

CASE NO. 23696

**APPLICATION OF TEXAS STANDARD OPERATING NM LLC FOR COMPULSORY
POOLING LEA COUNTY, NEW MEXICO**

EXHIBIT LIST

1. Application and Proposed Notice
2. Landman's Affidavit
3. Geologist's Affidavit
4. Affidavit of Mailing
5. Certified Notice Spreadsheet
6. Pooling Checklist

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF TEXAS STANDARD
OPERATING NM LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**Case No. 23696**APPLICATION**

Texas Standard Operating NM LLC applies for an order pooling all uncommitted mineral interest owners in the Upper Penn Shale formation in a horizontal spacing unit underlying (i) the W/2SE/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., and (ii) Lot 2, SW/4NE/4, and the W/2SE/4 (the W/2E/2) of Section 3 and the W/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M., and in support thereof, states:

1. Applicant is an operator in the W/2SE/4 of Section 34, the W/2E/2 of Section 3, and the W/2NE/4 of Section 10 (containing 319.47 acres), and has the right to drill wells thereon.
2. Applicant proposes to drill the Bulldog State Well Nos. 1H and 2H to depths sufficient to test the Upper Penn Shale formation, and has dedicated the W/2SE/4 of Section 34, the W/2E/2 of Section 3, and the W/2NE/4 of Section 10 to the wells. The wells have first take points in the NW/4SE/4 of Section 34 and last take points in the SW/4NE/4 of Section 10.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2SE/4 of Section 34, the W/2E/2 of Section 3, and the W/2NE/4 of Section 10 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain mineral interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in

EXHIBIT /

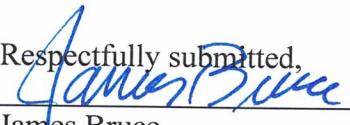
the Upper Penn Shale formation underlying the W/2SE/4 of Section 34, the W/2E/2 of Section 3, and the W/2NE/4 of Section 10 pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Upper Penn Shale formation underlying the W/2SE/4 of Section 34, the W/2E/2 of Section 3, and the W/2NE/4 of Section 10 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Upper Penn Shale formation (Upper Pennsylvanian; Undesignated/Pool Code 98333) underlying the W/2SE/4 of Section 34, the W/2E/2 of Section 3, and the W/2NE/4 of Section 10;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Texas Standard Operating NM
LLC

Application of Texas Standard Operating NM LLC for compulsory pooling, Lea County, New Mexico. Texas Standard Operating NM LLC seeks an order pooling all uncommitted mineral interest owners in the Upper Penn Shale formation underlying a horizontal spacing unit comprised of (i) the W/2SE/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., and (ii) Lot 2, SW/4NE/4, and W/2/SE/4 (the W/2E/2) of Section 3 and the W/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M. The unit will be dedicated to the Bulldog State Well Nos. 1H and 2H, which have first take points in the NW/4SE/4 of Section 34 and last take points in the SW/4NE/4 of Section 10. Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells. The unit is located approximately 5-1/2 miles south of Lovington, New Mexico.

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATIONS OF TEXAS STANDARD
OPERATING NM LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 23696 & 23697

SELF-AFFIRMED STATEMENT OF MATT ROBERSON

Matt Roberson deposes and states:

1. I am a landman for Texas Standard Operating NM LLC ("Texas Standard"), and have personal knowledge of the matters stated herein. I have previously testified before the Division and my qualifications as an expert were accepted as a matter of record.

2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application filed herein.

3. The purpose of this application is to force pool uncommitted working interest owners into the horizontal spacing units described below, and in wells to be drilled in the units.

4. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed to voluntarily commit their interests to the wells at this time.

5. In Case No. 23696 Texas Standard seeks an order pooling all uncommitted mineral interest owners in the Upper Penn Shale formation underlying a horizontal spacing unit comprised of (i) the W/2SE/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., and (ii) the W/2E/2 of Section 3 and the W/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M. The unit will be dedicated to the Bulldog State Well Nos. 1H and 2H, which have first take points in the NW/4SE/4 of Section 34 and last take points in the SW/4NE/4 of Section 10.

In Case No. 23697 Texas Standard seeks an order pooling all uncommitted mineral interest owners in the Upper Penn Shale formation underlying a horizontal spacing unit comprised of (i) the E/2SE/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., and (ii) the E/2E/2 of Section 3 and the E/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M. The unit will be dedicated to the Bulldog State Well Nos. 3H and 4H, which have first take points in the NE/4SE/4 of Section 34 and last take points in the SE/4NE/4 of Section 10.

EXHIBIT 2

6. The history of this project is as follows:

(a) In January 2023 Texas Standard proposed a well unit for the Bulldog State Well Nos. 1H and 2H, comprised of the lands shown in Attachment A. The attachment also includes the proposal letters.

(b) In March 2023 Texas Standard proposed a well unit for the Bulldog State Well Nos. 3H and 4H, comprised of the lands shown in Attachment B. The attachment also includes the proposal letters. (Morningstar had assigned its interest to Texas Standard.) The well unit did not include the E/2SE/4 of Section 3 because at that time it was unleased state land.

(c) BTA Oil Producers, LLC ("BTA") objected to Texas Standard including the E/2 of Section 34 in its well units, because it had filed competing proposals including the E/2 of Section 34. The parties resolved their differences by BTA pooling the NE/4 of Section 34 and Texas Standard pooling the SE/4 of Section 34. In addition, the E/2SE/4 of Section 3 was subsequently leased. A plat showing the current well units is submitted as Attachment C. C-102s for the wells are being prepared this well and will be submitted to the Division.

7. There is no depth severance in the Upper Penn formation.

8. The parties being pooled are XTO Holdings and Occidental Permian. Attachment D is a summary of communications, and contains copies of the proposal letter sent to XTO Holdings. Occidental Permian did not request a new proposal, because it intends to term assign its interest to Texas Standard..

9. All interest owners are locatable. Texas Standard has made a good faith effort to locate and obtain the voluntary joinder of the working interest owners in the proposed well.

10. Texas Standard has the right to pool the overriding royalty owners in the well unit.

11. Attachment E contains Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs of other wells of similar depth and length drilled in this area of Lea County.

12. Texas Standard requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Texas Standard requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

13. Texas Standard requests that the maximum cost plus 200% risk charge be assessed against a non-consenting working interest owner.

14. Texas Standard requests that it be designated operator of the wells.

14. Texas Standard requests that it be designated operator of the wells.
15. The attachments to this affidavit were prepared by me, or compiled from company business records.
16. The granting of these applications is in the interests of conservation and the prevention of waste.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 16 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 07/31/2023


Matt Roberson

Bulldog State #1H & 2H Plat w Single Pad

Texas Standard Operating NM LLC Proposes ~2 Mile Lateral Drilling Locations
in T17S-R36E and T16S-R36E, Sections 10, 3 and 34 Targeting the Upper
Penn Shale Formation

R36E

Dual Pad SHL: 100' FNL & 1,985'
and 1,975' FEL of Sec. 10

Bulldog #1H FTP: 700' FNL &
2,310' FEL of Sec. 34

Bulldog #2H FTP: 700' FNL &
1,650' FEL of Sec. 34

T16S**T17S**

Texas Standard Oil
Lease VC-0327-1
22.25% WI (2/9)

Texas Standard Oil
Lease VC-0763-0
11.13% WI (1/9)

XTO Holdings
Lease A0-1320-13
22.25% WI (2/9)

Morningstar Partners
Lease A0-1469-9
22.25% WI (2/9)

XTO Holdings
Lease B0-3009-2
10.98% WI (1/9)

Occidental Permian
Lease B0-1553-14
11.13% WI (1/9)

Bulldog #1H LTP: 500' FNL &
2,310' FEL of Sec. 10

Bulldog #2H LTP: 500' FNL &
1,650' FEL of Sec. 10

Plat Not to Scale &
Assumes Sections are 5,280'

ATTACHMENT

A

Allocation of Proposed Proration Unit

Owner:	ExxonMobil	Penroc/SW Royalties	OXY	Texas Standard Oil	Totals
Est. Acre Allocation	119.47	80	40	120	359.47
Proration Unit WI %	33.24%	22.25%	11.13%	33.38%	100%

TEXAS STANDARD Oil
LLC



January 21, 2023

Occidental Permian, Ltd.
5 Greenway Plaza, Ste. 110
Houston, Texas 77046
Attn: Michael Meir

Re: Two (2) Well Proposal
Bulldog State #1H & 2H Wells
Lea County, New Mexico

Dear Mr. Meir,

Texas Standard Oil LLC ("Texas Standard") through its wholly owned subsidiary, Texas Standard Operating NM LLC, proposes to drill the captioned wells as follows:

Drill the captioned wells from Surface Locations being approximately 100' FNL & 1,985' and 1,975' FEL of Section 34, T16S-R36E to an approximate Bottom Hole Location being 500' FNL & 2,310' and 1,650' FEL of Section 10, T17S-R36E, Lea County, New Mexico (the "Wells"). All calls are estimated and subject to a definitive survey. Please see the attached well location plat.

The Wells will be drilled from the surface to a landing interval of approximately 11,800' TVD and drilled horizontally to a total measured depth of approximately 23,100' in the Upper Penn Shale (sometimes referred to as the "Wolfcamp C and D Shale").

Please find attached our Authority for Expenditures ("AFE") which provide an estimation of the total cost to drill and complete the Wells. Our AFEs consist of a detailed "long form" and a summarized "short form". Texas Standard proposes that the Wells will be subject to the terms and conditions of the Operating Agreement also attached for your review.

In the event that Occidental elects to participate in its ratable share of the cost of drilling and completing the proposed Wells, please sign (using the "short" form AFEs) and return both the attached AFEs and Operating Agreement. Texas Standard proposes to drill the Well subject to the terms and conditions of the attached modified 1989H AAPL form of Operating Agreement. This proposal is subject to the execution of the Operating Agreement by all parties owning leasehold involving these wells.

In the event that Occidental does not participate in the cost of drilling these wells, then alternatively, we propose that our companies enter into a term assignment covering the leases shown on the plat provided, with Occidental retaining a 3% overriding royalty interest, but delivering no less than 75% net revenue interest.

If you have any questions or would like to discuss this proposal, please contact me at 713-828-9306 or to email me at Matt@TxsOil.com. Thank you in advance for your careful consideration of this proposal.

Sincerely,

Matt Roberson

Matt Roberson, RPL
Landman

(432) 219-6710

One Petroleum Center, Building One, 3300 North A Street, Suite 105, Midland, Texas 79705

Fax (713) 655-1197

TEXAS STANDARD Oil
LLC



January 23, 2023

ExxonMobil
22777 Springwoods Village Pkwy
Spring, TX 77389
Attn: Mr. Ewell Schirmer

Re: Two (2) Well Proposal
Bulldog State #1H & 2H Wells
Lea County, New Mexico

Dear Mr. Schirmer,

Texas Standard Oil LLC ("Texas Standard") through its wholly owned subsidiary, Texas Standard Operating NM LLC, proposes to drill the captioned wells as follows:

Drill the captioned wells from Surface Locations being approximately 100' FNL & 1,985' and 1,975' FEL of Section 34, T16S-R36E to an approximate Bottom Hole Location being 500' FNL & 2,310' and 1,650' FEL of Section 10, T17S-R36E, Lea County, New Mexico (the "Wells"). All calls are estimated and subject to a definitive survey. Please see the attached well location plat.

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In the event that ExxonMobil elects to participate in its ratable share of the cost of drilling and completing the proposed Wells, please sign (using the "short" form AFEs) and return both the attached AFEs and Operating Agreement. Texas Standard proposes to drill the Well subject to the terms and conditions of the attached modified 1989H AAPL form of Operating Agreement. This proposal is subject to the execution of the Operating Agreement by all parties owning leasehold involving these wells.

In the event that ExxonMobil does not participate in the cost of drilling these wells, then alternatively, we propose that our companies enter into a term assignment covering the leases shown on the plat provided, with ExxonMobil retaining a 3% overriding royalty interest, but delivering no less than 75% net revenue interest.

If you have any questions or would like to discuss this proposal, please contact me at 713-828-9306 or to email me at Matt@TxsOil.com. Thank you in advance for your careful consideration of this proposal.

Sincerely,

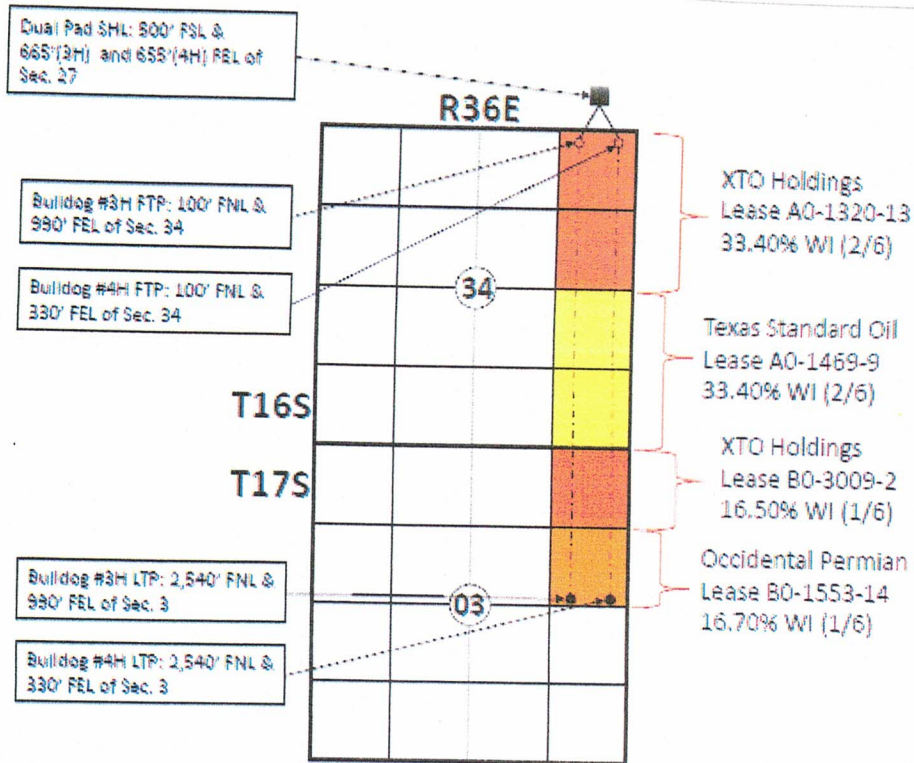
Matt Roberson

Matt Roberson, RPL
Landman

(432) 219-6710

One Petroleum Center, Building One, 3300 North A Street, Suite 105, Midland, Texas 79705

Fax (713) 655-1197



<https://mail.aol.com/webmail-std/en-us/PrintMessage>

ATTACHMENT *B*

TEXAS STANDARD Oil
LLC



March 8, 2023

ExxonMobil
22777 Springwoods Village Pkwy
Spring, TX 77389
Attn: Mr. Ewell Schirmer

Re: Two (2) Well Proposal
Bulldog State #3H & #4H Wells
Lea County, New Mexico

Dear Mr. Schirmer,

Texas Standard Oil LLC ("Texas Standard") through its wholly owned subsidiary, Texas Standard Operating NM LLC, proposes to drill the captioned wells as follows:

Drill the captioned wells from Surface Locations being approximately 500' FSL & 665'(3H) and 655'(4H) FEL of Section 27, T16S-R36E to an approximate Bottom Hole Location being 2,540' FNL & 990' and 330' FEL of Section 3, T17S-R36E, Lea County, New Mexico (the "Wells"). All calls are estimated and subject to a definitive survey. Please see the attached well location plat. The Wells will be drilled from the surface to a landing interval of approximately 11,400' TVD and drilled horizontally to a total measured depth of approximately 20,281' in the Upper Penn Shale (sometimes referred to as the "Wolfcamp C and D Shale").

Please find attached our Authority for Expenditures ("AFE") which provide an estimation of the total cost to drill and complete the Wells. Our AFEs consist of a detailed "long form" and a summarized "short form". Texas Standard proposes that the Wells will be subject to the terms and conditions of the Operating Agreement also attached for your review.

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In the event that ExxonMobil does not participate in the cost of drilling these wells, then alternatively, we propose that our companies enter into a term assignment covering the leases shown on the plat provided, with ExxonMobil retaining the difference between 20% and any existing landowner's royalties, federal royalties, overriding royalties and any other burdens on production.

If you have any questions or would like to discuss this proposal, please contact me at 713-828-9306 or to email me at Matt@TxsOil.com. Thank you in advance for your careful consideration of this proposal.

Sincerely,
Matt Roberson

Matt Roberson, RPL
Landman

(432) 219-6710

One Petroleum Center, Building One, 3300 North A Street, Suite 105, Midland, Texas 79705

Fax (713) 655-1197

TEXAS STANDARD Oil
LLC

March 8, 2023

Occidental Permian, Ltd.
5 Greenway Plaza, Ste. 110
Houston, Texas 77046
Attn: Hannah Eastwood

Re: Two (2) Well Proposal
Bulldog State #3H & #4H Wells
Lea County, New Mexico

Dear Mrs. Eastwood,

Texas Standard Oil LLC ("Texas Standard") through its wholly owned subsidiary, Texas Standard Operating NM LLC, proposes to drill the captioned wells as follows:

Drill the captioned wells from Surface Locations being approximately 500' FSL & 665'(3H) and 655'(4H) FEL of Section 27, T16S-R36E to an approximate Bottom Hole Location being 2,540' FNL & 990' and 330' FEL of Section 3, T17S-R36E, Lea County, New Mexico (the "Wells"). All calls are estimated and subject to a definitive survey. Please see the attached well location plat. The Wells will be drilled from the surface to a landing interval of approximately 11,400' TVD and drilled horizontally to a total measured depth of approximately 20,281' in the Upper Penn Shale (sometimes referred to as the "Wolfcamp C and D Shale").

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In the event that Occidental elects to participate in its ratable share of the cost of drilling and completing the proposed Wells, please sign (using the "short" form AFEs) and return both the attached AFEs and Operating Agreement. Texas Standard proposes to drill the Well subject to the terms and conditions of the attached modified 1989H AAPL form of Operating Agreement. This proposal is subject to the execution of the Operating Agreement by all parties owning leasehold involving these wells.

In the event that Occidental does not participate in the cost of drilling these wells, then alternatively, we propose that our companies enter into a term assignment covering the leases shown on the plat provided, with Occidental retaining the difference between 20% and any existing landowner's royalties, federal royalties, overriding royalties and any other burdens on production.

If you have any questions or would like to discuss this proposal, please contact me at 713-828-9306 or to email me at Matt@TxsOil.com. Thank you in advance for your careful consideration of this proposal.
Sincerely,

Matt Roberson

Matt Roberson, RPL
Landman

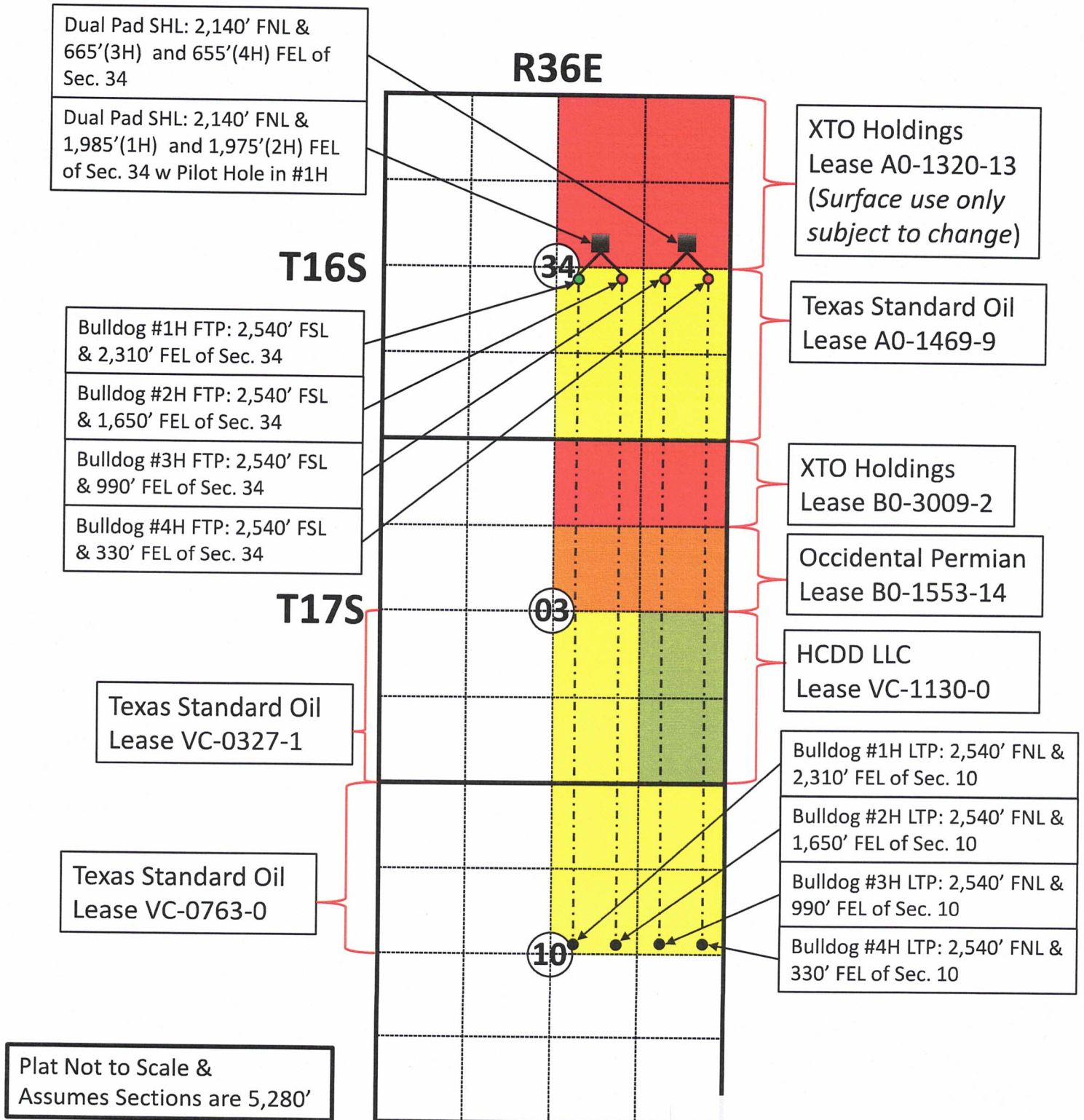
(432) 219-6710

One Petroleum Center, Building One, 3300 North A Street, Suite 105, Midland, Texas 79705

Fax (713) 655-1197

Bulldog State #1H - #4H w Dual Pads and Single Pilot

Texas Standard Operating NM LLC Proposes 10,360' Lateral Drilling Unit in T16S-R36E and T17S-R36E, Sections 34, 3 and 10, Targeting the Upper Penn Shale Formation – Separate DSU's



ATTACHMENT

C

Working Interest Based on Lease Ownership

Bulldog State 1 & 2 unit (319.47ac)

Owner	Aliquots	Lease net ac	Unit total	Net in unit
Occidental Permian	1	40	319.47	12.520737%
Texas Standard Oil	6	240	319.47	75.124425%
XTO Holdings	1	39.47	319.47	12.354838%
HCDD LLC	0	0	319.47	0.000000%
Totals:	8	319.47		100.000000%

Bulldog State 3 & 4 unit (319.52ac)

Owner	Aliquots	Lease net ac	Unit total	Net in unit
Occidental Permian	1	40	319.52	12.518778%
Texas Standard Oil	4	160	319.52	50.075113%
XTO Holdings	1	39.52	319.52	12.368553%
HCDD LLC	2	80	319.52	25.037556%
Totals:	8	319.52		100.000000%

TEXAS STANDARD OIL

LLC



July 27th, 2023

Bulldog State #1H-4H Contact Log

1/23/2023	Oxy	Michael Meir	Sent Proposal Package
1/23/2023	ExxonMobil	Ewell Schirmer	Sent Proposal Package
1/24/2023	Oxy	Hannah Eastwood	Received return email from Hannah. Included a clarification of interests and small questionnaire that they send to all potential non-op projects.
1/24/2023	State Land Office	Rubel Salazar, Denise Gallegos	Sent notice of ongoing drilling operations on VC-0327-1 to save lease
1/25/2023	DCP Midstream	Sean Carter / Michael Villalobos	Set up field visit to look at possible gas line connections.
1/25/2023	RRC Energy Services	Louis Anaya	Notified that crew would be on site this morning surveying location and staking pads
1/26/2023	Morningstar Partners	Law Armstrong	Sent Proposal Package
1/28/2023	RRC Energy Services	Louis Anaya	Bulldog State wells staked.
1/30/2023	Morningstar Partners	Law Armstrong	Received call from Law to discuss minor details in project and ORRI offer in TA
1/30/2023	RRC Energy Services	Louis Anaya	Received C102's from surveyors - surveyors were active for 3 days
1/31/2023	State Land Office	Denise Gallegos	Notice of Approval Lease Extension VC-0327-3 with letter: report every 30 days after Jan 28th about the previous 20 days of continuous drilling activity
2/1/2023	Permits West	Jeanette Reisenburg	Set up Permits West to be the company we file permits with.
2/2/2023	Permits West	Craig Young	Filing permits via Permits West with the OCD
2/6/2023	Texas Standard Oil (Texas Standard Oil)	Kent Jolly	Field landmen began out-of-town run sheet work to prep for drilling title opinions
2/7/2023	Angell Family #2 Lt.	Patrick McMahon	Received signed SUA via FedEx
2/8/2023	ExxonMobil	Ewell Schirmer	Chatted via email about ongoing Exxon AFE evaluation process. Should be finished soon
2/8/2023	DCP	Field Rep	Craig Young field trip out to staked area to locate gas tap owned by DCP near our gas line
2/8/2023	DCP Midstream	Michael Villalobos	Field visit to location to determine tie in points for a possible gas line to DCP.
2/8/2023			Drove by Bulldog State staked pad and reviewed access information.

ATTACHMENT

D

2/9/2023	Gas Marketing Consultant	Mike Banschbach	Forward details on gas connection line so DCP can work up a contract.
2/9/2023	RRC Energy Services	Louis Anaya	Correct C-102 information.
2/9/2023	NM OCD	Unknown	Craig Young filed permit with the OCD. Permit rejected due to directional plan - being adjusted to include a map for the OCD's satisfaction
2/9/2023	Morningstar Partners	Law Armstrong	Missed call from Law
2/9/2023	RRC Energy Services	Louis Anaya	Worked with VP Operations to adjust minor permit details after filing was rejected; finished revisions to C102's
2/10/2023	Morningstar Partners	Law Armstrong	Called and discussed counter offer for term assignment.
2/10/2023	Phoenix Technology Services	Tyler Carlson	Forward well information to prepare the directional plan.
2/11/2023	Morningstar Partners	Law Armstrong	Sent email to Law accepting counter offer for term assignment.
2/13/2023	Morningstar Partners	Law Armstrong	Called to follow up on emails - confirmed acceptance of counter-offer. Discussed forms
2/13/2023	ExxonMobil	Ewell Schirmer	Called to discuss terms of TA deal if not participating
2/15/2023	Oxy	Hannah Eastwood	Called to discuss status of Oxy election - she said they typically wait until they receive the official CP order to make their election. I asked her if we can bypass the usual method because of our lease extension status. She will check with her management. unlikely.
2/15/2023	RRC Energy Services	Dale Bell	Craig requested amendments to permits for both wells - Dale returned corrections same day
2/15/2023	Graham Ranch	Mike Davis	Spoke over phone about gate access for our operations manager - needed to look at location
2/16/2023	ExxonMobil	Ewell Schirmer	Requested extension on AFE election until March 1 - granted
2/16/2023	Phoenix Technology Services	Adam Bordelon	Sent Bulldog State plats to directional company to develop well plan.
2/17/2023	Texas Standard Oil	David Entzminger	Email discussion over expert testimony for CP hearing March 2nd
2/17/2023	Texas Standard Oil	Jim Bruce	Notified the company that OCD hearing is set for March 2nd and that Exhibits need to be prepared by 2/23-24
2/17/2023	Morningstar Partners	Law Armstrong	Called Law to request draft of TA that had been discussed in prior call
2/17/2023	RRC Energy	Louis Anaya	Revise Bulldog State C-102 information

3	Services		
2/19/2023	Morningstar Partners	Law Armstrong	Received Morningstar draft of TA to review
2/20/2023	Morningstar Partners	Law Armstrong	Sent back a redline of Morningstar TA draft that has been internally reviewed by Texas Standard Oil
2/20/2023	Oxy	Hannah Eastwood	Called and left VM regarding a new term assignment offer for their consideration - did not hear back
2/21/2023	Permits West	Jeanette Reisenburg	Forward info for Bulldog State wells to file drilling permits.
2/21/2023	Texas Standard Oil	David Entzminger	Worked with David to adjust depth limitation for TA for multiple companies. Worked with David to put together remaining exhibits for geo testimony at CP hearing
2/21/2023	Morningstar Partners	Law Armstrong	Law sent email affirming changes made to TA draft - finalizing to send for signatures same day - sent final draft for execution same day
2/21/2023	Oxy	Hannah Eastwood	Called again to discuss new TA offer - no answer left email message
2/21/2023	Oxy	Hannah Eastwood	Received return call. Spoke about increased TA offer and ways to accelerate process of approvals or TA deal
2/21/2023	ExxonMobil	Ewell Schirmer	Charley Sharman put in a call to Ewell, no answer
2/21/2023	Oxy	John Schneider; James Laning	Tim Roberson left a VM with contact at Oxy looking for the right manager to propose an accelerated TA deal with. John connected Tim with NM land manager James Laning
2/22/2023	Oxy	James Laning	Tim spoke with James about putting together a deal prior to OCD hearing date - James sees no problem with having an agreement ready before March 2
2/22/2023	ExxonMobil	Ewell Schirmer	Charley spoke again with Ewell and Exxon has confirmed that they will either participate or elect to sign a TA deal with us before March 2
2/23/2023	Helmerich & Payne Drilling	Brandon Webb	Inquire about rig availability for Bulldog State wells.
2/23/2023	McVay Drilling	Mike McVay	Inquire about rig availability for Bulldog State wells.
2/23/2023	Permits West	Jeanette Reisenburg	Revise Bulldog State C-102 information
2/23/2023	Permits West	Jeanette Reisenburg	Submitted drilling permits to OCD for Bulldog State wells.
2/27/2023	New Mexico OCD		Approved permits for Bulldog State wells
2/28/2023	ExxonMobil	Ewell Schirmer	Received informal email confirming Exxon's participation in Bulldog State wells
3/1/2023	ExxonMobil	Ewell Schirmer	Article XVI negotiations - received comments from Exxon legal dept. and recommendations

3/1/2023	Oxy	Hannah Eastwood	Received confirmation that Oxy is reviewing the JOA from proposal - received comments about JOA negotiations and provisions that Oxy will not accept
3/1/2023	BTA	Adams Davenport	Received BTA Capitan Well Proposals to contest our compulsory pooling hearing which qualified for an extension on the hearing pushing it back to the next available date
3/1/2023	BTA	Hinkle Shanor	Entered last minute application for contested pooling hearing the night before OCD CP hearing
3/1/23- 3/10/23	Nabors, H&P, McVay	Various Contacts	Contacted multiple drilling rig owners to drill Bulldog wells. Entered contract negotiations with McVay
3/2/2023	NM OCD	Examiner	Attended OCD Hearing - BTA is contesting pooling of unit hearing date set for 5/4/23
3/7/23- 3/22/23	Nat Gas Marketing Consultant	Mike Banschbach	Craig Young has been working with Mike to get proposal from DCP for gas connection on Bulldog wells. Worked with him to locate conection point, review contract, prepare and develop discussion items on contract for negotiations
3/8/2023	Nat Gas Marketing Consultant	Michael Banschbach	Multiple Texas Standard Oil employees met with gas marketing consultant to discuss connection points and contracts with various midstream groups in the area, including DCP
3/8/2023	Graham Ranch	N/A	Made a trip out to staked location to make decisions about road building from the highway - where and how to cut and rebuild fence/gate access to location
3/10/202 3	McVay Drilling	via Craig Young	Signed Drilling Bid Proposal and Contract for Bulldog State #1H & 2H
3/24/202 3	ExxonMobil	Ewell Schirmer	XTO rescinded elections to participate in Bulldogs 1H & 2H to await hearing results
4/3/2023	DCP Midstream	Mike Banschbach	Sent back redline of DCP low pressure gathering contract as part of gas marketing plan
4/10/202 3	Texas Standard Oil	Kent Jolly	Field landman confirmed that run sheets are complete and ready for title opinions
4/17/202 3	BTA Oil Producers	Dana S. Hardy, Counsel for BTA	Contesting party in pooling of Bulldog Wells filed motion to vacate hearing on May 4th and set that hearing date as a status conference
4/17- 25/2023	Texas Standard Oil	Craig Young	Working with casing vendors to source casing for the Bulldog 1 & 2 wells.
4/19/202 3	Mazurek, Belden & Burke, P.C.	Tiffany Sandheinrich	Met with attorneys and signed engagement letter to prepare for title opinion services.
4/20/202 3	NM OCD	Hearing Examiner	NM OCD accepted BTA's request for status conference. OCD is consolidating multiple contested pooling hearings. Will set the new hearing dates for June 1st
4/21/202 3	Oxy	Hannah Eastwood	Received Oxy's standard term assignment form in order to review internally and finalize the document for signatures

4/26/2023	Texas Standard Oil	Charley Sharman	Proposed revisions to Oxy's Term Assignment Form for legal review.
4/26/2023	Morningstar Partners	Abadie & Schill, PC	MorningStar Partners has entered an appearance
5/3/2023	Oxy	Hannah Eastwood	Received follow up email regarding redline changes to term assignment form sent to TXS by Oxy - I accepted their comments
5/9/2023	BTA Oil Producers	Adams Davenport	Received phone call from Adams inquiring about a potential trade deal to work out the contested pooling cases outside of the NM OCD
5/10/2023	BTA Oil Producers	Adams Davenport	Received follow up phone call from Adams - he proposed an initial trade between our companies in order move off of each others' units, however, by shortening each lateral
5/11/2023	Oxy	Hannah Eastwood	Followed up with Hannah to see where Oxy is in their approval process - she replied same day - waiting on final management approval
5/11/2023	BTA Oil Producers	Adams Davenport	Called to follow up with Adams about trade proposal and offered a counter-proposal involving multiple operators in the units.
5/17/2023	Texas Standard Oil	Jim Bruce	Discussed updates with pooling cases - cases now set to be heard June 15
5/18/2023	BTA Oil Producers	Adams Davenport	Follow up phone call about working a trade deal to resolve pooling cases
5/24/2023	Oxy	Hannah Eastwood	Hannah followed up with me via email about status of Oxy's election in the Bulldog drilling unit - she and her team will recommend that management term assign the lease to Texas Standard Oil
5/31/2023	BTA Oil Producers	Adams Davenport	Received first drafts of agreement papers from BTA regarding deal that is in progress to end regulatory hearings over spacing units for contested pooling units. Received first draft of lease trade agreement from BTA that is part of overall spacing unit deal
6/1/2023	Oxy	Hannah Eastwood	Received word from Oxy that management has fully approved term assignment of leases involved in Bulldog State 1-4 spacing units
6/8-16/2023	BTA Oil Producers	Adams Davenport	Various back and forth communications with regard to final execution of spacing agreement and lease trade agreement
6/15/2023	Oxy	Hannah Eastwood	Sent TXS signed TA to her manager for his execution
6/19/2023	Oxy	Hannah Eastwood	Called to check in on status of signatures. Hannah is working on expediting the execution of term assignment on their end - no date mentioned still awaiting signature as of 6/23/23

6/23/2023	ExxonMobil	Ewell Schirmer	Spoke at length about what we need to do in order to receive final consent from Exxon in Bulldog wells and make a deal with non-operators to back out of the contested pooling hearings with BTA
6/26/2023	BTA Oil Producers	Adams Davenport	Phone conversation over spacing agreement to end contested hearing
7/1/2023	Texas Standard Oil	Jim Bruce	Submitted amendments to Bulldog 1-4 drilling unit after reaching agreement with BTA and ending the contested pooling hearing between TXS and BTA
7/12/2023	Texas Standard Oil	Jim Bruce	Continued compulsory pooling hearing date August 3rd to pool Exxon into the drilling unit - final entity that has not made a decision on the Bulldog State drilling unit
7/12/2023	ExxonMobil	Ewell Schirmer	Engineers still working on their models for amended bulldog wells and will not come to a decision until July 28th
7/13/2023	ExxonMobil	Ewell Schirmer	XTO Holdings offers a term assignment for 75% NRI - I asked if they would be able to get that to us before the August 3rd hearing date and the answer was uninspiring
7/13/2023	Oxy	Hannah Eastwood	Checked in with Hannah, she is still awaiting CEO signature on "CEO approval to divest assets" which may not happen for another 2 weeks from this date
7/17/2023	Oxy	Hannah Eastwood	Hannah followed up on the amended unit outline to find out about new take points
7/17/2023	Texas Standard Oil	Mike Banschbach	Discussion about pipeline build out and gas takeaway for the larger project area and for bulldog 1-4 wells
7/17/2023	ExxonMobil	Ewell Schirmer	Further discussed terms for a term assignment of leases
7/24/2023	ExxonMobil	Ewell Schirmer	Discussion over phone regarding expedited cooperation for drilling the bulldog wells due to impending lease expirations. Continuing to urge his managers to make a decision and allow us to move forward with our operations on the bulldog state drilling unit
7/26/2023	Oxy	Hannah Eastwood	Gave Hannah a follow up call to check the status of CEO approval for divestiture of the lease they have agreed to term assign over to us for the purpose of drilling the bulldog state 1-4 wells. Left a voicemail.

TEXAS STANDARD Oil

LLC



June 23, 2023

XTO Energy Inc.
Land Dept., Loc. 115
22777 Springwoods Village Pkwy
Spring, TX 77389
Attn: Mr. Ewell Schirmer

Re: Four (4) Well Proposal
Bulldog State #1H, 2H, 3H & 4H Wells
Lea County, New Mexico

Dear Mr. Schirmer,

Texas Standard Oil LLC ("TXS") through its wholly owned subsidiary, Texas Standard Operating NM LLC, proposes to drill the captioned wells as follows:

Drill the captioned wells from Surface Locations being approximately 2,140' FNL & 1,985'(1H) and 1,975'(2H) and 665'(3H) and 655'(4H Pilot Hole) FEL of Section 34, T16S-R36E to an approximate Bottom Hole Location being 2,540' FNL & 2,310'(1H) and 1,650'(2H) and 990'(3H) and 330'(4H) FEL of Section 10, T17S-R36E, Lea County, New Mexico (the "Wells"). All calls are estimated and subject to a definitive survey. Please see the attached well location plat. The Wells will be drilled from the surface to a landing interval of approximately 11,800' TVD and drilled horizontally to a total measured depth of approximately 23,100' in the Upper Penn Shale (sometimes referred to as the "Wolfcamp C and D Shale").

Please find attached our Authority for Expenditures ("AFE") which provide an estimation of the total cost to drill and complete the Wells. The signature line is on the "Short Form" AFE. TXS proposes that the Wells will be subject to the terms and conditions of the Operating Agreement also attached for your review. Please elect within thirty (30) calendar days from the date received.

In the event that XTO Energy Inc. elects to participate in its ratable share of the cost of drilling and completing the proposed Wells, please sign (using the "short" form AFEs) and return the attached AFEs and Operating Agreement. TXS proposes to drill the Well subject to the terms and conditions of the attached form of Operating Agreement.

In the event that XTO Energy Inc. does not participate in the cost of drilling these wells, then alternatively, we propose that our companies enter into a term assignment covering the leases shown on the plat provided, with XTO Energy Inc. retaining the difference between 25% and any existing landowner's royalties, federal royalties, overriding royalties and any other burdens on production.

If you have any questions or would like to discuss this proposal, please contact me at 713-828-9306 or to email me at Matt@TxsOil.com. Thank you in advance for your careful consideration of this proposal.

Sincerely,

Matt Roberson, RPL
Land Manager
Texas Standard Oil

(432) 219-6710

One Petroleum Center, Building One, 3300 North A Street, Suite 105, Midland, Texas 79705

Fax (713) 655-1197

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 1H		PROPOSED TD: 11,800' TVD, 23,100' MD		AFE NUMBER: 2023-01
Field Upper Penn / Pool Code 98333		PROJECT DESCRIPTION & OBJECTIVE: 10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, Pilot Hole, \$1.50/bbl Frac Water. With Pilot Hole.		PREPARED BY: Craig Young
LOCATION: W2SE4 Section 34, T16S-R36E, W2E2 Section 3 & W2NE4 Section 10, T17S-R36E.				DATE: 06/23/23
COUNTY/PARISH, STATE: Lea County, New Mexico				REVISED:
DETAIL OF EXPENDITURES		ACCT CODE	DRY HOLE	COMPLETION
			Workover:	Original: X
				Supplemental:
				TOTAL
INTANGIBLES:				
LOCATION		\$140,000	\$5,000	\$145,000
CONTRACT DRILLING		\$1,750,000		\$1,750,000
COMPLETION RIG COST			\$20,000	\$20,000
WATER WELL/ DRILL WATER		\$80,000	\$975,000	\$1,055,000
FUEL & POWER 17 x 1000 x 3.50		\$367,000	\$17,000	\$384,000
BITS, MILLS, REAMERS & H.O.		\$185,000	\$10,000	\$195,000
MUD, COMPLETION FLUIDS & CHEMICALS		\$240,000	\$20,000	\$260,000
CEMENTING SERVICES		\$280,000		\$280,000
OPEN HOLE LOGGING		\$237,000		\$237,000
CASED HOLE LOGGING SERVICES			\$302,000	\$302,000
DRILL STEM TEST		\$0	\$0	
COIL TUBING UNIT		\$0	\$250,000	\$250,000
FRAC STACK		\$0	\$100,000	\$100,000
WELL TEST/ FLOWBACK		\$0	\$65,000	\$65,000
STIMULATION 31 Stages, 150', 2500 lbs/ft		\$0	\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES		\$566,150	\$227,500	\$793,650
SPECIALIZED SERVICES		\$294,000	\$55,238	\$349,238
DIRECTIONAL DRILLING SERVICES		\$295,000		\$295,000
FISHING TOOLS AND SERVICES				
TRANSPORTATION		\$182,500	\$45,000	\$227,500
SUPERVISION (MAN & EXPENSES)		\$170,000	\$105,000	\$275,000
DRILLING & COMPLETION OVERHEAD		\$7,000	\$3,000	\$10,000
INSURANCE		\$35,000	\$0	\$35,000
TOTAL INTANGIBLES BEFORE CONTINGENCIES		\$4,828,650	\$5,199,738	\$10,028,388
CONTINGENCIES @ 5%		\$241,433	\$259,987	\$501,419
TOTAL INTANGIBLES		\$5,070,053	\$5,459,725	\$10,529,777
TANGIBLES:				
CASING, TUBING, RODS		\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE		\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT		\$50,000	\$60,000	\$110,000
SURFACE FACILITIES			\$407,500	\$407,500
TOTAL TANGIBLES BEFORE CONTINGENCIES		\$2,052,000	\$607,500	\$2,659,500
CONTINGENCIES @ 5%		\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES		\$2,154,600	\$637,875	\$2,792,475
TOTAL AFE		\$7,224,653	\$6,097,600	\$13,322,252
TOTAL AFE (rounded to nearest \$1,000)		\$7,225,000	\$6,098,000	\$ 13,322,000

*This AFE is an estimation of cost only. Participants are obligated to pay their share of ALL COSTS incurred in finishing any operation in which they elected to participate.

Texas Standard Operating NM LLC

Timothy M. Roberson, President

Non-Operator Approval:

Company:

By:

Printed Name:

Title & Date:

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 1H	PROPOSED TD: 11,800' TVD, 23,100' MD	AFE NUMBER: 2023-01
Field Upper Penn / Pool Code 98333	PROJECT DESCRIPTION & OBJECTIVE: 10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, Pilot Hole, \$1.50/bbl Frac Water. With Pilot Hole.	PREPARED BY: Craig Young
LOCATION: W2SE4 Section 34, T16S-R36E, W2E2 Section 3 & W2NE4 Section 10, T17S-R36E.		DATE: 06/23/23
COUNTY/PARISH, STATE: Lea County, New Mexico		REVISED:
	Workover: Original: X Supplemental:	

DETAIL OF EXPENDITURES	ACCT CODE	DRY HOLE	COMPLETION	TOTAL
LOCATION				
Survey & Staking		\$7,500		\$7,500
Permitting & Legal Title Opinion		\$25,000		\$25,000
Surface Damages		\$12,500		\$12,500
Location & Roads (Initial)		\$75,000		\$75,000
Rathole/Mousehole/Conductor		\$15,000		\$15,000
Clean-Up & Restoration		\$5,000	\$5,000	\$10,000
TOTAL LOCATION COSTS		\$140,000	\$5,000	\$145,000
CONTRACT DRILLING				
Turnkey				
Footage				
Daywork - 49 Days @ \$30,000/Day		\$1,470,000		\$1,470,000
Rig Mob & De-mob		\$280,000		\$280,000
TOTAL RIG COSTS		\$1,750,000		\$1,750,000
COMPLETION RIG COST				
Daywork -				
Daywork - Completion Rig 3 days			\$20,000	\$20,000
Completion Rig Move				
TOTAL COMPLETION RIG COSTS			\$20,000	\$20,000
WATER WELL/ DRILL WATER		\$80,000	\$975,000	\$1,055,000
FUEL & POWER		\$367,000	\$17,000	\$384,000
BITS, MILLS, REAMERS		\$185,000	\$10,000	\$195,000
MUD, COMPLETION FLUIDS & CHEMICALS				
Mud & Completion Fluid		\$240,000	\$20,000	\$260,000
LCM				
Surfactants - Misc. frac needs				
TOTAL MUD & COMPLETION FLUIDS		\$240,000	\$20,000	\$260,000
CEMENTING SERVICES				
Conductor				
Surface - Primary 13 3/8"		\$45,000		\$45,000
Surface - Squeeze				
Intermediate 1		\$75,000		\$75,000
Intermediate 1 - Squeeze				
Intermediate 2				
Intermediate 2 - Squeeze				
Production - Primary 5 1/2"		\$100,000		\$100,000
Production - Squeeze				
Miscellaneous Pumping or plug.		\$60,000		\$60,000
TOTAL CEMENT SERVICES		\$280,000		\$280,000
OPEN HOLE LOGGING				
Surface Hole				
Intermediate Hole				
Liner Hole				
Total Depth		\$187,000		\$187,000
RFT's/ Included in Logging Cost		\$40,000		\$40,000
SWC's Analysis 100 x \$40		\$10,000		\$10,000
TOTAL OPEN HOLE LOGGING		\$237,000		\$237,000
CASED HOLE LOGGING SERVICES				
Cased Hole Logging & Shale Evaluation Log			\$15,000	\$15,000
52 Perforating & Plug Setting			\$275,000	\$275,000
1 Pkr/CBP & Setting Charges			\$12,000	\$12,000
Miscellaneous				
TOTAL CASED HOLE LOGGING SERVICES			\$302,000	\$302,000
DRILL STEM TEST				
COIL TUBING UNIT			\$250,000	\$250,000
Frac Stack			\$100,000	\$100,000
WELL TEST/ FLOWBACK			\$65,000	\$65,000

STIMULATION 52 Stages, 200', 2500 lbs/ft			\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES				
Automatic Driller				
BOP Equipment			\$7,500	\$7,500
Closed Loop System		\$165,000		\$165,000
DC, DP, Kelly, Handling Tools, etc.				
Agitator		\$33,700		\$33,700
Drill Time Recorder				
Drilling Jars		\$7,900		\$7,900
Fork Lift		\$32,500	\$7,500	\$40,000
Gas Detector				
Generator			\$14,000	\$14,000
HWDP				
Hydraulic Choke		\$7,500		\$7,500
Insp / Damages / Repair		\$32,200		\$32,200
Living Quarters, Trailers, Septic Systems, etc.		\$55,000	\$15,000	\$70,000
Frac Tanks		\$7,000	\$25,000	\$32,000
H2S Safety Equipment and Training		\$7,000		\$7,000
Mud Cleaner		\$20,000		\$20,000
Phone & Fax		\$15,000	\$1,500	\$16,500
PVT Equipment		\$22,000		\$22,000
Rig Communication - Intercoms		\$7,000	\$4,000	\$11,000
Rotating Head / Wear Bushing		\$35,000		\$35,000
Shale Shaker & Screens		\$6,000		\$6,000
Spacer Spool/ DSA				
Stabilizers		\$19,350		\$19,350
Steam Cleaner		\$25,000		\$25,000
Teledrift Survey Tools		\$10,000		\$10,000
Vac System		\$15,000		\$15,000
Transfer Pumps/Water Transfer		\$7,000	\$150,000	\$157,000
Trash Trailer		\$7,000	\$1,500	\$8,500
Water Line, Pumps, Air Compressors, etc.		\$5,000	\$1,500	\$6,500
Miscellaneous (Frac Tanks/Tank Covers)		\$25,000		\$25,000
TOTAL RENTAL EQUIPMENT & SERVICES		\$566,150	\$227,500	\$793,650
SPECIALIZED SERVICES				
BHA Inspection		\$5,000		\$5,000
BOP Testing		\$7,000		\$7,000
Casing Crew - Surface		\$11,000		\$11,000
Casing Crew - Intermediate 1		\$25,000		\$25,000
Casing Crew - Intermediate 2				
Casing Crew - Production		\$50,000		\$50,000
Casing Crew - Liner				
Crane			\$50,000	\$50,000
Csg / Tbg Inspection & 3rd Party		\$25,000		\$25,000
Gate Guard				
Mud Logger		\$35,000		\$35,000
PU/ LD Machine				
Roustabout / Lease Crew		\$3,500	\$2,538	\$6,038
Slick Line Services				
Tubing Testing				
Welding Services		\$2,500	\$2,700	\$5,200
Wellhead Serviceman		\$5,000		\$5,000
Miscellaneous (OB Cuttings Disposal)		\$125,000		\$125,000
TOTAL SPECIALIZED SERVICES		\$294,000	\$55,238	\$349,238
DIRECTIONAL DRILLING SERVICES				
OH Whipstock				
Mud Motors/Steering Tool / MWD		\$265,000		\$265,000
Gyro/ Multi-Shot Surveys				
Remaining Directional - Mob & De-mob		\$30,000		\$30,000
TOTAL DIRECTIONAL DRILLING SERVICES		\$295,000		\$295,000
FISHING TOOLS & SERVICE				
F. T. Supervisor & Tools				
Wireline (FP & BO)				
TOTAL FISHING TOOLS & SERVICE				
TRANSPORTATION				
Trucking		\$160,000	\$20,000	\$180,000
Pipe Hauling				
Vacuum Truck Service		\$22,500	\$25,000	\$47,500
Supply & Crew Boats				
Aircraft				
TOTAL TRANSPORTATION		\$182,500	\$45,000	\$227,500
DOCK SERVICE & DISPATCHER				

SUPERVISION (MAN & EXPENSES)				
Drilling/ Completion Consultant		\$150,000	\$75,000	\$225,000
Mud Consultant				
Geologist - Geosteering		\$15,000		\$15,000
Other Consulting Services		\$5,000	\$30,000	\$35,000
TOTAL SUPERVISION		\$170,000	\$105,000	\$275,000
DRILLING & COMPLETION OVERHEAD		\$7,000	\$3,000	\$10,000
INSURANCE				
Well Control		\$35,000		\$35,000
Workman's Comp. Gen Liab & Umbrella				
TOTAL INSURANCE		\$35,000		\$35,000
CONTINGENCIES @ 5%		\$241,433	\$259,987	\$501,419
TOTAL INTANGIBLES		\$5,070,053	\$5,459,725	\$10,529,777
CASING, TUBING, RODS				
Conductor Casing 20" X 40'		\$5,000		\$5,000
Surface Casing 2100' X 13 3/8"		\$162,000		\$162,000
Intermediate Casing 1 - 12,000' X 9 5/8"		\$805,000		\$805,000
Intermediate Casing 2				
Production Casing 23,100' X 5 1/2"		\$995,000		\$995,000
Drilling Liner				
Sucker Rods				
Tubing 11,000' 2 7/8"			\$105,000	\$105,000
TOTAL CASING, TUBING & RODS		\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE				
Intermediate Casing Spool		\$35,000		\$35,000
Bradenhead				
Tubing Head				
Upper Tree- 5 1/8" 10K			\$35,000	\$35,000
Miscellaneous				
TOTAL WELLHEAD & TREE		\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT				
Downhole Pump				
Drilling Liner Accessories				
Drive Shoe & Conductor Accessories				
Flow Nipples, GL Valves, Etc.			\$40,000	\$40,000
Intermediate Casing Accessories		\$8,000		\$8,000
Liner Hangers (Drlg & Prod)				
Production Casing Accessories		\$35,000		\$35,000
Production Packers			\$15,000	\$15,000
Surface Casing Accessories		\$5,000		\$5,000
Miscellaneous		\$2,000	\$5,000	\$7,000
TOTAL SUBSURFACE EQUIPMENT		\$50,000	\$60,000	\$110,000
SURFACE FACILITIES				
48" X 10' 2 Phase			\$10,000	\$10,000
Contract Labor			\$75,000	\$75,000
36" X 10' Gas Scrubber			\$7,750	\$7,750
Facility Installation			\$7,500	\$7,500
Flowline + Installation			\$50,000	\$50,000
Flowline Tap			\$12,500	\$12,500
3 Phase 4 X 20			\$25,000	\$25,000
Instrumentation / Electrical			\$25,000	\$25,000
Lease Meters & Accessories			\$3,750	\$3,750
Flare,			\$25,000	\$25,000
Miscellaneous Equipment & Fittings			\$25,000	\$25,000
Pumping Unit & Equipment				
Safety Systems			\$5,000	\$5,000
Sales Line & Meter & Connections			\$15,000	\$15,000
Sales Line & Meter Installation			\$17,500	\$17,500
Salt Water Disposal Pump & Equipment				
Separators			\$22,500	\$22,500
VRT Tower			\$11,000	\$11,000
Tanks			\$60,000	\$60,000
Transportation - Equipment			\$10,000	\$10,000
TOTAL SURFACE FACILITIES			\$407,500	\$407,500
CONTINGENCIES @ 5%		\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES		\$2,154,600	\$637,875	\$2,792,475
TOTAL THIS AFE		\$7,224,653	\$6,097,600	\$13,322,252

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 2H		PROPOSED TD: 11,800' TVD, 23,100' MD		AFE NUMBER: 2023-02	
Field Upper Penn / Pool Code 98333		PROJECT DESCRIPTION & OBJECTIVE: 10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, NO Pilot Hole, \$1.50/bbl Frac Water		PREPARED BY: Craig Young	
LOCATION: W2E2 Section 34, T16S-R36E & W2E2 Section 3, NW4NE4 Section 10, T17S-R36E.				DATE: 06/23/23	
COUNTY/PARISH, STATE: Lea County, New Mexico				REVISED:	
			Workover:	Original: X	Supplemental:
DETAIL OF EXPENDITURES		ACCT CODE	DRY HOLE	COMPLETION	TOTAL
INTANGIBLES:					
LOCATION			\$140,000	\$5,000	\$145,000
CONTRACT DRILLING			\$1,410,000		\$1,410,000
COMPLETION RIG COST				\$20,000	\$20,000
WATER WELL/ DRILL WATER			\$77,400	\$975,000	\$1,052,400
FUEL & POWER 17 x 1000 x 3.50			\$295,000	\$17,000	\$312,000
BITS, MILLS, REAMERS & H.O.			\$165,000	\$10,000	\$175,000
MUD, COMPLETION FLUIDS & CHEMICALS			\$230,000	\$20,000	\$250,000
CEMENTING SERVICES			\$220,000		\$220,000
OPEN HOLE LOGGING			\$50,000		\$50,000
CASED HOLE LOGGING SERVICES				\$302,000	\$302,000
DRILL STEM TEST			\$0	\$0	
COIL TUBING UNIT			\$0	\$250,000	\$250,000
FRAC STACK			\$0	\$100,000	\$100,000
WELL TEST/ FLOWBACK			\$0	\$65,000	\$65,000
STIMULATION 31 Stages, 150', 2500 lbs/ft			\$0	\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES			\$520,650	\$227,500	\$748,150
SPECIALIZED SERVICES			\$284,000	\$60,238	\$344,238
DIRECTIONAL DRILLING SERVICES			\$280,000		\$280,000
FISHING TOOLS AND SERVICES					
TRANSPORTATION			\$182,500	\$45,000	\$227,500
SUPERVISION (MAN & EXPENSES)			\$145,000	\$105,000	\$250,000
DRILLING & COMPLETION OVERHEAD			\$7,000	\$3,000	\$10,000
INSURANCE			\$35,000	\$0	\$35,000
TOTAL INTANGIBLES BEFORE CONTINGENCIES			\$4,041,550	\$5,204,738	\$9,246,288
CONTINGENCIES @ 5%			\$202,078	\$260,237	\$462,314
TOTAL INTANGIBLES			\$4,243,598	\$5,464,975	\$9,708,572
TANGIBLES:					
CASING, TUBING, RODS			\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE			\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT			\$50,000	\$60,000	\$110,000
SURFACE FACILITIES				\$407,500	\$407,500
TOTAL TANGIBLES BEFORE CONTINGENCIES			\$2,052,000	\$607,500	\$2,659,500
CONTINGENCIES @ 5%			\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES			\$2,154,600	\$637,875	\$2,792,475
TOTAL AFE			\$6,398,198	\$6,102,850	\$12,501,047
TOTAL AFE (rounded to nearest \$1,000)			\$6,398,000	\$6,103,000	\$ 12,501,000

*This AFE is an estimation of cost only. Participants are obligated to pay their share of ALL COSTS incurred in finishing any operation in which they elected to participate.

Texas Standard Operating NM LLC

Timothy M. Roberson, President

Non-Operator Approval:

Company:

By:

Printed Name:

Title & Date:

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 2H	PROPOSED TD: 11,800' TVD, 23,100' MD	AFE NUMBER: 2023-02
Field Upper Penn / Pool Code 98333	PROJECT DESCRIPTION & OBJECTIVE: 10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, NO Pilot Hole, \$1.50/bbl Frac Water	PREPARED BY: Craig Young
LOCATION: W2SE4 Section 34, T16S-R36E, W2E2 Section 3 & W2NE4 Section 10, T17S-R36E.		DATE: 06/23/23
COUNTY/PARISH, STATE: Lea County, New Mexico	Workover: Original: X Supplemental:	REVISED:

DETAIL OF EXPENDITURES	ACCT CODE	DRY HOLE	COMPLETION	TOTAL
LOCATION				
Survey & Staking		\$7,500		\$7,500
Permitting & Legal Title Opinion		\$25,000		\$25,000
Surface Damages		\$12,500		\$12,500
Location & Roads (Initial)		\$75,000		\$75,000
Rathole/Mousehole/Conductor		\$15,000		\$15,000
Clean-Up & Restoration		\$5,000	\$5,000	\$10,000
TOTAL LOCATION COSTS		\$140,000	\$5,000	\$145,000
CONTRACT DRILLING				
Turnkey				
Footage				
Daywork - 39 Days @ \$30,000/Day		\$1,170,000		\$1,170,000
Rig Mob & De-mob		\$240,000		\$240,000
TOTAL RIG COSTS		\$1,410,000		\$1,410,000
COMPLETION RIG COST				
Daywork -				
Daywork - Completion Rig 3 days			\$20,000	\$20,000
Completion Rig Move				
TOTAL COMPLETION RIG COSTS			\$20,000	\$20,000
WATER WELL/ DRILL WATER		\$77,400	\$975,000	\$1,052,400
FUEL & POWER		\$295,000	\$17,000	\$312,000
BITS, MILLS, REAMERS		\$165,000	\$10,000	\$175,000
MUD, COMPLETION FLUIDS & CHEMICALS				
Mud & Completion Fluid		\$230,000	\$20,000	\$250,000
LCM				
Surfactants - Misc. frac needs				
TOTAL MUD & COMPLETION FLUIDS		\$230,000	\$20,000	\$250,000
CEMENTING SERVICES				
Conductor				
Surface - Primary 13 3/8"		\$45,000		\$45,000
Surface - Squeeze				
Intermediate 1		\$75,000		\$75,000
Intermediate 1 - Squeeze				
Intermediate 2				
Intermediate 2 - Squeeze				
Production - Primary 5 1/2"		\$100,000		\$100,000
Production - Squeeze				
Miscellaneous Pumping or plug.				
TOTAL CEMENT SERVICES		\$220,000		\$220,000
OPEN HOLE LOGGING				
Surface Hole				
Intermediate Hole				
Liner Hole				
Total Depth		\$50,000		\$50,000
RFT's/ Included in Logging Cost				
SWC's Analysis 100 x \$40				
TOTAL OPEN HOLE LOGGING		\$50,000		\$50,000
CASED HOLE LOGGING SERVICES				
Cased Hole Logging & Shale Evaluation Log			\$15,000	\$15,000
\$2 Perforating & Plug Setting			\$275,000	\$275,000
1 Pkr/CBP & Setting Charges			\$12,000	\$12,000
Miscellaneous				
TOTAL CASED HOLE LOGGING SERVICES			\$302,000	\$302,000
DRILL STEM TEST				
COIL TUBING UNIT			\$250,000	\$250,000
Frac Stack			\$100,000	\$100,000
WELL TEST/ FLOWBACK			\$65,000	\$65,000
STIMULATION S2 Stages, 200', 2500 lbs/ft			\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES				
Automatic Driller				
BOP Equipment			\$7,500	\$7,500

Closed Loop System		\$160,000		\$160,000
DC, DP, Kelly, Handling Tools, etc.				
Agitator		\$33,700		\$33,700
Drill Time Recorder				
Drilling Jars		\$7,900		\$7,900
Fork Lift		\$27,500	\$7,500	\$35,000
Gas Detector				
Generator			\$14,000	\$14,000
HWDP				
Hydraulic Choke		\$6,500		\$6,500
Insp / Damages / Repair		\$32,200		\$32,200
Living Quarters, Trailers, Septic Systems, etc.		\$48,000	\$15,000	\$63,000
Frac Tanks		\$5,000	\$25,000	\$30,000
H2S Safety Equipment and Training		\$6,000		\$6,000
Mud Cleaner		\$16,000		\$16,000
Phone & Fax		\$12,500	\$1,500	\$14,000
PVT Equipment		\$17,500		\$17,500
Rig Communication - Intercoms		\$6,000	\$4,000	\$10,000
Rotating Head / Wear Bushing		\$30,000		\$30,000
Shale Shaker & Screens		\$6,000		\$6,000
Spacer Spool/ DSA				
Stabilizers		\$19,350		\$19,350
Steam Cleaner		\$25,000		\$25,000
Teledrift Survey Tools		\$10,000		\$10,000
Vac System		\$10,000		\$10,000
Transfer Pumps/Water Transfer		\$6,000	\$150,000	\$156,000
Trash Trailer		\$6,000	\$1,500	\$7,500
Water Line, Pumps, Air Compressors, etc.		\$4,500	\$1,500	\$6,000
Miscellaneous (Frac Tanks/Tank Covers)		\$25,000		\$25,000
TOTAL RENTAL EQUIPMENT & SERVICES		\$520,650	\$227,500	\$748,150
SPECIALIZED SERVICES				
BHA Inspection		\$5,000		\$5,000
BOP Testing		\$7,000		\$7,000
Casing Crew - Surface		\$11,000		\$11,000
Casing Crew - Intermediate 1		\$25,000		\$25,000
Casing Crew - Intermediate 2				
Casing Crew - Production		\$50,000		\$50,000
Casing Crew - Liner				
Crane			\$50,000	\$50,000
Csg / Tbg Inspection & 3rd Party		\$25,000		\$25,000
Gate Guard				
Mud Logger		\$30,000		\$30,000
PU/ LD Machine				
Roustabout / Lease Crew		\$3,500	\$2,538	\$6,038
Slick Line Services			\$5,000	\$5,000
Tubing Testing				
Welding Services		\$2,500	\$2,700	\$5,200
Wellhead Serviceman		\$5,000		\$5,000
Miscellaneous (OB Cuttings Disposal)		\$120,000		\$120,000
TOTAL SPECIALIZED SERVICES		\$284,000	\$60,238	\$344,238
DIRECTIONAL DRILLING SERVICES				
OH Whipstock				
Mud Motors/Steering Tool / MWD		\$250,000		\$250,000
Gyro/ Multi-Shot Surveys				
Remaining Directional - Mob & De-mob		\$30,000		\$30,000
TOTAL DIRECTIONAL DRILLING SERVICES		\$280,000		\$280,000
FISHING TOOLS & SERVICE				
F. T. Supervisor & Tools				
Wireline (FP & BO)				
TOTAL FISHING TOOLS & SERVICE				
TRANSPORTATION				
Trucking		\$160,000	\$20,000	\$180,000
Pipe Hauling				
Vacuum Truck Service		\$22,500	\$25,000	\$47,500
Supply & Crew Boats				
Aircraft				
TOTAL TRANSPORTATION		\$182,500	\$45,000	\$227,500
DOCK SERVICE & DISPATCHER				
SUPERVISION (MAN & EXPENSES)				
Drilling/ Completion Consultant		\$125,000	\$75,000	\$200,000
Mud Consultant				
Geologist - Geosteering		\$15,000		\$15,000
Other Consulting Services		\$5,000	\$30,000	\$35,000
TOTAL SUPERVISION		\$145,000	\$105,000	\$250,000
DRILLING & COMPLETION OVERHEAD		\$7,000	\$3,000	\$10,000
INSURANCE				

Well Control		\$35,000		\$35,000
Workman's Comp. Gen Liab & Umbrella				
TOTAL INSURANCE		\$35,000		\$35,000
CONTINGENCIES @ 5%		\$202,078	\$260,237	\$462,314
TOTAL INTANGIBLES		\$4,243,598	\$5,464,975	\$9,708,572
CASING, TUBING, RODS				
Conductor Casing 20" X 40'		\$5,000		\$5,000
Surface Casing 2100' X 13 3/8"		\$162,000		\$162,000
Intermediate Casing 1 - 12,000' X 9 5/8"		\$805,000		\$805,000
Intermediate Casing 2				
Production Casing 23,100' X 5 1/2"		\$995,000		\$995,000
Drilling Liner				
Sucker Rods				
Tubing 11,000' 2 7/8"			\$105,000	\$105,000
TOTAL CASING, TUBING & RODS		\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE				
Intermediate Casing Spool		\$35,000		\$35,000
Bradenhead				
Tubing Head				
Upper Tree- 5 1/8" 10K			\$35,000	\$35,000
Miscellaneous				
TOTAL WELLHEAD & TREE		\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT				
Downhole Pump				
Drilling Liner Accessories				
Drive Shoe & Conductor Accessories				
Flow Nipples, GL Valves, Etc.			\$40,000	\$40,000
Intermediate Casing Accessories		\$8,000		\$8,000
Liner Hangers (Drig & Prod)				
Production Casing Accessories		\$35,000		\$35,000
Production Packers			\$15,000	\$15,000
Surface Casing Accessories		\$5,000		\$5,000
Miscellaneous		\$2,000	\$5,000	\$7,000
TOTAL SUBSURFACE EQUIPMENT		\$50,000	\$60,000	\$110,000
SURFACE FACILITIES				
48" X 10' 2 Phase			\$10,000	\$10,000
Contract Labor			\$75,000	\$75,000
36" X 10' Gas Scrubber			\$7,750	\$7,750
Facility Installation			\$7,500	\$7,500
Flowline + Installation			\$50,000	\$50,000
Flowline Tap			\$12,500	\$12,500
3 Phase 4 X 20			\$25,000	\$25,000
Instrumentation / Electrical			\$25,000	\$25,000
Lease Meters & Accessories			\$3,750	\$3,750
Flare,			\$25,000	\$25,000
Miscellaneous Equipment & Fittings			\$25,000	\$25,000
Pumping Unit & Equipment				
Safety Systems			\$5,000	\$5,000
Sales Line & Meter & Connections			\$15,000	\$15,000
Sales Line & Meter Installation			\$17,500	\$17,500
Salt Water Disposal Pump & Equipment				
Separators			\$22,500	\$22,500
VRT Tower			\$11,000	\$11,000
Tanks			\$60,000	\$60,000
Transportation - Equipment			\$10,000	\$10,000
TOTAL SURFACE FACILITIES			\$407,500	\$407,500
CONTINGENCIES @ 5%		\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES		\$2,154,600	\$637,875	\$2,792,475
TOTAL THIS AFE		\$6,398,198	\$6,102,850	\$12,501,047

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 3H		PROPOSED TD: 11,800' TVD, 23,100' MD		AFE NUMBER: 2023-03
Field Upper Penn / Pool Code 98333		PROJECT DESCRIPTION & OBJECTIVE: 10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, NO Pilot Hole, \$1.50/bbl Frac Water		PREPARED BY: Craig Young
LOCATION: W2E2 Section 34, T16S-R36E & W2E2 Section 3, NW4NE4 Section 10, T17S-R36E.				DATE: 06/23/23
COUNTY/PARISH, STATE: Lea County, New Mexico				REVISED:
			Workover:	Original: X
DETAIL OF EXPENDITURES		ACCT CODE	DRY HOLE	COMPLETION
				Supplemental:
				TOTAL
INTANGIBLES:				
LOCATION		\$140,000	\$5,000	\$145,000
CONTRACT DRILLING		\$1,410,000		\$1,410,000
COMPLETION RIG COST			\$20,000	\$20,000
WATER WELL/ DRILL WATER		\$77,400	\$975,000	\$1,052,400
FUEL & POWER 17 x 1000 x 3.50		\$295,000	\$17,000	\$312,000
BITS, MILLS, REAMERS & H.O.		\$165,000	\$10,000	\$175,000
MUD, COMPLETION FLUIDS & CHEMICALS		\$230,000	\$20,000	\$250,000
CEMENTING SERVICES		\$220,000		\$220,000
OPEN HOLE LOGGING		\$50,000		\$50,000
CASED HOLE LOGGING SERVICES			\$302,000	\$302,000
DRILL STEM TEST		\$0	\$0	
COIL TUBING UNIT		\$0	\$250,000	\$250,000
FRAC STACK		\$0	\$100,000	\$100,000
WELL TEST/ FLOWBACK		\$0	\$65,000	\$65,000
STIMULATION 31 Stages, 150', 2500 lbs/ft		\$0	\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES		\$520,650	\$227,500	\$748,150
SPECIALIZED SERVICES		\$284,000	\$60,238	\$344,238
DIRECTIONAL DRILLING SERVICES		\$280,000		\$280,000
FISHING TOOLS AND SERVICES				
TRANSPORTATION		\$182,500	\$45,000	\$227,500
SUPERVISION (MAN & EXPENSES)		\$145,000	\$105,000	\$250,000
DRILLING & COMPLETION OVERHEAD		\$7,000	\$3,000	\$10,000
INSURANCE		\$35,000	\$0	\$35,000
TOTAL INTANGIBLES BEFORE CONTINGENCIES		\$4,041,550	\$5,204,738	\$9,246,288
CONTINGENCIES @ 5%		\$202,078	\$260,237	\$462,314
TOTAL INTANGIBLES		\$4,243,598	\$5,464,975	\$9,708,572
TANGIBLES:				
CASING, TUBING, RODS		\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE		\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT		\$50,000	\$60,000	\$110,000
SURFACE FACILITIES			\$407,500	\$407,500
TOTAL TANGIBLES BEFORE CONTINGENCIES		\$2,052,000	\$607,500	\$2,659,500
CONTINGENCIES @ 5%		\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES		\$2,154,600	\$637,875	\$2,792,475
TOTAL AFE		\$6,398,198	\$6,102,850	\$12,501,047
TOTAL AFE (rounded to nearest \$1,000)		\$6,398,000	\$6,103,000	\$ 12,501,000

*This AFE is an estimation of cost only. Participants are obligated to pay their share of ALL COSTS incurred in finishing any operation in which they elected to participate.

Texas Standard Operating NM LLC

Timothy M. Roberson, President

Non-Operator Approval:

Company:

By:

Printed Name:

Title & Date:

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 3H	PROPOSED TD: 11,800' TVD, 23,100' MD	AFE NUMBER: 2023-03
Field Upper Penn / Pool Code 98333	PROJECT DESCRIPTION & OBJECTIVE:	PREPARED BY: Craig Young
LOCATION: E2SE4 Section 34, T16S-R36E, E2E2 Section 3 & E2NE4 Section 10, T17S-R36E.	10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, NO Pilot Hole, \$1.50/bbl Frac Water	DATE: 06/23/23
COUNTY/PARISH, STATE: Lea County, New Mexico	Workover: Original: X Supplemental:	REVISED:

DETAIL OF EXPENDITURES	ACCT CODE	DRY HOLE	COMPLETION	TOTAL
LOCATION				
Survey & Staking		\$7,500		\$7,500
Permitting & Legal Title Opinion		\$25,000		\$25,000
Surface Damages		\$12,500		\$12,500
Location & Roads (Initial)		\$75,000		\$75,000
Rathole/Mousehole/Conductor		\$15,000		\$15,000
Clean-Up & Restoration		\$5,000	\$5,000	\$10,000
TOTAL LOCATION COSTS		\$140,000	\$5,000	\$145,000
CONTRACT DRILLING				
Turnkey				
Footage				
Daywork - 39 Days @ \$30,000/Day		\$1,170,000		\$1,170,000
Rig Mob & De-mob		\$240,000		\$240,000
TOTAL RIG COSTS		\$1,410,000		\$1,410,000
COMPLETION RIG COST				
Daywork -				
Daywork - Completion Rig 3 days			\$20,000	\$20,000
Completion Rig Move				
TOTAL COMPLETION RIG COSTS			\$20,000	\$20,000
WATER WELL/ DRILL WATER		\$77,400	\$975,000	\$1,052,400
FUEL & POWER		\$295,000	\$17,000	\$312,000
BITS, MILLS, REAMERS		\$165,000	\$10,000	\$175,000
MUD, COMPLETION FLUIDS & CHEMICALS				
Mud & Completion Fluid		\$230,000	\$20,000	\$250,000
LCM				
Surfactants - Misc. frac needs				
TOTAL MUD & COMPLETION FLUIDS		\$230,000	\$20,000	\$250,000
CEMENTING SERVICES				
Conductor				
Surface - Primary 13 3/8"		\$45,000		\$45,000
Surface - Squeeze				
Intermediate 1		\$75,000		\$75,000
Intermediate 1 - Squeeze				
Intermediate 2				
Intermediate 2 - Squeeze				
Production - Primary 5 1/2"		\$100,000		\$100,000
Production - Squeeze				
Miscellaneous Pumping or plug.				
TOTAL CEMENT SERVICES		\$220,000		\$220,000
OPEN HOLE LOGGING				
Surface Hole				
Intermediate Hole				
Liner Hole				
Total Depth		\$50,000		\$50,000
RFT's/ Included in Logging Cost				
SWC's Analysis 100 x \$40				
TOTAL OPEN HOLE LOGGING		\$50,000		\$50,000
CASED HOLE LOGGING SERVICES				
Cased Hole Logging & Shale Evaluation Log			\$15,000	\$15,000
52 Perforating & Plug Setting			\$275,000	\$275,000
1 Pkr/CBP & Setting Charges			\$12,000	\$12,000
Miscellaneous				
TOTAL CASED HOLE LOGGING SERVICES			\$302,000	\$302,000
DRILL STEM TEST				
COIL TUBING UNIT			\$250,000	\$250,000
Frac Stack			\$100,000	\$100,000
WELL TEST/ FLOWBACK			\$65,000	\$65,000
STIMULATION 52 Stages, 200', 2500 lbs/ft			\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES				
Automatic Driller				
BOP Equipment			\$7,500	\$7,500

Closed Loop System		\$160,000		\$160,000
DC, DP, Kelly, Handling Tools, etc.				
Agitator		\$33,700		\$33,700
Drill Time Recorder				
Drilling Jars		\$7,900		\$7,900
Fork Lift		\$27,500	\$7,500	\$35,000
Gas Detector				
Generator			\$14,000	\$14,000
HWDP				
Hydraulic Choke		\$6,500		\$6,500
Insp / Damages / Repair		\$32,200		\$32,200
Living Quarters, Trailers, Septic Systems, etc.		\$48,000	\$15,000	\$63,000
Frac Tanks		\$5,000	\$25,000	\$30,000
H2S Safety Equipment and Training		\$6,000		\$6,000
Mud Cleaner		\$16,000		\$16,000
Phone & Fax		\$12,500	\$1,500	\$14,000
PVT Equipment		\$17,500		\$17,500
Rig Communication - Intercoms		\$6,000	\$4,000	\$10,000
Rotating Head / Wear Bushing		\$30,000		\$30,000
Shale Shaker & Screens		\$6,000		\$6,000
Spacer Spool/ DSA				
Stabilizers		\$19,350		\$19,350
Steam Cleaner		\$25,000		\$25,000
Teledrift Survey Tools		\$10,000		\$10,000
Vac System		\$10,000		\$10,000
Transfer Pumps/Water Transfer		\$6,000	\$150,000	\$156,000
Trash Trailer		\$6,000	\$1,500	\$7,500
Water Line, Pumps, Air Compressors, etc.		\$4,500	\$1,500	\$6,000
Miscellaneous (Frac Tanks/Tank Covers)		\$25,000		\$25,000
TOTAL RENTAL EQUIPMENT & SERVICES		\$520,650	\$227,500	\$748,150
SPECIALIZED SERVICES				
BHA Inspection		\$5,000		\$5,000
BOP Testing		\$7,000		\$7,000
Casing Crew - Surface		\$11,000		\$11,000
Casing Crew - Intermediate 1		\$25,000		\$25,000
Casing Crew - Intermediate 2				
Casing Crew - Production		\$50,000		\$50,000
Casing Crew - Liner				
Crane			\$50,000	\$50,000
Csg / Tbg Inspection & 3rd Party		\$25,000		\$25,000
Gate Guard				
Mud Logger		\$30,000		\$30,000
PU/ LD Machine				
Roustabout / Lease Crew		\$3,500	\$2,538	\$6,038
Stick Line Services			\$5,000	\$5,000
Tubing Testing				
Welding Services		\$2,500	\$2,700	\$5,200
Wellhead Serviceman		\$5,000		\$5,000
Miscellaneous (OB Cuttings Disposal)		\$120,000		\$120,000
TOTAL SPECIALIZED SERVICES		\$284,000	\$60,238	\$344,238
DIRECTIONAL DRILLING SERVICES				
OH Whipstock				
Mud Motors/Steering Tool / MWD		\$250,000		\$250,000
Gyro/ Multi-Shot Surveys				
Remaining Directional - Mob & De-mob		\$30,000		\$30,000
TOTAL DIRECTIONAL DRILLING SERVICES		\$280,000		\$280,000
FISHING TOOLS & SERVICE				
F. T. Supervisor & Tools				
Wireline (FP & BO)				
TOTAL FISHING TOOLS & SERVICE				
TRANSPORTATION				
Trucking		\$160,000	\$20,000	\$180,000
Pipe Hauling				
Vacuum Truck Service		\$22,500	\$25,000	\$47,500
Supply & Crew Boats				
Aircraft				
TOTAL TRANSPORTATION		\$182,500	\$45,000	\$227,500
DOCK SERVICE & DISPATCHER				
SUPERVISION (MAN & EXPENSES)				
Drilling/ Completion Consultant		\$125,000	\$75,000	\$200,000
Mud Consultant				
Geologist - Geosteering		\$15,000		\$15,000
Other Consulting Services		\$5,000	\$30,000	\$35,000
TOTAL SUPERVISION		\$145,000	\$105,000	\$250,000
DRILLING & COMPLETION OVERHEAD		\$7,000	\$3,000	\$10,000
INSURANCE				

Well Control		\$35,000		\$35,000
Workman's Comp. Gen Liab & Umbrella				
TOTAL INSURANCE		\$35,000		\$35,000
CONTINGENCIES @ 5%		\$202,078	\$260,237	\$462,314
TOTAL INTANGIBLES		\$4,243,598	\$5,464,975	\$9,708,572
CASING, TUBING, RODS				
Conductor Casing 20" X 40'		\$5,000		\$5,000
Surface Casing 2100' X 13 3/8"		\$162,000		\$162,000
Intermediate Casing 1 - 12,000' X 9 5/8"		\$805,000		\$805,000
Intermediate Casing 2				
Production Casing 23,100' X 5 1/2"		\$995,000		\$995,000
Drilling Liner				
Sucker Rods				
Tubing 11,000' 2 7/8"			\$105,000	\$105,000
TOTAL CASING, TUBING & RODS		\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE				
Intermediate Casing Spool		\$35,000		\$35,000
Bradenhead				
Tubing Head				
Upper Tree- 5 1/8" 10K			\$35,000	\$35,000
Miscellaneous				
TOTAL WELLHEAD & TREE		\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT				
Downhole Pump				
Drilling Liner Accessories				
Drive Shoe & Conductor Accessories				
Flow Nipples, GL Valves, Etc.			\$40,000	\$40,000
Intermediate Casing Accessories		\$8,000		\$8,000
Liner Hangers (Drig & Prod)				
Production Casing Accessories		\$35,000		\$35,000
Production Packers			\$15,000	\$15,000
Surface Casing Accessories		\$5,000		\$5,000
Miscellaneous		\$2,000	\$5,000	\$7,000
TOTAL SUBSURFACE EQUIPMENT		\$50,000	\$60,000	\$110,000
SURFACE FACILITIES				
48" X 10' 2 Phase			\$10,000	\$10,000
Contract Labor			\$75,000	\$75,000
36" X 10' Gas Scrubber			\$7,750	\$7,750
Facility Installation			\$7,500	\$7,500
Flowline + Installation			\$50,000	\$50,000
Flowline Tap			\$12,500	\$12,500
3 Phase 4 X 20			\$25,000	\$25,000
Instrumentation / Electrical			\$25,000	\$25,000
Lease Meters & Accessories			\$3,750	\$3,750
Flare,			\$25,000	\$25,000
Miscellaneous Equipment & Fittings			\$25,000	\$25,000
Pumping Unit & Equipment				
Safety Systems			\$5,000	\$5,000
Sales Line & Meter & Connections			\$15,000	\$15,000
Sales Line & Meter Installation			\$17,500	\$17,500
Salt Water Disposal Pump & Equipment				
Separators			\$22,500	\$22,500
VRT Tower			\$11,000	\$11,000
Tanks			\$60,000	\$60,000
Transportation - Equipment			\$10,000	\$10,000
TOTAL SURFACE FACILITIES			\$407,500	\$407,500
CONTINGENCIES @ 5%		\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES		\$2,154,600	\$637,875	\$2,792,475
TOTAL THIS AFE		\$6,398,198	\$6,102,850	\$12,501,047

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 3H		PROPOSED TD: 11,800' TVD, 23,100' MD			AFE NUMBER: 2023-03
Field Upper Penn / Pool Code 98333		PROJECT DESCRIPTION & OBJECTIVE: 10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, NO Pilot Hole, \$1.50/bbl Frac Water			PREPARED BY: Craig Young
LOCATION: W2E2 Section 34, T16S-R36E & W2E2 Section 3, NW4NE4 Section 10, T17S-R36E.					DATE: 06/23/23
COUNTY/PARISH, STATE: Lea County, New Mexico					REVISED:
			Workover:	Original: X	Supplemental:
DETAIL OF EXPENDITURES		ACCT CODE	DRY HOLE	COMPLETION	TOTAL
INTANGIBLES:					
LOCATION			\$140,000	\$5,000	\$145,000
CONTRACT DRILLING			\$1,410,000		\$1,410,000
COMPLETION RIG COST				\$20,000	\$20,000
WATER WELL/ DRILL WATER			\$77,400	\$975,000	\$1,052,400
FUEL & POWER 17 x 1000 x 3.50			\$295,000	\$17,000	\$312,000
BITS, MILLS, REAMERS & H.O.			\$165,000	\$10,000	\$175,000
MUD, COMPLETION FLUIDS & CHEMICALS			\$230,000	\$20,000	\$250,000
CEMENTING SERVICES			\$220,000		\$220,000
OPEN HOLE LOGGING			\$50,000		\$50,000
CASED HOLE LOGGING SERVICES				\$302,000	\$302,000
DRILL STEM TEST			\$0	\$0	
COIL TUBING UNIT			\$0	\$250,000	\$250,000
FRAC STACK			\$0	\$100,000	\$100,000
WELL TEST/ FLOWBACK			\$0	\$65,000	\$65,000
STIMULATION 31 Stages, 150', 2500 lbs/ft			\$0	\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES			\$520,650	\$227,500	\$748,150
SPECIALIZED SERVICES			\$284,000	\$60,238	\$344,238
DIRECTIONAL DRILLING SERVICES			\$280,000		\$280,000
FISHING TOOLS AND SERVICES					
TRANSPORTATION			\$182,500	\$45,000	\$227,500
SUPERVISION (MAN & EXPENSES)			\$145,000	\$105,000	\$250,000
DRILLING & COMPLETION OVERHEAD			\$7,000	\$3,000	\$10,000
INSURANCE			\$35,000	\$0	\$35,000
TOTAL INTANGIBLES BEFORE CONTINGENCIES			\$4,041,550	\$5,204,738	\$9,246,288
CONTINGENCIES @ 5%			\$202,078	\$260,237	\$462,314
TOTAL INTANGIBLES			\$4,243,598	\$5,464,975	\$9,708,572
TANGIBLES:					
CASING, TUBING, RODS			\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE			\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT			\$50,000	\$60,000	\$110,000
SURFACE FACILITIES				\$407,500	\$407,500
TOTAL TANGIBLES BEFORE CONTINGENCIES			\$2,052,000	\$607,500	\$2,659,500
CONTINGENCIES @ 5%			\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES			\$2,154,600	\$637,875	\$2,792,475
TOTAL AFE			\$6,398,198	\$6,102,850	\$12,501,047
TOTAL AFE (rounded to nearest \$1,000)			\$6,398,000	\$6,103,000	\$ 12,501,000

*This AFE is an estimation of cost only. Participants are obligated to pay their share of ALL COSTS incurred in finishing any operation in which they elected to participate.

Texas Standard Operating NM LLC

Timothy M. Roberson, President

Non-Operator Approval:

Company:

By:

Printed Name:

Title & Date:

TEXAS STANDARD OPERATING NM LLC

AUTHORITY FOR EXPENDITURE

WELL NAME: Bulldog State Well No. 3H	PROPOSED TD: 11,800' TVD, 23,100' MD	AFE NUMBER: 2023-03
Field Upper Penn / Pool Code 98333	PROJECT DESCRIPTION & OBJECTIVE:	PREPARED BY: Craig Young
LOCATION: E2SE4 Section 34, T16S-R36E, E2E2 Section 3 & E2NE4 Section 10, T17S-R36E.	10,360' Perforated interval, 200' stage length, 2,500 lbs/ft proppant, NO Pilot Hole, \$1.50/bbl Frac Water	DATE: 06/23/23
COUNTY/PARISH, STATE: Lea County, New Mexico	Workover: Original: X Supplemental:	REVISED:

DETAIL OF EXPENDITURES	ACCT CODE	DRY HOLE	COMPLETION	TOTAL
LOCATION				
Survey & Staking		\$7,500		\$7,500
Permitting & Legal Title Opinion		\$25,000		\$25,000
Surface Damages		\$12,500		\$12,500
Location & Roads (Initial)		\$75,000		\$75,000
Rathole/Mousehole/Conductor		\$15,000		\$15,000
Clean-Up & Restoration		\$5,000	\$5,000	\$10,000
TOTAL LOCATION COSTS		\$140,000	\$5,000	\$145,000
CONTRACT DRILLING				
Turnkey				
Footage				
Daywork - 39 Days @ \$30,000/Day		\$1,170,000		\$1,170,000
Rig Mob & De-mob		\$240,000		\$240,000
TOTAL RIG COSTS		\$1,410,000		\$1,410,000
COMPLETION RIG COST				
Daywork -				
Daywork - Completion Rig 3 days			\$20,000	\$20,000
Completion Rig Move				
TOTAL COMPLETION RIG COSTS			\$20,000	\$20,000
WATER WELL/ DRILL WATER		\$77,400	\$975,000	\$1,052,400
FUEL & POWER		\$295,000	\$17,000	\$312,000
BITS, MILLS, REAMERS		\$165,000	\$10,000	\$175,000
MUD, COMPLETION FLUIDS & CHEMICALS				
Mud & Completion Fluid		\$230,000	\$20,000	\$250,000
LCM				
Surfactants - Misc. frac needs				
TOTAL MUD & COMPLETION FLUIDS		\$230,000	\$20,000	\$250,000
CEMENTING SERVICES				
Conductor				
Surface - Primary 13 3/8"		\$45,000		\$45,000
Surface - Squeeze				
Intermediate 1		\$75,000		\$75,000
Intermediate 1 - Squeeze				
Intermediate 2				
Intermediate 2 - Squeeze				
Production - Primary 5 1/2"		\$100,000		\$100,000
Production - Squeeze				
Miscellaneous Pumping or plug.				
TOTAL CEMENT SERVICES		\$220,000		\$220,000
OPEN HOLE LOGGING				
Surface Hole				
Intermediate Hole				
Liner Hole				
Total Depth		\$50,000		\$50,000
RFT's/ Included in Logging Cost				
SWC's Analysis 100 x \$40				
TOTAL OPEN HOLE LOGGING		\$50,000		\$50,000
CASED HOLE LOGGING SERVICES				
Cased Hole Logging & Shale Evaluation Log			\$15,000	\$15,000
52 Perforating & Plug Setting			\$275,000	\$275,000
1 Pkr/CBP & Setting Charges			\$12,000	\$12,000
Miscellaneous				
TOTAL CASED HOLE LOGGING SERVICES			\$302,000	\$302,000
DRILL STEM TEST				
COIL TUBING UNIT			\$250,000	\$250,000
Frac Stack			\$100,000	\$100,000
WELL TEST/ FLOWBACK			\$65,000	\$65,000
STIMULATION 52 Stages, 200', 2500 lbs/ft			\$3,000,000	\$3,000,000
RENTAL EQUIPMENT & SERVICES				
Automatic Driller				
BOP Equipment			\$7,500	\$7,500

Closed Loop System		\$160,000		\$160,000
DC, DP, Kelly, Handling Tools, etc.				
Agitator		\$33,700		\$33,700
Drill Time Recorder				
Drilling Jars		\$7,900		\$7,900
Fork Lift		\$27,500	\$7,500	\$35,000
Gas Detector				
Generator			\$14,000	\$14,000
HWDP				
Hydraulic Choke		\$6,500		\$6,500
Insp / Damages / Repair		\$32,200		\$32,200
Living Quarters, Trailers, Septic Systems, etc.		\$48,000	\$15,000	\$63,000
Frac Tanks		\$5,000	\$25,000	\$30,000
H2S Safety Equipment and Training		\$6,000		\$6,000
Mud Cleaner		\$16,000		\$16,000
Phone & Fax		\$12,500	\$1,500	\$14,000
PVT Equipment		\$17,500		\$17,500
Rig Communication - Intercoms		\$6,000	\$4,000	\$10,000
Rotating Head / Wear Bushing		\$30,000		\$30,000
Shale Shaker & Screens		\$6,000		\$6,000
Spacer Spool/ DSA				
Stabilizers		\$19,350		\$19,350
Steam Cleaner		\$25,000		\$25,000
Teledrift Survey Tools		\$10,000		\$10,000
Vac System		\$10,000		\$10,000
Transfer Pumps/Water Transfer		\$6,000	\$150,000	\$156,000
Trash Trailer		\$6,000	\$1,500	\$7,500
Water Line, Pumps, Air Compressors, etc.		\$4,500	\$1,500	\$6,000
Miscellaneous (Frac Tanks/Tank Covers)		\$25,000		\$25,000
TOTAL RENTAL EQUIPMENT & SERVICES		\$520,650	\$227,500	\$748,150
SPECIALIZED SERVICES				
BHA Inspection		\$5,000		\$5,000
BOP Testing		\$7,000		\$7,000
Casing Crew - Surface		\$11,000		\$11,000
Casing Crew - Intermediate 1		\$25,000		\$25,000
Casing Crew - Intermediate 2				
Casing Crew - Production		\$50,000		\$50,000
Casing Crew - Liner				
Crane			\$50,000	\$50,000
Csg / Tbg Inspection & 3rd Party		\$25,000		\$25,000
Gate Guard				
Mud Logger		\$30,000		\$30,000
PU/ LD Machine				
Roustabout / Lease Crew		\$3,500	\$2,538	\$6,038
Slick Line Services			\$5,000	\$5,000
Tubing Testing				
Welding Services		\$2,500	\$2,700	\$5,200
Wellhead Serviceman		\$5,000		\$5,000
Miscellaneous (OB Cuttings Disposal)		\$120,000		\$120,000
TOTAL SPECIALIZED SERVICES		\$284,000	\$60,238	\$344,238
DIRECTIONAL DRILLING SERVICES				
OH Whipstock				
Mud Motors/Steering Tool / MWD		\$250,000		\$250,000
Gyro/ Multi-Shot Surveys				
Remaining Directional - Mob & De-mob		\$30,000		\$30,000
TOTAL DIRECTIONAL DRILLING SERVICES		\$280,000		\$280,000
FISHING TOOLS & SERVICE				
F. T. Supervisor & Tools				
Wireline (FP & BO)				
TOTAL FISHING TOOLS & SERVICE				
TRANSPORTATION				
Trucking		\$160,000	\$20,000	\$180,000
Pipe Hauling				
Vacuum Truck Service		\$22,500	\$25,000	\$47,500
Supply & Crew Boats				
Aircraft				
TOTAL TRANSPORTATION		\$182,500	\$45,000	\$227,500
DOCK SERVICE & DISPATCHER				
SUPERVISION (MAN & EXPENSES)				
Drilling/ Completion Consultant		\$125,000	\$75,000	\$200,000
Mud Consultant				
Geologist - Geosteering		\$15,000		\$15,000
Other Consulting Services		\$5,000	\$30,000	\$35,000
TOTAL SUPERVISION		\$145,000	\$105,000	\$250,000
DRILLING & COMPLETION OVERHEAD		\$7,000	\$3,000	\$10,000
INSURANCE				

Well Control		\$35,000		\$35,000
Workman's Comp. Gen Liab & Umbrella				
TOTAL INSURANCE		\$35,000		\$35,000
CONTINGENCIES @ 5%		\$202,078	\$260,237	\$462,314
TOTAL INTANGIBLES		\$4,243,598	\$5,464,975	\$9,708,572
CASING, TUBING, RODS				
Conductor Casing 20" X 40'		\$5,000		\$5,000
Surface Casing 2100' X 13 3/8"		\$162,000		\$162,000
Intermediate Casing 1 - 12,000' X 9 5/8"		\$805,000		\$805,000
Intermediate Casing 2				
Production Casing 23,100' X 5 1/2"		\$995,000		\$995,000
Drilling Liner				
Sucker Rods				
Tubing 11,000' 2 7/8"			\$105,000	\$105,000
TOTAL CASING, TUBING & RODS		\$1,967,000	\$105,000	\$2,072,000
WELLHEAD & TREE				
Intermediate Casing Spool		\$35,000		\$35,000
Bradenhead				
Tubing Head				
Upper Tree- 5 1/8" 10K			\$35,000	\$35,000
Miscellaneous				
TOTAL WELLHEAD & TREE		\$35,000	\$35,000	\$70,000
SUBSURFACE EQUIPMENT				
Downhole Pump				
Drilling Liner Accessories				
Drive Shoe & Conductor Accessories				
Flow Nipples, GL Valves, Etc.			\$40,000	\$40,000
Intermediate Casing Accessories		\$8,000		\$8,000
Liner Hangers (Drig & Prod)				
Production Casing Accessories		\$35,000		\$35,000
Production Packers			\$15,000	\$15,000
Surface Casing Accessories		\$5,000		\$5,000
Miscellaneous		\$2,000	\$5,000	\$7,000
TOTAL SUBSURFACE EQUIPMENT		\$50,000	\$60,000	\$110,000
SURFACE FACILITIES				
48" X 10' 2 Phase			\$10,000	\$10,000
Contract Labor			\$75,000	\$75,000
36" X 10' Gas Scrubber			\$7,750	\$7,750
Facility Installation			\$7,500	\$7,500
Flowline + Installation			\$50,000	\$50,000
Flowline Tap			\$12,500	\$12,500
3 Phase 4 X 20			\$25,000	\$25,000
Instrumentation / Electrical			\$25,000	\$25,000
Lease Meters & Accessories			\$3,750	\$3,750
Flare,			\$25,000	\$25,000
Miscellaneous Equipment & Fittings			\$25,000	\$25,000
Pumping Unit & Equipment				
Safety Systems			\$5,000	\$5,000
Sales Line & Meter & Connections			\$15,000	\$15,000
Sales Line & Meter Installation			\$17,500	\$17,500
Salt Water Disposal Pump & Equipment				
Separators			\$22,500	\$22,500
VRT Tower			\$11,000	\$11,000
Tanks			\$60,000	\$60,000
Transportation - Equipment			\$10,000	\$10,000
TOTAL SURFACE FACILITIES			\$407,500	\$407,500
CONTINGENCIES @ 5%		\$102,600	\$30,375	\$132,975
TOTAL TANGIBLES		\$2,154,600	\$637,875	\$2,792,475
TOTAL THIS AFE		\$6,398,198	\$6,102,850	\$12,501,047

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

**APPLICATIONS OF TEXAS STANDARD
OPERATING NM LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

Case No. 23696 & 23697

SELF-AFFIRMED STATEMENT OF DAVID J. ENTZMINGER

David J. Entzminger deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Texas Standard Oil Company ("Texas Standard"), and I am familiar with the geological matters involved in these cases. I have previously testified before the Division and my credentials as an expert geologist were accepted of record.
3. The following geological plats are attached hereto:
 - (a) Attachment A is a base map on the base of the Upper Penn formation in the area of the proposed Bulldog wells. It highlights the proposed well units, and the well units and names for other Upper Penn wells in the area.
 - (b) Attachment B is a structure map in the top of the Strawn formation. It shows that the structure dips to the southwest across the proposed well units. It also shows Upper Penn wells in the area, and a north-south line of cross-section.
 - (c) Attachment C is a stratigraphic cross section showing the Penn Shale, the target zones for the proposed wells. The well logs on the cross-section give a representative sample of the Penn Shale in this area. The Penn Shale is continuous and uniformly thick across the well unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing units are justified from a geologic standpoint.
 - (b) The target zone is continuous and of relatively uniform thickness across the well unit.
 - (c) Each quarter-quarter section in the well units will contribute more or less equally to production.

EXHIBIT 3


5. Due to the very low permeability of the Penn it is necessary to drill two wells in each well unit

6. The Directional Drilling Plans for the proposed wells are being prepared and will be submitted to the Division. The producing interval of the wells will be at orthodox locations.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 6 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

7/31/2023



David J. Entzminger

Texas Standard LLC

NMOCD Case
23696/23697

Exhibit B-1a

Base Map

Only wells > 11,000' MD

The surface location of the **Bulldog** **#1H & 2H** is in T16SR36E Sec. 34, 2,140' FNL & 1,985' & 1,975' FEL respectively. The landing point for the **#1H** is 2,540' FNL & 2,310' FEL of Section 10. The end of lateral is the same. The landing point for the **#2H** is 2,540' FNL & 1,650' FEL. End of lateral is the same. Surface location of the **Bulldog #3H & 4H** is in T16SR36E Sec. 34, 2,140' FNL & 665' & 655' FEL respectively. The landing point for the **#3H & 4H** is 2,540' FNL & 990' and 330' FEL of Section 10 respectively. The end of lateral is the same. The proration unit (yellow) includes **640** acres being the SE4 of Section 34, the E/2 of Section 3 and NE/4 of Section 10. The Bulldog wells are north of the recent producers VSCU #154, VCSU #153H, VSCU #152, VSCU #223H and BSC #91H (green).

Note: well names are at BHL



ATTACHMENT

A

Exhibit B-2
Structure Map- Top Strawn
Only wells > 11,000' MD
By David J. Entzminger
July 27, 2023

The Bulldog #1H - #4H will be drilled from north to south.

A – A' Well Cross Section

Note: Well names are at BHL
Stawn SS tops

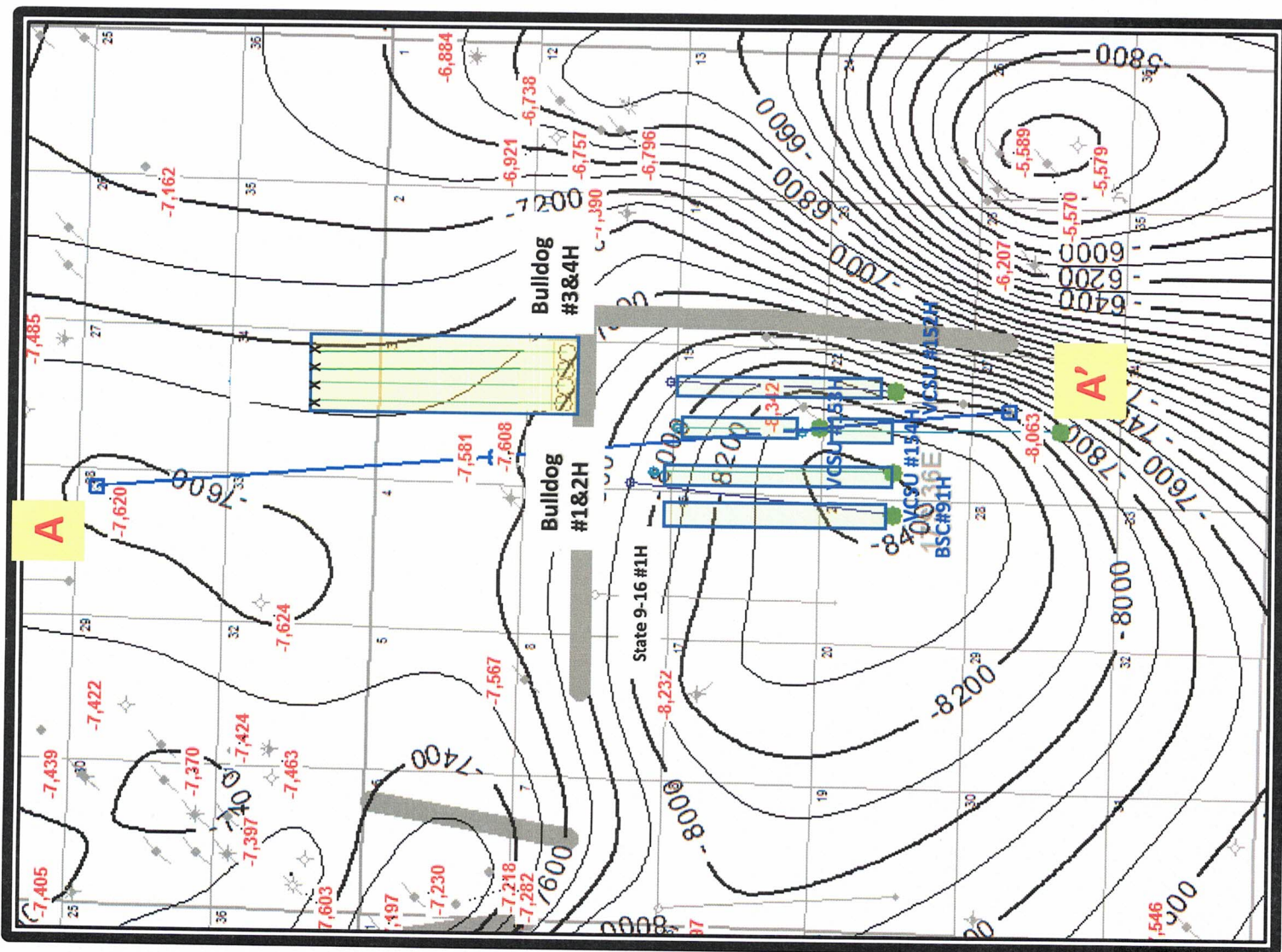
Suspected Deep Faults

ATTACHMENT

13

1 mi

CI-100'



Texas Standard LLC
NMOCD Case 23361
Exhibit B-3
Stratigraphic Cross Section

Penn Sh

By David J. Entzminger
February 21, 2022

ATTACHMENT C

A'

MARATHON V1687 STAT#1

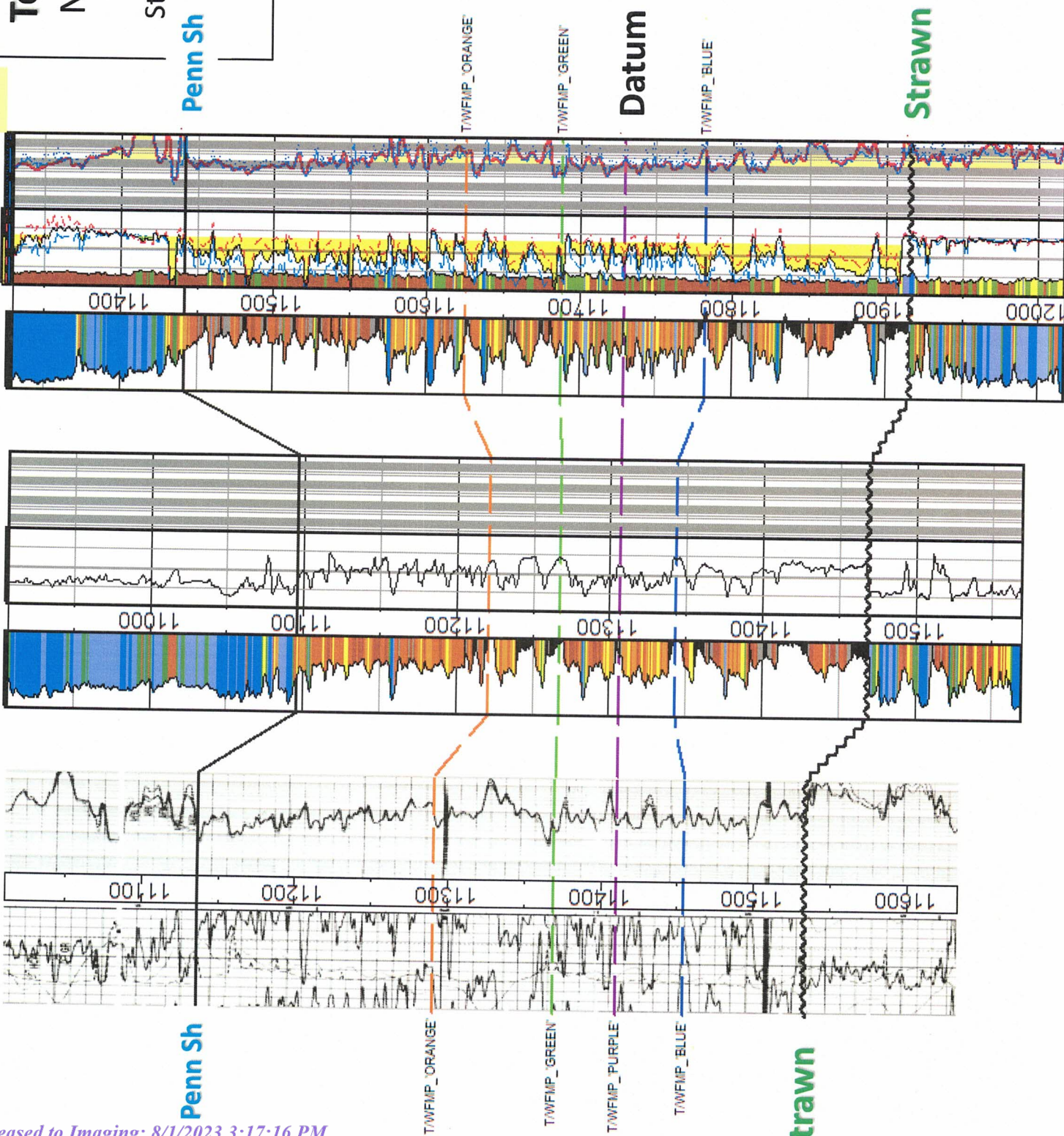
30025301100000

GRAY HACKLE PEACOCK#1 CITGO FEDERAL#1

30025248560000

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30025348370000



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

**APPLICATIONS OF TEXAS STANDARD
OPERATING NM LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

Case Nos. 23696 & 23697

SELF-AFFIRMED STATEMENT OF NOTICE


COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Texas Standard Operating NM LLC.
3. Texas Standard Operating NM LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

8/1/23



James Bruce

EXHIBIT

4

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

July 13, 2023

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

ATTACHMENT **A**

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Texas Standard Operating NM LLC, seeking an order pooling all uncommitted mineral interest owners in the Upper Penn Shale formation underlying the following described horizontal spacing units:

Case No. 23696: (i) the W/2SE/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., and (ii) the W/2E/2 of Section 3 and the W/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The unit will be dedicated to the Bulldog State Well Nos. 1H and 2H.

Case No. 23696: (i) the E/2SE/4 of Section 34, Township 16 South, Range 36 East, N.M.P.M., and (ii) the E/2E/2 of Section 3 and the E/2NE/4 of Section 10, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The unit will be dedicated to the Bulldog State Well Nos. 3H and 4H.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, August 3, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the

party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

ExxonMobil Corporation
XTO Holdings LLC
22777 Springwoods Village Parkway
Spring, Texas 77389

Occidental Permian Limited Partnership
5 Greenway Plaza, Suite 110
Houston, Texas 77046

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23696	APPLICANT'S RESPONSE
Date: august 3, 2023	
Applicant	Texas Standard Operating NM LLC
Designated Operator & OGRID (affiliation if applicable)	Texas Standard Operating NM LLC /OGRID 329818
Applicant's Counsel:	James Bruce
Case Title:	Application Texas Standard Operating NM LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Bulldog Upper Pennsylvanian wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Upper Pennsylvanian
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Upper Pennsylvanian formation
Pool Name and Pool Code:	Upper Pennsylvanian Undesignated/Pool Code 98333
Well Location Setback Rules:	Standard Rules for horizontal wells – 330' and 100' setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.47 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2SE/4 §34, Township 16 South, Range 36 East, and Lot 2, SW/4NE/4, and W/2SE/4 §3 and W/2NE/4 §10, Township 17 South, Range 36 East NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes EXHIBIT 6
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N

Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-C
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Bulldog State Well No. 1H API No. 30-025-51131 SHL: ____ FSL & ____ FEL §34 BHL: 2540 FNL & 2310 FEL §10 FTP: 2540 FSL & 2310 FEL §34 LTP: 2540 FNL & 2310 FEL §10 Upper Pennsylvanian Shale/TVD 11800 feet/MD 23100 feet
Well #2	Bulldog State Well No. 2H API No. 30-025-51132 SHL: ____ FSL & ____ FEL §34 BHL: 2540 FNL & 1650 FEL §10 FTP: 2540 FSL & 1650 FEL §34 LTP: 2540 FNL & 1650 FEL §10 Upper Pennsylvanian Shale/TVD 11800 feet/MD 23100 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page2
Requested Risk Charge	
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	
Ownership Determination	
Land Ownership Schematic of	Exhibit 2-A

the Spacing Unit	
Tract List (including lease numbers and owners)	Exhibit 2-C
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit 2-C; Working Interest Owners
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	No Depth Severance
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-D
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-C
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-D
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-E
Cost Estimate to Equip Well	Exhibit 2-E
Cost Estimate for Production Facilities	Exhibit 2-E
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibits 2-C and 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	North-South; Exhibits 3-A and 3-B
Target Formation	Upper Pennsylvanian formation
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-C
Tracts	Exhibit 2-C
Summary of Interests, Unit	Exhibit 2-C

Recapitulation (Tracts)	
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-C
Structure Contour Map - Subsea Depth	Exhibit 3-B
Cross Section Location Map (including wells)	Exhibit 3-B
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	August 1, 2023