



Delirium State Com 25S27E1313
#234H & #244H

Case No. 20242

February 7, 2019

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District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name DELIRIUM 25S27E1313			⁶ Well Number 234H
⁷ OGRID No.		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3088'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	25-S	27-E	-	449'	SOUTH	1021'	EAST	EDDY

¹¹Bottom 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	13	25-S	27-E	-	200'	NORTH	332'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

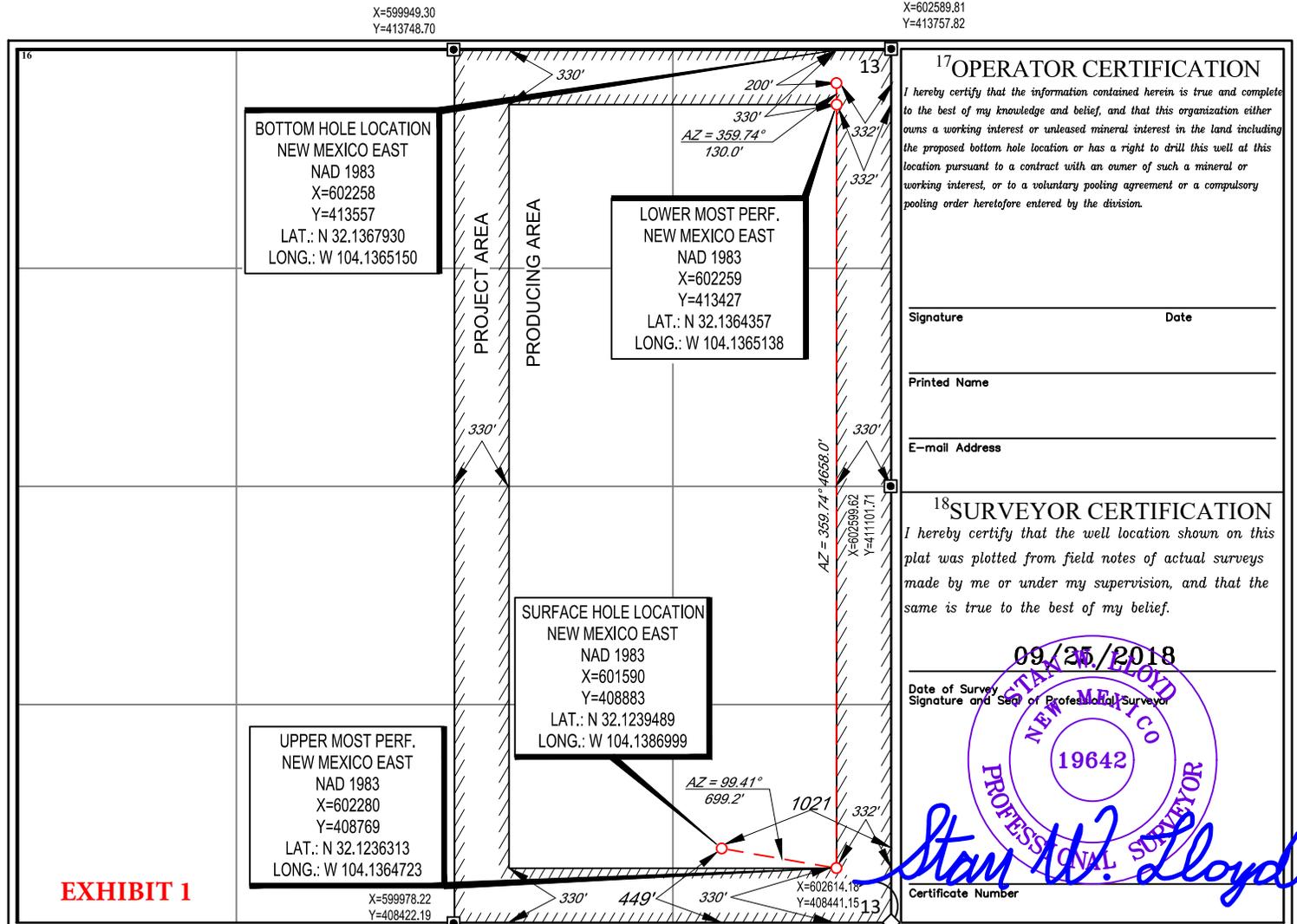
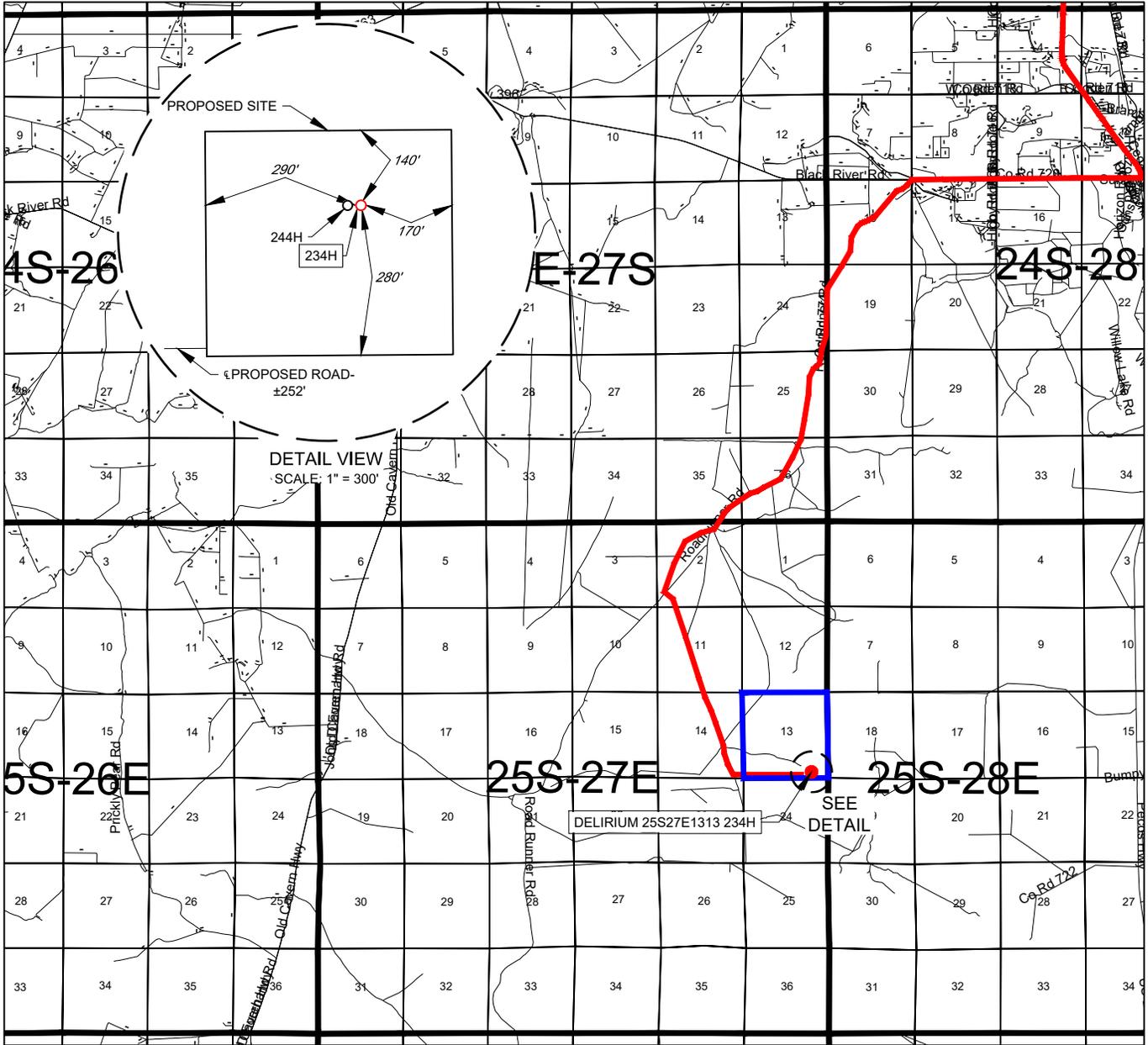


EXHIBIT 1

EXHIBIT 2
VICINITY MAP



LEASE NAME & WELL NO.: DELIRIUM 25S27E1313 234H

SECTION 13 TWP 25-S RGE 27-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 449' FSL & 1021' FEL

DISTANCE & DIRECTION
 FROM INT. OF US-285 & BLACK RIVER VILLAGE RD., HEAD WEST ON BLACK RIVER VILLAGE RD. ±2.7 MILES, THENCE LEFT ONTO ROADRUNNER RD. ±6.1 MILES, THENCE LEFT ON LEASE RD. ±2.4 MILES, THENCE LEFT ON A LEASE RD. ±0.8 MILE, THENCE LEFT ON A PROPOSED RD. ±252 FEET TO A POINT ±393 FEET SOUTHEAST OF THE LOCATION.



SCALE: 1" = 10000'
 0' 5000' 10000'



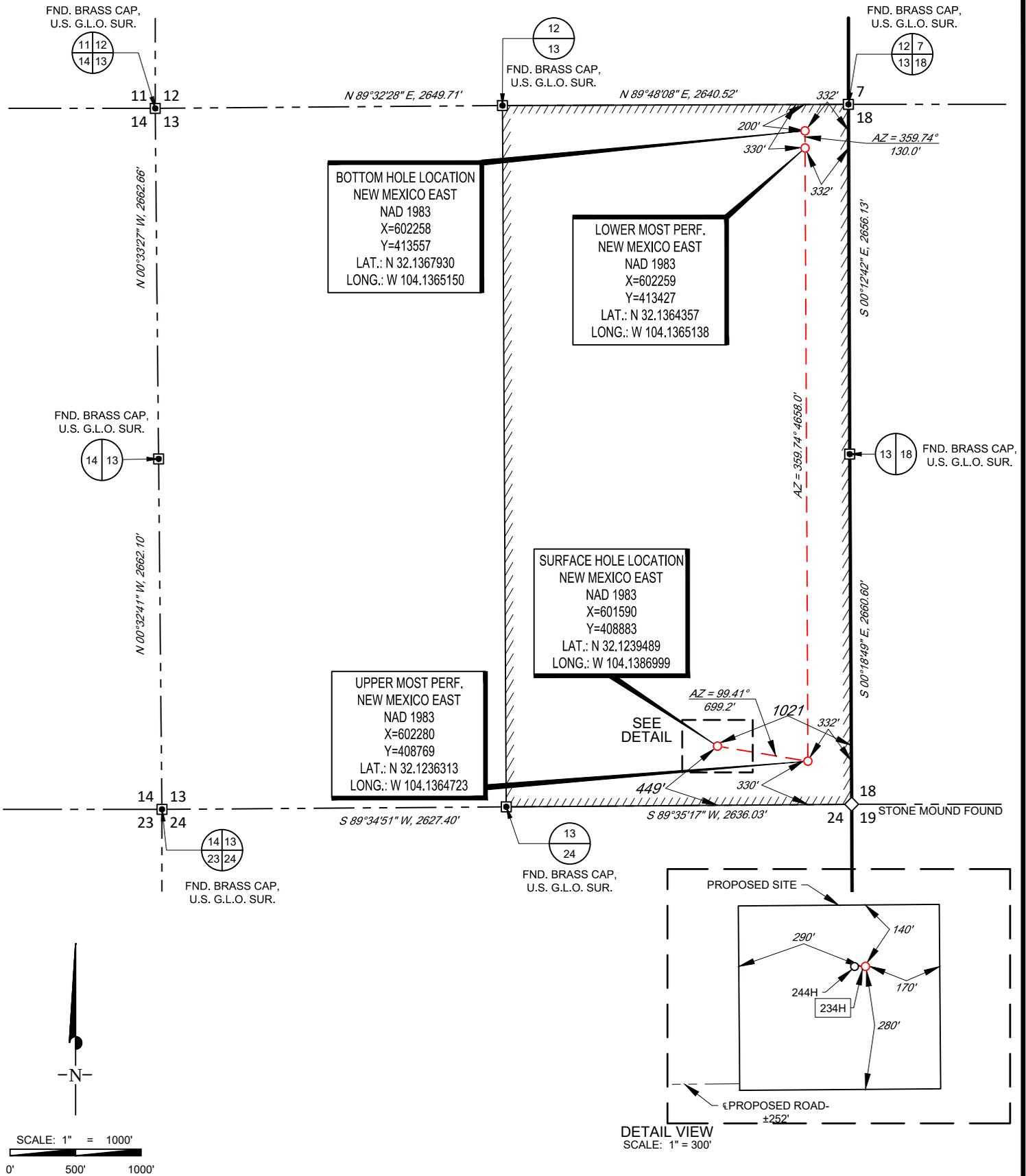
1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
 TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.

TAP ROCK EXHIBIT 2A

SECTION 13, TOWNSHIP 25-S, RANGE 27-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

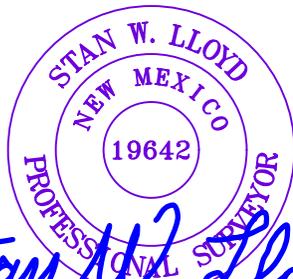


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Stan W. Lloyd
 Stan W. Lloyd, P.S. No. 19642
 SEPTEMBER 25, 2018

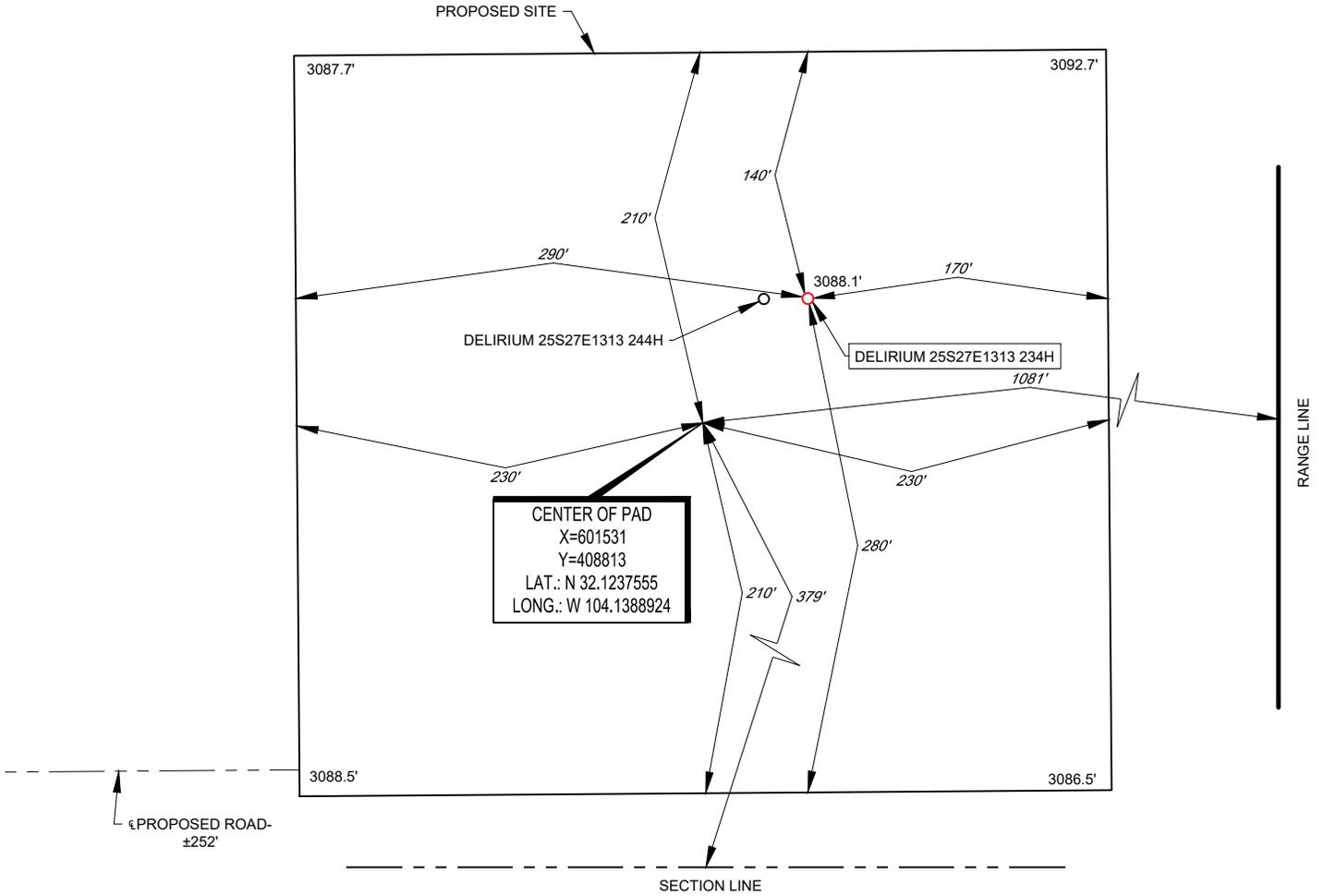

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EXHIBIT 2B



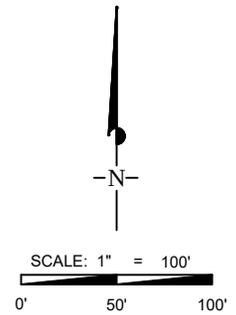
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EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: DELIRIUM 25S27E1313 234H
 234H LATITUDE N 32.1239489 234H LONGITUDE W 104.1386999

CENTER OF PAD IS 379' FSL & 1081' FEL



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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name		
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⁷ OGRID No.		⁸ Operator Name TAP ROCK OPERATING, LLC.			⁹ Elevation 3088'	

¹⁰Surface Location

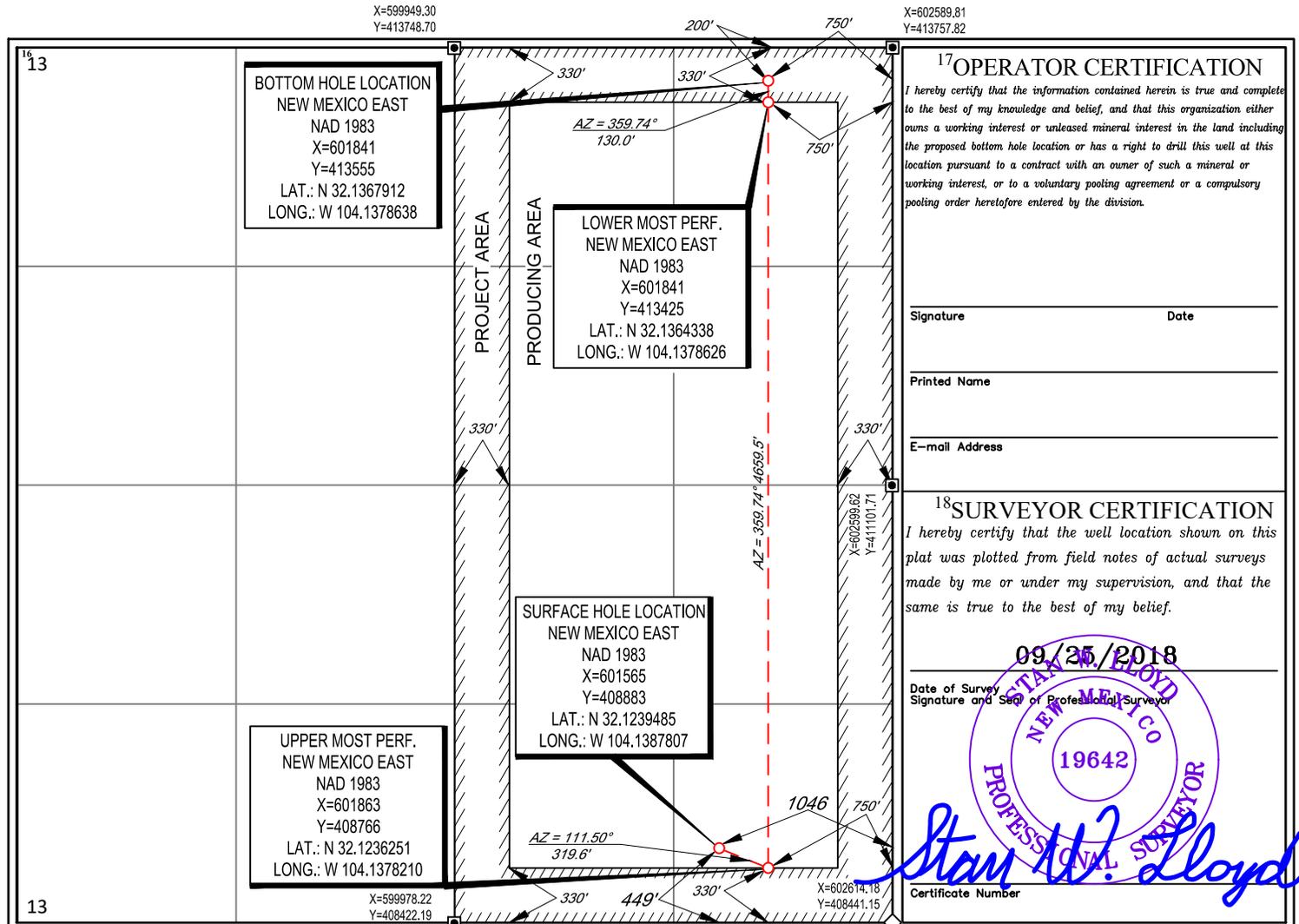
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	25-S	27-E	-	449'	SOUTH	1046'	EAST	EDDY

¹¹Bottom 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	13	25-S	27-E	-	200'	NORTH	750'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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¹⁷OPERATOR CERTIFICATION

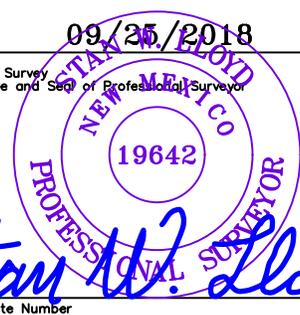
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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 _____
E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

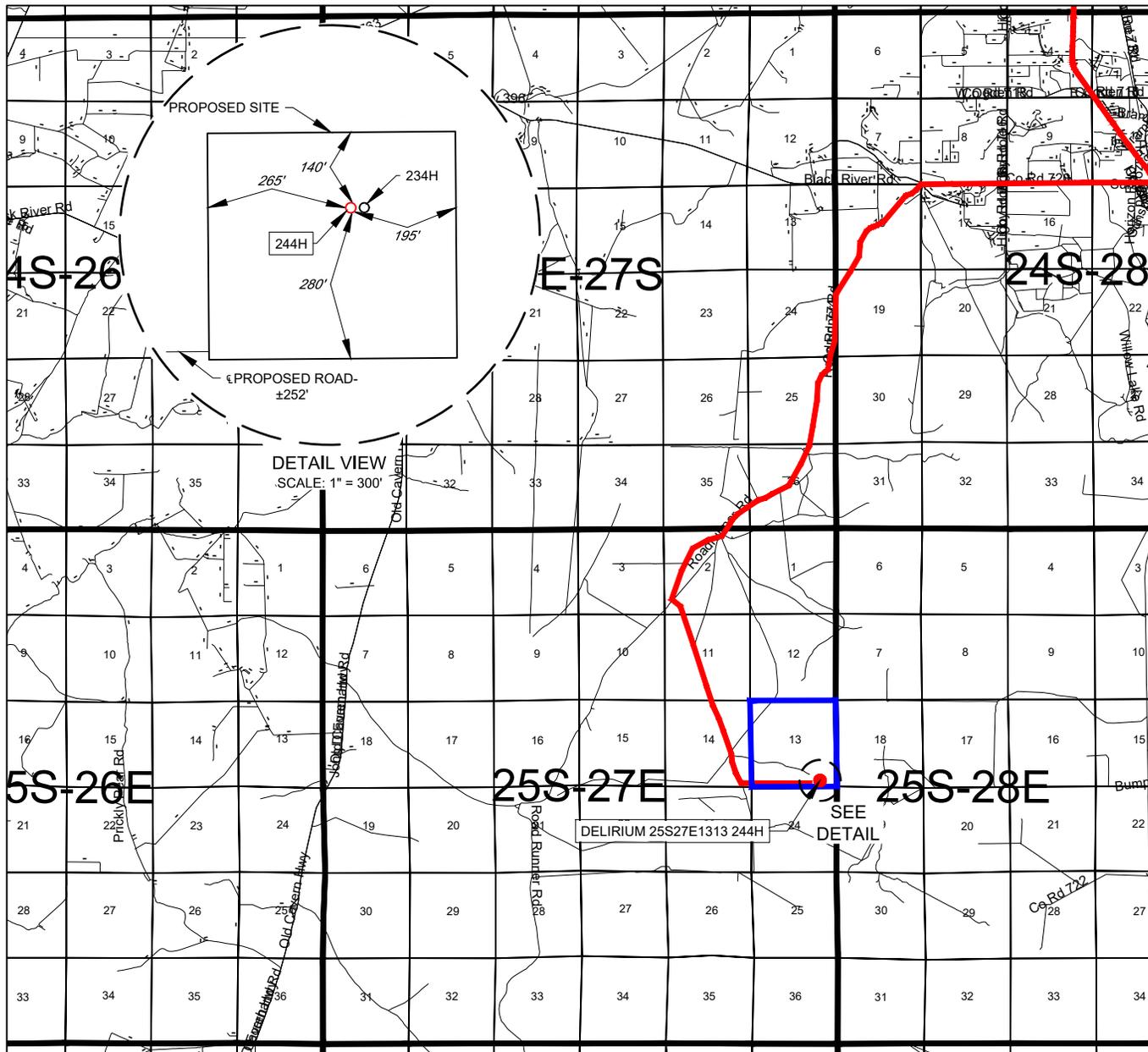
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

09/25/2018
Date of Survey
Signature and Seal of Professional Surveyor



Stan W. Lloyd
Certificate Number

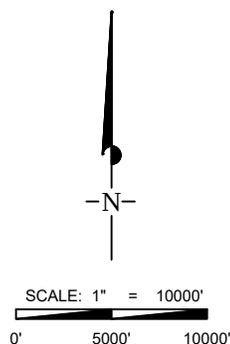
EXHIBIT 2
VICINITY MAP



LEASE NAME & WELL NO.: DELIRIUM 25S27E1313 244H

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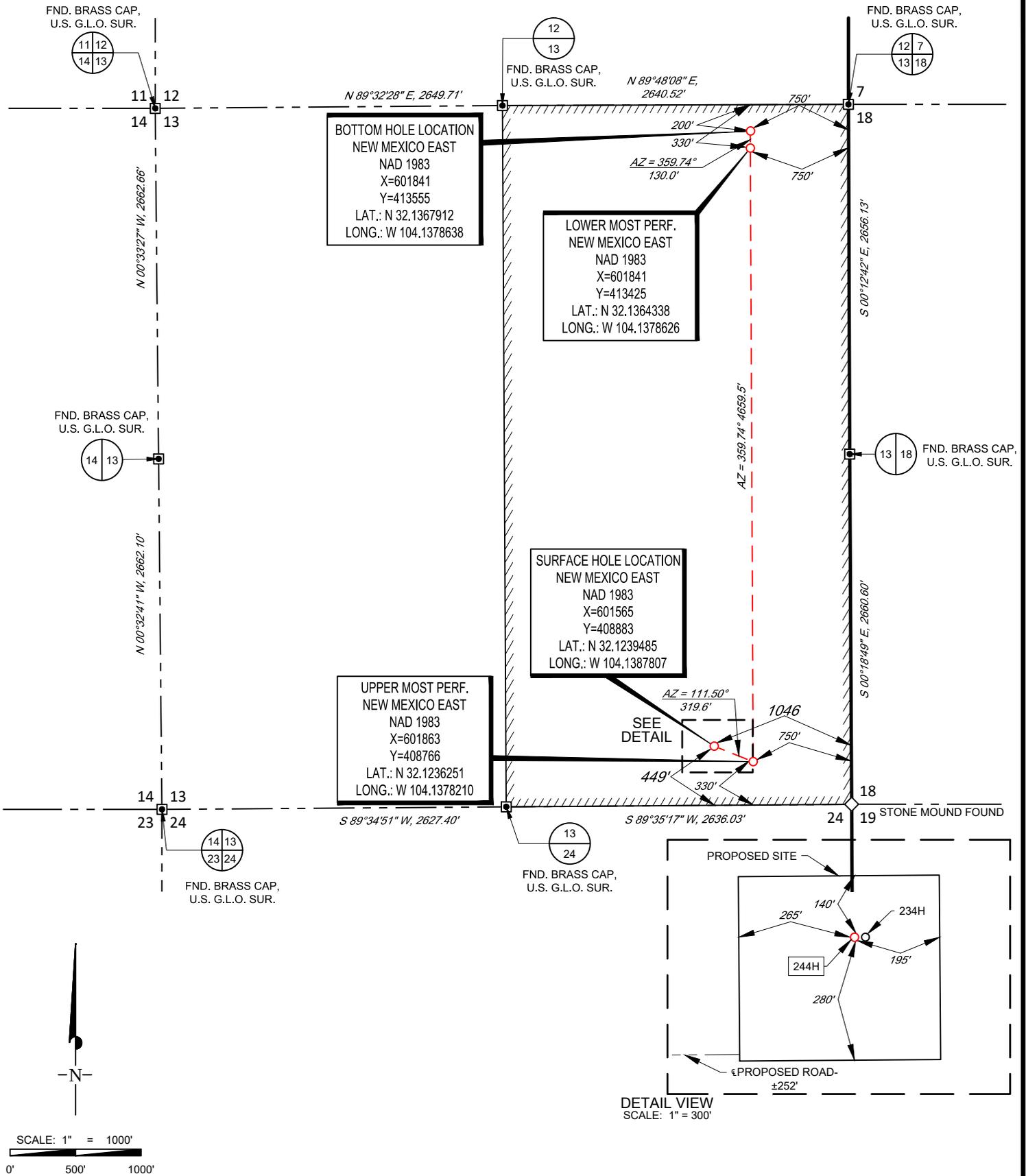
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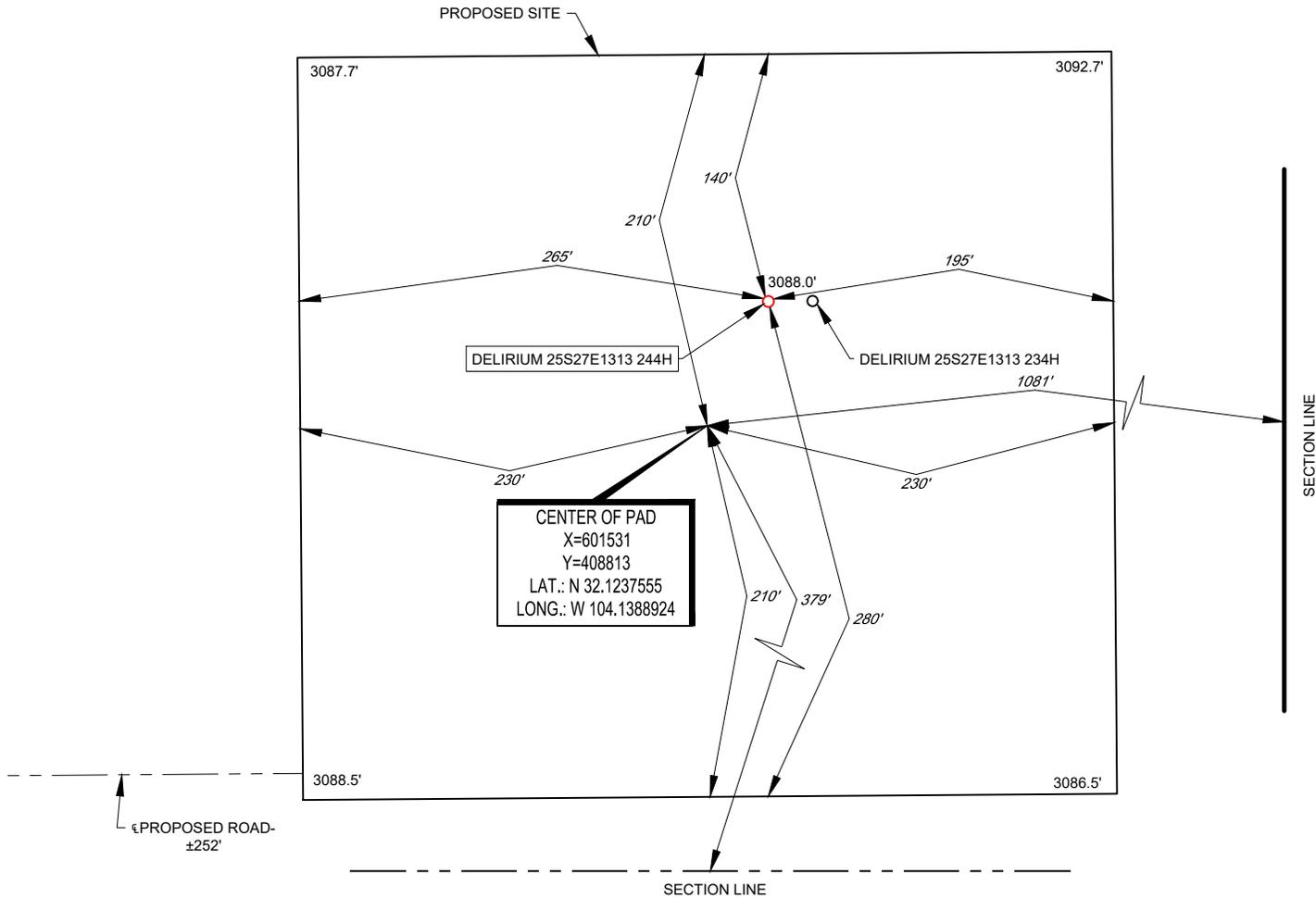
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EXHIBIT 2B



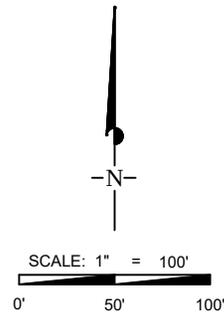
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DETAIL VIEW
SCALE: 1" = 100'



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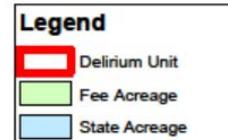
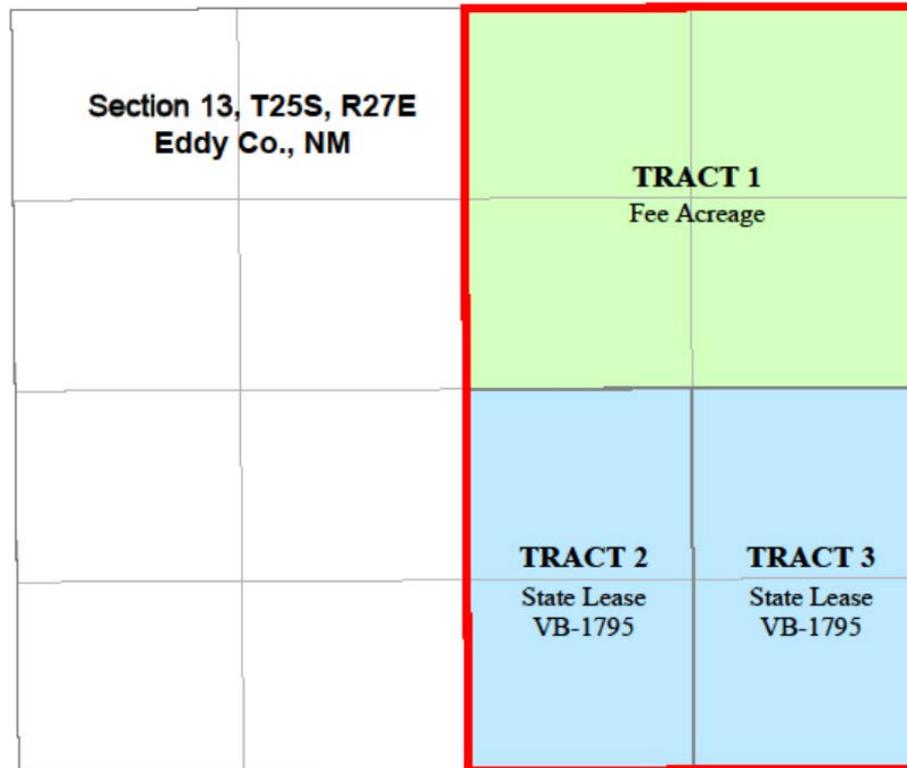
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Tract Map



Wolfcamp Unit Interest*

Entity	Interest Type	Approximate Percentage
Tap Rock Resources, LLC	Working Interest	42.50%
Devon Energy Production Company	Uncommitted Mineral Interest	50.00%
Occidental Permian Limited Partnership	Uncommitted Working Interest	6.32875%
COG Operating, LLC	Uncommitted Working Interest	1.17125%

Entity	Interest Type
Tap Rock Minerals, LP	Overriding Royalty Interest

*final interest subject to division order title verification



September 21, 2018

Occidental Permian Limited Partnership
Attn: Land Department
5 Greenway Plaza, Suite 110
Houston, TX 77046

**RE: Delirium 25S27E1313 #234H & 244H Well Proposals
E/2 Section 13, Township 25 South, Range 27 East
Eddy County, New Mexico (the "Wells")**

Via Certified Mail

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed are AFEs dated September 12, 2018 for the following wells:

- Delirium 25S27E1313 #234H to be drilled from a surface hole location (SHL) of 449' FSL and 1,021' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 333' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,145' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,170'.
- Delirium 25S27E1313 #244H to be drilled from a surface hole location (SHL) of 449' FSL and 1,046' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 750' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,435' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,430'.

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers the Wolfcamp Formation for the E/2 of Section 13, Township 25 South, Range 27 East, Eddy County, New Mexico.

If you do not wish to participate in the Operation, TRO would like to offer the following terms:



- 3 year primary term, Term Assignment
- Royalty equal to the difference between existing burdens and 20%
- \$1,500 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO’s board and verification of title.

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells if uncommitted at such time to allow TRO to move forward with planning and drilling the subject wells.

Should you have any questions regarding the above, please contact the undersigned.

Sincerely,

TAP ROCK OPERATING, LLC

Erica Hixson

Erica Hixson

Landman
Office: 720-460-3316
ehixson@taprk.com

Occidental Permian Limited Partnership hereby elects to:

_____ participate in the drilling of the Delirium 25S27E1313 #234H

_____ non-consent the drilling of the Delirium 25S27E1313 #234H

_____ participate in the drilling of the Delirium 25S27E1313 #244H

_____ non-consent the drilling of the Delirium 25S27E1313 #244H

By: _____

Name: _____

Title: _____

Date: _____

TAP ROCK OPERATING, LLC
 602 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Delirium 25527E1313 #234H
 AFE #: 0
 County: Eddy
 State: New Mexico

Date: September 12, 2018
 MD/TVD: 15170 / 10135
 Lateral Length: 4500
 Geologic Target: Wolfcamp B2

Well Description: Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000
1 2	Land - Regulatory	7,500
1 3	Land - Surface Damages	20,000
1 4	Land - Survey	5,000
1 5	Location/Pit Construction	125,000
1 6	Remedial Dirtwork	0
1 7	Reserve/Frac Pit Closing	0
1 8	Drilling - Contractor	479,513
1 9	Mob/Rig Up - Contractor/Trucking	73,950
1 10	Cementing Services	185,000
1 11	Cementing Equipment	35,000
1 12	Bits/Drill Out Assemblies	65,875
1 13	Fluid Circulation Equipment/Services	82,775
1 14	Fluids/Chemicals	99,250
1 15	WBM Cuttings/Wastewater Disposal	90,000
1 16	OBM Cuttings/Chemical Disposal	90,000
1 17	Fuel/Power	111,250
1 18	Water	22,500
1 19	Directional Drilling	240,625
1 20	Mud Logging	18,525
1 21	Open/Cased/Production Hole Logs	0
1 22	Coring	0
1 23	Geologic Supervision	0
1 24	Engineering Supervision	0
1 25	Consultant Supervision	100,125
1 26	Freight/Transportation	30,000
1 27	Labor	0
1 28	Supplies - Surface	0
1 29	Supplies - Living Quarters	0
1 30	Rentals - Surface	67,375
1 31	Rentals - Living Quarters	25,588
1 32	Rentals - Downhole	3,500
1 33	Rentals - Pipe & Handling Tools	30,000
1 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig	
1 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck	
1 40	Stimulation	
1 41	Rentals - Pressure Control	
1 42	Flowback Services	
1 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal	
1 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0
1 53	Overhead	0
1 54	Insurance	0
1 55	Contingency	100,918
TOTAL INTANGIBLE DRILLING COSTS:		\$2,119,268

INTANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
2 1	Land - Legal	
2 2	Land - Regulatory	
2 3	Land - Surface Damages	
2 4	Land - Survey	
2 5	Location/Pit Construction	
2 6	Remedial Dirtwork	
2 7	Reserve/Frac Pit Closing	
2 8	Drilling - Contractor	
2 9	Mob/Rig Up - Contractor/Trucking	
2 10	Cementing Services	
2 11	Cementing Equipment	
2 12	Bits/Drill Out Assemblies	31,292
2 13	Fluid Circulation Equipment/Services	
2 14	Fluids/Chemicals	24,844
2 15	WBM Cuttings/Wastewater Disposal	
2 16	OBM Cuttings/Chemical Disposal	
2 17	Fuel/Power	287,500
2 18	Water	438,340
2 19	Directional Drilling	
2 20	Mud Logging	
2 21	Open/Cased/Production Hole Logs	10,550
2 22	Coring	
2 23	Geologic Supervision	
2 24	Engineering Supervision	
2 25	Consultant Supervision	63,745
2 26	Freight/Transportation	4,110
2 27	Labor	17,190
2 28	Supplies - Surface	4,110
2 29	Supplies - Living Quarters	4,110
2 30	Rentals - Surface	32,560
2 31	Rentals - Living Quarters	22,500
2 32	Rentals - Downhole	0
2 33	Rentals - Pipe & Handling Tools	0
2 34	Rentals - Frac Stack	41,200
2 35	Rentals - Frac Tanks	9,930
2 36	Coil Tubing Unit/Workover Rig	78,070
2 37	Wireline/Slickline/Perforating	199,550
2 38	Temporary Packers/Plugs	33,000
2 39	High Pressure Pump Truck	110,760
2 40	Stimulation	1,479,793
2 41	Rentals - Pressure Control	24,165
2 42	Flowback Services	101,750
2 43	Water Transfer Services	91,100
2 44	Flowback Water Trucking & Disposal	12,660
2 45	Permanent Equipment Installation	
2 46	Pipeline Tapping Services	
2 47	Plugging & Abandonment	
2 53	Overhead	23,880
2 54	Insurance	
2 55	Contingency	240,682
TOTAL INTANGIBLE COMPLETION COSTS:		\$3,387,390

INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
3 1	Land - Legal	
3 2	Land - Regulatory	
3 3	Land - Surface Damages	
3 4	Land - Survey	
3 5	Location/Pit Construction	5,000
3 6	Remedial Dirtwork	
3 7	Reserve/Frac Pit Closing	
3 8	Drilling - Contractor	
3 9	Mob/Rig Up - Contractor/Trucking	
3 10	Cementing Services	
3 11	Cementing Equipment	
3 12	Bits/Drill Out Assemblies	
3 13	Fluid Circulation Equipment/Services	
3 14	Fluids/Chemicals	
3 15	WBM Cuttings/Wastewater Disposal	
3 16	OBM Cuttings/Chemical Disposal	
3 17	Fuel/Power	
3 18	Water	
3 19	Directional Drilling	
3 20	Mud Logging	
3 21	Open/Cased/Production Hole Logs	
3 22	Coring	
3 23	Geologic Supervision	
3 24	Engineering Supervision	
3 25	Consultant Supervision	3,600
3 26	Freight/Transportation	10,000
3 27	Labor	25,000
3 28	Supplies - Surface	
3 29	Supplies - Living Quarters	
3 30	Rentals - Surface	
3 31	Rentals - Living Quarters	
3 32	Rentals - Downhole	
3 33	Rentals - Pipe & Handling Tools	
3 34	Rentals - Frac Stack	
3 35	Rentals - Frac Tanks	
3 36	Coil Tubing Unit/Workover Rig	17,127
3 37	Wireline/Slickline/Perforating	
3 38	Temporary Packers/Plugs	
3 39	High Pressure Pump Truck	
3 40	Stimulation	
3 41	Rentals - Pressure Control	
3 42	Flowback Services	
3 43	Water Transfer Services	
3 44	Flowback Water Trucking & Disposal	
3 45	Permanent Equipment Installation	
3 46	Pipeline Tapping Services	
3 47	Plugging & Abandonment	
3 53	Overhead	5,000
3 54	Insurance	
3 55	Contingency	6,573
TOTAL INTANGIBLE PRODUCTION COSTS:		\$72,300

TANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	0
4 61	Surface Casing	15,585
4 62	1st Intermediate Casing	106,750
4 63	2nd Intermediate Casing	314,475
4 64	Production Casing	280,937
4 65	Tubing	
4 66	Wellhead	75,000
4 67	Permanent Packers/Hangers/Plugs	
4 68	Tanks	
4 69	Production Vessels	
4 70	Compressors	
4 71	Surface Flowlines	
4 72	Gathering Lines	
4 73	Valves & Controllers	
4 74	Artificial Lift Equipment	
4 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation	
4 80	Other - Surface	
4 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$792,747

TANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
5 60	Conductor Casing	
5 61	Surface Casing	
5 62	1st Intermediate Casing	
5 63	2nd Intermediate Casing	
5 64	Production Casing	
5 65	Tubing	
5 66	Wellhead	
5 67	Permanent Packers/Hangers/Plugs	
5 68	Tanks	
5 69	Production Vessels	
5 70	Compressors	
5 71	Surface Flowlines	
5 72	Gathering Lines	
5 73	Valves & Controllers	
5 74	Artificial Lift Equipment	
5 75	Instrumentation & Measurement	
5 76	Electrical Grounding/Safety Equipment	
5 77	Permanent Equipment Installation	
5 80	Other - Surface	
5 81	Other - Downhole	
TOTAL TANGIBLE COMPLETION COSTS:		\$0

TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
6 60	Conductor Casing	
6 61	Surface Casing	
6 62	1st Intermediate Casing	
6 63	2nd Intermediate Casing	
6 64	Production Casing	
6 65	Tubing	50,000
6 66	Wellhead	27,000
6 67	Permanent Packers/Hangers/Plugs	4,500
6 68	Tanks	
6 69	Production Vessels	81,200
6 70	Compressors	
6 71	Surface Flowlines	25,000
6 72	Gathering Lines	5,000
6 73	Valves & Controllers	
6 74	Artificial Lift Equipment	235,000
6 75	Instrumentation & Measurement	
6 76	Electrical Grounding/Safety Equipment	
6 77	Permanent Equipment Installation	
6 80	Other - Surface	
6 81	Other - Downhole	
TOTAL TANGIBLE PRODUCTION COSTS:		\$427,700

TOTAL DRILLING COSTS: \$2,912,014

TOTAL COMPLETION COSTS: \$3,387,390

TOTAL PRODUCTION COSTS: \$500,000

TOTAL WELL COST: \$6,799,404

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS *AMB*

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

TAP ROCK OPERATING, LLC
 602 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Delirium 25527E1313 #2344H
 AFE #: 0
 County: Eddy
 State: New Mexico

Date: September 12, 2018
 MD/TVD: 15430 / 10435
 Lateral Length: 4500
 Geologic Target: Wolfcamp B2

Well Description: Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000
1 2	Land - Regulatory	7,500
1 3	Land - Surface Damages	20,000
1 4	Land - Survey	5,000
1 5	Location/Pit Construction	125,000
1 6	Remedial Dirtwork	0
1 7	Reserve/Frac Pit Closing	0
1 8	Drilling - Contractor	479,513
1 9	Mob/Rig Up - Contractor/Trucking	73,950
1 10	Cementing Services	185,000
1 11	Cementing Equipment	35,000
1 12	Bits/Drill Out Assemblies	65,875
1 13	Fluid Circulation Equipment/Services	82,775
1 14	Fluids/Chemicals	99,250
1 15	WBM Cuttings/Wastewater Disposal	90,000
1 16	OBM Cuttings/Chemical Disposal	90,000
1 17	Fuel/Power	111,250
1 18	Water	22,500
1 19	Directional Drilling	240,625
1 20	Mud Logging	18,525
1 21	Open/Cased/Production Hole Logs	0
1 22	Coring	0
1 23	Geologic Supervision	0
1 24	Engineering Supervision	0
1 25	Consultant Supervision	100,125
1 26	Freight/Transportation	30,000
1 27	Labor	0
1 28	Supplies - Surface	0
1 29	Supplies - Living Quarters	0
1 30	Rentals - Surface	67,375
1 31	Rentals - Living Quarters	25,588
1 32	Rentals - Downhole	3,500
1 33	Rentals - Pipe & Handling Tools	30,000
1 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig	
1 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck	
1 40	Stimulation	
1 41	Rentals - Pressure Control	
1 42	Flowback Services	
1 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal	
1 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0
1 53	Overhead	0
1 54	Insurance	0
1 55	Contingency	100,918
TOTAL INTANGIBLE DRILLING COSTS:		\$2,119,268

INTANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
2 1	Land - Legal	
2 2	Land - Regulatory	
2 3	Land - Surface Damages	
2 4	Land - Survey	
2 5	Location/Pit Construction	
2 6	Remedial Dirtwork	
2 7	Reserve/Frac Pit Closing	
2 8	Drilling - Contractor	
2 9	Mob/Rig Up - Contractor/Trucking	
2 10	Cementing Services	
2 11	Cementing Equipment	
2 12	Bits/Drill Out Assemblies	31,292
2 13	Fluid Circulation Equipment/Services	
2 14	Fluids/Chemicals	24,844
2 15	WBM Cuttings/Wastewater Disposal	
2 16	OBM Cuttings/Chemical Disposal	
2 17	Fuel/Power	287,500
2 18	Water	438,340
2 19	Directional Drilling	
2 20	Mud Logging	
2 21	Open/Cased/Production Hole Logs	10,550
2 22	Coring	
2 23	Geologic Supervision	
2 24	Engineering Supervision	
2 25	Consultant Supervision	63,745
2 26	Freight/Transportation	4,110
2 27	Labor	17,190
2 28	Supplies - Surface	4,110
2 29	Supplies - Living Quarters	4,110
2 30	Rentals - Surface	32,560
2 31	Rentals - Living Quarters	22,500
2 32	Rentals - Downhole	0
2 33	Rentals - Pipe & Handling Tools	0
2 34	Rentals - Frac Stack	41,200
2 35	Rentals - Frac Tanks	9,930
2 36	Coil Tubing Unit/Workover Rig	78,070
2 37	Wireline/Slickline/Perforating	199,550
2 38	Temporary Packers/Plugs	33,000
2 39	High Pressure Pump Truck	110,760
2 40	Stimulation	1,479,793
2 41	Rentals - Pressure Control	24,165
2 42	Flowback Services	101,750
2 43	Water Transfer Services	91,100
2 44	Flowback Water Trucking & Disposal	12,660
2 45	Permanent Equipment Installation	
2 46	Pipeline Tapping Services	
2 47	Plugging & Abandonment	
2 53	Overhead	23,880
2 54	Insurance	
2 55	Contingency	240,682
TOTAL INTANGIBLE COMPLETION COSTS:		\$3,387,390

INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
3 1	Land - Legal	
3 2	Land - Regulatory	
3 3	Land - Surface Damages	
3 4	Land - Survey	
3 5	Location/Pit Construction	5,000
3 6	Remedial Dirtwork	
3 7	Reserve/Frac Pit Closing	
3 8	Drilling - Contractor	
3 9	Mob/Rig Up - Contractor/Trucking	
3 10	Cementing Services	
3 11	Cementing Equipment	
3 12	Bits/Drill Out Assemblies	
3 13	Fluid Circulation Equipment/Services	
3 14	Fluids/Chemicals	
3 15	WBM Cuttings/Wastewater Disposal	
3 16	OBM Cuttings/Chemical Disposal	
3 17	Fuel/Power	
3 18	Water	
3 19	Directional Drilling	
3 20	Mud Logging	
3 21	Open/Cased/Production Hole Logs	
3 22	Coring	
3 23	Geologic Supervision	
3 24	Engineering Supervision	
3 25	Consultant Supervision	3,600
3 26	Freight/Transportation	10,000
3 27	Labor	25,000
3 28	Supplies - Surface	
3 29	Supplies - Living Quarters	
3 30	Rentals - Surface	
3 31	Rentals - Living Quarters	
3 32	Rentals - Downhole	
3 33	Rentals - Pipe & Handling Tools	
3 34	Rentals - Frac Stack	
3 35	Rentals - Frac Tanks	
3 36	Coil Tubing Unit/Workover Rig	17,127
3 37	Wireline/Slickline/Perforating	
3 38	Temporary Packers/Plugs	
3 39	High Pressure Pump Truck	
3 40	Stimulation	
3 41	Rentals - Pressure Control	
3 42	Flowback Services	
3 43	Water Transfer Services	
3 44	Flowback Water Trucking & Disposal	
3 45	Permanent Equipment Installation	
3 46	Pipeline Tapping Services	
3 47	Plugging & Abandonment	
3 53	Overhead	5,000
3 54	Insurance	
3 55	Contingency	6,573
TOTAL INTANGIBLE PRODUCTION COSTS:		\$72,300

TANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	0
4 61	Surface Casing	15,585
4 62	1st Intermediate Casing	106,750
4 63	2nd Intermediate Casing	314,475
4 64	Production Casing	285,734
4 65	Tubing	
4 66	Wellhead	75,000
4 67	Permanent Packers/Hangers/Plugs	
4 68	Tanks	
4 69	Production Vessels	
4 70	Compressors	
4 71	Surface Flowlines	
4 72	Gathering Lines	
4 73	Valves & Controllers	
4 74	Artificial Lift Equipment	
4 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation	
4 80	Other - Surface	
4 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$797,544

TANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
5 60	Conductor Casing	
5 61	Surface Casing	
5 62	1st Intermediate Casing	
5 63	2nd Intermediate Casing	
5 64	Production Casing	
5 65	Tubing	
5 66	Wellhead	
5 67	Permanent Packers/Hangers/Plugs	
5 68	Tanks	
5 69	Production Vessels	
5 70	Compressors	
5 71	Surface Flowlines	
5 72	Gathering Lines	
5 73	Valves & Controllers	
5 74	Artificial Lift Equipment	
5 75	Instrumentation & Measurement	
5 76	Electrical Grounding/Safety Equipment	
5 77	Permanent Equipment Installation	
5 80	Other - Surface	
5 81	Other - Downhole	
TOTAL TANGIBLE COMPLETION COSTS:		\$0

TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
6 60	Conductor Casing	
6 61	Surface Casing	
6 62	1st Intermediate Casing	
6 63	2nd Intermediate Casing	
6 64	Production Casing	
6 65	Tubing	50,000
6 66	Wellhead	27,000
6 67	Permanent Packers/Hangers/Plugs	4,500
6 68	Tanks	
6 69	Production Vessels	81,200
6 70	Compressors	
6 71	Surface Flowlines	25,000
6 72	Gathering Lines	5,000
6 73	Valves & Controllers	
6 74	Artificial Lift Equipment	235,000
6 75	Instrumentation & Measurement	
6 76	Electrical Grounding/Safety Equipment	
6 77	Permanent Equipment Installation	
6 80	Other - Surface	
6 81	Other - Downhole	
TOTAL TANGIBLE PRODUCTION COSTS:		\$427,700

TOTAL DRILLING COSTS: \$2,916,811

TOTAL COMPLETION COSTS: \$3,387,390

TOTAL PRODUCTION COSTS: \$500,000

TOTAL WELL COST: \$6,804,201

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS *AMB*

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____



September 21, 2018

COG Operating, LLC
Attn: Outside Operated Properties
600 W. Illinois Ave.
Midland, TX 79701

**RE: Delirium 25S27E1313 #234H & 244H Well Proposals
E/2 Section 13, Township 25 South, Range 27 East
Eddy County, New Mexico (the "Wells")**

Via Certified Mail

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed are AFEs dated September 12, 2018 for the following wells:

- Delirium 25S27E1313 #234H to be drilled from a surface hole location (SHL) of 449' FSL and 1,021' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 333' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,145' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,170'.
- Delirium 25S27E1313 #244H to be drilled from a surface hole location (SHL) of 449' FSL and 1,046' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 750' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,435' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,430'.

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers the Wolfcamp Formation for the E/2 of Section 13, Township 25 South, Range 27 East, Eddy County, New Mexico.

If you do not wish to participate in the Operation, TRO would like to offer the following terms:



- 3 year primary term, Term Assignment
- Royalty equal to the difference between existing burdens and 20%
- \$1,500 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO’s board and verification of title.

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells if uncommitted at such time to allow TRO to move forward with planning and drilling the subject wells.

Should you have any questions regarding the above, please contact the undersigned.

Sincerely,

TAP ROCK OPERATING, LLC

Erica Hixson

Erica Hixson

Landman
Office: 720-460-3316
ehixson@taprk.com

COG Operating, LLC hereby elects to:

_____ participate in the drilling of the Delirium 25S27E1313 #234H

_____ non-consent the drilling of the Delirium 25S27E1313 #234H

_____ participate in the drilling of the Delirium 25S27E1313 #244H

_____ non-consent the drilling of the Delirium 25S27E1313 #244H

By: _____

Name: _____

Title: _____

Date: _____

TAP ROCK OPERATING, LLC
 602 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Delirium 25527E1313 #234H
 AFE #: 0
 County: Eddy
 State: New Mexico

Date: September 12, 2018
 MD/TVD: 15170 / 10135
 Lateral Length: 4500
 Geologic Target: Wolfcamp B2

Well Description: Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000
1 2	Land - Regulatory	7,500
1 3	Land - Surface Damages	20,000
1 4	Land - Survey	5,000
1 5	Location/Pit Construction	125,000
1 6	Remedial Dirtwork	0
1 7	Reserve/Frac Pit Closing	0
1 8	Drilling - Contractor	479,513
1 9	Mob/Rig Up - Contractor/Trucking	73,950
1 10	Cementing Services	185,000
1 11	Cementing Equipment	35,000
1 12	Bits/Drill Out Assemblies	65,875
1 13	Fluid Circulation Equipment/Services	82,775
1 14	Fluids/Chemicals	99,250
1 15	WBM Cuttings/Wastewater Disposal	90,000
1 16	OBM Cuttings/Chemical Disposal	90,000
1 17	Fuel/Power	111,250
1 18	Water	22,500
1 19	Directional Drilling	240,625
1 20	Mud Logging	18,525
1 21	Open/Cased/Production Hole Logs	0
1 22	Coring	0
1 23	Geologic Supervision	0
1 24	Engineering Supervision	0
1 25	Consultant Supervision	100,125
1 26	Freight/Transportation	30,000
1 27	Labor	0
1 28	Supplies - Surface	0
1 29	Supplies - Living Quarters	0
1 30	Rentals - Surface	67,375
1 31	Rentals - Living Quarters	25,588
1 32	Rentals - Downhole	3,500
1 33	Rentals - Pipe & Handling Tools	30,000
1 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig	
1 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck	
1 40	Stimulation	
1 41	Rentals - Pressure Control	
1 42	Flowback Services	
1 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal	
1 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0
1 53	Overhead	0
1 54	Insurance	0
1 55	Contingency	100,918
TOTAL INTANGIBLE DRILLING COSTS:		\$2,119,268

INTANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
2 1	Land - Legal	
2 2	Land - Regulatory	
2 3	Land - Surface Damages	
2 4	Land - Survey	
2 5	Location/Pit Construction	
2 6	Remedial Dirtwork	
2 7	Reserve/Frac Pit Closing	
2 8	Drilling - Contractor	
2 9	Mob/Rig Up - Contractor/Trucking	
2 10	Cementing Services	
2 11	Cementing Equipment	
2 12	Bits/Drill Out Assemblies	31,292
2 13	Fluid Circulation Equipment/Services	
2 14	Fluids/Chemicals	24,844
2 15	WBM Cuttings/Wastewater Disposal	
2 16	OBM Cuttings/Chemical Disposal	
2 17	Fuel/Power	287,500
2 18	Water	438,340
2 19	Directional Drilling	
2 20	Mud Logging	
2 21	Open/Cased/Production Hole Logs	10,550
2 22	Coring	
2 23	Geologic Supervision	
2 24	Engineering Supervision	
2 25	Consultant Supervision	63,745
2 26	Freight/Transportation	4,110
2 27	Labor	17,190
2 28	Supplies - Surface	4,110
2 29	Supplies - Living Quarters	4,110
2 30	Rentals - Surface	32,560
2 31	Rentals - Living Quarters	22,500
2 32	Rentals - Downhole	0
2 33	Rentals - Pipe & Handling Tools	0
2 34	Rentals - Frac Stack	41,200
2 35	Rentals - Frac Tanks	9,930
2 36	Coil Tubing Unit/Workover Rig	78,070
2 37	Wireline/Slickline/Perforating	199,550
2 38	Temporary Packers/Plugs	33,000
2 39	High Pressure Pump Truck	110,760
2 40	Stimulation	1,479,793
2 41	Rentals - Pressure Control	24,165
2 42	Flowback Services	101,750
2 43	Water Transfer Services	91,100
2 44	Flowback Water Trucking & Disposal	12,660
2 45	Permanent Equipment Installation	
2 46	Pipeline Tapping Services	
2 47	Plugging & Abandonment	
2 53	Overhead	23,880
2 54	Insurance	
2 55	Contingency	240,682
TOTAL INTANGIBLE COMPLETION COSTS:		\$3,387,390

INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
3 1	Land - Legal	
3 2	Land - Regulatory	
3 3	Land - Surface Damages	
3 4	Land - Survey	
3 5	Location/Pit Construction	5,000
3 6	Remedial Dirtwork	
3 7	Reserve/Frac Pit Closing	
3 8	Drilling - Contractor	
3 9	Mob/Rig Up - Contractor/Trucking	
3 10	Cementing Services	
3 11	Cementing Equipment	
3 12	Bits/Drill Out Assemblies	
3 13	Fluid Circulation Equipment/Services	
3 14	Fluids/Chemicals	
3 15	WBM Cuttings/Wastewater Disposal	
3 16	OBM Cuttings/Chemical Disposal	
3 17	Fuel/Power	
3 18	Water	
3 19	Directional Drilling	
3 20	Mud Logging	
3 21	Open/Cased/Production Hole Logs	
3 22	Coring	
3 23	Geologic Supervision	
3 24	Engineering Supervision	
3 25	Consultant Supervision	3,600
3 26	Freight/Transportation	10,000
3 27	Labor	25,000
3 28	Supplies - Surface	
3 29	Supplies - Living Quarters	
3 30	Rentals - Surface	
3 31	Rentals - Living Quarters	
3 32	Rentals - Downhole	
3 33	Rentals - Pipe & Handling Tools	
3 34	Rentals - Frac Stack	
3 35	Rentals - Frac Tanks	
3 36	Coil Tubing Unit/Workover Rig	17,127
3 37	Wireline/Slickline/Perforating	
3 38	Temporary Packers/Plugs	
3 39	High Pressure Pump Truck	
3 40	Stimulation	
3 41	Rentals - Pressure Control	
3 42	Flowback Services	
3 43	Water Transfer Services	
3 44	Flowback Water Trucking & Disposal	
3 45	Permanent Equipment Installation	
3 46	Pipeline Tapping Services	
3 47	Plugging & Abandonment	
3 53	Overhead	5,000
3 54	Insurance	
3 55	Contingency	6,573
TOTAL INTANGIBLE PRODUCTION COSTS:		\$72,300

TANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	0
4 61	Surface Casing	15,585
4 62	1st Intermediate Casing	106,750
4 63	2nd Intermediate Casing	314,475
4 64	Production Casing	280,937
4 65	Tubing	
4 66	Wellhead	75,000
4 67	Permanent Packers/Hangers/Plugs	
4 68	Tanks	
4 69	Production Vessels	
4 70	Compressors	
4 71	Surface Flowlines	
4 72	Gathering Lines	
4 73	Valves & Controllers	
4 74	Artificial Lift Equipment	
4 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation	
4 80	Other - Surface	
4 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$792,747

TANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
5 60	Conductor Casing	
5 61	Surface Casing	
5 62	1st Intermediate Casing	
5 63	2nd Intermediate Casing	
5 64	Production Casing	
5 65	Tubing	
5 66	Wellhead	
5 67	Permanent Packers/Hangers/Plugs	
5 68	Tanks	
5 69	Production Vessels	
5 70	Compressors	
5 71	Surface Flowlines	
5 72	Gathering Lines	
5 73	Valves & Controllers	
5 74	Artificial Lift Equipment	
5 75	Instrumentation & Measurement	
5 76	Electrical Grounding/Safety Equipment	
5 77	Permanent Equipment Installation	
5 80	Other - Surface	
5 81	Other - Downhole	
TOTAL TANGIBLE COMPLETION COSTS:		\$0

TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
6 60	Conductor Casing	
6 61	Surface Casing	
6 62	1st Intermediate Casing	
6 63	2nd Intermediate Casing	
6 64	Production Casing	
6 65	Tubing	50,000
6 66	Wellhead	27,000
6 67	Permanent Packers/Hangers/Plugs	4,500
6 68	Tanks	
6 69	Production Vessels	81,200
6 70	Compressors	
6 71	Surface Flowlines	25,000
6 72	Gathering Lines	5,000
6 73	Valves & Controllers	
6 74	Artificial Lift Equipment	235,000
6 75	Instrumentation & Measurement	
6 76	Electrical Grounding/Safety Equipment	
6 77	Permanent Equipment Installation	
6 80	Other - Surface	
6 81	Other - Downhole	
TOTAL TANGIBLE PRODUCTION COSTS:		\$427,700

TOTAL DRILLING COSTS: \$2,912,014

TOTAL COMPLETION COSTS: \$3,387,390

TOTAL PRODUCTION COSTS: \$500,000

TOTAL WELL COST: \$6,799,404

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS *AMB*

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

TAP ROCK OPERATING, LLC
 602 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Delirium 25527E1313 #2344H
 AFE #: 0
 County: Eddy
 State: New Mexico

Date: September 12, 2018
 MD/TVD: 15430 / 10435
 Lateral Length: 4500
 Geologic Target: Wolfcamp B2

Well Description: Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000
1 2	Land - Regulatory	7,500
1 3	Land - Surface Damages	20,000
1 4	Land - Survey	5,000
1 5	Location/Pit Construction	125,000
1 6	Remedial Dirtwork	0
1 7	Reserve/Frac Pit Closing	0
1 8	Drilling - Contractor	479,513
1 9	Mob/Rig Up - Contractor/Trucking	73,950
1 10	Cementing Services	185,000
1 11	Cementing Equipment	35,000
1 12	Bits/Drill Out Assemblies	65,875
1 13	Fluid Circulation Equipment/Services	82,775
1 14	Fluids/Chemicals	99,250
1 15	WBM Cuttings/Wastewater Disposal	90,000
1 16	OBM Cuttings/Chemical Disposal	90,000
1 17	Fuel/Power	111,250
1 18	Water	22,500
1 19	Directional Drilling	240,625
1 20	Mud Logging	18,525
1 21	Open/Cased/Production Hole Logs	0
1 22	Coring	0
1 23	Geologic Supervision	0
1 24	Engineering Supervision	0
1 25	Consultant Supervision	100,125
1 26	Freight/Transportation	30,000
1 27	Labor	0
1 28	Supplies - Surface	0
1 29	Supplies - Living Quarters	0
1 30	Rentals - Surface	67,375
1 31	Rentals - Living Quarters	25,588
1 32	Rentals - Downhole	3,500
1 33	Rentals - Pipe & Handling Tools	30,000
1 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig	
1 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck	
1 40	Stimulation	
1 41	Rentals - Pressure Control	
1 42	Flowback Services	
1 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal	
1 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0
1 53	Overhead	0
1 54	Insurance	0
1 55	Contingency	100,918
TOTAL INTANGIBLE DRILLING COSTS:		\$2,119,268

INTANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
2 1	Land - Legal	
2 2	Land - Regulatory	
2 3	Land - Surface Damages	
2 4	Land - Survey	
2 5	Location/Pit Construction	
2 6	Remedial Dirtwork	
2 7	Reserve/Frac Pit Closing	
2 8	Drilling - Contractor	
2 9	Mob/Rig Up - Contractor/Trucking	
2 10	Cementing Services	
2 11	Cementing Equipment	
2 12	Bits/Drill Out Assemblies	31,292
2 13	Fluid Circulation Equipment/Services	
2 14	Fluids/Chemicals	24,844
2 15	WBM Cuttings/Wastewater Disposal	
2 16	OBM Cuttings/Chemical Disposal	
2 17	Fuel/Power	287,500
2 18	Water	438,340
2 19	Directional Drilling	
2 20	Mud Logging	
2 21	Open/Cased/Production Hole Logs	10,550
2 22	Coring	
2 23	Geologic Supervision	
2 24	Engineering Supervision	
2 25	Consultant Supervision	63,745
2 26	Freight/Transportation	4,110
2 27	Labor	17,190
2 28	Supplies - Surface	4,110
2 29	Supplies - Living Quarters	4,110
2 30	Rentals - Surface	32,560
2 31	Rentals - Living Quarters	22,500
2 32	Rentals - Downhole	0
2 33	Rentals - Pipe & Handling Tools	0
2 34	Rentals - Frac Stack	41,200
2 35	Rentals - Frac Tanks	9,930
2 36	Coil Tubing Unit/Workover Rig	78,070
2 37	Wireline/Slickline/Perforating	199,550
2 38	Temporary Packers/Plugs	33,000
2 39	High Pressure Pump Truck	110,760
2 40	Stimulation	1,479,793
2 41	Rentals - Pressure Control	24,165
2 42	Flowback Services	101,750
2 43	Water Transfer Services	91,100
2 44	Flowback Water Trucking & Disposal	12,660
2 45	Permanent Equipment Installation	
2 46	Pipeline Tapping Services	
2 47	Plugging & Abandonment	
2 53	Overhead	23,880
2 54	Insurance	
2 55	Contingency	240,682
TOTAL INTANGIBLE COMPLETION COSTS:		\$3,387,390

INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
3 1	Land - Legal	
3 2	Land - Regulatory	
3 3	Land - Surface Damages	
3 4	Land - Survey	
3 5	Location/Pit Construction	5,000
3 6	Remedial Dirtwork	
3 7	Reserve/Frac Pit Closing	
3 8	Drilling - Contractor	
3 9	Mob/Rig Up - Contractor/Trucking	
3 10	Cementing Services	
3 11	Cementing Equipment	
3 12	Bits/Drill Out Assemblies	
3 13	Fluid Circulation Equipment/Services	
3 14	Fluids/Chemicals	
3 15	WBM Cuttings/Wastewater Disposal	
3 16	OBM Cuttings/Chemical Disposal	
3 17	Fuel/Power	
3 18	Water	
3 19	Directional Drilling	
3 20	Mud Logging	
3 21	Open/Cased/Production Hole Logs	
3 22	Coring	
3 23	Geologic Supervision	
3 24	Engineering Supervision	
3 25	Consultant Supervision	3,600
3 26	Freight/Transportation	10,000
3 27	Labor	25,000
3 28	Supplies - Surface	
3 29	Supplies - Living Quarters	
3 30	Rentals - Surface	
3 31	Rentals - Living Quarters	
3 32	Rentals - Downhole	
3 33	Rentals - Pipe & Handling Tools	
3 34	Rentals - Frac Stack	
3 35	Rentals - Frac Tanks	
3 36	Coil Tubing Unit/Workover Rig	17,127
3 37	Wireline/Slickline/Perforating	
3 38	Temporary Packers/Plugs	
3 39	High Pressure Pump Truck	
3 40	Stimulation	
3 41	Rentals - Pressure Control	
3 42	Flowback Services	
3 43	Water Transfer Services	
3 44	Flowback Water Trucking & Disposal	
3 45	Permanent Equipment Installation	
3 46	Pipeline Tapping Services	
3 47	Plugging & Abandonment	
3 53	Overhead	5,000
3 54	Insurance	
3 55	Contingency	6,573
TOTAL INTANGIBLE PRODUCTION COSTS:		\$72,300

TANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	0
4 61	Surface Casing	15,585
4 62	1st Intermediate Casing	106,750
4 63	2nd Intermediate Casing	314,475
4 64	Production Casing	285,734
4 65	Tubing	
4 66	Wellhead	75,000
4 67	Permanent Packers/Hangers/Plugs	
4 68	Tanks	
4 69	Production Vessels	
4 70	Compressors	
4 71	Surface Flowlines	
4 72	Gathering Lines	
4 73	Valves & Controllers	
4 74	Artificial Lift Equipment	
4 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation	
4 80	Other - Surface	
4 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$797,544

TANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
5 60	Conductor Casing	
5 61	Surface Casing	
5 62	1st Intermediate Casing	
5 63	2nd Intermediate Casing	
5 64	Production Casing	
5 65	Tubing	
5 66	Wellhead	
5 67	Permanent Packers/Hangers/Plugs	
5 68	Tanks	
5 69	Production Vessels	
5 70	Compressors	
5 71	Surface Flowlines	
5 72	Gathering Lines	
5 73	Valves & Controllers	
5 74	Artificial Lift Equipment	
5 75	Instrumentation & Measurement	
5 76	Electrical Grounding/Safety Equipment	
5 77	Permanent Equipment Installation	
5 80	Other - Surface	
5 81	Other - Downhole	
TOTAL TANGIBLE COMPLETION COSTS:		\$0

TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
6 60	Conductor Casing	
6 61	Surface Casing	
6 62	1st Intermediate Casing	
6 63	2nd Intermediate Casing	
6 64	Production Casing	
6 65	Tubing	50,000
6 66	Wellhead	27,000
6 67	Permanent Packers/Hangers/Plugs	4,500
6 68	Tanks	
6 69	Production Vessels	81,200
6 70	Compressors	
6 71	Surface Flowlines	25,000
6 72	Gathering Lines	5,000
6 73	Valves & Controllers	
6 74	Artificial Lift Equipment	235,000
6 75	Instrumentation & Measurement	
6 76	Electrical Grounding/Safety Equipment	
6 77	Permanent Equipment Installation	
6 80	Other - Surface	
6 81	Other - Downhole	
TOTAL TANGIBLE PRODUCTION COSTS:		\$427,700

TOTAL DRILLING COSTS: \$2,916,811

TOTAL COMPLETION COSTS: \$3,387,390

TOTAL PRODUCTION COSTS: \$500,000

TOTAL WELL COST: \$6,804,201

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS *AMB*

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____



September 21, 2018

Devon Energy Production Company, LP
Attn: Land Department
333 W. Sheridan Ave.
Oklahoma City, OK 73102-5015

**RE: Delirium 25S27E1313 #234H & 244H Well Proposals
E/2 Section 13, Township 25 South, Range 27 East
Eddy County, New Mexico (the "Wells")**

Via Certified Mail

Ladies and Gentlemen:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed are AFEs dated September 12, 2018 for the following wells:

- Delirium 25S27E1313 #234H to be drilled from a surface hole location (SHL) of 449' FSL and 1,021' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 333' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,145' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,170'.
- Delirium 25S27E1313 #244H to be drilled from a surface hole location (SHL) of 449' FSL and 1,046' FEL of Section 13-T25S-R27E to a bottom hole location (BHL) of 200' FNL and 750' FEL of Section 13-T25S-R27E. The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,435' subsurface in the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 15,430'.

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the enclosed AAPL Form 610-1989 Operating Agreement. This Operating Agreement covers the Wolfcamp Formation for the E/2 of Section 13, Township 25 South, Range 27 East, Eddy County, New Mexico.

If you do not wish to participate in the Operation, TRO would like to offer the following terms:



- 3 year primary term, Term Assignment
- Royalty equal to the difference between existing burdens and 20%
- \$1,500 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO’s board and verification of title.

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells if uncommitted at such time to allow TRO to move forward with planning and drilling the subject wells.

Should you have any questions regarding the above, please contact the undersigned.

Sincerely,

TAP ROCK OPERATING, LLC

Erica Hixson

Erica Hixson

Landman
Office: 720-460-3316
ehixson@taprk.com

Devon Energy Production Company, LP hereby elects to:

_____ participate in the drilling of the Delirium 25S27E1313 #234H

_____ non-consent the drilling of the Delirium 25S27E1313 #234H

_____ participate in the drilling of the Delirium 25S27E1313 #244H

_____ non-consent the drilling of the Delirium 25S27E1313 #244H

By: _____

Name: _____

Title: _____

Date: _____

TAP ROCK OPERATING, LLC
 602 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Delirium 25527E1313 #234H
 AFE #: 0
 County: Eddy
 State: New Mexico

Date: September 12, 2018
 MD/TVD: 15170 / 10135
 Lateral Length: 4500
 Geologic Target: Wolfcamp B2

Well Description: Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000
1 2	Land - Regulatory	7,500
1 3	Land - Surface Damages	20,000
1 4	Land - Survey	5,000
1 5	Location/Pit Construction	125,000
1 6	Remedial Dirtwork	0
1 7	Reserve/Frac Pit Closing	0
1 8	Drilling - Contractor	479,513
1 9	Mob/Rig Up - Contractor/Trucking	73,950
1 10	Cementing Services	185,000
1 11	Cementing Equipment	35,000
1 12	Bits/Drill Out Assemblies	65,875
1 13	Fluid Circulation Equipment/Services	82,775
1 14	Fluids/Chemicals	99,250
1 15	WBM Cuttings/Wastewater Disposal	90,000
1 16	OBM Cuttings/Chemical Disposal	90,000
1 17	Fuel/Power	111,250
1 18	Water	22,500
1 19	Directional Drilling	240,625
1 20	Mud Logging	18,525
1 21	Open/Cased/Production Hole Logs	0
1 22	Coring	0
1 23	Geologic Supervision	0
1 24	Engineering Supervision	0
1 25	Consultant Supervision	100,125
1 26	Freight/Transportation	30,000
1 27	Labor	0
1 28	Supplies - Surface	0
1 29	Supplies - Living Quarters	0
1 30	Rentals - Surface	67,375
1 31	Rentals - Living Quarters	25,588
1 32	Rentals - Downhole	3,500
1 33	Rentals - Pipe & Handling Tools	30,000
1 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig	
1 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck	
1 40	Stimulation	
1 41	Rentals - Pressure Control	
1 42	Flowback Services	
1 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal	
1 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0
1 53	Overhead	0
1 54	Insurance	0
1 55	Contingency	100,918
TOTAL INTANGIBLE DRILLING COSTS:		\$2,119,268

INTANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
2 1	Land - Legal	
2 2	Land - Regulatory	
2 3	Land - Surface Damages	
2 4	Land - Survey	
2 5	Location/Pit Construction	
2 6	Remedial Dirtwork	
2 7	Reserve/Frac Pit Closing	
2 8	Drilling - Contractor	
2 9	Mob/Rig Up - Contractor/Trucking	
2 10	Cementing Services	
2 11	Cementing Equipment	
2 12	Bits/Drill Out Assemblies	31,292
2 13	Fluid Circulation Equipment/Services	
2 14	Fluids/Chemicals	24,844
2 15	WBM Cuttings/Wastewater Disposal	
2 16	OBM Cuttings/Chemical Disposal	
2 17	Fuel/Power	287,500
2 18	Water	438,340
2 19	Directional Drilling	
2 20	Mud Logging	
2 21	Open/Cased/Production Hole Logs	10,550
2 22	Coring	
2 23	Geologic Supervision	
2 24	Engineering Supervision	
2 25	Consultant Supervision	63,745
2 26	Freight/Transportation	4,110
2 27	Labor	17,190
2 28	Supplies - Surface	4,110
2 29	Supplies - Living Quarters	4,110
2 30	Rentals - Surface	32,560
2 31	Rentals - Living Quarters	22,500
2 32	Rentals - Downhole	0
2 33	Rentals - Pipe & Handling Tools	0
2 34	Rentals - Frac Stack	41,200
2 35	Rentals - Frac Tanks	9,930
2 36	Coil Tubing Unit/Workover Rig	78,070
2 37	Wireline/Slickline/Perforating	199,550
2 38	Temporary Packers/Plugs	33,000
2 39	High Pressure Pump Truck	110,760
2 40	Stimulation	1,479,793
2 41	Rentals - Pressure Control	24,165
2 42	Flowback Services	101,750
2 43	Water Transfer Services	91,100
2 44	Flowback Water Trucking & Disposal	12,660
2 45	Permanent Equipment Installation	
2 46	Pipeline Tapping Services	
2 47	Plugging & Abandonment	
2 53	Overhead	23,880
2 54	Insurance	
2 55	Contingency	240,682
TOTAL INTANGIBLE COMPLETION COSTS:		\$3,387,390

INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
3 1	Land - Legal	
3 2	Land - Regulatory	
3 3	Land - Surface Damages	
3 4	Land - Survey	
3 5	Location/Pit Construction	5,000
3 6	Remedial Dirtwork	
3 7	Reserve/Frac Pit Closing	
3 8	Drilling - Contractor	
3 9	Mob/Rig Up - Contractor/Trucking	
3 10	Cementing Services	
3 11	Cementing Equipment	
3 12	Bits/Drill Out Assemblies	
3 13	Fluid Circulation Equipment/Services	
3 14	Fluids/Chemicals	
3 15	WBM Cuttings/Wastewater Disposal	
3 16	OBM Cuttings/Chemical Disposal	
3 17	Fuel/Power	
3 18	Water	
3 19	Directional Drilling	
3 20	Mud Logging	
3 21	Open/Cased/Production Hole Logs	
3 22	Coring	
3 23	Geologic Supervision	
3 24	Engineering Supervision	
3 25	Consultant Supervision	3,600
3 26	Freight/Transportation	10,000
3 27	Labor	25,000
3 28	Supplies - Surface	
3 29	Supplies - Living Quarters	
3 30	Rentals - Surface	
3 31	Rentals - Living Quarters	
3 32	Rentals - Downhole	
3 33	Rentals - Pipe & Handling Tools	
3 34	Rentals - Frac Stack	
3 35	Rentals - Frac Tanks	
3 36	Coil Tubing Unit/Workover Rig	17,127
3 37	Wireline/Slickline/Perforating	
3 38	Temporary Packers/Plugs	
3 39	High Pressure Pump Truck	
3 40	Stimulation	
3 41	Rentals - Pressure Control	
3 42	Flowback Services	
3 43	Water Transfer Services	
3 44	Flowback Water Trucking & Disposal	
3 45	Permanent Equipment Installation	
3 46	Pipeline Tapping Services	
3 47	Plugging & Abandonment	
3 53	Overhead	5,000
3 54	Insurance	
3 55	Contingency	6,573
TOTAL INTANGIBLE PRODUCTION COSTS:		\$72,300

TANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	0
4 61	Surface Casing	15,585
4 62	1st Intermediate Casing	106,750
4 63	2nd Intermediate Casing	314,475
4 64	Production Casing	280,937
4 65	Tubing	
4 66	Wellhead	75,000
4 67	Permanent Packers/Hangers/Plugs	
4 68	Tanks	
4 69	Production Vessels	
4 70	Compressors	
4 71	Surface Flowlines	
4 72	Gathering Lines	
4 73	Valves & Controllers	
4 74	Artificial Lift Equipment	
4 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation	
4 80	Other - Surface	
4 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$792,747
TOTAL DRILLING COSTS:		\$2,912,014

TANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
5 60	Conductor Casing	
5 61	Surface Casing	
5 62	1st Intermediate Casing	
5 63	2nd Intermediate Casing	
5 64	Production Casing	
5 65	Tubing	
5 66	Wellhead	
5 67	Permanent Packers/Hangers/Plugs	
5 68	Tanks	
5 69	Production Vessels	
5 70	Compressors	
5 71	Surface Flowlines	
5 72	Gathering Lines	
5 73	Valves & Controllers	
5 74	Artificial Lift Equipment	
5 75	Instrumentation & Measurement	
5 76	Electrical Grounding/Safety Equipment	
5 77	Permanent Equipment Installation	
5 80	Other - Surface	
5 81	Other - Downhole	
TOTAL TANGIBLE COMPLETION COSTS:		\$0
TOTAL COMPLETION COSTS:		\$3,387,390

TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
6 60	Conductor Casing	
6 61	Surface Casing	
6 62	1st Intermediate Casing	
6 63	2nd Intermediate Casing	
6 64	Production Casing	
6 65	Tubing	50,000
6 66	Wellhead	27,000
6 67	Permanent Packers/Hangers/Plugs	4,500
6 68	Tanks	
6 69	Production Vessels	81,200
6 70	Compressors	
6 71	Surface Flowlines	25,000
6 72	Gathering Lines	5,000
6 73	Valves & Controllers	
6 74	Artificial Lift Equipment	235,000
6 75	Instrumentation & Measurement	
6 76	Electrical Grounding/Safety Equipment	
6 77	Permanent Equipment Installation	
6 80	Other - Surface	
6 81	Other - Downhole	
TOTAL TANGIBLE PRODUCTION COSTS:		\$427,700
TOTAL PRODUCTION COSTS:		\$500,000

TOTAL WELL COST: \$6,799,404

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS *AMB*

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

TAP ROCK OPERATING, LLC
 602 Park Point Dr, Golden, Colorado 80401
 Authorization For Expenditure

Name: Delirium 25527E1313 #2344H
 AFE #: 0
 County: Eddy
 State: New Mexico

Date: September 12, 2018
 MD/TVD: 15430 / 10435
 Lateral Length: 4500
 Geologic Target: Wolfcamp B2

Well Description: Drill and complete a horizontal Wolfcamp B2 well with a one mile lateral.

INTANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
1 1	Land - Legal	10,000
1 2	Land - Regulatory	7,500
1 3	Land - Surface Damages	20,000
1 4	Land - Survey	5,000
1 5	Location/Pit Construction	125,000
1 6	Remedial Dirtwork	0
1 7	Reserve/Frac Pit Closing	0
1 8	Drilling - Contractor	479,513
1 9	Mob/Rig Up - Contractor/Trucking	73,950
1 10	Cementing Services	185,000
1 11	Cementing Equipment	35,000
1 12	Bits/Drill Out Assemblies	65,875
1 13	Fluid Circulation Equipment/Services	82,775
1 14	Fluids/Chemicals	99,250
1 15	WBM Cuttings/Wastewater Disposal	90,000
1 16	OBM Cuttings/Chemical Disposal	90,000
1 17	Fuel/Power	111,250
1 18	Water	22,500
1 19	Directional Drilling	240,625
1 20	Mud Logging	18,525
1 21	Open/Cased/Production Hole Logs	0
1 22	Coring	0
1 23	Geologic Supervision	0
1 24	Engineering Supervision	0
1 25	Consultant Supervision	100,125
1 26	Freight/Transportation	30,000
1 27	Labor	0
1 28	Supplies - Surface	0
1 29	Supplies - Living Quarters	0
1 30	Rentals - Surface	67,375
1 31	Rentals - Living Quarters	25,588
1 32	Rentals - Downhole	3,500
1 33	Rentals - Pipe & Handling Tools	30,000
1 34	Rentals - Frac Stack	
1 35	Rentals - Frac Tanks	
1 36	Coil Tubing Unit/Workover Rig	
1 37	Wireline/Slickline/Perforating	
1 38	Temporary Packers/Plugs	
1 39	High Pressure Pump Truck	
1 40	Stimulation	
1 41	Rentals - Pressure Control	
1 42	Flowback Services	
1 43	Water Transfer Services	
1 44	Flowback Water Trucking & Disposal	
1 45	Permanent Equipment Installation	
1 46	Pipeline Tapping Services	
1 47	Plugging & Abandonment	0
1 53	Overhead	0
1 54	Insurance	0
1 55	Contingency	100,918
TOTAL INTANGIBLE DRILLING COSTS:		\$2,119,268

INTANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
2 1	Land - Legal	
2 2	Land - Regulatory	
2 3	Land - Surface Damages	
2 4	Land - Survey	
2 5	Location/Pit Construction	
2 6	Remedial Dirtwork	
2 7	Reserve/Frac Pit Closing	
2 8	Drilling - Contractor	
2 9	Mob/Rig Up - Contractor/Trucking	
2 10	Cementing Services	
2 11	Cementing Equipment	
2 12	Bits/Drill Out Assemblies	31,292
2 13	Fluid Circulation Equipment/Services	
2 14	Fluids/Chemicals	24,844
2 15	WBM Cuttings/Wastewater Disposal	
2 16	OBM Cuttings/Chemical Disposal	
2 17	Fuel/Power	287,500
2 18	Water	438,340
2 19	Directional Drilling	
2 20	Mud Logging	
2 21	Open/Cased/Production Hole Logs	10,550
2 22	Coring	
2 23	Geologic Supervision	
2 24	Engineering Supervision	
2 25	Consultant Supervision	63,745
2 26	Freight/Transportation	4,110
2 27	Labor	17,190
2 28	Supplies - Surface	4,110
2 29	Supplies - Living Quarters	4,110
2 30	Rentals - Surface	32,560
2 31	Rentals - Living Quarters	22,500
2 32	Rentals - Downhole	0
2 33	Rentals - Pipe & Handling Tools	0
2 34	Rentals - Frac Stack	41,200
2 35	Rentals - Frac Tanks	9,930
2 36	Coil Tubing Unit/Workover Rig	78,070
2 37	Wireline/Slickline/Perforating	199,550
2 38	Temporary Packers/Plugs	33,000
2 39	High Pressure Pump Truck	110,760
2 40	Stimulation	1,479,793
2 41	Rentals - Pressure Control	24,165
2 42	Flowback Services	101,750
2 43	Water Transfer Services	91,100
2 44	Flowback Water Trucking & Disposal	12,660
2 45	Permanent Equipment Installation	
2 46	Pipeline Tapping Services	
2 47	Plugging & Abandonment	
2 53	Overhead	23,880
2 54	Insurance	
2 55	Contingency	240,682
TOTAL INTANGIBLE COMPLETION COSTS:		\$3,387,390

INTANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
3 1	Land - Legal	
3 2	Land - Regulatory	
3 3	Land - Surface Damages	
3 4	Land - Survey	
3 5	Location/Pit Construction	5,000
3 6	Remedial Dirtwork	
3 7	Reserve/Frac Pit Closing	
3 8	Drilling - Contractor	
3 9	Mob/Rig Up - Contractor/Trucking	
3 10	Cementing Services	
3 11	Cementing Equipment	
3 12	Bits/Drill Out Assemblies	
3 13	Fluid Circulation Equipment/Services	
3 14	Fluids/Chemicals	
3 15	WBM Cuttings/Wastewater Disposal	
3 16	OBM Cuttings/Chemical Disposal	
3 17	Fuel/Power	
3 18	Water	
3 19	Directional Drilling	
3 20	Mud Logging	
3 21	Open/Cased/Production Hole Logs	
3 22	Coring	
3 23	Geologic Supervision	
3 24	Engineering Supervision	
3 25	Consultant Supervision	3,600
3 26	Freight/Transportation	10,000
3 27	Labor	25,000
3 28	Supplies - Surface	
3 29	Supplies - Living Quarters	
3 30	Rentals - Surface	
3 31	Rentals - Living Quarters	
3 32	Rentals - Downhole	
3 33	Rentals - Pipe & Handling Tools	
3 34	Rentals - Frac Stack	
3 35	Rentals - Frac Tanks	
3 36	Coil Tubing Unit/Workover Rig	17,127
3 37	Wireline/Slickline/Perforating	
3 38	Temporary Packers/Plugs	
3 39	High Pressure Pump Truck	
3 40	Stimulation	
3 41	Rentals - Pressure Control	
3 42	Flowback Services	
3 43	Water Transfer Services	
3 44	Flowback Water Trucking & Disposal	
3 45	Permanent Equipment Installation	
3 46	Pipeline Tapping Services	
3 47	Plugging & Abandonment	
3 53	Overhead	5,000
3 54	Insurance	
3 55	Contingency	6,573
TOTAL INTANGIBLE PRODUCTION COSTS:		\$72,300

TANGIBLE DRILLING COSTS		
COST CODES	DESCRIPTION	AMOUNT
4 60	Conductor Casing	0
4 61	Surface Casing	15,585
4 62	1st Intermediate Casing	106,750
4 63	2nd Intermediate Casing	314,475
4 64	Production Casing	285,734
4 65	Tubing	
4 66	Wellhead	75,000
4 67	Permanent Packers/Hangers/Plugs	
4 68	Tanks	
4 69	Production Vessels	
4 70	Compressors	
4 71	Surface Flowlines	
4 72	Gathering Lines	
4 73	Valves & Controllers	
4 74	Artificial Lift Equipment	
4 75	Instrumentation & Measurement	
4 76	Electrical Grounding/Safety Equipment	
4 77	Permanent Equipment Installation	
4 80	Other - Surface	
4 81	Other - Downhole	
TOTAL TANGIBLE DRILLING COSTS:		\$797,544

TANGIBLE COMPLETION COSTS		
COST CODES	DESCRIPTION	AMOUNT
5 60	Conductor Casing	
5 61	Surface Casing	
5 62	1st Intermediate Casing	
5 63	2nd Intermediate Casing	
5 64	Production Casing	
5 65	Tubing	
5 66	Wellhead	
5 67	Permanent Packers/Hangers/Plugs	
5 68	Tanks	
5 69	Production Vessels	
5 70	Compressors	
5 71	Surface Flowlines	
5 72	Gathering Lines	
5 73	Valves & Controllers	
5 74	Artificial Lift Equipment	
5 75	Instrumentation & Measurement	
5 76	Electrical Grounding/Safety Equipment	
5 77	Permanent Equipment Installation	
5 80	Other - Surface	
5 81	Other - Downhole	
TOTAL TANGIBLE COMPLETION COSTS:		\$0

TANGIBLE PRODUCTION COSTS		
COST CODES	DESCRIPTION	AMOUNT
6 60	Conductor Casing	
6 61	Surface Casing	
6 62	1st Intermediate Casing	
6 63	2nd Intermediate Casing	
6 64	Production Casing	
6 65	Tubing	50,000
6 66	Wellhead	27,000
6 67	Permanent Packers/Hangers/Plugs	4,500
6 68	Tanks	
6 69	Production Vessels	81,200
6 70	Compressors	
6 71	Surface Flowlines	25,000
6 72	Gathering Lines	5,000
6 73	Valves & Controllers	
6 74	Artificial Lift Equipment	235,000
6 75	Instrumentation & Measurement	
6 76	Electrical Grounding/Safety Equipment	
6 77	Permanent Equipment Installation	
6 80	Other - Surface	
6 81	Other - Downhole	
TOTAL TANGIBLE PRODUCTION COSTS:		\$427,700

TOTAL DRILLING COSTS: \$2,916,811

TOTAL COMPLETION COSTS: \$3,387,390

TOTAL PRODUCTION COSTS: \$500,000

TOTAL WELL COST: \$6,804,201

TAP ROCK RESOURCES COMPANY APPROVAL:

CEO _____ VP - EXPLORATION _____

CFO _____ VP - OPERATIONS *AMB*

VP - LAND & LEGAL _____ SENIOR GEOLOGIST _____

NON OPERATING PARTNER APPROVAL:

COMPANY NAME: _____

SIGNED BY: _____ TITLE: _____

WORKING INTEREST (%): _____ DATE: _____

TAX ID: _____ APPROVAL: _____

EXHIBIT A

WORKING INTEREST OWNERS

Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Occidental Permian L.P.
5 Greenway Plaza Suite 110
Houston, Texas 77046

COG Operating, LLC
600 West Illinois Avenue
Midland, Texas 79701

ORRIs/NPRIs

Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Occidental Permian L.P.
5 Greenway Plaza Suite 110
Houston, Texas 77046

7015 1730 0000 9793 8387

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OFFICIAL USE

Certified Mail Fee	\$ 3.45
Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 2.75
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 1.21
Total Postage and Fees	\$ 7.41

Santa Fe NM
 Postmark Here
 JAN 10 2019
 USPO 87504

Sent To: Devon Energy Production Company, LP
 Street and: 333 West Sheridan Avenue
 City, State: Oklahoma City, OK 73102-5015

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> 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. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>																
<p>1. Article Addressed to: Devon Energy Production Company, LP 333 West Sheridan Avenue Oklahoma City, OK 73102-5015</p>																	
<p>9590 9403 0913 5223 4544 72</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>2. Article Number (transfer from service label) 7015 1730 0000 9793 8387</p>																	

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Certified Mail Fee
 \$ **3.45**

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

Return Receipt (hardcopy) \$ **2.75**

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage
 \$ **1.21**

Total Postage and Fees
 \$ **7.41**

Postmark
 Here

SANTA FE NM
JAN 10 2019
USPO 87504

Sent To **COG Operating, LLC**
 Street an **600 West Illinois Avenue**
 City, Stat **Midland, Texas 79701**

PS Form

ctions

7015 1730 0000 9793 8400

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:
 COG Operating, LLC
 600 West Illinois Avenue
 Midland, Texas 79701



9590 9403 0913 5223 4544 41

2. Article Number (Transfer from service label)

7015 1730 0000 9793 8400

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Janet Watkins Agent
 Addressee

B. Received by (Printed Name) *Janet Watkins* C. Date of Delivery *1-14-19*

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

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Insured Mail Restricted Delivery (over \$500)
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
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U.S. Postal Service™
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Certified Mail Fee	\$ 3.45
Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$ 2.75
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 1.21
Total Postage and Fees	\$ 7.41
Sent To	Occidental Permian L.P.
Street and /	5 Greenway Plaza Suite 110
City, State,	Houston, Texas 77046

Postmark
 SANTA FE NM
 JAN 10 2019
 USPO 87504

PS Form 3811

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery 1/10/19</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p> <p><i>James E Beard</i> JAMES BEARD</p>																
<p>1. Article Addressed to: Occidental Permian L.P. 5 Greenway Plaza Suite 110 Houston, Texas 77046</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
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<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>2. Article Number (Transfer from service label) 7015 1730 0000 9793 8394</p>																	

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AFFIDAVIT OF PUBLICATION

Ad No.
0001274394

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PO BOX 2307

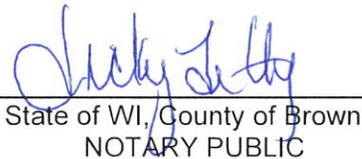
SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

01/17/19


Legal Clerk

Subscribed and sworn before me this
17th of January 2019.


State of WI, County of Brown
NOTARY PUBLIC

9-19-21
My Commission Expires

Ad#:0001274394
P O : Tap Rock-Delirium II
of Affidavits :0.00



NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns: **Devon Energy Production Company, LP; COG Operating, LLC Occidental Permian L.P.**

Tap Rock Operating, LLC has filed an application with the New Mexico Oil Conservation Division as follows. Please note that the Division has not yet assigned a case number:

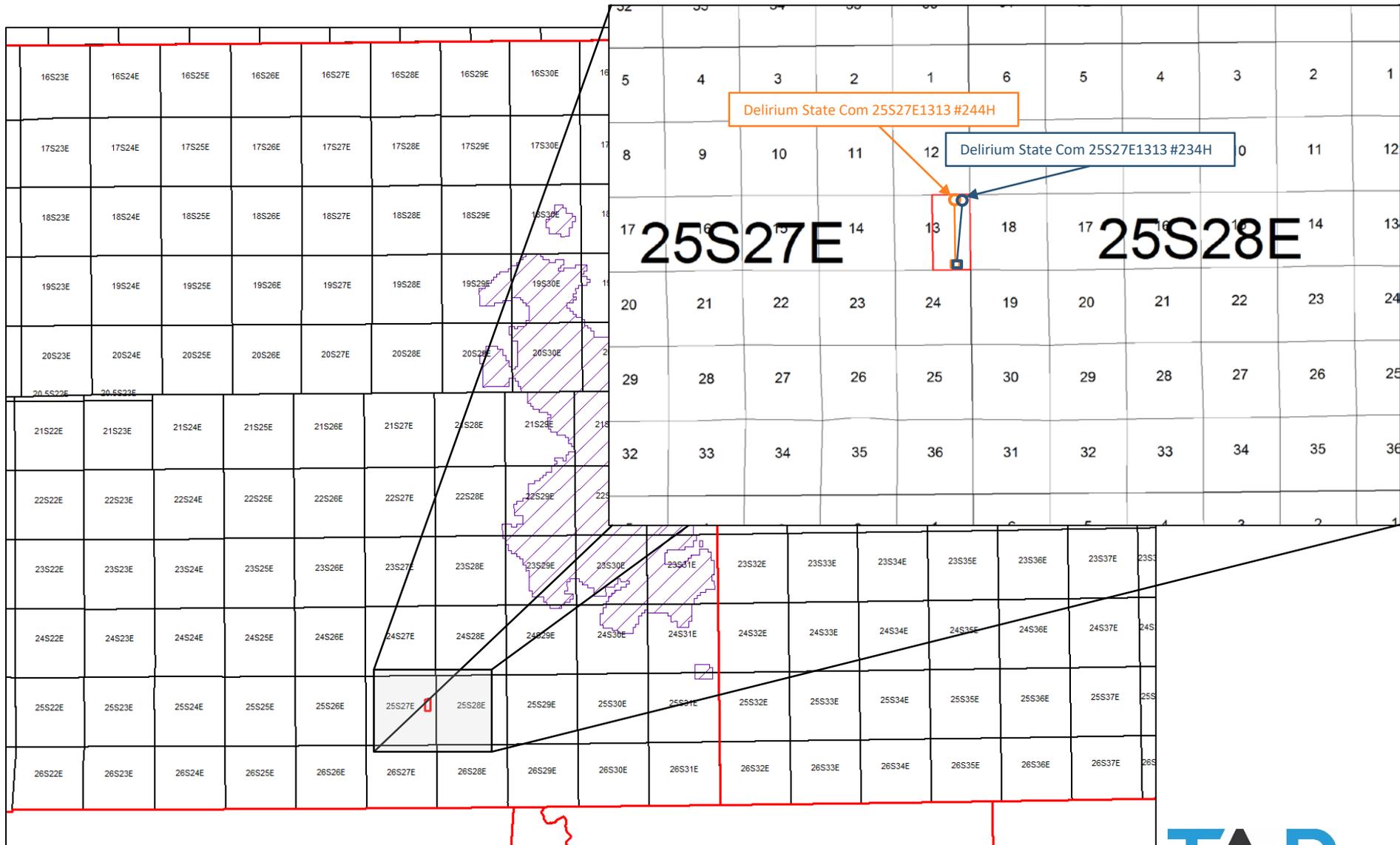
Application of Tap Rock Operating, LLC for a Standard Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 of Section 13, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage-Wolfcamp; Pool code 98220) underlying the standard unit. Said horizontal spacing unit is to be assigned to the proposed initial **Delirium State Com #244H well**, to be horizontally drilled from an approximate surface location 449' FSL and 1046' FEL of Section 13 to a bottom hole location 200' FNL and 750' FEL of Section 13. This is the "defining well" for this unit. Also to be drilled is the following infill well: **Delirium State Com #234H well**, to be horizontally drilled from an approximate surface location 449' FSL and 1021' FEL of Section 13 to a bottom hole location 200' FNL and 332' FEL of Section 13. The completed intervals and first and last take points for these wells are within the setbacks required by the Purple Sage-Wolfcamp pool rules. Also to be considered will be the cost of drilling and completing the wells 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 wells. The wells and lands are located approximately 7 miles Southwest of Malaga, New Mexico.

Hearing on this application is scheduled at 8:15 a.m. on Thursday, February 7, 2019 at the Oil Conservation Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. For further information, contact the applicant's attorney, Seth C. McMillan, Montgomery and Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 982-3873.

January 17, 2019

EXHIBIT B

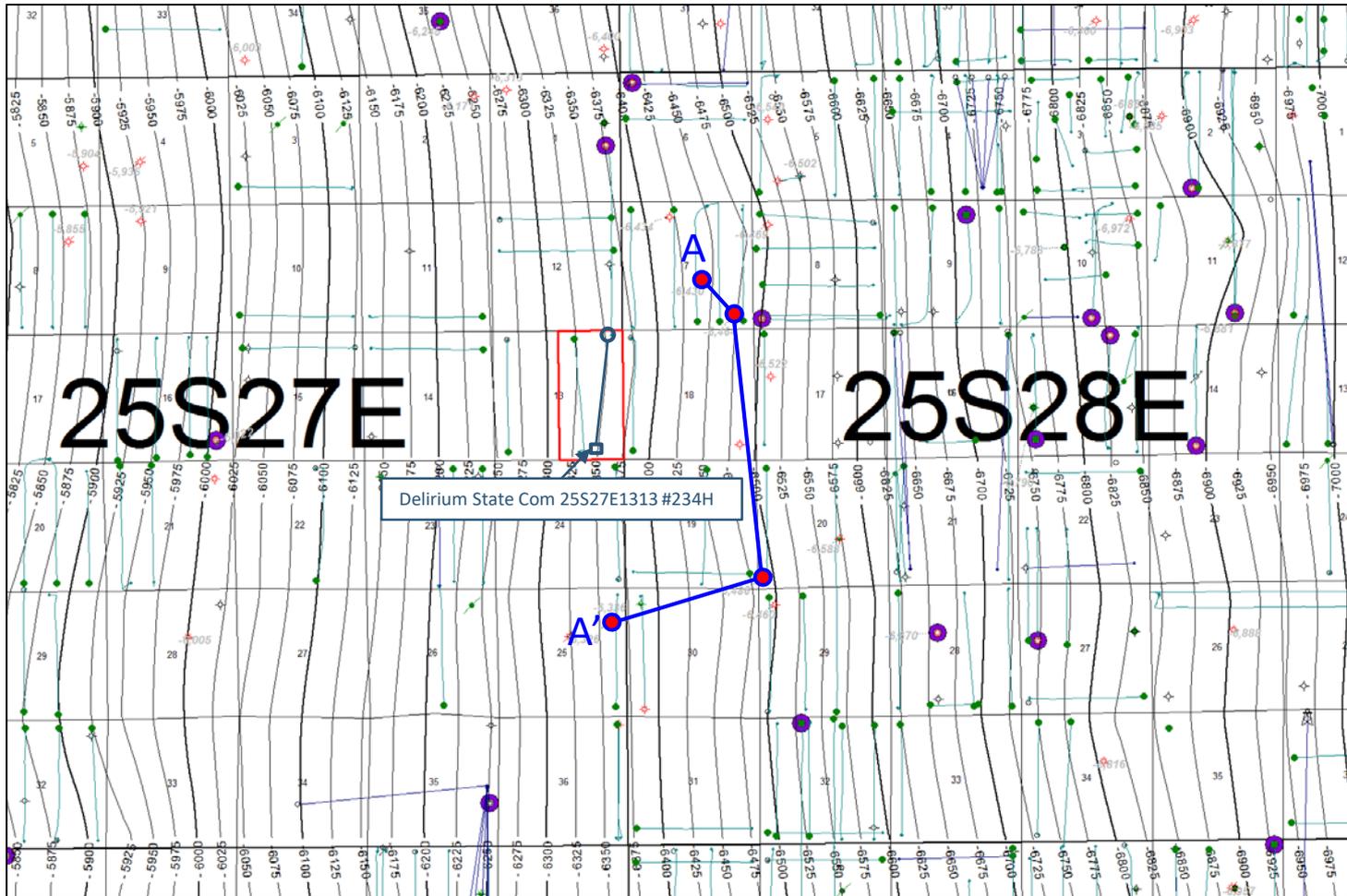
Project Locator Map



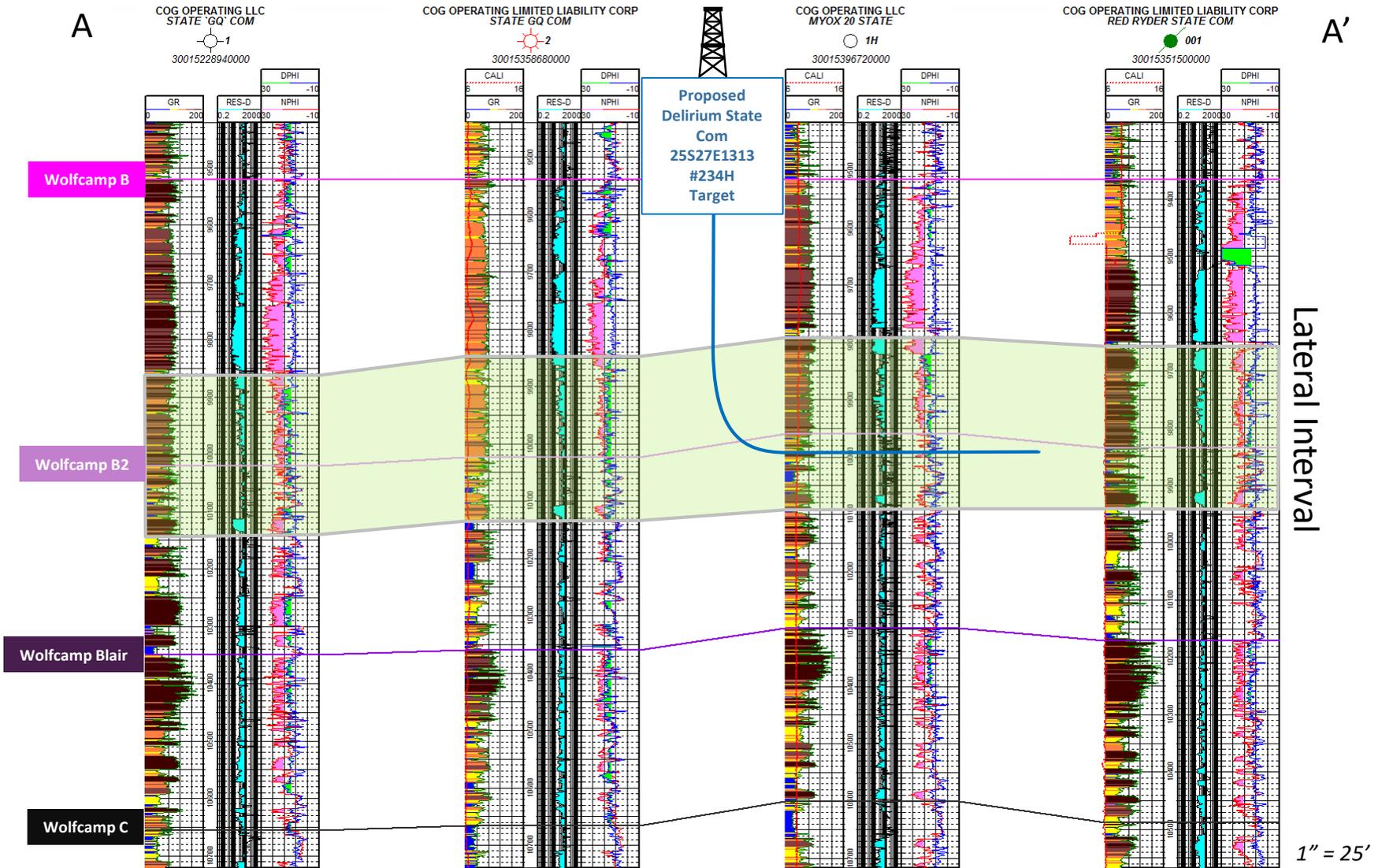
Subsea Structure Map (Top Wolfcamp B)

Map Legend

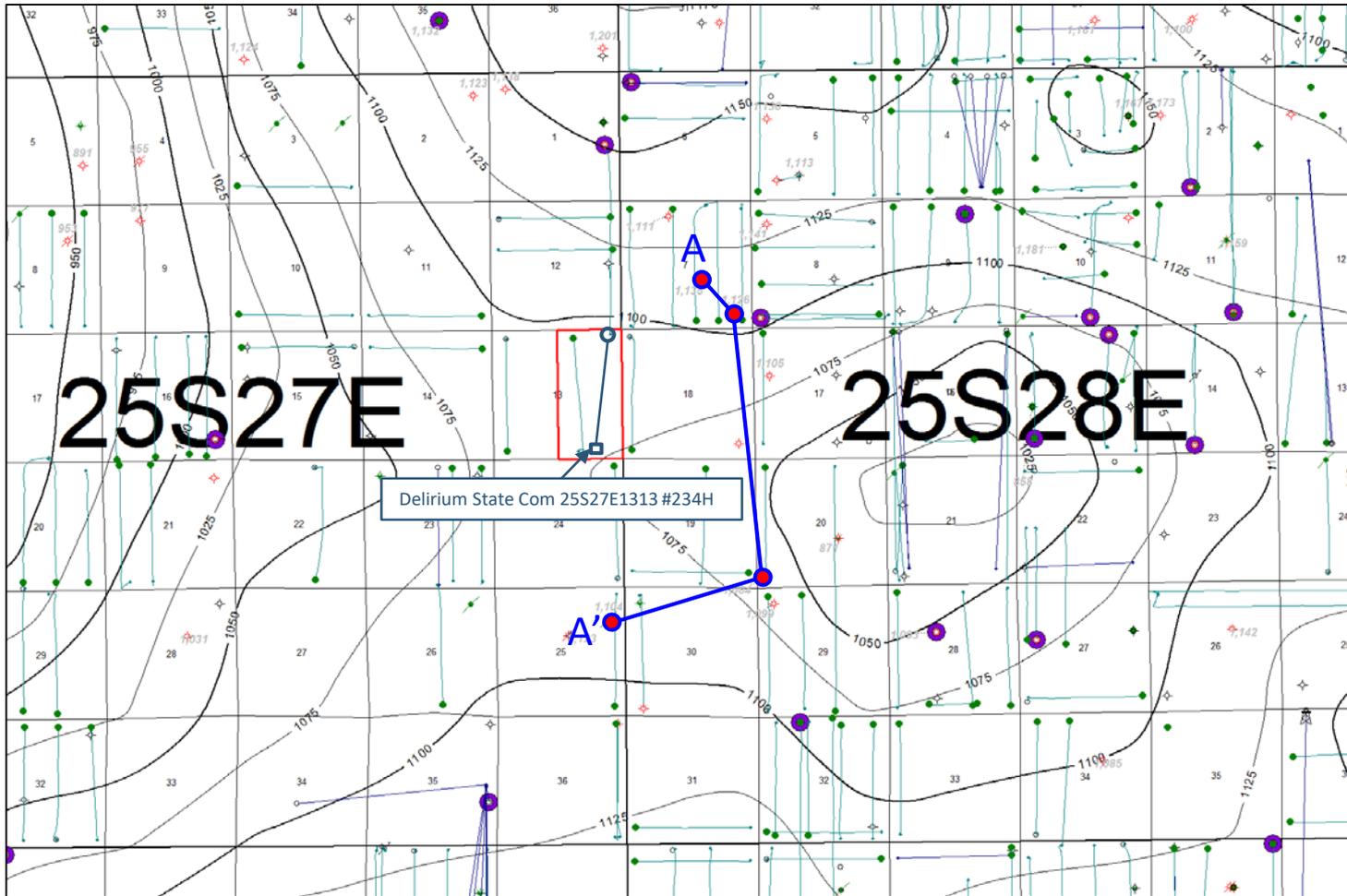
- SHL  Tap Rock –
- BHL  Horizontal Locator
-  Spacing Unit
- C.I. = 25'
-  Wolfcamp B Target



Stratigraphic Cross-Section - A-A'



Isopach Map (Wolfcamp B to Wolfcamp C)



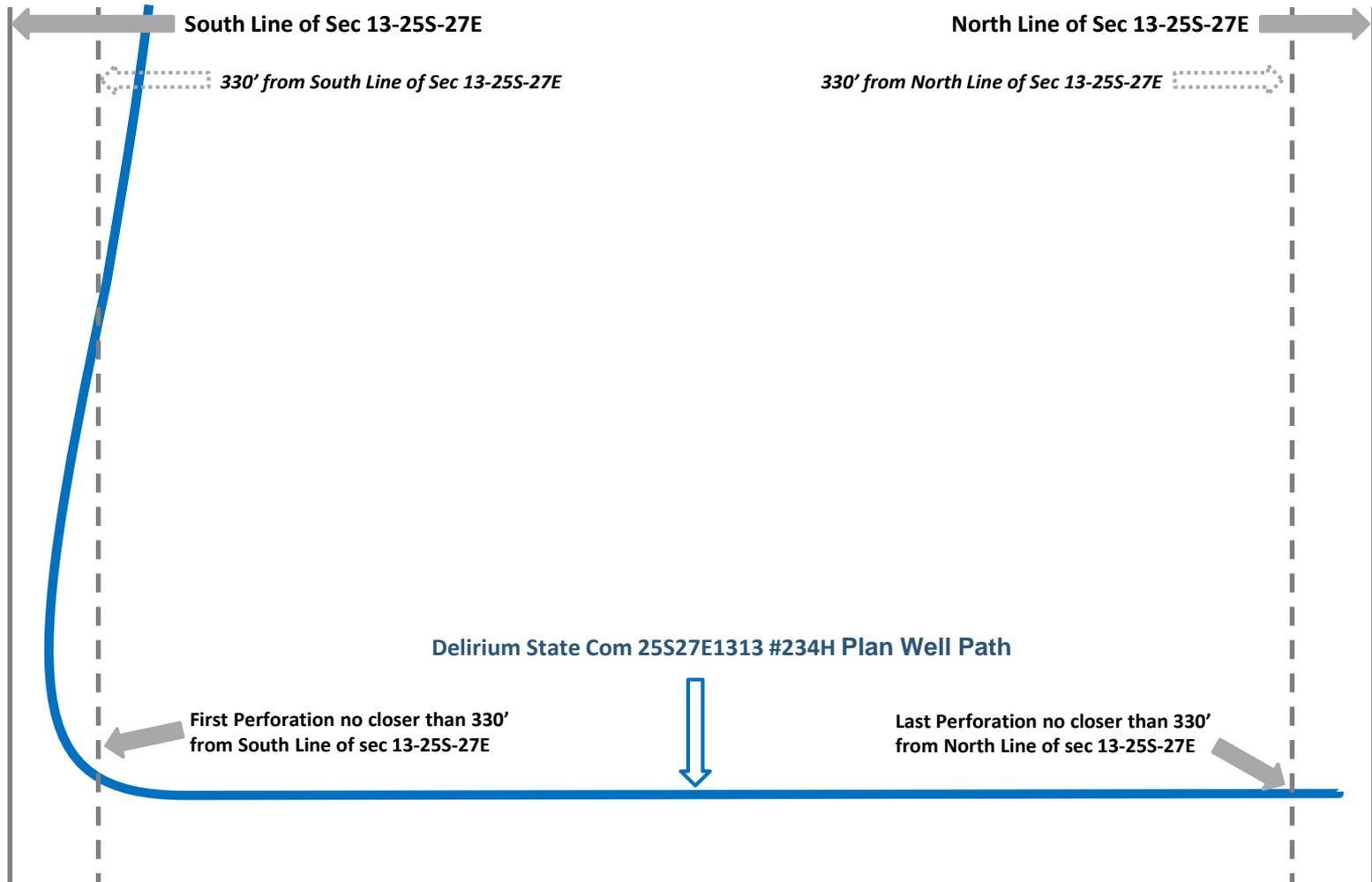
Map Legend

- SHL  Tap Rock – Horizontal Locator
- BHL 
-  Spacing Unit
- C.I. = 25'
-  Wolfcamp B Target

Delirium State Com 25S27E1313 #234H (1 mile S-N Lateral)

Delirium State Com 25S27E1313 #234H
Surface Hole: 449' FSL & 1021' FEL of sec 13-25S-27E
Bottom Hole: 200' FNL & 332' FEL of sec 13-25S-27E

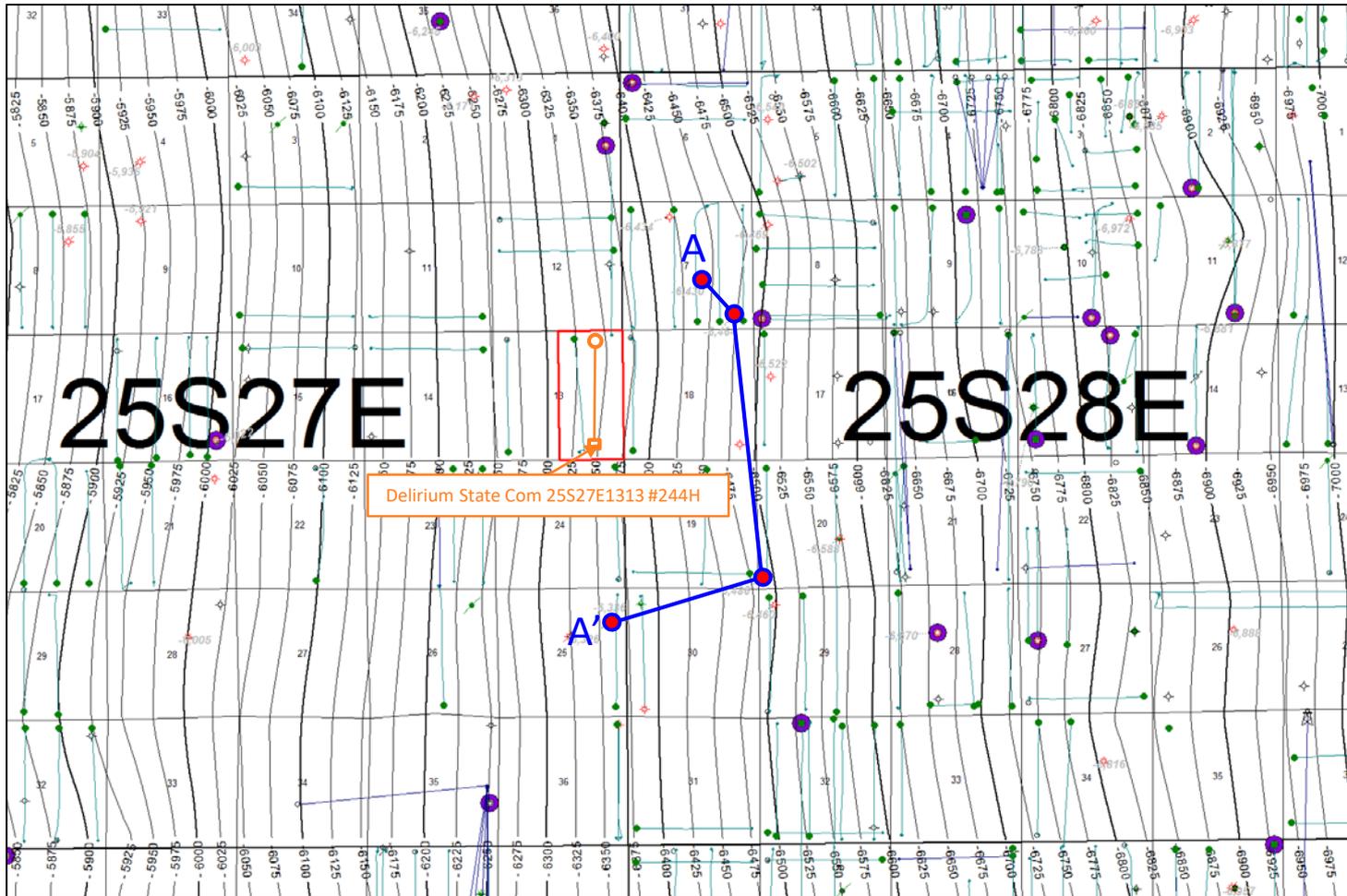
**Diagram not to scale*



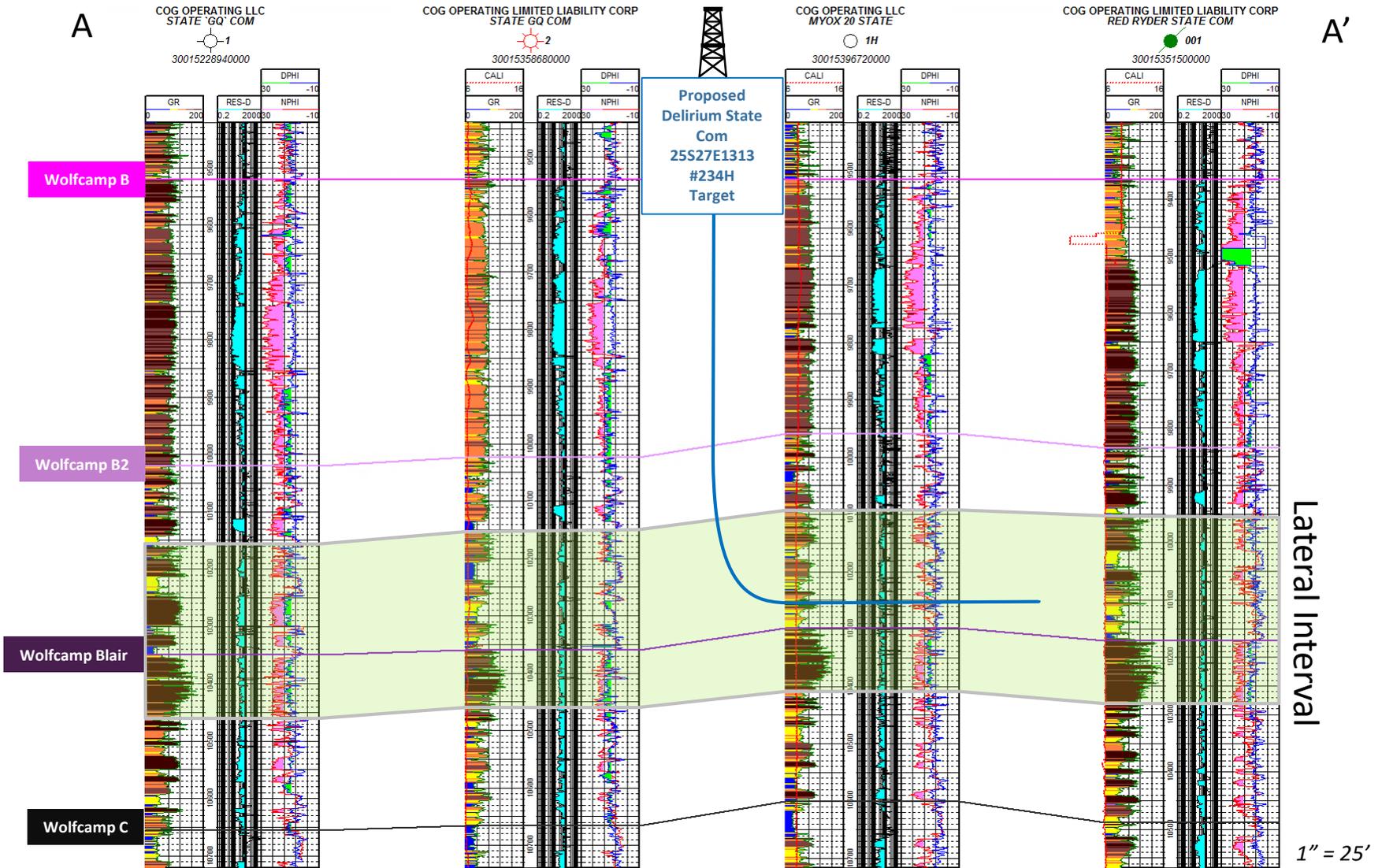
Subsea Structure Map (Top Wolfcamp B)

Map Legend

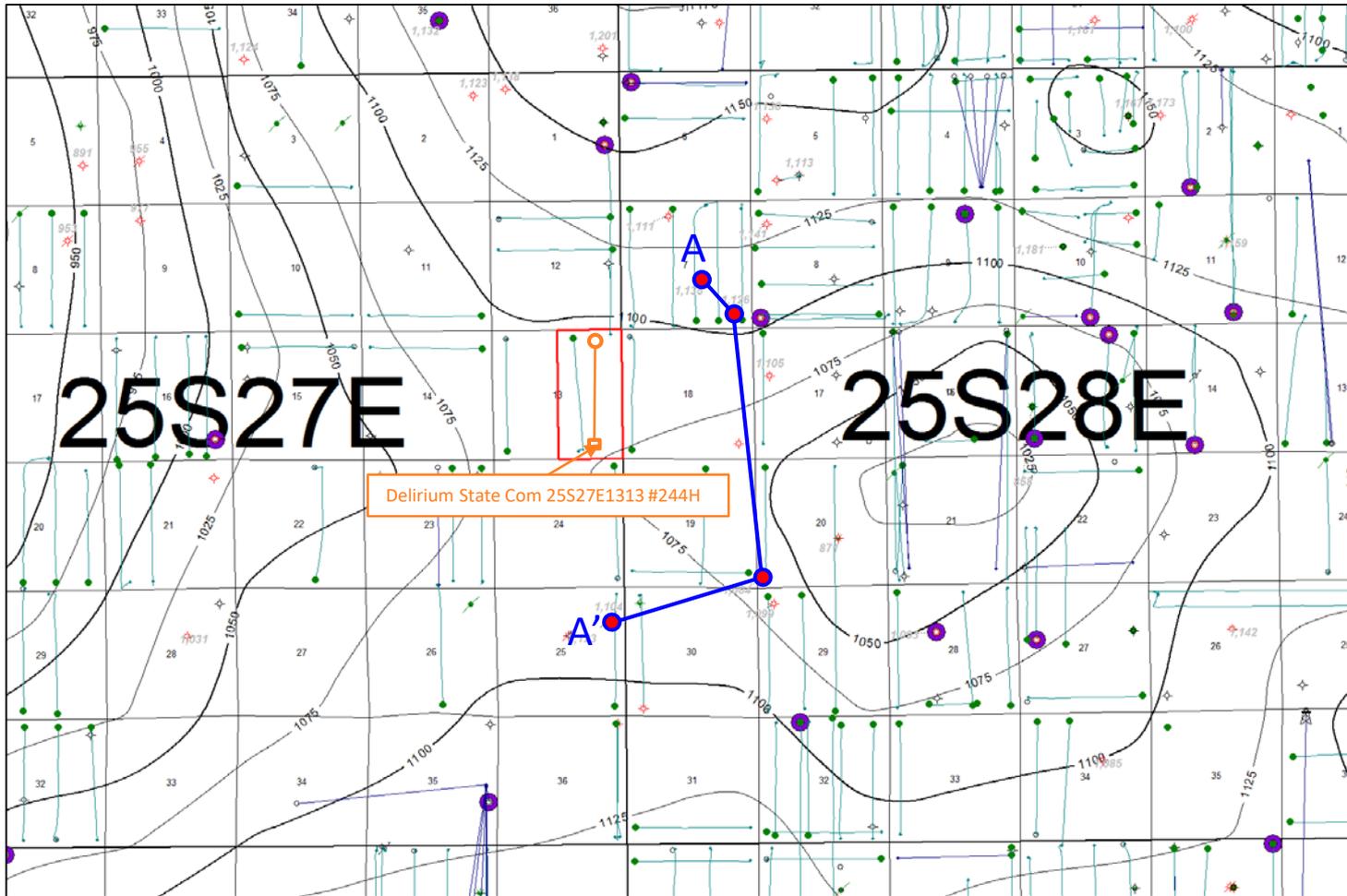
- SHL  Tap Rock –
- BHL  Horizontal Locator
-  Spacing Unit
- C.I. = 25'
-  Wolfcamp B Target



Stratigraphic Cross-Section - A-A'



Isopach Map (Wolfcamp B to Wolfcamp C)



Map Legend

- SHL  Tap Rock – Horizontal Locator
- BHL 
-  Spacing Unit
- C.I. = 25'
-  Wolfcamp B Target

Delirium State Com 25S27E1313 #244H (1 mile S-N Lateral)

Delirium State Com 25S27E1313 #244H
Surface Hole: 449' FSL & 1046' FEL of sec 13-25S-27E
Bottom Hole: 200' FNL & 750' FEL of sec 13-25S-27E

**Diagram not to scale*

