BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATIONS OF IMPETRO OPERATING, LLC FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Cases No. 15923 and 15924 (consolidated)

IMPETRO OPERATING, LLC EXHIBIT BINDER

Impetro exhibit list

Land

Exhibit 1: C-102s

Exhibit 2: Ownership breakdown

Exhibit 3: Well proposal letters

Exhibit 4: AFEs

Exhibit 5: Montgomery & Andrews Notice Affidavit

Geology

Exhibit 6: Structure map

Exhibit 7: Geologic cross-section

Exhibit 8: Thickness map

Exhibit 9: Area development plat

Exhibit 10: Wellbore schematic

DISTRICT I 1625 N. French Dr., Hobbs, NM 86240 Phone: (575) 393-6161 Fax: (575) 393-0720

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

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

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3480 Fax: (505) 476-3482 State of New Mexico

Energy, Minerals & Natural Resources Department

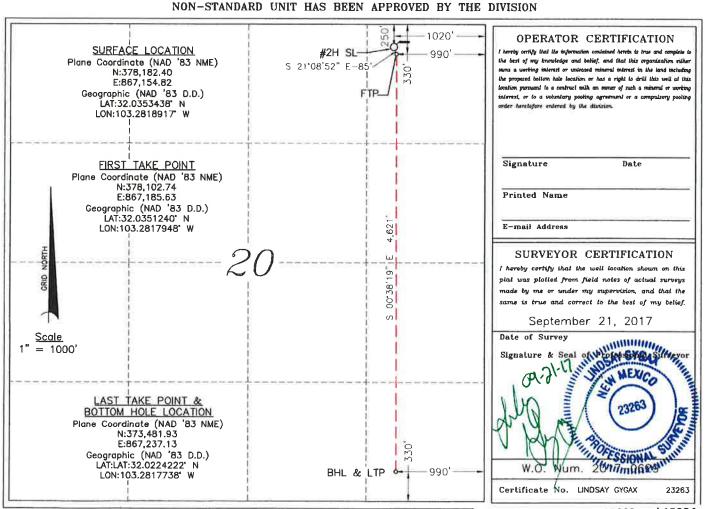
OIL CONSERVATION DIVISION 1220 South St. Frances Dr. Santa Fe, NM 87505 Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

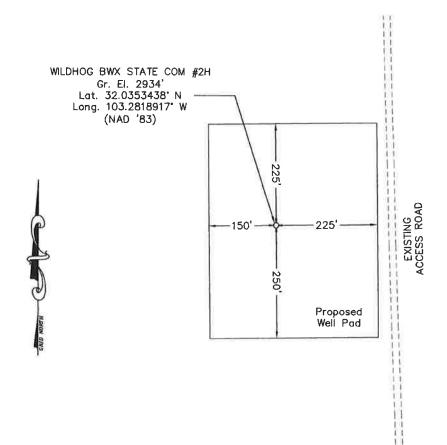
API Number				Pool Code			Pool Name			
Property Code				Property Name WILDHOG BWX STATE COM					Well Number 2H	
OGRID No.				Operator Name IMPETRO OPERATING, LLC			1	Elevation 2934'		
					Surface Loca	ation				
UL or lot No.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County	
Α	20	26 S	36 E		250	NORTH	EAST	LEA		
			Bottom	Hole Loc	ation If Diffe	rent From Sur	face			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Р	20	26 S	36 E		330	330 SOUTH 990 EAST				
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. 15923 and 15924
IMPETRO OPERATING
Exhibit No. 1
January 11, 2018

SECTION 20, TOWNSHIP 26 SOUTH, RANGE 36 EAST, N.M.P.M. SILEA COUNTY NEW MEXICO



DRIVING DIRECTIONS

FROM BENNETT, NEW MEXICO, DRIVE SOUTH ON NM-205 S/FRYING PAN ROAD 4.5 MILES, TURN RIGHT AND CONTINUE NORTH ON BECKHAM ROAD FOR 3 MILES, TO A POINT APPROXIMATELY 240 FEET EAST OF THE PROPOSED LOCATION.



SURVEYORS - ENGINEERS - PLANNERS 110 W. LOUISIANA AVE., SUITE 110 MIDLAND, TEXAS 79701 (432) 687-0865 - FAX (432)687-0868

Denotes 15' Topsoil Stockpile 200 0 200 400 Graphic Scale in Feet

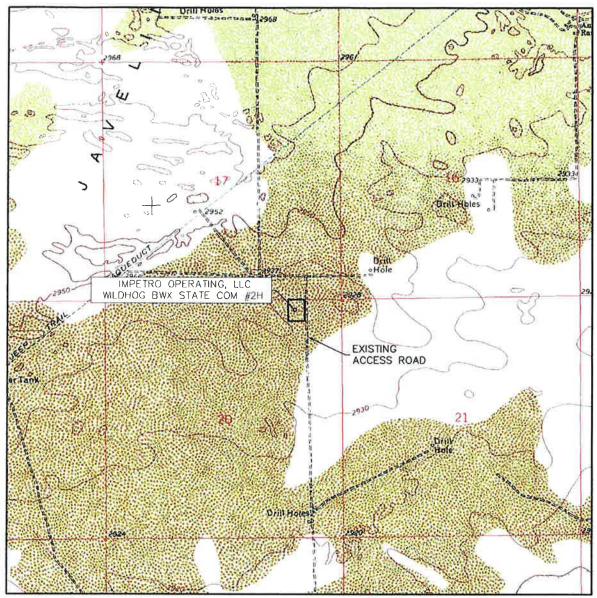
LEGACY RESERVES OPERATING LP

WILDHOG BWX STATE COM #2H

Located 250' FNL & 1020' FEL, Section 20
Township 26 South, Range 36 East, N.M.P.M.
Lea County, New Mexico

Drawn By: SC/LRG	Date: July 8, 2015
Scale: 1" = 200'	Field Book: 634 / 23-24
Revision Date:	Quadrangle: Javelina Basin
W.O. No: 2017-0685	Dwg. No.: 2017-0685

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

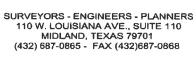
CONTOUR INTERVAL: LEA – 10'

SEC. 20 TV	VP. 26-S	RGE.	36-E				
SURVEY N.M.P.M.							
COUNTY LEA							
DESCRIPTION 250' FNL & 1020' FEL							
ELEVATION 2934'							
OPERATOR IMPETRO OPERATING, LLC							
LEASE WILI	DHOG BWX	STATE	СОМ				

U.S.G.S. TOPOGRAPHIC MAP

JAVELINA BASIN







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

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Energy, Minerals & Natural Resources Department

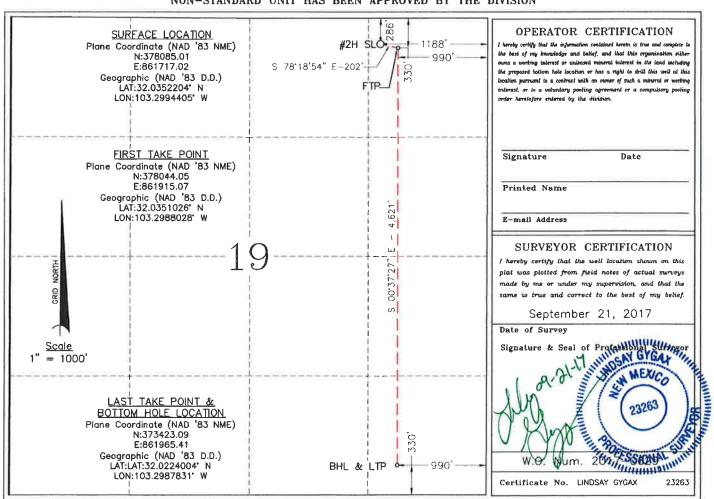
OIL CONSERVATION DIVISION 1220 South St. Frances Dr. Santa Fe, NM 87505 Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☐ AMENDED REPORT

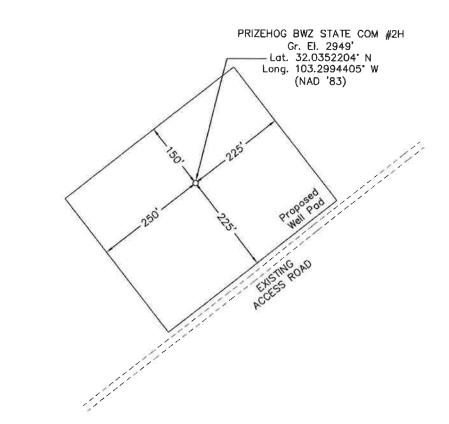
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number			1	Pool Code			Pool Name			
Property Code				Property Name PRIZEHOG BWZ STATE COM				Well Number		
OGRID No.				Operator Name IMPETRO OPERATING, LLC					Elevation 2949'	
					Surface Loca	ation				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Α	19	26 S	36 E		286 NORTH 1188				LEA	
			Bottom	Hole Loc	cation If Diffe	rent From Sur	face			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Р	19	26 S	36 E		330 SOUTH 990 EAST			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



SECTION 19, TOWNSHIP 26 SOUTH, RANGE 36 EAST, N.M.P.M. LEA COUNTY NEW MEXICO

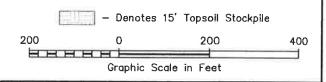


DRIVING DIRECTIONS

FROM BENNETT, NEW MEXICO, DRIVE SOUTH ON NM-205 S/FRYING PAN ROAD 4.5 MILES, TURN RIGHT AND CONTINUE NORTH ON BECKHAM ROAD FOR 3.5 MILES, TURN LEFT AND CONTINUE WEST ON AN UN-NAMED LEASE ROAD 0.5 MILES, TURN LEFT AND CONTINUE SOUTHWEST ON AN UN-NAMED LEASE ROAD 0.4 MILES TO A POINT APPROXIMATELY 240 FEET SOUTHEAST OF THE PROPOSED LOCATION.



SURVEYORS - ENGINEERS - PLANNERS 110 W. LOUISIANA AVE., SUITE 110 MIDLAND, TEXAS 79701 (432) 687-0865 - FAX (432)687-0868



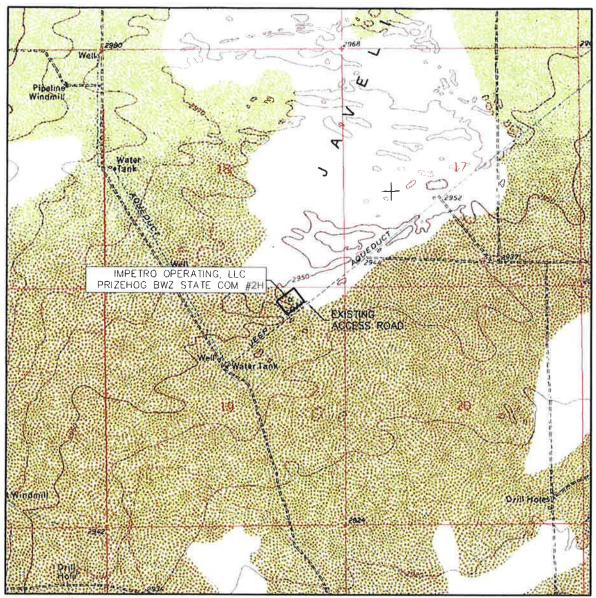
LEGACY RESERVES OPERATING LP

PRIZEHOG BWZ STATE COM #2H

Located 286' FNL & 1188' FEL, Section 19 Township 26 South, Range 36 East, N.M.P.M. Lea County, New Mexico

Drawn By: SC/LRG	Date: July 8, 2015
Scale: 1" = 200'	Field Book: 634 / 23-24
Revision Date:	Quadrangle: Javelina Basin
W.O. No: 2017-0685	Dwg. No.: 2017-0685

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: LEA — 10'

SEC. 19 TWP. 26-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 286' FNL & 1188' FEL

ELEVATION 2949'

OPERATOR IMPETRO OPERATING, LLC

LEASE PRIZEHOG BWZ STATE COM

U.S.G.S. TOPOGRAPHIC MAP

JAVELINA BASIN





SURVEYORS - ENGINEERS - PLANNERS 110 W. LOUISIANA AVE., SUITE 110 MIDLAND, TEXAS 79701 (432) 687-0865 - FAX (432)687-0868

LAND - EXHIBIT 2(a)

TRACT OWNERSHIP

Wildhog BWX State Com No. 2H
E/2E/2 of Section 20,
Township 26 South, Range 36 East,
Lea County, New Mexico

E/2E/2 of Section 20,

Wolfcamp Formation:

Impetro Operating, LLC

300 E. Sonterra Blvd., Suite 1220
San Antonio, Texas 78258

OneEnergy Partners Operating, LLC

2929 Allen Parkway, Suite 200
Houston, Texas 77019

*Oxy Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046

100.000000%

NMOCD CASE Nos. 15923 and 15924 IMPETRO OPERATING Exhibit No. 2 January 11, 2018

^{*} Indicates interests being pooled.

LAND - EXHIBIT 2(b)

TRACT OWNERSHIP

Prizehog BWZ State Com No. 2H
E/2E/2 of Section 19,
Township 26 South, Range 36 East,
Lea County, New Mexico

E/2E/2 of Section 19,

Wolfcamp Formation:

* Indicates interests being pooled.

Impetro Operating, LLC	50.000000%
300 E. Sonterra Blvd., Suite 1220	
San Antonio, Texas 78258	
OneEnergy Partners Operating, LLC	30.000000%
2929 Allen Parkway, Suite 200	
Houston, Texas 77019	
*Oxy Y-1 Company	20.000000%
5 Greenway Plaza, Suite 110	
Houston, Texas 77046	-
	100.000000%





September 15, 2017

TO: Working Interest Owners

Sent Via FedEx - Overnight

RE:

Proposal to Drill the Wildhog BWX State Com #2H Well Section 20 of Township 26 South, Range 36 East, N.M.P.M.

Lea County, New Mexico

Dear Working Interest Owners,

Lilis Energy, Inc. ("Lilis"), successor-in-operatorship to OneEnergy Partners Operating, LLC, proposes to drill and complete the Wildhog BWX State Com #2H Well (the "Well") to test the Jal (Wolfcamp) formation (collectively "Operation") to an approximate measured depth of 17,400' and a true vertical depth of 12,500'. The proposed Horizontal Drainhole of the Well is approximately 5,000' with the Terminus in the SW/4, SW/4 of Section 20. Completion of the Well will be a multi-stage frac. The total estimated cost of the proposed Operation is \$8,271,253.97 as set forth on the Authority for Expenditure ("AFE") attached hereto. Each party's proportionate share of such cost is set forth on the schedule attached hereto as Exhibit "A". Impetro Operating, LLC is a wholly owned subsidiary of Lilis and is the named operator in this operation.

Please indicate whether or not you elect to participate in the proposed operation below and return your election to the undersigned within thirty (30) days after receipt of this proposal. In the event you elect to participate in the proposed operation, please execute the AFE and forward it along with your proportionate share of the estimated cost of the proposed operation with your election to participate.

In the event you <u>elect not to participate</u> (or are deemed to have elected not to <u>participate</u>) in the proposed operation, you will be a Non-Consenting Party subject to the non-consent penalties.

Should you have any questions regarding the drilling procedure or AFE, please contact Brennan Short at 210-892-4523. For all other questions or inquiries, please feel free to contact the undersigned at 210-569-0757.

Best regards,	
LILIS ENERGY, INC/IMPETRO OPERATING, LLC	
Neal Rudderow – Land Manager	

300 E. Sonterra Blvd., Suite 1220, San Antonio, TX 78258 210-999-5400 phone | 210-999-5401 fax

2	complete the Wildhog BWX State Cor	ARTICIPATE in the proposed operation to drill and m #2H well, and to remit payment for its proportiona "attached hereto and hereby Consents to take its at interest.
	The undersigned hereby DOES NOT eand complete the Wildhog BWX State	lect to participate in the proposed operation to drill com #2H well.
Working Inter	est Owner:	
Company Nan	ne (if applicable)	-
Signature		Date
Title		•





January 5, 2018

TO: Working Interest Owner

Sent Via Email and FedEx - Overnight

RE:

Amendment to Proposal to Drill the Wildhog BWX State Com #2H Well

Section 20 of Township 26 South, Range 36 East, N.M.P.M.

Lea County, New Mexico

Dear Working Interest Owner,

Lilis Energy, Inc. ("Lilis"), successor-in-operatorship to OneEnergy Partners Operating, LLC, provided a Proposal to Drill the above captioned well in a letter dated September 18, 2017. That Proposal was lacking an attached Joint Operating Agreement ("JOA") form. Please find enclosed for your review the form that Lilis and OneEnergy Partners Operating, LLC have entered into effective April 15, 2017 covering all of the above captioned section.

<u>Please indicate below whether or not you elect to execute the proposed JOA form and an executed original copy to the undersigned within thirty (30) days after receipt of this letter.</u>

Should you have any questions regarding the JOA, please feel free to contact the undersigned at 210-569-0757.

Best regards,

LILIS ENERGY, INC/IMPETRO OPERATING, LLC

Neal Rudderow - Land Manager

The undersigned hereby <u>ELECTS TO EXECUTE</u> the proposed Joint Operating Agreement pertaining to the Wildhog BWX State Com #2H well.

	he undersigned hereby <u>DOES NOT ELECT TO EXECUTE</u> the proposed Joint Operating greement pertaining to the Wildhog BWX State Com #2H well.
Working Interest	Owner:
Company Name (f applicable)
Signature	Date
Title	





September 18, 2017

TO: Working Interest Owners

Sent Via FedEx - Overnight

RE:

Proposal to Drill the Prizehog BWZ State Com #2H Well Section 19 of Township 26 South, Range 36 East, N.M.P.M.

Lea County, New Mexico

Dear Working Interest Owners,

Lilis Energy, Inc. ("Lilis"), successor-in-operatorship to OneEnergy Partners Operating, LLC, proposes to drill and complete the Prizehog BWZ State Com #2H Well (the "Well") to test the Jal (Wolfcamp) formation (collectively "Operation") to an approximate measured depth of 17,400' and a true vertical depth of 12,500'. The proposed Horizontal Drainhole of the Well is approximately 5,000' with the Terminus in the SW/4, SW/4 of Section 19. Completion of the Well will be a multi-stage frac. The total estimated cost of the proposed Operation is \$8,271,253.97 as set forth on the Authority for Expenditure ("AFE") attached hereto. Each party's proportionate share of such cost is set forth on the schedule attached hereto as Exhibit "A". Impetro Operating, LLC is a wholly owned subsidiary of Lilis and is the named operator in this operation.

Please indicate whether or not you elect to participate in the proposed operation below and return your election to the undersigned within thirty (30) days after receipt of this proposal. In the event you elect to participate in the proposed operation, please execute the AFE and forward it along with your proportionate share of the estimated cost of the proposed operation with your election to participate.

In the event you <u>elect not to participate</u> (or are <u>deemed to have elected not to participate</u>) in the proposed operation, you will be a Non-Consenting Party subject to the non-consent penalties.

Should you have any questions regarding the drilling procedure or AFE, please contact Brennan Short at 210-892-4523. For all other questions or inquiries, please feel free to contact the undersigned at 210-569-0757.

Best regards,

LILIS ENERGY, INC/IMPETRO OPERATING, LLC

Neal Rudderow - Land Manager

	The undersigned hereby <u>ELECTS TO PARTICIPATE</u> in the proposed operation to drill and complete the Prizehog BWZ State Com #2H well, and to remit payment for its proportions share of the cost set out on Exhibit "A" attached hereto and hereby <u>Consents</u> to take its proportionate part of any non-consent interest.	∍te
5	The undersigned hereby <u>DOES NOT elect to participate</u> in the proposed operation to drill and complete the Prizehog BWZ State Com #2H well.	
Working Inte	rest Owner:	
Company Na	me (if applicable)	
Signature	Date	
Title		





January 5, 2018

TO: Working Interest Owner

Sent Via Email and FedEx - Overnight

RE:

Amendment to Proposal to Drill the Prizehog BWZ State Com #2H Well

Section 19 of Township 26 South, Range 36 East, N.M.P.M.

Lea County, New Mexico

Dear Working Interest Owner,

Lilis Energy, Inc. ("Lilis"), successor-in-operatorship to OneEnergy Partners Operating, LLC, provided a Proposal to Drill the above captioned well in a letter dated September 18, 2017. That Proposal was lacking an attached Joint Operating Agreement ("JOA") form. Please find enclosed for your review the form that Lilis and OneEnergy Partners Operating, LLC have entered into effective April 15, 2017 covering all of the above captioned section.

<u>Please indicate below whether or not you elect to execute the proposed JOA form and an executed original copy to the undersigned within thirty (30) days after receipt of this letter.</u>

Should you have any questions regarding the JOA, please feel free to contact the undersigned at 210-569-0757.

Best regards,

LILIS ENERGY, INC/IMPETRO OPERATING, LLC

Neal Rudderow - Land Manager

The undersigned hereby <u>ELECTS TO EXECUTE</u> the proposed Joint Operating Agreement pertaining to the Prizehog BWZ State Com #2H well.

S 	The undersigned hereby <u>DOES NOT E</u> Agreement pertaining to the Prizehog	LECT TO EXECUTE the proposes BWZ State Com #2H well.	d Joint Operating
Working Inte	erest Owner:		
Company Na	me (if applicable)	K.	
Signature		Date	-
Title		6	

	IMPETRO OPERATING LLC								
		RILLING/CC	MPLETION	WELL COST	ESTIMATE				
AFE TYPE FIELD NAM						AFE:			
LEASE/WE	ELL NO.: Wildhog BWX State Corn #2H					Property No:		API: 30-025-XXXXX	
	STATE: Lea / New Mexico	Formation:	WOLFCAMP			Date: TD: 17,400 ft		1/10/2018	
		EXP: D	DEV: X			Operated by: ImPetro	o Operating, LLC	TVD: 12,500 ft	
New Drill Development AFE. 1 Mile lateral. 23 Frac Stages. DESCRIPTION OF WORK TO BE PERFORMED:									
	INTANGIBLE COST		elygare		COMPL DAYS	DRILLING	Stages / Day	TOTAL COST	
9207 9207	Broker & landman& Curative (drillsite title) Fees - permit, survey					10,000.00		10,000.00	
9211	Location - regulatory, pad,Pits Frac Lake					3,000.00		3,000.00 125,000.00	
9234	Location - damage payments					25,000.00	0.00	25,000.00	
9232 9202	Rig mobilization, demobilization Rig Daywork		15000	45		150,000.00 675,000.00		150,000.00 675,000.00	
9208	Cementing Services Squeeze Perfs			45		0.00		0.00	
9312 9312	Rotating Head Rental Squeeze Tools & Supervison		250	40		10,000.00		10,000.00	
9247	Solids Control					0.00		0.00	
9224 9209	Fuel and Power Drilling Mud, Chemicals		4000	45		180,000.00	10,000.00	190,000.00	
9219	Bits					250,000.00 80,000.00	20,000.00	270,000.00 80,000.00	
9209	Water [Drilling & Fracing]					100,000.00		691,000.00	
9204 9208	Directional Drlg & MWD Cementing Services		10000	40		427,000.00 125,000.00	100,000.00	427,000.00	
9246	Mud Logging Services		1000	37		37,000.00	100,000.00	225,000.00 37,000.00	
9220 9253	Well Control Insurance Surveys & Whipstock Orientation					10,000.00	0.00	10,000.00	
9328	Geological Services					0.00	0.00	0.00	
9217 9228	Testing Services [BOP] Geo-Steering					10,000.00	0.00	10,000.00	
9303	Coil Tubing Drill Out		1050	35		36,750.00	0.00 225,000.00	36,750.00	
9325	Frac - Wireline and perforating services					0.00	100,500.00	225,000.00 100,500.00	
9420 9312	Frac - Plugs & Toe Sub Frac Rentals 16 Tanks					0.00	48,500.00	48,500.00	
9314 9312	Frac- Pumping Services					0.00	25,500.00 2,209,266.67	25,500.00 2,209,266.67	
9312 9215	Frac - Frac Stack Trucking & transportation		1000		12	0.00	17,000.00	17,000.00	
9243	Water/Mud/Well Waste Disposal Svce		1000 2000	45 40	14	45,000.00 85,000.00	14,000.00	59,000.00 85,000.00	
9336	Downhole Equipment Rental		1000	40		40,000.00	27,000.00	67,000.00	
9212 9231	Surface Equipment Rentals Rental [Camp & Communications & Generator]		1000 250	45 45	14	45,000.00 23,250.00	14,000.00	59,000.00	
9236	Drill Pipe / Work String Rental		1000	15	14	15,000.00	3,500.00	26,750.00 15,000.00	
9251 9218	Supervision Csg Running Tools / Supervisor		1350	45	32	60,750.00	43,200.00	103,950.00	
9206	Contract labor					50,000.00 25,000.00	27,000.00 125,000.00	77,000.00 150,000.00	
9233 9303	Whipstock Tools and Hand Workover Rig Daywork					0.00	0.00	0.00	
9351	Worker Rig Supervision		1250		5	0.00	30,000.00 6,250.00	30,000.00 6,250.00	
9322	Engineering/Frac Consulting		1400		12	0.00	16,800.00	16,800.00	
9206 9250	Well Prep Contract Labor Safety	_	500	40	16	20,000.00	0.00 8,000.00	0.00	
9205	Drilling Overhead		300	40	10	10,000.00	10,000.00	28,000.00	
9317 9452	Pipe Inspection Closed Loop Rental		3,000.00	45		17,000.00	0.00	17,000.00	
9227	Flowback		5,000.00	45	12	135,000.00	0.00	135,000.00	
	Other IDC Costs -					0.00	0.00	0.00	
						0.00	0.00	0.00	
9339	Contingencies [10%]					0.00	187,000.00	187,000.00	
9239 SUBTOTA	Contingencies [10%]					268,000.00 3,092,750.00	331,000.00 3,918,516.67	599,000.00 7,011,266.67	
TANGIBL	ECOST					0,002,700.00	0,510,510.07	7,011,200.07	
9419 9402	Production casing / liner [2-7/8" PH6]					0.00	0.00	0.00	
9402 9418	Drilling Liner/Casing Casing Acessories	1				452,340.00 0.00	353,603.00 10,000.00	805,943.00	
9404	Wellhead	t				70,000.00	30,000.00	10,000.00	
9403 9412	Production Tubing Float Equipment	1				0.00	41,000.00	41,000.00	
9405	Artificial Lift Equipment [Rod Pump]	t				10,000.00	0.00	10,000.00	
9407 9407	Flowlines, Misc Valves, Fittings Tanks					0.00	75,000.00	75,000.00	
9408	Separator, heater treater	- 1				0.00	70,000.00	70,000.00 30,000.00	
9413	Downhole Pump Anchor					0.00	0.00	0.00	
9407 9415	Electrical system Chemical equipment	-	-			0.00	0.00	0.00	
9407	Gas Sales Meter					0.00	3,500.00	3,500.00	
9409 9415	Gas Processing Plant Costs Well Testing	-				0.00	0.00	0.00	
9405	Well Guard	b				0.00	0.00	0.00	
						0.00	0.00	0.00	
						0.00	0.00	0.00	
	Continuousing (400)					0.00	0.00	0.00	
TOTAL TA	Contingencies [10%] NGIBLES COST					53,234.00 585,574.00	61,310.30 674,413.30	114,544.30 1,259,987.30	
TOTAL ES	TIMATED COSTS					3,678,324.00	4,592,929.97	8,271,253.97	
ORIGINAT	ED:	BDS		-	APPROVED FINA	raneous -	TENEST TREET	3,211,233,97	
APPROVE	D OPERATIONS				APPROVED CO				
APPROVE	PPROVED LAND APPROVED CEO								

IMPETRO OPERATING LLC DRILLING/COMPLETION WELL COST ESTIMATE DRILL AND COMPLETE JAL (WOLFCAMP) AFE LEASE/WELL NO : Prizehog BWZ State Com #2H Property No: API: 30-025-XXXXX COUNTY/STATE: Lea / New Mexico WOLFCAMP TD: 17,400 ft TVD: 12,500 ft Formation: DEV: X Operated by: ImPetro Operating, LLC lew Drill Development AFE. 1 Mile lateral. 23 Frac Stages. DESCRIPTION OF WORK TO BE PERFORMED: ACCT.# INTANGIBLE COST DAY RATE DRLG-DAYS COMPL DAYS DRILLING COMPLETION TOTAL COST 9207 9207 10,000.00 3,000.00 125,000.00 3,000.00 Broker & landman& Curative (drillsite title) 0.00 Fees - permit, survey Location - regulatory, pad, Pits Frac Lake 0.00 9211 9234 9232 125,000.00 0.00 25,000.00 150,000.00 0.00 Location - damage payments 25,000,0 Rig mobilization, demobilization Rig Daywork Cernenting Services Squeeze Perfs 15000 0.0 675,000.00 675,000.00 0.00 0.0 10,000.00 0.00 0.00 Rotating Head Rental 250 40 Squeeze Tools & Supervison Solids Control Fuel and Power 0.00 0.00 0.00 9224 9209 9219 180,000.00 250,000.00 10,000.00 190,000.00 270,000.00 4000 45 Drilling Mud, Chemicals Bits 80,000.00 0_0 80.000.00 9209 9204 9208 9246 Water [Drilling & Fracing] 100,000.00 427,000.00 591,000.00 Directional Drlg & MWD Cementing Services 10000 427,000.00 0.00 100,000.00 125,000.00 225,000.00 37,000.00 10,000.00 Mud Logging Services 1000 37 9220 9253 9328 Well Control Insurance Surveys & Whipstock Orientation 10,000.00 0.0 0.00 Geological Services 0.00 0.00 Geological Services Testing Services [BOP) Geo-Steering Coil Tubing Drill Out Frac - Wireline and perforating services 10,000.00 36,750.00 1050 36,750.00 0.00 225,000.00 100,500.00 48,500.00 225,000.00 0.00 9325 9420 0.00 Frac - Plugs & Toe Sub Frac Rentals 16 Tanks 48,500.00 25,500.00 25,500.00 0.00 Frac- Pumping Services Frac - Frac Stack Trucking & transportation 9312 1000 17,000.00 1000 45 14 45,000,00 14,000.00 59,000.00 85,000.00 40,000.00 85,000.00 67,000.00 Water/Mud/Well Waste Disposal Svce 9243 9336 40 Downhole Equipment Rental Surface Equipment Rentals Rental [Camp & Communications & Generator] 1000 40 27,000.00 9212 9231 45,000.00 59.000.00 26,750.00 15,000.00 45 14 23.250.00 3,500.00 9236 Drill Pipe / Work String Rental 0.00 9251 9218 Supervision Csg Running Tools / Supervisor 32 60,750.00 43,200.00 103,950.00 27,000.00 125,000.00 50,000.00 77,000.00 Contract labor Whipstock Tools and Hand Workover Rig Daywork 9206 25,000.00 150,000.00 9233 9303 0.00 0.00 0.00 6000 30,000.00 Worker Rig Supervision Engineering/Frac Consulting Well Prep Contract Labor 0.00 6,250.00 16,800.00 16,800.00 0.00 0.00 0.00 500 8,000.00 9250 9205 Safety 40 16 20,000.00 28,000.00 Drilling Overhead 10,000.00 20,000.00 Pipe Inspection 17,000.00 0.00 17,000.00 Closed Loop Rental 3,000.00 45 135,000.00 Flowback 60,000.00 60,000.00 Other IDC Costs 0.00 0.00 0.00 0.00 0.00 0.00 0.00 187,000.00 9339 Contingencies [10%] 9239 Contingencies [10%] SUBTOTAL - INTANGIBLE COST 187,000.00 0.00 268,000.00 3,092,750.00 331,000.00 3,918,516.67 599,000.00 7,011,266.67 TANGIBLE COST 9419 Production casing / liner [2-7/8" PH6] 0.00 0.00 0.00 9402 Drilling Liner/Casing 353,603.00 10,000.00 452,340.00 805,943.00 9418 Casing Acessories 9404 Wellhead 30,000.00 100,000.00 9403 9412 Production Tubing 0.00 41,000.00 41,000.00 Float Equipment 10,000.00 Artificial Lift Equipment [Rod Pump] 9405 75,000.00 9407 Flowlines, Misc Valves, Fittings 75,000.00 0.00 9407 70,000.00 Tanks Separator, heater treater 9408 30,000.00 Downhole Pump Anchor Electrical system 9413 0.00 0.00 0.00 9407 0.00 0.00 0.00 9415 Chemical equipment 0.00 9407 Gas Sales Meter 3,500.00 0.00 3,500:00 9409 Gas Processing Plant Costs 0.00 0.00 Well Testing 0.00 9405 Well Guard 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 Contingencies [10%] TOTAL TANGIBLES COST TOTAL ESTIMATED COSTS 3.678.324.00 4.592.929.97 8,271,253.97 ORIGINATED: BDS APPROVED FINANCE APPROVED OPERATIONS APPROVED COO

APPROVED CEO

APPROVED LAND

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATIONS OF IMPETRO OPERATING, LLC FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Cases No. 15923 and 15924 (consolidated)

AFFIDAVIT OF NOTICE

) ss. COUNTY OF SANTA FE)
Seth C. McMillan, attorney and authorized representative of Impetro Operating, LLC, the
Applicant in this matter, being first duly sworn, upon oath states that he sent copies of the
Applications in these consolidated matters to the parties specified on the attached Exhibit A.
Attached hereto are true and correct copies of signed green cards received to date from these
parties.
SETH C. McMILLAN
SUBSCRIBED AND SWORN to before me this 10 th day of January, 2018
Notary Public
My Commission Expires:

NMOCD CASE Nos. 15923 and 15924 IMPETRO OPERATING Exhibit No. 5 January 11, 2018

EXHIBIT A

WORKING INTEREST OWNERS

OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jonathan Gonzales, Land Dept.

OFFSET OPERATORS

COG One Concho Center 600 W. Illinois Avenue Midland, TX 79701 ATTN: Land Department

EOG P.O. Box 4362 Houston, TX 77210 ATTN: Land Department

OneEnergy Partners 2929 Allen Parkway, Suite 200 Houston, TX 77019 ATTN: Land Department

Occidental Oil and Gas 5 Greenway Plaza, Suite 110 Houston, TX 77046 ATTN: Land Department

Advanced Energy Partners 11490 Westheimer Rd. Suite 950 Houston, TX 77077 ATTN: Land Department

Chevron 6001 Bollinger Canyon Road San Ramon, CA 94583 ATTN: Land Department

Devon 333 West Sheridan Avenue Oklahoma City, OK 73102 ATTN: Land Department Rosehill Operating Co. LLC 16200 Park Row Suite 300 Houston, TX 77084 ATTN: Land Department

Custer & Wright 550 W. Texas Ave. #500 Midland, TX 79701 ATTN: Land Department

Ben Fortson 500 Throckmorton St. Fort Worth, TX 76102 ATTN: Land Department

Albert Metcalfe III 550 W. Texas Ave. #640 Midland, TX 79701 ATTN: Land Department

Ameredev New Mexico, LLC 5707 Southwest Parkway, Building 1, Suite 275 Austin, Texas 78735 Attn: Noah Bramble, VP of Land

OVERRIDING ROYALTY INTEREST OWNERS

Encanto Minerals, LLC 2929 Allen Parkway, Suite 200 Houston, TX 77019 Attn: Land Department

Tierra Royalties, LLC 2929 Allen Parkway, Suite 200 Houston, TX 77019 Attn: Land Department



SETH C. McMILLAN
Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

December 20, 2017

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS OR OWNERS ON THE ATTACHED LIST

Re: Application of Impetro Operating, LLC for a Non-Standard Oil Spacing and

Proration Unit and Compulsory Pooling, Lea County, New Mexico,

OCD Case No. 15923

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A copy of the Application for hearing is enclosed. You are being notified in your capacity as an offsetting operator or interest owner.

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325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289 To All Offset Operators on the Attached List December 20, 2017 Page 2

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Very truly yours,

Seth C. McMillan J. Scott Hall

Enclosures

cc: Neil Rudderow (via email, w/encs.)

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Albert Metcalfe III 550 W. Texas Ave. #640 Midland, TX 79701 ATTN: Land Department



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

December 20, 2017

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Seth C. McMillan J. Scott Hall

Enclosures

cc: Neil Rudderow (via email, w/encs.)

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Ben Fortson 500 Throckmorton St. Fort Worth, TX 76102 ATTN: Land Department

Albert Metcalfe III 550 W. Texas Ave. #640 Midland, TX 79701 ATTN: Land Department



COMPLETE THIS SECTION ON DELIVERY **SENDER: COMPLETE THIS SECTION** A. Signature Complete items 1, 2, and 3. ☐ Agent ■ Print your name and address on the reverse X ☐ Addressee so that we can return the card to you. C. Date of Delivery Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: If YES, enter delivery address below: A No Chevron 6001 Bollinger Canyon Road San Ramon, CA 94583 ATTN: Land Department 3. Service Type ☐ Priority Mail Express® ☐ Registered Mail™ Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Registered Mail Restricted Delivery Return Receipt for Merchandise 9590 9403 0913 5223 4345 66 □ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mall ☐ Signature Confirmation™ 2. Article Number (Transfer from service label) ☐ Signature Confirmation 7015 1730 0000 9833 5727 Restricted Delivery ☐ Insured Mall Restricted Delivery (over \$500) PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com®. Certified Mail Fee Starta Services & Fees (check box, edd fee as appropriate) Return Receipt (alectronic) Return Receipt (alectronic) Certified Mail Restricted Delivery \$ Adult Signature Required Adult Signature Restricted Delivery \$ Postage Total Postage and Fees	
Sent To Occidental Oil and Gas Street and 5 Greenway Plaza, Suite 110 Houston, TX 77046 ATTN: Land Department	tions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Occidental Oil and Gas 5 Greenway Plaza, Sinte 170 Houston, TX 77046 ATTN: Land Department 	A. Signature X
9590 9403 0913 5223 4345 80 2. Article Number (Transfer from service label)	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail® □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Insured Mail Restricted Delivery □ Restricted Mail Restricted Delivery

5710	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only		
57	For delivery information, visit our website at www.usps.com®.		
9833	Certified Mail Fee 150		
. 0000	SEXTRA Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) SEXTRA POSTREAM POSTREAM		
1730	Adult Signature Restricted Delivery \$ SPO 87504 \$ Total Postage and Fees		
7015	Sent To Advanced Energy Partners Street and Apt. 1 11490 Westheimer Rd. Suite 950 Houston, TX 77077 ATTN: Land Department		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Advanced Energy Partners 11490 Westheimer Rd. Suite 950 Houston, TX 77077 ATTN: Land Department 	A. Signature X
9590 9403 0913 5223 4345 73 2. Article Number (<i>Transfer from service label</i>)	3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery ☐ Insured Mail ☐ Insured Mail ☐ Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Registered Mail Restricted Delivery ☐ Signature Confirmation ☐ Signature Confirmation ☐ Restricted Delivery



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 	A. Signature Agent Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? Yes If YES, enter delivery address below.
Devon 333 West Sheridan Avenue Oklahoma City, OK 73102 ATTN: Land Department	If YES, either delivery address as a second
9590 9403 0913 5223 4348 18 2. Article Number (Transfer from service label) 7015 1730 0000 9833 5734	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mall® Certified Mall Restricted Delivery Collect on Delivery Collect on Delivery Insured Mall Insured Mall Insured Mall Restricted Delivery (over \$500)
PS Form 3811 July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

47	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only		
57	For delivery information, visit our website at www.usps.com®.		
	OFFICIAL USE		
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7015	Sireet and 16200 Park Row Suite 300		
LC	City, State, Houston, TX 77084	and a	
	ATTN: Land Department		
	PS Form 3	ons	

All second second	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 	A. Stonature X
Rosehill Operating Co. LLC 16200 Park Row Suite 300 Houston, TX 77084 ATTN: Land Department	If YES, enter delivery address below:
9590 9403 0913 5223 4348 01 2. Article Number (Transfer from service label) 7015 1730 0000 9833 5741	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Insured Mail □ Insured Mail Restricted Delivery (over \$500)
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt



	COMPLETE THIS SECTION ON DELIVERY
SENDER: COMPLETE THIS SECTION	
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 	A. Signature Agent Addressee
Custer & Wright 550 W. Texas Ave. #500 Midland, TX 79701 ATTN: Land Department	
9590 9403 0913 5223 4347 95 2. Article Number (Transfer from service label)	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mall® □ Collect on Delivery □ Collect on Delivery □ Insured Mall □ Insured Mall Restricted Delivery □ Insured Mall Restricted Delivery
7015 1730 0000 9833 5758 PS Form 3811, July 2015 PSN 7530-02-000-9053	(over \$500) Domestic Return Receipt



COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature ■ Complete Items 1, 2, and 3. ☐ Agent ■ Print your name and address on the reverse Addressee so that we can return the card to you. C. Date of Delivery B. Received by Attach this card to the back of the mailpiece, or on the front if space permits. D. Is delivery address different from Item 1? 1. Article Addressed to: If YES, enter delivery address below: OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Jonathan Gonzales, Land Dept. ☐ Priority Mail Express® 3. Service Type □ Registered Mail™ □ Registered Mail Restricted Delivery □ Return Receipt for Merchandise □ Signature Confirmation™ ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® 9590 9403 0913 5223 4346 41 ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) Signature Confirmation ☐ Insured Mall ☐ Insured Mail Restricted Delivery (over \$500) Restricted Delivery 7015 1730 0000 9808 5400 Domestic Return Receipt PS Form 3811, July 2015 PSN 7530-02-000-9053



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Ameredev New Mexico, LLC 5707 Southwest Parkway, Building 1 Suite 275 Austin, Texas 78735	
Attn: Noah Bramble, VP of Land 9590 9403 0913 5223 4335 52	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Restricted Delivery Collect on Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Signature Confirmation Signature Confirmation Signature Confirmation
2. Article Number (Transfer from service label) 7015 1730 0000 9833 6403	☐ Insured Mail ☐ Insured Mail Restricted Delivery (over \$500)



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 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallpiece, or on the front if space permits. 1. Article Addressed to: EOG P.O. Box 4362 Houston, TX 77210 ATTN: Land Department 	A. Signature X	
9590 9403 0913 5223 4346 03 2. Article Number (Transfer from service label) 7015 1730 0000 9808 5448	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Insured Mail □ Insured Mail □ Insured Mail □ Insured Mail □ Restricted Delivery (over \$500)	tall TM fall Restricted pt for enfirmation ^T enfirmation
PS Form 3811. July 2015 PSN 7530-02-000-9053	(over \$500) Domestic Retu	rn Rece



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COG One Concho Center 600 W. Illinois Avenue Midland, TX 79701 ATTN: Land Department	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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7015 1730 0000 9808 5431 PS Form 3811 July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

U.S. Postal Service[™]
CERTIFIED MAIL® RECEIPT
Domestic Mail Only 7015 1730 0000 9808 50 Extra Services & Fees (check box, add fee as appropriate)

| Return Receipt (hardcopy) \$
| Return Receipt (electronic) \$ DEC Hero 2017 Certified Mail Restricted Delivery Adult Signature Required \$

Adult Signature Restricted Delivery \$ USPO 87504 Total Postage and Fees Sent To Encanto Minerals, LLC 2929 Allen Parkway, Suite 200 Street and Houston, TX 77019 City, State, Attn: Land Department tions PS Form 5





SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

December 20, 2017

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Working Interest Owners

OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 ATTN: Jonathan Gonzales, Land Dept.

ORRIs

Encanto Minerals, LLC 2929 Allen Parkway, Suite 200 Houston, TX 77019 ATTN: Land Department

Tierra Royalties, LLC 2929 Allen Parkway, Suite 200 Houston, TX 77019 ATTN: Land Department



SETH C. McMILLAN Direct: (505) 982-3873

Email: smcmillan@montand.com

www.montand.com

December 20, 2017

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS TO BE POOLED ON THE ATTACHED LIST

Re: Application of Impetro Operating, LLC for a Non-Standard Oil Spacing and

Proration Unit and Compulsory Pooling, Lea County, New Mexico,

OCD Case No. 15924

Ladies and Gentlemen:

This will advise that Impetro Operating, LLC has filed an Application with the New Mexico Oil Conservation Division for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the E/2E/2 of Section 20, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Jal (Wolfcamp) formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Wildhog BWX State Com #2H well to be drilled from an orthodox location approximately 250 feet from the north line and 1020 feet from the east line (surface) of Section 20, Township 26 South, Range 36 East, to a landing point approximately 330 feet from the north line and 990 feet from the east line of Section 20, Township 26 South, Range 36 East, and then to a bottom hole location approximately 330 feet from the south line and 990 feet from the east line (terminus) of Section 20, Township 26 South, Range 36 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 8 miles southwest of Jal, New Mexico.

A copy of the Application for hearing is enclosed. You are being notified in your capacity as an owner whose interest may be pooled.

This Application will be set for hearing before a Division Examiner on January 11, 2018, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If

To All Interest Owners to Be Pooled on the Attached List December 20, 2017 Page 2

you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan
J. Scott Hall

Enclosures

cc: Neil Rudderow (via email, w/encs.)

EXHIBIT A

Working Interest Owners

OXY USA, Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 ATTN: Jonathan Gonzales, Land Dept.

ORRIs

Encanto Minerals, LLC 2929 Allen Parkway, Suite 200 Houston, TX 77019 ATTN: Land Department

Tierra Royalties, LLC 2929 Allen Parkway, Suite 200 Houston, TX 77019 ATTN: Land Department



72	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only		
52	For delivery information, visit our website at www.usps.com®.		
EE8F 0000	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (flardcopy) Return Receipt (flactronic) Certified Mail Restricted Delivery Adult Signature Required	SANTA Positive NM DEC 20 2017 JSPO 87504	
1730	Adult Signature Restricted Delivery \$	SPO 87504	
2015	Albert Metcalfe III Street and, 550 W. Texas Ave. #640 Midland, TX 79701		
	ATTN: Land Department		



Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated January 21, 2018 and ending with the issue dated January 21, 2018.

Sworn and subscribed to before me this 21st day of January 2018,

Business Manager

My commission expires January 29, 2019



OFFICIAL SEAL GUSSIE BLACK Notary Public State of New Mexico

My Commission Expires

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

LEGAL

LEGAL

LEGAL NOTICE January 21, 2018

To the following entities, individuals, their heirs, person representatives, trustees, successors or essigns. Be Fortson; COG; EOG; OneEnergy Partners Albe Metcalfe III; Enganto Minerals, LLC; Tierra Royalte LLC

Impetro Operating, LLC has filed two (2) Applications with the New Mexico Oil Conservation Division as follows:

Case No. 15923: Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the EZEZoto Section 19. Township 26 South, Range 36 East, NMPM, Lea County "New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Prizehog BWZ State Com #2H well to be drilled from an orthodox location approximately 286 feet from the north line and 1188 feet from the gast line (surface) of Section 19. Township 26 South, Range 36 East, to a landing point approximately 330 feet from the north line and 990 feet from the east line's Section 19. Township 26 South, Range 36 East, and then to a bottom hole location approximately 330 feet from the south line and 990 feet from the east line (terminus) of Section 19. Township 26 South, Range 36 East, Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The Well and lands are located approximately 8 miles southwest of Jai, New Mexico.

Case No. 15924: Applicant seeks an order approving a horistandard oil spacing and proration unit in the Wolfoamp formation comprised of the E/2E/2 of Section 20, Township 26 South. Range 36 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Jail (Wolfoamp) formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Wildhog BWX State Com #2H well to be drilled from an orthodox location approximately 250 feet from the north line and 1020 feet from the east line (surface) of Section 20, Township 26 South, Range 36 East, to a landing point approximately 330 feet from the north line and 990 feet from the east line (of Section 20, Township 26 South, Range 36 East, and then to a bottom hole location approximately 330 feet from the south line and 990 feet from the east line (terminus) of Section 20, Township 26 South, Range 36 East, and then to a bottom hole location approximately 330 feet from the south line and 990 feet from the east line (terminus) of Section 20, Township 26 South, Range 36 East, Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately. 8 miles southwesto. the risk involved in drilling and completing the well. The well and lands are located approximately 8 miles southwest of Jal, New Mexico.

Hearing on these Applications has been consolidated and continued to 8:15 a.m. on Thursday/January 25, 2018 at the Oil Conservation Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 turther information, contact the applicant's attorneys, Selm C. McMillan and J. Scott Hall, Montgomery and Andrews, P. A., 325 Paseo de Peralta, Santa Fe, New Mexico 82561 (505) 982-3873.

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J. SCOTT HALL MONTGOMERY & ANDREWS, P.A. P.O. BOX OFFICE BOX 2307 A/C 451986 SANTA FE,, NM 87504-2307

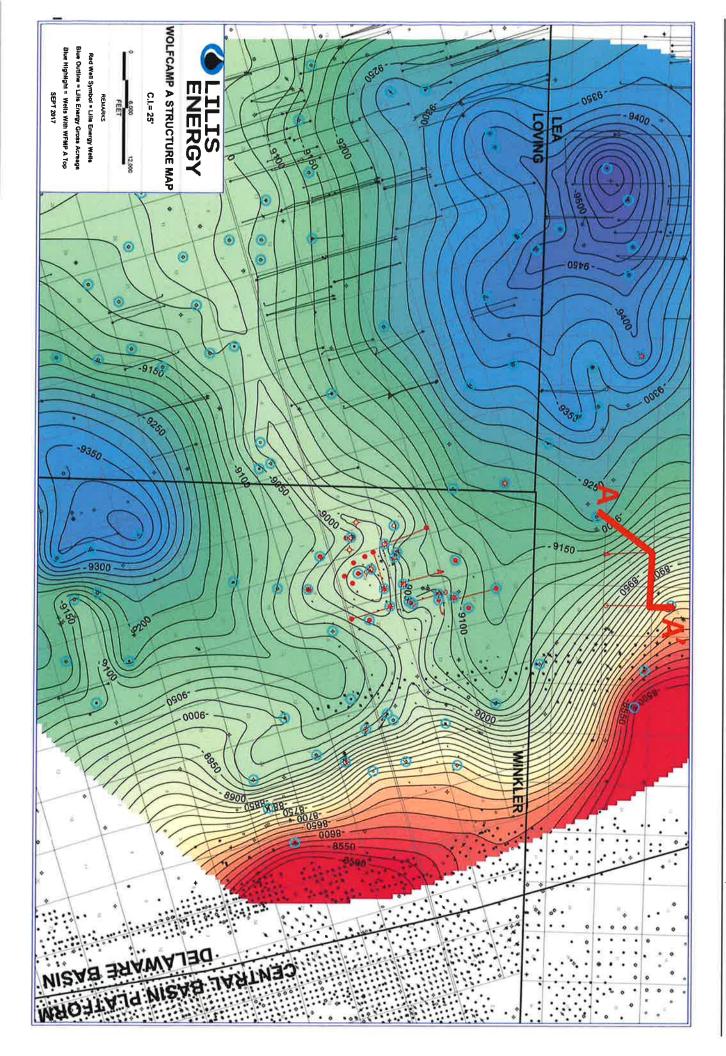
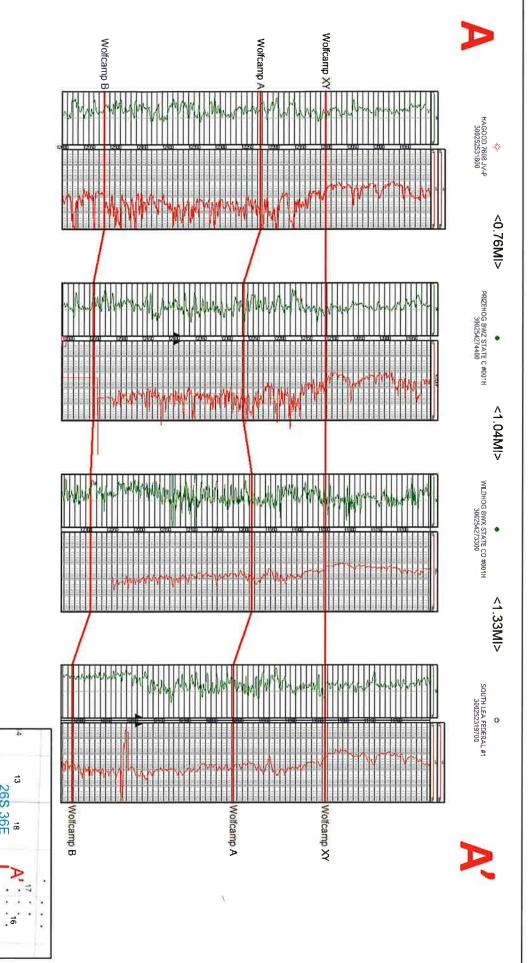


Exhibit 7- Cross Section



NMOCD CASE Nos. 15923 and 15924 IMPETRO OPERATING January 11, 2018 Exhibit No. 7



A 25

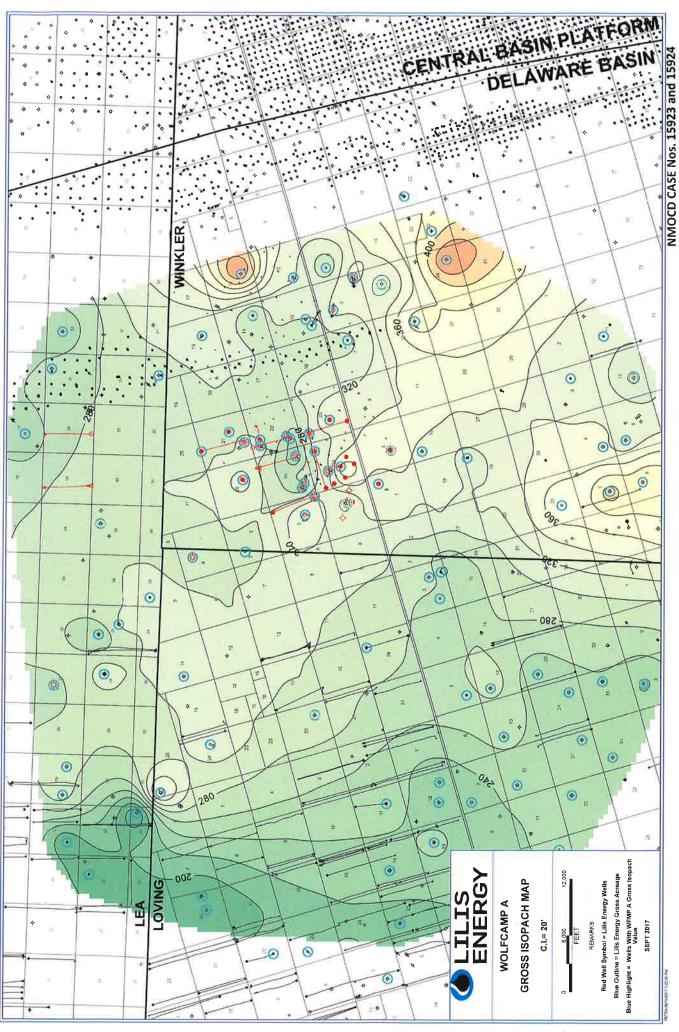
8

23

24

13

26S 36E



NMOCD CASE Nos. 15923 and 1 IMPETRO OPERATING Exhibit No. 8 January 11, 2018

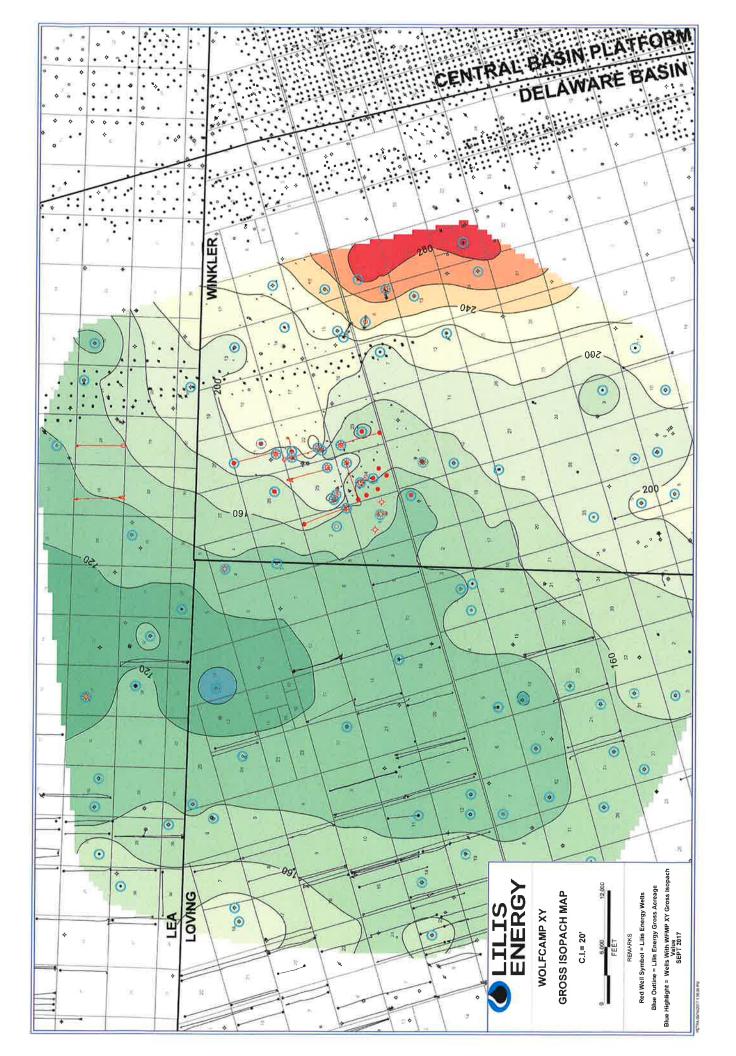
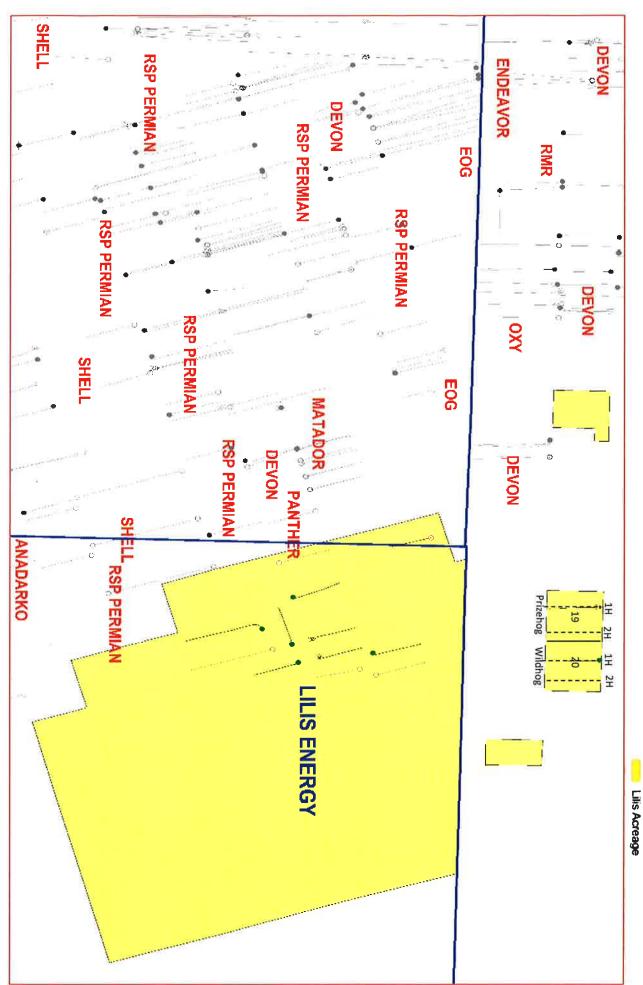


Exhibit 9 Area Development Map



NMOCD CASE Nos. 15923 and 15924
IMPETRO OPERATING Exhibit No. 9

January 11, 2018



