

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

**APPLICATION OF GREAT WESTERN DRILLING LTD.
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**CASE NOS. 15875-15876
consolidated**

**APPLICATION OF CHISOLM ENERGY OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**CASE NOS. 15865-15868
consolidated**

**GREAT WESTERN/ADVANCE
EXHIBIT BINDER**

Great Western/Advance exhibit list

Great Western Land

- Exhibit 1: C-102s
- Exhibit 2: Ownership breakdown
- Exhibit 3: Area development plat
- Exhibit 4: Great Western's well proposal letters
- Exhibit 5: Great Western's AFEs
- Exhibit 6: Chisholm's well proposals and AFEs
- Exhibit 7: Great Western/Advance letter agreement

Great Western Geology

- Exhibit 8: Second Bone Spring structure map
- Exhibit 9: Geologic cross-section
- Exhibit 10: Second Bone Spring sand net isopach
- Exhibit 11: Third Bone Spring sand net isopach

Advance Land

- Exhibit 12: Map with roads

Advance Engineer

- Exhibit 13: PowerPoint

DISTRICT I
 1825 N. French Dr., Hobbs, NM 88240
 Phone (575) 593-6181 Fax: (575) 593-0720

DISTRICT II
 611 S. First St., Artesia, NM 88210
 Phone (575) 748-1263 Fax: (575) 748-9720

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

DISTRICT IV
 1226 S. St. Francis Dr., Santa Fe, NM 87505
 Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 1, 2011

Submit one copy to appropriate
 District Office

OIL CONSERVATION DIVISION
 1226 South St. Francis Dr.
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|---------------|---|--------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name GRAMA RIDGE EAST 34 STATE 2BS | Well Number 9H |
| OGRID No. | Operator Name GREAT WESTERN DRILLING COMPANY | Elevation 3626' |

Surface Location

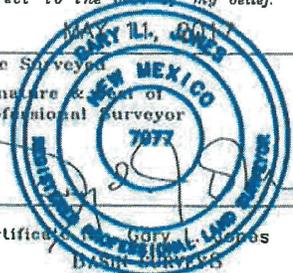
| UL or lot No. | Section | Township | Range | Lot Idn | FEET from the | North/South line | FEET from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 34 | 21 S | 34 E | | 275 | SOUTH | 1220 | EAST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 34 | 21 S | 34 E | | 330 | NORTH | 460 | EAST | LEA |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| | | | |

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

| | | | | |
|--|--|--|--|--|
| N: 525857.6 E: 808809.9 (NAD 83) | N: 525883.7 E: 811449.7 (NAD 83) | PROPOSED BOTTOM HOLE LOCATION Lat - N 32.441790 Long - W 103.450673 NMSPC- N 525574.6 E 813633.8 (NAD-83) | N: 525908.9 E: 814090.9 (NAD 83) | 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 or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. |
| | | | | Signature _____ Date _____ Printed Name _____ Email Address _____ |
| N: 523215.0 E: 808832.6 (NAD 83) | N: 523268.7 E: 814113.1 (NAD 83) | LANDING POINT 330 FSL & 460 FEL Lat - N 32.429082 Long - W 103.450668 NMSPC- N 520951.4 E 813673.5 (NAD-83) | N: 520626.5 E: 814136.3 (NAD 83) | 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. |
| | | | | Date Surveyed _____ Signature & Seal of Professional Surveyor _____  Certified _____ 7977 |
| NMOCD CASE Nos. 15865-15868, 15875 and 15876 Great Western/Advance Exhibit No. 1A December 13, 2017 | | SURFACE LOCATION Lat - N 32.428926 Long - W 103.453086 NMSPC- N 520888.3 E 812927.9 (NAD-83) | N: 520597.5 E: 811496.6 (NAD 83) | SCALE: 1" = 2000' WO Num.: 32926 |
| N: 520508.2 E: 808855.9 (NAD 83) | N: 520626.5 E: 814136.3 (NAD 83) | | | |

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WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|---------------|--------------------------------|-------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name | Well Number |
| OGRID No. | Operator Name | Elevation |
| | GRAMA RIDGE EAST 34 STATE 3BS | 2H |
| | GREAT WESTERN DRILLING COMPANY | 3715' |

Surface Location

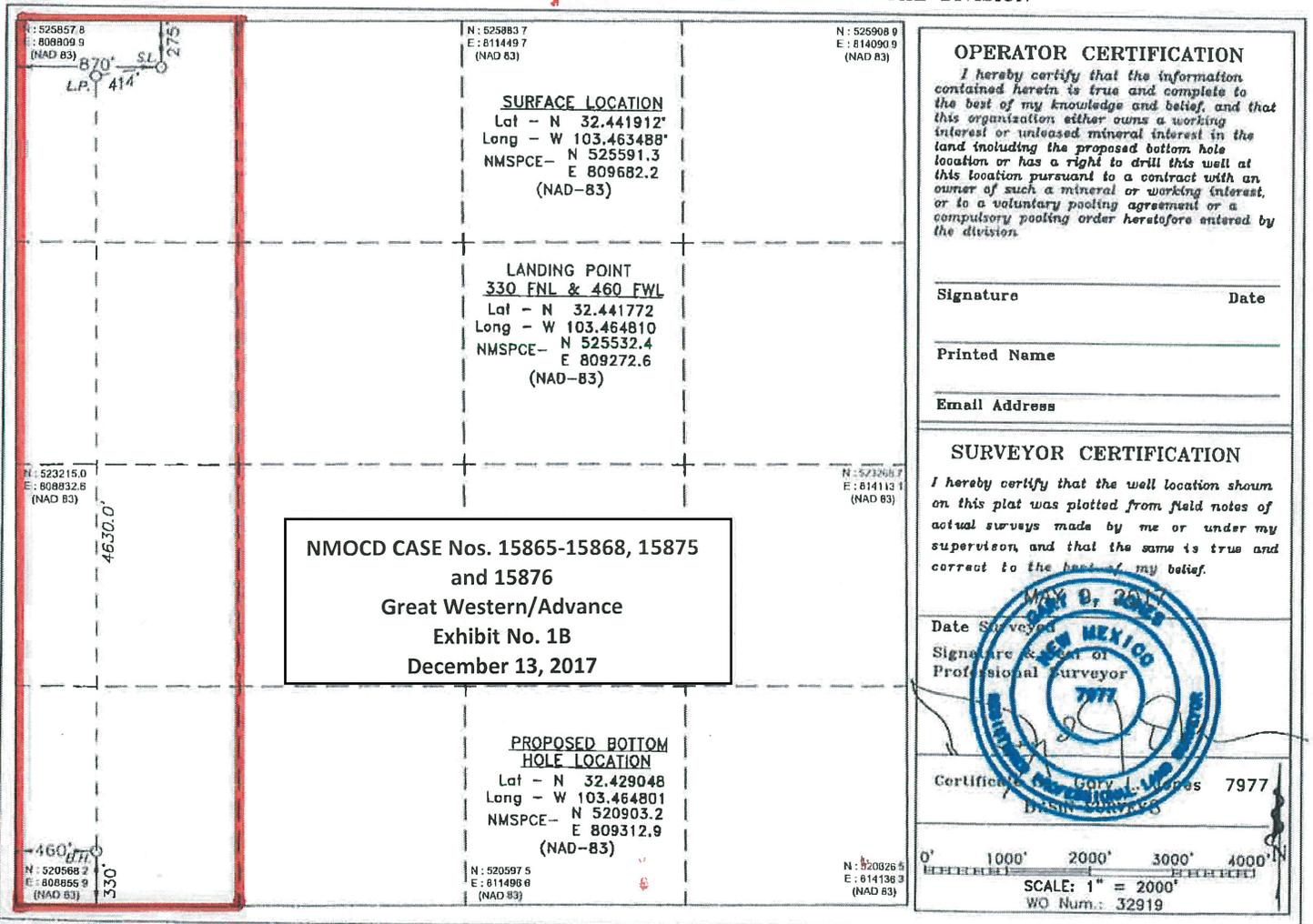
| UL or lot No. | Section | Township | Range | Lot Idn | FEET from the | North/South line | FEET from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 34 | 21 S | 34 E | | 275 | NORTH | 870 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 34 | 21 S | 34 E | | 330 | SOUTH | 460 | WEST | LEA |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| | | | |

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



NMOCD CASE Nos. 15865-15868, 15875 and 15876
 Great Western/Advance
 Exhibit No. 1B
 December 13, 2017

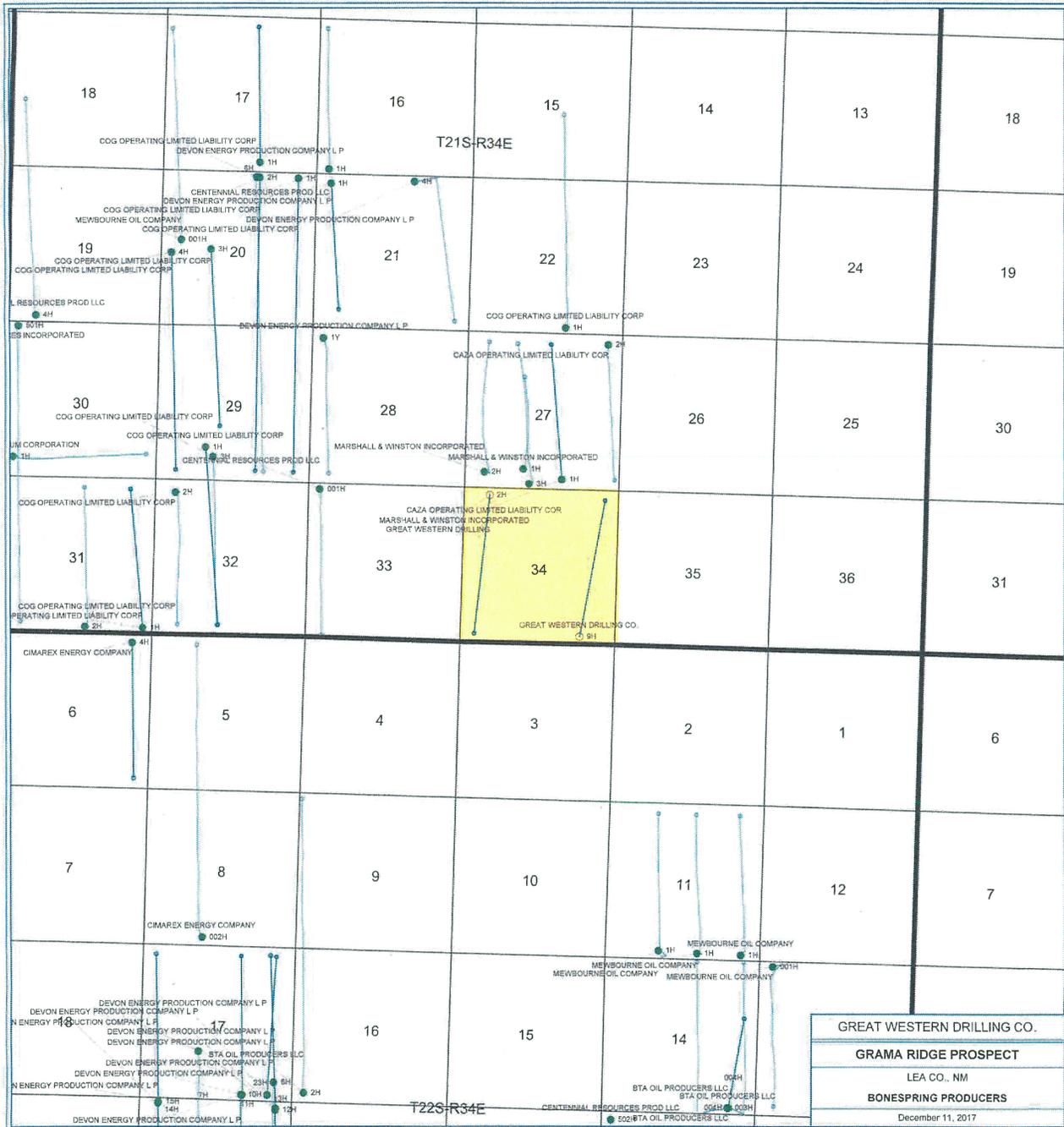
EXHIBIT 2

Working Interest Ownership within 160 Well Units (Project Areas) for:

Grama Ridge East 34 State Bone Spring Unit described as the E/2 E/2 of Section 34, T21S-R34E, Lea County, New Mexico for the Grama Ridge East 31 State 2 BS Well.

Grama Ridge East 34 State Bone Spring Unit described as the W/2 W/2 of Section 34, T21S-R34E, Lea County, New Mexico for the Grama Ridge East 31 State 3BS Well

| | |
|----------------------------------|------------|
| Chisholm Energy Operating, LLC. | 5.109125% |
| Eau Rouge, LLC | 37.500000% |
| Great Western Drilling Ltd. | 43.750000% |
| Continental Land & Fur Co., Inc. | 16.406250% |
| Timothy R. MacDonald | 0.015875% |



PETRA 12/11/2017 9:04:39 AM

NMOCD CASE Nos. 15865-15868, 15875
 and 15876
 Great Western/Advance
 Exhibit No. 3
 December 13, 2017



GREAT WESTERN DRILLING COMPANY
Post Office Box 1659 • Midland, Texas 79702 • 432/682-5241

October 3, 2017

ADDRESSEE LIST ATTACHED

CERTIFIED RETURN RECEIPT REQUESTED

RE: Grama Ridge "34" State 3BS #002 well
Section 34, T20S-R34E, Lea Co., NM

Gentlemen,

Great Western Drilling Ltd. proposes to drill the Grama Ridge "34" State 3BS #002 well as a 3rd Bone Spring formation test to be located in Section 34, T20S-R34E, Lea County, NM, at a surface location of 275' FNL and 870' FWL and a bottomhole of 330' FSL and 460' FWL of Section 34, T21S-R34E. The well will be drilled to a TVD of 12,070' including a pilot hole in the 3rd Bone Spring objective formation and a total measured depth of 17,700'. A plat of the location and an AFE (cost estimate) for drilling and completing the well are enclosed for your review.

Great Western is requesting that you sign the enclosed Operating Agreement designating Great Western as Operator of the proposed well and the Contract Area under the Operating Agreement described as Section 34, T21S-R34E, limited to the Bone Spring formation. The Operating Agreement provides for a 100/300% non-consent penalty, overhead rates of \$8,000 for drilling wells and \$800 for producing wells which shall cover the costs of company personnel including engineering, geological, land and administrative personnel assigned to work the contract area unless they are physically located on the contract area.

Our information indicates that you own the interest shown on Exhibit "A" to the enclosed Operating Agreement. If you elect to participate in drilling this well, indicate your election by checking the appropriate blank below, signing the extra signature page to the Operating Agreement and returning a copy of the signed letter and the signature page to Great Western at the address on this letterhead or to the email address of the undersigned: cmuire@gwdc.com. Please contact the undersigned if you have any question about this proposal or as may concern the prior proposal to drill this same location made by Chisholm Energy Operating, L.L.C.

Yours truly,
Great Western Drilling Ltd.

F. Carter Muire
Land Manager

The undersigned elects _____ to participate, _____ to NOT participate in drilling the above proposed Grama Ridge "34" State 3BS #002 well.

By: _____

Title: _____

Company: _____

Printed Name: _____

Great Western Drilling Ltd

Authority for Expenditure

Well: GRAMA RIDGE EAST 34 STATE 3BS #002H
 County: LEA State: NM
 Location: SL 275 EN1 & 870 FWL, BH1 350 FSL & 160 FWL, SEC 34, T21S-R34H Depth: 12070 TVD / 17200 MD

Date: 09/25/17
 FR#
 AFF#

| JOB Billing Description | Description | Cost to Casing Point - BCP | BCP | BCP | Cost to Completion - ACP | ACP | Total |
|---------------------------------|-------------|----------------------------|-----|-----|--------------------------|-----|---------------------|
| LANDMAN & LEGAL | | \$18,000 | 101 | | \$0 | 301 | \$18,000 |
| LOCATION & ROAD DAMAGES | | \$10,000 | 102 | | \$0 | 302 | \$10,000 |
| LOCATION PITS & ROAD EXP | | \$98,000 | 103 | | \$98,000 | 303 | \$196,000 |
| ROG MOBILIZATION/DEMOBILIZATION | | \$160,000 | 106 | | \$0 | 326 | \$160,000 |
| DRILLING - DAYWORK | | \$340,000 | 104 | | \$65,000 | 304 | \$405,000 |
| BITS & REAMERS | | \$55,000 | 107 | | \$5,000 | 325 | \$60,000 |
| FUEL & POWER | | \$110,000 | 108 | | \$18,000 | 305 | \$128,000 |
| WATER PURCHASED | | \$46,000 | 108 | | \$140,000 | 305 | \$186,000 |
| MUD & CHEMICALS | | \$110,000 | 109 | | \$10,000 | 306 | \$120,000 |
| CEMENT & CEMENT SERVICES | | \$36,000 | 110 | | \$98,000 | 308 | \$134,000 |
| FLOAT EQUIP & CENTRALIZERS | | \$30,000 | 110 | | \$16,000 | 308 | \$46,000 |
| CASING CREWS & EQUIPMENT | | \$18,000 | 124 | | \$8,000 | 320 | \$26,000 |
| LOGGING | | \$0 | 111 | | \$0 | 319 | \$0 |
| MUD LOGGING UNIT | | \$20,000 | 113 | | \$0 | 309 | \$20,000 |
| RENTALS | | \$320,000 | 118 | | \$172,000 | 311 | \$492,000 |
| HOUSING CASING | | \$5,000 | 127 | | \$3,000 | 323 | \$8,000 |
| SAFETY SUPPLIES & EQUIPMENT | | \$10,000 | 127 | | \$5,000 | 323 | \$15,000 |
| COMPLETION / COILED TUBING UNIT | | \$10,000 | N/A | | \$490,000 | 307 | \$500,000 |
| WIRELINE SERVICES | | \$0 | 123 | | \$60,000 | 319 | \$60,000 |
| STIMULATION / TREATING | | \$0 | 124 | | \$2,200,000 | 317 | \$2,200,000 |
| TRUCKING | | \$387,000 | 119 | | \$145,000 | 315 | \$532,000 |
| ROU'S TABOUL CONTRACT | | \$12,000 | 124 | | \$25,000 | 320 | \$37,000 |
| ELECTRICAL WORK | | \$0 | N/A | | \$15,000 | 329 | \$15,000 |
| DRILLING OVERHEAD - BCP - ACP | | \$5,000 | 125 | | \$5,000 | 321 | \$10,000 |
| CONTRACT SUPERVISION | | \$60,000 | 124 | | \$42,000 | 320 | \$102,000 |
| INSURANCE | | \$8,000 | 127 | | \$4,000 | 323 | \$12,000 |
| MISC / CONTINGENCIES | | \$60,000 | 127 | | \$100,000 | 323 | \$160,000 |
| Total Intangibles | | \$ 1,928,000 | | | \$ 3,724,000 | | \$ 5,652,000 |

| JOB Billing Description | Description | Cost to Casing Point - BCP | BCP | BCP | Cost to Completion - ACP | ACP | Total |
|----------------------------------|--------------|----------------------------|-----|-----|--------------------------|-----|---------------------|
| SURFACE CASING | 850' 14.38" | \$68,000 | 201 | | \$0 | N/A | \$68,000 |
| INTERMEDIATE CASING | 5740' 9.58" | \$169,000 | | | | | \$169,000 |
| PRODUCTION CASING | 17700' 5.12" | \$0 | N/A | | \$340,000 | 402 | \$340,000 |
| TUBING | 17000' 2.78" | \$0 | N/A | | \$55,000 | 404 | \$55,000 |
| WELLHEAD EQUIPMENT | | \$12,000 | 204 | | \$8,000 | 403 | \$20,000 |
| LINER HANGER & PACKER COMPLETION | | \$0 | N/A | | \$290,000 | 406 | \$290,000 |
| PUMPING EQUIPMENT | | \$0 | N/A | | \$105,000 | 408 | \$105,000 |
| COUPLINGS & FITTINGS | | \$0 | 206 | | \$30,000 | 413 | \$30,000 |
| VALVES, FLOWLINES | | \$0 | 204 | | \$30,000 | N/A | \$30,000 |
| SURFACE EQUIPMENT | | \$0 | N/A | | \$205,000 | 414 | \$205,000 |
| ELECTRICAL SYSTEM | | \$0 | N/A | | \$15,000 | 415 | \$15,000 |
| TRUCKING EQUIPMENT | | \$0 | 207 | | \$15,000 | 417 | \$15,000 |
| MISC / CONTINGENCIES | | \$12,000 | 207 | | \$50,000 | 417 | \$62,000 |
| Total Tangibles | | \$ 261,000 | | | \$ 1,212,000 | | \$ 1,473,000 |
| Total Well Cost | | \$ 2,189,000 | | | \$ 4,936,000 | | \$ 7,125,000 |

Partner _____
 All Partners % Interest _____
 Approved By _____
 Name & Title _____
 Date _____

Prepared By: C. BILLINGSLEY
 Operator: Great Western Drilling Ltd
 GWDC % Interest: _____
 Approved By: 
 Name & Title: Dennis Hendrix - Vice President
 Date: October 3, 2017

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6181 Fax: (575) 393-0720

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
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OIL CONSERVATION DIVISION
1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|---------------|--------------------------------|-------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name | Well Number |
| | GRAMA RIDGE EAST 34 STATE 3BS | 2H |
| OGRID No. | Operator Name | Elevation |
| | GREAT WESTERN DRILLING COMPANY | 3715' |

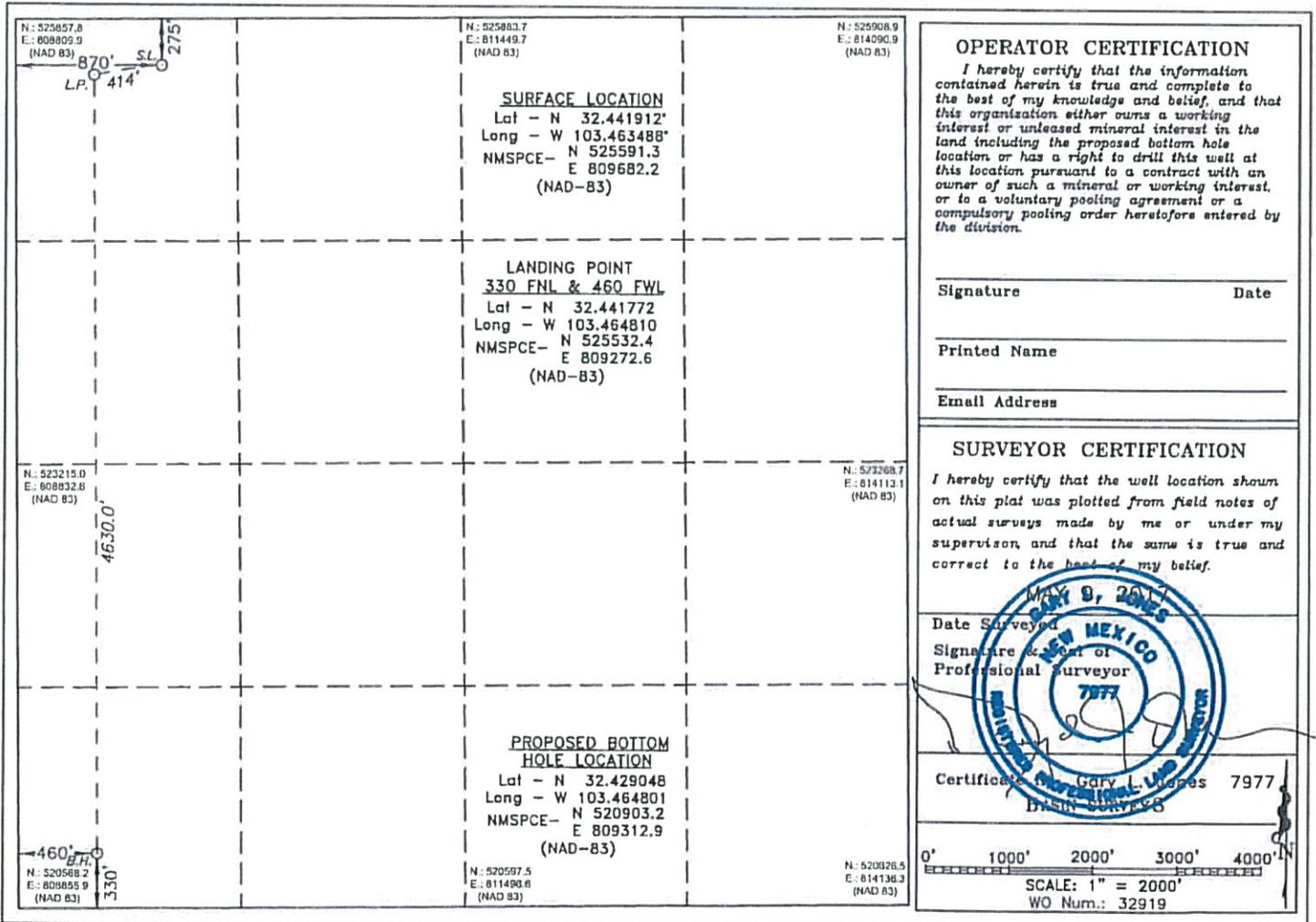
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | FEET from the | North/South line | FEET from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 34 | 21 S | 34 E | | 275 | NORTH | 870 | WEST | LEA |

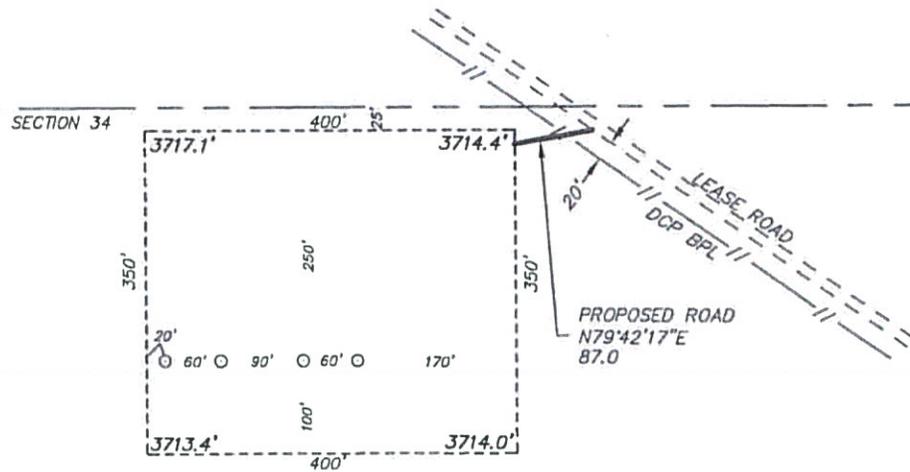
Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | FEET from the | North/South line | FEET from the | East/West line | County |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| M | 34 | 21 S | 34 E | | 330 | SOUTH | 460 | WEST | LEA |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |

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



SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



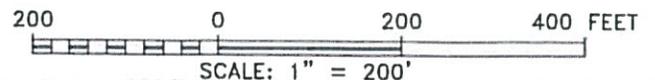
GREAT WESTERN DRILLING COMPANY
GRAMA RIDGE EAST 34 STATE 3BS 2H
ELEV. - 3715'

Lat - N 32.441912°
Long - W 103.463488°
NMSPCE- N 525591.3
E 809682.2
(NAD-83)

Directions to Location:

ON STATE HIGHWAY 176, 0.2 MILES EAST OF MILE
MARKER 19GO SOUTH ON LEASE ROAD 4.2 MILES,
THEN WEST 1.0 MILES ON LEASE ROAD TO
PROPOSED ROAD TO PROPOSED PAD.

EUNICE, NM IS ±18 MILES TO THE EAST OF LOCATION.

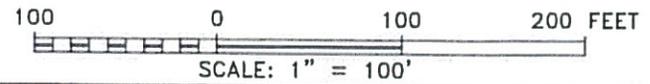
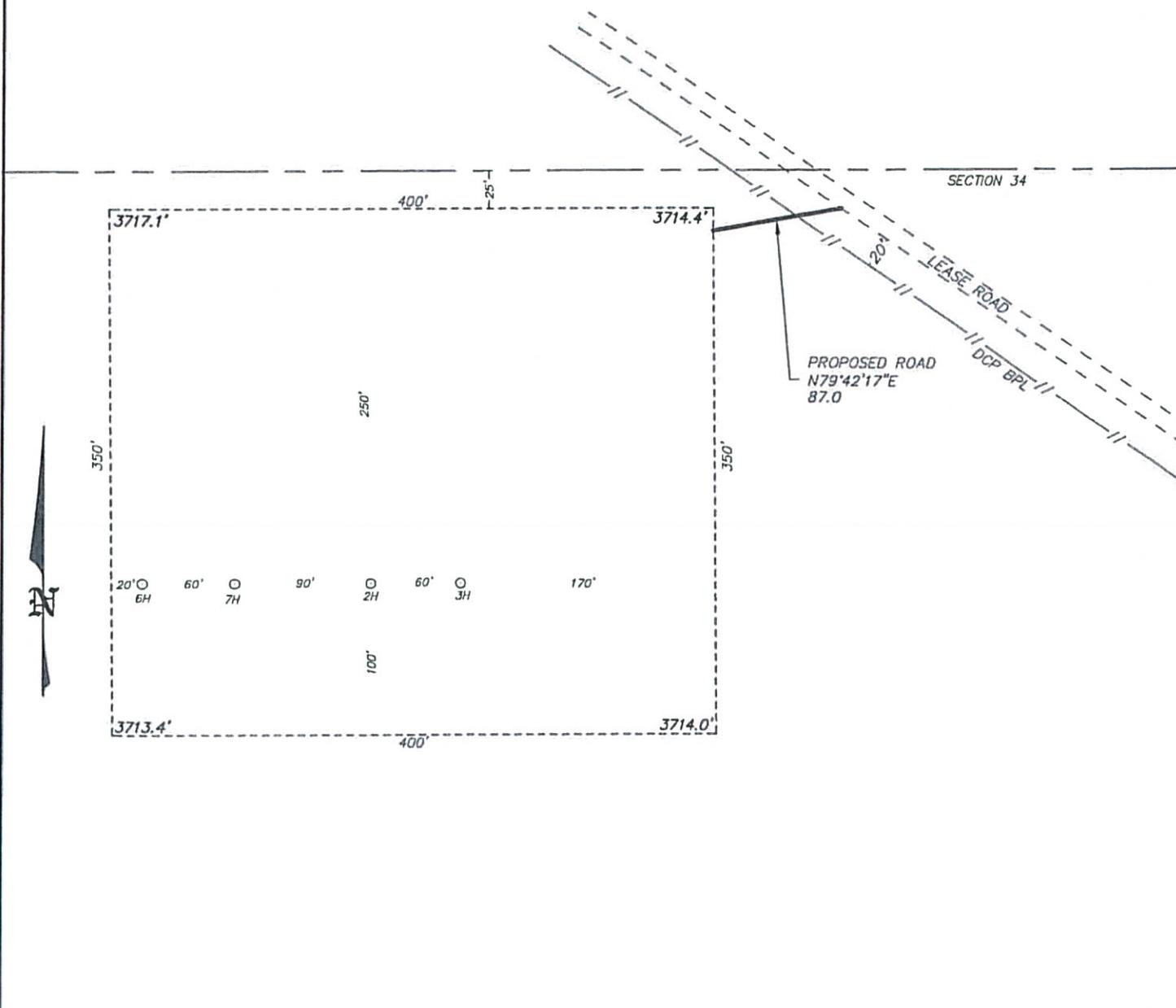


| |
|---|
| GREAT WESTERN DRILLING COMPANY |
| REF: GRAMA RIDGE EAST 34 STATE 3BS 2H / WELL PAD TOPO |
| THE GRAMA RIDGE EAST 34 STATE 3BS 2H LOCATED 275' FROM THE NORTH LINE AND 870' FROM THE WEST LINE OF SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO. |



P.O. Box 1786 (575) 393-7316 - Office
1120 N. West County Rd. (575) 392-2206 - Fax
Hobbs, New Mexico 88241 basin-surveys.com

SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



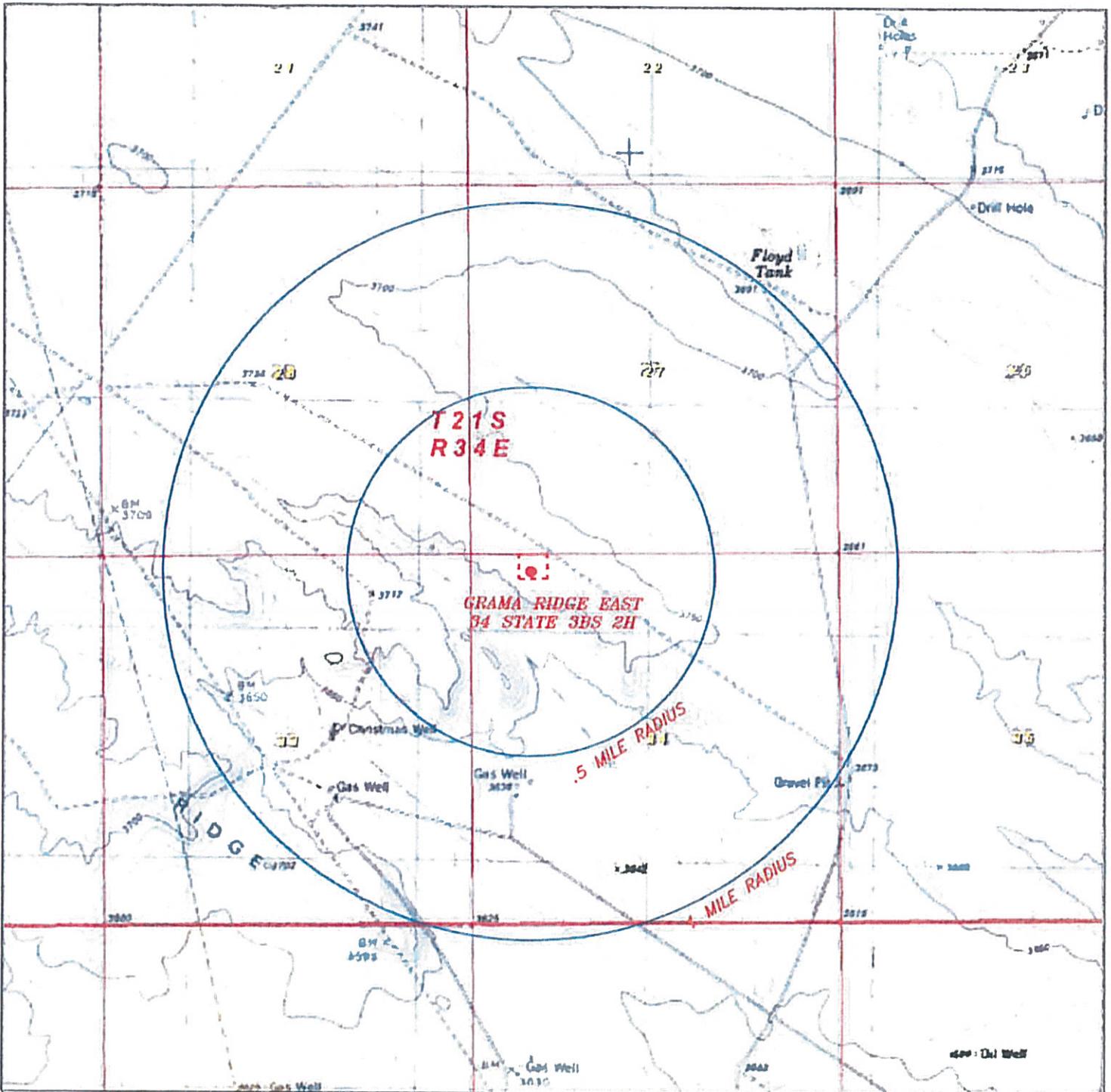
GREAT WESTERN DRILLING COMPANY

REF: GRAMA RIDGE EAST 34 STATE 3BS 2H / WELL PAD TOPO

THE GRAMA RIDGE EAST 34 STATE 3BS 2H LOCATED 275' FROM
THE NORTH LINE AND 870' FROM THE WEST LINE OF
SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.



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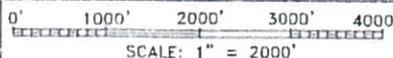


GRAMA RIDGE EAST 34 STATE 3BS 2H

Located 275' FNL and 870' FWL
 Section 34, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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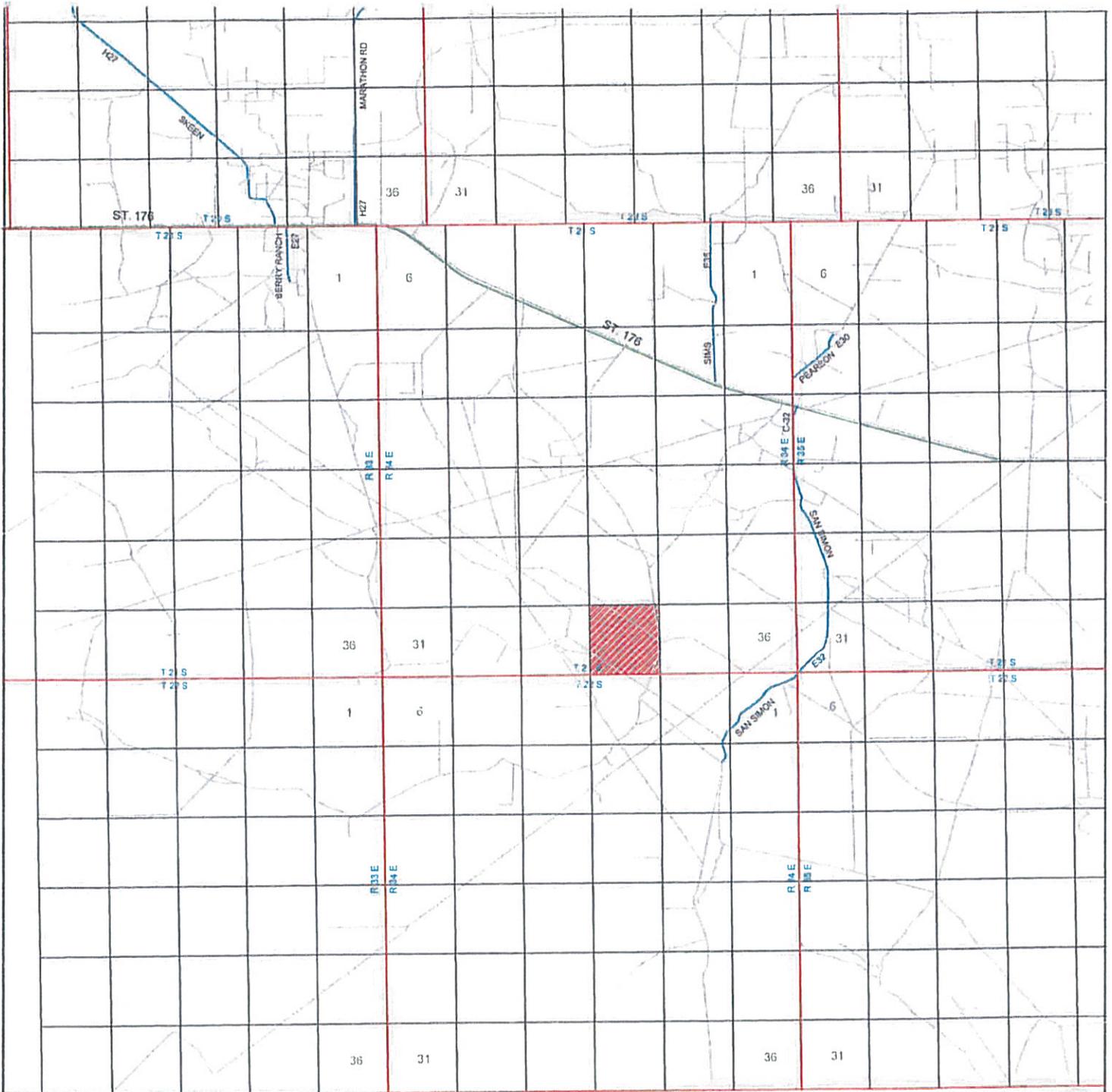


W.O. Number: JG 32919
 Survey Date: 5-2-2017

YELLOW TINT -- USA LAND
 BLUE TINT -- STATE LAND
 NATURAL COLOR -- FEE LAND



**GREAT
 WESTERN
 DRILLING
 COMPANY**

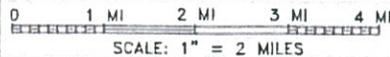


GRAMA RIDGE EAST 34 STATE 3BS 2H

Located 275' FNL and 870' FWL
 Section 34, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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W.O. Number: JG 32919
 Survey Date: 5-2-2017

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



**GREAT
 WESTERN
 DRILLING
 COMPANY**

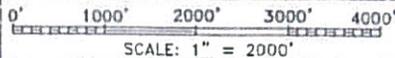


GRAMA RIDGE EAST 34 STATE 3BS 2H

Located 275' FNL and 870' FWL
 Section 34, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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W.O. Number: JG 32919
 Survey Date: 5-2-2017

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



**GREAT
 WESTERN
 DRILLING
 COMPANY**



GREAT WESTERN DRILLING COMPANY
Post Office Box 1659 • Midland, Texas 79702 • 432/682-5241

October 3, 2017

ADDRESSEE LIST ATTACHED

CERTIFIED RETURN RECEIPT REQUESTED

RE: Grama Ridge "34" State 2BS #009H well
Section 34, T20S-R34E, Lea Co., NM

Gentlemen,

Great Western Drilling Ltd. proposes to drill the Grama Ridge "34" State 2BS #009H well as a 2rd Bone Spring formation test to be located in Section 34, T20S-R34E, Lea County, NM at a surface location of 275' FSL and 1220' FEL and a bottomhole of 330' FNL and 460' FEL of Section 34, T21S-R34E. The well will be drilled to a TVD of 10,275' into the 3rd Bone Spring objective formation and a total measured depth of 14,650'. A plat of the location and an AFE (cost estimate) for drilling and completing the well are enclosed for your review.

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Our information indicates that you own the interest shown on Exhibit "A" to the enclosed Operating Agreement. If you elect to participate in drilling this well, indicate your election by checking the appropriate blank below, signing the extra signature page to the Operating Agreement and returning a copy of the signed letter and the signature page to Great Western at the address on this letterhead or to the email address of the undersigned: cmuire@gwdc.com. Please contact the undersigned if you have any question about this proposal or as may concern the prior proposal to drill this same location made by Chisholm Energy Operating, L.L.C.

Yours truly,
Great Western Drilling Ltd.

F. Carter Muire
Land Manager

Page 2 of 2, Grama Ridge "34" 2BS, #009H Well

The undersigned elects _____ to participate, _____ to NOT participate in drilling the above proposed Grama Ridge "34" State 2BS #009H well.

By: _____

Title: _____

Company: _____

Printed Name: _____

Great Western Drilling Ltd

Authority for Expenditure

Well: GRAMA RIDGE EAST 34 STATE 2BS #009H

Date: 09/25/17

County: TEA

State: NM

ER#

Location: SI 275' ESI & 1220' FLL; BH 330' FNL & 460' FFL; SEC 34; 121S-R3-M Depth: 10275' TVD / 14650' MD

AFE#

| JOB Billing Description | Description | Cost to Casing Point - BCP | BCP | BCP | Cost to Completion - ACP | ACP | Total |
|--------------------------------|-------------|----------------------------|-----|-----|--------------------------|-----|---------------------|
| LANDMAN & EFGM | | \$18,000 | 101 | | \$0 | 301 | \$18,000 |
| LOCATION & ROAD DAMAGES | | \$10,000 | 102 | | \$0 | 302 | \$10,000 |
| LOCATION, PITS & ROAD EXP | | \$98,000 | 103 | | \$98,000 | 303 | \$196,000 |
| RE MOBILIZATION-DEMORILIZATION | | \$160,000 | 106 | | \$0 | 326 | \$160,000 |
| DRILLING - DAYWORK | | \$270,000 | 105 | | \$55,000 | 304 | \$325,000 |
| BITS & REAMERS | | \$55,000 | 107 | | \$5,000 | 325 | \$60,000 |
| LIFT & POWER | | \$90,000 | 108 | | \$15,000 | 305 | \$105,000 |
| WATER PURCHASED | | \$38,000 | 108 | | \$115,000 | 305 | \$153,000 |
| MUD & CHEMICALS | | \$90,000 | 109 | | \$8,000 | 306 | \$98,000 |
| CEMENT & CEMENT SERVICES | | \$30,000 | 110 | | \$80,000 | 308 | \$110,000 |
| FLOAT EQUIP & CENTRALIZERS | | \$30,000 | 110 | | \$16,000 | 308 | \$46,000 |
| CASING CREWS & EQUIPMENT | | \$15,000 | 121 | | \$6,000 | 320 | \$21,000 |
| LOGGING | | \$0 | 111 | | \$0 | 319 | \$0 |
| MUD LOGGING UNIT | | \$14,000 | 113 | | \$0 | 309 | \$14,000 |
| RENTALS | | \$264,000 | 118 | | \$142,000 | 314 | \$406,000 |
| TESTING CASING | | \$5,000 | 127 | | \$3,000 | 323 | \$8,000 |
| SAFETY SUPPLIES & EQUIP RENTAL | | \$10,000 | 127 | | \$5,000 | 323 | \$15,000 |
| COMPLETION / COILED TUB UNIT | | \$7,000 | N/A | | \$405,000 | 307 | \$412,000 |
| WIRELINE SERVICES | | \$0 | 123 | | \$50,000 | 319 | \$50,000 |
| STIMULATION / TREATING | | \$0 | 121 | | \$1,800,000 | 317 | \$1,800,000 |
| TRUCKING | | \$320,000 | 119 | | \$120,000 | 315 | \$440,000 |
| ROUNTRABOUL-CONTRACT | | \$12,000 | 124 | | \$25,000 | 329 | \$37,000 |
| ELECTRICAL WORK | | \$0 | N/A | | \$15,000 | 329 | \$15,000 |
| DRILLING OVERHEAD - BCP / ACP | | \$5,000 | 125 | | \$5,000 | 321 | \$10,000 |
| CONTRACT SUPERVISION | | \$50,000 | 124 | | \$35,000 | 329 | \$85,000 |
| INSURANCE | | \$6,500 | 127 | | \$2,500 | 321 | \$9,000 |
| MISC / CONTINGENCIES | | \$47,000 | 127 | | \$80,000 | 323 | \$127,000 |
| Total Intangibles | | \$ 1,644,500 | | | \$ 3,085,500 | | \$ 4,730,000 |

| JOB Billing Description | Description | Cost to Casing Point - BCP | BCP | BCP | Cost to Completion - ACP | ACP | Total |
|----------------------------------|--------------|----------------------------|-----|-----|--------------------------|-----|---------------------|
| SURFACE CASING | 859' 13.68" | \$68,000 | 201 | | \$0 | N/A | \$68,000 |
| INTERMEDIATE CASING | 5750' 9.58" | \$169,000 | | | | | \$169,000 |
| PRODUCTION CASING | 14650' 8.12" | \$0 | N/A | | \$275,000 | 402 | \$275,000 |
| TUBING | 10900' 2.78" | \$0 | N/A | | \$44,000 | 404 | \$44,000 |
| WELL HEAD EQUIPMENT | | \$12,000 | 204 | | \$8,000 | 403 | \$20,000 |
| INNER HANGER & PACKER COMPLETION | | \$0 | N/A | | \$235,000 | 406 | \$235,000 |
| PUMPING EQUIPMENT | | \$0 | N/A | | \$105,000 | 408 | \$105,000 |
| COUPLINGS & FITTINGS | | \$0 | 206 | | \$30,000 | 415 | \$30,000 |
| VALVES, FLOWLINES | | \$0 | 201 | | \$30,000 | N/A | \$30,000 |
| SURFACE EQUIPMENT | | \$0 | N/A | | \$205,000 | 414 | \$205,000 |
| ELECTRICAL SYSTEM | | \$0 | N/A | | \$15,000 | 415 | \$15,000 |
| TRUCKING-EQUIPMENT | | \$0 | 207 | | \$15,000 | 417 | \$15,000 |
| MISC / CONTINGENCIES | | \$12,000 | 207 | | \$50,000 | 417 | \$62,000 |
| Total Tangibles | | \$ 261,000 | | | \$ 1,081,000 | | \$ 1,342,000 |
| Total Well Cost | | \$ 1,905,500 | | | \$ 4,166,500 | | \$ 6,072,000 |

Prepared By: C. BILLINGSLEY

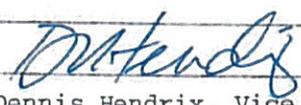
Partner: _____

Operator: Great Western Drilling Ltd

All Partners % Interest: _____

GWDC % Interest: _____

Approved By: _____

Approved By: 
Name & Title: Dennis Hendrix, Vice President

Name & Title: _____

Date: _____

Date: October 3, 2017

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6181 Fax: (575) 393-9720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 394-6178 Fax: (505) 394-6170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3400 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|---------------|---|--------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name GRAMA RIDGE EAST 34 STATE 2BS | Well Number 9H |
| OGRID No. | Operator Name GREAT WESTERN DRILLING COMPANY | Elevation 3626' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | FEET from the | North/South line | FEET from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 34 | 21 S | 34 E | | 275 | SOUTH | 1220 | EAST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 34 | 21 S | 34 E | | 330 | NORTH | 460 | EAST | LEA |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
| | | | |

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

| | | | |
|--|--|---|--|
| N.: 525857.8 E.: 808809.9 (NAD 83) | N.: 525883.7 E.: 811449.7 (NAD 83) | N.: 525908.9 E.: 814090.9 (NAD 83) | N.: 525934.7 E.: 814113.1 (NAD 83) |
| PROPOSED BOTTOM HOLE LOCATION Lat - N 32.441790 Long - W 103.450673 NMSPC - N 525574.6 E 813633.8 (NAD-83) | | LANDING POINT 330 FSL & 460 FEL Lat - N 32.429082 Long - W 103.450668 NMSPC - N 520951.4 E 813673.5 (NAD-83) | |
| SURFACE LOCATION Lat - N 32.428926 Long - W 103.453086 NMSPC - N 520888.3 E 812927.9 (NAD-83) | | 330' 460' 4624.0' 748.0' 1220' 275' | |
| N.: 520588.2 E.: 808855.0 (NAD 83) | | N.: 520597.5 E.: 814496.6 (NAD 83) | |

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 or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

Email Address _____

SURVEYOR CERTIFICATION

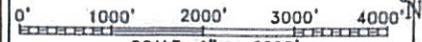
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date Surveyed _____

Signature & Seal of Professional Surveyor _____

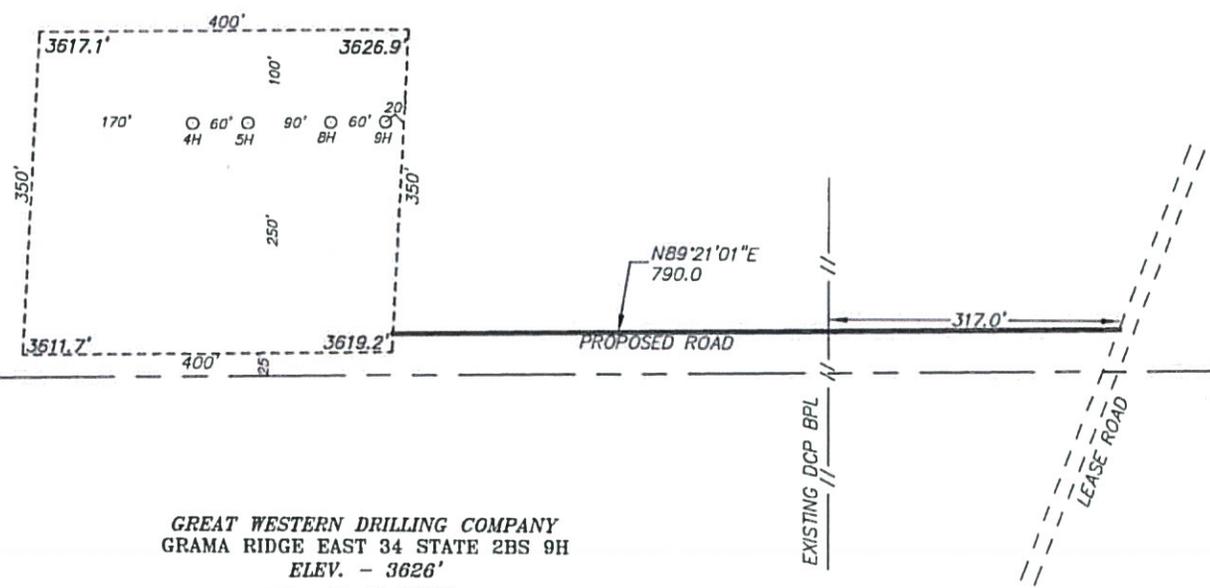
Certificate No. Gary L. Jones 7977
D.S. 10-10-08





SCALE: 1" = 2000'
WO Num.: 32926

SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

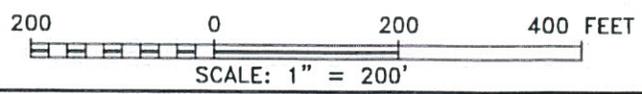


GREAT WESTERN DRILLING COMPANY
GRAMA RIDGE EAST 34 STATE 2BS 9H
ELEV. - 3626'
 Lat - N 32.428926
 Long - W 103.453086
 NMSPC- N 520888.3
 E 812927.9
 (NAD-83)

Directions to Location:

ON STATE HIGHWAY 176, 0.2 MILES EAST OF MILE
 MARKER 19 GO SOUTH ON LEASE ROAD 4.6 MILES
 TO PROPOSED ROAD.

EUNICE, NM IS ±17 MILES TO THE EAST OF LOCATION.

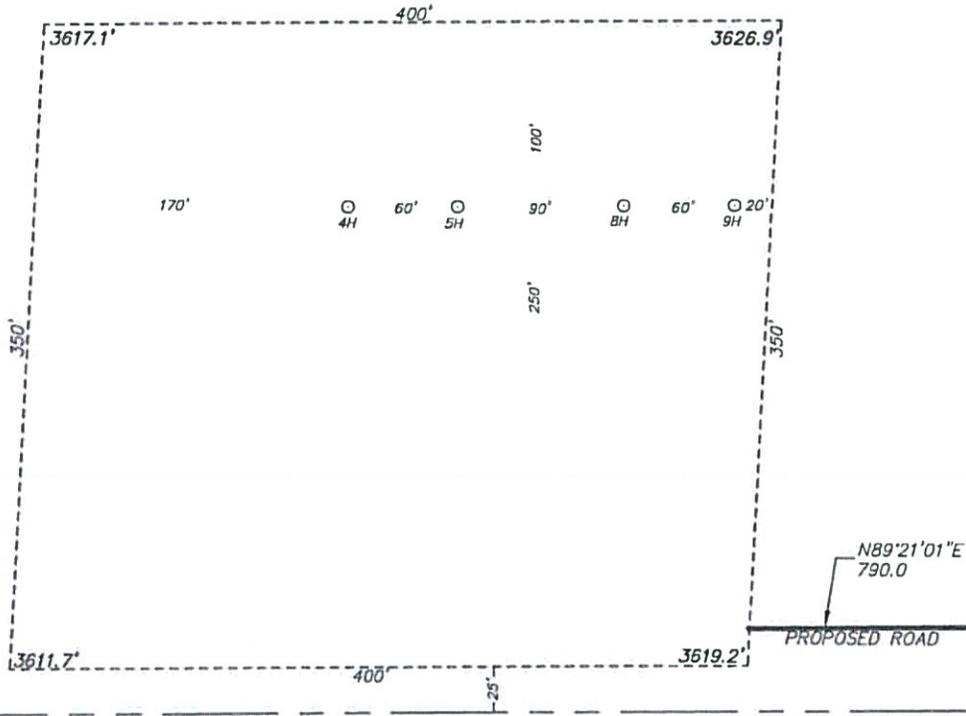


GREAT WESTERN DRILLING COMPANY
 REF: GRAMA RIDGE EAST 34 STATE 2BS 9H / WELL PAD TOPO
 THE GRAMA RIDGE EAST 34 STATE 2BS 9H LOCATED 275' FROM
 THE SOUTH LINE AND 1220' FROM THE EAST LINE OF
 SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST,
 N.M.P.M., LEA COUNTY, NEW MEXICO.



P.O. Box 1786 (575) 393-7316 - Office
 1120 N. West County Rd. (575) 392-2206 - Fax
 Hobbs, New Mexico 88241 basin-surveys.com

SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



SECTION 34



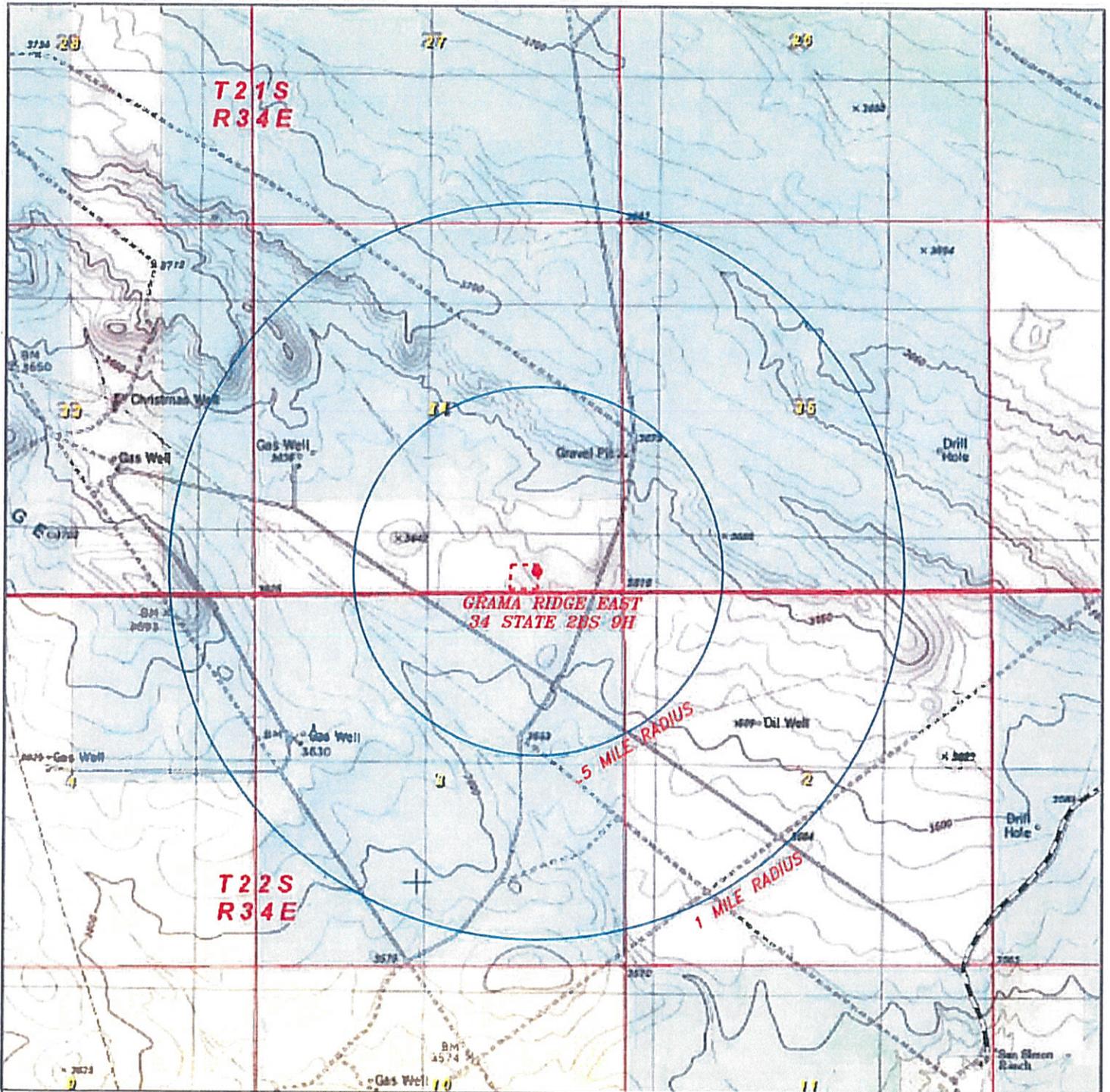
GREAT WESTERN DRILLING COMPANY

REF: GRAMA RIDGE EAST 34 STATE 2BS 9H / WELL PAD TOPO

THE GRAMA RIDGE EAST 34 STATE 2BS 9H LOCATED 275' FROM
THE SOUTH LINE AND 1220' FROM THE EAST LINE OF
SECTION 34, TOWNSHIP 21 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.



focused on excellence in the oilfield
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com



GRAMA RIDGE EAST 34 STATE 2BS 9H

Located 275' FSL and 1220' FEL
 Section 34, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

basin surveys
 focused on excellence in the oilfield

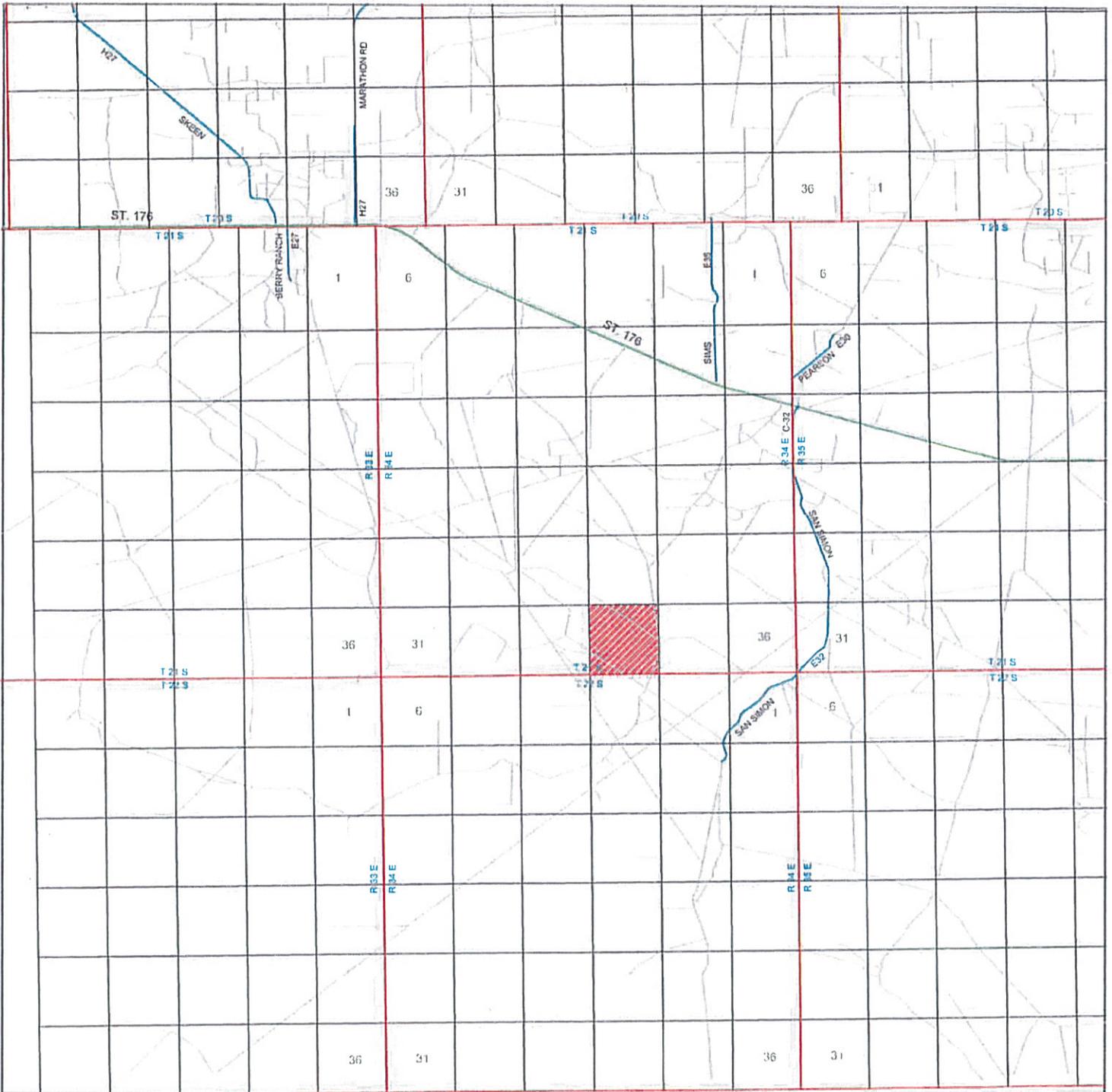
P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

0' 1000' 2000' 3000' 4000'
 SCALE: 1" = 2000'

W.O. Number: JG 32926
 Survey Date: 5-2-2017

YELLOW TINT -- USA LAND
 BLUE TINT -- STATE LAND
 NATURAL COLOR -- FEE LAND

GREAT WESTERN DRILLING COMPANY

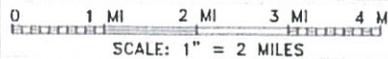


GRAMA RIDGE EAST 34 STATE 2BS 9H

Located 275' FSL and 1220' FEL
 Section 34, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com



W.O. Number: JG 32926

Survey Date: 5-2-2017

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



**GREAT
 WESTERN
 DRILLING
 COMPANY**

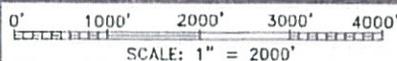


GRAMA RIDGE EAST 34 STATE 2BS 9H

Located 275' FSL and 1220' FEL
 Section 34, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com



W.O. Number: JG 32926

Survey Date: 5-2-2017

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



**GREAT
 WESTERN
 DRILLING
 COMPANY**



GREAT WESTERN DRILLING COMPANY
Post Office Box 1659 • Midland, Texas 79702 • 432/682-5241

October 19, 2017

ADDRESSEE LIST ATTACHED

RE: Grama Ridge "34" State 2BS #009H well proposal dated October 3, 2017
Grama Ridge "34" State 3BS #002H well proposal dated October 3, 2017
Section 34, T21S-R34E, Lea Co., NM

Gentlemen,

By letters dated October 3, 2017 Great Western Drilling Ltd. proposed to drill the above referenced wells to be located in the above Section 34 of T21S-R34E, Lea Co., NM. Some of the locations referred in the letter did not properly state the township which is now correctly stated in the attached correction well proposals enclosed with this letter. Also included are three pages to the proposed Joint Operating Agreement which now properly reference the correct township for the contract area and location of the initial well to be located in Section 34, T21S-R24E. Please insert the corrected pages into you copy of the proposed Joint Operating Agreement. We apologize for any inconvenience this over sight may have caused. If you have questions or concerns in the matter, please contact the undersigned.

Yours truly,
Great Western Drilling Ltd.

F. Carter Muire
Land Manager

ADDRESSEE LIST

Chisholm Energy Operating, LLC
801 Cherry St., Ste. 1200, Unit 20
Fort Worth, Texas 76102

Eau Rouge, LLC
801 Cherry St., Ste. 1200, Unit 20
Fort Worth, Texas 76102

Continental Land & Fur Co., Inc.
4 Greenspoint Plaza
16945 Northchase Dr., Ste. 1500
Houston, Texas 77060

Timothy R. MacDonald
3017 Avenue O
Galveston, Texas 77550



GREAT WESTERN DRILLING COMPANY
Post Office Box 1659 • Midland, Texas 79702 • 432/682-5241

October 19, 2017

CORRECTION OF LOCATION for Well
proposal originally dated October 3, 2017 to
reference T21S-R34E as highlighted in yellow

ADDRESSEE LIST ATTACHED

RE: Grama Ridge "34" State 2BS #009H well
Section 34, T21S-R34E, Lea Co., NM

Gentlemen,

Great Western Drilling Ltd. proposes to drill the Grama Ridge "34" State 2BS #009H well as a 2nd Bone Spring formation test to be located in Section 34, T21S-R34E, Lea County, NM at a surface location of 275' FSL and 1220' FEL and a bottomhole of 330' FNL and 460' FEL of Section 34, T21S-R34E. The well will be drilled to a TVD of 10,275' into the 3rd Bone Spring objective formation and a total measured depth of 14,650'. A plat of the location and an AFE (cost estimate) for drilling and completing the well are enclosed for your review.

Great Western is requesting that you sign the enclosed Operating Agreement designating Great Western as Operator of the proposed well and the Contract Area under the Operating Agreement described as Section 34, T21S-R343E, limited to the Bone Spring formation. The Operating Agreement provides for a 100/300% non-consent penalty, overhead rates of \$8,000 for drilling wells and \$800 for producing wells which shall cover the costs of company personnel including engineering, geological, land and administrative personnel assigned to work the contract area unless they are physically located on the contract area.

Our information indicates that you own the interest shown on Exhibit "A" to the enclosed Operating Agreement. If you elect to participate in drilling this well, indicate your election by checking the appropriate blank below, signing the extra signature page to the Operating Agreement and returning a copy of the signed letter and the signature page to Great Western at the address on this letterhead or to the email address of the undersigned: cmuire@gwdc.com. Please contact the undersigned if you have any question about this proposal or as may concern the prior proposal to drill this same location made by Chisholm Energy Operating, L.L.C.

Yours truly,
Great Western Drilling Ltd.

F. Carter Muire
Land Manager

The undersigned elects _____ to participate, _____ to NOT participate in drilling the above proposed Grama Ridge "34" State 2BS #009H well.

By: _____

Title: _____

Company: _____

Printed Name: _____

ADDRESSEE LIST

Chisholm Energy Operating, LLC
801 Cherry St., Ste. 1200, Unit 20
Fort Worth, Texas 76102

Eau Rouge, LLC
801 Cherry St., Ste. 1200, Unit 20
Fort Worth, Texas 76102

Continental Land & Fur Co., Inc.
4 Greenspoint Plaza
16945 Northchase Dr., Ste. 1500
Houston, Texas 77060

Timothy R. MacDonald
3017 Avenue O
Galveston, Texas 77550



GREAT WESTERN DRILLING COMPANY
Post Office Box 1659 • Midland, Texas 79702 • 432/682-5241

October 19, 2017

CORRECTION OF LOCATION for Well proposal originally dated October 3, 2017 to reference T21S-R34E as highlighted in yellow.

ADDRESSEE LIST ATTACHED

RE: Grama Ridge "34" State 3BS #002 well
Section 34, T21S-R34E, Lea Co., NM

Gentlemen,

Great Western Drilling Ltd. proposes to drill the Grama Ridge "34" State 3BS #002 well as a 3rd Bone Spring formation test to be located in Section 34, T21S-R34E, Lea County, NM, at a Surface location of 275' FNL and 870' FWL and a bottomhole of 330' FSL and 460' FWL of Section 34, T21S-R34E. The well will be drilled to a TVD of 12,070' including a pilot hole in the 3rd Bone Spring objective formation and a total measured depth of 17,700'. A plat of the location and an AFE (cost estimate) for drilling and completing the well are enclosed for your review.

Great Western is requesting that you sign the enclosed Operating Agreement designating Great Western as Operator of the proposed well and the Contract Area under the Operating Agreement described as Section 34, T21S-R34E, limited to the Bone Spring formation. The Operating Agreement provides for a 100/300% non-consent penalty, overhead rates of \$8,000 for drilling wells and \$800 for producing wells which shall cover the costs of company personnel including engineering, geological, land and administrative personnel assigned to work the contract area unless they are physically located on the contract area.

Our information indicates that you own the interest shown on Exhibit "A" to the enclosed Operating Agreement. If you elect to participate in drilling this well, indicate your election by checking the appropriate blank below, signing the extra signature page to the Operating Agreement and returning a copy of the signed letter and the signature page to Great Western at the address on this letterhead or to the email address of the undersigned: cmuire@gwdc.com. Please contact the undersigned if you have any question about this proposal or as may concern the prior proposal to drill this same location made by Chisholm Energy Operating, L.L.C.

Yours truly,
Great Western Drilling Ltd.

F. Carter Muire
Land Manager

The undersigned elects _____ to participate, _____ to NOT participate in drilling the above proposed Grama Ridge "34" State 3BS #002 well.

By: _____

Title: _____

Company: _____

Printed Name: _____

ADDRESSEE LIST

Chisholm Energy Operating, LLC
801 Cherry St., Ste. 1200, Unit 20
Fort Worth, Texas 76102

Eau Rouge, LLC
801 Cherry St., Ste. 1200, Unit 20
Fort Worth, Texas 76102

Continental Land & Fur Co., Inc.
4 Greenspoint Plaza
16945 Northchase Dr., Ste. 1500
Houston, Texas 77060

Timothy R. MacDonald
3017 Avenue O
Galveston, Texas 77550

Well: GRAMA RIDGE EAST 34 STATE 3BS #002H

Date: 09/25/17

County: LEA

State: NM

FR#

Location: SE 275 ENL & 870 FWL, BH 350 ENL & 160 FWL, SEC 34, T21S-R34E

Depth: 13070 TVD / 17200 MD

AFF#

| JIB Billing Description | Description | Cost to Casing Point | BCP | BCP | Cost to Completion | ACP | ACP | Total |
|---------------------------------|--------------------------|----------------------|-----|-----|---------------------|-----|-----|---------------------|
| LANDMAN & LEGAL | | \$18,000 | | 101 | \$0 | | 301 | \$18,000 |
| LOCATION & ROAD DAMAGES | | \$10,000 | | 102 | \$0 | | 302 | \$10,000 |
| LOCATION PITS & ROAD EXP | | \$98,000 | | 103 | \$98,000 | | 303 | \$196,000 |
| REG MOBILIZATION/DEMOBILIZATION | | \$160,000 | | 106 | \$0 | | 326 | \$160,000 |
| DRILLING - DAYWORK | | \$340,000 | | 105 | \$65,000 | | 304 | \$405,000 |
| BITS & REAMERS | | \$55,000 | | 107 | \$5,000 | | 325 | \$60,000 |
| FLUE & POWER | | \$110,000 | | 108 | \$18,000 | | 305 | \$128,000 |
| WATER PURCHASED | | \$46,000 | | 108 | \$140,000 | | 305 | \$186,000 |
| MUD & CHEMICALS | | \$110,000 | | 109 | \$10,000 | | 306 | \$120,000 |
| CEMENT & CEMENT SERVICES | | \$36,000 | | 110 | \$98,000 | | 308 | \$134,000 |
| FLOAT EQUIP & CENTRALIZERS | | \$30,000 | | 110 | \$16,000 | | 308 | \$46,000 |
| CASING CREWS & EQUIPMENT | | \$18,000 | | 124 | \$8,000 | | 320 | \$26,000 |
| LOGGING | | \$0 | | 111 | \$0 | | 319 | \$0 |
| MUD LOGGING UNIT | | \$20,000 | | 113 | \$0 | | 309 | \$20,000 |
| RENTALS | | \$320,000 | | 118 | \$172,000 | | 311 | \$492,000 |
| FINISH CASING | | \$5,000 | | 127 | \$3,000 | | 323 | \$8,000 |
| SAFETY SUPPLIES & EQUIP RENTAL | | \$10,000 | | 127 | \$5,000 | | 323 | \$15,000 |
| COMPLETION / COILED TUB UNIT | | \$10,000 | | N/A | \$490,000 | | 307 | \$500,000 |
| WIRELINE SERVICES | | \$0 | | 123 | \$60,000 | | 319 | \$60,000 |
| STIMULATION/TREATING | | \$0 | | 121 | \$2,200,000 | | 317 | \$2,200,000 |
| TRUCKING | | \$387,000 | | 119 | \$145,000 | | 315 | \$532,000 |
| ROTARABOUT CONTRACT | | \$12,000 | | 121 | \$25,000 | | 320 | \$37,000 |
| ELECTRICAL WORK | | \$0 | | N/A | \$15,000 | | 325 | \$15,000 |
| DRILLING OVERHEAD - BCP - ACP | | \$5,000 | | 125 | \$5,000 | | 321 | \$10,000 |
| CONTRACT SUPERVISION | | \$60,000 | | 121 | \$42,000 | | 320 | \$102,000 |
| INSURANCE | | \$8,000 | | 127 | \$4,000 | | 323 | \$12,000 |
| MISC CONTINGENCIES | | \$60,000 | | 127 | \$100,000 | | 323 | \$160,000 |
| | Total Intangibles | \$ 1,928,000 | | | \$ 3,724,000 | | | \$ 5,652,000 |

| JIB Billing Description | Description | Cost to Casing Point | BCP | BCP | Cost to Completion | ACP | ACP | Total |
|----------------------------------|------------------------|----------------------|-----|-----|---------------------|-----|-----|---------------------|
| SURFACE CASING | 850' 11.30' | \$68,000 | | 201 | \$0 | | N/A | \$68,000 |
| INTERMEDIATE CASING | 5740' 9.58' | \$169,000 | | | | | | \$169,000 |
| PRODUCTION CASING | 17700' 5.12' | \$0 | | N/A | \$340,000 | | 402 | \$340,000 |
| TUBING | 17000' 7.38' | \$0 | | N/A | \$55,000 | | 404 | \$55,000 |
| WELLHEAD EQUIPMENT | | \$12,000 | | 204 | \$8,000 | | 403 | \$20,000 |
| LINER HANGER & PACKER COMPLETION | | \$0 | | N/A | \$290,000 | | 406 | \$290,000 |
| PUMPING EQUIPMENT | | \$0 | | N/A | \$105,000 | | 408 | \$105,000 |
| COUPLINGS & FITTINGS | | \$0 | | 206 | \$30,000 | | 413 | \$30,000 |
| VALVES, FLOWLINES | | \$0 | | 204 | \$30,000 | | N/A | \$30,000 |
| SURFACE EQUIPMENT | | \$0 | | N/A | \$205,000 | | 414 | \$205,000 |
| ELECTRICAL SYSTEM | | \$0 | | N/A | \$15,000 | | 415 | \$15,000 |
| TRUCKING-EQUIPMENT | | \$0 | | 207 | \$15,000 | | 417 | \$15,000 |
| MISC CONTINGENCIES | | \$12,000 | | 207 | \$50,000 | | 417 | \$62,000 |
| | Total Tangibles | \$ 264,000 | | | \$ 1,212,000 | | | \$ 1,473,000 |
| | Total Well Cost | \$ 2,189,000 | | | \$ 4,936,000 | | | \$ 7,125,000 |

Prepared By: C. BILLINGSLEY

Operator: Great Western Drilling Ltd

GWDC % Interest

Approved By

Name & Title

Dennis Hendrix Vice President

Date

October 3, 2017

Partner

All Partners % Interest

Approved By

Name & Title

Date

NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 5
December 13, 2017

Authority for Expenditure

Well: GRAMA RIDGE EAST 34 STATE 2BS #009H

Date: 09/25/17

County: IFA

State: NM

ER#

Location: SE 275' E8L&1220' E1L; BH 330' E8L&160' E2L SEC 34, 1215-R3-H Depth: 10275' TVD / 14650' MD

AFE#

| JOB Billing Description | Description | Cost to Casing Point - BCP | BCP | Cost to Completion - ACP | ACP | Total |
|------------------------------------|-------------|----------------------------|-----|--------------------------|-----|---------------------|
| LANDMAN & LEGAL | | \$18,000 | 101 | \$0 | 301 | \$18,000 |
| LOCATION & ROAD DAMAGES | | \$10,000 | 102 | \$0 | 302 | \$10,000 |
| LOCATION, PITS & ROAD EXP | | \$98,000 | 103 | \$98,000 | 303 | \$196,000 |
| RIG MOBILIZATION/DEMOLITION | | \$160,000 | 106 | \$0 | 326 | \$160,000 |
| DRILLING - DAYWORK | | \$270,000 | 105 | \$55,000 | 304 | \$325,000 |
| BITS & REAMERS | | \$55,000 | 107 | \$5,000 | 325 | \$60,000 |
| FUEL & POWER | | \$90,000 | 108 | \$15,000 | 305 | \$105,000 |
| WATER PURCHASED | | \$38,000 | 108 | \$115,000 | 305 | \$153,000 |
| MUD & CHEMICALS | | \$90,000 | 109 | \$8,000 | 306 | \$98,000 |
| CEMENT & CEMENT SERVICES | | \$30,000 | 110 | \$80,000 | 308 | \$110,000 |
| HOIST EQUIP & CENTRALIZERS | | \$30,000 | 110 | \$16,000 | 308 | \$46,000 |
| CASING CREWS & EQUIPMENT | | \$15,000 | 121 | \$6,000 | 320 | \$21,000 |
| LOGGING | | \$0 | 111 | \$0 | 319 | \$0 |
| MUD LOGGING UNIT | | \$14,000 | 113 | \$0 | 309 | \$14,000 |
| RENTALS | | \$264,000 | 118 | \$142,000 | 314 | \$406,000 |
| TESTING CASING | | \$5,000 | 127 | \$3,000 | 323 | \$8,000 |
| SAFETY SUPPLIES & EQUIPMENT RENTAL | | \$10,000 | 127 | \$5,000 | 323 | \$15,000 |
| COMPLETION / COILED TUBING UNIT | | \$7,000 | N/A | \$405,000 | 307 | \$412,000 |
| WIRELINE SERVICES | | \$0 | 123 | \$50,000 | 319 | \$50,000 |
| STIMULATION / TREATING | | \$0 | 121 | \$1,800,000 | 317 | \$1,800,000 |
| TRUCKING | | \$320,000 | 119 | \$120,000 | 315 | \$440,000 |
| ROUSTABOUT CONTRACT | | \$12,000 | 124 | \$25,000 | 329 | \$37,000 |
| ELECTRICAL WORK | | \$0 | N/A | \$15,000 | 320 | \$15,000 |
| DRILLING OVERHEAD - BCP / ACP | | \$5,000 | 125 | \$5,000 | 321 | \$10,000 |
| CONTRACT SUPERVISION | | \$50,000 | 124 | \$35,000 | 329 | \$85,000 |
| INSURANCE | | \$6,500 | 122 | \$2,500 | 321 | \$9,000 |
| MISC - CONTINGENCIES | | \$47,000 | 122 | \$80,000 | 323 | \$127,000 |
| Total Intangibles | | \$ 1,644,500 | | \$ 3,085,500 | | \$ 4,730,000 |

| JOB Billing Description | Description | Cost to Casing Point - BCP | BCP | Cost to Completion - ACP | ACP | Total |
|----------------------------------|--------------|----------------------------|-----|--------------------------|-----|---------------------|
| SURFACE CASING | 850' 13.5" | \$68,000 | 201 | \$0 | N/A | \$68,000 |
| INTERMEDIATE CASING | 5750' 9.5" | \$169,000 | | | | \$169,000 |
| PRODUCTION CASING | 11650' 12" | \$0 | N/A | \$275,000 | 402 | \$275,000 |
| TUBING | 19000' 2.75" | \$0 | N/A | \$44,000 | 404 | \$44,000 |
| WELLHEAD EQUIPMENT | | \$12,000 | 201 | \$8,000 | 403 | \$20,000 |
| INNER HANGER & PACKER COMPLETION | | \$0 | N/A | \$235,000 | 406 | \$235,000 |
| PUMPING EQUIPMENT | | \$0 | N/A | \$105,000 | 408 | \$105,000 |
| COUPLINGS & FITTINGS | | \$0 | 206 | \$30,000 | 415 | \$30,000 |
| VALVES, FLOWLINES | | \$0 | 201 | \$30,000 | N/A | \$30,000 |
| SURFACE EQUIPMENT | | \$0 | N/A | \$205,000 | 414 | \$205,000 |
| ELECTRICAL SYSTEM | | \$0 | N/A | \$15,000 | 415 | \$15,000 |
| TRUCKING-EQUIPMENT | | \$0 | 207 | \$15,000 | 417 | \$15,000 |
| MISC - CONTINGENCIES | | \$12,000 | 207 | \$50,000 | 417 | \$62,000 |
| Total Tangibles | | \$ 261,000 | | \$ 1,081,000 | | \$ 1,342,000 |
| Total Well Cost | | \$ 1,905,500 | | \$ 4,166,500 | | \$ 6,072,000 |

Prepared By: C. BILLINGSLEY

Operator: Great Western Drilling Ltd

GWDC % Interest

Approved By: 
Name & Title: Dennis Hendrix, Vice President

Date: October 3, 2017

Partner

All Partners % Interest

Approved By

Name & Title

Date



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 3BS 5H
API # 30-025-43828
Section 34: T21S-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 3BS 5H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit O with a bottom hole at a legal location in Unit A (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 16,155'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,254,311, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____ I/We hereby elect to participate in the Grama Ridge 34 State 3BS 5H.

_____ I/We hereby elect NOT to participate in the Grama Ridge 34 State 3BS 5H.

Company: **Great Western Drilling Co**

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**



Statement of Estimated Well Cost (100%)

| | |
|------------------|-----------------------------|
| Well | Grama Ridge 34 State 3BS 5H |
| Field | 3rd Bone Spring |
| County, State: | Lea, NM |
| BHL: | Horizontal |
| Proposed TD: | 16,155 MD 11,335 TVD |
| Normal Pressure? | Yes |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drlg Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | \$0 |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | \$0 |
| 8510-700 | Impairment | \$0 | | \$0 |
| 8510-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | \$0 |
| 8500-110 | Drilling Daywork | \$455,000 | | \$455,000 |
| 8500-115 | Fuel/Power | \$104,000 | | \$104,000 |
| 8500-125 | Equipment Rental | \$145,940 | | \$145,940 |
| 8500-130 | Legal Fees | \$0 | | \$0 |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$51,800 | | \$51,800 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | \$0 |
| 8500-185 | Coring and Analysis | \$0 | | \$0 |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$239,500 | | \$239,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | \$0 |
| 8500-215 | Contract Labor and Services | \$1,100 | | \$1,100 |
| 8500-220 | Mud Logging | \$0 | | \$0 |
| 8500-235 | Reclamation | \$0 | | \$0 |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | \$0 |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | \$0 |
| 8500-260 | Wireline Services | \$0 | | \$0 |
| 8500-265 | Water | \$28,000 | | \$28,000 |
| 8500-270 | Camp Expenses | \$46,400 | | \$46,400 |
| 8500-285 | Contingencies | \$0 | | \$0 |
| 8500-290 | Environmental | \$0 | | \$0 |
| 8500-300 | Overhead | \$0 | | \$0 |
| 8500-350 | Insurance | \$0 | | \$0 |
| 8500-600 | Nonoperated | \$0 | | \$0 |
| 8500-700 | Impairment | \$0 | | \$0 |
| 8500-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,490,115 | | \$1,490,115 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$205,976 | \$205,976 |
| 8530-510 | Tubing | | \$51,008 | \$51,008 |
| 8530-515 | Rods | | \$0 | \$0 |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | \$0 |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | \$0 |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | \$0 |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | \$0 |
| 8530-700 | Impairment | | \$0 | \$0 |

NMOCDCASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017

| | | | | | |
|----------|--|--|--|-------------|-------------|
| 8530-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | | \$613,384 | \$613,384 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 8520-100 | Roads/Location | | | \$0 | |
| 8520-120 | Perforating Services | | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | | \$0 | |
| 8520-145 | Completion Unit | | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | | \$0 | |
| 8520-215 | Contract Labor and Services | | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | | \$0 | |
| 8520-245 | Fishing Tools and Services | | | \$0 | |
| 8520-250 | Well Testing | | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | | \$0 | |
| 8520-260 | Wireline Services | | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | | \$0 | |
| 8520-290 | Environmental | | | \$0 | |
| 8520-300 | Overhead | | | \$0 | |
| 8520-350 | Insurance | | | \$0 | |
| 8520-600 | Nonoperated | | | \$0 | |
| 8520-700 | Impairment | | | \$0 | |
| 8520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | | \$1,738,528 | \$2,515,784 |
| | | | | | \$4,254,311 |

Estimate is for a 16,155' MD horizontal 3rd Bone Spring well in Lea County, NM. This AFE assumes 23 days to drill. The rig will move in and set a surface string at ~1,820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~10,700' MD). From there, a curve will be built to 90° in the 3rd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110. BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 2BS 7H
API # 30-025-43822
Section 34: T215-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 3BS 7H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit D with a bottom hole at a legal location in Unit N (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 15,275'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,146,651, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____ I/We hereby elect to participate in the Grama Ridge 34 State 2BS 7H.

_____ I/We hereby elect NOT to participate in the Grama Ridge 34 State 2BS 7H.

Company: **Great Western Drilling Co**

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**

Address: Chisholm Energy Operating, LLC 801 Cherry Street Suite 1200 Unit 20 Fort Worth, TX 76102



Statement of Estimated Well Cost (100%)

| | | |
|------------------|-----------------------------|------------|
| Well | Grama Ridge 34 State 2BS 7H | |
| Field | 2nd Bone Spring | |
| County, State: | Lea, NM | |
| BHL: | Horizontal | |
| Proposed TD: | 15,275 MD | 10,455 TVD |
| Normal Pressure? | Yes | |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drilg Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | |
| 8510-700 | Impairment | \$0 | | |
| 8510-999 | Accruals | \$0 | | |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | |
| 8500-110 | Drilling Daywork | \$420,000 | | \$420,000 |
| 8500-115 | Fuel/Power | \$96,000 | | \$96,000 |
| 8500-125 | Equipment Rental | \$135,660 | | \$135,660 |
| 8500-130 | Legal Fees | \$0 | | |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$48,100 | | \$48,100 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | |
| 8500-185 | Coring and Analysis | \$0 | | |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$206,500 | | \$206,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | |
| 8500-215 | Contract Labor and Services | \$2,200 | | \$2,200 |
| 8500-220 | Mud Logging | \$0 | | |
| 8500-235 | Reclamation | \$0 | | |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | |
| 8500-260 | Wireline Services | \$0 | | |
| 8500-265 | Water | \$27,500 | | \$27,500 |
| 8500-270 | Camp Expenses | \$43,300 | | \$43,300 |
| 8500-285 | Contingencies | \$0 | | |
| 8500-290 | Environmental | \$0 | | |
| 8500-300 | Overhead | \$0 | | |
| 8500-350 | Insurance | \$0 | | |
| 8500-600 | Nonoperated | \$0 | | |
| 8500-700 | Impairment | \$0 | | |
| 8500-999 | Accruals | \$0 | | |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,397,635 | | \$1,397,635 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$194,756 | \$194,756 |
| 8530-510 | Tubing | | \$47,048 | \$47,048 |
| 8530-515 | Rods | | \$0 | |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | |
| 8530-700 | Impairment | | \$0 | |

NMOC D Case Nos. 15865-15868, 15875 and 15876

Great Western/Advance

Exhibit No. 6

December 13, 2017

| | | | | | |
|----------|--|--|--|-------------|-------------|
| 8530-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | | \$598,204 | \$598,204 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 8520-100 | Roads/Location | | | \$0 | |
| 8520-120 | Perforating Services | | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | | \$0 | |
| 8520-145 | Completion Unit | | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | | \$0 | |
| 8520-215 | Contract Labor and Services | | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | | \$0 | |
| 8520-245 | Fishing Tools and Services | | | \$0 | |
| 8520-250 | Well Testing | | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | | \$0 | |
| 8520-260 | Wireline Services | | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | | \$0 | |
| 8520-290 | Environmental | | | \$0 | |
| 8520-300 | Overhead | | | \$0 | |
| 8520-350 | Insurance | | | \$0 | |
| 8520-600 | Nonoperated | | | \$0 | |
| 8520-700 | Impairment | | | \$0 | |
| 8520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | | \$1,646,048 | \$2,500,604 |
| | | | | | \$4,146,651 |

Estimate is for a 15,275' MD horizontal 2nd Bone Spring well in Lea County, NM. This AFE assumes 22 days to drill. The rig will move in and set a surface string at ~1820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~9,800' MD). From there, a curve will be built to 90° in the 2nd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110, BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 2BS 6H
API # 30-025-43821
Section 34: T21S-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 2BS 6H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit D with a bottom hole at a legal location in Unit M (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 15,275'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,146,651, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____/We hereby elect to participate in the Grama Ridge 34 State 2BS 6H.

_____/We hereby elect NOT to participate in the Grama Ridge 34 State 2BS 6H.

Company: **Great Western Drilling Co**

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**



Statement of Estimated Well Cost (100%)

| | | |
|------------------|-----------------------------|------------|
| Well | Grama Ridge 34 State 2BS 6H | |
| Field | 2nd Bone Spring | |
| County, State: | Lea, NM | |
| BHL: | Horizontal | |
| Proposed TD: | 15,275 MD | 10,455 TVD |
| Normal Pressure? | Yes | |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drilg Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | \$0 |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | \$0 |
| 8510-700 | Impairment | \$0 | | \$0 |
| 8510-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | \$0 |
| 8500-110 | Drilling Daywork | \$420,000 | | \$420,000 |
| 8500-115 | Fuel/Power | \$96,000 | | \$96,000 |
| 8500-125 | Equipment Rental | \$135,660 | | \$135,660 |
| 8500-130 | Legal Fees | \$0 | | \$0 |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$48,100 | | \$48,100 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | \$0 |
| 8500-185 | Coring and Analysis | \$0 | | \$0 |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$206,500 | | \$206,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | \$0 |
| 8500-215 | Contract Labor and Services | \$2,200 | | \$2,200 |
| 8500-220 | Mud Logging | \$0 | | \$0 |
| 8500-235 | Reclamation | \$0 | | \$0 |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | \$0 |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | \$0 |
| 8500-260 | Wireline Services | \$0 | | \$0 |
| 8500-265 | Water | \$27,500 | | \$27,500 |
| 8500-270 | Camp Expenses | \$43,300 | | \$43,300 |
| 8500-285 | Contingencies | \$0 | | \$0 |
| 8500-290 | Environmental | \$0 | | \$0 |
| 8500-300 | Overhead | \$0 | | \$0 |
| 8500-350 | Insurance | \$0 | | \$0 |
| 8500-600 | Nonoperated | \$0 | | \$0 |
| 8500-700 | Impairment | \$0 | | \$0 |
| 8500-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,397,635 | | \$1,397,635 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$194,756 | \$194,756 |
| 8530-510 | Tubing | | \$47,048 | \$47,048 |
| 8530-515 | Rods | | \$0 | \$0 |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | \$0 |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | \$0 |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | \$0 |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | \$0 |
| 8530-700 | Impairment | | \$0 | \$0 |

NMOCDCASE Nos. 15865-15868, 15875
 and 15876
 Great Western/Advance
 Exhibit No. 6
 December 13, 2017

| | | | | | |
|----------|--|--|--|--------------------|--------------------|
| 8530-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | | \$598,204 | \$598,204 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 8520-100 | Roads/Location | | | \$0 | |
| 8520-120 | Perforating Services | | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | | \$0 | |
| 8520-145 | Completion Unit | | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | | \$0 | |
| 8520-215 | Contract Labor and Services | | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | | \$0 | |
| 8520-245 | Fishing Tools and Services | | | \$0 | |
| 8520-250 | Well Testing | | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | | \$0 | |
| 8520-260 | Wireline Services | | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | | \$0 | |
| 8520-290 | Environmental | | | \$0 | |
| 8520-300 | Overhead | | | \$0 | |
| 8520-350 | Insurance | | | \$0 | |
| 8520-600 | Nonoperated | | | \$0 | |
| 8520-700 | Impairment | | | \$0 | |
| 8520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | | \$1,646,048 | \$2,500,604 |
| | | | | | \$4,146,651 |

Estimate is for a 15,275' MD horizontal 2nd Bone Spring well in Lea County, NM. This AFE assumes 22 days to drill. The rig will move in and set a surface string at ~1820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~9,800' MD). From there, a curve will be built to 90° in the 2nd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110. BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 3BS 4H
API #30-025-43827
Section 34; T21S-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 3BS 4H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit O with a bottom hole at a legal location in Unit B (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 16,155'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,301,811, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____ I/We hereby elect to participate in the Grama Ridge 34 State 3BS 4H.

_____ I/We hereby elect NOT to participate in the Grama Ridge 34 State 3BS 4H.

Company: **Great Western Drilling Co**

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**



Statement of Estimated Well Cost (100%)

| | | |
|------------------|-----------------------------|------------|
| Well | Grama Ridge 34 State 3BS 4H | |
| Field | 3rd Bone Spring | |
| County, State: | Lea, NM | |
| BHL: | Horizontal | |
| Proposed TD: | 16,155 MD | 11,335 TVD |
| Normal Pressure? | Yes | |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drlg Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | \$0 |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | \$0 |
| 8510-700 | Impairment | \$0 | | \$0 |
| 8510-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | \$0 |
| 8500-110 | Drilling Daywork | \$455,000 | | \$455,000 |
| 8500-115 | Fuel/Power | \$104,000 | | \$104,000 |
| 8500-125 | Equipment Rental | \$145,940 | | \$145,940 |
| 8500-130 | Legal Fees | \$0 | | \$0 |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$51,800 | | \$51,800 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | \$0 |
| 8500-185 | Coring and Analysis | \$0 | | \$0 |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$239,500 | | \$239,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | \$0 |
| 8500-215 | Contract Labor and Services | \$1,100 | | \$1,100 |
| 8500-220 | Mud Logging | \$30,000 | | \$30,000 |
| 8500-235 | Reclamation | \$0 | | \$0 |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | \$0 |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | \$0 |
| 8500-260 | Wireline Services | \$17,500 | | \$17,500 |
| 8500-265 | Water | \$28,000 | | \$28,000 |
| 8500-270 | Camp Expenses | \$46,400 | | \$46,400 |
| 8500-285 | Contingencies | \$0 | | \$0 |
| 8500-290 | Environmental | \$0 | | \$0 |
| 8500-300 | Overhead | \$0 | | \$0 |
| 8500-350 | Insurance | \$0 | | \$0 |
| 8500-600 | Nonoperated | \$0 | | \$0 |
| 8500-700 | Impairment | \$0 | | \$0 |
| 8500-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,537,615 | | \$1,537,615 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$205,976 | \$205,976 |
| 8530-510 | Tubing | | \$51,008 | \$51,008 |
| 8530-515 | Rods | | \$0 | \$0 |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | \$0 |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | \$0 |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | \$0 |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | \$0 |
| 8530-700 | Impairment | | \$0 | \$0 |

NMOC CASE Nos. 15865-15868, 15875
and 15876

Great Western/Advance

Exhibit No. 6

December 13, 2017

| | | | | |
|----------|--|--|--------------------|--------------------|
| 8530-999 | Accruals | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | \$613,384 | \$613,384 |
| | COMPLETION COSTS: INTANGIBLES | | | |
| 8520-100 | Roads/Location | | \$0 | |
| 8520-120 | Perforating Services | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | \$0 | |
| 8520-145 | Completion Unit | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | \$0 | |
| 8520-215 | Contract Labor and Services | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | \$0 | |
| 8520-245 | Fishing Tools and Services | | \$0 | |
| 8520-250 | Well Testing | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | \$0 | |
| 8520-260 | Wireline Services | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | \$0 | |
| 8520-290 | Environmental | | \$0 | |
| 8520-300 | Overhead | | \$0 | |
| 8520-350 | Insurance | | \$0 | |
| 8520-600 | Nonoperated | | \$0 | |
| 8520-700 | Impairment | | \$0 | |
| 8520-999 | Accruals | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | \$1,786,028 | \$2,515,784 |
| | | | | \$4,301,811 |

Estimate is for a 16.155' MD horizontal 3rd Bone Spring well in Lea County, NM. This AFE assumes 23 days to drill. The rig will move in and set a surface string at ~1820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~10,700' MD). From there, a curve will be built to 90° in the 3rd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110. BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____

NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 3B5 3H
API #30-025-43826
Section 34: T215-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 3B5 3H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit D with a bottom hole at a legal location in Unit N (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 16,155'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,254,311, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____ I/We hereby elect to participate in the Grama Ridge 34 State 3B5 3H.

_____ I/We hereby elect NOT to participate in the Grama Ridge 34 State 3B5 3H.

Company: Great Western Drilling Co

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**



Statement of Estimated Well Cost (100%)

| | | |
|------------------|-----------------------------|------------|
| Well | Grama Ridge 34 State 3BS 3H | |
| Field | 3rd Bone Spring | |
| County, State: | Lea, NM | |
| BHL: | Horizontal | |
| Proposed TD: | 16,155 MD | 11,335 TVD |
| Normal Pressure? | Yes | |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drilg Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | \$0 |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | \$0 |
| 8510-700 | Impairment | \$0 | | \$0 |
| 8510-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | \$0 |
| 8500-110 | Drilling Daywork | \$455,000 | | \$455,000 |
| 8500-115 | Fuel/Power | \$104,000 | | \$104,000 |
| 8500-125 | Equipment Rental | \$145,940 | | \$145,940 |
| 8500-130 | Legal Fees | \$0 | | \$0 |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$51,800 | | \$51,800 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | \$0 |
| 8500-185 | Coring and Analysis | \$0 | | \$0 |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$239,500 | | \$239,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | \$0 |
| 8500-215 | Contract Labor and Services | \$1,100 | | \$1,100 |
| 8500-220 | Mud Logging | \$0 | | \$0 |
| 8500-235 | Reclamation | \$0 | | \$0 |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | \$0 |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | \$0 |
| 8500-260 | Wireline Services | \$0 | | \$0 |
| 8500-265 | Water | \$28,000 | | \$28,000 |
| 8500-270 | Camp Expenses | \$46,400 | | \$46,400 |
| 8500-285 | Contingencies | \$0 | | \$0 |
| 8500-290 | Environmental | \$0 | | \$0 |
| 8500-300 | Overhead | \$0 | | \$0 |
| 8500-350 | Insurance | \$0 | | \$0 |
| 8500-600 | Nonoperated | \$0 | | \$0 |
| 8500-700 | Impairment | \$0 | | \$0 |
| 8500-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,490,115 | | \$1,490,115 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$205,976 | \$205,976 |
| 8530-510 | Tubing | | \$51,008 | \$51,008 |
| 8530-515 | Rods | | \$0 | \$0 |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | \$0 |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | \$0 |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | \$0 |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | \$0 |
| 8530-700 | Impairment | | \$0 | \$0 |

NMOCDCASE Nos. 15865-15868, 15875 and 15876

Great Western/Advance
Exhibit No. 6

December 13, 2017

| | | | | | |
|----------|--|--|--|--------------------|--------------------|
| 8530-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | | \$613,384 | \$613,384 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 8520-100 | Roads/Location | | | \$0 | |
| 8520-120 | Perforating Services | | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | | \$0 | |
| 8520-145 | Completion Unit | | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | | \$0 | |
| 8520-215 | Contract Labor and Services | | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | | \$0 | |
| 8520-245 | Fishing Tools and Services | | | \$0 | |
| 8520-250 | Well Testing | | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | | \$0 | |
| 8520-260 | Wireline Services | | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | | \$0 | |
| 8520-290 | Environmental | | | \$0 | |
| 8520-300 | Overhead | | | \$0 | |
| 8520-350 | Insurance | | | \$0 | |
| 8520-600 | Nonoperated | | | \$0 | |
| 8520-700 | Impairment | | | \$0 | |
| 8520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | | \$1,738,528 | \$2,515,784 |
| | | | | \$4,254,311 | |

Estimate is for a 16,155' MD horizontal 3rd Bone Spring well in Lea County, NM. This AFE assumes 23 days to drill. The rig will move in and set a surface string at ~1820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~10,700' MD). From there, a curve will be built to 90° in the 3rd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110, BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____

NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 2BS 6H
API # 30-025-43821
Section 34: T21S-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 2BS 6H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit D with a bottom hole at a legal location in Unit M (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 15,275'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,146,651, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____ I/We hereby elect to participate in the Grama Ridge 34 State 2BS 6H.

_____ I/We hereby elect NOT to participate in the Grama Ridge 34 State 2BS 6H.

Company: **Great Western Drilling Co**

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**



Statement of Estimated Well Cost (100%)

| | | |
|------------------|-----------------------------|------------|
| Well | Grama Ridge 34 State 2BS 6H | |
| Field | 2nd Bone Spring | |
| County, State: | Lea, NM | |
| BHL: | Horizontal | |
| Proposed TD: | 15,275 MD | 10,455 TVD |
| Normal Pressure? | Yes | |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drilg Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | \$0 |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | \$0 |
| 8510-700 | Impairment | \$0 | | \$0 |
| 8510-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | \$0 |
| 8500-110 | Drilling Daywork | \$420,000 | | \$420,000 |
| 8500-115 | Fuel/Power | \$96,000 | | \$96,000 |
| 8500-125 | Equipment Rental | \$135,660 | | \$135,660 |
| 8500-130 | Legal Fees | \$0 | | \$0 |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$48,100 | | \$48,100 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | \$0 |
| 8500-185 | Coring and Analysis | \$0 | | \$0 |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$206,500 | | \$206,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | \$0 |
| 8500-215 | Contract Labor and Services | \$2,200 | | \$2,200 |
| 8500-220 | Mud Logging | \$0 | | \$0 |
| 8500-235 | Reclamation | \$0 | | \$0 |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | \$0 |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | \$0 |
| 8500-260 | Wireline Services | \$0 | | \$0 |
| 8500-265 | Water | \$27,500 | | \$27,500 |
| 8500-270 | Camp Expenses | \$43,300 | | \$43,300 |
| 8500-285 | Contingencies | \$0 | | \$0 |
| 8500-290 | Environmental | \$0 | | \$0 |
| 8500-300 | Overhead | \$0 | | \$0 |
| 8500-350 | Insurance | \$0 | | \$0 |
| 8500-600 | Nonoperated | \$0 | | \$0 |
| 8500-700 | Impairment | \$0 | | \$0 |
| 8500-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,397,635 | | \$1,397,635 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$194,756 | \$194,756 |
| 8530-510 | Tubing | | \$47,048 | \$47,048 |
| 8530-515 | Rods | | \$0 | \$0 |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | \$0 |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | \$0 |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | \$0 |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | \$0 |
| 8530-700 | Impairment | | \$0 | \$0 |

NMOCDCASE Nos. 15865-15868, 15875
and 15876

Great Western/Advance
Exhibit No. 6

December 13, 2017

| | | | | | |
|----------|--|--|--|-------------|-------------|
| 8530-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | | \$598,204 | \$598,204 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 8520-100 | Roads/Location | | | \$0 | |
| 8520-120 | Perforating Services | | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | | \$0 | |
| 8520-145 | Completion Unit | | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | | \$0 | |
| 8520-215 | Contract Labor and Services | | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | | \$0 | |
| 8520-245 | Fishing Tools and Services | | | \$0 | |
| 8520-250 | Well Testing | | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | | \$0 | |
| 8520-260 | Wireline Services | | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | | \$0 | |
| 8520-290 | Environmental | | | \$0 | |
| 8520-300 | Overhead | | | \$0 | |
| 8520-350 | Insurance | | | \$0 | |
| 8520-600 | Nonoperated | | | \$0 | |
| 8520-700 | Impairment | | | \$0 | |
| 8520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | | \$1,646,048 | \$2,500,604 |

Estimate is for a 15,275' MD horizontal 2nd Bone Spring well in Lea County, NM. This AFE assumes 22 days to drill. The rig will move in and set a surface string at ~1820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~9,800' MD). From there, a curve will be built to 90° in the 2nd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110, BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____ Date: _____

Approved by: _____ Date: _____

Approved by: _____ Date: _____



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 2B5 9H
API # 30-025-43824
Section 34: T215-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 2B5 9H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit P with a bottom hole at a legal location in Unit A (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 15,275'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,146,651, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____ /I/We hereby elect to participate in the Grama Ridge 34 State 2B5 9H.

_____ /I/We hereby elect NOT to participate in the Grama Ridge 34 State 2B5 9H.

Company: **Great Western Drilling Co**

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**



Statement of Estimated Well Cost (100%)

| | | |
|------------------|-----------------------------|------------|
| Well | Grama Ridge 34 State 2BS 9H | |
| Field | 2nd Bone Spring | |
| County, State: | Lea, NM | |
| BHL: | Horizontal | |
| Proposed TD: | 15,275 MD | 10,455 TVD |
| Normal Pressure? | Yes | |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drlg Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | \$0 |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | \$0 |
| 8510-700 | Impairment | \$0 | | \$0 |
| 8510-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | \$0 |
| 8500-110 | Drilling Daywork | \$420,000 | | \$420,000 |
| 8500-115 | Fuel/Power | \$96,000 | | \$96,000 |
| 8500-125 | Equipment Rental | \$135,660 | | \$135,660 |
| 8500-130 | Legal Fees | \$0 | | \$0 |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$48,100 | | \$48,100 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | \$0 |
| 8500-185 | Coring and Analysis | \$0 | | \$0 |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$206,500 | | \$206,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | \$0 |
| 8500-215 | Contract Labor and Services | \$2,200 | | \$2,200 |
| 8500-220 | Mud Logging | \$0 | | \$0 |
| 8500-235 | Reclamation | \$0 | | \$0 |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | \$0 |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | \$0 |
| 8500-260 | Wireline Services | \$0 | | \$0 |
| 8500-265 | Water | \$27,500 | | \$27,500 |
| 8500-270 | Camp Expenses | \$43,300 | | \$43,300 |
| 8500-285 | Contingencies | \$0 | | \$0 |
| 8500-290 | Environmental | \$0 | | \$0 |
| 8500-300 | Overhead | \$0 | | \$0 |
| 8500-350 | Insurance | \$0 | | \$0 |
| 8500-600 | Nonoperated | \$0 | | \$0 |
| 8500-700 | Impairment | \$0 | | \$0 |
| 8500-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,397,635 | | \$1,397,635 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$194,756 | \$194,756 |
| 8530-510 | Tubing | | \$47,048 | \$47,048 |
| 8530-515 | Rods | | \$0 | \$0 |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | \$0 |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | \$0 |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | \$0 |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | \$0 |
| 8530-700 | Impairment | | \$0 | \$0 |

NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017

| | | | | | |
|----------|-------------------------------------|--|--|-------------|-------------|
| 8530-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | | \$598,204 | \$598,204 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 8520-100 | Roads/Location | | | \$0 | |
| 8520-120 | Perforating Services | | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | | \$0 | |
| 8520-145 | Completion Unit | | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | | \$0 | |
| 8520-215 | Contract Labor and Services | | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | | \$0 | |
| 8520-245 | Fishing Tools and Services | | | \$0 | |
| 8520-250 | Well Testing | | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | | \$0 | |
| 8520-260 | Wireline Services | | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | | \$0 | |
| 8520-290 | Environmental | | | \$0 | |
| 8520-300 | Overhead | | | \$0 | |
| 8520-350 | Insurance | | | \$0 | |
| 8520-600 | Nonoperated | | | \$0 | |
| 8520-700 | Impairment | | | \$0 | |
| 8520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | | \$1,646,048 | \$2,500,604 |

Estimate is for a 15,275' MD horizontal 2nd Bone Spring well in Lea County, NM. This AFE assumes 22 days to drill. The rig will move in and set a surface string at ~1820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~9,800' MD). From there, a curve will be built to 90° in the 2nd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110, BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



July 26, 2017

VIA CERTIFIED MAIL

Great Western Drilling Company
Attn: Land Department
P.O. Box 1659
Midland, TX 79702

RE: Grama Ridge 34 State 2B5 8H
API # 30-025-43823
Section 34: T21S-R34E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Grama Ridge 34 State 3B5 8H in Section 34, Township 20 South, Range 34 East, Lea County, New Mexico. The surface location for this well is proposed at a legal location in Unit P with a bottom hole at a legal location in Unit B (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 15,275'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$4,146,651, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The Operating Agreement covers Section 34, Township 20 South, Range 34 East, limited to the Bone Spring Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

Great Western Drilling Company will own an approximate 43.75% working interest in the well, subject to title verification. Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to lshelton@chisholmenergy.com

Should you have any questions, please do not hesitate to contact myself at 817-953-0359.

Very truly yours,

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman

_____/We hereby elect to participate in the Grama Ridge 34 State 2B5 8H.

_____/We hereby elect NOT to participate in the Grama Ridge 34 State 2B5 8H.

Company: **Great Western Drilling Co**

By: _____
Name: _____
Title: _____
Date: _____

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 6
December 13, 2017**



Statement of Estimated Well Cost (100%)

| | | |
|------------------|-----------------------------|------------|
| Well | Grama Ridge 34 State 2BS 8H | |
| Field | 2nd Bone Spring | |
| County, State: | Lea, NM | |
| BHL: | Horizontal | |
| Proposed TD: | 15,275 MD | 10,455 TVD |
| Normal Pressure? | Yes | |

| | | BCP | ACP | TOTAL |
|---|---|--------------------|-----------|--------------------|
| COSTS TO CASING POINT: TANGIBLES | | | | |
| 8510-400 | Conductor Casing or Drive Pipe | \$15,000 | | \$15,000 |
| 8510-405 | Surface Casing | \$57,535 | | \$57,535 |
| 8510-410 | Intermediate Casing/Drig Liner | \$134,328 | | \$134,328 |
| 8510-415 | Wellhead Equipment - Surface & MLS | \$10,500 | | \$10,500 |
| 8510-420 | Other Sub-Surface Equipment | \$0 | | \$0 |
| 8510-425 | Cementing Equipment | \$31,050 | | \$31,050 |
| 8510-600 | Nonoperated | \$0 | | \$0 |
| 8510-700 | Impairment | \$0 | | \$0 |
| 8510-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - TANGIBLES | \$248,413 | | \$248,413 |
| COSTS TO CASING POINT: INTANGIBLES | | | | |
| 8500-100 | Roads/Location | \$20,000 | | \$20,000 |
| 8500-105 | Drilling Turnkey | \$0 | | \$0 |
| 8500-110 | Drilling Daywork | \$420,000 | | \$420,000 |
| 8500-115 | Fuel/Power | \$96,000 | | \$96,000 |
| 8500-125 | Equipment Rental | \$135,660 | | \$135,660 |
| 8500-130 | Legal Fees | \$0 | | \$0 |
| 8500-135 | Bonds, Permits and Inspection | \$50,000 | | \$50,000 |
| 8500-155 | Mud and Chemicals | \$60,000 | | \$60,000 |
| 8500-160 | Cementing Services | \$29,000 | | \$29,000 |
| 8500-170 | Supervision/Consulting | \$48,100 | | \$48,100 |
| 8500-175 | Casing and Other Tangible Crew | \$24,000 | | \$24,000 |
| 8500-180 | Damages/Penalties | \$0 | | \$0 |
| 8500-185 | Coring and Analysis | \$0 | | \$0 |
| 8500-190 | Cuttings/Fluids Disposal | \$125,000 | | \$125,000 |
| 8500-195 | Directional Drilling Services | \$206,500 | | \$206,500 |
| 8500-200 | Drill Bits | \$51,000 | | \$51,000 |
| 8500-210 | Surface Damages/ROW | \$0 | | \$0 |
| 8500-215 | Contract Labor and Services | \$2,200 | | \$2,200 |
| 8500-220 | Mud Logging | \$0 | | \$0 |
| 8500-235 | Reclamation | \$0 | | \$0 |
| 8500-240 | Rig Mobilization/Demob | \$59,375 | | \$59,375 |
| 8500-245 | Fishing Tools and Services | \$0 | | \$0 |
| 8500-250 | Testing-Drill Stem/Production | \$0 | | \$0 |
| 8500-260 | Wireline Services | \$0 | | \$0 |
| 8500-265 | Water | \$27,500 | | \$27,500 |
| 8500-270 | Camp Expenses | \$43,300 | | \$43,300 |
| 8500-285 | Contingencies | \$0 | | \$0 |
| 8500-290 | Environmental | \$0 | | \$0 |
| 8500-300 | Overhead | \$0 | | \$0 |
| 8500-350 | Insurance | \$0 | | \$0 |
| 8500-600 | Nonoperated | \$0 | | \$0 |
| 8500-700 | Impairment | \$0 | | \$0 |
| 8500-999 | Accruals | \$0 | | \$0 |
| | TOTAL COST TO CASING POINT - INTANGIBLES | \$1,397,635 | | \$1,397,635 |
| COMPLETION COSTS: TANGIBLES | | | | |
| 8530-415 | Wellhead | | \$21,900 | \$21,900 |
| 8530-420 | Subsurface Equipment | | \$15,000 | \$15,000 |
| 8530-500 | Production Casing | | \$194,756 | \$194,756 |
| 8530-510 | Tubing | | \$47,048 | \$47,048 |
| 8530-515 | Rods | | \$0 | \$0 |
| 8530-525 | Artificial Lift Equipment | | \$25,000 | \$25,000 |
| 8530-530 | Gas Metering Equipment | | \$48,000 | \$48,000 |
| 8530-535 | LACT Unit | | \$0 | \$0 |
| 8530-540 | Production Facilities and Flowlines | | \$120,000 | \$120,000 |
| 8530-545 | Pumping Unit | | \$0 | \$0 |
| 8530-550 | Separator, Heater, Treater | | \$75,000 | \$75,000 |
| 8530-555 | Tank Battery | | \$30,000 | \$30,000 |
| 8530-560 | Vapor Recovery Unit | | \$0 | \$0 |
| 8530-590 | Other Misc Equipment | | \$21,500 | \$21,500 |
| 8530-600 | Nonoperated | | \$0 | \$0 |
| 8530-700 | Impairment | | \$0 | \$0 |

NMOCD CASE Nos. 15865-15868, 15875
and 15876

Great Western/Advance
Exhibit No. 6

December 13, 2017

| | | | | | |
|----------|--|--|--|-------------|-------------|
| 8530-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - TANGIBLES | | | \$598,204 | \$598,204 |
| | COMPLETION COSTS: INTANGIBLES | | | | |
| 8520-100 | Roads/Location | | | \$0 | |
| 8520-120 | Perforating Services | | | \$70,000 | \$70,000 |
| 8520-125 | Equipment Rental | | | \$193,000 | \$193,000 |
| 8520-135 | Bonds, Permits and Inspection | | | \$0 | |
| 8520-145 | Completion Unit | | | \$20,000 | \$20,000 |
| 8520-150 | Frac Plugs | | | \$30,000 | \$30,000 |
| 8520-155 | Mud and Chemicals | | | \$90,000 | \$90,000 |
| 8520-160 | Cementing Services | | | \$70,000 | \$70,000 |
| 8520-165 | Acidizing and Fracturing | | | \$860,000 | \$860,000 |
| 8520-170 | Supervision/Consulting | | | \$42,000 | \$42,000 |
| 8520-175 | Casing and Other Tangible Crew | | | \$15,000 | \$15,000 |
| 8520-190 | Cuttings/Fluids Disposal | | | \$60,000 | \$60,000 |
| 8520-200 | Drill Bits | | | \$3,000 | \$3,000 |
| 8520-210 | Surface Damages/ROW | | | \$0 | |
| 8520-215 | Contract Labor and Services | | | \$5,000 | \$5,000 |
| 8520-230 | Pump/Vacuum Trucks | | | \$20,000 | \$20,000 |
| 8520-235 | Reclamation | | | \$0 | |
| 8520-245 | Fishing Tools and Services | | | \$0 | |
| 8520-250 | Well Testing | | | \$84,000 | \$84,000 |
| 8520-255 | Trucking and Hauling | | | \$0 | |
| 8520-260 | Wireline Services | | | \$5,000 | \$5,000 |
| 8520-270 | Camp Expenses | | | \$6,000 | \$6,000 |
| 8520-275 | Coiled Tubing Services | | | \$54,400 | \$54,400 |
| 8520-280 | Frac Water | | | \$275,000 | \$275,000 |
| 8520-285 | Contingencies | | | \$0 | |
| 8520-290 | Environmental | | | \$0 | |
| 8520-300 | Overhead | | | \$0 | |
| 8520-350 | Insurance | | | \$0 | |
| 8520-600 | Nonoperated | | | \$0 | |
| 8520-700 | Impairment | | | \$0 | |
| 8520-999 | Accruals | | | \$0 | |
| | TOTAL COMPLETION COST - INTANGIBLES | | | \$1,902,400 | \$1,902,400 |
| | TOTAL WELL COST | | | \$1,646,048 | \$2,500,604 |
| | | | | \$4,146,651 | |

Estimate is for a 15,275' MD horizontal 2nd Bone Spring well in Lea County, NM. This AFE assumes 22 days to drill. The rig will move in and set a surface string at ~1820'. Intermediate casing will be set at ~5,700' with a stage tool and ACP. An 8-3/4" hole will be drilled to KOP (~9,800' MD). From there, a curve will be built to 90° in the 2nd Bone Spring and drilled to TD (approx. 4,621' VS & 4,000' LL). The well will be completed with 5-1/2", 17#, P-110, BTC production casing cemented through the lateral and up to 500' inside intermediate casing. The well will be completed with 20 stages (210'/stage) using the P&P completion technique. The completion will use a 315K pound per stage slickwater design resulting in a lateral treatment of 1,500 #/ft.

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



GREAT WESTERN DRILLING COMPANY

Post Office Box 1659 • Midland, Texas 79702 • 432/682-5241

December 11, 2017

Advance Energy Partners, LLC
11490 Westheimer Road
Suite 950,
Houston, Texas 77077
Attn: Mr. David Scott

RE: Letter Purchase Offer dated December 6, 2017
Section 34, T21S-R34E
Lea County, New Mexico

Gentlemen,

Great Western Drilling Ltd. ("GWD") has received your offer letter dated December 6, 2017 including certain terms and conditions for the purchase of all of GWD's rights, title and interest in and to 280 net oil and gas leasehold acres in the above referenced Section. Great Western Drilling Ltd. hereby accepts the offer and terms and conditions contained in the referenced letter of December 6, 2017.

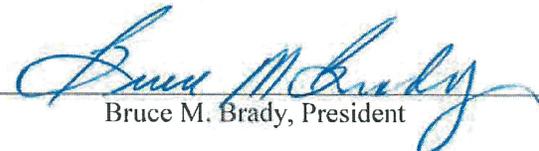
Please contact Carter Muire at the address and phone number on this letterhead to beginning the process of conducting your due diligence and preparation of the closing documents.

Yours truly,
Great Western Drilling Ltd.


F. Carter Muire
Land Manager

Great Western Drilling Ltd. hereby accepts the offer and the terms and conditions of the above referenced letter dated December 6, 2017 from Advance Energy Partners, LLC concerning the purchase of all of GWD's rights, title and interest in and to the oil and gas leases within the above described lands.

Great Western Drilling Ltd.

By: 
Bruce M. Brady, President

**NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 7
December 13, 2017**



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

December 6, 2017

Great Western Drilling, Ltd.
P.O. Box 1659
700 West Louisiana Street
Midland, Texas 79702

Attn: Mr. Carter Muire, CPL

Re: Purchase Offer, Lea County, New Mexico

Dear Mr. Muire,

Advance Energy Partners, LLC (“Advance”) is pleased to present the following offer to acquire all of Great Western Drilling, Ltd.’s or its related entities (“Great Western”) right, title and interest in and to approximately 280.00 net leasehold acres of land within Lea County, New Mexico; being all of those lands, wells and Assets owned by Great Western within the lands identified on Exhibit “A” (the “Offer Area”):

1. Effective date: December 1, 2017 at 7:00 a.m. central standard time.
2. Total Consideration:
 - a. Cash at Closing: [REDACTED] US Cash determined as follows:
 - i. 280 net acres x \$ [REDACTED]
3. Closing: On or before February 1, 2018.
4. Description of Assets: All tangible and intangible real, personal and mixed property associated with the wells and lands contained within the Offer Area, including, but not limited to the Oil and Gas Leases, mineral or overriding royalty interests; all contracts associated with the Offer Area; any Salt Water disposal well or facility, frac pond or other surface facility located within or associated with the Offer Area; all interests and rights related to or arising from the wells, the equipment, pipeline or electrical lines, facilities, production, proceeds or such items which are needed or useful in or resulting from the operation or ownership of the wells and equipment.
5. Assumptions: This offer was made with the assumption that Great Western owns the Working Interest and Net Revenue Interest within the lands and wells as noted in Exhibit “A”. We understand that Great Western has received AFEs and a force pooling notice from Chisholm covering the drilling of four wells within this section and that Great Western has submitted two drilling well AFEs to Chisholm along with force pooling notice of same. Hearing is scheduled for later this month. We would like for Great Western to continue the proceedings on our behalf and we will reimburse Great Western for the expense of such representation in the event Great Western is willing to sell its interest to Advance as set out in this offer letter. If Great Western is willing to sell its interest, then, we would like to have standing at the force pooling proceedings.
6. Due Diligence: Prior to the execution of the Definitive Agreement, Great Western shall make available to Advance all of its land and operational data relative to the Assets so that our value assumptions may be verified. In addition, and sufficiently in advance of closing to allow for

satisfactory investigation, Advance shall be entitled to conduct customary due diligence with respect to title and environmental issues. The offer contained herein shall be subject to the confirmation of such assumptions and the results of Due Diligence.

7. Final Agreement: The parties shall undertake the negotiation of mutually agreeable closing documents which will include, but not be limited to, the terms and conditions contained herein, as well as other terms and conditions, representations, warranties and indemnities customarily covered in oil and gas transactions of this type, and required by the parties to consummate the proposed transaction. The parties shall endeavor to complete negotiation of the closing documents as soon as reasonably possible following the acceptance of this proposal and confirmation of Advance's assumptions.
8. All discussions and negotiations between the parties hereto regarding this proposal shall be held confidential by all parties.
9. Names of Advance contacts:
 - a. David Scott- Vice President Land, Legal and Contracts; 832-672-4606 or 214-557-5745
 - b. Brian van Staveren- Sr. Landman: 832-672-4624 or 432-254-8866

This offer shall expire at 5:00 pm CST on December 15, 2017 unless extended by Advance.

We look forward to working with you on this proposal. Should you have any questions, please contact Brian or me directly at the telephone numbers listed above.

Sincerely,

David A. Scott
Vice President

Exhibit A

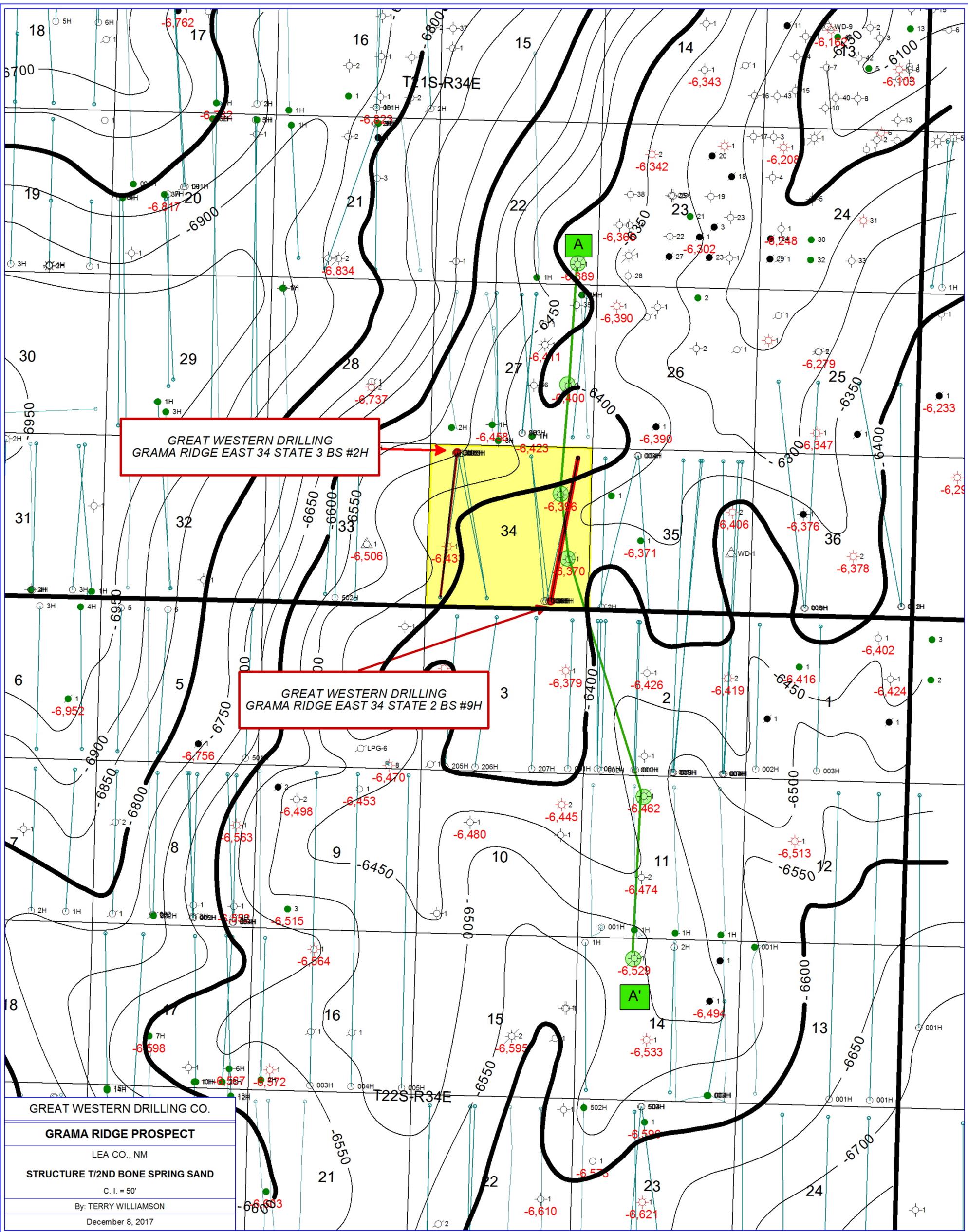
Exhibit A

Lands

| Lease Number | Sec. | TWS | Range | Legal | Gross Acres | WI of Great Western | Net Acres | NRI to 8/8ths |
|--------------|------|-----|-------|-------|-------------|---------------------|---------------|---------------|
| V-5683 | 34 | 21S | 34E | N/2 | 320.00 | 0.4375 | 140.00 | 0.813000 |
| E-9659 | 34 | 21S | 34E | S/2 | 320.00 | 0.4375 | 140.00 | 0.775000 |
| | | | | | Total | | 280.00 | |

Wells:

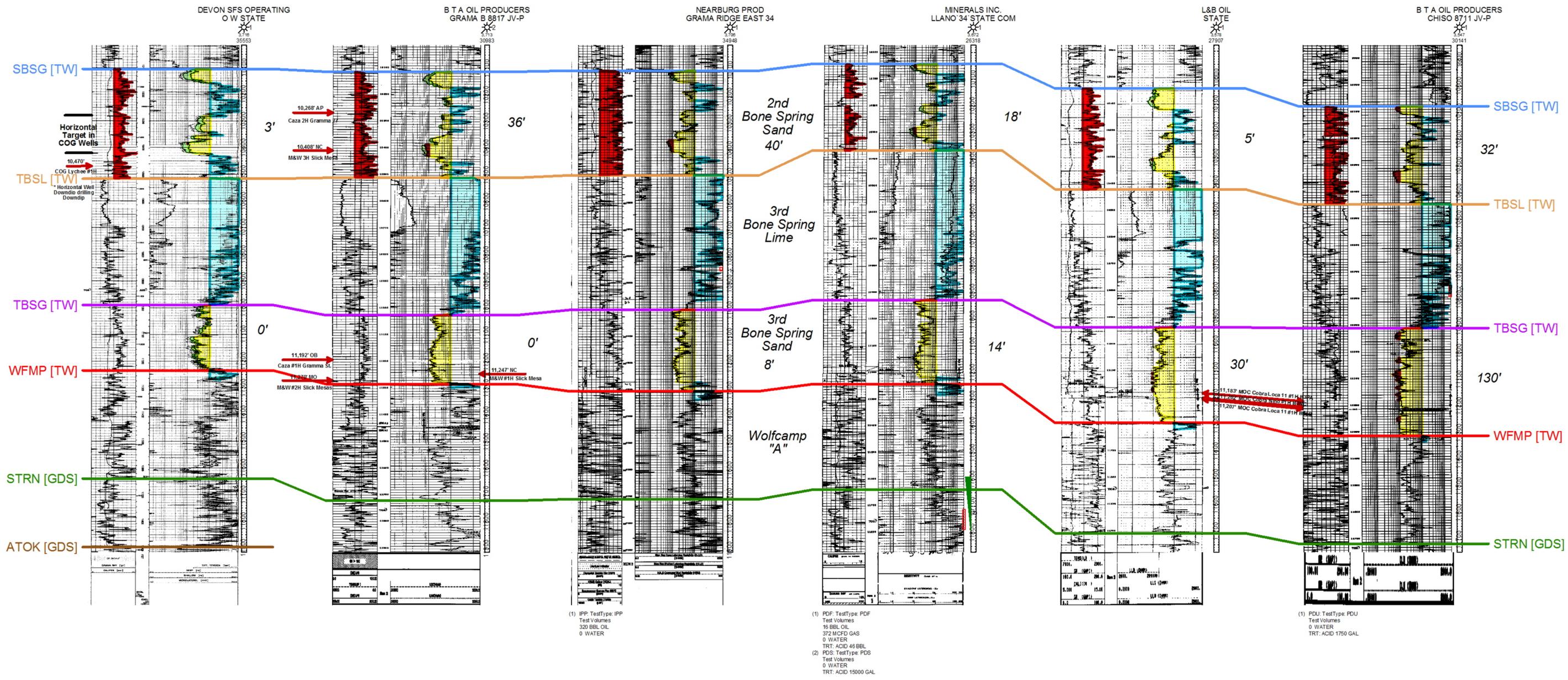
Gamma Ridge East 34 State #1 well, API 300-253-4948. 43.75% WI and 34.7375 NRI



GREAT WESTERN DRILLING
GRAMA RIDGE EAST 34 STATE 3 BS #2H

GREAT WESTERN DRILLING
GRAMA RIDGE EAST 34 STATE 2 BS #9H

GREAT WESTERN DRILLING CO.
GRAMA RIDGE PROSPECT
LEA CO., NM
STRUCTURE T/2ND BONE SPRING SAND
C. I. = 50'
By: TERRY WILLIAMSON
December 8, 2017



GREAT WESTERN DRILLING CO.

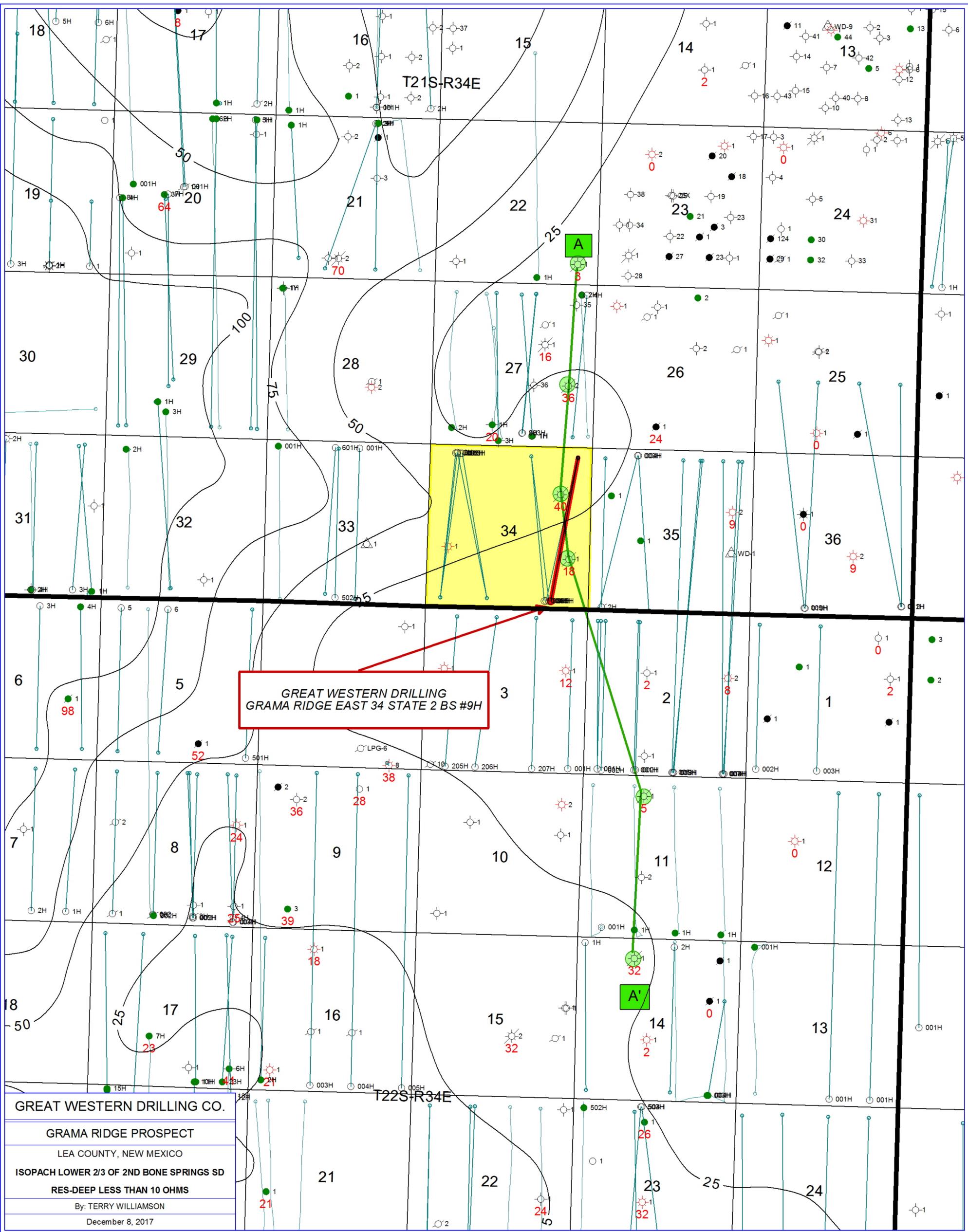
GRAMA RIDGE PROSPECT

LEA COUNTY, NEW MEXICO

STRUCTURAL CROSS-SECTION

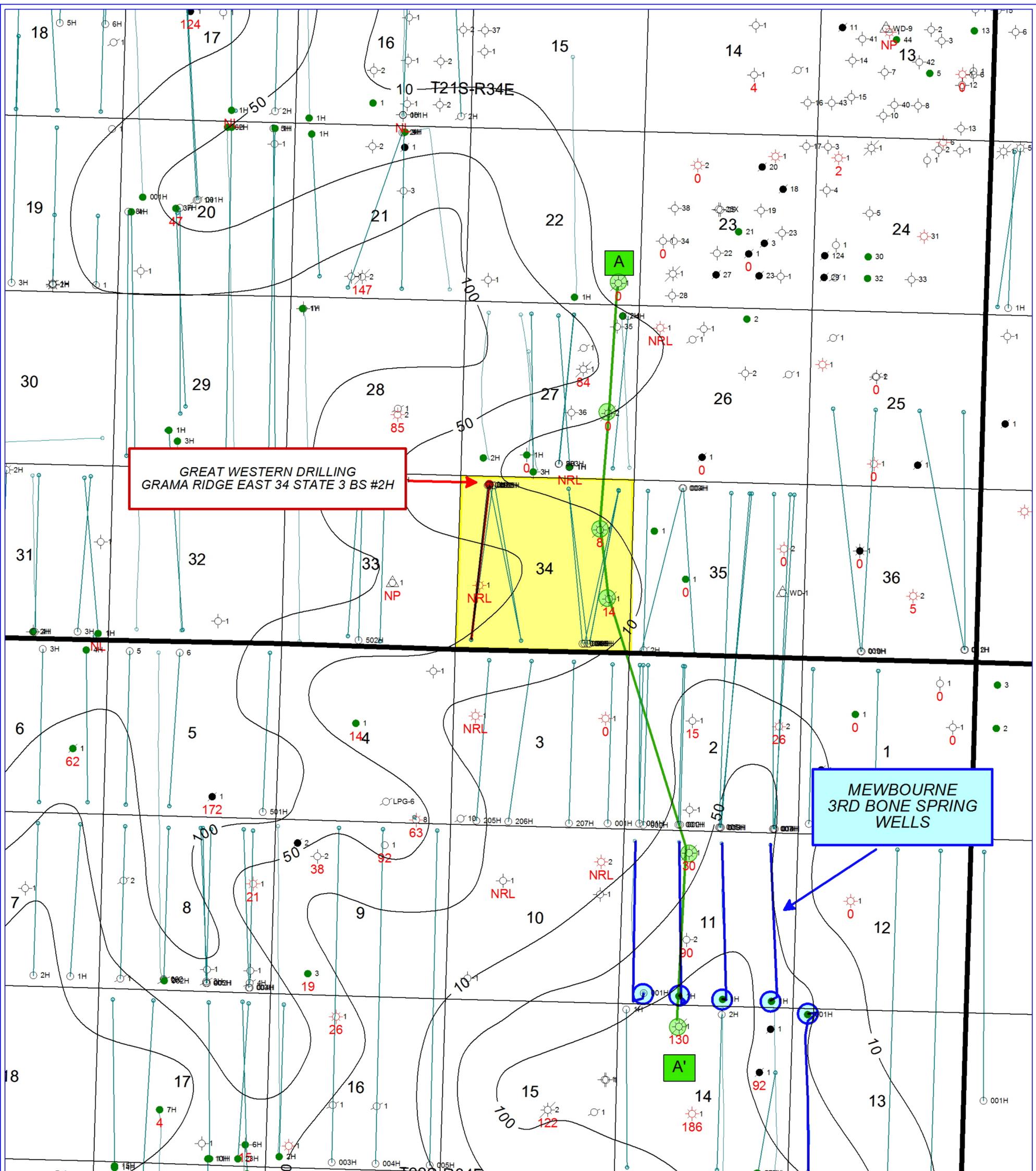
A - A'

By: TERRY WILLIAMSON



GREAT WESTERN DRILLING
 GRAMA RIDGE EAST 34 STATE 2 BS #9H

GREAT WESTERN DRILLING CO.
 GRAMA RIDGE PROSPECT
 LEA COUNTY, NEW MEXICO
 ISOPACH LOWER 2/3 OF 2ND BONE SPRINGS SD
 RES-DEEP LESS THAN 10 OHMS
 By: TERRY WILLIAMSON
 December 8, 2017

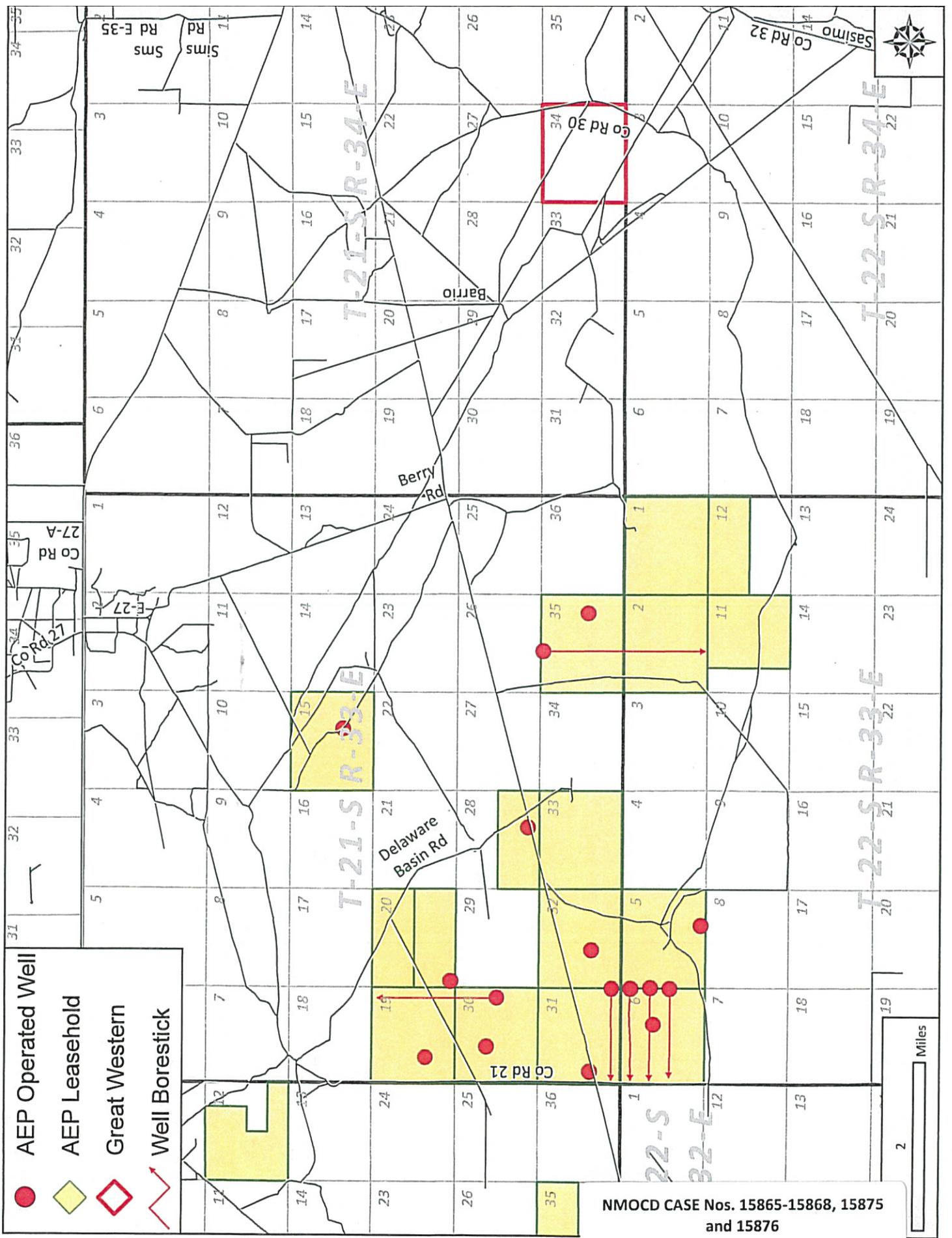


GREAT WESTERN DRILLING
GRAMA RIDGE EAST 34 STATE 3 BS #2H

MEWBOURNE
3RD BONE SPRING
WELLS

GREAT WESTERN DRILLING CO.
GRAMA RIDGE PROSPECT
LEA CO., NM
3RD BONE SPRING SAND/UNDER 10 OHMS-DEEP
C. I. = 100+, 50, 10
By: TERRY WILLIAMSON
December 8, 2017

-  AEP Operated Well
-  AEP Leasehold
-  Great Western
-  Well Borestick



NMOCD CASE Nos. 15865-15868, 15875
 and 15876
 Great Western/Advance
 Exhibit No. 12
 December 13, 2017



T21S-R34E Sec 34 (Gramma)

Great Western vs Chisholm

12/12/2017



NMOCD CASE Nos. 15865-15868, 15875
and 15876
Great Western/Advance
Exhibit No. 13
December 13, 2017

Lea County - Completions trend

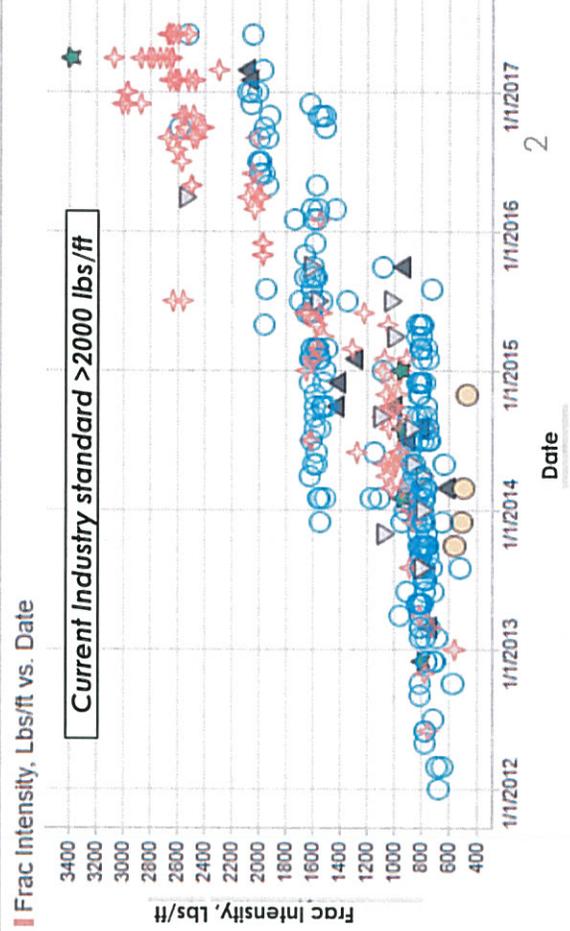
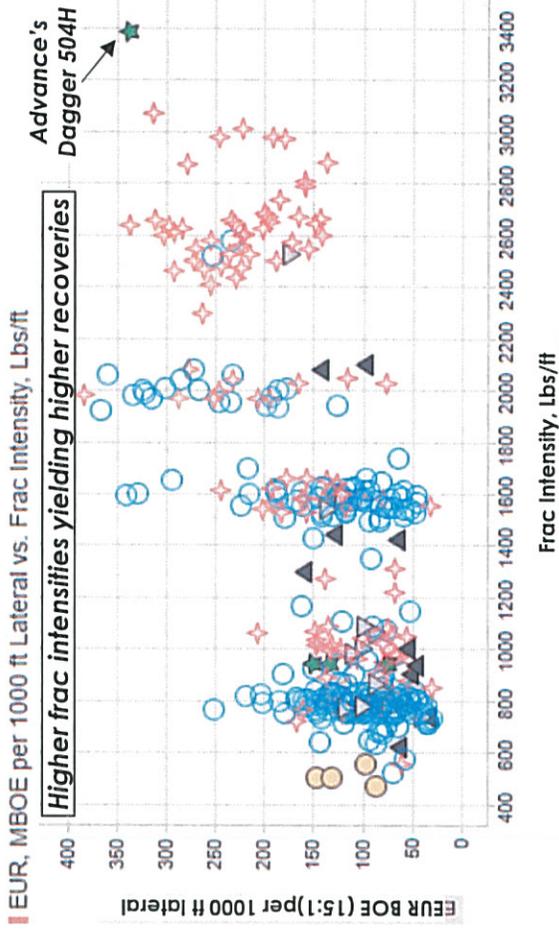
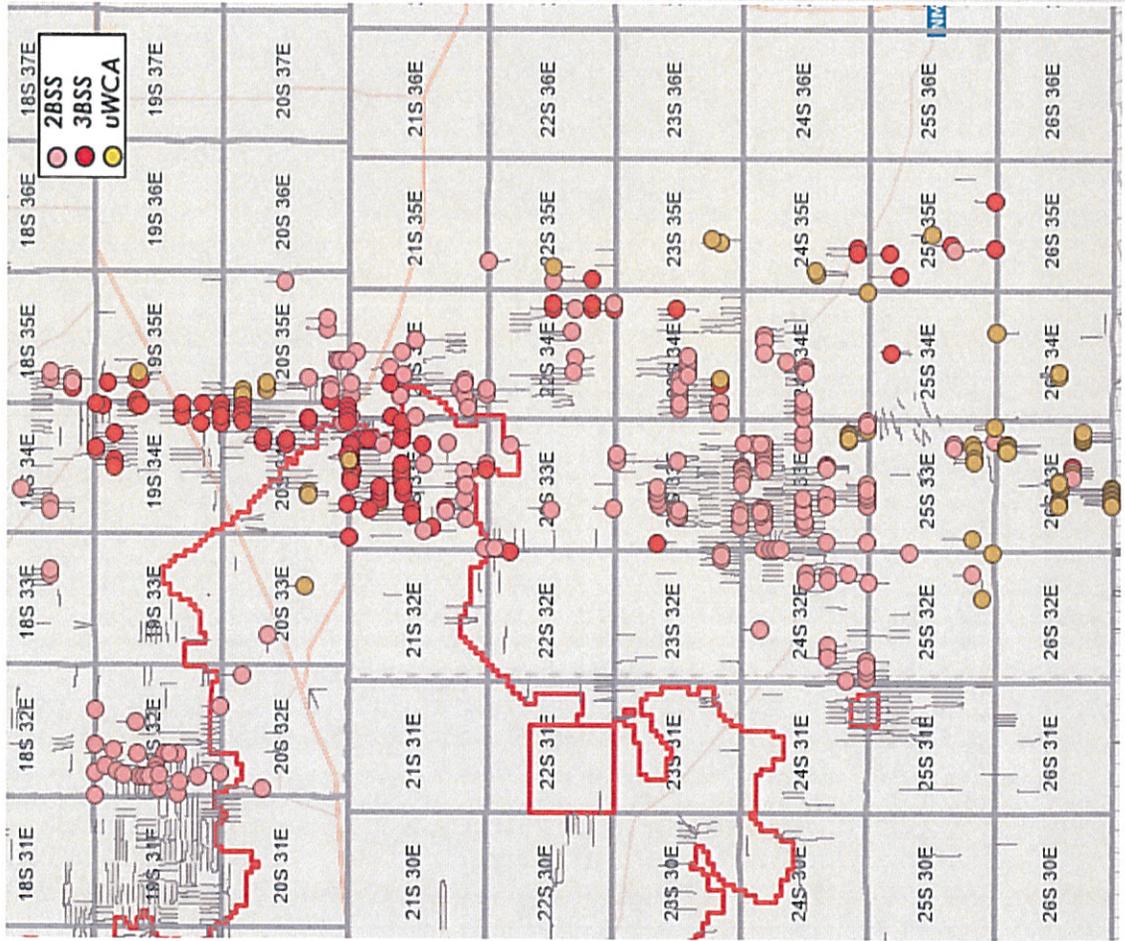
Filtered by Operator: Concho, EOG, Centennial, Marathon, Chisholm & Advance Energy

Color by: Operator +

- Advance Energy
- Centennial Energy
- Concho
- EOG
- Marathon
- Chisholm

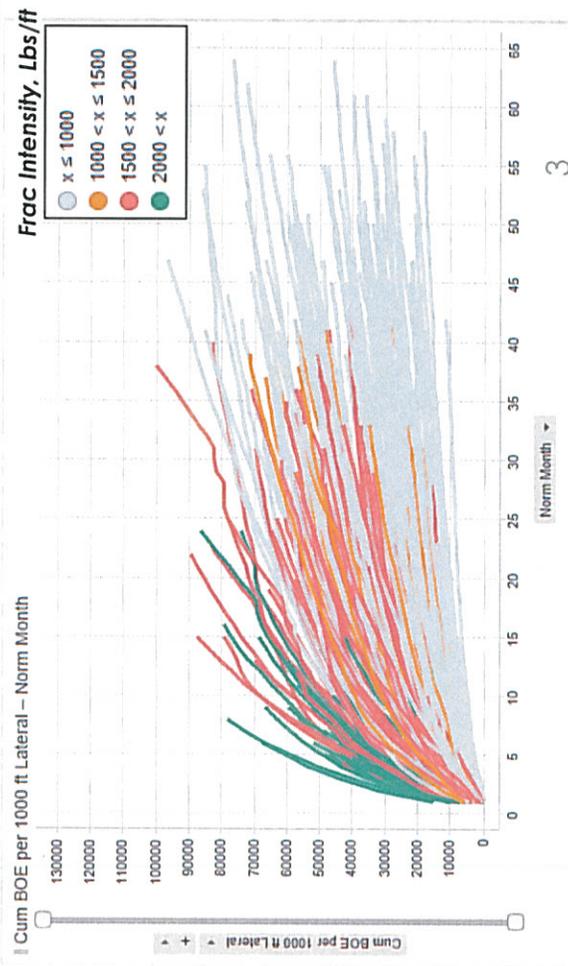
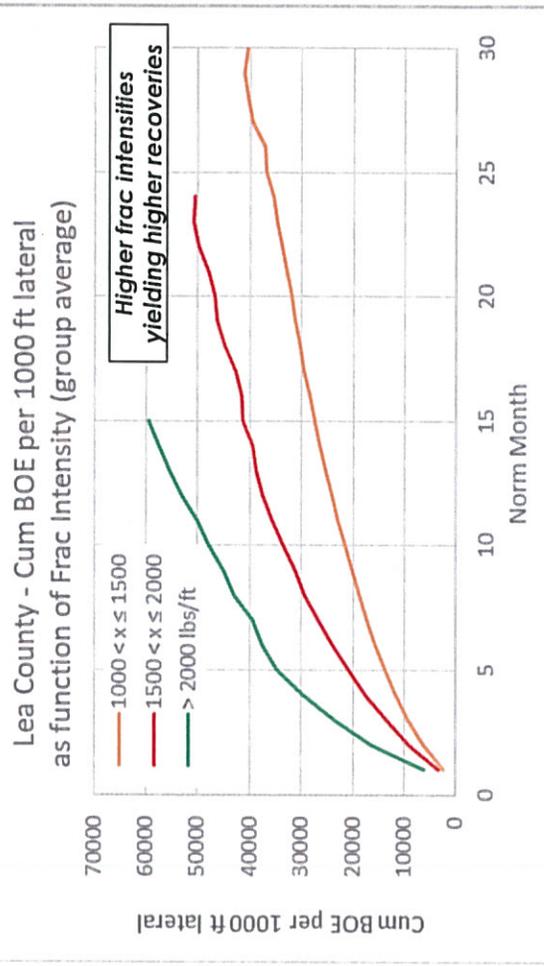
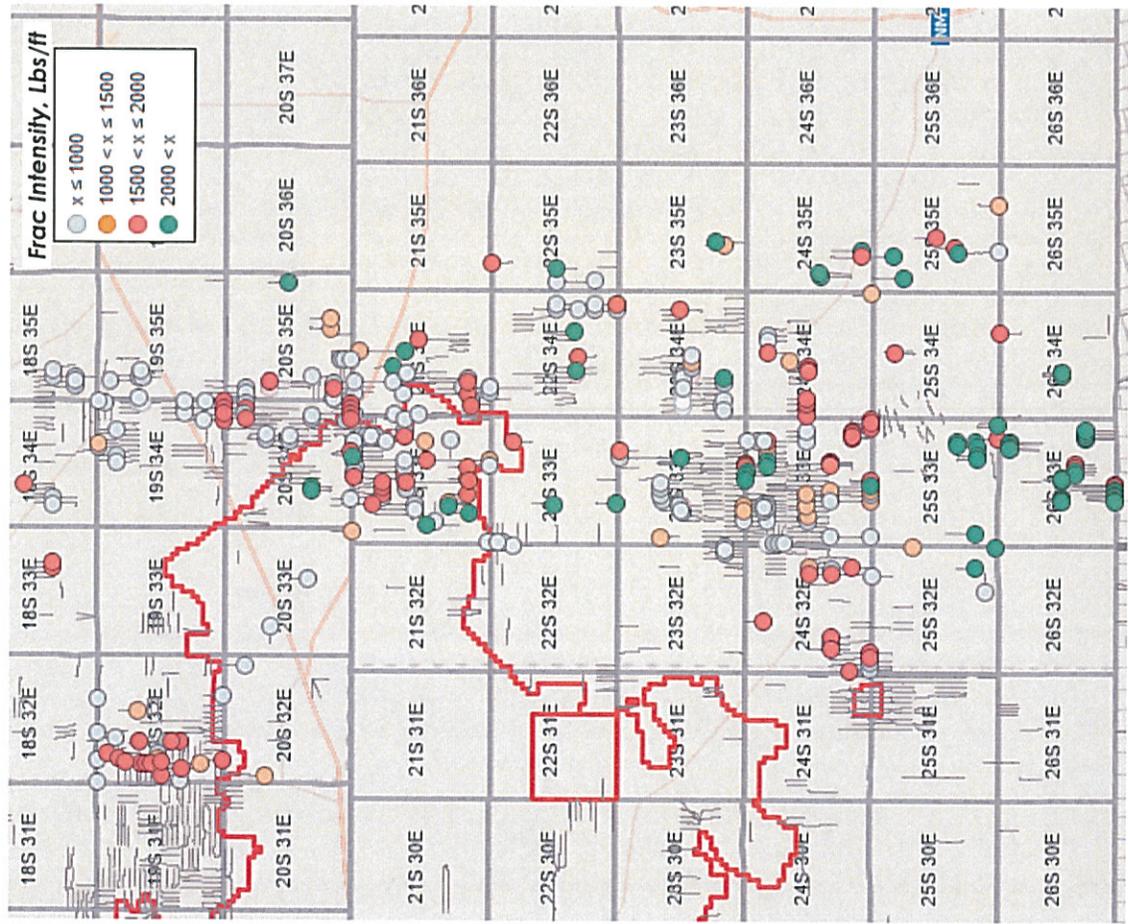
Shape by: Operator +

- Advance Energy
- Centennial Energy
- Concho
- EOG
- Marathon
- Chisholm



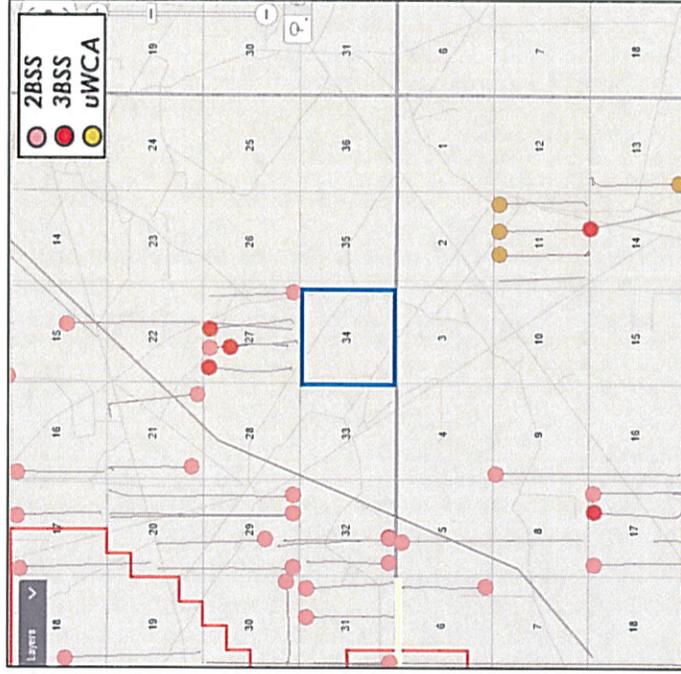
Lea County – Completions trend

Filtered by Operator: Concho, EOG, Centennial, Marathon, Chisholm & Advance Energy



Type Curves

- Advance's EUR estimate based on 2BSS & 3BSS offsets
- High Intensity (>2000 lbs/ft) High Density (CS<25')



2nd Bone Spring Sand - Expected EUR, MBOE

| | | | |
|------------------------|------|------|------|
| Frac Intensity, Lbs/ft | 1500 | 2000 | 2500 |
| Lateral Length, ft | 4628 | 4628 | 4628 |
| EUR, MBOE (6:1) | 581 | 761 | 872 |
| EUR, MBO | 465 | 609 | 698 |

Incremental MBO +144 +233

3rd Bone Spring Sand - Expected EUR, MBOE

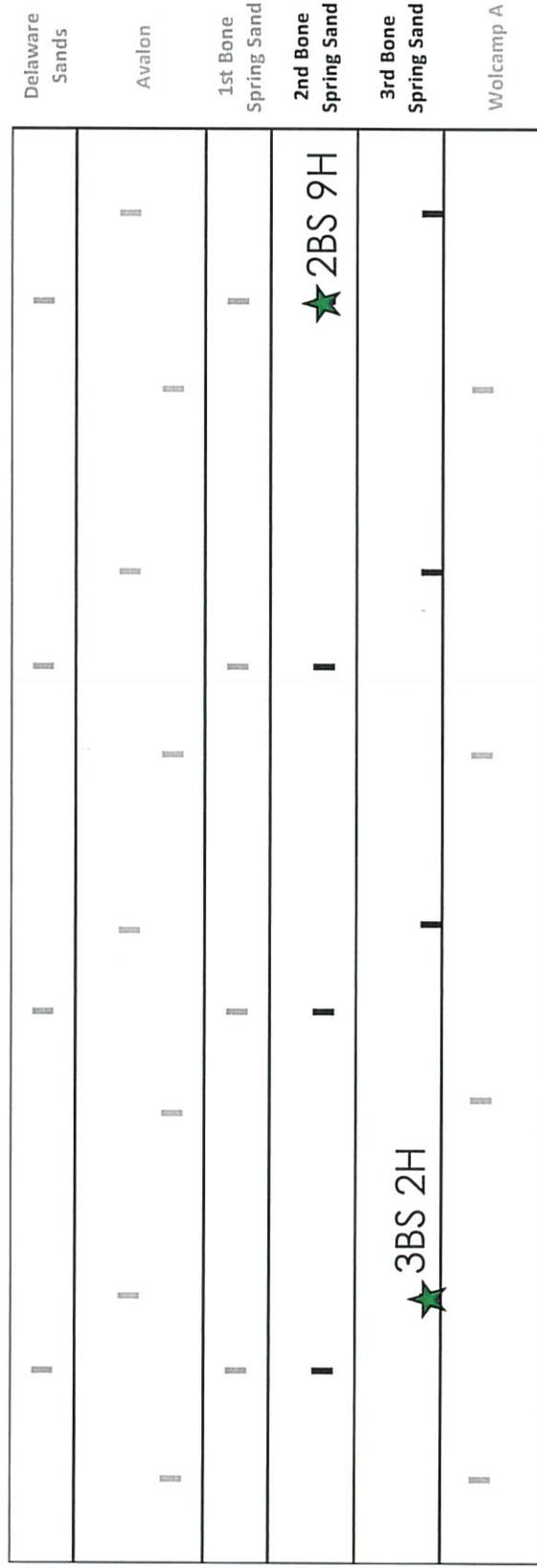
| | | | |
|------------------------|------|------|------|
| Frac Intensity, Lbs/ft | 1500 | 2000 | 2500 |
| Lateral Length, ft | 4628 | 4628 | 4628 |
| EUR, MBOE (6:1) | 423 | 546 | 626 |
| EUR, MBO | 338 | 437 | 501 |

Incremental MBO +99 +162

AFES

| | *pilot hole | | Chisholm | | Chisholm | | Chisholm | | Chisholm | | *pilot hole | |
|-------------------------|--------------|--|--------------|--------------|--------------|----------|----------|---------------|----------|---------------|-------------|---------------|
| | Chisholm | | 3H | 8H | 9H | Chisholm | | Great Western | | Great Western | | Great Western |
| Well | 2H | | 3H | 8H | 9H | | | 2H | | 9H | | 9H |
| Target | 3BSS | | 3BSS | 2BSS | 2BSS | | | 3BSS | | 2BSS | | 2BSS |
| Lateral Length, ft | 4628 | | 4628 | 4626 | 4626 | | | | | | | |
| TVD, ft | 11335 | | 11335 | 10455 | 10455 | | | 12070 | | 10275 | | 10275 |
| Frac Intensity, Lbs/ft | 1500 | | 1500 | 1500 | 1500 | | | 2000 | | 2000 | | 2000 |
| Drilling Tangibles | \$ 328,413 | | \$ 248,413 | \$ 248,413 | \$ 248,413 | | | \$ 261,000 | | \$ 261,000 | | \$ 261,000 |
| Drilling Intangibles | \$ 2,275,025 | | \$ 1,490,115 | \$ 1,397,635 | \$ 1,397,635 | | | \$ 1,928,000 | | \$ 1,644,500 | | \$ 1,644,500 |
| Completions Tangibles | \$ 613,384 | | \$ 613,384 | \$ 598,204 | \$ 598,204 | | | \$ 1,212,000 | | \$ 1,081,000 | | \$ 1,081,000 |
| Completions Intangibles | \$ 1,902,400 | | \$ 1,902,400 | \$ 1,902,401 | \$ 1,902,401 | | | \$ 3,724,000 | | \$ 3,085,500 | | \$ 3,085,500 |
| Total Well Cost | \$ 5,119,222 | | \$ 4,254,312 | \$ 4,146,653 | \$ 4,146,653 | | | \$ 7,125,000 | | \$ 6,072,000 | | \$ 6,072,000 |
| Stimulation Job | \$ 860,000 | | \$ 860,000 | \$ 860,000 | \$ 860,000 | | | \$ 2,200,000 | | \$ 1,800,000 | | \$ 1,800,000 |
| % of Total Well Cost | 17% | | 20% | 21% | 21% | | | 31% | | 30% | | 30% |

Grama Ridge East 34 State Development Concept



█ Existing location
█ 2018 Base
█ 2018 Back Up