

JUL 24 2018 AM09:50



July 11, 2018

Florene Davidson, Hearing Clerk
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: **NMOCD Order
R-14685**

Case 16079

Dear Ms. Davidson:

Enclosed are examples of the letters mailed to all Pooled Working Interest Owners subject to the above referenced NMOCD Orders. Sent with these letters were copies of the corresponding AFE (also enclosed) matching the one provided at the NMOCD hearing prior to the issuance of the Order.

Should you have any questions, please feel free to contact me at the number below.

Sincerely,

Tammy Wittman
Land Administrator

Enclosures



July 11, 2017

Persons name
Their address
City, State Zip

Re: Sarah 1-H
E/2 Section 29-12S-38E, N.M.P.M.
Lea County, NM

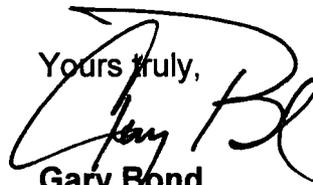
Attention Pooled Working Interest Owner:

Pursuant to the working application of Llano Energy, LLC ("Llano"), Special Energy Corporation ("SEC"), P.O. Drawer 369, Stillwater, OK 74076, is designated Operator under the New Mexico Oil Conservation Division Order (No. R-14685) granting spacing, pooling, unorthodox well location and the right to produce the above referenced well (see copy of said Order enclosed).

Those that have not already leased to or made other arrangements with Llano or SEC, are considered Pooled Working Interest Owner(s) under this Order and have the right to either participate and pay their share of the estimated well costs detailed on the enclosed AFE or go Non-Consent per the terms of the New Mexico Statutes and this Order.

As provided in this Order, you have **30 DAYS FROM RECEIPT OF THIS LETTER** to make your election. Those electing to participate will be provided with a Joint Operating Agreement similar to the one currently being utilized for this well.

Thank you, and please do not hesitate to contact me at 405-377-1177 should you have any questions.

Yours truly,

Gary Bond
Vice President

Special Energy Corporation
Project Area Pooling List
Sarah 1-H
E/2 29-12S-38E
Lea County, New Mexico

1. Ana Riddel Williamson, Trustee of the Ana Riddel Trust, f/b/o Stephen and Margaret Williamson
P.O. Box 190746
Dallas, TX 75219-0746

Also mailed to:
Ana Riddel Williamson, Trustee of the Ana Riddel Trust, f/b/o Stephen and Margaret Williamson
4702 16th St
Lubbock, TX 79416
2. Cody Joe Moore
c/o Raven Justine Lasso
2408 33rd Street, Apt. B
Lubbock, TX 79411
3. First Financial Trust and Asset Management Company, NA, Trustee of the Tamara Moore Testamentary Trust
PO Box 701
Abilene, TX 79604
4. Keith Moore
9213 County Rd 7635
Wolfforth, TX 79382
5. Kirt Moore
9213 County Rd 7635
Wolfforth, TX 79382
6. Lisa Darlene Fisher
Address Unknown
7. Peggy Jo Gray
PO Box 875
Aspermont, TX 79502
8. Raechel Anastasia Moore
50 Ryder Road
Farmingdale, ME 04344
9. Ralonna Moore
717 N Ave O
Post, TX 79356
10. Ralph Riddel, Jr
658 County Rd 452
Rotan, TX 79546
11. Raven Justine Lasso
2408 33rd Street, Apt. B
Lubbock, TX 79411
12. Riddel Minerals Management, LLC
7911 Meadowbriar
Houston, TX 77063
13. The Estate of A. Darlene Fisher
c/o Sharon Darlene Jordan
18337 Hawthorne Ave
Bloomington, CA 92316
14. The Estate of Billie Ann Lowe
c/o Kay Calloway Newton
5004 Woodrow Road
Lubbock, TX 79424
15. The Estate of Charles D. Fisher
c/o Mary Jayne Fisher
403 South 3rd Street
Lovington, NM 88260
16. The Estate of Cleeta K. Sterling
c/o Karen McKinley
11035 Huron Street, Unit 807
Northglenn, CO 80234

Special Energy Corporation
Project Area Pooling List
Sarah 1-H
E/2 29-12S-38E
Lea County, New Mexico

17. The Estate of Coy S. Lowe
c/o Kay Denise Lowe Atcheson
PO Box 64595
Lubbock, TX 79464
18. The Estate of Dallas Sumners
c/o Natalie Sumners
3067 Quail Ln
Longview, TX 75605
19. The Estate of Delores Brock
c/o Robert Lee Brock
1218 Hillside Drive
Gainesville, TX 76240
20. The Estate of Eula Lee Cortez
c/o Gladys M. Simpson
8221 N Russell Ave
Hobbs, NM 88240
21. The Estate of James Hoytt Fisher
a/k/a James Hoyt Fisher Sr.
c/o James H. Fisher, Jr.
6305 County Road 7450
Lubbock, TX 79424
22. The Estate of Jimmy Joe Moore
c/o Raven Justine Lasso
2408 33rd Street, Apt. B
Lubbock, TX 79411
23. The Estate of Patricia Cortez Sumners
c/o Greg Sumners
PO Box 2075
Joplin, MO 64803
24. The Estate of Tera Sumners Garza
c/o Tiffney Garza
1000 Warbler Cove
Hutto, TX 78634
25. The Estate of Thomas J. Fisher, Jr.
c/o Dylan T. Fisher
34533 Sand Canyon Rd
Caliente, CA 93518
26. The Estate of Thomas J. Fisher, Sr.
c/o Sharon Darlene Jordan
18337 Hawthorne Ave
Bloomington, CA 92316
27. Estate of Woodie H Tudor
c/o Pam Carroll
1308 E Cardwell
Brownfield, TX 79316



**Authorization for Expenditure
DEVELOPMENT WELL AFE**

Operator: Special Energy Corporation
Prepared By: Special Energy Corporation
Location: E/2 Section 29-12S-38E
County: Lea County, New Mexico

Well Name: SARAH 1-H
Formation: San Andres
Est. Depth: MD-10,000'
TVD-5,250'
Date: 3/30/2018

Phase	Operation Description	Operation Cost	Cumulative Phase	Total Well Cost
Drilling	Conductor/ MH/ RH	\$ 12,320.00	\$	12,320.00
Drilling	Casing - Surface	\$ 36,880.00	\$	49,200.00
Drilling	Casing - Production	\$ 174,250.00	\$	223,450.00
Drilling	Wellhead (General)	\$ 19,820.00	\$	243,270.00
Drilling	Location Construction, Roads & Reclamation	\$ 87,500.00	\$	330,770.00
Drilling	Drilling Rig	\$ 191,700.00	\$	522,470.00
Drilling	Rig Move	\$ 77,000.00	\$	599,470.00
Drilling	Rig Materials & Supplies (Consumables)	\$ 400.00	\$	599,870.00
Drilling	Fuel - Rig	\$ 15,836.10	\$	615,706.10
Drilling	Information / Communication (Rigsite)	\$ 9,500.00	\$	625,206.10
Drilling	Drilling Fluids (Materials)	\$ 12,127.70	\$	637,333.80
Drilling	Directional Drilling & Motors	\$ 105,062.50	\$	742,396.30
Drilling	Cementing Services	\$ 91,021.20	\$	833,417.50
Drilling	Cementing / Casing Accessories	\$ 12,557.17	\$	845,974.67
Drilling	Mud Logging Services	\$ 10,800.00	\$	856,774.67
Drilling	Drilling Tools & Equip Rental w/o Oper	\$ 10,762.50	\$	867,537.17
Drilling	Drilling / Compl Surface Equip Rental w/o Oper	\$ 7,242.20	\$	874,779.37
Drilling	Bits & Mills	\$ 28,700.00	\$	903,479.37
Drilling	Pipe Handling Services	\$ 21,598.65	\$	925,078.02
Drilling	Other - Specialized Services (H2S)	\$ 1,200.00	\$	926,278.02
Drilling	Welding	\$ 12,200.00	\$	938,478.02
Drilling	Equipment Delivery	\$ 7,658.00	\$	946,136.02
Drilling	MWD	\$ 5,924.50	\$	952,060.52
Drilling	Other - Specialized Services Inspections	\$ 6,310.00	\$	958,370.52
Drilling	Trucking & Ground Transport, Services Disposal	\$ 106,678.70	\$	1,065,049.22
Drilling	BOP High Pressure Testing	\$ 2,900.00	\$	1,067,949.22
Drilling	Wellsite Contract Labor	\$ 47,296.00	\$	1,115,245.22
Drilling	Trailer Rentals, Sanitary, Trash Trailer	\$ 29,560.00	\$	1,144,805.22
Drilling	Slickline Services	\$ 4,300.00	\$	1,149,105.22
Drilling	Permits, Fees, Surface Damages, Road Bore	\$ 85,000.00	\$ 1,234,105.22	\$ 1,234,105.22
Completions	Toe Opening	\$ 6,400.00	\$	1,240,505.22
Completions	Frac Stack	\$ 21,000.00	\$	1,261,505.22
Completions	Stimulation	\$ 1,111,944.57	\$	2,373,449.78
Completions	SCALEGUARD	\$ 54,660.00	\$	2,428,109.78
Completions	LQ Scale Inhibitor	\$ 38,620.00	\$	2,466,729.78
Completions	Water	\$ 80,000.00	\$	2,546,729.78
Completions	Water Transfer	\$ 62,500.00	\$	2,609,229.78
Completions	Chlorine Dioxide	\$ 7,800.00	\$	2,617,029.78
Completions	Eline Services	\$ 92,000.00	\$	2,709,029.78
Completions	Supervision	\$ 46,500.00	\$	2,755,529.78
Completions	Frac tanks	\$ 9,050.00	\$	2,764,579.78
Completions	Trash/Lights/Facilities	\$ 7,500.00	\$	2,772,079.78
Completions	Forklift/Manlift	\$ 5,550.00	\$	2,777,629.78
Completions	Pulling Unit	\$ 34,000.00	\$	2,811,629.78
Completions	Anchor	\$ 1,200.00	\$	2,812,829.78
Completions	Flowback	\$ 35,000.00	\$	2,847,829.78
Completions	Reverse Unit	\$ 43,500.00	\$	2,891,329.78
Completions	Racks PU/LD	\$ 18,000.00	\$	2,909,329.78
Completions	Drill Out Workstring	\$ 12,000.00	\$	2,921,329.78
Completions	Bit	\$ 6,500.00	\$	2,927,829.78
Completions	BOP	\$ 6,000.00	\$	2,933,829.78
Completions	TBG	\$ 28,600.00	\$	2,962,429.78
Completions	ESP/VSD/ Install	\$ 110,000.00	\$	3,072,429.78
Completions	TBG Hanger	\$ 2,500.00	\$ 1,838,824.57	\$ 3,074,929.78
Facilities	Oil Tanks (500)	\$ 20,000.00	\$	3,094,929.78
Facilities	Tank Install	\$ 6,000.00	\$	3,098,929.78
Facilities	Heater Treater/ FWKO	\$ 25,000.00	\$	3,123,929.78
Facilities	Flare	\$ 6,400.00	\$	3,130,329.78
Facilities	Gas Meter	\$ 2,000.00	\$	3,132,329.78
Facilities	Water tank 500 BBL	\$ 10,000.00	\$	3,142,329.78
Facilities	Transport Facility	\$ 10,000.00	\$	3,152,329.78
Facilities	Poly Pipe	\$ 138,720.00	\$	3,291,049.78
Facilities	Valves, connections, and piping in facility	\$ 37,500.00	\$	3,328,549.78
Facilities	Birns/ Dirtwork/ Liner	\$ 16,500.00	\$	3,345,049.78
Facilities	Roundabout Fee	\$ 30,200.00	\$	3,375,249.78
Facilities	SCADA/ Electric	\$ 105,000.00	\$	3,480,249.78
Facilities	Transfer Pump	\$ 14,570.00	\$ 421,890.00	\$ 3,494,819.78

Total Estimated Drilling Cost \$ 1,234,105.22
Total Estimated Completions Cost \$ 1,838,824.57
Total Estimated Facilities Cost \$ 421,890.00
Total Estimated Well Cost \$ 3,494,819.78

Approvals: _____
Special Energy Corporation
By: Gary Bond
Title: Vice President
Date: March 30, 2018

Working Interest Owner
By: _____
WI Percentage: _____
Date: _____

PLEASE NOTE: THE ABOVE COSTS ARE ESTIMATES AND THE ACTUAL COST MAY VARY.
BY EXECUTION ABOVE, PARTICIPANT COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS INCURRED.