

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

**APPLICATION OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 23728

**MOTION TO SET AN UNCONTESTED
HEARING DATE FOR SEPTEMBER 21, 2023**

V-F Petroleum Inc. (“V-F Petroleum”) through its undersigned attorneys, respectfully submits to the Oil Conservation Division (“Division”) its Motion to Set an Uncontested Hearing Date for September 21, 2023. In support thereof, V-F Petroleum provides the following:

1. Permian Resources Operating, LLC (“Permian Resources”) made an entry of appearance in Case No. 23728 on August 29, 2023, and objected to the case going forward by affidavit. Permian Resources’ counsel has informed undersigned counsel that Permian Resources intends to request a date for a contested hearing and to file a competing application.

2. Permian Resources owns a very small 1.28331% working interest in V-F Petroleum’s proposed unit covering the N/2 N/2 of Sections 4 and 5. Permian Resources’ working interest is limited to the N/2 N/2 of Section 4. Such a minute interest is insufficient to justify a competing application for the same unit when V-F Petroleum has a majority interest in the N/2 N/2 unit of Sections 4 and 5. While Permian Resources’ minute interest in V-F Petroleum’s proposed unit may afford Permian Resources the right to enter an appearance in Case No. 23728 and object to the case going forward by affidavit, it does not give Permian Resources the right to file a competing application and request a contested hearing date.

3. On July 31, 2023, Permian Resources sent a well proposal to owners that proposed wells for a N/2 N/2 unit in Sections 5 and 6, Township 19 South, Range 28 East. A pertinent

excerpt of Permian Resources' well proposal letter is attached hereto as Exhibit 1. Permian Resources proposed a N/2 N/2 unit in Sections 5 and 6 that overlaps with the N/2 N/2 unit in Sections 4 and 5 proposed by V-F Petroleum. *See also:* Permian Resources' Operating Agreement ("JOA") that it sent to V-F Petroleum showing its proposed N/2 N/2 spacing unit covering Sections 5 and 6, pertinent parts of which are attached hereto as Exhibit 2.

4. However, Permian Resources owns no interest in the N/2 N/2 of Section 5 and 6. *See* Self-affirmed Statement of Sean Johnson, Landman for V-F Petroleum, attached hereto as Exhibit 3. Sean Johnson's Statement is based on the following: (1) his review of Permian Resources' JOA for the N/2 N/2 of Sections 5 and 6, which indicates that Permian Resources does not own any working interest in its proposed unit; (2) the chain of title for the N/2 N/2 of Section 5 resulting in an ownership breakdown by tract of Section 5 derived from updated Ownership Reports setting forth the working interest in Lots 2 and 3 and showing V-F Petroleum owns 100% in Lots 1 and 4; (3) the blanket assignment of overriding royalty interest that Permian Resources' predecessor in interest conveyed in oil and gas leases covering other lands in the area; (4) his discussion with a Permian Resources' landman who confirmed that Permian Resources did not currently own any working interest in its proposed N/2 N/2 unit. *See* Johnson Statement, Exhibit 3, ¶¶ 4, 6, and 7, attached hereto; *see also* Exhibit 2, attached hereto (pertinent parts of Permian Resources' proposed JOA); Exhibit 4 attached hereto (ownership breakdown provided by Sean Johnson showing the working interest in Section 5 which does not include Permian Resources as an owner); Exhibit 5 attached hereto (pertinent parts of the blanket assignment made by Read & Stevens, Inc.); and Exhibit 6 attached hereto (the divestiture teaser map of Read & Stevens' acreage position showing no ownership in Section 5 or 6).

5. Thus, it appears that Permian Resources did not own any interest in the N/2 N/2 of Sections 5 and 6 at the time of its well proposal for said unit and does not currently own any interest therein. As a result, Permian Resources' well proposal for this N/2 N/2 unit is invalid and void and cannot be used to support a competing application.

6. Furthermore, because it appears that Permian Resources currently owns no interest in the N/2 N/2 of Sections 5 and 6, it has neither the right nor qualifies under the pooling statute, NMSA 1978 § 70-2-17(C), to file a competing application or to request a contested hearing date. The pooling statute under the Oil and Gas Act ("Act") requires that for a party to qualify as an applicant in a compulsory pooling hearing, the party must own in a tract located within the spacing unit it is planning to pool and must be an owner at the time it proposes to drill a well on said unit. *See* § 70-2-17(C). Furthermore, a party must have ownership in one tract in the proposed unit as a precondition to attempting to reach a voluntary agreement. *Id.* *See also* 19.15.4.12(A)(1)(b)(vi) NMAC. From all available evidence, it does not appear that Permian Resources qualifies as an applicant under the Act and its associated Rules.

7. Conclusion: Ownership is a threshold requirement for both proposing a well and filing an application with the Division. At the status conference scheduled for September 7, 2023, V-F Petroleum respectfully requests that the Division inquire with Permian Resources regarding the status of its ownership in the N/2 N/2 of Section 5 and 6 to determine whether Permian Resources had the right to send out its well proposal and whether it currently has a right or standing under the Act and Division Rules to file a competing application and request a contested hearing date. If Permian Resources does not meet the threshold requirement of ownership to qualify as an applicant under the Act, V-F Petroleum requests that the Division set a date for September 21, 2023, to hear V-F Petroleum's application for compulsory pooling, a hearing to which it is entitled.

V-F Petroleum's request is not for an inquiry to determine amounts of interest that Permian Resources might own, over which the Division would not have jurisdiction, but it is a request that the Division, pursuant to its jurisdiction under the Act and its Rules, determine whether Permian Resources has met the threshold requirement of ownership that would allow it to request a contested hearing date and file an application in a competing compulsory pooling case.

8. If Permian Resources were not able to satisfy the threshold requirement needed to have sent out its well proposal or is not presently qualified as an applicant to propose a competing application, the Division should not grant Permian Resources additional time to acquire an interest in its proposed unit. Instead, the Division should set an uncontested hearing date for September 21, 2023, to hear V-F Petroleum's application. A party should not be allowed to use state resources to delay a hearing in order to obtain the opportunity to speculate; on the contrary, a party must qualify as a pooling applicant at the time that it requests a contested hearing and be in a position at that time to provide owners a valid well proposal.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage
Darin C. Savage

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Attorneys for V-F Petroleum Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on September 1, 2023:

Michael H. Feldewert – mfeldewert@hollandhart.com

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Attorneys for Permian Resources Operating, LLC

/s/ Darin C. Savage

Darin C. Savage



300 N. MARIENFELD STREET, SUITE 1000
MIDLAND, TX 79701

OFFICE 432.695.4222
FAX 432.695.4063

July 31, 2023

Via Certified Mail

V-F Petroleum, Inc.
P.O. Box 1889
Midland, Texas 79702

**RE: Well Proposals: Lone Eagle 5 State Com #121H, 122H, 123H, 124H;
131H, 132H, 133H, 134H**
Section 5: All
Section 6: All
T19S-R28E, Eddy County, New Mexico
Bone Spring Formation

To Whom It May Concern:

Permian Resources Operating, LLC, as operator (“Permian”), hereby proposes the drilling and completion of the following eight (8) Lone Eagle 5 State Com wells at the following approximate locations within Township 19 South, Range 28 East:

1. **Lone Eagle 5 State Com #121H**
SHL: Lot H of Section 5
BHL: 10’ FWL & 330’ FNL of Section 6
FTP: 100’ FEL & 800’ FNL of Section 5
LTP: 100’ FWL & 330’ FNL of Section 6
TVD: 7,028’
TMD: Approximately 17,313’
Proration Unit: N/2N/2 of Sections 5 & 6
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE
2. **Lone Eagle 5 State Com #122H**
SHL: Lot H of Section 5
BHL: 10’ FWL & 1650’ FNL of Section 6
FTP: 100’ FEL & 1650’ FNL of Section 5
LTP: 100’ FWL & 1650’ FNL of Section 6
TVD: 7,028’
TMD: Approximately 17,313’
Proration Unit: S/2N/2 of Sections 5 & 6
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE
3. **Lone Eagle 5 State Com #123H**
SHL: Lot I of Section 5
BHL: 10’ FWL & 2310’ FSL of Section 6
FTP: 100’ FEL & 2310’ FSL of Section 5
LTP: 100’ FWL & 2310’ FSL of Section 6
TVD: 7,026’

**EXHIBIT
1**

A.A.P.L. FORM 610 - 1989

**MODEL FORM OPERATING AGREEMENT
HORIZONTAL MODIFICATIONS**

OPERATING AGREEMENT

DATED October 1, 2023

OPERATOR: Permian Resources Operating, LLC

CONTRACT AREA: See Exhibit "A"

COUNTY OR PARISH OF EDDY, STATE OF NEW MEXICO

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AMERICAN ASSOCIATION OF PROFESSIONAL

LANDMEN, 4100 FOSSIL CREEK BLVD

FORT WORTH, TEXAS, 76137, APPROVED FORM

A.A.P.L. NO. 610 - 1989 (Horz.)

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I. Superseded Agreements:

For so long as this Agreement remains in force it shall supersede in its entirety any and all previous joint operating agreements pertaining to or covering any portion the Contract Area is subject to this Agreement insofar, and only insofar, as to the land and depths within the Contract Area hereof. Notwithstanding the foregoing, to the extent any previous joint operating agreement covers any wells on the Contract Area which were in existence prior to the Effective Date of this Agreement, said previous joint operating agreement shall continue to govern the rights and obligations of the parties, thereto in regards to the wellbore only of such existing well(s), production from and expenses incurred on such wells, and any equipment directly associated with such wells.

J. Advances:

See Art. VII.

K. Excluded Wellbores:

This Operating Agreement specifically excludes existing wellbores, associated equipment, associated production including the operations of such wells existing as of the date of this Operating Agreement whether or not such wellbores are producing, shut-in, or otherwise temporarily abandoned.

L. Sub-Contract Areas:

Notwithstanding anything herein to the contrary, each Sub-Contract Area identified in paragraph 4 of Exhibit A shall be considered a separate Contract Area for all purposes of this Agreement, provided, however, that so long as the Initial Well is drilled in accordance with Article VI.A., this Agreement shall remain in force as to all property within the Contract Area defined in paragraph 1 of Exhibit A for so long as there is compliance with Article XIII, Option No. 2 with regards to any well or wells located on any property covered by this Agreement.

M. Regulatory Costs:

Should it be necessary to conduct the hearings before governmental agencies for the securing of spacing or pooling orders, or for certifying new gas, the costs attributable to such hearings as well as fees paid attorneys and witnesses, shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A".

Exhibit "A"

Attached to and made a part of that certain Operating Agreement, dated October 1, 2023, by and between Permian Resources Operating, LLC, as Operator, and _____, et al, as Non-Operators, covering lands in Eddy County, New Mexico

1. Contract Area:

All of Sections 5 and 6, T19S-R28E, Eddy County, New Mexico, containing 1280.00 acres, more or less.

2. Restrictions as to depths and formations:

Limited from the Top of the Bone Spring Formation to the Base of the Wolfcamp Formation.

3. Parties to this agreement with addresses and telephone numbers for notice purposes:

Permian Resources Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, Texas 79701 Attn: Mark Hajdik Phone: (432) 695-4222	
Colgate Production, LLC 300 N. Marienfeld St., Ste. 1000 Midland, Texas 79701 Attn: Mark Hajdik Phone: (432) 695-4222	

4. Percentages or fractional interests of the parties to this agreement by Sub-Contract Area:

Contract Area A:

N/2N/2 of Section 5 and 6, T19S-R28E, Eddy County, NM

Owner	Working Interest
	TBD
	TBD
Total	100.0000%

Contract Area B:

S/2N/2 of Section 5 and 6, T19S-R28E, Eddy County, NM

Owner	Working Interest
	TBD
Total	100.0000%

Contract Area C:

N/2S/2 of Section 5 and 6, T19S-R28E, Eddy County, NM

Owner	Working Interest
	TBD
Total	100.0000%

Contract Area D:

S/2S/2 of Section 5 and 6, T19S-R28E, Eddy County, NM

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

**APPLICATION OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 23728

SELF-AFFIRMED STATEMENT OF SEAN JOHNSON

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

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

2. I am employed as the Land Manager at V-F Petroleum Inc., (“V-F Petroleum”), and I am familiar with the above-referenced case and the lands involved.

3. I graduated in 2009 from Texas Tech University with a bachelor’s degree in Energy Commerce. I have been working as a landman in New Mexico for twelve (12) years and have worked for V-F Petroleum for approximately 1 year. 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. I am familiar with the title of our proposed unit covering Sections 4 and 5, Township 19 South, Range 28 East, NMPM. Permian Resources Operation, LLC (“Permian Resources”) owns only a small 1.28331% working interest which is limited to Section 4 in our proposed unit. Permian Resources does not own any interest in Lots 1-4 (the N/2 N/2 equivalent) of Section 5. See Exhibit 3 attached to V-F Petroleum’s Motion to Set an Uncontested Hearing Date for September 21, 2023 (“Motion”), which includes an ownership breakdown by tract of Lots 1-4 (N/2 N/2) of Section 5, derived from updated Ownership Reports setting forth the working interest ownership in Lots 2 and 3 within V-F Petroleum’s proposed unit, which does not include

**EXHIBIT
3**

Permian Resources as an owner, and showing that V-F Petroleum owns 100% working interest in Lots 1 and 4; thus, Permian Resources has no interest in the Lots 1-4 (N/2 N/2 equivalent) of Section 5.

5. It is my understanding that Permian Resources intends to submit a competing application to V-F Petroleum's proposed unit. V-F Petroleum received a well proposal from Permian Resources on July 31, 2023, in which Permian Resources proposed wells for a unit covering the N/2 N/2 of Section 5 and 6, Township 19 South, Range 28 East, NMPM. An excerpt of Permian Resources' well proposal is attached to V-F Petroleum's Motion as Exhibit 1. This unit would overlap V-F Petroleum's proposed unit for the N/2 N/2 of Sections 4 and 5 and would be the competing unit proposed by Permian Resources.

6. However, the Operating Agreement ("JOA") that Permian Resources provided to us as part of its well proposal package does not show that Permian Resources currently owns any interest in its proposed unit N/2 N/2 unit covering Sections 5 and 6. Pertinent parts of the JOA showing that Permian Resources proposed the N/2 N/2 of Sections 5 and 6 as a unit but lacks ownership therein are attached to V-F Petroleum's Motion as Exhibit 2.

7. I have reviewed the Conveyance of Overriding Royalty Interest ("Conveyance") dated effective February 16, 2023, recorded on July 26, 2023, in Book 1173, Page 0300 (by which Read & Stevens, Inc., ("Read & Stevens"), now owned by Permian Resources, conveyed overriding royalty interests to Colgate Royalties, LP ("Colgate") in various Read & Stevens' leases that cover lands in seven different sections in the general area of the proposed units. Section 5 and 6 were not part of that conveyance. Pertinent parts of the Conveyance are attached to V-F Petroleum's Motion as Exhibit 5. While the Conveyance conveyed overriding royalty interests in Read & Stevens' leases to Colgate it did not convey any overriding royalty interest in a lease covering Sections 5 or 6. If Read & Stevens (and thus Permian Resources) owned a working

interest in a lease covering lands Section 5 or 6, one would expect to see a blanket assignment of overriding royalty interests to include that lease included in the blanket assignment.

8. To further support the lack of ownership by Permian Resources and Read & Stevens in the N/2 N/2 of Sections 5 and 6, Exhibit 6, attached to V-F Petroleum's Motion, depicts the lack of ownership as shown by the divestiture teaser of Read & Stevens' acreage position, in which it is clear that there is no ownership represented in Section 5 or 6, T19S-R28E; this teaser aligns and corresponds to the asset carve down in Exhibit 5, thus confirming no interest in either section. Sections 5 and 6 would be in the area I circled in blue on Exhibit 6, and Permian Resources' lack of interest in this area is also supported with a county title search that I conducted.

9. Finally, on August 23, 2023, during a recent meeting with Permian Resources, I asked a Permian Resources' landman if the only interest Permian Resources owned was the recently acquired State lease covering the SE/4, and S/2 NE/4 of Section 5, which does not include interest in the N/2 N/2 of Section 5, and that landman confirmed to me that statement to be true.

10. Based on the foregoing statements and evidence, it is my opinion as a petroleum landman that Permian Resources does not currently own interest in its proposed unit covering the N/2 N/2 of Sections 5 and 6 and did not own an interest in said N/2 N/2 unit at the time it sent its well proposal. My opinion is based on a review of the chain of title for the N/2N/2 of Section 5, the JOA that Permian Resources sent to V-F Petroleum as part of its well proposal package, the Blanket Assignment (Conveyance of Overriding Royalty Interest), and the asset divestiture teaser governing all lands owned by Read & Stevens in which was any interest in Section 5 & 6 absent, and my conversation with a landman employed by Permian Resources. It is possible that there might be an instrument of which I am currently unaware evidencing that Permian Resources owns a working interest in its proposed unit, but currently the evidence to which I have access and reviewed indicates that Permian Resources owns no interest.

Signature page to Sean Johnson's self-affirmed statement:

11. I understand that this Self-Affirmed Statement will be used as evidence in V-F Petroleum's Motion to Set an Uncontested Hearing Date for September 21, 2023, and affirm that my statement 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

9/1/2023
Date Signed

Lease Number: VC-707-0

Lease Information

Company Name	Company ID	Assigned From	Total Acres	Prod Stat
V-F PETROLEUM INC	24010	12/31/9999 12:00:00 AM	81.26	Non-Producing

Lease Term

Lease Term	Issuing Date	Expiration Date	Termination Date	Termination Reason	Current Term
five(5) year term. 1/5th royalty	4/1/2020 12:00:00 AM	4/1/2025 12:00:00 AM	12/31/9999 12:00:00 AM	N/A	Primary Term

Rent Billing Information

Bill To	Minimum Annual Rent	Last Rent Bill Date	Next Rent Bill Date	Rent Payment Date
24010	81.26	3/2/2023 12:00:00 AM	4/1/2024 12:00:00 AM	2020-03-17

Land Details

[Export .csv file](#)

Show

10

entries

Search:

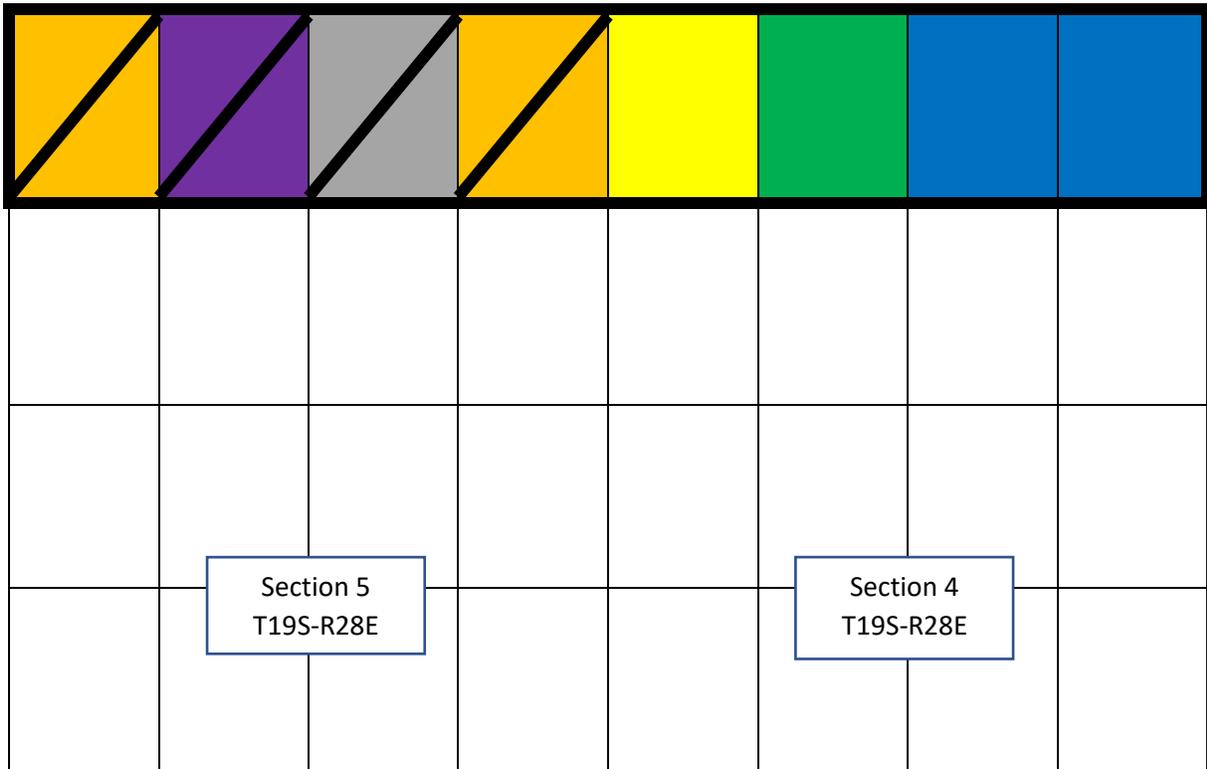
Township Number	Range Number	Section Number	Unit Number	Lot Number	Land Details
19S	28E	5	1		Land Details
19S	28E	5	4		Land Details

Showing 1 to 2 of 2 entries

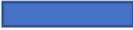
Previous **1** Next

EXHIBIT
4

COURTMAN 4 STATE COM 222H AND 232H OVERLAP SECTION 5, T19S-R28E



- Tract1



OG-0605-0003

Sec. 4, Lots 1&2
- Tract 2



X0-0648-0157

Sec.4 Lot 3
- Tract 3



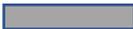
X0-0648-0151

Sec.4 Lots 4
- Tract 4



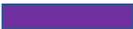
VC-0707

Sec.5 Lots 1&4
- Tract 5



X0-0648-0157

Sec.5 Lot2
- Tract 6



E0-2126-0008

Sec.5 Lot 3

Tract Ownership Next Page

Tract 4 Ownership:

V-F Petroleum Inc.	1.0
Total	1.0

Tract 5 Ownership:

Marathon Oil Company	.159722222
EOG Resources, Inc.	.840277782
Total:	1.0

Tract 6 Ownership:

Marathon Oil Permian LLC	.125
Marathon Oil Company	.07986111
EOG Resources, Inc.	.46701389
Santo Legado, LLC	.0625
Jalapeno Corporation	.02999268
Sharbro Energy, LLC	.140625
MRC Delaware Resources, LLC	.07135634
Yates Energy Corporation	.02365098
Total:	1.0

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

CONVEYANCE OF OVERRIDING ROYALTY INTEREST

STATE OF NEW MEXICO

§
§
§

KNOW ALL MEN BY THESE PRESENTS THAT:

COUNTY OF EDDY

Section 1 Conveyance.

Read & Stevens, Inc., a New Mexico Corporation, and **First Century Oil, Inc.**, a New Mexico Corporation, (herein called "**Grantor**"), whose address is 300 North Marienfeld Street, Suite 1000, Midland, Texas 79701, for and in consideration of the sum of Ten and No/100ths Dollars (\$10.00) and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, and DELIVER unto **Colgate Royalties, LP**, a Delaware limited partnership (herein called "**Grantee**"), whose address is 300 North Marienfeld Street, Suite 1000, Midland, Texas 79701, the ORRI (as defined below).

For purposes of this Conveyance of Overriding Royalty Interest (this "**Conveyance**"), the "**ORRI**" means an overriding royalty interest in the hydrocarbons in, under and that may be produced and saved from (or otherwise allocable to) the oil and gas leases, and the leasehold estates created thereby, described in attached **Exhibit A** (the "**Leases**"), calculated on a Lease-by-Lease basis, which shall be equal to the positive difference, if any, between twenty-five percent (25%) minus Total Burdens. "**Total Burdens**" shall mean with reference to each Lease, the total of (i) lessor's reserved royalty as stated in each lease that is in existence and filed of record as of the Effective Time, and (ii) all overriding royalty interests under such lease (other than the royalty interest) in existence and filed of record as of the Effective Time. HOWEVER, it is also the intent of this Conveyance to convey unto Grantee any presently existing ORRI owned in, on, under or connected thereto the Leases.

TO HAVE AND TO HOLD the ORRI unto the Grantee, its successors and assigns, forever.

Section 2 ORRI Covenants. Grantor agrees on behalf of itself and its successors and assigns to be bound by the following with respect to the ORRI:

(a) The ORRI shall bear its proportionate share of severance taxes, but shall never bear, directly or indirectly, any part of the costs of production, gathering, dehydration, compression, transportation, manufacturing, processing, treating, or marketing of oil, gas, or related hydrocarbons, nor any part of the costs of construction, operation, or depreciation of any plant or other facilities or equipment for processing or treating oil, gas, or related hydrocarbons. It is the specific intent of the parties that the court's holding in *Heritage Resources, Inc. v. Nations Bank*, 939 S.W.2d 118 (Tex. 1996), should not apply and the preceding sentence is not surplusage.

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EXHIBIT A

State or Fed Number/ R&S LSE #	Lessor	Lessee	Effective Date	Bk/Pg	State	County	T,R	Sec	Legal
NMNM-56264	USA	Read & Stevens, Inc.	6/1/1983	456/225	NM	LEA	20S, 34E	10	E/2 E/2
NMNM-56264	USA	Read & Stevens, Inc.	6/1/1983	456/225	NM	LEA	20S, 34E	10	W/2 E/2
NMNM-56264, NMNM-105221	USA	Read & Stevens, Inc.	6/1/1983, 9/1/2000	456/225 UNRECORDED	NM	LEA	20S, 34E	10	E/2 W/2
NMNM-56264, NMNM-105221	USA	Read & Stevens, Inc.	6/1/1983, 9/1/2000	456/225 UNRECORDED	NM	LEA	20S, 34E	10	W/2 W/2
NMNM-56264	USA	Read & Stevens, Inc.	9/1/2000	462/255	NM	LEA	20S, 34E	10	N/2, SE4
NMNM-105221	USA	Read & Stevens, Inc.	9/1/2000	UNRECORDED	NM	LEA	20S, 34E	10	SW4
NMNM-56264	USA	Read & Stevens, Inc.	9/1/2000	462/255	NM	LEA	20S, 34E	10	N/2
NMNM-56264	USA	Read & Stevens, Inc.	9/1/2000	462/255	NM	LEA	20S, 34E	10	NW4
NMNM-56264	USA	Read & Stevens, Inc.	9/1/2000	462/255	NM	LEA	20S, 34E	10	NE4
NMNM-56264	USA	Read & Stevens, Inc.	9/1/2000	462/255	NM	LEA	20S, 34E	10	SE4
NMNM-78273	USA	Read & Stevens, Inc.	12/1/1988	N/A	NM	LEA	20S, 34E	14	NW4 NW4
NMNM-78273	USA	Read & Stevens, Inc.	12/1/1988	N/A	NM	LEA	20S, 34E	14	NW4 SW4
NMNM-78273	USA	Read & Stevens, Inc.	12/1/1988	N/A	NM	LEA	20S, 34E	14	W/2, L/E NW4NW4, NW4SW4
NMNM-78273	USA	Read & Stevens, Inc.	12/1/1988	N/A	NM	LEA	20S, 34E	14	NE4 NW4, S/2 NW4, SW4
NMNM-78273	USA	Read & Stevens, Inc.	12/1/1988	N/A	NM	LEA	20S, 34E	14	W/2 W/2
NMNM-78273	USA	Read & Stevens, Inc.	12/1/1988	N/A	NM	LEA	20S, 34E	14	E/2 W/2
NMNM-78273	USA	Read & Stevens, Inc.	12/1/1988	N/A	NM	LEA	20S, 34E	23	N/2 NW4
NMNM-84902	USA	Read & Stevens, Inc.	8/28/1990	N/A	NM	LEA	20S, 34E	3	LOTS 3,4, S/2N/2
NMNM-84902	USA	Read & Stevens, Inc.	8/28/1990	N/A	NM	LEA	20S, 34E	3	LOT 1
NMNM-84902	USA	Read & Stevens, Inc.	8/28/1990	N/A	NM	LEA	20S, 34E	3	LOTS 1,3,4, S/2N/2 L/E SW4NE4
NMNM-84902	USA	Read & Stevens, Inc.	8/28/1990	N/A	NM	LEA	20S, 34E	3	SW4NE4
NMNM-54432	USA	Read & Stevens, Inc.	1/1/1983	N/A	NM	LEA	20S, 34E	3	SW4 SW4
NMNM-54432	USA	Read & Stevens, Inc.	1/1/1983	N/A	NM	LEA	20S, 34E	3	SE4 SW4
NMNM-54432	USA	Read & Stevens, Inc.	1/1/1983	N/A	NM	LEA	20S, 34E	3	NW4 SW4
NMNM-54432	USA	Read & Stevens, Inc.	1/1/1983	N/A	NM	LEA	20S, 34E	3	NE4 SW4
NMNM-54432	USA	Read & Stevens, Inc.	1/1/1983	N/A	NM	LEA	20S, 34E	3	SE4 SE4

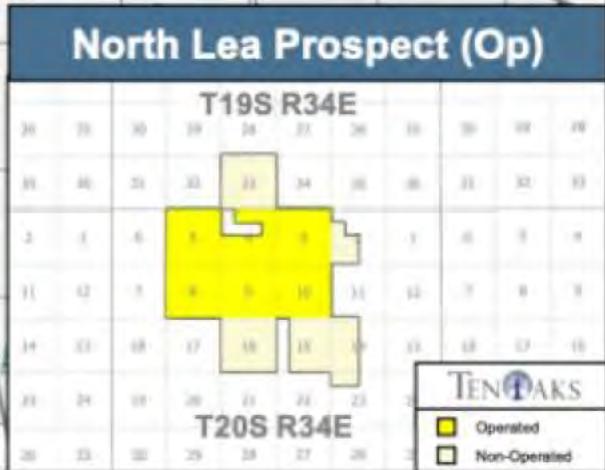
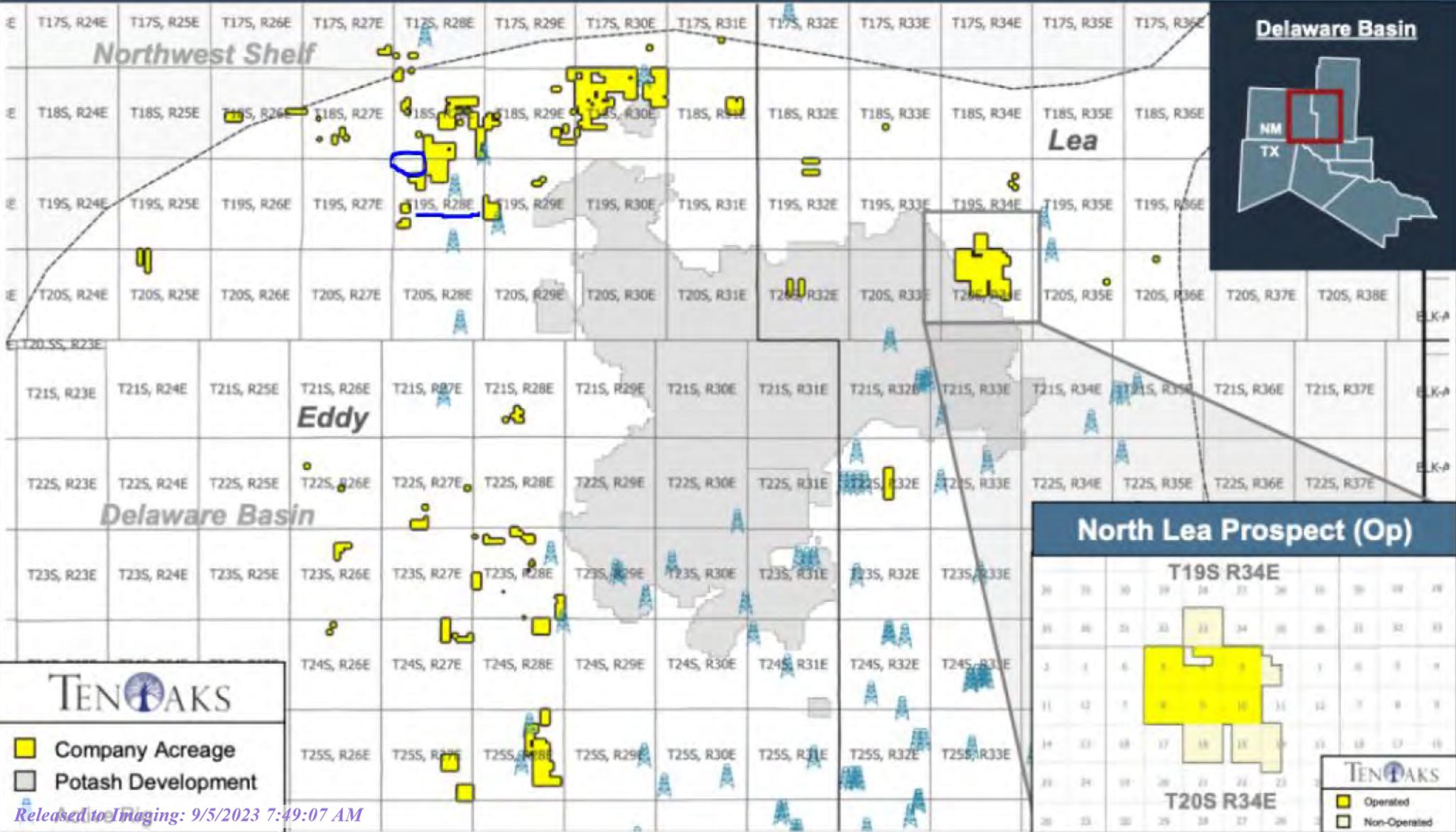
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State or Fed Number/ R&S LSE #	Lessor	Lessee	Effective Date	Bk/Pg	State	County	T,R	Sec	Legal
NMNM-28096	USA	S.V. PERRY, ETAL	5/1/1989		NM	EDDY	185, 31E	14	W/2W/2, NE4NW4, E/2SW4, S/2SE4, L/E NE4NW4, NW4NW4, SW4NW4, SE4SW4
ST OG-605	STATE OF NEW MEXICO	RALPH LOWE ESTATE	2/19/1957		NM	EDDY	19S, 28E	3,4	(TRACT 00) SECTION 03: LOTS 3,4, S/2 NW/4 SECTION 04: NE/4SE/4, S/2SW/4
NUMEROUS	State of New Mexico	RALPH LOWE	2/19/1957	663/520	NM	EDDY	19S, 28E	4	S/2 NE4
ST X0-0648-0153	STATE OF NEW MEXICO	MAVIN YATES, JR.	11/14/1922	663/520	NM	EDDY	19S, 28E	4	LOT 3, SE/4 NW/4
ST X0-0648-0151	STATE OF NEW MEXICO	RALPH LOWE ESTATE	2/19/1967	663/520	NM	EDDY	19S, 28E	4	LOT 4, SW/4 NW/4
ST OG-605-0003	STATE OF NEW MEXICO	RALPH LOWE ESTATE	2/19/1967	663/520	NM	EDDY	19S, 28E	4	LOTS 1 & 2, S/2 NE/4
ST E-641	STATE OF NEW MEXICO	MARY E. YATES	12/10/1945	SLO/SLO	NM	EDDY	19S, 28E	8	W/2 NW/4
ST E-2126	STATE OF NEW MEXICO	MALCO REFINERIES	9/10/1948	SLO/SLO	NM	EDDY	19S, 28E	8	E/2 NW/4, SE/4 NE/4
ST E-1051	STATE OF NEW MEXICO	DEVONIAN OIL COMPANY	10/10/1946	SLO/SLO	NM	EDDY	19S, 28E	8	N/2 NE/4, SW/4 NE/4
ST K-6436	STATE OF NEW MEXICO	J.C. MORRIS	10/18/1966		NM	EDDY	19S, 28E	8	SE/4
ST E-7435	STATE OF NEW MEXICO	AMOCO PRODUCTION	9/15/1953		NM	EDDY	19S, 28E	9	W/2 NE/4
ST ST-648	STATE OF NEW MEXICO	HONDO, ET AL	11/14/1922		NM	EDDY	19S, 28E	5,4,9,1	SECTION 03: SW/4 SECTION 04: N/2SW/4, NW/4SE/4, S/2SE/4 SECTION 09: E/2NE/4 SECTION 10: NW/4
NUMEROUS	State of New Mexico	OLEN F. FEATHERSTONE	6/10/1941	663/520	NM	EDDY	19S, 28E	19	N/2
ST B0-9189-0019	STATE OF NEW MEXICO	OLEN F. FEATHERSTONE	6/10/1941	663/520	NM	EDDY	19S, 28E	19	NE/4
ST X0-0648-0150	STATE OF NEW MEXICO	MAVIN YATES, JR.	11/14/1922	663/520	NM	EDDY	19S, 28E	30	NE/4
LG-2677-02	STATE OF NEW MEXICO	MARK D. WILSON	3/1/1995		NM	EDDY	19S, 28E	30	SE/4 NW/4
ST K-6850	State of New Mexico	CHARLES B READ	4/18/1967		NM	EDDY	19S, 29E	10	SE/4 NE/4, NW/4 SE/4
ST K-6850	State of New Mexico	CHARLES B READ	4/18/1967		NM	EDDY	19S, 29E	10	NE/4 SW/4
ST L-6367	State of New Mexico	BELL PETROLEUM	7/1/1971		NM	EDDY	19S, 29E	18	LOTS 3,4
ST V-2293-1	State of New Mexico	MARBOB ENERGY CORPORATION READ & STEVENS	5/1/1987	43/889	NM	EDDY	19S, 29E	19	NE/4 NE/4
ST V-2293-1	State of New Mexico	MARBOB ENERGY CORPORATION READ & STEVENS	5/1/1987	43/889	NM	EDDY	19S, 29E	19	E/2
ST V-2293-1	State of New Mexico	MARBOB ENERGY CORPORATION READ & STEVENS	5/1/1987	43/889	NM	EDDY	19S, 29E	19	SE/4 SW/4

Core Delaware Basin Footprint



TEN OAKS

- Company Acreage
- Potash Development

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