

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

APPLICATION OF INVITO OPERATING, LLC
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

Case No. 22925

ENTRY OF APPEARANCE

COMES NOW, William Chris Barnhill, President of Tierra Oil Company, LLC, and hereby enters his appearance on behalf of Tierra Oil Company, LLC, and on behalf of J Bar Cane Royalty, LLC, Trevor S. Turmelle, Spinnaker Investments LP, and David W. Head and Norma G. Head.

Respectfully submitted,

TIERRA OIL COMPANY, LLC



W. Chris Barnhill, President
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Santa Fe, NM 87504
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gdonnelly@eastlandoil.com
dhed5@yahoo.com

cc: Dana S. Hardy-Attorney for Invito Operating, LLC
dhardy@hinklelawfirm.com

Eddie Graham-Invito Operating, LLC
Eddie.graham10@gmail.com

**ENTRY OF APPEARANCE
TABLE OF CONTENTS**

1. **Summary:** The parties filing this Entry Of Appearance, hereinafter referred to as "Mineral Owners" own a collective thirty-three (33) net mineral acres located in the SE4NE4 and E2SE4 of Section 12-T9S-R33E. The entire mineral position of the Mineral Owners is currently unleased. One hundred percent (100%) of the subject mineral interest is under the proposed Invito Operating, LLC-Wagoneer #1H well with a drilling unit comprised of E2E2 of Section 12-T9S-R33E and subject to this Compulsory Pooling Case No. 22925. The subject mineral interest comprises twenty percent (20%) of Invito's entire drilling unit. Invito has made a written offer to the Mineral Owners to either 1) participate in the drilling of the Wagoneer #1H or 2) lease to Invito for \$150 per net mineral acre, 18 month primary term and a 15% lease royalty. All of the Mineral Owners are not interested in participating in the drilling and completion of the Wagoneer #1 and **all of the Mineral Owners find the Invito lease proposal completely unfair and extremely below market value.** The Mineral Owners present the following attachments to substantiate their claims:
2. **Attachment #1:** Copy of a fully executed Oil & Gas Lease and recorded Memorandum Of Oil, Gas & Mineral Lease by and between Granero Colina, LLC, affiliate and predecessor of Tierra Oil Company, LLC, (as Lessor) dated 5/3/2016, **providing for a 1/4 royalty, 3 year term and \$550 per net acre bonus consideration** and covering SE4NE4 and E2SE4 of Section 12-T9S-R33E.
3. **Attachment #2:** Spreadsheet summarizing Oil & Gas Leases executed by various Lessors located only in Section 12-T9S-R33E and recorded with the Lea County Clerk between the time periods of 825/2005-7/18/2022. **All of the subject leases have a lease royalty rate between 18.75% and 25%.**
4. **Attachment #3:** Spreadsheet summarizing Oil & Gas Leases executed by various Lessors located in all of T9S-R33E and recorded with the Lea County Clerk between the time periods of 3/15/2016-7/18/2022. **All of the subject leases have a royalty rate between 18.75% and 25%.**
5. **Attachment #4:** Copy of the written proposal from Invito Operating, LLC.
6. As a matter of notation only, the Mineral Owners can not find any leases recorded with the Lea County Clerk by Invito Operating, LLC or their affiliates on the lands associated with the Case No. 22925. **It appears highly unusual for an operator pursuing the approval of a Compulsory Pooling application to not have any recorded leases on the subject lands.**

The above mineral owners request that the application by Invito Operating, LLC, for Compulsory Pooling in Case No. 22925 be denied until Invito Operating, LLC can offer an Oil & Gas Lease representing current fair market values that include a 25% lease royalty, a \$500 per net acre bonus and an 18 month term.

Respectfully submitted,



W. Chris Barnhill

Tierra Oil Company, LLC

OIL & GAS LEASE

THIS AGREEMENT made this 3rd day of May, 2016 between Granero Colina, LLC, a New Mexico Limited Liability Company, whose address is P.O. Box 1948, Santa Fe, New Mexico 87504, herein called lessor (whether one or more) and Pedregosa Partners, LLC, 17341 Remington Park Circle, Dallas, Tx 75252-5358, lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata laying pipelines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

SE4NE4, E2SE4 SECTION 12, TOWNSHIP 9 SOUTH, RANGE 33 EAST, LEA COUNTY, NEW MEXICO.

Said land is estimated to comprise 120 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, one fourth (1/4) of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of one fourth (1/4) of the gas used, provided that on gas sold on or off the premises, the royalties shall be one fourth (1/4) of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equals to \$1.00 per net acre of lessors gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of the lease in the same manner as though a proper payment had been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. A Price shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed: (i) for a vertical well, the standard spacing unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which the land is situated, plus a tolerance of 10% or (ii) for horizontal wells, the acreage dedicated to a Project Area approved by the New Mexico Oil Conservation Division or other lawful authority. Lessee shall file written unit designations in the county in which the premises are located and such units and Project Areas may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of such unit or Project Area shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit and/or Project Area that portion of the total production of pooled minerals from wells in the unit and/or Project Area, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit and/or Project Area bears to the total number of surface acres in the unit and/or Project Area. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit and/or Project Area in the same manner as though produced from said land under the terms of this lease. Any pooled unit or Project Area designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit and/or Project Area.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations for drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 180 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 180 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessors wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right of way at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessors consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil and gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

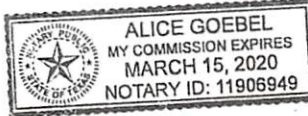
WCB Barnhill

LESSOR:

ACKNOWLEDGMENTS

TEXAS WCB
STATE OF NEW MEXICO S
COUNTY OF SANTA FE S
COMAL WCB

The foregoing instrument was acknowledged before me this 13th day of May, 2016, by W. Chris Barnhill, Managing Member, Granero Colina, LLC, A New Mexico limited Liability Company.



Alice Goebel
Notary Public
Notary's Printed Name: ALICE GOEBEL
My Commission Expires: March 15, 2020

PEDREGOSA PARTNERS, LLC

17341 Remington Park Circle
Dallas, Texas 75252
903-243-1064

April 29, 2016

RE: Oil and Gas Lease

On behalf of Pedregosa Partners, LLC, and myself, I would like to thank you for doing business with us. It has been our pleasure to work with you. We are looking forward to doing business with you in the future.

Terms:

Bonus: \$550.00

Royalty: $\frac{1}{4}$

3 year lease with a 2 year option

If at any time you have questions, please feel free to contact us.

Best Regards,
Janet Weiss

Independent Petroleum Landman
(979)968-2090
janetweisslg@yahoo.com

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

BE IT REMEMBERED that on the 3rd day of May, 2016, an Oil, Gas and Mineral Lease (the "Lease") was made and entered between **GRANERO COLINA, LLC, a New Mexico Limited Liability Company** whose address is P.O. BOX 1948, SANTA FE, NEW MEXICO 87504 , hereinafter referred to as "Lessor" and **PEDREGOSA PARTNERS, LLC.**, whose address is 17341 REMINGTON PARK CIRCLE, DALLAS, TEXAS 75252-5358, as "Lessee", wherein Lessor granted, leased and let exclusively unto Lessee for the purpose and with the exclusive right of exploring, drilling, mining and operating for and producing and owning oil, gas, sulphur and all other minerals, the following described land in Lea County, New Mexico to-wit:

- Tract 1: SE4NE4, E2SE4 SECTION 12, TOWNSHIP 9 SOUTH, RANGE 33 EAST.
- Tract 2: SW4, SECTION 14, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 3: SE4, SW4, SECTION 15, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 4: W2, E2 LESS AND EXCEPT A TRACT IN TH SE4, SECTION 17, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 5: E2, W2SW4 (LOTS 3 & 4) SE4SW4, SECTION 18, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 6: LOT 4, SE4SW4, LOT 2, SE4NW4, SECTION 19, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 7: BEING ALL OF SECTION 20, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 8: BEING ALL OF SECTION 21, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 9: W2, W2NE4 SECTION 22, TOWNSHIP 9 SOUTH, RANGE 34 EAST.
- Tract 10: SE4, SECTION 28, TOWNSHIP 9 SOUTH, RANGE 34 EAST.

Subject to the other provisions therein contained, said Lease provides for a primary term of three (3) years (therein called "primary term"), subject to such extensions as Lessee might earn by conducting drilling operations thereunder or on acreage pooled therewith and as long thereafter as oil or gas or either of them is produced in paying quantities from said land or acreage pooled therewith.

Executed copies of said Lease are in the possession of Lessor and Lessee at their respective addresses indicated above.

This Memorandum of Oil, Gas and Mineral Lease may be executed in any number of

counterparts, each of which, when so executed and delivered, shall be an original, and all of which counterparts together shall constitute on and the same fully executed instrument.

IN WITNESS WHEREOF, this instrument is executed and made effective as of the date first above written.

LESSOR:

W. Chris Barnhill

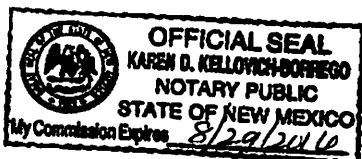
ACKNOWLEDGEMENTS

STATE OF: NEW MEXICO
COUNTY OF: SANTA FE

This instrument was acknowledged before me on this the 10th day of May, 2016, by W. Chris Barnhill, Managing Member, Granero Colina, LLC, A New Mexico Limited Liability Company, acting in the capacity stated herein.

8/29/2016
My Commission Expires

Karen D. Kellovich-Borrego
Notary Public, State of New Mexico



STATE OF NEW MEXICO
COUNTY OF LEA
FILED
At 11:09 o'clock A M
MAY 24 2016



Recorded in Book _____ Page _____
Pat Chappella, Lea County Clerk
By Chasi Long Deputy

BOOK 2027 PAGE 128

49982

Untitled Search
OIL + GAS LEASES SECTION 12 - T9S-R33E

8/25/2005 - FORWARD

Grantor	Grantee	Vol/Page	Inst. Type	County	Legal	Inst. Date	Term(months)	Royalty	Record Date	Area
MARIASARA CALDWELL GARCIA	YATES PETROLEUM CORPORATION ET AL	1395/817	Lease	LEA	S:12, T:9S, R:33E	8/19/2005	60	0.1875	8/25/2005	160.00
VICKI CALDWELL	YATES PETROLEUM CORPORATION ET AL	1396/225	Lease	LEA	S:12, T:9S, R:33E	8/19/2005	60	0.1875	8/29/2005	160.00
SHERRY DUNCAN GLENN	YATES PETROLEUM CORPORATION ET AL	1397/846	Lease	LEA	S:12, T:9S, R:33E	8/18/2005	60	0.1875	9/6/2005	120.00
KYRA DUNCAN	YATES PETROLEUM CORPORATION ET AL	1401/126	Lease	LEA	S:12, T:9S, R:33E	8/18/2005	36	0.1875	9/22/2005	120.00
LYNDOL LEON COOK	YATES PETROLEUM CORPORATION ET AL	1401/128	Lease	LEA	S:12, T:9S, R:33E	8/18/2005	60	0.1875	9/22/2005	80.00
THE LANDMARK MISSIONARY BAPTIST CHURCH OF CHIMES TRSUT FOR THE BENEFIT OF THE CONCORD MISSION COLLEGE	YATES PETROLEUM CORPORATION ET AL	1401/827	Lease	LEA	S:12, T:9S, R:33E	8/26/2005	60	0.1875	9/27/2005	920.00
JO ANN DUNCAN	R.F. FORT	1432/406	Lease	LEA	S:12, T:9S, R:33E	2/21/2006	36	0.2	3/15/2006	120.00
RENA F. GLENN	YATES PETROLEUM CORPORATION ET AL	1407/209	Lease	LEA	S:12, T:9S, R:33E	9/20/2005	60	0.1875	10/24/2005	80.00
Jerry T Carlisle	J & J Service Inc	1618/876	Lease	LEA	S:12, T:9S, R:33E	9/1/2008	24	0.25	2/10/2009	12215.46
JO ANN DUNCAN	TRANSCENDENT OIL & GAS PROPERTIES, LLC	1677/463	Lease	LEA	S:12, T:9S, R:33E	4/22/2010	36	0.1875	5/2/2010	120.00
TOMMY LYNN CALDWELL	YATES PETROLEUM CORPORATION	1687/0190	Lease	LEA	S:12, T:9S, R:33E	6/25/2010	60	0.1875	7/8/2010	160.00
MARIA SARA CALDWELL GARCIA	YATES PETROLEUM CORPORATION	1694/0227	Lease	LEA	S:12, T:9S, R:33E	8/13/2010	36	0.1875	8/30/2010	160.00
VICKI CALDWELL AGUILAR	YATES PETROLEUM CORPORATION	1694/0110	Lease	LEA	S:12, T:9S, R:33E	8/17/2010	60	0.1875	8/27/2010	160.00
JAMES D. DICKINSON	YATES PETROLEUM CORPORATION	1695/0842	Lease	LEA	S:12, T:9S, R:33E	8/18/2010	60	0.1875	9/9/2010	80.00
WRALDO PRESLEY DUNCAN	ROLLA R. HINKLE III	2017/0753	Lease	LEA	S:12, T:9S, R:33E	2/26/2016	60	0.1875	4/6/2016	3676.13
TREVOR S TURMELLE	PEDREGOSA PARTNERS LLC	2025/0161	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36		5/12/2016	
THE LANDMARK MISSIONARY BAPTIST CHURCH OF CHIMES TRUST	PEDREGOSA PARTNERS LLC	2024/0178	Lease	LEA	S:12, T:9S, R:33E	5/4/2016	36	0.1875	5/6/2016	1115.25
DAVID W HEAD ET AL	PEDREGOSA PARTNERS LLC	2027/0165	Lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	0.25	5/24/2016	120.00

DAVID W HEAD ET AL	PEDREGOSA PARTNERS LLC	2027/0157	Lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	0.25	5/24/2016	120.00
GRANERO COLINA LLC	PEDREGOSA PARTNERS LLC	2027/0127	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	.25	5/24/2016	
JOHN MICHAEL ET AL	PEDREGOSA PARTNERS LLC	2027/0171	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	.25	5/24/2016	
JACK AUSTIN RICHARDSON	PEDREGOSA PARTNERS LLC	2027/0170	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	.25	5/24/2016	
SPINNAKER INVESTMENTS LP	PEDREGOSA PARTNERS LLC	2030/0103	Memo of lease	LEA	S:12, T:9S, R:33E	3/3/2016	36	.25	6/2/2016	
MARIA SARA CALDWELL GARCIA	PEDREGOSA PARTNERS LLC	2030/0105	Lease	LEA	S:12, T:9S, R:33E	5/16/2016	60	0.1875	6/2/2016	120.00
JO ANN DUNCAN	ROLLA R HINKLE III	2028/0076	Lease	LEA	S:12, T:9S, R:33E	4/30/2016	60	0.1875	5/31/2016	396.13
CHARLENE CALLOWAY	PEDREGOSA PARTNERS LLC	2030/0109	Lease	LEA	S:12, T:9S, R:33E	5/16/2016	60	0.1875	6/2/2016	120.00
VICKI CALDWELL AGUILAR	PEDREGOSA PARTNERS LLC	2030/0107	Lease	LEA	S:12, T:9S, R:33E	5/16/2016	60	0.1875	6/2/2016	120.00
CARMEN M MOLINA	ROCKCLIFF OPERATING NEW MEXICO LLC	2038/0957	Lease	LEA	S:12, T:9S, R:33E	6/1/2016	60	0.1875	7/19/2016	160.00
D A GLENN FAMILY LLC	ROCKCLIFF OPERATING NEW MEXICO LLC	2044/0829	Lease	LEA	S:12, T:9S, R:33E	6/6/2016	36	0.1875	8/15/2016	80.00

FOUNDATION INC	OIL + GAS LEASES ALL OF T9S-R33E		3/15/2016 - FORWARD		R:33E					
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L	VB-O-001/NA	Lease	LEA	S:7, T:9S, R:33E	3/15/2016	60	0.1875	3/15/2016	158.17
OMER KEITH JOHNSTON	PEDREGOSA PARTNERS LLC.	2011/0657	Lease	LEA	S:30, T:9S, R:33E	2/15/2016	60	0.1875	3/8/2016	479.13
NANCY SCHMITT	PEDREGOSA PARTNERS LLC	2014/0931	Lease	LEA	S:30, T:9S, R:33E	2/18/2016	60	0.1875	3/22/2016	319.13
RHONDA AINSWORTH	PEDREGOSA PARTNERS LLC	2014/0936	Lease	LEA	S:1, T:9S, R:33E	3/11/2016	60	0.1875	3/22/2016	480.00
RHONDA AINSWORTH	PEDREGOSA PARTNERS LLC	2014/0936	Lease	LEA	S:13, T:9S, R:33E	3/11/2016	60	0.1875	3/22/2016	480.00
RHONDA AINSWORTH	PEDREGOSA PARTNERS LLC	2014/0936	Lease	LEA	S:14, T:9S, R:33E	3/11/2016	60	0.1875	3/22/2016	480.00
THE THOMAS WILEY NEAL III REVOCABLE TRUST	PEDREGOSA PARTNERS LLC.	2014/0916	Lease	LEA	S:30, T:9S, R:33E	2/10/2016	36	0.1875	3/22/2016	479.13
FARGO BANK N.A	PEDREGOSA PARTNERS LLC	2011/0659	Lease	LEA	S:30, T:9S, R:33E	2/9/2016	36	0.225	3/8/2016	479.13
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L AND SLASH EXPLORATION LP	VB-S-002/NA	Lease	LEA	S:2, T:9S, R:33E	4/19/2016	60	0.1875	4/19/2016	320.61
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L AND SLASH EXPLORATION LP	VB-S-003/NA	Lease	LEA	S:4, T:9S, R:33E	4/19/2016	60	0.1875	4/19/2016	320.20
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L	VB-O-003/NA	Lease	LEA	S:2, T:9S, R:33E	4/19/2016	60	0.1875	4/19/2016	320.36
WRALDO PRESLEY DUNCAN	ROLLA R. HINKLE III	2017/0753	Lease	LEA	S:12, T:9S, R:33E	2/26/2016	60	0.1875	4/6/2016	3676.13
AINSWORTH MINERAL TRUST	PEDREGOSA PARTNERS LLC	2019/0664	Memo of lease	LEA	S:23, T:9S, R:33E	3/18/2016	60		4/13/2016	320.00
MARY NELL AINSWORTH HAYS	PEDREGOSA PARTNERS LLC	2019/0668	Memo of lease	LEA	S:23, T:9S, R:33E	3/18/2016	60		4/13/2016	320.00
EXA KAYE AINSWORTH LUMAN	PEDREGOSA PARTNERS LLC	2019/0656	Memo of lease	LEA	S:23, T:9S, R:33E	3/18/2016	60		4/13/2016	320.00
EVELYN MARIE AINSWORTH	PEDREGOSA PARTNERS LLC.	2019/0666	Memo of lease	LEA	S:23, T:9S, R:33E	3/18/2016	60		4/13/2016	320.00
HOWARD FAMILY TRUST	PEDREGOSA PARTNERS LLC	2019/0644	Memo of lease	LEA	S:23, T:9S, R:33E	3/18/2016	60		4/13/2016	320.00
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L HEADINGTON ENERGY PARTNERS LL AND SLASH EXPLORATION LP	VB-S-005/NA	Lease	LEA	S:6, T:9S, R:33E	5/17/2016	60	0.1875	5/17/2016	320.32
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L HEADINGTON ENERGY PARTNERS LL AND SLASH EXPLORATION LP	VB-S-006/NA	Lease	LEA	S:10, T:9S, R:33E	5/17/2016	60	0.1875	5/17/2016	320.00
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L HEADINGTON ENERGY PARTNERS LL AND SLASH EXPLORATION LP	VB-S-007/NA	Lease	LEA	S:11, T:9S, R:33E	5/17/2016	60	0.1875	5/17/2016	320.00
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES	VB-O-007/NA	Lease	LEA	S:3, T:9S,	5/17/2016	60	0.1875	5/17/2016	160.00

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STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L	VB-O-008/NA	Lease	LEA	S:4, T:9S, R:33E	5/17/2016	60	0.1875	5/17/2016	160.00
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L	VB-O-009/NA	Lease	LEA	S:6, T:9S, R:33E	5/17/2016	60	0.1875	5/17/2016	315.70
STATE OF NEW MEXICO	CONTINENTAL LAND RESOURCES L	VB-O-010/NA	Lease	LEA	S:11, T:9S, R:33E	5/17/2016	60	0.1875	5/17/2016	320.00
RHONDA AINSWORTH	PEDREGOSA PARTNERS LLC	2025/0108	Lease	LEA	S:24, T:9S, R:33E	3/15/2016	60	0.1875	3/15/2016	80.00
HOWARD FAMILY TRUST	PEDREGOSA PARTNERS LLC	2023/0305	Memo of lease	LEA	S:23, T:9S, R:33E	3/18/2016	60		5/2/2016	320.00
AINSWORTH MINERAL TRUST	PEDREGOSA PARTNERS LLC	2027/0106	Lease	LEA	S:22, T:9S, R:33E	5/13/2016	60	0.2	5/24/2016	760.00
AINSWORTH MINERAL TRUST	PEDREGOSA PARTNERS LLC	2027/0106	Lease	LEA	S:26, T:9S, R:33E	5/13/2016	60	0.2	5/24/2016	760.00
CATHIE CONE MCCOWN	PEDREGOSA PARTNERS LLC	2023/0295	Memo of lease	LEA	S:34, T:9S, R:33E	4/11/2016	36		5/2/2016	160.00
TREVOR S TURMELLE	PEDREGOSA PARTNERS LLC	2025/0161	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	.25	5/12/2016	
HOWARD FAMILY TRUST	PEDREGOSA PARTNERS LLC	2023/0309	Lease	LEA	S:23, T:9S, R:33E	3/18/2016	60	0.2	5/2/2016	320.00
CATHIE CONE MCCOWN	PEDREGOSA PARTNERS LLC	2023/0293	Memo of lease	LEA	S:34, T:9S, R:33E	3/21/2016	36		5/2/2016	160.00
THE LANDMARK MISSIONARY BAPTIST CHURCH OF CHIMES TRUST	PEDREGOSA PARTNERS LLC	2024/0178	Lease	LEA	S:1, T:9S, R:33E	5/4/2016	36	0.1875	5/6/2016	1115.25
THE LANDMARK MISSIONARY BAPTIST CHURCH OF CHIMES TRUST	PEDREGOSA PARTNERS LLC	2024/0178	Lease	LEA	S:13, T:9S, R:33E	5/4/2016	36	0.1875	5/6/2016	1115.25
THE LANDMARK MISSIONARY BAPTIST CHURCH OF CHIMES TRUST	PEDREGOSA PARTNERS LLC	2024/0178	Lease	LEA	S:12, T:9S, R:33E	5/4/2016	36	0.1875	5/6/2016	1115.25
THE LANDMARK MISSIONARY BAPTIST CHURCH OF CHIMES TRUST	PEDREGOSA PARTNERS LLC	2024/0178	Lease	LEA	S:24, T:9S, R:33E	5/4/2016	36	0.1875	5/6/2016	1115.25
THE LANDMARK MISSIONARY BAPTIST CHURCH OF CHIMES TRUST	PEDREGOSA PARTNERS LLC	2024/0178	Lease	LEA	S:14, T:9S, R:33E	5/4/2016	36	0.1875	5/6/2016	1115.25
DAVID W HEAD ET AL	PEDREGOSA PARTNERS LLC	2027/0165	Lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	0.25	5/24/2016	120.00
DAVID W HEAD ET AL	PEDREGOSA PARTNERS LLC	2027/0157	Lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	0.25	5/24/2016	120.00
GRANERO COLINA LLC	PEDREGOSA PARTNERS LLC	2027/0127	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	.25	5/24/2016	
STORYCO LLC	PEDREGOSA PARTNERS LLC	2025/0143	Lease	LEA	S:13, T:9S, R:33E	3/28/2016	36	0.225	5/12/2016	320.00
STORYCO LLC	PEDREGOSA PARTNERS LLC	2025/0143	Lease	LEA	S:14, T:9S, R:33E	3/28/2016	36	0.225	5/12/2016	320.00
MARIA SARA CALDWELL GARCIA	PEDREGOSA PARTNERS LLC	2025/0133	Lease	LEA	S:1, T:9S, R:33E	4/12/2016	60	0.1875	5/12/2016	40.00
VICKI CALDWELL	PEDREGOSA PARTNERS LLC	2025/0150	Lease	LEA	S:1, T:9S,	4/12/2016	60	0.1875	5/12/2016	40.00

AGUILAR					R:33E					
JOHN MICHAEL ET AL	PEDREGOSA PARTNERS LLC	2027/0171	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	.25	5/24/2016	
JACK AUSTIN RICHARDSON	PEDREGOSA PARTNERS LLC	2027/0170	Memo of lease	LEA	S:12, T:9S, R:33E	5/3/2016	36	.25	5/24/2016	
SPINNAKER INVESTMENTS LP	PEDREGOSA PARTNERS LLC	2030/0103	Memo of lease	LEA	S:12, T:9S, R:33E	3/3/2016	36	.25	6/2/2016	
MARIA SARA CALDWELL GARCIA	PEDREGOSA PARTNERS LLC	2030/0105	Lease	LEA	S:12, T:9S, R:33E	5/16/2016	60	0.1875	6/2/2016	120.00
E L LATHAM CO	PEDREGOSA PARTNERS LLC	2033/0535	Memo of lease	LEA	S:1, T:9S, R:33E	4/22/2016	36		6/16/2016	80.00
JO ANN DUNCAN	ROLLA R HINKLE III	2028/0076	Lease	LEA	S:12, T:9S, R:33E	4/30/2016	60	0.1875	5/31/2016	396.13
CHARLENE CALLOWAY	PEDREGOSA PARTNERS LLC	2030/0109	Lease	LEA	S:12, T:9S, R:33E	5/16/2016	60	0.1875	6/2/2016	120.00
VICKI CALDWELL AGUILAR	PEDREGOSA PARTNERS LLC	2030/0107	Lease	LEA	S:12, T:9S, R:33E	5/16/2016	60	0.1875	6/2/2016	120.00
ROY G BARTON JR	ROCKCLIFF OPERATING LLC	2038/0202	Lease	LEA	S:1, T:9S, R:33E	5/28/2016	36	0.25	7/13/2016	80.00
CARMEN M MOLINA	ROCKCLIFF OPERATING NEW MEXICO LLC	2038/0957	Lease	LEA	S:1, T:9S, R:33E	6/1/2016	60	0.1875	7/19/2016	160.00
CARMEN M MOLINA	ROCKCLIFF OPERATING NEW MEXICO LLC	2038/0957	Lease	LEA	S:12, T:9S, R:33E	6/1/2016	60	0.1875	7/19/2016	160.00
D A GLENN FAMILY LLC	ROCKCLIFF OPERATING NEW MEXICO LLC	2044/0829	Lease	LEA	S:12, T:9S, R:33E	6/6/2016	36	0.1875	8/15/2016	80.00
PETTIT THOMAS	RILEY EXPLORATION PERMIAN LLC	NA/NA	Lease extension	LEA	S:30, T:9S, R:33E	12/2/2015	24		12/6/2018	80.00
NEW MEXICO BAPTIST FOUNDATION INC TRUSTEE ET AL	RILEY EXPLORATION PERMIAN LLC	2143/0188	Lease extension	LEA	S:30, T:9S, R:33E	11/10/2015	24		12/6/2018	319.13
GODDING TWILA M TRUSTEE ET AL	RILEY EXPLORATION PERMIAN LLC	2151/0571	Lease extension	LEA	S:30, T:9S, R:33E	11/19/2015	24		6/7/2019	80.00
ANTWEIL MARK ET AL	RILEY EXPLORATION PERMIAN LLC	02156/0765	Lease extension	LEA	S:7, T:9S, R:33E	9/12/2016	24		10/3/2019	.00
MEDLIN FAMILY TRUST ET AL	RILEY EXPLORATION PERMIAN LLC	02149/0961	Lease extension	LEA	S:30, T:9S, R:33E	4/29/2019	0		4/30/2019	.00



Invito Operating LLC
6401 El Dorado Pkwy, #92
McKinney, Texas 75070

May 20th, 2022

Attn: Tierra Oil Company, LLC
PO Box 700968
San Antonio, TX 78270

Via: Certified Mail
Return Receipt Requested

Drilling and completion proposal

To Whom it May Concern:

Invito Operating LLC ("IO"), as operator, hereby proposes to drill and complete the subject horizontal well below, to be drilled to the San Andres formation in Lea County, NM. Anticipated spud is September 15th, 2022 with Ensign Rig # 436.

- Unit E/2 E/2 of Section 12, Township 9 South, Range 33 East (Wagoneer #1H)
- SHL: 745' FSL, 660' FEL, or at a legal location in unit P of Section 1
- BHL: 100' FSL & 660' FEL of Section 12
- FTP: 100' FNL & 660' FEL of Section 12
- LTP: 100' FSL & 660' FEL of Section 12
- TVD: ~ 4,664'
- TMD: ~ 10,190'
- Targeted Interval: San Andres
- Total Cost: See attached AFE

The total cost to drill and complete each well is estimated and a detailed description of the cost is set out in the enclosed Authority for Expenditures ("AFE"). Attached for your review is the plat depicting the proposed location of the Well for the estimated 160-acre Unit.

Based on a title examination, we understand that you may own an interest that may be affected by the Well and the Unit: therefore, IO hereby requests your participation in the drilling of the Well and the Unit by offering the following options for your consideration:

- **Agree to Participate** – You agree to participate in the cost and risk of the well by agreeing to pay your proportionate share of the actual cost to drill, complete, and operate the well. You agree to execute and return the enclosed AFE. You agree to execute and return an Operating Agreement (A.A.P.L. - 1989 Model Form), which we will prepare and submit for your review



Invito Operating LLC
6401 El Dorado Pkwy, #92
McKinney, Texas 75070

and acceptance. The Operating Agreement will include, among other terms and conditions, the following: (1) A 200% / 500% non-consent penalty; (2) a prepayment provision (advanced billing) which provides that all actual costs must be pre-paid within twenty (20) days of the receipt of such request to pay (unless a drilling rig is on location) or said owners shall be subject to the Operator's right and remedies under the Operating Agreement and applicable law; (3) and a 2005 COPAS Accounting Procedure providing for a monthly fixed overhead rate per well equal to \$8,000.00 for the drilling well and \$800.00 for a producing well. The estimated cost to drill, test, complete and equip the Well is approximately \$2,950,000.00. The Well's total estimated dry hole cost is approximately \$1,463,000.00. Please note that these costs are estimates only and should you agree to participate in the well, you shall be responsible and agree to pay for your proportionate share of all of the actual costs incurred.

- **Agree to Lease** – If you elect not to participate in the drilling of said well, IO request to lease your mineral interest in the proposed well unit on the following terms: \$150/nma (\$50 Minimum Bonus Amount), 18-month Primary Term, 15% Royalty. Upon your selection of this option, we will prepare a lease for your review and acceptance.
- **Choose to Not Participate or Lease** – IO plans to pursue compulsory pooling for the Unit with the New Mexico Oil Conservation Division ("OCD"). IO will request the OCD compulsory pooling of all non-consenting owners in the Unit with alternate risk charges as provide by the applicable statutes of the State of New Mexico. This will apply to those who have chosen to not participate or who have not responded to this letter.

On the attached election page, please indicate your election of either to participate or not to participate in the drilling of this well and return one (1) copy of this letter to the undersigned at the letterhead address using the enclosed self-addressed, stamped envelope.

Please acknowledge your election by signing and indicating your chosen option on the attached election page and returning one original of this letter to the attention of the undersigned at the letterhead address in the enclosed self-addressed and stamped envelope within thirty (30) days of post mark. Since time is of the essence in preparation to drill the Well, if you have not promptly responded in writing, IO will consider you a non-consenting owner who does not agree to participate, to farmout or lease and will proceed with compulsory pooling of your interest.

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at 903-906-0030 or by email at eddie.graham10@gmail.com.