APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24849

NOTICE OF AMENDED EXHIBIT PACKET

Pursuant to the Hearing Examiner's direction at the January 9th, 2025 Hearing in the above captioned case, Avant Operating, LLC hereby provides the attached amended exhibit packet, which includes the following amended exhibits:

- Exhibit A-5: Revised to update parties to be pooled.
- Exhibit A-7: Summary of Contacts--revised to reflect discussions with MVDR
- Exhibit D: Self-Affirmed Statement of Alexey Zaitsev: Revised to correct the numbering of paragraphs in Exhibit D, and correct a typographical error on current paragraph 8, from "3 units" to "two units."

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Deana M. Bennett

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CERTIFICATE OF SERVICE

I hereby certify that on January 14, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Deana M. Bennett

Deona M. Bennett



Case No. 24849: Compulsory Pooling/Non-Standard Unit

Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Wells: Sapphire 14 Federal Com 301H; Sapphire 14 Federal Com 302H Sapphire 14 Federal Com 303H; Sapphire 14 Federal Com 304H Sapphire 14 Federal Com 305H; Sapphire 14 Federal Com 306H Sapphire 14 Federal Com 501H; Sapphire 14 Federal Com 502H Sapphire 14 Federal Com 513H; Sapphire 14 Federal Com 514H Sapphire 14 Federal Com 505H; Sapphire 14 Federal Com 506H Sapphire 14 Federal Com 601H; Sapphire 14 Federal Com 602H Sapphire 14 Federal Com 603H; Sapphire 14 Federal Com 604H Sapphire 14 Federal Com 605H; Sapphire 14 Federal Com 606H

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24849

TABLE OF CONTENTS

Exhibit A: Compulsory Pooling Checklist

Exhibit A-1: Application

Exhibit A-2: Self-Affirmed Declaration of Tiffany Sarantinos Land Professional

- Exhibit A-3: C-102s
- Exhibit A-4: Lease Tract Map
- Exhibit A-5: Unit recapitulation/Parties to Be Pooled
- Exhibit A-6: Sample Well Proposal/AFEs
- Exhibit A-7 Summary of Contacts

Exhibit B: Self-Affirmed Statement of Josh Payne, Geologist

- Exhibit B-1: Locator Map
- Exhibit B-2: Wellbore Schematic
- Exhibit B-3: Structure Map
- Exhibit B-4: Cross-reference Well Locator Map
- Exhibit B-5: Structural Cross Sections
- Exhibit B-6: Stratigraphic Cross Sections

Exhibit C: Declaration of Deana Bennett re: Notice information

- Exhibit C-1: Sample Notice Letter
- Exhibit C-2: Mailing List of Interested Parties
- Exhibit C-3: Certified Mailing Tracking List
- Exhibit C-4: Affidavit of Publication

Exhibit D: Self-Affirmed Statement of Alexey Zaitsev, Reservoir Engineer

- Exhibit D-1: Resume
- Exhibit D-2: Standard v. Non-Standard—Comparison of Facilities
- Exhibit D-3: Standard v. Non-Standard—Cost Savings and Surface Disturbance Chart

COMPULSORY POOLING APPLICATION CHECKLIST										
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS										
Case: 24849	APPLICANT'S RESPONSE									
Hearing Date	December 31, 2024									
Applicant	Avant Operating, LLC									
Designated Operator & OGRID (affiliation if applicable)	Avant Operating, LLC (OGRID No. 330396)									
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.									
Case Title:	Applcation of Avant Operating, LLC for Approval of Non- Standard Unit and Compulsory Pooling, Lea County, New Mexico.									
Entries of Appearance/Intervenors:	MRC Permian Company									
Well Family	Sapphire 14 Federal Com									
Formation/Pool										
Formation Name(s) or Vertical Extent:	Bone Spring									
Primary Product (Oil or Gas):	Oil									
Pooling this vertical extent:	Bone Spring									
Pool Name and Pool Code (Only if NSP is requested):	Gem; Bone Spring, East Pool (Code 27230)									
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply									
Spacing Unit										
Type (Horizontal/Vertical)	Horizontal									
Size (Acres)	1280-acres									
Building Blocks:	40-acres									
Orientation:	North/South									
Description: TRS/County	Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County									
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No. Approval of a 1280 acre non-standard unit is being requested in this application.									
Other Situations										
Depth Severance: Y/N. If yes, description	N/A									
Proximity Tracts: If yes, description	N/A: Applicant is seeking approval of a non-standard unit.									
Proximity Defining Well: if yes, description	N/A									
Applicant's Ownership in Each Tract	See Exhibit A-5									
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									

M-II #4. Combine 44 Forboard Com #20411	
Well #1: Sapphire 14 Federal Com #301H	API No. Pending
	SHL: 425' FNL & 1280' FWL, (Unit D), Section 14, T19S, R33E
	BHL: 100' FSL & 330' FWL, (Unit M) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #2: Sapphire 14 Federal Com #302H	API No. Pending
	SHL: 425' FNL & 1300' FWL, (Unit D), Section 14, T19S, R33E
	BHL: 100' FSL & 1254' FWL, (Unit M) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	•
Wall #2: Counting 14 Fordayal Coun #20211	TVD: 9,300' MVD: 19,573'
Well #3: Sapphire 14 Federal Com #303H	API No. Pending
	SHL: 425' FNL & 1320' FWL, (Unit C), Section 14, T19S, R33E
	BHL: 100' FSL & 2178' FWL, (Unit N) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #4: Sapphire 14 Federal Com #304H	API No. Pending
	SHL: 375' FNL & 1280' FEL, (Unit A), Section 14, T19S, R33E
	BHL: 100' FSL & 2178' FEL, (Unit O) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #5: Sapphire 14 Federal Com #305H	API No. Pending
	SHL: 375' FNL & 1260' FEL, (Unit A), Section 14, T19S, R33E
	BHL: 100' FSL & 1254' FEL, (Unit P) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 9,300' MVD: 19,573'
Well #6: Sapphire 14 Federal Com #306H	API No. Pending
Weil no. Suppline 111 Ederal Com nood!	SHL: 375' FNL & 1240' FEL, (Unit A), Section 14, T19S, R33E
	BHL: 100' FSL & 330' FEL, (Unit P) Section 23, T19S, R33E
	Completion Target: First Bone Spring
	Completion Status: Standard
	Orientation: North/South
	•
Moll #7. Comphise 14 Foderal Core #50411	TVD: 9,300' MVD: 19,573'
Well #7: Sapphire 14 Federal Com #501H	API No. Pending
	SHL: 265' FNL & 1280' FWL, (Unit D), Section 14, T19S, R33E
	BHL: 100' FSL & 330' FWL, (Unit M) Section 23, T19S, R33E
	Completion Target: Second Bone Spring
	Completion Status: Standard
	Orientation: North/South
	TVD: 10,150' MVD: 20,423'

Well #8: Sapphire 14 Federal Com #502H	API No. Pending
	SHL: 265' FNL & 1300' FWL, (Unit D), Section 14, T19S, R33E BHL: 100' FSL & 1254' FWL, (Unit M) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard
	Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #9: Sapphire 14 Federal Com #505H	API No. Pending SHL: 215' FNL & 1430' FEL, (Unit B), Section 14, T19S, R33E BHL: 100' FSL & 1254' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #10: Sapphire 14 Federal Com #506H	API No. Pending SHL: 215' FNL & 1410' FEL, (Unit B), Section 14, T19S, R33E BHL: 100' FSL & 330' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #11: Sapphire 14 Federal Com #513H	API No. Pending SHL: 265' FNL & 1320' FWL, (Unit C), Section 14, T19S, R33E BHL: 100' FSL & 2178' FWL, (Unit N) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #12: Sapphire 14 Federal Com #514H	API No. Pending SHL: 215' FNL & 1450' FEL, (Unit B), Section 14, T19S, R33E BHL: 100' FSL & 2178' FEL, (Unit O) Section 23, T19S, R33E Completion Target: Second Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,150' MVD: 20,423'
Well #13: Sapphire 14 Federal Com #601H	API No. Pending SHL: 465' FNL & 1280' FWL, (Unit D), Section 14, T19S, R33E BHL: 100' FSL & 330' FWL, (Unit M) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'

Well #14: Sapphire 14 Federal Com #602H	API No. Pending SHL: 465' FNL & 1300' FWL, (Unit D), Section 14, T19S, R33E BHL: 100' FSL & 1254' FWL, (Unit M) Section 23, T19S, R33E Completion Target: Third Bone Spring
	Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #15: Sapphire 14 Federal Com #603H	API No. Pending SHL: 465' FNL & 1320' FWL, (Unit C), Section 14, T19S, R33E BHL: 100' FSL & 2178' FWL, (Unit N) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #16: Sapphire 14 Federal Com #604H	API No. Pending SHL: 190' FNL & 1280' FEL, (Unit A), Section 14, T19S, R33E BHL: 100' FSL & 2178' FEL, (Unit O) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #17: Sapphire 14 Federal Com #605H	API No. Pending SHL: 190' FNL & 1260' FEL, (Unit A), Section 14, T19S, R33E BHL: 100' FSL & 1254' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Well #18:Sapphire 14 Federal Com #606H	API No. Pending SHL: 190' FNL & 1240' FEL, (Unit A), Section 14, T19S, R33E BHL: 100' FSL & 330' FEL, (Unit P) Section 23, T19S, R33E Completion Target: Third Bone Spring Completion Status: Standard Orientation: North/South TVD: 10,700' MVD: 20,973'
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhbit B.6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	See Exhibit A-2, Paragraph 20
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibits A.1, C.1

1
Exhibit C.2 and C.3
Exhibit C.4
Exhibit A-4
Exhibit A-4
Exhibit A-4
Exhibit A-5
N/A
N/A
Exhibit A-6
Exhibit A-5
Exhibit A-7
Exhibit A-6
Exhibit A-6
Exhibit A-6
Exhibit A-6
Exhibit B
Exhibit B-2
Exhibit B-2
Exhibit B, Paragraph 14
Exhibit B-3
Exhibits B-4 to B-9
N/A
Exhibit A-3
Exhibit A-4
Exhibit A-5
Exhibit B-1
Exhibit B-1
Exhibit B-3
Exhibit B-3
Exhibits B-4 to B-9

Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provide	ed in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	12/31/2024

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. In support of this application, Avant states as follows:

- 1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Avant seeks approval of the 1280-acre non-standard spacing as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See*, *e.g.*, Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).
- 3. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H,
 Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H,
 Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H

wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;

- b. Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
- c. **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
- d. Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
- e. **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
- f. Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and
- g. Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.

- 4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.
- 5. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool.
- 6. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Approving the non-standard spacing unit;
- B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico;
 - C. Designating Avant as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By:/s/ Deana M. Bennett

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CASE NO. 24849 : Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

SELF-AFFIRMED STATEMENT OF TIFFANY SARANTINOS

Tiffany Sarantinos hereby states and declares as follows:

- 1. I am over the age of 18, I am a senior landman for Avant Operating, LLC ("Avant") and have personal knowledge of the matters stated herein.
- 2. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted as a matter of record.
 - 3. My area of responsibility at Avant includes the area Lea County in New Mexico.
- 4. I am familiar with the application filed by Avant in this case, which is attached as **Exhibit A-1.**
 - 5. I am familiar with the status of the lands that are subject to this application.
- 6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced application.
- 7. Avant seeks an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
- 8. Avant seeks approval of a 1280-acre spacing unit as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads,

Avant Operating, LLC Case No. 24849 Exhibit A-2 tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See*, *e.g.*, Rule 19.15.167(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

- 9. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;
 - b. Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
 - c. **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
 - d. Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
 - e. **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
 - f. **Sapphire 14 Federal Com #505H,** and **Sapphire 14 Federal Com #506H** wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and

- g. Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.
- 10. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.
 - 11. Attached as **Exhibit A-3** are the proposed C-102s for the wells.
- 12. The C-102s identify the proposed surface hole locations and the bottom hole locations, and the first take points. The C-102s also identify the pool and pool code.
 - 13. The wells will develop the Gem; Bone Spring, East Pool (Code 27230).
 - 14. This pool is an oil pool with 40-acre building blocks.
 - 15. This pool is governed by the state-wide horizontal well rules.
 - 16. There are no depth severances within the proposed spacing unit.
- 17. **Exhibit A-4** includes a lease tract map outlining the unit being pooled. Exhibit A-4 also includes the parties being pooled, the nature, and the percent of their interests. Exhibit A.4 also includes a tract map comparing what a standard unit would be to Avant's proposed non-standard unit, a tract map showing the general location of the wells within the proposed non-standard unit, and a list of the wells with the pool code identified.
- 18. **Exhibit A-5** is a unit recapitulation with a list of the parties to be pooled highlighted in yellow.
- 19. **Exhibit A-6** contains a sample well proposal letter and Authorizations for Expenditure ("AFEs") sent to all working interest owners. The estimated cost of the wells set forth in the AFEs are fair and reasonable and comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

- 20. Avant requests overhead and administrative rates of \$10,000.00/month for drilling a well and \$1,000.00/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 area of Southeastern, New Mexico. Avant requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 21. Avant requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- 22. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.
- 23. In my opinion, Avant has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells as demonstrated by the chronology of contact in **Exhibit A-7**.
 - 24. Avant requests that it be designated operator of the wells.
 - 25. The parties Avant is seeking to pool were notified of this hearing.
- 26. Avant seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.
- 27. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.
- 28. Avant also provided notice to offset affected parties for purposes of the non-standard unit application.
- 29. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

- 30. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.
- 31. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature Page Follows]

12.31.2024	(Sarantinos)
	00
Date	Tiffany Sarantino

$\frac{C-102}{Energy, Minerals & Natural B}$														vised July 9, 2024
Submit Electronically OIL CONSERVATION								MOITA	DIVISION		ł		\overline{\chi} Ini	tial Submittal
Via	OCD Pern	nitting									Submittal	74		
											- 1	Туре:	74-7475	Drilled
						WF	II. LOCA	TION	INFORMATION	J				50mm 1 x 50mm/
API N	umber			Pool C			LL LOCI.		Pool Name	2				
						27230			Gei	m; Bone	e Spri	ng, East		
Prope	rty Code			Proper	rty Nar		SAPPH	IRE F	FEDERAL C	сом			Well N	lumber 301H
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UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	100000000000000000000000000000000000000	Latitud	le		Longitude		County
М	23	19 S	33 E		100	0 FSL	330 F	WL	32.63872	291° N	103.	6413296	° W	LEA
Dedica	ted Acres				-	Infill or Defi	ning Wall	Dofini	ng Well API	0	in = 0	cing Unit (Y/N)	\ C=	nsolidation Code
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							W 1 0	SAN BAR G						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Point (KOP) Latitude Longitude			Longitude		County
D	14	19 S	33 E			FNL	330 F					3.6412345° W LEA		
		***********					First Ta	ke P	oint (FTP)					
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitud	le		Longitude		County
D	14	19 S	33 E		100	FNL	330 F	WL	32.6672014° N 103			03.6412350° W		LEA
							Last Ta	ke Po	oint (LTP)					
UL	Section	Township	Range	Lot		from N/S	Ft. from		Latitude			Longitude		County
М	23	19 S	33 E		100	FSL	330 F	WL	. 32.6387291° N 103			6413296	° W	LEA
Unitiza	ed Area or	Area of U	Iniform In	terest		D	nit Type 🏻	7 **				Ground Flo	oor Fle	wation:
						spacing of	ис гуре 🖸	J Horizo	ntal 🗌 Vertical	.		Ground Fr	oor me	vation.
I hereby my kno organiz includis location interest entered	OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest							st of I ac co co teral e	URVEYOR CER hereby certify that stual surveys made errect to the best of	the well locally me or unity belief.	ation show	NUKON CH	that the	ied from field notes of same is true and
in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024								OFF.	SSION	IAL SURIE	/			
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E-ma	il Address	CIC @ Ou							17371	3	5/07/	/24	1/2	1/247

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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PLAT REVISED: 9/19/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

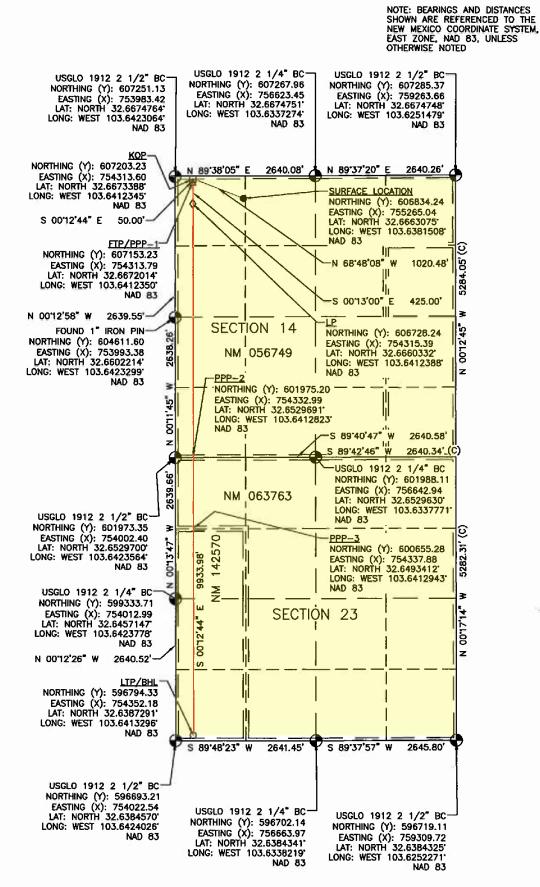
 $\Delta = FTP/PPP-1$

♦ = LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

FOOTAGES										
SHL	425' FNL	1280' FWL								
KOP	50' FNL	330' FWL								
FTP/PPP-1	100' FNL	330' FWL								
PPP-2	O' FNL	330' FWL								
PPP-3	1320' FNL	330' FWL								
LP	525' FNL	330' FWL								
LTP/BHL	100' FSL	330' FWL								



C-102 State of New Energy, Minerals & Natural 1									Resources Department					vised July 9, 2024	
	mit Electr		i i			OIL CO	NSERVA	ATION	DIVISION			🔼 Init	tial Submittal		
Via	OCD Pern	nitting										Submittal Type:	☐ Am	ended Report	
													☐ As	Drilled	
						WE	LL LOCA	TION	INFORMATION						
API N	umber			Pool (2723	0			Pool Name	Gem: Bo	one Sr	oring, East			
Prope	rty Code			Proper	rty Naz		CADDU	IDE I	FEDERAL C)	, 200		umber	
OGRID)(Operat	tor Nam		HOVE NAMES						302H Ground Level Elevation		
Surfac	33039 ce Owner:	State [Fee 🔲 T	ribal 🗌	Federa	al	AVANI		ERATING, L Mineral Owner:		ee 🗌 Tr	ibal □ Federa	ı	3692.1	
				ewerle .			G	1000	255	_	_				
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	STREET, STREET,	ocation Latitude	e	I	Longitude		County	
D	14	19 S	33 E			5 FNL	1300		32.66630		103.	6380859	° w	LEA	
		approx. 2-26				- 10 - 4 - 54-548-5 -)	Bottom	Hole	Location						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitud	e		Longitude		County	
М	23	19 S	33 E		10	0 FSL	1254	FWL	32.63872	2II° N	103.	6383280	° W	LEA	
Dedica	ted Acres					Infill or Defi	ning Well	Defini	ng Well API	Overlapp	ing Spac	ing Unit (Y/N	Con	nsolidation Code	
022 W.167	1280				1.50		2000 THE	1702200000	m e bahana ata ne).T.\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\			(i) 1500s		
Order	Numbers.	8							Well setbacks are	under Con	nmon O	wnership: 🔲	čes [] No	
							Kick O	ff Po	int (KOP)					_	
υL	Section	Township	Range	Lot		from N/S	Ft. from					Longitude	County		
D	14	19 S	33 E		50	FNL	1254	-WL	_ 32.6673384° N 103.6382320°					LEA	
	Face of the same	[7620000010000		- weze				oint (FTP)						
.D	Section	Township	Range 33 E	Lot		from N/S O FNL	1254		32.66720		103	en Transit Company of the recognition of the ST CO.		County LEA	
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UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Point (LTP) Latitude Longitud					County	
М	23	19 S	33 E		10	0 FSL	1254 1	FWL				6383280	° W	LEÁ	
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Unitize	d Area or	Area of U	iniform in	terest		Spacing U	nit Type 🛚	Horizo	ntal 🗌 Vertical			Ground Fl	oor Ele	vation:	
												•			
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.							est of I ac co	actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief							
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division							terest	(14831)					- *		
Signat	ure	1 Cm			7/24/	2024		_ -	Signature and Seal						
		Meghan	Twele							WA	1/	who			
Printe	d Name	ala@a	1001-	om				(Certificate Number		ite of Sur		1241	12.14	
E-ma	il Address	ele@ou	HOOK.C	OIII					11071		5/07/	24 //	011	00/	

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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PLAT REVISED: 9/19/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

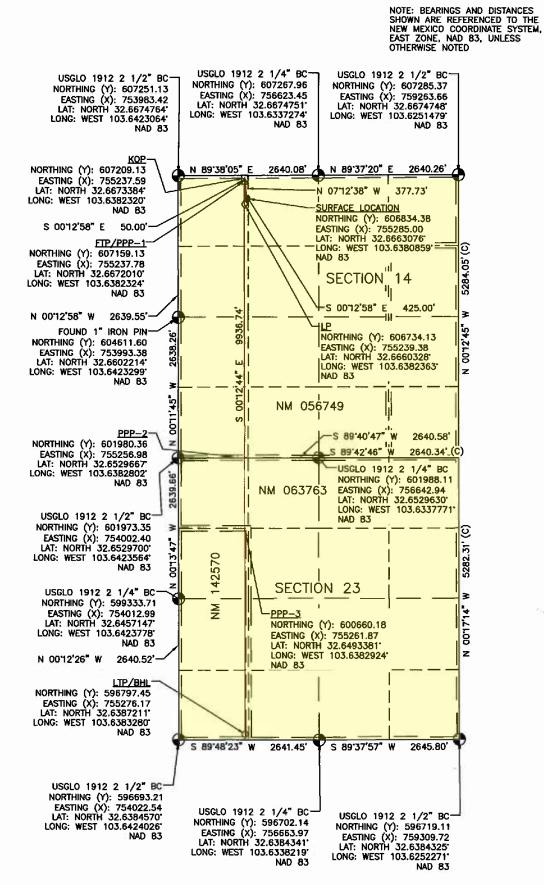
 $\Delta = FTP/PPP-1$

♦ = LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

FOOTAGES										
SHL	425' FNL	1300' FWL								
KOP	50' FNL	1254' FWL								
FTP/PPP-1	100° FNL	1254' FWL								
PPP-2	0' FNL	1255' FWL								
PPP-3	1320' FNL	1254' FWL								
Lb.	525' FNL	1254' FWL								
LTP/BHL	100' FSL	1254' FWL								



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	nit Elect				9	OIL CO	NOEKVA	ATION	DIVISION				X Init	ial Submittal
Via	OCD Pern	nitting										Submittal	ПАт	ended Report
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												AS	Drilled	
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API N	umber			Pool (27230			Pool Name	Gem: 1	Bone S	Spring, Ea	st	
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				_			Bottom	Hole	Location					
ΩL	Section	Township	Range	Lot		from N/S	Ft. from		Latitud			Longitude		County
N	23	19 S	33 E		100	0 FSL	2178	FWL	32.63871	30° N	103.	6353265	s° W	LEA
Dedice	ted Acres					Infill or Dei	ining Wall	Doffini	ng Well API	0	las Casa	11-11 /V /N	n c	solidation Code
Deulca					- 1	mim or Dei	nung sen	Delini	ng wen ari	Overlapp	mg spac	ing Unit (Y/N	Cor	isondation code
	1280													
Order	Numbers.								Well setbacks are	under Cor	nmon O	wnership: 🔲	Yes _] No
							Kick 0	ff Po	int (KOP)					
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	n E/W	Latitude Long			Longitude		County
С	14	19 S	33 E		50	FNL	2178	FWL	L 32.6673379° N 103.63522				.° W	LEA
2 - 0.63			dh.				First Ta	ake P	oint (FTP)					
UL	Section	Township	Range	Lot		from N/S	Ft. from		1					County
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72.00° T									oint (LTP)					
UL		Township	-	Lot		from N/S	Ft. from							County
N	23	19 S	33 E		100	FSL	2178	-WL	32.638/1	30° N	6353265	o W	LEA	
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includin	g the propo	sed bottom	hole location	or has	a right	to drill this	well at this	"	orrect to the best of	my belief.	A P	VOKO		
						ng interest or cory pooling o		15550 NO. 10		1	N. S. S.	MEXICO	6/	
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	mt	wele@d	outlook	com					1603				7/14	1224
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PLAT REVISED: 9/19/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

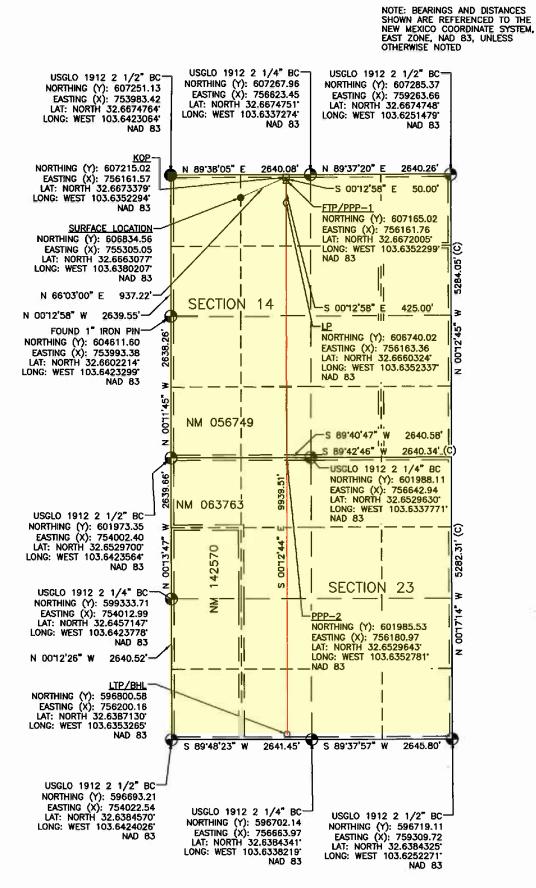
 $\Delta = FTP/PPP-1$

LANDING POINT (LP)

O = LTP/BHL

→ FOUND MONUMENT

FOOTAGES											
SHL	425' FNL	1320' FWL									
KOP	50' FNL	2178' FWL									
FTP/PPP-1	100' FNL	2178' FWL									
PPP-2	0' FNL	2178' FWL									
LP	525' FNL	2178' FWL									
LTP/BHL	100' FSL	2178' FWL									



C-102 State of Net Energy, Minerals & Natural OIL CONSERVAT									Resources Department							
	mit Elect OCD Pern					OIL CO	NSERV	ATTO	Submittal Type: X Initial Submit Amended Rep					ended Report		
						WI	ELL LOCA	ATION	ION INFORMATION							
API N	umber			Pool (27230			Pool Name Gem; Bone Spring, East							
Prope	rty Code			Prope	rty Nar	ne	SAPPH	IRE	RE FEDERAL COM 30							
OGRID		0396		Opera	tor Nar	ne	impope Hand		ERATING, L				Ground	1 Level Elevation 3701.3		
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							Surf	ace L	ocation							
UL A	Section 14	Township 19 S	Range 33 E	Lot		from N/S 5 FNL	Ft. from	200	32.66644		103.4	Longitude	· w	County		
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UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Location Latitude	e		Longitude		County		
0	23	19 S	33 E		10	0 FSL	2178	FEL	32.63870	87° N	103.	6323018	° W	LEÁ		
Dedicated Acres Infill or Defining Well Defining Well API Overlapping Spacing Unit (Y/N) Consolidation Code 1280																
Order	Numbers.								Well setbacks are	under Cor	nmon Ow	mership: 🔲	Yes [] No		
				• 11.00mm					int (KOP)							
UL B	Section 4	Township 19 S	Range 33 E	Lot	5,650	from N/S FNL	Ft. from 2178		32.66733		103.0	Longitude 6322258	° w	County		
							First Ta	ake P	oint (FTP)							
UL	Section	Township	Range	Lot	1275.0	from N/S	Ft. from	n E/W	√W Latitude Longitude County							
В	14	19 S	33 E		100	0 FNL	2178	FEL	EL 32.6672002° N 103.6322263° W L					LEA		
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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.								SURVEYOR (hereby certify the was plotted from for under my super orrect to the best	at the well ield notes vision, and of my bely	location of actual that the	shown on the surveys made e same is true	e by mi				
in each	tract (in t	he target po	ol or forma	tion) in	which a pooling o	est or unleasing part of the order from the 124/2024	e well's comp e division	iterest oleted	Signature and Seal	PRO	RESC	1001	NO NO			
Signat	ture	· cw			Dat	te			Signature and Seal	Profession	nal Sturgey	MAL SU				
Printe	Megh:	an Twe	le						Certificate Number	GA 1	Date of Su					
	mtwele	@outlo	ok.com	1					14831		4/10/:	24	7/23	12024		

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Plat Revised: 9/18/24

LEGEND:

SURFACE LOCATION (SHL)

☐ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

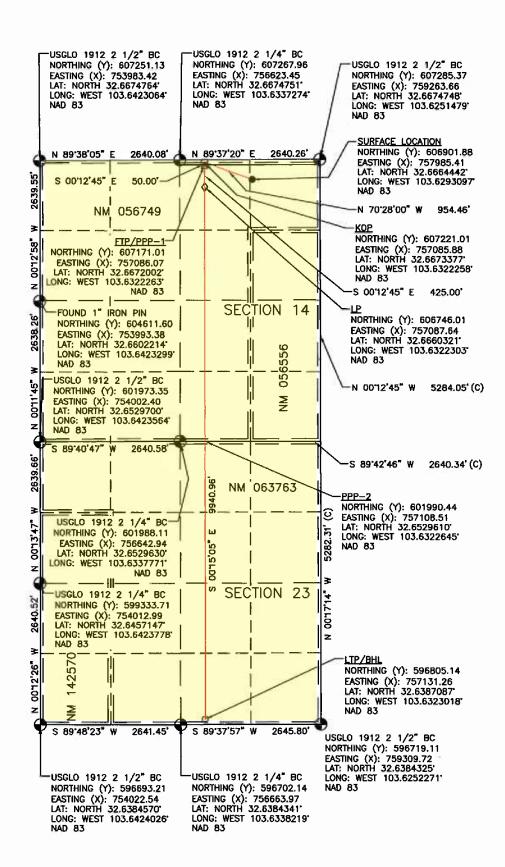
♦ = LANDING POINT (LP)

O - LTP/BHL

= FOUND MONUMENT

(C) = CALCULATED

FOOTAGES												
SHL	375' FNL	1280' FEL										
КОР	50' FNL	2178' FEL										
FTP/PPP-1	100' FNL	2178' FEL										
LP	525' FNL	2178' FEL										
PPP-2	O' FNL	2178' FEL										
LTP/BHL	100' FSI	2178' FFI										



NOTE: BEARINGS AND DISTANCES SHOWN ARE REFERENCED TO THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE, NAD 83, UNLESS OTHERWISE NOTED

<u>C</u> -	-102			En		Minerals	& Natu	ral Re	Revised July 9 Resources Department ON DIVISION					rised July 9, 2024
	nit Electi OCD Pern					OIL CO.	NSERVI	ATION	N DIVISION			Submittal Type:	☐ Am	cial Submittal ended Report Drilled
						WE	ELL LOCA	ATION	INFORMATION	Г				
API N	umber			Pool (7230			Pool Name					
Prope	rty Code			Proper	rty Nan		SAPPH	IRE I	FEDERAL C		Well Number 305H			
OGRID	No. 33039	 6		Operat	or Nan	ne	AVAN	г орг	ERATING, L	_LC			Ground	1 Level Elevation 3701.6
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Р	23	19 S	33 E		100	0 FSL	1254	FEL	32.63870	82° N	103.	6293002	° W	LEA
Dedicated Acres Infill or Defining Well Defining Well API Overlapping Spacing Unit (Y/N) Consolidation Code												nsolidation Code		
Order Numbers. Well setbacks are under Common Ownership: Yes No] No		
									int (KOP)					
υL A	Section 4	Township 19 S	Range 33 E	Lot		from N/S FNL	Ft. from 1254		32.66733		103.	Longitude 6292232	° w	County LEA
							First Ta	ake P	oint (FTP)					
UL A	Section 14	Township 19 S	Range 33 E	Lot	500	from N/S	Ft. from		Latitude Longitude 32.6672002° N 103.6292237					County
		17 0	00 L		100) I INL	5442 1A 50415	CONT. CONT.	Point (LTP)					LEA
UL		Township		Lot		from N/S	Ft. from	ı E/W	Latitude	70.	Longitude		County	
Р	23	19 S	33 E		100	FSL	1254	FEL	32.63870	82° N	103.	6293002	° W	LEA
Unitize	d Area or	Area of U	Iniform In	terest		Spacing Un	nit Type	Horizo	ntal Vertical			Ground Fl	oor Ele	vation:
									:=:: 					
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024 Signature Date Meghan Twele Printed Name mtwele@outlook.com									SURVEYOR (hereby certify the las plotted from for under my super wrect to the best Signature and Seal ertificate Number	at the well rield notes wision, and of my deli	Pirat the 1483	shown on this surveys made became is true	e by mu	3/2024
E-mai	l Address),d	4/10/	Z4 /	110	1001

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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Plat Revised: 9/18/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

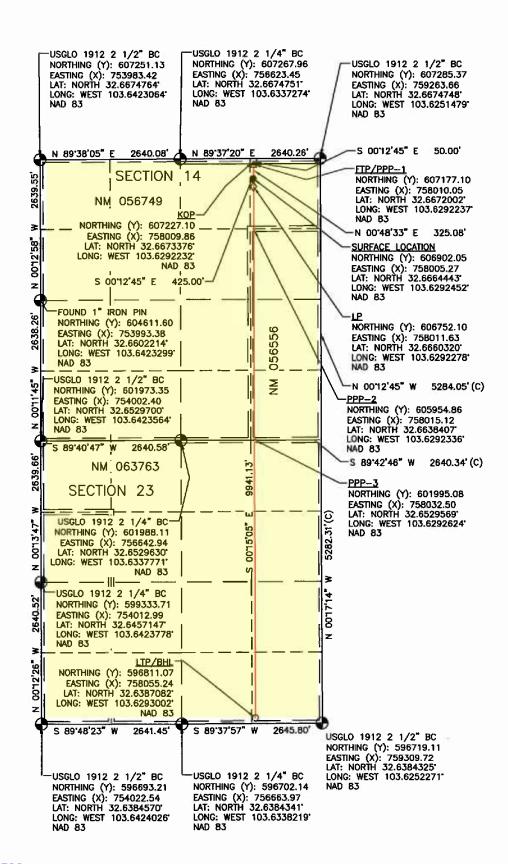
♦ = LANDING POINT (LP)

O = LTP/BHL

FOUND MONUMENT

(C) = CALCULATED

	FOOTAGES												
SHL	375' FNL	1260' FEL											
KOP	50' FNL	1254' FEL											
FTP/PPP-1	100' FNL	1254' FEL											
LP	525' FNL	1254' FEL											
PPP-2	1322' FNL	1254' FEL											
PPP-3	0' FNL	1251' FEL											
LTP/BHI	100' FSI	1254' FFI											



NOTE: BEARINGS AND DISTANCES SHOWN ARE REFERENCED TO THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE, NAD 83, UNLESS OTHERWISE NOTED

<u>C</u> -	-102			Enc		Minerals	& Natu	ral Re	ew Mexico Revised July Resources Department					
Subi Via	mit Elect OCD Pern	ronically nitting				OIL CO	NSERV <i>I</i>	ATION	N DIVISION			Submittal Type:	☐ Am	tial Submittal nended Report Drilled
						WE	ELL LOCA	TION	INFORMATION	8				
API N	umber			Pool C	Code	27230			Pool Name	Gem; Bo	one Sp	oring, East		
Prope	rty Code			Proper	rty Nan		SAPPH	IRE	FEDERAL C	OM			Well N	lumber 306H
OGRID	No. 33039	16		Operat	or Nan		STOCKED LICELINA	Marcoll - Ross	ERATING, L	OF CLANFILLER		*	Groun	d Level Elevation 3701.8
Surfac		☐ State ☐	Fee 🗌 T	ribal 🗌	Federa	1		2004/400	Mineral Owner:	M	ree 🗌 Tr	ibal 🗌 Federa	ı	0701.0
							Surf	ace L	ocation					
υ <u>г</u> А	Section 14	Township 19 S	Range 33 E	Lot		from N/S 5 FNL	Ft. from		32.66644		103.	Longitude 6291802	° W	County LEA
5500	Witche						- Carry II C. Mark	11117 - 64	Location					
UL.	Section	Township	Range	Lot	2000	from N/S	Ft. from	ı E/W	Latitude			Longitude		County
Р	23	19 S	33 E		100	0 FSL	330 1	FEL	32.63870	/6° N	103.	6262986	Ŭ W	LEA
Dedica	ted Acres				1	Infill or Defi	ining Well	Defini	ng Well API	Overlapp	ing Spac	ing Unit (Y/N) Co	nsolidation Code
1280 Order Numbers.									Well setbacks are	under Con	nmon O	wnership: 🔲 1	čes [] No
UL	Section	Township	Range	Lot	Ft. 1	from N/S			int (KOP)		Ι	Longitude		County
Α	Section Township Range Lot Ft. from N/S Ft. from N/S 14 19 S 33 E						330 I	1.5	32.66733		103.	6262207	° W	LEA
							First Ta	ake P	oint (FTP)					
UL A	Section 14	Township 19 S	Range 33 E	Lot	500000000	from N/S	7t. from 330 l	Section 1	32.66720	Anasar aw	103.	Longitude 6262212	° W	County LEA
30.9911	334.44	2000					Last Ta	ke P	te Point (LTP)					
ரு P	Section 23	Township 19 S	Range 33 E	Lot		from N/S D FSL	Ft. from		Latitude 32.63870	3	103	Longitude	° w	County LEA
		🧸							02.00070	, ,	100.	0202700		ELA
Unitize	d Area or	Area of U	Jniform In	terest		Spacing Ur	nit Type 🛚	Horizo	ontal Vertical			Ground Fl	oor Ele	vation:
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E-mai	mtw il Address	ele@ou	ıtlook.c	com				_	1493/		4/10/	24 9	123	12024

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Plat Revised: 9/18/24

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☐ = KICK OFF POINT (KOP)

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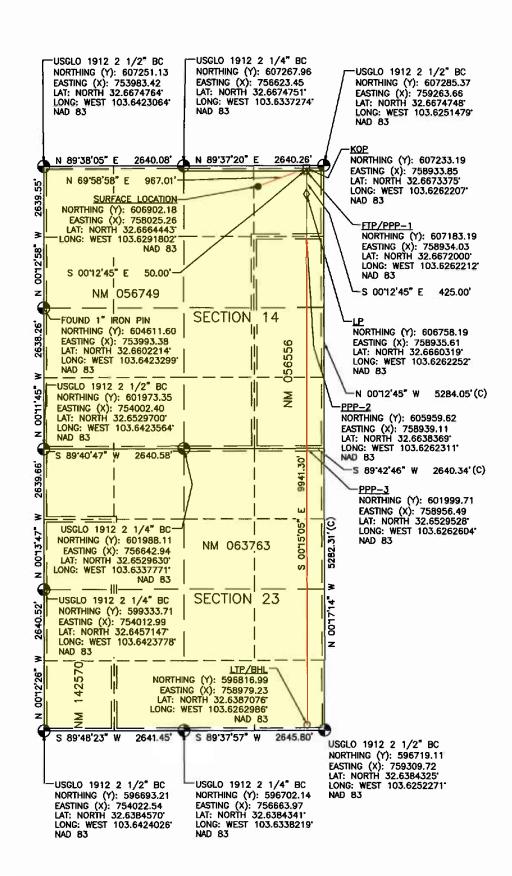
♦ = LANDING POINT (LP)

O = LTP/BHL

FOUND MONUMENT

(C) = CALCULATED

	FOOTAGES	
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KOP	50' FNL	330' FEL
FTP/PPP-1	100' FNL	330' FEL
ሆ	525' FNL	330' FEL
PPP-2	1324' FNL	330' FEL
PPP-3	O' FNL	330' FEL
LTP/BHI	100' FSI	330' FFI



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<u>C</u> -	-102			En	ergy,	Minerals	& Natu	ral R	w Mexico Revised July 8 Resources Department						
	mit Elect		l l			OIL CO	NSERVA	ATIO	N DIVISION		8		X Init	tial Submittal	
Via	OCD Perm	nitting										Submittal	□ Am	ended Report	
												Туре:	☐ As	Drilled	
						W	ELL LOCA	TION	INFORMATION	1			S. Aliver		
API N	lumber			Pool (Code		2001		Pool Name						
	30-025-	-50999			2	7230			G	Gem; B	one Sp	oring, East			
Prope	3356	09		Prope	rty Na	me	SAPPH	IRE	FEDERAL C	сом			Well Number 501H		
OGRII	5-3-36-6-70-6-7			Opera	tor Na	me	AVANIT	r 05	EDATING I					Level Elevation	
	330396	☐ State ☐	T Page [7] T	wibal 🗆	Fodor	-1	AVAN	l OF	PERATING, L		P []	U1-1 [P-1		3689.6	
Durio	ce owner.	_ State [] Fee [] I	IIDai _	reder	aı			Mineral Owner:	State [ree 🔲 1	ridai 🔲 redera			
		in the second	5331	44			Surf	ace l	Location						
UL	Section	Township	Range	Lot		from N/S	Ft. from		Latitude			Longitude		County	
D	14	19 S	33 E		26	5 FNL	1280	FWL	32.66674	75° N	103	.6381500	° W	LEA	
							Bottom	Hol	e Location						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	e		Longitude		County	
М	23	19 S	33 E		10	0 FSL	330 F		32.63872		103	6413296	° w	LEA	
		- ASS - AS			70250	9022								ALTERNATION OF THE PARTY OF THE	
Dedica	ted Acres	\$				Infill or Def	ining Well	Defin	ning Well API	Overlap	ping Spa	cing Unit (Y/N) Cor	nsolidation Code	
	1280														
Order	Numbers.	5							Well setbacks are	under Co	mmon 0	wnership: 🔲 1	res [] No	
							Kick 0	ff Po	oint (KOP)						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from	ı E/W	Latitude	e		Longitude		County	
D	14	19 S	33 E		50	0 FNL	330 F	FWL	32.66733	88° N	103	.6412345	° W	LEA	
							First Ta	ake I	Point (FTP)						
UL	Section	Township	Range	Lot		from N/S	Ft. from								
D	14	19 S	33 E		10	0 FNL	330 F	-WL	L 32.6672014° N 103.6412350° W					LEA	
		v					Last Ta	ke F	Point (LTP)						
UL	147-147-14-1	Township		Lot		from N/S	Ft. from		Latitude	Š	300000000000	Longitude	12-75 March 1997		
M	23	19 S	33 E		10	0 FSL	330 F	-WL	32.63872	91° N	103	6413296	° W	LEA	
Unitiz	ed Area or	Area of l	Jniform In	terest		Spacing U	nit Type 🛚	Horiz	contal	80		Ground Fl	oor Elev	vation:	
I hereb my kno organiz	y certify the wledge and ation either	belief, and, owns a wor	nation conto if the well king interes	is verticest or unl	al or d eased n	true and comp irectional well tineral interes	, that this t in the land	st of	SURVEYOR CER I hereby certify that to actual surveys made to correct to the best of	the well loo by me or y	(100	The second secon			
						to drill this on the second the s		- 1	15	12	ME	1			
interest		luntary pool				sory pooling o				100	W ME	10/21			
	_ range - c-								- 1		14400	21 1 1			
if this consent	well is a ho of at least	rizontal wel one lessee d	l, I further or owner of	a working	hat this no inter	s organization rest or unlease	has received d mineral in	the terest	1	12		7 /5/			
in each	tract (in ti	he target po	ol or forma	tion) in 1	which a	my part of the	e well's comp		i i	18/		141			
Er VUI	. avad 02 100	OF OOLG	meu u comj	ршзогу р	ourng (order from the	aussion			100	10000	SUR			
		/ <u>}_</u> _									IANO	SURTU			
O:		1-76	w	<u>ノ</u>		9/24/	2024	.					,,		
Signa		oghor T	avolo						Signature and Seal o	or Professio	nal Surve	yor O/	A		
Print	IVI6	eghan T	weie						Certificate Number	for .	ate of Su	- Veel	. /		
		/ele@oi	ıtlaalı (com					181021	1		ı vey	11-	ula all	
E-me	il Address	7010@01	AUOUK.	COIII				- 2	17971		12/19)/23	7/21	4/2024	
														T. Control of the con	

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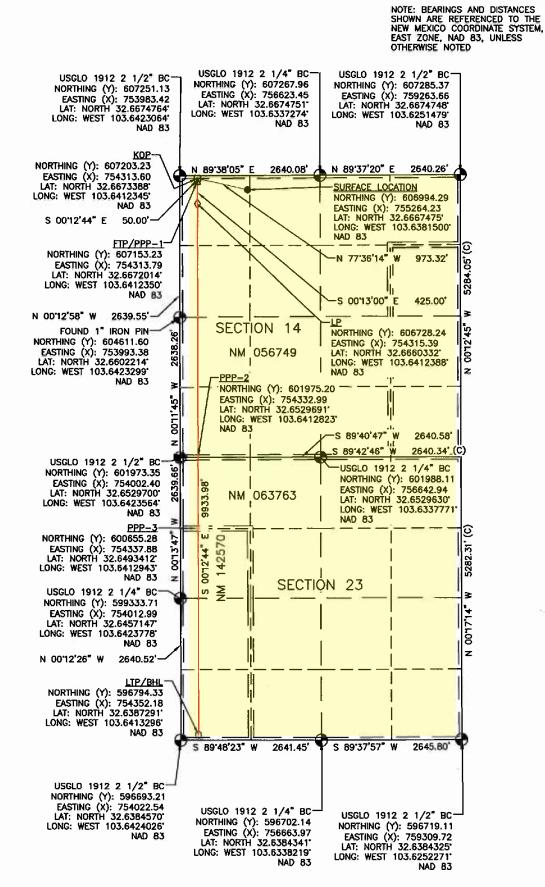
 $\Delta = FTP/PPP-1$

♦ = LANDING POINT (LP)

O = LTP/BHL

→ FOUND MONUMENT

FOOTAGES												
SHL	265' FNL	1280' FWL										
KOP	50' FNL	330' FWL										
FTP/PPP-1	100' FNL	330' FWL										
PPP-2	0' FNL	330' FWL										
PPP-3	1320' FNL	330' FWL										
Ŀ	525' FNL	330' FWL										
LTP/BHL	100' FSL	330' FWL										



	<i>J</i>														
<u>C</u> -	-102			En		Minerals		ral Re	esources Depa	rtment		Re	vised July 9, 2024		
	mit Elect					OIL CO	NSERVA	ATIO	DIVISION		ı		X Ini	itial Submittal	
Via	OCD Perr	nitting										Submittal	☐ An	nended Report	
												Туре:	70	Drilled	
						wı	ELL LOCA	TION	INFORMATION						
API 1	lumber			Pool (Code		BLL LOCE	111011	Pool Name	3/.					
	30-025	5-51000				27230			Gem; Bone Spring, East						
Prope	Code 335	609		Prope	rty Nar	ne	SAPPH	IRE	FEDERAL C	OM			Well 1	Number 502H	
OGRII	No. 33039	06		Opera	tor Nar	ne	AVANIT	- OB	ERATING, L				Groun	d Level Elevation	
Surfe		State [Tree [] T	ribal [Federa		AVAIN		Mineral Owner:		Foo D 7	ribal 🏻 Podera		3689.7	
Durio	ce owner.	State [] Fee [] I	Tibat _	reuere	4:7	٠.	e -500	925	State	ree 🔲 1	nibai 🗌 redera	ш		
UL	Section	Township	Range	Lot	194	from N/S	Surf.	alternation (Alexander	ocation Latitude		1	Tanaituda			
D	14	19 S	33 E	Lot	2007567	5 FNL	1300		14 DESIGNATION OF THE PARTY OF		103	Longitude 6380847	o w	County	
		., 0	00 L		20	O I INE	1000	· **L	32.00074	75 14	100.	0000047		LLA	
	т	1	r	T			-		Location						
UL	Section 23	Township	Range 33 E	Lot		from N/S	Ft. from	30	Latitude		107	Longitude		County	
М	23	19 S	33 E		10	0 FSL	1254	r W L	32.63872	II' N	103.	6383280) W	LEA	
Dedica	ated Acres	î.				Infill or Def	fining Well	Defini	ing Well API	Overlapp	oing Spa	cing Unit (Y/N) Co	nsolidation Code	
	1280)						E-06000	Commence of the Commence of th				8.0		
Order	Numbers.							Ь.	Well setbacks are	under Co	mmon O	wnership:	Yes [□ No	
							Viols 0	-102 -S-	int (KOP)						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	•	г —	Longitude		County	
D	14	19 S	33 E	(Casalyses)	55333	FNL	1254	Profession and Control	L 32.6673384° N 103.63823					LEA	
		,					Final T	also D	oint (ETD)						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		oint (FTP) Latitude	•	i -	Longitude		County	
D	14	19 S	33 E	(Lineary)		FNL	1254							LEA	
						5 00, 504 0	Lost To	lko D	oint (LTP)	2010		200	11-20-4500		
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from				_	Longitude		County	
M	23	19 S	33 E			0 FSL	1254	- 50	32.63872		103.	200	° W	LEA	
		3,000,000	2008,6550			ADDITION OF THE PARTY OF THE PA		a Characte		APRIL HICE			4.90		
Unitiz	ed Area o	r Area of	Uniform In	terest		Spacing U	nit Type	Horize	ontal	ir(Ground F	loor Ele	evation:	
		ERTIFICA		own than a tro		e-control of XIA US in Series	nenne on resinative meer		SURVEYOR CER						
						rue and comp irectional well	olete to the be l, that this		hereby certify that t ctual surveys made b					ted from field notes of same is true and	
						ineral interes to drill this	at in the land	4 I	orrect to the best of	my belief.	VIII				
location	pursuant i	lo a contrac	t with an o	wner of	a workir	ng interest or	unleased mi		,	N. W. W.	VOK	nupervision, and			
	by the div		ung agreem	ent or a	computs	ory pooling o	order heretofor	re		N3 10	MEXIC	15/			
If this	well is a h	orizontal we	ll, I further	certify	that this	organization	has received	the		1/5/	4831)				
							ed mineral in e well's comp	100100645-00	및 및	1 /	4031	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\			
						rder from the		.,	Pro	37		12			
			γ							RESS10		URY			
- 2		1	Ent.			9/24	1/2024			10	NAL				
Signa	ture	/							Signature and Seal	f Profession	nal Surve	por //			
	l	Meghan	Twele						Cha	MA	1/2	wh			
Print	ed Name							-	Certificate Number	/ D	ate of Su	rvey	/	/ /	
		wele@c	outlook	.com					1999/		12/19	/23	9/1	1/2024	
E-me	ail Address							- 1		- 1			10	100000000000000000000000000000000000000	

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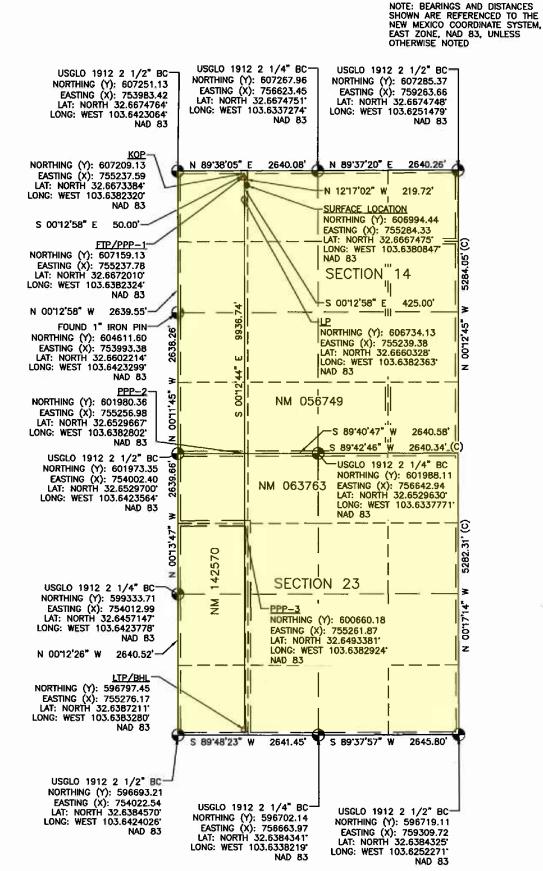
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LP	525' FNL	1254' FWL									
LTP/BHL	100' FSL	1254' FWL									



<u>C</u> -	-102	16.5		Ene		Minerals		Resources Department ON DIVISION					vised July 9, 2024	
	mit Elect: OCD Pern					OIL CO.	HOLILVATIO	N DIVIDION			ubmittal	_	tial Submittal	
		20									уре:	0-200	ended Report	
												∐ As	Drilled	
						WE	ELL LOCATION	INFORMATION						
	umber)-025-5	51002		Pool C	Code	27230		Gem; Bone Spring, East						
Prope	3356	09		Proper	ty Nar	ne	SAPPHIRE	FEDERAL COM					Number 505H	
OGRID)396		Operat	or Nam	ne	AVANT OF	OPERATING, LLC Ground Level Electric 3701.4					d Level Elevation 3701.4	
Surfac		State [Fee T	ribal 🗌	Federa	ı	AVAILT OF	Mineral Owner:		Fee 🗌 Tribe	l 🗌 Federa	1	0701.4	
							Surface	Location						
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from E/W	Latitude	9	1 3	ongitude		County	
В	14	19 S	33 E		21	5 FNL	1430 FEL	32.66688	43° N	103.62	297965	o W	LEA	
		9		Bottom Hole Location										
υL	Section	Township	Range	Lot		from N/S	Ft. from E/W	Latitude	-		ongitude	-1242	County	
Р	23	19 S	33 E		100	0 FSL	1254 FEL	32.63870	82° N	103.6	293002	e° W	LEA	
Dedicated Acres Infill or Defining Well Defining Well API Overlapping Spacing											Unit (Y/N) Cor	nsolidation Code	
Dedicated Acres Infill or Defining Well Defining Well API Overlapping Spacing Unit (Y/N) Consolidation Code												and the second s		
Order Numbers. Well setbacks are under Common Ownership: Yes No														
	Kick Off Point (KOP)													
UL	Section	Township	Range	Lot		from N/S	Ft. from E/W	Latitude	-		ongitude	CADVO FEMERADA	County	
Α	14	19 S	33 E		50	FNL	1254 FEL	32.66733	76° N	103.6	292232	e° W	LEA	
		I			r=18000		First Take							
UL.	Section	Township 19 S	Range 33 E	Lot	77.47.17.17	from N/S	Ft. from E/W						County	
	, N. W.	17 0	00 L			J 111L	Daniel Section 10 Section 10						LLA	
UL	Section	Township	Range	Lot	Ft.	from N/S	Last Take I	Carrier Contract Cont	•	1	ongitude		County	
Р	23	19 S	33 E	(378.5)		0 FSL		32.63870				° W	LEA	
						-								
Unitize	d Area or	Area of 1	Uniform In	terest		Spacing U	nit Type 🔼 Hori:	zontal			Ground F	loor Ele	vation:	
						1								
I hereby my kno- organize includin location interest, entered	certify the wledge and ution either g the propo pursuant t or to a vo by the divi	belief, and, owns a wor sed bottom of o a contract duntary pool sion.	nation conto if the well king interes hole location with an or- king agreemants	tined her is vertic st or unl t or has wher of c ent or a certify t	al or di eased m a right a workir compuls	irectional well ineral interes to drill this ng interest or cory pooling or organization	t in the land	was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.					e	
in each	tract (in t	he target po	ol or forma	tion) in 1	which a	ny part of the order from the	e well's completed division		OFF.	14831)	JEN			
Signat	ure	• ~			Dat	9/24/2 te	<u> </u>	Signature and Seal	Profession	nal Surveyor				
		Mes	ghan Tv	vele				Calas Vullet						
Printe	d Name							Certificate Number		Date of Surv	еу		1	
		itwele@	outloo	k.con	1			14831		12/19/2	23 9	123	224	
E-ma	il Address							2000 To 100 To 100			//	0 1	0.01	

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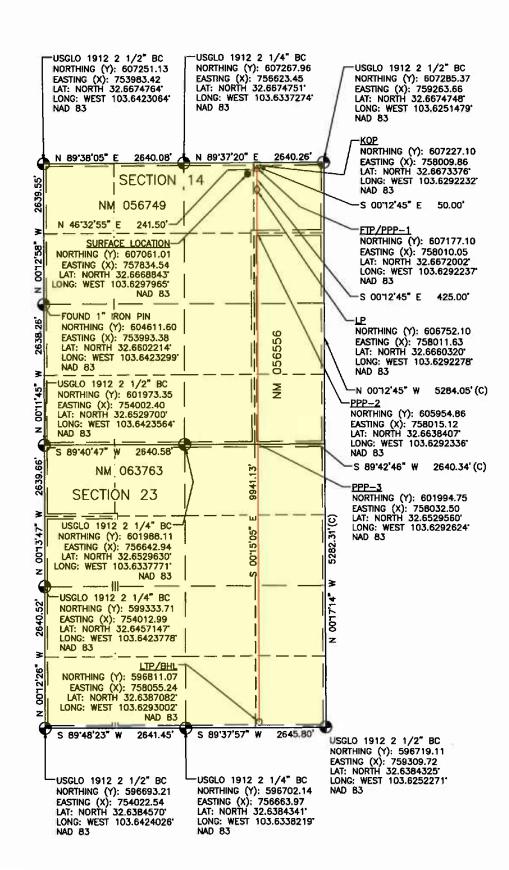
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Plat Revised: 9/18/24

LEGEND:

- SURFACE LOCATION (SHL)
- ☐ = KICK OFF POINT (KOP)
- $\Delta = FTP/PPP-1$
- A = LANDING POINT (LP)
- O = LTP/BHL
- TOUND MONUMENT
- (C) = CALCULATED

	FOOTAGES											
SHL	215' FNL	1430' FEL										
KOP	50' FNL	1254' FEL										
FTP/PPP-1	100' FNL	1254' FEL										
LP	525' FNL	1254' FEL										
PPP-2	1322' FNL	1254' FEL										
PPP-3	O' FNL	1251' FEL										
LTP/RHI	100' FSI	1254 FEL										



NOTE: BEARINGS AND DISTANCES SHOWN ARE REFERENCED TO THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE, NAD 83, UNLESS OTHERWISE NOTED

<u>C</u> -	-102			En		Minerals	& Natu	ral Re	v Mexico Resources Department ON DIVISION						
Subi Via	mit Electr OCD Perm	ronically nitting			2	OIL CO.	NSERVI	ATIOT	DIVISION			Submittel Type:	□ Am	tial Submittal nended Report Drilled	
						WE	ELL LOCA	ATION	INFORMATION	fi					
API N	umber			Pool C	ode	27230			Pool Name Gem; Bone Spring, East						
Prope	rty Code			Proper	ty Nan		SAPPH	IRE	E FEDERAL COM Well Number 506H						
OGRID	No. 330	396		Operat	or Nan	ne	AVAN	г орг	ERATING, L	LC		,	Groun	d Level Elevation 3701.9	
Surfac	e Owner:	☐ State [Fee 🔲 T	ribal 🗌	Federa	1			Mineral Owner:		Fee 🗌 Tr	ribal 🗌 Federa	d d		
							Surf	ace L	ocation						
UL D	Section	Township		Lot		from N/S	Ft. from		Latitud	*		Longitude		County	
В	14	19 S	33 E		210	FNL	1410	FEL	32.66688	28° N	103.	6297310	, M	LEA	
UL Section Township Range Lot Ft. from N/S Ft. from E/W Latitude															
P	23	Township 19 S	Range 33 E	Lot) FSL	330		32.63870		103.	Longitude 6262986	o° W	County LEA	
														3819000000000000000000000000000000000000	
Dedica	ted Acres	30			1	infill or Def	ining Well	Defini	ng Well API	Overlapp	oing Spac	ing Unit (Y/N	i) Co	nsolidation Code	
Order Numbers. Well setbacks are under Common Ownership:															
Kick Off Point (KOP)															
UL A	Section 14	Township 19 S	Range 33 E	Lot		FNL	Ft. from		32.66733		103	Longitude 6262207	o w	County LEA	
									oint (FTP)		100.	0202201	1.00		
UL	Section	Township	Range	Lot	Ft. 1	from N/S	Ft. from		Latitude	8		Longitude		County	
Α	14	19 S	33 E		100	FNL	330 I	FEL	EL 32.6672000° N 103.6262212° W LE					LEA	
	TOWN TOWN					77 - 10			oint (LTP)			200			
ՄL P	Section 23	Township	Range 33 E	Lot		FSL	330 I		32.63870		103	Longitude	o w	County	
		,, 0	00 L			, I OL	000		02.00070	, 0 11	100.	0202900	, ,,	LLA	
Unitize	d Area or	Area of 1	Uniform In	terest		Spacing U	nit Type	Norizo	ontal			Ground F	loor Ele	vation:	
							(2000)								
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and betief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interes in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024 Signature Date Meghan Twele Printed Name									SURVEYOR (hereby certify the has plotted from for under my super correct to the best Signature and Seal- certificate Number	at the wellield notes vision, and of my bell of Profession	l location of aprica	Subjects produced in the same is from MEXICONAL SUITON	A CH WOLL	3/2024	
E-mai	l Address	TITE VV CIC	e oun	OK.C	/111				11011		12/19	/23	100	1881	

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Plat Revised: 9/18/24

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□ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

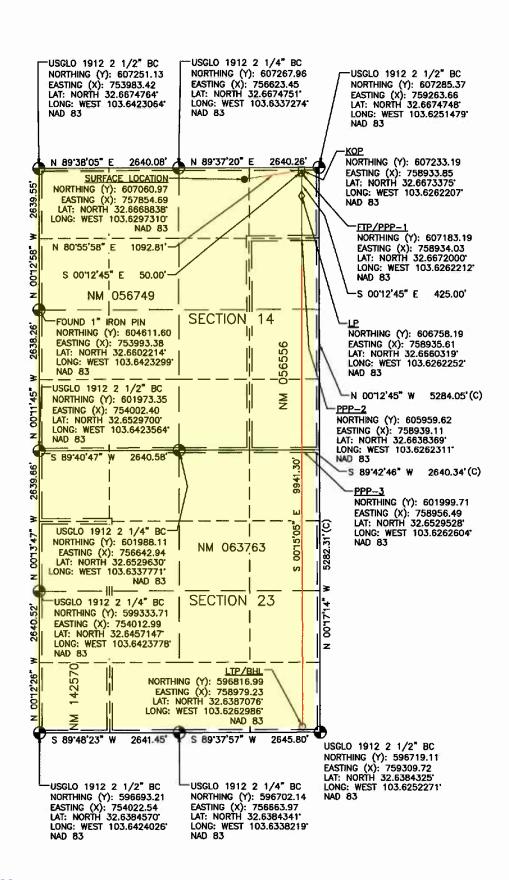
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O = LTP/BHL

- FOUND MONUMENT

(C) = CALCULATED

FOOTAGES												
SHL	215' FNL	1410' FEL										
KOP	50' FNL	330' FEL										
FTP/PPP-1	100' FNL	330' FEL										
LP	525' FNL	330' FEL										
PPP-2	1324' FNL	330' FEL										
PPP-3	O' FNL	330' FEL										
LTP/BHL	100' FSL	330' FEL										



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<u>C</u> -	-102			Enc		Minerals	& Nati	ural R	w Mexico Revised July 9, Resources Department						
Sub	mit Elect	ronically				OIL CO	NSERV	ATIO	N DIVISION		1		[X] Init	tial Submittal	
	OCD Perr											Submittal		ended Report	
												Туре:		Drilled	
						wi		NA MITON	INFORMATION				۵	21 mou	
API N	umber			Pool C	ode.	WI	ELL LOC	ATION	DN INFORMATION Pool Name						
				888688		27230			Gem; Bone Spring, East						
Prope	erty Code			Proper	rty Nar	ne	SAPP	HIRE	E FEDERAL COM					umber 513H	
OGRID		206		Operat	or Nam	ne	AVAN	T 0P	EDATING I	1.0				Level Elevation	
Surfa		396	Tree I T	ribal [Foder		AVAIN	I OF	ERATING, L		P 17	that		3690.0	
Surface Owner:									Mineral Owner:	State []	ree 🗌 11	IDAI 🗌 Federa			
				,				Harasan Paris	ocation						
ΩL	Section	Township	Range	Lot		from N/S		m E/W	Latitude			Longitude		County	
С	14	19 S	33 E		20	5 FNL	1320	FWL	32.66674	/4° N	105.	6380195	W	LEA	
Bottom Hole Location															
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. fro	m E/W	Latitude	•		Longitude		County	
N 23 19 S 33 E 100 FSL 2178 F									32.638713	30° N	103.	6353265	° W	LEA	
Dadios	ted Acres					I-#11 D-4	W -11	n-#-	- W-11 AVV		Market British				
Dedica		280				Infill or Def	iming well	Denn	ing Well API	Overlapp	oing Spac	ing Unit (Y/N)	Cor	nsolidation Code	
Order Numbers. Well setbacks are under Common Ownership: Yes No															
	Kick Off Point (KOP)														
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. fro	m E/W	Latitude	•		Longitude		County	
C 14 19 S 33 E 50 FNL 2178 FV								FWL	32.66733	79° N	103.	6352294	° W	LEA	
									oint (FTP)						
UL.	Section	Township	Range	Lot		from N/S	THE RESERVE OF THE PARTY OF THE	m E/W	Latitude			Longitude		County	
С	14	19 S	33 E		100	0 FNL	21/8	FWL	VL 32.6672005° N 103.6352299° W LE					LEA	
UL	Section	Township	Danna	7-4	174	from N/S			oint (LTP)	21					
N	23	19 S	Range 33 E	Lot		0 FSL		m E/₩ FWL			103	Longitude	۰ w	County LEA	
		170	00 L		10	JIOL	2170	1 ***	32.030710	JO 14	100.	0000200	**	LLA	
Unitize	d Area or	Area of 1	Iniform Ir	torest				FT W		1		Ground Flo	W.		
O.I.I.I.	,	mou or .	Jamoria a	tor oat		Spacing U	mt Type	X Horiz	ontal 🗌 Vertical			Ground Fi	oor Ele	vacion:	
												1			
OPER	ATOR C	ERTIFICA	TIONS					5	SURVEYOR CER	TIFICATI	ONS				
						rue and comp irectional well		10.7			ation show	m on this plat u	as plotte	d from field notes of	
organiza	ation either	owns a wor	king interes	t or unle	eased m	ineral interes	t in the lan	nd c	ctual surveys made b correct to the best of		naer my s	NUKONICAL STATES	nat the	same is true and	
						to drill this t ng interest or				/:	AA	ONON			
interest,		luntary pool				sory pooling or				30%	M	METICO CI			
	88										3	000/2	- 1		
						s organization est or unlease				밀	(14	831)	5		
						ny part of the order from the		npleted		10	1	1	1		
		- O	1			,		- 1		1	Sec	CURY			
		Y			Ω/	24/2024				1.00	3101	IAL SURA			
Signat	ure	- Por	(9/	24/2024									
Bud		Megh	an Twe	ele				Signature and Seal of Professional Surveyor							
Printe	d Name	1410511	I VV C	.10		-		Certificate Number Date of Survey							
	n	ntwele@	outloo	k.con	1				14931		12/19	east.	91	24/2024	
E-ma	il Address								,		12/19	/ 23	1/	11001	

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PLAT REVISED: 9/19/24

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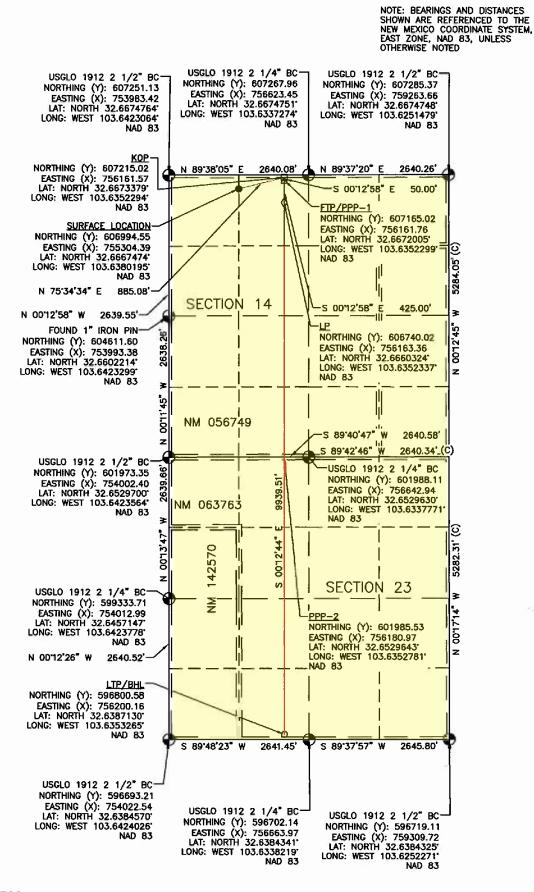
= LANDING POINT (LP)

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FOUND MONUMENT

(C) = CALCULATED

FOOTAGES											
SHL	265' FNL	1320' FWL									
KOP	50' FNL	2178' FWL									
FTP/PPP-1	100' FNL	2178' FWL									
PPP-2	0' FNL	2178' FWL									
LP	525' FNL	2178° FWL									
LTP/BHL	100' FSL	2178' FWL									



<u>C</u> -	-102			En		Minerals	& Natu	ral Re	W Mexico Resources Department							
	mit Elect				,	OIL CO.	NSERVA	ATION	N DIVISION				[X] Ini	tial Submittal		
Via	OCD Pern	nitting										Submittal Type:	☐ Am	ended Report		
												-37	☐ As	Drilled		
						WE	ELL LOCA	ATION	INFORMATION	ľ						
API N	umber 30-025	5-51001		Pool C	Code	27230			Pool Name	nm: Por	o Spri	na Fast				
Prope	rty Code	31001		Proper	rty Nam				Gem; Bone Spring, East					Well Number		
	33560)9		3.54			SAPPH	IRE	FEDERAL C	COM			nonte-time	514H		
OGRID	No. 3303	396		Operat	tor Nam	ne	AVANT	r opi	ERATING, L	1.0			Groun	d Level Elevation 3700.8		
Surfac		☐ State ☐	☐ Fee ☐ T	ribal [Federa	1	AVAIT		Mineral Owner:		ee 🗆 Tri	bal □ Federa	1	3700.8		
												om 🗀 redera	•			
UL	Section	Township	Panga	Lot	124 4	from N/S		A	ocation							
В	14	19 S	Range 33 E	Lot		FNL	Ft. from		32.66688		103.6	Longitude 5298614	o w	County		
_		1,, 0	00 2			,	1400		02.0000	42 N	100.0	JZ 70014	10.0	LLA		
Bottom Hole Location																
υL Ο	Section	Township	Range	Lot		from N/S	Ft. from		Latitud	S		Longitude		County		
0 23 19 S 33 E 100 FSL 2178 F									32.63870	8/° N	105.6	5323018	~ W	LEA		
Dedica	ted Acres				1	nfill or Def	ing Well API	Overlappi	ing Spaci	ng Unit (Y/N) Con	nsolidation Code				
1280																
Order	Order Numbers. Well setbacks are under Common Ownership: Yes No															
	Kick Off Point (KOP)															
UL	Section	Township	Range	Lot		from N/S	Ft. from		Latitude			Longitude		County		
B 14 19 S 33 E 50 FNL 2178 FI									32.66733	77° N	103.6	322258	° W	LEA		
		I		Descri					oint (FTP)							
ய B	Section 4	Township	Range 33 E	Lot		from N/S	2178		Latitude		107.4	Longitude	0 141	County		
	144	19 3	33 E		100	FINE	parameter and a second	N 52 (1981)						LEA		
UL	Section	Township	Range	Lot	R4 #	from N/S	Last Ta	-	oint (LTP) Latitude			Longitude		1		
0	23	19 S	33 E			FSL	2178		32.63870	E	103.6		° w	County LEA		
	YEARTE				-											
Unitize	d Area or	Area of U	Jniform In	terest		Spacing U	nit Type 🛚	Horizo	ontal 🗌 Vertical			Ground F	oor Ele	vation:		
													ST SACTO MANAGE	**************************************		
I hereby my know organiza	certify the wledge and ution either	belief, and, owns a wor	nation conta if the well king interes	ined here is vertice at or unle	eal or dir eased mi	us and compi rectional well, ineral interest to drill this t	that this in the land	st of I	SURVEYOR (hereby certify the has plotted from for under my super correct to the best	at the well ield notes (vision, apd	location of actual that the	shown on the surveys mad dings is tru	e by m e and	•		
location interest,	pursuant t	o a contract luntary pool	with an or	wner of a	a working	g interest or ory pooling or	unleased mir	201.00	orrect to the best	of my beli	ALW M	Etico	\			
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest																
in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division										OFF.	C					
Signat	ure	- Cul			Date	<u>/24/202</u>	Signature and Seal of	of Drofession	SYONA	LSUR						
,		Magha	n Twal	Δ	Just	<u>e</u>				la A	1/	H				
Printe	Meghan Twele								ertificate Number	I	Date of Sur			,		
	m	twele@	outlool	c.com	1				1493/		20200 2 000 0		/12/	224		
E-mai	il Address	515 G	2						113/	į	12/19/	23	0/10	70/		

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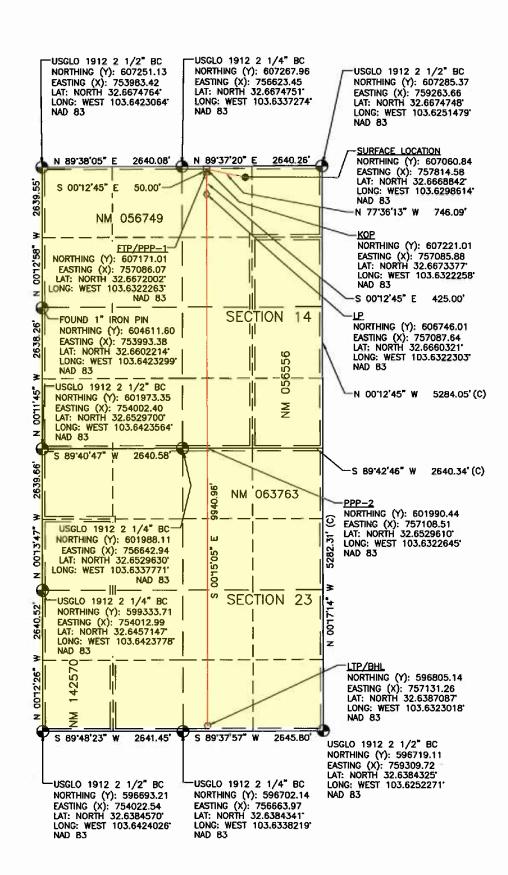
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FOOTAGES										
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KOP	50' FNL	2178' FEL								
FTP/PPP-1	100' FNL	2178' FEL								
LP	525' FNL	2178' FEL								
PPP-2	O' FNL	2178' FEL								
LTP/BHL	100° FSL	2178' FFI								



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<u>C</u> -	-102			En		Minerals	& Natu	ral Re	Resources Department					vised July 9, 2024	
Sub	mit Elect	ronically				OIL CO.	NSERV	ATION	DIVISION		Ì		[X] Ini	tial Submittal	
Via	OCD Perr	nitting										Submittal Type:	☐ Am	nended Report	
													☐ As	Drilled	
						WE	ELL LOCA	ATION	INFORMATION						
API N	umber			Pool (Code	27230			Pool Name	Gem:	Bone	Spring, Ea	st		
Prope	rty Code			Prope	rty Nar	ne	SAPPH	IRE	Well Number					lumber 60IH	
OGRI)(Opera	tor Nar	ne	S-8/38 5/20						Groun	d Level Elevation	
Surfa	33039	State [] Fee □ T	ribal [Federa	a)	AVAN	_	ERATING, L Mineral Owner:		ee 🗆 T	ribal 🗆 Fadera		3691.2	
									ocation	Dutto [] :		Touch			
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	В		Longitude		County	
D	14	19 S	33 E		46	5 FNL	1280	FWL	32.66619	78° N	103	.638I5I6°	, M	LEA	
									Location						
M.									32.63872		107	Longitude 6413296	0 14/	County	
1.1	23	19 3	33 E		10	UFSL	330 1	- WL	32.03072	AI. M	103.	0413290	- W	LEA	
Dedicated Acres Infill or Defining Well 1280								Defini	ng Well API	Overlapp	ing Spac	eing Unit (Y/N	Co	nsolidation Code	
Order	Numbers.								Well setbacks are under Common Ownership: ☐ Yes ☐ No						
Kick Off Point (KOP)															
UL.	Section	Township	Range						Latitude			Longitude		County	
D 14 19 S 33 E 50 FNL 330 FV								-WL	32.66733	88° N	103.	6412345	° W	LEA	
UL	Section	Township	Range	Lot	THE	from N/S			oint (FTP)	-					
D	14	19 S	33 E	Lot		0 FNL	Ft. from		32.66720		103.	Longitude 6412350	° W	County	
11.7					•		Last Ta	ke P	oint (LTP)						
UL		- 115225 - 1555 W		Lot	100000000000000000000000000000000000000	from N/S	Ft. from	n E/W	Latitude			Longitude		County	
М	23	19 S	33 E		100	0 FSL	330 F	FWL	32.63872	91° N	103.	6413296	° W	LEA	
Unitie	nd Arna n	r Area of I	Iniform I	towant		r						1 c m			
Omtize	ad Area of	r Area or (onnorm ii	iterest		Spacing U	nit Type	Horizo	ontal 🗌 Vertical			Ground Fl	oor Ele	evation:	
												*			
		ERTIFICA	and Charles	vined her	oin is t	rue and comp	lete to the h	953 St (S)	SURVEYOR CER	The state of the s		um am this alat s	as slot	ted from field notes of	
my kno	wledge and	belief, and,	if the well	is vertic	al or di	irectional well, ineral interes	, that this		ctual surveys made b	ny me or un					
includir	ng the propo	sed bottom	hole location	n or has	a right	to drill this t ng interest or	well at this	.	orrect to the best of	157. 170.	A	VUKO			
interest		duntary pool				cory pooling or				305	II.	VUKON C			
	A. 30		L I further	certifu	that this	organization	has received	the		15	13	MEXICO C	I \		
consent	of at least	one lessee o	or owner of	a worki	ng inter	est or unlease ny part of the	d mineral in	terest		PA					
						order from the				10	1	1			
		21			0/24	/2024				/	5510	NAL SURVE			
Signa	ture	- Cul			9/24	/2024		Signature and Seal of Professional Surveyor							
conservation (Cd	Meghan Twele								Clark Wester						
Printe	ed Name							Certificate Number Date of Survey				Jaula all			
E-me	il Address	mtwe	ele@ou	<u>ıtlook</u>	.com			- 445 <u>7</u>	19591	9	5/30/	24	7/	24/2-24	

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USGLO 1912 2 1/2" BC NORTHING (Y): 596693.21 EASTING (X): 754022.54 LAT: NORTH 32.6384570'

LONG: WEST 103.6424026

NAD B3

PLAT REVISED: 9/19/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

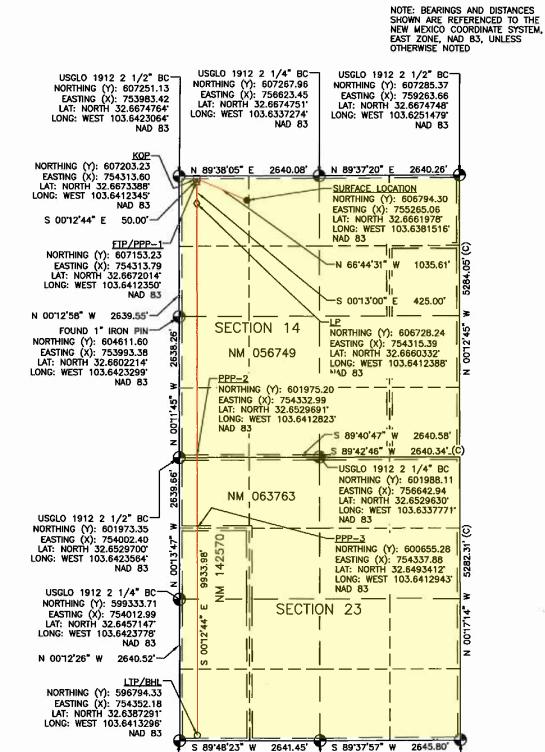
= LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

(C) - CALCULATED

FOOTAGES											
SHL	465' FNL	1280' FWL									
KOP	50' FNL	330' FWL									
FTP/PPP-1	100° FNL	330' FWL									
PPP-2	0' FNL	330' FWL									
PPP-3	1320' FNL	330' FWL									
LΡ	525' FNL	330' FWL									
LTP/BHI	100' FSI	330' FWI									



USGLO 1912 2 1/4" BC-

NAD 83

NORTHING (Y): 596702.14 EASTING (X): 756663.97 LAT: NORTH 32.6384341' LONG: WEST 103.6338219' USGLO 1912 2 1/2" BC-

NORTHING (Y): 596719.11 EASTING (X): 759309.72 LAT: NORTH 32.6384325' LONG: WEST 103.6252271'

	0														
<u>C</u> -	-102			En		Minerals	& Natu	ral R	Mexico Resources Department ON DIVISION						
Sub	mit Elect	ronically				OIL CO	NSERV	ATIO.	N DIVISION		1		[X Ini	tial Submittal	
Via	OCD Pern	nitting										Submittal	ПАт	ended Report	
												Туре:	- NO.114	Drilled	
													☐ AS	Driffed	
ADT N	h			D1 (1	WI	ELT FOC	ATION	INFORMATION	Ī					
API N	umber			Pool (ode	27230			Pool Name	Gem;	Bone	e Spring, E	ast		
Prope	rty Code			Proper	rty Nam	me	SAPPH	IIRE	E FEDERAL COM					Well Number 602H	
OGRII		0396		Operat	tor Na	me	ΔVΔΝ	T OP	ERATING, L	1.0			Groun	d Level Elevation 3691.2	
Surface Owner: State Fee Tribal Federal								. J.	Mineral Owner:	11,2.24.	Fee 🔲 T	ribal 🗌 Federa	1	0071.2	
							Surf	ace I	ocation						
UL	Section	Township	Range	Lot	Ft	from N/S	Ft. from	2002/2004	Latitud	•	-	Longitude	-	County	
D	14	19 S	33 E	200		5 FNL	1300				103	.6380870	o w	LEA	
	1	19 3	30 L	1 100 1112 1000 111					32.00019	// IN	103.	.0300070	VV	LEA	
Bottom Hole Location															
UL	Section	Township	Range	Lot	1000	from N/S	Ft. from		Latitud			Longitude		County	
М	23	19 S	33 E		10	0 FSL	1254	FWL	32.63872	ZII° N	103.	.6383280	° W	LEA	
Dedica	ted Acres					Infill or Def	fining Well	Defin	ing Well API	Overlapp	ing Spa	cing Unit (Y/N	Con	nsolidation Code	
Dedicated Acres Infill or Defining Well Defining Well API Overlapping Spacing Unit (Y/N) Consolidation Code															
Order	Order Numbers. Well setbacks are under Common Ownership: Yes No														
	Kick Off Point (KOP)														
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Latitude	e		Longitude		County	
D	14	19 S	33 E		50	FNL	1254	FWL	32.66733	84° N	103.	.6382320	° W	LEA	
						74.5	First Ta	ake F	oint (FTP)						
UL	Section	Township	Range	Lot		from N/S	Ft. from		Latitude	TO		Longitude		County	
D	14	19 S	33 E		100	0 FNL	1254	FWL	32.66720	10° N	103.	6382324	° W	LEA	
								Control of the	oint (LTP)			The second secon			
UL M	2007	Township	500000000000000000000000000000000000000	Lot	19-90-90-00	from N/S	Ft. from	C1.700#170711	Latitude	70		Longitude		County	
М	23	19 S	33 E		10	0 FSL	1254	FWL	32.63872	ZII° N	103.	.6383280	~ W	LEA	
Unitiz	ed Area or	Area of V	Iniform Ir	torest				VI				Canada M	oon Ma		
Omen	ou airou oi	Alea or t	JIIIOI II	itel est		Spacing U	nit Type [A Horiz	ontal 🗌 Vertical			Ground F	oor Me	vation:	
												•			
OPER	ATOR CI	ERTIFICA	TIONS					- 1	SURVEYOR CER	TIFICATI	ONS				
						rue and comp		000000						ed from field notes of	
						irectional well sineral interes		2	ictual surveys made l correct to the best of		nder my	supervision, and	that the	same is true and	
includi	ng the propo	sed bottom	hole location	or has	a right	to drill this	well at this		orrect to the dest of	my venej.	/	P VUKO	1		
						ng interest or sory pooling o					2	Supervision, and A VUKO	6		
entered	by the divi	sion.					A-500 WINN DUFFE			- /.	9/3	W METIC	エー		
f this well is a horizontal well, I further certify that this organization has received t												(14831)			
						rest or unlease my part of the				1	18		18		
						order from the		1000		1	12		54/		
)								1,00	YONAL SUP			
Ci-	range -		tent			9/24/20)24								
Signa		aghan T	Swele					Signature and Seal of Professional Surveyor							
Printe	ed Name	eghan T	WCIC						Certificate Number	De	ate of Su	ırvey	6		
	mtw	vele@o	utlook.	com					14831		5/30/	/24	9/	24/2024	
E-me	il Address								11011		J, JU/	21 -11 (41)	110	10.	

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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PLAT REVISED: 9/19/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

A = LANDING POINT (LP)

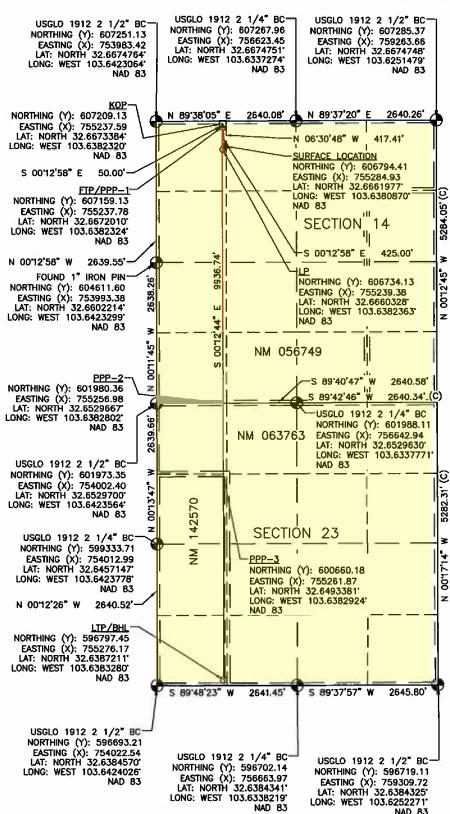
O = LTP/BHL

- FOUND MONUMENT

(C) = CALCULATED

FOOTAGES									
SHL	465 FNL	1300' FWL							
KOP	50' FNL	1254' FWL							
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PPP-2	0' FNL	1255' FWL							
PPP-3	1320' FNL	1254' FWL							
LP	525' FNL	1254' FWL							
LTP/BHL	100' FSL	1254' FWL							

NOTE: BEARINGS AND DISTANCES SHOWN ARE REFERENCED TO THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE, NAD 83, UNLESS OTHERWISE NOTED



Energy, Minerals & Natu									ral Resources Department				vised July 9, 2024	
	mit Elect					OIL CO	NSERV	ATIOI	N DIVISION		-		⊠ Ini	tial Submittal
Via	OCD Perr	nitting										Submittal Type:	☐ Am	ended Report
												туре.	☐ As	Drilled
) <u> </u>						WE	ELL LOCA	ATION	INFORMATION	ī				
API N	umber			Pool (Code	1			Pool Name					
Prope	rty Code			Proper	rtv N	27230							Well N	umber
				Поро			SAPPH	IRE	FEDERAL C	COM			wen i	603H
OGRID		0396		Operat	or M	lame	AVAN	г ор	ERATING, L	_LC			Groun	d Level Elevation 3691.3
Surfa	ce Owner:	☐ State ☐	Fee 🗌 T	ribal 🗌	Fed	eral			Mineral Owner:		ee 🗌 Tri	bal 🗌 Federa	I .	
	ν.						Surf	ace L	ocation					
ΩL	Section	Township	Range				Ft. from		Latitud			Longitude	ar 202020	County
С	14	19 S	33 E	ļ	4	65 FNL	1320	FWL	32.66619	78° N	103.	6380210	° W	LEA
	F	I							Location			W		
N.	Section 23	Township	Range 33 E	Lot	1200	t. from N/S 00 FSL	2178	4-217870-7	32.638713		103.6	Longitude 5353265	° W	County LEA
		117 0	00 L			00 1 02	2170		02.00071	00 14	100.0	333203	• • •	LEA
Dedica	ted Acres				Infill or Defining Well Def			Defin	ing Well API	Overlapp	ing Spaci	ing Unit (Y/N)	Con	nsolidation Code
<u>. </u>	1280							L_,						
Order	Numbers.								Well setbacks are	under Cor	nmon Ow	nership: 🔲 Y	es [] No
777	G W	lm							int (KOP)					
C UL	Section 14	Township	Range 33 E	Lot	10	t. from N/S 50 FNL	2178		32.66733		103 6	Longitude 5352294	o w	County
					- 3			2. 500/90	31 32		100.0	JOULETA		
UL	Section	Township	Range	Lot	P	t. from N/S	First Ta		oint (FTP)			Longitude		County
С	14	19 S	33 E			00 FNL	2178	- Shina			103.6		° W	LEA
			1				Last Ta	ke P	oint (LTP)					
UL	Section	Township	Range	Lot		t. from N/S	Ft. from	ı E/W	Latitude		Longitude		County	
N	23	19 S	33 E		_ I	00 FSL	2178	FWL	32.638713	30° N	103.6	353265	° W	LEA
** ***												4		
Unitize	d Area or	Area of U	Jniform In	iterest		Spacing Un	nit Type	Horizo	ontal 🗌 Vertical			Ground Fl	oor Ele	vation:
												<u>, </u>		
OPER	ATOR CI	ERTIFICA	TIONS		_			5	SURVEYOR CER	TIFICATI	ONS			
I hereby	certify the	it the inform	nation conta			true and comp		st of I	hereby certify that i	the well loca	ition shows	n on this plat u		ed from field notes of
organiza	ution either	owns a wor	king interes	st or unle	eased	directional well, mineral interest	in the land	1 699	ctual surveys made t orrect to the best of	my belief.	der my su	one of the second secon	that the	same is true and
						ht to drill this t king interest or				AL	VUK	0		
interest,		luntary pool				ulsory pooling or			/	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	MEXIC	161		
									1	5/ 3/		0 1=1		
consent	f this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral inter in each tract (in the target pool or formation) in which any part of the well's complete							terest	(2	g (14831)	18		
						any part of the gorder from the		oleted	\	B. C.		14		
										13510	NAL S	UR		
		1-1	Zu	\mathcal{I}		9/24/20	024					- 11		
Signat	ure								Signature and Seal	of Profession	al Surveyo	The state of		
Printe	d Name	Megha	ın Twe	le		-			Certificate Number	De	ite of Surv	rey		/
	n	ntwele@	outloc	k.cor	n				114831	1 50	5/30/2		/24	12024
E-ma	il Address	allowable u									0, 00, 2	//	11	0 0

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Lest Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

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PLAT REVISED: 9/19/24

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 $\Delta = FTP/PPP-1$

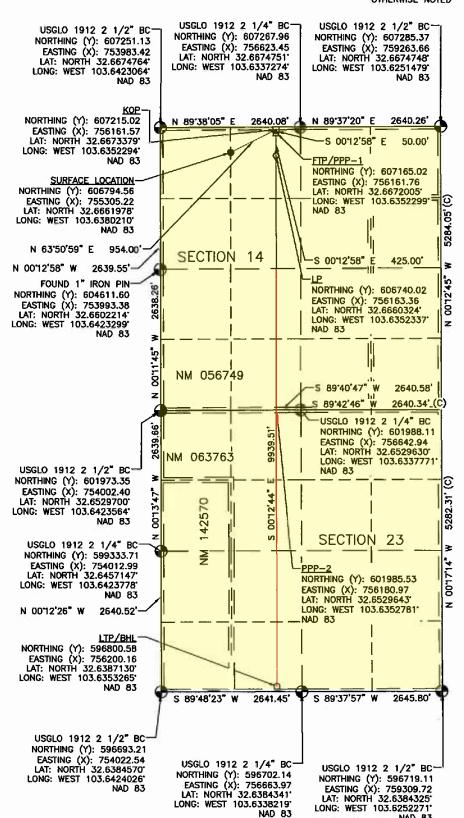
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PPP-2	0' FNL	2178' FWL							
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LTP/BHL	100' FSL	2178' FWL							



<u>C</u> -	-102			En		Minerals		ral Re	esources Depa	artment			Rev	vised July 9, 2024
	mit Elect OCD Pern					OIL CO	NSERVA	ATIO	N DIVISION			Submittal Type:	☐ Am	tial Submittal ended Report Drilled
						WI	ELL LOCA	ATION	INFORMATION	ī				
API N	umber			Pool (Code	27230			Pool Name	Gem;	Bone	Spring, Ea	ast	
Ргоре	rty Code			Prope	rty Naz	ne	SAPPH	IRE	FEDERAL C	СОМ			Well N	umber 604H
OGRID	No. 33()396		Opera	tor Nam	ne	AVANT	r opi	ERATING, L	ıc			Ground	d Level Elevation 3702.7
Surfa		☐ State ☐	Fee 🗌 T	ribal 🗌	Federe	al .	AVAIN		Mineral Owner:	40.445.00	Fee 🗌 Th	ribal 🗌 Federa	L	3702.7
							Surf	ace L	ocation					
UL A	Section 4	Township 19 S	Range 33 E	Lot		from N/S	Ft. from		Latitud 32.66695		103	Longitude	so w	County LEA
		17.5	00 L	J _I					100.	0293000	, ,,	LLA		
UL	Section	Township	Range	Lot	Ft.	from N/S	Ft. from		Location Latitud	e	Т	Longitude		County
0	23	19 S	33 E		10	0 FSL	2178	FEL	32.63870	87° N	103	6323018	° W	LEA
Dedica	ted Acres	280		Infill or Defining Well Defi					ing Well API	Overlapp	oing Spac	eing Unit (Y/N	i) Con	nsolidation Code
Order	Order Numbers. Well setbacks are under Common Ownership: Yes No													
									int (KOP)					
UL В	Section 14	Township	Range 33 E	Lot		from N/S) FNL	2178		32.66733		103.	Longitude 6322258	s° w	County LEA
	C-SMIN.					i i	First Ta	ake P	oint (FTP)	27 (1.25 Mar) 1992 Page 1		Service Annual Company	180.00	0.0000000000000000000000000000000000000
UL .	Section	Township	Range	Lot	1000	from N/S	Ft. from	n E/W	W Latitude Longitu				122 0000	County
В	14	19 S	33 E		100	FNL	2178	FEL	_ 32.6672002° N 103.63222				s° W	LEA
UL	Section	Township	Range	Lot	F4	from N/S	Last Ta	and the second	oint (LTP)			Longitude	-	County
0	23	19 S	33 E	ATTORN	15.00	0 FSL	2178		32.63870	7.	103.		° W	LEA
Unitize	ed Area or	r Area of U	Jniform Ir	iterest		Spacing U	nit Type	Horizo	ontal Vertical	1 1		Ground F	loor Ele	vation:
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024 Signature Date Meghan Twele Printed Name						uneral conneral conne	SURVEYOR (hereby certify the was plotted from for under my super- orrect to the best Signature and Seal- certificate Number	at the well rield notes of my bet 14	l location of actual Winhy ti	n shown on the surveys made same is true	le by m	12.24		
E-ma	E-mail Address							11011	1, 10,	/	10%	787		

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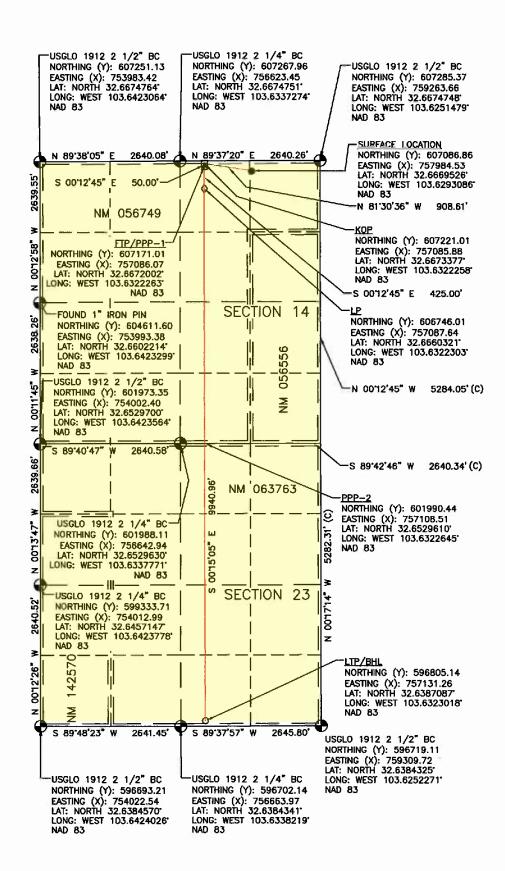
♦ = LANDING POINT (LP)

O = LTP/BHL

= FOUND MONUMENT

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FOOTAGES									
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FTP/PPP-1	100' FNL	2178' FEL							
LP	525' FNL	2178° FEL							
PPP-2	O' FNL	2178' FEL							
LTP/BHL	100' FSL	2178' FEL							



NOTE: BEARINGS AND DISTANCES SHOWN ARE REFERENCED TO THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE, NAD B3, UNLESS OTHERWISE NOTED

<u>C</u> -	-102			En		Minerals		ıral Re	esources Depa				Re	evised July 9, 2024
Sub	mit Elect	ronically			(OIL CO	NSERV	ATION	N DIVISION				∏ Ini	itial Submittal
Via	OCD Perr	nitting										Submittal Type:	☐ Am	nended Report
													☐ As	Drilled
CADY N				T.,,,		WI	ELL LOCA	ATION	INFORMATION	1				
1453533	umber			Pool C		27230			Pool Name	Gen	n; Bone	e Spring,	East	
Prope	rty Code			Proper	rty Nam	10	SAPPH	IIRE	FEDERAL C	СОМ			Well N	Number 605H
OGRID	No. 33(0396		Operat	tor Nam	10	AVAN"	т орг	ERATING, L	LC			Groun	d Level Elevation 3702.0
Surfac	ce Owner:	State	Fee 🗌 T	ribal 🗌	Federa	1			Mineral Owner:		Fee 🗌 Tri	ibal 🗌 Federa	1	0,02.0
			No.	&			Surf	ace L	ocation					
UL A	Section 14	Township 19 S	Range 33 E	Lot		from N/S	Ft. from		Latitud		107.4	Longitude	'O 141	County
А	14	19 3	33 E		190) FNL	1260	000 72 20	32.66695)2/~ N	105.6	5292435	o w	LEA
UL	Section	Township	Range	Lot	Ft. 1	from N/S	Bottom Ft. from		Location Latitude		T	Longitude		County
P	23	19 S	33 E			0 FSL	1254		32.63870		103.6	5293002	° W	County LEA
Dedica	ted Acres	a				Infill or Def	fining Well	T Defini	ing Well API	I Overland	' Sand	T-+ (V/N	\ I co	lidation Codo
Deale		280			-	mm or De.	Hind wen	Delmi	ng wen ari	Overlapp	ing space	ing Unit (Y/N	,	nsolidation Code
Order	Order Numbers. Well setbacks are under Common Ownership: Yes No													
									int (KOP)					
UL A	Section 4	Township 19 S	Range 33 E	Lot		from N/S	Ft. from		32.66733	_	103.4	Longitude	o w	County
	17	17 0	00 L		- 00	LINE	No second	- 18		70 N	105.0	DEAFFOR	- VV	LEA
UL	Section	Township	Range	Lot	Ft. f	from N/S	First Ta		oint (FTP)	e	T	Longitude		County
Α	14	19 S	33 E		100	FNL	1254	FEL	a language process of the control of			5292237	° W	LEA
1		T							oint (LTP)					
UL P	Section 23	Township 19 S	Range 33 E	Lot		from N/S D FSL	Ft. from		32.63870		103.6	Longitude	° W	County LEA
	100000	2020 oxfor				69 - 1 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The state of the s		02.000.	OL	100.	JE 7000	•	LL-C
Unitize	d Area or	r Area of U	Jniform Ir	iterest		Spacing U	nit Type	X Horizo	ontal 🗌 Vertical	la l		Ground Fl	oor Ele	vation:
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E-mai	il Address		<u>e ounc</u>	JOK.CC	<u>/111</u>				14871		4/10/2	24 9/6	77/0	2024

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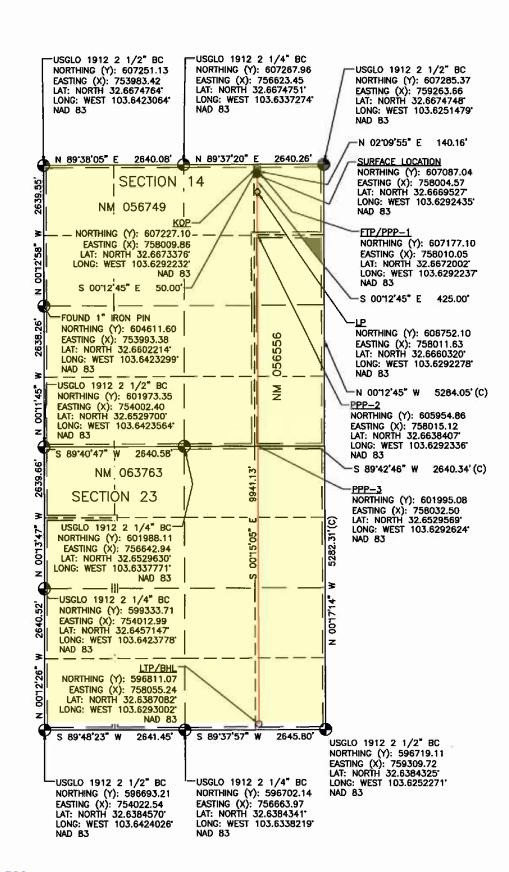
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FTP/PPP=1	100' FNL	1254' FEL								
LP	525' FNL	1254' FEL								
PPP-2	1322' FNL	1254' FEL								
PPP-3	O' FNL	1251' FEL								
LTP/BHI	100' FSI	1254' FEI								



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<u>C</u> -	C-102 State of M Energy, Minerals & Natur								l Resources Department				vised July 9, 2024	
	mit Elect OCD Pern					OIL CO	NSERVA	ATIOI	N DIVISION			Submittal Type:	☐ Am	tial Submittal nended Report Drilled
*						WE	ELL LOCA	ATION	INFORMATION	ſ				
API Number Pool Code 27230						Pool Name	Gem:	Bone S	Spring, E	East				
Prope	rty Code			Proper	ty Nan	ne	SAPPH	IIRE	FEDERAL C			5p8, 2		fumber 606H
OGRID No. Operator Name AVANT						ERATING, L				Groun	d Level Elevation 3702.1			
Surfac	200	State [Fee T	ribal 🗌	Federa	d	AVAIN		Mineral Owner:		Fee 🗌 Tri	bal 🗌 Feder	al	3702.1
							Surf	ace L	ocation					
UL.	Section	Township	Range	Lot		from N/S	Ft. from		Latitude			Longitude		County
Α	14	19 S	33 E		190	0 FNL	1240	FEL	32.66695	28° N	103.	6291785	s° W	LEA
UL	Section	Township	Range	Lot	174	from N/S	Bottom Ft. from		Location Latitude		_	Longitude		C
P	23	19 S	33 E			0 FSL	330		32.63870		103.6	262986	6° W	County LEA
Dedica	ted Acres					Infill or Def	ining Well	Defin	ing Well API	Overlann	ing Spaci	ng Unit (Y/1	N) Co	nsolidation Code
	128	0						20		overlapp.	ang opuci	ng ome (17)	.,	
Order	Numbers.								Well setbacks are	under Con	nmon Ow	nership: 🔲	Yes [] No
							Kick 0	ff Po	int (KOP)		12			
ΩL	Section	Township 19 S	Range 33 E	Lot		from N/S	Ft. from 330 l		32.66733	-	103.6	Longitude	70 VA/	County LEA
		., 0	00 L			/ 1 INL				/U IN	100.0	COLLO		LLA
UL	Section	Township	Range	Lot	Ft.	from N/S	First Te		oint (FTP) Latitude	В	1	Longitude		County
Α	14	19 S	33 E		100	FNL	330 I	FEL	32.66720	00° N	103.6	6262212	2° W	LEÁ
							Last Ta	ake P	oint (LTP)					
ՄL P	Section 23	Township		Lot		from N/S D FSL	530 I		32.63870		103.6	Longitude	5° W	County LEA
		1, 0	00 L		100	J I OL	000	I 	102.00070	70 14	100.0	7202900	J VV	LLA
Unitize	d Area or	Area of	Uniform In	terest		Spacing U	nit Type	\ Horize	ontal			Ground F	Toor Ele	vation:
OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division 9/24/2024					est of I	SURVEYOR (hereby certify the was plotted from for under my super- orrect to the best	at the well isld notes vision, and of my best	location of actual that the the that the the the that the the the the the the the the the th	shown on the sound	de by m	e			
Signat		ahan T	vvola		Dat	e			Signature and Seal o	of Profession	nal Surveyo	161		
Printe	Me d Name	ghan T	weie						Certificate Number	MA	Date of Su	rvey		
		mtwele	@outlo	ok.co	m				14031		4/10/2	30	1231	2024
E-ma	il Address								1011		.,, 2	//	07	1

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

Plat Revised: 9/18/24

LEGEND:

SURFACE LOCATION (SHL)

□ = KICK OFF POINT (KOP)

 $\Delta = FTP/PPP-1$

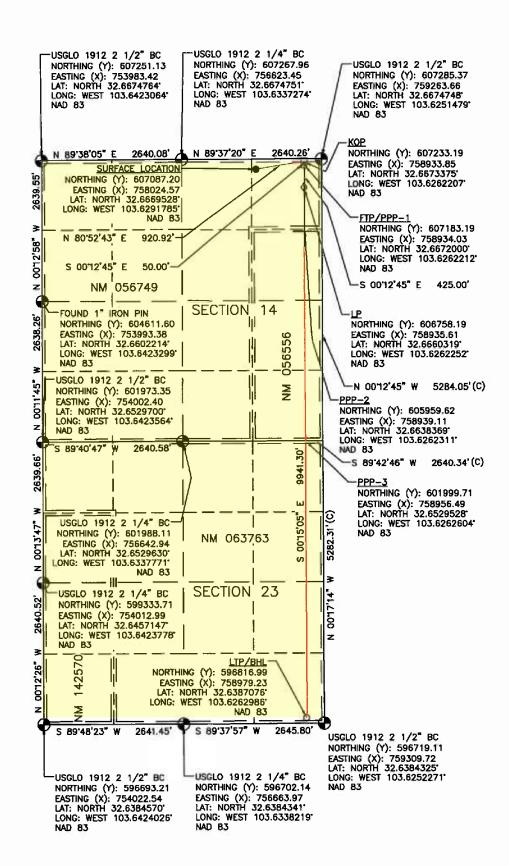
= LANDING POINT (LP)

O = LTP/BHL

FOUND MONUMENT

(C) = CALCULATED

FOOTAGES									
SHL	190' FNL	1240' FEL							
KOP	50' FNL	330' FEL							
FTP/PPP-1	100' FNL	330' FEL							
LP	525' FNL	330' FEL							
PPP-2	1324' FNL	330' FEL							
PPP-3	0° FNL	330' FEL							
LTP/BHL	100' FSL	330' FEL							

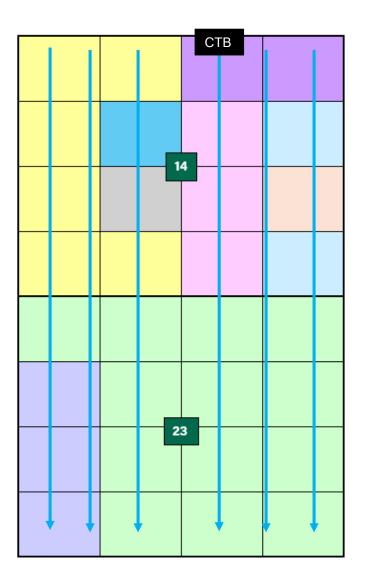


NOTE: BEARINGS AND DISTANCES SHOWN ARE REFERENCED TO THE NEW MEXICO COORDINATE SYSTEM, EAST ZONE, NAD 83, UNLESS OTHERWISE NOTED

Avant Operating, LLC Case No. 24849 Exhibit A-4



Tract Map with approx. well locations and Pool Codes



Tra	Tract		Lease
1		FED	NMNM 056556
2		FED	NMNM 056556
3		FED	NMNM 056749
4		FED	NMNM 056749
5		FED	NMNM 056749
6		FED	NMNM 056749
7		FED	NMNM 056749
8		FED	NMNM 063763
9		FED	NMNM 142570

FIRST BONE SPRING

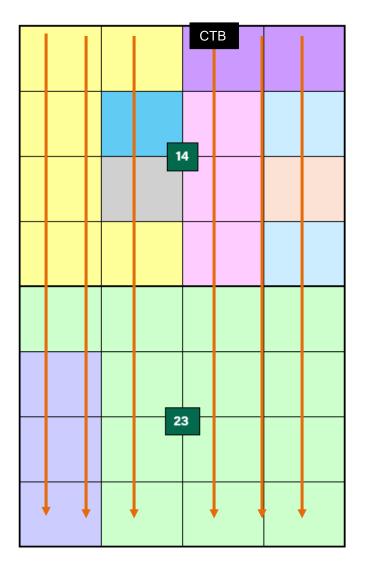
Well Name	Pool	Pool Code
Sapphire Federal Com #301H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #302H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #303H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #304H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #305H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #306H	Gem; Bone Spring, East Pool	27230



Avant Operating, LLC Case No. 24849 Exhibit A-4



Tract Map with approx. well locations and Pool Codes



Tra	Tract		Lease
1		FED	NMNM 056556
2		FED	NMNM 056556
3		FED	NMNM 056749
4		FED	NMNM 056749
5		FED	NMNM 056749
6		FED	NMNM 056749
7		FED	NMNM 056749
8		FED	NMNM 063763
9		FED	NMNM 142570

SECOND BONE SPRING

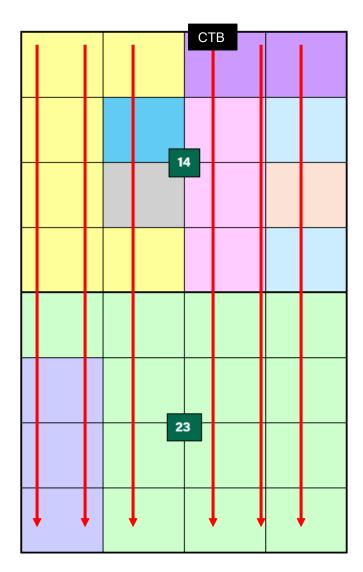
Well Name	Pool	Pool Code
Sapphire Federal Com #501H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #502H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #513H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #514H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #505H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #506H	Gem; Bone Spring, East Pool	27230



Avant Operating, LLC Case No. 24849 Exhibit A-4



Tract Map with approx. well locations and Pool Codes



Tra	ct	Туре	Lease
1		FED	NMNM 056556
2		FED	NMNM 056556
3		FED	NMNM 056749
4		FED	NMNM 056749
5		FED	NMNM 056749
6		FED	NMNM 056749
7		FED	NMNM 056749
8		FED	NMNM 063763
9		FED	NMNM 142570

THIRD BONE SPRING

Well Name	Pool	Pool Code
Sapphire Federal Com #601H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #602H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #603H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #604H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #605H	Gem; Bone Spring, East Pool	27230
Sapphire Federal Com #606H	Gem; Bone Spring, East Pool	27230

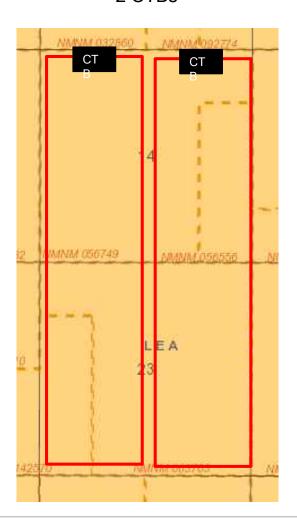


Avant Operating, LLC Case No. 24849 Exhibit A-4 continued

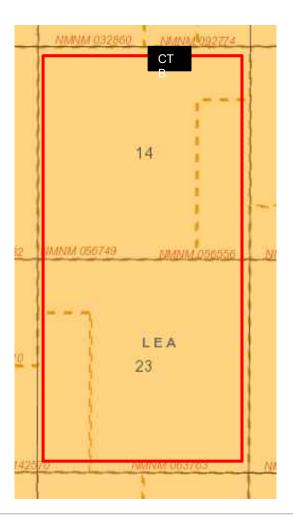


NSU reduces surface facilities and surface impacts

STANDARD UNIT DEVELOPMENT 2 CTBs



NON-STANDARD UNIT DEVELOPMENT 1 CTBs

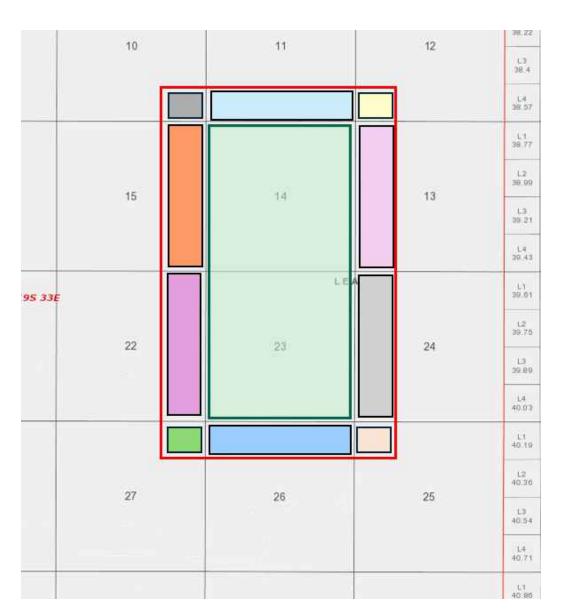




Non-Standard Unit Notice

Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H







LANDS	OWNER
T19S-R33E Sec 12	Permian Resources (OPR)
T19S-R33E Sec 13	Permian Resources (OPR)
T19S-R33E Sec22	Raybaw Operating, LLC
T19S-R33E Sec 24	Magnum Hunter Production Inc. (RT Owner)
T19S-R33E Sec 25	Coterra Energy
T19S-R33E Sec 25	Magnum Hunter Production Inc. (RT Owner)
T19S-R33E Sec 26	Cimarex Energy Co. (Unit OPR)
T19S-R33E Sec 26	Magnum Hunter Production Inc. (RT Owner)
T19S-R33E Sec 27	Devon Energy Production Company (RT Owner)
T19S-R33E Sec 27	MEC Development LTD (RT Owner)
T19S-R33E Sec 27	Occidental Permian LP
T19S-R33E Sec 27	Raybaw Operating, LLC
T19S-R33E Sec 10	Permian Resources (OPR)
T19S-R33E Sec 11	Earthstone Permian, LLC (OPR / RT OWNER)
T19S-R33E Sec 11	Eau Rouge, LLC (RT Owner)
T19S-R33E Sec 11	Maverick Oil & Gas Corp (RT Owner)
T19S-R33E Sec 11	Oxy USA, Inc (RT Owner)
T19S-R33E Sec 11	PXP Producing Co LLC (RT Owner)
	Burlington Resources Oil & Gas Company (RT Owner)
T19S-R33E Sec 15	COG Operating, LLC (OPR)



Avant Operating, LLC Case No. 24849 Exhibit A-5



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners to be Pooled:

UNIT BREAKOUT BY OWNER	Owner Type	NMA	Unit WI	Tract No.	Status
Avant Operating, LLC	WI	277.29	0.2166	1, 2, 3, 4, 5, 6, 7, 8, 9	OPERATOR
Legion Production Partners, LLC	WI	477.18	0.3728	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Double Cabin Minerals, LLC	WI	95.42	0.0746	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Cibolo Resources, LLC	WI	94.65	0.0739	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
T.H. McElvain Oil & Gas LLLP	WI	47.33	0.0370	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Devon Energy Production Company, L.P.	WI	3.33	0.0026	4	Uncommited - Compulsory Pool
Nuevo Seis Limited Partnership	WI	1.13	0.0009	1, 2, 4	JOA-Committed
Ball Oil and Gas, LLC	WI	0.22	0.0002	4	JOA-Committed
Community Minerals, LLC	WI	0.36	0.0003	4	Uncommited - Compulsory Pool
James K. Lusk and Martha Lusk Trust, James K. Lusk, Trustee	WI	0.22	0.0002	4	Uncommited - Compulsory Pool
WTI Energy Partners LLC	WI	0.36	0.0003	4	JOA-Committed
Lone Oak Capital LLC	WI	0.18	0.0001	4	JOA-Committed
Winn Investments, Inc.	WI	2.40	0.0019	1, 2	Uncommited - Compulsory Pool
Earthstone Permian, LLC	WI	24.19	0.0189	1	Uncommited - Compulsory Pool
Ellipsis Oil & Gas Inc.	WI	7.50	0.0059	1, 2	JOA-Committed
Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust Established under Trust Agreement dated 9/12/2005, as amended and restated	WI	12.00	0.0094	1, 2	JOA-Committed
Innoventions Inc.	WI	2.40	0.0019	1, 2	JOA-Committed
Williamson Enterprises	WI	1.88	0.0015	1, 2	JOA-Committed

Highlighted = Parties to be Pooled

Avant entities = 66.3979% Working Interest



Avant Operating, LLC Case No. 24849 Exhibit A-5



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners to be Pooled (continued):

UNIT BREAKOUT BY OWNER	Owner Type	NMA	Unit WI	Tract No.	Status
Hutchings Oil Company	WI	11.10	0.0087	1, 2	Uncommited - Compulsory Pool
PBEX, LLC	WI	5.69	0.0044	8	Uncommitted - Compulsory Pool
Capco Resource Corporation	WI	2.60	0.0020	8	Uncommitted - Compulsory Pool
MVDR Resources, LLC	WI	5.69	0.0044	8	Uncommitted— NOT being pooled at this time
Yates Energy Corporation	WI	23.87	0.0186	8	JOA-Committed
MRC Delaware Resources, LLC	WI	183.01	0.1430	8	Uncommitted - Compulsory Pool

Highlighted = Parties to be Pooled

Avant entities = 66.40% Working Interest

*Avant Operating, LLC, Legion Production Partners, LLC and Double Cabin Minerals, LLC are all Avant-controlled entities



Avant Operating, LLC Case No. 24849 Exhibit A-5 continued



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

Summary of Interests and Working Interest Owners Committed:

UNIT BREAKOUT BY OWNER	Owner Type	NMA	Unit WI	Tract No.	Status
Avant Operating, LLC	WI	277.29	0.2166	1, 2, 3, 4, 5, 6, 7, 8, 9	OPERATOR
Legion Production Partners, LLC	WI	477.18	0.3728	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Double Cabin Minerals, LLC	WI	95.42	0.0746	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Cibolo Resources, LLC	WI	94.65	0.0739	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
T.H. McElvain Oil & Gas LLLP	WI	47.33	0.0370	1, 2, 3, 4, 5, 6, 7, 8, 9	JOA-Committed
Nuevo Seis Limited Partnership	WI	1.13	0.0009	1, 2, 4	JOA-Committed
Ball Oil and Gas, LLC	WI	0.22	0.0002	4	JOA-Committed
WTI Energy Partners LLC	WI	0.36	0.0003	4	JOA-Committed
Lone Oak Capital LLC	WI	0.18	0.0001	4	JOA-Committed
Ellipsis Oil & Gas Inc.	WI	7.50	0.0059	1, 2	JOA-Committed
Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees of the DJS Trust Established under Trust Agreement dated 9/12/2005, as amended and restated	WI	12.00	0.0094	1, 2	JOA-Committed
Innoventions Inc.	WI	2.40	0.0019	1, 2	JOA-Committed
Williamson Enterprises	WI	1.88	0.0015	1, 2	JOA-Committed
Yates Energy Corporation	WI	23.87	0.0186	8	JOA-Committed

TOTAL: 1041.40 81.36%

*Avant Operating, LLC, Legion Production Partners, LLC and Double Cabin Minerals, LLC are all Avant-controlled entities



Avant Operating, LLC Case No. 24849 Exhibit A-5 continued



ALL of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico

ORRI Owners to be Pooled:

ORRI Owner	Tract No.
Legion Production Partners, LLC	1, 2, 8, 9
Avant Operating, LLC	1, 2, 8, 9
Double Cabin Minerals, LLC	1, 2, 8, 9
AmeriPermian Holdings, LLC	3, 4, 5, 6, 7,
COG Operating LLC	1, 2, 3, 4, 5,
	6, 7
Concho Oil & Gas LLC	3, 4, 5, 6, 7
Innoventions Inc.	1, 2
Cavin Trust, Sealy H. Cavin, Jr., Synda S. Cavin, and their successors, as Trustees under Trust Agreement dated 8/28/2013	1, 2
Bob G. Howell	1, 2
Lawrence Andersen	1, 2
Donna Andersen	1, 2
Clayton Andersen	1, 2
Show Goat Capital, LP	1, 2
Wing Resources VI, LLC	1, 2
Elk Range Royalties II, LP	1, 2
McMullen Minerals II LP	8
Pegasus Resources II, LLC	8
Colgate Royalties, LP	1
Jalapeno Corporation	8
Grewal (Royalty) LLC	8
SMP Sidecar Tital Mineral Holdings, LP	8
SMP Titan Mineral Holdings, LP	8
MSH Family Real Estate Partnership II, LLC	8
SMP Titan Flex, LP	8
Pegasus Resources, LLC	8
Chad Barbe	8
Oline E. Groves	8





June 27, 2024 resent via email 7.22,2024

Ball Oil & Gas LLC P.O. Box 1401 Roswell, NM 88202-1401

RE:

Sapphire 14 Fed Com 301H, 302H, 303H 304H, 305H, 306H

501H, 502H, 505H, 506H, 513H, 514H, 601H, 602H, 603H, 604H, 605H, 606H

ALL of Sections 14 & 23, Township 19 South, Range 33 East

Lea County, New Mexico

Dear Mr. Ball:

Earlier this year, Avant Operating, LLC ("Avant") proposed our two Sapphire Units separately, one covering the E2 and one covering the W2 640-acres. We have voluntarily dismissed our Compulsory Pooling hearing on June 13, 2024, so that we may pursue a non-standard 1280-acre unit. Please note that there are NO changes in Avant's below development plan or AFE costs, just the proposed unit size.

Given the above, Avant hereby proposes to drill and complete the Sapphire 14 Fed Com 301H, 302H, 303H 304H, 305H, 306H, 501H, 502H, 505H, 506H, 513H, 514H, 601H, 602H, 603H, 604H, 605H, 606H wells in Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, to test the Bone Spring Formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each d well and CTB is itemized on the enclosed Authority for Expenditure ("AFE") dated June 4, 2024.
- Sapphire 14 Fed Com #301H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 425' FNL, 1280' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #302H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 425' FNL, 1300' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1254' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #303H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 425' FNL, 1320' FWL and a proposed last take point and bottom

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hole location of Section 23-19S-33E at 100' FSL and 2178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.

- Sapphire 14 Fed Com #304H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 375' FNL, 1280' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 2178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #305H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 375' FNL, 1260' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #306H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 375' FNL, 1240' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 330' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 9,300' TVD and will be drilled horizontally to a Measured Depth of approximately 19,573'.
- Sapphire 14 Fed Com #501H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 265' FNL, 1280' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #502H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 265' FNL, 1300' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 1,254' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #505H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 215' FNL, 1430' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 1,254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #506H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 215' FNL, 1,410' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1,254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.

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- Sapphire 14 Fed Com #513H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 265' FNL, 1310' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 2,178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #514H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 215' FNL, 1450' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 2,178' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,150' TVD and will be drilled horizontally to a Measured Depth of approximately 20,423'.
- Sapphire 14 Fed Com #601H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 465' FNL and 1,280' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 330' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.
- Sapphire 14 Fed Com #602H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 465' FNL, 1,300' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 1,254' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'
- Sapphire 14 Fed Com #603H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 465' FNL and 1,320' FWL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 2,178' FWL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'
- Sapphire 14 Fed Com #604H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 190' FNL and 1,280' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 2,178' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.
- Sapphire 14 Fed Com #605H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 190' FNL, 1,260' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL and 1,254' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.



• Sapphire 14 Fed Com #606H: to be drilled from a legal location with a proposed surface hole location of Section 14-19S-33E at 190' FNL, 1,240' FEL and a proposed last take point and bottom hole location of Section 23-19S-33E at 100' FSL, 330' FEL. The Well will have a targeted interval within the Bone Spring formation at a depth of approximately 10,700' TVD and will be drilled horizontally to a Measured Depth of approximately 20,973'.

Avant reserves the right to modify the locations and drilling plans described above to address topography, cultural or environmental concerns, among other reasons.

Avant is proposing to drill the proposed wells under the terms of a modified 1989 AAPL form of Operating Agreement ("JOA") with the below general provisions, which will be provided at a later date.

- 100%/300%/300% non-consent penalty
- \$10,000/\$1000 drilling and producing monthly overhead rates
- Contract Area of ALL of Section 14-T19S-R33E and ALL of Section 23-T19S-R33E
- Avant Operating Company named as Operator
- This proposed Operating Agreement will supersede any and all existing Operating Agreements as to all depths on all horizontal wells drilled after the effective date of the JOA.

If your election is to participate in the drilling and completion of the wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

If you would like to discuss a farmout, an assignment of interest, an acreage trade or other form of agreement for your interests in the Subject Lands, please contact the undersigned. If we do not reach an agreement within thirty (30) days of receipt of these well proposals, Avant will file an application(s) with the New Mexico Oil Conservation Division to compulsory pool your interest into a spacing unit(s) for the proposed wells to promote the development of these lands.

Sincerely,

Tiffany Sarantinos Senior Landman

garantinos

Enclosures



Ball Oil & Gas LLC, hereby elects to:

V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #301H well.
N	ot to participate in the Sapphire 14 Fed Com #301H well.
	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #302H well.
N	ot to participate in the Sapphire 14 Fed Com #302H well.
v	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #303H well. ot to participate in the Sapphire 14 Fed Com #303H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #304H well. ot to participate in the Sapphire 14 Fed Com #304H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #305H well. ot to participate in the Sapphire 14 Fed Com #305H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #306H well. ot to participate in the Sapphire 14 Fed Com #306H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #501H well. ot to participate in the Sapphire 14 Fed Com #501H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #502H well. ot to participate in the Sapphire 14 Fed Com #502H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #505H well. ot to participate in the Sapphire 14 Fed Com #505H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #506H well. ot to participate in the Sapphire 14 Fed Com #506H well.
V	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #513H well. ot to participate in the Sapphire 14 Fed Com #513H well.

Avant Operating, LLC | 1515 Wynkoop Street, Suite #700 | Land Department | Denver, CO 80202



Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #514H well. Not to participate in the Sapphire 14 Fed Com #514H well.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #601H well. Not to participate in the Sapphire 14 Fed Com #601H well.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #602H well. Not to participate in the Sapphire 14 Fed Com #602H well.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #603H well. Not to participate in the Sapphire 14 Fed Com #603H well.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #604H well. Not to participate in the Sapphire 14 Fed Com #604H well.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #605H well. Not to participate in the Sapphire 14 Fed Com #605H well.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Avant Operating Company's Sapphire 14 Fed Com #606H well. Not to participate in the Sapphire 14 Fed Com #606H well.
Ball Oil & Gas LLC
Ву:
Printed Name:
Title:
Date:



AFE: NM0582 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #301H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8

County: Lea Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 425' FNL, 1280' FWL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 330' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #301H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



AFE: NM0582 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #301H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL:
 S14-T19S-R33E 425' FNL, 1280' FWL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100'FSL, 330' FWL
 Total Fluid (gal/ft):
 3000

TANGIBLE COSTS		Drilling	Completion	Facility	Total	
Tangible Drilling	angible Drilling		\$ 763,754	\$ -	\$ -	\$ 763,754
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,654
ĺ	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
ĺ	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
Tangible Completion	on	•	\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
1	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
l	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
ĺ	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
Tangible Facility		-	\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
1	8355,565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
i i	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
ĺ	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
ĺ	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
ĺ	8355,500	Vesse l s	\$ -	\$ -	\$ 253,200	\$ 253,200
l	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
ĺ	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
ĺ	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	TOTAL T	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,567

INTANGIBLE COSTS		Drilling	Completion	Facility	Total	
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,068,003
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,307
ĺ	8200,113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,542
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,112
	8200,168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,196
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
ĺ	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,168
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,572
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,512
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,291
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,212
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
İ	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$ 2,513
	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
İ	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,556
ĺ	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,636
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,966
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,194



ı r	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,978
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,076
-	8200,111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
!	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
Intangible Completi			s -	\$ 5,616,994	\$ -	\$ 5,616,994
Intangible complete	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
-	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
-	8300.277		s -	\$ 116,828	s -	\$ 116,828
-		Consulting Services	<u> </u>			
-	8300,275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.207	Fresh Water	\$ -	\$ 537,798		\$ 537,798
	8300.271	Coil Tubing	\$ -	\$ 113,093	\$ -	\$ 113,093
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
L	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
ļ	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
L	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300,248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
	8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
Ī	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
ľ	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
ľ	8300,250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
ľ	8300.210	Surface Rental Equip	s -	\$ 305,001	\$ -	\$ 305,00
ľ	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
F	8300.273	Flowback	s -	\$ 7,821	\$ -	\$ 7,82
Intangible Artificial	Lift	<u> </u>	s -	\$ 95,150	\$ -	\$ 95,150
,	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
	8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
-	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
-	8320.611	-	s -	\$ 10,000	\$ -	\$ 10,000
-		Trucking/Vacuum/Transportation	s -			
F	8320,625	Wellsite Supervision	<u> </u>		-	\$ 5,000
-	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	-	\$ 15,887
	8320,612	Kill Truck	\$ -	\$ 5,000		\$ 5,000
	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
Intangible Flowback			\$ -	\$ 341,344	\$ -	\$ 341,344
ļ	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
L	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
L	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
	8360,815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
Ì	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
ļ	8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
ŀ	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
ŀ	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
ŀ	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	
}	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
<u> </u>	8350,422	Flowline Labor	s -	\$ -	\$ 35,100	
}	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
}	8350.415	Engineering / Technical	s -	\$ -	\$ 38,700	\$ 38,70
	8350.403	Roads/Location	s -	\$ -	\$ 85,100	
-			ļ -	\$ -		
	8350.411	Safety & Environmental	\$ -			\$ 11,70
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	I OTAL INT	ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,39
	TOTAL P	ROJECT COSTS >>>	\$ 3,831,757	\$ 6,656,201		\$ 12,067,958
			Drilling	Completion	Facility	Total



OINT INTEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0583 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #302H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8
County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 425' FNL, 1300' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100'FSL, 1254' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #302H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



AFE: NM0583 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #302H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL:
 S14-T19S-R33E 425' FNL, 1300' FWL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100'FSL, 1254' FWL
 Total Fluid (gal/ft):
 3000

TANGIBLE COSTS		Drilling	Completion	Facility	Total	
Tangible Drilling	angible Drilling		\$ \$ 763,754 \$	\$ -	\$ -	\$ 763,75
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,83
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,65
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,79
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,47
Tangible Completi	ion	•	\$ -	\$ 602,713	\$ -	\$ 602,71
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,20
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325,719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,50
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
Tangible Facility	•		\$ -	\$ -	\$ 915,100	\$ 915,10
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,10
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,80
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,20
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,70
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,40
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,00
	8355,535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,50
	8355.500	Vesse l s	\$ -	\$ -	\$ 253,200	\$ 253,20
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,00
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,10
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,10
	TOTAL 1	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,56

INTANGIBLE COSTS		Drilling	Completion	Facility	Total	П	
Intangible Drilling	tangible Drilling		\$ 3,068,003	\$ -	\$ -	\$ 3,068,0)03
	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,1	196
ĺ	8200,115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,6	371
ĺ	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,8	382
İ	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,5	525
ĺ	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,1	194
ĺ	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,6	336
Ī	8200,106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,2	233
ĺ	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,5	572
İ	8200,127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,2	255
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,5	542
ĺ	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,2	263
Ī	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,8	337
ĺ	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,2	258
ĺ	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,1	168
ĺ	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,4	400
ĺ	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,5	556
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,9) 78
ĺ	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,9	966
[8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,9	975
ĺ	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,1	112
ĺ	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,4	115
ĺ	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,8	394
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,0)76
[8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,6	373
ĺ	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,8	394



	\$ 2,513	\$ -	\$ -	
Safety/Environmental				\$ 2,513
Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,291
Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,212
Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,307
Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,512
	\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,39
Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,23
Transportation	s -	\$ 5,263	\$ -	\$ 5,260
Water Transfer	\$	\$ 99,015	\$ -	\$ 99,016
Flowback	s -	\$ 7,821	s -	\$ 7,82
Coil Tubing	s <u>-</u>	\$ 113,093	\$ -	\$ 113,09
	<u> </u>			
Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,84
Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
Fresh Water	s -	\$ 537,798	\$ -	\$ 537,798
Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
Analysis	s -	\$ 9,473	\$ -	\$ 9,473
Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
Disposal	s -	\$ 19,004	\$ -	\$ 19,004
Chemicals	s -	\$ 419,703	\$ -	\$ 419,700
Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
	· ·			
Surface Rental Equip	\$ -	· · · · · · · · · · · · · · · · · · ·	\$ -	\$ 305,00
	\$ -	\$ 95,150	\$ -	\$ 95,150
Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,260
Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
<u> </u>	s -	\$ 341,344	\$ -	\$ 341,34
Well Testing / Flowback	s <u>-</u>	\$ 60,746	·	\$ 60,74
			ļ	
Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,40
Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,33
Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
	\$ -	\$ -	\$ 664,900	\$ 664,900
Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
Commissioning	s -	\$ -	\$ 3,500	\$ 3,50
Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,10
Electrical Labor	\$ -	\$ -	\$ 61,900	
Automation Labor	s <u>-</u>	\$ -	\$ 21,500	\$ 21,50
Supervision	\$ -	\$ -	\$ 29,600	\$ 29,60
	s -	\$ -	ļ	
Contingency	<u> </u>			\$ 75,20
Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,50
Safety & Environmental	\$ <u>-</u>	\$ -	\$ 11,700	\$ 11,70
Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,70
Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,10
Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,60
Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,50
TANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,39
	\$ 3,831,757			\$ 12,067,95
ROJECT COSTS >>>				Total
Trans	portation/Trucking LE COSTS >>>	portation/Trucking \$ - LE COSTS >>> \$ 3,068,003 \$ 3,831,757	portation/Trucking \$ - \$ - LE COSTS >>> \$ 3,068,003 \$ 6,053,488 \$ 3,831,757 \$ 6,656,201	portation/Trucking \$ - \$ - \$ 24,500 LE COSTS >> \$ 3,068,003 \$ 6,053,488 \$ 664,900 T COSTS >>> \$ 3,831,757 \$ 6,656,201 \$ 1,580,000



JINT INTERE	ST APPROVAL:		
Company:		Working Interest:	
Signature:		Date:	
Ву:			



AFE: NM0584 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #303H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8

County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 425' FNL, 1320' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100'FSL, 2178' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #303H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



AFE: NM0584 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #303H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL:
 S14-T19S-R33E 425' FNL, 1320' FWL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100'FSL, 2178' FWL
 Total Fluid (gal/ft):
 3000

TANGIBLE COSTS		Drilling	Completion	Facility	Total	
Tangible Drilling	angible Drilling		\$ \$ 763,754 \$	\$ -	\$ -	\$ 763,7
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,8
ı	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,6
ı	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,79
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,4
Tangible Completi	on		\$ -	\$ 602,713	\$ -	\$ 602,7
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,2
ı	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,0
ı	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,0
ı	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,0
ı	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,5
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,0
Tangible Facility			\$ -	\$ -	\$ 915,100	\$ 915,10
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,70
ı	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,4
ı	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,2
ı	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,0
ı	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,0
ı	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,2
ı	8355,565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,10
ı	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,10
ı	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,5
ı	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,10
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,8
	TOTAL T	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,5

INTANGIBLE COSTS		Drilling	Completion	Facility	Total	
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,068,003
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,572
ĺ	8200,104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,966
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,196
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,168
	8200,103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,512
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,112
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,978
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
İ	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$ 2,513
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,194
	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,291
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,307
	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,556
	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258



l í	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,076
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,542
				\$ -		
	8200.113	Damages/Row	\$ 7,894		\$ -	\$ 7,894
	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,212
	8200,162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,636
Intangible Complet	ion		\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.210	Surface Rental Equip	s -	\$ 305,001	\$ -	\$ 305,001
	8300,243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300,212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
-	8300.275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300,205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300,214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.271	Coil Tubing	s -	\$ 113,093	\$ -	\$ 113,093
l j	8300,232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
]	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
l j	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
	8300.207	Fresh Water	s -	\$ 537,798	\$ -	\$ 537,798
	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
	8300,250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.273	Flowback	s -	\$ 7,821	\$ -	\$ 7,821
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
Intangible Artificial		1	\$ -	\$ 95,150	\$ -	\$ 95,150
ļ ļ	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320,602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
İ	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
İ	8320,617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
İ	8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowbac			s -	\$ 341,344	\$ -	\$ 341,344
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
			ļ -			
}	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
,	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
]	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
ļļ	8360,845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
l j	8350.411	Safety & Environmental	s -	\$ -	\$ 11,700	\$ 11,700
	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	8350.415	Engineering / Technical	s -	\$ -	\$ 38,700	\$ 38,700
}	8350.404	Equipment Rental	\$ -	\$ -		\$ 31,000
}	8350.420	Electrical Labor	s -	\$ -		\$ 61,900
}	8350.410	Transportation/Trucking	s -	\$ -		
}			s -			
,	8350.403	Roads/Location	-	\$ -	\$ 85,100	\$ 85,100
]	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
ļ	8350.413	Contingency	\$ -	\$ -		\$ 75,200
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350,419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,391
	TOTA: 5	DO JECT CORTE >>>	\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
	IOIALP	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
·						·



JOINT INTEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
Ву:		



AFE: NM0591 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #304H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8
County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 375' FNL, 1280' FEL Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 2178' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #304H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



AFE: NM0591 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #304H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 375' FNL, 1280' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 375 FNL, 1280 FEL Total Proppant (ppr): 2500 Total Fluid (gal/ft): 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling			\$ 763,754	\$ -	\$ -	\$ 763,754
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,654
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
Tangible Complet	tion	•	\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325,719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
Tangible Facility			\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.500	Vesse l s	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355,520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	TOTAL 1	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,567

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total	
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,06	68,003
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 19	99,975
ĺ	8200,167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 24	42,291
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$	5,263
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 6	68,512
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$	7,894
	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$	2,513
	8200,103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 9	93,673
	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 4	45,636
ĺ	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 24	43,572
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 12	24,415
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 2	27,255
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$	2,400
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 1	10,112
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 18	87,966
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 80	06,307
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$	5,194
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 19	91,556
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 3	31,076
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 7	71,978
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$	7,894
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 11	10,882
ĺ	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 11	11,542
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 1	10,525
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 2	25,837
	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$	2,196



ı (8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
}	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,671
-	8200.115	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
-	8200.125				\$ -	
		Mud & Chemicals	*,	\$ -		*
	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,168
Intangible Complet		la	\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300,212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.271	Coil Tubing	\$ -	\$ 113,093	\$ -	\$ 113,093
	8300,214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
]	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.248	Mancamp	s -	\$ 21,324	\$ -	\$ 21,324
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
İ	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
İ	8300,209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
1	8300.220	Engineering & Supervision	s -	\$ 15,156	\$ -	\$ 15,156
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
	8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
}	8300.276	Fresh Water	s -	\$ 537,798	\$ -	\$ 537,798
	8300,207		s -		\$ -	
		Fuel	ļ -	\$ 683,704		\$ 683,704
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
Intangible Artificial			\$ -	\$ 95,150	\$ -	\$ 95,150
]]	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
]	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320,602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
İ	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320,611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
İ	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
Intangible Flowbac	k		s -	\$ 341,344	\$ -	\$ 341,344
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
i	8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
}	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
	8360.845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,400
!	8360.820	Well Testing / Flowback	s -	\$ 60,746	\$ -	\$ 60,746
Intangible Feeting	0300.820	Well resuling / Flowback	ļ -			
Intangible Facility	0055 ::-	To	\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.417	Overhead Power Labor	5 -	\$ -	\$ 24,600	
	8350.420	Electrical Labor	s -	\$ -		\$ 61,900
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
[8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
 	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
[8350.422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
Į j	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,200
]	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
 	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
]	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
ļ	8350,410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
		ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,391
			\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
1	TOTAL PI	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
						••••



OINT INTERE	ST APPROVAL:		
Company:		Working Interest:	
Signature:		Date:	
By:		_	



AFE: NM0592 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #305H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8
County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 375' FNL, 1260' FEL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100'FSL, 1254' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #305H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



AFE: NM0592 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #305H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 375' FNL, 1260' FEL
 Total Proppant (ppf): 2500

SHL: S14-119S-R33E 375' FNL, 1260' FEL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100'FSL, 1254' FEL Total Fluid (gal/ft): 3000

	TANGIBLE COSTS			Drilling	Completion	Facility	Total
Tangible Drilling	g		\$	763,754	\$	- \$ -	\$ 763,754
	8400.303	Production Casing	\$	515,654	\$	- \$ -	\$ 515,654
	8400,302	Intrm 1&2 Casing	\$	126,471	\$	- \$ -	\$ 126,471
	8400.340	Wellhead	\$	56,835	\$	- \$ -	\$ 56,835
	8400.301	Surface Casing	\$	64,795	\$	- \$ -	\$ 64,795
Tangible Compl	etion		\$	-	\$ 602,71	3 \$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$	-	\$ 44,20	5 \$ -	\$ 44,205
	8325.704	Downhole Artificial Lift Eqpt	\$	-	\$ 350,00	0 \$ -	\$ 350,000
	8325.705	ESP Equipment/Install	\$	-	\$ 40,00	0 \$ -	\$ 40,000
	8325,711	Wellhead Equipment	\$	-	\$ 63,50	8 \$ -	\$ 63,508
	8325,702	Tubing	\$	-	\$ 90,00	0 \$ -	\$ 90,000
	8325.719	Contract Labor Install	\$	-	\$ 15,00	0 \$ -	\$ 15,000
Tangible Facility	у .		\$	-	\$	- \$ 915,100	\$ 915,100
	8355.515	Flare	\$	-	\$	- \$ 32,000	\$ 32,000
	8355,525	Containment	\$	-	\$	- \$ 25,700	\$ 25,700
	8355.520	PVF	\$	-	\$	- \$ 146,000	\$ 146,000
	8355.555	Pump / Supplies	\$	-	\$	- \$ 87,200	\$ 87,200
	8355.500	Vessels	\$	-	\$	- \$ 253,200	\$ 253,200
	8355.535	Instrumentation / Meters	\$	-	\$	- \$ 60,500	\$ 60,500
	8355,540	Electrical Supplies	\$	-	\$	- \$ 68,800	\$ 68,800
	8355.550	Overhead Power Material	\$	-	\$	- \$ 53,100	\$ 53,100
	8355.510	Tanks	s	-	\$	- \$ 128,400	\$ 128,400
	8355.565	Flowline	s	-	\$	- \$ 49,100	\$ 49,100
	8355.530	Compressors	\$	-	\$	- \$ 11,100	\$ 11,100
	TOTAL	TANGIBLE COSTS >>>	\$	763,754	\$ 602,71	3 \$ 915,100	\$ 2,281,567

	INT	ANGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling		_	\$ 3,068,003	\$ -	\$ -	\$ 3,068,00
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,54
Ī	8200,124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,16
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,19
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,97
	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,30
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,07
	8200,144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,40
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,67
	8200,115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,67
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,83
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,41
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,51
Ī	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,21
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,89
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,11
	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,96
	8200.114	Disposal	\$ 191,556	\$ -	\$ -	\$ 191,55
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,97
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,26
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,57
	8200,162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,63
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,25
•	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,19
ļ	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,29
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,52



ı f	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.170	Well Control Ins.	\$ 7,894	\$ -	\$ -	
-					\$ -	
ļ ļ	8200.165	Safety/Environmental	-,	\$ -		
	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,233
Intangible Complet		1	\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
!	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
]	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.273	Flowback	s -	\$ 7,821	\$ -	\$ 7,821
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
İ	8300.232	Disposal	s <u>-</u>	\$ 19,004	\$ -	\$ 19,004
j j	8300,271	Coil Tubing	s -	\$ 113,093	\$ -	\$ 113,093
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
	8300,205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
	8300.207	Fresh Water	s -	\$ 537,798	\$ -	\$ 537,798
			s -			
!	8300,278	Roustabouts	ļ -	\$ 1,579	\$ -	- 1,010
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
Intangible Artificial		1	\$ -	\$ 95,150	\$ -	\$ 95,150
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
]	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
	8320,621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
[8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
Intangible Flowbac	k		\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
i i	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
]	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
 	8360.845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,400
Intangible Facility		<u>.</u>	s -	\$ -	\$ 664,900	\$ 664,900
	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	
}	8350.417	Overhead Power Labor	s -	\$ -		\$ 24,600
}	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
			s -	\$ -	\$ 222,500 \$ 75,200	\$ 222,500 \$ 75,200
	8350.413	Contingency				
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.410	Transportation/Trucking	\$ -	\$ -		\$ 24,500
] .	8350.415	Engineering / Technical	\$ -	\$ -		\$ 38,700
J	8350.422	Flowline Labor	\$ -	\$ -		\$ 35,100
]	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
]	8350.403	Roads/Location	\$ -	\$ -		\$ 85,100
[8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
	8350,421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,391
	TOTAL D	ROJECT COSTS >>>	\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
	IOIALPI	(COLO 1 COS 13 ***	Drilling	Completion	Facility	Total
			•	•		



JOINT INTEREST APPROVAL:		
Company:	Working Interest:	
Signature:	Date:	
Ву:		



AFE: NM0593 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #306H Projected MD/TVD: 19573/9300

Target: 1BS Spud to TD: 16.8

County: Lea Lateral Length: 10000

State: NM Stages: 64

SHL: S14-T19S-R33E 375' FNL, 1240' FEL Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 330' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire Federal Com #306H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 19573' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,831,757.11

COMPLETIONS: \$6,656,201.06

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,067,958.17



Total Fluid (gal/ft): 3000

AFE: NM0593 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #306H Projected MD/TVD: 19573/9300

 Target: 1BS
 Spud to TD: 16.8

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 375' FNL, 1240' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100'FSL, 330' FEL

	TAT	NGIBLE COSTS	Drilling	Completion	Facility	Total
Tangible Drilling			\$ 763,754	\$ -	\$ -	\$ 763,754
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
ĺ	8400.303	Production Casing	\$ 515,654	\$ -	\$ -	\$ 515,654
l	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
ĺĺ	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Completion	on	•	s -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	s -	\$ 44,205	\$ -	\$ 44,205
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
ĺ	8325.705	ESP Equipment/Install	s -	\$ 40,000	\$ -	\$ 40,000
ĺ	8325.719	Contract Labor Install	s -	\$ 15,000	\$ -	\$ 15,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
ĺ	8325.704	Downhole Artificial Lift Eqpt	s -	\$ 350,000	\$ -	\$ 350,000
Tangible Facility		-	\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.535	Instrumentation / Meters	s -	\$ -	\$ 60,500	\$ 60,500
	8355.530	Compressors	s -	\$ -	\$ 11,100	\$ 11,100
ĺ	8355.565	Flowline	s -	\$ -	\$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	s -	\$ -	\$ 53,100	\$ 53,100
ĺ	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
ĺ	8355.520	PVF	s -	\$ -	\$ 146,000	\$ 146,000
ĺ	8355.540	Electrical Supplies	s -	\$ -	\$ 68,800	\$ 68,800
l	8355.500	Vessels	s -	\$ -	\$ 253,200	\$ 253,200
	8355.510	Tanks	s -	\$ -	\$ 128,400	\$ 128,400
	8355.515	Flare	s -	\$ -	\$ 32,000	\$ 32,000
	8355.525	Containment	s -	\$ -	\$ 25,700	\$ 25,700
	TOTAL T	ANGIBLE COSTS >>>	\$ 763,754	\$ 602,713	\$ 915,100	\$ 2,281,567

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total	\neg
Intangible Drilling			\$ 3,068,003	\$ -	\$ -	\$ 3,068,	,003
	8200.165	Safety/Environmental	\$ 2,513	\$ -	\$ -	\$ 2,	,513
İ	8200,103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,	,673
İ	8200.106	Transportation	\$ 92,233	\$ -	\$ -	\$ 92,	,233
	8200.137	Casing Services	\$ 71,978	\$ -	\$ -	\$ 71,	,978
	8200.119	Mud-Auxiliary	\$ 31,076	\$ -	\$ -	\$ 31,	,076
İ	8200.168	Roustabout Services	\$ 2,196	\$ -	\$ -	\$ 2,	,196
	8200,169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,	,837
	8200.147	Drilling Overhead	\$ 5,194	\$ -	\$ -	\$ 5,	,194
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,	,894
	8200.117	Mud & Chemicals	\$ 175,212	\$ -	\$ -	\$ 175,	,212
İ	8200.102	Drilling - Daywork	\$ 806,307	\$ -	\$ -	\$ 806,	,307
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,	,525
İ	8200.162	Mancamp	\$ 45,636	\$ -	\$ -	\$ 45,	,636
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,	,263
	8200.116	Drill Bits & BHA	\$ 68,512	\$ -	\$ -	\$ 68,	,512
İ	8200.104	Fuel - Rig	\$ 187,966	\$ -	\$ -	\$ 187,	,966
	8200.143	Geological Services	\$ 10,112	\$ -	\$ -	\$ 10,	,112
İ	8200.167	Consulting Services	\$ 242,291	\$ -	\$ -	\$ 242,	,291
	8200.115	Mud-Drill Water	\$ 5,671	\$ -	\$ -	\$ 5,	,671
İ	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,	,415
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,	,258
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,	882
	8200.124	Equipment Rental	\$ 113,168	\$ -	\$ -	\$ 113,	,168
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,	,894
	8200.164	Solids Control & Closed Loop	\$ 111,542	\$ -	\$ -	\$ 111,	542



1 1	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
}						
	8200.114	Disposal		\$ -	-	\$ 191,556
	8200.128	Drilling - Directional	\$ 243,572	\$ -	\$ -	\$ 243,572
,	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
Intangible Complet	ion		\$ -	\$ 5,616,994	\$ -	\$ 5,616,994
	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300,248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
İ	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
i	8300,209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
	8300.250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
•	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
	8300.270		s -		\$ -	\$ 1,692,841
		Frac - Equipment				
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
l l	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
]	8300,273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
1	8300,212	Contract Labor	s -	\$ 10,678	\$ -	\$ 10,678
-	8300,271	Coil Tubing	s -	\$ 113,093	\$ -	\$ 113,093
			s -			
	8300.214	Perforating & Plugs	-	\$ 390,293	\$ -	\$ 390,293
! .	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
Intangible Artificial	Lift	ą.	\$ -	\$ 95,150	\$ -	\$ 95,150
	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320,625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
	8320,602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
1	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
Later of the Floridae		Nii Truck				
Intangible Flowbac		1	\$ -		\$ -	\$ 341,344
]	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
]	8360.815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
]	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
[8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
[8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
	8360.850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
Intangible Facility		,	ş <u>-</u>	\$ -	\$ 664,900	\$ 664,900
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
j ł	8350.413	Contingency	s -	\$ -		\$ 75,200
	8350.403	Roads/Location	\$ -	\$ -		\$ 85,100
}	8350.422	Flowline Labor	s -	\$ -		\$ 35,100
			s -	\$ -		
	8350.420	Electrical Labor				\$ 61,900
] .	8350.416	Supervision	\$ -	\$ -		\$ 29,600
	8350.411	Safety & Environmental	\$ -	\$ -		\$ 11,700
]	8350,410	Transportation/Trucking	\$ -	\$ -		\$ 24,500
	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
ſ	8350.419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,500
ļ Ī	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
]	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
j j	8350,418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	TOTAL INT	J ANGIBLE COSTS >>>	\$ 3,068,003	\$ 6,053,488	\$ 664,900	\$ 9,786,391
			\$ 3,831,757	\$ 6,656,201	\$ 1,580,000	\$ 12,067,958
I	TOTAL PI	ROJECT COSTS >>>	Drilling	Completion	Facility	Total

 $This \ Authority \ for \ Expenditure \ is \ based \ on \ cost \ estimates. \ Billing \ will \ reflect \ your \ proportionate \ share \ of \ the \ actual \ invoice \ costs.$



JINT INTEREST	I APPROVAL:		
Company:		Working Interest:	
Signature:		Date:	
By:			



AFE: NM0585 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #501H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3

County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 265' FNL, 1280' FWL

Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 330' FWL

Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #501H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0585 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #501H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 265' FNL, 1280' FWL
 Total Proppant (ppf): 2500

 SHL: S14-T19S-R33E 265' FNL, 1280' FWL
 Total Proppant (ppf): 2500

 BHL: S23-T19S-R33E 100' FSL, 330' FWL
 Total Fluid (gal/ft): 3000

	TANGIBLE COSTS			rilling	Completion	Facility	Total
Tangible Drilling			\$	776,700	\$ -	\$ -	\$ 776,700
	8400.340	Wellhead	\$	56,835	\$ -	\$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$	126,471	\$ -	\$ -	\$ 126,471
	8400.303	Production Casing	\$	528,600	\$ -	\$ -	\$ 528,600
	8400.301	Surface Casing	\$	64,795	\$ -	\$ -	\$ 64,795
Tangible Completion	on	•	\$	-	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$	-	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$	-	\$ 40,000	\$ -	\$ 40,000
	8325.702	Tubing	\$	-	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$	-	\$ 350,000	\$ -	\$ 350,000
	8325,711	Wellhead Equipment	\$	-	\$ 63,508	\$ -	\$ 63,508
	8325.719	Contract Labor Install	\$	-	\$ 15,000	\$ -	\$ 15,000
Tangible Facility	Tangible Facility		\$	-	\$ -	\$ 915,100	\$ 915,100
	8355.515	Flare	s	-	\$ -	\$ 32,000	\$ 32,000
	8355.535	Instrumentation / Meters	\$	-	\$ -	\$ 60,500	\$ 60,500
	8355.530	Compressors	\$	-	\$ -	\$ 11,100	\$ 11,100
	8355.555	Pump / Supplies	\$	-	\$ -	\$ 87,200	\$ 87,200
	8355.525	Containment	\$	-	\$ -	\$ 25,700	\$ 25,700
	8355.500	Vessels	\$	-	\$ -	\$ 253,200	\$ 253,200
	8355,540	Electrical Supplies	\$	-	\$ -	\$ 68,800	\$ 68,800
	8355.510	Tanks	\$	-	\$ -	\$ 128,400	\$ 128,400
	8355,565	Flowline	\$	-	\$ -	\$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	\$	-	\$ -	\$ 53,100	\$ 53,100
	8355.520	PVF	s	-	\$ -	\$ 146,000	\$ 146,000
	TOTAL T	ANGIBLE COSTS >>>	\$	776,700	\$ 602,713	\$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total	
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,09	97,328
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 9	93,811
i i	8200,114	Disposal	\$ 192,069	\$ -	\$ -	\$ 19	92,069
İ	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 7	72,089
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$	7,894
İ	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 24	46,443
İ	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 11	14,515
	8200,125	Inspection	\$ 45,258	\$ -	\$ -	\$ 4	45,258
İ	8200.115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$	5,718
İ	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 17	76,172
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 9	93,673
İ	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 19	90,965
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$	2,202
İ	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 1	10,525
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$	7,894
İ	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$	2,545
İ	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 19	99,975
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 1	10,157
İ	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$	2,400
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 11	13,092
İ	8200.119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 3	31,269
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$	5,272
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 81	18,273
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 11	10,882
	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$ 6	68,656
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 2	27,255



	0000 400	law a	I	T.	10	
!	8200.128	Drilling - Directional	\$ 246,815		\$ -	\$ 246,815
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
! !	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,996
Intangible Complet	tion		\$ -	\$ 5,620,118		\$ 5,620,118
]	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
[8300,203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
	8300.270	Frac - Equipment	s -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.271	Coil Tubing	\$ -	\$ 113,408	\$ -	\$ 113,408
1	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
l	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
İ	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
İ	8300,229	Transportation	s <u>-</u>	\$ 5,263	\$ -	\$ 5,263
İ	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
İ	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
1	8300.240	Pump Down Services	s -	\$ 101,040		\$ 101,040
;	8300.212	Contract Labor	s -	\$ 10,678	\$ -	\$ 10,678
1 }	8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
	8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
	8300.205				\$ -	
		Perforating & Plugs	-	\$ 390,293		\$ 390,293
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	-	\$ 43,391
	8300,207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
!	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300,210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.248	Mancamp	s -	\$ 21,324	\$ -	\$ 21,324
	8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
1 [8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
İ	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
l	8320,621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
i i	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
İ	8320,628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
Intangible Flowbac		I hope and a recent	s <u>-</u>	\$ 341,344	\$ -	\$ 341,344
, mangisto i jonisao	8360.845	Wellsite Supervision	s -	\$ 50,400		\$ 50,400
l			s -		\$ -	
	8360.850	Safety / Environmental	-			1,122
	8360.825	Rental Equipment	-	\$ 190,000	\$ -	\$ 190,000
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	-	\$ 14,334
ļ ļ	8360,820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464		\$ 21,464
Intangible Facility			s -	\$ -	\$ 664,900	\$ 664,900
ļ l	8350.419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,500
ļ [8350.422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,200
	8350.415	Engineering / Technical	s -	\$ -	\$ 38,700	\$ 38,700
i l		5g	ļ		\$ 11,700	\$ 11,700
	8350 /11	Safety & Environmental	S			
	8350.411 8350.421	Safety & Environmental	\$ - s -	\$ <u>-</u>		
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
	8350.421		\$ -	\$ - \$ 6,056,612	\$ 3,500 \$ 664,900	\$ 3,500 \$ 9,818,840
	8350.421 TOTAL INT	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500

JOINT INTEREST APPROVAL:



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0586 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #502H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3

County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 265' FNL, 1300' FWL

Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 1254' FWL

Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #502H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0586 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #502H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL:
 S14-T19S-R33E 265' FNL, 1300' FWL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 1254' FWL
 Total Fluid (gal/ft):
 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling	9		\$ 776,700	\$	- \$ -	\$ 776,700
	8400.301	Surface Casing	\$ 64,795	\$	- \$ -	\$ 64,795
	8400.303	Production Casing	\$ 528,600	\$	- \$ -	\$ 528,600
	8400.340	Wellhead	\$ 56,835	\$	- \$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$	- \$ -	\$ 126,471
Tangible Comple	etion	•	\$ -	\$ 602,71	3 \$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,20	5 \$ -	\$ 44,205
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,00	0 \$ -	\$ 350,000
l	8325.711	Wellhead Equipment	\$ -	\$ 63,50	8 \$ -	\$ 63,508
	8325.719	Contract Labor Install	\$ -	\$ 15,00	0 \$ -	\$ 15,000
l	8325,702	Tubing	\$ -	\$ 90,00	0 \$ -	\$ 90,000
	8325.705	ESP Equipment/Install	\$ -	\$ 40,00	0 \$ -	\$ 40,000
Tangible Facility		\$ -	\$	- \$ 915,100	\$ 915,100	
	8355.515	Flare	\$ -	\$	- \$ 32,000	\$ 32,000
	8355,565	Flowline	\$ -	\$	- \$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	\$ -	\$	- \$ 53,100	\$ 53,100
l	8355.530	Compressors	\$ -	\$	- \$ 11,100	\$ 11,100
	8355.525	Containment	\$ -	\$	- \$ 25,700	\$ 25,700
l	8355.555	Pump / Supplies	\$ -	\$	- \$ 87,200	\$ 87,200
	8355,500	Vessels	\$ -	\$	- \$ 253,200	\$ 253,200
l	8355.540	Electrical Supplies	\$ -	\$	- \$ 68,800	\$ 68,800
l	8355.510	Tanks	\$ -	\$	- \$ 128,400	\$ 128,400
	8355.535	Instrumentation / Meters	\$ -	\$	- \$ 60,500	\$ 60,500
	8355.520	PVF	\$ -	\$	- \$ 146,000	\$ 146,000
	TOTAL 1	FANGIBLE COSTS >>>	\$ 776,700	\$ 602,71	3 \$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Tota	ıl
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$	3,097,328
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$	2,202
ĺ	8200,115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$	5,718
	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$	190,965
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$	124,415
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$	45,996
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$	27,255
	8200,119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$	31,269
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$	199,975
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$	10,157
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$	176,172
	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$	246,443
	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$	25,837
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$	2,545
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$	5,272
	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$	68,656
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$	2,400
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$	7,894
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$	5,263
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$	7,894
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$	192,069
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$	246,815
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$	110,882
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$	72,089
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$	45,258
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$	114,515



	0000 400	law a .	Te 040.070	I .	T.	
	8200.102	Drilling - Daywork	\$ 818,273		\$ -	\$ 818,273
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
! !	8200.103	Drilling - Rig Move	\$ 93,673		\$ -	\$ 93,673
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
Intangible Complet	tion		\$ -	\$ 5,620,118		\$ 5,620,118
]	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
[8300,271	Coil Tubing	\$ -	\$ 113,408	-	\$ 113,408
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
1	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
İ	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
i i	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
İ	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
	8300.210	Surface Rental Equip	s -	\$ 305,001	\$ -	\$ 305,001
1	8300.275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
;	8300.207	Fresh Water	s -	\$ 537,798	\$ -	\$ 537,798
1 }	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
	8300.278			\$ 7,821	\$ -	\$ 7,821
	8300.273	Flowback	•			<u> </u>
		Frac - Equipment	-	\$ 1,692,841	\$ <u>-</u>	\$ 1,692,841
	8300.279	Completions Overhead	\$ -	\$ 2,808	-	\$ 2,808
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
!	8300.240	Pump Down Services	\$ -	\$ 101,040		\$ 101,040
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.212	Contract Labor	s -	\$ 10,678	\$ -	\$ 10,678
	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
1 [8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
İ	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
l	8320,605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
i i	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
İ	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
	8320.611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
	8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowbac		5.00.000	s -	\$ 341,344	\$ -	\$ 341,344
, mangisto i jonisao	8360.825	Rental Equipment	s <u>-</u>	\$ 190,000	ļ	\$ 190,000
l			S -			\$ 50,400
	8360.845	Wellsite Supervision	•		\$ <u>-</u>	
	8360.815	Trucking/Vacuum/Transp	-	\$ 14,334	-	\$ 14,334
	8360.850	Safety / Environmental	\$ -	\$ 4,400	-	\$ 4,400
ļ ļ	8360,820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464		\$ 21,464
Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
ļ l	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
ļ [8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	8350.422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
	8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
	8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
1	5555.757		s -	\$ -	\$ 85,100	\$ 85,100
į l	8350 403	Roads/Location				ψ UJ, IUU
	8350,403 8350,420	Roads/Location	ļ			\$ 61,000
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	
	8350.420		\$ - \$ 3,097,328	\$ - \$ 6,056,612	\$ 61,900 \$ 664,900	\$ 9,818,840
	8350.420 TOTAL INT	Electrical Labor	\$ -	\$ - \$ 6,056,612	\$ 61,900	

JOINT INTEREST APPROVAL:



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0595 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #505H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 215' FNL, 1430' FEL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 1254' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #505H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0595 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #505H Projected MD/TVD: 20423/10150

 Target:
 2BS
 Spud to TD:
 17.3

 County:
 Lea
 Lateral Length:
 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 215' FNL,
 1430' FEL
 Total Proppant (ppf):
 2500

BHL: S23-T19S-R33E 215' FNL, 1430' FEL Total Proppant (ppt): 2500

Total Fluid (gal/ft): 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling	g		\$ 776,700	\$	- \$ -	\$ 776,70
	8400.303	Production Casing	\$ 528,600	\$	- \$ -	\$ 528,60
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$	- \$ -	\$ 126,47
	8400.301	Surface Casing	\$ 64,795	\$	- \$	\$ 64,79
	8400.340	Wellhead	\$ 56,835	\$	- \$ -	\$ 56,83
Tangible Compl	etion		\$ -	\$ 602,71	3 \$ -	\$ 602,71
	8400.352	Wellhead & Equipment	\$ -	\$ 44,20	5 \$ -	\$ 44,20
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,00	0 \$ -	\$ 350,00
	8325.711	Wellhead Equipment	\$ -	\$ 63,50	8 \$ -	\$ 63,50
l	8325.702	Tubing	\$ -	\$ 90,00	0 \$ -	\$ 90,00
	8325,719	Contract Labor Install	\$ -	\$ 15,00	0 \$ -	\$ 15,00
	8325.705	ESP Equipment/Install	\$ -	\$ 40,00	0 \$ -	\$ 40,00
Tangible Facility		\$ -	\$	- \$ 915,100	\$ 915,10	
	8355.500	Vessels	\$ -	\$	- \$ 253,200	\$ 253,20
	8355,525	Containment	\$ -	\$	- \$ 25,700	\$ 25,70
	8355.540	Electrical Supplies	\$ -	\$	- \$ 68,800	\$ 68,80
l	8355.550	Overhead Power Material	\$ -	\$	- \$ 53,100	\$ 53,10
	8355.530	Compressors	\$ -	\$	- \$ 11,100	\$ 11,10
l	8355.510	Tanks	\$ -	\$	- \$ 128,400	\$ 128,40
	8355,565	Flowline	\$ -	\$	- \$ 49,100	\$ 49,10
l	8355.520	PVF	\$ -	\$	- \$ 146,000	\$ 146,00
	8355.555	Pump / Supplies	\$ -	\$	- \$ 87,200	\$ 87,20
	8355.515	Flare	\$ -	\$	- \$ 32,000	\$ 32,00
	8355.535	Instrumentation / Meters	\$ -	\$	- \$ 60,500	\$ 60,50
	TOTAL	TANGIBLE COSTS >>>	\$ 776,700	\$ 602,71	3 \$ 915,100	\$ 2,294,51

	INT	ANGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515
	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
•	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172
•	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
•	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
•	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,996
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,273
	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,965
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,815
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
j	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
j	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975



			T.,	Ta	T.	T.	<u> </u>
		8200.119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 31,269
March March Sample Sam				102,000			
1820,190 Au-clines S 28,07 S S S S S S S S S				<u> </u>			
Managable Compute				ļ			
BOX.02.20 Received S			Mud-Brine	 			
BIOLOCIAN BIOL	Intangible Complet	tion		s -			\$ 5,620,118
BR00274 Water Transfer]	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
BRUEZIO Sation Revealegap \$ \$ \$ \$ \$ \$ \$ \$ \$		8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
		8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
S00,025 Cention & Richard S		8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
B001214 Pedcarting & Flags \$ \$ \$ \$ \$ \$ \$ \$ \$		8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
		8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
		8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	İ	8300.279	Completions Overhead	s -	\$ 2,808	\$ -	\$ 2,808
		8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
B000,209 Chemicals Rental Equip S	İ	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
8300,229 Dominde Renal Equip 8300,229 Cal Turing S S S 113,408 S S S 133,40 8300,229 Cal Turing S S S S S S S S S	İ	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
8300,229 Dominde Renal Equip 8300,229 Cal Turing S S S 113,408 S S S 133,40 8300,229 Cal Turing S S S S S S S S S		8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
8300.271 Coli Tubing S S 113.40 S S 133.40	i			s -			
				<u> </u>			<u> </u>
B000,243 Analysis						ļ	
8000.207 Presh Water S S S S S S S S S				ļ ·			
B300,212 Contract Labor				<u> </u>			
8300,275 Fac - Sand S							
8300,270 Pump Down Services S							
B300,270 Frar - Equipment S				-			
Sangle S				<u> </u>			
Sand Brigineering & Supervision S				\$ -			\$ 1,692,841
Managible Artificial Lift S	ļ	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
8320,621 Rental Equipment S		8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
8320,625 Welliste Supervision S	Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
8320,628 Chemicals		8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
8320,605 Fuel / Power S		8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
		8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
8320.617 Contract Labor/Roustabout \$ \$ \$ \$ \$ \$ \$ \$ \$	İ	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
8320.612 Kill Truck		8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
8320.610 Inspection & Testing \$ - \$ \$ 4,000 \$ - \$ \$ 4,000 \$ \$ \$ \$ \$ \$ \$ \$ \$	İ	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
B30,602 Workover Rig	İ	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
S	İ	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
S	İ	8320.602		s -	\$ 30,000	\$ -	\$ 30,000
8360.815 Trucking/Vacuum/Transp \$ \$ \$ \$ \$ \$ \$ \$ \$	Intangible Flowbac	k		s -	\$ 341.344	\$ -	\$ 341,344
8360.820 Well Testing / Flowback \$ \$ \$ \$ \$ \$ \$ \$ \$			Trucking/Vacuum/Transp	s -		s <u>-</u>	
8360.825 Rental Equipment \$ \$ \$ \$ \$ \$ \$ \$ \$	i		-				
8360,805 Trucked Water Disposal \$ - \$ 21,444 \$ - \$ 21,444 \$ 21,444 \$ 21,444				s			
8360,845 Wellsite Supervision \$ - \$ \$ \$ \$ \$ \$ \$ \$				s			<u> </u>
Safety Environmental Safety Safety Environmental Safety Safet			·				
S							
8350.419	1.4	0.000.000	Salety / Environmental				
8350.421 Commissioning \$ - \$ - \$ 3,500 \$ 3,5 8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,6 8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,1 8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 31,0 8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,5 8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75,20 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,70 8350.427 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,60 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,90 8350.431 Roads/Location \$ - \$ - \$ 38,700 \$ 85,10 8350.440 Transportation/Trucking \$ - \$ - \$ 66,056,612 \$ 664,900 \$ 9,818,8 TOTAL INTANGIBLE COSTS>>>	Intangible Facility	2050 110	1				
8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600 8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,100 8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 31,000 8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,500 8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75,200 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.431 Roads/Location \$ - \$ - \$ 38,700 \$ 85,100 8350.435 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 8350.410 Transportation/Trucking \$ - \$ - \$ 60,56,612 \$ 664,900 \$ 9,818,8 TOTAL INTANGIBLE COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,3							
8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,10 8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 31,00 8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,50 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,20 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,70 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,60 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,90 8350.431 Roads/Location \$ - \$ - \$ 38,700 \$ 85,10 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,70 8350.410 Transportation/Trucking \$ - \$ - \$ 64,600 \$ 9,818,8 TOTAL INTANGIBLE COSTS>>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,3				ļ ·			*
8350.404 Equipment Rental \$ - \$ - \$ 31,000 \$ 31,000 8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,50 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,20 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,70 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,60 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,90 8350.431 Roads/Location \$ - \$ - \$ 85,100 \$ 85,10 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,70 8350.410 Transportation/Trucking \$ - \$ - \$ 60,56,612 \$ 664,900 \$ 9,818,8 TOTAL INTANGIBLE COSTS >>>							
8350.418 Mechanical Labor \$ - \$ - \$ 222,500 \$ 222,5 8350.413 Contingency \$ - \$ - \$ 75,200 \$ 75,2 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,7 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,6 8350.420 Electrical Labor \$ - \$ 5 - \$ 61,900 \$ 61,9 8350.433 Roads/Location \$ - \$ 5 - \$ 85,100 \$ 85,1 8350.415 Engineering / Technical \$ - \$ 5 - \$ 38,700 \$ 38,7 8350.410 Transportation/Trucking \$ - \$ 5 6,056,612 \$ 664,900 \$ 9,816,8 TOTAL INTANGIBLE COSTS >>>							
8350.413 Contingency \$ - \$ - \$ 75.20 \$ 75.20 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,70 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,60 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,90 8350.403 Roads/Location \$ - \$ - \$ 85,100 \$ 85,10 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,70 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,50 TOTAL INTANGIBLE COSTS >>> \$ 3,997,328 \$ 6,056,612 \$ 664,900 \$ 9,816,8 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,3		8350.404	Equipment Rental	\$ -			\$ 31,000
8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,70 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,60 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,90 8350.403 Roads/Location \$ - \$ - \$ 85,100 \$ 65,10 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,50 TOTAL INTANGIBLE COSTS >>> \$ 3,997,328 \$ 6,056,612 \$ 664,900 \$ 9,818,8 TOTAL PROJECT COSTS >>>	[8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,60 24,60 \$ 24,60 2		8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 \$ 61,9		8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
8350.403 Roads/Location \$ - \$ - \$ 85,100 \$ 85,1		8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
8350,415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,70		8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
8350,415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,70		8350.403	Roads/Location	\$ -	\$ -		\$ 85,100
8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,50				\$ -			
TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,8 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,3				\$			
TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,3				\$ 3.097.328			
TOTAL PROJECT COSTS >>>				ļ			
Stating Completion Facility (Otal		TOTAL P	ROJECT COSTS >>>				
				Lanning	Completion	I racinty	1 Juli

JOINT INTEREST APPROVAL:



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0596 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #506H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 215' FNL, 1410' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 330' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #506H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0596 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #506H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL:
 S14-T19S-R33E 215' FNL, 1410' FEL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 330' FEL
 Total Fluid (gal/ft):
 3000

TANGIBLE COSTS		Drilling	Completion	Facility	Total	
Tangible Drilling			\$ 776,700	\$	\$ -	\$ 776,700
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$	\$ -	\$ 126,471
	8400.303	Production Casing	\$ 528,600	\$	\$ -	\$ 528,600
	8400.340	Wellhead	\$ 56,835	\$	\$ -	\$ 56,835
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Completion		\$ -	\$ 602,713	\$ -	\$ 602,713	
	8400.352	Wellhead & Equipment	\$	\$ 44,205	\$ -	\$ 44,205
	8325.702	Tubing	\$	\$ 90,000	\$ -	\$ 90,000
	8325.705	ESP Equipment/Install	\$	\$ 40,000	\$ -	\$ 40,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325,719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325.704	Downhole Artificial Lift Eqpt	\$	\$ 350,000	\$ -	\$ 350,000
Tangible Facility		\$ -	\$	\$ 915,100	\$ 915,100	
	8355.515	Flare	\$	\$	\$ 32,000	\$ 32,000
	8355.500	Vessels	\$	\$	\$ 253,200	\$ 253,200
	8355.535	Instrumentation / Meters	\$ -	\$	\$ 60,500	\$ 60,500
	8355.525	Containment	\$	\$ -	\$ 25,700	\$ 25,700
	8355.510	Tanks	\$ -	\$	\$ 128,400	\$ 128,400
	8355.540	Electrical Supplies	\$	\$	\$ 68,800	\$ 68,800
	8355,530	Compressors	\$	\$	\$ 11,100	\$ 11,100
	8355.565	Flowline	\$ -	\$	\$ 49,100	\$ 49,100
	8355.550	Overhead Power Material	\$	\$	\$ 53,100	\$ 53,100
	8355.555	Pump / Supplies	\$ -	\$	\$ 87,200	\$ 87,200
	8355.520	PVF	\$	\$	\$ 146,000	\$ 146,000
	TOTAL T	ANGIBLE COSTS >>>	\$ 776,700	\$ 602,713	\$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172
İ	8200,147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
İ	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$ 5,718
İ	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200,170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,069
	8200,102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,273
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
İ	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
İ	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
İ	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,815
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
İ	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
İ	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
İ	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,996



B000112		8200.119	I Novel Acceptions	B 04.000	 \$ -	T.c.	\$ 31,269
2001119 10000000 Resp. Conductor 2 144 2 3 4 5 5 5 5 5 5 5 5 5	ŀ		Mud-Auxiliary	\$ 31,269		\$ -	
BOOLS Methods 8 BW S S S S S S S S S							
1000,000 1000,000				<u> </u>	Ļ		
Marchiste	ļ ļ						
BBBILIZE Belancia			Fuel - Rig		ļ		
	Intangible Completi			\$ -			
]	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
		8300,250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
		8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
		8300,220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
		8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
	ĺ	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
		8300.279	Completions Overhead	s -	\$ 2,808	\$ -	\$ 2,808
	İ	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
	İ	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	İ	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
	İ	8300,214	Perforating & Plugs	s -	\$ 390,293	\$ -	\$ 390,293
Marche				s -			
Biological Perior Water S	 			·			
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B000,270 Sufery & Environmental S S S S S S S S S				ļ <u>.</u>	Ļ	ļ	
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B300,248				, ·			
	.						
Mathematical Mat				ļ		*	
				\$ -	<u> </u>	ļ	
		8300.212	Contract Labor	s -	\$ 10,678	-	\$ 10,678
		8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
Managible Artificial Lift		8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
] [8300.275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
	Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
		8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
	ĺ	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
Rental Equipment S	İ	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
Rental Equipment S	İ	8320,611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
8320.517 Contract Labor/Roustabout \$ \$ \$ \$ \$ \$ \$ \$ \$		8320.621		s -	\$ 15.000	\$ -	\$ 15.000
B320.812 Kill Truck	l						
B320.628 Chemicals S				s -			
Saccion Sacc	ŀ			c	ļ		
Intangible Flowback	!						
8360.825 Rental Equipment \$	Intensible Flauber		Inspection & results				
Ba960.845 Wellsite Supervision S	Intangible Flowbaci		In outs to out	ļ			
Ba60,850 Safety / Environmental S				-			
Sa60,820 Well Testing / Flowback \$ \$ \$ \$ \$ \$ \$ \$ \$.			ļ*	ļ		
R8360.805			· ·				
Name	<u> </u>			ļ <u>.</u>			
Sample Facility	ļ ļ						
8350.410 Transportation/Trucking \$ - \$ - \$ - \$ 24.500 \$ 24.500		8360.815	Trucking/Vacuum/Transp	\$ -			
8350.403 Roads/Location \$ - \$ - \$ 85,100 \$ 85,100 \$ 85,100 \$ 85,100 \$ 835,400 \$ 835,400 \$ 835,401 \$ 835,417 \$ \$ \$ \$ \$ \$ \$ \$ \$	Intangible Facility						\$ 664,900
8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.421 Commissioning \$ - \$ - \$ - \$ 5 - \$ 3,500 \$ 3,500 8350.411 Safety & Environmental \$ - \$ - \$ - \$ 11,700 \$ 11,700 8350.419 Automation Labor \$ - \$ - \$ - \$ 11,700 \$ 11,700 8350.419 Automation Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 8350.422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,100 8350.413 Contingency \$ - \$ - \$ - \$ 5 - \$ 1,580,000 \$ 9,818,840 TOTAL INTANGIBLE COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352 TOTAL PROJECT COSTS >> \$ 3,874,027 \$		8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
8350.417 Overhead Power Labor \$ - \$ - \$ \$ 24,600 \$ 24,600	 	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
B350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,7		8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
8350.420 Electrical Labor \$ - \$ - \$ \$ 61,900 \$ 61,900		8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900		8350.415	Engineering / Technical	s -	\$ -	\$ 38,700	\$ 38,700
8350.421 Commissioning \$ - \$ - \$ - \$ 3.500 \$ 3.5	j t	8350.420		s -	\$ -	\$ 61,900	\$ 61,900
8350.411 Safety & Environmental S							
8350.419			_				
8350.418 Mechanical Labor \$ - \$ - \$ \$ 222,500 \$ 222,500							
8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000				<u> </u>			
8350,422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,10	·			ļ ·			
8350.413 Contingency \$ \$ \$ \$ \$ 75.200 \$ 75.200 TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL PROJECT COSTS>>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352							
TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,840 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352							
TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352	<u> </u>			ļ			
TOTAL PROJECT COSTS >>>	TOTAL INTANGIBLE COSTS >>>			, ,,,,,,			
Drilling Completion Facility Total		TOTAL P	ROJECT COSTS >>>				
				Drilling	Completion	Facility	Total



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0587 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #513H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 265' FNL, 1320' FWL

Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 2178' FWL

Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #513H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0587 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #513H Projected MD/TVD: 20423/10150

 Target: 2BS
 Spud to TD: 17.3

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 265' FNL, 1320' FWL
 Total Proppant (ppf): 2500

SHL: S14-T19S-R33E 265' FNL, 1320' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100' FSL, 2178' FWL Total Fluid (gal/ft): 3000

TANGIBLE COSTS		Drilling	Completi	on	Facility	Total	
Tangible Drilling	g		\$ 776,700	\$		\$ -	\$ 776,700
	8400.301	Surface Casing	\$ 64,795	\$	-	\$ -	\$ 64,795
	8400.340	Wellhead	\$ 56,835	\$	-	\$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$	-	\$ -	\$ 126,471
	8400.303	Production Casing	\$ 528,600	\$	-	\$ -	\$ 528,600
Tangible Completion		\$ -	\$	602,713	\$ -	\$ 602,713	
	8400.352	Wellhead & Equipment	\$ -	\$	44,205	\$ -	\$ 44,205
	8325.719	Contract Labor Install	\$ -	\$	15,000	\$ -	\$ 15,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$	350,000	\$ -	\$ 350,000
	8325,711	Wellhead Equipment	\$ -	\$	63,508	\$ -	\$ 63,508
	8325,702	Tubing	\$ -	\$	90,000	\$ -	\$ 90,000
	8325.705	ESP Equipment/Install	\$ -	\$	40,000	\$ -	\$ 40,000
Tangible Facility		\$ -	\$	-	\$ 915,100	\$ 915,100	
	8355.535	Instrumentation / Meters	\$ -	\$	-	\$ 60,500	\$ 60,500
	8355,525	Containment	\$ -	\$	-	\$ 25,700	\$ 25,700
	8355.520	PVF	\$ -	\$	-	\$ 146,000	\$ 146,000
	8355.500	Vessels	\$ -	\$	-	\$ 253,200	\$ 253,200
	8355.515	Flare	\$ -	\$	-	\$ 32,000	\$ 32,000
	8355.565	Flowline	\$ -	\$	-	\$ 49,100	\$ 49,100
	8355,540	Electrical Supplies	\$ -	\$	-	\$ 68,800	\$ 68,800
	8355.555	Pump / Supplies	\$ -	\$	-	\$ 87,200	\$ 87,200
	8355,510	Tanks	\$ -	\$	-	\$ 128,400	\$ 128,400
	8355.550	Overhead Power Material	\$ -	\$	-	\$ 53,100	\$ 53,100
	8355.530	Compressors	\$ -	\$	-	\$ 11,100	\$ 11,100
	TOTAL	FANGIBLE COSTS >>>	\$ 776,700	\$	602,713	\$ 915,100	\$ 2,294,513

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,328
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,157
İ	8200,168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,202
İ	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,273
	8200.115	Mud-Drill Water	\$ 5,718	\$ -	\$ -	\$ 5,718
	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,272
	8200,103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,092
	8200,119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 31,269
	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,815
İ	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,515
	8200.137	Casing Services	\$ 72,089	\$ -	\$ -	\$ 72,089
İ	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,545
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,882
İ	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$ 68,656
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
İ	8200.169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,837
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
İ	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.167	Consulting Services	\$ 246,443	\$ -	\$ -	\$ 246,443
	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,965
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,811
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,172



		1	Τ.	T.	f	
	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,996
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.152	Well Control Ins.	\$ 7,894	\$ -	-	\$ 7,894
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,069
Intangible Complet		1	\$ -	\$ 5,620,118	\$ -	\$ 5,620,118
	8300.279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
	8300,276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.232	Disposal	3 -	\$ 19,004	\$ -	\$ 19,004 \$ 683,704
	8300.203	Fuel	\$ -	\$ 683,704	-	
	8300.273	Flowback		\$ 7,821	\$ -	\$ 7,821
	8300.205	Location & Roads	\$ -	\$ 5,288	-	\$ 5,288
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
	8300.248	Mancamp	\$ -	\$ 21,324	\$ <u>-</u>	\$ 21,324
	8300.278	Roustabouts	\$ -	\$ 1,579 \$ 113,408	\$ -	\$ 1,579 \$ 113,408
	8300.271	Coil Tubing	•		\$ <u>-</u>	
	8300.212	Contract Labor		\$ 10,678	\$ <u>-</u>	
	8300.229	Transportation	\$ -	\$ 5,263 \$ 419,703	\$ - \$ -	\$ 5,263 \$ 419,703
	8300,209	Chemicals	\$ -	<u> </u>		
	8300.240	Pump Down Services	s -	\$ 101,040 \$ 99,015	\$ - \$ -	\$ 101,040 \$ 99,015
	8300.274 8300.210	Water Transfer Surface Rental Equip	\$ -	\$ 99,015	\$ -	\$ 305,001
ļ .	8300.277	Consulting Services	S	\$ 116,828	\$ -	\$ 116,828
Intangible Artificial		Consularing Services	\$ -	\$ 95,150	\$ -	\$ 95,150
Intangible Artificial	8320.605	Fuel / Power	s	\$ 5,263	\$ -	\$ 5,263
	8320.628	Chemicals	S -	\$ 5,000	\$ -	\$ 5,000
	8320.612	Kill Truck	°	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	s	\$ 15,000	\$ -	\$ 15,000
	8320,611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
	8320,617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
Intangible Flowbac		Transfer and	s -	\$ 341,344	\$ -	\$ 341,344
	8360.845	Wellsite Supervision	s <u>-</u>	\$ 50,400	\$ -	\$ 50,400
i	8360.820	Well Testing / Flowback	ls -	\$ 60,746	\$ -	\$ 60,746
	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
	8360,815	Trucking/Vacuum/Transp	s <u>-</u>	\$ 14,334	\$ -	\$ 14,334
	8360,850	Safety / Environmental	s <u>-</u>	\$ 4,400	\$ -	\$ 4,400
	8360.825	Rental Equipment	s -	\$ 190,000		\$ 190,000
Intangible Facility		1	s -	\$ -	\$ 664,900	\$ 664,900
J	8350.403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350,420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
	TOTAL IN	FANGIBLE COSTS >>>	\$ 3,097,328	\$ 6,056,612	\$ 664,900	\$ 9,818,840
	TC	DO IFOT COSTS >	\$ 3,874,027	\$ 6,659,325	\$ 1,580,000	\$ 12,113,352
İ	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
·					L	·



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0594 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #514H Projected MD/TVD: 20423/10150

Target: 2BS Spud to TD: 17.3

County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 215' FNL, 1450' FEL Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 2178' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #514H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20423' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,874,027.40

COMPLETIONS: \$6,659,324.81

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,113,352.21



AFE: NM0594 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #514H Projected MD/TVD: 20423/10150

 Target:
 2BS
 Spud to TD:
 17.3

 County:
 Lea
 Lateral Length:
 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 215' FNL,
 1450' FEL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL,
 2178' FEL
 Total Fluid (gal/ft):
 3000

TANGIBLE COSTS		Drilling	Completion	Facility	Total	
Tangible Drilling		_	\$ 776,700	\$ -	\$ -	\$ 776,700
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
	8400.303	Production Casing	\$ 528,600	\$ -	\$ -	\$ 528,600
Tangible Completion		\$ -	\$ 602,713	\$ -	\$ 602,713	
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
Tangible Facility		\$ -	\$ -	\$ 915,100	\$ 915,100	
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,200
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355,530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
TOTAL TANGIBLE COSTS >>>		\$ 776,700	\$ 602,713	\$ 915,100	\$ 2,294,513	

	INT	ANGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,097,328	\$ -	\$ -	\$ 3,097,32
	8200.165	Safety/Environmental	\$ 2,545	\$ -	\$ -	\$ 2,54
Ī	8200,169	Mud-Brine	\$ 25,837	\$ -	\$ -	\$ 25,83
	8200.117	Mud & Chemicals	\$ 176,172	\$ -	\$ -	\$ 176,17
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,52
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,40
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,25
	8200,113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,89
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,89
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,67
•	8200.162	Mancamp	\$ 45,996	\$ -	\$ -	\$ 45,99
	8200.164	Solids Control & Closed Loop	\$ 113,092	\$ -	\$ -	\$ 113,09
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,25
Ī	8200.106	Transportation	\$ 93,811	\$ -	\$ -	\$ 93,81
	8200.170	Mud-Diesel	\$ 110,882	\$ -	\$ -	\$ 110,88
	8200.114	Disposal	\$ 192,069	\$ -	\$ -	\$ 192,06
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,97
•	8200.124	Equipment Rental	\$ 114,515	\$ -	\$ -	\$ 114,51
	8200.102	Drilling - Daywork	\$ 818,273	\$ -	\$ -	\$ 818,27
•	8200.147	Drilling Overhead	\$ 5,272	\$ -	\$ -	\$ 5,27
	8200.168	Roustabout Services	\$ 2,202	\$ -	\$ -	\$ 2,20
•	8200.116	Drill Bits & BHA	\$ 68,656	\$ -	\$ -	\$ 68,65
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,41
•	8200.128	Drilling - Directional	\$ 246,815	\$ -	\$ -	\$ 246,81
ļ	8200.104	Fuel - Rig	\$ 190,965	\$ -	\$ -	\$ 190,96
	8200.143	Geological Services	\$ 10,157	\$ -	\$ -	\$ 10,15



Month	ı (0000 440	T	Ta	T.	T.	
Manual Manual		8200.119	Mud-Auxiliary	\$ 31,269	\$ -	\$ -	\$ 31,269
				12,000			
1800.119 MacDit Wood 1				<u> </u>			
Internage Company Co				ļ			
BSD2214 Performing A Regard S S S S S S S S S			Mud-Drill Water	 			
MICHAELES Monosel	Intangible Complet	ion		s -			\$ 5,620,118
\$2,000.2009 Temperatation \$ \$ \$ \$ \$ \$ \$ \$ \$]	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
B0002361		8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
R8002272 Control Libra S		8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
MOVILATE Content Labor S S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S 1,007 S S 1,007 S S S S S S S S S		8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
		8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
		8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
		8300.250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
800,029 Fuer Center	İ	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
		8300.277	Consulting Services	s <u>-</u>	\$ 116,828	\$ -	\$ 116,828
	İ	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	İ	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
			Pump Down Services	s -		\$ -	\$ 101,040
8300,279 Completions Overhead S	i i			s -			
				<u> </u>			<u> </u>
				ļ ·		ļ	
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				<u> </u>			·
B300,288							
Residence							
S300,273 Flowback S			ļ	ļ ·		ļ	
Bassing Frac - Equipment S S S 1,692,841 S S 1,016,224				<u> </u>			
March Sacol Saco		8300.273	Flowback	\$ -			
Managible Antificial Lift	ļ	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
8320,621 Rental Equipment \$ \$ \$ \$ \$ \$ \$ \$ \$		8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
8320,602 Workover Rig	Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
8320,605 Fuel / Power \$ \$ \$ \$ \$ \$ \$ \$ \$		8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
		8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
8320,617 Contract Labor/Roustabout \$ \$ \$ \$ \$ \$ \$ \$ \$		8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
8320,628 Chemicals \$ \$ \$ \$ \$ \$ \$ \$ \$	İ	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
8320.625 Wellsite Supervision \$ 5 5 5 5 5 5 5 5 5		8320,617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
8320,625 Wellsite Supervision \$ \$ \$ \$ \$ \$ \$ \$ \$	i	8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
8320.610 Inspection & Testing \$		8320,625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
B320,612 Kill Truck				s -	\$ 4.000	\$ -	\$ 4,000
S							
8360,820 Vell Testing / Flowback \$	Intangible Flowbac						
8360.805 Trucked Water Disposal \$ \$ \$ \$ \$ \$ \$ \$ \$,mangisje i jenisae		Well Testing / Flowback			ļ	
B360.825 Rental Equipment S							
8360,845 Wellstle Supervision \$ \$ \$ \$ \$ \$ \$ \$ \$				•		ļ	
8360,815 Trucking/Vacuum/Transp S				9			<u> </u>
Safety Environmental S				*			
S	ļ ļ						
8350.404 Equipment Rental \$ - \$ - \$ - \$ 31,000 \$ 31,000 \$ 31,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 331,000 \$ 335		8360.850	Safety / Environmental				
8350.403 Roads/Location \$ - \$ - \$ 85,100 \$ 85,100 8350.410 Transportation/Trucking \$ - \$ - \$ 24,500 \$ 24,500 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.421 Commissioning \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 38,700	Intangible Facility						
8350.410 Transportation/Trucking \$ - \$ 24,500 \$ 24,500 8350.417 Overhead Power Labor \$ - \$ - \$ 24,600 \$ 24,600 8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600 8350.421 Commissioning \$ - \$ - \$ - \$ 222,500 \$ 229,600 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 75,200 \$ 75,200 <td< td=""><td>Į Į</td><td></td><td>Equipment Rental</td><td>\$ -</td><td></td><td></td><td></td></td<>	Į Į		Equipment Rental	\$ -			
8350.417 Overhead Power Labor \$ - \$ - \$ - \$ 24,600 \$ 24,600 8350.411 Safety & Environmental \$ - \$ - \$ - \$ 11,700 \$ 11,700 8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600 8350.421 Commissioning \$ - \$ - \$ - \$ 3,500 \$ 3,500 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ 5 - \$ 21,500 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ 5 - \$ 35,100 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ 5 - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS>>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 9,818,844		8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
8350.411 Safety & Environmental \$ - \$ - \$ 11,700 \$ 11,700 8350.420 Electrical Labor \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600 8350.421 Commissioning \$ - \$ - \$ - \$ 3,500 \$ 3,500 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$	[8350.410	Transportation/Trucking	\$ -	\$ -	\$ 24,500	\$ 24,500
8350.420 Electrical Labor \$ - \$ - \$ - \$ 61,900 \$ 61,900 8350.416 Supervision \$ - \$ - \$ - \$ 29,600 \$ 29,600 8350.421 Commissioning \$ - \$ - \$ - \$ 3,500 \$ 3,500 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ 5 - \$ 64,900 \$ 9,818,844 TOTAL INTANGIBLE COSTS >>> 5 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352		8350.417	Overhead Power Labor	\$ -	\$	\$ 24,600	\$ 24,600
8350.416 Supervision \$ - \$ - \$ 29,600 \$ 29,600 8350.421 Commissioning \$ - \$ - \$ - \$ 3,500 \$ 3,500 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ 5 - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,844 TOTAL PROJECT COSTS>>>		8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
8350.421 Commissioning \$ - \$ - \$ - \$ 3,500 \$ 3,500 8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS>>> 5 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352		8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,844 TOTAL PROJECT COSTS>>>	j i	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
8350.418 Mechanical Labor \$ - \$ - \$ - \$ 222,500 \$ 222,500 8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,844 TOTAL PROJECT COSTS>>>				\$ -			
8350.415 Engineering / Technical \$ - \$ - \$ - \$ 38,700 \$ 38,700 8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,844 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,355							
8350.413 Contingency \$ - \$ - \$ - \$ 75,200 \$ 75,200 8350.419 Automation Labor \$ - \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,844 TOTAL PROJECT COSTS							
8350.419 Automation Labor \$ - \$ - \$ 21,500 \$ 21,500 8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS>>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,841 TOTAL PROJECT COSTS >>>							
8350.422 Flowline Labor \$ - \$ - \$ 35,100 \$ 35,100 TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,841 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,355							
TOTAL INTANGIBLE COSTS >>> \$ 3,097,328 \$ 6,056,612 \$ 664,900 \$ 9,818,844 TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,35;				-			
TOTAL PROJECT COSTS >>> \$ 3,874,027 \$ 6,659,325 \$ 1,580,000 \$ 12,113,352				T			
TOTAL PROJECT COSTS >>>		IOTAL INT	ANGIDLE CUSTS >>>	ļ			
Drilling Completion Facility Total		TOTAL P	ROJECT COSTS >>>				
				Drilling	Completion	Facility	Total



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0588 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #601H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 465' FNL, 1280' FWL

Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 330' FWL

Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #601H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0588 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #601H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 465' FNL, 1280' FWL
 Total Proppant (ppf): 2500

SHL: S14-T19S-R33E 465' FNL, 1280' FWL Total Proppant (ppf): 2500
BHL: S23-T19S-R33E 100' FSL, 330' FWL Total Fluid (gal/ft): 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling	Tangible Drilling		\$ 789,620	\$	\$ -	\$ 789,62
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,51
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,83
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,47
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,79
Tangible Comple	etion	,	\$ -	\$ 602,713	\$ -	\$ 602,71
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,20
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,00
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,00
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,50
	8325,702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,00
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,00
Tangible Facility	, .		\$ -	\$	\$ 915,100	\$ 915,10
	8355.520	PVF	\$ -	\$	\$ 146,000	\$ 146,00
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,10
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,50
	8355.555	Pump / Supplies	\$ -	\$	\$ 87,200	\$ 87,20
	8355.500	Vessels	\$ -	\$ -	\$ 253,200	\$ 253,20
	8355.525	Containment	\$ -	\$	\$ 25,700	\$ 25,70
	8355,540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,80
	8355.510	Tanks	\$ -	\$	\$ 128,400	\$ 128,40
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,00
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,10
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,10
	TOTAL 1	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,43

INTANGIBLE COSTS		Drilling	Completion	Facility	Total	
Intangible Drilling		_	\$ 3,126,247	\$ -	\$ -	\$ 3,126,24
	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,53
Ī	8200,119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,46
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,35
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,89
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,35
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,20
	8200,144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,40
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,25
•	8200,106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,38
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,67
•	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,25
•	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,19
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,72
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,86
•	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,83
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,96
•	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,59
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,4
•	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,89
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,80
•	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,26
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,97
j	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,13
j	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,52
j	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,64



		T =	1	T.	1.	r
!	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
! !	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
Intangible Complet	tion		\$ -	\$ 5,620,434		\$ 5,620,434
]	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300,220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.214	Perforating & Plugs	s -	\$ 390,293	\$ -	\$ 390,293
1	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
l	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
İ	8300.276	Safety & Environmental	s -	\$ 3,473	\$ -	\$ 3,473
	8300.279	Completions Overhead	s -	\$ 2,808	\$ -	\$ 2,808
i i	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
İ	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
	8300.240	Pump Down Services	s <u>-</u>	\$ 101,040		\$ 101,040
;	8300,275	Frac - Sand	s -	\$ 1,015,231	\$ -	\$ 1,015,231
1 }	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
	8300.209		s -	\$ 1,579	\$ -	\$ 1,579
		Roustabouts Surface Pontal Equip				·
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	-	\$ 305,001
	8300.250	Downhole Rental Equip	\$ -	\$ 43,391	-	\$ 43,391
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
!	8300.271	Coil Tubing	\$ -	\$ 113,724	\$ -	\$ 113,724
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
	8300.248	Mancamp	s -	\$ 21,324	\$ -	\$ 21,324
	8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
1 [8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
İ	8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
l	8320,611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
i i	8320.628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
İ	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
Intangible Flowbac			s -	\$ 341,344	\$ -	\$ 341,344
, mangisto i jonisao	8360.820	Well Testing / Flowback	s -	\$ 60,746		\$ 60,746
l			s -			
	8360.825	Rental Equipment	-		\$ -	
	8360.845	Wellsite Supervision	- -	\$ 50,400	\$ -	\$ 50,400
	8360.850	Safety / Environmental	\$ -	\$ 4,400	-	\$ 4,400
ļ ļ	8360,815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464		\$ 21,464
Intangible Facility			s -	\$ -	\$ 664,900	\$ 664,900
ļ l	8350.411	Safety & Environmental	s -	\$ -	\$ 11,700	\$ 11,700
ļ [8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.415	Engineering / Technical	s -	\$ -	\$ 38,700	\$ 38,700
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
	8350.413	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
!	8350.418	Roads/Location	s -	\$ -	\$ 222,500	\$ 222,500
		1 TOURGE EUGATION	· -	I* -	65,100	ου, 100
		ANCIDI E COSTS >>>	0 100 017	¢ 6.056.000	e ee4 ooo	0 040 077
		ANGIBLE COSTS >>>	\$ 3,126,247	\$ 6,056,928		
	TOTAL INT	ANGIBLE COSTS >>> ROJECT COSTS >>>	\$ 3,126,247 \$ 3,915,867 Drilling	\$ 6,056,928 \$ 6,659,641 Completion	\$ 664,900 \$ 1,580,000 Facility	\$ 9,848,075 \$ 12,155,508 Total



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0589 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #602H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 465' FNL, 1300' FWL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 1254' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #602H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0589 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #602H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL:
 S14-T19S-R33E 465' FNL, 1300' FWL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 1254' FWL
 Total Fluid (gal/ft):
 3000

TANGIBLE COSTS		Drilling	Completion	Facility	Total	
Tangible Drilling			\$ 789,620	\$ -	\$ -	\$ 789,620
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,519
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Completi	on		\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
Tangible Facility			\$ -	· \$ -	\$ 915,100	\$ 915,100
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.520	PVF	\$ -	· \$ -	\$ 146,000	\$ 146,000
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.510	Tanks	\$ -	· \$ -	\$ 128,400	\$ 128,400
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	8355.500	Vessels	\$ -	· \$ -	\$ 253,200	\$ 253,200
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
	8355.555	Pump / Supplies	\$ -	- \$	\$ 87,200	\$ 87,200
	8355.535	Instrumentation / Meters	\$ -	· \$ -	\$ 60,500	\$ 60,500
	TOTAL T	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
ĺ	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200,119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
ĺ	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255



	2002 450	Tues of the	7.00	10		7.004
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
ļļļ	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
Intangible Complet			\$ -	\$ 5,620,434	\$ -	\$ 5,620,434
]	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
[8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
ĺ	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.271	Coil Tubing	\$ -	\$ 113,724	\$ -	\$ 113,724
İ	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.270	Frac - Equipment	s -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.232	Disposal	s <u>-</u>	\$ 19,004	\$ -	\$ 19,004
ŀ	8300.220	Engineering & Supervision	\$ -	\$ 15,156	\$ -	\$ 15,156
	8300.279	Completions Overhead	s -	\$ 2,808	\$ -	\$ 2,808
	8300.279	Location & Roads		\$ 5,288	\$ -	\$ 5,288
			<u> </u>			
	8300.207	Fresh Water	\$ -	\$ 537,798	-	\$ 537,798
	8300.243	Analysis	\$ -	\$ 9,473	-	\$ 9,473
	8300,250	Downhole Rental Equip	\$ -	\$ 43,391	\$ -	\$ 43,391
	8300.209	Chemicals	\$ -	\$ 419,703	\$ -	\$ 419,703
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
ļļ	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
Intangible Artificial	Lift		\$ -	\$ 95,150	\$ -	\$ 95,150
	8320.625	Wellsite Supervision	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	\$ -	\$ 15,000	\$ -	\$ 15,000
	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
[8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
	8320,602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
İ	8320.610	Inspection & Testing	\$ -	\$ 4,000	\$ -	\$ 4,000
İ	8320.612	Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
i i	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
Intangible Flowbac	k	'	\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
i i	8360.815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464		\$ 21,464
	8360.850	Safety / Environmental	s <u>-</u>	\$ 4,400	\$ -	\$ 4,400
	8360,845	Wellsite Supervision	s -	\$ 50,400	\$ -	\$ 50,400
	8360.820	Well Testing / Flowback	ls -	\$ 60,746	\$ -	\$ 60,746
Intangible Facility	0000.020		s -	\$ -	\$ 664,900	
angiore racifity	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	
		Roads/Location	ļ	\$ -		
	8350.403		s -			
	8350.404	Equipment Rental	ļ	\$ -	\$ 31,000	\$ 31,000
	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.421	Commissioning	\$ -	\$ -	\$ 3,500	\$ 3,500
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
	8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
[8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
	8350.413	Contingency	\$ -	\$ -	\$ 75,200	\$ 75,200
	8350.417	Overhead Power Labor	\$ -	\$ -	\$ 24,600	\$ 24,600
<u> </u>	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,126,247	\$ 6,056,928	\$ 664,900	\$ 9,848,075
			\$ 3,915,867	\$ 6,659,641	\$ 1,580,000	\$ 12,155,508
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
			·		L	l



AUTHORIZATION FOR EXPENDITURE

Company: _	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0590 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #603H Projected MD/TVD: 20973/10700

Spud to TD: 17.6 Target: 3BS County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 465' FNL, 1320' FWL Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 2178' FWL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #603H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

> **FACILITIES:** \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0590 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #603H Projected MD/TVD: 20973/10700

 Target:
 3BS
 Spud to TD:
 17.6

 County:
 Lea
 Lateral Length:
 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 465' FNL, 1320' FWL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 2178' FWL
 Total Fluid (gal/ft):
 3000

TANGIBLE COSTS		Drilling	Completion	Facility	Total		
Tangible Drilling	Tangible Drilling		\$ 789,620	\$ -	\$ -	\$	789,620
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$	541,519
	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$	64,795
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$	56,835
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$	126,471
Tangible Completi	ion		\$ -	\$ 602,713	\$ -	\$	602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$	44,205
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$	350,000
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$	90,000
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$	15,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$	63,508
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$	40,000
Tangible Facility		-	\$ -	\$ -	\$ 915,100	\$	915,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$	11,100
	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$	68,800
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$	25,700
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$	60,500
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$	49,100
	8355.510	Tanks	\$ -	\$ -	\$ 128,400	\$	128,400
	8355,555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$	87,200
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$	53,100
	8355,500	Vessels	\$ -	\$ -	\$ 253,200	\$	253,200
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$	32,000
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$	146,000
	TOTAL T	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2	2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
ĺ	8200,112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
İ	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200,147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
	8200,167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
İ	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
İ	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
İ	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
İ	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
İ	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133



		1.	Τ.	1.	T.	
!	8200.125	Inspection	\$ 45,258		\$ -	\$ 45,258
!	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
Intangible Complet	ion		\$ -	\$ 5,620,434	\$ -	\$ 5,620,434
	8300.270	Frac - Equipment	\$ -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
l	8300.205	Location & Roads	\$ -	\$ 5,288	\$ -	\$ 5,288
İ	8300.212	Contract Labor	\$ -	\$ 10,678	\$ -	\$ 10,678
	8300.250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
İ	8300.248	Mancamp	s -	\$ 21,324	\$ -	\$ 21,324
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
İ	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
l	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
	8300.279	Completions Overhead	s -	\$ 2,808	\$ -	\$ 2,808
	8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
			\$ -		ļ	
	8300.276	Safety & Environmental		\$ 3,473	\$ -	\$ 3,473
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
	8300,214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.220	Engineering & Supervision	s -	\$ 15,156	\$ -	\$ 15,156
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
j j	8300.210	Surface Rental Equip	\$ -	\$ 305,001	\$ -	\$ 305,001
	8300,271	Coil Tubing	\$ -	\$ 113,724	\$ -	\$ 113,724
i i	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
İ	8300.240	Pump Down Services	\$ -	\$ 101,040	\$ -	\$ 101,040
	8300.229	Transportation	\$ -	\$ 5,263	\$ -	\$ 5,263
İ	8300.243	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
	8320.625	Wellsite Supervision	s -	\$ 5,000		\$ 5,000
i i	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
l	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
		Kill Truck	\$ -	\$ 5,000	\$ -	\$ 5,000
	8320,612		<u> </u>			
	8320.605	Fuel / Power	\$ -	\$ 5,263	\$ -	\$ 5,263
	8320,628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
! !	8320.611	Trucking/Vacuum/Transportation	\$ -	\$ 10,000	\$ -	\$ 10,000
	8320.617	Contract Labor/Roustabout	\$ -	\$ 15,887	\$ -	\$ 15,887
Intangible Flowbac	k		\$ -	\$ 341,344	\$ -	\$ 341,344
	8360.820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
j	8360.805	Trucked Water Disposal	\$ -	\$ 21,464	\$ -	\$ 21,464
	8360.845	Wellsite Supervision	\$ -	\$ 50,400	\$ -	\$ 50,400
	8360,850	Safety / Environmental	\$ -	\$ 4,400	\$ -	\$ 4,400
j l	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
j l	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
	8350.421	Commissioning	s <u>-</u>	\$ -	\$ 3,500	\$ 3,500
	8350.420	Electrical Labor	s <u>-</u>	\$ -	\$ 61,900	\$ 61,900
	8350.420	Engineering / Technical	s	- \$	\$ 38,700	\$ 38,700
			<u> </u>			
	8350.413	Contingency	\$ -	\$ -		\$ 75,200
	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.404	Equipment Rental	\$ -	\$ -	\$ 31,000	\$ 31,000
	8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
[8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
	8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
,	TOTAL INT	ANGIBLE COSTS >>>	\$ 3,126,247	\$ 6,056,928	\$ 664,900	\$ 9,848,075
		DO 1507 00070	\$ 3,915,867	\$ 6,659,641	\$ 1,580,000	\$ 12,155,508
	TOTAL P	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
ı				L	<u>-</u>	



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0597 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #604H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

SHL: S14-T19S-R33E 190' FNL, 1280' FEL Total Proppant (ppf): 2500 BHL: S23-T19S-R33E 100' FSL, 2178' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

State: NM

The proposed AFE is for the Sapphire 14 Federal Com #604H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

Stages: 64

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0597 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #604H Projected MD/TVD: 20973/10700

 Target: 3BS
 Spud to TD: 17.6

 County: Lea
 Lateral Length: 10000

 State: NM
 Stages: 64

 SHL:
 S14-T19S-R33E 190' FNL, 1280' FEL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 2178' FEL
 Total Fluid (gal/ft):
 3000

	TANGIBLE COSTS		Drilling		Completion	Facility	Total
Tangible Drilling			\$ 789,62	20	\$ -	\$ -	\$ 789,620
	8400.340	Wellhead	\$ 56,83	35	\$ -	\$ -	\$ 56,835
	8400.302	Intrm 1&2 Casing	\$ 126,47	71	\$ -	\$ -	\$ 126,471
	8400.301	Surface Casing	\$ 64,79	95	\$ -	\$ -	\$ 64,795
	8400.303	Production Casing	\$ 541,51	19	\$ -	\$ -	\$ 541,519
Tangible Complete	ion		\$	-	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$	-	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$	-	\$ 40,000	\$ -	\$ 40,000
	8325.702	Tubing	\$	-	\$ 90,000	\$ -	\$ 90,000
	8325.711	Wellhead Equipment	\$	-1	\$ 63,508	\$ -	\$ 63,508
	8325,704	Downhole Artificial Lift Eqpt	\$	-[\$ 350,000	\$ -	\$ 350,000
	8325.719	Contract Labor Install	\$	-	\$ 15,000	\$ -	\$ 15,000
Tangible Facility			\$	-[\$ -	\$ 915,100	\$ 915,100
	8355.530	Compressors	\$	-	\$ -	\$ 11,100	\$ 11,100
	8355.520	PVF	\$	-1	\$ -	\$ 146,000	\$ 146,000
	8355.525	Containment	\$	-[\$ -	\$ 25,700	\$ 25,700
	8355.565	Flowline	\$	-	\$ -	\$ 49,100	\$ 49,100
	8355.515	Flare	\$	-[\$ -	\$ 32,000	\$ 32,000
	8355.535	Instrumentation / Meters	\$	-1	\$ -	\$ 60,500	\$ 60,500
	8355,550	Overhead Power Material	\$	-1	\$ -	\$ 53,100	\$ 53,100
	8355.510	Tanks	\$	-	\$ -	\$ 128,400	\$ 128,400
	8355.540	Electrical Supplies	s	-1	\$ -	\$ 68,800	\$ 68,800
	8355.555	Pump / Supplies	\$	-	\$ -	\$ 87,200	\$ 87,200
	8355.500	Vessels	s	-	\$ -	\$ 253,200	\$ 253,200
	TOTAL T	ANGIBLE COSTS >>>	\$ 789,62	20	\$ 602,713	\$ 915,100	\$ 2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200,167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
	8200,116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641



ı	8200.169	Mud Dring	\$ 25,836	\$ -	I 6	\$ 25,836
-		Mud-Brine	\$ 25,836 \$ 2,400	\$ -	\$ -	
	8200.144 8200.137	Company Supervision				
-		Casing Services	\$ 72,199 \$ 31,462	\$ -	\$ -	\$ 72,199 \$ 31,462
!	8200.119	Mud-Auxiliary	91,102	\$ -	\$ - \$	*
Intangible Complet	8200.104	Fuel - Rig	\$ 193,963 \$ -	\$ - \$ 5,620,434	\$ -	\$ 193,963 \$ 5,620,434
intangible Complet	8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
l :	8300.232	Analysis	s -	\$ 9,473	\$ -	\$ 9,473
	8300.243	Contract Labor	s -		\$ -	
			s -		\$ -	*
	8300.273 8300.276	Flowback	s -	\$ 7,821 \$ 3,473	\$ -	\$ 7,821 \$ 3,473
	8300.276	Safety & Environmental	s -	\$ 15,156		\$ 15,156
	8300.220	Engineering & Supervision Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
	8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
-	8300.214	Perforating & Plugs	s -	\$ 390,293	\$ -	\$ 390,293
	8300.250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
-	8300.203	Fuel	s -	\$ 683,704	\$ -	\$ 683,704
			s -		\$ -	
	8300.270	Frac - Equipment Completions Overhead	s -	\$ 1,692,841 \$ 2,808	\$	
	8300.279 8300.248	Completions Overhead	s -	\$ 2,808 \$ 21,324	\$	\$ 2,808 \$ 21,324
		Mancamp	s -			
	8300.271	Coil Tubing	<u> </u>	\$ 113,724	\$ -	\$ 113,724
	8300.278 8300.275	Roustabouts	\$ -	\$ 1,579 \$ 1,015,231	\$ - \$	\$ 1,579
	8300.275	Frac - Sand	\$ - \$ -	\$ 1,015,231 \$ 116,828	\$	\$ 1,015,231 \$ 116,828
	8300.277	Consulting Services Surface Rental Equip	s -	\$ 305,001	\$ -	
	8300.274		s -	\$ 99,015	\$	\$ 305,001 \$ 99,015
-	8300.274	Water Transfer Pump Down Services	s -	\$ 101,040		\$ 101,040
!	8300.240	Fresh Water	s -	\$ 537,798	\$ -	\$ 537,798
Intangible Artificial		Fiesii Watei	s -	\$ 95,150	\$ -	\$ 95,150
Intaligible Artificial	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
}	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
-	8320,628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320.611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
!	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
Intangible Flowbac		Inoperation a resulting	s -	\$ 341,344	\$ -	\$ 341,344
,ag.s,e . jesae	8360.805	Trucked Water Disposal	s -	\$ 21,464	\$ -	\$ 21,464
l 1	8360.825	Rental Equipment	s -	\$ 190,000	\$ -	\$ 190,000
	8360.845	Wellsite Supervision	s -	\$ 50,400		\$ 50,400
	8360.850	Safety / Environmental	s -	\$ 4,400	\$ -	\$ 4,400
]	8360,820	Well Testing / Flowback	s -	\$ 60,746	\$ -	\$ 60,746
!	8360.815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
Intangible Facility	5555.010	J. J. Sandaria Harrish	s -	\$ -		\$ 664,900
	8350.413	Contingency	s -	\$ -		\$ 75,200
}	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
	8350.404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
}	8350.419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,500
	8350.415	Engineering / Technical	s -	\$ -	\$ 38,700	\$ 38,700
	8350.411	Safety & Environmental	s <u>-</u>	\$ -	\$ 11,700	\$ 11,700
	8350,422	Flowline Labor	s -	\$ -	\$ 35,100	\$ 35,100
	8350.410	Transportation/Trucking	s <u>-</u>	\$ -	\$ 24,500	\$ 24,500
 	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
	8350,403	Roads/Location	s -	\$ -	\$ 85,100	\$ 85,100
<u> </u>	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
		ANGIBLE COSTS >>>	\$ 3,126,247	\$ 6,056,928	\$ 664,900	\$ 9,848,075
		-	\$ 3,915,867	\$ 6,659,641	\$ 1,580,000	\$ 12,155,508
	TOTAL PI	ROJECT COSTS >>>	Drilling	Completion	Facility	Total
L				- John John Harris		. 5.61



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
Bv:		



AFE: NM0598 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #605H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 190' FNL, 1260' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 1254' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #605H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0598 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #605H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6

County: Lea Lateral Length: 10000

State: NM Stages: 64

 SHL:
 S14-T19S-R33E 190' FNL, 1260' FEL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 1254' FEL
 Total Fluid (gal/ft):
 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling	g		\$ 789,620	\$	\$ -	\$ 789,6
	8400.303	Production Casing	\$ 541,519	\$	\$ -	\$ 541,5
	8400.340	Wellhead	\$ 56,835	\$	\$ -	\$ 56,8
	8400.301	Surface Casing	\$ 64,795	\$	\$ -	\$ 64,7
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$	\$ -	\$ 126,4
Tangible Comple	etion	,	\$ -	\$ 602,713	\$ -	\$ 602,7
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,2
	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,0
	8325.711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,5
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,0
	8325,705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,0
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,0
Tangible Facility	у .		\$ -	\$	\$ 915,100	\$ 915,1
	8355.510	Tanks	\$ -	\$	\$ 128,400	\$ 128,4
	8355.530	Compressors	\$ -	\$	\$ 11,100	\$ 11,1
	8355.565	Flowline	\$ -	\$	\$ 49,100	\$ 49,1
	8355.555	Pump / Supplies	\$ -	\$	\$ 87,200	\$ 87,2
	8355.540	Electrical Supplies	\$ -	\$	\$ 68,800	\$ 68,8
	8355.500	Vessels	\$ -	\$	\$ 253,200	\$ 253,2
	8355,515	Flare	\$ -	\$	\$ 32,000	\$ 32,0
	8355.520	PVF	\$ -	\$	\$ 146,000	\$ 146,0
	8355.535	Instrumentation / Meters	\$ -	\$	\$ 60,500	\$ 60,5
	8355.525	Containment	\$ -	\$	\$ 25,700	\$ 25,7
	8355.550	Overhead Power Material	\$ -	\$	\$ 53,100	\$ 53,1
	TOTAL	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,4

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
İ	8200,124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
İ	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
	8200.125	Inspection	\$ 45,258	\$ -	\$ -	\$ 45,258
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
İ	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351
	8200,117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200,138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
İ	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
İ	8200.162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525



			0 100 700		l a	400 700
	8200.114	Disposal	\$ 192,723	\$ -	-	\$ 192,723
l -	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
l	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641
ļĻ	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
Intangible Completion	on		s -	\$ 5,620,434	\$ -	\$ 5,620,434
l L	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
l L	8300,205	Location & Roads	\$ -	\$ 5,288	-	\$ 5,288
l L	8300.278	Roustabouts	\$ -	\$ 1,579	\$ -	\$ 1,579
	8300.274	Water Transfer	\$ -	\$ 99,015	\$ -	\$ 99,015
	8300.277	Consulting Services	\$ -	\$ 116,828	\$ -	\$ 116,828
i i	8300.207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
i t	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
i F	8300.279	Completions Overhead	s -	\$ 2,808	\$ -	\$ 2,808
	8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
i	8300.214	Perforating & Plugs	s -	\$ 390,293	\$ -	\$ 390,293
l	8300.212	Contract Labor	s -	\$ 10,678	\$ -	\$ 10,678
	8300.232	Disposal	s -	\$ 19,004	\$ -	\$ 19,004
1 -	8300.220	Engineering & Supervision	s	\$ 15,156	\$ -	\$ 15,156
1 - F	8300.210	Surface Rental Equip	s -	\$ 305,001	\$ -	\$ 305,001
			s -			
	8300.250	Downhole Rental Equip	-	\$ 43,391	-	\$ 43,391
l -	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300.209	Chemicals	\$ -	\$ 419,703	-	\$ 419,703
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
l	8300.271	Coil Tubing	\$ -	\$ 113,724	\$ -	\$ 113,724
l L	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
l L	8300.270	Frac - Equipment	s -	\$ 1,692,841	\$ -	\$ 1,692,841
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
Intangible Artificial L	Lift	-	\$ -	\$ 95,150	\$ -	\$ 95,150
	8320.611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
i r	8320.628	Chemicals	\$ -	\$ 5,000	\$ -	\$ 5,000
i t	8320.602	Workover Rig	\$ -	\$ 30,000	\$ -	\$ 30,000
i –	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
I – –	8320,625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
i -	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
l	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
l	8320.617	Contract Labor/Roustabout	s <u>-</u>	\$ 15,887	\$ -	\$ 15,887
! -	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
Intangible Flowback		Tronial Equipment	s -	\$ 341,344	\$ -	\$ 341,344
Intangible i lowback	8360.845	Wellsite Supervision	s -		ļ	
l ⊢			<u> </u>			
	8360.825	Rental Equipment	\$ -	\$ 190,000	-	\$ 190,000
!	8360.850	Safety / Environmental	-	\$ 4,400	\$ -	\$ 4,400
	8360.815	Trucking/Vacuum/Transp	\$ -	\$ 14,334	\$ -	\$ 14,334
ļ L	8360,820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464		\$ 21,464
Intangible Facility			\$ -	\$ -	\$ 664,900	\$ 664,900
l I	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
Į [8350.416	Supervision	\$ -	\$ -	\$ 29,600	\$ 29,600
l [8350.418	Mechanical Labor	\$ -	\$ -	\$ 222,500	\$ 222,500
	8350.422	Flowline Labor	\$ -	\$ -	\$ 35,100	\$ 35,100
	8350.420	Electrical Labor	\$ -	\$ -	\$ 61,900	\$ 61,900
 	8350.421	Commissioning	s -	\$ -	\$ 3,500	\$ 3,500
i F	8350.411	Safety & Environmental	\$ -	\$ -	\$ 11,700	\$ 11,700
	8350.404	Equipment Rental	s <u>-</u>	\$ -	\$ 31,000	\$ 31,000
 	8350.419	Automation Labor	s -	\$ -	\$ 21,500	\$ 21,500
	8350.417	Overhead Power Labor	s -	\$ -	\$ 24,600	\$ 24,600
 	8350.417	Contingency	s -	\$ -	\$ 75,200	\$ 75,200
	8350.410		s -	\$ -	\$ 75,200	\$ 24,500
!		Transportation/Trucking	 			
1	8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
		ANGIBLE COSTS >>>	\$ 3,126,247	\$ 6,056,928	\$ 664,900	\$ 9,848,075
	TOTALINI		<u> </u>			
		ROJECT COSTS >>>	\$ 3,915,867 Drilling	\$ 6,659,641 Completion	\$ 1,580,000 Facility	\$ 12,155,508 Total



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		



AFE: NM0599 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #606H Projected MD/TVD: 20973/10700

Target: 3BS Spud to TD: 17.6
County: Lea Lateral Length: 10000

 State: NM
 Stages: 64

 SHL: S14-T19S-R33E 190' FNL, 1240' FEL
 Total Proppant (ppf): 2500

BHL: S23-T19S-R33E 100' FSL, 330' FEL Total Fluid (gal/ft): 3000

PROJECT DESCRIPTION:

The proposed AFE is for the Sapphire 14 Federal Com #606H, a 2 section Bone Springs horizontal well to be drilled in Lea County, NM. The well is a 3 string casing design consisting of the following: 17.5" surface hole drilled on Fresh to 1250' and 13.375" 54.5# J-55 BTC casing will be set and cemented in place; 12.25" hole will then be drilled on Brine to 3500' and a string of 9.625" 40# J-55 BTC casing will be set and cemented in place; 8.75" production hole will then be drilled on OBM to 20973' and a string of 5.5" 20# P-110 HC GBCD casing will be set and cemented in place. There will be 10000' of treatable lateral and the completions design will consist of +/-64 stages at 2500 lbs/ft & 3000 gals/ft. AFE includes associated costs for initial gas lift installation.

TOTAL

DRILLING: \$3,915,866.85

COMPLETIONS: \$6,659,640.84

FACILITIES: \$1,580,000.00

COMPLETED WELL COST: \$12,155,507.69



AFE: NM0599 Date: June 04, 2024

Well Name: Sapphire 14 Federal Com #606H Projected MD/TVD: 20973/10700

 Target:
 3BS
 Spud to TD:
 17.6

 County:
 Lea
 Lateral Length:
 10000

 State:
 NM
 Stages:
 64

 SHL:
 S14-T19S-R33E 190' FNL, 1240' FEL
 Total Proppant (ppf):
 2500

 BHL:
 S23-T19S-R33E 100' FSL, 330' FEL
 Total Fluid (gal/ft):
 3000

	TANGIBLE COSTS		Drilling	Completion	Facility	Total
Tangible Drilling			\$ 789,620	\$ -	\$ -	\$ 789,620
	8400.340	Wellhead	\$ 56,835	\$ -	\$ -	\$ 56,835
	8400.303	Production Casing	\$ 541,519	\$ -	\$ -	\$ 541,519
	8400.302	Intrm 1&2 Casing	\$ 126,471	\$ -	\$ -	\$ 126,471
ļ	8400.301	Surface Casing	\$ 64,795	\$ -	\$ -	\$ 64,795
Tangible Completion	on	•	\$ -	\$ 602,713	\$ -	\$ 602,713
	8400.352	Wellhead & Equipment	\$ -	\$ 44,205	\$ -	\$ 44,205
	8325.705	ESP Equipment/Install	\$ -	\$ 40,000	\$ -	\$ 40,000
	8325.704	Downhole Artificial Lift Eqpt	\$ -	\$ 350,000	\$ -	\$ 350,000
ı	8325.702	Tubing	\$ -	\$ 90,000	\$ -	\$ 90,000
	8325,711	Wellhead Equipment	\$ -	\$ 63,508	\$ -	\$ 63,508
	8325.719	Contract Labor Install	\$ -	\$ 15,000	\$ -	\$ 15,000
Tangible Facility			\$ -	\$ -	\$ 915,100	\$ 915,100
	8355.555	Pump / Supplies	\$ -	\$ -	\$ 87,200	\$ 87,200
	8355.525	Containment	\$ -	\$ -	\$ 25,700	\$ 25,700
	8355.535	Instrumentation / Meters	\$ -	\$ -	\$ 60,500	\$ 60,500
	8355.565	Flowline	\$ -	\$ -	\$ 49,100	\$ 49,100
	8355.500	Vesse l s	\$ -	\$ -	\$ 253,200	\$ 253,200
ı	8355.540	Electrical Supplies	\$ -	\$ -	\$ 68,800	\$ 68,800
ı	8355,510	Tanks	\$ -	\$ -	\$ 128,400	\$ 128,400
	8355.550	Overhead Power Material	\$ -	\$ -	\$ 53,100	\$ 53,100
	8355.530	Compressors	\$ -	\$ -	\$ 11,100	\$ 11,100
	8355.520	PVF	\$ -	\$ -	\$ 146,000	\$ 146,000
	8355.515	Flare	\$ -	\$ -	\$ 32,000	\$ 32,000
	TOTAL T	ANGIBLE COSTS >>>	\$ 789,620	\$ 602,713	\$ 915,100	\$ 2,307,433

	INTA	NGIBLE COSTS	Drilling	Completion	Facility	Total
Intangible Drilling			\$ 3,126,247	\$ -	\$ -	\$ 3,126,247
	8200.124	Equipment Rental	\$ 115,861	\$ -	\$ -	\$ 115,861
İ	8200,162	Mancamp	\$ 46,357	\$ -	\$ -	\$ 46,357
İ	8200.168	Roustabout Services	\$ 2,207	\$ -	\$ -	\$ 2,207
	8200.111	Survey, Stake/Permit	\$ 5,263	\$ -	\$ -	\$ 5,263
	8200.103	Drilling - Rig Move	\$ 93,673	\$ -	\$ -	\$ 93,673
İ	8200.119	Mud-Auxiliary	\$ 31,462	\$ -	\$ -	\$ 31,462
	8200,116	Drill Bits & BHA	\$ 68,801	\$ -	\$ -	\$ 68,801
	8200.169	Mud-Brine	\$ 25,836	\$ -	\$ -	\$ 25,836
	8200.144	Company Supervision	\$ 2,400	\$ -	\$ -	\$ 2,400
	8200.149	Legal, Title, Etc	\$ 10,525	\$ -	\$ -	\$ 10,525
	8200.106	Transportation	\$ 95,387	\$ -	\$ -	\$ 95,387
	8200.138	Cementing Services	\$ 199,975	\$ -	\$ -	\$ 199,975
İ	8200.128	Drilling - Directional	\$ 249,531	\$ -	\$ -	\$ 249,531
	8200.164	Solids Control & Closed Loop	\$ 114,641	\$ -	\$ -	\$ 114,641
	8200.117	Mud & Chemicals	\$ 177,133	\$ -	\$ -	\$ 177,133
	8200.137	Casing Services	\$ 72,199	\$ -	\$ -	\$ 72,199
	8200.104	Fuel - Rig	\$ 193,963	\$ -	\$ -	\$ 193,963
İ	8200.113	Damages/Row	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.112	Location & Roads, Conductor	\$ 124,415	\$ -	\$ -	\$ 124,415
	8200.115	Mud-Drill Water	\$ 5,765	\$ -	\$ -	\$ 5,765
İ	8200.102	Drilling - Daywork	\$ 830,236	\$ -	\$ -	\$ 830,236
ĺ	8200.167	Consulting Services	\$ 250,595	\$ -	\$ -	\$ 250,595
	8200.165	Safety/Environmental	\$ 2,577	\$ -	\$ -	\$ 2,577
	8200.114	Disposal	\$ 192,723	\$ -	\$ -	\$ 192,723
	8200.147	Drilling Overhead	\$ 5,351	\$ -	\$ -	\$ 5,351



		1.	Τ.	T.	r	Γ.
	8200.125	Inspection	\$ 45,258			\$ 45,258
!	8200.143	Geological Services	\$ 10,201	\$ -	\$ -	\$ 10,201
	8200.127	Contract Labor	\$ 27,255	\$ -	\$ -	\$ 27,255
	8200.152	Well Control Ins.	\$ 7,894	\$ -	\$ -	\$ 7,894
	8200.170	Mud-Diesel	\$ 110,871	\$ -	\$ -	\$ 110,871
Intangible Complet	tion		s -	\$ 5,620,434	\$ -	\$ 5,620,434
	8300.248	Mancamp	\$ -	\$ 21,324	\$ -	\$ 21,324
	8300,279	Completions Overhead	\$ -	\$ 2,808	\$ -	\$ 2,808
1	8300.212	Contract Labor	s -	\$ 10,678	\$ -	\$ 10,678
ĺ	8300.274	Water Transfer	s -	\$ 99,015	\$ -	\$ 99,015
	8300.240	Pump Down Services	s -	\$ 101,040	\$ -	\$ 101,040
İ	8300.250	Downhole Rental Equip	s -	\$ 43,391	\$ -	\$ 43,391
	8300.273	Flowback	\$ -	\$ 7,821	\$ -	\$ 7,821
İ	8300.220	Engineering & Supervision	s -	\$ 15,156	\$ -	\$ 15,156
İ	8300.278	Roustabouts	s -	\$ 1,579	\$ -	\$ 1,579
i	8300.276	Safety & Environmental	\$ -	\$ 3,473	\$ -	\$ 3,473
l	8300.271	Coil Tubing	s -	\$ 113,724	\$ -	\$ 113,724
l	8300.270	Frac - Equipment	s <u>-</u>	\$ 1,692,841	\$ -	\$ 1,692,841
l	8300.277	Consulting Services	s -	\$ 116,828	\$ -	\$ 116,828
	8300.217		s -	\$ 305,001	\$ -	\$ 305,001
		Surface Rental Equip	ļ	Ļ		ļ
	8300.275	Frac - Sand	\$ -	\$ 1,015,231	\$ -	\$ 1,015,231
	8300.203	Fuel	\$ -	\$ 683,704	\$ -	\$ 683,704
	8300.243	Analysis	\$ -	\$ 9,473	\$ -	\$ 9,473
	8300.232	Disposal	\$ -	\$ 19,004	\$ -	\$ 19,004
!	8300,207	Fresh Water	\$ -	\$ 537,798	\$ -	\$ 537,798
[8300.229	Transportation	s -	\$ 5,263	\$ -	\$ 5,263
	8300.209	Chemicals	s -	\$ 419,703	\$ -	\$ 419,703
	8300.205	Location & Roads	s -	\$ 5,288	\$ -	\$ 5,288
[8300.214	Perforating & Plugs	\$ -	\$ 390,293	\$ -	\$ 390,293
Intangible Artificial	Lift		s -	\$ 95,150	\$ -	\$ 95,150
	8320.612	Kill Truck	s -	\$ 5,000	\$ -	\$ 5,000
i i	8320.621	Rental Equipment	s -	\$ 15,000	\$ -	\$ 15,000
İ	8320.602	Workover Rig	s -	\$ 30,000	\$ -	\$ 30,000
İ	8320.625	Wellsite Supervision	s -	\$ 5,000	\$ -	\$ 5,000
	8320,628	Chemicals	s -	\$ 5,000	\$ -	\$ 5,000
İ	8320.610	Inspection & Testing	s -	\$ 4,000	\$ -	\$ 4,000
	8320,611	Trucking/Vacuum/Transportation	s -	\$ 10,000	\$ -	\$ 10,000
i i	8320.617	Contract Labor/Roustabout	s -	\$ 15,887	\$ -	\$ 15,887
l	8320.605	Fuel / Power	s -	\$ 5,263	\$ -	\$ 5,263
Intangible Flowbac		1, 44, 7, 4, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7,	s <u>-</u>	\$ 341,344	\$ -	\$ 341,344
Intalignate	8360.815	Trucking/Vacuum/Transp	s -	\$ 14,334	\$ -	\$ 14,334
l			s -		\$ -	
	8360.850	Safety / Environmental	-			1,121
	8360.845	Wellsite Supervision	-	\$ 50,400	\$ -	\$ 50,400
	8360.825	Rental Equipment	\$ -	\$ 190,000	\$ -	\$ 190,000
ļ ļ	8360,820	Well Testing / Flowback	\$ -	\$ 60,746	\$ -	\$ 60,746
	8360.805	Trucked Water Disposal	\$ -	\$ 21,464		\$ 21,464
Intangible Facility			s -	\$ -		\$ 664,900
] [8350.419	Automation Labor	\$ -	\$ -	\$ 21,500	\$ 21,500
	8350.410	Transportation/Trucking	s -	\$ -	\$ 24,500	\$ 24,500
[8350.415	Engineering / Technical	\$ -	\$ -	\$ 38,700	\$ 38,700
	8350.411	Safety & Environmental	s -	\$ -	\$ 11,700	\$ 11,700
	8350.416	Supervision	s -	\$ -	\$ 29,600	\$ 29,600
	8350.403	Roads/Location	\$ -	\$ -	\$ 85,100	\$ 85,100
j i	8350,404	Equipment Rental	s -	\$ -	\$ 31,000	\$ 31,000
	8350.418	Mechanical Labor	s -	\$ -	\$ 222,500	\$ 222,500
	8350.417	Overhead Power Labor	s -	\$ -		\$ 24,600
	8350.422	Flowline Labor	s <u>-</u>	\$ -	\$ 35,100	\$ 35,100
	8350.420	Electrical Labor	s -	\$ -	\$ 61,900	\$ 61,900
	8350.413	Contingency	S -	\$ -	\$ 75,200	\$ 75,200
	8350.421		s -	\$ -	\$ 75,200	\$ 75,200
		Commissioning	ļ*			
	IUIALINI	ANGIBLE COSTS >>>	\$ 3,126,247	\$ 6,056,928	\$ 664,900	\$ 9,848,075
		-	0 045 007	0.000.000	¢ 4.500.000	6 40.455.50
		ROJECT COSTS >>>	\$ 3,915,867 Drilling	\$ 6,659,641 Completion	\$ 1,580,000 Facility	\$ 12,155,508



AUTHORIZATION FOR EXPENDITURE

Company:	Working Interest:	
Signature:	Date:	
By:		

Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H Avant Operating, LLC Case No. 24849 Exhibit A-7



Summary of Contacts

Owner Name	Sent Proposal	Tracking	Follow-up / Comments
T.H. McElvain Oil & Gas LLLP	6.27.24	9405 5036 9930 0697 5045 69 and emailed	JOA signed, Owner Committed
Devon Energy Production Company, L.P.	6.27.24 8.6.24	9405 5036 9930 0697 5045 45 9405 5036 9930 0704 7969 18	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
Nuevo Seis Limited Partnership	8.5.24	9405503699300672435178 emailed updated documents	8/1 Morris called and left message; 8/5 called back and offered to send everything in one email: JOA, AFEs and Well Proposals 806-777-9005; tinman51@rocketman.com
Ball Oil and Gas, LLC	6/7/24	9405 5036 9930 0697 5045 07 and emailed	JOA signed, Owner Committed
Community Minerals, LLC	6.27.24	9405 5036 9930 0697 5045 38	Paul Berguila <paulb@communityminerals.com> emailed 8/5 confirming receipt of AFEs and JOA and will let us know their decision; No further inquiries received</paulb@communityminerals.com>
James K. Lusk and Martha Lusk Trust, James K. Lusk, Trustee	6.27.24 8.6.24	9405 5036 9930 0697 5046 06 2nd attempt: 9405 5036 9930 0702 7148 46 3rd attempt: 9405 5036 9930 0711 9932 32 9405 5036 9930 0704 7968 19	2717 Onate Drive Roswell, NM 88201 also returned UNDELIVERD 9/12; James and Martha are both deceased; pulled Trustee info from County and attempting delivery to Daniel G Lusk, package was delivered but no further inquiries.
WTI Energy Partners LLC	6.27.24	9405 5036 9930 0697 5047 12 and emailed	JOA signed, Owner Committed
Lone Oak Capital LLC	6.27.24	9405 5036 9930 0697 5047 12 and emailed	JOA signed, Owner Committed
Winn Investments, Inc.	8.6.24	9405 5036 9930 0704 7968 71	
Earthstone Permian, LLC Permian Resources	6.27.24 8.4.24	9405 5036 9930 0697 5047 36 9405503699300704796840	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
Ellipsis Oil & Gas Inc.	6.27.24 78.24	emailed packet to Pete	JOA signed, Owner Committed
Gregory J. Nibert and Carolyn S. Nibert, Co- Trustees of the DJS Trust Established under Trust Agreement dated 9/12/2005, as amended and restated	6.27.24 8.6.24	9405 5036 9930 0697 5045 83 9405 5036 9930 0704 7969 25	JOA signed, Owner Committed
Innoventions Inc.	6.27.24	9405503699300672435246 and email	JOA signed, Owner Committed
Williamson Enterprises	6.27.24 8.6.24	9405 5036 9930 0697 5046 99 9405 5036 9930 0704 7969 01	JOA signed, Owner Committed



Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H Avant Operating, LLC Case No. 24849 Exhibit A-7



Summary of Contacts continued

Owner Name	Sent Proposal	Tracking	Follow-up / Comments
Hutchings Oil Company	6.27.24 8.6.24	9405 5036 9930 0697 5045 52 9405 5036 9930 0704 7968 88	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
PBEX, LLC	7.11.24 7.22.24	FedEx 777571360927	Brittany sent email 7.11.2024 w/ownership transfers back into PBEX; 7/22 I sent updated AFEs and Proposal, 7/23 sent copy of the same overnight mail bhull@pbex.com
Capco Resource Corporation	6.27.24 8.6.24	9405 5036 9930 0697 5045 21 9405 5036 9930 0704 7968 64	Well Proposals Received; Clarification Letter received, JOA sent, No further inquiries received.
Yates Energy Corporation	8.6.24	9405 5036 9930 0704 7968 57	JOA signed; Owner Committed
MRC Delaware Resources, LLC	6.27.24 8.6.24	9405 5036 9930 0697 5046 13 9405 5036 9930 0704 7968 95	Well Proposals Received; Clarification Letter received, JOA sent, 8/22 phone call w/Clay on potential trade; 9/15 potential deal sent via email, 9/23 sent email follow-up regarding trade idea
MVDR Resources, LLC	4.19.2024 1.8.2025	9405 5036 9930 0697 5045 76	Original proposal sent to predecessor MCM Permian, Well Proposal, AFE's and JOA sent to MVDR via email 1/8/25, ongoing discussions.



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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

SELF-AFFIRMED STATEMENT OF JOSH PAYNE

Josh Payne hereby states and declares as follows:

- 1. I am over the age of 18, I am a geologist for Avant Operating, LLC ("Avant"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
 - 2. My area of responsibility at Avant includes the area of Lea County in New Mexico.
 - 3. I am familiar with the application filed by Avant in this case.
- 4. **Exhibit B-1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
 - 5. **Exhibit B-2** is a gun-barrel diagram showing Avant's development plan.
- 6. **Exhibit B-3** is a structure map of the base of the Bone Spring formation. The proposed spacing unit is identified by a red box. The proposed Sapphire 14 Federal Com Bone Spring wells are identified by the black-dashed lines. The contour interval used in this exhibit is 100 feet. This exhibit shows that the structure dips gently to the south. **Exhibit B-3** also includes a cross-section reference map that identifies four wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

- 7. **Exhibit B-4** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone for the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #303H, Sapphire 14 Federal Com #304H, Sapphire 14 Federal Com #305H, and Sapphire 14 Federal Com #306H wells, which are First Bone Spring wells, is identified by a red-dashed line and a box identifying the wells. In my opinion, the First Bone Spring formation is relatively consistent across the proposed unit.
- 8. **Exhibit B-5** is a structural cross-section, and the well logs shown on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone for the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #303H, Sapphire 14 Federal Com #304H, Sapphire 14 Federal Com #305H, and Sapphire 14 Federal Com #306H wells is identified by a red-dashed line and a box identifying the wells. In my opinion, the First Bone Spring formation dips to the south.
- 9. **Exhibit B-6** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target zone for the Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #505H, Sapphire 14 Federal Com #506H, Sapphire 14 Federal Com #513H, and Sapphire 14 Federal Com #514H wells, which are Second Bone Spring wells, is identified by a red-dashed line and a box identifying the wells. In my opinion, the Second Bone Spring formation is relatively consistent across the proposed unit with subtle variations in lithology from well to well.
- 10. **Exhibit B-7** is a structural cross-section, and the well logs shown on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target

zone for the Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #505H, Sapphire 14 Federal Com #506H, Sapphire 14 Federal Com #513H, and Sapphire 14 Federal Com #514H wells is identified by a red-dashed line and a box identifying the wells. In my opinion, the Second Bone Spring formation is relatively consistent and dips to the south.

- 11. **Exhibit B-8** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone for the Sapphire 14 Federal Com #601H, Sapphire 14 Federal Com #602H, Sapphire 14 Federal Com #603H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells, which are Third Bone Spring wells, is identified by a red-dashed line and a box identifying the wells. In my opinion, the Third Bone Spring formation is relatively consistent with slight thickening southward in the proposed unit.
- 12. **Exhibit B-9** is a structural cross-section, and the well logs shown on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone for the Sapphire 14 Federal Com #601H, Sapphire 14 Federal Com #602H, Sapphire 14 Federal Com #603H, Sapphire 14 Federal Com #604H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells is identified by a red-dashed line and a box identifying the wells. In my opinion, the Third Bone Spring formation is relatively consistent and dips southward.
 - 13. I conclude from the geology studies referenced above that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.

- Each quarter-quarter section in the proposed unit will contribute more or less equally to production.
- 14. The preferred well orientation in this area is east/west because the stress orientation is approximately northeast.
- 15. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.
- 16. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.
- 17. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature Page Follows]

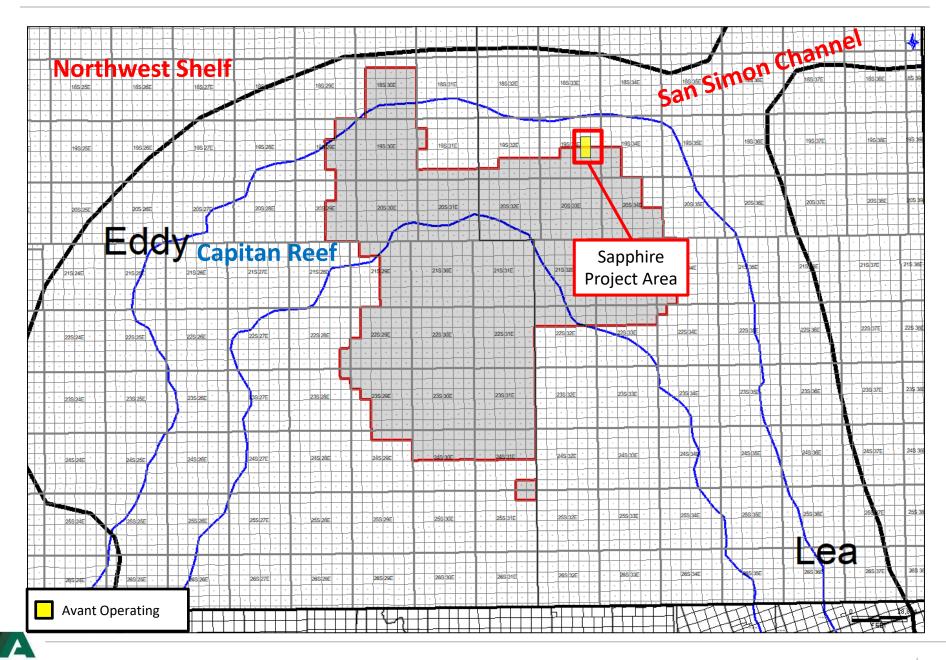
12.31.2024	
Date	Josh Payne

Regional Locator Map

Sapphire Federal Com

#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H





Received by OCD: 1/14/2025 4:26:59 PM Gun Barrel Development Plan

SAPPHIRE FEDERAL

TBSG - SBSG - FBSG

Sapphire Federal Com

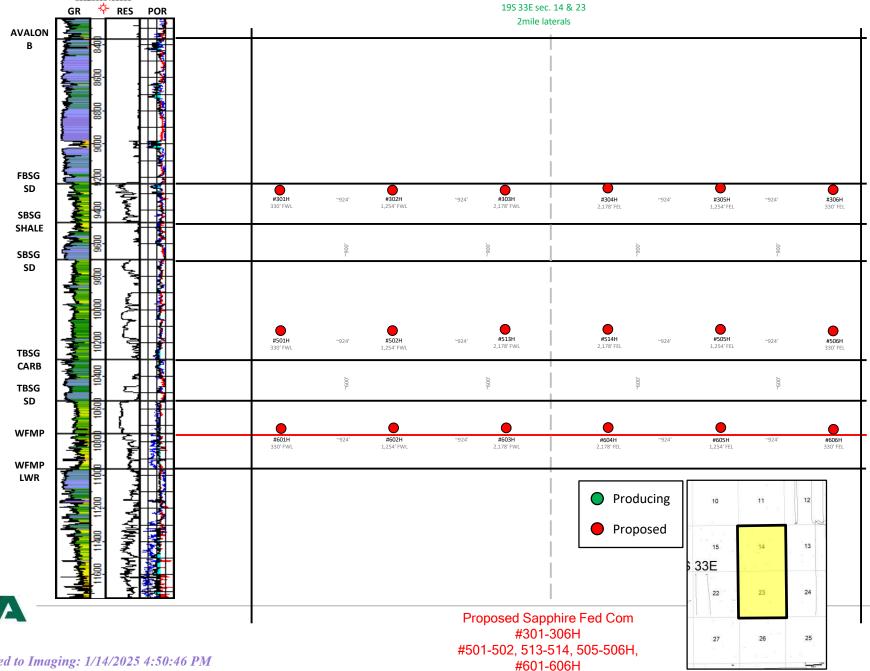
#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H

Avant Operating, LLC Case Nos. 24849 Exhibit B-2



AVANT OPERATING

SAPPHIRE FEDERAL COM 19S 33E sec. 14 & 23 2mile laterals

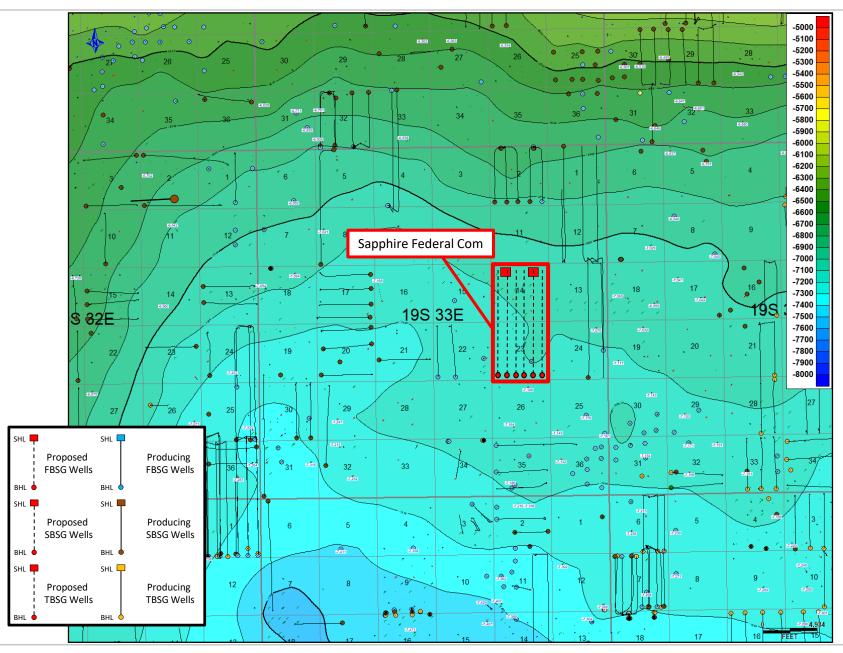


Base Bone Spring Structure Map (TVDSS')

Sapphire Federal Com

#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H





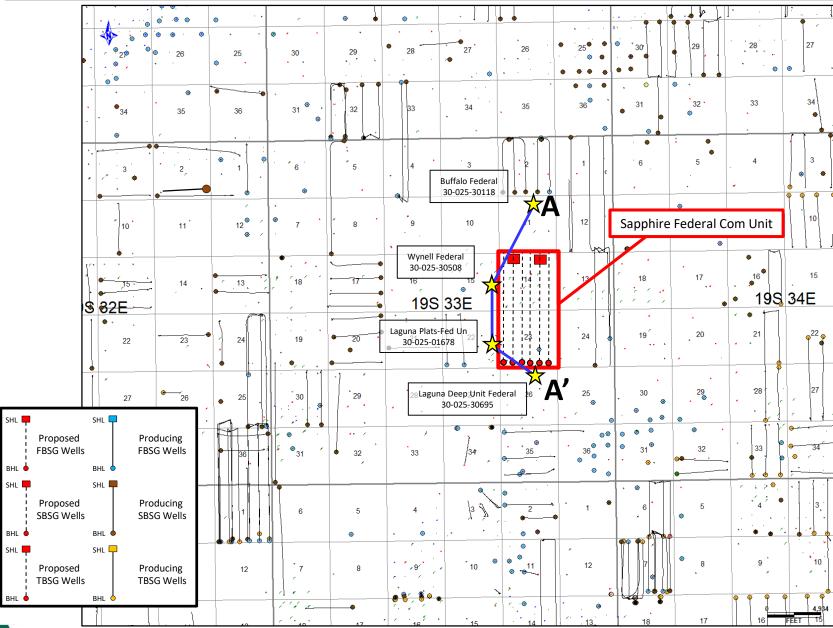


Cross-Section Locator Map (A-A')

Sapphire Federal Com

#301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H

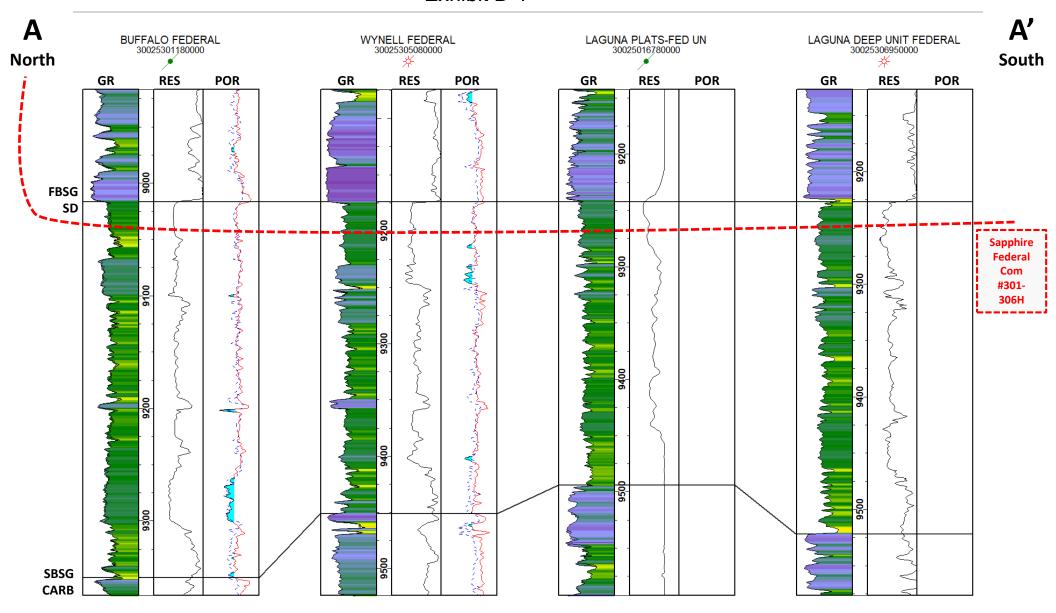






Stratigraphic Cross-Section A-A' Sapphire Federal Com #301H-#306H



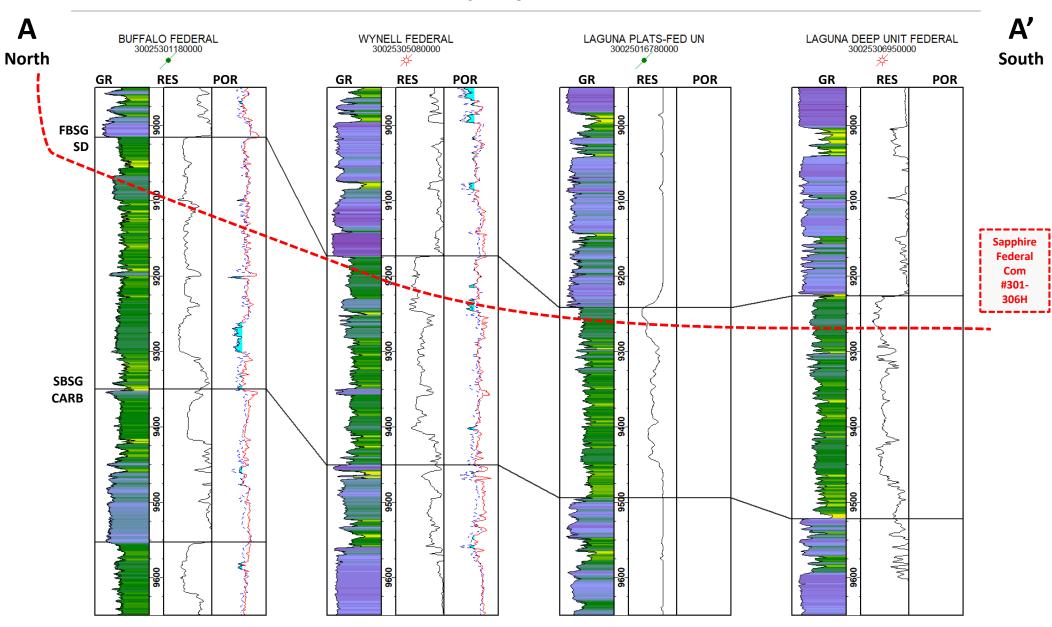




Structural Cross-Section A-A' Sapphire Federal Com #301H-#306H

Avant Operating, LLC Case Nos. 24849 Exhibit B-5



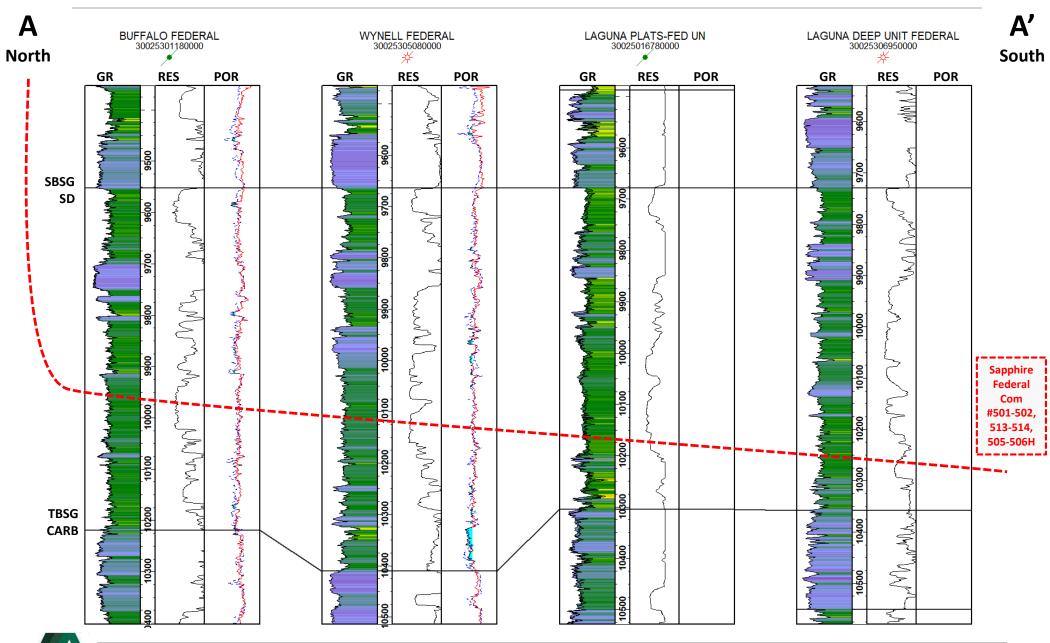




Log Scaling: GR(Gamma Ray): 0-150, RES(Resistivity): 0.2-20000 (log₁₀), POR(Porosity): 30 to -10%

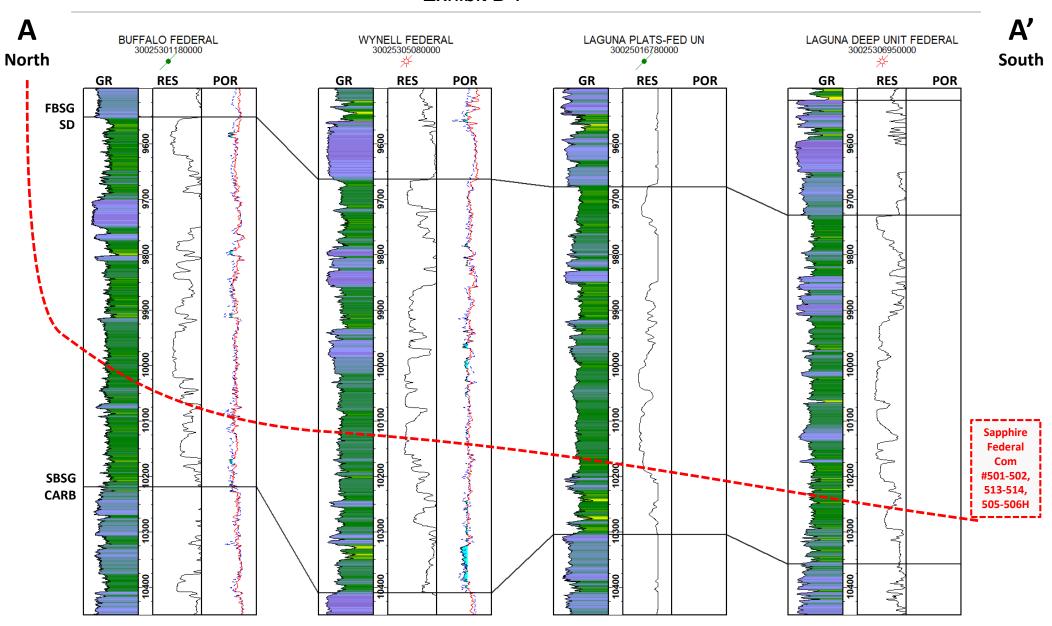
Stratigraphic Cross-Section A-A'
Sapphire Federal Com #501-502, 513-514, 505-506H





Structural Cross-Section A-A' Sapphire Federal Com #501-502, 513-514, 505-506H



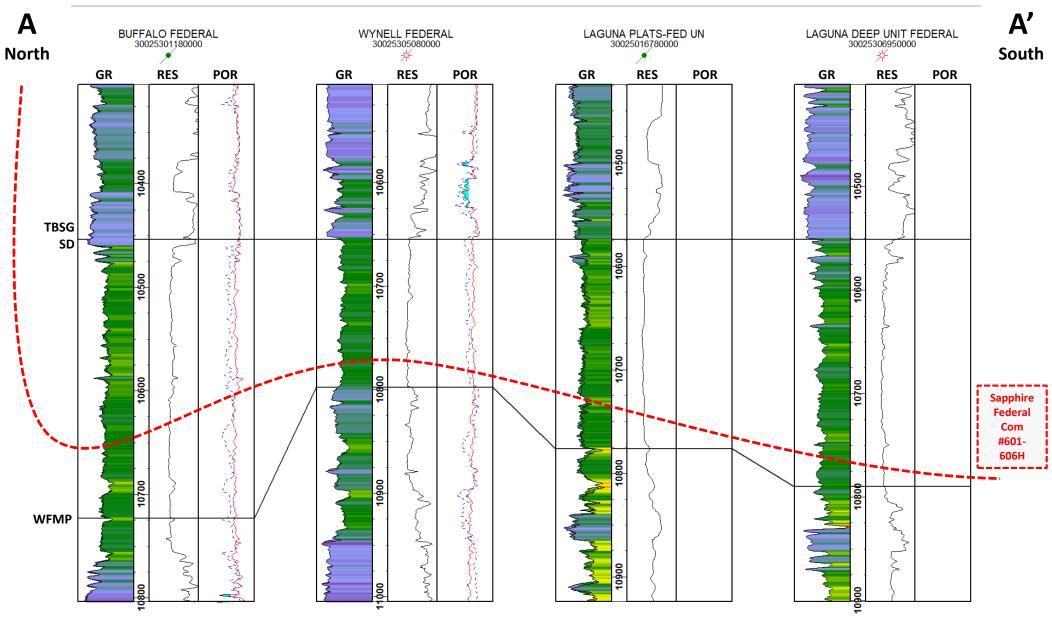




Stratigraphic Cross-Section A-A' Sapphire Federal Com #601H-#606H

Avant Operating, LLC Case Nos. 24849 Exhibit B-8



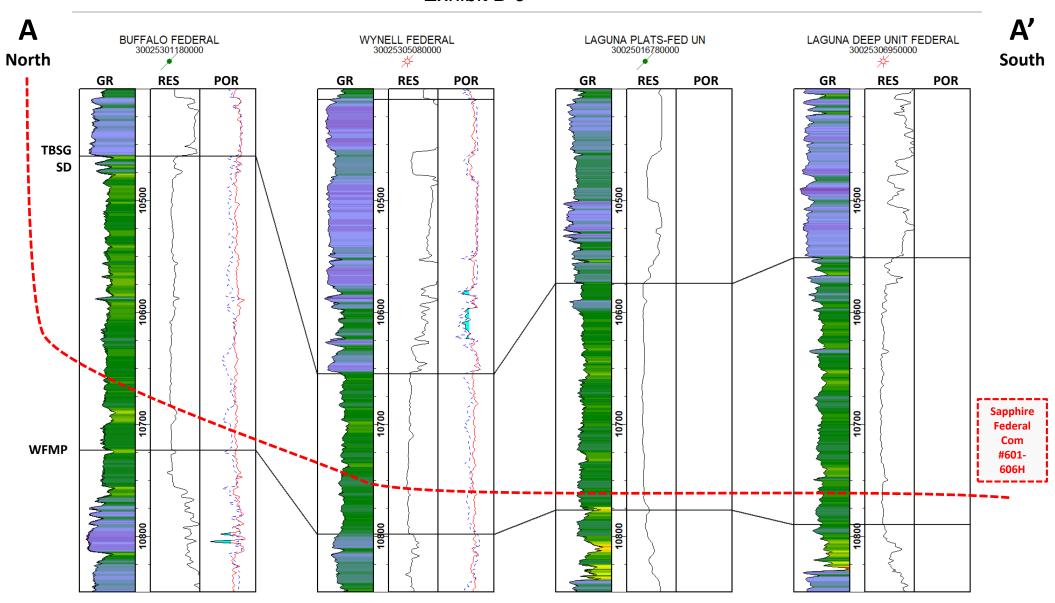




Log Scaling: GR(Gamma Ray): 0-150, RES(Resistivity): 0.2-20000 (log₁₀), POR(Porosity): 30 to -10%

Structural Cross-Section A-A' Sapphire Federal Com #601H-#606H







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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24849

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Avant Operating, LLC, the

Applicant herein, declares as follows:

1) The above-referenced Application was provided under notice letter, dated September 12,

2024, attached hereto, as Exhibit C.1.

2) Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS

for mailing on September 12, 2024.

3) Exhibit C.3 is the certified mailing tracking information, which is automatically compiled

by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and

addresses of the parties to whom notice was sent and the status of the mailing.

4) Exhibit C.4 is the Affidavit of Publication from the Hobbs News-Sun confirming that

notice of the October 3, 2024 hearing was published on September 15, 2024.

5) I attest under penalty of perjury under the laws of the State of New Mexico that the

information provided herein is correct and complete to the best of my knowledge and belief.

Dated: September 25, 2024

By: Nelma M. Benne

Deana M. Bennett

EXHIBIT C



September 12, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Deana M. Bennett 505.848.1834 dmb@modrall.com

Re: APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 24849

TO: AFFECTED PARTIES

This letter is to advise you that Avant Operating, LLC ("Avant") has filed the enclosed application.

In Case No. 24849, Avant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23: Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

EXHIBIT C.1

Page 2

NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

The hearing is set for October 3, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Deana M. Bennett

Attorney for Applicant

Dema H. Bennett

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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. In support of this application, Avant states as follows:

- 1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Avant seeks approval of the 1280-acre non-standard spacing as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.*, Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).
- 3. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H,
 Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H,
 Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H

wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;

- b. Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
- c. Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
- d. Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
- e. Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
- f. Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and
- g. Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.

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Page 3 of 5

4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

5. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool.

6. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Approving the non-standard spacing unit;

B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico;

C. Designating Avant as operator of this unit and the wells to be drilled thereon;

D. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
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Albuquerque, New Mexico 87103-2168
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edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Avant Operating, LLC

Received by OCD: 9/3/2024 4:36:53 PM

CASE NO. 24849 : Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #513H well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #514H well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the Sapphire 14

Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area

is located approximately 23 miles west of Hobbs, New Mexico.

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0125 8522 05	AmeriPermian Holdings, LLC 1733 Woodstead Court, Suite 206 The Woodlands TX 77380	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
2	9314 8699 0430 0125 8522 12	Bob G. Howell P.O. Box 1249 Fresno CA 93715	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
3	9314 8699 0430 0125 8522 29	Cavin Trust, Sealy H. Cavin Jr., Synda S. Cavin Trusttes to Trust Agr. Dtd 8-28-13 P.O. Box 1216 Albuquerque NM 87103	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
4	9314 8699 0430 0125 8522 36	Chad Barbe P.O. Box 2107 Roswell NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
5	9314 8699 0430 0125 8522 43	Cheryl Ann Nace f/k/a Cheryl A. Schellinger 129 Placita de Oro Santa Fe NM 87501	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
6	9314 8699 0430 0125 8522 50	COG Operating, LLC Attn: Land Dept. 600 W. Illinois Ave. Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
7	9314 8699 0430 0125 8522 67	Concho Oil & Gas LLC One Concho Center 600 West Illinois Avenue Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
8	9314 8699 0430 0125 8522 74	Wing Resources VI, LLC 2100 McKinney Avenue, Suite 1540 Dallas TX 75201	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
9	9314 8699 0430 0125 8522 81	Elk Royalties II, LP 2210 Farrington Street Dallas TX 75027	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
10	9314 8699 0430 0125 8522 98	Grewal (Royalty) LLC 45 Rockefeller Plaza, Suite 2410 New York NY 10111	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
11	9314 8699 0430 0125 8523 04	Innoventions, Inc. P.O. Box 40 Cedar Crest NM 87008	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
12	9314 8699 0430 0125 8523 11	Jalapeno Corporation P.O. Box 1608 Albuquerque NM 87103	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
13	9314 8699 0430 0125 8523 28	Show Goat Capital, LP P.O. Box 50576 Austin TX 78763	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
14	9314 8699 0430 0125 8523 35	McMullen Minerals II, LP 2821 West 7th Street, Suite 515 Fort Worth TX 76147	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice

EXHIBIT C.2

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0125 8523 42	Lawrence Anderson 6337 Foote Rd. Ceres CA 95307	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
16	9314 8699 0430 0125 8523 59	MSH Family Real Estate Partnership II, LLC 1900 St. James Place, Suite 300 Houston TX 77056	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
17	9314 8699 0430 0125 8523 66	Oline E. Groves 2507 Cimarron Midland TX 79705	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
18	9314 8699 0430 0125 8523 73	Pegasus Resources, LLC 2821 West 7th Street, Suite 500 Fort Worth TX 76107	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
19	9314 8699 0430 0125 8523 80	Platform Energy IV, LLC P.O. Box 2078 Abilene TX 79604	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
20	9314 8699 0430 0125 8523 97	SMP Sidecar Titan Mineral Holdings, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
21	9314 8699 0430 0125 8524 03	SMP Titan Flex, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
22	9314 8699 0430 0125 8524 10	SMP Titan Mineral Holdings, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
23	9314 8699 0430 0125 8524 27	Ball Oil and Gas, LLC P.O. Box 1401 Roswell NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
24	9314 8699 0430 0125 8524 34	Capco Resource Corporation 2922 E. Chapman Avenue, Suite 202 Orange CA 92869	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
25	9314 8699 0430 0125 8524 41	Cibolo Resources, LLC Attn: Zach Privett 3600 Bee Cave Road, #102 West Lake Hills TX 78746	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
26	9314 8699 0430 0125 8524 65	Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City OK 73102	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
27	9314 8699 0430 0125 8524 89	Earthstone Permian LLC 1400 Woodloch Forest Drive, Suite 300 The Woodlands TX 77380	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
28	9314 8699 0430 0125 8524 96	WTI Energy Partners, LLC 306 W. 7th Street, Suite #702 Fort Worth TX 76102	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
29	9314 8699 0430 0125 8525 02	Lone Oak Capital, LLC 4208 Lone Oak Drive Fort Worth TX 76107	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
30	9314 8699 0430 0125 8525 19	Gregory Nibert & Carolyn Nibert, Co-Trustees DJS Trust under Trust Agr. Dtd 9-12-05 P.O. Box 1453 Roswell NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
31	9314 8699 0430 0125 8525 26	Hutchings Oil Company P.O. Box 1216 Albuquerque NM 87103	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
32	9314 8699 0430 0125 8525 33	James K. Lusk and Martha Lusk Trust James K. Lusk, Trustee 605 Waterway Village Blvd, #31H Myrtle Beach SC 29579	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
33	9314 8699 0430 0125 8525 40	MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
34	9314 8699 0430 0125 8525 57	Susan S. Murphy, Trustee of the SSM Trust 706 Brazos Street Roswell NM 88201	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
35	9314 8699 0430 0125 8525 64	T.H. McElvain Oil & Gas, LLLP 1819 Denver West Drive #260 Lakewood CO 80401	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
36	9314 8699 0430 0125 8525 71	Community Minerals Attn: Paul Berguila 2925 Richmond Avenue, Suite 1200 Houston TX 77098	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
37	9314 8699 0430 0125 8525 88	Williamson Enterprises P.O. Box 3257 Santa Fe NM 87594	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
38	9314 8699 0430 0125 8525 95	Yates Energy Corporation 400 North Pennsylvania Ave. Roswell NM 88201	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
39	9314 8699 0430 0125 8526 01	PBEX, LLC 223 W. Wall Street, Suite 900 MIdland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
40	9314 8699 0430 0125 8526 18	Ellipsis Oi & Gas, Inc. Attn; Pete Marshall 3500 Maple Ave., Suite 350 Dallas TX 75219	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
41	9314 8699 0430 0125 8526 25	Colgate Royalties, LP 306 West Wall Street, Suite 608 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
42	9314 8699 0430 0125 8526 32	Permian Resources (OPR) 300 N. Marienfeld St., Suite 100 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
43	9314 8699 0430 0125 8526 49	Raybaw Operating, LLC 2626 Cole Avenue, Suite 300 Dallas TX 75204	\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/12/2024

Firm Mailing Book ID: 272439

Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
44	9314 8699 0430 0125 8526 56	Magnum Hunter Productiom Inc. 600 East Las Colinas Blvd, Suite 1100 Irving TX 75039		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
45	9314 8699 0430 0125 8526 63	Coterra Energy 840 Gessner Road, Site 1400 Houston TX 77024		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
46	9314 8699 0430 0125 8526 70	Cimarex Energy Co. (Unit OPR) 6001 Deauville Blvd., Suite 300N Midland TX 79706		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
47	9314 8699 0430 0125 8526 87	MEC Development LTD PO Box 4000 The Woodlands TX 77380		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
48	9314 8699 0430 0125 8526 94	Occidental Permian LP 5 Greenway Plaza, Suite 110 Houston TX 77046		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
49	9314 8699 0430 0125 8527 00	Eau Rouge, LLC PO Box 823085 Dallas TX 75382		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
50	9314 8699 0430 0125 8527 17	Maverick Oil & Gas Corp PO Box 823085 Dallas TX 75382		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
51	9314 8699 0430 0125 8527 24	Oxy USA, Inc 5 Greenway Plaza, Suite 110 Houston TX 77046		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
52	9314 8699 0430 0125 8527 31	PXP Producing Co LLC 717 Texas St., Ste 2100 Houston TX 77002		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
53	9314 8699 0430 0125 8527 48	Burlington Resources Oil & Gas Company PO Box 51810 Midland TX 79710		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
54	9314 8699 0430 0125 8527 55	United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508		\$1.77	\$4.85	\$2.62	\$0.00	10375.0003 sapph Notice
			Totals:	\$95.58	\$261.90	\$141.48	\$0.00	
					Grand	l Total;	\$498.96	

List Number of Pieces Listed by Sender Total Number of Pieces Received at Post Office

Postmaster: Name of receiving employee

Dated:

Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 272439 Generated: 9/24/2024 7:34:19 AM

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			Gene	rated: 9/24/2024 7:34:19 AW						
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300125852755	2024-09-12 10:32 AM			Bureau of Land Management	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 12:52 PM
9314869904300125852748	2024-09-12 10:32 AM	10375.0003 sapph	Burlington Resources Oil & Gas Company	· ·	Midland	TX	79710	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852731			PXP Producing Co LLC		Houston	TX	77002	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300125852724	2024-09-12 10:32 AM	10375.0003 sapph	Oxy USA, Inc		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300125852717	2024-09-12 10:32 AM	10375.0003 sapph	Maverick Oil & Gas Corp		Dallas	TX	75382	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 8:44 AM
9314869904300125852700	2024-09-12 10:32 AM		·		Dallas	TX	75382	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 9:27 AM
9314869904300125852694			Occidental Permian LP		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300125852687			MEC Development LTD		The Woodlands	TX	77380	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852670			Cimarex Energy Co. (Unit OPR)		Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 2:46 PM
9314869904300125852663	2024-09-12 10:32 AM				Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-19 12:11 PM
9314869904300125852656			Magnum Hunter Productiom Inc.		Irving	TX	75039	Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300125852649			Raybaw Operating, LLC		Dallas	TX	75204	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 2:32 PM
9314869904300125852632			Permian Resources (OPR)		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 4:33 PM
9314869904300125852625	2024-09-12 10:32 AM		` ,		Midland	TX	79701	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300125852618	2024-09-12 10:32 AM		9 , .	Attn; Pete Marshall	Dallas	TX	75219	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 1:06 PM
9314869904300125852601	2024-09-12 10:32 AM		· ·	*	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 12:50 PM
9314869904300125852595			Yates Energy Corporation		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 11:14 AM
9314869904300125852588			Williamson Enterprises		Santa Fe	NM	87594	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300125852571	2024-09-12 10:32 AM			Attn: Paul Berguila	Houston	TX	77098	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852564			T.H. McElvain Oil & Gas, LLLP		Lakewood	со	80401	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852557			Susan S. Murphy, Trustee of the SSM Trust		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 5:37 PM
9314869904300125852540			MRC Delaware Resources, LLC		Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-21 9:43 AM
9314869904300125852533			James K. Lusk and Martha Lusk Trust	James K. Lusk, Trustee	Myrtle Beach	SC	29579	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852526			Hutchings Oil Company	,	Albuguerque	NM	87103	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 2:18 PM
9314869904300125852519			Gregory Nibert & Carolyn Nibert, Co-Trustees	DJS Trust under Trust Agr. Dtd 9-12-05	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 9:38 AM
9314869904300125852502	2024-09-12 10:32 AM		• .	g	Fort Worth	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 11:10 AM
9314869904300125852496			WTI Energy Partners, LLC		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 11:39 AM
9314869904300125852489			Earthstone Permian LLC		The Woodlands	TX	77380	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852465			Devon Energy Production Company, L.P.		Oklahoma City	ОК	73102	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 8:08 AM
9314869904300125852441			Cibolo Resources, LLC	Attn: Zach Privett	West Lake Hills	TX	78746	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 2:50 PM
9314869904300125852434			Capco Resource Corporation		Orange	CA	92869	To be Returned	Return Receipt - Electronic, Certified Mail	
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9314869904300125852410			SMP Titan Mineral Holdings, LP		Dallas	TX	75219	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 11:38 AM
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9314869904300125852380			Platform Energy IV, LLC		Abilene	TX	79604	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 10:39 AM
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9314869904300125852359			MSH Family Real Estate Partnership II, LLC		Houston	TX	77056	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852342	2024-09-12 10:32 AM				Ceres	CA	95307	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-18 3:40 PM
9314869904300125852335			McMullen Minerals II, LP		Fort Worth	TX	76147	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300125852328			Show Goat Capital, LP		Austin	TX	78763	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 12:47 PM
9314869904300125852311	2024-09-12 10:32 AM				Albuguerque	NM	87103	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 11:31 AM
9314869904300125852304	2024-09-12 10:32 AM				Cedar Crest	NM	87008	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 11:48 AM
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9314869904300125852274			Wing Resources VI, LLC		Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 1:37 PM
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9314869904300125852243			Cheryl Ann Nace f/k/a Cheryl A. Schellinger	r-	Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-16 4:40 PM
9314869904300125852236	2024-09-12 10:32 AM		, , , ,		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 12:40 PM
9314869904300125852229	2024-09-12 10:32 AM			Trusttes to Trust Agr. Dtd 8-28-13	Albuquerque	NM	87103	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-17 2:18 PM
9314869904300125852212	2024-09-12 10:32 AM				Fresno	CA	93715	To be Returned	Return Receipt - Electronic, Certified Mail	_32.03 1, 2.201101
9314869904300125852205			AmeriPermian Holdings, LLC		The Woodlands		77380	Mailed	Return Receipt - Electronic, Certified Mail	
									,,,,	

EXHIBIT C.3

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated September 15, 2024 and ending with the issue dated September 15, 2024.

Publisher

Sworn and subscribed to before me this 15th day of September 2024.

LEGAL NOTICE September 15, 2024

LEGAL NOTICE
September 15, 2024

CASE NO. 24849: Notice to all affected parties, as well as heirs and devisees of: AmeriPermian Holdings, LLC, attn.: Land Department; Bob G. Howell; Cavin Trust, Sealy H. Cavin Jr., Synda S. Cavin and their successors, as Trustees under the Trust Agreement ditd 8-28-13; Chad Barbe; Cheryl Ann Nace Il/lac Cheryl A. Schellinger; Clayton Anderson; Wing Resources VI, LLC; Elk Royalties, II, Lyann

Business Manager

My commission expires

January 29T&P2TOF NEW MEXICO Seal) NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

01104570

00294112

DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168

EXHIBIT C.4

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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24849

SELF-AFFIRMED STATEMENT OF ALEXEY ZAITSEV

Alexey Zaitsev hereby states and declares as follows:

- I am over the age of 18, I am a senior reservoir engineer for Avant Operating, LLC
 ("Avant") and have personal knowledge of the matters stated herein. My area of
 responsibility includes the area of Lea County in New Mexico.
- I have not previously testified before the Division. I attended Texas Tech University and received a B.S. in petroleum engineering. I have worked as a petroleum engineer for two years and as a reservoir engineer for an additional six years. My reservoir engineering work has supported active development programs in New Mexico with both APA Corporation and Avant Natural Resources. I have worked for Avant as a senior reservoir engineer since May 2024. My resume summarizing my educational and work experience is attached to this Declaration as **Exhibit D.1.**
- 3. I am familiar with the applications filed by Avant in these cases and the surface production facilities required to develop the oil underlying the subject acreage.
 - 4. In this case, Avant seeks approval of a 1280-acre non-standard Bone Spring unit.
- 5. Avant seeks to minimize surface disturbance and costs by consolidating facilities and commingling production from the wells and future wells in the proposed non-standard spacing unit.

- 6. To allow the wells to be dedicated to the acreage subject to the desired Communitzation Agreement, Avant requires approval of non-standard spacing unit.
- 7. **Exhibits D.2 and D.3** illustrate the benefit of the non-standard unit Avant is requesting.
- 8. If Avant has to develop the acreage using standard horizontal spacing unit, Avant will need a total of two units. Under Avant's requested non-standard unit application, however, Avant would only need a total of one unit.
- 9. **Exhibit D.2** compares the tank batteries and related surface production facilities that would be required if Avant had to develop this acreage using standard horizontal spacing units with the tank batteries and related surface production facilities that will be needed to develop the acreage using non-standard unit. The reduction in tank batteries and surface production facilities also results in a reduction of emissions.
- 10. As these exhibits show, if Avant must develop the acreage using standard spacing units, one additional tank battery will be required at a cost of approximately \$4,200,000 and require an additional surface disturbance of 3.5 acres. If the non-standard spacing unit is approved, the additional cost and surface disturbance required for the tank batteries will be avoided.
- 11. Approval of the non-standard unit will allow for commingling of production, which would not be possible if Avant has to move forward with standard units. Eliminating the additional tank batteries will also lower the operating cost for this acreage.
- 12. **Exhibit D.3** identifies the reduced cost savings and surface disturbance that will occur if the non-standard spacing units is not approved.

- 13. In my opinion, approval of Avant's non-standard unit application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, reduce emissions and promote effective well spacing.
- 14. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.
- 15. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.
- 16. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature page follows]

1/13/2025

Date

Fairfo

Alexey Zaitsev

Alexey Zaitsev

5680 Bryant St, Denver, CO 80221

(713) 992-1701

alexey.zaitsev@yahoo.com

Education

Texas Tech University, Lubbock, Texas B.S. in Petroleum Engineering, Magna Cum Laude, May 2016

Experience

Avant Natural Resources, Denver, CO – Senior Reservoir Engineer

May 2024 - Present

- Forecasted production and generated type curves for development programs & deal evaluations
- Evaluated well performance as it relates to completion designs, well spacing, and development timing
- Calculated project economics and performed prospective acreage & trade valuations
- Created presentation materials for potential deals and Avant's well development programs
- Assisted in creating hearing exhibit materials
- Evaluated well spacing for active well development programs
- Attended URTEC to further reservoir engineering knowledge & skillsets

Truist Securities, Houston, TX – A&D Engineering Associate

March 2023 - May 2024

- Advised clients on \$2.8B in closed upstream and midstream A&D and M&A deals as lead engineer
- Presented & discussed projects with clients through the full cycle of transactions
- Led economic & engineering analyses, built presentation materials for 40+ buy-side and sell-side projects in Permian, Eagle Ford, DJ, Uinta, Appalachian, Anadarko, Williston and Haynesville plays
- Developed Spotfire tools to improve quality & efficiency in technical analyses & presentation materials
- Independently built ARIES databases, generated type curves & PDP forecasts, reconciled DB inputs with LOS, designed rig pace/order to target metrics & ran full-field economic analyses/sensitivities
- Constructed full Net Asset Value models in Microsoft Excel and generated inputs for such models, including type curves, inventory counts, rig pace, PDP forecasts, pricing, and economic assumptions
- Developed understanding of geology, CapEx / OpEx ranges and performance in L48 basins through economic valuations, LOS, Enverus reports, Investor Relations slide decks, market research, ect.
- Created and maintained Basin Studies and Operator Profiles to streamline inventory valuation
- Managed virtual data rooms for sell-side projects & performed due diligence on VDR data on buy-side
- Collaborated with Management, Coverage teams and counterparties on up to 5 simultaneous projects
- Interviewed, trained & mentored four A&D teammates as the team grew to record size and deal volume
- Generated reservoir quality & performance maps in QGIS to position assets for acquisition/divestiture
- Quantified inventory and generated type curves by leveraging geologic, leasehold and well data
- Forecasted midstream volumes and TIL activity using public and/or private data & Company guidance
- Implemented HBP requirements and continuous drilling clauses into economic analyses & databases

Apache Corporation, San Antonio & Houston, TX – Reservoir Engineer

August 2018 – February 2023

- Economically appraised well development, 100+ non-operated well proposals and lease offers, mineral interest and leasehold A&D, leasing opportunities and strategic acreage trades in Permian assets
- Forecasted and booked 40+ MMBOE of reserves within SEC guidelines
- Set up ARIES databases with complex economic structures & managed reserves databases
- Optimized well spacing and completions in multiple Delaware Basin unconventional oil & gas fields through collaboration with geoscientists, numerical reservoir modeling, depletion analysis, neural net prediction, RTA/PTA, DCA, LFP/OGIP workflows, DFITs, PVT, frac modeling, risk analysis, and ARIES economic evaluation, resulting in the best well performance in field history & recent full-cycle P/I of 5+
- Generated & executed an FDP as the sole reservoir engineer for a gas field approaching 500 MMCFD

Apache Corporation, Midland, Pecos, & San Antonio, TX – Engineer June 2016 – August 2018

- Generated value in rotating Reservoir, Production, Completions, and Facility Engineering roles in both conventional and unconventional assets across the Permian Basin
- Initiated & led a company-wide transition to a novel frac plug drill-out method, reducing costs by 50%
- Wrote procedures and AFEs for frac jobs, facility repairs, ESP replacements, recompletions, etc.
- Supervised horizontal well fracture stimulations, designed data recording & Spotfire analysis tools
- Designed and managed construction of gas pipelines, injection facilities, CTBs & compressor stations
- Served as Completions Engineering Intern from May to August 2015, improved operations efficiencies

Technical software

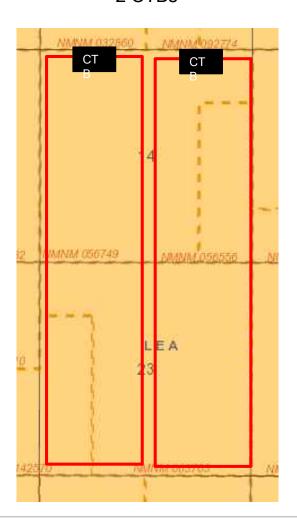
High proficiency in ARIES, ComboCurve PHDWin, Spotfire, Access, QGIS, Enverus, MS Excel & PowerPoint. Skilled in industry software including IHS Harmony, OFM, StimPlan, and others

Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H Avant Operating, LLC Case No. 24849 Exhibit D-2

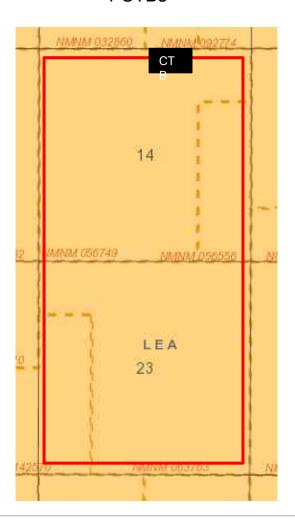


NSU reduces surface facilities and surface impacts

STANDARD UNIT DEVELOPMENT 2 CTBs



NON-STANDARD UNIT DEVELOPMENT 1 CTBs





Sapphire 14 Federal Com #301H-#306H / #501H-#502H, #513H-#514H, #505H-#506H/ #601H-#606H Avant Operating, LLC Case No. 24849 Exhibit D-3



Financial Environmental Impact Table

Scenario	Design Basis Per CTB (BPOD)	CTB Cost (\$M)	Pipeline/Utilities Cost (\$M)	Total Capital (\$M)	CTB and Pipeline Disturbance (Acres)
Two Separate Facilities	8,000	\$13.7	\$3.0	\$16.7	7
Single Pooled Facility	19,000	\$9.5	\$1.5	\$11.0	3.5
SAVINGS		\$4	\$2	\$6	3.5

