

Manzano, LLC

P.O. Box 1737

Roswell, New Mexico 88202-1737

(575) 623-1996

April 11, 2018

Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

Attention: Mr. Will Jones

Case 15804

RE: ITEMIZED SCHEDULE OF ACTUAL WELL COSTS

Rag Mama 30-19 Fee #1H (API #30-025-44067)

Surface Location: 25' FSL & 528' FEL of Section 30-T9S-R35E

Bottom Hole Location: 2303' FSL & 394' FEL of Section 19-T9S-R35E

Lea County, New Mexico

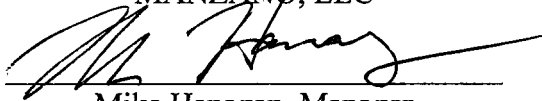
Dear Will:

As per NMOCD Order No. R-14476 (Section 11), please find attached an Itemized Schedule of Actual Costs for the above referenced Rag Mama 30-19 Fee #1H well. As per the Order, the Division and any non-consenting working interest owners have 45 days from the receipt of this letter to object to these costs.

Will, as always's I appreciate your help. Should you have any questions or need anything from me please do not hesitate to contact me.

Sincerely,

MANZANO, LLC



Mike Hanagan, Manager

Manzano, LLC
Lease Operating Statement
March 31, 2018

RAG MAMA 30 FEE #1H

REC_TYPE	OCT_17	NOV_17	DEC_17	JAN_18	FEB_18	MAR_18	TOTAL TO DATE
Operating Expenses	-	-	-	-	-	-	-
ADMIN. O/H - MO	-	-	-	-	650.00	650.00	1,300.00
COMPANY SUPERVI	-	-	-	1,250.00	3,500.00	1,250.00	6,000.00
CHEMICAL/CORR.	-	-	-	3,185.00	3,360.00	1,385.00	7,930.00
ELECTRICITY	-	-	-	-	-	2,982.00	2,982.00
INSURANCE - WEL	-	-	-	-	-	500.00	500.00
LOCATION/ROAD M	-	-	-	359.00	-	-	359.00
MONITORING SERV	-	-	-	-	2,439.00	-	2,439.00
PUMPING	-	-	-	266.00	2,125.00	-	2,391.00
SALT WATER DISP	-	-	-	-	-	4,692.00	4,692.00
SUB PUMP RENTAL	-	-	-	-	3,867.00	-	3,867.00
SURFACE DAMAGES	-	-	-	2,250.00	-	-	2,250.00
*TOTAL LOE	-	-	-	7,310.00	15,941.00	11,459.00	34,710.00
Intangible Drilling Expenses	-	-	-	-	-	-	-
DRILLING OVERHE	-	-	3,750.00	-	-	-	7,500.00
DRILL BITS	-	-	11,355.00	-	-	-	11,355.00
CASING CREW	-	-	5,101.00	-	-	-	5,101.00
CEMENT - SURFAC	-	-	28,884.00	-	-	-	28,884.00
DIRECTIONAL DRL	-	-	133,753.00	-	-	-	133,753.00
DRILLING - DAYW	-	-	148,096.00	-	-	-	148,096.00
DRILLING WATER	-	-	17,698.00	-	-	-	17,698.00
DRILL CUTTING/F	-	-	110,508.00	-	-	-	110,508.00
FLOAT EQUIPMENT	-	2,822.00	-	-	-	-	2,822.00
FUEL & OIL	-	20,613.00	17,675.00	-	-	-	38,288.00
FLUID CALIPER	-	-	3,132.00	-	-	-	3,132.00
GYRO SURVEY	-	3,364.00	-	-	-	-	3,364.00
H2S & SAFETY EQ	-	-	2,219.00	-	-	-	2,219.00
INSURANCE	-	-	7,500.00	-	-	-	7,500.00
LAY DOWN MACHIN	-	-	7,533.00	-	-	-	7,533.00
LEGAL	-	26,875.00	-	-	-	-	26,875.00
LOCATION, ROADS	21,540.00	81,723.00	5,763.00	-	-	-	109,026.00
MOVE IN/OUT	-	85,455.00	112,885.00	-	-	-	198,340.00
MUD/CHEMICAL	-	-	1,240.00	17,740.00	-	-	18,980.00
MUD LOGGING	-	-	10,742.00	-	-	-	10,742.00
PIPE INSPECTION	-	1,292.00	9,286.00	-	-	-	10,578.00
COND/RAT HOLE/M	-	15,870.00	-	1,385.00	-	-	17,255.00
REGULATORY COMP	-	-	-	-	312.00	-	312.00
REAMERS & STABI	-	-	2,318.00	-	-	-	2,318.00
RENTAL - TRAILER	-	6,227.00	11,970.00	4,194.00	-	-	22,391.00
RENTAL EQUIP -	-	-	5,411.00	-	-	-	5,411.00
RENTAL - MUD MO	-	5,258.00	1,043.00	-	-	-	6,301.00
RENTAL-WELLHD,B	-	-	947.00	-	-	-	947.00
SOLIDS CTRL/CLO	-	-	39,955.00	-	-	-	39,955.00
SURFACE DAMAGES	28,000.00	-	-	-	-	-	28,000.00
SURVEYING	3,354.00	-	-	-	-	-	3,354.00
TEMP SURV/FLUID	-	1,843.00	-	-	-	-	1,843.00
WELDING/NIPPLE	-	1,466.00	3,211.00	-	-	-	4,677.00
WELLSITE SUPERV	-	-	23,247.00	-	-	-	23,247.00
ADMIN. O/H - CO	-	-	-	5,250.00	-	-	5,250.00
CASING CREW	-	-	9,951.00	-	-	-	9,951.00
CASED HOLE LOGG	-	-	-	92,980.00	-	-	92,980.00
COMPANY SUPERVI	-	-	1,000.00	5,000.00	-	-	6,000.00
CEMENT - PROD.	-	-	79,822.00	-	-	-	79,822.00
COMPLETION UNIT	-	-	-	-	34,320.00	-	34,320.00
DAYWORK - DRLG	-	-	29,540.00	-	-	-	29,540.00
ELECTRICITY INS	-	-	-	13,479.00	20,264.00	-	33,743.00
FLOAT EQUIPMENT	-	-	33,714.00	-	-	-	33,714.00
FLOW BACK EQPT/	-	-	-	54,367.00	3,500.00	-	57,867.00
FLOW LINE INSTA	-	1,440.00	400.00	54,490.00	1,451.00	-	57,781.00
FLUID DISPOSAL	-	-	-	15,330.00	7,512.00	-	22,842.00
FORKLIFT	-	-	-	434.00	-	-	434.00
FRAC JOB	-	-	-	1,784,392.00	(83,545.00)	-	1,700,847.00
FRAC PIT	181,220.00	-	-	-	-	-	181,220.00
FRAC PLUGS	-	-	-	48,358.00	21,222.00	-	69,580.00
LOCATION & ROAD	-	-	3,236.00	-	-	-	3,236.00
KILL TRUCK	-	-	-	1,952.00	-	-	1,952.00
LIGHT PLANTS/GE	-	-	-	438.00	-	-	438.00

MANLIFT	-	-	4,550.00	-	-	-	4,550.00
RENTAL EQUIPMEN	-	-	-	1,989.00	-	-	1,989.00
RENTAL - TUBING	-	-	-	23,008.00	-	-	23,008.00
SUB PUMP	-	-	-	5,254.00	56,148.00	-	61,402.00
TANK BTRY. INST	-	-	-	21,317.00	4,735.00	3,569.00	29,621.00
TANK RENTAL	-	-	5,833.00	17,192.00	-	-	23,025.00
TREAT TANK/TRSF	-	-	-	-	-	475.00	475.00
TOE PREP	-	-	-	2,221.00	-	-	2,221.00
TUBULAR INSPECT	-	-	2,653.00	-	-	-	2,653.00
WATER/COMPLETIO	-	136,108.00	21.00	44,638.00	51,904.00	-	232,671.00
WELLSITE SUPERV	-	-	-	22,266.00	-	-	22,266.00
WATER TRANSFER	-	-	-	47,207.00	-	-	47,207.00
WELLBORE CLEANO	-	-	-	7,833.00	30,504.00	-	38,337.00
*TOTAL INTANG	234,114.00	390,356.00	895,942.00	2,292,714.00	148,327.00	4,044.00	3,969,247.00
LEASE AND WELL EQUIPMENT							
CASING - SURFAC	-	-	27,700.00	-	-	-	27,700.00
CASING - PRODUC	-	-	210,796.00	-	-	-	210,796.00
ELECTRICAL EQUI	-	-	-	15,989.00	-	-	15,989.00
FLARE	-	-	-	-	-	1,090.00	1,090.00
FLOWLINE/LINE P	-	-	86,390.00	9,136.00	-	-	95,526.00
MONITORING EQUI	-	-	-	-	-	8,087.00	8,087.00
SEPARATOR	-	-	42,218.00	-	-	-	42,218.00
TANK BATTERY	-	-	-	14,000.00	-	-	14,000.00
TANK BATTERY CO	-	-	-	4,275.00	-	-	4,275.00
TUBING	-	-	-	22,595.00	-	-	22,595.00
VALVES, FTGS. &	-	-	977.00	-	21,954.00	1,929.00	24,860.00
WELLHEAD & CONN	-	3,529.00	-	-	-	-	3,529.00
WELL HEAD - PRO	-	-	9,195.00	2,483.00	-	-	11,678.00
*TOTAL EQUIP	-	3,529.00	377,276.00	68,478.00	21,954.00	11,106.00	482,343.00
**TOTAL INVEST	234,114.00	393,885.00	1,273,218.00	2,361,192.00	170,281.00	15,150.00	4,451,590.00
***PAYOUT	(234,114.00)	(393,885.00)	(1,273,218.00)	(2,368,502.00)	(186,222.00)	(26,609.00)	(4,486,300.00)