



OneEnergy Partners Operating, LLC

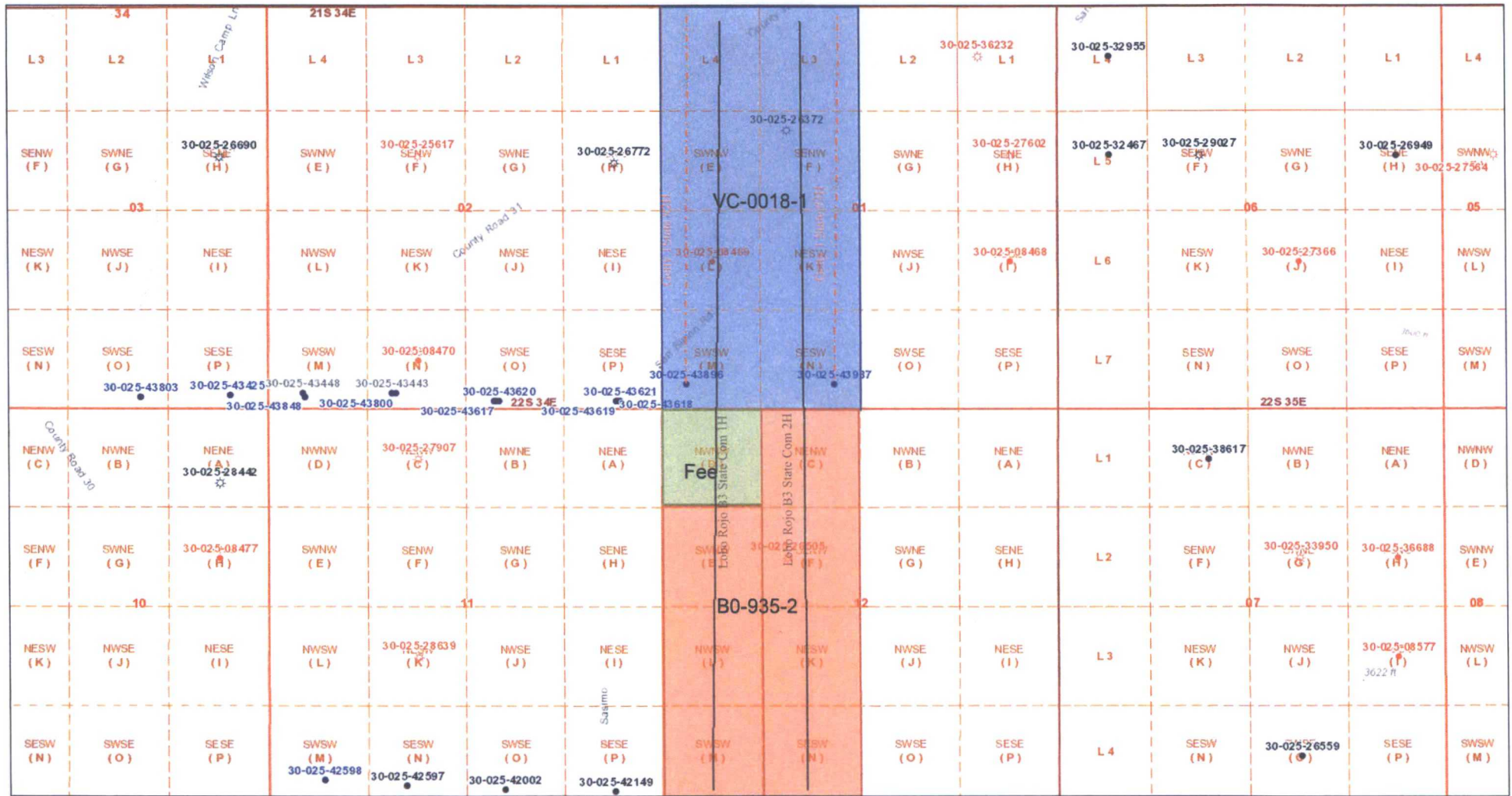
Lobo Rojo B3 State Com 1H & 2H wells

BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 17, 2017
CASE NOS. 15758 & 15759



(Hearing on
8/17/17)

Lobo Rojo B3 State Com 1H & 2H wells



August 15, 2017

Legend

- V-P wells
- OEP wells
- Areas
- VC-0018-1
- B0-935-2

Proposed Development Plans:

V-F Petroleum Inc. 1 mile locations:

Getty 1 State #2H: Lot 4, SWNW, W2SW Section 1, T22S-R34E, NMPM, Lea County, New Mexico
 Getty 1 State #3H: Lot 3, SENW, E2SW Section 1, T22S-R34E, NMPM, Lea County, New Mexico

OneEnergy Partners Operating, LLC 2 mile locations:

Lobo Rojo B3 State Com 1H: Lot 4, SWNW, W2SW Section 1 & W2W2 Section 12, T22S-R34E, NMPM, Lea County, New Mexico
 Lobo Rojo B3 State Com 2H: Lot 3, SENW, E2SW Section 1 & E2W2 Section 12, T22S-R34E, NMPM, Lea County, New Mexico

BEFORE THE OIL CONSERVATION DIVISION

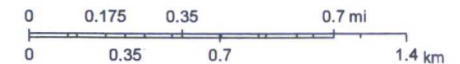
Santa Fe, New Mexico

Exhibit No. 1

Submitted by: ONEENERGY PARTNERS OP.

Hearing Date: August 17, 2017

1:18,056



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS

Web AppBuilder for ArcGIS
 Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METINASA, EPA, USDA | NM OSE | U.S. BLM | US Census Bureau, NMDOT | BLM | OCD |

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, 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 and 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96553	Pool Name Ojo Chiso; Bone Spring
Property Code	Property Name Lobo Rojo B3 State Com	Well Number 1H
OGRID No. 372031	Operator Name OneEnergy Partners Operating LLC	Elevation 3,580'

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	12	22 S	34 E		380'	SOUTH	685'	WEST	LEA

Bottom Hole 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
D	1	22 S	34 E		380'	NORTH	940'	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
322.42			

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

NW CORNER SEC. 1
LAT - N 32°25'41.09"
LONG - W 103°25'53.74"
NMSPACE- N 520623.5
E 778232.3
(NAD-27)

N/4 CORNER SEC. 1
LAT - N 32°25'41.15"
LONG - W 103°25'22.95"
NMSPACE- N 520652.0
E 780871.6
(NAD-27)

NE CORNER SEC. 1
LAT - N 32°25'41.17"
LONG - W 103°24'52.15"
NMSPACE- N 520676.8
E 783511.2
(NAD-27)

SW CORNER SEC. 12
LAT - N 32°24'48.06"
LONG - W 103°25'53.91"
NMSPACE- N 515264.6
E 778265.6
(NAD-27)

NW CORNER SEC. 12
LAT - N 32°23'55.81"
LONG - W 103°25'54.06"
NMSPACE- N 509984.9
E 778295.0
(NAD-27)

S/4 CORNER SEC. 12
LAT - N 32°23'55.84"
LONG - W 103°25'23.37"
NMSPACE- N 510010.0
E 780926.5
(NAD-27)

SE CORNER SEC. 1
LAT - N 32°24'48.08"
LONG - W 103°24'52.31"
NMSPACE- N 515312.0
E 783543.7
(NAD-27)

NE CORNER SEC. 12
LAT - N 32°24'00.03"
LONG - W 103°24'52.49"
NMSPACE- N 510030.5
E 783574.0
(NAD-27)

SW CORNER SEC. 12
LAT - N 32°23'55.82"
LONG - W 103°24'52.49"
NMSPACE- N 510030.5
E 783574.0
(NAD-27)

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

Signature: *Jeff Lierly* Date: 6/19/2017
Printed Name: Jeff Lierly
Email Address: jlierly@oneenergypartners.com

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.

MONTH XX, 20XX
Date Surveyed: _____
Signature & Seal of Professional Surveyor: _____

PRELIMINARY
Vasileios Kalogirou
Certificate No. 22501
HALFF ASSOCIATES 32425-W002 SHEET 1

Diagram showing the well location plat with sections 1 and 12. The proposed bottom hole location (BHL) is marked with a dot and labeled. The surface hole location (SHL) is also marked. Dimensions 940', 685', and 380' are indicated.

SCALE 1"=3000'

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 2

Submitted by: ONEENERGY PARTNERS OP.

Hearing Date: August 17, 2017

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575)393-6161 Fax:(575)393-0720

DISTRICT II

811 S. First St., Artesia, NM 88210
Phone:(575)748-1283 Fax:(575)748-9720

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State of New Mexico
Energy, Minerals and 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96553	Pool Name Ojo Chiso; Bone Spring
Property Code	Property Name Lobo Rojo B3 State Com	Well Number 2H
GRID No. 372031	Operator Name OneEnergy Partners Operating LLC	Elevation 3,611'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	22 S	34 E		380'	SOUTH	2,456'	WEST	LEA

Bottom Hole 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	1	22 S	34 E		380'	NORTH	2,260'	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
322.49			

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

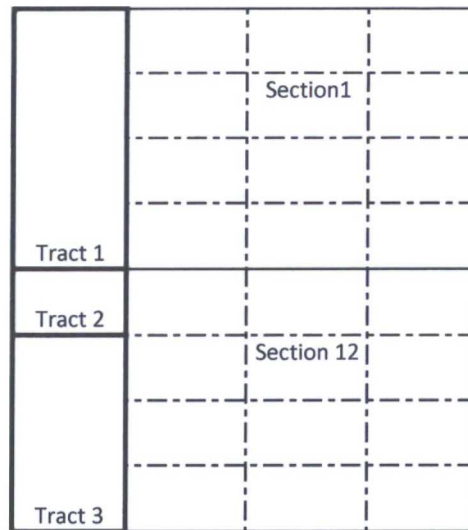
<p>NW CORNER SEC. 1 LAT - N 32°25'41.09" LONG - W 103°25'53.74" NMSPACE- N 520623.5 E 778232.3 (NAD-27)</p>	<p>N/4 CORNER SEC. 1 LAT - N 32°25'41.15" LONG - W 103°25'22.95" NMSPACE- N 520652.0 E 780871.6 (NAD-27)</p>	<p>NE CORNER SEC. 1 LAT - N 32°25'41.17" LONG - W 103°24'52.15" NMSPACE- N 520676.8 E 783511.2 (NAD-27)</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature <i>Jeff Lierly</i> Date 6/19/2017</p> <p>Printed Name Jeff Lierly</p> <p>Email Address jlierly@oneenergypartners.com</p>
<p>SW CORNER SEC. 1 NW CORNER SEC. 12 LAT - N 32°24'48.06" LONG - W 103°25'53.91" NMSPACE- N 515264.6 E 778265.6 (NAD-27)</p>	<p>SE CORNER SEC. 1 NE CORNER SEC. 12 LAT - N 32°24'48.08" LONG - W 103°24'52.31" NMSPACE- N 515312.0 E 783543.7 (NAD-27)</p>	<p>PROPOSED BOTTOM HOLE LOCATION LAT: 32°25'37.38" LONG: 103°25'27.39" N 520267.9 E 780494.3 (NAD-27) LAT: 32°25'37.83" LONG: 103°25'29.12" N 520329.0 E 821677.4 (NAD-83) (NMSPACE)</p>	
			<p>SURFACE HOLE LOCATION LAT: 32°23'59.60" LONG: 103°25'25.41" N 510388.4 E 780748.2 (NAD-27) LAT: 32°24'00.05" LONG: 103°25'27.13" N 510449.2 E 821931.5 (NAD-83) (NMSPACE)</p>
<p>SW CORNER SEC. 12 LAT - N 32°23'55.81" LONG - W 103°25'54.06" NMSPACE- N 509984.9 E 778295.0 (NAD-27)</p>	<p>S/4 CORNER SEC. 12 LAT - N 32°23'55.84" LONG - W 103°25'23.37" NMSPACE- N 510010.0 E 780926.5 (NAD-27)</p>	<p>SW CORNER SEC. 12 LAT - N 32°23'55.82" LONG - W 103°24'52.49" NMSPACE- N 510030.5 E 783574.0 (NAD-27)</p>	<p>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.</p> <p>MONTH XX, 20XX</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>PRELIMINARY</p> <p>Vasileios Kalogirou Certificate No. 22501</p> <p>HALFF ASSOCIATES 32425-W004 SHEET 1</p>

SCALE 1"=3000'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3

Submitted by: ONEENERGY PARTNERS OP.
Hearing Date: August 17, 2017

Lobo Rojo B3 State Com 1H
 Lot 4, SWNW, W2SW Section 1 and W2W2 Section 12, Township 22 South, Range 34
 East, N.M.P.M., Lea County, New Mexico



Tract 1 Lot 4, SWNW, W2SW Section 1, Township 22 South, Range 34 East

44.750000%	Fuel Products, Inc.			
44.750000%	Gahr Energy Company			
2.000000%	V-F Petroleum Inc.			
2.000000%	Ameristate Partners LLC			
2.000000%	HFLP E&P LLC			
2.000000%	Marcus Wayne Luna			
2.000000%	Mark K. Nearburg			
0.5000000%	Sandra K. Lawlis			
100.000000%	Total Committed Interest	0.000000%	Total Uncommitted Interest	100.000000%

Tract 2 NWNW Section 12, Township 22 South, Range 34 East

86.242750%	OneEnergy Partners Operating, LLC			
13.757250%	Marathon Oil Permian LLC			
100.000000%	Total Committed Interest	100.000000%	Total Uncommitted Interest	0.000000%

Tract 3 SWNW, W2SW Section 12, Township 22 South, Range 34 East

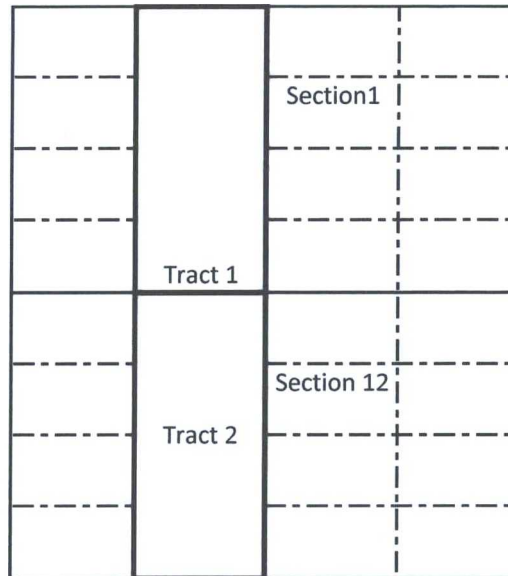
100.000000%	OneEnergy Partners Operating, LLC			
100.000000%	Total Committed Interest	100.000000%	Total Uncommitted Interest	0.000000%

Unit Lot 4, SWNW, W2SW Section 1 & W2W2 Section 12, Township 22 South, Range 34 East

47.917964%	OneEnergy Partners Operating, LLC			
1.706749%	Marathon Oil Permian LLC			
22.542941%	Fuel Products, Inc.			
22.542941%	Gahr Energy Company			
1.007506%	V-F Petroleum Inc.			
1.007506%	Ameristate Partners LLC			
1.007506%	HFLP E&P LLC			
1.007506%	Marcus Wayne Luna			
1.007506%	Mark K. Nearburg			
0.251876%	Sandra K. Lawlis			
100.000000%	Total Committed Interests	49.624713%	Total Uncommitted Interests	50.375287%

Uncommitted Interest

Lobo Rojo B3 State Com 2H
 Lot 3, SENW, E2SW Section 1 and E2W2 Section 12, Township 22 South, Range 34
 East, N.M.P.M., Lea County, New Mexico



Tract 1 Lot 3, SENW, E2SW Section 1, Township 22 South, Range 34 East

44.750000%	Fuel Products, Inc.			
44.750000%	Gahr Energy Company			
2.000000%	V-F Petroleum Inc.			
2.000000%	Ameristate Partners LLC			
2.000000%	HFLP E&P LLC			
2.000000%	Marcus Wayne Luna			
2.000000%	Mark K. Nearburg			
0.5000000%	Sandra K. Lawlis			
100.000000%	Total Committed Interest	0.000000%	Total Uncommitted Interest	100.000000%

Tract 2 E2W2 Section 12, Township 22 South, Range 34 East

100.00000%	OneEnergy Partners Operating, LLC			
100.00000%	Total Committed Interest	100.000000%	Total Uncommitted Interest	0.000000%

Unit Lot 3, SENW, E2SW Section 1 & E2W2 Section 12, Township 22 South, Range 34 East

49.613942%	OneEnergy Partners Operating, LLC			
22.547761%	Fuel Products, Inc.			
22.547761%	Gahr Energy Company			
1.007721%	V-F Petroleum Inc.			
1.007721%	Ameristate Partners LLC			
1.007721%	HFLP E&P LLC			
1.007721%	Marcus Wayne Luna			
1.007721%	Mark K. Nearburg			
0.251930%	Sandra K. Lawlis			
100.000000%	Total Committed Interests	49.613942%	Total Uncommitted Interests	50.386058%

Uncommitted Interest



May 30, 2017

V-F Petroleum Inc.
500 West Texas Ave, Suite 230
Midland, Texas 79702

RE: Lobo Rojo B3 State Com 1H Well Proposal
Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico
SHL: 380' FSL & 685' FWL Section 12; BHL: 330' FNL & 940' FWL Section 1

Dear Working Interest Owner:

OneEnergy Partners Operating, LLC ("OEP"), as Operator, hereby proposes drilling and completing the Lobo Rojo B3 State Com 1H well (the "Well") to test the Bone Spring formation at a total vertical depth of 11,208' and a total measured depth of 20,900' ("Operation"). The estimated costs associated with the Operation are \$9,776,875.00, as outlined in the enclosed Authority For Expenditure dated April 25, 2017 ("AFE"). OEP's records indicate V-F Petroleum Inc. owns a 0.01007613 working interest in the Well, and V-F Petroleum Inc.'s estimated costs associated with the Operation is approximately \$98,513.11.

In addition, OEP hereby proposes the Operation under the terms of a modified 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following basic terms:

- Contract Area consisting of Township 22 South, Range 34 East, Section 12: W/2 & Section 1: W/2, with OEP listed as the Operator ("Contract Area")
- 100%/300%/300% non-consent risk penalties
- \$7,000.00/\$700.00 drilling and producing overhead rates

In the event V-F Petroleum Inc. chooses not to participate, OEP is willing to propose the following alternatives:

- V-F Petroleum Inc. farmout its leasehold interest in the Contract Area, delivering to OEP all of its working interest and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest into a proportionately reduced twenty-five percent (25%) working interest in the Well and associated project area upon payout of the Well.
- V-F Petroleum Inc. sell its entire leasehold interest in the Contract Area to OEP, delivering a Seventy-five percent (75%) net revenue interest in its lease included in the Contract Area.

Lobo Rojo B3 State Com 1H well proposal

OEP looks forward to working with V-F Petroleum Inc. on this matter and encourages you to call with any questions pertaining to the Operation. However, please be advised that OEP may file for compulsory pooling in the near future to pool any uncommitted working interest owners. As such, please indicate your election in the Operation on the following page and return to Jeff Lierly at jlrierly@oneenergypartners.com at your earliest convenience.

Respectfully,

OneEnergy Partners Operating, LLC



Jeff Lierly, CPL
Vice President of Land
OneEnergy Partners, LLC
2929 Allen Parkway, Suite 200
Houston, Texas 77019
(713) 714-6485 – office
jlrierly@oneenergypartners.com

Enclosures

_____ V-F Petroleum Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Lobo Rojo B3 State Com 1H AFE

_____ V-F Petroleum Inc. hereby elects to go non-consent in the proposed Operation

_____ V-F Petroleum Inc. hereby elects to farmout its interest in the Contract Area to OEP

_____ V-F Petroleum Inc. hereby elects to sell its interest in the Contract Area to OEP

Working Interest Owner:

V-F Petroleum Inc.

By: _____

Title: _____



OneEnergy Partners, LLC
2929 Allen Parkway, Suite 200
Houston, TX 77019
Phone: 713.714.6842
oneenergypartners.com

AUTHORITY FOR EXPENDITURE

Well Name: Lobo Rojo B3 State Com
SHL: 380' FSL & 685' FWL Section 12, T22S-R34E
Location: BHL: 330' FNL & 940' FWL Section 1, T22S-R34E
Operator: OneEnergy Partners, LLC
Purpose: Drill and complete a 9000' 3BS well with 1750 lbs/ft Slickwater
frac. TVD 11208', MD 20,900

Well #: 1H
County/State: Lea Co. NM
Date Prepared: 4/25/2017
AFE #: DCE170403S

Intangible Drilling Costs		
Code	Description	Amount
9201	ADMINISTRATIVE OVERHEAD	\$12,500
9202	CASING CREW & EQPT	\$27,000
9203	CEMENTING INTERMEDIATE CASING	\$18,000
9204	CEMENTING SURFACE CASING	\$12,000
9205	COMMUNICATIONS	\$15,000
9206	COMPLETION FLUIDS	\$65,000
9208	CONTRACT LABOR	\$15,000
9209	DAMAGES	
9210	DAYWORK CONTRACT	\$560,000
9211	DRILLING - DIRECTIONAL	\$420,000
9212	DRILLING - FOOTAGE	
9213	DRILLING BITS	\$105,000
9214	ELECTRICAL POWER/GENERATION	\$60,000
9215	ENGINEERING	\$15,000
9216	ENVIRONMENTAL SERVICES	
9217	EQUIPMENT RENTAL	\$122,500
9218	FISHING TOOLS/SERVICES	
9219	HEALTH & SAFETY	
9220	HOUSING AND SUPPORT SERVICES	\$25,000
9221	INSURANCE	\$16,000
9222	LEGAL, TITLE SERVICES	\$5,000
9223	MATERIALS & SUPPLIES	
9224	MISCELLANEOUS	
9225	MOUSE/RATHOLE/CONDUCT PIPE	\$5,000
9226	MUD & CHEMICALS	\$120,000
9228	OPENHOLE LOGGING	\$100,000
9229	PERMITS, LICENSES, ETC	\$2,000
9291	POWER FUEL & WATER HAULING	
9292	RIG MOVE & RACKING COSTS	\$200,000
9293	RIG UP TEAR OUT & STANDBY	\$50,000
9294	STAKING & SURVEYING	\$3,000
9295	SUPERVISION	\$96,000
9296	SUPERVISION - GEOLOGICAL	\$24,000
9297	TRANSPORTATION/TRUCKING	\$25,000
9297	CONTINGENCY 5%	\$105,900
Total Intangible Drilling Costs:		\$2,223,900

Intangible Completion Costs		
Code	Description	Amount
9301	ADMINISTRATIVE OVERHEAD	\$12,500
9302	CASED HOLE LOGS & SURVEYS	\$15,000
9303	CASING CREW & EQPT	
9304	COILED TUBING/SRUBBING UNIT	\$105,000
9305	COMMUNICATIONS	\$15,000
9306	COMPANY DIRECT LABOR	\$15,000
9307	COMPLETION/WORKOVER RIG	\$45,000
9309	CONTRACT LABOR/ROUSTABOUTS	
9310	DAMAGES/RECLAMATION	\$15,000
9311	DISPOSAL SOLIDS	
9312	ELECTRICAL POWER/GENERATION	
9313	ENVIRONMENTAL CLEANUP	
9314	FISHING TOOLS / SERVICES	
9315	FUEL, POWER/DIESEL	\$25,000
9316	HEALTH & SAFETY	\$10,000
9317	HOUSING AND SUPPORT SERVICES	
9318	MATERIALS & SUPPLIES	
9319	MISCELLANEOUS	\$50,000
9320	MUD & CHEMICALS	
9322	P&A/TA COSTS	
9323	PERFORATING/WIRELINE SERVICE	\$130,000
9324	PIPE INSPECTION	\$25,000
9325	ROAD, LOCATIONS REPAIRS	\$15,000
9326	STIMULATION	\$4,400,000
9327	SUBSURFACE EQUIPMENTAL RENTAL	
9328	SUPERVISION	\$42,000
9329	SURFACE EQUIP RENTAL	\$40,000
9330	TRANSPORTATION/TRUCKING	\$20,000
9331	WATER HEATING	
9332	WELDING SERVICES	
9333	WELL TESTING/FLOWBACK	\$100,000
9308	CONTINGENCY COSTS 5%	\$253,975
Total Intangible Completion Costs:		\$5,333,475

Tangible Drilling Costs		
Code	Description	Amount
9401	CONSTRUCTION/LOCATION & ROAD	\$80,000
9402	INTERMEDIATE CASING & ATTACHMENTS	\$285,000
9404	PACKERS/SLEEVES/PLUGS	
9405	PRODUCTION CASING & ATTACHEMENTS	\$580,000
9406	SITE RESTORATION	
9407	SURFACE CASING & ATTACHMENTS	\$65,000
9408	TAXES	
9409	WELLHEAD EQUIPMENT/CASING BOWL	
Total Tangible Drilling Costs:		\$1,010,000

Tangible Completion Costs		
Code	Description	Amount
9411	ARTIFICIAL LIFT	
9412	ENGINEERING	\$10,000
9413	FLOWLINES	\$10,000
9414	FLUIDS/HAULING/DISPOSAL	\$135,000
9415	FRAC STRING	\$50,000
9416	FRAC WATER/COMPLETION FLUID	\$360,000
9418	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$25,000
9419	PRODUCTION LINER	
9420	PRODUCTION PROCESSING FACILITY	
9421	PRODUCTION TUBING	\$55,000
9422	RODS/PUMPS	
9423	SUBSURFACE EQUIPMENT	
9424	TAXES	
9425	WELLHEAD EQUIPMENT	\$20,000
Total Tangible Completion Costs:		\$665,000

Office Use Only:

Lease and Well Equipment Costs		
Code	Description	Amount
9102	ADMINISTRATIVE OVERHEAD	\$12,500
9103	AUTOMATION/TELEMETRY/METERING	\$5,000
9104	COMMUNICATIONS	\$0
9105	COMPANY DIRECT LABOR	\$0
9106	COMPRESSORS	\$0
9108	CONTRACT LABOR/ROUSTABOUTS	\$10,000
9109	DAMAGES/RECLAMATION	\$5,000
9110	DIAGNOSTIC EQUIPMENT	\$0
9111	DISPOSAL SOLIDS	\$0
9112	ELECTRICAL	\$20,000
9113	ELECTRICAL POWER/GENERATION	\$0
9114	ENGINEERING	\$15,000
9115	ENVIRONMENTAL/CLEANUP	\$25,000
9116	FLOWLINES	\$25,000
9117	FLUIDS/HAULING/DISPOSAL	\$10,000
9118	FUEL, POWER/DIESEL	\$0
9119	HEALTH & SAFETY	\$2,000
9120	HOUSING AND SUPPORT SERVICES	\$1,500
9121	MATERIALS & SUPPLIES	\$25,000
9122	NON OPERATED	\$0
9123	PIPE/VALVES/FITTINGS	\$15,000
9124	PIPELINE & METERING	\$50,000
9125	PRODUCTION PROCESSING FACILITY	\$0
9126	PUMPS (SURFACE)	\$190,000
9127	ROAD, LOCATIONS REPAIRS	\$10,000
9128	SUBSURFACE EQUIPMENT	\$15,000
9129	SUPERVISION	\$25,000
9130	TANKS WALKWAYS, STAIRS, BUILDING STRUCTURES	\$60,000
9131	TAXES	\$0
9132	TRANSPORTATION/TRUCKING	\$5,000
9133	WELDING SERVICES	\$3,500
9134	WELLHEAD EQUIPMENT	\$15,000
Total Lease and Well Equipment Costs		\$544,500

Total Drill:	\$3,233,900.00
Total Completion:	\$6,342,975.00
Total Intangible:	\$7,557,375.00
Total Tangible:	\$2,219,500.00
Total AFE:	\$9,776,875.00

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTINATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: OneEnergy Partners, LLC

Approved By:
David Ramsden-Wood
Chief Operating Officer and Co-Founder

Date: 04.25.2017

WT Owner:

Approved By:

Printed Name:

Date:

Title:

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH OFP

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by: ONEENERGY PARTNERS OP.
Hearing Date: August 17, 2017



May 30, 2017

V-F Petroleum Inc.
500 West Texas Ave, Suite 230
Midland, Texas 79702

RE: Lobo Rojo B3 State Com 2H Well Proposal
Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico
SHL: 380' FSL & 2005' FWL Section 12; BHL: 330' FNL & 2260' FWL Section 1

Dear Working Interest Owner:

OneEnergy Partners Operating, LLC ("OEP"), as Operator, hereby proposes drilling and completing the Lobo Rojo B3 State Com 2H well (the "Well") to test the Bone Spring formation at a total vertical depth of 11,208' and a total measured depth of 20,900' ("Operation"). The estimated costs associated with the Operation are \$9,776,875.00, as outlined in the enclosed Authority For Expenditure dated April 25, 2017 ("AFE"). OEP's records indicate V-F Petroleum Inc. owns a 0.01007613 working interest in the Well, and V-F Petroleum Inc.'s estimated costs associated with the Operation is approximately \$98,513.11.

In addition, OEP hereby proposes the Operation under the terms of a modified 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") enclosed herein for your review with the following basic terms:

- Contract Area consisting of Township 22 South, Range 34 East, Section 12: W/2 & Section 1: W/2, with OEP listed as the Operator ("Contract Area")
- 100%/300%/300% non-consent risk penalties
- \$7,000.00/\$700.00 drilling and producing overhead rates

In the event V-F Petroleum Inc. chooses not to participate, OEP is willing to propose the following alternatives:

- V-F Petroleum Inc. farmout its leasehold interest in the Contract Area, delivering to OEP all of its working interest and leasehold interest, reserving an overriding royalty interest equal to the positive difference, if any, between twenty-five percent (25%) and existing leasehold burdens, subject to proportionate reduction, with the option to convert said overriding royalty interest into a proportionately reduced twenty-five percent (25%) working interest in the Well and associated project area upon payout of the Well.
- V-F Petroleum Inc. sell its entire leasehold interest in the Contract Area to OEP, delivering a Seventy-five percent (75%) net revenue interest in its lease included in the Contract Area.

Lobo Rojo B3 State Com 2H well proposal

OEP looks forward to working with V-F Petroleum Inc. on this matter and encourages you to call with any questions pertaining to the Operation. However, please be advised that OEP may file for compulsory pooling in the near future to pool any uncommitted working interest owners. As such, please indicate your election in the Operation on the following page and return to Jeff Lierly at jlrierly@oneenergypartners.com at your earliest convenience.

Respectfully,

OneEnergy Partners Operating, LLC



Jeff Lierly, CPL
Vice President of Land
OneEnergy Partners, LLC
2929 Allen Parkway, Suite 200
Houston, Texas 77019
(713) 714-6485 – office
jlrierly@oneenergypartners.com

Enclosures

- _____ V-F Petroleum Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Lobo Rojo B3 State Com 2H AFE
- _____ V-F Petroleum Inc. hereby elects to go non-consent in the proposed Operation
- _____ V-F Petroleum Inc. hereby elects to farmout its interest in the Contract Area to OEP
- _____ V-F Petroleum Inc. hereby elects to sell its interest in the Contract Area to OEP

Working Interest Owner:

V-F Petroleum Inc.

By: _____
Title: _____



OneEnergy Partners, L.L.C.
2929 Allen Parkway, Suite 200
Houston, TX 77019
Phone: 713.714.6842
oneenergypartners.com

AUTHORITY FOR EXPENDITURE

Well Name: Lobo Rojo B3 State Com
SHL: Legal location in the SE1/4 of Sec. 12, T22S-R34E
Location: BHL: Legal location in the NE1/4 of Sec. 1, T22S-R34E
Operator: OneEnergy Partners, L.L.C.
Purpose: Drill and complete a 9000' 3BS well with 1750 lbs/ft Slickwater
frac: TVD 11208', MD 20,900

Well #: 2H
County/State: Lea Co., NM
Date Prepared: 4/25/2017
AFE #: DCE170404S

Intangible Drilling Costs			Intangible Completion Costs		
Code	Description	Amount	Code	Description	Amount
9201	ADMINISTRATIVE OVERHEAD	\$12,500	9301	ADMINISTRATIVE OVERHEAD	\$12,500
9202	CASING CREW & EQPT	\$27,000	9302	CASED HOLE LOGS & SURVEYS	\$15,000
9203	CEMENTING INTERMEDIATE CASING	\$18,000	9303	CASING CREW & EQPT	\$15,000
9204	CEMENTING SURFACE CASING	\$12,000	9304	COILED TUBING/SNUBBING UNIT	\$105,000
9205	COMMUNICATIONS	\$15,000	9305	COMMUNICATIONS	\$15,000
9206	COMPLETION FLUIDS	\$65,000	9306	COMPANY DIRECT LABOR	\$15,000
9208	CONTRACT LABOR	\$15,000	9307	COMPLETION/WORKOVER RIG	\$45,000
9209	DAMAGES		9309	CONTRACT LABOR/ROUSTABOUTS	
9210	DAYWORK CONTRACT	\$360,000	9310	DAMAGES/RECLAMATION	\$15,000
9211	DRILLING - DIRECTIONAL	\$420,000	9311	DISPOSAL SOLIDS	
9212	DRILLING - FOOTAGE		9312	ELECTRICAL POWER/GENERATION	
9213	DRILLING BITS	\$105,000	9313	ENVIRONMENTAL/CLEANUP	
9214	ELECTRICAL POWER/GENERATION	\$60,000	9314	FISHING TOOLS / SERVICES	
9215	ENGINEERING	\$15,000	9315	FUEL, POWER/DIESEL	\$25,000
9216	ENVIRONMENTAL SERVICES		9316	HEALTH & SAFETY	\$10,000
9217	EQUIPMENT RENTAL	\$122,500	9317	HOUSING AND SUPPORT SERVICES	
9218	FISHING TOOLS/SERVICES		9318	MATERIALS & SUPPLIES	
9219	HEALTH & SAFETY		9319	MISCELLANEOUS	\$50,000
9220	HOUSING AND SUPPORT SERVICES	\$25,000	9320	MUD & CHEMICALS	
9221	INSURANCE	\$16,000	9322	P&A/TA COSTS	
9222	LEGAL, TITLE SERVICES	\$5,000	9323	PERFORATING/WIRELINE SERVICE	\$130,000
9223	MATERIALS & SUPPLIES		9324	PIPE INSPECTION	\$25,000
9224	MISCELLANEOUS		9325	ROAD, LOCATIONS REPAIRS	\$15,000
9225	MOUSE/RATHOLE/CONDUIT PIPE	\$5,000	9326	STIMULATION	\$4,400,000
9226	MUD & CHEMICALS	\$120,000	9327	SUBSURFACE EQUIPMENTAL RENTAL	
9228	OPENHOLE LOGGING	\$100,000	9328	SUPERVISION	\$42,000
9229	PERMITS, LICENSES, ETC	\$2,000	9329	SURFACE EQUIP RENTAL	\$40,000
9291	POWER FUEL & WATER HAULING		9330	TRANSPORTATION/TRUCKING	\$20,000
9292	RIG MOVE & RACKING COSTS	\$200,000	9331	WATER HEATING	
9293	RIG UP TEAR OUT & STANDBY	\$50,000	9332	WELDING SERVICES	
9294	STAKING & SURVEYING	\$3,000	9333	WELL TESTING/FLOWBACK	\$100,000
9295	SUPERVISION	\$96,000	9308	CONTINGENCY COSTS 5%	\$253,975
9296	SUPERVISION - GEOLOGICAL	\$24,000			
9297	TRANSPORTATION/TRUCKING	\$25,000			
9207	CONTINGENCY 5%	\$105,900			
Total Intangible Drilling Costs:		\$2,223,900	Total Intangible Completion Costs:		\$5,333,475

Tangible Drilling Costs		
Code	Description	Amount
9401	CONSTRUCTION/LOCATION & ROAD	\$80,000
9402	INTERMEDIATE CASING & ATTACHMENTS	\$285,000
9404	PACKERS/SLEEVES/PLUGS	
9405	PRODUCTION CASING & ATTACHMENTS	\$580,000
9406	SITE RESTORATION	
9407	SURFACE CASING & ATTACHMENTS	\$65,000
9408	TAXES	
9409	WELLHEAD EQUIPMENT/CASING BOWL	
Total Tangible Drilling Costs:		\$1,010,000

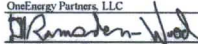
Office Use Only:

Total Drill:	\$3,233,900.00
Total Completion:	\$6,542,975.00
Total Intangible:	\$7,557,375.00
Total Tangible:	\$2,219,500.00
Total AFE:	\$9,776,875.00

Tangible Completion Costs		
Code	Description	Amount
9411	ARTIFICIAL LIFT	
9412	ENGINEERING	\$10,000
9413	FLOWLINES	\$10,000
9414	FLUIDS/HAULING/DISPOSAL	\$135,000
9415	FRAC STRING	\$50,000
9416	FRAC WATER/COMPLETION FLUID	\$360,000
9418	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$25,000
9419	PRODUCTION LINER	
9420	PRODUCTION PROCESSING FACILITY	
9421	PRODUCTION TUBING	\$55,000
9422	RODS/PUMPS	
9423	SUBSURFACE EQUIPMENT	
9424	TAXES	
9425	WELLHEAD EQUIPMENT	\$20,000
Total Tangible Completion Costs:		\$665,000

Lease and Well Equipment Costs		
Code	Description	Amount
9102	ADMINISTRATIVE OVERHEAD	\$12,500
9103	AUTOMATION/TELEMETRY/METERING	\$5,000
9104	COMMUNICATIONS	\$0
9105	COMPANY DIRECT LABOR	\$0
9106	COMPRESSORS	\$0
9108	CONTRACT LABOR/ROUSTABOUTS	\$10,000
9109	DAMAGES/RECLAMATION	\$5,000
9110	DIAGNOSTIC EQUIPMENT	\$0
9111	DISPOSAL SOLIDS	\$0
9112	ELECTRICAL	\$20,000
9113	ELECTRICAL POWER/GENERATION	\$0
9114	ENGINEERING	\$15,000
9115	ENVIRONMENTAL/CLEANUP	\$25,000
9116	FLOWLINES	\$25,000
9117	FLUIDS/HAULING/DISPOSAL	\$10,000
9118	FUEL, POWER/DIESEL	\$0
9119	HEALTH & SAFETY	\$2,000
9120	HOUSING AND SUPPORT SERVICES	\$1,500
9121	MATERIALS & SUPPLIES	\$25,000
9122	NON OPERATED	\$0
9123	PIPE/VALVES/FITTINGS	\$15,000
9124	PIPELINE & METERING	\$50,000
9125	PRODUCTION PROCESSING FACILITY	\$0
9126	PUMPS (SURFACE)	\$190,000
9127	ROAD, LOCATIONS REPAIRS	\$10,000
9128	SUBSURFACE EQUIPMENT	\$15,000
9129	SUPERVISION	\$25,000
9130	TANKS WALKWAYS, STAIRS, BUILDING STRUCTURES	\$60,000
9131	TAXES	\$0
9132	TRANSPORTATION/TRUCKING	\$5,000
9133	WELDING SERVICES	\$3,500
9134	WELLHEAD EQUIPMENT	\$15,000
Total Lease and Well Equipment Costs:		\$544,500

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: OneEnergy Partners, L.L.C.
Approved By: 
David Ramsden-Wood
Chief Operating Officer and Co-Founder

Date: 04/25/2017

WI Owner: _____
Approved By: _____
Printed Name: _____

Date: _____
Title: _____

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WI

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 9
Submitted by: ONEENERGY PARTNERS OP.
Hearing Date: August 17, 2017

Lobo Rojo B3 State Com 1H & 2H V-F correspondence

02.28.2017: OEP submits written offer to Jerry Gahr

03.01.2017: OEP leaves voicemail for Jerry Gahr following up on offer

03.07.2017: OEP email *"Jerry, just tried you at the office. Let me know if you have a moment to chat. My partner and I will be in Midland on Thursday and were wondering if you have time to grab lunch or meet briefly to talk about y'all's NM properties. Thanks, Leo"*

03.07.2017: phone call – Leo spoke with Jerry who stated he hadn't seen the offer OEP sent. Leo resent offer. Jerry said he'd pass it on to his landman, Mark Compton who would get in touch with OEP. Confirmed a meeting at V-F office in Midland for 2 pm on Thursday, March 9th.

03.09.2017: Brandon White and Leo Slootsky (OEP) met with Jerry Gahr in Midland. Notes from meeting:

- Jerry bought out V-F years ago and brought on Tom Beall as his partner
- Tom swung by during meeting to introduce himself
- Tom/Jerry said offer was too low and needed "2-3 times offer to sell"
- V-F confirmed they're participating in a 2 mile well with Mewbourne in Eddy County in the lower 3rd Bone Spring

03.23.2017: Leo (OEP) left voicemail for Jerry

03.28.2017: Leo (OEP) sent email to Jerry *"Jerry, hope you've been well. Wanted to follow up and see if you've got a few minutes to catch up this afternoon. We'd like to take a shot at progressing our dialogue on the tracts y'all own in 22-34 and 23-34. Let me know if there is a window during which we can chat today. Thanks, Leo"*

04.17.2017: Brandon White (OEP) sent email to Jerry *"Jerry – Hope you had a wonderful Easter. I'm going to be out in Midland this week (Wed and Thurs) for the Permian Basin Land Association golf tournament and wanted to see if you had any time for me to drop by with Jeff Lierly who runs our land group. Be great to introduce him and chat further with you. Let me know."*

05.16.2017: Jeff Lierly spoke to Mark Compton for about 5 minutes. Notes from call:

- Mark, Tom Beall and Jerry Gahr want to meet in Midland next week after receiving 1.5 mile Lobo Rojo B3 State Com 1H & 2H well proposals.
- V-F not happy about stranding NW4 of Section 1, T22S-R34E.

05.18.2017: Jeff Lierly sent email to Mark Compton, Tom Beall, Jerry Gahr *"Jerry/Tom/Mark: Are you all available next Monday, May 22, 2017 around 1:30 pm in Midland to meet with OneEnergy Partners, LLC ("OEP") to discuss our proposed development plans in the Lobo Rojo wells? We're excited to walk you all through the operations plans and address any questions you may have. OEP is confident that we can collaboratively work together to maximize value for all partners. Please advise at your earliest convenience. Best regards, Jeff Lierly"*

Lobo Rojo B3 State Com 1H & 2H V-F correspondence

05.22.2017: Brandon White, Leo Slootsky, David Ramsden-Wood and Jeff Lierly (OEP) meet with Tom Beall, Mark Compton, Jerry Gahr from V-F. Notes from meeting:

- V-F felt prior offer was too low
- V-F didn't want acreage in NW4 of Section 1 to be stranded
- OEP proposed 2-mile development plan, a carried structure in the Lobo Rojo wells and to convert the marginal V-F operated well in Section 1 into an SWD once Lobo Rojo wells had been drilled to lower LOE and allow V-F to benefit from carried interest in wells, lower LOE and SWD disposal royalties downstream.

05.25.2017: Jeff Lierly emails revised offer to Mark Compton *"Mark, please find attached several different proposals or deal structures that OEP is willing to offer V-F in regards to collaboratively developing Sections 1 & 12, T22S-R34E. We're flexible on cash, carry, back-in, etc. but wanted to provide several options. We'll be moving forward with permits in this vicinity for a number of wells, and with that comes a lot of produced water that we'd be open to dedicating a large portion of the produced water to the SWD that you all mentioned converting. The revenue from the wells in which V-F owns a working interest, plus any reserved ORRI (deliver a 75% NRI), along with the back end cash flow through the SWD is beneficial for V-F in the form of lower LOE (higher ultimate price realizations per barrel) and disposal fees. As stated in the meeting, OEP is open to extending the BHL for these wells to fully develop V-F's acreage in 2 mile wells. If you go back and look at the Mallon well results, you'll realize that extended laterals with enhanced completions are outperforming one mile offset wells tremendously and those wells produced ~100k bbls of oil in 3 months. Let's find a way to get this deal across the finish line in an amicable fashion. I appreciate your help in the process and look forward to hearing from you. Have a relaxing Memorial Day weekend. Best regards, Jeff Lierly"*

06.12.2017: Jeff Lierly (OEP) left a voicemail for Mark Compton seeing if he had any feedback on the revised offer sent a few weeks ago along with 2 mile well proposals sent to avoid stranding acreage in Section 1.

06.12.2017: Jeff Lierly (OEP) spoke with Mark Compton (V-F) for about 5 minutes. Notes from call:

- Mark confirmed they received 2 mile well proposals but they weren't thrilled about 2 mile development and preferred to drill 1 mile wells.
- Jeff countered that it was odd that a company that has never drilled a horizontal well would prefer to do so on their own instead of partnering with an operator that has people who have drilled dozens of extended laterals throughout their careers in multiple basins.
- Mark understood OEP's argument but said **V-F is willing to make the technical argument that there is no proof that longer is better.**
- Said they would sell out of Bone Spring for \$25,000/acre or \$40,000/acre to sell out entirely compared to the \$20,000/acre Tom Beall mentioned in May 22nd meeting.
- Mark said the acreage request was pretty far out but *"someone somewhere has a spreadsheet that supports their request."*

07.12.2017: Leo Slootsky (OEP) left voicemail for Jerry Gahr

08.01.2017: Leo Slootsky (OEP) left voicemail for Jerry Gahr

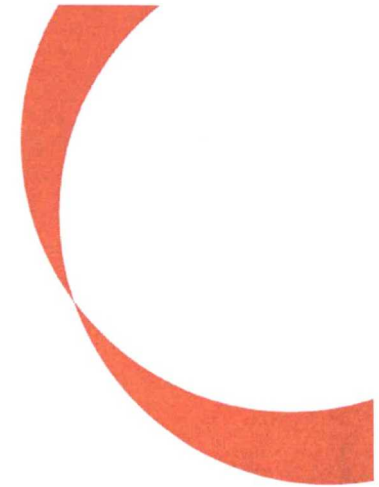
Lobo Rojo B3 State Com 1H & 2H V-F correspondence

08.03.2017: Leo Slootsky (OEP) speaks to Jerry Gahr over the phone. Notes from call:

- Jerry sees OEP taking an overly aggressive approach and not industry friendly staff
- Jerry thinks OEP needs to learn a lesson
- Willing to sell Bone Spring only for \$25,000/acre and everything for \$40,000/acre
- Jerry said he'd pay OEP \$20,000/acre for OEP's position to get OEP out of the way

Deal Structures Proposed to V-F, et al

- Assignment
- Term Assignment
- Farmout
- Cash Carry
- SWD Conversion Carry



DISTRICT I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 391-0720

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) 334-678 Fax: (505) 334-670

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-1462

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-024-47896	Pool Code 28435	Pool Name Grama Ridge; Bone Spring, NE
Property Code 40081	Property Name GETTY 1 STATE	Well Number 2H
OGRID No. 24010	Operator Name V-F Petroleum Inc.	Elevation 3573'

Surface Location

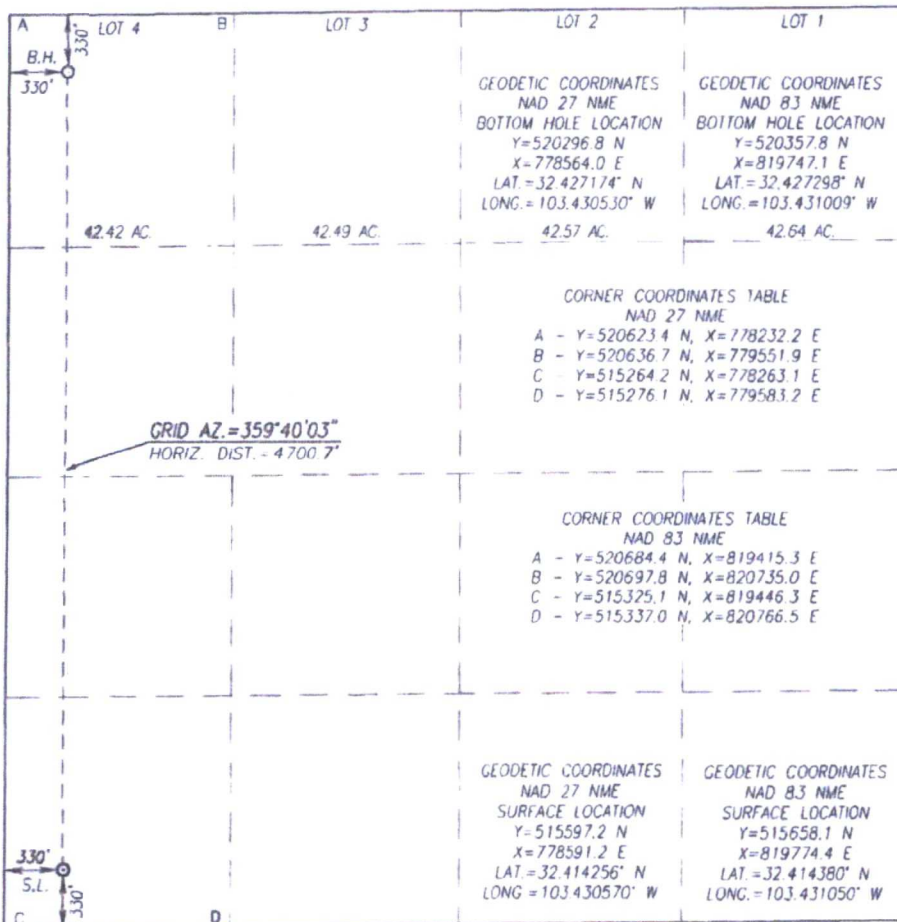
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	1	22-S	34-E		330	SOUTH	330	WEST	LEA

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
4	1	22-S	34-E		330	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
162.42			

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.

Eric Sprinkle 7/10/17
Signature Date
Eric Sprinkle
Printed Name
eric@vfpetroleum.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.

JUL 10 2017
Date of Survey
Signature of Professional Surveyor
RONALD J. EIDSON
NEW MEXICO
3239
Certificate Number
Ronald J. Eidson 12641
Ronald J. Eidson 3239
ACK JWSC W.O. 17.11.0707

DISTRICT I
1625 N. French Dr. Hobbs, NM 88240
Phone (575) 393-0161 Fax (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720

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1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-1460 Fax (505) 476-1462

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

☐ AMENDED REPORT

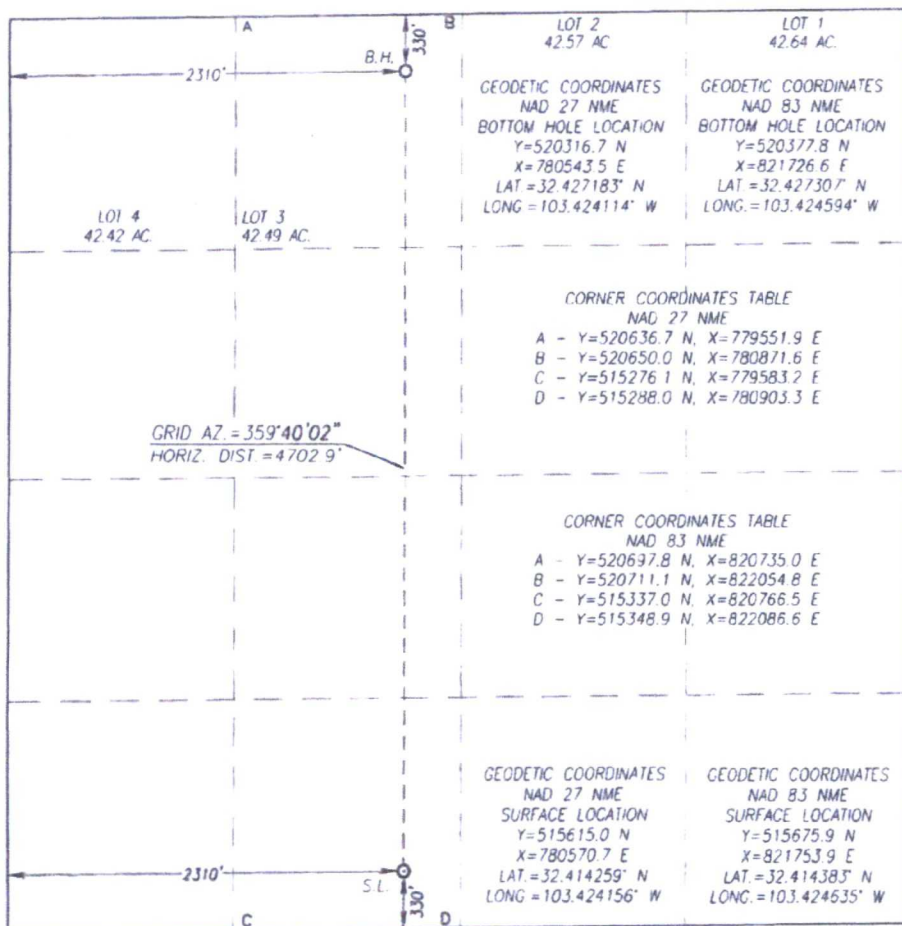
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-024-49987	Pool Code 28435	Pool Name Grama Ridge; Bone Spring, NE
Property Code	Property Name GETTY 1 STATE	Well Number 3H
OGRID No. 24010	Operator Name V-F Petroleum Inc.	Elevation 3554'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	1	22-S	34-E		330	SOUTH	2310	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
3	1	22-S	34-E		330	NORTH	2310	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
162.49									

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 <i>Eric Sprinkle</i>	Date 7/10/17
Printed Name Eric Sprinkle	
E-mail Address eric@vfpetroleum.com	
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.	
JULY 6, 2017	
Date of Survey Signature <i>Ronald J. Eidson</i>	Professional Surveyor NEW MEXICO 3239 Certificate Number Ronald J. Eidson 12641 Ronald J. Eidson 3239
ACK	JWSC W.O. 17 11 0706

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 13
Submitted by: ONEENERGY PARTNERS OP.
Hearing Date: August 17, 2017

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 14
Submitted by: ONEENERGY PARTNERS OP.
Hearing Date: August 17, 2017

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).

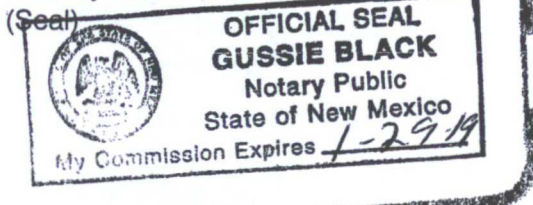
Beginning with the issue dated
July 05, 2017
and ending with the issue dated
July 05, 2017.


Publisher

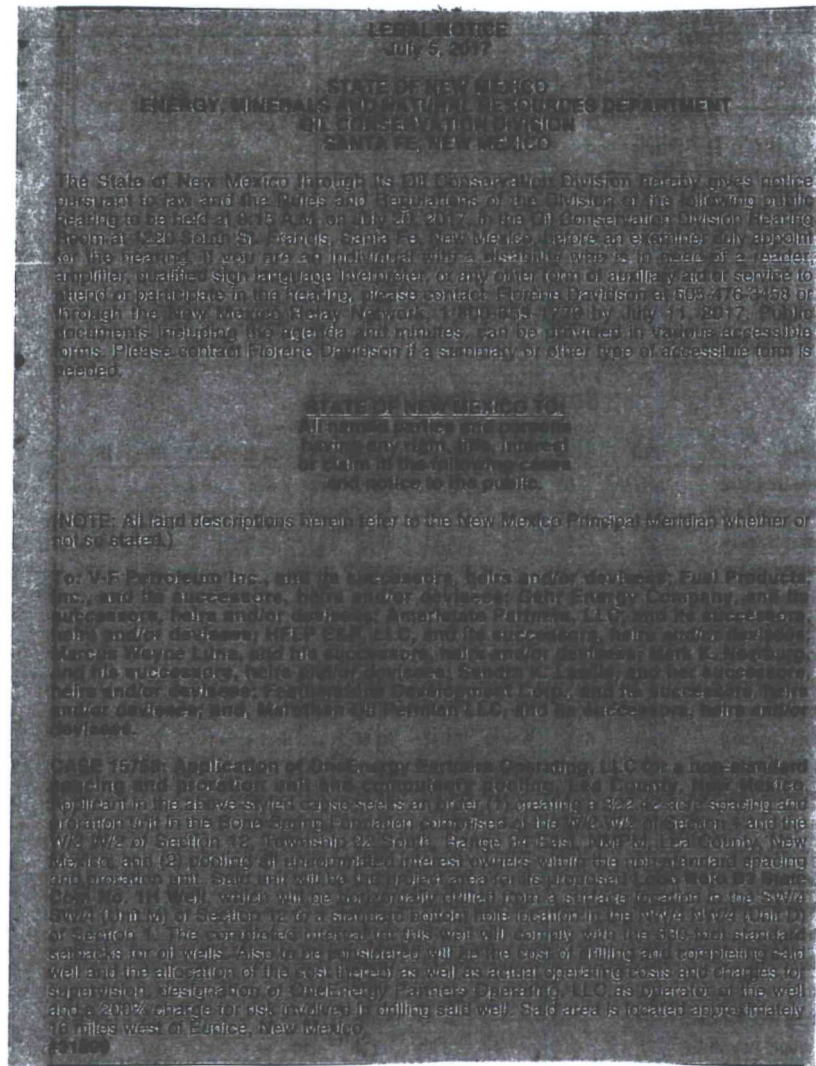
Sworn and subscribed to before me this
5th day of July 2017.


Business Manager

My commission expires
January 29, 2019



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



67100754

00196009

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

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).

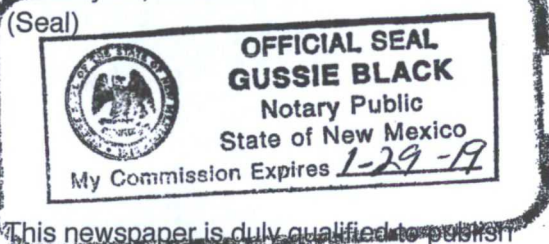
Beginning with the issue dated
July 05, 2017
and ending with the issue dated
July 05, 2017.


Publisher

Sworn and subscribed to before me this
5th day of July 2017.

Gussie Black
Business Manager

My commission expires
~~January 29, 2019~~



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 NOTICE
JULY 1, 2017

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 20, 2017, in the Oil Conservation Division Hearing Room at 1221 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florencia Davidson at 505-476-2456 or through the New Mexico Relay Network, 1-800-669-1779 by July 11, 2017. Public documents including the agenda and minutes, can be provided in various accessible formats. Please contact Florencia Davidson if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO TO:
All interested parties and persons
concerned with this matter,
or others in the industry sector
interested in the public.

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

To: V-F Petroleum Inc., and its successors, heirs and/or devisees; Fuel Products, Inc., and its successors, heirs and/or devisees; Gulf Energy Company, and its successors, heirs and/or devisees; Amstarate Partners, L.P., and its successors, heirs and/or devisees; VFP Corp., LLC, and its successors, heirs and/or devisees; Waverly Wells Ltd., and its successors, heirs and/or devisees; and, Santa Fe Wells, and its successors, heirs and/or devisees; and, Santa Fe Wells, and its successors, heirs and/or devisees.

CASE 1579: Application of Christopher Partlow Operating, L.P., for a permit to drill, spacing unit, and related matters, computations, etc. (Case No. 1579) was filed with the Office of the State Engineer on June 28, 2017. The hearing began on July 1, 2017, at 8:15 AM. The hearing was open to the public during the portion of the hearing from 8:15 AM to 12:00 PM. The hearing was held in Section 2, Township 22 North, Range 46 East, West PM, Lea County, New Mexico, said (2), involving an unperfected interest, wherein the respondents are opposing and requesting that said well be the project area as proposed under Case No. 1579, which will be a horizontally drilled well, and also seeking drilling SLW's (Unit N) of Section 12 of a standard bottom hole location in the same where Unit N of Section 12. The respondents have made a deal with energy well and standard standards remains to be trans. Also, it has considered what the cost of drilling and completing said well and the allocation of the cost thereon as well as future operating costs and expenses for a submission, destination of Chisagoigh, electric power, etc. It is intended that the well and a 200% change for risk involved in drilling said well. Said area is located approximately 16 miles west of Eunice, New Mexico.

157900

67100754

00196017

HOLLAND & HART LLC
PO BOX 2208
SANTA FE., NM 87504-2208

HOLLAND & HART ^{LLP}



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
JLKessler@hollandhart.com

June 30, 2017

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
Lobo Rojo B3 State Com No. 1H Well

Ladies & Gentlemen:

This letter is to advise you that OneEnergy Partners Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on July 20, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint 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 challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Jeff Lierly, at (713) 714-6485 or jlrierly@oneenergypartners.com.

Sincerely,

Jordan L. Kessler
**ATTORNEY FOR ONEENERGY PARTNERS
OPERATING, LLC**

Holland & Hart ^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☎



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Associate
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June 30, 2017

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If you have any questions about this matter please contact Jeff Lierly, at (713) 714-6485 or jlrierly@oneenergypartners.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. L. Kessler", written over a horizontal line.

Jordan L. Kessler
**ATTORNEY FOR ONEENERGY PARTNERS
OPERATING, LLC**

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

June 30, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

Re: Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
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This letter is to advise you that OneEnergy Partners Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

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Sincerely,

Jordan L. Kessler

**ATTORNEY FOR ONEENERGY PARTNERS
OPERATING, LLC**

9945049_1

Holland & Hart LLP

Phone (505) 988-4421 **Fax** (505) 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☏

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

June 30, 2017

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Sincerely,

Jordan L. Kessler

**ATTORNEY FOR ONEENERGY PARTNERS
OPERATING, LLC**

9945036_1

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Branches: Albuquerque, Aspen, Boulder, Broomfield, Colorado Springs, Denver, Denver Tech Center, Billings, Boise, Cheyenne, Jackson Hole, Las Vegas, Reno, Salt Lake City, Santa Fe, Washington, D.C.

OneEnergy – Lobo Rojo B3 State Com 1H
Pooled Party Notification List

V-F Petroleum Inc.
500 West Texas Avenue, Suite 230
Midland, Texas 79702-1889

Fuel Products, Inc.
P. O. Box 3098
Midland, Texas 79702

Gahr Energy Company
P. O. Box 1889
Midland, Texas 79702

Ameristate Partners LLC
710 Dragon
Lakeway, Texas 78734

HFLP E&P LLC
P. O. Box 8122
Midland, Texas 79708

Marcus Wayne Luna
P. O. Box 1889
Midland, Texas 79702

Mark K. Nearburg
710 Dragon
Lakeway, Texas 78734

Sandra K. Lawlis
P. O. Box 1889
Midland, Texas 79702

Featherstone Development Corp.
P.O. Box 429
Roswell, New Mexico 88202

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, TX 77056

7016 3010 0001 0742 0273

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 State Com 1H - Pooling /JLK

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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 \$

V-F Petroleum Inc.
 500 West Texas Avenue, Suite 230
 Midland, Texas 79702-1889

PS Form 3811, April 2015 PSN 7530-02-000-9053 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:
 V-F Petroleum Inc.
 500 West Texas Avenue, Suite 230
 Midland, Texas 79702-1889

9590 9402 2763 6351 3742 07

2. Article Number (Transfer from service label)
 7016 3010 0001 0742 0273

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Pam Olteu
☐ Agent
☐ Addressee

B. Received by (Printed Name)
 Pam Olteu

C. Date of Delivery

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
☐ Insured Mail[®]
☐ Mail Restricted Delivery

☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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 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 \$

Fuel Products, Inc.
 P. O. Box 3098
 Midland, Texas 79702

PS Form 3811, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
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1. Article Addressed to:
 Fuel Products, Inc.
 P. O. Box 3098
 Midland, Texas 79702

9590 9402 2763 6351 3741 77

2. Article Number (Transfer from service label)
 7016 3010 0001 0742 0303

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Andreea Leeg
☐ Agent
☐ Addressee

B. Received by (Printed Name)
 Andreea Leeg

C. Date of Delivery

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

☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7016 3010 0001 0742 0228

U.S. Postal Service[™]
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 Domestic Mail Only OneEnergy/ Lobo Rojo B3
 For delivery information, visit usps.com State Com 1H - Pooling /JLK

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 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 \$
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 \$
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Gahr Energy Company
 P. O. Box 1889
 Midland, Texas 79702

PS Form 3800, April 2015 PSN 7530-02-000-9041 See Reverse for Instructions

7016 3010 0001 0742 0266

U.S. Postal Service[™]
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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 \$
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Ameristate Partners LLC
 710 Dragon
 Lakeway, Texas 78734

PS Form 3800, April 2015 PSN 7530-02-000-9041 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.
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1. Article Addressed to:
 Gahr Energy Company
 P. O. Box 1889
 Midland, Texas 79702

2. Article Number (Transfer from service label)
 7016 3010 0001 0742 0228

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Andrea Amador* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
 Andrea Amador

C. Date of Delivery
 7-10-17

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

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

PS Form 3811, July 2015 PSN 7530-02-000-9053 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:
 Ameristate Partners LLC
 710 Dragon
 Lakeway, Texas 78734

2. Article Number (Transfer from service label)
 7016 3010 0001 0742 0266

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
 [Signature]

C. Date of Delivery
 7-15

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

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

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

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U.S. Postal Service™

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OneEnergy/ Lobo Rojo B3
State Com 1H - Pooling /JLK

For delivery information, visit our website

OFFICIAL USE

Certified Mail Fee

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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

\$

To

\$

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St

Ci

HFLP E&P LLC

P. O. Box 8122

Midland, Texas 79708

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

Delivered
(see Next Page)

7016 3010 0001 0742 0211

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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

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To

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Ci

Marcus Wayne Luna

P. O. Box 1889

Midland, Texas 79702

PS Form 3800, April 2015 PSN 7530-02-000-9053 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:

Marcus Wayne Luna
P. O. Box 1889
Midland, Texas 79702

9590 9402 2763 6351 3742 69

2. Article Number (Transfer from carrier label)

7016 3010 0001 0742 0211

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

ADDRESSEE, COMPLETE THIS SECTION FOR DELIVERY

A. Signature

X *Andrea Amador* ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

Andrea Amador 7/10/17

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

Domestic Return Receipt

USPS Tracking® Results

[FAQs > \(http://faq.usps.com/?articleId=220900\)](http://faq.usps.com/?articleId=220900)[Track Another Package +](#)[Remove X](#)**Tracking Number:** 70163010000107420235**Delivered**

Product & Tracking Information

[See Available Actions](#)**Postal Product:****Features:**

Certified Mail™

DATE & TIME

STATUS OF ITEM

LOCATION

July 17, 2017, 11:25 am**Delivered, Individual
Picked Up at Post Office****MIDLAND, TX 79708**

Your item was picked up at the post office at 11:25 am on July 17, 2017 in MIDLAND, TX 79708.

July 5, 2017, 11:00 am**Available for Pickup****MIDLAND, TX 79708****July 5, 2017, 10:58 am****Arrived at Unit****MIDLAND, TX 79707****July 3, 2017, 5:34 am****Departed USPS Regional
Facility****MIDLAND TX
DISTRIBUTION CENTER**

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

- ☒ Return Receipt (hardcopy) \$ 3x5
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total

\$

Sender

Street

City

Mark K. Nearburg
 710 Dragon
 Lakeway, Texas 78734

PS Form 3800, April 2015 PSN 7530-02-000-9053

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Mark K. Nearburg
 710 Dragon
 Lakeway, Texas 78734

9590 9402 2763 6351 3742 21

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0259

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ 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

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail Restricted Delivery (10)
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

7016 3010 0001 0742 0297

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 OneEnergy/ Lobo Rojo B3
 State Com 1H - Pooling /JLK

OFFICIAL USE

Certified Mail Fee

\$

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

- ☒ Return Receipt (hardcopy) \$ 3x5
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total

\$

Sender

Street

City

Sandra K. Lawlis
 P. O. Box 1889
 Midland, Texas 79702

PS Form 3800, April 2015 PSN 7530-02-000-9053

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:

Sandra K. Lawlis
 P. O. Box 1889
 Midland, Texas 79702

9590 9402 2763 6351 3741 84

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0297

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ 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

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail Restricted Delivery (10)
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

7016 3010 0001 0742 0280

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

For delivery information, visit **OneEnergy/ Lobo Rojo B3**
State Com 1H - Pooling /ILK

OFFICIAL USE

Certified Mail Fee \$ 3.85

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

☐ Return Receipt (hardcopy) \$ 2.10

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

Featherstone Development Corp.
 P.O. Box 429
 Roswell, New Mexico 88202

For Instructions

7016 3010 0001 0742 0242

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

For delivery information, visit **OneEnergy/ Lobo Rojo B3**
State Com 1H - Pooling /ILK

OFFICIAL USE

Certified Mail Fee \$ 3.85

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

☐ Return Receipt (hardcopy) \$ 2.10

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

Marathon Oil Permian LLC
 5555 San Felipe Street
 Houston, TX 77056

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:

Featherstone Development Corp.
 P.O. Box 429
 Roswell, New Mexico 88202

9590 9402 2763 6351 3741 91

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0280

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

Domestic Return Receipt

COMPLETE THIS SECTION FOR DELIVERY

A. Signature

x Tracey Series

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Tracey Series 10288

C. Date of Delivery

- 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
- ☐ 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:

Marathon Oil Permian LLC
 5555 San Felipe Street
 Houston, TX 77056

9590 9402 2763 6351 3742 00

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0242

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

Domestic Return Receipt

COMPLETE THIS SECTION FOR DELIVERY

A. Signature

x Marcos Cancey

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Marcos Cancey 7-3-17

C. Date of Delivery

- 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
- ☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

OneEnergy – Lobo Rojo B3 State Com 1H
Offset Notification List

Mewbourne Oil Company
P.O. Box 5270
Hobbs, New Mexico 88241

Mewbourne Oil Company
P.O. Box 7698
Tyler, Texas 75711

Black Mountain Operating LLC
500 Main Street
Fort Worth, Texas 76102

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, Colorado 80202

OXY USA INC
P.O. Box 27570
Houston, Texas 77227

7016 3010 0001 0742 0372

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

For delivery information, visit **OneEnergy/ Lobo Rojo B3**
 State Com 1H - Offset /JLK

OFFICIAL USE

Certified Mail Fee \$ 3.50

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

☐ Return Receipt (hardcopy) \$ 2.80

☐ Return Receipt (electronic) \$ 0.00

☐ Certified Mail Restricted Delivery \$ 0.00

☐ Adult Signature Required \$ 0.00

☐ Adult Signature Restricted Delivery \$ 0.00

Postage \$ 0.00

Total \$ 3.50

To: **Mewbourne Oil Company**
P.O. Box 5270
Hobbs, New Mexico 88241

Postmark Here

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

7016 3010 0001 0742 0402

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

For delivery information, visit **OneEnergy/ Lobo Rojo B3**
 State Com 1H - Offset /JLK

OFFICIAL USE

Certified Mail Fee \$ 3.50

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

☐ Return Receipt (hardcopy) \$ 2.80

☐ Return Receipt (electronic) \$ 0.00

☐ Certified Mail Restricted Delivery \$ 0.00

☐ Adult Signature Required \$ 0.00

☐ Adult Signature Restricted Delivery \$ 0.00

Postage \$ 0.00

Total \$ 3.50

To: **Mewbourne Oil Company**
P.O. Box 7698
Tyler, Texas 75711

Postmark Here

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

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:

Mewbourne Oil Company
 P.O. Box 5270
 Hobbs, New Mexico 88241

9590 9402 2763 6351 3740 09

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0372

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

Domestic Return Receipt

A. Signature

[Signature]

☐ Agent
☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

7-3-17

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
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

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:

Mewbourne Oil Company
 P.O. Box 7698
 Tyler, Texas 75711

9590 9402 2763 6351 3739 72

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0402

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

Domestic Return Receipt

A. Signature

[Signature]

☒ Agent
☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

7/5/17

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
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

7016 3010 0001 0742 0388

U.S. Postal Service™
CERTIFIED MAIL® OneEnergy/ Lobo Rojo B3
 Domestic Mail Only State Com 1H - Offset /JLK

For delivery information, visit our website at usps.com

OFFICIAL USE

Certified Mail Fee \$ 3.45

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

☒ Return Receipt (hardcopy) \$ 2.10

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

Black Mountain Operating
 LLC
 500 Main Street
 Fort Worth, Texas 76102

PS Form 3811, July 2016 PSN 7530-02-000-9055 See Reverse for Instructions

7016 3010 0001 0742 0365

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT OneEnergy/ Lobo Rojo B3
 Domestic Mail Only State Com 1H - Offset /JLK

For delivery information, visit our website at usps.com

OFFICIAL USE

Certified Mail Fee \$ 3.45

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

☒ Return Receipt (hardcopy) \$ 2.10

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

Centennial Resource
 Production, LLC
 1001 17th Street, Suite 1800
 Denver, Colorado 80202

PS Form 3811, April 2013 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:

Black Mountain Operating
 LLC
 500 Main Street
 Fort Worth, Texas 76102

9590 9402 2763 6351 3739 96

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0388

PS Form 3811, July 2016 PSN 7530-02-000-9055 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery 7/3/17

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

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☐ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ 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:

Centennial Resource
 Production, LLC
 1001 17th Street, Suite 1800
 Denver, Colorado 80202

9590 9402 2763 6351 3740 16

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0365

PS Form 3811, July 2016 PSN 7530-02-000-9055 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name)

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 ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☐ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

7016 3010 0001 0742 0396

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

For delivery information, visit **OneEnergy/ Lobo Rojo B3**
State Com 1H - Offset /JLK

OFFICIAL USE

Certified Mail Fee
 \$ _____

Extra Services & Fees (check box, add fees and amount)
☐ Return Receipt (hardcopy)
☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery

Postage
 \$ _____

To: **OXY USA INC**
P.O. Box 27570
Houston, Texas 77227

Postmark Here

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:
OXY USA INC
P.O. Box 27570
Houston, Texas 77227

2. Article Number (Transfer from service label)
7016 3010 0001 0742 0396

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
[Signature] C. Date of Delivery

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

3. Service Type
☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☐ Certified Mail® ☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise
☐ Collect on Delivery ☐ Signature Confirmation™
☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

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

**OneEnergy – Lobo Rojo B3 State Com 2H
Offset Notification List
Case No. 15759**

Mewbourne Oil Company
P.O. Box 5270
Hobbs, New Mexico 88241

Newbourne Oil Company
P.O. Box 7698
Tyler, Texas 75711

Black Mountail Operating LLC
500 Main Street
Fort Worth, TX 76102

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, Colorado 80202

OXY USA INC
P.O. Box 27570
Houston, TX 77227

XTO Energy Inc.
810 Houston Street
Fort Worth, Texas 76102

7015 0640 0003 5400 8786

U.S. Postal Service™
CERTIFIED MAIL®
 Domestic
 For delivery information, visit usps.com

OFFICIAL USE

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H OFFSETS

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 \$

Mewbourne Oil Company
 P.O. Box 5270
 Hobbs, New Mexico 88241

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

7016 3010 0001 0743 4492

U.S. Postal Service™
CERTIFIED MAIL®
 Domestic Mail Only
 For delivery information, visit usps.com

OFFICIAL USE

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H OFFSETS

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 \$

Mewbourne Oil Company
 P.O. Box 7698
 Tyler, Texas 75711

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:

Mewbourne Oil Company
 P.O. Box 5270
 Hobbs, New Mexico 88241

9590 9402 2763 6351 3734 84

2. Article Number (Transfer from service label)

7015 0640 0003 5400 8786

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

J. Salba

☐ Agent
☐ Addressee

B. Received by (Printed Name)

J. Latham

C. Date of Delivery

7-3-17

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes
☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☒ Signature Confirmation™
☐ Signature Confirmation Restricted 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:

Mewbourne Oil Company
 P.O. Box 7698
 Tyler, Texas 75711

9590 9402 2763 6351 3725 17

2. Article Number (Transfer from service label)

7016 3010 0001 0743 4492

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Eric M. Stowell

☒ Agent
☐ Addressee

B. Received by (Printed Name)

Eric M. Stowell

C. Date of Delivery

7/5/17

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes
☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

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

Restricted Delivery

Domestic Return Receipt

7015 0640 0003 5400 8779

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

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H OFFSETS

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

OFFICIAL USE

Certified Mail Fee
 \$ 345

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$ 280
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

Postmark Here

Black Mountain Operating
 LLC
 500 Main Street
 Fort Worth, Texas 76102

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

7015 0640 0003 5400 8793

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

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H OFFSETS

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

OFFICIAL USE

Certified Mail Fee
 \$ 345

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$ 280
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

Postmark Here

Centennial Resource
 Production, LLC
 1001 17th Street, Suite 1800
 Denver, Colorado 80202

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:

Black Mountain Operating
 LLC
 500 Main Street
 Fort Worth, Texas 76102

9590 9402 2763 6351 3734 60

2. Article Number (Transfer from service label)
 7015 0640 0003 5400 8779

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

7/3/17

- 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
- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted 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:

Centennial Resource
 Production, LLC
 1001 17th Street, Suite 1800
 Denver, Colorado 80202

9590 9402 2763 6351 3734 91

2. Article Number (Transfer from service label)

7015 0640 0003 5400 8793

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

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

Restricted Delivery

Domestic Return Receipt

7016 3010 0001 0743 4508

U.S. Postal ServiceTM
CERTIFIED MAIL
 Domestic Mail Only

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H OFFSETS

For delivery information, visit www.usps.com

OFFICIAL USE

Certified Mail Fee

\$ 345
 Extra Services & Fees (check box, add fee as appropriate)
☒ Return Receipt (hardcopy) \$ 280
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
 Here

Postage

\$
 Total P

\$
 Sent To

Street

City, St

PS Form

OXY USA INC
 P.O. Box 27570
 Houston, Texas 77227

U.S. Postal ServiceTM
CERTIFIED MAIL
 Domestic Mail Only

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H OFFSETS

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

OFFICIAL USE

Certified Mail Fee

\$ 345
 Extra Services & Fees (check box, add fee as appropriate)
☒ Return Receipt (hardcopy) \$ 280
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark
 Here

Postage

\$
 Total P

\$
 Sent To

Street

City, St

PS Form

XTO Energy Inc.
 810 Houston Street
 Fort Worth, Texas 76102

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:

OXY USA INC
 P.O. Box 27570
 Houston, Texas 77227

9590 9402 2763 6351 3734 53

2. Article Number (Transfer from service label)

7016 3010 0001 0743 4508

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ 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

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail

☐ Priority Mail Express®
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☒ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

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:

XTO Energy Inc.
 810 Houston Street
 Fort Worth, Texas 76102

9590 9402 2763 6351 3735 07

2. Article Number (Transfer from service label)

7015 0640 0003 5400 8809

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

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

☐ Priority Mail Express®
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☒ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery

stricted Delivery

Domestic Return Receipt

OneEnergy – Lobo Rojo B3 State Com 2H
Fooled Party Notification List

V-F Petroleum Inc.
500 West Texas Avenue, Suite 230
Midland, Texas 79702-1889

Fuel Products, Inc.
P. O. Box 3098
Midland, Texas 79702

Gahr Energy Company
P. O. Box 1889
Midland, Texas 79702

Ameristate Partners LLC
710 Dragon
Lakeway, Texas 78734

HFLP E&P LLC
P. O. Box 8122
Midland, Texas 79708

Marcus Wayne Luna
P. O. Box 1889
Midland, Texas 79702

Mark K. Nearburg
710 Dragon
Lakeway, Texas 78734

Sandra K. Lawlis
P. O. Box 1889
Midland, Texas 79702

7016 2070 0000 4815 4232

U.S. Postal ServiceTM
CERTIFIED MAIL[®] JLK/ONE ENERGY
 Domestic Mail Only LOBO ROJO B3 STATE COM
 2H POOLED

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

OFFICIAL USE

Certified Mail Fee
 \$ 3.45

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 V-F Petroleum Inc.
 500 West Texas Avenue, Suite
 230
 Midland, Texas 79702-1889

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

7016 2070 0000 4815 4218

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT JLK/ONE ENERGY
 Domestic Mail Only LOBO ROJO B3 STATE COM
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OFFICIAL USE

Certified Mail Fee
 \$ 3.45

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 Post Fuel Products, Inc.
 P. O. Box 3098
 Midland, Texas 79702

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:

V-F Petroleum Inc.
 500 West Texas Avenue, Suite
 230
 Midland, Texas 79702-1889

9590 9402 2763 6351 3725 31

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4232

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Sam O'Neil
Sam O'Neil

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

- ☐ Yes
☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery
- ☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise

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:

Fuel Products, Inc.
 P. O. Box 3098
 Midland, Texas 79702

9590 9402 2763 6351 3725 55

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4218

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Andrea Bell
Andrea Bell

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

- ☐ Yes
☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Signature ConfirmationTM
☐ Signature Confirmation Restricted Delivery
- ☐ Priority Mail Express[®]
☐ Registered MailTM
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise

Domestic Return Receipt

7016 2070 0000 4815 4195

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

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H BOULEVARD

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

OFFICIAL USE

Certified Mail Fee \$ 3.45

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

☐ Return Receipt (hardcopy) \$ 2.80

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postage \$

Total Paid \$

Sent To Gahr Energy Company

Street or P. O. Box 1889

City, State Midland, Texas 79702

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

7016 2070 0000 4815 4201

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H BOULEVARD

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

OFFICIAL USE

Certified Mail Fee \$ 3.45

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

☐ Return Receipt (hardcopy) \$ 2.80

☐ Return Receipt (electronic)

☐ Certified Mail Restricted Delivery

☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postage \$

Total Paid \$

Sent To Ameristate Partners LLC

Street or 710 Dragon

City, State Lakeway, Texas 78734

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:

Gahr Energy Company
 P. O. Box 1889
 Midland, Texas 79702

9590 9402 2763 6351 3725 79

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4195

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Andrea Doll Agent
☐ Addressee

B. Received by (Printed Name)

Andrea Andrei 7/16/17

C. Date of Delivery

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

Ameristate Partners LLC
 710 Dragon
 Lakeway, Texas 78734

9590 9402 2763 6351 3725 62

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4201

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ [Signature] Agent
☐ Addressee

B. Received by (Printed Name)

[Signature] 7/16

C. Date of Delivery

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

Domestic Return Receipt

7016 2070 0000 4815 4225

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

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H PO BOX 122

For delivery information, visit www.usps.com

OFFICIAL USE

Certified Mail Fee
 \$ 3.45

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$ 2.80
☐ Return Receipt (electronic) \$ 0.00
☐ Certified Mail Restricted Delivery \$ 0.00
☐ Adult Signature Required \$ 0.00
☐ Adult Signature Restricted Delivery \$ 0.00

Postage
 \$ 0.00

Total F
 \$ 3.45

Sent To
 Street: HFLP E&P LLC
 P. O. Box 8122
 Midland, Texas 79708
 City, S

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

7016 2070 0000 4815 4164

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

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H PO BOX 122

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

OFFICIAL USE

Certified Mail Fee
 \$ 3.45

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$ 2.80
☐ Return Receipt (electronic) \$ 0.00
☐ Certified Mail Restricted Delivery \$ 0.00
☐ Adult Signature Required \$ 0.00
☐ Adult Signature Restricted Delivery \$ 0.00

Postage
 \$ 0.00

Total I
 \$ 3.45

Sent To
 Street: Marcus Wayne Luna
 P. O. Box 1889
 Midland, Texas 79702
 City, S

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:

HFLP E&P LLC
 P. O. Box 8122
 Midland, Texas 79708

9590 9402 2763 6351 3725 48

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4225

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Michael Hui
☐ Agent
☐ Addressee

B. Received by (Printed Name)

Michael Hui

C. Date of Delivery

 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
☐ Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☒ Signature Confirmation™
☐ Signature Confirmation 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:

Marcus Wayne Luna
 P. O. Box 1889
 Midland, Texas 79702

9590 9402 2763 6351 3733 85

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4164

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Andrea Luna
☐ Agent
☐ Addressee

B. Received by (Printed Name)

Andrea Luna

C. Date of Delivery

 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
☐ Insured Mail
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☒ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

7016 2070 0000 4815 4171

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

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H PO BOX 1889

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

OFFICIAL USE

Certified Mail Fee

\$ 3.45
 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

\$

Total

\$

Sent

\$

Street

City, S

Mark K. Nearburg
 710 Dragon
 Lakeway, Texas 78734

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:

Mark K. Nearburg
 710 Dragon
 Lakeway, Texas 78734

9590 9402 2763 6351 3725 93

7016 2070 0000 4815 4171

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

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
☐ Delivery Restricted Delivery
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

(over \$500)

Domestic Return Receipt

7016 2070 0000 4815 4188

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

JLK/ONE ENERGY
 LOBO ROJO B3 STATE COM
 2H PO BOX 1889

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

OFFICIAL USE

Certified Mail Fee

\$ 3.45
 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

\$

Total

\$

Sent

\$

Street

City,

Sandra K. Lawlis
 P. O. Box 1889
 Midland, Texas 79702

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:

Sandra K. Lawlis
 P. O. Box 1889
 Midland, Texas 79702

9590 9402 2763 6351 3725 86

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4188

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

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

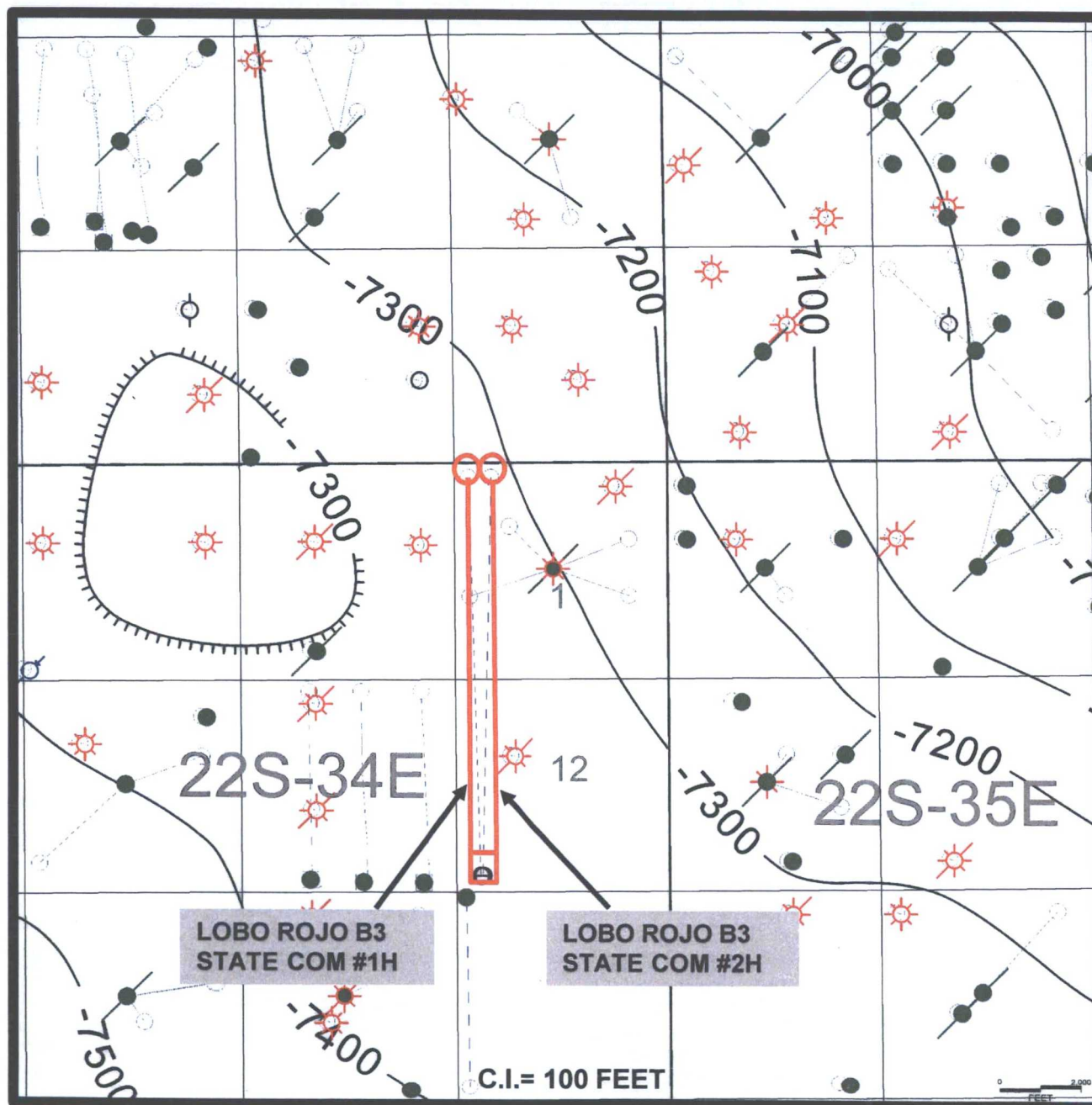
3. Service Type

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

Restricted Delivery

Domestic Return Receipt

TOP OF THIRD BONE SPRING SAND SUBSEA STRUCTURE MAP

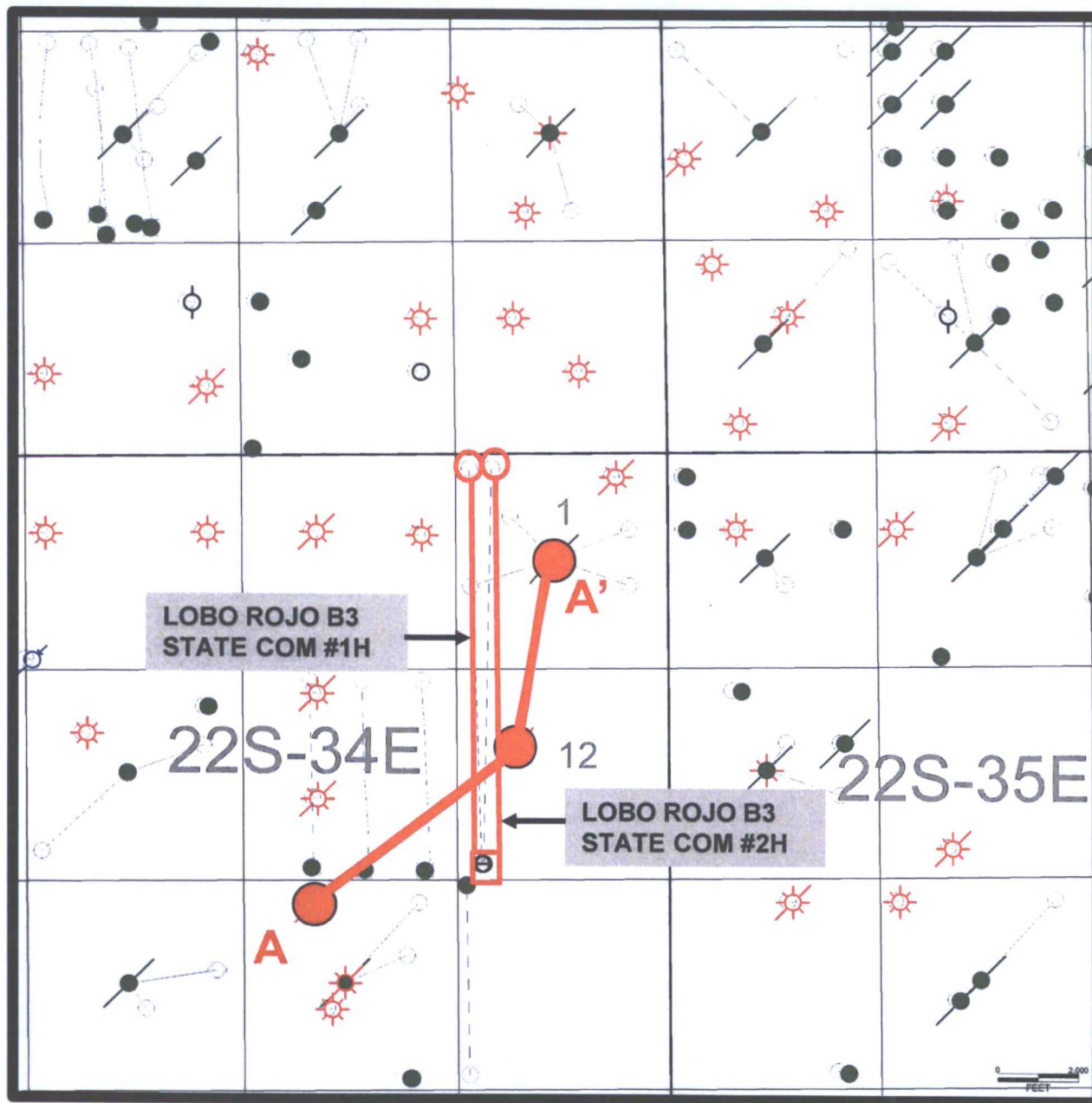


HORIZONTAL LOCATIONS

LOBO ROJO B3 STATE COM #1H
LOBO ROJO B3 STATE COM #2H



AREA BASEMAP WITH LINE OF SECTION A-A'

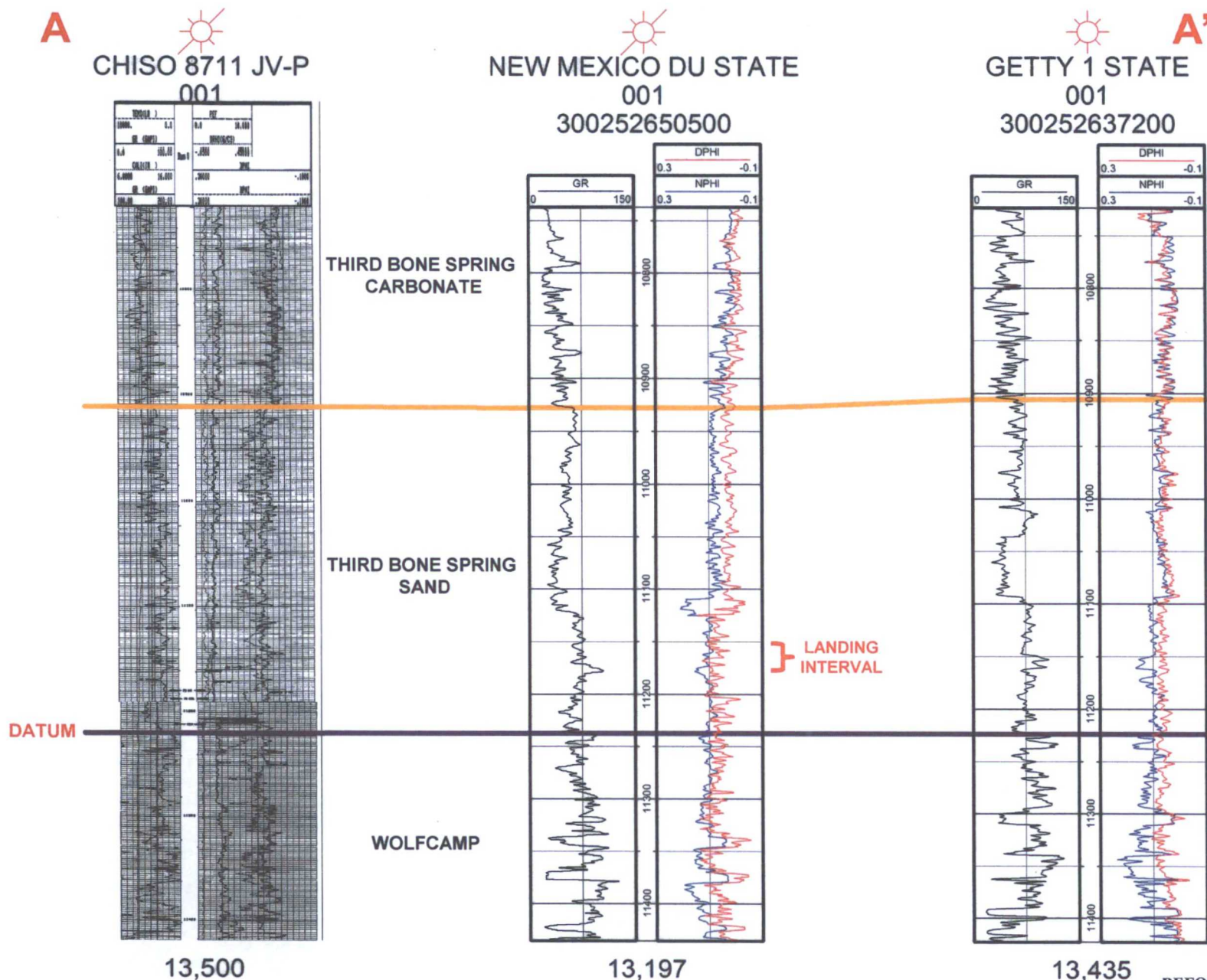


HORIZONTAL LOCATIONS

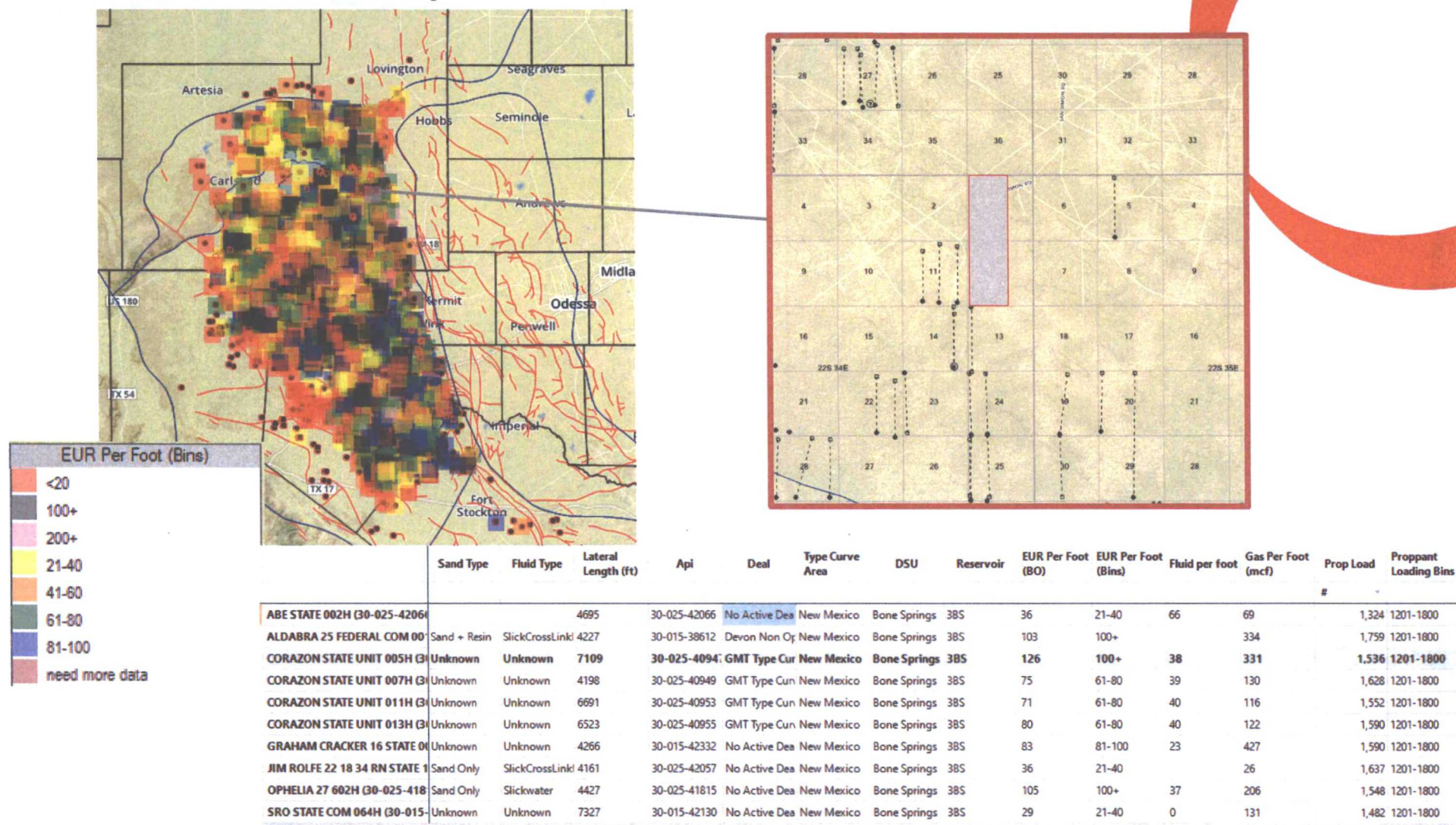
LOBO ROJO B3 STATE COM #1H
LOBO ROJO B3 STATE COM #2H



STRATIGRAPHIC CROSS SECTION A-A'

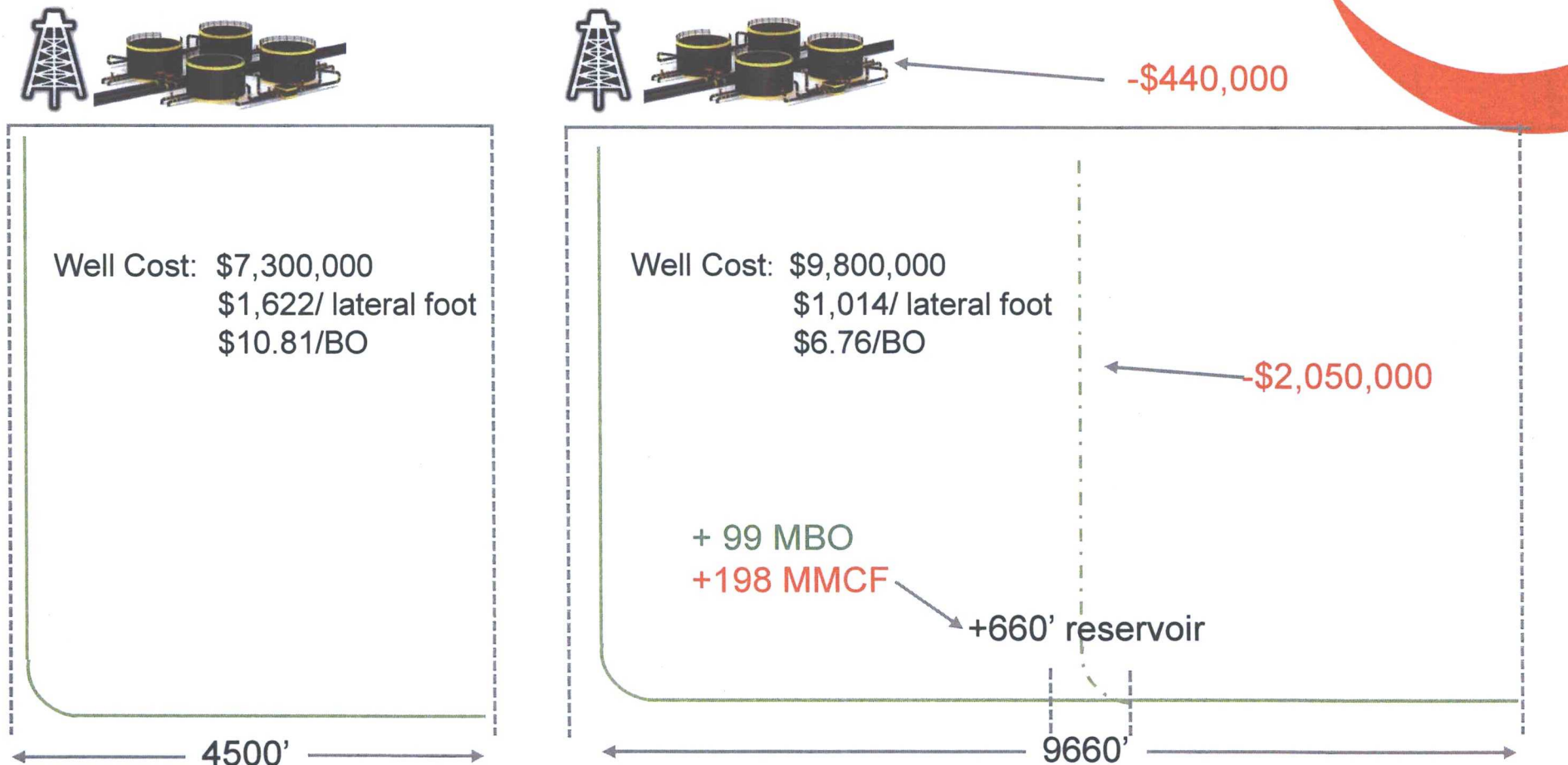


Data Set and Analysis- OEP Database



Data Source: NavPort for all public disclosures through FracFocus and NM OCD website; data trades, all interpretation and statistics done by OEP- to the best of our knowledge representing all the HZ wells in the Delaware since 2013

1 Mile vs. 2 Mile Efficiencies



Longer laterals reduce net surface disturbance, add completed reservoir interval and save ~\$2.5 mm in facility and vertical well bore costs + 99,000 bbl of oil and 198 MMCF of gas at 150 BO/ft

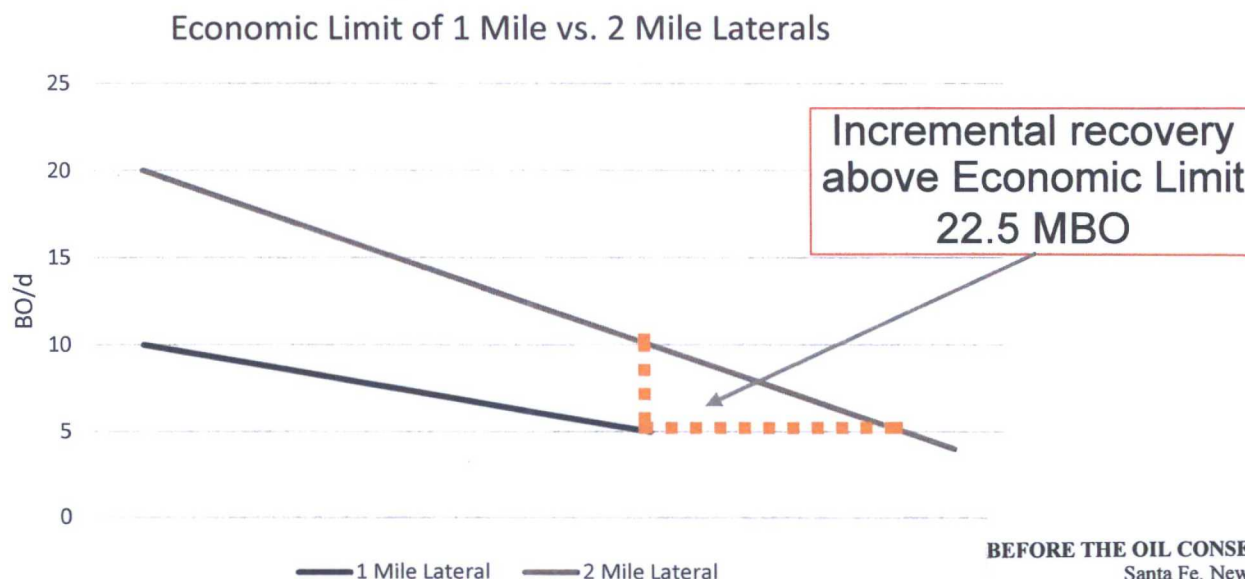
Operating Cost Savings

Fixed Dollar per well month spread over 2 mile well vs. 1 mile well

- \$1,000 pumper per month
- \$1,000 COPAS per month
- \$500 electricity per month
- \$1,000 road and location repair per month
- Pump changes \$2,000 per month
- Miscellaneous \$1,000 per month

TOTAL: \$6,500 per month (at \$50 oil, economic limit roughly 5 bbl/d)

**8% terminal decline from 5 bbl/d to 0 bbl/d is 22,500 bbl incremental
(1829 BO + 4014 MCF to the State)**



Economic Considerations and Comparison

Recovery Improvement

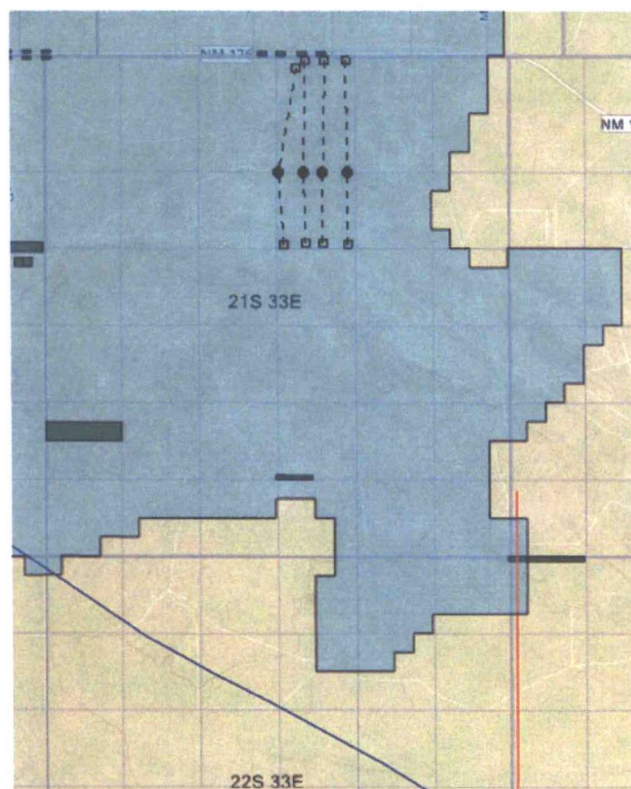
- 1) 660' at 150 barrels per foot
 - 99,000 barrels (8.13% severance = 8,048 bbls for the State)
- 2) 660' at 2000 scf/bbl
 - 198,000 mcf (8.92% severance = 17.66 MMCF for the State)
- 3) EUR of 675,000 bbl for a 4,500' lateral vs. 1,449,000 bbl for 9,660'

Surface Disturbance:

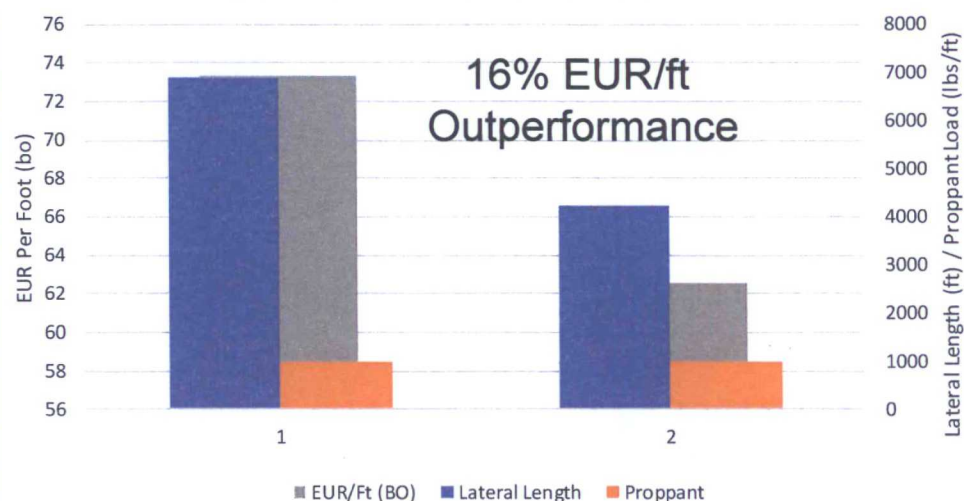
- 1) 4 acres per pad + 3 acres per road ROW + 1.5 (assumes 5,160' to the other location)
- 2) Reduces infrastructure requirements and potential for leaks and spills by reducing footprint

Excluding Royalties, State Generates Revenue from Severance Tax
on 9,877 bbl and 21,674 mcf INCREMENTAL RECOVERY
AND Improves Economics of Every Location with Less Disturbance

Individual Example- Fully Developed Section



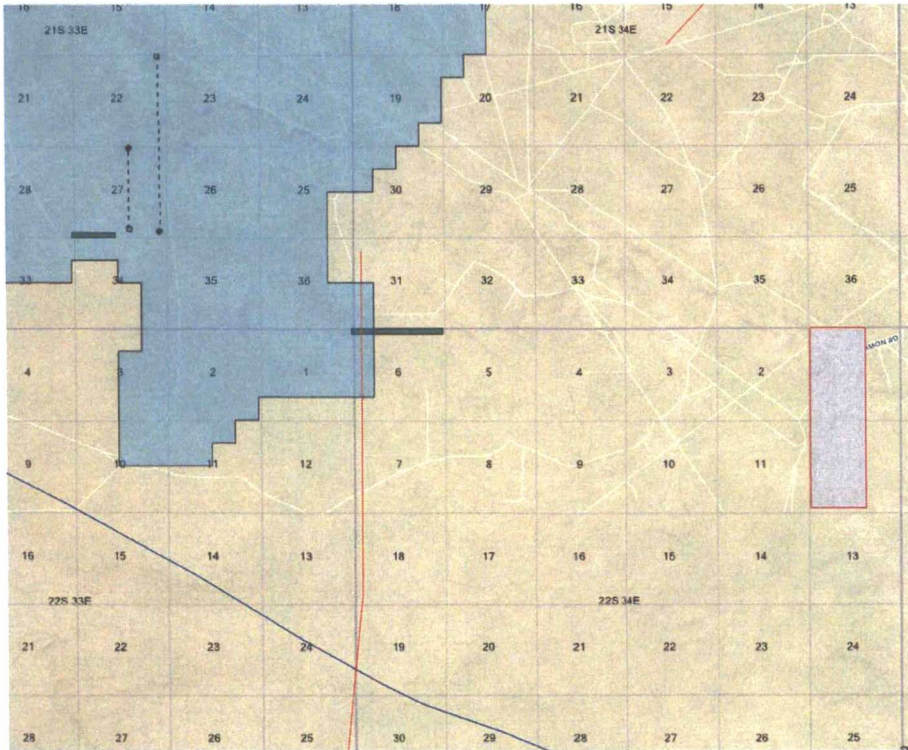
1.5 Mile vs. 1 Mile Normalized Performance



Well Name	Oil (MBO)	Gas (MMCF)	Lateral Length	Proppant (lb/ft)	EUR (bo/ft)	EUR (mcf/ft)
CORAZON STATE UNIT 001H	349	529	7052	807	50	75
CORAZON STATE UNIT 002H	515	902	6784	797	76	133
CORAZON STATE UNIT 003H	294	419	6868	784	43	61
CORAZON STATE UNIT 005H	858	2247	6866	1590	125	327
Average			6893	995	73	149
CORAZON STATE UNIT 006H	162	216	4380	754	37	49
CORAZON STATE UNIT 007H	334	759	4233	1614	79	179
CORAZON STATE UNIT 008H	202	265	4264	768	47	62
CORAZON STATE UNIT 009H	360	691	4154	838	87	166
Average			4258	994	63	114

This is a good example as development spacing is equivalent and in this specific example, you can see the longer laterals on a BO/ft basis are outperforming by about 16%; on a EUR basis, you are recovering 90% more for 61% more length

Individual Example- 2 Mile vs 1 Mile 2BS Adjacent



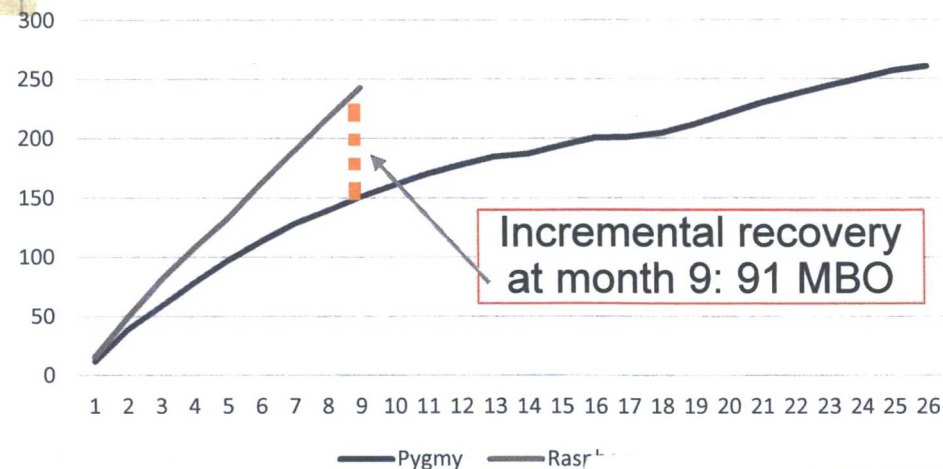
Raspberry (2 mile Lateral)

2 MMBO EUR, 9739', 1955 lbs/ft

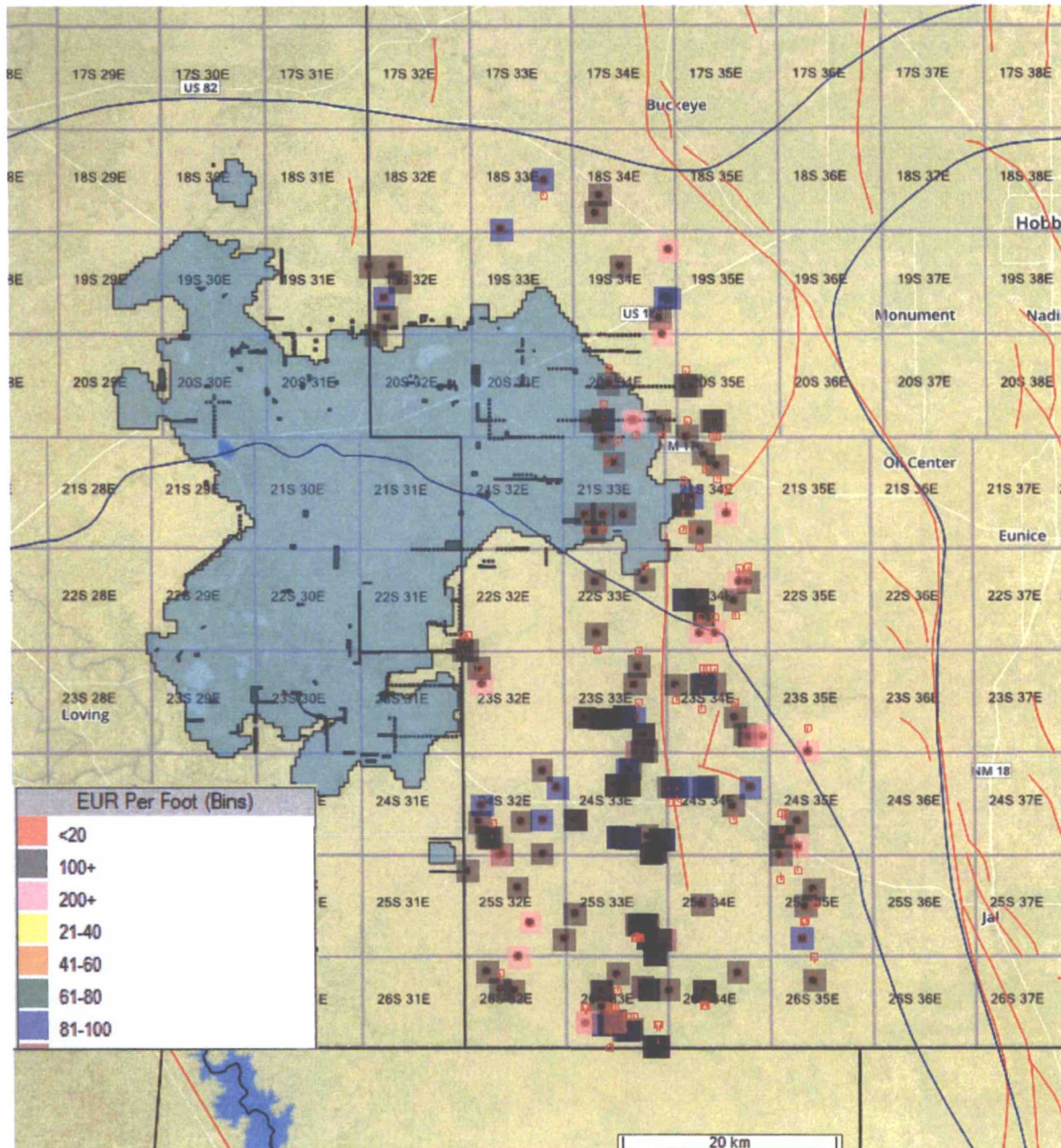
Pygmy 27 (1 mile Lateral)

587 MBO EUR, 4067', 1922 lbs/ft

Pygmy 27 3H vs Raspberry State 1H



Larger Study Area: Extending Beyond Individual Case Studies

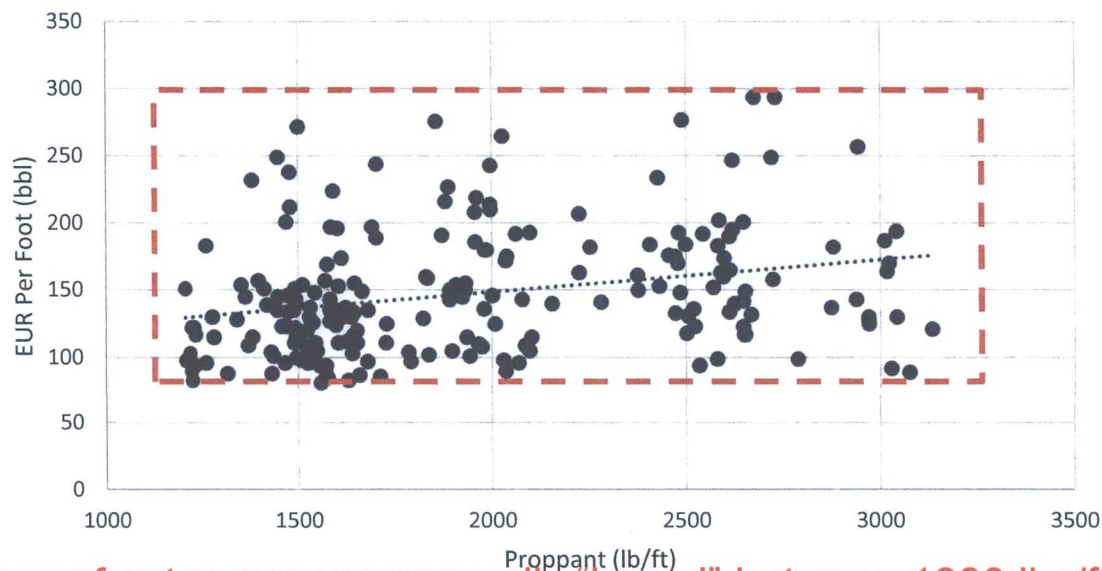


Selection Criteria

- 1) Similar Completion Style
 - 1201 lbs/ft +
 - Since 2013
- 2) Similar EUR Performance
 - 80 BO/ft +
- 3) Similar GOR
 - Lea County
 - Bone Springs/ Wolfcamp
 - 1,700 GOR average

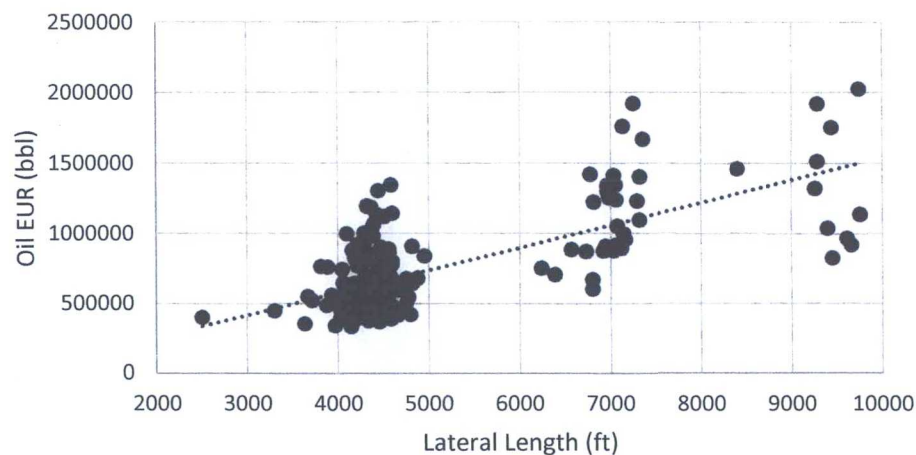
HZ Wells Drilled since 2013 in Bone Springs and Wolfcamp Lea County, 1201 lbs/ft Proppant Loading Only, Above 80 BO/ft Filter

Proppant vs. EUR Per Foot



Range of outcomes are generally “boxed” between 1200 lbs/ft and above

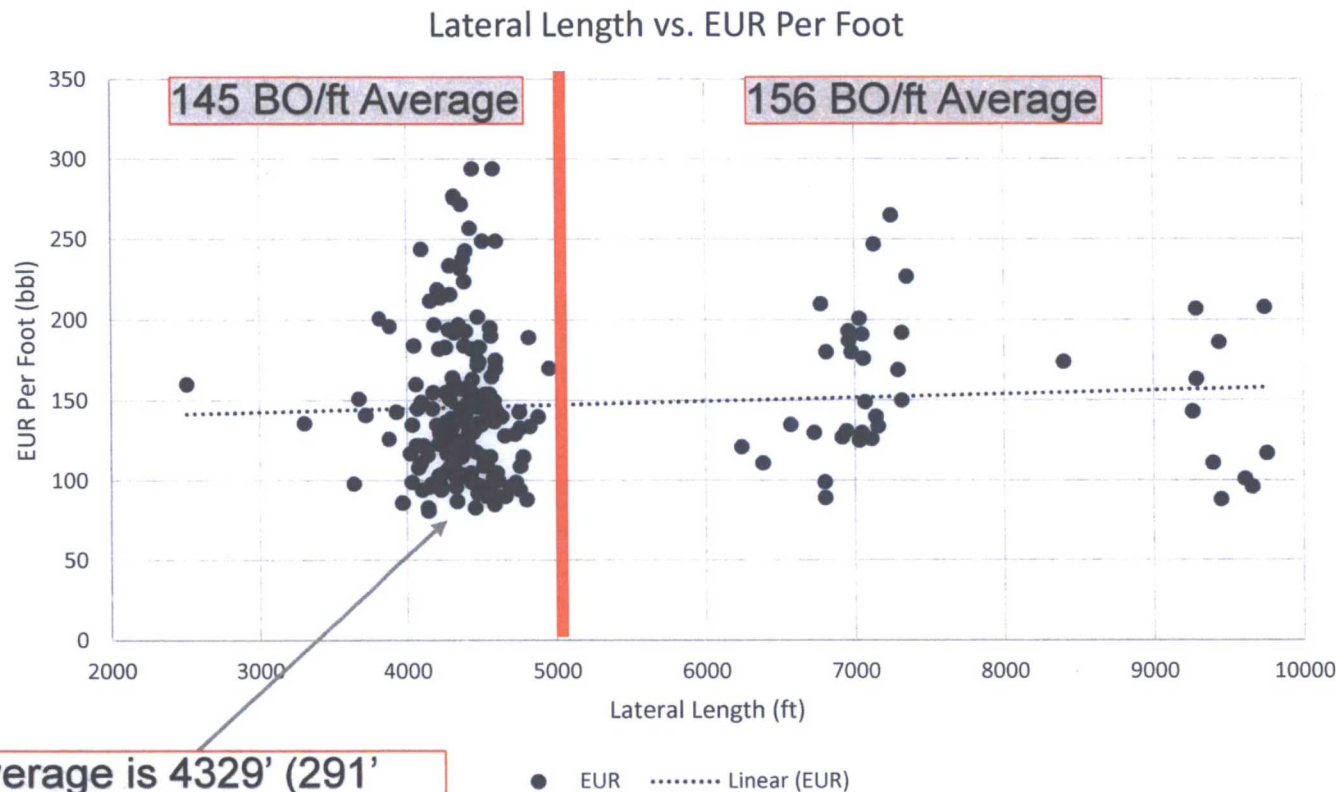
Lateral Length vs. Overall EUR



Longer laterals produce more EUR and more economic locations

Efficiency of Longer Laterals (Normalized)

Lea County, 1201 lbs/ft Proppant Loading Only, Above 80 BO/ft Filter



Average is 4329' (291'
shorter than theoretical)

Demonstrably, longer laterals are not leading to deteriorating EUR's per foot. Therefore, the incremental recovery efficiency from the setback distance gain is real and achievable only through longer laterals

Horizontal Wells in the Delaware Basin

Operators Putting Theory and Empirical Evidence Into Practice

Row Labels	Average of Lateral Length (ft)	Count of API Number	Count of Lateral Length (ft)	Sum of Wells over 9000'	% of Wells over 9000'
NM					
2014	4693	702	634	21	3%
2015	4639	586	517	22	4%
2016	5097	375	273	17	6%
2017	5623	159	78	6	8%
NM Total	4796	1822	1502	66	4%
TX					
2014	4671	655	632	8	1%
2015	5125	727	707	29	4%
2016	5935	628	583	76	13%
2017	6619	263	138	32	23%
TX Total	5315	2273	2060	145	7%

Comparing the Texas – Delaware wells to the New Mexico – Delaware
 23% of wells in Texas in 2017 have exceeded 9000' as opposed to 8% in New Mexico
 49% of 2017 Texas wells are >6800' and only 27% in New Mexico