

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF CAZA PETROLEUM, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 20282

VERIFIED STATEMENT OF JOHN E. BROWN

John E. Brown, being duly sworn upon his oath, deposes and states:

1. I am a landman for Caza Petroleum, LLC ("Caza"), and have personal knowledge of the matters set forth herein. I have been qualified by the Division as an expert petroleum landman.

2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in the wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have simply failed or refused to voluntarily commit their interests to the wells.

(c) A Form C-102 outlining the unit being pooled is attached hereto as Attachment A. Caza seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 34, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Lennox 34 State Well No. 1H, with a first take point in the SE/4SW/4 and a final take point in the NE/4NW/4 of Section 34.

There are no depth severances in the Bone Spring formation

(d) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth. Caza has searched public records and internet records to determine these addresses. None of the letters sent to the interest owners have been returned as undeliverable.

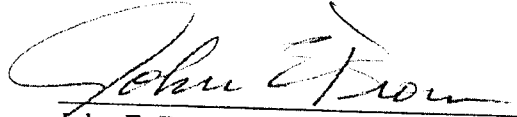
EXHIBIT 1

- (e) Attachment C is a copy of the proposal letter sent to the working interest owners for the well. In addition to this letter, I have had numerous phone calls and e-mails with the interest owners.
- (f) Caza has made a good faith effort to locate all interest owners and to obtain the voluntary joinder of the working interest owners in the proposed wells.
- (g) Caza has the right to pool the overriding royalty owners in the well unit.
- (h) Attachment D contains the Authorization for Expenditure for the well. The estimated cost of the well set forth therein is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Lea County.
- (i) Caza requests overhead and administrative rates of \$7500/month for a drilling well and \$750/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Caza requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (j) Caza requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (k) Caza requests that Caza Operating, LLC be designated operator of the wells.
- (l) The attachments to this affidavit were prepared by me, or compiled from company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

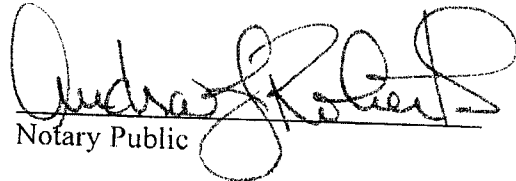
STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

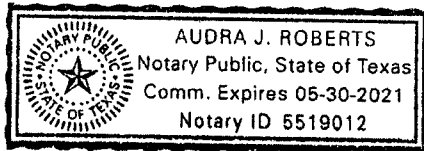
John E. Brown, being duly sworn upon his oath, deposes and states that: He is a landman for Caza Petroleum, LLC; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


John E. Brown

SUBSCRIBED AND SWORN TO before me this 6th day of March, 2019 by John E. Brown.

My Commission Expires: 5-30-21


Notary Public



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 Bronco Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

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

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

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

NOV 02 2018

AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-45323	Pool Code 52766	Pool Name Rock Lake; Bone Spring
Property Code 322763	Property Name LENNOX 34 STATE	Well Number 2H
OGRID No. 249099	Operator Name CAZA OPERATING, LLC	Elevation 3523'

Surface Location

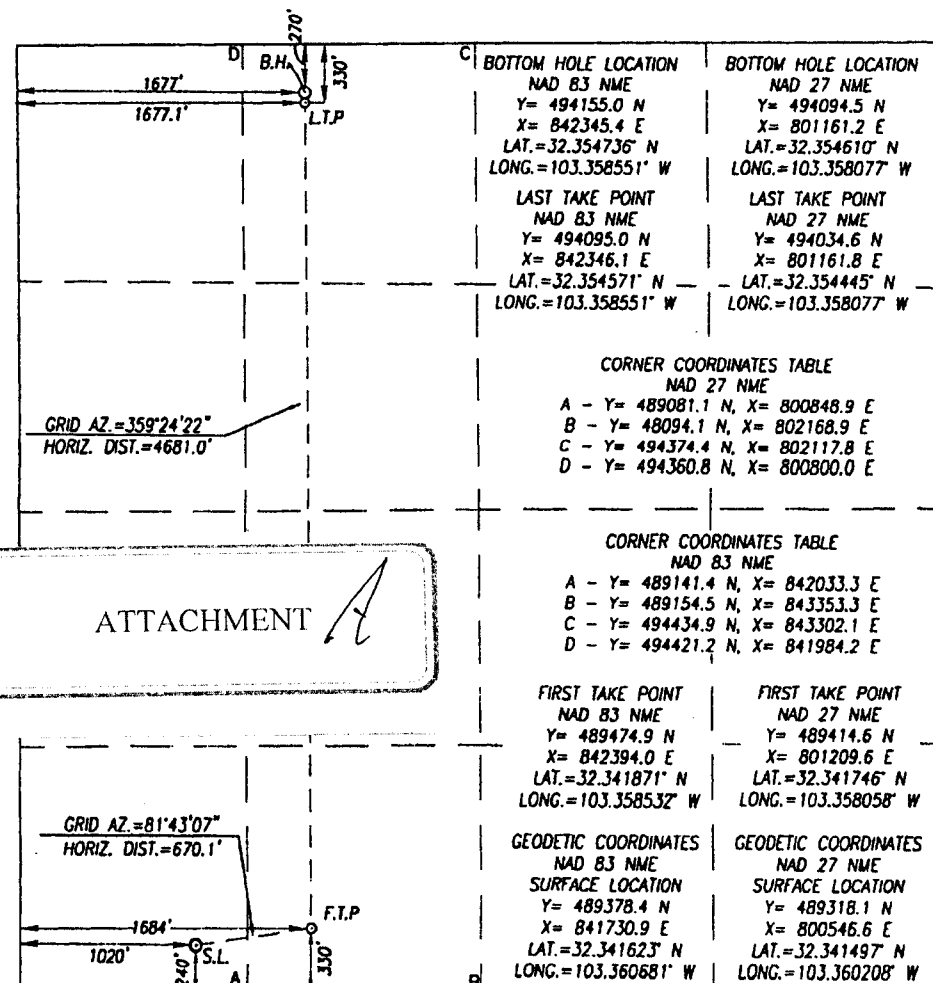
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	22-S	35-E		240	SOUTH	1020	WEST	LEA

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
C	34	22-S	35-E		270	NORTH	1677	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

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

Signature _____ Date **11/02/2018**

Steve Morris
Printed Name

steve.morris@morcoreengineering.com
E-mail Address

SURVEYOR CERTIFICATION

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

SEPTEMBER 26, 2018

Date of Survey
Signature & Seal of Professional Surveyor:

RONALD J. EIDSON
NEW MEXICO
3230
Certifying Number **10/22/2018**
G. G. Eidson 12641
Ronald J. Eidson 3239
LSL JWSC W.O. 18.11.1058

ATTACHMENT

B

Gaedeke Holdings VIII, Ltd
Attn: Mark Reed
3710 Rawlings Street, Suite 1100
Dallas, Texas 75219

The Allar Company
Attn: Jack Graham
735 Elm Street
Graham, Texas 76450

Strategic Energy Income Fund IV, LP
Attn: Greg Brown
2350 North Forest Road
Arlington, Texas 76011

Highlands (Texas) Energy Company
Attn: Truitt Matthews
7557 Rambler Rd., Suite 918
Dallas, Texas 75231

Merchant Livestock Company, Inc.
Attn: Clabe Pearson
P.O. Box 1105
Eunice, New Mexico 88231

John E. Bosserman
711 Beaman Avenue
Oakley, Kansas 67748

Ray Westall
132477 Lovington Highway
Loco Hills, New Mexico 88210

Randall Harris
132477 Lovington Highway
Loco Hills, New Mexico 88210



VIA FED EX

February 4, 2019

To: All Working Interest Owners
(See Attached Address List)

Re: **WELL PROPOSAL**
Lennox 34 State #2H
Section 34, T22S-R35E
Lea County, New Mexico

Gentlemen:

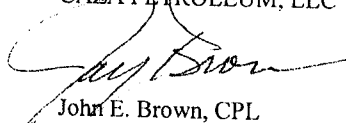
Caza Petroleum, LLC ("Caza") hereby proposes to drill the captioned Lennox 34 State #2H ("The Well") as a 1st Bone Springs development well at a legal location in Section 34, T22S-R35E, NMPM, Lea County, New Mexico. The Well will be drilled to an approximate total vertical depth of 9,590' and an approximate total measured depth of 14,634'. The surface location for The Well is 240' FSL and 1,020' FWL with bottom hole location 270' FNL and 1,677' FWL in Section 34. The producing area for The Well will be the E/2 of the W/2 of Section 34.

Enclosed is Caza's drill and complete AFE dated January 21, 2019, for The Well estimating the dry hole cost at \$4,202,834 and the total well cost at \$9,518,497. The spud date for The Well is estimated to be around May 1, 2019.

Please make your election below and return the executed well proposal within thirty (30) days from receipt hereof, along with the executed AFE and your well data requirements to the attention of Jeannie Roberts at the letterhead address below via email to jroberts@cazapetro.com or via facsimile to (281) 363-4454. If you would like to lease your unleased mineral interest, or in some other way support the drilling of The Well, please contact me email me by email at jbrown@cazapetro.com or by phone at 832-381-3854. Operational questions may be addressed to Tony Sam by email at tsam@cazapetro.com or phone at 832-381-3877

If you have questions or require additional information regarding this proposal, please contact me via email at jbrown@cazapetro.com or telephone at 832-381-3854.

Very truly yours,
CAZA PETROLEUM, LLC



John E. Brown, CPL
Land Manager

[Signature and election page follow]

ATTACHMENT 

February 4, 2019
Lennox 34 State #2H
Section 34, T22S-R35E, Lea Co., NM

I/We hereby elect as follows this _____ day of February, 2019:

_____ Elect to participate in the Lennox 34 State #2H Well, or

_____ Elect NOT to participate in the Lennox 34 State #2H Well

Company/Individual

By: _____

Printed Name: _____

Title: _____

February 4, 2019
Lennox 34 State #2H
Section 34, T22S-R35E, Lea Co., NM

WORKING INTEREST OWNERS:	WORKING INTEREST
Caza Petroleum, LLC Attn: Richard Albro 4 Greenpoint Place, Suite 1430 16945 Northchase Drive Houston, Texas 77060	0.5250000
Gaedeke Holdings VIII, Ltd Attn: Mark Reed 3710 Rawlings Street, Suite 1100 Dallas, Texas 75219	0.07500000
The Allar Company Attn: Jack Graham 735 Elm Street Graham, Texas 76450	0.07500000
Strategic Energy Income Fund IV, LP Attn: Greg Brown 2350 North Forest Road Arlington, Texas 76011	0.07237500
Highlands (Texas) Energy Company Attn: Truitt Matthews 7557 Rambler Rd., Suite 918 Dallas, Texas 75231	0.00262500
Merchant Livestock Company, Inc. Attn: Clabe Pearson P.O. Box 1105 Eunice, New Mexico 88231	0.16907500
John E. Bosserman 711 Beaman Avenue Oakley, Kansas 67748	.040462500
Ray Westall 132477 Lovington Highway Loco Hills, New Mexico 88210	0.02023125
Randall Harris 132477 Lovington Highway Loco Hills, New Mexico 88210	0.02023125
Total	100.00000000



AUTHORITY FOR EXPENDITURE
New Drilling, Recompletion & Re-Entry

AFE Number: 2107
AFE Date: 01/21/19

Well Name:	Lennox 34 State # 2H	County, State:	Lea, New Mexico	New Drill:	<input checked="" type="checkbox"/>	Oil:	<input checked="" type="checkbox"/>
Section:	Sect 34 T22S - R35E	Field:	Rock Lake: Bone Spring	Re-completion:	<input type="checkbox"/>	Gas:	<input type="checkbox"/>
Well:	240'FSL 1,020'FWL Sec 34	Horizon:	1st Bone Spring	Re-Entry:	<input type="checkbox"/>	Injector:	<input type="checkbox"/>
Well:	270'FNL 1,677'FWL Sec 34	Projected Depth:	9,590 TVD - 14,634' MD	Development:	<input checked="" type="checkbox"/>	Exploratory:	<input type="checkbox"/>

Tangible Description	Code	Drilling Tangibles	Code	Completion Tangibles	Total Cost
Production Casing	2-31	\$410,749	4-06		\$410,749
Conductor	2-32	\$8,502			\$8,502
Surface Casing	2-33	\$81,639			\$81,639
Intermediate Casing	2-34	\$231,405			\$231,405
Tubing			4-58	\$120,872	\$120,872
Well Head	2-36	\$33,311	4-63		\$33,311
Other Tangible Equipment	2-37				
Liner	2-40		4-60		
Packers/ Bridge Plugs	2-43		4-66	\$61,071	\$61,071
Whipstock	2-67		4-67		
Couplings and Fittings	2-81		4-69	\$118,969	\$118,969
Turnkey Battery Installation			4-01		
Scab Liner			4-35		
Labor Construction			4-36	\$5,288	\$5,288
Sleeves			4-37		
Meter Station			4-38	\$5,816	\$5,816
Tank Containment			4-39	\$37,013	\$37,013
Gas Production Unit			4-40		
In Line Heater			4-41	\$11,633	\$11,633
Tubing Subs			4-42		
Gas Measurement Equipment			4-43		
Dehydrator			4-45		
SWD System			4-52	\$26,438	\$26,438
Tree, Tubing Wellhead Assembly			4-54	\$7,931	\$7,931
Downhole Equipment			4-59	\$5,816	\$5,816
Rods			4-62		
Pumping Unit			4-61		
Treater			4-60	\$11,685	\$11,685
Flowline and Fittings			4-44	\$10,575	\$10,575
Tankage			4-45	\$174,488	\$174,488
Separator			4-46	\$11,685	\$11,685
Downhole Pump			4-43		
Gas Lift			4-66	\$10,681	\$10,681
Compressors			4-47	\$14,805	\$14,805
Miscellaneous			4-48	\$10,575	\$10,575
Fencing			4-71	\$5,816	\$5,816
Gas Pipeline			4-62	\$2,644	\$2,644
Flare System			4-43	\$14,805	\$14,805
Transfer Pump			4-45	\$10,575	\$10,575
Liner Hanger			4-81		
Meters and Controls			4-70	\$31,725	\$31,725
Total Drilling Tangibles		\$765,607		\$710,904	\$1,476,511
		\$4,202,834		\$5,315,664	\$9,518,497

Prepared By: Tony B. Sam

Date:

CAZA APPROVAL

Land: _____
COO: _____
Acct: _____
Pres.: _____

Joint Owner Interest: _____ Joint Owner Name: _____
Joint Owner Amount: _____ Joint Owner Approval: _____
Date: _____

By execution of this AFE, the Joint Owner agrees to be covered by Operator's well control insurance and agrees to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless from any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

INSURANCE: JOINT OWNER DECLINES OPERATOR'S COVERAGE AND AGREES TO PROVIDE PROOF OF INSURANCE AND TO HOLD OPERATOR HARMLESS.

By: _____ Date: _____

ATTACHMENT *D*



**Caza
Petroleum**

AUTHORITY FOR EXPENDITURE
New Drilling, Recompletion & Re-Entry

AFE Number:

7

AFE Date:

7/21/2019

Well Name:	Lennox 34 State # 2H	County/State:	Lea, New Mexico	New Drill	X	Oil
Location:	Sect 34 T22S - R35E	Field:	Rock Lake, Bone Spring	Recompletion		Gas
SHL:	240'FSL 1,020'FWL Sec 34	Horizon:	1st Bone Spring	Re-Entry		Injector
SHL:	270'FNL 1,677'FWL Sec 34	Projected Depth:	9,590 TVD - 14,634'MD	Development	X	Exploratory

Intangibles Description	Code	Drilling Intangibles	Code	Completion Intangible	Total Cost
Permits and Signs	1-01	\$7,931			\$7,931
Damages	1-02		3-02	\$17,449	\$17,449
Road/Pipeline Easement and ROW	1-03		3-09		
Location and Roads	1-04	\$157,817	3-76		
Pits and Liner	1-05	\$49,914	3-74	\$6,874	\$164,691
Spill Clean up and Restoration	1-06		3-74		\$49,914
Drilling Turnkey	1-07		3-81	\$26,438	\$26,438
Drilling Footage	1-08				
Drilling Daywork	1-09	\$567,091	3-39		\$567,091
Blits	1-10	\$102,578	3-80	\$5,288	\$107,865
Transport Rig In and Out	1-11	\$216,788			\$216,788
Well Testing Equipment/ Flowback			3-40	\$59,643	\$59,643
Coring	1-13				
Mud Logging	1-14	\$40,106			\$40,106
Overhead Engineering Planning/ Well	1-03	\$5,711	3-04		\$5,711
Water	1-16	\$67,218	3-72		\$539,127
Fuel	1-17	\$296,423	3-46	\$471,909	\$590,466
Mud and Chemicals	1-18	\$195,638	3-71	\$134,831	\$330,469
Pipe Inspection and Tests	1-19	\$28,146	3-59	\$10,657	\$38,803
Rental Equipment	1-20	\$80,657	3-47		\$80,657
Casing Crew Surface	1-21	\$8,291			\$8,291
Welding	1-22	\$8,989	3-77	\$26,438	\$35,426
Surface Hole Cement	1-23	\$18,509			\$18,509
Directional Drilling	1-24	\$325,012			\$325,012
Engineering Supervisor	1-25	\$24,523			\$24,523
Geological Supervisors	1-26	\$4,759			\$4,759
Insurance	1-27	\$7,836	3-67		\$7,836
Consultants	1-28	\$110,353	3-52	\$64,719	\$175,072
Miscellaneous	1-29	\$6,345	3-90		\$6,345
Equipment Repairs	1-30		3-20		
Plugging	1-31		3-95		
Survey and Stake Location	1-32	\$8,460	3-63		\$8,460
Cement Intermediate Casing	1-33	\$14,763			\$14,763
Special Services	1-34		3-56		
Title Curative	1-35	\$16,900	3-34		\$16,900
Wireline	1-36	\$15,499	3-43	\$175,016	\$190,515
Contingency 10%	1-37	\$347,275	3-31	\$450,928	\$798,204
Fishing Service	1-38		3-05		
Forklift	1-39	\$5,364	3-48	\$13,483	\$18,847
Fishing Equipment	1-40		3-06		
OCD Hearings	1-41				
Title Opinion	1-42		3-35		
Whipstock Service	1-43		3-07		
Completion Unit			3-38	\$23,794	\$23,794
Closed Loop System	1-45	\$67,739	3-09		\$67,739
Unitization - Geological	1-46		3-10		
Unitization - Legal	1-47		3-11	\$10,575	\$10,575
Whipstock Service	1-48				
Casing Crew Intermediate	1-49	\$15,630			\$15,630
Casing Crew Production	1-50	\$15,646	3-73		\$15,646
Water Well	1-51				
Arch Survey	1-52		3-60		
Swab Unit/ Snubbing Unit			3-01	\$23,794	\$23,794
Perforating	1-54		3-42		
BOPE Testing	1-55	\$14,276	3-55		\$14,276
Contract Service and Equipment	1-56	\$39,661	3-70	\$120,555	\$160,216
Telecommunications	1-58	\$4,445	3-82	\$286	\$4,730
Repairs - Labor and Material	1-58		3-87		
Potable Water	1-59	\$13,794	3-08		\$13,794
Roustabout Service	1-60		3-78	\$148,896	\$148,896
Water Disposal	1-61		3-65	\$105,750	\$105,750
Safety Equipment Rental	1-62		3-58		
Onsite Housing	1-63	\$18,392	3-48	\$5,933	\$24,325
Waterline Rental	1-64		3-12	\$111,038	\$111,038
Mud Disposal	1-65	\$70,344	3-13	\$105,750	\$176,094
Downhole Rental Equipment	1-66		3-86	\$26,966	\$26,966
Surface Rental Equipment	1-67	\$85,195	3-03	\$48,116	\$133,311
Mud Cleaning Equipment (Centrifuge, Flocc)	1-68	\$137,475	3-14		\$137,475
Cement Liner/Production Casing	1-69	\$81,084	3-37		\$81,084
Transportation/ Trucking	1-70	\$35,955	3-53	\$17,015	\$52,970
Abstract	1-71		3-33		
Light Towers and Generators	1-72	\$55,176	3-15	\$8,090	\$63,266
Frac Tank Rental	1-74	\$3,908	3-21	\$17,449	\$21,357
Coil Tubing Unit			3-45		
Hydrotesting			3-86		
Reverse Unit			3-17	\$18,506	\$18,506
Tubing Rental/ Repairs			3-18		
Manlift	1-48		3-48	\$12,690	\$12,690
Pressure Control			3-19	\$48,116	\$48,116
Crane or Mast Truck	1-44		3-79		
Cement Squeeze	1-53		3-16		
Laydown Truck	1-80		3-88		
Pumping Service	1-81		3-49		
Stimulation	1-88		3-45	\$1,801,261	\$1,801,261
Acidization			3-44	\$12,690	\$12,690
Float Equipment	1-91	\$39,614	3-81		\$39,614
Legal and Professional Service	1-92		3-82	\$10,575	\$10,575
Chemicals and Treating			3-61	\$132,188	\$132,188
Completion Fluids			3-82	\$37,013	\$37,013
Total Intangibles		\$3,437,227		\$4,604,759	\$8,041,986

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

**APPLICATION OF CAZA PETROLEUM, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

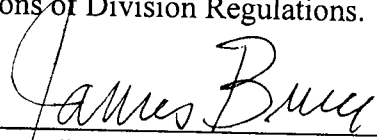
Case No. 20282

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

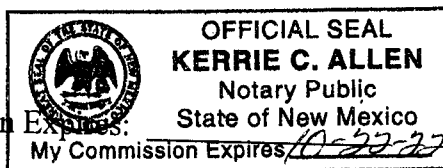
James Bruce, being duly sworn upon his oath, deposes and states:


1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Caza Petroleum, LLC.
3. Caza Petroleum, LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Regulations.


James Bruce

SUBSCRIBED AND SWORN TO before me this 6th day of March, 2019 by James Bruce.

My Commission Expires:




Notary Public

EXHIBIT

2

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

February 15, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Caza Petroleum, LLC, regarding a Bone Spring well the E½W½ of Section 34, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 7, 2019, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, February 28, 2019. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,



James Bruce

Attorney for Caza Petroleum, LLC

ATTACHMENT *A*

Exhibit A

Gaedeke Holdings VIII, Ltd
Attn: Mark Reed
3710 Rawlings Street, Suite 1100
Dallas, Texas 75219

The Allar Company
Attn: Jack Graham
735 Elm Street
Graham, Texas 76450

Strategic Energy Income Fund IV, LP
Attn: Greg Brown
2350 North Forest Road
Arlington, Texas 76011

Highlands (Texas) Energy Company
Attn: Truitt Matthews
7557 Rambler Rd., Suite 918
Dallas, Texas 75231

Merchant Livestock Company, Inc.
Attn: Clabe Pearson
P.O. Box 1105
Eunice, New Mexico 88231

John E. Bosserman
711 Beaman Avenue
Oakley, Kansas 67748

Ray Westall
132477 Lovington Highway
Loco Hills, New Mexico 88210

Randall Harris
132477 Lovington Highway
Loco Hills, New Mexico 88210

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

John E. Bosserman
711 Beaman Avenue
Oakley, Kansas 67748



9590 9402 3452 7275 9790 22

2. Article 7018 2290 0000 3423 1565

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
X *J. E. Bosserman* Addressee
B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☒ Yes
If YES, enter delivery address below: ☐ No

PO Box 54
Oakley KS 67748

3. Service Type
- ☐ Adult Signature
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Return Receipt for Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$
Total Postage and Fee \$

John E. Bosserman
711 Beaman Avenue
Oakley, Kansas 67748
Street and Apt. No., or PO Box No.
City, State, ZIP+4®

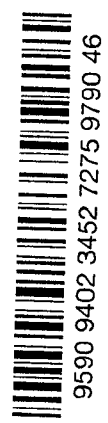
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Highlands (Texas) Energy Company
Attn: Truitt Matthews
7557 Rambler Rd., Suite 918
Dallas, Texas 75231



9590 9402 3452 7275 9790 46

2. Article Number (Transfer from item 1)

7018 2290 0000 3423 1569

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
X *[Signature]* Addressee
B. Received by (Printed Name) C. Date of Delivery
CMAS *2-20-19*

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
- ☐ Adult Signature
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

The Allar Company
Attn: Jack Graham
735 Elm Street
Graham, Texas 76450



9590 9402 3452 7275 9790 60

2. Article Number 7018 2290 0000

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

CF 2

SENDER: COMPLETE THIS SECTION ON DELIVERY

- A. Signature Renne Unkart ☒ Agent ☐ Addressee
B. Received by (Printed Name) Renne Unkart C. Date of Delivery 2/19/19
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery
☐ Insured Mail (over \$500)

3423 1602

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
Here

Total Postage and Fees

The Allar Company
Attn: Jack Graham
735 Elm Street
Graham, Texas 76450

Sent To

Street and Apt. No.,

City, State, ZIP+4[®]

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
Here

Postage

Gaedeke Holdings VIII, Ltd

Total Postage and Fees Attn: Mark Reed
3710 Rawlings Street, Suite 1100
Dallas, Texas 75219

Sent To

Street and Apt. No., or PO Box No.

City, State, ZIP+4[®]

PS Form 3800, April 2015 PSN 7530-02-000-9047

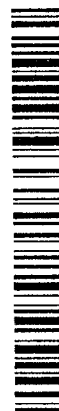
See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Gaedeke Holdings VIII, Ltd
Attn: Mark Reed
3710 Rawlings Street, Suite 1100
Dallas, Texas 75219



9590 9402 3452 7275 9790 77

2. Article Number

7018 2290 0000 3430 8687

(over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

CF 2

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Mark Reed ☒ Agent ☐ Addressee
B. Received by (Printed Name) Mark Reed C. Date of Delivery 2/19/19
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Restricted Delivery
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ray Westall
132477 Lovington Highway
Loco Hills, New Mexico 88210



9590 9402 4368 8190 0163 41

7018 2290 0000 3423

2. Article Number 1558 Restricted Delivery
Insured Mail Restricted Delivery (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

CZ 2

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$Postmark
Here

Total Postage and Fees \$

Sent To Ray Westall
132477 Lovington Highway
Loco Hills, New Mexico 88210Street and Apt. No.
City, State, Zip+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature X

Agent

Addressee

C. Date of Delivery

D. Is delivery address different from item 1? Yes

No

If YES, enter delivery address below:

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Merchant Livestock Company, Inc.
Attn: Clabe Pearson
P.O. Box 1105
Eunice, New Mexico 88231



9590 9402 3452 7275 9790 39

7018 2290 0000 3423

2. Article

PS Form 3811, July 2015 PSN 7530-02-000-9053

CZ 2

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Merchant Livestock Company, Inc.

Attn: Clabe Pearson

P.O. Box 1105

Street and Apt. No., or P.O. Box, New Mexico 88231

City, State, Zip+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature X

Agent

B. Received by (Printed Name) Clabe Pearson

C. Date of Delivery 2/20/19

D. Is delivery address different from item 1? Yes

No

If YES, enter delivery address below:

FEB 20

3. Service type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

1572

3423

3423

1572

Insured Mail Restricted Delivery (over \$500)

CZ 2

Domestic Return Receipt

7018 2290 0000 3423 1596

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fee: **Strategic Energy Income Fund IV, LP**

Sent To **Attn: Greg Brown**
2350 North Forest Road
Arlington, Texas 76011

Street and Apt. No., or P.O. Box

City, State, ZIP+4®

Postmark
Here

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7018 2290 0000 3423 1541

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total Postage and Fees

Sent To **Randall Harris**
132477 Lovington Highway
Loco Hills, New Mexico 88210

Street and Apt. No., or P.O. Box

City, State, ZIP+4®

Postmark
Here

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Advertising Invoice

Hobbs Daily News-Sun

201 N Thorp
P. O. Box 850
Hobbs, NM 88241

Phone: 575-393-2123

Fax: 575-397-0610

URL: www.hobbsnews.com

1

JAMES BRUCE
JAMES BRUCE, ATTORNEY AT LAW
P.O. BOX 1056
SANTA FE, NM 87504

Customer #: 01101711
Phone: (505)982-2043
Date: 02/19/2019
Ad #: 00224738
Salesperson: HA Ad Taker: YC

Class: 672
Sort Line: 33757 CAZA #2

Ad Notes: 33757 CAZA #2
Per James Bruce

Description	Amount
AFF2 Affidavits (Legals)	6.25
BOLD bold	1.00
	3.59
07 07 Daily News-Sun 2019-02-20	45.38

EXHIBIT 3

Ad Text:

LEGAL NOTICE
FEBRUARY 20, 2019

To: Gaedeke Holdings VIII Ltd., The Allar Company, Strategic Energy Income Fund IV LP, Highlands (Texas) Energy Company, Merchant Livestock Company Inc., John E. Bosserman, Ray Westall, and Randall Harris, or your successors or assigns: Caza Petroleum, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order pooling the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 34, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Lennox 34 State Well No.

Payment Reference:

null

Total:	52.63
Tax:	3.59
Net:	56.22
Prepaid:	null
Total Due	56.22

LEGAL NOTICE

FEBRUARY 20, 2019

To: Gaedeke Holdings VIII Ltd., The Allar Company Strategic Energy Income Fund IV LP, Highlands (Texas) Energy Company, Merchant Livestock Company Inc., John E. Bosserman, Ray Westall, and Randall Harris, or your successors or assigns: Caza Petroleum, LLC has filed an application with the New Mexico Oil Conservation Division seeking an order pooling the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 34, Township 22 South, Range 35 East NMPM, Lea County, New Mexico. The unit will be dedicated to the Lennox 34 State Well No. 2H, with a first take point in the SE/4SW/4 and a final take point in the NE/4NW/4 of Section 34. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Caza Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on March 7, 2019 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 13-1/2 miles southwest of Eunice, New Mexico.

#33757