

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

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

**Case Nos. 24994-24995 &  
25115-25117**

**APPLICATIONS OF READ & STEVENS, INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case Nos. 24941-22942 &  
25145-25148**

**NOTICE OF FILING: REVISED AND CONSOLIDATED HEARING PACKET**

V-F Petroleum Inc., (“V-F”) through its undersigned attorneys, hereby submits for filing the following Revised and Consolidated Hearing Packet.

Exhibit 1:	Amended Hearing Packet Case No. 24994
Exhibit 2:	Amended Hearing Packet Case No. 24995
Exhibit 3:	Amended Hearing Packet Case No. 25115
Exhibit 4:	Amended Hearing Packet Case No. 25116
Exhibit 5:	Amended Hearing Packet Case No. 25117
Exhibit 6:	Rebuttal Exhibits – 1A, 1B, 1C, and 2 – 14 and Rebuttal Exhibit 15

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill  
William E. Zimsky  
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***Attorneys for V-F Petroleum Inc.***

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on March 10, 2025:

Michael H. Feldewert – mfeldewert@hollandhart.com  
Adam G. Rankin – agrankin@hollandhart.com  
Paula M. Vance – pmvance@hollandhart.com  
***Attorneys for Read & Stevens, Inc. and  
Permian Resources Operating, LLC***

Kaitlyn A. Luck - luck.kaitlyn@gmail.com  
***Attorney for Carolyn Beall***

/s/ Darin C. Savage  
Darin C. Savage

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 27, 2025**

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

**REVISED AND CONSOLIDATED HEARING PACKET FOR**

**Case Nos. 24994, 24995, 25115, 25116 and 25117**

**V-F PETROLEUM INC.**

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## **TAB 1**

Exhibit 1: Amended Hearing Packet Case No. 24994

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBURARY 27, 2025**

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

**AMENDED HEARING PACKET FOR**

**Case No. 24994:**

**Rainier 16-15 Fed Com 221H**

**Rainier 16-15 Fed Com 231H**

**Consolidated for a Contested Hearing with:  
Case Nos. 24995, 25115, 25116 & 25117 (V-F Petroleum Inc. Cases)  
Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)**

**V-F PETROLEUM INC.**

**EXHIBIT  
1**

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## **TAB 1**

**Reference for Case No. 24994**

**Application Case No. 24994: Rainier 16-15 Fed Com 221H 231H**

**NMOCD Checklist Case No. 24994**

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

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

Case No. 24994

**APPLICATION**

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
2. V-F Petroleum proposes and dedicates to the HSU the **Rainier 16-15 Fed Com #221H Well**, and the **Rainier 16-15 Fed Com #231H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #221H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15.

4. V-F Petroleum proposes the **Rainier 16-15 Fed Com #231H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15.

5. All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #221H Well** and the **Rainier 16-15 Fed Com #231H Well** as the wells for the HSU.

C. Designating V-F Petroleum as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ *Darin C. Savage*

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Darin C. Savage

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**Attorneys for V-F Petroleum, Inc.**

***Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Rainier 16-15 Fed Com #221H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; and the **Rainier 16-15 Fed Com #231H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.



<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 24994</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 28, 2025 (Scheduled Hearing)</b>	
Applicant	V-F Petroleum Inc.
Designated Operator & OGRID (affiliation if applicable)	24010
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC
Well Family	Rainier 16-15 Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	S/2 S/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes, Standard Spacing Unit
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership
<b>Well(s)</b>	
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	Rainier 16-15 Fed Com 221H Well (API No. Pending), SHL: Unit L, 1437.5' FSL, 797' FWL, Section 16, T18S-R31E; BHL: Unit P, 615' FSL, 100' FEL, Section 15, T18S-R31E, laydown, standard location

Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 221H Well: FTP 615' FSL, 50' FWL, Section 16; LTP 615' FSL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 221H Well: 2nd Bone Spring formation; TVD approx. 8,450'; TMD 19,175'; See Exhibit A
Well #2	Rainier 16-15 Fed Com 231H Well (API No. Pending), SHL: Unit L, 1462.4' FSL, 797' FWL, Section 16, T18S-R31E; BHL: Unit P, 615' FSL, 100' FEL, Section 15, T18S-R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 231H Well: FTP 615' FSL, 100' FWL, Section 16; LTP 615' FSL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 231H Well: 3rd Bone Spring formation; TVD approx. 9,360'; TMD 19,390'; See Exhibit A
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 11
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A, 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

<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2, A-3
Well Bore Location Map	Exhibit A-1, A-7, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Darin C. Savage
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Darin Savage
<b>Date:</b>	1/21/25

## TAB 2

Exhibit A: Self-Affirmed Statement of Jordan Shaw, Landman  
Exhibit A-1: C-102 Forms  
Exhibit A-2: Location Plat Map  
Exhibit A-3: Revised Tract Map and Ownership Breakdown  
Exhibit A-4: Chronology of Contacts with Uncommitted Owners  
Exhibit A-5: Well Proposal Letters and AFEs  
Exhibit A-6: Sample Well Proposal and AFE for Rainier 16-15 Fed Com #211H Well  
Exhibit A-7: Aerial View Map of Surrounding Development  
Exhibit A-8: Permian Resources Slim Jim Well Proposals  
Exhibit A-9: Plat for Tamano 15 AD Fed Com #1H Well

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

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

Case No. 24994

**SELF-AFFIRMED STATEMENT OF JORDAN SHAW**

I, Jordan Shaw, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
5. V-F seeks an order pooling all uncommitted mineral interest in the Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405, from the top of the First Bone



Spring, at an approximate depth of 6,048' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Laterallog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

6. Under Case No. 24994, V-F seeks to dedicate the **Rainier 16-15 Fed Com #221H Well**, (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; approximate TVD of 8,450'; approximate TMD of 19,811'; FTP in Section 16: 615' FSL, 100' FWL; LTP in Section 15: 615' FSL, 100' FEL.

7. Under Case No. 24994, V-F also seeks to dedicate the **Rainier 16-15 Fed Com #231H Well**, (API 30-015-pending) as an in-fill well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; approximate TVD of 9,360'; approximate TMD of 19,390'; FTP in Section 16: 615' FSL, 100' FWL; LTP in Section 15: 615' FSL, 100' FEL.

8. The proposed C-102 for each well is attached as **Exhibit A-1**.

9. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of each proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

10. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.

11. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

12. There are no depth severances in the Bone Spring formation in this acreage.

13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

15. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

16. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

18. V-F requests that it be designated operator of the units and wells.

19. Additionally, although not technically part of Case No. 24994, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role Case No. 24994 plays in V-F's future development plans underlying the S/2 S/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #211H Well**, (API 30-015-pending) that has been proposed to all working interest owners in the Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.

20. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy



County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

21. **Exhibit A-8** are Permian Resources' well proposals both dated August 16, 2024, one proposal covering the Slim Jim 14-15 Fed COM 122H and 123H, both targeting the 2<sup>nd</sup> Bone Spring formation in the S/2 N/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and the other proposal covering the Slim Jim 14-15 Fed COM 124H, 125H and 126H, with all three wells also targeting the 2<sup>nd</sup> Bone Spring formation in the S/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (collectively the "Slim Jim Second Bone Proposals").

22. Attached as **Exhibit A-9** is a plat of the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), which is situated in the N/2 N/2 of Section 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

23. Assuming Permian Resources' actually drills and completes all five proposed Slim Jim Second Bone Proposals, this will result in a total of six horizontal wells situated in Section 14 (Slim Jim 14-15 Fed COM 121H has been proposed to Section 14 working interest owners only)

and Section 15, with spacing as close as 660' between wells. This spacing pattern is extremely aggressive when compared to Mewbourne Oil Company's Local Legend development to the west in Sections 18 and 17, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Mewbourne Oil Company's Barrel Crusher development, also to the west in Sections 19 and 20, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, both as depicted on **Exhibit A-7**, which shows four Second Bone Spring wells in each development, more or less evenly spaced. To propose a fifty percent (50%) increase to the conventional density pattern in this area, in V-F's opinion should require empirical longstanding production data to establish that the acreage justifies additional in-fill development otherwise such a proposal in V-F's respectful opinion should be viewed as wasteful and not protecting the correlative rights of the other working interest owners in Permian Resources' Slim Jim Second Bone Proposals, who collectively will own the majority of the working interest in the Slim Jim Second Bone Proposals.

24. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.

25. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

26. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Jordan Shaw:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24994 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



\_\_\_\_\_  
Jordan Shaw

\_\_\_\_\_  
01/21/2025

Date Signed

<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

**WELL LOCATION INFORMATION**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>RANIER 16 15 FED COM</b>	Well Number <b>221H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>	Ground Level Elevation <b>3653'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1437.5 FSL	797 FWL	32.744168°	103.880505°	EDDY

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	15	18-S	31-E	-	615 FSL	100 FEL	32.741965°	103.849081°	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	16	18-S	31-E	-	615 FSL	50 FWL	32.741903°	103.882924°	EDDY


**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	16	18-S	31-E	-	615 FSL	100 FWL	32.741903°	103.882762°	EDDY

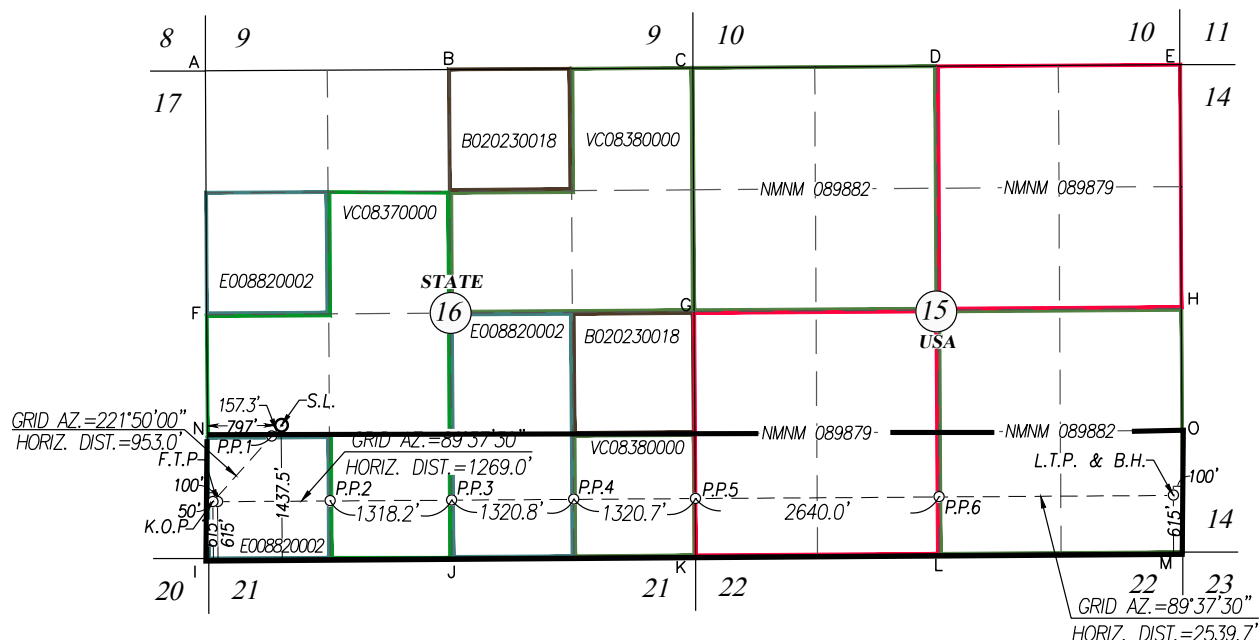
**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	15	18-S	31-E	-	615 FSL	100 FEL	32.741965°	103.849081°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

<b>OPERATOR CERTIFICATIONS</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed 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 a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  <i>If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>  Signature _____ Date _____  Printed Name _____  E-mail Address _____	<b>SURVEYOR CERTIFICATIONS</b>  <i>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.</i>   <i>Gary G. Eidson 01/15/2025</i> Signature and Seal of Professional Surveyor _____  Gary G. Eidson 12641 SEPTEMBER 27, 2024 Certificate Number _____ Date of Survey _____  <b>EXHIBIT A-1</b>  PAGE 1 OF 2 ACK REL.: 24.11.0347 JWSC W.O.: 25.13.0016
--	--

SCALE: 1"=2000'



SURFACE LOCATION GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 27 NME	KICK OFF POINT GEODETIC COORDINATES NAD 27 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 27 NME
Y= 634694.1 N X= 639385.0 E LAT.=32.744049° N LONG.=103.880000° W	Y= 634577.0 N X= 639280.1 E LAT.=32.743728° N LONG.=103.880342° W	Y= 633867.1 N X= 638644.6 E LAT.=32.741784° N LONG.=103.882419° W	Y= 633867.4 N X= 638694.6 E LAT.=32.741784° N LONG.=103.882256° W	Y= 633875.4 N X= 639913.3 E LAT.=32.741792° N LONG.=103.878293° W	Y= 633884.0 N X= 641231.2 E LAT.=32.741800° N LONG.=103.874007° W

1437.5' FSL & 797' FWL SEC. 16    1321' FSL & 691.2' FWL SEC. 16    615' FSL & 50' FWL SEC. 16    615' FSL & 100' FWL SEC. 16    615.2' FSL & 1319' FWL SEC. 16    615.2' FSL & 2637.2' FWL SEC. 16

SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 83 NME	KICK OFF POINT GEODETIC COORDINATES NAD 83 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 83 NME
Y= 634757.5 N X= 680563.8 E LAT.=32.744168° N LONG.=103.880505° W	Y= 634640.4 N X= 680459.0 E LAT.=32.743847° N LONG.=103.880848° W	Y= 633930.5 N X= 679823.5 E LAT.=32.741903° N LONG.=103.882924° W	Y= 633930.8 N X= 679873.5 E LAT.=32.741903° N LONG.=103.882762° W	Y= 633938.8 N X= 681092.1 E LAT.=32.741911° N LONG.=103.878798° W	Y= 633947.4 N X= 682410.0 E LAT.=32.741919° N LONG.=103.874512° W

CORNER COORDINATES TABLE NAD 27 NME	CORNER COORDINATES TABLE NAD 83 NME	PENETRATION POINT 4 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 5 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 6 GEODETIC COORDINATES NAD 27 NME
A - Y= 638533.7 N, X= 638563.9 E B - Y= 638550.0 N, X= 641202.9 E C - Y= 638566.4 N, X= 643845.0 E D - Y= 638583.6 N, X= 646484.5 E E - Y= 638601.3 N, X= 649123.5 E F - Y= 635893.2 N, X= 638578.5 E G - Y= 635925.9 N, X= 643859.9 E H - Y= 635960.4 N, X= 649138.3 E I - Y= 633252.0 N, X= 638599.6 E J - Y= 633268.8 N, X= 641234.9 E K - Y= 633286.3 N, X= 643875.6 E L - Y= 633303.7 N, X= 646514.8 E M - Y= 633321.2 N, X= 649154.0 E N - Y= 634572.6 N, X= 638589.0 E O - Y= 634640.8 N, X= 649146.1 E	A - Y= 638597.2 N, X= 679742.7 E B - Y= 638613.5 N, X= 682381.7 E C - Y= 638629.9 N, X= 685023.8 E D - Y= 638647.2 N, X= 687663.3 E E - Y= 638664.9 N, X= 690302.3 E F - Y= 635956.6 N, X= 679757.4 E G - Y= 635989.4 N, X= 685038.7 E H - Y= 636023.9 N, X= 690317.1 E I - Y= 633315.3 N, X= 679778.4 E J - Y= 633332.2 N, X= 682413.8 E K - Y= 633349.7 N, X= 685054.5 E L - Y= 633367.2 N, X= 687693.6 E M - Y= 633384.6 N, X= 690332.8 E N - Y= 634636.0 N, X= 679767.9 E O - Y= 634704.3 N, X= 690324.9 E	Y= 633892.6 N X= 642551.6 E LAT.=32.741808° N LONG.=103.869712° W	Y= 633901.3 N X= 643872.0 E LAT.=32.741816° N LONG.=103.865418° W	Y= 633918.7 N X= 646511.3 E LAT.=32.741831° N LONG.=103.856834° W
		615.3' FSL & 1320.7' FWL SEC. 16	615.2' FSL SEC. 15 & SEC. 16	615.1' FSL & 2639.7' FEL SEC. 15
		PENETRATION POINT 4 GEODETIC COORDINATES NAD 83 NME Y= 633956.1 N X= 683730.5 E LAT.=32.741927° N LONG.=103.870218° W	PENETRATION POINT 5 GEODETIC COORDINATES NAD 83 NME Y= 633964.7 N X= 685050.8 E LAT.=32.741935° N LONG.=103.865923° W	PENETRATION POINT 6 GEODETIC COORDINATES NAD 83 NME Y= 633982.1 N X= 687690.1 E LAT.=32.741950° N LONG.=103.857339° W
		LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 27 NME Y= 633935.3 N X= 649050.3 E LAT.=32.741845° N LONG.=103.848576° W	615' FSL & 100' FEL SEC. 15	LAST TAKE POINT & BOTTOM HOLE LOCATION GEODETIC COORDINATES NAD 83 NME Y= 633998.8 N X= 690229.1 E LAT.=32.741965° N LONG.=103.849081° W

RANIER 16 15 FED COM #221H

PAGE 2 OF 2

ACK REL.: 24.11.0347

JWSC W.O.: 25.13.0016

**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

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

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name <b>RANIER 16 15 FED COM</b>		Well Number <b>221H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>		Elevation <b>3653'</b>

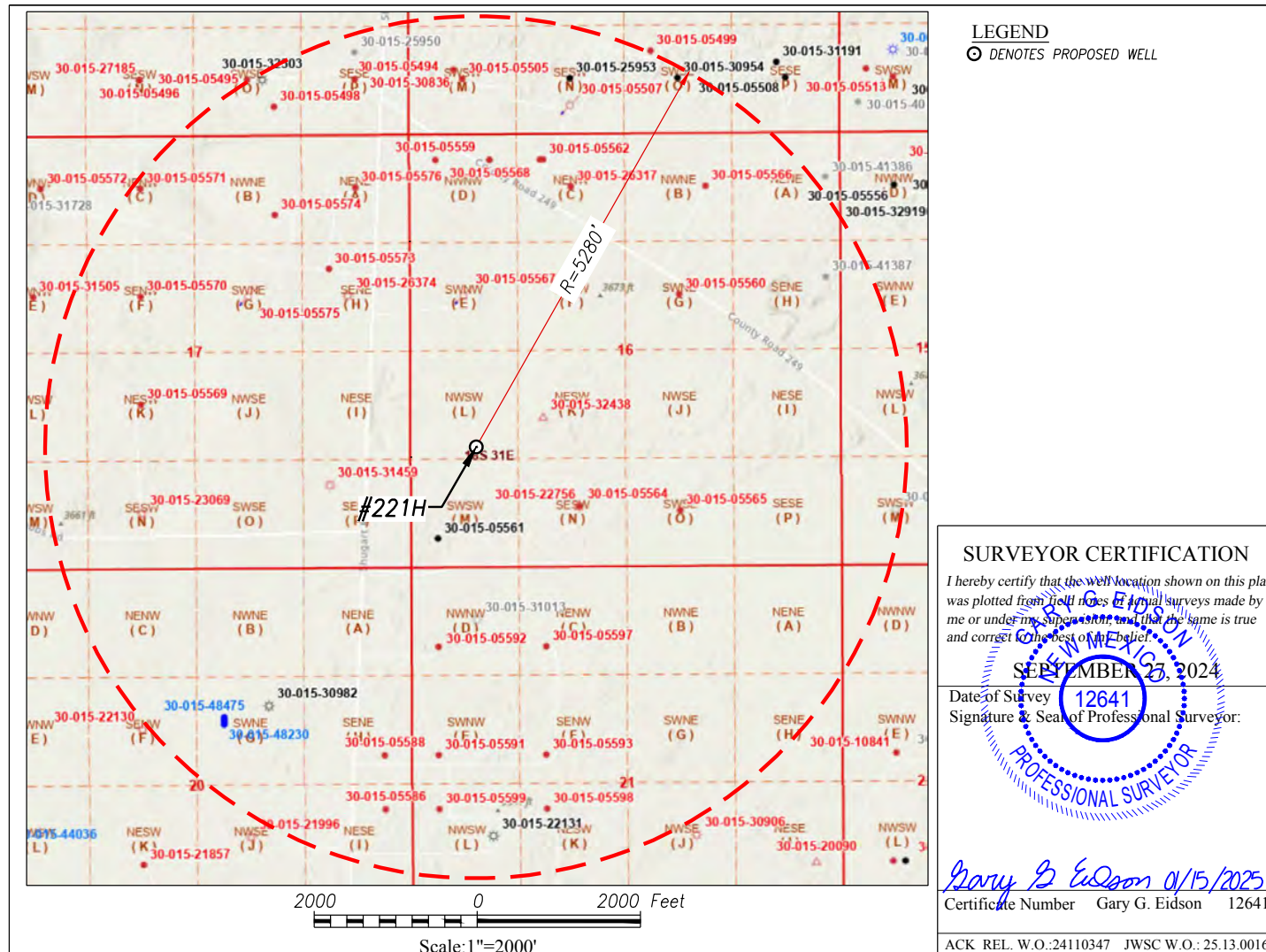
### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	18-S	31-E		1437.5	SOUTH	797	WEST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No. <b>P</b>	Section <b>15</b>	Township <b>18-S</b>	Range <b>31-E</b>	Lot Idn	Feet from the <b>615</b>	North/South line <b>SOUTH</b>	Feet from the <b>100</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
Dedicated Acres	Joint or Infill	Consolidation Code		Order No.					

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





C-102  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

## WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name	
Property Code	Property Name	Well Number	
	RANIER 16 15 FED COM	231H	
OGRID No.	Operator Name	Ground Level Elevation	
	V-F PETROLEUM INC.	3653'	
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal	

## Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1462.4 FSL	797 FWL	32.744236°	103.880505°	EDDY

## Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	15	18-S	31-E	-	615 FSL	100 FEL	32.741965°	103.849081°	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.	Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No			

## Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	16	18-S	31-E	-	615 FSL	50 FWL	32.741903°	103.882924°	EDDY


## First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	16	18-S	31-E	-	615 FSL	100 FWL	32.741903°	103.882762°	EDDY

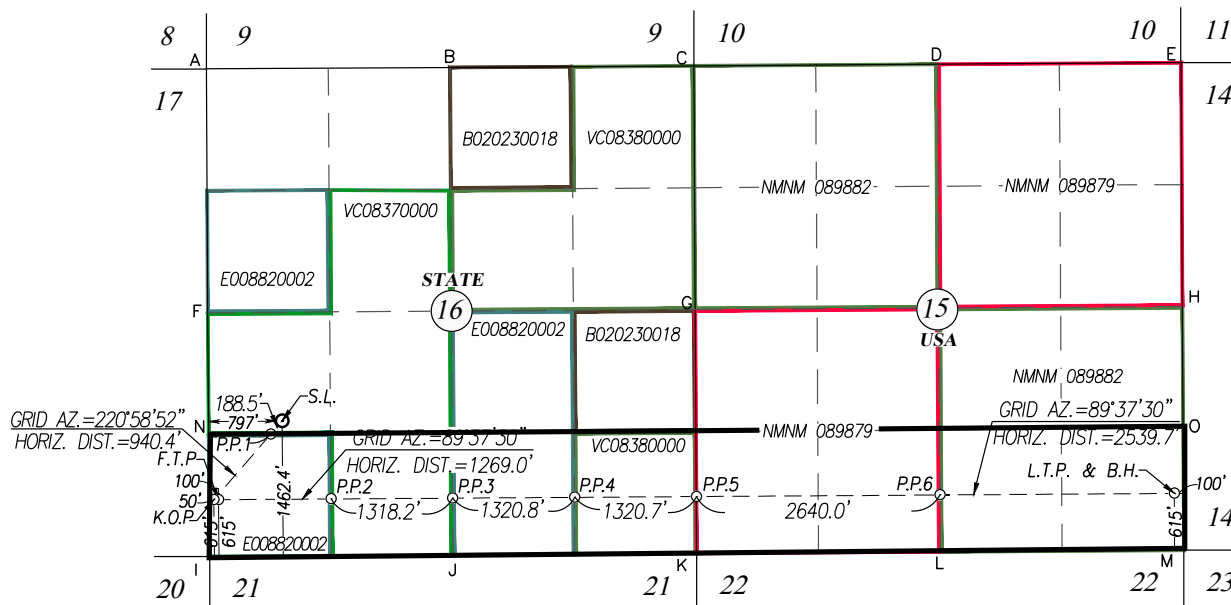
## Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
P	15	18-S	31-E	-	615 FSL	100 FEL	32.741965°	103.849081°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<b>OPERATOR CERTIFICATIONS</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed 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 a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  <i>If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>  Signature _____ Date _____  Printed Name _____  E-mail Address _____	<b>SURVEYOR CERTIFICATIONS</b>  <i>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.</i>   <i>Gary G. Eidson 01/15/2025</i> Signature and Seal of Professional Surveyor _____  Gary G. Eidson 12641 SEPTEMBER 27, 2024 Certificate Number _____ Date of Survey _____  PAGE 1 OF 2 ACK REL.: 24110348 JWSC W.O.: 25.13.0017
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SCALE: 1"=2000'



SURFACE LOCATION GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 27 NME	KICK OFF POINT GEODETIC COORDINATES NAD 27 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 27 NME
Y= 634719.1 N X= 639384.8 E LAT.=32.744117° N LONG.=103.880000° W	Y= 634576.8 N X= 639261.2 E LAT.=32.743728° N LONG.=103.880404° W	Y= 633867.1 N X= 638644.6 E LAT.=32.741784° N LONG.=103.882419° W	Y= 633867.4 N X= 638694.6 E LAT.=32.741784° N LONG.=103.882256° W	Y= 633875.4 N X= 639913.3 E LAT.=32.741792° N LONG.=103.878293° W	Y= 633884.0 N X= 641231.2 E LAT.=32.741800° N LONG.=103.874007° W

1462.4' FSL & 797' FWL SEC. 16	1321' FSL & 672.4' FWL SEC. 16	615' FSL & 50' FWL SEC. 16	615' FSL & 100' FWL SEC. 16	615.2' FSL & 1319' FWL SEC. 16	615.4' FSL & 2637.2' FWL SEC. 16
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SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 83 NME	KICK OFF POINT GEODETIC COORDINATES NAD 83 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 83 NME
Y= 634782.5 N X= 680563.6 E LAT.=32.744236° N LONG.=103.880505° W	Y= 634640.2 N X= 680440.1 E LAT.=32.743847° N LONG.=103.880909° W	Y= 633930.5 N X= 679823.5 E LAT.=32.741903° N LONG.=103.882924° W	Y= 633930.8 N X= 679873.5 E LAT.=32.741903° N LONG.=103.882762° W	Y= 633938.8 N X= 681092.1 E LAT.=32.741911° N LONG.=103.878798° W	Y= 633947.4 N X= 682410.0 E LAT.=32.741919° N LONG.=103.874512° W

CORNER COORDINATES TABLE  
NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 635893.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E

CORNER COORDINATES TABLE  
NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 633892.6 N  
X= 642551.6 E  
LAT.=32.741808° N  
LONG.=103.869712° W

615.3' FSL & 1320.7' FEL  
SEC. 16

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 84 NME  
Y= 633956.1 N  
X= 683730.5 E  
LAT.=32.741927° N  
LONG.=103.870218° W

LAST TAKE POINT &  
BOTTOM HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 633935.3 N  
X= 649050.3 E  
LAT.=32.741845° N  
LONG.=103.848576° W

PENETRATION POINT 5  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 633901.3 N  
X= 643872.0 E  
LAT.=32.741816° N  
LONG.=103.865418° W

615.2' FSL  
SEC. 15 & SEC. 16

PENETRATION POINT 5  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 633964.7 N  
X= 685050.8 E  
LAT.=32.741935° N  
LONG.=103.865923° W

615' FSL & 100' FEL  
SEC. 15

PENETRATION POINT 6  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 633918.7 N  
X= 646511.3 E  
LAT.=32.741831° N  
LONG.=103.856834° W

615.1' FSL & 2639.7' FEL  
SEC. 15

PENETRATION POINT 6  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 633982.1 N  
X= 687690.1 E  
LAT.=32.741950° N  
LONG.=103.857339° W

LAST TAKE POINT &  
BOTTOM HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 633998.8 N  
X= 690229.1 E  
LAT.=32.741965° N  
LONG.=103.849081° W

RANIER 16 15 FED COM #231H

PAGE 2 OF 2

ACK REL.: 24110348

JWSC W.O.: 25.13.0017



DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
DISTRICT II  
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Phone: (575) 748-1283 Fax: (575) 748-9720  
DISTRICT III  
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DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>RANIER 16 15 FED COM</b>	Well Number <b>231H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>	Elevation <b>3653'</b>

Surface Location

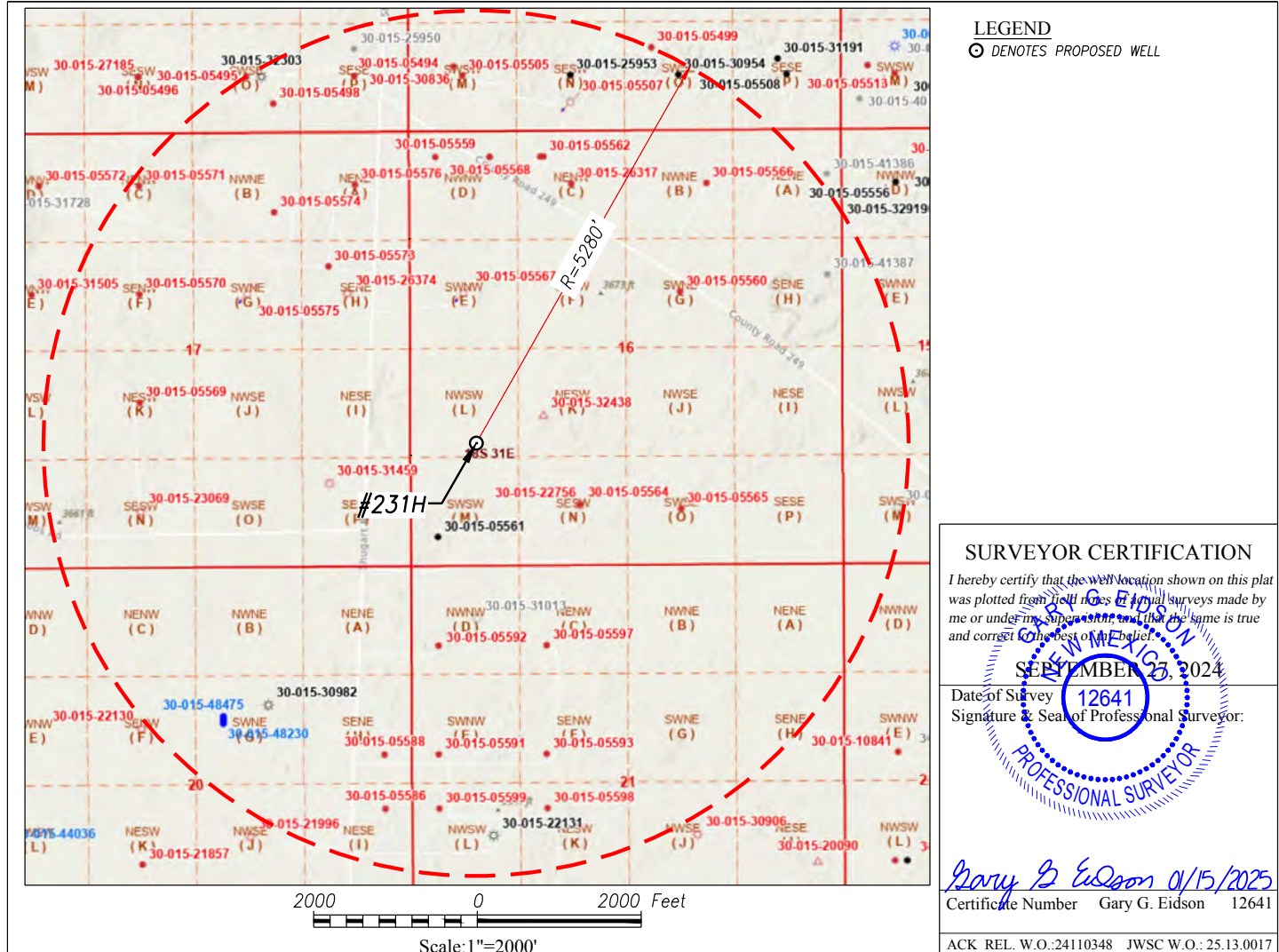
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	18-S	31-E		1462.4	SOUTH	797	WEST	EDDY

Bottom Hole Location If Different From Surface

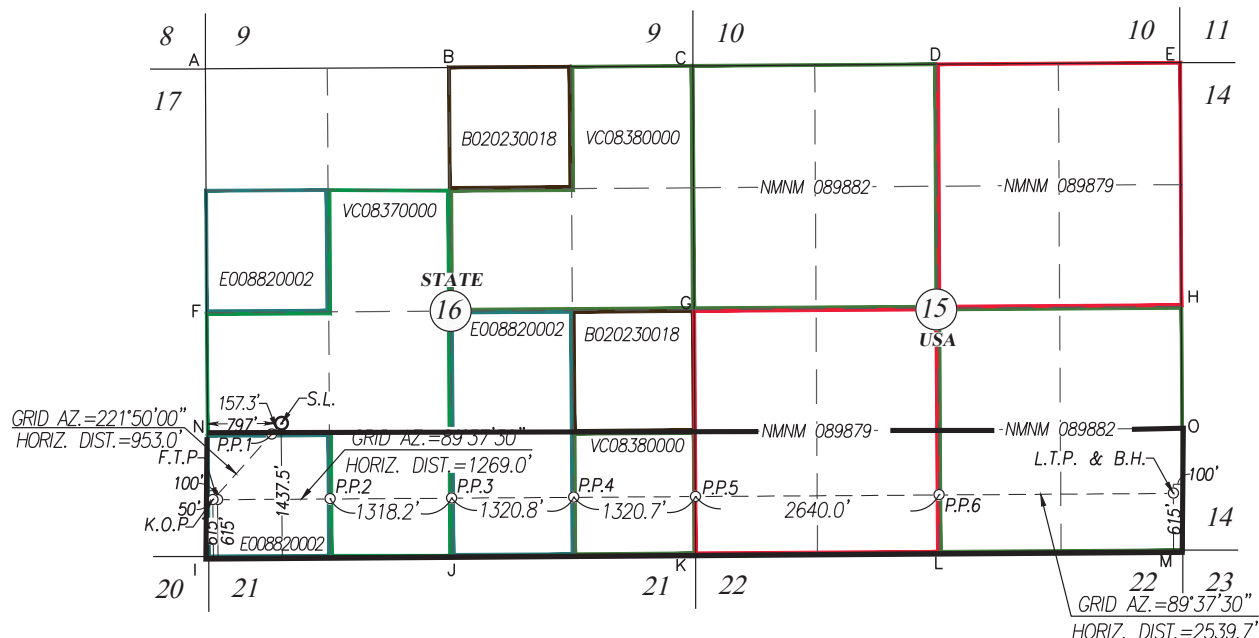
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	18-S	31-E		615	SOUTH	100	EAST	EDDY

Dedicated Acres	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



SCALE: 1"=2000'



SURFACE LOCATION GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 27 NME	KICK OFF POINT GEODETIC COORDINATES NAD 27 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 27 NME
Y= 634694.1 N X= 639385.0 E LAT.=32.744049° N LONG.=103.880000° W	Y= 634577.0 N X= 639280.1 E LAT.=32.743728° N LONG.=103.880342° W	Y= 633867.1 N X= 638644.6 E LAT.=32.741784° N LONG.=103.882419° W	Y= 633867.4 N X= 638694.6 E LAT.=32.741784° N LONG.=103.882256° W	Y= 633875.4 N X= 639913.3 E LAT.=32.741792° N LONG.=103.878293° W	Y= 633884.0 N X= 641231.2 E LAT.=32.741800° N LONG.=103.874007° W
1437.5' FSL & 797' FWL SEC. 16	1321' FSL & 691.2' FWL SEC. 16	615' FSL & 50' FWL SEC. 16	615' FSL & 100' FWL SEC. 16	615.2' FSL & 1319' FWL SEC. 16	615.2' FSL & 2637.2' FWL SEC. 16

SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 83 NME	KICK OFF POINT GEODETIC COORDINATES NAD 83 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 83 NME
Y= 634757.5 N X= 680563.8 E LAT.=32.744168° N LONG.=103.880505° W	Y= 634640.4 N X= 680459.0 E LAT.=32.743847° N LONG.=103.880848° W	Y= 633930.5 N X= 679823.5 E LAT.=32.741903° N LONG.=103.882924° W	Y= 633930.8 N X= 679873.5 E LAT.=32.741903° N LONG.=103.882762° W	Y= 633938.8 N X= 681092.1 E LAT.=32.741911° N LONG.=103.878798° W	Y= 633947.4 N X= 682410.0 E LAT.=32.741919° N LONG.=103.874512° W

CORNER COORDINATES TABLE NAD 27 NME	CORNER COORDINATES TABLE NAD 83 NME	PENETRATION POINT 4 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 5 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 6 GEODETIC COORDINATES NAD 27 NME
A - Y= 638533.7 N, X= 638563.9 E B - Y= 638550.0 N, X= 641202.9 E C - Y= 638566.4 N, X= 643845.0 E D - Y= 638583.6 N, X= 646484.5 E E - Y= 638601.3 N, X= 649123.5 E F - Y= 635893.2 N, X= 638578.5 E G - Y= 635925.9 N, X= 643859.9 E H - Y= 635960.4 N, X= 649138.3 E I - Y= 633252.0 N, X= 638599.6 E J - Y= 633268.8 N, X= 641234.9 E K - Y= 633286.3 N, X= 643875.6 E L - Y= 633303.7 N, X= 646514.8 E M - Y= 633321.2 N, X= 649154.0 E N - Y= 634572.6 N, X= 638589.0 E O - Y= 634640.8 N, X= 649146.1 E	A - Y= 638597.2 N, X= 679742.7 E B - Y= 638613.5 N, X= 682381.7 E C - Y= 638629.9 N, X= 685023.8 E D - Y= 638647.2 N, X= 687663.3 E E - Y= 638664.9 N, X= 690302.3 E F - Y= 635956.6 N, X= 679757.4 E G - Y= 635989.4 N, X= 685038.7 E H - Y= 636023.9 N, X= 690317.1 E I - Y= 633315.3 N, X= 679778.4 E J - Y= 633332.2 N, X= 682413.8 E K - Y= 633349.7 N, X= 685054.5 E L - Y= 633367.2 N, X= 687693.6 E M - Y= 633384.6 N, X= 690332.8 E N - Y= 634636.0 N, X= 679767.9 E O - Y= 634704.3 N, X= 690324.9 E	Y= 633892.6 N X= 642551.6 E LAT.=32.741808° N LONG.=103.869712° W	Y= 633901.3 N X= 643872.0 E LAT.=32.741816° N LONG.=103.865418° W	Y= 633918.7 N X= 646511.3 E LAT.=32.741831° N LONG.=103.856834° W
		615.3' FSL & 1320.7' FWL SEC. 16	615.2' FSL SEC. 15 & SEC. 16	615.1' FSL & 2639.7' FEL SEC. 15
		PENETRATION POINT 4 GEODETIC COORDINATES NAD 83 NME Y= 633956.1 N X= 683730.5 E LAT.=32.741927° N LONG.=103.870218° W	PENETRATION POINT 5 GEODETIC COORDINATES NAD 83 NME Y= 633964.7 N X= 685050.8 E LAT.=32.741935° N LONG.=103.865923° W	PENETRATION POINT 6 GEODETIC COORDINATES NAD 83 NME Y= 633982.1 N X= 687690.1 E LAT.=32.741950° N LONG.=103.857339° W

LAST TAKE POINT &  
BOTTOM HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 633935.3 N  
X= 649050.3 E  
LAT.=32.741845° N  
LONG.=103.848576° W

615' FSL & 100' FEL  
SEC. 15

LAST TAKE POINT &  
BOTTOM HOLE LOCATION  
GEODETIC COORDINATES

LONG.=103.849081° W

**EXHIBIT  
A-2**

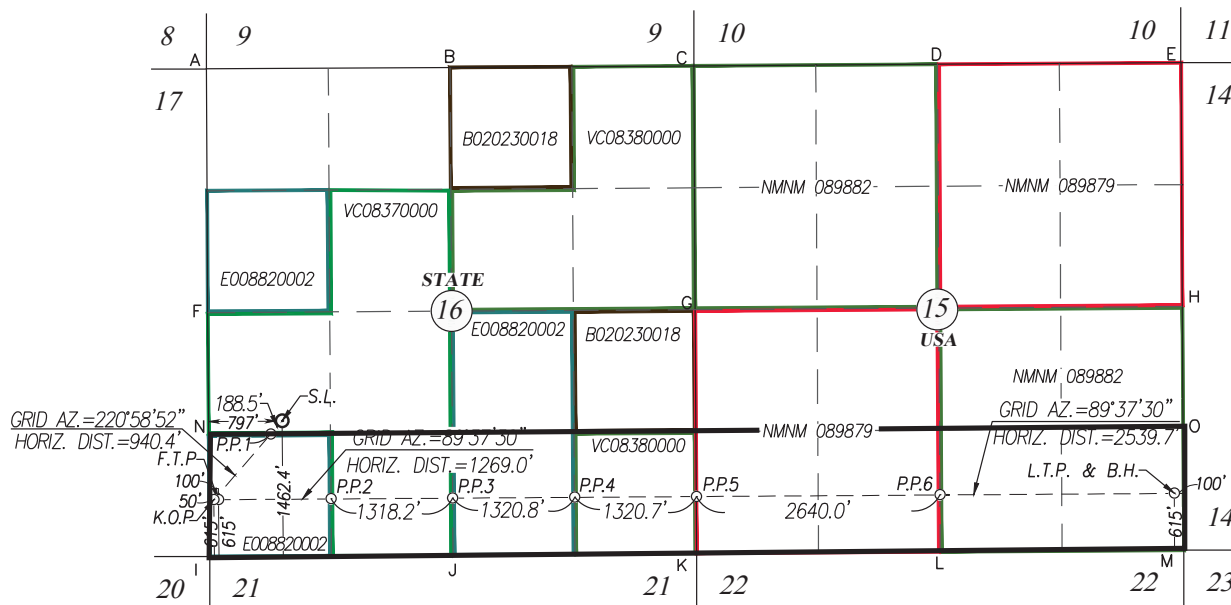
RANIER 16 15 FED COM #221H

PAGE 2 OF 2

ACK REL.: 24.11.0347

JWSC W.O.: 25.13.0016

SCALE: 1"=2000'



SURFACE LOCATION GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 27 NME	KICK OFF POINT GEODETIC COORDINATES NAD 27 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 27 NME
Y= 634719.1 N X= 639384.8 E LAT.=32.744117° N LONG.=103.880000° W	Y= 634576.8 N X= 639261.2 E LAT.=32.743728° N LONG.=103.880404° W	Y= 633867.1 N X= 638644.6 E LAT.=32.741784° N LONG.=103.882419° W	Y= 633867.4 N X= 638694.6 E LAT.=32.741784° N LONG.=103.882256° W	Y= 633875.4 N X= 639913.3 E LAT.=32.741792° N LONG.=103.878293° W	Y= 633884.0 N X= 641231.2 E LAT.=32.741800° N LONG.=103.874007° W

1462.4' FSL & 797' FWL SEC. 16	1321' FSL & 672.4' FWL SEC. 16	615' FSL & 50' FWL SEC. 16	615' FSL & 100' FWL SEC. 16	615.2' FSL & 1319' FWL SEC. 16	615.4' FSL & 2637.2' FWL SEC. 16
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SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 83 NME	KICK OFF POINT GEODETIC COORDINATES NAD 83 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 83 NME
Y= 634782.5 N X= 680563.6 E LAT.=32.744236° N LONG.=103.880505° W	Y= 634640.2 N X= 680440.1 E LAT.=32.743847° N LONG.=103.880909° W	Y= 633930.5 N X= 679823.5 E LAT.=32.741903° N LONG.=103.882924° W	Y= 633930.8 N X= 679873.5 E LAT.=32.741903° N LONG.=103.882762° W	Y= 633938.8 N X= 681092.1 E LAT.=32.741911° N LONG.=103.878798° W	Y= 633947.4 N X= 682410.0 E LAT.=32.741919° N LONG.=103.874512° W

CORNER COORDINATES TABLE  
NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E
B - Y= 638550.0 N, X= 641202.9 E
C - Y= 638566.4 N, X= 643845.0 E
D - Y= 638583.6 N, X= 646484.5 E
E - Y= 638601.3 N, X= 649123.5 E
F - Y= 635893.2 N, X= 638578.5 E
G - Y= 635925.9 N, X= 643859.9 E
H - Y= 635960.4 N, X= 649138.3 E
I - Y= 633252.0 N, X= 638599.6 E
J - Y= 633268.8 N, X= 641234.9 E
K - Y= 633286.3 N, X= 643875.6 E
L - Y= 633303.7 N, X= 646514.8 E
M - Y= 633321.2 N, X= 649154.0 E
N - Y= 634572.6 N, X= 638589.0 E
O - Y= 634640.8 N, X= 649146.1 E

CORNER COORDINATES TABLE  
NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E
B - Y= 638613.5 N, X= 682381.7 E
C - Y= 638629.9 N, X= 685023.8 E
D - Y= 638647.2 N, X= 687663.3 E
E - Y= 638664.9 N, X= 690302.3 E
F - Y= 635956.6 N, X= 679757.4 E
G - Y= 635989.4 N, X= 685038.7 E
H - Y= 636023.9 N, X= 690317.1 E
I - Y= 633315.3 N, X= 679778.4 E
J - Y= 633332.2 N, X= 682413.8 E
K - Y= 633349.7 N, X= 685054.5 E
L - Y= 633367.2 N, X= 687693.6 E
M - Y= 633384.6 N, X= 690332.8 E
N - Y= 634636.0 N, X= 679767.9 E
O - Y= 634704.3 N, X= 690324.9 E

PENETRATION POINT 4 GEODETIC COORDINATES NAD 27 NME
Y= 633892.6 N X= 642551.6 E LAT.=32.741808° N LONG.=103.869712° W

615.3' FSL & 1320.7' FEL  
SEC. 16

PENETRATION POINT 4 GEODETIC COORDINATES NAD 84 NME
Y= 633956.1 N X= 683730.5 E LAT.=32.741927° N LONG.=103.870218° W

LAST TAKE POINT &  
BOTTOM HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 633935.3 N  
X= 649050.3 E  
LAT.=32.741845° N  
LONG.=103.848576° W

PENETRATION POINT 5 GEODETIC COORDINATES NAD 27 NME
Y= 633901.3 N X= 643872.0 E LAT.=32.741816° N LONG.=103.865418° W

615.2' FSL  
SEC. 15 & SEC. 16

PENETRATION POINT 5 GEODETIC COORDINATES NAD 83 NME
Y= 633964.7 N X= 685050.8 E LAT.=32.741935° N LONG.=103.865923° W

615' FSL & 100' FEL  
SEC. 15

PENETRATION POINT 6 GEODETIC COORDINATES NAD 27 NME
Y= 633918.7 N X= 646511.3 E LAT.=32.741831° N LONG.=103.856834° W

615.1' FSL & 2639.7' FEL  
SEC. 15

PENETRATION POINT 6 GEODETIC COORDINATES NAD 83 NME
Y= 633982.1 N X= 687690.1 E LAT.=32.741950° N LONG.=103.857339° W

LAST TAKE POINT &  
BOTTOM HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 633998.8 N  
X= 690229.1 E  
LAT.=32.741965° N  
LONG.=103.849081° W

RANIER 16 15 FED COM #231H

PAGE 2 OF 2

ACK REL.: 24110348

JWSC W.O.: 25.13.0017



**Rainier 16 15 Fed COM #221H (2<sup>nd</sup> Bone Spring) & #231H (3<sup>rd</sup> Bone Spring)**  
S/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.20000000

**SW/4SE/4 Sec. 16 (State Lease E-882)**

<b>Working Interest Owner</b>	<b>Decimal</b>
XTO Holdings, LLC	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000

**SE/4SE/4 Sec. 16 (State Lease VC-838)**

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.20000000

**S/2SW/4 Sec. 15 (Federal Lease NMNM 089879)**

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750



**Rainier 16 15 Fed COM #221H (2<sup>nd</sup> Bone Spring) & #231H (3<sup>rd</sup> Bone Spring)**  
**S/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM**  
**Containing 320 acres, more or less**

**EXHIBIT A-3**

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01239582
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00371875
Javelina Partners	0.00371875
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00557813
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00236250
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.04875000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**S/2SE/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))**

<b>Working Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.10625000
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01770833
Mary T. Ard	0.05312500
Marathon Oil Permian LLC	0.50000000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00885416
Javelina Partners	0.00885416
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.01328125
Moore and Shelton Co. Ltd.	0.00937500

**Rainier 16 15 Fed COM #221H (2<sup>nd</sup> Bone Spring) & #231H (3<sup>rd</sup> Bone Spring)**  
**S/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM**  
**Containing 320 acres, more or less**

**EXHIBIT A-3**

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**UNIT RECAPITULATION**

(Yellow denotes Parties to be Pooled)

<b>Working Interest Owners</b>	<b>Decimal</b>
XTO Holdings, LLC (uncommitted)	0.25000000
V-F Petroleum Inc. (committed)	0.32895834
Permian Resources Operating, LLC (uncommitted)	0.23937500
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002 (uncommitted)	0.02656250
Ard Oil, LTD (committed)	0.00929688
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard. (uncommitted)	0.00752604
Mary T. Ard (committed)	0.01328125
Marathon Oil Permian LLC (uncommitted)	0.12500000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc. (committed)	0.00012500
Zorro Partners, Ltd. (committed)	0.00314323
Javelina Partners (committed)	0.00314323
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994 (uncommitted)	0.00471485
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00585938
Thomas M. Beall (committed)	0.00585938
Jason J. Lodge (committed)	0.00031250
Sarah M. Loudonback (committed)	0.00031250
Mid-Western Energy, L.L.C. (committed)	0.00003125
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00293438
Mewbourne, Curtis W., Trustee (uncommitted)	0.00526875
Marathon Oil Permian LLC (uncommitted)	0.01218750

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.06250000
State of New Mexico	0.08125000

**Rainier 16 15 Fed COM #221H (2<sup>nd</sup> Bone Spring) & #231H (3<sup>rd</sup> Bone Spring)**  
 S/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
 Containing 320 acres, more or less

**EXHIBIT A-3**

**LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED**

<b>Working Interest Owners</b>
XTO Holdings, LLC
Permian Resources Operating, LLC
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.
Marathon Oil Permian LLC

**LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED**

<b>Overriding Royalty Interest Owners</b>
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994
Ralph A. Shugart Jr. Trust dated 5/26/1983
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC



Owner	Attn	Address 1	City	State	Zip Code
XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	Texas	77389
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marlenfeld St., Suite 1000	Midland	Texas	79701
Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337
Mewbourne, Curtis W., Trustee		P.O. Box 7698	Tyler	Texas	75711
Lindy's Living Trust created by Trust Agreement dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulien Street, Suite 302	Fort Worth	Texas	76109

**Rainier 16 15 Fed COM #221H & #231H**

## Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/13/23:** Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- **9/20/23:** Received email from Chad Smith requesting additional information and sent requested information that same day;
- **6/27/24:** Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16; and
- **1/14/25:** Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- **9/26/23:** Proposed Joint Operating Agreement by mail (*to predecessors in title*);
- **8/28/24:** Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- **8/30/24:** Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- **9/5/24:** V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- **9/9/24:** Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- **9/11/24:** Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- **9/24/24:** Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- **1/17/25:** Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- **1/20/25:** V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/13/23:** Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15;
- **9/29/23:** V-F extended by email to Jeff Adams a Term Assignment offer; and
- **11/1/23:** V-F re-extended by email to Jeff Adams a Term Assignment offer.

Ard Oil, LTD

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/14/23:** Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and



- **11/7/23:** Obtained signed Joint Operating Agreement.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/18/23:** Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- **10/2/23:** Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer; and
- **10/31/23:** Email Brad Ince and re-extended both offers;

Marathon Oil Permian LLC

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/8/23:** Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- **9/14/23:** Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- **9/18/23:** Emailed Farley Duvall and re-extended offer and extended Term Assignment offer; and
- **10/2/23:** Followed up by email to see if Marathon would consider either offer.

Mary T. Ard

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/18/23:** Called and left a message for Mary Ard; and
- **10/2/23:** Called and left a message for Mary Ard.

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

September 6, 2023

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

Marathon Oil Permian LLC  
990 Town and Country Boulevard  
Houston, Texas 77024  
Attention: Chase Rice, Permian Land Supervisor

**RE: Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

### **Rainier 16 15 Fed Com #221H; 2<sup>nd</sup> Bone Spring**

SHL: 1,440 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

### **Rainier 16 15 Fed Com #231H; 3<sup>rd</sup> Bone Spring**

SHL: 1,465 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

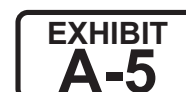
Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #221H** in order to test the 2<sup>nd</sup> Bone Spring formation is estimated to be 8,450 feet (TVD) with an approximate total measured depth of 19,175 feet. The costs to drill, complete and equip said well are estimated at **\$13,149,650.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #231H** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be 9,360 feet (TVD) with an approximate total measured depth of 20,110 feet. The costs to drill, complete and equip said well are estimated at **\$13,708,400.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the South Half (S/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.



Rainier 16 15 Fed Com #221H & #231H  
Marathon Oil Permian LLC  
September 6, 2023

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 standard 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**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. 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. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

*Elections set forth on the following pages*

Rainier 16 15 Fed Com #221H & #231H  
Marathon Oil Permian LLC  
September 6, 2023

**ELECTIONS**  
**Rainier 16 15 Fed Com #221H Well & Rainier 16 15 Fed Com #231H Well**

*Marathon Oil Permian LLC*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #221H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #221H Well**

**Marathon Oil Permian LLC**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #231H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #231H Well**

**Marathon Oil Permian LLC**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 21, 2025

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

Marathon Oil Permian LLC  
990 Town and Country Boulevard  
Houston, Texas 77024

**RE: Supplemental Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #221H; 2<sup>nd</sup> Bone Spring**

SHL: 1,438 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

**Rainier 16 15 Fed Com #231H; 3<sup>rd</sup> Bone Spring**

SHL: 1,462 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

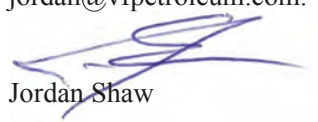
Please be advised that due to the passage of time, V-F Petroleum Inc. ("V-F") is providing you with this Supplement Horizontal Well Proposal to update certain information as it pertains to the following wells:

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #221H** in order to test the 2<sup>nd</sup> Bone Spring formation is estimated to be 8,450 feet (TVD) with an approximate total measured depth of 19,811 feet. The costs to drill, complete and equip said well is estimated at **\$8,317,908.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #231H** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be 9,360 feet (TVD) with an approximate total measured depth of 19,390 feet. The costs to drill, complete and equip said well are estimated at **\$8,481,650.00** as indicated on the enclosed AFE.

The rest and the remainder of the original Horizontal Well Proposal not in conflict with anything listed above remains in full force and effect and this Supplemental Horizontal Well Proposal and its accompanying AFEs shall be deemed to be retroactively effective for all purposes as of the date the original Horizontal Well Proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

  
Jordan Shaw

V-F Petroleum Inc.										API No.			
AUTHORIZATION FOR EXPENDITURE										AFE Number			
January 14, 2025										Well Type		Second BS Horizontal Oil Well	
X		Original				Supplement				Revision		Re-Entry	
X		Drill Well				Workover				Facilities		Plug & Abandon	
Lease Name/Well #				County / State		Formation		Basin		Field or Prospect		SL: 1,437' FSL & 797' FWL, Section 16, T-18-S, R-31-E	
Ranier 16-15 Federal Com #221H				Eddy NM		2nd Bone Spring		Permian		Shugart; Bone Spring N.		BHL: 615' FSL & 100' FEL, Section 15, T-18-S, R-31-E	
Acct Code		INTANGIBLE DESCRIPTION						COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
501		PERMITS & ENVIROMENTAL SERVICES						\$10,000		\$5,000		\$15,000	
516		TITLE OPINION, CURATIVE & POOLING						\$22,000				\$22,000	
501		SURVEYING STAKE LOCATION						\$7,500				\$7,500	
501		DAMAGES & R-O-W'S						\$35,000				\$35,000	
502/711		ROADS, LOCATION, PITS, LINERS, ETC.						\$155,000		\$10,000		\$165,000	
503		DRILLING RIG MOBILIZATION COST						\$91,500				\$91,500	
503		DRILLING - DAYS						26 days @ \$23,500				\$611,000	
503		RIG HOUSING						26 days @ \$3,000				\$97,800	
503		STEERING						days @ \$7,000					
503		MUD MOTORS & DIRECTIONAL						\$250,000				\$250,000	
517		CLOSED LOOP & DISPOSAL						28 days @ \$6,500				\$147,000	
505		MUD & FRAC CHEMICALS						\$112,000		\$75,000		\$187,000	
505/716		WATER (Brine & Fresh); FRAC WATER						\$58,000		\$525,000		\$583,000	
503		BITS, REAMERS, ETC.						\$69,000				\$69,000	
503		FUEL						42000 gallons @ \$3				\$126,000	
504		CEMENTING SURFACE						\$26,000				\$26,000	
504		CEMENTING INTERMEDIATE						\$42,000				\$42,000	
701		CEMENTING PRODUCTION						\$79,000				\$79,000	
509/705		TUBULAR SERVICES AND TOOLS						\$56,000				\$56,000	
509/705		CASING CREWS PU LD MACHINE						\$35,000				\$35,000	
513/708		FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS						\$30,500				\$30,500	
507		TESTING; COMPLETION, FLOWBACK								\$62,000		\$62,000	
508		OPEN HOLE LOGGING											
508		MUD LOGGING						20 days @ \$1,850				\$37,000	
509/705		WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY						\$21,000					
509/713		EQUIPMENT RENTAL						\$214,000		\$95,000		\$309,000	
509/714		TRUCKING, TRANSPORTATION, FORKLIFT						\$50,000				\$50,000	
715		COMPLETION UNIT, COIL TUBING UNIT								\$135,000		\$135,000	
704		FORMATION STIMULATION (60 STAGES)								\$2,350,000		\$2,350,000	
702/03		CASED HOLE LOGGING, PERFORATING & FRAC PLUGS								\$187,000		\$187,000	
510/11/706		GEOLOGIC / ENGINEERING						\$40,000		\$45,000		\$85,000	
509/705		CONTRACT CONSULTANTS						28 days @ \$3,500		\$136,800		\$100,800	
514		DRILLING WELL RATE (A/O)						28 days @ \$500				\$7,000	
515/705		INSURANCE						\$40,000		\$15,000		\$55,000	
513/708		MISCELLANEOUS						\$75,000		\$208,000		\$283,000	
509/705		CONTINGENCY (10%)						\$131,000		\$382,000		\$513,000	
TOTAL INTANGIBLE ESTIMATED COST								\$2,792,300		\$4,219,600		\$7,011,900	
Acct Code		TANGIBLE DESCRIPTION						COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
620/820		Length		Grade		Size		Weight		Price/Ft.			
620/820		CONDUCTOR		120'		K-55		20		\$200.00		\$24,000	
620/820		SURFACE		450'		J-55		13 3/8"		48		\$18,000	
620/820		INTERMEDIATE		3,500'		J-55		9 5/8"		40		\$35.00	
620/820		INTERMEDIATE										\$122,500	
820		PRODUCTION		19,175'		P110		5 1/2"		20		\$21.00	
820		PRODUCTION LINER										\$402,675	
821		TUBING (Coated)		8,000'		L-80		2.875		6.5		\$5.68	
621/824		WELLHEAD EQUIPMENT										\$28,000	
825		PRODUCTION FACILITY ENCLOSURE										\$7,893	
825		POWER SOURCE										\$150,000	



V-F Petroleum Inc.						API No.					
AUTHORIZATION FOR EXPENDITURE						AFE Number					
January 14, 2025						Well Type					
Original		Supplement		Revision		Third BS Horizontal Oil Well					
X		X		X		Projected TD:					
X		X		X		9,360' TVD 19,390' MD					
X		X		X		Proposal					
X		X		X		Two Mile Horizontal Lateral					
Lease Name/Well #		County / State		Formation		Field or Prospect					
Ranier 16-15 Federal Com #231H		Eddy NM		3rd Bone Spring		Permian					
Shugart; Bone Spring N.		SHL: 1,462' FSL & 797' FWL, Section 16, T-18-S, R-31-E		BHL: 615' FSL & 100' FEL, Section 15, T-18-S, R-31-E							
Acct Code		INTANGIBLE DESCRIPTION				COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
501	PERMITS & ENVIROMENTAL SERVICES					\$10,000		\$5,000		\$15,000	
516	TITLE OPINION, CURATIVE & POOLING					\$22,000				\$22,000	
501	SURVEYING STAKE LOCATION					\$7,500				\$7,500	
501	DAMAGES & R-O-W'S					\$35,000				\$35,000	
502/711	ROADS, LOCATION, PITS, LINERS, ETC.					\$155,000		\$10,000		\$165,000	
503	DRILLING RIG MOBILIZATION COST					\$91,500				\$91,500	
503	DRILLING - DAYS	27	days @	\$23,000		\$621,000				\$621,000	
503	RIG HOUSING	27	days @	\$3,000		\$81,000		\$19,800		\$100,800	
503	STEERING	27	days @	\$7,000							
503	MUD MOTORS & DIRECTIONAL					\$250,000				\$250,000	
517	CLOSED LOOP & DISPOSAL	29	days @	\$6,500		\$188,500				\$188,500	
505	MUD & FRAC CHEMICALS					\$112,000		\$75,000		\$187,000	
505/716	WATER (Brine & Fresh); FRAC WATER					\$58,000		\$525,000		\$583,000	
503	BITS, REAMERS, ETC.					\$69,000				\$69,000	
503	FUEL	75600	gallons @	\$3		\$126,000				\$126,000	
504	CEMENTING SURFACE					\$26,000				\$26,000	
504	CEMENTING INTERMEDIATE					\$42,000				\$42,000	
701	CEMENTING PRODUCTION					\$79,000				\$79,000	
509/705	TUBULAR SERVICES AND TOOLS					\$56,000				\$56,000	
509/705	CASING CREWS PU LD MACHINE					\$35,000				\$35,000	
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS					\$30,500				\$30,500	
507	TESTING; COMPLETION, FLOWBACK							\$62,000		\$62,000	
508	OPEN HOLE LOGGING										
508	MUD LOGGING	20	days @	\$3,500		\$37,000				\$37,000	
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY					\$21,000					
509/713	EQUIPMENT RENTAL					\$214,000		\$95,000		\$309,000	
509/714	TRUCKING, TRANSPORTATION, FORKLIFT					\$50,000				\$50,000	
715	COMPLETION UNIT, COIL TUBING UNIT							\$135,000		\$135,000	
704	FORMATION STIMULATION (60 STAGES)							\$2,350,000		\$2,350,000	
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS							\$187,000		\$187,000	
510/11/706	GEOLOGIC / ENGINEERING					\$40,000		\$45,000		\$85,000	
509/705	CONTRACT CONSULTANTS	28	days @	\$3,500		\$136,800		\$100,800		\$237,600	
514	DRILLING WELL RATE (A/O)	28	days @	\$500		\$7,000		\$5,000		\$12,000	
515/705	INSURANCE					\$40,000		\$15,000		\$55,000	
513/708	MISCELLANEOUS					\$75,000		\$208,000		\$283,000	
509/705	CONTINGENCY (10%)					\$134,000		\$382,000		\$516,000	
TOTAL INTANGIBLE ESTIMATED COST						\$2,849,800		\$4,219,600		\$7,069,400	
Acct Code		TANGIBLE DESCRIPTION				COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
620/820	CONDUCTOR	Length	Grade	Size	Weight	Price/Ft.					
620/820	SURFACE	120'	K-55	20		\$200.00	\$24,000			\$24,000	
620/820	INTERMEDIATE	1,600'	J-55	13 3/8"	48	\$4.00	\$64,000			\$64,000	

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 20, 2025

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

Marathon Oil Permian LLC  
990 Town and Country Boulevard  
Houston, Texas 77024

**RE: Horizontal Well Proposals – 1<sup>st</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

### **Rainier 16 15 Fed Com #211H; 1<sup>st</sup> Bone Spring**

SHL: 1,413 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 615 FSL, 100' FWL of Section 16 (Unit M), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 615 FSL, 100 FEL of Section 15 (Unit P), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #211H** in order to test the 1<sup>st</sup> Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,799 feet. The costs to drill, complete and equip said well are estimated at **\$8,116,121.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the South Half (S/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

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 standard horizontal spacing unit for the proposed wells.

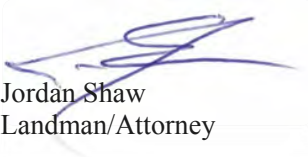
Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected **to participate**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should decide 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. Should you have any questions regarding this

**EXHIBIT  
A-6**

Rainier 16 15 Fed Com #211H  
Marathon Oil Permian LLC  
January 20, 2025

matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

Election set forth on the following page

Rainier 16 15 Fed Com #211H  
Marathon Oil Permian LLC  
January 20, 2025

**ELECTION**  
**Rainier 16 15 Fed Com #211H Well**

*Marathon Oil Permian LLC*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #211H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #211H Well**

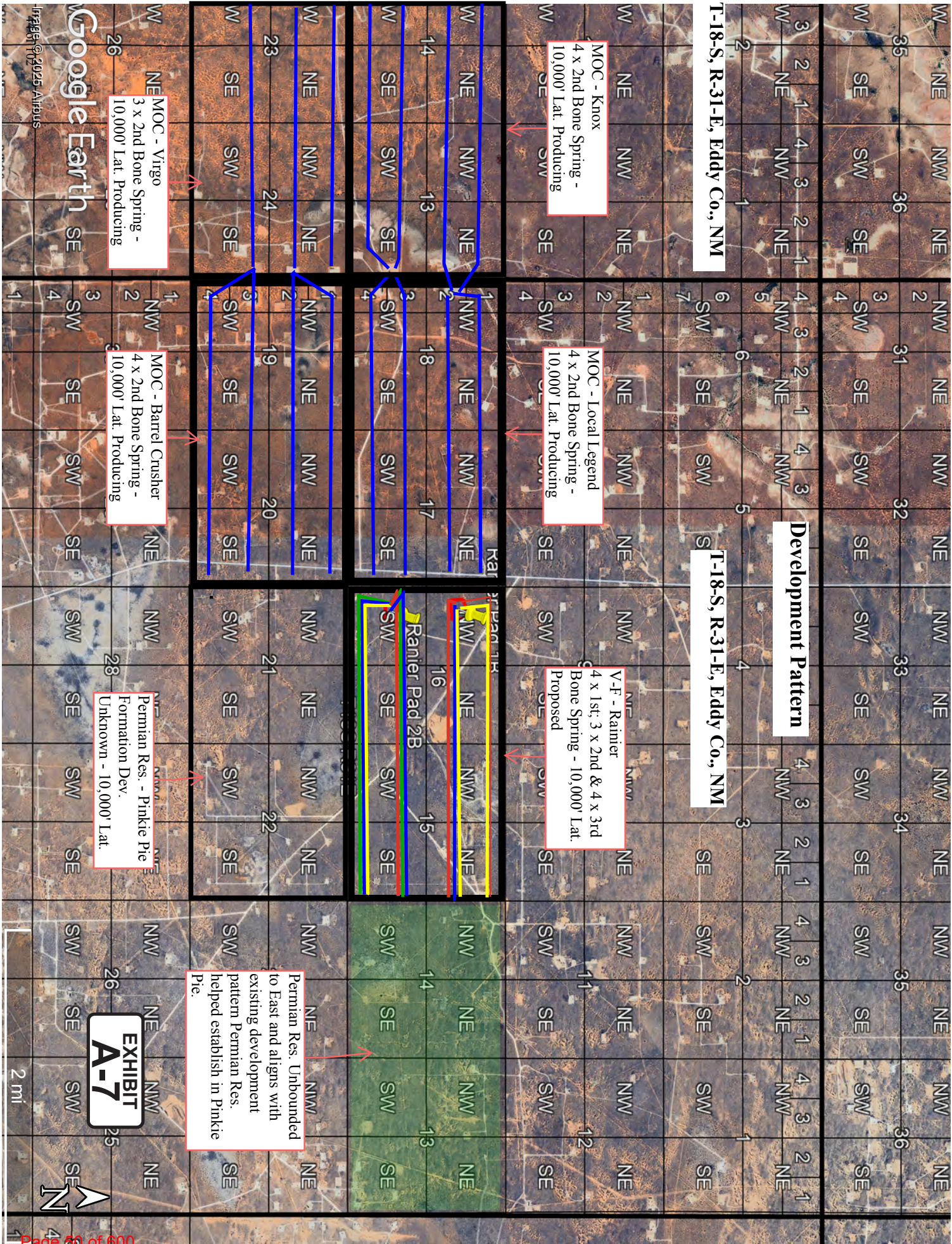
By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<b>V-F Petroleum Inc.</b>						API No.	
AUTHORIZATION FOR EXPENDITURE						AFE Number	
October 14, 2024						Well Type First BS Horizontal Oil Well	
X	Original		Supplement		Revision		Projected TD: 7,750' TVD 18,799' MD
X	Drill Well		Workover		Facilities		Proposal Two Mile Horizontal Lateral
Lease Name/Well #		County / State		Formation	Basin	Field or Prospect	SHL: 1,413 FSL & 797 FWL, Section 16, T-18-S, R-31-E
Ranier 16-15 Federal Com #2111H		Eddy NM		1st Bone Spring	Permian	Shugart; Bone Spring N.	BHL: 615 FSL & 100 FEL, Section 15, T-18-S, R-31-E
Acct Code	INTANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIROMENTAL SERVICES				\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING				\$15,000		\$15,000
501	SURVEYING STAKE LOCATION				\$7,500		\$7,500
501	DAMAGES & R-O-WS				\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.				\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST				\$10,000		\$10,000
503	DRILLING - DAYS 17 days @ \$19,000				\$323,000		\$323,000
503	MUD MOTORS & DIRECTIONAL				\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 17 days @ \$5,500				\$93,500		\$93,500
505	MUD & FRAC CHEMICALS				\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh), FRAC WATER				\$40,000	\$400,000	\$440,000
503	BITS, REAMERS, ETC.				\$65,000		\$65,000
503	FUEL 50000 gallons @ \$6				\$300,000		\$300,000
504	CEMENTING SURFACE				\$25,000		\$25,000
504	CEMENTING INTERMEDIATE				\$45,000		\$45,000
701	CEMENTING PRODUCTION					\$126,000	\$126,000
509/705	TUBULAR SERVICES AND TOOLS				\$45,000	\$65,000	\$110,000
509/705	CASING CREWS PU LD MACHINE				\$35,000	\$45,000	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS				\$10,000	\$18,000	\$28,000
507	TESTING, COMPLETION, FLOWBACK					\$175,000	\$175,000
508	OPEN HOLE LOGGING						
508	MUD LOGGING 16 days @ \$3,500				\$56,000		\$56,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY				\$26,000	\$250,000	
509/713	EQUIPMENT RENTAL				\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT				\$57,000	\$35,000	\$92,000
715	COMPLETION UNIT; COIL TUBING UNIT					\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)					\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS					\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING				\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 17 days @ \$3,500				\$59,500	\$52,000	\$111,500
514	DRILLING WELL RATE (A/O) 17 days @ \$500				\$8,500	\$5,000	\$13,500
515/705	INSURANCE				\$10,000	\$10,000	\$20,000
509/705	CONTINGENCY (8%)				\$84,000	\$355,000	\$439,000
TOTAL INTANGIBLE ESTIMATED COST					\$1,777,000	\$4,801,566	\$6,578,566
Acct Code	TANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820							
620/820	CONDUCTOR				\$42,000		\$42,000
620/820	SURFACE				\$96,000		\$96,000
620/820	INTERMEDIATE				\$120,000		\$120,000
620/820	INTERMEDIATE						
820	PRODUCTION					\$330,055	\$330,055
820	PRODUCTION LINER						
821	TUBING (Coated)					\$128,000	\$128,000
621/824	WELLHEAD EQUIPMENT				\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE					\$25,000	\$25,000
825	POWER SOURCE					\$25,000	\$25,000
822	RODS AND PUMP (FG & STEEL)						
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT					\$265,000	\$265,000
827	HEATER TREATER, SEPERATOR, FWKO					\$175,000	\$175,000
831	GAS SALES LINE & METER RUN					\$5,500	\$5,500
830	FLOWLINES, VALVES, CONNECTIONS					\$10,000	\$10,000
827	TANKS (WATER AND PRODUCTION)					\$150,000	\$150,000
622/820	CONTINGENCY (8%)				\$29,000	\$91,000	\$120,000
TOTAL TANGIBLE ESTIMATED COST					\$315,000	\$1,222,555	\$1,537,555
941-945	P&A Costs, Rig, Cmt, Cleanup, Misc., Services				\$50,000		
ESTIMATED DRY HOLE COST					\$2,142,000		
TOTAL AFE ESTIMATED COST					\$2,092,000	\$6,024,121	\$8,116,121
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: Bill Pierce		Date: 10/14/2024	
Signature _____							
Date _____							









300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

Rec'd  
8/19/24

August 16, 2024

***Via Certified Mail & Email***

V-F Petroleum, Inc.  
Attn: Land Dept.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2N/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

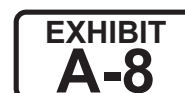
**1. Slim Jim 14-15 Fed Com 122H**

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 1650' FNL of Section 15  
FTP: 100' FEL & 1650' FNL of Section 14  
LTP: 100' FWL & 1650' FNL of Section 15  
TVD: Approximately 8,595'  
TMD: Approximately 18,880'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 123H**

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 2310' FNL of Section 15  
FTP: 100' FEL & 2310' FNL of Section 14  
LTP: 100' FWL & 2310' FNL of Section 15  
TVD: Approximately 8,810'  
TMD: Approximately 19,095'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*



Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
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The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells





300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 122H
AFE Name:	SLIM JIM 14-15 FED COM 122H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
<b>Sub-total</b>		<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
	<b>Grand Total</b>	<b>\$8,291,484.42</b>



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 123H
AFE Name:	SLIM JIM 14-15 FED COM 123H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
TEL (432) 695-4222 www.permianres.com

**PERMIAN**  
 RESOURCES

**Cost Estimate**

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
	<b>Sub-total</b>	<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>



Rec'd  
8/19/24



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

August 16, 2024

***Via Certified Mail & Email***

V-F Petroleum, Inc.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

**1. Slim Jim 14-15 Fed Com 124H (Infill)**

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 2200' FSL of Section 14  
FTP: 100' FWL & 2200' FSL of Section 15  
LTP: 100' FWL & 2200' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 125H (Defining Well)**

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 1430' FSL of Section 14  
FTP: 100' FWL & 1430' FSL of Section 15  
LTP: 100' FWL & 1430' FSL of Section 14  
TVD: Approximately 8,670'  
TMD: Approximately 18,955'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**3. Slim Jim 14-15 Fed Com 126H (Infill)**

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 660' FSL of Section 14  
FTP: 100' FWL & 660' FSL of Section 15  
LTP: 100' FWL & 660' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 124H		
Slim Jim 14-15 Fed Com 125H		
Slim Jim 14-15 Fed Com 126H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 124H
AFE Name:	SLIM JIM 14-15 FED COM 124H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
Sub-total		\$3,921,419.00
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>





## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 125H
AFE Name:	SLIM JIM 14-15 FED COM 125H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
TEL (432) 695-4222 www.permianres.com





## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
<b>Sub-total</b>		<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

Account	Description	Gross Est. (\$)
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
	<b>Grand Total</b>	<b>\$8,291,484.42</b>



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 126H
AFE Name:	SLIM JIM 14-15 FED COM 126H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
	<b>Sub-total</b>	<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00

**PERMIAN**  
 RESOURCES

**Cost Estimate**

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
	<b>Grand Total</b>	<b>\$8,291,484.42</b>

## DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

## DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 15, 2009

Submit one copy to appropriate  
District Office

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-015-40868</b>	Pool Code <b>58040</b>	Pool Name <b>Tamano Bone Spring</b>
Property Code <b>39575</b>	Property Name <b>TAMANO 15 AD FEDERAL</b>	Well Number <b>1H</b>
OGRID No. <b>14744</b>	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Elevation <b>3707'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>15</b>	<b>18 S</b>	<b>31 E</b>		<b>680</b>	<b>NORTH</b>	<b>180</b>	<b>EAST</b>	<b>EDDY</b>

## 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
<b>D</b>	<b>15</b>	<b>18 S</b>	<b>31 E</b>		<b>972</b>	<b>NORTH</b>	<b>338</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>160</b>	Joint or Infill	Consolidation Code	Order No.
-------------------------------	-----------------	--------------------	-----------

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><b>OPERATOR CERTIFICATION</b></p> <p>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 or has a right to drill this well at this 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 <u><i>NM Young</i></u> Date <u><i>March 5, 13</i></u></p> <p>Printed Name <u><i>NM Young</i></u></p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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>DATE SURVEYED <u><i>AUGUST 12, 2012</i></u></p> <p>Signature of Professional Surveyor <u><i>[Signature]</i></u></p> <p>Professional Surveyor No. <u><i>26438</i></u></p> <p>Certificate No. <u><i>68</i></u></p>
	<p><b>SURFACE LOCATION</b></p> <p>Lat - N 32°45'10.08"</p> <p>Long - W 103°50'55.86"</p> <p>NMSPCE- N 637920.385</p> <p>E 648947.807</p> <p>(NAD-27)</p>
	<p><b>EXHIBIT A-9</b></p> <p>BASIN SU</p>

## TAB 3

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist  
Exhibit B-1: Structure Maps  
Exhibit B-2: Stratigraphic Cross Section  
Exhibit B-3: Gross Isopach  
Exhibit B-4: Gun Barrel View  
Exhibit B-5: Structural Cross-Section

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

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

**Case No. 24994**

**SELF-AFFIRMED STATEMENT OF STEPHEN BURKE**

I, Stephen Burke, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
5. **Exhibit B-1** is a pair of structure maps: one of the top of 2<sup>nd</sup> Bone Spring Sand with contour interval of 50', and one of the top of 3<sup>rd</sup> Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure maps

**EXHIBIT  
B**



show that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

6. **Exhibit B-2** is a pair of stratigraphic cross-sections: one flattened on the top of the 2<sup>nd</sup> Bone Spring Sand and one flattened on the top of the 3<sup>rd</sup> Bone Spring Sand. Each well in the cross-sections contain a gamma ray, resistivity, and porosity log. The cross-sections demonstrate continuity and slight thinning to north of the target zone. The well logs on the cross-sections give a representative sample of the 2<sup>nd</sup> Bone Spring Sand and the 3<sup>rd</sup> Bone Spring Sand. The landing zone is highlighted by light, brown shading.

7. **Exhibit B-3** is a pair of gross isopach maps: one of the 2<sup>nd</sup> Bone Spring Sand, and one of the 3<sup>rd</sup> Bone Spring Sand. These maps demonstrate the continuity of the target zone across this vicinity.

8. **Exhibits B-4** is a pair of gun barrel diagrams of the unit demonstrating the vertical and lateral location of the wellbores.

9. **Exhibit B-5** is a pair of structural cross sections built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 2<sup>nd</sup> Bone Spring Sand's applications in Cases No's. 25116 and 24995.

10. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.

13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

14. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

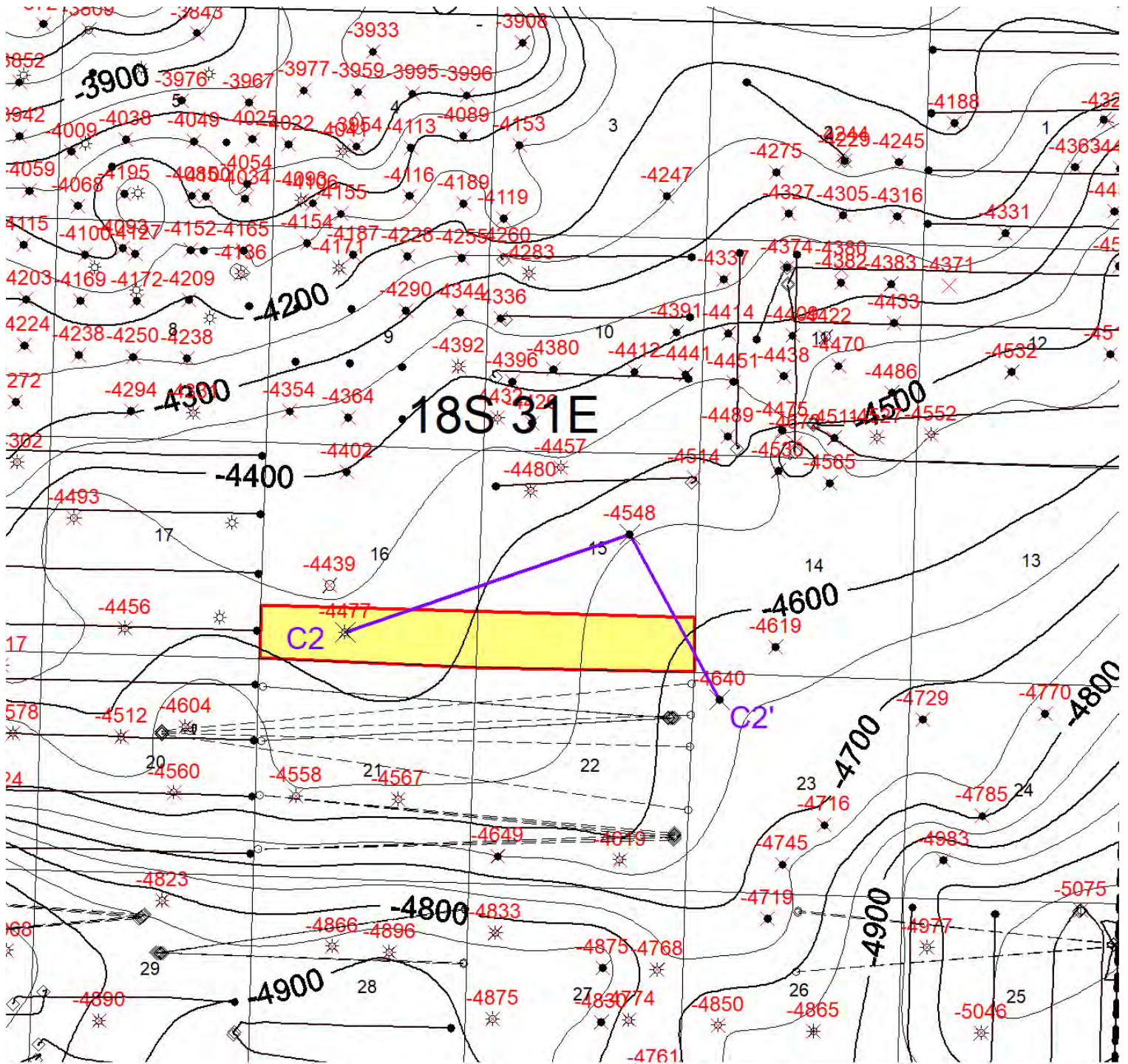
*Signature page of Self-Affirmed Statement of Stephen Burke:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24994 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Stephen Burke

1/21/2025  
Date Signed



**V-F Petroleum, Inc.**

**Rainier Prospect**  
**2nd Bone Spring Sand – Structure Map**  
 Sec. 15 & 16 – T18S-R31E  
 Eddy Co., New Mexico

<b>Author:</b> mburke	<b>Wells:</b> TD > 8000'	<b>Date:</b> 20 January, 2025
<b>Bubbles:</b> None	<b>Scale:</b> 1" = 3000'	<b>C.I.:</b> 50'

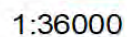
1" = 3000'

3000 0 3000 6000 9000 12000

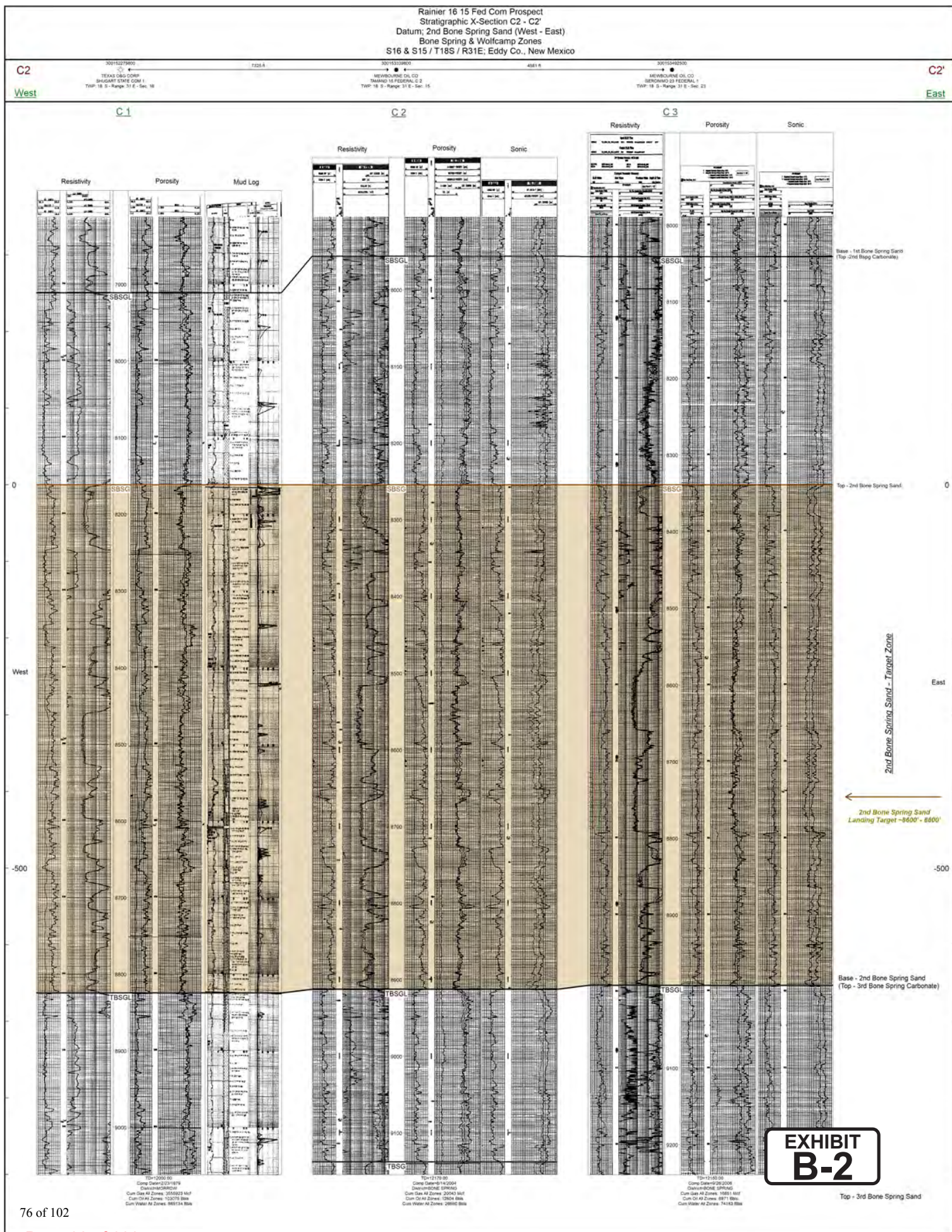
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**EXHIBIT**  
**B-1**

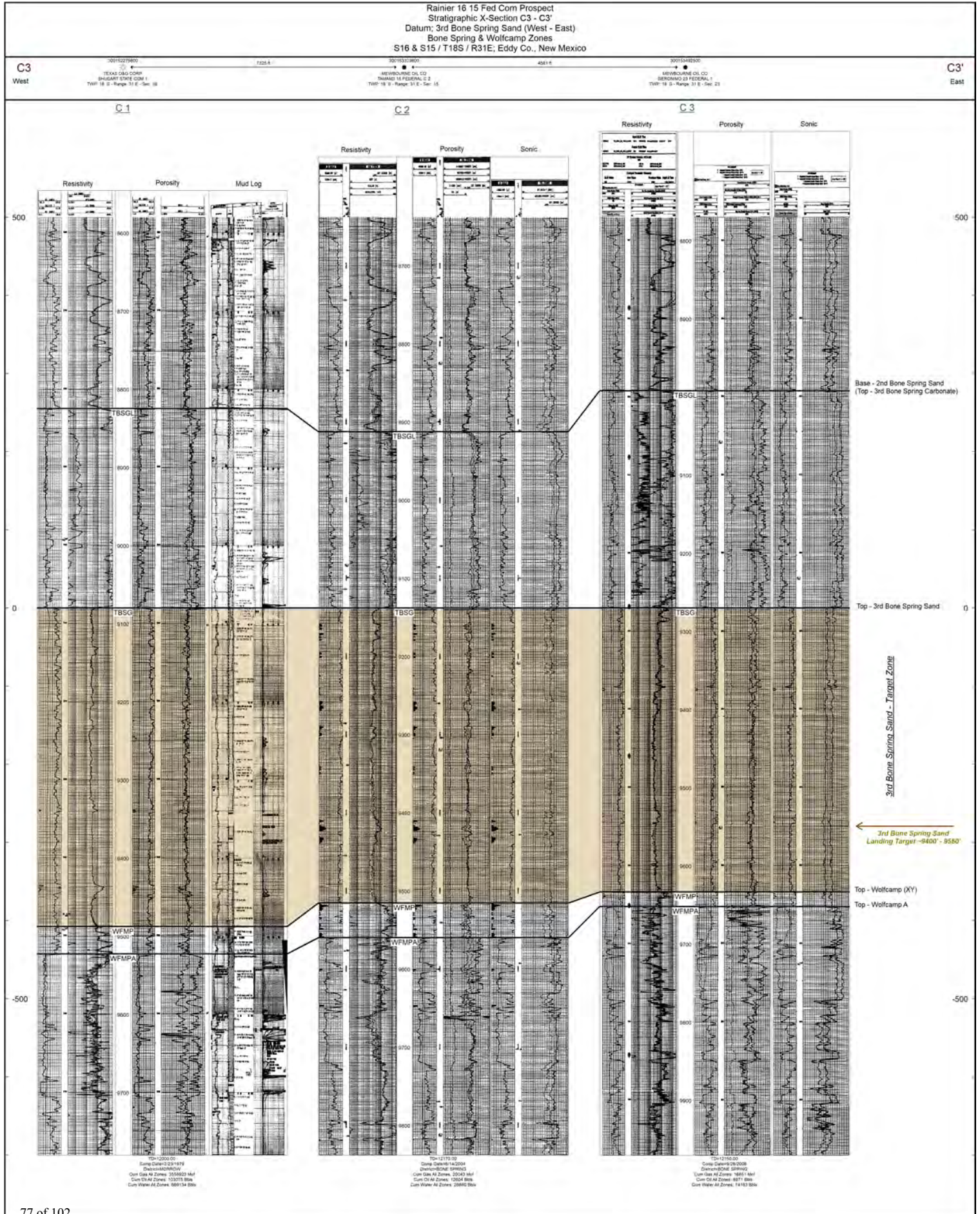




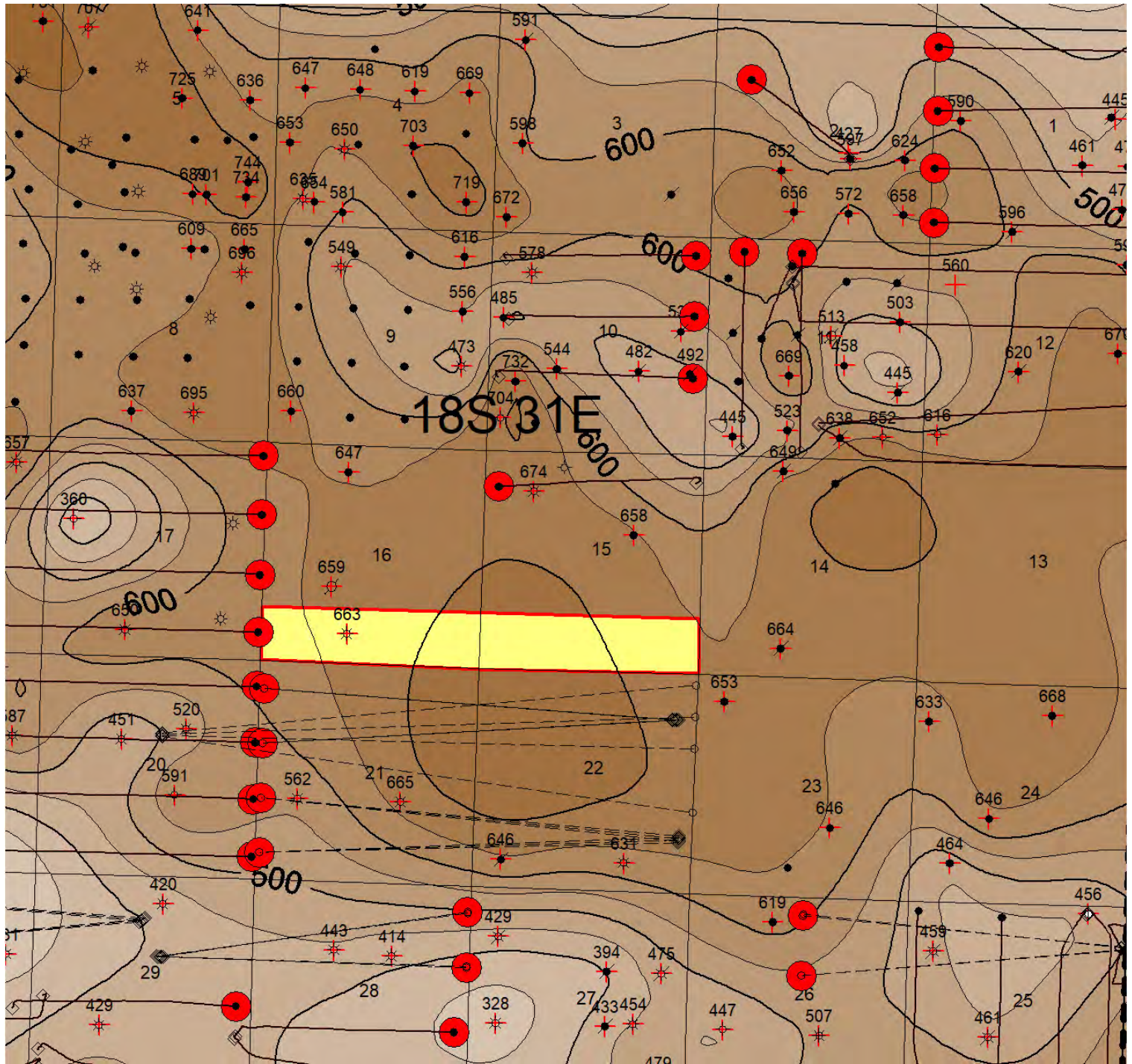












Perfs\_SbgsAll\_NoSpot\_Survey\_Ta <TomanoArea>

Deviated well - Bottom hole location



Deviated well - Bottom hole lo

Isopach-GrossH\_Sbgs <EddyLea>

Data Point



Data Point



**V-F Petroleum, Inc.**

**Rainier Prospect**  
**2nd Bone Spring Sand - Isopach Map**  
**Sec. 15 & 16 - T18S-R31E**  
**Eddy Co., New Mexico**

Author:

mburke

Wells:

TD > 8000'

Date:

21 January, 2025

Bubbles:

Red = 2nd Bspg

Scale:

1' = 3000'

C.I.:

50'

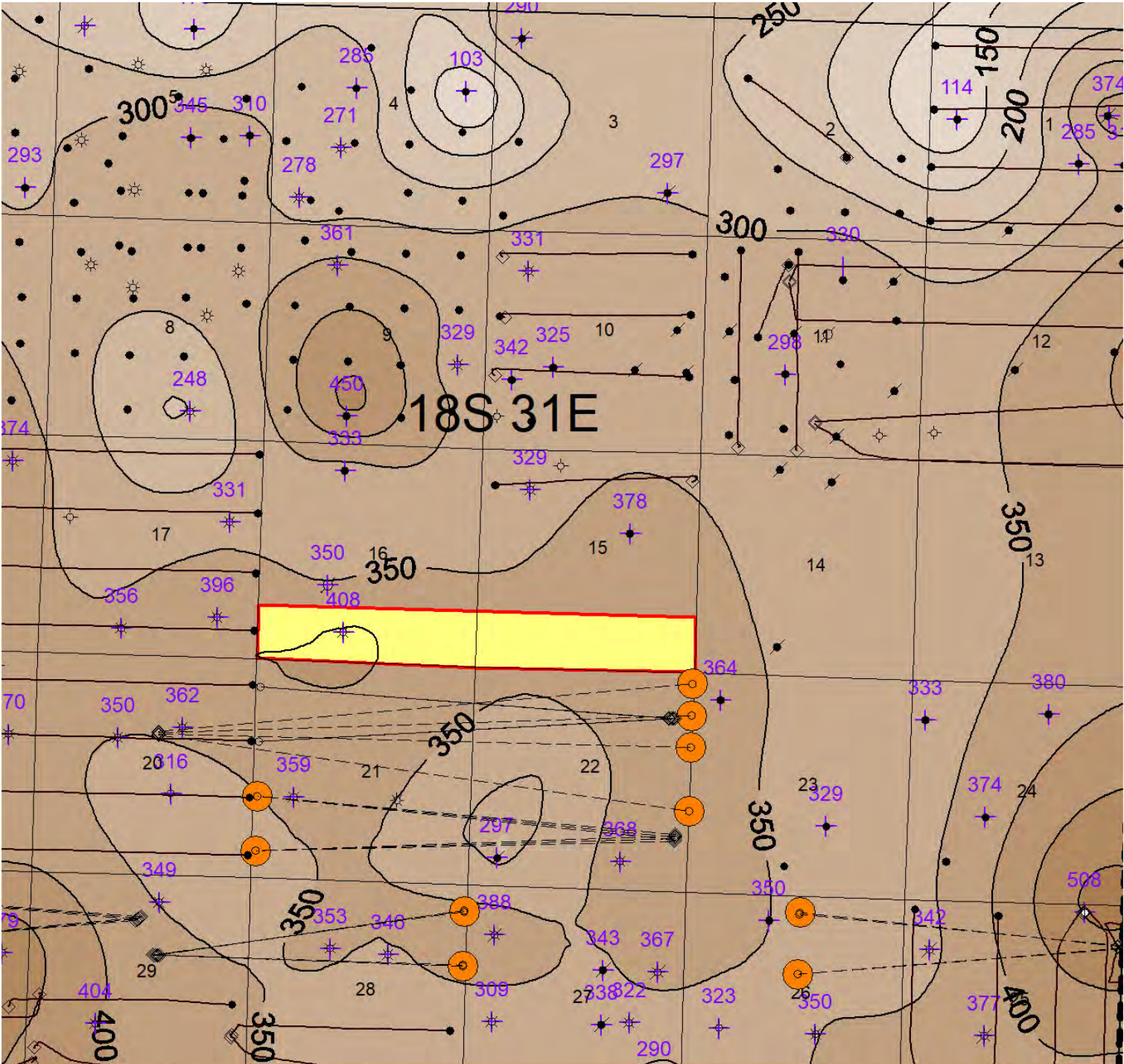
1" = 3000'



1:36000

**EXHIBIT**  
**B-3**





Perfs\_TsbgOnly\_NoSpot\_Survey\_Ta <TomanoArea>

Deviated well - Bottom hole location

Deviated well - Bottom hole location

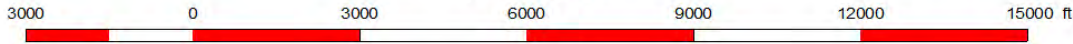
Isopach-GrossH\_Tsbg <EddyLea>

Data Point

Data Point



1" = 3000'



1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
3rd Bone Spring Sand - GrossH Isopach Map  
Sec. 15 & 16 - T18S-R31E  
Eddy Co., New Mexico

Author: mburke	Wells: TD > 8000'	Date: 20 January, 2025
Bubbles: Orange = 3rd Bspg	Scale: 1" = 3000'	C.I.: 50'

V-F Petroleum Inc.Rainier 16 15 Fed Com #221HT18S - R32E / Eddy Co., New Mexico

Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	<u>XXX-MOC</u>	<u>XXX-VF</u>	<u>XXX-VF</u>	<u>XXX-VF</u>
Bspg2	<u>Tomano 1H- MOC</u>	<u>Rainier 223H-VF</u>	<u>Rainier 222H-VF</u>	<u>Rainier 221H-VF</u>
Bspg3	<u>Rainier 234H-VF</u>	<u>Rainier 233H-VF</u>	<u>Rainier 232H-VF</u>	<u>Rainier 231H-VF</u>
WfmpXy	<u>XXX-VF</u>	<u>XXX-VF</u>	<u>XXX-VF</u>	<u>XXX-VF</u>
	<u>North</u>		<u>South</u>	

	Range 31 East / Section 16				Range 31 East / Section 15			
Township 18 South	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P

**EXHIBIT  
B-4**

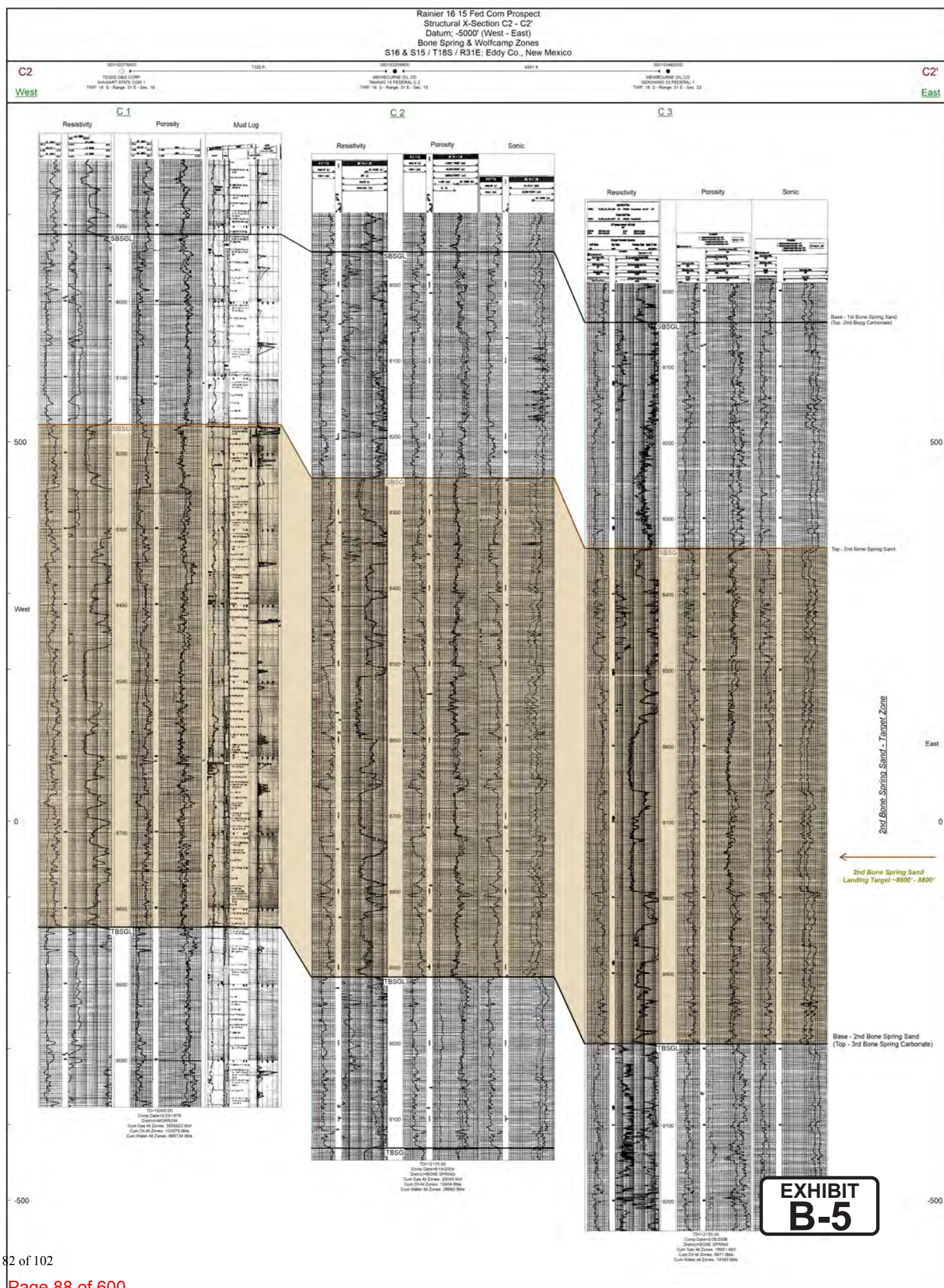


V-F Petroleum Inc.Rainier 16 15 Fed Com #231HT18S - R32E / Eddy Co., New Mexico

Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	XXX-MQC	XXX-VF	XXX-VF	XXX-VF
Bspg2	Tomano 1H MQC	Rainier 223H-VF	Rainier 222H-VF	Rainier 221H-VF
Bspg3	Rainier 234H-VF	Rainier 233H-VF	Rainier 232H-VF	Rainier 231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North		South	

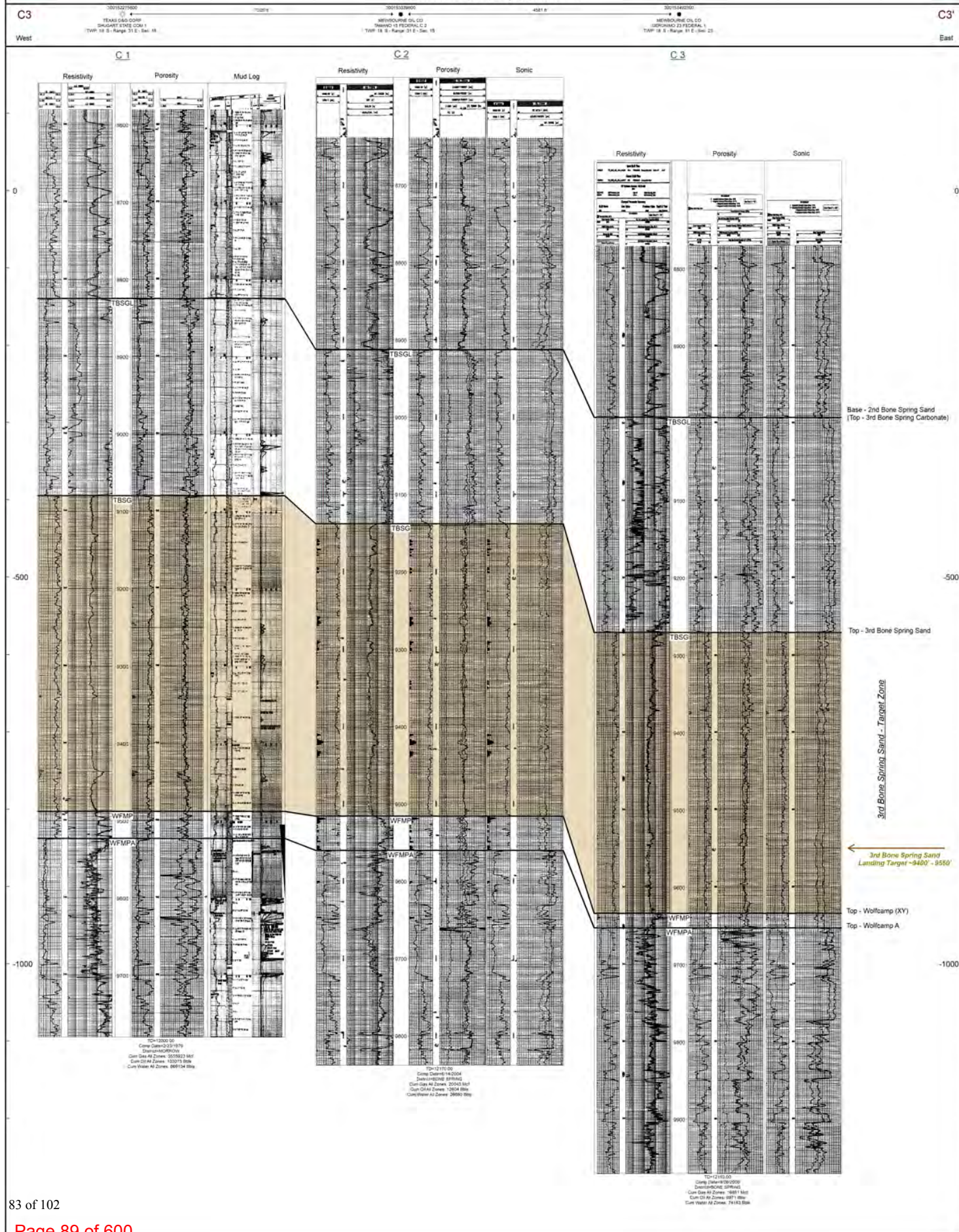
	Range 31 East / Section 16				Range 31 East / Section 15			
Township 18 South	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P







Rainier 16 15 Fed Com Prospect  
Structural X-Section C3 - C3'  
Datum: -5000 (West - East)  
Bone Spring & Wolfcamp Zones  
S16 & S15 / T18S / R31E, Eddy Co., New Mexico



## **TAB 4**

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage  
Exhibit C-1: Notice Letter  
Exhibit C-2: Mailing List  
Exhibit C-3: Affidavits of Publication



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

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

**Case No. 24994**

**SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:

1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.



*Signature page of Self-Affirmed Statement of Darin C. Savage:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24994 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



---

Darin Savage

---

Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

December 18, 2024

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy  
County, New Mexico  
Rainier 16-15 Fed Com #221H Well  
Rainier 16-15 Fed Com #231H Well

Case No. 24994:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., (“V-F” or “Applicant”), has filed the enclosed application, Case No. 24994, with the New Mexico Oil Conservation Division (“Division”) for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (“Subject Lands”).

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division’s website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1<sup>st</sup> Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division’s website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

**EXHIBIT  
C-1**

You are being notified as an interest owner (subject to title examination) and 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 NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. 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 Jordan Shaw at (432) 269-0569 or at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

***Attorney for V-F Petroleum, Inc.***

Mail Activity Report - RAINIER 221H 231H 24994 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM										
USPS Article Number	Reference Number	Date Mailed	Name 1	Name 2	Address 1	City	State	Zip	Mailing Status	Service Options
9314869904300129537481	4217.10 - Rainier 221H 231H	12/18/24	XTO Holdings, LLC		22777 Springwoods Village Pkwy.	Spring	TX	77389	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537498	4217.10 - Rainier 221H 231H	12/18/24	Francis Hill Hudson	Trustee of Lindy's Living Trust	4200 South Hulen Street, Suite 302	Fort Worth	TX	76109	To be Returned	Return Receipt - Electronic, Certified Mail
9314869904300129537504	4217.10 - Rainier 221H 231H	12/18/24	Bank of America, N.A.	Trustee of the Delmar Hudson Lewis Living Trust	P.O. Box 830308	Dallas	TX	75283-0308	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537511	4217.10 - Rainier 221H 231H	12/18/24	Ard Oil LTD		P.O. Box 101027	Fort Worth	TX	76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537535	4217.10 - Rainier 221H 231H	12/18/24	Zoro Partners, Ltd.		616 Texas Street	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537559	4217.10 - Rainier 221H 231H	12/18/24	Javelina Partners		616 Texas Street	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537573	4217.10 - Rainier 221H 231H	12/18/24	Frost Bank,	TTR of Josephine T. Hudson Testamentary Trust	P.O. Box 1600	San Antonio	TX	78296	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537597	4217.10 - Rainier 221H 231H	12/18/24	Marathon Oil Permian LLC		990 Town and Country Boulevard	Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537603	4217.10 - Rainier 221H 231H	12/18/24	Moore & Shelton Company, Ltd.		P.O. Box 3070	Galveston	TX	77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537627	4217.10 - Rainier 221H 231H	12/18/24	Mary T. Ard		P.O. Box 101027	Fort Worth	TX	76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129537641	4217.10 - Rainier 221H 231H	12/18/24	Bureau of Land Management		620 E. Greene Street	Carlsbad	NM	88220-6292	Delivered	Return Receipt - Electronic, Certified Mail





December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5376 41.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:44 p.m.  
**Location:** CARLSBAD, NM 88220  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Bureau of Land Management

#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** 620 E GREENE ST  
**City, State ZIP Code:** CARLSBAD, NM 88220-6292

#### Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 221H 231H



December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5376 27.**

Item Details

**Status:** Delivered, PO Box  
**Status Date / Time:** December 24, 2024, 10:24 a.m.  
**Location:** FORT WORTH, TX 76185  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Mary T Ard

Shipment Details

**Weight:** 3.0oz

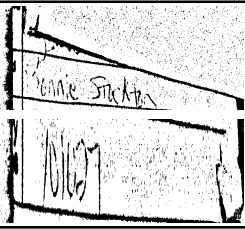
Destination Delivery Address

**Street Address:** PO BOX 101027  
**City, State ZIP Code:** FORT WORTH, TX 76185-1027

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 221H 231H





December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5376 03.**

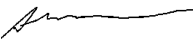
Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	December 28, 2024, 11:50 a.m.
Location:	GALVESTON, TX 77551
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Moore Shelton Company Ltd

Shipment Details

Weight:	3.0oz
---------	-------

Recipient Signature

Signature of Recipient:	
Address of Recipient:	PO BOX 307C

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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.


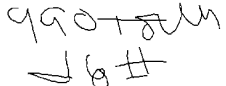
**Reference Number:** 4217.10 - Rainier 221H 231H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5375 97**.

Item Details	
Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	December 23, 2024, 03:07 p.m.
Location:	HOUSTON, TX 77024
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Marathon Oil Permian LLC
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	990 TOWN AND COUNTRY BLVD
City, State ZIP Code:	HOUSTON, TX 77024-2217
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Sincerely,  
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475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.10 - Rainier 221H 231H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5375 73**.

Item Details

Status:	Delivered, PO Box
Status Date / Time:	December 23, 2024, 11:18 a.m.
Location:	SAN ANTONIO, TX 78205
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Frost Bank TTR of Josephine T Hudson Testamen

Shipment Details

Weight:	3.0oz
---------	-------

Recipient Signature

Signature of Recipient:	<div><div>Signature</div><div>X</div><div>Printed Name</div><div>ALBERT SANCHEZ</div><div>Delivery Address</div></div>
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.10 - Rainier 221H 231H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5375 59.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:18 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Javelina Partners

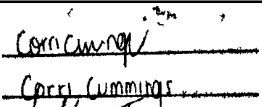
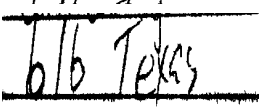
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 221H 231H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5375 35.**

Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:18 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Zorro Partners Ltd

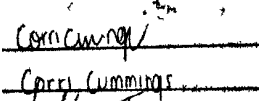
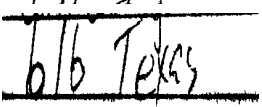
Shipment Details

**Weight:** 3.0oz

Destination Delivery Address

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 221H 231H



December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5375 11.**

Item Details

**Status:** Delivered, PO Box  
**Status Date / Time:** December 24, 2024, 10:23 a.m.  
**Location:** FORT WORTH, TX 76185  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Ard Oil LTD

Shipment Details

**Weight:** 3.0oz

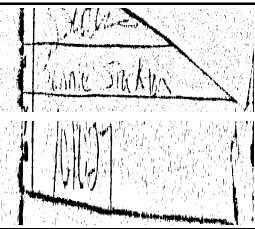
Destination Delivery Address

**Street Address:** PO BOX 101027  
**City, State ZIP Code:** FORT WORTH, TX 76185-1027

Recipient Signature

Signature of Recipient:

Address of Recipient:



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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 221H 231H



December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5375 04.**

Item Details

**Status:** Delivered, Individual Picked Up at Postal Facility  
**Status Date / Time:** December 24, 2024, 08:54 a.m.  
**Location:** DALLAS, TX 75260  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Bank of America N A Trustee of the Delmar Huds

Shipment Details

**Weight:** 3.0oz

Recipient Signature

Signature of Recipient:

Address of Recipient:

Delivery location

Signature

X

Printed Name

James Watson

Delivery Address

11111 11111111

RB

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

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United States Postal Service®  
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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 221H 231H





December 27, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5374 81.**

Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 26, 2024, 09:39 a.m.  
**Location:** SPRING, TX 77389  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** XTO Holdings LLC

Shipment Details

**Weight:** 3.0oz

Destination Delivery Address

**Street Address:** 22777 SPRINGWOODS VILLAGE PKWY  
**City, State ZIP Code:** SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:	CARLOS OLIVERA KZ
Address of Recipient:	22777 Springwoods Village

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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United States Postal Service®  
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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 221H 231H



## Proof of Acceptance (Electronic)

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129537498 addressed to Francis Hill Hudson Trustee of Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:30 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Francis Hill Hudson  
Trustee of Lindy's Living Trust  
4200 South Hulen Street, Suite 302  
Fort Worth, TX 76109

The above information is for the sole use of CertifiedPro.net clients and represents information provided by the United States Postal Service.

## AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS  
PO BOX 507  
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

Account Number: 1227  
Ad Number: 27190  
Description: 24994 - Rainer 221H,231H  
Ad Cost: \$134.03

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

*Sherry Groves*

Agent

Subscribed to and sworn to me this 21<sup>th</sup> day of December 2024.

*Leanne Kaufenberg*

Leanne Kaufenberg, Notary Public, Redwood County  
Minnesota

KAIYA TOOP  
ABADIE SCHILL  
555 RIVERGATE LANE, SUITE B-4-180  
DURANGO, CO 81301  
kaiya@abadieschill.com

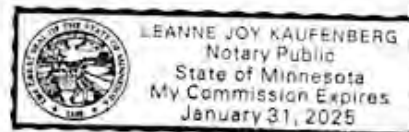


EXHIBIT  
C-3

## PUBLIC NOTICE

CASE No. 24994: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, XTO HOLDINGS, LLC; FRANCIS HILL HUDSON, TTE OF LINDY'S LIVING TRUST; BANK OF AMERICA, TTE OF DELMAR HUDSON LEWIS LIVING TRUST; ARD OIL, LTD; ZORRO PARTNERS, LTD; JAVELINA PARTNERS; FROST BANK, TTE OF JOSEPHINE T. HUDSON TESTAMENTARY TR; MARATHON OIL PERMIAN LLC; MOORE & SHELTON COMPANY, LTD; MEWBOURNE, CURTIS W., TRUSTEE; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE; MARATHON OIL COMPANY; AND MARY T. ARD of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal-spacing unit are the **Rainier 16-15 Fed Com #221H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; and the **Rainier 16-15 Fed Com #231H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.

Published in the Carlsbad Current-Argus December 21, 2024.  
#27190

## **TAB 2**

Exhibit 2: Amended Hearing Packet Case No. 24995

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 27, 2025**

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

**AMENDED HEARING PACKET FOR**

**Case No. 24995:**

**Rainier 16-15 Fed Com 222H**

**Rainier 16-15 Fed Com 233H**

**Consolidated for a Contested Hearing with:  
Case Nos. 24994, 25115, 25116 & 25117 (V-F Petroleum Inc. Cases)  
Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)**

**V-F PETROLEUM INC.**





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## **TAB 1**

**Reference for Case No. 24995**

**Application Case No. 24995: Rainier 16-15 Fed Com 222H 232H**

**NMOCD Checklist Case No. 24995**

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

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

Case No. 24995

**APPLICATION**

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
2. V-F Petroleum proposes and dedicates to the HSU the **Rainier 16-15 Fed Com #222H Well**, and the **Rainier 16-15 Fed Com #232H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #222H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15.

4. V-F Petroleum proposes the **Rainier 16-15 Fed Com #232H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15.

5. All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #222H Well** and the **Rainier 16-15 Fed Com #232H Well** as the wells for the HSU.

C. Designating V-F Petroleum as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ *Darin C. Savage*

---

Darin C. Savage

Andrew D. Schill  
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**Attorneys for V-F Petroleum, Inc.**

***Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Rainier 16-15 Fed Com #222H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; and the **Rainier 16-15 Fed Com #232H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.



<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 24995</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 28, 2025 (Scheduled Hearing)</b>	
Applicant	V-F Petroleum Inc.
Designated Operator & OGRID (affiliation if applicable)	24010
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC
Well Family	Rainier 16-15 Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	N/2 S/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> <u>approval of non-standard unit requested in this application?</u>	Yes, Standard Spacing Unit
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	No, N/A
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership
<b>Well(s)</b>	
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	Rainier 16-15 Fed Com 222H Well (API No. Pending), SHL: Unit L, 1512.4' FSL, 797' FWL, Section 16, T18S-R31E; BHL: Unit I, 1905' FSL, 100' FEL, Section 15, T18S-R31E, laydown, standard location

Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 222H Well: FTP 1905' FSL, 100' FWL, Section 16; LTP 1905' FSL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 222H Well: TVD approx. 8,405'; TMD 19,705'; 2nd Bone Spring formation, See Exhibit A-5
Well #2	Rainier 16-15 Fed Com 232H Well (API No. Pending), SHL: Unit L, 1537.5' FSL, 797' FWL, Section 16, T18S-R31E; BHL: Unit I, 1905' FSL, 100' FEL, Section 15, T18S-R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 232H Well: FTP 1905' FSL, 100' FWL, Section 16; LTP 1905' FSL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 232H Well: TVD approx. 9,295"; TMD 20,539'; 3rd Bone Spring formation, See Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 11
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
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

<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Darin C. Savage
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Darin Savage
<b>Date:</b>	1/21/25

## TAB 2

Exhibit A: Self-Affirmed Statement of Jordan Shaw, Landman  
Exhibit A-1: C-102 Forms  
Exhibit A-2: Location Plat Map  
Exhibit A-3: Revised Tract Map and Ownership Breakdown  
Exhibit A-4: Chronology of Contacts with Uncommitted Owners  
Exhibit A-5: Well Proposal Letters and AFEs  
Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #212H Well  
Exhibit A-7: Aerial View Map of Surrounding Development  
Exhibit A-8: Permian Resources Slim Jim Well Proposals  
Exhibit A-9: Plat for Tamano 15 AD Fed Com #1H Well

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

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

Case No. 24995

**SELF-AFFIRMED STATEMENT OF JORDAN SHAW**

I, Jordan Shaw, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
5. V-F seeks an order pooling all uncommitted mineral interest in the Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405, from the top of the First Bone



Spring, at an approximate depth of 6,048' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

6. Under Case No. 24995, V-F seeks to dedicate the **Rainier 16-15 Fed Com #222H Well**, (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; approximate TVD of 8,450'; approximate TMD of 19,705'; FTP in Section 16: 1,905' FSL, 100' FWL; LTP in Section 15: 1,905' FSL, 100' FEL.

7. Under Case No. 24995, V-F also seeks to dedicate the **Rainier 16-15 Fed Com #232H Well**, (API 30-015-pending) as an in-fill well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; approximate TVD of 9,295'; approximate TMD of 20,539'; FTP in Section 16: 1,905' FSL, 100' FWL; LTP in Section 15: 1,905' FSL, 100' FEL.

8. The proposed C-102 for each well is attached as **Exhibit A-1**.

9. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of each proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

10. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.



11. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

12. There are no depth severances in the Bone Spring formation in this acreage.

13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

15. **Exhibit A-5** is a sample proposal letter, supplemental proposal and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

16. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

18. V-F requests that it be designated operator of the units and wells.

19. Additionally, although not technically part of Case No. 24995, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role Case No. 24995 plays in V-F's future development plans underlying the N/2 S/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #212H Well**, (API 30-015-pending) that has been proposed to all working interest owners in the Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.

20. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy

County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one-mile horizontal development in the Bone Spring formation.

21. **Exhibit A-8** are Permian Resources' well proposals both dated August 16, 2024, one proposal covering the Slim Jim 14-15 Fed COM 122H and 123H, both targeting the 2<sup>nd</sup> Bone Spring formation in the S/2 N/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and the other proposal covering the Slim Jim 14-15 Fed COM 124H, 125H and 126H, with all three wells also targeting the 2<sup>nd</sup> Bone Spring formation in the S/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (collectively the "Slim Jim Second Bone Proposals").

22. Attached as **Exhibit A-9** is a plat of the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), which is situated in the N/2 N/2 of Section 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

23. Assuming Permian Resources' actually drills and completes all five proposed Slim Jim Second Bone Proposals, this will result in a total of six horizontal wells situated in Section 14 (Slim Jim 14-15 Fed COM 121H has been proposed to Sec. 14 working interest owners only) and

Section 15, with spacing as close as 660' between wells. This spacing pattern is extremely aggressive when compared to Mewbourne Oil Company's Local Legend development to the west in Sections 18 and 17, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Mewbourne Oil Company's Barrel Crusher development, also to the west in Sections 19 and 20, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, both as depicted on **Exhibit A-7**, which shows four Second Bone Spring wells in each development, more or less evenly spaced. To propose a fifty percent (50%) increase to the conventional density pattern in this area, in V-F's opinion should require empirical longstanding production data to establish that the acreage justifies additional in-fill development otherwise such a proposal in V-F's respectful opinion should be viewed as wasteful and not protecting the correlative rights of the other working interest owners in Permian Resources' Slim Jim Second Bone Proposals, who collectively will own the majority of the working interest in the Slim Jim Second Bone Proposals.

24. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.

25. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

26. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Jordan Shaw:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24995 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



\_\_\_\_\_  
Jordan Shaw

\_\_\_\_\_  
01/21/2025

Date Signed

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

## WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
Property Code	Property Name <b>RANIER 16 15 FED COM</b>	Well Number <b>222H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>	Ground Level Elevation <b>3653'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

## Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1512.4 FSL	797 FWL	32.744374°	103.880506°	EDDY

## Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	15	18-S	31-E	-	1905 FSL	100 FEL	32.745510°	103.849087°	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

## Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1905 FSL	50 FWL	32.745448°	103.882940°	EDDY


## First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1905 FSL	100 FWL	32.745448°	103.882777°	EDDY

## Last Take Point (LTP)

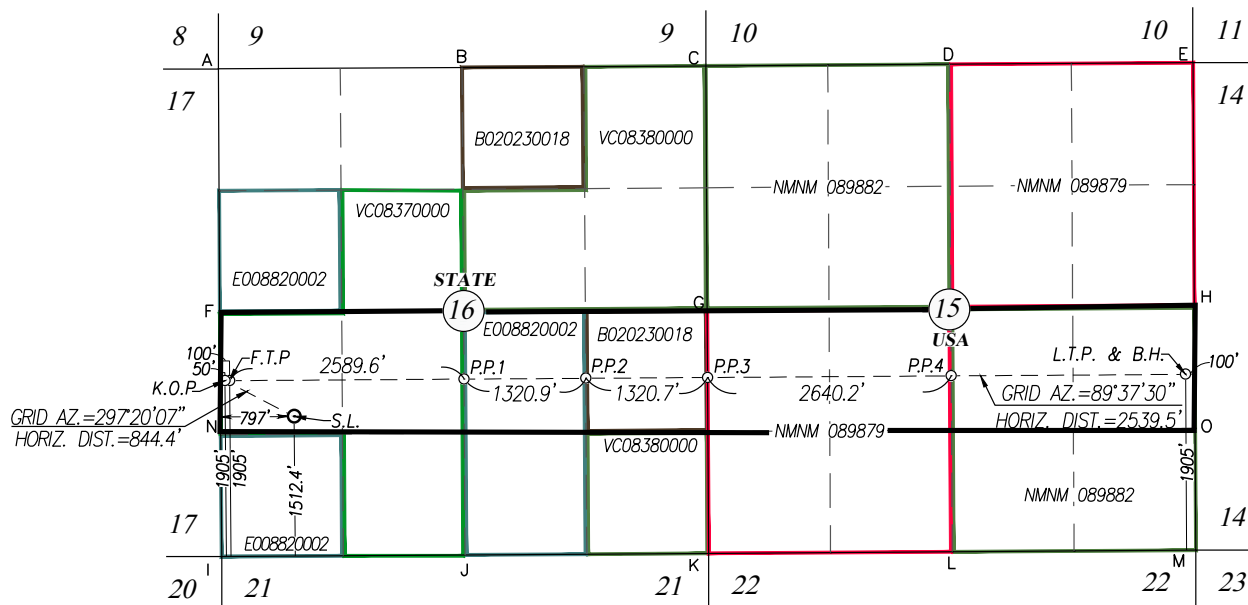
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	15	18-S	31-E	-	1905 FSL	100 FEL	32.745510°	103.849087°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

<b>OPERATOR CERTIFICATIONS</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed 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 a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  <i>If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>  Signature _____ Date _____  Printed Name _____  E-mail Address _____	<b>SURVEYOR CERTIFICATIONS</b>  <i>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.</i>   <i>Gary G. Eidson 01/15/2025</i> Signature and Seal of Professional Surveyor _____  Gary G. Eidson 12641 SEPTEMBER 27, 2024 Certificate Number _____ Date of Survey _____  <b>EXHIBIT A-1</b>  PAGE 1 OF 2 ACK REL. W.O.: 24110350 JWSC W.O.: 25.13.0018
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SCALE: 1"=2000'



SURFACE LOCATION GEODETIC COORDINATES NAD 27 NME	KICK OFF POINT GEODETIC COORDINATES NAD 27 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 27 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 27 NME
Y= 634769.1 N X= 639384.3 E LAT.=32.744255° N LONG.=103.880001° W	Y= 635156.7 N X= 638634.4 E LAT.=32.745329° N LONG.=103.882434° W	Y= 635157.0 N X= 638684.4 E LAT.=32.745329° N LONG.=103.882272° W	Y= 635173.6 N X= 641223.4 E LAT.=32.745345° N LONG.=103.874014° W	Y= 635182.3 N X= 642544.0 E LAT.=32.745353° N LONG.=103.869719° W	Y= 635190.9 N X= 643864.3 E LAT.=32.745361° N LONG.=103.865424° W

1512.4' FSL & 797' FWL SEC. 16	1905' FSL & 50' FWL SEC. 16	1905' FSL & 100' FWL SEC. 16	1905.4' FSL & 2639.6' FWL SEC. 16	1905.3' FSL & 1320.7' FEL SEC. 16	1905.2' FSL SEC. 16 & SEC. 17
-----------------------------------	--------------------------------	---------------------------------	--------------------------------------	--------------------------------------	----------------------------------

SURFACE LOCATION GEODETIC COORDINATES NAD 83 NME	KICK OFF POINT GEODETIC COORDINATES NAD 83 NME	FIRST TAKE POINT GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 1 GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 2 GEODETIC COORDINATES NAD 83 NME	PENETRATION POINT 3 GEODETIC COORDINATES NAD 83 NME
Y= 634832.5 N X= 680563.2 E LAT.=32.744374° N LONG.=103.880506° W	Y= 635220.1 N X= 679813.2 E LAT.=32.745448° N LONG.=103.882940° W	Y= 635220.5 N X= 679863.2 E LAT.=32.745448° N LONG.=103.882777° W	Y= 635237.1 N X= 682402.2 E LAT.=32.745464° N LONG.=103.874519° W	Y= 635245.7 N X= 683722.8 E LAT.=32.745472° N LONG.=103.870224° W	Y= 635254.4 N X= 685043.1 E LAT.=32.745480° N LONG.=103.865930° W

CORNER COORDINATES TABLE  
NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E
B - Y= 638550.0 N, X= 641202.9 E
C - Y= 638566.4 N, X= 643845.0 E
D - Y= 638583.6 N, X= 646484.5 E
E - Y= 638601.3 N, X= 649123.5 E
F - Y= 635893.2 N, X= 638578.5 E
G - Y= 635925.9 N, X= 643859.9 E
H - Y= 635960.4 N, X= 649136.3 E
I - Y= 633252.0 N, X= 638599.6 E
J - Y= 633268.8 N, X= 641234.9 E
K - Y= 633286.3 N, X= 643875.6 E
L - Y= 633303.7 N, X= 646514.8 E
M - Y= 633321.2 N, X= 649154.0 E
N - Y= 634572.6 N, X= 638589.0 E
O - Y= 634640.8 N, X= 649146.1 E

CORNER COORDINATES TABLE  
NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E
B - Y= 638613.5 N, X= 682381.7 E
C - Y= 638629.9 N, X= 685023.8 E
D - Y= 638647.2 N, X= 687663.3 E
E - Y= 638664.9 N, X= 690302.3 E
F - Y= 635956.6 N, X= 679757.4 E
G - Y= 635989.4 N, X= 685038.7 E
H - Y= 636023.9 N, X= 690317.1 E
I - Y= 633315.3 N, X= 679778.4 E
J - Y= 633332.2 N, X= 682413.8 E
K - Y= 633349.7 N, X= 685054.5 E
L - Y= 633367.2 N, X= 687693.6 E
M - Y= 633384.6 N, X= 690332.8 E
N - Y= 634636.0 N, X= 679767.9 E
O - Y= 634704.3 N, X= 690324.9 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME

Y= 635208.3 N
X= 646503.9 E
LAT.=32.745376° N
LONG.=103.856839° W

1905.1' FSL & 2639.5' FEL  
SEC. 15PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME

Y= 635271.8 N
X= 687682.7 E
LAT.=32.745495° N
LONG.=103.857345° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME

Y= 635225.0 N
X= 649042.7 E
LAT.=32.745390° N
LONG.=103.848582° W

1905' FSL & 100' FEL  
SEC. 15LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME

Y= 635288.5 N
X= 690221.5 E
LAT.=32.745510° N
LONG.=103.849087° W

RANIER 16 15 FED COM #222H

PAGE 2 OF 2

ACK REL. W.O.:24110350

JWSC W.O.: 25.13.0018

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

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

☐ AMENDED REPORT

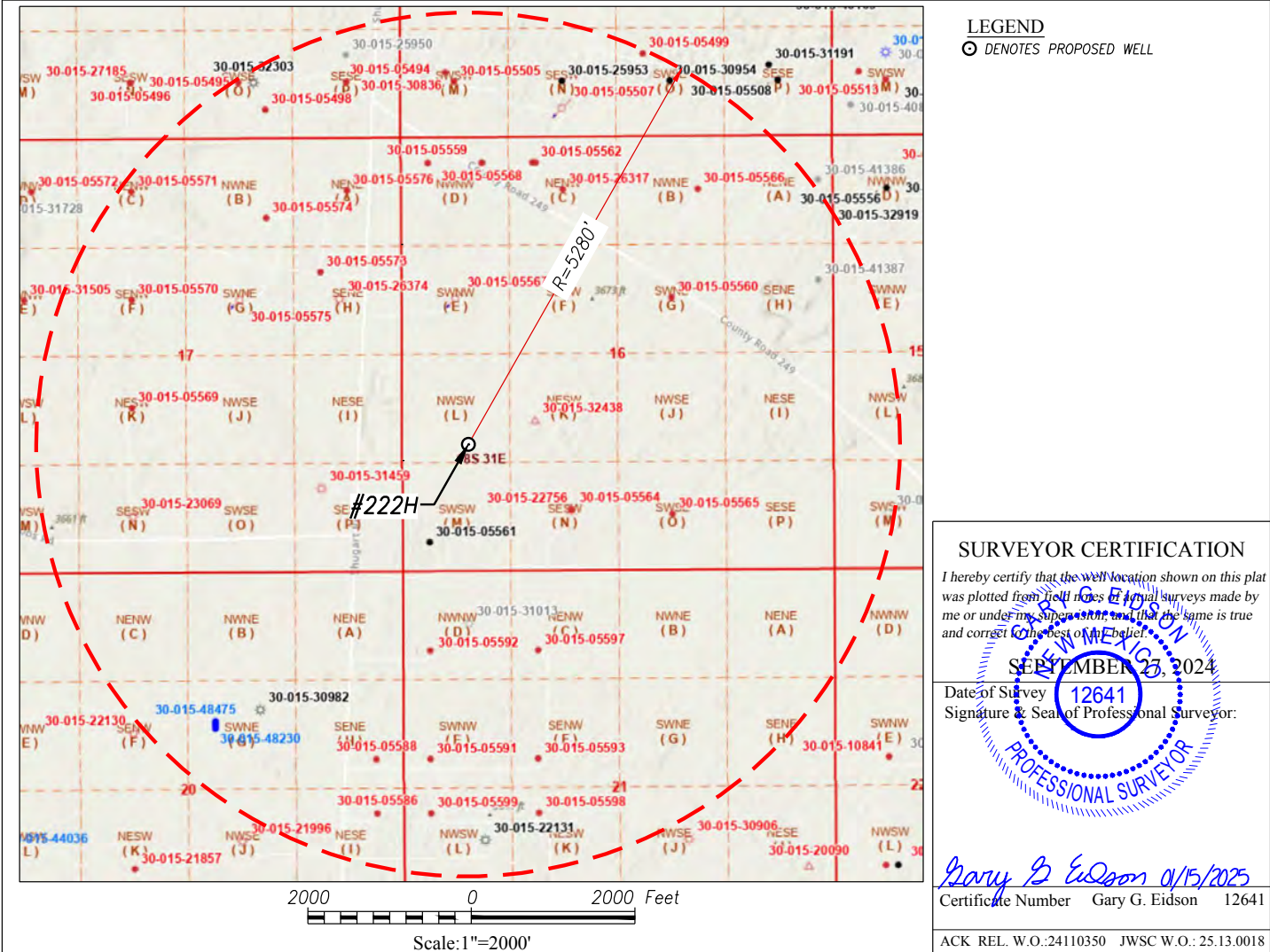
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name RANIER 16 15 FED COM		Well Number 222H
OGRID No.	Operator Name V-F PETROLEUM INC.		Elevation 3653'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	18-S	31-E		1512.4	SOUTH	797	WEST	EDDY

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
I	15	18-S	31-E		1905	SOUTH	100	EAST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

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



<b>C-102</b> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>		Revised July 9, 2024	
			Submittal Type:	<input type="checkbox"/> Initial Submittal
				<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled		

**WELL LOCATION INFORMATION**

API Number	Pool Code	Pool Name	
Property Code	Property Name <b>RANIER 16 15 FED COM</b>		Well Number <b>232H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>		Ground Level Elevation <b>3653'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal	

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1537.5 FSL	797 FWL	32.744442°	103.880506°	EDDY

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	15	18-S	31-E	-	1905 FSL	100 FEL	32.745510°	103.849087°	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1905 FSL	50 FWL	32.745448°	103.882940°	EDDY

**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	16	18-S	31-E	-	1905 FSL	100 FWL	32.745448°	103.882777°	EDDY

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	15	18-S	31-E	-	1905 FSL	100 FEL	32.745510°	103.849087°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

**OPERATOR CERTIFICATIONS**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed 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 a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**SURVEYOR CERTIFICATIONS**

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.



Signature and Seal of Professional Surveyor \_\_\_\_\_

Gary G. Eidson 12641

SEPTEMBER 27, 2024

Certificate Number \_\_\_\_\_

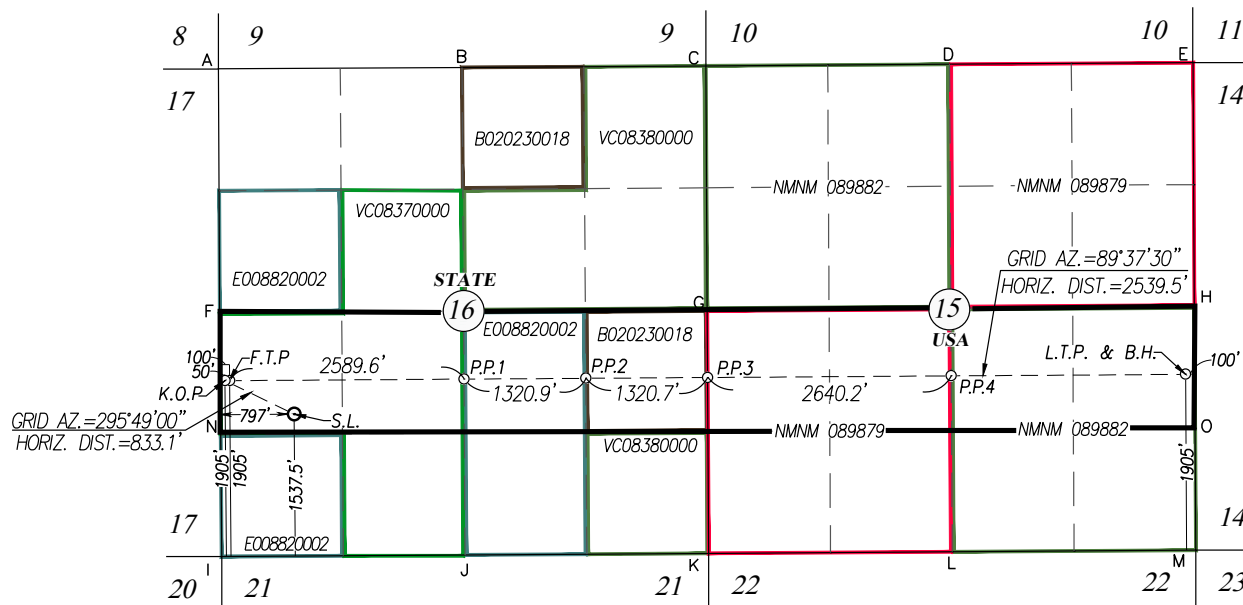
Date of Survey \_\_\_\_\_

PAGE 1 OF 2

ACK REL. W.O.:24110351

JWSC W.O.: 25.13.0019

SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 634794.0 N  
X= 639384.2 E  
LAT.=32.744323° N  
LONG.=103.880001° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635156.7 N  
X= 638634.4 E  
LAT.=32.745329° N  
LONG.=103.882434° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635157.0 N  
X= 638684.4 E  
LAT.=32.745329° N  
LONG.=103.882272° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635173.6 N  
X= 641223.4 E  
LAT.=32.745345° N  
LONG.=103.874014° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635182.3 N  
X= 642544.0 E  
LAT.=32.745353° N  
LONG.=103.869719° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635190.9 N  
X= 643864.3 E  
LAT.=32.745361° N  
LONG.=103.865424° W

1537.5' FSL & 797' FWL  
SEC. 16

1905' FSL & 50' FWL  
SEC. 16

1905' FSL & 100' FWL  
SEC. 16

1905.4' FSL & 2639.6' FWL  
SEC. 16

1905.3' FSL & 1320.7' FEL  
SEC. 16

1905.2' FSL  
SEC. 16 & SEC. 17

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 634857.4 N  
X= 680563.0 E  
LAT.=32.744442° N  
LONG.=103.880506° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635220.1 N  
X= 679813.2 E  
LAT.=32.745448° N  
LONG.=103.882940° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635220.5 N  
X= 679863.2 E  
LAT.=32.745448° N  
LONG.=103.882777° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635237.1 N  
X= 682402.2 E  
LAT.=32.745464° N  
LONG.=103.874519° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635245.7 N  
X= 683722.8 E  
LAT.=32.745472° N  
LONG.=103.870224° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635254.4 N  
X= 685043.1 E  
LAT.=32.745480° N  
LONG.=103.865930° W

#### CORNER COORDINATES TABLE NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 635893.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635208.3 N  
X= 646503.9 E  
LAT.=32.745376° N  
LONG.=103.856839° W

1905.1' FSL & 2639.5' FEL  
SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635271.8 N  
X= 687682.7 E  
LAT.=32.745495° N  
LONG.=103.857345° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635225.0 N  
X= 649042.7 E  
LAT.=32.745390° N  
LONG.=103.848582° W

1905' FSL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635288.5 N  
X= 690221.5 E  
LAT.=32.745510° N  
LONG.=103.849087° W

RANIER 16 15 FED COM #232H

PAGE 2 OF 2

ACK REL. W.O.:24110351

JWSC W.O.: 25.13.0019



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

**Rainier 16 15 Fed COM #232H (3<sup>rd</sup> Bone Spring)**  
N/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

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

**EXHIBIT A-1**

☐ AMENDED REPORT

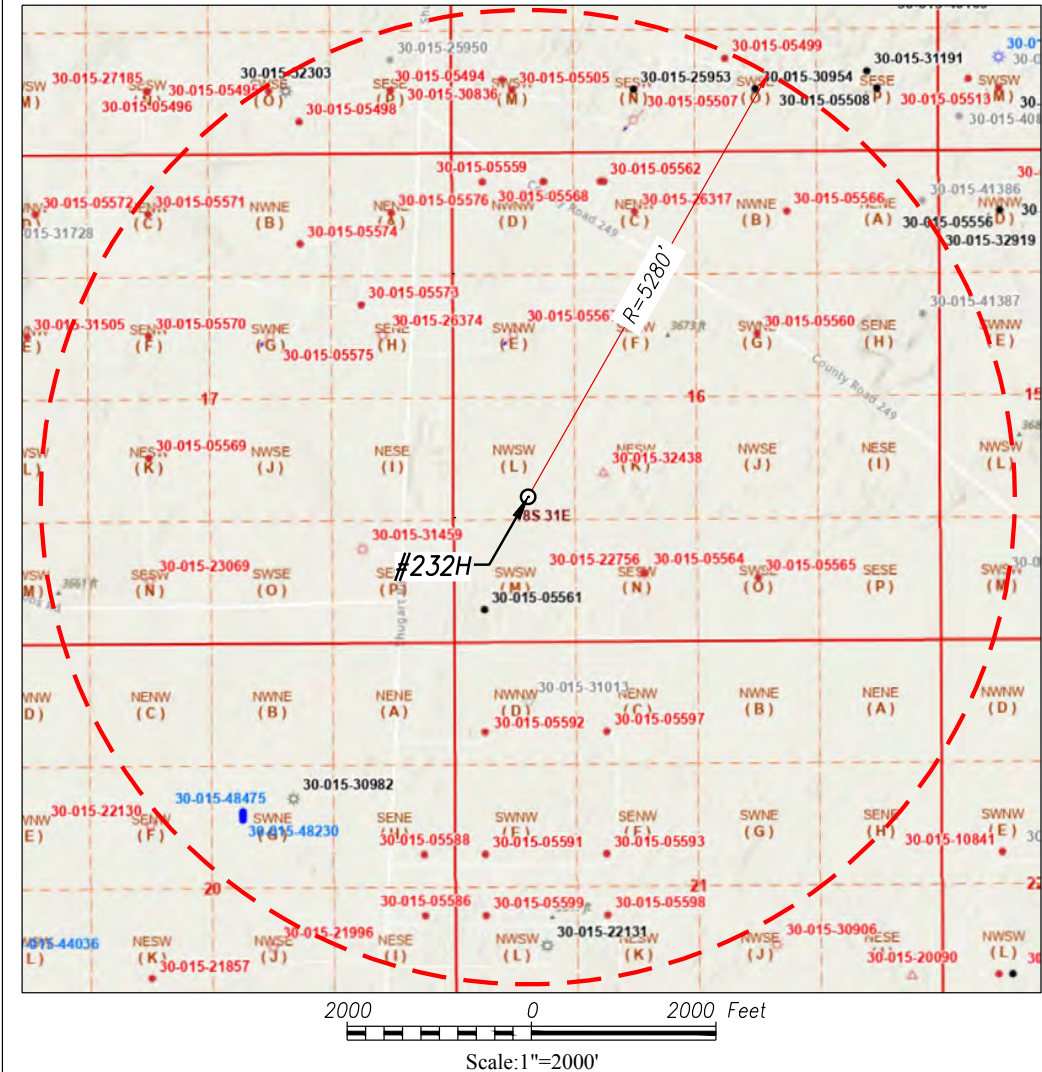
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	RANIER 16 15 FED COM		232H
OGRID No.	Operator Name		Elevation
	V-F PETROLEUM INC.		3653'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	18-S	31-E		1537.5	SOUTH	797	WEST	EDDY

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
I	15	18-S	31-E		1905	SOUTH	100	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



**LEGEND**  
⊙ DENOTES PROPOSED WELL

**SURVEYOR CERTIFICATION**

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

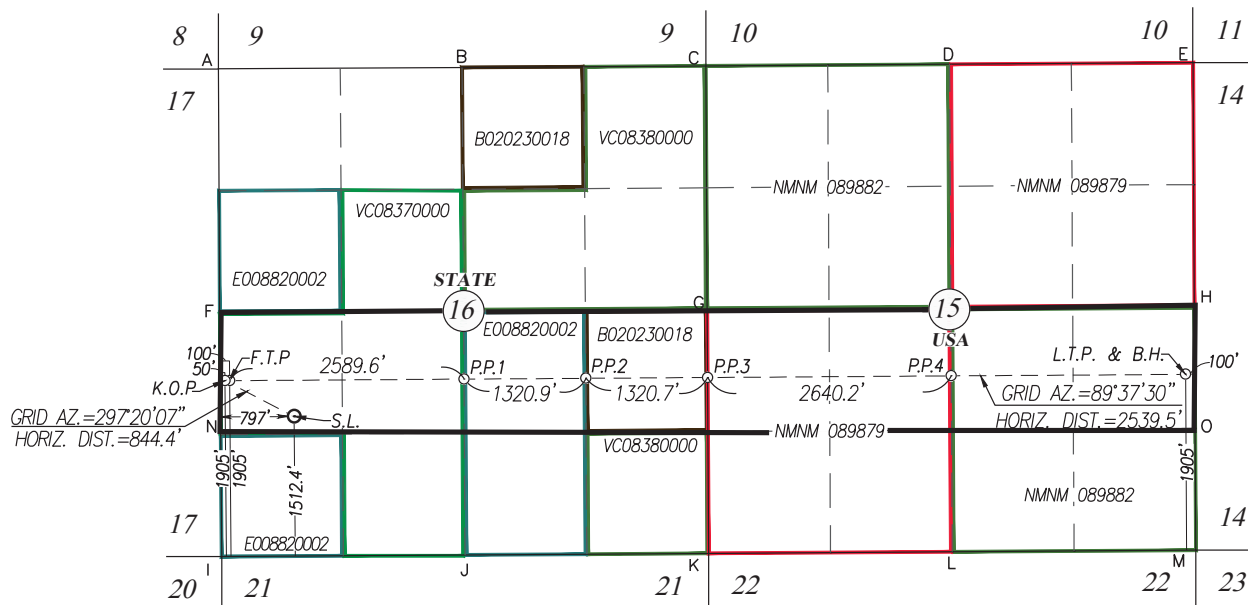
SEPTEMBER 23, 2024

Date of Survey  
Signature & Seal of Professional Surveyor:

Gary G. Eidson 01/16/2025  
Certificate Number Gary G. Eidson 12641

ACK REL. W.O.:24110351 JWSC W.O.: 25.13.0019

SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 634769.1 N  
X= 639384.3 E  
LAT.=32.744255° N  
LONG.=103.880001° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635156.7 N  
X= 638634.4 E  
LAT.=32.745329° N  
LONG.=103.882434° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635157.0 N  
X= 638684.4 E  
LAT.=32.745329° N  
LONG.=103.882272° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635173.6 N  
X= 641223.4 E  
LAT.=32.745345° N  
LONG.=103.874014° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635182.3 N  
X= 642544.0 E  
LAT.=32.745353° N  
LONG.=103.869719° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635190.9 N  
X= 643864.3 E  
LAT.=32.745361° N  
LONG.=103.865424° W

1512.4' FSL & 797' FWL  
SEC. 16

1905' FSL & 50' FWL  
SEC. 16

1905' FSL & 100' FWL  
SEC. 16

1905.4' FSL & 2639.6' FWL  
SEC. 16

1905.3' FSL & 1320.7' FEL  
SEC. 16

1905.2' FSL  
SEC. 16 & SEC. 17

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 634832.5 N  
X= 680563.2 E  
LAT.=32.744374° N  
LONG.=103.880506° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635220.1 N  
X= 679813.2 E  
LAT.=32.745448° N  
LONG.=103.882940° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635220.5 N  
X= 679863.2 E  
LAT.=32.745448° N  
LONG.=103.882777° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635237.1 N  
X= 682402.2 E  
LAT.=32.745464° N  
LONG.=103.874519° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635245.7 N  
X= 683722.8 E  
LAT.=32.745472° N  
LONG.=103.870224° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635254.4 N  
X= 685043.1 E  
LAT.=32.745480° N  
LONG.=103.865930° W

#### CORNER COORDINATES TABLE NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 635893.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649136.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635208.3 N  
X= 646503.9 E  
LAT.=32.745376° N  
LONG.=103.856839° W

1905.1' FSL & 2639.5' FEL  
SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635271.8 N  
X= 687682.7 E  
LAT.=32.745495° N  
LONG.=103.857345° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635225.0 N  
X= 649042.7 E  
LAT.=32.745390° N  
LONG.=103.848582° W

1905' FSL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635288.5 N  
X= 690221.5 E  
LAT.=32.745510° N  
LONG.=103.849087° W

**EXHIBIT  
A-2**

RANIER 16 15 FED COM #222H

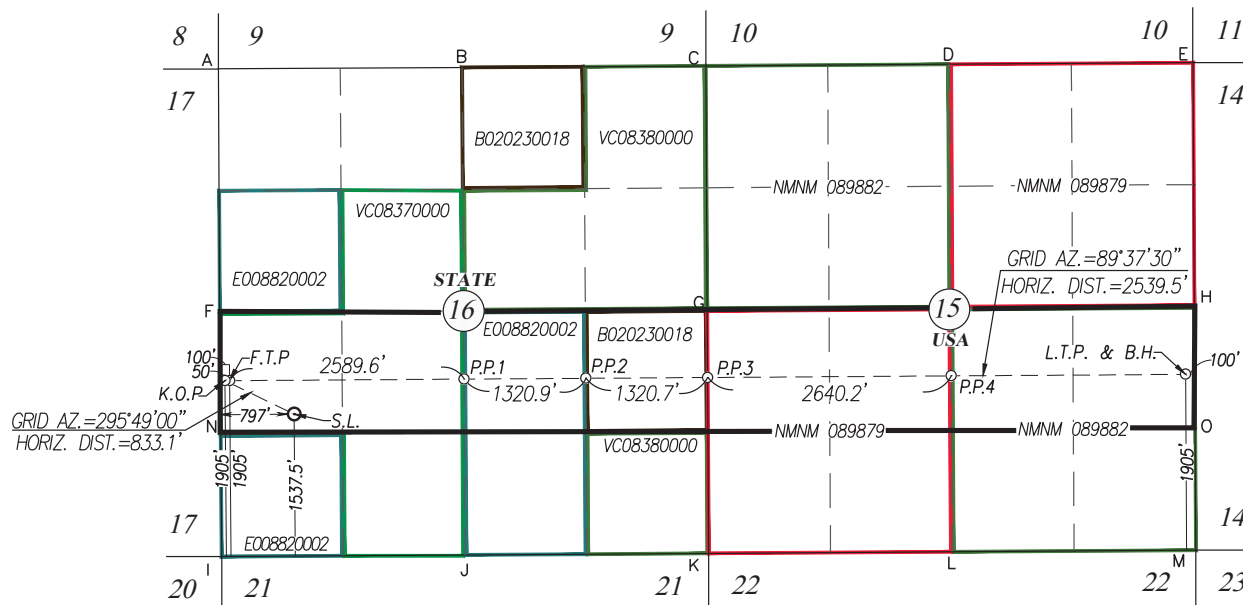
PAGE 2 OF 2

ACK REL. W.O.:24110350

JWSC W.O.: 25.13.0018



SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 634794.0 N  
X= 639384.2 E  
LAT.=32.744323° N  
LONG.=103.880001° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635156.7 N  
X= 638634.4 E  
LAT.=32.745329° N  
LONG.=103.882434° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635157.0 N  
X= 638684.4 E  
LAT.=32.745329° N  
LONG.=103.882272° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635173.6 N  
X= 641223.4 E  
LAT.=32.745345° N  
LONG.=103.874014° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635182.3 N  
X= 642544.0 E  
LAT.=32.745353° N  
LONG.=103.869719° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635190.9 N  
X= 643864.3 E  
LAT.=32.745361° N  
LONG.=103.865424° W

1537.5' FSL & 797' FWL  
SEC. 16

1905' FSL & 50' FWL  
SEC. 16

1905' FSL & 100' FWL  
SEC. 16

1905.4' FSL & 2639.6' FWL  
SEC. 16

1905.3' FSL & 1320.7' FEL  
SEC. 16

1905.2' FSL  
SEC. 16 & SEC. 17

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 634857.4 N  
X= 680563.0 E  
LAT.=32.744442° N  
LONG.=103.880506° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635220.1 N  
X= 679813.2 E  
LAT.=32.745448° N  
LONG.=103.882940° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
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X= 679863.2 E  
LAT.=32.745448° N  
LONG.=103.882777° W

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X= 682402.2 E  
LAT.=32.745464° N  
LONG.=103.874519° W

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GEODETIC COORDINATES  
NAD 83 NME  
Y= 635245.7 N  
X= 683722.8 E  
LAT.=32.745472° N  
LONG.=103.870224° W

PENETRATION POINT 3  
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NAD 83 NME  
Y= 635254.4 N  
X= 685043.1 E  
LAT.=32.745480° N  
LONG.=103.865930° W

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E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 635893.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
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N - Y= 634572.6 N, X= 638589.0 E  
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E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635208.3 N  
X= 646503.9 E  
LAT.=32.745376° N  
LONG.=103.856839° W

1905.1' FSL & 2639.5' FEL  
SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635271.8 N  
X= 687682.7 E  
LAT.=32.745495° N  
LONG.=103.857345° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 635225.0 N  
X= 649042.7 E  
LAT.=32.745390° N  
LONG.=103.848582° W

1905' FSL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 635288.5 N  
X= 690221.5 E  
LAT.=32.745510° N  
LONG.=103.849087° W

RANIER 16 15 FED COM #232H

PAGE 2 OF 2

ACK REL. W.O.:24110351

JWSC W.O.: 25.13.0019

**Rainier 16 15 Fed COM #222H (2<sup>nd</sup> Bone Spring) & #232H (3<sup>rd</sup> Bone Spring)**  
N/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

Sec. 16, T-18-S, R-31-E				Sec. 15, T-18-S, R-31-E			
		16			15		

**N/2SW/4 Sec. 16 (State Lease VC-837)**

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

Overriding Royalty Interest Owners	Decimal
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

Royalty Interest Owner	Decimal
State of New Mexico	0.20000000

**NW/4SE/4 Sec. 16 (State Lease E-882)**

Working Interest Owner	Decimal
XTO Holdings, LLC	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

**EXHIBIT  
A-3**

**Rainier 16 15 Fed COM #222H (2<sup>nd</sup> Bone Spring) & #232H (3<sup>rd</sup> Bone Spring)**  
N/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000

**NE/4SE/4 Sec. 16 (State Lease B-2023)**

<b>Working Interest Owner</b>	<b>Decimal</b>
Occidental Permian, L.P.	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.12500000

**N/2SW/4 Sec. 15 (Federal Lease NMNM 089879)**

<b>Working Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01239582
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00371875
Javelina Partners	0.00371875
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00557813
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00236250
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.04875000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**Rainier 16 15 Fed COM #222H (2<sup>nd</sup> Bone Spring) & #232H (3<sup>rd</sup> Bone Spring)**  
N/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

**N/2SE/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))**

<b>Working Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.10625000
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01770833
Mary T. Ard	0.05312500
Marathon Oil Permian LLC	0.50000000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00885416
Javelina Partners	0.00885416
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.01328125
Moore and Shelton Co. Ltd.	0.00937500

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**UNIT RECAPITULATION**

(Yellow denotes Parties to be Pooled)

<b>Working Interest Owners</b>	<b>Decimal</b>
XTO Holdings, LLC (uncommitted)	0.12500000
V-F Petroleum Inc. (committed)	0.32895834
Permian Resources Operating, LLC (uncommitted)	0.23937500
Occidental Permian, L.P. (uncommitted)	0.12500000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002 (uncommitted)	0.02656250
Ard Oil, LTD (committed)	0.00929688
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard. (uncommitted)	0.00752604

**Rainier 16 15 Fed COM #222H (2<sup>nd</sup> Bone Spring) & #232H (3<sup>rd</sup> Bone Spring)**  
N/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

Mary T. Ard (committed)	0.01328125
Marathon Oil Permian LLC (uncommitted)	0.12500000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc. (committed)	0.00012500
Zorro Partners, Ltd. (committed)	0.00314323
Javelina Partners (committed)	0.00314323
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994 (uncommitted)	0.00471485
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00585938
Thomas M. Beall (committed)	0.00585938
Jason J. Lodge (committed)	0.00031250
Sarah M. Loudenback (committed)	0.00031250
Mid-Western Energy, L.L.C. (committed)	0.00003125
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00293438
Mewbourne, Curtis W., Trustee (uncommitted)	0.00526875
Marathon Oil Permian LLC (uncommitted)	0.01218750

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.06250000
State of New Mexico	0.08125000

**LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED**

<b>Working Interest Owners</b>
XTO Holdings, LLC
Permian Resources Operating, LLC
Occidental Permian, L.P.
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.
Marathon Oil Permian LLC

**Rainier 16 15 Fed COM #222H** (2<sup>nd</sup> Bone Spring) & **#232H** (3<sup>rd</sup> Bone Spring)  
N/2S/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

**LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED**

<b>Overriding Royalty Interest Owners</b>
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994
Ralph A. Shugart Jr. Trust dated 5/26/1983
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC



Owner	Attn	Address 1	City	State	Zip Code
XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	Texas	77389
Occidental Permian, LP		P.O. Box 4294	Houston	Texas	77210
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marientfeld St., Suite 1000	Midland	Texas	79701
Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337
Mewbourne, Curtis W., Trustee		P.O. Box 7698	Tyler	Texas	75711
Lindy's Living Trust created by Trust Agreement dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109

**Rainier 16 15 Fed COM #222H & #232H**

## Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/13/23:** Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- **9/20/23:** Received email from Chad Smith requesting additional information and sent requested information that same day;
- **6/27/24:** Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16; and
- **1/14/25:** Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- **9/26/23:** Proposed Joint Operating Agreement by mail (*to predecessors in title*);
- **8/28/24:** Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- **8/30/24:** Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- **9/5/24:** V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- **9/9/24:** Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- **9/11/24:** Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- **9/24/24:** Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- **1/17/25:** Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- **1/20/25:** V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Occidental Permian, LP

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/18/23:** Emailed Alissa Payne, Land Negotiator and extended an offer extended offer for an Assignment, Bill of Sale with 75% eNRI;
- **9/18/23:** Alissa responded and said that Jonathan Gonzales, Land Negotiator is responsible for this area so Jordan Shaw with V-F sent Jonathan Gonzales an email requesting a day and time this week when we can go over this proposal; and
- **9/19/23:** Jonathan Gonzales at Oxy called Jordan Shaw with V-F and walked through where Oxy was at with its evaluation. The parties talked about potentially adding Oxy's acreage to a transaction which was currently underway covering other unrelated lands;

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002



- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/13/23:** Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15;
- **9/29/23:** V-F extended by email to Jeff Adams a Term Assignment offer; and
- **11/1/23:** V-F re-extended by email to Jeff Adams a Term Assignment offer.

Ard Oil, LTD

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/14/23:** Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and
- **11/7/23:** Obtained signed Joint Operating Agreement.

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/18/23:** Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- **10/2/23:** Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer; and
- **10/31/23:** Email Brad Ince and re-extended both offers;

Marathon Oil Permian LLC

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/8/23:** Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- **9/14/23:** Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- **9/18/23:** Emailed Farley Duvall and re-extended offer and extended Term Assignment offer; and
- **10/2/23:** Followed up by email to see if Marathon would consider either offer.

Mary T. Ard

- **9/8/23:** Proposed Joint Operating Agreement by mail;
- **9/18/23:** Called and left a message for Mary Ard; and
- **10/2/23:** Called and left a message for Mary Ard.

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

September 8, 2023

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

Occidental Permian, LP  
P.O. Box 4294  
Houston, Texas 77210  
Attention: Alissa Payne, Land Negotiator

**RE: Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – N/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #222H; 2<sup>nd</sup> Bone Spring**

SHL: 1,490 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

**Rainier 16 15 Fed Com #232H; 3<sup>rd</sup> Bone Spring**

SHL: 1,515 FSL, 250 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. (“V-F”) hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #222H** in order to test the 2<sup>nd</sup> Bone Spring formation is estimated to be 8,405 feet (TVD) with an approximate total measured depth of 18,735 feet. The costs to drill, complete and equip said well are estimated at **\$13,149,650.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #232H** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be 9,295 feet (TVD) with an approximate total measured depth of 19,600 feet. The costs to drill, complete and equip said well are estimated at **\$13,708,400.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating V-F Petroleum Inc. as Operator, covering the North Half of the South Half (N/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.


**EXHIBIT  
A-5**

Rainier 16 15 Fed Com #222H & #232  
Occidental Permian, LP  
September 8, 2023

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 standard 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**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. 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. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

*Elections set forth on the following pages*

Rainier 16 15 Fed Com #222H & #232  
Occidental Permian, LP  
September 8, 2023

**ELECTIONS**

**Rainier 16 15 Fed Com #221H Well & Rainier 16 15 Fed Com #231H Well**

*Occidental Permian, LP*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #222H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #222H Well**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #232H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #232H Well**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_



# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 21, 2025

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

Occidental Permian, LP  
P.O. Box 4294  
Houston, Texas 77210

RE: **Supplemental Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – N/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #222H; 2<sup>nd</sup> Bone Spring**

SHL: 1,512 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

**Rainier 16 15 Fed Com #232H; 3<sup>rd</sup> Bone Spring**

SHL: 1,538 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 1,905 FSL, 100 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that due to the passage of time, V-F Petroleum Inc. (“V-F”) is providing you with this Supplement Horizontal Well Proposal to update certain information as it pertains to the following wells:

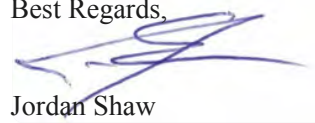
The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #222H** in order to test the 2<sup>nd</sup> Bone Spring formation is estimated to be 8,405 feet (TVD) with an approximate total measured depth of 19,705 feet. The costs to drill, complete and equip said well are estimated at **\$8,317,908.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #232H** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be 9,295 feet (TVD) with an approximate total measured depth of 20,539 feet. The costs to drill, complete and equip said well are estimated at **\$8,651,350.00** as indicated on the enclosed AFE.

The rest and the remainder of the original Horizontal Well Proposal not in conflict with anything listed above remains in full force and effect and this Supplemental Horizontal Well Proposal and its accompanying AFEs shall be deemed to be retroactively effective for all purposes as of the date the original Horizontal Well Proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,



Jordan Shaw

V-F Petroleum Inc.										API No.			
AUTHORIZATION FOR EXPENDITURE										AFE Number			
January 14, 2025										Well Type			
X Original		Supplement		Revision		Re-Entry		Second BS Horizontal Oil Well					
X Drill Well		Workover		Facilities		Plug & Abandon		Projected TD: 8,450' TVD 19,705' MD					
Proposal								Two Mile Horizontal Lateral					
Lease Name/Well #		County / State		Formation		Basin		Field or Prospect					
Ranier 16-15 Federal Com #222H		Eddy NM		2nd Bone Spring		Permian		Shugart; Bone Spring N.					
								SL: 1,512' FSL & 797' FWL, Section 16, T-18-S, R-31-E					
								BHL: 1,905' FSL & 100' FEL, Section 15, T-18-S, R-31-E					
Acct Code		INTANGIBLE DESCRIPTION						COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
501		PERMITS & ENVIROMENTAL SERVICES						\$10,000	\$5,000	\$15,000			
516		TITLE OPINION, CURATIVE & POOLING						\$22,000		\$22,000			
501		SURVEYING STAKE LOCATION						\$7,500		\$7,500			
501		DAMAGES & R-O-W'S						\$35,000		\$35,000			
502/711		ROADS, LOCATION, PITS, LINERS, ETC.						\$155,000	\$10,000	\$165,000			
503		DRILLING RIG MOBILIZATION COST						\$91,500		\$91,500			
503		26 days @		\$23,000			\$611,000		\$611,000				
503		26 days @		\$3,000			\$78,000	\$19,800	\$97,800				
503		26 days @		\$7,000									
503		MUD MOTORS & DIRECTIONAL						\$250,000		\$250,000			
517		28 days @		\$6,500			\$147,000		\$147,000				
505		MUD & FRAC CHEMICALS						\$112,000	\$75,000	\$187,000			
505/716		WATER (Brine & Fresh); FRAC WATER						\$58,000	\$525,000	\$583,000			
503		BITS, REAMERS, ETC.						\$69,000		\$69,000			
503		75600 gallons @		\$6			\$126,000		\$126,000				
504		CEMENTING SURFACE						\$26,000		\$26,000			
504		CEMENTING INTERMEDIATE						\$42,000		\$42,000			
701		CEMENTING PRODUCTION						\$79,000		\$79,000			
509/705		TUBULAR SERVICES AND TOOLS						\$56,000		\$56,000			
509/705		CASING CREWS PU LD MACHINE						\$35,000		\$35,000			
513/708		FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS						\$30,500		\$30,500			
507		TESTING; COMPLETION, FLOWBACK							\$62,000	\$62,000			
508		OPEN HOLE LOGGING											
508		20 days @		\$3,500			\$37,000		\$37,000				
509/705		WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY						\$21,000		\$21,000			
509/713		EQUIPMENT RENTAL						\$214,000	\$95,000	\$309,000			
509/714		TRUCKING, TRANSPORTATION, FORKLIFT						\$50,000		\$50,000			
715		COMPLETION UNIT; COIL TUBING UNIT							\$135,000	\$135,000			
704		FORMATION STIMULATION (60 STAGES)							\$2,350,000	\$2,350,000			
702/03		CASED HOLE LOGGING, PERFORATING & FRAC PLUGS							\$187,000	\$187,000			
510/11/706		GEOLOGIC / ENGINEERING						\$40,000	\$45,000	\$85,000			
509/705		28 days @		\$3,500			\$136,800	\$100,800	\$237,600				
514		28 days @		\$500			\$7,000	\$5,000	\$12,000				
515/705		INSURANCE						\$40,000	\$15,000	\$55,000			
513/708		MISCELLANEOUS						\$75,000	\$208,000	\$283,000			
509/705		CONTINGENCY (10%)						\$131,000	\$382,000	\$513,000			
TOTAL INTANGIBLE ESTIMATED COST							\$2,792,300	\$4,219,600	\$7,011,900				
Acct Code		TANGIBLE DESCRIPTION						COST BEFORE CASING POINT		COMPLETION COST		TOTAL WELL COST	
620/820		Length	Grade	Size	Weight	Price/Ft.							
620/820	CONDUCTOR	120'	K-55	20		\$200.00	\$24,000		\$24,000				
620/820	SURFACE	1,600'	J-55	13 3/8"	48	\$40.00	\$18,000		\$18,000				
620/820	INTERMEDIATE	4,000'	J-55	9 5/8"	40	\$35.00	\$122,500		\$122,500				
620/820	INTERMEDIATE												
820	PRODUCTION	19,175'	P110	5 1/2"	20	\$21.00	\$402,675		\$402,675				
820	PRODUCTION LINER												
821	TUBING (Coated)	8,000'	L-80	2.875	6.5	\$5.68		\$45,440	\$45,440				
621/824	WELLHEAD EQUIPMENT						\$28,000	\$7,893	\$35,893				
825	PRODUCTION FACILITY ENCLOSURE							\$150,000	\$150,000				
825	POWER SOURCE							\$50,000	\$50,000				
822	RODS AND PUMP (FG & STEEL)												
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT							\$105,000	\$105,000				
827	HEATER TREATER, SEPERATOR, FWKO							\$5,500	\$5,500				
831	GAS SALES LINE & METER RUN							\$55,000	\$55,000				
830	FLOWLINES, VALVES, CONNECTIONS							\$70,000	\$70,000				
827	TANKS (WATER AND PRODUCTION)							\$46,000	\$46,000				
830	MISCELLANEOUS						\$30,000	\$27,000	\$57,000				
622/820	CONTINGENCY (10%)						\$63,000	\$56,000	\$119,000				
TOTAL TANGIBLE ESTIMATED COST							\$688,175	\$617,833	\$1,306,008				
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services							\$50,000						
ESTIMATED DRY HOLE COST							\$3,530,475						
TOTAL AFE ESTIMATED COST							\$3,480,475	\$4,837,433	\$8,317,908				
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: Bill Pierce													
Date: 1/14/2025													

V-F Petroleum Inc.										API No.			
AUTHORIZATION FOR EXPENDITURE										AFE Number			
January 14, 2025										Well Type		Third BS Horizontal Oil Well	
X	Original		Supplement		Revision		Re-Entry	Projected TD:		9,295' TVD		20,539' MD	
X	Drill Well		Workover		Facilities		Plug & Abandon	Proposal		Two Mile Horizontal Lateral			
Lease Name/Well #			County / State		Formation		Basin		Field or Prospect		SHIL: 1,538' FSL & 797' FWL, Section 16, T-18-S, R-31-E		
Ranier 16-15 Federal Com #232H			Eddy NM		3rd Bone Spring		Permian		Shugart: Bone Spring N.		BHL: 1,905' FSL & 100' FEL, Section 15, T-18-S, R-31-E		
Acct Code	INTANGIBLE DESCRIPTION							COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST			
501	PERMITS & ENVIROMENTAL SERVICES							\$10,000	\$5,000	\$15,000			
516	TITLE OPINION, CURATIVE & POOLING							\$22,000		\$22,000			
501	SURVEYING STAKE LOCATION							\$7,500		\$7,500			
501	DAMAGES & R-O-W'S							\$35,000		\$35,000			
502/711	ROADS, LOCATION, PITS, LINERS, ETC.							\$155,000	\$10,000	\$165,000			
503	DRILLING RIG MOBILIZATION COST							\$91,500		\$91,500			
503	DRILLING - DAYS 27 days @ \$23,000							\$621,000		\$621,000			
503	RIG HOUSING 27 days @ \$3,000							\$81,000		\$81,000			
503	STEERING 27 days @ \$7,000							\$189,000		\$189,000			
503	MUD MOTORS & DIRECTIONAL							\$250,000		\$250,000			
517	CLOSED LOOP & DISPOSAL 28 days @ \$6,500							\$182,000		\$182,000			
505	MUD & FRAC CHEMICALS							\$112,000	\$75,000	\$187,000			
505/716	WATER (Brine & Fresh); FRAC WATER							\$58,000	\$525,000	\$583,000			
503	BITS, REAMERS, ETC.							\$69,000		\$69,000			
503	FUEL 84300 gallons @ \$6							\$126,000		\$126,000			
504	CEMENTING SURFACE							\$26,000		\$26,000			
504	CEMENTING INTERMEDIATE							\$42,000		\$42,000			
701	CEMENTING PRODUCTION							\$79,000		\$79,000			
509/705	TUBULAR SERVICES AND TOOLS							\$56,000		\$56,000			
509/705	CASING CREWS PU LD MACHINE							\$35,000		\$35,000			
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS							\$30,500		\$30,500			
507	TESTING; COMPLETION, FLOWBACK								\$62,000	\$62,000			
508	OPEN HOLE LOGGING												
508	MUD LOGGING 20 days @ \$3,500							\$37,000		\$37,000			
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY							\$21,000		\$21,000			
509/713	EQUIPMENT RENTAL							\$214,000	\$95,000	\$309,000			
509/714	TRUCKING, TRANSPORTATION, FORKLIFT							\$50,000		\$50,000			
715	COMPLETION UNIT; COIL TUBING UNIT								\$135,000	\$135,000			
704	FORMATION STIMULATION (60 STAGES)								\$2,350,000	\$2,350,000			
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS								\$187,000	\$187,000			
510/11/706	GEOLOGIC / ENGINEERING							\$40,000	\$45,000	\$85,000			
509/705	CONTRACT CONSULTANTS 31 days @ \$3,500							\$136,800	\$100,800	\$237,600			
514	DRILLING WELL RATE (A/O) 31 days @ \$500							\$7,000	\$5,000	\$12,000			
515/705	INSURANCE							\$40,000	\$15,000	\$55,000			
513/708	MISCELLANEOUS							\$75,000	\$208,000	\$283,000			
509/705	CONTINGENCY (10%)							\$143,000	\$380,000	\$523,000			
TOTAL INTANGIBLE ESTIMATED COST								\$3,041,300	\$4,197,800	\$7,239,100			
Acct Code	TANGIBLE DESCRIPTION							COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST			
620/820		Length	Grade	Size	Weight	Price/Ft.							
620/820	CONDUCTOR	120'	K-55	20		\$200.00	\$24,000			\$24,000			
620/820	SURFACE	1,600'	J-55	13 3/8"	48	\$40.00	\$64,000			\$64,000			
620/820	INTERMEDIATE	4,000'	J-55	9 5/8"	40	\$35.00	\$140,000			\$140,000			
620/820	INTERMEDIATE												
820	PRODUCTION	20,110'	P110	5 1/2"	20	\$21.00	\$422,310			\$422,310			
820	PRODUCTION LINER												
821	TUBING (Coated)	8,000'	L-80	2.875	6.5	\$5.68		\$45,440		\$45,440			
621/824	WELLHEAD EQUIPMENT						\$28,000	\$18,000		\$46,000			
825	PRODUCTION FACILITY ENCLOSURE							\$150,000		\$150,000			
825	POWER SOURCE							\$50,000		\$50,000			
822	RODS AND PUMP (FG & STEEL)												
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT							\$105,000		\$105,000			
827	HEATER TREATER, SEPERATOR, FWKO							\$5,500		\$5,500			
831	GAS SALES LINE & METER RUN							\$55,000		\$55,000			
830	FLOWLINES, VALVES, CONNECTIONS							\$70,000		\$70,000			
827	TANKS (WATER AND PRODUCTION)							\$46,000		\$46,000			
830	MISCELLANEOUS						\$34,000	\$27,000		\$61,000			
622/820	CONTINGENCY (10%)						\$71,000	\$57,000		\$128,000			
TOTAL TANGIBLE ESTIMATED COST								\$783,310	\$628,940	\$1,412,250			
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services								\$50,000					
ESTIMATED DRY HOLE COST								\$3,874,610					
TOTAL AFE ESTIMATED COST								\$3,824,610	\$4,826,740	\$8,651,350			
APPROVAL AND ACCEPTANCE:													
W.I 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: Bill Pierce													
Date: 1/14/2025													

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 20, 2025

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

Occidental Permian, LP  
P.O. Box 4294  
Houston, Texas 77210

**RE: Horizontal Well Proposals – 1<sup>st</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – N/2S/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

### **Rainier 16 15 Fed Com #212H; 1<sup>st</sup> Bone Spring**

SHL: 1,563 FSL, 797 FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
FTP: 1,905 FSL, 100' FWL of Section 16 (Unit L), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 1,905 FSL, 100 FEL of Section 15 (Unit I), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #212H** in order to test the 1<sup>st</sup> Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,503 feet. The costs to drill, complete and equip said well are estimated at **\$8,005,206.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the South Half (N/2S/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

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 standard 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**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should **not** participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss a proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this

**EXHIBIT  
A-6**

Rainier 16 15 Fed Com #212H  
Occidental Permian, LP  
January 20, 2025

matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

Election set forth on the following page

Rainier 16 15 Fed Com #212H  
Occidental Permian, LP  
January 20, 2025

**ELECTION**  
**Rainier 16 15 Fed Com #212H Well**

*Occidental Permian, LP*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #212H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #212H Well**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



<div>V-F Petroleum Inc.</div> <div>AUTHORIZATION FOR EXPENDITURE</div>						API No.	
October 14, 2024						AFE Number	
<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Supplement	<input type="checkbox"/> Revision	<input type="checkbox"/> Re-Entry	Well Type			First BS Horizontal Oil Well
<input checked="" type="checkbox"/> Drill Well	<input type="checkbox"/> Workover	<input type="checkbox"/> Facilities	<input type="checkbox"/> Plug & Abandon	Projected TD:			7,750' TVD 18,503' MD
Lease Name/Well #				County / State	Formation	Basin	Field or Prospect
Ranier 16-15 Federal Com #212H				Eddy NM	1st Bone Spring	Permian	Shugart; Bone Spring N.
				SHL: 1,563 FSL & 797 FWL, Section 16, T-18-S, R-31-E			
				BHL: 1,905 FSL & 100 FEL, Section 15, T-18-S, R-31-E			
Acct Code	INTANGIBLE DESCRIPTION			COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST	
501	PERMITS & ENVIROMENTAL SERVICES			\$15,000	\$10,000	\$25,000	
516	TITLE OPINION, CURATIVE & POOLING			\$15,000		\$15,000	
501	SURVEYING STAKE LOCATION			\$7,500		\$7,500	
501	DAMAGES & R-O-W'S			\$15,000		\$15,000	
502/711	ROADS, LOCATION, PITS, LINERS, ETC.			\$60,000	\$25,000	\$85,000	
503	DRILLING RIG MOBILIZATION COST			\$10,000		\$10,000	
503	DRILLING - DAYS 16 days @ \$19,000			\$304,000		\$304,000	
503	MUD MOTORS & DIRECTIONAL			\$150,000		\$150,000	
517	CLOSED LOOP & DISPOSAL 16 days @ \$5,500			\$88,000		\$88,000	
505	MUD & FRAC CHEMICALS			\$125,000	\$150,000	\$275,000	
505/716	WATER (Brine & Fresh); FRAC WATER			\$40,000	\$400,000	\$440,000	
503	BITS, REAMERS, ETC.			\$65,000		\$65,000	
503	FUEL 42000 gallons @ \$6			\$252,000		\$252,000	
504	CEMENTING SURFACE			\$25,000		\$25,000	
504	CEMENTING INTERMEDIATE			\$45,000		\$45,000	
701	CEMENTING PRODUCTION				\$126,000	\$126,000	
509/705	TUBULAR SERVICES AND TOOLS			\$45,000	\$65,000	\$110,000	
509/705	CASING CREWS PU LD MACHINE			\$35,000	\$45,000	\$80,000	
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS			\$10,000	\$18,000	\$28,000	
507	TESTING; COMPLETION, FLOWBACK				\$175,000	\$175,000	
508	OPEN HOLE LOGGING						
508	MUD LOGGING 16 days @ \$3,500			\$56,000		\$56,000	
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY			\$26,000	\$250,000		
509/713	EQUIPMENT RENTAL			\$42,000	\$105,000	\$147,000	
509/714	TRUCKING, TRANSPORTATION, FORKLIFT			\$57,000	\$35,000	\$92,000	
715	COMPLETION UNIT; COIL TUBING UNIT				\$550,000	\$550,000	
704	FORMATION STIMULATION (60 STAGES)				\$2,085,566	\$2,085,566	
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS				\$260,000	\$260,000	
510/11/706	GEOLOGIC / ENGINEERING			\$55,000	\$80,000	\$135,000	
509/705	CONTRACT CONSULTANTS 16 days @ \$3,500			\$56,000	\$52,000	\$108,000	
514	DRILLING WELL RATE (A/O) 16 days @ \$500			\$8,000	\$5,000	\$13,000	
515/705	INSURANCE			\$10,000	\$10,000	\$20,000	
509/705	CONTINGENCY (8%)			\$80,000	\$355,000	\$435,000	
TOTAL INTANGIBLE ESTIMATED COST				\$1,696,500	\$4,801,566	\$6,498,066	
Acct Code	TANGIBLE DESCRIPTION			COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST	
620/820	CONDUCTOR			\$42,000		\$42,000	
620/820	SURFACE			\$96,000		\$96,000	
620/820	INTERMEDIATE			\$120,000		\$120,000	
620/820	INTERMEDIATE						
820	PRODUCTION				\$310,640	\$310,640	
820	PRODUCTION LINER						
821	TUBING (Coated)				\$120,000	\$120,000	
621/824	WELLHEAD EQUIPMENT			\$28,000	\$18,000	\$46,000	
825	PRODUCTION FACILITY ENCLOSURE				\$25,000	\$25,000	
825	POWER SOURCE				\$25,000	\$25,000	
822	RODS AND PUMP (FG & STEEL)						
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT				\$265,000	\$265,000	
827	HEATER TREATER, SEPERATOR, FWKO				\$175,000	\$175,000	
831	GAS SALES LINE & METER RUN				\$5,500	\$5,500	
830	FLOWLINES, VALVES, CONNECTIONS				\$10,000	\$10,000	
827	TANKS (WATER AND PRODUCTION)				\$150,000	\$150,000	
622/820	CONTINGENCY (8%)			\$29,000	\$88,000	\$117,000	
TOTAL TANGIBLE ESTIMATED COST				\$315,000	\$1,192,140	\$1,507,140	
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services				\$50,000			
ESTIMATED DRY HOLE COST				\$2,061,500			
TOTAL AFE ESTIMATED COST				\$2,011,500	\$5,993,706	\$8,005,206	
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: Bill Pierce		Date: 10/14/2024		
Signature _____							
Date _____							









300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

Rec'd  
8/19/24

August 16, 2024

***Via Certified Mail & Email***

V-F Petroleum, Inc.  
Attn: Land Dept.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2N/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

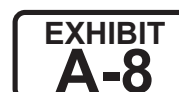
**1. Slim Jim 14-15 Fed Com 122H**

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 1650' FNL of Section 15  
FTP: 100' FEL & 1650' FNL of Section 14  
LTP: 100' FWL & 1650' FNL of Section 15  
TVD: Approximately 8,595'  
TMD: Approximately 18,880'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 123H**

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 2310' FNL of Section 15  
FTP: 100' FEL & 2310' FNL of Section 14  
LTP: 100' FWL & 2310' FNL of Section 15  
TVD: Approximately 8,810'  
TMD: Approximately 19,095'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*



Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

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FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
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**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells





## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 122H
AFE Name:	SLIM JIM 14-15 FED COM 122H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
<b>Sub-total</b>		<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
	<b>Grand Total</b>	<b>\$8,291,484.42</b>



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 123H
AFE Name:	SLIM JIM 14-15 FED COM 123H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com

**PERMIAN**  
 RESOURCES

**Cost Estimate**

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
<b>Sub-total</b>		<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>



Rec'd  
8/19/24

300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

August 16, 2024

*Via Certified Mail & Email*

V-F Petroleum, Inc.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

**1. Slim Jim 14-15 Fed Com 124H (Infill)**

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 2200' FSL of Section 14  
FTP: 100' FWL & 2200' FSL of Section 15  
LTP: 100' FWL & 2200' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 125H (Defining Well)**

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 1430' FSL of Section 14  
FTP: 100' FWL & 1430' FSL of Section 15  
LTP: 100' FWL & 1430' FSL of Section 14  
TVD: Approximately 8,670'  
TMD: Approximately 18,955'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**3. Slim Jim 14-15 Fed Com 126H (Infill)**

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 660' FSL of Section 14  
FTP: 100' FWL & 660' FSL of Section 15  
LTP: 100' FWL & 660' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 124H		
Slim Jim 14-15 Fed Com 125H		
Slim Jim 14-15 Fed Com 126H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 124H
AFE Name:	SLIM JIM 14-15 FED COM 124H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
Sub-total		\$3,921,419.00
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00





## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 125H
AFE Name:	SLIM JIM 14-15 FED COM 125H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
	<b>Sub-total</b>	<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

Account	Description	Gross Est. (\$)
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 126H
AFE Name:	SLIM JIM 14-15 FED COM 126H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

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<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
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8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
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8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
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8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>

## DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

## DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 15, 2009

Submit one copy to appropriate  
District Office

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-015-40868</b>	Pool Code <b>58040</b>	Pool Name <b>Tamano Bone Spring</b>
Property Code <b>39575</b>	Property Name <b>TAMANO 15 AD FEDERAL</b>	Well Number <b>1H</b>
OGRID No. <b>14744</b>	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Elevation <b>3707'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>15</b>	<b>18 S</b>	<b>31 E</b>		<b>680</b>	<b>NORTH</b>	<b>180</b>	<b>EAST</b>	<b>EDDY</b>

## 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
<b>D</b>	<b>15</b>	<b>18 S</b>	<b>31 E</b>		<b>972</b>	<b>NORTH</b>	<b>338</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>160</b>	Joint or Infill	Consolidation Code	Order No.
-------------------------------	-----------------	--------------------	-----------

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>Well Path ←</p> <p>End of 7' Cg ↓</p> <p>End of Well Bore</p> <p>Producing Area</p> <p>Project Area</p> <p>SURFACE LOCATION Lat - N 32°45'10.08" Long - W 103°50'55.86" NMSPCE- N 637920.385 E 648947.807 (NAD-27)</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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 or has a right to drill this well at this 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 <u>NM Young</u> Date <u>March 5, 13</u></p> <p>Printed Name <u>NM Young</u></p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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>Date Surveyed <u>AUGUST 12, 2012</u></p> <p>Signature of Professional Surveyor <u>[Signature]</u></p> <p>Certificate No. <u>77</u></p>
	<p><b>EXHIBIT A-9</b></p> <p>BASIN SURVEYS</p>

## **TAB 3**

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist  
Exhibit B-1: Structure Map  
Exhibit B-2: Stratigraphic Cross Section  
Exhibit B-3: Gross Isopach  
Exhibit B-4: Gun Barrel View  
Exhibit B-5: Structural Cross-Section

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

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

**Case No. 24995**

**SELF-AFFIRMED STATEMENT OF STEPHEN BURKE**

I, Stephen Burke, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
5. **Exhibit B-1** is a pair of structure maps: one of the top of 2<sup>nd</sup> Bone Spring Sand with contour interval of 50', and one of the top of 3<sup>rd</sup> Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure maps



show that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

6. **Exhibit B-2** is a pair of stratigraphic cross-sections: one flattened on the top of the 2<sup>nd</sup> Bone Spring Sand and one flattened on the top of the 3<sup>rd</sup> Bone Spring Sand. Each well in the cross-sections contain a gamma ray, resistivity, and porosity log. The cross-sections demonstrate continuity and slight thinning to north of the target zone. The well logs on the cross-sections give a representative sample of the 2<sup>nd</sup> Bone Spring Sand and the 3<sup>rd</sup> Bone Spring Sand. The landing zone is highlighted by light, brown shading.

7. **Exhibit B-3** is a pair of gross isopach maps: one of the 2<sup>nd</sup> Bone Spring Sand, and one of the 3<sup>rd</sup> Bone Spring Sand. These maps demonstrate the continuity of the target zone across this vicinity.

8. **Exhibits B-4** is a pair of gun barrel diagrams of the unit demonstrating the vertical and lateral location of the wellbores.

9. **Exhibit B-5** is a pair structural cross sections built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 2<sup>nd</sup> Bone Spring Sand's applications in Cases No's. 25116 and 24994.

10. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.

13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

14. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*



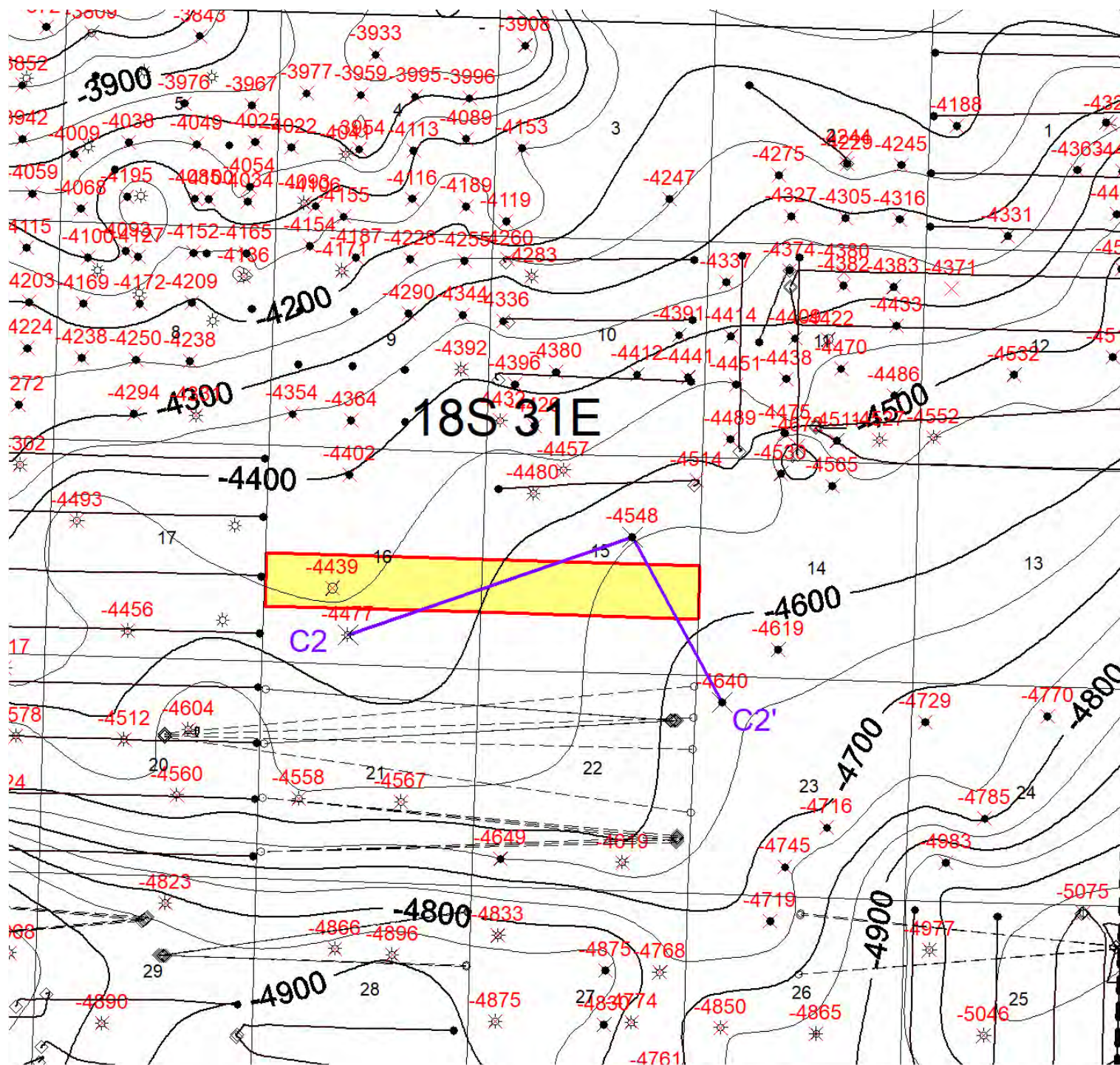
*Signature page of Self-Affirmed Statement of Stephen Burke:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24995 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Stephen Burke

1/21/2025  
Date Signed



Structure\_Sbsg50-MbSmb\_EI <EddyLea>

Data Point

X Data Point



1" = 3000'



1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
2nd Bone Spring Sand - Structure Map  
Sec. 15 & 16 - T18S-R31E  
Eddy Co., New Mexico

Author:

mburke

Bubbles:

None

Wells:

TD > 8000'

Scale:

1' = 3000'

Date:

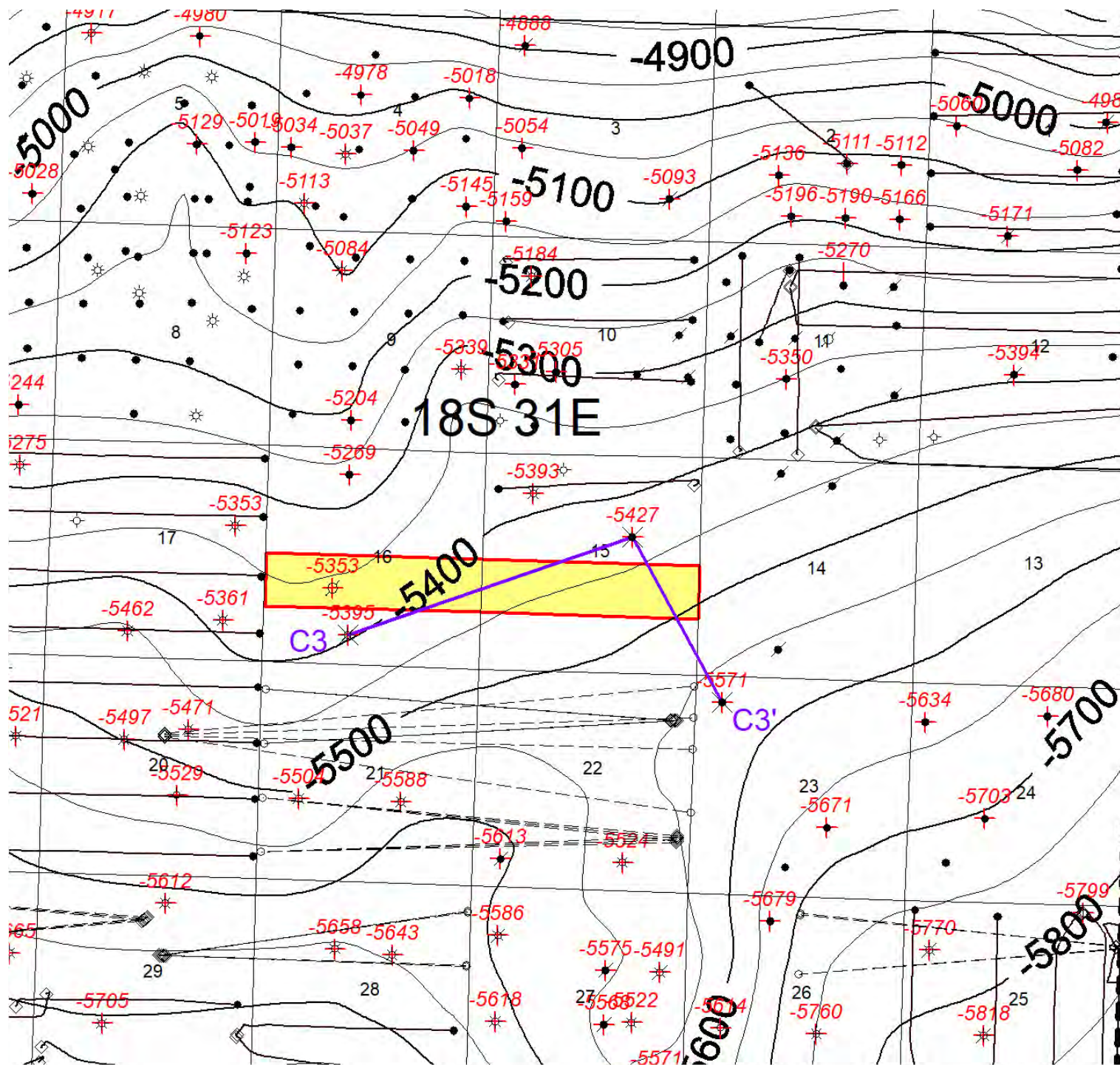
20 January, 2025

C.I.:

50'

**EXHIBIT**  
**B-1**





Structure\_Tbgs50-MbSmb\_EI &lt;EddyLea&gt;

Data Point

+ Data Point



1" = 3000'

3000 0 3000 6000 9000 12000 15000 ft

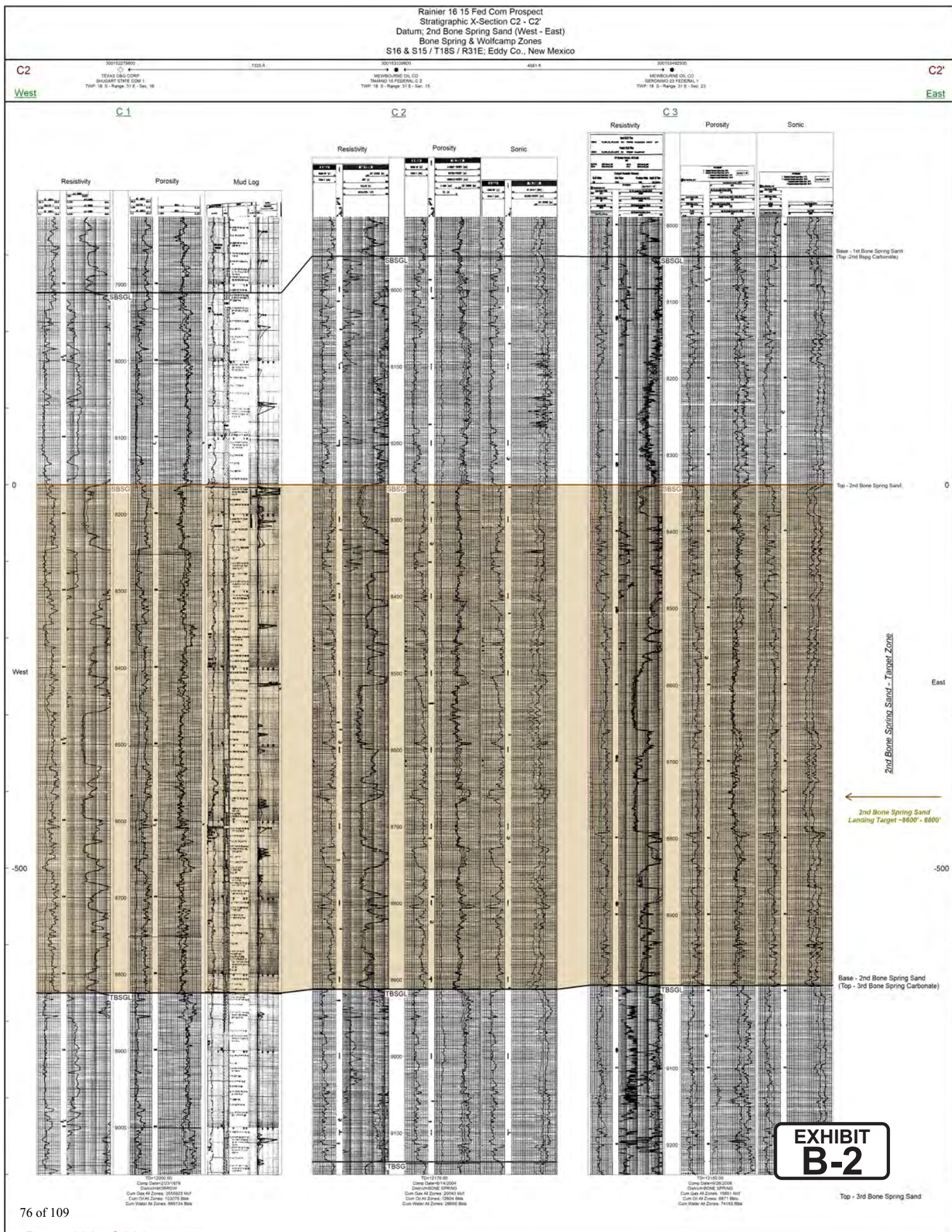
1:36000

**V-F Petroleum, Inc.**

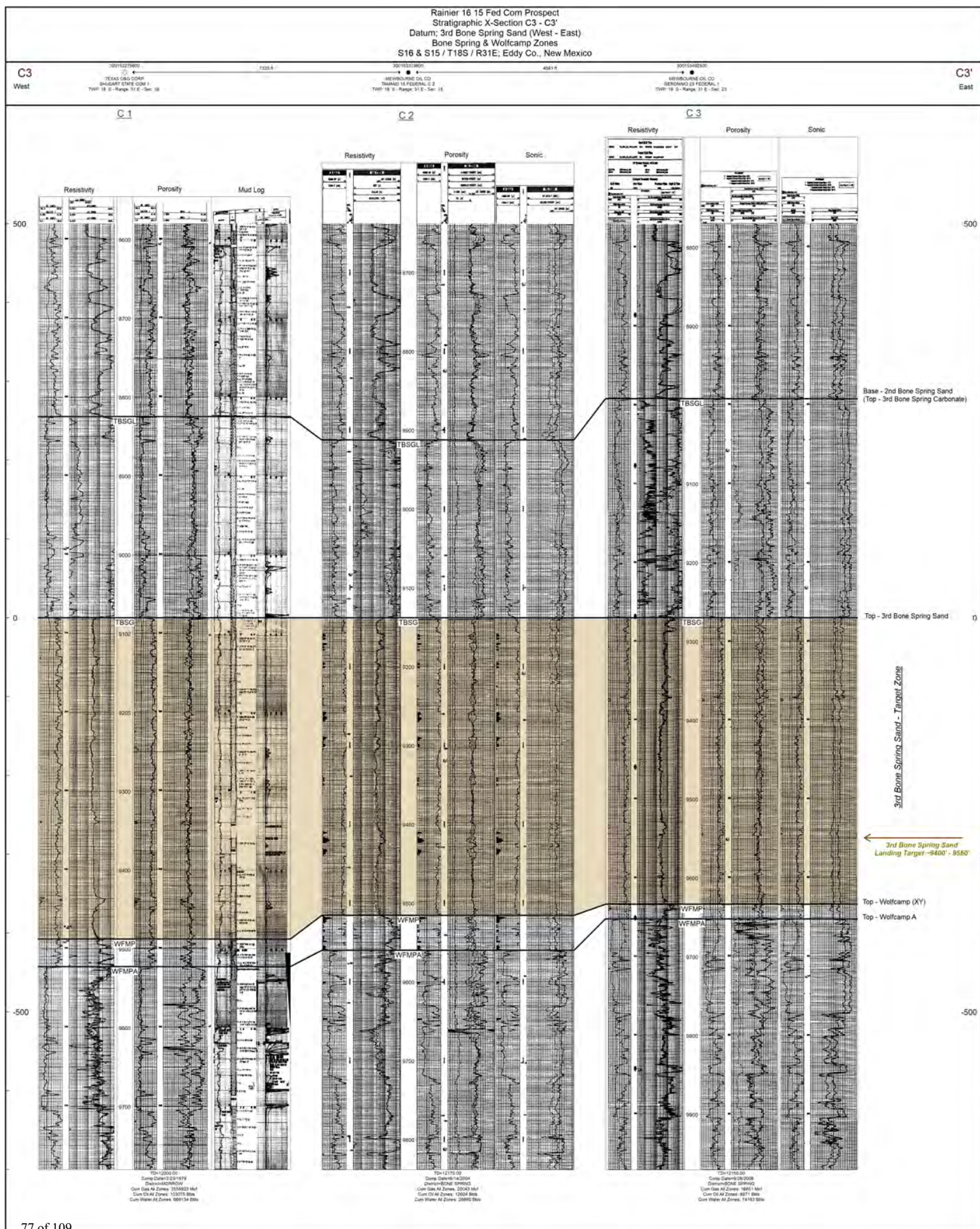
**Rainier Prospect**  
**3rd Bone Spring Sand - Structure Map**  
**Sec. 15 & 16 - T18S-R31E**  
**Eddy Co., New Mexico**

Author: mburke	Wells: TD > 8000'	Date: 20 January, 2025
Bubbles: None	Scale: 1" = 3000'	C.I.: 50'

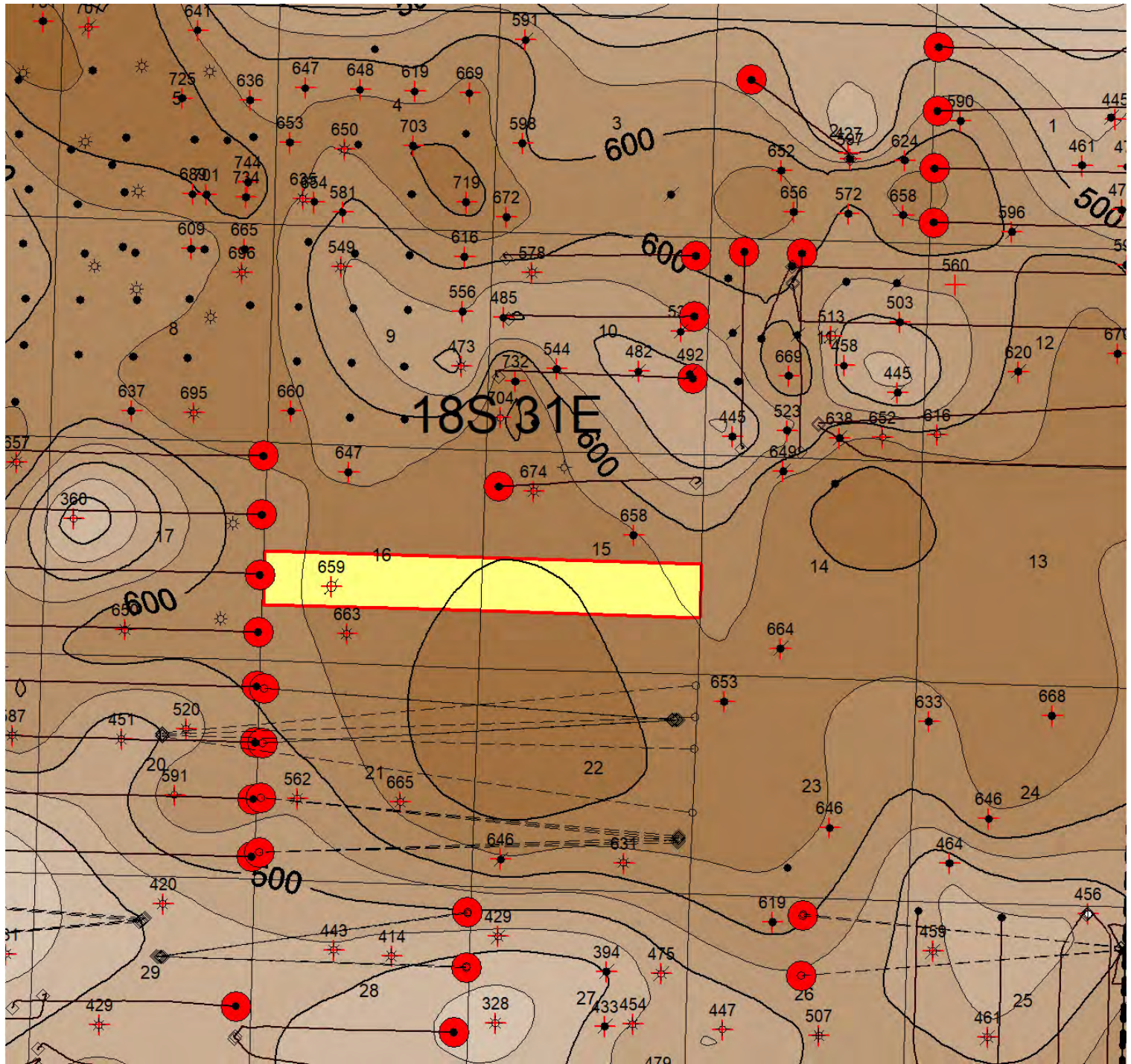












Perfs\_SbgsAll\_NoSpot\_Survey\_Ta <TomanoArea>

Deviated well - Bottom hole location

Deviated well - Bottom hole lo

Isopach-GrossH\_Sbgs <EddyLea>

Data Point

Data Point



1" = 3000'



1:36000

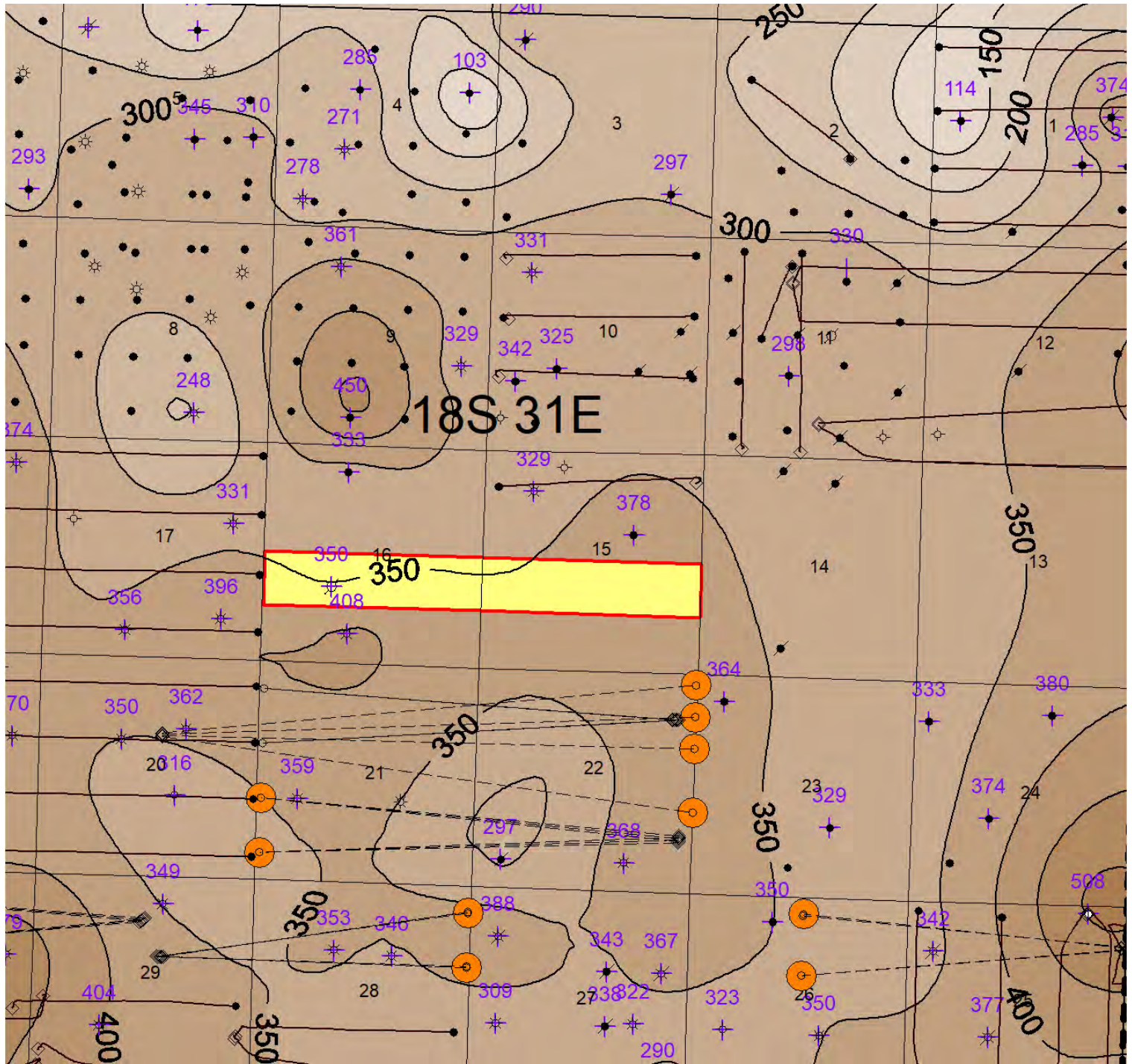
**V-F Petroleum, Inc.**

**Rainier Prospect**  
**2nd Bone Spring Sand - Isopach Map**  
**Sec. 15 & 16 - T18S-R31E**  
**Eddy Co., New Mexico**

<b>Author:</b> mburke	<b>Wells:</b> TD > 8000'	<b>Date:</b> 21 January, 2025
<b>Bubbles:</b> Red = 2nd Bspg	<b>Scale:</b> 1' = 3000'	<b>C.I.:</b> 50'


**EXHIBIT**  
**B-3**





Perfs\_TsbgOnly\_NoSpot\_Survey\_Ta &lt;TomanoArea&gt;

Deviated well - Bottom hole location

 Deviated well - Bottom hole lo

Isopach-GrossH\_Tbsg &lt;EddyLea&gt;

Data Point

 Data Point


1" = 3000'

1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
 3<sup>rd</sup> Bone Spring Sand – GrossH Isopach Map  
 Sec. 15 & 16 – T18S-R31E  
 Eddy Co., New Mexico

<b>Author:</b> mburke	<b>Wells:</b> TD > 8000'	<b>Date:</b> 20 January, 2025
<b>Bubbles:</b> Orange = 3 <sup>rd</sup> Bspg	<b>Scale:</b> 1" = 3000'	<b>C.I.:</b> 50'

V-F Petroleum Inc.Rainier 16 15 Fed Com #222HT18S - R32E / Eddy Co., New Mexico

Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	XXX-MQC	XXX-VF	XXX-VF	XXX-VF
Bspg2	Tomano 1H MQC	Rainier 223H-VF	Rainier 222H-VF	Rainier 221H-VF
Bspg3	Rainier 234H-VF	Rainier 233H-VF	Rainier 232H-VF	Rainier 231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North		South	

	Range 31 East / Section 16				Range 31 East / Section 15			
Township 18 South	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P

**EXHIBIT**  
**B-4**



V-F Petroleum Inc.Rainier 16 15 Fed Com #232HT18S - R32E / Eddy Co., New Mexico

Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	XXX-MQC	XXX-VF	XXX-VF	XXX-VF
Bspg2	Tomano 1H MQC	Rainier 223H-VF	Rainier 222H-VF	Rainier 221H-VF
Bspg3	Rainier 234H-VF	Rainier 233H-VF	Rainier 232H-VF	Rainier 231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North		South	

	Range 31 East / Section 16				Range 31 East / Section 15			
Township 18 South	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P











## **TAB 4**

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage  
Exhibit C-1: Notice Letters  
Exhibit C-2: Mailing List  
Exhibit C-3: Affidavits of Publication

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

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

**Case No. 24995**

**SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:

1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.

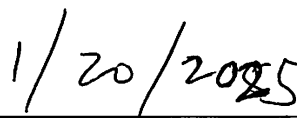


*Signature page of Self-Affirmed Statement of Darin C. Savage:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 24995 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Darin Savage



Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

December 18, 2024

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy  
County, New Mexico  
Rainier 16-15 Fed Com #222H Well  
Rainier 16-15 Fed Com #232H Well

Case No. 24995:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., (“V-F” or “Applicant”), has filed the enclosed application, Case No. 24995, with the New Mexico Oil Conservation Division (“Division”) for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (“Subject Lands”).

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division’s website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1<sup>st</sup> Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division’s website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

**EXHIBIT**  
**C-1**

You are being notified as an interest owner (subject to title examination) and 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 NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. 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 Jordan Shaw at (432) 269-0569 or at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

***Attorney for V-F Petroleum, Inc.***



Mail Activity Report - RAINIER 222H 232H 24995 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM									
USPS Article Number	Reference Number	Date Mailed	Name 1	Name 2	Address 1	City	State	Zip	Service Options
9314869904300129538594	4217.10 - Rainier 222H 232H	12/18/24	XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	TX	77389	Return Receipt - Electronic, Certified Mail
9314869904300129538600	4217.10 - Rainier 222H 232H	12/18/24	Occidental Permian, LP		P.O. Box 4294	Houston	TX	77210	Delivered
9314869904300129538617	4217.10 - Rainier 222H 232H	12/18/24	Francis Hill Hudson	Trustee Lindy's Living Trust	4200 South Hulen Street, Suite 302	Fort Worth	TX	76109	Return Receipt - Electronic, Certified Mail
9314869904300129538624	4217.10 - Rainier 222H 232H	12/18/24	Bank of America, N.A.	Trustee Delmar Hudson Lewis Living Trust	P.O. Box 830308	Dallas	TX	75283-0308	Return Receipt - Electronic, Certified Mail
9314869904300129538631	4217.10 - Rainier 222H 232H	12/18/24	Arcl Oil, LTD	Joel T. Sawyer, Agent	P.O. Box 101027	Fort Worth	TX	76185	Delivered
9314869904300129538648	4217.10 - Rainier 222H 232H	12/18/24	Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth	TX	76102	Delivered
9314869904300129538655	4217.10 - Rainier 222H 232H	12/18/24	Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth	TX	76102	Delivered
9314869904300129538662	4217.10 - Rainier 222H 232H	12/18/24	Frost Bank,	TTR of Josephine T. Hudson Testamentary Trust	P.O. Box 1600	San Antonio	TX	78296	Delivered
9314869904300129538679	4217.10 - Rainier 222H 232H	12/18/24	Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	TX	77024	Delivered
9314869904300129538686	4217.10 - Rainier 222H 232H	12/18/24	Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston	TX	77552	Delivered
9314869904300129538693	4217.10 - Rainier 222H 232H	12/18/24	Mary T. Ard		P.O. Box 101027	Fort Worth	TX	76185	Delivered
9314869904300129538709	4217.10 - Rainier 222H 232H	12/18/24	Bureau of Land Management		620 E. Greene Street	Carlsbad	NM	88220-6292	Delivered
9314869904300129543529	4217.10 - Rainier 222H 232H	12/18/24	Mewbourne, Curtis W., Trustee		P.O. Box 7698	Tyler	TX	75711	Delivered
9314869904300129543536	4217.10 - Rainier 222H 232H	12/18/24	Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	CO	80220-1337	Delivered
9314869904300129543543	4217.10 - Rainier 222H 232H	12/18/24	Marathon Oil Company		990 Town and Country Boulevard	Houston	TX	77024	Delivered
9314869904300129556703	4217.10 - Rainier 222H 232H	12/18/24	Mewbourne, Curtis W., Trustee		P.O. Box 7698	Tyler	TX	75711	Delivered
9314869904300129556710	4217.10 - Rainier 222H 232H	12/18/24	Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	CO	80220-1337	Delivered
9314869904300129556727	4217.10 - Rainier 222H 232H	12/18/24	Marathon Oil Company		990 Town and Country Boulevard	Houston	TX	77024	Delivered





December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5567 27**.

Item Details

Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	December 23, 2024, 03:07 p.m.
Location:	HOUSTON, TX 77024
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Marathon Oil Company


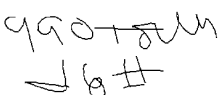
Shipment Details

Weight:	3.0oz
---------	-------

Destination Delivery Address

Street Address:	990 TOWN AND COUNTRY BLVD
City, State ZIP Code:	HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4217.10 - Rainier 222H 232H



December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5567 10.**

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	December 24, 2024, 03:21 p.m.
Location:	DENVER, CO 80220
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Ralph A Shugart Jr Trust Elizabeth Duncan Tru
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	1960 FOREST PKWY
City, State ZIP Code:	DENVER, CO 80220-1337
Recipient Signature	
<div><div>Signature of Recipient:</div><div>Address of Recipient:</div></div>	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5567 03.**

#### Item Details

**Status:** Delivered, PO Box  
**Status Date / Time:** December 23, 2024, 12:02 p.m.  
**Location:** TYLER, TX 75711  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Mewbourne Curtis W Trustee

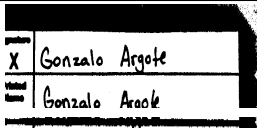
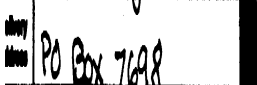
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** PO BOX 7698  
**City, State ZIP Code:** TYLER, TX 75711-7698

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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**Reference Number:** 4217.10 - Rainier 222H 232H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5435 43.**

Item Details

Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	December 23, 2024, 03:08 p.m.
Location:	HOUSTON, TX 77024
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Marathon Oil Company

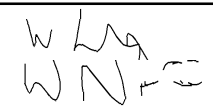
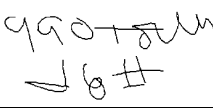
Shipment Details

Weight:	3.0oz
---------	-------

Destination Delivery Address

Street Address:	990 TOWN AND COUNTRY BLVD
City, State ZIP Code:	HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.10 - Rainier 222H 232H





December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5435 36.**

#### Item Details

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	December 24, 2024, 03:21 p.m.
<b>Location:</b>	DENVER, CO 80220
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Ralph A Shugart Jr Trust Elizabeth Duncan Tru



#### Shipment Details

<b>Weight:</b>	3.0oz
----------------	-------

#### Destination Delivery Address

<b>Street Address:</b>	1960 FOREST PKWY
<b>City, State ZIP Code:</b>	DENVER, CO 80220-1337

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5435 29.**

#### Item Details

**Status:** Delivered, PO Box  
**Status Date / Time:** December 23, 2024, 12:02 p.m.  
**Location:** TYLER, TX 75711  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Mewbourne Curtis W Trustee

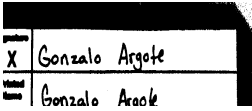
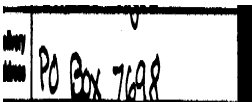
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** PO BOX 7698  
**City, State ZIP Code:** TYLER, TX 75711-7698

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5387 09.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:44 p.m.  
**Location:** CARLSBAD, NM 88220  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Bureau of Land Management

#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** 620 E GREENE ST  
**City, State ZIP Code:** CARLSBAD, NM 88220-6292

#### Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5386 93.**

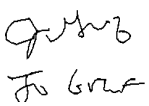
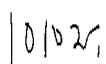
Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Post Office
<b>Status Date / Time:</b>	December 27, 2024, 12:10 p.m.
<b>Location:</b>	FORT WORTH, TX 76109
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Mary T Ard

Shipment Details

<b>Weight:</b>	3.0oz
----------------	-------

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5386 86.**

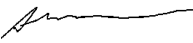
Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Post Office
<b>Status Date / Time:</b>	December 28, 2024, 11:50 a.m.
<b>Location:</b>	GALVESTON, TX 77551
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Moore Shelton Company Ltd Michael R Moore

Shipment Details

<b>Weight:</b>	3.0oz
----------------	-------

Recipient Signature

Signature of Recipient:	 SHARON NIELSEN
Address of Recipient:	PO BOX 307C

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H





December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5386 79.**

**Item Details**

**Status:** Delivered, Front Desk/Reception/Mail Room  
**Status Date / Time:** December 23, 2024, 03:07 p.m.  
**Location:** HOUSTON, TX 77024  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Marathon Oil Permian LLC Chase Rice Permian Lan


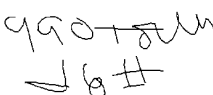
**Shipment Details**

**Weight:** 3.0oz

**Destination Delivery Address**

**Street Address:** 990 TOWN AND COUNTRY BLVD  
**City, State ZIP Code:** HOUSTON, TX 77024-2217

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.10 - Rainier 222H 232H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5386 62.**

Item Details

Status:	Delivered, PO Box
Status Date / Time:	December 23, 2024, 11:18 a.m.
Location:	SAN ANTONIO, TX 78205
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Frost Bank TTR of Josephine T Hudson Testamenta

Shipment Details

Weight:	3.0oz
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Recipient Signature

Signature of Recipient:	<div><div>Signature</div><div>X</div><div></div></div>
Address of Recipient:	<div><div>Printed Name</div><div>ALBERT SANCHEZ</div></div> <div><div>Delivery Address</div><div></div></div>

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Reference Number: 4217.10 - Rainier 222H 232H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5386 55.**

**Item Details**

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:18 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Javelina Partners Edward Hudson Land Manager

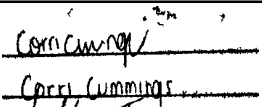
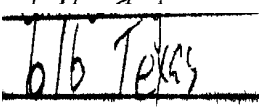
**Shipment Details**

**Weight:** 3.0oz

**Destination Delivery Address**

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H

101 of 109



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5386 48.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:18 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Zorro Partners Ltd W A Hudson II Agent

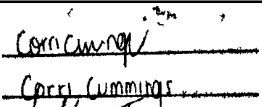
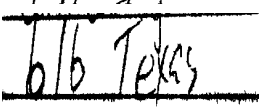
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 222H 232H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5386 31**.

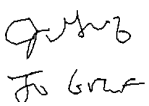
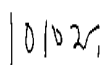
Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	December 27, 2024, 12:10 p.m.
Location:	FORT WORTH, TX 76109
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Ard Oil LTD Joel T Sawyer Agent

Shipment Details

Weight:	3.0oz
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Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Reference Number: 4217.10 - Rainier 222H 232H





December 25, 2024

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The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5386 24.**

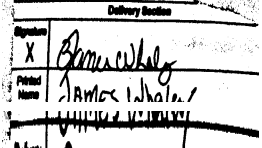

#### Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Postal Facility
<b>Status Date / Time:</b>	December 24, 2024, 08:54 a.m.
<b>Location:</b>	DALLAS, TX 75260
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Bank of America N A Trustee Delmar Hudson Lewi

#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.10 - Rainier 222H 232H



December 30, 2024

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The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5386 00.**

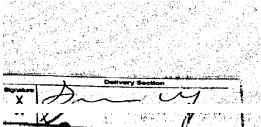
Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Postal Facility
<b>Status Date / Time:</b>	December 27, 2024, 04:46 a.m.
<b>Location:</b>	HOUSTON, TX 77002
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Occidental Permian LP

Shipment Details

<b>Weight:</b>	3.0oz
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Recipient Signature

Signature of Recipient:					
Address of Recipient:	<table><tr><td>Delivery Name</td><td>Genaro Montora</td></tr><tr><td>Delivery Address</td><td>Water</td></tr></table>	Delivery Name	Genaro Montora	Delivery Address	Water
Delivery Name	Genaro Montora				
Delivery Address	Water				

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**Reference Number:** 4217.10 - Rainier 222H 232H



December 27, 2024

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**9314 8699 0430 0129 5385 94.**

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	December 26, 2024, 09:39 a.m.
Location:	SPRING, TX 77389
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	XTO Holdings LLC Delaware Basin Land Manager



Shipment Details

Weight:	3.0oz
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Destination Delivery Address

Street Address:	22777 SPRINGWOODS VILLAGE PKWY
City, State ZIP Code:	SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Reference Number: 4217.10 - Rainier 222H 232H



**Proof of Acceptance (Electronic)**

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129538617 addressed to Francis Hill Hudson Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:30 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Francis Hill Hudson  
Trustee Lindy's Living Trust  
4200 South Hulen Street, Suite 302  
Fort Worth, TX 76109

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## AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS  
PO BOX 507  
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

Account Number: 1227  
Ad Number: 27200  
Description: 24995 - Rainer 222H,232H  
Ad Cost: \$134.03

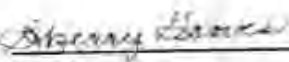
Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

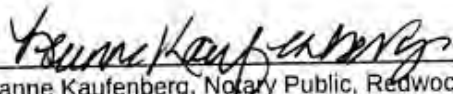
That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Agent

Subscribed to and sworn to me this 21<sup>th</sup> day of December 2024.



Leanne Kaufenberg, Notary Public, Redwood County  
Minnesota

KAIYA TOOP  
ABADIE SCHILL  
555 RIVERGATE LANE, SUITE B-4-180  
DURANGO, CO 81301  
kaiya@abadieschill.com

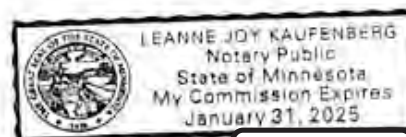


EXHIBIT  
C-3



## PUBLIC NOTICE

**CASE No. 24995:** Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, XTO HOLDINGS, LLC; OCCIDENTAL PERMIAN, LP; FRANCIS HILL HUDSON, TTE OF LINDY'S LIVING TRUST; BANK OF AMERICA, TTE OF DELMAR HUDSON LEWIS LIVING TRUST; ARD OIL, LTD; ZORRO PARTNERS, LTD; JAVELINA PARTNERS; FROST BANK, TTE OF JOSEPHINE T. HUDSON TESTAMENTARY TR; MARATHON OIL PERMIAN LLC; MOORE & SHELTON COMPANY, LTD; MEWBOURNE, CURTIS W., TRUSTEE; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE; MARATHON OIL COMPANY AND MARY T. ARD of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emard.nm.gov/oed/hearing-info/> or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Rainier 16-15 Fed Com #222H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; and the **Rainier 16-15 Fed Com #232H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.

Published in the Carlsbad Current-Argus December 21, 2024.  
#27200

## **TAB 3**

Exhibit 3: Amended Hearing Packet Case No. 25115

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 27, 2025**

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

**AMENDED HEARING PACKET FOR**

**Case No. 25115:**

**Rainier 16-15 Fed Com 234H**

**Consolidated for a Contested Hearing with:**

**Case Nos. 24994, 24995, 25116 & 25117 (V-F Petroleum Inc. Cases)**

**Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)**

**V-F PETROLEUM INC.**



**TABLE OF CONTENTS**

TAB 1	<b>Reference for Case No. 25115</b> <b>Application Case No. 25115: Rainier 16-15 Fed Com 234H</b> <b>Revised NMOCD Checklist Case No. 25115</b>
TAB 2	Exhibit A: Revised Self-Affirmed Statement of Jordan Shaw, Landman Exhibit A-1: C-102 Forms Exhibit A-2: Location Plat Map Exhibit A-3: Revised Tract Map and Ownership Breakdown Exhibit A-4: Chronology of Contacts with Uncommitted Owners Exhibit A-5: Well Proposal Letters and AFEs Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #214H Well Exhibit A-7: Aerial View Map of Surrounding Development Exhibit A-8: Overlapping Notification Letters
TAB 3	Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist Exhibit B-1: Structure Map Exhibit B-2: Stratigraphic Cross Section Exhibit B-3: Gross Isopach Exhibit B-4: Gun Barrel View Exhibit B-5: Structural Cross-Section
TAB 4	Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage Exhibit C-1: Notice Letters Exhibit C-2: Mailing List Exhibit C-3: Affidavits of Publication

## **TAB 1**

**Reference for Case No. 25115**

**Application Case No. 25115: Rainier 16-15 Fed Com 234H**

**Revised NMOCD Checklist Case No. 25115**



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

APPLICATION OF V-F PETROLEUM INC.  
FOR A COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

Case No. 25115

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
2. V-F Petroleum proposes and dedicates to the HSU the **Rainier 16-15 Fed Com #234H Well**, as the initial well, to be drilled to a sufficient depth to test the Third Bone Spring formation.

3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15.

4. There exists an overlapping unit for the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), that is drilled in the Bone Spring formation underlying the N/2 N/2 of Section 15 for which V-F Petroleum seeks approval for the overlapping unit.

5. The well proposed herein is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

6. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring Interval within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In this application, V-F Petroleum is pooling only the Third Bone Spring formation because there is a depth severance between the base on the Second Bone Spring and the top of the Third Bone Spring, and importantly, there is a geological barrier between the Second Bone Spring and Third Bone Spring that maintains the integrity of production within the partitioned zone thereby allowing for the partition. V-F Petroleum will provide notice to adjacent owners in the Second Bone Spring formation, above and adjacent to the Third Bone Spring to account for any concerns the vertical offset owners might have.

9. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #234H Well** as the well for the HSU.

C. Approving the overlapping unit described above in Paragraph 4.

D. Designating V-F Petroleum as operator of this HSU and the horizontal well to be drilled thereon;

E. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the well;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ *Darin C. Savage*

---

Darin C. Savage

Andrew D. Schill  
William E. Zimsky  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
andrew@abadieschill.com  
bill@abadieschill.com

**Attorneys for V-F Petroleum, Inc.**

***Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Rainier 16-15 Fed Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.



<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 25115</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 28, 2025 (Scheduled Hearing)</b>	
Applicant	V-F Petroleum Inc.
Designated Operator & OGRID (affiliation if applicable)	24010
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC
Well Family	Rainier 16-15 Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Top of the 3rd Bone Spring Formation to the base of the 3rd Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	N/2 N/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership
<b>Well(s)</b>	

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	Rainier 16-15 Fed Com 234H Well (API No. Pending), SHL: Unit E, 1517.5' FNL, 728' FWL, Section 16, T18S-R31E; BHL: Unit A, 560' FNL, 100' FEL, Section 15, T18S-R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 234H Well: FTP 560' FNL, 100' FWL, Section 16; LTP 560' FEL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 234H Well: TVD approx. 9,250'; TMD 19,825'; 3rd Bone Spring formation, See Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 10
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
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
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Darin C. Savage
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Darin Savage
<b>Date:</b>	Revised and signed: 2/4/2025; original 1/21/2025

## TAB 2

Exhibit A: Revised Self-Affirmed Statement of Jordan Shaw, Landman  
Exhibit A-1: C-102 Forms  
Exhibit A-2: Location Plat Map  
Exhibit A-3: Revised Tract Map and Ownership Breakdown  
Exhibit A-4: Chronology of Contacts with Uncommitted Owners  
Exhibit A-5: Well Proposal Letters and AFEs  
Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #214H Well  
Exhibit A-7: Aerial View Map of Surrounding Development  
Exhibit A-8: Overlapping Notification Letters

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

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

Case No. 25115

**SELF-AFFIRMED STATEMENT OF JORDAN SHAW**

I, Jordan Shaw, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
5. V-F seeks an order pooling all uncommitted mineral interest in the Shugart; Bone Spring North, Pool Code 56405, from the top of the Third Bone Spring, at an approximate depth

**EXHIBIT  
A**



of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico underlying a standard 320-acre, more or less, spacing and proration unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

6. Under Case No. 25115, V-F seeks to dedicate the **Rainier 16-15 Fed Com #234H Well**, (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15; approximate TVD of 9,250'; approximate TMD of 20,594'; FTP in Section 16: 560' FNL, 100' FWL; LTP in Section 15: 560' FNL, 100' FEL.

7. The proposed C-102 for each well is attached as **Exhibit A-1**.

8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners. In the North Half of the North Wester Quarter (N/2NW/4) of Section 16, T-18-S, R-31-E, Eddy County, New Mexico, this tract is unleased State of New Mexico minerals and it is not V-F Petroleum Inc.'s intent to pool the State of New Mexico's minerals. If V-F Petroleum Inc. is awarded Operatorship and when this tract becomes eligible to be leased, V-F Petroleum Inc. will attempt to lease this tract, and if the tract is awarded to a third party, it will first make a good faith attempt to

obtain joinder through a mutually agreeable Operating Agreement; if the parties are unable to reach a mutually agreeable Operating Agreement, V-F Petroleum Inc., as a last resort will re-open this case for the limited purpose of pooling this interest.

10. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners and overriding royalty interest owners were locatable and noticed. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

11. There are no depth severances in the Third Bone Spring formation in this acreage.

12. There exists and overlapping unit for the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), that is drilled in the Bone Spring underlying the N/2 N/2 of Section 15 for which V-F Petroleum seeks approval of the overlapping unit and attached as **Exhibit A-8** are the overlapping notification letters sent to the Operator of Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868) well and the mineral interest owner.

13. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, V-F Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties.

15. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

16. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

17. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

18. V-F requests that it be designated operator of the units and wells.

19. Additionally, although not technically part of Case No. 25115, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role Case No. 25115 potentially affects V-F's future development plans underlying the N/2 N/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #214H Well**, (API 30-015-pending) that has been proposed to all working interest owners in the First

Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.

20. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

21. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.

22. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

23. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Jordan Shaw:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



\_\_\_\_\_  
Jordan Shaw

02/05/2025

\_\_\_\_\_  
Date Signed



<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

**WELL LOCATION INFORMATION**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>RANIER 16 15 FED COM</b>	Well Number <b>234H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>	Ground Level Elevation <b>3665'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	16	18-S	31-E	-	1517.5 FNL	728 FWL	32.750565°	103.880748°	EDDY

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	15	18-S	31-E	-	560 FNL	100 FEL	32.753249°	103.849097°	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	16	18-S	31-E	-	560 FNL	50 FWL	32.753192°	103.882958°	EDDY

**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	16	18-S	31-E	-	560 FNL	100 FWL	32.753193°	103.882795°	EDDY

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	15	18-S	31-E	-	560 FNL	100 FEL	32.753249°	103.849097°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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**OPERATOR CERTIFICATIONS**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**SURVEYOR CERTIFICATIONS**

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.



Signature and Seal of Professional Surveyor \_\_\_\_\_

Gary G. Eidson 12641

SEPTEMBER 30, 2024

Certificate Number

Date of Survey

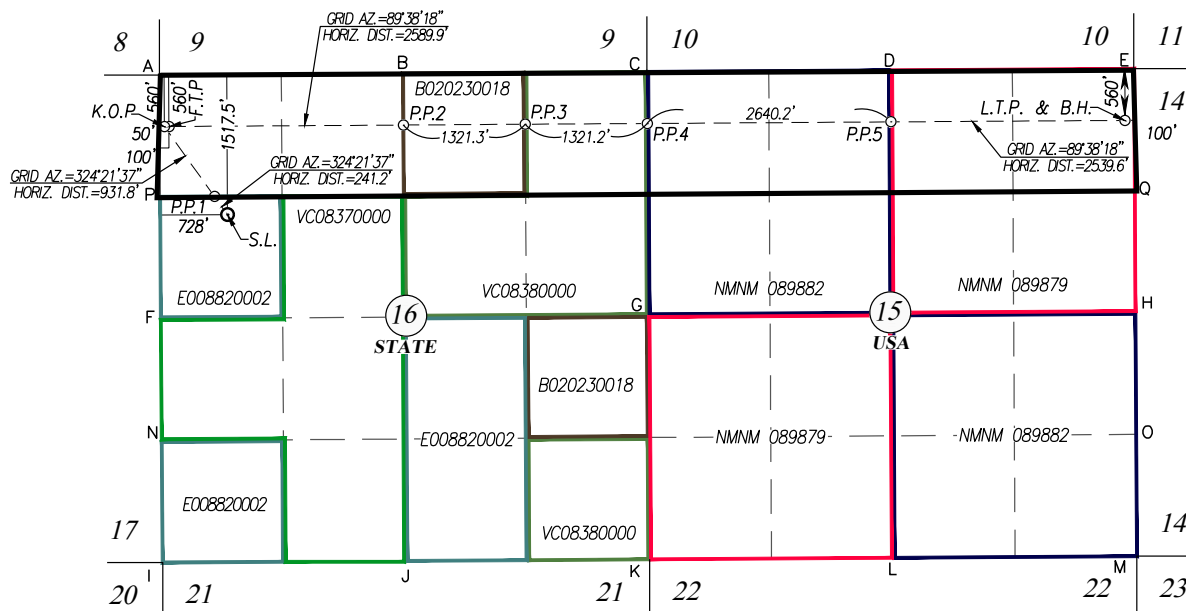
**EXHIBIT  
A-1**

PAGE 1 OF 2

ACK REL. W.O.:24110357

JWSC W.O.: 25.13.0022

SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637021.1 N  
X= 639300.4 E  
LAT.=32.750446° N  
LONG.=103.880243° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637217.1 N  
X= 639159.8 E  
LAT.=32.750986° N  
LONG.=103.880697° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637974.2 N  
X= 638617.0 E  
LAT.=32.753073° N  
LONG.=103.882452° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637974.5 N  
X= 638667.0 E  
LAT.=32.753074° N  
LONG.=103.882289° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637990.5 N  
X= 641206.3 E  
LAT.=32.753088° N  
LONG.=103.874030° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637998.8 N  
X= 642527.3 E  
LAT.=32.753095° N  
LONG.=103.869733° W

1517.5' FNL & 728' FWL  
SEC. 16

1320.6' FNL & 588.7' FWL  
SEC. 16

560' FNL & 50' FWL  
SEC. 16

560' FNL & 100' FWL  
SEC. 16

559.6' FNL & 2639.9' FWL  
SEC. 16

559.5' FNL & 1321.2' FEL  
SEC. 16

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 637084.5 N  
X= 680479.1 E  
LAT.=32.750565° N  
LONG.=103.880748° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 637280.5 N  
X= 680338.6 E  
LAT.=32.751105° N  
LONG.=103.881203° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638037.6 N  
X= 679795.8 E  
LAT.=32.753192° N  
LONG.=103.882958° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638037.9 N  
X= 679845.8 E  
LAT.=32.753193° N  
LONG.=103.882795° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638054.0 N  
X= 682385.1 E  
LAT.=32.753207° N  
LONG.=103.874535° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638062.3 N  
X= 683706.0 E  
LAT.=32.753214° N  
LONG.=103.870239° W

#### CORNER COORDINATES TABLE NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 635893.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E  
P - Y= 637213.4 N, X= 638571.2 E  
Q - Y= 637280.9 N, X= 649130.9 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E  
P - Y= 637276.9 N, X= 679750.0 E  
Q - Y= 637344.4 N, X= 690309.7 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 638007.1 N  
X= 643848.2 E  
LAT.=32.753102° N  
LONG.=103.865436° W

559.4' FNL  
SEC. 16 & SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638070.6 N  
X= 685027.0 E  
LAT.=32.753221° N  
LONG.=103.865942° W

PENETRATION POINT 5  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 638024.6 N  
X= 646487.7 E  
LAT.=32.753117° N  
LONG.=103.856851° W

559.2' FNL 2639.6' FEL  
SEC. 15

PENETRATION POINT 5  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638088.1 N  
X= 687666.5 E  
LAT.=32.753236° N  
LONG.=103.857356° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 638040.8 N  
X= 649026.7 E  
LAT.=32.753130° N  
LONG.=103.848592° W

560' FNL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638104.4 N  
X= 690205.4 E  
LAT.=32.753249° N  
LONG.=103.849097° W

RANIER 16 15 FED COM #234H

PAGE 2 OF 2

ACK REL. W.O.:24110357

JWSC W.O.: 25.13.0022

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name <b>RANIER 16 15 FED COM</b>		Well Number <b>234H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>		Elevation <b>3665'</b>

Surface Location

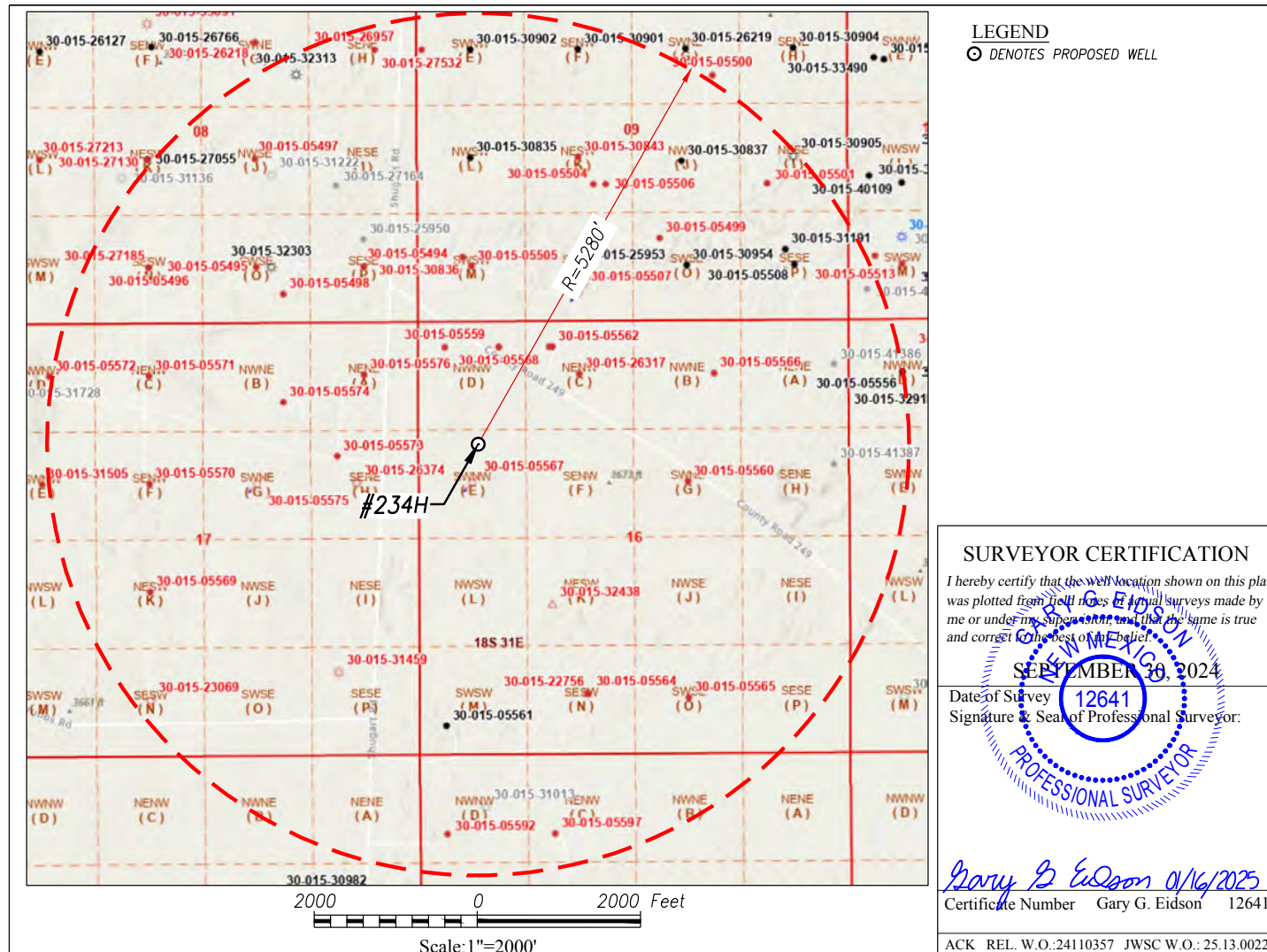
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	18-S	31-E		1517.5	NORTH	728	WEST	EDDY

Bottom Hole Location If Different From Surface

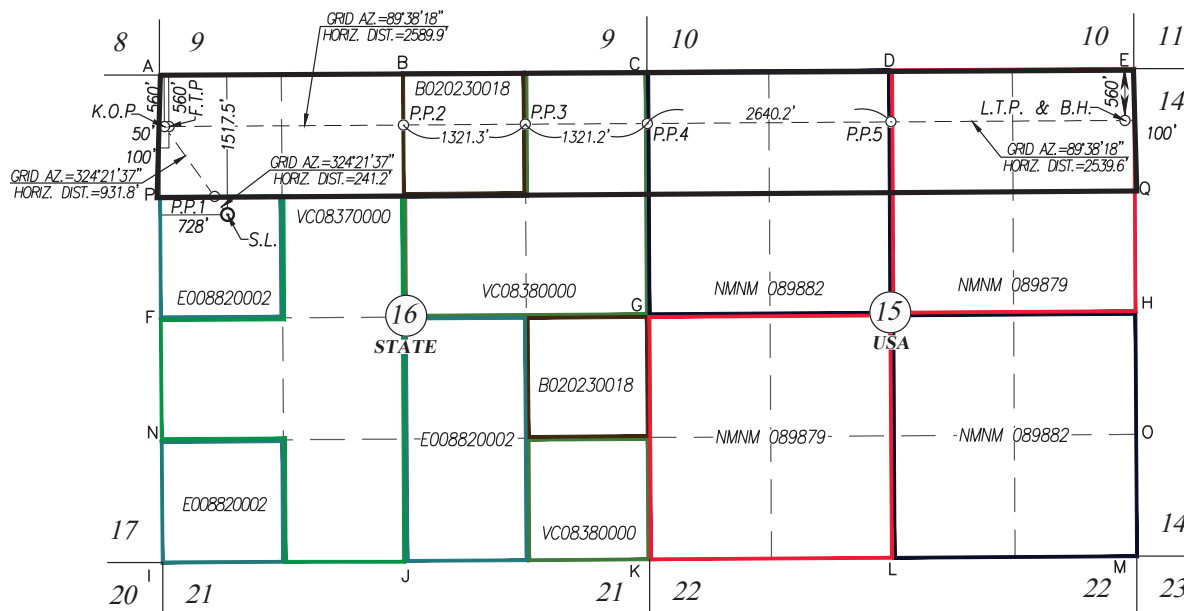
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	18-S	31-E		560	NORTH	100	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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



SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637021.1 N  
X= 639300.4 E  
LAT.=32.750446° N  
LONG.=103.880243° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637217.1 N  
X= 639159.8 E  
LAT.=32.750986° N  
LONG.=103.880697° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637974.2 N  
X= 638617.0 E  
LAT.=32.753073° N  
LONG.=103.882452° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637974.5 N  
X= 638667.0 E  
LAT.=32.753074° N  
LONG.=103.882289° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637990.5 N  
X= 641206.3 E  
LAT.=32.753088° N  
LONG.=103.874030° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 637998.8 N  
X= 642527.3 E  
LAT.=32.753095° N  
LONG.=103.869733° W

1517.5' FNL & 728' FWL  
SEC. 16

1320.6' FNL & 588.7' FWL  
SEC. 16

560' FNL & 50' FWL  
SEC. 16

560' FNL & 100' FWL  
SEC. 16

559.6' FNL & 2639.9' FWL  
SEC. 16

559.5' FNL & 1321.2' FEL  
SEC. 16

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 637084.5 N  
X= 680479.1 E  
LAT.=32.750565° N  
LONG.=103.880748° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 637280.5 N  
X= 680338.6 E  
LAT.=32.751105° N  
LONG.=103.881203° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638037.6 N  
X= 679795.8 E  
LAT.=32.753192° N  
LONG.=103.882958° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638037.9 N  
X= 679845.8 E  
LAT.=32.753193° N  
LONG.=103.882795° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638054.0 N  
X= 682385.1 E  
LAT.=32.753207° N  
LONG.=103.874535° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638062.3 N  
X= 683706.0 E  
LAT.=32.753214° N  
LONG.=103.870239° W

#### CORNER COORDINATES TABLE NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 635893.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E  
P - Y= 637213.4 N, X= 638571.2 E  
Q - Y= 637280.9 N, X= 649130.9 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E  
P - Y= 637276.9 N, X= 679750.0 E  
Q - Y= 637344.4 N, X= 690309.7 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 638007.1 N  
X= 643848.2 E  
LAT.=32.753102° N  
LONG.=103.865436° W

559.4' FNL  
SEC. 16 & SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638070.6 N  
X= 685027.0 E  
LAT.=32.753221° N  
LONG.=103.865942° W

PENETRATION POINT 5  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 638024.6 N  
X= 646487.7 E  
LAT.=32.753117° N  
LONG.=103.856851° W

559.2' FNL 2639.6' FEL  
SEC. 15

PENETRATION POINT 5  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638088.1 N  
X= 687666.5 E  
LAT.=32.753236° N  
LONG.=103.857356° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 638040.8 N  
X= 649026.7 E  
LAT.=32.753130° N  
LONG.=103.848592° W

560' FNL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 638104.4 N  
X= 690205.4 E  
LAT.=32.753249° N  
LONG.=103.849097° W

**EXHIBIT  
A-2**

RANIER 16 15 FED COM #234H

PAGE 2 OF 2

ACK REL. W.O.:24110357

JWSC W.O.: 25.13.0022



**Rainier 16 15 Fed COM #234H (3<sup>rd</sup> Bone Spring)**  
N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

Sec. 16, T-18-S, R-31-E				Sec. 15, T-18-S, R-31-E			
		16			15		

**N/2NW/4 Sec. 16 (Unleased)**

Working Interest Owners	Decimal
*Unleased	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

Royalty Interest Owner	Decimal
*State of New Mexico	0.25000000

*\*Assumed that this interest will be leased at a 25% Royalty Interest.*

**NW/4NE/4 Sec. 16 (State Lease B-2023)**

Working Interest Owner	Decimal
Occidental Permian, L.P.	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

Royalty Interest Owner	Decimal
State of New Mexico	0.12500000

**NE/4NE/4 Sec. 16 (VC-838)**

Working Interest Owner	Decimal
V-F Petroleum Inc.	1.00000000
<b>TOTAL</b>	<b>1.00000000</b>

**Rainier 16 15 Fed COM #234H (3<sup>rd</sup> Bone Spring)**  
N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.00050000
Gahr Ranch & Investments Partnership, Ltd.	0.02343750
Thomas M. Beall	0.02343750
Jason J. Lodge	0.00125000
Sarah M. Loudenback	0.00125000
Mid-Western Energy, L.L.C.	0.00012500

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.20000000

**NW/2NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))**

<b>Working Interest Owner</b>	<b>Decimal</b>
Permian Resources Operating, LLC	0.90703122
Ard Oil, LTD	0.03718751
Zorro Partners, Ltd.	0.01859376
Javelina Partners	0.03718751
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.00929688
Zorro Partners, Ltd.	0.00232422
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000
Estate of Josephine T. Hudson	0.00464844

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000



**Rainier 16 15 Fed COM #234H (3<sup>rd</sup> Bone Spring)**  
N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

**N/2NE/4 Sec. 15 (Federal Lease NMNM 089879)**

<b>Working Interest Owners</b>	<b>Decimal</b>
Permian Resources Operating, LLC	0.79218750
Ard Oil, LTD	0.05312500
Zorro Partners, Ltd.	0.02656250
Javelina Partners	0.05312500
Moore and Shelton Co. Ltd.	0.07500000
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.00796875
Zorro Partners, Ltd.	0.00199219
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Gahr Ranch & Investments Partnership, Ltd.	0.05000000
Sarah M. Loudenback	0.03750000
Mid-Western Energy, L.L.C.	0.00398438
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.00398438

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**UNIT RECAPITULATION**

(Yellow denotes the Parties to be Pooled)

<b>Working Interest Owners</b>	<b>Decimal</b>
Unleased (uncommitted)	0.25000000
Occidental Permian, L.P. (uncommitted)	0.12500000
V-F Petroleum Inc. (committed)	0.12500000
Permian Resources Operating, LLC (uncommitted)	0.42480468
Ard Oil, LTD (committed)	0.02257813
Zorro Partners, Ltd. (uncommitted)	0.01128906
Javelina Partners (uncommitted)	0.02257813
Moore and Shelton Co. Ltd. (uncommitted)	0.01875000
<b>TOTAL</b>	<b>1.00000000</b>

**Rainier 16 15 Fed COM #234H (3<sup>rd</sup> Bone Spring)**  
N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc. (committed)	0.00006250
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002 (uncommitted)	0.00431641
Zorro Partners, Ltd. (uncommitted)	0.00107910
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994 (uncommitted)	0.00431641
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00292969
Thomas M. Beall (committed)	0.00292969
Jason J. Lodge (committed)	0.00015625
Sarah M. Loudenback (committed)	0.00015625
Mid-Western Energy, L.L.C. (committed)	0.00001563
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (uncommitted)	0.00124688
Mewbourne, Curtis W., Trustee (uncommitted)	0.00526875
Marathon Oil Permian LLC (uncommitted)	0.02968750
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard (uncommitted)	0.00215821
Hudson, Edward R., Jr., Trustee of the Edward R. Hudson Trust 2 (uncommitted)	0.00099610

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.06250000
State of New Mexico	0.10312500

**LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED**

<b>Working Interest Owners</b>
Occidental Permian, L.P.
Permian Resources Operating, LLC
Zorro Partners, Ltd.
Javelina Partners
Moore and Shelton Co. Ltd.

**Rainier 16 15 Fed COM #234H** (3<sup>rd</sup> Bone Spring)  
N/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

**LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED**

<b>Overriding Royalty Interest Owners</b>
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Zorro Partners, Ltd.
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994
Ralph A. Shugart Jr. Trust dated 5/26/1983
Moore and Shelton Co. Ltd.
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard
Hudson, Edward R., Jr., Trustee of the Edward R. Hudson Trust 2

Owner	Attn	Address 1	City	State	Zip Code
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marientfeld St., Suite 1000	Midland	Texas	79701
Occidental Permian, LP	Delaware Basin Land Department	P.O. Box 4294	Houston	Texas	77210
Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth	Texas	76102
Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth	Texas	76102
Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston	Texas	77552
Lindy's Living Trust u/t/a dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109
Moore and Shelton Co., Ltd.		P.O. Box 3070	Galveston	Texas	77552
Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	Texas	75711
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337
Delmar Hudson Lewis Living Trust	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Hudson, Edward R., Jr., Trustee of the Edward R. Hudson Trust 2		616 Texas Street	Fort Worth	Texas	76102
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337

**Rainier 16 15 Fed COM #234H**

## Chronological Contracts with Uncommitted Owners

Occidental Permian, LP

- **9/18/23:** Emailed Alissa Payne, Land Negotiator and extended an offer extended offer for an Assignment, Bill of Sale with 75% eNRI;
- **9/18/23:** Alissa responded and said that Jonathan Gonzales, Land Negotiator is responsible for this area so Jordan Shaw with V-F sent Jonathan Gonzales an email requesting a day and time this week when we can go over this proposal;
- **9/19/23:** Jonathan Gonzales at Oxy called Jordan Shaw with V-F and walked through where Oxy was at with its evaluation. The parties talked about potentially adding Oxy's acreage to a transaction which was currently underway covering other unrelated lands; and
- **11/15/24:** Proposed Joint Operating Agreement.

Permian Resources Operating, LLC

- **8/28/24:** Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- **8/30/24:** Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- **9/5/24:** V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- **9/9/24:** Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- **9/11/24:** Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- **9/24/24:** Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- **11/15/24:** Proposed Joint Operating Agreement by mail;
- **1/17/25:** Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- **1/20/25:** V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Ard Oil, LTD

- **11/15/24:** Proposed Joint Operating Agreement.

Zorro Partners, Ltd.

- **11/15/24:** Proposed Joint Operating Agreement.

Javelina Partners

- **11/15/24:** Proposed Joint Operating Agreement.

Moore & Shelton Company, Ltd.

- **11/15/24:** Proposed Joint Operating Agreement.



# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@yfpetroleum.com

November 6, 2024

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

Occidental Permian, LP  
P.O. Box 4294  
Houston, Tx. 77210  
ATTN: Delaware Basin Land Department

RE: **Horizontal Well Proposal – 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #234H; 3<sup>rd</sup> Bone Spring**

SHL: 1,055 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. (“V-F”) hereby proposes to drill, complete and equip the above referenced horizontal well at the locations so indicated, to test the 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #234H** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be 9,250 feet (TVD) with an approximate total measured depth of 19,825 feet. The costs to drill, complete and equip said well are estimated at **\$9,596,250.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal well, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating V-F Petroleum Inc. as Operator, covering the North Half of the North Half (N/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

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 standard horizontal spacing unit for the proposed well.

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 the well you have elected **to participate**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. If you should desire not to

**EXHIBIT  
A-5**



Rainier 16 15 Fed Com #234H  
Permian Resources Operating, LLC  
November 6, 2024

participate in the drilling and completion of the well herein proposed, V-F is willing to discuss an alternative proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #234H  
Occidental Permian, LP  
November 6, 2024


**ELECTION**  
**Rainier 16 15 Fed Com #234H Well**

*Occidental Permian, LP*

\_\_\_\_\_ Elect to Participate in the **Rainier 16 15 Fed Com #234H Well**

\_\_\_\_\_ Elect Not to Participate in the **Rainier 16 15 Fed Com #234H Well**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

<div style="text-align: center;">  <h1 style="margin: 0;">V-F Petroleum Inc.</h1> <p style="margin: 0;">AUTHORIZATION FOR EXPENDITURE</p> </div>										API No.		
<div style="text-align: center;"> <p>October 14, 2024</p> </div>										AFE Number		
X Original		Supplement		Revision		Re-Entry		Well Type				
X Drill Well		Workover		Facilities		Plug & Abandon		Third BS Horizontal Oil Well				
Lease Name/Well #		County / State		Formation		Basin		Projected TD:				
Ranier 16-15 Federal Com #234H		Eddy NM		3rd Bone Spring		Permian		9,250' TVD 19,825' MD				
								Proposal				
								Two Mile Horizontal Lateral				
								SHL: 1,055' FNL & 90' FWL, Section 16, T-18-S, R-31-E				
								BHL: 560' FNL & 100' FEL, Section 15, T-18-S, R-31-E				
Acct Code	INTANGIBLE DESCRIPTION						COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST			
501	PERMITS & ENVIROMENTAL SERVICES						\$15,000	\$10,000	\$25,000			
516	TITLE OPINION, CURATIVE & POOLING						\$15,000		\$15,000			
501	SURVEYING STAKE LOCATION						\$7,500		\$7,500			
501	DAMAGES & R-O-W'S						\$15,000		\$15,000			
502/711	ROADS, LOCATION, PITS, LINERS, ETC.						\$1,500	\$25,000	\$26,500			
503	DRILLING RIG MOBILIZATION COST						\$10,000		\$10,000			
503	DRILLING - DAYS 21 days @ \$19,000						\$399,000		\$399,000			
503	MUD MOTORS & DIRECTIONAL						\$175,000		\$175,000			
517	CLOSED LOOP & DISPOSAL 21 days @ \$5,500						\$115,500		\$115,500			
505	MUD & FRAC CHEMICALS						\$125,000	\$350,000	\$475,000			
505/716	WATER (Brine & Fresh); FRAC WATER						\$58,000	\$400,000	\$458,000			
503	BITS, REAMERS, ETC.						\$65,000		\$65,000			
503	FUEL 75000 gallons @ \$6						\$450,000		\$450,000			
504	CEMENTING SURFACE						\$25,000		\$25,000			
504	CEMENTING INTERMEDIATE						\$55,000		\$55,000			
701	CEMENTING PRODUCTION							\$165,000	\$165,000			
509/705	TUBULAR SERVICES AND TOOLS						\$55,000	\$90,000	\$145,000			
509/705	CASING CREWS PU LD MACHINE						\$45,000	\$50,000	\$95,000			
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS						\$15,000	\$25,000	\$40,000			
507	TESTING; COMPLETION, FLOWBACK							\$175,000	\$175,000			
508	OPEN HOLE LOGGING											
508	MUD LOGGING 21 days @ \$3,500						\$73,500		\$73,500			
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY						\$36,000	\$250,000	\$286,000			
509/713	EQUIPMENT RENTAL						\$42,000	\$125,000	\$167,000			
509/714	TRUCKING, TRANSPORTATION, FORKLIFT						\$57,000	\$85,000	\$142,000			
715	COMPLETION UNIT; COIL TUBING UNIT							\$600,000	\$600,000			
704	FORMATION STIMULATION (60 STAGES)							\$2,435,500	\$2,435,500			
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS							\$280,000	\$280,000			
510/11/706	GEOLOGIC / ENGINEERING						\$55,000	\$80,000	\$135,000			
509/705	CONTRACT CONSULTANTS 21 days @ \$3,500						\$70,000	\$52,000	\$122,000			
514	DRILLING WELL RATE (A/O) 21 days @ \$500						\$10,500	\$5,000	\$15,500			
515/705	INSURANCE						\$10,000	\$10,000	\$20,000			
509/705	CONTINGENCY (8%)						\$100,000	\$416,000	\$516,000			
TOTAL INTANGIBLE ESTIMATED COST							\$2,100,500	\$5,628,500	\$7,729,000			
Acct Code	TANGIBLE DESCRIPTION						COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST			
620/820	CONDUCTOR						\$42,000		\$42,000			
620/820	SURFACE						\$96,000		\$96,000			
620/820	INTERMEDIATE						\$120,000		\$120,000			
620/820	INTERMEDIATE											
820	PRODUCTION							\$609,750	\$609,750			
820	PRODUCTION LINER											
821	TUBING (Coated)							\$128,000	\$128,000			
621/824	WELLHEAD EQUIPMENT						\$28,000	\$18,000	\$46,000			
825	PRODUCTION FACILITY ENCLOSURE							\$25,000	\$25,000			
825	POWER SOURCE							\$25,000	\$25,000			
822	RODS AND PUMP (FG & STEEL)											
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT							\$265,000	\$265,000			

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 21, 2025

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

Occidental Permian LP  
P.O. Box 4294  
Houston, Texas 77210

**RE: Horizontal Well Proposal – 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #234H; 3<sup>rd</sup> Bone Spring**

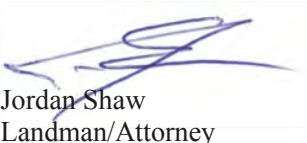
SHL: 1,517 FNL, 728' FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") has moved the surface hole location of the proposed well from 1,055 FNL, 90 FWL of Section 16 to 1,517 FNL, 728' FWL of Section 16 and enclosed for your consideration is the updated AFE containing the new surface hole location and updated lateral length. The rest and the remainder of the Proposal and its accompanying AFE remains the same and this supplemental proposal and its accompanying AFE shall be deemed to be retroactively effective for all purposes as of the date the original proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 20, 2025

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

Occidental Permian LP  
P.O. Box 4294  
Houston, Texas 77210

**RE: Horizontal Well Proposals – 1<sup>st</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – N/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

### **Rainier 16 15 Fed Com #214H; 1<sup>st</sup> Bone Spring**

SHL: 1,467 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
FTP: 560 FNL, 100' FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #214H** in order to test the 1<sup>st</sup> Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 19,017 feet. The costs to drill, complete and equip said well are estimated at **\$8,016,206.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the North Half of the North Half (N/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

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 standard horizontal spacing unit for the proposed wells.

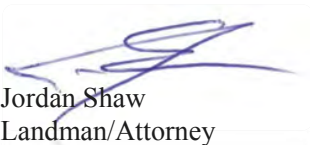
Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected **to participate**, one original (1) Joint Operating Agreement body signature page, and one (1) executed and notarized Memorandum of Operating Agreement signature page. If you should decide not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an

**EXHIBIT  
A-6**

Rainier 16 15 Fed Com #214H  
Occidental Permian LP  
January 20, 2025

proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

Election set forth on the following page



Rainier 16 15 Fed Com #214H  
Occidental Permian LP  
January 20, 2025

**ELECTION**  
**Rainier 16 15 Fed Com #214H Well**

*Occidental Permian LP*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #214H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #214H Well**

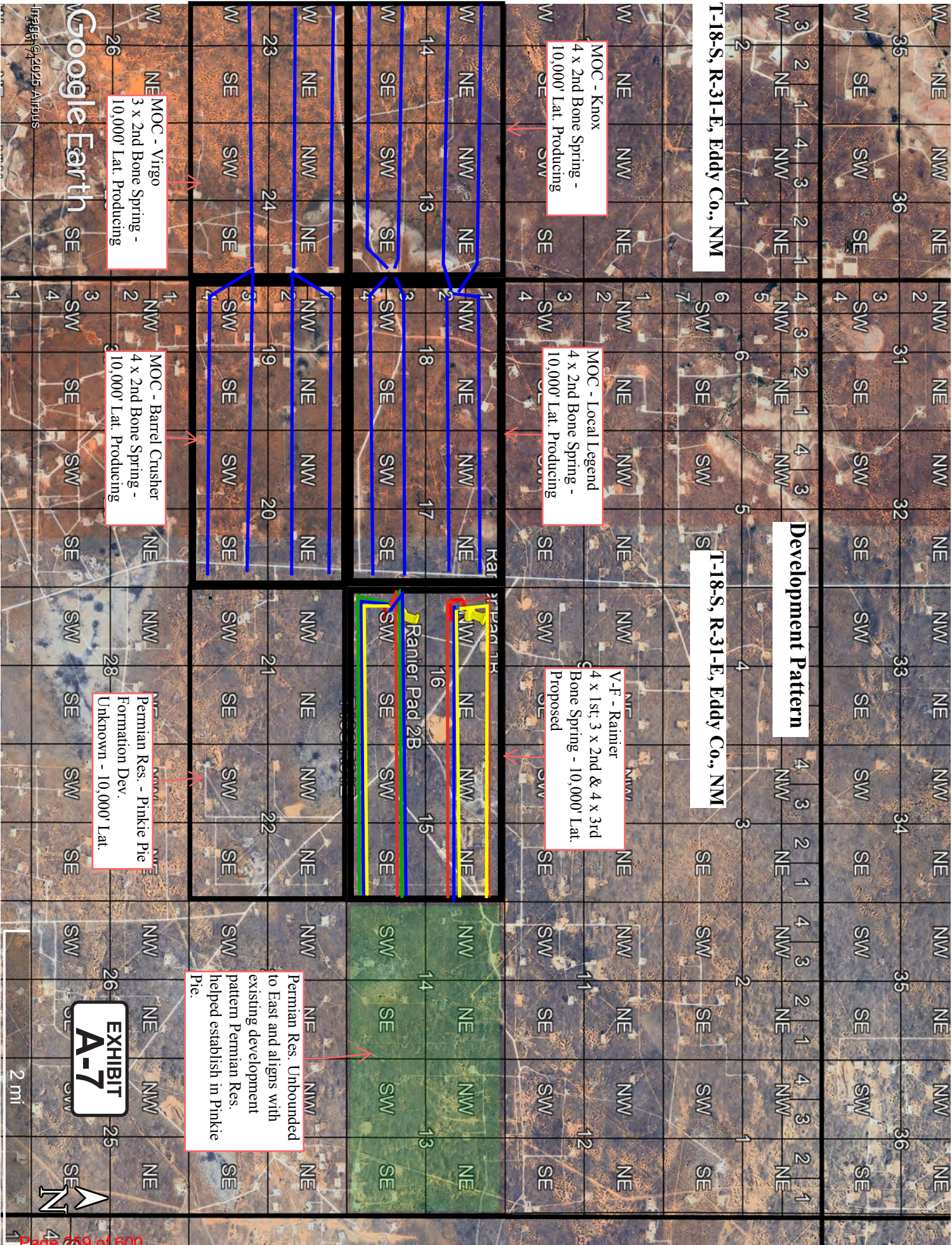
By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<div>V-F Petroleum Inc.</div> <div>AUTHORIZATION FOR EXPENDITURE</div>						API No.	
October 14, 2024						AFE Number	
<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Supplement	<input type="checkbox"/> Revision	<input type="checkbox"/> Re-Entry	Well Type			First BS Horizontal Oil Well
<input checked="" type="checkbox"/> Drill Well	<input type="checkbox"/> Workover	<input type="checkbox"/> Facilities	<input type="checkbox"/> Plug & Abandon	Projected TD:			7,750' TVD 19,017' MD
Lease Name/Well #				County / State	Formation	Basin	Field or Prospect
Ranier 16-15 Federal Com #214H				Eddy NM	1st Bone Spring	Permian	Shugart; Bone Spring N.
						SHL.: 1,467' FNL & 728' FWL, Section 16, T-18-S, R-31-E	
						BHL.: 560' FNL & 100' FEL, Section 15, T-18-S, R-31-E	
Acct Code	INTANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIROMENTAL SERVICES				\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING				\$15,000		\$15,000
501	SURVEYING STAKE LOCATION				\$7,500		\$7,500
501	DAMAGES & R-O-W'S				\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.				\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST				\$10,000		\$10,000
503	DRILLING - DAYS 16 days @ \$19,000				\$304,000		\$304,000
503	MUD MOTORS & DIRECTIONAL				\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 16 days @ \$5,500				\$88,000		\$88,000
505	MUD & FRAC CHEMICALS				\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh); FRAC WATER				\$40,000	\$400,000	\$440,000
503	BITS, REAMERS, ETC.				\$65,000		\$65,000
503	FUEL 45000 gallons @ \$6				\$270,000		\$270,000
504	CEMENTING SURFACE				\$25,000		\$25,000
504	CEMENTING INTERMEDIATE				\$45,000		\$45,000
701	CEMENTING PRODUCTION					\$126,000	\$126,000
509/705	TUBULAR SERVICES AND TOOLS				\$45,000	\$65,000	\$110,000
509/705	CASING CREWS PU LD MACHINE				\$35,000	\$45,000	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS				\$10,000	\$18,000	\$28,000
507	TESTING; COMPLETION, FLOWBACK					\$175,000	\$175,000
508	OPEN HOLE LOGGING						
508	MUD LOGGING 16 days @ \$3,500				\$56,000		\$56,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY				\$26,000	\$250,000	
509/713	EQUIPMENT RENTAL				\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT				\$57,000	\$35,000	\$92,000
715	COMPLETION UNIT; COIL TUBING UNIT					\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)					\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS					\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING				\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 16 days @ \$3,500				\$56,000	\$52,000	\$108,000
514	DRILLING WELL RATE (A/O) 16 days @ \$500				\$8,000	\$5,000	\$13,000
515/705	INSURANCE				\$10,000	\$10,000	\$20,000
509/705	CONTINGENCY (8%)				\$81,000	\$355,000	\$436,000
TOTAL INTANGIBLE ESTIMATED COST					\$1,715,500	\$4,801,566	\$6,517,066
Acct Code	TANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820	CONDUCTOR				\$42,000		\$42,000
620/820	SURFACE				\$96,000		\$96,000
620/820	INTERMEDIATE				\$120,000		\$120,000
620/820	INTERMEDIATE						
820	PRODUCTION					\$310,640	\$310,640
820	PRODUCTION LINER						
821	TUBING (Coated)					\$112,000	\$112,000
621/824	WELLHEAD EQUIPMENT				\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE					\$25,000	\$25,000
825	POWER SOURCE					\$25,000	\$25,000
822	RODS AND PUMP (FG & STEEL)						
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT					\$265,000	\$265,000
827	HEATER TREATER, SEPERATOR, FWKO					\$175,000	\$175,000
831	GAS SALES LINE & METER RUN					\$5,500	\$5,500
830	FLOWLINES, VALVES, CONNECTIONS					\$10,000	\$10,000
827	TANKS (WATER AND PRODUCTION)					\$150,000	\$150,000
622/820	CONTINGENCY (8%)				\$29,000	\$88,000	\$117,000
TOTAL TANGIBLE ESTIMATED COST					\$315,000	\$1,184,140	\$1,499,140
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services					\$50,000		
ESTIMATED DRY HOLE COST					\$2,080,500		
TOTAL AFE ESTIMATED COST					\$2,030,500	\$5,985,706	\$8,016,206
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: Bill Pierce		Date: 10/14/2024	
Signature _____							
Date _____							







# V-F Petroleum Inc.

Physical Address: 550 W. Texas, Suite 300, Midland, Texas, 79701; Phone 432-683-3344;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 29, 2024

Bureau of Land Management  
Attn: Oil and Gas Division  
620 E. Greene Street  
Carlsbad, NM 88220-6292

**Re: Overlapping Spacing Unit Notification - 19.15.15.12(B) NMAC**  
**BLM Lease: NMNM 089882 & NMNM 089879**  
**Tamano 15 AD Fed Com #001H (API: 30-015-40868)**

To whom it may concern:

Per notification requirement under NMAC 19.15.15.12(B), this letter shall serve as notice to the mineral interest owner of Bureau of Land Management Lease NMNM 089882 and Bureau of Land Management Lease NMNM 089879, insofar as both leases cover the North Half of the North Half (N/2N/2) of Section 15, T-18-S, R-31-E, Eddy County, New Mexico that V-F Petroleum Inc. ("V-F"), as operator of the Rainier 16 15 Fed Com #234H ("Rainier #234H"), has proposed the Rainier #234H well at the specified locations and depths below that overlap in part the dedicated spacing unit as to the same formation in part/Pool, as the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well operated by Mewbourne Oil Company. Mewbourne Oil Company as existing operator of the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well has been given the same notice of development plans as contained herein in accordance with 19.15.15.12(B) NMAC.

**Rainier 16 15 Fed Com #234H; 3<sup>rd</sup> Bone Spring**

SHL: 1,055 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM  
Standard Horizontal Spacing Unit – 320 acres, N/2N/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy Co., NM  
Target Interval: 3<sup>rd</sup> Bone Spring Sand at proposed TVD of 9,250 feet

Please be advised that V-F will only be seeking to compulsory pool and form its Standard Horizontal Spacing unit limited in depths in the overlapping Spacing Unit/Pool from the Top of the 3<sup>rd</sup> Bone Spring Interval within the Bone Spring Formation down to the base of the Bone Spring Formation and will be EXCLUDING the producing Interval of the Bone Spring Formation of Mewbourne Oil Company's Tamano 15 AD Fed Com #001H (API: 30-015-40868) well. You are hereby notified that you have twenty (20) days from the date of this notification was mailed to object by written statement to V-F, otherwise you will be deemed to have waived your objection to the overlapping spacing unit.

If you should have any question, please do not hesitate to contact me at the above provided contact information.

Sincerely,


  
Jordan Shaw  
Landman/Attorney

EXHIBIT  
**A-8**

7022 0410 0003 2998 0520

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<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 4.10
<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	\$ .69
Total Postage and Fees	\$ 9.64



Send To	Bureau of Land Management
Street and Apt. No., or PO Box No.	620 E. Greene St.
City, State, ZIP+4®	Carlsbad, NM 88300-6242

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

# V-F Petroleum Inc.

Physical Address: 550 W. Texas, Suite 300, Midland, Texas, 79701; Phone 432-683-3344;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 29, 2024

Mewbourne Oil Company  
Attn: Land Department  
500 W. Texas Ave., Ste. 1020  
Midland, TX 79701

**Re: Overlapping Spacing Unit Notification - 19.15.15.12(B) NMAC**  
**BLM Lease: NMNM 089882 & NMNM 089879**  
**Tamano 15 AD Fed Com #001H (API: 30-015-40868)**

To whom it may concern:

Per notification requirement under NMAC 19.15.15.12(B), this letter shall serve as notice to the operator of the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well producing from Bureau of Land Management Lease NMNM 089882 and Bureau of Land Management Lease NMNM 089879, insofar as both leases cover the North Half of the North Half (N/2N/2) of Section 15, T-18-S, R-31-E, Eddy County, New Mexico, that V-F Petroleum Inc. ("V-F"), as operator of the Rainier 16 15 Fed Com #234H ("Rainier #234H"), has proposed the Rainier #234H well at the specified locations and depths below that overlap in part the dedicated spacing unit as to the same formation in part/Pool, as the Tamano 15 AD Fed Com #001H (API: 30-015-40868) well operated by Mewbourne Oil Company.


**Rainier 16 15 Fed Com #234H: 3<sup>rd</sup> Bone Spring**

SHL: 1,055 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 560 FNL, 100 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 560 FNL, 100 FEL of Section 15 (Unit A), T-18 South, R-31 East, Eddy County, NM  
Standard Horizontal Spacing Unit – 320 acres, N/2N/2 Sec. 16 & 15, T-18-S, R-31-E, Eddy Co., NM  
Target Interval: 3<sup>rd</sup> Bone Spring Sand at proposed TVD of 9,250 feet

Please be advised that V-F will only be seeking to compulsory pool and form its Standard Horizontal Spacing unit limited in depths in the overlapping Spacing Unit/Pool from the Top of the 3<sup>rd</sup> Bone Spring Interval within the Bone Spring Formation down to the base of the Bone Spring Formation and will be EXCLUDING the producing Interval of the Bone Spring Formation of Mewbourne Oil Company's Tamano 15 AD Fed Com #001H (API: 30-015-40868) well. You are hereby notified that you have twenty (20) days from the date of this notification was mailed to object by written statement to V-F, otherwise you will be deemed to have waived your objection to the overlapping spacing unit.

If you should have any question, please do not hesitate to contact me at the above provided contact information.

Sincerely,

  
Jordan Shaw  
Landman/Attorney



7022 0410 0003 2998 0513

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Domestic Mail OnlyFor delivery information, visit our website at [www.usps.com](http://www.usps.com)®.**OFFICIAL USE**

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\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 410
<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	.69
\$	
Total Postage and Fees	964
\$	



Sent To	Newbourne Oil Company
Street and Apt. No., or PO Box No.	500 W. TEXAS St # 1020
City, State, ZIP+4®	Midland, TX 79701

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

## **TAB 3**

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist  
Exhibit B-1: Structure Map  
Exhibit B-2: Stratigraphic Cross Section  
Exhibit B-3: Gross Isopach  
Exhibit B-4: Gun Barrel View  
Exhibit B-5: Structural Cross-Section

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

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

**Case No. 25115**

**SELF-AFFIRMED STATEMENT OF STEPHEN BURKE**

I, Stephen Burke, state and affirm the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
5. **Exhibit B-1** is a structure map of the top of 3<sup>rd</sup> Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure



map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

6. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 3<sup>rd</sup> Bone Spring Sand. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and slight thinning to north of the target zone. The well logs on the cross-section give a representative sample of the 3<sup>rd</sup> Bone Spring Sand. The landing zone is highlighted by light, brown shading.

7. **Exhibit B-3** is a gross isopach map of the 3<sup>rd</sup> Bone Spring Sand, this map demonstrates the continuity of the target zone across this vicinity.

8. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of the wellbore.

9. **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 3<sup>rd</sup> Bone Spring Sand's applications in Cases Nos. 24994, 24955 and 25117.

10. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.

13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

14. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*



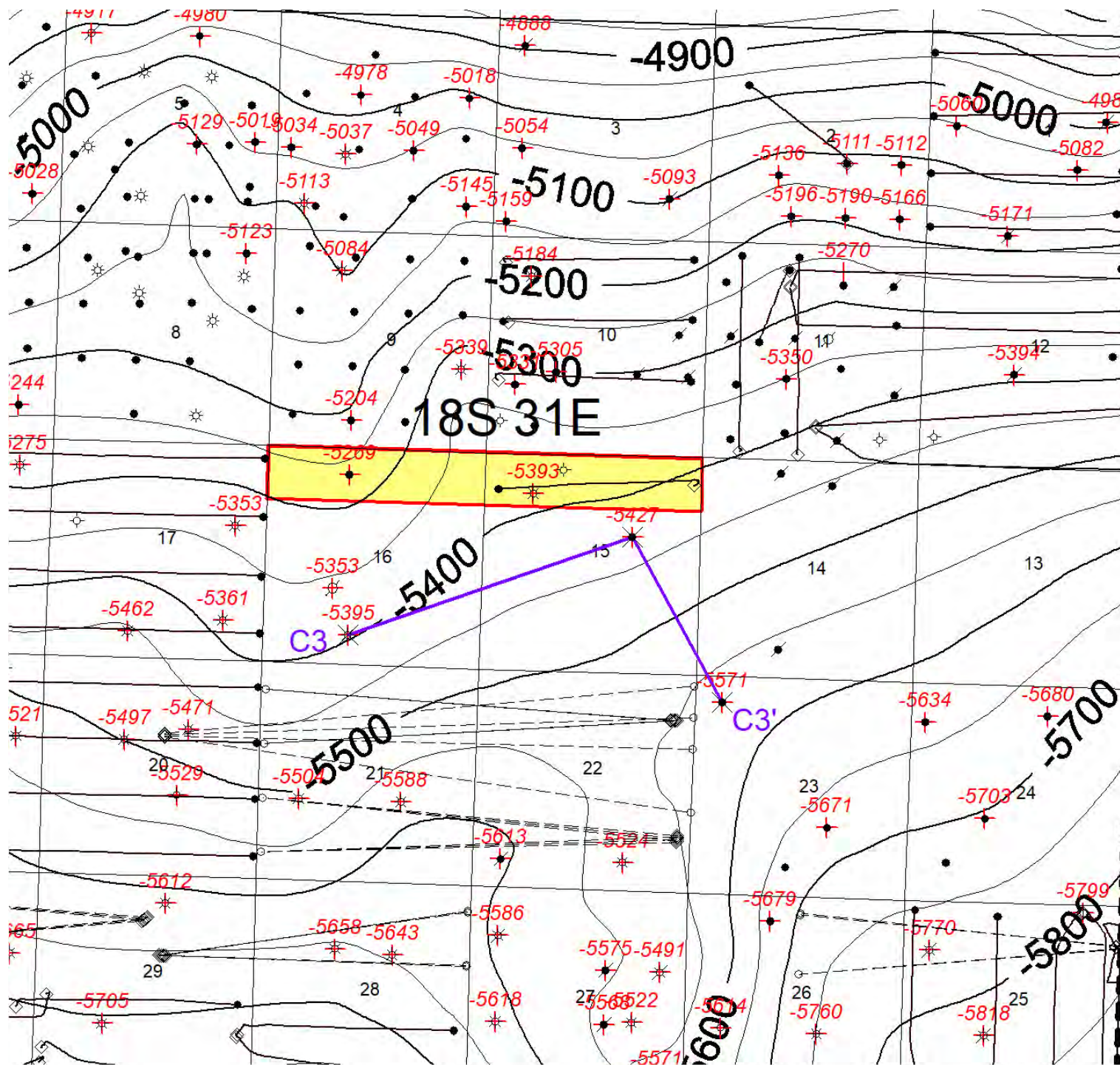
*Signature page of Self-Affirmed Statement of Stephen Burke:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Stephen Burke

1/21/2025  
Date Signed



Structure\_Tbgs50-MbSmb\_EI &lt;EddyLea&gt;

Data Point

+ Data Point



1" = 3000'

3000 0 3000 6000 9000 12000

1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
3rd Bone Spring Sand - Structure Map  
Sec. 15 & 16 - T18S-R31E  
Eddy Co., New Mexico

Author:

mburke

Wells:

TD &gt; 8000'

Date:

20 January, 2025

Bubbles:

None

Scale:

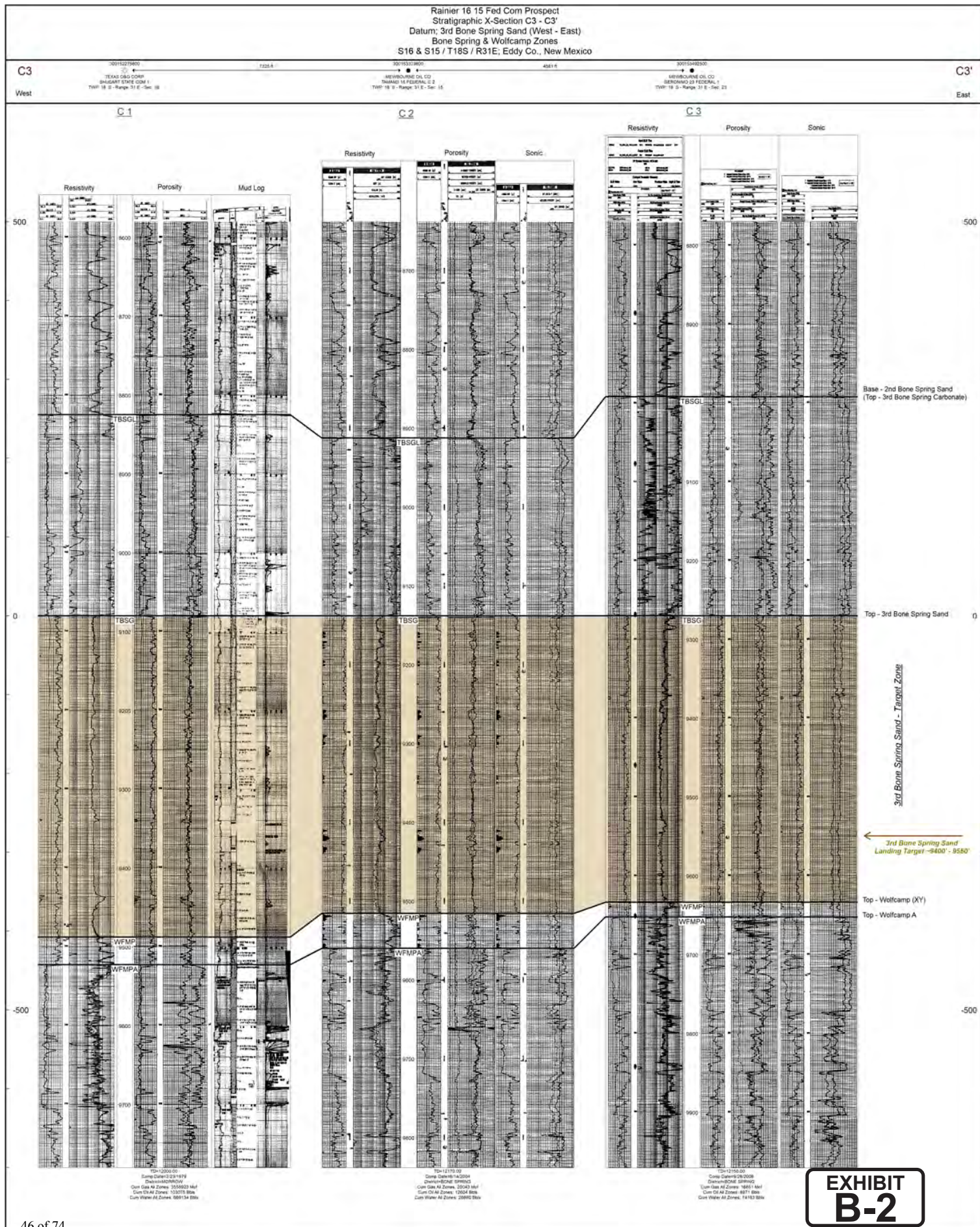
1" = 3000'

C.I.:

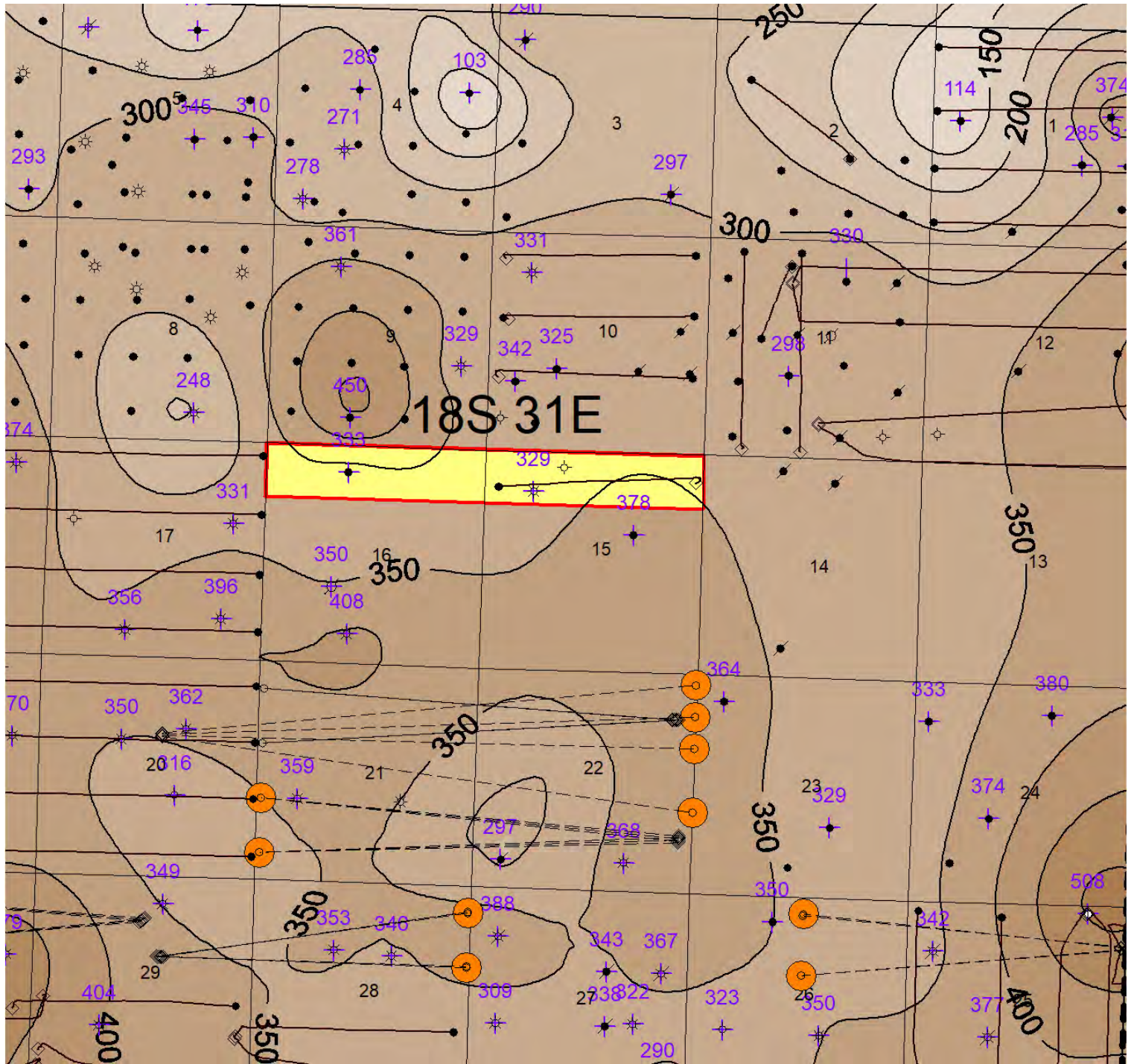
50'

**EXHIBIT  
B-1**










Perfs\_TsbgOnly\_NoSpot\_Survey\_Ta &lt;TomanoArea&gt;

Deviated well - Bottom hole location

 Deviated well - Bottom hole lo

Isopach-GrossH\_Tbgs &lt;EddyLea&gt;

Data Point

 Data Point


1" = 3000'



1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
 3<sup>rd</sup> Bone Spring Sand – GrossH Isopach Map  
 Sec. 15 & 16 – T18S-R31E  
 Eddy Co., New Mexico

<b>Author:</b> mburke	<b>Wells:</b> TD > 8000'	<b>Date:</b> 20 January, 2025
<b>Bubbles:</b> Orange = 3 <sup>rd</sup> Bspg	<b>Scale:</b> 1" = 3000'	<b>C.I.:</b> 50'

**EXHIBIT**  
**B-3**

V-F Petroleum Inc.Rainier 16 15 Fed Com #234HT18S - R32E / Eddy Co., New Mexico

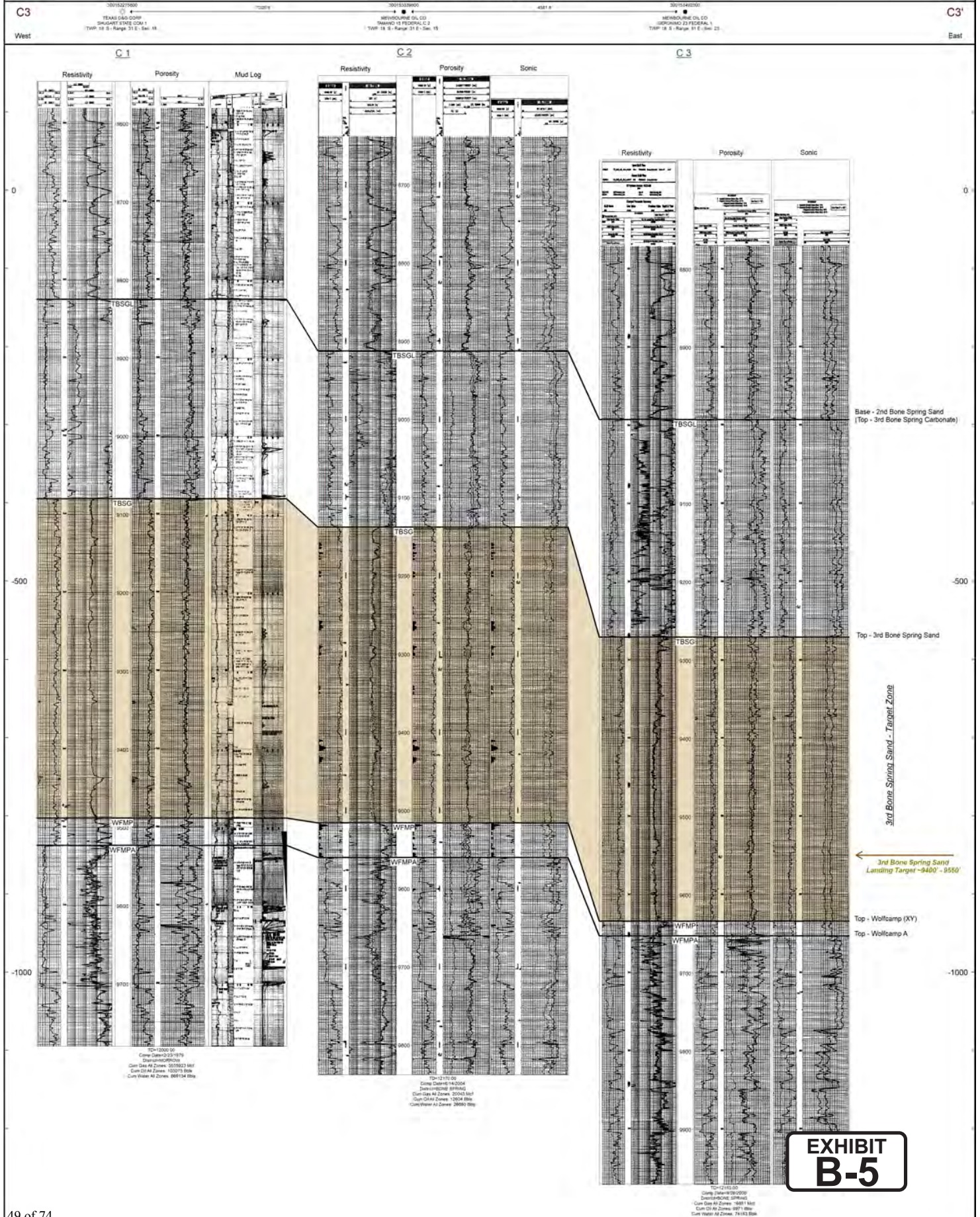
Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	XXX-MQC	XXX-VF	XXX-VF	XXX-VF
Bspg2	Tomano 1H MQC	Rainier 223H-VF	Rainier 222H-VF	Rainier 221H-VF
Bspg3	Rainier 234H-VF	Rainier 233H-VF	Rainier 232H-VF	Rainier 231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North		South	

	Range 31 East / Section 16				Range 31 East / Section 15			
Township 18 South	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P

**EXHIBIT**  
**B-4**



Rainier 16 15 Fed Com Prospect  
Structural X-Section C3 - C3'  
Datum: -5000 (West - East)  
Bone Spring & Wolfcamp Zones  
S16 & S15 / T18S / R31E, Eddy Co., New Mexico





## **TAB 4**

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage  
Exhibit C-1: Notice Letters  
Exhibit C-2: Mailing List  
Exhibit C-3: Affidavits of Publication

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

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

**Case No. 25115**

**SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:

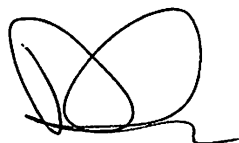
1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.

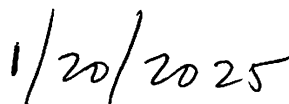


*Signature page of Self-Affirmed Statement of Darin C. Savage:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25115 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



---

Darin Savage

---

Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

December 18, 2024

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy  
County, New Mexico  
Rainier 16-15 Fed Com #234H Well

Case No. 25115:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., (“V-F” or “Applicant”), has filed the enclosed application, Case No.25115, with the New Mexico Oil Conservation Division (“Division”) for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914’ beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516’ beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (“Subject Lands”).

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division’s website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1<sup>st</sup> Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online

[abadieschill.com](http://abadieschill.com)

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

EXHIBIT  
C-1

access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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 NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. 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 Jordan Shaw at (432) 269-0569 or at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

***Attorney for V-F Petroleum, Inc.***



***Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Rainier 16-15 Fed Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

Mail Activity Report - RAINIER 234H 25115										
Mailed 12/18/2024 to 12/18/2024										
Generated: 01/20/2025 8:10:17 AM										
USPS Article Number	Reference Number	Date Mailed	Name 1	Name 2	Address 1	City	State	Zip	Mailing Status	Service Options
9314869904300129539218	4217.10 - Rainier 234H	12/18/24	Kent Production Company, LLC	Land Department	3009 Post Oak Blvd., Suite 1212	Houston	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539225	4217.10 - Rainier 234H	12/18/24	Nortex Corporation*	Land Department	3009 Post Oak Blvd., Suite 1212	Houston	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539232	4217.10 - Rainier 234H	12/18/24	Legacy Reserves Operating, LP	Land Department	1400 16th St., Suite 510	Denver	CO	80202	Forwarded	Return Receipt - Electronic, Certified Mail
9314869904300129539249	4217.10 - Rainier 234H	12/18/24	Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marlenfeld St., Suite 1000	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539256	4217.10 - Rainier 234H	12/18/24	Occidental Permian, LP	Delaware Basin Land Department	P.O. Box 4294	Houston	TX	77210	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539263	4217.10 - Rainier 234H	12/18/24	Arco Oil, LTD	Joel I. Sawyer, Agent	P.O. Box 101027	Fort Worth	TX	76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539270	4217.10 - Rainier 234H	12/18/24	Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539287	4217.10 - Rainier 234H	12/18/24	Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539294	4217.10 - Rainier 234H	12/18/24	Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston	TX	77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539300	4217.10 - Rainier 234H	12/18/24	Bureau of Land Management		620 E. Greene Street	Carlsbad	NM	88220-6292	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561318	4217.10 - Rainier 234H	12/18/24	Curtis W. Mewbourne, Trustee	Bank of America, N.A., Trustee	P.O. Box 7698	Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561325	4217.10 - Rainier 234H	12/18/24	Deimar Hudson Lewis Living Trust	TTR of Josephine T. Hudson Testamentary Trust	P.O. Box 830308	Dallas	TX	75283-0308	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561332	4217.10 - Rainier 234H	12/18/24	Frost Bank.	Lindy's Living Trust	P.O. Box 1600	San Antonio	TX	78296	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561349	4217.10 - Rainier 234H	12/18/24	Hudson, Francis Hill, Trustee	Chase Rice, Permian Land Supervisor	4200 South Hulen Street, Suite 302	Fort Worth	TX	76109	To be Returned	Return Receipt - Electronic, Certified Mail
9314869904300129561356	4217.10 - Rainier 234H	12/18/24	Marathon Oil Permian LLC		990 Town and Country Boulevard	Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129561363	4217.10 - Rainier 234H	12/18/24	Ralph A. Shugart Jr. Trust dated 5/26/198	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	CO	80220-1337	Delivered	Return Receipt - Electronic, Certified Mail





December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5613 63.**

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	December 24, 2024, 03:21 p.m.
Location:	DENVER, CO 80220
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Ralph A Shugart Jr Trust dated 5 26 1983 Eliza



Shipment Details

Weight:	3.0oz
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Destination Delivery Address

Street Address:	1960 FOREST PKWY
City, State ZIP Code:	DENVER, CO 80220-1337

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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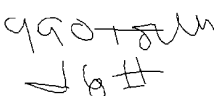
Reference Number: 4217.10 - Rainier 234H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5613 56.**

Item Details	
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Status Date / Time:	December 23, 2024, 03:07 p.m.
Location:	HOUSTON, TX 77024
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Marathon Oil Permian LLC Chase Rice Permian Lan
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	990 TOWN AND COUNTRY BLVD
City, State ZIP Code:	HOUSTON, TX 77024-2217
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

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December 24, 2024

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**9314 8699 0430 0129 5613 32.**

Item Details

Status:	Delivered, PO Box
Status Date / Time:	December 23, 2024, 11:18 a.m.
Location:	SAN ANTONIO, TX 78205
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Frost Bank TTR of Josephine T Hudson Testament

Shipment Details

Weight:	3.0oz
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Recipient Signature

Signature of Recipient:	<div><div>Signature</div><div>X</div><div></div></div>
Address of Recipient:	<div><div>Printed Name</div><div>ALBERT SANCHEZ</div></div> <div><div>Delivery Address</div><div></div></div>

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December 25, 2024

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The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5613 25.**

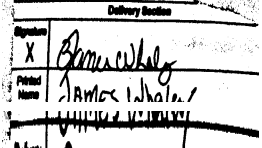

#### Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Postal Facility
<b>Status Date / Time:</b>	December 24, 2024, 08:54 a.m.
<b>Location:</b>	DALLAS, TX 75260
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Delmar Hudson Lewis Living Trust Bank of America

#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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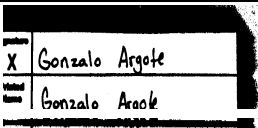
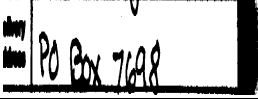
**Reference Number:** 4217.10 - Rainier 234H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5613 18.**

Item Details	
Status:	Delivered, PO Box
Status Date / Time:	December 23, 2024, 12:03 p.m.
Location:	TYLER, TX 75711
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Curtis W Mewbourne Trustee
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	PO BOX 7698
City, State ZIP Code:	TYLER, TX 75711-7698
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

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December 24, 2024

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**9314 8699 0430 0129 5393 00.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:44 p.m.  
**Location:** CARLSBAD, NM 88220  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Bureau of Land Management

#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** 620 E GREENE ST  
**City, State ZIP Code:** CARLSBAD, NM 88220-6292

#### Recipient Signature

Signature of Recipient:

Address of Recipient:

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 234H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5392 94.**

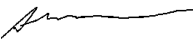
Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	December 28, 2024, 11:50 a.m.
Location:	GALVESTON, TX 77551
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Moore Shelton Company Ltd Michael R Moore

Shipment Details

Weight:	3.0oz
---------	-------

Recipient Signature

Signature of Recipient:	
Address of Recipient:	SHARON NIELSEN PO BOX 307C

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 234H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5392 87.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:17 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Javelina Partners Edward Hudson Land Manager

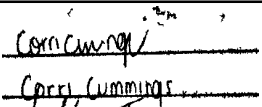
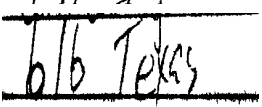
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 234H





December 24, 2024

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**9314 8699 0430 0129 5392 70.**

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	December 23, 2024, 01:17 p.m.
Location:	FORT WORTH, TX 76102
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Zorro Partners Ltd W A Hudson II Agent

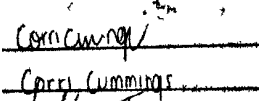
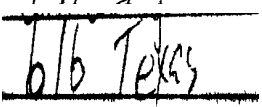
Shipment Details

Weight:	3.0oz
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Destination Delivery Address

City, State ZIP Code:	FORT WORTH, TX 76102-4662
-----------------------	---------------------------

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Reference Number: 4217.10 - Rainier 234H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5392 63.**

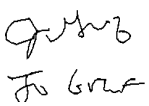
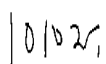
Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Post Office
<b>Status Date / Time:</b>	December 27, 2024, 12:10 p.m.
<b>Location:</b>	FORT WORTH, TX 76109
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Ard Oil LTD Joel T Sawyer Agent

Shipment Details

<b>Weight:</b>	3.0oz
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Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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December 30, 2024

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The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5392 56.**

Item Details

Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	December 27, 2024, 04:46 a.m.
Location:	HOUSTON, TX 77002
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Occidental Permian LP Delaware Basin Land Depar

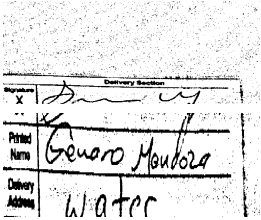
Shipment Details

Weight:	3.0oz
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Recipient Signature

Signature of Recipient:

Address of Recipient:



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**Reference Number:** 4217.10 - Rainier 234H



December 24, 2024

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**9314 8699 0430 0129 5392 49.**

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	December 23, 2024, 01:18 p.m.
Location:	MIDLAND, TX 79701
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Permian Resources Operating LLC Delaware Basin



Shipment Details

Weight:	3.0oz
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Destination Delivery Address

Street Address:	300 N MARIENFELD ST STE 1000
City, State ZIP Code:	MIDLAND, TX 79701-4688

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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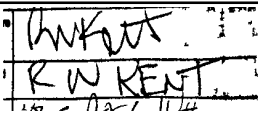

**Reference Number:** 4217.10 - Rainier 234H



December 24, 2024

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**9314 8699 0430 0129 5392 25.**

Item Details	
Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	December 23, 2024, 01:44 p.m.
Location:	HOUSTON, TX 77056
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Nortex Corporation Land Department
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	3009 POST OAK BLVD
City, State ZIP Code:	HOUSTON, TX 77056-6536
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

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December 24, 2024

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**9314 8699 0430 0129 5392 18.**

Item Details	
Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	December 23, 2024, 01:44 p.m.
Location:	HOUSTON, TX 77056
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Kent Production Company LLC Land Department
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	3009 POST OAK BLVD STE 412
City, State ZIP Code:	HOUSTON, TX 77056-6599
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 234H



**Proof of Acceptance (Electronic)**

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129561349 addressed to Hudson, Francis Hill, Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Hudson, Francis Hill, Trustee  
Lindy's Living Trust  
4200 South Hulen Street, Suite 302  
Fort Worth, TX 76109

The above information is for the sole use of CertifiedPro.net clients and represents information provided by the United States Postal Service.



**Proof of Acceptance (Electronic)**

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129539232 addressed to Legacy Reserves Operating, LP Land Department

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

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Recipient Mailing Address:

Legacy Reserves Operating, LP  
Land Department  
1400 16th St., Suite 510  
Denver, CO 80202

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## AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS  
PO BOX 507  
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

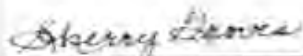
Account Number: 1227  
Ad Number: 27210  
Description: 25115 - N2N2 Rainer 234H  
Ad Cost: \$170.11

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

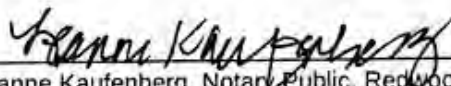
December 21, 2024

That said newspaper was regularly issued and circulated on those dates.  
SIGNED:



Agent

Subscribed to and sworn to me this 21<sup>th</sup> day of December 2024.



Leanne Kaufenberg, Notary Public, Redwood County  
Minnesota

KAIYA TOOP  
ABADIE SCHILL  
555 RIVERGATE LANE, SUITE B-4-180  
DURANGO, CO 81301  
kaiya@abadieschill.com

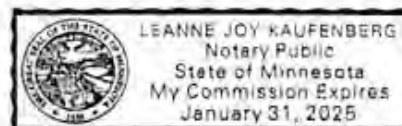


EXHIBIT  
C-3

## PUBLIC NOTICE

**CASE No. 25115:** Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, **KENT PRODUCTION COMPANY, LLC; NORTEX CORPORATION; LEGACY RESERVES OPERATING, LP; PERMIAN RESOURCES OPERATING, LLC; OCCIDENTAL PERMIAN, LP; ARD OIL, LTD; ZORRO PARTNERS, LTD.; JAVELINA PARTNERS; CURTIS W. MEWBOURNE, TRUSTEE; DELMAR HUDSON LEWIS LIVING TRUST; FROST BANK, TTR OF JOSEPHINE T. HUDSON TESTAMENTARY TRUST; HUDSON, FRANCIS HILL, TRUSTEE, LINDY'S LIVING TRUST; MARATHON OIL PERMIAN LLC; RALPH A. SHUGART JR. TRUST. ELIZABETH DUNCAN, TRUSTEE AND MOORE & SHELTON COMPANY, LTD.** of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Laterolog, Micro Laterolog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Rainier 16-15 Fed Com #234H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide Rules. Also to be considered will be the approval of an overlapping unit involving the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico. Published in the Carlsbad Current-Argus December 21, 2024. #27210



## **TAB 4**

Exhibit 4: Amended Hearing Packet Case No. 25116

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 27, 2025**

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

**AMENDED HEARING PACKET FOR**

**Case No. 25116:**

**Rainier 16-15 Fed Com 223H**

**Consolidated for a Contested Hearing with:  
Case Nos. 24994, 24995, 25115, & 25117 (V-F Petroleum Inc. Cases)  
Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)**

**V-F PETROLEUM INC.**

**EXHIBIT  
4**

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## **TAB 1**

**Reference for Case No. 25116**

**Application Case No. 25116: Rainier 16-15 Fed Com 223H**

**Revised NMOCD Checklist Case No. 25116**

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

APPLICATION OF V-F PETROLEUM INC.  
FOR A COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

Case No. 25116

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
2. V-F Petroleum proposes and dedicates to the HSU the **Rainier 16-15 Fed Com #223H Well**, as an initial well, to be drilled to a sufficient depth to test the Second Bone Spring.



3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #223H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15.

4. The well proposed herein is orthodox in its location, and the take points and completed interval complies with setback requirements under statewide rules.

5. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

6. This application competes with the application in Case No. 24941 filed by Read & Stevens, Inc.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In this application, V-F Petroleum is pooling only the First and Second Bone Spring formations because there is a depth severance between the base of the Second Bone Spring and the Top of the Third Bone Spring, and importantly, there is a geological barrier between Second Bone Spring and Third Bone Spring that maintains the integrity of production within the partitioned zone thereby allowing for the partition. V-F Petroleum will provide notice to adjacent owners in the Third Bone Spring formation, below and adjacent to the Second Bone Spring to account for any concerns the vertical offset owners might have.

9. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #223H Well** as the well for the HSU.

C. Designating V-F Petroleum as operator of this HSU and the horizontal well to be drilled thereon;

D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the well;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

---

Darin C. Savage

Andrew D. Schill  
William E. Zimsky  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
andrew@abadieschill.com  
bill@abadieschill.com

**Attorneys for V-F Petroleum, Inc.**

***Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Rainier 16-15 Fed Com #223H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 25116</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 28, 2025 (Scheduled Hearing)</b>	
Applicant	V-F Petroleum Inc.
Designated Operator & OGRID (affiliation if applicable)	24010
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC
Well Family	Rainier 16-15 Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Top of the First Bone Spring Formation to the base of the Second Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	S/2 N/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership
<b>Well(s)</b>	

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	Rainier 16-15 Fed Com 223H Well (API No. Pending), SHL: Unit E, 1618' FNL, 728' FWL, Section 16, T18S-R31E; BHL: Unit H, 2085' FNL, 100' FEL, Section 15, T18S-R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 223H Well: FTP: Unit E, 2085' FNL, 100' FWL, Section 16; LTP: Unit H, 2085' FNL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 223H Well: TVD approx. 8,395'; TMD 19,415'; 2nd Bone Spring formation, See Exhibit A, A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 10
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
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
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Darin C. Savage
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Darin Savage
<b>Date:</b>	revised and signed: 2/5/2025; original 1/21/2025

## TAB 2

Exhibit A: Self-Affirmed Statement of Jordan Shaw, Landman  
Exhibit A-1: C-102 Forms  
Exhibit A-2: Location Plat Map  
Exhibit A-3: Revised Tract Map and Ownership Breakdown  
Exhibit A-4: Chronology of Contacts with Uncommitted Owners  
Exhibit A-5: Well Proposal Letters and AFEs  
Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #213H Well  
Exhibit A-7: Aerial View Map of Surrounding Development  
Exhibit A-8: Permian Resources Slim Jim Well Proposals  
Exhibit A-9: Plat for Tamano 15 AD Fed Com #1H Well

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

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

Case No. 25116

**SELF-AFFIRMED STATEMENT OF JORDAN SHAW**

I, Jordan Shaw, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
5. V-F seeks an order pooling all uncommitted mineral interest in the First Bone Spring and Second Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405,



from the top of the First Bone Spring, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, which has an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

6. Under Case No. 25116, V-F seeks to dedicate the **Rainier 16-15 Fed Com #223H Well**, (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15; approximate TVD of 8,395'; approximate TMD of 19,631'; FTP in Section 16: 2,085' FNL, 100' FWL; LTP in Section 15: 2,085' FNL, 100' FEL.

7. The proposed C-102 for each well is attached as **Exhibit A-1**.

8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.

10. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-3**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information

for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

11. There are no depth severances in the Third Bone Spring formation in this acreage.

12. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

13. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

14. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

15. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

16. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

17. V-F requests that it be designated operator of the units and wells.

18. Additionally, although not technically part of Case No. 25116, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role Case No. 25116 plays in V-F's future development plans underlying the S/2 N/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #213H Well**, (API 30-015-pending) that has been proposed to all working interest owners in the First Bone Spring formation. This shows future plans to develop the related lands in this area to optimize production and prevent waste.

19. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands



are unbounded to the east, and Permian Resources could simply develop two mile horizontal Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

20. **Exhibit A-8** are Permian Resources' well proposals both dated August 16, 2024, one proposal covering the Slim Jim 14-15 Fed COM 122H and 123H, both targeting the 2<sup>nd</sup> Bone Spring formation in the S/2 N/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and the other proposal the Slim Jim 14-15 Fed COM 124H, 125H and 126H, with all three wells also targeting the 2<sup>nd</sup> Bone Spring formation in the S/2 Sections 14 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (collectively the "Slim Jim Second Bone Proposals").

21. Attached as **Exhibit A-9** is a plat of the Tamano 15 AD Fed Com #1H Well (API No. 30-015-40868), which is situated in the N/2 N/2 of Section 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

22. Assuming Permian Resources' actually drills and completes all five proposed Slim Jim Second Bone Proposals, this will result in a total of six horizontal wells situated in Section 14 (Slim Jim 14-15 Fed COM 121H has been proposed to Section 14 working interest owners only) and Section 15, with spacing as close as 660' between wells. This spacing pattern is extremely aggressive when compared to Mewbourne Oil Company's Local Legend development to the west in Sections 18 and 17, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Mewbourne Oil Company's Barrel Crusher development, also to the west in Sections 19 and

20, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, both as depicted on **Exhibit A-7**, which shows four Second Bone Spring wells in each development, more or less evenly spaced. To propose a fifty percent (50%) increase to the conventional density pattern in this area, in V-F's opinion should require empirical longstanding production data to establish that the acreage justifies additional in-fill development otherwise such a proposal in V-F's respectful opinion should be viewed as wasteful and not protecting the correlative rights of the other working interest owners in Permian Resources' Slim Jim Second Bone Proposals, who collectively will own the majority of the working interest in the Slim Jim Second Bone Proposals.

23. The Exhibits to this Affidavit were prepared by me or compiled from V-F's company business records under my direct supervision.

24. The granting of this Self-Affirmed Statement is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

25. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Jordan Shaw:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25116 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



\_\_\_\_\_  
Jordan Shaw

01/21/2025

\_\_\_\_\_  
Date Signed

<b>C-102</b> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>		Revised July 9, 2024	
			Submittal Type:	<input type="checkbox"/> Initial Submittal
				<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled		

**WELL LOCATION INFORMATION**

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	<b>RANIER 16 15 FED COM</b>	<b>223H</b>
OGRID No.	Operator Name	Ground Level Elevation
	<b>V-F PETROLEUM INC.</b>	<b>3665'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	16	18-S	31-E	-	1617.5 FNL	728 FWL	32.750290°	103.880748°	EDDY

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	15	18-S	31-E	-	2085 FNL	100 FEL	32.749059°	103.849092°	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.	Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No			

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	16	18-S	31-E	-	2085 FNL	50 FWL	32.749002°	103.882951°	EDDY


**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	16	18-S	31-E	-	2085 FNL	100 FWL	32.749002°	103.882789°	EDDY

**Last Take Point (LTP)**

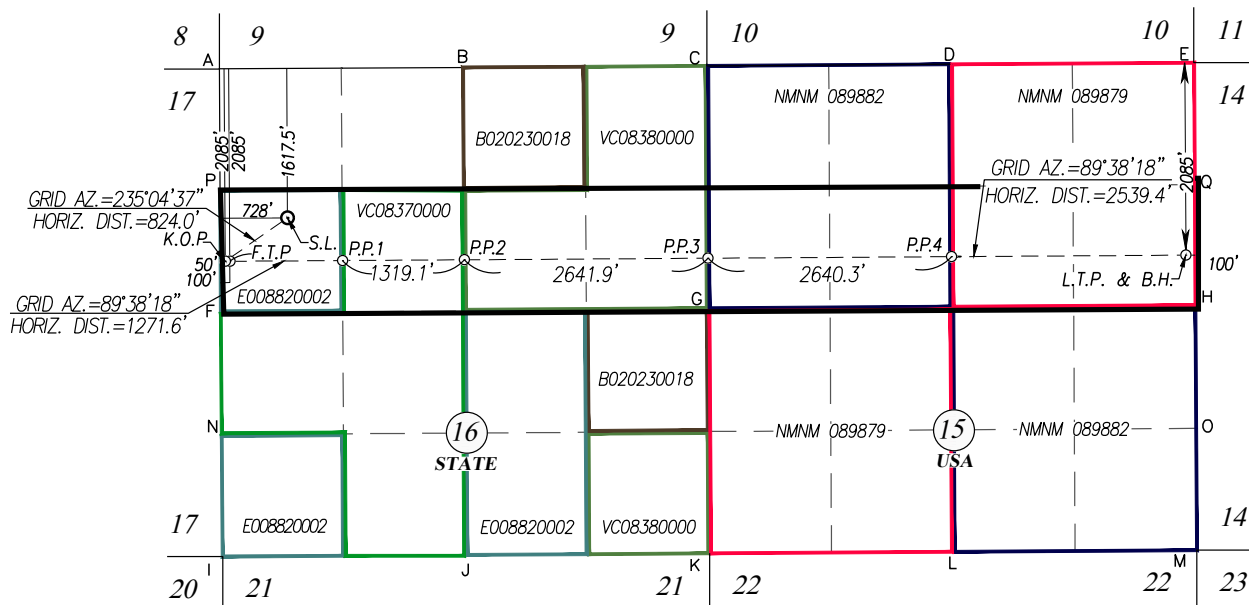
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	15	18-S	31-E	-	2085 FNL	100 FEL	32.749059°	103.849092°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

<b>OPERATOR CERTIFICATIONS</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unEDDYsed 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 a working interest or unEDDYsed mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  If this well is a horizontal well, I further certify that this organization has received the consent of at EDDYst one lessee or owner of a working interest or unEDDYsed mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.		<b>SURVEYOR CERTIFICATIONS</b>  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.	
Signature _____ Date _____		 Signature and Seal of Professional Surveyor	
Printed Name _____		Gary G. Eidson 12641 SEPTEMBER 30, 2024	
E-mail Address _____		Certificate Number _____	Date of Survey _____
		PAGE 1 OF 2	ACK REL. W.O.: 25.13.0020 JWSC W.O.: 25.13.0020

Note: 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

SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636921.2 N  
X= 639300.9 E  
LAT.=32.750171° N  
LONG.=103.880242° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636449.6 N  
X= 638625.5 E  
LAT.=32.748883° N  
LONG.=103.882446° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636449.9 N  
X= 638675.4 E  
LAT.=32.748883° N  
LONG.=103.882283° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636457.6 N  
X= 639896.8 E  
LAT.=32.748890° N  
LONG.=103.878311° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636465.9 N  
X= 641215.5 E  
LAT.=32.748897° N  
LONG.=103.874021° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636482.6 N  
X= 643856.8 E  
LAT.=32.748911° N  
LONG.=103.865430° W

1617.5' FNL & 728' FWL  
SEC. 16

2085' FNL & 50' FWL  
SEC. 16

2085' FNL & 100' FWL  
SEC. 16

2084.8' FNL & 1321.6' FWL  
SEC. 16

2084.6' FNL & 2640.7' FWL  
SEC. 16

2084.4' FNL  
SEC. 16 & SEC. 17

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636984.6 N  
X= 680479.7 E  
LAT.=32.750290° N  
LONG.=103.880748° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636513.0 N  
X= 679804.3 E  
LAT.=32.749002° N  
LONG.=103.882951° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636513.3 N  
X= 679854.3 E  
LAT.=32.749002° N  
LONG.=103.882789° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636521.1 N  
X= 681075.6 E  
LAT.=32.749009° N  
LONG.=103.878816° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636529.4 N  
X= 682394.3 E  
LAT.=32.749016° N  
LONG.=103.874527° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636546.0 N  
X= 685035.6 E  
LAT.=32.749030° N  
LONG.=103.865936° W

#### CORNER COORDINATES TABLE NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 638593.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E  
P - Y= 637213.4 N, X= 638571.2 E  
Q - Y= 637280.9 N, X= 649130.9 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.0 E  
P - Y= 637276.9 N, X= 679750.9 E  
Q - Y= 637344.4 N, X= 690309.7 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636500.0 N  
X= 646496.5 E  
LAT.=32.748927° N  
LONG.=103.856845° W

2084.2' FNL & 2639.4' FEL  
SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636563.5 N  
X= 687675.2 E  
LAT.=32.749046° N  
LONG.=103.857350° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636516.2 N  
X= 649035.2 E  
LAT.=32.748940° N  
LONG.=103.848587° W

2085' FNL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636579.8 N  
X= 690214.0 E  
LAT.=32.749059° N  
LONG.=103.849092° W

RANIER 16 15 FED COM #223H

PAGE 2 OF 2

ACK REL. W.O.:24110353

JWSC W.O.: 25.13.0020

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

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

☐ AMENDED REPORT

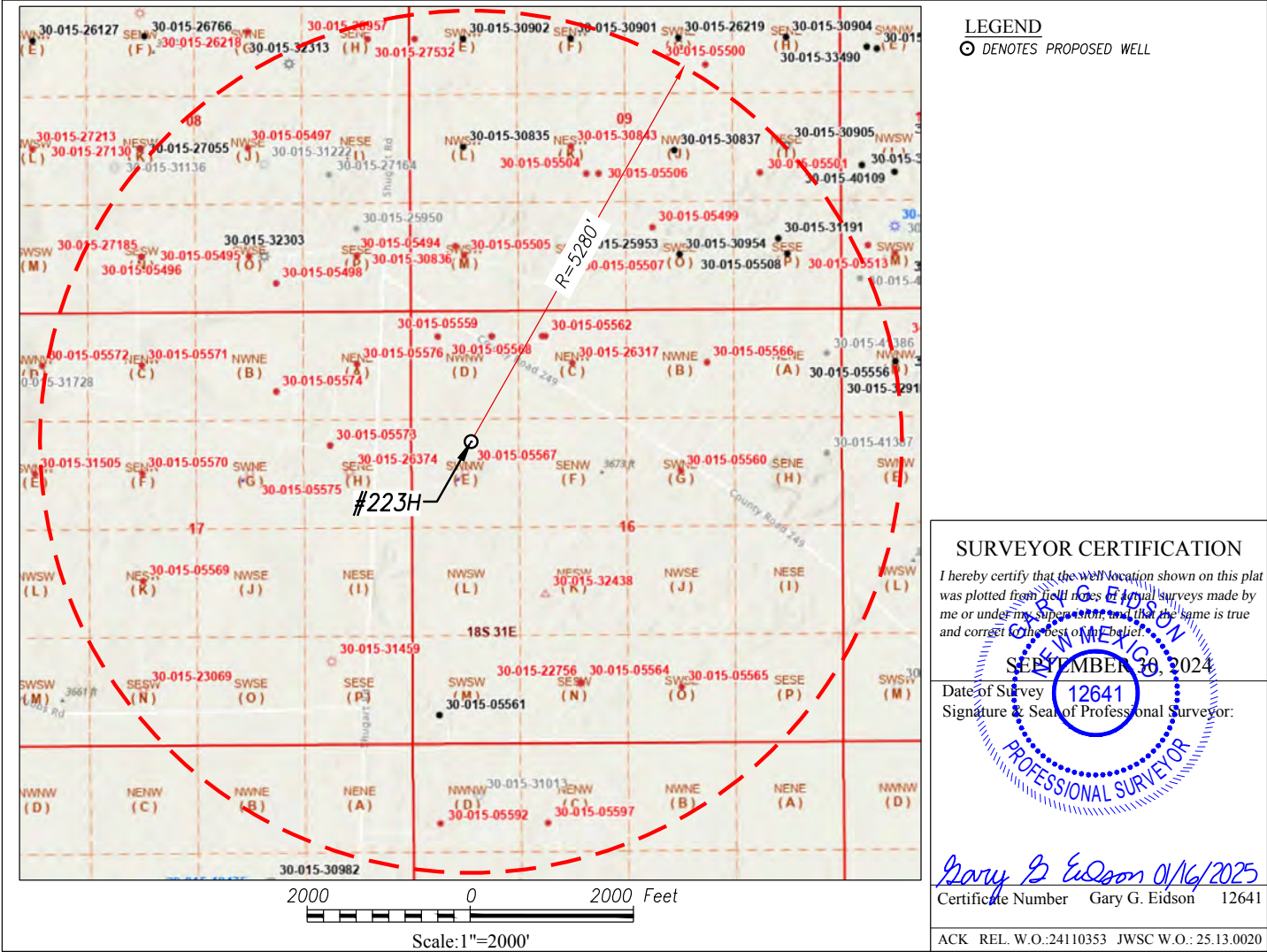
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name RANIER 16 15 FED COM		Well Number 223H
OGRID No.	Operator Name V-F PETROLEUM INC.		Elevation 3665'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	18-S	31-E		1617.5	NORTH	728	WEST	EDDY

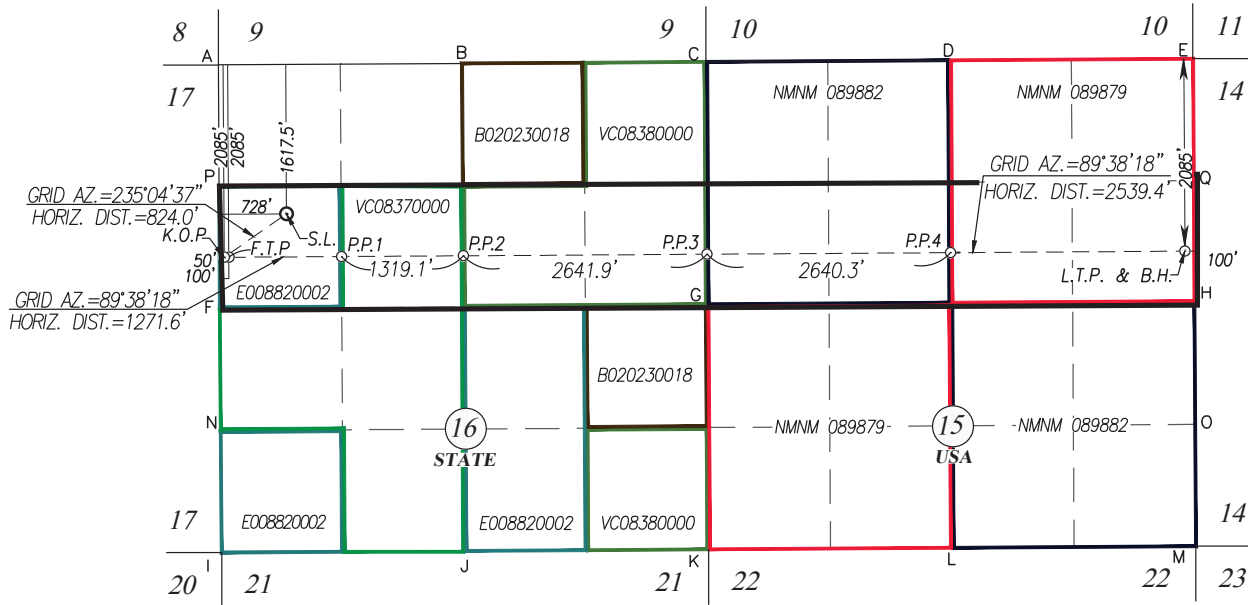
Bottom Hole Location If Different From Surface									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	18-S	31-E		2085	NORTH	100	EAST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

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





SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636921.2 N  
X= 639300.9 E  
LAT.=32.750171° N  
LONG.=103.880242° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636449.6 N  
X= 638625.5 E  
LAT.=32.748883° N  
LONG.=103.882446° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636449.9 N  
X= 638675.4 E  
LAT.=32.748883° N  
LONG.=103.882283° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636457.6 N  
X= 639896.8 E  
LAT.=32.748890° N  
LONG.=103.878311° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636465.9 N  
X= 641215.5 E  
LAT.=32.748897° N  
LONG.=103.874021° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636482.6 N  
X= 643856.8 E  
LAT.=32.748911° N  
LONG.=103.865430° W

1617.5' FNL & 728' FWL  
SEC. 16

2085' FNL & 50' FWL  
SEC. 16

2085' FNL & 100' FWL  
SEC. 16

2084.8' FNL & 1321.6' FWL  
SEC. 16

2084.6' FNL & 2640.7' FWL  
SEC. 16

2084.4' FNL  
SEC. 16 & SEC. 17

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636984.6 N  
X= 680479.7 E  
LAT.=32.750290° N  
LONG.=103.880748° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636513.0 N  
X= 679804.3 E  
LAT.=32.749002° N  
LONG.=103.882951° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636513.3 N  
X= 679854.3 E  
LAT.=32.749002° N  
LONG.=103.882789° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636521.1 N  
X= 681075.6 E  
LAT.=32.749009° N  
LONG.=103.878816° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636529.4 N  
X= 682394.3 E  
LAT.=32.749016° N  
LONG.=103.874527° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636546.0 N  
X= 685035.6 E  
LAT.=32.749030° N  
LONG.=103.865936° W

#### CORNER COORDINATES TABLE NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 638593.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E  
P - Y= 637213.4 N, X= 638571.2 E  
Q - Y= 637280.9 N, X= 649130.9 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E  
P - Y= 637276.9 N, X= 679750.0 E  
Q - Y= 637344.4 N, X= 690309.7 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636500.0 N  
X= 646496.5 E  
LAT.=32.748927° N  
LONG.=103.856845° W

2084.2' FNL & 2639.4' FEL  
SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636563.5 N  
X= 687675.2 E  
LAT.=32.749046° N  
LONG.=103.857350° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636516.2 N  
X= 649035.2 E  
LAT.=32.748940° N  
LONG.=103.848587° W

2085' FNL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636579.8 N  
X= 690214.0 E  
LAT.=32.749059° N  
LONG.=103.849092° W

**EXHIBIT  
A-2**

RANIER 16 15 FED COM #223H

PAGE 2 OF 2

ACK REL. W.O.:24110353

JWSC W.O.: 25.13.0020



**Rainier 16 15 Fed COM #223H (2<sup>nd</sup> Bone Spring)**  
**S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM**  
**Containing 320 acres, more or less**

**EXHIBIT A-3**

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.20000000

**S/2NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))**

<b>Working Interest Owners</b>	
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01239582
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00619790
Javelina Partners	0.00619790
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**SW/4NE/4 Sec. 15 (Federal Lease NMNM 089879)**

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.14166666
Permian Resources Operating, LLC	0.78750000
Ard Oil, LTD	0.05312500
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01770834
<b>TOTAL</b>	<b>1.00000000</b>

**Rainier 16 15 Fed COM #223H (2<sup>nd</sup> Bone Spring)**  
S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00531250
Javelina Partners	0.00531250
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00337500
Mewbourne, Curtis W., Trustee	0.01725000
Marathon Oil Permian LLC	0.03750000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**SE/4NE/4 Sec. 15 (Federal Lease NMNM 089879)**

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.10625000
Ard Oil, LTD	0.05312500
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01770833
Marathon Oil Permian LLC	0.50000000

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00531251
Javelina Partners	0.00531251
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00562500

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**Rainier 16 15 Fed COM #223H (2<sup>nd</sup> Bone Spring)**  
**S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM**  
**Containing 320 acres, more or less**

**EXHIBIT A-3**

**UNIT RECAPITULATION**

(Yellow denotes the Parties to be Pooled)

<b>Working Interest Owner</b>	<b>Decimal</b>
XTO Holdings, LLC (uncommitted)	0.12500000
V-F Petroleum Inc.	0.44458334
Permian Resources Operating, LLC (uncommitted)	0.32453125
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002 (uncommitted)	0.01328124
Ard Oil, LTD (committed)	0.02257813
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard. (uncommitted)	0.00752604
Marathon Oil Permian LLC (uncommitted)	0.06250000

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc. (committed)	0.00018750
Zorro Partners, Ltd. (committed)	0.00287760
Javelina Partners (committed)	0.00287760
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994 (uncommitted)	0.00431641
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00878906
Thomas M. Beall (committed)	0.00878906
Jason J. Lodge (committed)	0.00046875
Sarah M. Loudenback (committed)	0.00046875
Mid-Western Energy, L.L.C. (committed)	0.00004688
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00237188
Mewbourne, Curtis W., Trustee (uncommitted)	0.00742500
Marathon Oil Permian LLC (uncommitted)	0.02500000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.06250000
State of New Mexico	0.09062500

**Rainier 16 15 Fed COM #223H (2<sup>nd</sup> Bone Spring)**  
S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

**LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED**

<b>Working Interest Owner</b>
XTO Holdings, LLC
Permian Resources Operating, LLC
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.
Marathon Oil Permian LLC

**LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED**

<b>Overriding Royalty Interest Owners</b>
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994
Ralph A. Shugart Jr. Trust dated 5/26/1983
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC



Owner	Attn	Address 1	City	State	Zip Code
XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	Texas	77389
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marientfeld St., Suite 1000	Midland	Texas	79701
Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Lindy's Living Trust u/t/a dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109
Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	Texas	75711
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337

**Rainier 16 15 Fed COM #223H**

## Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- **9/13/23:** Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- **9/20/23:** Received email from Chad Smith requesting additional information and sent requested information that same day;
- **6/27/24:** Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16;
- **11/15/24:** Proposed Joint Operating Agreement; and
- **1/14/25:** Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- **8/28/24:** Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- **8/30/24:** Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- **9/5/24:** V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- **9/9/24:** Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- **9/11/24:** Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- **9/24/24:** Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- **11/15/24:** Proposed Joint Operating Agreement by mail;
- **1/17/25:** Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- **1/20/25:** V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002

- **9/13/23:** Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15;
- **9/29/23:** V-F extended by email to Jeff Adams a Term Assignment offer;
- **11/1/23:** V-F re-extended by email to Jeff Adams a Term Assignment offer; and
- **11/15/24:** Proposed Joint Operating Agreement.

Ard Oil, LTD

- **9/14/23:** Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and
- **11/15/24:** Proposed Joint Operating Agreement.

**EXHIBIT  
A-4**

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.

- **9/18/23:** Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- **10/2/23:** Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer;
- **10/31/23:** Email Brad Ince and re-extended both offers;
- **11/15/24:** Proposed Joint Operating Agreement by mail.

Marathon Oil Permian LLC

- **9/8/23:** Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- **9/14/23:** Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- **9/18/23:** Emailed Farley Duvall and re-extended offer and extended Term Assignment offer;
- **10/2/23:** Followed up by email to see if Marathon would consider either offer; and
- **11/15/24:** Proposed Joint Operating Agreement by mail.

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 6, 2024

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

Marathon Oil Permian LLC  
990 Town and Country Boulevard  
Houston, Tx. 77024  
ATTN: Chase Rice, Permian Land Supervisor

RE: **Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #223H; 2<sup>nd</sup> Bone Spring**

SHL: 1,130 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

**Rainier 16 15 Fed Com #233H; 3<sup>rd</sup> Bone Spring**

SHL: 1,105 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. (“V-F”) hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #223H** in order to test the 2<sup>nd</sup> Bone Spring formation is estimated to be 8,395 feet (TVD) with an approximate total measured depth of 19,415 feet. The costs to drill, complete and equip said well are estimated at **\$8,526,516.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #233H** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be 9,275 feet (TVD) with an approximate total measured depth of 20,325 feet. The costs to drill, complete and equip said well are estimated at **\$9,571,750.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

**EXHIBIT  
A-5**

Rainier 16 15 Fed Com #223H & #233H  
Marathon Oil Permian LLC  
November 6, 2024

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 standard 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**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. 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. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

*Elections set forth on the following pages*

Rainier 16 15 Fed Com #223H & #233H  
Marathon Oil Permian LLC  
November 6, 2024

**ELECTIONS**  
**Rainier 16 15 Fed Com #223H Well & Rainier 16 15 Fed Com #233H Well**

*Occidental Permian, LP*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #223H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #223H Well**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #233H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #233H Well**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_



Released to Imaging: 3/10/2025 3:19:41 PM

<h2 style="margin: 0;">V-F Petroleum Inc.</h2> <p style="margin: 0;"><b>AUTHORIZATION FOR EXPENDITURE</b></p>						API No.	
October 14, 2024						AFE Number	
<input checked="" type="checkbox"/> Original	<input type="checkbox"/>	<input type="checkbox"/> Supplement	<input type="checkbox"/> Revision	<input type="checkbox"/>	Re-Entry	Well Type Third BS Horizontal Oil Well	
<input checked="" type="checkbox"/> Drill Well	<input type="checkbox"/>	<input type="checkbox"/> Workover	<input type="checkbox"/> Facilities	<input type="checkbox"/>	Plug & Abandon	Projected TD: 9,275' TVD    20,325' MD	
Lease Name/Well #		County / State	Formation	Basin	Field or Prospect	Proposal Two Mile Horizontal Lateral	
<b>Ranier 16-15 Federal Com #233H</b>		<b>Eddy NM</b>	<b>3rd Bone Spring</b>	<b>Permian</b>	<b>Shugart; Bone Spring N.</b>	<b>SHL: 1,105' FNL &amp; 90' FWL, Section 16, T-18-S, R-31-E</b> <b>BHL: 2,085' FNL &amp; 100' FEL, Section 15, T-18-S, R-31-E</b>	
Acct Code	INTANGIBLE DESCRIPTION	COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST			
501	PERMITS & ENVIROMENTAL SERVICES	\$15,000	\$10,000	\$25,000			
516	TITLE OPINION, CURATIVE & POOLING	\$15,000		\$15,000			
501	SURVEYING STAKE LOCATION	\$7,500		\$7,500			
501	DAMAGES & R-O-W'S	\$15,000		\$15,000			
502/711	ROADS, LOCATION, PITS, LINERS, ETC.	\$1,500	\$25,000	\$26,500			
503	DRILLING RIG MOBILIZATION COST	\$10,000		\$10,000			
503	DRILLING - DAYS	\$380,000		\$380,000			
503	MUD MOTORS & DIRECTIONAL	\$175,000		\$175,000			
517	CLOSED LOOP & DISPOSAL	\$115,500		\$115,500			
505	MUD & FRAC CHEMICALS	\$125,000	\$350,000	\$475,000			
505/716	WATER (Brine & Fresh); FRAC WATER	\$58,000	\$400,000	\$458,000			
503	BITS, REAMERS, ETC	\$65,000		\$65,000			
503	FUEL	\$450,000		\$450,000			
504	CEMENTING SURFACE	\$25,000		\$25,000			
504	CEMENTING INTERMEDIATE	\$55,000		\$55,000			
701	CEMENTING PRODUCTION		\$165,000	\$165,000			
509/705	TUBULAR SERVICES AND TOOLS	\$55,000	\$90,000	\$145,000			
509/705	CASING CREWS PU LD MACHINE	\$45,000	\$50,000	\$95,000			
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS	\$15,000	\$25,000	\$40,000			
507	TESTING, COMPLETION, FLOWBACK		\$175,000	\$175,000			
508	OPEN HOLE LOGGING						
508	MUD LOGGING	\$70,000		\$70,000			
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY	\$36,000	\$250,000				
509/713	EQUIPMENT RENTAL	\$42,000	\$125,000	\$167,000			
509/714	TRUCKING, TRANSPORTATION, FORKLIFT	\$57,000	\$85,000	\$142,000			
715	COMPLETION UNIT; COIL TUBING UNIT		\$600,000	\$600,000			
704	FORMATION STIMULATION (60 STAGES)		\$2,435,500	\$2,435,500			
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS		\$280,000	\$280,000			
510/11/706	GEOLOGIC / ENGINEERING	\$55,000	\$80,000	\$135,000			
509/705	CONTRACT CONSULTANTS	\$70,000	\$52,000	\$122,000			
514	DRILLING WELL RATE (A/O)	\$10,500	\$5,000	\$15,500			
515/705	INSURANCE	\$10,000	\$10,000	\$20,000			
509/705	CONTINGENCY (8%)	\$98,000	\$416,000	\$514,000			
<b>TOTAL INTANGIBLE ESTIMATED COST</b>		<b>\$2,076,000</b>	<b>\$5,628,500</b>	<b>\$7,704,500</b>			
Acct Code	TANGIBLE DESCRIPTION	COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST			
620/820	CONDUCTOR	\$42,000		\$42,000			
620/820	SURFACE	\$96,000		\$96,000			
620/820	INTERMEDIATE	\$120,000		\$120,000			
620/820	INTERMEDIATE						
820	PRODUCTION		\$609,750	\$609,750			
820	PRODUCTION LINER						
821	TUBING (Coated)		\$128,000	\$128,000			
621/824	WELLHEAD EQUIPMENT	\$28,000	\$18,000	\$46,000			
825	PRODUCTION FACILITY ENCLOSURE		\$25,000	\$25,000			
825	POWER SOURCE		\$25,000	\$25,000			
822	RODS AND PUMP (FG & STEEL)						
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT		\$265,000	\$265,000			
827	HEATER TREATER, SEPERATOR, FWKO		\$175,000	\$175,000			
831	GAS SALES LINE & METER RUN		\$5,500	\$5,500			
830	FLOWLINES, VALVES, CONNECTIONS		\$10,000	\$10,000			
827	TANKS (WATER AND PRODUCTION)		\$150,000	\$150,000			
622/820	CONTINGENCY (10%)	\$29,000	\$141,000	\$170,000			
<b>TOTAL TANGIBLE ESTIMATED COST</b>		<b>\$315,000</b>	<b>\$1,552,250</b>	<b>\$1,867,250</b>			
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services		\$50,000					
<b>ESTIMATED DRY HOLE COST</b>		<b>\$2,441,000</b>					
<b>TOTAL AFE ESTIMATED COST</b>		<b>\$2,391,000</b>	<b>\$7,180,750</b>	<b>\$9,571,750</b>			

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 20, 2025

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

Marathon Oil Permian LLC  
990 Town and Country Boulevard  
Houston, Texas 77025

**RE: Horizontal Well Proposals – 1<sup>st</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

### **Rainier 16 15 Fed Com #213H; 1<sup>st</sup> Bone Spring**

SHL: 1,492 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100' FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #213H** in order to test the 1<sup>st</sup> Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,709 feet. The costs to drill, complete and equip said well are estimated at **\$8,024,206.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

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 standard 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**, one original (1) Joint Operating Agreement body signature page, and one (1) executed and notarized Memorandum of Operating Agreement signature page. If you should decide not to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an a

**EXHIBIT  
A-6**

Rainier 16 15 Fed Com #213H  
Marathon Oil Permian LLC  
January 20, 2025

proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

Election set forth on the following page

Rainier 16 15 Fed Com #213H  
Marathon Oil Permian LLC  
January 20, 2025

**ELECTION**  
**Rainier 16 15 Fed Com #213H Well**

*Marathon Oil Permian LLC*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #213H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #213H Well**

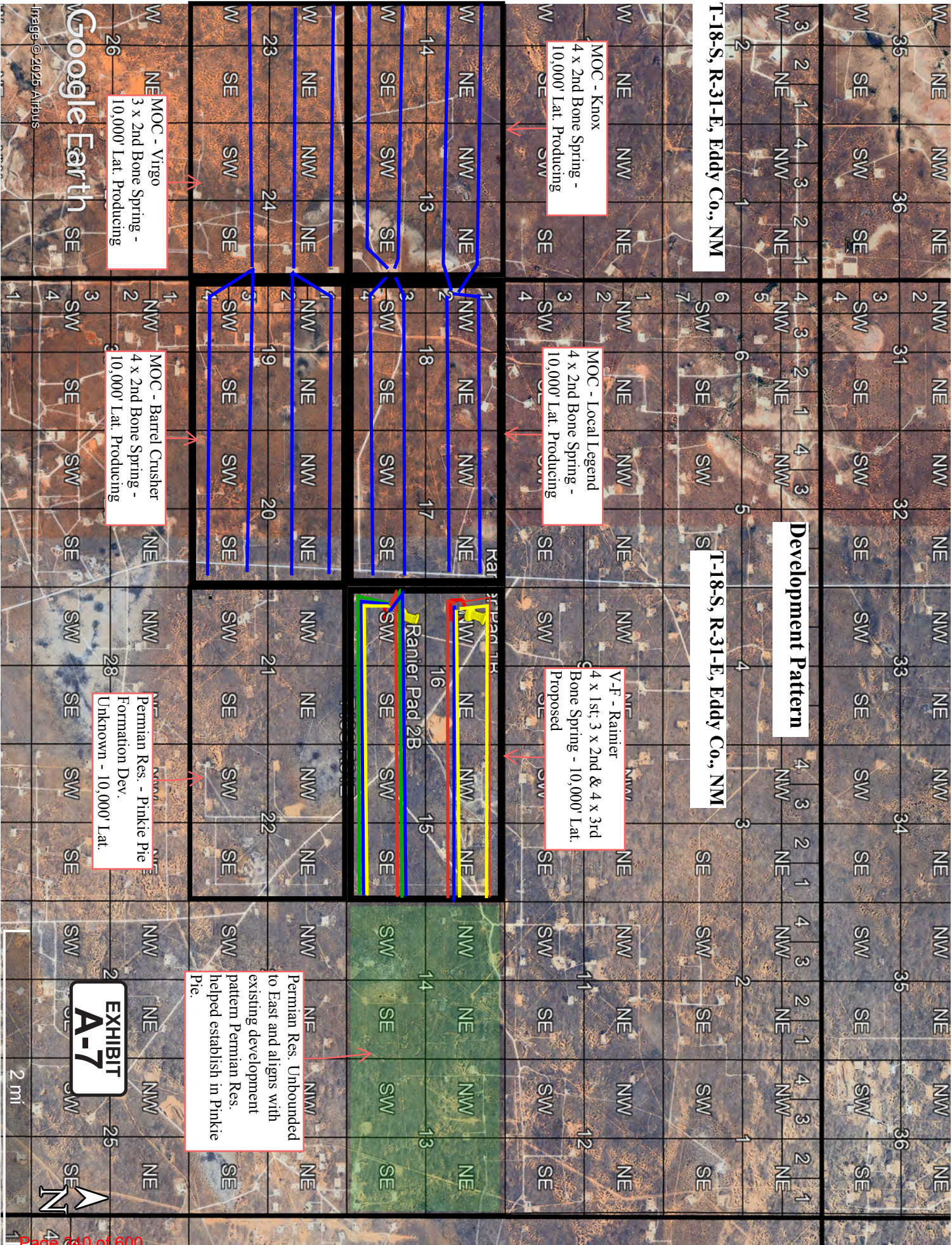
By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<div>V-F Petroleum Inc.</div> <div>AUTHORIZATION FOR EXPENDITURE</div>						API No.	
October 14, 2024						AFE Number	
<input checked="" type="checkbox"/> Original	<input type="checkbox"/>	Supplement	<input type="checkbox"/> Revision	<input type="checkbox"/> Re-Entry	Well Type First BS Horizontal Oil Well		
<input checked="" type="checkbox"/> Drill Well	<input type="checkbox"/>	Workover	<input type="checkbox"/> Facilities	<input type="checkbox"/> Plug & Abandon	Projected TD: 7,750' TVD 18,709' MD		
Lease Name/Well #		County / State	Formation	Basin	Field or Prospect	SHL.: 1,492 FNL. & 728' FWL., Section 16, T-18-S, R-31-E	
Ranier 16-15 Federal Com #213H		Eddy NM	1st Bone Spring	Permian	Shugart; Bone Spring N.	BHL.: 2,085 FNL. & 100' FEL., Section 15, T-18-S, R-31-E	
Acct Code	INTANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIROMENTAL SERVICES				\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING				\$15,000		\$15,000
501	SURVEYING STAKE LOCATION				\$7,500		\$7,500
501	DAMAGES & R-O-W'S				\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.				\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST				\$10,000		\$10,000
503	DRILLING - DAYS 16 days @ \$19,000				\$304,000		\$304,000
503	MUD MOTORS & DIRECTIONAL				\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 16 days @ \$5,500				\$88,000		\$88,000
505	MUD & FRAC CHEMICALS				\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh); FRAC WATER				\$40,000	\$400,000	\$440,000
503	BITS, REAMERS, ETC.				\$65,000		\$65,000
503	FUEL 45000 gallons @ \$6				\$270,000		\$270,000
504	CEMENTING SURFACE				\$25,000		\$25,000
504	CEMENTING INTERMEDIATE				\$45,000		\$45,000
701	CEMENTING PRODUCTION					\$126,000	\$126,000
509/705	TUBULAR SERVICES AND TOOLS				\$45,000	\$65,000	\$110,000
509/705	CASING CREWS PU LD MACHINE				\$35,000	\$45,000	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS				\$10,000	\$18,000	\$28,000
507	TESTING; COMPLETION, FLOWBACK					\$175,000	\$175,000
508	OPEN HOLE LOGGING						
508	MUD LOGGING 16 days @ \$3,500				\$56,000		\$56,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY				\$26,000	\$250,000	
509/713	EQUIPMENT RENTAL				\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT				\$57,000	\$35,000	\$92,000
715	COMPLETION UNIT; COIL TUBING UNIT					\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)					\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS					\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING				\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 16 days @ \$3,500				\$56,000	\$52,000	\$108,000
514	DRILLING WELL RATE (A/O) 16 days @ \$500				\$8,000	\$5,000	\$13,000
515/705	INSURANCE				\$10,000	\$10,000	\$20,000
509/705	CONTINGENCY (8%)				\$81,000	\$355,000	\$436,000
TOTAL INTANGIBLE ESTIMATED COST					\$1,715,500	\$4,801,566	\$6,517,066
Acct Code	TANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820	CONDUCTOR				\$42,000		\$42,000
620/820	SURFACE				\$96,000		\$96,000
620/820	INTERMEDIATE				\$120,000		\$120,000
620/820	INTERMEDIATE						
820	PRODUCTION					\$310,640	\$310,640
820	PRODUCTION LINER						
821	TUBING (Coated)					\$120,000	\$120,000
621/824	WELLHEAD EQUIPMENT				\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE					\$25,000	\$25,000
825	POWER SOURCE					\$25,000	\$25,000
822	RODS AND PUMP (FG & STEEL)						
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT					\$265,000	\$265,000
827	HEATER TREATER, SEPERATOR, FWKO					\$175,000	\$175,000
831	GAS SALES LINE & METER RUN					\$5,500	\$5,500
830	FLOWLINES, VALVES, CONNECTIONS					\$10,000	\$10,000
827	TANKS (WATER AND PRODUCTION)					\$150,000	\$150,000
622/820	CONTINGENCY (8%)				\$29,000	\$88,000	\$117,000
TOTAL TANGIBLE ESTIMATED COST					\$315,000	\$1,192,140	\$1,507,140
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services					\$50,000		
ESTIMATED DRY HOLE COST					\$2,080,500		
TOTAL AFE ESTIMATED COST					\$2,030,500	\$5,993,706	\$8,024,206
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: Bill Pierce		Date: 10/14/2024	
Signature _____							
Date _____							









300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

Rec'd  
8/19/24

August 16, 2024

***Via Certified Mail & Email***

V-F Petroleum, Inc.  
Attn: Land Dept.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2N/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

**1. Slim Jim 14-15 Fed Com 122H**

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 1650' FNL of Section 15  
FTP: 100' FEL & 1650' FNL of Section 14  
LTP: 100' FWL & 1650' FNL of Section 15  
TVD: Approximately 8,595'  
TMD: Approximately 18,880'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 123H**

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 2310' FNL of Section 15  
FTP: 100' FEL & 2310' FNL of Section 14  
LTP: 100' FWL & 2310' FNL of Section 15  
TVD: Approximately 8,810'  
TMD: Approximately 19,095'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*

EXHIBIT  
**A-8**

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 122H
AFE Name:	SLIM JIM 14-15 FED COM 122H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com





## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
<b>Sub-total</b>		<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
	<b>Grand Total</b>	<b>\$8,291,484.42</b>



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 123H
AFE Name:	SLIM JIM 14-15 FED COM 123H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com

**PERMIAN**  
 RESOURCES

**Cost Estimate**

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
	<b>Sub-total</b>	<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>

Rec'd  
8/19/24

300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

August 16, 2024

*Via Certified Mail & Email*

V-F Petroleum, Inc.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

**1. Slim Jim 14-15 Fed Com 124H (Infill)**

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 2200' FSL of Section 14  
FTP: 100' FWL & 2200' FSL of Section 15  
LTP: 100' FWL & 2200' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 125H (Defining Well)**

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 1430' FSL of Section 14  
FTP: 100' FWL & 1430' FSL of Section 15  
LTP: 100' FWL & 1430' FSL of Section 14  
TVD: Approximately 8,670'  
TMD: Approximately 18,955'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells





300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**3. Slim Jim 14-15 Fed Com 126H (Infill)**

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 660' FSL of Section 14  
FTP: 100' FWL & 660' FSL of Section 15  
LTP: 100' FWL & 660' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate
Slim Jim 14-15 Fed Com 124H		
Slim Jim 14-15 Fed Com 125H		
Slim Jim 14-15 Fed Com 126H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 124H
AFE Name:	SLIM JIM 14-15 FED COM 124H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
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8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
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8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
Sub-total		\$3,921,419.00
<b>Drilling Intangible</b>		
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8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00

**PERMIAN**  
 RESOURCES

**Cost Estimate**

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>





## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 125H
AFE Name:	SLIM JIM 14-15 FED COM 125H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
<b>Sub-total</b>		<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
8015.5000	IDC - WELL CONTROL INSURANCE	\$5,775.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

Account	Description	Gross Est. (\$)
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
	<b>Grand Total</b>	<b>\$8,291,484.42</b>



## Cost Estimate

Printed Date: Aug 13, 2024

AFE Number:		Description:	SLIM JIM 14-15 FED COM 126H
AFE Name:	SLIM JIM 14-15 FED COM 126H	AFE TYPE:	Drill and Complete
Well Operator:	PERMIAN RESOURCES		
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$350,952.83
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1100	TDC - CASING - SURFACE	\$18,253.75
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$82,972.75
	<b>Sub-total</b>	<b>\$505,304.33</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$50,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.1310	TAL - ESP EQUIPMENT/INSTALL	\$100,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$15,000.00
8065.2100	TAL - WELL SITE POWER EQUIPMENT/INSTALL	\$75,000.00
8065.2200	TAL - OHP INFRASTRUCTURE EQUIPMENT/INSTALL	\$50,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$5,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$5,000.00
	<b>Sub-total</b>	<b>\$440,000.00</b>
<b>Facilities</b>		
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$101,429.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,714.00
8035.4500	FAC - CONTINGENCY	\$13,969.00
8035.3400	FAC - METER & LACT	\$61,286.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$10,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.2900	FAC - TANK BATTERY	\$51,429.00
8035.3700	FAC - AUTOMATION MATERIAL	\$17,857.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,143.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1310	FAC - PERMANENT EASEMENT	\$3,571.00
8035.2100	FAC - INSPECTION & TESTING	\$357.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$714.00
8035.1700	FAC - RENTAL EQUIPMENT	\$11,429.00
8035.2400	FAC - SUPERVISION	\$8,571.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$85,714.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$286.00
8035.4400	FAC - COMPANY LABOR	\$714.00
8035.3600	FAC - ELECTRICAL	\$39,286.00
	<b>Sub-total</b>	<b>\$479,611.00</b>

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Completion Intangible</b>		
8025.3050	ICC - SOURCE WATER	\$173,069.00
8025.1600	ICC - COILED TUBING	\$184,906.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$175,070.00
8025.3500	ICC - WELLSITE SUPERVISION	\$51,300.00
8025.1500	ICC - FUEL / POWER	\$505,363.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,748.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,088,688.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$397,992.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$168,408.00
8025.2000	ICC - TRUCKING	\$14,375.00
	<b>Sub-total</b>	<b>\$3,921,419.00</b>
<b>Drilling Intangible</b>		
8015.2400	IDC - RIG WATER	\$13,125.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00
8015.1700	IDC - DAYWORK CONTRACT	\$391,584.38
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8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$15,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.52
8015.1600	IDC - RIG MOB / STANDBY RATE	\$35,100.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$47,500.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$57,750.00
8015.4200	IDC - MANCAMP	\$27,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$172,921.88
8015.2350	IDC - FUEL/MUD	\$64,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,046.00
8015.5200	IDC - CONTINGENCY	\$93,085.83
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$41,278.13
8015.4300	IDC - WELLSITE SUPERVISION	\$60,900.00



## Cost Estimate

Printed Date: Aug 13, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.3700	IDC - DISPOSAL	\$122,661.00
8015.2300	IDC - FUEL / POWER	\$98,175.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.2150	IDC - DRILL BIT	\$98,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,550.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
	<b>Sub-total</b>	<b>\$2,161,659.74</b>
<b>Artificial Lift Intangible</b>		
8060.3810	IAL - ACID	\$25,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$9,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$10,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$7,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$15,000.00
8060.1210	IAL - SPOOLING SERVICES	\$6,000.00
	<b>Sub-total</b>	<b>\$110,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$196,240.35
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
	<b>Sub-total</b>	<b>\$406,240.35</b>
<b>Pipeline</b>		
8036.2800	PLN - FLOWLINE MATERIAL	\$66,000.00
8036.2200	PLN - CONTRACT LABOR	\$66,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$10,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$12,500.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$37,500.00
	<b>Sub-total</b>	<b>\$220,000.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Grand Total</b>		<b>\$8,291,484.42</b>



## DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

## DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 15, 2009

Submit one copy to appropriate  
District Office

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-015-40868</b>	Pool Code <b>58040</b>	Pool Name <b>Tamano Bone Spring</b>
Property Code <b>39575</b>	Property Name <b>TAMANO 15 AD FEDERAL</b>	Well Number <b>1H</b>
OGRID No. <b>14744</b>	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Elevation <b>3707'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>15</b>	<b>18 S</b>	<b>31 E</b>		<b>680</b>	<b>NORTH</b>	<b>180</b>	<b>EAST</b>	<b>EDDY</b>

## 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
<b>D</b>	<b>15</b>	<b>18 S</b>	<b>31 E</b>		<b>972</b>	<b>NORTH</b>	<b>338</b>	<b>WEST</b>	<b>EDDY</b>

Dedicated Acres <b>160</b>	Joint or Infill	Consolidation Code	Order No.
-------------------------------	-----------------	--------------------	-----------

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><b>OPERATOR CERTIFICATION</b></p> <p>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 or has a right to drill this well at this 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 <u>NM Young</u> Date <u>March 5, 13</u></p> <p>Printed Name <u>NM Young</u></p>
	<p><b>SURFACE LOCATION</b></p> <p>Lat - N 32°45'10.08" Long - W 103°50'55.86" NMSPCE- N 637920.385 E 648947.807 (NAD-27)</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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>DATE SURVEYED <u>AUGUST 12, 2012</u></p> <p>Signature of Professional Surveyor <u>[Signature]</u></p> <p>Certificate No. <u>7977</u></p> <p><b>EXHIBIT A-9</b></p>

## TAB 3

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist  
Exhibit B-1: Structure Map  
Exhibit B-2: Stratigraphic Cross Section  
Exhibit B-3: Gross Isopach  
Exhibit B-4: Gun Barrel View  
Exhibit B-5: Structural Cross-Section

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

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

**Case No. 25116**

**SELF-AFFIRMED STATEMENT OF STEPHEN BURKE**

I, Stephen Burke, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
5. **Exhibit B-1** is a structure map of the top of 2<sup>nd</sup> Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure



map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

6. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 2<sup>nd</sup> Bone Spring Sand. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and slight thinning to north of the target zone. The well logs on the cross-section give a representative sample of the 2<sup>nd</sup> Bone Spring Sand. The landing zone is highlighted by light, brown shading.

7. **Exhibit B-3** is a gross isopach map of the 2<sup>nd</sup> Bone Spring Sand, this map demonstrates the continuity of the target zone across this vicinity.

8. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of the wellbore.

9. **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 2<sup>nd</sup> Bone Spring Sand's applications in Cases Nos. 24994 and 24995.

10. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.

13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

14. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Stephen Burke:*

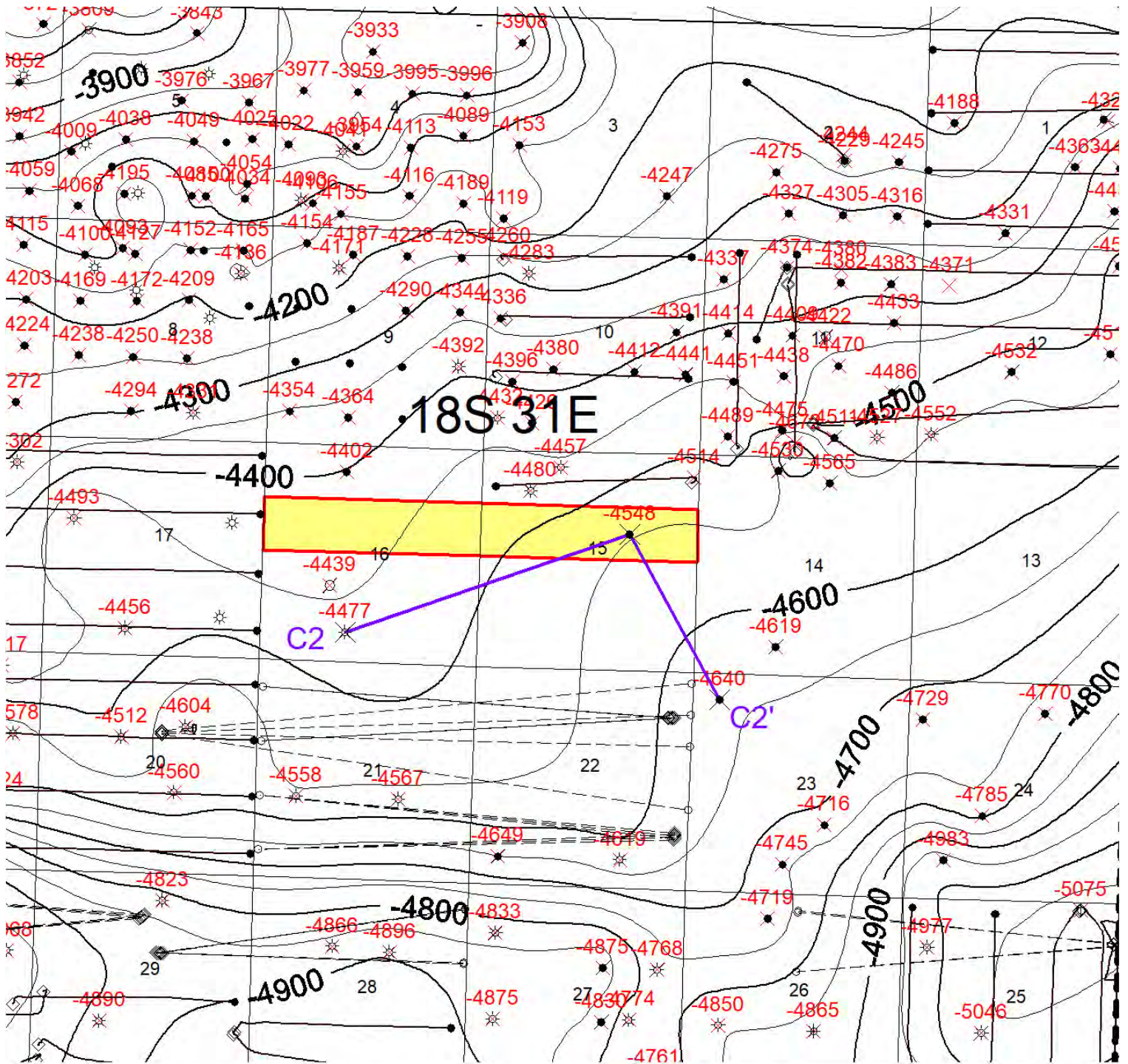
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25116 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Stephen Burke

1/21/2025  
Date Signed





Structure\_Sbsg50-MbSmb\_EI &lt;EddyLea&gt;

Data Point

X Data Point



1" = 3000'

3000 0 3000 6000 9000 12000

1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
2nd Bone Spring Sand – Structure Map  
Sec. 15 & 16 – T18S-R31E  
Eddy Co., New Mexico

Author:

mburke

Wells:

TD &gt; 8000'

Date:

20 January, 2025

Bubbles:

None

Scale:

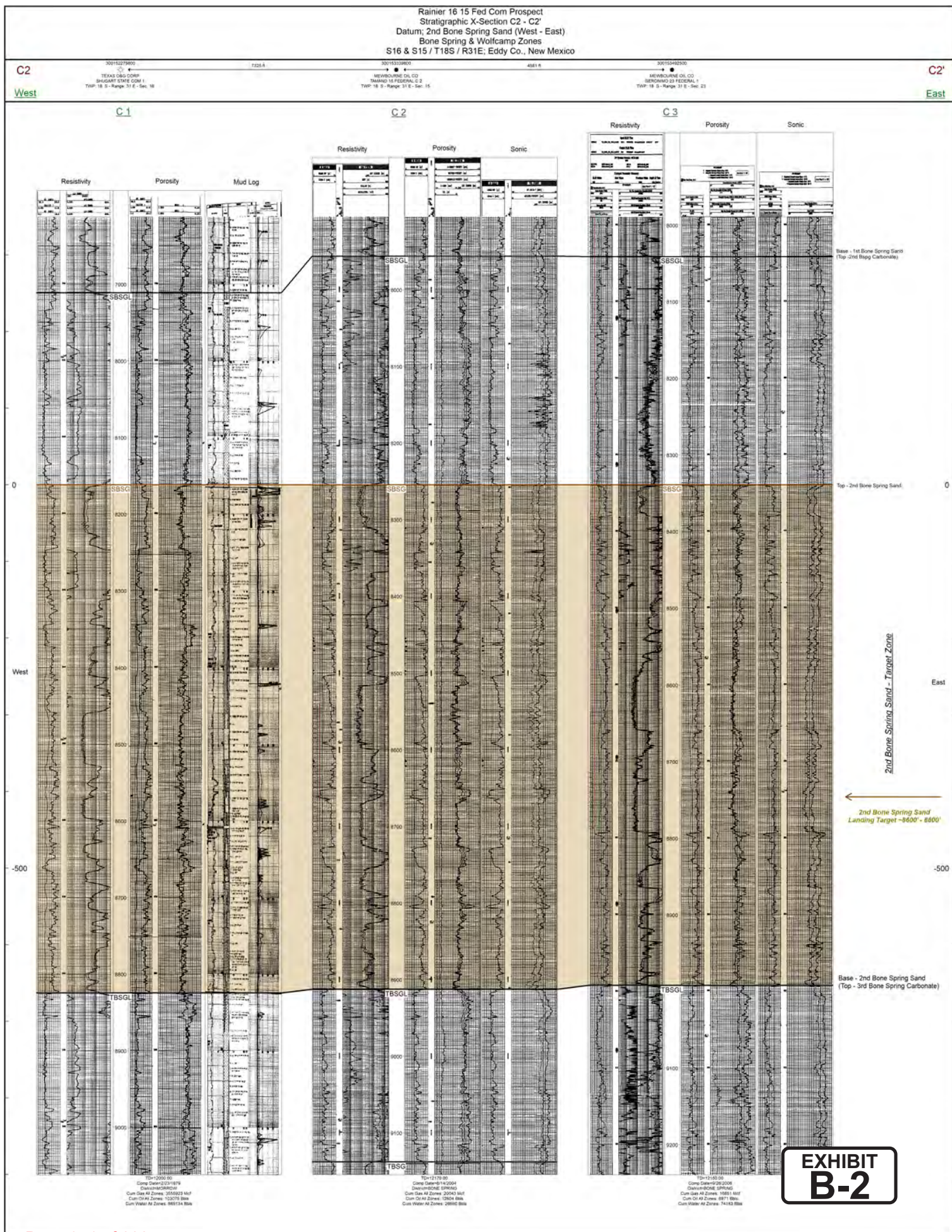
1" = 3000'

C.I.:

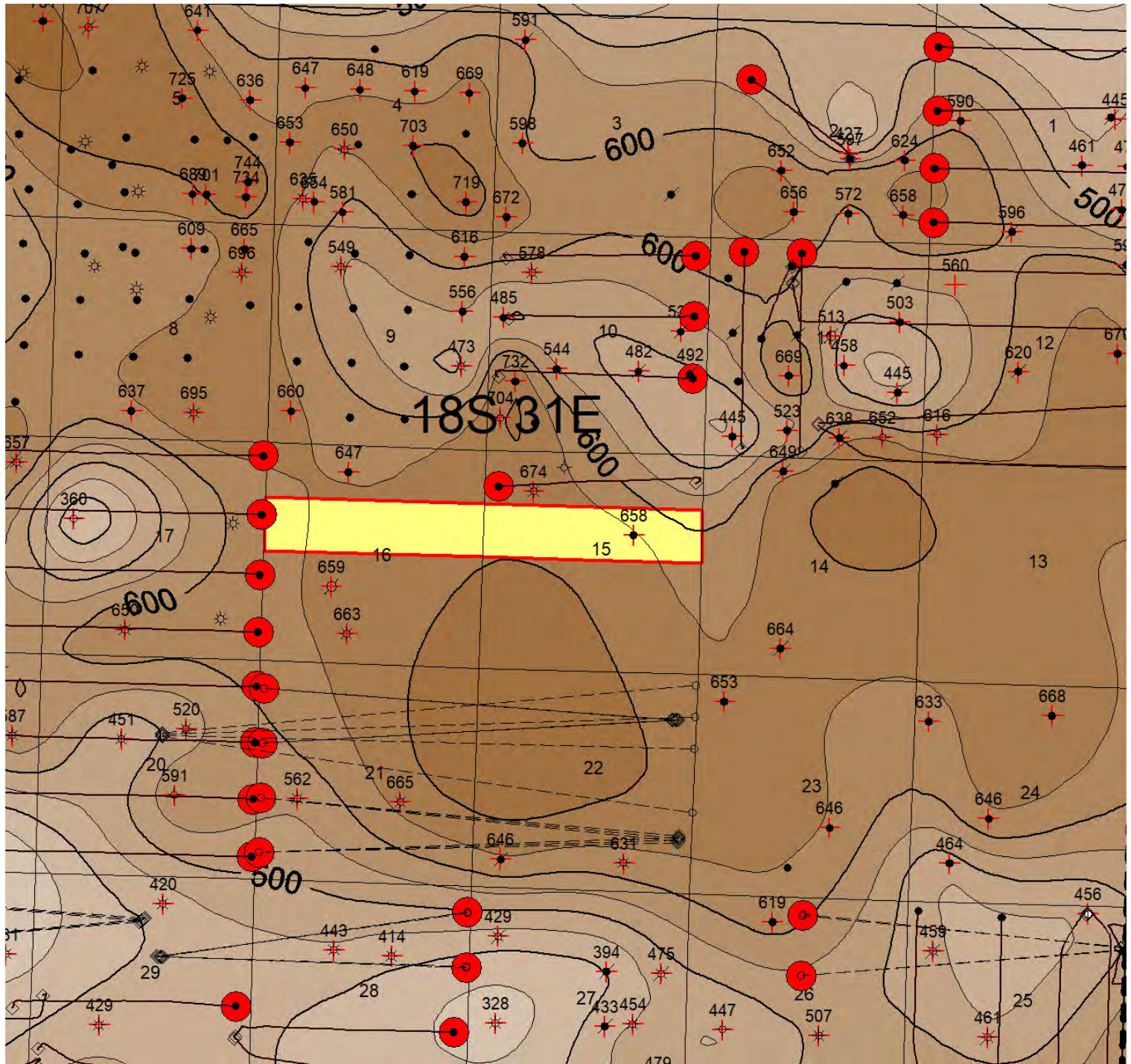
50'

**EXHIBIT  
B-1**









Perfs\_SbgsAll\_NoSpot\_Survey\_Ta <TomanoArea>

Deviated well - Bottom hole location

● Deviated well - Bottom hole location

Isopach-GrossH\_Sbgs <EddyLea>

Data Point

✚ Data Point



1" = 3000'

3000 0 3000 6000 9000 12000

1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
**2nd Bone Spring Sand - Isopach Map**  
**Sec. 15 & 16 - T18S-R31E**  
**Eddy Co., New Mexico**

<b>Author:</b> mburke	<b>Wells:</b> TD > 8000'	<b>Date:</b> 21 January, 2025
<b>Bubbles:</b> Red = 2nd Bspg	<b>Scale:</b> 1" = 3000'	<b>C.I.:</b> 50'

**EXHIBIT**  
**B-3**

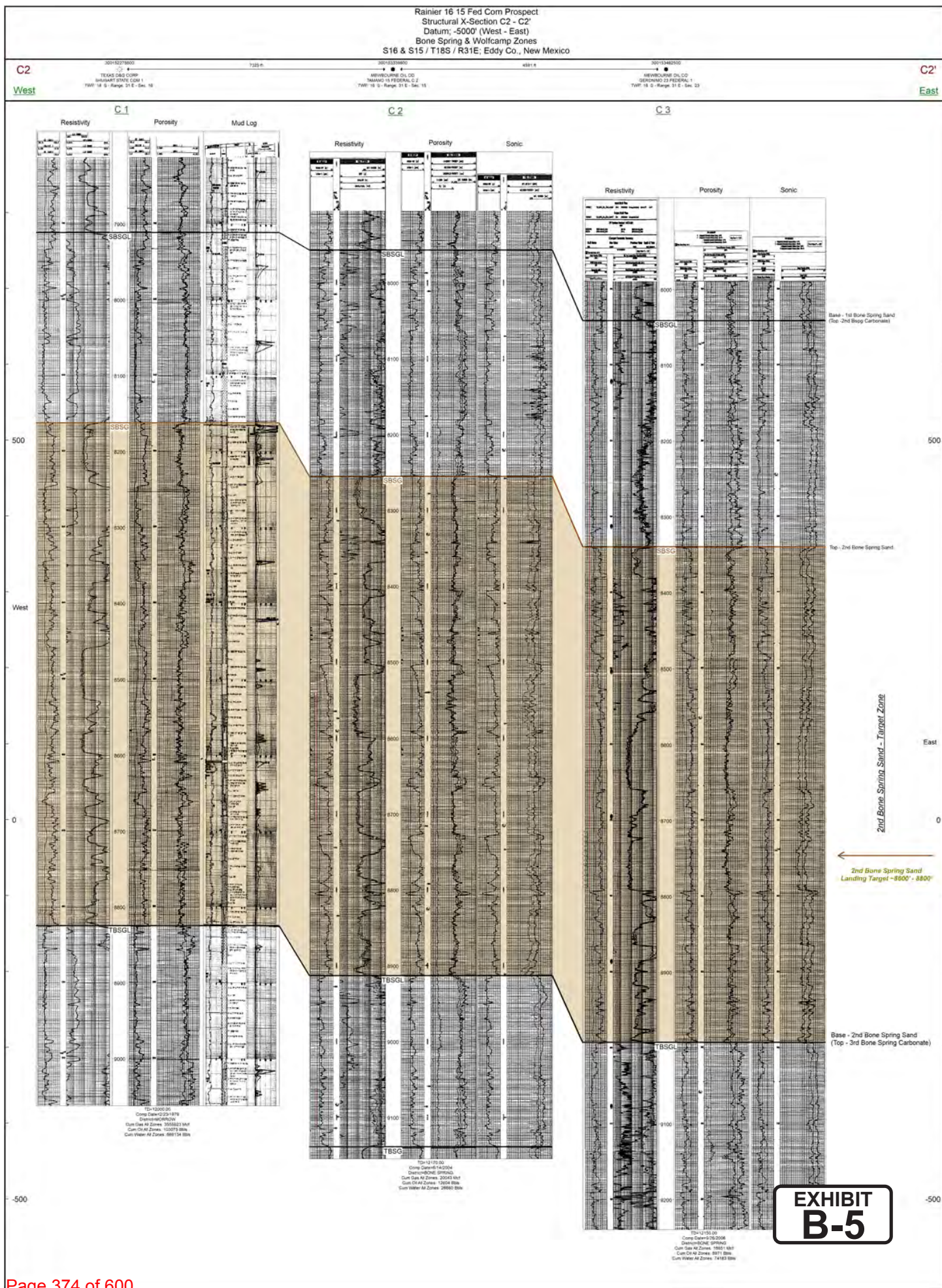
V-F Petroleum Inc.Rainier 16 15 Fed Com #223HT18S - R32E / Eddy Co., New Mexico

Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	XXX-MQC	XXX-VF	XXX-VF	XXX-VF
Bspg2	Tomano 1H MQC	<u>Rainier</u> 223H-VF	<u>Rainier</u> 222H-VF	<u>Rainier</u> 221H-VF
Bspg3	<u>Rainier</u> 234H-VF	<u>Rainier</u> 233H-VF	<u>Rainier</u> 232H-VF	<u>Rainier</u> 231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North		South	

	Range 31 East / Section 16				Range 31 East / Section 15			
Township 18 South	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P

**EXHIBIT**  
**B-4**





## **TAB 4**

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage  
Exhibit C-1: Notice Letters  
Exhibit C-2: Mailing List  
Exhibit C-3: Affidavits of Publication



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

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

**Case No. 25116**

**SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:

1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.

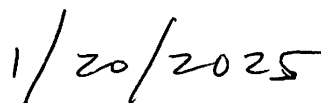


*Signature page of Self-Affirmed Statement of Darin C. Savage:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25116 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



---

Darin Savage

---

Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

December 18, 2024

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy  
County, New Mexico  
Rainier 16-15 Fed Com #223H Well

Case No. 25116:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., (“V-F” or “Applicant”), has filed the enclosed application, Case No. 25116, with the New Mexico Oil Conservation Division (“Division”) for an order pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048’ beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913’ beneath the surface, as shown in that certain Dual Laterolog, Micro Laterolog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (“Subject Lands”).

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division’s website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1<sup>st</sup> Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

**EXHIBIT  
C-1**

access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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 NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. 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 Jordan Shaw at (432) 269-0569 or at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

***Attorney for V-F Petroleum, Inc.***

Mail Activity Report - RAINIER 223H 25116 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM										
USPS Article Number	Reference Number	Date Mailed	Name 1	Name 2	Address 1	City	State	Zip	Mailing Status	Service Options
9314869904300129539423	4217.10 - Rainier 223H	12/18/24	XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	TX	77389	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539430	4217.10 - Rainier 223H	12/18/24	Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marlenfeld St., Suite 1000	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539447	4217.10 - Rainier 223H	12/18/24	Delmar Hudson Lewis Living Trust	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	TX	75283-0308	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539454	4217.10 - Rainier 223H	12/18/24	Ard Oil, LTD	Joel T. Sawyer, Agent	P.O. Box 101027	Fort Worth	TX	76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539461	4217.10 - Rainier 223H	12/18/24	Frost Bank,	TTR of Josephine T. Hudson Testamentary Trust	P.O. Box 1600	San Antonio	TX	78296	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539478	4217.10 - Rainier 223H	12/18/24	Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539485	4217.10 - Rainier 223H	12/18/24	Bureau of Land Management		620 E. Greene Street	Carlsbad	NM	88220-6292	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557397	4217.10 - Rainier 223H	12/18/24	Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557403	4217.10 - Rainier 223H	12/18/24	Javelina Partners	Edward Hudson, Land Manager	616 Texas Street	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557410	4217.10 - Rainier 223H	12/18/24	Hudson, Francis Hill, Trustee	Lindy's Living Trust	4200 South Hulen Street, Suite 302	Fort Worth	TX	76109	To be Returned	Return Receipt - Electronic, Certified Mail
9314869904300129557427	4217.10 - Rainier 223H	12/18/24	Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston	TX	77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557434	4217.10 - Rainier 223H	12/18/24	Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	CO	80220-1337	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557441	4217.10 - Rainier 223H	12/18/24	Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail





December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5574 41.**

**Item Details**

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:18 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Zorro Partners Ltd W A Hudson II Agent

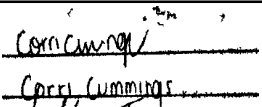
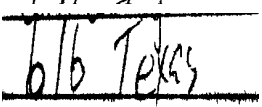
**Shipment Details**

**Weight:** 3.0oz

**Destination Delivery Address**

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	December 24, 2024, 03:21 p.m.
<b>Location:</b>	DENVER, CO 80220
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Ralph A Shugart Jr Trust Elizabeth Duncan Tru



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	1960 FOREST PKWY
<b>City, State ZIP Code:</b>	DENVER, CO 80220-1337

#### Recipient Signature

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Address of Recipient:	

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December 30, 2024

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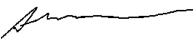
Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Post Office
<b>Status Date / Time:</b>	December 28, 2024, 11:50 a.m.
<b>Location:</b>	GALVESTON, TX 77551
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Moore Shelton Company Ltd Michael R Moore

Shipment Details

<b>Weight:</b>	3.0oz
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Recipient Signature

Signature of Recipient:	
Address of Recipient:	PO BOX 307C

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December 24, 2024

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<b>Status:</b>	Delivered, Left with Individual
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<b>Location:</b>	FORT WORTH, TX 76102
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Javelina Partners Edward Hudson Land Manager

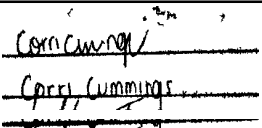

#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>City, State ZIP Code:</b>	FORT WORTH, TX 76102-4662
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#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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December 24, 2024

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#### Item Details

**Status:** Delivered, PO Box  
**Status Date / Time:** December 23, 2024, 12:02 p.m.  
**Location:** TYLER, TX 75711  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Curtis W Mewbourne Trustee

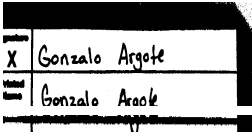
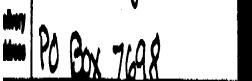
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** PO BOX 7698  
**City, State ZIP Code:** TYLER, TX 75711-7698

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.10 - Rainier 223H



December 24, 2024

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The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5394 85.**

#### Item Details

<b>Status:</b>	Delivered, Left with Individual
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<b>Location:</b>	CARLSBAD, NM 88220
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Bureau of Land Management



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	620 E GREENE ST
<b>City, State ZIP Code:</b>	CARLSBAD, NM 88220-6292

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 223H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5394 78.**

#### Item Details

**Status:** Delivered, Front Desk/Reception/Mail Room  
**Status Date / Time:** December 23, 2024, 03:07 p.m.  
**Location:** HOUSTON, TX 77024  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Marathon Oil Permian LLC Chase Rice Permian Lan


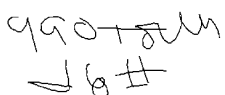
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** 990 TOWN AND COUNTRY BLVD  
**City, State ZIP Code:** HOUSTON, TX 77024-2217

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5394 61.**

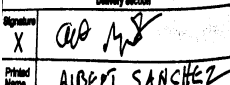
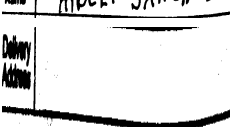
#### Item Details

<b>Status:</b>	Delivered, PO Box
<b>Status Date / Time:</b>	December 23, 2024, 11:18 a.m.
<b>Location:</b>	SAN ANTONIO, TX 78205
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Frost Bank TTR of Josephine T Hudson Testament

#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5394 54.**

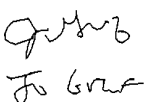
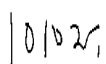
#### Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Post Office
<b>Status Date / Time:</b>	December 27, 2024, 12:10 p.m.
<b>Location:</b>	FORT WORTH, TX 76109
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Ard Oil LTD Joel T Sawyer Agent

#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5394 47.**

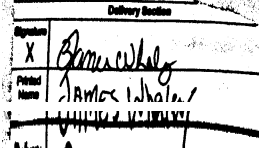

#### Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Postal Facility
<b>Status Date / Time:</b>	December 24, 2024, 08:54 a.m.
<b>Location:</b>	DALLAS, TX 75260
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Delmar Hudson Lewis Living Trust Bank of Americ

#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.10 - Rainier 223H



December 24, 2024

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**9314 8699 0430 0129 5394 30.**

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<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	December 23, 2024, 01:18 p.m.
<b>Location:</b>	MIDLAND, TX 79701
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Permian Resources Operating LLC Delaware Basin



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	300 N MARIENFELD ST STE 1000
<b>City, State ZIP Code:</b>	MIDLAND, TX 79701-4688

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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December 27, 2024

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**9314 8699 0430 0129 5394 23.**

Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	December 26, 2024, 09:38 a.m.
Location:	SPRING, TX 77389
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	XTO Holdings LLC Delaware Basin Land Manager



Shipment Details

Weight:	3.0oz
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Destination Delivery Address

Street Address:	22777 SPRINGWOODS VILLAGE PKWY
City, State ZIP Code:	SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Reference Number: 4217.10 - Rainier 223H



## Proof of Acceptance (Electronic)

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129557410 addressed to Hudson, Francis Hill, Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 9:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

The article number and United States Postal Service (USPS®) tracking event details provided above is a true extract of information provided by the USPS to CertifiedPro.net, a solution provided by Covius Document Services, LLC.

Recipient Mailing Address:

Hudson, Francis Hill, Trustee  
Lindy's Living Trust  
4200 South Hulen Street, Suite 302  
Fort Worth, TX 76109

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## AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS  
PO BOX 507  
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

Account Number: 1227  
Ad Number: 27250  
Description: 25116 - S2N2 - 2nd BS Rainer  
Ad Cost: \$146.60

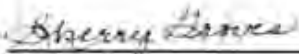
Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Agent

Subscribed to and sworn to me this 21<sup>th</sup> day of December 2024.



Leanne Kaufenberg, Notary Public, Redwood County  
Minnesota

KAIYA TOOP  
ABADIE SCHILL  
555 RIVERGATE LANE, SUITE B-4-180  
DURANGO, CO 81301  
kaiya@abadieschill.com

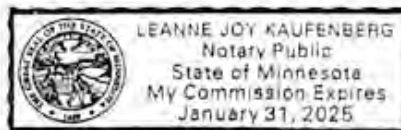


EXHIBIT  
C-3

## PUBLIC NOTICE

**CASE No. 25116:** Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, XTO HOLDINGS, LLC; PERMIAN RESOURCES OPERATING, LLC; DELMAR HUDSON LEWIS LIVING TRUST, BANK OF AMERICA, N.A. TRUSTEE; ARD OIL, LTD.; JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD, FROST BANK, TRUSTEE; CURTIS W. MEWBOURNE, TRUSTEE; JAVELINA PARTNERS; HUDSON, FRANCIS HILL, TRUSTEE, LINDY'S LIVING TRUST; MOORE & SHELTON COMPANY, LTD.; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE; ZORRO PARTNERS, LTD. AND MARATHON OIL, PERMIAN LLC of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamayo 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Rainier 16-15 Fed Com #223H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.

Published in the Carlsbad Current-Argus, December 21, 2024.  
#27250

## **TAB 5**

Exhibit 5: Amended Hearing Packet Case No. 25117

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING FEBRUARY 27, 2025**

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

**AMENDED HEARING PACKET**

**Case No. 25117:**

**Rainier 16-15 Fed Com 233H**

**Consolidated for a Contested Hearing with:  
Case Nos. 24994, 24995, 25115 & 25116 (V-F Petroleum Inc. Cases)  
Case Nos. 24941-24942 & 25145-25148 (Read & Stevens, Inc. Cases)**

**V-F PETROLEUM INC.**



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TAB 2	Exhibit A: Self-Affirmed Statement of Jordan Shaw, Landman Exhibit A-1: C-102 Forms Exhibit A-2: Location Plat Map Exhibit A-3: Revised Tract Map and Ownership Breakdown Exhibit A-4: Chronology of Contacts with Uncommitted Owners Exhibit A-5: Well Proposal Letters and AFEs Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #213H Well Exhibit A-7: Aerial View Map of Surrounding Development
TAB 3	Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist Exhibit B-1: Structure Map Exhibit B-2: Stratigraphic Cross Section Exhibit B-3: Gross Isopach Exhibit B-4: Gun Barrel View Exhibit B-5: Structural Cross-Section
TAB 4	Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage Exhibit C-1: Notice Letters Exhibit C-2: Mailing List Exhibit C-3: Affidavits of Publication

## **TAB 1**

**Reference for Case No. 25117**

**Application Case No. 25117: Rainier 16-15 Fed Com 233H**

**Revised NMOCD Checklist Case No. 25117**



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

APPLICATION OF V-F PETROLEUM INC.  
FOR A COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

Case No. 25117

APPLICATION

V-F Petroleum Inc. ("V-F Petroleum"), OGRID No. 24010, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its Application, V-F Petroleum states the following:

1. V-F Petroleum is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
2. V-F Petroleum proposes and dedicates to the HSU the **Rainier 16-15 Fed Com #233H Well**, as an initial well, to be drilled to a sufficient depth to test the Third Bone Spring formations.

3. V-F Petroleum proposes the **Rainier 16-15 Fed Com #233H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15.

4. The well proposed herein is orthodox in its location, and the take points and completed interval complies with setback requirements under the statewide rules.

5. V-F Petroleum has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

6. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In this application, V-F Petroleum is pooling only the Third Bone Spring formation because there is a depth severance between the base on the Second Bone Spring and the top of the Third Bone Spring, and importantly, there is a geological barrier between the Second Bone Spring and Third Bone Spring that maintains the integrity of production within the partitioned zone thereby allowing for the partition. V-F Petroleum will provide notice to adjacent owners in the Second Bone Spring formation, above and adjacent to the Third Bone Spring to account for any concerns the vertical offset owners might have.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, V-F Petroleum requests that all uncommitted interests in this HSU be pooled and that V-F Petroleum be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, V-F Petroleum requests that this Application be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

B. Approving the **Rainier 16-15 Fed Com #233H Well** as the well for the HSU.

C. Designating V-F Petroleum as operator of this HSU and the horizontal well to be drilled thereon;

D. Authorizing V-F Petroleum to recover its costs of drilling, equipping, and completing the well;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by V-F Petroleum in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

---

Darin C. Savage

Andrew D. Schill  
William E. Zimsky  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
Telephone: 970.385.4401  
Facsimile: 970.385.4901  
darin@abadieschill.com  
andrew@abadieschill.com  
bill@abadieschill.com

**Attorneys for V-F Petroleum, Inc.**

***Application of V-F Petroleum Inc. for Compulsory Pooling, Eddy County, New Mexico.***

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Rainier 16-15 Fed Com #233H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 25117</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 28, 2025 (Scheduled Hearing)</b>	
Applicant	V-F Petroleum Inc.
Designated Operator & OGRID (affiliation if applicable)	24010
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF V-F PETROLUEM INC. FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Read & Stevens, Inc. Permian Resources Operating, LLC
Well Family	Rainier 16-15 Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Top of the Third Bone Spring Formation to the base of the Third Bone Spring Formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	Quarter - Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	S/2 N/2 of Sections 16 and 15, all in Township 18 South, Range 31 East, NMPPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	No, N/A
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	See Exhibit A-3, breakdown of ownership
<b>Well(s)</b>	
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	Rainier 16-15 Fed Com 233H Well (API No. Pending), SHL: Unit E, 1592.5' FNL, 728' FWL, Section 16, T18S-R31E; BHL: Unit H, 2085' FNL, 100' FEL, Section 15, T18S-R31E, laydown, standard location
Horizontal Well First and Last Take Points	Rainier 16-15 Fed Com 233H Well: FTP: Unit E, 2085' FNL, 100' FWL, Section 16; LTP: Unit H, 2085' FNL, 100' FEL, Section 15
Completion Target (Formation, TVD and MD)	Rainier 16-15 Fed Com 233H Well: Landing TVD approx. 9,275', Bottom Hole TVD approx. 9,275'; TMD 20,526'; 3rd Bone Spring formation, See Exhibit A
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500, Exhibit A, A-5
Production Supervision/Month \$	\$850, Exhibit A, A-5
Justification for Supervision Costs	Exhibit A, A-5
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3, includes Working Interest owners and ORRI owners
Unlocatable Parties to be Pooled	Exhibit A, Para. 10
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A, 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
<b>Geology</b>	

Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4
HSU Cross Section	Exhibit B-2, B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2, A-3
Well Bore Location Map	Exhibit A-1, A-7, B-4
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1, B-4
Cross Section (including Landing Zone)	Exhibit B-2, B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Darin C. Savage
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Darin Savage
<b>Date:</b>	Revised and signed 2/4/2025; original 1/21/2025

## TAB 2

Exhibit A: Self-Affirmed Statement of Jordan Shaw, Landman  
Exhibit A-1: C-102 Forms  
Exhibit A-2: Location Plat Map  
Exhibit A-3: Revised Tract Map and Ownership Breakdown  
Exhibit A-4: Chronology of Contacts with Uncommitted Owners  
Exhibit A-5: Well Proposal Letters and AFEs  
Exhibit A-6: Sample Well Proposal for Rainier 16-15 Fed Com #213H Well  
Exhibit A-7: Aerial View Map of Surrounding Development

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

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

Case No. 25117

**SELF-AFFIRMED STATEMENT OF JORDAN SHAW**

I, Jordan Shaw, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.
2. I am a Landman/Attorney with V-F Petroleum Inc. ("V-F"), and I am familiar with the subject application and the lands involved.
3. I graduated in 2009 from the Indiana University of Pennsylvania with a bachelor's degree in Political Science, Pre-Law and graduated in 2013 from Texas Tech University, School of Law with a Juris Doctor and am licensed to practice law in the State of Texas. I have worked at V-F Petroleum Inc. for approximately three years and have been working as a Landman/Attorney for three years. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
4. This Self-Affirmed Statement is submitted in connection with the filing by V-F of the above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).
5. V-F seeks an order pooling all uncommitted mineral interest in the Third Bone Spring formation in the Shugart; Bone Spring North, Pool Code 56405, from the top of the Third



Bone Spring, at an approximate depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has an approximate depth of 9,450' beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

6. Under Case No. 25117, V-F seeks to dedicate the **Rainier 16-15 Fed Com #233H Well**, (API 30-015-pending) as an initial well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15; approximate TVD of 9,275'; approximate TMD of 20,526'; FTP in Section 16: 2,085' FNL, 100' FWL; LTP in Section 15: 2,085' FNL, 100' FEL.

7. The proposed C-102 for each well is attached as **Exhibit A-1**.

8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-3** attached hereto. **Exhibit A-3** includes information regarding working interest owners, overriding royalty interest owners and royalty interest owners.

10. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information

for parties entitled to notification. All working interest owners were locatable and noticed. Notice to one overriding royalty interest owner, Francis Hill Hudson, Trustee of Lindy's Living Trust, is listed as To Be Returned. V-F published notice in the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico to cover any contingencies regarding notice.

11. There are no depth severances in the Third Bone Spring formation in this acreage.

12. V-F has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

13. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, VF-Petroleum has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between VF-Petroleum and another interest owner or owners, VF-Petroleum requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

14. **Exhibit A-5** is a sample proposal letter, supplemental proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs attached as **Exhibit A-5** are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.



15. V-F requests overhead and administrative rates of \$8,500/month for drilling each well and \$850/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. V-F requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

16. V-F requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

17. V-F requests that it be designated operator of the units and wells.

18. Additionally, although not technically part of Case No. 25117, but in order for V-F to present this case to the best of its ability so that the Division has an opportunity to see the role Case No. 25117 plays in V-F's future development plans underlying the S/2 N/2 Sec. 16 & 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, I have provided as **Exhibit A-6** a sample well proposal letter and the AFE for the **Rainier 16-15 Fed Com #213H Well**, (API 30-015-pending) that has been proposed to all working interest owners in the First Bone Spring formation.

19. **Exhibit A-7** is an aerial plat outlining the development pattern that has been established in this area by Permian Resources to the immediate south of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and other Operators to the immediate west of Section 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Should the Division grant an order in V-F's favor in this Case, it would make efforts to continue the development pattern that are consistent with, and build upon, what has been successful with other Operators in this area; if V-F's plan is approved, it would not undermine or preempt Permian Resources opportunity for development because their subject lands are unbounded to the east, and Permian Resources could simply develop two mile horizontal

Second Bone Spring and Third Bone Spring wells in Sections 14 and 13, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. V-F's geology in this area that Permian Resources expanding east is feasible, and this in turn would avoid stranding the State of New Mexico's minerals in Section 16, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico to one mile horizontal development in the Bone Spring formation.

20. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from V-F's company business records under my direct supervision.

21. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

22. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

*Signature page of Self-Affirmed Statement of Jordan Shaw:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25117 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



\_\_\_\_\_  
Jordan Shaw

\_\_\_\_\_  
01/21/2025

Date Signed

<b>C-102</b> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>		Revised July 9, 2024	
			Submittal Type:	<input type="checkbox"/> Initial Submittal
				<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled		

**WELL LOCATION INFORMATION**

API Number	Pool Code	Pool Name	
Property Code	Property Name <b>RANIER 16 15 FED COM</b>		Well Number <b>233H</b>
OGRID No.	Operator Name <b>V-F PETROLEUM INC.</b>		Ground Level Elevation <b>3665'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal	

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	16	18-S	31-E	-	1592.5 FNL	728 FWL	32.750359°	103.880748°	EDDY

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	15	18-S	31-E	-	2085 FNL	100 FEL	32.749059°	103.849092°	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	16	18-S	31-E	-	2085 FNL	50 FWL	32.749002°	103.882951°	EDDY

**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	16	18-S	31-E	-	2085 FNL	100 FWL	32.749002°	103.882789°	EDDY

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	15	18-S	31-E	-	2085 FNL	100 FEL	32.749059°	103.849092°	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

**OPERATOR CERTIFICATIONS**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**SURVEYOR CERTIFICATIONS**

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.



Signature and Seal of Professional Surveyor \_\_\_\_\_

Gary G. Eidson 12641

SEPTEMBER 30, 2024

Certificate Number \_\_\_\_\_

Date of Survey \_\_\_\_\_

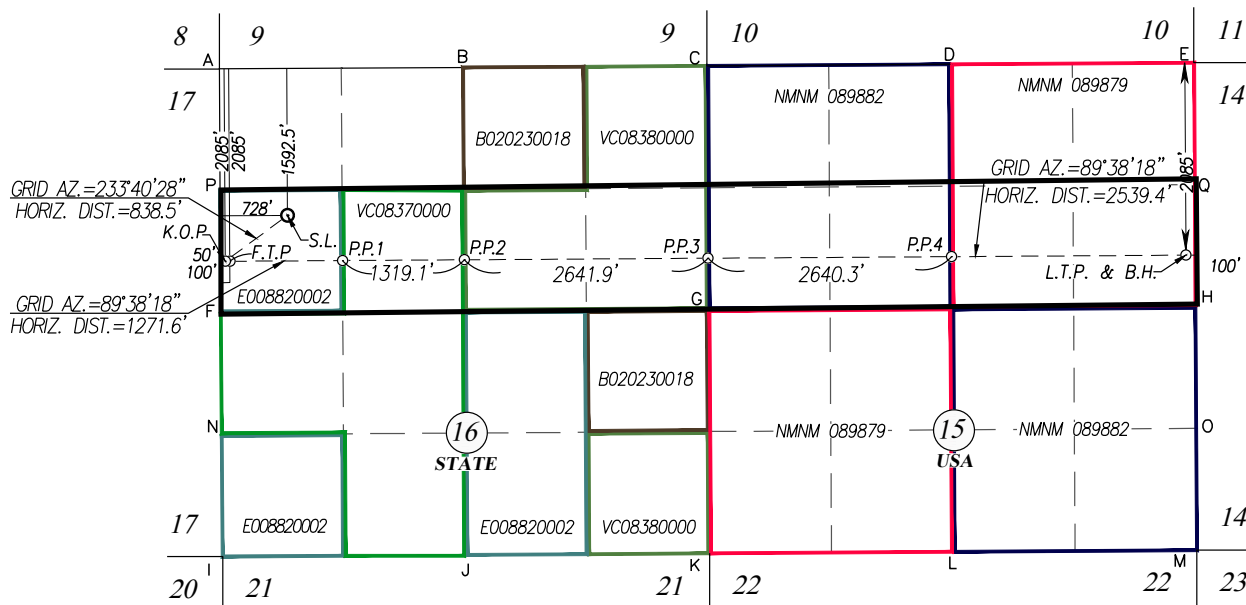
**EXHIBIT  
A-1**

PAGE 1 OF 2

ACK REL. W.O.: 24110354

JWSC W.O.: 25.13.0021

SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636946.2 N  
X= 639300.9 E  
LAT.=32.750240° N  
LONG.=103.880242° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636449.6 N  
X= 638625.5 E  
LAT.=32.748883° N  
LONG.=103.882446° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636449.9 N  
X= 638675.4 E  
LAT.=32.748883° N  
LONG.=103.882283° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636457.6 N  
X= 639896.8 E  
LAT.=32.748890° N  
LONG.=103.878311° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636465.9 N  
X= 641215.5 E  
LAT.=32.748897° N  
LONG.=103.874021° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636482.6 N  
X= 643856.8 E  
LAT.=32.748911° N  
LONG.=103.865430° W

1592.5' FNL & 728' FWL  
SEC. 16

2085' FNL & 50' FWL  
SEC. 16

2085' FNL & 100' FWL  
SEC. 16

2084.8' FNL & 1321.6' FWL  
SEC. 16

2084.6' FNL & 2640.7' FWL  
SEC. 16

2084.4' FNL  
SEC. 16 & SEC. 17

SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 637009.6 N  
X= 680479.7 E  
LAT.=32.750359° N  
LONG.=103.880748° W

KICK OFF POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636513.0 N  
X= 679804.3 E  
LAT.=32.749002° N  
LONG.=103.882951° W

FIRST TAKE POINT  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636513.3 N  
X= 679854.3 E  
LAT.=32.749002° N  
LONG.=103.882789° W

PENETRATION POINT 1  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636521.1 N  
X= 681075.6 E  
LAT.=32.749009° N  
LONG.=103.878816° W

PENETRATION POINT 2  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636529.4 N  
X= 682394.3 E  
LAT.=32.749016° N  
LONG.=103.874527° W

PENETRATION POINT 3  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636546.0 N  
X= 685035.6 E  
LAT.=32.749030° N  
LONG.=103.865936° W

#### CORNER COORDINATES TABLE NAD 27 NME

A - Y= 638533.7 N, X= 638563.9 E  
B - Y= 638550.0 N, X= 641202.9 E  
C - Y= 638566.4 N, X= 643845.0 E  
D - Y= 638583.6 N, X= 646484.5 E  
E - Y= 638601.3 N, X= 649123.5 E  
F - Y= 635893.2 N, X= 638578.5 E  
G - Y= 635925.9 N, X= 643859.9 E  
H - Y= 635960.4 N, X= 649138.3 E  
I - Y= 633252.0 N, X= 638599.6 E  
J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E  
P - Y= 637213.4 N, X= 638571.2 E  
Q - Y= 637280.9 N, X= 649130.9 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E  
P - Y= 637276.9 N, X= 679750.0 E  
Q - Y= 637344.4 N, X= 690309.7 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636500.0 N  
X= 646496.5 E  
LAT.=32.748927° N  
LONG.=103.856845° W

2084.2' FNL & 2639.4' FEL  
SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636563.5 N  
X= 687675.2 E  
LAT.=32.749046° N  
LONG.=103.857350° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636516.2 N  
X= 649035.2 E  
LAT.=32.748940° N  
LONG.=103.848587° W

2085' FNL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636579.8 N  
X= 690214.0 E  
LAT.=32.749059° N  
LONG.=103.849092° W

RANIER 16 15 FED COM #233H

PAGE 2 OF 2

ACK REL. W.O.:24110354

JWSC W.O.: 25.13.0021

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name RANIER 16 15 FED COM		Well Number 233H
OGRID No.	Operator Name V-F PETROLEUM INC.		Elevation 3665'

Surface Location

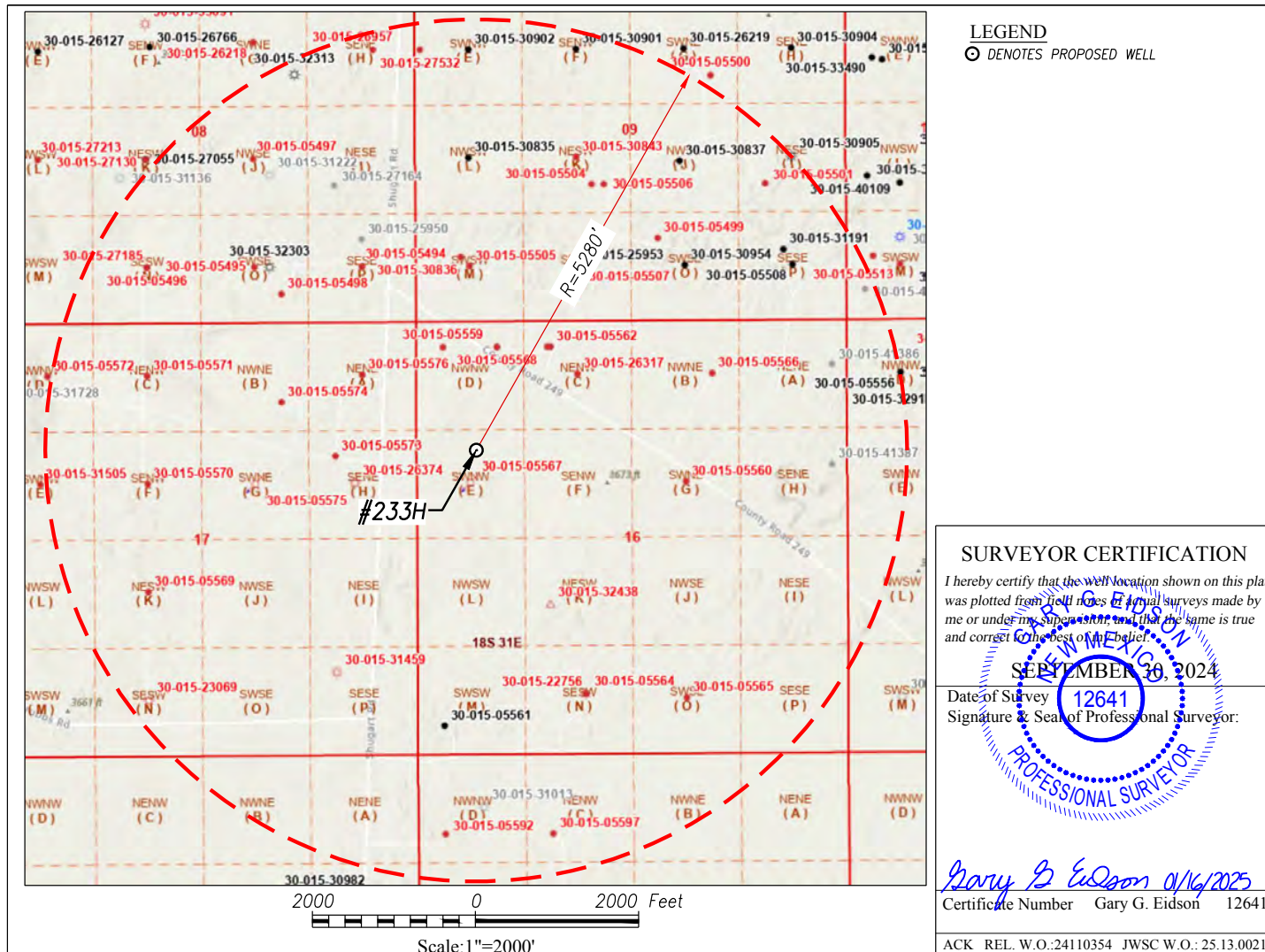
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	18-S	31-E		1592.5	NORTH	728	WEST	EDDY

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
H	15	18-S	31-E		2085	NORTH	100	EAST	EDDY

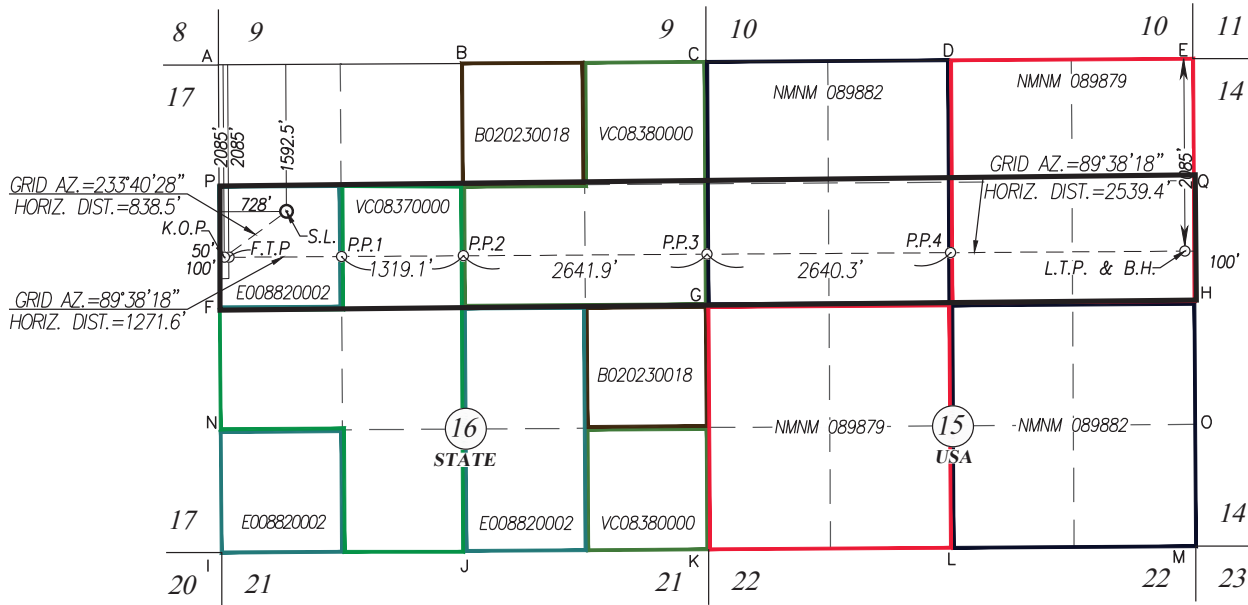
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

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





SCALE: 1"=2000'



SURFACE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636946.2 N  
X= 639300.9 E  
LAT.=32.750240° N  
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X= 638675.4 E  
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LONG.=103.882283° W

PENETRATION POINT 1  
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1592.5' FNL & 728' FWL  
SEC. 16

2085' FNL & 50' FWL  
SEC. 16

2085' FNL & 100' FWL  
SEC. 16

2084.8' FNL & 1321.6' FWL  
SEC. 16

2084.6' FNL & 2640.7' FWL  
SEC. 16

2084.4' FNL  
SEC. 16 & SEC. 17

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X= 680479.7 E  
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X= 679804.3 E  
LAT.=32.749002° N  
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GEODETIC COORDINATES  
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X= 681075.6 E  
LAT.=32.749009° N  
LONG.=103.878816° W

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X= 682394.3 E  
LAT.=32.749016° N  
LONG.=103.874527° W

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X= 685035.6 E  
LAT.=32.749030° N  
LONG.=103.865936° W

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E - Y= 638601.3 N, X= 649123.5 E  
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J - Y= 633268.8 N, X= 641234.9 E  
K - Y= 633286.3 N, X= 643875.6 E  
L - Y= 633303.7 N, X= 646514.8 E  
M - Y= 633321.2 N, X= 649154.0 E  
N - Y= 634572.6 N, X= 638589.0 E  
O - Y= 634640.8 N, X= 649146.1 E  
P - Y= 637213.4 N, X= 638571.2 E  
Q - Y= 637280.9 N, X= 649130.9 E

#### CORNER COORDINATES TABLE NAD 83 NME

A - Y= 638597.2 N, X= 679742.7 E  
B - Y= 638613.5 N, X= 682381.7 E  
C - Y= 638629.9 N, X= 685023.8 E  
D - Y= 638647.2 N, X= 687663.3 E  
E - Y= 638664.9 N, X= 690302.3 E  
F - Y= 635956.6 N, X= 679757.4 E  
G - Y= 635989.4 N, X= 685038.7 E  
H - Y= 636023.9 N, X= 690317.1 E  
I - Y= 633315.3 N, X= 679778.4 E  
J - Y= 633332.2 N, X= 682413.8 E  
K - Y= 633349.7 N, X= 685054.5 E  
L - Y= 633367.2 N, X= 687693.6 E  
M - Y= 633384.6 N, X= 690332.8 E  
N - Y= 634636.0 N, X= 679767.9 E  
O - Y= 634704.3 N, X= 690324.9 E  
P - Y= 637276.9 N, X= 679750.0 E  
Q - Y= 637344.4 N, X= 690309.7 E

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636500.0 N  
X= 646496.5 E  
LAT.=32.748927° N  
LONG.=103.856845° W

2084.2' FNL & 2639.4' FEL  
SEC. 15

PENETRATION POINT 4  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636563.5 N  
X= 687675.2 E  
LAT.=32.749046° N  
LONG.=103.857350° W

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 27 NME  
Y= 636516.2 N  
X= 649035.2 E  
LAT.=32.748940° N  
LONG.=103.848587° W

2085' FNL & 100' FEL  
SEC. 15

LAST TAKE POINT & BOTTOM  
HOLE LOCATION  
GEODETIC COORDINATES  
NAD 83 NME  
Y= 636579.8 N  
X= 690214.0 E  
LAT.=32.749059° N  
LONG.=103.849092° W

**EXHIBIT  
A-2**

RANIER 16 15 FED COM #233H

PAGE 2 OF 2

ACK REL. W.O.:24110354

JWSC W.O.: 25.13.0021



**Rainier 16 15 Fed COM #233H (3<sup>rd</sup> Bone Spring)**  
**S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM**  
**Containing 320 acres, more or less**

**EXHIBIT A-3**

<b>Royalty Interest Owner</b>	<b>Decimal</b>
State of New Mexico	0.20000000

**S/2NW/4 Sec. 15 (Federal Lease NMNM 089882 (Out of NMLC 029388-D))**

<b>Working Interest Owners</b>	
V-F Petroleum Inc.	0.09916668
Permian Resources Operating, LLC	0.85125000
Ard Oil, LTD	0.03718750
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01239582
<b>TOTAL</b>	<b>1.00000000</b>

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00619790
Javelina Partners	0.00619790
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00929688
Moore and Shelton Co. Ltd.	0.00498750
Mewbourne, Curtis W., Trustee	0.02107500
Marathon Oil Permian LLC	0.08125000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**SW/4NE/4 Sec. 15 (Federal Lease NMNM 089879)**

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.14166666
Permian Resources Operating, LLC	0.78750000
Ard Oil, LTD	0.05312500
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01770834
<b>TOTAL</b>	<b>1.00000000</b>

**Rainier 16 15 Fed COM #233H (3<sup>rd</sup> Bone Spring)**  
S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00531250
Javelina Partners	0.00531250
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00337500
Mewbourne, Curtis W., Trustee	0.01725000
Marathon Oil Permian LLC	0.03750000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**SE/4NE/4 Sec. 15 (Federal Lease NMNM 089879)**

<b>Working Interest Owner</b>	<b>Decimal</b>
V-F Petroleum Inc.	0.21666667
Permian Resources Operating, LLC	0.10625000
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	0.10625000
Ard Oil, LTD	0.05312500
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.	0.01770833
Marathon Oil Permian LLC	0.50000000

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
Zorro Partners, Ltd.	0.00531251
Javelina Partners	0.00531251
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994	0.00796875
Ralph A. Shugart Jr. Trust dated 5/26/1983	0.05000000
Moore and Shelton Co. Ltd.	0.00562500

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.12500000

**Rainier 16 15 Fed COM #233H (3<sup>rd</sup> Bone Spring)**  
**S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM**  
**Containing 320 acres, more or less**

**EXHIBIT A-3**

**UNIT RECAPITULATION**

(Yellow denotes the Parties to be Pooled)

<b>Working Interest Owner</b>	<b>Decimal</b>
XTO Holdings, LLC (uncommitted)	0.12500000
V-F Petroleum Inc.	0.44458334
Permian Resources Operating, LLC (uncommitted)	0.32453125
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002 (uncommitted)	0.01328124
Ard Oil, LTD (committed)	0.02257813
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard. (uncommitted)	0.00752604
Marathon Oil Permian LLC (uncommitted)	0.06250000

<b>Overriding Royalty Interest Owners</b>	<b>Decimal</b>
V-F Petroleum Inc. (committed)	0.00018750
Zorro Partners, Ltd. (committed)	0.00287760
Javelina Partners (committed)	0.00287760
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994 (uncommitted)	0.00431641
Gahr Ranch & Investments Partnership, Ltd. (committed)	0.00878906
Thomas M. Beall (committed)	0.00878906
Jason J. Lodge (committed)	0.00046875
Sarah M. Loudenback (committed)	0.00046875
Mid-Western Energy, L.L.C. (committed)	0.00004688
Ralph A. Shugart Jr. Trust dated 5/26/1983 (uncommitted)	0.01250000
Moore and Shelton Co. Ltd. (committed)	0.00237188
Mewbourne, Curtis W., Trustee (uncommitted)	0.00742500
Marathon Oil Permian LLC (uncommitted)	0.02500000

<b>Royalty Interest Owner</b>	<b>Decimal</b>
United States of America	0.06250000
State of New Mexico	0.09062500

**Rainier 16 15 Fed COM #233H (3<sup>rd</sup> Bone Spring)**  
S/2N/2 Sections 16 & 15, T-18-S, R-31-E, N.M.P.M., Eddy Co., NM  
Containing 320 acres, more or less

**EXHIBIT A-3**

**LIST OF ALL UNCOMMITTED WORKING INTEREST OWNERS TO BE POOLED**

<b>Working Interest Owner</b>
XTO Holdings, LLC
Permian Resources Operating, LLC
Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.
Marathon Oil Permian LLC

**LIST OF ALL UNCOMMITTED OVERRIDING ROYALTY INTEREST OWNERS TO BE POOLED**

<b>Overriding Royalty Interest Owners</b>
Hudson, Francis Hill, Trustee of Lindy's Living Trust created by Trust Agreement dated July 8, 1994
Ralph A. Shugart Jr. Trust dated 5/26/1983
Mewbourne, Curtis W., Trustee
Marathon Oil Permian LLC



Owner	Attn	Address 1	City	State	Zip Code
XTO Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.	Spring	Texas	77389
Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marientfeld St., Suite 1000	Midland	Texas	79701
Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002	Bank of America, N.A., Trustee	P.O. Box 830308	Dallas	Texas	75283-0308
Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard	Frost Bank, Trustee	P.O. Box 1600	San Antonio	Texas	78296
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070	Galveston	Texas	77552
Lindy's Living Trust u/t/a dated July 8, 1994	Hudson, Francis Hill, Trustee	4200 South Hulen Street, Suite 302	Fort Worth	Texas	76109
Curtis W. Mewbourne, Trustee		P.O. Box 7698	Tyler	Texas	75711
Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard	Houston	Texas	77024
Ralph A. Shugart Jr. Trust dated 5/26/1983	Elizabeth Duncan, Trustee	1960 Forest Parkway	Denver	Colorado	80220-1337

**Rainier 16 15 Fed COM #233H**

## Chronological Contracts with Uncommitted Owners

XTO Holdings, LLC

- **9/13/23:** Emailed Chad Smith, Landman and extended an offer extended offer for an Assignment, Bill of Sale for all working interest in Sec. 16;
- **9/20/23:** Received email from Chad Smith requesting additional information and sent requested information that same day;
- **6/27/24:** Received email from Chad Smith requesting certain additional information and Jordan Shaw with V-F called Chad Smith to provide requested information and verbally extended offer to acquire interest by either Term Assignment or Assignment, Bill of Sale for all working interest in Sec. 16;
- **11/15/24:** Proposed Joint Operating Agreement; and
- **1/14/25:** Received a call from Chad Smith requesting certain additional information and parties continue to negotiate.

Permian Resources Operating, LLC

- **8/28/24:** Sent email to Travis Macha, NM Land Lead to see if he was available to discuss Permian's Slim Jim proposals;
- **8/30/24:** Jordan Shaw with V-F met Travis Macha with Permian for lunch and V-F proposed Permian and V-F split Sec. 15 down the middle wherein V-F would drill 1.5 mile wells in Sec. 16 & W/2 Sec. 15 and Permian would drill 1.5 mile wells in Sec. 14 & E/2 Sec. 15;
- **9/5/24:** V-F sent Travis Macha at Permian what V-F owns in the E/2 Sec. 15;
- **9/9/24:** Travis Macha sent Jordan Shaw with V-F an email of potential deal points to consider;
- **9/11/24:** Jumped on a call with Travis to discuss deal points Travis sent on 9/9/24;
- **9/24/24:** Received email stating that reservoir and geology can't justify shortened laterals based on the deal points discussed;
- **11/15/24:** Proposed Joint Operating Agreement by mail;
- **1/17/25:** Jordan Shaw with V-F met Travis Macha with Permian for beers and V-F proposed 3-mile development covering all Sec. 16, 15 & 14; and
- **1/20/25:** V-F sent Permian a Letter Agreement based on proposal extended 1/17/25 and Permian responded with email stating that they are considering the proposal.

Bank of America, N.A., Trustee of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002

- **9/13/23:** Responded two emails from Jeff Adams, Trustee asking about ownership which V-F answered and V-F extended offer for an Assignment, Bill of Sale for entire interest in Section 15;
- **9/29/23:** V-F extended by email to Jeff Adams a Term Assignment offer;
- **11/1/23:** V-F re-extended by email to Jeff Adams a Term Assignment offer; and
- **11/15/24:** Proposed Joint Operating Agreement.

Ard Oil, LTD

- **9/14/23:** Ried Marley, Landman emailed V-F asking about ownership and V-F responded answering his questions and extended an offer for a Term Assignment; and
- **11/15/24:** Proposed Joint Operating Agreement.

**EXHIBIT  
A-4**

Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard.

- **9/18/23:** Called Brad Ince, Trustee and left message and followed up with an email containing an offer for an Assignment, Bill of Sale for all of Section 15;
- **10/2/23:** Debbie Dorsett, Geologist with Frost reached out and I extended offer verbally to her and added Term Assignment offer;
- **10/31/23:** Email Brad Ince and re-extended both offers;
- **11/15/24:** Proposed Joint Operating Agreement by mail.

Marathon Oil Permian LLC

- **9/8/23:** Emailed Chase Rise, Permian Land Supervisor an offer for an Assignment, Bill of Sale for all of Section 15;
- **9/14/23:** Followed up by email. Chase responded and said Farley Duvall was overseeing this project;
- **9/18/23:** Emailed Farley Duvall and re-extended offer and extended Term Assignment offer;
- **10/2/23:** Followed up by email to see if Marathon would consider either offer; and
- **11/15/24:** Proposed Joint Operating Agreement by mail.

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

November 6, 2024

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

Marathon Oil Permian LLC  
990 Town and Country Boulevard  
Houston, Tx. 77024  
ATTN: Chase Rice, Permian Land Supervisor

**RE: Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #223H; 2<sup>nd</sup> Bone Spring**

SHL: 1,130 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

**Rainier 16 15 Fed Com #233H; 3<sup>rd</sup> Bone Spring**

SHL: 1,105 FNL, 90 FWL of Section 16 (Unit D), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. (“V-F”) hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #223H** in order to test the 2<sup>nd</sup> Bone Spring formation is estimated to be 8,395 feet (TVD) with an approximate total measured depth of 19,415 feet. The costs to drill, complete and equip said well are estimated at **\$8,526,516.00** as indicated on the enclosed AFE.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #233H** in order to test the 3<sup>rd</sup> Bone Spring formation is estimated to be 9,275 feet (TVD) with an approximate total measured depth of 20,325 feet. The costs to drill, complete and equip said well are estimated at **\$9,571,750.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

**EXHIBIT  
A-5**

Rainier 16 15 Fed Com #223H & #233H  
Marathon Oil Permian LLC  
November 6, 2024

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 standard 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**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized Memorandum of Operating Agreement signature page. 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. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

Elections set forth on the following pages

Rainier 16 15 Fed Com #223H & #233H  
Marathon Oil Permian LLC  
November 6, 2024

**ELECTIONS**  
**Rainier 16 15 Fed Com #223H Well & Rainier 16 15 Fed Com #233H Well**

*Occidental Permian, LP*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #223H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #223H Well**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #233H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #233H Well**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_



<b>V-F Petroleum Inc.</b>						API No.		
<b>AUTHORIZATION FOR EXPENDITURE</b>						A/E Number		
October 14, 2024						Well Type		
<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Supplement	<input type="checkbox"/> Revision	<input type="checkbox"/> Re-Entry	<input type="checkbox"/> Plug & Abandon	<input type="checkbox"/> Field or Prospect	Third BS Horizontal Oil Well		
<input checked="" type="checkbox"/> Drill Well	<input type="checkbox"/> Workover	<input type="checkbox"/> Facilities	<input type="checkbox"/> Plug & Abandon	<input type="checkbox"/> Plug & Abandon	<input type="checkbox"/> Field or Prospect	Projected TD: 9,275' TVD - 20,325' MD		
Lease Name/Well #						Proposal		
Ranier 16-1S Federal Com #233H						Two Mile Horizontal Lateral		
County / State						SHL: 1,105' FNL & 90' FWL, Section 16, T-18-S, R-31-E		
Eddy NM						BHL: 2,085' FNL & 100' FEL, Section 15, T-18-S, R-31-E		
Formation								
3rd Bone Spring								
Basin								
Permian								
Field or Prospect								
Shugart: Bone Spring N.								
Acct Code	INTANGIBLE DESCRIPTION					COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIROMENTAL SERVICES					\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING					\$15,000		\$15,000
501	SURVEYING STAKE LOCATION					\$7,500		\$7,500
501	DAMAGES & R-O-W'S					\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.					\$1,500	\$25,000	\$26,500
503	DRILLING RIG MOBILIZATION COST					\$10,000		\$10,000
503	DRILLING - DAYS 20 days @ \$19,000					\$380,000		\$380,000
503	MUD MOTORS & DIRECTIONAL					\$175,000		\$175,000
517	CLOSED LOOP & DISPOSAL 21 days @ \$5,500					\$115,500		\$115,500
505	MUD & FRAC CHEMICALS					\$125,000	\$350,000	\$475,000
505/716	WATER (Brine & Fresh); FRAC WATER					\$58,000	\$400,000	\$458,000
503	BITS, REAMERS, ETC					\$65,000		\$65,000
503	FUEL 75000 gallons @ \$6					\$450,000		\$450,000
504	CEMENTING SURFACE					\$25,000		\$25,000
504	CEMENTING INTERMEDIATE					\$55,000		\$55,000
701	CEMENTING PRODUCTION						\$165,000	\$165,000
509/705	TUBULAR SERVICES AND TOOLS					\$55,000	\$90,000	\$145,000
509/705	CASING CREWS PU LD MACHINE					\$45,000	\$50,000	\$95,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS					\$15,000	\$25,000	\$40,000
507	TESTING, COMPLETION, FLOWBACK						\$175,000	\$175,000
508	OPEN HOLE LOGGING							
508	MUD LOGGING 20 days @ \$3,500					\$70,000		\$70,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY					\$36,000	\$250,000	
509/713	EQUIPMENT RENTAL					\$42,000	\$125,000	\$167,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT					\$57,000	\$85,000	\$142,000
715	COMPLETION UNIT, COIL TUBING UNIT						\$600,000	\$600,000
704	FORMATION STIMULATION (60 STAGES)						\$2,435,500	\$2,435,500
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS						\$280,000	\$280,000
510/11/706	GEOLOGIC / ENGINEERING					\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 21 days @ \$3,500					\$70,000	\$52,000	\$122,000
514	DRILLING WELL RATE (A/O) 21 days @ \$500					\$10,500	\$5,000	\$15,500
515/705	INSURANCE					\$10,000	\$10,000	\$20,000
509/705	CONTINGENCY (8%)					\$98,000	\$416,000	\$514,000
TOTAL INTANGIBLE ESTIMATED COST						\$2,076,000	\$5,628,500	\$7,704,500
Acct Code	TANGIBLE DESCRIPTION					COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820	CONDUCTOR					\$42,000		\$42,000
620/820	SURFACE					\$96,000		\$96,000
620/820	INTERMEDIATE					\$120,000		\$120,000
620/820	INTERMEDIATE							
820	PRODUCTION						\$609,750	\$609,750
820	PRODUCTION LINER							
821	TUBING (Coated)						\$128,000	\$128,000
621/824	WELLHEAD EQUIPMENT					\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE						\$25,000	\$25,000
825	POWER SOURCE						\$25,000	\$25,000
822	RODS AND PUMP (FG & STEEL)							
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT						\$265,000	\$265,000
827	HEATER TREATER, SEPARATOR, FWKO						\$175,000	\$175,000
831	GAS SALES LINE & METER RUN						\$5,500	\$5,500
830	FLOWLINES, VALVES, CONNECTIONS						\$10,000	\$10,000
827	TANKS (WATER AND PRODUCTION)						\$150,000	\$150,000
622/820	CONTINGENCY (10%)					\$29,000	\$141,000	\$170,000
TOTAL TANGIBLE ESTIMATED COST						\$315,000	\$1,552,250	\$1,867,250
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services						\$50,000		
ESTIMATED DRY HOLE COST						\$2,441,000		
TOTAL AFE ESTIMATED COST						\$2,391,000	\$7,180,750	\$9,571,750
APPROVAL AND ACCEPTANCE:						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.		
WI OWNER _____								
W.I. _____								
Title _____						Prepared by: Bill Pierce Date: 10/14/2024		
Signature _____								
Date _____								

# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 21, 2025

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

Marathon Oil Permian LLC  
990 Town and County Boulevard  
Houston, Texas 77024

**RE: Supplemental Horizontal Well Proposals – 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

**Rainier 16 15 Fed Com #223H; 2<sup>nd</sup> Bone Spring**

SHL: 1,618 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

**Rainier 16 15 Fed Com #233H; 3<sup>rd</sup> Bone Spring**

SHL: 1,592 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") has moved the surface hole location for the **Rainier 16 15 Fed Com #223H** from 1,130 FNL, 90 FWL of Section 16 to 1,618 FNL, 728 FWL of Section 16 (Unit E) and enclosed for your consideration is the updated AFE containing the new surface hole location and updated lateral length.

Please be advised that V-F Petroleum Inc. ("V-F") has moved the surface hole location for the **Rainier 16 15 Fed Com #233H** from 1,105 FNL, 90 FWL of Section 16 to 1,592 FNL, 728 FWL of Section 16 (Unit E) and enclosed for your consideration is the updated AFE containing the new surface hole location and updated lateral length.

The rest and the remainder of the Horizontal Well Proposal remains the same and this Supplemental Horizontal Well Proposal and its accompanying AFEs shall be deemed to be retroactively effective for all purposes as of the date the original Horizontal Well Proposal was sent.

Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at jordan@vfpetroleum.com.

Best Regards,



Jordan Shaw  
Landman/Attorney

V-F Petroleum Inc.						API No.		
AUTHORIZATION FOR EXPENDITURE						AFE Number		
January 20, 2025						Well Type		
X	Original		Supplement		Revision	Second BS Horizontal Oil Well		
X	Drill Well		Workover		Facilities	Projected TD: 8,395' TVD 19,631' MD		
						Proposal Two Mile Horizontal Lateral		
Lease Name/Well #			County / State		Formation	Basin	Field or Prospect	
Ranier 16-15 Federal Com #223H			Eddy NM		2nd Bone Spring	Permian	Shugart; Bone Spring N.	
SHL: 1,618 FNL & 728 FWL, Section 16, T-18-S, R-31-E								
BHL: 2,085' FNL & 100' FEL, Section 15, T-18-S, R-31-E								
Acct Code	INTANGIBLE DESCRIPTION					COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIRONMENTAL SERVICES					\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING					\$15,000		\$15,000
501	SURVEYING STAKE LOCATION					\$7,500		\$7,500
501	DAMAGES & R-O-W'S					\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.					\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST					\$10,000		\$10,000
503	DRILLING - DAYS 18 days @ \$19,000					\$342,000		\$342,000
503	MUD MOTORS & DIRECTIONAL					\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 19 days @ \$5,500					\$104,500		\$104,500
505	MUD & FRAC CHEMICALS					\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh); FRAC WATER					\$40,000	\$400,000	\$440,000
503	BITS, REAMERS, ETC.					\$65,000		\$65,000
503	FUEL 65000 gallons @ \$6					\$390,000		\$390,000
504	CEMENTING SURFACE					\$25,000		\$25,000
504	CEMENTING INTERMEDIATE					\$45,000		\$45,000
701	CEMENTING PRODUCTION						\$126,000	\$126,000
509/705	TUBULAR SERVICES AND TOOLS					\$45,000	\$65,000	\$110,000
509/705	CASING CREWS PU LD MACHINE					\$35,000	\$45,000	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECPS, DV TOOLS					\$10,000	\$18,000	\$28,000
507	TESTING; COMPLETION, FLOWBACK						\$175,000	\$175,000
508	OPEN HOLE LOGGING							
508	MUD LOGGING 18 days @ \$3,500					\$63,000		\$63,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY					\$26,000	\$250,000	
509/713	EQUIPMENT RENTAL					\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT					\$57,000	\$35,000	\$92,000
715	COMPLETION UNIT; COIL TUBING UNIT						\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)						\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS						\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING					\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 18 days @ \$3,500					\$63,000	\$52,000	\$115,000
514	DRILLING WELL RATE (A/O) 18 days @ \$500					\$9,000	\$5,000	\$14,000
515/705	INSURANCE					\$10,000	\$10,000	\$20,000
509/705	CONTINGENCY (8%)					\$91,000	\$355,000	\$446,000
TOTAL INTANGIBLE ESTIMATED COST						\$1,915,000	\$4,801,566	\$6,716,566
Acct Code	TANGIBLE DESCRIPTION					COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820	CONDUCTOR					\$42,000		\$42,000
620/820	SURFACE					\$96,000		\$96,000
620/820	INTERMEDIATE					\$120,000		\$120,000
620/820	INTERMEDIATE							
820	PRODUCTION						\$582,450	\$582,450
820	PRODUCTION LINER							
821	TUBING (Coated)						\$128,000	\$128,000
621/824	WELLHEAD EQUIPMENT					\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE						\$25,000	\$25,000
825	POWER SOURCE						\$25,000	\$25,000
822	RODS AND PUMP (FG & STEEL)							
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT						\$265,000	\$265,000
827	HEATER TREATER, SEPERATOR, FWKO						\$175,000	\$175,000
831	GAS SALES LINE & METER RUN						\$5,500	\$5,500
830	FLOWLINES, VALVES, CONNECTIONS						\$10,000	\$10,000
827	TANKS (WATER AND PRODUCTION)						\$150,000	\$150,000
622/820	CONTINGENCY (8%)					\$29,000	\$111,000	\$140,000
TOTAL TANGIBLE ESTIMATED COST						\$315,000	\$1,494,950	\$1,809,950
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services						\$50,000		
ESTIMATED DRY HOLE COST						\$2,280,000		
TOTAL AFE ESTIMATED COST						\$2,230,000	\$6,296,516	\$8,526,516
APPROVAL AND ACCEPTANCE:								
WI OWNER _____								
W.I. _____								
Title _____								
Signature _____								
Date _____								
Prepared by: Bill Pierce Date: 10/14/2024								
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.								



# V-F Petroleum Inc.

Physical Address: 500 W. Texas, Suite 350, Midland, Texas, 79701; Phone 432-269-0569;  
Mailing Address: P.O. Box 1889, Midland, Texas, 79702; e-mail: jordan@vfpetroleum.com

January 20, 2025

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

Marathon Oil Permian LLC  
990 Town and Country Boulevard  
Houston, Texas 77025

**RE: Horizontal Well Proposals – 1<sup>st</sup> Bone Spring Formation;  
Standard Horizontal Spacing Unit – S/2N/2 Sections 16 & 15, Township 18 South, Range 31 East,  
Eddy County, New Mexico**

### **Rainier 16 15 Fed Com #213H; 1<sup>st</sup> Bone Spring**

SHL: 1,492 FNL, 728 FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
FTP: 2,085 FNL, 100' FWL of Section 16 (Unit E), T-18 South, R-31 East, Eddy County, NM  
BHL/LTP: 2,085 FNL, 100 FEL of Section 15 (Unit H), T-18 South, R-31 East, Eddy County, NM

Ladies and/or Gentlemen:

Please be advised that V-F Petroleum Inc. ("V-F") hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated, to respectively test the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations as more or less articulated herein.

The projected total vertical depth of the above stated **Rainier 16 15 Fed Com #213H** in order to test the 1<sup>st</sup> Bone Spring formation is estimated to be 7,750 feet (TVD) with an approximate total measured depth of 18,709 feet. The costs to drill, complete and equip said well are estimated at **\$8,024,206.00** as indicated on the enclosed AFE.

For those who elect to participate in the captioned horizontal wells, V-F has enclosed an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications ("Operating Agreement"), designating V-F Petroleum Inc. as Operator, covering the South Half of the North Half (S/2N/2) of Sections 16 & 15, Township 18 South, Range 31 East, Eddy County, New Mexico, containing approximately 320 acres, more or less, covering the Bone Spring formation ("Contract Area") with the following general provisions:

- 100/300/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- V-F Petroleum Inc. named as Operator.

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 standard horizontal spacing unit for the proposed wells.

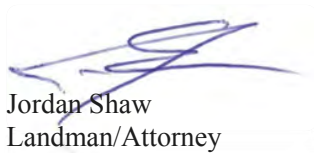
Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an "X" in the appropriate spaces provided below, and return one (1) executed copy of this letter, one (1) executed AFE for each well you have elected **to participate**, one original (1) Joint Operating Agreement body signature page, and one (1) executed and notarized Memorandum of Operating Agreement signature page. If you should desire to participate in the drilling and completion of the wells herein proposed, V-F is willing to discuss an alternative

**EXHIBIT  
A-6**

Rainier 16 15 Fed Com #213H  
Marathon Oil Permian LLC  
January 20, 2025

proposal to acquire your oil and gas interests in this area. Should you have any questions regarding this matter, please do not hesitate in contacting Jordan Shaw, Landman/Attorney for V-F Petroleum Inc. by phone at (432) 269-0569 or by email at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Best Regards,



Jordan Shaw  
Landman/Attorney

Enclosures

Election set forth on the following page



Rainier 16 15 Fed Com #213H  
Marathon Oil Permian LLC  
January 20, 2025

**ELECTION**  
**Rainier 16 15 Fed Com #213H Well**

*Marathon Oil Permian LLC*

\_\_\_\_\_ Elect **to** Participate in the **Rainier 16 15 Fed Com #213H Well**

\_\_\_\_\_ Elect **Not to** Participate in the **Rainier 16 15 Fed Com #213H Well**

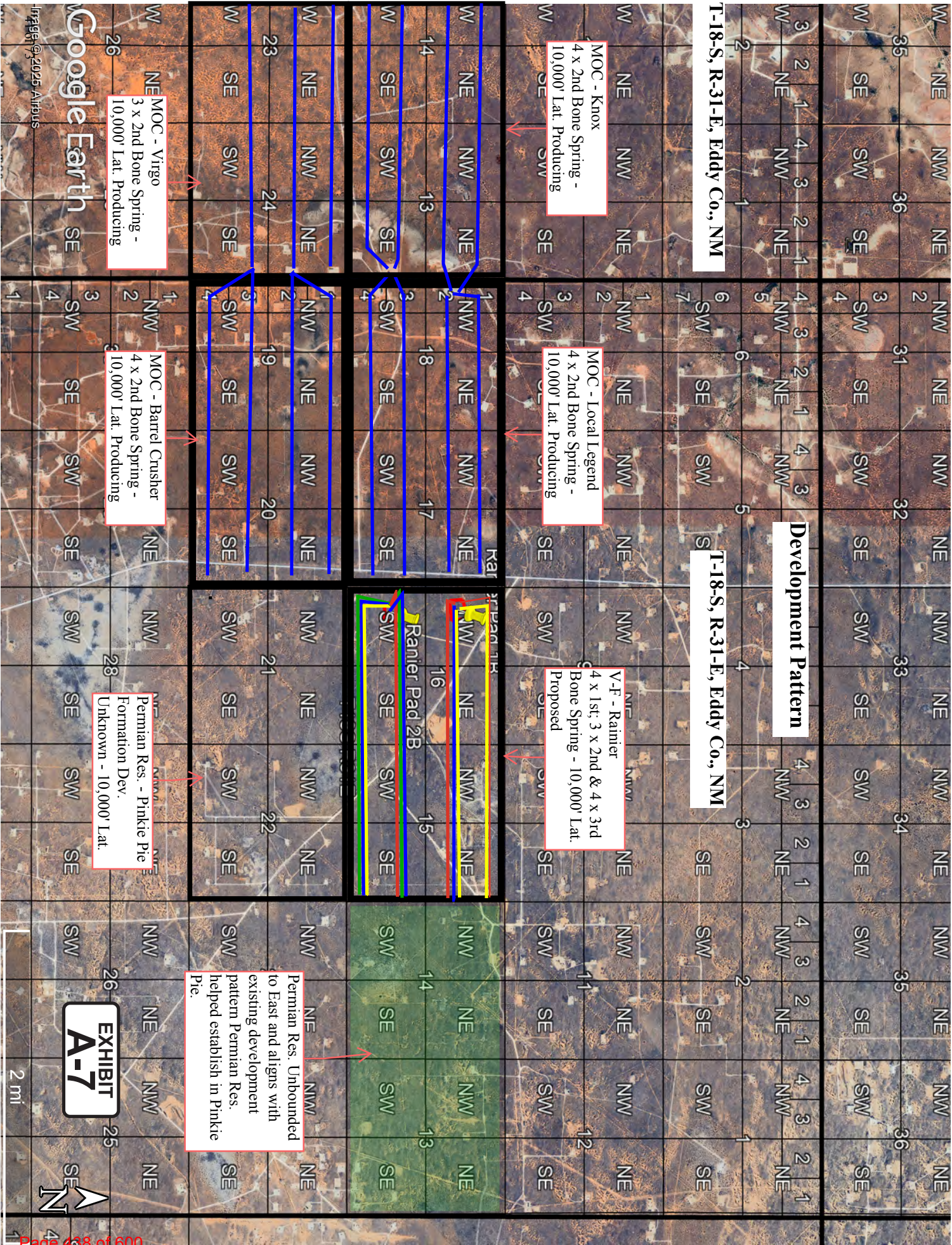
By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<div>V-F Petroleum Inc.</div> <div>AUTHORIZATION FOR EXPENDITURE</div>						API No.	
						AFE Number	
October 14, 2024						Well Type First BS Horizontal Oil Well	
<input checked="" type="checkbox"/> Original	<input type="checkbox"/>	Supplement	<input type="checkbox"/>	Revision	<input type="checkbox"/>	Projected TD: 7,750' TVD 18,709' MD	
<input checked="" type="checkbox"/> Drill Well	<input type="checkbox"/>	Workover	<input type="checkbox"/>	Facilities	<input type="checkbox"/>	Proposal Two Mile Horizontal Lateral	
Lease Name/Well #		County / State	Formation	Basin	Field or Prospect	SHL.: 1,492 FNL. & 728' FWL., Section 16, T-18-S, R-31-E BHL.: 2,085 FNL. & 100' FEL., Section 15, T-18-S, R-31-E	
Ranier 16-15 Federal Com #213H		Eddy NM	1st Bone Spring	Permian	Shugart; Bone Spring N.		
Acct Code	INTANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
501	PERMITS & ENVIROMENTAL SERVICES				\$15,000	\$10,000	\$25,000
516	TITLE OPINION, CURATIVE & POOLING				\$15,000		\$15,000
501	SURVEYING STAKE LOCATION				\$7,500		\$7,500
501	DAMAGES & R-O-W'S				\$15,000		\$15,000
502/711	ROADS, LOCATION, PITS, LINERS, ETC.				\$60,000	\$25,000	\$85,000
503	DRILLING RIG MOBILIZATION COST				\$10,000		\$10,000
503	DRILLING - DAYS 16 days @ \$19,000				\$304,000		\$304,000
503	MUD MOTORS & DIRECTIONAL				\$150,000		\$150,000
517	CLOSED LOOP & DISPOSAL 16 days @ \$5,500				\$88,000		\$88,000
505	MUD & FRAC CHEMICALS				\$125,000	\$150,000	\$275,000
505/716	WATER (Brine & Fresh); FRAC WATER				\$40,000	\$400,000	\$440,000
503	BITS, REAMERS, ETC.				\$65,000		\$65,000
503	FUEL 45000 gallons @ \$6				\$270,000		\$270,000
504	CEMENTING SURFACE				\$25,000		\$25,000
504	CEMENTING INTERMEDIATE				\$45,000		\$45,000
701	CEMENTING PRODUCTION					\$126,000	\$126,000
509/705	TUBULAR SERVICES AND TOOLS				\$45,000	\$65,000	\$110,000
509/705	CASING CREWS PU LD MACHINE				\$35,000	\$45,000	\$80,000
513/708	FLOAT EQUIPMENT, CENTRALIZERS, ECP'S, DV TOOLS				\$10,000	\$18,000	\$28,000
507	TESTING; COMPLETION, FLOWBACK					\$175,000	\$175,000
508	OPEN HOLE LOGGING						
508	MUD LOGGING 16 days @ \$3,500				\$56,000		\$56,000
509/705	WELDING, HOURLY LABOR, ROUSTABOUT CREWS, SAFETY PAY				\$26,000	\$250,000	
509/713	EQUIPMENT RENTAL				\$42,000	\$105,000	\$147,000
509/714	TRUCKING, TRANSPORTATION, FORKLIFT				\$57,000	\$35,000	\$92,000
715	COMPLETION UNIT; COIL TUBING UNIT					\$550,000	\$550,000
704	FORMATION STIMULATION (60 STAGES)					\$2,085,566	\$2,085,566
702/03	CASED HOLE LOGGING, PERFORATING & FRAC PLUGS					\$260,000	\$260,000
510/11/706	GEOLOGIC / ENGINEERING				\$55,000	\$80,000	\$135,000
509/705	CONTRACT CONSULTANTS 16 days @ \$3,500				\$56,000	\$52,000	\$108,000
514	DRILLING WELL RATE (A/O) 16 days @ \$500				\$8,000	\$5,000	\$13,000
515/705	INSURANCE				\$10,000	\$10,000	\$20,000
509/705	CONTINGENCY (8%)				\$81,000	\$355,000	\$436,000
TOTAL INTANGIBLE ESTIMATED COST					\$1,715,500	\$4,801,566	\$6,517,066
Acct Code	TANGIBLE DESCRIPTION				COST BEFORE CASING POINT	COMPLETION COST	TOTAL WELL COST
620/820	CONDUCTOR				\$42,000		\$42,000
620/820	SURFACE				\$96,000		\$96,000
620/820	INTERMEDIATE				\$120,000		\$120,000
620/820	INTERMEDIATE						
820	PRODUCTION					\$310,640	\$310,640
820	PRODUCTION LINER						
821	TUBING (Coated)					\$120,000	\$120,000
621/824	WELLHEAD EQUIPMENT				\$28,000	\$18,000	\$46,000
825	PRODUCTION FACILITY ENCLOSURE					\$25,000	\$25,000
825	POWER SOURCE					\$25,000	\$25,000
822	RODS AND PUMP (FG & STEEL)						
823	PACKERS, BPS, ESP, DOWNHOLE EQUIPMENT					\$265,000	\$265,000
827	HEATER TREATER, SEPERATOR, FWKO					\$175,000	\$175,000
831	GAS SALES LINE & METER RUN					\$5,500	\$5,500
830	FLOWLINES, VALVES, CONNECTIONS					\$10,000	\$10,000
827	TANKS (WATER AND PRODUCTION)					\$150,000	\$150,000
622/820	CONTINGENCY (8%)				\$29,000	\$88,000	\$117,000
TOTAL TANGIBLE ESTIMATED COST					\$315,000	\$1,192,140	\$1,507,140
941-945 P&A Costs, Rig, Cmt, Cleanup, Misc., Services					\$50,000		
ESTIMATED DRY HOLE COST					\$2,080,500		
TOTAL AFE ESTIMATED COST					\$2,030,500	\$5,993,706	\$8,024,206
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: Bill Pierce		Date: 10/14/2024	
Signature _____							
Date _____							







## **TAB 3**

Exhibit B: Self-Affirmed Statement of Stephen Burke, Geologist  
Exhibit B-1: Structure Map  
Exhibit B-2: Stratigraphic Cross Section  
Exhibit B-3: Gross Isopach  
Exhibit B-4: Gun Barrel View  
Exhibit B-5: Structural Cross-Section

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

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

**Case No. 25117**

**SELF-AFFIRMED STATEMENT OF STEPHEN BURKE**

I, Stephen Burke, being duly sworn on oath, state the following:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for V-F Petroleum Inc., and I am familiar with the subject application and the geology involved.
3. I graduated in 1980 from Stephen F. Austin State University with a bachelor's degree in Geology. I have worked at V-F Petroleum Inc. for under a year, and I have been working in New Mexico for 25 years. My credentials as a petroleum geologist have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.
4. This affidavit is submitted in connection with the filing by V-F Petroleum Inc. of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
5. **Exhibit B-1** is a structure map of the top of 3<sup>rd</sup> Bone Spring Sand with contour interval of 50'. The unit being pooled is outlined by red rectangle. The structure



map shows that there is a regional down-dip to the southeast. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

6. **Exhibit B-2** is a stratigraphic cross-section flattened on the top of the 3<sup>rd</sup> Bone Spring Sand. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and slight thinning to north of the target zone. The well logs on the cross-section give a representative sample of the 3<sup>rd</sup> Bone Spring Sand. The landing zone is highlighted by light, brown shading.

7. **Exhibit B-3** is a gross isopach map of the 3<sup>rd</sup> Bone Spring Sand, this map demonstrates the continuity of the target zone across this vicinity.

8. **Exhibits B-4** is gun barrel diagram of the unit demonstrating the vertical and lateral location of the wellbore.

9. **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the 3<sup>rd</sup> Bone Spring Sand's applications in Cases Nos. 2494, 2595 and 2515.

10. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

11. The preferred well orientation in this area is west to east so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.



12. The Exhibits to this Affidavit were prepared by me or compiled from V-F Petroleum Inc.'s company business records under my direct supervision.

13. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

14. The foregoing is correct and complete to the best of my knowledge and belief.

*[Signature page follows]*

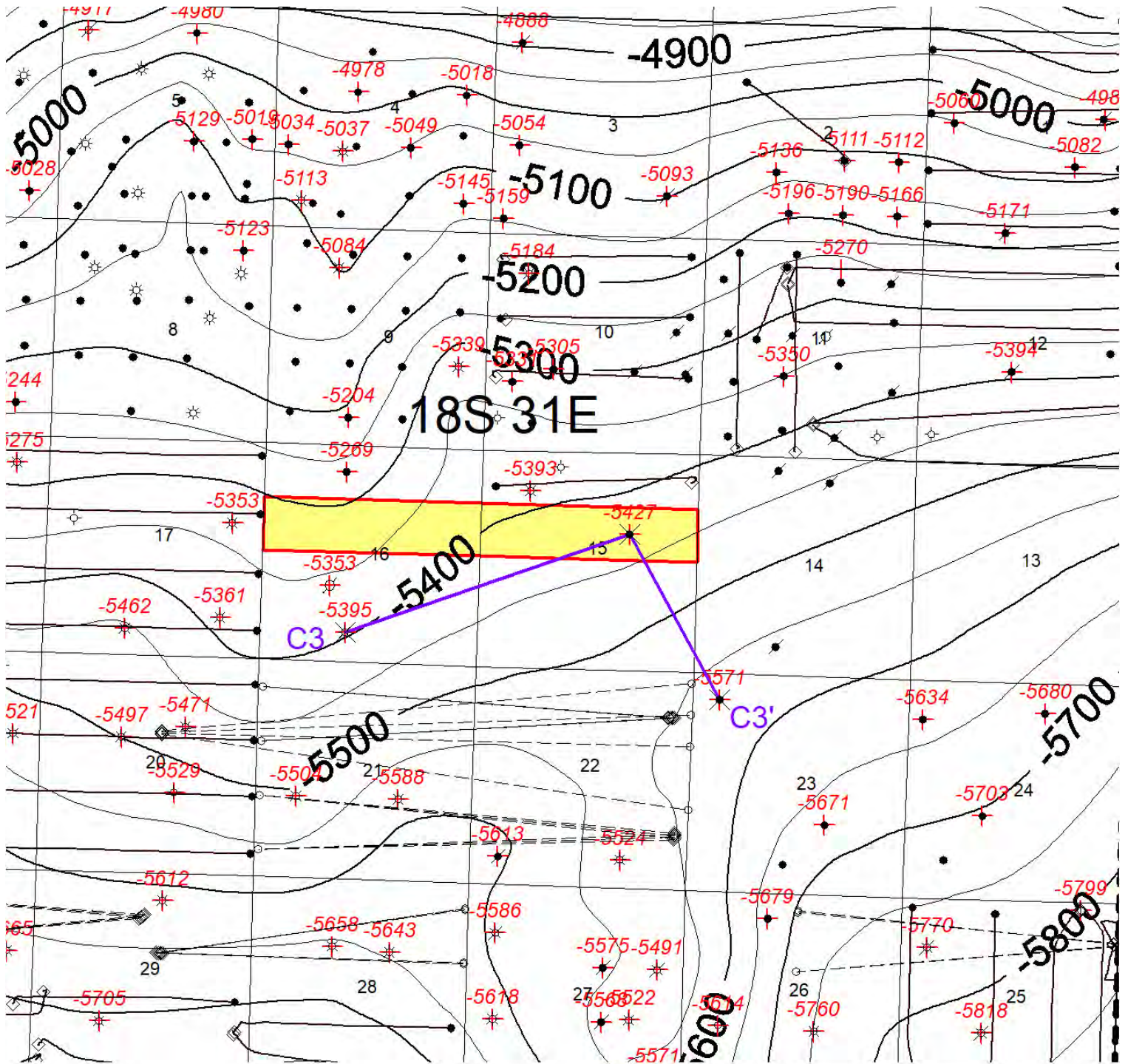
*Signature page of Self-Affirmed Statement of Stephen Burke:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25117 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Stephen Burke

1/21/2025  
Date Signed



Structure\_Tbgs50-MbSmb\_EI &lt;EddyLea&gt;

Data Point

+ Data Point



1" = 3000'

3000 0 3000 6000 9000 12000

1:36000

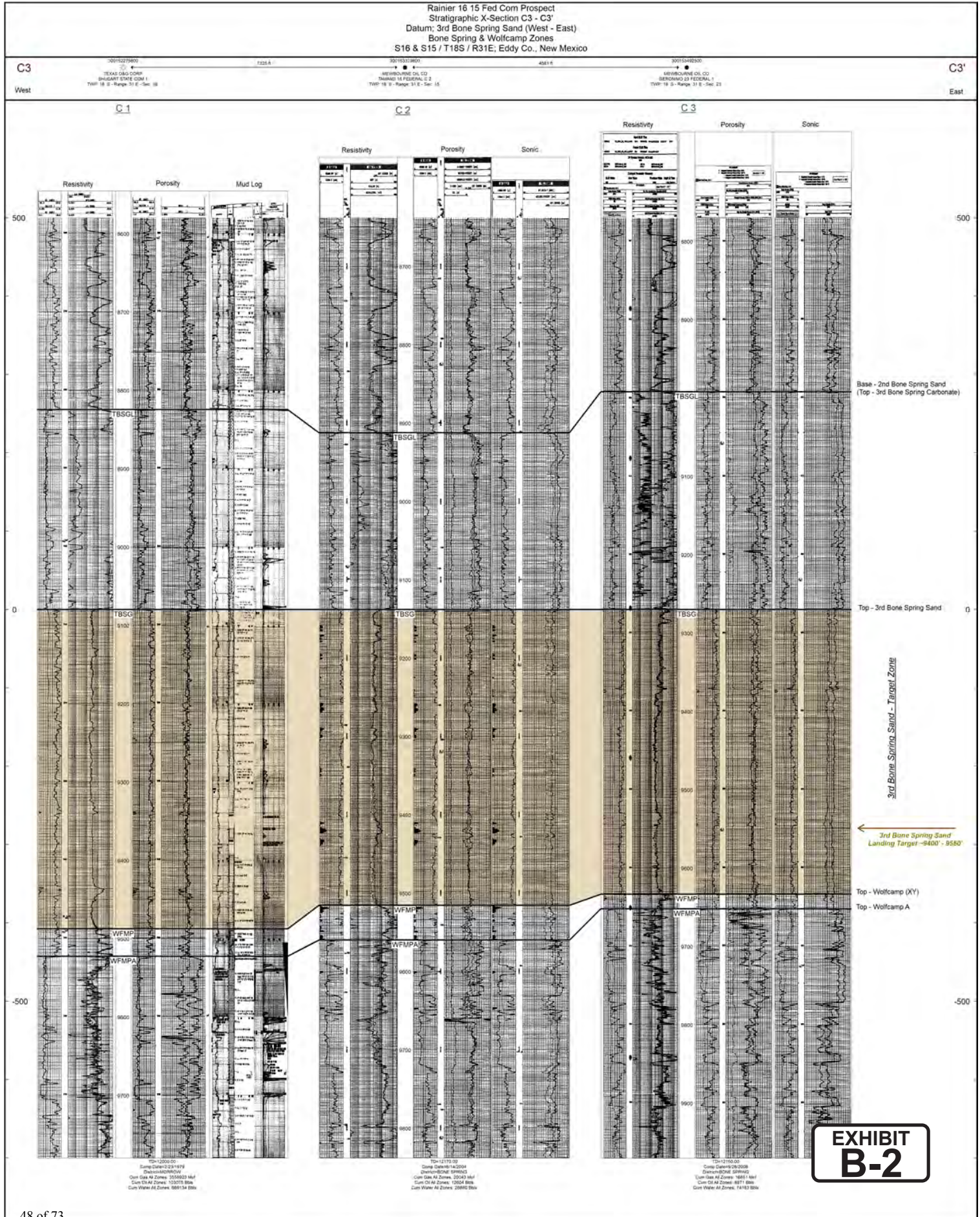
**V-F Petroleum, Inc.**

**Rainier Prospect**  
**3rd Bone Spring Sand - Structure Map**  
**Sec. 15 & 16 - T18S-R31E**  
**Eddy Co., New Mexico**

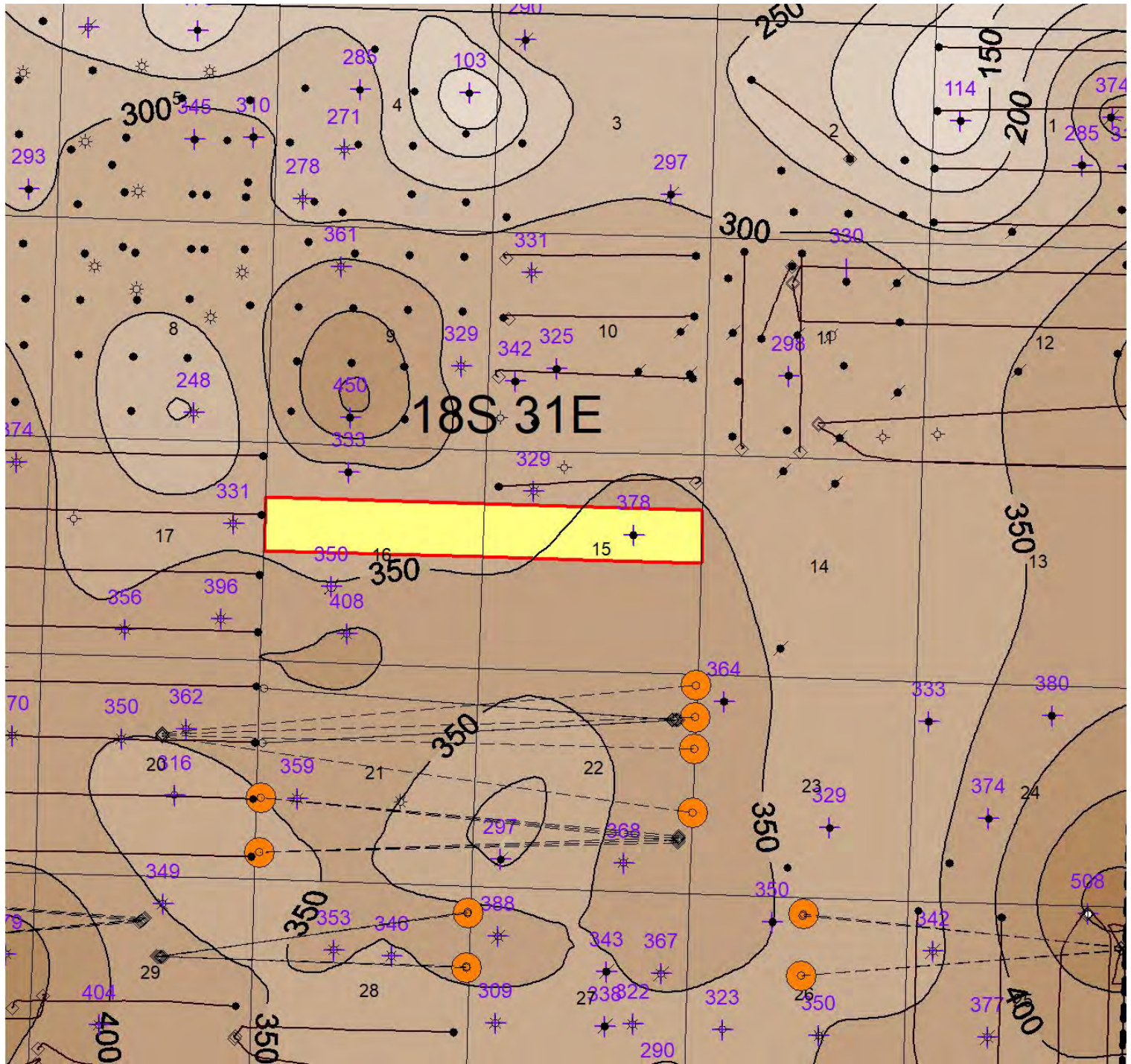
<b>Author:</b> mburke	<b>Wells:</b> TD > 8000'	<b>Date:</b> 20 January, 2025
<b>Bubbles:</b> None	<b>Scale:</b> 1" = 3000'	<b>C.I.:</b> 50'

**EXHIBIT**  
**B-1**










Perfs\_TsbgOnly\_NoSpot\_Survey\_Ta &lt;TomanoArea&gt;

Deviated well - Bottom hole location

 Deviated well - Bottom hole lo

Isopach-GrossH\_Tbgs &lt;EddyLea&gt;

Data Point

 Data Point


1" = 3000'

1:36000

**V-F Petroleum, Inc.**

**Rainier Prospect**  
 3<sup>rd</sup> Bone Spring Sand – GrossH Isopach Map  
 Sec. 15 & 16 – T18S-R31E  
 Eddy Co., New Mexico

<b>Author:</b> mburke	<b>Wells:</b> TD > 8000'	<b>Date:</b> 20 January, 2025
<b>Bubbles:</b> Orange = 3 <sup>rd</sup> Bspg	<b>Scale:</b> 1" = 3000'	<b>C.I.:</b> 50'

**EXHIBIT**  
**B-3**

V-F Petroleum Inc.Rainier 16 15 Fed Com #233HT18S - R32E / Eddy Co., New Mexico

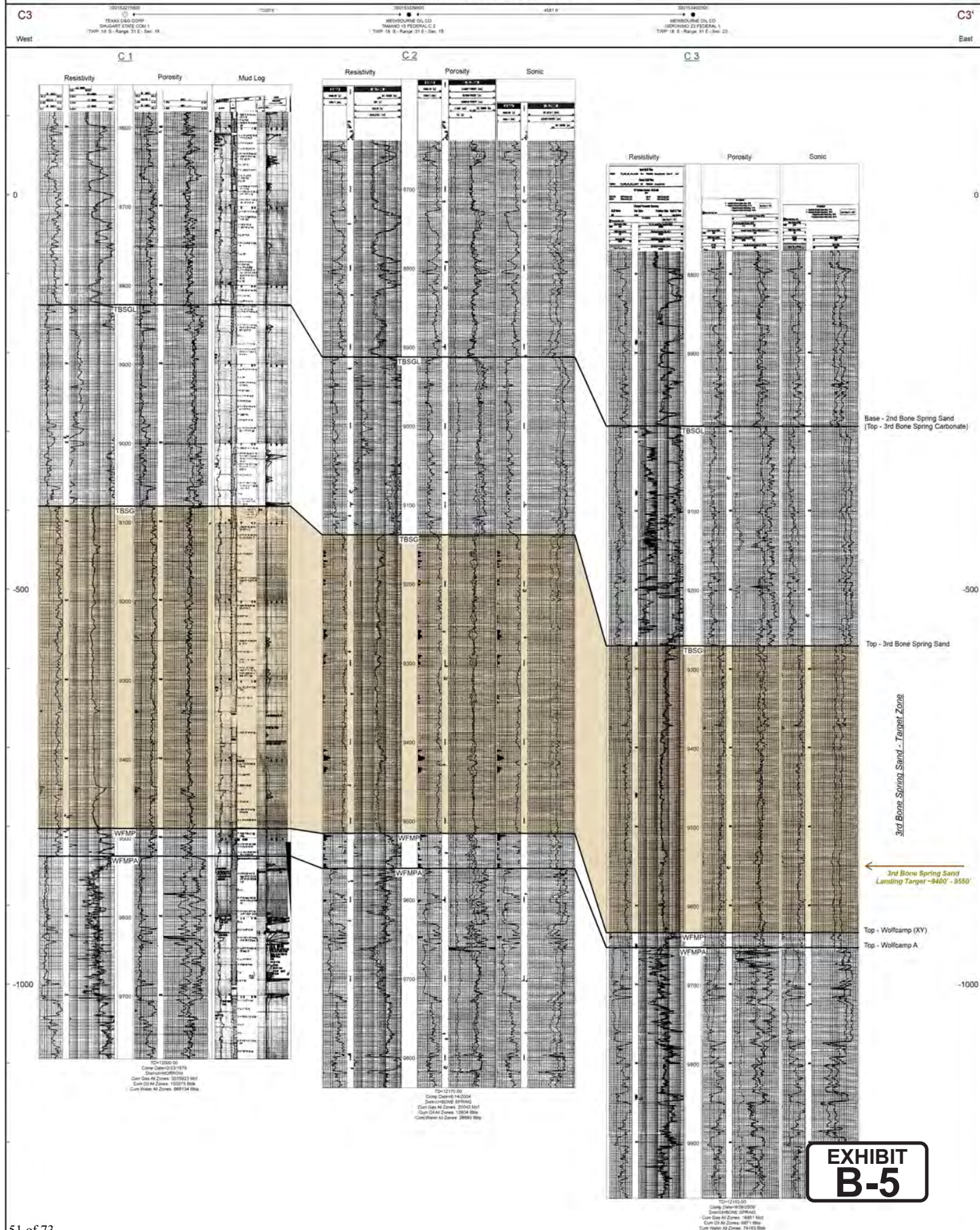
Zone & Vertical Depth	Well & Operator N/2 - N/2 D16 - A15	Well & Operator S/2 - N/2 E16 - H15	Well & Operator N/2 - S/2 L16 - I15	Well & Operator S/2 - S/2 M16 - P16
Bspg1	XXX-MQC	XXX-VF	XXX-VF	XXX-VF
Bspg2	Tomano 1H MQC	Rainier 223H-VF	Rainier 222H-VF	Rainier 221H-VF
Bspg3	Rainier 234H-VF	Rainier 233H-VF	Rainier 232H-VF	Rainier 231H-VF
WfmpXy	XXX-VF	XXX-VF	XXX-VF	XXX-VF
	North		South	

	Range 31 East / Section 16				Range 31 East / Section 15			
Township 18 South	D	C	B	A	D	C	B	A
	E	F	G	H	E	F	G	H
	L	K	J	I	L	K	J	I
	M	N	O	P	M	N	O	P

EXHIBIT  
**B-4**



Rainier 16 15 Fed Com Prospect  
Structural X-Section C3 - C3'  
Datum: -5000 (West - East)  
Bone Spring & Wolfcamp Zones  
S16 & S15 / T18S / R31E, Eddy Co., New Mexico



## **TAB 4**

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage  
Exhibit C-1: Notice Letters  
Exhibit C-2: Mailing List  
Exhibit C-3: Affidavits of Publication

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

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

**Case No. 25117**

**SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of V-F Petroleum Inc. ("V-F"), the Applicant herein, states and affirms the following:

1. Notice of the application and hearing in the above-referenced case was timely sent by certified mail, return receipt requested, through the United States Postal Service on December 18, 2024, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of the notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice for the above-referenced case was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on December 21, 2024. *See* Exhibit C-3.

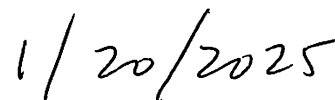


*Signature page of Self-Affirmed Statement of Darin C. Savage:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 25117 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



\_\_\_\_\_  
Darin Savage



\_\_\_\_\_  
Date Signed





For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

December 18, 2024

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of V-F Petroleum Inc., for Compulsory Pooling, Eddy  
County, New Mexico  
Rainier 16-15 Fed Com #233H Well

Case No. 25117:

Dear Interest Owners:

This letter is to advise you that V-F Petroleum Inc., (“V-F” or “Applicant”), has filed the enclosed application, Case No. 25117, with the New Mexico Oil Conservation Division (“Division”) for an order pooling all uncommitted mineral interests in the Third Bone Spring formation, from the top of the Third Bone Spring, at a depth of 8,914’ beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516’ beneath the surface, as shown in that certain Dual Lateralog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (“Subject Lands”).

V-F requested that this Application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025. The status of the hearing, including any continuances, can be monitored through the Division’s website. Division hearings will commence at 9:00 a.m., in the Wendell Chino Building, Pecos Hall located on the 1<sup>st</sup> Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If so desired, you can attend the hearing in person at Pecos Hall or you can attend virtually through remote online

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

**EXHIBIT  
C-1**

access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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 NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. 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 Jordan Shaw at (432) 269-0569 or at [jordan@vfpetroleum.com](mailto:jordan@vfpetroleum.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

***Attorney for V-F Petroleum, Inc.***



Mail Activity Report - RAINIER 233H 25117 Mailed 12/18/2024 to 12/18/2024 Generated: 01/20/2025 8:10:17 AM											
USPS Article Number	Reference Number	Date Mailed	Name 1	Name 2	Address 1	Address 2	City	State	Zip	Mailing Status	Service Options
9314869904300129539737	4217.10 - Rainier 233H	12/18/24	XTD Holdings, LLC	Delaware Basin Land Manager	22777 Springwoods Village Pkwy.		Spring	TX	77389	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539744	4217.10 - Rainier 233H	12/18/24	Permian Resources Operating, LLC	Delaware Basin Land Department	300 N. Marlenfield St., Suite 1000		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539751	4217.10 - Rainier 233H	12/18/24	Delmar Hudson Lewis Living Trust	Bank of America, N.A., Trustee	P.O. Box 830308		Dallas	TX	75283-0308	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539768	4217.10 - Rainier 233H	12/18/24	Ard Oil, LTD	Joel T. Sawyer, Agent	P.O. Box 101027		Fort Worth	TX	76185	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539775	4217.10 - Rainier 233H	12/18/24	Zorro Partners, Ltd.	W.A. Hudson II, Agent	616 Texas Street		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539782	4217.10 - Rainier 233H	12/18/24	Javelina Partners	Edward Hudson, Land Manager	616 Texas Street		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539799	4217.10 - Rainier 233H	12/18/24	Frost Bank,	TTR of Josephine T. Hudson Testamentary Trust	P.O. Box 1600		San Antonio	TX	78296	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539805	4217.10 - Rainier 233H	12/18/24	Marathon Oil Permian LLC	Chase Rice, Permian Land Supervisor	990 Town and Country Boulevard		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539812	4217.10 - Rainier 233H	12/18/24	Moore & Shelton Company, Ltd.	Michael R. Moore, Agent	P.O. Box 3070		Galveston	TX	77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129539829	4217.10 - Rainier 233H	12/18/24	Bureau of Land Management		620 E. Greene Street		Carlsbad	NM	88220-6292	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557526	4217.10 - Rainier 233H	12/18/24	Curtis W. Mewbourne, Trustee		P.O. Box 7698		Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557533	4217.10 - Rainier 233H	12/18/24	Hudson, Francis Hill, Trustee	Lindy's Living Trust	4200 South Hulen Street	Suite 302	Fort Worth	TX	76109	To be Returned	Return Receipt - Electronic, Certified Mail
9314869904300129557540	4217.10 - Rainier 233H	12/18/24	Moore and Shelton Co., Ltd.		P.O. Box 3070		Galveston	TX	77552	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300129557557	4217.10 - Rainier 233H	12/18/24	Ralph A. Shugart Jr. Trust	Elizabeth Duncan, Trustee	1960 Forest Parkway		Denver	CO	80220-1337	Delivered	Return Receipt - Electronic, Certified Mail





December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5575 57.**

Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 24, 2024, 03:21 p.m.  
**Location:** DENVER, CO 80220  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Ralph A Shugart Jr Trust Elizabeth Duncan Tru



Shipment Details

**Weight:** 3.0oz

Destination Delivery Address

**Street Address:** 1960 FOREST PKWY  
**City, State ZIP Code:** DENVER, CO 80220-1337

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 233H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5575 40.**

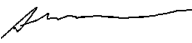
Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Post Office
<b>Status Date / Time:</b>	December 28, 2024, 11:50 a.m.
<b>Location:</b>	GALVESTON, TX 77551
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Moore and Shelton Co Ltd

Shipment Details

<b>Weight:</b>	3.0oz
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Recipient Signature

Signature of Recipient:	 SHARON NIELSEN
Address of Recipient:	PO BOX 307C

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December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5575 26.**

Item Details

**Status:** Delivered, PO Box  
**Status Date / Time:** December 23, 2024, 12:02 p.m.  
**Location:** TYLER, TX 75711  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Curtis W Mewbourne Trustee

Shipment Details

**Weight:** 3.0oz

Destination Delivery Address

**Street Address:** PO BOX 7698  
**City, State ZIP Code:** TYLER, TX 75711-7698

Recipient Signature

Signature of Recipient:

Address of Recipient:

X

Gonzalo Argote

Signature

Gonzalo Argote

Delivery Point

PO Box 7698

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**Reference Number:** 4217.10 - Rainier 233H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5398 29.**

#### Item Details

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	December 23, 2024, 01:44 p.m.
<b>Location:</b>	CARLSBAD, NM 88220
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Bureau of Land Management



#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Destination Delivery Address

<b>Street Address:</b>	620 E GREENE ST
<b>City, State ZIP Code:</b>	CARLSBAD, NM 88220-6292

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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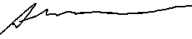
**Reference Number:** 4217.10 - Rainier 233H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5398 12.**

Item Details	
Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	December 28, 2024, 11:50 a.m.
Location:	GALVESTON, TX 77551
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Moore Shelton Company Ltd Michael R Moore
Shipment Details	
Weight:	3.0oz
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	PO BOX 307C

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**Reference Number:** 4217.10 - Rainier 233H





December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0129 5398 05**.

Item Details

Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	December 23, 2024, 03:08 p.m.
Location:	HOUSTON, TX 77024
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Marathon Oil Permian LLC Chase Rice Permian Lan

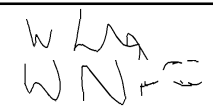
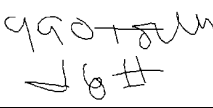
Shipment Details

Weight:	3.0oz
---------	-------

Destination Delivery Address

Street Address:	990 TOWN AND COUNTRY BLVD
City, State ZIP Code:	HOUSTON, TX 77024-2217

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Reference Number: 4217.10 - Rainier 233H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5397 99.**

Item Details

Status:	Delivered, PO Box
Status Date / Time:	December 23, 2024, 11:18 a.m.
Location:	SAN ANTONIO, TX 78205
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Frost Bank TTR of Josephine T Hudson Testament

Shipment Details

Weight:	3.0oz
---------	-------

Recipient Signature

Signature of Recipient:	<div><div>Signature</div><div>X</div><div>Printed Name</div><div>ALBERT SANCHEZ</div><div>Delivery Address</div></div>
Address of Recipient:	

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Reference Number: 4217.10 - Rainier 233H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5397 82.**

Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:17 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Javelina Partners Edward Hudson Land Manager

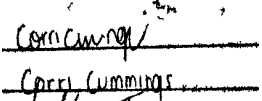
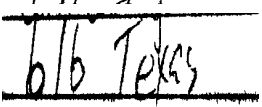
Shipment Details

**Weight:** 3.0oz

Destination Delivery Address

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.10 - Rainier 233H



December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5397 75.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:17 p.m.  
**Location:** FORT WORTH, TX 76102  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Zorro Partners Ltd W A Hudson II Agent

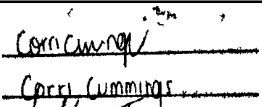
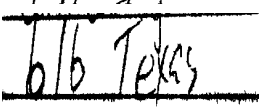
#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**City, State ZIP Code:** FORT WORTH, TX 76102-4662

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 233H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5397 68.**

#### Item Details

**Status:** Delivered, PO Box  
**Status Date / Time:** December 28, 2024, 10:29 a.m.  
**Location:** FORT WORTH, TX 76185  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Ard Oil LTD Joel T Sawyer Agent

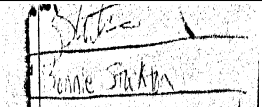

#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** PO BOX 101027  
**City, State ZIP Code:** FORT WORTH, TX 76185-1027

#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4217.10 - Rainier 233H



December 25, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5397 51.**

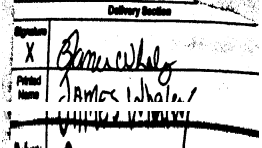

#### Item Details

<b>Status:</b>	Delivered, Individual Picked Up at Postal Facility
<b>Status Date / Time:</b>	December 24, 2024, 08:54 a.m.
<b>Location:</b>	DALLAS, TX 75260
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Delmar Hudson Lewis Living Trust Bank of Americ

#### Shipment Details

<b>Weight:</b>	3.0oz
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#### Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Reference Number:** 4217.10 - Rainier 233H





December 24, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5397 44.**

#### Item Details

**Status:** Delivered, Left with Individual  
**Status Date / Time:** December 23, 2024, 01:18 p.m.  
**Location:** MIDLAND, TX 79701  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
Return Receipt Electronic  
**Recipient Name:** Permian Resources Operating LLC Delaware Basin

#### Shipment Details

**Weight:** 3.0oz

#### Destination Delivery Address

**Street Address:** 300 N MARIENFELD ST STE 1000  
**City, State ZIP Code:** MIDLAND, TX 79701-4688

#### Recipient Signature

Signature of Recipient:

L Kulsh  
L Kulsh

Address of Recipient:

300 N Marienfeld

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**Reference Number:** 4217.10 - Rainier 233H



December 30, 2024

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9314 8699 0430 0129 5397 37.**

Item Details

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	December 28, 2024, 09:33 a.m.
<b>Location:</b>	SPRING, TX 77389
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	XTO Holdings LLC Delaware Basin Land Manager



Shipment Details

<b>Weight:</b>	3.0oz
----------------	-------

Destination Delivery Address

<b>Street Address:</b>	22777 SPRINGWOODS VILLAGE PKWY
<b>City, State ZIP Code:</b>	SPRING, TX 77389-1425

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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**Proof of Acceptance (Electronic)**

Date : 12/19/2024

Company Name : Abadie & Schill PC

Certified Mail Article Number 9314869904300129557533 addressed to Hudson, Francis Hill, Trustee Lindy's Living Trust

USPS Event Date/Time	USPS Event Description	USPS Event Location
12/19/2024 10:31 PM	ORIGIN ACCEPTANCE	DURANGO, CO 81301

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Recipient Mailing Address:

Hudson, Francis Hill, Trustee  
Lindy's Living Trust  
4200 South Hulen Street  
Suite 302  
Fort Worth, TX 76109

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## AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS  
PO BOX 507  
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

Account Number: 1227  
Ad Number: 27220  
Description: 25117 - S2N2 3rd BS Rainier  
Ad Cost: \$146.60

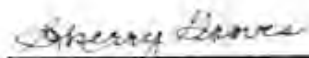
Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

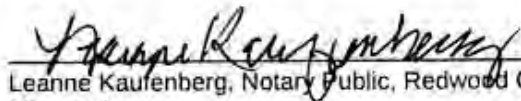
That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Agent

Subscribed to and sworn to me this 21<sup>th</sup> day of December 2024.



Leanne Kaufenberg, Notary Public, Redwood County  
Minnesota

KAIYA TOOP  
ABADIE SCHILL  
555 RIVERGATE LANE, SUITE B-4-180  
DURANGO, CO 81301  
kaiya@abadieschill.com

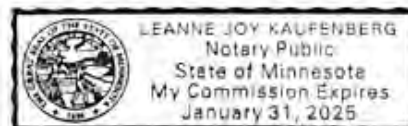


EXHIBIT  
C-3

## PUBLIC NOTICE

**CASE No. 25117:** Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include, XTO HOLDINGS, LLC; PERMIAN RESOURCES OPERATING, LLC; DELMAR HUDSON LEWIS LIVING TRUST, BANK OF AMERICA, N.A., TRUSTEE; ARD OIL, LTD.; ZORRO PARTNERS, LTD.; JAVELINA PARTNERS; JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD, FRONT BANK, TRUSTEE; MARATHON OIL PERMIAN LLC; CURTIS W. MEWHOURNE, TRUSTEE; HUDSON, FRANCIS HILL, TRUSTEE, LINDY'S LIVING TRUST; MOORE AND SHELTON CO., LTD.; RALPH A. SHUGART JR. TRUST, ELIZABETH DUNCAN, TRUSTEE, AND MOORE & SHELTON COMPANY, LTD. - of V-F Petroleum, Inc. application for approval of a compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 9:00 a.m. on January 9, 2025, in the Wendell Chino Building, Pecos Hall located on the 1st Floor, at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You can attend the hearing in person at Pecos Hall or you can attend virtually through remote online access. For information about attending by remote access and reviewing the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. It is recommended that you check with the Division to determine the best option for attendance. V-F Petroleum Inc., at 550 W. Texas Ave., Suite 300, Midland, TX 79701, seeks an order from the Division pooling all uncommitted mineral interests in the Third Bone Spring, at a depth of 8,914' beneath the surface, to the base of the Third Bone Spring formation, which has a depth of 9,516' beneath the surface, as shown in that certain Dual Laterolog, Micro Laterolog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Rainier 16-15 Fed Com #233H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 31 miles southeast of Artesia, New Mexico.

Published in the Carlsbad Current-Argus December 21, 2024.  
#27220

## **TAB 6**

Exhibit 6:      Exhibit 6:      Rebuttal Exhibits – 1A, 1B, 1C, and 2 – 14 and  
Rebuttal Exhibit 15



**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JANUARY 28, 2025**

**AMENDED REBUTTAL EXHIBITS IN SUPPORT OF  
APPLICATIONS OF V-F PETROLEUM INC.  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

**V-F Petroleum Inc. Cases**

**Case No. 24994**

**Case No. 24995**

**Case No. 25115**

**Case No. 25116**

**Case No. 25117**

**Read & Stevens, Inc. Cases**

**Case No. 24941**

**Case No. 24942**

**Case No. 25145**

**Case No. 25146**

**Case No. 25147**

**Case No. 25148**

**V-F PETROLEUM INC.**



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	Rebuttal Exhibit 1B: 2 <sup>nd</sup> Assignment of Operating Rights
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	Rebuttal Exhibit 4: Plains Marketing Oil Statement
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## TAB 1

### Rebuttal Land Exhibits

- Rebuttal Exhibit 1A: 1<sup>st</sup> Assignment of Operating Rights
- Rebuttal Exhibit 1B: 2<sup>nd</sup> Assignment of Operating Rights
- Rebuttal Exhibit 1C: Stratigraphic Cross Section Showing Third Bone  
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- Rebuttal Exhibit 6: 43 CFR §3171.12 & Onshore Oil and Gas Order  
No. 1

# Exhibit 1A Rebutting Paragraphs 4 & 7 of Self-Affirmed Statement of Travis Macha: First Assignment of Operating Rights

BOOK 71 PAGE 382

Jamie Federal #1 (Amoco F/O)  
R&S 9394W  
R&S 8495

## ASSIGNMENT OF OPERATING RIGHTS

THIS ASSIGNMENT, made and entered into this 10th day of May, 1990 by and between Read & Stevens, Inc., P.O. Box 1518, Roswell, NM 88202, hereinafter referred to as "Assignor" and those parties set out on Exhibit "A" attached hereto and made a part hereof, hereinafter referred to as "Assignees".

### WITNESSETH:

WHEREAS, Pursuant to that certain Farmout Contract dated March 1, 1989 by and between Amoco Production Co. and Assignor covering the herein described lands, Assignor is the owner of an undivided 50.00% interest before payout of the Jamie Federal #1 well and an undivided 37.50% interest after payout\* of the Jamie Federal #1 well in an oil and gas lease dated November 1, 1981, from the United States of America as Lessor, to Read & Stevens, Inc., as Lessee, bearing Serial No. NM-28096 (lease) covering the following described lands in Eddy County, New Mexico:

### TOWNSHIP 18 SOUTH, RANGE 31 EAST N.M.P.M.

Section 14: NE/4NW/4  
containing 40.00 acres, more or less (lands) insofar as said lease covers those depths from 3,900 feet down to and including 9,290 feet, but in no event below the base of the Bone Springs Formation

and,

WHEREAS, Assignor desires to assign unto Assignees an undivided 33.70000% of 8/8ths interest before payout of the Jamie Federal #1 well and an undivided 25.27500% of 8/8ths interest after payout\* of the Jamie Federal #1 well, in and to the operating rights in said lease and lands, ("the operating rights" being defined as the exclusive right and privilege to test, drill for, mine, extract, remove, and dispose of all of the oil and gas deposits), and to retain an undivided 16.30000% of 8/8ths interest before payout of the Jamie Federal #1 well and an undivided 12.22500% of 8/8ths interest after payout\* of the Jamie Federal #1 well in and to said operating rights.

NOW, THEREFORE, for and in consideration of the premises and the sum of Ten Dollars (\$10.00) and other valuable consideration paid to Assignor by the Assignees, the receipt of which is hereby acknowledged, Assignor does hereby grant, convey, set over and assign unto Assignees the interests set out above in and to the operating rights in said lease and lands, together with a like interest in and to all of the well equipment and personal property located on said lands and used or obtained in connection therewith in the following proportions, to wit:

(See Exhibit "A" Attached Hereto And Made a Part Hereof);

subject to the following:

1. The terms and provisions of the above described oil and gas lease.
2. Operating Agreement dated January 20, 1989, between Read & Stevens, Inc. as Operator and T.T. Sanders, Jr., et al, as Non-Operators.
3. Participation Agreements between Read & Stevens, Inc. and the Assignees herein, for the drilling of the Jamie Federal #1 well on the above described acreage.

RECEPTION  
905912

*Read & Stevens Inc.  
P.O. Box 1518  
Roswell, NM 88202*

BOOK 71 PAGE 383

Assignment of Operating Rights  
 Jamie Federal #1 (Amoco F/O)  
 Page 2

4. Farmout Contract dated March 1, 1989 by and between Amoco Production Co. and Read & Stevens, Inc. covering the herein described lands.
5. Assignment from Amoco Production Co. to Read & Stevens, Inc. made pursuant to the Farmout Contract set out in Paragraph #4 above, covering the herein described lands.

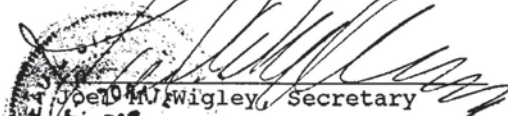
TO HAVE AND TO HOLD said interests unto the Assignees, heirs, personal representatives, (or successor) and assigns, for the full term of said lease and any extensions or renewals thereof.

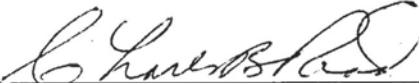
This Assignment is made without warranty whatsoever express, statutory or implied as to description, title, condition, quality, fitness for purposes, merchantability or otherwise.

IN WITNESS WHEREOF, this Assignment is executed the day and year first above written but effective as of September 1, 1989.


ATTEST:


Read & Stevens, Inc.

  
 Joel M. Wigley, Secretary  
 SEAL  
 STATE OF NEW MEXICO )  
 ) SS  
 COUNTY OF CHAVES )

  
 Charles B. Read, President

The foregoing instrument was acknowledged before me this 19th day of June, 1990, by Charles B. Read, President of Read & Stevens, Inc., a New Mexico corporation on behalf of said corporation.

  
 Notary Public

My Commission expires: 10-30-93  


ASGN.JAM3  
 ASGN.JAM4/NAD#3

BOOK 71 PAGE 384

Exhibit "A"  
Jamie Federal #1

	Before Payout of Jamie Federal #1 Well	After Payout* of Jamie Federal #1 Well
James A. Clark 7501 Bear Canyon Rd. N.E. Albuquerque, NM 87109	2.5500%	1.91250%
T. T. Sanders, Jr. P.O. Box 550 Roswell, NM 88202	8.50000%	6.3750%
Effco Investments P.O. Box 1085 Roswell, NM 88201	.8500%	.63750%
Charles B. Read Trust A P.O. Box 1518 Roswell, NM 88201	2.00000%	1.500000%
Carolyn Beall P.O. Box 3098 Midland, TX 79702	1.00000%	.75000%
Arnold Ballard P.O. Box 26355 Fort Worth, TX 76116	1.00000%	.75000%
Rex V. Desmond United Bank Plaza 400 No. Pennsylvania, Suite 900 Roswell, NM 88201	.42500%	.31875%
Karen Outland 4405 Emerson Dallas, TX 75205	.85000%	.63750%
David K. Henderson P.O. Box 1518 Roswell, NM 88202	.50000%	.37500%
Rottman Group Six 12100 Wilshire Blvd., Suite 980 Los Angeles, CA 90025	2.12500%	1.59375%
Rottman 1984 Family Trust 12100 Wilshire Blvd., Suite 980 Los Angeles, CA 90025	2.12500%	1.593750%
Southwestern Resources, Inc. 1111 West Country Club Roswell, NM 88201	.85000%	.63750%
New Mexico Salt Water Disposal Company, Inc. P.O. Box 1518 Roswell, NM 88202	2.00000%	1.500000%
Robert or Leah Angevine 3601 Imperial Midland, TX 79707	1.70000%	1.27500%
Pam Adams 1604 Tulane Roswell, NM 88201	.42500%	.31875%

EXJF/WD#4



BOOK 71 PAGE 385

	Before Payout of Jamie Federal #1 Well	After Payout* of Jamie Federal #1 Well
Dr. Terry Angevine 150 Willow Oak Ct. Double Oak, TX 75067-8264	.85000%	.63750%
Richard L. Lust 3805 Ridge Crest Flowermound, TX 75028	.85000%	.63750%
Gordon E. Holland 1984 Revocable Trust 87 Stoneridge Ponca City, OK 74601	4.25000%	3.18750%
James G. Smith P.O. Box 3234 Midland, TX 79702	<u>.85000%</u>	<u>.63750%</u>
Total:	33.70000%	25.27500%

\* The after payout interests set out for the Assignees herein assume an election by Amoco Production Co. to convert its before payout reserved overriding royalty to a working interest at payout of the subject well.

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the  
27 day of June, A.D. 19 90 at 4:35 o'clock P. M., and duly recorded  
 in BOOK 71 PAGE 382 of the Eddy County Records.  
 KAREN DAVIS, County Clerk By [Signature] Deputy

EXJF1

## Assignment of Operating Rights

BOOK 113 PAGE 701

Jamie Fed. #1 (Industry Partners, 1988  
Drilling Program & Internal Partners  
and Amoco F/O Partners) R&S #9394W

## ASSIGNMENT OF OPERATING RIGHTS

THIS ASSIGNMENT, made and entered into this 20<sup>th</sup> day of January, 1992 by and between Read & Stevens, Inc., P.O. Box 1518, Roswell, NM 88202, hereinafter referred to as "Assignor" and those parties set out on Exhibit "A" attached hereto and made a part hereof, hereinafter referred to as "Assignees".

## WITNESSETH:

WHEREAS, Assignor is the owner of an undivided 100.00% of 8/8ths before payout interest and an 87.5% of 8/8ths after payout interest in the oil and gas lease set out below, covering the following described lands in Eddy County, New Mexico.

R&S #: 8495  
Lessor: USA (NM-28096)  
Lessee: S.V. Perry etal  
Date: 5/1/89  
Book/Page: BLM Records

TOWNSHIP 18 SOUTH, RANGE 31 EAST, N.M.P.M.  
Section 14: NE/4NW/4  
Containing 40.00 acres, more or less,

LIMITED IN DEPTH from 3,900 feet below the surface of the earth down to and including, but not below, that subsurface depth of 9,293 feet but in no event below the base of the Bone Spring formation, (lands), and,

WHEREAS, Assignor desires to assign unto Assignees an undivided 70.29012% of 8/8ths before payout interest and a 60.61512% of 8/8ths after payout interest in and to the operating rights in said lease and lands, ("the operating rights" being defined as the exclusive right and privilege to test, drill for, mine, extract, remove, and dispose of all of the oil and gas deposits), and to retain an undivided 29.70988% of 8/8ths before payout interest and a 26.88488% of 8/8ths after payout interest in and to said operating rights. The term "payout" used herein refers to the Jamie Federal #1 well.

NOW, THEREFORE, and in consideration of the premises and the sum of Ten Dollars (\$10.00) and other valuable consideration paid to the Assignor by the Assignees, the receipt of which is hereby acknowledged, Assignor does hereby grant, convey, set over and assign unto Assignees the interests set out above in and to the interest in and to all of the well equipment and personal property located on said lands and used or obtained in connection therewith in the following proportions, to wit:

(See Exhibit "A" Attached Hereto And Made a Part Hereof);

Subject to the following:

- 1.) The terms and provision of the oil and gas lease set out above.
- 2.) Operating Agreement dated January 20, 1990 between Read & Stevens, Inc., as Operator, and Amoco Production Company etal, as Non-Operators, and all Amendments thereto.
- 3.) Purchase and Sale Agreements dated December 18, 1988 between Assignor and Assignees.

RECEPTION  
92 653

Read + Stevens Inc  
P.O. Box 1518  
Roswell NM 88202

BOOK 113 PAGE 702

Assignment of Operating Rights  
 Jamie Fed. #1  
 Page 2

- 4.) Farmout Agreement dated March 1, 1989 between Amoco Production Company, as farmor, and Read & Stevens, Inc., as farmee.
- 5.) Read & Stevens, Inc. 1988 Drilling Program.
- 6.) Assignment dated January 8, 1991 but effective October 6, 1990 from Amoco Production Company to Read & Stevens, Inc., recorded in Book 85 at Page 1044 of the Records of Eddy County, New Mexico.

(See Exhibit "A" to determine which interests are subject to which instruments listed above).

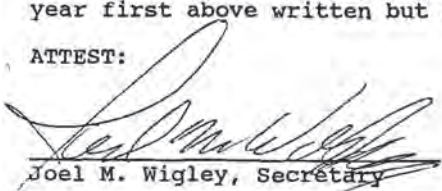
TO HAVE AND TO HOLD said interests unto the Assignees, heirs personal representatives, (or successor) and assigns, for the full term of said lease and any extensions or renewals thereof.

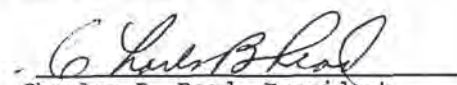
This Assignment is made without warranty whatsoever express, statutory or implied as to description, title, condition, quality, fitness for purposes, merchantability or otherwise.

IN WITNESS WHEREOF, this Assignment is executed the day and year first above written but effective as of September 1, 1989.

ATTEST:

READ & STEVENS, INC.

  
 Joel M. Wigley, Secretary

  
 Charles B. Read, President

STATE OF NEW MEXICO     )  
                                       ) SS  
 COUNTY OF CHAVES        )

The foregoing instrument was acknowledged before me this 20th day of January, 1992, by Charles B. Read, President of Read & Stevens, Inc., a New Mexico Corporation on behalf of said Corporation.



  
 Notary Public

assi.jamie1



BOOK 113 PAGE 703

EXHIBIT "A"  
JAMIE FEDERAL #1

	SUBJECT TO ITEM # ON P. 1	OPERATING RIGHTS BPO	APO
H.W. Allen Company 4835 South Peoria Tulsa, OK 74105	1,2,3,6	1.84312%	1.84312%
N.M. Western Minerals, Inc. P.O. Box 1738 Roswell, NM 88202-1738	1,2,3,6	.372%	.372%
T.T. Sanders, Jr. P.O. Box 550 Roswell, NM 88202	1,2,3,6 4	2.25% 8.50% 10.75%	2.250% 6.375% 8.625%
Haskell H. Bass, Jr. 6823 S. Florence Ave. Tulsa, OK 74136	1,2,3,6	3.75%	3.75%
JasDec Oil Partners 308 East Carrillo Street Santa Barbara, CA 93101	1,2,3,6 4	3.75% 4.25% 8.00%	3.7500% 3.8175% 6.9375%
Bernhardt Oil Company 9413 Nawassa Midwest City, OK 73130	1,2,3,6	3.000%	3.000%
DHB Partnership 8144 Walnut Hill Lane Suite 982, LB 51 Dallas, TX 75240	1,2,5,6	.4216%	.372%
Merry Lou Christiansen 5121 S. Pratt Springfield, MO 65807	1,2,5,6	.4216%	.372%
Mamie L. Anderson 9005 Santa Clara Dallas, TX 75218	1,2,5,6	.4216%	.372%
Cavin C. Desmond Trust 400 N. Penn., Suite 900 Roswell, NM 88202	1,2,5,6	.4216%	.372%
Virginia C. Desmond Trust 400 N. Penn., Suite 900 Roswell, NM 88202	1,2,5,6	.4216%	.372%
Gordon E. Holland 1984 Revocable Trust P.O. Box 1364 Ponca City, OK 74601-1364	1,2,5,6 4	.4216% 4.2500% 4.6716%	.372% 3.1875% 3.5595%
Florence Ann Holland 1979 Revocable Trust 87 Stoneridge Ponca City, OK 74601	1,2,5,6	.84328%	.74407%
Don A. Buchholz 1201 Elm St., Ste. 4300 Dallas, TX 75270	1,2,5,6	1.2648%	1.1160%
Marion Turner c/o Wanda Warren 3131 McKinney, Suite 490 Lock Box 102 Dallas, TX 75204	1,2,5,6	.4216%	.3720%

BOOK 113 PAGE 704

EXHIBIT "A"  
JAMIE FEDERAL #1

Page 2

	SUBJECT TO ITEM # ON P. 1	OPERATING RIGHTS BPO	APO
James P. Dowell 13773 N. Central Expressway Suite 1630 Dallas, TX 75243	1,2,5,6	.4216%	.3720%
Alfred J. Rodriguez 7777 Forest Lane Dallas, TX 75230	1,2,5,6	.50601%	.44648%
Bruce Alan MacNaughton Trust NCNB Texas National Bank P.O. Box 852029 Dallas, TX 75283-2029	1,2,5,6	.42168%	.37208%
Ralph E. Peacock 7918B E. 40th Street Tulsa, OK 74145	1,2,5,6	.42169%	.37208%
Donald E. Richter 9 Willow Wood Dallas, TX 75205	1,2,5,6	.42160%	.3720%
G. Phillip Huey 6330 E. University Dallas, TX 75214	1,2,5,6	.42160%	.3720%
Jack C. Holland 216 Goddard Blvd., Suite 10 King of Prussia, PA 19406	1,2,5,6	.42168%	.37208%
MPS, Inc. P.O. Box 52308 Tulsa, OK 74152-0308	1,2,5,6	.4216%	.3720%
Pete W. Cawthon, Jr. P.O. Box 318 Hunt, TX 78024	1,2,5,6	.4216%	.3720%
Raymond R. Trollinger, Jr. & Sharon S. Trollinger 2915 LBJ Freeway, Suite 161 Dallas, TX 75234	1,2,5,6	.4216%	.3720%
Charles B. Read P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6	2.0000%	2.0000%
R&S Employee Royalty Pool P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6	1.0000%	1.0000%
Charles B. Read Trust "A" P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6 4	1.0000% 2.0000% 3.0000%	1.0000% 1.5000% 2.5000%
Thomas M. Beall P.O. Box 3098 Midland, TX 79702-3098	1,2,3,6	1.0000%	1.0000%
David K. Henderson P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6 4	1.0000% .5000% 1.5000%	1.0000% .3750% 1.3750%

BOOK 113 PAGE 705

EXHIBIT "A"  
JAMIE FEDERAL #1

Page 3

	SUBJECT TO ITEM # ON P. 1	OPERATING RIGHTS BPO	APO
Dan Lough 830 West Gore Lovington, NM 88260	1,2,3,6	.5000%	.5000%
Marion Riley P.O. 1518 Roswell, NM 88202-1518	1,2,3,6	.5000%	.5000%
Jamie Dennis P.O. 1518 Roswell, NM 88202-1518	1,2,3,6	.5000%	.5000%
Lisa Chambers 1901 N. Garden Roswell, NM 88201	1,2,3,6	.2500%	.2500%
New Mexico Salt Water Disposal Company P.O. Box 1518 Roswell, NM 88202-1518	1,2,4,6	2.0000%	1.5000%
James Clark 7501 Bear Canyon Rd. N.E. Albuquerque, NM 87109	1,2,4,6	2.55%	1.9125%
Rex V. Desmond United Bank Plaza, Suite 900 Roswell, NM 88201	1,2,4,6	.425%	.31875%
Southwestern Resources, Inc. 1111 West Country Club Roswell, NM 88201	1,2,4,6	.850%	.6375%
Arnold Ballard P.O. Box 122208 Fort Worth, TX 76121-2208	1,2,6 4	.500% .500% 1.000%	.375% .375% .750%
James B. & Mary Read P.O. Box 638 Ardmore, OK 73402	1,2,3,6	.2500%	.2500%
Pam Adams 1604 Tulane Roswell, NM 88201	1,2,4,6	.425%	.31875%
L. Richard Lust 3805 Ridgecrest Flower Mound, TX 75028	1,2,4,6	.850%	.6375%
Dr. Terry Angevine 150 Willow Oak Ct. Double Oak, TX 75067-8264	1,2,4,6	.850%	.6375%
Effco Investments P.O. Box 1085 Roswell, NM 88202-1085	1,2,4,6	.850%	.6375%
Robert & Leah Angevine 3601 Imperial Midland, TX 79707	1,2,4,6	1.700%	1.275%
Carolyn Beall P.O. Box 3098 Midland, TX 79702-3098	1,2,4,6	1.000%	.750%



BOOK 113 PAGE 706

EXHIBIT "A"  
JAMIE FEDERAL #1

Page 4

	SUBJECT TO ITEM # ON P. 1	OPERATING RIGHTS	
		BPO	APO
James Smith P.O. Box 3234 Midland, TX 79702-3234	1,2,4,6	.850%	.6375%
James R. Cavalieri 10 Chapman Road East Hampton, CT 06424	1,2,5,6	.84328%	.74407%
Anthony L. & Carol Schuman 5622 Twin Brooks Drive Dallas, TX 75252	1,2,5,6	.21089%	.18607%
Frank Montgomery 9 Moss Forest Place Jackson, MS 39211	1,2,5,6	.21089%	.18607%
Neil Sisson P.O. Box 2234 Ardmore, OK 73402	1,2,3,6	1.0000%	1.0000%
John C. Maxey, Jr. P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6	.2500%	.2500%
William A. Bradshaw, III P.O. Box 1518 Roswell, NM 88202-1518	1,2,3,6	.5000%	.5000%
Mike Jones 4704 79th Street Lubbock, TX 79424	1,2,3,6	.5000%	.5000%
Bryan & Nancy C. Bilderback 3810 Midforest Drive Houston, TX 77068	1,2,3,6	.7500%	.7500%
Karen Outland 4405 Emerson Dallas, TX 75205	1,2,4,6	.850%	.6375%

TOTAL INTEREST CONVEYED: 70.29012% 60.61512%

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the  
21 day of January, A.D. 19 92 at 1:40 o'clock P. M., and duly recorded  
 in BOOK 113 PAGE 701 of the Eddy County Records.

KAREN DAVIS, County Clerk

By Linda Donaldson Deputy



**Exhibit 1C Rebutting Paragraphs 4 & 7 of Self-Affirmed Statement of Travis Macha:  
Stratigraphic Cross Section Indicating 3rd Bone Spring Depth Severance**

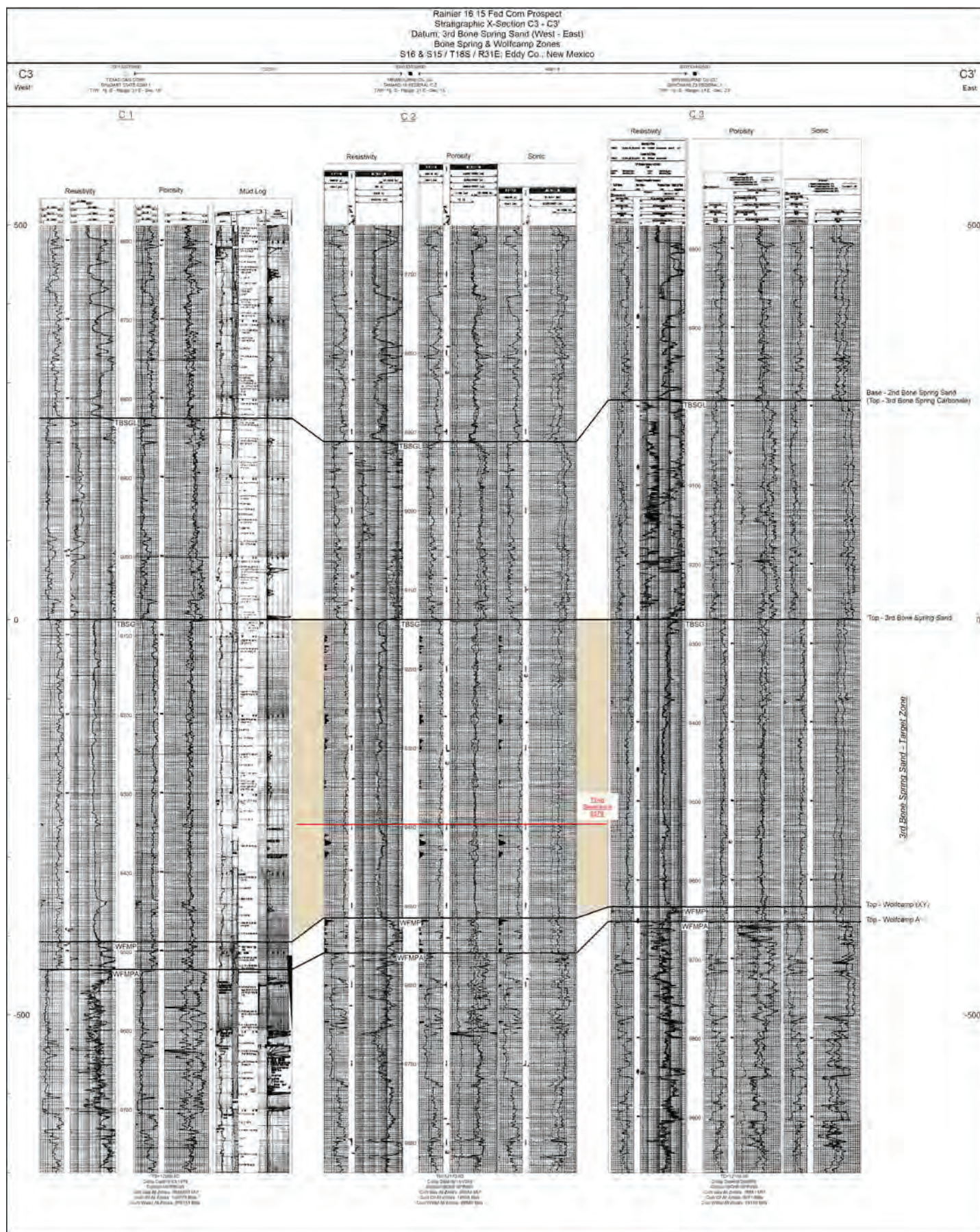




Exhibit 2 Rebutting Paragraph 13 of Self-Affirmed Statement of Travis Macha: Permian  
Resources' Well Proposals & Location Plats



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

August 16, 2024

*Via Certified Mail & Email*

V-F Petroleum, Inc.  
Attn: Land Dept.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2N/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following two (2) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

**1. Slim Jim 14-15 Fed Com 122H**

SHL: 300' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 1650' FNL of Section 15  
FTP: 100' FEL & 1650' FNL of Section 14  
LTP: 100' FWL & 1650' FNL of Section 15  
TVD: Approximately 8,595'  
TMD: Approximately 18,880'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 123H**

SHL: 330' FEL & 2024' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 2310' FNL of Section 15  
FTP: 100' FEL & 2310' FNL of Section 14  
LTP: 100' FWL & 2310' FNL of Section 15  
TVD: Approximately 8,810'  
TMD: Approximately 19,095'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "T. Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

Well Elections: (Please indicate your responses in the space below)		
Well(s)	Elect to Participate	Elect NOT to Participate
Slim Jim 14-15 Fed Com 122H		
Slim Jim 14-15 Fed Com 123H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells





300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

August 16, 2024

***Via Certified Mail & Email***

V-F Petroleum, Inc.  
P.O. Box 1889  
Midland, TX 79702

**RE: Slim Jim 14-15 Fed Com – Well Proposals**  
S/2 of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following three (3) Bone Spring wells, the Slim Jim 14-15 Fed Com at the following approximate locations within Township 18 South, Range 31 East:

**1. Slim Jim 14-15 Fed Com 124H (Infill)**

SHL: 300' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 2200' FSL of Section 14  
FTP: 100' FWL & 2200' FSL of Section 15  
LTP: 100' FWL & 2200' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 125H (Defining Well)**

SHL: 330' FEL & 1400' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 1430' FSL of Section 14  
FTP: 100' FWL & 1430' FSL of Section 15  
LTP: 100' FWL & 1430' FSL of Section 14  
TVD: Approximately 8,670'  
TMD: Approximately 18,955'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

*[Continued on Next Page]*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**3. Slim Jim 14-15 Fed Com 126H (Infill)**

SHL: 330' FEL & 1370' FSL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 660' FSL of Section 14  
FTP: 100' FWL & 660' FSL of Section 15  
LTP: 100' FWL & 660' FSL of Section 14  
TVD: Approximately 8,510'  
TMD: Approximately 18,795'  
Proration Unit: S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,

A handwritten signature in blue ink, appearing to read "Travis Macha", written over a horizontal line.

Travis Macha  
Permian Resources  
NM Land Lead

*Enclosures*

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Slim Jim 14-15 Fed Com Elections:**

<b>Well Elections:</b> (Please indicate your responses in the space below)		
<b>Well(s)</b>	<b>Elect to Participate</b>	<b>Elect NOT to Participate</b>
<b>Slim Jim 14-15 Fed Com 124H</b>		
<b>Slim Jim 14-15 Fed Com 125H</b>		
<b>Slim Jim 14-15 Fed Com 126H</b>		

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Slim Jim 14-15 Fed Com Bone Spring Wells



300 N. MARIENFELD STREET, SUITE  
1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

January 9, 2025

**Via Certified Mail & Email**

V-F Petroleum Inc.  
500 W. Texas, Suite 350  
Midland, TX 79701

**RE: Slim Jim 14-15 Fed Com**

Third Bone Spring Well Proposals / Second Bone Spring Informational  
All of Sections 14 & 15, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator for Read & Stevens, Inc. ("Permian"), previously proposed the Slim Jim 2<sup>nd</sup> Bone Spring development being the 121H-126H wellbores. As you may be aware, V-F Petroleum, Inc. has contested Permian's development utilizing their September 2023 proposals to Permian's predecessors.

Whereas a depth severance exists in Section 14 so Permian previously limited any compulsory pooling application to the base of the 2<sup>nd</sup> Bone Spring formation. However, V-F is attempting to pool the 3<sup>rd</sup> Bone Spring under Permian's proposals therefore Permian is hereby proposing it's planned Slim Jim 14-15 Fed Com 131H-134H wellbores as its competing applications. I would *likely* expect these applications to be consolidated with the 2<sup>nd</sup> Bone Spring and set for a new contested hearing date.

**Slim Jim Third Bone Spring Formation Development:**

**1. Slim Jim 14-15 Fed Com 131H**

SHL: 350' FEL & 100' FNL, or at a legal location within the NE4 of Section 14

BHL: 100' FWL & 660' FNL of Section 15

FTP: 100' FEL & 660' FNL of Section 14

LTP: 100' FWL & 660' FNL of Section 15

TVD: Approximately 9,530'

TMD: Approximately 19,815'

Proration Unit: N/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 3<sup>rd</sup> Bone Spring

Total Cost: See attached AFE

*\*Please note the 131H SHL is subject to BLM conversation on moving the NENE quarter of Section 14 monument marker for pad expansion. No material changes expected.*

*\*Additionally, please note that the 131H wellbore will be an overlapping spacing unit to the Mewbourne operated Tamano 15 AD Federal Com 1H*

[Continued on Next Page]

**2. Slim Jim 14-15 Fed Com 132H**

SHL: 2,161' FSL & 291' FWL, or at a legal location within the SW4 of Section 13  
BHL: 100' FWL & 1,980' FNL of Section 15  
FTP: 100' FEL & 1,980' FNL of Section 14  
LTP: 100' FWL & 1,980' FNL of Section 15  
TVD: Approximately 9,530'  
TMD: Approximately 19,815'  
Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE

**3. Slim Jim 14-15 Fed Com 133H**

SHL: 566' FSL & 351' FWL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 1,980' FSL of Section 15  
FTP: 100' FEL & 1,980' FSL of Section 14  
LTP: 100' FWL & 1,980' FSL of Section 15  
TVD: Approximately 9,660  
TMD: Approximately 19,945'  
Proration Unit: N/2S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE

**4. Slim Jim 14-15 Fed Com 134H**

SHL: 546' FSL & 325' FWL, or at a legal location within the SW4 of Section 15  
BHL: 100' FWL & 660' FSL of Section 15  
FTP: 100' FEL & 660' FSL of Section 14  
LTP: 100' FWL & 660' FSL of Section 15  
TVD: Approximately 9,660  
TMD: Approximately 19,945'  
Proration Unit: S/2S/2 of Sections 14 & 15, T18S-R31E  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE

**Slim Jim Second Bone Spring Formation Development Restated:**

**1. Slim Jim 14-15 Fed Com 121H**

SHL: 400' FEL & 100' FNL, or at a legal location within the NE4 of Section 14  
BHL: 100' FWL & 330' FNL of Section 14  
FTP: 100' FEL & 330' FNL of Section 14  
LTP: 100' FWL & 330' FNL of Section 14  
TVD: Approximately 8,760'  
TMD: Approximately 14,045'  
Proration Unit: N/2N/2 of Section 14, T18S-R31E  
Targeted Interval: 2<sup>nd</sup> Bone Spring



Total Cost: See attached AFE

**2. Slim Jim 14-15 Fed Com 122H**

SHL: 2,132' FSL & 274' FWL, or at a legal location within the SW4 of Section 13

BHL: 100' FWL & 1650' FNL of Section 15

FTP: 100' FEL & 1650' FNL of Section 14

LTP: 100' FWL & 1650' FNL of Section 15

TVD: Approximately 8,595'

TMD: Approximately 18,880'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2<sup>nd</sup> Bone Spring

Total Cost: See attached AFE

**3. Slim Jim 14-15 Fed Com 123H**

SHL: 2,104' FSL & 257' FWL, or at a legal location within the SW4 of Section 13

BHL: 100' FWL & 2310' FNL of Section 15

FTP: 100' FEL & 2310' FNL of Section 14

LTP: 100' FWL & 2310' FNL of Section 15

TVD: Approximately 8,810'

TMD: Approximately 19,095'

Proration Unit: S/2N/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2<sup>nd</sup> Bone Spring

Total Cost: See attached AFE

**4. Slim Jim 14-15 Fed Com 124H (Infill)**

SHL: 485' FSL & 457' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FEL & 2200' FSL of Section 14

FTP: 100' FWL & 2200' FSL of Section 15

LTP: 100' FEL & 2200' FSL of Section 14

TVD: Approximately 8,510'

TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2<sup>nd</sup> Bone Spring

Total Cost: See attached AFE

**5. Slim Jim 14-15 Fed Com 125H (Defining Well)**

SHL: 464' FSL & 431' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FEL & 1430' FSL of Section 14

FTP: 100' FWL & 1430' FSL of Section 15

LTP: 100' FEL & 1430' FSL of Section 14

TVD: Approximately 8,670'

TMD: Approximately 18,955'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2<sup>nd</sup> Bone Spring

Total Cost: See attached AFE

*[Continued on Next Page]*

**6. Slim Jim 14-15 Fed Com 126H (Infill)**

SHL: 444' FSL & 406' FWL, or at a legal location within the SW4 of Section 15

BHL: 100' FEL & 660' FSL of Section 14

FTP: 100' FWL & 660' FSL of Section 15

LTP: 100' FEL & 660' FSL of Section 14

TVD: Approximately 8,510'

TMD: Approximately 18,795'

Proration Unit: S/2 of Sections 14 & 15, T18S-R31E

Targeted Interval: 2<sup>nd</sup> Bone Spring

Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com)

Respectfully,



Travis Macha  
Permian Resources  
NM Land Manager

*Enclosures*

**Slim Jim 14-15 Fed Com Elections:**

<b>Well Elections:</b> <b>(Please indicate your responses in the space below)</b>		
<b>Well(s)</b>	<b>Elect to Participate</b>	<b>Elect <u>NOT</u> to Participate</b>
<b>Slim Jim 14-15 Fed Com 131H</b>		
<b>Slim Jim 14-15 Fed Com 132H</b>		
<b>Slim Jim 14-15 Fed Com 133H</b>		
<b>Slim Jim 14-15 Fed Com 134H</b>		

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

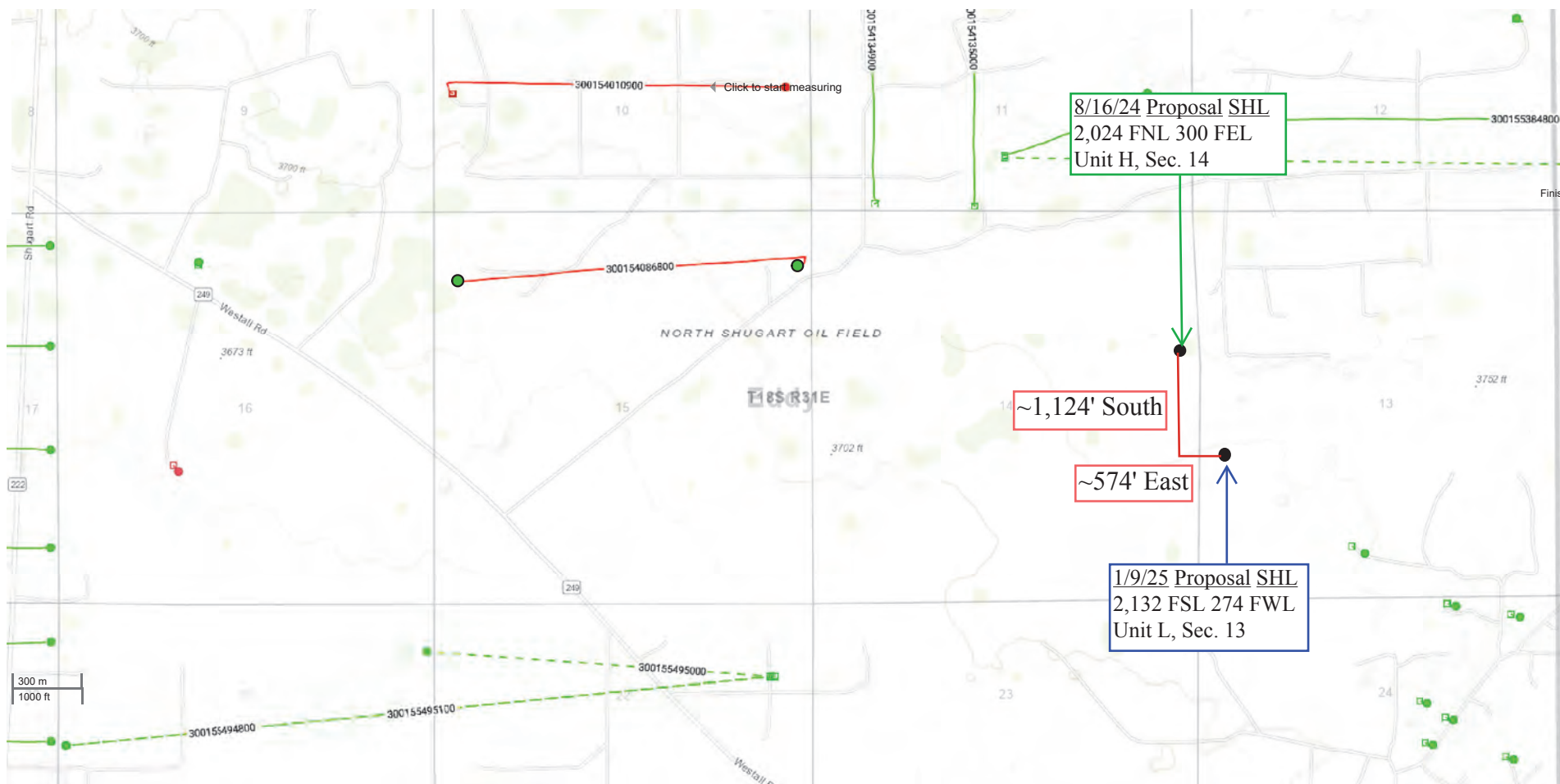
By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

# SLIM JIM 14-15 FED COM #122H

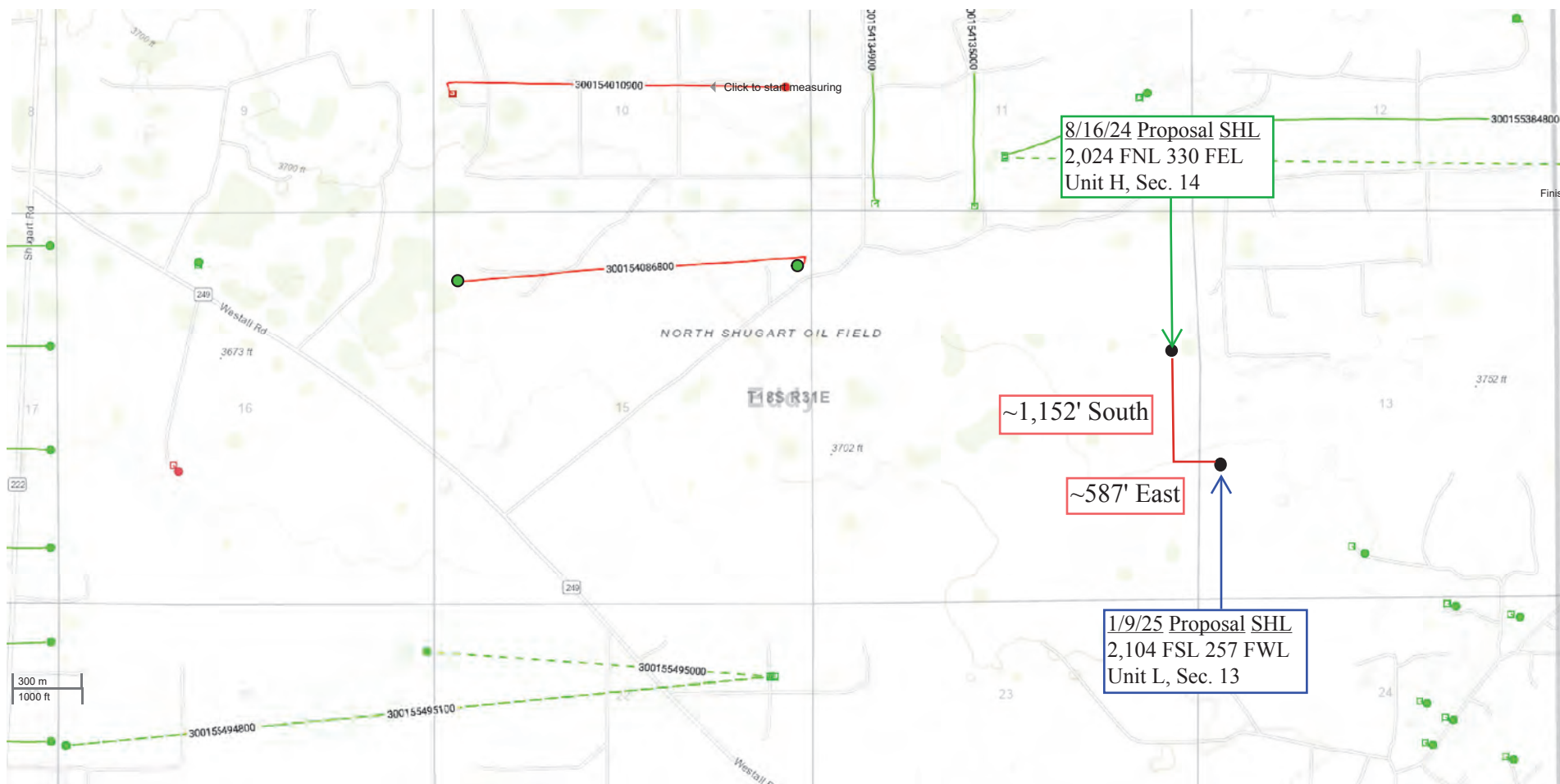
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Page 500 of 600

# SLIM JIM 14-15 FED COM #123H

Received by OCD: 3/10/2025 2:32:42 PM

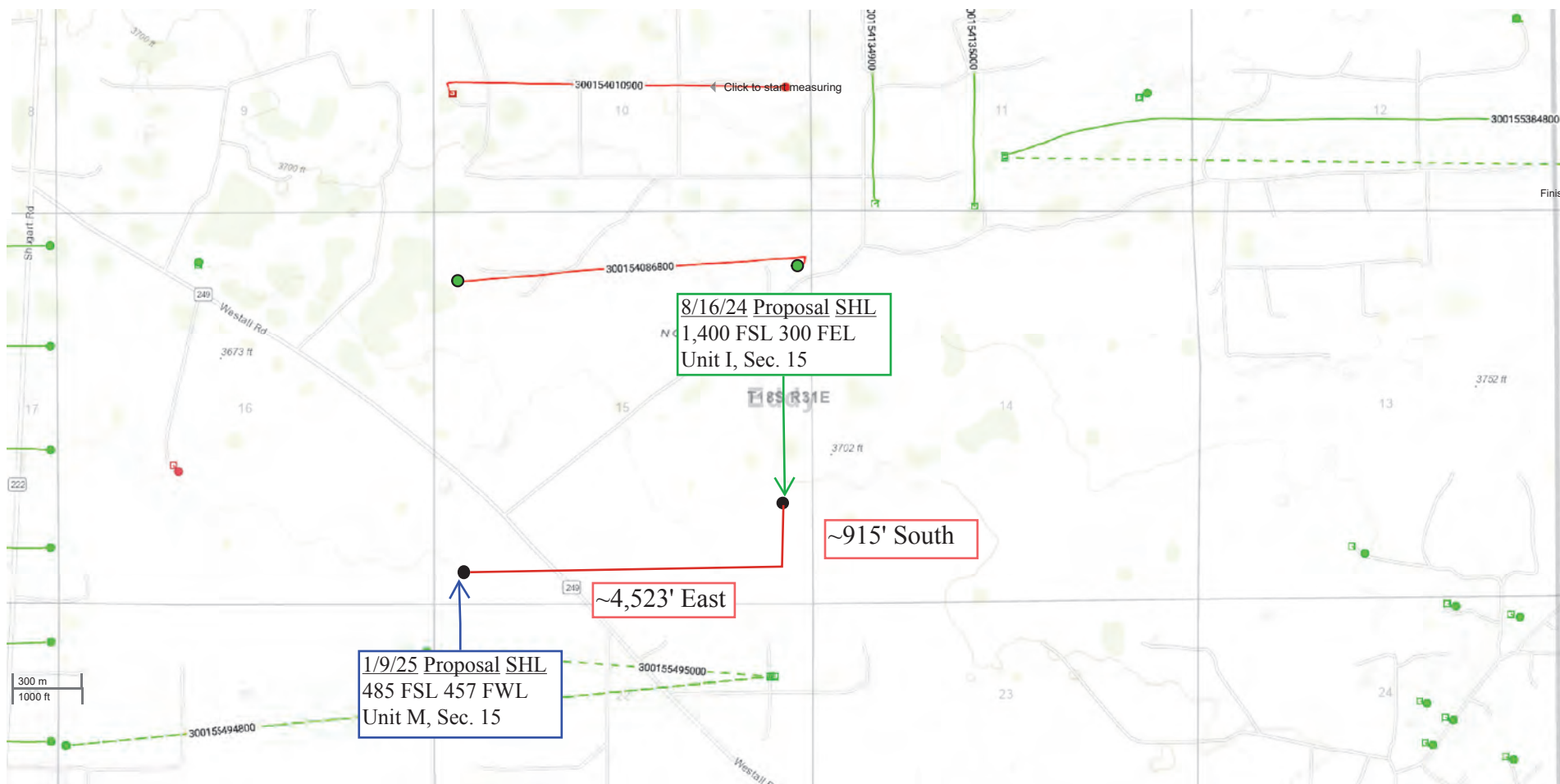


Page 501 of 600



# SLIM JIM 14-15 FED COM #124H

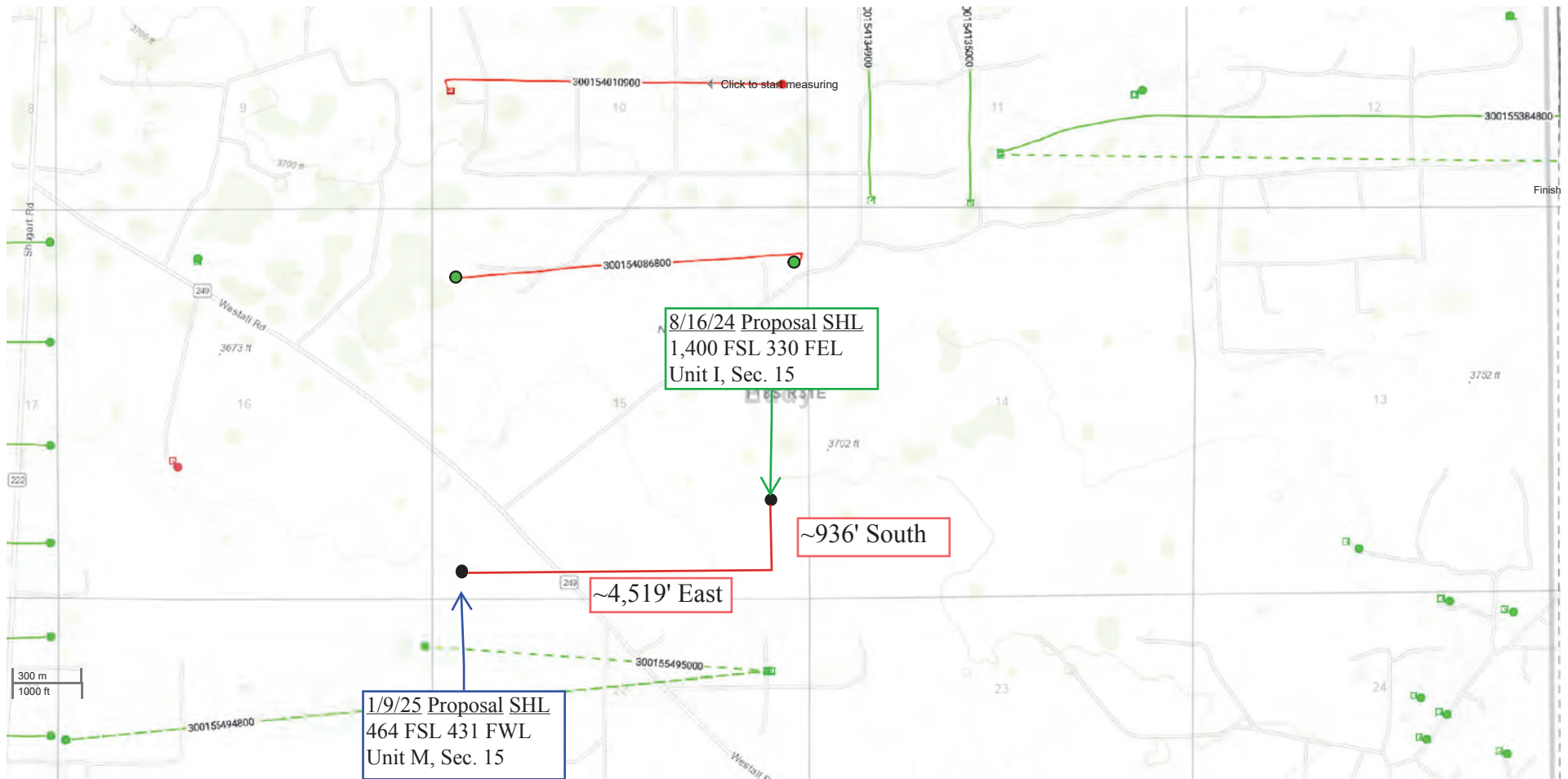
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Page 502 of 600

# SLIM JIM 14-15 FED COM #125H

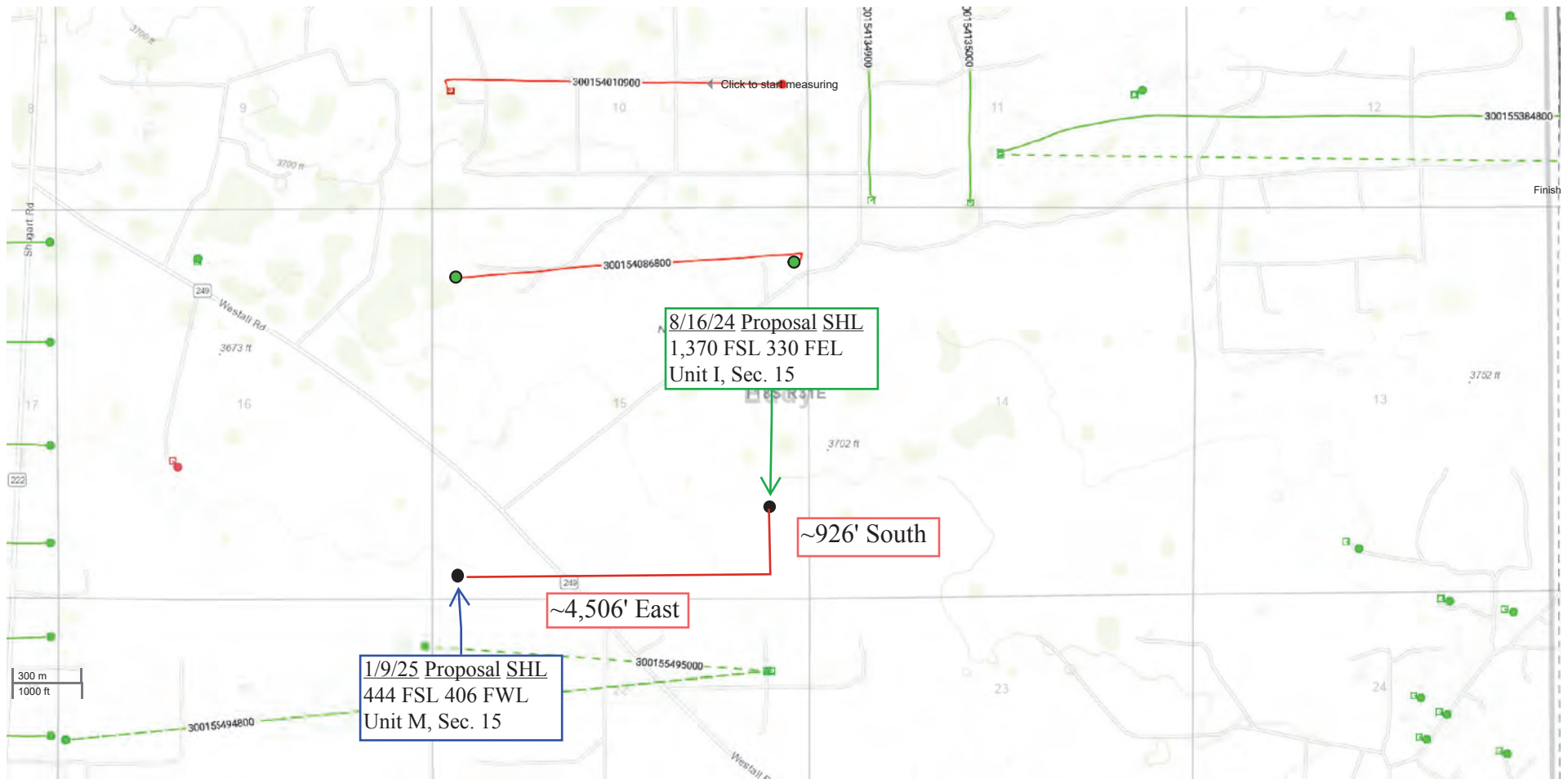
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Page 503 of 600

# SLIM JIM 14-15 FED COM #126H

Received by OCD: 3/10/2025 2:32:42 PM



Page 504 of 600

**Exhibit 3 Rebutting Permian Resources' Exhibit C-3: Affidavit of Fact and Comparison of Working Interests**

**AFFIDAVIT OF FACT**

STATE OF NEW MEXICO       §  
  §  
COUNTY OF EDDY           §

BEFORE ME, the undersigned authority, on this day personally appeared Sandra K. Lawlis, who swore or affirmed to tell the truth, and stated as follows:

"My name is Sandra K. Lawlis. I am over 18 years of age, have never been convicted of a felony, am of sound mind, and am capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct."

I am the Controller and Office Manager for V-F Petroleum Inc. ("V-F") and in this capacity I manage the business records for V-F. I am aware that on or about February 16, 2024, V-F received an executed Offer Letter, Memorandum of Term Assignment and Term Assignment dated effective February 1, 2024, from Moore & Shelton Company, Ltd. On or about February 16, 2024, V-F placed the agreed upon consideration in the mail to Moore & Shelton Company, Ltd. and the check containing the agreed upon consideration did clear the bank. V-F has somehow misplaced Moore & Shelton Company, Ltd.'s original executed Memorandum of Term Assignment and Term Assignment and V-F had made several attempts to obtain re-executed originals of the referenced documents above, but these efforts are currently unsuccessful.

Please find attached as Exhibit "A" a fully executed copy of the Offer Letter, with the consideration amount redacted and attached as Exhibit "B" an unexecuted copy of the Memorandum of Term Assignment that was executed by Moore & Shelton Company, Ltd., with Exhibit "A" and Exhibit "B" both being incorporated herein by reference for all purposes.

The purpose of this Affidavit of Fact is to put the public on notice that V-F has obtained a Term Assignment from Moore & Shelton Company, Ltd. and is the current holder of the referenced leasehold estate listed on Exhibit "B". V-F may be contacted by mail at P.O. Box 1889, Midland, Texas 79702 by any party wishing to inquire about the status of this leasehold interest.

Further affiant sayeth naught.

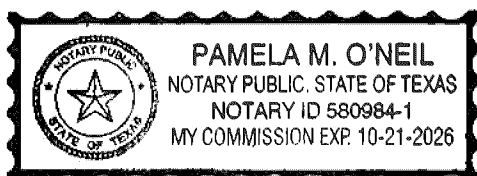
Dated this 24<sup>th</sup> day of January 2025.

V-F Petroleum Inc.

By: Sandra K. Lawlis  
Sandra K. Lawlis,

STATE OF TEXAS           §  
  §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on this 24<sup>th</sup> day of January 2025, by Sandra K. Lawlis, as Controller and Office Manager for V-F Petroleum Inc., on behalf of said company.



Pamela M. O'Neil  
Notary Public, State of Texas

Reception: 2500970 Book: 1191 Page: 0578 Pages: 6  
Recorded: 01/24/2025 03:29 PM Fee: \$25.00  
Eddy County, New Mexico ~ Cara Cooke, County Clerk  
eRecorded Document



RN

## Exhibit "A"

to that certain Affidavit of Fact dated January 24, 2025

**V-F Petroleum Inc.**500 W. Texas, Suite 350, Midland, Texas 79701  
Mailing Address: P.O. Box 1889, Midland, TX 79702432/683-3344  
E-mail: jordanl@vfpetroleum.com432/683-3352FAX  
www.vfpetroleum.com

February 12, 2024

Moore & Shelton Company, Ltd.  
P.O. Box 3070  
Galveston, Texas 77552Re: ~~Offer Letter~~ - **Term Assignment of Oil and Gas Lease**  
**Township 18 South, Range 31 East, N.M.P.M., Eddy Co., NM**  
**SE/4NE/4 & SE/4 Section 15**  
**Limited to the Bone Spring Formation Only**

After a thorough review of your title, it has been determined that Moore & Shelton Company, Ltd. owns 15 Net Mineral Acres ("NMA") of Working Interest in Leases covering the above captioned lands ("Lands"). V-F Petroleum Inc. ("V-F") is here and now offering you

("Consideration") in exchange for your execution of the enclosed Memorandum of Term Assignment of Oil and Gas Lease and Term Assignment of Oil and Gas Lease containing a three (3) Initial Term, 180 day CDC, while retaining the positive difference between existing lease burdens and a 25% royalty as an overriding royalty interest.

Since due diligence has already been performed, within five (5) business days from V-F Petroleum Inc.'s receipt of your original executed Offer Letter, enclosed Memorandum of Term Assignment of Oil and Gas Lease, Term Assignment of Oil and Gas Lease and W-9, V-F Petroleum Inc. will place in the Consideration check in the mail to the above listed address or any other address of your choosing. This offer shall remain in full force and effect until 5:00 p.m. Central Standard Time on February 23, 2023, at which point it shall automatically terminate.

Should you find the terms of this Offer Letter agreeable, please execute and date this Offer Letter in the place provided below. Should you have any questions or concerns, please feel free to give V-F's landman, Jordan Shaw a call at (432) 269-0569 or you may email him at jordan@vfpetroleum.com. Thank you for your time and consideration of V-F's offer.

**AGREED TO AND ACCEPTED**

Sincerely

Moore &amp; Shelton Company, Ltd.

By: 

Jordan Shaw, Landman/Attorney

By: Paul C MooreName: PAUL C. MODRETitle: GENERAL PARTNERDate: 2-13-24#05238  
2/16/24



Exhibit "B"

to that certain Affidavit of Fact dated January 24, 2025

NOTICE OF CONFIDENTIALITY RIGHTS; IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF TERM ASSIGNMENT  
OF OIL AND GAS LEASE

STATE OF NEW MEXICO     §  
   §  
COUNTY OF EDDY           §

KNOW ALL MEN BY THESE PRESENTS:

That effective as of the 1<sup>ST</sup> day of February 2024 (“Effective Date”), a Memorandum Term Assignment of Oil and Gas Lease (“Term Assignment”) was entered into between **MOORE & SHELTON COMPANY, LTD.**, whose address is P.O. Box 3070, Galveston, Texas 77552 (referred to as "Assignor"), and **V-F PETROLEUM INC.**, whose address is P.O. Box 1889, Midland, TX 79702 (“Assignee”).

The Assignor assigned to Assignee by Term Assignment of Oil and Gas Lease dated as of the Effective Date herein (“Term Assignment”) all of its operating interest in and to those certain Oil and Gas Leases and lands listed on Exhibit “A” (“Leases”), which is attached hereto and incorporated herein by reference. The Term Assignment is for a primary term of three (3) years from the Effective Date and is effective so long thereafter as oil and/or gas is produced in paying quantities from the Leases, according to and by the terms and provisions of the Term Assignment.

Assignor therein reserves and retains unto itself, its successors and assigns, an overriding royalty interest being equal to the positive difference, if any, between Twenty-Five percent (25.00%) and existing burdens of record covering the Assigned Premises, and should the Term Assignment cover less than the entire leasehold interest in and to the Assigned Premises, this reserved overriding royalty interest shall be proportionately reduced to correspond with the interest assigned herein. Assignor’s overriding royalty will be paid on the same basis as required in the underlying oil and gas lease(s) where production originates from.

This Memorandum of Term Assignment of Oil and Gas Lease is executed by Assignor and placed of record in the County in which the Leases are located for the purpose of placing all persons on notice of the existence of the Term Assignment, which is not being placed of record. Copies of the Term Assignment are in the possession of Assignor and Assignee.

IN WITNESS WHEREOF, the undersigned Assignor and Assignee signed this instrument as of the dates of the respective acknowledgements, but shall be effective for all purposes as of the Effective Date.

[Signatures and acknowledgements to follow]



“ASSIGNOR”

MOORE & SHELTON COMPANY, LTD.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS §  
COUNTY OF GALVESTON §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024,  
by \_\_\_\_\_, as \_\_\_\_\_ of MOORE & SHELTON COMPANY,  
LTD., on behalf of said entity.

\_\_\_\_\_  
NOTARY PUBLIC-STATE OF TEXAS

“ASSIGNEE”

V-F PETROLEUM INC.

By: \_\_\_\_\_  
Sandy K. Lawlis, Vice-President

STATE OF TEXAS §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024, by  
SANDY K. LAWLIS as Vice-President of V-F PETROLEUM INC., on behalf of said entity.

\_\_\_\_\_  
NOTARY PUBLIC-STATE OF TEXAS

EXHIBIT “A”

Attached to and made part of that certain Memorandum of Term Assignment dated effective the 1<sup>st</sup> day of February 2024, by and between **MOORE & SHELTON COMPANY, LTD.**, as Assignor, and **V-F PETROLEUM INC.**, as Assignee.

Assignor assigns their interests insofar as and only insofar as it covers operating rights they own as of the effective date of the Term Assignment in and to the leases and lands listed below, **INSOFAR AS AND ONLY INSOFAR AS IT COVERS THE BONE SPRING FORMATION ONLY:**

Lease No:	NMNM 089879 (Out of IC 062052)
Date:	December 1, 1959
Lessor:	United States of America
Original Lessee:	Hudson & Hudson, Inc.
Recording:	Volume 102, Page 291 Eddy County, NM
Land Description:	Insofar as and only insofar as Lease covers: Township 18 South, Range 31 East, N.M.P.M., Eddy Co., NM SE/4NE/4 Section 15, containing 40 acres, more or less
Lease No:	NMNM 089882 (Out of NMLC 029388-D)
Date:	February 3, 1992
Lessor:	United States of America
Original Lessee:	Marathon Oil Company
Recording:	Memorandum of Lease Volume 119, Page 290 in Eddy County, NM
Land Description:	Insofar as and only insofar as Lease covers: Township 18 South, Range 31 East, N.M.P.M., Eddy Co., NM SE/4 Section 15, containing 160 acres, more or less

END OF EXHIBIT

V-F Proposals - V-F v Permian WI

<u>Rainier 221H (2nd BS) &amp; 231H (3rd BS)</u>	<b>S/2S/2 Sec. 16 &amp; 15, T-18-S, R-31-E, Eddy</b>		
WI Owner	WI	NRI	ORRI
V-F Petroleum Inc.	<b>0.32895834</b>	0.24671876	0.00012500
Permian Resources Operating, LLC	0.23937500	0.17605079	0.00000000

<u>Rainier 222H (2nd BS) &amp; 232H (3rd BS)</u>	<b>N/2S/2 Sec. 16 &amp; 15, T-18-S, R-31-E, Eddy</b>		
WI Owner	WI	NRI	ORRI
V-F Petroleum Inc.	<b>0.32895834</b>	0.24671876	0.00012500
Permian Resources Operating, LLC	0.23937500	0.17605079	0.00000000

<u>Rainier 223H (2BS)</u>	<b>S/2N/2 Sec. 16 &amp; 15, T-18-S, R-31-E, Eddy</b>		
WI Owner	WI	NRI	ORRI
V-F Petroleum Inc.	<b>0.44458334</b>	0.33343750	0.00018750
Permian Resources Operating, LLC	0.32453125	0.24653126	0.00000000

<u>Rainier 233H (3rd BS)</u>	<b>S/2N/2 Sec. 16 &amp; 15, T-18-S, R-31-E, Eddy</b>		
WI Owner	WI	NRI	ORRI
V-F Petroleum Inc.	<b>0.44458334</b>	0.33343750	0.00018750
Permian Resources Operating, LLC	0.32453125	0.24653126	0.00000000

<u>Rainier 234H (3rd BS)</u>	<b>N/2N/2 Sec. 16 &amp; 15, T-18-S, R-31-E, Eddy</b>		
WI Owner	WI	NRI	ORRI
V-F Petroleum Inc.	0.12500000	0.09375000	0.00006250
Permian Resources Operating, LLC	<b>0.42480468</b>	0.31372851	0.00000000



CRUDE OIL STATEMENT

PLAINS MARKETING L.P.

5/678

5/678 /9 :08;2<70\*\*+\$')343&  
\$)&")\*\*+)\*,&-

PROPERTY NUMBER  
240761(992288)

OPERATOR: H)F0Ä;8E/B;6?0@9A  
PROPERTY: 7A<9B/90CE< >0Q3078;0+Q\$5  
FIELD: 69=9/>9  
COUNTY: ;CCD  
PRODUCT: /@B  
STATE: 9;>0?;2@A/  
STATE PROPERTY NUMBER: 69=9/>9  
STATE DISTRICT NUMBER: '+'

H)F0Ä;8E/B;6?0@9A  
Ä/01/20\$&&-  
?@CB<9C820\*-\*'+

7IJI"K"!I0LJM0M"!I0NOJ0;KJOP

\*\* WHEN INQUIRING PLEASE REFER TO PROPERTY NUMBER ABOVE \*\*

ACTIVITY DATE	CODE	TANK	TICKET NUMBER	GRAVITY	GROSS PRICE	NET BARRELS	GROSS VALUE	ADJUSTMENTS	STATE TAXES	NET VALUE
12/01/24	4	NX741	1240081	40.7	68.4285	3,194.36	218,585.26	0.00	17,690.11 T	200,895.15
12/30/24	4	NX741	1240092	40.7	68.4285	231.70	15,854.88	0.00	1,283.14 T	14,571.74
STATEMENT TOTAL:				40.7		3,426.06	234,440.14	0.00	18,973.25	215,466.89

KEY TO CODE:

\$.0E6908@A=;8 3.0A/EE;A8@/9  
+.0;78@?<8;C0E690 8@A=;8 ,.0FE<A0/@87/BC  
Q.0B8;0E690 8@A=;8 4.0E;86E9;C0FE<A0/@B

THIS INFORMATION HAS BEEN FURNISHED BY PLAINS MARKETING L.P. AS AN ACCOMMODATION ONLY. IT DOES NOT NECESSARILY REFLECT RECORD TITLE. ANYONE RELYING ON THIS INFORMATION FOR ANY OTHER USE DOES SO AT HIS/HER OWN RISK AND WITHOUT RECOURSE ON PLAINS MARKETING L.P.. THESE PROCEEDS WERE PAID PURSUANT TO APPLICABLE DIVISION ORDERS OR OTHER CONTRACTS. STATEMENTS AVAILABLE AT WWW.PAALP.COM

SCANLON DRAW HORIZONTAL PRODUCTION

	Oil				Gas				Water				Days Prod			
	221	231	222	232	221	231	222	232	221	231	222	232	221	231	222	
12/31/2024		120				650				373				1		
1/1/2025		118				646				382				1		
1/2/2025		106				514				324				1		
1/3/2025		119				653				384				1		
1/4/2025		110				584				353				1		
1/5/2025		112				577				350				1		
1/6/2025		112				606				360				1		
1/7/2025		108				533				322				1		
1/8/2025		104				480				287				1		
1/9/2025		143				452				247				1		
1/10/2025		66				372				239				1		
1/11/2025		29				189				168				1		
1/12/2025		159				478				308				1		
1/13/2025		129				619				362				1		
1/14/2025		113				555				327				1		
1/15/2025		99				430				271				1		
1/16/2025		28				152				127				1		
1/17/2025		27				173				167				1		
1/18/2025		193				539				323				1		
1/19/2025		114				511				303				1		
1/20/2025		68				337				219				1		
1/21/2025		148				595				348				1		



**Exhibit 5 Rebutting Permian Resources' Exhibit C-9: Comparison of  
Permian Resources' Lajitas Well Proposals**

Well Name	Formation	TVD	TMD	AFE Cost	Percentage of Original AFE
Lajitas 5-4 State COM 121H (1/16/24)	2BS	6,810	17,095	\$12,441,256.00	75.60%
Lajitas 5-4 State COM 121H (1/16/24)	2BS	6,810	17,095	\$9,405,555.04	
Lajitas 5-4 State COM 122H (1/16/24)	2BS	6,810	17,095	\$12,441,256.00	75.60%
Lajitas 5-4 State COM 122H (9/11/24)	2BS	6,810	17,095	\$9,405,555.04	
Lajitas 5-4 State COM 123H (1/16/24)	2BS	6,810	17,095	\$12,441,256.00	75.60%
Lajitas 5-4 State COM 123H (9/11/24)	2BS	6,910	17,195	\$9,405,555.04	
Lajitas 5-4 State COM 124H (1/16/24)	2BS	6,910	17,195	\$12,441,256.00	75.60%
Lajitas 5-4 State COM 124H (9/11/24)	2BS	6,910	17,195	\$9,405,555.04	
Lajitas 5-4 State COM 131H (1/16/24)	3 BS	8040	18325	\$12,985,976.00	74.75%
Lajitas 5-4 State COM 131H (9/11/24)	3 BS	8040	18325	\$9,706,793.73	
Lajitas 5-4 State COM 132H (1/16/24)	3 BS	8110	18325	\$12,985,976.00	74.75%
Lajitas 5-4 State COM 132H (9/11/24)	3 BS	8110	18395	\$9,706,793.73	
Lajitas 5-4 State COM 133H (1/16/24)	3 BS	8115	18400	\$12,985,976.00	74.75%
Lajitas 5-4 State COM 133H (9/11/24)	3 BS	8115	18400	\$9,706,793.73	
Lajitas 5-4 State COM 134H (1/16/24)	3 BS	8115	18400	\$12,985,976.00	74.75%
Lajitas 5-4 State COM 134H (9/11/24)	3 BS	8185	18470	\$9,706,793.73	

# WELL PROPOSALS (WORKOVER) (DRLG) (LSG) (OUTSIDE OPERATED)

(File with the AFE)

F: md/ misc &amp; forms/cklsts/well proposals outside operated drlg wo lsg

Date Received: 1/22/24

AFE date: 1/16/24

OPERATOR: Permian Resources

WELL Lajitas 5-4 state Com Wells (8 Well Proposals)

LOCATION (S-T-R): See Attached.

WORK TO BE PERFORMED:

Drlg / Compl

AFE COSTS: (8/2) 4 Wells \$12,441,256 Each / 4 Wells \$12,985,976 Each

OUR WORKING INTEREST:

No WI Listed.

Rec'd by

VEP/GEC/JMG/Fuel

ELECTION DEADLINE:

2/21/24

ELECTION DECISION(circle one)APPROVAL:

A. Join

Date

B. Nonconsent

C. Other

Date

Date

**STEPS:**

Return AFE

Also send our well requirements

Save AFE (pdf) md/eng/afes/drlg/OBO/(Operator file name)/(well name) (afe date)

Stamp file name on back.

Copy to TMB (for Fuel/TMB/CRB).

"Link" to JMG.

F: md/misc &amp; forms/cklsts/well proposals outside operated drlg wo lsg

form updated: 07/2023



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

January 16, 2024

Via Certified Mail

V-F Petroleum, Inc.  
P.O. Box 1889  
Midland, Texas 79702

*Rec'd 1/22/24*

**RE: Well Proposals – Lajitas 5-4 State Com**  
All of Section 5 & All of Section 4, T19S-R28E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator for Colgate Production, LLC, hereby proposes the drilling and completion of the following eight (8) wells, the Lajitas 5-4 State Com at the following approximate locations within Township 19 South, Range 28 East, Eddy Co., NM:

**1. Lajitas 5-4 State Com 121H**

SHL: At a legal location within the W/2 of the NE/4 of Section 5  
BHL: 10' FEL & 990' FNL of Section 4  
FTP: 100' FWL & 990' FNL of Section 5  
LTP: 100' FEL & 990' FNL of Section 4  
TVD: Approximately 6,810'  
TMD: Approximately 17,095'  
Proration Unit: N/2N/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Lajitas 5-4 State Com 122H**

SHL: At a legal location within the W/2 of the NE/4 of Section 5  
BHL: 10' FEL & 2,190' FNL of Section 4  
FTP: 100' FWL & 2,190' FNL of Section 5  
LTP: 100' FEL & 2,190' FNL of Section 4  
TVD: Approximately 6,810'  
TMD: Approximately 17,095'  
Proration Unit: S/2N/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**3. Lajitas 5-4 State Com 123H**

SHL: At a legal location with the E/2 of the SE/4 of Section 6  
BHL: 10' FEL & 1,890' FNL of Section 4  
FTP: 100' FWL & 1,890' FSL of Section 5  
LTP: 100' FEL & 1,890' FSL of Section 4  
TVD: Approximately 6,910'  
TMD: Approximately 17,195'  
Proration Unit: N/2S/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

4. **Lajitas 5-4 State Com 124H**  
SHL: At a legal location with the E/2 of the SE/4 of Section 6  
BHL: 10' FEL & 690' FSL of Section 4  
FTP: 100' FWL & 690' FSL of Section 5  
LTP: 100' FEL & 690' FSL of Section 4  
TVD: Approximately 6,910'  
TMD: Approximately 17,195'  
Proration Unit: S/2S/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE
5. **Lajitas 5-4 State Com 131H**  
SHL: At a legal location within the W/2 of the NE/4 of Section 5  
BHL: 10' FEL & 330' FNL of Section 4  
FTP: 100' FWL & 330' FNL of Section 5  
LTP: 100' FEL & 330' FNL of Section 4  
TVD: Approximately 8,040'  
TMD: Approximately 18,325'  
Proration Unit: N/2N/2 of Sections 4 & 5  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE
6. **Lajitas 5-4 State Com 132H**  
SHL: At a legal location within the W/2 of the NE/4 of Section 5  
BHL: 10' FEL & 1,650' FNL of Section 4  
FTP: 100' FWL & 1,650' FNL of Section 5  
LTP: 100' FEL & 1,650' FNL of Section 4  
TVD: Approximately 8,110'  
TMD: Approximately 18,395'  
Proration Unit: S/2N/2 of Sections 4 & 5  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE
7. **Lajitas 5-4 State Com 133H**  
SHL: At a legal location with the E/2 of the SE/4 of Section 6  
BHL: 10' FEL & 2,310' FSL of Section 4  
FTP: 100' FWL & 2,310' FSL of Section 5  
LTP: 100' FEL & 2,310' FSL of Section 4  
TVD: Approximately 8,115'  
TMD: Approximately 18,400'  
Proration Unit: N/2S/2 of Sections 4 & 5  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE
8. **Lajitas 5-4 State Com 134H**  
SHL: At a legal location with the E/2 of the SE/4 of Section 6  
BHL: 10' FEL & 990' FNL of Section 4  
FTP: 100' FWL & 990' FSL of Section 5  
LTP: 100' FEL & 990' FSL of Section 4  
TVD: Approximately 8,185'  
TMD: Approximately 18,470'  
Proration Unit: S/2S/2 of Sections 4 & 5  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Please further note that it is the intention of Colgate Production, LLC to relinquish all interest in this unit unto its parent company, Permian Resources Operating, LLC in the near future.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at [mark.hajdik@permianres.com](mailto:mark.hajdik@permianres.com).

Respectfully,



Mark Hajdik  
Senior Landman

*Enclosures*

ELECTIONS ON PAGE TO FOLLOW

**Lajitas 5-4 State Com Elections:**

<b>Well Elections:</b> <i>(Please indicate your responses in the spaces below)</i>		
<b>Well(s)</b>	<b>Elect to Participate</b>	<b>Elect to <u>NOT</u> Participate</b>
Lajitas 5-4 State Com 121H		
Lajitas 5-4 State Com 122H		
Lajitas 5-4 State Com 123H		
Lajitas 5-4 State Com 124H		
Lajitas 5-4 State Com 131H		
Lajitas 5-4 State Com 132H		
Lajitas 5-4 State Com 133H		
Lajitas 5-4 State Com 134H		

Company Name (If Applicable):

---

By: 

---

Printed Name: 

---

Date: 

---



**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

*Company Name (If Applicable):*

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_



## Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajas 5-4 State 122H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	17,095' / 6,810'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>				
1 Land / Legal / Regulatory	48,916	-	-	48,916
2 Location, Surveys & Damages	318,597	19,981	-	338,579
4 Freight / Transportation	52,673	48,416	24,038	125,127
5 Rental - Surface Equipment	137,497	238,238	114,178	489,913
6 Rental - Downhole Equipment	227,186	66,141	-	293,327
7 Rental - Living Quarters	53,176	60,251	-	113,427
10 Directional Drilling, Surveys	475,047	-	-	475,047
11 Drilling	833,677	-	-	833,677
12 Drill Bits	110,788	-	-	110,788
13 Fuel & Power	208,950	801,871	-	1,010,821
14 Cementing & Float Equip	269,070	-	-	269,070
15 Completion Unit, Swab, CTU	-	-	18,028	18,028
16 Perforating, Wireline, Slickline	-	434,783	-	434,783
17 High Pressure Pump Truck	-	136,333	-	136,333
18 Completion Unit, Swab, CTU	-	162,002	-	162,002
20 Mud Circulation System	116,354	-	-	116,354
21 Mud Logging	19,386	-	-	19,386
22 Logging / Formation Evaluation	8,040	9,222	-	17,262
23 Mud & Chemicals	400,166	484,605	12,019	896,789
24 Water	48,062	731,714	300,469	1,080,246
25 Stimulation	-	900,269	-	900,269
26 Stimulation Flowback & Disp	-	134,489	180,281	314,770
28 Mud / Wastewater Disposal	213,560	67,629	-	281,189
30 Rig Supervision / Engineering	134,035	147,554	18,028	299,617
32 Drig & Completion Overhead	11,528	-	-	11,528
35 Labor	169,804	76,851	18,028	264,683
54 Proppant	-	1,388,201	-	1,388,201
95 Insurance	16,213	-	-	16,213
97 Contingency	-	27,008	-	27,008
99 Plugging & Abandonment	-	-	-	-
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,872,526</b>	<b>5,935,556</b>	<b>685,069</b>	<b>10,493,151</b>
<b>TANGIBLE COSTS</b>				
60 Surface Casing	135,183	-	-	135,183
61 Intermediate Casing	402,911	-	-	402,911
62 Drilling Liner	-	-	-	-
63 Production Casing	759,821	-	-	759,821
64 Production Liner	-	-	-	-
65 Tubing	-	-	168,263	168,263
66 Wellhead	71,686	-	48,075	119,761
67 Packers, Liner Hangers	16,292	-	24,038	40,330
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	108,169	108,169
73 Compressor	-	-	-	-
74 Installation Costs	-	-	66,771	66,771
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	36,056	36,056
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	24,038	24,038
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	20,031	20,031
84 Electrical / Grounding	-	-	46,740	46,740
85 Communications / SCADA	-	-	13,354	13,354
86 Instrumentation / Safety	-	-	6,677	6,677
<b>TOTAL TANGIBLES &gt;</b>	<b>1,385,895</b>	<b>0</b>	<b>562,211</b>	<b>1,948,105</b>
<b>TOTAL COSTS &gt;</b>	<b>5,258,420</b>	<b>5,935,556</b>	<b>1,247,280</b>	<b>12,441,256</b>

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer: PS  
 Completions Engineer: ML  
 Production Engineer: DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO WH Co-CEO JW VP - Operations CRM  
 VP - Land & Legal BG VP - Geosciences SO

NON OPERATING PARTNER APPROVAL:

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_  
 Signed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_ Approval: ☐ Yes ☐ No (mark one)

This is an AFE for estimated costs only and may not be entered as a bill of materials on the well cost of the project. The AFE may be changed up to 90 days after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of estimated costs incurred, including legal, drilling, completion, and well costs, under the terms of the applicable joint operating agreement, regardless of whether the Participant is a signatory to the AFE. The Participant shall be deemed to have agreed to the AFE by the date of the AFE.

## Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajas 5-4 State 123H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	17,195' / 6,910'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AI, install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	48,916	-	-	48,916
2 Location, Surveys & Damages	318,597	19,981	-	338,579
4 Freight / Transportation	52,673	48,416	24,038	125,127
5 Rental - Surface Equipment	137,797	238,238	114,178	489,913
6 Rental - Downhole Equipment	227,186	66,141	-	293,327
7 Rental - Living Quarters	53,176	60,251	-	113,427
10 Directional Drilling, Surveys	475,047	-	-	475,047
11 Drilling	833,677	-	-	833,677
12 Drill Bits	110,788	-	-	110,788
13 Fuel & Power	208,950	801,871	-	1,010,821
14 Cementing & Float Equip	269,070	-	-	269,070
15 Completion Unit, Swab, CTU	-	-	18,028	18,028
16 Perforating, Wireline, Stickline	-	434,783	-	434,783
17 High Pressure Pump Truck	-	136,333	-	136,333
18 Completion Unit, Swab, CTU	-	162,002	-	162,002
20 Mud Circulation System	116,354	-	-	116,354
21 Mud Logging	19,386	-	-	19,386
22 Logging / Formation Evaluation	8,040	9,222	-	17,262
23 Mud & Chemicals	400,166	484,605	12,019	896,789
24 Water	48,062	731,714	300,469	1,080,246
25 Stimulation	-	900,269	-	900,269
26 Stimulation Flowback & Disp	-	134,489	180,281	314,770
28 Mud / Wastewater Disposal	213,560	67,629	-	281,189
30 Rig Supervision / Engineering	134,035	147,354	18,028	299,617
32 Drig & Completion Overhead	11,528	-	-	11,528
35 Labor	169,604	76,851	18,028	264,483
54 Proppant	-	1,388,201	-	1,388,201
95 Insurance	16,213	-	-	16,213
97 Contingency	-	27,008	-	27,008
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	3,872,526	5,935,556	685,069	10,493,151
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	135,183	-	-	135,183
61 Intermediate Casing	402,911	-	-	402,911
62 Drilling Liner	-	-	-	-
63 Production Casing	759,821	-	-	759,821
64 Production Liner	-	-	-	-
65 Tubing	-	-	168,263	168,263
66 Wellhead	71,686	-	48,075	119,761
67 Packers, Liner Hangers	16,292	-	24,038	40,330
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	108,169	108,169
73 Compressor	-	-	-	-
74 Installation Costs	-	-	66,771	66,771
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	36,056	36,056
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	24,038	24,038
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Hare Stack	-	-	20,031	20,031
84 Electrical / Grounding	-	-	46,740	46,740
85 Communications / SCADA	-	-	13,354	13,354
86 Instrumentation / Safety	-	-	6,677	6,677
TOTAL TANGIBLES >	1,385,895	0	562,211	1,948,105
TOTAL COSTS >	5,258,420	5,935,556	1,247,280	12,441,256

## PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer: PS  
 Completions Engineer: ML  
 Production Engineer: DC

## Permian Resources Operating, LLC APPROVAL:

Co-CEO	Co-CEO	VP - Operations
WH	JW	CRM
VP - Land & Legal	VP - Geosciences	
BC	SO	

## NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No (mark one)	

The terms of this AFE are subject to the terms and conditions of the well completion agreement. The AFE may be delayed up to 90 days after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of total well completion costs, including 10% incentive, regulatory, formation and well costs under the terms of the applicable joint operating agreement, subject to other agreements governing this well. Participant shall be deemed to have approved and authorized the Operator to execute this AFE on its behalf.



Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701  
Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajitos 5-4 State 124H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	17,195' / 6,910'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
INTANGIBLE COSTS				
1 Land/ Legal/ Regulatory	\$ 48,916	-	-	\$ 48,916
2 Location, Surveys & Damages	318,597	19,981	-	338,579
4 Freight/ Transportation	52,673	48,416	24,038	125,127
5 Rental - Surface Equipment	137,497	238,238	114,178	489,913
6 Rental - Downhole Equipment	227,186	66,141	-	293,327
7 Rental - Living Quarters	53,176	60,251	-	113,427
10 Directional Drilling, Surveys	475,047	-	-	475,047
11 Drilling	833,677	-	-	833,677
12 Drill Bits	110,788	-	-	110,788
13 Fuel & Power	208,950	801,871	-	1,010,821
14 Cementing & Float Equip	269,070	-	-	269,070
15 Completion Unit, Swab, CTU	-	-	18,028	18,028
16 Perforating, Wireline, Slickline	-	434,783	-	434,783
17 High Pressure Pump Truck	-	136,333	-	136,333
18 Completion Unit, Swab, CTU	-	162,002	-	162,002
20 Mud Circulation System	116,354	-	-	116,354
21 Mud Logging	19,386	-	-	19,386
22 Logging/ Formation Evaluation	8,040	9,222	-	17,262
23 Mud & Chemicals	400,166	484,605	12,019	896,789
24 Water	48,062	731,714	300,469	1,080,246
25 Stimulation	-	900,269	-	900,269
26 Stimulation Flowback & Disp	-	134,489	180,281	314,770
28 Mud/ Wastewater Disposal	213,560	67,629	-	281,189
30 Rig Supervision / Engineering	134,035	147,554	18,028	299,617
32 Drig & Completion Overhead	11,528	-	-	11,528
35 Labor	169,604	76,851	18,028	264,483
54 Proppant	-	1,388,201	-	1,388,201
95 Insurance	16,213	-	-	16,213
97 Contingency	-	27,008	-	27,008
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	3,872,526	5,935,556	685,069	10,493,151
TANGIBLE COSTS				
60 Surface Casing	\$ 135,183	-	-	\$ 135,183
61 Intermediate Casing	402,911	-	-	402,911
62 Drilling Liner	-	-	-	-
63 Production Casing	759,821	-	-	759,821
64 Production Liner	-	-	-	-
65 Tubing	-	-	168,263	168,263
66 Wellhead	71,686	-	48,075	119,761
67 Packers, Liner Hangers	16,292	-	24,038	40,330
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	108,169	108,169
73 Compressor	-	-	-	-
74 Installation Costs	-	-	66,771	66,771
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	36,056	36,056
78 Gas Conditioning/ Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	24,038	24,038
80 Gathering/ Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank/ Facility Containment	-	-	-	-
83 Flare Stack	-	-	20,031	20,031
84 Electrical/ Grounding	-	-	46,740	46,740
85 Communications/ SCADA	-	-	13,354	13,354
86 Instrumentation/ Safety	-	-	6,677	6,677
TOTAL TANGIBLES >	1,385,895	0	562,211	1,948,105
TOTAL COSTS >	5,258,420	5,935,556	1,247,280	12,441,256

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer: PS  
Completions Engineer: ML  
Production Engineer: DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO \_\_\_\_\_ Co-CEO \_\_\_\_\_ VP - Operations \_\_\_\_\_  
VP - Land & Legal \_\_\_\_\_ VP - Geosciences \_\_\_\_\_  
BC \_\_\_\_\_ SO \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_  
Signed by: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_ Approval: ☐ Yes ☐ No (mark one)

The costs on this AFE are estimates only and may not be involved as obligations on any specific date in the total cost of the project. Taking installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal services, regulatory, flowback and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and killed proportionately for Operator's well control and potential liability by insurance when participant provides Operator a certificate evidencing its own insurance at an amount acceptable to the Operator by the date of approval.

## Permian Resources Operating, LLC

300 N. Marientfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajas 5-4 State 131H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	18,325' / 8,040'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 48,916	-	-	\$ 48,916
2 Location, Surveys & Damages	332,602	20,860	-	353,461
4 Freight / Transportation	54,989	50,544	25,094	130,627
5 Rental - Surface Equipment	143,541	248,710	119,197	511,448
6 Rental - Downhole Equipment	237,172	69,048	-	306,220
7 Rental - Living Quarters	55,514	62,899	-	118,413
10 Directional Drilling, Surveys	495,928	-	-	495,928
11 Drilling	870,322	-	-	870,322
12 Drill Bits	115,658	-	-	115,658
13 Fuel & Power	218,134	837,118	-	1,055,253
14 Cementing & Float Equip	280,897	-	-	280,897
15 Completion Unit, Swab, CTU	-	-	18,821	18,821
16 Perforating, Wireline, Silckline	-	453,895	-	453,895
17 High Pressure Pump Truck	-	142,326	-	142,326
18 Completion Unit, Swab, CTU	-	169,122	-	169,122
20 Mud Circulation System	121,469	-	-	121,469
21 Mud Logging	20,238	-	-	20,238
22 Logging / Formation Evaluation	8,393	9,627	-	18,021
23 Mud & Chemicals	417,755	305,906	12,547	736,209
24 Water	50,175	763,878	313,676	1,127,729
25 Stimulation	-	939,841	-	939,841
26 Stimulation Flowback & Disp	-	140,401	188,206	328,606
28 Mud / Wastewater Disposal	222,948	70,601	-	293,549
30 Rig Supervision / Engineering	139,927	154,039	18,821	312,787
32 Drig & Completion Overhead	12,034	-	-	12,034
35 Labor	177,059	80,229	18,821	276,108
54 Proppant	-	1,449,221	-	1,449,221
95 Insurance	16,925	-	-	16,925
97 Contingency	-	28,195	-	28,195
99 Plugging & Abandonment	-	-	-	-
<b>TOTAL INTANGIBLES &gt;</b>	<b>4,040,597</b>	<b>6,196,461</b>	<b>715,182</b>	<b>10,952,240</b>
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 141,125	-	-	\$ 141,125
61 Intermediate Casing	420,621	-	-	420,621
62 Drilling Liner	-	-	-	-
63 Production Casing	793,220	-	-	793,220
64 Production Liner	-	-	-	-
65 Tubing	-	-	175,639	175,639
66 Wellhead	74,837	-	50,188	125,026
67 Packers, Liner Hangers	17,009	-	25,094	42,103
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	112,923	112,923
73 Compressor	-	-	-	-
74 Installation Costs	-	-	69,706	69,706
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	37,641	37,641
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	25,094	25,094
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Hare Stack	-	-	20,912	20,912
84 Electrical / Grounding	-	-	48,794	48,794
85 Communications / SCADA	-	-	13,941	13,941
86 Instrumentation / Safety	-	-	6,971	6,971
<b>TOTAL TANGIBLES &gt;</b>	<b>1,446,513</b>	<b>0</b>	<b>586,923</b>	<b>2,033,737</b>
<b>TOTAL COSTS &gt;</b>	<b>5,487,410</b>	<b>6,196,461</b>	<b>1,302,105</b>	<b>12,985,976</b>

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer: PS  
 Completions Engineer: ML  
 Production Engineer: DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO \_\_\_\_\_ Co-CEO \_\_\_\_\_ VP - Operations \_\_\_\_\_  
 VP - Land & Legal \_\_\_\_\_ VP - Geosciences \_\_\_\_\_ CRM \_\_\_\_\_  
 \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_  
 Signed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_ Approval: ☐ Yes ☐ No (mark one)

The terms on this AFE are minimum only and may not be corrected on any specific item as the final cost of the project. Taking installation approval under the AFE may be delayed up to a year until the well has been completed. In executing this AFE, the Participant agrees to pay the proportionate share of actual costs incurred, including, legal, royalties, regulatory, leasehold and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering the well. Participant shall be assessed by and shall fulfill proportionately the Operator's well record and general liability insurance when participant provides Operator a certificate evidencing the most recent financial acceptable to the Operator by the date of report.



Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701  
Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajtas 5-4 State 132H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	18,395' / 8,110'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
INTANGIBLE COSTS				
1 Land / Legal / Regulatory	\$ 48,916	-	-	\$ 48,916
2 Location, Surveys & Damages	332,602	20,860	-	353,461
4 Freight / Transportation	54,989	30,544	25,094	130,627
5 Rental - Surface Equipment	143,541	248,710	119,197	511,448
6 Rental - Downhole Equipment	237,172	69,048	-	306,220
7 Rental - Living Quarters	55,514	62,899	-	118,413
10 Directional Drilling, Surveys	495,928	-	-	495,928
11 Drilling	870,322	-	-	870,322
12 Drill Bits	115,658	-	-	115,658
13 Fuel & Power	218,134	837,118	-	1,055,253
14 Cementing & Float Equip	280,897	-	-	280,897
15 Completion Unit, Swab, CTU	-	-	18,821	18,821
16 Perforating, Wireline, Stickline	-	453,895	-	453,895
17 High Pressure Pump Truck	-	142,326	-	142,326
18 Completion Unit, Swab, CTU	-	169,122	-	169,122
20 Mud Circulation System	121,469	-	-	121,469
21 Mud Logging	20,238	-	-	20,238
22 Logging / Formation Evaluation	8,393	9,677	-	18,071
23 Mud & Chemicals	417,756	505,306	12,547	935,609
24 Water	50,175	763,878	313,876	1,127,929
25 Stimulation	-	939,841	-	939,841
26 Stimulation Flowback & Disp	-	140,401	188,206	328,606
28 Mud / Wastewater Disposal	222,948	70,601	-	293,549
30 Rig Supervision / Engineering	139,927	151,039	18,821	312,787
32 Drig & Completion Overhead	12,034	-	-	12,034
35 Labor	177,059	80,229	18,821	276,108
54 Proppant	-	1,449,221	-	1,449,221
95 Insurance	16,925	-	-	16,925
97 Contingency	-	28,195	-	28,195
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	4,040,597	6,196,461	715,182	10,952,240
TANGIBLE COSTS				
60 Surface Casing	\$ 141,125	-	-	\$ 141,125
61 Intermediate Casing	420,621	-	-	420,621
62 Drilling Liner	-	-	-	-
63 Production Casing	795,220	-	-	795,220
64 Production Liner	-	-	-	-
65 Tubing	-	-	175,659	175,659
66 Wellhead	74,837	-	59,186	125,026
67 Packers, Liner Hangers	17,009	-	25,094	42,103
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	112,923	112,923
73 Compressor	-	-	-	-
74 Installation Costs	-	-	69,706	69,706
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	37,641	37,641
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	25,094	25,094
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	20,912	20,912
84 Electrical / Grounding	-	-	48,794	48,794
85 Communications / SCADA	-	-	13,941	13,941
86 Instrumentation / Safety	-	-	6,971	6,971
TOTAL TANGIBLES >	1,446,813	0	586,923	2,033,737
TOTAL COSTS >	5,487,410	6,196,461	1,302,105	12,985,976

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer: PS  
Completions Engineer: ML  
Production Engineer: DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO \_\_\_\_\_ Co-CEO \_\_\_\_\_ VP - Operations \_\_\_\_\_  
VP - Land & Legal \_\_\_\_\_ VP - Geosciences \_\_\_\_\_ CRM \_\_\_\_\_  
BG \_\_\_\_\_ SO \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_  
Signed by: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_ Approval: ☐ Yes ☐ No (mark one)

The costs on this AFE are estimates only and may not be considered as a binding contract or the total cost of the project. Taking into account approved under the AFE may be drilling up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of all costs incurred including, but not limited to, legal, regulatory, engineering, and other costs under the terms of the applicable joint operating agreement, regulatory order or other agreement relating to this well. Participants shall be bound by and held proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance to its satisfaction acceptable to the Operator by the date of approval.

## Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajas 5-4 State 133H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	18,400' / 8,115'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 48,916	-	-	\$ 48,916
2 Location, Surveys & Damages	332,602	20,860	-	353,461
4 Freight / Transportation	54,989	50,544	25,094	130,627
5 Rental - Surface Equipment	143,541	248,710	119,197	511,448
6 Rental - Downhole Equipment	237,172	69,048	-	306,220
7 Rental - Living Quarters	55,514	62,899	-	118,413
10 Directional Drilling, Surveys	495,928	-	-	495,928
11 Drilling	870,322	-	-	870,322
12 Drill Bits	115,658	-	-	115,658
13 Fuel & Power	218,134	837,118	-	1,055,253
14 Cementing & Float Equip	280,897	-	-	280,897
15 Completion Unit, Swab, CTU	-	-	18,821	18,821
16 Perforating, Wireline, Slickline	-	453,895	-	453,895
17 High Pressure Pump Truck	-	142,326	-	142,326
18 Completion Unit, Swab, CTU	-	169,122	-	169,122
20 Mud Circulation System	121,469	-	-	121,469
21 Mud Logging	20,238	-	-	20,238
22 Logging/ Formation Evaluation	8,393	9,627	-	18,021
23 Mud & Chemicals	417,756	505,906	12,947	936,209
24 Water	50,175	763,878	313,676	1,127,729
25 Stimulation	-	939,841	-	939,841
26 Stimulation Flowback & Disp	-	140,401	188,206	328,606
28 Mud / Wastewater Disposal	222,948	70,601	-	293,549
30 Rig Supervision / Engineering	139,927	154,039	18,821	312,787
32 Drilg & Completion Overhead	12,034	-	-	12,034
35 Labor	177,059	80,229	18,821	276,108
54 Proppant	-	1,449,221	-	1,449,221
95 Insurance	16,925	-	-	16,925
97 Contingency	-	28,195	-	28,195
99 Plugging & Abandonment	-	-	-	-
<b>TOTAL INTANGIBLES &gt;</b>	<b>4,040,597</b>	<b>6,196,461</b>	<b>715,182</b>	<b>10,952,240</b>
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 141,125	-	-	\$ 141,125
61 Intermediate Casing	420,621	-	-	420,621
62 Drilling Liner	-	-	-	-
63 Production Casing	793,220	-	-	793,220
64 Production Liner	-	-	-	-
65 Tubing	-	-	175,639	175,639
66 Wellhead	74,837	-	50,188	125,025
67 Packers, Liner Hangers	17,009	-	25,094	42,103
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	112,923	112,923
73 Compressor	-	-	-	-
74 Installation Costs	-	-	69,706	69,706
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	37,641	37,641
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	25,094	25,094
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	20,912	20,912
84 Electrical / Grounding	-	-	48,794	48,794
85 Communications / SCADA	-	-	13,941	13,941
86 Instrumentation / Safety	-	-	6,971	6,971
<b>TOTAL TANGIBLES &gt;</b>	<b>1,446,813</b>	<b>0</b>	<b>586,923</b>	<b>2,033,737</b>
<b>TOTAL COSTS &gt;</b>	<b>5,487,410</b>	<b>6,196,461</b>	<b>1,302,105</b>	<b>12,985,976</b>

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer: PS  
 Completions Engineer: ML  
 Production Engineer: DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO \_\_\_\_\_ Co-CEO \_\_\_\_\_ VP - Operations \_\_\_\_\_  
 VP - Land & Legal \_\_\_\_\_ VP - Geosciences \_\_\_\_\_ CRM \_\_\_\_\_  
 \_\_\_\_\_

NON OPERATING PARTNER APPROVAL:

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_  
 Signed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_ Approval: ☐ Yes ☐ No (mark one)

The costs on this AFE are estimates only and may not be recovered as savings on any specific item as the final cost of the project. Taking operations approved under the AFE may be delayed up to 6 years after the well has been completed. In executing the AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. Participants shall be bound by and held proportionately for the Operator's well control and general liability insurance unless participants provide their own insurance in an amount acceptable to the Operator by the date of sign.

## Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	1.12.2024	AFE NO.:	1
WELL NAME:	Lajas 5-4 State 134H	FIELD:	
LOCATION:	Section 5, T19S-R28E	MD/TVD:	18,470' / 8,185'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land/ Legal/ Regulatory	\$ 48,916	-	-	\$ 48,916
2 Location, Surveys & Damages	332,602	20,860	-	353,461
4 Freight/ Transportation	54,989	50,544	25,094	130,627
5 Rental - Surface Equipment	143,541	248,710	119,197	511,448
6 Rental - Downhole Equipment	237,172	69,048	-	306,220
7 Rental - Living Quarters	55,514	62,899	-	118,413
10 Directional Drilling, Surveys	495,928	-	-	495,928
11 Drilling	870,322	-	-	870,322
12 Drill Bits	115,658	-	-	115,658
13 Fuel & Power	218,134	837,118	-	1,055,253
14 Cementing & Float Equip	280,897	-	-	280,897
15 Completion Unit, Swab, CTU	-	-	18,821	18,821
16 Perforating, Wireline, Slickline	-	453,895	-	453,895
17 High Pressure Pump Truck	-	142,326	-	142,326
18 Completion Unit, Swab, CTU	-	169,122	-	169,122
20 Mud Circulation System	121,469	-	-	121,469
21 Mud Logging	20,238	-	-	20,238
22 Logging/ Formation Evaluation	8,393	9,627	-	18,021
23 Mud & Chemicals	417,756	505,906	12,547	936,209
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28 Mud / Wastewater Disposal	222,948	70,601	-	293,549
30 Rig Supervision/ Engineering	139,927	154,039	18,821	312,787
32 Drig & Completion Overhead	12,034	-	-	12,034
35 Labor	177,059	80,229	18,821	276,108
54 Proppant	-	1,449,221	-	1,449,221
95 Insurance	16,925	-	-	16,925
97 Contingency	-	28,195	-	28,195
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	4,040,597	6,196,461	715,182	10,952,240

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 141,125	-	-	\$ 141,125
61 Intermediate Casing	420,621	-	-	420,621
62 Drilling Liner	-	-	-	-
63 Production Casing	795,220	-	-	795,220
64 Production Liner	-	-	-	-
65 Tubing	-	-	175,659	175,659
66 Wellhead	74,837	-	50,188	125,026
67 Packers, Liner Hangers	17,009	-	25,094	42,103
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	112,923	112,923
73 Compressor	-	-	-	-
74 Installation Costs	-	-	69,706	69,706
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	37,641	37,641
78 Gas Conditioning/ Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	25,094	25,094
80 Gathering/ Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank/ Facility Containment	-	-	-	-
83 Flare Stack	-	-	20,912	20,912
84 Electrical/ Grounding	-	-	48,794	48,794
85 Communications/ SCADA	-	-	13,941	13,941
86 Instrumentation/ Safety	-	-	6,971	6,971
TOTAL TANGIBLES >	1,446,813	0	586,923	2,033,737
TOTAL COSTS >	5,487,410	6,196,461	1,302,105	12,985,976

## PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer: PS  
 Completions Engineer: ML  
 Production Engineer: DC

## Permian Resources Operating, LLC APPROVAL:

Co-CEO \_\_\_\_\_ Co-CEO \_\_\_\_\_ VP - Operations \_\_\_\_\_  
 VP - Land & Legal \_\_\_\_\_ VP - Geosciences \_\_\_\_\_ CRM \_\_\_\_\_  
 BG \_\_\_\_\_ SO \_\_\_\_\_

## NON OPERATING PARTNER APPROVAL:

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_  
 Signed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_ Approval: ☐ Yes ☐ No (mark one)

This estimate on this AFE is minimum only and may not be considered an estimate or any specific item on the total cost of the project. Taking installation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Permittee agrees to pay the proportionate share of actual costs incurred, including, legal, royalties, regulatory, leasehold and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. Participants shall be bound by and held proportionately for the Operator's well control and general liability. Incurrence within participating operator's certificate confirming the same insurance to an amount acceptable to the Operator by the date of approval.

# WELL PROPOSALS (WORKOVER) (DRLG) (LSG) (OUTSIDE OPERATED)

(File with the AFE)

F: md/ misc &amp; forms/cklsts/well proposals outside operated drlg wo lsg

Date Received: 10-29-24

1 Well Proposals

AFE date: 9-11-24

OPERATOR: Permian Resources

WELL Hajitan 5-4 State Corn #121, 122, 123, 124, 131, 132, 133

LOCATION (S-T-R): See attached

WORK TO BE PERFORMED: D+C

AFE COSTS: \$9,405,555 - \$9,706,794

OUR WORKING INTEREST: not listed

ELECTION DEADLINE:

11-26-24

ELECTION DECISION(circle one)APPROVAL:

A. Join

Date

B. Nonconsent

C. Other

Date

Date

**STEPS:**

Return AFE

Also send our well requirements

Save AFE (pdf) md/eng/afes/drlg/OBO/(Operator file name)/(well name) (afe date)

Stamp file name on back.

Copy to TMB (for Fuel/TMB/CRB).

"Link" to JMG.

F: md/misc &amp; forms/cklsts/well proposals outside operated drlg wo lsg

form updated: 07/2023



**PERMIAN**  
RESOURCES300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701OFFICE 432.695.4222  
FAX 432.695.4063

September 11, 2024

V-F Petroleum, Inc.  
P.O. Box 1889  
Midland, Texas 79702

Via Certified Mail

Rec'd Oct 29, 2024

**RE: Well Proposals – Lajitas 5-4 State Com**  
T19S-R28E, N.M.P.M.  
Section 4: All  
Section 5: All  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), hereby proposes the drilling and completion of the following eight (8) wells, the Lajitas 5-4 State Com at the following approximate locations within Township 19 South, Range 28 East, Eddy Co., New Mexico:

**1. Lajitas 5-4 State Com 121H**

SHL: At a legal location within the W/2 of the NW/4 of Section 5  
BHL: 10' FEL & 330' FNL of Section 4  
FTP: 100' FWL & 330' FNL of Section 5  
LTP: 100' FEL & 330' FNL of Section 4  
TVD: Approximately 6,810'  
TMD: Approximately 17,095'  
Proration Unit: N/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**2. Lajitas 5-4 State Com 122H**

SHL: At a legal location within the W/2 of the NW/4 of Section 5  
BHL: 10' FEL & 2,190' FNL of Section 4  
FTP: 100' FWL & 2,190' FNL of Section 5  
LTP: 100' FEL & 2,190' FNL of Section 4  
TVD: Approximately 6,810'  
TMD: Approximately 17,095'  
Proration Unit: N/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**3. Lajitas 5-4 State Com 123H**

SHL: At a legal location with the E/2 of the SE/4 of Section 6  
BHL: 10' FEL & 1,890' FSL of Section 4  
FTP: 100' FWL & 1,890' FSL of Section 5  
LTP: 100' FEL & 1,890' FSL of Section 4  
TVD: Approximately 6,910'  
TMD: Approximately 17,195'  
Proration Unit: S/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**PERMIAN**  
RESOURCES300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701OFFICE 432.695.4222  
FAX 432.695.4063**4. Lajitas 5-4 State Com 124H**

SHL: At a legal location with the E/2 of the SE/4 of Section 6  
BHL: 10' FEL & 690' FSL of Section 4  
FTP: 100' FWL & 690' FSL of Section 5  
LTP: 100' FEL & 690' FSL of Section 4  
TVD: Approximately 6,910'  
TMD: Approximately 17,195'  
Proration Unit: S/2 of Sections 4 & 5  
Targeted Interval: 2<sup>nd</sup> Bone Spring  
Total Cost: See attached AFE

**5. Lajitas 5-4 State Com 131H**

SHL: At a legal location within the W/2 of the NW/4 of Section 5  
BHL: 10' FEL & 330' FNL of Section 4  
FTP: 100' FWL & 330' FNL of Section 5  
LTP: 100' FEL & 330' FNL of Section 4  
TVD: Approximately 8,040'  
TMD: Approximately 18,325'  
Proration Unit: N/2 of Sections 4 & 5  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE

**6. Lajitas 5-4 State Com 132H (Defining Well)**

SHL: At a legal location within the W/2 of the NW/4 of Section 5  
BHL: 10' FEL & 1,640' FNL of Section 4  
FTP: 100' FWL & 1,640' FNL of Section 5  
LTP: 100' FEL & 1,640' FNL of Section 4  
TVD: Approximately 8,110'  
TMD: Approximately 18,395'  
Proration Unit: N/2 of Sections 4 & 5  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE

**7. Lajitas 5-4 State Com 133H**

SHL: At a legal location with the E/2 of the SE/4 of Section 6  
BHL: 10' FEL & 2,310' FSL of Section 4  
FTP: 100' FWL & 2,310' FSL of Section 5  
LTP: 100' FEL & 2,310' FSL of Section 4  
TVD: Approximately 8,115'  
TMD: Approximately 18,400'  
Proration Unit: S/2 of Sections 4 & 5  
Targeted Interval: 3<sup>rd</sup> Bone Spring  
Total Cost: See attached AFE



**PERMIAN**  
RESOURCES300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701OFFICE 432.695.4222  
FAX 432.695.4063**8. Lajitas 5-4 State Com 134H (Defining Well)**

SHL: At a legal location with the E/2 of the SE/4 of Section 6

BHL: 10' FEL &amp; 1,000' FSL of Section 4

FTP: 100' FWL &amp; 1,000' FSL of Section 5

LTP: 100' FEL &amp; 1,000' FSL of Section 4

TVD: Approximately 8,185'

TMD: Approximately 18,470'

Proration Unit: S/2 of Sections 4 &amp; 5

Targeted Interval: 3<sup>rd</sup> Bone Spring

Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at [Travis.Macha@permianres.com](mailto:Travis.Macha@permianres.com).

Elections can be returned by mail &/or email to the attention of Erin Lloyd – [Erin.Lloyd@permianres.com](mailto:Erin.Lloyd@permianres.com)

Respectfully,



Travis Macha  
New Mexico Land  
Manager

Enclosures

*ELECTIONS ON PAGE TO FOLLOW*

Well Proposal: Lajitas 5-4 State Com 121H-124H, 131H-134H



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Lajitas 5-4 State Com Elections:**

<b>Well Elections:</b> <i>(Please indicate your responses in the spaces below)</i>		
<b>Well(s)</b>	<b>Elect to Participate</b>	<b>Elect to <u>NOT</u> Participate</b>
Lajitas 5-4 State Com 121H		
Lajitas 5-4 State Com 122H		
Lajitas 5-4 State Com 123H		
Lajitas 5-4 State Com 124H		
Lajitas 5-4 State Com 131H		
Lajitas 5-4 State Com 132H		
Lajitas 5-4 State Com 133H		
Lajitas 5-4 State Com 134H		

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Lajitas 5-4 State Com 121H-124H, 131H-134H



300 N. MARIENFELD STREET, SUITE 1000  
MIDLAND, TX 79701

OFFICE 432.695.4222  
FAX 432.695.4063

**Participate / Rejection Declaration**

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- ☐ I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating, LLC and understand that I will be charged for such participation.
- ☐ I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

Company Name (If Applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Well Proposal: Lajitas 5-4 State Com 121H-124H, 131H-134H



## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 - 4 STATE COM 121H
<b>AFE Name:</b>	LAJITAS 5 - 4 STATE COM 121H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.5000	IDC - WELL CONTROL INSURANCE	\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8015.5200	IDC - CONTINGENCY	\$124,812.11
8015.2400	IDC - RIG WATER	\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.2350	IDC - FUEL/MUD	\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.2300	IDC - FUEL / POWER	\$97,750.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$66,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$160,000.00
8015.4200	IDC - MANCAMP	\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.2150	IDC - DRILL BIT	\$53,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$45,000.00
8015.3700	IDC - DISPOSAL	\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$224,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
	<b>Sub-total</b>	<b>\$2,091,930.57</b>
<b>Facilities</b>		
8035.1310	FAC - PEMANENT EASEMENT	\$3,333.00
8035.2100	FAC - INSPECTION & TESTING	\$833.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$13,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$833.00
8035.3700	FAC - AUTOMATION MATERIAL	\$41,667.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2500	FAC - CONSULTING SERVICES	\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$500.00
8035.3400	FAC - METER & LACT	\$34,467.00
8035.2400	FAC - SUPERVISION	\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$108,333.00
8035.2900	FAC - TANK BATTERY	\$96,667.00
8035.3500	FAC - COMPRESSOR	\$5,333.00
8035.3600	FAC - ELECTRICAL	\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$29,167.00
8035.4500	FAC - CONTINGENCY	\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$833.00
<b>Sub-total</b>		<b>\$671,467.00</b>
<b>Completion Intangible</b>		
8025.2000	ICC - TRUCKING	\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,405,186.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$172,358.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1600	ICC - COILED TUBING	\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,160.00
8025.3050	ICC - SOURCE WATER	\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
<b>Sub-total</b>		<b>\$4,517,699.00</b>
<b>Artificial Lift Tangible</b>		
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$40,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$95,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL	\$30,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS	\$5,000.00
8065.1100	TAL - TUBING	\$105,000.00
<b>Sub-total</b>		<b>\$315,000.00</b>



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Artificial Lift Intangible</b>		
8060.3500	IAL - WELLSITE SUPERVISION	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$20,000.00
8060.3700	IAL - HEALTH & SAFETY	\$5,000.00
8060.1200	IAL - WORKOVER RIG	\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$20,000.00
	<b>Sub-total</b>	<b>\$130,000.00</b>
<b>Pipeline</b>		
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$20,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$2,500.00
8036.2200	PLN - CONTRACT LABOR	\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$66,528.00
	<b>Sub-total</b>	<b>\$227,127.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Drilling Tangible</b>		
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$177,697.81
8020.1100	TDC - CASING - SURFACE	\$33,834.25
8020.1400	TDC - CASING - PRODUCTION	\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
	<b>Sub-total</b>	<b>\$930,081.47</b>
<b>Flowback Intangible</b>		
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$25,000.00
	<b>Sub-total</b>	<b>\$475,000.00</b>
	<b>Grand Total</b>	<b>\$9,405,555.04</b>





## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 - 4 STATE COM 122H
<b>AFE Name:</b>	LAJITAS 5 - 4 STATE COM 122H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.5000	IDC - WELL CONTROL INSURANCE	\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8015.5200	IDC - CONTINGENCY	\$124,812.11
8015.2400	IDC - RIG WATER	\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.2350	IDC - FUEL/MUD	\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.2300	IDC - FUEL / POWER	\$97,750.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$66,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$160,000.00
8015.4200	IDC - MANCAMP	\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.2150	IDC - DRILL BIT	\$53,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$45,000.00
8015.3700	IDC - DISPOSAL	\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$224,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
<b>Sub-total</b>		<b>\$2,091,930.57</b>
<b>Facilities</b>		
8035.1310	FAC - PERMANENT EASEMENT	\$3,333.00
8035.2100	FAC - INSPECTION & TESTING	\$833.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$13,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$833.00
8035.3700	FAC - AUTOMATION MATERIAL	\$41,667.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
 TEL (432) 695-4222 www.permianres.com



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2500	FAC - CONSULTING SERVICES	\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$500.00
8035.3400	FAC - METER & LACT	\$34,467.00
8035.2400	FAC - SUPERVISION	\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$108,333.00
8035.2900	FAC - TANK BATTERY	\$96,667.00
8035.3500	FAC - COMPRESSOR	\$5,333.00
8035.3600	FAC - ELECTRICAL	\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$29,167.00
8035.4500	FAC - CONTINGENCY	\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$833.00
<b>Sub-total</b>		<b>\$671,467.00</b>
<b>Completion Intangible</b>		
8025.2000	ICC - TRUCKING	\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,405,186.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$172,358.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1600	ICC - COILED TUBING	\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,160.00
8025.3050	ICC - SOURCE WATER	\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
<b>Sub-total</b>		<b>\$4,517,699.00</b>
<b>Artificial Lift Tangible</b>		
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$40,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$95,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL	\$30,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS	\$5,000.00
8065.1100	TAL - TUBING	\$105,000.00
<b>Sub-total</b>		<b>\$315,000.00</b>



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Artificial Lift Intangible</b>		
8060.3500	IAL - WELLSITE SUPERVISION	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$20,000.00
8060.3700	IAL - HEALTH & SAFETY	\$5,000.00
8060.1200	IAL - WORKOVER RIG	\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$20,000.00
	<b>Sub-total</b>	<b>\$130,000.00</b>
<b>Pipeline</b>		
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$20,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$2,500.00
8036.2200	PLN - CONTRACT LABOR	\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$66,528.00
	<b>Sub-total</b>	<b>\$227,127.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Drilling Tangible</b>		
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$177,697.81
8020.1100	TDC - CASING - SURFACE	\$33,834.25
8020.1400	TDC - CASING - PRODUCTION	\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
	<b>Sub-total</b>	<b>\$930,081.47</b>
<b>Flowback Intangible</b>		
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$25,000.00
	<b>Sub-total</b>	<b>\$475,000.00</b>
	<b>Grand Total</b>	<b>\$9,405,555.04</b>



## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 - 4 STATE COM 123H
<b>AFE Name:</b>	LAJITAS 5 - 4 STATE COM 123H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.5000	IDC - WELL CONTROL INSURANCE	\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8015.5200	IDC - CONTINGENCY	\$124,812.11
8015.2400	IDC - RIG WATER	\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.2350	IDC - FUEL/MUD	\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.2300	IDC - FUEL / POWER	\$97,750.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$66,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$160,000.00
8015.4200	IDC - MANCAMP	\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.2150	IDC - DRILL BIT	\$53,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$45,000.00
8015.3700	IDC - DISPOSAL	\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$224,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
	<b>Sub-total</b>	<b>\$2,091,930.57</b>
<b>Facilities</b>		
8035.1310	FAC - PEMANENT EASEMENT	\$3,333.00
8035.2100	FAC - INSPECTION & TESTING	\$833.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$13,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$833.00
8035.3700	FAC - AUTOMATION MATERIAL	\$41,667.00

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## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2500	FAC - CONSULTING SERVICES	\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$500.00
8035.3400	FAC - METER & LACT	\$34,467.00
8035.2400	FAC - SUPERVISION	\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$108,333.00
8035.2900	FAC - TANK BATTERY	\$96,667.00
8035.3500	FAC - COMPRESSOR	\$5,333.00
8035.3600	FAC - ELECTRICAL	\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$29,167.00
8035.4500	FAC - CONTINGENCY	\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$833.00
<b>Sub-total</b>		<b>\$671,467.00</b>
<b>Completion Intangible</b>		
8025.2000	ICC - TRUCKING	\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,405,186.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$172,358.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1600	ICC - COILED TUBING	\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,160.00
8025.3050	ICC - SOURCE WATER	\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
<b>Sub-total</b>		<b>\$4,517,699.00</b>
<b>Artificial Lift Tangible</b>		
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$40,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$95,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL	\$30,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS	\$5,000.00
8065.1100	TAL - TUBING	\$105,000.00
<b>Sub-total</b>		<b>\$315,000.00</b>



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Artificial Lift Intangible</b>		
8060.3500	IAL - WELLSITE SUPERVISION	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$20,000.00
8060.3700	IAL - HEALTH & SAFETY	\$5,000.00
8060.1200	IAL - WORKOVER RIG	\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$20,000.00
	<b>Sub-total</b>	<b>\$130,000.00</b>
<b>Pipeline</b>		
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$20,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$2,500.00
8036.2200	PLN - CONTRACT LABOR	\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$66,528.00
	<b>Sub-total</b>	<b>\$227,127.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Drilling Tangible</b>		
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$177,697.81
8020.1100	TDC - CASING - SURFACE	\$33,834.25
8020.1400	TDC - CASING - PRODUCTION	\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
	<b>Sub-total</b>	<b>\$930,081.47</b>
<b>Flowback Intangible</b>		
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$25,000.00
	<b>Sub-total</b>	<b>\$475,000.00</b>
	<b>Grand Total</b>	<b>\$9,405,555.04</b>





## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 - 4 STATE COM 124H
<b>AFE Name:</b>	LAJITAS 5 - 4 STATE COM 124H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.5000	IDC - WELL CONTROL INSURANCE	\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8015.5200	IDC - CONTINGENCY	\$124,812.11
8015.2400	IDC - RIG WATER	\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.2350	IDC - FUEL/MUD	\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.2300	IDC - FUEL / POWER	\$97,750.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$66,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$160,000.00
8015.4200	IDC - MANCAMP	\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.2150	IDC - DRILL BIT	\$53,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$45,000.00
8015.3700	IDC - DISPOSAL	\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$224,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
	<b>Sub-total</b>	<b>\$2,091,930.57</b>
<b>Facilities</b>		
8035.1310	FAC - PEMANENT EASEMENT	\$3,333.00
8035.2100	FAC - INSPECTION & TESTING	\$833.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$13,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$833.00
8035.3700	FAC - AUTOMATION MATERIAL	\$41,667.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
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## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2500	FAC - CONSULTING SERVICES	\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$500.00
8035.3400	FAC - METER & LACT	\$34,467.00
8035.2400	FAC - SUPERVISION	\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$108,333.00
8035.2900	FAC - TANK BATTERY	\$96,667.00
8035.3500	FAC - COMPRESSOR	\$5,333.00
8035.3600	FAC - ELECTRICAL	\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$29,167.00
8035.4500	FAC - CONTINGENCY	\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$833.00
	<b>Sub-total</b>	<b>\$671,467.00</b>
<b>Completion Intangible</b>		
8025.2000	ICC - TRUCKING	\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,405,186.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$172,358.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1600	ICC - COILED TUBING	\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,160.00
8025.3050	ICC - SOURCE WATER	\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
	<b>Sub-total</b>	<b>\$4,517,699.00</b>
<b>Artificial Lift Tangible</b>		
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT	\$40,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$95,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL	\$30,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS	\$5,000.00
8065.1100	TAL - TUBING	\$105,000.00
	<b>Sub-total</b>	<b>\$315,000.00</b>



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Artificial Lift Intangible</b>		
8060.3500	IAL - WELLSITE SUPERVISION	\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$20,000.00
8060.3700	IAL - HEALTH & SAFETY	\$5,000.00
8060.1200	IAL - WORKOVER RIG	\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$20,000.00
	<b>Sub-total</b>	<b>\$130,000.00</b>
<b>Pipeline</b>		
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$20,000.00
8036.1310	PLN - PERMANENT EASEMENT	\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$2,500.00
8036.2200	PLN - CONTRACT LABOR	\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$66,528.00
	<b>Sub-total</b>	<b>\$227,127.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	<b>Sub-total</b>	<b>\$47,250.00</b>
<b>Drilling Tangible</b>		
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$177,697.81
8020.1100	TDC - CASING - SURFACE	\$33,834.25
8020.1400	TDC - CASING - PRODUCTION	\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
	<b>Sub-total</b>	<b>\$930,081.47</b>
<b>Flowback Intangible</b>		
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$25,000.00
	<b>Sub-total</b>	<b>\$475,000.00</b>
	<b>Grand Total</b>	<b>\$9,405,555.04</b>



## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 -4 STATE COM 131H
<b>AFE Name:</b>	LAJITAS 5 -4 STATE COM 131H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.3700	IDC - DISPOSAL	\$145,411.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$31,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$115,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$73,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$123,746.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$82,556.25
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,550.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$176,811.69
8015.2300	IDC - FUEL / POWER	\$196,350.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$809,943.75
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2150	IDC - DRILL BIT	\$66,750.00
8015.2400	IDC - RIG WATER	\$26,250.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,500.00
8015.4200	IDC - MANCAMP	\$54,600.00
8015.2350	IDC - FUEL/MUD	\$66,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$121,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$345,843.75
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$23,100.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.5200	IDC - CONTINGENCY	\$141,058.68
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
	<b>Sub-total</b>	<b>\$3,275,696.12</b>
<b>Facilities</b>		
8035.2500	FAC - CONSULTING SERVICES	\$1,667.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.4400	FAC - COMPANY LABOR	\$3,333.00
8035.1800	FAC - FUEL / POWER	\$2,667.00
8035.4500	FAC - CONTINGENCY	\$11,450.00

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## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2400	FAC - SUPERVISION	\$20,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$110,000.00
8035.3700	FAC - AUTOMATION MATERIAL	\$23,333.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$667.00
8035.3500	FAC - COMPRESSOR	\$10,000.00
8035.3400	FAC - METER & LACT	\$37,000.00
8035.3600	FAC - ELECTRICAL	\$25,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$10,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$1,667.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$50,000.00
8035.2100	FAC - INSPECTION & TESTING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$23,333.00
<b>Sub-total</b>		<b>\$393,117.00</b>
<b>Completion Intangible</b>		
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,065.00
8025.3050	ICC - SOURCE WATER	\$266,933.00
8025.1500	ICC - FUEL / POWER	\$441,443.00
8025.3400	ICC - RENTAL EQUIPMENT	\$164,232.00
8025.1600	ICC - COILED TUBING	\$207,532.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$317,380.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,621,954.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$117,765.00
<b>Sub-total</b>		<b>\$3,361,779.00</b>
<b>Artificial Lift Intangible</b>		
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$10,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$17,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$15,000.00



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
		<b>Sub-total</b>
		<b>\$80,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$544,058.58
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
		<b>Sub-total</b>
		<b>\$759,058.58</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$130,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$70,000.00
		<b>Sub-total</b>
		<b>\$470,000.00</b>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$504,604.05
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$429,641.69
8020.1100	TDC - CASING - SURFACE	\$77,295.28
		<b>Sub-total</b>
		<b>\$1,064,666.02</b>
<b>Pipeline</b>		
8036.1310	PLN - PERMANENT EASEMENT	\$22,727.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$25,000.00
8036.2200	PLN - CONTRACT LABOR	\$87,500.00
8036.2800	PLN - FLOWLINE MATERIAL	\$80,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$25,000.00
		<b>Sub-total</b>
		<b>\$255,227.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
		<b>Sub-total</b>
		<b>\$47,250.00</b>
		<b>Grand Total</b>
		<b>\$9,706,793.73</b>





## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 -4 STATE COM 132H
<b>AFE Name:</b>	LAJITAS 5 -4 STATE COM 132H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.3700	IDC - DISPOSAL	\$145,411.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$31,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$115,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$73,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$123,746.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$82,556.25
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,550.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$176,811.69
8015.2300	IDC - FUEL / POWER	\$196,350.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$809,943.75
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2150	IDC - DRILL BIT	\$66,750.00
8015.2400	IDC - RIG WATER	\$26,250.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,500.00
8015.4200	IDC - MANCAMP	\$54,600.00
8015.2350	IDC - FUEL/MUD	\$66,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$121,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$345,843.75
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$23,100.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.5200	IDC - CONTINGENCY	\$141,058.68
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
	<b>Sub-total</b>	<b>\$3,275,696.12</b>
<b>Facilities</b>		
8035.2500	FAC - CONSULTING SERVICES	\$1,667.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.4400	FAC - COMPANY LABOR	\$3,333.00
8035.1800	FAC - FUEL / POWER	\$2,667.00
8035.4500	FAC - CONTINGENCY	\$11,450.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701  
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## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2400	FAC - SUPERVISION	\$20,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$110,000.00
8035.3700	FAC - AUTOMATION MATERIAL	\$23,333.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$667.00
8035.3500	FAC - COMPRESSOR	\$10,000.00
8035.3400	FAC - METER & LACT	\$37,000.00
8035.3600	FAC - ELECTRICAL	\$25,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$10,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$1,667.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$50,000.00
8035.2100	FAC - INSPECTION & TESTING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$23,333.00
<b>Sub-total</b>		<b>\$393,117.00</b>
<b>Completion Intangible</b>		
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,065.00
8025.3050	ICC - SOURCE WATER	\$266,933.00
8025.1500	ICC - FUEL / POWER	\$441,443.00
8025.3400	ICC - RENTAL EQUIPMENT	\$164,232.00
8025.1600	ICC - COILED TUBING	\$207,532.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$317,380.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,621,954.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$117,765.00
<b>Sub-total</b>		<b>\$3,361,779.00</b>
<b>Artificial Lift Intangible</b>		
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$10,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$17,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$15,000.00



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
		<b>Sub-total</b>
		<b>\$80,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$544,058.58
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
		<b>Sub-total</b>
		<b>\$759,058.58</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$130,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$70,000.00
		<b>Sub-total</b>
		<b>\$470,000.00</b>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$504,604.05
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$429,641.69
8020.1100	TDC - CASING - SURFACE	\$77,295.28
		<b>Sub-total</b>
		<b>\$1,064,666.02</b>
<b>Pipeline</b>		
8036.1310	PLN - PERMANENT EASEMENT	\$22,727.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$25,000.00
8036.2200	PLN - CONTRACT LABOR	\$87,500.00
8036.2800	PLN - FLOWLINE MATERIAL	\$80,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$25,000.00
		<b>Sub-total</b>
		<b>\$255,227.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
		<b>Sub-total</b>
		<b>\$47,250.00</b>
		<b>Grand Total</b>
		<b>\$9,706,793.73</b>



## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 -4 STATE COM 133H
<b>AFE Name:</b>	LAJITAS 5 -4 STATE COM 133H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.3700	IDC - DISPOSAL	\$145,411.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$31,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$115,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$73,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$123,746.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$82,556.25
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,550.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$176,811.69
8015.2300	IDC - FUEL / POWER	\$196,350.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$809,943.75
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2150	IDC - DRILL BIT	\$66,750.00
8015.2400	IDC - RIG WATER	\$26,250.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,500.00
8015.4200	IDC - MANCAMP	\$54,600.00
8015.2350	IDC - FUEL/MUD	\$66,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$121,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$345,843.75
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$23,100.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.5200	IDC - CONTINGENCY	\$141,058.68
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
	<b>Sub-total</b>	<b>\$3,275,696.12</b>
<b>Facilities</b>		
8035.2500	FAC - CONSULTING SERVICES	\$1,667.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.4400	FAC - COMPANY LABOR	\$3,333.00
8035.1800	FAC - FUEL / POWER	\$2,667.00
8035.4500	FAC - CONTINGENCY	\$11,450.00

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## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2400	FAC - SUPERVISION	\$20,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$110,000.00
8035.3700	FAC - AUTOMATION MATERIAL	\$23,333.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$667.00
8035.3500	FAC - COMPRESSOR	\$10,000.00
8035.3400	FAC - METER & LACT	\$37,000.00
8035.3600	FAC - ELECTRICAL	\$25,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$10,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$1,667.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$50,000.00
8035.2100	FAC - INSPECTION & TESTING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$23,333.00
<b>Sub-total</b>		<b>\$393,117.00</b>
<b>Completion Intangible</b>		
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,065.00
8025.3050	ICC - SOURCE WATER	\$266,933.00
8025.1500	ICC - FUEL / POWER	\$441,443.00
8025.3400	ICC - RENTAL EQUIPMENT	\$164,232.00
8025.1600	ICC - COILED TUBING	\$207,532.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$317,380.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,621,954.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$117,765.00
<b>Sub-total</b>		<b>\$3,361,779.00</b>
<b>Artificial Lift Intangible</b>		
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$10,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$17,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$15,000.00



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
		<b>Sub-total</b>
		<b>\$80,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$544,058.58
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
		<b>Sub-total</b>
		<b>\$759,058.58</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$130,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$70,000.00
		<b>Sub-total</b>
		<b>\$470,000.00</b>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$504,604.05
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$429,641.69
8020.1100	TDC - CASING - SURFACE	\$77,295.28
		<b>Sub-total</b>
		<b>\$1,064,666.02</b>
<b>Pipeline</b>		
8036.1310	PLN - PERMANENT EASEMENT	\$22,727.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$25,000.00
8036.2200	PLN - CONTRACT LABOR	\$87,500.00
8036.2800	PLN - FLOWLINE MATERIAL	\$80,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$25,000.00
		<b>Sub-total</b>
		<b>\$255,227.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
		<b>Sub-total</b>
		<b>\$47,250.00</b>
		<b>Grand Total</b>
		<b>\$9,706,793.73</b>





## Cost Estimate

Printed Date: Sep 6, 2024

<b>AFE Number:</b>		<b>Description:</b>	LAJITAS 5 -4 STATE COM 134H
<b>AFE Name:</b>	LAJITAS 5 -4 STATE COM 134H	<b>AFE TYPE:</b>	Drill and Complete
<b>Well Operator:</b>	PERMIAN RESOURCES		
<b>Operator AFE #:</b>			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
<b>Drilling Intangible</b>		
8015.3700	IDC - DISPOSAL	\$145,411.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$31,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$115,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$27,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$73,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$123,746.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$82,556.25
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,550.00
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8015.2300	IDC - FUEL / POWER	\$196,350.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$95,625.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$809,943.75
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2150	IDC - DRILL BIT	\$66,750.00
8015.2400	IDC - RIG WATER	\$26,250.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$42,500.00
8015.1500	IDC - RIG MOB / TRUCKING	\$127,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,500.00
8015.4200	IDC - MANCAMP	\$54,600.00
8015.2350	IDC - FUEL/MUD	\$66,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$121,800.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$345,843.75
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$23,100.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$37,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$36,300.00
8015.5200	IDC - CONTINGENCY	\$141,058.68
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
	<b>Sub-total</b>	<b>\$3,275,696.12</b>
<b>Facilities</b>		
8035.2500	FAC - CONSULTING SERVICES	\$1,667.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.4400	FAC - COMPANY LABOR	\$3,333.00
8035.1800	FAC - FUEL / POWER	\$2,667.00
8035.4500	FAC - CONTINGENCY	\$11,450.00

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## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2400	FAC - SUPERVISION	\$20,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$110,000.00
8035.3700	FAC - AUTOMATION MATERIAL	\$23,333.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$667.00
8035.3500	FAC - COMPRESSOR	\$10,000.00
8035.3400	FAC - METER & LACT	\$37,000.00
8035.3600	FAC - ELECTRICAL	\$25,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$10,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$1,667.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$50,000.00
8035.2100	FAC - INSPECTION & TESTING	\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT	\$23,333.00
<b>Sub-total</b>		<b>\$393,117.00</b>
<b>Completion Intangible</b>		
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$16,065.00
8025.3050	ICC - SOURCE WATER	\$266,933.00
8025.1500	ICC - FUEL / POWER	\$441,443.00
8025.3400	ICC - RENTAL EQUIPMENT	\$164,232.00
8025.1600	ICC - COILED TUBING	\$207,532.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$317,380.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,621,954.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3000	ICC - WATER HANDLING	\$117,765.00
<b>Sub-total</b>		<b>\$3,361,779.00</b>
<b>Artificial Lift Intangible</b>		
8060.2000	IAL - TRUCKING/VACUUM/TRANSP	\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE	\$10,000.00
8060.1900	IAL - INSPECTION & TESTING	\$3,000.00
8060.1200	IAL - WORKOVER RIG	\$17,000.00
8060.2300	IAL - COMPLETION FLUIDS	\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT	\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL	\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION	\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE	\$5,000.00
8060.2010	IAL - KILL TRUCK	\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT	\$15,000.00



## Cost Estimate

Printed Date: Sep 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
		<b>Sub-total</b>
		<b>\$80,000.00</b>
<b>Flowback Intangible</b>		
8040.1899	IFC - FRAC WATER RECOVERY	\$544,058.58
8040.4000	IFC - CHEMICALS	\$15,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$5,000.00
8040.3430	IFC - SURFACE PUMP RENTAL	\$20,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$125,000.00
8040.3420	IFC - TANK RENTALS	\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$10,000.00
		<b>Sub-total</b>
		<b>\$759,058.58</b>
<b>Artificial Lift Tangible</b>		
8065.2000	TAL - WELLHEAD EQUIPMENT	\$60,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS	\$15,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL	\$30,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT	\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL	\$130,000.00
8065.1100	TAL - TUBING	\$125,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA	\$10,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP	\$70,000.00
		<b>Sub-total</b>
		<b>\$470,000.00</b>
<b>Drilling Tangible</b>		
8020.1400	TDC - CASING - PRODUCTION	\$504,604.05
8020.1500	TDC - WELLHEAD EQUIPMENT	\$53,125.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$429,641.69
8020.1100	TDC - CASING - SURFACE	\$77,295.28
		<b>Sub-total</b>
		<b>\$1,064,666.02</b>
<b>Pipeline</b>		
8036.1310	PLN - PERMANENT EASEMENT	\$22,727.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$25,000.00
8036.2200	PLN - CONTRACT LABOR	\$87,500.00
8036.2800	PLN - FLOWLINE MATERIAL	\$80,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$25,000.00
		<b>Sub-total</b>
		<b>\$255,227.00</b>
<b>Completion Tangible</b>		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
		<b>Sub-total</b>
		<b>\$47,250.00</b>
		<b>Grand Total</b>
		<b>\$9,706,793.73</b>

## Exhibit 6 Rebutting Permian Resources' Support Letters

LII > Electronic Code of Federal Regulations (e-CFR) > Title 43—Public Lands: Interior  
> Subtitle B—Regulations Relating to Public Lands  
> CHAPTER II—BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR  
> SUBCHAPTER C—MINERALS MANAGEMENT (3000)  
> PART 3170—ONSHORE OIL AND GAS PRODUCTION  
> Subpart 3171—Approval of Operations > **§ 3171.12 APD posting and processing.**

### 43 CFR § 3171.12 - APD posting and processing.

CFR      Table of Popular Names

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#### **§ 3171.12 APD posting and processing.**

**(a) Posting.** The BLM and the Federal surface managing agency, if other than the BLM, must provide at least 30 days public notice before the BLM may approve an APD or Master Development Plan on a Federal oil and gas lease. Posting is not required for an APD for an Indian oil and gas lease or agreement.

**(1)** The BLM will post information about the APD or Notice of Staking for Federal oil and gas leases to the internet and in an area of the BLM Field Office having jurisdiction that is readily accessible to the public. Posting to the internet under this provision will not be required until after March 13, 2017. If the surface is managed by a Federal agency other than the BLM, that agency also is required to post the notice for at least 30 days. This would include the BIA where the surface is held in trust but the mineral estate is federally owned. The posting is for informational purposes only and is not an appealable decision. The purpose of the posting is to give any interested party notification that a Federal approval of mineral operations has been requested. The BLM or the FS will not post confidential information.

(2) Reposting of the proposal may be necessary if the posted location of the proposed well is:

- (i) Moved to a different quarter-quarter section;
- (ii) Moved more than 660 feet for lands that are not covered by a Public Land Survey; or
- (iii) If the BLM or the FS determine that the move is substantial.

**(b) Processing.** The timeframes established in this paragraph apply to both individual APDs and to the multiple APDs included in Master Development Plans and to leases of Indian minerals as well as leases of Federal minerals. If there is enough information to begin processing the application, the BLM (and the FS if applicable) will process it up to the point that missing information or uncorrected deficiencies render further processing impractical or impossible.

(1) Within 10 days of receiving an application, the BLM (in consultation with the FS if the application concerns NFS lands) will notify the operator as to whether or not the application is complete. The BLM will request additional information and correction of any material submitted, if necessary, in the 10-day notification. If an onsite inspection has not been performed, the applicant will be notified that the application is not complete. Within 10 days of receiving the application, the BLM, in coordination with the operator and surface managing agency, including the private surface owner in the case of split estate minerals, will schedule a date for the onsite inspection (unless the onsite inspection has already been conducted as part of a Notice of Staking). The onsite inspection will be held as soon as practicable based on participants' schedules and weather conditions. The operator will be notified at the onsite inspection of any additional deficiencies that are discovered during the inspection. The operator has 45 days after receiving notice from the BLM to provide any additional information necessary to complete the APD, or the APD may be returned to the operator.

(2) Within 30 days after the operator has submitted a complete application, including incorporating any changes that resulted from the onsite inspection, the BLM will:

- (i) Approve the application, subject to reasonable Conditions of Approval, if the appropriate requirements of the NEPA, National Historic Preservation Act, Endangered Species Act, and other applicable law have been met and, if on NFS

lands, the FS has approved the Surface Use Plan of Operations;

(ii) Notify the operator that it is deferring action on the permit; or

(iii) Deny the permit if it cannot be approved and the BLM cannot identify any actions that the operator could take that would enable the BLM to issue the permit or the FS to approve the Surface Use Plan of Operations, if applicable.

(3) The notice of deferral in paragraph (b)(2)(ii) of this section must specify:

(i) Any action the operator could take that would enable the BLM (in consultation with the FS if applicable) to issue a final decision on the application. The FS will notify the applicant of any action the applicant could take that would enable the FS to issue a final decision on the Surface Use Plan of Operations on NFS lands. Actions may include, but are not limited to, assistance with:

(A) Data gathering; and

(B) Preparing analyses and documents.

(ii) If applicable, a list of actions that the BLM or the FS need to take before making a final decision on the application, including appropriate analysis under NEPA or other applicable law and a schedule for completing these actions.

(4) The operator has 2 years from the date of the notice under paragraph (b)(3)(i) of this section to take the action specified in the notice. If the appropriate analyses required by NEPA, National Historic Preservation Act, Endangered Species Act, and other applicable laws have been completed, the BLM (and the FS if applicable), will make a decision on the permit and the Surface Use Plan of Operations within 10 days of receiving a report from the operator addressing all of the issues or actions specified in the notice under paragraph (b)(3)(i) of this section and certifying that all required actions have been taken. If the operator has not completed the actions specified in the notice within 2 years from the operator's receipt of the notice under paragraph (b)(3)(i), the BLM will deny the permit.

(5) For APDs on NFS lands, the decision to approve a Surface Use Plan of Operations or Master Development Plan may be subject to FS appeal procedures. The BLM cannot approve an APD until the appeal of the Surface Use Plan of Operations is resolved.





## CFR Toolbox

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**Department of Agriculture  
Forest Service  
36 CFR Part 228**

**Department of the Interior  
Bureau of Land Management  
43 CFR 3160**

Federal Register / Vol. 72, No. 44

Wednesday March 7, 2007 / Rules and Regulations

Effective Date: April 6, 2007

**Onshore Oil and Gas Order No. 1 – Approval of Operations on Onshore Federal and Indian Oil and Gas Leases**

- I. Introduction
  - A. Authority
  - B. Purpose
  - C. Scope
- II. Definitions
- III. Application for Permit to Drill (APD)
  - A. Where to File
  - B. Early Notification
  - C. Notice of Staking Option
  - D. Components of a Complete APD Package
  - E. APD Posting and Processing
  - F. Approval of APDs
  - G. Valid Period of Approved APD
  - H. Master Development Plans
- IV. General Operating Requirements
- V. Rights-of-Way and Special Use Authorizations
- VI. Operating on Lands with Private/State Surface and Federal or Indian Oil and Gas
- VII. Leases for Indian Oil and Gas
  - A. Approval of Operations
  - B. Surface Use
- VIII. Subsequent Operations and Sundry Notices
  - A. Surface Disturbing Operations
  - B. Emergency Repairs
- IX. Well Conversions
  - A. Conversion to an Injection Well
  - B. Conversion to a Water Supply Well
- X. Variances
- XI. Waivers, Exceptions, or Modifications
- XII. Abandonment
  - A. Plugging
  - B. Reclamation
- XIII. Appeal Procedures



## Onshore Oil and Gas Order Number 1

### *Approval of Operations*

#### **I. Introduction**

##### **A. Authority**

The Secretaries of the Interior and Agriculture have authority under various Federal and Indian mineral leasing laws, as defined in 30 U.S.C. 1702, to manage oil and gas operations. The Secretary of the Interior has delegated this authority to the Bureau of Land Management (BLM), which has issued onshore oil and gas operating regulations codified at part 3160 of Title 43 of the Code of Federal Regulations. The operating regulations at 43 CFR 3164.1 authorize the BLM's Director to issue Onshore Oil and Gas Orders when necessary to implement and supplement the operating regulations. The section also states that all such Orders are binding on the operator(s) of Federal and Indian onshore oil and gas leases (other than those of the Osage Tribe). For leases on Indian lands, the delegation to the BLM appears at 25 CFR parts 211, 212, 213, 225, and 227.

The Secretary of Agriculture has authority under the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (P.L. 100-203) (Reform Act) to regulate surface disturbing activities conducted pursuant to a Federal oil and gas lease on National Forest Service (NFS) lands. This authority has been delegated to the Forest Service (FS). Its regulatory authority is at Title 36 CFR, Chapter II, including, but not limited to, part 228 subpart E, part 251 subpart B, and part 261. Section 228.105 of 36 CFR authorizes the Chief of the FS to issue, or cosign with the Director of the BLM Onshore Oil and Gas Orders necessary to implement and supplement the operating regulations. The FS is responsible only for approving and regulating surface disturbing activities on NFS lands and appeals related to FS decisions or approvals.

##### **B. Purpose**

The purpose of this Order is to state the application requirements for the approval of all proposed oil and gas and service wells, certain subsequent well operations, and abandonment.

##### **C. Scope**

This Order applies to all onshore leases of Federal and Indian oil and gas (other than those of the Osage Tribe). It also applies to Indian Mineral Development Act agreements. For proposed operations on a committed state or fee tract in a federally supervised unit or communitized tract, the operator must furnish a copy of the approved state permit to the authorized officer of the BLM which will be accepted for record purposes.

#### **II. Definitions**

As used in this Order, the following definitions apply:

Best Management Practices (BMPs) are practices that provide for state-of-the-art mitigation of specific impacts that result from surface operations. Best Management Practices are

voluntary unless they have been analyzed as a mitigation measure in the environmental review for a Master Development Plan, APD, Right-of-Way, or other related facility and included as a Condition of Approval.

Blooi Line means a discharge line used in conjunction with a rotating head in drilling operations when air or gas is used as the circulating medium.

Casual Use means activities involving practices that do not ordinarily lead to any appreciable disturbance or damage to lands, resources, or improvements. This term does not apply to private surface. Casual use includes surveying activities.

Complete APD means that the information in the APD package is accurate and addresses all of the requirements of this Order. The onsite inspection verifies important information that is part of the APD package and is a critical step in determining if the package is complete. Therefore, the onsite inspection must be conducted, and any deficiencies identified at the onsite corrected, before the APD package can be considered to be complete. While cultural, biological, or other inventories and environmental assessments (EA) or environmental impact statements (EIS) may be required to approve the APD, they are not required before an APD package is considered to be complete.

**The APD package must contain:**

- A completed Form 3160-3 (Application for Permit to Drill or Reenter) (see 43 CFR 3162.3-1(d));
- A well plat certified by a registered surveyor with a surveyor's original stamp (see Section III.D.2. of this Order);
- A Drilling Plan (see 43 CFR 3162.3-1(d) and Section III.D.3. of this Order);
- A Surface Use Plan of Operations (see 43 CFR 3162.3-1(d) and Section III.D.4. of this Order);
- Evidence of bond coverage (see 43 CFR 3162.3-1(d) and Section III.D.5. of this Order);
- Operator certification with original signature (see Section III.D.6. of this Order); and
- Other information that may be required by Order or Notice (see 43 CFR 3162.3-1(d)(4)).

The BLM and the Surface Managing Agency, as appropriate, will review the APD package and determine that the drilling plan, the Surface Use Plan of Operations, and other information that the BLM may require (43 CFR 3162.3-1(d)(4)), including the well location plat and geospatial databases, completely describe the proposed action.

Condition of Approval (COA) means a site-specific requirement included in an approved APD or Sundry Notice that may limit or amend the specific actions proposed by the operator. Conditions of Approval minimize, mitigate, or prevent impacts to public lands or other resources. Best Management Practices may be incorporated as a Condition of Approval.

Days means all calendar days including holidays.

Emergency Repairs means actions necessary to correct an unforeseen problem that could cause or threaten immediate substantial adverse impact on public health and safety or the environment.

Geospatial Database means a set of georeferenced computer data that contains both spatial and attribute data. The spatial data defines the geometry of the object and the attribute data defines all other characteristics.

Indian Lands means any lands or interest in lands of an Indian tribe or an Indian allottee held in trust by the United States or which is subject to a Federal restriction against alienation.

Indian Oil and Gas means any oil and gas interest of an Indian tribe or on allotted lands where the interest is held in trust by the United States or is subject to Federal restrictions against alienation. It does not include minerals subject to the provisions of Section 3 of the Act of June 28, 1906 (34 Stat. 539), but does include oil and gas on lands administered by the United States under Section 14(g) of P. L. 92-203, as amended.

Master Development Plan means information common to multiple planned wells, including drilling plans, Surface Use Plans of Operations, and plans for future production.

National Forest System Lands means those Federal lands administered by the U.S. Forest Service, such as the National Forests and the National Grasslands.

Onsite Inspection means an inspection of the proposed drill pad, access road, flowline route, and any associated Right-of-Way or Special Use Authorization needed for support facilities, conducted before the approval of the APD or Surface Use Plan of Operations and construction activities.

Private Surface Owner means a non-Federal or non-state owner of the surface estate and includes any Indian owner of surface estate not held in trust by the United States.

Reclamation means returning disturbed land as near to its predisturbed condition as is reasonably practical.

Split Estate means lands where the surface is owned by an entity or person other than the owner of the Federal or Indian oil and gas.

Surface Managing Agency means any Federal or state agency having jurisdiction over the surface overlying Federal or Indian oil and gas.

Variance means an approved alternative to a provision or standard of an Order or Notice to Lessee.

### **III. Application for Permit to Drill (APD)**

An Application for Permit to Drill or Reenter, on Form 3160-3, is required for each proposed well, and for reentry of existing wells (including disposal and service wells), to develop an onshore lease for Federal or Indian oil and gas.

#### **A. Where to file**

The operator must file an APD or other required document in the BLM Field Office having jurisdiction over the lands described in the application. As an alternative to filing in a local BLM office, an operator may file an APD using the BLM's electronic commerce application for oil and gas permitting and reporting. Contact the local BLM Field Office for details before using the electronic commerce application.



**B. Early Notification**

The operator may wish to contact the BLM and any applicable Surface Managing Agency, as well as all private surface owners, to request an initial planning conference as soon as the operator has identified a potential area of development. Early notification is voluntary and would precede the Notice of Staking option or filing of an APD. It allows the involved Surface Managing Agency or private surface owner to apprise the prospective operator of any unusual conditions on the lease area. Early notification also provides both the Surface Managing Agency or private surface owner and the prospective operator with the earliest possible identification of seasonal restrictions and determination of potential areas of conflict. The prospective operator should have a map of the proposed project available for Surface Managing Agency review to determine if a cultural or biological inventory or other information may be required. Inventories are not the responsibility of the operator.

**C. Notice of Staking Option**

Before filing an APD or Master Development Plan, the operator may file a Notice of Staking with the BLM. The purpose of the Notice of Staking is to provide the operator with an opportunity to gather information to better address site-specific resource concerns while preparing the APD package. This may expedite approval of the APD. Attachment I, Sample Format for Notice of Staking, provides the information required for the Notice of Staking option.

For Federal lands managed by other Surface Managing Agencies, the BLM will provide a copy of the Notice of Staking to the appropriate Surface Managing Agency office. In Alaska, when a subsistence stipulation is part of the lease, the operator must also send a copy of the Notice of Staking to the appropriate Borough and/or Native Regional or Village Corporation.

Within 10 days of receiving the Notice of Staking, the BLM or the FS will review it for required information and schedule a date for the onsite inspection. The onsite inspection will be conducted as soon as weather and other conditions permit. The operator must stake the proposed drill pad and ancillary facilities, and flag new or reconstructed access routes, before the onsite inspection. The staking must include a center stake for the proposed well, two reference stakes, and a flagged access road centerline. Staking activities are considered casual use unless the particular activity is likely to cause more than negligible disturbance or damage. Off-road vehicular use for the purposes of staking is casual use unless, in a particular case, it is likely to cause more than negligible disturbance or damage, or otherwise prohibited.

On non-NFS lands, the BLM will invite the Surface Managing Agency and private surface owner, if applicable, to participate in the onsite inspection. If the surface is privately owned, the operator must furnish to the BLM the name, address, and telephone number of the surface owner if known. All parties who attend the onsite inspection will jointly develop a list of resource concerns that the operator must address in the APD. The operator will be provided a list of these concerns either during the onsite inspection or within 7 days of the onsite inspection. Surface owner concerns will be considered to the extent practical within the law. Failure to submit an APD within 60 days of the onsite inspection will result in the Notice of Staking being returned to the operator.

#### **D. Components of a Complete APD Package**

Operators are encouraged to consider and incorporate Best Management Practices into their APDs because Best Management Practices can result in reduced processing times and reduced number of Conditions of Approval. An APD package must include the following information that will be reviewed by technical specialists of the appropriate agencies to determine the technical adequacy of the package:

1. A completed Form 3160-3; and
2. Well Plat.

Operators must include in the APD package a well plat and geospatial database prepared by a registered surveyor depicting the proposed location of the well and identifying the points of control and datum used to establish the section lines or metes and bounds. The purpose of this plat is to ensure that operations are within the boundaries of the lease or agreement and that the depiction of these operations is accurately recorded both as to location (latitude and longitude) and in relation to the surrounding lease or agreement boundaries (public land survey corner and boundary ties). The registered surveyor should coordinate with the cadastral survey division of the appropriate BLM State Office, particularly where the lands have not been surveyed under the Public Land Survey System.

The plat and geospatial database must describe the location of operations in:

- Geographical coordinates referenced to the National Spatial Reference System, North American Datum 1983 or latest edition; and
- In feet and direction from the nearest two adjacent section lines, or, if not within the Rectangular Survey System, the nearest two adjacent property lines, generated from the BLM's current Geographic Coordinate Data Base.

The surveyor who prepared the plat must sign it, certifying that the location has been staked on the ground as shown on the plat.

- a. Surveying and staking are necessary casual uses, typically involving negligible surface disturbance. The operator is responsible for making access arrangements with the appropriate Surface Managing Agency (other than the BLM and the FS) or private surface owner. On tribal or allotted lands, the operator must contact the appropriate office of the BIA to make access arrangements with the Indian surface owners. In the event that not all of the Indian owners consent or may be located, but a majority of those who can be located consent, or the owners of interests are so numerous that it would be impracticable to obtain their consent and the BIA finds that the issuance of the APD will cause no substantive injury to the land or any owner thereof, the BIA may approve access. Typical off-road vehicular use, when conducted in conjunction with these activities, is a necessary action for obtaining a permit and may be done without advance approval from the Surface Managing Agency, except for:
  - Lands administered by the Department of Defense;
  - Other lands used for military purposes;
  - Indian lands; or

- Where more than negligible surface disturbance is likely to occur or is otherwise prohibited.
- b. No entry on split estate lands for surveying and staking should occur without the operator first making a good faith effort to notify the surface owner. Also, operators are encouraged to notify the BLM or the FS, as appropriate, before entering private lands to stake for Federal mineral estate locations.

### 3. Drilling Plan

With each copy of Form 3160-3, the operator must submit to the BLM either a Drilling Plan or reference a previously submitted field-wide drilling plan (a drilling plan that can be used for all the wells in a field, any differences for specific wells will be described in the APD specific to that well). The Drilling Plans must be in sufficient detail to permit a complete appraisal of the technical adequacy of, and environmental effects associated with, the proposed project. The Drilling Plan must adhere to the provisions and standards of Onshore Oil and Gas Order Number 2 (see 53 FR 46790) (Order 2) and, if applicable, Onshore Oil and Gas Order Number 6 (see 55 FR 48958) (Order 6), and must include the following information:

- a. Names and estimated tops of all geologic groups, formations, members, or zones.
- b. Estimated depth and thickness of formations, members, or zones potentially containing usable water, oil, gas, or prospectively valuable deposits of other minerals that the operator expects to encounter, and the operator's plans for protecting such resources.
- c. The operator's minimum specifications for blowout prevention equipment and diverter systems to be used, including size, pressure rating, configuration, and the testing procedure and frequency. Blowout prevention equipment must meet the minimum standards outlined in Order 2.
- d. The operator's proposed casing program, including size, grade, weight, type of thread and coupling, the setting depth of each string, and its condition. The operator must include the minimum design criteria, including casing loading assumptions and corresponding safety factors for burst, collapse, and tensions (body yield and joint strength). The operator must also include the lengths and setting depth of each casing when a tapered casing string is proposed. The hole size for each well bore section of hole drilled must be included. Special casing designs such as the use of coiled tubing or expandable casing may necessitate additional information.
- e. The estimated amount and type(s) of cement expected to be used in the setting of each casing string. If stage cementing will be used, provide the setting depth of the stage tool(s) and amount and type of cement, including additives, to be used for each stage. Provide the yield of each cement slurry and the expected top of cement, with excess, for each cemented string or stage.
- f. Type and characteristics of the proposed circulating medium or mediums proposed for the drilling of each well bore section, the quantities and types of mud and weighting material to be maintained, and the monitoring equipment to be

used on the circulating system. The operator must submit the following information when air or gas drilling is proposed:

- Length, size, and location of the blowout line, including the gas ignition and dust suppression systems;
  - Location and capacity of the compressor equipment, including safety devices, describe the distance from the well bore, and location within the drill site; and
  - Anticipated amounts, types, and other characteristics as defined in this section, of the stand by mud or kill fluid and associated circulating equipment.
- g. The testing, logging, and coring procedures proposed, including drill stem testing procedures, equipment, and safety measures.
- h. The expected bottom-hole pressure and any anticipated abnormal pressures, temperatures, or potential hazards that the operator expects to encounter, such as lost circulation and hydrogen sulfide (see Order 6 for information on hydrogen sulfide operations). A description of the operator's plans for mitigating such hazards must be included.
- i. Any other facets of the proposed operation that the operator would like the BLM to consider in reviewing the application. Examples include, but are not limited to:
- For directional wells, proposed directional design, plan view, and vertical section in true vertical and measured depths;
  - Horizontal drilling; and
  - Coil tubing operations.

#### 4. Surface Use Plan of Operations

The Surface Use Plan of Operations must:

- Describe the access road(s) and drill pad, the construction methods that the operator plans to use, and the proposed means for containment and disposal of all waste materials;
- Provide for safe operations, adequate protection of surface resources, groundwater, and other environmental components;
- Include adequate measures for stabilization and reclamation of disturbed lands;
- Describe any Best Management Practices the operator plans to use; and
- Where the surface is privately owned, include a certification of Surface Access Agreement or an adequate bond, as described in Section VI. of this Order.

All maps that are included in the Surface Use Plan of Operations must be of a scale no smaller than 1:24,000, unless otherwise stated below. Geospatial vector and raster data must include appropriate attributes and metadata. Georeferenced raster images must be from the same source as hardcopy plats and maps submitted in the APD package. All proposed on-lease surface disturbance must be surveyed and staked as described below in items a through l, including:

- The well location;
- Two 200-foot (61-meter) directional reference stakes;
- The exterior pad dimensions;

- The reserve pit;
- Cuts and fills;
- Outer limits of the area to be disturbed (catch points); and
- Any off-location facilities.

Proposed new roads require centerline flagging with stakes clearly visible from one to the next. In rugged terrain, cut and fill staking and/or slopestaking of proposed new access roads and locations for ancillary facilities that may be necessary, as determined by the BLM or the FS.

The onsite inspection will not occur until the required surveying and staking is complete, and any new access road(s) have been flagged, unless a variance is first granted under Section X. of this Order.

Information required by the Surface Use Plan of Operations may be shown on the same map if it is appropriately labeled or on separate diagrams or maps and must include the following:

- a. *Existing Roads:* The operator must submit a legible map such as a highway or county road, United States Geological Survey (USGS) topographic, Alaska Borough, or other such map that shows the proposed well site and access route to the proposed well in relation to a town, village, or other locatable public access point.
  1. The operator must improve or maintain existing roads in a condition the same as or better than before operations began. The operator must provide any plans for improvement and/or maintenance of existing roads. The information provided by the operator for construction and use of roads will be used by the BLM for any Right-of-Way application, as described in Section V. of this Order. The operator may use existing terrain and two-track trails, where appropriate, to assure environmental protection. The operator should consider using Best Management Practices in improving or maintaining existing roads.
  2. The operator may use existing roads under the jurisdiction of the FS for access if they meet the transportation objectives of the FS. When access involves the use of existing roads, the FS may require that the operator contribute to road maintenance. This is usually authorized by a Road Use Permit or a joint road use agreement. The FS will charge the operator a pro rata share of the costs of road maintenance and improvement, based upon the anticipated use of the road.
- b. *New or Reconstructed Access Roads:* The operator must identify on a map all permanent and temporary access roads that it plans to construct or reconstruct in connection with the drilling of the proposed well. Locations of all existing and proposed road structures (culverts, bridges, low water crossings, etc.) must be shown. The proposed route to the proposed drill site must be shown, including distances from the point where the access route exits established roads. All permanent and temporary access roads must be located and designed to meet the applicable standards of the appropriate Surface Managing Agency, and be consistent with the needs of the operator. The operator should consider using Best Management Practices in designing and constructing roads.

The operator must design roads based upon the class or type of road, the safety requirements, traffic characteristics, environmental conditions, and the vehicles the road is expected to carry. The operator must describe for all road construction or reconstruction:

- Road width;
  - Maximum grade;
  - Crown design;
  - Turnouts;
  - Drainage and ditch design;
  - On-site and off-site erosion control;
  - Revegetation of disturbed areas;
  - Location and size of culverts and/or bridges;
  - Fence cuts and/or cattleguards;
  - Major cuts and fills;
  - Source and storage of topsoil; and
  - Type of surfacing materials, if any, that will be used.
- c. *Location of Existing Wells:* The operator must include a map and may include a geospatial database that includes all known wells, regardless of the well status (producing, abandoned, etc.), within a one-mile radius of the proposed location.
- d. *Location of Existing and/or Proposed Production Facilities:* The operator must include a map or diagram of facilities planned either on or off the well pad that shows, to the extent known or anticipated, the location of all production facilities and lines likely to be installed if the well is successfully completed for production.

The map or diagram and optional geospatial database must show and differentiate between proposed and existing flow lines, overhead and buried power lines, and water lines. If facilities will be located on the well pad, the information should be consistent with the layout provided in item i. of this section.

The operator must show the dimensions of the facility layouts for all new construction. This information may be used by the BLM or the FS for Right-of-Way or Special Use Authorization application information, as specified in Section V. of this Order.

If the operator has not developed information regarding production facilities, it may defer submission of that information until a production well is completed, in which case the operator will follow the procedures in Section VIII. of this Order. However, for purposes of NEPA analysis, the BLM or the FS will need a reasonable estimate of the facilities to be employed.

- e. *Location and Types of Water Supply:* Information concerning water supply, such as rivers, creeks, springs, lakes, ponds, and wells, may be shown by quarter-quarter section on a map or plat, or may be described in writing. The operator must identify the source, access route, and transportation method for all water anticipated for use in drilling the proposed well. The operator must describe any newly constructed or reconstructed access roads crossing Federal or Indian lands that are needed to haul the water as provided in item b. of this section. The operator must



indicate if it plans to drill a water supply well on the lease and, if so, the operator must describe the location, construction details, and expected production requirements, including a description of how water will be transported and procedures for well abandonment.

- f. *Construction Materials*: The operator must state the character and intended use of all construction materials, such as sand, gravel, stone, and soil material. The proposed source must be shown on a quarter-quarter section of a map or plat or in a written description.
- g. *Methods for Handling Waste*: The Surface Use Plan of Operations must contain a written description of the methods and locations proposed for safe containment and disposal of each type of waste material (e.g., cuttings, garbage, salts, chemicals, sewage, etc.) that results from drilling the proposed well. The narrative must include plans for the eventual disposal of drilling fluids and any produced oil or water recovered during testing operations. The operator must describe plans for the construction and lining, if necessary, of the reserve pit.
- h. *Ancillary Facilities*: The operator must identify on a map the location and construction methods and materials for all anticipated ancillary facilities such as camps, airstrips, and staging areas. The operator must stake on the ground the approximate center of proposed camps and the centerline of airstrips. If the ancillary facilities are located off-lease, depending on Surface Managing Agency policy, the BLM or the FS may require the operator to obtain an additional authorization, such as a Right-of-Way or Special Use Authorization.
- i. *Well Site Layout*: A diagram of the well site layout must have an arrow indicating the north direction. Diagrams with cuts and fills must be surveyed, designed, drawn, digitized, and certified by licensed professional surveyors or engineers. The operator must submit a plat of a scale of not less than 1 inch = 50 feet showing the location and orientation of:
  - The proposed drill pad;
  - Reserve pit/blooiie line/flare pit location;
  - Access road entry points and their approximate location with respect to topographic features and with cross section diagrams of the drill pad; and
  - The reserve pit showing all cuts and fills and the relation to topography.

The plat must also include the approximate proposed location and orientation of the:

- Drilling rig;
  - Dikes and ditches to be constructed; and
  - Topsoil and/or spoil material stockpiles.
- j. *Plans for Surface Reclamation*: The operator must submit a plan for the surface reclamation or stabilization of all disturbed areas. This plan must address interim (during production) reclamation for the area of the well pad not needed for production, as well as final abandonment of the well location. Such plans must include, as appropriate:
    - Configuration of the reshaped topography;

- Drainage systems;
- Segregation of spoil materials (stockpiles);
- Surface disturbances;
- Backfill requirements;
- Proposals for pit/sump closures;
- Redistribution of topsoil;
- Soil treatments;
- Seeding or other steps to reestablish vegetation;
- Weed control; and
- Practices necessary to reclaim all disturbed areas, including any access roads and pipelines.

The operator may amend this reclamation plan at the time of abandonment. Further details for reclamation are contained in Section XII. of this Order.

- k. *Surface Ownership:* The operator must indicate (in a narrative) the surface ownership at the well location, and of all lands crossed by roads that the operator plans to construct or upgrade, including, if known, the name of the agency or owner, phone number, and address. The operator must certify that they have provided a copy of the Surface Use Plan of Operations required in this section to the private surface owner of the well site location, if applicable, or that they made a good faith effort if unable to provide the document to the surface owner.
- l. *Other Information:* The operator must include other information required by applicable orders and notices (43 CFR 3162.3-1(d)(4)). When an integrated pest management program is needed for weed or insect control, the operator must coordinate plans with state or local management agencies and include the pest management program in the Surface Use Plan of Operations. The BLM also encourages the operator to submit any additional information that may be helpful in processing the application.

## 5. Bonding

- a. Most bonding needs for oil and gas operations on Federal leases are discussed in 43 CFR subpart 3104. The operator must obtain a bond in its own name as principal, or a bond in the name of the lessee or sublessee. If the operator uses the lessee or sublessee's bond, the operator must furnish a rider (consent of surety and principal) that includes the operator under the coverage of the bond. The operator must specify on the APD, Form 3160-3, the type of bond and bond number under which the operations will be conducted.

For Indian oil and gas, the appropriate provisions at 25 CFR Subchapter I, govern bonding.

Under the regulations at 43 CFR 3104.5 and 36 CFR 228.109, the BLM or the FS may require additional bond coverage for specific APDs. Other factors that the BLM or the FS may consider include:

- History of previous violations;
- Location and depth of wells;

- The total number of wells involved;
- The age and production capability of the field; and
- Unique environmental issues.

These bonds may be in addition to any statewide, nationwide, or separate lease bond already applicable to the lease. In determining the bond amount, the BLM may consider impacts of activities on both Federal and non-Federal lands required to develop the lease that impact lands, waters, and other resources off the lease.

Separate bonds may be required for associated Rights-of-Way and/or Special Use Authorizations that authorize activities not covered by the approved APD.

- b. On Federal leases, operators may request a phased release of an individual lease bond. The BLM will grant this reduction after reclamation of some portion of the lease only if the operator:
  - Has satisfied the terms and conditions in the plan for surface reclamation for that particular operation; and
  - No longer has any down-hole liability.
- c. If appropriate, the BLM may reduce the bond in the amount requested by the operator or appropriate Surface Managing Agency. The FS also may reduce bonds it requires (but not the BLM-required bonds). The BLM and the FS will base the amount of the bond reduction on a calculation of the sum that is sufficient to cover the remaining operations (including royalty payments) and abandonment (including reclamation) as authorized by the Surface Use Plan of Operations.

#### 6. Operator Certification

The operator must include its name, address, and telephone number, and the same information for its field representative, in the APD package. The following certification must carry the operator's original signature or meet the BLM standards for electronic commerce:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Name \_\_\_\_\_

Position Title \_\_\_\_\_.

Address \_\_\_\_\_.

Telephone \_\_\_\_\_.

Field representative (if not above signatory) \_\_\_\_\_.

Address (if different from above) \_\_\_\_\_.  
Telephone (if different from above) \_\_\_\_\_.  
Email (optional) \_\_\_\_\_.

Agents not directly employed by the operator must submit a letter from the operator authorizing that agent to act or file this application on their behalf.

7. Onsite Inspection

The onsite inspection must be conducted before the APD will be considered complete.

**E. APD Posting and Processing**

1. Posting

The BLM and the Federal Surface Managing Agency, if other than the BLM, must provide at least 30 days public notice before the BLM may approve an APD or Master Development Plan on a Federal oil and gas lease. Posting is not required for an APD for an Indian oil and gas lease or agreement.

The BLM will post the APD or Notice of Staking in an area of the BLM Field Office having jurisdiction that is readily accessible to the public and, when possible, electronically on the internet. If the surface is managed by a Federal agency other than the BLM, that agency also is required to post the notice for 30 days. This would include the BIA where the surface is held in trust but the mineral estate is federally owned. The posting is for informational purposes only and is not an appealable decision. The purpose of the posting is to give any interested party notification that a Federal approval of mineral operations has been requested. The BLM or the FS will not post confidential information.

Reposting of the proposal may be necessary if the posted location of the proposed well is:

- a. Moved to a different quarter-quarter section;
- b. Moved more than 660 feet for lands that are not covered by a Public Land Survey; or
- c. If the BLM or the FS determine that the move is substantial.

2. Processing

The timeframes established in this subsection apply to both individual APDs and to the multiple APDs included in Master Development Plans and to leases of Indian minerals as well as leases of Federal minerals.

If there is enough information to begin processing the application, the BLM (and the FS if applicable) will process it up to the point that missing information or uncorrected deficiencies render further processing impractical or impossible.

- a. Within 10 days of receiving an application, the BLM (in consultation with the FS if the application concerns NFS lands) will notify the operator as to whether or not the application is complete. The BLM will request additional information and correction of any material submitted, if necessary, in the 10-day notification. If an onsite inspection has not been performed, the applicant will be notified that the application is not complete. Within 10 days of receiving the

application, the BLM, in coordination with the operator and Surface Managing Agency, including the private surface owner in the case of split estate minerals, will schedule a date for the onsite inspection (unless the onsite inspection has already been conducted as part of a Notice of Staking). The onsite inspection will be held as soon as practicable based on participants' schedules and weather conditions. The operator will be notified at the onsite inspection of any additional deficiencies that are discovered during the inspection. The operator has 45 days after receiving notice from the BLM to provide any additional information necessary to complete the APD, or the APD may be returned to the operator.

- b. Within 30 days after the operator has submitted a complete application, including incorporating any changes that resulted from the onsite inspection, the BLM will:
  1. Approve the application, subject to reasonable Conditions of Approval, if the appropriate requirements of the NEPA, National Historic Preservation Act, Endangered Species Act, and other applicable law have been met and, if on NFS lands, the FS has approved the Surface Use Plan of Operations;
  2. Notify the operator that it is deferring action on the permit; or
  3. Deny the permit if it cannot be approved and the BLM cannot identify any actions that the operator could take that would enable the BLM to issue the permit or the FS to approve the Surface Use Plan of Operations, if applicable.
- c. The notice of deferral in paragraph (b)(2) of this section must specify:
  1. Any action the operator could take that would enable the BLM (in consultation with the FS if applicable) to issue a final decision on the application. The FS will notify the applicant of any action the applicant could take that would enable the FS to issue a final decision on the Surface Use Plan of Operations on NFS lands. Actions may include, but are not limited to, assistance with:
    - (A) Data gathering; and
    - (B) Preparing analyses and documents.
  2. If applicable, a list of actions that the BLM or the FS need to take before making a final decision on the application, including appropriate analysis under NEPA or other applicable law and a schedule for completing these actions.
- d. The operator has 2 years from the date of the notice under paragraph (c)(1) of this section to take the action specified in the notice. If the appropriate analyses required by NEPA, National Historic Preservation Act, Endangered Species Act, and other applicable laws have been completed, the BLM (and the FS if applicable), will make a decision on the permit and the Surface Use Plan of Operations within 10 days of receiving a report from the operator addressing all of the issues or actions specified in the notice under paragraph (c)(1) of this section and certifying that all required actions have been taken. If the operator

has not completed the actions specified in the notice within 2 years from the operator's receipt of the paragraph (c)(1) notice, the BLM will deny the permit.

- e. For APDs on NFS lands, the decision to approve a Surface Use Plan of Operations or Master Development Plan may be subject to FS appeal procedures. The BLM cannot approve an APD until the appeal of the Surface Use Plan of Operations is resolved.

#### ***F. Approval of APDs***

- a.1. The BLM has the lead responsibility for completing the environmental review process, except in the case of NFS lands.
- 2. The BLM cannot approve an APD or Master Development Plan until the requirements of certain other laws and regulations including NEPA, the National Historic Preservation Act, and the Endangered Species Act have been met. The BLM must document that the needed reviews have been adequately conducted. In some cases, operators conduct these reviews, but the BLM remains responsible for their scope and content and makes its own evaluation of the environmental issues, as required by 40 CFR 1506.5(b).
- 3. The approved APD will contain Conditions of Approval that reflect necessary mitigation measures. In accordance with 43 CFR 3101.1-2 and 36 CFR 228.107, the BLM or the FS may require reasonable mitigation measures to ensure that the proposed operations minimize adverse impacts to other resources, uses, and users, consistent with granted lease rights. The BLM will incorporate any mitigation requirements, including Best Management Practices, identified through the APD review and appropriate NEPA and related analyses, as Conditions of Approval to the APD.
- 4. The BLM will establish the terms and Conditions of Approval for any associated Right-of-Way when the application is approved.
- b. For NFS lands, the FS will establish the terms and Conditions of Approval for both the Surface Use Plan of Operations and any associated Surface Use Authorization. On NFS lands the FS has principal responsibility for compliance with NEPA, the National Historic Preservation Act, and the Endangered Species Act, but the BLM should be a cooperating or co-lead agency for this purpose and adopt the analysis as the basis for its decision.

After the FS notifies the BLM it has approved a Surface Use Plan of Operations on NFS lands, the BLM must approve the APD before the operator may begin any surface-disturbing activity.

- c. On Indian lands, BIA has responsibility for approving Rights-of-Way.
- d. In the case of Indian lands, the BLM may be a cooperating or co-lead agency for NEPA compliance or may adopt the NEPA analysis prepared by the BIA (516 DM 3).

#### ***G. Valid Period of Approved APD***

- 1. An APD approval is valid for 2 years from the date that it is approved, or until lease expiration, whichever occurs first. If the operator submits a written request before the



expiration of the original approval, the BLM, in coordination with the FS, as appropriate, may extend the APD's validity for up to 2 additional years.

2. The operator is responsible for reclaiming any surface disturbance that resulted from its actions, even if a well was not drilled.

#### ***H. Master Development Plans***

An operator may elect to submit a Master Development Plan addressing two or more APDs that share a common drilling plan, Surface Use Plan of Operations, and plans for future development and production. Submitting a Master Development Plan facilitates early planning, orderly development, and the cumulative effects analysis for all the APDs expected to be drilled by an operator in a developing field. Approval of a Master Development Plan serves as approval of all of the APDs submitted with the Plan. Processing of a Master Development Plan follows the procedures in Section III.E.2. of this Order. After the Master Development Plan is approved, subsequent APDs can reference the Master Development Plan and be approved using the NEPA analysis for the Master Development Plan, absent substantial deviation from the Master Development Plan previously analyzed or significant new information relevant to environmental effects. Therefore, an approved Master Development Plan results in timelier processing of subsequent APDs. Each subsequent proposed well must have a survey plat and an APD (Form 3160-3) that references the Master Development Plan and any specific variations for that well.

#### ***IV. General Operating Requirements***

##### ***Operator Responsibilities***

In the APD package, the operator must describe or show, as set forth in this Order, the procedures, equipment, and materials to be used in the proposed operations. The operator must conduct operations to minimize adverse effects to surface and subsurface resources, prevent unnecessary surface disturbance, and conform with currently available technology and practice. While appropriate compliance with certain statutes, such as NEPA, the National Historic Preservation Act, and the Endangered Species Act, are Federal responsibilities, the operator may choose to conduct inventories and provide documentation to assist the BLM or the Surface Managing Agency to meet these requirements. The inventories and other work may require entering the lease and adjacent lands before approval of the APD. As in Staking and Surveying, the operator should make a good faith effort to contact the Surface Managing Agency or surface owner before entry upon the lands for these purposes.

The operator can not commence either drilling operations or preliminary construction activities before the BLM's approval of the APD. A copy of the approved APD and any Conditions of Approval must be available for review at the drill site. Operators are responsible for their contractor and subcontractor's compliance with the requirements of the approved APD and/or Surface Use Plan of Operations. Drilling without approval or causing surface disturbance without approval is a violation of 43 CFR 3162.3-1(c) and is subject to a monetary assessment under 43 CFR 3163.1(b)(2).

The operator must comply with the provisions of the approved APD and applicable laws, regulations, Orders, and Notices to Lessees, including, but not limited to, those that address the issues described below.

- a. Cultural and Historic Resources. If historic or archaeological materials are uncovered during construction, the operator must immediately stop work that might further disturb such materials, contact the BLM and if appropriate, the FS or other Surface Managing Agency. The BLM or the FS will inform the operator within 7 days after the operator contacted the BLM as to whether the materials appear eligible for listing on the National Register of Historic Places.

If the operator decides to relocate operations to avoid further costs to mitigate the site, the operator remains responsible for recording the location of any historic or archaeological resource that are discovered as a result of the operator's actions. The operator also is responsible for stabilizing the exposed cultural material if the operator created an unstable condition that must be addressed immediately. The BLM, the FS, or other appropriate Surface Managing Agency, will assume responsibility for evaluation and determination of significance related to the historic or archaeological site.

If the operator does not relocate operations, the operator is responsible for mitigation and stabilization costs and the BLM, the FS, or appropriate Surface Managing Agency will provide technical and procedural guidelines for conducting mitigation. The operator may resume construction operations when the BLM or the FS verifies that the operator has completed the required mitigation.

Relocation of activities may subject the proposal to additional environmental review. Therefore, if the presence of such sites is suspected, the operator may want to submit alternate locations for advance approval before starting construction.

- b. Endangered Species Act. To comply with the Endangered Species Act, as amended (16 U.S.C. 1531 et seq.), and its implementing regulations, the operator must conduct all operations such that all operations avoid a "take" of listed or proposed threatened or endangered species and their critical habitats.
- c. Surface Protection. Except as otherwise provided in an approved Surface Use Plan of Operations, the operator must not conduct operations in areas subject to mass soil movement, riparian areas, floodplains, lakeshores, and/or wetlands. The operator also must take measures to minimize or prevent erosion and sediment production. Such measures may include, but are not limited to:
  - Avoiding steep slopes and excessive land clearing when siting structures, facilities; and other improvements; and
  - Temporarily suspending operations when frozen ground, thawing, or other weather-related conditions would cause otherwise avoidable or excessive impacts.
- d. Safety Measures. The operator must maintain structures, facilities, improvements, and equipment in a safe condition in accordance with the approved APD. The operator must also take appropriate measures as specified in Orders and Notices to

Lessees to protect the public from any hazardous conditions resulting from operations.

In the event of an emergency, the operator may take immediate action without prior Surface Managing Agency approval to safeguard life or to prevent significant environmental degradation. The BLM or the FS must receive notification of the emergency situation and the remedial action taken by the operator as soon as possible, but not later than 24 hours after the emergency occurred. If the emergency only affected drilling operations and had no surface impacts, only the BLM must be notified. If the emergency involved surface resources on other Surface Managing Agency lands, the operator should also notify the Surface Managing Agency and private surface owner within 24 hours. Upon conclusion of the emergency, the BLM or the FS, where appropriate, will review the incident and take appropriate action.

- e. Completion Reports. Within 30 days after the well completion, the lessee or operator must submit to the BLM two copies of a completed Form 3160-4, Well Completion or Recompletion Report and Log. Well logs may be submitted to the BLM in an electronic format such as “.LAS” format. Surface and bottom-hole locations must be in latitude and longitude.

#### ***V. Rights-of-Way and Special Use Authorizations***

The BLM or the FS will notify the operator of any additional Rights-of-Way, Special Use Authorizations, licenses, or other permits that are needed for roads and support facilities for drilling or off-lease access, as appropriate. This notification will normally occur at the time the operator submits the APD or Notice of Staking package, or Sundry Notice, or during the onsite inspection.

The BLM or the FS, as appropriate, will approve or accept on-lease activities that are associated with actions proposed in the APD or Sundry Notice and that will occur on the lease as part of the APD or Sundry Notice. These actions do not require a Right-of-Way or Special Use Authorization. For pipeline Rights-of-Way crossing lands under the jurisdiction of two or more Federal Surface Managing Agencies, except lands in the National Park Service or Indian lands, applications should be submitted to the BLM. Refer to 43 CFR parts 2800 and 2880 for guidance on BLM Right-of-Ways and 36 CFR part 251 for guidance on FS Special Use Authorizations.

##### ***A. Rights-of-Way (BLM).***

For BLM lands, the APD package may serve as the supporting document for the Right-of-Way application in lieu of a Right-of-Way plan of development. Any additional information specified in 43 CFR parts 2800 and 2880 will be required in order to process the Right-of-Way.

The BLM will notify the operator within 10 days of receipt of a Notice of Staking, APD, or other notification if any parts of the project require a Right-of-Way. If a Right-of-Way is needed, the information required from the operator to approve the Right-of-Way may be submitted by the operator with the APD package if the Notice of Staking option has been used.

##### ***B. Special Use Authorizations (FS) (36 CFR 251 subpart B).***

On NFS lands, uses directly related to the drilling and production of a well (e.g., an access road or crew camp, or connecting pipeline to a gathering system), will be incorporated into the approved Surface Use Plan of Operations. When a Special Use Authorization is required, the Surface Use Plan of Operations may serve as the application for the Special Use Authorization if the facility for which a Special Use Authorization is required is adequately described (see 36 CFR 251.54(d)(ii)). Conditions regulating the authorized use may be imposed to protect the public interest, to ensure compatibility with other NFS lands programs and activities, and to comply with directions provided in the Forest Land and Resources Management Plan. A Special Use Authorization, when related to an APD, will include terms and conditions (36 CFR 251.56) and may require a specific reclamation plan or incorporate applicable parts of the Surface Use Plan of Operations reclamation plan by reference.

#### **VI. *Operating on Lands with Non-Federal Surface and Federal Oil and Gas***

The operator must submit the name, address, and phone number of the surface owner, if known, in its APD. The BLM will invite the surface owner to the onsite inspection to assure that their concerns are considered. As provided in the oil and gas lease, the BLM may request that the applicant conduct surveys or otherwise provide information needed for the BLM's National Historic Preservation Act consultation with the State Historic Preservation Officer or Indian tribe or its Endangered Species Act consultation with the relevant fisheries agency. The Federal mineral lessee has the right to enter the property for this purpose, since it is a necessary prerequisite to development of the dominant mineral estate. Nevertheless, the lessee or operator should seek to reach agreement with the surface owner about the time and method by which any survey would be conducted.

Likewise, in the case of actual oil and gas operations, the operator must make a good faith effort to notify the private surface owner before entry and make a good faith effort to obtain a Surface Access Agreement from the surface owner. This section also applies to lands with Indian trust surface and Federal minerals. In these cases, the operator must make a good faith effort to obtain surface access agreement with the tribe in the case of tribally owned surface, otherwise with the majority of the Indian surface owners who can be located with the assistance and concurrence of the BIA. The Surface Access Agreement may include terms or conditions of use, be a waiver, or an agreement for compensation. The operator must certify to the BLM that: (1) It made a good faith effort to notify the surface owner before entry; and (2) That an agreement with the surface owner has been reached or that a good faith effort to reach an agreement failed. If no agreement was reached with the surface owner, the operator must submit an adequate bond (minimum of \$1,000) to the BLM for the benefit of the surface owner sufficient to: (1) Pay for loss or damages; or (2) As otherwise required by the specific statutory authority under which the surface was patented and the terms of the lease.

Surface owners have the right to appeal the sufficiency of the bond. Before the approval of the APD, the BLM will make a good faith effort to contact the surface owner to assure that they understand their rights to appeal.

The BLM must comply with NEPA, the National Historic Preservation Act, the Endangered Species Act, and related Federal statutes when authorizing lease operations on split estate lands where the surface is not federally owned and the oil and gas is

Federal. For split estate lands within FS administrative boundaries, the BLM has the lead responsibility, unless there is a local BLM/FS agreement that gives the FS this responsibility.

The operator must make a good faith effort to provide a copy of their Surface Use Plan of Operations to the surface owner. After the APD is approved the operator must make a good faith effort to provide a copy of the Conditions of Approval to the surface owner. The APD approval is not contingent upon delivery of a copy of the Conditions of Approval to the surface owner.

## ***VII. Leases for Indian Oil and Gas***

### ***A. Approval of Operations***

The BLM will process APDs, Master Development Plans, and Sundry Notices on Indian tribal and allotted oil and gas leases, and Indian Mineral Development Act mineral agreements in a manner similar to Federal leases. For processing such applications, the BLM considers the BIA to be the Surface Managing Agency. Operators are responsible for obtaining any special use or access permits from appropriate BIA and, where applicable, tribal offices. The BLM is not required to post for public inspection APDs for minerals subject to Indian oil and gas leases or agreements.

### ***B. Surface Use***

Where the wellsite and/or access road is proposed on Indian lands with a different beneficial owner than the minerals, the operator is responsible for entering into a surface use agreement with the Indian tribe or the individual Indian surface owner, subject to BIA approval. This agreement must specify the requirements for protection of surface resources, mitigation, and reclamation of disturbed areas. The BIA, the Indian surface owner, and the BLM, pursuant to 25 CFR 211.4, 212.4 and 225.4, will develop the Conditions of Approval. If the operator is unable to obtain a surface access agreement, it may provide a bond for the benefit of the surface owner(s) (see Section VI. of the Order).

## ***VIII. Subsequent Operations and Sundry Notices***

Subsequent operations must follow 43 CFR part 3160, applicable lease stipulations, and APD Conditions of Approval. The operator must file the Sundry Notice in the BLM Field Office having jurisdiction over the lands described in the notice or the operator may file it using the BLM's electronic commerce system.

### ***A. Surface Disturbing Operations***

Lessees and operators must submit for BLM or FS approval a request on Form 3160-5 before:

- Undertaking any subsequent new construction outside the approved area of operations; or
- Reconstructing or altering existing facilities including, but not limited to, roads, emergency pits, firewalls, flowlines, or other production facilities on any lease that will result in additional surface disturbance.



If, at the time the original APD was filed, the lessee or operator elected to defer submitting information under Section III.E.3.d. (Location of Existing and/or Proposed Facilities) of this Order, the lessee or operator must supply this information before construction and installation of the facilities. The BLM, in consultation with any other involved Surface Managing Agency, may require a field inspection before approving the proposal. The lessee or operator may not begin construction until the BLM approves the proposed plan in writing.

The operator must certify on Form 3160-5 that they have made a good faith effort to provide a copy of any proposal involving new surface disturbance to the private surface owner in the case of split estate.

#### ***B. Emergency Repairs***

Lessees or operators may undertake emergency repairs without prior approval if they promptly notify the BLM. Lessees or operators must submit sufficient information to the BLM or the FS to permit a proper evaluation of any:

- Resulting surface disturbing activities; or
- Planned accommodations necessary to mitigate potential adverse environmental effects.

### ***IX. Well Conversions***

#### ***A. Conversion to an Injection Well***

When subsequent operations will result in a well being converted to a Class II injection well (i.e., for disposal of produced water, oil and gas production enhancement, or underground storage of hydrocarbons), the operator must file with the appropriate BLM office a Sundry Notice, Notice of Intent to Convert to Injection on Form 3160-5. The BLM and the Surface Managing Agency, if applicable, will review the information to ensure its technical and administrative adequacy. Following the review, the BLM, in consultation with the Surface Managing Agency, where applicable, will decide upon the approval or disapproval of the application based upon relevant laws and regulations and the circumstances (e.g., the well used for lease or non-lease operations, surface ownership, and protection of subsurface mineral ownership). The BLM will determine if a Right-of-Way or Special Use Authorization and additional bonding are necessary and notify the operator.

#### ***B. Conversion to a Water Supply Well***

In cases where the Surface Managing Agency or private surface owner desires to acquire an oil and gas well and convert it to a water supply well or acquire a water supply well that was drilled by the operator to support lease operations, the Surface Managing Agency or private surface owner must inform the appropriate BLM office of its intent before the approval of the APD in the case of a dry hole and no later than the time a Notice of Intent to Abandon is submitted for a depleted production well. The operator must abandon the well according to BLM instructions, and must complete the surface cleanup and reclamation, in conjunction with the approved APD, Surface Use Plan of Operations, or Notice of Intent to Abandon, if the BLM or the FS require it. The Surface Managing Agency or private surface owner must reach agreement with the operator as to the satisfactory completion of reclamation operations before the BLM will approve any



abandonment or reclamation. The BLM approval of the partial abandonment under this section, completion of any required reclamation operations, and the signed release agreement will relieve the operator of further obligation for the well. If the Surface Managing Agency or private surface owner acquires the well for water use purposes, the party acquiring the well assumes liability for the well.

#### ***X. Variances***

The operator may make a written request to the agency with jurisdiction to request a variance from this Order. A request for a variance must explain the reason the variance is needed and demonstrate how the operator will satisfy the intent of the Order. The operator may include the request in the APD package. A variance from the requirements of this Order does not constitute a variance to provisions of other regulations, laws, or orders. When the BLM is the decision maker on a request for a variance, the decision whether to grant or deny the variance request is entirely within the BLM's discretion. The decision on a variance request is not subject to administrative appeals either to the State Director or pursuant to 43 CFR part 4.

#### ***XI. Waivers, Exceptions, or Modifications***

An operator may also request that the BLM waive (permanently remove), except (case-by-case exemption) or modify (permanently change) a lease stipulation for a Federal lease. In the case of Federal leases, a request to waive, except, or modify a stipulation should also include information demonstrating that the factors leading to its inclusion in the lease have changed sufficiently to make the protection provided by the stipulation no longer justified or that the proposed operation would not cause unacceptable impacts.

When the waiver, exception, or modification is substantial, the proposed waiver, exception, or modification is subject to public review for 30 days. Prior to such public review, the BLM, and when applicable the FS, will post it in their local Field Office and, when possible, electronically on the internet. When the request is included in the Notice of Staking or APD, the request will be included as part of the application posting under Section III.C. of this Order. Prior to granting a waiver, exception, or modification, the BLM will obtain the concurrence or approval of the FS or Federal Surface Managing Agency. Decisions on such waivers, exceptions, or modifications are subject to appeal pursuant to 43 CFR part 4.

After drilling has commenced, the BLM and the FS may consider verbal requests for waivers, exceptions, or modifications. However, the operator must submit a written notice within 7 days after the verbal request. The BLM and the FS will confirm in writing any verbal approval. Decisions on waivers, exceptions, or modifications submitted after drilling has commenced are final for the Department of the Interior and not subject to administrative review by the State Director or appeal pursuant to 43 CFR part 4.

#### ***XII. Abandonment***

In accordance with the requirements of 43 CFR 3162.3-4, before starting abandonment operations the operator must submit a Notice of Intent to Abandon on Sundry Notices and Reports on Wells, Form 3160-5. If the operator proposes to modify the plans for surface

reclamation approved at the APD stage, the operator must attach these modifications to the Notice of Intent to Abandon.

**A. Plugging**

The operator must obtain BLM approval for the plugging of the well by submitting a Notice of Intent to Abandon. In the case of dry holes, drilling failures, and in emergency situations, verbal approval for plugging may be obtained from the BLM, with the Notice of Intent to Abandon promptly submitted as written documentation. Within 30 days following completion of well plugging, the operator must file with the BLM a Subsequent Report of Plug and Abandon, using Sundry Notices and Reports on Wells, Form 3160-5. For depleted production wells, the operator must submit a Notice of Intent to Abandon and obtain the BLM's approval before plugging.

**B. Reclamation**

Plans for surface reclamation are a part of the Surface Use Plan of Operations, as specified in Section III.D.4.j., and must be designed to return the disturbed area to productive use and to meet the objectives of the land and resource management plan. If the operator proposes to modify the plans for surface reclamation approved at the APD stage, the operator must attach these modifications to the Subsequent Report of Plug and Abandon using Sundry Notices and Reports on Wells, Form 3160-5.

For wells not having an approved plan for surface reclamation, operators must submit to the BLM a proposal describing the procedures to be followed for complete abandonment, including a map showing the disturbed area and roads to be reclaimed. The BLM will forward the request to the FS or other Surface Managing Agency. If applicable, the private surface owner will be notified and their views will be carefully considered.

Earthwork for interim and final reclamation must be completed within 6 months of well completion or well plugging (weather permitting). All pads, pits, and roads must be reclaimed to a satisfactorily revegetated, safe, and stable condition, unless an agreement is made with the landowner or Surface Managing Agency to keep the road or pad in place. Pits containing fluid must not be breached (cut) and pit fluids must be removed or solidified before backfilling. Pits may be allowed to air dry subject to BLM or FS approval, but the use of chemicals to aid in fluid evaporation, stabilization, or solidification must have prior BLM or FS approval. Seeding or other activities to reestablish vegetation must be completed within the time period approved by the BLM or the FS.

Upon completion of reclamation operations, the lessee or operator must notify the BLM or the FS using Form 3160-5, Final Abandonment Notice, when the location is ready for inspection. Final abandonment will not be approved until the surface reclamation work required in the Surface Use Plan of Operations or Subsequent Report of Plug and Abandon has been completed to the satisfaction of the BLM or the FS and Surface Managing Agency, if appropriate.

***XIII. Appeal Procedures***

Complete information concerning the review and appeal processes for BLM actions is contained in 43 CFR part 4 and subpart 3165. Incorporation of a FS approved Surface Use Plan of Operations into the approval of an APD or a Master Development Plan is not subject to protest to the BLM or appeal to the Interior Board of Land Appeals.

The FS's decisions approving use of NFS lands may be subject to agency appeal procedures, in accordance with 36 CFR parts 215 or 251. Decisions governing Surface Use Plan of Operations and Special Use Authorization approvals on NFS lands that involve analysis, documentation, and other requirements of the NEPA may be subject to agency appeal procedures, under 36 CFR part 215.

The FS's regulations at 36 CFR part 251 govern appeals by an operator of written FS decisions related to Conditions of Approval or administration of Surface Use Plans of Operations or Special Use Authorizations to occupy and use NFS lands.

The operator may appeal decisions of the BIA under 25 CFR part 2.

**ATTACHMENT I - Sample Format for Notice of Staking**

(Not to be used in place of Application for Permit to Drill or Reenter Form 3160-3)

1. Oil Well, Gas Well, Other (Specify)
2. Name, Address, and Telephone of Operator
3. Name and Telephone of Specific Contact Person
4. Surface Location of Well  
Attach:
  - (a) Sketch showing road entry onto pad, pad dimensions, and reserve pit
  - (b) Topographical or other acceptable map (e.g., a USGS 7-1/2" Quadrangle) showing location, access road, and lease boundaries
5. Lease Number
6. If Indian, Allottee or Tribe Name
7. Unit Agreement Name
8. Well Name and Number
9. American Petroleum Institute (API) Well Number (if available)
10. Field Name or Wildcat
11. Section, Township, Range, Meridian; or Block and Survey; or Area
12. County, Parish, or Borough
13. State
14. Name and Depth of Formation Objective(s)
15. Estimated Well Depth
16. For directional or horizontal wells, anticipated bottom-hole location.
17. Additional Information (as appropriate; include surface owner's name, address and, if known, telephone).
18. Signed \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Note: When the Bureau of Land Management or the Forest Service, as appropriate, receives this Notice, the agency will schedule the date of the onsite inspection. You must stake the location and flag the access road before the onsite inspection. Operators should consider the following before the onsite inspection and incorporate these considerations into the Notice of Staking Option, as appropriate:

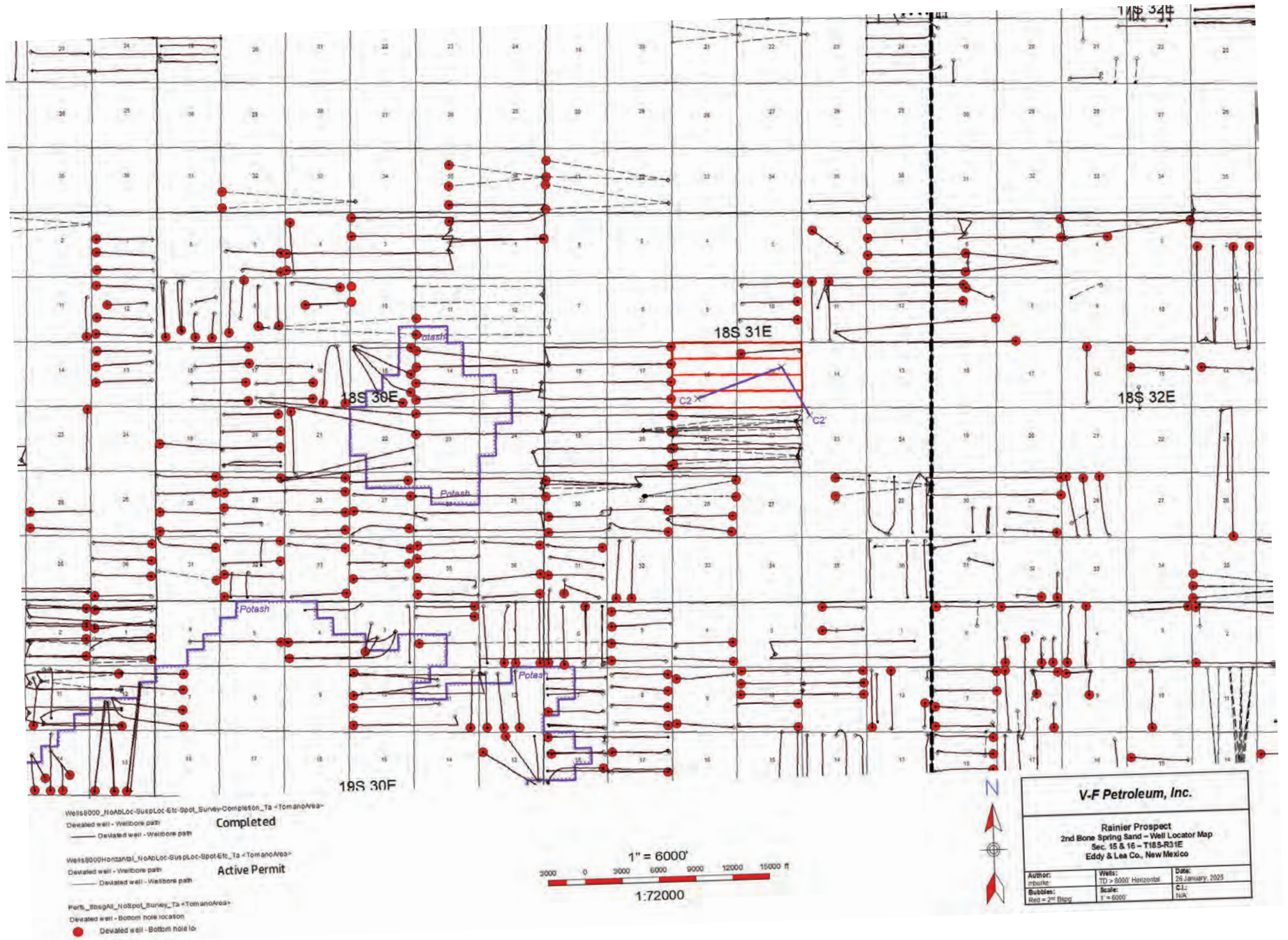
- (a) H<sub>2</sub>S Potential;
- (b) Cultural Resources (Archeology); and
- (c) Federal Right-of-Way or Special Use Permit.

$\bar{A}$ 

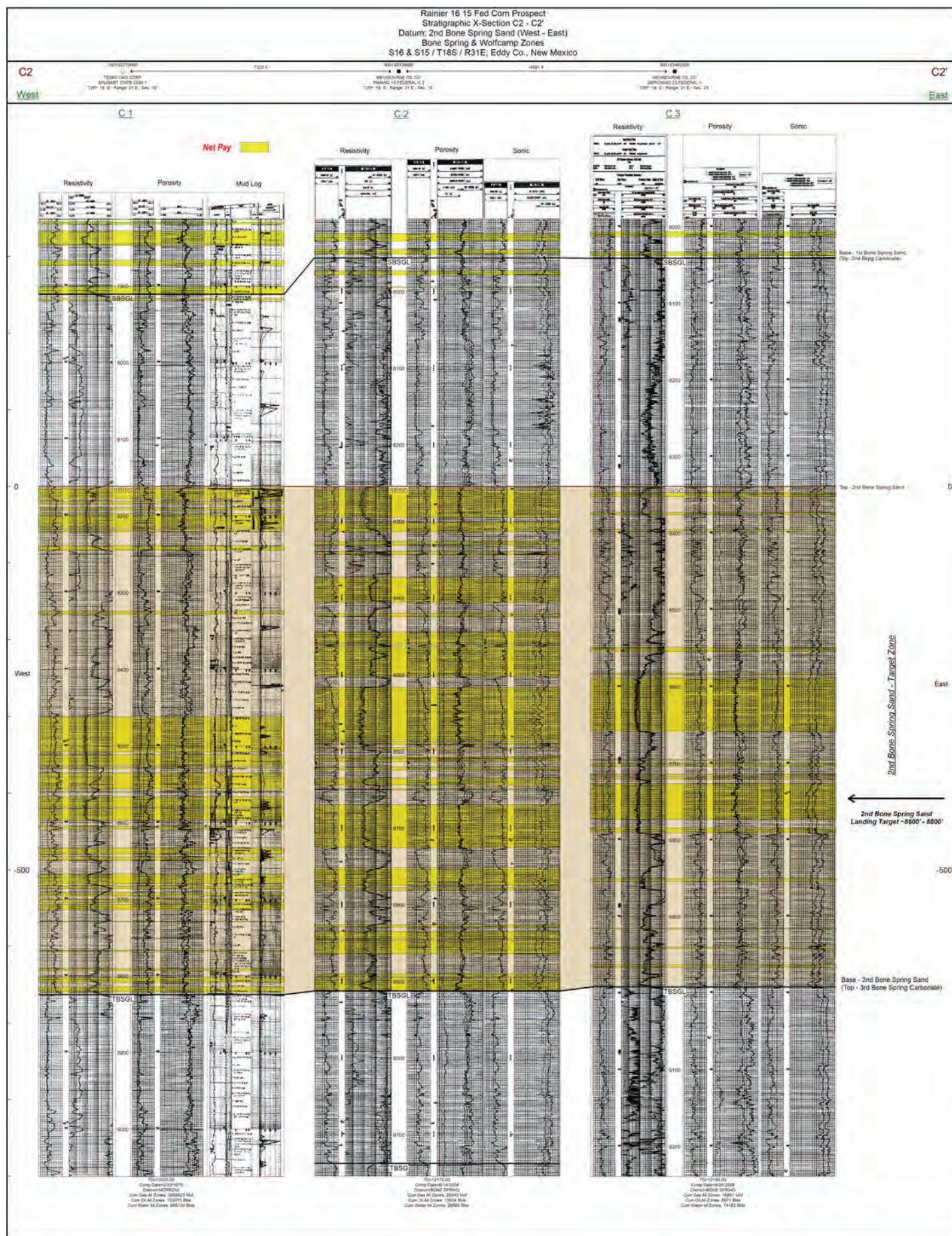
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Ä		



# Rebuttal Exhibit 7: Second Bone Spring Well Locator Map

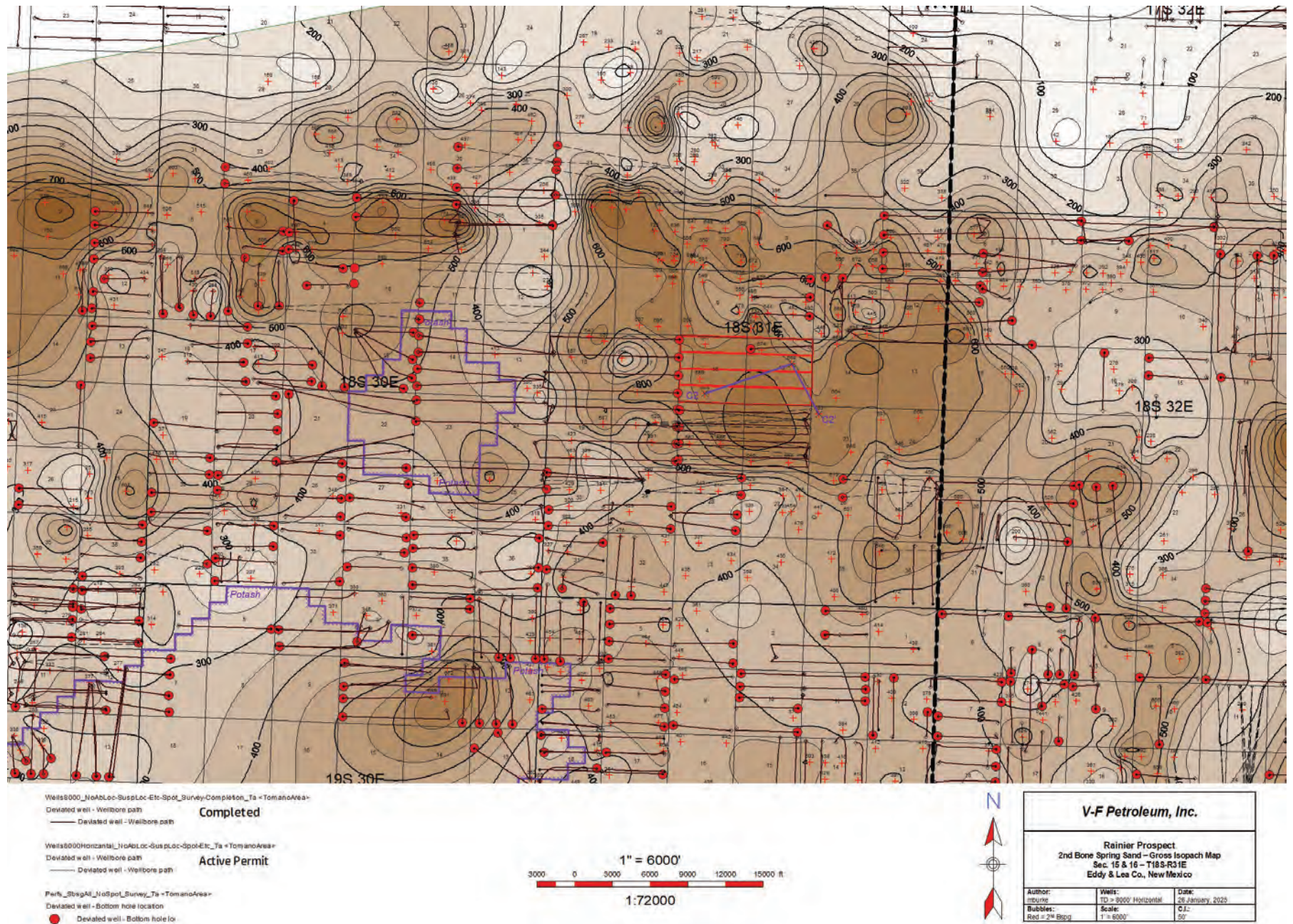






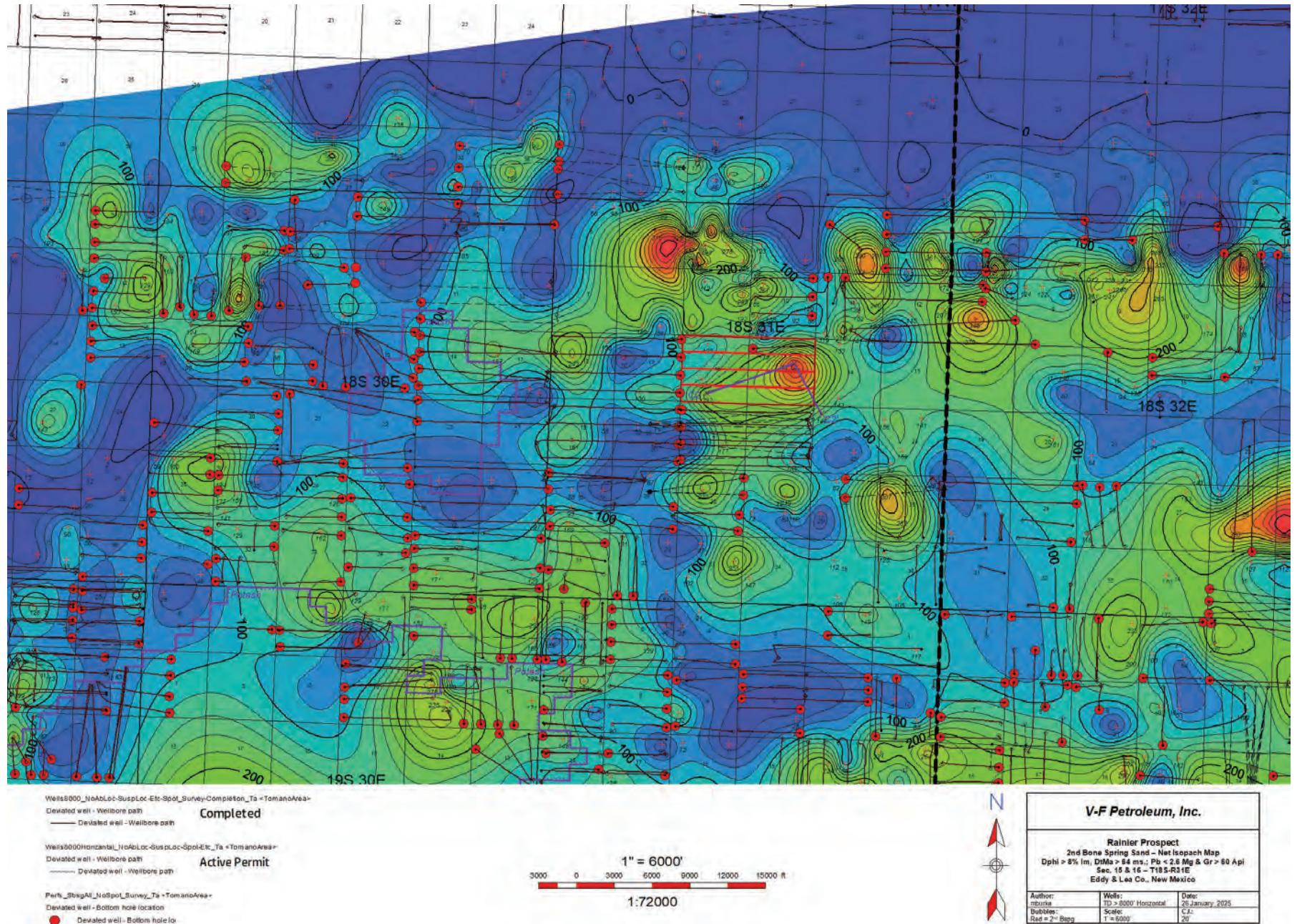


# Rebuttal Exhibit 9: Second Bone Spring Gross Isopach



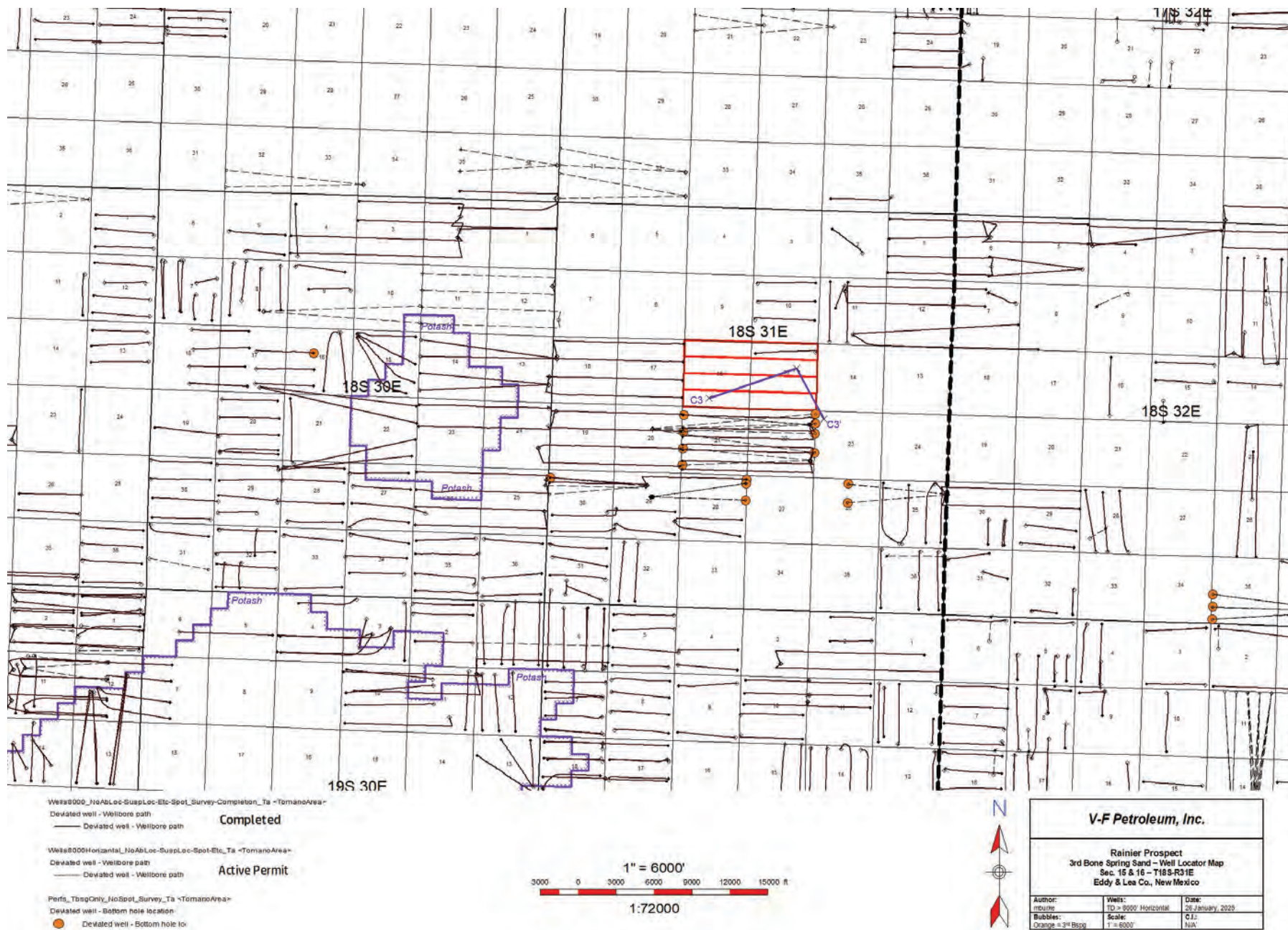


# Rebuttal Exhibit 10: Second Bone Spring Net Pay Isopach





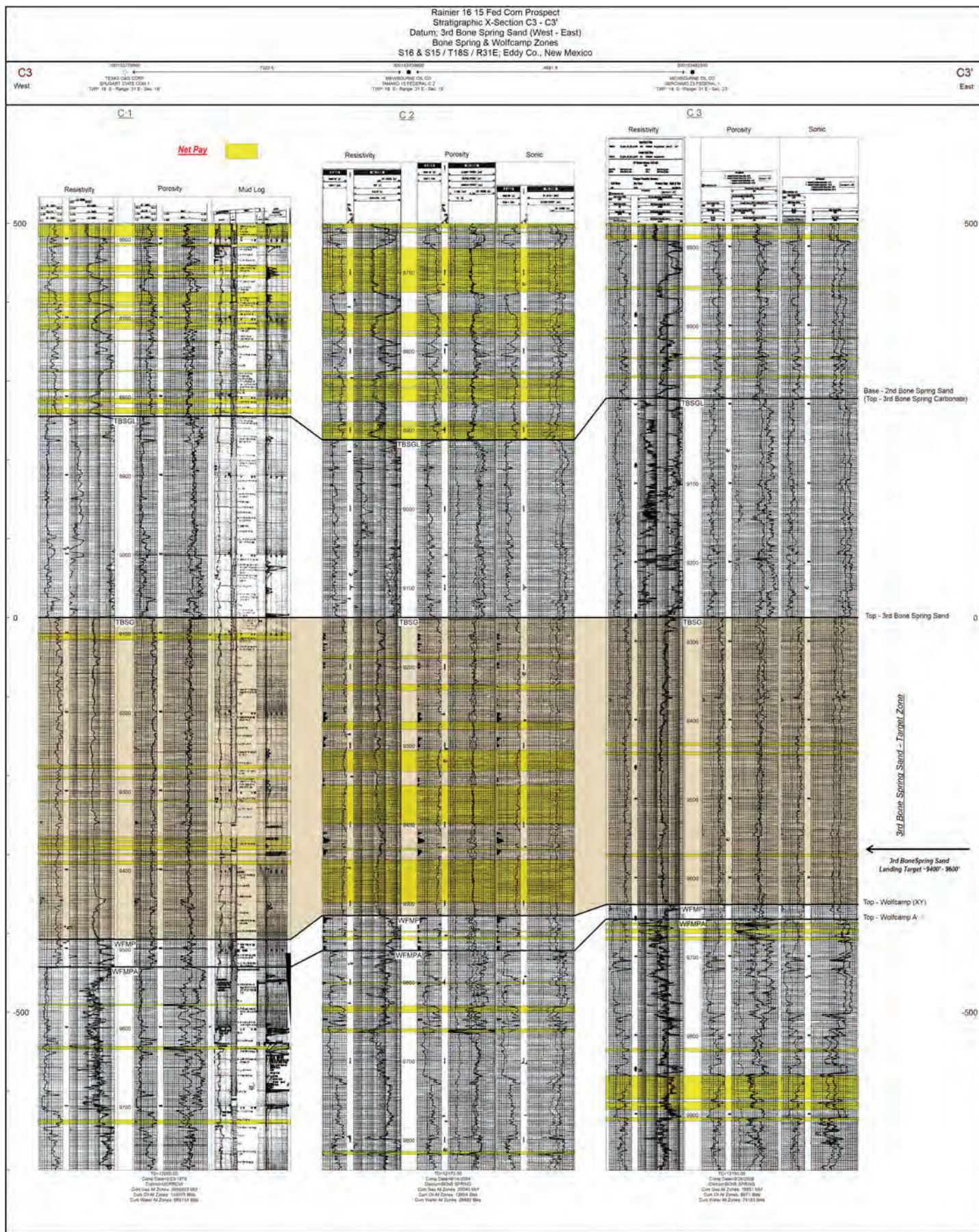
# Rebuttal Exhibit 11: Third Bone Spring Well Locator Map



V-F Petroleum, Inc.		
Reinier Prospect		
3rd Bone Spring Sand - Well Locator Map		
Sec. 15 & 16 - T18S-R31E		
Eddy & Lea Co., New Mexico		
Author:	Wells:	Date:
mpulse	13 - 8000' Horizontal	28 January, 2023
Bubbles:	Scale:	C.I.:
Orange = 3rd Bsgg	1" = 6000'	N/A

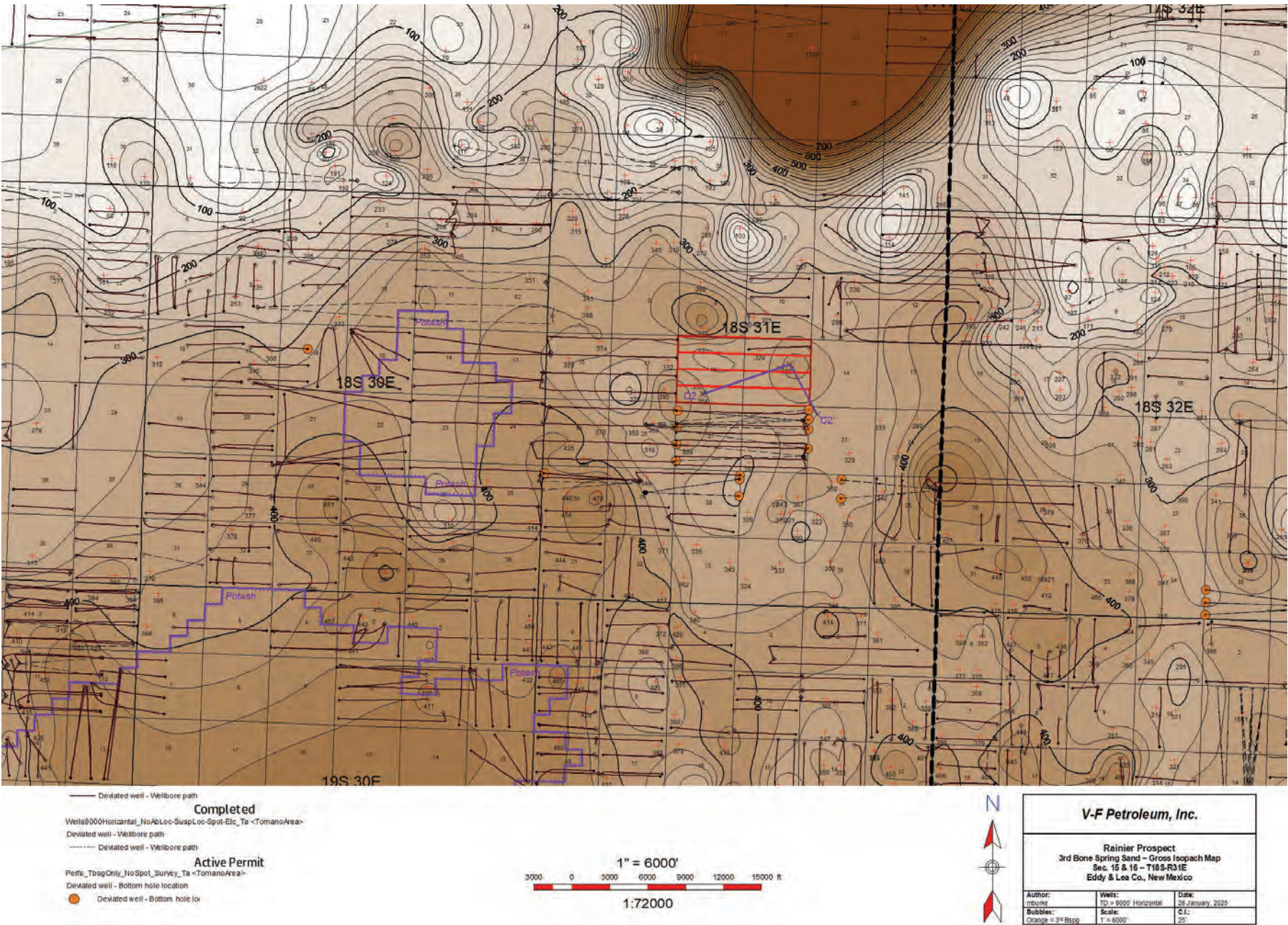


## Rebuttal Exhibit 12: Third Bone Spring Net Pay Cross Section



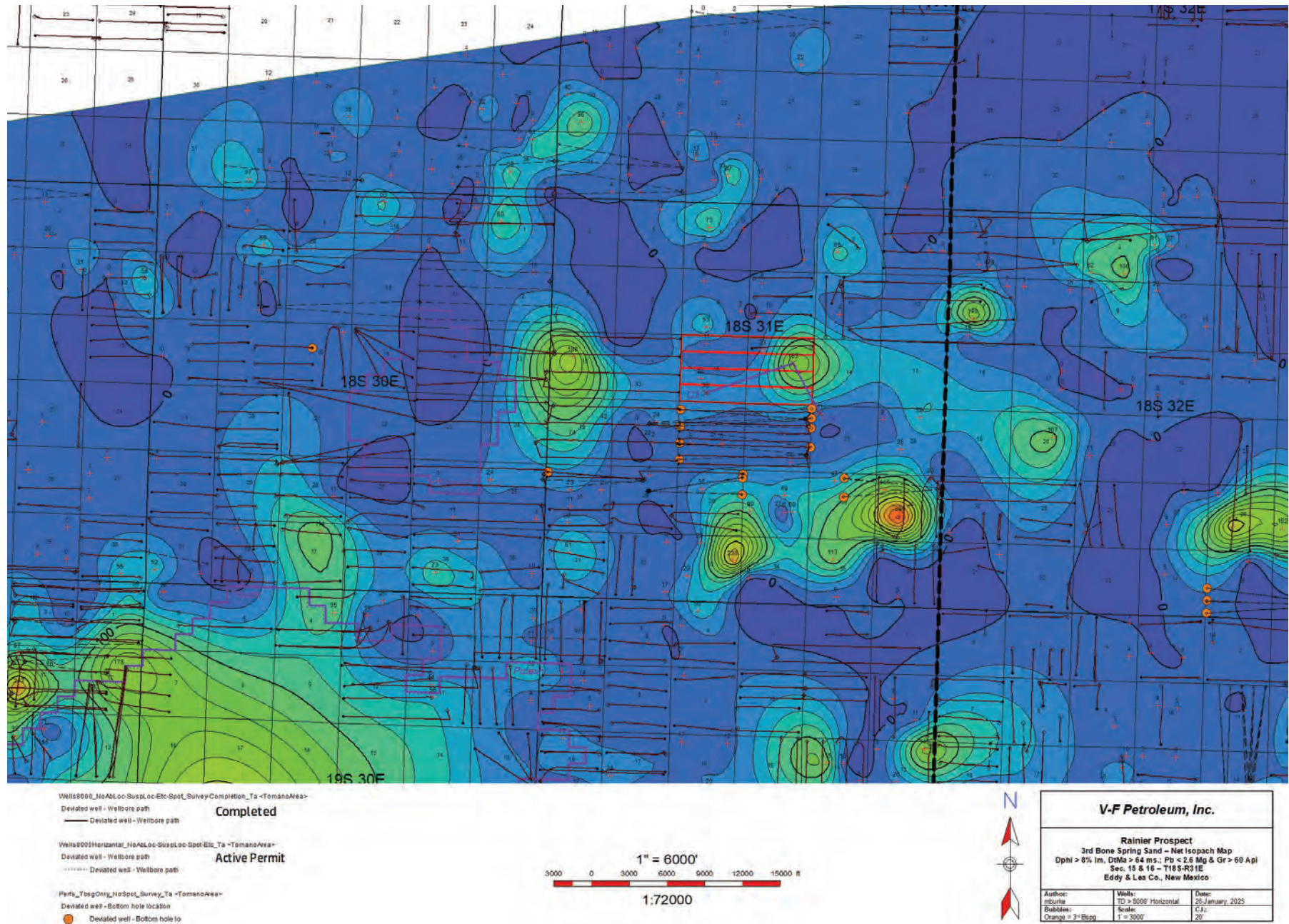


Rebuttal Exhibit13 : Third Bone Spring Gross Isopach



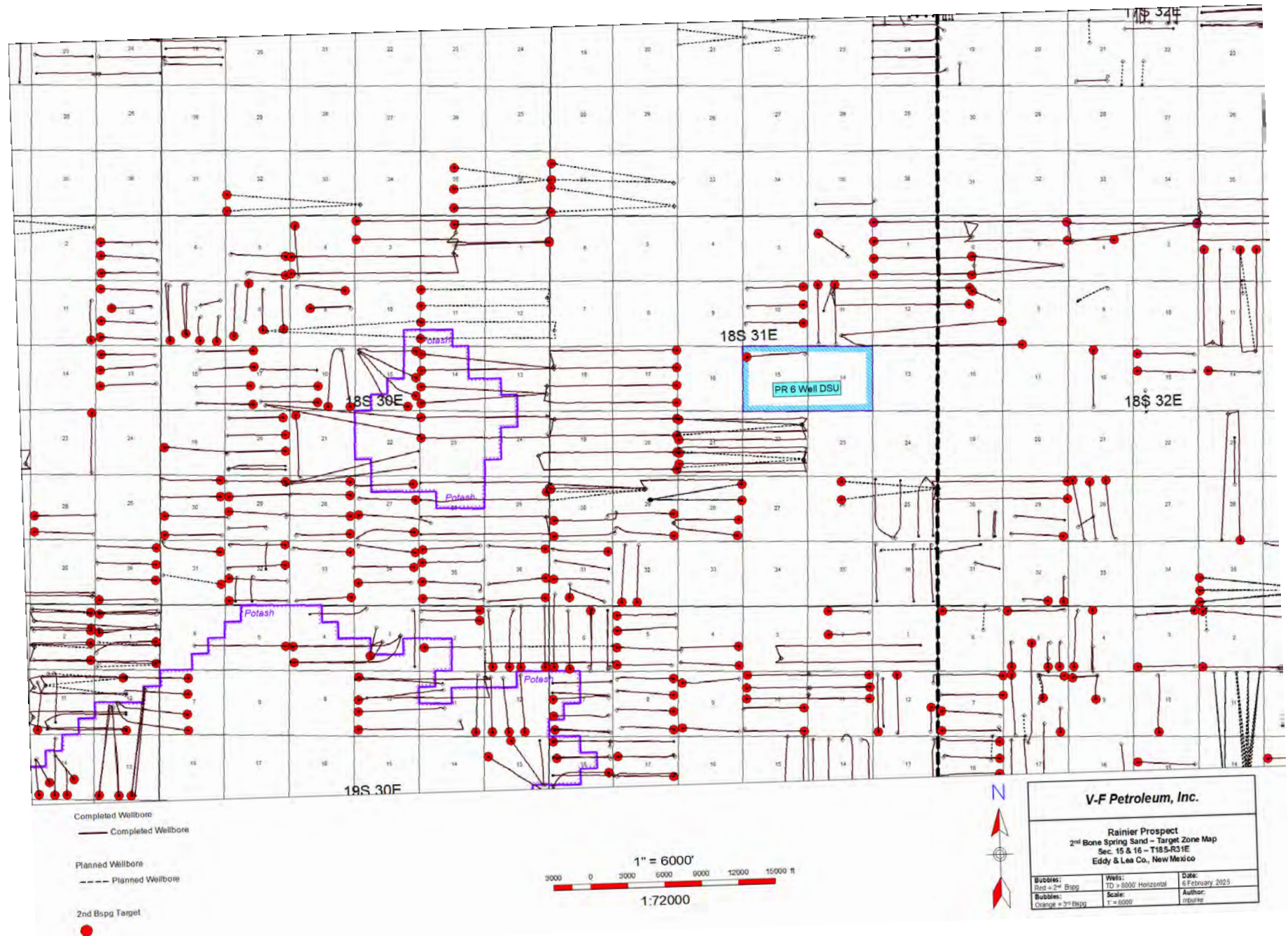


# Rebuttal Exhibit 14: Third Bone Spring Net Pay Isopach





# Rebuttal Exhibit 15: Rebutting Permian Resources Exhibit E-5 Commentary that 6-Well Per Section Density is More Prudent and Economical

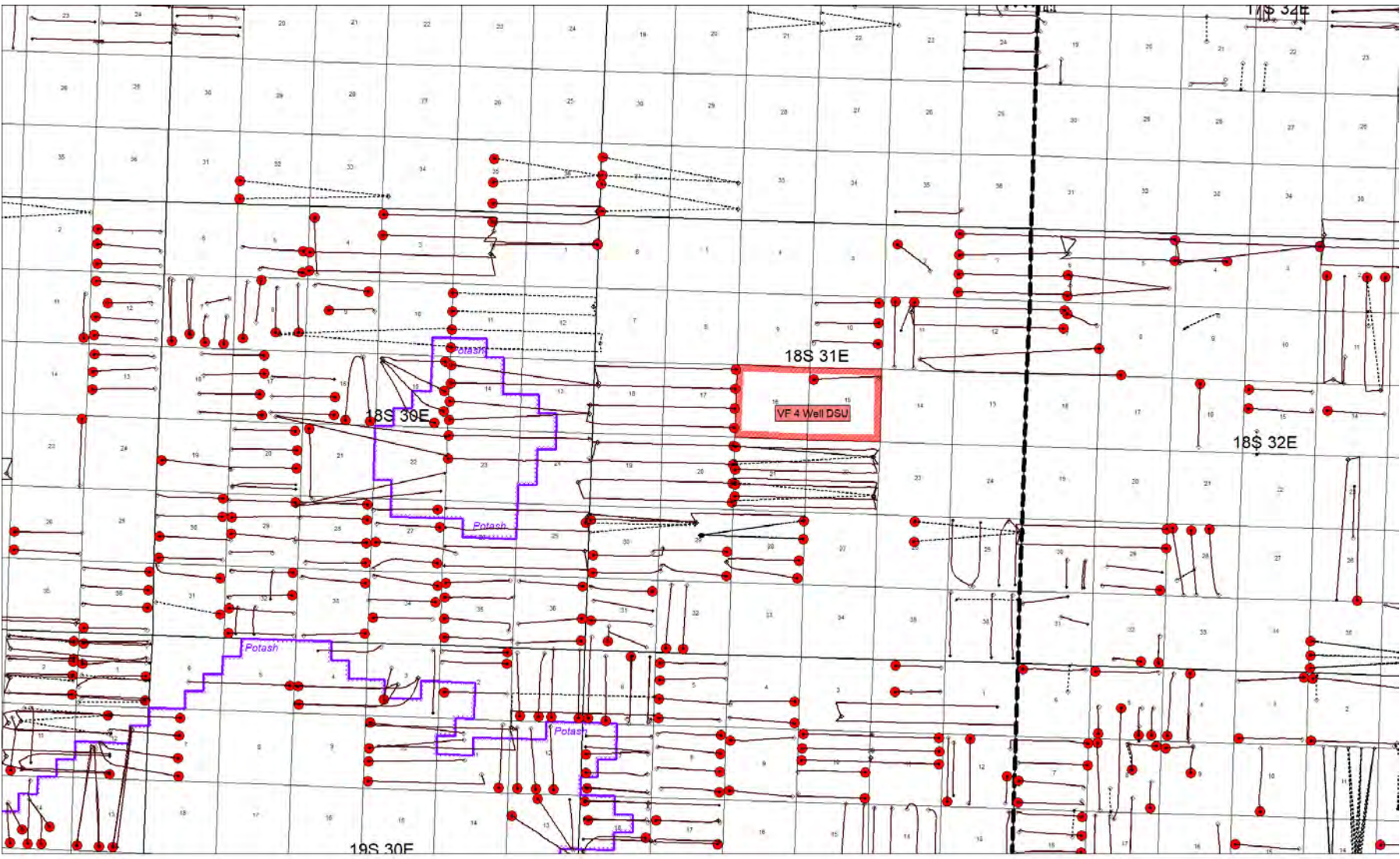


Permian Resources Exhibit E-5 Commentary states that 6 WPS density increases section recovery factor and maximizes economic outcomes.

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Permian Resources has not provided results proving that 6 WPS density is economical.





Completed Wellbore  
— Completed Wellbore  
Planned Wellbore  
--- Planned Wellbore  
2nd Bspg Target  
●

1" = 6000'  
3000 0 3000 6000 9000 12000 15000 ft  
1:72000



V-F Petroleum, Inc.		
Rainier Prospect 2nd Bone Spring Sand - Target Zone Map Sec. 15 & 16 - T18S-R31E Eddy & Lea Co., New Mexico		
Bubbles: Red = 2nd Bspg Orange = 3rd Bspg	Wells: 10 - 3000' Horizontal Scale: 1" = 6000'	Date: 6 February, 2025 Author: m Burke