

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

**APPLICATION OF RIDGE RUNNER
RESOURCES OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 21477

**RIDGE RUNNER RESOURCES OPERATING, LLC'S
HEARING EXHIBITS**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Bob Shelton
A-1	Application
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, and Pooled Parties
A-4	Unit Recapitulation
A-5	Well Proposal Letter
A-6	Summary of Communications
A-7	Exhibit A to Joint Operating Agreement
A-8	Proposed Notice of Hearing
A-9	Hearing Notice Letter and Return Receipts
A-10	Affidavit of Publication
A-11	Authorization for Expenditures
Exhibit B	Self-Affirmed Statement of Michael Burke
B-1	General Location and Cross Section Map
B-2	Gun Barrel Schematic

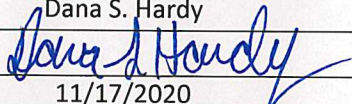
B-3	Structure Map
B-4	Gross Interval Isopach Map
B-5	Cross Section

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21477	APPLICANT'S RESPONSE
Date: 11/19/2020	
Applicant	Ridge Runner Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Ridge Runner Resources Operating, LLC, OGRID 373013
Applicant's Counsel:	Dana S. Hardy
Case Title:	APPLICATION OF RIDGE RUNNER RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	XTO Energy, Inc.
Well Family	Thunderbird
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	Featherstone Bone Spring Pool, Code 24250
Well Location Setback Rules:	Standard
Spacing Unit Size:	40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres
Building Blocks:	40 acre
Orientation:	North-South
Description: TRS/County	SW/4 Section 3 and W/2 Section 10, Township 20 South, Range 35 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes - W/2 SW/4 Section 3 and W/2 W/2 Section 10
Proximity Defining Well: if yes, description	Thunderbird 3-10 Fed Com B #2H
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Thunderbird 3-10 Fed Com B #1H (API unassigned) Target: 2nd BS 18,445' TMD 2nd BS 10,480' TVD SHL: 2543' FSL (100' from N LL) & 990' FWL of Section 3-T20S-R35E FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E
Well #2	Thunderbird 3-10 Fed Com B #2H (API unassigned) Target: 2nd BS 18,445' TMD 2nd BS 10,480' TVD SHL: 2543' FSL (100' from N LL) & 1020' FWL of Section 3-T20S-R35E FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E
Well #3	Thunderbird 3-10 Fed Com B #3H (API unassigned) Target: 1st BS 17,475' TMD 1st BS 9,510' TVD SHL: 2543' FSL (100' from N LL) & 1050' FWL of Section 3-T20S-R35E FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E
Well #4	Thunderbird 3-10 Fed Com B #4H (API unassigned) Target: 1st BS 17,475' TMD 1st BS 9,510' TVD SHL: 2543' FSL (100' from N LL) & 1080' FWL of Section 3-T20S-R35E FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000.00, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	Cost plus 200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-9
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-10
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	EOG & XTO, Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None, Exhibit A

Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-3, A-7
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	\$800/\$8,000, Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-11
Cost Estimate to Equip Well	Exhibit A-11
Cost Estimate for Production Facilities	Exhibit A-11
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Bone Spring, Exhibit B
HSU Cross Section	Exhibit B-5
Depth Severance Discussion	None, Exhibit A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3, A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits B-1, B-3
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	
Date:	11/17/2020

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

APPLICATION OF RIDGE RUNNER
RESOURCES OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

Case No. 21477

SELF-AFFIRMED STATEMENT
OF BOB SHELTON

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am the Vice President of Land at Ridge Runner Resources Operating, LLC ("Ridge Runner"). I have had direct involvement with Ridge Runner's development of the 480-acre, more or less, standard (proximity tract) horizontal spacing unit ("HSU") that is the subject of Ridge Runner's application in this case. A copy of the application is attached as Exhibit A-1.

3. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.

A. Proposed Wells and HSU

4. The proposed HSU is comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County.

5. Ridge Runner seeks to pool all uncommitted interests in the Bone Spring formation underlying the HSU.

6. The horizontal spacing unit will be dedicated to the following wells.

(a) The Thunderbird 3-10 Fed Com B #1H will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section

10. The first take point is 2,940' FNL and 330' FWL in Section 3, and the

Case No. 21477

RIDGE RUNNER
Exhibit A

last take point is 100' FSL and 330' FWL in Section 10. The TMD is 18,445', and the TVD is 10,480'.

(b) The Thunderbird 3-10 Fed Com B #2H will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10. The first take point is 2,940' FNL and 1,650' FWL in Section 3, and the last take point is 100' FSL and 1,650' FWL in Section 10. The TMD is 18,445', and the TVD is 10,480'.

(c) The Thunderbird 3-10 Fed Com B #3H will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10. The first take point is 2,940' FNL and 330' FWL in Section 3, and the last take point is 100' FSL and 330' FWL in Section 10. The TMD is 17,475', and the TVD is 9,510'.

(d) The Thunderbird 3-10 Fed Com B #4H will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10. The first take point is 2,940' FNL and 1,650' FWL in Section 3, and the last take point is 100' FSL and 1,650' FWL in Section 10. The TMD is 17,475', and the TVD is 9,510'.

7. The proposed wells will be drilled from North to South, and the completed intervals of the wells will be orthodox.

8. The proposed wells are located in the Featherstone Bone Spring Pool, Code 24250. The primary product in the pool is oil. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15. Spacing in this pool is based on quarter-quarter sections, and the HSU is constructed based on quarter-quarter sections.

9. The Thunderbird 3-10 Fed Com B #2H is located in the E/2 SW/4 of Section 3 and the E/2 W/2 of Section 10, within 330 feet of the quarter-quarter section line. The proposed HSU includes as proximity tracts the W/2 SW/4 of Section 3 and the W/2 W/2 of Section 10.

10. The C-102s for the proposed wells are attached as Exhibit A-2.

B. Ownership Determination

11. A plat of the tracts included in the HSU is attached as Exhibit A-3. Exhibit A-3 identifies the ownership interests in each tract, provides the applicable lease numbers,¹ and identifies the pooled parties.

12. There are no unlocatable interests.

13. A recapitulation is attached as Exhibit A-4.

14. There is no depth severance in the Bone Spring formation in the proposed HSU.

15. Ridge Runner has the right to pool any overriding royalty owners in the HSU.

C. Joinder

16. I sent well proposal letters to the uncommitted interests on May 5, 2020 and subsequently had follow-up communication with them. A sample of my well proposal letter is attached as Exhibit A-5. A summary of my follow-up contacts with the uncommitted interests is attached as Exhibit A-6.

17. A list of interest owners (Exhibit A to Joint Operating Agreement) is attached as Exhibit A-7.

18. Ridge Runner's working interest in the proposed spacing unit will be 33.33%.
There are no other working interests committed to the proposed wells.

¹ Ridge Runner purchased lease No. NMNM 141418 from the Bureau of Land Management in February 2020. The final lease is pending, and it is Ridge Runner's understanding that the lease will be issued by December 31, 2020.

19. In my opinion, Ridge Runner has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed wells.

D. Notice of Hearing

20. Ridge Runner's proposed notice of hearing is attached as Exhibit A-8.

21. Notice of Ridge Runner's application and the Division hearing was provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letter and the associated green cards are attached as Exhibit A-9.

22. Notice of Ridge Runner's application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as Exhibit A-10.

E. Drilling and Operating Costs

23. The AFEs for the proposed wells are attached as Exhibit A-11. The estimated cost of the wells is fair and reasonable and is comparable to the cost of other wells of similar depth and length drilled in Lea County.

24. Ridge Runner requests overhead and administrative rates of \$8,000 per month while the wells are being drilled and \$800 per month while the wells are producing. These rates are fair and are comparable to the rates charged by Ridge Runner and by other operators in the vicinity. They are also the rates set forth in the Joint Operating Agreement for the HSU. Ridge Runner further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

25. Ridge Runner requests that it be designated the operator of the wells.

26. Ridge Runner also requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.

27. The attached exhibits were either prepared by me or under my supervision, or were compiled from company business records.

28. In my opinion, the granting of Ridge Runner's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

29. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 28 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Bob Shelton
Bob Shelton

11/17/20
Date

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

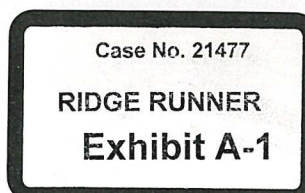
**APPLICATION OF RIDGE RUNNER
RESOURCES OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 21477

APPLICATION

Pursuant to NMSA § 70-2-17, Ridge Runner Resources Operating, LLC ("Ridge Runner") applies for an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County, New Mexico. In support of its application, Ridge Runner states the following.

1. Ridge Runner (OGRID No. 373013) is a working interest owner in the horizontal spacing unit and has the right to drill wells thereon.
2. The horizontal spacing unit will be dedicated to following wells:
 - a. Thunderbird 3-10 Fed Com B #1H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10;
 - b. Thunderbird 3-10 Fed Com B #2H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10;
 - c. Thunderbird 3-10 Fed Com B #3H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; and



- d. Thunderbird 3-10 Fed Com B #4H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10.
3. The completed intervals of the wells will be orthodox.
4. Ridge Runner has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells but has been unable to obtain voluntary agreements from all of the mineral interest owners.
5. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
6. In order to allow Ridge Runner to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled.

WHEREFORE, Ridge Runner requests that this application be set for hearing on November 5, 2020 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County;
- B. Authorizing Ridge Runner to recover its costs of drilling, equipping, and completing the Thunderbird 3-10 Fed Com B #1H, #2H, #3H, and #4H wells;
- C. Considering the cost of drilling and completing the wells and allocating the cost among the uncommitted mineral interest owners;
- D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by Ridge Runner in drilling and completing the Thunderbird 3-10 Fed Com B #1H, #2H, #3H, and #4H wells against any mineral interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

Counsel for Ridge Runner Resources Operating, LLC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720
District II
411 S. First St., Artesia, NM 88210
Phone: (575) 748-1243 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6179
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-16
Revised August 1, 201
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name THUNDERBIRD 3-10 FED COM B	
⁷ OGRID NO.	⁸ Operator Name RIDGE RUNNER RESOURCES OPERATING, LLC.	⁶ Well Number 1H
		⁹ Elevation 3283'

¹⁰ Surface Location

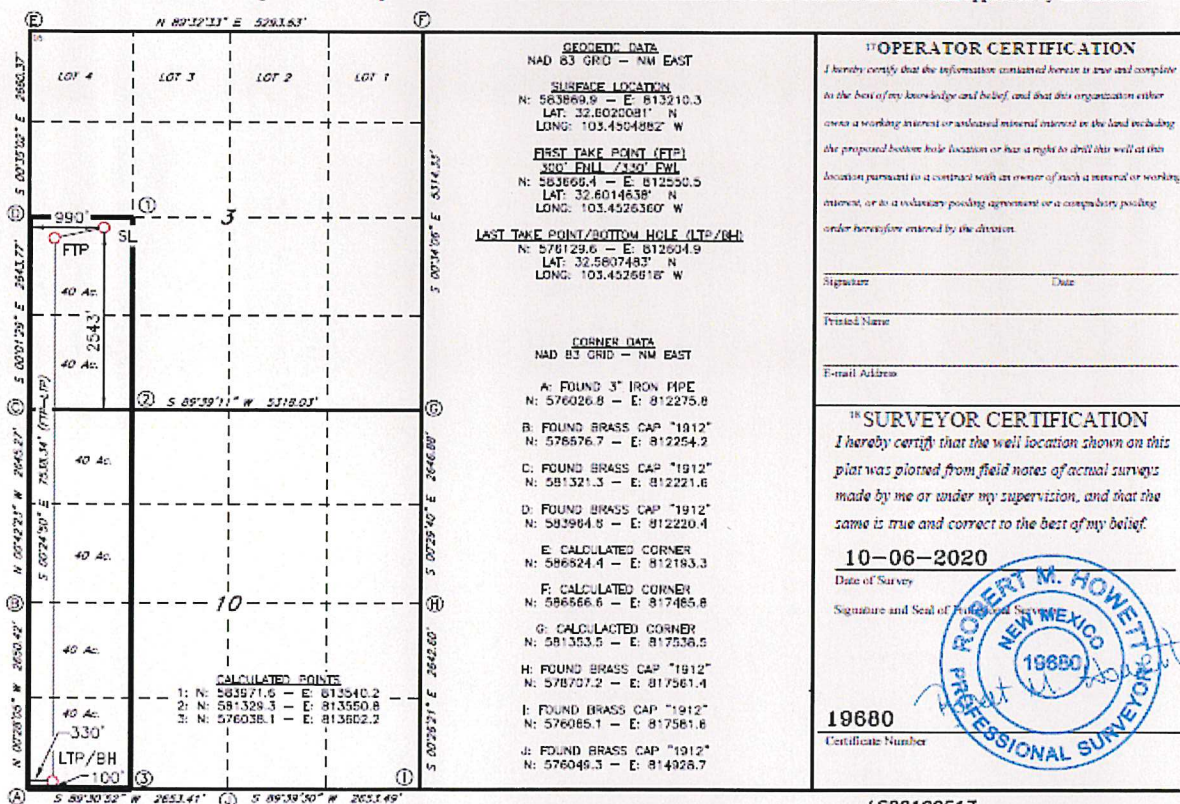
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
L	3	20S	35E		2543	SOUTH	990	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
M	10	20S	35E		100	SOUTH	330	WEST	LEA

¹² Dedicated Acres	¹³ Point or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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



Case No. 21477

RIDGE RUNNER
Exhibit A-2

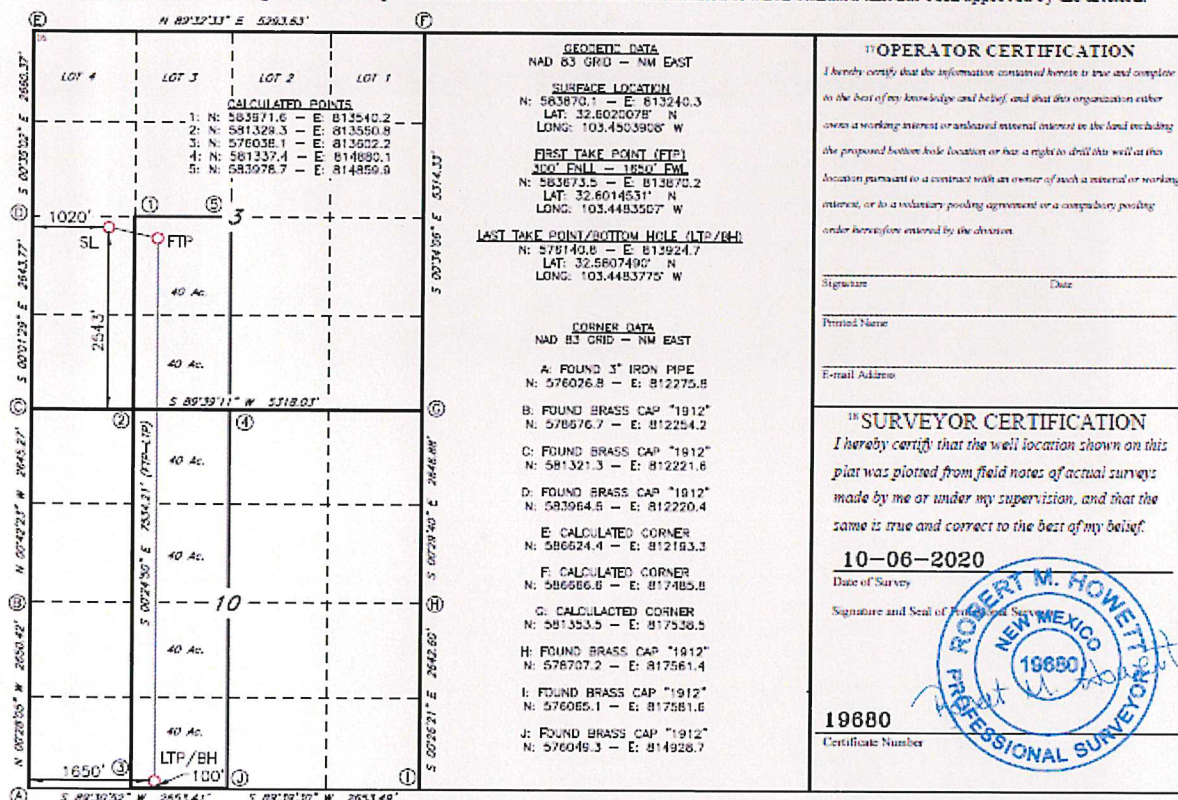
Form C-10
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name THUNDERBIRD 3-10 FED COM B						⁶ Well Number 2H	
⁷ OGRID NO.		⁸ Operator Name RIDGE RUNNER RESOURCES OPERATING, LLC.						⁹ Elevation 3283'	
¹⁰ Surface Location									
UL or lot no. L	Section 3	Township 20S	Range 35E	Lot Idn	Feet from the 2543	North/South line SOUTH	Feet From the 1020	East/West line WEST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. N	Section 10	Township 20S	Range 35E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet From the 1650	East/West line WEST	County LEA
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



LS20100518

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, Artesia, 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

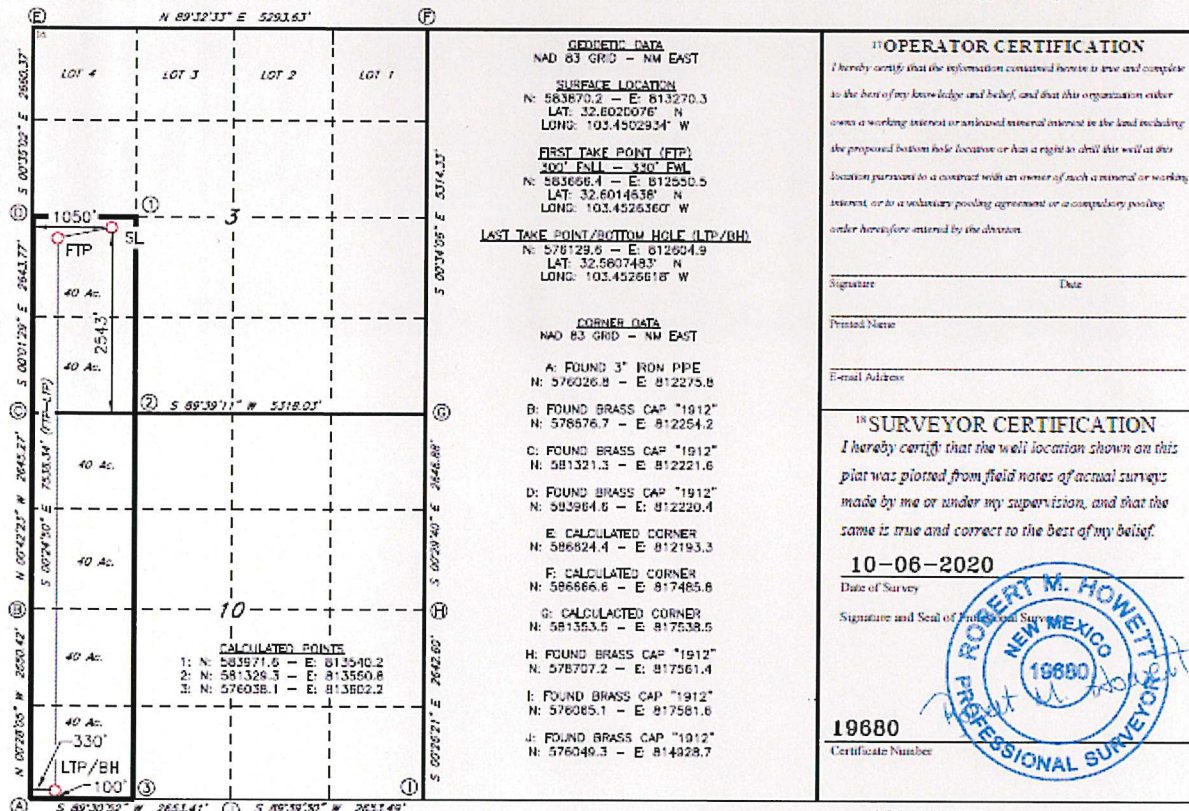
Form C-16
Revised August 1, 2017
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number		2. Pool Code		3. Pool Name	
4. Property Code		5. Property Name THUNDERBIRD 3-10 FED COM B			6. Well Number 3H
7. OGRID NO.		8. Operator Name RIDGE RUNNER RESOURCES OPERATING, LLC.			9. Elevation 3283'
10. Surface Location					
UL or lot no. L	Section 3	Township 20S	Range 35E	Lot Idn.	Feet from the 2543
		North/South line SOUTH		Feet from the 1050	East/West line WEST
				County LEA	
11. Bottom Hole Location If Different From Surface					
UL or lot no. M	Section 10	Township 20S	Range 35E	Lot Idn.	Feet from the 100
		North/South line SOUTH		Feet from the 330	East/West line WEST
				County LEA	
12. Dedicated Acres		13. Joint or Infill		14. Consolidation Code	
				15. Order No.	

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



District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-6720
 District II
 411 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
 District III
 1000 Rio Brazos Road, Artesia, NM 87400
 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-10
 Revised August 1, 2001
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name THUNDERBIRD 3-10 FED COM B			
6 GRID NO.		7 Operator Name RIDGE RUNNER RESOURCES OPERATING, LLC.			
		8 Well Number 4H		9 Elevation 3283'	

10 Surface Location

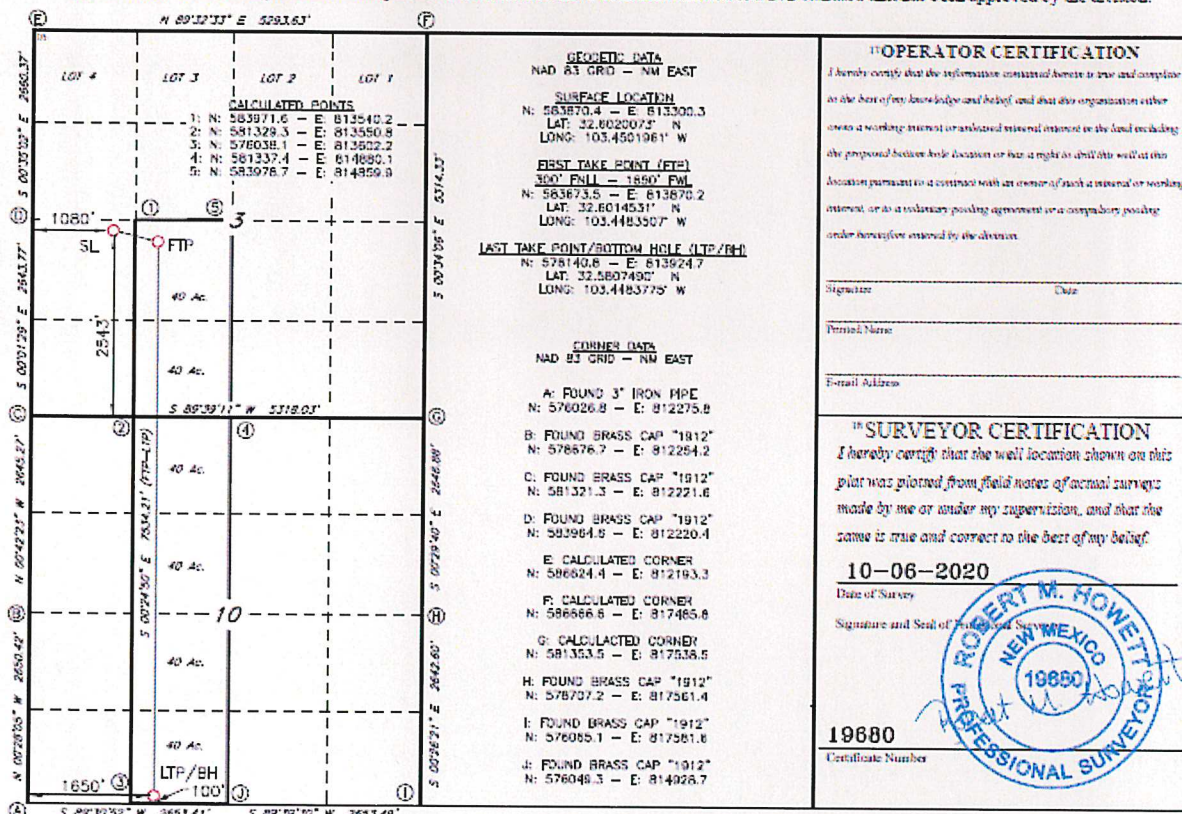
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
L	3	20S	35E		2543	SOUTH	1080	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	10	20S	35E		100	SOUTH	1650	WEST	LEA

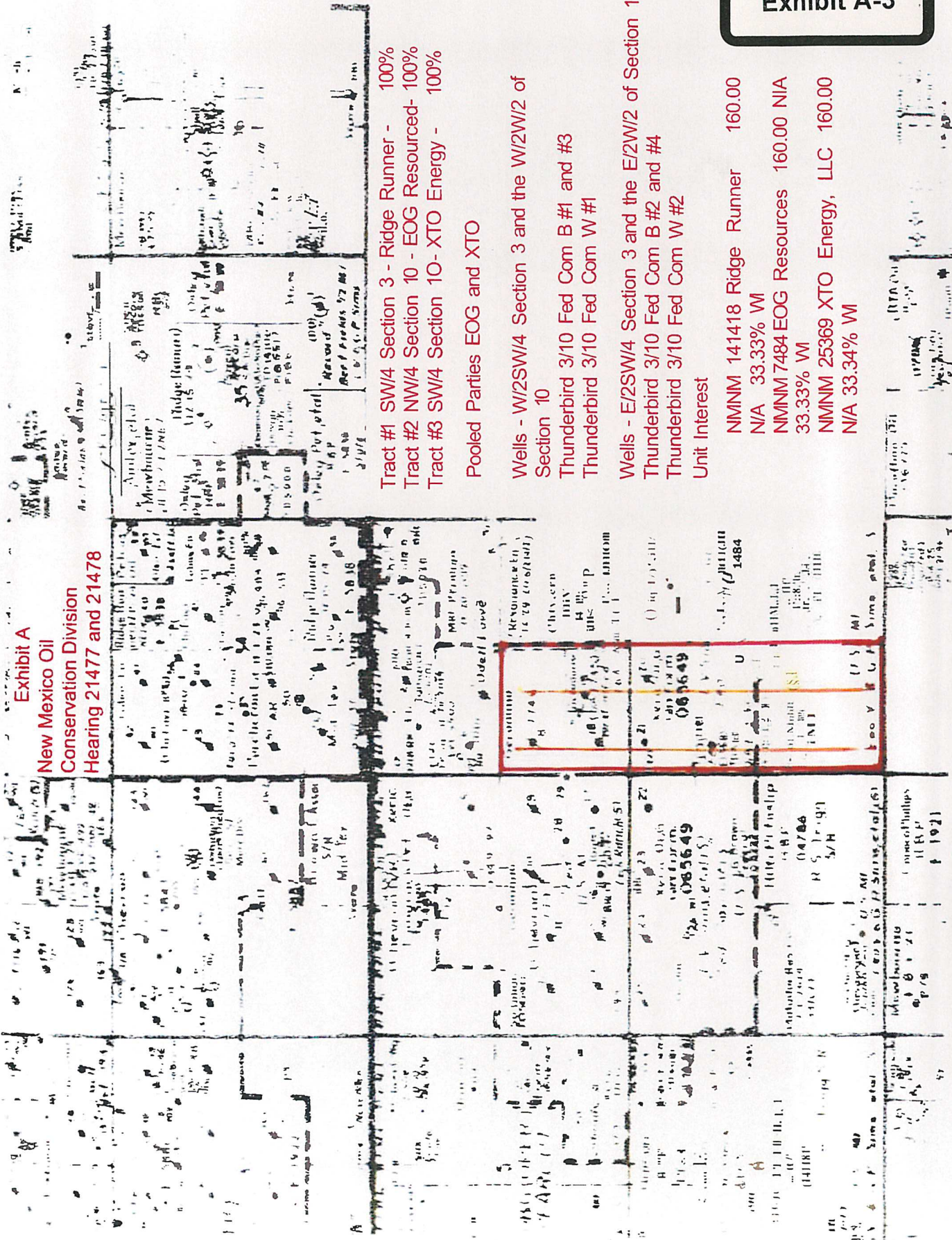
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------	--------------------	-----------------------	--------------

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



LS20100520

Exhibit A
New Mexico Oil
Conservation Division
Hearing 21477 and 21478



Tract #1 SW/4 Section 3 - Ridge Runner - 100%
 Tract #2 NW/4 Section 10 - EOG Resourced- 100%
 Tract #3 SW/4 Section 10- XTO Energy - 100%

Pooled Parties EOG and XTO

Wells - W/2SW/4 Section 3 and the W/2W/2 of Section 10

Thunderbird 3/10 Fed Com B #1 and #3
 Thunderbird 3/10 Fed Com W #1

Wells - E/2SW/4 Section 3 and the E/2W/2 of Section 10
 Thunderbird 3/10 Fed Com B #2 and #4
 Thunderbird 3/10 Fed Com W #2
 Unit Interest

NMMN 141418 Ridge Runner	160.00
N/A 33.33% W	
NMMN 7484 EOG Resources	160.00 N/A
33.33% W	
NMMN 25369 XTO Energy, LLC	160.00
N/A 33.34% W	

Tamarack Prospect - Thunderbird wells

11/4/2020

Bone Spring and Wolfcamp formations

Unit - SW/4 Section 3-20/35 and the W/2 of Section 10-20/35

<u>Tract</u>	<u>Working Interest Owner</u>	<u>Net acres</u>	<u>Tract Interest</u>	<u>Unit Interest</u>
SW/4 Section 3	Ridge Runner Resources, Agent, Inc.	160	100%	33.33%
NW/4 Section 10	EOG Resources	160	100%	33.33%
SW/4 Section 10	XTO Energy, Inc	160	100%	<u>33.34%</u>
Total Unit Ownership				100.00%

Case No. 21477

RIDGE RUNNER
Exhibit A-4

Robert (Bob) Shelton
Vice President of Land
bshelton@3ROperating.com



1004 N. Big Spring Street
Suite 325
Midland, TX 79701
(432) 684-7877

May 5, 2020

Mr. W. Greg Davis
XTO Holdings, LLC
22777 Spring Woods Parkway
Spring, Texas 77389

Re: Section 3: SW/4 and Section 10: W/2,
T-20-S, R-35-E,
Lea County, New Mexico
Tamarack Prospect

Via: Certified Mail Return Receipt

Gentlemen,

Ridge Runner Resources, Agent, Inc., "RRR", hereby proposes the drilling of wells as set forth below and as identified on the enclosed AFE's. RRR's title information reflects XTO Holding, Inc. "XTO", owns a Leasehold/Working interest in SW/4 of Section 10, T-20-S, R-35-E, Lea County, New Mexico. XTO may elect to voluntarily participate in the drilling and completion of these 6 horizontal wells, for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to XTO's voluntary participation, XTO may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a Compulsory Pooling order.

Proposed Locations:

Thunderbird 3-10 Fed Com B #1H
Target: 2nd BS 10,480' TVD
SHL: 2540' FSL (100' from N LL) & 990' FWL of Section 3-T20S-R35E
FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E
LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #2H
Target: 2nd BS 10,480' TVD
SHL: 2540' FSL (100' from N LL) & 1020' FWL of Section 3-T20S-R35E
FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E
LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

Case No. 21477

RIDGE RUNNER
Exhibit A-5

Thunderbird 3-10 Fed Com B #3H

Target: 1st BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1050' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #4H

Target: 1st BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1080' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #1H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1110' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #2H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1140' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

If XTO elects to voluntarily participate, please execute the Enclosed AFE's, Operating Agreement and Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,

Bob Shelton
Vice President of Land

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



1004 N. Big Spring Street
Suite 325
Midland, TX 79701
(432) 684-7877

May 5, 2020

Ms. Laci Stretcher
EOG Resources
5509 Champions Drive
Midland, Texas 79706

Re: Section 3: SW/4 and Section 10: W/2,
T-20-S, R-35-E,
Lea County, New Mexico
Tamarack Prospect

Via: Certified Mail Return Receipt

Dear Ms. Stretcher,

Ridge Runner Resources, Agent, Inc., "RRR", hereby proposes the drilling of the wells as set forth below and as identified on the enclosed AFE's. RRR's title information reflects EOG Resources, "EOG" owns a Leasehold/Working interest in the NW/4 of Section 10, T-20-S, R-35-E, Lea County, New Mexico. EOG may elect to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to EOG's voluntary election of participation, EOG may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a Compulsory Pooling order.

Proposed Locations:

Thunderbird 3-10 Fed Com B #1H
Target: 2nd BS 10,480' TVD
SHL: 2540' FSL (100' from N LL) & 990' FWL of Section 3-T20S-R35E
FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E
LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #2H
Target: 2nd BS 10,480' TVD
SHL: 2540' FSL (100' from N LL) & 1020' FWL of Section 3-T20S-R35E
FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E
LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #3H

Target: 1st BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1050' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com B #4H

Target: 1st BS 9,510' TVD

SHL: 2540' FSL (100' from N LL) & 1080' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #1H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1110' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 330' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 330' FWL of Section 10-T20S-R35E

Thunderbird 3-10 Fed Com W #2H

Target: Wolfcamp 'A' 11,450' TVD

SHL: 2540' FSL (100' from N LL) & 1140' FWL of Section 3-T20S-R35E

FTP: 300' FNL & 1650' FWL of Section 3-T20S-R35E

LTP: 100' FSL & 1650' FWL of Section 10-T20S-R35E

If EOG elects to voluntarily participate, please have the enclosed AFE's, Operating Agreement and Exhibit H executed, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,

Bob Shelton
Vice President of Land

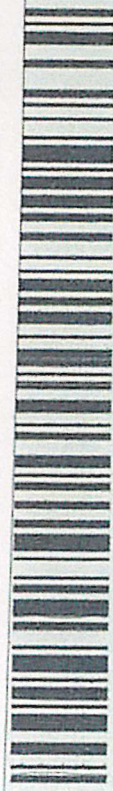
Thunderbird 3-10

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:

Ms. Laci Stretcher
EOG Resources
5509 Champions Drive
Midland, Texas 79706



9590 9402 4617 8323 0453 95

2. Article Number (Transfer from service label)

7018 0360 0000 3085 9552

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

5-8-20

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

mail

mail Restricted Delivery

10)

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

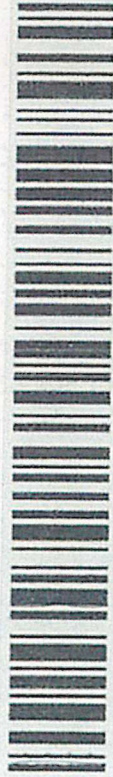
Thunderbird 3-10

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:

Mr. W. Greg Davis
XTO Holdings, LLC
22777 Spring Woods Parkway
Spring, Texas 77389



9590 9402 4617 8323 0453 88

2. Article Number (Transfer from service label)

7018 0360 0000 3085 9545

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ X

Greg Davis

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Greg Davis

C. Date of Delivery

5/10/2008

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

1ail

1ail Restricted Delivery

0)

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

Thunderbird 3-10 Fed Com B # 1H, #2H, #3H & #4H and W #1H & #2H
As of 11/13/2020

Date of Contact	From	To	Regarding
5/18/2020	Vincent Cuccerre (XTO)	Bob Shelton	Questions regarding XTO's interest and spud dates on proposals
5/18/2020	Bob Shelton	Vincent Cuccerre (XTO)	Answer to interest question and no APO filed
6/2/2020	Damon Weger (EOG)	Bob Shelton	EOG Ownership questions on proposals
6/2/2020	Bob Shelton	Damon Weger (EOG)	Answer to ownership questions
9/10/2020	Bob Shelton	Katie McBryde (EOG)	Follow up on well proposals made by RRR
9/11/2020	Katie McBryde (EOG)	Bob Shelton	Setting up a call regarding well proposals/trade
-	Bob Shelton	Katie McBryde (EOG)	Going over information discussed in their meeting
-	Bob Shelton	Katie McBryde (EOG)	Follow up on EOG's decision on a trade
-	Bob Shelton	Katie McBryde (EOG)	Follow up on well proposals made by RRR
10/15/2020	Bob Shelton	Damon Weger (EOG)	Discuss trade arrangement
10/19/2020	Bob Shelton	Vincent Cuccerre (XTO)	Discussing pooling information/timing of wells
11/4/2020	Vincent Cuccerre (XTO)	Bob Shelton	XTO reviewing proposed TA terms and considering other options/looking into FOA terms
11/4/2020	Bob Shelton	Vincent Cuccerre (XTO)	Following up on FOA terms proposed by XTO/Term Assignment offer
11/4/2020	Vincent Cuccerre (XTO)	Bob Shelton	Response to FOA terms proposed by XTO
11/10/2020	Vincent Cuccerre (XTO)	Bob Shelton	Following up on previous proposal
11/10/2020	Bob Shelton	Vincent Cuccerre (XTO)	Bob's response on XTO's previous proposal
11/12/2020	Bob Shelton	Vincent Cuccerre (XTO)	Offering XTO a trade
11/12/2020	Bob Shelton	Vincent Cuccerre (XTO)	Call supporting RRR's offer to a Farmout trade

Case No. 21477

RIDGE RUNNER
Exhibit A-6

Exhibit "A"

Attached to and made a part of that certain Operating Agreement
dated April 24, 2020, by and between Ridge Runner Resources Operating, LLC
and XTO Holdings, LLC, Et Al

1) Lands Subject to this agreement: Contract Area

The South West Quarter (SW/4) of Section 3 and the West One Half (W/2) of Section 10, all in Township 20 South, Range 35 East, Lea County, New Mexico, containing 480 acres more or less.

2) Depth Restrictions and Exclusions:

This agreement is limited from the top of the Bone Spring formation to the base of the Wolfcamp formation. The top of the Bone Spring formation, being the stratigraphic equivalent of 8,232' found in the Amoco Federal 'BT' Gas Company#1 well, located 1980 FSL and 1980' FEL of Section 15, T-20S, R-35E, Lea County New Mexico, API Number 30-025-27230. The base of the Wolfcamp formation being the stratigraphic equivalent of 11,900 in the Amoco Federal 'BT' Gas Company#1 well, located 1980 FSL and 1980' FEL of Section 15, T-20S, R-35E, Lea County New Mexico, API Number 30-025-27230.

3) Addresses of Parties to this Agreement:

Operator: Ridge Runner Resources Operating, LLC
1004 North Big Spring Street, Suite 325
Midland, Texas 79701
E-Mail: Bshelton@3ROperating.com

XTO Holdings, LLC
22777 Spring Woods Parkway
Spring, Texas 77389
E-Mail:

EOG Resources, Inc
PO Box 2267
Midland, Texas 79702
E-Mail:

Case No. 21477

**RIDGE RUNNER
Exhibit A-7**

4) **Percentages of Parties to this Agreement:**

Ridge Runner Resources Operating, LLC	.333334%
XTO Holdings, LLC	.333333%
EOG Resources, INC	<u>.333333%</u>
Total:	1.000000%

5) **Oil and Gas Leases Subject to this Agreement:**

Lease number: NM-7484
Lessor: The United States of America
Lessee: Southern Union Production Company
Date: March 1, 1951
Description: As to the NW/4 of Section 10, Township 20 South, Range 35 East, Lea County, New Mexico
Recording: Not recorded

Lease number: NM-25369
Lessor: The United States of America
Lessee: Weldon S. Abbott
Date: June 1, 1975
Description: As to the SW/4 of Section 10, Township 20 South, Range 35 East, Lea County, New Mexico
Recording: Not recorded

Lease number: NMNM-141418
Lessor: The United States of America
Lessee: Ridge Runner Resources Agent, Inc
Date: March 1, 2020
Description: SW/4 of Section 3, Township 20 South, Range 35 East, Lea County, New Mexico
Recording: Not recorded

6) **Burdens on Production**

Of Record

Application of Ridge Runner Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County. The horizontal spacing unit will be dedicated to the following wells: (1) Thunderbird 3-10 Fed Com B #1H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; (2) Thunderbird 3-10 Fed Com B #2H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10; (3) Thunderbird 3-10 Fed Com B #3H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; and (4) Thunderbird 3-10 Fed Com B #4H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10. The completed intervals of the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Ridge Runner Resources Operating, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Monument, New Mexico.

Case No. 21477

RIDGE RUNNER

Exhibit A-8



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER:

Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

October 6, 2020

VIA CERTIFIED MAIL

W. Greg Davis
XTO Holdings, LLC
22777 Spring Woods Parkway
Spring, TX 77389

Case No. 21477

**RIDGE RUNNER
Exhibit A-9**

Re: Ridge Runner Resources Operating, LLC New Mexico Oil Conservation Division Applications

Dear Mr. Davis:

Enclosed are copies of two applications that Ridge Runner Resources Operating, LLC ("Ridge Runner") has filed with the New Mexico Oil Conservation Division ("the Division").

In Case No. 21477, Ridge Runner requests an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County.

In Case No. 21478, Ridge Runner requests an order pooling all uncommitted mineral interests in the Wolfcamp formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. XTO Holdings, LLC ("XTO") is not required to attend the hearing, but as an owner of an interest that may be affected by Ridge Runner's application, it may appear at the hearing and present testimony. If XTO does not appear at that time and become a party of record, it will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, October 29, 2020. The Pre-Hearing Statement must be filed with the Division and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

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

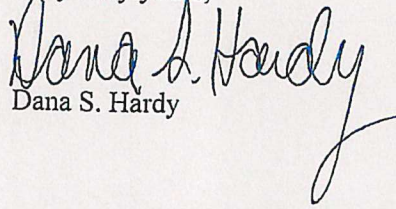
PO BOX 1720
ARTESIA, NEW MEXICO 88211
575-622-6510
(FAX) 575-746-6316

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

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

Thank you for your attention to this matter.

Very truly yours,


Dana S. Hardy

Enclosures

HINKLE SHANOR LLP

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY															
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <i>[Signature]</i></p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>															
<p>1. Article Addressed to:</p> <p>W. Greg Davis XTO Holdings, LLC 22777 Spring Woods Parkway Spring, TX 77389</p>		<p>B. Received by (Printed Name) <i>Jesse Pacheco</i></p>	<p>C. Date of Delivery</p>														
<p>2. Article Number (Transfer from service label) 7019 2970 0000 7643 2669</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>															
<p>Barcode: 9590 9402 5554 9249 4983 56</p>		<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> </table>		<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Insured Mail																	

PS Form 3811, July 2015 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 www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$

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 and Fees
\$

Sent To
EOG Resources
5509 Champions Dr
Midland, TX 79706

City, State, ZIP+4®
Midland, TX 79706

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

7019 2970 0000 7643 2652

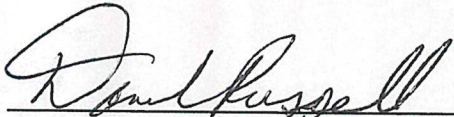
ATA FE MAIN POST OFFICE
OCT 06 2020
Postmark Here

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

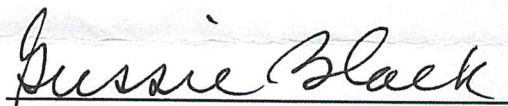
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
October 07, 2020
and ending with the issue dated
October 07, 2020.



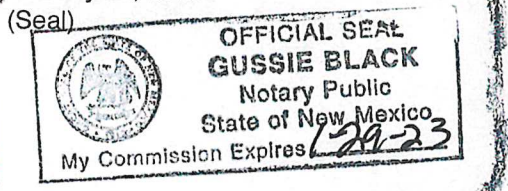
Publisher

Sworn and subscribed to before me this
7th day of October 2020.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE October 7, 2020

This is to notify all interested parties, including XTO Holdings LLC and EOG Resources, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Ridge Runner Resources Operating, LLC (Case No. 21477). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County. The horizontal spacing unit will be dedicated to the following wells: (1) Thunderbird 3-10 Fed Com B #1H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; (2) Thunderbird 3-10 Fed Com B #2H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10; (3) Thunderbird 3-10 Fed Com B #3H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; and (4) Thunderbird 3-10 Fed Com B #4H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10. The completed intervals of the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Ridge Runner Resources Operating, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Monument, New Mexico.
#35877

02107475

00247219

HINKLE, HENSLEY, SHANOR & MARTIN, LLP
PO BOX 2068
SANTA FE, NM 87504

Case No. 21477

RIDGE RUNNER
Exhibit A-10

Project: Tamarack Prospect
 Field: Pearl; Bone Spring, S & Featherstone; Bone Spring
 Well: Thunderbird 3-10 Fed Com B #1H
 Location: SHL 2540' FSL (100' from N LI) & 990' FWL (L) of Section 3-205-35E
 BHL 100' FSL & 330' FWL of Section 10-205-35E
 Lea Co., NM

Authority For Expenditure (AFE)
 TD (MD): 18,445 ft MD
 TVD: 10,480 ft
 Drilled Lateral Length: 7,720 ft VS
 Compl. Lateral Length: 7,520 ft
 Target: 2nd Bone Spring

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well. Closed loop. Completion: 7520 perf interval x 2500 lb/ft (18.8 MM lb), 2500 gal/ft (448k bbl), 90 bpm 150' stages = 50 stages, plug & perf frac. Rigless prep w/ acid crew CT drill-out. Flow Lp tubing and packer, then gas lift	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Total Cost
Permits/ Well Signs	140	8,000					8,000
Damages/ Right of Way	170	20,000	370				20,000
Title & Abstracts, Drilling Title Opinion	142	10,000					10,000
Survey and Stake Location	181	5,000	341				5,000
Locations and Roads, Frac Pit	143	50,000	343	50,000		15,000	115,000
Pit Lining	143		355	10,000			10,000
Conductor (drilled & set)	121	20,000					20,000
Mobilization / Demobilization	167	34,500	367				34,500
Drilling (Day Work)	104	396,000	304				396,000
Bits	115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool	128	50,000					50,000
Mud Logging	147	24,000					24,000
Open Hole Surveys/ Gyro	148						
Water well, pump & line	189	5,000		10,000			15,000
Water/Brine/Mud Hauling	189	10,000	389	20,000			30,000
Fresh Water	190	15,000		805,725			820,725
Brine Water	110	10,000	310				10,000
Fuel	108	74,800	308	250,000			324,800
Mud & Chemicals	140	150,000	340	25,000			175,000
Tubular Inspection	120	40,000	320				40,000
Drill string rental	125						
Casing Crew & LD Machine, CRT	117	35,000	317				35,000
Welding	181	1,500	381				1,500
Cementing	110	225,000	310				225,000
Directional Drilling	127	208,000					208,000
Wellsite Supervisor	106	55,000	306	40,000			95,000
Open Hole Logs	144						
Solids Control Equipment	172	66,000					66,000
Cuttings Haul-off & Disposal	141	150,000					150,000
Surface Rental Equipment	132	88,000	332	300,000			388,000
BOP Rental, stripper head	100		300				
Pulling Unit	354		20,000	354	12,000		32,000
Acidizing	310		20,000				20,000
Frac	324		1,600,000				1,600,000
Water Transfer	366		120,000				120,000
Completion Tools	321		73,500				73,500
Cased Hole Wireline & Perforating	344		370,000				370,000
Coiled Tubing + Tools, Nitrogen	319		250,000				250,000
Flowback & Well Testing	333		120,000				120,000
Trucking	187	30,000	387	30,000			60,000
Environmental, Pit Closure	348		25,000				25,000
Materials & Supplies	170	5,000	370				5,000
Contract Labor, Roustabouts	189	10,000	389	10,000	75,000		95,000
Wellhead field service, NU crews, pit cleaning, battery construction							
TOTAL INTANGIBLES		1,918,800		4,152,225	102,000		6,173,025

Prognosis: 13-3/8" surface, deep 9-5/8" intermediate near KOP, 14" /100' Build & Turn, 5-1/2" longstring. Single well tank battery allocation	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars							
Surface	1 850	13 3/8	68# J55 BTC	\$53.00	204	98,050	98,050
1st Intermediate					208		
2nd Intermediate	0 070	9 5/8	47# L60 BT&C	\$38.15	208	380,356	380,356
Production					408		
	18,445	5 1/2	20# CY P110 CDC +TO	\$16.55	408	305,285	305,285
Tubing	9 970	2 7/8	6 5# L80 EUE	\$6.50	412	64,805	64,805
Wellhead Equipment							
Float Equipment & Centralizers, Well Shoe					483	10,000	10,000
Liner hanger, Packer, TAC, other downhole tools					410	40,000	40,000
Flowlines, Valves, Fittings					454	8,500	8,500
Tanks					434	45,000	45,000
Battery: Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/ACT					480	200,000	200,000
Separation Equipment					478	300,000	300,000
Gas Lift Valves and surface equipment					458	125,000	125,000
Compressors/Dehydrators					458	25,000	25,000
Gas Meter Run					458		
Downhole Pumping Equipment & Rods					450	15,000	15,000
Pumping Unit, base and prime mover					465		
Electrical Installation					478	20,000	20,000
TOTAL TANGIBLES		653,670		168,305	645,000		1,866,975
TOTAL WELL COST		2,789,470		4,320,530	747,000		7,857,000

Prepared By: Kelvin Fisher Date: 4/24/2020
 Approval: [Signature] Date: 4/24/2020
 Kelvin Fisher, L.D.O.

Drill & Complete 7,090,000

Partner Approval
 Joint Owner:
 Working Interest:
 Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing 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 superior coverage prior to said date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By _____ Date: _____

Case No. 21477

RIDGE RUNNER
 Exhibit A-11

Project: Tamarack Prospect
 Field: Pearl; Bone Spring, S & Featherstone; Bone Spring
 Well: Thunderbird 3-10 Fed Com B #2H
 Location: SHL 2540' FSL (100' from N LI) & 1020' FWL (LI) of Section 3-205-35E
 BHL 100' FSL & 1650' FWL of Section 10-205-35E
 Lea Co., NM

Authority For Expenditure (AFE)
 TD (MD): 18,445 ft MD
 TVD: 10,480 ft
 Drilled Lateral Length: 7,720 ft VS
 Compl Lateral Length: 7,520 ft
 Target: 2nd Bone Spring

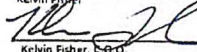
AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well. Closed loop. Completion: 7520 perf interval x 7500 lb/ft (18.8 MM lb), 2500 gal/ft (448k bbl), 90 bpm 150' stages = 50 stages, plug & perf frac. Rigless prep w/ acid crew. CT drill-out. Flow up tubing and packer, then gas lift				Drilling		Completion		Production		Total Cost
				Code	Intangibles	Code	Intangibles	Code	Intangibles	
Permits/ Well Signs				140	8,000					8,000
Damages/ Right of Way				170	20,000	370				20,000
Title & Abstracts, Drilling Title Opinion				142	10,000					10,000
Survey and Stake Location				181	5,000	381				5,000
Locations and Roads, Frac Pit			Partial allocation	143	50,000	343	50,000		15,000	115,000
Pit Lining			Closed loop drilling (no reserve pit), frac pit	143		355	10,000			10,000
Conductor (drilled & set)				121	20,000					20,000
Mobilization / Demobilization			Partial allocation	107	34,500	307				34,500
Drilling (Day Work)	22	days	spud - R/R \$18,000 per day	104	396,000	304				396,000
Blts				115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool				128	50,000					50,000
Mud Logging	12	days	\$2,000 per day	147	24,000					24,000
Open Hole Surveys/ Gyro				148						0
Water well, pump & line				150	5,000		10,000			15,000
Water/Brine/Mud Hauling				169	10,000	369	20,000			30,000
Fresh Water	\$ 1.50	10,000 bbl drilling	\$37,150 bbl compl'n (20% excess)	150	15,000		805,725			820,725
Brine Water				116	10,000	316				10,000
Fuel	\$ 2.00	1,700 gal/day		106	74,800	306	250,000			324,800
Mud & Chemicals			Oil based mud in lateral	146	150,000	346	25,000			175,000
Tubular Inspection	OP, Cat IV on 1 strings		Casing clean, drift, visual 3 strings	139	40,000	339				40,000
Drill string rental				120						0
Casing Crew & LD Machine, CRT				117	35,000	317				35,000
Welding				101	1,500	301				1,500
Cementing				118	225,000	318				225,000
Directional Drilling	16	days	\$13,000 per day	127	208,000					208,000
Wellbore Supervisor				106	55,000	306	40,000			95,000
Open Hole Logs				144						0
Solids Control Equipment			\$3,000 per day	172	66,000					66,000
Cuttings Haul-off & Disposal				141	150,000					150,000
Surface Rental Equipment	\$4,000 /d	Drilling	Frac stack, light towers, generators housing	132	88,000	332	300,000			388,000
BOP Rental, stripper head				160		360				0
Pumping Unit	5 days, 4000/d					354	20,000	354	12,000	32,000
Acidizing			Acid crew to prep loc			312	20,000			20,000
Frac			Frac: see Prognosis above			334	1,600,000			1,600,000
Water Transfer						286	120,000			120,000
Completion Tools	49	frac plugs				321	73,500			73,500
Cased Hole Wireline & Perforating	50	stages, 10k lubs				344	370,000			370,000
Coiled Tubing - Tools, Nitrogen						319	250,000			250,000
Flowback & Well Testing						433	120,000			120,000
Trucking				107	30,000	307	30,000			60,000
Environmental, Pit Closure						348	25,000			25,000
Materials & Supplies				175	5,000	375			75,000	5,000
Contract Labor, Roustabouts			Wellhead field service, NU crews, pit cleaning, battery construction	102	10,000	302	10,000	269		95,000
TOTAL INTANGIBLES					1,918,800		4,162,225		192,000	6,173,025

Prognosis: 13-3/8" surface, deep 9-5/8" intermediate near KOP, 14"/100' Build & Turn, 5-1/2" longstring. Single well tank battery allocation					Drilling		Completion		Production		Total Cost
	Length	Size	Description	Price/ft FOB Loc	Code	Intangibles	Code	Intangibles	Code	Intangibles	
Tubulars											
Surface	1,850	13-3/8	689 L55 BTC	\$53.00	204	98,050					98,050
1st Intermediate					206						0
2nd Intermediate	9,970	9-5/8	476 L60 BTC	\$38.16	206	380,356					380,356
Production					406		406				0
Production	19,445	5-1/2	204 CY P110 CDC HTG	\$16.35	406	305,265					305,265
Tubing	9,970	2-7/8	6 5/8 L60 EUE	\$6.50			412	64,805			64,805
Wellhead Equipment					293	30,000	493	10,000			40,000
Float Equipment & Centralizers, Wet Shoe					233 210	40,000	410				40,000
Inner ranger, Packer, TAC, other downhole tools			AS1X packer		254		454	8,500			8,500
Flowlines, Valves, Fittings							434 431	45,000			45,000
Tanks									460	200,000	200,000
Battery: Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT									478	300,000	300,000
Separation Equipment			Inlet sep. HT, gas scrubber, VRT							125,000	125,000
Gas Lift Valves and surface equipment							430	25,000			25,000
Compressors/Dehydrators			Rental gas lift compressor						439		0
Gas Meter Run							450	15,000			15,000
Downhole Pumping Equipment & Rods							482 470				0
Pumping Unit, base and prime mover							465				0
Electrical Installation			Partial allocation						425	20,000	20,000
TOTAL TANGIBLES						861,670		168,305		645,000	1,686,975
TOTAL WELL COST						2,789,470		4,320,530		747,000	7,837,000

Prepared By: Kelvin Fisher Date: 4/24/2020 Drilling & Complete 7,090,000

Approval:  Date: 4/24/2020

Kevin Fisher, C.E.O.

Partner Approval Amount:

Joint Owner:

Working Interest: Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing 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 coverage prior to said date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By _____ Date: _____

Project: Tamarack Prospect Authority For Expenditure (AFE) AFE #
 Field: Pearl; Bone Spring, S & Featherstone; Bone Spring TD (MD): 17,475 ft MD
 Well: Tamarack 3-10 Fed Com B #3H TVD: 9,510 ft
 Location: SHL 2540 FSL (100' from N LI) & 1050' FWL (D) of Section 3-205-35E Drilled Lateral Length: 7,720 ft VS
 BHL 100' FSL & 330' FWL of Section 10-205-35E Compi. Lateral Length: 7,520 ft
 Lea Co., NM Target: 1st Bone Spring

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well Closed loop. Completion: 7520' perf interval x 2500 lb/ft (18.8 MM lb), 2500 gal/ft (448k bbl), 90 bpm 150' stages = 50 stages. plug & perf frac. Rigless prep w/ acid crew. CT drill-out. Flow up tubing and packer, then gas lift					Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Total Cost
Permit/Well Signs					149	8,000					8,000
Damages/ Right of Way					170	20,000	379				20,000
Title & Abstracts, Drilling Title Opinion					142	10,000					10,000
Survey and Stake Location					181	5,000	381				5,000
Locations and Roads, Frac Pit			Partial allocation		143	50,000	343	50,000		15,000	115,000
Pit Lining			Closed loop drilling (no reserve pit), frac pit		143		335	10,000			10,000
Conductor (drilled & set)					121	20,000					20,000
Mobilization / Demobilization			Partial allocation		107	34,500	307				34,500
Drilling (Day Work)			21 days apud - RR \$18,000 per day		104	378,000	304				378,000
Bits					115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool					129	50,000					50,000
Mud Logging			11 days \$2,000 per day		147	22,000					22,000
Open Hole Surveys/ Gyro					148						
Water well, pump & line					109	5,000		10,000			15,000
Water/Bone/Mud Hauling					189	10,000	389	20,000			30,000
Fresh Water			\$ 150 10,000 bbl drilling 537,150 bbl comp'n (20% excess)		180	15,000		805,725			820,725
Brine Water					116	10,000	316				10,000
Fuel			\$ 2.00 1,700 gal/day		100	71,400	300	250,000			321,400
Mud & Chemicals			Oil based mud in lateral		140	150,000	340	25,000			175,000
Tubular Inspection			DP. Cat IV on 1 strings Casing: clean, drift, visual 3 strings		130	40,000	330				40,000
Drill string rental					126						
Casing Crew & LD Machine, CRT					117	35,000	317				35,000
Welding					191	1,500	391				1,600
Cementing					118	225,000	318				225,000
Directional Drilling			15 days \$12,000 per day		127	195,000					195,000
Wellsite Supervisor					106	52,500	306	40,000			92,500
Open Hole Logs					144						
Solids Control Equipment			\$3,000 per day		172	60,000					60,000
Cuttings Haul-off & Disposal					141	150,000					150,000
Surface Rental Equipment			\$4,000 /d Drilling Frac stack, light towers, generators, housing		132	84,000	332	300,000			384,000
BO- Rental, snipper head					100		300				
Pulling Unit			5 days, 4000/d		354			20,000	354	12,000	32,000
Acidizing			Acid crew to prep toe		310			20,000			20,000
Frac			Frac: see Prognosis above		334			1,600,000			1,600,000
Water Transfer					300			120,000			120,000
Completion Tools			49 frac plugs		321			73,500			73,500
Cased Hole Wireline & Perforating			50 stages, 10k tube		344			370,000			370,000
Coiled Tubing + Tools, Nitrogen					319			250,000			250,000
Flowback & Well Testing					133			120,000			120,000
Trucking					187	30,000	387	30,000			60,000
Environmental, Pit Closure					148			25,000			25,000
Materials & Supplies					170	5,000	370				5,000
Contract Labor, Roustabouts			Wellhead field service, NU crews, pit cleaning, battery construction		109	10,000	309	10,000	309	75,000	95,000
TOTAL INTANGIBLES						1,869,900		4,152,225		102,000	6,124,125

Prognosis: 13-3/8" surface, deep 9-5/8" Intermediate near KOP, 14"/100' Build & Turn, 5-1/2" longstring. Single well tank battery allocation					Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOR Loc							
Surface	1,650	13-3/8	854 J55 BTC	\$53.00	204	98,050					98,050
1st Intermediate					205						
2nd Intermediate	9,000	9-5/8	474 L80 6T6C	\$38.15	206	343,350					343,350
Production					408		408				
					408	289,211	408				289,211
Tubing	17,475	5-1/2	20R CY P110 CDC HTQ	\$16.55	417			50,500			50,500
	9,000	2-7/8	6.5# L80 EUE	\$6.50	417			10,000			10,000
Wellhead Equipment					293	30,000	493				40,000
Float Equipment & Centralizers, Wet Shoe					253 210	40,000	410				40,000
Liner hanger, Packer, TAC, other downhole tools			AS1X packer		254		454	8,500			8,500
Flowlines, Valves, Fittings							434 412	45,000			45,000
Tanks									480	200,000	200,000
Battery: Pumps 450/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT									478	300,000	300,000
Separation Equipment			Initial sep, HT, gas scrubber, VRT							125,000	125,000
Gas Lift Valves and surface equipment							410	25,000			25,000
Compressors/Dehydrators			Rental gas lift compressor						438		
Gas Meter Run											
Downhole Pumping Equipment & Rods							450	15,000			15,000
Pumping Unit, base and prime mover							462 470				
Electrical Installation			Partial allocation				405				
TOTAL TANGIBLES						800,611		162,000		645,000	1,607,611
TOTAL WELL COST						2,670,511		4,314,225		747,000	7,731,736

Prepared By: Kelvin Fisher Date: 4/24/2020 Drill & Complete 6,984,736

Approval:  Date: 4/24/2020
 Kelvin Fisher, C.O.O.

Partner Approval

Amount:

Joint Owner:

Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and center 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 notice of subrogation prior to start date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By: _____

Date: _____

Project: Tamarack Prospect
 Field: Pearl; Bone Spring, S & Featherstone; Bone Spring
 Well: Tamarack 3-10 Fed Com B #4H
 Location: SHL 2540' FSL (100' from N LL) & 1080' FWL (D) of Section 3-205-35E
 BHL 100' FSL & 1650' FWL of Section 10-205-35E
 Lea Co., NM

Authority For Expenditure (AFE)
 TD (MD): 17,475 ft MD
 TVD: 9,510 ft
 Drilled Lateral Length: 7,720 ft VS
 Compl. Lateral Length: 7,520 ft
 Target: 1st Bone Spring

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well. Closed loop. Completion: 7520 perf interval x 2500 lb/ft (18.8 MM lb), 2500 gal/ft (448k bbl), 90 bpm. 150' stages = 50 stages, plug & perf frac. Rigless prep w/ acid crew. CT drill-out. Flow up tubing and packer, then gas lift.	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Total Cost
Permits/ Well Signs	140	8,000					8,000
Damages/ Right of Way	179	20,000	374				20,000
Title & Abstracts, Drilling Title Opinion	142	10,000					10,000
Survey and Stake Location	181	5,000	381				5,000
Locations and Roads, Frac Pit	143	50,000	343	50,000		15,000	115,000
Pit Lining	143		335	10,000			10,000
Conductor (drilled & set)	121	20,000					20,000
Mobilization / Demobilization	107	34,500	307				34,500
Drilling (Day Work)	104	378,000	304				378,000
Site	115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool	129	50,000					50,000
Mud Logging	147	22,000					22,000
Open Hole Surveys/ Gyro	148						
Water well, pump & line	100	5,000		10,000			15,000
Water/Drill/Mud Hauling	150	10,000	305	20,000			30,000
Fresh Water	150	15,000		905,725			920,725
Bone Water	110	10,000	310				10,000
Fuel	100	7,400	300	250,000			321,400
Mud & Chemicals	145	150,000	340	25,000			175,000
Tubular Inspection	133	40,000	333				40,000
DP: Cat IV on 1 strings. Casing clean, drift, visual 3 strings	128						
Drilling crew & LD Machine, CRT	117	35,000	317				35,000
Welding	191	1,500	391				1,500
Cementing	110	225,000	310				225,000
Directional Drilling	127	195,000					195,000
Wellsite Supervisor	106	52,500	306	40,000			92,500
Open Hole Logs	144						
Solids Control Equipment	172	63,000					63,000
Cuttings Haul-off & Disposal	141	150,000					150,000
Surface Rental Equipment	132	84,000	332	300,000			384,000
BOP Rental, stripper head	100		300				
Pulling Unit	354		354	20,000	354	12,000	32,000
Acidizing	310		310	20,000			20,000
Frac: see Prognosis above	334		334	1,800,000			1,800,000
Water Transfer	300		300	120,000			120,000
Completion Tools	321		321	73,500			73,500
Cased Hole Wireline & Perforating	344		344	370,000			370,000
Coiled Tubing + Tools, Nitrogen	319		319	250,000			250,000
Flowback & Well Testing	333		333	120,000			120,000
Trucking	307	30,000	307	30,000			60,000
Environmental, Pit Closure	340		340	25,000			25,000
Materials & Supplies	374	5,000	374				5,000
Contract Labor, Roustabouts	308	10,000	308	10,000	308	75,000	95,000
Wellhead field service, NU crews, pit clearing, battery construction							
TOTAL INTANGIBLES		1,669,900		4,152,225		102,000	6,124,125

Prognosis: 13-3/8" surface, deep 9-5/8" intermediate near KOP, 14-7/100" build & turn, 5-1/2" longstring. Single well tank battery allocation.	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars							
Surface	1650	13 3/8 654 J55 BTC	533 00				58,050
1st Intermediate							
2nd Intermediate	9,000	9 5/8 474 .80 BT&C	538 15				343,350
Production							
Production	17,475	8 1/2 204 Cr P110 CDC HTQ	310 55				269,211
Tubing	9,000	2 7/8 6 5/8 L80 EUE	56 50				58,500
Wellhead Equipment							
Float Equipment & Controllers, Wet Shoe	292		30,000	493	10,000		40,000
Liner hanger, Packer, TAC, other downhole tools	253,291		40,000	410			40,000
Flowlines, Valves, Fittings	254		454	8,500			8,500
Tanks			434 432	45,000			45,000
Battery Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT					450	200,000	200,000
Separation Equipment					412	300,000	300,000
Gas Lift Valves and surface equipment					412	125,000	125,000
Compressors/Dehydrators				439	25,000		25,000
Gas Meter Run					438		
Downhole Pumping Equipment & Rods			450	15,000			15,000
Pumping Unit, base and prime mover			402 470				
Electrical installation			405				
TOTAL TANGIBLES		800,611		162,000		645,000	1,607,611
TOTAL WELL COST		2,670,511		4,314,225		747,000	7,731,736

Prepared By: Kelvin Fisher Date: 4/24/2020 Drill & Complete 6,984,736

Approval:  Date: 4/24/2020

Partner Approval
 Joint Owner:
 Working Interest:

Amount:

Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and terms 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 sign date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By _____

Date: _____

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

**APPLICATION OF RIDGE RUNNER
RESOURCES OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 21477

**SELF-AFFIRMED STATEMENT OF
MICHAEL BURKE**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
2. I am a geologist at Ridge Runner Resources Operating, LLC ("Ridge Runner"). I am familiar with the geological matters that pertain to Ridge Runner's application.
3. I have previously testified before the New Mexico Oil Conservation Division as an expert in geology, and my qualifications were accepted.
4. A general location map of the proposed horizontal spacing unit ("HSU") is attached as Exhibit B-1. This map depicts both vertical & horizontal wells that have been completed in or permitted to the Bone Spring Formation. They are marked with a green dot at the bottom hole location. The horizontal wells vary in length from 1 mile to 2 miles. The map also shows a line of cross section for the proposed Thunderbird 3-10 Fed Com B #1H, 2H, 3H, and 4H wells.
5. A gun barrel diagram of the proposed Thunderbird 3-10 Fed Com B #1H, #2H, #3H, and #4H wells is attached as Exhibit B-2.
6. A structure map of the Bone Spring formation is attached as Exhibit B-3. The map shows that the structure dips to the west at ~100' per mile (~1 degree) and its datum is the top of the 1st Bone Spring Sand. In this vicinity, the subsurface is uniformly underlain by this formation

Case No. 21477

**RIDGE RUNNER
Exhibit B**

at a depth of ~8100' - ~11,100' (H = ~3000'). The formation consists of alternating and continuous beds of sandstone, shale, and limestone, all of which have value as reservoirs and source rocks for oil and gas accumulations. There are no significant structural or stratigraphic interruptions (faults, truncations, etc.). The various individual stratigraphic zones do exhibit local thickness and reservoir quality variations.

7. Attached as Exhibit B-4 is a gross interval isopach map of the Bone Spring formation, which contains the target zones for the proposed wells. It shows that the Bone Spring formation across the HSU is continuous.

8. Attached as Exhibit B-5 is a north to south cross section. The well logs on the cross section provide a representative sample of the 1st & 2nd Bone Spring Sands in this area. These sands, the target zone(s) for the proposed wells are continuous across the HSU.

9. A north to south well orientation is preferred in this area based on horizontal stress.

10. The wells' producing intervals will be orthodox.

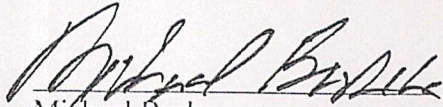
11. Based on the information discussed above, I am able to conclude that:

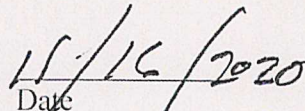
- (a) the HSU is justified from a geologic standpoint;
- (b) there is no faulting or other geologic impediment that could adversely affect the drilling of the proposed wells; and
- (c) each quarter-quarter section in the HSU will contribute more or less equally to production.

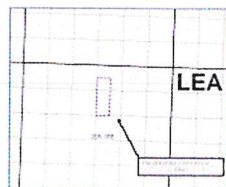
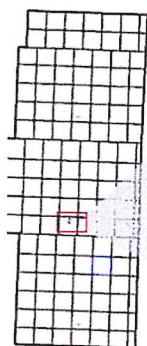
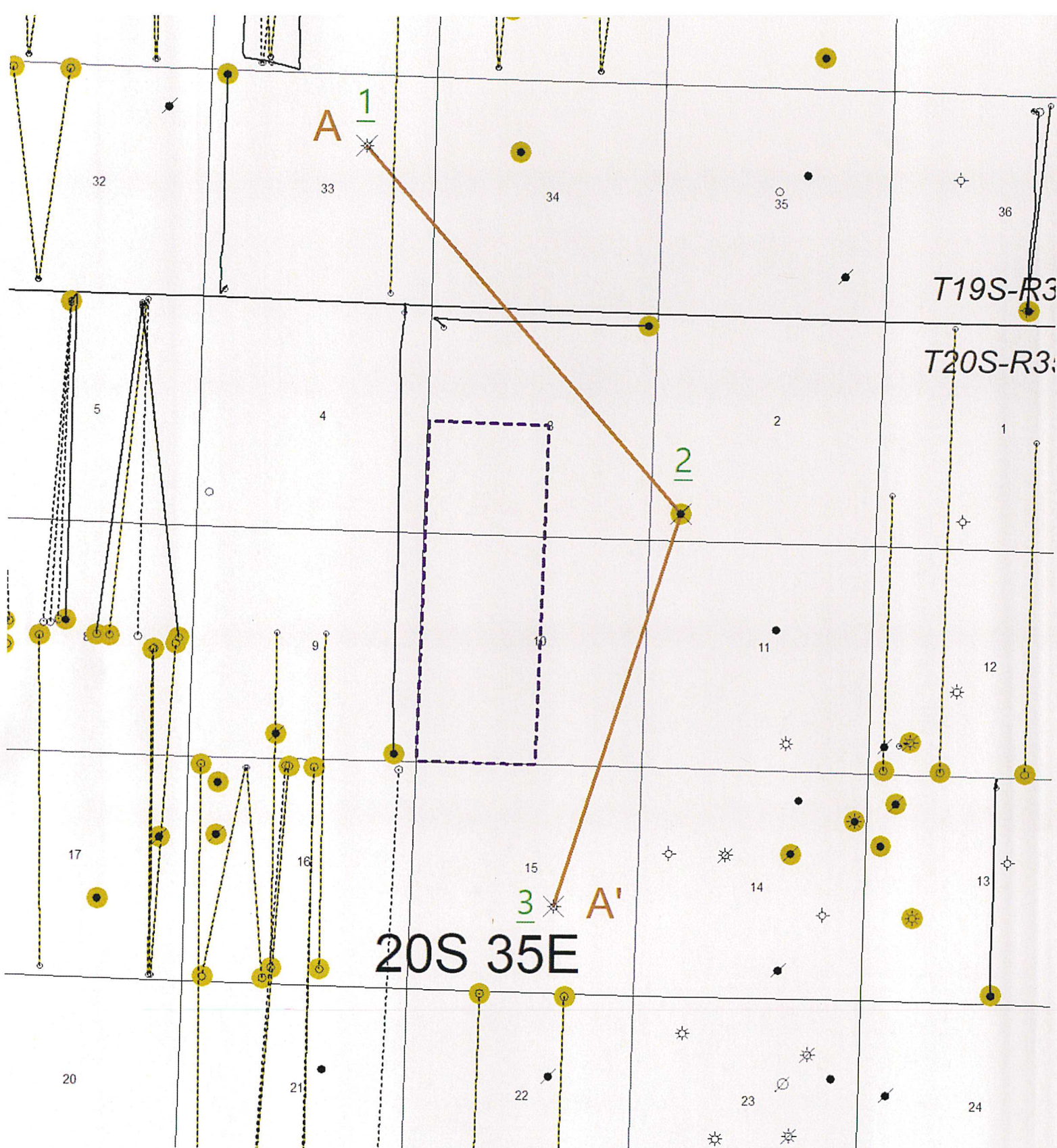
12. In my opinion, the granting of Ridge Runner's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

13. Exhibits B-1 through B-5 were either prepared by me or compiled from company records.

14. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 13 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.


Michael Burke


Date



Case No. 21477
RIDGE RUNNER
Exhibit B-1



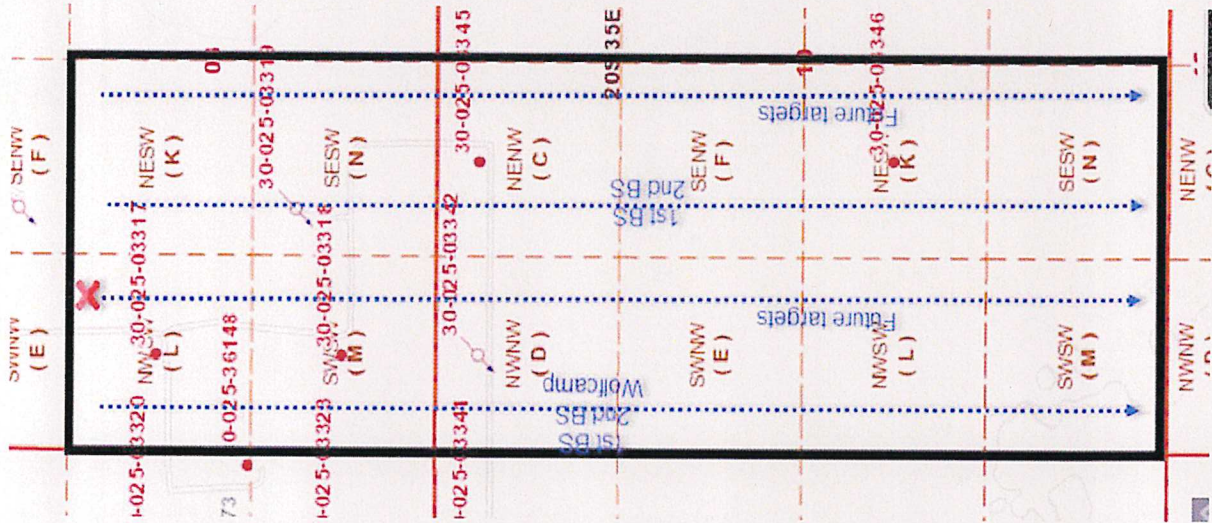
RRR **RIDGE RUNNER**
 RESOURCES

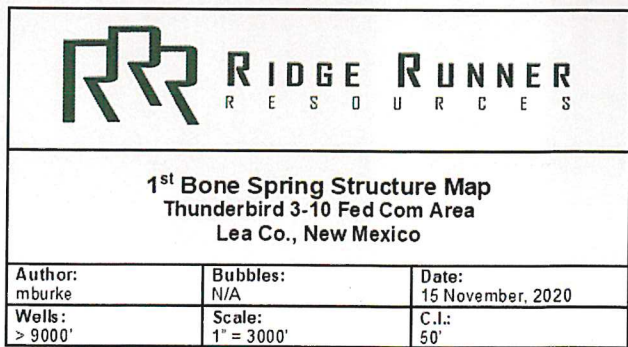
Bone Spring Well & X-Section Index Map
 Thunderbird 3-10 Fed Com Area
 Lea Co., New Mexico

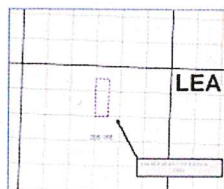
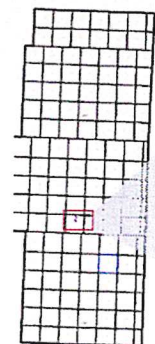
Author: mburke	Bubbles: Brown Bone Spring Wells	Date: 15 November, 2020
Wells: > 9000'	Scale: 1" = 3000'	C.I.: N/A

Gun Barrel View		Distance from W line	Proposed Location
		330 660 990 1650 1980 2310	
			9290' L Avalon
			9510' 1st Bone Spring
			10,120' Upper 2nd Bone Spring
			10,480' Lower 2nd Bone Spring
			3rd Bone Spring
			11,450' Wolfcamp A Shale
			11,782' Wolfcamp B2

Well Orientation & Spacing







RIDGE RUNNER
Exhibit B-4

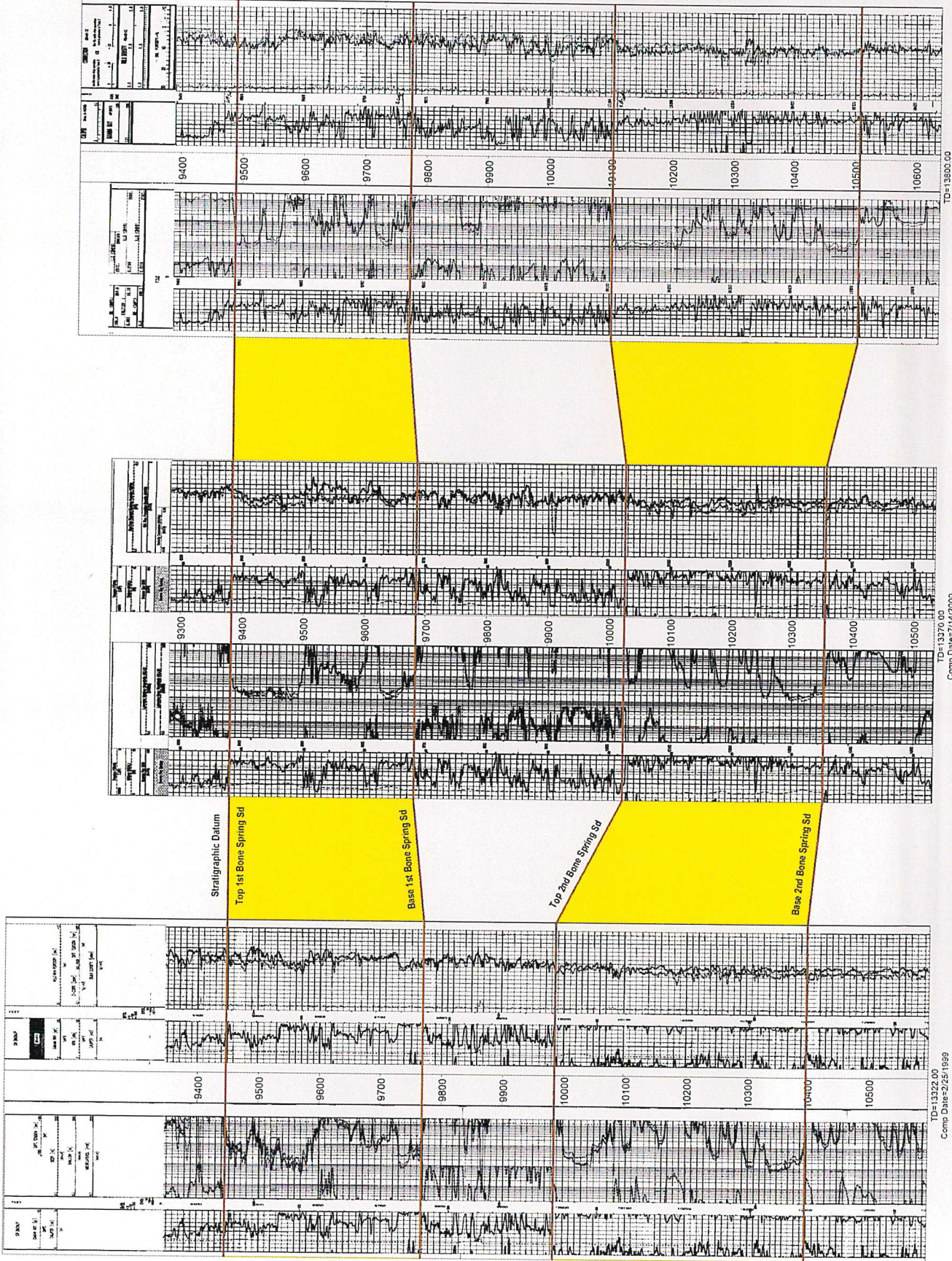


Bone Spring Gross Isopach Map
(*Top Bone Spring Lm – Top Wolfcamp*)
Thunderbird 3-10 Fed Com Area
Lea Co., New Mexico

1200

North - South

Case No. 21477 RIDGE RUNNER Exhibit B-5



TD=13800.00
Comp Date=11/8/1992

TD=13370.00
Comp Date=7/14/2000

TD=13322.00
Comp Date=2/25/1999