

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

**APPLICATION OF V-F PETROLEUM, INC.
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 23104

HEARING EXHIBITS

Compulsory Pooling Checklist

- | | |
|-----------|---|
| Exhibit A | Self-Affirmed Statement of Ryan Curry |
| A-1 | Resume of Ryan Curry |
| A-2 | Application & Proposed Notice of Hearing |
| A-3 | C-102s |
| A-4 | Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation |
| A-5 | Sample Well Proposal Letter & AFEs |
| A-6 | Summary of Communications |
| Exhibit B | Self-Affirmed Statement of Michael Burke |
| B-1 | Location Map |
| B-2 | First Bone Spring Structure Map |
| B-3 | Second Bone Spring Structure Map |
| B-4 | Third Bone Spring Structure Map |
| B-5 | Stratigraphic Cross Section |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy |
| C-1 | Sample Notice Letter to All Interested Parties |
| C-2 | Chart of Notice to All Interested Parties and Certified Mail Receipts |
| C-3 | Copies of Certified Mail Receipts and Returns |
| C-4 | Affidavit of Publication for October 19, 2022 |

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

Case No.:	23104
Hearing Date:	11/3/2022
Applicant	V-F Petroleum, Inc.
Designated Operator & OGRID	OGRID # 24010
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of V-F Petroleum, Inc. for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	COG Operating LLC; ConocoPhillips Company
Well Family	Cache River
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring
Pool Name and Pool Code	WC-025 G-07 S223505N; Bone Spring Formation (Code 98136)
Well Location Setback Rules	Statewide
Spacing Unit Size	240-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acre
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	W/2 SW/4 of Section 29 and the W/2 W/2 of Section 32, Township 21 South, Range 35 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Cache River 29 32 State Com #101H (API # pending) SHL: 2540' FSL & 960' FWL (Unit L), Section 29, T21S-R35E BHL: 100' FSL & 660' FWL (Unit M), Section 32, T21S-R35E Completion Target: First Bone Spring (Approx. 9340' TVD)
Well #2	Cache River 29 32 State Com #201H (API # pending) SHL: 2540' FSL & 960' FWL (Unit L), Section 29, T21S-R35E BHL: 100' FSL & 660' FWL (Unit M), Section 32, T21S-R35E Completion Target: First Bone Spring (Approx. 10140' TVD)
Well #3	Cache River 29 32 State Com #301H (API # pending) SHL: 2540' FSL & 960' FWL (Unit L), Section 29, T21S-R35E BHL: 100' FSL & 660' FWL (Unit M), Section 32, T21S-R35E Completion Target: First Bone Spring (Approx. 10845' TVD)
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Released to Imaging Hearing	Exhibit A-2

Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-4
Tract List (including lease numbers & owners)	Exhibit A-4
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	None.
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2, B-3, B-4
Structure Contour Map - Subsea Depth	Exhibit B-2, B-3, B-4
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	10/28/2022

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

APPLICATION OF V-F PETROLEUM, INC,
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

Case No. 23104

SELF-AFFIRMED STATEMENT
OF RYAN CURRY

1. I am a Landman with V-F Petroleum ("V-F Petroleum"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have an Energy Commerce degree from Texas Tech University and have worked in the petroleum industry for approximately 2 years. A copy of my resume is attached as **Exhibit A-1**.

2. I am familiar with the land matters involved in the above-referenced case. Copies of V-F Petroleum's Application and proposed hearing notice are attached as **Exhibit A-2**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit. Therefore, I do not expect any opposition at hearing.

4. V-F Petroleum applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 SW/4 of Section 29 and the W/2 W/2 of Section 32, Township 21 South, Range 35 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the following wells, which will be completed in the WC-025 G-07 S223505N; Bone Spring Formation [98136] Pool

V-F Petroleum, Inc.
Case No. 23104
Exhibit A

- **Cache River 29 32 State Com #101H well**, which will be horizontally drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East;
 - **Cache River 29 32 State Com #201H well**, which will be horizontally drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East; and
 - **Cache River 29 32 State Com #301H well**, which will be horizontally drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East.
6. The completed intervals of the Wells will be orthodox.
 7. **Exhibit A-3** contains the C-102s for the Wells.
 8. **Exhibit A-4** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests V-F Petroleum seeks to pool highlighted in yellow. All of the parties are locatable.
 9. **Exhibit A-5** contains a sample well proposal letter and AFEs sent to the working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
 10. V-F Petroleum has conducted a diligent search of all county public records including phone directories and computer databases.

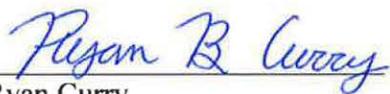
11. In my opinion, V-F Petroleum made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-6**.

12. V-F Petroleum requests overhead and administrative rates of \$8,000.00 per month while the Wells are being drilled and \$800.00 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by V-F Petroleum and other operators in the vicinity.

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

14. In my opinion, the granting of V-F Petroleum's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony 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.


Ryan Curry

10/24/22
Date

Ryan Curry

P.O. Box 1889, Midland, TX 79702 | Ryan@VFPetroleum.com | (432) 683-3344

Work Experience

Landman

V-F Petroleum, Inc.

August 2022-Present

Midland, TX

- Facilitated horizontal development plans from a mineral, surface and regulatory land perspective in complex areas.
- Negotiated various agreements including letter agreements, operating agreements, term assignments and purchase and sale agreements to facilitate development.
- Provided strategic guidance to aid in developing existing leasehold in contested environments and conceive newly identified project areas.

Land Negotiator

ConocoPhillips Company

January 2021- August 2022

Midland, TX

- Led, negotiated and aided in various acreage exchanges, acquisitions and divestitures collectively valued above \$500MM, covering acreage in Lea & Eddy County, New Mexico. Reviewed and drafted various agreements to facilitate transactions.
- Applied knowledge of the NMOCD compulsory pooling process from an operated and non-operated stance to maintain drilling schedule and maximize acreage value
- Effectively communicated with engineering, legal and regulatory disciplines to strategically identify new projects, mature upcoming projects and solve complex issues.
- Experience running multiple brokers and working with title attorneys to obtain accurate abstracts, ownership reports and title opinions. Satisfied various drilling and division order title requirements in the curative process.
- Utilized New Mexico land knowledge to onboard incoming landmen from other asset areas in their transition to work Lea County, New Mexico.

Landman

Concho Resources, Inc.

June 2019- August 2019

Midland, TX

June 2020- January 2021

- Actively worked to acquire leasehold in upcoming projects through various mechanisms including leasing, term assignments and acquisitions.
- Assisted in the due diligence of the Concho Resources acquisition by ConocoPhillips Company through verifying interests and ownership in PDP and PUD properties.
- Completed and extensive review of core fee leases covering lands in Lea County, New Mexico. Analyzed continuous development and Pugh clauses to ensure drill schedule satisfied obligations.
- Aided in the NMOCD compulsory pooling process by preparing exhibits and working with regulatory counsel to get projects ready to pool.

Education

Texas Tech University

Bachelor of Business Administration, Energy Commerce, Magana Cum Laude

V-F Petroleum, Inc.
Case No. 23104
Exhibit A-1

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 23104

APPLICATION

In accordance with NMSA 1978, § 70-2-17, V-F Petroleum Inc. (“V-F Petroleum” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 SW/4 of Section 29 and the W/2 W/2 of Section 32, Township 21 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of this application, V-F Petroleum states the following.

1. Applicant (OGRID No. 24010) is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells:
 - a. The **Cache River 29 32 State Com #101H** well, to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East;
 - b. The **Cache River 29 32 State Com #201H** well, to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East; and

**V-F Petroleum, Inc.
Case No. 23104
Exhibit A-2**

- c. The **Cache River 29 32 State Com #301H** well, to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East.
3. The completed intervals of the wells will be orthodox.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.
5. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy
Dana S. Hardy
Jaclyn M. McLean
Yarithza Peña
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 98208623
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
ypena@hinklelawfirm.com
Counsel for V-F Petroleum Inc.

Application of V-F Petroleum, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring Formation underlying a 240-acre, more or less standard horizontal spacing unit comprised of the W/2 SW/4 of Section 29 and the W/2 W/2 of Section 32, Township 21 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Cache River 29 32 State Com #101H**, **Cache River 29 32 State Com # 201H**, and the **Cache River 29 32 State Com # 301H** wells, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles West of Eunice, New Mexico.

DISTRICT I
 1855 N. French Dr., Hobbs, NM 88240
 Phone (505) 393-8161 Fax (505) 393-0780

DISTRICT II
 811 S. First St., Artesia, NM 88210
 Phone (505) 748-1888 Fax (505) 748-0780

DISTRICT III
 1000 Rio Brazos Rd., Artec, NM 87410
 Phone (505) 334-6176 Fax (505) 334-6170

DISTRICT IV
 1220 S. St. Francis Dr., Santa Fe, NM 87605
 Phone (505) 478-3480 Fax (505) 478-3488

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 4, 2011

Submit one copy to appropriate
 District Office

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 98136	Pool Name WC-025 G-07 S223505N;Bone Spring
Property Code	Property Name CACHE RIVER 29 32 STATE COM	Well Number 101H
OGRID No.	Operator Name VF PETROLEUM INC	Elevation 3646'

Surface Location

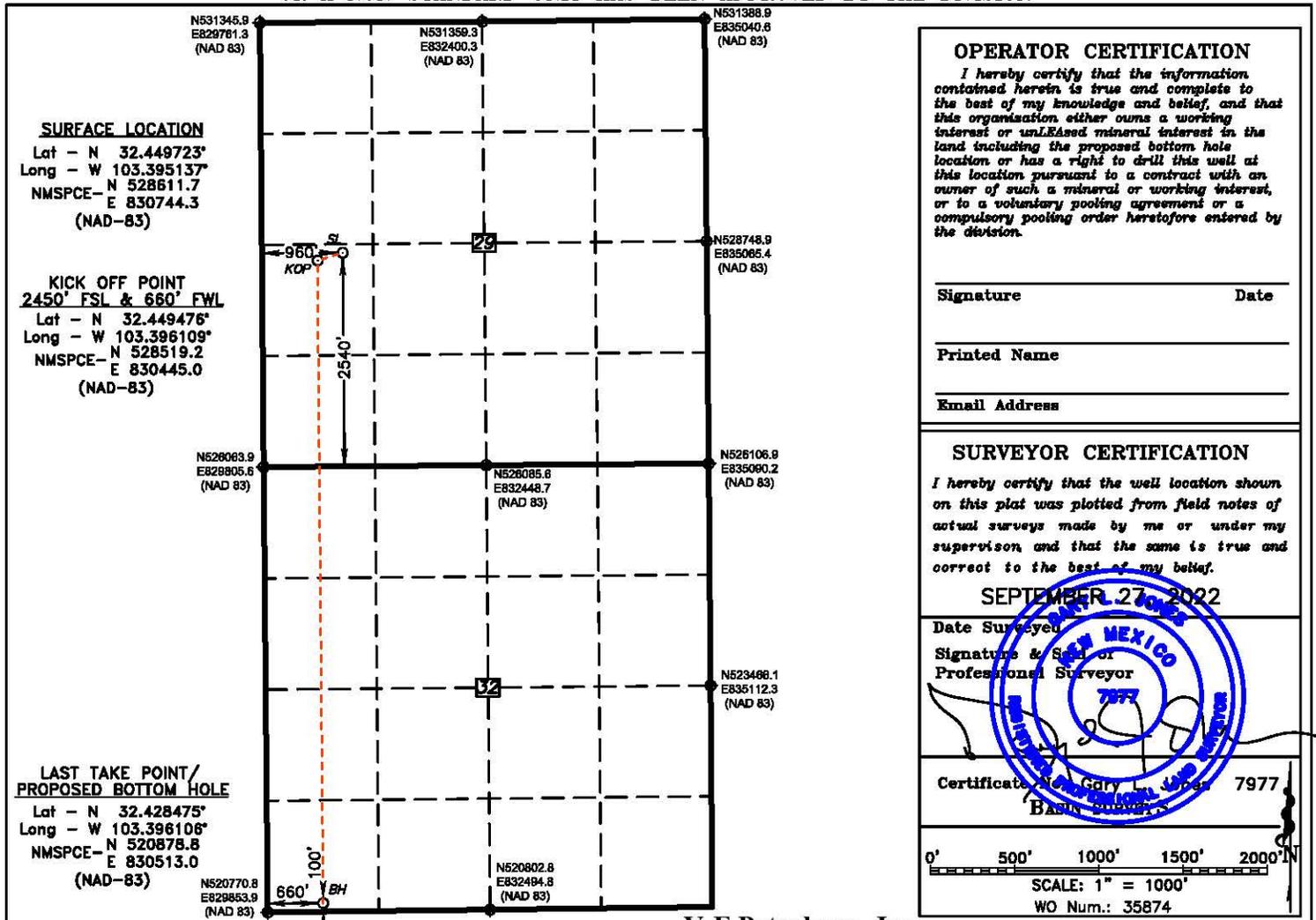
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	29	21 S	35 E		2540	SOUTH	960	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	32	21 S	35 E		100	SOUTH	660	WEST	LEA

Dedicated Acres 240.00	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



V-F Petroleum, Inc.

Case No. 23104

Exhibit A-3

DISTRICT I
 1855 N. French Dr., Hobbs, NM 88240
 Phone (505) 393-8161 Fax: (505) 393-0780

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 Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 98136	Pool Name WC-025 G-07 S223505N;Bone Spring
Property Code	Property Name CACHE RIVER 29 32 STATE COM	Well Number 201H
OGRID No.	Operator Name VF PETROLEUM INC	Elevation 3646'

Surface Location

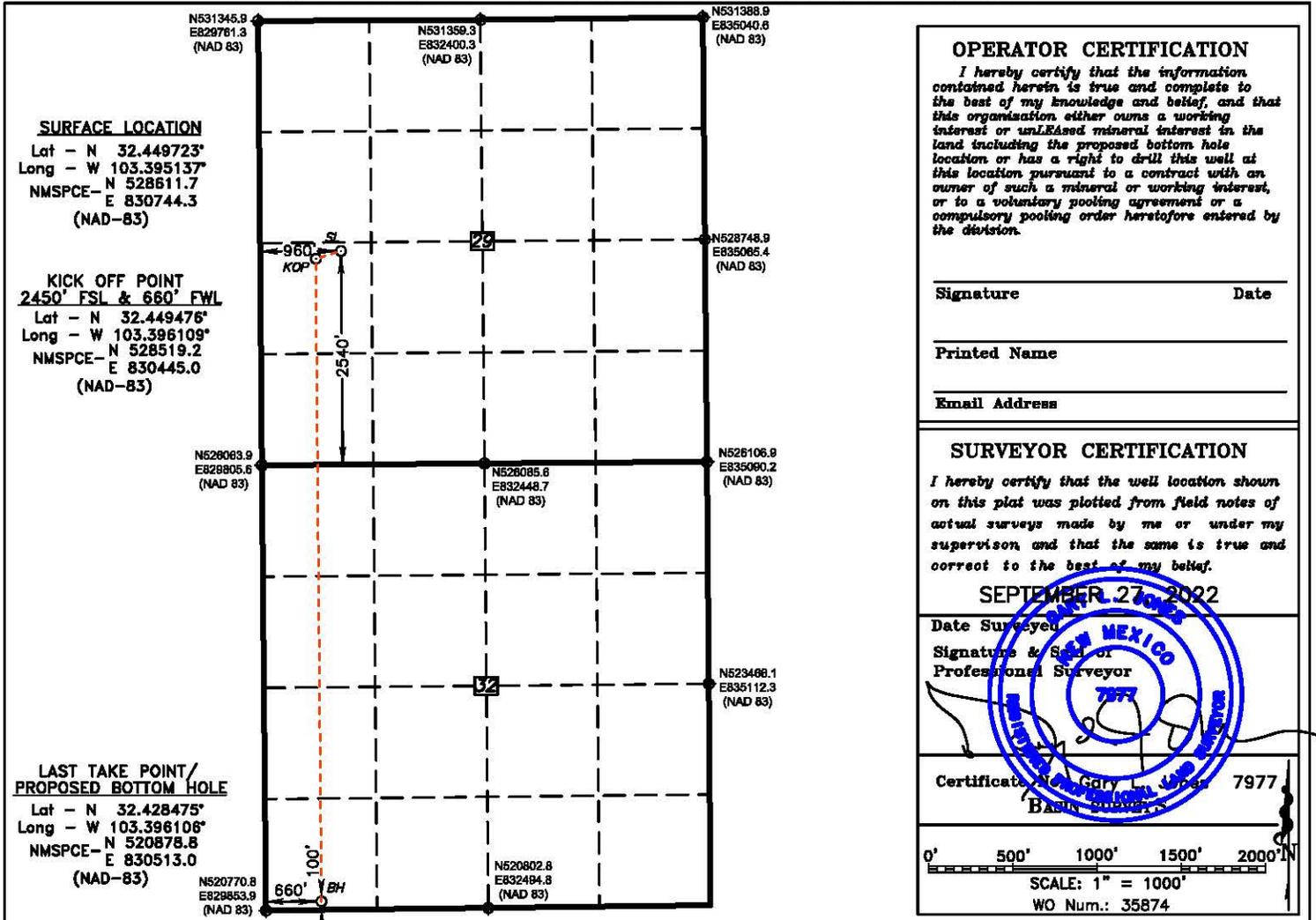
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	29	21 S	35 E		2540	SOUTH	960	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	32	21 S	35 E		100	SOUTH	660	WEST	LEA

Dedicated Acres 240.00	Joint or Infill	Consolidation Code	Order No.
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State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 4, 2011

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OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 98136	Pool Name WC-025 G-07 S223505N;Bone Spring
Property Code	Property Name CACHE RIVER 29 32 STATE COM	Well Number 301H
OGRID No.	Operator Name VF PETROLEUM INC	Elevation 3646'

Surface Location

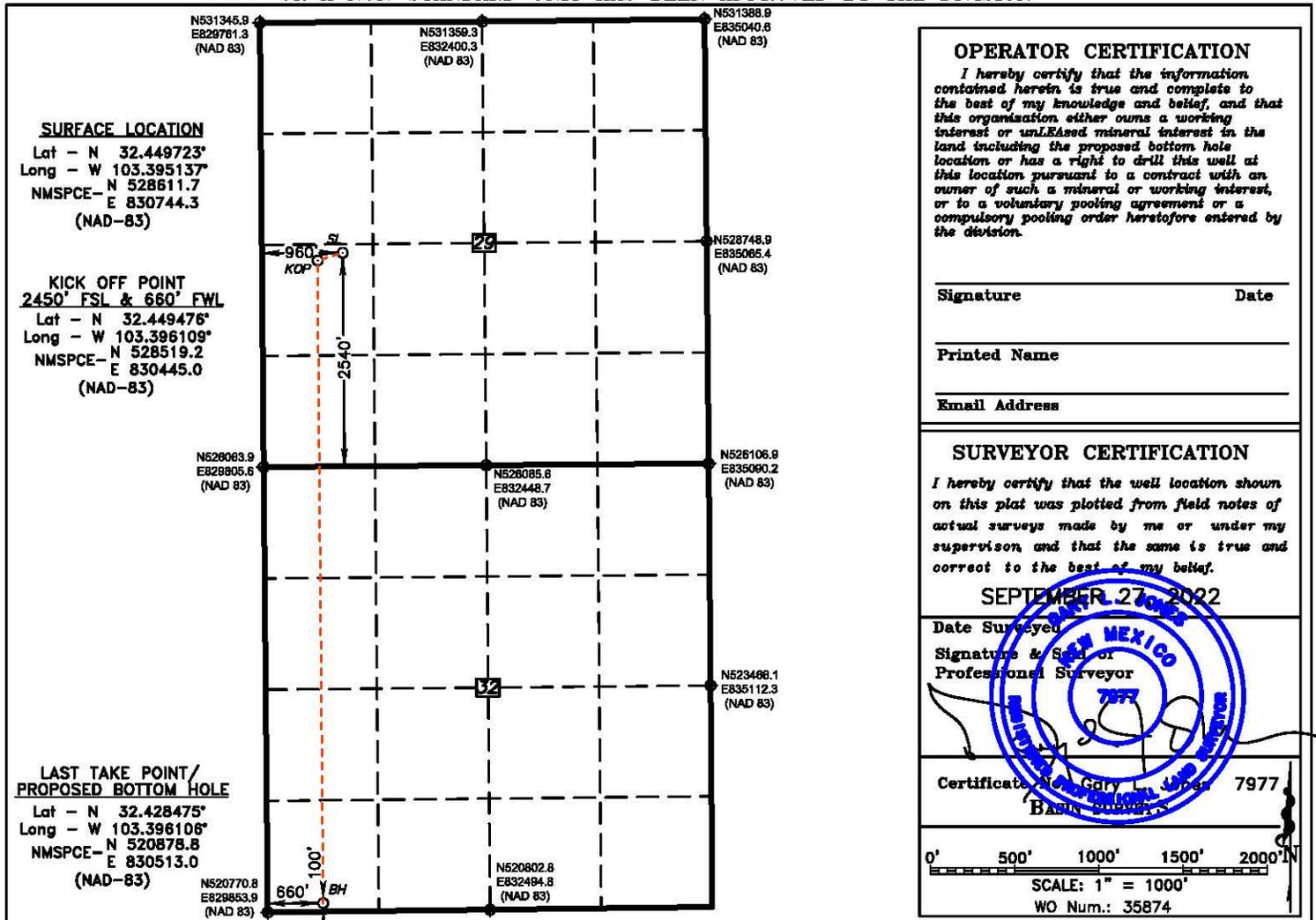
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
L	29	21 S	35 E		2540	SOUTH	960	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	32	21 S	35 E		100	SOUTH	660	WEST	LEA

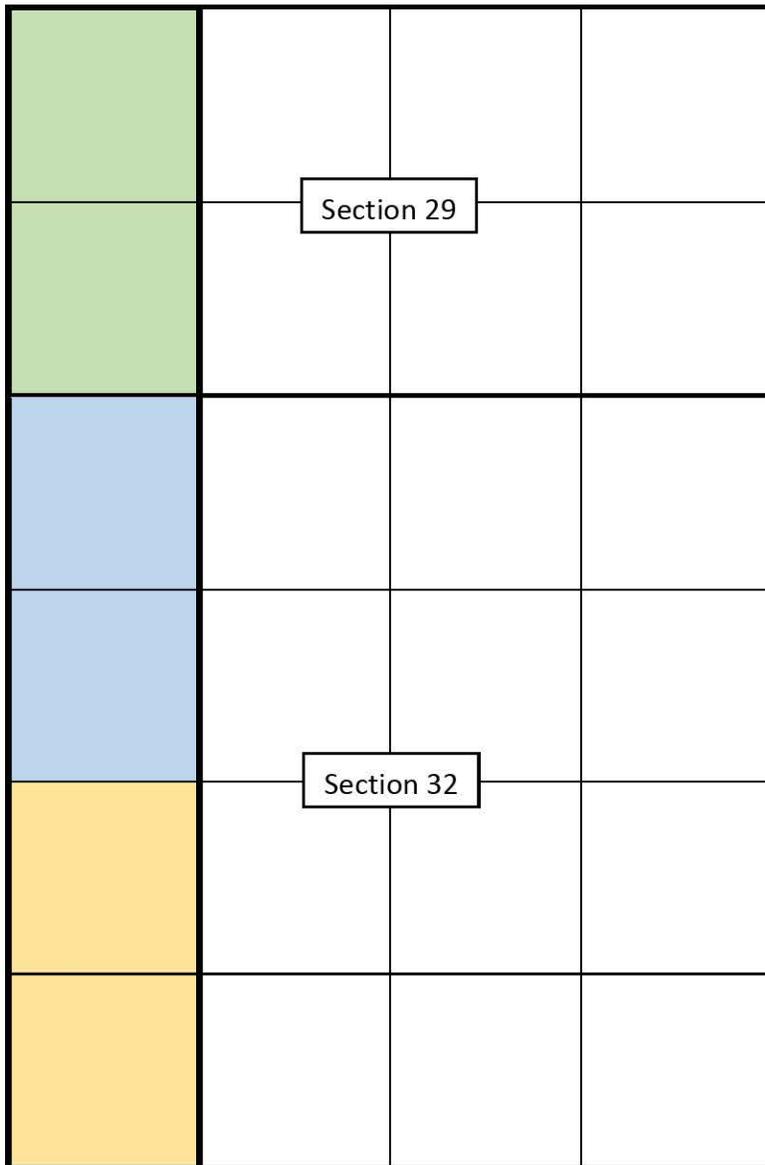
Dedicated Acres 240.00	Joint or Infill	Consolidation Code	Order No.
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V-F Petroleum, Inc.
Cache River 29 32 State Com 101H, 201H, 301H

Township 21 South – Range 35 East, N.M.P.M.
Section 29: W/2SW/4
Section 32: W/2W/2
Lea County, New Mexico
Limited in Depth to the Bone Spring Formation



Tract 1 State of NM E0-1921
Tract 2 State of NM B0-0935
Tract 3 State of NM E0-1924

V-F Petroleum, Inc.
Case No. 23104
Exhibit A-4

Tract 1: Section 29: W/2SW/4 (80.00 Acres more or less)

V-F Petroleum, Inc.	3.650000%
Gahr Energy Company	7.310000%
J.M. Gahr	7.620000%
Fuel Products, Inc.	13.630000%
COG Operating LLC	57.750000%
Rutter & Wilbanks	0.540000%
Michael Christopher Finseth	2.500000%
Heirs or Devises of Patricia Doyle Finseth	1.000000%
Legacy Reserves Operating, LP	3.000000%
<u>The Ninety-Six Corporation</u>	<u>3.000000%</u>
Total	100.000000%

Tract 2: Section 32: W/2NW/4 (80.00 Acres more or less)

Apache Corporation	100.000000%
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Tract 3: Section 32: W/2SW/4 (80.00 Acres more or less)

ConocoPhillips Company	100.000000%
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Unit Working Interest

V-F Petroleum, Inc.	1.216667%
Gahr Energy Company	2.436667%
J.M. Gahr	2.540000%
Fuel Products, Inc.	4.543333%
COG Operating LLC	19.250000%
Rutter & Wilbanks	0.180000%
Michael Christopher Finseth	0.833333%
Heirs or Devises of Patricia Doyle Finseth	0.333333%
The Ninety-Six Corporation	1.000000%
Legacy Reserves Operating, LP	1.000000%
ConocoPhillips Company	33.333333%
<u>Apache Corporation</u>	<u>33.333333%</u>
Total	100.000000%
Total Committed to Unit	63.320000%
Total Seeking to Pool	36.680000%
<u>Parties We Seek to Pool</u>	

V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-683-3344;
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: ryan@vfpetroleum.com

August 31, 2022

COG Operating LLC
600 W. Illinois Ave.
Midland, TX 79701
OBO NM Land

Transmitted Via United States Postal System – Certified Mail – Return Receipt Requested

**RE: Well Proposals – Cache River 29 32 State Com Wells
Township 21 South – Range 35 East, N.M.P.M.
SW/4 of Section 29 & W/2 of Section 32
480 Acres, more or less – Bone Spring Formation
Lea County, New Mexico**

Ladies and/or Gentlemen:

V-F Petroleum, Inc., as operator, (“V-F”) hereby proposes to drill, complete and equip each of the below referenced horizontal wells at the locations so indicated, to respectively test the Bone Spring formation as herein described.

Cache River 29 32 State Com #101H, to be drilled to a depth sufficient to test the Bone Spring Formation at an approximated measured depth of 17,260’ and total vertical depth of 9,340’. The estimated surface hole location is 2,540’ FSL and 660’ FWL of Section 29 (Unit Letter L) or an approved location in Section 29. The estimated bottom hole location is 100’ FSL and 660’ FWL of Section 32 (Unit Letter M) or an approved location in Section 32. The dedicated spacing unit will consist of the W/2SW/4 of Section 29 & the W/2W/2 of Section 32, T21S-R35E, Lea County, NM. The estimated cost to drill, complete and equip this well is \$9,413,270 as shown on the enclosed AFE.

Cache River 29 32 State Com #201H, to be drilled to a depth sufficient to test the Bone Spring Formation at an approximated measured depth of 17,960’ and total vertical depth of 10,140’. The estimated surface hole location is 2,540’ FSL and 660’ FWL of Section 29 (Unit Letter L) or an approved location in Section 29. The estimated bottom hole location is 100’ FSL and 660’ FWL of Section 32 (Unit Letter M) or an approved location in Section 32. The dedicated spacing unit will consist of the W/2SW/4 of Section 29 & the W/2W/2 of Section 32, T21S-R35E, Lea County, NM. The estimated cost to drill, complete and equip this well is \$9,955,920 as shown on the enclosed AFE.

Cache River 29 32 State Com #301H, to be drilled to a depth sufficient to test the Bone Spring Formation at an approximated measured depth of 18,665’ and total vertical depth of 10,845’. The estimated surface hole location is 2,540’ FSL and 660’ FWL of Section 29 (Unit Letter L) or an approved location in Section 29. The estimated bottom hole location is 100’ FSL and 660’ FWL of Section 32 (Unit Letter M) or an approved location in Section 32. The dedicated spacing unit will consist of the W/2SW/4 of Section 29 & the W/2W/2 of Section 32, T21S-R35E, Lea County, NM. The estimated cost to drill, complete and equip this well is \$10,239,505 as shown on the enclosed AFE.

**V-F Petroleum, Inc.
Case No. 23104
Exhibit A-5**

Cache River 29 32 State Com #102H, to be drilled to a depth sufficient to test the Bone Spring Formation at an approximated measured depth of 17,240' and total vertical depth of 9,320'. The estimated surface hole location is 2,540' FSL and 1,980' FWL of Section 29 (Unit Letter K) or an approved location in Section 29. The estimated bottom hole location is 100' FSL and 1,980' FWL of Section 32 (Unit Letter N) or an approved location in Section 32. The dedicated spacing unit will consist of the E/2SW/4 of Section 29 & the E/2W/2 of Section 32, T21S-R35E, Lea County, NM. The estimated cost to drill, complete and equip this well is \$9,413,270 as shown on the enclosed AFE.

Cache River 29 32 State Com #202H, to be drilled to a depth sufficient to test the Bone Spring Formation at an approximated measured depth of 17,940' and total vertical depth of 10,120'. The estimated surface hole location is 2,540' FSL and 1,980' FWL of Section 29 (Unit Letter K) or an approved location in Section 29. The estimated bottom hole location is 100' FSL and 1,980' FWL of Section 32 (Unit Letter N) or an approved location in Section 32. The dedicated spacing unit will consist of the E/2SW/4 of Section 29 & the E/2W/2 of Section 32, T21S-R35E, Lea County, NM. The estimated cost to drill, complete and equip this well is \$9,955,920 as shown on the enclosed AFE.

Cache River 29 32 State Com #302H, to be drilled to a depth sufficient to test the Bone Spring Formation at an approximated measured depth of 18,645' and total vertical depth of 10,825'. The estimated surface hole location is 2,540' FSL and 1,980' FWL of Section 29 (Unit Letter K) or an approved location in Section 29. The estimated bottom hole location is 100' FSL and 1,980' FWL of Section 32 (Unit Letter N) or an approved location in Section 32. The dedicated spacing unit will consist of the E/2SW/4 of Section 29 & the E/2W/2 of Section 32, T21S-R35E, Lea County, NM. The estimated cost to drill, complete and equip this well is \$10,239,505 as shown on the enclosed AFE.

V-F is proposing these wells under the terms of a new A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating V-F Petroleum Inc. as Operator, covering the SW/4 of Section 29 and the W/2 of Section 32, T21S, R35E, N.M.P.M, Lea County, New Mexico, containing approximately 480 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100%/300% Non-Consenting Penalty;
- \$8,000/\$800 Drilling and Producing Rate; and
- V-F Petroleum Inc. named Operator.

If you should desire not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, V-F will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed wells.

Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected **to participate** and one (1) executed copy of the enclosed Operating Agreement. If you have any questions or concerns, please do not hesitate in contacting Ryan Curry, Landman for V-F Petroleum Inc. by phone at (432) 683-3344 or by email at ryan@vfpetroleum.com.

Best Regards,

A handwritten signature in black ink that reads "Ryan B. Curry". The signature is written in a cursive style with a large initial "R".

Ryan Curry
Landman

Enclosures

Elections set forth on the following pages

ELECTIONS -

_____ Elect **to** Participate in the **Cache River 29 32 State Com #101H Well**

_____ Elect **Not to** Participate in the **Cache River 29 32 State Com #101H Well**

_____ Elect **to** Participate in the **Cache River 29 32 State Com #201H Well**

_____ Elect **Not to** Participate in the **Cache River 29 32 State Com #201H Well**

_____ Elect **to** Participate in the **Cache River 29 32 State Com #301H Well**

_____ Elect **Not to** Participate in the **Cache River 29 32 State Com #301H Well**

_____ Elect **to** Participate in the **Cache River 29 32 State Com #102H Well**

_____ Elect **Not to** Participate in the **Cache River 29 32 State Com #102H Well**

_____ Elect **to** Participate in the **Cache River 29 32 State Com #202H Well**

_____ Elect **Not to** Participate in the **Cache River 29 32 State Com #202H Well**

_____ Elect **to** Participate in the **Cache River 29 32 State Com #302H Well**

_____ Elect **Not to** Participate in the **Cache River 29 32 State Com #302H Well**

By: COG Operating LLC

Title: _____

Date: _____

V-F Petroleum Inc.							API No.	
AUTHORIZATION FOR EXPENDITURE							AFE Number	
Date Prepared / Revised: August 31, 2022							Well Type	
X	Original	Supplement	Revision	Re-Entry				
X	Drill Well	Workover	Facilities	Plug & Abandon	Projected TD: MD 17,260'		First BS Sand Horizontal Oil Well 1.5 Mile	
Lease Name/Well #			County / State	Formation	Basin	Field or Prospect		
Cache River 29 32 State Com #101H			Lea NM	1st Bone Spring	Permian	Rawhide (San Simon)		
							SHL: Unit Letter L of Section 29, T21S-R35E	
							BHL: Unit Letter M of Section 32, T21S-R35E	
Acct Code	INTANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST	
501	PERMITS & ENVIROMENTAL SERVICES				\$10,000	\$10,000	\$20,000	
516	TITLE OPINION, CURATIVE & POOLING				\$25,000		\$25,000	
501	SURVEYING STAKE LOCATION				\$5,000		\$5,000	
501	DAMAGES & R-O-W'S				\$25,000		\$25,000	
502/711	ROADS, LOCATION, PITS, LINERS, ETC.				\$100,000	\$10,000	\$110,000	
503	DRILLING RIG MOBILIZATION COST				\$250,000		\$250,000	
503	DRILLING RIG - DAYS	27 days @	\$25,000		\$675,000		\$675,000	
503	RIG HOUSING	30 days @	\$1,800		\$54,000		\$54,000	
503	STEERING	days @						
503	MUD MOTORS & DIRECTIONAL				\$165,000		\$165,000	
517	CLOSED LOOP & DISPOSAL	27 days @	\$4,000		\$108,000		\$108,000	
505	MUD & FRAC CHEMICALS				\$156,000	\$60,000	\$216,000	
505/716	WATER (Brine & Fresh); FRAC WATER				\$40,000	\$465,000	\$505,000	
503	BITS, REAMERS, ETC.				\$125,000		\$125,000	
503	FUEL	60750 gallons @	\$5		\$303,750		\$303,750	
504	CEMENTING SURFACE				\$35,500		\$35,500	
504	CEMENTING INTERMEDIATE				\$70,000		\$70,000	
701	CEMENTING PRODUCTION					\$120,000	\$120,000	
509/705	TUBULAR SERVICES				\$20,000	\$30,000	\$50,000	
509/705	CASING CREWS / HYDRAULIC CATWALK				\$20,000	\$25,000	\$45,000	
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS				\$12,000	\$35,000	\$47,000	
507	TESTING; COMPLETION, FLOWBACK					\$110,000	\$110,000	
508	OPEN HOLE LOGGING							
508	MUD LOGGING	18 days @	\$2,000		\$36,000		\$36,000	
509/705	WELDING, HOURLY LABOR, SAFETY PAY				\$65,000			
509/713	EQUIPMENT RENTAL				\$52,000	\$135,000	\$187,000	
509/714	TRUCKING, TRANSPORTATION, FORKLIFT				\$22,000		\$22,000	
715	COMPLETION UNIT; COIL TUBING UNIT					\$310,000	\$310,000	
704	FORMATION STIMULATION (45 STAGES)					\$2,000,000	\$2,000,000	
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS					\$195,000	\$195,000	
510/11/706	GEOLOGIC / ENGINEERING				\$30,000	\$55,000	\$85,000	
509/705	CONTRACT CONSULTANTS	27 days @	\$3,000		\$81,000	\$52,000	\$133,000	
514	DRILLING WELL RATE (A/O)	27 days @	\$200		\$5,400	\$5,000	\$10,400	
515/705	INSURANCE				\$35,000	\$15,000	\$50,000	
513/708	MISCELLANEOUS				\$30,000	\$181,000	\$211,000	
509/705	CONTINGENCY (10%)				\$252,000	\$380,000	\$632,000	
TOTAL INTANGIBLE ESTIMATED COST					\$2,807,650	\$4,193,000	\$7,000,650	
Acct Code	TANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST	
620/820	CONDUCTOR	Length	Grade	Size	Weight	Price/Ft.		
620/820		120'	K-55	20		\$365.00	\$43,800	
620/820	SURFACE	1,800'	K-55	13 3/8"	54.5	\$105.00	\$189,000	
620/820		5,400'	J55 & 180	9 5/8"	40	\$63.00	\$340,200	
620/820	INTERMEDIATE							
620/820	INTERMEDIATE							
820	PRODUCTION	17,260'	P110	5 1/2"	20	\$37.00	\$638,620	
820	PRODUCTION LINER							
821	TUBING (Coated)	9,000'	L-80	2.875	6.5	\$16.00	\$144,000	
621/824	WELLHEAD EQUIPMENT				\$28,000	\$18,000	\$46,000	
825	PRODUCTION FACILITY ENCLOSURE					\$185,000	\$185,000	
825	POWER SOURCE					\$63,000	\$63,000	
822	RODS AND PUMP (FG & STEEL)							
823	PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT							
827	HEATER TREATER, SEPERATOR, FWKO					\$125,000		
831	GAS SALES LINE & METER RUN					\$15,000	\$15,000	
830	FLOWLINES, VALVES, CONNECTIONS					\$125,000	\$125,000	
827	TANKS (WATER AND PRODUCTION)					\$175,000	\$175,000	
830	MISCELLANEOUS				\$30,000	\$74,000	\$104,000	
622/820	CONTINGENCY (10%)				\$63,000	\$156,000	\$219,000	
TOTAL TANGIBLE ESTIMATED COST					\$694,000	\$1,718,620	\$2,412,620	
941-945	P&A Costs, Rig, Cmt, Cleanup, Misc., Services				\$50,000			
ESTIMATED DRY HOLE COST					\$3,551,650			
TOTAL AFE ESTIMATED COST					\$3,501,650	\$5,911,620	\$9,413,270	
APPROVAL AND ACCEPTANCE:								
WI OWNER _____				IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT.				
W.I. _____								
Title _____				Prepared by: Engineering		Date: August 31, 2022		
Signature _____				Date: _____				
Date _____				*Optional OEE Insurance ADD \$23,000 to AFE Total above. Please check if you elect to be included in the Operators Extra Expense Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA				

V-F Petroleum Inc.							API No.		
AUTHORIZATION FOR EXPENDITURE							AFE Number		
Date Prepared / Revised: 08-31-2022							Well Type		
X	Original	Supplement	Revision	Re-Entry	Second BS Sand Horizontal Oil Well 1.5 Mile				
X	Drill Well	Workover	Facilities	Plug & Abandon	Projected TD: MD 17,960'				
Lease Name/Well #		County / State	Formation	Basin	Field or Prospect	SHL: Unit Letter L of Section 29, T21S-R35E			
Cache River 29 32 State Com #201H		Lea NM	2nd Bone Spring	Permian	Rawhide (San Simon)	BHL: Unit Letter M of Section 32, T21S-R35E			
Acct Code	INTANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST		
501	PERMITS & ENVIROMENTAL SERVICES				\$30,000	\$10,000	\$40,000		
516	TITLE OPINION, CURATIVE & POOLING				\$25,000		\$25,000		
501	SURVEYING STAKE LOCATION				\$5,000		\$5,000		
501	DAMAGES & R-O-W'S				\$25,000		\$25,000		
502/711	ROADS, LOCATION, PITS, LINERS, ETC.				\$100,000	\$10,000	\$110,000		
503	DRILLING RIG MOBILIZATION COST				\$250,000		\$250,000		
503	DRILLING - DAYS	30 days @	\$25,000		\$750,000		\$750,000		
503	RIG HOUSING	33 days @	\$1,800		\$59,400		\$59,400		
503	STEERING	days @							
503	MUD MOTORS & DIRECTIONAL				\$165,000		\$165,000		
517	CLOSED LOOP & DISPOSAL	30 days @	\$5,000		\$150,000		\$150,000		
505	MUD & FRAC CHEMICALS				\$156,000	\$60,000	\$216,000		
505/716	WATER (Brine & Fresh); FRAC WATER				\$40,000	\$465,000	\$505,000		
503	BITS, REAMERS, ETC.				\$132,800		\$132,800		
503	FUEL	67500 gallons @	\$5		\$337,500		\$337,500		
504	CEMENTING SURFACE				\$35,500		\$35,500		
504	CEMENTING INTERMEDIATE				\$70,000		\$70,000		
701	CEMENTING PRODUCTION					\$130,000	\$130,000		
509/705	TUBULAR SERVICES				\$20,000	\$36,000	\$56,000		
509/705	CASING CREWS / HYDRAULIC CATWALK				\$20,000	\$28,000	\$48,000		
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS				\$12,000	\$38,000	\$50,000		
507	TESTING; COMPLETION, FLOWBACK					\$110,000	\$110,000		
508	OPEN HOLE LOGGING								
508	MUD LOGGING	24 days @	\$2,000		\$48,000		\$48,000		
509/705	WELDING, HOURLY LABOR, SAFETY PAY				\$67,000				
509/713	EQUIPMENT RENTAL				\$54,000	\$135,000	\$189,000		
509/714	TRUCKING, TRANSPORTATION, FORKLIFT				\$24,000	\$12,000	\$36,000		
715	COMPLETION UNIT; COIL TUBING UNIT					\$335,000	\$335,000		
704	FORMATION STIMULATION (45 STAGES)					\$2,100,000	\$2,100,000		
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS					\$236,000	\$236,000		
510/11/706	GEOLOGIC / ENGINEERING				\$35,000	\$56,000	\$91,000		
509/705	CONTRACT CONSULTANTS	30 days @	\$3,500		\$105,000	\$52,000	\$157,000		
514	DRILLING WELL RATE (A/O)	30 days @	\$200		\$6,000	\$5,000	\$11,000		
515/705	INSURANCE				\$38,000	\$15,000	\$53,000		
513/708	MISCELLANEOUS				\$30,000	\$191,000	\$221,000		
509/705	CONTINGENCY (10%)				\$275,000	\$401,000	\$676,000		
TOTAL INTANGIBLE ESTIMATED COST					\$3,065,200	\$4,425,000	\$7,490,200		
Acct Code	TANGIBLE DESCRIPTION						COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820	CONDUCTOR	Length	Grade	Size	Weight	Price/Ft.			
620/820	CONDUCTOR	120'	K-55	20		\$365.00	\$43,800	\$43,800	
620/820	SURFACE	1,800'	K-55	13 3/8"	54.5	\$105.00	\$189,000	\$189,000	
620/820	INTERMEDIATE	5,400'	L-80	9 5/8"	40	\$63.00	\$340,200	\$340,200	
620/820	INTERMEDIATE								
820	PRODUCTION	17,960'	P110	5 1/2"	20	\$37.00		\$664,520	
820	PRODUCTION LINER								
821	TUBING (Coated)	10,200'	L-80	2.875	6.5	\$16.00		\$163,200	
621/824	WELLHEAD EQUIPMENT						\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE							\$185,000	\$185,000
825	POWER SOURCE							\$63,000	\$63,000
822	RODS AND PUMP (FG & STEEL)								
823	PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT								
827	HEATER TREATER, SEPERATOR, FWKO							\$125,000	
831	GAS SALES LINE & METER RUN							\$15,000	\$15,000
830	FLOWLINES, VALVES, CONNECTIONS							\$125,000	\$125,000
827	TANKS (WATER AND PRODUCTION)							\$175,000	\$175,000
830	MISCELLANEOUS						\$30,000	\$77,000	\$107,000
622/820	CONTINGENCY (10%)						\$63,000	\$161,000	\$224,000
TOTAL TANGIBLE ESTIMATED COST							\$694,000	\$1,771,720	\$2,465,720
941-945	P&A Costs, Rig, Cmt, Cleanup, Misc., Services						\$50,000		
ESTIMATED DRY HOLE COST							\$3,809,200		
TOTAL AFE ESTIMATED COST							\$3,759,200	\$6,196,720	\$9,955,920
APPROVAL AND ACCEPTANCE:									
WI OWNER _____				IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT.					
W.I. _____									
Title _____				Prepared by: Engineering			Date: August 31,2022		
Signature _____				Date: _____					
Date _____				*Optional OEE Insurance ADD \$23,000 to AFE Total above. Please check if you elect to be included in the Operators Extra Expense Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA					

<h2 style="margin: 0;">V-F Petroleum Inc.</h2> <p style="margin: 0; font-weight: normal;">AUTHORIZATION FOR EXPENDITURE</p>							API No.	
Date Prepared / Revised: 08-31-2022							AFE Number	
X	Original	Supplement	Revision	Re-Entry	Well Type			
X	Drill Well	Workover	Facilities	Plug & Abandon	Third BS Sand Horizontal Oil Well 1.5 Mile			
Lease Name/Well #			County / State	Formation	Basin	Field or Prospect	Projected TD: MD 18,665'	
Cache River 29 32 State Com #301H			Lea NM	3rd Bone Spring	Permian	Rawhide (San Simon)	Proposal New Drill 10,845' TVD	
							SHL: Unit Letter L of Section 29, T21S-R35E BHL: Unit Letter M of Section 32, T21S-R35E	
Acct Code	INTANGIBLE DESCRIPTION					COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIROMENTAL SERVICES					\$30,000	\$10,000	\$40,000
516	TITLE OPINION, CURATIVE & POOLING					\$25,000		\$25,000
501	SURVEYING STAKE LOCATION					\$5,000		\$5,000
501	DAMAGES & R-O-W'S					\$25,000		\$25,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.					\$100,000	\$10,000	\$110,000
503	DRILLING RIG MOBILIZATION COST					\$250,000		\$250,000
503	DRILLING - DAYS	32 days @	\$25,000			\$800,000	\$800,000	
503	RIG HOUSING	35 days @	\$1,800			\$63,000	\$63,000	
503	STEERING	days @						
503	MUD MOTORS & DIRECTIONAL					\$165,000	\$165,000	
517	CLOSED LOOP & DISPOSAL	32 days @	\$5,000			\$160,000	\$160,000	
505	MUD & FRAC CHEMICALS					\$156,000	\$60,000	
505/716	WATER (Brine & Fresh); FRAC WATER					\$40,000	\$465,000	\$505,000
503	BITS, REAMERS, ETC.					\$125,000		\$125,000
503	FUEL	72000 gallons @	\$5			\$360,000	\$360,000	
504	CEMENTING SURFACE					\$35,500		\$35,500
504	CEMENTING INTERMEDIATE					\$70,000		\$70,000
701	CEMENTING PRODUCTION						\$140,000	\$140,000
509/705	TUBULAR SERVICES					\$20,000	\$40,000	\$60,000
509/705	CASING CREWS / HYDRAULIC CATWALK					\$20,000	\$30,000	\$50,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS					\$12,000	\$47,000	\$59,000
507	TESTING; COMPLETION, FLOWBACK						\$110,000	\$110,000
508	OPEN HOLE LOGGING							
508	MUD LOGGING	26 days @	\$2,000			\$52,000	\$52,000	
509/705	WELDING, HOURLY LABOR, SAFETY PAY					\$69,000		
509/713	EQUIPMENT RENTAL					\$56,000	\$135,000	\$191,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT					\$26,000	\$12,000	\$38,000
715	COMPLETION UNIT; COIL TUBING UNIT						\$350,000	\$350,000
704	FORMATION STIMULATION (45 STAGES)						\$2,175,000	\$2,175,000
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS						\$250,000	\$250,000
510/11/706	GEOLOGIC / ENGINEERING					\$37,000	\$57,000	\$94,000
509/705	CONTRACT CONSULTANTS	30 days @	\$3,500			\$105,000	\$52,000	
514	DRILLING WELL RATE (A/O)	30 days @	\$200			\$6,000	\$5,000	
515/705	INSURANCE					\$39,000	\$15,000	\$54,000
513/708	MISCELLANEOUS					\$30,000	\$197,000	\$227,000
509/705	CONTINGENCY (10%)					\$284,000	\$415,000	\$699,000
TOTAL INTANGIBLE ESTIMATED COST						\$3,165,500	\$4,575,000	\$7,740,500
Acct Code	TANGIBLE DESCRIPTION					COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820	CONDUCTOR	Length	Grade	Size	Weight	Price/Ft.		
620/820		120'	K-55	20		\$365.00	\$43,800	\$43,800
620/820	SURFACE	1,800'	K-55	13 3/8"	54.5	\$105.00	\$189,000	\$189,000
620/820		5,400'	L-80	9 5/8"	40	\$63.00	\$340,200	\$340,200
620/820	INTERMEDIATE							
820	PRODUCTION	18,665'	P110	5 1/2"	20	\$37.00	\$690,605	\$690,605
820	PRODUCTION LINER							
821	TUBING (Coated)	10,400'	L-80	2.875	6.5	\$16.00	\$166,400	\$166,400
621/824	WELLHEAD EQUIPMENT					\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE						\$185,000	\$185,000
825	POWER SOURCE						\$63,000	\$63,000
822	RODS AND PUMP (FG & STEEL)							
823	PACKERS, BP'S, ESP, DOWNHOLE EQUIPMENT							
827	HEATER TREATER, SEPERATOR, FWKO						\$125,000	
831	GAS SALES LINE & METER RUN						\$15,000	\$15,000
830	FLOWLINES, VALVES, CONNECTIONS						\$125,000	\$125,000
827	TANKS (WATER AND PRODUCTION)						\$175,000	\$175,000
830	MISCELLANEOUS					\$30,000	\$78,000	\$108,000
622/820	CONTINGENCY (10%)					\$63,000	\$164,000	\$227,000
TOTAL TANGIBLE ESTIMATED COST						\$694,000	\$1,805,005	\$2,499,005
941-945	P&A Costs, Rig, Cmt, Cleanup, Misc., Services					\$50,000		
ESTIMATED DRY HOLE COST						\$3,909,500		
TOTAL AFE ESTIMATED COST						\$3,859,500	\$6,380,005	\$10,239,505
APPROVAL AND ACCEPTANCE:								
WI OWNER _____ W.I. _____ Title _____ Signature _____ Date _____				IT IS RECOGNIZED THAT AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATION SPECIFIED, WHETHER MORE OR LESS THAN THE HEREIN SET OUT. Prepared by: Engineering Date: August 31, 2022 Date: _____				
*Optional OEE Insurance ADD \$23,000 to AFE Total above. Please check if you elect to be included in the Operators Extra Expense Insurance coverage as set forth in Paragraph A.6 of Exh "D" to JOA								

Chronology of Contact

9/1/2022: Well proposals, AFEs and Operating Agreements for Cache River 29 32 State Com 101H, 201H and 301H were sent via certified mail to all working interest owners in the project.

9/9/2022: Provided additional information to The Ninety-Six Corporation via email

9/9/2022: Email communication with Rutter & Wilbanks regarding the proposal

9/14/2022: Provided additional information to Apache Corporation about their ownership in the project via email

9/15/2022: Provided additional information to Legacy Reserves about their ownership and anticipated timing of the development

9/15/2022: Reached out to Michael Christopher Finseth regarding the proposal

9/19/2022: Extended offer to purchase Legacy's interest in the project

10/5/2022: Additional communication with Michael Christopher Finseth about the project and his claim to his mother's interest (Patricia Doyle Finseth)

10/10/2022: Email communication with Apache Corporation discussing JOA changes

10/18/2022: Email communication with Apache Corporation indicating they wish to negotiate a letter agreement and be governed by a pooling order in lieu of a JOA

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23104

**SELF-AFFIRMED STATEMENT
OF MICHAEL BURKE**

1. I am a geologist with V-F Petroleum, Inc. (“V-F Petroleum”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a location map of the proposed horizontal spacing unit (“Unit”). The approximate wellbore paths for the proposed **Cache River 29 32 State Com #101H, Cache River 29 32 State Com #201H**, and the **Cache River 29 32 State Com #301H** Wells are represented by dashed lines. Existing producing Wells in the targeted interval are represented by solid lines.

4. **Exhibit B-2** is a subsea structure map for that is representative of the 1st Bone Spring Sand target interval. The data points are indicated by red X-marks along with their corresponding subsea values posted above in blue. The approximate wellbore paths are depicted by dashed lines. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal Wells.

5. **Exhibit B-3** is a subsea structure map for the that is representative of the 2nd Bone Spring Sand target interval. The data points are indicated by red X-marks along with their

**V-F Petroleum, Inc.
Case No. 23104
Exhibit B**

corresponding subsea values posted above in blue. The approximate wellbore paths are depicted by dashed lines. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal Wells.

6. **Exhibit B-4** is a subsea structure map that is representative of the 3rd Bone Spring Sand target interval. The data points are indicated by red X-marks along with their corresponding subsea values posted above in blue. The approximate wellbore paths are depicted by a dashed line. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal Wells.

7. **Exhibits B-2, B-3 and B-4** also identify three (3) Wells penetrating the targeted intervals used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

8. **Exhibit B-5** is a stratigraphic cross-section using the representative Wells identified on **Exhibits B-2, B-3, and B-4**. It contains gamma ray, resistivity, and porosity logs. The proposed landing zones for the Wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the Units.

9. In my opinion, a stand-up orientation for the Wells is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend. Stand-up orientation is also supported by a study of the production of stand-up vs laydown orientation in the area, with stand-up well results being significantly better.

10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal Wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.

11. In my opinion, the granting of V-F Petroleum's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

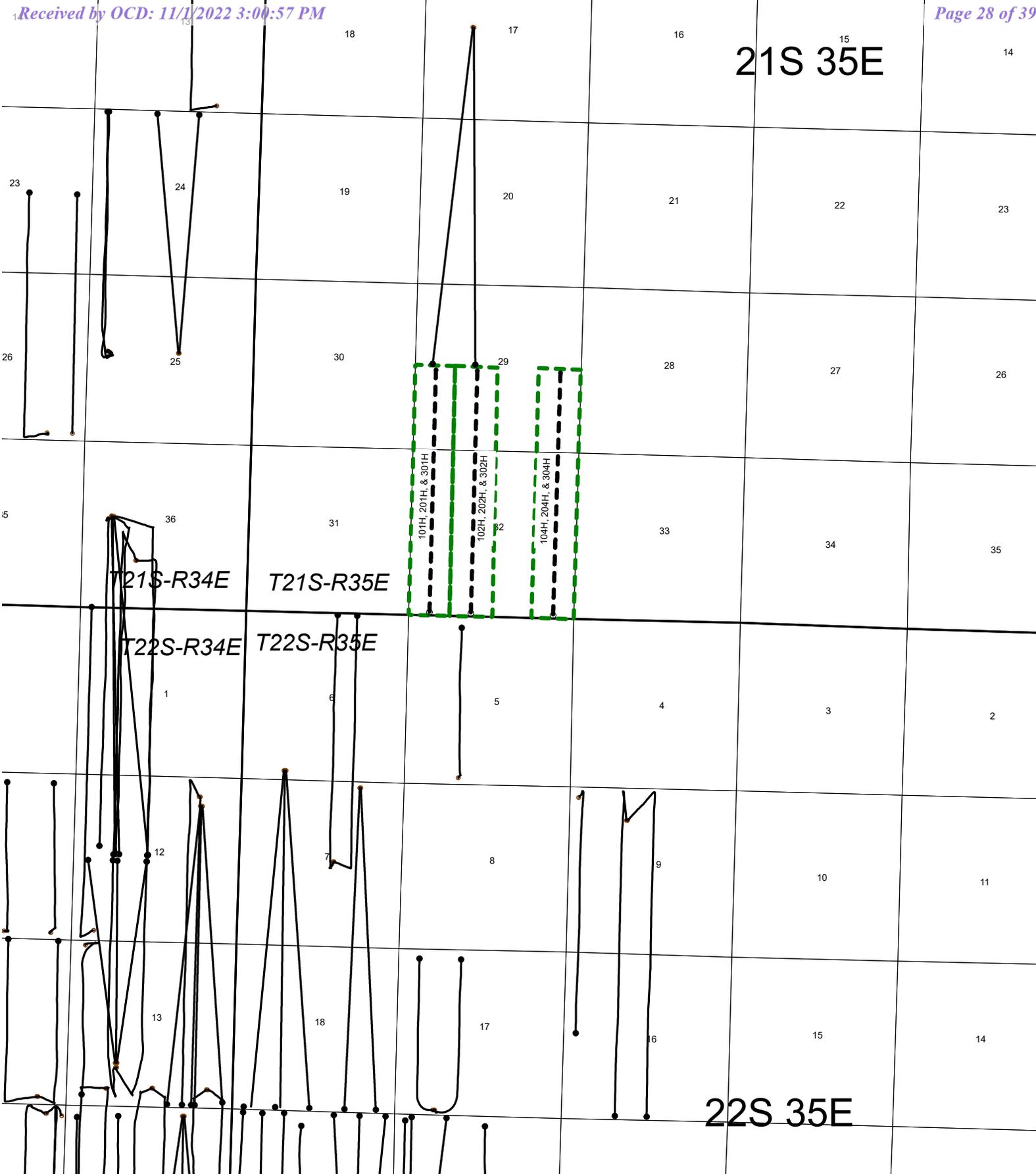
13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Michael Burke
Michael Burke

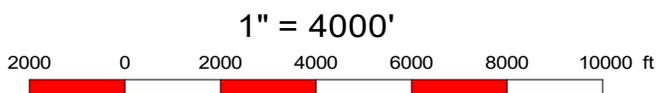
10-25-22
Date

21S 35E

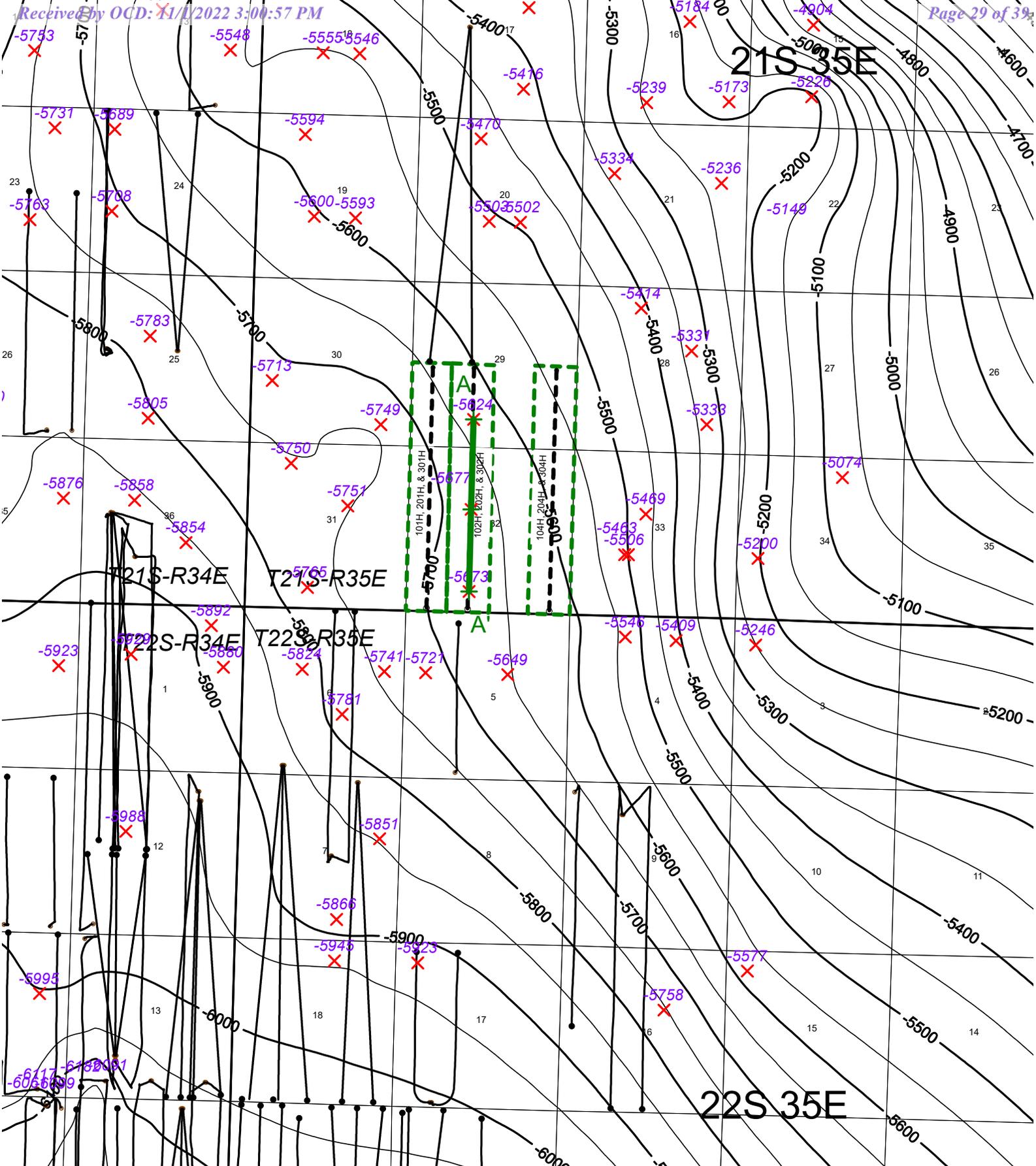
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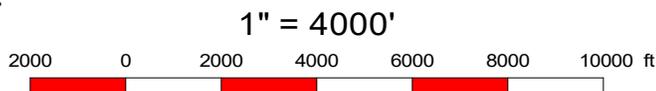
V-F Petroleum, Inc.
 Case No. 23104
 Exhibit B-1



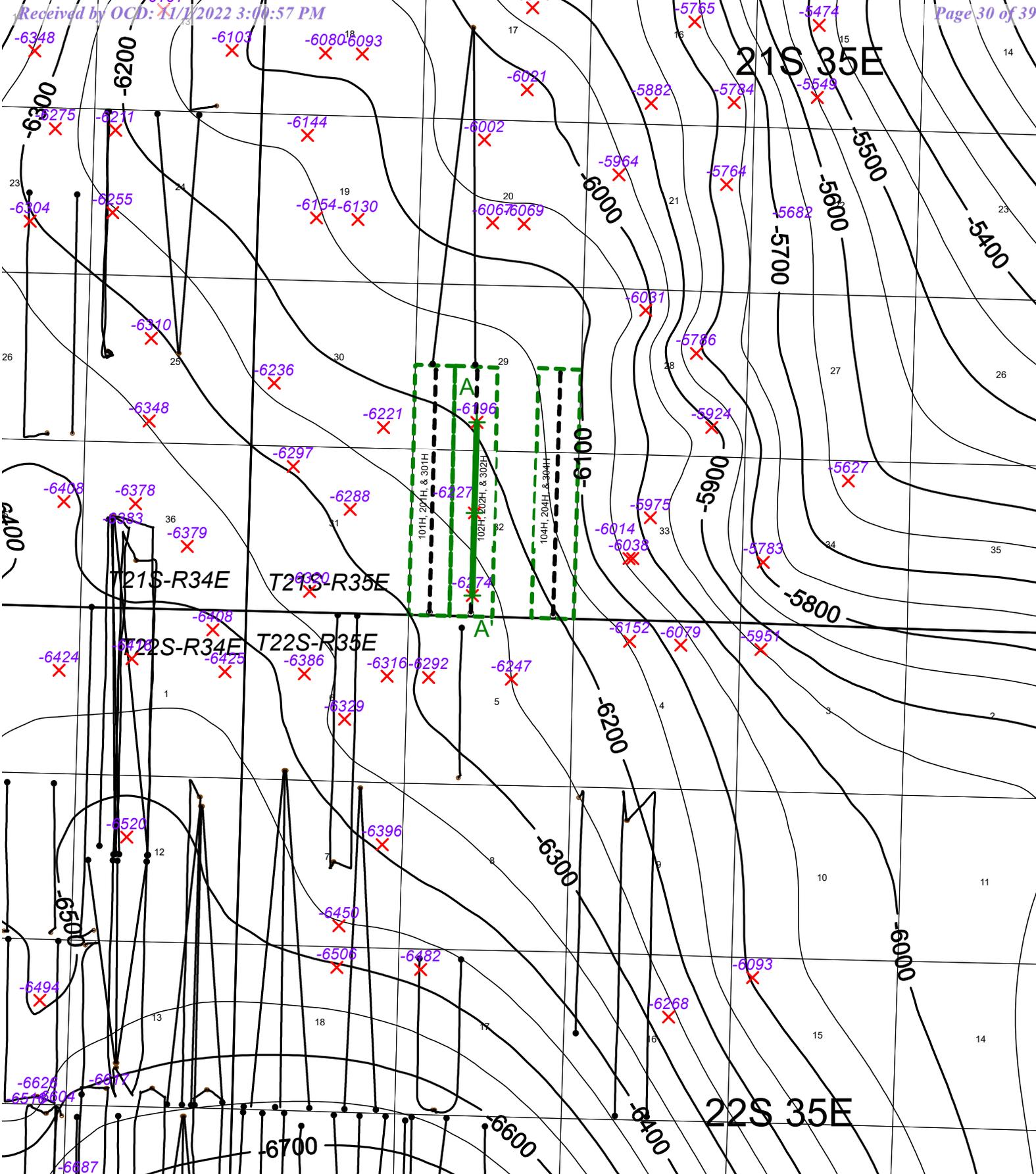
V-F Petroleum, Inc.		
Location Map Horizontal Bone Spring Producing Wells		
Author: m Burke	Bubbles: N/A	Date: 24 October, 2022
Wells: Bspg Producing	Scale: 1" = 4000'	C.I.: N/A



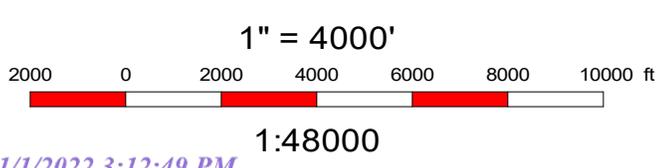
V-F Petroleum, Inc.
 Case No. 23104
 Exhibit B-2



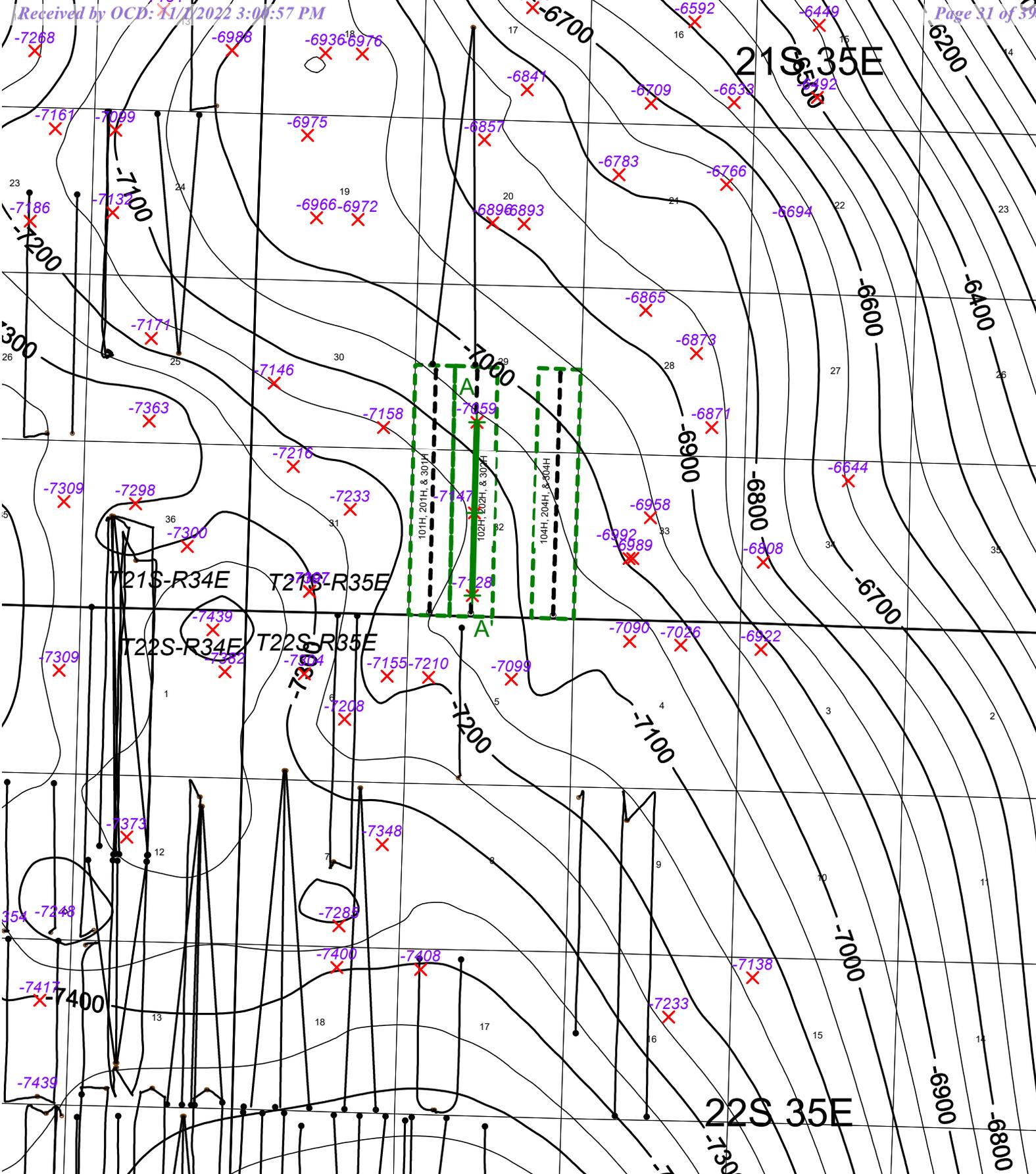
V-F Petroleum, Inc.		
Top of 1st Bone Spring Sand Structure Map Lea Co., New Mexico		
Author: mbrinke	Bubbles: N/A	Date: 25 October, 2022
Wells: Bspg Producing	Scale: 1" = 4000'	C.I.: 50'



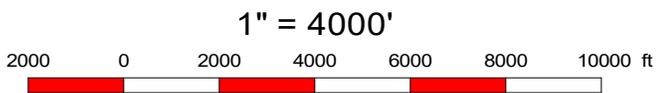
V-F Petroleum, Inc.
 Case No. 23104
 Exhibit B-3



V-F Petroleum, Inc.		
Top of 2 nd Bone Spring Sand Structure Map Lea Co., New Mexico		
Author: m Burke	Bubbles: N/A	Date: 25 October, 2022
Wells: Bspg Producing	Scale: 1" = 4000'	C.I.: 50'



V-F Petroleum, Inc.
 Case No. 23104
 Exhibit B-4



1" = 4000'



V-F Petroleum, Inc.		
Top of 3 rd Bone Spring Sand Structure Map Lea Co., New Mexico		
Author: m Burke	Bubbles: N/A	Date: 24 October, 2022
Wells: Bspg Producing	Scale: 1" = 4000'	C.I.: 50'

A 2889 ft 300252774600 2641 ft 300252730600 A'

SAMSON RESOURCES CO
RAWHIDE 29 STATE 1
TWP: 21 S - Range: 35 E - Sec. 29

PHILLIPS PETRLM CO
SN SMON' 32-B' STT CM 1
TWP: 21 S - Range: 35 E - Sec. 32

PHILLIPS PETRLM CO
SAN SIMON' 32-A' ST 1
TWP: 21 S - Range: 35 E - Sec. 32

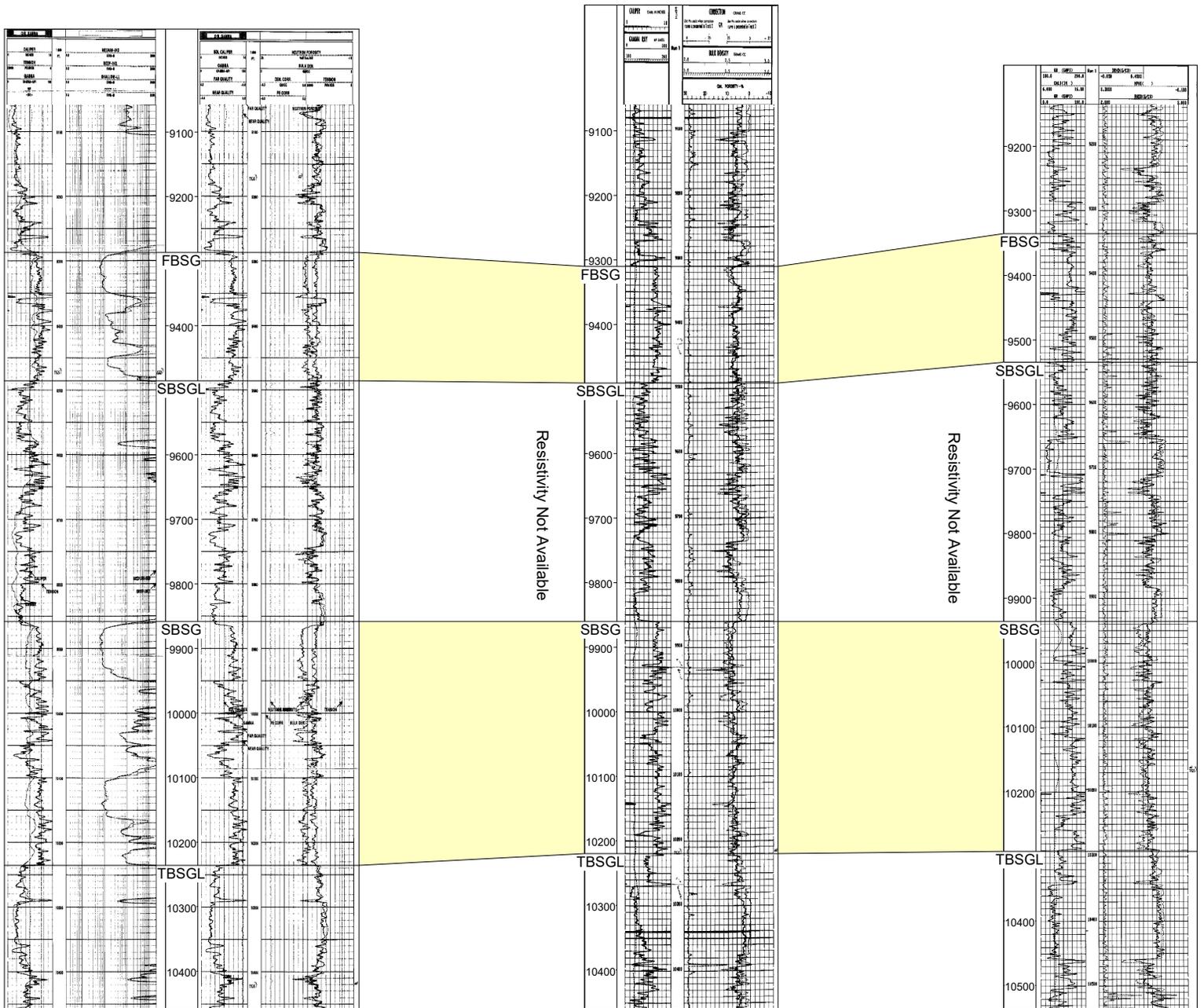
North South

Resistivity Porosity Resistivity Porosity Resistivity Porosity

1st Bone Spring Sand
Target Zone ~9,330'

2nd Bone Spring Lime
2nd Bone Spring Sand
Target Zone ~10,125'

3rd Bone Spring Lime



V-F Petroleum, Inc.
Case No. 23104
Exhibit B-5

TD=13075.00
Comp Date=12/26/2006

TD=13250.00
Comp Date=8/9/1982

TD=13296.00
Comp Date=8/19/1981

A

A'

300253645800
SAMSUN RESOURCES CO
RAWHIDE 29 STATE 1
TWP: 21 S - Range: 35 E - Sec. 29

2889 ft

300252774600
PHILLIPS PETRLM CO
SN SMON '32-B' STT CM 1
TWP: 21 S - Range: 35 E - Sec. 32

2641 ft

300252730600
PHILLIPS PETRLM CO
SAN SIMON '32-A' ST 1
TWP: 21 S - Range: 35 E - Sec. 32

North

South

Resistivity

Porosity

Resistivity

Porosity

Resistivity

Porosity

2nd Bone Spring Sand

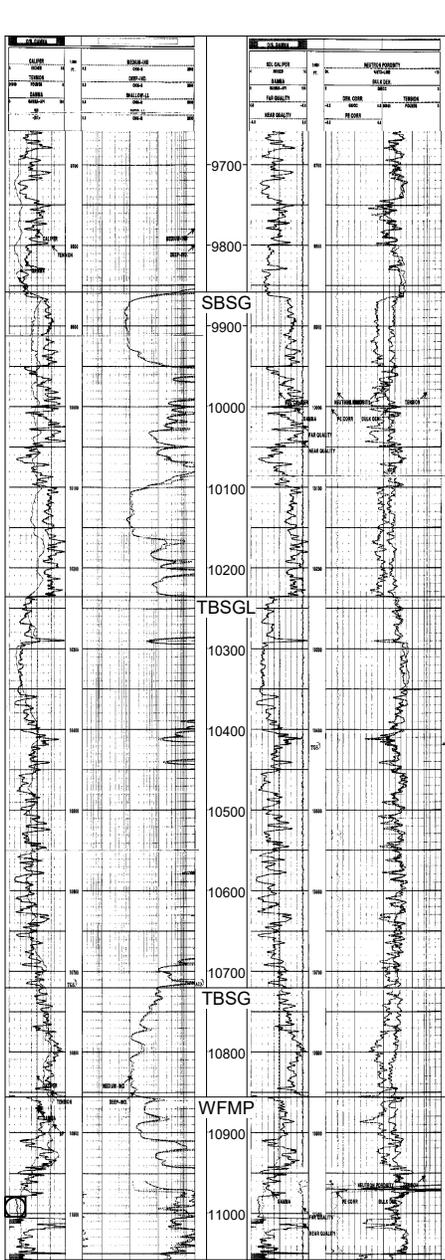
Target Zone ~10,125'

3rd Bone Spring Lime

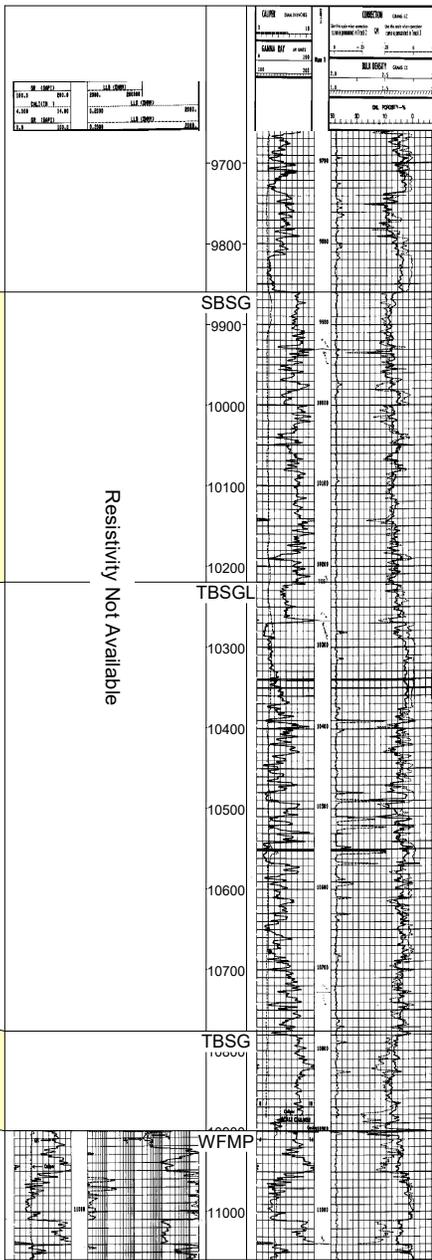
3rd Bone Spring Sand

Target Zone ~10,800'

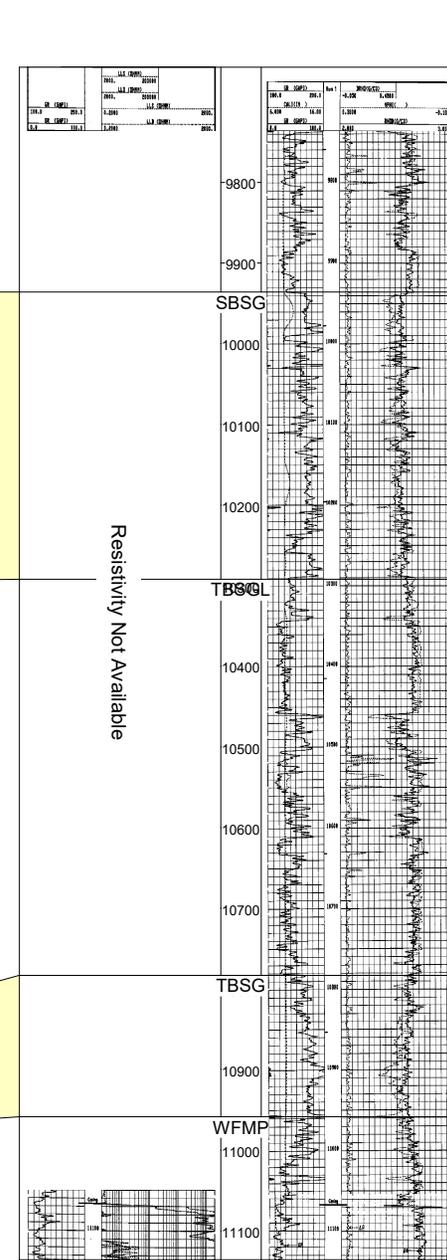
Wolfcamp



TD=13075.00
Comp Date=12/26/2006



TD=13250.00
Comp Date=8/9/1982



TD=13296.00
Comp Date=8/19/1981

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

**APPLICATIONS OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23104

**SELF-AFFIRMED STATEMENT OF
DANA S. HARDY**

1. I am attorney in fact and authorized representative of V-F Petroleum, Inc., the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On October 19, 2022, I caused a notice to be published to all interested parties in the Hobbs News Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 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.

/s/ Dana S. Hardy
Dana S. Hardy

October 28, 2022
Date

**V-F Petroleum, Inc.
Case No. 23104
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

October 11, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23102, 23103, and 23104 - Applications of V-F Petroleum, Inc., for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **November 3, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@state.nm.us 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.

Please contact Ryan Curry, Landman for V-F Petroleum Inc., by phone at (432) 683-3344 if you have any questions.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

V-F Petroleum, Inc.
Case No. 23104
Exhibit C-1

Enclosure

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

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

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



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

October 7, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23102, 23103, and 23104 - Applications of V-F Petroleum, Inc., for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **November 3, 2022** beginning at 8:15 a.m.

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Please contact Ryan Curry, Landman for V-F Petroleum Inc., by phone at (432) 683-3344 if you have any questions.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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

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

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

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

**APPLICATION OF V-F PETROLEUM, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 23102-23104

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Apache Corporation 2000 Post Oak Blvd, Suite 100 Houston, TX 77056	10/07/22	10/14/22 No Signature.
COG Operating LLC 600 W. Illinois Ave. Midland, TX 79705	10/07/22	Per USPS Tracking (Last checked 10/28/22): 10/12/22 - Picked up by individual at postal facility.
ConocoPhillips Company 600 W. Illinois Ave. Midland, TX 79705	10/07/22	Per USPS Tracking (Last checked 10/28/22): 10/12/22 - Picked up by individual at postal facility.
Estate of Patricia Doyle Finseth PO Box 7453 Fort Lauderdale, FL 33338	10/07/22	Per USPS Tracking (Last checked 10/28/22): 10/21/22 - Picked up by individual at postal facility.
Michael Christopher Finseth PO Box 7453 Fort Lauderdale, FL 33338	10/07/22	Per USPS Tracking (Last checked 10/28/22): 10/21/22 - Picked up by individual at postal facility.
Legacy Reserves Operating, LP 15 Smith Road, Suite 3000 Midland, TX 79705	10/07/22	10/13/22
The Ninety-Six Corporation 500 W. Texas Ave, Suite 655 Midland, TX 79701	10/07/22	10/13/22
Rutter & Wilbanks P.O. Box 3186 Midland, TX 79702	10/11/2022	10/27/22

**V-F Petroleum, Inc.
Case No. 23104
Exhibit C-2**

7020 0090 0000 0867 3837

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\$

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

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$

Total Postage and Fees
\$

Sent To
 COG Operating LLC
 600 W. Illinois Ave.
 Midland, TX 79705
 23102-23104 V-F Petroleum Cache River

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



7020 0090 0000 0867 3783

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

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$

Total Postage and Fees
\$

Sent To
 Estate of Patricia Doyle Finseth
 PO Box 7453
 Fort Lauderdale, FL 33338
 23102-23104 V-F Petroleum Cache River

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



7020 0090 0000 0867 3646

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

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$

Total Postage and Fees
\$

Sent To
 Michael Christopher Finseth
 PO Box 7453
 Fort Lauderdale, FL 33338
 23102-23104 V-F Petroleum Cache River

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



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

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage
\$

Total Postage and Fees
\$

Sent To
 ConocoPhillips Company
 600 W. Illinois Ave.
 Midland, TX 79705
 23102-23104 V-F Petroleum Cache River

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



V-F Petroleum, Inc.
Case No. 23104
Exhibit C-3

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

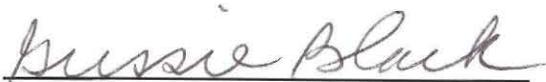
I, Blake Ovard, Editor of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
October 19, 2022
and ending with the issue dated
October 19, 2022.



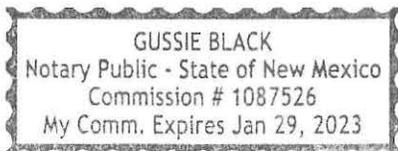
Editor

Sworn and subscribed to before me this
19th day of October 2022.



Business Manager

My commission expires
January 29, 2023
(Seal)



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 October 19, 2022

This is to notify all interested parties, including Michael Christopher Finseth; Estate of Patricia Doyle Finseth; The Ninety-Six Corporation; Legacy Reserves Operating, LP; ConocoPhillips Company; COG Operating LLC; Apache Corporation; Rutter & Wilbanks; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by V-F Petroleum, Inc. (Case No. 23104). The hearing will be conducted remotely on November 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 SW/4 of Section 29 and the W/2 W/2 of Section 32, Township 21 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following wells: **Cache River 29 32 State Com #101H, Cache River 29 32 State Com #201H, and Cache River 29 32 State Com #301H**, to be horizontally drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 29, Township 21 South, Range 35 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32, Township 21 South, Range 35 East. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of V-F Petroleum as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 13 miles west of Eunice, New Mexico.
#38156

02107475

00272136

GILBERT
HINKLE, SHANOR LLP
PO BOX 2068
SANTA FE, NM 87504

V-F Petroleum, Inc.
Case No. 23104
Exhibit C-4