

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

**APPLICATION OF RILEY PERMIAN OPERATING  
COMPANY, LLC FOR A HORIZONTAL SPACING  
UNIT AND COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO**

**CASE NO. 24077**

**NOTICE OF SUPPLEMENTAL EXHIBITS**

Riley Permian Operating Company, LLC (“Riley”) provides notice that it is supplementing the evidentiary record in this case by submitting the attached replacement Exhibit A (“Compulsory Pooling Application Checklist”) to Riley’s Exhibit Packet in the above-referenced case. The replacement Exhibit A corrects an inadvertent scrivener’s error in the risk charge so as to make the risk charge consistent with the application and notices.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

Miguel A. Suazo  
James P. Parrot  
Sophia A. Graham  
Beatty & Wozniak, P.C.  
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*Attorneys for Riley Permian Operating  
Company, LLC*

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JANUARY 18, 2024**

**Case No. 24077**

Hawk 9 Federal Com 3H  
Hawk 9 Federal Com 4H  
Hawk 9 Federal Com 5H  
Hawk 9 Federal Com 7H  
Hawk 9 Federal Com 8H

Eddy County, New Mexico



**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
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**APPLICATION OF RILEY PERMIAN OPERATING  
COMPANY, LLC FOR A HORIZONTAL SPACING  
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# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case:	APPLICANT'S RESPONSE
Date	
Applicant:	Riley Permian Operating Company, LLC
Designated Operator & OGRID (affiliation if applicable):	372290
Applicant's Counsel:	Miguel Suazo, Beatty & Wozniak, P.C.
Case Title:	Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family:	Hawk 9 Federal Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Yeso
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Formation
Pool Name and Pool Code:	Red Lake; Glorieta-Yeso [51120]
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	East-West
Description: TRS/County	S/2N/2 and N/2S/2 of Section 9, T-18-S, R-27-E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Hawk 9 Federal Com 5H Well
Applicant's Ownership in Each Tract	Exhibit C
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

	<p><b>Hawk 9 Federal Com 3H Well (API No. 30-015-53677)</b>                  SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South, Range 27 East, N.M.P.M.                  BHL: NW/4SW/4 (Lot L) of Section 9, Township 18 South, Range 27 East, N.M.P.M.</p> <p>Completion Target: Yeso Formation                  Well Orientation: East to West                  Completion Location: Standard</p>
Well #2	<p><b>Hawk 9 Federal Com 4H Well (API No. 30-015-53890)</b>                  SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South, Range 27 East, N.M.P.M.                  BHL: NW/4SW/4 (Lot L) of Section 9, Township 18 South, Range 27 East, N.M.P.M.</p> <p>Completion Target: Yeso Formation                  Well Orientation: East to West                  Completion Location: Standard</p>
Well #3	<p><b>Hawk 9 Federal Com 5H Well (API No. 30-015-53889)</b>                  SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South, Range 27 East, N.M.P.M.                  BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South, Range 27 East, N.M.P.M.</p> <p>Completion Target: Yeso Formation                  Well Orientation: East to West                  Completion Location: Standard</p>
Well #4	<p><b>Hawk 9 Federal Com 7H Well (API No. 30-015-53809)</b>                  SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South, Range 27 East, N.M.P.M.                  BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South, Range 27 East, N.M.P.M.</p> <p>Completion Target: Yeso Formation                  Well Orientation: East to West                  Completion Location: Standard</p>
Well #5	<p><b>Hawk 9 Federal Com 8H Well (API No. 30-015-53808)</b>                  SHL: SW/4NW/4 (Lot E) of Section 10, Township 18 South, Range 27 East, N.M.P.M.                  BHL: SW/4NW/4 (Lot E) of Section 9, Township 18 South, Range 27 East, N.M.P.M.</p> <p>Completion Target: Yeso Formation                  Well Orientation: East to West                  Completion Location: Standard</p>
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibits C-5, C-6, and D-2
AFE Capex and Operating Costs	

<i>Received by: OCD; 4/25/2024 9:32:29 AM</i> Drilling Supervision/Month \$	\$8,000	<i>Page 6 of 105</i>
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit C	
Requested Risk Charge	200%	
<b>Notice of Hearing</b>		
Proposed Notice of Hearing	Exhibits B and E	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F	
<b>Ownership Determination</b>		
Land Ownership Schematic of the Spacing Unit	Exhibits C-3 and C-4	
Tract List (including lease numbers and owners)	Exhibits C-3 and C-4	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibits C-4 and C-5	
Unlocatable Parties to be Pooled	Exhibits C-4	
Ownership Depth Severance (including percentage above & below)	None	
<b>Joinder</b>		
Sample Copy of Proposal Letter	Exhibit C-5	
List of Interest Owners (ie Exhibit A of JOA)	Exhibits C-4 and C-5	
Chronology of Contact with Non-Joined Working Interests	Exhibit C-7	
Overhead Rates In Proposal Letter	Exhibits C-5 and C-6	
Cost Estimate to Drill and Complete	Exhibit C-6	
Cost Estimate to Equip Well	Exhibit C-6	
Cost Estimate for Production Facilities	Exhibit C-6	
<b>Geology</b>		
Summary (including special considerations)	Exhibit D	
Spacing Unit Schematic	Exhibits C-2, C-3, and D-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, D-1, and D-3	
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D	
HSU Cross Section	Exhibit D-2, D-3	
Depth Severance Discussion	N/A	
<b>Forms, Figures and Tables</b>		
C-102	Exhibit C-2	
Tracts	Exhibit C-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-4	
General Location Map (including basin)	Exhibit C-1	
Well Bore Location Map	Exhibit C-2 and D-1	
Structure Contour Map - Subsea Depth	Exhibit D-2	
Cross Section Location Map (including wells)	Exhibit D-1	
Cross Section (including Landing Zone)	Exhibit D-3	

Special Provisions/Stipulations

**CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.**

**Printed Name** (Attorney or Party Representative):

Miguel Suazo

**Signed Name** (Attorney or Party Representative):



**Date:**

January 16, 2024

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

APPLICATION OF RILEY PERMIAN  
OPERATING COMPANY, LLC FOR A  
HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO

Case No. \_\_\_\_\_

APPLICATION

Riley Permian Operating Company, LLC, OGRID No. 372290 (“Riley” or “Applicant”), through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) creating a standard 320-acre, more or less, overlapping horizontal well spacing and unit (“HSU”) composed of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and (2) an order pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

In support of its Application, Riley states the following:

1. Riley is a working interest owner in the subject lands and has a right to drill wells thereon.
2. Riley seeks to dedicate the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, spacing unit.
3. Riley seeks to dedicate the above-referenced HSU to the following proposed wells:
  - A. **Hawk 9 Federal Com 3H Well** and **Hawk 9 Federal Com 4H Well**, which is an oil well that will be horizontally drilled from a surface location in the SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 10 to a bottom hole location in the Yeso Formation in the NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 9; and

B. **Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well**, which are oil wells that will be horizontally drilled from a surface location in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 10 to a bottom hole location in the Yeso Formation in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 9.

4. The wells are orthodox in their location, and the take points and laterals comply with Statewide Rules for setbacks.

5. The completed interval for the Hawk 9 Federal Com 5H Well, which is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed standard spacing unit for the wells.

6. Riley has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners in the Yeso formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Yeso formation within the proposed unit will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Riley requests that all uncommitted interests in this HSU be pooled and that Riley be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Riley requests this Application be set for hearing on January 4, 2024, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, Eddy County, New Mexico;

- B. Pooling all uncommitted interests in the Yeso formation underlying a horizontal spacing unit within the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico;
- C. Approving the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, as the wells for the HSU.
- D. Designating Riley as operator of the HSU and the horizontal wells to be drilled thereon;
- E. Authorizing Riley to recover its costs of drilling, equipping, and completing the wells;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Setting a 200% charge for the risk assumed by Riley in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

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*Attorneys for Riley Permian Operating Company, LLC*

***Application of Riley Permian Operating Company, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, N.M.P.M, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Yeso formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Hawk 9 Federal Com 3H Well and Hawk 9 Federal Com 4H Well, which are oil wells that will be horizontally drilled from a surface location in the SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 10 with a bottom hole location in the Yeso Formation in the NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 9, and the Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Well, which are oil wells that will be horizontally drilled from a surface location in the SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 10 to a bottom hole location in the Yeso Formation in the SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 9. The wells are orthodox in location and the take points and laterals comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 10 miles from Artesia, New Mexico.

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

**APPLICATIONS OF RILEY PERMIAN OPERATING  
COMPANY, LLC FOR A HORIZONTAL SPACING  
UNIT AND COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO**

**Case No. 24077**

**AFFIDAVIT OF MARK SMITH**

Mark Smith, being first duly sworn upon oath, deposes and states as follows:

1. My name is Mark Smith, and I am employed by Riley Permian Operating Company, LLC (“Riley”) as a Senior Landman.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my qualifications as an expert in petroleum land matters were accepted and made a matter of record. I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters.
3. I am submitting this affidavit in support of Riley’s applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.
4. I am familiar with the applications filed by Riley in these consolidated cases and the status of the lands in the subject lands.
5. Under Case No. 24077, Riley seeks an order (1) creating a standard 320-acre, more or less, horizontal well spacing and unit (“HSU”) composed of the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) an order

pooling all uncommitted mineral interests in the Yeso Formation, designated as an oil pool, underlying said HSU.

6. **Riley Exhibit C-1** is a general location map showing the proposed Yeso Formation spacing unit. The acreage subject to the applications are federal lands.

7. **Riley Exhibit C-2** contains the Form C-102s reflecting that the proposed Yeso wells to be drilled and completed in the subject unit. The location of each well is orthodox and meets the Division's offset requirements.

8. A review of the Yeso Formation underlying the subject lands indicated that there are no overlapping spacing units in the Yeso Formation.

9. **Riley Exhibit C-3** outlines the proposed Yeso unit and tracts therein.

10. **Riley Exhibit C-4** sets forth the parties being pooled, the nature of their interests, and their last known address. The exhibit identifies the tract number, tract percentage interest, and spacing unit percentage interest for each mineral owner. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All interest owners were locatable and noticed, and there are no unleased mineral interest owners. Riley caused notice to be published in The Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico. I provided the law firm of Beatty & Wozniak, P.C. with the names and addresses for these mineral owners and instructed that each owner be provided notice of the hearing in these matters.

11. **Riley Exhibit C-5** contains the well proposal letter(s) sent in October 2023 and the amended well proposal sent in December 2023 to each mineral interest owner. The amended well proposal reflected a change of location for the Hawk 9 Federal Com 5H Well.

12. **Riley Exhibit C-6** contains the AFE for each proposed well. The estimated costs of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

13. Riley requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of New Mexico. Riley respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these cases.

14. Riley requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

15. **Riley Exhibit C-7** sets forth a chronology of the contacts with owners. Riley has made a good faith effort to obtain voluntary joinder of the interest owners in the proposed wells.

16. Riley requests that it be designated operator of the unit and wells.

17. **Exhibit C-1** through **Exhibit C-7** were either prepared by me or compiled from Riley's company business records under my direction and supervision.

18. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

19. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

*[Remainder of page left intentionally blank]*

FURTHER AFFIANT SAYETH NOT.

Dated this 2<sup>nd</sup> day of January, 2024.

*Mark Smith*

Mark Smith  
Riley Permian Operating Company, LLC

STATE OF OKLAHOMA )  
 ) ss.  
CITY OF OKLAHOMA CITY AND COUNTY OF OKLAHOMA )

The foregoing instrument was subscribed and sworn to before me this 2<sup>nd</sup> day of January, 2024, by Mark Smith, Senior Landman for Riley Permian Operating Company, LLC.

Witness my hand and official seal.

My commission expires: 3-15-2026

*Mckenzie Thompson*



*Before the Oil Conservation Division  
Examiner Hearing  
Case No. 24077*



Hawk 9 Federal Com 3H  
Hawk 9 Federal Com 4H  
Hawk 9 Federal Com 5H  
Hawk 9 Federal Com 7H  
Hawk 9 Federal Com 8H

# Land: Exhibit C-1

Locator Map:



RILEY PERMIAN

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number (30-015-53677), Pool Code (51120), Pool Name (Red Lake; Glorieta-Yeso), Property Code (329470), Property Name (HAWK 9 FEDERAL COM), Well Number (3H), OGRID No. (330211), Operator Name (REDWOOD OPERATING LLC), Elevation (3486.2)

Surface Location

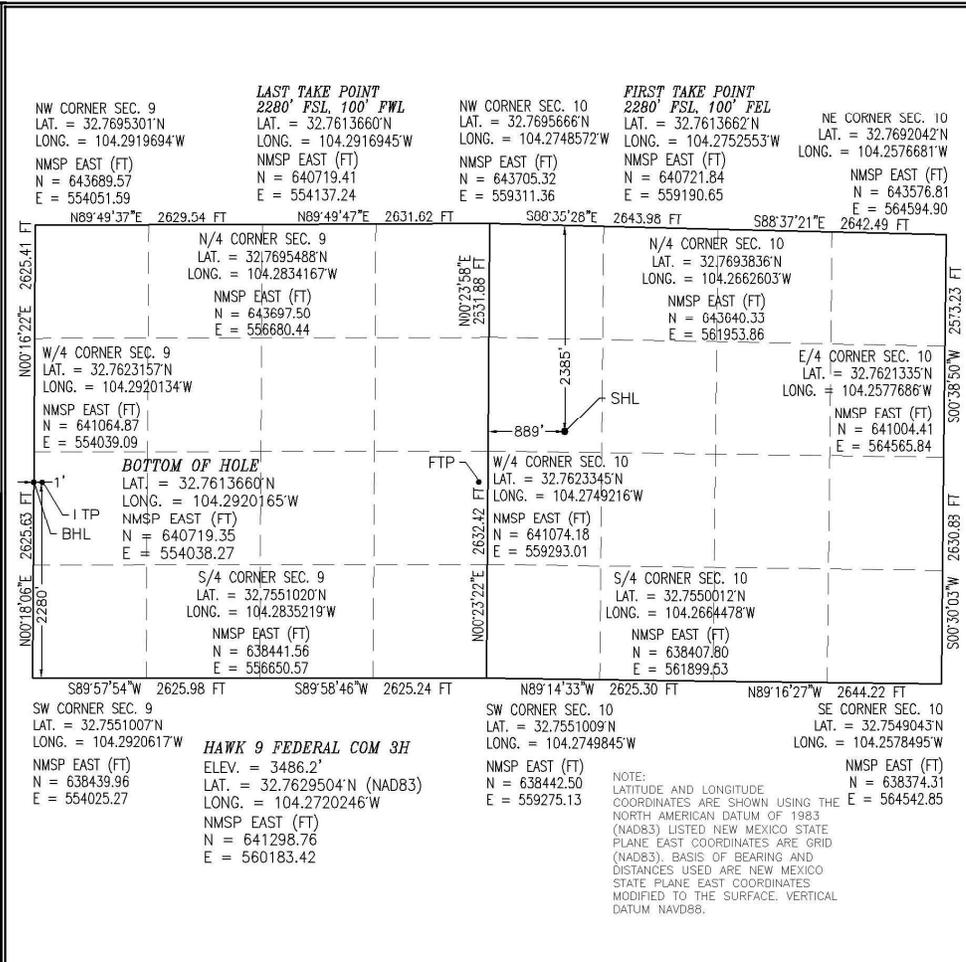
Table with 10 columns: UL or lot no. (E), Section (10), Township (18 S), Range (27 E), Lot Idn, Feet from the (2385), North/South line (NORTH), Feet from the (889), East/West line (WEST), County (EDDY)

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (L), Section (9), Township (18 S), Range (27 E), Lot Idn, Feet from the (2280), North/South line (SOUTH), Feet from the (1), East/West line (WEST), County (EDDY)

Table with 4 columns: Dedicated Acres (160), Joint or Infill, Consolidation Code, Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Operator Certification and Surveyor Certification sections. Includes signature of Delilah Flores dated 10/5/2021, signature of a surveyor, and a circular seal for the State of New Mexico Professional Surveyor.

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-53890	<sup>2</sup> Pool Code 51120	<sup>3</sup> Pool Name Red Lake; Glorieta Yeso
<sup>4</sup> Property Code 329470	<sup>5</sup> Property Name HAWK 9 FEDERAL COM	
<sup>7</sup> OGRID No. 330211	<sup>8</sup> Operator Name REDWOOD OPERATING LLC	<sup>6</sup> Well Number 4H
		<sup>9</sup> Elevation 3485.5

<sup>10</sup> Surface Location

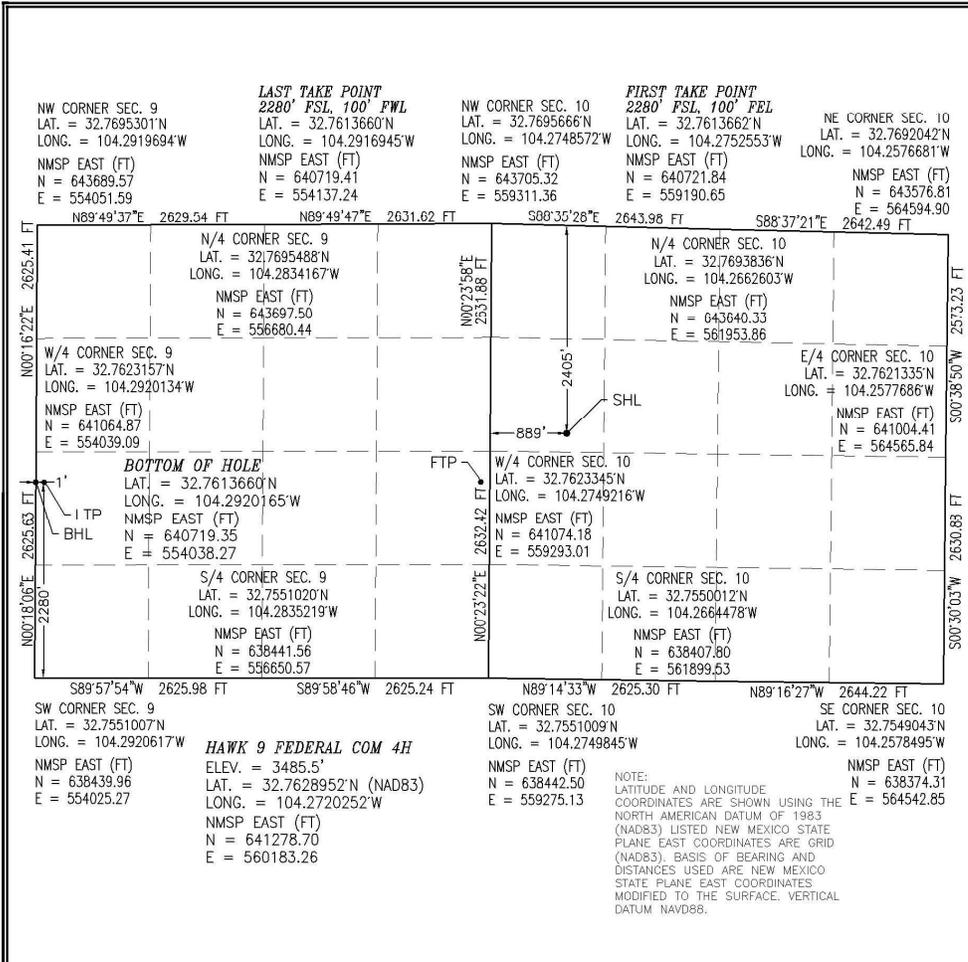
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		2405	NORTH	889	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	18 S	27 E		2280	SOUTH	1	WEST	EDDY

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

*Deana Weaver* 10/13/2021  
Signature Date

Deana Weaver  
Printed Name

regulatory@redwoodoperating.com  
E-mail Address

**<sup>18</sup> SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 28, 2021  
Date of Survey

*[Signature]*  
Signature and Seal of Professional Surveyor

Certificate Number: 12797  
LIMON F. JARAMILLO, PLS 12797  
NEW MEXICO PROFESSIONAL SURVEYOR NO. 7037C

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
	51120	Red Lake; Glorieta Yeso
<sup>4</sup> Property Code	<sup>5</sup> Property Name	
	HAWK 9 FEDERAL COM	
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name	
330211	REDWOOD OPERATING LLC	
	<sup>6</sup> Well Number	
	7H	
	<sup>9</sup> Elevation	
	3507.5	

<sup>10</sup> Surface Location

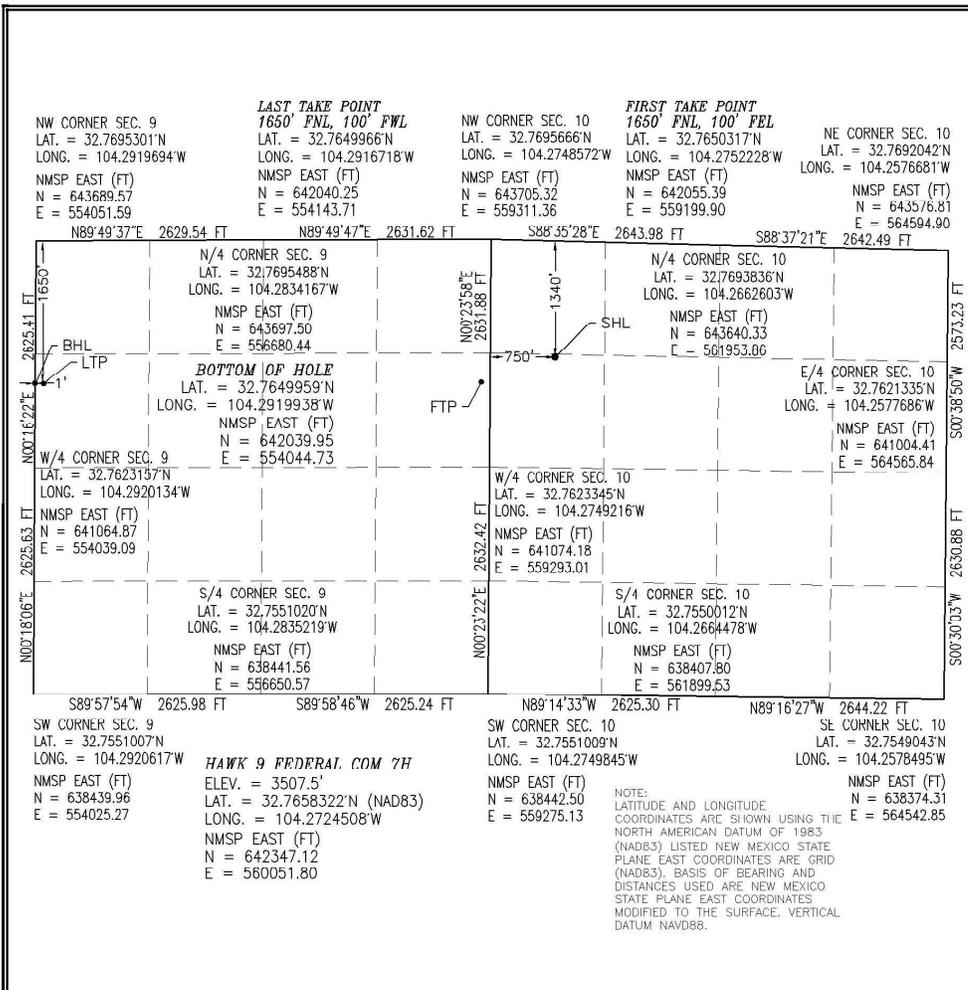
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18 S	27 E		1340	NORTH	750	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	18 S	27 E		1650	NORTH	1	WEST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
160			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

*Deana Weaver* 1/11/2022  
Signature Date

Deana Weaver  
Printed Name

dweaver@mec.com  
E-mail Address

**<sup>18</sup> SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 11, 2022  
Date of Survey

*[Signature]*  
Signature and Seal of Professional Surveyor

Certificate Number: FILED IN PROFESSIONAL SURVEYORS PLS 12797 SURVEY NO. 9117A

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-53808</b>	<sup>2</sup> Pool Code <b>51120</b>	<sup>3</sup> Pool Name <b>Red Lake; Glorieta-Yeso</b>
<sup>4</sup> Property Code <b>329470</b>	<sup>5</sup> Property Name <b>HAWK 9 FEDERAL COM</b>	
<sup>7</sup> OGRID No. <b>330211</b>	<sup>8</sup> Operator Name <b>REDWOOD OPERATING LLC</b>	
		<sup>6</sup> Well Number <b>8H</b>
		<sup>9</sup> Elevation <b>3507.9</b>

<sup>10</sup> Surface Location

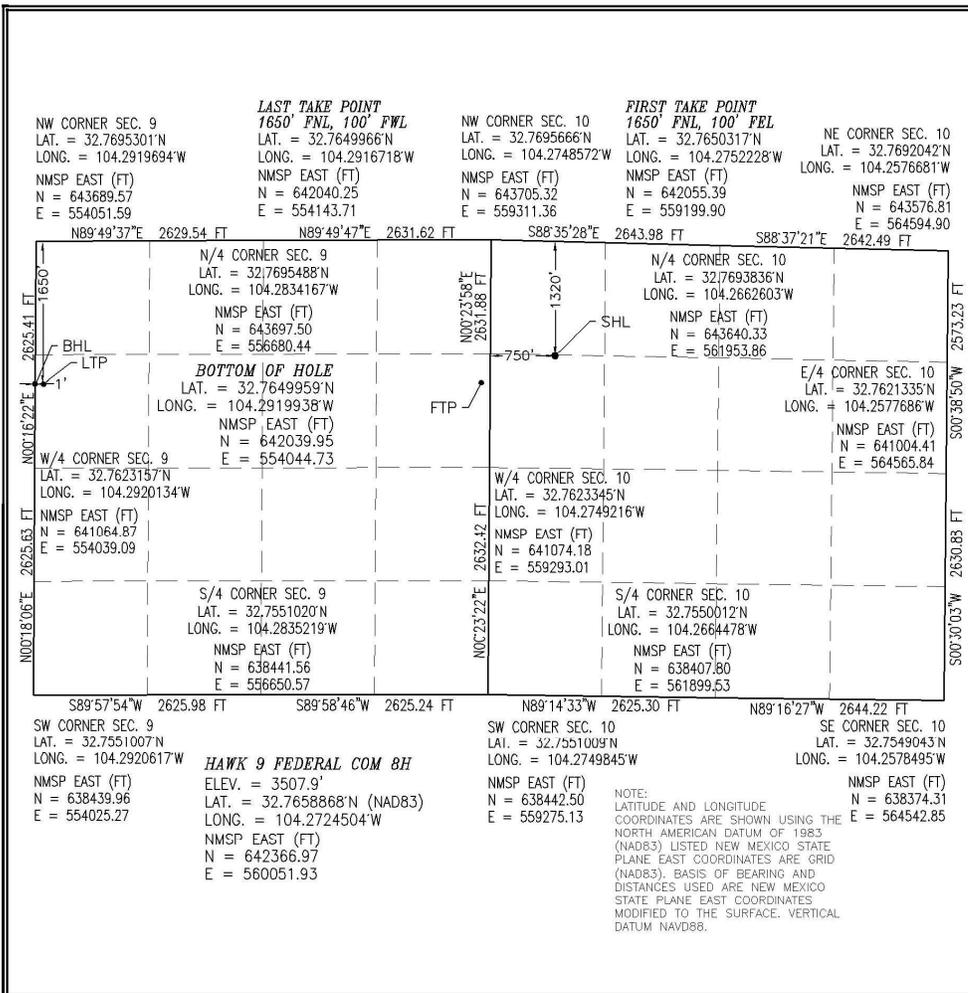
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>10</b>	<b>18 S</b>	<b>27 E</b>		<b>1320</b>	<b>NORTH</b>	<b>750</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>E</b>	<b>9</b>	<b>18 S</b>	<b>27 E</b>		<b>1650</b>	<b>NORTH</b>	<b>1</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

*Deana Weaver* 1/11/2022  
Signature Date

**Deana Weaver**  
Printed Name

**dweaver@mec.com**  
E-mail Address

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

JANUARY 11, 2022  
Date of Survey

*FILIPINO F. JARAMILLO*  
Signature and Seal of Professional Surveyor

Certificate Number: **FILIPINO F. JARAMILLO, PLS 12797**  
SURVEY NO. 9118A

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

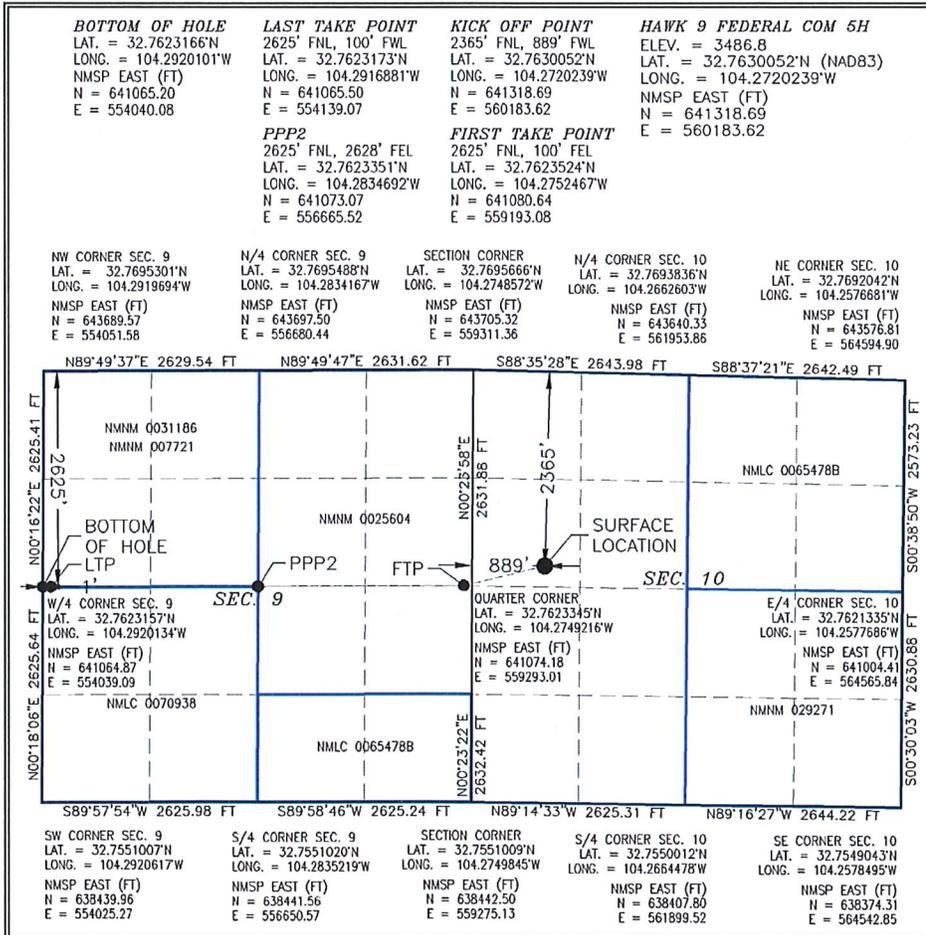
Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County. Includes fields for Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

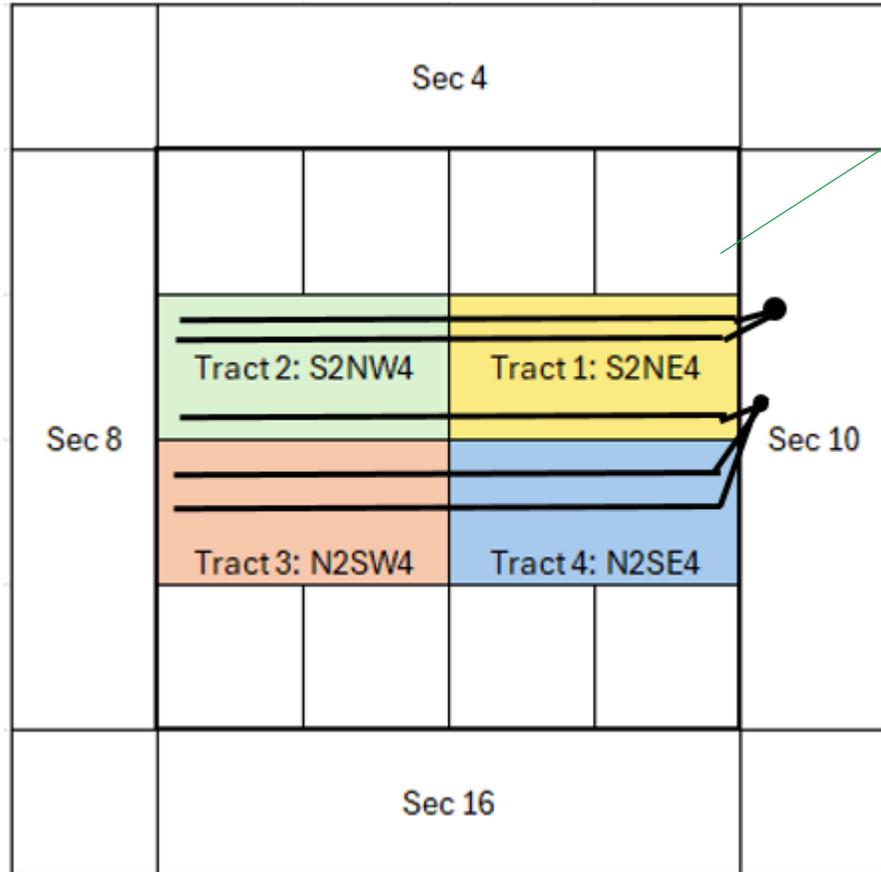


17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief...
Signature: Spence Laird
Date: 1/9/24
Printed Name: Spence Laird
E-mail Address: spencelaird@rileypermian.com

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision...
Date of Survey: JANUARY 8, 2024
Signature and Seal of Professional Surveyor: [Seal]
Certificate Number: [Number]

# Lease Tract Map: Exhibit C-3

S2N2 Section 9-18S-27E as Tracts 1 and 2 and the N2S2 Section 9-18S-27E as Tracts 3 and 4, Eddy County, NM (Red Lake, Glorieta-Yeso Pool); Hawk 9 Federal Com 3H, 4H, 5H, 7H and 8H



Section 9-18S-27E



Tract	Acres	FEE/FED/STATE
Tract 1	80	FED
Tract 2	80	FED
Tract 3	80	FED
Tract 4	80	FED
<b>TOTAL FED ACRES:</b>		<b>320</b>

Tract Ownership: Exhibit C-4

Hawk 9 Federal Com 3H, 4H, 5H, 7H, & 8H  
 S/2 N/2 & N/2 S/2 Section 9, T18S-27E, Eddy County, NM (Yeso Pool)

**Tract 1: NMNM-025604**

Owner	Net Acres	Tract WI	Status
Riley Permian	40.000000	0.50000000	Committed
Silverback O-1, LLC	40.000000	0.50000000	Committed

**Tract 2: NMNM-031186**

Owner	Net Acres	Tract WI	Status
Riley Permian	80.000000	1.00000000	Committed

**Tract 3: NMLC-070938**

Owner	Net Acres	Tract WI	Status
FDW, Inc.	80.000000	1.00000000	Uncommitted

**Tract 4: NMNM-025604**

Owner	Net Acres	Tract WI	Status
Riley Permian	40.000000	0.50000000	Committed
Silverback O-1, LLC	37.333334	0.46666667	Committed
Todd M. Wilson	2.666665	0.03333333	Uncommitted

Summary of Unit Working Interests: Exhibit C-4, continued  
Hawk 9 Federal Com 3H, 4H, 5H, 7H, & 8H  
S/2 N/2 & N/2 S/2 Section 9, T18S-27E, Eddy County, NM (Yeso Pool)

---

<u>Committed Working Interest:</u>	<u>Percent</u>
Riley Permian	50.000000%
Silverback O-1, LLC	24.170000%

<u>Uncommitted Working Interest:</u>	<u>Percent</u>
FDW, Inc.	25.000000%
Todd M. Wilson	0.830000%

Summary of Interested Parties: Exhibit C-4, continued  
Hawk 9 Federal Com 3H, 4H, 5H, 7H, & 8H  
S/2 N/2 & N/2 S/2 Section 9, T18S-27E, Eddy County, NM (Yeso Pool)

---

**Working Interest Owners**

---

Riley Exploration Permian  
FDW, Inc.  
Silverback O-1, LLC  
Todd M. Wilson

**Unleased Mineral Owners**

---

None

**ORRI Owners**

---

Jane Ann Hudson Davis  
Mae Crane  
Joan Ann Hudson Moore  
ZPZ Delaware I, LLC  
Elizabeth L. Cheney, as Trustee of the Elizabeth L. Cheney Irrevocable Trust dated effective December 31, 2020  
Alexander K. Cheney, as Trustee of the Mitchel E. Cheney Irrevocable Trust dated effective July 9, 2021  
Lynn S. Charuk  
Riley Permian  
Pecos Royalty, LLC

**Record Title Owner**

---

ZPZ Delaware I, LLC



October 12, 2023

FDW, Inc.  
P.O. Box 823085  
Dallas, TX 75382

RE: Well Proposal  
N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,

A handwritten signature in black ink that reads "Mark W. Smith".

Mark W. Smith  
Sr. Landman



October 12, 2023

FDW, Inc.  
P.O. Box 823085  
Dallas, TX 75382

RE: Well Proposal  
Hawk 9 Federal Com 3H & 4H  
N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

**Hawk 9 Federal Com 3H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,008'

**Hawk 9 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

**Option 1:** Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

**Option 2:** Not participate in the proposed wells (an election of "Non-Consent")

**Option 3: Term Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

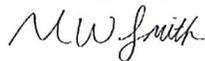
**Option 4: Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,



Mark W. Smith  
Sr. Landman

**Hawk 9 Federal Com 3H**

WI Owner: FDW, Inc.

WI Percent: 50.000000%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 4H**

WI Owner: FDW, Inc.

WI Percent: 50.000000%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Term Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation)

**Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



October 12, 2023

Silverback O-1, LLC  
Attn: Austin Frye  
19707 West 1H 10, Suite 201  
San Antonio, TX 78257

RE: Well Proposal  
N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,

A handwritten signature in black ink that reads "Mark W. Smith". The signature is written in a cursive, flowing style.

Mark W. Smith  
Sr. Landman



October 12, 2023

Silverback O-1, LLC  
Attn: Austin Frye  
19707 West 1H 10, Suite 201  
San Antonio, TX 78257

RE: Well Proposal  
Hawk 9 Federal Com 3H & 4H  
N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

**Hawk 9 Federal Com 3H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,008'

**Hawk 9 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

**Option 1:** Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

**Option 2:** Not participate in the proposed wells (an election of "Non-Consent")

**Option 3: Term Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

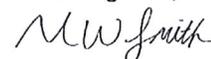
**Option 4: Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,



Mark W. Smith  
Sr. Landman

**Hawk 9 Federal Com 3H**

WI Owner: Silverback O-1, LLC

WI Percent: 23.3333335%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 4H**

WI Owner: Silverback O-1, LLC

WI Percent: 23.3333335%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Term Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation)

**Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



October 12, 2023

Todd M. Wilson  
3608 SCR 1184  
Midland, TX 79701

RE: Well Proposal  
N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 3H, 4H, 5H and 6H wells in the N/2 S/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,

A handwritten signature in black ink that reads "Mark W. Smith". The signature is written in a cursive, flowing style.

Mark W. Smith  
Sr. Landman



October 12, 2023

Todd M. Wilson  
3608 SCR 1184  
Midland, TX 79701

RE: Well Proposal  
Hawk 9 Federal Com 3H & 4H  
N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

**Hawk 9 Federal Com 3H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,008'

**Hawk 9 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,817'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

**Option 1:** Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

**Option 2:** Not participate in the proposed wells (an election of "Non-Consent")

**Option 3: Term Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

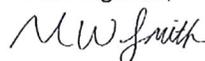
**Option 4: Assignment Option** – Assign your working interest in the N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,



Mark W. Smith  
Sr. Landman

**Hawk 9 Federal Com 3H**

WI Owner: Todd M. Wilson

WI Percent: 1.6666665%

\_\_\_\_\_ **Option 1)** The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.

\_\_\_\_\_ **Option 2)** The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H well.

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ The undersigned requests Well Insurance coverage provided by Riley

\_\_\_\_\_ The undersigned elects to obtain individual Well Insurance coverage.

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 4H**

WI Owner: Todd M. Wilson

WI Percent: 1.6666665%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Term Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation)

**Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



October 12, 2023

Silverback O-1, LLC  
Attn: Austin Frye  
19707 West 1H 10, Suite 201  
San Antonio, TX 78257

RE: Well Proposal  
S/2 N/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), recently proposed the Hawk 9 Federal Com 7H, 8H, 9H and 10H wells in the S/2 N/2 of Section 9, T18S-R27E. The enclosed proposal is intended to replace the previous proposal dated October 5, 2023.

Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,

A handwritten signature in cursive script that reads "Mark W. Smith".

Mark W. Smith  
Sr. Landman



October 12, 2023

Silverback O-1, LLC  
Attn: Austin Frye  
19707 West 1H 10, Suite 201  
San Antonio, TX 78257

RE: Well Proposal  
Hawk 9 Federal Com 5H, 7H, 8H  
S/2 N/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

**Hawk 9 Federal Com 5H – Horizontal Yeso Well, Eddy County, NM**  
Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2160' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,105'

**Hawk 9 Federal Com 7H – Horizontal Yeso Well, Eddy County, NM**  
Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,992'

**Hawk 9 Federal Com 8H – Horizontal Yeso Well, Eddy County, NM**  
Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated November 1, 2023, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of November 1, 2023
- Contract Area consisting of S/2 N/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

**Option 1:** Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

**Option 2:** Not participate in the proposed wells (an election of "Non-Consent")

**Option 3: Term Assignment Option** – Assign your working interest in the S/2 N/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

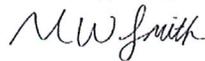
**Option 4: Assignment Option** – Assign your working interest in the S/2 N/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,



Mark W. Smith  
Sr. Landman

**Hawk 9 Federal Com 5H**

WI Owner: Silverback O-1, LLC

WI Percent: 25.000000%

\_\_\_\_\_ **Option 1)** The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.

\_\_\_\_\_ **Option 2)** The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 5H well.

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ The undersigned requests Well Insurance coverage provided by Riley

\_\_\_\_\_ The undersigned elects to obtain individual Well Insurance coverage.

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 7H**

WI Owner: Silverback O-1, LLC

WI Percent: 25.000000%

\_\_\_\_\_ **Option 1)** The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.

\_\_\_\_\_ **Option 2)** The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 7H well.

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ The undersigned requests Well Insurance coverage provided by Riley

\_\_\_\_\_ The undersigned elects to obtain individual Well Insurance coverage.

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 8H**

WI Owner: Silverback O-1, LLC

WI Percent: 25.000000%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 8H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Term Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the S/2 N/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation)

**Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the S/2 N/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



December 4, 2023

FDW, Inc.  
P.O. Box 823085  
Dallas, TX 75382

RE: Well Proposal  
Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H  
S/2 N/2 & N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

**Hawk 9 Federal Com 3H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,008'

**Hawk 9 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,817'

**Hawk 9 Federal Com 5H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2640' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,105'

**Hawk 9 Federal Com 7H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,992'

**Hawk 9 Federal Com 8H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 and N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e.

29 E. Reno Ave. Suite 500 \* Oklahoma City, Oklahoma 73104 \* Phone (405) 415-8699

Case No. 24077

micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated January 1, 2024, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2024
- Contract Area consisting of S/2 N/2 & N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

**Option 1:** Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

**Option 2:** Not participate in the proposed wells (an election of "Non-Consent")

**Option 3: Term Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

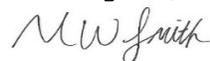
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Best Regards,



Mark W. Smith  
Sr. Landman

**Hawk 9 Federal Com 3H**

WI Owner: FDW, Inc.

WI Percent: 25.00%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal Com 3H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 4H**

WI Owner: FDW, Inc.

WI Percent: 25.00%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 4H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 5H**

WI Owner: FDW, Inc.

WI Percent: 25.00%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 5H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

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Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 7H**

WI Owner: FDW, Inc.

WI Percent: 25.00%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

\_\_\_\_\_ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Hawk 9 Federal 7H well.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 8H**

WI Owner: FDW, Inc.

WI Percent: 25.00%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

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**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Term Assignment Option**

\_\_\_\_\_ The undersigned hereby elects to assign their working interest in the S/2 N/2 & N/2 S/2 of Section 9, T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation)

**Assignment Option**

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Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



December 4, 2023

Silverback O-1, LLC  
Attn: Austin Frye  
19707 IH 10 West, Suite 201  
San Antonio, TX 78257

RE: Well Proposal  
Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H  
S/2 N/2 & N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Hawk 9 Federal Com wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

**Hawk 9 Federal Com 3H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2385' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,008'

**Hawk 9 Federal Com 4H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2405' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2280' FSL & 1' FWL, Section 9, T18S-R27E  
TVD:3,817'

**Hawk 9 Federal Com 5H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 2365' FNL & 889' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 2640' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,105'

**Hawk 9 Federal Com 7H – Horizontal Yeso Well, Eddy County, NM**

Proposed Surface Hole Location – 1340' FNL & 750' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,992'

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Proposed Surface Hole Location – 1320' FNL & 750' FWL, Section 10, T18S-R27E  
Proposed Bottom Hole Location – 1650' FNL & 1' FWL, Section 9, T18S-R27E  
TVD: 3,314'

Riley proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 and N/2 S/2 of Section 9, T18S-R27E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations

29 E. Reno Ave. Suite 500 \* Oklahoma City, Oklahoma 73104 \* Phone (405) 415-8699

for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Riley proposes creating a new joint operating agreement dated January 1, 2024, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2024
- Contract Area consisting of S/2 N/2 & N/2 S/2 Section 9-T18S-R27E
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100% / 300% / 100% non-consenting penalty
- \$8,000 / \$800 drilling and producing monthly overhead rate
- Riley Permian Operating Company, LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

Riley respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

**Option 1:** Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

**Option 2:** Not participate in the proposed wells (an election of "Non-Consent")

**Option 3: Term Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

**Option 4: Assignment Option** – Assign your working interest in the S/2 N/2 & N/2 S/2 of Section 9-T18S-R27E, exclusive of existing wellbores, to Riley for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4 – Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Riley will submit an Assignment to you for your review and execution.

Riley looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Riley may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Mark Smith at 405-415-8925 or [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Best Regards,



Mark W. Smith  
Sr. Landman

**Hawk 9 Federal Com 3H**

WI Owner: Silverback O-1, LLC

WI Percent: 24.17%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

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Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide Riley with a copy of your Certificate of Insurance.

**Well Insurance:**

\_\_\_\_\_ *The undersigned requests Well Insurance coverage provided by Riley*

\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 4H**

WI Owner: Silverback O-1, LLC

WI Percent: 24.17%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 4H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

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By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 5H**

WI Owner: Silverback O-1, LLC

WI Percent: 24.17%

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**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 7H**

WI Owner: Silverback O-1, LLC

WI Percent: 24.17%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 7H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

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**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 8H**

WI Owner: Silverback O-1, LLC

WI Percent: 24.17%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 8H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

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By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



December 4, 2023

Todd M. Wilson  
3608 SCR 1184  
Midland, TX 79701

RE: Well Proposal  
Hawk 9 Federal Com 3H, 4H, 5H, 7H, 8H  
S/2 N/2 & N/2 S/2 Section 9, T18S-R27E  
Eddy County, New Mexico

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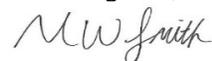
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Best Regards,



Mark W. Smith  
Sr. Landman

**Hawk 9 Federal Com 3H**

WI Owner: Todd M. Wilson

WI Percent: 0.83%

\_\_\_\_\_ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Hawk 9 Federal Com 3H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

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**Well Insurance:**

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\_\_\_\_\_ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 4H**

WI Owner: Todd M. Wilson

WI Percent: 0.83%

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**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 5H**

WI Owner: Todd M. Wilson

WI Percent: 0.83%

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By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 7H**

WI Owner: Todd M. Wilson

WI Percent: 0.83%

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**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Hawk 9 Federal Com 8H**

WI Owner: Todd M. Wilson

WI Percent: 0.83%

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**Company / Individual:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.	DATE Oct 12, 2023
WELL NAME & NUMBER Hawk 9 Federal Com 3H		PROPOSED TVD 3,008	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake	
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,200		PROPOSED FORMATION Yeso	
LOCATION SHL: 2385 FNL & 889 FWL; BHL: 2280 FSL & 1 FWL			CLASSIFICATION Development	Surface LAT: 32.7649500	Surface LONG: -104.323224

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>						<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>		<b>\$ 1,329,500</b>

prepared by: <i>Monnie DeHart</i>	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.		DATE Oct 12 2023	
WELL NAME & NUMBER Hawk 9 Federal Com 4H			PROPOSED TVD 3,817	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake		
COUNTY Eddy	STATE NM			COMPLETED LATERAL 5,200	PROPOSED FORMATION Yeso		
LOCATION SHL: 2405 FNL & 889 FWL; BHL: 2280 FSL & 1 FWL				CLASSIFICATION Development	Surface LAT: 32.7649500 Surface LONG: -104.323224		

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>			<b>\$ 1,281,600</b>	<b>\$ 3,064,400</b>	<b>\$ 125,300</b>		<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>							<b>\$ 444,000</b>	<b>\$ 249,000</b>		<b>\$ 636,500</b>		<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.		DATE Oct 12 2023	
WELL NAME & NUMBER Hawk 9 Federal Com 5H			PROPOSED TVD 3,105	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake		
COUNTY Eddy	STATE NM			COMPLETED LATERAL 5,200	PROPOSED FORMATION Yeso		
LOCATION SHL 2365 FNL & 889 FWL, BHL: 2160 FNL & 1 FWL				CLASSIFICATION Development	Surface LAT: 32.7649500 Surface LONG: -104.323224		

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
<b>INTANGIBLES</b>							
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>							<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>	<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.	DATE Oct 12 2023
WELL NAME & NUMBER Hawk 9 Federal Com 7H		PROPOSED TVD 3,992	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake	
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,200		PROPOSED FORMATION Yeso	
LOCATION SHL: 1340 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL			CLASSIFICATION Development	Surface LAT: 32.7649500 Surface LONG: -104.323224	

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>							<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>	<b>\$ 1,329,500</b>

prepared by: <i>Monnie DeHart</i>	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>		<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY		



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.	DATE Oct 12 2023
WELL NAME & NUMBER Hawk 9 Federal Com 8H		PROPOSED TVD 3,314	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake	
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,200		PROPOSED FORMATION Yeso	
LOCATION SHL: 1320 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL			CLASSIFICATION Development	Surface LAT: 32.7649500 Surface LONG: -104.323224	

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>						<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>		<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.		DATE Dec 4, 2023	
WELL NAME & NUMBER Hawk 9 Federal Com 3H			PROPOSED TVD 3,008	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake		
COUNTY Eddy	STATE NM			COMPLETED LATERAL 5,200	PROPOSED FORMATION Yeso		
LOCATION SHL: 2385 FNL & 889 FWL; BHL: 2280 FSL & 1 FWL				CLASSIFICATION Development	Surface LAT: 32.7649500 Surface LONG: -104.323224		

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
<b>INTANGIBLES</b>							
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>							<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>	<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.		DATE Dec 4, 2023	
WELL NAME & NUMBER Hawk 9 Federal Com 4H			PROPOSED TVD 3,817	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake		
COUNTY Eddy	STATE NM			COMPLETED LATERAL 5,200	PROPOSED FORMATION Yeso		
LOCATION SHL: 2405 FNL & 889 FWL; BHL: 2280 FSL & 1 FWL				CLASSIFICATION Development	Surface LAT: 32.7649500 Surface LONG: -104.323224		

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>			<b>\$ 1,281,600</b>	<b>\$ 3,064,400</b>	<b>\$ 125,300</b>		<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
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Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>							<b>\$ 444,000</b>	<b>\$ 249,000</b>		<b>\$ 636,500</b>		<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.	DATE Dec 4, 2023
WELL NAME & NUMBER Hawk 9 Federal Com 5H		PROPOSED TVD 3,105	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake	
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,200		PROPOSED FORMATION Yeso	
LOCATION SHL: 2365 FNL & 889 FWL; BHL: 2640 FNL & 1 FWL		CLASSIFICATION Development		Surface LAT: 32.7649500 Surface LONG: -104.323224	

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>						<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>		<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>		<b>\$3,313,400</b>		<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY			



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.	DATE Dec 4, 2023
WELL NAME & NUMBER Hawk 9 Federal Com 7H		PROPOSED TVD 3,992	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake	
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,200		PROPOSED FORMATION Yeso	
LOCATION SHL: 1340 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL		CLASSIFICATION Development		Surface LAT: 32.7649500	Surface LONG: -104.323224

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
<b>INTANGIBLES</b>							
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
Completion Fluids			855.140	\$ 280,000			\$ 280,000
Mud Logging	850.150	\$ 22,000					\$ 22,000
Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
Downhole Equip Rentals	850.185	\$ 32,000	855.185	\$ 73,000			\$ 105,000
Transportation	850.190	\$ 7,000	855.190	\$ 9,000	825.190	\$ 30,000	\$ 46,000
Living Quarters	850.200	\$ 17,000	855.200	\$ 8,000			\$ 25,000
Safety	850.205	\$ -					\$ -
Contract Services	850.210	\$ 80,000	855.210	\$ 65,000	825.210	\$ 65,000	\$ 210,000
Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
Consulting Engineer	850.220	\$ 27,800					\$ 27,800
On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
Company Labor	850.245	\$ 5,000	855.245	\$ 8,000	825.245	\$ 1,200	\$ 14,200
Plug & Abandonment	850.270	\$ -					\$ -
Surface Damages	850.280	\$ 38,000	855.280	\$ -	825.280	\$ 5,000	\$ 43,000
Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
Conductor Pipe	16				90	860.010	\$ 19,000					\$ 19,000
Surface Casing	13 3/8	48.0	J-55	78.63	375	860.020	\$ 29,000					\$ 29,000
Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>							<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>	<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	



# AUTHORITY FOR EXPENDITURE

OPERATOR Riley Permian Operating Company				AFE NO.	DATE Dec 4, 2023
WELL NAME & NUMBER Hawk 9 Federal Com 8H		PROPOSED TVD 3,314	PROPOSED MEASURED DEPTH 9,000	FIELD/PROSPECT Red Lake	
COUNTY Eddy	STATE NM	COMPLETED LATERAL 5,200		PROPOSED FORMATION Yeso	
LOCATION SHL: 1320 FNL & 750 FWL; BHL: 1650 FNL & 1 FWL		CLASSIFICATION Development		Surface LAT: 32.7649500 Surface LONG: -104.323224	

DESCRIPTION	DRILLING		COMPLETION		FACILITIES		TOTAL
	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
<b>INTANGIBLES</b>							
Permits & Surveys	850.010	\$ 15,000	855.010	\$ -	825.010	\$ -	\$ 15,000
Drilling Title Opinion	850.020	\$ 50,000					\$ 50,000
Location, Roads, & Pits	850.030	\$ 85,000	855.030	\$ -	825.030	\$ -	\$ 85,000
Insurance & Bonds	850.040	\$ 4,000	855.040	\$ -			\$ 4,000
Rig Mobilization	850.050	\$ 85,000	855.050	\$ -			\$ 85,000
Dayrate Drilling Rig 12 days @ \$ 16,500 /day	850.060	\$ 198,000	855.060	\$ -			\$ 198,000
Footage Drilling 10000 feet @ /ft	850.070	\$ -					\$ -
Turnkey Drilling	850.080	\$ -					\$ -
Bits	850.090	\$ 55,000					\$ 55,000
Directional Services	850.095	\$ 87,000					\$ 87,000
Mud & Chemicals	850.100	\$ 44,000					\$ 44,000
Solids Control Services	850.105	\$ 48,000					\$ 48,000
Coil Tbg/Snubbing			855.110	\$ -			\$ -
Fuel 1250 gal/day @ \$ 4.00 /day	850.111	\$ 60,000	855.111	\$ 170,000			\$ 230,000
Water - Fresh	850.120	\$ 10,000	855.120	\$ 195,000	825.120	\$ -	\$ 205,000
Kill Weight Fluids	850.125	\$ 10,000	855.125	\$ 5,000			\$ 15,000
Cementing Svcs Surf \$ 17,000 Int Prod Csg \$ 78,000	850.130	\$ 95,000					\$ 95,000
Casing Hardware Surf \$ 5,000 Int Prod \$ 40,000	850.135	\$ 45,000					\$ 45,000
Open Hole Logs	850.140	\$ -					\$ -
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Coring	850.160	\$ -					\$ -
Surface Equip Rentals	850.180	\$ 107,000	855.180	\$ 145,000	825.180	\$ 10,000	\$ 262,000
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Tubular Inspections	850.215	\$ 14,000	855.215	\$ 10,000			\$ 24,000
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On-Site Supervision	850.225	\$ 22,800	855.225	\$ 42,000	825.225	\$ -	\$ 64,800
Consulting Geologist	850.230	\$ -					\$ -
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Fluid Haul & Disposal	850.290	\$ 16,000	855.290	\$ 45,000	825.290	\$ 6,000	\$ 67,000
Water Transfer Services	850.291	\$ -	855.291	\$ 75,000			\$ 75,000
Overhead	850.300	\$ 2,000	855.300	\$ 5,400	825.300	\$ 8,100	\$ 15,500
Completion Unit			855.310	\$ 74,000			\$ 74,000
Plugs, Perfs & Cased Hole Wireline			855.325	\$ 145,000			\$ 145,000
Acidizing			855.340	\$ 10,000			\$ 10,000
Fracturing 200 Stage Spacing 25 Stages			855.350	\$ 1,700,000			\$ 1,700,000
EHS & Regulatory	850.700	\$ -	855.700	\$ -			\$ -
Spills & Environmental Response	850.701	\$ -	855.701	\$ -			\$ -
Safety	850.702	\$ -	855.702	\$ -			\$ -
Regulatory	850.703	\$ -	855.703	\$ -			\$ -
Environmental Compliance	850.704	\$ -	855.704	\$ -			\$ -
<b>TOTAL INTANGIBLES</b>		<b>\$ 1,281,600</b>		<b>\$ 3,064,400</b>		<b>\$ 125,300</b>	<b>\$ 4,471,300</b>

DESCRIPTION	SIZE	WEIGHT	GRADE	Cost/Ft.	LENGTH	DRILLING		COMPLETION		FACILITIES		TOTAL
						ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	ACCOUNT	AMOUNT	
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Intermediate Casing	9 5/8	36.0	J-55	60.34	0	860.030	\$ -					\$ -
Production Casing -top string	7	26.0	L-80	48.91	3,250	860.040	\$ 159,000					\$ 159,000
Production Casing -bottom string	5 1/2	17.0	L-80	35.34	5,200	860.041	\$ 184,000					\$ 184,000
Casing Head Spools						860.050	\$ 24,000					\$ 24,000
Liners & Hangers						860.060	\$ -					\$ -
Production Tubing	2 7/8	6.5	J-55	15.62	3,000			865.120	\$ 47,000			\$ 47,000
Other Wellhead Equipment						860.070	\$ -	865.070	\$ -			\$ -
Flowline & Connectors								865.250	\$ 40,000			\$ 40,000
Production Wellhead								865.100	\$ 24,000			\$ 24,000
Tubing Head						860.130	\$ 29,000					\$ 29,000
Artificial Lift -Surface & Downhole Equipment								865.155	\$ 138,000			\$ 138,000
Non-controllable (Well)						860.080	\$ -					\$ -
Miscellaneous Equipment						860.090	\$ -	865.090	\$ -	826.090	\$ -	\$ -
Tanks, Stairs, & Walkways										826.150	\$ 99,500	\$ 99,500
Production Facility (pipes, valves, other misc. equipt)										826.200	\$ 300,000	\$ 300,000
Separators, Heater Treaters, FWKO, Flare, & Combustor										826.210	\$ 107,000	\$ 107,000
Meters & Meter Runs										826.240	\$ 10,000	\$ 10,000
Electrical & SCADA Automation								865.270	\$ -	826.270	\$ 120,000	\$ 120,000
<b>TOTAL TANGIBLES</b>							<b>\$ 444,000</b>		<b>\$ 249,000</b>		<b>\$ 636,500</b>	<b>\$ 1,329,500</b>

prepared by: Monnie DeHart	<b>TOTAL WELL COST</b>	<b>\$ 1,725,600</b>	<b>\$3,313,400</b>	<b>\$ 761,800</b>	<b>\$ 5,800,800</b>
PARTNER COMPANY:	NAME / TITLE	DATE	APPROVED BY	APPROVED BY	

# Chronology of Contact, Exhibit C-7

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- Summary of Contacts

- Riley retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Riley searched public records, phone directory, and various different types of internet searches.
- Riley sent well proposal letters to the working interest owners on or around October 5, 2023 and revised well proposal letters on or around December 4, 2023.
- Riley proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Riley sent the working interest owners JOAs.
- Riley had multiple communications with the uncommitted working interest owners, which are outlined in the chart below.
- Riley filed the application to force pool working interest owners who had not entered into an agreement.
- Riley's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners.
- Riley also published notice in a newspaper of general circulation in the county where the wells will be located.

# Chronology of Contact, Exhibit C-7 continued

Date	Recipient	Description
10/5/2023	Silverback O-1, LLC Attn: Austin Frye	Proposals_Hawk 9 Fed Com 7H-10H (S/2 N/2) and JOA
10/5/2023	FDW, Inc.	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/5/2023	Silverback O-1, LLC Attn: Austin Frye	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/5/2023	Todd M. Wilson	Proposals_Hawk 9 Fed Com 3H-6H (N/2 S/2) and JOA
10/12/2023	Silverback O-1, LLC Attn: Austin Frye	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	FDW, Inc.	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	Todd M. Wilson	Revised Proposal_Hawk 9 Fed Com 3H & 4H & JOA N2 S2
10/12/2023	Silverback O-1, LLC Attn: Austin Frye	Revised Proposal_Hawk 9 Fed Com 5H 7H 8H & JOA S2 N2
10/12/2023	Silverback O-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/13/2023	Silverback O-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/14/2023	Silverback O-1, LLC, Austin Frye	Email correspondence with Austin regarding proposals
10/26/2023	Silverback O-1, LLC, Austin Frye and Chris Yonker	Email correspondence with Austin regarding proposals and form JOA
11/15/2023	Silverback O-1, LLC, Austin Frye and Chris Yonker	Email correspondence with Austin regarding proposals and form JOA
11/28/2023	Silverback O-1, LLC, Chris Yonker	Phone call with Chris Yonker concerning JOA and unrelated matters
12/4/2023	Todd M. Wilson	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/4/2023	FDW, Inc.	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/4/2023	Silverback O-1, LLC Attn: Austin Frye	Hawk Proposals for 320 DSU 3H, 4H, 5H, 7H, 8H
12/14/2023	Silverback O-1, LLC, Chris Yonker	Email correspondence regarding JOA changes
12/19/2023	Silverback O-1, LLC, Chris Yonker	Email correspondence regarding JOA changes (accepting changes)

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

APPLICATIONS OF RILEY PERMIAN OPERATING  
COMPANY LLC FOR A HORIZONTAL SPACING  
UNIT AND COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO

Case No. 24077

AFFIDAVIT OF JOE STONE

Joe Stone, being first duly sworn upon oath, deposes and states as follows:

1. My name is Joe Stone, and I am employed by Riley Permian Operating Company, LLC (“Riley”) as an Operations Geologist.

2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). I have several years of experience in petroleum geological matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters. I ask that the Division accept my credentials as those of an expert witness in petroleum geology and made a matter of record.

3. I am submitting this affidavit in support of Riley’s applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.

4. I am familiar with the application filed by Riley in this case and the geology involved.

5. **Riley Exhibit D-1** is a base map of the lands showing the proposed Yeso formation spacing unit and wells.

6. **Riley Exhibit D-2** is a structure map showing the depth (subsea) to the top of the Yeso formation, a marker that defines the top of the target interval for the proposed wells. Contour

interval of 100'. The unit being pooled is outlined in bold, and the proposed wells are identified. The structure map shows regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this target interval.

7. **Riley Exhibit D-3** is a stratigraphic cross-section flattened on the top of the Yeso formation. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and consistent thickness across the target zone, and the well logs on the cross-section give a representative sample of the targeted interval. The landing zone is highlighted on the exhibit.

8. Based on the attached exhibits, I hereby conclude as follows:

a. The target formation is present and continuous throughout the lands subject to the applications.

b. The horizontal spacing and proration unit is justified from a geologic standpoint.

c. There are no structural impediments or faulting that will interfere with horizontal development.

d. Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production.

e. The preferred well orientation in this area is East-West so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

9. **Exhibit D-1** through **Exhibit D-3** were prepared by me or compiled from Riley's company business records under my direct supervision.

10. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

11. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

*[Remainder of page left intentionally blank]*

FURTHER AFFIANT SAYETH NOT.

Dated this 2nd day of January, 2024.

\_\_\_\_\_  
Joe Stone  
Riley Permian Operating Company, LLC

STATE OF OKLAHOMA )  
 ) ss.  
CITY OF OKLAHOMA CITY AND COUNTY OF OKLAHOMA )

The foregoing instrument was subscribed and sworn to before me this 2nd day of January, 2024, by Joe Stone, Operations Geologist for Riley Permian Operating Company, LLC.

Witness my hand and official seal.

My commission expires: 3-15-2026



Joseph D. Stone IV  
 864-351-9397, joestone@rileypermian.com  
 9017 N University Avenue, Oklahoma City, OK 73114

**Summary:** Geologist with 7+ years of experience in business development, operations, management, and data analytics.

### Work History

#### Riley Exploration Permian

*Operations Geologist - Oklahoma City, OK*

Sept 2022 – Present

#### Keyrock Energy

*Operations Manager - Johnson City, TN*

Nov 2020 – Sept 2022

#### Marathon Oil Corporation

*Geologist - Houston, TX*

May 2019 – May 2020

*Geoscience Technician - Oklahoma City, OK*

June 2018 – May 2019

#### Excellence Logging

*Regional Field Manager - Oklahoma City, OK*

March 2017 – May 2018

*Logging Geologist II – Anadarko, Permian, Appalachian Basins*

Oct 2016 – March 2017

#### Cline Group

*Keyrock Energy – Intern - Kingsport, TN*

Feb 2015 – July 2015

*Cutlass Collieries – Intern - Sydney, Nova Scotia*

Jan 2015 – Feb 2015

### Academic Achievements

University of Houston, MS Geology, Emphasis in Petroleum Geology

December 2021

University of South Carolina, BS Geological Science, Geophysics Minor

May 2016

USC Geosciences Field School

Summer 2014

### Short Courses

Schlumberger, NExT Oil & Gas Training and Competency Development

February 2017

Petrel Geophysics: Seismic Visualization and Interpretation

Geological Society of America, Columbia South Carolina

March 2016

Co-Instructor, Seismic reflection processing short course

### Leadership - Affiliations

- Board Member & Treasurer, Oklahoma City Geological Society
- Exhibitor and Sponsorship committee member for the AAPG MCS meeting held Oct 2023
- Member, Society of Exploration Geophysicists
- Member, American Association of Petroleum Geologists
- Member, Carolina Finance, and Investment Association (2014)
- Geology Club (2012-2016); President (2014)
- Scuba Club (2013)
- Kappa Sigma Fraternity (2012-2016).

*Before the Oil Conservation Division  
Examiner Hearing  
Case No. 24077*



Hawk 9 Federal Com 3H  
Hawk 9 Federal Com 4H  
Hawk 9 Federal Com 5H  
Hawk 9 Federal Com 7H  
Hawk 9 Federal Com 8H

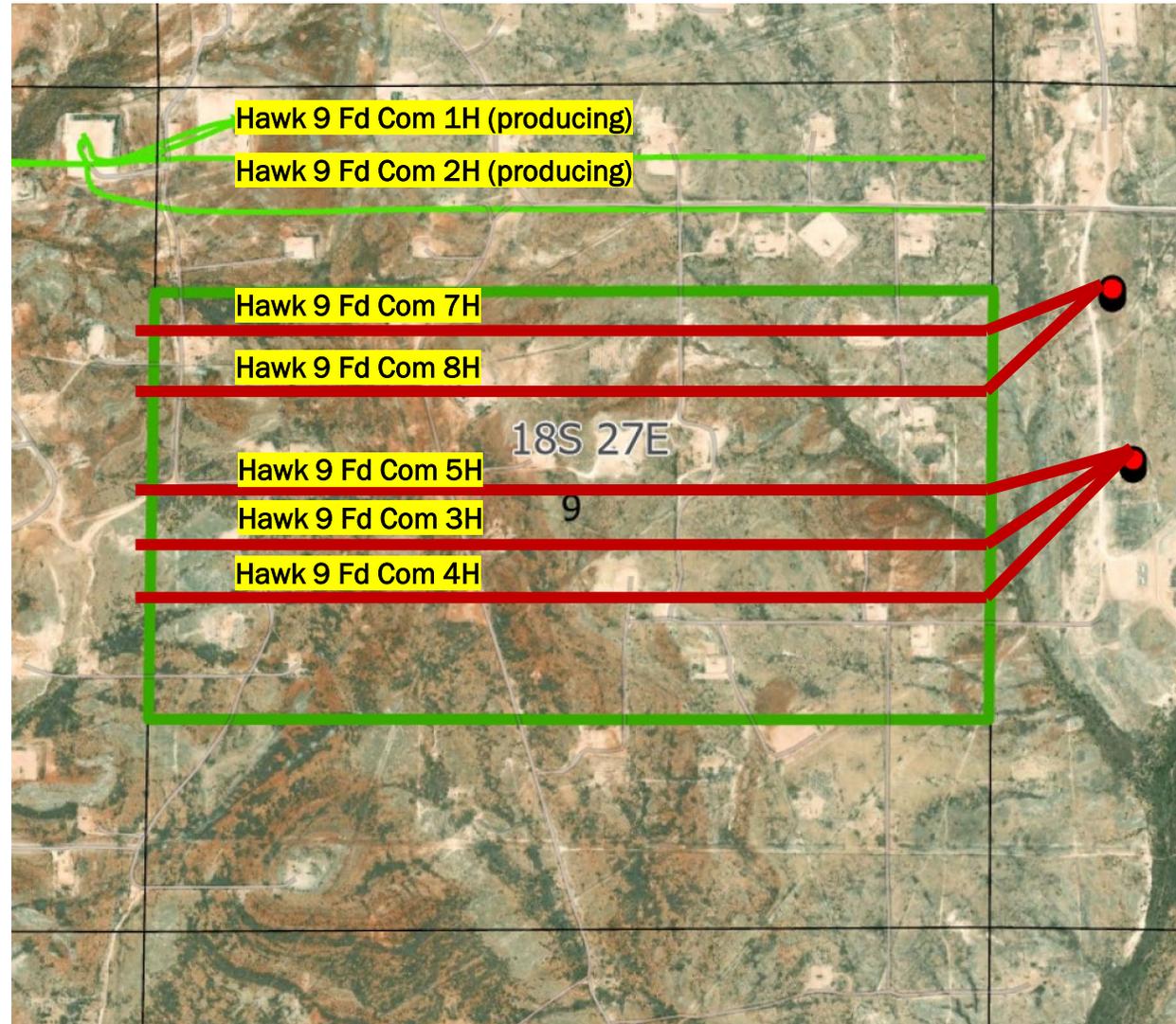
# Exhibit D-1

Proposing a 320 acre HSU in 18S 27E Sec 9, Eddy Co NM

Proposing the drilling and completion of 5 wells in the Yeso interval.

- Hawk 9 Fed Com 7H
- Hawk 9 Fed Com 8H
- Hawk 9 Fed Com 5H
- Hawk 9 Fed Com 3H
- Hawk 9 Fed Com 4H

Proposed Unit outline:



# Geology: Hawk DSU Formation Structure Map

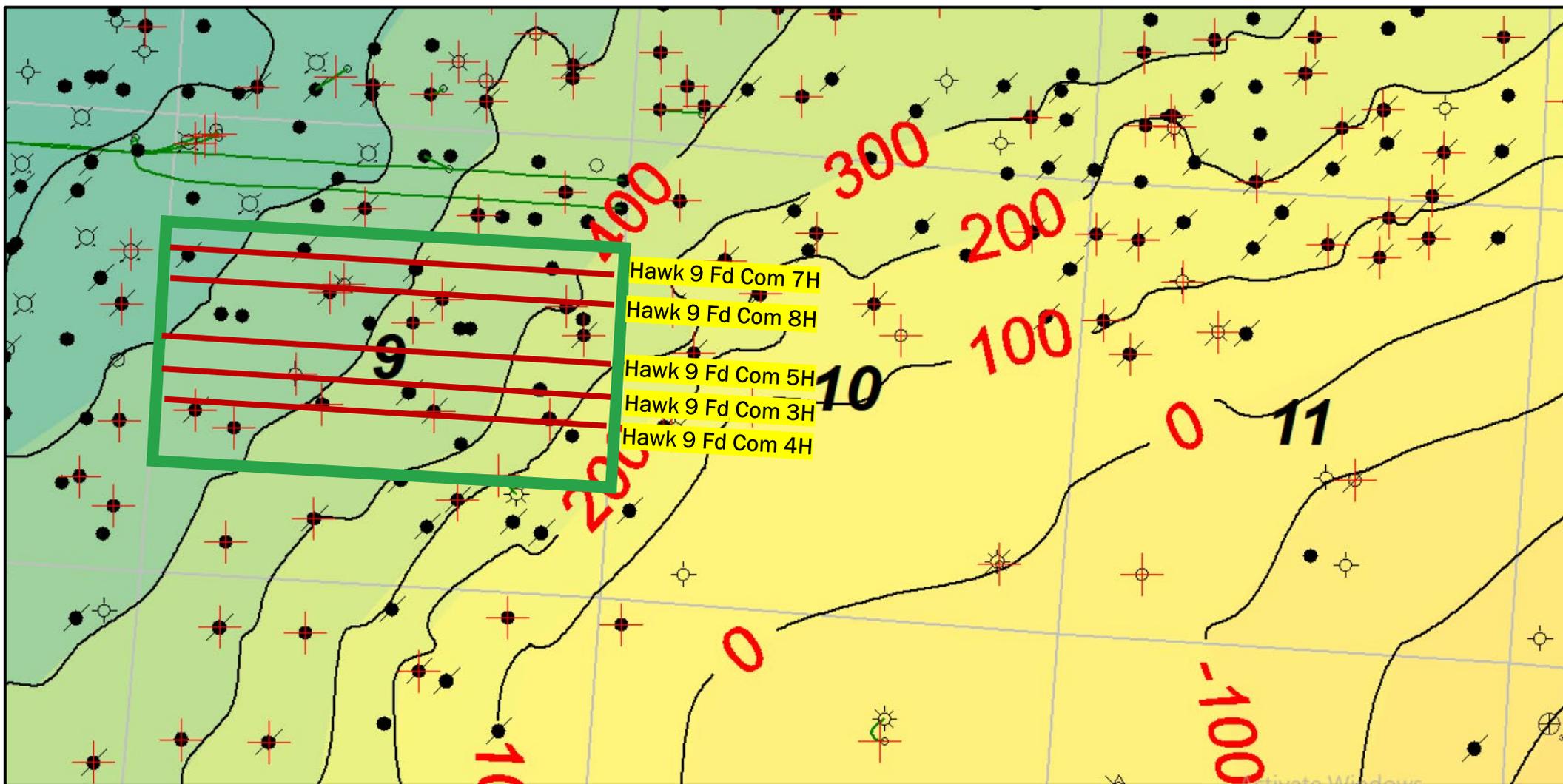
## Exhibit D-2

PDCK TVD SS  
Structure Map

100' Contour  
Intervals.

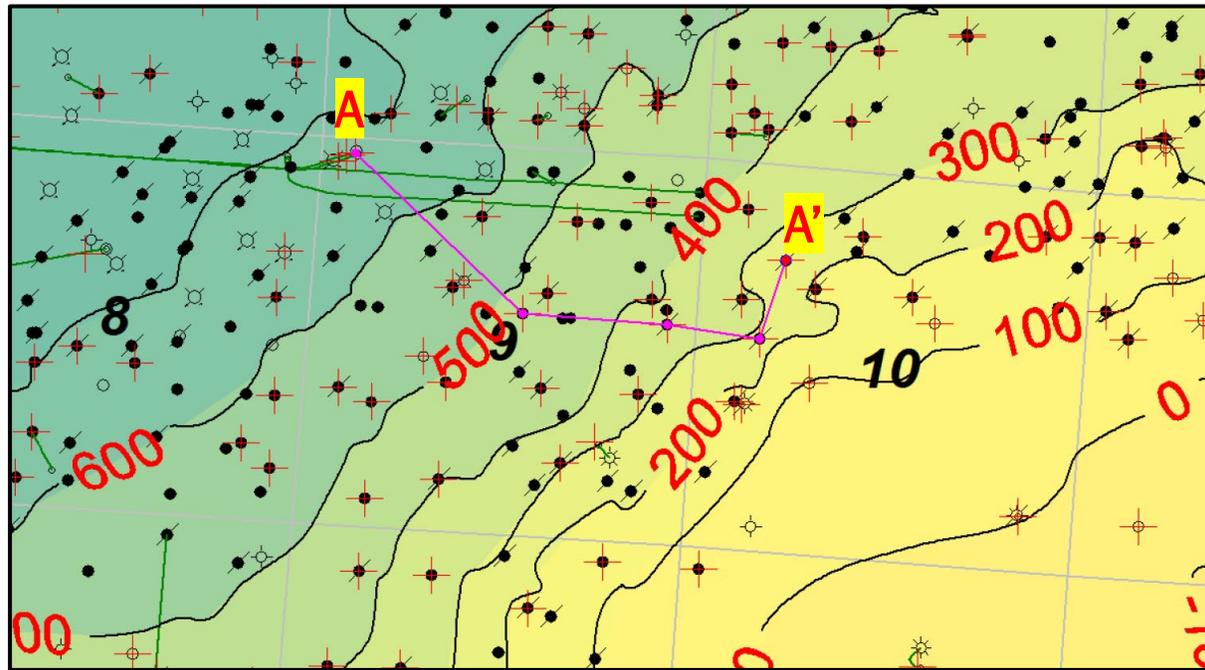
Data Point

Proposed Unit outline:



RILEY PERMIAN

# Exhibit D-3



Yeso Target Interval

**RILEY PERMIAN**

# Geology: Hawk DSU Gunbarrel Schematic

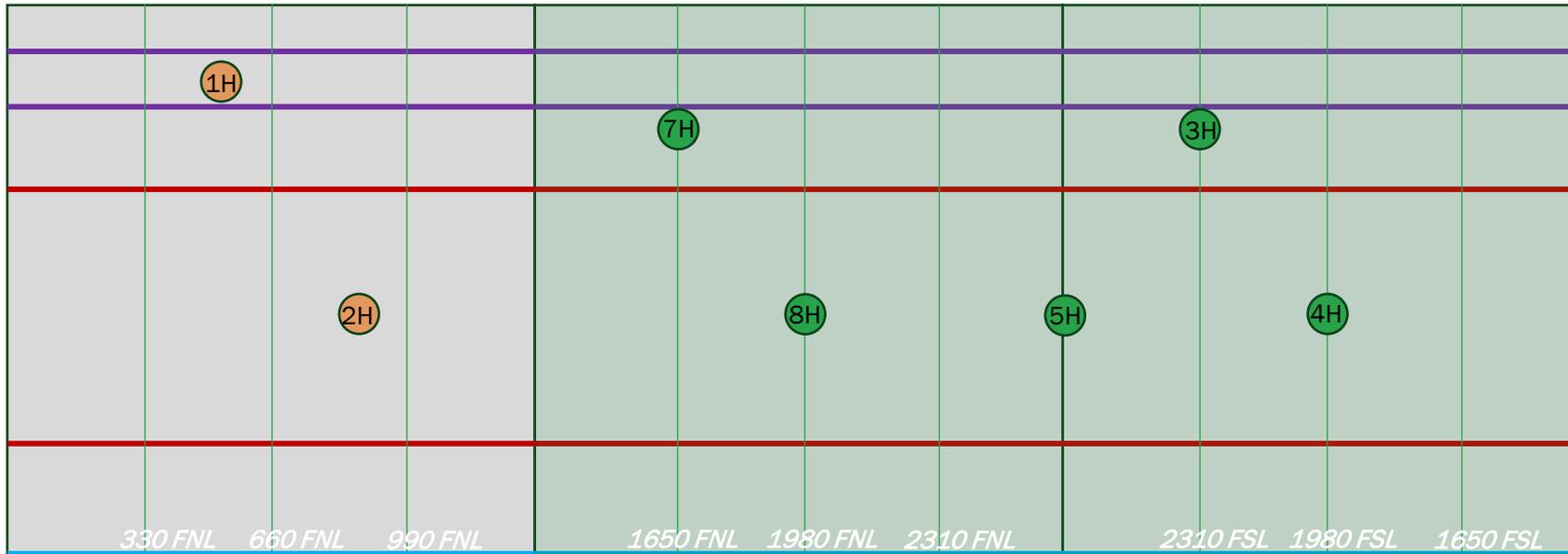
- Proposed
- Producing

18S 27E Sec 9, Eddy Co NM

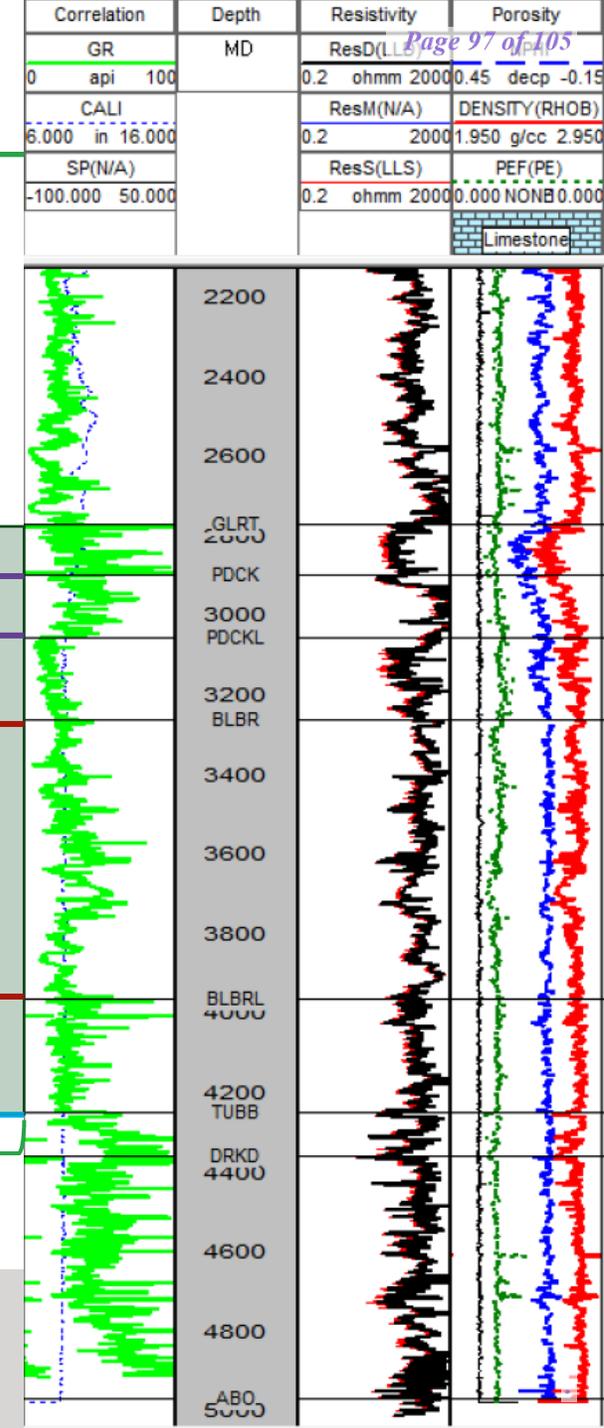
Hawk 9 (N2/N2)

Hawk 9 (N2/S2)

Hawk 9 (S2/N2)



Proposed 320 acre HSU/DSU

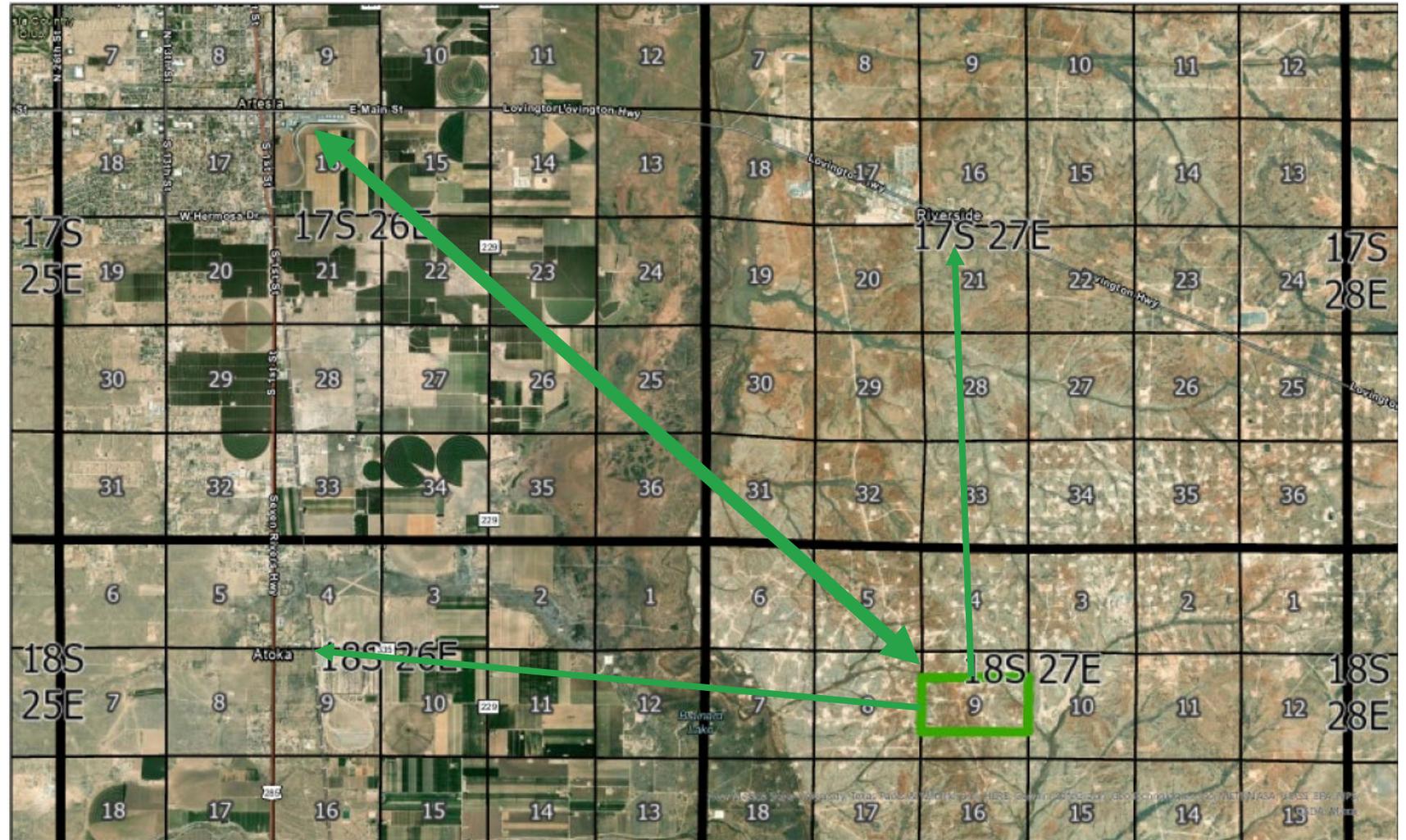


RILEY PERMIAN

Condor 8 Fed Com 4H Pilot →  
30015468160000

# Location Indicator Relative to Nearest Major City/Town

The Hawk proposed DSU is ~9 miles from Artesia, 4.5 miles from Riverside, and 6.5 miles from Atoka, NM.



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

APPLICATION OF RILEY PERMIAN OPERATING  
COMPANY, LLC FOR A HORIZONTAL SPACING  
UNIT AND COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO

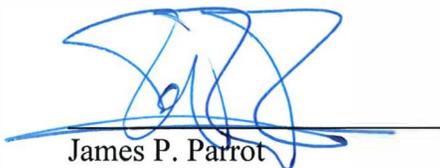
CASE NO. 24077

AFFIDAVIT

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

James P. Parrot, attorney in fact and authorized representative of Riley Permian Operating Company, LLC ("Riley"), the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated December 14, 2023, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was delivered to the interested parties on or about December 19, 2023, as shown on certified mail receipts attached as Exhibit E.

Applicant also published notice of the Application in the Carlsbad Current Argus on December 20, 2023. Proof of receipts is shown on Exhibit F.

  
James P. Parrot

SUBSCRIBED AND SWORN to before me on January 2, 2024 by James P. Parrot.

My commission expires:

TERESA L. PETERSON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 19894002026  
MY COMMISSION EXPIRES OCTOBER 4, 2025

  
NOTARY PUBLIC

**BEATTY & WOZNIAK, P.C.**

ATTORNEYS AT LAW  
500 DON GASPAR AVENUE  
SANTA FE, NEW MEXICO 87505  
TELEPHONE 505-983-8545  
FAX 1-800-886-6566  
www.bwenergylaw.com

OFFICE LOCATIONS  
COLORADO  
NEW MEXICO  
TEXAS  
WYOMING

MIGUEL SUAZO

(505) 946-2090  
MSUAZO@BWENERGYLAW.COM

December 14, 2023

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Application of Riley Permian Operating Company, LLC for horizontal spacing and compulsory pooling, Eddy County, New Mexico  
Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Wells (Case No. 24077)

Dear Interest Owners:

This letter is to advise you that Riley Permian Operating Company, LLC (“Riley”) has filed the enclosed application, Case No. 24077, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Yeso formation involving the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Wells.

In Case No. 24077, Riley plans to space and pool the S/2N/2 and N/2S/2 of Section 9, Township 18 South, Range 27 East, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Hawk 9 Federal Com 3H Well, Hawk 9 Federal Com 4H Well, Hawk 9 Federal Com 5H Well, Hawk 9 Federal Com 7H Well, and Hawk 9 Federal Com 8H Wells.

A hearing has been requested before a Division Examiner on January 4, 2024, and the status of the hearing can be monitored through the Division’s website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division’s Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, the hearing will be conducted remotely. For information about remote access, you can visit the Division’s website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

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

**BEATTY & WOZNIAK, P.C.**

---

December 14, 2023  
Case Nos. 24077  
Page 2

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Mark Smith at (405) 415-8925 or at [marksmith@rileypermian.com](mailto:marksmith@rileypermian.com).

Sincerely,



---

Miguel Suazo

Attorney for Riley Permin Operating Company,  
LLC

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p>	
1. Article Addressed to:	B. Received by (Printed Name)	C. Date of Delivery
9310-04	Josiah	12/19/23
FDW, Inc. P.O. Box 823085 Dallas, TX 75382	D. Is delivery address different from item 1? If YES, enter delivery address below:	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
 9590 9402 8362 3156 4607 29	<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Mail Restricted Delivery	
	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
Article Number (Transfer from service label) 9589 0710 5270 0587 5529 75		
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt

U.S. Postal Service™	
CERTIFIED MAIL® RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
OFFICIAL USE	
Certified Mail Fee	Postmark Here
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage	
\$	
Total Postage	
\$	
Sent To	
Street and Apt.	FDW, Inc.
City, State, ZIP	P.O. Box 823085 Dallas, TX 75382
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p>	
1. Article Addressed to:	B. Received by (Printed Name)	C. Date of Delivery
9310-04	Josiah	12/21/23
Silverback O-1, LLC 19707 IH 10 West Suite 201 San Antonio, TX 78257	D. Is delivery address different from item 1? If YES, enter delivery address below:	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
 9590 9402 8362 3156 4607 36	<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Mail Restricted Delivery	
	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
Article Number (Transfer from service label) 9589 0710 5270 0587 5529 68		
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt

U.S. Postal Service™	
CERTIFIED MAIL® RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
OFFICIAL USE	
Certified Mail Fee	Postmark Here
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage	
\$	
Total Postage	
\$	
Sent To	
Street and Apt.	Silverback O-1, LLC
City, State, ZIP	19707 IH 10 West Suite 201 San Antonio, TX 78257
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p>	
1. Article Addressed to:	B. Received by (Printed Name)	C. Date of Delivery
9310-04	Todd M. Wilson	12-20-23
Todd M. Wilson 3608 SCR 1184 Midland, TX 79701	D. Is delivery address different from item 1? If YES, enter delivery address below:	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
 9590 9402 8362 3156 4607 43	<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Mail Restricted Delivery	
	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
Article Number (Transfer from service label) 9589 0710 5270 0587 5529 51		
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt

U.S. Postal Service™	
CERTIFIED MAIL® RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
OFFICIAL USE	
Certified Mail Fee	Postmark Here
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage	
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Total Postage	
\$	
Sent To	
Street and Apt.	Todd M. Wilson
City, State, ZIP	3608 SCR 1184 Midland, TX 79701
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005867418

This is not an invoice

**BEATTY & WOZNAK, P. C.**  
1675 BROADWAY # 600

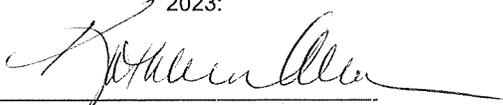
**DENVER, CO 80202-4692**

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

12/20/2023

  
Legal Clerk

Subscribed and sworn before me this December 20, 2023:

  
State of WI, County of Brown  
NOTARY PUBLIC

1-7-25  
My commission expires

**KATHLEEN ALLEN**  
Notary Public  
State of Wisconsin

Ad # 0005867418  
PO #: 24077  
# of Affidavits 1

This is not an invoice

LEGAL NOTICE  
December 20, 2023

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND  
NATURAL RESOURCES DEPART-  
MENT OIL CONSERVATION DIVI-  
SION, SANTE FE, NEW MEXICO

The State of New Mexico, Ener-  
gy Minerals and Natural Resour-  
ces Department, Oil Conserva-  
tion Division ("Division") hereby  
gives notice that the Division  
will hold public hearings before  
a hearing examiner on the fol-  
lowing cases. Hearings will be  
conducted remotely. The hear-  
ing will be conducted on Thurs-  
day, January 4, 2024, beginning  
at 8:15 A.M. To participate in  
the electronic hearing, see the  
instructions posted below. The  
docket may be viewed at [http://  
www.emnrd.nm.gov/OCD/hearin-  
g-info/](http://www.emnrd.nm.gov/OCD/hearing-info/) or obtained from Sheila  
Apodaca at [Sheila.Apodaca@em-  
nrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov). Documents filed in  
the case may be viewed at [https:  
//ocdimage.emnrd.state.nm.us/i-  
maging/CaseFileCriteria.aspx](https://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx). If  
you are an individual with a dis-  
ability who needs a reader, am-  
plifier, qualified sign language  
interpreter, or other form of  
auxiliary aid or service to attend  
or participate in the hearing,  
contact Sheila Apodaca at [Sheila  
.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov), or  
the New Mexico Relay Network  
at 1-800-659-1779, no later than  
December 26, 2023.

STATE OF NEW MEXICO TO:

All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions  
herein refer to the New Mexico  
Principal Meridian whether or  
not so stated.)

TO: All overriding royalty inter-  
est owners and pooled parties,  
including: FDW, Inc., Silverback  
O-1, LLC and Todd M. Wilson.

**CASE NO. 24077: Application of  
Riley Permian Operating Com-  
pany, LLC for a Horizontal Spac-  
ing Unit and Compulsory Pool-  
ing, Eddy County, New Mexico.**  
Applicant in the above-styled  
cause seeks an order from the  
Division: (1) creating a standard  
320-acre, more or less, spacing  
and proration unit comprised of  
the S/2N/2 and N/2S/2 of Section  
9, Township 18 South, Range 27  
East, N.M.P.M, Eddy County,  
New Mexico, and (2) pooling all  
uncommitted mineral interests  
in the Yeso formation, designat-  
ed as an oil pool, underlying  
said unit. The proposed wells to  
be dedicated to the horizontal  
spacing unit are the Hawk 9  
Federal Com 3H Well and Hawk  
9 Federal Com 4H Well, which  
are oil wells that will be hori-  
zontally drilled from a surface  
location in the SW¼NW¼ of Sec-  
tion 10 with a bottom hole loca-  
tion in the Yeso Formation in  
the NW¼SW¼ of Section 9, and  
the Hawk 9 Federal Com 5H  
Well, Hawk 9 Federal Com 7H  
Well, and Hawk 9 Federal Com  
8H Well, which are oil wells that  
will be horizontally drilled from  
a surface location in the  
SW¼NW¼ of Section 10 to a  
bottom hole location in the  
Yeso Formation in the  
SW¼NW¼ of Section 9. The  
wells are orthodox in location  
and the take points and laterals  
comply with Statewide Rules for  
setbacks; also to be considered  
will be the cost of drilling and  
completing the wells and the al-  
location of the costs thereof; ac-  
tual operating costs and charges  
for supervision; the designation  
of the Applicant as Operator of  
the wells and unit; and a 200%  
charge for the risk involved in

drilling and completing the wells. The wells and lands are located approximately 10 miles from Artesia, New Mexico. #5867418, Current Argus, December 20, 2023