

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

**APPLICATION OF V-F PETROLEUM INC., FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 23118:

**Walker 34-33 State Com #224H Well
Walker 34-33 State Com #234H Well**

V-F Petroleum Inc.

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TAB 1

Reference for Case No. 23118

Application Case No. 23118: Walker 34-33 State Com #224H Well
Walker 34-33 State Com #234H Well

NMOCD Checklist Case No. 23118

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

APPLICATION OF V-F PETROLEUM INC.
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 23118

APPLICATION

V-F Petroleum Inc. (“V-F Petroleum” or “Applicant”), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 240-acre, more or less, spacing and proration unit comprised of the N/2 NW/4 of Section 34 and the N/2 N/2 of Section 33, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit.

In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. V-F Petroleum proposes and dedicates to the HSU the **Walker 34-33 State Com #224H Well** and the **Walker 34-33 State Com #234H Well** as initial wells to be drilled to a sufficient depth to test the Bone Spring formation.
3. V-F Petroleum proposes the **Walker 34-33 State Com #224H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33.

4. V-F Petroleum proposes the **Walker 34-33 State Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33.

5. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith but has been unable to obtain a voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on November 3, 2022, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 240-acre, more or less, spacing and proration unit comprised of the N/2 NW/4 of Section 34 and the N/2 N/2 of Section 33, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU.

C. Approving the **Walker 34-33 State Com #224H Well** and the **Walker 34-33 State Com #234H Well** as the wells for the HSU.

D. Designating V-F Petroleum as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

Attorneys for V-F Petroleum Inc.

Application of V-F Petroleum Inc. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the N/2 NW/4 of Section 34 and the N/2 N/2 of Section 33, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. The proposed wells to be dedicated to the horizontal spacing unit are the **Walker 34-33 State Com #224H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33; and the **Walker 34-33 State Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 17.4 miles southeast of Artesia, New Mexico.

| COMPULSORY POOLING APPLICATION CHECKLIST | |
|--|---|
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
| Case: 23118 | APPLICANT'S RESPONSE |
| Date | November 3, 2022 |
| Applicant | V-F Petroleum Inc. |
| Designated Operator & OGRID (affiliation if applicable) | 24010 |
| Applicant's Counsel: | Darin C. Savage - Abadie & Schill, PC |
| Case Title: | Application of V-F Petroleum Inc. for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico |
| Entries of Appearance/Intervenors: | N/A |
| Well Family | Walker |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Exhibit B-4; Walker 34-33 State Com #224H Well approx. TVD 7315'; Walker 34-33 State Com #234H Well approx. TVD 8180'. |
| Pool Name and Pool Code: | Travis; Bone Spring; Pool Code [97257] |
| Well Location Setback Rules: | NMAC Statewide Rules |
| Spacing Unit Size: | 240.00 acres, more or less |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 240.00 acres, more or less |
| Building Blocks: | quarter-quarter sections (40 ac blocks) |
| Orientation: | east - west |
| Description: TRS/County | N/2 NW/4 of Section 34 and the N/2 N/2 of Section 33, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| Proximity Tracts: If yes, description | No |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Landman Exhibit A-2 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |
| Well #1 | Walker 34-33 State Com #224H Well (API No. 30-015-48133), SHL: Unit C, 405' FNL, 2185' FWL, Section 34, T18S-R28E, NMPM; BHL: Unit D, 405' FNL, 100' FWL, Section 33, T18S-R28E, laydown, standard location |
| Horizontal Well First and Last Take Points | Walker 34-33 State Com #224 Well: FTP approx. 405' FNL, 2185' FWL, Section 34; LTP approx. 405' FNL, 100' FWL, Section 33 |
| Completion Target (Formation, TVD and MD) | Walker 34-33 State Com #224H Well: TVD approx. 7315', TMD approx. 14,400'; Bone Spring Formation, See Exhibit B-4 |
| Well #2 | Walker 34-33 State Com #234H Well (API No. 30-015-48135), SHL: Unit C, 330' FNL, 2185' FWL, Section 34, T18S-R28E, NMPM; BHL: Unit D, 330' FNL, 100' FWL, Section 33, T18S-R28E, laydown, standard location |
| Horizontal Well First and Last Take Points | Walker 34-33 State Com #234H Well: FTP approx. 330' FNL, 2185' FWL, Section 34; LTP 330' FNL, 100' FWL, Section 33 |

| | |
|--|---|
| Completion Target (Formation, TVD and MD) | Walker 34-33 State Com #234H Well: TVD approx. 8180', TMD approx. 15,275'; Bone Spring Formation, See Exhibit B-4 |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8,000 |
| Production Supervision/Month \$ | \$800 |
| Justification for Supervision Costs | See Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit C, C-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C-2 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-3 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A-2 |
| Tract List (including lease numbers and owners) | Exhibit A-2 |
| Pooled Parties (including ownership type) | Exhibit A-2 |
| Unlocatable Parties to be Pooled | Exhibit A |
| Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit A-3 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-2 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit A-4 |
| Overhead Rates In Proposal Letter | Exhibit A-3 |
| Cost Estimate to Drill and Complete | Exhibit A-3 |
| Cost Estimate to Equip Well | Exhibit A-3 |
| Cost Estimate for Production Facilities | Exhibit A-3 |
| Geology | |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibit B-1, B-2, B-3 |
| Gunbarrel/Lateral Trajectory Schematic | N/A (based on the formation) |
| Well Orientation (with rationale) | Exhibit B, B-1, B-2, B-3 |
| Target Formation | Exhibit B, B-4 |
| HSU Cross Section | Exhibit B-4 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit A-1 |
| Tracts | Exhibit A-1, A-2, B-1 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-2 |
| General Location Map (including basin) | Exhibit A-2 |
| Well Bore Location Map | Exhibit A-1, B-1, B-4 |
| Structure Contour Map - Subsea Depth | Exhibit B-1, B-2, B-3 |
| Cross Section Location Map (including wells) | Exhibit B-4 |
| Cross Section (including Landing Zone) | Exhibit B-4 |
| Additional Information | |
| Special Provisions/Stipulations | |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Darin C. Savage  |
| Signed Name (Attorney or Party Representative): | |
| Date: | 11/1/22 |

TAB 2

Case No. 23118

- Exhibit A: Self-Affirmed Statement of Ryan Curry, Landman
- Exhibit A-1: C-102 Forms
- Exhibit A-2: Ownership and Sectional Map
- Exhibit A-3: Well Proposal Letters and AFEs
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners

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

**APPLICATION OF V-F PETROLEUM INC.
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 23118

SELF-AFFIRMED STATEMENT OF SEAN JOHNSON

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.

2. I am employed as a Landman with V-F Petroleum, Inc., (“V-F Petroleum”), and I am familiar with the subject application and the lands involved.

3. I graduated in 2009 from Texas Tech University with a bachelor’s degree in Energy Commerce. I have worked at V-F Petroleum for approximately (3) Three months, and I have been working in New Mexico for (12) Twelve years. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as a petroleum landman have been accepted by the Division as a matter of record.

4. This affidavit is submitted in connection with the filing by V-F Petroleum of the above-referenced spacing and compulsory pooling application pursuant to 19.15.4.12.A(1).

5. V-F Petroleum seeks an order pooling all uncommitted mineral interest in the Bone Spring formation (TRAVIS; BONE SPRING; Pool Code: [97257]) underlying a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the N/2 NW/4 of Section 34 and the N/2 N/2 of Section 33, Township 18 South, Range 28 East, NMPM, Eddy County,



New Mexico.

6. Under Case No. 23118, V-F Petroleum seeks to dedicate to the unit two initial oil wells: the **Walker 34-33 State Com #224H Well** and the **Walker 34-33 State Com #234H Well**.

7. The **Walker 34-33 State Com #224H Well**, an oil well, API No. 30-015-48133, is to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) (405' FNL, 2185' FWL) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) (405' FNL, 100' FWL) of Section 33.; approximate TVD of 7,315'; approximate TMD of 14,400'; FTP in Section 34: aprx. 405'FNL, 2185'FWL; LTP in Section 33: aprx. 405' FNL, 100' FWL.

8. The **Walker 34-33 State Com #234H Well**, an oil well, API No. 30-015-48135, is to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) (330' FNL, 2185' FWL) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) (330' FNL, 100' FWL) of Section 33; approximate TVD of 8,180'; approximate TMD of 15,275'; FTP in Section 34: aprx. 330' FNL, 2,185' FWL; LTP in Section 33: aprx. 330' FNL, 100' FWL.

9. The C-102 for each proposed well is attached as **Exhibit A-1**.

10. A general location plat and a plat outlining the unit being pooled is attached hereto as **Exhibit A-2**. The location of each well is orthodox and meet the Division's setback requirements.

11. The parties being pooled and the nature of their interests are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest owners.

12. There are no depth severances in the Bone Spring formation in this acreage.

13. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located,

and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed; V-F Petroleum published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

14. V-F Petroleum has made a good faith effort to negotiate with the interest owners but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

15. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, V-F Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between V-F Petroleum and another interest owner or owners, V-F Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division may deem it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

16. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

17. V-F Petroleum requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates

charged by other operators for wells of this type in this area of New Mexico. V-F Petroleum requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

18. V-F Petroleum requests the maximum costs recoverable, plus a 200% risk charge be assessed against the working interest owners who elect not to participate in the wells.

19. V-F Petroleum requests that it be designated operator of the unit and wells.

20. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum's company business records under my direct supervision.

21. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

22. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Sean Johnson:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23118 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief, and made under penalty of perjury under the laws of the State of New Mexico.


Sean Johnson


Date Signed

Ryan Curry

P.O. Box 1889, Midland, TX 79702 | Ryan@VFPetroleum.com | (432) 683-3344

Work Experience

Landman

V-F Petroleum, Inc.

August 2022-Present

Midland, TX

- Facilitated horizontal development plans from a mineral, surface and regulatory land perspective in complex areas.
- Negotiated various agreements including letter agreements, operating agreements, term assignments and purchase and sale agreements to facilitate development.
- Provided strategic guidance to aid in developing existing leasehold in contested environments and conceive newly identified project areas.

Land Negotiator

ConocoPhillips Company

January 2021- August 2022

Midland, TX

- Led, negotiated and aided in various acreage exchanges, acquisitions and divestitures collectively valued above \$500MM, covering acreage in Lea & Eddy County, New Mexico. Reviewed and drafted various agreements to facilitate transactions.
- Applied knowledge of the NMOCD compulsory pooling process from an operated and non-operated stance to maintain drilling schedule and maximize acreage value
- Effectively communicated with engineering, legal and regulatory disciplines to strategically identify new projects, mature upcoming projects and solve complex issues.
- Experience running multiple brokers and working with title attorneys to obtain accurate abstracts, ownership reports and title opinions. Satisfied various drilling and division order title requirements in the curative process.
- Utilized New Mexico land knowledge to onboard incoming landmen from other asset areas in their transition to work Lea County, New Mexico.

Landman

Concho Resources, Inc.

June 2019- August 2019

Midland, TX

June 2020- January 2021

- Actively worked to acquire leasehold in upcoming projects through various mechanisms including leasing, term assignments and acquisitions.
- Assisted in the due diligence of the Concho Resources acquisition by ConocoPhillips Company through verifying interests and ownership in PDP and PUD properties.
- Completed and extensive review of core fee leases covering lands in Lea County, New Mexico. Analyzed continuous development and Pugh clauses to ensure drill schedule satisfied obligations.
- Aided in the NMOCD compulsory pooling process by preparing exhibits and working with regulatory counsel to get projects ready to pool.

Education

Texas Tech University

Bachelor of Business Administration, Energy Commerce, Magna Cum Laude

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---------------|--------|------------------------|-------|-----------|--|
| API Number | 97257 | Pool Code | 96413 | Well Name | TRAVIS BONE SPRING PALMILLO; BONE SPRING, SOUTHWEST |
| Property Code | 330332 | Property Name | | | Well Number |
| | | WALKER 34/33 STATE COM | | | 224H |
| OGRID No. | 24010 | Operator Name | | | Elevation |
| | | V-F PETROLEUM | | | 3544' |

Surface Location

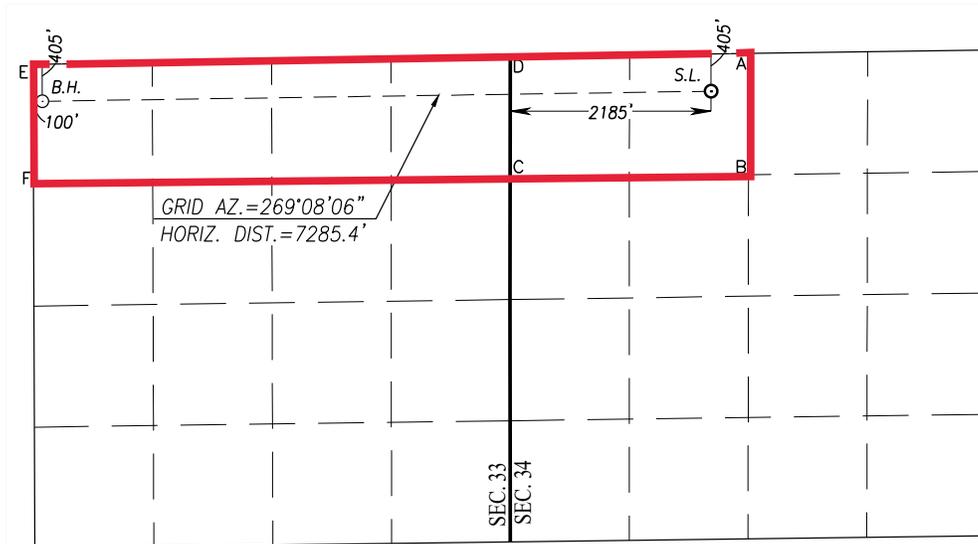
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 34 | 18-S | 28-E | | 405 | NORTH | 2185 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 33 | 18-S | 28-E | | 405 | NORTH | 100 | WEST | EDDY |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 240 | | C | |

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



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jason L. Lodge 3/31/21
Signature Date

Jason Lodge

Printed Name

Jason@vfpetroleum.com

E-mail Address

SURVEYOR CERTIFICATION

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

Date of Survey 3239
Signature Seal of Professional Surveyor



Ronald E. Taylor
Certificate Number



LSL

BOTTOM HOLE LOCATION
NAD 27 NME
Y = 622058.6 N
X = 544569.5 E
LAT. = 32.710053° N
LONG. = 104.188430° W

CORNER COORDINATES TABLE
NAD 27 NME

A - Y = 622579.6 N, X = 552263.9 E
B - Y = 621256.5 N, X = 552262.2 E
C - Y = 621219.5 N, X = 549666.9 E
D - Y = 622541.5 N, X = 549668.2 E
E - Y = 622462.0 N, X = 544468.0 E
F - Y = 621143.8 N, X = 544473.1 E

GEODETIC COORDINATES
NAD 27 NME

SURFACE LOCATION
Y = 622168.6 N
X = 551852.3 E
LAT. = 32.710325° N
LONG. = 104.164753° W

BOTTOM HOLE LOCATION
NAD 83 NME
Y = 622121.1 N
X = 585749.0 E
LAT. = 32.710169° N
LONG. = 104.188941° W

CORNER COORDINATES TABLE
NAD 83 NME

A - Y = 622642.1 N, X = 593443.3 E
B - Y = 621319.0 N, X = 593441.6 E
C - Y = 621281.9 N, X = 590846.3 E
D - Y = 622604.0 N, X = 590847.6 E
E - Y = 622524.5 N, X = 585647.4 E
F - Y = 621206.2 N, X = 585652.6 E

GEODETIC COORDINATES
NAD 83 NME

SURFACE LOCATION
Y = 622231.1 N
X = 593031.7 E
LAT. = 32.710442° N
LONG. = 104.165263° W

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

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1000 Rio Brazos Road, Aztec, NM 87410
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DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------|---|----------------------------------|
| API Number | Pool Code 97257 | Pool Name Travis; Bone Spring |
| Property Code 330332 | Property Name WALKER 34/33 STATE COM | Well Number 234H |
| OGRID No. 24010 | Operator Name V-F PETROLEUM INC | Elevation 3545' |

Surface Location

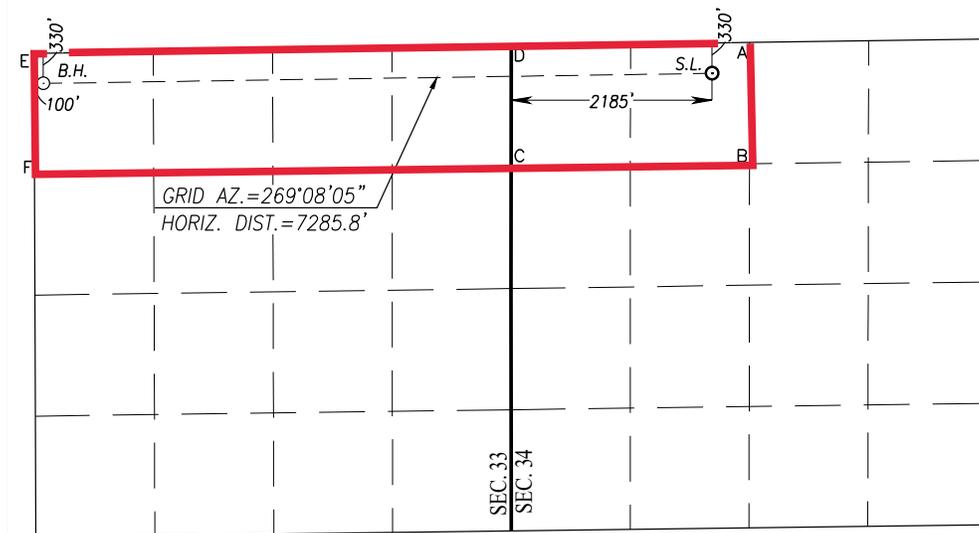
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 34 | 18-S | 28-E | | 330 | NORTH | 2185 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 33 | 18-S | 28-E | | 330 | NORTH | 100 | WEST | EDDY |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 240 | | C | |

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



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jason L. Lodge 4/5/21
Signature Date

Jason Lodge

Printed Name

Jason@vfpetroleum.com

E-mail Address

SURVEYOR CERTIFICATION

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

DATE: FEBRUARY 4, 2019
3239
Date of Survey
Signature of Registered Professional Surveyor

Ronald J. Eidson 04/03/2019

Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239

LSL JWSC W.O.: 19.11.0112

BOTTOM HOLE LOCATION
NAD 27 NME
Y = 622133.6 N
X = 544569.3 E
LAT. = 32.710259° N
LONG. = 104.188431° W

CORNER COORDINATES TABLE
NAD 27 NME

A - Y = 622579.6 N, X = 552263.9 E
B - Y = 621256.5 N, X = 552262.2 E
C - Y = 621219.5 N, X = 549666.9 E
D - Y = 622541.5 N, X = 549668.2 E
E - Y = 622462.0 N, X = 544468.0 E
F - Y = 621143.8 N, X = 544473.1 E

GEODETIC COORDINATES
NAD 27 NME

SURFACE LOCATION
Y = 622243.6 N
X = 551852.4 E
LAT. = 32.710532° N
LONG. = 104.164752° W

BOTTOM HOLE LOCATION
NAD 83 NME
Y = 622196.1 N
X = 585748.7 E
LAT. = 32.710375° N
LONG. = 104.188942° W

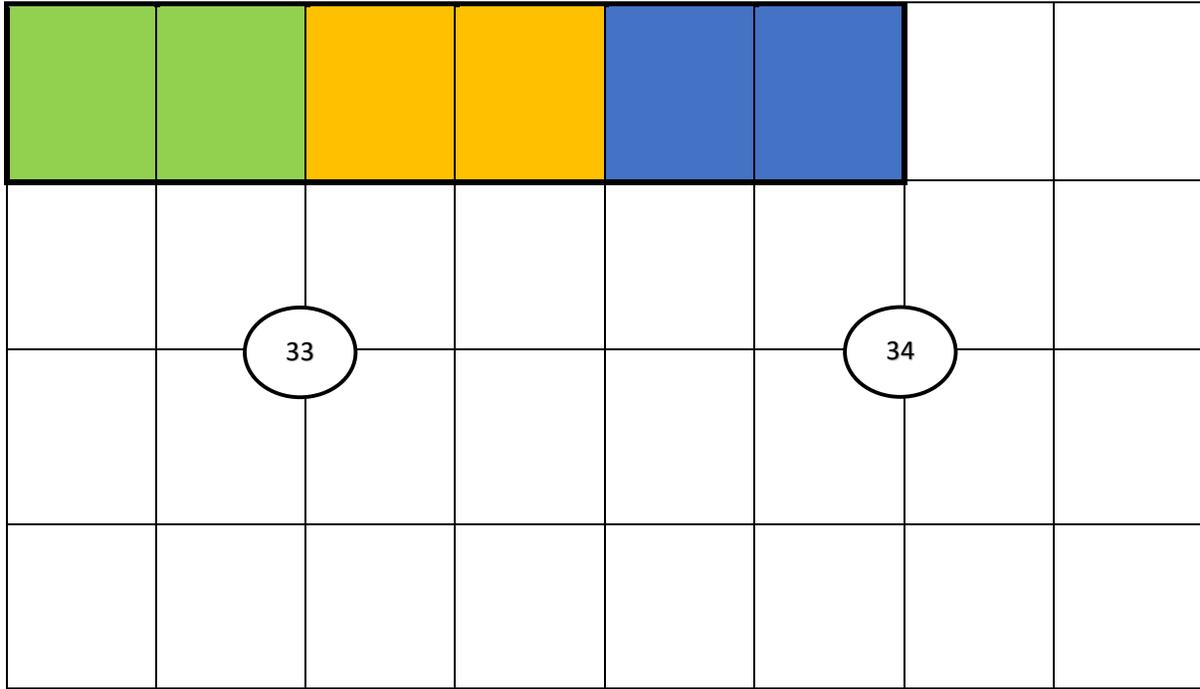
CORNER COORDINATES TABLE
NAD 83 NME

A - Y = 622642.1 N, X = 593443.3 E
B - Y = 621319.0 N, X = 593441.6 E
C - Y = 621281.9 N, X = 590846.3 E
D - Y = 622604.0 N, X = 590847.6 E
E - Y = 622524.5 N, X = 585647.4 E
F - Y = 621206.2 N, X = 585652.6 E

GEODETIC COORDINATES
NAD 83 NME

SURFACE LOCATION
Y = 622306.1 N
X = 593031.8 E
LAT. = 32.710648° N
LONG. = 104.165262° W

EXHIBIT A-2
Walker 34-33 State Com 224H and 234H
N2NW Section 34, T18S-R28E, NMPM & N2N2 Section 33, T18S-R28E NMPM
Eddy County, New Mexico



Tract 1

State Lease
X0-0694-0021

Tract 2

State Lease
X0-0647-0417

Tract 3

State Lease
X0-0647-0417

Continue Exhibit



EXHIBIT A-2**Walker 34-33 State Com 224H and 234H**

N2NW Section 34, T18S-R28E, NMPM & N2N2 Section 33, T18S-R28E NMPM
Eddy County, New Mexico

Unit Working Interest

| | |
|--|---------------------|
| * V-F Petroleum Inc. | 28.76099500% |
| * Gahr Energy Company | 7.79036470% |
| * Fuel Products, Inc. | 7.79036470% |
| Roy G. Barton, Jr. Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA 1/28/1982 | 0.78125000% |
| Read & Stevens, Inc. | 3.24218730% |
| Chevron U.S.A. Inc. | 13.99016230% |
| EOG Resources, Inc. | 9.66435200% |
| OXY USA WTP Limited Partnership | 27.98032400% |
| Total | 100.0000000% |

* denotes collective interest of V-F Petroleum Inc.

Tract 1- N2NW Section 33

| | |
|--|---------------------|
| * V-F Petroleum Inc. | 44.31250000% |
| * Gahr Energy Company | 23.37109400% |
| * Fuel Products, Inc. | 23.37109400% |
| Roy G. Barton, Jr. Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA 1/28/1982 | 0.78125000% |
| Read & Stevens, Inc. | 8.16406200% |
| Total | 100.0000000% |

* denotes collective interest of V-F Petroleum Inc.

Tract 2- N2NE Section 33

| | |
|--|---------------------|
| EOG Resources, Inc. | 14.49652800% |
| OXY USA WTP Limited Partnership | 83.94097200% |
| Roy G. Barton, Jr. Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA 1/28/1982 | 0.78125000% |
| Read & Stevens, Inc. | 0.78125000% |
| Total | 100.0000000% |

Continue Exhibit

EXHIBIT A-2**Walker 34-33 State Com 224H and 234H**

N2NW Section 34, T18S-R28E, NMPM & N2N2 Section 33, T18S-R28E NMPM
Eddy County, New Mexico

Tract 3 - N2NW Section 34

| | |
|--|---------------------|
| V-F Petroleum Inc. | 41.97048500% |
| EOG Resources, Inc. | 14.49652800% |
| Chevron U.S.A. Inc. | 41.97048700% |
| Roy G. Barton, Jr. Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA 1/28/1982 | 0.78125000% |
| Read & Stevens, Inc. | 0.78125000% |
| Total | 100.0000000% |

Pooling Notification List/Pooled Parties W/O (Recapitulation)

| | |
|--|--------------|
| Roy G. Barton, Jr. Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust UTA 1/28/1982 | 0.78125000% |
| Read & Stevens, Inc. | 3.24218730% |
| Chevron U.S.A. Inc. | 13.99016230% |
| EOG Resources, Inc. | 9.66435200% |
| OXY USA WTP Limited Partnership | 27.98032400% |

End of Exhibit

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-683-3344;
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: sean@vfpetroleum.com

August 24, 2022

Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested

| | | |
|--|--|---|
| Gahr Energy Company 500 W. Texas, Suite 350 Midland, Texas 79701 Attention: Mr. Jerry Gahr | Fuel Products, Inc. 500 W. Texas, Suite 350 Midland, Texas 79701 Attention: Mr. Tom Beall | Read & Stevens, Inc. 400 Penn Plaza, Suite 1000 Roswell, New Mexico 88201 Attention: Ms. Betty Young |
| Lodge Exploration Company, LLC 500 West Texas, Suite 350 Midland, Texas 79701 Attention: Mr. John Lodge | Chevron U.S.A. Inc. 1400 Smith Street, Room 44198 Houston, Texas 77002 Attention: Logan Hulett | V-F Petroleum Inc. 500 West Texas, Suite 350 Midland, Texas, 79701 Attention: Mrs. Sandy Lawlis |
| EOG Resources Inc. 5509 Champions Drive Midland, Texas 79706-2843 Attention: Ms. Katie McBryde | Roy G. Barton, Sr. and Opal Barton Revocable Trust 1919 N. Turner St. Hobbs, New Mexico 88240 Attention: Mr. Roy Barton, Jr. | OXY USA WTP Limited Partnership 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attention: Alissa Payne |

RE: **Horizontal Well Proposals –2nd and 3rd Bonespring Formations;
Horizontal Spacing Unit – N2NW/4 of Section 34 and N2N2 Section 33, T-18 South, R-28 East
Eddy County, New Mexico**

Walker 34-33 State Com #224H Well; 2nd Bone Spring

SL: 405' FNL & 2185' FWL of Section 34, T-18 South, R-28 East, Eddy County, NM
BHL: 405' FNL & 100' FWL of Section 33, T-18 South, R-28 East, Eddy County, NM

Walker 34-33 State Com #234H Well; 3rd Bone Spring

SL: 330' FNL & 2185' FWL of Section 34, T-18 South, R-28 East, Eddy County, NM
BHL: 330' FNL & 100' FWL of Section 33, T-18 South, R-28 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2nd and 3rd Bone Spring formations as herein articulated. Please note that the first take point and last take point of each respective well will be located at a legal or approved location.

The projected total vertical depth of the above stated **Walker 34-33 State Com #224H Well** in order to test the 2nd Bone Spring formation is estimated to be TVD 7,315 feet with a total measured depth of 14,400 feet. The costs to drill, complete and equip said well are estimated at **\$7,289,829.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Walker 34-33 State Com #234H Well** in order to test the 3rd Bone Spring formation is estimated to be TVD 8,180 feet with a total measured depth of 16,360 feet. The costs to drill, complete and equip said well are estimated at **\$8,839,475.00** as indicated on the enclosed AFE.

EXHIBIT
A-3

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 2 of 11

For those who elect to participate in the captioned horizontal wells, V-F will be proposing an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating V-F Petroleum Inc. as Operator, covering the North Half Northwest Quarter (N2NW) of Section 34 and North Half North Half (N2N2) of Section 33, T-18 South, R-28 East, N.M.P.M, Eddy County, New Mexico, containing approximately 240 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$8,000/\$800 Drilling and Producing Rate; and
- V-F Petroleum Inc. named Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed wells.

Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an “X” in the appropriate spaces provided below, and return one (1) executed copy of this letter and one (1) executed AFE for each well you have elected **to participate**. If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Sean Johnson, Land Manager for V-F Petroleum Inc. by phone at (432) 683-3344 or by email at sean@vfpetroleum.

Best Regards,

Sean Johnson
Land Manager

Enclosures

Elections set forth on the following pages

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 3 of 11

ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well

Gahr Energy Company

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

Gahr Energy Company

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

Gahr Energy Company

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 4 of 11

ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well
Fuel Products, Inc.

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

Fuel Products, Inc.

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

Fuel Products, Inc.

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 5 of 11

**ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well**

Lodge Exploration Company, LLC

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

Lodge Exploration Company, LLC

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

Lodge Exploration Company, LLC

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 6 of 11

**ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well**

EOG Resources Inc.

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

EOG Resources Inc.

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 31-33 State Com #234H Well**

EOG Resources Inc.

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 7 of 11

**ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well**

Roy G. Barton, Sr. and Opal Barton Revocable Trust

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

Roy G. Barton, Sr. and Opal Barton Revocable Trust

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

Roy G. Barton, Sr. and Opal Barton Revocable Trust

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 8 of 11

**ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well**

Read & Stevens, Inc.

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

Read & Stevens, Inc.

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

Read & Stevens, Inc.

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 9 of 11

ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well

Chevron U.S.A. Inc.

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

Chevron U.S.A. Inc.

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

Chevron U.S.A. Inc.

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 10 of 11

**ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well**

OXY USA WTP Limited Partnership

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

OXY USA WTP Limited Partnership

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

OXY USA WTP Limited Partnership

By: _____ Title: _____ Date: _____

Walker 34-33 State Com #224H and #234H
Gahr Energy Company, et al
August 24, 2022
Page 11 of 11

**ELECTIONS -
Walker 34-33 State Com #224H Well; and Walker 34-33 State Com #234H Well**

V-F Petroleum Inc.

_____ Elect **to** Participate in the **Walker 34-33 State Com #224H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #224H Well**

V-F Petroleum Inc.

By: _____ Title: _____ Date: _____

_____ Elect **to** Participate in the **Walker 34-33 State Com #234H Well**

_____ Elect **Not to** Participate in the **Walker 34-33 State Com #234H Well**

V-F Petroleum Inc.

By: _____ Title: _____ Date: _____

| V-F Petroleum Inc. | | | | | | | API No. | |
|---|---|------------|------------|----------------|---|--------------------------|-------------------|-----------------|
| AUTHORIZATION FOR EXPENDITURE | | | | | | | AFE Number | |
| Date of Preparation / Revision: August 18, 2022 | | | | | | | Well Type | |
| X | Original | Supplement | Revision | Re-Entry | Second BS Horizontal Oil Well 1.5 Mile | | | |
| X | Drill Well | Workover | Facilities | Plug & Abandon | Projected TD: MD 14,400 | | | |
| Lease Name/Well # | | | | | County / State | | Formation | |
| Walker 34-33 State Com #224H | | | | | Eddy NM | | 2nd Bone Spring | |
| Acct Code | | | | | Basin | | Field or Prospect | |
| | | | | | Permian | | Travis | |
| INTANGIBLE DESCRIPTION | | | | | COST BEFORE CASING POINT | | COMPLETION COST | |
| | | | | | | | TOTAL WELL COST | |
| 501 | PERMITS & ENVIRONMENTAL SERVICES | | | | \$10,000 | \$10,000 | \$20,000 | |
| 516 | TITLE OPINION, CURATIVE & POOLING | | | | \$25,000 | | \$25,000 | |
| 501 | SURVEYING STAKE LOCATION | | | | \$5,000 | | \$5,000 | |
| 501 | DAMAGES & R-O-W'S | | | | \$25,000 | | \$25,000 | |
| 502/711 | ROADS, LOCATION, PITS, LINERS, ETC. | | | | \$100,000 | \$10,000 | \$110,000 | |
| 503 | DRILLING RIG MOBILIZATION COST | | | | \$95,000 | | \$95,000 | |
| 503 | DRILLING - DAYS | | | | 22 days @ \$15,000 | \$330,000 | \$330,000 | |
| 503 | RIG HOUSING | | | | 22 days @ \$800 | \$17,600 | \$17,600 | |
| 503 | STEERING | | | | days @ | | | |
| 503 | MUD MOTORS & DIRECTIONAL | | | | \$130,000 | | \$130,000 | |
| 517 | CLOSED LOOP & DISPOSAL | | | | 22 days @ \$4,000 | \$88,000 | \$88,000 | |
| 505 | MUD & FRAC CHEMICALS | | | | \$60,000 | \$156,000 | \$216,000 | |
| 505/716 | WATER (Brine & Fresh); FRAC WATER | | | | \$30,000 | \$465,000 | \$495,000 | |
| 503 | BITS, REAMERS, ETC. | | | | \$75,000 | | \$75,000 | |
| 503 | FUEL | | | | 49500 gallons @ \$3 | \$148,500 | \$148,500 | |
| 504 | CEMENTING SURFACE | | | | \$28,000 | | \$28,000 | |
| 504 | CEMENTING INTERMEDIATE | | | | \$32,000 | | \$32,000 | |
| 701 | CEMENTING PRODUCTION | | | | | \$52,000 | \$52,000 | |
| 509/705 | TUBULAR SERVICES AND TOOLS | | | | \$80,000 | \$48,000 | \$128,000 | |
| 509/705 | CASING CREWS PU LD MACHINE | | | | \$30,000 | | \$30,000 | |
| 513/708 | FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS | | | | \$35,000 | \$25,000 | \$60,000 | |
| 507 | TESTING; COMPLETION, FLOWBACK | | | | | \$68,000 | \$68,000 | |
| 508 | OPEN HOLE LOGGING | | | | | | | |
| 508 | MUD LOGGING | | | | 16 days @ \$1,850 | \$29,600 | \$29,600 | |
| 509/705 | WELDING, HOURLY LABOR, SAFETY PAY | | | | \$21,000 | | \$21,000 | |
| 509/713 | EQUIPMENT RENTAL | | | | \$35,000 | \$95,000 | \$130,000 | |
| 509/714 | TRUCKING, TRANSPORTATION, FORKLIFT | | | | \$55,000 | | \$55,000 | |
| 715 | COMPLETION UNIT; COIL TUBING UNIT | | | | | \$310,000 | \$310,000 | |
| 704 | FORMATION STIMULATION (45 STAGES) | | | | | \$2,000,000 | \$2,000,000 | |
| 702/03 | CASED HOLE LOGGING, PERFORATING & FRAC PLUGS | | | | | \$187,000 | \$187,000 | |
| 510/11/706 | GEOLOGIC / ENGINEERING | | | | \$25,000 | \$45,000 | \$70,000 | |
| 509/705 | CONTRACT CONSULTANTS | | | | 24 days @ \$3,000 | \$72,000 | \$124,000 | |
| 514 | DRILLING WELL RATE (A/O) | | | | 22 days @ \$200 | \$4,400 | \$9,400 | |
| 515/705 | INSURANCE | | | | \$21,000 | \$15,000 | \$36,000 | |
| 513/708 | MISCELLANEOUS | | | | \$30,000 | \$176,000 | \$206,000 | |
| 509/705 | CONTINGENCY (10%) | | | | \$162,000 | \$370,000 | \$532,000 | |
| TOTAL INTANGIBLE ESTIMATED COST | | | | | \$1,799,100 | \$4,089,000 | \$5,888,100 | |
| Acct Code | TANGIBLE DESCRIPTION | | | | | COST BEFORE CASING POINT | COMPLETION COST | TOTAL WELL COST |
| 620/820 | CONDUCTOR | Length | Grade | Size | Weight | Price/Ft. | | |
| 620/820 | CONDUCTOR | 120' | K-55 | 20 | | \$225.00 | \$27,000 | \$27,000 |
| 620/820 | SURFACE | 1,200' | J-55 | 13 3/8" | 48 | \$41.56 | \$49,872 | \$49,872 |
| 620/820 | INTERMEDIATE | 3,500' | J-55 | 9 5/8" | 40 | \$32.67 | \$114,345 | \$114,345 |
| 620/820 | INTERMEDIATE | | | | | | | |
| 820 | PRODUCTION | 14,680' | P110 | 5 1/2" | 20 | \$19.65 | \$288,462 | \$288,462 |
| 820 | PRODUCTION LINER | | | | | | | |
| 821 | TUBING (Coated) | 7,000' | L-80 | 2.875 | 6.5 | \$4.65 | \$32,550 | \$32,550 |
| 621/824 | WELLHEAD EQUIPMENT | | | | | | \$28,000 | \$46,000 |
| 825 | PRODUCTION FACILITY ENCLOSURE | | | | | | \$150,000 | \$150,000 |
| 825 | POWER SOURCE | | | | | | \$50,000 | \$50,000 |
| 822 | RODS AND PUMP (FG & STEEL) | | | | | | | |
| 823 | PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT | | | | | | | |
| 827 | HEATER TREATER, SEPERATOR, FWKO | | | | | | \$185,000 | |
| 831 | GAS SALES LINE & METER RUN | | | | | | \$5,500 | \$5,500 |
| 830 | FLOWLINES, VALVES, CONNECTIONS | | | | | | \$125,000 | \$125,000 |
| 827 | TANKS (WATER AND PRODUCTION) | | | | | | \$140,000 | \$140,000 |
| 830 | MISCELLANEOUS | | | | | | \$11,000 | \$50,000 |
| 622/820 | CONTINGENCY (10%) | | | | | | \$23,000 | \$104,000 |
| TOTAL TANGIBLE ESTIMATED COST | | | | | \$253,217 | \$1,148,512 | \$1,401,729 | |
| 941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services | | | | | \$50,000 | | | |
| ESTIMATED DRY HOLE COST | | | | | \$2,102,317 | | | |
| TOTAL AFE ESTIMATED COST | | | | | \$2,052,317 | \$5,237,512 | \$7,289,829 | |
| APPROVAL AND ACCEPTANCE: | | | | | IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT. | | | |
| WI OWNER _____ | | | | | Prepared by: WAP | | | |
| W.I. _____ | | | | | Date: | | | |
| Title _____ | | | | | 08-18-2022 | | | |
| Signature _____ | | | | | Date: | | | |
| Date _____ | | | | | *Optional OEE Insurance ADD \$23,000 to AFE Total above. | | | |
| | | | | | Please check if you elect to be included in the Operators Extra Expense Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA | | | |

| V-F Petroleum Inc. | | | | | | API No. | |
|---|---|----------------|-----------------|----------------|---|---|-----------------|
| AUTHORIZATION FOR EXPENDITURE | | | | | | AFE Number | |
| Date Prepared / Revised: August 18, 2022 | | | | | | Well Type | |
| X | Original | Supplement | Revision | Re-Entry | Third BS Horizontal Oil Well 1.5 mile | | |
| X | Drill Well | Workover | Facilities | Plug & Abandon | Projected TD: | MD 15,275' | |
| Lease Name/Well # | | County / State | Formation | Basin | Field or Prospect | SHL: 330' FNL, 2185' FWL; Sec. 34, T-18-S, R-28-E, N.M.P.M. | |
| Walker 34-33 State Com #234 | | Eddy NM | 3rd Bone Spring | Permian | Travis | BHL: 330' FNL, 100' FWL; Sec. 33, T-18-S, R-28-E, N.M.P.M. | |
| Acct Code | INTANGIBLE DESCRIPTION | | | | COST BEFORE CASING POINT | COMPLETION COST | TOTAL WELL COST |
| 501 | PERMITS & ENVIRONMENTAL SERVICES | | | | \$10,000 | \$10,000 | \$20,000 |
| 516 | TITLE OPINION, CURATIVE & POOLING | | | | \$25,000 | | \$25,000 |
| 501 | SURVEYING STAKE LOCATION | | | | \$5,000 | | \$5,000 |
| 501 | DAMAGES & R-O-W'S | | | | \$25,000 | | \$25,000 |
| 502/711 | ROADS, LOCATION, PITS, LINERS, ETC. | | | | \$45,000 | \$10,000 | \$55,000 |
| 503 | DRILLING RIG MOBILIZATION COST | | | | \$215,000 | | \$215,000 |
| 503 | DRILLING - DAYS 24 days @ \$21,000 | | | | \$504,000 | | \$504,000 |
| 503 | RIG HOUSING 24 days @ \$1,200 | | | | \$28,800 | | \$28,800 |
| 503 | STEERING days @ | | | | | | |
| 503 | MUD MOTORS & DIRECTIONAL | | | | \$160,000 | | \$160,000 |
| 517 | CLOSED LOOP & DISPOSAL 24 days @ \$4,500 | | | | \$108,000 | | \$108,000 |
| 505 | MUD & FRAC CHEMICALS | | | | \$65,000 | \$200,000 | \$265,000 |
| 505/716 | WATER (Brine & Fresh); FRAC WATER | | | | \$35,000 | \$600,000 | \$635,000 |
| 503 | BITS, REAMERS, ETC. | | | | \$83,000 | | \$83,000 |
| 503 | FUEL 72000 gallons @ \$5 | | | | \$360,000.00 | | \$360,000 |
| 504 | CEMENTING SURFACE | | | | \$16,000 | | \$16,000 |
| 504 | CEMENTING INTERMEDIATE | | | | \$35,000 | | \$35,000 |
| 701 | CEMENTING PRODUCTION | | | | | \$82,000 | \$82,000 |
| 509/705 | TUBULAR SERVICES AND TOOLS | | | | \$80,000 | \$48,000 | \$128,000 |
| 509/705 | CASING CREWS PU LD MACHINE | | | | \$30,000 | \$32,000 | \$62,000 |
| 513/708 | FLOAT EQUIPMENT, Centralizers, ECPS, DV TOOLS | | | | \$10,000 | \$25,000 | \$35,000 |
| 507 | TESTING; COMPLETION, FLOWBACK | | | | | \$72,000 | \$72,000 |
| 508 | OPEN HOLE LOGGING | | | | | | |
| 508 | MUD LOGGING 18 days @ \$2,000 | | | | \$36,000 | | \$36,000 |
| 509/705 | WELDING & HOURLY LABOR, ROSTABOUT CREWS, SAFETY PAY | | | | \$21,000 | \$165,000 | \$186,000 |
| 509/713 | EQUIPMENT RENTAL; | | | | \$45,000 | \$105,000 | \$150,000 |
| 509/714 | TRUCKING, TRANSPORTATION, FORKLIFT | | | | \$55,000 | | \$55,000 |
| 715 | COMPLETION UNIT; COIL TUBING UNIT | | | | | \$40,000 | \$40,000 |
| 704 | FORMATION STIMULATION (45 STAGES) | | | | | \$2,000,000 | \$2,000,000 |
| 702/03 | CASED HOLE LOGGING, PERFORATING & FRAC PLUGS | | | | | \$255,000 | \$255,000 |
| 510/11/706 | GEOLOGIC / ENGINEERING | | | | \$30,000 | \$47,000 | \$77,000 |
| 509/705 | CONTRACT CONSULTANTS 26 days @ \$3,500 | | | | \$91,000 | \$52,000 | \$143,000 |
| 514 | DRILLING WELL RATE (A/O) 26 days @ \$200 | | | | \$5,200 | \$5,000 | \$10,200 |
| 515/705 | INSURANCE | | | | \$17,000 | \$15,000 | \$32,000 |
| 513/708 | MISCELLANEOUS | | | | \$106,000 | \$187,000 | \$293,000 |
| 509/705 | CONTINGENCY (10%) | | | | \$223,000 | \$394,000 | \$617,000 |
| TOTAL INTANGIBLE ESTIMATED COST | | | | | \$2,469,000 | \$4,344,000 | \$6,813,000 |
| Acct Code | TANGIBLE DESCRIPTION | | | | COST BEFORE CASING POINT | COMPLETION COST | TOTAL WELL COST |
| 620/820 | CONDUCTOR | Length | Grade | Size | Weight | Price/Ft. | |
| 620/820 | CONDUCTOR | 120' | K-55 | 20 | | \$350.00 | \$42,000 |
| 620/820 | SURFACE | 1,200' | J-55 | 13 3/8" | 48 | \$103.00 | \$123,600 |
| 620/820 | INTERMEDIATE | 3,500' | J-55 | 9 5/8" | 40 | \$60.00 | \$210,000 |
| 620/820 | INTERMEDIATE | | | | | | |
| 820 | PRODUCTION | 16,045' | P110 | 5 1/2" | 20 | \$35.00 | \$561,575 |
| 820 | PRODUCTION LINER | | | | | | |
| 821 | TUBING | 8,400' | L-80 | 2.875 | 6.5 | \$12.00 | \$100,800 |
| 621/824 | WELLHEAD EQUIPMENT | | | | | | \$28,000 |
| 825 | PRODUCTION FACILITY ENCLOSURE | | | | | | \$18,000 |
| 825 | POWER SOURCE | | | | | | \$165,000 |
| 822 | RODS AND PUMP (FG & STEEL) | | | | | | \$50,000 |
| 823 | PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT | | | | | | |
| 827 | HEATER TREATER, SEPERATOR, FWKO | | | | | | \$185,000 |
| 831 | GAS SALES LINE & METER RUN | | | | | | \$5,500 |
| 830 | FLOWLINES, VALVES, CONNECTIONS | | | | | | \$125,000 |
| 827 | TANKS (WATER AND PRODUCTION) | | | | | | \$140,000 |
| 830 | MISCELLANEOUS | | | | | | \$20,000 |
| 622/820 | CONTINGENCY (10%) | | | | | | \$42,000 |
| TOTAL TANGIBLE ESTIMATED COST | | | | | \$465,600 | \$1,560,875 | \$2,026,475 |
| 941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services | | | | | | | |
| ESTIMATED DRY HOLE COST | | | | | \$2,934,600 | | |
| TOTAL AFE ESTIMATED COST | | | | | \$2,934,600 | \$5,904,875 | \$8,839,475 |
| APPROVAL AND ACCEPTANCE: | | | | | IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT. | | |
| WI OWNER _____ | | | | | Prepared by: WAP _____ Date: _____ | | |
| W.I. _____ | | | | | Date: _____ | | |
| Title _____ | | | | | Date: _____ | | |
| Signature _____ | | | | | Date: _____ | | |
| Date _____ | | | | | Date: _____ | | |
| | | | | | *Optional OEE Insurance ADD \$23,000 to AFE Total above. | | |
| | | | | | Please check if you elect to be included in the Operators Extra Expense | | |
| | | | | | Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA | | |

Exhibit A-4 "Communication Summary"

Valid and diligent efforts have been made to all parties that V-F Petroleum Inc. ("V-F") seeks to compulsory pool. All AFEs, election letters, and JOAs were provided certified mail. Contact by V-F was undertaken within a week after AFEs were sent and communication was established by phone and email multiple times for each party inquiring around acquiring acreage, development plans, or signing provided JOA for voluntary joinder to participate and providing technical answers to questions for further non-op evaluations. Some parties indicated that they were not adverse to our pooling application, but want to be pooled and repropose to under order. Most all parties that are being pooled have communicated they are wanting to participate and will sign a JOA.

EOG Resources Inc.- letter agreement signed that will not oppose hearing, V-F to obtain interest of EOG as of 10/14/22.

Chevron U.S.A. Inc.- Multiple conversation beginning 8/23/22, prior to sending proposals, through receipt of proposals, to current date and have provided all requested information to CVX for evaluation, still currently evaluating.

OXY USA WTP Limited Partnership- Numerous phone conversations and emails with Oxy land representative over interest and development plans. Last conversation early October, it was explicitly stated from OXY that they would not protest V-Fs case and to proceed with compulsory pooling and re-propose under the order.

Read & Stevens, Inc. and Roy G. Barton- Received signed AFEs, just awaiting JOA signature pages and will remove pooled parties as soon as executed and notarized pages are received by V-F.

End Exhibit A-4



TAB 3

Case No. 23118

- Exhibit B: Self-Affirmed Statement of Jason Lodge, Geologist
- Exhibit B-1: Location Map
- Exhibit B-2: Subsea Structure Map
- Exhibit B-3: Subsea Structure Map
- Exhibit B-4: Structural Cross-Section

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

APPLICATION OF V-F PETROLEUM INC.
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 23118

SELF-AFFIRMED STATEMENT OF JASON LODGE

I, Jason Lodge, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for V-F Petroleum Inc, (“V-F”), and I am familiar with the subject application and the geology involved.
3. This affidavit is submitted in connection with the filing by V-F of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division, and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.
5. **Exhibit B-1** is a location map of the proposed horizontal spacing unit. The approximate wellbore paths for the proposed **Walker 34/33 State Com #224H** and the **Walker 34/33 State Com #234H** wells are represented by dashed lines. Existing producing horizontal wells in the targeted interval are represented by solid lines.
6. **Exhibit B-2** is a subsea structure map that is representative of the 2nd Bone Spring Sand target interval. The data points are indicated by red crosses along with their corresponding subsea values posted above in blue. The approximate wellbore path for the 2nd Bone Spring Sand



well is depicted by a green dashed line. The map demonstrates the formation is gently dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells.

7. **Exhibit B-3** is a subsea structure map that is representative of the 3rd Bone Spring Sand target interval. The data points are indicated by red crosses along with their corresponding subsea values posted above in blue. The approximate wellbore path for the 3rd Bone Spring Sand well is depicted by a red dashed line. The map demonstrates the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells.

8. **Exhibits B-2 and B-3** also identify three wells penetrating the targeted intervals used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

9. **Exhibit B-4** is a structural cross-section using the representative wells identified on **Exhibits B-2 and B-3**. It contains gamma ray, resistivity, and porosity logs. The proposed landing zones for the wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the horizontal spacing unit.

10. I conclude from the attached exhibits that:
- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.

- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. In my opinion, a laydown orientation for the wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the horizontal spacing unit and the preference to be perpendicular to the inferred maximum horizontal stress of the area. Laydown orientation is also supported by a study of the production of stand-up vs. laydown horizontal wells in the area, with production results greatly favoring laydown wells.

12. The Exhibits to this affidavit were prepared by me or compiled from V-F's company business records under my direct supervision.

13. The granting of this Application is in the best interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

14. The foregoing is correct and complete to the best of my knowledge and belief. My testimony is made as of the date identified next to my signature.

[Signature page follows]

Signature page of Self-Affirmed Statement of Jason Lodge:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23118 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief, and made under penalty of perjury under the laws of the State of New Mexico.



Jason J. Lodge

10/26/22

Date Signed

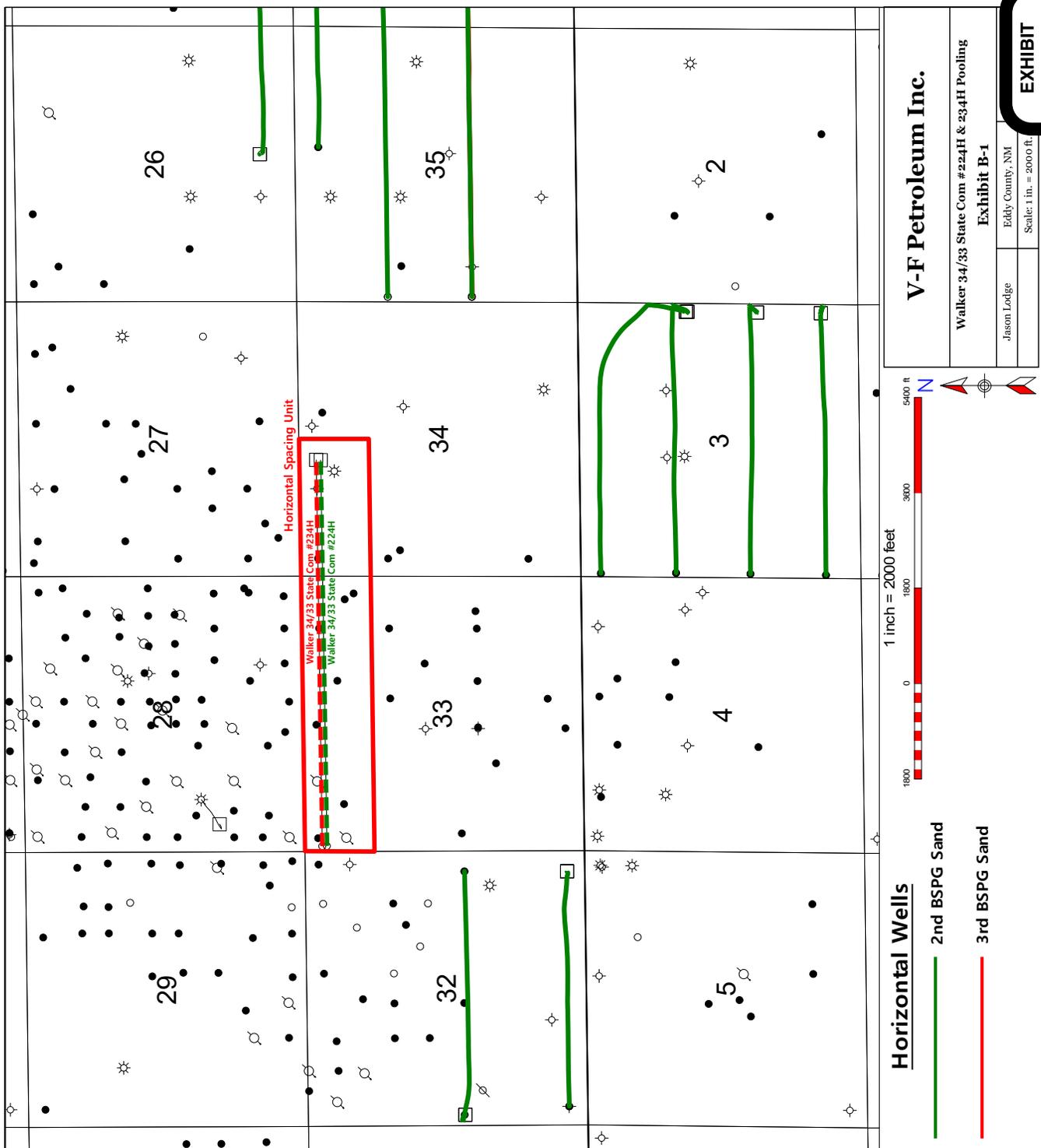
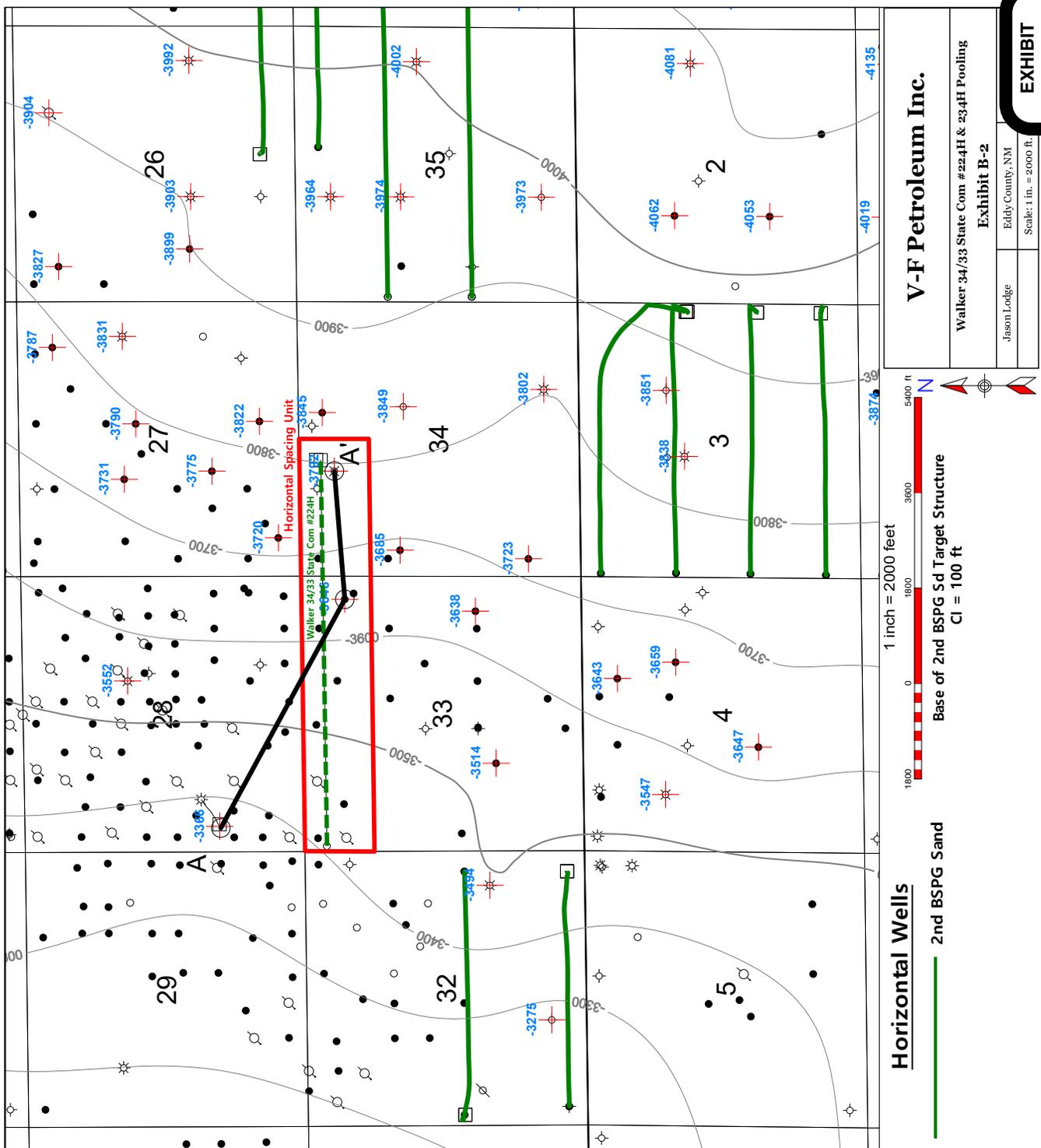


EXHIBIT B-1



V-F Petroleum Inc.

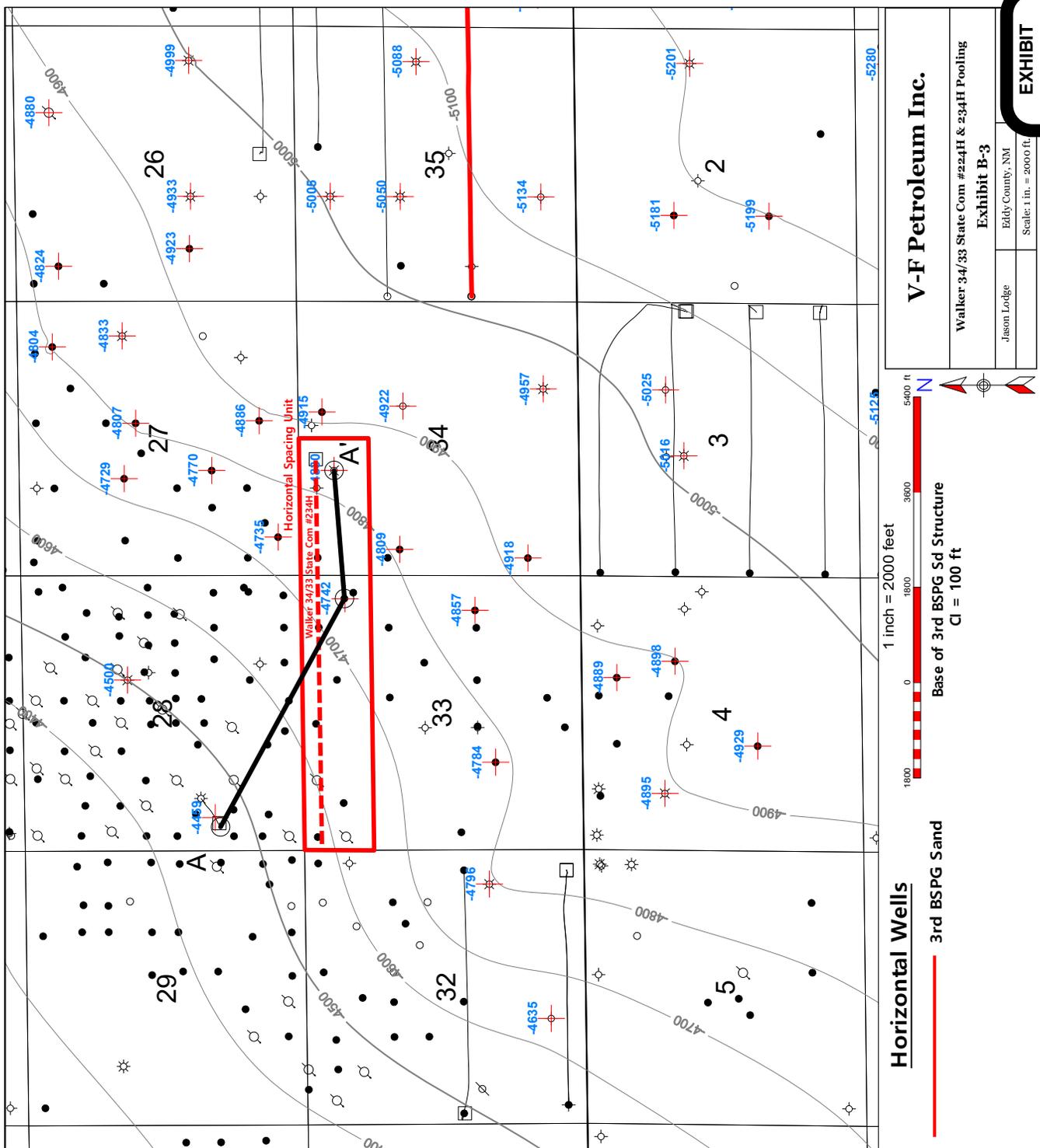
Walker 34/33 State Com #224H & 234H Pooling

Exhibit B-2

Eddy County, NM

Scale: 1 in. = 2000 ft.

EXHIBIT B-2



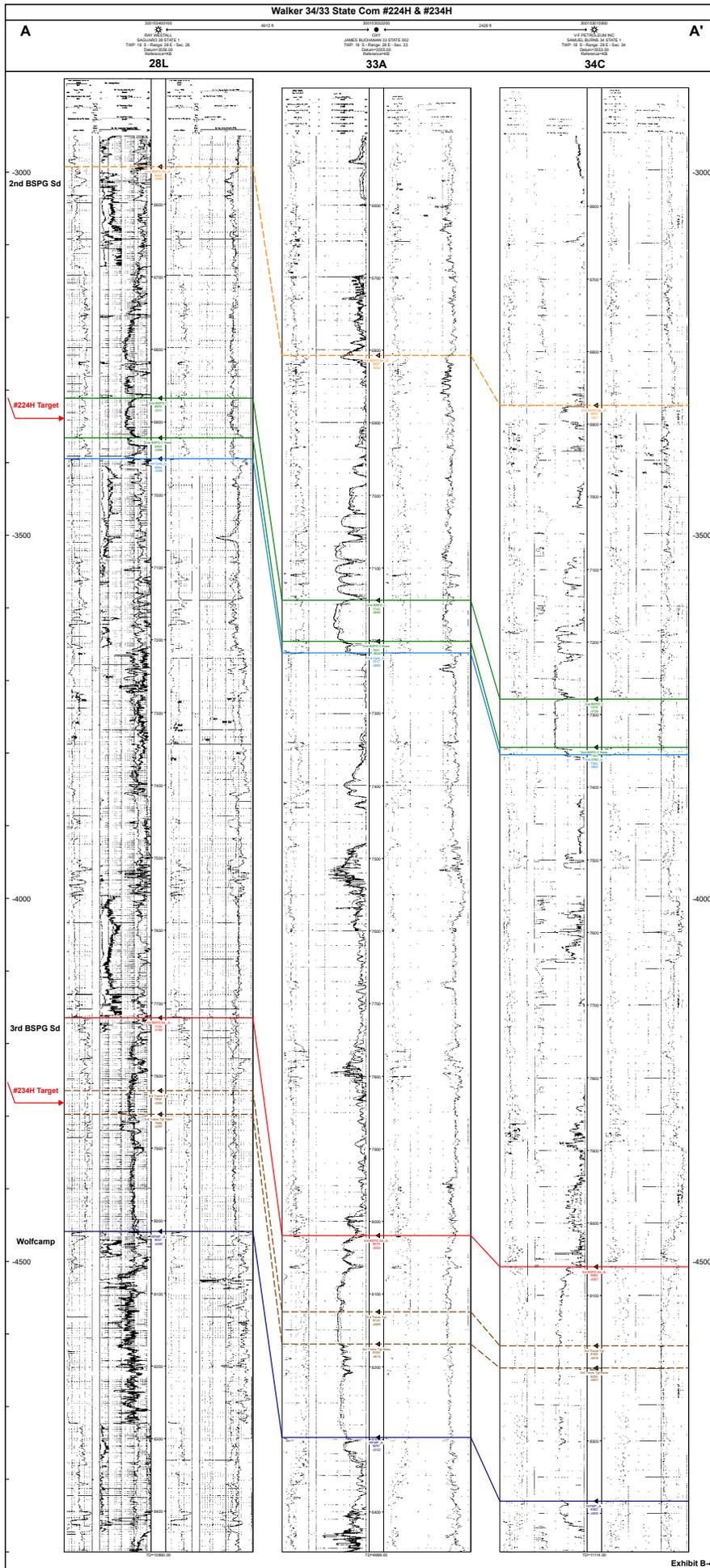


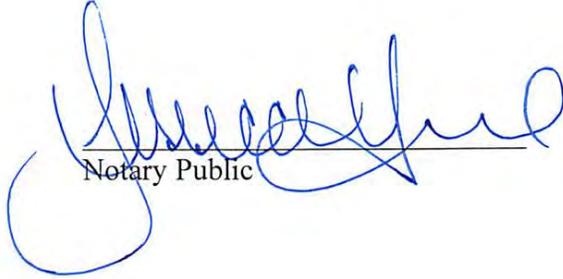
EXHIBIT
B-4

TAB 4

Case No. 23118

- Exhibit C: Affidavit of Notice, Darin C. Savage
- Exhibit C-1: Notice Letters (WI)
- Exhibit C-2: Mailing List
- Exhibit C-3: Affidavits of Publication

SUBSCRIBED AND SWORN to before me this 31st day of October, 2022, by Darin C. Savage.


Notary Public

My Commission Expires:

10/02/2023

STATE OF NEW MEXICO
NOTARY PUBLIC
JESSICA HEAD
COMMISSION # 1127235
COMMISSION EXPIRES 10/02/2023



For the Pursuit of Energy

ABADIE | SCHILL P C

| | |
|-----------|--------------|
| Colorado | New Mexico |
| Louisiana | Texas |
| Nebraska | Kansas |
| Montana | Wyoming |
| Oklahoma | California |
| | North Dakota |

October 13, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc. for a standard horizontal spacing unit and compulsory pooling, Eddy County, New Mexico
Walker 34-33 State Com #223H Well (Case No. 23117)
Walker 34-33 State Com #233H Well (Case No. 23117)
Walker 34-33 State Com #224H Well (Case No. 23118)
Walker 34-33 State Com #234H Well (Case No. 23118)

Case Nos. 23117 and 23118:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc. (“V-F Petroleum”) has filed the enclosed applications, Case Nos. 23117 and 23118, with the New Mexico Oil Conservation Division (“Division”) for the compulsory pooling of horizontal spacing units in the Bone Spring formation.

In Case No. 23117, V-F Petroleum seeks to pool the Bone Spring formation underlying the S/2 N/2 of Sections 33 and 34, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the above-referenced #223H and #233H Wells.

In Case No. 23118, V-F Petroleum seeks to pool the Bone Spring formation underlying the N/2 NW/4 of Section 34 and the N/2 N/2 of Section 33, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, a standard unit encompassing 240 acres, more or less, dedicated to the above-referenced #224H and #234H Wells.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901



A hearing has been requested before a Division Examiner on November 3, 2022, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner, subject to title examination, and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address 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 Sean Johnson at (432) 683-3344 or at sean@vfpetroleum.com.

Sincerely,



Darin C. Savage

Attorney for V-F Petroleum Inc.

Mail Activity Report - CertifiedPro.net
Mailed from 10/13/2022 to 11/1/2022
User Name: abadieschill
Generated: 11/1/2022 12:09:14 PM

| USPS Article Number | Date Mailed | Name | Address | City | State | Zip | Mailing Status | Delivery Date | Service Options |
|------------------------|-------------|--|----------------------------|----------|-------|-------|----------------|---------------|---|
| 9314869904300100526916 | 10/13/2022 | OXY USA WTP Limited Partnership | 5 Greenway Plz Suite 110 | Houston | TX | 77046 | Delivered | 10/17/22 | Return Receipt - Electronic, Certified Mail |
| 9314869904300100526923 | 10/13/2022 | Chevron U.S.A. Inc. | 1400 Smith St | Houston | TX | 77002 | Delivered | 10/24/22 | Return Receipt - Electronic, Certified Mail |
| 9314869904300100526930 | 10/13/2022 | EOG Resources, Inc. | 5509 Champions Drive | Midland | TX | 79706 | Delivered | 10/18/22 | Return Receipt - Electronic, Certified Mail |
| 9314869904300100526947 | 10/13/2022 | Roy G. Barton, Sr. and Opal Barton Revocable Trust | 1919 N. Turner Street | Hobbs | NM | 88240 | Delivered | 10/24/22 | Return Receipt - Electronic, Certified Mail |
| 9314869904300100526954 | 10/13/2022 | Read & Stevens, Inc. | 400 Penn Plaza, Suite 1000 | Roswell | NM | 88201 | Delivered | 10/17/22 | Return Receipt - Electronic, Certified Mail |
| 9314869904300100527289 | 10/13/2022 | New Mexico State Land Office | 310 Old Santa Fe Trail | Santa Fe | NM | 87501 | Delivered | 10/18/22 | Return Receipt - Electronic, Certified Mail |





October 19, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0100 5272 89.**

Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: October 18, 2022, 06:50 a.m.
Location: SANTA FE, NM 87501
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: New Mexico State Land Office

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 310 OLD SANTA FE TRL
City, State ZIP Code: SANTA FE, NM 87501-2708

Recipient Signature

| | | | | | | | |
|-------------------------|---|------------------|---|------|--------------|--|--------------|
| Signature of Recipient: | <table border="1"> <tr><td>Signature</td><td>X</td><td></td></tr> <tr><td>Printed Name</td><td></td><td>ABEL Sanchez</td></tr> </table> | Signature | X | | Printed Name | | ABEL Sanchez |
| Signature | X | | | | | | |
| Printed Name | | ABEL Sanchez | | | | | |
| Address of Recipient: | <table border="1"> <tr><td>Delivery Address</td><td></td><td>1148</td></tr> </table> | Delivery Address | | 1148 | | | |
| Delivery Address | | 1148 | | | | | |

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

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

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

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.1



October 18, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0100 5269 54.**

Item Details

| | |
|----------------------------|--|
| Status: | Delivered, Front Desk/Reception/Mail Room |
| Status Date / Time: | October 17, 2022, 11:14 a.m. |
| Location: | ROSWELL, NM 88201 |
| Postal Product: | First-Class Mail® |
| Extra Services: | Certified Mail™ Return Receipt Electronic |
| Recipient Name: | Read Stevens Inc |

Shipment Details

Weight: 3.0oz

Destination Delivery Address

| | |
|------------------------------|---------------------------------|
| Street Address: | 400 N PENNSYLVANIA AVE STE 1000 |
| City, State ZIP Code: | ROSWELL, NM 88201-4780 |

Recipient Signature

| | |
|-------------------------|---|
| Signature of Recipient: |  |
| Address of Recipient: | 400 N PENNSYLVANIA AVE STE 1000 ROSWELL, NM 88201 |

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

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

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

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.1



October 25, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0100 5269 47**.

Item Details

| | |
|----------------------------|---|
| Status: | Delivered, Left with Individual |
| Status Date / Time: | October 24, 2022, 12:23 p.m. |
| Location: | HOBBS, NM 88240 |
| Postal Product: | First-Class Mail® |
| Extra Services: | Certified Mail™ Return Receipt Electronic |
| Recipient Name: | Roy G Barton Sr and Opal Barton Revocable Tru |

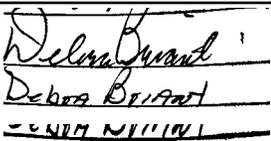
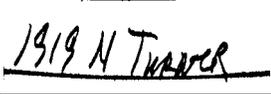
Shipment Details

Weight: 3.0oz

Destination Delivery Address

| | |
|------------------------------|----------------------|
| Street Address: | 1919 N TURNER ST |
| City, State ZIP Code: | HOBBS, NM 88240-2712 |

Recipient Signature

| | |
|-------------------------|---|
| Signature of Recipient: |  |
| Address of Recipient: |  |

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

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

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

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.1



October 19, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0100 5269 30.**

Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: October 18, 2022, 07:50 a.m.
Location: MIDLAND, TX 79702
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: EOG Resources Inc

Shipment Details

Weight: 3.0oz

Recipient Signature

| | | | | | |
|-------------------------|---|------------------|-----|--------------|-------------|
| Signature of Recipient: | <table border="1"> <tr> <td style="font-size: small;">Signature</td> <td></td> </tr> <tr> <td style="font-size: small;">Printed Name</td> <td>Chris Becht</td> </tr> </table> | Signature | | Printed Name | Chris Becht |
| Signature | | | | | |
| Printed Name | Chris Becht | | | | |
| Address of Recipient: | <table border="1"> <tr> <td style="font-size: small;">Delivery Address</td> <td>EOG</td> </tr> </table> | Delivery Address | EOG | | |
| Delivery Address | EOG | | | | |

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

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

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

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.1



October 25, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0100 5269 23.**

Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: October 24, 2022, 11:01 a.m.
Location: HOUSTON, TX 77002
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Chevron U S A Inc

Shipment Details

Weight: 3.0oz

Destination Delivery Address

Street Address: 1400 SMITH ST
City, State ZIP Code: HOUSTON, TX 77002-7327

Recipient Signature

| | |
|-------------------------|---|
| Signature of Recipient: |  |
| Address of Recipient: |  |

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

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

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

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.1



October 18, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0100 5269 16.**

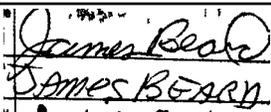
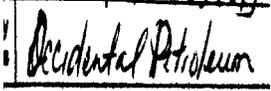
Item Details

Status: Delivered to Agent for Final Delivery
Status Date / Time: October 17, 2022, 01:39 p.m.
Location: HOUSTON, TX 77046
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: OXY USA WTP Limited Partnership

Shipment Details

Weight: 3.0oz

Recipient Signature

| | |
|---|---|
| Signature of Recipient: (Authorized Agent) |  |
| Address of Recipient: |  |

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Washington, D.C. 20260-0004

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Reference Number: 4217.1

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005449521

This is not an invoice

ABADIE SCHILL P.C.
555 RIVERGATE # B 4-180

DURANGO, CO 81301-7485

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

10/14/2022

Nicole Jacobs
Legal Clerk

Subscribed and sworn before me this October 14, 2022:

Vicky Felty
State of WI, County of Brown
NOTARY PUBLIC
9.19.25
My commission expires

VICKY FELTY
Notary Public
State of Wisconsin

Ad # 0005449521
PO #: 5449521
of Affidavits 1

This is not an invoice

EXHIBIT
C-3

CASE NO. 23118: Notice to all affected parties and persons having any right, title, interest or claim to this case, including overriding royalty interest owners and record title owners, as well as the known and unknown heirs, devisees, assigns and successors of OXY USA WTP LIMITED PARTNERSHIP, CHEVRON U.S.A. INC., EOG RESOURCES, INC., ROY G. BARTON, SR. AND OPAL BARTON REVOCABLE TRUST, READ & STEVENS, INC., LODGE EXPLORATION COMPANY LLC, GAHR ENERGY COMPANY AND FUEL PRODUCTS INC. of V-F Petroleum Inc.'s application for approval of a spacing unit and compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on November 3, 2022, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under the current COVID-19 Public Health policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. V-F Petroleum, at 500 W. Texas, Suite 350, Midland, Texas, 79701, seeks an order from the Division: (1) establishing a standard 240-acre, more or less, spacing and proration unit comprised of the N/2 NW/4 of Section 34 and the N/2 N/2 of Section 33, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. Said horizontal spacing unit is to be dedicated to the Walker 34-33 State Com #224H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33; and to the Walker 34-33 State Com #234H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 33. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the Division's Statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located

approximately 17.4 miles
southeast of Artesia, New
Mexico.
#5449521, Current Argus,
October 14, 2022