

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF NM&O OPERATING COMPANY  
FOR COMPULSORY POOLING, RIO ARRIBA COUNTY,  
NEW MEXICO.**

**Case No. 15,658**

**VERIFIED STATEMENT OF JAMES BRUCE**

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am an attorney for NM&O Operating Company ("NM&O"), and have personal knowledge of the matters stated herein.
2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
  - (a) No opposition is expected because the record title and/or working interest owners being pooled have each been contacted several times, and they have simply failed or refused to sign a communitization agreement.
  - (b) A plat outlining the unit being pooled is attached hereto as Attachment A. It is comprised of federal and fee land. NM&O seeks an order pooling all mineral interests in the Mesaverde formation (Blanco-Mesaverde Gas Pool) underlying the S/2 of Section 35, Township 25 North, Range 2 West, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the Hawk Well No. 3, located at an orthodox location in the NW/4SE/4 of Section 35. Pooling is sought for purposes of obtaining approval of a communitization agreement from the Bureau of Land Management ("BLM"). There are no depth severances in the Mesaverde formation.
  - (c) The parties being pooled, their record title and/or working interests in tracts within the well unit, and their current addresses, are set forth on Attachment B.
  - (d) Attached as Attachment C is a copy of the proposal letters sent to the record title and/or working interest owners. There have been follow up e-mails or telephone calls with the uncommitted parties.
  - (e) Applicant has made a good faith effort to locate and obtain the voluntary joinder of all interest owners in the well for communitization purposes.

EXHIBIT

**1**

(f) Because the application is for purposes of communitization, the cost of drilling and completing the well, a risk charge, and operating costs and charges for supervision are not involved.

(g) NM&O requests that it be designated operator of the well.

(h) If NM&O does not submit a complete copy of the Communitization Agreement to the BLM by May 25, 2017 it will be assessed monetary penalties.

VERIFICATION

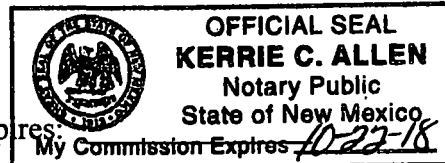
STATE OF TEXAS                     )  
  ) ss.  
COUNTY OF MIDLAND            )

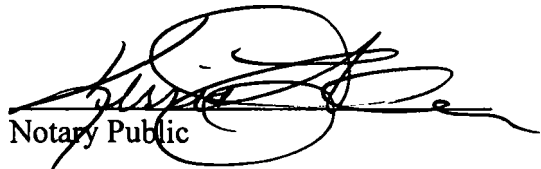
James Bruce, being duly sworn upon his oath, deposes and states that: He is an attorney for NM&O Operating Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same are true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
James Bruce

SUBSCRIBED AND SWORN TO before me this 26<sup>th</sup> day of April, 2017 by James Bruce.

My Commission Expires:

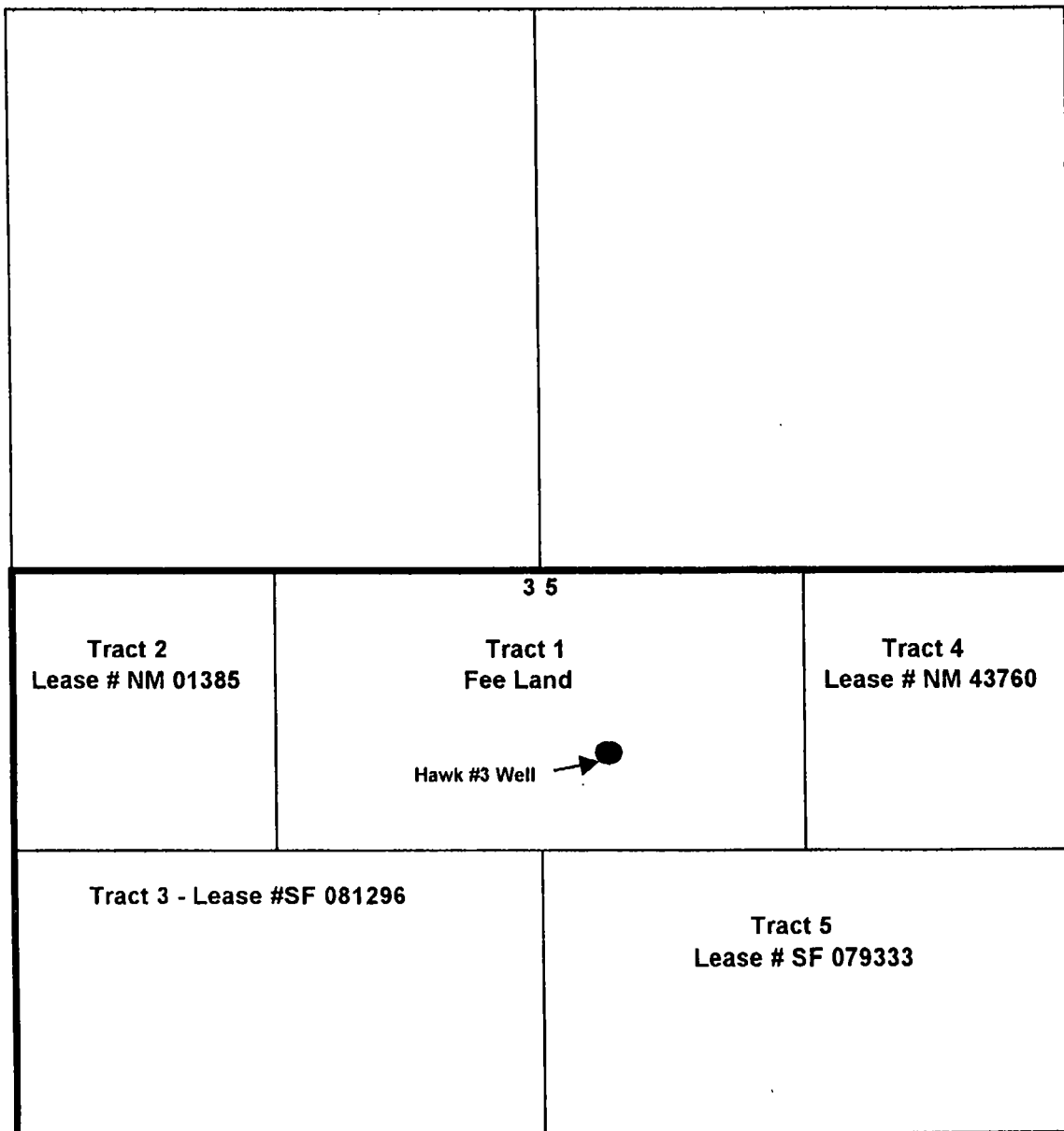


  
\_\_\_\_\_  
Notary Public

**EXHIBIT "A"**

**Plat of communitized area covering S/2 of Section 35  
Township 25 North, Range 2 West  
Rio Arriba County, New Mexico**

**Hawk #3 Well  
Blanco-Mesaverde Formation**



ATTACHMENT

**A**

**EXHIBIT "B"**

To Communitization Agreement dated December 1, 2016 embracing the following described land in  
Rio Arriba County, New Mexico

Operator of Communitized Area: **NM&O Operating Company**

**DESCRIPTION OF LEASES COMMITTED**

Tract No. 1

Township 25 North, Range 2 West, N.M.P.M.

Section 35: NE/4 SW/4 and NW/4 SE/4

**Lease 1A**

Lessor: Wayne L. Hatley, Sr. & wife Flora L. Hatley

Original Lessee: Southland Royalty Company

Date: October 22, 1981

Recording Data: Oil & Gas Book 94, page 225 and Oil and Gas Book 152, page 662

Lands Covered: An undivided 1/4 mineral interest in Tract 1, and an unknown interest in other lands

Term: Five (5) years, and so long thereafter as oil or gas is produced in paying quantities

Royalty Rate: 16.67%

**Lease 1B**

Lessor: Bank of Oklahoma, N.A. & Rita Louise Willis, Trustees of the Rita Louise Willis Trust U/T/A dated June 18, 1977

Original Lessee: Roy G. Miller

Date: December 19, 1978

Recording Data: Oil & Gas Book 86, page 806. The lease was ratified by an instrument dated July 9, 1979, recorded at Oil & Gas Book 87, page 638

Lands Covered: An undivided 15/64 mineral interest in Tract 1, and an unknown interest in other lands

Term: Five (5) years, and so long thereafter as oil or gas is produced in paying quantities

Royalty Rate: 18.75%

ATTACHMENT

**B**

**Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde**

**Lease 1C**

Lessor: Richard L. Davisson, Jr. & Charles A. Rheault, Jr.,  
Co-Executors of the Estate of P.D. Howe

Original Lessee: Southland Royalty Company

Date: August 21, 1981

Recording Data: Oil & Gas Book 94, page 223. The lease was ratified by an instrument  
dated September 14, 1984, recorded at Oil & Gas Book 104, page 782

Lands Covered: An undivided 3/32 mineral interest in Tract 1, and in unknown  
interest in other lands

Term: Five (5) years, and so long thereafter as oil or gas is produced  
in paying quantities

Royalty Rate: 12.50%

**Lease 1D**

Lessor: Kirby Exploration Company

Original Lessee: Southland Royalty Company

Date: February 7, 1983

Recording Data: Oil & Gas Book 99, page 732

Lands Covered: An undivided 15/64 mineral interest in Tract 1, and an unknown  
interest in other lands

Term: Six months, and so long thereafter as oil or gas is produced in paying  
quantities

Royalty Rate: 25.00%

**Exhibit "B" to Communitization Agreement**  
**Hawk #3 / Blanco-Mesaverde**

**Lease 1E**

Lessor: Charles A. Shear, a married man dealing in his separate property

Original Lessee: Jerome P. McHugh

Date: April 29, 1983

Recording Data: Oil & Gas Book 99, page 987

Lands Covered: An undivided 1/32 mineral interest in the NE/4 SW/4 of Section 35 (part of Tract 1), and an unknown interest in other lands

Term: Two (2) years, and so long thereafter as oil or gas is produced in paying quantities

Royalty Rate: 18.75%

**Lease 1F**

Lessor: Charles A. Shear, a married man dealing in his separate property

Original Lessee: Jerome P. McHugh

Date: May 23, 1980

Recording Data: Oil & Gas Book 89, page 825

Lands Covered: An undivided 1/32 mineral interest in the NW/4 SE/4 of Section 35 (part of Tract 1), and an unknown interest in other lands

Term: Three years, and so long thereafter as oil or gas is produced in paying quantities

Royalty Rate: 18.75%

**Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde**

**Lease 1G**

Lessor: Carly L. Burley, a married man dealing in his separate property

Original Lessee: Jerome P. McHugh

Date: May 23, 1980

Recording Data: Oil & Gas Book 89, page 831

Lands Covered: An undivided 1/32 mineral interest in the NW/4 SE/4 of Section 35 (part of Tract 1), and an unknown interest in other lands

Term: Three (3) years, and so long thereafter as oil or gas is produced in paying quantities

Royalty Rate: 18.75%

**Lease 1H**

Lessor: Augustus P Loring & wife Elisabeth B Loring

Original Lessee: Jerome P. McHugh

Date: May 23, 1980

Recording Data: Oil & Gas Book 90, page 156

Lands Covered: An undivided 1/32 mineral interest in Tract 1, and an unknown interest in other lands

Term: Five years, and so long thereafter as oil or gas is produced in paying quantities

Royalty Rate: 12.50%

**Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde**

**Lease 11**

Lessor:	R.L. Davisson & wife Mary Etta Davisson
Original Lessee:	Jerome P. McHugh
Date:	July 12, 1980
Recording Data:	Oil & Gas Book 91, page 290
Lands Covered:	An undivided 3/32 mineral interest in Tract 1, and an unknown interest in other lands
Term:	Three (3) years, and so long thereafter as oil or gas is produced in paying quantities
Royalty Rate:	12.50%



Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde

NE/4SW/4 of Section 35

Number of Acres: 40

Royalty Rate: See above

Name and Percent WI Owners:	Van K. Bullock	3.125000%
	Benson-Montin-Greer Drilling Corp.	6.835938%
	Freeport-McMoran Inc.	6.835937%
	NM&O Operating Company	83.203125%

NW/SE/4 of Section 35

Number of Acres: 40

Royalty Rate: See above

Name and Percent WI Owners:	Benson-Montin-Greer Drilling Corp.	8.203125%
	Freeport-McMoran Inc.	8.203125%
	NM&O Operating Company	83.593750%

**Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde**

**Tract No. 2**

Lease Serial No.:	NM 01385 (out of Base Lease #SF-079333)		
Lease Date:	April 1, 1948		
Lease Term:	Five (5) years and so long thereafter as oil and gas is produced in paying quantities		
Lessor:	United States of America		
Present Lessee:	Arriba Company, Ltd.	3.75%	
	NM&O Operating Company	71.25%	
	Dugan Production Corp.	25.00%	
Description of Land Committed:	<b><u>Township 25 North, Range 2 West, N.M.P.M.</u></b> Section 35: NW/4 SW/4		
Number of Acres:	40		
Royalty Rate:	12.50%		
Percent ORRI Owners:		6.28%	
Name and Percent WI Owners:	Arriba Company, Ltd.	3.75%	
	NM&O Operating Company	96.25%	

Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde

Tract No. 3

Lease Serial No.:	USA SF 081296												
Lease Date:	April 1, 1948												
Lease Term:	Five (5) years and so long thereafter as oil and gas is produced in paying quantities												
Lessor:	United States of America												
Present Lessee:	<table><tbody><tr><td>Warren Clark Trust</td><td>1.24104%</td></tr><tr><td>Hooper-Kimball &amp; Williams, <i>INC.</i></td><td>33.33333%</td></tr><tr><td>Carolyn Clark Oatman</td><td>0.87483%</td></tr><tr><td>Dugan Production Corp</td><td>33.33334%</td></tr><tr><td>Ibex Partnership, <i>LLP</i></td><td>15.60873%</td></tr><tr><td>Brazos Limited Partnership</td><td>15.60873%</td></tr></tbody></table>	Warren Clark Trust	1.24104%	Hooper-Kimball & Williams, <i>INC.</i>	33.33333%	Carolyn Clark Oatman	0.87483%	Dugan Production Corp	33.33334%	Ibex Partnership, <i>LLP</i>	15.60873%	Brazos Limited Partnership	15.60873%
Warren Clark Trust	1.24104%												
Hooper-Kimball & Williams, <i>INC.</i>	33.33333%												
Carolyn Clark Oatman	0.87483%												
Dugan Production Corp	33.33334%												
Ibex Partnership, <i>LLP</i>	15.60873%												
Brazos Limited Partnership	15.60873%												
Description of Land Committed:	<u>Township 25 North, Range 2 West, N.M.P.M.</u> Section 35: S/2 SW/4												
Number of Acres:	80												
Royalty Rate:	12.50%												
Percent ORRI Owners:	N/A												
Name and Percent WI Owners:	<table><tbody><tr><td>Warren Clark Trust</td><td>0.81380%</td></tr><tr><td>Carolyn Clark Oatman</td><td>0.87483%</td></tr><tr><td>Warren Clark Oatman Testamentary Trust</td><td>0.42724%</td></tr><tr><td>Hooper-Kimball &amp; Williams, <i>INC.</i></td><td>33.33333%</td></tr><tr><td>NM&amp;O Operating Company</td><td>64.55080%</td></tr></tbody></table>	Warren Clark Trust	0.81380%	Carolyn Clark Oatman	0.87483%	Warren Clark Oatman Testamentary Trust	0.42724%	Hooper-Kimball & Williams, <i>INC.</i>	33.33333%	NM&O Operating Company	64.55080%		
Warren Clark Trust	0.81380%												
Carolyn Clark Oatman	0.87483%												
Warren Clark Oatman Testamentary Trust	0.42724%												
Hooper-Kimball & Williams, <i>INC.</i>	33.33333%												
NM&O Operating Company	64.55080%												

**Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde**

**Tract No. 4**

Lease Serial No.:	USA NM 43760	
Lease Date:	April 1, 1948	
Lease Term:	Five (5) years and so long thereafter as oil and gas is produced in paying quantities	
Lessor:	United States of America	
Present Lessee:	Southland Royalty Company LLC	100.00%
Description of Land Committed:	<u>Township 25 North, Range 2 West, N.M.P.M.</u> Section 35: NE/4 SE/4	
Number of Acres:	40	
Royalty Rate:	12.5%-25% on oil & 12.5% or 16-2/3% on gas, per Schedule B depending on rates of production	
Percent ORRI Owners:		7.50%
Name and Percent WI Owners:	NM&O Operating Company	100.00%

**Exhibit "B" to Communitization Agreement  
Hawk #3 / Blanco-Mesaverde**

**Tract No. 5**

Lease Serial No.:	USA SF 079333	
Lease Date:	April 1, 1948	
Lease Term:	Five (5) years and so long thereafter as oil and gas is produced in paying quantities	
Lessor:	United States of America	
Present Lessee:	NM&O Operating Company	95.00%
	Arriba Company, Ltd.	5.00%
Description of Land Committed:	<b><u>Township 25 North, Range 2 West, N.M.P.M.</u></b> Section 35: S/2 SE/4	
Number of Acres:	80	
Royalty Rate:	12.50%	
Percent ORRI Owners:		8.00%
Name and Percent WI Owners:	NM&O Operating Company	95.00%
	Arriba Company, <i>L.L.C.</i>	5.00%

[REDACTED]

Arriba Company, Ltd.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Arriba Company, L.L.C.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Mabel Reed, Trustee of the  
Warren Clark Trust  
P.O. Drawer 310  
Bastrop, Texas 78602

Carolyn Clark Oatman  
P.O. Drawer 310  
Bastrop, Texas 78602

Mabel Reed and W.W. Oatman,  
Trustees of the Warren Clark  
Oatman Testamentary Trust  
P.O. Drawer 310  
Bastrop, Texas 78602

Hooper, Kimball & Williams, Inc.  
P.O. Box 521173  
Tulsa, Oklahoma 74152

Van K. Bullock  
16243 River Haven Way  
Morrison, Colorado 80465

Southland Royalty Company LLC  
400 West 7<sup>th</sup> Street  
Fort Worth, Texas 76102

Freeport-McMoRan Inc.  
333 North Central Avenue  
Phoenix, Arizona 85004

JAMES BRUCE  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

January 20, 2017

To: Persons on Exhibit A

Re: Hawk Well No. 3  
Completed in the Mesaverde formation  
Well unit: S½ §35-25N-2West, N.M.P.M.  
Rio Arriba County, New Mexico

Ladies and Gentlemen:

I represent NM&O Operating Company ("NM&O"), which operates the above well. The Bureau of Land Management ("BLM") has required NM&O to file a properly executed communitization agreement on the above well. The well unit includes federal and state lands. If it does not do so, NM&O will face penalties for non-compliance with federal regulations.

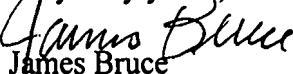
You own a Record Title interest and/or a working interest in one or more leases within the well unit. BLM regulations require Record Title and working interest owners to execute communitization agreements.

Enclosed is a copy of the communitization agreement. Also enclosed (with a self addressed, stamped envelope) are signature and acknowledgement pages. I ask that you sign and acknowledge two originals and return them to me.

If you have any questions, including the basis of your title, please contact me and I will provide you with a title opinion and other updated title material.

I thank you in advance for a prompt response.

Very truly yours,

  
James Bruce

Attorney for NM&O Operating Company

ATTACHMENT **C**

EXHIBIT A

Arriba Company, Ltd.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Arriba Company, L.L.C.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Mabel Reed, Trustee of the  
Warren Clark Trust  
P.O. Drawer 310  
Bastrop, Texas 78602

Carolyn Clark Oatman  
P.O. Drawer 310  
Bastrop, Texas 78602

Mabel Reed and W.W. Oatman,  
Trustees of the Warren Clark  
Oatman Testamentary Trust  
P.O. Drawer 310  
Bastrop, Texas 78602

Hooper, Kimball & Williams, Inc.  
P.O. Box 521173  
Tulsa, Oklahoma 74152

Van K. Bullock  
No. 381  
4530 South Verbena  
Denver, Colorado 80237

Benson-Montin-Greer Drilling Corp.  
4900 College Boulevard  
Farmington, New Mexico 87402

Freeport-McMoRan Inc.  
333 North Central Avenue  
Phoenix, Arizona 85004



JAMES BRUCE  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

jamesbruc@aol.com

January 11, 2017

To: Persons on Exhibit A

Re: Hawk Well No. 3  
Completed in the Mesaverde formation  
Well unit: S½ §35-25N-2West, N.M.P.M.  
Rio Arriba County, New Mexico

Ladies and Gentlemen:

I represent NM&O Operating Company ("NM&O"), which operates the above well. The Bureau of Land Management ("BLM") has required NM&O to file a properly executed communitization agreement on the above well. The well unit includes federal and state lands. If it does not do so, NM&O will face penalties for non-compliance with federal regulations.

You own a Record Title interest in one or more federal leases within the well unit. You do not own a working interest in the well. BLM regulations require Record Title owners to execute communitization agreements.

Enclosed is a copy of the communitization agreement. Also enclosed (with a self addressed, stamped envelope) are signature and acknowledgement pages. I ask that you sign and acknowledge two originals and return them to me.

If you have any questions, including the basis of your title, please contact me and I will provide you with a title opinion and other updated title material.

I thank you in advance for a prompt response.

Very truly yours,

  
James Bruce

Attorney for NM&O Operating Company

EXHIBIT A

Dugan Production Corp.  
709 East Murray Drive  
Farmington, New Mexico 87401

Ibex Partnership  
P.O. Box 911  
Breckenridge, Texas 76424

Brazos Limited Partnership  
P.O. Box 911  
Breckenridge, Texas 76424

Southland Royalty Company LLC  
400 West 7<sup>th</sup> Street  
Fort Worth, Texas 76102

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

**APPLICATION OF NM&O OPERATING COMPANY  
FOR COMPULSORY POOLING, RIO ARRIBA COUNTY,  
NEW MEXICO.**

**Case No. 15,658**

**AFFIDAVIT OF NOTICE**

COUNTY OF SANTA FE    )  
                                  ) ss.  
STATE OF NEW MEXICO    )

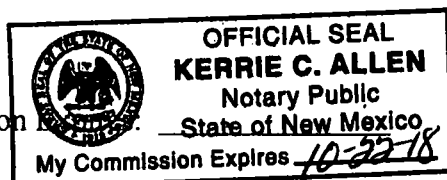
James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for NM&O Operating Company.
3. NM&O Operating Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit 1.
5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

  
James Bruce

SUBSCRIBED AND SWORN TO before me this 25<sup>th</sup> day of April, 2017 by James Bruce.

My Commission Expires



  
Notary Public

EXHIBIT **2**

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

April 6, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

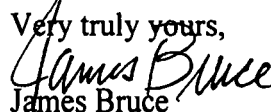
Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by NM&O Operating Company, regarding a Mesaverde well in the S½ of Section 35, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, April 27, 2017, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest 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 contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, April 20, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

You are being pooled only for the purpose of acquiring your signature to a communitization agreement which I previously mailed to you by the enclosed letter. Communitization does not affect your interest. It is only necessary because the Bureau of Land Management is requiring that the operator file the agreement for approval, on pain of monetary penalties. Thus I ask you sign and return to me the signature pages of the agreement.

Very truly yours,  
  
James Bruce

Attorney for NM&O Operating Company



EXHIBIT A

Arriba Company, Ltd.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Arriba Company, L.L.C.  
P.O. Box 35304  
Tulsa, Oklahoma 74153

Mabel Reed, Trustee of the  
Warren Clark Trust  
P.O. Drawer 310  
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Southland Royalty Company LLC  
400 West 7<sup>th</sup> Street  
Fort Worth, Texas 76102

Freeport-McMoRan Inc.  
333 North Central Avenue  
Phoenix, Arizona 85004

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>A. Collins</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>A. Collins</i> C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Article Addressed to:</p> <p>Freeport-McMoRan Inc. 333 North Central Avenue Phoenix, Arizona 85004</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 2691 6351 8865 44</p>		<p>7016 2070 0000 2473 2416 1 Delivery</p>	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt	

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> .	
FURNISHED FOR OFFICIAL USE	
<p>Certified Mail Fee \$3.35</p> <p>Extra Services &amp; Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$0.00</p> <p><input type="checkbox"/> Return Receipt (electronic) \$0.00</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$0.00</p> <p><input type="checkbox"/> Adult Signature Required \$0.00</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$0.00</p> <p>Postage \$0.70</p> <p>Total Postage and Fees \$6.80</p>	<p>Postmark Here</p> <p>04/06/2017</p>
<p>Sent To Southland Royalty Company LLC</p> <p>Street and Apt. No., or 400 West 7th Street</p> <p>City, State, ZIP+4® Fort Worth, Texas 76102</p>	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> .	
FURNISHED FOR OFFICIAL USE	
<p>Certified Mail Fee \$3.35</p> <p>Extra Services &amp; Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$0.00</p> <p><input type="checkbox"/> Return Receipt (electronic) \$0.00</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$0.00</p> <p><input type="checkbox"/> Adult Signature Required \$0.00</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$0.00</p> <p>Postage \$0.70</p> <p>Total Postage and Fees \$6.80</p>	<p>Postmark Here</p> <p>04/06/2017</p>
<p>Sent To Freeport-McMoRan Inc.</p> <p>Street and Apt. No., or P.O. Box 333 North Central Avenue</p> <p>City, State, ZIP+4® Phoenix, Arizona 85004</p>	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>Roy</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery <i>4/10</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Article Addressed to:</p> <p>Southland Royalty Company LLC 400 West 7th Street Fort Worth, Texas 76102</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article</p> <p>9590 9402 2691 6351 8865 44</p>		<p>7016 2070 0000 2473 2362 1 Delivery</p>	
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:

Arriba Co. LTD  
P.O. Box 35304  
Tulsa, Oklahoma 74153

9590 9402 2691 6351 8854 48

2. Article Number (Transfer from service label)

7016 2070 0000 2473 2386

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)

Gic Monas

C. Date of Delivery

4-10-17

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

3. Service Type

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

Restricted Delivery

Domestic Return Receipt

# U.S. Postal Service™

## CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

BASTROP, TX 78602

OFFICIAL USE

Certified Mail Fee \$3.35

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$2.75  
☐ Return Receipt (electronic) \$0.00  
☐ Certified Mail Restricted Delivery \$0.00  
☐ Adult Signature Required \$0.00  
☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.70

Total Postage and Fees \$6.80

Sent To

Street and Apt. No., or PO Box P.O. Drawer 310  
 City, State, ZIP+4® Bastrop, Texas 78602

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

# U.S. Postal Service™

## CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

Certified Mail Fee \$3.35

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$2.75  
☐ Return Receipt (electronic) \$0.00  
☐ Certified Mail Restricted Delivery \$0.00  
☐ Adult Signature Required \$0.00  
☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.70

Total Postage and Fees \$6.80

Sent To

Street and Apt. No., or PO Box No. P.O. Box 35304  
 City, State, ZIP+4® Tulsa, Oklahoma 74153

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:

Clark + Catman et al.

P.O. Drawer 310  
 Bastrop, Texas 78602

9590 9402 2691 6351 8854 24

2. Article Number (Transfer from service label)

7016 2070 0000 2473 2393

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)

Jill Green

C. Date of Delivery

4-11-17

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

2. Service Type

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

Restricted Delivery

Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

Van K. Bullock  
16243 River Haven Way  
Morrison, Colorado 80465

9590 9402 2691 6351 8854 31

2. Article Number: 7016 2070 0000 2473 2379

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: *[Signature]* ☒ Agent ☒ Addressee

B. Received by (Printed Name): *[Signature]* C. Date of Delivery: 4/12/17

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

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery

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

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

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

**OFFICIAL USE**

TULSA, OK 74152

Certified Mail Fee \$3.35 \$2.75  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$0.00  
☐ Return Receipt (electronic) \$0.00  
☐ Certified Mail Restricted Delivery \$0.00  
☐ Adult Signature Required \$0.00  
☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.70  
Total Postage and Fees \$6.80

Sent To: Hooper, Kimball & Williams, Inc.  
P.O. Box 521173  
Tulsa, Oklahoma 74152

City, State, ZIP+4®

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

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

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

**OFFICIAL USE**

MORRISON, CO 80465

Certified Mail Fee \$3.35 \$2.75  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$0.00  
☐ Return Receipt (electronic) \$0.00  
☐ Certified Mail Restricted Delivery \$0.00  
☐ Adult Signature Required \$0.00  
☐ Adult Signature Restricted Delivery \$0.00

Postage \$2.24  
Total Postage and Fees \$8.24

Sent To: Van K. Bullock  
16243 River Haven Way  
Morrison, Colorado 80465

City, State, ZIP+4®

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



## USPS Tracking® Results

FAQs > (<http://faq.usps.com/?articleId=220900>)

Track Another Package +

Remove X

Tracking Number: 70162070000024732409



## Product &amp; Tracking Information

See Available Actions

Postal Product:  
First-Class Mail®Features:  
Certified Mail™  
Return Receipt

See tracking for related item: 9590940226916351885417 (/go/TrackConfirmAction?tLabels=9590940226916351885417)

DATE & TIME	STATUS OF ITEM	LOCATION
April 15, 2017, 11:14 am	Individual Picked Up at Post Office	TULSA, OK 74152
Your item was picked up at the post office at 11:14 am on April 15, 2017 in TULSA, OK 74152.		
April 7, 2017, 4:51 pm	In Transit to Destination	
April 6, 2017, 5:18 pm	Departed Post Office	SANTA FE, NM 87501
April 6, 2017, 4:51 pm	Acceptance	SANTA FE, NM 87501

See More ▾

## Available Actions

Text Updates ▾

Email Updates ▾

See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs (<http://faq.usps.com/?articleId=220900>)

EXHIBIT

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## Affidavit of Publication

State of New Mexico

County of Rio Arriba

## NOTICE

To: Arriba Company, Ltd., Arriba Company, L.L.C., Mabel Reed, Trustee of the Warren Clark Trust, Carolyn Clark Oatman, Mabel Reed and W.W. Oatman, Trustees of the Warren Clark Oatman Testamentary Trust, Hooper, Kimball & Williams, Inc., Van K. Bullock, Southland Royalty Company LLC, and Freeport-McMoRan Inc., or your heirs, devisees, successors, or assigns: NM&O Operating Company seeks an order pooling all mineral interests in the Mesaverde formation (Blanco-Mesaverde Gas Pool) underlying the S/2 of Section 35, Township 25 North, Range 2 West, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the Hawk Well No. 3, located at an orthodox location in the NW/4SE/4 of Section 35. Also to be considered will be the designation of applicant as operator of the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, April 27, 2017 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 2-1/2 miles north of Lindrith, New Mexico.  
(Published April 13, 2017)

58 line:

line

0

5.00

45.00

90

19.50

Payment received at *Rio Grande SUN*Date April 10, 2017By [Signature]

I, Robert Trapp, being first duly sworn, declare and say I am the Publisher of the *Rio Grande SUN*, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937. The publication, a copy of which is hereto attached, was published in said paper once each week for

1 consecutive weeks and on the same day of each week in the regular issue of the paper during the time of publication and the notice was published in the newspaper proper, and not in any supplement. The first publication being on the

13 day of April, 2017

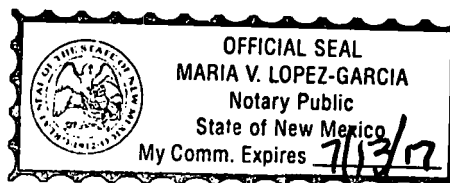
and the last publication on the 13 day of

April, 2017. Payment for said advertisement has been duly made, or assessed as court costs. The undersigned has personal knowledge of the matters and things set forth in this affidavit.

[Signature: Robert Trapp] Publisher

Subscribed and sworn to before me this 13 day of April A.D. 2017

[Signature: Maria V. Lopez Garcia]  
Maria V. Lopez Garcia /Notary Public  
My commission expires 13 July 2017





## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Farmington District Office  
6251 College Blvd., Suite A  
Farmington, New Mexico 87402  
www.blm.gov/nm



In Reply Refer To:  
NMNM136729  
3105 (NMF0110)

2017 FEB -8 P 2-19

February 6, 2017

N M & O Operating Company  
320 South Boston Ave., Suite 2000  
Tulsa, OK 74103

Dear Sir or Madam:

Enclosed is an approved Communitization Agreement (CA) NMNM136729, involving 80.00 acres in a Fee lease, 40.00 acres of Federal minerals in lease NMNM01385, 80.00 acres in lease NMSF081296, 40.00 acres in lease NMNM43760, and 80.00 acres in lease NMSF079333 in Rio Arriba County, New Mexico. This acreage comprises a 320.00 acre Mesaverde spacing unit for Hawk Federal #3.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons gas producible from the Mesaverde formation in the S/2 of Section 35, T.25 N., R.2 W., NMPM and is effective December 27, 2003. You are requested to furnish all interested principals with appropriate evidence of this approval.

The Farmington Field Office has adopted a streamlined CA procedure that will reduce delays involving the production of wells that involve communization of Federal lands. By minimizing delays, the payment of royalties will not be delayed and economic hardship will be eliminated. Upon the BLM issuing the CRS number to the operator, this will include an order to obtain the required signatures of approval within 120 calendar days. Failure to respond with either signatures or a justification for a time extension in this period will be considered an incident of non-compliance.

CA NMNM136729 as assigned above must be posted on the well and facility signs for the Hawk Federal #3. The sign shall include the well name and number, Operator name, lease serial number, Communitization number, the quarter-quarter section, section, township, range, county and state (43 CFR 3162.6)

Pursuant to the terms and conditions of the approved CA and 43 CFR 3162.4 Well Records and Reports, you are required to file your well completion report within 30 days of the well's completion. Within five (5) days of commencement of production, you are also required to file a

EXHIBIT

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notice of production startup. Penalties for non-compliance with such requirements are applicable to all well and facilities on State or privately owned mineral lands committed to a unit or CA, which affects Federal or Indian interests, notwithstanding any provision of the unit or CA to the contrary.

Upon approval of the CA, production and royalty reports are due to the Office of Natural Resources Revenue (ONRR). The submission of form MMS-4054, Oil and Gas Operations Report (OGOR), must begin once drilling is completed. OGORs must be submitted to ONRR by the 15<sup>th</sup> day of the second month following the production month. Royalty payments, along with the form MMS-2014, Report of Sales and Royalty Remittance, are due on or before the last day of the month following the month during which oil or gas was produced and sold.

If the communitized well are producing, any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54).

If you have any questions concerning reporting, locate your company contact at <http://www.onrr.gov/ReportPay/PDFDocs/operasgn.pdf>. Questions concerning Form 2014, call 1-800-525-9167 and Oil and Gas Operations Reports, call 1-800-525-7922.

If you have any questions regarding the Communitization Agreement, please contact Virginia Barber at [vbarber@blm.gov](mailto:vbarber@blm.gov) or telephone (505) 564-7754.

Sincerely,



Dave Mankiewiz  
Assistant Field Manager, Minerals

Enclosure 1 - Approved Communitization Agreement

cc: ONRR, MS-357 B1, Denver, CO

NMOCD, Santa Fe (w/o encl.)

NM Tax & Rev. Dept

NMSO (93000) (w/o encl.)

bcc: CA file (NMNM-136729)

Lease File (NMNM01385, NMNM43760, NMSF081296 & NMSF079333)

LR2000/AFMSS/21110: vbarber/CA/NM&O/02-06-17