



# OneEnergy Partners Operating, LLC

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Lobo Rojo B3 State Com 1H & 2H wells

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



*Hearing on  
8/17/17*



**DISTRICT I**

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

**DISTRICT II**

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

**DISTRICT III**

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

**DISTRICT IV**

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate District Office

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number	Pool Code <b>96553</b>	Pool Name <b>Ojo Chiso; Bone Spring</b>
Property Code	Property Name <b>Lobo Rojo B3 State Com</b>	Well Number <b>1H</b>
OGRID No. <b>372031</b>	Operator Name <b>OneEnergy Partners Operating LLC</b>	Elevation <b>3,580'</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
M	12	22 S	34 E		380'	SOUTH	685'	WEST	LEA

**Bottom Hole if Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	1	22 S	34 E		380'	NORTH	940'	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
322.42			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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

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

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

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

**SE CORNER SEC. 1**  
**NE CORNER SEC. 12**  
LAT - N 32°24'48.08"  
LONG - W 103°24'52.31"  
NMSPACE- N 515312.0  
E 783543.7  
(NAD-27)

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

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

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

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

6/19/2017  
Date

Signature: *[Signature]*  
Jeff Lierly  
Printed Name  
jlierly@oneenergypartners.com  
Email Address

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

MONTH XX, 20XX

Date Surveyed  
Signature & Seal of  
Professional Surveyor

**PRELIMINARY**

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

**PROPOSED BOTTOM HOLE LOCATION**  
LAT: 32°25'37.35"  
LONG: 103°25'42.79"  
N 520253.7  
E 779174.4 (NAD-27)  
LAT: 32°25'37.80"  
LONG: 103°25'44.52"  
N 520314.7  
E 820357.5 (NAD-83)  
(NMSPACE)

**SURFACE HOLE LOCATION**  
LAT: 32°23'59.58"  
LONG: 103°25'46.06"  
N 510371.4  
E 778977.6 (NAD-27)  
LAT: 32°24'00.03"  
LONG: 103°25'47.78"  
N 510432.2  
E 820160.9 (NAD-83)  
(NMSPACE)

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 2**  
Submitted by: **ONEENERGY PARTNERS OP.**  
Hearing Date: August 17, 2017

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Phone:(575)393-6161 Fax:(575)393-0720

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1220 South St. Francis Dr.  
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AMENDED REPORT

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

Surface Location

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

Bottom Hole if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	1	22 S	34 E		380'	NORTH	2,260'	WEST	LEA

Dedicated Acres 322.49	Joint or Infill	Consolidation Code	Order No.
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Signature: *[Signature]* Date: 6/19/2017  
Printed Name: Jeff Lierly  
Email Address: jlierly@oneenergypartners.com

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

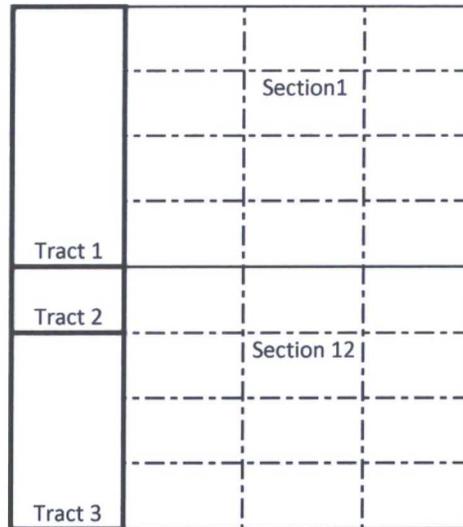
MONTH XX, 20XX  
Date Surveyed  
Signature & Seal of Professional Surveyor

**PRELIMINARY**

Vasileios Kalogirou  
Certificate No. 22501  
HALFF ASSOCIATES 32425-W004 SHEET 1

SCALE 1"=3000'

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



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

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

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

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

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

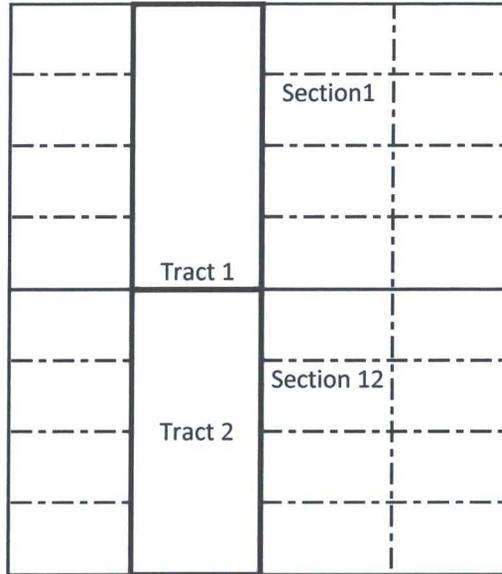
100.000000%	OneEnergy Partners Operating, LLC			
100.000000%	Total Committed Interest	100.000000%	Total Uncommitted Interest	0.000000%

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

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

**Uncommitted Interest**

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



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

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

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

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

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

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

**Uncommitted Interest**



May 30, 2017

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

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

Dear Working Interest Owner:

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

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

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

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

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

Lobo Rojo B3 State Com 1H well proposal

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

Respectfully,

OneEnergy Partners Operating, LLC



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

Enclosures

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

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

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

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

Working Interest Owner:

V-F Petroleum Inc.

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

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



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

**AUTHORITY FOR EXPENDITURE**

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

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

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

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

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

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

**Office Use Only:**

Lease and Well Equipment Costs		
Code	Description	Amount
9102	ADMINISTRATIVE OVERHEAD	\$12,500
9103	AUTOMATION/TELEMETRY/METERING	\$5,000
9104	COMMUNICATIONS	\$0
9105	COMPANY DIRECT LABOR	\$0
9106	COMPRESSORS	\$0
9108	CONTRACT LABOR/ROUSTABOUTS	\$10,000
9109	DAMAGES/RECLAMATION	\$5,000
9110	DIAGNOSTIC EQUIPMENT	\$0
9111	DISPOSAL SOLIDS	\$0
9112	ELECTRICAL	\$20,000
9113	ELECTRICAL POWER/GENERATION	\$0
9114	ENGINEERING	\$15,000
9115	ENVIRONMENTAL/CLEANUP	\$25,000
9116	FLOWLINES	\$25,000
9117	FLUIDS/HAULING/DISPOSAL	\$10,000
9118	FUEL, POWER/DIESEL	\$0
9119	HEALTH & SAFETY	\$2,000
9120	HOUSING AND SUPPORT SERVICES	\$1,500
9121	MATERIALS & SUPPLIES	\$25,000
9122	NON OPERATED	\$0
9123	PIPE/VALVES/FITTINGS	\$15,000
9124	PIPELINE & METERING	\$50,000
9125	PRODUCTION PROCESSING FACILITY	\$0
9126	PUMPS (SURFACE)	\$190,000
9127	ROAD, LOCATIONS REPAIRS	\$10,000
9128	SUBSURFACE EQUIPMENT	\$15,000
9129	SUPERVISION	\$25,000
9130	TANKS WALKWAYS, STAIRS, BUILDING STRUCTURES	\$60,000
9131	TAXES	\$0
9132	TRANSPORTATION/TRUCKING	\$5,000
9133	WELDING SERVICES	\$3,300
9134	WELLHEAD EQUIPMENT	\$15,000
<b>Total Lease and Well Equipment Costs</b>		<b>\$544,300</b>

Total Dril:	\$3,233,900.00
Total Completion:	\$6,542,975.00
Total Intangible:	\$7,357,375.00
Total Tangible:	\$2,219,500.00
Total AFE:	\$9,776,875.00

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

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

Date: 04.25.2017

WI Owner: \_\_\_\_\_  
Approved By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

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

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

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



May 30, 2017

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

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

Dear Working Interest Owner:

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

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

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

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

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

Lobo Rojo B3 State Com 2H well proposal

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

Respectfully,

OneEnergy Partners Operating, LLC



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

Enclosures

\_\_\_\_\_ V-F Petroleum Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Lobo Rojo B3 State Com 2H AFE

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

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

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

Working Interest Owner:

V-F Petroleum Inc.

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



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

**AUTHORITY FOR EXPENDITURE**

Well Name: Labo Rojo B3 State Com Well #: 2H  
 Location: SHL - Legal location in the SESW of Sec. 12, T22S-R34E  
 Operator: BHL - Legal location in the NENW of Sec. 1, T22S-R34E  
 OneEnergy Partners, LLC County/State: Lea Co. NM  
 Purpose: Drill and complete a 900' 3BS well with 1750 lbs/ft Slickwater Date Prepared: 4/25/2017  
 frac. TVD 11208', MD 20,900 AFE #: DCE170404S

Intangible Drilling Costs		
Code	Description	Amount
9201	ADMINISTRATIVE OVERHEAD	\$12,500
9202	CASING CREW & EQPT	\$27,000
9203	CEMENTING INTERMEDIATE CASING	\$18,000
9204	CEMENTING SURFACE CASING	\$12,000
9205	COMMUNICATIONS	\$15,000
9206	COMPLETION FLUIDS	\$65,000
9208	CONTRACT LABOR	\$15,000
9209	DAMAGES	
9210	DAYWORK CONTRACT	\$360,000
9211	DRILLING - DIRECTIONAL	\$420,000
9212	DRILLING - FOOTAGE	
9213	DRILLING BITS	\$105,000
9214	ELECTRICAL POWER/GENERATION	\$60,000
9215	ENGINEERING	\$15,000
9216	ENVIRONMENTAL SERVICES	
9217	EQUIPMENT RENTAL	\$122,500
9218	FISHING TOOLS/SERVICES	
9219	HEALTH & SAFETY	
9220	HOUSING AND SUPPORT SERVICES	\$25,000
9221	INSURANCE	\$16,000
9222	LEGAL, TITLE SERVICES	\$5,000
9223	MATERIALS & SUPPLIES	
9224	MISCELLANEOUS	
9225	MOUSE/RATHOLE/CONDUCT PIPE	\$5,000
9226	MUD & CHEMICALS	\$120,000
9228	OPENHOLE LOGGING	\$100,000
9229	PERMITS, LICENSES, ETC	\$2,000
9291	POWER FUEL & WATER HAULING	
9292	RIG MOVE & RACKING COSTS	\$200,000
9293	RIG UP TEAR OUT & STANDBY	\$50,000
9294	STAKING & SURVEYING	\$3,000
9295	SUPERVISION	\$96,000
9296	SUPERVISION - GEOLOGICAL	\$24,000
9297	TRANSPORTATION/TRUCKING	\$25,000
9207	CONTINGENCY 5%	\$105,900
<b>Total Intangible Drilling Costs:</b>		<b>\$2,223,900</b>

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

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

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

**Office Use Only:**

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

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

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

Operator: OneEnergy Partners, LLC  
 Approved By: David Ramsden-Wood Date: 04/25/2017  
 Chief Operating Officer and Co-Founder

WI Owner: \_\_\_\_\_  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

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

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

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

02.28.2017: OEP submits written offer to Jerry Gahr

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

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

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

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

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

03.23.2017: Leo (OEP) left voicemail for Jerry

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Deal Structures Proposed to V-F, et al

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



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

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

DISTRICT III  
1000 Rio Brazos Road, Artec, NM 87410  
Phone: (505) 334-678 Fax: (505) 334-670

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

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

Surface Location

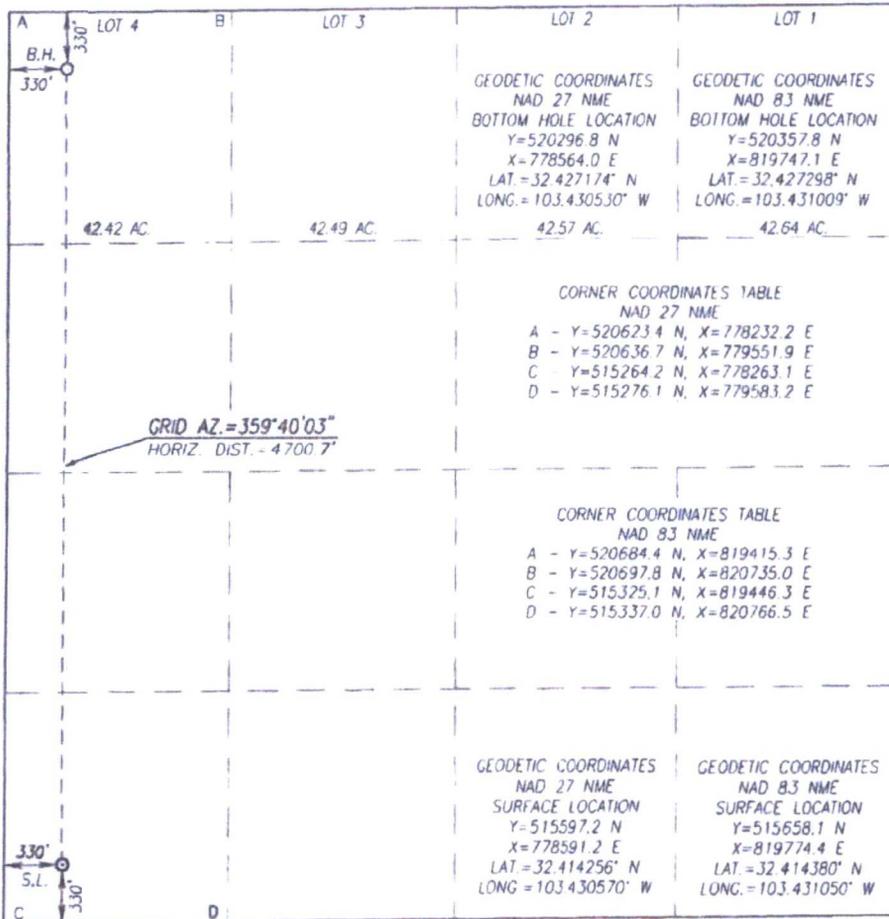
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	1	22-S	34-E		330	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	22-S	34-E		330	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
162.42			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

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

*Eric Sprinkle*      7/10/17  
Signature      Date

Eric Sprinkle  
Printed Name

eric@vfpetroleum.com  
E-mail Address

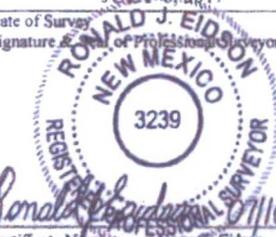
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**SURVEYOR CERTIFICATION**

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

JULY 6, 2017  
Date of Survey

*Ronald J. Eidson*  
Signature of Professional Surveyor



*Ronald J. Eidson*      07/10/2017  
Certificate Number      Date

Ronald J. Eidson      12641  
3239

ACK      JWSC W.O. 17.11.0707

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

DISTRICT II  
811 S. First St., Artesia, NM 88210  
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1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Surface Location

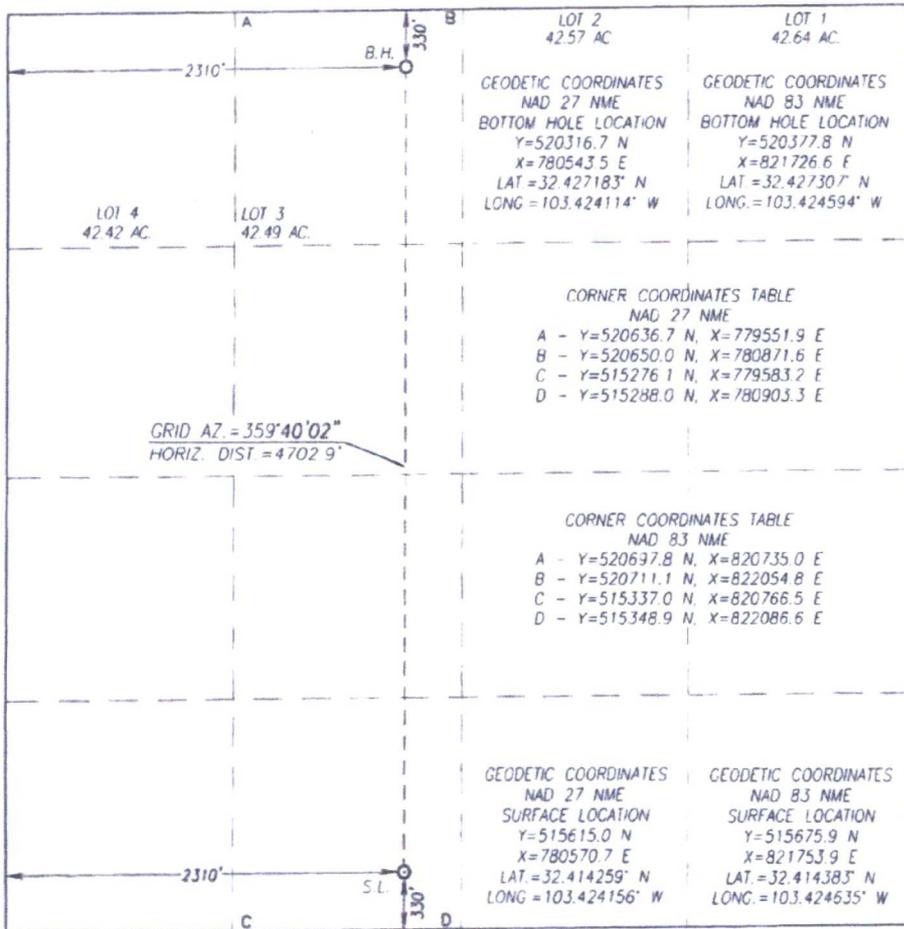
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	1	22-S	34-E		330	SOUTH	2310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	1	22-S	34-E		330	NORTH	2310	WEST	LEA

Dedicated Acres 162.49	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

*Eric Sprinkle* 7/10/17  
Signature Date  
Eric Sprinkle  
Printed Name  
eric@vfpetroleum.com  
E-mail Address

SURVEYOR CERTIFICATION

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

JULY 6, 2017  
Date of Survey  
Signature of Professional Surveyor  
RONALD J. EIDSON  
NEW MEXICO  
REGISTERED SURVEYOR  
3239  
Certificate Number  
Ronald J. Eidson 12641  
Ronald J. Eidson 3239  
ACK JWSC W.O. 17.11.0706





# Affidavit of Publication

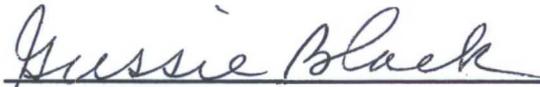
STATE OF NEW MEXICO  
COUNTY OF LEA

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

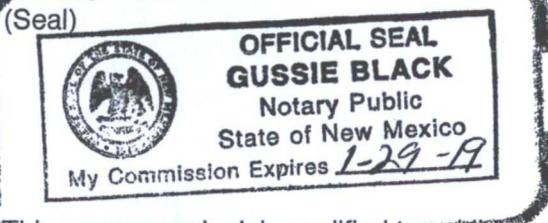
Beginning with the issue dated  
July 05, 2017  
and ending with the issue dated  
July 05, 2017.

  
\_\_\_\_\_  
Publisher

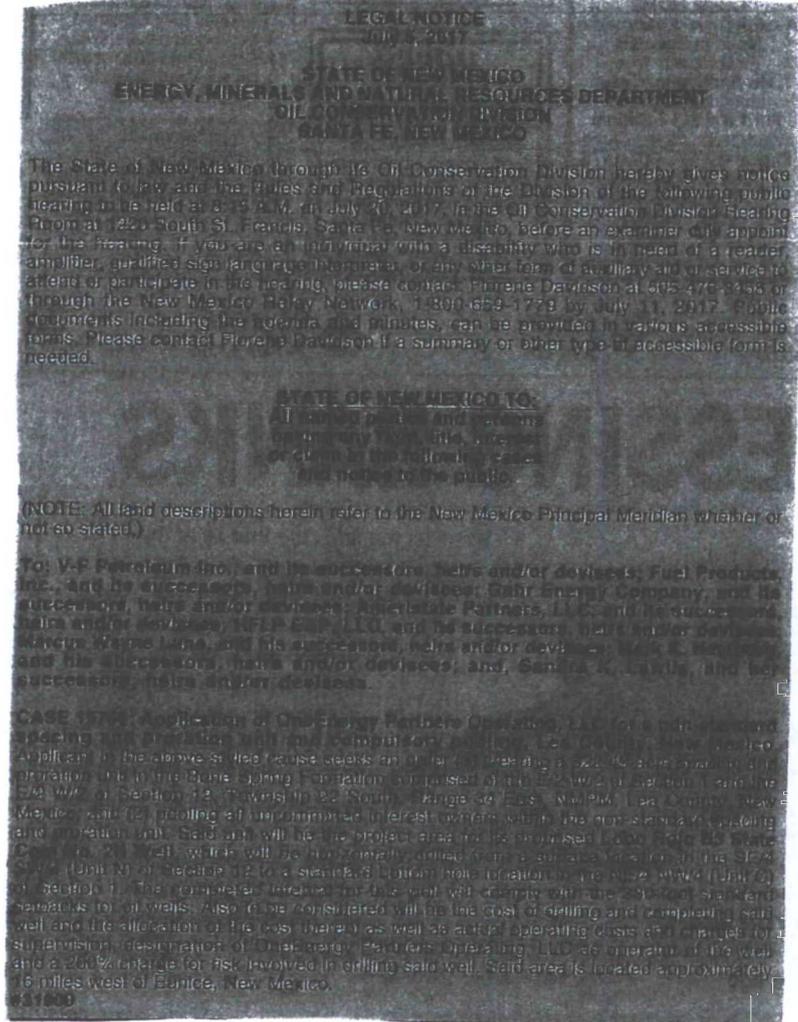
Sworn and subscribed to before me this  
5th day of July 2017.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2019



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



67100754

00196017

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



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

June 30, 2017

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

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

Ladies & Gentlemen:

This letter is to advise you that OneEnergy Partners Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on July 20, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

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

Sincerely,

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



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

June 30, 2017

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of OneEnergy Partners Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.**  
**Lobo Rojo B3 State Com No. 2H Well**

Ladies & Gentlemen:

This letter is to advise you that OneEnergy Partners Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on July 20, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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Sincerely,

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



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

June 30, 2017

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: OFFSETTING LESSEES AND OPERATORS**

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

This letter is to advise you that OneEnergy Partners Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on July 20, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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Sincerely,

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

9945049\_1

**Holland & Hart LLP**

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

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

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

HOLLAND & HART<sup>LLP</sup>



**Jordan L. Kessler**  
**Associate**

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

June 30, 2017

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Sincerely,

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

9945036\_1

**Holland & Hart LLP**

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

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

Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☪

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

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

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

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

Ameristate Partners LLC  
710 Dragon  
Lakeway, Texas 78734

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

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

Mark K. Nearburg  
710 Dragon  
Lakeway, Texas 78734

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

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

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

7016 3010 0001 0742 0273

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

For delivery information, visit **oneenergyl.com**

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

**OFFICIAL USE**

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$ 3.75  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postage \$

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

PS Form 3811, April 2015 PSN 7530-02-000-9058 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 V-F Petroleum Inc.  
 500 West Texas Avenue, Suite 230  
 Midland, Texas 79702-1889

9590 9402 2763 6351 3742 07

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

PS Form 3811, July 2015 PSN 7530-02-000-9058

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
 Agent  
 Addressee  
*Pam Olteit*

B. Received by (Printed Name)  
 Pam Olteit

C. Date of Delivery

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

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail  
 Mail Restricted Delivery (500)

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

Domestic Return Receipt

7016 3010 0001 0742 0303

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

For delivery information, visit **oneenergyl.com**

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

**OFFICIAL USE**

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$ 3.75  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postage \$

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

PS Form 3811, April 2015 PSN 7530-02-000-9058 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Fuel Products, Inc.  
 P. O. Box 3098  
 Midland, Texas 79702

9590 9402 2763 6351 3741 77

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

PS Form 3811, July 2015 PSN 7530-02-000-9058

COMPLETE THIS SECTION ON DELIVERY

A. Signature  
 Agent  
 Addressee  
*Andrea Leeg*

B. Received by (Printed Name)  
 Andrea Leeg

C. Date of Delivery

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

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail  
 Mail Restricted Delivery (500)

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

Domestic Return Receipt

7016 3010 0001 0742 0228

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

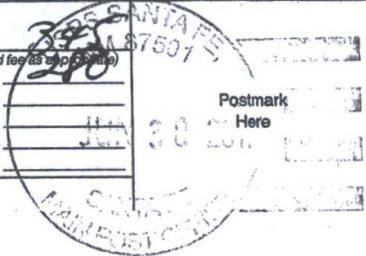
OneEnergy/ Lobo Rojo B3  
State Com 1H - Pooling /JLK

For delivery information, visit [usps.com](http://usps.com)

OFFICIAL USE

Certified Mail Fee

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



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

PS Form 3800, April 2015 PSN 7530-02-000-904 See Reverse for Instructions

7016 3010 0001 0742 0266

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

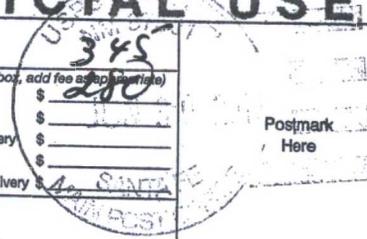
OneEnergy/ Lobo Rojo B3  
State Com 1H - Pooling (JLK)

For delivery information, visit [usps.com](http://usps.com)

OFFICIAL USE

Certified Mail Fee

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



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Ameristate Partners LLC  
710 Dragon  
Lakeway, Texas 78734

PS Form 3800, April 2015 PSN 7530-02-000-904 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3742 52

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0228

PS Form 3811, July 2015 PSN 7530-02-000-953

COMPLETE THIS SECTION ON DELIVERY

- A. Signature  
X *Andrea Amador*  Agent  Addressee
- B. Received by (Printed Name) *Andrea Amador* C. Date of Delivery *11/13/15*
- D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

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

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ameristate Partners LLC  
710 Dragon  
Lakeway, Texas 78734

9590 9402 2763 6351 3742 14

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0266

PS Form 3811, July 2015 PSN 7530-02-000-953

COMPLETE THIS SECTION ON DELIVERY

- A. Signature  
X *[Signature]*  Agent  Addressee
- B. Received by (Printed Name) *[Signature]* C. Date of Delivery *11/13*
- D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

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

Domestic Return Receipt

7016 3010 0001 0742 0235

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

For delivery information, visit our website.

**OFFICIAL USE**

Certified Mail Fee \$ 3.85

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

Return Receipt (hardcopy) \$ 2.70

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

To \$ \_\_\_\_\_

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

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

Delivered  
 (see Next Page)

7016 3010 0001 0742 0211

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

For delivery information, visit our website.

**OFFICIAL USE**

Certified Mail Fee \$ 3.85

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

Return Receipt (hardcopy) \$ 2.70

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

To \$ \_\_\_\_\_

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

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

**SENDER, COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

2. Article Number (Transfer from service label)

9590 9402 2763 6351 3742 69

7016 3010 0001 0742 0211

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

**ADDRESSEE, COMPLETE THIS SECTION**

A. Signature

Andrea Luna  Agent  Addressee

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

Andrea Luna 7/10/17

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

3. Service Type

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

over 3500

Domestic Return Receipt

# USPS Tracking® Results

[FAQs > \(http://faq.usps.com/?articleId=220900\)](http://faq.usps.com/?articleId=220900)

**Track Another Package +**

Remove X

**Tracking Number:** 70163010000107420235



## Product & Tracking Information

[See Available Actions](#)

**Postal Product:**

**Features:**  
Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
July 17, 2017, 11:25 am	Delivered, Individual Picked Up at Post Office	MIDLAND, TX 79708
▲		
Your item was picked up at the post office at 11:25 am on July 17, 2017 in MIDLAND, TX 79708.		
July 5, 2017, 11:00 am	Available for Pickup	MIDLAND, TX 79708
July 5, 2017, 10:58 am	Arrived at Unit	MIDLAND, TX 79707
July 3, 2017, 5:34 am	Departed USPS Regional Facility	MIDLAND TX DISTRIBUTION CENTER

7016 3010 0001 0742 0259

U.S. Postal Service  
CERTIFIED MAIL® RECEIPT

Domestic Mail Only  
OneEnergy/ Lobo Rojo B3  
For delivery information, visit State Com 1H - Pooling /JLK

OFFICIAL USE

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$ 3x5 2.00

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total \$

Send to: Mark K. Nearburg  
710 Dragon  
Street Lakeway, Texas 78734  
City

PS Form 3800, April 2013 PSN 7530-02-000-9059 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mark K. Nearburg  
710 Dragon  
Lakeway, Texas 78734

9590 9402 2763 6351 3742 21

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0259

PS Form 3811, July 2013 PSN 7530-02-000-9059

COMPLETE THIS SECTION ON DELIVERY

A. Signature X [Signature]  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery 7/5

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

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Return Receipt for Merchandise

Collect on Delivery  Signature Confirmation™

Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

7016 3010 0001 0742 0297

U.S. Postal Service  
CERTIFIED MAIL® RECEIPT

Domestic Mail Only  
OneEnergy/ Lobo Rojo B3  
For delivery information, visit State Com 1H - Pooling /JLK

OFFICIAL USE

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$ 3x5 2.00

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total \$

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

PS Form 3800, April 2013 PSN 7530-02-000-9059 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3741 84

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0297

PS Form 3811, July 2013 PSN 7530-02-000-9059

COMPLETE THIS SECTION ON DELIVERY

A. Signature X [Signature]  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery Andra [Signature] 7/5

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

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Return Receipt for Merchandise

Collect on Delivery  Signature Confirmation™

Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

Domestic Return Receipt

7016 3010 0001 0742 0280

U.S. Postal Service<sup>®</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

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

**OFFICIAL USE**

Certified Mail Fee \$ 3.85

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

Return Receipt (hardcopy) \$ 2.00

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

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

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

7016 3010 0001 0742 0242

U.S. Postal Service<sup>®</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

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

**OFFICIAL USE**

Certified Mail Fee \$ 3.85

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

Return Receipt (hardcopy) \$ 2.00

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Postmark Here

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

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

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3741 91

2. Article Number (Transfer from service label)  
 7016 3010 0001 0742 0280

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

**COMPLETE THIS SECTION FOR DELIVERER**

A. Signature  
 Tracey Meriez

Agent  
 Addressee

B. Received by (Printed Name)  
 Tracey Meriez

C. Date of Delivery  
 7/10/15

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

3. Service Type

Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail<sup>®</sup>  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery

Priority Mail Express<sup>®</sup>  
 Registered Mail<sup>™</sup>  
 Registered Mail Restricted Delivery  
 Return Receipt for Merchandise  
 Signature Confirmation<sup>™</sup>  
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3742 00

2. Article Number (Transfer from service label)  
 7016 3010 0001 0742 0242

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

**COMPLETE THIS SECTION FOR DELIVERER**

A. Signature  
 Marcos Cancey

Agent  
 Addressee

B. Received by (Printed Name)  
 Marcos Cancey

C. Date of Delivery  
 7-3-17

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

3. Service Type

Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail<sup>®</sup>  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery

Priority Mail Express<sup>®</sup>  
 Registered Mail<sup>™</sup>  
 Registered Mail Restricted Delivery  
 Return Receipt for Merchandise  
 Signature Confirmation<sup>™</sup>  
 Signature Confirmation Restricted Delivery

Domestic Return Receipt

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

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

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

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

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

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

7016 3010 0001 0742 0372

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

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

For delivery information, visit [usps.com](#)

**OFFICIAL USE**

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

Postage \$  
 Total \$

Postmark Here

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

PS Form 3800, April 2015 PSN 7530-02-000-9050 See Reverse for Instructions

7016 3010 0001 0742 0402

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

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

For delivery information, visit [usps.com](#)

**OFFICIAL USE**

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

Postage \$  
 Total \$

Postmark Here

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

PS Form 3800, April 2015 PSN 7530-02-000-9050 See Reverse for Instructions

COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3740 09

2. Article Number (Transfer from service label)  
 7016 3010 0001 0742 0372

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

COMPLETE THIS SECTION

A. Signature  Agent  Addressee

B. Received by (Printed Name)  Addressee

C. Date of Delivery 7-3-17

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

3. Service Type

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

Domestic Return Receipt

COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3739 72

2. Article Number (Transfer from service label)  
 7016 3010 0001 0742 0402

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

COMPLETE THIS SECTION

A. Signature  Agent  Addressee

B. Received by (Printed Name)  Addressee

C. Date of Delivery 7/5/17

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

3. Service Type

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

Domestic Return Receipt

7016 3010 0001 0742 0389

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

For delivery information, visit our website at [usps.com](http://usps.com)

**OFFICIAL USE**

Certified Mail Fee \$ 3.45

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

Return Receipt (hardcopy) \$ 2.10

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Postmark Here

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

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

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3739 96

2. Article Number (Transfer from service label)  
 7016 3010 0001 0742 0389

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

A. Signature  
 Agent  
 Addressee

B. Received by (Printed Name)

C. Date of Delivery  
 7/3/17

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

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Return Receipt for Merchandise

Collect on Delivery  Signature Confirmation™

Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

Domestic Return Receipt

7016 3010 0001 0742 0365

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

For delivery information, visit our website at [usps.com](http://usps.com)

**OFFICIAL USE**

Certified Mail Fee \$ 3.45

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

Return Receipt (hardcopy) \$ 2.10

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Postmark Here

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

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

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3740 16

2. Article Number (Transfer from service label)  
 7016 3010 0001 0742 0365

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

A. Signature  
 Agent  
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Return Receipt for Merchandise

Collect on Delivery  Signature Confirmation™

Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

Domestic Return Receipt

7016 3010 0001 0742 0396

# U.S. Postal Service<sup>™</sup> CERTIFIED MAIL<sup>®</sup> RECEIPT

Domestic Mail Only

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

For delivery information, visit [usps.com](http://usps.com)

## OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fees and charges)

- Return Receipt (hardcopy)
- Return Receipt (electronic)
- Certified Mail Restricted Delivery
- Adult Signature Required
- Adult Signature Restricted Delivery

Postage

\$

To

\$

St

Zip

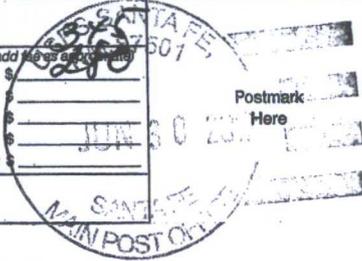
City

State

Post Office

PS

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



Postmark  
Here

Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

1

9590 9402 2763 6351 3739 89

2. Article Number (Transfer from service label)

7016 3010 0001 0742 0396

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

*[Handwritten Signature]*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

*[Handwritten Name]*

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

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail<sup>®</sup>
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express<sup>®</sup>
- Registered Mail<sup>™</sup>
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation<sup>™</sup>
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

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

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

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

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

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

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

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

7015 0640 0003 5400 8786

U.S. Postal Service™  
**CERTIFIED MAIL**  
 Domestic

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

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL USE**

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

Postage \$  
 Total \$

Postmark Here

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

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

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3734 84

2. Article Number (Transfer from service label)  
 7015 0640 0003 5400 8786

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*J. Salta*

B. Received by (Printed Name) *J. Latham*

C. Date of Delivery *7-3-17*

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

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail

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

7016 3010 0001 0743 4492

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

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

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL USE**

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

Postage \$  
 Total \$

Postmark Here

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

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

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3725 11

2. Article Number (Transfer from service label)  
 7016 3010 0001 0743 4492

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*Eric M. Stowell*

B. Received by (Printed Name) *Eric M. Stowell*

C. Date of Delivery *7/5/17*

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

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery

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

7015 0640 0003 5400 8779

U.S. Postal Service™  
**CERTIFIED MAIL** JLK/ONE ENERGY  
 Domestic Mail Only LOBO ROJO B3 STATE COM  
 2H OFFSETS

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

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

Postage \$

Postmark Here

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

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

7015 0640 0003 5400 8793

U.S. Postal Service™  
**CERTIFIED MAIL** JLK/ONE ENERGY  
 Domestic Mail Only LOBO ROJO B3 STATE COM  
 2H OFFSETS

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

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

Postage \$

Postmark Here

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

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

**SENDER: COMPLETE THIS SECTION**

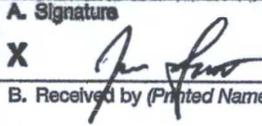
- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Black Mountain Operating  
 LLC  
 500 Main Street  
 Fort Worth, Texas 76102

9590 9402 2763 6351 3734 60

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X   Agent  
 Addressee

B. Received by (Printed Name)  
 C. Date of Delivery  
 7/13/17

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

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

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

**SENDER: COMPLETE THIS SECTION**

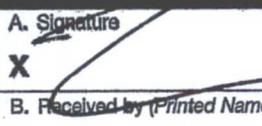
- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Centennial Resource  
 Production, LLC  
 1001 17th Street, Suite 1800  
 Denver, Colorado 80202

9590 9402 2763 6351 3734 91

2. Article Number (Transfer from service label)  
 7015 0640 0003 5400 8793

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X   Agent  
 Addressee

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

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

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

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

9051 4401 0743 4508

U.S. Postal Service  
CERTIFIED MAIL  
Domestic Mail Only

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$ 3.45  
 Return Receipt (electronic) \$ 2.80  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postmark  
Here

Postage

Total P

Sent To

Street

City, St

PS Form

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3734 53

2. Article Number (Transfer from service label)

7016 3010 0001 0743 4508

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X   Agent  
 Addressee

B. Received by (Printed Name)

JB EARL

C. Date of Delivery

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

3. Service Type

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

Restricted Delivery

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

Domestic Return Receipt

7015 0640 0003 5400 8809

U.S. Postal Service  
CERTIFIED MAIL  
Domestic Mail Only

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$ 3.45  
 Return Receipt (electronic) \$ 2.80  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postmark  
Here

Postage

Total P

Sent To

Street

City, St

PS Form

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3735 07

2. Article Number (Transfer from service label)

7015 0640 0003 5400 8809

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X   Agent  
 Addressee

B. Received by (Printed Name)

Kelvin Ly

C. Date of Delivery

JUL 03 2017

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

3. Service Type

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

Restricted Delivery

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

Domestic Return Receipt

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

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

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

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

Ameristate Partners LLC  
710 Dragon  
Lakeway, Texas 78734

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

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

Mark K. Nearburg  
710 Dragon  
Lakeway, Texas 78734

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

7016 2070 0000 4815 4232

U.S. Postal Service™  
**CERTIFIED MAIL®** JLK/ONE ENERGY  
 Domestic Mail Only LOBO ROJO B3 STATE COM  
 2H POOLED

For delivery information, visit our website at [www.usps.com](http://www.usps.com).

**OFFICIAL USE**

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

Postage \$  
**Total** \$ V-F Petroleum Inc.  
 500 West Texas Avenue, Suite 230  
 Midland, Texas 79702-1889

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

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 V-F Petroleum Inc.  
 500 West Texas Avenue, Suite 230  
 Midland, Texas 79702-1889

9590 9402 2763 6351 3725 31

2 Article Number (Transfer from service label)  
 7016 2070 0000 4815 4232

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Agent  
 Addressee

X *[Signature]*

B. Received by (Printed Name)  
 PUM D'NEIL

C. Date of Delivery  
 7-10-17

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

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

7016 2070 0000 4815 4218

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT** JLK/ONE ENERGY  
 Domestic Mail Only LOBO ROJO B3 STATE COM  
 2H POOLED

For delivery information, visit our website at [www.usps.com](http://www.usps.com).

**OFFICIAL USE**

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

Postage \$  
**Total Post** \$ Fuel Products, Inc.  
 P. O. Box 3098  
 Midland, Texas 79702

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

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Fuel Products, Inc.  
 P. O. Box 3098  
 Midland, Texas 79702

9590 9402 2763 6351 3725 55

2 Article Number (Transfer from service label)  
 7016 2070 0000 4815 4218

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Agent  
 Addressee

X *[Signature]*

B. Received by (Printed Name)  
 Andra Andra

C. Date of Delivery  
 7-10-17

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

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

7016 2070 0000 4815 4195

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

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee \$ 345  
 Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$ 2.80  
 Return Receipt (electronic)  
 Certified Mail Restricted Delivery  
 Adult Signature Required  
 Adult Signature Restricted Delivery \$

Postage \$  
 Total Paid \$  
 Sent To Gahr Energy Company  
 P. O. Box 1889  
 Street Address Midland, Texas 79702  
 City, State

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

7016 2070 0000 4815 4201

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

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee \$ 345  
 Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$ 2.80  
 Return Receipt (electronic)  
 Certified Mail Restricted Delivery  
 Adult Signature Required  
 Adult Signature Restricted Delivery \$

Postage \$  
 Total Paid \$  
 Sent To Ameristate Partners LLC  
 710 Dragon  
 Street Address Lakeway, Texas 78734  
 City, State

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3725 79

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4195

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Andrea Dell*  Agent  
 Addressee

B. Received by (Printed Name)

*Andrea Dell*  Agent  
 Addressee

C. Date of Delivery

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

3. Service Type

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ameristate Partners LLC  
 710 Dragon  
 Lakeway, Texas 78734

11

9590 9402 2763 6351 3725 62

2. Article Number (Transfer from service label)

7016 2070 0000 4815 4201

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*  Agent  
 Addressee

B. Received by (Printed Name)

*[Signature]*  Agent  
 Addressee

C. Date of Delivery

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

3. Service Type

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

Domestic Return Receipt

7016 2070 0000 4815 4225

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

JLK/ONE ENERGY  
 LOBO ROJO B3 STATE COM  
 2H PO BOX 8122

For delivery information, visit [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee \$ 3.45

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

Return Receipt (hardcopy) \$ 2.80

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

**Total F** \$

Sent To HFLP E&P LLC

Street P. O. Box 8122

City, St Midland, Texas 79708

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

7016 2070 0000 4815 4164

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

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee \$ 3.45

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

Return Receipt (hardcopy) \$ 2.80

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

**Total I** \$

Sent To Marcus Wayne Luna

Street P. O. Box 1889

City, St Midland, Texas 79702

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

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3725 48

2. Article Number (Transfer from service label)  
 7016 2070 0000 4815 4225

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 M. Hair  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
 Michael Hair

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

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

JUL 17 2017

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3733 85

2. Article Number (Transfer from service label)  
 7016 2070 0000 4815 4164

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Andrea Dell  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
 Andrea Dell 7-17-17

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

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

7016 2070 0000 4815 4171

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

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

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

Postage \$  
 Total \$

Mark K. Nearburg  
 710 Dragon  
 Lakeway, Texas 78734

City, State, ZIP+4®  
 Lakeway, TX 78734

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

7016 2070 0000 4815 4188

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

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

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

Postage \$  
 Total \$

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

City, State, ZIP+4®  
 Midland, TX 79702

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

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mark K. Nearburg  
 710 Dragon  
 Lakeway, Texas 78734

9590 9402 2763 6351 3725 93

7016 2070 0000 4815 4171

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Signature  
 Agent  
 Addressee

B. Received by (Printed Name)  
 C. Date of Delivery  
 7/5

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

3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Delivery Restricted Delivery  
 Signature Confirmation Restricted Delivery

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

(over \$500)

Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9402 2763 6351 3725 86

7016 2070 0000 4815 4188

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Signature  
 Agent  
 Addressee

B. Received by (Printed Name)  
 C. Date of Delivery  
 Andrea Lawlis

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

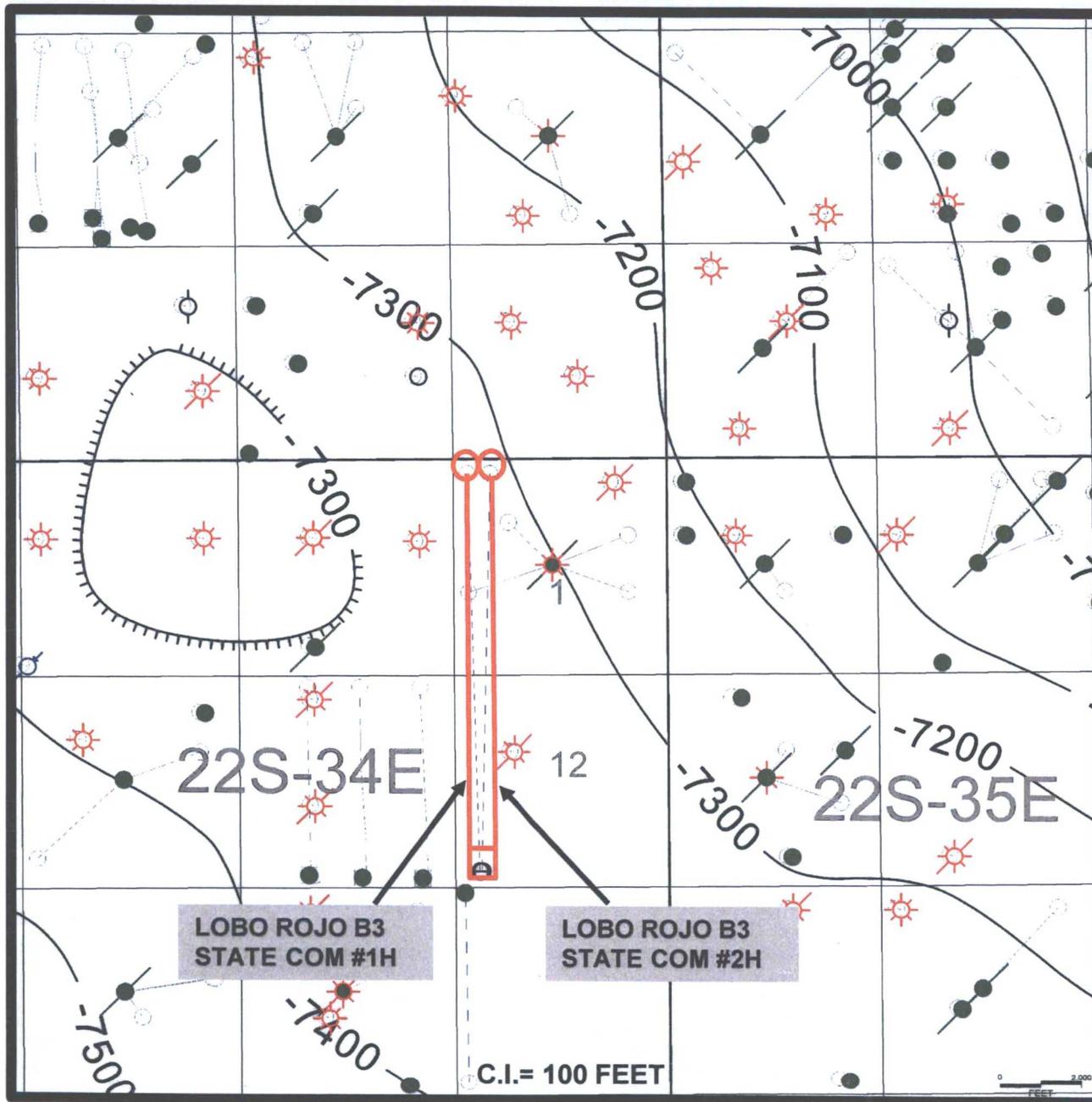
3. Service Type  
 Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery

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

Restricted Delivery

Domestic Return Receipt

# TOP OF THIRD BONE SPRING SAND SUBSEA STRUCTURE MAP

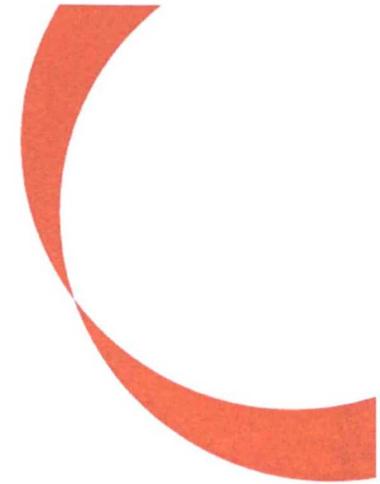
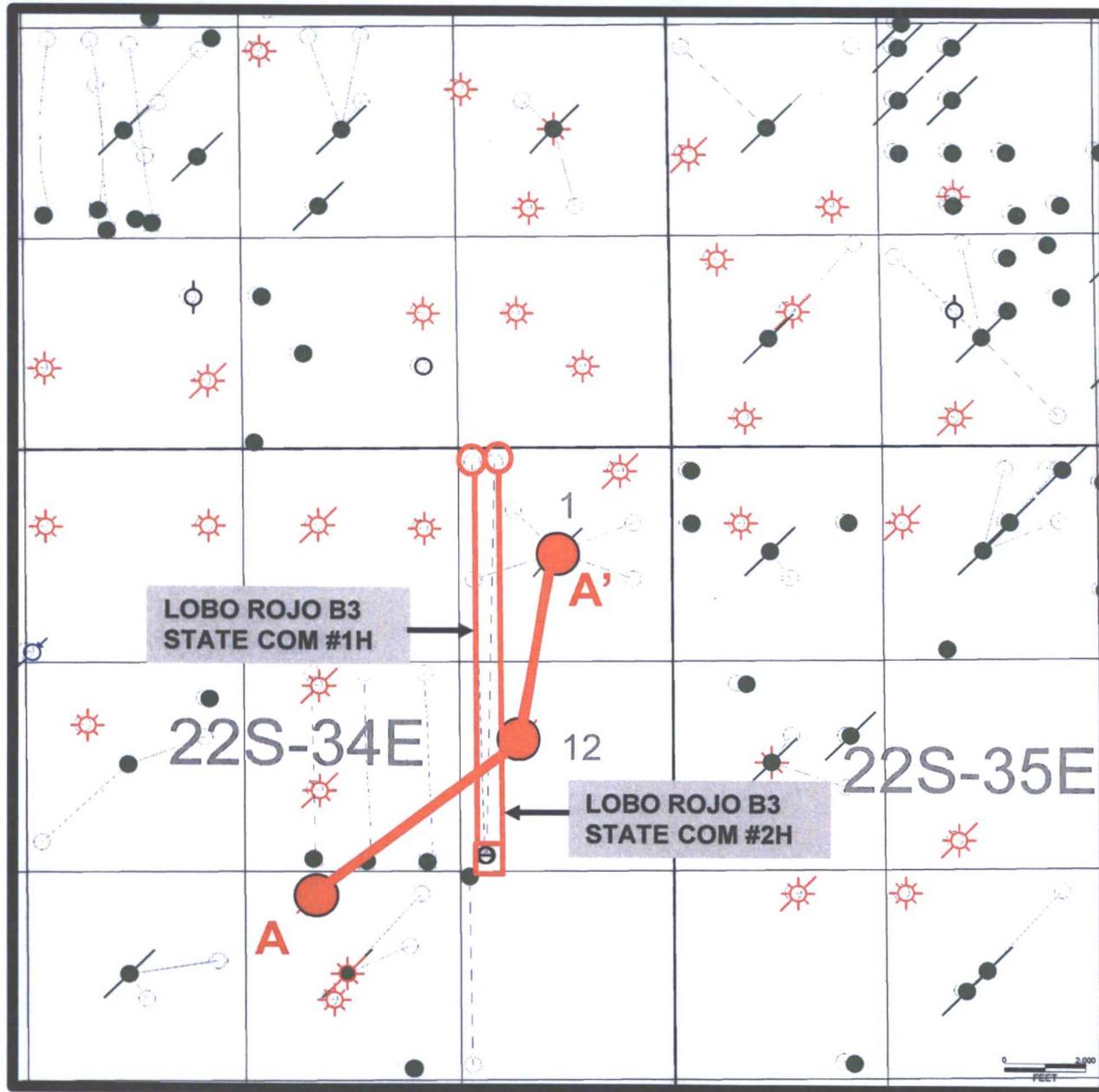


## HORIZONTAL LOCATIONS

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



# AREA BASEMAP WITH LINE OF SECTION A-A'

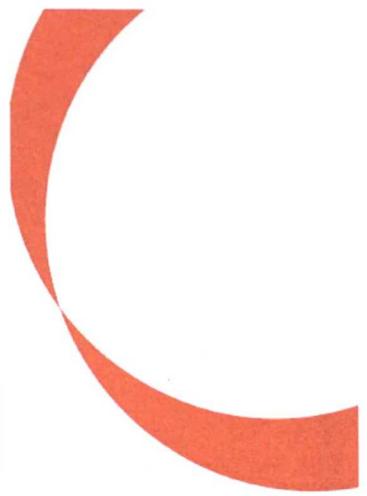
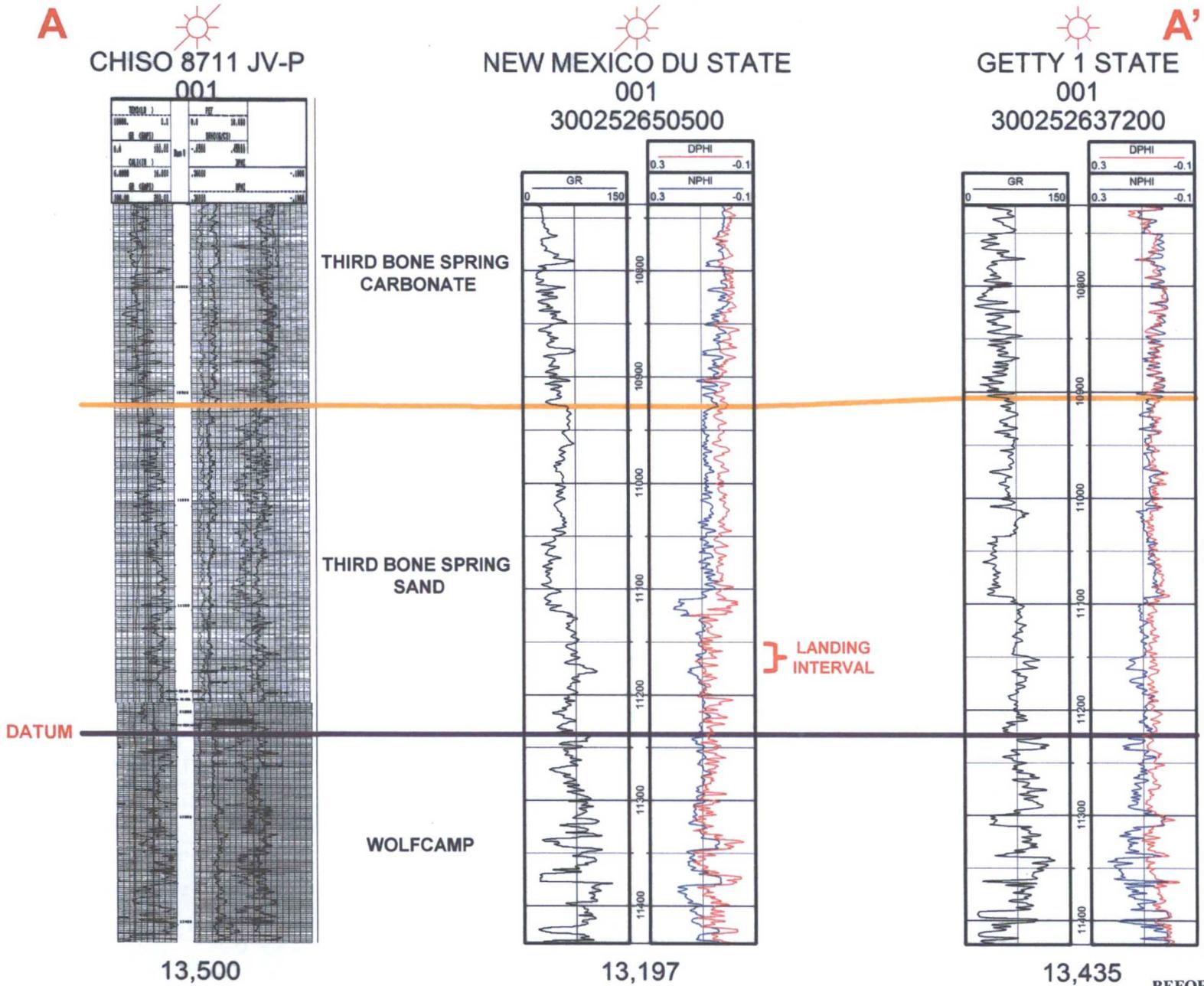


## HORIZONTAL LOCATIONS

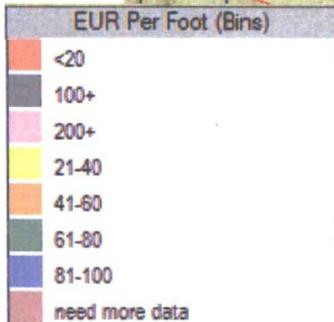
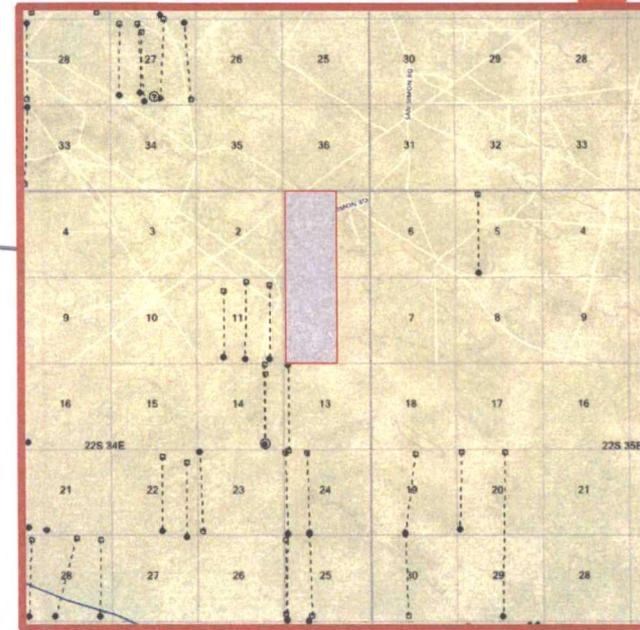
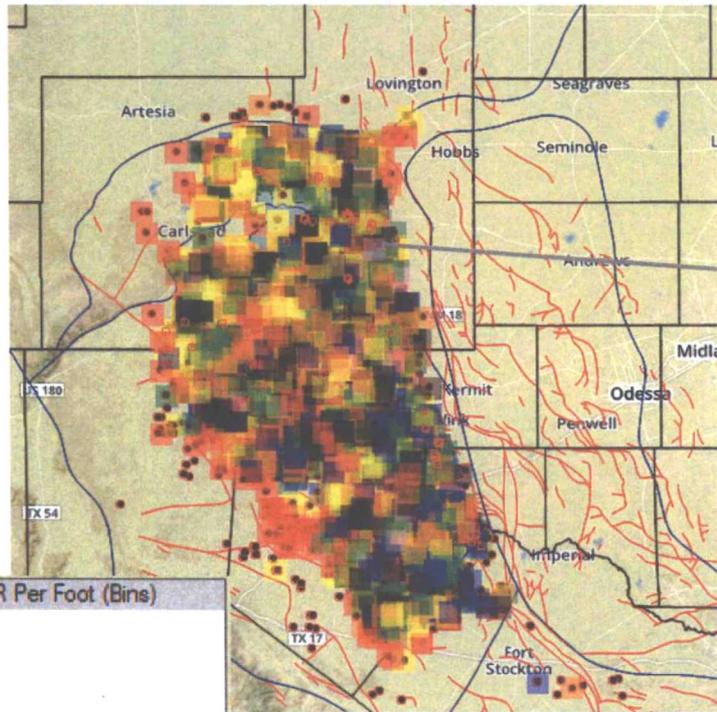
LOBO ROJO B3 STATE COM #1H  
LOBO ROJO B3 STATE COM #2H



# STRATIGRAPHIC CROSS SECTION A-A'



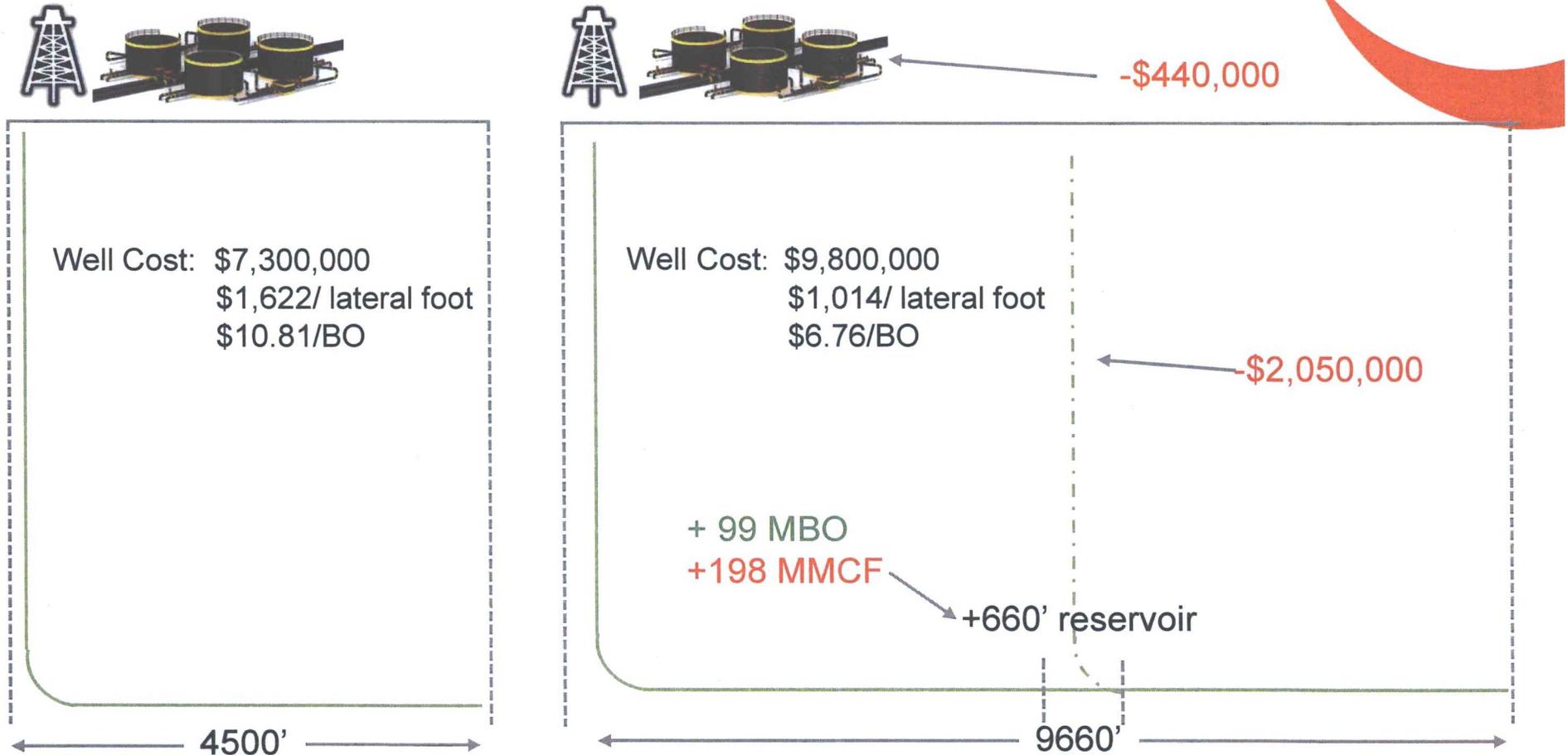
# Data Set and Analysis- OEP Database



Api	Deal	Type Curve Area	DSU	Reservoir	EUR Per Foot (BO)	EUR Per Foot (Bins)	Fluid per foot	Gas Per Foot (mcf)	Prop Load #	Proppant Loading Bins
ABE STATE 002H (30-025-42066)	No Active Deal	New Mexico	Bone Springs	385	36	21-40	66	69	1,324	1201-1800
ALDABRA 25 FEDERAL COM 00	Devon Non Op	New Mexico	Bone Springs	385	103	100+	334	1,759	1201-1800	
CORAZON STATE UNIT 005H (30-025-4094)	GMT Type Cur	New Mexico	Bone Springs	385	126	100+	38	331	1,536	1201-1800
CORAZON STATE UNIT 007H (30-025-40949)	GMT Type Cun	New Mexico	Bone Springs	385	75	61-80	39	130	1,628	1201-1800
CORAZON STATE UNIT 011H (30-025-40953)	GMT Type Cun	New Mexico	Bone Springs	385	71	61-80	40	116	1,552	1201-1800
CORAZON STATE UNIT 013H (30-025-40955)	GMT Type Cun	New Mexico	Bone Springs	385	80	61-80	40	122	1,590	1201-1800
GRAHAM CRACKER 16 STATE 0	No Active Deal	New Mexico	Bone Springs	385	83	81-100	23	427	1,590	1201-1800
JIM ROLFE 22 18 34 RN STATE 1	No Active Deal	New Mexico	Bone Springs	385	36	21-40	26	1,637	1201-1800	
OPHELIA 27 602H (30-025-418)	No Active Deal	New Mexico	Bone Springs	385	105	100+	37	206	1,548	1201-1800
SRO STATE COM 064H (30-015-	No Active Deal	New Mexico	Bone Springs	385	29	21-40	0	131	1,482	1201-1800

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

# 1 Mile vs. 2 Mile Efficiencies



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

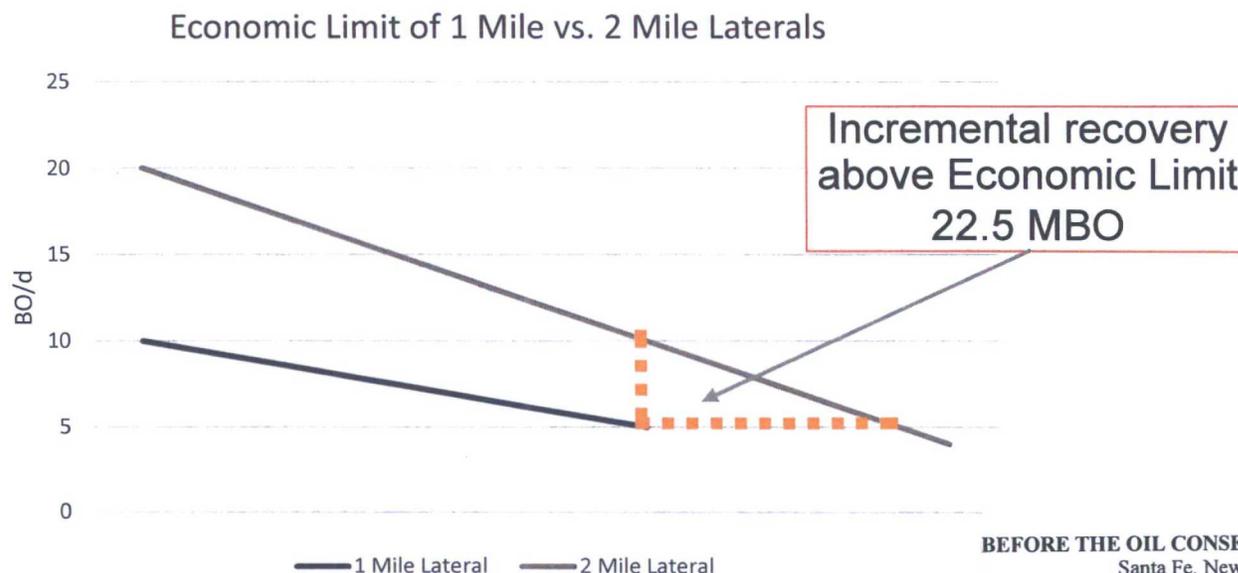
# Operating Cost Savings

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

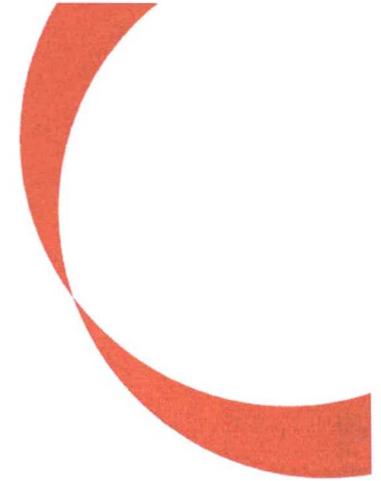
- \$1,000 pumper per month
- \$1,000 COPAS per month
- \$500 electricity per month
- \$1,000 road and location repair per month
- Pump changes \$2,000 per month
- Miscellaneous \$1,000 per month

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

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



# Economic Considerations and Comparison



## Recovery Improvement

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

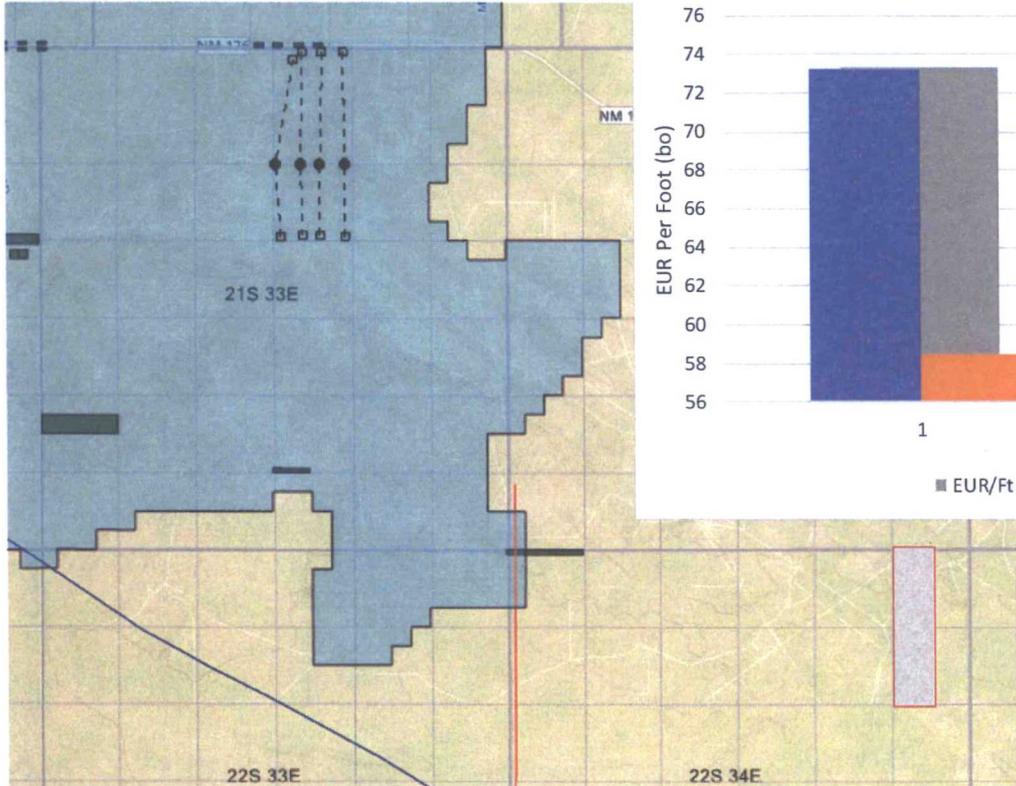
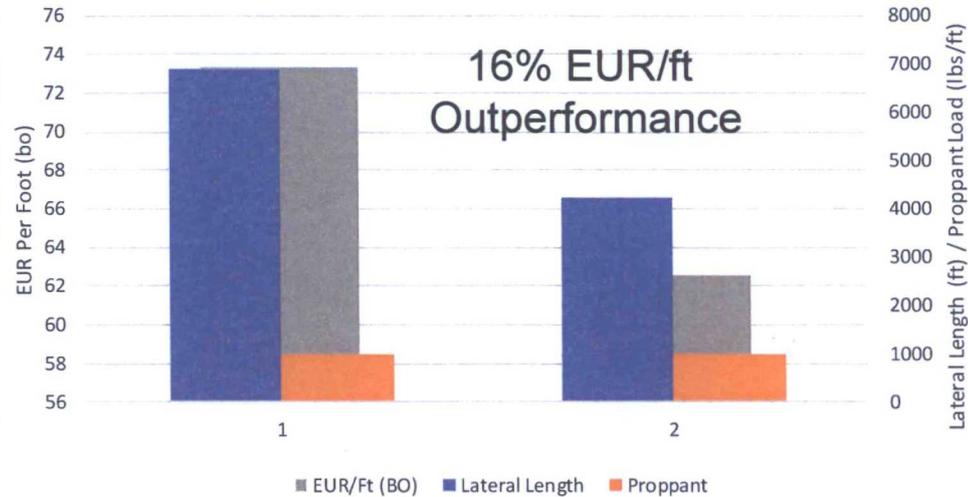
## Surface Disturbance:

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

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

# Individual Example- Fully Developed Section

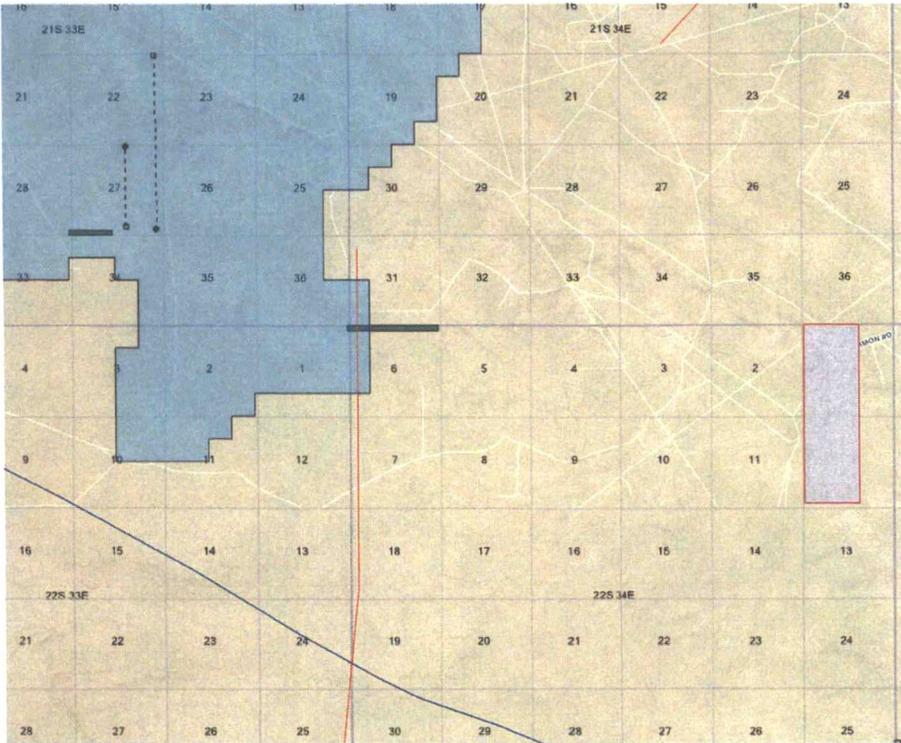
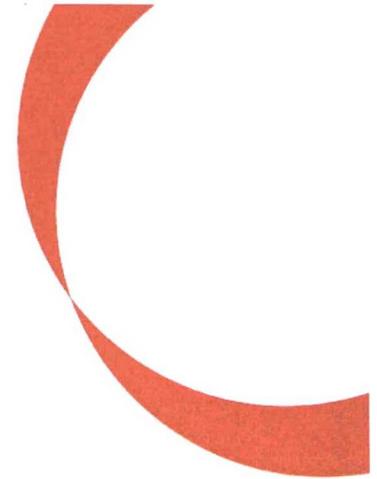
1.5 Mile vs. 1 Mile Normalized Performance



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

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

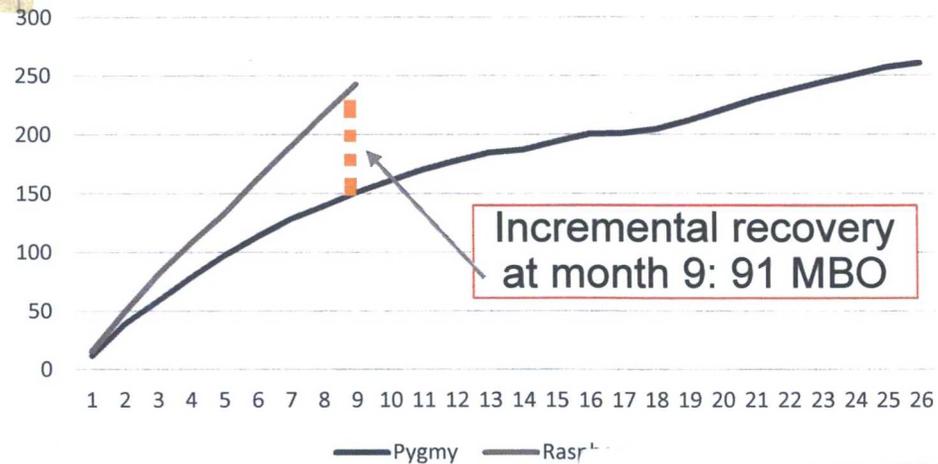
# Individual Example- 2 Mile vs 1 Mile 2BS Adjacent



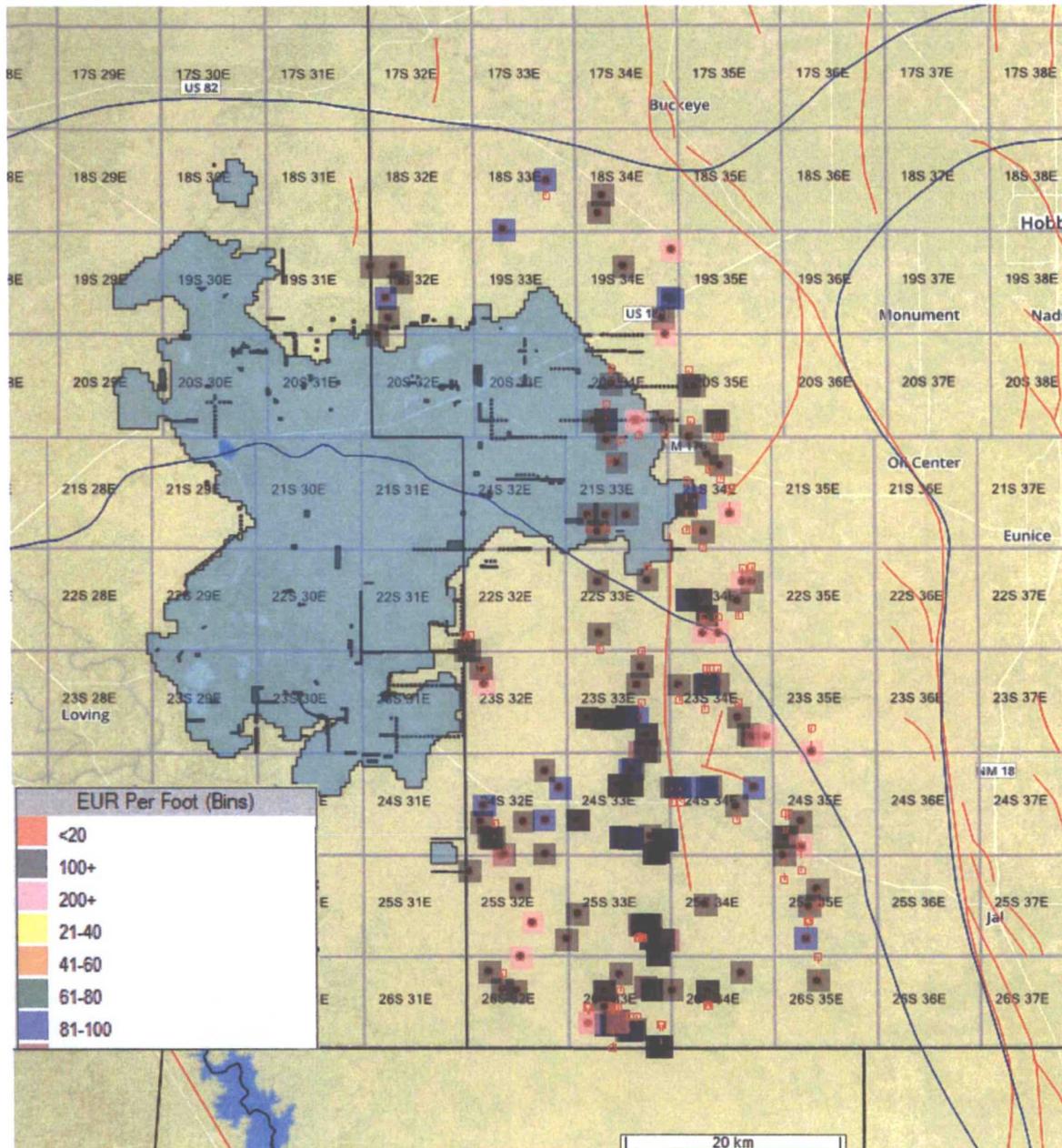
Raspberry (2 mile Lateral)  
 2 MMBO EUR, 9739', 1955 lbs/ft

Pygmy 27 (1 mile Lateral)  
 587 MBO EUR, 4067', 1922 lbs/ft

Pygmy 27 3H vs Raspberry State 1H



# Larger Study Area: Extending Beyond Individual Case Studies

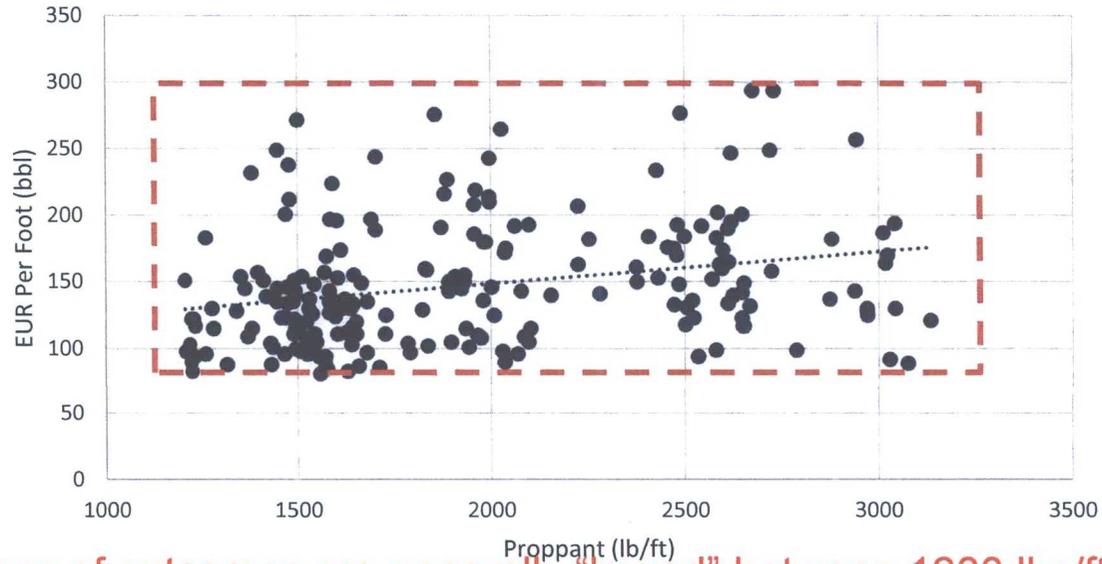


## Selection Criteria

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

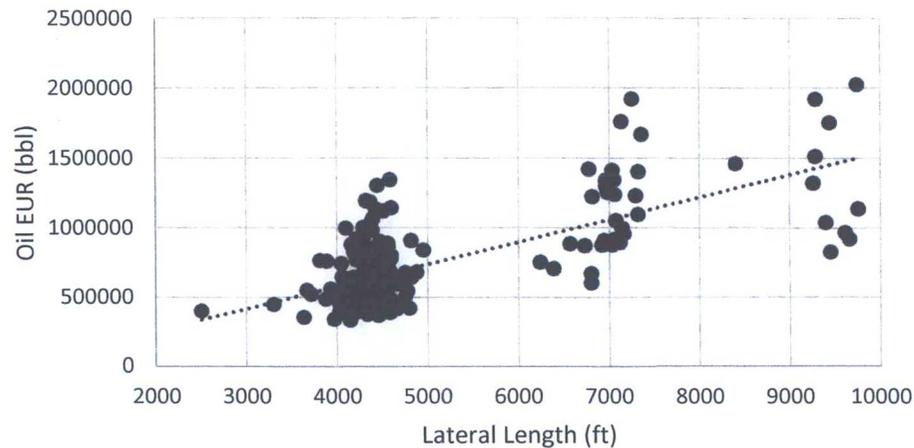
# HZ Wells Drilled since 2013 in Bone Springs and Wolfcamp Lea County, 1201 lbs/ft Proppant Loading Only, Above 80 BO/ft Filter

Proppant vs. EUR Per Foot



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

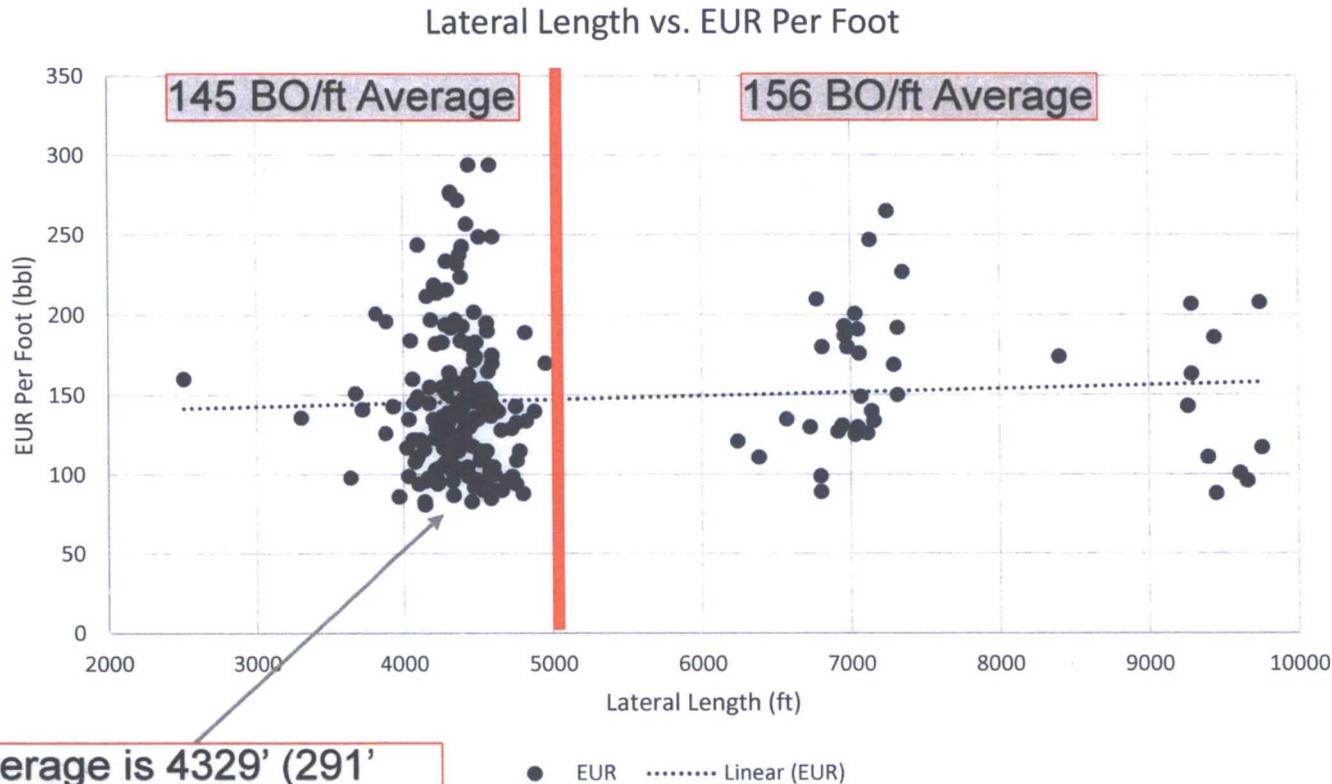
Lateral Length vs. Overall EUR



Longer laterals produce more EUR and more economic locations

# Efficiency of Longer Laterals (Normalized)

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



Average is 4329' (291' shorter than theoretical)

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

# Horizontal Wells in the Delaware Basin

Operators Putting Theory and Empirical Evidence Into Practice

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

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