

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:

1. 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.

2. 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:

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 C Shelton
ROBERT SHELTON

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

Cydnee Phipps
Notary Public

My Commission Expires:
06/07/2022

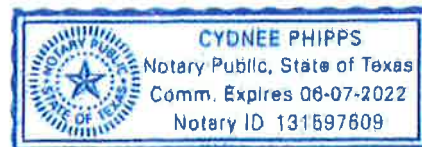


EXHIBIT 1

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

Armstrong DOI for Wolfcamp and Bone Spring Pooling

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

Total WI with support
0.532806

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

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

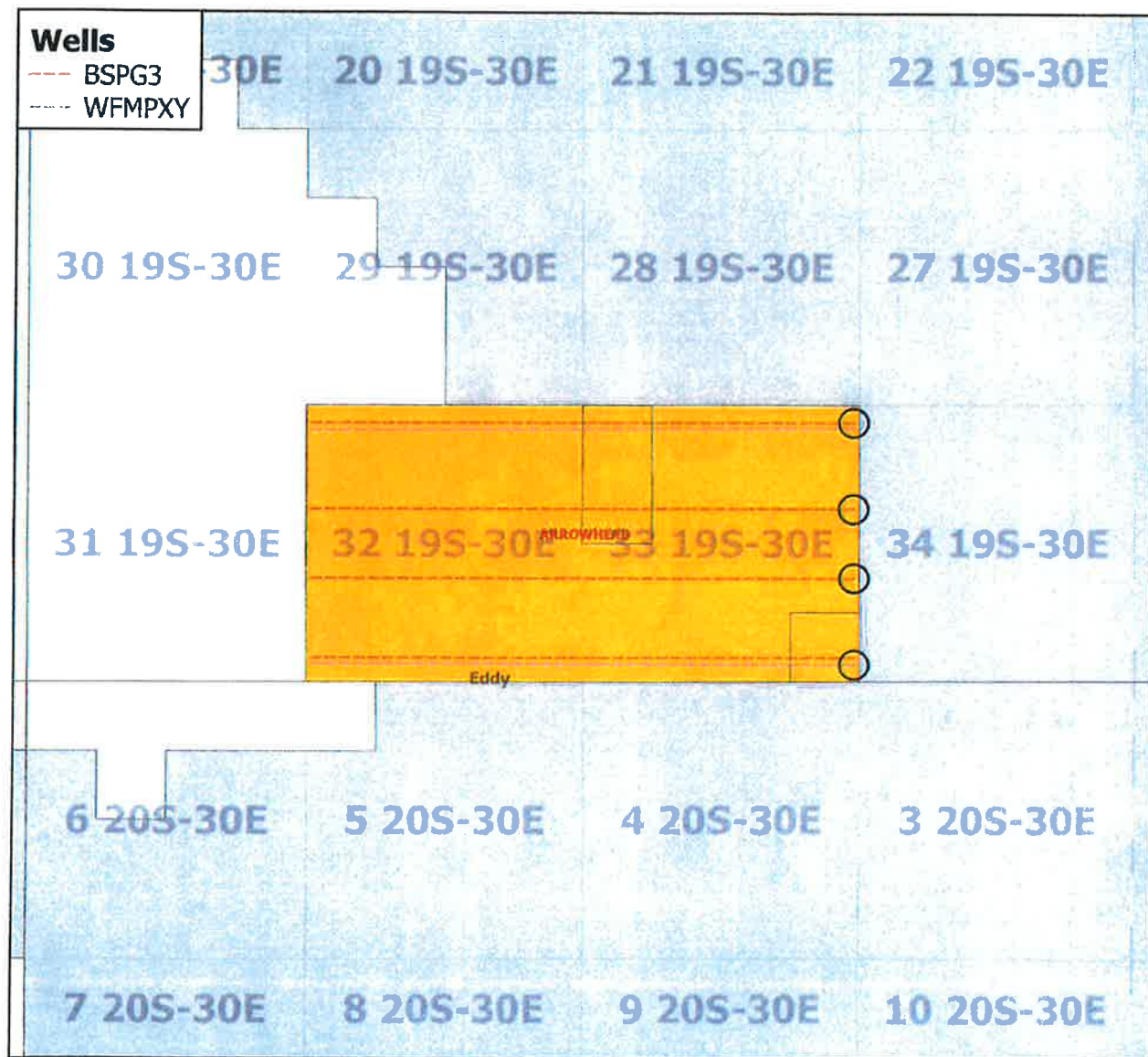
<u>Company</u>	<u>Tract</u>	<u>Net acres</u>	<u>Leasehold Working Interest</u>	<u>Unit Leasehold Working Interest</u>	
Spacing Unit Formation	S/2N/2 Section 32 and 33 3rd Bone Spring				
Ridge Runner Agent, Inc. Trove Energy, LLC	S/2NE/4 and the SE/4NW/4 Sec 33 SE/4NW/4 Sec 33	120.00 40.00 160.00	1.000000 1.000000	0.375000 0.125000 0.500000	
COG Operating, LLC	S/2N/2 of Section 32	118.76	0.74223054	0.371115	
Marathon Oil Permian LLC	S/2N/2 of Section 32	21.87	0.13669044	0.068345	
American Standard 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	<u>1.31</u> 160.00 320.00	<u>0.00820143</u> 1.000000	<u>0.004101</u> 0.500000 1.000000	0.532806

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

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

EXHIBIT 2

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



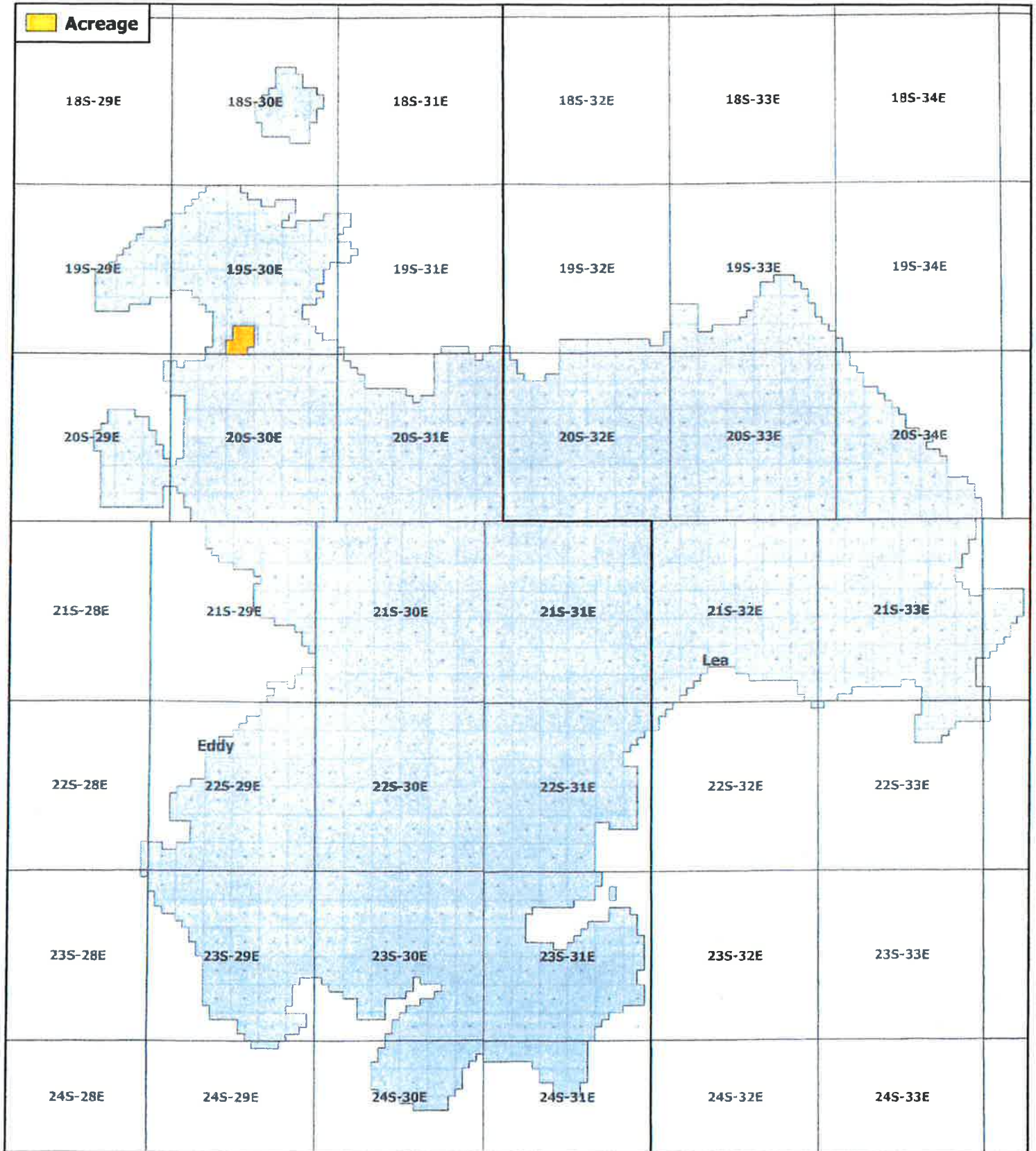


EXHIBIT 3

**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	Concho	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
Robert 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 to 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. Correcting Lea Co., NM to Eddy Co., NM

Robert Shelton	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	Trove	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 compulsory 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 legal 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**

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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,

Bob Shelton
Vice President of Land

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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-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 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,

Bob Shelton
Vice President of Land

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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

July 26, 2019

Concho Oil & 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,

Bob Shelton
Vice President of Land

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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,

Bob Shelton
Vice President of Land

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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,

Bob Shelton
Vice President of Land

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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,

Bob Shelton
Vice President of Land

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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-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 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,

Bob Shelton
Vice President of Land

21

Robert (Bob) Shelton
Vice President of Land
BShelton@3roperating.com



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,

Bob Shelton
Vice President of Land

22

Original
will proceed

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:

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



9590 9402 4617 8323 0610 74

2. Article Number (Transfer from service label)

7018 0360 0000 3085 8920

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

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
550 West Texas Ave., Suite 100
Midland, Texas 79701



9590 9402 4617 8323 0610 36

2. Article Number (Transfer from service label)

7018 0360 0000 3085 8883

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

ADDRESSEE: COMPLETE THIS SECTION

- A. Signature
☒ Agent
☐ Addressee
- B. Received by (Printed Name)
T. O'Connell
- C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
if YES, enter delivery address below: ☐ No

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

Domestic Return Receipt

ADDRESSEE: COMPLETE THIS SECTION

- A. Signature
☒ Agent
☐ Addressee
- B. Received by (Printed Name)
ANNE VALER
- C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
if YES, enter delivery address below: ☐ No

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

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

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



9590 9402 4617 8323 0610 50

2. Article Number (Transfer from service label)

7018 0360 0000 3085 8906

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

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:

Concho Oil and Gas, LLC
550 West Texas Ave., Suite 100
Midland, Texas 79701



9590 9402 4617 8323 0610 43

2. Article Number (Transfer from service label)

7018 0360 0000 3085 8890

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

ADDRESSEE: COMPLETE THIS SECTION

- A. Signature
☒ Agent
☐ Addressee
- B. Received by (Printed Name)
BERNARD
- C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
if YES, enter delivery address below: ☐ No

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

Domestic Return Receipt

ADDRESSEE: COMPLETE THIS SECTION

- A. Signature
☒ Agent
☐ Addressee
- B. Received by (Printed Name)
CARLOS VALER
- C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
if YES, enter delivery address below: ☐ No

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

Domestic Return Receipt

Domestic Return Receipt

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

Article Number (Transfer from service label)
7018 0360 0000 3085 8937

9590 9402 4617 8323 0610 81

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

1. Article addressed to:
on the front if space permits.
Attach this card to the back of you so that we can return the card to you.

2. Service Type
☐ Adult Signature
☒ Certified Mail® Restricted Delivery
☐ Collect on Delivery
☐ Registered Mail® Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation™ Restricted Delivery

3. Complete item
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:
If YES, enter delivery address below:

Julia Ann Hightower Barnett
2502 Auburn Place
Midland, Texas 79705

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

EXHIBIT 5

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

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

Authority For Expenditure (AFE)

ID: 19,725 ft MD
 TVD: 9,610 ft
 Drilled Lateral Length: 10,360 ft VS
 Completed Lateral Length: 9,787 ft
 Target: Wolfcamp XY

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints.

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 Cost
Permits/ Well Signs					149	8,000					8,000
Damages/ Right of Way					179	20,000	379				20,000
Title & Abstracts, Drilling Title Opinion					142	10,000					10,000
Survey and Stake Location					181	5,000	381				5,000
Locations and Roads, Frac Pit					143	100,000	343	100,000		30,000	230,000
Pit Lining					143		335	10,000			10,000
Conductor (drilled & set)					121	20,000					20,000
Mobilization / Demobilization	4 days pre-spud (\$80k) + trucks & cranes (\$100k)				187	180,000	367				180,000
Drilling (Day Work)	33 days spud - RR \$22,000 per day				104	726,000	304				726,000
Bits					115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool					129	50,000					50,000
Mud Logging	21 days \$2,000 per day				147	42,000					42,000
Open Hole Surveys/ Gyro					148						0
Water well, pump & line					190	5,000		10,000			15,000
Water/Brine/Mud Hauling					189	10,000	389	20,000			30,000
Fresh Water	\$ 1.20 10,000 bbl drilling 699,071 bbl complet'n (20% excess)				190	12,000		838,885			850,885
Brine Water					116	10,000	316				10,000
Fuel	\$ 2.50 1,700 gal/day				108	140,250	308	400,000			540,250
Mud & Chemicals	Oil based mud in lateral				146	250,000	346	25,000			275,000
Tubular Inspection	DP: Cat IV on 1 strings. Casing: clean, drift, visual 3 strings.				139	40,000	339				40,000
Drill string rental					128						0
Casing Crew & LD Machine, CRT					117	35,000	317				35,000
Welding					191	1,500	391				1,500
Cementing					118	225,000	318				225,000
Directional Drilling	25 days \$13,000 per day				127	325,000					325,000
Wellsite Supervisor					106	82,500	306	40,000			122,500
Open Hole Logs					144						0
Solids Control Equipment	\$3,000 per day				172	99,000					99,000
Cuttings Haul-off & Disposal					141	150,000					150,000
Surface Rental Equipment	\$4,000 /ld Drilling Frac stack, light towers, generators, housing				132	132,000	332	300,000			432,000
BOP Rental, stripper head					160		360				0
Pulling Unit	5 days, 4000/d						354	20,000	354	12,000	32,000
Acidizing	Acid crew to prep toe						310	20,000			20,000
Frac	Frac: see Prognosis above						334	2,600,000			2,600,000
Water Transfer							306	120,000			120,000
Completion Tools	64 frac plugs						321	96,000			96,000
Cased Hole Wireline & Perforating	65 stages, 10k lube						344	475,000			475,000
Coiled Tubing + Tools, Nitrogen							319	250,000			250,000
Flowback & Well Testing							333	120,000			120,000
Trucking					187	30,000	387	30,000			60,000
Environmental Pit Closure							348	25,000			25,000
Materials & Supplies					176	5,000	376				5,000
Contract Labor, Roustabouts	Wellhead field service, NU crews, pit cleaning, battery construction				169	10,000	369	10,000	369	75,000	95,000
TOTAL INTANGIBLES						2,843,250		5,512,885		117,000	8,473,135

Prognosis: shallow 20" surface, 13-3/8" at 8/salt, deep 9-5/8" intermediate near KOP, 10"/100' BUR curve, tapered 7" x 5-1/2" longstring. Single well tank battery allocation.					Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Loc							
Surface	400	20	54 5/8 J55 RT&C	\$38.20	204	15,280					15,280
1st Intermediate	3,500	13 3/8	68# J55 BTC	\$53.00	206	185,500					185,500
2nd Intermediate	8,950	9 5/8	47# L80 BT&C	\$38.15	206	341,443					341,443
Production	8,950	7"	29# HCP110 CDC HTQ	\$24.75	408	221,513	408				221,513
Production	10,775	5 1/2"	20# CY P110 CDC HTQ	\$16.55	408	178,326	408				178,326
Tubing	8,950	3 1/2"	9 3/8 L80 EUE	\$8.50			412	76,075			76,075
Wellhead Equipment					293	30,000	493	10,000			40,000
Float Equipment & Centralizers, Wet Shoe					233,210	40,000	410				40,000
Liner hanger, Packer, TAC, other downhole tools			AS1X packer		254		454	8,500			8,500
Flowlines, Valves, Fittings							434,432	45,000			45,000
Tanks									480	200,000	200,000
Battery, Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT									478	300,000	300,000
Separation Equipment Inlet sep, HT, gas scrubber, VRT									478	125,000	125,000
Gas Lift Valves and surface equipment							439	25,000			25,000
Compressors/Dehydrators			Rental gas lift compressor						438		0
Gas Meter Run							450	15,000			15,000
Downhole Pumping Equipment & Rods							462,475				0
Pumping Unit, base and prime mover							465				0
Electrical Installation									428	50,000	50,000
TOTAL TANGIBLES						1,012,061		179,575		675,000	1,866,636
TOTAL WELL COST						Drilling 3,855,311		Completion 5,692,460		Production 792,000	Total 10,339,771

Prepared By: Kelvin Fisher Date: 7/24/2019

Drill & Complete 9,547,771

Approval:  Date: 7/24/2019
 Kelvin Fisher, C.O.O.

Partner Approval

Amount:

Joint Owner:

Working Interest:

Joint Owner Approval:

By execution of this AFE the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud 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.

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

By _____

Date: _____

76

Project: Parkway Prospect
 Field: Wildcat; Wolfcamp
 Well: Armstrong 32-33 Fed Com W #2H
 Location: SHL 360' FSL & 100' FWL (M) of Section 32-19S-30E
 BHL 330' FSL & 100' FEL (P) of Section 33-19S-30E
 Eddy Co., NM

Authority For Expenditure (AFE)
 TD (MD): 19,725 ft MD
 TVD: 9,610 ft
 Drilled Lateral Length: 10,360 ft VS
 Completed Lateral Length: 9,787 ft
 Target: Wolfcamp XY

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

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 Cost
Permits/Well Signs	149	8,000					8,000
Damages/Right of Way	179	20,000	379				20,000
Title & Abstracts, Drilling Title Opinion	142	10,000					10,000
Survey and Stake Location	181	5,000	391				5,000
Locations and Roads, Frac Pit	143	100,000	343	100,000		30,000	230,000
PI Lining	143		335	10,000			10,000
Conductor (drilled & set)	171	20,000					20,000
Mobilization / Demobilization	187	180,000	367				180,000
Drilling (Day Work)	104	726,000	304				726,000
Bits	115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool	128	50,000					50,000
Mud Logging	147	42,000					42,000
Open Hole Surveys/Gyro	145						0
Water well, pump & line	180	5,000		10,000			15,000
Water/Brine/Mud Hauling	189	10,000	389	20,000			30,000
Fresh Water	190	12,000		838,885			850,885
Brine Water	116	10,000	316				10,000
Fuel	108	140,250	308	400,000			540,250
Mud & Chemicals	148	250,000	348	25,000			275,000
Tubular Inspection	139	40,000	339				40,000
Drill string rental	128						0
Casing Crew & L.D Machine, CRT	117	35,000	317				35,000
Welding	181	1,500	391				1,500
Cementing	116	225,000	316				225,000
Directional Drilling	127	325,000					325,000
Wellsite Supervisor	108	82,500	308	40,000			122,500
Open Hole Logs	144						0
Solids Control Equipment	172	99,000					99,000
Cuttings Haul-off & Disposal	141	150,000					150,000
Surface Rental Equipment	132	132,000	332	300,000			432,000
BOP Rental, stripper head	160		360				0
Pulling Unit			354	20,000	354	12,000	32,000
Acidizing			310	20,000			20,000
Frac			334	2,600,000			2,600,000
Water Transfer			386	120,000			120,000
Completion Tools			321	96,000			96,000
Cased Hole Wireline & Perforating			344	475,000			475,000
Coiled Tubing + Tools, Nitrogen			319	250,000			250,000
Flowback & Well Testing			333	120,000			120,000
Trucking	187	30,000	387	30,000			60,000
Environmental, PII Closure			348	25,000			25,000
Materials & Supplies	176	5,000	376				5,000
Contract Labor, Roustabouts	169	10,000	369	10,000	369	75,000	95,000
TOTAL INTANGIBLES		2,843,250		5,512,885		117,000	8,473,135

Prognosis: shallow 20" surface, 13-3/8" at 8/salt, deep 9-5/8" intermediate near KOP, 10"/100' BUR curve, tapered 7" x 5-1/2" longstring. Single well tank battery allocation.	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars							
Surface	400	20	54 5/8 J55 BT&C	\$38.20	204	15,280	15,280
1st Intermediate	3,500	13 3/8	88# J55 BTC	\$53.00	206	185,500	185,500
2nd Intermediate	8,950	9 5/8	47# L80 B7C	\$38.15	206	341,443	341,443
Production	8,950	7"	29# HCP110 CDC HTQ	\$24.75	408	221,513	221,513
Production	10,775	5 1/2	20# CY P110 CDC HTQ	\$16.55	408	178,326	178,326
Tubing	8,950	3 1/2	9 3/8 L80 EUE	\$8.50			
Wellhead Equipment							
Float Equipment & Centralizers, Wel Shoe	290	30,000	493	10,000			40,000
Liner hanger, Packer, TAC, other downhole tools	254	40,000	410				40,000
Flowlines, Valves, Fittings			454	8,500			8,500
Tanks			434 432	45,000			45,000
Battery Pumps 450/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT					460	200,000	200,000
Separation Equipment					478	300,000	300,000
Gas Lift Valves and surface equipment					478	125,000	125,000
Compressors/Dehydrators					439	25,000	25,000
Gas Meter Run					436		0
Downhole Pumping Equipment & Rods					450	15,000	15,000
Pumping Unit, base and prime mover					482 470		0
Electrical Installation					465		0
TOTAL TANGIBLES		1,012,061		178,575		875,000	1,866,636
TOTAL WELL COST		3,855,311		5,691,460		792,000	10,339,771

Prepared By: Kelvin Fisher Date: 9/17/2019 Drill & Complete 9,547,771

Approval:  Date: 9/17/2019

Partner Approval
 Joint Owner:
 Working Interest:

Amount:

Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud 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

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

By _____ Date: _____

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Project: Parkway Prospect
Field: Parkway, Bone Spring
Well: Armstrong 32-33 Fed Com B W1H
Location: SHL 330' FNL & 100' FWL (D) of Section 32-195-30E
BHL 330' FNL & 100' FEL (A) of Section 33-195-30E
Eddy Co., NM

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

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints.

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 Cost
Permits/Well Signs	149	8,000					8,000
Damages/Right of Way	179	20,000	379				20,000
Title & Abstracts, Drilling Title Opinion	142	10,000					10,000
Survey and Stake Location	181	5,000	381				5,000
Locations and Roads, Frac Pit	143	100,000	343	100,000		30,000	230,000
Pit Lining	145		355	10,000			10,000
Conductor (drilled & set)	121	20,000					20,000
Mobilization / Demobilization 4 days pre-spud (\$80k) + trucks & cranes (\$100k)	187	180,000	367				180,000
Drilling (Day Work) 32 days spud - RR \$22,000 per day	104	704,000	304				704,000
Bits	115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool	128	50,000					50,000
Mud Logging 20 days \$2,000 per day	147	40,000					40,000
Open Hole Surveys/ Gyro	148						0
Water well, pump & line	180	5,000		10,000			15,000
Water/Brine/Mud Hauling	189	10,000	389	20,000			30,000
Fresh Water \$ 1.20 10,000 bbl drilling 699,071 bbl compln (20% excess)	180	12,000		838,885			850,885
Brine Water	116	10,000	316				10,000
Fuel \$ 2.50 1,700 gal/day	108	136,000	308	400,000			536,000
Mud & Chemicals Oil based mud in lateral	146	250,000	346	25,000			275,000
Tubular Inspection DP Cat IV on 1 strings Casing: clean, drift, visual 3 strings	139	40,000	339				40,000
Drill string rental	128						0
Casing Crew & LD Machine, CRT	117	35,000	317				35,000
Welding	121	1,500	391				1,500
Cementing	118	225,000	318				225,000
Directional Drilling 24 days \$13,000 per day	127	312,000					312,000
Wellsite Supervisor	106	80,000	306	40,000			120,000
Open Hole Logs	144						0
Solids Control Equipment	172	96,000					96,000
Cuttings Haul-off & Disposal	141	150,000					150,000
Surface Rental Equipment \$4,000 /d Drilling Frac stack, light towers, generators, housing	132	128,000	332	300,000			428,000
BOP Rental, stripper head	180		380				0
Pulling Unit 5 days, 4000/d			354	20,000	354	12,000	32,000
Acidizing Acid crew to prep toe			310	20,000			20,000
Frac Frac: see Prognosis above			354	2,600,000			2,600,000
Water Transfer			386	120,000			120,000
Completion Tools 64 frac plugs			321	96,000			96,000
Cased Hole Wireline & Perforating 85 stages, 10k tube			344	475,000			475,000
Coiled Tubing + Tools, Nitrogen			319	250,000			250,000
Flowback & Well Testing			333	120,000			120,000
Trucking	187	30,000	387	30,000			60,000
Environmental, Pit Closure			348	25,000			25,000
Materials & Supplies	176	5,000	376				5,000
Contract Labor, Roustabouts Wellhead field service III crews, packer, battery construction	189	10,000	369	10,000	369	75,000	95,000
		0		0		0	0
TOTAL INTANGIBLES		2,792,500		5,512,885		117,000	8,422,385

Prognosis: shallow 20" surface, 13-3/8" at B/salt, deep 9-5/8" Intermediate near KOP, 10"/100' BUR curve, tapered 7" x 5-1/2" longstring. Single well tank battery allocation

	Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars							
Surface 400 20 54 5/8 J55 BTAC	204	15,280					15,280
1st Intermediate 3,500 13 3/8 88W J55 BTC	206	185,500					185,500
2nd Intermediate 8,700 9 5/8 47W L80 BTAC	206	331,905					331,905
Production 8,700 7" 20W HCP110 CDC HTQ	408	215,325	408				215,325
Production 10,785 5 1/2 20W CY P110 CDC HTQ	408	178,492	408				178,492
Tubing 8,700 3 1/2 9 3/8 L80 EUE			412	73,950			73,950
Wellhead Equipment	263	30,000	493	10,000			40,000
Float Equipment & Centralizers, Wat Shoe	233 210	40,000	410				40,000
Liner hanger, Packer, TAC, other downhole tools AS1X packer	264		454	8,500			8,500
Flowlines, Valves, Fittings			434 432	45,000			45,000
Tanks					480	200,000	200,000
Battery: Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rac 484/LACT					476	300,000	300,000
Separation Equipment Inlet sep, HT, gas scrubber, VRT					476	125,000	125,000
Gas Lift Valves and surface equipment			439	25,000			25,000
Compressors/Dehydrators Rental gas lift compressor				438			0
Gas Meter Run			450	15,000			15,000
Downhole Pumping Equipment & Rods			482 476				0
Pumping Unit base and prime mover			485				0
Electrical Installation					426	50,000	50,000
		0		0		0	0
TOTAL TANGIBLES		996,502		177,450		675,000	1,848,952
TOTAL WELL COST		3,789,002		5,690,335		792,000	10,271,337

Prepared By: Kelvin Fisher Date: 7/24/2019

Drill & Complete 9,479,337

Approval:  Date: 7/24/2019
Kelvin Fisher, C.O.O.

Partner Approval

Amount:

Joint Owner:

Working Interest:

Joint Owner Approval:

By execution of this AFE, the above signer is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud 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.

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

By

Date:

78

Project: Parkway Prospect
 Field: Parkway, Bone Spring
 Well: Armstrong 32-33 Fed Com B #2H
 Location: SHL 1980' FNL & 100' FWL (E) of Section 32-19S-30E
 BHL 1980' FNL & 100' FWL (H) of Section 33-19S-30E
 Eddy Co., NM

Authority For Expenditure (AFE)

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

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well Closed loop Completion: 9787 perf interval x 2500 lb/ft (24.5 MM lb), 2500 gal/fr (58.4k 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 Cost
Permit/Well Signs					140	8,000					8,000
Damaged Right of Way					179	20,000	379				20,000
Title & Abstracts, Drilling Title Opinion					142	10,000					10,000
Survey and Stake Location					181	5,000	381				5,000
Locations and Roads, Frac Pit					143	100,000	143	100,000		30,000	230,000
Pit Lining Closed loop drilling (no reserve pit) frac pit					143		335	10,000			10,000
Conductor (drilled & set)					121	20,000					20,000
Mobilization / Demobilization 4 days pre-spud (\$80k) + trucks & cranes (\$100k)					187	180,000	367				180,000
Drilling (Day Work) 32 days spud - RR \$22,000 per day					104	704,000	304				704,000
Bits					115	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool					128	50,000					50,000
Mud Logging 20 days \$2,000 per day					147	40,000					40,000
Open Hole Surveys/ Gyro					148						0
Water well, pump & line					190	5,000		10,000			15,000
Water/Brine/Mud Hauling					158	10,000	389	20,000			30,000
Fresh Water \$ 1 20 10,000 bbl drilling 699,071 bbl comp'n (20% excess)					190	12,000		838,885			850,885
Brine Water					116	10,000	316				10,000
Fuel \$ 2 50 1,700 gal/day					108	136,000	308	400,000			536,000
Mud & Chemicals Oil based mud in lateral					149	250,000	349	25,000			275,000
Tubular Inspection DP: Cat IV on 1 strings Casing: clean, drift visual 3 strings					134	40,000	334				40,000
Drill string rental					128						0
Casing Crew & LD Machine, CRT					117	35,000	317				35,000
Welding					191	1,500	391				1,500
Cementing					118	225,000	318				225,000
Directional Drilling 24 days \$13,000 per day					127	312,000					312,000
Wellsite Supervisor					106	80,000	306	40,000			120,000
Open Hole Logs					144						0
Solids Control Equipment \$3,000 per day					172	96,000					96,000
Cuttings Haul-off & Disposal					141	150,000					150,000
Surface Rental Equipment \$4,000 /drilling Frac stack, light towers, generators, housing					132	128,000	332	300,000			428,000
BOP Rental: stripper head					180		360				0
Pulling Unit 5 days 4000/d						354	20,000	354	12,000		32,000
Acidizing Acid crew to prep toe						310	20,000				20,000
Frac see Prognosis above						134	2,600,000				2,600,000
Water Transfer						386	120,000				120,000
Completion Tools 64 frac plugs						321	96,000				96,000
Cased Hole Wireline & Perforating 65 stages, 10K tube						344	475,000				475,000
Coiled Tubing + Tools Nitrogen						319	250,000				250,000
Flowback & Well Testing						333	120,000				120,000
Trucking					187	30,000	387	30,000			60,000
Environmental, PR Closure						363	25,000				25,000
Materials & Supplies					176	5,000	376				5,000
Contract Labor, Roustabouts Wellhead field serv co NU crews pitcleaning, battery construction					164	10,000	364	10,000	369	75,000	95,000
						0				0	0
TOTAL INTANGIBLES						2,792,500		5,512,885		117,000	8,422,385

Prognosis: shallow 20' surface, 13-3/8" at 8/salt, deep 9-5/8" intermediate near KOP, 10"/100' BUR curve, tapered 7" x 5-1/2" longstring Single well tank battery allocation					Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars	Length	Size	Description	Price/ft FOB Log							
Surface	400	20	54 1/4 .55 BT&C	\$35.20	204	15,280					15,280
1st intermediate	3,500	13 3/8	68M .55 BT&C	\$53.00	206	185,500					185,500
2nd intermediate	8,700	9 5/8	47M 1.80 BT&C	\$38.15	206	331,905					331,905
Production	8,700	7"	20M HCP110 CDC+TO	\$24.75	408	215,325	408				215,325
Production	10,785	5 1/2	20M CY P110 CDC HTG	\$16.55	408	178,492	408				178,492
Tubing	8,700	3 1/2	9.3M 1.80 EUE	\$8.50			412	73,950			73,950
Wellhead Equipment					252	30,000	493	10,000			40,000
Float Equipment & Centralizers, Wat Shoe					233,210	40,000	410				40,000
Liner hanger, Packer, TAC, other downhole tools AS1X packer					254		454	8,500			8,500
Flowlines, Valves, Fittings						424,420		45,000			45,000
Tanks									410	200,000	200,000
Battery Pumps 458/Meiters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT									410	300,000	300,000
Separation Equipment Inlet sep, HT, gas scrubber VRT									478	125,000	125,000
Gas Lift Valves and surface equipment								439	25,000		25,000
Compressors/Dehydrators Rental gas lift compressor								438			0
Gas Meter Run								490	15,000		15,000
Downhole Pumping Equipment & Roofs						462,478					0
Pumping Unit, base and prime mover						465					0
Electrical Installation									478	50,000	50,000
						0				0	0
TOTAL TANGIBLES						996,502		177,450		675,000	1,848,952
TOTAL WELL COST						3,789,002		5,690,335		792,000	10,271,337

Prepared By: Kelvin Fisher Date: 7/24/2019

Drill & Complete 9,479,337

Approval:  Date: 7/24/2019
 Kelvin Fisher, C.O.O.

Partner Approval

Amount:

Joint Owner:

Working Interest:

Joint Owner Approval:

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

By

Date

Project: Parkway Prospect
 Field: Parkway, Bone Spring
 Well: Armstrong 32-33 Fed Com B #3H
 Location: 5HL 1980' FSL & 100' FWL (L) of Section 32-19S-30E
 BHL 1980' FSL & 100' FEL (L) of Section 33-19S-30E
 Eddy Co., NM

Authority For Expenditure (AFE)

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

AFE #

Surface location is approximate and may be moved to find a suitable legal location free of terrain/obstacles/habitat/cultural or other surface use constraints.

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 Cost
Permits/Well Signs				149	8,000					8,000
Damages/ Right of Way				179	20,000					20,000
Title & Abstracts, Drilling Title Opinion				142	10,000					10,000
Survey and Stake Location				18*	5,000	381				5,000
Locations and Roads, Frac Pit				143	100,000	343	100,000		30,000	230,000
Pit Lining				143		335	10,000			10,000
Conductor (drilled & set)				121	20,000					20,000
Mobilization / Demobilization	4 days pre-spud (\$80k) + trucks & crane (\$100k)			167	180,000	367				180,000
Drilling (Day Work)	32 days apud - RR \$22,000 per day			104	704,000	304				704,000
Bits				116	120,000	315	3,000			123,000
Downhole drilling tools & stabilization, survey tool				128	50,000					50,000
Mud Logging	20 days \$2,000 per day			147	40,000					40,000
Open Hole Survey/ Gyro				148						0
Water well, pump & line				180	5,000		10,000			15,000
Water/Brine/Mud Hauling				186	10,000	389	20,000			30,000
Fresh Water	\$ 1 20 10,000 bbl drilling 699,071 bbl compr/n (20% excess)			190	12,000		838,885			850,885
Brine Water				116	10,000	316				10,000
Fuel	\$ 2 50 1,700 gal/day			108	136,000	308	400,000			536,000
Mud & Chemicals	Oil based mud in lateral			146	250,000	346	25,000			275,000
Tubular Inspection	DP Cat IV on 1 strings Casing: clean, drift, visual 3 strings			130	40,000	338				40,000
Drill string rental				128						0
Casing Crew & LD Machine, CRT				117	35,000	317				35,000
Welding				191	1,500	391				1,500
Cementing				118	225,000	318				225,000
Directional Drilling	24 days \$13,000 per day			127	312,000					312,000
Wellsite Supervisor				106	80,000	306	40,000			120,000
Open Hole Logs				144						0
Solids Control Equipment	\$3,000 per day			172	95,000					95,000
Cuttings Haul-off & Disposal				141	150,000					150,000
Surface Rental Equipment	\$4,000 /d Drilling Frac stack light towers generators, housing			132	128,000	332	300,000			428,000
BOP Rental, stripper head				180		380				0
Pulling Unit	5 days, 4000/d					354	20,000	254	12,000	32,000
Acidizing	Acid crew to prep toe					310	20,000			20,000
Frac	Frac: see Prognosis above					334	2,600,000			2,600,000
Water Transfer						385	120,000			120,000
Completion Tools	64 frac plugs					321	96,000			96,000
Cased Hole Wireline & Perforating	85 stages, 10k tube					344	475,000			475,000
Coiled Tubing - Tools, Nitrogen						319	250,000			250,000
Flowback & Well Testing						333	120,000			120,000
Trucking				187	30,000	387	30,000			60,000
Environmental Pit Closure						348	25,000			25,000
Materials & Supplies				178	5,000	378				5,000
Contract Labor, Roustabouts	Wellhead field service, NU crews, pit cleaning, battery construction			188	10,000	388	10,000	389	75,000	95,000
TOTAL INTANGIBLES					2,792,600		5,512,885		117,000	8,422,485

Prognosis: shallow 20" surface, 13-3/8" at B/salt, deep 9-5/8" intermediate near KOP, 10"/100' 9UR curve, tapered 7" x 5-1/2" longstring. Single well tank battery allocation.				Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars	Length	Size	Description							
Surface	400	20	54.5# J55 BTAC	204	15,280					15,280
1st Intermediate	3,500	13 3/8	68# J55 BTC	206	185,500					185,500
2nd Intermediate	8,700	9 5/8	47# L80 BT&C	206	331,905					331,905
Production	8,700	7"	28# HCP110 CDC HTQ	408	215,325	408				215,325
Production	10,785	5 1/2	20# CY P110 CDC HTQ	408	179,492	408				179,492
Tubing	8,700	3 1/2	9.3# L80 EUE			412	73,950			73,950
Wellhead Equipment										
Float Equipment & Centralizers, Wet Shoe				293	30,000	493	10,000			40,000
Liner hanger, Packer, TAC, other downhole tools			AS1X packer	254	40,000	410				40,000
Flowlines, Valves, Fittings						454	8,500			8,500
Tanks						434 432	45,000			45,000
Battery: Pumps 458/Meters 450/Controls/Valves/Connections 432/Vapor Rec 484/LACT								460	200,000	200,000
Separation Equipment								478	300,000	300,000
Gas lift Valves and surface equipment									125,000	125,000
Compressors/Dehydrators			Rental gas lift compressor			439	25,000			25,000
Gas Meter Run						450	15,000			15,000
Downhole Pumping Equipment & Rods						462 475				0
Pumping Unit, base and prime mover						485				0
Electrical Installation								428	50,000	50,000
TOTAL TANGIBLES					896,602		177,450		676,000	1,848,852
TOTAL WELL COST					3,789,202		5,690,335		792,000	10,271,537

Prepared By: Kelvin Fisher Date: 7/24/2019 Drill & Complete 9,479,337

Approval:  Date: 7/24/2019
 Kelvin Fisher, C.O.D.

Partner Approval

Joint Owner:

Working Interest:

Amount:

Joint Owner Approval:

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By _____

Date: _____

30

Project: Parkway Prospect
 Field: Parkway, Bone Spring
 Well: Armstrong 32-33 Fed Com B #4H
 Location: SHL 330' FSL & 100' FWL (M) of Section 32 19S 30E
 BHL 330' FSL & 100' FEL (P) of Section 32-19S-30E
 Eddy Co., NM

Authority For Expenditure (AFE)

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

AFE #

Surface location is approximate and may be moved to find a suitable well location free of terrain/obstacles/habitat/cultural or other surface use constraints

Prognosis: New drill horizontal well. Closed loop. Completion: 9787 perf interval x 2500 lb/ft (24 S 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 Cost
Permit/Well Signs	149	8,000					8,000
Damages/Right of Way	179	20,000	374				20,000
Title & Abstract/Drilling Title Opinion	142	10,000					10,000
Survey and Stake Location	181	5,000	381				5,000
Locations and Roads/Frac Pit	142	100,000	343	100,000		30,000	230,000
Pit Lining	143		135	10,000			10,000
Conductor (drilled & set)	121	20,000					20,000
Mobilization / Demobilization	107	180,000	367				180,000
Drilling (Day Work)	104	704,000	304				704,000
Bills	115	120,000	114	3,000			123,000
Downhole drilling tools & stabilization survey tool	128	50,000					50,000
Mud Logging	147	40,000					40,000
Open Hole Survey/Gyro	148						0
Water well pump & line	150	5,000		10,000			15,000
Water/Brine/Mud Hauling	169	10,000	359	20,000			30,000
Fresh Water	190	12,000		838,885			850,885
Brine Water	116	10,000	316				10,000
Fuel	108	136,000	308	400,000			536,000
Mud & Chemicals	146	250,000	346	25,000			275,000
Tubular Inspection	130	40,000	319				40,000
Drill string rental	128						0
Casing Crew & ID Machine CRT	117	35,000	117				35,000
Welding	181	1,500	381				1,500
Cementing	116	225,000	316				225,000
Directional Drilling	127	312,000					312,000
Wellsite Supervisor	166	80,000	366	40,000			120,000
Open Hole Logs	144						0
Solids Control Equipment	172	98,000					98,000
Cuttings Haul-off & Dispose	141	150,000					150,000
Surface Rental Equipment	132	128,000	332	300,000			428,000
ROP Rental - stripper head	180		380				0
Pulling Unit			364	20,000	354	12,000	32,000
Acidizing			310	20,000			20,000
Frac			334	2,800,000			2,800,000
Water Transfer			346	120,000			120,000
Completion Tools			391	96,000			96,000
Cased Hole Wireline & Perforating			344	475,000			475,000
Coiled Tubing + Tools Nitrogen			318	250,000			250,000
Flowback & Well Testing			371	120,000			120,000
Trucking	187	30,000	387	30,000			60,000
Environmental Pit Closure			348	25,000			25,000
Materials & Supplies	170	5,000	376				5,000
Contract Labor Roustabouts	169	10,000	369	10,000		75,000	95,000
TOTAL INTANGIBLES		2,792,500		5,512,885		117,000	8,422,385

Prognosis: shallow 20' surface, 13 3/8" at 8' set, deep 9 5/8" intermediate near KOP, 10"/100' BUR curve, taperen 7" x 5-1/2" longstring. Single well-rank battery allocation					Code	Drilling Tangibles	Code	Completion Tangibles	Code	Production Tangibles	Total Cost
Tubulars	Length	Size	Description	Program FOB Loc							
Surface	400	20	54 5/8" J55 B7C	\$38.20	204	15,280					15,280
1st Intermediate	3,500	13 3/8	800 J55 B7C	\$53.00	208	185,500					185,500
2nd Intermediate	8,700	9 5/8	478 L80 B7C	\$38.15	206	331,905					331,905
Production	4,700	7"	298 HCP110 CDC HTG	\$24.75	408	215,325	434				215,325
Production	13,785	5 1/2	206 CV P110 CDC HTG	\$16.55	408	178,492	428				178,492
Tubing	6,700	3 1/2	9 3/4 L80 EUE	\$8.50			417	73,950			73,950
Wellhead Equipment					283	30,000	491	10,000			40,000
Float Equipment & Centralizers: Wet Shoe					713 213	40,000	410				40,000
Inner stringer Packer TAC other downhole tools			ASIX packer		254		454	8,500			8,500
Flowlines Valves Fittings							474 450	45,000			45,000
Tanks									480	200,000	200,000
Battery Pumps 45B/Meters 45D/Controls/Valves/Connections 432/Vapor Rec 484/LAC									475	300,000	300,000
Separation Equipment: inlet sep HT gas scrubber VRT										125,000	125,000
Gas Lift Valves and surface equipment							475	25,000			25,000
Compressors/Dehydrators			Rental gas lift compressor				413				0
Gas Meter Run							490	15,000			15,000
Downhole Pumping Equipment & Rods					180 470						0
Pumping Unit base and prime mover					465						0
Electrical installation									474	50,000	50,000
TOTAL TANGIBLES						995,502		177,450		875,000	1,848,952
TOTAL WELL COST						3,788,002		5,690,335		792,000	10,271,337

Prepared By: Kelvin Fisher Date: 7/24/2019

Drill & Complete 9,479,337

Approval:  Date: 7/24/2019

Partner Approval

Amount:

Joint Owner:

Joint Owner Approval:

Working Interest:

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Agree to decline coverage, provide proof, and hold harmless.

By _____

Date _____

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