

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

**APPLICATION OF NEWTEX PARTNERS  
LLC FOR A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY  
POOLING, CHAVES COUNTY, NEW MEXICO**

**Case No. 15815**

**SELF-AFFIRMED STATEMENT  
OF DIANA MILLSAP**

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

2. I am a Registered Professional Landman, and am employed as a landman at NewTex Partners LLC. ("NewTex") in Dallas, Texas. My responsibilities include all land issues that pertain to NewTex's New Mexico assets.

3. I've had direct involvement in NewTex's development of the proposed 320-acre, non-standard spacing and proration unit (project area) comprising the W/2 of Section 21, Township 7 South, Range 28 East in Chaves County.

4. NewTex seeks to develop the San Andres formation in the proposed project area. There are no depth exceptions in the San Andres within the project area.

5. NewTex has 87.5% of the acreage in the proposed project area under lease. Capstone Oil & Gas Company, L.P. ("Capstone"), D2 Resources, LLC ("D2"), and Solis Energy, LLC ("Solis") collectively hold the other 12.5% of the interests in the project area.

OCD Case No. 15815

**NEWTEX PARTNERS  
Exhibit #1**

6. On June 26, 2017, I proposed the Bonanza #5H well to the predecessor-in-interest of Capstone, D2, and Solis. On August 9, 2017, counsel for NewTex sent hearing notice letters to Capstone, D2, and Solis via certified mail.

7. On November 13, 2017, I received written, executed elections by Capstone, D2, and Solis to participate in the Bonanza #5H well for their proportionate shares.

8. Because it now has 100% participation in its Bonanza #5 well, NewTex is withdrawing its request for compulsory pooling.

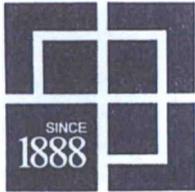
9. I identified three (3) offset interests entitled to receive notice of the hearing on NewTex's application. Under my direction, NewTex's counsel timely sent hearing notice letters to each of the offset interests. Attached as Exhibit A are true and correct copies of the hearing notice letters sent to the offset interests.

10. NewTex's counsel has received return green cards for all of the notice letters. Attached as Exhibit B are true and correct copies of the return green cards.

11. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in Paragraphs 1 – 10 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
Diana Millsap

11/28/2017  
Date



## HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER

Gary W. Larson,  
Partner

glarson@hinklelawfirm.com

August 9, 2017

### VIA CERTIFIED MAIL

James D. Huff  
P.O. Box 705  
Mineola, TX 75773

Re: NewTex Partners LLC NMOCD Application

Dear Mr. Huff:

Enclosed is a copy of an application for approval of a 320-acre, non-standard spacing and proration unit and compulsory pooling that NewTex Partners LLC ("NewTex") has filed with the New Mexico Oil Conservation Division ("the Division").

The proposed non-standard spacing and proration unit is comprised of the W/2 of Section 21, Township 7 South, Range 28 East, NMPM, Chaves County, New Mexico. The location of the proposed project area is orthodox. Your interests are not being pooled, but as the owner of an interest in an offsetting tract, you are entitled to receive notice of the NewTex application.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 31, in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest in an offset tract, you have the right to appear at the hearing and present testimony. If you do not appear at the hearing, you will be precluded from contesting the matter at a later date.

A party appearing in the case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, August 24, 2017. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

**Exhibit  
A**

GWL:sm  
Enclosure

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

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

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

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



## HINKLE SHANOR LLP

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

WRITER

Gary W. Larson,  
Partner

glarson@hinklelawfirm.com

August 9, 2017

### VIA CERTIFIED MAIL

Nightengale Petroleum Properties, Inc.  
2624 Guilford Lane  
Oklahoma City, OK 73120

Re: NewTex Partners LLC NMOCD Application

Dear Sir or Madam:

Enclosed is a copy of an application for approval of a 320-acre, non-standard spacing and proration unit and compulsory pooling that NewTex Partners LLC ("NewTex") has filed with the New Mexico Oil Conservation Division ("the Division").

The proposed non-standard spacing and proration unit is comprised of the W/2 of Section 21, Township 7 South, Range 28 East, NMPM, Chaves County, New Mexico. The location of the proposed project area is orthodox. Nightengale Petroleum Properties, Inc.'s ("Nightengale") interests are not being pooled, but as the owner of an interest in an offsetting tract, it is entitled to receive notice of the NewTex application.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 31, in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Nightengale is not required to attend this hearing, but as an owner of an interest in an offset tract, it has the right to appear at the hearing and present testimony. If Nightengale does not appear at the hearing, it will be precluded from contesting the matter at a later date.

A party appearing in the case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, August 24, 2017. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

GWL:sm

Enclosure

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WRITER:

Gary W. Larson,  
Partner

glarson@hinklelawfirm.com

August 9, 2017

### VIA CERTIFIED MAIL

New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

Re: NewTex Partners LLC NMOCD Application

Dear Sir or Madam:

Enclosed is a copy of an application for approval of a 320-acre, non-standard spacing and proration unit and compulsory pooling that NewTex Partners LLC ("NewTex") has filed with the New Mexico Oil Conservation Division ("the Division").

The proposed non-standard spacing and proration unit is comprised of the W/2 of Section 21, Township 7 South, Range 28 East, NMPM, Chaves County, New Mexico. The location of the proposed project area is orthodox. The New Mexico State Land Office's ("SLO") interests are not being pooled, but as the owner of an interest in an offsetting tract, it is entitled to receive notice of the NewTex application.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 31, in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. The SLO is not required to attend this hearing, but as an owner of an interest in an offset tract, it has the right to appear at the hearing and present testimony. If the SLO does not appear at the hearing, it will be precluded from contesting the matter at a later date.

A party appearing in the case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, August 24, 2017. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

GWL:sm  
Enclosure

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(FAX) 575-746-6316

PO BOX 2068  
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505-982-4554  
(FAX) 505-982-8623

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>James D. Huff  P.O. Box 705  Mineola, TX 75773</p> <p>9590 9402 2874 7069 5538 59</p>	<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7015 0640 0001 6339 2731</p>	<p>3. Service Type</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Adult Signature</li> <li><input type="checkbox"/> Adult Signature Restricted Delivery</li> <li><input checked="" type="checkbox"/> Certified Mail®</li> <li><input type="checkbox"/> Certified Mail Restricted Delivery</li> <li><input type="checkbox"/> Collect on Delivery</li> <li><input type="checkbox"/> Collect on Delivery Restricted Delivery</li> <li><input type="checkbox"/> Priority Mail Express®</li> <li><input type="checkbox"/> Registered Mail™</li> <li><input type="checkbox"/> Registered Mail Restricted Delivery</li> <li><input type="checkbox"/> Return Receipt for Merchandise</li> <li><input type="checkbox"/> Signature Confirmation™</li> <li><input type="checkbox"/> Signature Confirmation Restricted Delivery</li> </ul>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>		

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<p>1. Article Addressed to:</p> <p>Nightengale Petroleum  2624 Builford Ln.  Oklahoma City, OK  73120</p> <p>9590 9402 2874 7069 5538 66</p>	<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7015 0640 0001 6339 2724</p>	<p>3. Service Type</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Adult Signature</li> <li><input type="checkbox"/> Adult Signature Restricted Delivery</li> <li><input checked="" type="checkbox"/> Certified Mail®</li> <li><input type="checkbox"/> Certified Mail Restricted Delivery</li> <li><input type="checkbox"/> Collect on Delivery</li> <li><input type="checkbox"/> Collect on Delivery Restricted Delivery</li> <li><input type="checkbox"/> Insured Mail</li> <li><input type="checkbox"/> Priority Mail Express®</li> <li><input type="checkbox"/> Registered Mail™</li> <li><input type="checkbox"/> Registered Mail Restricted Delivery</li> <li><input type="checkbox"/> Return Receipt for Merchandise</li> <li><input type="checkbox"/> Signature Confirmation™</li> <li><input type="checkbox"/> Signature Confirmation Restricted Delivery</li> </ul>	
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<p>1. Article Addressed to:</p> <p>New Mexico State Land Office  310 Old Santa Fe Trail  Santa Fe, NM 87501</p> <p>9590 9402 2874 7069 5538 42</p>	<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7015 0640 0001 6339 2748</p>	<p>3. Service Type</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Adult Signature</li> <li><input type="checkbox"/> Adult Signature Restricted Delivery</li> <li><input checked="" type="checkbox"/> Certified Mail®</li> <li><input type="checkbox"/> Certified Mail Restricted Delivery</li> <li><input type="checkbox"/> Collect on Delivery</li> <li><input type="checkbox"/> Collect on Delivery Restricted Delivery</li> <li><input type="checkbox"/> Priority Mail Express®</li> <li><input type="checkbox"/> Registered Mail™</li> <li><input type="checkbox"/> Registered Mail Restricted Delivery</li> <li><input type="checkbox"/> Return Receipt for Merchandise</li> <li><input type="checkbox"/> Signature Confirmation™</li> <li><input type="checkbox"/> Signature Confirmation Restricted Delivery</li> </ul>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>		



**Exhibit B**

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

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

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

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

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

OCD Case No. 15815  
NEWTEX PARTNERS  
Exhibit #2

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BONANZA</b>	Well Number 5H
OGRID No.	Operator Name <b>HADAWAY CONSULTING &amp; ENGINEERING, LLC</b>	Elevation 3957'

Surface Location

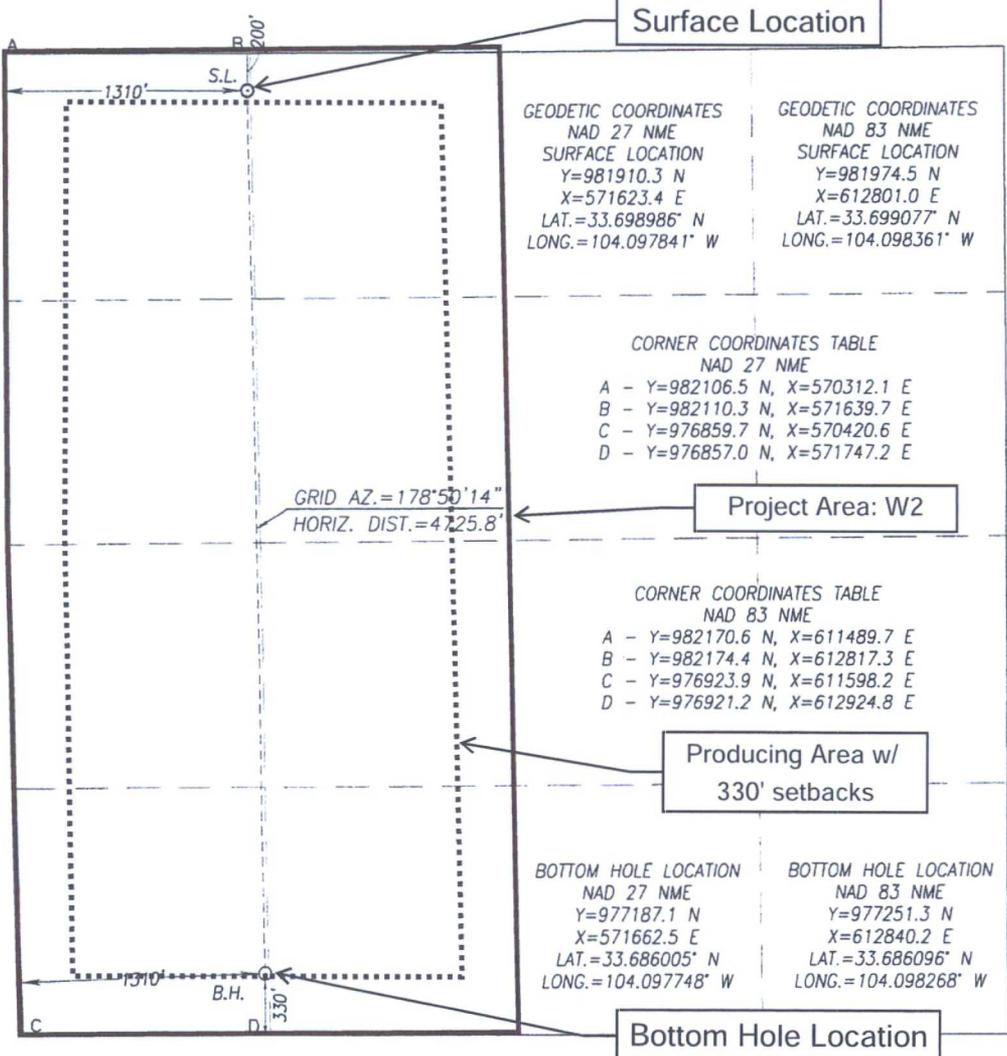
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	21	7-S	28-E		200	NORTH	1310	WEST	CHAVES

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
M	21	7-S	28-E		330	SOUTH	1310	WEST	CHAVES

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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.

*John C Maxey* 11/27/2017  
Date

John C Maxey  
Printed Name

jcm@maxeyengineering.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.

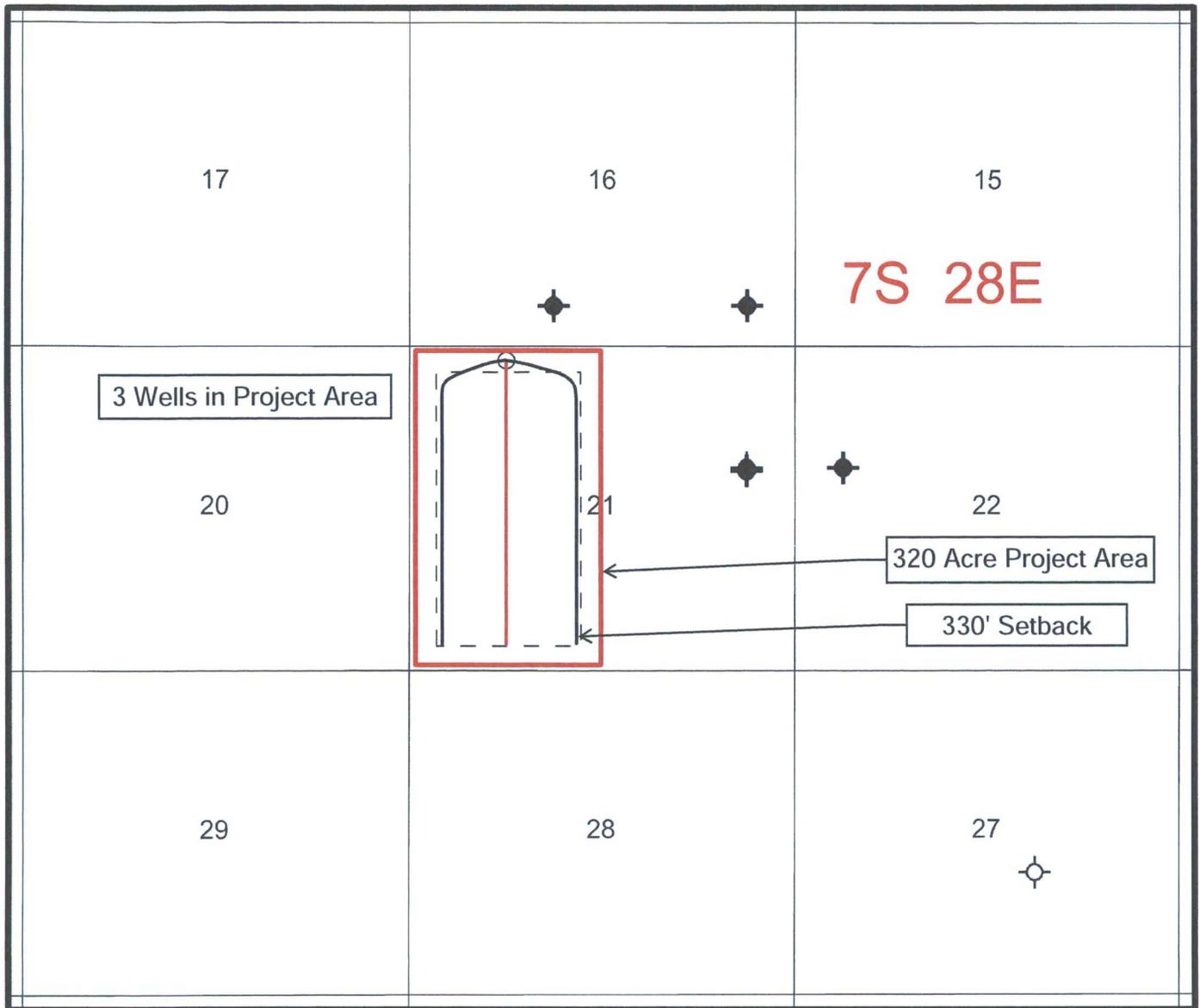
OCTOBER 2, 2017  
Date of Survey

Signature & Seal of Professional Surveyor.

*Ronald J. Eidson* 10/27/2017

Certificate Number: Gary G. Eidson 12641  
Ronald J. Eidson 3239

ACK REL. W.O. 17110766 JWSC W.O. 17.13.1066



OCD Case No. 15815  
**NEWTEX PARTNERS**  
**Exhibit #3**

**NewTex Partners LLC**  
 Application for NSP  
 Bonanza 5H  
 SHL 200' FNL & 1310' FWL  
 Sec 21 T7S R28E  
 Chaves Co., NM

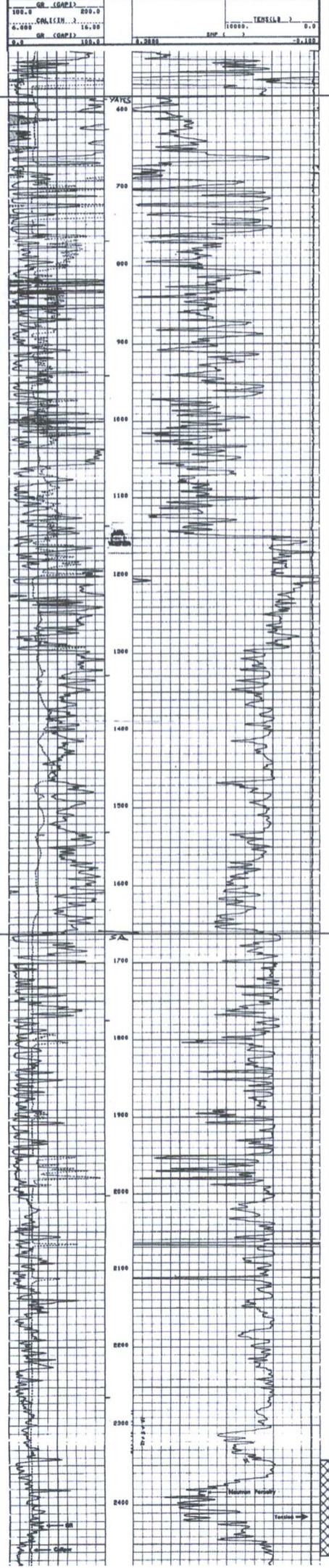
11/25/2017 JCM

Type Log  
 Amonett #1Y  
 2030' FN & 660' FEL  
 Sec 21 T7S R28E

CHAVES WILCOX	
WELL	AMONETT #1-Y
FIELD	WILCOX Area, Oklahoma
COUNTY	CHAVES STATE AND FEDERAL
SECTION	21
TOWNSHIP	7S
RANGE	28E
DATE	11-23-17
LOGGERS	...
...	...

Log Depths

T/ Yates 581'

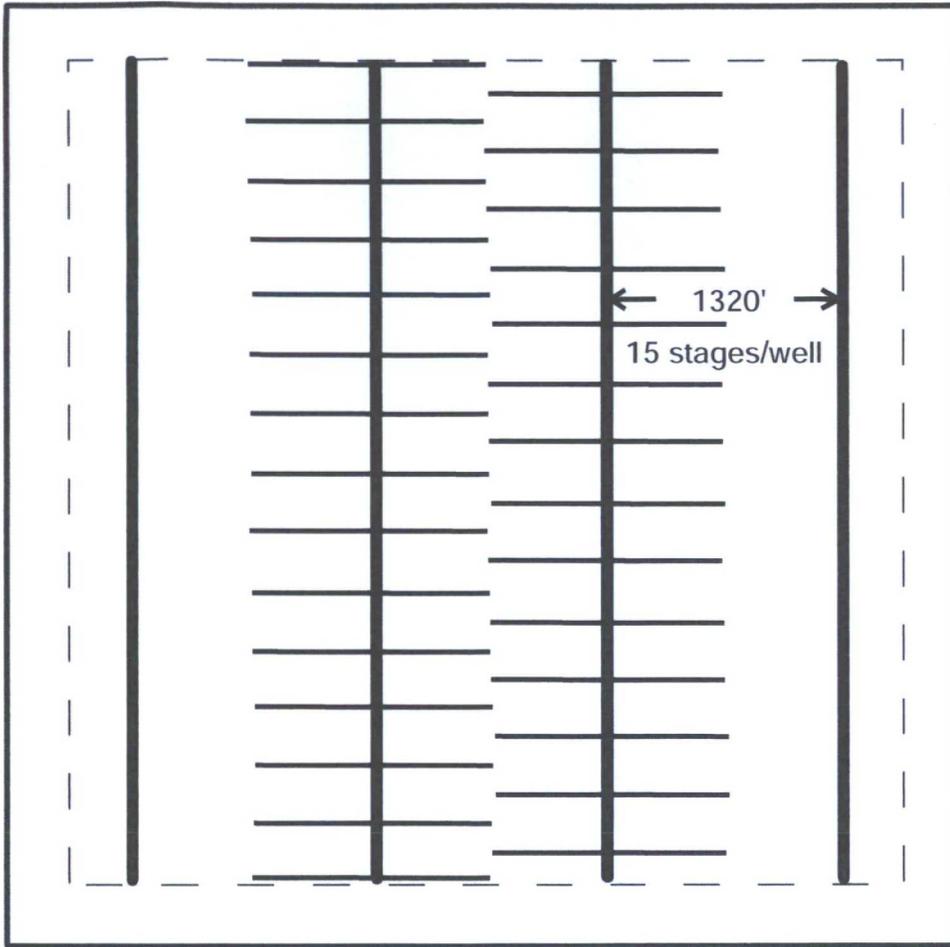


OCD Case No. 15815  
 NEWTEX PARTNERS  
 Exhibit #4

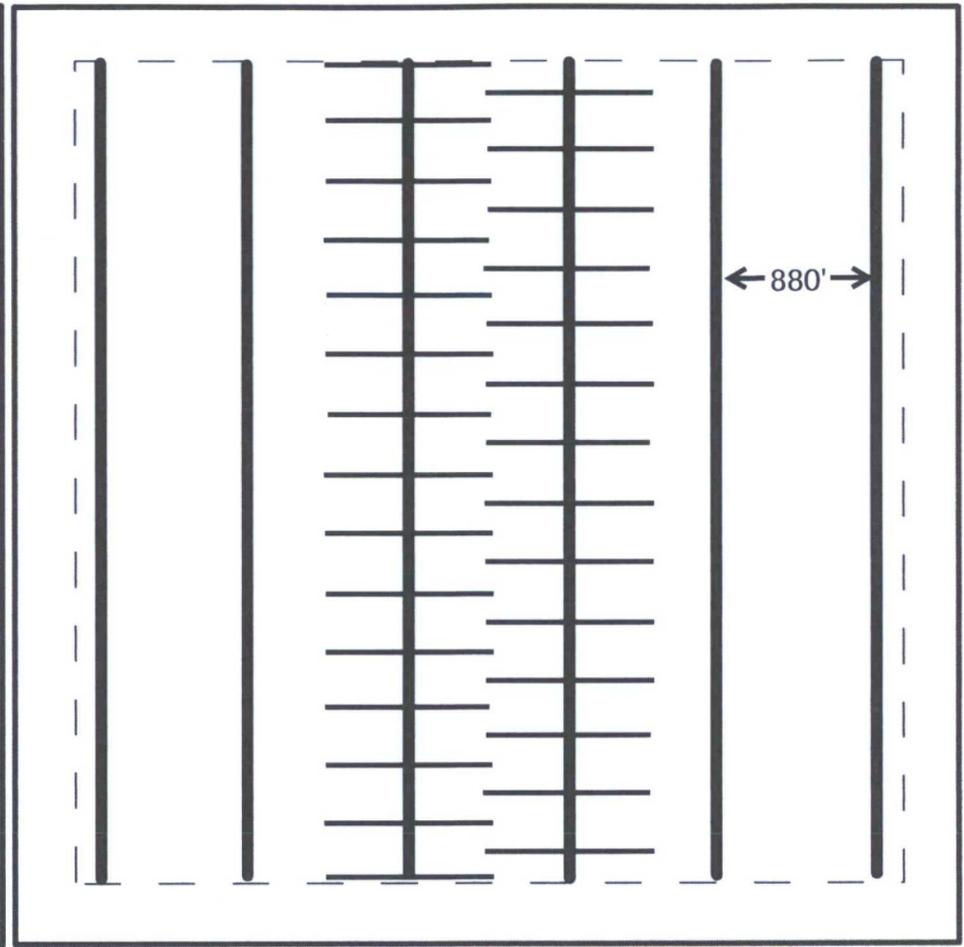
T/San Andres 1,662'

NewTex Partners LLC  
 Application for NSP  
 Bonanza 5H  
 SHL 200' FNL & 1310' FWL  
 Sec 21 T7S R28E  
 Chaves Co., NM  
 11/25/2017 JCM

San Andres Target



4 wells/sec - 1320' between wells  
dashed line is 330' setback



6 wells/sec - 880' between wells  
dashed line is 330' setback

For the same stage count, 6 wells/section reduces the needed stim amount/stage by roughly 1/3. Tighter spacing equates to a higher probability of desired in zone SRV placement and aerial extent.

OCD Case No. 15815  
NEWTEX PARTNERS  
Exhibit #5

NewTex Partners LLC  
Application for NSP  
Bonanza 5H  
SHL 200' FNL & 1310' FWL  
Sec 21 T7S R28E  
Chaves Co., NM

11/25/2017

JCM