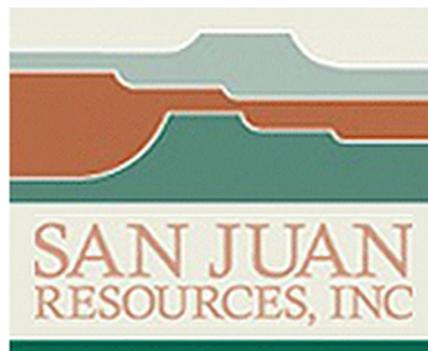


**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 3, 2022**

CASE NO. 22508

THE REGINA RANCH (DEEP) UNIT

SANDOVAL COUNTY, NEW MEXICO



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

**APPLICATION OF SAN JUAN RESOURCES,
INC. FOR APPROVAL OF THE REGINA
RANCH (DEEP) UNIT, SANDOVAL COUNTY,
NEW MEXICO.**

CASE NO. 22508

**CONSOLIDATED HEARING PACKAGE
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- **SJR Exhibit A:** Affidavit of Jerome P. McHugh, Jr., Landman
 - SJR Exhibit A-1: Unit Agreement and Exhibits
 - SJR Exhibit A-2: BLM Letter
 - SJR Exhibit A-3: Draft Form C-102
- **SJR Exhibit B:** Affidavit of Richard Boshier, Geologist
 - SJR Exhibit B-1: Type Log
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 - SJR Exhibit B-3: Cross Section
- **SJR Exhibit C:** Notice Affidavit
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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF SAN JUAN RESOURCES,
INC. FOR APPROVAL OF THE REGINA
RANCH (DEEP) UNIT, SANDOVAL COUNTY,
NEW MEXICO.

CASE NO. 22508

APPLICATION

San Juan Resources, Inc. (“SJR”) files this application for an order approving the proposed Regina Ranch (Deep) Unit. In support of its application, SJR states:

1. The proposed Unit Area consists of approximately 7,279.65-acres of the following Federal and Patented lands situated in Sandoval County, New Mexico:

Township 23 North, Range 1 West, N.M.P.M.

- Section 28: S/2, NE/4NE/4, S/2NE/4, that part of the NW/4NE/4 lying East of the centerline of Hwy 96, containing 16.00 acres
- Section 29: W/2, NE/4NE/4, W/2NE/4, SE/4
- Section 30: ALL
- Section 31: ALL
- Section 32: ALL
- Section 33: ALL

Township 22 North, Range 1 West, N.M.P.M.

- Section 4: W/2, N/2SE/4
- Section 5: ALL
- Section 6: ALL
- Section 7: N/2
- Section 8: N/2, SE/4, E/2SW/4, E/2NW/4SW/4, E/2W/2NW/4SW/4, NW/4NW/4NW/4SW/4
- Section 9: W/2, S/2NE/4, SE/4
- Section 16: N/2
- Section 17: NE/4, E/2NW/4

2. SJR is the designated operator under the proposed Unit Agreement and the unitized interval is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,400 feet MD in the Regina Ranch Federal 32-1

well located in the SW/4, Section 32, Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API#30-043-20989).

3. SJR expects to obtain approval of the proposed Unit Agreement by a sufficient percentage of the interest owners to provide effective control of unit operations.

4. SJR has met with the Bureau of Land Management and received a letter recognizing the proposed unit area as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act.

5. The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, SJR requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 2022, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

HOLLAND & HART, LLP

By 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
mfeldewert@hollandhart.com
arankin@hollandhart.com
jbroggi@hollandhart.com

ATTORNEYS FOR
SAN JUAN RESOURCES, INC.

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

**APPLICATION OF SAN JUAN RESOURCES,
INC. FOR APPROVAL OF THE REGINA
RANCH (DEEP) UNIT, SANDOVAL COUNTY,
NEW MEXICO.**

CASE NO. 22508

AFFIDAVIT OF JEROME P. MCHUGH, JR., LANDMAN

Jerome P. McHugh, Jr., being of lawful age and duly sworn, states the following:

1. My name is Jerome P. McHugh, Jr. and I am employed by San Juan Resources, Inc. (“SJR”) as a Landman. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am the landman responsible for the formation of the proposed unit, familiar with the application filed by SJR in this matter and the status of the lands in the subject area.

3. Since this application seeks approval of a voluntary unit, I do not expect any opposition at the hearing.

4. SJR seeks an order approving the Regina Ranch (Deep) Unit, a voluntary unit consisting of approximately 7,279.65-acres of the following Federal and Patented lands situated in Sandoval County, New Mexico:

Township 23 North, Range 1 West, N.M.P.M.

Section 28: S/2, NE/4NE/4, S/2NE/4, that part of the NW/4NE/4 lying East of the centerline of Hwy 96, containing 16.00 acres

Section 29: W/2, NE/4NE/4, W/2NE/4, SE/4

Section 30: ALL

Section 31: ALL

Section 32: ALL

Section 33: ALL

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit A
Submitted by: San Juan Resources, Inc.
Hearing Date: February 3, 2022
Case No. 22508**

Township 22 North, Range 1 West, N.M.P.M.

Section 4: W/2, N/2SE/4
Section 5: ALL
Section 6: ALL
Section 7: N/2
Section 8: N/2, SE/4, E/2SW/4, E/2NW/4SW/4,
E/2W/2NW/4SW/4, NW/4NW/4NW/4SW/4
Section 9: W/2, S/2NE/4, SE/4
Section 16: N/2
Section 17: NE/4, E/2NW/4

5. SJR is the designated operator under the proposed Unit Agreement. The unitized interval is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,400 feet MD in the Regina Ranch Federal 32-1 well located in the SW/4, Section 32, Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API#30-043-20989).

6. **SJR Exhibit A-1** is a copy of the proposed Unit Agreement with Exhibits A, B and C. Exhibit A to the Unit Agreement outlines the boundary of the Unit Area and identifies the 34 tracts of land within the proposed Unit. The Patented tracts are identified in grey with the remaining tracts comprised of Federal lands. The Federal lands comprise over 69% of the proposed Unit.

7. Exhibit B to the Unit Agreement shows the ownership breakdown by tract for the Unit Area. SJR, as the operator for San Juan Basin Properties LLC, owns 82.80% of the total working interest in the proposed Unit. SJR, as operator, has been in contact with the remaining working interest owners and anticipates ratification of a sufficient percentage of the working interests to have effective control of Unit operations.

8. SJR will also seek ratification of the Unit Agreement from royalty and overriding royalty interest owners not otherwise contractually committed to unitization. If these royalty and

overriding royalty interest owners do not ratify the Unit Agreement, they will be paid on a spacing unit basis upon development of lands subject to their interests.

9. SJR has met with the Bureau of Land Management regarding the proposed unitized area and the Unit Agreement. **SJR Exhibit A-2** is a copy of the logical designation letter from the Bureau of Land Management. This letter contains several requirements and obligations for final approval from the agency that will be met by SJR.

10. The Bureau of Land Management approved exclusion of the fee acreage in Sections 28 & 29 on the north end of the proposed Unit and the fee acreage in Sections 4 & 9 on the east side of the proposed unit. The owner of the northern mineral interests in these excluded tracts have indicated they do not want to lease. The owners of the eastern mineral interests in the excluded tracts have been contacted and SJR cannot come to agreed-upon terms. SJR continues to pursue in hopes of expanding these tracts into the unit.

11. **SJR Exhibit A-3** is a Form C-102 for the initial obligation well. The Division has placed this obligation well in the WC 23N1W32;MANCOS (Pool Code 98332).

12. SJR Exhibits A-1 through A-3 were prepared by me or compiled under my direction from company business records.

FURTHER AFFIANT SAYETH NAUGHT



JEROME P. MCHUGH, JR.

STATE OF COLORADO)
)
COUNTY OF DENVER)

SUBSCRIBED and SWORN to before me this 1st day of February 2022 by
Jerome P. McHugh, Jr.



NOTARY PUBLIC

My Commission Expires:

9/13/2024

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LORI WALTERS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20044032518
MY COMMISSION EXPIRES SEPTEMBER 13, 2024

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
REGINA RANCH (DEEP) UNIT AREA
COUNTY OF SANDOVAL
STATE OF NEW MEXICO

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Exhibit “A” - Plat of Unit Area

Exhibit “B” - Schedule showing percentage and kind of ownership

Exhibit “C” – Showing the gamma log for the Regina Ranch Federal 32-1

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit A1
 Submitted by: San Juan Resources, Inc.
 Hearing Date: February 3, 2022
 Case No. 22508

1 requested by the Authorized Officer, hereinafter referred to as "AO" and not less than four copies of
2 the revised Exhibits shall be filed with the proper Bureau of Land Management office.

3
4 The above-described unit area shall when practicable be expanded to include therein any
5 additional lands or shall be contracted to exclude lands whenever such expansion or contraction is
6 deemed to be necessary or advisable to conform with the purposes of this agreement. Such
7 expansion or contraction shall be effected in the following manner:

8
9 (a) Unit Operator, on its own motion (after preliminary concurrence by the AO), or on
10 demand of the AO, shall prepare a notice of proposed expansion or contraction describing the
11 contemplated changes in the boundaries of the unit area, the reasons therefor, any plans for
12 additional drilling, and the proposed effective date of the expansion or contraction, preferably the
13 first day of a month subsequent to the date of notice.

14
15 (b) Said notice shall be delivered to the proper Bureau of Land Management office, and
16 copies thereof mailed to the last known address of each working interest owner, lessee and lessor
17 whose interests are affected, advising that 30 days will be allowed for submission to the Unit
18 Operator of any objections.

19
20 (c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit
21 Operator shall file with the AO evidence of mailing of the notice of expansion or contraction and a
22 copy of any objections thereto which have been filed with Unit Operator, together with an
23 application in triplicate, for approval of such expansion or contraction and with appropriate
24 joinders.

25
26 (d) After due consideration of all pertinent information, the expansion or contraction shall,
27 upon approval by the AO, become effective as of the date prescribed in the notice thereof or such
28 other appropriate date.

29
30 (e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or
31 tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered
32 in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled
33 to be in a participating area on or before the fifth anniversary of the effective date of the first initial
34 participating area established under this unit agreement, shall be eliminated automatically from this
35 agreement, effective as of said fifth anniversary, and such lands shall no longer be a part of the unit
36 area and shall no longer be subject to this agreement, unless diligent drilling operations are in
37 progress on unitized lands not entitled to participation on said fifth anniversary, in which event all
38 such lands shall remain subject hereto for so long as such drilling operations are continued
39 diligently, with not more than 90 days' time elapsing between the completion of one such well and
40 the commencement of the next such well. All legal subdivisions of lands not entitled to be in a
41 participating area within 10 years after the effective date of the first initial participating area
42 approved under this agreement shall be automatically eliminated from this agreement as of said
43 tenth anniversary. The Unit Operator shall, within 90 days after the effective date of any
44 elimination hereunder, describe the area so eliminated to the satisfaction of the AO and promptly
45 notify all parties in interest. All lands reasonably proved productive of unitized substances in
46 paying quantities by diligent drilling operations after the aforesaid 5-year period shall become
47 participating in the same manner as during said first 5-year period. However, when such diligent
48 drilling operations cease, all non-participating lands not then entitled to be in a participating area
49 shall be automatically eliminated effective as of the 91st day thereafter.

50
51 Any expansion of the unit area pursuant to this section which embraces lands theretofore
52 eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or
53 recommitment of such lands. If conditions warrant extension of the 10-year period specified in this
54 subsection, a single extension of not to exceed 2 years may be accomplished by consent of the
55 owners of 90% of the working interest in the current non-participating unitized lands and the
56 owners of 60% of the basic royalty interests (exclusive of the basic royalty interests of the United
57 States) in non-participating unitized lands with approval of the AO, provided such extension
58 application is submitted not later than 60 days prior to the expiration of said 10-year period.

59
60
61 **3. UNITIZED LAND AND UNITIZED SUBSTANCES.** All land now or hereafter
62 committed to this agreement shall constitute land referred to herein as "unitized land" or "land

1 subject to this agreement". All oil and gas in any and all formations of the unitized land below the
2 Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,400 feet MD in
3 the Regina Ranch Federal 32-1 (API#30-043-20989) well located in the SESWSW, Section 32,
4 Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico as set forth on
5 Exhibit "C" attached hereto, are unitized under the terms of this agreement and herein are called
6 "unitized substances"; provided, however, that it is the specific intent of the parties hereto not to
7 cause or effectuate any horizontal segregation of any Federal lease committed hereto as a
8 consequence of the aforementioned depth limitations of the unitized lands.
9

10 **4. UNIT OPERATOR.** San Juan Resources, Inc. is hereby designated as Unit Operator and
11 by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of
12 Unit Operator for the discovery, development, and production of unitized substances as herein
13 provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit
14 Operator acting in that capacity and not as an owner of interest in unitized substances, and the term
15 "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a
16 working interest only when such an interest is owned by it.
17

18 **5. RESIGNATION OR REMOVAL OF UNIT OPERATOR.** Unit Operator shall have
19 the right to resign at any time prior to the establishment of a participating area or areas hereunder,
20 but such resignation shall not become effective so as to release Unit Operator from the duties and
21 obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months
22 after notice of intention to resign has been served by Unit Operator on all working interest owners
23 and the AO and until all wells then drilled hereunder are placed in a satisfactory condition for
24 suspension or abandonment, whichever is required by the AO, unless a new Unit Operator shall
25 have been selected and approved and shall have taken over and assumed the duties and obligations
26 of Unit Operator prior to the expiration of said period.
27

28 Unit Operator shall have the right to resign in like manner and subject to like limitations as
29 above provided at any time after a participating area established hereunder is in existence, but in all
30 instances of resignation or removal, until a successor Unit Operator is selected and approved as
31 hereinafter provided, the working interest owners shall be jointly responsible for performance of the
32 duties of Unit Operator, and shall not later than 30 days before such resignation or removal becomes
33 effective appoint a common agent to represent them in any action to be taken hereunder.
34

35 The resignation of Unit Operator shall not release Unit Operator from any liability for any
36 default by it hereunder occurring prior to the effective date of its resignation.
37

38 The Unit Operator may, upon default or failure in the performance of its duties or
39 obligations hereunder, be subject to removal by the same percentage vote of the owners of working
40 interests as herein provided for the selection of a new Unit Operator. Such removal shall be
41 effective upon notice thereof to the AO.
42

43 The resignation or removal of Unit Operator under this agreement shall not terminate its
44 right, title, or interest as the owner of a working interest or other interest in unitized substances, but
45 upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall
46 deliver possession of all wells, equipment, materials, and appurtenances used in conducting the unit
47 operations to the new duly qualified successor Unit Operator or to the common agent, if no such
48 new Unit Operator is selected, to be used for the purpose of conducting unit operations hereunder.
49 Nothing herein shall be construed as authorizing removal of any material, equipment, or
50 appurtenances needed for the preservation of any wells.
51

52 **6. SUCCESSOR UNIT OPERATOR.** Whenever the Unit Operator shall tender his or its
53 resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit
54 Operator is negotiated by the working interest owners, the owners of the working interests
55 according to their respective acreage interests in all unitized land shall, pursuant to the Approval of
56 the Parties requirements of the unit operating agreement, select a successor Unit Operator. Such
57 selection shall not become effective until:
58

59 (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit
60 Operator, and
61

62 (b) the selection shall have been approved by the AO.

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If no successor Unit Operator is selected and qualified as herein provided, the AO at his election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement". Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of any unit operating agreement executed pursuant to this section shall be filed in the proper Bureau of Land Management office, prior to approval of this unit agreement.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location approved by the AO, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until a 2,600 foot horizontal lateral in the Mancos Formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling, completing and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO that further drilling of said well would be unwarranted or impracticable. Until the discovery of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than 6 months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section.

The AO may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

Until the establishment of a participating area, the failure to commence a well subsequent to the drilling of the initial obligation well, or in the case of multiple well requirements, if specified, subsequent to the drilling of those multiple wells, as provided for in this (these) section(s), within the time allowed including any extension of time granted by the AO, shall cause this agreement to terminate automatically. Upon failure to continue drilling diligently any well other than the obligation well(s) commenced hereunder, the AO may, after 15 days notice to the Unit Operator,

1 declare this unit agreement terminated. Failure to commence drilling the initial obligation well, or
2 the first of multiple obligation wells, on time and to drill it diligently shall result in the unit
3 agreement approval being declared invalid ab initio by the AO. In the case of multiple well
4 requirements, failure to commence drilling the required multiple wells beyond the first well, and to
5 drill them diligently, may result in the unit agreement approval being declared invalid ab initio by
6 the AO.

7
8 **10. PLAN OF FURTHER DEVELOPMENT AND OPERATION.** Within 6 months
9 after completion of a well capable of producing unitized substances in paying quantities, Operator
10 shall submit for the approval of the AO an acceptable plan of development and operation for the
11 unitized land which, when approved by the AO, shall constitute the further drilling and
12 development obligations of the Unit Operator under this agreement for the period specified therein.
13 Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall
14 submit for the approval of the AO a plan for an additional specified period for the development and
15 operation of the unitized land. Subsequent plans should normally be filed on a calendar year basis
16 not later than March 1 each year. Any proposed modification or addition to the existing plan should
17 be filed as a supplement to the plan.

18
19 Any plan submitted pursuant to this section shall provide for the timely exploration of the
20 unitized area, and for the diligent drilling necessary for determination of the area or areas capable of
21 producing unitized substances in paying quantities in each and every productive formation. This
22 plan shall be as complete and adequate as the AO may determine to be necessary for timely
23 development and proper conservation of the oil and gas resources of the unitized area and shall:

24
25 (a) specify the number and locations of any wells to be drilled and the proposed order and
26 time for such drilling; and

27
28 (b) provide a summary of operations and production for the previous year.

29
30 Plans shall be modified or supplemented when necessary to meet changed conditions or to
31 protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in
32 complying with the obligations of the approved plan of development and operation. The AO is
33 authorized to grant a reasonable extension of the 6 month period herein prescribed for submission of
34 an initial plan of development and operation where such action is justified because of unusual
35 conditions or circumstances.

36
37 After completion of a well capable of producing unitized substances in paying quantities, no
38 further wells, except such as may be necessary to afford protection against operations not under this
39 agreement and such as may be specifically approved by the AO, shall be drilled except in
40 accordance with an approved plan of development and operation.

41
42 **11. PARTICIPATION AFTER DISCOVERY.** Upon completion of a well capable of
43 producing unitized substances in paying quantities, or as soon thereafter as required by the AO, the
44 Unit Operator shall submit for approval by the AO, a schedule, based on subdivisions of the public-
45 land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive
46 of unitized substances in paying quantities. These lands shall constitute a participating area on
47 approval of the AO, effective as of the date of completion of such well or the effective date of this
48 unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be
49 based upon appropriate computations from the courses and distances shown on the last approved
50 public-land survey as of the effective date of each initial participating area. The schedule shall also
51 set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each
52 committed tract in the participating area so established, and shall govern the allocation of
53 production commencing with the effective date of the participating area. A different participating
54 area shall be established for each separate pool or deposit of unitized substances or for any group
55 thereof which is produced as a single pool or zone, and any two or more participating areas so
56 established may be combined into one, on approval of the AO. When production from two or more
57 participating areas is subsequently found to be from a common pool or deposit, the participating
58 areas shall be combined into one, effective as of such appropriate date as may be approved or
59 prescribed by the AO. The participating area or areas so established shall be revised from time to
60 time, subject to the approval of the AO, to include additional lands then regarded as reasonably
61 proved to be productive of unitized substances in paying quantities or which are necessary for unit
62 operations, or to exclude lands then regarded as reasonably proved not to be productive of unitized

1 substances in paying quantities, and the schedule of allocation percentages shall be revised
2 accordingly. The effective date of any revision shall be the first of the month in which the
3 knowledge or information is obtained on which such revision is predicated; provided, however, that
4 a more appropriate effective date may be used if justified by Unit Operator and approved by the
5 AO. No land shall be excluded from a participating area on account of depletion of its unitized
6 substances, except that any participating area established under the provisions of this unit agreement
7 shall terminate automatically whenever all completions in the formation on which the participating
8 area is based are abandoned.

9
10 It is the intent of this section that a participating area shall represent the area known or
11 reasonably proved to be productive of unitized substances in paying quantities or which are
12 necessary for unit operations; but, regardless of any revision of the participating area, nothing
13 herein contained shall be construed as requiring any retroactive adjustment for production obtained
14 prior to the effective date of the revision of the participating area.

15
16 In the absence of agreement at any time between the Unit Operator and the AO as to the
17 proper definition or redefinition of a participating area, or until a participating area has, or areas
18 have, been established, the portion of all payments affected thereby shall, except royalty due the
19 United States, be impounded in a manner mutually acceptable to the owners of committed working
20 interests. Royalties due the United States shall be determined by the AO and the amount thereof
21 shall be deposited, as directed by the AO, until a participating area is finally approved and then
22 adjusted in accordance with a determination of the sum due as Federal royalty on the basis of such
23 approved participating area.

24
25 Whenever it is determined, subject to the approval of the AO, that a well drilled under this
26 agreement is not capable of production of unitized substances in paying quantities and inclusion in a
27 participating area of the land on which it is situated is unwarranted, production from such well shall,
28 for the purposes of settlement among all parties other than working interest owners, be allocated to
29 the land on which the well is located, unless such land is already within the participating area
30 established for the pool or deposit from which such production is obtained. Settlement for working
31 interest benefits from such a nonpaying unit well shall be made as provided in the unit operating
32 agreement.

33
34 **12. ALLOCATION OF PRODUCTION.** All unitized substances produced from a
35 participating area established under this agreement, except any part thereof used in conformity with
36 good operating practices within the unitized area for drilling, operating and other production or
37 development purposes, for repressuring or recycling in accordance with a plan of development and
38 operations that has been approved by the AO, or unavoidably lost, shall be deemed to be produced
39 equally on an acreage basis from the several tracts of unitized land and unleased Federal land, if
40 any, included in the participating area established for such production. Each such tract shall have
41 allocated to it such percentage of said production as the number of acres of such tract included in
42 said participating area bears to the total acres of unitized land and unleased Federal land, if any,
43 included in said participating area. There shall be allocated to the working interest owner(s) of
44 each tract of unitized land in said participating area, in addition, such percentage of the production
45 attributable to the unleased Federal land within the participating area as the number of acres of such
46 unitized tract included in said participating area bears to the total acres of unitized land in said
47 participating area, for the payment of the compensatory royalty specified in Section 17 of this
48 agreement. Allocation of production hereunder for purposes other than for settlement of the
49 royalty, overriding royalty, or payment out of production obligations of the respective working
50 interest owners, including compensatory royalty obligations under Section 17, shall be prescribed as
51 set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. It
52 is hereby agreed that production of unitized substances from a participating area shall be allocated
53 as provided herein, regardless of whether any wells are drilled on any particular part or tract of the
54 participating area. If any gas produced from one participating area is used for repressuring or
55 recycling purposes in another participating area, the first gas withdrawn from the latter participating
56 area for sale during the life of this agreement, shall be considered to be the gas so transferred, until
57 an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to
58 the participating area from which initially produced as such area was defined at the time that such
59 transferred gas was finally produced and sold.

60
61 **13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR**
62 **FORMATIONS.** Any operator may, with the approval of the AO, at such party's sole risk, cost,

1 and expense, drill a well on the unitized land to test any formation provided the well is outside any
2 participating area established for that formation, unless within 90 days of receipt of notice from said
3 party of his intention to drill the well, the Unit Operator elects and commences to drill the well in a
4 like manner as other wells are drilled by the Unit Operator under this agreement.

5
6 If any well drilled under this section by a non-unit operator results in production of unitized
7 substances in paying quantities such that the land upon which it is situated may properly be
8 included in a participating area, such participating area shall be established or enlarged as provided
9 in this agreement and the well shall thereafter be operated by the Unit Operator in accordance with
10 the terms of this agreement and the unit operating agreement.

11
12 If any well drilled under this section by a non-unit operator obtains production in quantities
13 insufficient to justify the inclusion of the land upon which such well is situated in a participating
14 area, such well may be operated and produced by the party drilling the same, subject to the
15 conservation requirements of this agreement. The royalties in amount or value of production from
16 any such well shall be paid as specified in the underlying lease and agreements affected.

17
18 **14. ROYALTY SETTLEMENT.** The United States and any State and any royalty owner
19 who is entitled to take in kind a share of the substances now unitized hereunder shall hereafter be
20 entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the
21 non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for
22 in special cases, shall make deliveries of such royalty share taken in kind in conformity with the
23 applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be
24 made by an operator responsible therefor under existing contracts, laws and regulations, or by the
25 Unit Operator on or before the last day of each month for unitized substances produced during the
26 preceding calendar month; provided, however, that nothing in this section shall operate to relieve
27 the responsible parties of any land from their respective lease obligations for the payment of any
28 royalties due under their leases.

29
30 If gas obtained from lands not subject to this agreement is introduced into any participating
31 area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery,
32 in conformity with a plan of development and operation approved by the AO, a like amount of gas,
33 after settlement as herein provided for any gas transferred from any other participating area and
34 with appropriate deduction for loss from any cause, may be withdrawn from the formation into
35 which the gas is introduced, royalty free as to dry gas, but not as to any products which may be
36 extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the
37 approved plan of development and operation or as may otherwise be consented to by the AO as
38 conforming to good petroleum engineering practice; and provided further, that such right of
39 withdrawal shall terminate on the termination of this unit agreement.

40
41 Royalty due the United States shall be computed as provided in 30 CFR Group 200 and paid
42 in value or delivered in kind as to all unitized substances on the basis of the amounts thereof
43 allocated to unitized Federal land as provided in Section 12 at the rates specified in the respective
44 Federal leases, or at such other rate or rates as may be authorized by law or regulation and approved
45 by the AO; provided, that for leases on which the royalty rate depends on the daily average
46 production per well, said average production shall be determined in accordance with the operating
47 regulations as though each participating area were a single consolidated lease.

48
49 **15. RENTAL SETTLEMENT.** Rental or minimum royalties due on leases committed
50 hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations,
51 provided that nothing herein contained shall operate to relieve the responsible parties of the land
52 from their respective obligations for the payment of any rental or minimum royalty due under their
53 leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be
54 paid at the rate specified in the respective leases from the United States unless such rental or
55 minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his
56 duly authorized representative.

57
58 With respect to any lease on non-Federal land containing provisions which would terminate
59 such lease unless drilling operations are commenced upon the land covered thereby within the time
60 therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals
61 required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue
62 and become payable during the term thereof as extended by this agreement and until the required

1 drilling operations are commenced upon the land covered thereby, or until some portion of such
2 land is included within a participating area.

3
4 **16. CONSERVATION.** Operations hereunder and production of unitized substances shall
5 be conducted to provide for the most economical and efficient recovery of said substances without
6 waste, as defined by or pursuant to State or Federal law or regulation.

7
8 **17. DRAINAGE.**

9
10 (a) The Unit Operator shall take such measures as the AO deems appropriate and adequate
11 to prevent drainage of unitized substances from unitized land by wells on land not subject to this
12 agreement, which shall include the drilling of protective wells and which may include the payment
13 of a fair and reasonable compensatory royalty, as determined by the AO.

14
15 (b) Whenever a participating area approved under Section 11 of this agreement contains
16 unleased Federal lands, the value of 12-1/2 percent of the production that would be allocated to such
17 Federal lands under Section 12 of this agreement, if such lands were leased, committed and entitled
18 to participation, shall be payable as compensatory royalties to the Federal Government. Parties to
19 this agreement holding working interests in committed leases within the applicable participating
20 area shall be responsible for such compensatory royalty payment on the volume of production
21 reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of
22 such production subject to the payment of said royalties shall be determined pursuant to 30 CFR
23 Part 206. Payment of compensatory royalties on the production reallocated from unleased Federal
24 land to the committed tracts within the participating area shall fulfill the Federal royalty obligation
25 for such production, and said production shall be subject to no further Federal royalty assessment
26 under Section 14 of this agreement. Payment of compensatory royalties as provided herein shall
27 accrue from the date the committed tracts in the participating area that includes unleased Federal
28 land receive a production allocation, and shall be due and payable monthly by the last day of the
29 calendar month next following the calendar month of actual production. If leased Federal lands
30 receiving a production allocation from the participating area become unleased, compensatory
31 royalties shall accrue from the date the Federal lands become unleased. Payment due under this
32 provision shall end when the unleased Federal tract is leased or when production of unitized
33 substances ceases within the participating area and the participating area is terminated, whichever
34 occurs first.

35
36 **18. LEASES AND CONTRACTS CONFORMED AND EXTENDED.** The terms,
37 conditions, and provisions of all leases, subleases, and other contracts relating to exploration,
38 drilling, development, or operation for oil or gas on lands committed to this agreement are hereby
39 expressly modified and amended to the extent necessary to make the same conform to the
40 provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby
41 consent that the Secretary shall and by his approval hereof, or by the approval hereof by his duly
42 authorized representative, does hereby establish, alter, change, or revoke the drilling, producing,
43 rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the
44 regulations in respect thereto to conform said requirements to the provisions of this agreement, and,
45 without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly
46 modified in accordance with the following:

47
48 (a) The development and operation of lands subject to this agreement under the terms
49 hereof shall be deemed full performance of all obligations for development and operation with
50 respect to each and every separately owned tract subject to this agreement, regardless of whether
51 there is any development of any particular tract of this unit area.

52
53 (b) Drilling and producing operations performed hereunder upon any tract of unitized lands
54 will be accepted and deemed to be performed upon and for the benefit of each and every tract of
55 unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells
56 situated on the land therein embraced.

57
58 (c) Suspension of drilling or producing operations on all unitized lands pursuant to direction
59 or consent of the AO shall be deemed to constitute such suspension pursuant to such direction or
60 consent as to each and every tract of unitized land. A suspension of drilling or producing operations
61 limited to specified lands shall be applicable only to such lands.

62

1 (d) Each lease, sublease or contract relating to the exploration, drilling, development, or
2 operation for oil or gas of lands other than those of the United States committed to this agreement
3 which, by its terms might expire prior to the termination of this agreement, is hereby extended
4 beyond any such term so provided therein so that it shall be continued in full force and effect for
5 and during the term of this agreement.
6

7 (e) Any Federal lease committed hereto shall continue in force beyond the term so provided
8 therein or by law as to the land committed so long as such lease remains subject hereto, provided
9 that production of unitized substances in paying quantities is established under this unit agreement
10 prior to the expiration date of the term of such lease, or in the event actual drilling operations are
11 commenced on unitized land, in accordance with provisions of this agreement, prior to the end of
12 the primary term of such lease and are being diligently prosecuted at that time, such lease shall be
13 extended for two years, and so long thereafter as oil or gas is produced in paying quantities in
14 accordance with the provisions of the Mineral Leasing Act, as amended.
15

16 (f) Each sublease or contract relating to the operation and development of unitized
17 substances from lands of the United States committed to this agreement, which by its terms would
18 expire prior to the time at which the underlying lease, as extended by the immediately preceding
19 paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall
20 be continued in full force and effect for and during the term of the underlying lease as such term is
21 herein extended.
22

23 (g) The segregation of any Federal lease committed to this agreement is governed by the
24 following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended
25 by the Act of September 2, 1960, (74 Stat. 781-784) (30 U.S.C. 226 (m)): "Any (Federal) lease
26 heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and
27 in part outside of the area covered by any such plan shall be segregated into separate leases as to the
28 lands committed and the lands not committed as of the effective date of unitization: Provided,
29 however, that any such lease as to the non-unitized portion shall continue in force and effect for the
30 term thereof but for not less than two years from the date of such segregation and so long thereafter
31 as oil or gas is produced in paying quantities." If the public interest requirement is not satisfied, the
32 segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4,
33 respectively, shall not be effective.
34
35

36 **19. COVENANTS RUN WITH LAND.** The covenants herein shall be construed to be
37 covenants running with the land with respect to the interests of the parties hereto and their
38 successors in interest until this agreement terminates, and any grant, transfer or conveyance of
39 interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of
40 all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No
41 assignment or transfer of any working interest royalty, or other interest subject hereto shall be
42 binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished
43 with the original, photostatic, or certified copy of the instrument of transfer.
44

45 **20. EFFECTIVE DATE AND TERM.** This agreement shall become effective upon
46 approval of the AO and shall automatically terminate five (5) years from said effective date unless:
47

48 (a) upon application by the Unit Operator such date of expiration is extended by the AO, or
49

50 (b) it is reasonably determined prior to the expiration of the fixed term or any extension
51 thereof that the unitized land is incapable of production of unitized substances in paying quantities
52 in the formations tested hereunder, and after notice of intention to terminate this agreement on such
53 ground is given by the Unit Operator to all parties in interest at their last known addresses, this
54 agreement is terminated with approval of the AO, or
55

56 (c) a valuable discovery of unitized substances in paying quantities has been made or
57 accepted on unitized land during said initial term or any extension thereof, in which event this
58 agreement shall remain in effect for such term and so long thereafter as unitized substances can be
59 produced in quantities sufficient to pay for the cost of producing same from wells on unitized land
60 within any participating area established hereunder. Should production cease and diligent drilling
61 or reworking operations to restore production or new production are not in progress within 60 days
62 and production is not restored or should new production not be obtained in paying quantities on

1 committed lands within this unit area, this agreement will automatically terminate effective the last
2 day of the month in which the last unitized production occurred, or

3
4 (d) it is voluntarily terminated as provided in this agreement. Except as noted herein this
5 agreement may be terminated at any time prior to the discovery of unitized substances which can be
6 produced in paying quantities by not less than 75 per centum, on an acreage basis, of the working
7 interest owners signatory hereto, with the approval of the AO. The Unit Operator shall give notice
8 of any such approval to all parties hereto. If the public interest requirement is not satisfied, the
9 approval of this unit by the AO shall be invalid.

10
11 **21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION.** The AO is
12 hereby vested with authority to alter or modify from time to time, in his discretion, the quantity and
13 rate of production under this agreement when such quantity and rate are not fixed pursuant to
14 Federal or State law, or do not conform to any Statewide voluntary conservation or allocation
15 program which is established, recognized, and generally adhered to by the majority of operators in
16 such State. The above authority is hereby limited to alteration or modifications which are in the
17 public interest. The public interest to be served and the purpose thereof, must be stated in the order
18 of alteration or modification. Without regard to the foregoing, the AO is also hereby vested with
19 authority to alter or modify from time to time, in his discretion, the rate of prospecting and
20 development and the quantity and rate of production under this agreement when such alteration or
21 modification is in the interest of attaining the conservation objectives stated in this agreement and is
22 not in violation of any applicable Federal or State law.

23
24 Powers in this section vested in the AO shall only be exercised after notice to Unit Operator
25 and opportunity for hearing to be held not less than 15 days from notice.

26
27 **22. APPEARANCES.** The Unit Operator shall, after notice to other parties affected, have
28 the right to appear for and on behalf of any and all interests affected hereby before the Department
29 of the Interior and to appeal from orders issued under the regulations of said Department, or to
30 apply for relief from any of said regulations, or in any proceedings relative to operations before the
31 Department, or any other legally constituted authority; provided, however, that any other interested
32 party shall also have the right at its own expense to be heard in any such proceeding.

33
34 **23. NOTICES.** All notices, demands, or statements required hereunder to be given or
35 rendered to the parties hereto shall be in writing and shall be personally delivered to the party or
36 parties, or sent by postpaid registered or certified mail, to the last known address of the party or
37 parties.

38
39 **24. NO WAIVER OF CERTAIN RIGHTS.** Nothing herein contained in this agreement
40 shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional
41 right or defense as to the validity or invalidity of any law of the State where the unitized lands are
42 located, or of the United States, or regulations issued thereunder in any way affecting such party, or
43 as a waiver by any such party of any right beyond his or its authority to waive.

44
45 **25. UNAVOIDABLE DELAY.** All obligations under this agreement requiring the Unit
46 Operator to commence or continue drilling, or to operate on, or produce unitized substances from
47 any of the lands covered by this agreement, shall be suspended while the Unit Operator, despite the
48 exercise of due care and diligence, is prevented from complying with such obligations, in whole or
49 in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents,
50 uncontrollable delays in transportation, inability to obtain necessary materials or equipment in the
51 open market, or other matters beyond the reasonable control of the Unit Operator whether similar to
52 matters herein enumerated or not.

53
54 **26. NONDISCRIMINATION.** In connection with the performance of work under this
55 agreement, the Unit Operator agrees to comply with all the provisions of Section 202 (1) to (7)
56 inclusive of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by
57 reference in this agreement.

58
59 **27. LOSS OF TITLE.** In the event title to any tract of unitized land shall fail and the true
60 owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as
61 not committed hereto, and there shall be such readjustment of future costs and benefits as may be
62 required on account of the loss of such title. In the event of a dispute as to title to any royalty,

1 working interest, or other interest subject thereto, payment or delivery on account thereof may be
2 withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal
3 lands or leases, no payments of funds due the United States shall be withheld, but such funds shall
4 be deposited as directed by the AO, to be held as unearned money pending final settlement of the
5 title dispute, and then applied as earned or returned in accordance with such final settlement.

6
7 Unit Operator as such is relieved from any responsibility for any defect or failure of any title
8 hereunder.

9
10 **28. NON-JOINDER AND SUBSEQUENT JOINDER.** If the owner of any substantial
11 interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the
12 owner of the working interest in that tract may withdraw the tract from this agreement by written
13 notice delivered to the proper Bureau of Land Management office and the Unit Operator prior to the
14 approval of this agreement by the AO. Any oil or gas interests in lands within the unit area not
15 committed hereto prior to final approval may thereafter be committed hereto by the owner or
16 owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest,
17 by the owner of such interest also subscribing to the unit operating agreement. After operations are
18 commenced hereunder, the right of subsequent joinder, as provided in this section, by a working
19 interest owner is subject to such requirements or approval(s), if any, pertaining to such joinder, as
20 may be provided for in the unit operating agreement. After final approval hereof, joinder by a non-
21 working interest owner must be consented to in writing by the working interest owner committed
22 hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such
23 non-working interest. A non-working interest may not be committed to this unit agreement unless
24 the corresponding working interest is committed hereto. Joinder to the unit agreement by a working
25 interest owner, at any time, must be accompanied by appropriate joinder to the unit operating
26 agreement, in order for the interest to be regarded as committed to this agreement. Except as may
27 otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date
28 of the filing with the AO of duly executed counterparts of all or any papers necessary to establish
29 effective commitment of any interest and/or tract to this agreement.

30
31 **29. COUNTERPARTS.** This agreement may be executed in any number of counterparts,
32 no one of which needs to be executed by all parties, or may be ratified or consented to by separate
33 instrument in writing specifically referring hereto and shall be binding upon all those parties who
34 have executed such a counterpart, ratification, or consent hereto with the same force and effect as if
35 all such parties had signed the same document, and regardless of whether or not it is executed by all
36 other parties owning or claiming an interest in the lands within the above-described unit area.

37
38 **30. SPECIAL SURFACE STIPULATIONS.** Nothing in this agreement shall modify the
39 special Federal lease stipulations attached to the individual Federal oil and gas leases.

40
41 **31. SURRENDER.** Nothing in this Agreement shall prohibit the exercise by any working
42 interest owner of the right to surrender vested in such party by any lease, sublease, or operating
43 agreement as to all or any part of the lands covered thereby, provided that each party who will or
44 might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is
45 bound by the terms of this Agreement.

46
47 If as a result of any surrender, the working interest rights as to such lands become vested in
48 any party other than the fee owner of the Unitized Substances, said party may forfeit such rights and
49 further benefits from operations hereunder as to said land to the party next in the chain of title who
50 shall be and become the owner of such working interest.

51
52 If as the result of any such surrender of forfeiture working interest rights become vested in
53 the fee owner of the Unitized Substances, such owner may:

- 54
55 (a) Accept those working interest rights subject to this Agreement and the Unit
56 Operating Agreement; or
57
58 (b) Lease the portion of such land as is included in a participating area established
59 hereunder subject to this Agreement and the Unit Operating Agreement; or
60
61 (c) Provide for the independent operation of any part of such land that is not then
62 included within a participating area established hereunder.

1
 2 If the fee owner of the Unitized Substances does not accept the working interest rights
 3 subject to this Agreement and the Unit Operating Agreement or lease such lands as above provided
 4 within 6 months after the surrendered or forfeited, working interest rights become vested in the fee
 5 owner; the benefits and obligations of operations accruing to such lands under this Agreement be
 6 shared by the remaining owners of the unitized working interests in accordance with their respective
 7 working interest ownerships, and such owners of working interests shall compensate the fee owner
 8 of Unitized Substances in such lands by paying sums equal to the rentals, minimum royalties, and
 9 royalties applicable to such lands under the lease in effect when the lands were unitized.

10
 11 An appropriate accounting and settlement shall be made for all benefits accruing to or
 12 payments and expenditures made or incurred on behalf of such surrendered or forfeited working
 13 interests subsequent to the date of surrender or forfeiture, and payment of any moneys found to be
 14 owing by such an accounting shall be made as between the parties within 30 days.

15
 16 The exercise of any right vested in a working interest owner to reassign such working
 17 interest to the party from whom obtained shall be subject to the same conditions as set forth in this
 18 section in regard to the exercise of a right to surrender.

19
 20 **32. TAXES.** The working interest owners shall render and pay for their account and the
 21 account of the royalty owners all valid taxes on or measured by the Unitized Substances in and
 22 under or that may be produced, gathered and sold from the land covered by this Agreement after its
 23 effective date, or upon the proceeds derived therefrom. The working interest owners on each tract
 24 shall and may charge the proper proportion of said taxes to royalty owners having interests in said
 25 tract, and may currently retain and deduct a sufficient amount of the Unitized Substances or
 26 derivative products, or net proceeds thereof, from the allocated share of each royalty owner to
 27 secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or
 28 the State of New Mexico or to any lessor who has a contract with his lessee which requires the
 29 lessee to pay such taxes.

30
 31 **33. NO PARTNERSHIP.** It is expressly agreed that the relation of the parties hereto is that
 32 of independent contractors and nothing contained in this Agreement, expressed or implied, nor any
 33 operations conducted hereunder, shall create or be deemed to have created a partnership or
 34 association between the parties hereto or any of them.

35 **IN WITNESS WHEREOF,** the parties hereto have caused this agreement to be executed
 36 and have set opposite their respective names the date of execution.

37
 38 **UNIT OPERATOR AND WORKING INTEREST OWNER**

39
 40
 41 **SAN JUAN RESOURCES, INC.**

42
 43
 44
 45 By _____

46
 47
 48 Address: 1499 Blake Street
 49 Suite 10C
 50 Denver, Colorado 80202

49 Date of Execution
 50 _____

51
 52
 53 STATE OF _____)
 54) ss.
 55 COUNTY OF _____)

56
 57 The foregoing instrument was acknowledged before me by _____
 58
 59 _____ as _____
 60
 61 of _____.

1 This _____ day of _____, 2022.

2

3 WITNESS my hand and official seal.

4

5 My Commission Expires:

6

7 _____

8

Notary Public

9

10

11

12

13

14

15

16

17

18

19

20

21 UNIT OPERATOR SIGNATURE PAGE FOR THE

22 REGINA RANCH (DEEP) UNIT AGREEMENT

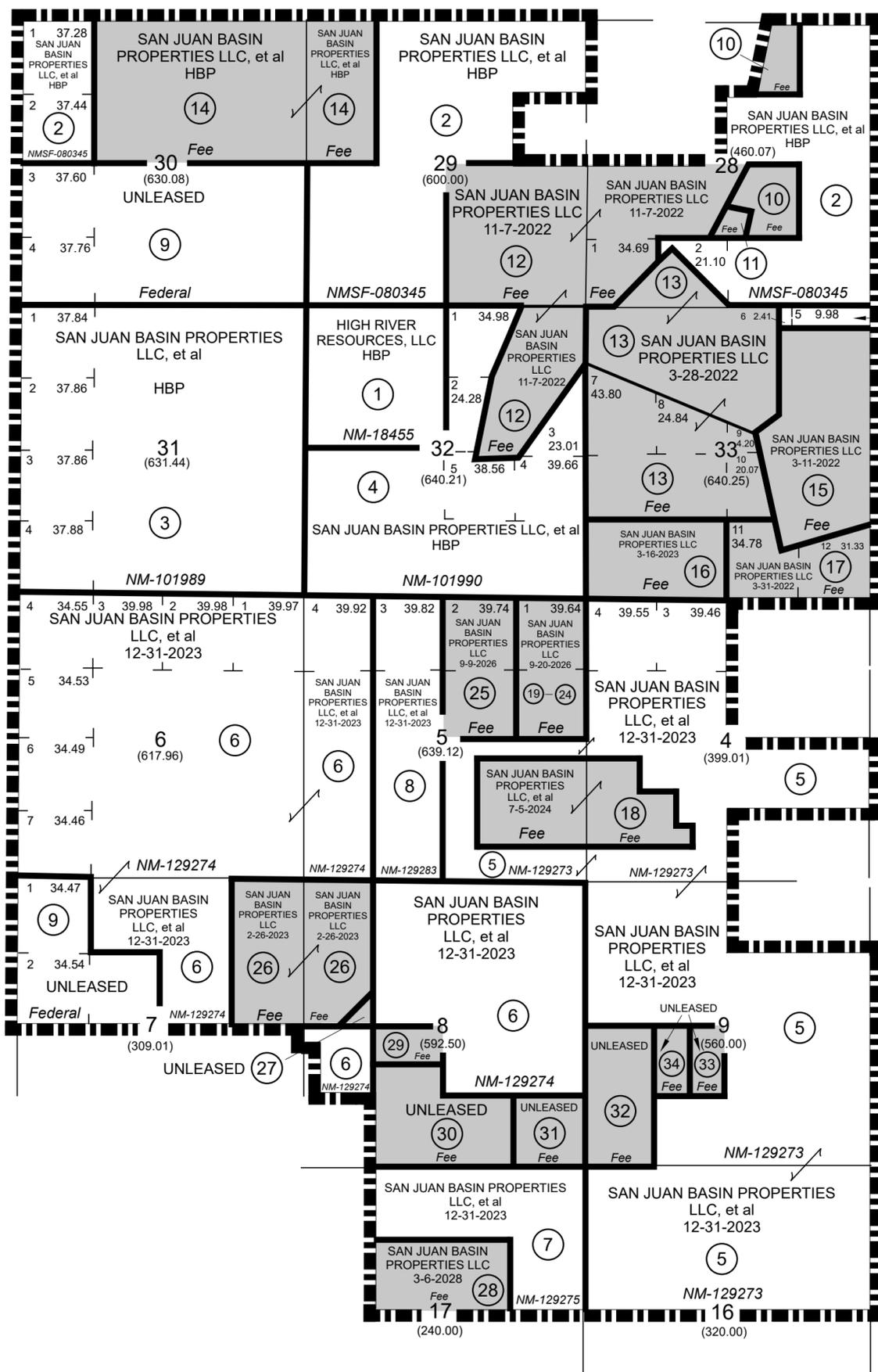
23 SANDOVAL COUNTY, NEW MEXICO

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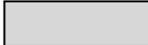
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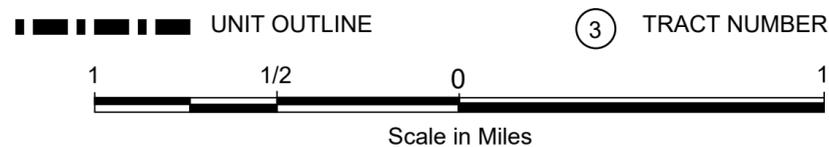
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- ⑩ SAN JUAN BASIN PROPERTIES LLC, et al 11-23-2024
- ⑪ SAN JUAN BASIN PROPERTIES LLC, et al 9-1-2025
- SAN JUAN BASIN PROPERTIES LLC, et al HBP NM-101990
- ④

	ACREAGE	PERCENTAGE	
	FEDERAL LANDS	5,083.72	69.83%
	PATENTED LANDS	2,195.93	30.17%
TOTALS		7,279.65	100.00%



NOTE: UNLESS OTHERWISE NOTED HEREIN THE SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

EXHIBIT "A"

REGINA RANCH (DEEP) UNIT AREA

SANDOVAL COUNTY, NEW MEXICO

SAN JUAN RESOURCES, INC.
DENVER, COLORADO

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
REGINA RANCH (DEEP) UNIT AREA
SANDOVAL COUNTY, NEW MEXICO

Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,400 feet as encountered in the Regina Ranch Federal 32-1 well located in the SW/4 Section 32 Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API # 30-043-20989).

TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE
FEDERAL LANDS							
1	T23N-R1W, N.M.P.M. Sec. 32: NW/4	160.00	NMNM 18455 Effective 6-1-73 HBP	U.S.A. - All (12.5% royalty)	Alex E. Phillips	100.0000% Howard M. Maher	2.0000% High River Resources LLC 100.0000%
2	T23N-R1W, N.M.P.M. Sec. 28: Lot 2 (21.10 ac) , NE/4NE/4, S/2NE/4, NE/4SE/4, S/2SE/4 Sec. 29: NE/4NE/4, W/2NE/4, E/2NW/4, SW/4 Sec. 30: Lots 1 (37.28 ac), 2 (37.44 ac)	695.82	NMSF 080345 Effective 5-1-51 HBP	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Refiners Petroleum W. L. Douthit Duncan Shepherd Gypsum Springs LLC TOTAL	3.0000% San Juan Basin Properties LLC 2.0000% Rio Arriba Holdings 2.0000% TOTAL 0.7500% 0.7500% 8.5000%
3	T23N-R1W, N.M.P.M. Sec. 31: Lots 1 (37.84), 2 (37.86), 3 (37.86), Lot 4 (37.88), E/2, E/2W/2	631.44	NMNM 101989 Effective 3-1-99 HBP	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Oil & Gas LLC Brittoil Company LLC Campeche Petro, LP Michael M. Fowler Gypsum Springs LLC Petroleum Resource Management C & PW Corp. KCW Corporation Wagner Family Trust Bodzy Investment Partnership OTSS Investments LLC UNA Oreja LLC A & B Interests, LLC Crossroads Horizon, LLC Scott M Daniel Grey Horse Holdings LLC 911 Oil & Gas LLC TOTAL	3.2821% San Juan Basin Properties LLC 3.1250% Rio Arriba Holdings 1.1110% TOTAL 0.8589% 0.5000% 0.5000% 0.4139% 0.4139% 0.2196% 0.1600% 0.1460% 0.1355% 0.1200% 0.0800% 0.0775% 0.0670% 0.0209% 11.2312%
4	T23N-R1W, N.M.P.M. Sec. 32: Lots 1 (34.98), 2 (24.28), 3 (23.01), Lots 4 (39.66), 5 (38.56) , S/2SE/4, SW/4 Sec. 33: Lots 5 (9.98), 6 (2.41) Sec. 33: Lots 5 (9.98 ac), 6 (2.41 ac)	412.88	NMNM 101990 Effective 3-1-99 HBP	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Oil & Gas LLC Brittoil Company LLC Campeche Petro LP Michael M. Fowler Gypsum Springs LLC Petroleum Resource Management C & PW Corp. KCW Corporation RG American Interest LLC Wagner Family Trust Bodzy Investment Partnership OTSS Investments LLC UNA Oreja LLC A & B Interests, LLC Crossroads Horizon, LLC Scott M. Daniel	3.1301% All lands except Sec. 32: SW/4SW/4 3.1250% San Juan Basin Properties LLC 1.0000% Rio Arriba Holdings 0.8029% TOTAL 0.5000% 0.5000% Sec. 32: SW/4SW/4 0.4029% San Juan Basin Properties LLC 0.4029% Seamless Energy LLC 0.4000% Texacoma Exploration & Production LLC 0.1980% Rio Arriba Holdings 0.1600% TOTAL 0.1313% 0.1219% 0.1200% 0.0800% 0.0775%

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
REGINA RANCH (DEEP) UNIT AREA
SANDOVAL COUNTY, NEW MEXICO

Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,400 feet as encountered in the Regina Ranch Federal 32-1 well located in the SW/4 Section 32 Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API # 30-043-20989).

TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE	
						Grey Horse Holdings LLC 911 Oil & Gas LLC TOTAL	0.0600% 0.0188% 11.2313%	
5	T22N-R1W, N.M.P.M. Sec. 4: Lots 3 (39.46), Lot 4 (39.55), N/2N/2NW/4SW/4, N/2NE/4SW/4, N/2SE/4, N/2SW/4NE/4SW/4, NE/4NW/4SE/4SW/4, NE/4SE/4NW/4SW/4, NE/4SE/4SW/4, S/2NW/4, S/2S/2SW/4, SE/4NE/4NW/4SW/4, SE/4NE/4SW/4, SE/4SW/4NE/4SW/4 Sec. 5: N/2N/2N/2SE/4, NW/4SW/4SE/4, S/2NW/4NW/4SE/4, S/2S/2SE/4, SW/4NW/4SE/4 Sec. 9: NW/4, S/2NE/4, SE/4, SE/4SW/4 Sec. 16: N/2	1,189.01	NMNM 129273 Effective 1-1-13 Expires 12-31-22	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC TOTAL	6.5000% 1.0000% 1.0000% 8.5000% San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
6	T22N-R1W, N.M.P.M. Sec. 5: Lot 4 (39.92), SW/4NW/4, W/2SW/4 Sec. 6: Lots 1 (39.97), 2 (39.98), 3 (39.98) Lots 4 (34.55), 5 (34.53), 6 (34.49), 7 (34.46) S/2NE/4, SE/4, SE/4NW/4, E/2SW/4 Sec. 7: NE/4NW/4, W/2NE/4 Sec. 8: E/2NW/4, E/2NW/4SW/4, E/2W/2NW/4SW/4, N/2SE/4, NE/4, NW/4NW/4NW/4SW/4	1,250.38	NMNM 129274 Effective 1-1-13 Expires 12-31-22	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC TOTAL	6.5000% 1.0000% 1.0000% 8.5000% San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
7	T22N-R1W, N.M.P.M. Sec. 17: E/2NE/4, NE/4NW/4, NW/4NE/4	160.00	NMNM 129275 Effective 1-1-13 Expires 12-31-22	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC TOTAL	6.5000% 1.0000% 1.0000% 8.5000% San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
8	T22N-R1W, N.M.P.M. Sec. 5: Lot 3 (39.82), E/2SW/4, SE/4NW/4	159.82	NMNM 129283 Effective 1-1-13 Expires 12-31-22	U.S.A. - All (12.5% royalty)	San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC TOTAL	6.5000% 1.0000% 1.0000% 8.5000% San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
9	T23N-R1W, N.M.P.M. Sec. 30: Lots 3 (37.60), 4 (37.76), E/2SW/4, SE/4 T22N-R1W, N.M.P.M. Sec. 7: Lots 1 (34.47), 2 (34.54), SE/4NW/4	424.37	Unleased	U.S.A. - All (12.5% royalty)	Unleased	100.0000% None	Unleased	100.0000%

9 FEDERAL TRACTS TOTALING 5,083.72 ACRES OR 69.83% OF UNIT AREA

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TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE				
PATENTED LANDS											
10	T23N-R1W, N.M.P.M. Sec. 28: That part of the NWSE and NESW lying East of Hwy 96, containg 42.00 acres; That part of the NWNE lying East of the centerline of Hwy 96, containg 16.00 acres;	58.00	Eff 11-23-14 / Exp 11-23-24 Eff 11-23-14 / Exp 11-23-24	John R. Hatch and Mary Elizabeth Hatch Bonnie Givens	27.5000% 27.5000%	San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000%	The Colorado College Gypsum Springs LLC Petroleum Resource Management TOTAL	1.2500% 0.5000% 0.5000% 2.2500%	San Juan Basin Properties LLC Rio Arriba Holdings	52.2500% 2.7500%
			Unleased	American Recreational Properties, Inc TOTAL	45.0000% 100.0000%	Unleased	100.0000%	None		American Recreational Properties, Inc TOTAL	45.0000% 100.0000%
11	T23N-R1W, N.M.P.M. Sec. 28: 2.00 acres in the SE/4NE/4SW/4	2.00	Eff 9-1-15 / Exp 9-1-25	San Juan Basin Properties LLC	45.0000%	San Juan Basin Properties LLC	100.0000%	None		San Juan Basin Properties LLC Rio Arriba Holdings	42.7500% 2.2500%
			Unleased	American Recreational Properties, Inc TOTAL	55.0000% 100.0000%	Unleased	100.0000%	None TOTAL	0.0000%	American Recreational Properties, Inc TOTAL	55.0000% 100.0000%
12	T23N-R1W, N.M.P.M. Sec. 28: Lot 1 (34.69), NW/4SW/4, Part of NE/4SW/4 & NW/4SE/4 lying W of Hwy 96 Sec. 29: SE/4 Sec. 32: Part of HES # 224	354.41	Eff 11-7-12 / Exp 11-7-22 Eff 11-7-12 / Exp 11-7-22	Alan Bonneau Hatch and Diane Hatch Carl Franklin Hatch and Sandra Hatch Becky Mollerud Georgie Ross and Jon Ross Hilda King and Dean King Mary Elgin Strohecker and Carl Strohecker Reva Duran TOTAL	14.2857% 14.2857% 14.2857% 14.2857% 14.2857% 14.2857% 14.2857% 100.0000%	San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000% 100.0000% 100.0000% 100.0000% 100.0000% 100.0000%	The Colorado College Gypsum Springs LLC Petroleum Resource Management Corp. TOTAL	2.8334% 0.7500% 0.7500% 4.3334%	San Juan Basin Properties LLC Rio Arriba Holdings	95.0000% 5.0000%
				TOTAL						TOTAL	100.0000%
13	T23N-R1W, N.M.P.M. Sec. 28 & 33: HES # 226 Sec. 33: Lots 7 (43.80), 8 (24.84), 9 (4.20), 10 (20.07)	333.47	Eff 3-28-12 / Exp 3-28-22 Eff 3-28-12 / Exp 3-28-22 Eff 3-28-12 / Exp 3-28-22	Dudley E Harris and Ramona Harris Living Trust dated 11/12/87 Betty J. Andrews Donna J. vonOsinski TOTAL	50.0000% 25.0000% 25.0000% 100.0000%	San Juan Basin Properties LLC San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000% 100.0000%	The Colorado College Gypsum Springs LLC Petroleum Resource Management Corp. TOTAL	2.8334% 0.7500% 0.7500% 4.3334%	San Juan Basin Properties LLC Rio Arriba Holdings	95.0000% 5.0000%
				TOTAL						TOTAL	100.0000%
14	T23N-R1W, N.M.P.M. Sec. 29: W/2NW/4 Sec. 30: NE/4, E/2NW/4	320.00	Eff 12-31-87 / HBP	Berna L. Lilliquist	5.7156%	San Juan Basin Properties LLC	100.0000%	H. B. A. Oil Company Michael T. Holland Kindermac Partners Duncan Shepherd Gypsum Springs LLC TOTAL	1.0000% 0.5000% 2.0000% 0.5000% 0.5000% 4.5000%	San Juan Basin Properties LLC Rio Arriba Holdings	5.4298% 0.2858%
			Eff 11-29-78 / HBP	Winston M. Williams	55.7141%	D. A. Evans, Jr Gregory Crawford Don Crawford	50.0000% 25.0000% 25.0000%	None		DA Evans, Jr Gregory Crawford Don Crawford	27.8570% 13.9285% 13.9285%
			Eff 12-12-78 / HBP	Pauline Hall Polaski	10.0000%	D. A. Evans, Jr	50.0000%	None		DA Evans, Jr	5.0000%

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					Gregory Crawford Don Crawford	25.0000% 25.0000%	Gregory Crawford Don Crawford 2.5000% 2.5000%				
			Eff 11-29-78 / HBP	Mayco E. Williams 5.7141%	D. A. Evans, Jr Gregory Crawford Don Crawford	50.0000% 25.0000% 25.0000%	None DA Evans, Jr Gregory Crawford Don Crawford 2.8570% 1.4285% 1.4285%				
			Eff 12-6-78 / HBP	Louie E. Williams 5.7141%	D. A. Evans, Jr Gregory Crawford Don Crawford	50.0000% 25.0000% 25.0000%	None DA Evans, Jr Gregory Crawford Don Crawford 2.8570% 1.4285% 1.4285%				
			Eff 5-2-79 / HBP	Eugene D. Williams 5.7141%	D. A. Evans, Jr Gregory Crawford Don Crawford	50.0000% 25.0000% 25.0000%	None DA Evans, Jr Gregory Crawford Don Crawford 2.8570% 1.4285% 1.4285%				
			Eff 11-29-78 / HBP	Wanda R. Archuleta 5.7141%	D. A. Evans, Jr Gregory Crawford Don Crawford	50.0000% 25.0000% 25.0000%	None DA Evans, Jr Gregory Crawford Don Crawford 2.8570% 1.4285% 1.4285%				
			Eff 11-29-78 / HBP	Birdie M. Kent 5.7141%	D. A. Evans, Jr Gregory Crawford Don Crawford	50.0000% 25.0000% 25.0000%	None DA Evans, Jr Gregory Crawford Don Crawford 2.8570% 1.4285% 1.4285%				
			TOTAL	100.0000%			TOTAL 100.0000%				
15	T23N-R1W, N.M.P.M. Sec. 33: HE Survey No. 225, Small Holding Claim No. 4358 (STHC 4385)	172.56	Eff 3-11-12 / Exp 3-11-22 Eff 3-11-12 / Exp 3-11-22 Eff 3-11-12 / Exp 3-11-22	Ramona P. Aston Jacqueline P. Bickford Michael H. Evans TOTAL	47.3214% 26.3393% 26.3393% 100.0000%	San Juan Basin Properties LLC San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000% 100.0000%	The Colorado College Gypsum Springs LLC Petroleum Resource Management Corp. TOTAL	2.8334% 0.7500% 0.7500% 4.3334%	San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
16	T23N-R1W, N.M.P.M. Sec. 33: S/2SW/4	80.00	Eff 3-16-13 / Exp 3-16-23 Eff 4-19-13 / Exp 4-19-23	Michael W. Grigg Houston C. Lasater TOTAL	50.0000% 50.0000% 100.0000%	San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000%	The Colorado College Gypsum Springs LLC Petroleum Resource Management Corp. TOTAL	2.8334% 0.7500% 0.7500% 4.3334%	San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
17	T23N-R1W, N.M.P.M. Sec. 33: Lots 11 (34.78), 12 (31.33)	66.11	Eff 3-31-12 / Exp 3-31-22 Eff 3-31-12 / Exp 3-31-22	Billie Ann Morrissey Betty J. Ruff TOTAL	50.0000% 50.0000% 100.0000%	San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000%	The Colorado College Gypsum Springs LLC Petroleum Resource Management Corp. TOTAL	2.8334% 0.7500% 0.7500% 4.3334%	San Juan Basin Properties LLC Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%

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18	T22N-R1W, N.M.P.M. Sec. 4: S/2NW/4NW/4SW/4, SW/4NE/4NW/4SW/4, SW/4NW/4SW/4, W/2SE/4NW/4SW/4, SW/4SW/4NE/4SW/4, N/2SW/4SW/4, W/2NW/4SE/4SW/4, SE/4NW/4SE/4SW/4, SE/4SE/4NW/4SW/4 Sec. 5: S/2NE/4NW/4SE/4, S/2N/2NE/4SE/4, SE/4NW/4SE/4, S/2NE/4SE/4, NE/4SW/4SE/4, N/2SE/4SE/4	130.00	Eff 7-24-14 / Exp 7-23-24 Eff 7-24-14 / Exp 7-23-24	David E. Driggers William H. Driggers	6.2500% 6.2500%	San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000%	The Colorado College Gypsum Springs LLC Duncan Shepherd TOTAL	6.5000% 1.0000% 1.0000% 8.5000%	San Juan Basin Properties LLC Rio Arriba Holdings	34.1406% 1.7969%
			Eff 7-6-21 / Exp 7-5-24 Eff 7-16-21 / Exp 7-15-24	Chew Minerals, LLC El Charolyn Properties, LLC	14.0625% 9.3750%	San Juan Basin Properties LLC San Juan Basin Properties LLC	100.0000% 100.0000%	Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC TOTAL	2.8334% 0.7500% 0.7500% 4.3334%		
			Unleased	William E. Chew Irrevocable Trust Dated 3/29/21	14.0625%	Unleased	100.0000%	None		William E. Chew Irrevocable Trust Dated 3/29/21	14.0625%
			Unleased	San Juan Basin Properties, LLC	37.5000%	Unleased	100.0000%			San Juan Basin Properties, LLC	37.5000%
			Unleased	Estate of Ireen Bracken	12.5000%	Unleased	100.0000%			Estate of Ireen Bracken	12.5000%
				TOTAL	100.0000%					TOTAL	100.0000%
19	T22N-R1W, N.M.P.M. Sec. 5: A tract of land in the E/2E/2NE/4 described as follows: Beginning at the Northeast corner of said Section 5; Thence S0°02' E, 875 .60 feet; Thence S89°57' 30" W 660.02 feet to the center of a 30 foot access and utility easement; Thence N0°02' W, 876.10 feet to the North line of Section 5; Thence East 660.0 feet to the point of beginning. Containing 13.27 acres, more or less	13.28	Eff 9-20-21 / Exp 9-20-26	Kenneth R. Pritchard, Jr. and Wanda Joan Pritchard, husband and wife, and their son, Harold Ron Pritchard, a	100.0000%	San Juan Basin Properties LLC	100.0000%	Classical Gas & Oil LLC Duncan Shepherd	2.8334% 0.7500%	San Juan Basin Properties LLC Rio Arriba Holdings	95.0000% 5.0000%
										TOTAL	100.0000%
20	T22N-R1W, N.M.P.M. Sec. 5: A tract of land in the W/2NE/4NE/4 described as follows: Beginning 660.0 feet West of the Northeast corner of said Section 5; Thence S0°02' E, 876.10 feet along the center of a 30 foot access and utility easement; Thence S89°57'30"W, 660.02 feet; Thence N0°02'W, 876.59 feet to the North line of Section 5; Thence East 660.0 feet to the point of beginning. Containing 13.27 acres, more or less	13.27	Eff 10-5-21 / Exp 10-5-26	George Elward Latham and Dianna Lynn Latham, Husband and Wife Patricia Latham	66.6667% 33.3333%	San Juan Basin Properties LLC	100.0000%	Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs, LLC TOTAL	2.8334% 0.7500% 0.7500% 4.3334%	San Juan Basin Properties LLC Rio Arriba Holdings	95.0000% 5.0000%
				TOTAL	100.0000%					TOTAL	100.0000%

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21	T22N-R1W, N.M.P.M. Sec. 5: A tract of land in the E/2E/2NE/4 described as follows: Beginning 875.60 feet S0°02' E from the Northeast corner of said Section 5; Thence S0°02'E, 875.60 feet; Thence S89°56' W, 660.05 feet to the center of a 30 foot access and utility easement; Thence N0°02'W, 876.10 feet along the center of said easement; Thence N89°57'30"E, 660.02 feet to the point of beginning. Containing 13.27 acres, more or less	13.27	Eff 9-20-21 / Exp 9-20-26	Kenneth R. Pritchard, Jr. and Wanda Joan Pritchard, husband and wife, and their son, Harold Ron Pritchard, a married man dealing in his sole and separate property.	100.0000% San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs, LLC TOTAL	2.8334% San Juan Basin Properties LLC 0.7500% Rio Arriba Holdings 0.7500% TOTAL 4.3334%	95.0000% 5.0000% 100.0000%
22	T22N-R1W, N.M.P.M. Sec. 5: A tract of land in the W/2E/2NE/4 described as follows: Beginning 660.0 feet West and 876.10 feet S0°02'E from the Northeast corner of said Section 5; Thence S0°02'E, 876.10 feet along the center of a 30 foot access and utility easement; Thence S89°56' W, 660.05 feet; Thence N0°02' W, 876.59 feet; Thence N89°57'30"E, 660.02 feet to the point of beginning. Containing 13.27 acres, more or less	13.27	Eff 10-6-21 / Exp 10-6-26	Georgie Allene Lasster, aka Georgia Allene Lasster, a widow	100.0000% San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Duncan Shepherd	2.8334% San Juan Basin Properties LLC 0.7500% Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%
23	T22N-R1W, N.M.P.M. Sec. 5: A tract of land in the E/2E/2NE/4 described as follows: Beginning 1751.20 feet S0°02'E from the Northeast corner of said Section 5; Thence S0°02'E, 875.60 feet to the East Quarter corner of said Section 5; Thence S89°54'W, 660.08 feet; Thence N0°02'W, 876.10 feet; Thence N89°56'E, 660.5 feet to the point of beginning. Containing 13.27 acres, more or less	13.27	Eff 10-10-21 / Exp 10-10-26	William Roy Lathan, a single man	100.0000% San Juan Basin Properties LLC	100.0000% Classical Gas & Oil LLC Duncan Shepherd	2.8334% San Juan Basin Properties LLC 0.7500% Rio Arriba Holdings TOTAL	95.0000% 5.0000% 100.0000%

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24	T22N-R1W, N.M.P.M. Sec. 5: A tract of land in the W/2E/2NE/4 described as follows: Beginning 660.0 feet West and 1752.20 feet S0°02'E from the Northeast corner of said Section 5; Thence S0°02' E, 876.10 feet; Thence S89°54'W, 660.08 feet; Thence N0°02'W, 876.59 feet; Thence N89°56'E, 660.05 feet to the point of beginning. Containing 13.27 acres, more or less	13.27	Eff 9-20-21 / Exp 9-20-26	Kenneth R. Pritchard, Jr. and Wanda Joan Pritchard, husband and wife, and their son, Harold Ron Pritchard, a	100.0000%	San Juan Basin Properties LLC	100.0000%	Classical Gas & Oil LLC Duncan Shepherd	2.8334% 0.7500%	San Juan Basin Properties LLC Rio Arriba Holdings	95.0000% 5.0000%
							TOTAL				100.0000%
25	T22N-R1W, N.M.P.M. Sec. 5: W/2NE/4 (aka Lot 2 (39.74), SW/4NE/4)	79.74	Eff 9-9-21 / Exp 9-9-26	Frank D. Welch and Betty Jo Welch	100.0000%	San Juan Basin Properties LLC	100.0000%	Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs, LLC	2.8334% 0.7500% 0.7500%	San Juan Basin Properties LLC Rio Arriba Holdings	95.0000% 5.0000%
							TOTAL		4.3334%		100.0000%
26	T22N-R1W, N.M.P.M. Sec. 7: E/2NE/4 Sec. 8: W2NW, less 6.5311 ac tract, known as Tr C, Lands of Rey Lovato;	153.47	Eff 2-26-13 / Exp 2-26-23	Shirley Rey Lovato and Jean L. Garcia	100.0000%	San Juan Basin Properties LLC	100.0000%	Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC	2.8334% 0.7500% 0.7500%	San Juan Basin Properties LLC	100.0000%
							TOTAL		4.3334%		
27	T22N-R1W, N.M.P.M. Sec. 8: 6.5311 ac tract, known as Tr C, Lands of Rey Lovato	6.53	Unleased	Alvin Baca	100.0000%	Unleased	100.0000%	None		Alvin Baca	100.0000%
28	T22N-R1W, N.M.P.M. Sec. 17: SW/4NE/4, SE/4NW/4	80.00	Eff 3-6-18 / Exp 3-6-28	Willi Muller and Anne Marie Muller, Trustees of the Willi Muller and Anne Marie Muller Trust	100.0000%	San Juan Basin Properties LLC	100.0000%	Classical Gas & Oil LLC Duncan Shepherd Gypsum Springs LLC	2.8334% 0.7500% 0.7500%	San Juan Basin Properties LLC	100.0000%
							TOTAL		4.3334%		
29	T22N-R1W, N.M.P.M. Sec. 8: N/2NE/4SW/4	20.00	Unleased	Jerry A. and Sharon L. Jouret	50.0000%	Unleased	100.0000%	None		Jerry A. and Sharon L. Jouret	50.0000%
			Unleased	Yvonne C. Ridinger	16.6700%	Unleased	100.0000%			Yvonne C. Ridinger	16.6700%
			Unleased	Laura Ryan	8.3400%	Unleased	100.0000%			Laura Ryan	8.3400%
			Unleased	Nancy Maier Lipari	8.3400%	Unleased	100.0000%			Nancy Maier Lipari	8.3400%
			Unleased	Charlotte Blevins Purdy	5.5500%	Unleased	100.0000%			Charlotte Blevins Purdy	5.5500%
			Unleased	Marsha Childers	5.5500%	Unleased	100.0000%			Marsha Childers	5.5500%
			Unleased	Mary Loring	5.5500%	Unleased	100.0000%			Mary Loring	5.5500%
				TOTAL	100.0000%					TOTAL	100.0000%
30	T22N-R1W, N.M.P.M. Sec. 8: S/2NE/4SW/4, SE/4SW/4, SW/4SE/4	100.00	Unleased	Gerry Falls and Carol Falls	50.0000%	Unleased	100.0000%	None		Gerry Falls and Carol Falls	50.0000%
			Unleased	Yvonne C. Ridinger	16.6700%	Unleased	100.0000%			Yvonne C. Ridinger	16.6700%
			Unleased	Laura Ryan	8.3400%	Unleased	100.0000%			Laura Ryan	8.3400%
			Unleased	Nancy Maier Lipari	8.3400%	Unleased	100.0000%			Nancy Maier Lipari	8.3400%
			Unleased	Charlotte Blevins Purdy	5.5500%	Unleased	100.0000%			Charlotte Blevins Purdy	5.5500%
			Unleased	Marsha Childers	5.5500%	Unleased	100.0000%			Marsha Childers	5.5500%

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
REGINA RANCH (DEEP) UNIT AREA
SANDOVAL COUNTY, NEW MEXICO

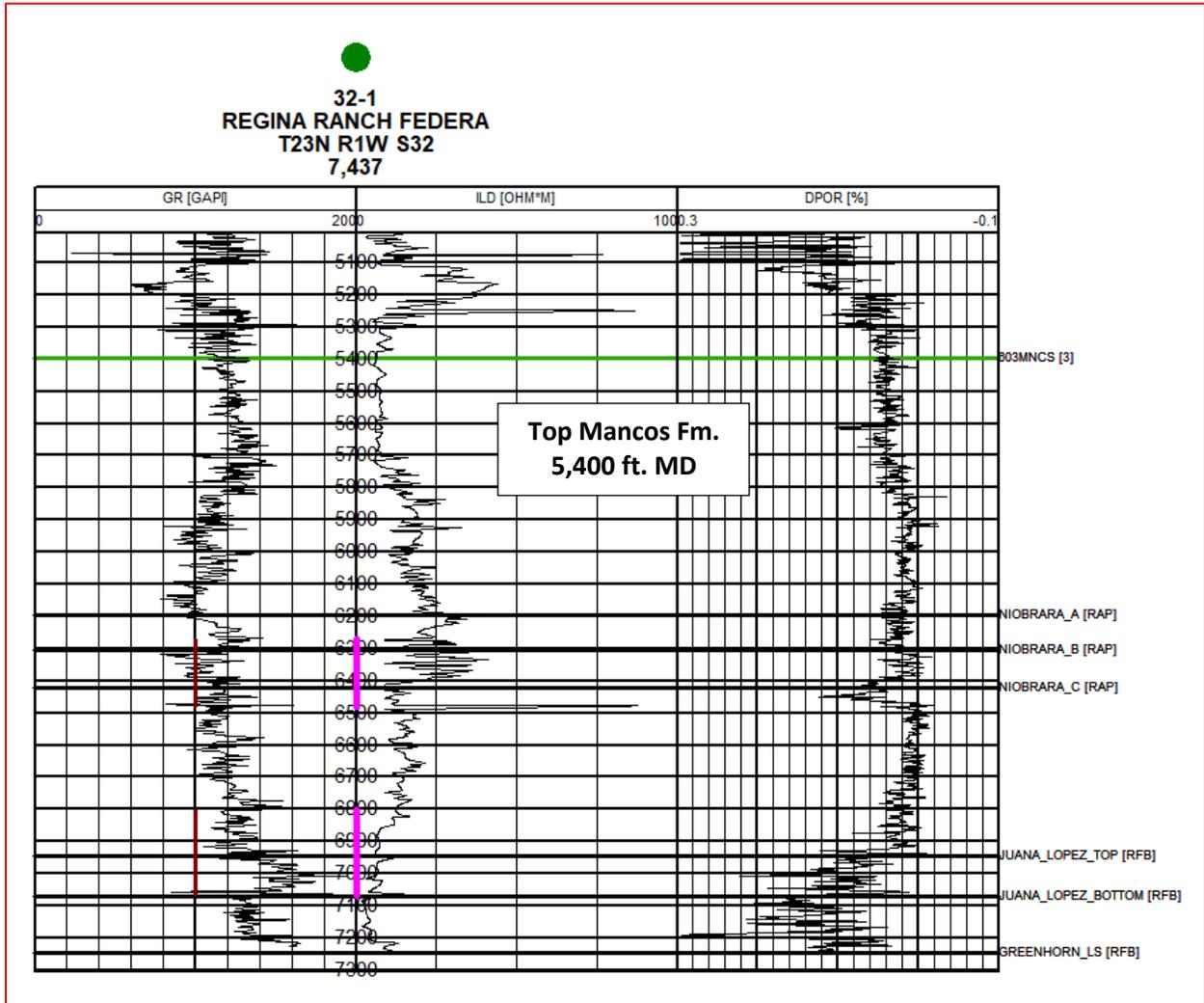
Ownership reflected herein covers those formations below the stratigraphic equivalent of the top of the Mancos Formation at a depth of 5,400 feet as encountered in the Regina Ranch Federal 32-1 well located in the SW/4 Section 32 Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API # 30-043-20989).

TRACT NO	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXP. DATE OF LEASE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE	WORKING INTEREST & PERCENTAGE	
			Unleased	Mary Loring TOTAL	5.5500% 100.0000%	Unleased 100.0000%	Mary Loring TOTAL	5.5500% 100.0000%
31	T22N-R1W, N.M.P.M. Sec. 8: SE/4SE/4	40.00	Unleased	Christopher S. and Lynette L. Ewer Michael S. Ewer Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	25.0000% 25.0000% 16.6700% 8.3400% 8.3400% 5.5500% 5.5500% 5.5500% 100.0000%	Unleased Unleased Unleased Unleased Unleased Unleased Unleased Unleased 100.0000%	None Christopher S. and Lynette L. Ewer Michael S. Ewer Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	25.0000% 25.0000% 16.6700% 8.3400% 8.3400% 5.5500% 5.5500% 5.5500% 100.0000%
32	T22N-R1W, N.M.P.M. Sec. 9: W/2SW/4	80.00	Unleased	Bryan E. Lewis Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	50.0000% 16.6667% 8.3334% 8.3334% 5.5556% 5.5556% 5.5556% 100.0000%	Unleased Unleased Unleased Unleased Unleased Unleased Unleased 100.0000%	None Bryan E. Lewis Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	50.0000% 16.6667% 8.3334% 8.3334% 5.5556% 5.5556% 5.5556% 100.0000%
33	T22N-R1W, N.M.P.M. Sec. 9: E/2NE/4SW/4	20.00	Unleased	Donald L. Fuller and Hellen Fuller Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	50.0000% 16.6667% 8.3334% 8.3334% 5.5556% 5.5556% 5.5556% 100.0000%	Unleased Unleased Unleased Unleased Unleased Unleased Unleased 100.0000%	None Donald L. Fuller and Hellen Fuller Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	50.0000% 16.6667% 8.3334% 8.3334% 5.5556% 5.5556% 5.5556% 100.0000%
34	T22N-R1W, N.M.P.M. Sec. 9: W/2NE/4SW/4	20.00	Unleased	Paul G. Seehusen and Delores E. Seehusen Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	50.0000% 16.6667% 8.3334% 8.3334% 5.5556% 5.5556% 5.5556% 100.0000%	Unleased Unleased Unleased Unleased Unleased Unleased Unleased 100.0000%	None Paul G. Seehusen and Delores E. Seehusen Yvonne C. Ridinger Laura Ryan Nancy Maier Lipari Charlotte Blevins Purdy Marsha Childers Mary Loring TOTAL	50.0000% 16.6667% 8.3334% 8.3334% 5.5556% 5.5556% 5.5556% 100.0000%

25 PATENTED TRACTS TOTALING 2,195.93 ACRES OR 30.17% OF UNIT AREA

34 TRACTS TOTALING 7,279.65 ACRES IN UNIT AREA

EXHIBIT C
REGINA RANCH (DEEP) UNIT AREA
SANDOVAL COUNTY, NEW MEXICO





United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, WY 82604-2968



In Reply Refer To:
3181
(3181.1)
Regina Ranch (Deep) Unit
NMNM143795X

DEC 29 2021

San Juan Resources, Inc.
Attn: Jerome McHugh, Jr.
1499 Blake Street, Suite 10C
Denver, CO 80202

Gentlemen:

Your application of September 13, 2021, filed with the Chief, Reservoir Management Group requests the designation of 7,279.65 acres, more or less, in Sandoval County, New Mexico, as logically subject to exploration and development under unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested, as outlined on your plat marked "Exhibit 'A', Regina Ranch (Deep) Unit Area" is hereby designated as a logical unit area. The unit agreement submitted for the area designation should provide for the drilling of the following test well:

- Name:** Regina Ranch (Deep) Unit 32 #1H
- Surface Location:** SW $\frac{1}{4}$, Sec. 32, T.23N., R.1W., NM. P.M.
- Formation and Depth:** Horizontal lateral drilled to test the Mancos Formation with a lateral of at least 2,640 feet (the top of the Mancos Formation occurs at approximately 5,400 feet measured depth (MD) as indicated on the gamma ray and resistivity logs in the Westerly Exploration Federal 32-1 (API No. 30-043-20989) well, located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 32, T.23N., R.1W., NM P.M.) has tested said target.

The use of the Form of Agreement for Unproven Areas (43 CFR 3186.1, as revised April 1994), modified as shown in your application, will be accepted. If conditions are such that further modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted for preliminary approval.

In the absence of any other type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above,

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit A2

INTERIOR REGION 7 • UPPER COLORADO BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING

Submitted by: San Juan Resources, Inc.
Hearing Date: February 3, 2022
Case No. 22508

will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

If a well is commenced and penetrates the geologic formation specified in Section 9 of the unit agreement prior to final unit approval, it cannot be considered as the unit obligation well. In such event the unit obligation well still must be drilled. If you elect to initiate drilling of the obligation well prior to final unit approval, please be advised that the agreement must be filed in time to permit it to be processed in the normal sequence of events without priority consideration because of a well drilling in the unit area.

To help prevent delay in the commencement of drilling the obligation well or subsequent wells, please review all Federal leases within the unit area as to restrictive stipulations which protect wildlife and other resources. Also, contact the Farmington Field Office for any additional Conditions of Approval that may be incorporated in the approval of the Application for Permit to Drill (APD) that may delay commencement of the unit wells.

To ensure the timely handling of units submitted for final approval, proponent must show 100 percent commitment of all lessees of record, basic royalty owners, and working interest owners, or evidence that every such owner of interest in the unit has been given an opportunity to join the unit agreement. If any owner fails or refuses to join, evidence of reasonable effort to obtain a joinder should be submitted, together with a copy of each refusal by an operator giving the reasons for nonjoinder. If a refusal letter cannot be obtained, unit proponent should provide, in writing, a record of the attempts made to obtain joinder.

When the executed agreement is transmitted to the Chief, Reservoir Management Group for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the aforementioned form.

For land questions, please contact Sandy Blackburn, Land Law Examiner, at (307) 261-7632, for all other questions please contact Karl Osvald, Geologist, at (307) 261-7729.

Sincerely,



J. David Chase
Chief, Reservoir Management Group

cc: NMSO, Sheila Mallory w/ application
ONRR-RRM (email: leases.blm@onrr.gov)
New Mexico State Land Office, Scott Dawson
New Mexico Oil Conservation Division, Leonard Lowe
UnitSource, Inc. (Tim Woodroof)
2580 Pierson Street
Lakewood CO 80215



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968

In Reply Refer To:
3181
(3181.1)
Regina Ranch (Deep) Unit
NMNM143795X

JAN 11 2022

San Juan Resources, Inc.
Attn: Jerome McHugh, Jr.
1499 Blake Street, Suite 10C
Denver, CO 80202

Dear Mr. McHugh:

It has come to our attention that our designation approval letter dated December 29, 2021, for the Regina Ranch (Deep) Unit, contained some incorrect information. The incorrect information included the lateral length (2,640 feet instead of 2,600 feet) and the name of the reference well (Regina Ranch Federal 32-1 instead of Westerly Exploration Federal 32-1). Please see the corrected paragraph below:

The unit agreement submitted for the area designation should provide for the drilling of the following test well:

Name: Regina Ranch (Deep) Unit 32 #1H
Surface Location: SW¼, Sec. 32, T.23N., R.1W., NM. P.M.
Formation and Depth: Horizontal lateral drilled to test the Mancos Formation with a lateral of at least **2,600** feet (the top of the Mancos Formation occurs at approximately 5,400 feet measured depth (MD) as indicated on the gamma ray and resistivity logs in the **Regina Ranch Federal 32-1** (API No. 30-043-20989) well, located in the SE¼SW¼SW¼ of Sec. 32, T.23N., R.1W., NM P.M.) has tested said target.

Please notify all interested parties of this change. For land questions, please contact Sandy Blackburn, Land Law Examiner, at (307) 261-7632, for all other questions please contact Karl Osvald, Geologist, at (307) 261-7729.

Sincerely,

J. David Chase
Chief, Reservoir Management Group

cc: NMSO, Sheila Mallory w/ application
ONRR-RRM (email: leases.blm@onrr.gov)
New Mexico State Land Office, Scott Dawson
New Mexico Oil Conservation Division, Leonard Lowe

UnitSource, Inc. (Tim Woodroof)
2580 Pierson Street
Lakewood CO 80215

District I
 Phone: (575) 393-6161 Fax: (575) 393-0720
 District II
 811 S. First Street, Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
 District IV
 1220 S. St. Francis Drive, Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department

Submit one copy to
 Appropriate District Office

OIL CONSERVATION DIVISION
 1.220 South St. Francis Drive
 Santa Fe, NM 87505

AMENDED REPORT
 BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit A3
 Submitted by: San Juan Resources, Inc.
 Hearing Date: February 3, 2022

WELL LOCATION AND ACREAGE DEDICATION PLAT

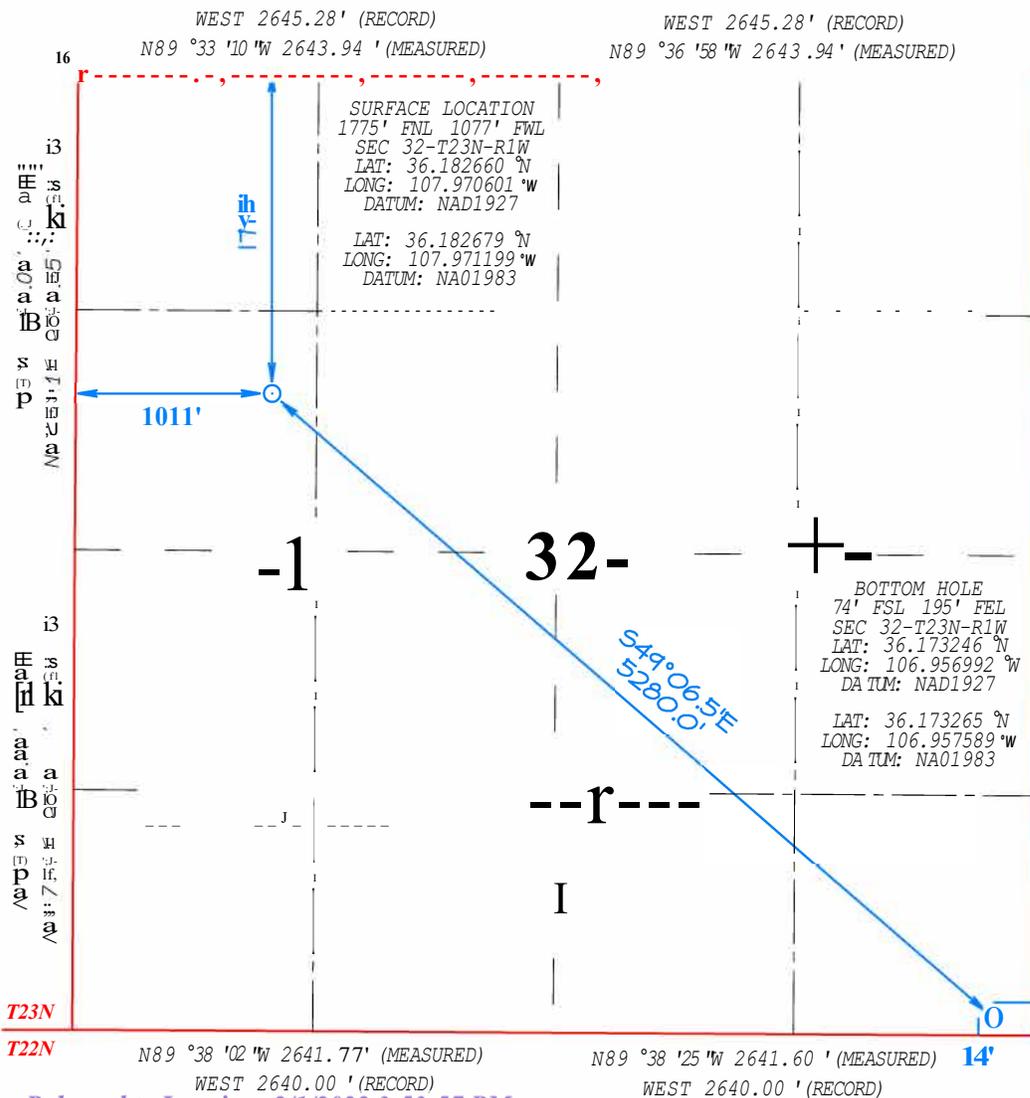
'API Number	'Pool Code 98332	'Pool Name WC 23N 1W32;MANCOS	Case No. 22508
"Property Code	'Property Name REGINA RANCH DEEP UNIT 32		'Well Number 10H
'OGRID No. 20208	'Operator Name SAN JUAN RESOURCES, INC.		'Elevation 7438'

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
E	32	23N	1W		1775	NORTH	1077	WEST	SANDOVAL

11 Bottom Hole Location If Different From Surface									
UL or no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
at	32	23N	1W		74	SOUTH	195	EAST	SA ; ; AL

2 Dedicated Acres	3 Joint or Infill	4 consolidation Code	5 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

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

Date Revised: FEBRUARY 1, 2022
 Survey Date: JANUARY 27, 2022

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
 Certificate Number 15269

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

**APPLICATION OF SAN JUAN
RESOURCES, INC. FOR APPROVAL OF
THE REGINA RANCH (DEEP) UNIT,
SANDOVAL COUNTY, NEW MEXICO.**

CASE NO. 22508

AFFIDAVIT OF RICHARD BOSHER, GEOLOGIST

Richard Bosher, of lawful age and being first duly sworn, declares as follows:

1. My name is Richard Bosher and I am employed by San Juan Resources, Inc. ("SJR") as a geologist. I am familiar with the application filed by SJR in this case and have conducted a geologic study of the proposed unit area.

2. I have previously provided my credentials to the Division and testified as an expert witness in petroleum geology, most recently in Division Case 22399 involving the Lindrith East (Deep) Unit.

3. The unitized interval for the proposed Regina Ranch (Deep) Unit is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,400 feet MD in the Regina Ranch Federal 32-1 well located in the SW/4, Section 32, Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API#30-043-20989).

4. The initial development objective is the Mancos Niobrara C interval of the Mancos Formation. Additional targets in the Mancos Formation include the Mancos Silt, the Mancos Niobrara A, the Mancos Niobrara B and the Sanostee/Juana Lopez intervals.

5. **SJR Exhibit B-1** is a type log of the Regina Ranch Federal 32-1 well with the top of the Mancos Formations at 5,400 identified with a green line and various lower target intervals

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit B
Submitted by: San Juan Resources, Inc.
Hearing Date: February 3, 2022
Case No. 22508**

identified as the Mancos Silt, Mancos Niobrara A, Mancos Niobrara B and the Sanostee / Juana Lopez, including the Niobrara C initial target interval.

6. **SJR Exhibit B-2** is a subsea structure map that I prepared for the Mancos Formation with the contour intervals at 50 feet. The proposed unit area is outlined in red. The map also contains a meandering green line that represents the outcrop of the Cretaceous Mesa Verde Formation. This exhibit demonstrates that the structure dips gently to the north from the Regina Ranch Federal 32-1 well. I do not observe any faults, pinch outs, or other geologic impediments to efficiently and effectively developing this formation under the proposed unit area with a unitized plan of operation.

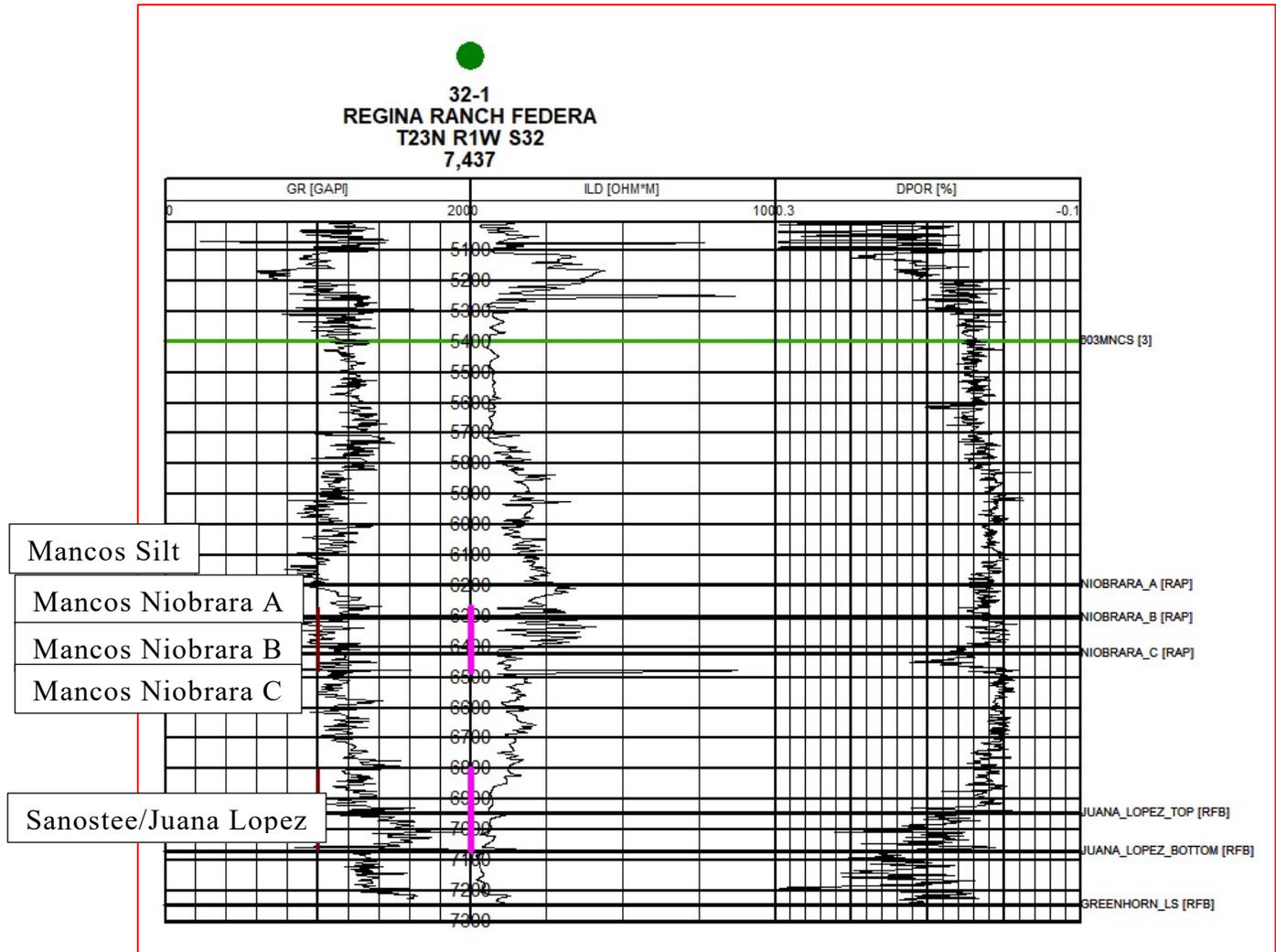
7. **SJR Exhibit B-2** also identifies the wells utilized to create north-south stratigraphic cross-section for the area. I choose these wells because they contain good gamma ray, resistivity, and density porosity logs. In my opinion these well logs are representative of the geology underlying the unit area.

8. **SJR Exhibit B-3** is the north-south stratigraphic cross-section using the four wells depicted in Exhibit B-3. I have identified on the cross section various intervals within the Mancos formation. This cross section demonstrates that the targeted intervals are continuous across the unitized area.

9. In my opinion, the approval of this unit is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

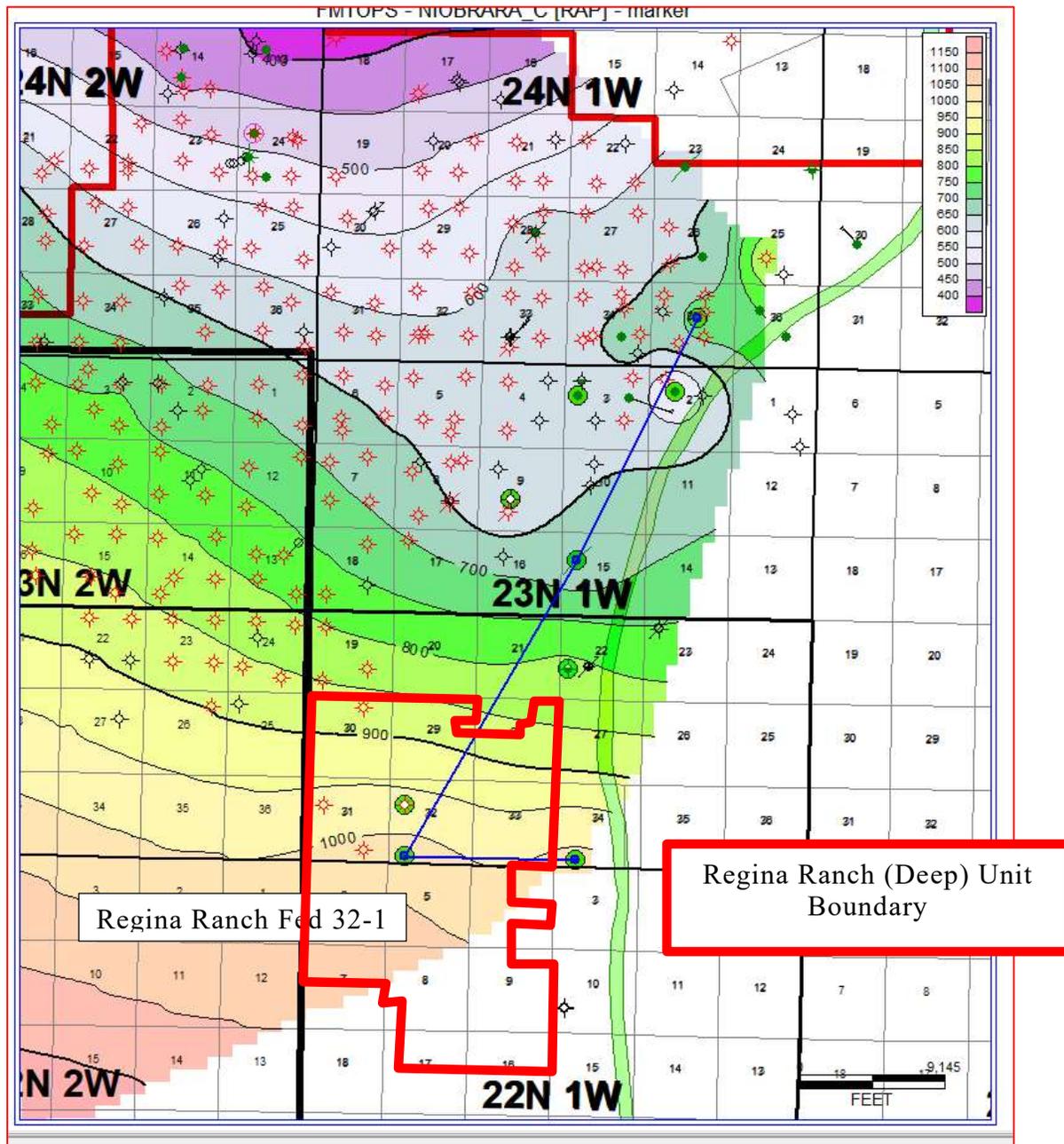
10. SJR Exhibits B-1 through B-3 were either prepared by me or compiled under my direction and supervision.

SJR Exhibit B-1 is a type log of the Regina Ranch 32-1 well with the key Mancos target intervals identified.



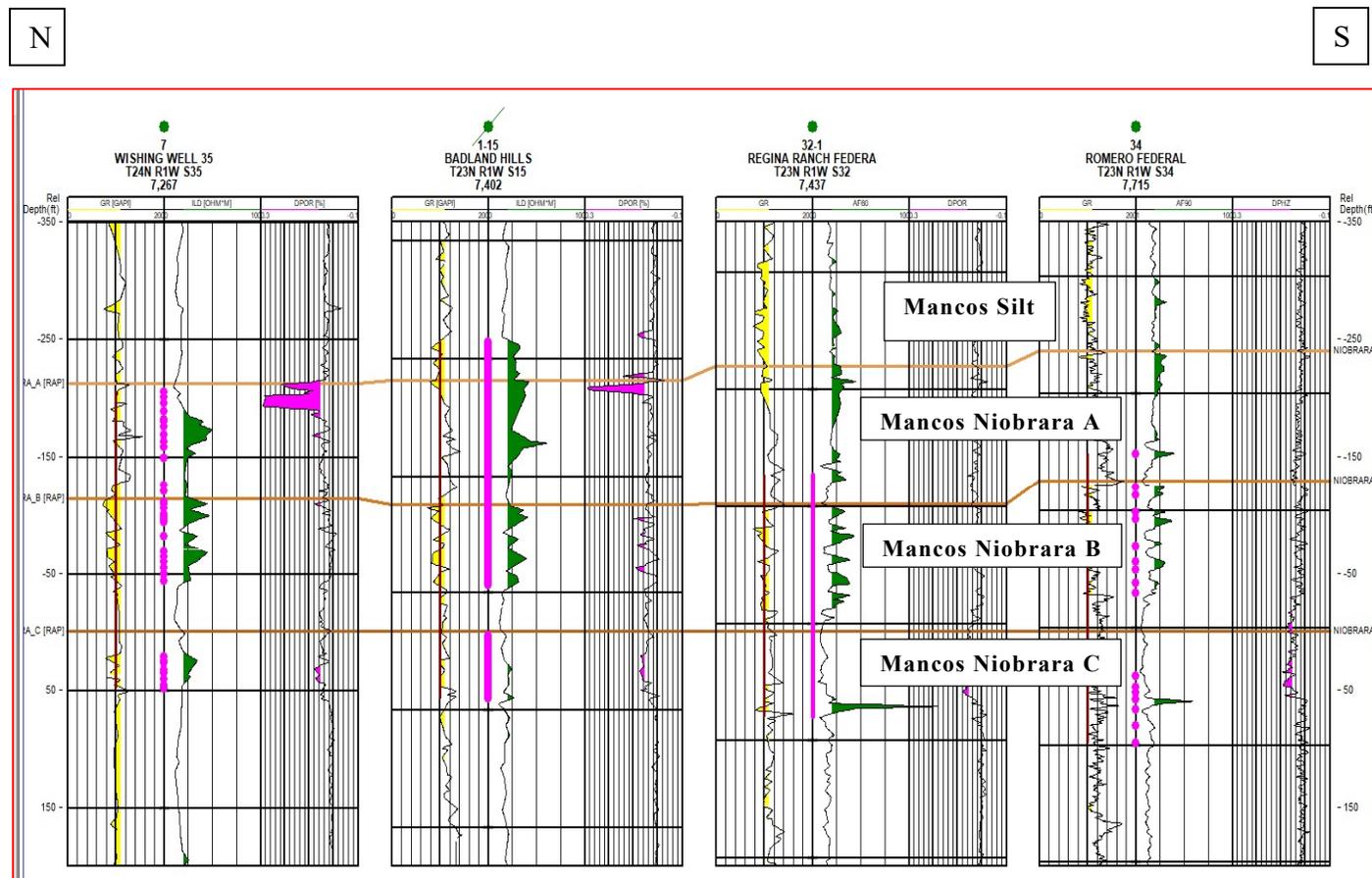
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit B1
Submitted by: San Juan Resources, Inc.
Hearing Date: February 3, 2022
Case No. 22508

SJR Exhibit B-2 is a subsea structure map that I prepared for the Mancos Formation (Mancos Niobrara C Top, CI=40').



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit B2
Submitted by: San Juan Resources, Inc.
Hearing Date: February 3, 2022
Case No. 22508

Exhibit B-3 N-S stratigraphic cross-section on the Mancos Niobrara C top across the proposed unit area.



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit B3
Submitted by: San Juan Resources, Inc.
Hearing Date: February 3, 2022
Case No. 22508



Michael H. Feldewert
Phone (505) 988-4421
mfeldewert@hollandhart.com

January 14, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of San Juan Resources, Inc. For Approval of The Regina Ranch (Deep) Unit, Sandoval County, New Mexico.

Ladies & Gentlemen:

This letter is to advise you that San Juan Resources, Inc., has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. Applicant has request that a hearing be conducted on February 3, 2022 beginning at 8:15 a.m. To monitor or participate in the electronic hearing, see the instructions posted on the following OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Lori Walters at (303) 573-6333, or at lwalters@sanjuanbasin.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR SAN JUAN RESOURCES, INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

SJR - Regina Deep Unit - Case No. 22508
Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765849837118	911 Oil & Gas LLC	PO Box 101265	Fort Worth	TX	76185-1265	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837361	Betty J. Ruff	608 Mark Dr NE	Albuquerque	NM	87123-2261	Your item has been delivered to an agent for final delivery in ALBUQUERQUE, NM 87123 on January 19, 2022 at 7:41 pm.
9414811898765849837323	Billie Ann Morrissey	16856 N Pine Valley Dr	Sun City	AZ	85351-1768	Your item was picked up at the post office at 1:17 pm on January 21, 2022 in SUN CITY, AZ 85351.
9414811898765849837309	Bodzy Investement Partnership	PO Box 826	Houston	TX	77001-0826	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765849837392	Bonnie Givens	1806 N Husband St Apt 204	Stillwater	OK	74075-3744	Your item was delivered to an individual at the address at 5:04 pm on January 18, 2022 in STILLWATER, OK 74075.
9414811898765849837347	Brittoil Company LLC	14142 N Fawnbrooke Dr	Oro Valley	AZ	85755-5803	Your item was delivered to an individual at the address at 2:17 pm on January 19, 2022 in TUCSON, AZ 85755.
9414811898765849837385	Bryan E. Lewis	31801 Highway 184	Mancos	CO	81328-8727	The delivery status of your item has not been updated as of January 19, 2022, 3:40 am. We apologize that it may arrive later than expected.
9414811898765849837330	C & PW Corp.	2726 Bissonnet St no 240-50	Houston	TX	77005-1319	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837378	Campeche Petro, LP	500 Commerce St Ste 600	Fort Worth	TX	76102-5477	Your item was delivered to the front desk, reception area, or mail room at 3:01 pm on January 18, 2022 in FORT WORTH, TX 76102.
9414811898765849837019	Carl Franklin Hatch and Sandra Hatch	PO Box 409	Monte Vista	CO	81144-0409	Your item was picked up at the post office at 10:44 am on January 18, 2022 in MONTE VISTA, CO 81144.
9414811898765849837057	Charlotte Blevins Purdy	22 Timothy Ct	Los Lunas	NM	87031-6275	We attempted to deliver your package at 7:07 pm on January 19, 2022 in LOS LUNAS, NM 87031 but could not access the delivery location. We will redeliver on the next business day.
9414811898765849837156	A & B Interests, LLC	2825 Wilcrest Dr Ste 300	Houston	TX	77042-3398	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837026	Chew Minerals, LLC Attn James H Chew, Manager Member	32109 S 4531 Rd	Afton	OK	74331-5545	Your item was delivered to an individual at the address at 1:05 pm on January 18, 2022 in AFTON, OK 74331.
9414811898765849837002	Christopher S. and Lynette L. Ewer	11101 Holly Ave NE	Albuquerque	NM	87122-3157	Your item has been delivered to an agent for final delivery in ALBUQUERQUE, NM 87122 on January 18, 2022 at 12:34 pm.
9414811898765849837095	Crossroads Horizon, LLC C/O Robert McKenzie	13 Boulevard Grn	Bellaire	TX	77401-4621	Your item was delivered to the front desk, reception area, or mail room at 10:15 am on January 18, 2022 in BELLAIRE, TX 77401.
9414811898765849837040	D. A. Evans, Jr	PO Box 220	Bluewater	NM	87005-0220	Your item was picked up at the post office at 1:10 pm on January 18, 2022 in BLUEWATER, NM 87005.
9414811898765849837088	David E. Driggers	1145 Flowering Almond Dr	Loveland	CO	80538-5650	Your item has been delivered to the original sender at 11:52 am on January 24, 2022 in LONGMONT, CO 80501.
9414811898765849837033	Don Crawford	16 Cliff Dr	Mineral Wells	TX	76067-3301	Your item was picked up at the post office at 2:18 pm on January 21, 2022 in MINERAL WELLS, TX 76067.
9414811898765849837071	Sugar Mill Estates Donald L. Fuller and Hellen Fuller Rt no1	556 Bottlebrush Court	New Smyrna Beach	FL	32168	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837415	Donna J. VonOsinski	5112 Matador Trl	Amarillo	TX	79109-6110	Your item was delivered to an individual at the address at 11:09 am on January 19, 2022 in AMARILLO, TX 79109.
9414811898765849837453	Dudley E Harris and Ramona Harris Living Trust Dated 11/12/87	705 El Paso Dr	Farmington	NM	87401-5538	Your item was delivered to an individual at the address at 12:36 pm on January 18, 2022 in FARMINGTON, NM 87401.
9414811898765849837460	Duncan Shepherd	1580 N Lincoln St Ste 635	Denver	CO	80203-1530	Your item was delivered to the front desk, reception area, or mail room at 2:43 pm on January 18, 2022 in DENVER, CO 80203.
9414811898765849837163	Alan Bonneau Hatch and Diane Hatch	PO Box 384	East Carbon	UT	84520-0384	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837422	El Charolyn Properties, LLC Carolyn Crone, Manager	PO Box 2028	Great Bend	KS	67530-2028	Your item was picked up at the post office at 11:35 am on January 18, 2022 in GREAT BEND, KS 67530.
9414811898765849837408	Estate Of Ireen Brackenc/o Donald Brackeen-step son,	3011 Whitley Dr	Bakersfield	CA	93309-5548	Your item was delivered to an individual at the address at 12:30 pm on January 18, 2022 in BAKERSFIELD, CA 93309.
9414811898765849837491	Frank D. Welch and Betty Jo Welch	PO Box 26	Lindrith	NM	87029-0026	Your item arrived at the LINDRITH, NM 87029 post office at 8:22 am on January 24, 2022 and is ready for pickup.

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9414811898765849837446	George E. Latham and Dianna Lynn Latham	12 San Jose Trl	La Jara	NM	87027-9733	Your item was delivered at 11:51 am on January 27, 2022 in LA JARA, NM 87027.
9414811898765849837484	Georgie Ross and Jon Ross	PO Box 1271	Bayfield	CO	81122-1271	Your item was picked up at the post office at 1:00 pm on January 21, 2022 in BAYFIELD, CO 81122.
9414811898765849837477	Gerry Falls and Carol Falls	PO Box 21760	Albuquerque	NM	87154-1760	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849837514	Gregory Crawford	PO Box 399	Strawn	TX	76475-0399	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837552	Grey Horse Holdings LLC/O Michael Dudman	PO Box 694	Alto	NM	88312-0694	Your item was picked up at the post office at 12:39 pm on January 21, 2022 in ALTO, NM 88312.
9414811898765849837569	Georgia Allene Lassater	PO Box 2261	Bloomfield	NM	87413-2261	Your item was picked up at the post office at 10:44 am on January 20, 2022 in BLOOMFIELD, NM 87413.
9414811898765849837521	Gypsum Springs LLC	1251 S Elizabeth St	Denver	CO	80210-2003	Your item was delivered to an individual at the address at 11:27 am on January 18, 2022 in DENVER, CO 80210.
9414811898765849837101	Alex E. Phillips	427 S Boston Ave	Tulsa	OK	74103-4141	Your item arrived at the SANTA FE, NM 87504 post office at 7:35 am on January 28, 2022 and is ready for pickup.
9414811898765849837507	Hilcorp Energy	1111 Travis St	Houston	TX	77002-5924	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837590	Hilda King and Dean King	PO Box 326	Green River	UT	84525-0326	Your item was picked up at the post office at 9:27 am on January 18, 2022 in GREEN RIVER, UT 84525.
9414811898765849837545	Houston C. Lasater	6855 County Road 523	Bayfield	CO	81122-9606	Your item was delivered to an individual at the address at 4:46 pm on January 18, 2022 in BAYFIELD, CO 81122.
9414811898765849837583	Howard M. Maher	3316 S Birmingham Ave	Tulsa	OK	74105-2328	Your item was delivered to an individual at the address at 3:04 pm on January 18, 2022 in TULSA, OK 74105.
9414811898765849837538	Jacqueline P. Bickford	PO Box 311	Regina	NM	87046-0311	Your item was delivered to an individual at the address at 8:58 am on January 21, 2022 in LA JARA, NM 87027.
9414811898765849837576	Jerry A. and Sharon L. Jouret	447 Glendale Ave	Sunnyvale	CA	94085-3110	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849836210	John R. Hatch and Mary Elizabeth Hatch	4701 Sunrise Cir	Farmington	NM	87401-9299	Your item was delivered to an individual at the address at 12:27 pm on January 24, 2022 in FARMINGTON, NM 87402.
9414811898765849836258	KCW Corporation	2803 Buffalo Speedway	Houston	TX	77098-1011	Your item was delivered to the front desk, reception area, or mail room at 12:09 pm on January 18, 2022 in HOUSTON, TX 77098.
9414811898765849836265	Harold Ron Pritchard Kenneth R. Pritchard, Jr. and Wanda Joan Pritchard	PO Box 55	La Jara	NM	87027-0055	Your item was delivered at 3:46 pm on January 20, 2022 in LA JARA, NM 87027.
9414811898765849836227	Laura Ryan	1129 Sutter St	Vallejo	CA	94590-5521	Your item was delivered to the front desk, reception area, or mail room at 12:07 pm on January 20, 2022 in VALLEJO, CA 94590.
9414811898765849837149	Alvin Baca	PO Box 27	La Jara	NM	87027-0027	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849836203	Marsha Childers	312 E Hillview St	Winslow	AZ	86047-2714	Your item was delivered to an individual at the address at 9:56 am on January 18, 2022 in WINSLOW, AZ 86047.
9414811898765849836296	Mary Elgin Strohecker and Carl Strohecker	37801 US Highway 160	Bayfield	CO	81122-8741	Your item was picked up at the post office at 10:11 am on January 22, 2022 in BAYFIELD, CO 81122.
9414811898765849836241	Mary Loring	PO Box 142	Wheat Ridge	CO	80034-0142	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849836234	Mayco E. Williams	14404 McDonough Heights Rd	Healdsburg	CA	95448-4605	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765849836272	Michael H. Evans	1150 S Colony Way Ste 3 PMB 309	Palmer	AK	99645-6972	Your item was delivered to the front desk, reception area, or mail room at 11:46 am on January 18, 2022 in PALMER, AK 99645.
9414811898765849836814	Michael M. Fowler	1411 North Blvd	Houston	TX	77006-6325	Your item was delivered to an individual at the address at 4:18 pm on January 18, 2022 in HOUSTON, TX 77006.
9414811898765849836852	Michael S. Ewer	5528 Downey Ave	Lakewood	CA	90712-1408	Your item was delivered to an individual at the address at 10:53 am on January 21, 2022 in LAKEWOOD, CA 90712.
9414811898765849836784	Michael T. Holland	21607 E Powers Cir S	Centennial	CO	80015-3377	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

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9414811898765849836739	Michael W. Grigg	634 Madison 2455	Huntsville	AR	72740-7338	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849836913	Nancy Maier Lipari	17129 Windsor Crest Blvd	Wildwood	MO	63038-1397	Your item was delivered to an individual at the address at 1:36 pm on January 18, 2022 in WILDWOOD, MO 63038.
9414811898765849837187	Becky Mollerud	PO Box 1086	Belen	NM	87002-1086	Your item was picked up at the post office at 2:32 pm on January 19, 2022 in BELEN, NM 87002.
9414811898765849836951	OTSS Investments LLC	PO Box 101265	Fort Worth	TX	76185-1265	Your item departed our FORT WORTH TX DISTRIBUTION CENTER destination facility on January 30, 2022 at 10:03 pm. The item is currently in transit to the destination.
9414811898765849836968	Patricia Ann Latham	39538 9 Mile Rd	Chiloquin	OR	97624-8684	Your item departed our MEDFORD OR DISTRIBUTION CENTER destination facility on January 31, 2022 at 1:57 am. The item is currently in transit to the destination.
9414811898765849836920	Paul G. Seehusen and Delores E. Seehusen	10667 Cranks Rd	Culver City	CA	90230-5428	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849836999	Pauline Hall Polaski	68035 Currant Way	Bend	OR	97702	Your item departed our PORTLAND, OR 97215 destination facility on January 30, 2022 at 1:12 pm. The item is currently in transit to the destination.
9414811898765849836982	Petroleum Resource Management	1580 N Lincoln St Ste 635	Denver	CO	80203-1530	Your item was delivered to the front desk, reception area, or mail room at 2:43 pm on January 18, 2022 in DENVER, CO 80203.
9414811898765849836975	Ramona P. Aston	5572 W Rafter Circle St	Tucson	AZ	85713-4439	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849836654	Refiners Petroleum	508 Humboldt St	Reno	NV	89509-1602	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849836623	Reva Duran	725 Spotted Pony Ct	Delta	CO	81416-8532	Your item was delivered to an individual at the address at 3:16 pm on January 18, 2022 in DELTA, CO 81416.
9414811898765849836692	RG American Interest LLC	PO Box 6744	Houston	TX	77265-6744	Your item was picked up at the post office at 8:55 am on January 19, 2022 in HOUSTON, TX 77005.
9414811898765849836685	Scott M. Daniel	3836 Gramercy St	Houston	TX	77025-1218	Your item was delivered to an individual at the address at 3:44 pm on January 18, 2022 in HOUSTON, TX 77025.
9414811898765849837132	Berna L. Lilliquist	12311 NE Glisan St no 172	Portland	OR	97230	Your item arrived at the SANTA FE, NM 87504 post office at 7:35 am on January 28, 2022 and is ready for pickup.
9414811898765849836678	Shirley Rey Lovato and Jean L. Garcia	827 Buckboard Rd SE	Rio Rancho	NM	87124-3777	Your item was delivered to an individual at the address at 4:26 pm on January 18, 2022 in RIO RANCHO, NM 87124.
9414811898765849836159	The Colorado College	14 E Cache La Poudre St	Colorado Springs	CO	80903-3243	Your item was picked up at a postal facility at 1:58 pm on January 19, 2022 in COLORADO SPRINGS, CO 80903.
9414811898765849836128	Una Oreja LLC	PO Box 101265	Fort Worth	TX	76185-1265	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849836197	Wanda R. Archuleta	1344 High School Rd	Sebastopol	CA	95472-2621	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765849836180	Wagner Family Trust	2525 N Pearl St Apt 1903	Dallas	TX	75201-2234	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849836173	Willi Muller and Anne Marie Muller, Trustees Of The Willi Muller & Anne Marie Muller Trust	HC 78 Box 101	La Jara	NM	87027-9702	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849836357	William E. Chew Irrevocable Trust Attn Kelli N Altwater TTEE Dated 3/29/21	PO Box 1671	Hutchinson	KS	67504-1671	Your item was picked up at the post office at 1:27 pm on January 19, 2022 in HUTCHINSON, KS 67501.
9414811898765849836364	William H. Driggers	44 Richland Dr	Tijeras	NM	87059-7880	Your item was picked up at the post office at 2:19 pm on January 19, 2022 in TIJERAS, NM 87059.
9414811898765849836302	William R. Lathan	PO Box 466	Holbrook	AZ	86025-0466	Your item was picked up at the post office at 11:20 am on January 18, 2022 in HOLBROOK, AZ 86025.
9414811898765849836340	Winston M. Williams	PO Box 853	Flora Vista	NM	87415-0853	Your item was returned to the sender on January 27, 2022 at 9:16 am in SANTA FE, NM 87501 because of an incomplete address.
9414811898765849837170	Berna L. Lilliquist	2926 SE 85th Ave	Portland	OR	97266-1579	Your item arrived at the SANTA FE, NM 87504 post office at 7:35 am on January 28, 2022 and is ready for pickup.

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9414811898765849836371	Yvonne C. Ridinger	1541 E Second St	Winslow	AZ	86047-4453	Your item was delivered to an individual at the address at 10:36 am on January 18, 2022 in WINSLOW, AZ 86047.
9414811898765849837316	Betty J. Andrews	5202 Floyd Ave	Amarillo	TX	79106-5120	Your item was delivered to an individual at the address at 5:14 pm on January 18, 2022 in AMARILLO, TX 79106.

heirs and devisees; David E. Driggers, his heirs and devisees; Don Crawford, his heirs and devisees; Donald L. Fuller and Hellen Fuller, their heirs and devisees; Donna J. VonOsinski, her heirs and devisees; Dudley E Harris and Ramona Harris Living Trust dated 11/12/87; Duncan Shepherd, his heirs and devisees; El Charolyn Properties, LLC, Carolyn Crone, Manager; Estate of Ireen Bracken, her heirs and devisees; Frank D. Welch and Betty Jo Welch, their heirs and devisees; George E. Latham and Dianna Lynn Latham, their heirs and devisees; Georgie Ross and Jon Ross, their heirs and devisees; Gerry Falls and Carol Falls, their heirs and devisees; Gregory Crawford, his heirs and devisees; Grey Horse Holdings LLC, C/O Michael Dudman; Georgia Allene Lassater, her heirs and devisees; Gypsum Springs LLC; Hilcorp Energy; Hilda King and Dean King, their heirs and devisees; Houston C. Lasater, his heirs and devisees; Howard M. Maher, his heirs and devisees; Jacqueline P. Bickford, her heirs and devisees; Jerry A. and Sharon L. Jouret, their heirs and devisees; John R. Hatch and Mary Elizabeth Hatch, their heirs and devisees; KCW Corporation; Kenneth R. Pritchard, Jr. and Wanda Joan Pritchard, Harold Ron Pritchard, their heirs and devisees; Laura Ryan, her heirs and devisees; Marsha Childers, her heirs and devisees; Mary Elgin Strohecker and Carl Strohecker, their heirs and devisees; Mary Loring, her heirs and devisees; Mayco E. Williams, her heirs and devisees; Michael H. Evans, his heirs and devisees; Michael M. Fowler, his heirs and devisees; Michael S. Ewer, his heirs and devisees; Michael T. Holland, his heirs and devisees; Michael W. Grigg, his

heirs and devisees; Nancy Maier Lipari, her heirs and devisees; OTSS Investments LLC; Patricia Ann Latham, her heirs and devisees; Paul G. Seehusen and Delores E. Seehusen, their heirs and devisees; Pauline Hall Polaski, her heirs and devisees; Petroleum Resource Management; Ramona P. Aston, her heirs and devisees; Refiners Petroleum; Reva Duran, his or her heirs and devisees; RG American Interest LLC; Scott M. Daniel, his heirs and devisees; Shirley Rey Lovato and Jean L. Garcia, their heirs and devisees; The Colorado College; Una Oreja LLC; Wanda R. Archuleta, her heirs and devisees; Wagner Family Trust; Willi Muller and Anne Marie Muller, Trustees of the Willi Muller and Anne Marie Muller Trust; William E. Chew Irrevocable Trust Dated 3/29/21, Attn: Kelli N Altvater TTEE; William H. Driggers, his heirs and devisees; William R. Lathan, his heirs and devisees; Winston M. Williams, his heirs and devisees; and Yvonne C. Ridinger, her heirs and devisees. Case No. 22508: Application of San Juan Resources, Inc. For Approval of The Regina Ranch (Deep) Unit, Sandoval County, New Mexico. Applicant seeks approval of the Regina Ranch (Deep) Unit consisting of approximately 7,279.65 acres of the following Federal and Patented lands situated in Sandoval County, New Mexico: Township 23 North, Range 1 West, N.M.P.M. Section 28: S/2, NE/4NE/4, S/2NE/4, that part of the NW/4NE/4 lying East of the centerline of Hwy 96, containing 16.00 acres

Section 29: W/2, NE/4NE/4, W/2NE/4, SE/4
 Section 30: ALL
 Section 31: ALL
 Section 32: ALL
 Section 33: ALL
 Township 22 North, Range 1 West, N.M.P.M.
 Section 4: W/2, N/2SE/4
 Section 5: ALL
 Section 6: ALL
 Section 7: N/2
 Section 8: N/2, SE/4, E/2SW/4, E/2NW/4SW/4, E/2W/2NW/4SW/4, NW/4NW/4NW/4SW/4
 Section 9: W/2, S/2NE/4, SE/4
 Section 16: N/2
 Section 17: NE/4, E/2NW/4
 The unitized interval is all formations below the Top of the Mancos Formation, which is defined as the stratigraphic equivalent of 5,400 feet MD in the Regina Ranch Federal 32-1 well located in the SW/4, Section 32, Township 23 North, Range 1 West, N.M.P.M., Sandoval County, New Mexico (API#30-043-20989). The subject acreage is located approximately 8 miles north of Cuba, New Mexico. HCS Pub. January 21, 2022