

Phone (972) 371-5200 • Fax (972) 371-5201

|                  |                                                              |                 |               |
|------------------|--------------------------------------------------------------|-----------------|---------------|
| DATE:            | December 23, 2015                                            | AFE NO.:        | 0             |
| WELL NAME:       | B Banker 33-23S-28E RB #221H                                 | FIELD:          | 0             |
| LOCATION:        |                                                              | MD/TVD:         | 15200'/10200' |
| COUNTY/STATE:    | Eddy                                                         | LATERAL LENGTH: | about 4400'   |
| MRC WI:          |                                                              |                 |               |
| GEOLOGIC TARGET: | Wolfcamp                                                     |                 |               |
| REMARKS:         | Drill and complete a horizontal Wolfcamp well with 22 stages |                 |               |

| INTANGIBLE COSTS                 | DRILLING COSTS   | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS      |
|----------------------------------|------------------|------------------|------------------|----------------|------------------|
| Land / Legal / Regulatory        | \$ 101,700       | \$ -             | \$ -             | \$ -           | \$ 101,700       |
| Location, Surveys & Damages      | 80,500           | 13,000           | 4,000            | 35,500         | 132,500          |
| Drilling                         | 730,000          | -                | -                | -              | 730,000          |
| Cementing & Float Equip          | 210,000          | -                | -                | -              | 210,000          |
| Logging / Formation Evaluation   | -                | 4,500            | -                | -              | 4,500            |
| Mud Logging                      | 18,000           | -                | -                | -              | 18,000           |
| Mud Circulation System           | 53,865           | -                | -                | -              | 53,865           |
| Mud & Chemicals                  | 111,000          | 20,000           | -                | -              | 131,000          |
| Mud / Wastewater Disposal        | 175,000          | -                | -                | -              | 175,000          |
| Freight / Transportation         | 36,000           | 16,500           | -                | 21,000         | 73,500           |
| Rlg Supervision / Engineering    | 79,200           | 66,000           | 18,000           | 36,000         | 199,200          |
| Drill Bits                       | 89,500           | -                | -                | -              | 89,500           |
| Fuel & Power                     | 105,000          | -                | -                | -              | 105,000          |
| Water                            | 50,000           | 382,000          | -                | 15,000         | 447,000          |
| Drig & Completion Overhead       | 9,000            | 15,000           | -                | -              | 25,000           |
| Plugging & Abandonment           | -                | -                | -                | -              | -                |
| Directional Drilling, Surveys    | 190,000          | -                | -                | -              | 190,000          |
| Completion Unit, Swab, CTU       | -                | 50,000           | 30,000           | -              | 80,000           |
| Perforating, Wireline, Slickline | -                | 87,500           | 20,000           | -              | 107,500          |
| High Pressure Pump Truck         | -                | 53,000           | -                | -              | 53,000           |
| Stimulation                      | -                | 2,200,000        | -                | -              | 2,200,000        |
| Stimulation Flowback & Disp      | -                | 60,500           | -                | -              | 60,500           |
| Insurance                        | 27,360           | -                | -                | -              | 27,360           |
| Labor                            | 121,000          | 17,000           | 5,000            | -              | 144,000          |
| Rental - Surface Equipment       | 77,850           | 176,475          | 12,000           | 15,000         | 281,325          |
| Rental - Downhole Equipment      | 50,000           | 40,000           | -                | 10,000         | 100,000          |
| Rental - Living Quarters         | 46,700           | 27,030           | 10,000           | 10,000         | 93,780           |
| Contingency                      | 165,317          | 322,958          | 10,000           | -              | 498,273          |
| <b>TOTAL INTANGIBLES &gt;</b>    | <b>2,526,992</b> | <b>3,552,511</b> | <b>110,000</b>   | <b>142,000</b> | <b>5,331,503</b> |

| TANGIBLE COSTS                   | DRILLING COSTS   | COMPLETION COSTS | PRODUCTION COSTS | FACILITY COSTS | TOTAL COSTS      |
|----------------------------------|------------------|------------------|------------------|----------------|------------------|
| Surface Casing                   | \$ 26,450        | \$ -             | \$ -             | \$ -           | \$ 26,450        |
| Intermediate Casing              | 74,250           | -                | -                | -              | 74,250           |
| Drilling Liner                   | 280,400          | -                | -                | -              | 280,400          |
| Production Casing                | 223,000          | -                | -                | -              | 223,000          |
| Production Liner                 | -                | -                | -                | -              | -                |
| Tubing                           | -                | -                | 50,000           | -              | 50,000           |
| Wellhead                         | 70,000           | -                | 50,000           | -              | 120,000          |
| Packers, Liner Hangers           | -                | 37,800           | 12,000           | -              | 49,800           |
| Tanks                            | -                | -                | -                | 90,300         | 90,000           |
| Production Vessels               | -                | -                | 74,000           | 74,750         | 148,750          |
| Flow Lines                       | -                | -                | -                | -              | -                |
| Rod string                       | -                | -                | -                | -              | -                |
| Artificial Lift Equipment        | -                | -                | 30,000           | -              | 30,000           |
| Compressor                       | -                | -                | -                | -              | -                |
| Installation Costs               | -                | -                | 57,000           | 160,300        | 227,000          |
| Surface Pumps                    | -                | -                | 5,000            | -              | 5,000            |
| Non-controllable Surface         | -                | -                | 66,000           | -              | 66,000           |
| Non-controllable Downhole        | -                | -                | -                | -              | -                |
| Downhole Pumps                   | -                | -                | -                | -              | -                |
| Measurement & Meter Installation | -                | -                | 12,500           | 24,000         | 36,500           |
| Gas Conditioning / Dehydration   | -                | -                | -                | -              | -                |
| Interconnecting Facility Piping  | -                | -                | -                | 46,000         | 46,000           |
| Gathering / Bulk Lines           | -                | -                | -                | 133,000        | 133,000          |
| Valves, Pumps, Controllers       | -                | -                | -                | 8,000          | 8,000            |
| Tank / Facility Containment      | -                | -                | -                | 40,000         | 40,000           |
| Flare Stack                      | -                | -                | -                | 35,000         | 35,000           |
| Electrical / Grounding           | -                | -                | -                | 30,000         | 30,000           |
| Communications / SCADA           | -                | -                | -                | -              | -                |
| Instrumentation / Safety         | -                | -                | -                | 32,000         | 32,000           |
| <b>TOTAL TANGIBLES &gt;</b>      | <b>674,100</b>   | <b>37,800</b>    | <b>368,500</b>   | <b>672,750</b> | <b>1,751,150</b> |
| <b>TOTAL COSTS &gt;</b>          | <b>3,201,092</b> | <b>3,590,311</b> | <b>476,500</b>   | <b>814,750</b> | <b>8,082,653</b> |

Drilling Engineer: Aaron Byrd  
Completions Engineer: Chris Calvert  
Production Engineer: John Romano

Team Lead - WTXNM WTE  
WTE

|                       |                        |                 |
|-----------------------|------------------------|-----------------|
| Executive VP, COO/CFO | VP - Res Engineering   | VP - Drilling   |
| DEL                   | SMR                    | SG              |
| Executive VP, Legal   | Exec Dir - Exploration | VP - Production |
| CA                    | NLF                    | TWG             |
| President             | VP & General Manager   |                 |
| MVH                   | RCL                    |                 |

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_

Signed by: \_\_\_\_\_ Date: \_\_\_\_\_

Title \_\_\_\_\_ Approval: Yes \_\_\_\_\_ No (mark one)

[illegible]