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

APPLICATION OF RIDGE RUNNER RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, NON-STANDARD SPACING AND PRORATION UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 20922

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Robert Shelton, being duly sworn, deposes and states:

- I am over the age of 18, I am Vice President of Land for Ridge Runner Resources Operating, LLC ("Ridge Runner Resources"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the division as a matter of record.
- My area of responsibility of Ridge Runner Resources includes the area of Lea
 County in New Mexico.
 - 3. I am familiar with the application filed by Ridge Runner Resources in this case.
 - 4. I am familiar with the status of the lands that are subject to these applications.
- 5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.
 - 6. The working interest owners who are sought to be pooled are listed on **Exhibit 1**.
- 7. Ridge Runner Resources seeks to force pool the non-consenting working interests within the Parkway Bone Spring Pool (Pool Code 49622) and the Wolfcamp Formation horizontal spacing units underlying Sections 32 and 33, Township 19 South, Range 30 East, NMPM, Eddy



County, New Mexico, for the respective pool and formation. These spacing units will be dedicated to the following wells:

1,

- A. The proposed **Armstrong 32-33 Fed Com W #1H** to be horizontally drilled to a depth sufficient to test the Wolfcamp XY interval of the Wolfcamp Formation from an orthodox SHL 360' FNL & 100' FWL, being in Unit letter D of Section 32, and a BHL 330' FNL & 100' FEL being in Unit letter A of Section 33, T19S, R30E;
- B. The proposed **Armstrong 32-33 Fed Com W #2H** to be horizontally drilled to a depth sufficient to test the Wolfcamp XY interval of the Wolfcamp Formation from an orthodox SHL 360' FSL & 100' FWL, being in Unit letter M of Section 32, and a BHL 330' FSL & 100' FEL, being in Unit letter P of Section 33, T19S, R30E;
- C. The proposed **Armstrong 32-33 Fed Com B #1H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 330' FNL & 100' FWL being in Unit letter D of Section 32, and the BHL 330' FNL & 100' FEL, being in Unit letter A of Section 33, T19S. R30E:
- D. The proposed **Armstrong 32-33 Fed Com B #2H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring Sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 1980' FNL & 100' FWL, being in Unit letter E of Section 32, and the BHL 1980' FNL & 100' FEL, being in unit letter H of Section 33, T19S, R30E;
- E. The proposed **Armstrong 32-33 Fed Com B #3H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring Sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 1980' FSL & 100' FWL of Section 32, being in Unit

letter L of Section 32, and the BHL 1980' FSL & 100' FEL, being in Unit letter I of Section 33, T19S, R30E;

- F. The proposed **Armstrong 32-33 Fed Com B #4H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring Sand of the Parkway Bone Spring Pool (Pool Code 49622) from an orthodox SHL 330' FSL & 100' FWL of Section 32, being in Unit letter M of Section 32, and the BHL 330' FSL & 100' FEL, being in Unit letter P of Section 33, T19S, R30E.
 - 8. There are no depth severances underlying the proposed spacing unit for the wells.
- 9. A lease tract map outlining the unit being pooled is attached hereto as **Exhibit 2**. The parties being pooled and the percent of their interests is also included as part of Exhibit 1.
- 10. Ridge Runner Resources have conducted a diligent search of the public records in the county where the wells are located and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure.
- 11. In my opinion, Ridge Runner Resources has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. Attached hereto is a contact information list. Exhibit 3.
- 12. **Exhibit 4** is a copy of a proposal letter sent to all working interest owners, which were sent on July 6, 2019, together with the AFE's for the proposed wells.
- 13. The proposal letter identified the proposed first and last take points and approximate TVD for each of the wells.
- 14. **Exhibit 5** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable and is comparable to the costs of

other wells of similar depths and length drilled in this area of New Mexico. Ridge Runner Resources requests overhead and administrative rates of \$8,000.00/month for drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Ridge Runner Resources requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

- 15. Ridge Runner Resources requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
 - 16. Ridge Runner Resources requests that it be designated operator of the wells.
- 17. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
- 18. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.
- 19. The granting of this application is in the interests of conservation and the prevention of waste.

ROBERT SHELTON

SUBSCRIBED AND SWORN to before me this 10Tday of December, 2019 by ROBERT SHELTON on behalf of Ridge Runner Resources

Notary Public

My Commission Expires:

CYDNEE PHIPPS
Notary Public, State of Texas
Comm. Expires 06-07-2022
Notary ID 131597609

EXHIBIT 1

Affidavit of
Robert Shelton
OCD Case 20922
Ridge Runner Resources Operating, LLC
December 11, 2019

Armstrong DOI for Wolfcamp and Bone Spring Pooling

Company	Tract	Net acres	Leasehold Working Interest	Unit Leasehold Working Interest	
Spacing Unit Formation	N/2 Sections 32 and 33-19/30 Wolfcamp				
Ridge Runner Agent, Inc. Trove Energy, LLC	NE/4 and the E/2NW/4 Sec 33 W/2NW/4 Sec 33	240.00 80.00 320.00	1,000000 1.000000	0.375000 0.125000 0.500000	
COG Operating, LLC Marathon Oil Permian LLC American Standard	N/2 Section 32 N/2 Section 32	237.51 43.74	0.74223054 0.13669044	0.371115 0.068345	
Energy Corporation Concho Oil & Gas, LLC Julia Ann Hightower	N/2 Section 32 N/2 Section 32	21.00 12.50	0.06561141 0.03906477	0.032806 0.019532	
Barnett G. P. C. Oil and Gas	N/2 Section 32	2.62	0.00820143	0.004101	
Corporation	N/2 Section 32	2.62	0.00820143	0.004101 0.500000	Total WI with support 0.532806
		320.00	1.00000002	1.000000	v.⊅3∠80 0

Company	Tract	Net acres	Leasehold Working Interest	Unit Leasehold Working Interest	
Spacing Unit Formation	5/2 Section 32 and 33-19/30 Wolfcamp				
Ridge Runner Agent, Inc. First Roswell Company	SW/4; W/2SE/4 and NE/4SE/4 Sec 33 SE/4SE/4 Section 33	280 <u>40</u> 320	1.000000 1.000000	0.437500 0.062500 0.500000	
COG Operating, LLC Marathon Oil Permian LLC American Standard	S/2 Section 32 S/2 Section 32	237.51 43.74	0.74223054 0.13669044	0.371115 0.068345	
Energy Corporation Concho Oil & Gas, LLC Julia Ann Hightower	S/2 Section 32 5/2 Section 32	21.00 12.50	0.06561141 0.03906477	0.032806 0.019532	
Barnett G. P. C. Oil and Gas	5/2 Section 32	2.62	0.00820143	0.004101	
Corporation	S/2 Section 32	<u>2.62</u> 320	0.00820143 1.00000002	0.004101 0.500000	Total WI with support 0.532806
				1.000000	

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Company	Tract	Net acres	Leasehold Working Interest	Unit Leasehold Working Interest	
Spacing Unit Formation	N/2N/2 Section 32 and 33-19/30 3rd Bone Spring				
Ridge Rünner Agent, Inc. Trove Energy, LLC	N/2NE/4 and the NE/4NW/4 Sec 33 NW/4NW/4 Sec 33	120.00 40.00 160.00	1.000000 1.000000	0.375000 0.125000 0.500000	
COG Operating, LLC Marathon Oil Permian LLC American Stendard	N/2N/2 of Section 32 N/2N/2 of Section 32	118.76 21.87	0.74223054 0.13669044	0.371115 0.068345	
Energy Corporation Concho Oil & Gas, LLC Julia Ann Hightower	N/2N/2 of Section 32 N/2N/2 of Section 32	10.50 6.25	0.06561141 0.03906477	0.032806 0.019532	
Barnett G. P. C. Oil and Gas Corporation	N/2N/2 of Section 32 N/2N/2 of Section 32	1.31	0.00820143	0.004101	Total WI with support
Corporation	ry zry z or section 32	1.31 160.00	0.00820143 1.000000	0.004101 0.500000 1.000000	0.532806

Company	Tract	Net acres	Leasehold Working Interest	Unit Leasehold Working Interest	
Spacing Unit	S/2N/2 Section 32 and 33				
Formation	3rd Bone Spring				
Ridge Runner Agent, Inc.	S/2NE/4 and the SE/4NW/4 Sec 33	120.00	1.000000	0.375000	
Trove Energy, LLC	SE/4NW/4 Sec 33	40.00	1,000000	0.125000	
		160.00		0.500000	
COG Operating, LLC	S/2N/2 of Section 32	118.76	0.74223054	0.371115	
Marathon Oil Permian LLC American Standard	S/2N/2 of Section 32	21.87	0.13669044	0.068345	
Energy Corporation	S/2N/2 of Section 32	10.50	0.06561141	0.032806	
Concho Oil & Gas, LLC	S/2N/2 of Section 32	6.25	0.03906477	0.019532	
Julia Ann Hightower					
Barnett	S/2N/2 of Section 32	1.31	0.00820143	0.004101	Total WI with support
G. P. C. Oil and Gas					
Corporation	S/2N/2 of Section 32	1.31	0.00820143	0.004101	0.532806
		160.00	1.000000	0.500000	
		320.00		1 000000	

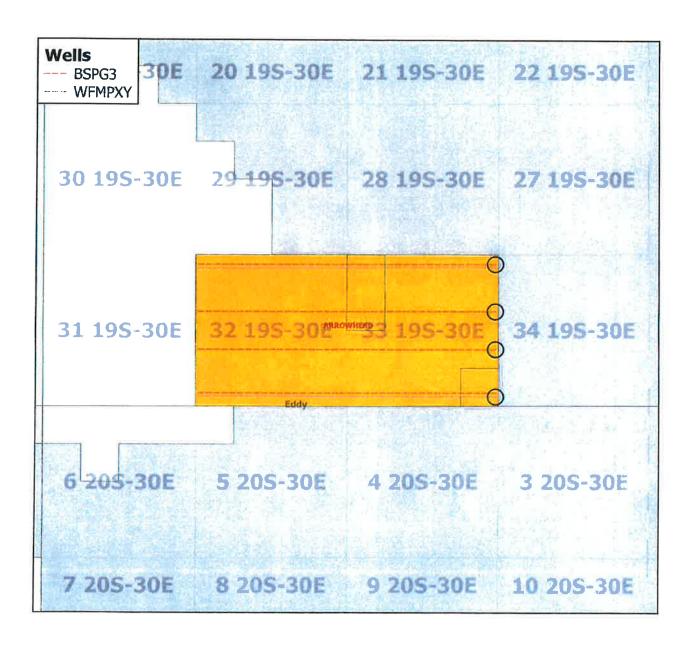
Company	Tract	Net acres	Leasehold Working Interest	Unit Leasehold Working Interest	
Spacing Unit	N/2S/2 Section 32 and 33				
Formation	3rd Bone Spring				
Ridge Runner Agent, Inc.	N/25/2	160.00 160.00	1.000000	0.500000 0.500000	
COG Operating, LLC	N/2S/2 of Section 32	118.76	0.74223054	0.371115	
Marathon Oil Permian LLC American Standard	N/25/2 of Section 32	21.87	0.13669044	0.068345	
Energy Corporation	N/2S/2 of Section 32	10.50	0.06561141	0.032806	
Concho Oil & Gas, LLC Julia Ann Hightower	N/2S/2 of Section 32	6.25	0.03906477	0.019532	
Barnett G. P. C. Oil and Gas	N/25/2 of Section 32	1.31	0.00820143	0.004101	Total WI with support
Corporation	N/25/2 of Section 32	1.31 160.00	0.00820143 1.000000	0.004101 0.500000	0.532806
		320.00		1.000000	

Company	Tract	Net acres	Leasehold Working Interest	Unit Leasehold Working Interest	
Spacing Unit Formation	5/25/2 Section 32 and 33 3rd Bone Spring				
Ridge Runner Agent, Inc. First Roswell Company	S/2SW/4 and the SW/4SE/4 SE/4SE/4 of Section 33	120.00 40.00 160.00	1.000000 1.000000	0.375000 0.125000 0.500000	
COG Operating, LLC Marathon Oil Permian LLC American Standard	S/25/2 of Section 32 S/25/2 of Section 32	118.76 21.87	0.74223054 0.13669044	0.371115 0.068345	
Concho Oil & Gas, LLC Julia Ann Hightower	S/2S/2 of Section 32 S/2S/2 of Section 32	10.50 6.25	0.06561141 0.03906477	0.032806 0.019532	
Barnett G. P. C. Oil and Gas	S/25/2 of Section 32	1.31	0.00820143	0.004101	Total WI with support
Corporation	S/25/2 of Section 32	1.31 160.00 320.00	0.00820143 1.000000	0.500000 1.000000	0.532806

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EXHIBIT 2

Affidavit of
Robert Shelton
OCD Case 20922
Ridge Runner Resources Operating, LLC
December 11, 2019



Acreage 18S-33E 18S-34E 18S-32E 18S-29E 18S-31E 19S-34E 195-29E 195-30E 19S-31E 19S-32E 195-33E 205-33E 205-29E 205-30E 20S-31E 205-32E 215-33E 21S-32E 215-28E 215-29E 21S-30E 21S-31E Eddy 225-28E 225-30E 22S-32E 225-33E 225-31E 235-28E 235-31E 235-33E 235-30E 23S-29E 235-32E 24S-28E 245-30E 24S-29E 245-31E 24S-32E 24S-33E

EXHIBIT 3

Affidavit of
Robert Shelton
OCD Case 20922
Ridge Runner Resources Operating, LLC
December 11, 2019

Contact	Date of Contact	Company	Well Name	Comments
Tim Patuwo, Scott German, Brian Cassens	3/21/2019	Concho	Armstrong	Starting on trade acreage with Concho
Gary Burleson	5/2/2019	Сопсћо	Armstrong	Working on a trade /joint venture. Interested in making an offer in T22S-R28E. Going over acreage colors
Robert Shelton	7/26/2019	American Standard Energy Corp.	Armstrong	Proposal Letter for the 6 captioned wells
Robert Shelton	7/26/2019	COG Operating	Armstrong	Proposal Letter for the 6 captioned wells
Robert Shelton	7/26/2019	Concho	Armstrong	Proposal Letter for the 6 captioned wells
Røbert Shelton	7/26/2019	First Roswell Co.	Armstrong	Proposal Letter for the 6 captioned wells
Robert Shelton	7/26/2019	G.P.C Oil and Gas Corp	Armstrong	Proposal Letter for the 6 captioned wells
Robert Shelton	7/26/2019	Julia Ann Hightower Barnett	Armstrong	Proposal Letter for the 6 captioned wells
Robert Shelton	7/26/2019	Marathon	Armstrong	Proposal Letter for the 6 captioned wells
Robert Shelton	7/26/2019	Trove	Armstrong	Proposal letter for the 3 captioned wells
First Roswell Company	8/20/2019	Ridge Runner Resources	Armstrong	Armstrong 32-33 Fed Com B Nos. 2H & 4H well. Responding to Letter from July 26 2019 and elects t participate in drilling and completion of wells.
Robert Shelton	9/17/2019	COG Operating	Armstrong	Original Proposal letter from 7/26/2019. Correcting Lea Co., NM to Eddy Co., NM
Robert Shelton	9/17/2019	Concho	Armstrong	Original Proposal letter from 7/26/2019. Correctin Lea Co., NM to Eddy Co., NM

Robert Shefton	9/17/2019	G.P.C Oil and Gas Corp	Armstrong	Original Proposal letter from 7/26/2019. Correcting Lea Co., NM to Eddy Co., NM
Robert Shelton	9/17/2019	Julia Ann Hightower Barnett	Armstrong	Original Proposal letter from 7/26/2019. Correcting Lea Co., NM to Eddy Co., NM
Robert Shelton	9/17/2019	Marathon	Armstrong	Original Proposal letter from 7/26/2019. Correcting Lea Co., NM to Eddy Co., NM
Robert Shelton	9/17/2019	Trave	Armstrong	Original Proposal letter from 7/26/2019. Correcting Lea Co., NM to Eddy Co., NM
Robert Shelton	9/17/2019	COG	Armstrong	Original Proposal letter from 7/26/2019. Correcting Lea Co., NM to Eddy Co., NM. Attached JOA Pages 1 &13, Exhibit A and AFE's
Roy Barton III	10/3/2019	Trove	Armstrong	Trove has concerns with the proposal.
JoAnn B. Gallegos	10/8/2019	Padilla Law Firm	Armstrong	Application filed on Sept 25th, 2019. Attached is Application for compulsorγ pooling.
Ashley Roush	10/15/2019	Concho & COG	Armstrong	Proposal Letter for Sec. 26, T22S-R28E. Acreage exchange trade
Padilla Law Firm, P.A.	11/5/2019	Ridge Runner Resources	Armstrong	NMOCD case # 20922, Letter regarding compulsory pooling. Date change and application for compulsory pooling.
Travis H. Prewett	11/6/2019	Ridge Runner Resources	Armstrong	Dismissing cases from upcoming docket and new lega description for Armstrong wells?
Ashley Roush	12/2/2019	Ridge Runner Resources	Armstrong	Armstrong 32/33 well compulsory hearing set for 12/12. Interest in trade?

EXHIBIT 4

Affidavit of
Robert Shelton
OCD Case 20922
Ridge Runner Resources Operating, LLC
December 11, 2019



1004 N. Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

American Standard Energy Corporation 4800 N Scottsdale Rd., Suite 1400 Scottsdale, Arizona 85251

Re:

Armstrong 32-33 Fed Com W #1H Armstrong 32-33 Fed Com W #2H Armstrong 32-33 Fed Com B #1H Armstrong 32-33 Fed Com B #2H Armstrong 32-33 Fed Com B #3H Armstrong 32-33 Fed Com B #4H Sections 32 and 33, T-19-S, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 6 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate American Standard Energy Corporation owns a Leasehold/Working interest in Section 32, T-19-S, R-30-E, Lea County, New Mexico. American Standard Energy Corporation has the election to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to American Standard Energy Corporation's voluntary election of participation American Standard Energy Corporation may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,



1004 N. Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

COG Operating, LLC 550 West Texas Ave., Suite 100 Midland, Texas 79701

Re:

Armstrong 32-33 Fed Com W #1H Armstrong 32-33 Fed Com W #2H Armstrong 32-33 Fed Com B #1H Armstrong 32-33 Fed Com B #2H Armstrong 32-33 Fed Com B #3H Armstrong 32-33 Fed Com B #4H Sections 32 and 33, T-19-5, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 6 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate COG Operating, LLC owns a Leasehold/Working interest in Section 32, T-19-S, R-30-E, Lea County, New Mexico. COG Operating, LLC has the election to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to COG Operating, LLC's voluntary election of participation COG Operating, LLC may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,



1004 N, Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

Concho Oíl & Gas, LLC 550 West Texas Ave., Suite 100 Midland, Texas 79701

Re:

Armstrong 32-33 Fed Com W #1H Armstrong 32-33 Fed Com W #2H Armstrong 32-33 Fed Com B #1H Armstrong 32-33 Fed Com B #2H Armstrong 32-33 Fed Com B #3H Armstrong 32-33 Fed Com B #4H Sections 32 and 33, T-19-S, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 6 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate Concho Oil & Gas, LLC owns a Leasehold/Working interest in Section 32, T-19-S, R-30-E, Lea County, New Mexico. Concho Oil & Gas, LLC has the election to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to Concho Oil & Gas, LLC's voluntary election of participation Concho Oil & Gas, LLC may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,



1004 N. Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

First Roswell Company PO Box 1797 Roswell, New Mexico 88202-1797

Re:

Armstrong 32-33 Fed Com W #2H Armstrong 32-33 Fed Com B #4H Sections 32 and 33, T-19-S, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 2 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate First Roswell Company owns a Leasehold/Working interest in Section 33, T-19-S, R-30-E, Lea County, New Mexico. First Roswell Company has the election to voluntarily participate in the drilling and completion of these 2 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to First Roswell Company's voluntary election of participation, First Roswell Company may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,



1004 N, Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

G.P.C. Oil and Gas Corporation PO Box 50982 Midland, Texas 79710

Re:

Armstrong 32-33 Fed Com W #1H Armstrong 32-33 Fed Com W #2H Armstrong 32-33 Fed Com B #1H Armstrong 32-33 Fed Com B #2H Armstrong 32-33 Fed Com B #3H Armstrong 32-33 Fed Com B #4H Sections 32 and 33, T-19-S, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 6 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate G.P.C. Oil and Gas Corporation owns a Leasehold/Working interest in Section 32, T-19-S, R-30-E, Lea County, New Mexico. G.P.C. Oil and Gas Corporation has the election to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to G.P.C. Oil and Gas Corporation's voluntary election of participation G.P.C. Oil and Gas Corporation may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,



1004 N. Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

Julia Ann Hightower Barnett 2502 Auburn Place Midland, Texas 79705

Re:

Armstrong 32-33 Fed Com W #1H Armstrong 32-33 Fed Com W #2H Armstrong 32-33 Fed Com B #1H Armstrong 32-33 Fed Com B #2H Armstrong 32-33 Fed Com B #3H Armstrong 32-33 Fed Com B #4H Sections 32 and 33, T-19-S, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 6 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate Julia Ann Hightower Barnett owns a Leasehold/Working interest in Section 32, T-19-S, R-30-E, Lea County, New Mexico. Julia Ann Hightower Barnett has the election to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to Julia Ann Hightower Barnett's voluntary election of participation Julia Ann Hightower Barnett may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,



1004 N. Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

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

Re:

Armstrong 32-33 Fed Com W #1H Armstrong 32-33 Fed Com W #2H Armstrong 32-33 Fed Com B #1H Armstrong 32-33 Fed Com B #2H Armstrong 32-33 Fed Com B #3H Armstrong 32-33 Fed Com B #4H Sections 32 and 33, T-19-5, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 6 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate Marathon Oil Permian, LLC owns a Leasehold/Working interest in Section 32, T-19-S, R-30-E, Lea County, New Mexico. Marathon Oil Permian, LLC has the election to voluntarily participate in the drilling and completion of these 6 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to Marathon Oil Permian, LLC's voluntary election of participation Marathon Oil Permian, LLC may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,



1004 N. Big Spring Street Suite 325 Midland, TX 79701 (432) 684-7877

July 26, 2019

Trove Energy, LLC 1919 North Turner Street Hobbs, New Mexico 88240

Re:

Armstrong 32-33 Fed Com W #1H Armstrong 32-33 Fed Com B #1H Armstrong 32-33 Fed Com B #2H Sections 32 and 33, T-19-S, R-30-E, Lea County, New Mexico Armstrong Prospect

Gentlemen,

Ridge Runner Resources Operating, LLC, "RRR", hereby proposes the drilling of the 3 captioned wells at the SHL and BHL as identified on the enclosed AFE's. RRR's ownerships indicate Trove Energy, LLC owns a Leasehold/Working interest in Section 33, T-19-S, R-30-E, Lea County, New Mexico. Trove Energy, LLC has the election to voluntarily participate in the drilling and completion of these 3 horizontal wells for its ownership interest, as reflected on Exhibit A, attached to the enclosed Operating Agreement.

In the alternative to Trove Energy, LLC's voluntary election of participation, Trove Energy, LLC may elect to 1) sell its interest to RRR, or 2) elect to go non-consent under the terms of a pooling order issued by the NMOCD.

If you choose to voluntarily participate, please execute the Enclosed AFE's and Operating Agreement, including Exhibit H, after which returning to the attention of the undersigned.

Thank you for your cooperation.

Yours Truly,

Armsmo Us Complete items 1, 2, and 3. SENDER: con/P = 7/15

Complete items 1, 2, and 3. Printy our name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiace, or on the front if space permat. 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 malipiece, or on the front if space permits.

Article Addressed for. red by (Plinted Name) C. Date of Delivery G.P.C. Oil and Gas Corporation PO Box 50982 Marathon Oil Permian, LLC 15102 1-17 Midland, Texas 79710 5555 San Felipe Street Housaon, Texas 77056 ☐ Priority Mull Expression
☐ Registered Mull** 9590 9402 4617 9323 0610 50 9590 9402 4617 8323 0610 74 7018 0360 0000 3085 8906 PS Form 3811, July 2015 PSN 7530-02-000-9053 7018 0360 0000 3085 8920 of courts which court to PS in wm 3811, July 2015 PSN 7590-02-000-9083 Armstron Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.
Attach the scard to the back of the maliproce, or so the front if space permits.

Article Addressed to. SENDER COM SENDER COMPANY Sept + 1)(1/2) ☐ Agent ☐ Agent m Complete items 1, 2, and 3. Complete terms (2) and address on the reverse so that we can return the card to you.

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

 Analy Addressed to: C. Date of Deliv APPLAN VALLET D. is defining address different trans term 17. [] Yes ☐ Yat COG Operating, LLC 550 West Texas Ave., Suite 100 Concho Oil and Gas, LLC Midland, Texas 79701 550 West Texas Ave., Suite 100 3. Service Type South Synther II Agust Signature III Consteel Musto Midland, Texas 79701 G Priority Mail Expressión 5. Service Type School Service Described Mario 9590 9402 4617 8323 0610 36 9590 9402 4617 8323 0610 43 7018 0360 0000 3085 8883 7018 0360 0000 3085 8890 Restricted Delivery PS Form 3811, July 2015 PSN 7530-62-000-9053 Domestic Return Receipt PS Form 3811, July 2015 Pt 530-02-000-9053

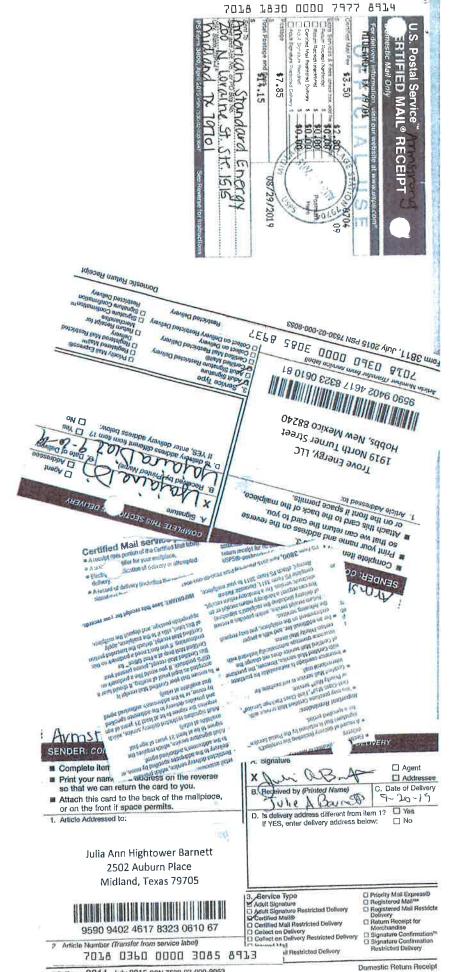


EXHIBIT 5

Affidavit of
Robert Shelton
OCD Case 20922
Ridge Runner Resources Operating, LLC
December 11, 2019

AFE#

Project: Field: Well: Location:

Parkway Prospect
Parkway, Bone Spring
Armstrong 32-33 Fed Com W #1H
SHL 360' FNL & 100' FWL (0) of Section 32-19S-30E
BHL 330' FNL & 100' FEL (A) of Section 33-19S-30E
Eddy Co... NM

xpenditure (AFE)

, .(D):

TVD:

Drilled Lateral Length:

Completed Lateral Length:

Target: 19,725 ft MD 9,610 ft 10,360 ft VS 9,787 ft Wolfcamp XY

Prognosis: New drill horizontal well. Closed loop. Completion: 9787 perf interval x 2500 lb/ft (24.	5						
MM lb), 2500 gal/ft (583k bbl), 90 bpm. 151' stages = 65 stages, plug & perf frac, Rigless prep w/ acid crew, CT drill-out. Flow up tubing and packer, then gas lift.	Code	Drilling Intangibles	Code	Completion Intangibles	Code	Production Intangibles	Total Co
Permits/ Well Signs	149	8,00	of present the		1		8.0
Damages/ Right of Way	179	20,000					20.0
Title & Abstracts, Drilling Title Opinion	142	10,000	-		1		10,0
Survey and Stake Location	181	5,000	186				5.0
Locations and Roads, Frac Pit.	143	100,000	343	100,000		30,000	230,0
Pit Lining Closed loop drilling (no reserve pit), frac pit.	143		335	10,000			10,0
Conductor (drilled & set)	121	20,000					20,0
Mobilization / Demobilization 4 days pre-spud (590k) + (rucks & cranes (\$100k)	167	180,000					180,0
Orilling (Day Work) 33 days spud - RR \$22,000 per day Bits	104	726,000	177				726,0
Downhole drilling tools & stabilization, survey tool	115	120,000	101100	3.000			123,0
Mud Logging 21 days \$2,000 per day	120	50,000 42,000			-	-	50,0 42,0
Open Hole Surveys/ Gyro	147	42,000	1				42,0
Water well, pump & line	190	5,000		10,000			15,0
Water/Brine/Mud Hauling	189	10,000	-	20,000			30,0
Fresh Water \$ 1.20 10,000 bbl drilling 699,071 bbl complin (20% excest)		12,000	0	838,885			850.8
Brine Water	116	10,000		050,005	1		10,0
Fuel \$ 2.50 1,700 gal/day	108	140,250	-	400,000			540,2
Mud & Chemicals Oil based mud in lateral	146	250,000	4	25,000		1	275,0
Tubular Inspection DP: Cat IV on 1 strings. Casing: clean, drift, visual 3 strings.	139	40,000		11 - 176			40,0
Orill string rental	128						
Casing Crew & LD Machine, CRT	117	35,000	317				35,0
Welding	191	1,500	391				1,50
Cementing	118	225,000	318				225,00
Directional Drilling 25 days \$13,000 per day	127	325,000					325.00
Wellsite Supervisor	801	82,500	306	40,000			122,50
Open Hole Logs	144						Garage St
Solids Control Equipment \$3,000 per day	172	99,000					99,00
Cultings Haul-off & Disposal	141	150,000		T 3780 7180800			150,00
Surface Rental Equipment \$4,000 rd Drilling Frac stack, fight towers, generators, housing	132	132,000		300,000			432,00
BOP Rental, stripper head Pulling Unit 5 days, 4000/d	160		360	-	1000		Constitution of the Consti
	-		354	20,000	354	12,000	32,00
Acidizing Acid crew to prep toe. Frac: see Prognosis above			310	20,000			20.00
Water Transfer			334	2,600,000	-	- 1	2,600,00
Completion Tools 64 frac plugs			386	120,000		- 1	120,00
Cased Hole Wireline & Perforating 65 stages, 10k lube			321	96,000 475,000			475,00
Coiled Tubing + Tools, Nitrogen			319	250,000		1	250,00
Flowback & Well Testing			303	120,000			120,00
Trucking	187	30,000		30,000		1	60,00
Environmental, Pit Closure			348	25,000			25 00
Materials & Supplies	176	5,000	376	22,532			5.00
Contract Labor, Roustabouts Welhead field service, NU crews, pit cleaning, basery construction	169	10,000	369	10,000	369	75.000	95,00
		0		.0		0	
TOTAL INTANGIBLES		2,843,250		5,512,885		117,000	8,473,13
rognosis: shallow 20" surface, 13-3/8" at B/salt, deep 9-5/8" intermediate near KOP, 10*/100' BUR	T						
urve, tapered 7" x 5-1/2" longstring. Single well tank battery allocation.		Drilling Tangibles		Completion		Production	
Industry Leasth Circ Passifelies December	Code	Tangioles	Code	Tangibles	Code	Tangibles	Total Cost
Surface 400 20 54 58 JSS 8T&C \$38.20		70.01					
	204	15,280	- 1				15,28
	206	185,500					185,50
1st Intermediate 3.500 133/8 68# J55 BTC \$53.00	206	341,443					341,44
2nd intermediate 8,950 9 5/8 47# L80 BT&C \$38 15		221,513	408				221,51
2nd intermediate 9,50 9.58 47# L90 BTAC \$38 15 Production 8,950 7" 29# HCP110 CDC HTQ \$24.75	408						178,32
2nd intermediate 9,950 9.58 4.78 L 90 BT&C \$38 15 Production 8,950 7° 298 HCP110 CDC HTQ \$24.75 Production 10,775 5 1/2 208 CY P110 CDC HTQ \$16.55	408 408	178,326	40B		1		76.07
2nd Intermediate 9.550 9.581 47# L80 BT&C \$38 15 Production 8.950 7" 29# HCP110 CDC HTQ \$24.75 Production 10,775 5 1/2 20# CY P110 CDC HTQ \$16.55 Tubing 8.950 3 1/2 9 3# L80 EUE \$8.50		178,326	40B 412	76,075			40 00
2nd Intermediate 9,950 9.58 4.7# L90 BTAC \$38 15 Production 8,950 7" 29# HCP110 CDC HTQ \$24.75 Production 10,775 5.1/2 200 CV P110 CDC HTQ \$16.55 Tubing 8,950 3.1/2 9.3# L80 EUE \$8.50 Velihead Equipment 200 CV P110 CDC HTQ \$1.00 EVE \$1.00 EVE	408	178,326 30,000		76,075 10.000			40,00
2nd Intermediate 9,50 9,50 9,50 4,7% L90 BTAC \$38 15 Production 8,950 7° 29# HCP110 CDC HTQ \$24.75 Production 10,775 5 1/2 20¢ CV P110 CDC HTQ \$16.95 Tubing 8,950 3 1/2 9 3# L80 EUE \$8.50 Velihead Equipment 6 Centralizers, Wet Shoe \$1.00 \$1.00	408	178,326	412				
2nd Intermediate	408	178,326 30,000	412 493	10,000 8,500			8,50
2nd Intermediate	408 293 233,210	178,326 30,000	412 493 410	10.000			
2nd Intermediate	408 293 233,210	178,326 30,000	412 493 410 454	10,000 8,500	480	200,000	45,00
2nd Intermediate	408 293 233,210	178,326 30,000	412 493 410 454	10,000 8,500	480 ← □	200,000 300,000	45,000 200,000
2nd Intermediate	408 293 233,210	178,326 30,000	412 493 410 454	10,000 8,500	7.4		45,000 200,000 300,000
2nd Intermediate	408 293 233,210	178,326 30,000	412 493 410 454	10,000 8,500	़⇔	300,000	8,500 45,000 200,000 300,000 125,000 25,000
2nd Intermediate	408 293 233,210	178,326 30,000	412 493 410 454 434 432	10,000 8,500 45,000	़⇔	300,000	45,000 200,000 300,000 125,000
2nd Intermediate	408 293 233,210	178,326 30,000	412 493 410 454 434 432	10,000 8,500 45,000	← 478	300,000	45,00 200,00 300,00 125,00 25,00
2nd Intermediate	408 293 233,210	178,326 30,000 40,000	412 493 410 454 434 439	10.000 8,500 45,000 25,000	← 478	300,000	45,00 200,00 300,00 125,00 25,00
2nd Intermediate	408 293 233,210	178,326 30,000 40,000	412 493 410 454 439 439	10.000 8,500 45,000 25,000	← 478	300,000	45,00 200,00 300,00 125,00 25,00
2nd Intermediate 9,950 9 5/8 47# L9D BTAC S38 15 Production 8,950 7* 29# HCP110 COC HTQ 924 75 Production 10,775 5 1/2 20# CV P110 COC HTQ 316 55 Tubing 8,950 3 1/2 9 3# L8D EUE 86 50 Velihead Equipment 8 Centralizers, Wet Shoe ner hanger, Packer, TAC, other downhols tools AS1X packer owlines, Valves, Fittings anks attery. Pumps 45#/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT eparation Equipment Inlet sep. HT, gas scrubber, VRT as Lift Valves and surface equipment sampressors/Dehydrators Rental gas lift compressor samples Meter Run ownhole Pumping Equipment & Rods amping Unit, base and prime mover	408 293 233,210	178,326 30,000 40,000	412 493 410 454 434 439 450 002,479	10.000 8,500 45,000 25,000	← 478	300,000 125,000	45,00 200,00 300,00 125,00 25,00 (5,00
2nd Intermediate 9,950 9 5/8 47# L90 BTAC \$38 15 Production 8,950 7* 29# HCP110 CDC HTQ \$24 75 Production 10,775 5 1/2 20# CV P110 CDC HTQ \$16 55 Tubing 8,950 3 1/2 9 3# L80 EUE \$8 50 Velthead Equipment Toat Equipment & Centralizers, Wet Shoe ner hanger, Packer, TAC, other downhole tools AS1X packer Tookwines, Valves, Fittings anks antery, Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT paparation Equipment Infel sep, HT, gas scrubber, VRT as Lift Valves and surface equipment Tompressors/Dehydrators as Meter Run Townhole Pumping Equipment & Rods Tomping Unit, base and prime mover ectrical Installation	408 293 233,210	178,326 30,000 40,000	412 493 410 454 434 439 450 002,479	10,000 8,500 45,000 25,000	478 438	300,000	45,000 200,000 300,000 125,000 (5,000
2nd Intermediate 9,950 9 5/8 47# L9D BTAC S38 15 Production 8,950 7* 29# HCP110 COC HTQ 924 75 Production 10,775 5 1/2 20# CV P110 COC HTQ 316 55 Tubing 8,950 3 1/2 9 3# L8D EUE 86 50 Velihead Equipment 8 Centralizers, Wet Shoe ner hanger, Packer, TAC, other downhols tools AS1X packer owlines, Valves, Fittings anks attery. Pumps 45#/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT eparation Equipment Inlet sep. HT, gas scrubber, VRT as Lift Valves and surface equipment sampressors/Dehydrators Rental gas lift compressor samples Meter Run ownhole Pumping Equipment & Rods amping Unit, base and prime mover	408 293 233,210	178,326 30,000 40,000	412 493 410 454 439 439 450 03,472 465	10,000 8,500 45,000 25,000 15,000	478 438 428	300,000 125,000 50,000 0 675,000	45,000 200,000 300,000 125,000 25,000 (5,000
2nd Intermediate 9,50 9 5/8 47# L90 BTAC \$38 15 Production 8,950 7* 29# HCP110 CDC HTQ \$24 75 Production 10,775 5 1/2 20# CV P110 CDC HTQ \$16 55 Tubing 8,950 3 1/2 9 3# L80 EUE \$8 50 Pethead Equipment Coat Equipment & Centralizers, Wet Shoe ner hanger, Packer, TAC, other downhole tools AS1X packer ownines, Valves, Fittings and Safety Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT apparation Equipment Infel sep, HT, gas scrubber, VRT as Lift Valves and surface equipment south of the sep in the sep	408 293 233,210 254	178,326 30,000 40,000	412 493 410 454 439 439 450 03,472 465	10,000 8,500 45,000 25,000	478 438 428	300,000 125,000 50,000 0 675,000	45,00 200,00 300,00 125,00 25,00 (5,00)

	0	0	0	- (
TOTAL TANGIBLES	1,012,061	179,575	675,000	1,866,636
TOTAL WELL COST	Drilling 3,855,311	5,692,460	Production 792,000	Total 10,339,771
Prepared By: Kelvin Fisher Date: 7/24/20	019 Drill & Complet	e 9,547,771		
Approval: Date: 7/24/20	019			
Partner Approval	Amo	unt:		
Joint Owner:				
Working Interest:	Joint Owner Appro	yal:		
By execution of this AFE The above signee is agreeing to be covered by the Operator's well controlled and such insurance, neither of which is guaranteed as sufficient by Operator. In order to decyour must sign below and provide a Certificate of Insurance with waiver of subrogation prior to sour for any loss to your interest and covered by your insurance or as otherwise set forth in Exhibit D of	cline coverage by Operator's well control insurant id date and agree to hold Operator harmless	s ce,		
Agree to decline coverage, provide proof, and hold harmless:				

AFE #

Project: Parkway Prospect
Field: Wildcat; Wolfcamp
Armstrong 32-33 Fed Com W #2H
Location: SHL 360' FSL & 100' FWL (M) of Section

Authority For Expenditure (AFE)

TD (MD):

TVD:

Drilled Lateral Length:
30E

Completed Lateral Length: 19,725 ft MD 9,610 ft 10,360 ft VS 9,787 ft

Location: SHI, 360' FSL & 100' FWL (M) of Section 32-19S-30E BHL 330' FSL & 100' FEL (P) of Section 33-19S-30E	Complet	ed Lateral Le Ta	ngth: irget;	9,787 Wolfcamp X	y ft		
Eddy Co , NM							
Sufface location is approximate and may be moved to find a suitable legal location free of terrain/o	Name and Address of the Owner, where	habitat/cultu	ral or a	ther surface us	e contr	aints	
Prognosis: New drill horizontal well. Closed loop. Completion: 9787 perfinterval x 2500 lb/ft (24,5		1					
MM lb], 2500 ga]/k (583k bbi), 90 bpm. 151' stages = 65 stages, plug & perf frac, Rigless prep w/ acid crew, CT drill-out Flow up tubing and packer, then gas lift,	Code	Drilling Intangibles	Code	Completion	III .	Production e Intangibles	III.
Parmits/ Well Signa	149	8,00	1		1		6.
Damagest Right of Way	179	20,00	379		1	10	20,
Title & Abstracts, Drilling Title Opinion	142	10,00				I.	10.
Survey and Stake Location	181	5,00			1		5.
Locations and Roads, Frac Pit	143	100,00		100,000	- 10	30,000	
Pit Lining Closed loop drilling (no reserve ps), frac pit	140	20.00	335	10,000	1	4	10
Conductor (critical & set) Mobilization / Demobilization 4 days pre-apud (\$80k) + trucks & crangs (\$100k)	121	180,000		1	1	10	180
Orilling (Day Work) 33 days sput - RR \$22,000 per day	104	726,000		1	1	}	726
3/18	115	120,00		3,000		1	123
Cownhole drilling tools & stabilization, survey tool	128	50,000		50000	1	1	50
fluid Logging 21 days \$2,000 per day	147	42,000		1	1	1	42
Open Hole Surveys/ Gyra	148		K	i	1		l l
Nater well, pump & line	190	5,000		10 000	4		15
Vater/Brine/Mud Hauling	189	10,000		20.000		1	30
resh Water 5 1 20 10,000 bbl drilling 699.071 bbl compln (20% escents)	190	12,000		838,865	4		850
Irine Water	116	10,000		5550993	1	1	10
uel 5 2 50 1,700 gal/day	108	140,250		400,000		1	540
fud & Chemicals Oil based mud in lateral	146	250,000		25,000	1	1	275
ubular Inspection OP: Cat IV on 1 strings. Casing: clean, drift, visual 3 strings.	139	40,000	339	1	1	1	40
Onlisting rental Casing Grew & LD Machine, CRT	128	35,000			1	į.	- 122
Velding	117	52 12 000	31		ł	1	35
conenting	194	1,500					225
irectional Drilling 25 days \$13,000 per day		325,000				1	325
Vellaite Supervisor	127	62,500		40,000	ğ		122
pan Hole Logs	144	02,500	300	40,000			122
olide Control Equipment \$3,000 per day	172	99,000		1		1	99
uttings Haul-off & Disposal	141	150,000				1	150
urface Rental Equipment \$4,000 At Onling Frac stack light towers, generators, housing	112	132,000		300,000	i		432
OP Rental, stripper head	160	- A	360	Station	1		
ulling Unit 5 days, 4000ld			354	20,000	354	12 000	323
cidizing Acid crew to prep toe	3		310	20,000			20.
rac Frac; see Prognosis above			334	2.600,000		1	2.600
later Transfer	1 1		386	120,000		9	120 (
ompletion Tools 64 frac plugs			321	96,000			96 (
ased Hole Wireline & Perforating 65 stages, 10k lube			344	475 000		1	475,0
piled Tubing + Tools, Nitrogen	1		319	250,000		1 1	250.0
owback & Well Testing		148333	133	120,000			120.0
ocking syronmental, Pit Closure	187	30,000		30,000			60.0
sterials & Supplies	1	10000	348	25,000	0		25.0
ontract Labor. Roustabouls Welhead field service. NU crows, priceating, battary construction	178	5,000		veral.		7 802 7007	5.0
Harrison and Service and Color of Contraction	149	10.000	369	10.000	369	75,000	95.0
YALINTANGIBLES		2,843,250		5,512,885	-	117,000	8,473,1
ognosis: shallow 20" surface, 13-3/8" at 8/sair, deep 9-5/8' intermediate near KOP, 10*/100' BUR rve, tapered 7" x 5-1/2" longstring. Single well tank battery allocation.		Drilling		Completion		Production	-
	Code	- 1	Code	Tangibles	Code	Tangibles	Total Co
Surface 400 20 54 54 155 FTEC 400 30	1	PENTER		-			
330 20	204	15,280				1	15.2
433 60	208	185,500	- 1			1	185,5
\$50.15	206	341,443		1		- 1	341.4
Production 8,950 7" 29# HCP110 CDC HTG \$24.75	400	221,513	408	Y			221,5
Production 10,775 5 1/2 20# CY P110 CDC HTQ \$16.55	408	178,326	409	1	1	1	178,3
Ubing 8,950 3 1/2 9 3# L80 EUE \$8.50	1		412	76,075	1		76,0
Mead Equipment	290	30,000	493	10,000			40 0
# Equipment & Centralizers, Wel Shoe	533 510	40,000	410	İ		1	40,0
	254		454	8 500	İ		8 5
.0-1-3-W III	1 1	1	34 432	45,000			45,0
ilinas, Valves, Fittings		9			480	200,000	200 0
≀linas, Valves, Fittings	1				\bigcirc $ $	300,000	300,0
vilnas, Valves, Fittings ka ary Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapar Rec 484/LACT		1			478	125,000	125,0
vilinas, Valves, Fittings ka arr, Pumps 458/Meiers 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT aration Equipment (niet sep, HT, gas acrubber VRT				- 1	4/0		25.00
vilinas, Valves, Fittings ka aby, Pumps 458/Meiérs 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT aration Equipment (rilet sep. HT gas scrubber VRT Lift Valves and surface aquipment			439	- 0	4/0	1	20,0
wiinas, Valves, Fittings kę ery Pumps 450/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT aralion Equipment intel sep, HT gas scrubber VRT Lift Valves and surface aquipment ipressors/Dehydrators Rental gas lift compressor			439	25,000	476	-	300
wilnas, Valves, Fittings ka ery Pumps 458/Meiers 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT ar8iion Equipment inlet sep, HT. gas scrubber VRT Lift Valves and surface aquipment priessors/Dehydrators Rental gas lift compressor Meter Run			439 450	- 1	1	-	
wilnas, Valves, Fittings ks ery: Pumps 458/Meiers 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT aration Equipment (file) kap, HT gas acrubber VRT Lift Valves and surface acuipment inpressors/Dehydralors Rental gas lift compressor Meter Run nhole Pumping Equipment & Rods			-	25,000	1		
wilnas, Valves, Fittings ika legy Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT aration Equipment Infat sap, HT gas scrubber VRT i Lift Valves and surface aquipment prossors/Dehydrators Rental gas lift compressor Meter Run whole Pumping Equipment & Rods pping Unit, base and prime mover		4	450	25,000	1		
wilnes, Valves, Fittings ks les fery Pumps 458/Meiers 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT laration Equipment intel sep, HT gas acrubber VRT r.Lift Valves and surface aquipment npressors/Dehydrators Rental gas lift compressor Meter Run whole Pumping Equipment & Rods ping Unit, base and prime mover tricel Installation		Q	450 52 470	25,000 15,000	1	\$0,000 0	15,00
wilnos, Valves, Fittings ks 679; Pumps 456/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT aration Equipment intel sep, HT gas scrubber VRT Lift Valves and surface acuipment prossors/Dehydrators Rental gas lift compressor Meter Run nhole Pumping Equipment & Rods ping Unit, base and prime mover		1,012,061 Эпния .858,311	450 52 470 465	25,000 15,000	478 428	\$0,000 0 975,000 Production	15,00

	4	11	10 0	\sim	300,000	300,000
Séparation Equipment Infet sep, HT, gas scrubber VRT	1 1	1	1 1	479	125.000	125,000
Gas Lift Valves and surface equipment		439	25,000		1	25,000
Compressors/Dehydrators Rental gas lift compressor	1 1	1	2.1	436	1	0
Gas Mater Run	1 1	450	15,000	.,,=		15,000
Downhole Pumping Equipment & Rods	1 1	482 470			1	0
Pumping Unit, base and prime mover	1 1	465	1	i ji	ĝ.	0
Electrical Installation			1 1	428	50.000	50,000
		9	0	420	30,000	30,030
TOTAL TANGIBLES	1,012.0	51	179.575		675,000	1,866,636
	Oniting		Completion	_	Production	Total
TOTAL WELL COST	3,858,31	1	5,692,460		792,000	10,339,771
Approval: Date: 9/17/2019 Welvin Fisher, C.O.O.						
Partner Approval		Ampur				
aint Owner:		Amour	11;			
Norking Interest:	Jaint Owns	r Approva	al:			
by execution of this AFE, the above signes is agreeing to be covered by the Operator's well control insurance after of such insurance, neither of which is quaranteed as sufficient by Operator. In order to decline coverag our most sign below and provide a Certificate of Insurance with warver of subregator pinor to sput date and a por any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit O of the Joint Op- agree to decline coverage, provide proof, and hold harmless:	e by Operator's well control offee to hold Operator harm	insurance.	2			
ly		Date				

AFE #

Project: Parkway Prospect
Field: Parkway, Bone Spring
Well: Armstrong 32-33 Fed Com B W1H
Location: ShL 330' FNL & 100' FNL (D) of Section 32-195-306
Eddy Co., NM
Strong Sapproximate and may be moved to find a suitable legal location.

Prognosis: New drill horizontal well. Closed loop. Completion: 9787 perFinterval x 2500 lb/lt (24,5 MM lb), 2500 ga]/fr (583k bbl), 90 bpm. 151' stages = 65 stages, plug & perf frac, Rigless prep w/		Orllling		Completion		Production	
acid crew CT drill-out, Flow up tubing and packer, then gas lift,	Code	Intangibles	Code	Intangibles	Code		Total Cost
Permits/ Well Signs	149	8,000					8,00
Damages/ Right of Way	179	20,000	379		. /		20,00
Title & Abstracts, Drilling Title Opinion	142	10,000		1		1	10,00
Survey and Stake Location	181	5,000	381		1		5,00
Locations and Roads, Frac Pit	143	100,000	343	100,000		30.000	230 00
Pit Lining Closed Joop drilling (no reserve pit), frac pit	143		335	10,000			10,00
Conductor (drilled & set)	121	20,000				1 1	20,00
Mobilization / Demobilization 4 days pre-spud (\$80k) + trucks & cranse (\$100k)	187	180,000	367				160,00
Oriting (Day Work) 32 days spud - RR \$22,000 per day	104	704 000	304	1			704,00
Bits	115	120,000	316	3,000		1	123,00
Downhole drilling tools & stabilization, survey tool	128	50,000		50.050		1 1	50,000
Mud Lagging 20 days \$2,000 per day	147	40,000		1			40,00
Open Hale Surveys/ Gyra	148		1	1			1
Water well, pump & line	180	5,000		10 000			15 00
Water/Brins/Mud Hauling	189	10,000	389	20,000		1 1	30,00
Fresh Water \$ 1.20 10,000 bbl drilling 699,071 bbl comple (20% excess)	180	12,000		636 885		1	850 883
Brine Water	116	10.000	316			1	10 000
Fuet 5 2 50 1,700 geliday	108	136,000	308	400 000		1 1	538,000
Mud & Chemicals Oil based mud in lateral	146	250,000	348	25 000		1	275,000
Tubular Inspection DP Cat IV on 1 strings Casing: clean, drift, visual 3 strings	139	40 000	119				40,000
Orill string rental	128	53,530					
Cesing Crew & LD Machine, CRT	117	35,000	317	-			35,000
Welding	194	1,500	391				1,500
Cementing	118	225,000	318	1	1	1	225,000
Oirectional Drilling 24 days \$13,000 perday	127	312,000		1	- 1		312,000
Wallsite Supervisor	106	80,000	306	40,000			120,000
Open Hole Logs	144				- 1		0
Solids Control Equipment \$3,000 per day	172	96 000			1		95,000
Cultings Haul-off & Disposal	141	150,000			- 1	_	150,000
Surface Rental Equipment \$4,000 M Driting Frac stack, fight towers generators, housing	132	128 000	332	300,000	1		428 000
BOP Rental, stripper head	180	77/200	380				0
Pulling Unit 5 days, 4000/d	1		354	20 000	354	12 000	32,000
Acidizing Acid craw to prep toe	1		310	20,000	-		20,000
rac Frac see Prognosia above	l i	1	334	2 500 000	Ī	1	2,600,000
Water Transfer	1		386	120,000		1	120,000
Completion Tools 84 frac plugs		1	321	96,000		1	96 000
Cased Hole Wireline & Perforating 85 stages, 10k lube		1	344	475 000			475 000
Colled Tubing + Tools, Mitrogen	1	1	319	250 000			250 000
lowback & Well Testing		1	123	120 000		6	120,000
rucking	187	30.000	387	30 000	-		60,000
invironmental, Pit Closura			348	25 000	1		25 000
faterials & Supplies	176	5,000	376		1	1	5 000
contract Labor, Roustabouts Welhead field service. NU crews, od cleaning, sattery construction	189		369	10,000	369	75 000	95,000
87.1.004.118.0178		0		0		0	0
OTALINTANGIBLES		2,792,500		5,512,885		117,000	8,422,386

turve, tapered 7" x 5-	1/2" longstrin	g Singl	e well tank battery allocatio	n	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars	Leneth	Size	Description	Price/ft FOB Loc							
Surface	400	20	54 5N J55 BT&C	\$38 20	204	15,280			h i		15,28
1st Intermediate	3,500	13 3/8	88# J55 BTC	\$53 00	206	185,500			1	1	185,50
2nd intermediate	8,700	9 5/8	47# L60 BT&C	\$38 15	208	331,905					331,90
Production	8,700	7"	29# HCP110 CDC HTQ	\$24.75	408	215,325	408			1 1	215,32
Production	10,785	5 1/2	20% CY P110 CDC HTQ	\$16.55	408	178,492	408			1	178 49
Tubing	8,700	3 1/2	9 3# L80 EUE	\$8.50	1 1		412	73,950		1 1	73 95
Welmand Equipment					293	30,000	493	10,000		i l	40.00
Flout Equipment & Cent	ralizers, Wat	Shoe			230 210	40,000	410	27775		1 1	40,00
Liner hanger, Packor, T.	AC, other dov	vnhale (c	ools AS1X p	acker	284		454	8,500			8,50
Flowlines, Valves, Filtin	38				1 1		434 432	45,000			45,00
Tanks					1 1				460	200 000	200,00
Battery: Pumps 458/Met	ere 450/Coni	rols/Valu	es/Connections 432/Vapor R	sec 484/LACT	1 1	1	1	1	\bigcirc	300.000	300.00
Separation Equipment	inlet sep. H	IT, gas s	crubber, VRT		1 1		1		476	125,000	125.00
Sas Lift Valves and surf	ace equipmen	nt.			1 1	1	439	25,000		11555000000	25.00
Compressors/Dehydrato	r _s		Rental gas lift compressor		1 1	1	1	1400000000	438		
Sas Meter Run					1 1	- 1	450	15.000			15,000
Downhole Pumping Equ	pment & Rod	ls.			1	1	402 +70			1 3	
umping Unit base and	prime mover					1	485	1	1		
lectrical Installation						1	1	1	426	50,000	80.000
						0		0		0	
OTAL TANGIBLES						996,502		177,450		675,000	1,848,952
DTAL WELL COST						Drilling 3,789,002		5.690,335		Production 792,000	Total 10,271,337

Gas Meter Run Downhole Pumping Equipment & Rods Pumping Unit: base and prime mover Electrical Installation		0	450 4 02 470 485	15.000	426	50,000	15.04 80.00
TOTAL TANGIBLES		996,502		177,450		675,000	1,848,95
TOTAL WELL COST		3,789,002		5,690,335		792,000	Total 10,271,33
Prepared By: Kelvin Fund Date: 7/24/2019 Approval: Date: 7/24/2019		Drill & Con	nplete	9,479,337			
Kelvin Fisher, C.O.O.			-			-	
artner Approval			Amoun	t:			
oint Owner: Vorking Interest:		Joint Owner	P pprova	l:			
y execution of this AFE, the above signes is agressing to be covered by the Operator's well control insulanter of such insurance, neither of which is gueranteed as sufficient by Operator. In order to define or our must sign below and provide a Cartificate of insurance with weither of subrogation prior to sput dele in any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit O of the Jc.	overage by Operator and agree to hold C	re wall control in: Operator harmles	surance.				
gree to decline coverage, provide proof, and hold harmless:							
у			Date: _				

AFE#

Authority For Expenditure (AFE)

TD (MD):
TVD:
Drilled Lateral Length:
306 Completed Lateral Length: 19,485 9,370 10,360 9,787 ft MD ft ft VS ft Location:

				oble legal location free of terrain/ 9787 perf interval x 2500 lb/ft (74:		/hobitat/cuite	ral or o	ther surface us	e conn	raints	-
MM lb), 2500 gai/fr	(583k bbi), 90	bpm :	151' stages = 65 stages nd packer, then gas lift	plug & perf frac Rigless prep w/	Cod	Drilling Intangible	\$ Code	Completion		Production e Intangible	
Permiss Well Signs					149	8.00	C	-	Tana	AND DESCRIPTION OF THE PARTY.	
Damages Right of V Title & Abstracts, Dri		3100			179		0.00			1	25
Suvey and Stake Lo		IIQII			181	5,00			ř	1	10
Locations and Roads					143	100,00		100,000	0	30,00	
Pit Lining		loop dril	lling (no reserve pit). Irac	; pli	143	0.000	335	10.000	0	200000	91
Conductor (drilled & Mobilization / Demob		A days	s pre-spud (\$80k) + truck	2 aroner (8100k)	121	180.00	7. H		A		180
Drilling (Day Work)	JIII 2 011011	32		\$22,000 per day	184	704.00					70
Bits				, , , , , , , , , , , , , , , , , , , ,	115	120,00	7.0	3 000	0		12
Downhole drilling too	ds & stebilizat				128	50,00					56
Mud Logging Open Hole Surveys/	Comm	20	days	\$2,000 per day	*47	40.00	0	4		1	- 40
Water well, pump & i					- 48	5.00		10.000			15
Water/Brins/Muc Has					109	10.00		20.000			30
Fresh Water	\$ 120	19.0	000 bbl droling	699,071 bbl cumplin (20% excess)	190	12,00	0	838 865	5		850
Brine Water Fuel	0.050		700		116	10,00		994087565			10
Mud & Chemicals	\$ 2.50 Oli base		700 gal/day		108	136,00		400,000			536 275
Tubular Inspection			strings Casing clean,	driff vieyal 3 strings	139	40.00		23.00	1		40
Coll string rental					128		1			1	1
Casing Crew & LD M	achine, CRT				117	35,000				1	35
Watding Comenting					191	1,500	4			1	40
Directional Drilling		24	days	\$13,000 per day	127	225,000 312,000				1	325
Wellsite Supervisor				910,000 por 00y	100	80.000		40 000	2	1	120
Open Hole Loga					144						
Solids Control Equipm Cuttings Heal-off & Di				\$3 000 per day	172	95,000			ì	1	96
Surface Rental Equips		\$4.00	10 M Drie on Francisco	hi lowers generalors, housing	141	150,000		300,000		1	150
BOP Rental stripper i		3-100	or recoming reactions by	u kwasa denevarez udazkili	180	128,000	150	300,000	1		428
Pulling Unit		5 days	4000/g		1		354	20 000	154	12 000	32
Acidizing	Acid cray				1		310	20,000	1		20
Frac Water Transfer	Frac sea	Progno	eve above		1		134	2,600,000		1	2 500
Completion Tools	64	trac plu	gs			1	386 321	120,000 96,000			120
ared Hote Wireline	& Perforating		55 steges, 10k lube				344	475 000			475
oiled Tubing + Tools							319	250 000			250
Towback & Well Testi Frucking	អាជ្ញ				1	A COURSE OF	333	120 000			120
nvironmental Pit Clo.	sure				187	30,000	0 11	30,000			60
					+16	5 000	369 376	25 000			25
Asterials & Supplies					rio j	J WAY	3/0				5
	abouts :	Meinead	Sold service NL crews putch	saring, hallery construction	169	10,000		10 000	30,9	75,000	
Anterials & Supplies Contract Labor, Roussi OTAL INTANGIBLES	8boufs	Meinead	Sold service INU crews put of	Bäring. Nalsery construction	10 4	10,000	Jes	0)	અહ	D	95
OTAL INTANGIBLES					10 4		Jes	10 000 0 5,512,885	369	75.000 0 117,000	95
OTAL INTANGIBLES	surface, 13-3	/S" at 8		mediate sear KOP, 10*/100-BUR	163	10,000 0 2,792,500 Drilling	368	5,512,885 Completion		117,000 Production	
OTAL INTANGIBLES rognosis: shallow 20' www. tapered 7" 4 5- ubulars	surface, 13-3 1/2" longstrin Length	g Singl	3/salt. deep 9-5/8 Inter le well tank battery allo Description	mediate sear KOP, 10*/100-BUR	10 4	10,000 0 2,792,500 Drilling Tangibles	Jes	5,512,885 Completion	ou9	117,000	95 8,422,
OTAL INTANGIBLES rognosis: shallow 20 uvve, tapezed 7" 4 5- ubulers Surface	surface, 13-3 1/2" longstrin Latenth 400	g Single	3/salt. deep 9-5/8 Inter le well tank battery allo Or schoolon 54 54 165 8760	mediate near KOP, 10°/100° BUR ration Proof FOB Loc 535 20	169 Code	10,000 0 2,792,500 Drilling Tangibles	368	5,512,885 Completion		117,000 Production	95.1 8,422; Tótal Co
OTAL INTANGIBLES rognosis: shallow 20' usve, tapezed 7" z 5- ubulars Surface 1st intermediate	Surface, 13-3 1/2" longstrin Longin 400 3-500	Size	Sissit deep 9-578 Inter le well tank battery allo Describin 54-54-356 BT&C 888-356 BT&C	mediate near KOP 10°/100 BUR ration Proof EQB Loc 535 20 \$53 00	Cade 204 206	10,000 0 2,792,560 Drilling Tangibles 15,280 185,500	368	5,512,885 Completion		117,000 Production	95.1 8,422, Tótal Co 15.2 185.5
ontract Labor, Rousii OTAL INTANGIBLES rognosist shallow 20' www.tapered 7" c 5- ubulars Surface 1st intermediate and intermediate	Surface, 13-3 1/2" longstrin 490 3 500 8 700	500 Single 20 13 3/8 9 5/8	S/salt deep 9-5/8 Inter- le well tank battery allo Ot schotlon 54-54-165-876C 880-355-87C 478-180-878C	mediate near KOP, 10*/100 BUR ration Proof FOR Loc \$35 20 \$33 00 \$38 15	Code 204 206 206	10,000 0 2,792,560 Drilling Tangibles 15,280 185,500 331,805	J6R Code	5,512,885 Completion		117,000 Production	95 (8,422) Tótal Co 15 2 185 5 331 9
ontract Labor, Rousii OTAL INTANGIBLES rognosis: shallow 20' uve, tapezed 7" a 5- ubulars Surface Lat intermediate	Surface, 13-3 1/2" longstrin Longin 400 3-500	Size	Disait, deep 9-5/8 Inter le well tank battery also Describion 5-4 % 1-96 BT-6C 88# 1-5-6 BT-6C 88# 1-5-6 BT-6C 20# HCP110 CDC HTO	mediate near KOP, 10*/300 BUR ration Proced FOR Loc \$35.20 \$50.00 \$88.55 \$24.75	204 206 206 408	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,505 215,325	J6R Code	5,512,885 Completion		117,000 Production	95.422. Total Co 15.2 185.5 331.9 215.3
ontract Labor, Rousis OTAL INTANGIBLES regnosist shallow 20' unit, Tapered 7" x 5- ubilars Surface 1 at Intermediate 2nd Imarmediate Production	Surface, 13-3 1/2" longstrin 400 3-500 8-700 8-700	Size 20 13 3/8 9 5/8 /"	S/salt deep 9-5/8 Inter- le well tank battery allo Ot schotlon 54-54-165-876C 880-355-87C 478-180-878C	mediate near KOP, 10*/100 BUR ration Proof FOR Loc \$35 20 \$33 00 \$38 15	Code 204 206 206	10,000 0 2,792,560 Drilling Tangibles 15,280 185,500 331,805	36R Code 408 408	5,512,885 Completion Tangibles		117,000 Production	95.1 8.422, Tótal Co 15.2 185.5 331.9 215.3 178.4
ontract Labor, Rousit OTAL INTANGIBLES regnosis: shallow 20' wive, tapered 7" c 5- ubulers Surface 1et intermediate 2nd intermediate Production Production Tubing eithead Equipment	Surface, 13-3 1/2" longstrin 400 3 500 8 700 8 700 10 785 8 700	9 Single 20 13 3/8 9 5/8 /" 5 1/2 3 1/2	Missit: deep 9-578 Inter le well tank battery allo Descondion 54 59 155 BTGC 888 155 BTGC 888 155 BTGC 209 HCP110 CDC HTG 200 CY P110 CDC HTG	mediate near KOP, 10°/100 BUR ration Proof FOR Log \$35 20 \$53 00 \$38 15 \$24 75 \$16 55	204 206 206 408	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,505 215,325	368 Code 408 408 412	5,512,885 Completion		117,000 Production	76tal Co 155 185,5 331 S 215 3 178 4 73 5
ontract Labor, Rousit OTAL INTANGIBLES regnesis: shallow 20' unve, rapered 7" x 5- ubulars Surface 1et intermediate 2nd intermediate Production Production Tubing withhald Equipment & Can	Surface, 13-3 1/2" longstrin 400 3 500 8 700 8 700 10 785 8 760 tratizers, Wat	9 Single 20 13 3/8 9 5/8 /// 5 1/2 3 1/2 Shore	Dispit, deep 9-5/8 Inter le well tank battery allo Descrition 54 59 155 BT&C 888 155 BT&C 259 HCP110 CDC HTQ 9-39 LBC EUE	mediate near KOP, 10*/100 BUR ration Proof FOR Log \$35 20 \$30 00 \$38 15 \$24 75 \$16 55 \$8 50	204 206 206 408 408	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,505 215,325 176,492	368 Code 408 408 412	5,512,885 Completion Tangibles		117,000 Production	95.422. Total Co 15.2 185.5 331.9 215.3
ontract Labor, Rouse OTAL INTANGIBLES regness's shallow 20' unve, tapered 7" a 5- ubulars Surface 1st intermediate 3nd intermediate Production Production Tubing eithaad Equipment out Equipment & Cent out Panger, Packer, T.	Surface, 13-3 1/2" longstrin 400 3 500 8 700 8 700 10 785 8 700 Iradizers, Wei	9 Single 20 13 3/8 9 5/8 /// 5 1/2 3 1/2 Shore	Dispit, deep 9-5/8 Inter le well tank battery allo Descrition 54 59 155 BT&C 888 155 BT&C 259 HCP110 CDC HTQ 9-39 LBC EUE	mediate near KOP, 10°/100 BUR ration Proof FOR Log \$35 20 \$53 00 \$38 15 \$24 75 \$16 55	204 206 206 408 408	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	368 Code 408 412 493 410 454	0 .5,512,885 Completion Tangibles 73,950 10,000		117,000 Production	76tal Co 152 185,6 331 9 215 3 178 4 73 9 40 0 8 5
ontract Labor, Rousis OTAL INTANGIBLES regnesis: shallow 20 user, tapered 7" z 5- ubulars Surface 1et Intermediate 2nd Intermediate Production Tubing without Equipment Dut Equipment & Cent out hanger, Packer, T, owlines, Valvas, Fittin	Surface, 13-3 1/2" longstrin 400 3 500 8 700 8 700 10 785 8 700 Iradizers, Wei	9 Single 20 13 3/8 9 5/8 /// 5 1/2 3 1/2 Shore	Dispit, deep 9-5/8 Inter le well tank battery allo Descrition 54 59 155 BT&C 888 155 BT&C 259 HCP110 CDC HTQ 9-39 LBC EUE	mediate near KOP, 10*/100 BUR ration Proof FOR Log \$35 20 \$30 00 \$38 15 \$24 75 \$16 55 \$8 50	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	40A 40A 40A 412 493 410	0 5,512,885 Completion Tangibles 73,950 10,000	Code	117,000 Production Tangibles	76tal Co 152 185,6 331 9 215 2 178 4 73 9 40 0 8 5 45 0
ontract Labor, Rousit OTAL INTANGIBLES regnesis: shallow 20' unve, rapered 7" x 5. ubulars Surface 1et intermediate 2nd intermediate 2nd intermediate Production Production Tubing withinaid Equipment oet Equipment & Cemer Anger, Packer, T. Owlines, Valves, Fittin nks.	Surface, 13-3 1/2" longstein 400 3-300 8-700 10-785 8-760 stratizers, Wel-AC, other dow	9 Single Size 20 13 3/8 9 5/8 // 5 1/2 3 1/2 Short inhole to	Dispit deep 9-5/8 Inter le well tank battery also Describion 54 54 155 BT/6C 888 155 BT/6C 888 155 BT/6C 200 HCP110 CDC HT/O 308 CY P110 CDC HT/O 3 38 LBO EU/E	mediate near KOP, 10*/100-BUR ration Proof: FOR Log \$35-20 \$50-00 \$38-15 \$24-75 \$18-55 \$8-50	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	368 Code 408 412 493 410 454	73.950 10.000 45.000	Code	117,000 Production Tangibles	75tal Co 152 185,5 331 9 215 3 178 4 73 9 40,0 40 0 8 5 45 0 200 0
ontract Labor, Rousit OTAL INTANGIBLES rognosis: shallow 20 inve, tapered 7" x 5- ubulars Surface 1st Intermediate 2nd Intermediate Production Production Tubing eithand Equipment out Equipment & Century out Equipment & Century intermediate, Packer, T., willines, Valvas, Fittin ns. ttery Pumps 458/Met	Surface, 13-3 1/2" longstein 400 3-200 8-700 10-785 A 700 traigers, Wat AC, other dow-	Size 20 13-3/8 9 5/8 /" 5 1/2 3 1/2 Shore nhole to	Dispit, deep 9-5/8 Inter le well tank battery allo Descrition 54 59 155 BT&C 888 155 BT&C 259 HCP110 CDC HTQ 9-39 LBC EUE	mediate near KOP, 10*/100-BUR ration Proof: FOR Log \$35-20 \$50-00 \$38-15 \$24-75 \$18-55 \$8-50	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	368 Code 408 412 493 410 454	73.950 10.000 45.000	Code	117,000 Production Tangibles	76tal Co 152 1852 3315 2152 400 400 85 450 2000 3000
ontract Labor, Rousis OTAL INTANGIBLES rognosis: shallow 20' uvve, tapezed 7" z 5- ubulars Surface 1et Intermediate 2nd Intermediate Production Tubing without Equipment Dut Equipment à Cent out ranger, Packer, T, owlines, Valvas, Fittin nhs. titory Pumps 458/Met pararion Equipment is Lift Vielves and surfi	Surface, 13-3 1/2" longstran 400 3-500 8-700 8-700 10-785 8-760 AC, other dow	Size 20 13-3/8 9-5/8 /** 5-1/2 3-1/2 Shore nihole to	Afsalt deep 9-S/8 Inter- le well tank battery allo Description 54 \$9, 159 BTGC 476 L80 BTGC 200 HCP110 CDC HTG 9-38 L80 BUE 00.5 AS	mediate near KOP, 10*/100-BUR ration Proof: FOR Log \$35-20 \$50-00 \$38-15 \$24-75 \$18-55 \$8-50	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	368 Code 408 412 493 410 454	73.950 10.000 45.000	Code €HO	117,000 Production Tangibles	76tal Co 152 1855 331 8 215 2 178 4 73 5 40 0 40 0 8 5 45 0 200 0 300 0 125 0
ontract Labor, Rousit OTAL INTANGIBLES rognosis: shallow 20 inve, tapered 7" x 5- ubulars Surface 1st Intermediate 2nd Intermediate 2nd Intermediate Production Production Production Subject Froduction Froduction Culpment Out Equipment & Center Tubing William Equipment out Equipment & Center Intermediate Intermediate Intermediate Production Froduction Fubing Intermediate Inte	Surface, 13-3 1/2" longstran 400 3-500 8-700 8-700 10-785 8-760 AC, other dow	Size 20 13-3/8 9-5/8 /** 5-1/2 3-1/2 Shore nihole to	Afsalt deep 9-S/8 Inter- le well tank battery allo Description 54 \$9, 159 BTGC 476 L80 BTGC 200 HCP110 CDC HTG 9-38 L80 BUE 00.5 AS	Product Des Los Sab Sab Sab Sab Sab Sab Sab Sab Sab Sab	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	40A 40A 40A 412 493 410 454	73.950 10.000 45.000	Code €HO	117,000 Production Tangibles	76tal Co 152 1855 331 8 215 2 178 4 73 5 40 0 40 0 8 5 45 0 200 0 300 0 125 0
ontract Labor, Rousin oral intermediate and intermediate and intermediate and intermediate and intermediate Production Tubing etimate Equipment a Cemer Angel, Packer, T. owlines, Valvas, Fittin niks and Equipment a Cemer Production Tubing etimate Equipment a Cemer Production State of P	Surface, 13-3 1/2" longsten 400 3-300 8-700 8-700 10-789 A 700 tratizers, Wat- AC, other dow- tigs ters 450/Contir- Inlet sep, H 400 equipmen	Size 20 9 5/9 1/2 3 1/2 5 1/2 3 1/2 Short inhole to ols/Valv	Describion Describion See your particular of the well tank battery also Describion See you as a process See your particular of the pa	Product Des Los Sab Sab Sab Sab Sab Sab Sab Sab Sab Sab	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	40A 40A 40A 412 493 410 454	73.950 10.000 45.000	€H0 ← ← 478	117,000 Production Tangibles	76tal Co 155: 185: 215: 178 4 73: 9 40:0 40:0 20:0 20:0 25:0
ontract Labor, Rousit oral Intandistes regnesis: shallow 20 user, tapered 7" z 5- user,	Surface, 13-3 1/2" longstran 400 3-500 8-700 1-785 8-760 1-785 8-7	Size 20 9 5/9 1/2 3 1/2 5 1/2 3 1/2 Short inhole to ols/Valv	Describion Describion See your particular of the well tank battery also Describion See you as a process See your particular of the pa	Product Des Los Sab Sab Sab Sab Sab Sab Sab Sab Sab Sab	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,290 185,500 331,305 215,325,176,492 30,000 40,000	40A 40A 40B 412 493 410 454 434 439 439 439	73,950 10,000 25,000	€H0 ← → 478	117,000 Production Tangibles	76tal Co 155: 185: 215: 178 4 73: 9 40:0 40:0 20:0 20:0 25:0
ontract Labor, Rousit OTAL INTANGIBLES rognosis: shallow 20 unve, rapered 7" x 5- ubulars Surface 1st intermediate 2nd intermediate 2nd intermediate Production Production Tubing withand Equipment out Equipment & Cent or hanger, Packer, T. powlines, Valves, Fittin nhs titory Pumps 458/Met paraction Equipment is Lift Valves and surf impressoral/Pehydrato is Meter Run withole Pumping Equi moing Unit, base and	Surface, 13-3 1/2" longstran 400 3-500 8-700 1-785 8-760 1-785 8-7	Size 20 9 5/9 1/2 3 1/2 5 1/2 3 1/2 Short inhole to ols/Valv	Describion Describion See your particular of the well tank battery also Describion See you as a process See your particular of the pa	Product Des Los Sab Sab Sab Sab Sab Sab Sab Sab Sab Sab	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,290 185,500 331,305 215,325,176,492 30,000 40,000	408 408 408 412 493 410 454 434 439 439 430	73.950 10.000 45.000	6H0 47∂ 47∂	200 000 125 000	76tal Co 152 185.5 331 5 215.5 178.4 73.9 40.0 8.5 45.0 200.0 300.0 125.0 25.0
ontract Labor, Rousit OTAL INTANGIBLES rognosis: shallow 20' were, tapered 7" x 5- worker 1st intermediate 3nd intermediate 3nd intermediate Production Tubing withhald Equipment out Equipment & Cent	Surface, 13-3 1/2" longstran 400 3-500 8-700 1-785 8-760 1-785 8-7	Size 20 9 5/9 1/2 3 1/2 5 1/2 3 1/2 Short inhole to ols/Valv	Describion Describion See your particular of the well tank battery also Describion See you as a process See your particular of the pa	Product Des Los Sab Sab Sab Sab Sab Sab Sab Sab Sab Sab	204 206 206 408 408 250 233 210	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,492 30,000 40,000	40A 40A 40B 412 493 410 454 434 439 439 439	73.950 10.000 45.000 15.000	€H0 ← → 478	200 000 300 600 125 000 50 000	76tal Co 152 1854 1854 1854 1854 1784 40 0 8 5 40 0 8 0 10 0 10 0 10 0 10 0 10 0 10 0 10
ontract Labor, Rousin ortal Intransistes and contract Labor, Rousin ortal intermediate and intermediate and intermediate Production Tubing attended Equipment a Central Contract of the Contra	Surface, 13-3 1/2" longstran 400 3-500 8-700 1-785 8-760 1-785 8-7	Size 20 9 5/9 1/2 3 1/2 5 1/2 3 1/2 Short inhole to ols/Valv	Describion Describion See your particular of the well tank battery also Describion See you as a process See your particular of the pa	Product Des Los Sab Sab Sab Sab Sab Sab Sab Sab Sab Sab	204 206 206 408 408 403 253 233 244	10,000 0 2,792,500 Drilling Tangibles 15,290 185,500 331,305 215,325,176,492 30,000 40,005	408 408 408 412 493 410 454 434 430 450 450 465	73.950 10.000 45.000 15.000	470 470 478	200 000 200 000 300 000 125 000 50 000 976 000 976 000	7 of tal Co 15.5. 165.4 33.1 165.4 33.1 178.4 40.0 40.0 40.0 50.0 125.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 16.
ontract Labor, Rousit OTAL INTANGIBLES regnasis: shallow 20 unve, tapered 7" x 5- ubulars Surface 1st Intermediate 2nd Intermediate 2nd Intermediate Production Production Tubing sithad Equipment out Equipment & Century out Equipment out Equipment is they Pumps 458/Met paration Equipment is Lift Visives and suff impressoration bydratio is Meter Run withole Pumping Equi mining Unit, base and cincial Installation TAL TANGIBLES	Surface, 13-3 1/2" longstran 400 3-500 8-700 1-785 8-760 1-785 8-7	Size 20 9 5/9 1/2 3 1/2 5 1/2 3 1/2 Short inhole to ols/Valv	Describion Describion See your particular of the well tank battery also Describion See you as a process See your particular of the pa	Procedition Procedition Procedition Procedition Sale 20 SSS 00 SSB 15 S24 75 S8B 55 S8 50 SS 50 SS 50 SSB 75 S24 75 S8B 50 SS 50	204 206 206 206 408 408 408 408 408 408 408	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325 176,402 30,000 40,000	40A 40A 40B 412 493 433 434 439 439 439 439	73,950 10,000 45,000 15,000	470 470 478	200 000 200 000 300 000 125 000 50 000 976 000 976 000	7 of tal Co 15.5. 165.4 33.1 165.4 33.1 178.4 40.0 40.0 40.0 50.0 125.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 16.
OTAL INTANGIBLES Tognosis: shallow 20' Maye, tapered 7" x 5. Surface 1et intermediate 2nd intermediate 2nd intermediate Production Production Tubing withmad Equipment out Equipment & Century Deliros, Valves, Fittin Inks.	Surface, 13-3 1/2" longston 400 3-300 6-700 8-700 10-785 A-700 stratizers, Wei-AC, other dowings sers 450/Contributes p. H. Good agus prime mover	Size 20 19 34 19 3	Description Description Description S4 \$9 .35 BTC 476 L80 BT&C 206 CYPTIP CDC HTG 9 38 L80 EUF Description AS AS ResiConnections 432/Vag scrubber VRT Rental gas lift compres	Proceding Des 10*/300 BUR Proceding Des 10*/300 BUR S15 20 \$53 00 \$18 15 \$24 75 \$18 55 \$8 50 1X packer Door Red 484/LACT	204 206 206 206 408 408 408 408 408 408 408	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 215,325, 176,402 30,000 40,000	40A 40A 40B 412 493 433 434 439 439 439 439	73.950 10.000 45.000 25.000 15.000 0 177.450 completion 5,880,335	470 470 478	200 000 200 000 300 000 125 000 50 000 976 000 976 000	76tal Co 15 2 185,5 331 8 215 3 178 4 73 9 40.0 8 5 45 0 200 0 300 0 125 0 15 0 50 0
ontract Labor, Rousit OTAL INTANGIBLES regnasis: shallow 20' unve, rapered 7" x 5. unbulars Surface 1et intermediate 2nd intermediate 2nd intermediate Production Production Production Tubing withhaid Equipment bet Equipment & Center hanger, Packer, 7; withings, Valves, Fittin nhs. Ittily labors and surface from the Center Run withold Pumping Equipment of the Run withold Pumping Equipment Unit, base and circuit installation TAL TANGIBLES TAL WELL COST pared By:	Surface, 13-3 1/2" longston Localn 400 3-300 6-700 8-700 10-785 A-700 tratizers, Well AC, other dowings ters 450/Contir Intel sep, H acc equipment is prime mover	Size 20 19 34 19 3	Description Description Description S4 \$9 .35 BTC 476 L80 BT&C 206 CYPTIP CDC HTG 9 38 L80 EUF Description AS AS ResiConnections 432/Vag scrubber VRT Rental gas lift compres	Product Des Los Sas 20	204 206 206 206 408 408 408 408 408 408 408	10,000 0 2,792,500 Drilling Tangibles 15,280 185,500 331,305 275,325,178,402 30,000 40,000	40A 40A 40B 412 493 433 434 439 439 439 439	73.950 10.000 45.000 25.000 15.000 0 177.450 completion 5,880,335	470 470 478	200 000 200 000 300 000 125 000 50 000 976 000 976 000	7 of tal Co 15.5. 165.4 33.1 165.4 33.1 178.4 40.0 40.0 40.0 50.0 125.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 15.0 16.

By exocution of this AFE, the above signies is agreeing to be covered by the Diperator's weak control in succession of this AFE, the above signies agreeing as sufficient by Operator. In order to decline coverage by Operator's weak control insuryou must sign theow and provide a Certificate of Insurance with waiver of autorigation prior to soud date and agree to had Operator harmless for any loss to your infarest not covered by your insurance or as otherwise self orth in Exhibit D of the Joril Operator Agreement.

Date	

AFE#

Location:

Authority For Expenditure (AFE)
TD (MD):
TVD: 19,485 ft MD 9,370 ft 10,360 ft VS 9,787 ft 3rd Bone Spring Drilled Lateral Length: Completed Lateral Length: Target:

		If. Clos	sed loop Completion: 978	e legal location free of terrains 17 perf interval x 2500 lb/ft (24		7.00	1	Y Judice of	1000	7	T
	583k bbl), 90 l	bpm.		ig & perf frac_ Rigless prep w/	Cod	Orilling in Intengible		Completio		Production e Intangibles	
Permits/ Well Signs					14	9.0	00		1		-
Damages/ Right of W.		lan			17	100,000		1	il.	Į.	
Title & Abstracts, Drill Survey and Stake Loc		1011			18	10000		4		1	
Locations and Roads,					14	1 1000		100.00	100	30,000	2
PitLining		noti dril	ling (no reserve pil); frac p	it .	14		335	10.00	77-18	30,000	1 1
Conductor (drilled & s		30p 411.	mig the reserve but the b	•	12	100	· 4	10.01	7	1	
Mobilization / Demobil		4 days	pre-spud (\$80k) + trucks	cranea (\$100k)	16	2,000,000		1		1	1
Drilling (Day Work)		32	deys apud - RR .	22,000 per day	10-	54777.57	100	1		1	7
Bits					116	120,0	315	3.00	00	· I	
Downnole drilling tools	s & stabilizatio	in, surv			128	50,0	00	2000	1	1	
Mud Logging		20	dwys	\$2,000 per day	147	40,0	00	ı	i	1	
Open Hote Surveys/ G					148				. I	1	ķ.
Water well, pump & ilr Water@rine/Mud Haul					190			10,00		J.	
Fresh Water	\$ 120	10.0	000 bbl drilling	699,071 abi compliri (20% excess)	189	177.00		20,00 838,88		B	â
Brine Water	4 1 20	10.0	oo oo anang	GBB,D71 GDI GGINPIN (20% exceps)	116	(8.00)940		0.30,00	13	1	7
Fuel	\$ 250	1.7	OC galiday		108	136.00		400 00	n	1	5
Mud & Chemicals	Oil based				146	250.00		25,00		8	2
Tubular Inspection			strings. Casing: clean, drif	agnista 6 lausiv	139	40.00	-			ŝ	
Onli string rental					128		1		1	f	
Casing Crew & LD Mad	chine, CRT				117	35,00	317	H	1	I	
Welding					191	1,50			I		
Sementing					118	225,00		Į.	1		2
Directional Oriting		24	days 3	13,000 per day	127	312.00					31
Wellsite Supervisor					106	80,00	305	40.00	0		12
Open Hole Logs Salids Control Equipme	not.			1000 pards	144	1					
uttings Heul-off & Dis			,	3,000 perday	172	95,00			1		3
urface Rental Equipm		\$4.00	O /d Drilling Frac stack light l	market destatates houses	141	150,00		25,1000		B	15
OP Rental stripper he		94,00	to unitalish container ishiit	number flesser, serara? sicinate.	180	128,00	19	300,00	u u	i i	42
uiting Unit		davs	4000/d		180	ł	386 354	20,000	354	12,000	3
cidizing	Acid crew				1	1	310	20,000		12,500	1 2
rac	Frac: see i				1	1	314	2,500,000			2.60
later Transfer		•				1	386	120,000	- 14		12
ompletion Tools		rac plu			1	1	321	96,000			9
ared Hole Wireline &		8	55 stages, 10k tube		1	1	314	475 000			47
oiled Tubing + Tools, i					1	I	319	250,000	3	1 1	25
owback & Well Testin	9				1		332	120,000			12
rucking					187	30,000	7 .	30,000			6
average & Supplier	ura					1000	348	25,000	4		
ateriars & Supplies		haariile	field service. Ni Leraus nit class	inn hallen continuine	176	5,000	376	20000			
ateriats & Supplies ontract Labor, Roustak		lelinead	field service. NU crews, pli clear	ing, battery construction	178 169	5,000	376	10 000	389	75,000	
aterials & Supplies porrect Labor, Roustak DTAL INTANGIBLES	bouls W						376 389	10 000	389	75,000 0 117,000	9
ateriata & Supphies omrect Labor, Roustak OTAL INTANGIBLES ognosis; shallow 20":	bouls W	'8'' at B		diate near KOP, 10°/100' BUR	160	10.000 (2.792,500 Drilling	376 389	10 000 0 5,512,885 Completion	389	117,000 Production	9
ateriata & Supplies portract Labor, Roustak DTAL INTANGIBLES ognosis: shallow 20": rve, tapered 7" x S-1,	bouls W surface, 13-3/ /2" longstring	'8" at B ; Singl	3/salt, deep 9-5/8" intermo e well tank battery allocat	ediate near KOP, 10°/100' 9UR ion.		10.000	376 389	10 000 0 5,512,885	389	117,000	8,42
ateriata & Supplies contract Labor, Roustak DTAL INTANGIBLES ognosis; shallow 20": rive, tapered 7" x S-1, bulars	surface, 13-3/ /2" longstring	'8" at B Singl	3/sait, deep 9-5/8" interme e well tank battery allocat Description	diate near KOP, 10°/100' 9UR ion. Prisoth FOB Los	166 Code	2,792,500 Drilling Tanglhles	376 389 Code	10 000 0 5,512,885 Completion	389	117,000 Production	9: 8,423 Total C
aterials & Supplies of the Control o	surface, 13-3/ /2" longstring	'8" at 8 Singl Sue 20	9/salt, deep 9-5/8" interme e well tank battery allocat Description 24 58 J56 BTAC	ediate near KOP, 10*/100° BUR ion. Price/h FOB Log \$38 70	166 Code 204	Drilling Tanglbles	376 369 Code	10 000 0 5,512,885 Completion	389	117,000 Production	9.42 Total C
aterials & Supplies overect Labor, Roustat DTAL INTANGIBLES ognosis; shallow 20"; rve, tapered 7" x 5-1, bulars Surface 1st intermediate	bouls W surface, 13-3//2" longstring Length 400 3 500	'8" at 8 ; Singl Size 20 13 3/8	B/salt, deep 9-5/8" intermite well tank battery allocat Description A 58 155 BTGC 88# J55 BTGC	ediate near KOP, 10*/100' BUR ion. Prise/h FOB Log 538 70 553 00	Code 204 206	10.000 2.792.500 Drilling Tanglbles 15.280 185,500	376 389 Code	10 000 0 5,512,885 Completion	389	117,000 Production	9.42 Total C
aterials & Supplies officer Labor, Rouslat DTAL INTANGIBLES ognosis; shallow 20": rve, tapered 7" x 5-1, buldes Surface 1st intermediate 2nd Intermediate 2nd Intermediate	surface, 13-3/ /2" longstring	'8" at 8 ; Singl Size 20 13 3/8 9 5/8	A/sait, deep 9-5/8" interme e well tank battery allocat Description A4 58 155 BTC 68# 158 BTC 47# (40 BT&C	ediate near KOP, 10°/100' 9UR ion. Price/h FOB Leg 539 70 553 00 538 15	Code 204 206 206	10.000 2,792,500 Drilling Tanglbles 15,280 185,500 331,905	376 389 Code	10 000 0 5,512,885 Completion	389	117,000 Production	15 185 331
aterials & Supplies ordered Labor, Roustal DTAL INTANGIBLES ognosis: shallow 20": rve, tapered 7" x 5-1, tulors. Surface 1st Intermediate 2nd Intermediate Production	surface, 13-3/ /2" longstring Length 400 3.500 9.700 8.700	'8" at 8 ; Singl Sue 20 13 3m 9 5/8 7	9/salt, deep 9-5/8" interme e well tank battery allocat Description As #8 155 BTAC 88# 158 BTC 47# 180 BTBC 20# HCP110 CDC HTQ	ediate near KOP, 10*/100' BUR ion. Price/h FOB Log 538 70 553 00 318 15 524 75	Code 204 206 208 408	10.000 2.792,500 Drilling Tanglbles 15.280 185,500 331,905 215,325	376 389 Code	10 000 0 5,512,885 Completion	389	117,000 Production	Total 6 18 185 331 215
aterials & Supplies ordered Labor, Roust & STAL INTANGIBLES ognosis: shallow 20": rve, tapered 7" x 5-1, toilars. Surface 1st intermediate 2nd Intermediate Production Production	surface, 13-3/ /2" longstring Length 400 3 500 8 700 8 700 10 785	'8" at 8 Singl Size 20 13 3m 9 5/8 7" 5 1/2	3/salt, deep 9-5/8" interme le well tank battery allocat Description 24 5# 155 BTAC 88# 155 BTAC 478 LBO BT&C 29# HCPT10 CDC HTQ 20# CV PT10 CDC HTQ	Price/h FOB Loc \$39.70 \$30.00 \$38.15 \$24.75 \$16.55	Code 204 206 206	10.000 2,792,500 Drilling Tanglbles 15,280 185,500 331,905	376 380 Code 400 408	5,512,885 Completion Tangibles	389	117,000 Production	Total C 18 185 331 215
aterials & Supplies order Labor, Rouslet DTAL INTANGIBLES ognosis; shallow 20"; rve, tapered 7" x 5-1, bulars Surface 1st intermediate 2nd intermediate Production Production Tubing	surface, 13-3/ /2" longstring Length 400 3.500 9.700 8.700 10.785	'8" at 8 ; Singl Sue 20 13 3m 9 5/8 7	9/salt, deep 9-5/8" interme e well tank battery allocat Description As #8 155 BTAC 88# 158 BTC 47# 180 BTBC 20# HCP110 CDC HTQ	ediate near KOP, 10*/100' BUR ion. Price/h FOB Log 538 70 553 00 318 15 524 75	204 206 205 408 408	10.000 2,792,500 Drilling Tanglbles 15 280 185,500 331,905 215,325 178 492	376 389 Code 408 408 412	5,512,885 Completion Tangibles	389	117,000 Production	Total C 18 185 331 215 73
aterials & Supplies ordered Labor, Roustal DTAL INTANGIBLES ognosis: shallow 20": rve, tapered 7" x 5-1, bules Surface tat intermediate 2nd Intermediate Production Production Tubing bilbead Equipment	surface, 13-3/ /2" longstring Length 400 3.500 9.700 8.700 10.785 9.708	8" at 8 Singl Size 20 13 3/8 9 5/8 7" 5 1/2 3 1/2	3/salt, deep 9-5/8" interme le well tank battery allocat Description 24 5# 155 BTAC 88# 155 BTAC 478 LBO BT&C 29# HCPT10 CDC HTQ 20# CV PT10 CDC HTQ	Price/h FOB Loc \$39.70 \$30.00 \$38.15 \$24.75 \$16.55	Code 204 206 208 408	10.000 2.792,500 Drilling Tanglhles 15.280 185,500 331,905 215,325 178,492 30,000	376 389 Code 409 409 412 493	5,512,885 Completion Tangibles	389	117,000 Production	Total C 18 185 331 215 178 73 40
aterials & Supplies or a supplies or a supplies of the supplie	surface, 13-3/2" longstring Lenth 400 3.500 8.700 10.785 8.700 alizers, Wet S	8" at 8 Singl Size 20 13 3/n 9 5/8 7" 5 1/2 3 1/2	Disalt, deep 9-5/8" interme e well tank battery allocat Description A4 58 155 BTAC 68# 155 BTAC 47% LBO BTAC 20# HCP110 CDC HTQ 9 38 LBO EUE	Price FOB Los 538 70 539 0 539 15 524 75 316 95 \$8 50	204 206 206 408 408 293 733 255	10.000 2,792,500 Drilling Tanglbles 15 280 185,500 331,905 215,325 178 492	376 389 Code 409 408 412 493 410	10 000 0 5,512,886 Completion Tangibles	389	117,000 Production	Total C 18 185 331 215 178 73 40 40
aterials & Supplies or a supplies of the control of	surface, 13-3/ /2" longstring Length 400 3.500 8.700 8.700 10.785 3.700 milters, Wet S.	8" at 8 Singl Size 20 13 3/n 9 5/8 7" 5 1/2 3 1/2	Disalt, deep 9-5/8" interme e well tank battery allocat Description A4 58 155 BTAC 68# 155 BTAC 47% LBO BTAC 20# HCP110 CDC HTQ 9 38 LBO EUE	Price/h FOB Loc \$39.70 \$30.00 \$38.15 \$24.75 \$16.55	204 206 205 408 408	10.000 2.792,500 Drilling Tanglhles 15.280 185,500 331,905 215,325 178,492 30,000	376 389 Code 408 408 412 493 410 454	10 000 0 5,512,885 Completion Tangibles 73,950 10,000 8,500	389	117,000 Production	Total C 15 185 331 215 178 40 40 8
aterials & Supplies oriental Labor, Roustal DTAL INTANGIBLES organists: shallow 20°: rve, tapered 7" x 5-1, trulors. Surface 1st intermediate 2nd Intermediate Production Production Production at Equipment & Central Equipment &	surface, 13-3/ /2" longstring Length 400 3.500 8.700 8.700 10.785 3.700 milters, Wet S.	8" at 8 Singl Size 20 13 3/n 9 5/8 7" 5 1/2 3 1/2	Disalt, deep 9-5/8" interme e well tank battery allocat Description A4 58 155 BTAC 68# 155 BTAC 47% LBO BTAC 20# HCP110 CDC HTQ 9 38 LBO EUE	Price FOB Los 538 70 539 0 539 15 524 75 316 95 \$8 50	204 206 206 408 408 293 733 255	10.000 2.792,500 Drilling Tanglhles 15.280 185,500 331,905 215,325 178,492 30,000	376 389 Code 409 408 412 493 410	10 000 0 5,512,888 Completion Tangibles	Code	117,000 Production Tangibles	Total C 15 185 331 215 178 40 40 8
aterials & Supplies ordered Labor, Rousted DYAL INTANGIBLES Ognosis: shallow 20": rve, tapered 7" x 5-1, bulars Surface 1st intermediate shallow 20 production production Prod	surface, 13-3/2" longstring Length 400 3-500 8-700 10-785 3-700 salizers. Wet S C, other down	8" at B Singl Size 20 13 3m 9 5/8 7" 5 1/2 3 1/2 Shoe	ASAIT, deep 9-5/8" interme to well tank battery allocat Description As #8 155 BTAC 68# 155 BTAC 47# (180 BTAC 20# HCP110 CDC HTQ 9 38 180 EUE	Price FOB Los 538 70 539 0 539 15 524 75 316 55 \$8 50	204 206 206 408 408 293 733 255	10.000 2.792,500 Drilling Tanglhles 15.280 185,500 331,905 215,325 178,492 30,000	376 389 Code 408 408 412 493 410 454	10 000 0 5,512,885 Completion Tangibles 73,950 10,000 8,500	Code	117,000 Production Tangibles	Total C 18 185 331 215 73 40 40 8 45 200
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By execution of his AFE, the above signes is agreeing to be covered by the Operator's wes common of the AFE, the above signes is agreeing as sufficient by Operator. In order to declare coverage by Operator's well control insurpour must sign below and provide a Certificate of Insurance with waiver of subrogation prior is goud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement and the Agreement of the Agreemen

Agree to decline coverage, provide proof, and hold harmless:		
Ву	Date:	

Authority For Expenditure (AFE)

AFE #

TD (MD): 19,485 ft MD TVD(MD): 19,485 rr MD
TVD: 9,370 ft
Drilled Latera Length 10360 ft VS
Completed Latera Length 9 787 ft
Target: 3rd Bone Spring

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By execution of this AFP line above signed is agreen to be covered by the Operator's wall control hourance and agreening to the limit within year and such executions are not of which is coarse add as officent by operator in order to execute coverage by operators well control insurance. We way was set of the operator have set of the operator have set of the operator have set of the operator have set of the operator have set of the operator have set of the operator in Fixture and the operator have set of the operator have set of the operator of the opera

Agree to decline	coverage.	provide	proof,	and	hola	harmless

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