

Geologic Write Up for Gold Wolf Pennsylvanian Shale/Wolfcamp 'D' Unit Proposal

DGP Energy, LLC is formally requesting the formation of an exploratory unit that comprises all of Section 24 in T16S R34E and Section 19 in T16S R35E in Lea County, New Mexico.

The exploratory unit is proposed to cover the Pennsylvanian Shale/Wolfcamp 'D' (Penn Shale) Formation, corresponding to the interval identified between the logged depths of 11,144 feet and 11,835 feet in the Laterolog, Accoustic, and Porosity log measured by Schlumberger on the State 'HO' Com #1 well (API: 30-025-27126), located in Section 19, Township 16 South, Range 35 East, Lea County, New Mexico.

The stratigraphic thickness of the Penn Shale Formation, as defined above, is very consistent across the acreage proposed for unitization. The interval from the top Penn Shale to the top of the Strawn Formation is approximately 690 feet of gross thickness. There is very little variation in gross thickness and will have no effect on production.

The Penn Shale Formation is lithologically composed of a calcareous mud to siltstone with horizontal and vertical variations of dolomite/limestone and clay minerals that were deposited from turbidites in the basin plain depositional environment of the Late Pennsylvanian/Early Permian.

The Penn Shale Formation is an ideal candidate for horizontal development because of the known lateral and vertical variability in terms of net feet of potential viable reservoir 0.5 miles to the west in Section 30, Township 16 South, Range 34 East, of the proposed unit, Cimarex Energy Company has completed a mile-long lateral in the Pennsylvanian Shale/Wolfcamp 'D' interval with the State LF 30 #004H (API: 30-025-43459) that produced over 22,000 barrels of oil and 27 million cubic feet of gas. Decline curve analysis shows an ultimate recovery of 480-550 MBOE (80% oil) from this well (4,610 ft effective lateral length). Current recovery modelling shows a potential for 6 to 8 highly successful north-to-south horizontal wells across (E-W) a single section. Maximizing potential recovery and minimizing the surface footprint of an unconventional vertical well program will be beneficial for the state in maximizing revenue and minimizing oil and gas environmental impacts.

In the target reservoir interval, the Penn Shale has an average porosity range of 1% to 8% and with an unknown average permeability, but unconventional are typically on the nano-darcy scale. The Penn Shale reservoir is still in its early stages of evaluation. Calcareous beds and variability in the clay mineral types can rapidly change between offset wellbores. The goal of horizontal drilling is to reduce the geologic risk of exploring and developing hydrocarbons in this reservoir. Permian Basin activity in the Wolfcamp has demonstrated that horizontal drilling technology reduces the number of wells needed to produce these reserves. However, our understanding of the economic risk associated with these higher cost horizontal wells, and the adaptation of these drilling techniques to this specific area in Lea County, New Mexico is still in its early stages.

We believe unitization of this acreage is favorable to the State of New Mexico because it will allow these minerals to be produced with maximum revenue to the State and in a manner, that will cause the least environmental impact to sensitive species in the area. Unitization would enhance our ability to effectively extract the most hydrocarbons through the development of 12 to 16 horizontal wells across the unitized area. Maximizing revenue to the state and reducing environmental impact depends primarily upon proving the effectiveness of horizontal drilling technology within the proposed unit. Secondly, it requires building the most cost-efficient and least damaging system of infrastructure such

EXHIBIT 4

as roads, electrical lines, natural gas lines, saltwater disposal systems, and a sustainable rate over time in order to optimize the large capital investment required for the development of this pool.

Future development plans will be submitted each year pursuant to the Unit Agreement, and will be a function of geologic understanding and commodity price environment. We respectfully submit this geologic write up as part of our formal proposal to form the exploratory unit in the above state Section 24 of T16S, R34E and Section 19 of T16S, R35E in Lea County, New Mexico.

DGP Energy

Gold Wolf Unitization

Lea County, NM

REMARKS
Gold Wolf Unitization Proposal
State Lease Numbers Included

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0 3,801 7,602
FEET

September 13, 2017

"EXHIBIT A" MAP

16S 35E

#2
V0-9533-002

#1
B1-0023-003

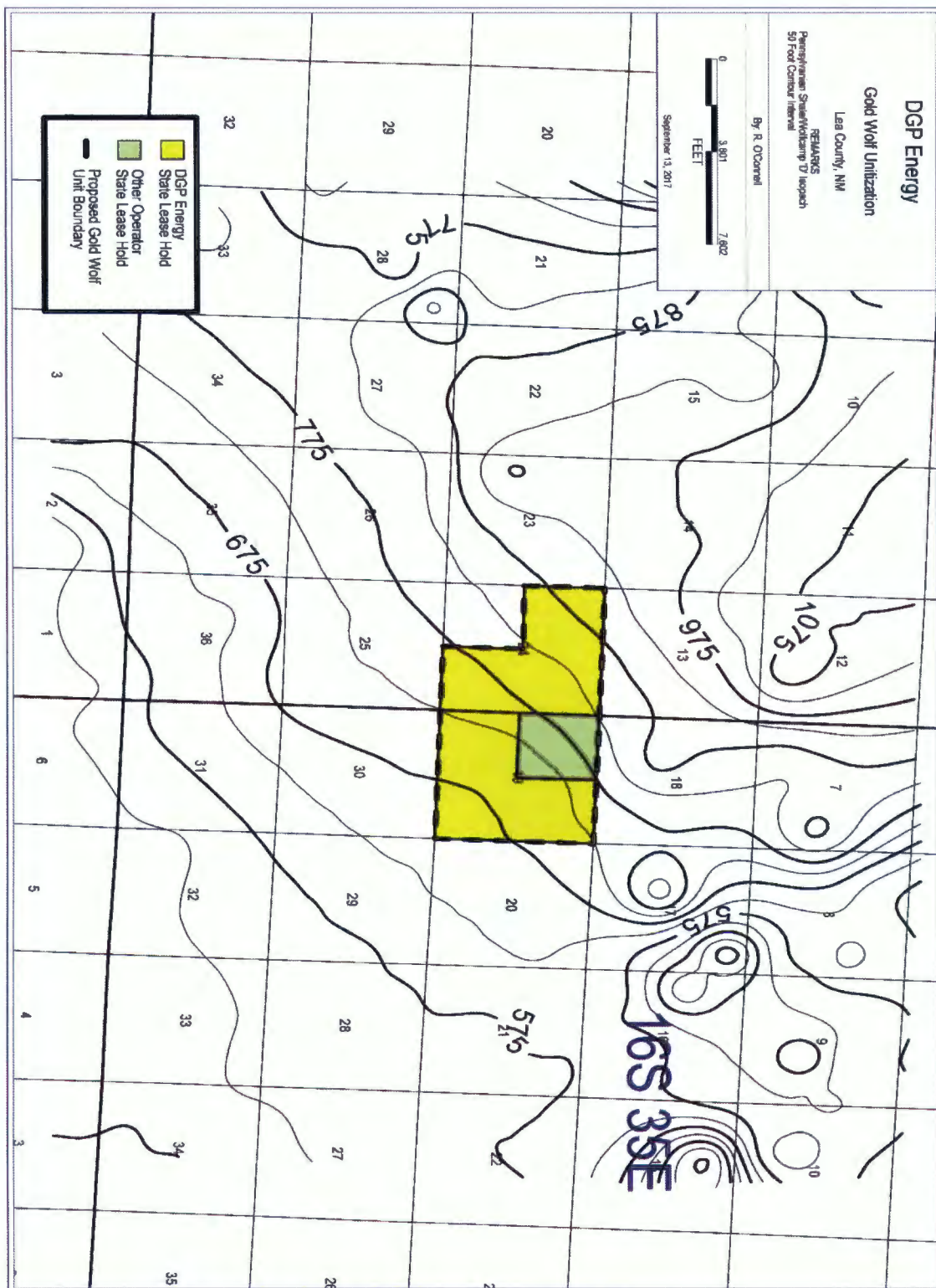
#3
V0-9534-002

DGP Energy
State Lease Hold

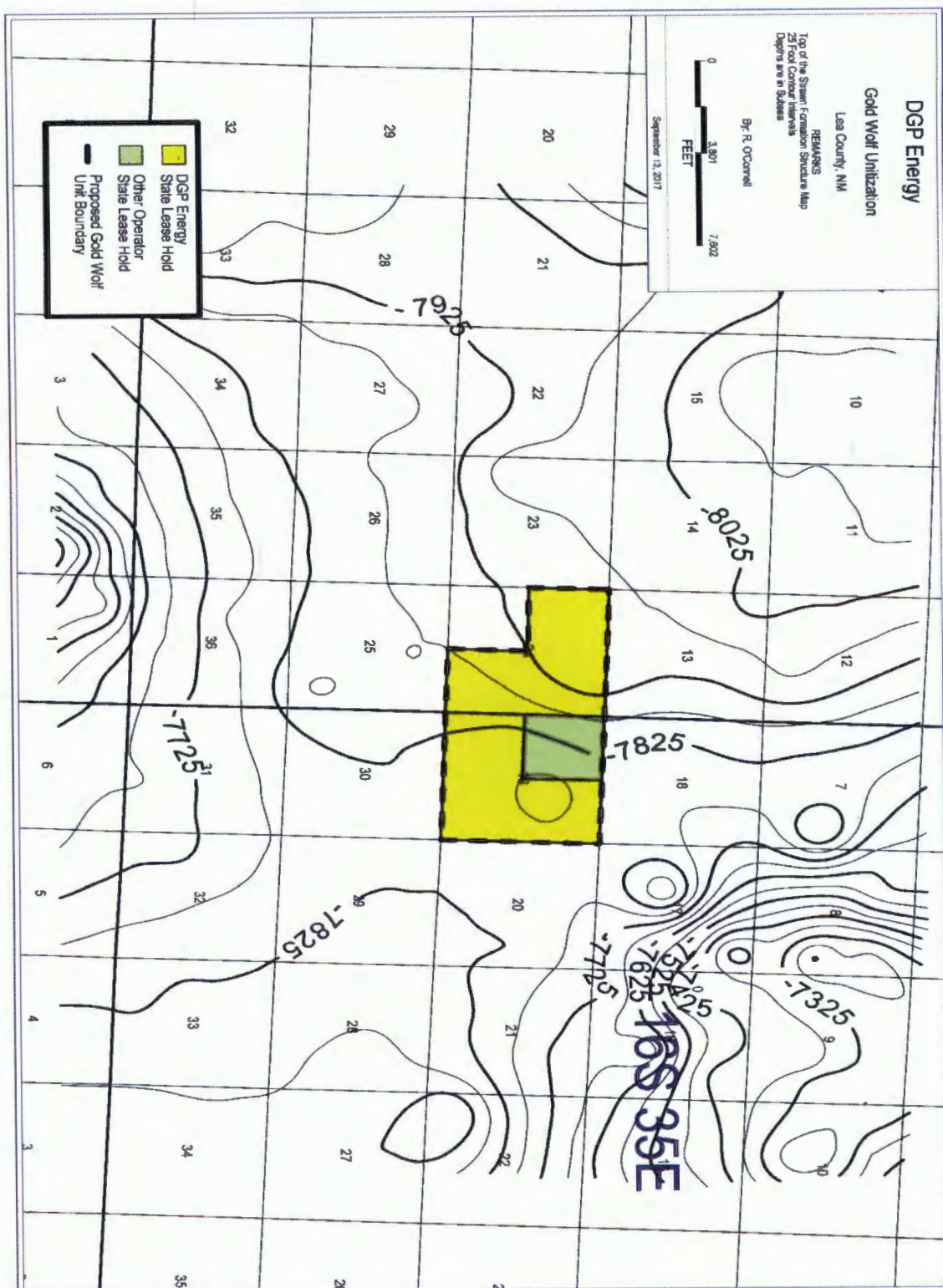
Other Operator
State Lease Hold

Proposed Gold Wolf
Unit Boundary

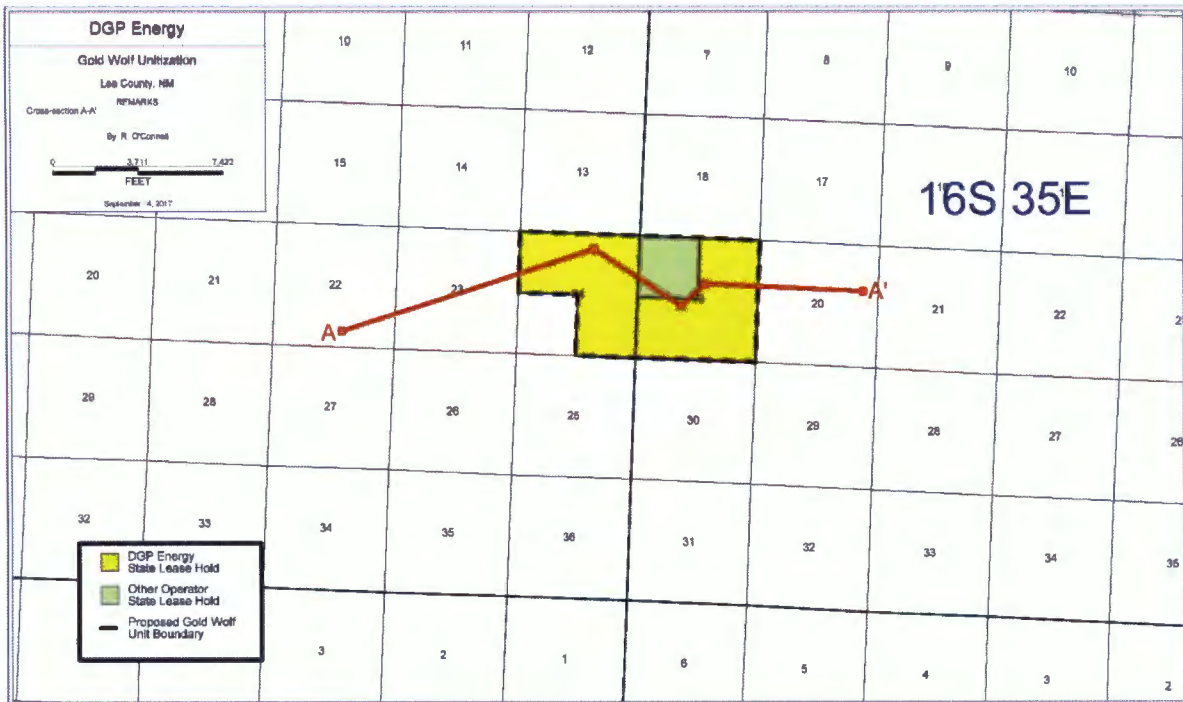
Gold Wolf – Wolfcamp D/Penn Shale Isopach Map



(Underlies Wolfcamp D/Penn Shale)



Gold Wolf– Wolfcamp D/Penn Shale Cross-Section Map



Gold Wolf- Wolfcamp D/Penn Shale Cross-Section

