BEL-AIR 5 8 2BS FEDERAL COM	Oil	New		0	0.0000000000	0.000000000	18991230	
49713	BEL-AIR 5 8 2BS FEDERAL COM	Oil	New		0	0.0000000000	0.000000000	18991230	
49714	BEL-AIR 5 8 2BS FEDERAL COM	Oil	New		0	0.00000000000	0.00000000000	18991230	

Kodiak SWD No. 1: Offsetting Produced Water Analysis																		
Well Name	API	Section	Township	Range	Unit	County	Formation	ph	tds_mgL	sodium_mgL	calcium_mgL	iron_mgL	magnesium_mgL	manganese_mgL	chloride_mgL	bicarbonate_mgL	sulfate_mgL	co2_mgL
INEXCO AHY FEDERAL #001	3002525470	7	19S	33E	H	LEA	PENNSYLVANIAN	6.5			5600	50	975.3		37062	610	12.5	
BUFFALO FEDERAL UNIT #004	3002501661	4	19S	33E	H	LEA	PENNSYLVANIAN		163468						99880	415	848	
BUFFALO FEDERAL UNIT #004	3002501661	4	19S	33E	H	LEA	PENNSYLVANIAN		17108						9398	610	991	
BUFFALO FEDERAL UNIT #004	3002501661	4	19S	33E	H	LEA	PENNSYLVANIAN		21444						11400	881	1537	
BUFFALO FEDERAL UNIT #004	3002501661	4	19S	33E	H	LEA	PENNSYLVANIAN		154414						94260	377	688	
NELLIS FEDERAL #001	3002501663	5	19S	33E	O	LEA	PENNSYLVANIAN		38798						23050	366	360	
NELLIS FEDERAL #001	3002501663	5	19S	33E	O	LEA	PENNSYLVANIAN		67912						40630	398	934	
NELLIS FEDERAL #001	3002501663	5	19S	33E	O	LEA	PENNSYLVANIAN		24440						13420	825	990	
FEDERAL AC #002	3002501675	18	19S	33E	E	LEA	PENNSYLVANIAN		46219						26980	734	850	
FEDERAL AC #002	3002501675	18	19S	33E	E	LEA	PENNSYLVANIAN		1305						140	232	510	
LAGUNA PLATA FEDERAL #001	3002501678	22	19S	33E	I	LEA	WOLFCAMP		46915						27270	714	1116	
MAGNOLIA STATE #001	3002501701	32	19S	33E	B	LEA	ARTESIA		8771						4301	1538	180	
MALACHITE 22 FEDERAL #001H	3002540318	22	19S	33E	D	Lea	BONE SPRING 1ST SAND	6.4		73407	1293	33	265	0.26	116995	780	480	250
NELLIS A FEDERAL #004	3002525912	8	19S	33E	E	LEA	BONE SPRING	6.9	48582						28900	763	160	
NELLIS FEDERAL #003	3002526091	6	19S	33E	F	LEA	ARTESIA	6.8	70660						42600	549	365	
MALACHITE 22 FEDERAL #001H	3002540318	22	19S	33E	D	Lea	BONE SPRING 1ST SAND	6.3		79136	1414	26	271	0.07	125827	1281	300	330
MALACHITE 22 FEDERAL #002H	3002540389	22	19S	33E	C	Lea	BONE SPRING 1ST SAND	6.65	94146	30411.4	4261	16.3	1102	0.3	56987.2	122	1085	120
BATE FEDERAL #003	3002522597	35	19S	33E	C	LEA	ARTESIA	7.8	117622						66700	506	5800	
MALACHITE 22 FEDERAL #001H	3002540318	22	19S	33E	D	Lea	BONE SPRING 1ST SAND	7	153753.1	57364.9	1261	3.5	277	0.2	91996	732	593	250

3 BEAR FIELD SERVICES, LLC

Kodiak SWD #1

FSP Analysis

Lea Co., NM

Luis Canales
Lesly Carter

March 2nd, 2022

LONQUIST & CO. LLC
PETROLEUM ENGINEERS | ENERGY ADVISORS
AUSTIN • HOUSTON • CALGARY • WICHITA
DENVER • COLLEGE STATION • BATON ROUGE • EDMONTON

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FIGURES

TABLES

1.0 Summary

The location of Kodiak SWD #1, offsetting inactive injection wells, and published faults within 6 miles of the Kodiak SWD #1 in Lea County, New Mexico are shown on Figure 1. The Kodiak SWD #1 permit application is targeting the Siluro-Devonian Formation which is a porous limestone and dolomite with mudstone to grainstone at a measured depth of 14,751' to 16,500' (Figure 2). The proposed average injection rate of 25,000 barrels per day is equal to an average of 760,417 barrels per month which was forecasted for this FSP analysis.

The FSP models included utilize Devonian level fault traces documented on GeoMaps Section NM 106C **Siluro-Devonian.**

Injection fluids will be confined to the Siluro-Devonian formation, The top of the Ellenburger is approximately 1750 feet below the top Devonian (14,751). **None of the FSP models run utilizing the fault traces, proposed injection interval reservoir properties, and surrounding fluid injection data demonstrated evidence these faults would slip.**

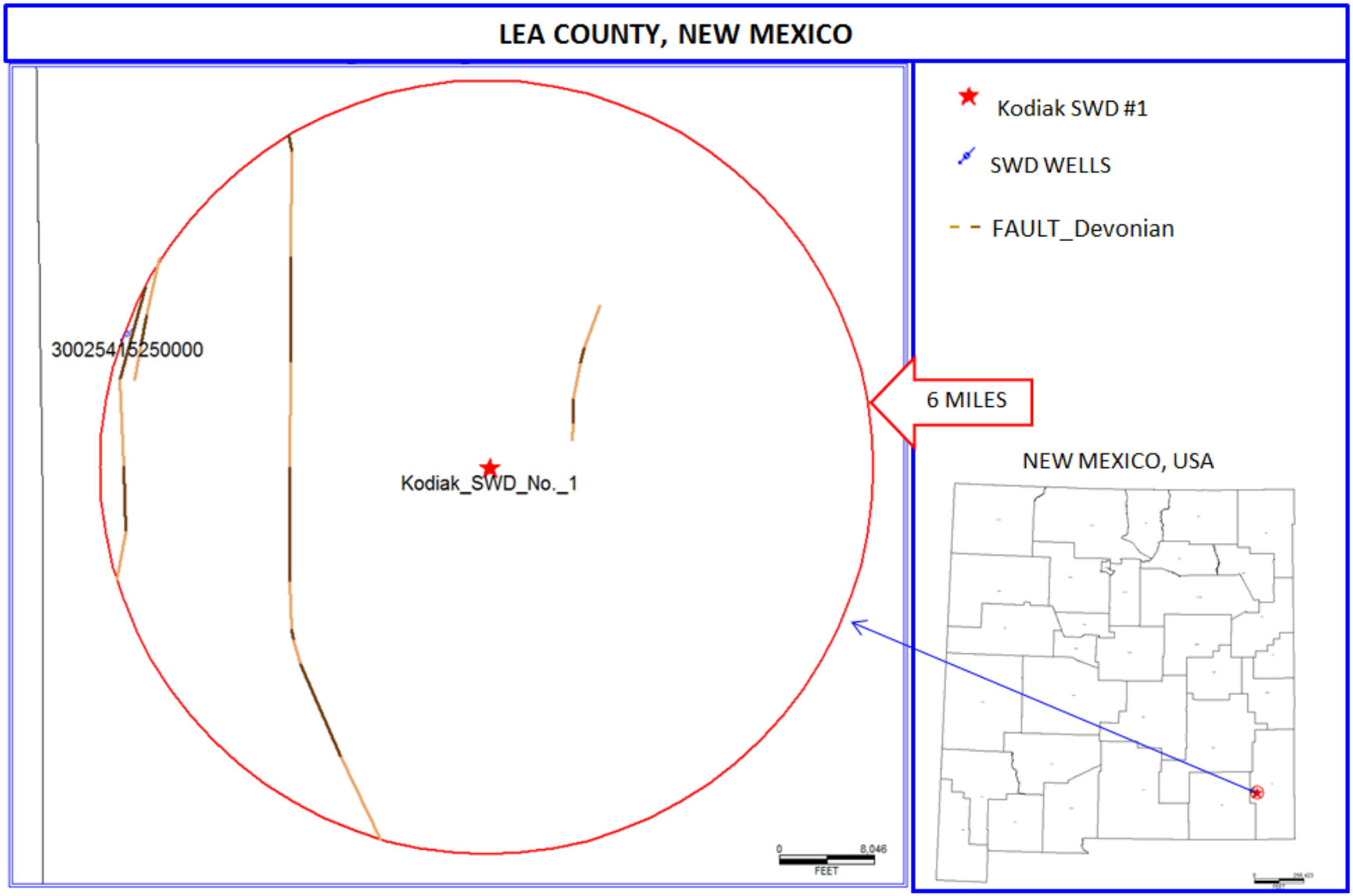
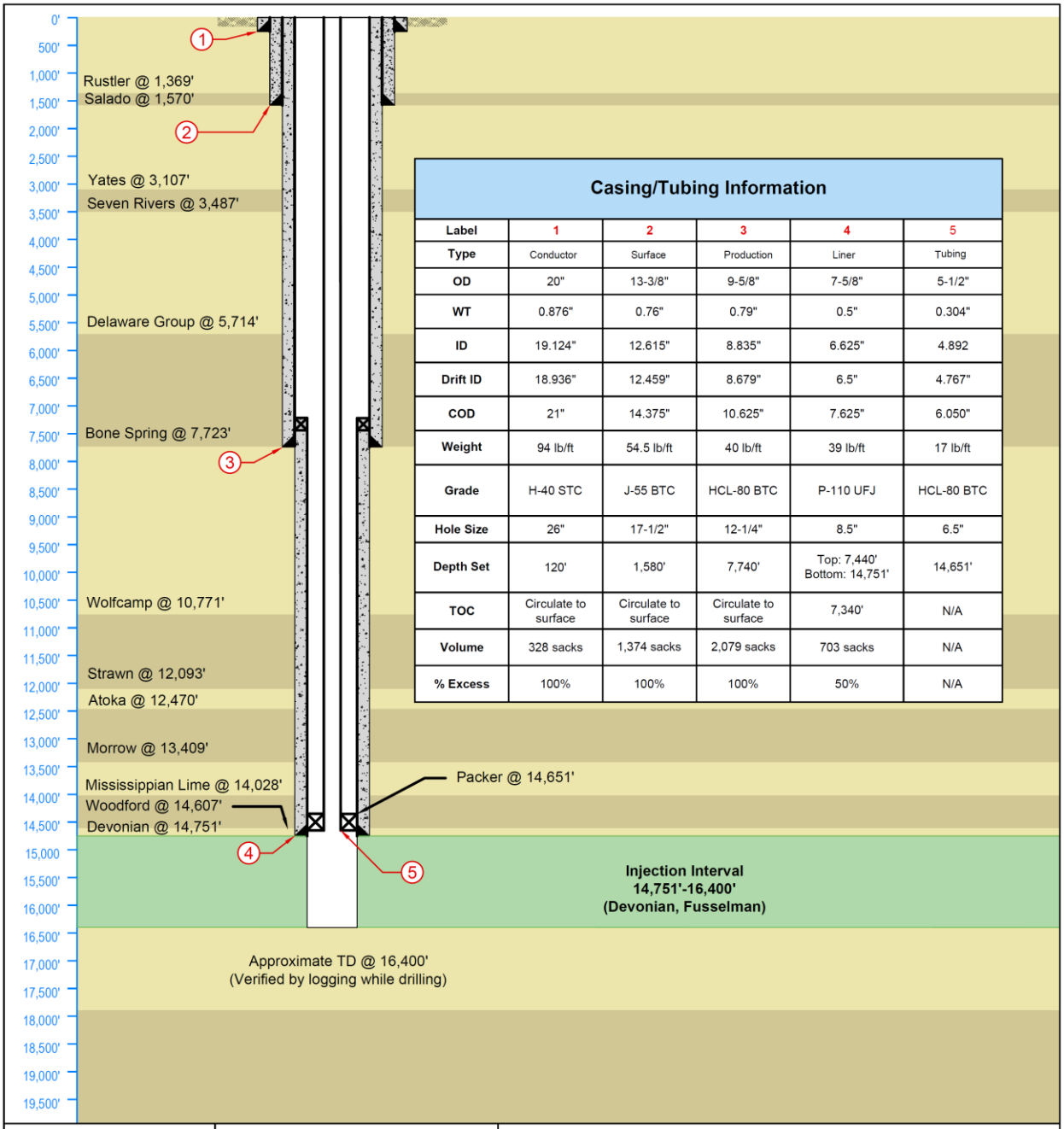


Figure 1 - Proposed location and FSP analysis area of interest ("AOI").



Casing/Tubing Information

Label	1	2	3	4	5
Type	Conductor	Surface	Production	Liner	Tubing
OD	20"	13-3/8"	9-5/8"	7-5/8"	5-1/2"
WT	0.876"	0.76"	0.79"	0.5"	0.304"
ID	19.124"	12.615"	8.835"	6.625"	4.892
Drift ID	18.936"	12.459"	8.679"	6.5"	4.767"
COD	21"	14.375"	10.625"	7.625"	6.050"
Weight	94 lb/ft	54.5 lb/ft	40 lb/ft	39 lb/ft	17 lb/ft
Grade	H-40 STC	J-55 BTC	HCL-80 BTC	P-110 UFJ	HCL-80 BTC
Hole Size	26"	17-1/2"	12-1/4"	8.5"	6.5"
Depth Set	120'	1,580'	7,740'	Top: 7,440' Bottom: 14,751'	14,651'
TOC	Circulate to surface	Circulate to surface	Circulate to surface	7,340'	N/A
Volume	328 sacks	1,374 sacks	2,079 sacks	703 sacks	N/A
% Excess	100%	100%	100%	50%	N/A

LONQUIST & CO. LLC PETROLEUM ENGINEERS ENERGY ADVISORS HOUSTON | CALGARY AUSTIN | WICHITA | DENVER	3Bear Field Services, LLC	Kodiak SWD No. 1	
	Country: USA	**State/Province:** New Mexico	**County/Parish:** Lea
	Location:	**Site:** 2,291 FNL 841 FWL	**Survey:** S17-T19S-R33E
	API No: NA	**Field:**	**Well Type/Status:** SWD
Texas License F-9147	**NMOCD District No:** 1	**Project No:** 1773	**Date:** 11/20/2019
12912 Hill Country Blvd. Ste F-200 Austin, Texas 78738 Tel: 512.732.9812 Fax: 512.732.9816	**Drawn:** TFM	**Reviewed:**	**Approved:**
	Rev No: 1	**Notes:** Amended injection interval and tubing depth	

Figure 2 - Injection Target: Devonian, Fusselman

System	Series	Group/Formation	General Lithology
Tertiary		Ogallala	fluvial and lacustrine clastics
Cretaceous		Fredericksburg	limestone sandstone
		Paluxy	
Triassic		Dockum	fluvial-deltaic and lacustrine clastics
Permian	Ochoan	Dewey Lake	sandstone
		Rustler	salt, anhydrite
		Salado	salt
	Guadalupian	Tansill	anhydrite
		Yates	sandstone
		Seven Rivers	anhydrite
		Queen	sandstone
		San Andres-Grayburg	dolomite-sandstone
	Leonardian	Clear Fork	limestone-dolomite
		Wichita	
	Wolfcampian	Wolfcamp	shelf limestones, minor shale
Pennsylvanian		Cisco	
		Canyon	
		Strawn	
		Atokan	shale
		Chester	
Mississippian		Mississippian Lime	limestone
Devonian		Woodford	shale
		Devonian	limestone
Silurian		Silurian	shale, limestone
Ordovician		Montoya	limestone
		Simpson	shale, limestone
		Ellenburger	dolomite
PRECAMBRIAN			igneous, metamorphic

*(Bassett and Bentley, 1982)

Figure 3 - Stratigraphic column of the Delaware Basin with the proposed injection interval (Devonian section) indicated by the red arrow.

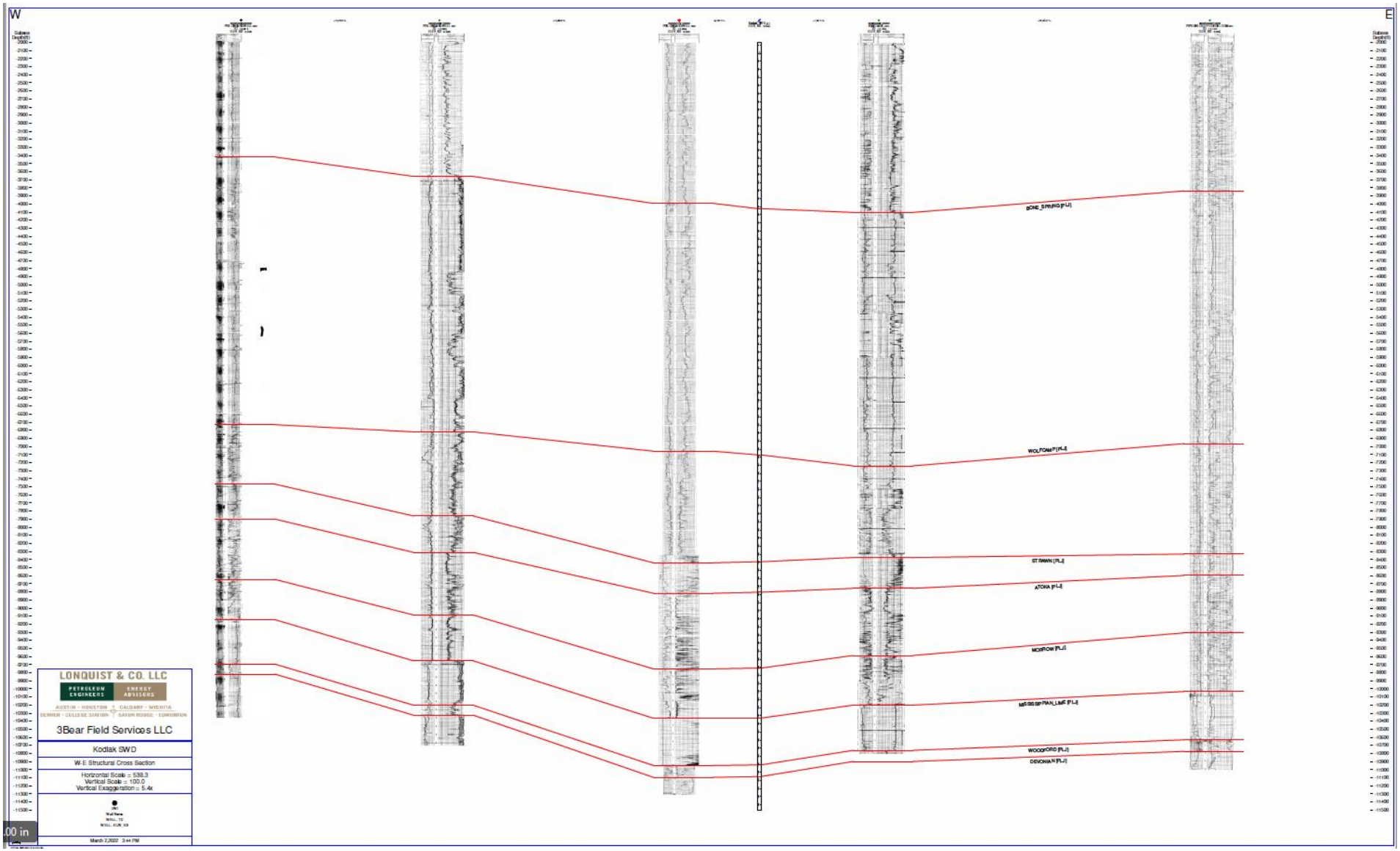


Figure 4 - Structural Cross Section

2.0 FSP Analysis MODEL 1 – Devonian Faults - All injectors

SCITS software (v 2.0) was used for the Fault Slip Potential (FSP) analysis.

Analysis includes:

- Fluid injection history from DrillingInfo within the 6 miles AOI.
- Proposed average injection rate (25,000 bpd) for Kodiak SWD #1.
- Proposed injection interval reservoir parameters and average depth.
- Local stress information and pressure gradients.
- Known fault locations within AOI with faults segmented to a maximum length of 3 km.

Two FSP models were run, including year-end analysis 20 years into the future.

- Model #1: includes permitted injection well in the AOI plus the proposed injection interval (2 wells total).
- Model #2: includes only the proposed injection well interval.

In summary, the proposed fluid injection does not significantly increase the risk that these faults will slip.

Figure 5 shows the location of existing fluid injection wells and the proposed Kodiak SWD #1 in relation to faults documented within the AOI. The Devonian fault traces utilized for these models are shown on **Figure 7**. The nearest fault has a throw of 200' and is nonexistent on available regional structure maps at the Strawn and Yates levels.

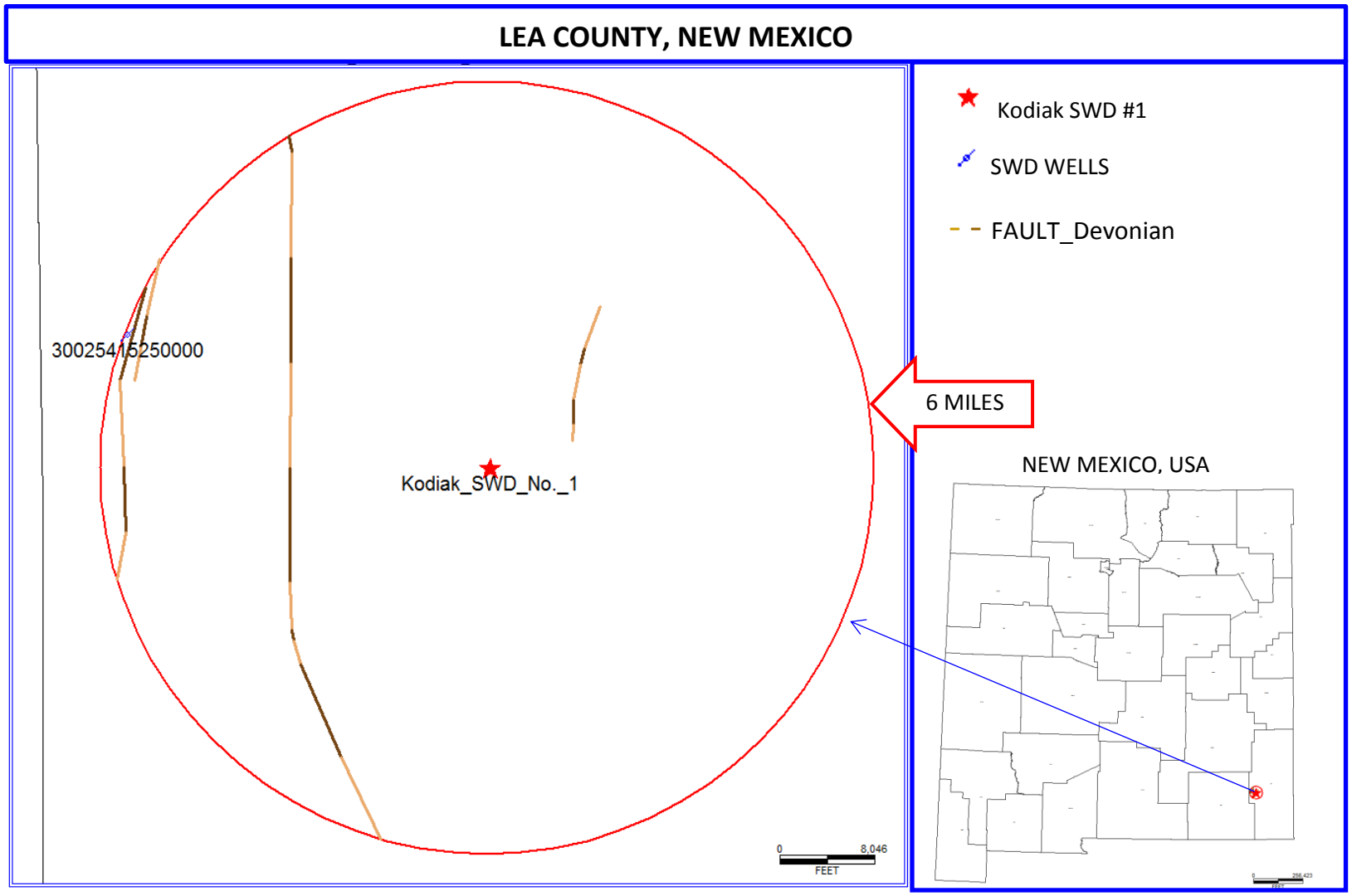
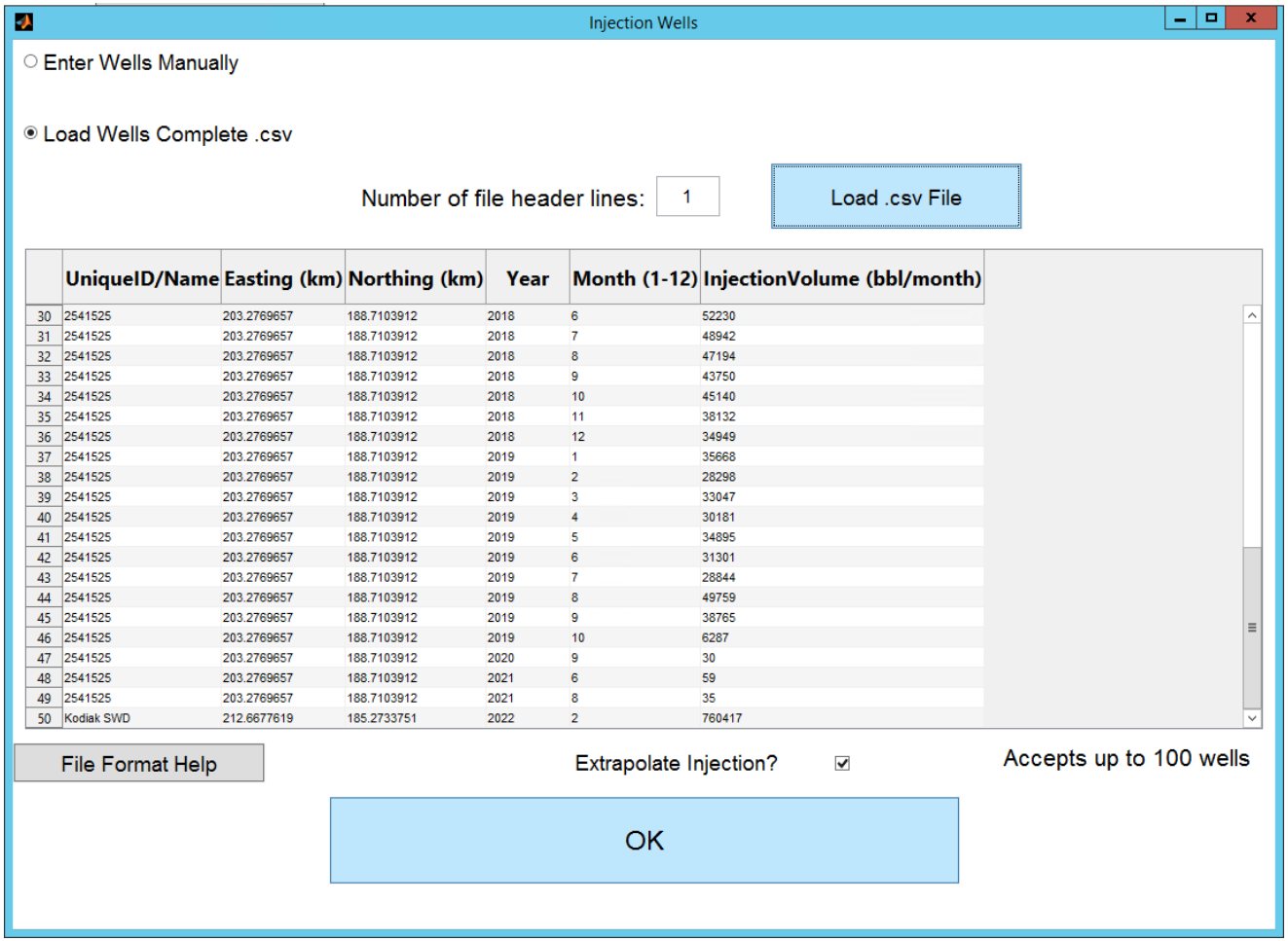


Figure 5 - FSP Analysis Injection Wells

Partial View of 2 Wells



	UniqueID/Name	Easting (km)	Northing (km)	Year	Month (1-12)	InjectionVolume (bbl/month)
30	2541525	203.2769657	188.7103912	2018	6	52230
31	2541525	203.2769657	188.7103912	2018	7	48942
32	2541525	203.2769657	188.7103912	2018	8	47194
33	2541525	203.2769657	188.7103912	2018	9	43750
34	2541525	203.2769657	188.7103912	2018	10	45140
35	2541525	203.2769657	188.7103912	2018	11	38132
36	2541525	203.2769657	188.7103912	2018	12	34949
37	2541525	203.2769657	188.7103912	2019	1	35668
38	2541525	203.2769657	188.7103912	2019	2	28298
39	2541525	203.2769657	188.7103912	2019	3	33047
40	2541525	203.2769657	188.7103912	2019	4	30181
41	2541525	203.2769657	188.7103912	2019	5	34895
42	2541525	203.2769657	188.7103912	2019	6	31301
43	2541525	203.2769657	188.7103912	2019	7	28844
44	2541525	203.2769657	188.7103912	2019	8	49759
45	2541525	203.2769657	188.7103912	2019	9	38765
46	2541525	203.2769657	188.7103912	2019	10	6287
47	2541525	203.2769657	188.7103912	2020	9	30
48	2541525	203.2769657	188.7103912	2021	6	59
49	2541525	203.2769657	188.7103912	2021	8	35
50	Kodiak SWD	212.6677619	185.2733751	2022	2	760417

Figure 6 - FSP injection wells input Model 1

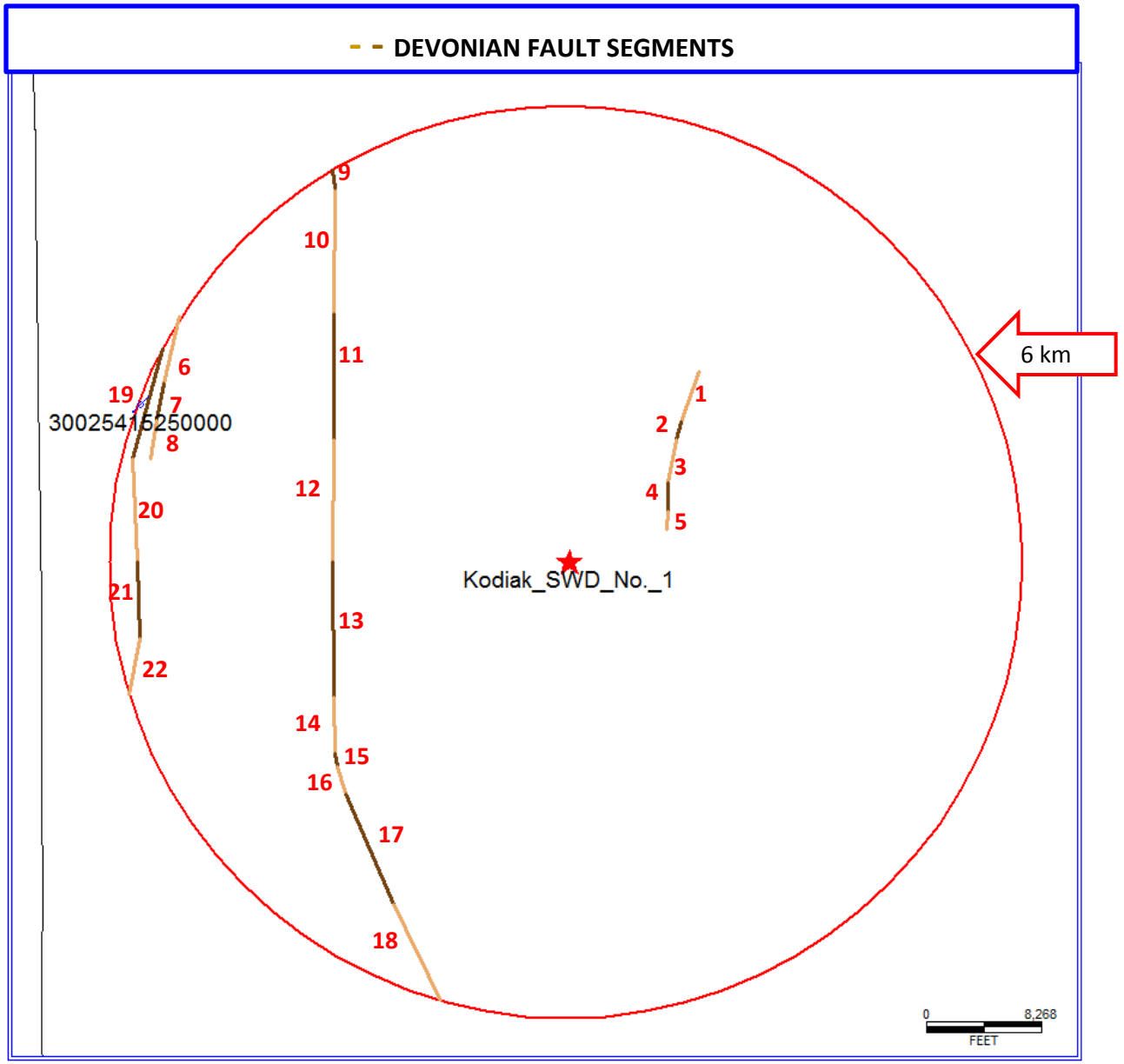
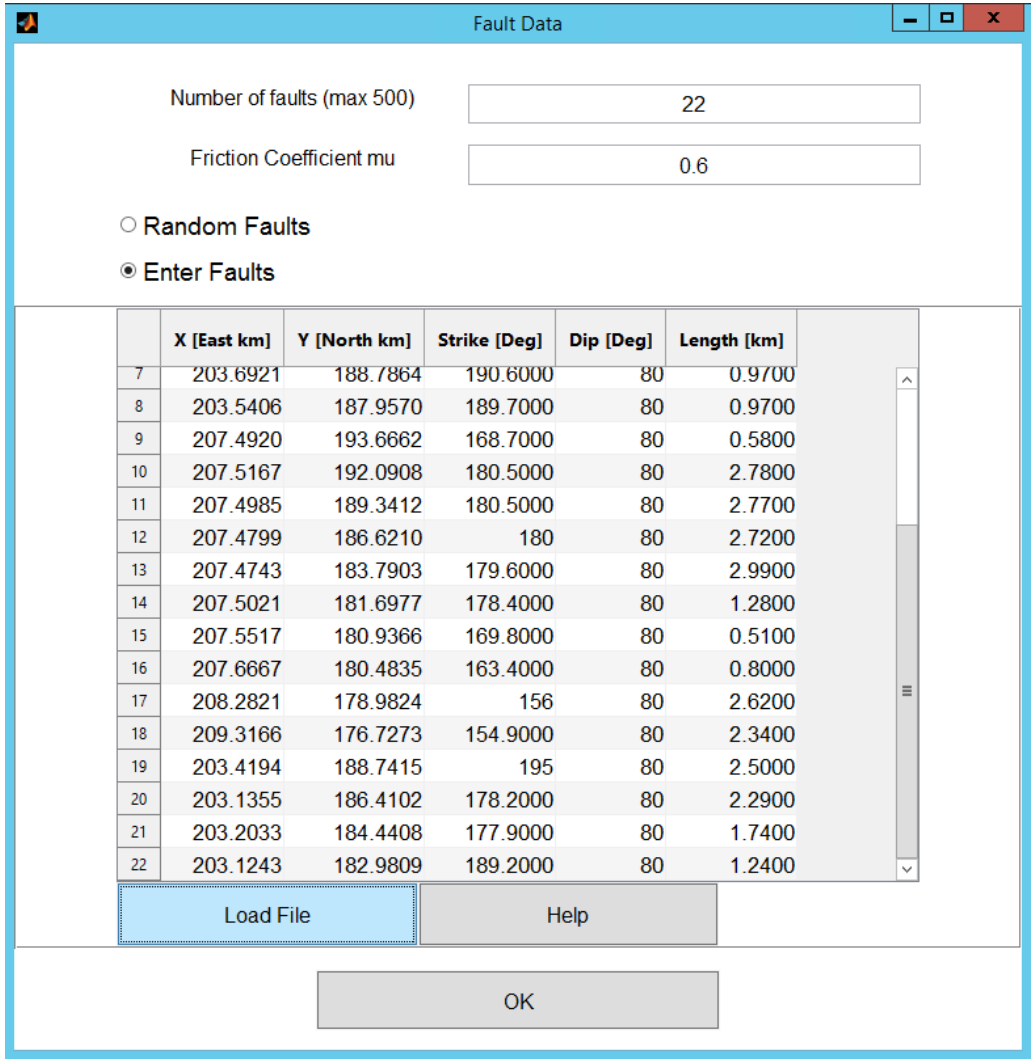


Figure 7 – Devonian Fault segments (22) used in FSP Analysis Models 1 and 2

Devonian Fault Segments

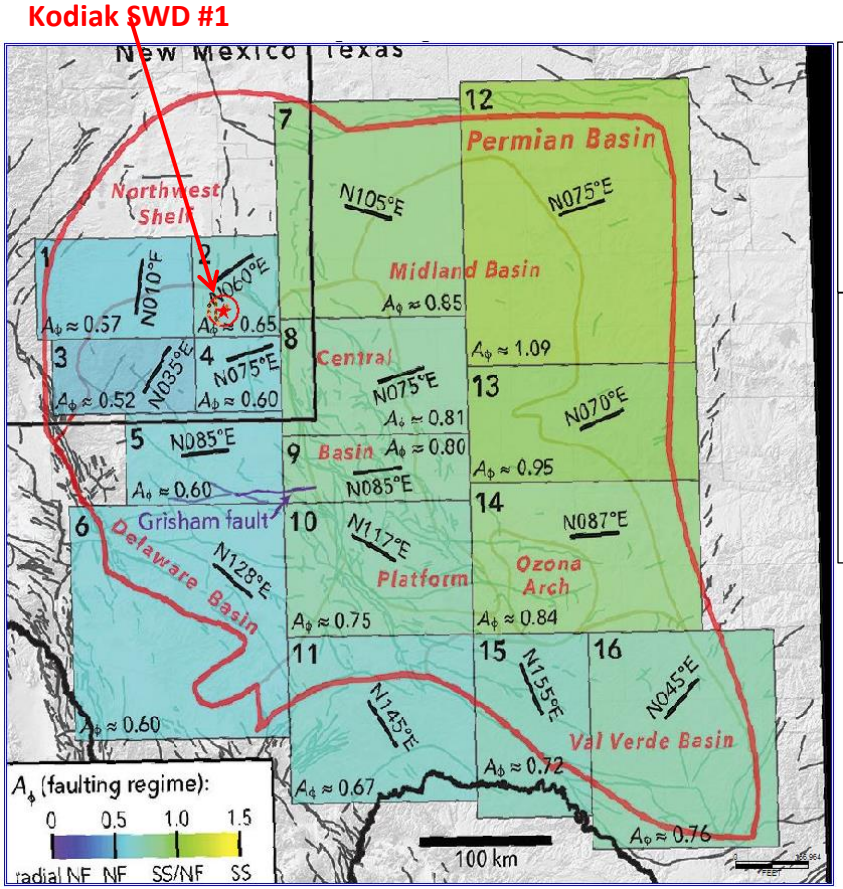


	X [East km]	Y [North km]	Strike [Deg]	Dip [Deg]	Length [km]
7	203.6921	188.7864	190.6000	80	0.9700
8	203.5406	187.9570	189.7000	80	0.9700
9	207.4920	193.6662	168.7000	80	0.5800
10	207.5167	192.0908	180.5000	80	2.7800
11	207.4985	189.3412	180.5000	80	2.7700
12	207.4799	186.6210	180	80	2.7200
13	207.4743	183.7903	179.6000	80	2.9900
14	207.5021	181.6977	178.4000	80	1.2800
15	207.5517	180.9366	169.8000	80	0.5100
16	207.6667	180.4835	163.4000	80	0.8000
17	208.2821	178.9824	156	80	2.6200
18	209.3166	176.7273	154.9000	80	2.3400
19	203.4194	188.7415	195	80	2.5000
20	203.1355	186.4102	178.2000	80	2.2900
21	203.2033	184.4408	177.9000	80	1.7400
22	203.1243	182.9809	189.2000	80	1.2400

Figure 8 - FSP Fault input for Models 1 and 2

State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity

Jens-Erik Lund Snee[1] and Mark D. Zoback[1] February 2018 THE LEADING EDGE



"The $A\phi$ parameter describes the ratio between the principal stress magnitudes using a single, readily interpolated value that ranges smoothly from 0 (the most extensional possible condition of radial normal faulting) to 3 (the most compressive possible condition of radial reverse faulting)." (Snee & Zoback)

Shmax azimuth direction (N060°E) is taken from the mapped Area **2** corresponding to this FSP analysis published by Snee and Zoback. The maximum horizontal stress gradient is derived from the A Phi parameter (0.65) also for Area **2**

Figure 9 - Local Stress Parameters used (Snee and Zoback, 2018) Models 1 thru 10

Shmax azimuth direction (N060°E) is taken from the mapped Area **2** corresponding to this FSP analysis published by Snee and Zoback (Figure 10). The maximum horizontal stress gradient is derived from the A Phi parameter (0.65) also for Area **2**. The same stress parameters are used for all models (1 and 2)

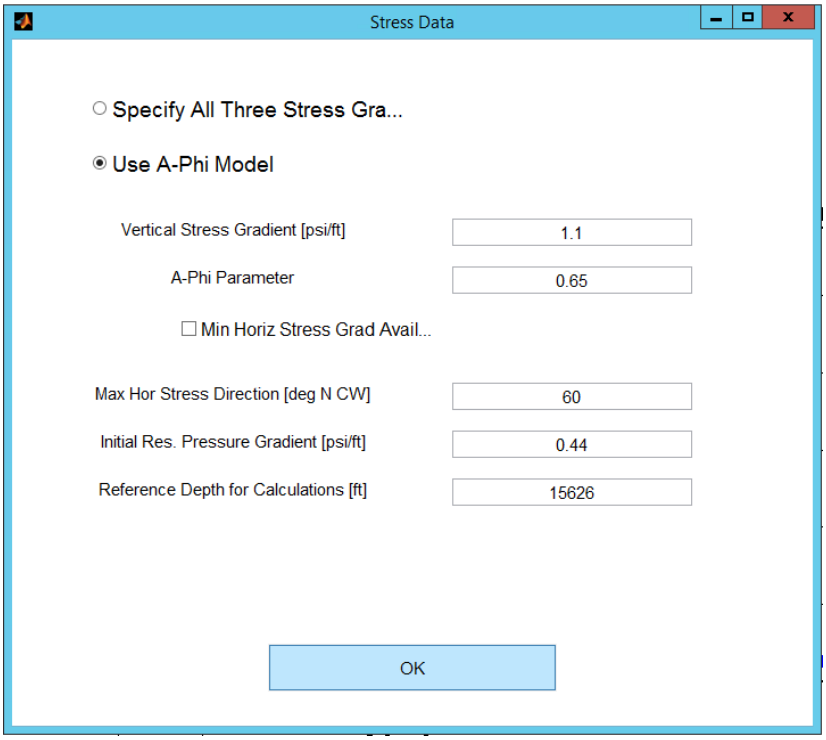


Figure 10 - FSP Stress & Reservoir depth input Models 1 and 2

The following reservoir parameters were utilized for the AOI as input to FSP models 1 and 2.

Hydrology was estimated through offset well and regional geology data, and wellbore parameters were provided by 3Bear Field Services.

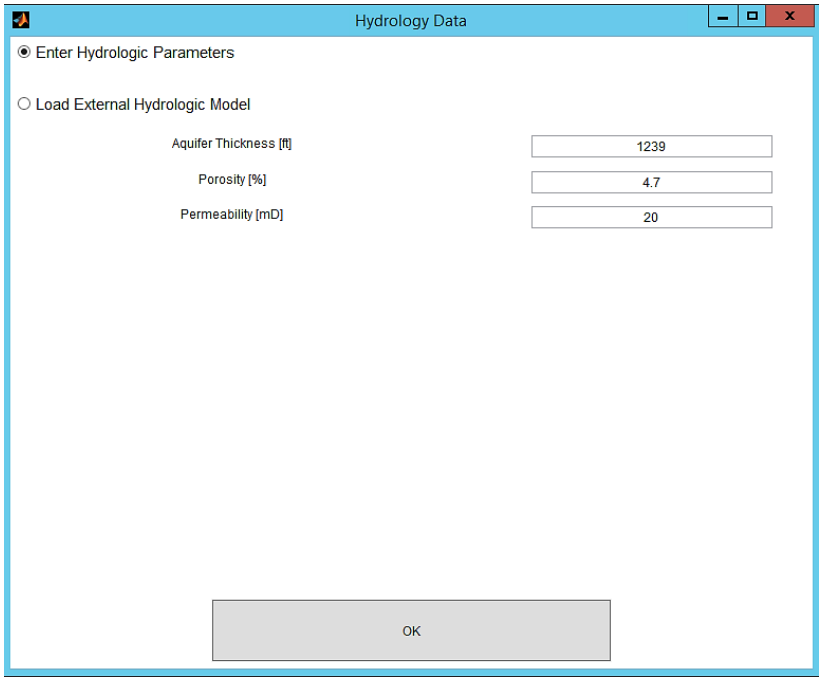


Figure 11 - Injection Interval (reservoir parameters) FSP Input Models 1 and 2.

Model 1 – Devonian

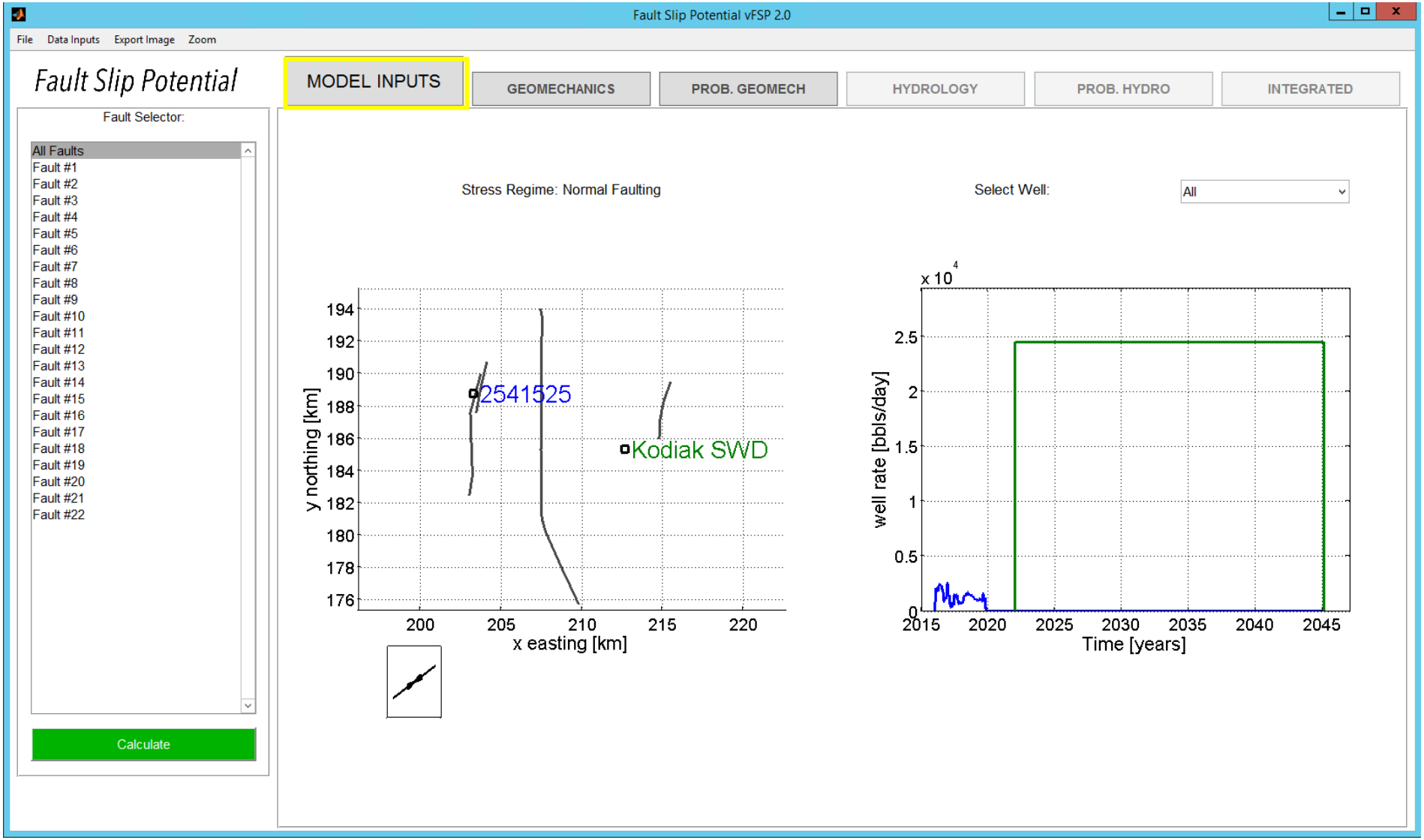


Figure 12 - FSP Model 1 Input: 2 injectors and 22 Devonian fault segments

Model 1 & 2

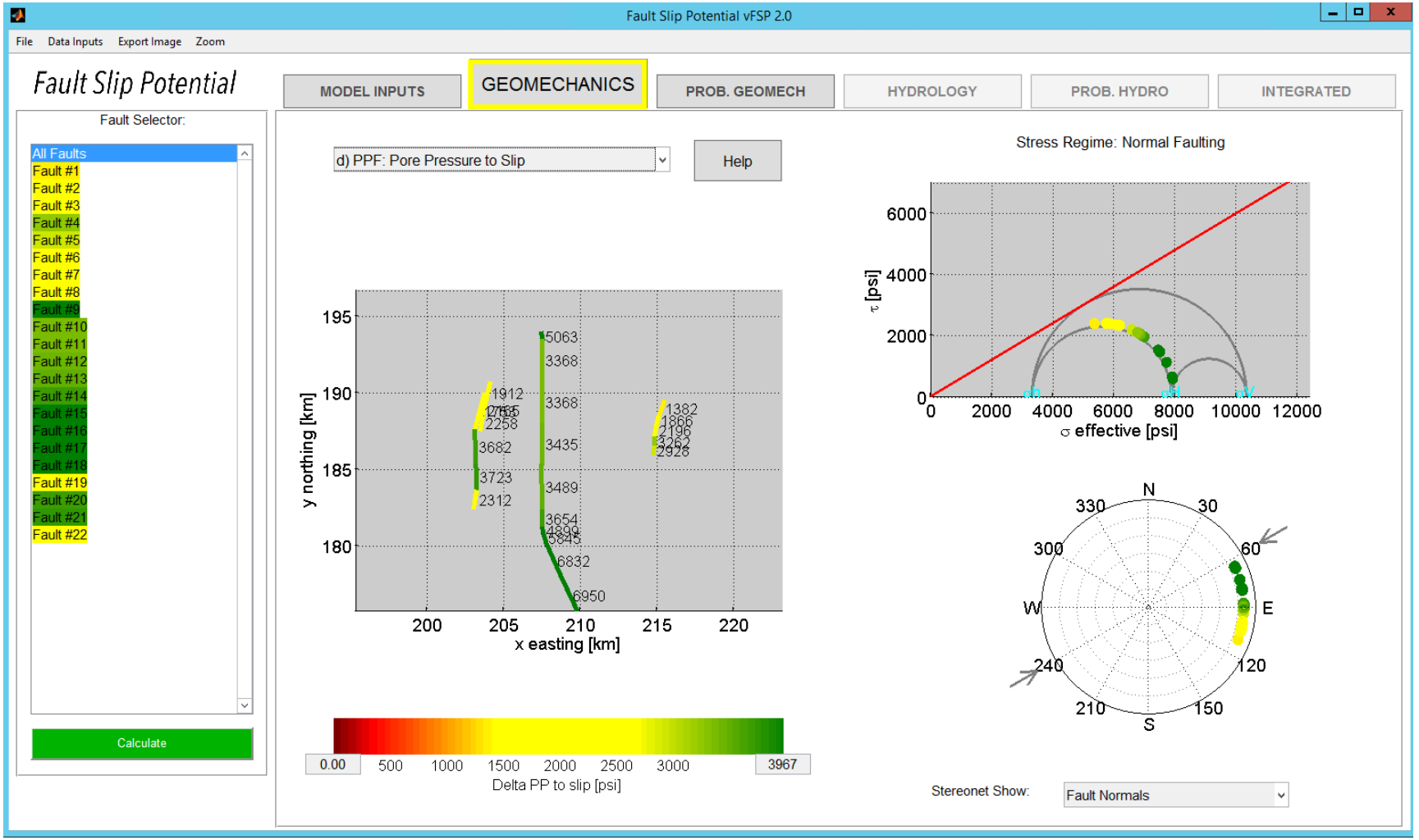


Figure 13 - FSP Geomechanics Tab, Model 1 and 2

Demonstrates pore pressure to slip (psi) for each fault segment, direction of SHmax, and a Mohr diagram with frictional slip line shown in red. Faults are colored according to the color scale.

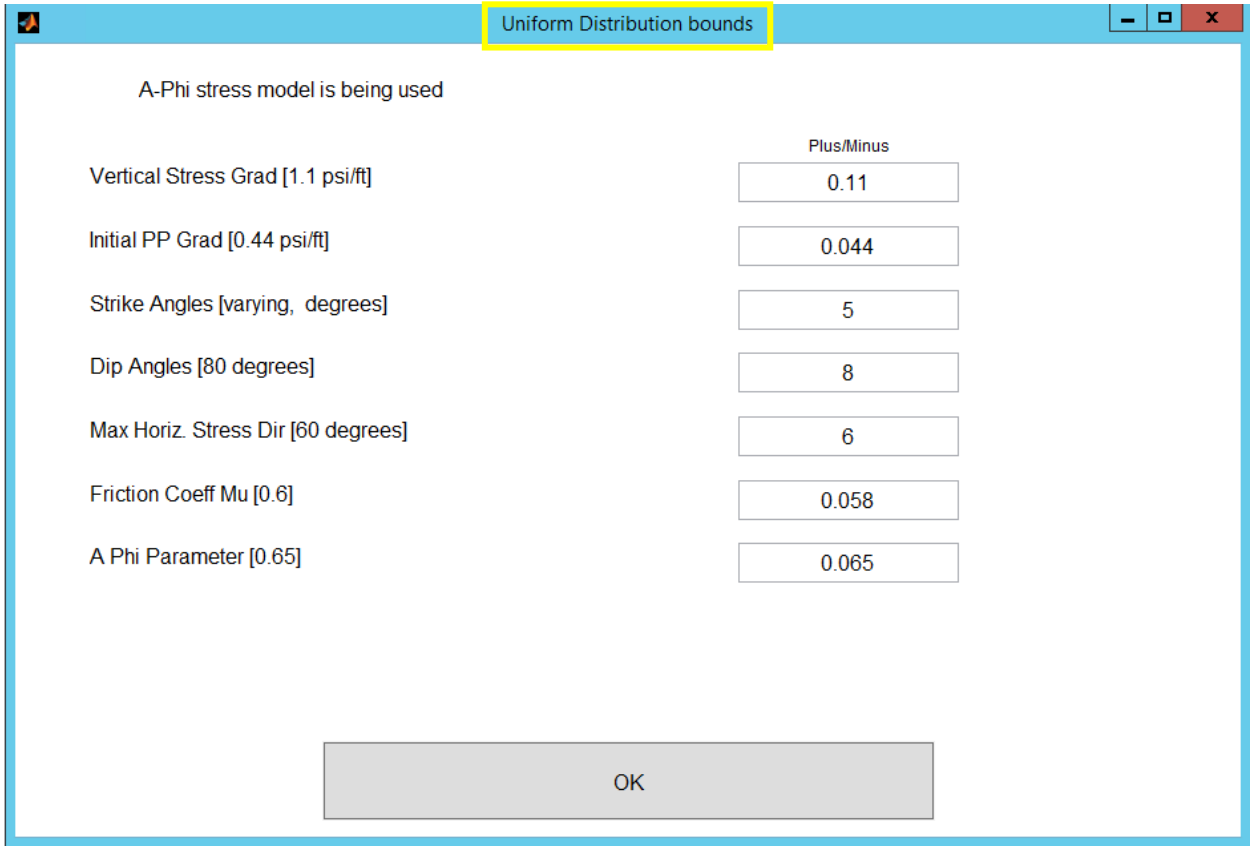


Figure 14 - Input for Probabilistic Geomechanics Tab

The FSP program performs a probabilistic Monte Carlo analysis based on user specified variability of input parameters for both Geomechanical and Hydrology calculations.

Model 1 & 2

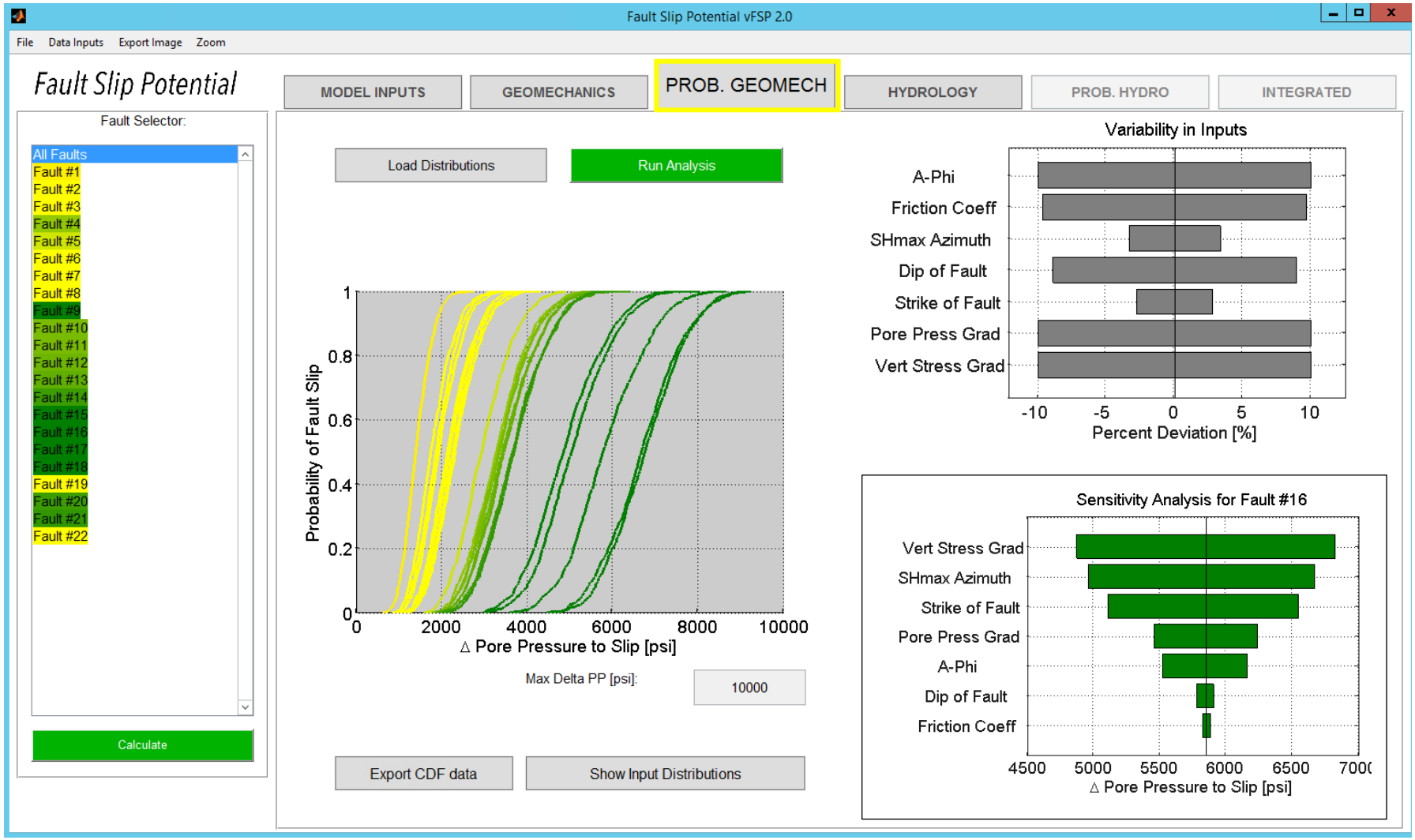


Figure 15 - FSP Probabilistic Geomechanics Tab, Model 1 and 2

The software propagates the relative uncertainties through the model producing a distribution of pore pressures to slip.

Model 1 – Initial conditions before Kodiak SWD #1 well is completed

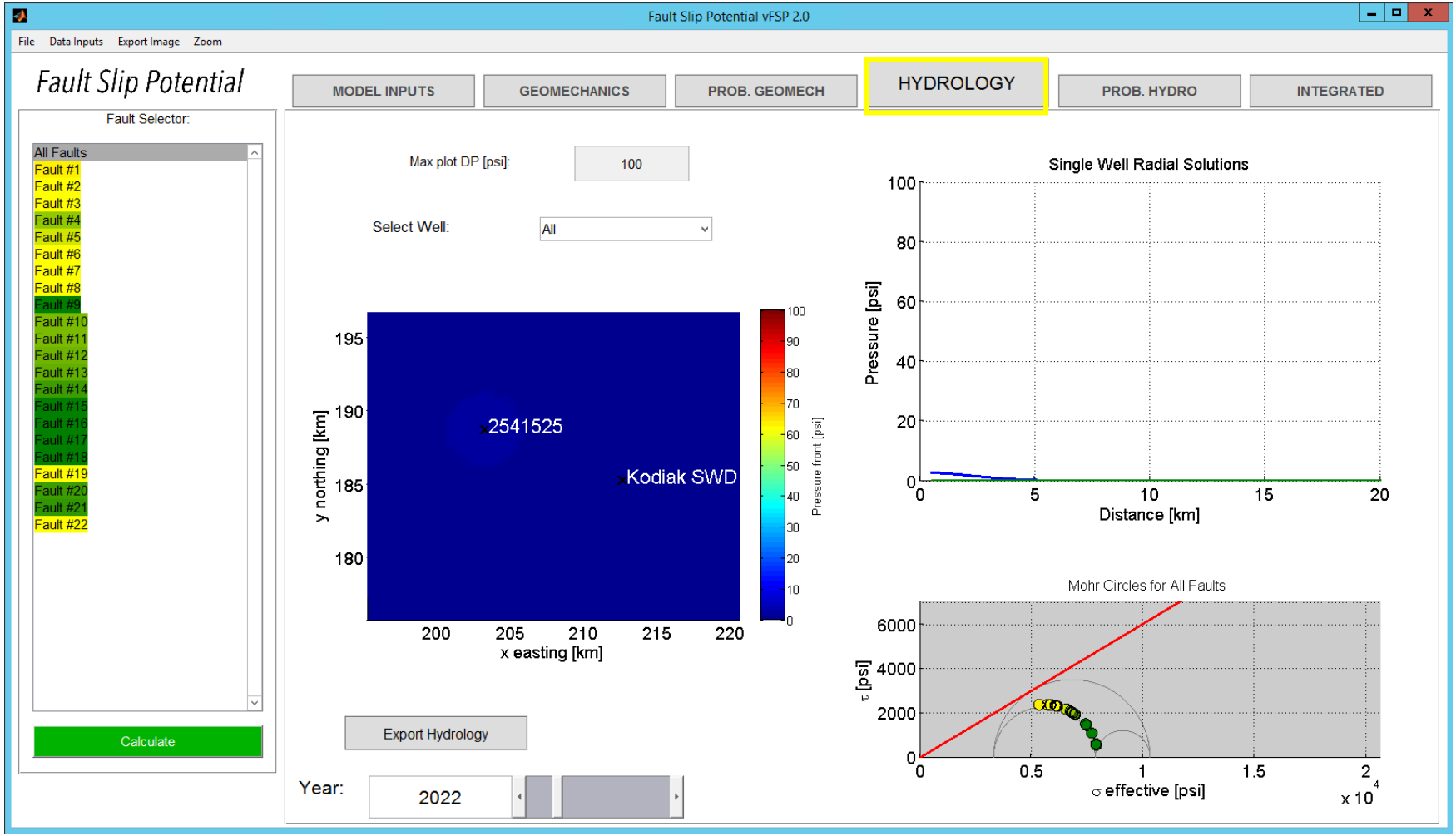


Figure 16 - FSP Hydrology Tab Before Proposed Completion

The software demonstrates pressure change as a function of distance from each of the 2 injection wells in Model #1.

Model 1 - Conditions in 2042, 20 years after Kodiak SWD #1 well is completed

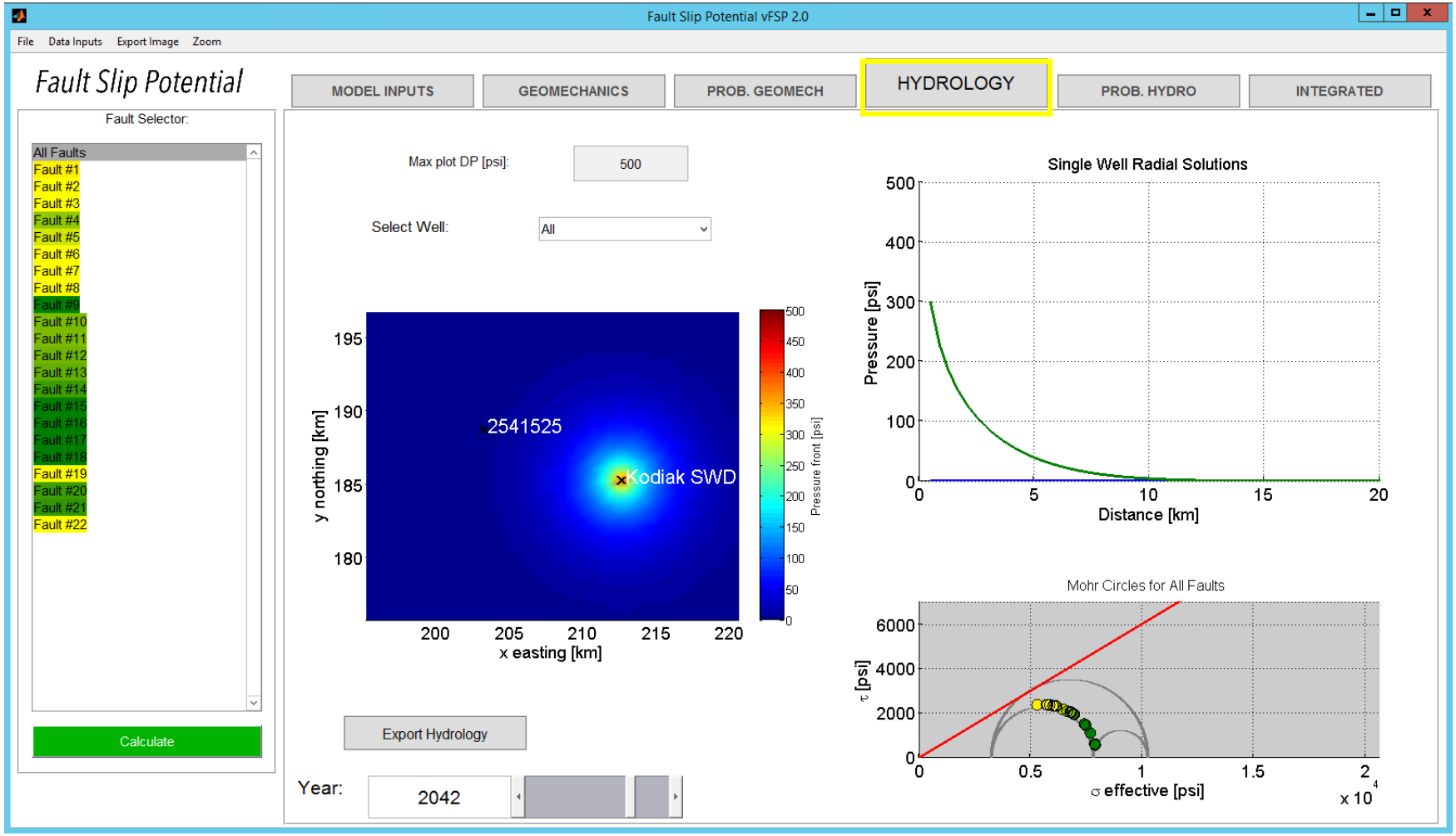


Figure 17 - Model 1 FSP Hydrology Tab

The software projects pressure changes away from each injector 20 years after completion.

Probabilistic analysis input utilized for this internal radial flow-based model

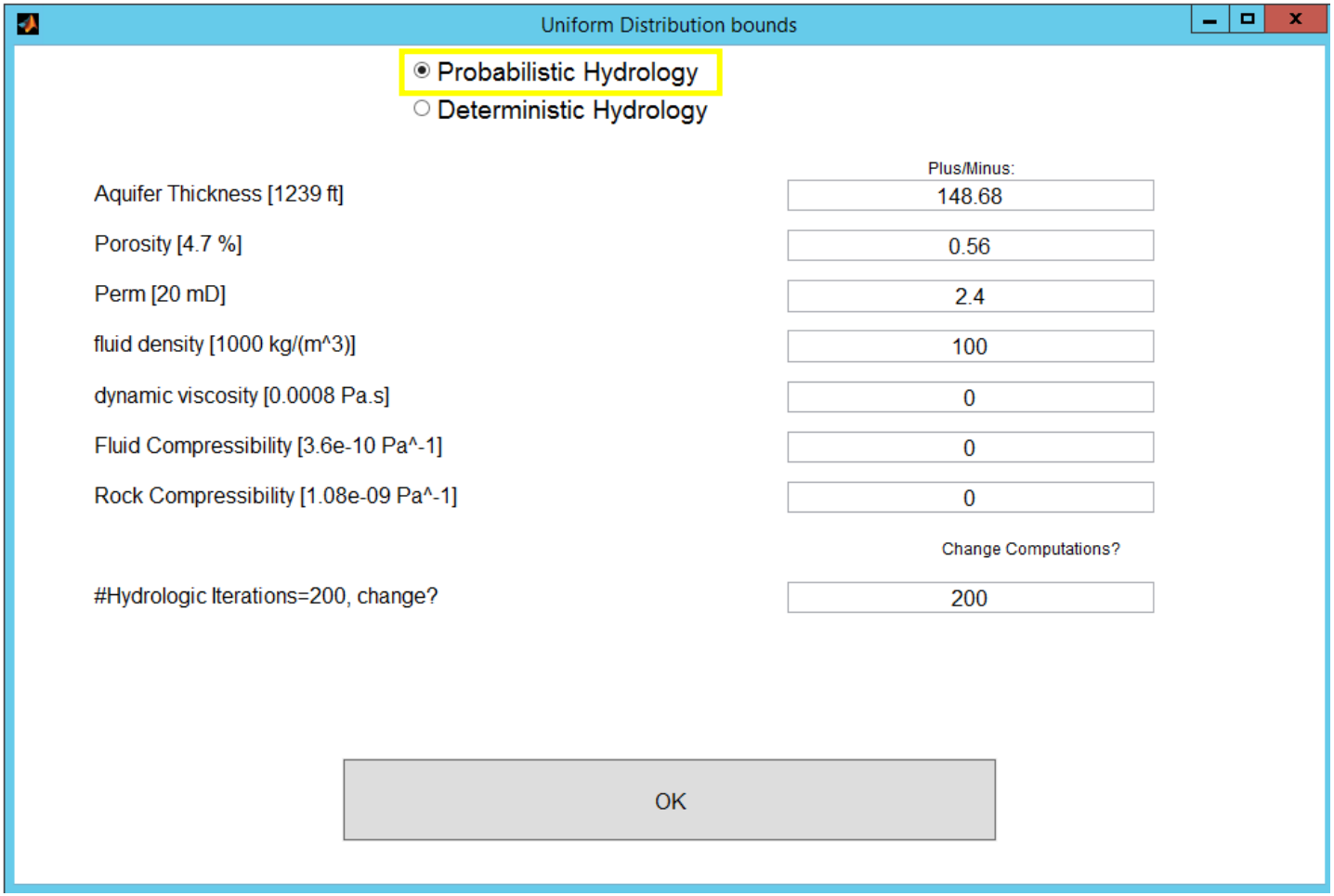


Figure 18 - Probabilistic Hydrology tab parameters Models 1 and 2

Model 1 – Initial Conditions before Kodiak SWD #1 well is completed

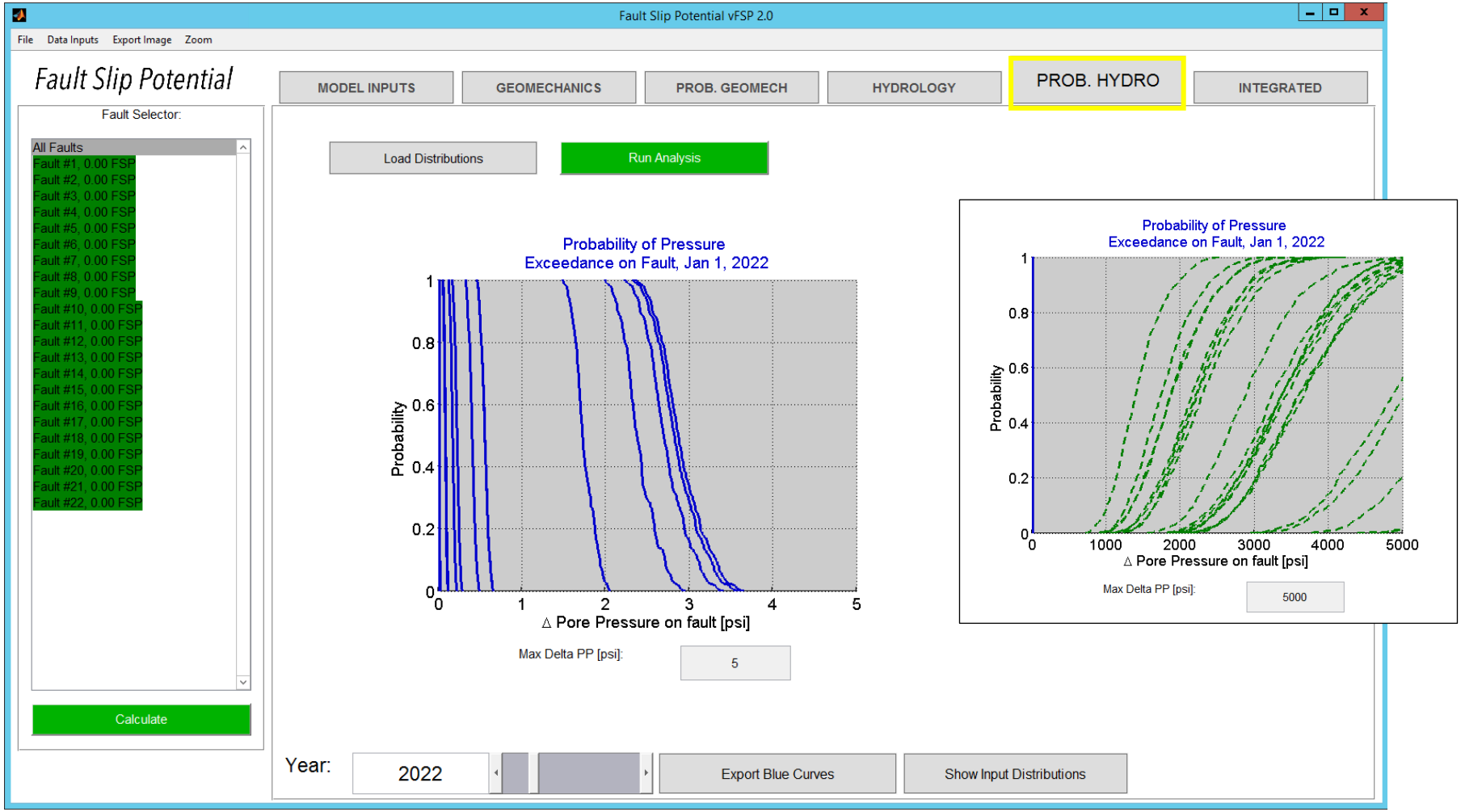


Figure 19 - Model 1 Probabilistic Hydrology Tab, before completion

The Probabilistic Hydrology tabs combine hydrology with the Probabilistic Geomechanical cumulative distribution function (CDF) of the pore pressure to slip.

Model 1 – Conditions in 2042, 20 years after Kodiak SWD #1 well is completed

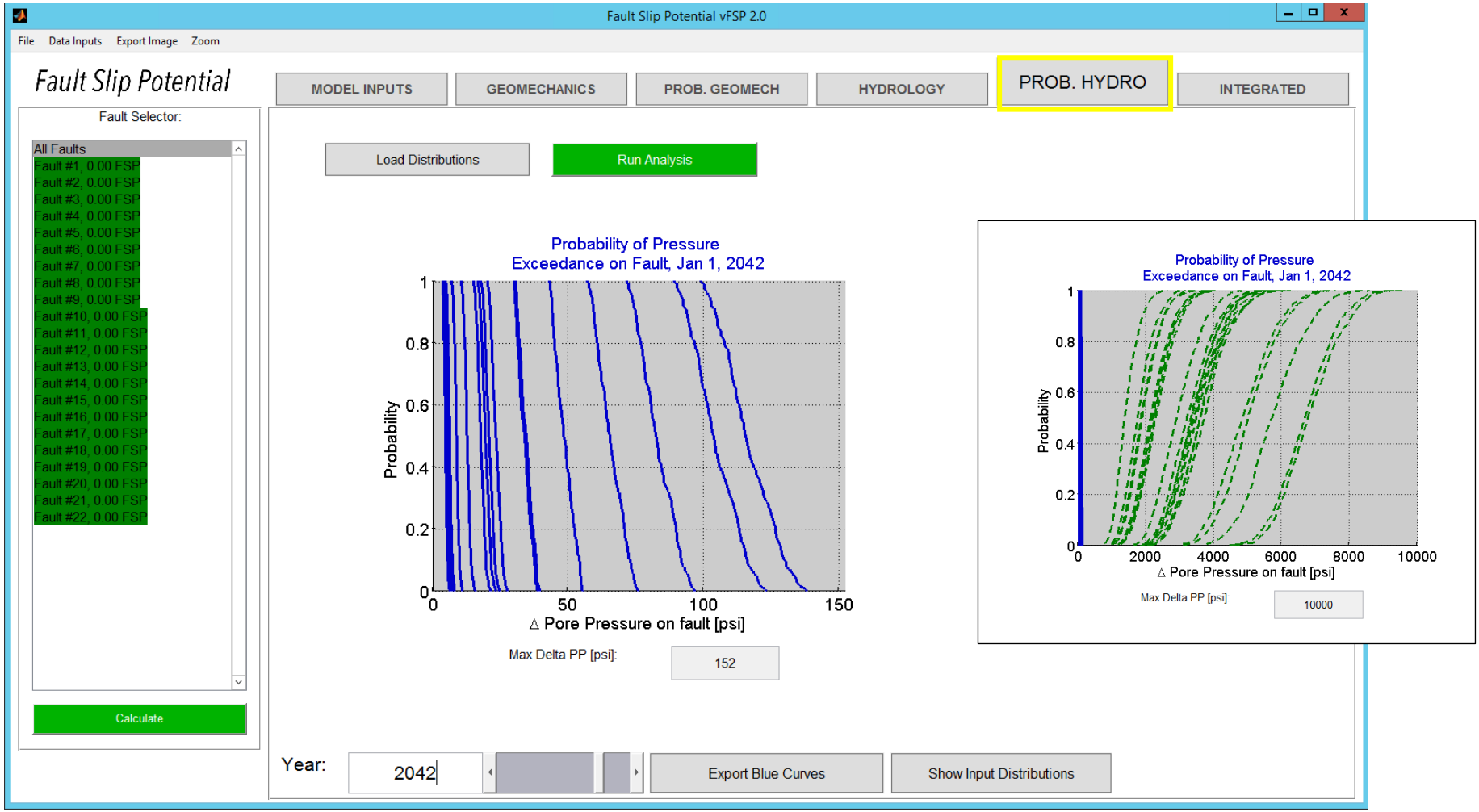


Figure 20 - Model 1 Probabilistic Hydrology Tab, 20 years after completion

The following integrated tabs show the combined results of probabilistic geomechanics and hydrology models run for all 22 Devonian fault segments.

Model 1 – Initial Conditions before Kodiak SWD #1 well is completed

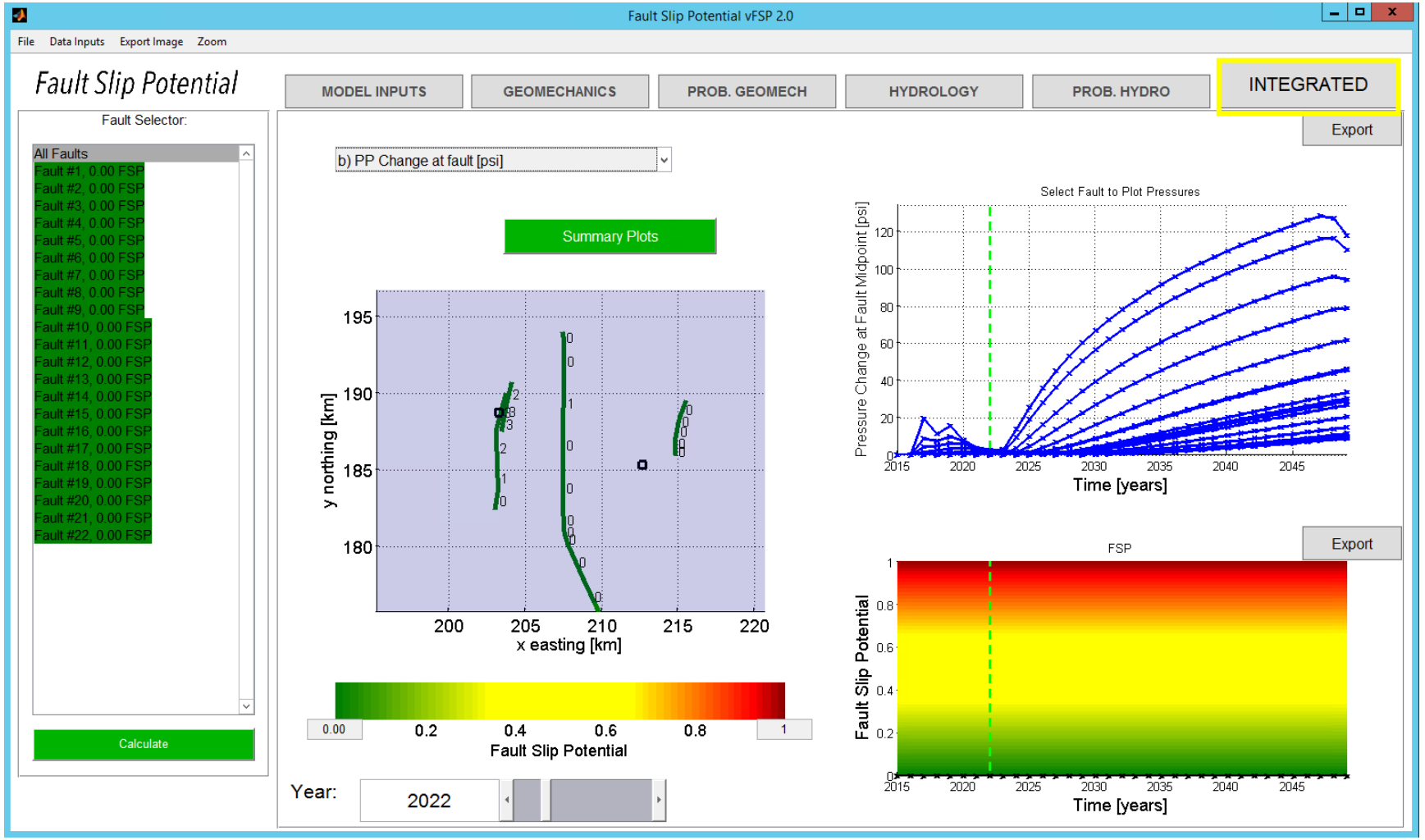


Figure 21 - Model 1 Integrated Tab, Initial Conditions before Kodiak completed

Pore Pressure change (psi) is posted for each fault segment.

Model 1 – Initial Conditions before Kodiak SWD #1 well is completed

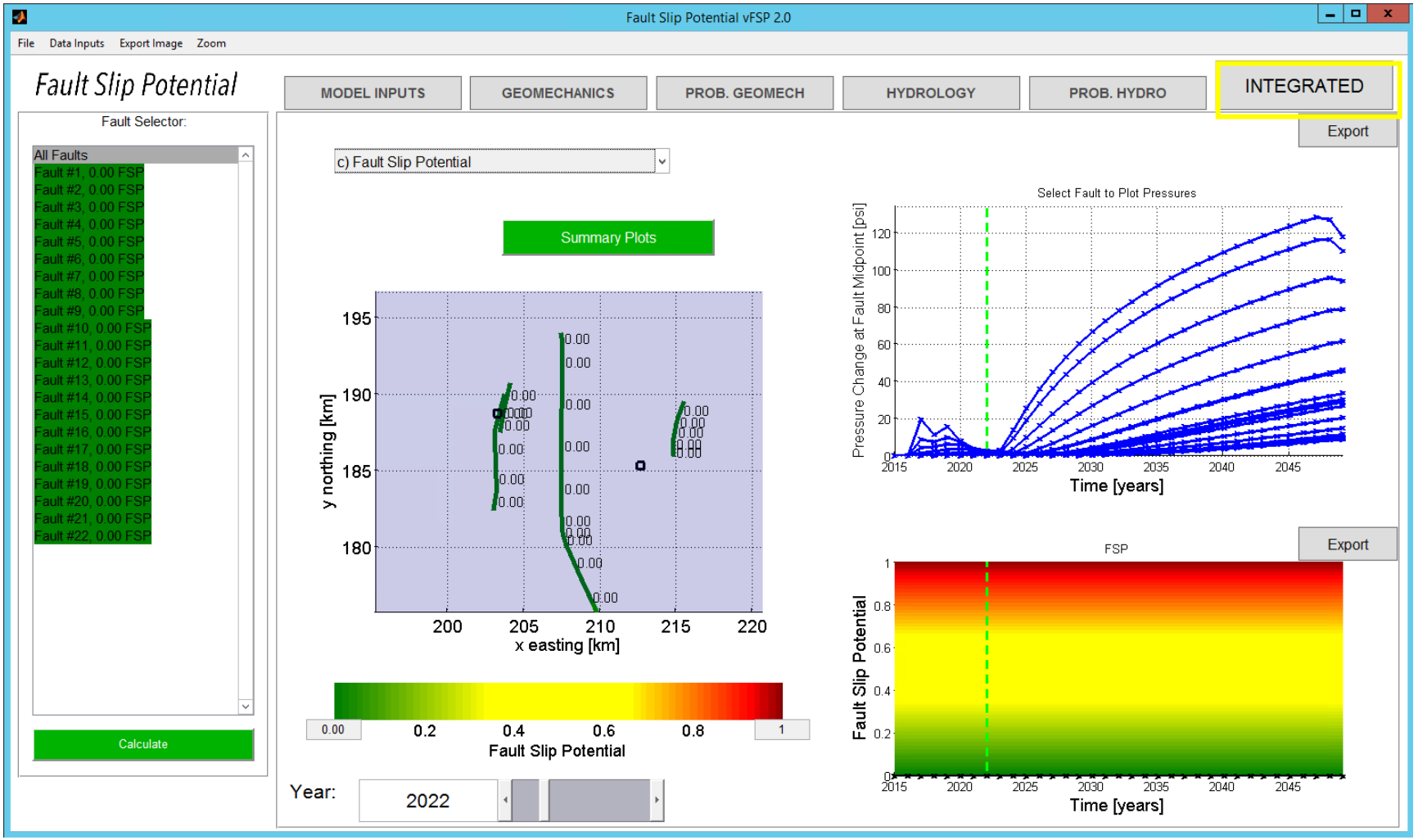


Figure 22 - Model 1 Integrated Tab, Initial Conditions

Fault Slip Potential for each fault segment is posted as a percentage likelihood.

Model 1 – Conditions in 2042, 20 years after Kodiak SWD #1 well is completed

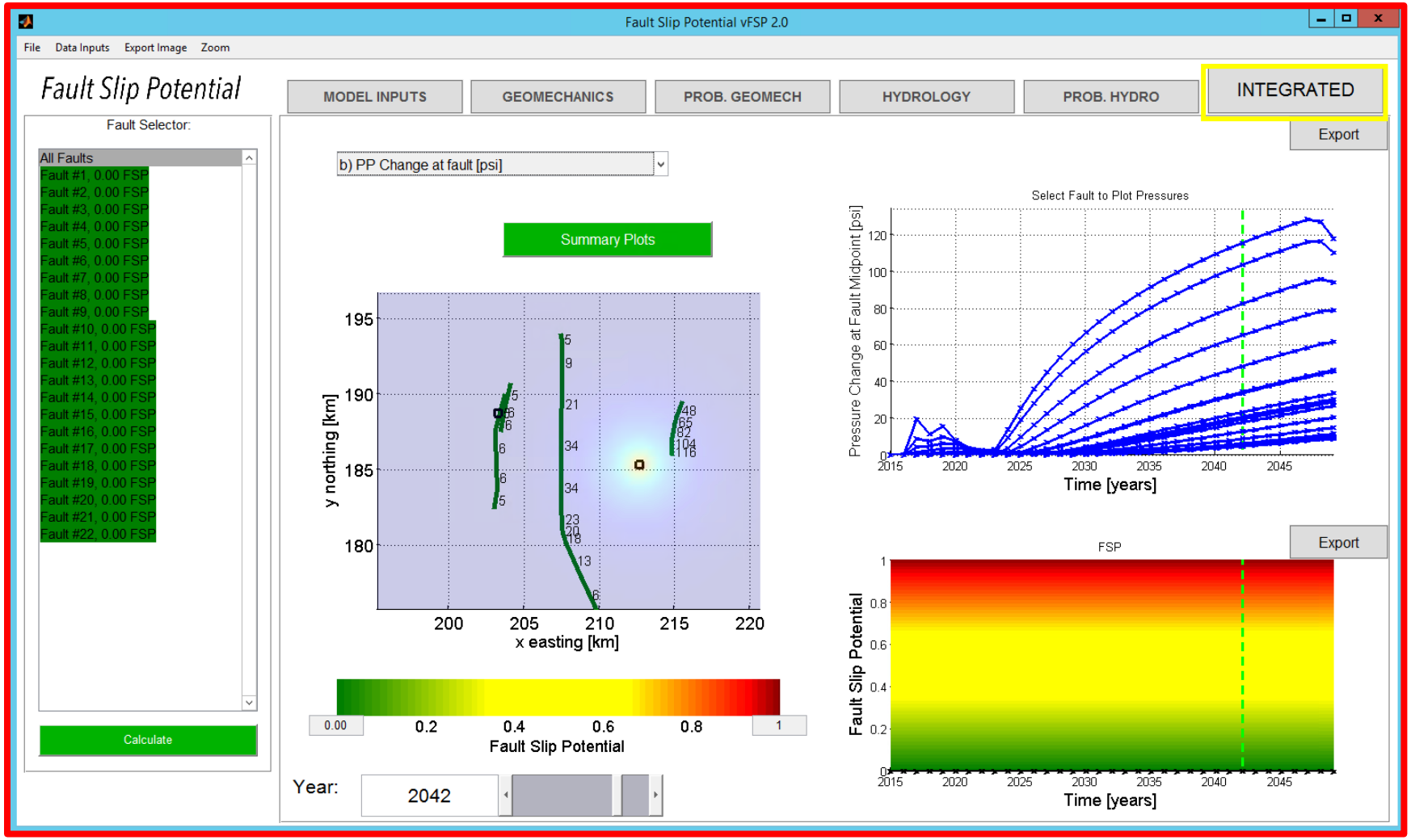


Figure 23 - Model 1 Integrated Tab, 20 years after completion

Pore Pressure change (psi) is posted for each fault segment.

Model 1 – Conditions in 2042, 20 years after Kodiak SWD #1 well is completed

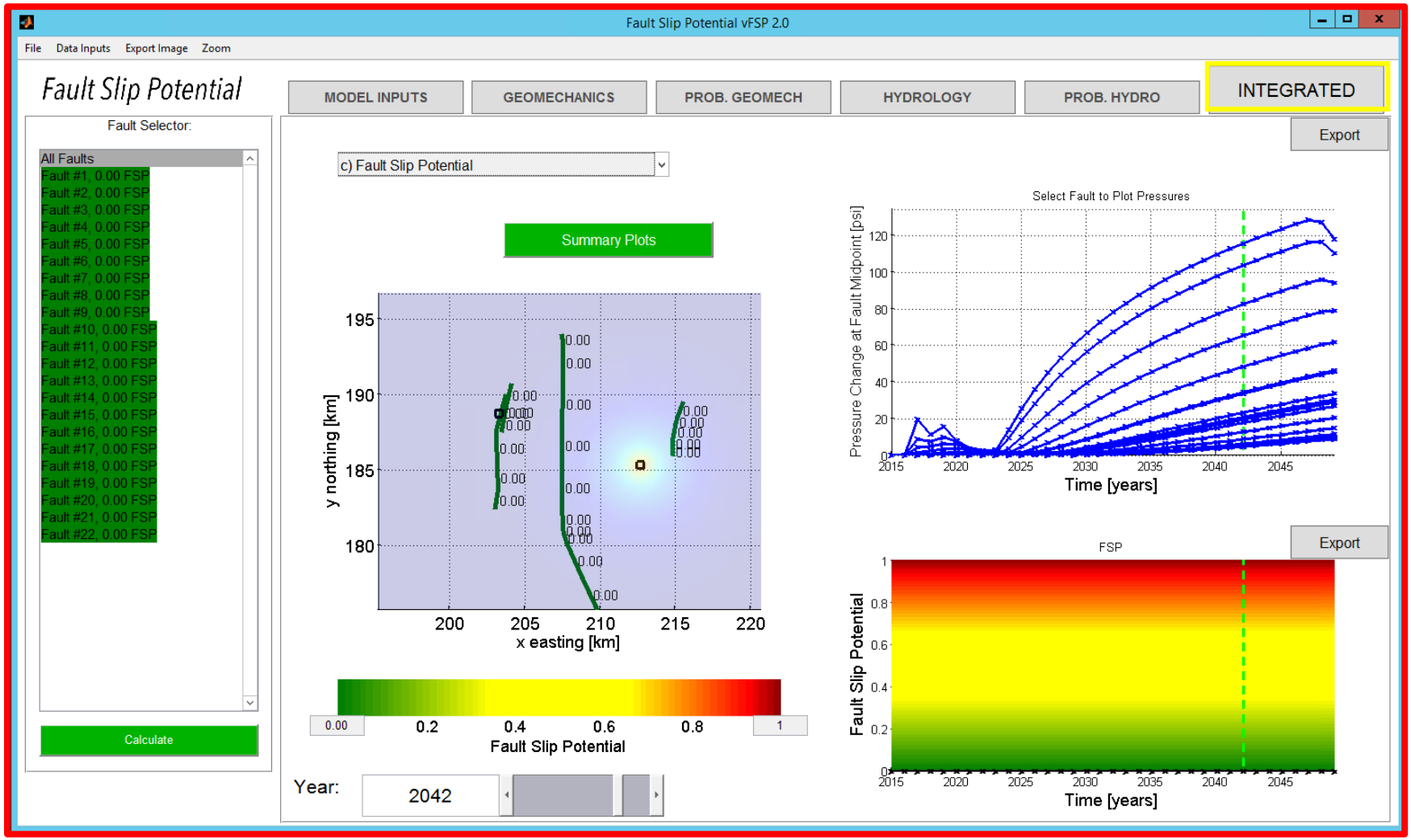


Figure 24 - Model 1 Integrated Tab, 20 years after completion

Fault Slip Potential for each fault segment is posted as a percentage likelihood.

3.0 FSP Analysis MODEL 2 – Devonian Faults - Only Kodiak SWD #1 well

Model #2 only incorporates the proposed Kodiak SWD #1 well with proposed injection rate of 25,000 barrels per day, or an average of 760,417 barrels per month.

All other parameters remain consistent as Model #1 such as faults, stress regime, reservoir, and probabilistic parameters. Below is the only change regarding Model #1 with respect to injector data.

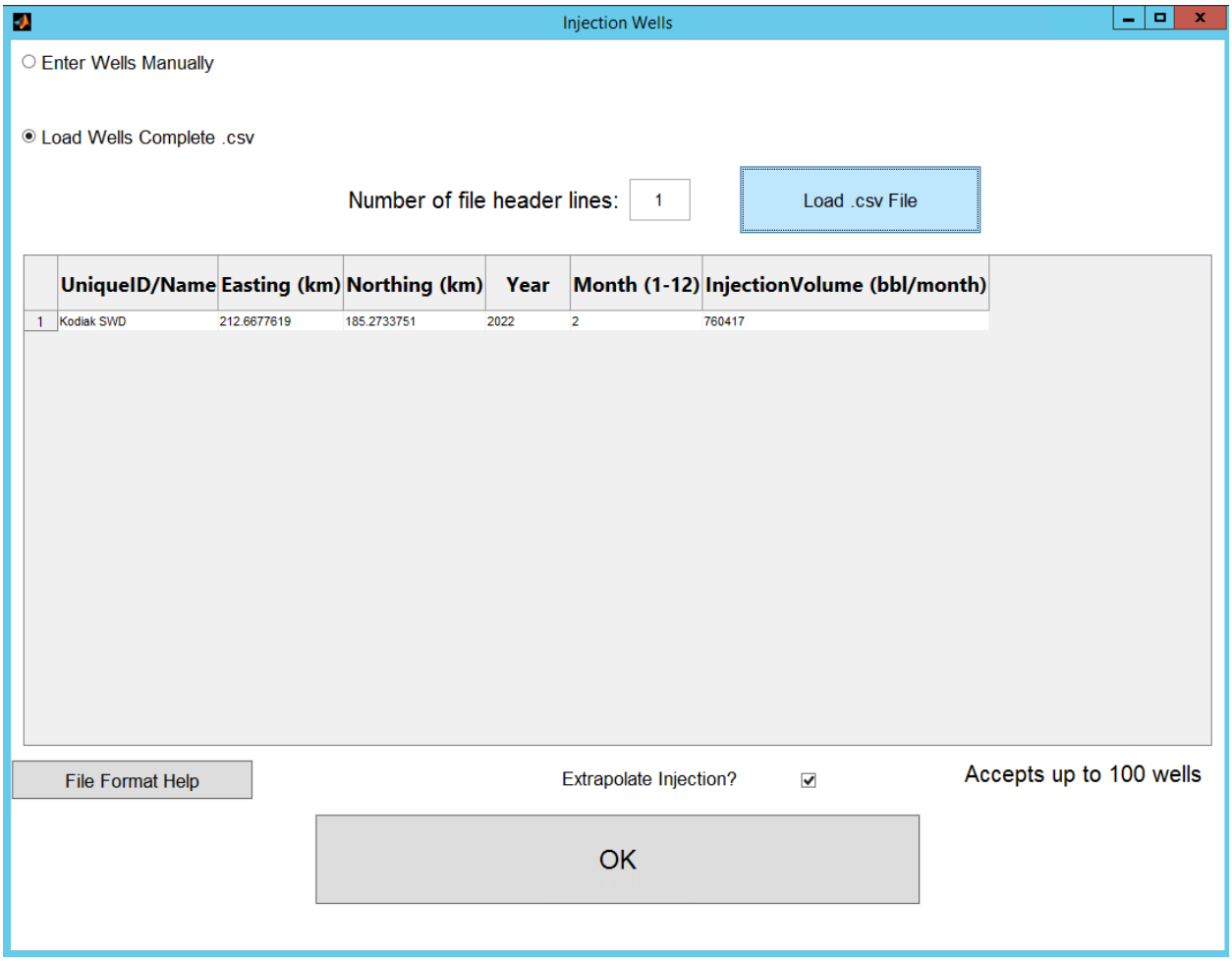


Figure 25 - Model 2 Injector Input

Model 2 - Devonian

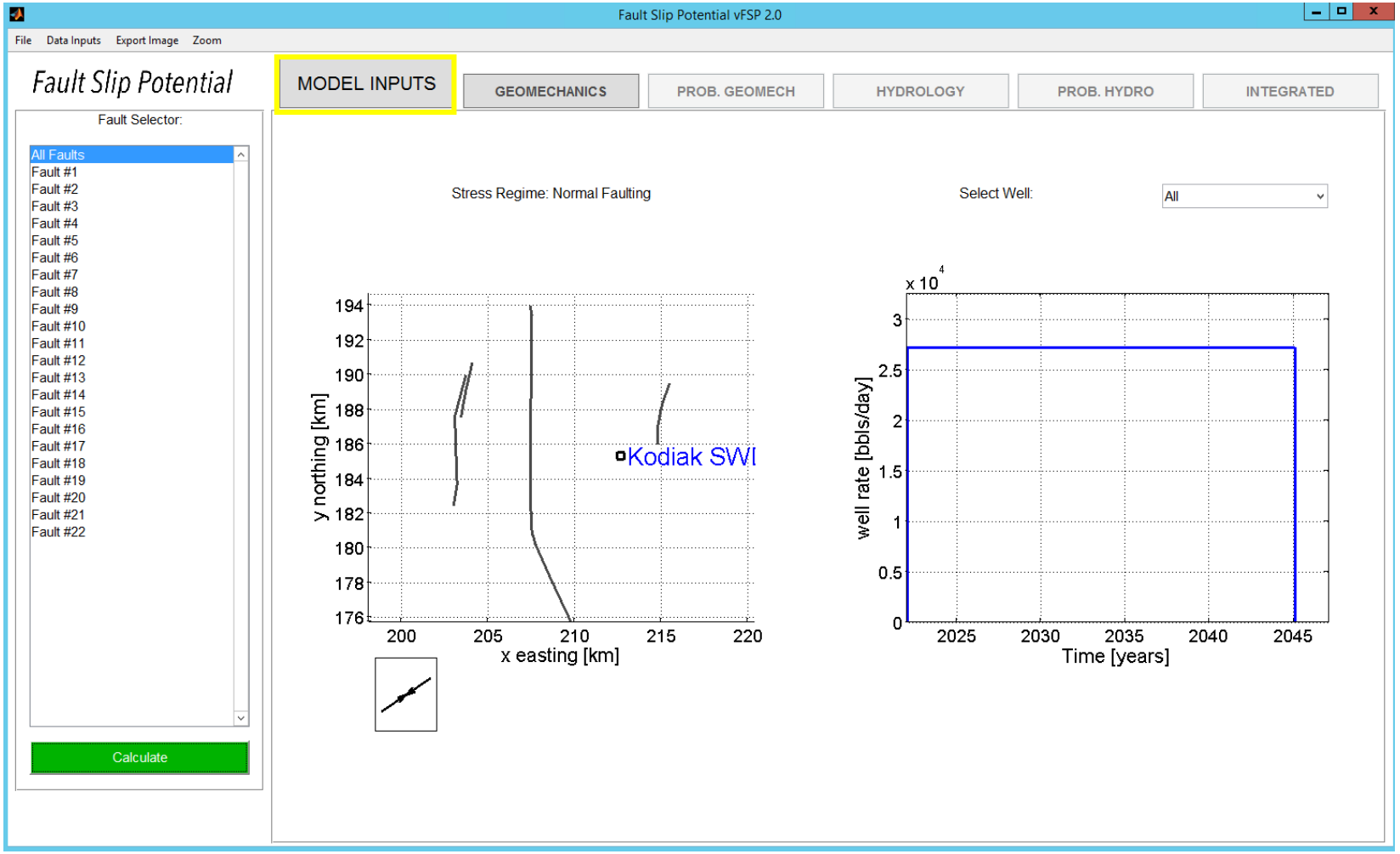


Figure 26 - Model 2 Inputs Tab

The following FSP result tabs are for the second model which includes only the proposed injection well.

Model 2 – Initial conditions before Kodiak SWD #1 well is completed

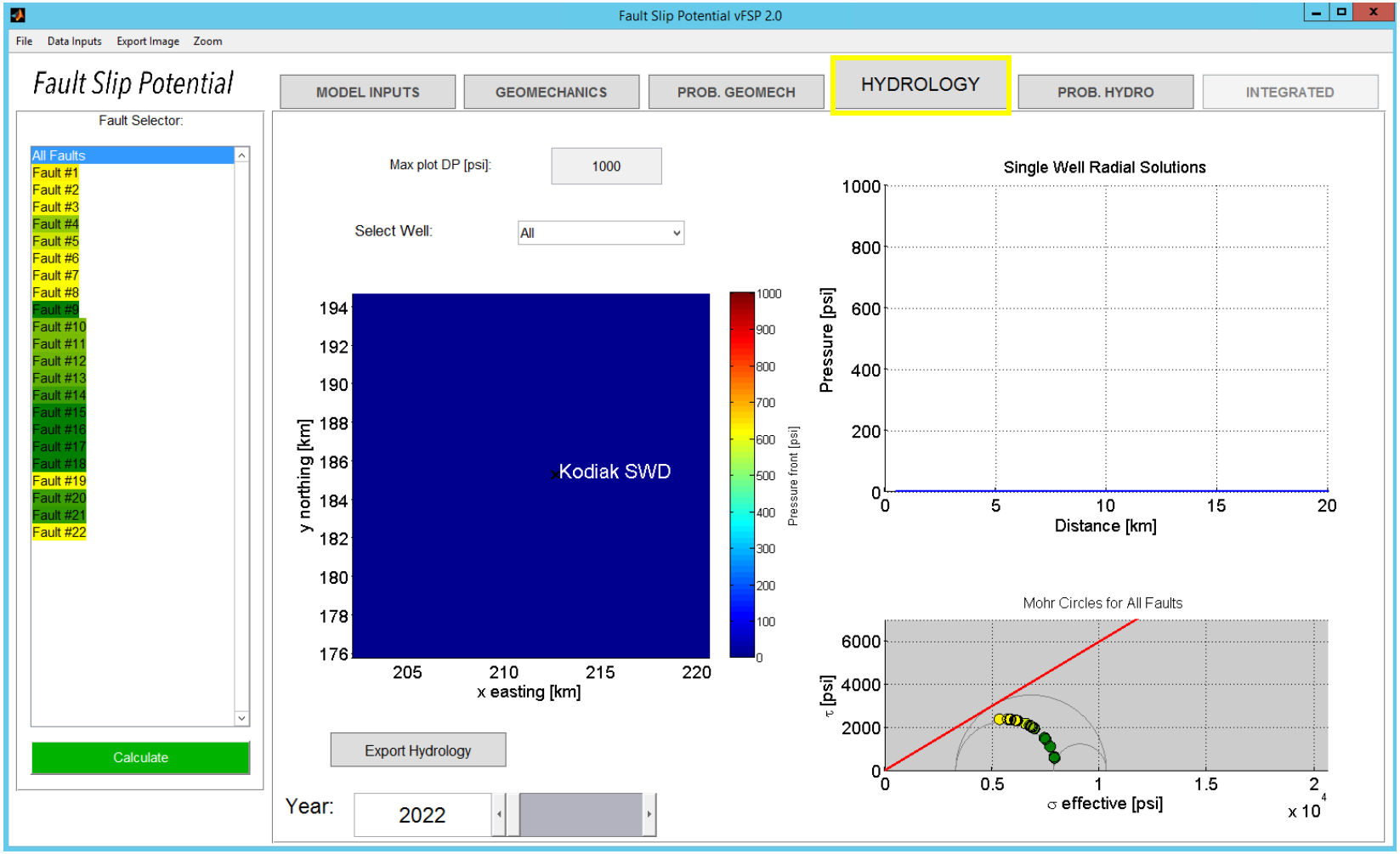


Figure 27 - Model 2 Hydrology Tab, Initial Conditions

Model 2 - Conditions in 2042, 20 years after Kodiak SWD #1 well is completed.

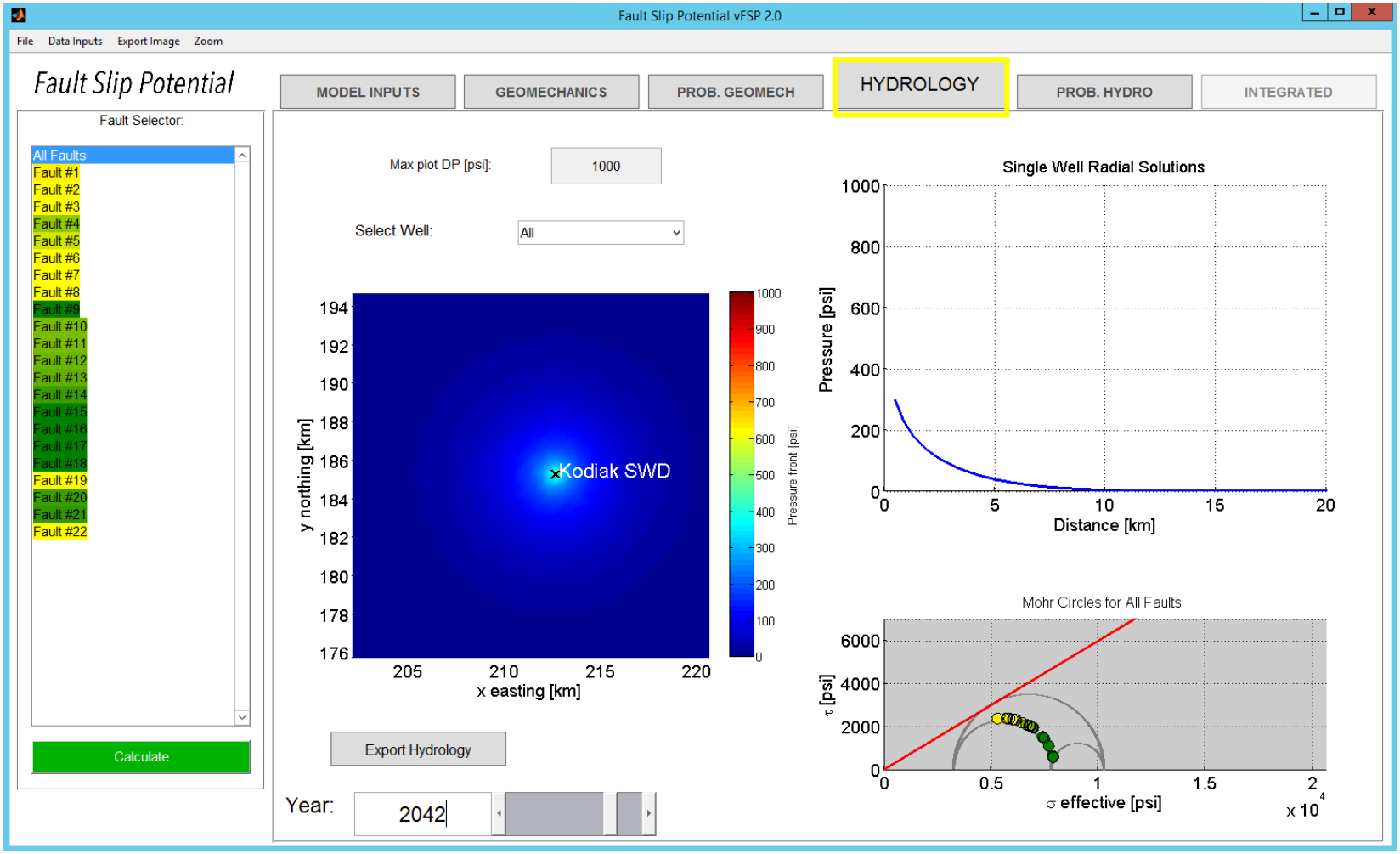


Figure 28 - Model 2 Hydrology Results, 20 years after Completion

Model 2 – Initial Conditions before Kodiak SWD #1 well is completed

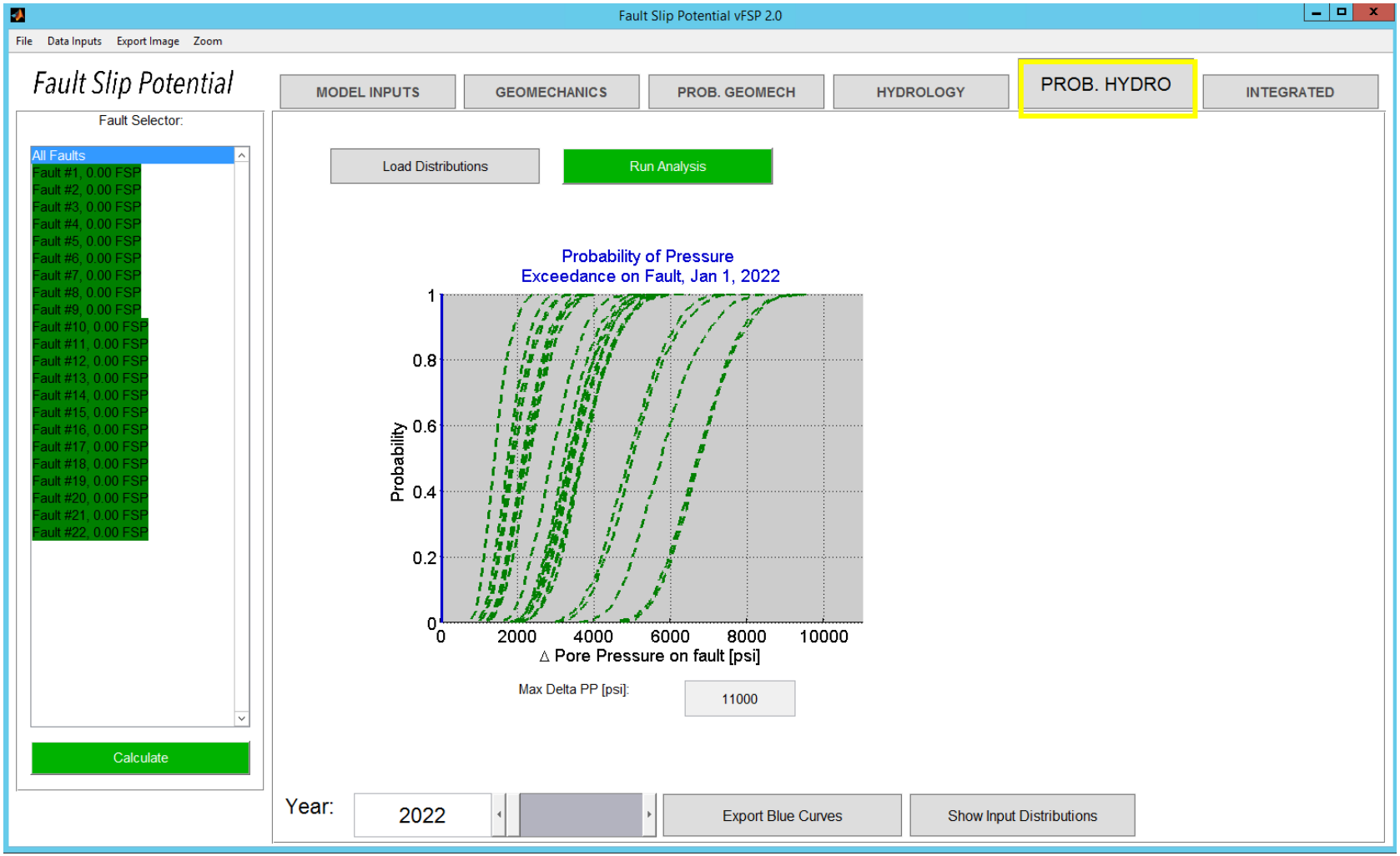


Figure 29 - Model 2 Probabilistic Hydrology Results Tab, Initial Conditions

Model 2 – Conditions in 2042, 20 years after Kodiak SWD #1 well is completed

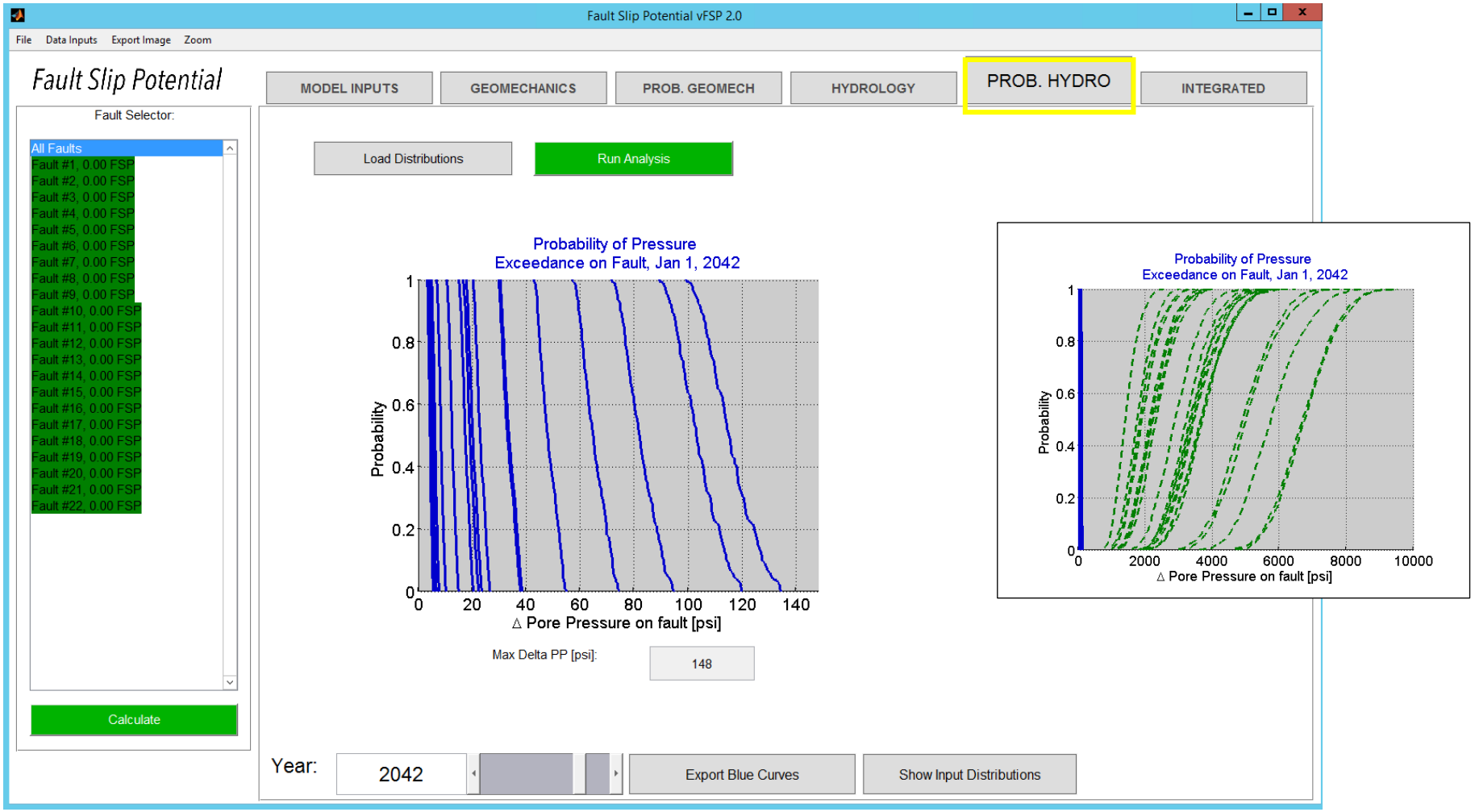


Figure 30 - Model 2 Probabilistic Hydrology Results Tab, 20 years after completion

Only includes proposed injector, held constant at the permitted rate.

Model 2 – Initial Conditions before Kodiak SWD #1 well is completed

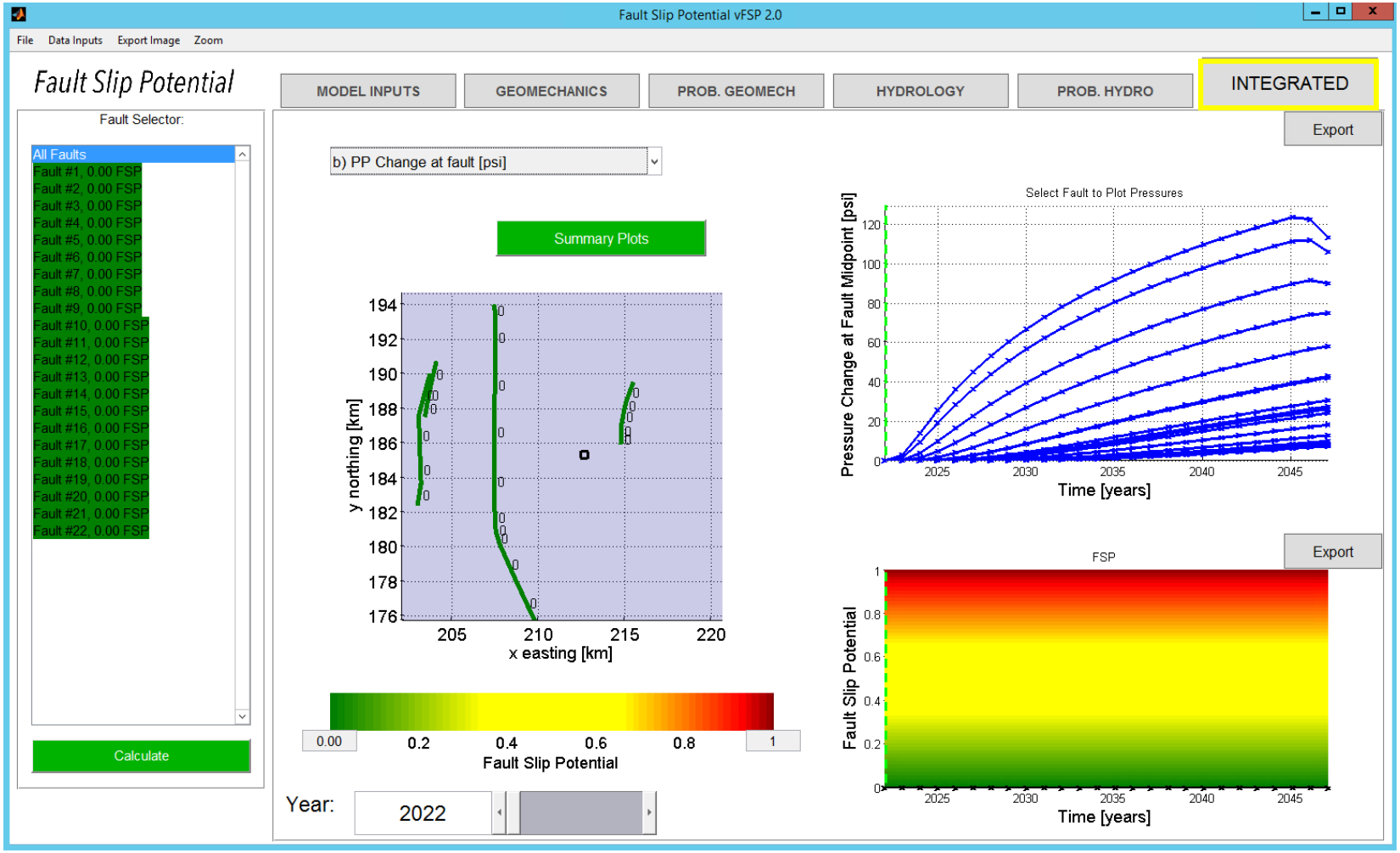


Figure 31 - Model 2 Integrated Results Tab, Initial Conditions

Pore Pressure change (psi) is posted for each fault segment.

Model 2 – Initial Conditions before Kodiak SWD #1 well is completed

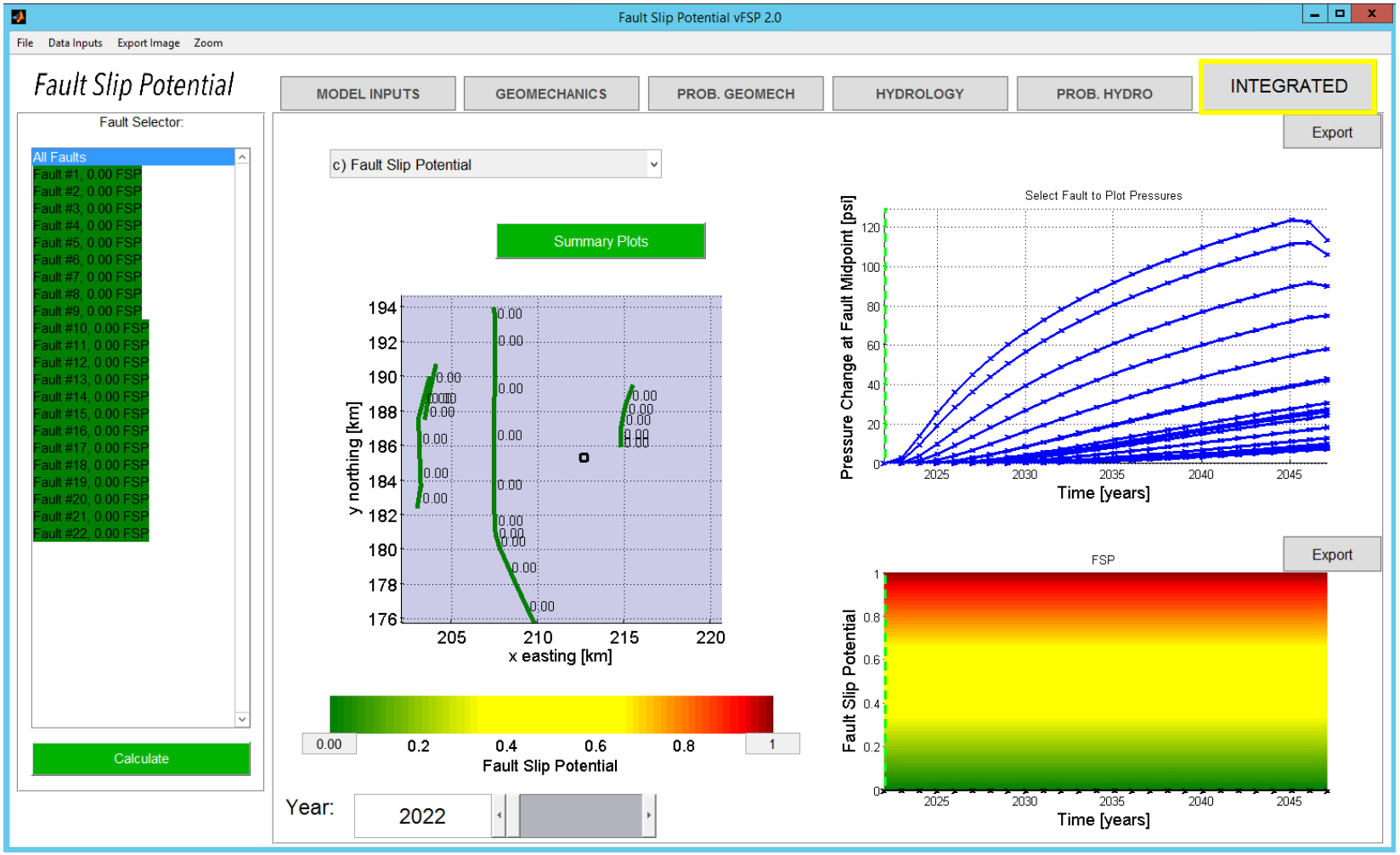


Figure 32 - Model 2 Integrated Results Tab, Initial Conditions

Fault Slip Potential for each fault segment is posted as a percentage likelihood.

Model 2 – Conditions in 2042, 20 years after Kodiak SWD #1 well is completed

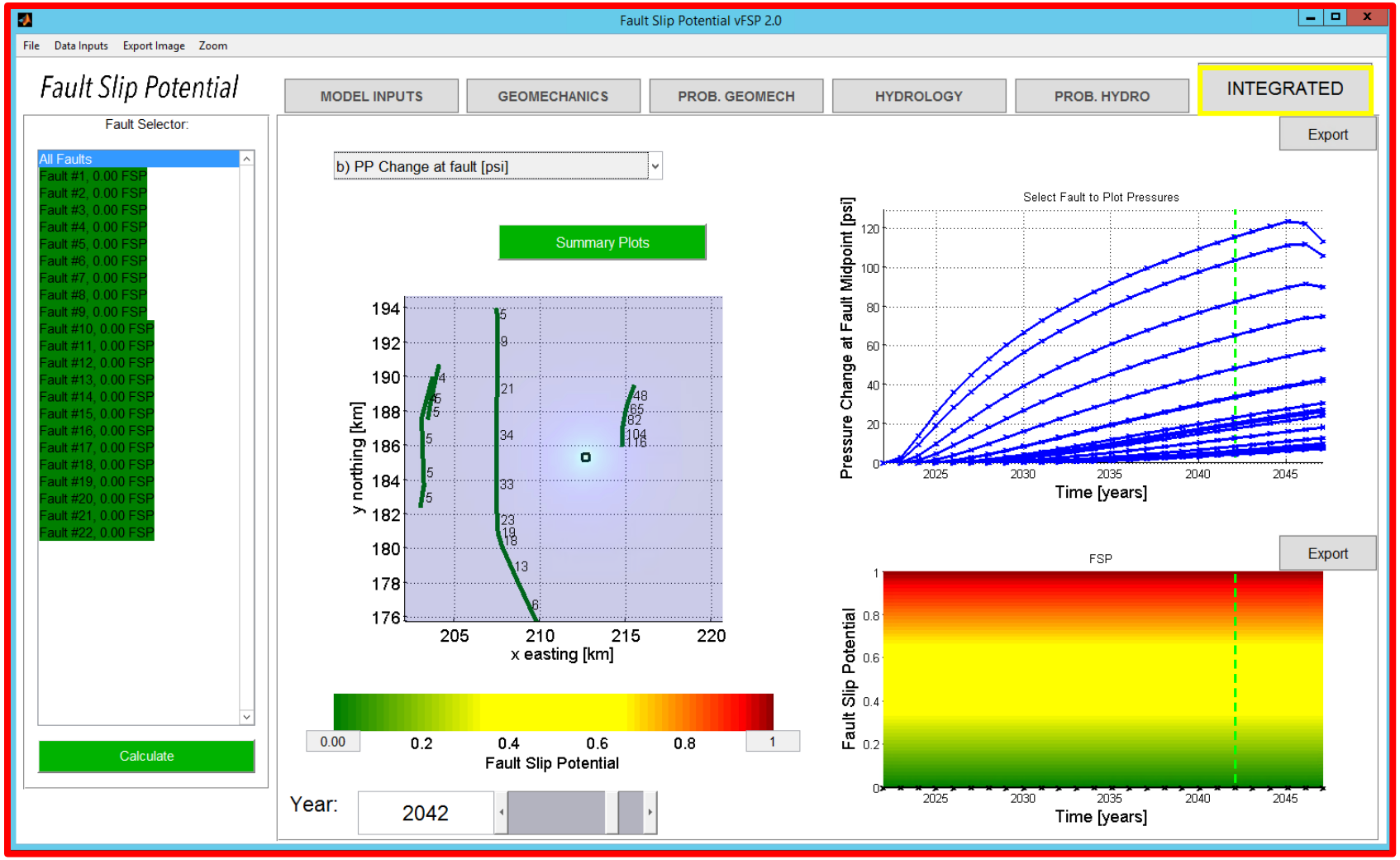


Figure 33 - Model 2 Integrated Results Tab, 20 years after completion

Pore Pressure change (psi) is posted for each fault segment.

Model 2 – Conditions in 2042, 20 years after Kodiak SWD #1 well is completed

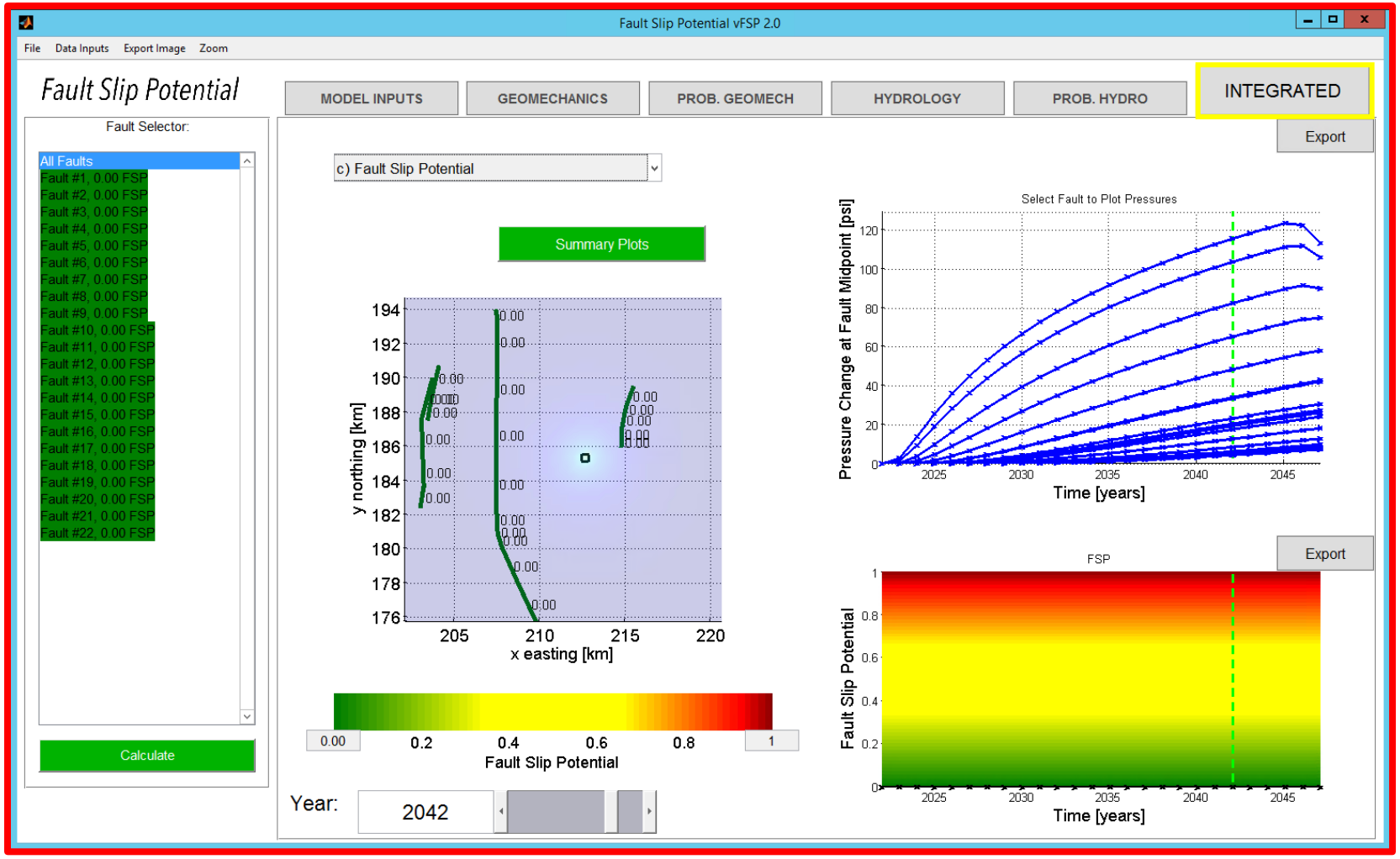


Figure 34 - Model 2 Integrated Results Tab, 20 years after completion

Fault Slip Potential for each fault segment is posted as ain percentage likelihood.

4.0 MODEL 1 FSP Analysis Results

Model 1 1 Injection Wells, Kodiak SWD & Devonian faults					
Fault	**Pore Pressure to Slip**	**PP Change 2022**	**FSP 2022**	**PP Change 2042**	**FSP 2042**
1	1382	0	0.00	48	0.00
2	1866	0	0.00	65	0.00
3	2196	0	0.00	82	0.00
4	3262	0	0.00	104	0.00
5	2928	0	0.00	116	0.00
6	1912	2	0.00	5	0.00
7	2165	3	0.00	6	0.00
8	2258	3	0.00	6	0.00
9	5063	0	0.00	6	0.00
10	3368	0	0.00	8	0.00
11	3368	1	0.00	21	0.00
12	3435	0	0.00	34	0.00
13	3489	0	0.00	34	0.00
14	3654	0	0.00	23	0.00
15	4899	0	0.00	20	0.00
16	5845	0	0.00	18	0.00
17	6832	0	0.00	13	0.00
18	6950	0	0.00	6	0.00
19	1783	3	0.00	5	0.00
20	3682	2	0.00	6	0.00
21	3723	1	0.00	6	0.00
22	2312	0	0.00	5	0.00

Table 1 - Model 1 FSP Results per fault segment

5.0 MODEL 2 FSP Analysis Results

Model 2 Kodiak SWD & Devonian faults					
Fault	**Pore Pressure to Slip**	**PP Change 2022**	**FSP 2022**	**PP Change 2042**	**FSP 2042**
1	1382	0	0.00	48	0.00
2	1866	0	0.00	65	0.00
3	2196	0	0.00	82	0.00
4	3262	0	0.00	104	0.00
5	2928	0	0.00	116	0.00
6	1912	0	0.00	4	0.00
7	2165	0	0.00	5	0.00
8	2258	0	0.00	5	0.00
9	5063	0	0.00	5	0.00
10	3368	0	0.00	8	0.00
11	3368	0	0.00	21	0.00
12	3435	0	0.00	34	0.00
13	3489	0	0.00	33	0.00
14	3654	0	0.00	23	0.00
15	4899	0	0.00	19	0.00
16	5845	0	0.00	18	0.00
17	6832	0	0.00	13	0.00
18	6950	0	0.00	6	0.00
19	1783	0	0.00	4	0.00
20	3682	0	0.00	5	0.00
21	3723	0	0.00	5	0.00
22	2312	0	0.00	5	0.00

Table 2 - Model 2 FSP Results per fault segment

6.0 Recorded Seismicity

Between 1/1/1900 and 3/01/2022 **0 earthquakes** with magnitudes 2 or greater were recorded by **USGS or TexNet** within the Kodiak SWD #1 FSP AOI (6 miles).

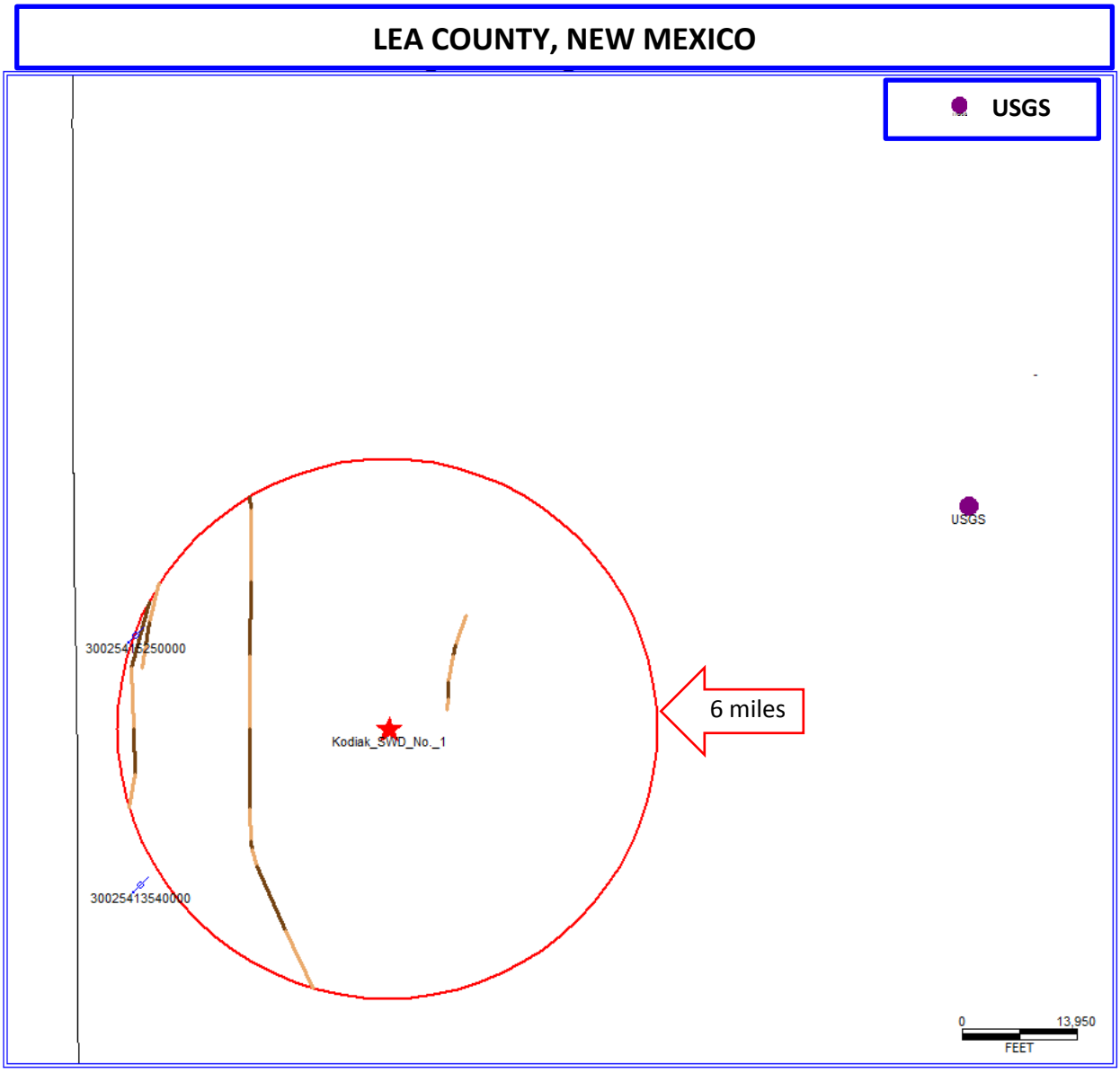


Figure 35 – USGS reported seismicity

0 Earthquakes with magnitude of 2 or greater inside the Kodiak SWD #1 FSP ANALYSIS AREA

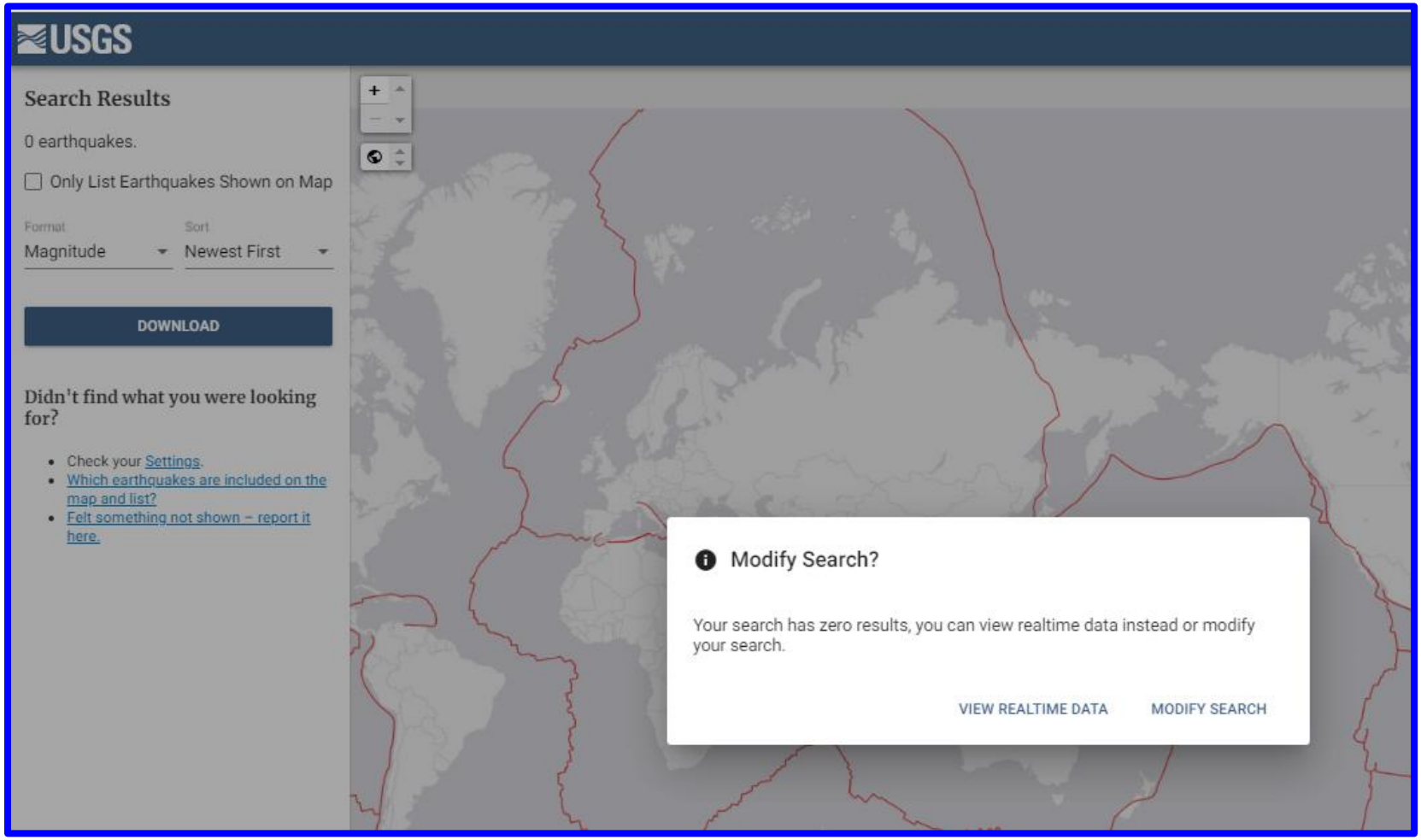


Figure 36 - USGS Earthquake catalog within Kodiak SWD #1 FSP AOI

0 Earthquakes with magnitude of 2 or greater inside the Kodiak SWD #1 FSP ANALYSIS AREA

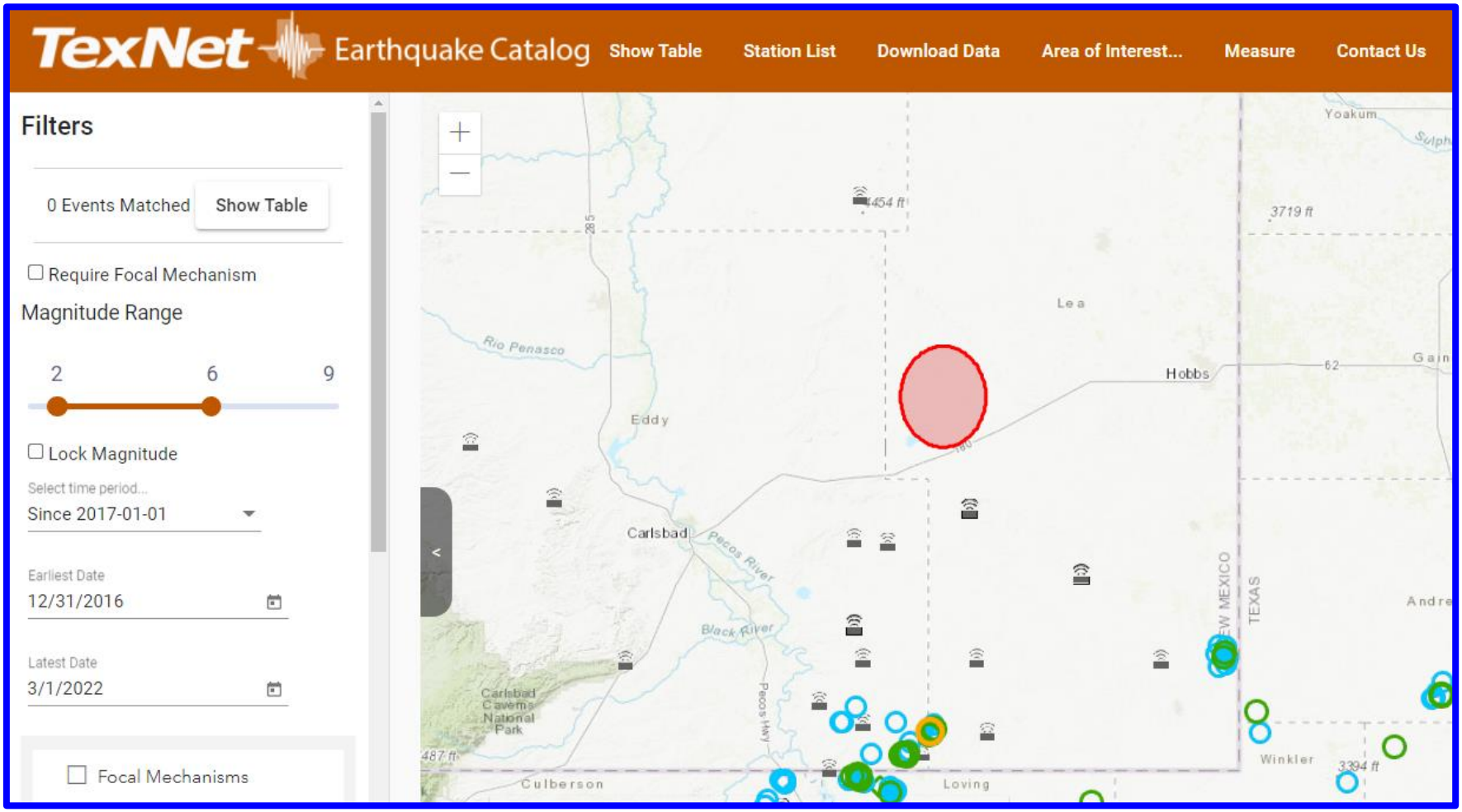


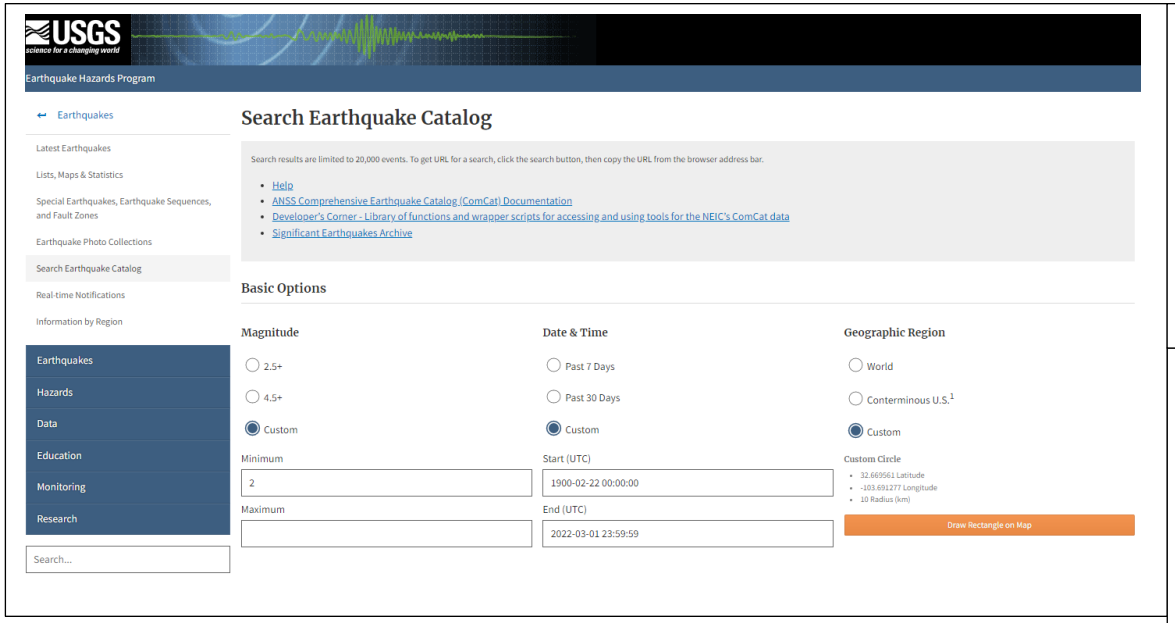
Figure 37 - TexNet Earthquake catalog within Kodiak SWD #1 FSP AOI

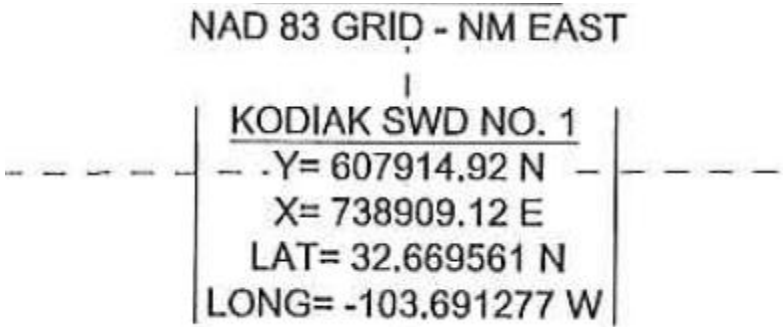
7.0 Conclusion

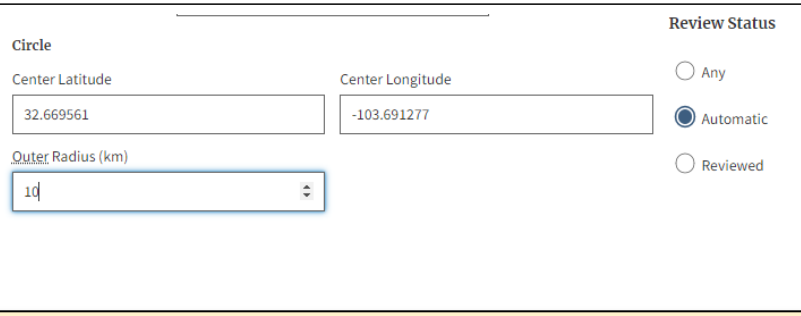
Two (2) FSP models were run within Kodiak SWD #1 AOI analyzing the Devonian fault traces, the first included all currently active injectors and select permitted injectors within the 6-mile AOI (including the proposed Kodiak SWD #1 location), and the second model only includes the proposed SWD well. The reservoir and stress parameters for the proposed injection interval do not increase the potential for the faults analyzed to slip.

In our opinion the proposed Kodiak SWD #1 injection well does not pose a risk of increasing seismicity within this FSP AOI.

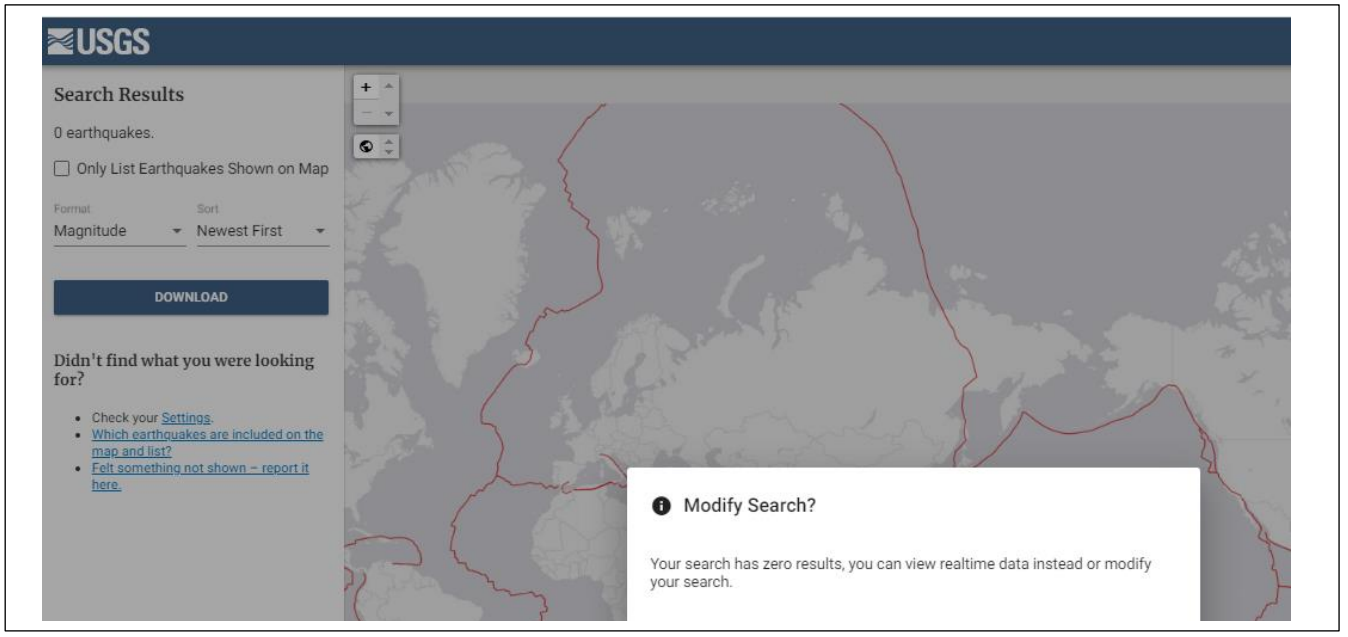
Appendix 1 - Earthquake Backup

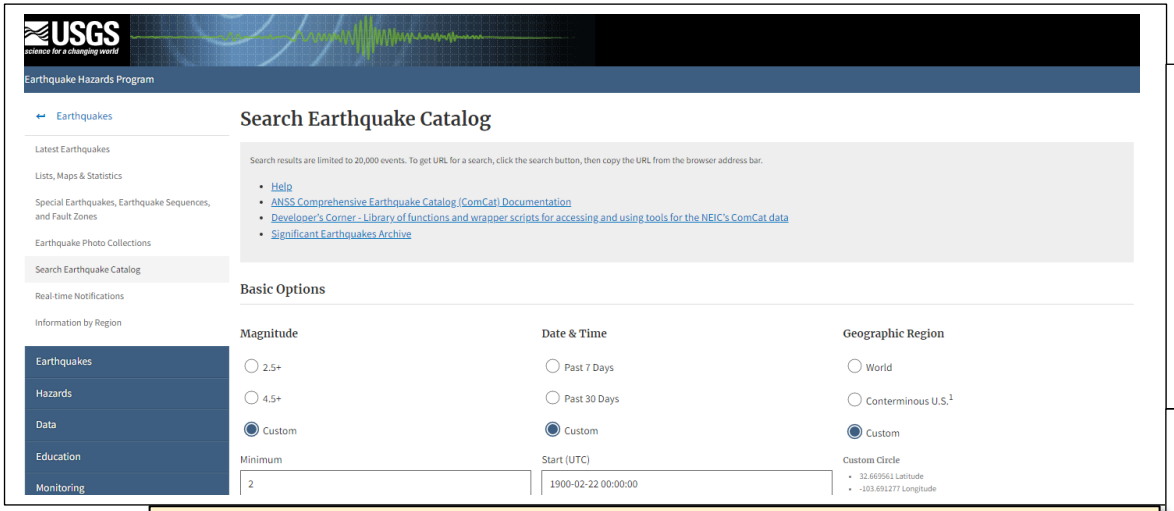




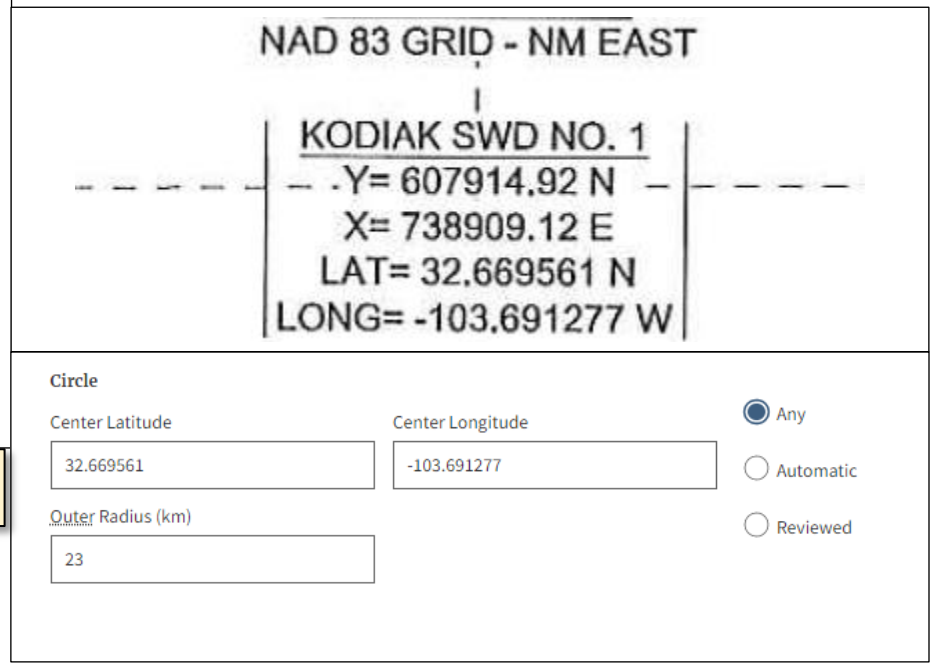


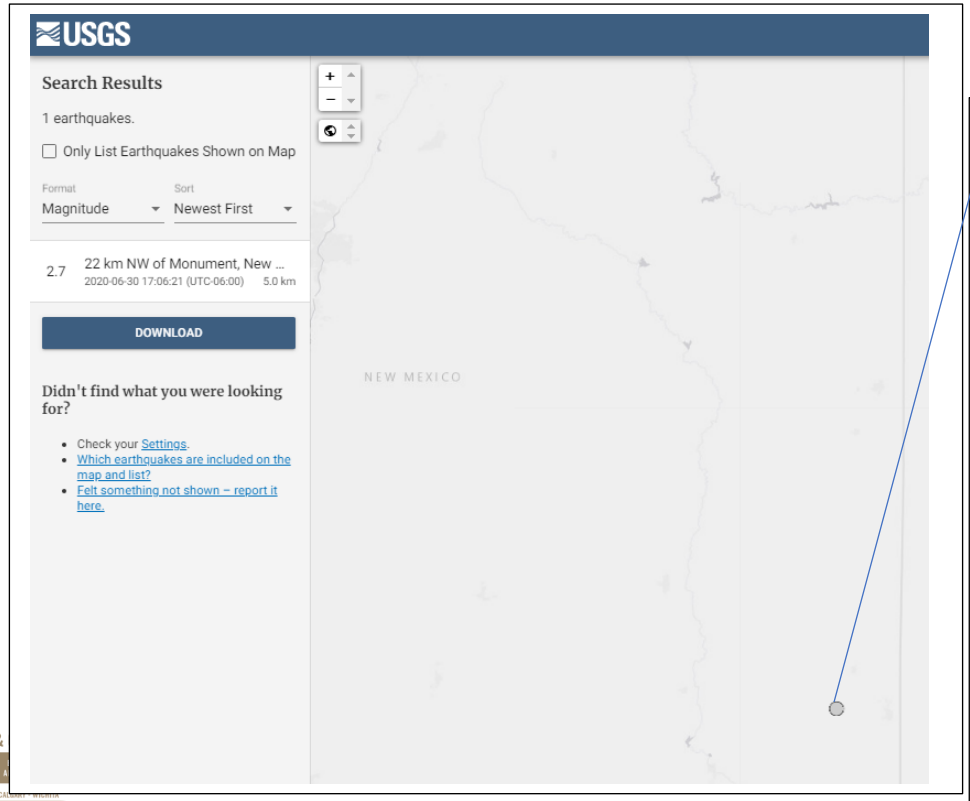
0 Earthquakes with magnitude of 2 or greater inside the Kodiak SWD #1 FSP ANALYSIS AREA

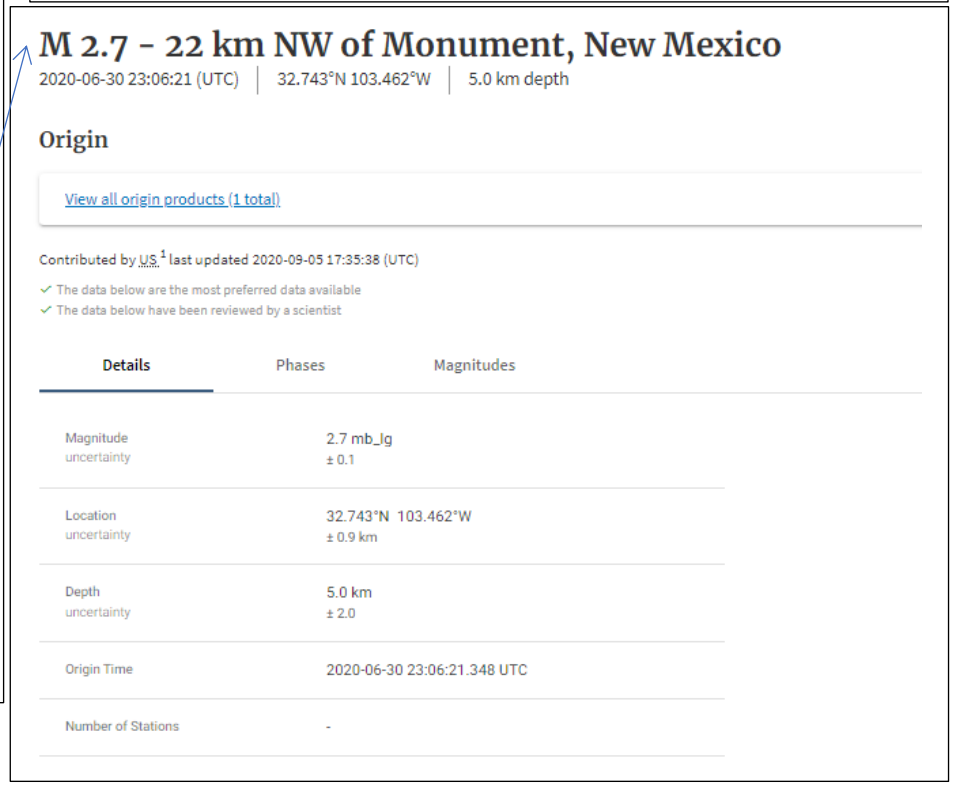




One USGS earthquake within 23 km of the Kodiak

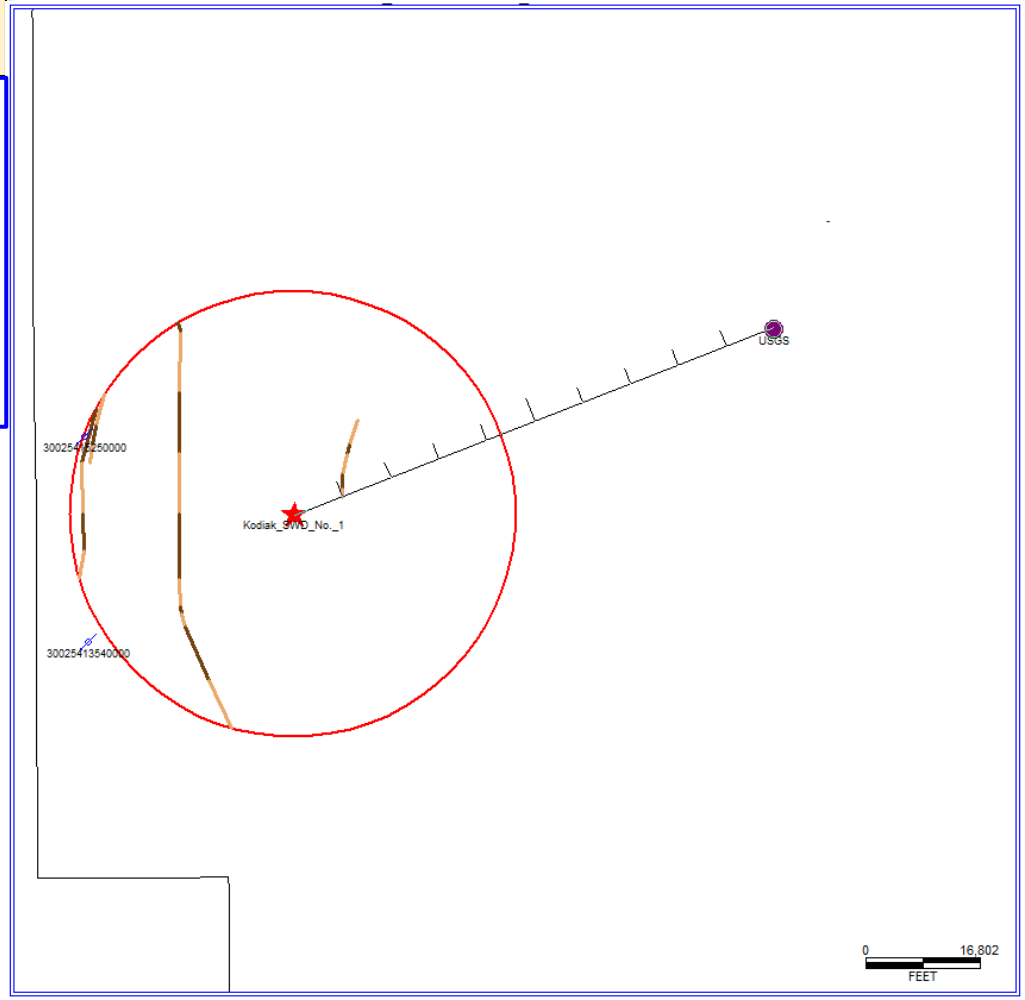




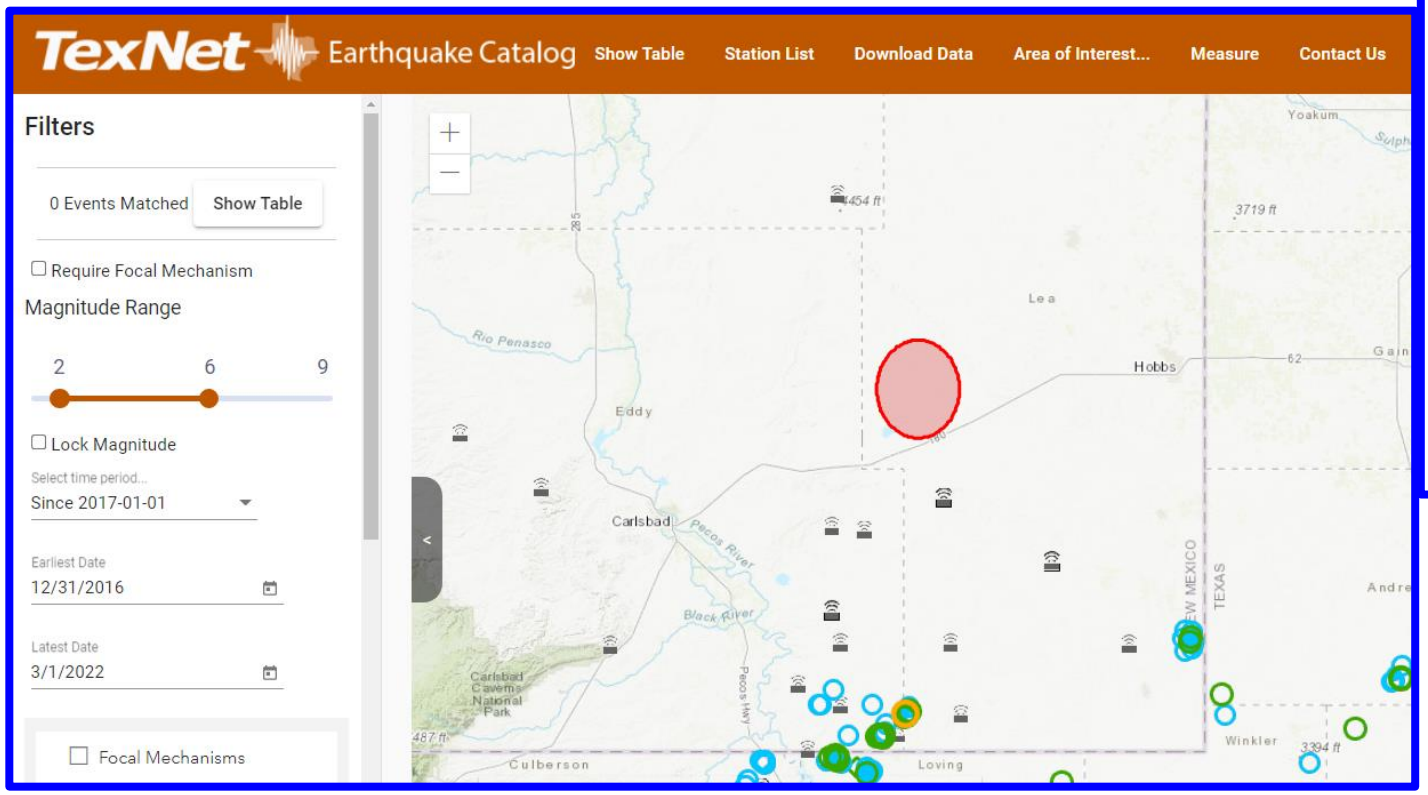


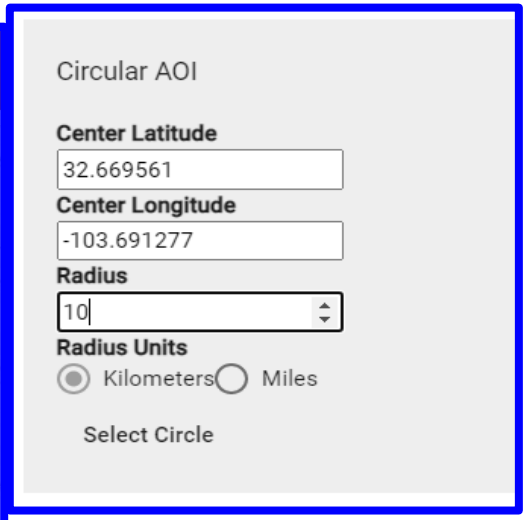
Kodiak SWD #1

The closest earthquake it's *23.09 km* (14.35 miles) away from Kodiak SWD #1.
NAME: M 2.7 - 22 km NW of Monument, New Mexico**.**
DATE: 2020-06-30 23:06:21 (UTC).
LOCATION: NAD 27; Lat 32.7423828643, Long -103.4610034502,
Mag; 2.7



ZERO earthquakes within 10 km of the Kodiak SWD #1





The closest earthquakes using TexNet are about 76.12 km away from Kodiak SWD #1