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July 15, 2016

Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Attention Mr. David R. Catanach, Director

RE: Application of Burnett Oil Co., Inc. for a Non-Standard Oil Spacing  
and Proration Unit and Compulsory Pooling, Eddy County, NM  
Case No. 15404  
Order No. R-14096  
Nosler 12 Federal DB Well No. 4H

Dear Mr. Catanach:

Pursuant to Order No. R-14096 of Case No. 15404, please find enclosed an itemized schedule of the actual costs to drill, complete, and equip the captioned well. Completion operations on the well were finished on May 3, 2016. Pursuant to ordering Paragraph 11, non-consenting working interest owners have forty five (45) days from receipt hereof to object. Should you have any questions, please feel free to contact me at (817) 583-8761 or via email at [cmeans@burnettoil.com](mailto:cmeans@burnettoil.com).

Regards,  
BURNETT OIL CO., INC.



Coley Means  
Land Manager

enclosure

cc:  
Ard Oil, Ltd., and Ard Energy Partners, Ltd.  
222 West 4<sup>th</sup> Street, Suite PH5  
Fort Worth, Texas 76102

AFE - ACTUAL		
AFE: A2430		
WELL : NOSLER 12 FED DB 4H		
07/15/16		
Itemized Statement of Actual Costs of Drilling, Completing, and Equipping		
Description	Actual	Total
<b>Drill and Complete</b>		
SURFACE CASING (& CONDUCTOR)	\$25,056.74	
INTERMEDIATE CASING, LINERS, ETC	\$44,812.01	
WELLHEAD TO CASING POINT	\$36,717.08	
PRODUCTION CASING & LINERS	\$373,099.90	
TUBING	\$15,732.47	
MISC. FITTINGS & SUPPLIES	\$74.41	
SUBSURFACE PUMP & ACCESSORIES	\$30,037.97	
INSTALLATION AND LABOR EXPENSE	\$17,763.52	
LOC & ROADWAY (RAT HOLE, ETC)	\$130,876.17	
DAYWORK	\$235,263.09	
FUEL	\$23,656.52	
MOVE IN, RIG UP, RIG DOWN	\$75,171.25	
SURFACE EQUIPMENT RENTAL	\$94,257.02	
DRILLING BITS (MUST DESCRIBE)	\$58,704.76	
PIPE INSPECTION & COATING	\$12,840.84	
DOWNHOLE EQUIPMENT RENTAL	\$16,675.31	
MUD & CHEMICALS	\$91,097.27	
WATER	\$100,360.12	
DIRECTIONAL DRILLING SERVICES	\$128,500.50	
LOGGIN OPEN HOLE/WIRELINE	\$0.00	
MUD LOGGING	\$11,311.50	
CEMENT & SERVICE	\$51,670.32	
TRUCKING & HAULING	\$31,808.41	
CONTRACT SUPERVISION	\$30,439.12	
DRILLING OVERHEAD-TO CASING PT	\$6,442.07	
CONTRACT LABOR CASING CREWS	\$23,805.20	
OTHER DRILLING COSTS	\$9,309.14	
LOCATION & ROADWAY EXPENSE	\$1,104.50	
ACIDIZING	\$3,982.87	
FRACTURING	\$524,374.30	
FUEL & POWER	\$10,251.92	
SURFACE EQUIPMENT RENTAL	\$132,769.54	
MUD CHEMICALS & WATER	\$282.06	
PERFORATING: CASED-HOLE LOGGING	\$16,743.96	
CEMENT & SERVICES	\$36,619.62	
TRUCKING & HAULING (KILL TRUCK	\$32,379.58	
CONTRACT SUPERVISN AT RIG SITE	\$13,234.40	
CONTRACT LABOR-CASING CREWS	\$11,630.52	
CONTRACT LABOR	\$479.33	
		\$2,459,335.31
<b>Equip</b>		
MISCELLANEOUS FITTINGS & SUPPLIES	\$291,311.24	
INSTALLATION LABOR & EXPENSE	\$344,830.94	
EQUIPMENT - TANKS, HEATER TREATER, PIPE	\$170,420.39	
COMPANY SUPERVISION	\$1,766.98	
LOC & ROADWAY	\$94,000.80	
FUEL & POWER	\$4,345.02	
		\$906,675.37
<b>TOTAL COST TO DRILL, COMPLETE &amp; EQUIP</b>		<b>\$3,366,010.68</b>