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

APPLICATION OF OPAL RESOURCES OPERATING CO., LLC AND OPAL RESOURCES II, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, A NON-STANDARD PROJECT AREA, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15621

Jade Well Pooling Hearing

Exhibits

No. 1 - Midland Map of proposed spacing unit/project area

No. 2 - C-102 Plat

No. 3 – Summary of interest owners in spacing unit (also reflecting those that are unleased)

No. 4 - Copy of lease proposal letter and form of lease sent to all MI owners

No. 5 - Affidavit of Notice No. 6 - State Land Office Correspondence and Communitization Agreement No. 7 - Copy of APD

No. 7-1 Copy of well proposal and AFE

No. 8 – Affidavit of Publication

No. 9 – Large Area Locator Map

No. 10 - Close-up Locator and Structure Map

No. 11 – Base Map with Cross-Section Locations

No. 12 – Stratigraphic Cross-section Map

No. 13 – Well construction diagram

Trilogy Opal Res. Trilogy 6-1-2019	Opal Res. 11-5-2017 W/2 4-18-2019	27 og Dourbes Engle
Phillips [TO TYCO] [Mary Eabley Est, etal [Was) S&H En.	Double Eagle 11-21-2017	n 59
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RECORDINATION APPRIATION ACTIVATION ACTIVATI	COURSE TRASSACT	The Tr

DISTRICT I

1623 N. French Dr., Hobba, N.M. 872-20

1624 N. French Dr., Hobba, N.M. 872-20

DISTRICT II

811 S. French, America, N.M. 872-10

Phone: (575) 194-173 Vaz. (575) 744-9720

DISTRICT III

1000 Res Brazer Rd., America, N.M. 872-10

Phone: (595) 194-197 Vaz. (595) 194-6170

DISTRICT IV.

1220 S. S. French Dr., Sepala Le, N.M. 873-05

From: (190) 195-1840 J. Ext. (595) 174-1402

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API	l Number			Pool Code 47393		Pool Name NADINE; ABO, EAST			
Property Cod	le				Property Name			Well Nur	mber
				•	JADE 19S-39E	-S29		1H	1
OGRID No.	. :				Operator Name			Elevati	on
370630)	l .		OPA	L RESOURCE	S II, LLC		3586	.7'
					Surface Locat	ion			
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	Соцпі
,	29	198	39 E		400	NORTH	400	WEST	LEA
<u> </u>			Bott	om Hole I	ocation If Diffe	erent From Surfac	e		
UL or lot no.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/West line	County
	32	198	39 E		1122	NORTH	400	WEST	LEA
Dedicated Acres	Joint or	Infill	Consolidated Co	de Order	No.				
200									

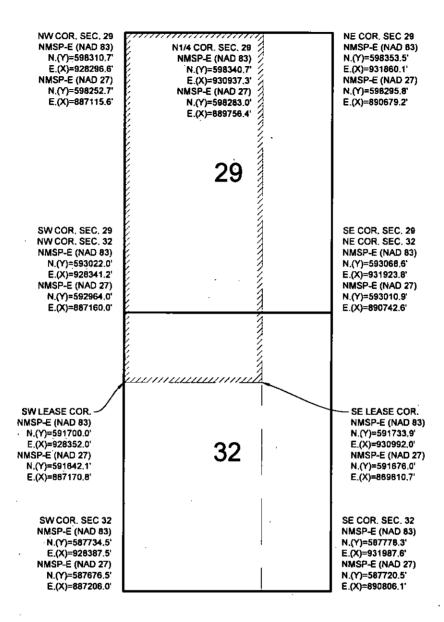
GR. ELEV. 3588.7' NMSP-E (NAD 83) N (Y)=597915.1' E.(X)=928700.0° LAT.(N)=32°38'14.68" LONG.(W)=103°04'29,96" NMSP-E (NAD 27) N.(Y)=597857.2 E (X)=887519.1' LAT (N)=32.6372997° LONG.(W)=103.0745082° FIRST TAKE! POINT OF PENETRATION: NMSP-E (NAD 83) N.(Y)=597465.1 E.(X)=928703.8' LAT (N)=32°38'10.22" LONG (W)=103"04'29.98" NMSP-E (NAD 27) N.(Y)=597407.2' E.(X)=887522.81 LAT (N)=32,6360629° LONG.(W)=103.0745133* LAST TAKE: NMSP-E (NAD 83) N (Y)=592035.21 E (X)=928749.4' LAT (N)=32°37'16,50" LONG,(W)=103°04'30.19" NMSP-E (NAD 27) N_{(Y)=591977.3} E.(X)=887568.1 LAT (N)=32,6211392° LONG.(W)=103.0745752° TERMINUS: NMSP-E (NAD 83) N.(Y)=591905.2 E.(X)=928750.4 LAT (N)=32°37'15.22 LONG.(W)=103°04'30.20" NMSP-E (NAD 27) N_{(Y)=591847.2} E.(X)=887569.2 LAT.(N)=32,6207818° LONG (W)=103.0745767°

	40	00'			
400'	مدددداد	SHL		- 	
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		S02°41°34°W 6009.0°	· 29 ·	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
	درددوردد	S02		XIII XIII XIII XIII XIII XIII XIII XII	
400'	فاستندد	LTP 330 F6 I 400 FW	EASE LINE	<u> </u>	
	20	10' TERMI	MUS		
			32		

EXHIBIT 2

OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and beliaf, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hale location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to wokuntary pooling agreement or a compulsory pooling order heretafore entered by the division. Signature Date Print Name E-mail Address SURVEYORS CERTIFICATION I hereby certify that the well location shown on this plad was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my beliaf. MAY 31, 2016 Date of Survey Signature and Seal of Protypea Son type 14729 LAMES E. TOMPKINS 14729 Certificane Number

COORDINATES



SECTION 29, T.19S., R.39E., N.M.P.M.

COUNTY: LEA

STATE: NM

DESCRIPTION: 400' FNL & 400' FWL

OPERATOR: OPAL RESOURCES II, LLC

WELL NAME: JADE 19S-39E-S29 1H



DRIVING DIRECTIONS:

BEGINNING AT THE TEXAS AN NEW MEXICO BORDER ON NADINE ROAD; HEAD WEST APPROXIMATELY 0.7 MILES TO A LEASE ROAD ON RIGHT. TURN RIGHT ONTO LEASE ROAD AND HEAD NORTH APPROXIMATELY 0.4 MILE TO A BEND IN THE ROAD AND THE BEGINNING OF A PROPOSED LEASE ROAD THAT BEARS NORTH 2649 FEET THEN EAST 205 FEET TO A PROPOSED SOUTHWEST WELL PAD CORNER.



WTC, INC. 405 S.W. 1st. STREET ANDREWS, TEXAS 79714 (432) 523-2181



W.O. NUMBER: 51174

LOCATION VERIFICATION MAP 0 0 0 0 19 JADE 19S-39E-S29 1H PROPOSED 2855' LEASE ROAD 73594 3577 29 00 AINES 3572 T.19S., R.39E., N.M.P.M. Well 32

SCALE: 1" = 2000'

SECTION 29, T.19S., R.39E., N.M.P.M.

0

COUNTY: LEA

2000

STATE: NM

2000

DESCRIPTION: 400' FNL & 400' FWL

OPERATOR: OPAL RESOURCES II, LLC

WELL NAME: JADE 19S-39E-S29 1H



4000 FEET

DRIVING DIRECTIONS:

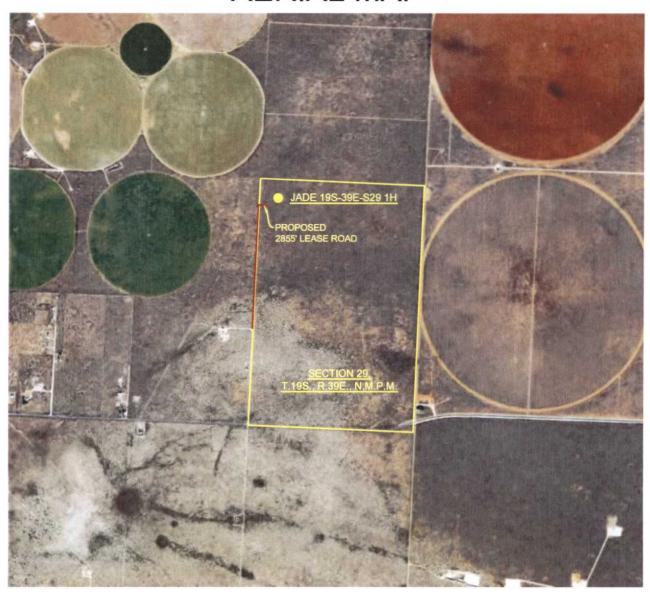
BEGINNING AT THE TEXAS AN NEW MEXICO BORDER ON NADINE ROAD; HEAD WEST APPROXIMATELY 0.7 MILES TO A LEASE ROAD ON RIGHT. TURN RIGHT ONTO LEASE ROAD AND HEAD NORTH APPROXIMATELY 0.4 MILE TO A BEND IN THE ROAD AND THE BEGINNING OF A PROPOSED LEASE ROAD THAT BEARS NORTH 2649 FEET THEN EAST 205 FEET TO A PROPOSED SOUTHWEST WELL PAD CORNER.



WTC, INC. 405 S.W. 1st. STREET ANDREWS, TEXAS 79714 (432) 523-2181



AERIAL MAP





SECTION 29, T.19S., R.39E., N.M.P.M.

COUNTY: LEA

STATE: NM

DESCRIPTION: 400' FNL & 400' FWL

OPERATOR: OPAL RESOURCES II, LLC

WELL NAME: JADE 19S-39E-S29 1H



DRIVING DIRECTIONS:

BEGINNING AT THE TEXAS AN NEW MEXICO BORDER ON NADINE ROAD; HEAD WEST APPROXIMATELY 0.7 MILES TO A LEASE ROAD ON RIGHT. TURN RIGHT ONTO LEASE ROAD AND HEAD NORTH APPROXIMATELY 0.4 MILE TO A BEND IN THE ROAD AND THE BEGINNING OF A PROPOSED LEASE ROAD THAT BEARS NORTH 2649 FEET THEN EAST 205 FEET TO A PROPOSED SOUTHWEST WELL PAD CORNER.



WTC, INC. 405 S.W. 1st, STREET ANDREWS, TEXAS 79714 (432) 523-2181



VICINITY MAP **EVERGLADE** H61 S TELEPHONE POLE 00 LLANO GRANDE H61 ARCO RD. WRIGHT DR. MONUMENT McNEILL H42 GASPER BRONCO 29 NADINE RD. NADINE RD H56 H60 36 KEITH 31 BEARD T-19-S T-20-S TIPTON H56 6 1 Y WALKER H45 WATER DOG

SECTION 29, T.19S., R.39E., N.M.P.M.

COUNTY: LEA

STATE: NM

DESCRIPTION: 400' FNL & 400' FWL

OPERATOR: OPAL RESOURCES II, LLC

WELL NAME: JADE 19S-39E-S29 1H

DRIVING DIRECTIONS:

BEGINNING AT THE TEXAS AN NEW MEXICO BORDER ON NADINE ROAD; HEAD WEST APPROXIMATELY 0.7 MILES TO A LEASE ROAD ON RIGHT. TURN RIGHT ONTO LEASE ROAD AND HEAD NORTH APPROXIMATELY 0.4 MILE TO A BEND IN THE ROAD AND THE BEGINNING OF A PROPOSED LEASE ROAD THAT BEARS NORTH 2649 FEET THEN EAST 205 FEET TO A PROPOSED SOUTHWEST WELL PAD CORNER.



WTC, INC. 405 S.W. 1st. STREET ANDREWS, TEXAS 79714 (432) 523-2181



SHL: JADE 19S-39E-S29 1H GR. ELEV. 3586.7' NMSP-E (NAD 83) N.(Y)=597915.1' E.(X)=928700.0' LAT.(N)=32°38'14.68'' LONG.(W)=103°04'29.98'' NMSP-E (NAD 27) N.(Y)=597857.2' E.(X)=887519.1' LAT.(N)=32.6372997'' LONG.(W)=103.0745082''

SECTION 29, T.19S., R.39E., N.M.P.M.

COUNTY: LEA

STATE: NM

EL.= 3586.7

DESCRIPTION: 400' FNL & 400' FWL

PROPOSED 2855'

LEASE ROAD

OPERATOR: OPAL RESOURCES II, LLC

WELL NAME: JADE 19S-39E-S29 1H



370

100 0 100 200 FEET

SCALE: 1" = 100"

DRIVING DIRECTIONS:

EL.= 3589.1°

BEGINNING AT THE TEXAS AN NEW MEXICO BORDER ON NADINE ROAD; HEAD WEST APPROXIMATELY 0.7 MILES TO A LEASE ROAD ON RIGHT. TURN RIGHT, ONTO LEASE ROAD AND HEAD NORTH APPROXIMATELY 0.4 MILE TO A BEND IN THE ROAD AND THE BEGINNING OF A PROPOSED LEASE ROAD THAT BEARS NORTH 2649 FEET THEN EAST 205 FEET TO A PROPOSED SOUTHWEST WELL PAD CORNER.



WTC, INC. 405 S.W. 1st. STREET ANDREWS, TEXAS 79714 (432) 523-2181



W.O. NUMBER: 51174

EXHIBIT 3

Fee Simple Title To the Subject Lands (But Subject to Oil And Gas Leases as Indicated):

A. Tract 1 (W/2W/2 Section 29):

Owner:	% of Mineral Interest:	Applicable Lease:
Renee Osburn, as her separate property	2.083333%	I (1/5 RI) ¹
Jodi Osburn Tolleson, as her separate property	2.083333%	2 (1/5 RI) ¹
Billie L. Osburn, as separate property	2.083334%	3 (1/5 RI) ¹
Stephen Nelson James, as his separate property	6.250000%	4 ₁ (1/5 RI) ¹
Ingrid D. Powell, Trustee of the C & I Powell Revocable Living Trust dated June 16, 1978	0.375000%	5 (1/5 RI)
Ingrid D. Powell, Successor Trustee of the Betty Kyte Dreessen Trust dated December 23, 1958	2.000000%	6 (1/5 RI)
Edward Dreessen, Jr., as his separate property	0.375000%	7 (1/5 RI)
Ingrid D. Powell and Edward Dreessen, Jr., as Trustees of the Betty Kyte Dreessen Revocable Living Trust dated October 17, 1977	3.125000%	8 (1/5 RI)
Cecile Marie Dreessen, as her separate property	0.375000%	9 (1/5 RI)

This mineral interest owner only owns this share of the W/2NW/4 of Section 29. The W/2SW/4 Section 29, as to this share of interest, is owned by Laverna Lewis Bellis, Trustee of the Laverna Lewis Bellis 1999 Revocable Trust dated December 22, 1999 (1/24th mineral interest, Lease 20-25% royalty interest), Gena Zerlan and Kurt Hansen as Co-Executors of the Estate of Oneida Hansen, deceased (1/24th mineral interest, Lease 28-25% royalty interest), and Michael R. Chaffin & Kym B. Chaffin, Co-Trustees of the Geneva Lee Kleiner Revocable Trust (1/24th mineral interest, Lease 29-25% royalty interest).

South Fifth Energy, LLC	4.687500%	10 (1/4 RI)
Carter Family Minerals, LLC	4.687500%	11 (1/4 RI)
Progeny Minerals, LLC	3.125000%	12 (1/5 RI)
Morton J. Smith, III, as his separate property	0.781250%	13 (1/5 RI)
Emlea Smith Chanslor a/k/a Emlea Smith Robert, as her separate property	0.781250%	14 (1/5 RI)
Steve C. Cusack, as his separate property	0.217014%	15 (1/5 RI)
Michael F. Cusack, Trustee of the Cusack Family Revocable Trust (1998)	0.976563%	16 (1/5 RI)
Don M. Sharp, as his separate property	0.390625%	17 (1/4 RI)
ConocoPhillips Company	1.562500%	64 (1/4 RI)
Bradford A. Christmas, marital status unknown	0.507813%	45 (1/4 RI)
Christmas Mineral Interests, LLC	0.507813%	46 (1/4 RI)
Candy Christmas, as her separate property	0.507812%	18 (1/4 RI)
Helen Jane Christmas Barby, Trustee of the Helen Jane Christmas Barby Trust u/t/a dated February 14, 1992	0.507812%	30 (1/4 RI)
Joyce Ann Brown, as her separate property	1.093750%	21 (1/4 RI)
Robert Louis Linnell, Trustee of the Robert Louis Linnell Revocable Trust dated May 14, 2004	0.260417%	54 (1/4 RI)
Patti Watson Leake, as her separate property	0.130208%	34 (1/4 RI)

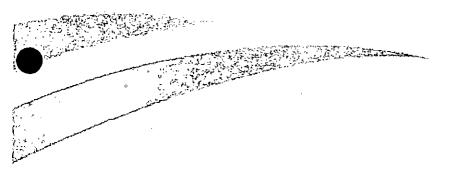
Fred A. Watson, as her separate property	0.130208%	49 (1/4 RI)
Robert A. McKee, as his separate property	0.260417%	55 (1/4 RI)
Sheryl McKee Kenny, as her separate property	0.260417%	56 (1/4 RI)
Roy V. Flesh, II, as his separate property	0.260417%	58 (1/4 RI)
Dianne Flesh Gumper, as her separate property	0.260417%	59 (1/4 RI)
CRJ Resources, LLC	3.125000%	25·(1/4 RI)
David Fred Carr, as his separate property	0.781250%	61 (1/4 RI)
LM Robinson, LLC	2.343750%	23 (1/4 RI)
Herring's Carter Minerals, LLC	3.125000%	31 (1/4 RI)
Debra D. Dye, as her separate property	3.125000%	48 (1/4 RI)
David M. Yager, Trustee of the David Bond Kyte 1997 Trust	3.125000%	Unleased
Noble Energy, Inc.	3.906250%	Unleased
Danglade/Speight Family Oil and Gas I, LP	7.812500%	26 (1/4 RI)
Heirs or Devisees of Ollie S. Jones, deceased	3.125000%	Unleased
Latina W. True a/k/a Latina W. Smith, as her separate property	0.781250%	41 (1/4 RI)
Mary K. True a/k/a Mary Smith, as her separate property	0.781250%	44 (1/4 RI)
Christine Jane Walhstrom Bell, as her separate property	3.125000%	43 (1/5 RI)

Donna Lynette Powell, Trustee of the Donna Lynette Powell Revocable Trust	0.781250%	27 (1/4 RI)
Patricia E. Osborne, as her separate property	0.260417%	33 (1/4 RI)
Richard S. Stephens, as his separate property	0.260417%	35 (1/4 RI)
Erin E. Stephens, as her separate property	0.130208%	32 (1/4 RI)
Kathleen Marie Enriquez, as her separate property	0.130208%	37 (1/4 RI)
Carla Leet-Assaf, as her separate property	0.200315%	Unleased
Frederika A. Leet, as her separate property	0.046708%	50 (1/4 RI)
Carl F. Hatch, as his separate property	0.740125%	Unleased
Jeannie H. Collins, as her separate property	0.740125%	Unleased
Glen River f/k/a Glen F. Leet, Jr., as his separate property	0.306682%	51 (1/4·RI)
Cheedle Caviness and Elizabeth Caviness, as joint tenants with right of survivorship	1.145282%	Unleased
The Regents University of New Mexico, f/b/o Carl A. Hatch Professorship of Law and Public Administration Fund, University of New Mexico	0.565524%	42 (1/4 RI)
Timothy J. Cusack, as Trustee of the John Patrick Cusack Jr. Amended and Restated Declaration and Agreement of Trust dated July 21, 1995	0.976563%	60 (1/4 RI)
John P. Cusack, III, as his separate property	0.217014%	52 (1/4 RI)

Opal Resources II, LLC TOTAL	2.505240% 100.000000%	Applicant/Operator
James B. Sharp, as his separate property	0.390625%	19 (1/4 RI)
EH Minerals, LP	0.416666%	39 (1/4 RI)
Frost Bank, Trustee of the Richard A. Hall Trust	0.416666%	40 (1/4 RI)
Albuquerque National Bank, Trustee for Kathryn Brandenburg	0.312500%	65 (1/4)
Frost Bank, Trustee of the Charles L. Hall Trust	0.416666%	38 (1/4 RI)
Frances Pearl Scarborough, as her separate property	0.781250%	19 (1/4 RI)
Selman, LLC	0.781250%	19 (1/4 RI
J.V. Selman & Burline A. Selman, Trustees of the Selman Family Trust u/t/a/ dated January 23, 1990	0.781250%	19 (1/4 RI)
Michael F. Cusack, Jr., as his separate property	0.217013%	62 (1/4 RI)
Patrick P. Cusack, as his separate property	0.217013%	53 (1/4 RI)
Christopher R. Cusack, as his separate property	0.217014%	24 (1/4 RI)
Craig A. Cusack, as his separate property	0.217014%	47 (1/4 RI)
Karen Cusack Pasquier f/k/a Karen Cusack Limas, as her separate property	0.217014%	22 (1/4 RI)
Catherine A. Cusack, as her separate property	0.217014%	63 (1/4 RI)
Timothy J. Cusack, as his separate property	0.217014%	57 (1/4 RI)

B. Tract 2 (N/2NW/4 Section 32):

Owner:	% of Mineral Interest:	Applicable Lease:
State of New Mexico, by and through the	All	66 (1/6 RI)





309 W. 7th Street, Suite 200 Fort Worth, TX 76102 Tel 817.698.9393 Fax 817.698.9396

January 1st, 2017

RE: Oil and Gas Lease Offer West ½ of Section 29, T19S, R39E Lea County, New Mexico

Mineral Owner,

Holland Services is an authorized leasing agent for Opal Resources II, LLC, a Houston, Texas based Oil and Gas operator. Our preliminary title work has shown that you will own an undivided mineral interest (being under the above mentioned property, and thus we are extending an Oil & Gas lease offer.

The lease terms Opal Resources II, LLC is currently prepared to accept are as follows:

- \$400.00 per net mineral acre
- 25% royalty interest
- 3 Year primary lease term

Accompanying this Offer Letter, I have enclosed the Oil & Gas Lease, a W-9 tax form, and a Contact Sheet. After review, please sign and date these documents in the presence of a Notary Public and mail them back to us in the enclosed prepaid envelope. Processing and payment typically occurs within 14 days, at which time a check will be mailed to the address provided on your W9 tax form.

Please note that this proposal in no way creates a contract or agreement between you and Holland Services, and will be valid for a period of 30 days, unless it is revoked sooner.

As you likely have questions, I can be reached by my contact information below. This is an exciting opportunity and I look forward to working with you.

Respectfully,

Walker Meadows, RPL Landman / Crew Chief

817.994.3718 (Mobile)

HOLLAND SERVICES Walker Meadows@hollandservices.com 817.698.9393 (Direct)

> HOLLANDSERVICES.COM YOUR ONE STOP LAND MANAGEMENT COMPANY

NOTICE OF CONFIDENTIALITY RIGHTS: A NATURAL PERSON MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION BEFORE IT IS FILED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

REV PROD 88 PAID UP

OIL.	GAS	AND	MINER	AL	LEASE

	OIL, OAG AND MINTER ELACE	
THIS AGREEMENT made this day	of, 2017, between	Lesso
(whether one or more), whose address is: _		, and Opal Resources II, LLC whose
address is: 7600 W. Tidwell Road, Suite 500	. Houston, Texas 77040 Lessee, WITNESSETH:	·

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of Lea, State of New Mexico, and is described as follows:

BEING the West Half (W/2) of Section 29, Township 19S, Range 39E, Lea County, NM, and containing 320.00 acres more or less.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 320 acres; whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- 3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal one-fourth (25%) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such one-fourth (25%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fourth (25%) and of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear one-fourth (100 part of such oil at the well of the well, of (2) when used by Lessee off said land of in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or one-fourth (25%) of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1,00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as the produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be topicated to install or furnish facilities other than well facilities a
- 4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a minimum acreage tolerance of 10%, and for a gas well or a horizontal completion to conform to any well spacing or density pattern that may be permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased gremises, except that the production on which Lesses' sololing rights hereunder, and Lessee shall file of
- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for any of the following: preparing the drillsite location or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measure of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order; rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR(S)		
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xxxxxxxxxxx	XXXXXX	

(ACKNOWLEDGMENT)

STATE OF } ss.			
COUNTY OF}			
This instrument was acknowledged before me on the	day of	, 2016, by	
· · ·			
	Signature		
		Notary Public	
	Printed		
My commission expires:			
Seal:			

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

APPLICATION OF OPAL RESOURCES OPERATING CO., LLC AND OPAL RESOURCES II, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, A NON-STANDARD PROJECT AREA, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15621

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STATE OF NEW MEXICO)	
•):	SS
COUNTY OF CHAVES)	

Elizabeth A. Ryan, attorney in fact and authorized representative of Opal Resources Operating Co., LLC and Opal Resources II, LLC, the Applicants herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and proof of receipt attached hereto.

Elizabeth A. Ryan

SUBSCRIBED AND SWORN to before this 21 day of February, 2017 by Elizabeth A. Ryan

Notary Public



EXHIBIT 5

Parties Being Pooled

- 1) Heirs or Devisees of Ollie S. Jones, deceased Heirs and Address Unknown Publication
- 2) Noble Energy, Inc. 1001 Noble Energy Way Houston, TX 77070
- 3) Ms. Carla Leet-Assaf 4160 N. Highway A1A Fort Pierce, Florida 34949
- 4) Mr. Carl F. Hatch 101 S. Front Street #9 Rio Vista, California 94571
- 5) Ms. Jeannie H. Collins 101 S. Front Street #9 Rio Vista, California 94571
- Ms. Cheedle Caviness and Ms. Elizabeth Caviness, as joint tenants with right of survivorship Unknown address
 Publication
- 7) David M. Yager, Trustee of the David Bond Kyte 1997 Trust
 Address Unknown
 Publication

Notice sent to Offset Owners:

Geronimo Holdings P.O. Box 804 Midland, Texas 79702-0804

Rio Grande Energy 4103 Weatherstone Way Anderson, Texas 29621 Pogar Petroleum P.O. Box 10095 Midland, Texas 79702-10095

Sheridan Production Company, LLC Attn: Ms. Aimee Barriere, JD CPL 9 E. Greenway Plaza, Suite 1300 Houston, Texas 77046

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

APPLICATION OF OPAL RESOURCES OPERATING CO., LLC AND OPAL RESOURCES II, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, A NON-STANDARD PROJECT AREA, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15621

SUMMARY OF RECEIPT OF SERVICE BY CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Interest Owner	Receipt (01/19/17 hearing)	Receipt (03/02/17 hearing)	Other
Heirs and Devisees of Ollie S. Jones			Publication
ConocoPhillips Company	12/29/16	1/30/2017	
Noble Energy, Inc.	12/29/16	2/03/2017	
Carla Leet-Assaf, as separate property	12/31/16	2/08/2017	
Carl F. Hatch, as separate property	01/03/17	2/01/2017	
Jeannie H. Collins, as separate property	01/30/17	2/01/2017	
Ms. Cheedle Caviness and Elizabeth Caviness, joint tenants with right of survivorship	Undeliverable		Publication
Albuquerque National Bank, Trustee for Kathryn Bradndeburg	01/17/17	2/08/2017	
David M. Yager, Trustee of the David Bond Kyte 1997 Trust			Publication
Geronimo Holdings, offset owner	01/10/17	2/09/2017	
Pogar Petroleum, offset owner	12/30/16	2/08/2017	
Rio Grande Energy, offset owner	12/29/16	1/30/2017	
Sheridan Production Company, offset owner	12/30/16	1/31/2017	

MARCH 2, 2017 HEARING

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ConocoPhillips Company 550 Westlake Park Boulevard Houston TX 77079-2661

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Tracking Number: 9414711899564986126473

Expected Delivery Day: Monday, January 30, 2017

Product & Tracking Information

Postal Product: First-Class Mail® Features:

Certified Mail™

Return Receipt

DATE & TIME

STATUS OF ITEM

LOCATION

Available Actions

Text Updates

Email Updates

January 30, 2017, 10:24 am

Delivered, To Agent

HOUSTON, TX 77079

Your item has been delivered to an agent at 10:24 am on January 30, 2017 in HOUSTON, TX 77079.

January 29, 2017, 1:57 pm

Arrived at USPS Destination Facility

HOUSTON, TX 77315

January 29, 2017 . 5:24 am

January 27, 2017, 10:57 pm

In Transit to Destination

Departed USPS Facility

LUBBOCK, TX 79402

January 27, 2017, 10:24 pm

Arrived at USPS Origin

Facility

LUBBOCK, TX 79402

January 27, 2017, 2:34 pm

Departed Post Office

ROSWELL, NM 88201

January 27, 2017, 2:06 pm

Acceptance

ROSWELL, NM 88201

January 26, 2017

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Track Another Package

Tracking (or receipt) number

Manage Incoming Packages

Track all your packages from a dashboard. No tracking numbers necessary.

Sign up for My USPS >



COMPLETE THIS SECTION ON DELIVERY

Delivery Address

Noble Energy, Inc.

RETURN RECEIPT REQUESTED

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Article Addressed To:

1001 Noble Energy Way Houston TX 77070-1435

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	Ms Carla Leet-Assaf 4160 N. Highway A1A H (1206) Fort Pierce FL 34949-8501



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B. Received By: (Please Print Clearly)

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Delivery Address

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Article Addressed To:

Mr Carl F. Hatch

101 S. Front Street Apt 9

Rio Vista CA 94571-1812



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Secondary Address / Sulte / Apl. / Floor (Please Print Clearly)	Ms Jeannie H. Collins 101 S. Front Street Apt 9
Delivery Address	Rio Vista CA 94571-1812
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Geronimo Holdings P.O. Box 804 Midland TX 79702-0804

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USPS Tracking®

ARTICLE NUMBER 9414 7118 9956 4986 7221 18

ARTICLE ADDRESS TO: Pogar Petroleum P.O. Box 10095 Midland TX 79702-7095 **FEES**

Available Actions

Text Updates

Email Updates

Postage per piece \$1,19 Certified Fee 3.35 Return Receipt Fee 2.75 Total Postage & Fees: \$7.29

> Postmark Here

Product & Tracking Information

Tracking Number: 9414711899564986722118

Features:

Certified Mall™

Return Receipt

DATE & TIME

STATUS OF ITEM

LOCATION

Postal Product:

First-Class Mail®

Delivered

MIDLAND, TX 79701

Your item was delivered at 4:47 pm on February 8, 2017 in MIDLAND, TX 79701.

January 31, 2017, 8:31 am

February 8, 2017, 4:47 pm

In Transit to Destination

January 30, 2017, 1:31 am

Departed USPS Destination Facility

MIDLAND, TX 79711

January 29, 2017, 9:43 am

In Transit to Destination

January 28, 2017, 2:43 am

Arrived at USPS Destination

MIDLAND, TX 79711

January 27, 2017, 11:32 pm

Arrived at USPS Facility

LUBBOCK, TX 79402

January 27, 2017, 2:34 pm

Departed Post Office

ROSWELL, NM 88201

January 27, 2017, 2:06 pm

Acceptance

ROSWELL, NM 88201

January 26, 2017

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Track Another Package

Tracking (or receipt) number

Track It

Manage Incoming Packages

Track all your packages from a dashboard. No tracking numbers necessary.

Sign up for My USPS >



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Sheridan Production Company, LLC Attn: Ms. Aimee Barriere, JD CPL 9 Greenway Plaza, Suite 1300 Houston TX 77046-0922

JANUARY 19, 2017

Carson Ryan LLC
PO. Box 1612
Roswell, New Mexico 88202-1612

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ConocoPhillips Company

Secondary Address

ConocoPhillips Company

550 Westlake Park Boulevard
Houston TX 77079-2661

Carson Ryan LLC
P.O. Box 1612
Roswell, New Mexico 88202-1612

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Delivery Address	Midland TX 79702-7095
City State ZIP + 4 Code	

COMPLETE THIS SECTION ON DELIVERY	•
A. Signature: (Adjressee or Agent)	9414 7118 9956 4540 4196 69
B. Received By: (Please Print Charty) C. Date of Delivery	RETURN RECEIPT REQUESTED Article Addressed To:
D. Addressee's Address (If Different From Address Used by Sender.)	taldladljogldgdladladddalddallbaaddalad
Secondary Address / Suite / Apt. / Floor (Please Print Clearly)	Rio Grande Energy 4103 Weatherstone Way
Delivery Address	Anderson SC 29621-3557
City State ZIP + 4 Code	

USPS Tracking®



ARTICLE NUMBER 9414 7118 9958 4540 4135 75

ARTICLE ADDRESS TO:

Sheridan Production Company, LLC Attn: Ms. Aimee Barriere, JD CPL 9 Greenway Plaza, Suite 1300 Houston TX 77046-0922 EES

Available Actions

Postage per piece Certified Fee Return Receipt Fee Total Postage & Fees: \$2.41 3.30 2.70 \$8.41

Postmark Here

Tracking Number: 9414711899564540413575

Expected Delivery Day: Friday, December 30, 2016

Product & Tracking Information

Features: Certified Mail™

Return Receipt

DATE & TIME

Postal Product:

First-Class Mail®

STATUS OF ITEM

LOCATION

December 30, 2016 , 7:24

am ·

Dolivered

HOUSTON, TX 77227

Your Item was delivered at 7:24 am on December 30, 2016 in HOUSTON, TX 77227.

December 30, 2016, 5:05

am . .

Available for Pickup

HOUSTON, TX 77227

December 30, 2016, 5:04

am.

Arrived at Unit

HOUSTON, TX 77027

December 29, 2016, 8:59

ım ,`

Out for Delivery

HOUSTON, TX 77046

December 29, 2016, 8:49

Sorting Complete

HOUSTON, TX 77046

December 28, 2016, 8:13

pm

Arrived at USPS Destination Facility

NORTH HOUSTON, TX 77315

December 28, 2016 , 1:48

am

Departed USPS Facility

LUBBOCK, TX 79402

December 27, 2016, 11:42

12 Arrived at USPS Origin Facility

LUBBOCK, TX 79402

December 27, 2016 , 4:36

om

Departed Post Office

ROSWELL, NM 88202

December 27, 2016, 4:33

pm

Acceptance

ROSWELL, NM 88202

Track Another Package

Tracking (or receipt) number

Track It

Manage Incoming Packages

Track all your packages from a dashboard. No tracking numbers necessary.

Sign up for My USPS >



Beth Ryan

From:

Khalsa, Niranjan <nkhalsa@slo.state.nm.us>

Sent:

Thursday, February 23, 2017 1:30 PM

To:

Beth Ryan

Subject:

Re: Comm Agreement for the Jade 19 39 29 State Com #1H

Good afternoon Beth,

This letter is to acknowledge that the New Mexico State Land Office has received adequate notification of the pending OCD compulsory pooling hearing for the Jade 19 39 29 State Com #1H well, API 30-025-43294. NM SLO has no objection to the forced pooling application of Opal Resources to the NM OCD. The well spacing for the well requires the State-Fee communitization agreement, which will be processed and approved by the NM Commissioner of Public Lands once the OCD grants the compulsory pooling of the non-participatory interests via Division Order. Please keep us informed as to what the OCD decides in this case so we can go forward with the Communitization process.

Thanks,

Niranjan

Niranjan Khalsa

Petroleum Specialist Supervisor Oil, Gas & Minerals Division 505.827.6628 **New Mexico State Land Office** 310 Old Santa Fe Trail

P.O. Box 1148



Santa Fe, NM 87501-1148 nkhalsa@slo.state.nm.us

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EXHIBIT 6

Oil, Gas, & Minerals Division

STATE/STATE OR

STATE/FEE

Revised 'HF. 201

COMMUNITIZATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

STATE OF NEW MEXICO SS)

COUNTY OF LEA)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of January 11, 2017, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Wichita Albany (ABO) formation (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Tract 1: Subdivision W/2W/2 of Section 29, Township 19 South, Range 39 East NMPM, Lea County, NM containing 160.00 acres, more or less.

Tract 2: Subdivision NW/4NW/4 of Section 32, Township 19 South, Range 39 East NMPM, Lea County, NM, containing 40.00 acres, more or less.

It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "Communitized Substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, and ownership (Lessees of Record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.
- 4. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 5. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 6. The commencement, completion, and continued operation or production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

- 7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 8. Opal Resources Operating Co., LLC shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Opal Resources Operating Co., LLC.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Opti Resources Operating CO., LLC

3Y: -//

LESSEES OF DECORD: Opal Resources II, LLC

BY:

LESSEES OF RECORD: Double Pagle Andrews LLC

RY.

Memage

STATE OF TEXAS §			
COUNTY OF Havers 5			
This instrument was acknown January 2017, by LESTER MCCORN RESOURCES OPERATING CO. LLC	AICK, in his capacity a	s VICE PRESIDENT – LAND	& DEV of OPAL
RHONDA M EI Notary ID # 8	LSBURY 567865	Lindu M Notary Public—State of	
My Commission Expires: November 3,			
STATE OF TEXAS §			
COUNTY OF Harris §			
This instrument was acknown January 2017, by LESTER MCCORN RESOURCES II, LLC, for and on beh	AICK, in his capacity a	s VICE PRESIDENT – LAND	
RHONDA M ELS Notary ID # 850 My Commission Expire November 3, 2	BURY 67865 Expires	Rhads M. Notary Public—State of	Elslury Texas
•			
STATE OF TEXAS §			
COUNTY OF largant &			. 1.4
This instrument was acknowledge of the Lanuary 2017, by 10HNA. SELLERS and on behalf of said limited liabili	wiedged before me, , in his capacity as Ma	the undersigned authorit ANAGER of DOUBLE EAGL	y, this day of E ANDREWS, LLC, for
and on serial of said limited liabili	cy company.	Colley	Heen
My Commission Expires:		Notary Public (State of	exas

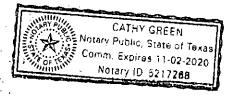


EXHIBIT A

Attached to and made part of that Communitization Agreement dated February <u>20</u>, 2017 between Opal Resources II, LLC, Opal Resources Operating Co., LLC, Double Eagle Andrews, LLC, et. al, covering the following lands:

Township 19 South, Range 39 East, N.M.P.M, Lea County, New Mexico

Section 29:

W/2W/2

Section 32:

NW/4NW/4

Containing 200 acres, more or less

OPERATOR OF COMMUNITIZED AREA: Opal Resources Operating Co., LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lease No. 1

Lessor:

Renee Osburn

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

October 9, 2014

Recording Info:

Lea County Records Book 1929, Page 479

Description of Lands

Committed:

NW/4NW/4 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 2

Lessor:

Jodi Osburn Tolleson

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

October 9, 2014

Recording Info:

Lea County Records Book 1929, Page 475

Description of Lands

Committed:

NW/4NW/4 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 3

Lessor:

Billie L. Osburn

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

October 9, 2014

Recording Info:

Lea County Records Book 1923, Page 464

Description of Lands

Committed:

NW/4NW/4 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor:

Stephen Nelson James

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

September 23, 2014; Ratified February 2, 2015 Lea County Records Book 1920, Page 171; Ratification in Book 1954, Page 7

Recording Info:

Description of Lands

Committed:

NW/4NW/4 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 5

Lessor:

Ingrid D. Powell, Sole Trustee of the C&I Powell Living Trust dated June 16, 1978

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

October 9, 2014

Recording Info.

Lea County Records Book 1923, Page 454

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 6

Lessor:

Ingrid D. Powell, Successor Trustee of the Betty Kyte Dreessen

Irrevocable Trust

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

September 25, 2014

Recording Info:

Lea County Records Book 1923, Page 450

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 7

Lessor:

Edward T. Dreessen, Jr.

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

September 25, 2014

Recording Info:

Lea County Records Book 1937, Page 887

Description of Lands

•

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 8

Committed:

Lessor:

Ingrid D. Powell and Edward T. Dreessen, as Co-Trustees of the Betty M.

Dreessen Revocable Living Trust

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

September 25, 2014

Recording Info:

Lea County Records Book 1937, Page 882

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor: Cecile Marie Dreessen

Lessee of Record: Opal Resources II, LLC

Date of Lease: September 25, 2014

Recording Info: Lea County Records Book 1932, Page 924

Description of Lands

Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 10

Lessor: South Fifth Energy, LLC

Lessee of Record: Double Eagle Andrews, LLC

Date of Lease: November 21, 2014

Recording Info: Lea County Records Book 1930, Page 135

Description of Lands

Committed: W/2W/2 Section 29, Township 19 South, Range 39, East, N.M.P.M.

Lease No. 11

Lessor: Carter Family Minerals, LLC

Lessee of Record: Opal Resources II, LLC
Date of Lease: October 9, 2014

Recording Info: Lea County Records Book 1923, Page 468

Description of Lands

Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 12

Lessor: Progeny Petroleum, LLC

Lessee of Record: Opal Resources II, LLC
Date of Lease: September 15, 2014

Recording Info: Lea County Records Book 1921, Page 413

Description of Lands

Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 13

Lessor: Morton J. Smith, III

Lessee of Record: Opal Resources II, LLC
Date of Lease: September 24, 2014

Recording Info: Lea County Records Book 1920, Page 190

Description of Lands

Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor:

Emlea Smith Chanslor Opal Resources II, LLC

Lessee of Record: Date of Lease:

September 24, 2014

Recording Info:

Lea County Records Book 1921, Page 385

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 15

Lessor:

Steve Cusack

Lessee of Record:

Opal Resources II, LLC September 18, 2014

Date of Lease: Recording Info:

Lea County Records Book 1920, Page 183

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 16

Lessor:

Michael F. Cusack, Trustee of the Cusack Family Revocable Trust

Lessee of Record:

Opal Resources II, LLC November 14, 2014

Date of Lease: Recording Info:

Lea County Records Book 1932, Page 931

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 17

Lessor:

Don Sharp

Lessee of Record:

Opal Resources II, LLC November 20, 2014

Date of Lease:

Lea County Records Book 1937, Page 878

Recording Info:

de

Description of Lands

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 18

Committed:

Lessor:

Candy Christmas
Opal Resources II, LLC

Lessee of Record: Date of Lease:

July 25, 2016

Recording Info:

Lea County Records Book 2067, Page 499

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor:

Selman, LLC; Mike Selman as Successor Trustee of the Selman Family Trust

dated February 23, 1990; Frances Pearl Scarborough Garrison; and James Sharp

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

June 15, 2016

Recording Info:

Lea County Records Book 2042, Page 283

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 20

Lessor:

Laverna Lewis Bellis, Trustee of the Laverna Lewis Bellis 1999

Revocable Trust dated December 22, 1999

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

April 25, 2016

Recording Info:

Lea County Records Book 2027, Page 227

Description of Lands

Committed:

SW/4SW/4 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 21

Lessor:

Joyce Ann Brown

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

July 25, 2016

Recording Info:

Lea County Records Book ____, Page ____

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 22

Lessor:

Karen Cusack Pasquier f/k/a Karen Cusack Limas

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

June 15, 2016

Recording Info:

Lea County Records Book 2036, Page 171

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 23

Lessor.

LM Robinson, LLC

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

May 13, 2016

Recording Info:

Lea County Records Book 2033, Page 445

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor:

Christopher R. Cusack Opal Resources II, LLC

Lessee of Record:

June 7, 2016

Date of Lease: Recording Info:

Lea County Records Book 2036, Page 162

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 25

Lessor:

CRJ Resources, LLC

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

May 13, 2016

Recording Info:

Lea County Records Book 2033, Page 449

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 26

Lessor:

Danglade/Speight Family Oil & Gas I, LP

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

May 29, 2016

Recording Info:

Lea County Records Book 2017, Page 961

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 27

Lessor:

Donna Lynette Powell, Trustee of the Donna Lynette Powell Revocable Trust

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

August 25, 2016

Recording Info:

Lea County Records Book 2053, Page 875

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 28

Lessor:

Kurt Hansen and Gena Zerlan, Co-Executors of the Estate of Oneida

Hansen

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

April 14, 2016

Recording Info:

Lea County Records Book 2024, Page 443

Description of Lands

Committed:

SW/4SW/4 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor: Michael Chaffin and Kym Chaffin, as Co-Trustees of the Geneva Lee

Kleiner Revocable Trust

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

April 1, 2016

Recording Info:

Lea County Records Book 2027, Page 231

Description of Lands

Committed:

SW/4SW/4 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 30

Lessor:

Helen Jane Christmas Barby, as Trustee of the Helen Jane Christmas

Barby Trust u/t/a dated February 14, 1992

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

July 25, 2016

Recording Info:

Lea County Records Book 2067, Page 504

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 31

Lessor:

Herring's Carter Minerals, LLC

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

May 13, 2016

Recording Info:

Lea County Records Book 2036, Page 180

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 32

Lessor:

Erin E. Stephens

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

October 13, 2016

Recording Info:

Lea County Records Book 2067, Page 527

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 33

Lessor:

Patricia E. Osborne

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

October 13, 2016

Recording Info:

Lea County Records Book 2067, Page 530

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor:

Patti Watson Leake Opal Resources II, LLC

Recording Info:

Lessee of Record:

Date of Lease: November 1, 2106

Description of Lands

Committed:

Lea County Records Book 2067, Page 536

Lease No. 35

Lessor:

Richard S. Stephens Opal Resources II, LLC

Lessee of Record: Date of Lease:

October 13, 2016

Recording Info:

Lea County Records Book 2067, Page 533

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 36

Lessor:

H-D Mineral Properties Opal Resources II, LLC

Lessee of Record: Date of Lease:

November 1, 2016

Recording Info:

Lea County Records Book 2072, Page 324

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 37

: Lessor:

Kathleen M. Enriquez Opal Resources II, LLC October 13, 2016

Date of Lease: Recording Info:

Lessee of Record:

Lea County Records Book 2072, Page 312

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 38

Lessor:

Frost Bank, as Trustee of the Charles L. Hall Trust

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 6, 2016

Recording Info:

Lea County Records Book ____, Page ____

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 39

Lessor:

EH Minerals, LP

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 4, 2106 Lea County Records Book _____, Page ____

Recording Info:

Description of Lands Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 40 Frost Bank, Trustee of the Richard A. Hall Trust Lessor: Lessee of Record: Opal Resources II, LLC December 6, 2016 Date of Lease: Recording Info: Lea County Records Book ____, Page _ **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 41 Latina W. True Lessor: Lessee of Record: Opal Resources II, LLC December 7, 2016 Date of Lease: Recording Info: Lea County Records Book ___, Page __ Description of Lands W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Committed: Lease No. 42 The Regents University of New Mexico f/b/o Carl A. Hatch, Professorship Lessor: of Law and Public Administration Fund, University of New Mexico Lessee of Record: Opal Resources II, LLC Date of Lease: December 7, 2016 Lea County Records Book 2077, Page 989 Recording Info: **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 43 Lessor: Christine Jane Wahlstrom Bell Lessee of Record: Opal Resources II, LLC Date of Lease: September 23, 2014 Recording Info: Lea County Records Book 1920, Page 186 **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 44 Lessor: Mary K. True Opal Resources II, LLC Lessee of Record: Date of Lease: December 7, 2016 Recording Info: Lea County Records Book _____, Page _ **Description of Lands**

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Committed:

Lease No. 45 Lessor: **Bradford A. Christmas** Lessee of Record: Opal Resources II, LLC Date of Lease: October 28, 2016 Recording Info: Lea County Records Book ____, Page ____ **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 46 Lessor: Christmas Mineral Interests, LLC Lessee of Record: Opal Resources II, LLC Date of Lease: October 28, 2016 Recording Info: Lea County Records Book , Page **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 47 Lessor: Craig A. Cusack Lessee of Record: Opal Resources II, LLC Date of Lease: December 6, 2016 Recording Info: Lea County Records Book 2075, Page 686 **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 48 Debra D. Dye Lessor: Lessee of Record: Opal Resources II, LLC Date of Lease: December 1, 2016 Recording Info: Lea County Records Book 2077, Page 956 **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 49 Lessor:-Fred Watson, Jr. Lessee of Record: Opal Resources II, LLC Date of Lease: December 7, 2016 Recording Info: Lea County Records Book 2075, Page 689 **Description of Lands** Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M. Lease No. 50 Lessor: Frederika A. Leet Lessee of Record: Opai Resources II, LLC

Date of Lease: December 8, 2016

Recording Info: Lea County Records Book ____, Page ____

Description of Lands

Committed: W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor:

Glen River f/k/a Glen F. Leet, Jr.

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 1, 2016

Recording Info:

Description of Lands

Committed:

Lea County Records Book 2075, Page 695

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 52

Lessor:

John P. Cusack, III

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 6, 2016

Recording Info:

Lea County Records Book 2075, Page 683

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 53

Lessor:

Patrick P. Cusack

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

November 28, 2016

Recording Info:

Lea County Records Book 2075, Page 677

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 54

Lessor:

Robert Louis Linnell, as Trustee of the Robert Louis Linnell Revocable

Trust dated May 14, 2004

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 7, 2016

Recording Info:

Lea County Records Book 2075, Page 692

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 55

L'essor:

Robert A. McKee

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 5, 2016

Recording Info:

Lea County Records Book 2075, Page 673

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 56

Lessor:

Sheryl McKee Kenny

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 5, 2016

Recording Info:

Lea County Records Book 2075, Page 670

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lessor:

Timothy J. Cusack Opal Resources II, LLC

Lessee of Record: Date of Lease:

December 6, 2016

Recording Info:

Lea County Records Book 2075, Page 680

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 58

Lessor:

Roy V. Flesh, II

Lessee of Record:

Opal Resources II, LLC December 22, 2016

Date of Lease: Recording Info:

Lea County Records Book 2077, Page 979

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 59

Lessor:

Dianne Flesh Gumper

Lessee of Record: Date of Léase:

Opal Resources II, LLC December 16, 2016

Recording Info:

Lea County Records Book 2077, Page 976

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 60

Lessor:

David Fred Carr

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

February 3, 2017

Recording Info:

Lea County Records Book ____, Page ____

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 61

Lessor:

Catherine A. Cusack

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

December 14, 2016

Recording Info:

Lea County Records Book 2077, Page 982

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

Lease No. 62

Lessor:

Michael F. Cusack, Jr.

Lessee of Record:

Opal Resources II, LLC

Date of Lease:

February 4, 2016

Recording Info:

Lea County Records Book ____, Page ____

Description of Lands

Committed:

W/2W/2 Section 29, Township 19 South, Range 39 East, N.M.P.M.

TRACT NO. 2

Lessor:

State of New Mexico by and through its Commissioner of Public Lands

Lessee of Record:

Opal Resources II, LLC

V0-9775-1

Serial No. of Lease:

Description of Lands

Committed:

NW/4NW/4 Section 32, Township 19 South, Range 39 East, N.M.P.M.

No. of Acres:

40 acres, more or less

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
No. 1	160 acres	: 80%
No. 2 TOTAL	40 acres 200 acres	<u>20%</u> 100%

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 **District II**

811 S. First St., Artesia, NM 88210 Phone (575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Azlec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico **Energy, Minerals and Natural** Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Form C-101 August 1, 2011

Permit 222198

Operator Name and Address OPAL RESOURCES II LL	C	2. OGRID Number 370630
7600 W TIDWELL RD ST HOUSTON, TX 77040	E 500	3. API Number 30-025-43294
4. Property Code 316330	5. Property Name JADE 19 39 29 STATE COM	6. Well No. 001H

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

7. Surface Location UL - Lot Section Township Range N/S Line Feet From E/W Line Feet From County Ď **19S** 39E 400 Lea

8. Proposed Bottom Hole Location Feet From UL - Lot Section Township Range Lot Idn N/S Line Feet From E/W Line County D 39E 400 W 32 198 D 1122 Lea

9. Pool Information

NADINE; ABO, EAST 47393

Additional Well Information

11. Work Type	12. Well Type	`13. Cable/Rolary	14. Lease Type	15. Ground Level Elevation	
New Well	OIL		Private	3587	
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date	
N	13341	Abo		8/10/2016	
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water	

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	- <14.75	.11.75	42	1750	· 865	0 .
Int1 ·"	_ : 11, o	8.625	32	5950	1125	·. 0
Prod	7.875	5.5	20	13341	1345	0

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

	Туре	Working Pressure	Test Pressure	Manufacturer
•	Hydril	3000	3000	Hydril
-	The safety than the a	,		

complete to the I further certify	best of my knowled	ith 19.15.14.9 (A) NMAC 🗵		OIL CONSERV	VATION DIVISION
Printed Name:	Electronically fil	led by Maria Elsbury	Approved By:	Paul Kautz	
Title:	, Regulatory & Pi	roduction Coordinator	Title:	Geologist	
Email Address:	maria.elsbury@	opalresources.com	Approved Date:	6/14/2016	Expiration Date: 6/14/2018
Date:	6/10/2016	Phone: 832-667-4127	Conditions of Ap	proval Attached	

EXHIBIT 7

District IV

OCD Permilling

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S, St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102 August 1, 2011

Permit 222198

WELL LOCATION AND ACREAGE DEDICATION PLAT

	WELL LOCATION AND ACKLAGE DEDI	CATION FLAT
1. API Number	2. Pool Code	3, Pool Name
30-025-43294	47393	NADINE;ABO, EAST
4. Property Code	5. Property Namo	6. Well No.
316330	JADE 19 39 29 STATE COM	001H
7. OGRID No. 370630	8. Operator Name OPAL RESOURCES II LLC	9. Elevation 3587

10. Surface Location

UL - Lot	Section	Township	Range .	Lot Idn	Feet From .	N/S Line	Feet From	E/W Line	County
D	29	198	39E		400	N	400	` W	Lea

11. Bottom Hole Location If Different From Surface

ł	UL - Lot	Section 1	í	Township	Range	Lot ldn	Feet From	N/S Line	Feet From	E/W Line /	County	
-	D		32	198	39E	D D	1122	N	400	· W		Lea
	12. Dedicated	Acres			13. Joint or Infill		14. Consolidation	Code		15. Order No.		\neg
	20	0.00					Force	d Pooling				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION that the information contained herein is true and

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By:

Maria Elsbury

Title:

Regulatory & Production Coordinator

Date:

6/10/2016

SURVEYOR CERTIFICATION

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

Surveyed By:

James Tompkins

Date of Survey:

5/31/2016

Certificate Number:

14729

OCD Permitting

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fex: (\$75) 393-0720 <u>District II</u>

811 S: First St., Artesla, NM 88210 Phone:(575) 748-1283 Fax:(\$75) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(\$05) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(\$05) 476-3462 State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Comments

Permit 222198

PERMIT COMMENTS

Operator Name and Address:	API Nu	mber: .
OPAL RESOURCES II LLC [370630]		30-025-43294
7600 W TIDWELL RD STE 500	Well:	
HOUSTON, TX 77040		JADE 19 39 29 STATE COM #001H

	· · · · · <u></u>	•
Created By "	Comment	Comment Date
geräldlong	Survey and Drilling Plan to be emailed	6/10/2016
geraldlong	Survey and Drilling Plan to be emailed	6/10/2016
geraldlong	Please advise on email address for Opal to transmit the detailed well plan and more detail on survey.	6/10/2016

Form APD Conditions

Permit 222198

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

<u>District II</u> 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 **District III**

1000 Rio Brazos Rd., Azlec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
OPAL\RESOURCES II LLC [370630]	30-025-43294
7600 W TIDWELL RD STE 500	Well:
HOUSTON, TX 77040	JADE 19 39 29 STATE COM #001H

	HOUSTON, TX 77040	JADE 19 39 29 STATE COM #001H
OCD. Reviewer	Condition	
pkautz	Will require a directional survey with the C-104	
pkautz	Once the well is spud, to prevent ground water contamination through whole or padrill without interruption through the fresh water zone or zones and shall immediate	
pkautz	If using a pit for drilling and completion operations, must have an approved pit from	n prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface 2) I into intermediate casing	PRODUCTION CASING - Cement must tie back
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off p	rotectable water
pkautz	If cement does not circulate to surface, must run temperature survey or other log to	determine top of cement
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186	· ,
pkautz	:Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-3	70-3186. Report depth and flow rate
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If must be set greater than 350' from surface and a minimum of 200 feet above surfa Intermediate or Production Casing Stage must be a minimum of 50 feet below pre-	ice shoe. 3) When using a Stage Tool on
pkautz	The New! Gas Capture Plan (GCP) notice is posted on the NMOCD website under 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FC review filing dates for all applicable activities currently approved or pending and s jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial contents.	RMS section under Unnumbered Forms. Please ubmit accordingly. Fallure to file a GCP may

Opal Resources II LLC Onling & Completion - AFE Cost Estimate Report

Well Harns	Onliand Complete JADE 19S39ES29 #1H	AFE Num
API Number	30-125-43294	APE Date
Operator	Opal Resources Operating Co. ELC	Ent. Start
Business Unit	Pernigó	
State	74	TMD, fL
County	1.00	TVD, ft.
OPAL Area Name	. Cry NM Fullerton Area	Prepared

AFE Rumber	501791
AFE Date	70-Dec-18
Eat. Start Date	
	
	13 34 !
TVD, ft.	1 517

Cost Code	•				
	Innecession Serverature	Sm. Unio Sont	C C	Facilities	T
2	Intangibles Description	Ony Hale Cost	Comp. Cost	Cost	Total Costs
	Locations/nts/Hoads	\$127,600	\$8,660		\$135,500
93	Survey/Pernts/Damages/Hotegage	\$65,000	7 FJ	3 0	\$65,000
9.7	Tale Operan & Curative	\$60,000			\$60,000
	Mater Delate (Trucking dayrate during move)	\$152 200	\$0		\$152.200
-	Har Coults	\$357.000	. \$0		\$357,000
		3337.000	\$24,000		. \$24,600
37 .	Completion log Costs	\$75.500			\$75.500
12	J=-		20 -		
31	Casing Greens & Equipment	\$15.500	\$20.000		\$35,500
- 30	Cement & Cementing Services	375,000	\$60,000		\$135,000
74	Communications	. \$7 650	50		\$7 650
56	Contract Labor (Houstabouts/weblers/Log QC/etc)	\$81,000	\$20,000	, 5 0	\$101,600
62	Coring Heritals & Bulls	· \$0			30
10	Downhole Rentals (UniVWkstring/Stab/Reamer/Jars/etc)	\$81,500	- \$123,120		\$204,620
- 3/	Directional Drilling Services	- \$93,000	50		\$93,000
- 17	Diaposal (valer, mud, downhole fluxes pri closure)	\$55,000	\$5,000		\$60,000
	Fishing Services		50 -		340,000
52	1	\$0			357.500
20	t und	\$57.500	50		
· 33	Inspection (GHA/Dnil String recut coats, etc.)	\$15,000	5 0 -		\$15,000
60 ·	Logging Services/Electric Line/Perforating	\$0 -	\$35,000		\$35,000
95	Miscellaneous «	\$J .	50		. 50
14	Onlang/Completion Fluids	\$80,400	\$10 600		\$100,400
· 61 ·	Mud Logging Services / PVT systems	\$21,400	. 50		\$21,400
11-	Plugging & Abandonmeni (Cement & services)	\$0	- \$0		\$2.1,400
15	Pumping Services/Rd Trucks		\$25,600		\$25,000
			31.571 936		\$1 521,936
32	Stimulation (Frac equips materials acid, etc)		#1.521 ¥36		
- 50	SUDBEVILLER	166 600	. \$40 000	\$3	2109 600
16	Supples Malerals (Generaling supples)	· 111.500	\$0		111,500
ii i	Surface Equipment Rentars (Miritid), gen Frentar)	\$189.500	\$55 000	\$0	\$244 500
3	Casted Tubing .	\$0	\$195,041		\$155,641
68	Testung Services (HOP and pressure sesting)	\$6.500	\$1,500		\$8 000
58	Transportation (Daily misc trucking)	\$51,663	- \$10,000	\$3	\$61,000
16	Water (WW supplies&rent Makeup water - mutchac)	\$35.0G0	\$124 200		\$159 200
- 64	Well Teal/Houseack		\$60 000		\$60,000
94	Contingency	\$0	50		- \$0
Э4 ·	Perrorate	30			- 50
. 36	Swah Inuti/Sink Line		50		50
	Lank Hental		\$40,000		\$40,000
13					
· 73	Frac Valve 1 ·		\$20,000		\$20,000
74 *	Tree Saver		30		- 50
90 -	Overhead	\$10 500	50		- \$10,500
60	Insurance	\$15.000	50		\$15 000
44	Pipeline Interconnect			\$ 0	\$C
* 56	Flowtimes/Calhennic (labor only)			\$10 DOO	- \$10,000
36	Melers Messurements			80	50
45	Salety Systemit quipment			\$3	30
					50
40 .	Other Equipment			\$0 .	
32	Сопревяс			\$0	32
· 31	Maic Construction /			\$0	\$0
54	Liukongs			\$0	. 50
39	Electrical Equipment			\$60,000	\$60,000
4	Correctore			\$0	50
75	Reg Fee, Environment			\$0	-1 50
	. TOTAL INTANGIBLES COST	11111111111111	TANKET OF THE	\$70,000	\$4 283,847
				Facilities	
ost Code	Tangubles Description	Dry Hole Cost	Comp. Cost	Cost	Total Costs
	Conductor	\$30,000		GOOT	\$30,000
·· J.	Surface Casung	\$38,119			\$38,119
	Surface Casung Streamscale Casung	230.13			
_	are medical Calabo	100			
6		\$150 160			្ \$159.[ស
7	Liner String -	\$150 16J	\$0		\$159.163 \$0
. / B	Liner String - Proguetion Casang	- · \$0	\$228,368		\$159,163 \$0 \$228,358
7 8	Liner String - Production Casing Onling Casing Equipment	- \$8,660	\$228,398 \$251,787		\$159.163 \$0 . \$228,396 \$259,787
. / B	Liner String - Proguetion Casang	- \$8,000 - \$0	\$228,368		\$159,163 \$0 \$228,396 \$259,787 \$7,500
7 8	Liner String - Production Casing Onling Casing Equipment	- \$8,660	\$228,398 \$251,787		\$159.163 \$0 \$228,396 \$259,787 \$7,500 \$11,780
7 8 9 20 _	Liner Sinng - Production Caserg Colling Casing (cupment) Mac Liquipment (subsurface)	- \$8,000 - \$0	\$278,398 \$251,787 \$7,500 -		\$159,163 \$0 \$228,396 \$259,787 \$7,500
7 8 - 9 - 20 -	Liner Sinng - Production Ceang Production Ceang Ching Casing Equipment Miles Equipment (subsurface) Welnesde	- \$8,000 - \$0	\$228,398 \$251,787 \$7,500 -		\$159.163 \$0 \$228,396 \$259,787 \$7,500 \$11,780
7 8 20 - 10 5 11	Lines Shiring	- \$8,000 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$ 10 × 1	\$159.163 \$228,356 \$259,787 \$7.500 \$11,780 \$40,125 \$1,500
20 - 10 - 5 - 11 - 12	Lines Shiring - Production Caseng Denang Caseng Equipment Mac & Coupment (subsurface) violinated Production Tubing Ties Surface - Pumping Units	- \$8,000 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$0	\$159.163 \$228,356 \$259,787 \$7,500 \$11,780 \$40,125 \$1,500
20 - 10 - 5 - 11 - 12 - 30	Lines Shiring	- \$8,000 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$100,000	\$153,163 \$228,358 \$259,787 \$7,500 \$11,780 \$40,125 \$1,500 \$100,000
7 8 9 20 - 10 12 30 47	Lines Shiring - Production Caserq Draing Casery Equipment Mac & Coupment (exbeurface) whethead Productor Libbre Surface - Pumping Units Surface - Separator (Froduction Surface - Separator (Froduction Surface - Separator (Froduction	- \$8,600 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$100 000 \$0 / .	\$153.163 \$228.336 \$259.787 \$7.500 \$11.750 \$40.125 \$1.500 \$100.000 \$100.000
7 8 7 8 20 - 10 11 12 - 30 47 48	Lines Shiring - Production Caser(Draining Caser) Equipment Mac C duryment (subsurface) Vertinand Production Tutang Ties Surface - Pumping Umis Surface - Reparator/Production Surface - Teating Coup Cit Surface - Teating Coup Cit	- \$8,600 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$100 000 \$0 \$0	\$153.163 \$228.3346 \$259.787 \$7.500 \$11,780 \$40,125 \$1.500 \$100.000 \$100.000
20 - 10 - 11 - 12 - 30 - 47 - 46 - 34 -	Lines Shirting - Production Casing Onang Casing Feupment Mac is outpreent (subsurface) Weinhaad Production Tubing Ties Surface - Purryang Units	- \$8,600 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$100 000 \$0 \$0 \$0	\$153.163 \$228.3346 \$259.787 \$7.500 \$11,780 \$40,125 \$1.500 \$100.000 \$100.000
20 - 10 - 11 - 12 - 30 - 47 - 48 - 23	Lines Shiring - Production Cateng Dinang Casting Equipment Mac & Coupment (subsurface) Weintraad Production Tubing Tiee Surface - Furnging Units Surface - Separation/Production Surface - Separation/Production Surface - Inding & Guip Oil Surface - Viron & Surface - Surface - Inding & Guip Oil Surface - Viron & Surface - Surface - Inding & Guip Oil Surface - S	- \$8,600 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$100 000 \$0 \$0 \$0 \$0 \$0	\$153.163 \$228,358 \$228,358 \$7.500 \$11,780 \$40,125 \$1,500 \$100.000 \$100.000 \$500 \$500 \$500 \$500 \$500 \$500 \$50
7 8 7 20 - 10 8 11 12 2 30 47 46 34 - 23 7 46 6 9	Lines Shiring	- \$8,600 - \$0	\$278,364 \$251,787 \$7,500 - \$2,500 \$40,125	\$100 000 \$0 \$0 \$0 \$0 \$0	\$159.163 \$228.336 \$228.336 \$259.787 \$7.500 \$40.125 \$10.000 \$100.000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
20 - 10 - 11 - 12 - 30 - 47 - 48 - 23	Lines Shirting - Production Caserq Draing Casery Equipment Mac is copyment (exbeurface) Westmand Productor Libbra Surface - Pumping Units Surface - Separation Production Surface - Separation Production Surface - Indiana (euro City Surface - Indiana Surface - SWD Pumpin Surface - Units Cathering Line Genthering Line Genthering Line	\$8,000 \$0 \$9,780	\$251,787 \$251,787 \$7,500 \$40,125 \$1,500	\$100 000 \$0 \$0 \$0 \$0 \$0 \$0 \$29,000	\$159.163 \$259.787 \$7.506 \$11,780 \$40.125 \$15.506 \$100.000 \$100.000 \$000.000 \$000.000 \$000.000 \$000.000
20 - 10 - 5 - 11 - 12 - 30 - 46 - 23 - 46 - 1	Lines Shirting - Production Caserq Draing Casery Equipment Mac is copyment (exbeurface) Westmand Productor Libbra Surface - Pumping Units Surface - Separation Production Surface - Separation Production Surface - Indiana (euro City Surface - Indiana Surface - SWD Pumpin Surface - Units Cathering Line Genthering Line Genthering Line	\$8,000 \$0 \$9,780	\$251,787 \$251,787 \$7,500 \$40,125 \$1,500	\$100 000 \$0 \$0 \$0 \$0 \$0	\$159.163 \$228.336 \$228.336 \$259.787 \$7.500 \$40.125 \$10.000 \$100.000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
7 8 7 20 - 10 8 11 12 2 30 47 46 34 - 23 7 46 6 9	Lines Shiring	\$8,000 \$0 \$9,780	\$251,787 \$251,787 \$7,500 \$40,125 \$1,500	\$100 000 \$0 \$0 \$0 \$0 \$0 \$0 \$29,000	\$159.163 \$259.787 \$7.506 \$11,780 \$40.125 \$15.506 \$100.000 \$100.000 \$000.000 \$000.000 \$000.000 \$000.000
20 - 10 - 5 - 11 - 12 - 30 - 46 - 23 - 46 - 1	Unes Shirting - Production Casing Omang Casing Feupment Mac Loupment (eubourface) Watchauf Casing Production Library Time Surface - Pumping Units Surface - Pumping Units Surface - Pumping Units Surface - Pumping Units Surface - Indiang Feup Oil Surface - Indiang Equip Oil Surface - Indiang Equip Oil Surface - Indiang Equip Oil Surface - Indiang Surface Surface Surface - Indiang Surface - Surfa	\$8,000 \$8,000 \$9,780 \$9,780	\$228,394 \$251,787 \$7,500 \$2,500 \$40,125 \$1,500	\$100 000 \$0 \$0 \$0 \$0 \$0 \$0 \$29,000 \$129,000	\$153,153 \$28,338 \$228,338 \$259,787 \$7,502 \$11,780 \$40,125 \$11,000 \$5100,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000
7 8 7 20 - 10 8 11 12 2 30 47 46 34 - 23 7 46 6 9	Lines Shirting - Production Caserq Draing Casery Equipment Mac is copyment (exbeurface) Westmand Productor Libbra Surface - Pumping Units Surface - Separation Production Surface - Separation Production Surface - Indiana (euro City Surface - Indiana Surface - SWD Pumpin Surface - Units Cathering Line Genthering Line Genthering Line	\$8,000 \$8,000 \$9,780 \$9,780	\$228,394 \$251,787 \$7,500 \$2,500 \$40,125 \$1,500	\$100 000 \$0 \$0 \$0 \$0 \$0 \$0 \$29,000 \$129,000	\$159.163 \$259.787 \$7.506 \$11,780 \$40.125 \$15.506 \$100.000 \$100.000 \$000.000 \$000.000 \$000.000 \$000.000
7 8 20 - 10 5 11 12 30 47 46 34 42 42	Lines Shiring - THOUSENING Cleaning Chaining Caseing Equipment Mac Loupment (subsurface) Weithread Production Tuburg Time Surface - Pumping Units Surface - Indexing Fough City Surface - Indexing Equip City Surface - Indexing Equip City Surface - Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Units I supprised Gathering Line TOTAL TANGISLES COST	\$8,000 \$0 \$10 \$17,80 \$17,80 \$17,80 \$17,80 \$17,80 \$17,80	\$278.364 \$251,787 \$7.500 \$7.500 \$40,125 \$1.500 \$1.500 \$531.810	\$100 000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$153.163 \$228.346 \$228.346 \$259.787 \$11.760 \$40.125 \$1500.000 \$100.000 \$0 \$0 \$0 \$250.0000 \$250.00000 \$250.0000 \$250.
7 8 20 - 10 5 11 12 30 47 46 34 42 42	Lines Shiring - THOUSENING Cleaning Chaining Caseing Equipment Mac Loupment (subsurface) Weithread Production Tuburg Time Surface - Pumping Units Surface - Indexing Fough City Surface - Indexing Equip City Surface - Indexing Equip City Surface - Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Units I supprised Gathering Line TOTAL TANGISLES COST	\$8,000 \$8,000 \$9,780 \$9,780	\$278.364 \$251,787 \$7.500 \$7.500 \$40,125 \$1.500 \$1.500 \$531.810	\$100 000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$153,153 \$28,338 \$228,338 \$259,787 \$7,502 \$11,780 \$40,125 \$11,000 \$5100,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000 \$500,000
9 20 - 10 10 12 30 47 46 44 42 42 DPAL App	Uner Shiring	\$8,000 \$1,000 \$9,280 \$244.561 \$2,000,611	\$228,394 \$251,935 \$7,505 \$7,505 \$2,505 \$40,125 \$1,500 \$1,500 \$2,929 607	\$100 000 \$0 \$0 \$0 \$0 \$0 \$129 000 \$129 000 \$129 000 Recomm	\$153.163 \$228.336 \$228.336 \$259.787 \$7.500 \$11.760 \$340,125 \$11.500 \$5100.000 \$5100.000 \$5000.0000 \$5000.00000
8 7 8 9 20 - 10 10 10 11 12 30 47 12 34 48 48 42 42 42 42 42 42 42 42 42 42 42 42 42	United Shirting - THOUGHAIN Clearing Chaining Casinning Fearpment Mac Loupment (subsurface) Weithread Production Tubing Time Surface - Pumping Units Surface - Thouling Equip Ori Surface - Investigation Production Surface - Investigation Production Surface - Pumping Units Surface - Units Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping TOTAL TANGISLES COST TOTAL AFE COST sport oval: It is set forth are the Operator's best estimates based on cutally incurred innumeroc Coverage on separate page.	\$8,000 \$1,000 \$9,280 \$244.561 \$2,000,611	\$228,394 \$251,930 \$7,500 \$7,500 \$2,500 \$1,500 \$1,500 \$1,500 \$2,829 607 \$2,829 607	\$100 000 \$0 \$0 \$0 \$0 \$0 \$129 000 \$129 000 \$129 000 Recomm	\$153.163 \$228.336 \$228.336 \$259.787 \$7.500 \$11.760 \$340,125 \$11.500 \$5100.000 \$5100.000 \$5000.0000 \$5000.00000
8 7 8 9 20 - 10 10 11 12 30 47 14 8 34 42 23 44 2 25 PAL App	United Shirting - Production Casing Omang Casing Equipment Mac Loupment (subsurface) Water Loupment (subsurface) Water Loupment (subsurface) Water Loupment Ine Surface - Purparing Units Surface - Shirt Shirt (sup Oil Surface - Shirt Shirt (sup Oil Surface - Units I (sup Oil Surface - Shirt (sup Oil Surface - Units I (sup Oil	\$244.561 \$2 000 611 \$2 000 611 Date:	\$228.394 \$251.394 \$2.500 \$2.500 \$40.125 \$1.500 \$531.810 \$2.929.607 \$2.929.607	\$100 000 \$0 \$0 \$0 \$0 \$29,000 \$129,000 - \$199,000 Recomm	\$159.163 \$228.336 \$228.336 \$228.336 \$15.00 \$11.750 \$40,122 \$1.500 \$30 \$30 \$30 \$50 \$30 \$50 \$30 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$5
8 7 8 9 20 - 10 10 10 11 12 12 30 47 48 34 42 23 48 42 25 PAL App	United Shirting - THOUGHAIN Clearing Chaining Casinning Fearpment Mac Loupment (subsurface) Weithread Production Tubing Time Surface - Pumping Units Surface - Thouling Equip Ori Surface - Investigation Production Surface - Investigation Production Surface - Pumping Units Surface - Units Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping Surface - Swift Pumping TOTAL TANGISLES COST TOTAL AFE COST sport oval: It is set forth are the Operator's best estimates based on cutally incurred innumeroc Coverage on separate page.	\$244.561 \$2 000 611 \$2 000 611 Date:	\$228.394 \$251.394 \$2.500 \$2.500 \$40.125 \$1.500 \$531.810 \$2.929.607 \$2.929.607	\$100 000 \$0 \$0 \$0 \$0 \$29,000 \$129,000 - \$199,000 Recomm	\$159.163 \$228.336 \$228.336 \$228.336 \$15.00 \$11.750 \$40,122 \$1.500 \$30 \$30 \$30 \$50 \$30 \$50 \$30 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$5
8 7 8 9 20 - 10 10 11 12 30 47 14 8 34 42 23 44 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Uner Siring - Production Cearry Chang Casno (Casno	- \$0 - \$8000 - \$0 - \$1 - \$2 - \$2 - \$2 - \$2 - \$2 - \$2 - \$2 - \$2	\$228.394 \$251.394 \$2.500 \$2.500 \$40.125 \$1.500 \$2.5	\$100 000 \$0 \$0 \$0 \$10 \$19 .000 \$129 000 Recommanded AFE.	\$159.163 \$228.336 \$228.336 \$228.336 \$15.00 \$11.750 \$40,122 \$1.500 \$30 \$30 \$30 \$50 \$30 \$50 \$30 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$5

•	Intangibles Description	Ciry Hale Cost	Comp. Cost	Facilities Cost	Total Costs
-	(ocalisms/nis/hoads	\$127,500	\$8,660	53	\$135,50
_	SurveyPernitsDamages/Brokerage	\$65,000	- NJ	รป	\$65,00
	I die Opmen 6 Curative	\$60.000			160.00
_	Mob/DeMob (Trucking-dayrale duming move)	\$152,200	\$0		\$152.20
_	Hig Couls Completion fog Costs	\$357.000	\$24.660 ·		\$357,60 \$24,60
_	tida	\$75.500	\$24,000		\$75.50
-	Casaring Crews & Equipment	\$15.500	\$20.000		\$35,50
_	Cornerd & Cornerting Services	\$75,000	\$60,000		\$135.00
٠	Communications	. \$7 650	\$0		\$7 65
	Contract Labor (Houstabouts/weaders/Log OC/etc)	\$81,000	\$20,000	50	\$101,60
,	Coring Hertals & talls	\$0	<u> </u>		
_	Downhole Rentals (Unit/Wkstring/Stab/Reamer/Jars/elc)	381.500	\$123,120		\$204,62 \$93.00
_	Directional Drilling Services Diaposal (water, mud, downhole fluids pri closure)	- 593.000 555.000	\$0 \$5,000		- \$60,00
-	Pishing Services	\$0	50 .		300,00
-	ruel	\$57,500	30 -		357.50
۲	Inspection (GHA/Dnil String recut costs, etc.)	515,000	50.		\$15,00
-	Logging Services/Electric Line/Perforating	\$0 -	\$35,000		\$35,00
	Miscellaneous (\$0 -	50		\$
J	Ontang/Completion Fluids	\$80,400	\$10 600		\$100,40
j	Mud Logging Services / PVT systems	\$21,400	. \$0		\$21,40
4	Plugging & Abandonmeni (Cemeni & services)	- \$0	\$0 \$25,600		\$25,00
4	Pumping Services/Kid Trucks Stimutation (Frac equips materials lacid, etc.)		31,571 936		\$25,00 \$1 521,93
-	Supervisor	166 600	\$40,000	\$3	\$106.60
٦	Supples-Malerals (General inj supples)	- 111.500	\$0		\$11,50
-	Surface Equipment Rentars (tricibid), gen1 rentar)	\$189.500	\$55 0G0	\$0	\$244 50
	Coiled Tubing .	\$0	\$195,041		\$195,64
	Teatring Services (E)OF and pressure sesting)	\$6.500	\$1,500		28 00
	Transportation (Daily misc trucking)	\$51,563	- \$10,660	\$3	\$61,00
4	Water (WW supples&rent Makeup water - mustrac) Well Teat/Houtes k	\$35.060	\$124 200 \$60 500		\$159.20 \$60.00
4	Week Teal/Howback Contingency	50	\$60.000		\$40,000
,	Periorale 4	- "			- 5
1	Swell Truck/State Lene		50		5
7	Tank Hental		\$40,000		\$40.00
J	Frac Valve 1 1		\$20,000		\$20.00
	Tree Saver		30		. 5
_	Overhead	\$10.500	\$0		* \$10,500 \$15,000
	Insurance Phosine Infercence:	\$15.000	50	\$0	\$15.00
	Flowther Galhenne (labor only)			\$10,000	- \$10.000
┪	Melers Mesaurements			\$0	. 50
	Salety System/Equipment			\$0	· 34
	Other Equipment + · · ·			\$0	. 54
	Сопревяст			\$0	50
	Maie Construction /			\$0	50
4	Liukongs			\$0	Si
4	Electrical Equipment Committees			\$60 000	\$60.00
4	Reg Fee Environment			\$0	-5 56
1	TOTAL INTANGIBLES COST	\$1 816 05J	32,397,797	\$70,600	\$4 283.84
j	Tanables Description	Dry Hole Cost	Comp. Cost	Feciliates	Total Costs
1			Juny, USSI	Cost	
	Conductor	\$30,000			\$30,556
	Surface Casung	\$38.119 \$159.16J			\$38.119 \$159.16
	ittermediate Cearing	\$150 IbJ	53		\$159.16.
4	Production Ceang	- 30	\$228,3\$a		\$228,356
۲	Onling Casing Equipment	\$8,660	\$251,787		\$259,78
	Mac Equipment (subsurface)	1.20	\$7.500		• \$7.50
7	Welthard	- \$9 280	\$2.500 .		511,78
	Production Libing		\$40.125		\$40,12
	Iteu		\$1,500		\$1,500
J	Surface - Pumping Units			\$0	4 . 5/
1	Surface - Separator/Production			\$100 000	\$100.000
	Surface - Treating Equip Oil			\$0	
4	Surface - Treating Equip Gas Surface - Tanks			\$0 \$0	Si
1	Surface - SWD Pumps .			50	5
╗	Surface - Other Equipment			\$0	. 5
7	Gathering Line			\$29,000	\$29,00
J	TOTAL TANGIBLES COST	1244 561	\$531,810	\$129 650	\$905.37
7	. TOTAL AFE COST	\$2.060.61*	12 920 607	_ \$100 nm1	\$5 180 216
_	. ICIAL AFE COST	-2 000 011	92.920 W/	- 2:00.000	es.108 216

Closed Loop Schubert Costs Water volumes and costs Casing revisit Site and road costs Cost of frac

Affidavit of Publication

ATE OF NEW MEXICO COUNTY OF LEA

I. Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

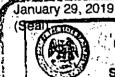
> Beginning with the issue dated January 28, 2017 and ending with the issue dated January 28, 2017.

Publisher

Sworn and subscribed to before me this 28th day of January 2017.

Business Manager

My commission expires



OFFICIAL SEAL **GUSSIE BLACK Notary Public** State of New Mexico

This newspaper is duly dualified to publish legal notices or advertisements within the geaning of Section 3, Chapter 167, Laws of 7 and payment of fees for said

LEGAL NOTICE January 28, 2017

NOTICE OF HEARING

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEAPRIMENT OIL
CONSERVATION DIVISION SANTA FE, NEW MEXICO

NOTICE: ALBUQUERQUE NATIONAL BANK, AS TRUSTEE FOR KATHRYN
BRANDENBURG: CHEEDLE CAVINESS AND ELIZABETH CAVINESS AS JOINT,
TENANTS WITH RIGHT OF SURVIVORSHIP; JEANNIE H. COLLINS: CARL F.
HATCH; CARLA LEET-ASSAF; INC.; DAVID M. YAGER; TRUSTEE OF THE
DAVID BOND KYTE 1997 TRUST; THE UNKNOWN HEIRS OF THE FOLLOWING DECEASED PERSON: OLLIE'S, JONES

Opal Resources Operating Co., LLC and Opal Resources II, LLC, hereby give notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to held at 8:15 A.M. on March 2, 2017, in the Oil Conservation Division Hearing Room at 1220 South St. Francis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. You are not required to attend this hearing, but as a milneral interest owner within the proposed Unit, you may appear and present testimony. Fellure to appear at that time and become a party of record will preclude you from challenging the matter at a later date before the Division.

Parties deslring to appear in this case are required by Division Rule 19.15.4.13 N.M.A.C. to the a pre-hearing statement on or before 5:00 p.m. on the Thursday preceding the scheduled hearing date. The prehearing statement must be filed at the Division's Santa Feoffice at the above specified address and an additional copy provided to my office. The pre-hearing statement must include the names of the party and its attorneys; a concise, statement of the party's position in the matter; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. If you have any questions about this matter; please contact: Carson Ryan LLC (Elizabeth'A. Rvan), at heth@carsonrvan.com or 575-291-7808. Ryan) at beth@carsonryan.com or 575-291-7608.

CASE NO. 15821: Application of Opal Resources Operating Co., LLC & Opal Resources II, LLC for a Non-Standard Spacing and Project Area, and Compulsory Pooling, Lee County, New Mexico. Applicant in the above styled cause seeks an order (1) creating a non-standard, 200-acre, more or less, spacing and proration unit comprised of W/2W/2 Section 29 and NW/4NW/4 Section 32. Township 19 South, 39 East, NMPM, Lea County, New Mexico; (2) approving a non-standard project area; and (3) pooling all mineral interests in the Nadine/Abo Formation underlying said acreage. Said non-standard unit is to be dedicated to Applicant's Jade 195-39E-329 No. 11 Well, to be vertically drilled from the surface location in NW/4NW/4 (Unit D) of Section 29:to: the Nadine/Abo Formation to: the bottom hote location within NW/4NW/4 (Unit D) of Section 32. The completed interval for this well will remain within 1830-foot standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of Opal Resources Operating the well.

67111515

00187806

RACHEL TUTOR CARSON RYAN, LLC PO BOX 1612 ROSWELL, NM 88202

Affidavit of Publication

ATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated January 05, 2017 and ending with the issue dated January 05, 2017.

Publisher

Sworn and subscribed to before me this 5th day of January 2017.

Business Manager

January 29, 2019 🔎



OFFICIAL SEAL **GUSSIE BLACK** Notary Public State of New Mexico
My Commission Expires —29-19

This newspaper is conviouallilled to bublish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 37 and payment of fees for said

LEGA

LEGAI

LEGAL NOTICE January 5, 2017

NOTICE OF HEARING

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEAPRIMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

NOTICE: ALBUQUERQUE NATIONAL BANK, AS TRUSTEE FOR KATHRYN.
BRANDENBURG, CHEEDLE CAVINESS AND ELIZABETH CAVINESS AS
JOINT TENANTS WITH RIGHT OF SURVIVORSHIP; JEANNIE H, COLLINS;
CONOCOPHILLIPS COMPANY; CATHERINE A. CUSACK, TIMOTHY J.
CUSACK, TRUSTEE OF THE TESTAMENTARY TRUST UM/O JOHN P.
CUSACK, JR.; ANN ASKREN FLESH; CARL F. HATCH; GERONIMO
HOLDINGS; CARLA LEET-ASSAF; NOBLE ENERGY, INC.; POGAR
PETROLEUM; RIO GRANDE ENERGY; SHERIDAN PRODUCTION COMPANY,
LLC; DAVID M! YAGER, TRUSTEE OF THE DAVID BOND KYTE TOTAL
THE UNKNOWN HEIRS OF THE FOLLOWING DECEASED PERSON: OLLIE S.
JONES.

Opal Resources Operating Co., LLC and Opal Resources II, LLC, hereby give notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to held at 8:15 A.M. on January 19:2016; in the Oil Conservation Division Hearing, Room at 1220 South St. Frencis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. You are not required to attend this hearing, but as a mineral interest owner, within the proposed Unit, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date before the Division:

Parties desiring to appear in this case are required by Division Rule 19.15.4.13 N.M.A.C. to file a pre-hearing statement on or before 5:00 p.m. on the Thursday preceding the scheduled hearing date. The prehearing statement must be filed at the Division's Santa Fe scrieduled nearing date. The prenearing statement must be filed at the Division's Santa Fe office at the above specified address and an additional copy provided to my office. The pre-hearing statement must include: the names of the party and its attorneys; a concise statement of the party's position in the matter; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. If you have any questions about this matter, please contact: Carson Ryan LLC (Elizabeth A. Ryan) at beth@carsonryan.com or 575-291-7606.

CASE NO. 15621: Application of Opal Resources Operating Co., LLC.& Opal Resources II, LLC for a Non-Standard Spacing and Proration. A Non-Standard Project Area, and Compulsory Pooling, Lea County, New Mexico. Applicant in the above styled cause seeks an order (1) creating a non-standard, 200-acre, more or less spacing and proration unit comprised of W/ZW/Z Section 29 and NW/4NW/4 Section 32, Township 19 South, 39 East, NMPM, Lea County, New Mexico; (2) approving a non-standard project area; and (3) pooling all mineral interests in the Nadine/Abo Formation underlying said acreage. Said-non-standard unit is to be dedicated to Applicant's Jude 19S-39E-529 No. 11-Welf, to be vertically drilled from the surface tocation in NW/4NW/4 (Unit-D) of Section 29 to the Nadine/Abo Formation to the bottom hole location of in NW/4NW/4 (Unit-D) of Section 32. The completed interval for this well will fermain within the 330-foot standard offset required by the Rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of Opal Resources Operating the well. 031457

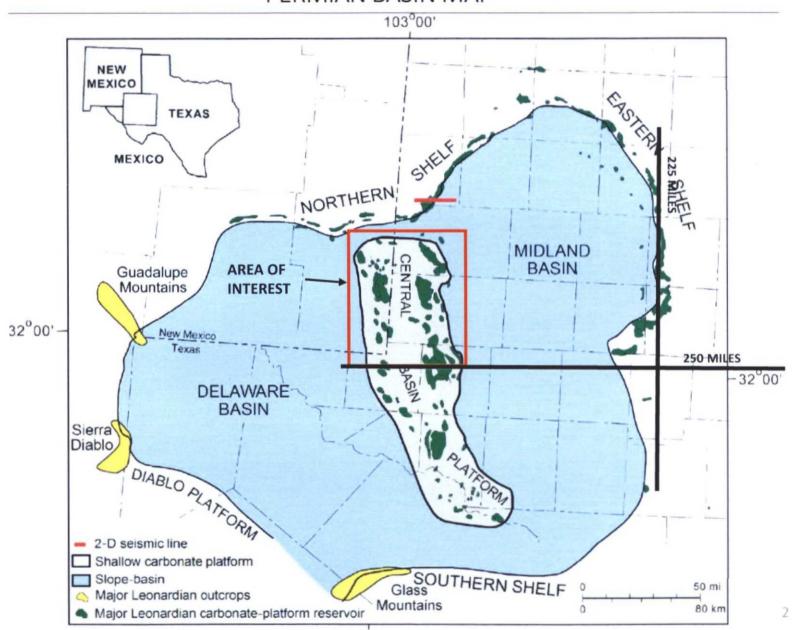
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RACHEL TUTOR CARSON RYAN, LLC PO BOX 1612 ROSWELL, NM 88202

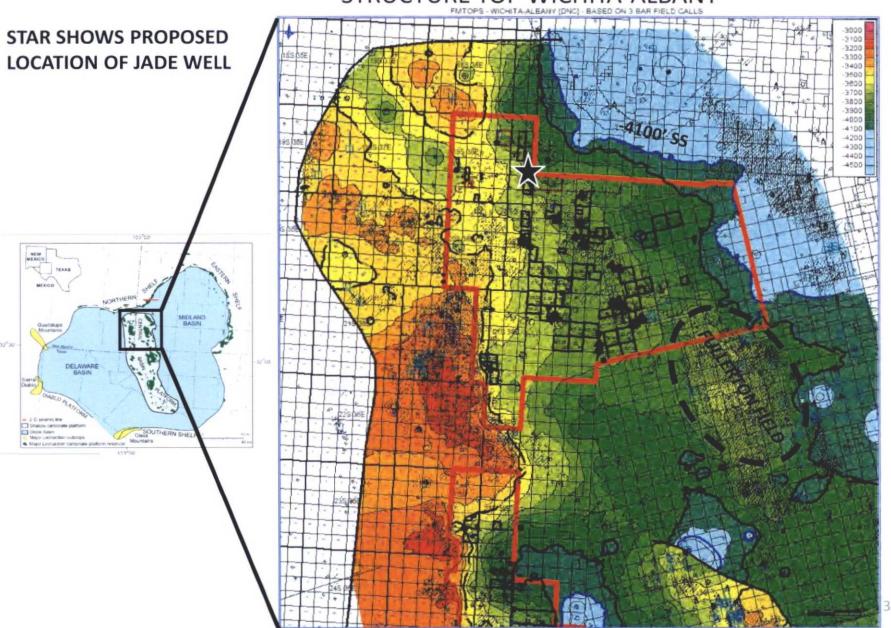


PERMIAN BASIN MAP



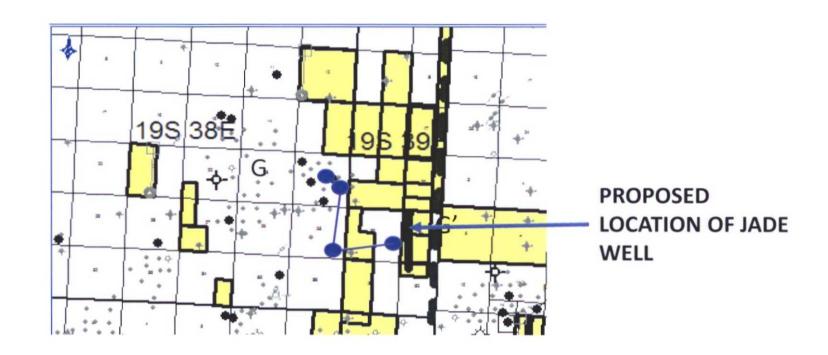


STRUCTURE TOP WICHITA-ALBANY FINTOPS - WICHITA-ALBANY [DNC] - BASED ON 3 BAR FIELD CALLS





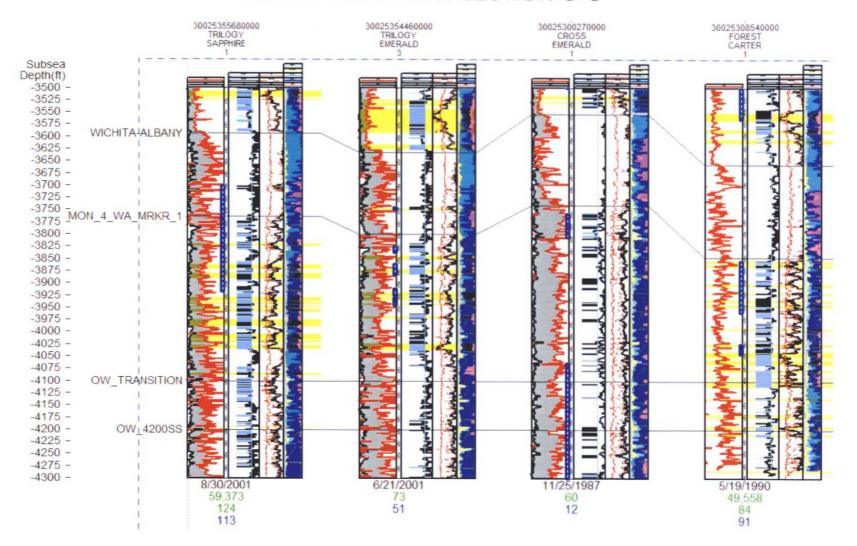
BASE MAP WITH CROSS SECTION LOCATIONS





STRUCTURAL CROSS SECTION G-G'

G





WELL CONSTRUCTION DIAGRAM

