

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC AND NEW MEXICO OIL  
CORP. TO REMOVE BAR V BARB, LLC AS  
OPERATOR OF RECORD OF THE SOUTH  
LUCKY LAKE QUEEN UNIT #001A, SOUTH  
LUCKY LAKE QUEEN UNIT #001, AND SOUTH  
LUCKY LAKE QUEEN UNIT #002 WELLS,  
CHAVES COUNTY, NEW MEXICO.**

**CASE NO. 23729**

**EXHIBIT INDEX**

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A-2	C-102s
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CHAVES COUNTY, NEW MEXICO.**

**CASE NO. 23729**

**SELF-AFFIRMED STATEMENT  
OF ROB MONTGOMERY**

1. I am employed by Permian Resources Operating, LLC (“Permian Resources”) as an in-house attorney. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.
2. I am familiar with the facts and circumstances underlying the application filed by Permian Resources and New Mexico Oil Corp. (“NMOC”) in this case. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.
3. No party has objected to this case proceeding by affidavit, and I do not expect any opposition at hearing.
4. Applicants seek to remove Bar V Barb, LLC (“BVB”) as operator of record of the South Lucky Lake Queen Unit #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 wells (“Lucky Lake Queen Wells” or “Wells”). Permian Resources (OGRID No. 372165) is an operator in good standing with the Division.
5. Permian Resources is a newly formed company, which is the result of a merger between Centennial Resource Development, Inc. and Colgate Energy Partners III, LLC. Permian

Resources acquired Read & Stevens, Inc. (“Read & Stevens”) via a merger transaction effective February 16, 2023. Read & Stevens remains a wholly owned subsidiary of Permian Resources.

6. Read & Stevens is the record title owner of State Lease L0-1894-1, dated December 17, 1968, which covers the following lands in Chaves County: NE/4 NW/4, S/2 N/2, SW/4 SW/4, SE/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East.

7. NMOC is the record title owner of State Lease K0-5110-1, dated July 20, 1965, which covers the following lands in Chaves County: NE/4 NE/4, NW/4 NE/4, NW/4 NW/4, SE/4 NW/4, NW/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East.

8. BVB (OGRID No. 371067) is operator of record of the Lucky Lake Queen Wells at the following locations:

- a. South Lucky Lake Queen Unit #001A (API No. 30-005-60332) (Lease K0-5110-1) – 660 feet from the south line and 1980 feet from the east line (Unit O) of Section 16, Township 16 South, Range 29 East, Chaves County, New Mexico;
- b. South Lucky Lake Queen Unit #001 (API No. 30-005-60360) (Lease L0-1894-1) – 330 feet from the south line and 990 feet from the east line (Unit P) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico; and
- c. South Lucky Lake Queen Unit #002 (API No. 30-005-60371) (Lease L0-1894-1) – 660 feet from the south line and 2310 feet from the west line (Unit N) of Section 16, Township 15 South, Range 29 East, Chavez County, New Mexico.

9. The Wells were completed in the Lucky Lake; Queen, South Pool (Code 41320).

10. **Exhibit A-2** contains the C-102s for the Wells.

11. No production has been reported for the South Lucky Lake Queen Unit #001A well since April of 2013, and the South Lucky Lake Queen Unit #001 and #002 wells have not produced since June of 2019.

12. By certified letter dated May 9, 2023, the New Mexico Commissioner of Public Lands (“SLO”) notified Steve Oldfield, BVB, Read & Stevens, Permian Resources, and NMOC that the South Lucky Lake Queen Wells must be plugged and that all debris and improvements must be immediately removed from the well sites. A copy of the letter is attached as **Exhibit A-3**.

13. Permian Resources contacted Steve Oldfield, who is identified in Division records as the owner of BVB, to request that BVB plug and abandon the wells or execute a C-145 Change of Operator form. A copy of the email correspondence and letter to Mr. Oldfield is attached as **Exhibit A-4**.

14. Mr. Oldfield responded that he transferred his interest in BVB to another party (Scott Standard) in May 2019. *See id.* Mr. Oldfield stated that he has no contact information for Ms. Standard and will not plug and abandon the wells or execute C-145s because he no longer has an interest in BVB. *Id.*

15. BVB remains the operator of record for the South Lucky Lake Queen Wells.

16. New Mexico Secretary of State records show that BVB’s corporate status has been revoked.

17. BVB has a history of failing to appear and is not in good standing with the Division.

18. In 2021, BVB failed to appear at a Division hearing in Case No. 21900, following the issuance of a Notice of Violation alleging that it had fifteen inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status, and that BVB did not have sufficient financial assurance for the inactive wells. The Division revoked BVB’s

authority to transport from all wells and assessed civil penalties. A copy of Order No. R-21756 is attached as **Exhibit A-5**. The South Lucky Lake Queen wells were included in Division's list of non-compliant wells.

19. BVB does not appear to exist and is either unavailable or unwilling to execute C-145s for the South Lucky Lake Queen Wells.

20. As operator of record of the Wells, the Oil and Gas Act and Division regulations obligate BVB to properly plug and abandon the Wells and perform necessary remediation.

21. Because Permian Resources and NMOC are record title owners of the Leases, the SLO has informed them that they are responsible for certain oil and gas operations on the Leases, including remediation and ensuring wells on the lease are properly plugged and abandoned.

22. Accordingly, Permian Resources and NMOC request that the Division name Permian Resources as operator of the Wells so it can properly plug and abandon the Wells in accordance with Division and SLO requirements.

23. Pursuant to Rule 19.15.9.9(B) NMAC, Permian Resources and NMOC may unilaterally apply to the Division for approval of change of operator because BVB is unavailable. Permian Resources and NMOC, as record title owners, have the right to assume operations for plugging and reclamation purposes.

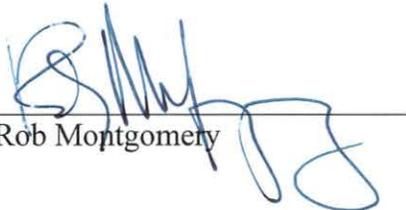
24. Permian Resources and NMOC have notified the SLO of this application, and the SLO supports the application.

25. Applicants' request will prevent surface and environmental waste and, accordingly, comports with the requirements of the Oil and Gas Act.

26. The exhibits attached hereto were compiled from company business records.

27. In order to serve the interests of conservation, the protection of correlative rights, and the prevention of waste, BVB should be removed as operator of the Wells and Permian Resources should be designated as operator of record so it can properly plug and abandon the Wells.

28. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in the paragraphs is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
Rob Montgomery

08/21/2023  
Date

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC AND NEW MEXICO OIL  
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LUCKY LAKE QUEEN UNIT #001, AND SOUTH  
LUCKY LAKE QUEEN UNIT #002 WELLS,  
CHAVES COUNTY, NEW MEXICO.**

**CASE NO. 23729**

**APPLICATION**

Pursuant to NMSA 1978 § 70-2-11(A) and Rule 19.15.9.9(B) NMAC, Permian Resources Operating, LLC (“Permian Resources”) (OGRID No. 372165) and New Mexico Oil Corp. apply for an order: (1) removing Bar V Barb, LLC (“BVB”) as operator of record of the South Lucky Lake Queen Unit #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 wells (“Lucky Lake Queen Wells” or “Wells”); and (2) designating Permian Resources as operator of record. Applicants state the following in support of their application.

1. Permian Resources is a registered operator in good standing with the Oil Conservation Division (“Division”).
2. Read & Stevens, Inc. is record title owner of Lease No. L0-1894-1, dated December 17, 1968, which covers the following lands in Chaves County: NE/4 NW/4, S/2 N/2, SW/4 SW/4, SE/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East.
3. New Mexico Oil Corp. is record title owner of Lease No. K0-5110-1, dated July 20, 1965, which covers the following lands in Chaves County: NE/4 NE/4, NW/4 NE/4, NW/4 NW/4, SE/4 NW/4, NW/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East.

4. Permian Resources is a newly formed company, which is the result of a merger between Centennial Resource Development, Inc. and Colgate Energy Partners III, LLC. Permian Resources acquired Read & Stevens, Inc. (“Read & Stevens”) via a merger transaction effective February 16, 2023. Read & Stevens remains a wholly owned subsidiary of Permian Resources.

5. New Mexico Oil Corp. is a New Mexico corporation that owns interests in certain oil and gas leases.

6. BVB (OGRID No. 371067) is operator of record of the South Lucky Lake Queen Wells at the following locations:

- a. South Lucky Lake Queen Unit #001A (API No. 30-005-60332) (Lease No. K0-5110-1) – 660 feet from the south line and 1980 feet from the east line (Unit O) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico;
- b. South Lucky Lake Queen Unit #001 (API No. 30-005-60360) (Lease No. L0-1894-1) – 330 feet from the south line and 990 feet from the east line (Unit P) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico; and
- c. South Lucky Lake Queen Unit #002 (API No. 30-005-60371) (Lease No. L0-1894-1) – 660 feet from the south line and 2310 feet from the west line (Unit N) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico.

7. The Wells were completed in the Lucky Lake; Queen, South Pool (Code 41320).

8. No production has been reported for the South Lucky Lake Queen Unit #001A well since April of 2013, and the South Lucky Lake Queen Unit #001 and #002 wells have not produced since June of 2019.

9. By letter dated May 9, 2023, the New Mexico Commissioner of Public Lands (“SLO”) notified Steve Oldfield, BVB, Read & Stevens, Permian Resources, and New Mexico Oil Corp. that

the South Lucky Lake Queen Wells must be plugged and that all debris and improvements must be immediately removed from the well sites.

10. Permian Resources contacted Steve Oldfield, who is identified in Division records as the owner of BVB, to request that BVB plug and abandon and wells or execute C-145 Change of Operator Forms. Mr. Oldfield has refused to plug and abandon the wells or execute C-145s on the ground that he transferred his interest in BVB to another party (Scott Standard) in May 2019. Mr. Oldfield was unable to provide any contact information for Mr. Standard and BVB remains the operator of record for the South Lucky Lake Queen Wells.

11. New Mexico Secretary of State records show that BVB's corporate status has been revoked.

12. In 2021, BVB failed to appear at a Division hearing following the issuance of a Notice of Violation alleging that it had fifteen inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status, and that BVB did not have sufficient financial assurance for the inactive wells. The Division revoked BVB's authority to transport from all wells and assessed civil penalties.

13. BVB is either unavailable or unwilling to execute C-145s for the South Lucky Lake Queen Wells.

14. BVB is not in good standing with the Division.

15. As operator of record of the Wells, BVB has the obligation under the Oil and Gas Act and Division regulations to properly plug and abandon the Wells. As record title owner of the Leases, Read & Stevens and New Mexico Oil Corp. are responsible for certain oil and gas operations on the Leases.

16. Accordingly, Permian Resources intends to properly plug and abandon the Wells.

17. In order to prevent waste and protect correlative rights and comply with the SLO's requirements, BVB should be removed as operator of the Wells and Permian Resources should be designated operator of record so it may properly plug and abandon the Wells.

WHEREFORE, Applicants requests this application be set for hearing on September 7, 2023, and after notice and hearing, the Division enter an order removing BVB as operator of the Wells and designating Permian Resources as operator.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

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jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

*Counsel for Permian Resources Operating, LLC and  
New Mexico Oil Corp.*

**Application of Permian Resources Operating, LLC and New Mexico Oil Corp. to Remove Bar V Barb, LLC as Operator of Record of the South Lucky Lake Queen #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 Wells, Chaves County, New Mexico.** Applicants seek an order: (1) removing Bar V Barb, LLC (“BVB”) as operator of record of the South Lucky Lake Queen Unit #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 wells (“Wells”); and (2) designating Permian Resources (OGRID No. 372165) as operator of record. Read & Stevens, Inc. is record title owner of Lease No. L0-1894-1, and New Mexico Oil Corp. is record title owner of Lease No. K0-5110-1. BVB (OGRID No. 371067) is operator of record of the Wells at the following locations in Chaves County: South Lucky Lake Queen Unit #001A (API No. 30-005-60332) (Lease No. K0-5110-1) – 660 feet FSL and 1980 feet FEL (Unit O) of Section 16, Township 15 South, Range 29 East; South Lucky Lake Queen Unit #001 (API No. 30-005-60360) (Lease No. L0-1894-1) – 330 feet FSL and 990 feet FEL (Unit P) of Section 16, Township 15 South, Range 29 East; and South Lucky Lake Queen Unit #002 (API No. 30-005-60371) (Lease No. L0-1894-1) – 660 feet FSL and 2310 feet FWL (Unit N) of Section 16, Township 15 South, Range 29 East. The Wells are inactive, and BVB is unavailable. Applicants request that Permian Resources be designated as operator of the Wells so it can properly plug and abandon the Wells. The Wells are located approximately 39 miles 29 miles southeast of Roswell, New Mexico.

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

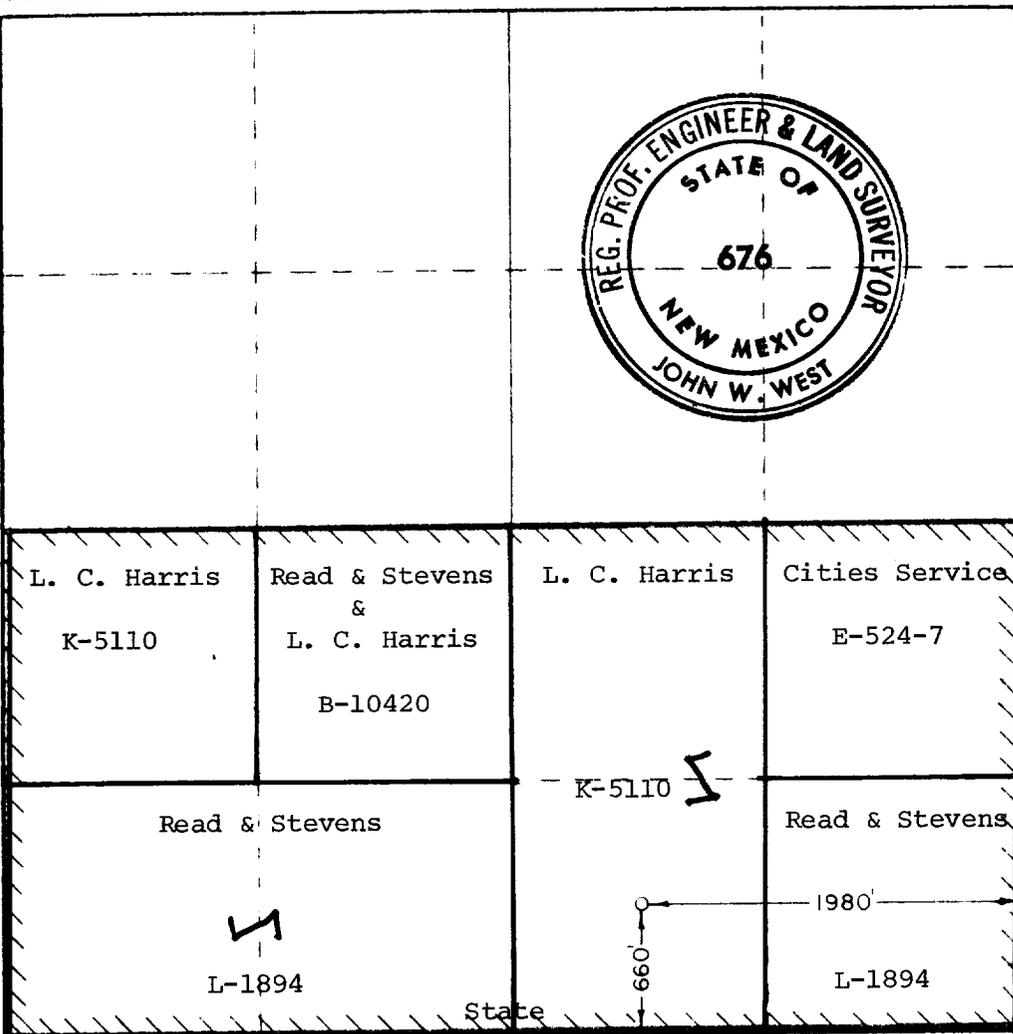
All distances must be from the outer boundaries of the Section

Operator <b>Read &amp; Stevens, Incorporated</b>			Lease <b>Harris "16" State</b>		Well No. <b>1</b>
Tract Letter <b>O</b>	Section <b>16</b>	Township <b>15 South</b>	Range <b>29 East</b>	County <b>Chaves</b>	
Actual Fractional Location of Well: <b>660</b> feet from the <b>South</b> line and <b>1980</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3843.5</b>	Producing Formation <b>Queen</b>	Pool <i>See the east Chaves Queen Pool area.</i> <b>Undesignated</b>		Dedicated Acreage: <b>5 1/2</b> <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? No. Leases will be communitized if the test is completed as a gas well.  
 Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Norman L. Stevens, Jr.*

Name  
**Norman L. Stevens, Jr.**

Position  
**Agent**

Company  
**Read & Stevens, Inc.**

Date  
**January 28, 1975**

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 knowledge and belief.

Date Surveyed  
**January 25, 1975**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **676**

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

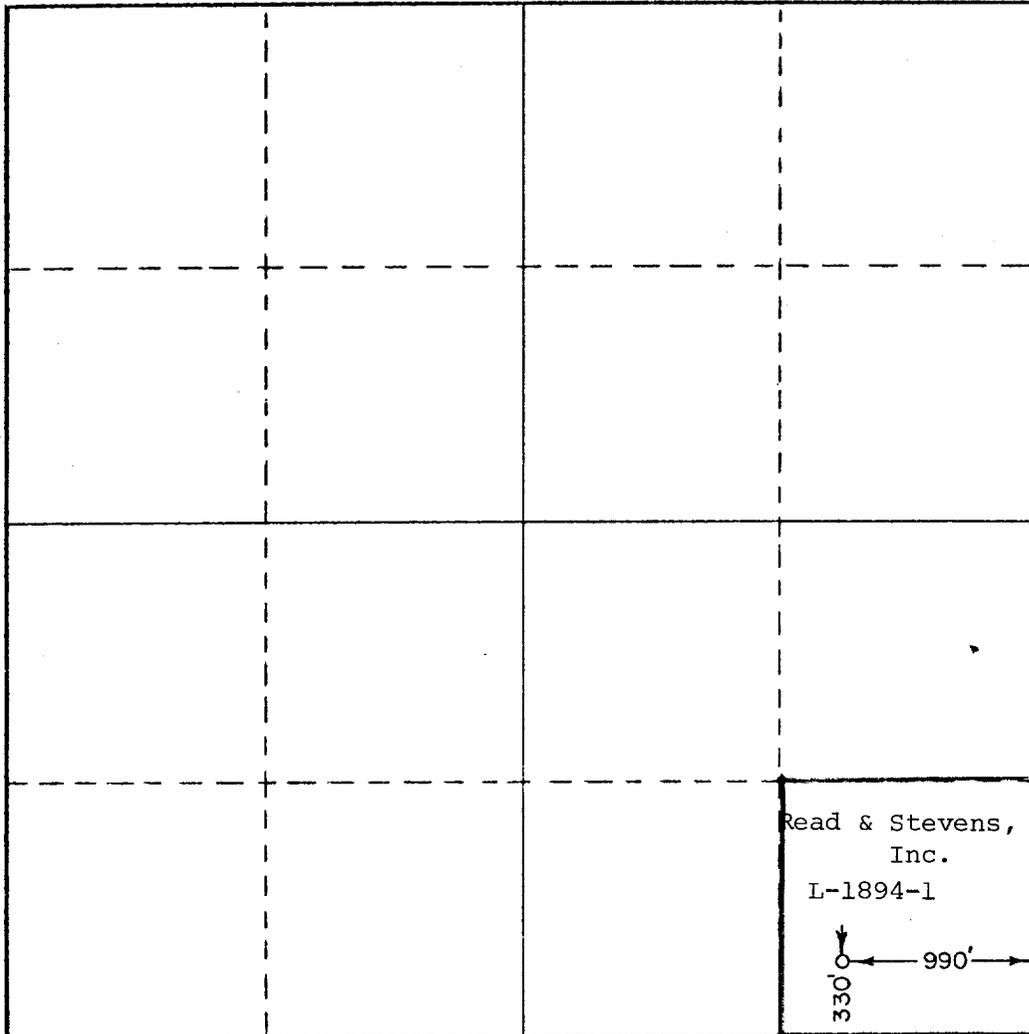
Operator <b>Read &amp; Stevens, Incorporated</b>			Lease <b>Lucky Lake</b>		Well No. <b>1</b>
Unit Letter <b>P</b>	Section <b>16</b>	Township <b>15 South</b>	Range <b>29 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>990</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3840.8</b>	Producing Formation <b>Queen sand</b>		Pool <b>Undesignated Queen</b>	Dedicated Acreage: <b>40.00</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*John L. Anderson, Jr.*  
Name

John L. Anderson, Jr.

Position  
Agent

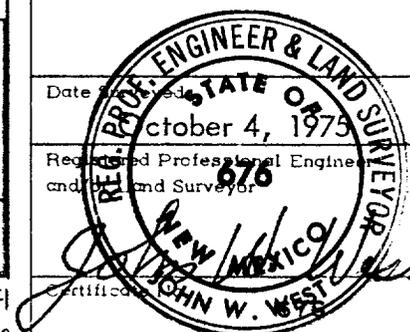
Company  
Read & Stevens, Inc.

Date  
October 7, 1975

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 knowledge and belief.

Date of Survey  
October 4, 1975

Registered Professional Engineer and Land Surveyor  
676



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

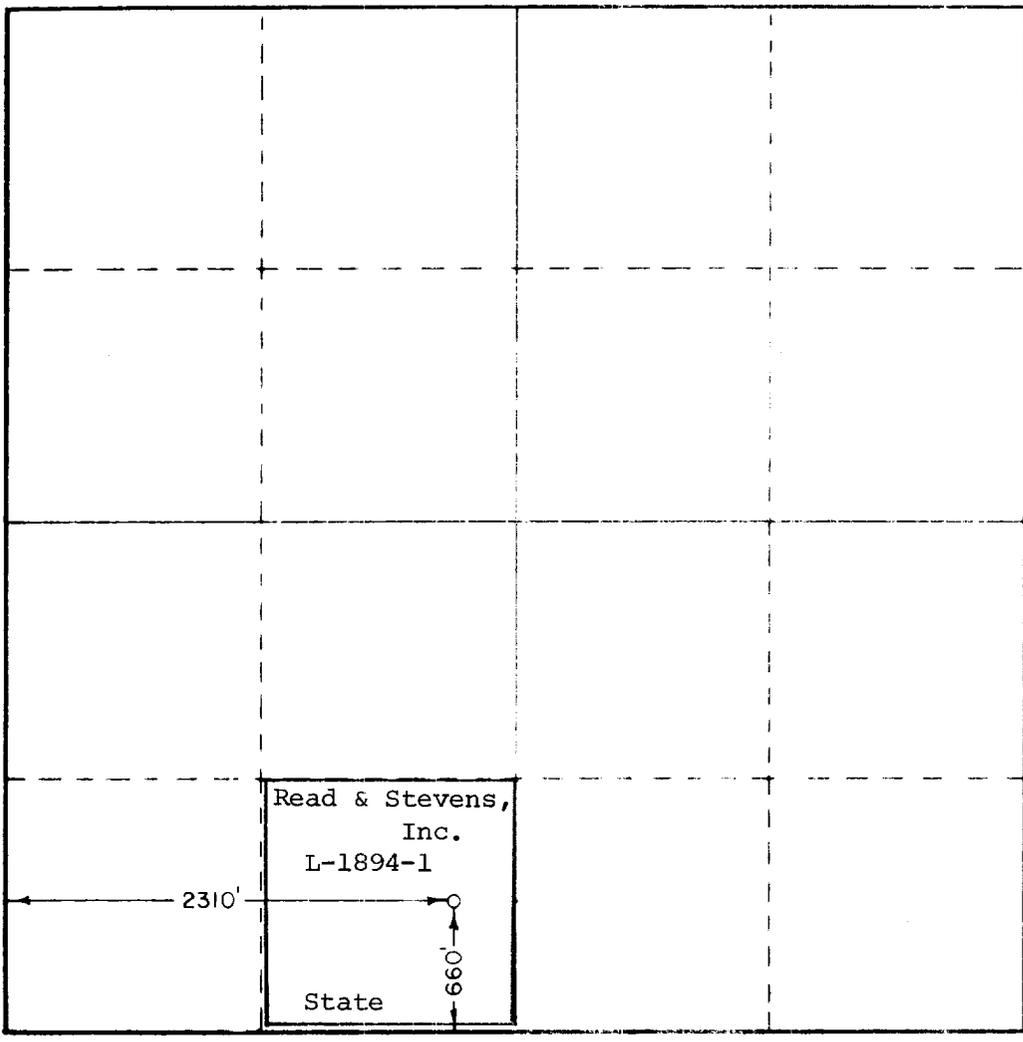
Operator <b>Read &amp; Stevens, Inc.</b>		Lease <b>Lucky Lake</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>16</b>	Township <b>15 South</b>	Range <b>29 East</b>	County <b>Chaves</b>
Actual Footage Location of Well: <b>2310</b> feet from the <b>West</b> line and <b>660</b> feet from the <b>South</b> line				
Ground Level Elev. <b>3824.5</b>	Producing Formation <b>Queen Sand</b>	Pool <b>Undesignated-Queen</b>	Minimum Acreage <b>40.00</b>	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*John L. Anderson, Jr.*  
Name  
**John L. Anderson, Jr.**

Position  
**Agent**

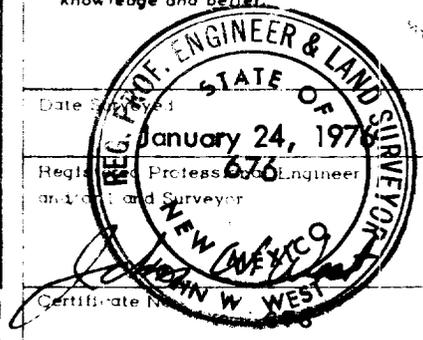
Company  
**Read & Stevens, Inc.**

Date  
**January 29, 1976**

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 knowledge and belief.

Date of Survey  
**January 24, 1976**

Registered Professional Engineer and Land Surveyor  
**676**



Certificate No. \_\_\_\_\_



Stephanie Garcia Richard  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

Ari Biernoff  
General Counsel  
Phone (505) 827-5756  
abiernoff@slo.state.nm.us

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

May 9, 2023

Via USPS Certified Mail and Email

Steve Oldfield  
(Brokenspearcattleco@gmail.com)  
Bar V Barb, LLC  
P.O. Box 4435  
Roswell, NM 88202  
Tracking No. 7021 0950 0001 6624 5763

Read & Stevens, Inc.  
1001 17th St., Ste. 1800  
Denver, CO 80202  
Tracking No. 7021 0950 0001 6624 5787

Bar V Barb, LLC  
3101 E. Second St.  
Roswell, NM 88201  
Tracking No. 7021 0950 0001 6624 5770

Permian Resources, Inc.  
P.O. Box 590  
Midland, TX 79702  
Tracking No. 7021 0950 0001 6624 5794

NM Oil Corp.  
P.O. Box 1714  
Roswell, NM 88201  
Tracking No. 7021 0950 0001 6624 5800

**Re: Inactive Wells on State Trust Land Leases**

To Whom It May Concern:

The New Mexico State Land Office has been conducting a review of unresolved compliance issues on New Mexico state trust land oil and gas leases. The purpose of this letter is to notify Bar V Barb, LLC (“BVB”), Read & Stevens, Inc. (“Read & Stevens”), Permian Resources, Inc., and NM Oil Corp. (“NM Oil”) of inactive wells that your companies are responsible for plugging, and to request your prompt corrective action.

New Mexico Oil Conservation Division (“OCD”) rules require that operators “shall plug” wells in accordance with OCD procedures within 90 days after “a period of one year in which a well has been continuously inactive.” 19.15.25.8 NMAC; *see also* 19.15.5.9(B)(2) NMAC (“A well inactive for more than 15 months creates a rebuttable presumption that the well is out of compliance with 19.15.25.8 NMAC.”). In addition, New Mexico state oil and gas lessees have a contractual responsibility for damage to state lands caused by oil and gas

Bar V Barb, LLC, et al.  
 May 9, 2023  
 Page 2

operations on their leases, and must abide by State Land Office rules requiring that inactive wells be plugged, and well sites reclaimed. 19.2.100.67 NMAC.

OCD records indicate that the three inactive wells listed below are located on NM Oil and Read & Stevens leases and are under the operatorship of BVB:

API	Well Name	Last Prod.	Lease No.	Lessee
30-005-60332	South Lucky Lake Queen Unit #001A	Apr-13	K0-5110-1	NM Oil Corp.
30-005-60360	South Lucky Lake Queen Unit #001	Jun-19	L0-1894-1	Read & Stevens
30-005-60371	South Lucky Lake Queen Unit #002	Jun-19	L0-1894-1	Read & Stevens

BVB must immediately initiate plans to plug these chronically inactive wells. In addition, BVB must remove all debris and improvements (e.g., pump jacks, surface lines, etc.) from the well sites, remediate any spills and complete reclamation of the premises, including well pads and roads associated with the wells. Before conducting this work, BVB or its consultant, must prepare and submit a written reclamation and remediation work plan to the State Land Office's Environmental Compliance Office, to the attention of Becki Griffin (bgriffin@slo.state.nm.us) and copy me. The State Land Office will review the plan and either approve it or note deficiencies that must be addressed before work begins.

As Lessees of the state oil and gas leases at issue here, NM Oil and Read & Stevens are ultimately responsible for the condition of the lease premises, and the State Land Office will look to NM Oil and Read & Stevens for performance of the obligations identified above in the event BVB fails to fulfill them.

The State Land Office expects to receive written confirmation within 30 days of your understanding of these requirements, and the prompt filing of C-103s to initiate plugging and soon thereafter the completion of the remaining cleanup obligations outlined in this letter.

Sincerely,

*/s/ Ari Biernoff*

Ari Biernoff  
 General Counsel



hinklelawfirm.com

# HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:  
Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

July 19, 2023

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED AND E-MAIL**

[brokenspearcattleco@gmail.com](mailto:brokenspearcattleco@gmail.com)

Steve Oldfield  
Bar V Barb, LLC  
P.O. Box 4435  
Roswell, NM 88202

Bar V Barb, LLC  
3101 E. Second St.  
Roswell, NM 88201

**Re: South Lucky Lake Queen Unit #001A (API No. 30-005-60332), South Lucky Lake Queen Unit #001 (API No. 30-005-60360), and South Lucky Lake Queen Unit #002 (API No. 30-005-60371) Wells**

Dear Mr. Oldfield:

I am writing on behalf of Read & Stevens, Inc. (“R&S”), Permian Resources Operating, LLC (“Permian Resources”), and NM Oil Corp. regarding the above-referenced inactive wells operated by Bar V Barb, LLC (“BVB”) on New Mexico State Oil and Gas Lease Nos. K0-5110-1 and L0-1894-1. By certified letter dated May 9, 2023, the New Mexico State Land Office (“SLO”) notified BVB that it must immediately initiate plans to plug the South Lucky Lake Queen Unit #001A (API No. 30-005-60332), South Lucky Lake Queen Unit #001 (API No. 30-005-60360), and South Lucky Lake Queen Unit #002 (API No. 30-005-60371) wells (“Wells”). The South Lucky Lake Queen Unit #001A has not produced since April of 2013, and the South Lucky Lake Queen Unit #001 and #002 have not produced since June of 2019. It is our understanding that BVB has failed to respond to the SLO’s demand.

R&S is the record title owner of Lease No. L0-1894-1, and NM Oil Corp. is the record title owner of Lease No. K0-5110-1. The SLO has notified R&S (a subsidiary of Permian Resources) and NM Oil Corp. that they are responsible for activities on the leases, including the inactive wells. Permian Resources has contacted BVB regarding this matter on several occasions but has not received a response. As a result, in accordance with SLO and New Mexico Oil Conservation Division (“OCD”) regulations, I am writing to demand that BVB immediately plug and abandon the Wells. If BVB wishes R&S to assume operatorship of the Wells, please execute a C-145 Change of Operator Form (“C-145”) via the New Mexico Oil Conservation Division permitting

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
(575) 622-6510  
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

portal and let me know once you have done so. If BVB refrains from executing the C-145 and fails to immediately plug and abandon the Wells, R&S will initiate proceedings to assume operatorship of the Wells and will seek to recover the plugging and abandonment costs from BVB, along with other damages.

Please provide your response to this correspondence by July 25, 2023 so that R&S and Permian Resources can determine the proper actions as necessary.

Thank you for your attention to this matter. I look forward to hearing from you.

Very truly yours,

Dana S. Hardy

cc: Rob Montgomery, Esq. (via electronic mail: [rob.montgomery@permianres.com](mailto:rob.montgomery@permianres.com))  
Jon Hitchcock (via electronic mail: [jon@hitchcocknm.com](mailto:jon@hitchcocknm.com))  
Ari Biernoff, Esq. (via electronic mail: [abiernoff@slo.state.nm.us](mailto:abiernoff@slo.state.nm.us))

HINKLE SHANOR LLP

**From:** [Steve Oldfield](#)  
**To:** [Dana Hardy](#)  
**Subject:** Re: FW: South Lucky Lake Queen Wells  
**Date:** Friday, July 21, 2023 4:09:28 PM  
**Attachments:** [image001.png](#)  
[image001.png](#)

No, my attempts have been unsuccessful. Sorry

On Fri, Jul 21, 2023, 1:50 PM Dana Hardy <[DHardy@hinklelawfirm.com](mailto:DHardy@hinklelawfirm.com)> wrote:

Mr. Oldfield,

Thanks for the response. Do you have contact information for Mr. Standard?

Thanks,

Dana



Dana S. Hardy  
Partner  
Hinkle Shanor LLP  
218 Montezuma  
Santa Fe, New Mexico 87501  
(505) 982-4554 telephone  
(505) 930-5702 direct  
(505) 982-8623 facsimile  
[dhardy@hinklelawfirm.com](mailto:dhardy@hinklelawfirm.com)

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**From:** Steve Oldfield <[brokenspearcattleco@gmail.com](mailto:brokenspearcattleco@gmail.com)>  
**Sent:** Thursday, July 20, 2023 5:22 PM  
**To:** Dana Hardy <[DHardy@hinklelawfirm.com](mailto:DHardy@hinklelawfirm.com)>  
**Subject:** Re: FW: South Lucky Lake Queen Wells

Hello Dana Hardy,

Im not sure , but I'm afraid I will not be able to execute a change of operator,, wish I could.. See, I no longer own any interest in BVB. All Membership was sold and transferred to Scott Standard In may of 2019 along with any and all assets, and filed in chaves county court house.

Let me know how I can help,

Steve

On Thu, Jul 20, 2023, 2:11 PM Dana Hardy <[DHardy@hinklelawfirm.com](mailto:DHardy@hinklelawfirm.com)> wrote:

Hello, Mr. Oldfield,

Can you please let me know who purchased the wells? As shown below, Bar V Barb is still listed as operator of these wells in the NMOCD records, so I think you could execute a C-145 to transfer operatorship to Read & Stevens.

Thank you,

Dana

### OCD Permitting

- [Home](#)
- [Searches](#)
- [Operators](#)
- [Operator Details](#)

### [371067] BAR V BARB LLC

General Information

Address:P.O. Box 4435

Roswell, NM 88202  
Country:U.S.A.

Main Phone: 575-973-1346  
Main Fax:

Operator Role(s): Well Operator, Transporter

All Active Entities: Wells (13)

Contacts

**Central Contact**

Name:Steve Oldfield  
Title:Owner  
E-Mail [Address:Brokenspearcattleco@gmail.com](mailto:Address:Brokenspearcattleco@gmail.com)

Phone Number:575-973-1346  
Cell Number:575-973-1346  
Fax Number:

**Hobbs Contact**

Hobbs Active Entities: Wells (5)

(Click here to expand.)

**Artesia Contact**

Artesia Active Entities: Wells (8)

Name:Steve W Oldfield  
Title:  
E-Mail [Address:Brokenspearcattleco@gmail.com](mailto:Address:Brokenspearcattleco@gmail.com)

Phone Number:575-973-1346  
Cell Number:575-973-1346  
Fax Number:

**Well Search Normal (17 records returned)**

Display Sorted by: Well Operator, Well Name (Change Sorting , Reset)

	API	Well	Type	Mineral Owner	Surface Owner	Status	ULSTR	OCD Unit Letter	Last Production	Spud Date	Plugged On	Current Operator
<a href="#">View</a>	30-005-20403	FEDERAL 21 #001	Oil	Federal	Federal	Reclamation Fund Approved	O-21-14S-30E	O	6/2019	05/19/1972		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-20361	FEDERAL 28 #001	Oil	Federal	Federal	Reclamation Fund Approved	G-28-14S-30E	G	6/2019	11/24/1970		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-20372	FEDERAL 28 #003	Oil	Federal	Federal	Reclamation Fund Approved	B-28-14S-30E	B	6/2019	03/17/1971		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60360	SOUTH LUCKY LAKE QUEEN UNIT #001	Oil	State	State	Reclamation Fund Approved	P-16-15S-29E	P	6/2019	01/11/1976		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60332	SOUTH LUCKY LAKE QUEEN UNIT #001A	Injection	State	State	Expired Temporary Abandonment	O-16-15S-29E	O	4/2013	02/09/1975		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60213	SOUTH LUCKY LAKE QUEEN	Injection	Federal	Federal	Expired Temporary Abandonment	F-22-15S-29E	F	7/2013	04/18/1972		[371067] BAR V BARB LLC

		UNIT #001B										
<a href="#">View</a>	30-005-61227	SOUTH LUCKY LAKE QUEEN UNIT #001E	Injection	Federal	Federal	Reclamation Fund Approved	M-15-15S-29E	M	7/2013	11/30/1981		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60244	SOUTH LUCKY LAKE QUEEN UNIT #001F	Injection	Federal	Federal	Reclamation Fund Approved	H-21-15S-29E	H	7/2013	12/15/1972		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60371	SOUTH LUCKY LAKE QUEEN UNIT #002	Oil	State	State	Reclamation Fund Approved	N-16-15S-29E	N	6/2019	02/09/1976		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60375	SOUTH LUCKY LAKE QUEEN UNIT #002B	Oil	Federal	Federal	Plugged, Site Released	M-22-15S-29E	M	6/2019	04/03/1976	05/03/2023	[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60361	SOUTH LUCKY LAKE QUEEN UNIT #002C	Oil	Federal	Federal	Reclamation Fund Approved	A-21-15S-29E	A	6/2019	03/22/1974		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60382	SOUTH LUCKY LAKE QUEEN UNIT #002X	Oil	Federal	Federal	Plugged, Site Released	D-27-15S-29E	D	6/2019	06/23/1976	01/24/2022	[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60350	SOUTH LUCKY LAKE QUEEN UNIT #002Z	Oil	Federal	Federal	Plugged, Site Released	E-22-15S-29E	E	6/2019	07/01/1975	05/04/2023	[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60352	SOUTH LUCKY LAKE QUEEN UNIT #003	Oil	Federal	Federal	Plugged, Site Released	D-22-15S-29E	D	6/2019	09/08/1975	05/04/2023	[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-60377	SOUTH LUCKY LAKE QUEEN UNIT #003B	Oil	Federal	Federal	Reclamation Fund Approved	K-22-15S-29E	K	6/2019	05/03/1976		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-20384	W R MEANS #002	Oil	Federal	Federal	Reclamation Fund Approved	J-28-14S-30E	J	6/2019	07/15/1971		[371067] BAR V BARB LLC
<a href="#">View</a>	30-005-20386	W R MEANS #003	Oil	Federal	Federal	Reclamation Fund Approved	O-28-14S-30E	O	4/2019	12/19/1971		[371067] BAR V BARB LLC



Dana S. Hardy  
 Partner  
 Hinkle Shanor LLP  
 218 Montezuma  
 Santa Fe, New Mexico 87501  
 (505) 982-4554 telephone  
 (505) 930-5702 direct  
 (505) 982-8623 facsimile  
[dhardy@hinklelawfirm.com](mailto:dhardy@hinklelawfirm.com)

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**From:** Everett Holmes <[eholmes@hinklelawfirm.com](mailto:eholmes@hinklelawfirm.com)>  
**Sent:** Thursday, July 20, 2023 11:27 AM  
**To:** Dana Hardy <[DHardy@hinklelawfirm.com](mailto:DHardy@hinklelawfirm.com)>  
**Cc:** Jaelyn McLean <[JMcLean@hinklelawfirm.com](mailto:JMcLean@hinklelawfirm.com)>  
**Subject:** FW: South Lucky Lake Queen Wells



Everett Holmes  
 Legal Assistant  
 Hinkle Shanor LLP  
 P.O. Box 2068  
 Santa Fe, New Mexico 87504  
 505.982.4554 - office  
 505.982.8623 - fax  
[eholmes@hinklelawfirm.com](mailto:eholmes@hinklelawfirm.com)

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**From:** Steve Oldfield <[brokenspearcattleco@gmail.com](mailto:brokenspearcattleco@gmail.com)>  
**Sent:** Thursday, July 20, 2023 11:21 AM  
**To:** Everett Holmes <[eholmes@hinklelawfirm.com](mailto:eholmes@hinklelawfirm.com)>  
**Subject:** Re: South Lucky Lake Queen Wells

Hello , Mr Holmes,

This email was sent to Steve Oldfield, which I have not owned bar v barb in more than several years. I sold my interest in the whole company and it's assets. I have no dog in the hunt, or I would execute a c-145 if I could.

Thankyou,

Steve

On Wed, Jul 19, 2023, 2:57 PM Everett Holmes <[eholmes@hinklelawfirm.com](mailto:eholmes@hinklelawfirm.com)> wrote:

Dear Mr. Oldfield,

Please see the attached letter in regards to South Lucky Lake Queen wells operated by Bar V Barb, LLC.

Thank you,  
 Everett

Everett Holmes  
 Legal Assistant  
 Hinkle Shanor LLP  
 P.O. Box 2068  
 Santa Fe, New Mexico 87504  
 505.982.4554 - office

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505.982.8623 - fax

[cholmes@hinklelawfirm.com](mailto:cholmes@hinklelawfirm.com)

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

**IN RE NOTICE OF VIOLATION ISSUED TO  
BAR V BARB, LLC**

**CASE NO. 21900  
ORDER NO. R-21756**

**ORDER**

This matter came before the Director of the New Mexico Oil Conservation Division (“Division”) on the Notice of Violation (“NOV”) issued to Bar V Barb, LLC (OGRID # 371067) (“BVB”). The Division Hearing Examiner conducted a public hearing on June 2, 2021. The Director, having considered the testimony and evidence presented, and the recommendations of the Hearing Examiner, enters the following findings, conclusions and order.

**FINDINGS OF FACT**

1. The Division has jurisdiction over the parties and the subject matter herein.
2. The Division gave notice of the hearing as required by 19.15.5.10 NMAC.
3. The Division presented the testimony of one witness, Mr. Daniel Sanchez, Chief of the Division’s Administrative and Compliance Bureau, and offered 6 exhibits in support of his testimony.
4. On March 10, 2021, the Division issued the NOV, which alleged 2 violations:
  - a. BVB has more inactive wells than allowed by 19.15.5.9(A)(4)(a) NMAC. BVB is the registered operator of 17 wells in the state of New Mexico. Because BVB operates less than 100 wells, it must plug and abandon or place into approved temporary abandonment (“TA”) status those inactive wells that exceed the lesser threshold of 2 wells or 50 percent of all wells. *Id.* BVB has 2 wells in approved TA status until 2023 and 15 wells that are inactive and have not been plugged and abandoned nor placed into approved TA status:

<u>API</u>	<u>Well</u>	<u>Last Production Reported</u>
30-005-20403	Federal 21 #001	6/2019
30-005-20361	Federal 28 #001	6/2019
30-005-20372	Federal 28 #003	6/2019
30-005-60360	South Lucky Lake Queen Unit #001	6/2019

**FINAL ORDER  
CASE NO. 21900**

**PAGE 1 OF 4**

**Exhibit A-5 (Case No. 23729)**

**Permian Resources Operating, LLC &  
New Mexico Oil Corp.**

30-005-61227	South Lucky Lake Queen Unit #001E	7/2013
30-005-60244	South Lucky Lake Queen Unit #001F	7/2013
30-005-60371	South Lucky Lake Queen Unit #002	6/2019
30-005-60375	South Lucky Lake Queen Unit #002B	6/2019
30-005-60361	South Lucky Lake Queen Unit #002C	6/2019
30-005-60382	South Lucky Lake Queen Unit #002X	6/2019
30-005-60350	South Lucky Lake Queen Unit #002Z	6/2019
30-005-60352	South Lucky Lake Queen Unit #003	6/2019
30-005-60377	South Lucky Lake Queen Unit #003B	6/2019
30-005-20384	WR Means #002	6/2019
30-005-20386	WR Means #003	4/2019

For this violation, the Division requested an order requiring BVB to plug and abandon the wells or to allow the Division to do so, and if the Division plugs and abandons the wells, to forfeit the financial assurance for the wells and require BVB to pay the excess cost to plug and abandon the wells. The Division also proposed to assess a civil penalty of three thousand nine hundred dollars (\$3,900).

b. BVB does not have sufficient financial assurance for inactive wells as required by 19.15.5.9(D) NMAC. BVB is the registered operator of 3 inactive wells that are not covered by blanket financial assurance and have insufficient one well financial assurance.

<u>API</u>	<u>Well</u>	<u>Existing FA</u>	<u>Required FA</u>
30-005-60360	South Lucky Lake Queen Unit #001	\$6,825	\$28,650
30-005-60371	South Lucky Lake Queen Unit #002	\$6,800	\$28,600
30-005-60332	South Lucky Lake Queen Unit #001A	\$6,848	\$28,696

For this violation, the Division requested an order requiring BVB to provide sufficient one well or blanket financial assurance for the wells, and proposed to assess a civil penalty of nine hundred dollars (\$900).

5. The NOV provided that a process is available for the informal review and resolution of the alleged violations in the NOV. If the NOV is not resolved informally within 30 days after service of notice, the Division will hold a hearing. 19.15.5.10(C)(1)(f) NMAC. The Division served the NOV on BVB. BVB did not contact the Division during the informal resolution period, which expired on or about April 9, 2021.

6. On April 15, 2021, the Division filed and served the Docketing Notice.

7. BVB did not file an answer to the NOV and the Docketing Notice as required by 19.15.5.10(E)(2)(b) NMAC.

8. BVB did not appear at the hearing.

### **CONCLUSIONS OF LAW**

9. The Division is authorized, when it determines that a person is violating, or has violated, the Oil and Gas Act (“Act”), or any provision of a rule, order, permit, or authorization issued under the Act, to seek compliance and civil penalties by issuing a notice of violation. NMSA 1978, §70-2-31(A).

10. The Division followed the requirements of the Act and the rules in issuing a Notice of Violation which described the alleged violations and possible sanctions and provided an opportunity for an informal resolution of the violations. The Division fulfilled the requirements to properly serve BVB with the Notice of Violation and the Notice of Docketing.

11. Based on the Division’s testimony and evidence, the Director finds that BVB violated 19.15.5.9(A)(4)(A) NMAC, by failing to plug and abandon inactive wells; and 19.15.5.9(D) NMAC, by failing to maintain sufficient financial assurance for inactive wells.

12. The Act and the rules authorize a series of possible sanctions for violations. NMSA 1978, §70-2-31(B); 19.15.5.10(B) NMAC. Based on the evidence presented, the Director concludes that the proposed sanctions are appropriate for the violations.

### **ORDER**

1. BVB’s authority to transport from all wells is hereby revoked.

2. BVB shall plug and abandon the 15 wells identified in paragraph 4(a) no later than 30 days after issuance of this Order.

3. If BVB fails to plug and abandon the 15 wells identified in paragraph 4(a) no later than 30 days after issuance of this Order, the Division shall be authorized to plug and abandon the wells and to forfeit the financial assurance for the wells, and BVB shall pay the excess cost to plug and abandon the wells no later than 30 days after actual or attempted service of the Division’s written demand.

4. BVB is assessed civil penalties in the amount of four thousand eight hundred dollars (\$4,800). BVB shall pay the full amount of the civil penalty assessed in this Order no later than 30 days after the Director serves the Order unless BVB files a notice of appeal to the Oil Conservation Commission.

5. The Division retains jurisdiction of this matter for the entry of such further orders as it may deem necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**  
AES/bb

Date: 6/24/2021

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC AND NEW MEXICO OIL  
CORP. TO REMOVE BAR V BARB, LLC AS  
OPERATOR OF RECORD OF THE SOUTH  
LUCKY LAKE QUEEN UNIT #001A, SOUTH  
LUCKY LAKE QUEEN UNIT #001, AND SOUTH  
LUCKY LAKE QUEEN UNIT #002 WELLS,  
CHAVES COUNTY, NEW MEXICO.**

**CASE NO. 23729**

**SELF-AFFIRMED STATEMENT  
OF JON HITCHCOCK**

1. I am the President of New Mexico Oil Corp. (“NMOC”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.

2. I am familiar with the facts and circumstances underlying the application filed in this case.

3. No party has objected to this case proceeding by affidavit, and I do not expect any opposition at hearing.

4. Permian Resources Operating, LLC (“Permian Resources”) and NMOC (collectively “Applicants”) seek to remove Bar V Barb, LLC (“BVB”) as operator of record of the South Lucky Lake Queen Unit #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 wells (“Lucky Lake Queen Wells” or “Wells”). Permian Resources (OGRID No. 372165) and NMOC (OGRID No. 153061) are operators in good standing with the Division.

5. NMOC is a New Mexico corporation that owns interests in certain oil and gas leases and is the record title owner of New Mexico State Oil and Gas Lease K0-5110-1, dated July 20, 1965, which covers the following lands in Chaves County: NE/2 NE/4, NW/4 NW/4, NW/4 SW/4, W/2 SE/4 of Section 16, Township 15 South, Range 29 East.

6. BVB (OGRID No. 371067) is operator of record of the South Lucky Lake Queen Unit #001A Well (API No. 39-005-60332), which is located on the lease approximately 660 feet from the south line and 1980 feet from the east line (Unit O) of Section 16, Township 16 South, Range 29 East.

7. The Well was completed in the Lucky Lake; Queen, South Pool (Code 41320).

8. No production has been reported for the South Lucky Lake Queen Unit #001A well since April of 2013.

9. By certified letter dated May 9, 2023, the New Mexico Commissioner of Public Lands (“SLO”) notified Steve Oldfield, BVB, Read & Stevens, Permian Resources, and NMOC that the Lucky Lake Queen Wells must be plugged and that all debris and improvements must be immediately removed from the well sites.

10. BVB does not appear to exist and is either unavailable or unwilling to execute C-145 Change of Operator Forms for the South Lucky Lake Queen Wells.

11. As operator of record of the South Lucky Lake Queen Wells, the Oil and Gas Act and Division regulations obligate BVB to properly plug and abandon the Wells and perform necessary remediation.

12. Because NMOC is record title owner of the Lease K0-5110-1, the SLO has informed NMOC that it is responsible for certain oil and gas operations on the Lease, including remediation and ensuring wells on the lease are properly plugged and abandoned.

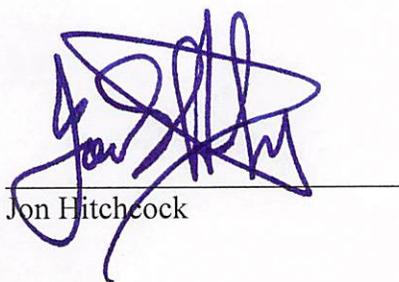
13. Accordingly, NMOC requests that the Division name Permian Resources as operator of the South Lucky Lake Queen Unit #001A so it can properly plug and abandon the Wells in accordance with Division and SLO requirements.

14. Permian Resources and NMOC have notified the SLO of this application, and the SLO supports the application.

15. Applicants' request will prevent surface and environmental waste and, accordingly, comports with the requirements of the Oil and Gas Act.

16. In order to serve the interests of conservation, the protection of correlative rights, and the prevention of waste, BVB should be removed as operator of the South Lucky Lake Queen Unit #001A and Permian Resources should be designated as operator of record so it can properly plug and abandon the well.

17. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in the paragraphs is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
Jon Hitchcock

8/22/23  
Date

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

APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC AND NEW MEXICO OIL  
CORP. TO REMOVE BAR V BARB, LLC AS  
OPERATOR OF RECORD OF THE SOUTH  
LUCKY LAKE QUEEN UNIT #001A, SOUTH  
LUCKY LAKE QUEEN UNIT #001, AND SOUTH  
LUCKY LAKE QUEEN UNIT #002 WELLS,  
CHAVES COUNTY, NEW MEXICO.

CASE NO. 23729

SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC, and New Mexico Oil Corp., the Applicants herein.
2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the e-mail, Notice Letter, and Application in this case, to be sent to Steve Oldfield as set out in the chart attached as **Exhibit C-2**.
3. Exhibit C-2 also provides the date the Notice Letter was sent and the date each return was received.
4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.
5. On August 18, 2023, I caused a notice to be published to all potentially interested parties in the Roswell Daily Record. An Affidavit of Publication from the Legal Clerk of the Roswell Daily Record, along with a copy of the notice publication, is attached as **Exhibit C-4**.
6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of

perjury under the laws of the State of New Mexico. My testimony is made as of the date  
handwritten next to my signature below.

/s/ Dana S. Hardy  
Dana S. Hardy

September 1, 2023  
Date



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# HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:  
Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

August 14, 2023

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bar V Barb LLC  
P.O. Box 4435  
Roswell, NM 88202

Bar V Barb LLC  
3101 E. Second St.  
Roswell, NM 88201

**Re: Case No. 23729 – Application of Permian Resources Operating, LLC and New Mexico Oil Corp. to Remove Bar v Barb, LLC as Operator of Record of the South Lucky Lake Queen Unit #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 Wells, Chaves County, New Mexico.**

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **September 7, 2023**, beginning at 8:15a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) 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.

Please contact me at 505-982-4554 if you have any questions.

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
(575) 622-6510  
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

HINKLE SHANOR LLP

**From:** [Everett Holmes](#)  
**To:** [Steve Oldfield](#)  
**Cc:** [Dana Hardy](#); [Jaclyn McLean](#)  
**Subject:** Permian Resources" Application to Remove Bar V Barb as Operator  
**Date:** Wednesday, August 16, 2023 8:37:28 AM  
**Attachments:** [23729 PRO - Letter BVB Change of Operator.pdf](#)  
[23729 PRO - South Lucky Lake Queen Application - Change of Operator to Permian Resources.pdf](#)

---

Dear Mr. Oldfield,

Please see the attached letter regarding Permian Resources Operating, LLC's application (also attached) to remove Bar V Barb, LLC as operator of the South Lucky Lake Queen Wells.

Thank you,  
Everett



Everett Holmes  
Legal Assistant  
Hinkle Shanor LLP  
P.O. Box 2068  
Santa Fe, New Mexico 87504  
505.982.4554 - office  
505.982.8623 - fax  
[eholmes@hinklelawfirm.com](mailto:eholmes@hinklelawfirm.com)

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

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC AND NEW MEXICO OIL  
CORP. TO REMOVE BAR V BARB, LLC AS  
OPERATOR OF RECORD OF THE SOUTH  
LUCKY LAKE QUEEN UNIT #001A, SOUTH  
LUCKY LAKE QUEEN UNIT #001, AND SOUTH  
LUCKY LAKE QUEEN UNIT #002 WELLS,  
CHAVES COUNTY, NEW MEXICO.**

**CASE NO. 23729**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Bar V Barb LLC 3101 E. Second St. Roswell, NM 88201	08/14/23	Per USPS Tracking (Last checked 09/01/23):  09/01/23 – Item being returned to sender.
Bar V Barb LLC P.O. Box 4435 Roswell, NM 88202	08/14/23	Per USPS Tracking (Last checked 09/01/23):  09/01/23 – Item being returned to sender.

7022 1670 0002 1189 1177

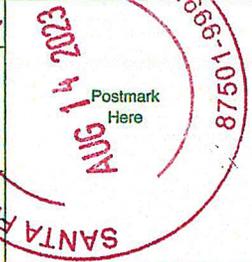
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Postage \$

Total Postage and Fees \$

Sent To

Bar V Barb LLC  
3101 E. Second St.  
Roswell, NM 88201

23729 - PRO Change of Operator

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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FAQs >

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Feedback

#### Alert

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ROSWELL, NM 88201  
September 1, 2023, 8:19 am

##### ● Available for Pickup

ROSWELL  
415 N PENNSYLVANIA AVE  
ROSWELL NM 88201-9998  
M-F 0830-1700; SAT 0900-1200  
August 22, 2023, 8:42 am

##### ● Reminder to Schedule Redelivery of your item

August 22, 2023

##### ● Available for Redelivery or Pickup

ROSWELL  
415 N PENNSYLVANIA AVE  
ROSWELL NM 88201-9998  
M-F 0830-1700; SAT 0900-1200  
August 18, 2023, 8:20 am

##### ● Notice Left (No Authorized Recipient Available)

ROSWELL, NM 88201  
August 17, 2023, 1:10 pm

**Departed USPS Regional Facility**

LUBBOCK TX DISTRIBUTION CENTER  
August 16, 2023, 10:31 pm

**Arrived at USPS Regional Facility**

LUBBOCK TX DISTRIBUTION CENTER  
August 16, 2023, 7:28 am

**In Transit to Next Facility**

August 15, 2023

**Departed USPS Facility**

ALBUQUERQUE, NM 87101  
August 14, 2023, 10:23 pm

**Arrived at USPS Facility**

ALBUQUERQUE, NM 87101  
August 14, 2023, 10:10 pm

**Hide Tracking History**

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

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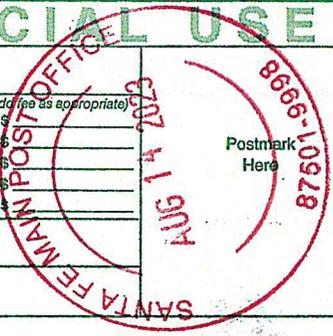
7021 0950 0002 0374 1340

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<input type="checkbox"/> Adult Signature Restricted Delivery	\$
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<b>Total Postage and Fees</b>	\$



Bar V Barb LLC P.O. Box 4435 Roswell, NM 88202 23729 - PRO Change of Operator	_____ _____ _____
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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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#### Alert

##### ● Unclaimed/Being Returned to Sender

ROSWELL, NM 88201  
September 1, 2023, 8:19 am

##### ● Available for Pickup

ROSWELL  
415 N PENNSYLVANIA AVE  
ROSWELL NM 88201-9998  
M-F 0830-1700; SAT 0900-1200  
August 22, 2023, 8:42 am

##### ● Reminder to pick up your item before August 31, 2023

ROSWELL, NM 88202  
August 22, 2023

##### ● Available for Pickup

ROSWELL  
415 N PENNSYLVANIA AVE  
ROSWELL NM 88201-9998  
M-F 0830-1700; SAT 0900-1200  
August 17, 2023, 8:28 am

- **Available for Pickup**  
 ROSWELL  
 415 N PENNSYLVANIA AVE  
 ROSWELL NM 88201-9998  
 M-F 0830-1700; SAT 0900-1200  
 August 17, 2023, 8:28 am
- **Departed USPS Regional Facility**  
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 August 15, 2023
- **Departed USPS Facility**  
 ALBUQUERQUE, NM 87101  
 August 14, 2023, 10:23 pm
- **Arrived at USPS Facility**  
 ALBUQUERQUE, NM 87101  
 August 14, 2023, 10:10 pm
- **Hide Tracking History**

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

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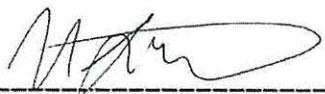
Enter tracking or barcode numbers

AFFIDAVIT OF PUBLICATION  
STATE OF NEW MEXICO

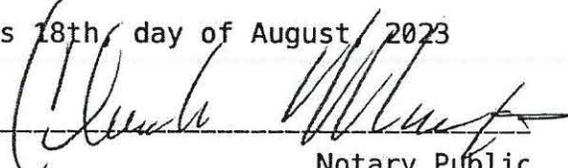
I, Noely L Martinez  
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

One time with the issue dated  
August 18, 2023

-----  
  
-----  
Clerk

Sworn and subscribed to before me

this 18th day of August, 2023  
  
-----  
Notary Public



*Public Notice...*

Publish August 18th, 2023

This is to notify all interested parties, including Bar V Barb, LLC; Steve Oldfield; Scott Standard; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC and New Mexico Oil Corp. (Case No. 23729). The hearing will be conducted remotely on September 7, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicants seeks an order: (1) removing Bar V Barb, LLC ("BVB") as operator of record of the South Lucky Lake Queen Unit #001A, South Lucky Lake Queen Unit #001, and South Lucky Lake Queen Unit #002 wells ("Lucky Lake Queen Wells" or "Wells"); and (2) designating Permian Resources as operator of record. Read & Stevens, Inc. is record title owner of Lease No. L0-1894-1, dated December 17, 1968, which covers the following lands in Chaves County: NE/4 NW/4, S/2 N/2, SW/4 SW/4, SE/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East. New Mexico Oil Corp. is record title owner of Lease No. K0-5110-1, dated July 20, 1965, which covers the following lands in Chaves County: NE/4 NE/4, NW/4 NE/4, NW/4 NW/4, SE/4 NW/4, NW/4 SW/4, and SE/4 SE/4 of Section 16, Township 15 South, Range 29 East. BVB (OGRID No. 371067) is operator of record of the South Lucky Lake Queen Wells at the following locations: South Lucky Lake Queen Unit #001A (API No. 30-005-60332) (Lease No. K0-5110-1) - 660 feet from the south line and 1980 feet from the east line (Unit O) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico; South Lucky Lake Queen Unit #001 (API No. 30-005-60360) (Lease No. L0-1894-1) - 330 feet from the south line and 990 feet from the east line (Unit P) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico; and South Lucky Lake Queen Unit #002 (API No. 30-005-60371) (Lease No. L0-1894-1) - 660 feet from the south line and 2310 feet from the west line (Unit N) of Section 16, Township 15 South, Range 29 East, Chaves County, New Mexico. The Wells were completed in the Lucky Lake; Queen, South Pool (Code 41320). As operator of record of the Wells, BVB has the obligation under the Oil and Gas Act and Division regulations to properly plug and abandon the Wells. As record title owner of the Leases, Read & Stevens and New Mexico Oil Corp. are responsible for certain oil and gas operations on the Leases. Permian Resources intends to properly plug and abandon the Wells. The Wells are located approximately 39 miles southeast of Roswell, New Mexico.